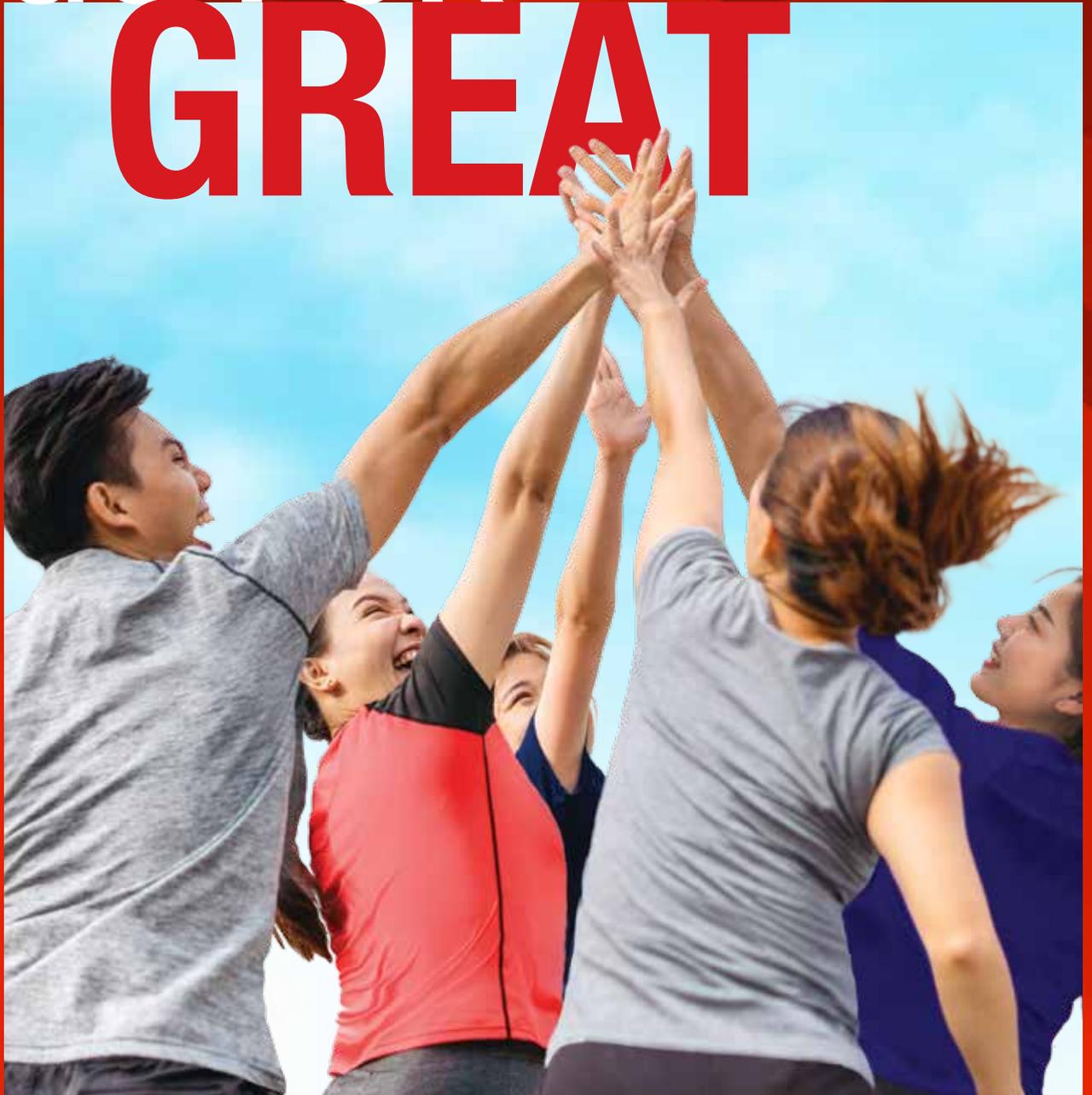


GO FOR GREAT



**GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
ANNUAL REPORT 2021**

GO FOR GREAT

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

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

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

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



OPPORTUNITIES



SERVICE

IMPACT

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WHO WE ARE

We are a LIFE company

WHAT WE BELIEVE IN

Our customers are at the heart of all that we do

WHAT WE DO

Inspiring people to LIVE GREAT

VISION

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

MISSION

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

ETHOS

Great Eastern is always acting in the best interests of our customers with Fair Dealing as the basis of our business

CORE VALUES

Integrity

Initiative

Involvement

KEY FIGURES

PERFORMANCE HIGHLIGHTS OF FY2021

RM1,207.1

MILLION

PROFIT ATTRIBUTABLE TO
SHAREHOLDERS

RM9,674.5

MILLION

GROSS PREMIUMS

RM91,588.8

MILLION

TOTAL ASSETS

RM4,229.3

MILLION

SHAREHOLDERS FUND

RM12.07

DISTRIBUTION PER SHARE

(RM72.9

MILLION)

INVESTMENT INCOME AND
CAPITAL LOSS





GO FOR

GREAT SERVICE



KEEPING OUR CUSTOMERS AT THE HEART OF ALL THAT WE DO



Pledged RM1 million to help customers following the roll-out of the National COVID-19 Immunisation Programme.



Launched a RM20 million COVID-19 Medical Plan Coverage Programme to protect customers against the pandemic.



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



Enhanced MPOS app to support the direct uploading of scanned documents before and after the insurance proposal submission to reduce physical contact and maintain social distancing.



GO FOR

GREAT OPPORTUNITIES

EMPOWERING OUR PEOPLE TO DO THEIR BEST



Launched the #MyGreatCulture programme through a series of meaningful activities to hone the seven Generic Skills and Competencies that define us as employees of the Life Company.



First insurer in Malaysia to be granted recognition from the Malaysia Professional Financial Planning Council for our LPA programmes.



Received the LOMA 2021 Educational Achievement Award and the LOMA 2021 Excellence in Education Award for our contributions in employee training and development.



GO FOR

GREAT

IMPACT

DOING GOOD FOR THE COMMUNITIES AROUND US



Donated close to RM40,000 to 15 Jabatan Kebajikan Masyarakat (JKM) children homes to ease their financial burden and support the homes' operations during the pandemic.



Disburse RM21,480 to six underprivileged children homes registered under JKM to fulfill our yearly zakat contribution.



Raised over RM30,000 with various fundraising activities throughout the year.



LETTER FROM THE CHAIRMAN AND CEO



Norman Ka Cheung Ip
Chairman

Y Bhg Dato Koh Yaw Hui
Chief Executive Officer

Our total weighted new sales increased by 9.4% to RM1,307.8 million from RM1,195.1 million in the preceding year. We remained the market leader in the conventional life insurance segment and retained our position as the largest life insurer in Malaysia with total asset size of RM91,588.8 million as of 31 December 2021.

The continued escalation of the COVID-19 pandemic during 2021 resulted in the imposition of successive stages of Movement Control Orders followed by the implementation of the National Recovery Plan. This proved to be a challenging year for many as economic and social restrictions impacted businesses and livelihoods. The Company's persistent efforts in improving our delivery system, coupled with continued innovation and enhancement of our products and services saw us recording yet another positive year, despite the challenges faced.

The Company ended the financial year 2021 (FY2021) with a net profit after tax of RM1,207.1 million compared to RM3,589.7 million in the preceding year. The higher profit last year was due to a one-off RM2.6 billion transfer from the Life Insurance Fund to the Shareholder's Fund. Excluding this one off item, the Company's net profit after tax for FY2021 was higher than the preceding year, due mainly to business growth in Investment Linked funds.

Our total weighted new sales increased by 9.4% to RM1,307.8 million from RM1,195.1 million in the preceding year. With new products that suit the needs of our customers during these uncertain times and with a stronger engagement with the community, we remained the market leader in the conventional life insurance segment and retained our position as the largest life insurer in Malaysia with total asset size of RM91,588.8 million as of 31 December 2021.

Great Eastern celebrated its 113th anniversary in 2021, a feat achieved by few in the industry. We are proud of our beliefs and core values, as we continuously and progressively build our business and deliver value to our stakeholders, guided by our long-term strategy to embed resilience, prudence and sustainability in our business model.

In view of the good performance, the Board has recommended a second and final single tier dividend of RM3.20 per ordinary share. Total dividends for the FY2021 comprised an interim dividend of RM3.50 per ordinary share and a final dividend of RM3.20 per ordinary share.

Protecting Our Customers from the Impact of COVID-19 and Beyond

In sharing the difficult journey with our customers and the community during 2021, Great Eastern strived to help our customers and non-customers to mitigate the potential economic impact of COVID-19 by providing financial assistance programmes and medical plans when they are most needed.

Our COVID-19 initiatives include the RM1 million COVID-19 Vaccine Fund and Private Hospitalisation Assistance Programme, which was specially created for our customers, and another RM500,000 COVID-19 Vaccine Fund dedicated to non-customers, to support them should they experience adverse effects following their immunisation that require hospitalisation.

Great Eastern also offered a RM20 million COVID-19 Medical Plan Coverage Programme as a gesture of our support to our customers. This complimentary coverage was extended to all Great Eastern customers with eligible medical plans that have exclusion on communicable diseases which required quarantine by law. With the additional coverage, we provided reimbursement to our customers should they be hospitalised in public or private hospitals due to COVID-19 infection. The RM20 million is a combined limit for Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern General Insurance (Malaysia) Berhad and Great Eastern Takaful Berhad.

To ensure that customers continue to get protection especially during the Full Movement Control Order (FMCO), we launched two plans, Great Prime Vantage and Great Cherish 80 Special that require no medical underwriting with money back guarantee at maturity. We re-introduced Great Life Gift, a life protection plan with affordable premiums and high coverage that also requires no medical underwriting.

Another notable initiative aimed at helping Malaysians cope with rising hospitalisation care was our SmartMedic Million campaign, an investment-linked medical rider that provides comprehensive medical and hospitalisation benefits, with a high overall annual limit. Back by popular demand, we again tripled up the RM1 million annual medical coverage to RM3 million during the campaign period at no extra cost to our customers. This is renewed annually until age 100 and is known as the SmartMedic Million Extender Special rider. On top of that it also comes with complimentary COVID-19 Medical Coverage, to cover the medical expenses for the necessary hospitalisation.

As demand for savings plus protection plan remained strong, we launched Investment Linked Cash Assure and Investment Linked Invest Assure. Both rider products provide solutions to customers who want savings with a regular guaranteed income stream and protection against death, total and permanent disability as well as retrenchment. Great Treasure Wealth, a short-pay investment-linked hybrid plan that consists of non-participating components that provide guaranteed benefits was launched to provide an alternative savings plan to customers.

Leveraging on the low interest rate environment, we launched Great Flexi Wealth 6% Guarantee Campaign, a campaign that provides a 6% guaranteed minimum net crediting rate per annum for the first 24 policy months for Great Flexi Wealth customers. In addition, Great Saver 3.0, a 2-pay non-participating endowment plan was rolled-out in December 2021 to offer customers attractive guaranteed returns.

Accelerating Innovation and Digital Capability

As we emerge from the pandemic and begin our path towards COVID-19 endemicity, the need to future-proof our organisation has become a key focus area that we are investing in. This includes the Workplace Transformation initiative to embrace agility and a hybrid work model where we put in place the necessary technology and processes for our employees to work more efficiently, quickly and safely wherever they are. It has enabled a more holistic work-life integration for our employees, unlocking greater operational resilience and improving their ability to rapidly adapt to changes.

LETTER FROM THE CHAIRMAN AND CEO

Some of the new capabilities that we have created from the ongoing digitalisation of our workplace include the use of Robotic Process Automation (RPA) to raise operational efficiency and embarking on the E-Personal File project, where the personal information of all our employees is fully digitised.

All new online and mobile applications that are deployed across the Company are now hosted on our own Private Cloud, ensuring Great Eastern to be “future-ready” and to benefit from the advancement in cloud technology. We are proud that we have been able to fully utilise the window of opportunity during the MCO period to boost our online infrastructure and system development and allow us to shorten the time needed to develop, launch and modify our existing online services for our customers. As we move ahead to adopt more cloud-native applications within the Company, we are optimistic that we will be able to provide more reliable and responsive services for our customers in the near future.

A brief summary of the new applications and online initiatives carried out in 2021 to further strengthen our distribution channels and improve the way we interact with our customers and employees are as follows:

- **The GreatPlanner app:** The mobile app was launched in October 2021 with the vision to create a digital workbench for our trusted distribution partners to deliver best-in-class customer service, and to track sales activities anytime anywhere via the Sales Builder feature. This all-in-one app helps our agency force deliver a seamless, one-stop sales experience, while monitoring the activeness and performance of their team members. More functionalities will be released in 2022 including paperless submission for all servicing forms.
- **The UPGREAT app:** Launched in 2020, this mobile app continues to serve as an engagement and reward distribution platform for our customers, agency team and employees. Some of the initiatives implemented in 2021 included conducting our Customer Survey on Non-Face-To-Face Sales Practice to gather feedback from customers who purchased insurance from us during the pandemic; running our Agent Lucky Draw to celebrate the launch of the GreatPlanner app, and organising the virtual Treasure Hunt for our employees, in conjunction with the Company’s 113th anniversary celebration.
- **The GETGREAT app:** We activated a daily steps challenge in this app where we invited our customers to clock in 8,260 steps a day and be rewarded with 826 UPGREAT points. The challenge was also extended to our employees through our LIFE Programme, and drew the participation of 100 employees who clocked in a total of six million steps.
- **The MPOS app:** The mobile app was enhanced in November 2021 to support the direct uploading of scanned documents before and after the insurance proposal submission. This feature helps reduce physical contact and facilitate non-face-to-face document collection and submission by our agency force in the New Normal that emphasises personal safety through social distancing.
- **Product Engine:** In line with our ambition to continuously improve our customer value proposition, we launched a Product Engine that enables Great Eastern to implement new and innovative products and customer benefits in a timelier manner to address the evolving needs of our customers. As part of this initiative, we also re-configured our policy administration processes for easier maintenance, higher efficiency and better risk management of new and existing policies.
- **Data and Systems Integrity:** Taking cognisance that security threats will continue to intensify with the increased pace of digitalisation, we refreshed our cyber defences and invested in leading-edge technology to enable us to stay ahead of these threats and provide a safe remote working environment for our employees. Some of the key cyber safeguards that we put in place this year include:
 - Advanced cyber defence solution for our endpoints and servers, and round-the-clock security surveillance of our network to detect and respond to intrusion attempts quickly;
 - Multi-factor authentication and encrypted our virtual desktop infrastructure to improve account access security;
 - Threat isolation technology for emails and web surfing activities to sanitise online contents before it reaches our employees; and
 - A bug bounty exercise to engage a broad range of industry experts to continuously assess the security of our systems. This enables us to proactively discover areas of improvement ahead of time.

Powering New Ways of Learning Among Our Agency Force

As the insurance industry continues to expand and evolve over time, so does the need for us to adapt and elevate our skills to meet changing demands. With social distancing and physical events prohibited throughout most part of the year, our Centre for Excellence had accelerated our transition to virtual training, webinar and e-Learning sessions to equip our agency force with the latest digital skillsets and knowledge.

From January to October 2021, we had conducted 217 online courses and 1,869 virtual training sessions with a total of 62,255 attendees. Additionally, we also delivered 68 online learning sessions for our e-Learning Modules, attended by 36,326 participants.

Among the new and enhanced digital courses rolled out to support our agency team in meeting new challenges amidst the New Normal include Building Online Sales Success 2, Building Recruitment Online 2, Online Selling Briefcase and Online Market Building. As of November 2021, 2,638 participants have attended these trainings.

To ensure a continuous pipeline of agency leaders, we have trained 922 potential agency managers under our two signature Unit Manager (UV) and Group Manager Venture (GV) Leadership Programmes to prepare them for future leadership roles across various locations in the country. The UV and GV Leadership Programmes are intensive modular programmes, which come with experiential learning, group coaching and sharing of best practices.

Our proprietary Life Planning Advisor (LPA) programme has obtained further accreditation by the Malaysian Financial Planning Council (MFPC). We are most proud that Great Eastern is the first insurance company to be granted professional recognition for our internal programme. This accreditation not only uplifts the professionalism of our flagship LPA programme, but also acknowledges the need for a more holistic approach in selling insurance, namely through estate planning. Agents who have completed the programme are exempted from 2 MFPC modules, namely Module 2 (Risk Management and Insurance Planning) and Module 5 (Estate Planning). A total of 3,715 agency talents have graduated from the LPA programme to-date.

Our quarterly Customer Acquisition Division Communication sessions with the agency force were also carried out on the platform to keep them informed on the latest performance, while providing the latest updates on new plans, initiatives and programmes. Other product briefings and events held on our Facebook Live page include the 2021 Prosperity Fast Start Virtual Event, Ox-picious Ang Pow Challenge - Virtual Draw Event, Nationwide Mid-Year Virtual Seminar, Nationwide Final Sprint Virtual Seminar, and Race to MDRT: 50 Days Countdown.

Continuing our tradition of paying tribute to the outstanding achievements of our agency talents, we held two grand award ceremonies during the year, namely the 2019/2020 Next Gen Awards where we recognised a total of 550 Next Gen and Great Entrepreneur Talent Search achievers, and the 2020 Supremacy Summit where we celebrated the achievements of a total of 2,202 achievers in a span of 10.5 hours.

Boosting Our Bancassurance Channel

With physical bank visits reaching new lows as a result of the worsening pandemic throughout most months of the year, the Bancassurance team braced through the difficult period by ramping up our remote sales initiatives and capabilities. This include cutting down the steps in our sales process and developing digital tools to enhance the ease of selling and to improve customer experience. To further upskill our OCBC bankers, we conducted training programmes aimed at honing their virtual selling skills.

Since our point-of-sales system was integrated with OCBC Bank a year ago, we have recorded a utilisation rate of 87% and seen major improvement in our turnaround for policy issuance with significantly reduced errors and time. Moving into 2022, the system will undergo further enhancement to render the end-to-end sales process even more efficient for our OCBC bankers and customers alike.

To enhance the value and appeal of our bancassurance products, three new plans were introduced, namely, ValueKeeper, which affords lifetime protection with guaranteed cash payments; Max Optimum, a single premium product for our high-net-worth customers; and All Rounder, our very first investment-linked bancassurance plan in recent years.

LETTER FROM THE CHAIRMAN AND CEO

Building #MyGreatCulture and Championing Sustainability

During the year, the Human Capital team launched the #MyGreatCulture programme through a series of meaningful activities to hone the seven Generic Skills and Competencies that define us as employees of the Life Company. Among these include special focus group discussions with our people leaders, deep conversations with Senior Management, as well as forging stronger relations within our Great Eastern family via our digitally-led 113th anniversary celebrations.

Supplementing this effort, we also took charge of raising sustainability awareness among our employees by introducing a myriad of activities to promote eco-consciousness and inculcate sustainable practices in our workplace and our daily lives. Notable activities include the Sustainability Awareness Campaign where we supported the rollout of the Zero Waste Survey led by a local NGO aimed at promoting zero-waste living within the community and the Sustainability Pulse Workshops.

In supporting our employee's health and well-being throughout the pandemic, we hosted a number of virtual health and wellness activities such as webinars, e-Learnings and fitness challenges that focused on the four pillars of well-being – physical, social, mental and financial.

Caring for the Community

Recognising that the lower-income segments of society and the less fortunate are often the most affected and vulnerable to the social impacts of COVID-19, we ramped up community programmes, particularly our long-term corporate social responsibility (CSR) programme, ChildrenCare, where we seek to build a better future for over 10,000 underprivileged children registered with the Social Welfare Department (“JKM”). This includes sharing festive joy with 15 children's homes under JKM, in conjunction with the Hari Raya, Deepavali and Christmas celebrations by donating shopping vouchers worth a total of RM37,500. More than 600 children benefitted from this initiative.

Although many of our ChildrenCare activities continued to be put on hold due to movement control orders (MCOs) and COVID-19 precautionary measures, we managed to fulfill our yearly zakat contributions in aid of the asnaf by disbursing a total of RM21,480 to JKM and six underprivileged children's homes, in hope of easing their financial burden and to support their operations during this challenging time.

A key programme under ChildrenCare, Program Aspirasi Gemilang ‘A’, ran into its sixth year in 2021 with a total of RM2,400 being awarded. To date since 2014, we have awarded more than RM84,000 under this programme. The children received RM100 for every ‘A’ scored in their national examinations, as a means to motivate them to reach greater heights in their studies with the ultimate goal of entering university.

We are proud that over the past 27 years of ChildrenCare, we have contributed more than RM3 million in total to 180 charitable homes and causes, benefitting underprivileged children throughout Malaysia.

Instilling Excellence in What We Do

In realising our vision to be the leading financial service provider in Asia, we have always taken the extra mile to do what is best for our customers, employees and the community. In recognition of the positive impact delivered to those around us, we continued to garner various accolades from the industry during the year.

For the 18th consecutive year, we were voted by consumers as the Most Trusted Life Insurance at the Reader's Digest Trusted Brands 2021. We were also named the Most Trusted Health Insurance brand for the 4th year in a row.

We were most honoured to win the coveted title of Brand of the Year Award in The BrandLaureate World Best Brands for our role as a leading force for good and contributing to the financial security and well-being of Malaysians in the last 113 years.

As a responsible employer that prioritises the needs and welfare of our employees, we continued to be recognised as one of the Best Companies to Work for in Asia in the HR Awards 2021 for the 6th consecutive year, and remained a constituent in Malaysia's 100 Leading Graduate Employers for the 13th consecutive year.

In addition to the above, we won the Silver award again in the Best Employee Wellness Strategy category in the Employee Experience Awards 2021 for the proactive measures that we put in place to ensure the well-being of our employees during the pandemic. We also landed the LOMA 2021 Educational Achievement Award and the LOMA 2021 Excellence in Education Award for our contributions in employee training and development.

Outlook in 2022

Despite the disruptions and headwinds the team faced in 2021, all of us at Great Eastern persevered and overcame the challenges.

After two years of lacklustre performance, for the first time, Malaysia's gross domestic product rebounded to 3.6% in the fourth quarter of 2021 (full year 2021: 3.1%), sending a clear signal that our country was on its way towards recovery after entering the final phase of our pandemic exit strategy. The full resumption of economic and social activities in October 2021, including interstate travel and domestic tourism had brought renewed confidence that we are heading for better days ahead, barring further development of the coronavirus.

The high immunisation rate of our country continues to anchor our recovery journey moving forward, as our Government paves the path towards endemicity. They have also given assurances that full MCOs and total lockdowns will be a thing of the past, and surges in COVID-19 transmissions will be managed on a targeted, location-specific basis.

Additionally, a series of normalisation measures took place including the full reopening of Malaysia's international borders starting 1 April 2022; nationwide relaxation of COVID-19 Standard Operation Procedures effective 1 May 2022; as well as the full resumption of all economic activities from 15 May 2022 onwards. These steps signalled the improved economic sentiments aided by recovery in the labour market, as well as ongoing policy support. We are cautiously optimistic that we will see a stronger upward trajectory aided by overall growth in global demand.

Nonetheless, we continue to take note of rising geopolitical concerns and inflationary risks from rising interest rates across major economies, which could potentially escalate to an uncertain and volatile environment.

From the industry perspective, COVID-19 was a catalyst that accelerated the digitalisation of the majority of insurance players and we foresee that this trend is irreversible and will only gain pace in years to come.

Here at Great Eastern, our pivot to a more digitalised operating model will focus on several imperatives, namely, to create a more seamless digital customer experience; internally, we will digitise our processes to enable higher speed of processing and turnaround through process streamlining, automation and cloud applications; and improving the use of data to aid our product innovation and develop deeper insights for our business.

With increasing competition for the best digital experience, we recognise that meeting the expectations of digital-savvy customers will continue to place us ahead of the curve. With this in mind, we will double our efforts in pushing our digital agenda forward and capitalise on new opportunities.

Welcoming Our New Director and Acknowledgements

The Board wishes to extend a warm welcome to Mr Foong Soo Hah on his return to the Company as an Independent Director with effect from 1 March 2022. Mr Foong first joined the Company as its CEO back in 1996 and retired in 2009 as a Director and CEO in Great Eastern Capital (Malaysia) Sdn Bhd, the holding company of GELM.

The Board looks forward to tap on Mr Foong's vast knowledge and experience in the insurance industry, in which he has served with passion for over four decades.

2021 had been one of the most challenging years in our history, and we would not have reached where we are without the wise counsel of our Board of Directors. We wish to thank each and every member of the Board for their guidance and insights as we chart our course ahead.

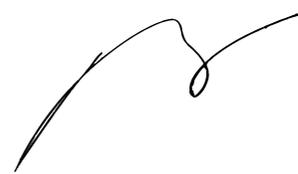
Our sincere appreciation goes out to all members of our management team, employees, our bancassurance partner OCBC Bank, affinity partners, agency force and business associates for their cooperation, hard work and commitment in ensuring that Great Eastern continues to be the number one insurance company in Malaysia.

Lastly, we would like to express our gratitude to our shareholders and our customers for their staunch support and trust in us.

We will continue to move forward and take the Company to greater heights, driven by prudent financial management and our long-term business strategy. Our solid fundamentals shall continue to serve as our currency of strength, as we reinforce our commitment to uphold shareholders' value in all that we do.



Norman Ka Cheung Ip
Chairman



Dato Koh Yaw Hui
Chief Executive Officer

BOARD OF DIRECTORS



MR NORMAN KA CHEUNG IP

Chairman

Mr Norman Ip was appointed to the Board of Directors (“Board”) of Great Eastern Life Assurance (Malaysia) Berhad (the “Company”) on 8 August 2014 as an Independent Director and Chairman of the Board. He was re-elected as the Company Director on 6 May 2020. He is also the Chairman of Great Eastern General Insurance (Malaysia) Berhad and Great Eastern Takaful Berhad.

Mr Norman Ip is currently a Director of The Great Eastern Life Assurance Company Limited, Great Eastern General Insurance Limited, QAF Limited and a Member of Securities Industry Council.

Mr Norman Ip was previously the Group Managing Director of United Engineers Limited, Deputy Chairman of Building and Construction Authority and Chairman of Malaysia Smelting Corporation Berhad, UE E&C Ltd, WBL Corporation Limited as well as a Director of Great Eastern Holdings Limited and Australia Oriental Minerals NL, a company listed on the Australian Securities Exchange. He is a Chartered Accountant by training and has over 33 years of experience in finance and investments, real estate and managing companies. From 2000 to 2009, he was President and Group Chief Executive Officer of The Straits Trading Company Limited (“STC”), the main activities of which are in real estate, mining and hospitality. Prior to joining STC in 1983, he was with Ernst & Whinney (now known as Ernst & Young LLP).

Mr Norman Ip graduated with a BSc (Econs) from the London School of Economics and Political Science. He is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants.



MR TAN YAM PIN

Mr Tan was appointed to the Company’s Board on 3 January 2017 as an Independent Director. He was re-elected as the Company Director on 13 April 2022.

Mr Tan is also a Director of Keppel Land Limited. He previously served as a Member and Deputy Chairman of the Singapore Public Service Commission and Director of Lee Kuan Yew Scholarship Fund.

Mr Tan holds a Bachelor of Arts (Hons) from the University of Singapore and a Master of Business Administration from the University of British Columbia, Canada. He is a Fellow of the Canadian Institute of Chartered Accountants, Canada.



MR KOH POH TIONG

Mr Koh was appointed to the Company's Board on 1 October 2017 as an Independent Director. He was re-appointed as the Company Director on 17 April 2018. He is also a Director of Great Eastern General Insurance (Malaysia) Berhad.

Mr Koh is currently the Chairman of Bukit Sembawang Estates Limited, Saigon Beer Alcohol Beverage Corporation, Times Publishing Limited and BeerCo Limited. He also serves as a Director in several companies, including Delfi Limited, Fraser and Neave Limited and Asia Breweries Limited. Mr Koh previously served as Chief Executive Officer of Asia Pacific Breweries Limited and Fraser and Neave Limited's Food & Beverage Division for 15 years and 3 years respectively.

Mr Koh holds a Bachelor of Science from the University of Singapore.



MR KHOR HOCK SENG

Mr Khor was appointed to the Company's Board on 1 March 2016 as a Non-Independent Non-Executive Director. He was redesignated as an Executive Director on 3 August 2016. He was re-elected as the Company Director on 17 April 2018. Mr Khor is also a Director of Great Eastern General Insurance (Malaysia) Berhad and Great Eastern Takaful Berhad.

Mr Khor presently sits on the Board of several companies within the Great Eastern Group in Singapore, Malaysia and Indonesia.

Mr Khor holds a Bachelor of Arts with a major in Actuarial Science and Statistics from Macquarie University, Australia and a Certificate of Actuarial Techniques from the London Institute of Actuaries.

BOARD OF DIRECTORS



MR NG HON SOON

Mr Ng was appointed to the Company's Board on 1 November 2014 as an Independent Director. He was re-elected as the Company Director on 6 May 2020.

Mr Ng is currently a Director in OCBC Al-Amin Bank Berhad and Bond Pricing Agency Malaysia Sdn Bhd. He was previously attached to Bank Negara Malaysia from 1984 to 1994 before joining Nomura Services (M) Sdn Bhd. He joined Pacific Bank Berhad (renamed PacificMas Berhad) in 1995 and later assumed the position of General Manager of PacificMas Berhad in 2001. He was seconded to Pacific Insurance Berhad as its CEO in November 2002 and was appointed CEO of PacificMas Berhad in 2004, a post he held until October 2012.

Mr Ng holds a Bachelor of Applied Science (Computer Technology) from Universiti Sains Malaysia and Masters in Public Administration from Harvard University, USA.



MR SIEW KAH TOONG

Mr Siew was appointed to the Company's Board on 1 March 2019 as an Independent Director. He was re-appointed as the Company Director on 13 April 2022.

Mr Siew is currently the Managing Partner of Sekhar & Tan. He is also a Director of Fraser and Neave Holdings Berhad. He previously served as a Director of Wing Tai Malaysia Berhad, Emas Kiara Industries Bhd and Tan Chong Motor Holdings Berhad.

Mr Siew was involved in the role of Special Administrator for several public listed companies pursuant to the Pengurusan Danaharta Nasional Berhad Act, 1998 and successfully restructured them for re-listing. Mr Siew's area of expertise is in auditing, financial reporting and corporate advisory. He has served as the audit engagement partner on many public listed companies.

Mr Siew is a member of the Malaysian Institute of Accountants ("MIA"), the Malaysian Institute of Certified Public Accountants ("MICPA") and CPA Australia. He is also a member of the Practice Review Committee of the MIA and the Financial Statements Review Committee and Accounting and Auditing Technical Committee of MICPA.



MR OU SHIAN WAEI

Mr Ou was appointed to the Company's Board on 15 January 2020 as an Independent Director. He was re-appointed as the Company Director on 6 May 2020.

Mr Ou is currently the Chairman of Private Pension Administrator Malaysia and Director of FIDE FORUM. He previously served as a Director of Alliance Financial Group Berhad, Alliance Bank Malaysia Berhad as well as the Chairman of AIG Malaysia Insurance Berhad.

Mr Ou served as CEO/Country General Manager of IBM Malaysia from 1996 to 1999 and was appointed to the same role again in 2007 until his retirement in January 2010. Prior to joining IBM in 1976, Mr Ou was a key member in the Corporate Planning Department of Malayan Banking Berhad that implemented the first online banking system for the bank in Malaysia and also for MBB Singapore.

Mr Ou holds a Bachelor of Science degree in Chemistry from the University of Malaya, Kuala Lumpur.



MR FOONG SOO HAH

Mr Foong was appointed to the Company's Board on 1 March 2022 as an Independent Director. He was re-appointed as the Company Director on 13 April 2022.

Mr Foong currently serves as a Director of Private Pension Administrator Malaysia. He previously served as a Director in several companies, including Employees Provident Fund, Malaysia Life Reinsurance Group Bhd, Malaysian Insurance Institute, NV Multi Asia (Hong Kong), Bank Simpanan Nasional, Perbadanan Insurans Deposit Malaysia, Sentral Reit Management Sdn Bhd and Aviva Ltd (Singapore). He was also the past President of the Life Insurance Association of Malaysia (LIAM) as well as the Actuarial Society of Malaysia.

Mr Foong has close to 4 decades of experience in the insurance industry having started his career as an actuarial assistant in a leading international insurance company in Hong Kong. He had served as Chief Executive Officer (CEO) of British American Life Insurance Berhad (currently known as Manulife Insurance Berhad). In 1996, he joined Great Eastern Life Assurance (Malaysia) Berhad as its CEO and retired in 2009 as a Director and CEO of Great Eastern Capital Sdn Bhd.

