

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q3-18 and 9M-18 Supplementary Information

26 October 2018

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Overview of Q3-18 and 9M-18 Financial Results

S\$'m	Q3-18	Q3-17	Δ	9M-18	9M-17	Δ
Total Weighted New Sales^{1&4}	347.1	305.7	+14%	904.9	841.8	+7%
New Business Embedded Value^{2 to 4}	120.8	124.7	-3%	361.0	364.4	-1%
Operating Profit (net of tax)^{4&5} from Insurance Business	141.4	158.2	-11%	453.7	437.1	+4%
Non-Operating Profit (net of tax)^{4&5} from Insurance Business	23.6	84.6	-72%	37.5	29.4	+28%
Profit (net of tax) from Shareholder's fund	51.1	47.4	+8%	121.2	151.2	-20%
Non-Controlling Interest	-2.8	-2.7	nm	-8.6	-7.8	nm
Group Profit Attributable to Shareholders⁵	213.3	287.5	-26%	603.8	609.9	-1%

Note:

1. Total Weighted New Sales (TWNS) = (Single Premium x 10%) + New Regular Premium
 2. New Business Embedded Value (NBEV) is a measure of the long-term profitability of new sales.
 3. NBEV figures for periods prior to Q4-17 have been restated to take into account revised actuarial assumptions implemented in Q4-17.
 4. 2018 TWNS, NBEV and Operating Profit in foreign currencies are translated using the monthly spot rate for 2017 for comparison on constant currency. In applying the constant currency translation, the positive impact to Operating Profit of +\$3.0m for Q3-18 and +\$10.3m for 9M-18 has been included in the Non-Operating Profit.
 5. Comparatives figures for Q3-17 and 9M-17 have been restated upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)").
- nm: not meaningful