Mr Foong holds a Master of Actuarial Science from Northeastern University, Boston and a Bachelor of Science (Hons) degree in Mathematics from Universiti Malaya. He is a Fellow of the Society of Actuaries, USA. He was commissioned as a Registered Financial Planner (RFP) and Shariah RFP, as well as awarded as a Fellow of the Malaysia Financial Planning Council.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Norman Ka Cheung Ip (Chairman)
Mr Tan Yam Pin
Mr Koh Poh Tiong
Mr Khor Hock Seng
Mr Ng Hon Soon
Mr Siew Kah Toong
Mr Ou Shian Waei
Mr Foong Soo Hah

BOARD AUDIT COMMITTEE

Mr Siew Kah Toong (Chairman)
Mr Ng Hon Soon
Mr Ou Shian Waei

BOARD NOMINATIONS AND REMUNERATION COMMITTEE

Mr Tan Yam Pin (Chairman)
Mr Norman Ka Cheung Ip
Mr Koh Poh Tiong

BOARD RISK MANAGEMENT COMMITTEE

Mr Ng Hon Soon (Chairman)
Mr Norman Ka Cheung Ip
Mr Ou Shian Waei
Mr Foong Soo Hah

CHIEF EXECUTIVE OFFICER

Y Bhg Dato Koh Yaw Hui

APPOINTED ACTUARY

Chan Chia Khaw

COMPANY SECRETARY

Liza Hanim Binti Zainal Abidin

REGISTERED OFFICE

Level 20, Menara Great Eastern
303 Jalan Ampang
50450 Kuala Lumpur

AUDITORS

Messrs PricewaterhouseCoopers PLT

SENIOR MANAGEMENT TEAM



Y BHG DATO KOH YAW HUI



LOKE CHANG YUEH



JEFFREY YEM VOON CHEAT



NICHOLAS KUA CHOO MING



ALEXIS JONG KIAN WEI



AUDRA CHUNG KIT LI



CHAN CHEE WEI

SENIOR MANAGEMENT TEAM



CHAN CHIA KHOW



VINCENT CHIN KOK LEAN



LIZA HANIM BINTI ZAINAL ABIDIN



DENNIS TAN KOH TIONG

SENIOR MANAGEMENT TEAM

Dato Koh Yaw Hui
Chief Executive Officer

Loke Chang Yueh
Chief Financial Officer

Nicholas Kua Choo Ming
Chief Marketing Officer

Audra Chung Kit Li
Chief Internal Auditor

Vincent Chin Kok Lean
Head, Information Technology

Dennis Tan Koh Tiong
Head, Human Capital

Jeffrey Yem Voon Cheat
Chief Operations Officer

Alexis Jong Kian Wei
Chief Investment Officer

Chan Chee Wei
Head, Bancassurance

Chan Chia Khow
Appointed Actuary

Liza Hanim Binti Zainal Abidin
Head, Company Secretary & Legal

SENIOR OFFICER

Teo Chun Seng
Head, Risk Management

Helen Quat Li Huang
Head, Compliance

2021 AGENTS' HONOUR ROLL CEO EXCELLENCE AWARD



From left:

DATO' TOH CHUN SHIONG (Top Group Manager)

LIM SU CHEN (Top Unit Manager)

NEO KAI SIN (Top Agent)

TOP PRODUCERS



From left:

DATO' TOH CHUN SHIONG (Top Group Manager for Whole Group)

CHIA AI HUANG (Top Group Manager for Direct Group)

LIM SU CHEN (Top Unit Manager)

NEO KAI SIN (Top Personal Producer & Top Agent)

HENG SHOOU JU (Top Career Agent / Life Insurance Advisor)

2021 AGENTS' HONOUR ROLL

TOP 3 GROUP MANAGERS (WHOLE GROUP)

Name	Award
DATO' TOH CHUN SHIONG	Champion
DATO' GUI SIEW LUANG	1st Runner-up
KOH SHENG YI	2nd Runner-up

TOP 3 GROUP MANAGERS (DIRECT GROUP)

Name	Award
CHIA AI HUANG	Champion
DATO' TOH CHUN SHIONG	1st Runner-up
KOH SHENG YI	2nd Runner-up

TOP 3 UNIT MANAGERS (DIRECT GROUP)

Name	Award
LIM SU CHEN	Champion
TEOH YIN CHIOU	1st Runner-up
YIP HOY YEAN	2nd Runner-up

TOP 3 PERSONAL PRODUCERS

Name	Award
NEO KAI SIN	Champion
YIP PUI YEAN	1st Runner-up
DATO' GAN AI LING	2nd Runner-up

TOP 3 CAREER AGENTS / LIFE INSURANCE ADVISORS

Name	Award
HENG SHOOU JU	Champion
LIM YOKE LING	1st Runner-up
LIEW SIEW YUN	2nd Runner-up

TOP 3 AGENTS

Name	Award
NEO KAI SIN	Champion
YIP PUI YEAN	1st Runner-up
TAN TZIA TZIA	2nd Runner-up

GREAT ICONIC LEADERS CLUB

Agent Name
CHIA AI HUANG
GOH CHEE ANG
INDRADEVAN A/L KRISHNAN
KALIDASSEN A/L BALASUBRAMANIAM
KANNAN A/L KRISHNAN
KRISHNAVENI A/P MUNUSAMY
MANIARASU A/L SWAMINAIDU
NALINEE A/P PALANI
PARTIBAN A/L SUBRAMANIAN
PREMNATH A/L DEVARAJU
RAVISHANKAR A/L SUBRAMANIAM
TAN KIM SIOK
UMABARAN A/L MURUGIAH

GREAT SUPREME PRODUCERS CLUB

PLATINUM

Agent Name
BEH CHOON SIONG
CHEONG CHOON KEONG
DATO' GAN AI LING
DATO' TOH CHUN SHIONG
HENG SHOOU JU
HENG SIEW KEAN
LIM BOON TEIK
LIM YOKE LING
NEO KAI SIN
PUA LIAN HOO
TAI YIN FUI
TAN TZIA TZIA
YIP PUI YEAN

GOLD

Agent Name
ADRIAN RICHARD A/L ARPUTHAN DOSS
ANG CHING YEE
CHONG HAO FOONG
CHOW KAR LING
GOH BEE KIM
LAW SUOK UNG
LIM SU CHEN
LIM WAI LOON
NEO WEI CHENG
SOO YIK HONG
TAN BOON LING
TAN CHYE POOH
WATT SOO KIANG
YEOH AING KOOI

GREAT SUPREME PRODUCERS CLUB

(CONTINUED)

SILVER**Agent Name**

BENNIE HOO WEI CHUAN
 CHAN LAI SIM
 CHAN YUAN NEE
 CHEN MEI LIN
 CHUA BENG LAY
 CHUA TONG SENG
 DATO' GUI SIEW LUANG
 GOH EE LIN
 JACKIE CHAN CHOON BOK
 JASON TEOH KEAN LOON
 LAW KIM NOI @ LAU KIM NOI
 LEE HUEH NAM
 LEE LI CHENG
 LEW HAN SERN
 LIEW SIEW YUN
 LIM CHOON WAH
 LIM MEOW LIH
 LIM SIEW WAI
 LOO CING CON
 MITESH KUMAR A/L HAMENDRA KUMAR
 NG SHEAU FERN
 ONG SOON HEE
 POOK KUI HENG
 PUA LIAN KENG
 RYAN LAU LE AN
 SATHIS A/L MEANDYH
 TAN HOOI LING
 TEOH YIN CHIOU
 TOO CHANG WEE
 YOKESVARAN A/L RAMADATSU
 YU SIONG CHOO

CLASSIC**Agent Name**

AMUTHA A/P GOPAL
 ANG JE EE
 ANG WEI PIN
 ANGELINE TEH LYE THENG
 AW YONG BOON HAO
 CECILIA A/P JOSEPH LEO
 CHAN JEAK SUNG
 CHEAH HAR MOOI
 CHIA AI HUANG
 CHIEW HUI SIN
 CHOW CHUI YEE
 CHUA BOON POH
 CHUAH KANG BOON
 CYNTHIA PHUA KAI SHIEN
 DATO' CHEN FOONG LING
 ETHAN AUN KYE JAY
 EVELYN AUN KYE YIN
 FUM CHON LONG
 GOON MEI LEAN
 HENG YING HUI
 HING AI LONG
 HO LISA
 HONG CHOW PENG
 INDRANI A/P RAGAVAN
 KHO SIANG KIT
 KHOO CHUN YEE
 KHOO HSEOW SHUANG
 KHOO SEWE TIN
 KONG KAH LUN
 KUAN WEI YING
 LAI JIAN TAT
 LAI YACK CHOO
 LAI YIT CHEN
 LAKSHMAN RAO A/L APPARAO
 LAM YEE FUN
 LAU WOEI MING
 LAW SAN SAN
 LEE JIA CHYI
 LEE SEK HOI
 LEE YEE MII
 LEE YEN PING

Agent Name

LEONG CHAI LING
 LEONG LAI YEE
 LIEW LEE HOU
 LIEW SIEW PING
 LIM AI TIANG
 LIM LAY HEONG
 LIM QUAN YEE
 LIM TONG CHING
 LIM ZI XIAN
 LOH KAW YEH
 LOO CHUNG HON
 LU YUK FUNG
 NG CHIN CHOY
 ONG MING HONG
 PELINE TOON SIOW LING
 PHOON YEING TING
 PHOON YUH JIUN
 POON TUCK CHUN
 PUA HAN NEE
 QUEK WAN YIN
 SHUN MEI LING
 SIA PUEH SEE
 TAN BEE IMM
 TAN CHEE YIN
 TAN CHOO MENG
 TAN LAI BOI
 TAN LAI TENG
 TAN SU WAN
 TAN TEE WEI
 TENG CHONG BOON
 THOR JWING CHEK
 TOK AI LIAN
 VIJAYA KUMAR A/L
 KARUPPIAH
 WAN ZHI XUAN
 WEE LEE PAW
 WONG CHEN SEONG
 WONG MEE CHING
 WONG SIANG PING
 YAP CHUNG KIEN
 YAP YIN YIN

2021 AGENTS' HONOUR ROLL

MDRT TOP OF THE TABLE

Agent Name	Years
DATO' TOH CHUN SHIONG	22 Q&L
PUA LIAN HOO	16 Q
LIM MEOW LIH	9 Q
RYAN LAU LE AN	4 Q
NEO KAI SIN	3 Q
TAI YIN FUI	2 Q

MDRT COURT OF THE TABLE

Agent Name	Years
HENG SHOOU JU	25 Q&L
DATO' GUI SIEW LUANG	22 Q&L
DATO' CHEN FOONG LING	20 Q&L
LAW SUOK UNG	20 Q&L
BENNIE HOO WEI CHUAN	19 Q&L
CHEN LAI LI	18 Q&L
ANG CHING YEE	12 Q&L
DATO' GAN AI LING	12 Q&L
HO LAN HUA	12 Q&L
NEO WEI CHENG	12 Q&L
CHAN YUAN NEE	11 Q&L
CHEONG CHOON KEONG	10 Q&L
ANGELINE TEH LYE THENG	8 Q
TAN BOON LING	8 Q
SOO YIK HONG	7 Q
YIP PUI YEAN	7 Q
HENG YING HUI	6 Q
LIM SU CHEN	6 Q
LIM KOK HONG	5 Q
TAN BEE IMM	4 Q
BEH CHOON SIONG	3 Q
JASON TEOH KEAN LOON	3 Q
LIM YOKE LING	3 Q
TAN TZIA TZIA	3 Q
JACKIE CHAN CHOON BOK	2 Q
LIM BOON TEIK	2 Q
ONG SOON HEE	2 Q
SOH PECK SUN	2 Q
TAN CHYE POOH	2 Q
LIM WAI LOON	1 Q
LIM ZI XIAN	1 Q
YEOH AING KOOI	1 Q

QUARTER CENTURY CLUB

Agent Name
CHEAH BOOY
CHEAH HAR MOOI
HENG SHOOU JU
LAI KOK FUNG
LAW KIM NOI @ LAU KIM NOI
MAHALINGAM A/L VELLASAMY
PARTHIBAN A/L NADASEN
SATHEESAN A/L GOPALAN
UTHAY KUMARAN S/O K APPAVOO

HONOUR ROLL

Agent Name
BENNIE HOO WEI CHUAN
CECILIA A/P JOSEPH LEO
CHEAH BOOY
CHEAH HAR MOOI
CHEN LAI LI
CHONG CHING SHON
DATO' CHEN FOONG LING
DATO' GUI SIEW LUANG
DATO' TOH CHUN SHIONG
FOO KWAI KHENG
GAN CHOON WAH
HENG SHOOU JU
KHO SIANG KIT
KONG KAH LUN
LAI KOK FUNG
LAW KIM NOI @ LAU KIM NOI
LAW SUOK UNG
LIEW SIEW YUN
LO NYOK MOOI
MAHALINGAM A/L VELLASAMY
PARTHIBAN A/L NADASEN
PUA LIAN HOO
PUA LIAN KENG
SATHEESAN A/L GOPALAN
TAN CHOO MENG
TAN HUI HUANG
TANG YET KIEW
TIEW WAY CHIN
UTHAY KUMARAN S/O K APPAVOO
WONG CHEN SEONG
YU SIONG CHOO

MDRT QUALIFYING & LIFE MEMBERS

Agent Name	Years
MAHALINGAM A/L VELLASAMY	30 Q&L
UTHAY KUMARAN S/O K APPAVOO	28 Q&L
LAW KIM NOI @ LAU KIM NOI	27 Q&L
CHEAH HAR MOOI	26 Q&L
PARTHIBAN A/L NADASEN	25 Q&L
TANG YET KIEW	24 Q&L
YU SIONG CHOO	23 Q&L
TAN LAY SEONG	22 Q&L
KHO SIANG KIT	21 Q&L
LIEW SIEW YUN	21 Q&L
PUA LIAN KENG	21 Q&L
TAN CHOO MENG	21 Q&L
CHONG CHING SHON	20 Q&L
GAN CHOON WAH	19 Q&L
KONG KAH LUN	17 Q&L
WONG CHEN SEONG	17 Q&L
TAN HUI HUANG	15 Q&L
TIEW WAY CHIN	15 Q&L
CHIA SIEW PIO	14 Q&L
GOON MEI LEAN	14 Q&L
WOONG MOOI FONG	14 Q&L
BO CHIN HOONG	13 Q&L
BON SZE SHEAN @ WOON SZE SHEAN	13 Q&L
CHONG NYUK CHUI	13 Q&L
FOO YEE MUN	13 Q&L
HONG CHOW PENG	12 Q&L
LEE GEAT MENG	12 Q&L
TENG CHONG BOON	12 Q&L
WEE LEE PAW	12 Q&L
LEE SIEW SIEW	11 Q&L
PHUA LEI KUN	11 Q&L
PUA HAN NEE	11 Q&L
WATT SOO KIANG	11 Q&L
MITESH KUMAR A/L HAMENDRA KUMAR	10 Q&L
NG PING YEN	10 Q&L
NG SHEAU FERN	10 Q&L
SOH SOON HUAT	10 Q&L
SU KUI HIONG	10 Q&L

MDRT LIFE MEMBERS

Agent Name	Years	Agent Name	Years
CHEAH BOOY	39	EVELYN AUN KYE YIN	4 Q
SATHEESAN A/L GOPALAN	37	FOO CHONG HO	4 Q
LAI KOK FUNG	27	HING AI LONG	4 Q
CHEONG KIM CHEE	24	KEE CHIEW GUEK	4 Q
TAN KIM KOK	23	KHO MUI PING	4 Q
PHANG BOON CHAI	22	LAI YACK CHOO	4 Q
FOO KWAI KHENG	21	LAKSHMAN RAO A/L	
KOH KER LIK	20	APPARAO	4 Q
CHEH YOKE LENG	19	LAW PICK GEOK	4 Q
AW AY FONG	18	LEE MING MIN	4 Q
NG YOKE HWA	18	LEE YEE WAH	4 Q
CHONG PUI KIM	17	LEONG CHAI LING	4 Q
LO NYOK MOOI	16	LIM MEI BEI	4 Q
GAJAINDAREN A/L RAMA		LIM TONG CHING	4 Q
KRISHNAN	15	LOO CHUNG HON	4 Q
NGO LIANG CHIAU	15	LU YUK FUNG	4 Q
RAJU A/L K RAMASAMY	14	LYDIA CHOE SOONG ERN	4 Q
WOON LI WEI	12	NG SOON HOE	4 Q
CHIA BIN SIM	11	PRABAHARAN A/L	
CHONG YEW CHUNG	11	RAMASAMY	4 Q

MDRT QUALIFYING MEMBERS

Agent Name	Years	Agent Name	Years
CECILIA A/P JOSEPH LEO	17 Q	SUNDER A/L ARUNASALAM	4 Q
LAM YEE FUN	17 Q	TAN BOON HEAN	4 Q
ANG WEI PIN	9 Q	TAN POH SUAN	4 Q
BARATHI A/P ARUNASALAM	9 Q	TAN SEOW LI	4 Q
CHOW CHUI YEE	9 Q	TAN SIEW SEONG	4 Q
HO LIH YI	9 Q	TAN SZE YIN	4 Q
LEE TIAM OON	9 Q	TAN TECK KANG	4 Q
LIM HUI LENG	9 Q	TEE KEH LING	4 Q
LOH KAW YEH	9 Q	TEO BOON LI	4 Q
TEH CHUI ANN	9 Q	TOH MEE PENG	4 Q
TONI LIM PHAIK SEE	9 Q	TOO CHIN KIONG	4 Q
YEAK LAN YEAN	9 Q	YAP POH LENG	4 Q
YEE KOH MEE	9 Q	YONG YIT MENG	4 Q
AWAY YEN TING	8 Q	ADRIAN RICHARD A/L	
CHONG MEE LING	8 Q	ARPUTHAN DOSS	3 Q
CHOO YIN WEI	8 Q	AMUTHA A/P GOPAL	3 Q
CINDY FAM NYUK MEE	8 Q	CHAN LAI SIM	3 Q
LEW SIOW YIN	8 Q	CHEONG YOON FATT	3 Q
M MARIMUTHU A/L		CHIA SIU	3 Q
MANIAM	8 Q	CHONG WAN SIONG	3 Q
MARIA JOSEPHINE A/P		CHUA BOON POH	3 Q
LEWIS JOSEPH ANTHONY	8 Q	DATO SERI NGOI SE TONG	3 Q
PANG LEE MUI	8 Q	DAVID WONG CHIANG FAI	3 Q
PARAMASVARE A/P		DONG LEONG MOI	3 Q
MANIAM	8 Q	EE CHEA CHEA	3 Q
POOK KUI HENG	8 Q	ENG LI FUNG	3 Q
TOO CHANG WEE	8 Q	FOONG CAI QIAN	3 Q
		FUM CHON LONG	3 Q
		GIAM JING HUI	3 Q
		GOH EE LIN	3 Q
		GOH KING TIONG	3 Q
		JUSTIN TI KAI SIONG	3 Q

2021 AGENTS' HONOUR ROLL

Agent Name	Years	Agent Name	Years	Agent Name	Years
KHOO HSEOW SHUANG	3 Q	ALVIN TEO CHUN CHIN	2 Q	KHOR KIEN HERN	2 Q
KHOR BOON HWA	3 Q	ANG FU XIAN	2 Q	KHOR SWEE NEE	2 Q
KOH WOH LEE	3 Q	AW YONG BOON HAO	2 Q	KOH BOON WEI	2 Q
KONG HOW LI	3 Q	BEH MIN HUI	2 Q	LAI SAU PHENG	2 Q
KUAN WEI YING	3 Q	BONG KIM JEEN	2 Q	LAI SHIAU CHUEN	2 Q
LEE JIA CHYI	3 Q	BONG PIK LING	2 Q	LAU CHIN GUAN	2 Q
LEE KAM WENG	3 Q	CHAI POH YEE	2 Q	LAU HUI LENG	2 Q
LEE KOK WEI	3 Q	CHAN JEAK SUNG	2 Q	LAU SAU CHIEN	2 Q
LEE LI CHENG	3 Q	CHAN TIAN HUI	2 Q	LAU YONG HUI	2 Q
LEE YEN PING	3 Q	CHANG YUH YNH	2 Q	LEE CHIN KEI	2 Q
LEONG NGAH KEE	3 Q	CHEAH TING PING	2 Q	LEE CHING YUAN	2 Q
LEW HAN SERN	3 Q	CHEANG THIEN NING	2 Q	LEE HUEH NAM	2 Q
LIEW LEE HOU	3 Q	CHEN FONG CHIN	2 Q	LEE SEK HOI	2 Q
LIM CHAI HONG	3 Q	CHEONG YEN LI	2 Q	LEE SUEK TING	2 Q
LIM CHAI LENG	3 Q	CHIA YIT MEI	2 Q	LEE SU-MEI	2 Q
LIM KAR CHUN	3 Q	CHIAH WAI TENG	2 Q	LEE YEE MII	2 Q
LIM KUWA KIM	3 Q	CHIN PINHONG	2 Q	LEE YET LING	2 Q
LIM LEW SEE	3 Q	CHONG JIN WEI	2 Q	LEE ZHAO JIAN	2 Q
LOO CING CON	3 Q	CHONG PUI SIM	2 Q	LEE ZIBING	2 Q
LOW LEE SAN	3 Q	CHONG SHWU MEE	2 Q	LEONG KOK WENG	2 Q
NALINEE A/P PALANI	3 Q	CHONG YONG SHAN	2 Q	LEONG SIU THING	2 Q
NG CHIA MUAR	3 Q	CHOO XIN YI	2 Q	LIEW JYH CHYUAN	2 Q
NG GEOK THENG	3 Q	CHOW YIT CHUEN	2 Q	LIEW LEE SIAM	2 Q
NG HUI PING	3 Q	CHUA KHAI CHUN	2 Q	LIEW LEE YEE	2 Q
NG KAH GIN	3 Q	CHUAH SWEE THIN	2 Q	LIM AI TIANG	2 Q
NG KOOI ENG	3 Q	CHUAH YEN LOO	2 Q	LIM CHENG WERN	2 Q
NG MING JER	3 Q	CYNTHIA PHUA KAI SHIEN	2 Q	LIM CHIN JU	2 Q
OOI TZE QIAN	3 Q	DAVID CHIA SENG KHUNG	2 Q	LIM CHIN XIONG	2 Q
PELINE TOON SIOW LING	3 Q	ELENA ENG RUI JING	2 Q	LIM CHOO SEANG	2 Q
PHONG YAP KEONG	3 Q	EWE BENG LOOI	2 Q	LIM CHOON WAH	2 Q
PHUA XIN HUI	3 Q	FAH YEN SHIN	2 Q	LIM HAN WAE	2 Q
POON TUCK CHUN	3 Q	FONG MEI MEI	2 Q	LIM KEAN HOW	2 Q
SAW AI LING	3 Q	FOO YING PAN	2 Q	LIM KUWN YEN	2 Q
SHANTI DEVI A/P CHANDRAKAISAN	3 Q	GAN SAY LEAN	2 Q	LIM MAY JING	2 Q
SOH BEE GEOK	3 Q	GAN SHIU CHIN	2 Q	LIM MONG MOOI	2 Q
TAN MEI LING	3 Q	GHEE YIH SHUANG	2 Q	LIM PEI PEI	2 Q
TAN SUET LING	3 Q	GOH BEE KIM	2 Q	LIM XIN NI	2 Q
TEE SHY LEE	3 Q	GOH KAH WAI	2 Q	LIM YAN YEE	2 Q
TEO HONG SIANG	3 Q	GOH TECK HUAT	2 Q	LOKE WAI LING	2 Q
TEO MEI LING	3 Q	HAN WEE CHIEN	2 Q	LOO CHEW YIN	2 Q
TEOH YIN CHIOU	3 Q	HARRY VUN JIE XIONG	2 Q	LOOI PEI YUEN	2 Q
TEOH YIN NGEЕ	3 Q	HENG JING THIN	2 Q	LOW GIM HEONG	2 Q
THONG KEING OWI	3 Q	HENG YEE HWAN	2 Q	LOW HUI KIAN	2 Q
THUN SHIAU SOO	3 Q	HENG YUNG KHIM	2 Q	LOY KAM EE	2 Q
WANG TEE SUAN	3 Q	HIEW CHING BOON	2 Q	LU ZI YEE	2 Q
WEE LEY CHOO	3 Q	HII HUNG WEN	2 Q	LUM LAI SHIONG	2 Q
WONG KOK CHWAN	3 Q	HO CHIA LENG	2 Q	MATHIVANAN A/L KALI PERUMAL	2 Q
WONG KUOK CHAI	3 Q	HONG KENG HUI	2 Q	NG WEI FONG	2 Q
WONG SIANG PING	3 Q	JANICE ENG RUI MIN	2 Q	NG WEI KEE	2 Q
YAP CHING CHEONG	3 Q	JUSTIN YONG ZHANYU	2 Q	NG ZE KENG	2 Q
YAP SUET FONG	3 Q	KANG CHER SIN	2 Q	OH CHOOI YEH	2 Q
YEONG PUI KWAN	3 Q	KHAW PEI HOO	2 Q	ONG MING HONG	2 Q
YOW CHIEE SUAN	3 Q	KHONG THAY KUI	2 Q		

Agent Name	Years	Agent Name	Years	Agent Name	Years
OOI SHAO LING	2 Q	YAP SOK YEE	2 Q	E KWEE YIN	1 Q
OON KHEE CHOON	2 Q	YAP THIAN SOON	2 Q	EDWIN THONG YI JUNN	1 Q
PONG CHUNG LOONG	2 Q	YEAP CHIN CHIN	2 Q	ELAINE PHUA CHENG SIM	1 Q
POON CHIEN WEY	2 Q	YEAP YEN CHIN	2 Q	ETHAN AUN KYE JAY	1 Q
RAYMOND TAN NAI CHWAN	2 Q	YEE HWEI SIEN	2 Q	EUNICE LEE PUI PUI	1 Q
ROGER YAPP KAH CHONG	2 Q	YEONG WAI YIP	2 Q	FANG LI LI	1 Q
SAMUEL TAN WEE KIAT	2 Q	ALFRED EYEO KEE HONG	1 Q	FON KAR WAI	1 Q
SHARON YONG HUIEE	2 Q	ALFRED LEE JIA ZHEN	1 Q	FONG JIA LEK	1 Q
SHIM KAI LUN	2 Q	ALICE LEOW YUN YEE	1 Q	FOO JUN NE	1 Q
SHYAMALA DEVI A/P		ANG JE EE	1 Q	GAN BE LING	1 Q
VENKETESAH	2 Q	ANG SIAW PENG	1 Q	GAN MEE YOKE	1 Q
SIM SOOK KHIM	2 Q	ANG SIOW GEOK	1 Q	GAN SI LEI	1 Q
SIOW SIO CHUI	2 Q	ANG ZHIYANG	1 Q	GARY YONG TE LUN	1 Q
SO KIANG FEI	2 Q	AW HUI PENG	1 Q	GO SIEW LING	1 Q
TAN AI LENG	2 Q	CALLY FUNG PEI CEE	1 Q	GOH JEE HWA	1 Q
TAN CHEE WEI	2 Q	CALVIN YAP CHUN WAI	1 Q	GOH SIEW CHERN	1 Q
TAN CHOON HUEY	2 Q	CHAI JUN KIT	1 Q	GOH TEE SENG	1 Q
TAN EE KEAT	2 Q	CHAN HONG HONG	1 Q	HAU IAN JI	1 Q
TAN GAIK YEOW	2 Q	CHAN JIA WEI	1 Q	HEE YOON LING	1 Q
TAN GUAT KIAW	2 Q	CHAN SEE CHEH	1 Q	HENG YING JIE	1 Q
TAN HOON HOON	2 Q	CHEANG POO YING	1 Q	HIEW CHIAN CHUNG	1 Q
TAN KE SIANG	2 Q	CHEE WAI CHING	1 Q	HO LISA	1 Q
TAN KHAI CHUN	2 Q	CHENG CHIAN YAN FONG	1 Q	HO WENG YEE	1 Q
TAN KOK JOON	2 Q	CHENG SIOK PING	1 Q	HOW BEE HONG	1 Q
TAN LAI BOI	2 Q	CHENG WEN LEE	1 Q	HOW BEE TENG	1 Q
TAN MEI CHIN	2 Q	CHEOK SWEE SAN	1 Q	JASON LOW WAI KIT	1 Q
TAN MEI POH	2 Q	CHEON YEE KANG	1 Q	JOAN PHAN XIN TIAN	1 Q
TAN SOON HUAT	2 Q	CHEW CHEE SEONG	1 Q	JONG SUK FAH	1 Q
TAN SU WAN	2 Q	CHEW CHOON ING	1 Q	JUAN PUI FUNG	1 Q
TAN SWEE TENG	2 Q	CHIA MUI HUEY	1 Q	KANG FONG XIAN	1 Q
TAN TEE WEI	2 Q	CHIA TZE XIN	1 Q	KEE SEN HOW	1 Q
TAN TIAN WEI	2 Q	CHIEW CHONG WEI	1 Q	KEK SIOK TENG	1 Q
TANG CHEE HOW	2 Q	CHIEW HUI SIN	1 Q	KHAR HWEE HOON	1 Q
TANG SU FENG	2 Q	CHIN CHEE HAW	1 Q	KHOR XING ROU	1 Q
TAY GEK HONG	2 Q	CHIN JIA HUI	1 Q	KOAY TING TING	1 Q
TEAR RU YUAN	2 Q	CHIN LI YEN	1 Q	KOAY XINLI	1 Q
TEE LEONG YEN	2 Q	CHIN PEI FUN	1 Q	KOH YONG QUAN	1 Q
TEE WEI KANG	2 Q	CHIN POAY KUEN	1 Q	KONG CHOU KEH	1 Q
TENG PHAIK GHIM	2 Q	CHIN YOKE KHENG	1 Q	KOW KOON KOW	1 Q
THOR JWIN CHEK	2 Q	CHING KEE LING	1 Q	KU PING YONG	1 Q
VEERAMUTHU A/L		CHING WENG KUANG	1 Q	KUEH NYUIK LEE	1 Q
ARUMUGAM	2 Q	CHONG KAI SIANG	1 Q	LAI CHOON HUNG	1 Q
VICKNESWARAN A/L		CHONG KIM WAH	1 Q	LAI JIAN TAT	1 Q
ERUTHIA NATH	2 Q	CHONG LIH SHAN	1 Q	LAI SHAN XIAN	1 Q
WAN ZHI XUAN	2 Q	CHONG QI TAT	1 Q	LAM SUI HUI	1 Q
WEE AH KIEW	2 Q	CHONG SU YI	1 Q	LAU AI LING	1 Q
WONG FONG LAN	2 Q	CHONG YIEE TIING	1 Q	LAU CHIN ANN	1 Q
WONG MEE CHING	2 Q	CHOO CHIA HUAY	1 Q	LAU PAU SWOON	1 Q
WONG MEI YEE	2 Q	CHUA BENG LAY	1 Q	LAU WOEI MING	1 Q
WONG SHIN ZHOU	2 Q	CHUAH YEE SIEN	1 Q	LAW LIE CHENG	1 Q
WONG SIU FAN	2 Q	DAVID LEE IK BING	1 Q	LAW SAN SAN	1 Q
WONG WAH HENG	2 Q	DEVI LATIFAH RACHMATIA		LAW SHI KEE	1 Q
WONG YING SIEW	2 Q	BINTI BAMBANG SUROSO	1 Q	LEE CHEE YONG	1 Q

2021 AGENTS' HONOUR ROLL

Agent Name	Years	Agent Name	Years	Agent Name	Years
LEE CHIEH RU	1 Q	ONG WEI CHING	1 Q	TAN TZIA-E	1 Q
LEE CHUIN SIANG	1 Q	OOI LE MIN	1 Q	TAN WEI SING	1 Q
LEE EK HAU	1 Q	OOI LEE LY	1 Q	TAN YING JIE	1 Q
LEE HAN PIN	1 Q	OOI PHENG SHEN	1 Q	TANG KHAI YUEH	1 Q
LEE HONG KEAT	1 Q	OOI TIAN CHAI	1 Q	TANG YEE LING	1 Q
LEE HOOI KHOON	1 Q	OOI ZI XUAN	1 Q	TAY SU YEE	1 Q
LEE KAH SUAN	1 Q	PANG LEE CHING	1 Q	TEE SWEE YIN	1 Q
LEE KHEG MEE	1 Q	PETER KUAN JING WEN	1 Q	TEE YUN XIN	1 Q
LEE KIM FONG	1 Q	PHANG WAI JIAN	1 Q	TEO HONG LI	1 Q
LEE LIH JIUAN	1 Q	PHANG ZHENG HAO	1 Q	TEO KIAT SOON	1 Q
LEE SHI NI	1 Q	PHOO SIEW CHIN	1 Q	TEO XIN FHING	1 Q
LEE SHU LING	1 Q	PHOON YEING TING	1 Q	TEOH SOK KIN	1 Q
LEE SZE YOON	1 Q	PHUA KEH SHENG	1 Q	TEOW CHEE KEONG	1 Q
LEE ZHEN HAO	1 Q	PHUA WEE HAN	1 Q	THIAN YEN YEE	1 Q
LEE ZHONG XIAN	1 Q	PRUNTHA DEVI A/P		THOR CHUN LEONG	1 Q
LEONG BEE TENG	1 Q	ASOKAN	1 Q	THUM HIU THUNG	1 Q
LEOW SEEK MENG	1 Q	PUA LAY LIAN	1 Q	TING YEN YI	1 Q
LEOW ZEE WO	1 Q	PUA LIAN BENG	1 Q	TONG CHIN CHUAN	1 Q
LI CHOW KHANG	1 Q	PUA LIAN PENG	1 Q	VINCENT OON ZHENG YU	1 Q
LIEU BOON HAO	1 Q	PUA LIANG HOCK	1 Q	VOON GUEY LIEN	1 Q
LIEW CHEE FONG	1 Q	RAMA MOORTHY A/L		VOON SHIAU CHUEN	1 Q
LIM BEE POH	1 Q	RAMA NAIDU	1 Q	WAN MEI LING	1 Q
LIM HUANG YIN	1 Q	RAYMOND ONG KAI XIANG	1 Q	WAN YEAN KWEN	1 Q
LIM JIA YEN	1 Q	RAYSON GAN SHENG QUAN	1 Q	WONG KIN FEI	1 Q
LIM QUAN YEE	1 Q	SANGARAN NAIR A/L		WONG LAI YEE	1 Q
LIM SAU LEE	1 Q	K. RAVICHANDRAN	1 Q	WONG PEI HOON	1 Q
LIM TECK MUI	1 Q	SANTHINI A/P DAMODARAN	1 Q	WONG WEI JIAN	1 Q
LIM YI HONG	1 Q	SARAH LOH JIN YI	1 Q	WONG YAU FAH	1 Q
LIM YONG WEI	1 Q	SATHIS A/L MEANDYH	1 Q	YAP CHUNG KIEN	1 Q
LING SIEW MEI	1 Q	SCHANI WONG LIN YA	1 Q	YAP MEI HEONG	1 Q
LO WAI LENG	1 Q	SEE YING YING	1 Q	YAP MEI KAM	1 Q
LO YEN LI	1 Q	SELVARAJ AUGUSTUS A/L		YAU MEI FONG	1 Q
LOH KAH LAI	1 Q	A JEREMIAH	1 Q	YEAP SEE MEI	1 Q
LOH LI YING	1 Q	SIA FOONG HUI	1 Q	YEE SU LING	1 Q
LONG SIEW TING	1 Q	SIM KEE WEE	1 Q	YEO LAY HUAI	1 Q
LOUIS GAN JUNG KET	1 Q	SIOW CHIEN SHEN	1 Q	YEOH SUJ CHING	1 Q
LOW CHIN CHAI	1 Q	SIVA SHANMUGA PRIYA		YEW KIM HOOI	1 Q
LOW SHU YU	1 Q	A/P MUNUSAMY	1 Q	YOKESVARAN A/L	
MATHIALAGAN A/L		TAM WEI LOAN	1 Q	RAMADATSU	1 Q
PERUMAL	1 Q	TAN AI KHIM	1 Q	YONG CHON KIAT	1 Q
MATHIAS THONG JIA LIANG	1 Q	TAN BENG CHOO	1 Q	YONG LI YING	1 Q
MOHD IKHWAN BIN IDRIS	1 Q	TAN CHIN PANG	1 Q	YONG LIEW CHING	1 Q
NG CHIN CHOY	1 Q	TAN CHOOI FUNG	1 Q	YONG XIN YING	1 Q
NG KIM LIONG	1 Q	TAN HOOI LING	1 Q		
NG SZE YUEN	1 Q	TAN HOOI SEAN	1 Q		
NG WEI JIAN	1 Q	TAN HWEE SEE	1 Q		
NG WEI LONG	1 Q	TAN JASLYNN	1 Q		
ONG CHIA HAU	1 Q	TAN MEI CHEE	1 Q		
ONG GEOK CHIN	1 Q	TAN MEI CHEEN	1 Q		
ONG HUI HUANG	1 Q	TAN MEI XUEN	1 Q		
ONG MOOI CHENG	1 Q	TAN MEI YUNG	1 Q		
ONG SHEAU FOONG	1 Q	TAN SHERNG WOUI	1 Q		
ONG SZE YIN	1 Q	TAN SIONG TECK	1 Q		

CALENDAR OF EVENTS



JANUARY

- GELM held its first virtual 2019/2020 Next Gen Awards event to recognize 550 Next Gen and Great Entrepreneur Talent Search (GETS) high achievers.
- GELM became the first insurance company in Malaysia to be awarded industrial accreditations for its two internal insurance Registered Financial Planner training modules, Risk Management & Insurance Planning and Estate Planning from Malaysia Financial Planning Council.



DATUK KOH YAW HUI *Chief Executive Officer*

READER'S DIGEST TRUSTED BRANDS AWARDS 2021

**WINNER OF THE GOLD
LIFE INSURANCE AWARD**

**FOR THE 18TH
CONSECUTIVE YEAR**

**WINNER OF THE GOLD
HEALTH INSURANCE AWARD**

**FOR THE 4TH
CONSECUTIVE YEAR**

FEBRUARY

- GELM launched *ValueKeeper* protection plan that provides lifetime protection with guaranteed cash payments through OCBC Bank.
- For the 18th consecutive year, we were voted by consumers as the Most Trusted Life Insurance Brand at the annual Reader's Digest Trusted Brands Awards. We also won the Most Trusted Health Insurance Brand for the fourth straight year.

CALENDAR OF EVENTS



MARCH

- In conjunction with the Ox-picious Ang Pow Challenge, GELM CAD organised a virtual lucky draw that gave away cash prizes totaling RM10,000 to eight winners.
- Three lucky agents walked away with RM6,888, RM8,888 and RM88,888 respectively, during the Prosperity Fast Start virtual event.
- Following the roll-out of the National COVID-19 Immunisation Programme, Great Eastern pledged a total of RM1 million and RM500,000 under the COVID-19 Vaccine Fund for its customers and non-customers respectively.

GREAT EDUCATION SERIES

A monthly session by respective departments to provide insights on concerning topics and actual case studies as part of company's continuous effort to enhance agency force professionalism.

TOPIC OF THE MONTH - MAY

1. Non-Disclosure / Misrepresentation from Life Claims Department
2. Dialog with Customer Service and Market Conduct on Customer Complaint

Hosted by Koh Ken Yong, Head, National Agency Sales

Saturday 8 May 2021 2 p.m. - 3 p.m.

f LIVE

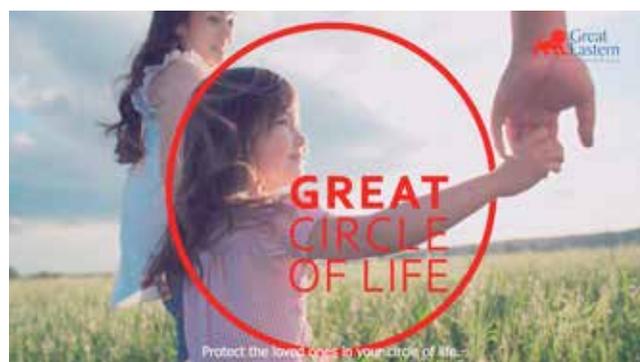
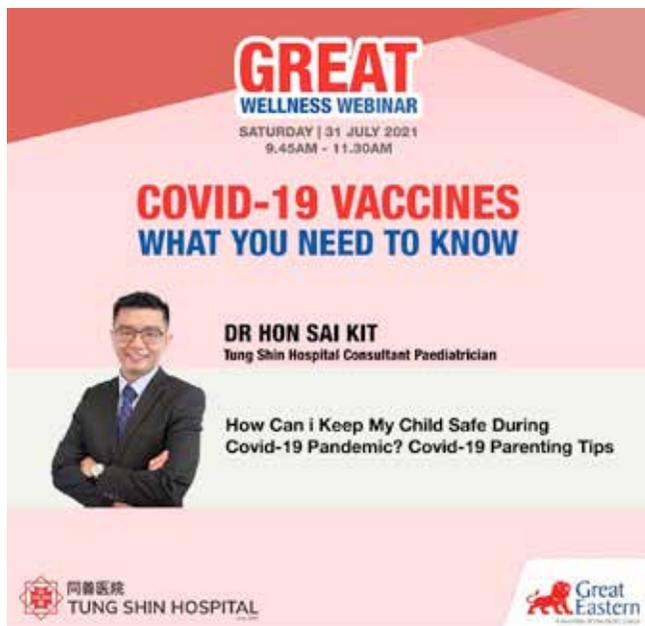
Scan here to join
Great Events GELM
FB Private Group

Join us and learn more!

GREAT EASTERN SUPREMACY SCHOLARSHIP AWARD 2021

MAY/JUNE

- Great Education Series, a new initiative curated by GELM which involved various departments to discuss and provide insights on selected topics with the agency force every month to enhance agency force professionalism.
- Great Eastern Supremacy Scholarship was relaunched in 2021 with the primary objective of providing opportunities for the socially challenged income groups to have access to tertiary education.



JULY

- GELM launched a Product Engine to implement new and innovative products and customer benefits in a timelier manner to address the evolving needs of our customers.
- GELM partnered with Tung Shin Hospital to conduct an educational webinar on COVID-19 preventive measures for its financial representatives and their customers.
- GELM bagged the Silver Award for *Best Employee Wellness Strategy* during the Employee Experience Awards 2021.

AUGUST

- Great Eastern celebrated its 113th anniversary in 2021, a feat achieved by few in the industry. A series of virtual celebration was held with its employees and agents.
- Great Eastern launched a RM20 million COVID-19 Medical Plan Coverage Programme to support its customers with eligible medical plans that have exclusion on communicable diseases which required quarantine by law. The RM20 million is a combined limit for Great Eastern Life Assurance (Malaysia) Berhad, Great Eastern General Insurance (Malaysia) Berhad and Great Eastern Takaful Berhad.
- MPOS app was enhanced to support the direct uploading of scanned documents before and after the insurance proposal submission to reduce physical contact and maintain social distancing.
- Great Circle of Life campaign was developed to promote Great Prime Vantage, a life protection plan that requires no medical underwriting.

CALENDAR OF EVENTS



SEPTEMBER

- GELM was awarded The BrandLaureate Brand of the Year Award in the insurance category. The award recognises Great Eastern for its brand leadership strength, commitment and innovation in product development and engagement with its customers.



OCTOBER

- GELM organised its virtual 2020 Supremacy Summit to recognize over 2,000 top financial representatives.
- GELM collaborated with Eve Psychological Rehabilitation Centre and Mind Therapy to organise a Mental Health webinar for customers.
- GreatPlanner App was launched in October 2021 to help our agency force deliver a seamless, one-stop sales experience, while monitoring the activeness and performance of their team members.



GET THE GREAT COMBO!



TRIPLE MEDICAL COVERAGE
LIMITED OFFER!
RM3,000,000



COMPLIMENTARY COVID-19 MEDICAL COVERAGE

WE WILL TRIPLE UP YOUR MEDICAL COVERAGE FROM RM1 MILLION TO RM3 MILLION AT NO EXTRA COST

WE WILL COVER YOUR EXPENSES FOR MEDICALLY NECESSARY HOSPITALISATION

SMARTMEDIC MILLION EXTENDER SPECIAL

SATISFY YOUR NEED FOR MORE PROTECTION TODAY!

CONTACT YOUR AGENT FOR FREE DELIVERY



Start a conversation with Great Eastern today.
1200-1200-88 | great@eastern.com



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Great Eastern Life Assurance (Malaysia) Berhad is licensed under the Financial Services Act 2013 and regulated by the Prudential Supervision Department. The
Life Assurance and Life Insurance Division is licensed under the Financial Services Act 2013 and regulated by the Prudential Supervision Department. The
Life Insurance and Life Insurance Division is licensed under the Financial Services Act 2013 and regulated by the Prudential Supervision Department.
Great Eastern Life Assurance (Malaysia) Berhad. (Incorporated in Malaysia). 2021-10-15 10:00 AM MYT.



NOVEMBER

- A key programme under ChildrenCare, Program Aspirasi Gemilang 'A', ran its sixth year in 2021 with RM2,400 being awarded. To date since 2014, we have awarded more than RM84,000 under this programme. The children received RM100 for every 'A' scored in their national examinations, as a means to motivate them to reach greater heights in their studies with the ultimate goal of entering university.
- Zakat contributions in aid of the asnaf by disbursing a total of RM21,480 to JKM six underprivileged children's homes.
- GELM launched the SmartMedic Million campaign, an investment-linked medical rider that provides comprehensive medical and hospitalisation benefits, with a high overall annual limit. Back by popular demand, we again tripled up the RM1 million annual medical coverage to RM3 million during the campaign period at no extra cost to our customers with complimentary COVID-19 coverage.

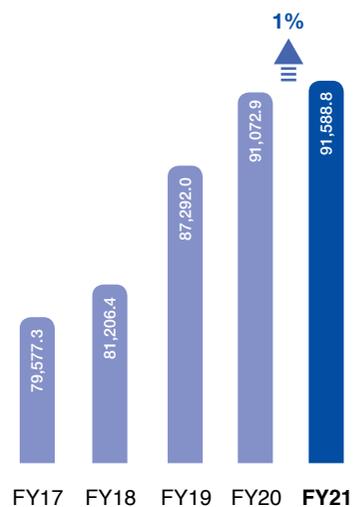


DECEMBER

- GELM launched All Rounder, its first investment-linked plan that enables OCBC Bank customers to have the opportunity to accumulate wealth and enjoy protection at the same time.
- In conjunction with the festive seasons, ChildrenCare contributed shopping vouchers worth RM37,500 to 15 underprivileged children homes.
- GELM won the HR Asia Awards - Best Companies to Work for in Asia 2021 for the sixth consecutive year.

FINANCIAL SYNOPSIS 2021

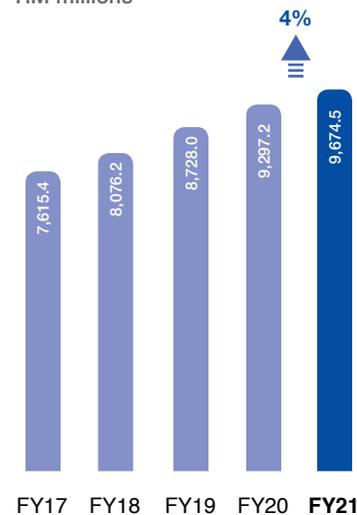
TOTAL ASSETS
RM millions



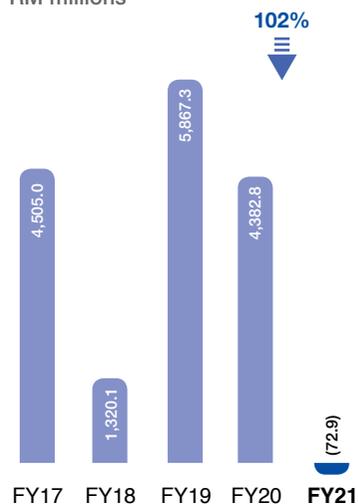
BENEFITS TO POLICY OWNERS
RM millions



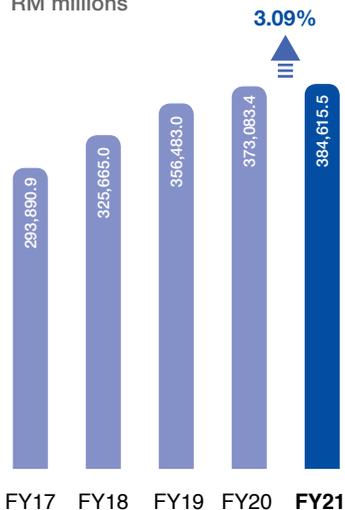
GROSS PREMIUM INCOME
RM millions



INVESTMENT INCOME & CAPITAL GAIN
RM millions



BUSINESS IN FORCE
RM millions



DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The Company is engaged principally in the underwriting of life insurance business including investments-linked business.

RESULTS

	RM'000
Net profit for the year	1,207,059

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

SIGNIFICANT EVENTS

The underlying headwinds from the COVID-19 pandemic are expected to persist as the timing of its eradication remains uncertain. The anticipation of central bank tightening of monetary policy, growing inflation concerns and geopolitical tensions are key factors which may impact the performance of the Company. We expect volatility in the financial markets 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 impact of default risk is likely to be low.

The Company will continue to monitor the progress of the pandemic and measure the impact, if any, on the financial statements as they occur.

ULTIMATE HOLDING COMPANY

The ultimate holding company is Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), a public listed company incorporated in the Republic of Singapore.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2020 were as follows:

	RM'000
In respect of financial year ended 31 December 2020:	
Special dividend of RM23.70 per ordinary share on 100,000,005 ordinary shares declared on 3 March 2020 and paid on 4 March 2020	2,370,000
Final single tier dividend of RM2.50 per ordinary share on 100,000,005 ordinary shares declared on 13 April 2021 and paid on 4 May 2021	250,000
In respect of financial year ended 31 December 2021:	
Interim single tier dividend of RM3.50 per ordinary share on 100,000,005 ordinary shares declared on 21 July 2021 and paid on 22 October 2021	350,000
	2,970,000

DIRECTORS' REPORT

DIVIDENDS (CONTINUED)

At the forthcoming Annual General Meeting, a second and final single tier dividend in respect of the current financial year ended 31 December 2021 on 100,000,005 ordinary shares amounting to a total dividend of RM320,000,016 (RM3.20 per share) will be proposed for shareholder's approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in the shareholder's equity as an appropriation of retained profits in the next financial year ending 31 December 2022.

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Mr Norman Ka Cheung Ip (Chairman)
Mr Tan Yam Pin
Mr Koh Poh Tiong
Mr Khor Hock Seng
Mr Ng Hon Soon
Mr Siew Kah Toong
Mr Ou Shian Waei
Mr Foong Soo Hah (Appointed on 1 March 2022)

In accordance with Clause 70 of the Company's Constitution, Mr Tan Yam Pin and Mr Siew Kah Toong respectively would retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Clause 74 of the Company's Constitution, Mr Foong Soo Hah would retire at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the options over shares in the Company's ultimate holding company as disclosed in this report.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 24(b) and 31(b) to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest required to be disclosed under Fifth Schedule, Part 1 Section 3 of the Companies Act, 2016.

A Director and officer's liability insurance has been entered into by Great Eastern Capital (Malaysia) Sdn Bhd ("GEC") on behalf of all the directors and officers within the GEC Group for the financial year ended 31 December 2021 pursuant to Section 289 of the Companies Act 2016. The cost of insurance effected amounted to RM133,427.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and options over shares in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") during the financial year were as follows:

	Shareholdings in which Directors have a direct interest			
	1.1.2021	Acquired	Disposed	31.12.2021
(a) Ordinary shares in the capital of OCBC Bank				
Mr Norman Ka Cheung Ip	4,585	29	-	4,614
Mr Khor Hock Seng	542,131	84,465	(40,000)	586,596
Mr Siew Kah Toong	4,415	59	-	4,474

	Shareholdings in which Directors are deemed to have an interest			
	1.1.2021	Granted	Vested	31.12.2021
Mr Norman Ka Cheung Ip	10,204	136	-	10,340 ⁽¹⁾
Mr Khor Hock Seng	243,452	99,646	(77,012)	266,086 ⁽²⁾

Notes:

⁽¹⁾ Deemed interest arising from shareholdings by Spouse.

⁽²⁾ Deemed interest arising from the OCBC Deferred Share Plan.

	Shareholdings in which Directors have a direct interest			
	1.1.2021	Acquired	Disposed	31.12.2021
(b) 5.1% non cumulative non convertible Preference Shares in OCBC Capital Corporation (2008)				
Mr Tan Yam Pin	2,000	-	-	2,000

			Options held by Directors in their own name			
	Expiry Date	Exercise Price S\$	1.1.2021	Granted	Exercised	31.12.2021
(c) Options to subscribe for ordinary shares in the capital of OCBC Bank						
Mr Khor Hock Seng	22.3.2027	9.60	327,082	-	(177,082)	150,000
	21.3.2028	13.34	122,135	-	-	122,135

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT

CORPORATE GOVERNANCE DISCLOSURES

The Company has taken concerted steps to comply with Bank Negara Malaysia's ("BNM") Policy Document on Corporate Governance issued on 3 August 2016. The Company is committed to the standards and practices prescribed in this policy document.

OTHER STATUTORY INFORMATION

- (a) Before the statement of financial position, statement of profit or loss and statement of comprehensive income of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write-off any bad debts or the amount of provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.
- (g) Before the statement of financial position and statement of profit or loss of the Company were made out, the Directors took reasonable steps to ascertain that there was adequate provision for its insurance liabilities in accordance with the valuation method specified in Part D of the Risk-Based Capital Framework for insurers issued by BNM.

For the purpose of paragraphs (e) and (f) above, contingent and other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Company.

DIRECTORS' REPORT

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 24 to the financial statements.

There was no indemnity given to, or insurance effected for auditors of the Company in respect of the liability for any act or omission in their capacity as auditors of the Company during the financial year.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept appointment as auditors.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 March 2022.

Ng Hon Soon

Kuala Lumpur

Siew Kah Toong

STATEMENT OF CORPORATE GOVERNANCE

CORPORATE GOVERNANCE DISCLOSURES (AS REFERRED TO IN THE DIRECTORS' REPORT)

The Board of Directors (the "Board") and Management of Great Eastern Life Assurance (Malaysia) Berhad (the "Company") place great importance on high standards of corporate governance and are committed to upholding values of integrity, honesty and proper corporate conduct at all times in the business operations and dealings of the Company.

The Company adopts corporate governance practices as guided by the Bank Negara Malaysia ("BNM") Policy Document on Corporate Governance issued on 3 August 2016 (the "CG PD") and continues to enhance its standards of the overall governance.

BOARD MATTERS

The Board's Conduct of Affairs

The prime stewardship responsibility of the Board is to ensure the viability and sustainability of the Company and to ensure that it is managed in the best interests of the Company as a whole while taking into account the interests of the shareholders and other stakeholders. The Company has a Board Charter approved by the Board.

The Board provides strategic directions to, and oversight of the operations of the Company. The principal roles and functions of the Board, as set out in the Board Charter include the following:

- (a) reviewing and approving the overall business strategy as well as the organisation structure of the Company as developed and recommended by the Management;
- (b) ensuring that the decisions and investments are consistent with the long-term strategic goals of the Company and reasonable standards of fair dealing with all stakeholders;
- (c) ensuring that interests of shareholders, policyholders and other stakeholders are taken into account in managing the Company's business;
- (d) ensuring that the necessary human resources are in place for the Company to achieve its objectives;
- (e) ensuring that the Company operates in accordance with the relevant laws and regulations, as well as policies, processes and guidelines approved by the Board, so as to preserve its financial integrity;
- (f) reviewing and approving any transaction for the acquisition or disposal of assets that is material to the Company;
- (g) overseeing and approving the risk appetite of the Company that is consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- (h) overseeing, through the Board Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures, and system of internal controls;
- (i) overseeing, through the Board Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines), and the quality of the risk management processes and systems;
- (j) overseeing through the Board Nominations and Remuneration Committee, the selection, performance, remuneration and succession planning of the Senior Officers¹ and Non-Senior Officers², such that the Board is satisfied with their collective competence to effectively lead the operations of the Company;

Notes:

¹ Senior Officers of the Company referred throughout this Corporate Governance Disclosures are the Senior Management Team and such other executives as the Board and/or regulator should determine.

² Non-Senior Officers of the Company referred throughout this Corporate Governance Disclosures are officers with rank of Senior Vice Presidents and above and officers who are categorised as Other Material Risk Takers.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

The Board's Conduct of Affairs (continued)

The Board provides strategic directions to, and oversight of the operations of the Company. The principal roles and functions of the Board, as set out in the Board Charter include the following: (continued)

- (k) establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times, with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- (l) overseeing, through the Board Nominations and Remuneration Committee, the design and operation of an appropriate remuneration framework and ensuring that the remuneration practices are aligned with the remuneration framework;
- (m) reviewing Management's performance and ensuring that Management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- (n) maintaining records of all meetings of the Board and Board Committees, especially with regards to records of discussions on key deliberations and decisions taken;
- (o) overseeing the implementation of the Company's governance and internal control frameworks, and periodically reviewing the frameworks to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
- (p) promoting sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- (q) overseeing and approving the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and to maintain or preserve critical operations and services when they come under stress; and
- (r) promoting timely and effective communications between the Company and BNM on matters affecting or that may affect the safety and soundness of the Company.

Conflicts of Interest

The Company has implemented a Directors' Conflict of Interest ("COI") Guide which sets out the procedures to address actual and potential conflicts of interest of the Directors. The COI Guide serves to safeguard against the risk that a Director's decision may be unduly influenced by other secondary interests, instead of the interests of the Company. Pursuant to the COI Guide, the Directors of the Company shall disclose to the Board the nature and extent of their interest whether directly or indirectly, in a material transaction or material arrangement with the Company.

Directors with conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Board Approval

The Company has adopted internal guidelines on matters that require Board approval. Matters requiring Board approval include but are not limited to the overall business strategy and direction, significant policies governing the operations of the Company, strategic or significant acquisitions and disposal of assets by the Company, corporate restructuring, major corporate initiatives and other activities of a significant nature, dividend policy and dividend declaration, all material and special related party transactions, authority levels for the Company's core functions and outsourcing of core business functions.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below the threshold limits to Board Committees and Management to optimise operational efficiency.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

Board Committees

The Board has established a number of Board Committees to assist it in carrying out more effective oversight of the operations and business affairs of the Company. These Board Committees consist of the Board Audit Committee, Board Nominations and Remuneration Committee, and Board Risk Management Committee. All the Board Committees have been constituted with clear Board-approved terms of reference.

The Board Committees, in carrying out their responsibilities in accordance with their respective terms of reference, are also actively involved in assisting the Board to ensure compliance with good corporate governance practices by the Company. Minutes of the Board Committees' meetings, which provide a fair and accurate record of the discussions, key deliberations and decisions taken during the meetings, are maintained and circulated to the Board. The composition and details of principal roles and responsibilities of the Board Committees are set out below.

Board Audit Committee

Under the CG PD, the Board Audit Committee is required to comprise at least three Non-Executive Directors, with a majority of them being Independent Directors. The Board Audit Committee must be chaired by an Independent Director who is not the Chairman of the Company.

The Board Audit Committee comprises the following Directors:

- Mr Siew Kah Toong, Chairman
- Mr Ng Hon Soon, Member
- Mr Ou Shian Waei, Member

All the Members (including the Chairman) are Independent Directors.

The Board Audit Committee has explicit authority to investigate any matters within its terms of reference and has the full co-operation of and access to Management. The Board Audit Committee has full discretion to invite any Director or Senior Officer to attend its meetings. It has resources to enable it to discharge its functions properly.

The functions performed by the Board Audit Committee and details of the Board Audit Committee's activities during 2021 included the following:

- (a) Reviewed with the Internal Auditors –
 - (i) their audit plan, evaluation of the system of internal controls and audit reports;
 - (ii) the scope and results of the internal audits; and
 - (iii) the assistance given by the officers of the Company to the internal auditors.
- (b) Reviewed with the External Auditors –
 - (i) their audit plan prior to the commencement of the annual audit;
 - (ii) the interim financial statements and the audited financial statements of the Company for the financial year and the auditors' report thereon for submission to the Board for consideration and approval thereafter;
 - (iii) the scope and results of the audit procedures and cost effectiveness, and their independence and objectivity taking into consideration factors including the nature and extent of non-audit services provided by them (if any);
 - (iv) the implications and impact of new or proposed changes in financial reporting standards, accounting policies and regulatory requirements on the financial statements together with the Senior Officers;

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

Board Audit Committee (continued)

- (b) Reviewed with the External Auditors – (continued)
 - (v) any significant financial reporting issues, to ensure the integrity of the financial statements of the Company; and
 - (vi) the assistance given by the officers of the Company, including the internal auditors, to the external auditors.
- (c) Reviewed the adequacy, independence and effectiveness of the internal audit function of the Company.
- (d) Maintained an appropriate relationship with both the internal and external auditors.
- (e) Recommended the re-appointment of the external auditor to the Board.
- (f) Recommended the remuneration and terms of engagement of the external auditor to the Board.
- (g) Reviewed and updated the Board on all related-party transactions.
- (h) Monitored compliance with the COI Guide.

The Board Audit Committee, in performing its functions, meets at least once annually with the internal and external auditors in separate sessions without the presence of Management, to consider any other matters which may be raised privately.

The Board Audit Committee held a total of six meetings in 2021. By invitation, the Board Audit Committee meetings were also attended by the internal and external auditors, Executive Director, Group Chief Financial Officer, Group Chief Internal Auditor and relevant Senior Officers.

Board Nominations and Remuneration Committee

Under the CG PD, the Board Nominations and Remuneration Committee is required to comprise at least three Non-Executive Directors with a majority of them being Independent Directors. The Board Nominations and Remuneration Committee must be chaired by an Independent Director, who is not the Chairman of the Company.

The Board Nominations and Remuneration Committee comprises the following Directors:

- Mr Tan Yam Pin, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mr Koh Poh Tiong, Member

All the Members (including the Chairman) are Independent Directors.

The responsibilities of the Board Nominations and Remuneration Committee are set out in its Board-approved terms of reference. The Board Nominations and Remuneration Committee reviews the Board and Board Committee compositions annually. It is responsible for identifying candidates for directorship, reviewing and recommending nominations and re-nominations of Directors on the Board and Board Committees. It also reviews nominations and dismissals or resignations of Senior Officer and Non-Senior Officer positions in the Company.

The Board Nominations and Remuneration Committee is also responsible to recommend to the Board for endorsement a framework of Directors' fees, as well as remuneration of the Senior Officers and Non-Senior Officers. For Senior Officers and Non-Senior Officers, the framework covers all aspects of remuneration including salaries, allowances, bonuses, share options and other incentives and benefits. The Board Nominations and Remuneration Committee also ensures that the Company's remuneration policies and practices are aligned with the approved framework and that remuneration packages are appropriate to attract, retain and motivate the Senior Officers and Non-Senior Officers without being excessive.

The Board Nominations and Remuneration Committee held a total of seven meetings (comprising six scheduled and one *ad hoc* meetings) in 2021.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

Board Risk Management Committee

Under the CG PD, the Board Risk Management Committee is required to comprise at least three Non-Executive Directors, with a majority of them being Independent Directors. The Board Risk Management Committee must be chaired by an Independent Director, who is not the Chairman of the Company.

The Board Risk Management Committee comprises the following Directors:

- Mr Ng Hon Soon, Chairman
- Mr Norman Ka Cheung Ip, Member
- Mr Ou Shian Waei, Member
- Mr Foong Soo Hah, Member (*appointed on 1 March 2022*)

All the Members (including the Chairman) are Independent Directors.

The Board Risk Management Committee is responsible for overseeing all risk management and compliance matters (strategic, market, credit, liquidity, insurance, operational, technology, cyber security, information/data loss, regulatory and compliance, and any other category of risks); as well as technology-related matters as delegated by the Board or as deemed necessary by the Board Risk Management Committee.

It reviews the overall risk management philosophy, including the risk profile, risk tolerance level, and risk and capital management strategy, in line with the overall corporate strategy and risk appetite as set and approved by the Board. The Board Risk Management Committee also assists the Board in monitoring the effectiveness and adequacy of the risk management processes and systems set up by the Company. It oversees the cultivation of a strong risk culture that promotes risk awareness and sound risk taking.

The Board Risk Management Committee performs its functions pursuant to its Board-approved written terms of reference. The terms of reference include the review and endorsement or the review and approval of (where applicable) frameworks, policies and charters; strategies for effective risk management, investment management and asset-liability management; as well as the review of major risk management initiatives, significant investment, property and other financial transactions that exceed the authorisation limits of the Management Committees. Material investment-related activities and transactions are reviewed by the Board Risk Management Committee and recommended to the Board for information or approval, as applicable.

It reviews the appointment, annual performance evaluation, remuneration and termination of the (i) Head, Risk Management and (ii) Head, Compliance as both of these positions report directly to the Board Risk Management Committee. Its recommendation is then submitted to the Board Nominations and Remuneration Committee for endorsement, and the Board for approval.

The Board Risk Management Committee meets with the Head, Risk Management and the Head, Compliance at least once a year without the presence of Management to discuss matters, which may be raised privately.

The Risk Management Department is adequately staffed by experienced and qualified employees who are sufficiently independent to perform their duties objectively. The Department regularly engages Senior Officers to develop enterprise-wide risk controls and risk mitigation procedures.

The Board Risk Management Committee held a total of nine meetings (comprising six scheduled and three *ad hoc* meetings) in 2021.

The Company's enterprise risk governance, risk management objectives and policies and other pertinent details are disclosed in Note 33 of the Notes to the Financial Statements.

Meetings and Directors' Attendance

The Board meets regularly during the year to review the business performance and key activities of the Company, and to consider significant business proposals presented by the Management. All members of the Board participate actively in Board discussions and decisions are taken objectively in the interests of the Company. The Board guides Management with strategic directions to achieve its stated goals and Management remains accountable to the Board. Where warranted by particular circumstances, *ad hoc* Board or Board Committee meetings will be convened. In 2021, the Board convened eight scheduled and four *ad hoc* Board meetings.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

Meetings and Directors' Attendance (continued)

Meetings of the Board and Board Committees via telephone, video conference, or any other similar communications equipment are permitted by the Company's Constitution. If a Director is unable to attend a Board or Board Committee meeting, he will still be able to access all the papers and materials to be tabled for discussion at that meeting. Directors are provided with complete, adequate and timely information related to agenda items before each meeting. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials.

All Directors have complied with the minimum requirement of 75% attendance at Board meetings as stipulated in the CG PD and Board Charter.

The number of meetings of the Board and Board Committees held in 2021 and the attendance of the Directors at those meetings are tabulated below:

Directors' attendance at Board and Board Committee meetings in 2021

Name of Director	Board				Board Risk Management Committee			
	No. of Meetings				No. of Meetings			
	Scheduled		Ad hoc		Scheduled		Ad hoc	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Norman Ka Cheung Ip	8	8	4	4	6	6	3	3
Mr Tan Yam Pin	8	8	4	4	-	-	-	-
Mr Koh Poh Tiong	8	8	4	4	-	-	-	-
Mr Khor Hock Seng	8	8	4	4	-	-	-	-
Mr Ng Hon Soon	8	8	4	4	6	6	3	3
Mr Siew Kah Toong	8	8	4	4	-	-	-	-
Mr Ou Shian Waei	8	8	4	4	6	6	3	3

Name of Director	Board				Board Risk Management Committee	
	No. of Meetings				No. of Meetings	
	Scheduled		Ad hoc		Scheduled	
	Held	Attended	Held	Attended	Held	Attended
Mr Norman Ka Cheung Ip	6	6	1	1	-	-
Mr Tan Yam Pin	6	6	1	1	-	-
Mr Koh Poh Tiong	6	6	1	1	-	-
Mr Khor Hock Seng	-	-	-	-	-	-
Mr Ng Hon Soon	-	-	-	-	6	6
Mr Siew Kah Toong	-	-	-	-	6	6
Mr Ou Shian Waei	-	-	-	-	6	6

Notes:

(-) Not applicable to the Non-Member of the respective Board Committees.

Directors' attendance at the Annual General Meeting is not included in the above table.

There was one Joint Board Audit Committee – Board Risk Management Committee meeting held in 2021. Directors' attendance at this meeting is not included in the above table.

The number of meetings indicated in "Held" above reflects the number of meetings held during the time the respective Directors held office.

Total number of ad hoc meetings held in 2021 – Board: 4; Board Risk Management Committee: 3; Board Nominations and Remuneration Committee: 1.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

Access to Information

The Board members are provided with relevant and timely information by Management on matters to be discussed or considered at meetings of the Board and Board Committees. For matters requiring approval, information furnished by Management usually includes background explanatory information, relevant facts and/or analysis to support the proposal, implications or merits of the case, risk analysis and mitigating strategies, the budget (if applicable) and Management's recommendation. The Senior Officers who are responsible to provide additional information and insight or provide clarifications to queries raised are usually invited to the meeting for discussion on such matters. Occasionally, external consultants engaged on specific projects may also be invited to brief the Board or Board Committees, where relevant. All Board and Board Committees' members have unfettered access to information, which the Company is in possession of or has access to, for the purpose of carrying out their responsibilities.

Directors have separate and independent access to the Company Secretary and Senior Officers of the Company at all times.

The Company Secretary attends all Board meetings and prepares minutes of Board proceedings. She assists the Chairman to ensure that appropriate Board procedures are followed and that applicable regulations are complied with. Under the direction of the Chairman, she ensures good information flows within the Board and Board Committees, and between Senior Officers and Directors. The Company Secretary also facilitates the orientation of new Directors and professional development of Directors, as required. The appointment and removal of the Company Secretary is considered to be a matter for the Board as a whole.

The Directors may take independent professional advice as and when necessary to enable them to discharge their duties effectively. Similarly, the Board and Board Committees may obtain professional advice, whenever necessary and appropriate, so as to effectively discharge their roles and responsibilities. All engagements of external advisers are at the Company's expense.

Board Orientation and Development

A formal appointment letter will be issued to a newly appointed Director, together with a Director's Orientation Kit which will include key information of the Company, the terms of reference of the Board and Board Committees, duties and obligations of Directors as well as relevant rules and regulations. As part of the induction programme for new Directors, the Senior Officers will conduct briefing sessions on the Company's principal activities, business operations, staff strengths, and applicable rules and regulations. The Company constantly reviews and improves on the contents of such briefings to new Directors to take into account any new legislative changes which affect the Directors and to enable them to have a more comprehensive understanding of the Company, the insurance business and practices, and the Company's financial statements.

The Board Nominations and Remuneration Committee ensures there is a professional development programme for all Directors, so that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and Board Committees effectively. The Company arranges for new Directors to be briefed on areas such as accounting, risk management and insurance; and facilitates their attendance at the mandatory "Financial Institutions Directors' Education ("FIDE") Core Programme within one year from their date of appointment. Industry-related and topical articles are regularly circulated to Directors as part of the Directors' continuous development programme. The Board Nominations and Remuneration Committee also encourages the Directors to be continually updated on developments affecting the insurance industry by offering them attendance at appropriate courses, conferences and seminars conducted by professional bodies within the industry or other professional organisations including programmes conducted by the FIDE FORUM, at their convenience. The Company has dedicated sufficient resources towards the on-going development of its Directors. The Company arranges for and funds the training and development programmes for existing and new Directors. The Company also maintains formal records of the training and development received by its Directors.

From time to time, in collaboration with the Board Nominations and Remuneration Committee, the Board Risk Management Committee organises Board Educational Series, with briefings or presentations by external professionals, consultants or Management staff on topics relevant to the insurance industry and provides updates on developments in the industry locally.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MATTERS (CONTINUED)

Board Orientation and Development (continued)

During the financial year, the Directors, collectively or on their own, attended the following seminars, courses and briefings organised by professional bodies and regulatory authorities as well as those conducted in-house, which were conducted virtually/online:

- Board Educational Series:
 - Asset-Liability Management
 - Cybersecurity Trends: Keeping Up with 2021 New Normal
 - Environmental, Social and Governance
 - IT Security Roadmap
 - Responsible Investments
 - Sanctions Screening and Getting Ready for Dawn Raids
 - Security Operations Centre & Security Monitoring
- Webinar:
 - Annual Dialogue with Governor of Bank Negara Malaysia
 - Artificial Intelligence (AI) For Company Directors and Executives
 - BNM-FIDE FORUM-MASB Dialogue on MFRS17 Insurance Contracts: What Every Director Must Know
 - BNM-FIDE FORUM Dialogue on RMiT Implementation
 - BNM-FIDE FORUM Dialogue on Risk Management in Technology (RMiT): Insights 1 year on
 - BNM-FIDE FORUM Dialogue: Risk-Based Capital Framework for Insurers and Takaful Operators
 - BNM-FIDE FORUM Dialogue: The Future of Malaysia's Financial Sector
 - BNM-FIDE FORUM Dialogue: The Role of Independent Director in Embracing Present and Future Challenges
 - BURSA-FIDE FORUM Dialogue on Sustainability
 - Dawn Raid: Don't Be Caught Unprepared
 - FIDE FORUM's Board Effectiveness Evaluation Industry Briefing (Session 1)
 - Focus Group Discussion for BNM-FIDE FORUM Dialogue (Session 1)
 - Focus Group Discussion for BNM-FIDE FORUM Dialogue (Session 2)
 - JC3 Annual Flagship Conference: #FinanceForChange
 - Rethinking Our Approach to Cyber Defence in FIs
 - SC-FIDE FORUM Dialogue on Capital Market Masterplan 3
 - The Board's role and responsibilities in Crisis Communication
 - The 2050 Net Zero Carbon Emissions Target: Finance's Role

BOARD COMPOSITION AND GUIDANCE

Board Membership

The Company's present Board of eight Directors comprises a Non-Executive Chairman, Mr Norman Ka Cheung Ip, six Non-Executive Directors and one Executive Director. The six Non-Executive Directors are Mr Tan Yam Pin, Mr Koh Poh Tiong, Mr Ng Hon Soon, Mr Siew Kah Toong, Mr Ou Shian Waei and Mr Foong Soo Hah. Mr Khor Hock Seng is the Executive Director.

All appointments and re-appointments of Directors of the Company are subject to the approval of BNM.

STATEMENT OF CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Key Information on Directors

Key information on the Directors' qualifications, background, directorships and appointments are provided under the section "Board of Directors" of the Company's Annual Report³. The Directors' membership in various Board Committees is also set out herein. Information on their shareholdings in the Company's ultimate holding company, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") are disclosed in the Directors' Report that accompanies the Company's Financial Statements for the financial year ended 31 December 2021 ("FY2021"). The Directors do not hold any shares in the Company or its penultimate holding company, Great Eastern Holdings Limited ("GEH").

Board Composition and Independence

The Company determines the independence of its Directors in accordance with the requirements of the CG PD. Under the CG PD, an Independent Director must be independent in character and judgment, and free from associations or circumstances that may impair the exercise of his or her independent judgment. An Independent Director of the Company must be one who himself or herself or any person linked to him has not been an executive of the Company in the last two years, is not a substantial shareholder of the Company or any of its affiliates, and has no significant business or other contractual relationship with the Company or any of its affiliates within the last two years; and has not served for more than nine years on the Board⁴. Each Director is required to abstain from the Board Nominations and Remuneration Committee's and the Board's deliberations respectively on his own independence.

Under the CG PD, the Board is required to comprise a majority of Independent Directors at all times.

The Company's Board comprises a majority of Independent Directors. The Board Nominations and Remuneration Committee determines annually whether a Director is independent. Taking into consideration the definition of "independence" of a Director under the CG PD, the Board Nominations and Remuneration Committee has determined that the Company's Independent Directors are currently Mr Norman Ka Cheung Ip, Mr Tan Yam Pin, Mr Koh Poh Tiong, Mr Ng Hon Soon, Mr Siew Kah Toong, Mr Ou Shian Waei and Mr Foong Soo Hah.

Mr Khor Hock Seng is an Executive Director as he is the Group Chief Executive Officer of GEH.

The current Board complies with the requirements on Board composition and Board independence under the CG PD. Seven out of the eight Board members are Independent Directors.

The Board, through its Board Nominations and Remuneration Committee, is of the view that the current Board and Board Committees are of an appropriate size to facilitate effective decision making, taking into account the scope and nature of the operations of the Company.

Further, the Board Nominations and Remuneration Committee also assesses the diversity of its members' competency profiles, and determines the collective skills required to discharge its responsibilities effectively.

The Company's Board members have diverse backgrounds, experience and qualifications, and bring a wide range of financial and commercial experience to the Board. Collectively, they provide the necessary business acumen, knowledge, capabilities and core competencies to the Company, including industry knowledge in insurance, investment and asset management, banking, accounting, finance, strategy formulation, information technology, management experience, risk management and familiarity with regulatory requirements. The diversity of experience and competencies of the Directors enhance the effectiveness of the Board in discharging its responsibilities. Directors who serve on Board Committees have an appropriate mix of skills and capabilities, taking into account the skill set required for Board Committees to perform their respective roles and responsibilities.

With the knowledge, objectivity and balance contributed by the Non-Executive Directors, the Board constructively challenges and enhances proposals on strategy, reviews the performance of Management against agreed goals and objectives, and monitors the reporting of performances.

Notes:

³ Available at the Company's website at <https://www.greasternlife.com/my/en/index.html>.

⁴ CG PD provides for tenure limits of independent directors to generally not exceed nine years.

STATEMENT OF CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer (“CEO”) are not related to each other. The roles of the Chairman, Mr Norman Ka Cheung Ip, and the CEO, YBhg Dato Koh Yaw Hui, are distinct and separate, with clear division of responsibilities between them to ensure an appropriate balance of power, increased accountability and greater independence in decision making.

The principal responsibilities of the Chairman include leading the Board to ensure it effectively discharges its roles and responsibilities, approving agendas of Board meetings, monitoring the quality and timeliness of the flow of information from Management to the Board and promoting effective communication with shareholders. The Chairman also facilitates robust discussions and deliberations in Board meetings, encourages constructive relations between the Board and Management, and promotes high standards of corporate governance with the full support of other Directors, the Company Secretary and Management.

The CEO manages the Company and oversees the Company’s operations and implementation of its strategies, plans and policies to achieve planned corporate performance and financial goals. His management of the Company’s businesses, including implementing the Board’s decisions, is carried out with the assistance of the Senior Officers of the Company. Collectively, they are responsible for the day-to-day operations and administration of the Company, ensuring, *inter alia*, operational and organisational efficiency, profitable performance, regulatory compliance, good corporate governance and effective risk management. The Board reviews the CEO’s performance against his performance targets annually.