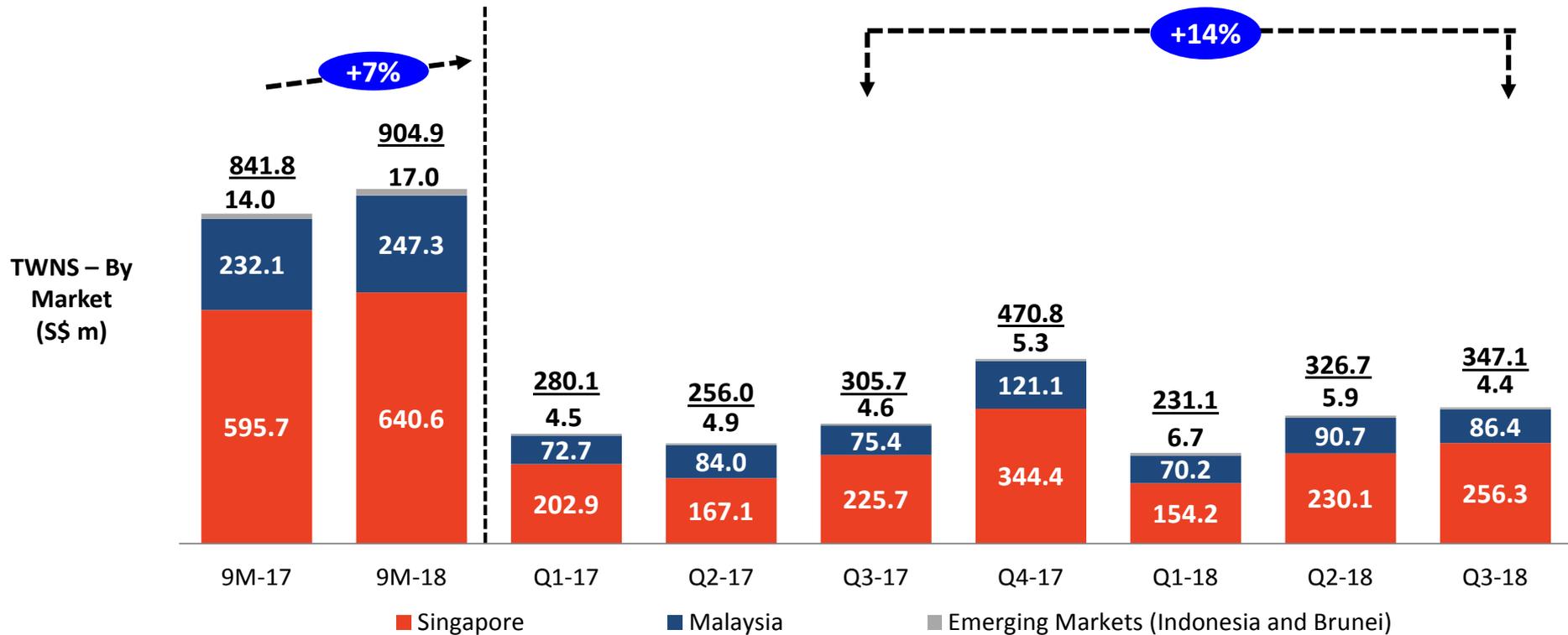
Q3-18 Key Highlights

- Group's TWNS at S\$347.1 million for Q3-18 was 14% higher than last year, underpinned by growth in Singapore and Malaysia.
- Group's NBEV at S\$120.8 million and NBEV margin at 34.8% for Q3-18, both were lower than same quarter last year as a result of shift in product mix.
- Operating profit from insurance business for Q3-18 of S\$141.4 million was 11% lower than the same quarter last year.
- Non-operating profit of S\$23.6 million for Q3-18 due to mark-to-market gain arising from favorable market conditions.
- Profit from Shareholder's fund at \$51.1 million for Q3-18 was higher than last year due to higher investment income.
- Group Profit Attributable to Shareholders of S\$213.3 million for Q3-18 was lower than the same period last year because of lower operating profit and non-operating profit from insurance business; offset by higher profit from Shareholder's Fund.

Total Weighted New Sales (TWNS) – By Market

Higher Group's TWNS for Q3-18 compared to same quarter last year:

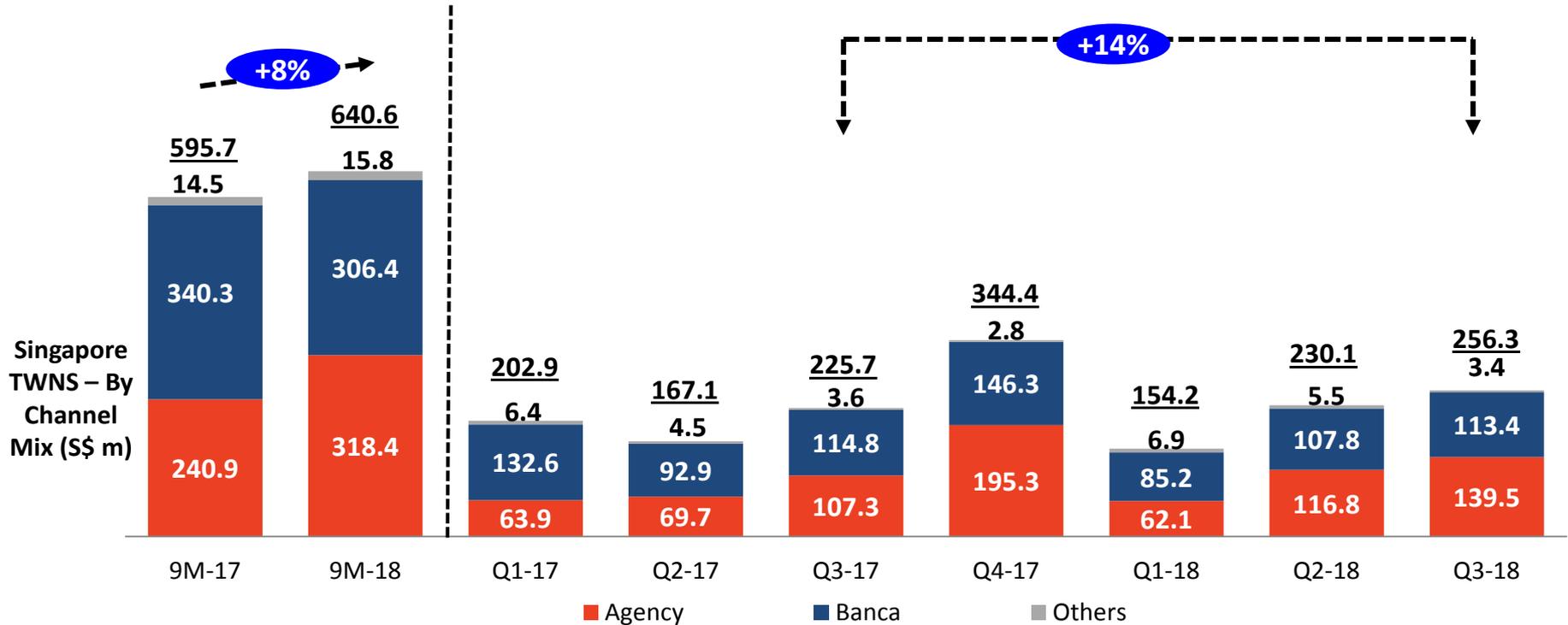
- Higher sales from agency channel in Singapore and Malaysia.