BOARD MEMBERSHIP

Process for Appointment of New Directors and Re-appointment of Existing Directors

The Board Nominations and Remuneration Committee has a key role in carrying out the formal and transparent process established for the appointment and re-appointment of Directors to the Board. Proposals for the appointment of new Directors and re-appointment of existing Directors are reviewed by the Board Nominations and Remuneration Committee. The Board Nominations and Remuneration Committee meets with the candidates to assess their suitability and commitment. Amongst others, the Board Nominations and Remuneration Committee takes into consideration the candidate’s professional qualifications, integrity, financial and commercial business experience, and field of expertise relevant to the Company, as well as his or her potential to contribute to the effectiveness of the Board and to complement the skills, knowledge and expertise of the Board. Competent individuals are nominated for the Board’s consideration, before submitting the application to BNM for approval.

The proposed candidate is required to confirm that he or she is not an active politician as defined in the CG PD. Further, he must not have prior involvement as an external auditor for the Company either in the capacity of an officer who is directly involved in the Company’s engagement or partner of the external auditor firm; until at least two years after he ceases to be an officer or partner of the external auditor firm or the firm last served as an auditor of the Company. The proposed candidate is expected to provide such confirmation to BNM prior to their respective appointment and re-appointment as Director.

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

Re-election and Re-appointment of Directors at Annual General Meeting

All Directors of the Board are required to retire from office at regular intervals, at least once every three years. At each Annual General Meeting of the Company, one-third of the Directors, being those who have served longest in office since their re-election, are required to retire by rotation in accordance with the Company’s Constitution. Pursuant to the Company’s Constitution, newly appointed Directors will hold office until the next Annual General Meeting and, if eligible, can stand for re-election. Retiring Directors are eligible for re-election when re-nominated by the Board Nominations and Remuneration Committee, taking into account their expertise, knowledge and commitment, and their contributions to Board discussions and to the effectiveness of the Board.

STATEMENT OF CORPORATE GOVERNANCE

BOARD MEMBERSHIP (CONTINUED)

Re-election and Re-appointment of Directors at Annual General Meeting (continued)

The Directors who are retiring by rotation under Clause 70 of the Company's Constitution and standing for re-election at the 2022 Annual General Meeting are Mr Tan Yam Pin and Mr Siew Kah Toong.

Mr Foong Soo Hah was appointed to the Board on 1 March 2022. He will retire pursuant to Clause 74 of the Company's Constitution and is eligible to be re-appointed to the Board at the Company's Annual General Meeting to be convened on 13 April 2022.

Directors are expected to set aside adequate time for their oversight of matters relating to the Company. Directors provide declarations of changes on their other appointments which are disseminated to all Board members. The Company has established guidelines on meeting attendance and the extent of other appointments outside of the Company that a Director may assume. Each of the Directors' listed company directorships and principal commitments are provided under the section "Board of Directors" of this Annual Report³. The Board Nominations and Remuneration Committee annually assesses each Director's attendance record and meeting participation to determine if a Director is able to and has been diligently discharging his or her duties as a Director of the Company.

Board Performance

The Board has an annual performance evaluation process, carried out by the Board Nominations and Remuneration Committee, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director. Each Director evaluates the performance of the Board and Board Committees. The assessment of the contributions of individual directors to the effectiveness of the Board is also performed annually. Such assessments are made against established performance criteria consistent with those approved by the Board and used in the previous year.

An external party is engaged to facilitate the Board Evaluation process and to provide the Board with an independent perspective of the Board's performance, including benchmarks against peer boards and industry best practices. In 2021, the Board Nominations and Remuneration Committee engaged Aon Malaysia Sdn Bhd ("Aon") to facilitate the Board Evaluation process. Aon and its consultants are independent and not related to the Company or its Directors.

The 2021 Board Evaluation questionnaire focused on areas such as competency and independence, information quality and timeliness, conduct of meetings, environmental, social and corporate governance, managing performance, succession planning, Directors' development, internal controls and risk management as well as Board Committees.

The purpose of the evaluation is to increase the overall effectiveness of the Board. The Board has found the evaluation process useful and constructive since its implementation. This collective process has also provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality personnel.

In considering its recommendations to the Board and in approving remuneration, the Board Nominations and Remuneration Committee ensures that remuneration policies are in line with the Company's strategic objectives and corporate values, and do not give rise to conflicts between objectives of the Company and interests of individual Directors, Senior Officers and Non-Senior Officers.

The Board Nominations and Remuneration Committee is tasked to review and recommend to the Board the general remuneration policy/framework as well as the specific remuneration of each Director and for each Senior Officers and Non-Senior Officers. No Director is involved in the deliberation regarding any remuneration, compensation or any form of benefits to be granted to himself.

Note:

³ Available at the Company's website at <https://www.greateasternlife.com/my/en/index.html>.

STATEMENT OF CORPORATE GOVERNANCE

REMUNERATION MATTERS (CONTINUED)

Level and Mix of Remuneration

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at and frequency of meetings, the respective responsibilities of Directors including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.

The Board Nominations and Remuneration Committee performs an annual review of the Directors' fee structure and of the computation of the aggregate Directors' fees based on the earlier Board-approved fee structure, before recommending any proposed changes to the Board for endorsement. The Directors' fees proposed by the Board each year are subject to the shareholders' approval at the Company's Annual General Meeting.

The Board Nominations and Remuneration Committee has considered the market practices for Non-Executive Director remuneration, and on its recommendation, the Board has decided to use the same fee structure for computing the fee for each Non-Executive Director for the FY2021 as that used in the previous financial year (in the following table):

		Annual Retainer
Board	Chairman	RM130,000
	Member	RM65,000
Board Committees	<u>Chairman:</u> • Board Audit Committee • Board Risk Management Committee	RM50,900
	<u>Member:</u> • Board Audit Committee • Board Risk Management Committee	RM25,400
	<u>Chairman:</u> • Board Nominations and Remuneration Committee	RM45,000
	<u>Member:</u> • Board Nominations and Remuneration Committee	RM27,000
Attendance fees per Board or Board Committee meeting		RM2,600

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

Remuneration Policy in respect of Senior Officers and Non-Senior Officers

The remuneration policy is approved by the Board and is subject to annual review taking into account changes in the remuneration practices and/or regulator's requirements from time to time.

The remuneration of the CEO, the Senior Officers and Non-Senior Officers of the Company are reviewed annually by the Board Nominations and Remuneration Committee, based on the overall remuneration framework approved by the Board. Currently, there are 13 identified Senior Officers and 7 identified Non-Senior Officers under the purview of the Board Nominations and Remuneration Committee.

Staff engaged in all control functions including Compliance, Risk Management, Actuarial Valuation, Audit and others do not carry business profit targets in their goal sheets, and hence are compensated independent of the business profit achievements. Their compensation is dependent on the achievement of key results in their respective domain.

Pursuant to the CG PD, Other Material Risk Takers is defined to include an officer who can materially commit or control significant amounts of the Company's resources or whose actions are likely to have a significant impact on the Company's risk profile. There are six identified Other Material Risk Takers who are subject to risk control Key Performance Indicators ("KPIs") and risk adjusted variable compensation.

STATEMENT OF CORPORATE GOVERNANCE

REMUNERATION MATTERS (CONTINUED)

Remuneration Policy in respect of Senior Officers and Non-Senior Officers (continued)

In such annual reviews, the Board Nominations and Remuneration Committee takes into consideration factors such as market competitiveness and market benchmark, and that the remuneration commensurates with individual performance and contribution. The Board Nominations and Remuneration Committee also takes into account the time horizon of risks, such as ensuring that all variable compensation payments shall not be fully paid over short periods when risks are realised over longer periods.

As part of the Company's continuous efforts to create sustainable value for stakeholders through broad-based growth across its core markets, delivering sustained earnings, driving core competencies of disciplined risk management, prudent investment and continued upgrading of technology and people, and ensuring sustainable business practices, the performance measures set for each business unit embeds these objectives, which match their functions and are consistent with the Company's risk appetite. In determining the remuneration of Senior Officers and Non-Senior Officers, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing their overall performance, in addition to their achievement in business and operations performance. Senior Officers and Non-Senior Officers are remunerated based on the achievements of their own performance measures, relevant departmental risk control KPIs, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.

Disclosure on Remuneration

To ensure that its remuneration packages are competitive, the Company regularly reviews salary levels and benefits packages based on market data provided by independent and credible remuneration consultants who conduct surveys on comparative groups in the financial sector. The determination of the Company's variable compensation pool is fully discretionary and factors taken into consideration include financial and non-financial metrics such as the Company's performance, audit ratings, risk indicators and compliance issues, market condition and competitive market practices.

The total compensation packages for Senior Officers and Non-Senior Officers comprise basic salary, various performance-related variable compensation, allowances, deferred share awards and benefits.

The variable components have been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the Board Nominations and Remuneration Committee and the Board. Senior Officers are subject to an additional performance measurement approach by embedding corporate governance indicator for more prudent risk taking.

The annual budget for salary increment and performance-related variable compensation are reviewed and endorsed by the Board Nominations and Remuneration Committee and is submitted to the Board for approval.

As a consequence of the financial crisis in recent years, financial institutions globally have been reviewing compensation practices to reduce incentives that encourage excessive risk taking. While the Company has adopted compensation practices that take into account the principles and implementation standards issued by the Financial Stability Forum for Sound Compensation Practices, it also continues to review its compensation practices on an on-going basis to further ensure that decisions made are conducive for sustained business performance. In its deliberations, the Board Nominations and Remuneration Committee also takes into account the remuneration principles, practices and standards issued by the regulator from time to time.

Senior Officers and Non-Senior Officers through annual self-declaration commit not to undertake activities (such as personal hedging strategies and liability-related insurance) that will undermine the risk alignment effects embedded in their remuneration.

In collaboration with the Board Nominations and Remuneration Committee, the Company has designed and developed its Performance Assessment and Remuneration Framework, which takes into consideration the prevailing regulatory requirements, and with the inputs from the Senior Officers. The Performance Assessment and Remuneration Framework is independently reviewed by the Board Audit Committee and Board Risk Management Committee. The Board Risk Management Committee may with the assistance of Risk Management Department assess how the Performance Assessment and Remuneration Framework affects the Company's risk profile.

The Company's variable compensation varies in line with its financial performance and corporate governance requirements.

STATEMENT OF CORPORATE GOVERNANCE

REMUNERATION MATTERS (CONTINUED)

Share-based incentives

The Company does not have any share option scheme or share plan in place. Instead, the Company's ultimate holding company, OCBC Bank, grants share awards pursuant to the OCBC Deferred Share Plan to selected senior executives of the Company. The Company had ceased the granting of OCBC share options to eligible executives from 2019 for the FY2018 performance. All grants and awards are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Company's risk profile/rating.

Disclosure of Directors' and CEO Remuneration

The total Directors' and CEO's Remuneration in respect of FY2021 is shown under Note 24(b) of the Notes to the Financial Statements. Non-Executive Directors will be paid Directors' Fees totaling RM1,289,600 in respect of FY2021, subject to shareholders' approval at the 2022 Annual General Meeting.

Disclosure of Senior Officers and Non-Senior Officers

The details of the remuneration granted to the eligible Senior Officers and Non-Senior Officers are disclosed in the table below:

Total value of remuneration awards for FY2021:

	Unrestricted		Deferred	
	No. of pax	RM	No. of pax	Units
Fixed remuneration				
- Cash-based	22	11,107,160.00	-	-
- Other	1	35,200.00	-	-
Variable remuneration				
- Cash-based	20	3,851,420.00		
- Shares and share-linked instruments	15	1,868,368.01	14	60,619 units (Deferred Share, Share Option and Employee Share Purchase Plan)
- Other	22	2,689,935.75	-	-

INTERNAL CONTROL FRAMEWORK

The internal control framework comprises among others, the infrastructure in the form of risk oversight committees at the Board and Management level; frameworks, policies and procedures; risk and compliance self-assessment processes for all business units to assess and manage the adequacy and effectiveness of their systems of internal controls and their level of compliance with applicable rules and regulations; and a monitoring and reporting process.

Risk Management

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

STATEMENT OF CORPORATE GOVERNANCE

INTERNAL CONTROL FRAMEWORK (CONTINUED)

Risk Management (continued)

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

Annually, an Own Risk and Solvency Assessment report is submitted to apprise the Board Risk Management Committee and the Board of the Company's risk profile, the manner in which the Company determines its solvency and the various measures put in place to ensure that the solvency requirements are met at all times.

Internal Controls

The Board is responsible for ensuring that the Company's system of internal controls is adequate to safeguard stakeholders' interests and the Company's assets. The Company has in place, self-assessment processes for all business units to assess the adequacy and effectiveness of their systems and processes of internal controls, and their level of compliance with applicable rules and regulations. The results of evaluation are reviewed by the Senior Officers, who in turn would provide an annual assurance to the CEO on the adequacy and effectiveness of the Company's operational risk management and internal control systems and compliance with the relevant statutory and regulatory requirements. This self-assessment process is further supplemented by an annual assurance report on risk management and internal controls, co-ordinated by Risk Management and tabled to the Board Audit Committee, the Board Risk Management Committee and the Board for notation.

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

Infrastructure

While the Board is ultimately responsible for the management of risks within the Company, there are risk oversight committees that facilitate in depth review of the risks associated with specific aspects of the business such as the Board Risk Management Committee, the Board Audit Committee, the Senior Management Team, the Asset Liability Committee, the Information Technology Steering Committee and the Product Development Committee. The duties and scope of work of these committees are documented in their respective terms of reference.

The authority delegated by the Board to the Board Committees and the CEO are formalised in the Company's Authority Grid. Other documents that guide on the delegation of the CEO's authority include underwriting limits, claim limits and investment limits.

The segregation of duties is paramount in ensuring that members of staff are not assigned potential conflicting responsibilities that relate to matters such as approvals, disbursements and administration of policies, execution and recording of investments, operational and internal audit/compliance functions, underwriting and credit controls.

Frameworks, Policies and Procedures

The Company has established risk management frameworks and policies that set forth the means by which the Company shall evaluate and manage the risks inherent in the business. The frameworks outline the common risk management process across all risk types within the Company.

STATEMENT OF CORPORATE GOVERNANCE

INTERNAL CONTROL FRAMEWORK (CONTINUED)

Frameworks, Policies and Procedures (continued)

A number of policies and procedures have also been put in place to guide and facilitate consistency in application across the board. These cover key risk areas such as:

- Investments
- Insurance operations
- Technology information and cyber
- Fraud and market conduct
- Anti-money laundering and countering the financing of terrorism
- Capital management, capital contingency and stress testing
- Related party and interested party transactions
- Outsourcing
- Reinsurance management
- Business continuity management
- Anti-bribery and corruption
- Data governance

The frameworks, policies and procedures are reviewed each year to ensure continued relevance and to capture the latest regulatory, statutory and Group requirements. They are then approved by the Board or relevant Board or Management Committees.

Monitoring and Reporting

An Enterprise Risk Dashboard that features the Company's risk profile from various perspectives namely strategic risk, financial risk, operational risk, technology risk, market conduct and compliance risk as well as climate risk, is submitted to the Board, Board Risk Management Committee and Senior Management Team for notation.

Regulatory breaches, risk concerns and operational incidents are reported in the Enterprise Risk Dashboard while investment breaches are reported via the limits report and compliance assurance reports. The respective business units are required to provide the corrective and preventive measures once a regulatory breach or operational incident is discovered. The Company has a process to collate statistics for a number of Key Risk Indicators for reporting internally as well as to BNM on a regular basis.

Stress test scenarios and the corresponding stress factors are developed and reviewed by the Board annually and thereafter, the scenarios and factors are used to stress the financial positions.

Whistleblowing Policy

The Company has a whistleblowing policy in place whereby employees of the Company and external parties may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence. The whistleblowing policy and procedures for raising such concerns are clearly communicated to employees. All whistleblowing incidents are reported to the Board Audit Committee. Concerns expressed anonymously are considered and investigated on the basis of their merits. The Board Audit Committee ensures that arrangements are in place for the independent investigation of such matters and appropriate follow-up actions. If fraud is determined, appropriate remedial actions are taken and the Board Audit Committee is updated regularly on their status. The whistleblower has protection against reprisals provided he has acted in good faith. The Board Audit Committee Chairman is responsible for the effective implementation of the whistleblowing policy, which includes evaluating periodic reports that monitor and assess how concerns are escalated and dealt with, and overseeing the periodic review of the effectiveness of the policy.

STATEMENT OF CORPORATE GOVERNANCE

INTERNAL CONTROL FRAMEWORK (CONTINUED)

Internal Audit

The internal audit function (“Internal Audit”) serves to provide the Board and Management with independent and objective assessments of the adequacy and effectiveness of the governance, risk management and internal control processes as designed and implemented by Management. The Internal Audit Charter is approved by the Board. Internal Audit resides in-house and is independent of the activities it audits. Internal Audit is staffed by executives with relevant qualifications and experience, and the Board Audit Committee ensures that the Internal Audit is adequately resourced. The Chief Internal Auditor reports to the Chairman of the Board Audit Committee and administratively to the CEO. Her annual remuneration and evaluation are approved by the Board Audit Committee.

The work undertaken by Internal Audit involves the assessment of the adequacy and effectiveness of the Company’s risk management and internal control environment, including ascertaining if the internal controls are sufficient in ensuring that significant financial, managerial and operating information is accurate, reliable and timely, operations and programs are effective and efficient, and assets are safeguarded. Internal Audit has unrestricted access to the Board, Board Audit Committee, and all functions, records, property and personnel of the Company. Internal Audit meets the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors.

RELATED PARTY TRANSACTIONS

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

Details of the Company’s related party transactions during FY2021 are set out in Note 31 of the Notes to the Financial Statements.

ETHICAL STANDARDS

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

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

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

STATEMENT BY DIRECTORS

Pursuant To Section 251(2) Of The Companies Act, 2016

We, Ng Hon Soon and Siew Kah Toong, being two of the Directors of Great Eastern Life Assurance (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 64 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 March 2022.

Ng Hon Soon

Siew Kah Toong

Kuala Lumpur

STATUTORY DECLARATION

Pursuant To Section 251(1)(b) Of The Companies Act, 2016

I, Loke Chang Yueh, being the officer primarily responsible for the financial management of Great Eastern Life Assurance (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 64 to 165 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Loke Chang Yueh
at Kuala Lumpur in the Federal Territory
on 25 March 2022

Loke Chang Yueh

Before me,

INDEPENDENT AUDITORS' REPORT

To the member of Great Eastern Life Assurance (Malaysia) Berhad (Incorporated in Malaysia)
Registration No. 198201013982 (93745-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Great Eastern Life Assurance (Malaysia) Berhad ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 165.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' 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 and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditors' report, and Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Company and our auditors' report thereon.

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

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

If, based on the work we have performed, 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.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company'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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

To the member of Great Eastern Life Assurance (Malaysia) Berhad (Incorporated in Malaysia)
Registration No. 198201013982 (93745-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, 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.
- (b) 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANJIT SINGH A/L HAJANDER SINGH
02954/03/2023 J
Chartered Accountant

Kuala Lumpur
25 March 2022

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Property and equipment			
- Owned	3(a)	303,982	531,178
- Right-of-use assets	3(b)	18,276	19,366
Intangible assets	4	162,177	3,644
Investment properties	5	1,214,270	1,129,470
Investments	6	84,148,012	84,426,509
Derivatives	12	7,331	18,250
Reinsurance assets	7	128,057	119,373
Insurance receivables	8	354,683	284,633
Other receivables	9	741,786	996,304
Cash and cash equivalents		4,510,191	3,544,142
Total assets		91,588,765	91,072,869
Equity			
Share capital	10	100,000	100,000
Retained earnings		4,183,941	3,586,186
Other comprehensive income fair value reserves		(54,664)	39,547
Total equity		4,229,277	3,725,733
Liabilities			
Insurance contract liabilities	11	84,633,108	83,998,807
Derivatives	12	23,764	49,861
Agents' retirement benefits	13	884,985	885,877
Deferred tax liabilities	14	586,011	832,129
Other financial liabilities	15	45,232	271,171
Insurance payables	16	376,654	390,659
Provision for taxation		200,427	313,903
Lease liabilities	3(c)	2,941	3,827
Other payables	17	606,366	600,902
Total liabilities		87,359,488	87,347,136
Total equity and liabilities		91,588,765	91,072,869

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Gross earned premiums	18(a)	9,674,518	9,297,227
Earned premiums ceded to reinsurers	18(b)	(230,839)	(367,317)
Net earned premiums		9,443,679	8,929,910
Net investment income	19	3,468,283	3,317,169
Net realised gains and losses	20	(277,041)	(1,188,614)
Net fair value gains and losses	21	(3,239,534)	2,257,670
(Increase)/decrease in provision for impairment of:			
Insurance receivables	8	(2,331)	(11,222)
Other receivables	9	380	(143)
Investments		(24,584)	(3,385)
Fees and commission income	22	4,314	216,295
Other operating revenue		1,274	132,857
Other revenue		(69,239)	4,720,627
Gross benefits and claims paid	23(a)	(6,560,566)	(6,376,999)
Claims ceded to reinsurers	23(b)	364,894	196,666
Gross change in contract liabilities	23(c)	172,691	(1,451,549)
Change in contract liabilities ceded to reinsurers	23(d)	(13,171)	2,470
Net benefits and claims		(6,036,152)	(7,629,412)
Fees and commission expenses		(1,328,262)	(1,343,471)
Management expenses	24	(541,879)	(526,066)
Other operating expenses		(6,098)	(858)
Taxation attributable to life insurance business	25(a)	75,844	(297,353)
Other expenses		(1,800,395)	(2,167,748)
Profit before taxation attributable to shareholders		1,537,893	3,853,377
Taxation		(254,990)	(561,075)
Taxation attributable to life insurance business		(75,844)	297,353
Taxation attributable to shareholders	25(b)	(330,834)	(263,722)
Net profit for the year		1,207,059	3,589,655
Earnings per share (sen)			
Basic and diluted	26	1,207	3,590

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 RM'000	2020 RM'000
Net profit for the year	1,207,059	3,589,655
Other comprehensive loss:		
Other comprehensive loss that will not be reclassified to statement of profit or loss in subsequent periods:		
Net loss on equity instrument designated at fair value through other comprehensive income ("FVOCI")	(37,504)	(90,687)
Tax effects thereon	6,289	18,242
Net other comprehensive loss that will not be reclassified to statement of profit or loss in subsequent periods (net of tax)	(31,215)	(72,445)
Other comprehensive income that may be reclassified to statement of profit or loss in subsequent periods:		
Debt instruments at FVOCI:		
Net (loss)/gain arising during the year	(86,145)	54,008
Changes in allowance for Expected Credit Loss ("ECL")	6,624	6,154
Net realised gain transferred to statement of profit or loss	(912)	(58,153)
	(80,433)	2,009
Tax effects thereon	8,133	9,493
Net other comprehensive (loss)/income that may be reclassified to statement of profit or loss in subsequent periods (net of tax)	(72,300)	11,502
Other comprehensive loss for the year, net of tax	(103,515)	(60,943)
Total comprehensive income for the year, net of tax	1,103,544	3,528,712

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share Capital	Non-Distributable			Distributable			Total Equity
		Fair Value Reserves			Retained Earnings			
		Non-participating Fund	Shareholder's Fund	Sub-total	Non-participating Fund*	Shareholder's Fund	Sub-total	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2020	100,000	87,622	(9,443)	78,179	777,742	1,711,100	2,488,842	2,667,021
Net profit for the year	-	-	-	-	766,193	2,823,462	3,589,655	3,589,655
Other comprehensive loss for the year	-	(52,689)	(8,254)	(60,943)	-	-	-	(60,943)
Total comprehensive (loss)/income for the year	-	(52,689)	(8,254)	(60,943)	766,193	2,823,462	3,589,655	3,528,712
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax) (Note 6(b))	-	21,318	993	22,311	(21,318)	(993)	(22,311)	-
Transfer from non-participating fund as recommended by Appointed Actuary (net of tax)	-	-	-	-	(537,320)	537,320	-	-
Dividends paid during the year (Note 27)	-	-	-	-	-	(2,470,000)	(2,470,000)	(2,470,000)
At 31 December 2020	100,000	56,251	(16,704)	39,547	985,297	2,600,889	3,586,186	3,725,733
At 1 January 2021	100,000	56,251	(16,704)	39,547	985,297	2,600,889	3,586,186	3,725,733
Net profit for the year	-	-	-	-	1,000,415	206,644	1,207,059	1,207,059
Other comprehensive loss for the year	-	(79,824)	(23,691)	(103,515)	-	-	-	(103,515)
Total comprehensive (loss)/income for the year	-	(79,824)	(23,691)	(103,515)	1,000,415	206,644	1,207,059	1,103,544
Transfer of fair value reserve of equity instruments designated at FVOCI (net of tax) (Note 6(b))	-	4,317	4,987	9,304	(4,317)	(4,987)	(9,304)	-
Transfer from non-participating fund as recommended by Appointed Actuary (net of tax)	-	-	-	-	(877,800)	877,800	-	-
Dividends paid during the year (Note 27)	-	-	-	-	-	(600,000)	(600,000)	(600,000)
At 31 December 2021	100,000	(19,256)	(35,408)	(54,664)	1,103,595	3,080,346	4,183,941	4,229,277

* The non-distributable retained earnings represent the unallocated surplus from the Non-participating Funds. In accordance with Section 83 *Withdrawal from insurance funds* of the Financial Services Act, 2013, the unallocated surplus of Non-participating Funds is only available for distribution to the shareholder upon approval/recommendation by the Appointed Actuary.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOW

For The Year Ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Operating activities			
Cash used in operating activities	28	(1,297,204)	(1,777,372)
Dividend/distribution income received		1,248,134	919,448
Interest/profit income received		2,310,427	2,385,465
Rental income on investment properties received		69,971	71,417
Agents' retirement benefits paid	13	(57,038)	(76,156)
Income tax paid		(600,160)	(386,181)
Net cash flows generated from operating activities		1,674,130	1,136,621
Investing activities			
Proceeds from disposal of property and equipment		5	6
Purchase of property and equipment	3(a)	(106,396)	(108,133)
Purchase of intangible assets	4	(475)	-
Proceeds from disposal of intangible assets	4	441	875
Purchase of investment properties	5	(539)	-
Net cash flows used in investing activities		(106,964)	(107,252)
Financing activities			
Dividends paid to equity holder	27	(600,000)	(2,470,000)
Payment of principal portion of lease liabilities	3(c)	(1,117)	(1,056)
Net cash flows used in financing activities		(601,117)	(2,471,056)
Net increase/(decrease) in cash and cash equivalents		966,049	(1,441,687)
Cash and cash equivalents at beginning of year		3,544,142	4,985,829
Cash and cash equivalents at end of year		4,510,191	3,544,142
Cash and cash equivalents comprise of:			
Cash and bank balances		1,541,191	742,842
Short term deposits with original maturity periods of less than 3 months		2,969,000	2,801,300
		4,510,191	3,544,142
Reconciliation of liabilities arising from financing activities:			
Lease liabilities			
Beginning of year		3,827	4,352
Additions		187	355
Payment of lease liabilities		(1,117)	(1,056)
Interest expense on lease liabilities (Note 24)		44	176
End of year	3(c)	2,941	3,827

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 20, Menara Great Eastern, 303 Jalan Ampang, 50450 Kuala Lumpur.

The principal activity of the Company is the underwriting of life insurance business including investment-linked business.

There has been no significant change in the principal activity during the financial year.

The immediate holding company is Great Eastern Capital (Malaysia) Sdn Bhd, a company incorporated in Malaysia. The intermediate holding company is Great Eastern Life Assurance Company Limited, a company incorporated in the Republic of Singapore. The ultimate holding company is Oversea-Chinese Banking Corporation Limited (“OCBC Bank”), a public-listed company incorporated in the Republic of Singapore.

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Company had adopted the amended MFRSs and new MFRSs as described fully in Note 2.3.

The financial statements of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The Company has met the minimum capital requirements as prescribed by the Risk-based Capital (“RBC”) Framework as at the reporting date.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (RM’000) except when otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property and Equipment and Depreciation

Property and equipment comprise of owned and leased assets. Leased assets refer to right-of-use assets as described in Leases note 2.2(c)(i).

Property and equipment are stated at cost less accumulated depreciation and impairment losses. The initial cost of property and equipment comprises its purchase price, including non-refundable taxes and any costs to enhance the working condition of the asset for its intended use.

Expenditure incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the statement of profit or loss in the period in which the costs are incurred. Where the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property and equipment.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property and Equipment and Depreciation (continued)

Depreciation of property and equipment is calculated on a straight-line basis to write off the cost of each amount to its residual value over its estimated useful life. No depreciation is provided for freehold land as it has an unlimited useful life and capital work in progress as it is not ready for active use. The annual depreciation rates are:

Buildings - Owner occupied properties	2 %
Motor vehicles	20 %
Office machinery	6 - 20 %
Office furniture and fittings	10 %
Computer equipment	10 - 33 %

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

Leasehold buildings are depreciated over their estimated useful lives or over the remaining lease term of the leasehold land on which the building resides, if the remaining lease term of the leasehold land is shorter than the estimated useful life of the building. The right-of-use assets are depreciated on straight-line basis over the earlier of its useful life or the term of the lease (refer note 2.2(c)(i)).

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with the carrying amounts and are included in the statement of profit or loss.

Included in the Life Insurance Fund's property and equipment are freehold land, and leasehold and freehold buildings occupied for own use for the operations of the Company.

In line with the adoption of MFRS 16 Leases, the Company has reclassified its leasehold prepaid land lease payment to right-of-use assets as described in Note 3(b). Prepaid land lease payment refers to long term lease with an unexpired period of fifty years or more.

(b) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases

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

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

(i) As Lessee

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

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment (see Note 2.2(a)). In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

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

The Company presents its right-of-use assets in 'property and equipment' and 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

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

The Company applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Company. Refer to Note 2.2(b) for accounting policy on investment property.

The Company presents ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (continued)

(ii) As Lessor

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

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are reported as rental income. The accounting policy for rental income is set out in Note 2.2(o).

(d) Intangible Assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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

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

Intangible Assets of the Company comprise of the following:

- A portal ("Distribution Platform") developed to sell or distribute the Company's products digitally. This Distribution Platform is recognized at cost on initial recognition. Following initial recognition, this Distribution Platform is amortised on a straight-line basis over its estimated useful life of 6.5 years.
- Software intangible assets are capitalised on a basis of the costs incurred to acquire and bring to use the specific software. Software development costs are incurred for the development of software for systems. These costs are amortised over a period of 5 years or 20% on a straight-line basis from the date of system commissioning.

Cost associated with maintaining computer software programmes are recognized as an expense when incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments and Financial Assets

Initial Recognition and Measurement

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

At initial recognition, the Company measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at fair value through profit or loss are recognised as expense in the statement of profit or loss.

Regular way purchase or sale of a financial asset

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

Classification

On initial recognition, a financial asset is classified as measured at Amortised Cost ("AC"), FVOCI or FVTPL.

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

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

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

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

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

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

All other financial assets are measured as FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments and Financial Assets (continued)

Initial Recognition and Measurement (continued)

Business model assessment

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments and Financial Assets (continued)

Subsequent measurement

I Debt Instruments

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

(i) Amortised Cost ("AC")

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

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

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

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

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

Fair value changes of financial assets at FVTPL are analysed between change resulting from foreign currency fluctuation and other fair value changes. Foreign currency fluctuation and other fair value changes are included under other operating income/(expense) and fair value gains/(losses) in the statement of profit or loss respectively.

II Equity Instruments

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

Changes in fair value of financial assets at FVTPL are recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments and Financial Assets (continued)

Subsequent measurement (continued)

III Derivatives and Hedging Activities

The Company applies economic hedge for currency and foreign exchange risks involving derivatives such as cross currency swap and forward currency contracts. All derivatives are carried as financial asset when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. Fair value adjustments and realised gains and losses are recognised in the statement of profit or loss.

IV Loans and Receivables (“LAR”)

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

Subsequent to initial recognition, LAR are measured at amortised cost, using the effective yield method, less allowance for impairment. Gains and losses are recognised in the statement of profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

(f) Insurance Receivables

Insurance receivables are recognised when due. They are measured at initial recognition at the fair value received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest method. Loss allowance is measured at an amount equal to lifetime expected credit losses with the impairment loss recognised in the statement of profit or loss.

Subsequent increases in the recoverable amount of the insurance receivable are treated as reversal of the previous expected credit loss impairment amount.

Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

(g) Financial Liabilities and Insurance Payables

Financial liabilities and insurance payables are recognised on the statement of financial position when the Company becomes a party to the contractual obligations of the financial instrument.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial Liabilities and Insurance Payables (continued)

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains and losses recognised in the statement of profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities at FVTPL.

(ii) Other financial liabilities

Other financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

(iii) Agents' Retirement Benefits

Agents' Retirement Benefit ("ARB") is considered a financial instrument as it gives rise to a financial asset in one entity and a financial liability of another entity. The contractual obligation to pay ARB arises from the agency agreement i.e. Life Assurance Sales Representative Agreements ("Agreements") signed between the Company and insurance agents, thus creating a financial liability for the Company.

The carrying amount for ARB is calculated in accordance with the terms and conditions in the respective Agreements. The carrying amount for ARB is initially recognised at fair value and subsequent to initial recognition, it is measured at amortised cost. The accrued interest is recognised in statement of profit or loss.

The terms and conditions of the Agreements stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the Company shall allocate to the agent a deferred benefit/retirement benefit.

The deferred benefit/retirement benefit accumulated at the reporting date includes an element of accrued interest, which is calculated at the Participating fund rate of return for the year/dividend rate as announced by the Employees' Provident Fund ("EPF") for that year.

The accrued deferred benefit shall only become payable provided the Agreements have been in force for certain continuous contract years.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains or losses are recognised in the statement of profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Fair Value Measurement

The Company measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 6(a).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable including quotes from brokers and market makers, discounted cash flows and other valuation techniques commonly used by market participants
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the Properties Department. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. A valuation is done on an annual basis.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Fair Value Measurement (continued)

The Company and its appointed external valuers also compares the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.

The valuation results, as performed by the Company's external valuers, are presented to the Board in the year the valuation is performed.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(i) Impairment of Financial Assets

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

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

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

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

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

12-month ECL represent the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Not credit-impaired financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of Financial Assets (continued)

Modified financial assets

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

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

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets measured at amortised cost and debt financial assets measured at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers factors as evidence that a financial instrument is credit impaired:

- Significant financial difficulty of the counterparty or issuer;
- A breach of contract such as default or past due event;
- The restructuring of a loan or receivable of the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

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

Write-off

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when:

- The contractual right to receive cash flows from the financial asset has expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a 'pass through' arrangement and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset in its entirety except for equity securities measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of asset derecognised) and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit or loss.

On derecognition of equity securities measured at FVOCI, any cumulative gain/loss recognised in other comprehensive income is not recognised in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(k) Impairment of Non-Financial Assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of the fair value less cost of disposal and the value in use, which is measured by reference to discounted cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised in the statement of profit or loss in the period in which it arises. Subsequent increases in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. A reversal of impairment loss is recognised in the statement of profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Insurance Contract

(i) Product Classification

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by considering whether upon the insured event the Company is required to pay additional benefits.

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

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

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

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

Surpluses in the DPF funds can be distributed on an approximate 90/10 basis in accordance with BNM's guidelines - Management of Insurance Funds to the policyholders and the shareholder respectively. The Company has the discretion over the amount and timing of the distribution of these surpluses to policyholders. All DPF liabilities, including unallocated surpluses, both guaranteed and discretionary, at the end of the reporting period are held within insurance or investment contract liabilities, as appropriate.

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Insurance Contract (continued)

(i) Product Classification (continued)

For the purpose of product classification, the Company adopts maximum policy benefits as the proxy for insurance risk and cash surrender value or discounted maturity value as the proxy for realisable value of the insurance contract. The Company defines insurance risk to be significant when the ratio of the insurance risk over the deposit component is not less than 105% of the deposit component at inception of the insurance contract. Based on this definition, all policy contracts issued by the Company are considered insurance contracts as at the date of this statement of financial position.

(ii) Types of Insurance Contracts

Insurance contract liabilities are classified into principal components as follows:

(a) Life Assurance contract liabilities comprising:

- Participating Fund contract liabilities;
- Non Participating Fund contract liabilities; and
- Investment Linked Fund contract liabilities.

(b) Reinsurance contracts

(iii) Life Assurance Contract Liabilities

Insurance contracts are recognised and measured in accordance with the terms and conditions of the respective insurance contracts and are based on regulatory guidelines. Premiums, claims and benefit payments, acquisition and management expenses and valuation of future policy benefit payments or premium reserve as the case may be, are recognised in the statement of profit or loss of the respective funds.

The valuation of insurance contract liabilities is determined according to BNM's RBC Framework for Insurers and MFRS 4 *Insurance Contracts* ("MFRS 4"). The RBC Framework for Insurers issued by BNM meets the requirement of the Liability Adequacy Test under MFRS 4.

The Company performs liability adequacy tests on its life insurance liabilities to ensure that the carrying amount of provisions is sufficient to cover estimated future cash flows. When performing the liability adequacy test, the Company discounts all contractual cash flows and compares this amount against the carrying value of the liability. Any deficiency is charged to the statement of profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Insurance Contract (continued)

(iii) Life Assurance Contract Liabilities (continued)

The liability in respect of a participating insurance contract is taken as the higher of the guaranteed benefit liabilities or the total benefit liabilities at the fund level derived as stated above.

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policyholders, are set as the liabilities if the accumulated amount is higher than the amounts as calculated using the gross premium valuation method.

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

Risk transfer

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

For non-participating policy contracts, both insurance and investment risks are transferred from policyholders to the Company. For non-participating policy contracts other than medical insurance policy contracts, the payout to policyholders upon occurrence of the insured event is pre-determined and the transfer of risk is absolute. For medical insurance policy contracts, the payout is dependent on the actual medical cost incurred upon occurrence of the insured event.

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

Subsequent measurement of life insurance contract liabilities

Adjustments to the liabilities at each reporting date are recorded in the statement of profit or loss. Profits originating from margins of adverse deviations on run-off contracts, are recognised in the statement of profit or loss over the life of the contract, whereas losses are fully recognised in the statement of profit or loss during the first year of run-off.

Derecognition of life insurance contract liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Insurance Contract (continued)

(iii) Life Assurance Contract Liabilities (continued)

Insurance contracts and investment contracts with DPF

A significant portion of insurance contracts issued by the Company contain discretionary participating features. These contracts are classified as participating policies. In addition to the guaranteed benefits payable upon occurrence of an insured event associated with human life such as death or disability, the contract entitles the policyholder to receive benefits which could vary according to investment performance of the fund. The Company does not recognise the guaranteed portion separately from the discretionary participating feature.

(m) Reinsurance Contracts

The Company cedes insurance risk in the normal course of its life insurance business. Reinsurance assets represent amounts receivable in respect of ceded insurance liabilities. These amounts are estimated in a manner consistent with the reinsured insurance contract liabilities, the outstanding claims provision or settled claims associated with the reinsurance contracts. Reinsurance assets arising from ceding of in-force book and gross onerous contracts are recognized in the same period when the gross liabilities are accrued.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the financial year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive part or all outstanding amounts due under the terms of the contract. The impairment loss is recorded in the statement of profit or loss. Gains or losses on reinsurance are recognised in the statement of profit or loss immediately at the date of contract and are not amortised.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired.

(n) Life Insurance Underwriting Results

The surplus transferable from the Life Insurance Fund to the statement of profit or loss is based on the surplus determined by an annual actuarial valuation of the long term liabilities to policyholders.

(i) Gross Premium Income

Premium is recognised as soon as the amount of the premium can be reliably measured. First year premium is recognised from inception date and subsequent premium is recognised when it is due. For single premium business, revenue is recognised on the date on which the policy is effective. Premiums from the investment-linked business are recognised as revenue when payment is received.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured. Premium not received on due date are recognised as revenue in the statement of profit or loss and reported as outstanding premiums in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Life Insurance Underwriting Results (continued)

(ii) Reinsurance Premiums

Gross reinsurance premiums are recognised as an expense when payable or on the date when the policy is effective.

(iii) Creation of Units

Net creation of units, which represents premiums paid by policyholders as payment for a new contract or subsequent payments to increase the amount of that contract, are reflected in the statement of profit or loss. Net creation of units is recognised on a receipt basis.

(iv) Commission and Agency Expenses

Commission and agency expenses, which are costs directly incurred in securing premium on insurance policies, net of income derived from reinsurers in the course of ceding of premium to reinsurers, are charged to the statement of profit or loss in the period in which they are incurred.

(v) Claims and Policy Benefits

Claims and settlement costs that are incurred during the financial period are recognised when a claimable event occurs and/or when the insurer is notified.

Policy benefits are recognised in the accounts when the policyholder exercises the option to deposit the cash bonus and survival benefit with the Company when the benefits fall due. Policy benefits bear fixed interest rates as determined by the Company from time to time.

Claims and provisions for claims arising on life insurance policies, including settlement costs, are accounted for using the case basis method and for this purpose, the benefits payable under a life insurance policy are recognised as follows:

- (a) maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates;
- (b) death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered;
- (c) benefits payable under investment-linked business include net cancellation of units and are recognised as surrender; and
- (d) bonus on non-participating life policies upon declaration.

(o) Other Revenue Recognition

Interest income is recognised on a time proportion basis that takes into account the effective yield of the asset.

Rental is recognised on an accrual basis.

Dividend is recognised when the right to receive payment is established.

All sales of investments are recognised on their trade dates i.e., the date the Company commits to sell the assets. Gains or losses arising from the sale of investments are calculated as the difference between net sales proceeds and the original or carrying amount and are credited or charged to the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Fees and Commission Income

Fees and commission income comprise mainly of management fee and reinsurance commission income. Management fee includes income earned from provision of investment management services for investment linked businesses. These fees income are recognised as revenue over the period in which the services are rendered.

(q) Foreign Currencies

(i) Functional and Presentation Currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional and presentation currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company’s functional currency (“foreign currencies”) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the statement of profit or loss. Exchange differences on equity investments classified as Fair Value Through Comprehensive Income financial assets are included in the fair value reserve in equity.

The principal exchange rates of foreign currency ruling at reporting date used are as follows:

	2021	2020
	RM	RM
Singapore Dollar	3.09	3.04
United States Dollar	4.16	4.02
British Pound	5.63	5.49
Australian Dollar	3.03	3.09
Hong Kong Dollar	0.53	0.52
Japanese Yen	0.04	0.04
China Yuan	0.66	0.62

(r) Income Tax

Income tax in the statement of profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

In addition to paying tax on shareholder’s profit, the life insurance business pays tax on policyholders’ investment returns at a tax rate of 8%. Tax on policyholders is recognised as an expense and disclosed separately under taxation of life insurance business in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Income Tax (continued)

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(s) Employee Benefits

(i) Defined Contribution Plans Under Statutory Regulations

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statement of profit or loss as incurred.

(ii) Employee Leave Entitlements

An employee's entitlement to annual leave is estimated and accrued according to the Company's Human Resource policy.

(iii) Share Options

Senior executives of the Company are granted share options in the OCBC Bank's Share Option Scheme as consideration for services rendered. Options granted generally vest in one-third increments over a 3-year period and expire between 5 and 10 years from date of grant. The cost of these equity-settled share based payment transactions with the senior executives is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. The cost is recognised in the statement of profit or loss of the respective insurance funds, with a corresponding increase in the intercompany balance with the ultimate holding company, over the vesting period.

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

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

The Company has ceased granting OCBC share options to eligible executives with effect from FY2019.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee Benefits (continued)

(iv) Deferred Share Plan

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

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

(t) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments with original maturity of three months or less from the date of acquisition, or are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

(u) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(v) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

(w) Investment in subsidiary

A subsidiary is an entity over which the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's financial statements, investment in subsidiary, which relates to investment in collective investment scheme, is carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Investment in subsidiary (continued)

On disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in the statement of profit or loss.

The Company is exempted from presenting consolidated financial statements based on the criteria set out in paragraph 4 of MFRS 10 *Consolidated Financial Statements*.

The immediate holding company, Great Eastern Capital (Malaysia) Sdn. Bhd., prepares the consolidated financial statements in accordance with MFRS in Malaysia, which are available for inspection at the registered office of the immediate holding company.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following standards, amendments to standards and interpretation of standards:

On 1 January 2021, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

- Amendments to MFRS 9, 139, 7, 4 and 16 *Interest Rate Benchmark Reform - Phase 2*

On 1 April 2021, the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 April 2021.

- Amendments to MFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above standards and pronouncements did not have any significant impact on the financial statements of the Company.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards, amendments to standards and interpretations to standards, if applicable, when they become effective:

Effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 116 *Proceeds before Intended Use*
- Amendments to MFRS 3 *Reference to the Conceptual Framework*
- Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 9 *Financial Instruments (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 16 *Leases (Annual Improvements to MFRSs 2018 – 2020 Cycle)*
- Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

Effective for financial periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Classification of liabilities as current or non-current*
- Amendments to MFRS 101, MFRS Practice Statement 2 *Disclosure of Accounting Policies* and MFRS 108 *Definition of Accounting Estimates*
- MFRS 17 *Insurance Contracts* and its amendments
- Amendment to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Deferred

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management expects that the adoption of the above standards, amendments to standards and interpretations to standards issued by MASB, but not yet effective, will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 17 Insurance Contracts

In August 2017, MFRS 17 was issued, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces MFRS 4.

The original effective date for MFRS 17 was for annual periods beginning on or after 1 January 2021. On 25 June 2020, the International Accounting Standards Board (“IASB”) has issued amendments to the IFRS 17 Insurance Contracts which has deferred the effective dates of IFRS 17 and temporary exemption of the adoption of IFRS 9 for qualifying insurers to annual reporting periods beginning on or after 1 January 2023.

The Malaysian Accounting Standard Board has issued the amendments to MFRS 17 Insurance Contracts on 17 August 2020.

The Company plans to adopt the new standard on the required effective date and a Project Steering Committee has been formed to oversee the implementation of MFRS 17. The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on profit and total equity together with the Company’s financial statements’ presentation and disclosures.

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical Judgements Made in Applying Accounting Policies

The following are judgements made by management in the process of applying the Company’s accounting policies that have significant effect on the amounts recognised in the financial statements.

(i) Classification Between Investment Properties and Property and Equipment (Notes 3 and 5)

The Company has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies to be classified as an investment property. Investment property is a property held to earn rental or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical Judgements Made in Applying Accounting Policies (continued)

(ii) Impairment of Financial Assets (Note 33(g))

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(iii) Insurance Contract Classification (Note 11)

Contracts are classified as insurance contracts where they transfer significant insurance risk from the policyholder to the Company. The Company exercises judgement about the level of insurance risk transferred. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. These additional benefits include claims liability and assessment costs, but exclude loss of the ability to charge the policyholder for future services. The assessment covers the whole of the expected term of the contract where such additional benefits could be payable.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Valuation of Life Insurance Contract Liabilities (Note 11)

The estimation of the ultimate liability arising from claims made under life insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liabilities that the Company will ultimately be required to pay as claims.

For life insurance contracts, estimates are made for future deaths, disabilities, morbidities, voluntary terminations, investment returns and administration expenses. The Company relies on standard industry and reinsurance tables which represent historical experiences, and makes appropriate adjustments for its respective risk exposures in deriving the mortality, disability and morbidity estimates. These estimates provide the basis in the valuation of the future benefits to be paid to policyholders and ensure adequate provision of reserve which are monitored against current and future premiums. For those contracts that insure risk on longevity and disability, estimates are made based on recent past experience and emerging trends. Epidemics and changing patterns of lifestyle could result in significant changes to the expected future exposures. At each reporting date, these estimates are assessed for adequacy and changes will be reflected as adjustments to the insurance contract liabilities.

(ii) Agents' Retirement Benefits (Note 13)

The carrying amount for ARB is calculated in accordance with the terms and conditions of the agreement, which stipulate that upon the agent maintaining his position for the qualifying year and achieving the required personal sales and minimum new business, the Company shall allocate to the agent a deferred benefit/retirement benefit. Interest will be accrued based on an estimated rate at the end of the financial year on the deferred benefit/retirement benefit accumulated with adjustment made subsequent to the year end when the participating fund rate of return is known or when the dividend rate is declared by the EPF.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Key Sources of Estimation Uncertainty (continued)

(ii) Agents' Retirement Benefits (Note 13) (continued)

The Company will adjust the carrying amount of ARB to reflect the actual and revised estimated cash flows, to cover estimated liability for future benefits payable. The ARB shall become vested and payable upon fulfilment of the stipulated conditions.

Judgement is required to:

- (i) determine whether the Agreements contain significant insurance risk; and
- (ii) estimate the changes in ARB to be made, based upon the likely fulfilment of the conditions and occurrence of the claimable event.

At each reporting year, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the carrying amount.

3. PROPERTY AND EQUIPMENT

(a) OWNED

	Properties			Capital Work- in- Progress	Motor Vehicles	Office Machinery	Office Furniture and Fittings	Computer Equipment	Total
	Freehold Land	Freehold Buildings on Land	Leasehold Buildings on Land						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January 2021	11,907	341,213	100,933	81,602	1,750	89,980	37,850	647,144	1,312,379
Additions	-	-	-	39,838	-	668	752	65,138	106,396
Disposals	-	-	-	-	-	(3)	-	-	(3)
Reclassification	-	150	-	(150)	-	-	-	(456,569)	(456,569)
Transfer to investment properties (Note 5)	-	-	-	(119,715)	-	-	-	-	(119,715)
Write-offs	-	-	-	(1,526)	-	-	-	-	(1,526)
At 31 December 2021	11,907	341,363	100,933	49	1,750	90,645	38,602	255,713	840,962
Accumulated Depreciation and Impairment									
At 1 January 2021	-	147,399	31,649	-	1,043	82,259	25,329	493,522	781,201
Depreciation charge for the year (Note 24)	-	6,832	2,017	-	198	2,838	2,302	10,527	24,714
Reclassification	-	-	-	-	-	-	-	(268,935)	(268,935)
At 31 December 2021	-	154,231	33,666	-	1,241	85,097	27,631	235,114	536,980
Net Book Value									
At 31 December 2021	11,907	187,132	67,267	49	509	5,548	10,971	20,599	303,982

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

3. PROPERTY AND EQUIPMENT (CONTINUED)

(a) OWNED (CONTINUED)

	Properties			Capital Work- in- Progress	Motor Vehicles	Office Machinery	Office Furniture and Fittings	Computer Equipment	Total
	Freehold Land	Freehold Land	Buildings on Leasehold Land						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January 2020	11,907	341,213	100,933	39,740	1,750	88,260	35,947	584,902	1,204,652
Additions	-	-	-	42,236	-	1,753	1,893	62,251	108,133
Disposals	-	-	-	-	-	(33)	-	(9)	(42)
Reclassification	-	-	-	(10)	-	-	10	-	-
Transfer to investment properties (Note 5)	-	-	-	(333)	-	-	-	-	(333)
Write-offs	-	-	-	(31)	-	-	-	-	(31)
At 31 December 2020	11,907	341,213	100,933	81,602	1,750	89,980	37,850	647,144	1,312,379
Accumulated Depreciation and Impairment									
At 1 January 2020	-	140,574	29,632	-	831	79,483	22,960	455,303	728,783
Depreciation charge for the year (Note 24)	-	6,825	2,017	-	212	2,809	2,369	38,226	52,458
Disposals	-	-	-	-	-	(33)	-	(7)	(40)
At 31 December 2020	-	147,399	31,649	-	1,043	82,259	25,329	493,522	781,201
Net Book Value									
At 31 December 2020	11,907	193,814	69,284	81,602	707	7,721	12,521	153,622	531,178

Included in property and equipment are the cost of fully depreciated assets which are still in use amounting to RM318,904,394 (2020: RM519,131,514).

Included in property and equipment are properties with a total net book value amounting to RM31,034,330 (2020: RM31,727,676) for which title deeds are still in the process of being transferred to the Life Insurance Fund.

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3. PROPERTY AND EQUIPMENT (CONTINUED)

(b) RIGHT-OF-USE ASSETS

	Long Term Leasehold Land RM'000	Other Right-of- Use Assets RM'000	Total RM'000
Cost			
At 1 January 2021	17,906	5,336	23,242
Additions	-	187	187
At 31 December 2021	17,906	5,523	23,429
Accumulated amortisation/depreciation			
At 1 January 2021	(1,929)	(1,947)	(3,876)
Charge for the year (Note 24)	(138)	(1,139)	(1,277)
At 31 December 2021	(2,067)	(3,086)	(5,153)
Net Book Value			
At 31 December 2021	15,839	2,437	18,276
Cost			
At 1 January 2020	17,906	4,981	22,887
Additions	-	355	355
At 31 December 2020	17,906	5,336	23,242
Accumulated amortisation/depreciation			
At 1 January 2020	(1,791)	(866)	(2,657)
Charge for the year (Note 24)	(138)	(1,081)	(1,219)
At 31 December 2020	(1,929)	(1,947)	(3,876)
Net Book Value			
At 31 December 2020	15,977	3,389	19,366

This note provides information for leases where the Company is a lessee.

The Company has entered into operating lease agreements for computer equipment and office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 3 and 6 years. Several of these lease contracts also include extension and termination options.

The Company also has certain leases of office equipment and carparks with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognised in profit or loss:

	2021 RM'000	2020 RM'000
Depreciation expense of right-of-use assets	1,139	1,081
Interest expense on lease liabilities	44	176
Expense relating to leases of low-value assets	104	99
Expense relating to short-term leases	6	15
Total amount recognised in profit or loss	1,293	1,371

The total cash outflow for leases in 2021 was RM1,226,675 (2020: RM1,170,933).

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- 31 December 2021

3. PROPERTY AND EQUIPMENT (CONTINUED)

(c) LEASE LIABILITIES

	Lease Liabilities: Buildings RM'000	Lease Liabilities: Office equipment RM'000	Total RM'000
Lease liabilities			
At 1 January 2021	2,262	1,565	3,827
Additions	187	-	187
Payment of lease liabilities	(537)	(580)	(1,117)
Interest (income)/expense on lease liabilities (Note 24)	(25)	69	44
At 31 December 2021	<u>1,887</u>	<u>1,054</u>	<u>2,941</u>
Lease liabilities			
At 1 January 2020	2,423	1,929	4,352
Additions	355	-	355
Payment of lease liabilities	(601)	(455)	(1,056)
Interest expense on lease liabilities (Note 24)	85	91	176
At 31 December 2020	<u>2,262</u>	<u>1,565</u>	<u>3,827</u>

4. INTANGIBLE ASSETS

	Distribution Platform RM'000	Computer Software RM'000	Total RM'000
Cost			
At 1 January 2021	4,372	-	4,372
Additions	-	475	475
Disposals	-	(441)	(441)
Reclassification	-	456,569	456,569
At 31 December 2021	<u>4,372</u>	<u>456,603</u>	<u>460,975</u>
Accumulated Amortisation			
At 1 January 2021	(728)	-	(728)
Amortisation for the year (Note 24)	(673)	(28,487)	(29,160)
Disposals	-	25	25
Reclassification	-	(268,935)	(268,935)
At 31 December 2021	<u>(1,401)</u>	<u>(297,397)</u>	<u>(298,798)</u>
Net Book Value			
At 31 December 2021	<u>2,971</u>	<u>159,206</u>	<u>162,177</u>
Cost			
At 1 January 2020	5,247	-	5,247
Disposals	(875)	-	(875)
At 31 December 2020	<u>4,372</u>	<u>-</u>	<u>4,372</u>
Accumulated Amortisation			
At 1 January 2020	(67)	-	(67)
Amortisation for the year (Note 24)	(661)	-	(661)
At 31 December 2020	<u>(728)</u>	<u>-</u>	<u>(728)</u>
Net Book Value			
At 31 December 2020	<u>3,644</u>	<u>-</u>	<u>3,644</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

5. INVESTMENT PROPERTIES

	2021 RM'000	2020 RM'000
At 1 January	1,129,470	1,145,950
Additions	539	-
Transfer from property and equipment (Note 3)	119,715	333
Fair value loss (Note 21)	(35,454)	(16,813)
At 31 December	1,214,270	1,129,470

The Company's investment properties consist of commercial and residential properties in Malaysia.

As at 31 December 2021, the fair values of the properties are based on valuations performed by Messrs. C H Williams Talhar & Wong Sdn. Bhd. (2020: Messrs. C H Williams Talhar & Wong Sdn. Bhd.), an accredited independent firm of property valuers. The property valuers are specialists in valuing these types of investment properties. The valuation models applied are in accordance with that recommended by the International Valuation Standards Committee and meets the requirements of MFRS 13 *Fair Value Measurements*.

The amount of rental income and expenses recorded in the statement of profit or loss in respect of investment properties of the Company, is as follows:

	2021 RM'000	2020 RM'000
Rental income derived from investment properties	47,922	46,610
Direct operating expenses (including repairs and maintenance) incurred in generating rental income	(18,885)	(17,581)
	29,037	29,029

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value disclosures for investment properties have been provided in Note 34.

The Company has determined that the highest and best use of the properties used for commercial and residential purposes is its current use.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

6. INVESTMENTS

	2021				2020			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000
Malaysian government securities	83,880	9,487,774	477,719	10,049,373	66,461	6,753,074	594,248	7,413,783
Debt securities	519,168	34,636,990	1,974,321	37,130,479	536,758	36,726,475	2,124,553	39,387,786
Equity securities	539,408	18,186,551	7,988,419	26,714,378	492,946	20,562,558	6,901,747	27,957,251
Unit and property trust funds	-	3,051,586	225,965	3,277,551	-	2,757,695	160,661	2,918,356
Loans	1,979	5,400,426	-	5,402,405	844	5,420,633	-	5,421,477
Deposits with financial institutions	-	-	-	-	-	250,000	-	250,000
Investment in subsidiary: Collective investment scheme	834,858	738,968	-	1,573,826	827,257	250,599	-	1,077,856
	1,979,293	71,502,295	10,666,424	84,148,012	1,924,266	72,721,034	9,781,209	84,426,509

The Company's financial investments are summarised by categories as follows:

AC (Note 6(a))	1,979	5,400,426	-	5,402,405	844	5,670,633	-	5,671,477
FVOCI (Note 6(b))	1,073,779	2,509,988	-	3,583,767	1,013,703	2,283,585	-	3,297,288
FVTPL (Note 6(c))	903,535	63,591,881	10,666,424	75,161,840	909,719	64,766,816	9,781,209	75,457,744
	1,979,293	71,502,295	10,666,424	84,148,012	1,924,266	72,721,034	9,781,209	84,426,509

The following investments mature after 12 months:

AC	1,979	524,610	-	526,589	844	843,792	-	844,636
FVOCI	510,101	1,787,957	-	2,298,058	510,636	1,586,152	-	2,096,788
FVTPL	51,529	38,646,497	2,625,096	41,323,122	73,876	39,791,932	2,637,490	42,503,298
	563,609	40,959,064	2,625,096	44,147,769	585,356	42,221,876	2,637,490	45,444,722

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

6. INVESTMENTS (CONTINUED)

(a) AC

	2021				2020			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000
At Amortised Cost:								
Deposits with financial institutions:								
Licensed banks	-	-	-	-	-	250,000	-	250,000
Policy loans	-	4,630,062	-	4,630,062	-	4,567,192	-	4,567,192
Mortgage loans	-	300,697	-	300,697	-	362,245	-	362,245
Secured loans	-	1,443	-	1,443	-	1,698	-	1,698
Unsecured loans	1,979	498,638	-	500,617	844	501,952	-	502,796
	1,979	5,430,840	-	5,432,819	844	5,683,087	-	5,683,931
Provision for expected credit loss ("ECL") (Note 33(g))	-	(30,414)	-	(30,414)	-	(12,454)	-	(12,454)
	1,979	5,400,426	-	5,402,405	844	5,670,633	-	5,671,477

The carrying value of the deposits with financial institutions approximates fair value due to the relatively short term maturities. The carrying value of the policy loans, secured loans and unsecured loans are reasonable approximations of fair value due to the insignificant impact of discounting.

The fair values of the mortgage loans have been established by comparing current market interest rates for similar financial instruments to the rates offered when the mortgage loans were first recognised together with appropriate market credit adjustments.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

6. INVESTMENTS (CONTINUED)

(b) FVOCI

	2021				2020			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000
At Fair Value:								
Equity securities:								
Quoted in Malaysia								
- Kuala Lumpur Stock Exchange	329,691	295,163	-	624,854	332,899	313,660	-	646,559
Quoted outside Malaysia								
- Singapore Exchange	84,057	151,518	-	235,575	76,131	134,650	-	210,781
- Hong Kong Exchange	99,537	148,316	-	247,853	83,916	132,369	-	216,285
Unquoted in Malaysia	-	75,271	-	75,271	-	78,203	-	78,203
Malaysian government securities	83,880	500,259	-	584,139	66,461	211,591	-	278,052
Debt securities:								
Unquoted in Malaysia	476,614	1,339,461	-	1,816,075	454,296	1,413,112	-	1,867,408
	1,073,779	2,509,988	-	3,583,767	1,013,703	2,283,585	-	3,297,288

During the financial year ended 31 December 2021, the Company sold listed equity securities as the underlying investments are no longer aligned with the Company's long-term investment strategy. These investments had a fair value of RM264,272,862 (2020: RM85,666,801) at the date of disposal. The cumulative loss on disposal (net of tax) of RM9,304,000 (2020: cumulative loss on disposal (net of tax) of RM22,311,000) was reclassified from fair value reserve to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

6. INVESTMENTS (CONTINUED)

(c) FVTPL

	2021				2020			
	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit- linked RM'000	Total RM'000
At Fair Value:								
Mandatorily measured:								
Equity securities:								
Quoted in								
Malaysia	-	13,881,857	7,114,692	20,996,549	-	16,536,549	6,574,815	23,111,364
Quoted outside Malaysia	-	3,140,944	497,444	3,638,388	-	3,283,797	326,932	3,610,729
Unquoted in Malaysia	26,123	386,686	354,923	767,732	-	83,330	-	83,330
Unquoted outside Malaysia	-	106,796	21,360	128,156	-	-	-	-
Debt securities:								
Quoted in								
Malaysia	-	-	831	831	-	-	-	-
Quoted outside Malaysia	-	330,486	-	330,486	-	559,963	20,870	580,833
Unquoted in Malaysia	42,554	2,267,907	148,381	2,458,842	82,462	2,472,701	385,902	2,941,065
Unquoted outside Malaysia	-	177,770	29,727	207,497	-	306,895	54,753	361,648
Unit and property trust funds:								
Quoted in								
Malaysia	-	337,529	132,350	469,879	-	360,965	94,343	455,308
Quoted outside Malaysia	-	229,629	91,447	321,076	-	259,294	63,682	322,976
Unquoted outside Malaysia	-	2,263,459	2,168	2,265,627	-	2,137,436	2,636	2,140,072
Unquoted in Malaysia	-	220,969	-	220,969	-	-	-	-
Collective investment schemes - subsidiary Unquoted in Malaysia								
	834,858	738,968	-	1,573,826	827,257	250,599	-	1,077,856
	903,535	24,083,000	8,393,323	33,379,858	909,719	26,251,529	7,523,933	34,685,181
Designated upon initial recognition:								
Malaysian government securities								
	-	8,987,515	477,719	9,465,234	-	6,541,483	594,248	7,135,731
Debt securities:								
Unquoted in Malaysia								
	-	30,521,366	1,795,382	32,316,748	-	31,912,328	1,663,028	33,575,356
Unquoted outside Malaysia								
	-	-	-	-	-	61,476	-	61,476
	-	39,508,881	2,273,101	41,781,982	-	38,515,287	2,257,276	40,772,563
	903,535	63,591,881	10,666,424	75,161,840	909,719	64,766,816	9,781,209	75,457,744

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

6. INVESTMENTS (CONTINUED)

(d) Investment in subsidiary - collective investment scheme

	2021 RM'000	2020 RM'000
At fair value:		
FVTPL (Note 6(c))	1,573,826	1,077,856

Details of the Company's investment in subsidiary - collective investment scheme in Malaysia are as follows:

Name of wholesale unit trust fund	Principal activities	% of ownership interest held by the Company	
		2021	2020
Affin Hwang Wholesale Equity Fund 2 (i)	Investment in equity and collective investment schemes	99.80%	-
Affin Hwang Wholesale Income Fund (ii)	Investment in debt securities and money market	93.44%	93.44%
Aminstitutional Income Bond Fund (iii)	Investment in debt securities and money market	70.32%	70.32%

The Company has determined that it has control over the Fund, based on the following rationale:

- (i) By virtue of clause 16.1.2 of the Deed signed between TMF Trustees Malaysia Berhad ("the Trustee") and Affin Hwang Asset Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.
- (ii) By virtue of clause 17.1.2 of the Trust Deed signed between TMF Trustees Malaysia Berhad ("the Trustee") and Affin Hwang Asset Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.
- (iii) By virtue of clause 17.1.2 of the Deed signed between AmanahRaya Trustees Berhad ("the Trustee") and AmFunds Management Berhad ("the Fund Manager"), the Unitholders of the Fund may apply to the Fund Manager to summon a meeting for any purpose, without limitation, for the purpose of requiring the retirement or removal of the Fund Manager.

The Company has determined that it is able to exert its power in order to influence returns from its investment in the Fund by virtue of clause 16.1.2 and 17.1.2 as disclosed above.

The Company by virtue of holding the units in the Fund also has exposure, or rights to variable returns from the investment.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

7. REINSURANCE ASSETS

Life Insurance Fund

	2021 RM'000	2020 RM'000
Reinsurance of insurance contracts (Note 11)	128,057	119,373

8. INSURANCE RECEIVABLES

Life Insurance Fund

	2021 RM'000	2020 RM'000
Due premiums including agents/brokers and co-insurers balances	193,664	240,962
Due from reinsurers	179,307	59,628
	372,971	300,590
Allowance for impairment	(18,288)	(15,957)
	354,683	284,633
Movement in impairment allowance account:		
At 1 January	15,957	4,735
Impairment for the year	2,331	11,222
At 31 December	18,288	15,957

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

The Company's amounts due from reinsurers that have been offset against amount due to reinsurers are as follows:

	Gross carrying amount RM'000	Gross amounts offset in the statement of financial position RM'000	Net amounts in the statement of financial position RM'000
31 December 2021			
Premiums ceded	(88,641)	-	(88,641)
Commissions receivable	-	55,292	55,292
Claims recoveries	-	212,656	212,656
	(88,641)	267,948	179,307
31 December 2020			
Premiums ceded	(181,585)	-	(181,585)
Commissions receivable	-	140,396	140,396
Claims recoveries	-	100,817	100,817
	(181,585)	241,213	59,628

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

9. OTHER RECEIVABLES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
At 31 December 2021				
<u>Non-financial assets</u>				
Prepayments	-	5,380	-	5,380
<u>Financial assets</u>				
Income due and accrued	8,115	652,766	62,687	723,568
Other receivables	-	11,170	-	11,170
Amount due from:				
- related companies	1,945	-	-	1,945
- holding company	130	-	-	130
	10,190	663,936	62,687	736,813
Allowance for impairment	-	(407)	-	(407)
	10,190	663,529	62,687	736,406
Total other receivables	10,190	668,909	62,687	741,786
Receivable after 12 months	-	2,565	-	2,565
At 31 December 2020				
<u>Non-financial assets</u>				
Prepayments	-	8,733	-	8,733
<u>Financial assets</u>				
Income due and accrued	8,099	900,578	59,882	968,559
Other receivables	-	7,686	-	7,686
Amount due from:				
- related companies	12,003	-	-	12,003
- holding company	110	-	-	110
	20,212	908,264	59,882	988,358
Allowance for impairment	-	(787)	-	(787)
	20,212	907,477	59,882	987,571
Total other receivables	20,212	916,210	59,882	996,304
Receivable after 12 months	-	2,076	-	2,076

Related companies in these financial statements refer to companies within Oversea-Chinese Banking Corporation Limited ("OCBC Group"). The amounts due from related companies and holding company are unsecured, interest-free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

9. OTHER RECEIVABLES (CONTINUED)

	2021 RM'000	2020 RM'000
Movement in impairment allowance account:		
Individual impairment:		
At 1 January	787	644
(Reversal of impairment)/Impairment for the year	(380)	143
At 31 December	407	787

There were no collectively impaired other receivables for the years ended 31 December 2021 and 2020.

The carrying amounts disclosed above approximate fair values due to their relatively short term nature.

10. SHARE CAPITAL

	2021		2020	
	No. of shares ('000)	RM'000	No. of shares ('000)	RM'000
Ordinary shares				
At beginning and end of year	100,000	100,000	100,000	100,000

11. INSURANCE CONTRACT LIABILITIES

Life Insurance Fund

	2021			2020		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for outstanding claims	11,982,793	(52,950)	11,929,843	11,175,801	(31,095)	11,144,706
Actuarial liabilities	54,795,690	(75,107)	54,720,583	53,725,394	(88,278)	53,637,116
Unallocated surplus	6,101,606	-	6,101,606	8,492,523	-	8,492,523
Net asset value attributable to unitholders	11,753,019	-	11,753,019	10,605,089	-	10,605,089
	84,633,108	(128,057)	84,505,051	83,998,807	(119,373)	83,879,434

NOTES TO THE FINANCIAL STATEMENTS

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11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

	Gross			Reinsurance			Net RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
At 1 January 2021	67,735,651	16,263,156	83,998,807	(25,579)	(93,794)	(119,373)	83,879,434
Premiums received	2,285,238	1,783,900	4,069,138	(67,370)	(163,468)	(230,838)	3,838,300
Liabilities paid for death, maturities, surrenders, benefits and claims	(4,213,377)	(536,377)	(4,749,754)	47,947	316,947	364,894	(4,384,860)
Policy movements	592,489	1,485,658	2,078,147	692	(8,102)	(7,410)	2,070,737
Interest rate	(5,757)	(395,350)	(401,107)	-	-	-	(401,107)
<i>Adjustments due to changes in assumptions:</i>							
<i>Mortality/morbidity Expenses</i>	(305,345)	(11,959)	(317,304)	-	-	-	(317,304)
<i>Lapse</i>	226	(2)	224	-	-	-	224
<i>Others</i>	(348,509)	44,221	(304,288)	-	20,582	20,582	(283,706)
Model change	(8,241)	(3,846)	(12,087)	-	-	-	(12,087)
One off transfer from Participating fund to Shareholder's fund (Note 36)	-	-	-	-	-	-	-
Claims benefit experience variation	726,116	80,876	806,992	20,443	(176,355)	(155,912)	651,080
Net asset value attributable to unitholders	-	(99,593)	(99,593)	-	-	-	(99,593)
Unallocated deficit	(462,777)	-	(462,777)	-	-	-	(462,777)
At 31 December 2021	66,035,656	18,597,452	84,633,108	(23,867)	(104,190)	(128,057)	84,505,051

Policy benefits bear interest at 4.50% per annum.

NOTES TO THE FINANCIAL STATEMENTS

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11. INSURANCE CONTRACT LIABILITIES (CONTINUED)

	Gross			Reinsurance			Net RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
At 1 January 2020	68,323,935	13,471,753	81,795,688	(26,131)	(81,882)	(108,013)	81,687,675
Premiums received	2,661,788	1,728,908	4,390,696	(72,455)	(294,862)	(367,317)	4,023,379
Liabilities paid for death, maturities, surrenders, benefits and claims	(4,129,461)	(463,550)	(4,593,011)	30,908	165,758	196,666	(4,396,345)
Policy movements	1,071,736	925,652	1,997,388	2,872	(8,215)	(5,343)	1,992,045
Interest rate	1,767	188,123	189,890	-	(698)	(698)	189,192
<i>Adjustments due to changes in assumptions:</i>							
<i>Mortality/morbidity Expenses</i>	(213,511)	(13,806)	(227,317)	-	3,601	3,601	(223,716)
<i>Lapse</i>	(256,076)	8,106	(247,970)	-	-	-	(247,970)
<i>Others</i>	3,045,052	(12,972)	3,032,080	-	(30)	(30)	3,032,050
Model change	(3,313,739)	(4,499)	(3,318,238)	-	-	-	(3,318,238)
One off transfer from Participating fund to Shareholder's fund (Note 36)	(2,636,000)	-	(2,636,000)	-	-	-	(2,636,000)
Claims benefit experience variation	726,851	24,720	751,571	39,227	122,534	161,761	913,332
Net asset value attributable to unitholders	-	402,648	402,648	-	-	-	402,648
Unallocated surplus	2,432,796	-	2,432,796	-	-	-	2,432,796
At 31 December 2020	67,735,651	16,263,156	83,998,807	(25,579)	(93,794)	(119,373)	83,879,434

Policy benefits bear interest at 5% per annum.

NOTES TO THE FINANCIAL STATEMENTS

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12. DERIVATIVES

	Asset		Liability	
	Notional Principal RM'000	Fair Value RM'000	Notional Principal RM'000	Fair Value RM'000
31 December 2021				
Life Insurance Fund				
Derivatives held for trading:				
Currency swaps	137,839	2,023	357,863	17,192
Bond Forward	440,000	5,308	380,000	4,428
	577,839	7,331	737,863	21,620
Unit-linked				
Derivatives held for trading:				
Currency swaps	-	-	48,360	2,143
Forward Foreign Exchange	-	-	486	1
	577,839	7,331	786,709	23,764
31 December 2020				
Life Insurance Fund				
Derivatives held for trading:				
Currency swaps	185,518	8,766	355,350	46,456
Interest rate swap	1,000	17	-	-
Synthetic cash flow swaps	700,000	8,887	100,000	9
	886,518	17,670	455,350	46,465
Unit-linked				
Derivatives held for trading:				
Currency swaps	20,740	580	27,620	3,396
	907,258	18,250	482,970	49,861

13. AGENTS' RETIREMENT BENEFITS

Life Insurance Fund

	2021 RM'000	2020 RM'000
At 1 January	885,877	885,033
Changes in ARB for the year	56,146	77,000
Paid during the year	(57,038)	(76,156)
At 31 December	884,985	885,877
Payable after 12 months	486,518	510,380

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

14. DEFERRED TAXATION

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
At 1 January 2021	275,181	514,451	42,497	832,129
Recognised in:				
Statement of Profit or Loss (Note 25)	31,106	(246,092)	(18,659)	(233,645)
Other comprehensive income	(12,473)	-	-	(12,473)
At 31 December 2021	293,814	268,359	23,838	586,011
At 1 January 2020	266,313	488,088	5,339	759,740
Recognised in:				
Statement of Profit or Loss (Note 25)	34,396	26,363	37,158	97,917
Other comprehensive income	(25,528)	-	-	(25,528)
At 31 December 2020	275,181	514,451	42,497	832,129

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

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
Presented after appropriate offsetting as follows:				
At 31 December 2021				
Deferred tax liabilities	314,133	270,789	23,838	608,760
Deferred tax assets	(20,319)	(2,430)	-	(22,749)
	293,814	268,359	23,838	586,011
At 31 December 2020				
Deferred tax liabilities	277,625	515,444	42,497	835,566
Deferred tax assets	(2,444)	(993)	-	(3,437)
	275,181	514,451	42,497	832,129

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

14. DEFERRED TAXATION (CONTINUED)

The components and movements of deferred tax liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities

	Fair value of investment assets RM'000	Unallocated Surplus of Non- Participating Funds RM'000	Total RM'000
Shareholder's Fund			
At 1 January 2021	2,138	275,487	277,625
Transfer to Deferred Tax Asset	(2,138)	-	(2,138)
Recognised in statement of profit or loss	-	38,646	38,646
At 31 December 2021	-	314,133	314,133
At 1 January 2020	27,022	241,201	268,223
Recognised in other comprehensive income	(25,073)	(455)	(25,528)
Recognised in statement of profit or loss	189	34,741	34,930
At 31 December 2020	2,138	275,487	277,625

	Fair value of investment properties RM'000	Fair value of investment assets RM'000	Accelerated capital allowance on property and equipment RM'000	Total RM'000
Life Insurance Fund				
At 1 January 2021	17,458	495,143	2,843	515,444
Recognised in statement of profit or loss	(2,847)	(243,728)	1,920	(244,655)
At 31 December 2021	14,611	251,415	4,763	270,789
At 1 January 2020	18,814	468,431	2,061	489,306
Recognised in statement of profit or loss	(1,356)	26,712	782	26,138
At 31 December 2020	17,458	495,143	2,843	515,444

	Fair value of investment assets RM'000	Total RM'000
Unit-linked		
At 1 January 2021	42,497	42,497
Recognised in statement of profit or loss	(18,659)	(18,659)
At 31 December 2021	23,838	23,838
At 1 January 2020	5,339	5,339
Recognised in statement of profit or loss	37,158	37,158
At 31 December 2020	42,497	42,497

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

14. DEFERRED TAXATION (CONTINUED)

The components and movements of deferred tax assets during the financial year prior to offsetting are as follows:

Deferred Tax Assets

	Accretion of discounts on investments RM'000	Fair value of investment assets RM'000	Provision for impairment of investments RM'000	Total RM'000
Shareholder's Fund				
At 1 January 2021	(2,444)	-	-	(2,444)
Transfer from				
Deferred Tax Liabilities	-	2,138	-	2,138
Recognised in statement of profit or loss	(646)	(6,894)	-	(7,540)
Recognised in comprehensive income	-	(10,501)	(1,972)	(12,473)
At 31 December 2021	(3,090)	(15,257)	(1,972)	(20,319)
At 1 January 2020	(1,910)	-	-	(1,910)
Recognised in statement of profit or loss	(534)	-	-	(534)
At 31 December 2020	(2,444)	-	-	(2,444)

	Provision for impairment of investments RM'000
Life Insurance Fund	
At 1 January 2021	(993)
Recognised in statement of profit or loss	(1,437)
At 31 December 2021	(2,430)
At 1 January 2020	(1,218)
Recognised in statement of profit or loss	225
At 31 December 2020	(993)

NOTES TO THE FINANCIAL STATEMENTS

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15. OTHER FINANCIAL LIABILITIES

	Life Shareholder's Fund RM'000	Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
31 December 2021				
Outstanding purchases of investment securities	-	21,647	8,664	30,311
Interest payable	-	12,833	2,088	14,921
	-	34,480	10,752	45,232
31 December 2020				
Deposits received from reinsurers	-	418	-	418
Outstanding purchases of investment securities	-	260,716	10,037	270,753
	-	261,134	10,037	271,171

The carrying amounts disclosed above approximate fair values at the reporting date due to their relatively short term nature.

16. INSURANCE PAYABLES

	2021 RM'000	2020 RM'000
Life Insurance Fund		
Due to reinsurers	26,923	20,893
Due to agents and intermediaries	349,731	369,766
	376,654	390,659

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

The Company's amount due to reinsurers that have been offset against amount due from reinsurers are as follows:

	Gross amounts Gross carrying amount RM'000	Gross offset in the balance sheet RM'000	Net amounts in the balance sheet RM'000
31 December 2021			
Premiums ceded	130,801	-	130,801
Commissions receivable	-	(1,992)	(1,992)
Claims recoveries	-	(101,886)	(101,886)
	130,801	(103,878)	26,923
31 December 2020			
Premiums ceded	74,053	-	74,053
Commissions receivable	-	(6,428)	(6,428)
Claims recoveries	-	(46,732)	(46,732)
	74,053	(53,160)	20,893

NOTES TO THE FINANCIAL STATEMENTS

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17. OTHER PAYABLES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'000
31 December 2021				
<u>Non-financial liabilities</u>				
Accrued expenses	18	127,312	56	127,386
Premium suspense	-	50,408	-	50,408
	18	177,720	56	177,794
<u>Financial liabilities</u>				
Deposits from tenants	-	19,695	-	19,695
Dividends payable	3,188	-	-	3,188
Advance premium	-	291,480	-	291,480
Amount due to ultimate holding company	594	-	-	594
Amount due to intermediate holding company	21,514	-	-	21,514
Others	13,252	78,787	62	92,101
	38,548	389,962	62	428,572
Total payables	38,566	567,682	118	606,366
31 December 2020				
<u>Non-financial liabilities</u>				
Accrued expenses	17	111,583	97	111,697
Premium suspense	-	59,481	-	59,481
	17	171,064	97	171,178
<u>Financial liabilities</u>				
Deposits from tenants	-	20,983	-	20,983
Dividends payable	3,178	-	-	3,178
Advance premium	-	279,375	-	279,375
Amount due to ultimate holding company	780	-	-	780
Amount due to intermediate holding company	27,145	-	-	27,145
Others	3,689	94,257	317	98,263
	34,792	394,615	317	429,724
Total payables	34,809	565,679	414	600,902

The amounts due to intermediate holding and ultimate holding companies are unsecured, interest-free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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18. NET EARNED PREMIUMS

Life Insurance Fund

	2021 RM'000	2020 RM'000
(a) Gross earned premiums		
Life insurance contracts	9,674,518	9,297,227
(b) Earned premiums ceded to reinsurers		
Life insurance contracts	(230,839)	(367,317)
Net earned premiums	9,443,679	8,929,910

19. NET INVESTMENT INCOME

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2021			
Rental income from:			
- investment properties	-	47,922	47,922
- owner occupied properties	-	23,791	23,791
Financial assets at FVTPL			
- mandatorily measured:			
Interest income	2,126	90,183	92,309
Dividend income:			
- equity securities quoted in Malaysia	29,952	901,582	931,534
- equity securities quoted outside Malaysia	-	154,661	154,661
- equity securities unquoted in Malaysia	1,475	48,711	50,186
- equity securities unquoted outside Malaysia	-	10,055	10,055
- designated upon initial recognition:			
Interest income	-	1,690,280	1,690,280
Financial assets at FVOCI:			
Interest income	22,100	60,207	82,307
Dividend income*:			
- equity securities quoted in Malaysia	22,362	16,599	38,961
- equity securities quoted outside Malaysia	11,673	14,638	26,311
- equity securities unquoted in Malaysia	-	1,324	1,324
LAR interest income	45	333,298	333,343
Cash and bank balances interest income	4,644	73,938	78,582
Gross investment income	94,377	3,467,189	3,561,566
Less: investment expenses	(216)	(93,067)	(93,283)
	94,161	3,374,122	3,468,283

* During the year ended 31 December 2021, dividend income earned in respect of equity investments measured at FVOCI were as follows:

	RM'000
On investments derecognised during the reporting year	9,809
On investments held at the end of the reporting year	56,787
	66,596

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19. NET INVESTMENT INCOME (CONTINUED)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2020			
Rental income from:			
- investment properties	-	46,610	46,610
- owner occupied properties	-	24,304	24,304
Financial assets at FVTPL			
- mandatorily measured:			
Interest income	3,844	205,933	209,777
Dividend income:			
- equity securities quoted in Malaysia	32,405	724,360	756,765
- equity securities quoted outside Malaysia	-	140,156	140,156
- equity securities unquoted in Malaysia	-	9,069	9,069
- designated upon initial recognition:			
Interest income	-	1,641,247	1,641,247
Financial assets at FVOCI:			
Interest income	21,088	57,813	78,901
Dividend income*:			
- equity securities quoted in Malaysia	11,523	13,740	25,263
- equity securities quoted outside Malaysia	8,398	13,309	21,707
- equity securities unquoted in Malaysia	40	15,115	15,155
LAR interest income	62	375,733	375,795
Cash and bank balances interest income	8,384	68,240	76,624
Gross investment income	85,744	3,335,629	3,421,373
Less: investment expenses	(167)	(104,037)	(104,204)
	85,577	3,231,592	3,317,169

* During the year ended 31 December 2020, dividend income earned in respect of equity investments measured at FVOCI were as follows:

	RM'000
On investments derecognised during the reporting year	1,105
On investments held at the end of the reporting year	61,020
	62,125

Included in rental income from properties is contingent rent for the year amounting to RM: NIL (2020: RM20,135). Contingent rental arrangements are computed based on sales or profit achieved by tenants.

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20. NET REALISED GAINS AND LOSSES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2021			
Property and equipment			
Realised gains	-	5	5
FVOCI financial assets*			
Realised (losses)/gains:			
Debt securities:			
- unquoted in Malaysia	(1,480)	2,392	912
Total realised (losses)/gains for FVOCI financial assets	(1,480)	2,392	912
FVTPL financial assets			
Realised (losses)/gains:			
<u>Mandatorily measured:</u>			
Debt securities:			
- unquoted in Malaysia	(497)	(50,090)	(50,587)
Equity securities:			
- quoted in Malaysia	-	(194,738)	(194,738)
- quoted outside Malaysia	-	(31,366)	(31,366)
- unquoted in Malaysia	(15)	601	586
- unquoted outside Malaysia	-	44	44
	(512)	(275,549)	(276,061)
<u>Designated upon initial recognition:</u>			
Debt securities:			
- unquoted in Malaysia	-	15,042	15,042
- unquoted outside Malaysia	-	(16,939)	(16,939)
	-	(1,897)	(1,897)
Total net realised losses for FVTPL financial assets	(512)	(277,446)	(277,958)
Total net realised losses	(1,992)	(275,049)	(277,041)

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

20. NET REALISED GAINS AND LOSSES (CONTINUED)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2020			
Property and equipment			
Realised gains	-	6	6
FVOCI financial assets*			
Realised gains:			
Debt securities:			
- unquoted in Malaysia	11,387	46,766	58,153
Total realised gains for FVOCI financial assets	11,387	46,766	58,153
FVTPL financial assets			
Realised (losses)/gains:			
<u>Mandatorily measured:</u>			
Debt securities:			
- unquoted in Malaysia	(888)	(90,083)	(90,971)
- quoted outside Malaysia	-	195	195
- unquoted outside Malaysia	-	2,067	2,067
Equity securities:			
- quoted in Malaysia	(5)	(1,275,336)	(1,275,341)
- quoted outside Malaysia	-	40,509	40,509
	(893)	(1,322,648)	(1,323,541)
<u>Designated upon initial recognition:</u>			
Debt securities:			
- unquoted in Malaysia	-	76,140	76,140
- unquoted outside Malaysia	-	628	628
	-	76,768	76,768
Total net realised losses for FVTPL financial assets	(893)	(1,245,880)	(1,246,773)
Total net realised gains/(losses)	10,494	(1,199,108)	(1,188,614)

* Included in realised gains/(losses) from FVOCI financial assets of the Life Insurance Fund is net realised gain of RM2,391,605 (2020: realised gain of RM46,765,997) arising from the Non-participating Fund.

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21. NET FAIR VALUE GAINS AND LOSSES

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2021			
Investment properties (Note 5)	-	(35,454)	(35,454)
Financial investments - FVTPL:			
- mandatorily measured	(27,234)	(842,034)	(869,268)
- designated upon initial recognition	-	(2,334,812)	(2,334,812)
	(27,234)	(3,212,300)	(3,239,534)
2020			
Investment properties (Note 5)	-	(16,813)	(16,813)
Financial investments - FVTPL:			
- mandatorily measured	3,374	1,369,200	1,372,574
- designated upon initial recognition	-	901,909	901,909
	3,374	2,254,296	2,257,670

22. FEES AND COMMISSION INCOME

Life Insurance Fund

	2021 RM'000	2020 RM'000
Reinsurance commission income	4,314	216,295

23. NET BENEFITS AND CLAIMS

Life Insurance Fund

	2021 RM'000	2020 RM'000
(a) Gross benefits and claims paid		
Life insurance contracts:		
Death	(714,585)	(496,667)
Maturity	(745,435)	(736,930)
Surrender	(1,735,573)	(1,784,779)
Cash bonus	(1,354,185)	(1,375,019)
Others	(2,010,788)	(1,983,604)
	(6,560,566)	(6,376,999)
(b) Claims ceded to reinsurers		
Life insurance contracts	364,894	196,666
(c) Gross change in contract liabilities		
Life insurance contracts	172,691	(1,451,549)
(d) Change in contract liabilities ceded to reinsurers		
Life insurance contracts	(13,171)	2,470

NOTES TO THE FINANCIAL STATEMENTS

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24. MANAGEMENT EXPENSES

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2021				
Employee benefits expense	24(a)	265	263,691	263,956
Non-executive directors' remuneration	24(b)	-	1,289	1,289
Auditors' remuneration:				
- statutory audits		11	648	659
- regulatory related fees		-	289	289
Depreciation of:				
- property and equipment	3(a)	-	24,714	24,714
- right-of-use assets	3(b)	-	1,139	1,139
Amortisation of:				
- right-of-use assets	3(b)	-	138	138
- intangible assets	4	673	28,462	29,135
Rental of properties		34	396	430
Advertising and promotion		6,572	17,477	24,049
Finance charges		236	60,512	60,748
Group service fees		-	4,450	4,450
IT and computer expenses		-	53,872	53,872
Policyholder expenses		10,289	10,712	21,001
Postal and telecommunication		-	13,845	13,845
Printing and stationery		-	813	813
Professional fees		-	14,180	14,180
Repairs and maintenance		-	3,109	3,109
Transport and travelling		-	353	353
Utilities		-	3,315	3,315
Interest expense on lease liabilities		-	44	44
Expense relating to leases of low-value assets		-	104	104
Expense relating to short-term leases		-	6	6
Others		11,581	8,660	20,241
		29,661	512,218	541,879

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

24. MANAGEMENT EXPENSES (CONTINUED)

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
(a) Employee Benefits Expense			
Wages and salaries	265	216,303	216,568
Short term accumulating compensated absences	-	(24)	(24)
Social security contributions	-	1,459	1,459
Defined contribution plans - EPF	-	35,556	35,556
Other employee benefits expense	-	10,397	10,397
	<u>265</u>	<u>263,691</u>	<u>263,956</u>

(b) CEO and Directors' Remuneration

The details of remuneration received by CEO and Directors during the year are as follows:

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2021			
CEO:			
Salaries and other emoluments	-	3,292	3,292
Bonus	-	977	977
Estimated money value of benefits-in-kind	-	35	35
	-	<u>4,304</u>	<u>4,304</u>
Non-executive:			
Fees	-	1,289	1,289
Total directors' remuneration	-	<u>5,593</u>	<u>5,593</u>
Represented by:			
Directors' fees	-	1,289	1,289
Amount included in employee benefits expense	-	4,304	4,304
	-	<u>5,593</u>	<u>5,593</u>

NOTES TO THE FINANCIAL STATEMENTS

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24. MANAGEMENT EXPENSES (CONTINUED)

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2020				
Employee benefits expense	24(a)	233	258,760	258,993
Non-executive directors' remuneration	24(b)	-	1,275	1,275
Auditors' remuneration:				
- statutory audits		11	627	638
- regulatory related fees		-	271	271
Depreciation of:				
- property and equipment	3(a)	-	52,458	52,458
- right-of-use assets	3(b)	-	1,081	1,081
Amortisation of:				
- right-of-use assets	3(b)	-	138	138
- intangible assets	4	661	-	661
Rental of properties		30	356	386
Advertising and promotion		1,591	9,548	11,139
Finance charges		290	65,212	65,502
Group service fees		-	4,731	4,731
IT and computer expenses		-	46,029	46,029
Policyholder expenses		1,506	9,480	10,986
Postal and telecommunication		-	19,162	19,162
Printing and stationery		-	2,180	2,180
Professional fees		3,911	11,176	15,087
Repairs and maintenance		-	3,549	3,549
Transport and travelling		-	775	775
Utilities		-	4,262	4,262
Interest expense on lease liabilities		-	176	176
Expense relating to leases of low-value assets		-	99	99
Expense relating to short-term leases		-	15	15
Others		13,296	13,177	26,473
		21,529	504,537	526,066
(a) Employee Benefits Expense				
Wages and salaries		233	212,035	212,268
Short term accumulating compensated absences		-	1,173	1,173
Social security contributions		-	1,452	1,452
Defined contribution plans - EPF		-	34,776	34,776
Other employee benefits expense		-	9,324	9,324
		233	258,760	258,993

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

24. MANAGEMENT EXPENSES (CONTINUED)

(b) CEO and Directors' Remuneration

The details of remuneration received by CEO and Directors during the year are as follows:

	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Total RM'000
2020			
CEO:			
Salaries and other emoluments	-	2,933	2,933
Bonus	-	1,014	1,014
Estimated money value of benefits-in-kind	-	35	35
	-	3,982	3,982
Non-executive:			
Fees	-	1,275	1,275
Total directors' remuneration	-	5,257	5,257
Represented by:			
Directors' fees	-	1,275	1,275
Amount included in employee benefits expense	-	3,982	3,982
	-	5,257	5,257

The Directors' fees are subject to the recommendation of the Board Nominations and Remuneration Committee to the Board of Directors for endorsement and approval by the shareholder at the AGM.

The number of Directors whose total remuneration received from the Company during the year fall within the following bands is analysed below:

	Number of Directors 2021	2020
Non-Executive Directors		
Below RM50,000	-	-
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	3	3
RM200,001 - RM250,000	2	2
RM250,001 - RM300,000	1	1

The Executive Director does not receive any director fees.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

24. MANAGEMENT EXPENSES (CONTINUED)

(b) CEO and Directors' Remuneration (continued)

Name		Salaries RM'000	Bonus RM'000	2021 Benefits in kind RM'000	Fees RM'000	Total RM'000
Y Bhg Dato Koh Yaw Hui	CEO	3,292	977	35	-	4,304
Total CEO's remuneration		3,292	977	35	-	4,304
Status of directorship						
Mr Norman Ka Cheung Ip	Non - Executive	-	-	-	282	282
Mr Tan Yam Pin	Non - Executive	-	-	-	184	184
Mr Koh Poh Tiong	Non - Executive	-	-	-	166	166
Mr Siew Kah Toong	Non - Executive	-	-	-	195	195
Mr Ng Hon Soon	Non - Executive	-	-	-	246	246
Mr Ou Shian Waei	Non - Executive	-	-	-	216	216
Total Non-Executive Directors' remuneration		-	-	-	1,289	1,289
Total remuneration		3,292	977	35	1,289	5,593
2020						
Name		Salaries RM'000	Bonus RM'000	Benefits in kind RM'000	Fees RM'000	Total RM'000
Y Bhg Dato Koh Yaw Hui	CEO	2,933	1,014	35	-	3,982
Total CEO's remuneration		2,933	1,014	35	-	3,982
Status of directorship						
Mr Norman Ka Cheung Ip	Non - Executive	-	-	-	278	278
Mr Tan Yam Pin	Non - Executive	-	-	-	210	210
Mr Koh Poh Tiong	Non - Executive	-	-	-	151	151
Mr Siew Kah Toong	Non - Executive	-	-	-	195	195
Mr Ng Hon Soon	Non - Executive	-	-	-	247	247
Mr Ou Shian Waei	Non - Executive	-	-	-	194	194
Total Non-Executive Directors' remuneration		-	-	-	1,275	1,275
Total remuneration		2,933	1,014	35	1,275	5,257

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25. TAXATION

	Note	2021 RM'000	2020 RM'000
Taxation of life insurance business	(a)	(75,844)	297,353
Taxation of the Company	(b)	330,834	263,722
		254,990	561,075

(a) Taxation of life insurance business

Current income tax:			
Malaysian income tax		184,672	231,735
Under/(over) provided in prior years		1,168	(409)
Tax on foreign dividend income		3,067	2,506
		188,907	233,832
Deferred tax:			
Relating to origination and reversal of temporary differences			
- Life Insurance Fund	14	(246,092)	26,363
- Unit-linked	14	(18,659)	37,158
		(75,844)	297,353

The Malaysian tax charge on the life business is based on the method prescribed under the Income Tax Act 1967 for life business.

The income tax for the life fund is calculated based on tax rate of 8% (2020: 8%) of the assessable investment income net of allowable deductions for the financial year.

(b) Taxation of the Company

		2021 RM'000	2020 RM'000
Current income tax:			
Malaysian income tax		338,723	293,606
Tax on foreign dividend income		441	302
Double taxation relief		(39,436)	(64,582)
		299,728	229,326
Deferred tax:			
Relating to origination and reversal of temporary differences (Note 14)			
		31,106	34,396
		330,834	263,722

The current income tax is calculated at 24% (2020: 24%) of the estimated assessable profit for the financial year.

The deferred tax for the Shareholder's Fund is calculated based on the tax rate of 24% (2020: 24%).

NOTES TO THE FINANCIAL STATEMENTS

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25. TAXATION (CONTINUED)

(b) Taxation of the Company (continued)

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	2021 RM'000	2020 RM'000
Profit before taxation	1,537,893	3,853,377
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	369,094	924,810
Income not subject to tax	(12,402)	(10,667)
Expenses not deductible for tax purposes	13,578	19,201
Tax exemption relating to one off Participating fund transfer to Shareholder's fund	-	(568,800)
S110B tax relief	(39,436)	(100,822)
Tax expense for the year	330,834	263,722

26. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holder of the Company by the number of ordinary shares in issue during the year.

	2021	2020
Profit attributable to ordinary equity holder (RM'000)	1,207,059	3,589,655
Number of shares in issue ('000)	100,000	100,000
Basic earnings per share (sen)	1,207	3,590

There were no dilutive potential ordinary shares as at the reporting date. There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

27. DIVIDENDS

	2021 RM'000	2020 RM'000
Recognised during the financial year:		
Dividend on ordinary shares:		
- Final single tier dividend for 2020 of RM2.50 (2019: RM1.00) per share	250,000	100,000
- Interim single tier dividend for 2021 of RM3.50 (2020: NIL) per share	350,000	-
- Special dividend for 2021: NIL (2020: RM23.70) per share	-	2,370,000
	600,000	2,470,000

At the forthcoming Annual General Meeting, a second and final single tier dividend in respect of the current financial year ended 31 December 2021 on 100,000,005 ordinary shares amounting to a total dividend of RM320,000,016 (RM3.20 per share) will be proposed for shareholder's approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in the shareholder's equity as an appropriation of retained profits in the next financial year ending 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

28. CASH USED IN OPERATING ACTIVITIES

	Note	2021 RM'000	2020 RM'000
Profit before taxation attributable to shareholders		1,537,893	3,853,377
<i>Adjustments for:</i>			
Taxation attributable to life insurance business	25(a)	(75,844)	297,353
Investment income	19	(3,561,566)	(3,421,373)
Realised losses recorded in the statement of profit or loss		277,041	1,188,583
Fair value losses/(gains) recorded in the statement of profit or loss	21	3,239,534	(2,257,670)
Depreciation of:			
- property and equipment	3(a), 24	24,714	52,458
- right-of-use assets	3(b), 24	1,139	1,081
Amortisation of:			
- right-of-use assets	3(b), 24	138	138
- intangible assets	4, 24	29,135	661
Impairment loss on:			
Insurance and other receivables	8, 9	1,951	11,365
Investments		24,584	3,385
Changes in agents' retirement benefit	13	56,146	77,000
Property and equipment written-off	3(a)	1,526	31
Realised foreign exchange gain on disposal of investments		(15,114)	(2,850)
Unrealised exchange (gain)/loss on derivatives		(15,971)	25,400
Unrealised exchange loss/(gain) on bonds		41,251	(145,580)
Finance cost	3(c)	44	176
Cash flow before working capital changes		1,566,601	(316,465)
<i>Changes in working capital:</i>			
Purchases of FVTPL financial investments		(25,573,485)	(27,235,891)
Proceeds from disposals/maturities of FVTPL financial investments		22,362,040	23,908,936
Purchases of FVOCI financial investments		(2,265,580)	(2,635,907)
Proceeds from disposals/maturities of FVOCI financial investments		1,845,501	1,919,391
Decrease in LAR		251,111	306,128
Increase in right-of-use assets		(187)	(355)
Increase in reinsurance assets		(8,684)	(11,360)
(Increase)/decrease in insurance receivables		(72,381)	304
Decrease/(increase) in other receivables		197,852	(257,905)
Increase in insurance contract liabilities		634,301	2,203,119
(Decrease)/increase in other financial liabilities		(225,939)	219,162
(Decrease)/increase in insurance payables		(14,005)	27,556
Increase in lease liabilities		187	355
Increase in other payables		5,464	95,560
Cash used in operating activities		(1,297,204)	(1,777,372)

The Company classifies the cash flows from the acquisition and disposal of financial assets as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of the cash flows for payments of benefits and claims incurred for insurance contracts, which are operating activities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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29. OPERATING LEASE ARRANGEMENTS

(a) The Company as lessee

The Company has recognised right-of-use assets for these leases, except for short term and low-value leases, see Note 24 and Note 2.2(c)(i) for further information.

Future minimum lease payments payable under non-cancellable operating leases contracted for as at 31 December but not recognised as liabilities, are payable as follows:

	2021 RM'000	2020 RM'000
Not later than 1 year	(73)	(90)
Later than 1 year and not later than 5 years	(68)	(130)
	(141)	(220)

(b) The Company as lessor

The Company, as lessor, has entered into operating lease agreements on its investment properties portfolio and certain self-occupied properties. These leases have remaining lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

The rental income including contingent rent recognised in the statement of profit or loss during the financial year are disclosed in Note 19.

The future minimum lease payments receivable under operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2021 RM'000	2020 RM'000
Not later than 1 year	54,829	59,168
Later than 1 year and not later than 5 years	43,247	32,647
	98,076	91,815

30. COMMITMENTS AND OTHER CONTINGENCIES

(a) Capital commitments

	2021 RM'000	2020 RM'000
Capital expenditure		
Approved and contracted for:		
- Investment properties	6,291	44,970
- Property and equipment	42,077	47,872
Approved but not contracted for:		
Investment properties	8,581	9,931
	56,949	102,773

NOTES TO THE FINANCIAL STATEMENTS

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31. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year:

	2021 RM'000	2020 RM'000
Transactions with related parties during the year:		
Income/(expense):		
Property rentals received (note i)		
- OCBC Bank (Malaysia) Berhad	839	839
- Great Eastern General Insurance (Malaysia) Berhad	3,097	3,135
- Great Eastern Takaful Berhad	1,404	1,467
Service charges paid (note ii)		
- OCBC Bank (Malaysia) Berhad	(49,711)	(58,201)
- E2 Power Sdn Bhd	(5,659)	(5,175)
- E2 Power Pte Ltd	(3,683)	(2,961)
- Pacific Mutual Fund Bhd	-	(244)
Service charges received (note ii)		
- Great Eastern General Insurance (Malaysia) Berhad	7,396	8,247
- Great Eastern Takaful Berhad	16,076	14,777
Premium paid (note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	(2,007)	(2,181)
Premium received (note iii)		
- Great Eastern General Insurance (Malaysia) Berhad	1,285	1,259
- OCBC Bank (Malaysia) Berhad	37,595	52,329
- PAC Lease Berhad	485	204
- Pacific Mutual Fund Bhd	-	19
- Key Management Personnel	1,607	1,876
Claims paid		
- Key Management Personnel	(1,135)	(1,934)
Commission received		
- Great Eastern General Insurance (Malaysia) Berhad	294	330
Commission fees paid		
- OCBC Bank (Malaysia) Berhad	(62,868)	(65,440)
- OCBC Securities Private Limited	(486)	(810)
- PAC Lease Berhad	(33)	(8)
- Axiata Digital Capital Sdn Bhd	(10)	(1)
Interest income (note iv)		
- OCBC Bank (Malaysia) Berhad	18,297	63,338
- OCBC Al-Amin Bank Berhad	2,530	2,537
- PAC Lease Berhad	1,071	1,905
Dividend income (note v)		
- Affin Hwang Wholesale Income Fund	30,320	39,197
- Aminstitutional Income Bond	8,742	5,920
Bank charges		
- OCBC Bank (Malaysia) Berhad	(555)	(614)

NOTES TO THE FINANCIAL STATEMENTS

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31. RELATED PARTY DISCLOSURES (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year (continued):

	2021 RM'000	2020 RM'000
Transactions with related parties during the year: (continued)		
Income/(expense) (continued):		
Other services		
- OCBC Bank (Malaysia) Berhad	(3)	(13)
Policy payments		
- OCBC Bank (Malaysia) Berhad	(1,390)	(312)
Employee Share Purchase Plan		
- Oversea-Chinese Banking Corporation Ltd.	(847)	(676)
Employee Share Option Scheme paid		
- Oversea-Chinese Banking Corporation Ltd.	(6)	(73)
Deferred Share Plan		
- Oversea-Chinese Banking Corporation Ltd.	(1,452)	(1,531)
Charges for group services (note vi)		
- The Great Eastern Life Assurance Company Limited	(11,115)	(11,596)
Purchase of investments from		
- Great Eastern General Insurance (Malaysia) Berhad	(5,039)	(20,241)
- Affin Hwang Wholesale Income Fund	(30,320)	(139,197)
- Aminstitutional Income Bond	(8,689)	(240,652)
- PAC Lease Berhad	(623,854)	-
- Affin Hwang Wholesale Equity Fund 2	(485,000)	-
Maturity of medium term note		
- PAC Lease Berhad	625,000	-
Redemption of Structure Deposit		
- OCBC Bank (Malaysia) Berhad	146,000	-
Purchase of Equity Linked Note		
- OCBC Bank (Malaysia) Berhad	(250,000)	-
Realised losses arising from Synthetic cash flow swap arrangement		
- OCBC Bank (Malaysia) Berhad	(38,262)	-
Marketing and promotion expenses		
- Axiata Digital eCode Sdn Bhd	(20)	-
Mobilisation fee for digital sales		
- Axiata Digital Capital Sdn Bhd	(11,500)	-
Rebate on Management Fee		
- Lion Global Investors Limited	7,706	6,012

NOTES TO THE FINANCIAL STATEMENTS

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31. RELATED PARTY DISCLOSURES (CONTINUED)

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions and balances with related parties during the financial year (continued):

	2021 RM'000	2020 RM'000
Balances with related parties at year end:		
Due from/(due to):		
Investment in Synthetic cash flow		
- OCBC Bank (Malaysia) Berhad	-	8,878
Investment in wholesale unit trust fund		
- Affin Hwang Wholesale Income Fund	781,142	774,042
- Aminstitutional Income Bond	306,617	303,814
- Affin Hwang Wholesale Equity Fund 2	486,067	-
Investment in medium term note		
- Pac Lease Berhad	49,871	50,113
Investment in Equity Linked Note		
- OCBC Bank (Malaysia) Berhad	250,463	-
Cash and bank balances		
- OCBC Bank (Malaysia) Berhad	179,413	31,842
- OCBC Al-Amin Bank Berhad	14,113	61,124
Fixed deposits, structured deposits and repurchase agreements		
- OCBC Bank (Malaysia) Berhad	1,070,000	441,947
- OCBC Al-Amin Bank Berhad	119,000	303,700
Amount due (to)/from related companies:		
- Great Eastern General Insurance (Malaysia) Berhad	(2,723)	4,729
- Great Eastern Takaful Berhad	4,667	7,249
- P.T. Great Eastern Life Indonesia	-	25
Amount due to ultimate holding company:		
- Oversea-Chinese Banking Corporation Ltd	(594)	(780)
Amount due to intermediate holding company:		
- The Great Eastern Life Assurance Company Limited	(21,514)	(27,145)
Amount due to holding company:		
- Great Eastern Capital (Malaysia) Sdn Bhd	(3,058)	(3,068)

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

31. RELATED PARTY DISCLOSURES (CONTINUED)

Related companies are companies within the OCBC Group:

- (i) Rental of property to related parties are made according to normal market prices, terms and conditions.
- (ii) Payment of service charges to/from related parties are made according to normal market prices.
- (iii) The sale and purchase of insurance policies to/from related companies are made according to normal market prices and at terms and conditions no more favourable than those to other customers and employees.
- (iv) The interest income arose mainly from investment in fixed deposits, repurchase agreements, other debt securities and medium term notes which are made according to prevailing market rates, terms and conditions.
- (v) The dividend income arose from investment in wholesale unit trust fund which are made according to prevailing market terms and conditions.
- (vi) Payment of group function costs based on allocation rates governed by corporate service agreement and in line with Malaysian Transfer Pricing Guidelines and Organisation for Economic Co-operation and Development ("OECD") Transfer Pricing Guidelines. Group function services are derived from the immediate parent company in Singapore.

The table below shows the breakdown by type of services received and geographical location for inter company charges:

Geographical Location	Type of Services	2021 RM'000	2020 RM'000
Singapore	Group service charges for services rendered, which include those in respect of finance, legal, actuarial, support, human resources, operations, investment management, IT, internal audit and risk management services.	11,115	11,596
		11,115	11,596

(b) Compensation of Key Management Personnel

The remuneration of Directors and other members of key management during the year was as follows:

	2021 RM'000	2020 RM'000
Non-Executive Directors' fees	1,289	1,275
Short-term employee benefits	12,001	12,168
Post-employments benefits:		
Defined contribution plan - EPF	1,737	1,805
Share-based payment	1,857	970
	16,884	16,218
Share-based payment (in units)	49,857	71,613

Included in the total key management personnel remuneration are:

CEO's and Directors' remuneration (Note 24(b))	5,593	5,257
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Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all Directors, CEO, Senior Management Team, Chief Internal Auditor and Head of Compliance of the Company.

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32. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
2021							
Assets							
Property and equipment							
- Owned	3(a)	-	-	-	-	303,982	303,982
- Right-of-use assets	3(b)	-	-	-	-	18,276	18,276
Intangible assets	4	-	-	-	-	162,177	162,177
Investment properties	5	-	-	-	-	1,214,270	1,214,270
Investments	6	75,161,840	3,583,767	5,402,405	84,148,012	-	84,148,012
Derivatives	12	7,331	-	-	7,331	-	7,331
Reinsurance assets	7	-	-	-	-	128,057	128,057
Insurance receivables	8	-	-	354,683	354,683	-	354,683
Other receivables	9	-	-	736,406	736,406	5,380	741,786
Cash and cash equivalents		-	-	4,510,191	4,510,191	-	4,510,191
Total assets		75,169,171	3,583,767	11,003,685	89,756,623	1,832,142	91,588,765

	Note	FVTPL RM'000	AC RM'000	Other financial liabilities RM'000	Sub-total RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
Liabilities							
Insurance contract							
liabilities	11	-	-	-	-	84,633,108	84,633,108
Derivatives	12	23,764	-	-	23,764	-	23,764
Agents' retirement							
benefits	13	-	884,985	-	884,985	-	884,985
Deferred tax liabilities	14	-	-	-	-	586,011	586,011
Other financial liabilities	15	-	-	45,232	45,232	-	45,232
Insurance payables	16	-	-	376,654	376,654	-	376,654
Provision for taxation		-	-	-	-	200,427	200,427
Lease liabilities		-	-	-	-	2,941	2,941
Other payables	17	-	-	428,572	428,572	177,794	606,366
Total liabilities		23,764	884,985	850,458	1,759,207	85,600,281	87,359,488

NOTES TO THE FINANCIAL STATEMENTS

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32. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Note	FVTPL RM'000	FVOCI RM'000	AC RM'000	Sub-total RM'000	Assets not in scope of MFRS 9 RM'000	Total RM'000
2020							
Assets							
Property and equipment							
- Owned	3(a)	-	-	-	-	531,178	531,178
- Right-of-use assets	3(b)	-	-	-	-	19,366	19,366
Intangible Assets	4	-	-	-	-	3,644	3,644
Investment properties	5	-	-	-	-	1,129,470	1,129,470
Investments	6	75,457,744	3,297,288	5,671,477	84,426,509	-	84,426,509
Derivatives	12	18,250	-	-	18,250	-	18,250
Reinsurance assets	7	-	-	-	-	119,373	119,373
Insurance receivables	8	-	-	284,633	284,633	-	284,633
Other receivables	9	-	-	987,571	987,571	8,733	996,304
Cash and cash equivalents		-	-	3,544,142	3,544,142	-	3,544,142
Total assets		75,475,994	3,297,288	10,487,823	89,261,105	1,811,764	91,072,869

	Note	FVTPL RM'000	AC RM'000	Other financial liabilities RM'000	Sub-total RM'000	Liabilities not in scope of MFRS 9 RM'000	Total RM'000
Liabilities							
Insurance contract							
liabilities	11	-	-	-	-	83,998,807	83,998,807
Derivatives	12	49,861	-	-	49,861	-	49,861
Agents' retirement							
benefits	13	-	885,877	-	885,877	-	885,877
Deferred tax liabilities	14	-	-	-	-	832,129	832,129
Other financial liabilities	15	-	-	271,171	271,171	-	271,171
Insurance payables	16	-	-	390,659	390,659	-	390,659
Provision for taxation		-	-	-	-	313,903	313,903
Lease liabilities		-	-	-	-	3,827	3,827
Other payables	17	-	-	429,724	429,724	171,178	600,902
Total liabilities		49,861	885,877	1,091,554	2,027,292	85,319,844	87,347,136

33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES

Governance Framework

Managing risk is an integral part of the Company's core business. As stated in the Enterprise Risk Management ("ERM") Framework, the Company shall:

- Operate within parameters and limits that have been set based on the risk appetite approved by the Board; and
- Pursue appropriate risk-adjusted returns.

The Risk Management Department spearheads the development and implementation of the ERM Framework for the Company.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Governance Framework (continued)

The Board Risk Management Committee (“BRMC”), constituted in 2003, provides the oversight on the risk management initiatives. Detailed risk management and oversight activities are undertaken by the following Management Committees comprising the Chief Executive Officer and key Senior Management Executives:

- Senior Management Team (“SMT”)
- Asset-Liability Committee (“ALC”)
- Product Development Committee (“PDC”)
- IT Steering Committee (“ITSC”)
- Financial Crime Committee (“FCC”)

The SMT is responsible for providing leadership, direction and functional oversight with regards to all matters of the Company. The SMT is also responsible for ensuring compliance and alignment with governance and oversight frameworks, i.e. standards and guidelines, and ensuring the business operates within the risk appetite in delivering annual business targets.

The ALC is responsible for statement of financial position management. Specifically, the ALC reviews and formulates technical frameworks, policies and methodologies relating to statement of financial position management.

The PDC oversees the product development and launch process. In addition, the PDC regularly reviews and monitors the performance of new and existing products.

The ITSC is responsible for providing the overall strategic direction and approval of all IT related initiatives to support the Company’s strategic growth into the future.

The FCC provides an independent oversight of fraud investigation and anti-money laundering/counter financing of terrorism (“AML/CFT”) review, and ensures that investigations and reviews are conducted in a manner that is fair, consistent and transparent.

Regulatory Framework

Insurers are regulated by the Financial Services Act 2013 (“FSA”) which came into force on 30 June 2013, and other relevant regulations issued by regulators from time to time.

Capital Management Framework

The Company’s capital management policy aims to support statement of financial position growth by maintaining a strong capital position with sufficient buffer to meet obligations to policyholders and regulatory requirements, and to make strategic investments for business growth. The Company has had no significant changes in the policies and processes relating to its capital structure during the year.

Under the Risk-Based Capital Framework for Insurers (“RBC”), the insurer has to maintain a capital adequacy level that commensurates with its risk profiles. The Capital Adequacy Ratios of the Company remained at well above the minimum capital requirement of 130% under the RBC Framework as prescribed by BNM.

The Internal Capital Adequacy Assessment Process (“ICAAP”) Framework came into effect on 1 September 2012. Under this Framework, the Company has to ensure adequate capital to meet its capital requirements on an ongoing basis. The key elements supporting the Framework include Board and Senior Management oversight, comprehensive risk assessment, individual target capital level and stress testing, sound capital management as well as ongoing monitoring, reporting and review of capital position. Capital management and contingencies policies have been further developed and refined under the Framework to outline the approaches and principles under which the Company’s capital will be monitored and managed, as well as the corrective actions to be implemented at various critical capital levels. In addition, a risk appetite statement has been established to outline the Company’s capacity to take on risks to achieve its business objectives while managing the expectations of key stakeholders.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Governance Framework (continued)

The following sections provide details regarding the exposure to the key risks faced by the Company and the objectives, policies and processes for the management of these risks. There has been no major change to the Company's exposure to these key risks or the manner in which it manages and measures these risks.

Insurance Risk

The principal activity of the Company is in the underwriting of life insurance business including investment-linked business.

The Company's underwriting strategy is designed to ensure that these risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification of policyholders across industry sectors and geography, selective use of medical screening in order to ensure that product pricing takes into account the current health conditions and family medical history, and regular review of the actual claims experience as well as detailed claims handling procedures. Underwriting limits are also set in place to enforce appropriate risk selection criteria.

Insurance risk comprises both actuarial and underwriting risks resulting from the pricing and acceptance of insurance contracts. Should the actual claims experience be worse than the assumptions used in pricing the products and establishing the technical provisions and liabilities for claims, there may be potential shortfalls in provision for future claims and expenses. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

The Company utilises reinsurance arrangements to manage mortality and morbidity risks. The Company's reinsurance management strategy and policy are reviewed annually by the SMT, BRMC, and the Board as appropriate. Reinsurance structures are set based on the type of risk. Catastrophe reinsurance is procured to limit catastrophic losses.

Only reinsurers meeting a minimum credit rating of Standard & Poor's "A-", or its equivalent, including internal credit rating, are considered. The Company limits its risk to any one reinsurer by ceding different risks to different reinsurers or to a panel of reinsurers.

The SMT reviews the actual experience of mortality, morbidity, lapses and surrenders, as well as expenses to ensure that the policies, guidelines and limits put in place to manage these risks remain adequate and appropriate.

A substantial portion of the Company's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonuses payable to the policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when the investment markets perform below expectations, or claims experience is higher than expected.

For investment-linked business, the risk exposure for the Company is predominantly limited to the underwriting aspect as investment risks are borne by the policyholders.

Stress Testing ("ST") is performed in accordance with BNM requirements. The purpose of the ST is to test the solvency of the life insurance funds under various scenarios (i.e. Change in US Foreign Policy and Persistent Low-yield Environment, Local Economic Slump and Transition Risk into Sustainable Investment, and COVID-19 and the New Norm) according to regulatory guidelines on stress testing, simulating drastic changes in major parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Insurance Risk (continued)

Table 33(A): The table below shows the concentration of actuarial liabilities and net asset value attributable to the policyholders by type of contract as at the reporting date:

	Gross			Reinsurance			Net Total RM'000
	With DPF RM'000	Without DPF RM'000	Total RM'000	With DPF RM'000	Without DPF RM'000	Total RM'000	
2021							
Whole life	38,849,461	11,651,707	50,501,168	(16,610)	(37,780)	(54,390)	50,446,778
Endowment	9,368,967	5,841,861	15,210,828	(662)	(7,146)	(7,808)	15,203,020
Term	(387)	204,152	203,765	(82)	(9,262)	(9,344)	194,421
Accident and health	4,477	(28,114)	(23,637)	(10)	(4)	(14)	(23,651)
Annuity	-	187,095	187,095	-	-	-	187,095
Others	207,413	262,077	469,490	(3,256)	(295)	(3,551)	465,939
Total	48,429,931	18,118,778	66,548,709	(20,620)	(54,487)	(75,107)	66,473,602
2020							
Whole life	38,335,556	10,571,078	48,906,634	(17,026)	(32,761)	(49,787)	48,856,847
Endowment	9,900,065	4,453,049	14,353,114	(732)	(5,176)	(5,908)	14,347,206
Term	(460)	233,909	233,449	(84)	(28,713)	(28,797)	204,652
Accident and health	4,601	128,181	132,782	(10)	(6)	(16)	132,766
Annuity	-	186,789	186,789	-	-	-	186,789
Others	225,364	292,351	517,715	(3,460)	(310)	(3,770)	513,945
Total	48,465,126	15,865,357	64,330,483	(21,312)	(66,966)	(88,278)	64,242,205

Sensitivity analysis

The sensitivity analysis below shows the impact of change in key parameters on the value of gross and net insurance contract liabilities, surplus of life insurance funds, profit before taxation and shareholder's equity.

Sensitivity analysis produced is based on parameters set out as follows:

	Change in Assumptions
(a) Scenario 1 – Mortality and major illness	+ 25% for all future years
(b) Scenario 2 – Mortality and major illness	- 25% for all future years
(c) Scenario 3 – Health and disability	+ 25% for all future years
(d) Scenario 4 – Health and disability	- 25% for all future years
(e) Scenario 5 – Lapse and surrender rates	+ 25% for all future years
(f) Scenario 6 – Lapse and surrender rates	- 25% for all future years
(g) Scenario 7 – Expenses	+ 30% for all future years

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Insurance Risk (continued)

Sensitivity analysis (continued)

Table 33(B): The table below shows the insurance risk sensitivity analysis on the gross and net insurance contract liabilities, surplus of life insurance funds, profit before taxation and shareholder's equity.

	Impact on Gross Liabilities RM'000	Impact on Net Liabilities RM'000	Impact on Surplus RM'000	Impact on Profit Before Taxation RM'000	Impact on Equity* RM'000
	← Increase/(Decrease) →		← (Decrease)/Increase →		
2021					
Scenario 1 – Mortality and major illness	1,676,116	1,676,116	(1,676,116)	(540,534)	(410,806)
Scenario 2 – Mortality and major illness	(1,716,369)	(1,716,369)	1,716,369	487,198	370,271
Scenario 3 – Health and disability	214,707	214,707	(214,707)	(86,148)	(65,473)
Scenario 4 – Health and disability	(210,656)	(210,656)	210,656	80,990	61,552
Scenario 5 – Lapse and surrender rates	(458,498)	(458,498)	458,498	(96,779)	(73,552)
Scenario 6 – Lapse and surrender rates	467,187	467,187	(467,187)	236,399	179,663
Scenario 7 – Expenses	416,585	416,585	(416,585)	(131,108)	(99,642)
2020					
Scenario 1 – Mortality and major illness	1,572,478	1,542,718	(1,542,718)	(493,893)	(375,359)
Scenario 2 – Mortality and major illness	(1,596,388)	(1,567,124)	1,567,124	437,423	332,441
Scenario 3 – Health and disability	189,183	185,903	(185,903)	(67,495)	(51,296)
Scenario 4 – Health and disability	(186,134)	(182,860)	182,860	63,464	48,233
Scenario 5 – Lapse and surrender rates	(644,576)	(643,967)	643,967	(3,962)	(3,011)
Scenario 6 – Lapse and surrender rates	808,003	807,358	(807,358)	19,892	15,118
Scenario 7 – Expenses	382,621	382,611	(382,611)	(119,506)	(90,825)

* Impact on equity is after taxation of 24% (2020: 24%).

The above analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net insurance contract liabilities, surplus of life insurance fund, profit before taxation and shareholder's equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions have to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used and significant assumptions made for deriving sensitivity information have not changed from the previous year.

Market and Credit Risk

Market risk arises when the market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and alternative investment prices can impact present and future investment earnings of the insurance operations as well as shareholder's equity.

The Company is exposed to market risk in the Shareholder's Fund as well as market mismatch risk between the assets and liabilities of the Life Insurance Funds. The ALC actively manages market risk through setting and monitoring of the investment policy, asset allocation, portfolio construction, risk measurement and approving hedging strategies. In the case of the investment linked funds, investment risks are borne by the policyholders.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

Investment limits are monitored at various levels to ensure that all investment activities are conducted within the Company's risk appetite and in line with the Company's risk management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by the Company in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit spread risk, alternative investment risk, liquidity risk, credit risk and concentration risk, is briefly described as follows:

(a) Interest rate risk (including asset liability mismatch)

The Company is exposed to interest rate risk through (i) investments in fixed income instruments and money market instruments and (ii) insurance contract liabilities in the Life Insurance Funds. Since the Shareholder's Fund has exposure to investments in fixed income instruments but no exposure to insurance contract liabilities, it will incur an economic loss when interest rates rise. For the Life Insurance Funds, given the long duration of contract liabilities and the uncertainty of cash flows, it is difficult to source assets that will perfectly match the insurance contract liabilities. This results in a net interest rate risk or asset liability mismatch risk, which is managed and monitored by the ALC. The Life Insurance Funds are likely to incur economic loss when interest rates drop since the duration of insurance contract liabilities are generally longer than the duration of the fixed income assets (Refer to Table 33(F)).

(b) Foreign currency risk

Investments denominated in foreign currencies are limited to 10% of individual funds regardless of country, subject to the foreign investments being in jurisdictions with sovereign ratings at least equivalent to that of Malaysia, as prescribed by the regulator. In addition, net foreign currency exposure at the Company-level is limited to 10% of the total invested assets. (Refer to Table 33(C)).

Table 33(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies.

	RM RM'000	SGD RM'000	USD RM'000	Others RM'000	Total RM'000
2021					
Assets					
Property and equipment					
- Owned	303,982	-	-	-	303,982
- Right-of-use assets	18,276	-	-	-	18,276
Intangible assets	162,177	-	-	-	162,177
Investment properties	1,214,270	-	-	-	1,214,270
Investments					
Malaysian government securities	10,049,373	-	-	-	10,049,373
Debt securities	36,592,497	-	-	537,982	37,130,479
Equity securities	22,464,406	1,423,968	618,787	2,207,217	26,714,378
Unit and property trust funds	690,849	224,370	66,204	2,296,128	3,277,551
Investment in subsidiary:					
Collective investment schemes	1,573,826	-	-	-	1,573,826
Loans	5,402,405	-	-	-	5,402,405
Derivatives	5,308	-	2,023	-	7,331
Reinsurance assets	128,057	-	-	-	128,057
Insurance receivables	354,683	-	-	-	354,683
Other receivables	725,853	5,064	7,757	3,112	741,786
Cash and cash equivalents	4,425,122	1,483	19,931	63,655	4,510,191
Total assets	84,111,084	1,654,885	714,702	5,108,094	91,588,765

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(b) Foreign currency risk (continued)

Table 33(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies. (continued)

	RM RM'000	SGD RM'000	USD RM'000	Others RM'000	Total RM'000
2021 (continued)					
Liabilities					
Insurance contract liabilities	84,633,108	-	-	-	84,633,108
Derivatives	4,428	-	577	18,759	23,764
Agents' retirement benefits	884,985	-	-	-	884,985
Deferred tax liabilities	586,011	-	-	-	586,011
Other financial liabilities	6,351	92	14,685	24,104	45,232
Insurance payables	376,654	-	-	-	376,654
Provision for taxation	200,427	-	-	-	200,427
Lease liabilities	2,941	-	-	-	2,941
Other payables	606,366	-	-	-	606,366
Total liabilities	87,301,271	92	15,262	42,863	87,359,488
2020					
Assets					
Property and equipment					
- Owned	531,178	-	-	-	531,178
- Right-of-use assets	19,366	-	-	-	19,366
Intangible assets	3,644	-	-	-	3,644
Investment properties	1,129,470	-	-	-	1,129,470
Investments					
Malaysian government securities	7,413,783	-	-	-	7,413,783
Debt securities	38,383,829	-	408,157	595,800	39,387,786
Equity securities	23,919,456	1,671,946	326,706	2,039,143	27,957,251
Unit and property trust funds	455,309	261,070	20,275	2,181,702	2,918,356
Investment in subsidiary:					
Collective investment schemes	1,077,856	-	-	-	1,077,856
Loans	5,421,477	-	-	-	5,421,477
Deposits with financial institutions	250,000	-	-	-	250,000
Derivatives	8,904	-	9,346	-	18,250
Reinsurance assets	119,373	-	-	-	119,373
Insurance receivables	284,633	-	-	-	284,633
Other receivables	983,108	4,160	2,882	6,154	996,304
Cash and cash equivalents	3,521,203	3,224	8,836	10,879	3,544,142
Total assets	83,522,589	1,940,400	776,202	4,833,678	91,072,869

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(b) Foreign currency risk (continued)

Table 33(C): The table below shows the foreign exchange position of the Company's financial/insurance assets and liabilities by major currencies. (continued)

	RM RM'000	SGD RM'000	USD RM'000	Others RM'000	Total RM'000
2020 (continued)					
Liabilities					
Insurance contract liabilities	83,998,807	-	-	-	83,998,807
Derivatives	9	-	15,771	34,081	49,861
Agents' retirement benefits	885,877	-	-	-	885,877
Deferred tax liabilities	832,129	-	-	-	832,129
Other financial liabilities	261,147	70	-	9,954	271,171
Insurance payables	390,659	-	-	-	390,659
Provision for taxation	313,903	-	-	-	313,903
Lease liabilities	3,827	-	-	-	3,827
Other payables	600,902	-	-	-	600,902
Total liabilities	87,287,260	70	15,771	44,035	87,347,136

(c) Equity price risk

Exposure to equity price risk exists in investment assets through equity direct investment, and fund investments, where the Company bears the volatility in returns and investment performance risk.

A robust monitoring process is in place to manage equity risk by having appropriate risk management strategies to limit the downside risk at certain pre-determined levels. Limits are set for single security holdings as a percentage of equity holdings.

(d) Credit spread risk

Exposure to credit spread risk exists in the Company's investments in corporate bonds. Credit spread is the difference between the corporate yields against the risk-free rate of the similar tenure. When spreads widen, it generally implies that the market is factoring a deterioration in the creditworthiness of the bonds. A widening in credit spreads will generally result in a fall in the values of the Company's bond portfolio.

(e) Alternative investment risk

The Company is exposed to alternative investment risk through investments in real estate. Due to the special nature of this risk, every property deal is reviewed by the BRMC regardless of its value, but subject to the approval by the Board. The relevant Management Committees assists in deliberating matters relating to property, including property investment policy, risk management, performance, expenditure, operations and facilities management.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(f) Liquidity risk

Liquidity risk arises when a company is unable to meet the cash flow needs of its financial liabilities, or if the assets backing the liabilities cannot be sold quickly enough to meet its financial obligations without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations, premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by mass surrender of insurance policies due to negative publicity, deterioration of the economy, reports of problems in other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are monitored and a reasonable amount of assets are kept in liquid instruments at all times.

The projected cash flows from the in-force insurance contract liabilities consist of renewal premiums, expenses, commissions, claims, maturities and surrenders. Renewal premiums, expenses, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although it has been quite stable over the past several years.

Unexpected liquidity demands are managed through a combination of product design, investment diversification limits, investment strategies and systematic monitoring. The existence of surrender penalty in certain insurance contracts also protects the Company from losses due to unexpected surrender trends as well as reduces the sensitivity of surrenders to changes in interest rates (Refer to Table 33(D1) and (D2)).

Maturity profiles

Table 33(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities.

Unit-linked liabilities are repayable or transferable on demand and are included in the "up to a year" column.

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2021						
Investments:						
AC	5,402,405	295,093	387,855	286,121	4,630,062	5,599,131
FVOCI	3,583,767	223,754	1,464,024	1,514,984	1,183,554	4,386,316
FVTPL	75,161,840	6,113,938	17,656,810	35,123,367	31,150,785	90,044,900
Derivatives	7,331	7,331	-	-	-	7,331
Reinsurance assets	128,057	75,108	-	-	52,949	128,057
Insurance receivables	354,683	353,017	2,152	(486)	-	354,683
Other receivables	736,406	638,383	2,565	-	95,458	736,406
Cash and cash equivalents	4,510,191	4,510,191	-	-	-	4,510,191
Total undiscounted financial/insurance assets	89,884,680	12,216,815	19,513,406	36,923,986	37,112,808	105,767,015

* Expected utilisation or settlement within 12 months from the reporting date.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(f) Liquidity risk (continued)

Maturity profiles (continued)

Table 33(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows. (continued)

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2021 (continued)						
Insurance contract liabilities:						
With DPF	66,035,662	2,849,932	9,658,438	35,921,561	17,605,731	66,035,662
Without DPF	18,597,446	15,433,471	499,749	2,185,557	478,668	18,597,445
Derivatives	23,764	4,853	18,911	-	-	23,764
Agents' retirement benefits	884,985	398,467	181,351	305,167	-	884,985
Other financial liabilities	45,232	45,232	-	-	-	45,232
Insurance payables	376,654	354,259	22,395	-	-	376,654
Lease liabilities	2,941	976	2,029	174	-	3,179
Other payables	428,572	408,877	19,695	-	-	428,572
Total undiscounted financial/insurance liabilities	86,395,256	19,496,067	10,402,568	38,412,459	18,084,399	86,395,493
Total liquidity surplus/(gap)	3,489,424	(7,279,252)	9,110,838	(1,488,473)	19,028,409	19,371,522

* Expected utilisation or settlement within 12 months from the reporting date.

2020

Investments:						
AC	5,671,477	333,072	534,330	461,315	4,567,192	5,895,909
FVOCI	3,297,288	161,108	1,152,907	1,621,175	1,151,828	4,087,018
FVTPL	75,457,744	3,828,924	14,428,707	39,867,251	32,742,292	90,867,174
Derivatives	18,250	8,904	9,346	-	-	18,250
Reinsurance assets	119,373	68,050	9,362	10,866	31,095	119,373
Insurance receivables	284,633	278,978	4,842	813	-	284,633
Other receivables	987,571	886,457	2,076	-	99,038	987,571
Cash and cash equivalents	3,544,142	3,544,142	-	-	-	3,544,142
Total undiscounted financial/insurance assets	89,380,478	9,109,635	16,141,570	41,961,420	38,591,445	105,804,070

* Expected utilisation or settlement within 12 months from the reporting date.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(f) Liquidity risk (continued)

Maturity profiles (continued)

Table 33(D1): The following table shows the maturity profile of the Company's financial/insurance liabilities and the expected recovery or settlement of financial/insurance assets based on the remaining undiscounted contractual cash flows. (continued)

	Carrying value RM'000	Up to a Year* RM'000	1 - 5 Years RM'000	> 5 Years RM'000	No maturity date RM'000	Total RM'000
2020 (continued)						
Insurance contract liabilities:						
With DPF	67,735,657	2,310,604	9,354,711	36,799,811	19,270,531	67,735,657
Without DPF	16,263,150	13,055,300	206,753	2,603,304	397,793	16,263,150
Derivatives	49,861	15,780	34,081	-	-	49,861
Agents' retirement benefits	885,877	375,497	183,618	326,762	-	885,877
Other financial liabilities	271,171	270,753	418	-	-	271,171
Insurance payables	390,659	371,766	18,893	-	-	390,659
Lease liabilities	3,827	1,221	2,933	-	-	4,154
Other payables	429,724	408,741	20,983	-	-	429,724
Total undiscounted financial/insurance liabilities	86,029,926	16,809,662	9,822,390	39,729,877	19,668,324	86,030,253
Total liquidity surplus/(gap)	3,350,552	(7,700,027)	6,319,180	2,231,543	18,923,121	19,773,817

* Expected utilisation or settlement within 12 months from the reporting date.

Maturity analysis on expected maturity bases

Table 33(D2): The following table shows the current and non-current classification of assets and liabilities of the Company.

	Current* RM'000	Non-current RM'000	Unit-linked RM'000	Total RM'000
2021				
Property and equipment				
- Owned	-	303,982	-	303,982
- Right-of-use assets	-	18,276	-	18,276
Intangible assets	-	162,177	-	162,177
Investment properties	-	1,214,270	-	1,214,270
Investments:				
AC	4,875,759	526,646	-	5,402,405
FVOCI	102,155	3,481,612	-	3,583,767
FVTPL	26,734,457	37,760,959	10,666,424	75,161,840
Derivatives	7,331	-	-	7,331
Reinsurance assets	128,057	-	-	128,057
Insurance receivables	353,017	1,666	-	354,683
Other receivables	676,533	2,566	62,687	741,786
Cash and cash equivalents	3,462,153	-	1,048,038	4,510,191
Total assets	36,339,462	43,472,154	11,777,149	91,588,765

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(f) Liquidity risk (continued)

Market and Credit Risk (continued)

Maturity analysis on expected maturity bases (continued)

Table 33(D2): The following table shows the current and non-current classification of assets and liabilities of the Company. (continued)

	Current* RM'000	Non-current RM'000	Unit-linked RM'000	Total RM'000
2021 (continued)				
Insurance contract liabilities:				
With DPF	20,455,663	45,579,999	-	66,035,662
Without DPF	4,159,120	2,685,307	11,753,019	18,597,446
Derivatives	4,694	16,927	2,143	23,764
Agents' retirement benefits	398,467	486,518	-	884,985
Deferred tax liabilities	562,173	-	23,838	586,011
Other financial liabilities	34,479	-	10,753	45,232
Insurance payables	354,259	22,395	-	376,654
Provision for taxation	189,249	-	11,178	200,427
Lease liabilities	1,086	1,855	-	2,941
Other payables	586,553	19,695	118	606,366
Total liabilities	26,745,743	48,812,696	11,801,049	87,359,488
2020				
Property and equipment				
- Owned	-	531,178	-	531,178
- Right-of-use assets	-	19,366	-	19,366
Intangible assets	-	3,644	-	3,644
Investment properties	-	1,129,470	-	1,129,470
Investments:				
AC	4,839,289	832,188	-	5,671,477
FVOCI	48,673	3,248,615	-	3,297,288
FVTPL	27,037,264	38,639,271	9,781,209	75,457,744
Derivatives	8,904	8,766	580	18,250
Reinsurance assets	99,145	20,228	-	119,373
Insurance receivables	278,978	5,655	-	284,633
Other receivables	934,346	2,076	59,882	996,304
Cash and cash equivalents	2,748,932	-	795,210	3,544,142
Total assets	35,995,531	44,440,457	10,636,881	91,072,869
Insurance contract liabilities:				
With DPF	21,581,135	46,154,522	-	67,735,657
Without DPF	2,848,004	2,810,057	10,605,089	16,263,150
Derivatives	15,780	30,685	3,396	49,861
Agents' retirement benefits	375,497	510,380	-	885,877
Deferred tax liabilities	789,632	-	42,497	832,129
Other financial liabilities	260,716	418	10,037	271,171
Insurance payables	371,766	18,893	-	390,659
Provision for taxation	298,167	-	15,736	313,903
Lease liabilities	1,399	2,428	-	3,827
Other payables	579,505	20,983	414	600,902
Total liabilities	27,121,601	49,548,366	10,677,169	87,347,136

* Expected utilisation or settlement within 12 months from the reporting date.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk

Credit risk is the risk that one party to a financial contract will cause financial loss to the other party by failing to discharge an obligation. The Company is exposed to credit risk mainly through (i) investment in cash, deposits and bonds, (ii) corporate lending activities, (iii) exposure to counterparty's credit in derivatives transactions and reinsurance contracts and (iv) non-payment of premiums. For all four types of exposures, financial loss may materialise as a result of credit default by the borrower or counterparty. For investment in bonds, financial loss may materialise as a result of the widening credit spread or downgrade of credit rating.

The task of evaluating and monitoring credit risk arising from financial instruments is undertaken by the Credit Risk Committee ("CRC"), which in turn reports to the ALC. The Company has internal limits by issuer and counterparty according to their investment credit ratings, which are actively monitored to manage the credit and concentration risk, and are being reviewed on a regular basis. The creditworthiness of reinsurers, issuers and banks is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available financial information (Refer to Table 33(E1) and (E2)).

Reinsurance arrangements are placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year.

Credit risk in respect of non-payment of premiums by customers predominantly persists during the grace period specified in the policy document until the policy is either paid up or terminated. Credit risk in respect of group insurance outstanding premium is being actively monitored and guided by strict credit control guidelines.

The Company issues unit-linked investment policies in which policyholders bear the investment risk of assets held in unit-linked funds as the policy benefits are directly linked to the values of these assets. Therefore, the Group has no material credit or market risk on unit-linked financial assets.

For corporate lending, the amount and type of collateral required depends on the assessment of the credit risk of the counterparty. Credit risk is mitigated by entering into collateral agreements and collaterals are revalued on a regular basis. The Company monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation, whenever applicable. The fair value of collateral, held by the Company as a lender, for which it is entitled to sell or pledge in the event of default is as follows:

RM'000	Type of Collateral	Carrying Amount of Loans	Fair Value of Collateral
2021			
Mortgage loans	Properties	299,782	824,380
Secured loans			
- Vehicle loans	Vehicle	1,443	1,443
Policy loans	Cash value of policies	4,630,062	10,256,509
		4,931,287	11,082,332
2020			
Mortgage loans	Properties	361,346	880,507
Secured loans			
- Vehicle loans	Vehicle	1,698	1,698
Policy loans	Cash value of policies	4,567,192	9,908,793
		4,930,236	10,790,998

Transactions are conducted under terms and conditions that are usual and customary to standard securities borrowing and lending activities.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Table 33(E1): The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position. For derivatives, the fair value shown on the Statement of Financial Position represents the current risk exposure but not the maximum risk exposure that would arise in the future as a result of the change in value.

	Note	Shareholder's Fund RM'000	Life Insurance Fund RM'000	Unit-linked RM'000	Total RM'00
2021					
LAR at amortised cost:	6(a)				
Policy loans		-	4,630,062	-	4,630,062
Mortgage loans		-	300,697	-	300,697
Secured loans		-	1,443	-	1,443
Unsecured loans		1,979	498,638	-	500,617
Financial investments at FVOCI:	6(b)				
Malaysian government securities		83,880	500,259	-	584,139
Debt securities		476,614	1,339,461	-	1,816,075
Financial investments at FVTPL:	6(c)				
Malaysian government securities		-	8,987,515	477,719	9,465,234
Debt securities		42,554	33,297,529	1,974,321	35,314,404
Derivatives	12	-	7,331	-	7,331
Reinsurance assets	7	-	128,057	-	128,057
Insurance receivables	8	-	354,683	-	354,683
Other receivables	9	10,190	663,529	62,687	736,406
		615,217	50,709,204	2,514,727	53,839,148
2020					
LAR at amortised cost:	6(a)				
Deposits with financial institutions		-	250,000	-	250,000
Policy loans		-	4,567,192	-	4,567,192
Mortgage loans		-	362,245	-	362,245
Secured loans		-	1,698	-	1,698
Unsecured loans		844	501,952	-	502,796
Financial investments at FVOCI:	6(b)				
Malaysian government securities		66,461	211,591	-	278,052
Debt securities		454,296	1,413,112	-	1,867,408
Financial investments at FVTPL:	6(c)				
Malaysian government securities		-	6,541,483	594,248	7,135,731
Debt securities		82,462	35,313,363	2,124,553	37,520,378
Derivatives	12	-	17,670	580	18,250
Reinsurance assets	7	-	119,373	-	119,373
Insurance receivables	8	-	284,633	-	284,633
Other receivables	9	20,212	907,477	59,882	987,571
		624,275	50,491,789	2,779,263	53,895,327

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Table 33(E2): The following table sets out information about the credit quality of financial assets measured at amortised cost and debt securities at FVOCI for which ECL was provided. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

For explanation of the terms: '12-month ECL', 'lifetime ECL' and 'credit-impaired', refer to Note 2.2 (i).

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2021				
Loans at amortised cost				
Government guaranteed loan	-	-	-	-
Investment Grade* (BBB to AAA)	421,382	377,136	-	798,518
	421,382	377,136	-	798,518
Loss allowance	(1,168)	(29,246)	-	(30,414)
Carrying amount	420,214	347,890	-	768,104
Debt securities at FVOCI				
Government guaranteed and Low risk bonds	914,250	-	-	914,250
Investment Grade* (BBB to AAA)	1,365,254	120,710	-	1,485,964
	2,279,504	120,710	-	2,400,214
2020				
Loans at amortised cost				
Government guaranteed loan	-	-	-	-
Investment Grade* (BBB to AAA)	482,923	380,696	-	863,619
	482,923	380,696	-	863,619
Loss allowance	(1,672)	(10,782)	-	(12,454)
Carrying amount	481,251	369,914	-	851,165
Debt securities at FVOCI				
Government guaranteed and Low risk bonds	772,627	-	-	772,627
Investment Grade* (BBB to AAA)	1,324,359	48,474	-	1,372,833
	2,096,986	48,474	-	2,145,460

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

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Table 33(E2): The following table sets out the credit analysis for financial assets.

	Neither past-due nor impaired						Total RM'000
	Government guaranteed and low risk bonds RM'000	Investment grade* (BBB to AAA) RM'000	Non- Investment grade* (C to BB) RM'000	Not rated RM'000	Unit-linked RM'000	Not subject to credit risk RM'000	
2021							
Financial investments at AC:							
Policy loans	-	-	-	4,630,062	-	-	4,630,062
Mortgage loans	-	-	-	41	-	-	41
Secured loans	-	-	-	1,443	-	-	1,443
Unsecured loans	-	-	-	2,258	-	-	2,258
Financial investments at FVTPL:							
Malaysian government securities	8,987,515	-	-	-	477,719	-	9,465,234
Debt securities	11,884,672	21,455,411	-	-	1,974,321	-	35,314,404
Equity securities	-	-	-	-	7,988,419	17,542,406	25,530,825
Unit and property trust funds	-	-	-	-	225,965	3,051,586	3,277,551
Collective investment schemes - subsidiary	-	-	-	-	-	1,573,826	1,573,826
Derivatives	-	7,331	-	-	-	-	7,331
Reinsurance assets	-	128,057	-	-	-	-	128,057
Insurance receivables	-	-	-	354,683	-	-	354,683
Other receivables	194,998	290,715	-	188,006	62,687	-	736,406
Cash and cash equivalents	-	3,462,153	-	-	1,048,038	-	4,510,191
Total credit risk exposure	21,067,185	25,343,667	-	5,176,493	11,777,149	22,167,818	85,532,312
2020							
Financial investments at AC:							
Deposits with financial institutions	-	250,000	-	-	-	-	250,000
Policy loans	-	-	-	4,567,192	-	-	4,567,192
Mortgage loans	-	-	-	45	-	-	45
Secured loans	-	-	-	1,698	-	-	1,698
Unsecured loans	-	-	-	1,377	-	-	1,377
Financial investments at FVTPL:							
Malaysian government securities	6,541,483	-	-	-	594,248	-	7,135,731
Debt securities	12,495,777	22,900,048	-	-	2,124,553	-	37,520,378
Equity securities	-	-	-	-	6,901,747	19,903,676	26,805,423
Unit and property trust funds	-	-	-	-	160,661	2,757,695	2,918,356
Collective investment schemes - subsidiary	-	-	-	-	-	1,077,856	1,077,856
Derivatives	-	17,670	-	-	580	-	18,250
Reinsurance assets	-	119,373	-	-	-	-	119,373
Insurance receivables	-	-	-	284,633	-	-	284,633
Other receivables	190,135	297,865	-	439,689	59,882	-	987,571
Cash and cash equivalents	-	2,748,932	-	-	795,210	-	3,544,142
Total credit risk exposure	19,227,395	26,333,888	-	5,294,634	10,636,881	23,739,227	85,232,025

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

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

This disclosure below relates to MFRS 9 which came into effect in 2018.

Amounts arising from Expected Credit Loss ("ECL")

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default ("PD");
- loss given default ("LGD"); and
- exposure at default ("EAD").

These parameters are derived from the statistical models which are internally developed by the Company based on the historical data. They are adjusted to reflect forward-looking information.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation. They are estimates at a certain date, which are calculated based on the statistical rating models. These statistical models are based on internally and externally compiled data comprising both quantitative and qualitative factors.

If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. The ECL considers the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. LGD is expressed as a percentage per loss per unit of exposure at the time of default and varies by type and seniority of claims, availability and quality of collateral, legal enforceability of processes in the jurisdiction, industry of borrower and prevailing market conditions. They are estimates at a certain date, which are calculated based on the statistical rating models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current and potential future exposure to the counterparty. The EAD of a financial asset is its gross carrying amount.

The ECL is determined by projecting PD, LGD and EAD for each individual exposure. These three components are multiplied together and adjusted for forward-looking information. This is then discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The trade and lease receivables are in scope for ECL impairment provisions using the simplified assumption of lifetime ECL.

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an instrument's credit rating along the rating scale will represent changes in credit risk, measured by the change in PD.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Significant increase in credit risk (continued)

The criteria for assessing whether credit risk has increased significantly will be determined by both quantitative changes in 12M PDs and qualitative factors. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative model, the 12M PD is determined to have increased by more than 100% since origination. The criteria as described above would only apply if the financial instrument does not have an investment grade rating.

Using its experienced credit judgement and, where possible, relevant historical experience, the Company may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The Company uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

The Company considers "low credit risk" to be an investment grade credit rating using a combination of internal and external credit rating models.

Definition of default

The Company considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

For insurance receivables, the counterparty fails to make a contractual payment 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the instrument is in overdue status and there are non-payments on another debt obligation of the same issuer to the Company.

Qualitative criteria

The counterparty is either bankrupt or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within a given timeframe.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Company's expected loss calculations.

Incorporating of forward-looking information

The Company incorporates forward-looking information in both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its measurement of ECL. The Company has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Experienced judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information, to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and the components of LGD and EAD.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Incorporating of forward-looking information (continued)

In addition to the base economic scenario, the Company uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and their attributes are reviewed at each reporting date. At 31 December 2021, the Company concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert judgement, taking into account the range of possible outcomes the chosen scenario represents. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, the Company measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weight (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and the actual outcomes may be significantly different from those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Company for the year ended 31 December 2021.

Loss allowance - Provision for ECL

Table 33(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2021				
Loans at amortised cost				
Opening balance	1,671	10,783	-	12,454
Transfer to 12-month ECL	-	-	-	-
Additional loss allowance due to transfer	-	-	-	-
Net remeasurement of loss allowance	509	814	-	1,323
New financial assets purchased	83	-	-	83
Financial assets that have been derecognised	(103)	(61)	-	(164)
Changes in models/risk parameters	(992)	17,710	-	16,718
Closing balance	1,168	29,246	-	30,414

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Loss allowance - Provision for ECL (continued)

Table 33(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (continued)

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2020				
Loans at amortised cost				
Opening balance	996	14,226	-	15,222
Transfer to 12-month ECL	1,649	(1,649)	-	-
Additional loss allowance due to transfer	(1,453)	-	-	(1,453)
Net remeasurement of loss allowance	(312)	1,677	-	1,365
New financial assets purchased	15	236	-	251
Financial assets that have been derecognised	(483)	(1,282)	-	(1,765)
Changes in models/risk parameters	1,260	(2,426)	-	(1,166)
Closing balance	1,672	10,782	-	12,454
2021				
Debt investment securities at FVOCI				
Opening balance	9,819	1,067	-	10,886
Transfer to 12-month ECL	-	-	-	-
Transfer to lifetime ECL not credit-impaired	(489)	489	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-
Additional loss allowance due to transfer	-	2,895	-	2,895
Net remeasurement of loss allowance	108	171	-	279
New financial assets purchased	1,596	-	-	1,596
Financial assets that have been derecognised	(2,782)	(176)	-	(2,958)
Changes in models/risk parameters	1,081	3,731	-	4,812
Closing balance	9,333	8,177	-	17,510

NOTES TO THE FINANCIAL STATEMENTS

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(g) Credit risk (continued)

Loss allowance - Provision for ECL (continued)

Table 33(E3): The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. (continued)

	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2020				
Debt investment securities at FVOCI				
Opening balance	2,923	1,810	-	4,733
Transfer to 12-month ECL	471	(471)	-	-
Transfer to lifetime ECL not credit-impaired	(139)	139	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-
Additional loss allowance due to transfer	(437)	139	-	(298)
Net remeasurement of loss allowance	(39)	(194)	-	(233)
New financial assets purchased	5,780	-	-	5,780
Financial assets that have been derecognised	(3,569)	(76)	-	(3,645)
Changes in models/risk parameters	4,829	(280)	-	4,549
Closing balance	9,819	1,067	-	10,886

The above loss allowance as at 31 December 2021 for debt securities at FVOCI is not recognised in the statement of financial position because the carrying amount of debt securities at FVOCI is their fair value.

The carrying amount of outstanding premiums as at 31 December 2021 is RM48,875,253 (31 December 2020: RM87,062,262). The ECL relating to outstanding premiums as at 31 December 2021 was RM18,288,092 (2020: RM15,957,090). The changes in credit loss recognised in the Statement of Profit or Loss during the period was RM2,331,002 (31 December 2020: RM11,222,314).

(h) Concentration risk

An important element of managing both market and credit risk is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place and monitored to manage this risk. These limits are reviewed on a regular basis by the ALC. The Company's exposures are within the concentration limits set by the regulator. The Company actively manages its asset mix to ensure that there is no significant concentration of market and credit risk.

(i) Sensitivity analysis on financial risks

The sensitivity analysis below shows the impact on the Company's net profit after taxation by applying possible shocks to each key variable, with all other variables held constant. While the co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets, to demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after taxation represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the statement of profit or loss, and changes in valuation of insurance contract liabilities. The impact on equity represents the impact on net profit after taxation and the effect on changes in fair value of financial assets measured at FVOCI.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Market and Credit Risk (continued)

(i) Sensitivity analysis on financial risks (continued)

Table 33(F):

2021 RM (millions)		Impact on Gross Actuarial Liabilities	Impact on Net Actuarial Liabilities	Impact on Profit After Taxation	Impact on Equity*
Change in variables					
<u>a) Equity</u>					
+/-20%	- STI	0.0	0.0	+/-0.0	+/-35.8
	- KLCI	0.0	0.0	+/-0.0	+/-102.1
<u>b) Alternative Investment</u>					
+/-10%		0.0	0.0	+/-2.2	+/-7.7
<u>c) Foreign Currency</u>					
+/-5%		0.0	0.0	+/-0.0	+/-0.0
<u>d) Interest Rate</u>					
← (Decrease)/Increase →					
MGS Yield curve +50 bps		(380.5)	(380.5)	33.5	(55.1)
MGS Yield curve -50 bps		426.8	426.8	(49.4)	42.3
PAR Yield curve +100 bps		(4,050.7)	(4,050.7)	0.0	0.0
PAR Yield curve -100 bps		5,029.6	5,029.6	0.0	0.0
<u>e) Credit Spread</u>					
Spread +100 bps		0.0	0.0	(111.0)	(245.9)
Spread - 100 bps		0.0	0.0	122.9	264.6
2020					
RM (millions)					
Change in variables					
<u>a) Equity</u>					
+/-20%	- STI	0.0	0.0	+/-1.9	+/-37.8
	- KLCI	0.0	0.0	+/-34.8	+/-215.8
<u>b) Alternative Investment</u>					
+/-10%		0.0	0.0	+/-4.0	+/-17.7
<u>c) Foreign Currency</u>					
+/-5%		0.0	0.0	+/-0.0	+/-0.0
<u>d) Interest Rate</u>					
← (Decrease)/Increase →					
MGS Yield curve +50 bps		(508.2)	(507.7)	88.7	177.0
MGS Yield curve -50 bps		568.8	568.3	(118.9)	(264.8)
PAR Yield curve +100 bps		(3,836.2)	(3,836.2)	0.0	0.0
PAR Yield curve -100 bps		4,719.3	4,719.3	0.0	0.0
<u>e) Credit Spread</u>					
Spread +100 bps		0.0	0.0	(161.0)	(639.7)
Spread - 100 bps		0.0	0.0	180.5	709.7

* The impact on equity reflects the after taxation impact, when applicable.

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33. ENTERPRISE RISK GOVERNANCE AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

Operational, Market Conduct and Compliance Risk

Operational risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from inadequate or failed internal processes and systems, human factors or external events.

Market conduct risk is an event or action that may potentially impact partly or completely the achievement of the Company's objectives arising from its personnel and intermediaries not conducting themselves in accordance with the ethical standards and in compliance with the relevant laws and regulations governing insurance and investment product for pre-sales, during sales and after sales process. It is synonymous with professional behaviour and customer's protection. There are four areas in which the Company continuously strengthens:

- Fit and Proper;
- Sales Advisory Process;
- Training and Competency; and
- Business Conduct.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the Company's objectives as a result of its failure to comply with the following applicable laws, regulations and standards:

- Laws, regulations and rules governing insurance business and regulated financial licensed activities undertaken by the Company;
- Codes of practice promoted by industry associations of which the Company is a member of; and
- Any other applicable regulations which do not specifically govern the licensed activities undertaken by the Company but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational, market conduct and compliance risks is effected through the maintenance of comprehensive internal controls, supported by an infrastructure of systems and procedures to monitor processes and transactions. The SMT regularly reviews and monitors these issues at its monthly meetings. The Internal Audit team regularly reviews the systems of internal control to assess their ongoing relevance and effectiveness, and reports at least quarterly to the Board Audit Committee. As an added measure, the risk appetite statement explicitly sets the Company's tolerance level to financial loss arising from operational, market conduct and compliance risks.

Technology, Information and Cyber Risks

Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, and capacity deficiency arising from the use of technologies such as electronic hardware/devices, software, and online networks and telecommunication systems.

Information Risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber Risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

The Company adopts a risk based approach in managing technology, information and cyber risks. Key risk indicators related to technology, information and cyber risks are reported to the Board on a regular basis. Independent assessment is performed by the Internal Audit team on the adequacy and effectiveness of the processes to manage technology, information and cyber risks. The risk appetite statement also explicitly sets the Company's tolerance level to financial loss arising from technology risks.

Climate Risk

Climate Risk arises from climate change, which is a collection of complex problems and actions that may create material implications on the financial stability and sustainability of a company. If our Company fails to recognise and manage climate risks in a timely manner, we may face substantial financial consequences through the impact on our business, operations as well as investments. In 2021, reporting, management and monitoring of climate risk by the Company had begun under the purview of the senior management, with oversight from the Board of Directors.

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34. FAIR VALUES OF ASSETS AND LIABILITIES

The management assessed that cash and short-term deposits, insurance and other receivables, insurance and other payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these assets and liabilities.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of the Company's assets and liabilities approximate their respective fair values.

The following methods and assumptions were used to estimate the fair values which are carried or disclosed in the financial statements:

- The fair value of financial assets that are actively traded in organised financial markets is determined by reference to quoted market bid prices and closing prices as appropriate for assets at the close of business on the reporting date.
- For investments in quoted unit and real estate investment trusts, fair value is determined by reference to published net asset values. Investments in equity that do not have quoted market prices in an active market will be stated at adjusted net asset value.
- For financial instruments where there is no active market such as unquoted fixed income securities i.e. unquoted bonds, fair value is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM") while for foreign bonds, fair value is obtained from ICE Data Service (IDC).
- For unquoted and unrated bonds, fair value is obtained from Bond Pricing Agency Malaysia Sdn. Bhd. ("BPAM").
- For structured deposits and derivatives, the fair value is obtained from Markit and banks.
- For investment properties, the fair value is obtained from valuations as performed by the external valuers using the income method and comparison method.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the instrument or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	
2021					
(a) Assets measured at fair value:					
Financial assets:					
FVOCI financial assets (Note 6(b)):					
Equity securities:					
Quoted in Malaysia					
- Kuala Lumpur Stock Exchange	31 December 2021	624,854	-	-	624,854
Quoted outside Malaysia					
- Singapore Exchange	31 December 2021	235,575	-	-	235,575
- Hong Kong Exchange	31 December 2021	247,853	-	-	247,853
Unquoted in Malaysia	31 December 2021	-	-	75,271	75,271
Malaysian government securities	31 December 2021	-	584,139	-	584,139
Debt securities:					
Unquoted in Malaysia	31 December 2021	-	1,816,075	-	1,816,075

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- 31 December 2021

34. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. (continued)

		Level 1	Level 2	Level 3	
	Date of valuation	Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	Total Fair Value RM'000
2021 (continued)					
(a) Assets measured at fair value: (continued)					
Financial assets: (continued)					
FVTPL financial assets (Note 6(c)):					
<u>Mandatorily measured</u>					
Equity securities:					
Quoted in Malaysia	31 December 2021	20,996,549	-	-	20,996,549
Quoted outside Malaysia	31 December 2021	3,638,388	-	-	3,638,388
Unquoted in Malaysia	31 December 2021	-	692,267	75,465	767,732
Unquoted outside Malaysia	31 December 2021	-	128,156	-	128,156
Debt securities:					
Quoted in Malaysia	31 December 2021	831	-	-	831
Quoted outside Malaysia	31 December 2021	330,486	-	-	330,486
Unquoted in Malaysia	31 December 2021	-	2,458,842	-	2,458,842
Unquoted outside Malaysia	31 December 2021	-	207,497	-	207,497
Unit and property trust funds:					
Quoted in Malaysia	31 December 2021	469,879	-	-	469,879
Quoted outside Malaysia	31 December 2021	321,076	-	-	321,076
Unquoted outside Malaysia	31 December 2021	-	2,224,493	41,134	2,265,627
Unquoted in Malaysia	31 December 2021	-	220,969	-	220,969
Investment in subsidiary:					
Collective investment schemes					
Unquoted in Malaysia	31 December 2021	-	1,573,826	-	1,573,826
<u>Designated upon initial recognition:</u>					
Malaysian government securities	31 December 2021	-	9,465,234	-	9,465,234
Debt securities:					
Unquoted in Malaysia	31 December 2021	-	32,316,748	-	32,316,748
Financial assets		26,865,491	51,688,246	191,870	78,745,607
<u>Derivatives (Note 12):</u>					
Currency swaps	31 December 2021	-	2,023	-	2,023
Bond Forward	31 December 2021	-	5,308	-	5,308
		-	7,331	-	7,331
Non financial assets:					
Investment Properties (Note 5):					
Commercial	19 November 2021	-	-	982,270	982,270
Residential	19 November 2021	-	-	232,000	232,000
Non financial assets		-	-	1,214,270	1,214,270

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34. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. (continued)

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	
2021 (continued)					
(b) Liabilities measured at fair value:					
Financial liabilities					
Derivatives (Note 12):					
Currency swaps	31 December 2021	-	19,335	-	19,335
Bond Forward	31 December 2021	-	4,428	-	4,428
Forward Foreign Exchange	31 December 2021	-	1	-	1
		-	23,764	-	23,764
2020					
(a) Assets measured at fair value:					
Financial assets:					
FVOCI financial assets (Note 6(b)):					
Equity securities:					
Quoted in Malaysia					
- Kuala Lumpur Stock Exchange	31 December 2020	646,559	-	-	646,559
Quoted outside Malaysia					
- Singapore Exchange	31 December 2020	210,781	-	-	210,781
- Hong Kong Exchange	31 December 2020	216,285	-	-	216,285
Unquoted in Malaysia	31 December 2020	-	-	78,203	78,203
Malaysian government securities	31 December 2020	-	278,052	-	278,052
Debt securities:					
Unquoted in Malaysia	31 December 2020	-	1,867,408	-	1,867,408
FVTPL financial assets (Note 6(c)):					
Mandatorily measured					
Equity securities:					
Quoted in Malaysia	31 December 2020	23,111,364	-	-	23,111,364
Quoted outside Malaysia	31 December 2020	3,610,729	-	-	3,610,729
Unquoted in Malaysia	31 December 2020	-	-	83,330	83,330
Debt securities:					
Quoted outside Malaysia	31 December 2020	580,833	-	-	580,833
Unquoted in Malaysia	31 December 2020	-	2,941,065	-	2,941,065
Unquoted outside Malaysia	31 December 2020	-	361,648	-	361,648
Unit and property trust funds:					
Quoted in Malaysia	31 December 2020	455,308	-	-	455,308
Quoted outside Malaysia	31 December 2020	322,976	-	-	322,976
Unquoted in Malaysia	31 December 2020	-	2,140,072	-	2,140,072
Investment in subsidiary:					
Collective investment schemes					
Unquoted in Malaysia	31 December 2020	-	1,077,856	-	1,077,856

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- 31 December 2021

34. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. (continued)

	Date of valuation	Level 1	Level 2	Level 3	Total Fair Value RM'000
		Quoted Market Price RM'000	Valuation Techniques - Market Observable Inputs RM'000	Valuation Techniques - Unobservable Inputs RM'000	
2020 (continued)					
(a) Assets measured at fair value: (continued)					
Financial assets: (continued)					
FVTPL financial assets (Note 6(c)): (continued)					
Designated upon initial recognition:					
Malaysian government securities	31 December 2020	-	7,135,731	-	7,135,731
Debt securities:					
Unquoted in Malaysia	31 December 2020	-	33,575,356	-	33,575,356
Unquoted outside Malaysia	31 December 2020	-	61,476	-	61,476
Financial assets		29,154,835	49,438,664	161,533	78,755,032
Derivatives (Note 12):					
Currency swaps	31 December 2020	-	9,346	-	9,346
Interest rate swaps	31 December 2020	-	17	-	17
Synthetic cash flow swaps	31 December 2020	-	8,887	-	8,887
		-	18,250	-	18,250
Non financial assets:					
Investment Properties (Note 5):					
Commercial	16 November 2020	-	-	892,470	892,470
Residential	16 November 2020	-	-	237,000	237,000
Non financial assets		-	-	1,129,470	1,129,470
(b) Liabilities measured at fair value:					
Financial liabilities					
Derivatives (Note 12):					
Currency swaps	31 December 2020	-	49,852	-	49,852
Synthetic cash flow swaps	31 December 2020	-	9	-	9
		-	49,861	-	49,861

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34. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

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

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

Description	Fair value as at 31 December 2021 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	238,000	Income approach	Rental per square foot ("p.s.f.") per month	RM2.50 - RM5.40
			Rental growth rate (upon Revisionary)	0.00%
			Long-term vacancy rate	12.50%
			Discount rate	5.75% - 6.00%
Commercial properties	545,000	Income approach	Estimated Value p.s.f	RM1,191
Commercial properties	199,270	Comparison approach	Estimated Value p.s.f	RM33 - RM1,250
Residential properties	225,000	Comparison approach	Estimated Value p.s.f	RM639 - RM727
Residential properties	7,000	Income approach	Estimated Value p.s.f	RM40
<u>FVOCI financial assets</u>				
Unquoted equities	75,271	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable
<u>FVTPL financial assets</u>				
Unquoted equities	75,465	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable
Private equity fund	41,134	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable

Description	Fair value as at 31 December 2020 RM'000	Valuation techniques	Unobservable inputs	Range (weighted average)
<u>Investment properties</u>				
Commercial properties	250,000	Income approach	Rental per square foot ("p.s.f.") per month	RM2.35 - RM5.80
			Rental growth rate (upon Revisionary)	12.50%
			Long-term vacancy rate	7.50%
			Discount rate	6.0% - 6.25%
Commercial properties	545,000	Income approach	Estimated Value p.s.f	RM1,191
Commercial properties	97,470	Comparison approach	Estimated Value p.s.f	RM33 - RM1,250
Residential properties	237,000	Comparison approach	Estimated Value p.s.f	RM40 - RM885
<u>FVOCI financial assets</u>				
Unquoted equities	78,203	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable
<u>FVTPL financial assets</u>				
Unquoted equities	83,330	Adjusted net asset value ⁽¹⁾	Net tangible assets	not applicable

- ⁽¹⁾ These investments are valued using adjusted net asset value. The net asset value of these investments as at the reporting period is an unobservable input as it is not published. Accordingly, these investments are classified as Level 3 investments within the fair value hierarchy. A reasonable change to the significant unobservable inputs is not expected to have material impact to the total equity of the Company.

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34. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(ii) Movements in level 3 assets and liabilities measured at fair value:

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

	Fair value measurements using significant unobservable inputs (Level 3)				Total RM'000
	FVOCI	FVTPL		Investment properties RM'000	
	Financial assets	Financial assets	Financial assets		
Unquoted RM'000	equities RM'000	Private equities RM'000			
31 December 2021					
Opening balance	78,203	83,330	-	1,129,470	1,291,003
Total gain for the year:					
Changes in fair value					
- Included in statement of profit or loss	-	15,636	(885)	(35,454)	(20,703)
- Included in other comprehensive income	(2,932)	-	-	-	(2,932)
Addition for the year:					
Additions	-	-	45,787	539	46,326
Transfer from property and equipment	-	-	-	119,715	119,715
Write-off	-	-	-	-	-
Disposal for the year:					
Disposals	-	(23,501)	(3,768)	-	(27,269)
Closing balance	75,271	75,465	41,134	1,214,270	1,406,140
31 December 2020					
Opening balance	87,332	84,187	-	1,145,950	1,317,469
Total gain for the year:					
Changes in fair value					
- Included in statement of profit or loss	-	(857)	-	(16,813)	(17,670)
- Included in other comprehensive income	(9,129)	-	-	-	(9,129)
Addition for the year:					
Transfer from property and equipment	-	-	-	333	333
Write-off	-	-	-	-	-
Closing balance	78,203	83,330	-	1,129,470	1,291,003

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34. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

Fair value Hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Assets/liabilities are those of which market values are determined in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those process represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 Assets/liabilities are those of which market values are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These type of assets/liabilities includes assets/liabilities of which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets/financial liabilities with fair values based on broker quotes, investments in private equity funds with fair values obtained from counterparties and assets/liabilities that are valued using the Company's own model whereby the majority of assumptions are market observable.
- Level 3 Assets/liabilities are those of which market values are measured using a valuation technique based on assumptions formed from unobservable inputs. Unobservable inputs are inputs not supported by market data, but which are set on the basis that they represent what is reasonable given the prevailing market conditions.

There have been no transfers of assets between Level 1 and Level 2 of the fair value hierarchy during the financial years ended 31 December 2021 and 31 December 2020.

35. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 31 December 2021, as prescribed under the RBC Framework is provided below:

	2021 RM'000	2020 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	100,000	100,000
Reserves, including retained earnings	21,147,437	21,658,808
	21,247,437	21,758,808
Tier 2 Capital		
Eligible reserves	(54,665)	39,547
Deductions: Intangible assets & deferred tax assets	185,066	5,566
Total Capital Available	21,007,706	21,792,789

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36. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into Life Insurance (including Unit-Linked business) and Shareholder's Funds in accordance with the Financial Services Act, 2013. The Statement of Profit or Loss and Statement of Financial Position by funds are presented as follows:

Statement of Financial Position by Funds As at 31 December 2021

	Shareholder's Fund		Life Insurance Fund		Elimination*		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Financial investments	1,979,292	1,924,266	82,168,720	82,502,243	-	-	84,148,012	84,426,509
Reinsurance assets	-	-	128,057	119,373	-	-	128,057	119,373
Insurance receivables	-	-	354,683	284,633	-	-	354,683	284,633
Other assets	2,484,145	2,101,292	6,925,522	6,164,226	(2,451,654)	(2,023,164)	6,958,013	6,242,354
	4,463,437	4,025,558	89,576,982	89,070,475	(2,451,654)	(2,023,164)	91,588,765	91,072,869
Equity, Policyholders' Fund and Liabilities								
Total Equity	4,229,277	3,725,733	-	-	-	-	4,229,277	3,725,733
Insurance contract liabilities	-	-	84,633,108	83,998,807	-	-	84,633,108	83,998,807
Other liabilities	234,160	299,825	4,943,874	5,071,668	(2,451,654)	(2,023,164)	2,726,380	3,348,329
Total Policyholders' Fund and Liabilities	234,160	299,825	89,576,982	89,070,475	(2,451,654)	(2,023,164)	87,359,488	87,347,136
	4,463,437	4,025,558	89,576,982	89,070,475	(2,451,654)	(2,023,164)	91,588,765	91,072,869

* Refers to elimination of Interfund balances.

Statement of Profit or Loss by Funds For the year ended 31 December 2021

	Shareholder's Fund		Life Insurance Fund		Elimination**		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	-	-	9,681,128	9,303,211	(6,610)	(5,984)	9,674,518	9,297,227
Premiums ceded to reinsurers	-	-	(230,839)	(367,317)	-	-	(230,839)	(367,317)
Net earned premiums	-	-	9,450,289	8,935,894	(6,610)	(5,984)	9,443,679	8,929,910
Investment income	94,162	85,577	3,374,121	3,231,592	-	-	3,468,283	3,317,169
Fee and commission income	-	-	4,314	216,295	-	-	4,314	216,295
Gains and losses and other operating revenue	(30,425)	12,324	(3,511,411)	1,174,839	-	-	(3,541,836)	1,187,163
Other revenue	63,737	97,901	(132,976)	4,622,726	-	-	(69,239)	4,720,627
Gross benefits and claims paid	-	-	(6,560,566)	(6,376,999)	-	-	(6,560,566)	(6,376,999)
Claims ceded to reinsurers	-	-	364,894	196,666	-	-	364,894	196,666
Gross change in contract liabilities	-	-	172,691	(1,451,549)	-	-	172,691	(1,451,549)
Change in contract liabilities ceded to reinsurers	-	-	(13,171)	2,470	-	-	(13,171)	2,470
Net benefits and claims	-	-	(6,036,152)	(7,629,412)	-	-	(6,036,152)	(7,629,412)

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

36. INSURANCE FUNDS (CONTINUED)

The Company's activities are organised by funds and segregated into Life Insurance (including Unit-Linked business) and Shareholder's Funds in accordance with the Financial Services Act, 2013. The Statement of Profit or Loss and Statement of Financial Position by funds are presented as follows: (continued)

Statement of Profit or Loss by Funds

For the year ended 31 December 2021 (continued)

	Shareholder's Fund		Life Insurance Fund		Elimination**		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(673)	(660)	(54,452)	(53,678)	-	-	(55,125)	(54,338)
Other operating and management expenses	(67,813)	(58,753)	(1,759,911)	(1,763,288)	6,610	5,984	(1,821,114)	(1,816,057)
Taxation attributable to life insurance business	-	-	75,844	(297,353)	-	-	75,844	(297,353)
Other expenses	(68,486)	(59,413)	(1,738,519)	(2,114,319)	6,610	5,984	(1,800,395)	(2,167,748)
Profit from operations	(4,749)	38,488	1,542,642	3,814,889	-	-	1,537,893	3,853,377
Transfer from Life Insurance Fund*	1,542,642	1,178,889	(1,542,642)	(1,178,889)	-	-	-	-
One off Shareholder profit (Note 11)	-	2,636,000	-	(2,636,000)	-	-	-	-
Profit before taxation	1,537,893	3,853,377	-	-	-	-	1,537,893	3,853,377
Taxation attributable to shareholders	(330,834)	(263,722)	-	-	-	-	(330,834)	(263,722)
Net profit for the year	1,207,059	3,589,655	-	-	-	-	1,207,059	3,589,655

* The amount transferred from the Life Insurance Fund to the Shareholder's Fund is net of tax.

** Refers to elimination of interfund transactions.

Information on Cash Flows by Funds

for the year ended 31 December 2021

	Shareholder's Fund		Life Insurance Fund		Total	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flow from:						
Operating activities	557,785	2,509,461	1,116,345	(1,372,840)	1,674,130	1,136,621
Investing activities	-	-	(106,964)	(107,252)	(106,964)	(107,252)
Financing activities	(600,000)	(2,470,000)	(1,117)	(1,056)	(601,117)	(2,471,056)
(Decrease)/increase in cash and cash equivalents	(42,215)	39,461	1,008,264	(1,481,148)	966,049	(1,441,687)
Cash and cash equivalents:						
At beginning of year	63,087	23,626	3,481,055	4,962,203	3,544,142	4,985,829
At end of year	20,872	63,087	4,489,319	3,481,055	4,510,191	3,544,142

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2021

37. SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

The underlying headwinds from the COVID-19 pandemic are expected to persist as the timing of its eradication remains uncertain. The anticipation of central bank tightening of monetary policy, growing inflation concerns and geopolitical tensions are key factors which may impact the performance of the Company. We expect volatility in the financial markets 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 impact of default risk is likely to be low.

The Company will continue to monitor the progress of the pandemic and measure the impact, if any, on the financial statements as they occur.

FURTHER INFORMATION ON DIRECTORS

MR NORMAN KA CHEUNG IP

Shareholding in the Company

Nil

Current Directorships (and Appointments)

1.	Great Eastern Capital (Malaysia) Sdn Bhd	Chairman
2.	Great Eastern General Insurance (Malaysia) Berhad	Chairman
3.	Great Eastern Takaful Berhad	Chairman
4.	I Great Capital Holdings Sdn Bhd	Chairman
5.	Overseas Assurance Corporation (Holdings) Berhad	Chairman
6.	Great Eastern General Insurance Limited	Director
7.	The Great Eastern Life Assurance Company Limited	Director
8.	QAF Limited*	Director
9.	Securities Industry Council	Member

* Listed Company

Academic and Professional Qualifications

Bachelor of Science (Economics), London School of Economics and Political Science

Fellow of the Institute Chartered Accountants in England and Wales

Fellow of the Institute of Singapore Chartered Accountants

Board Committees Served on

Member, Board Nominations and Remuneration Committee

Member, Board Risk Management Committee

MR TAN YAM PIN

Shareholding in the Company

Nil

Current Directorships (and Appointments)

1.	Keppel Land Limited	Director
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Academic and Professional Qualifications

Master of Business Administration, University of British Columbia, Canada

Bachelor of Arts (Hons), University of Singapore

Fellow of the Canadian Institute of Chartered Accountants, Canada

Board Committees Served on

Chairman, Board Nominations and Remuneration Committee

FURTHER INFORMATION ON DIRECTORS

MR KOH POH TIONG

Shareholding in the Company

Nil

Current Directorships (and Appointments)

1.	BeerCo Limited	Chairman
2.	Bukit Sembawang Estates Limited*	Chairman
3.	Saigon Beer Alcohol Beverage Corporation* (“SABECO”)	Chairman
4.	Times Publishing Limited	Chairman
5.	Fraser and Neave Limited*	Director & Advisor
6.	Delfi Limited*	Director
7.	Great Eastern General Insurance (Malaysia) Berhad	Director
8.	Raffles Medical Group Limited*	Director

* Listed Companies

Academic and Professional Qualifications

Bachelor of Science, University of Singapore

Board Committees Served on

Member, Board Nominations and Remuneration Committee

MR KHOR HOCK SENG

Shareholding in the Company

Nil

Current Directorships (and Appointments)

1.	Great Eastern Financial Advisers Private Limited	Chairman
2.	Lion Global Investors Limited	Chairman
3.	PT Great Eastern Life Indonesia	President Commissioner
4.	PT Great Eastern General Insurance Indonesia	President Commissioner
5.	Great Eastern Capital (Malaysia) Sdn Bhd	Director
6.	Great Eastern General Insurance (Malaysia) Berhad	Director
7.	Great Eastern International Private Limited	Director
8.	Great Eastern Takaful Berhad	Director
9.	I Great Capital Holdings Sdn Bhd	Director
10.	Overseas Assurance Corporation (Holdings) Berhad	Director
11.	The Great Eastern Trust Private Limited	Director
12.	218 Orchard Private Limited	Director
13.	Financial Industry Disputes Resolution Centre Ltd	Director
14.	Life Insurance Association Singapore	President
15.	Institute of Banking and Finance	Council Member
16.	Singapore College of Insurance	Board of Governors
17.	Financial Sector Tripartite Committee	Member

Academic and Professional Qualifications

Bachelor of Art (Majoring in Actuarial Science and Statistics), Macquarie University Sydney, Australia

Certificate of Actuarial Techniques, Institute of Actuaries, London

Board Committees Served on

Nil

FURTHER INFORMATION ON DIRECTORS

MR NG HON SOON

Shareholding in the Company

Nil

Current Directorships (and Appointments)

- | | | |
|----|--------------------------------------|----------|
| 1. | OCBC Al-Amin Bank Berhad | Director |
| 2. | Bond Pricing Agency Malaysia Sdn Bhd | Director |

Academic and Professional Qualifications

Master in Public Administration, Harvard University, Massachusetts, United States of America
 Bachelor of Applied Science (Computer Technology), Universiti Sains Malaysia

Board Committees Served on

Chairman, Board Risk Management Committee
 Member, Board Audit Committee

MR SIEW KAH TOONG

Shareholding in the Company

Nil

Current Directorships (and Appointments)

- | | | |
|----|--|----------|
| 1. | Fraser & Neave Holdings Berhad* | Director |
| 2. | Sekhar & Tan Tax Services Sdn Bhd | Director |
| 3. | Sekhar & Tan Corporate Services Sdn Bhd
(formerly known as Sekhar & Tan Capital Services Sdn Bhd) | Director |

* *Listed Company*

Academic and Professional Qualifications

Member of the Malaysian Institute of Accountants
 Member of the Malaysian Institute of Certified Public Accountants
 Member of the CPA Australia

Board Committees Served on

Chairman, Board Audit Committee

FURTHER INFORMATION ON DIRECTORS

MR OU SHIAN WAEI

Shareholding in the Company

Nil

Current Directorships (and Appointments)

1.	Private Pension Administrator Malaysia	Chairman
2.	FIDE FORUM	Director

Academic and Professional Qualifications

Bachelor of Science in Chemistry, University of Malaya

Board Committees Served on

Member, Board Risk Management Committee

Member, Board Audit Committee

MR FOONG SOO HAH

Shareholding in the Company

Nil

Current Directorships (and Appointments)

1.	Private Pension Administrator Malaysia	Public Interest Director
2.	Golden Yang Kwong Development Sdn Bhd	Director
3.	Golden Yang Kwong Land Sdn Bhd	Director

Academic and Professional Qualifications

Master of Actuarial Science, Northeastern University, Boston

Bachelor of Science (Hons) degree in Mathematics, University of Malaya

Fellow, Society of Actuaries, USA

Fellow, Malaysia Financial Planning Council

Registered Financial Planner (RFP) and Shariah RFP

Board Committees Served on

Member, Board Risk Management Committee

HEAD OFFICE AND BRANCH NETWORK

HEAD OFFICE

Menara Great Eastern

303 Jalan Ampang
50450 Kuala Lumpur
Tel: +603-4259 8888
Fax: +603-4259 8000
E-mail: wecare-my@greasternlife.com
Website: greasternlife.com/my

ALOR SETAR

66 & 68 Jalan Teluk Wanjah
05200 Alor Setar, Kedah
Branch Admin Manager: Yap Sun Lin

BATU PAHAT

109, Jalan Rahmat
83000 Batu Pahat, Johor
Branch Admin Manager: Yap Ley Tin

BINTULU

No 313, Lot 3956, Phase 4
Bintulu Parkcity Commerce Square
Jalan Tun Ahmad Zaidi/Jalan Tanjung Batu
97000 Bintulu, Sarawak
Branch Admin Manager: Ting Siew Hoon

IPOH

Wisma Great Eastern

No 16, Persiaran Tugu, Greentown Avenue
30450 Ipoh, Perak
Branch Admin Manager: Chew Phooi See

JOHOR BAHRU

Wisma Great Eastern

02-01, Blok A, Komersil SouthKey Mozek
Persiaran SouthKey 1
Kota SouthKey
80150 Johor Bahru
Branch Admin Manager: Chai Choon Yoke

KLANG

No.8 & 10 Jalan Tiara 2A
Bandar Baru Klang
41150 Klang, Selangor
Branch Admin Manager: Santhana Sumithra S. Krishnan

KLUANG

No 22 & 24
Jalan Md Lazim Saim
86000 Kluang, Johor
Regional Manager: Lim Kee Chii

KOTA BHARU

No. S25/5252-T & U
Jalan Sultan Yahya Petra
15200 Kota Bharu, Kelantan.
Branch Admin Manager: Yeap Siew Giok

KOTA KINABALU

Wisma Great Eastern

Level 4 & 5, No. 65 Jalan Gaya
88000 Kota Kinabalu, Sabah
Deputy Regional Manager: Annie Thien Saik Ling

HEAD OFFICE AND BRANCH NETWORK

KUALA TERENGGANU

2nd Floor, 6F, Bangunan Persatuan Hin Ann
Jalan Air Jernih
20300 Kuala Terengganu, Terengganu
Branch Admin Manager: Yeo Ai May

KUANTAN

A25 Jalan Dato Lim Hoe Lek
25200 Kuantan, Pahang
Branch Admin Manager: Lee Suat Fen

KUCHING

No 51, Lot 435, Section 54, KTL D
Travilion Commercial Centre
Jalan Padungan
93100 Kuching, Sarawak
Regional Manager: Ting Lee

LAHAD DATU

Ground & 1st Floor, MDLD 3804, Lot 66
Fajar Centre, Jalan Segama
91100 Lahad Datu, Sabah
Branch Admin Manager: Charlene Ng Oi Len

MELAKA

No.23 Jalan PM 15, Plaza Mahkota
75000 Melaka
Branch Admin Manager: Lee May Lee

MIRI

Lots 1260 & 1261, Block 10
M.C.L.D. Jalan Melayu
98000 Miri, Sarawak
Branch Admin Manager: Chin Siaw Wei

PENANG

25, Light Street
10200 Penang
Regional Manager: Lionel Lee Kian Aik

SANDAKAN

Lot 5 & 6, Block 40, Lorong Indah 15
Bandar Indah, Phase 7
Mile 4, North Road
90000 Sandakan, Sabah
Branch Admin Manager: Joan Lai Kar Kee

SEREMBAN

101 & 103, Jalan Yam Tuan
70000 Seremban, Negeri Sembilan
Branch Admin Manager: Francis Wong Weng Kee

SIBU

Wisma Great Eastern
No. 10A-F, Persiaran Brooke
96000 Sibu, Sarawak
Branch Admin Manager: Peter Wong Yuk Ung

TAIPING

133A Jalan Barrack
34000 Taiping, Perak
Branch Admin Manager: Tan Hoe Soon

TAWAU

Wisma Great Eastern
Ground Floor, Jalan Billian
91000 Tawau, Sabah
Branch Admin Manager: -



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