Singapore TWNS – By Channel Mix

TWNS in Singapore of S\$256.3 million for Q3-18, higher than same period last year:

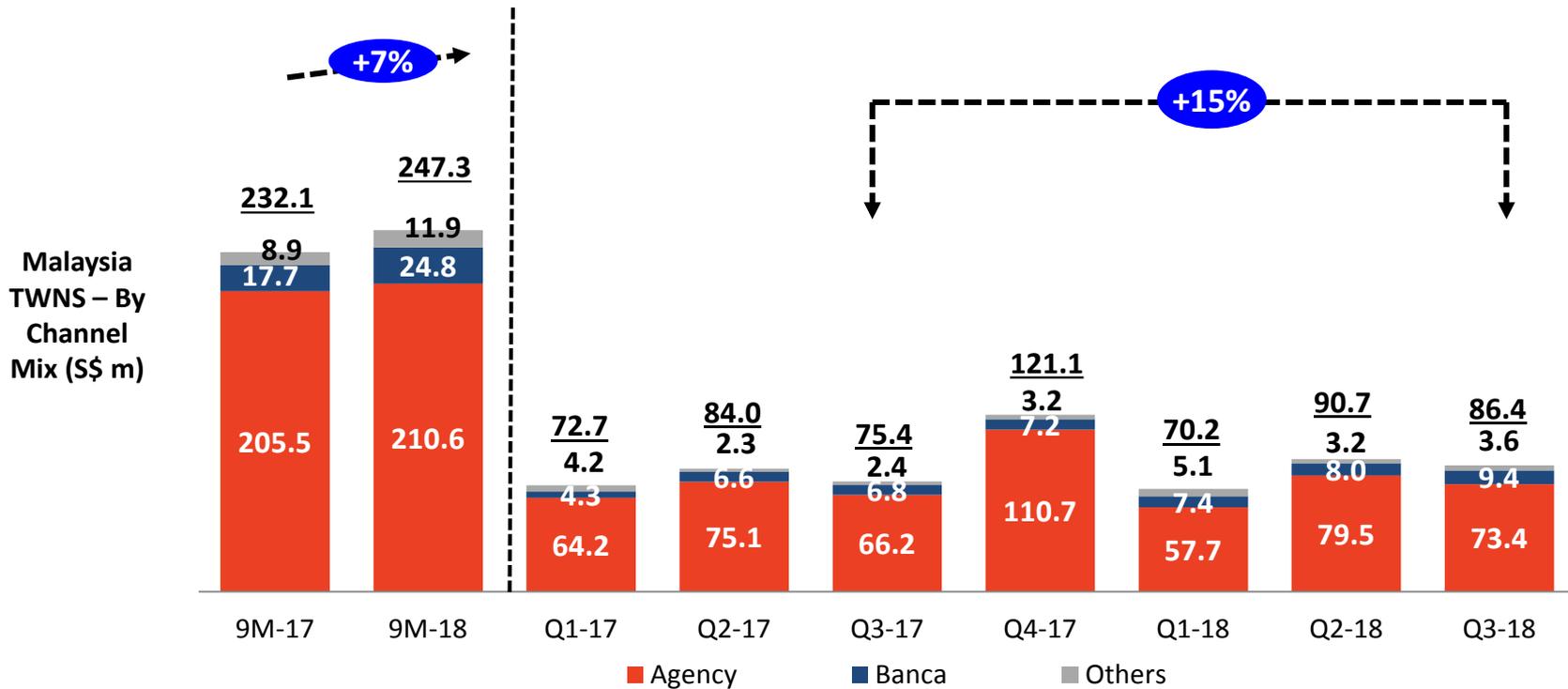
- Higher sales through agency channel.



Malaysia TWNS – By Channel Mix

TWNS in Malaysia of S\$86.4 million for Q3-18; higher than same period last year :

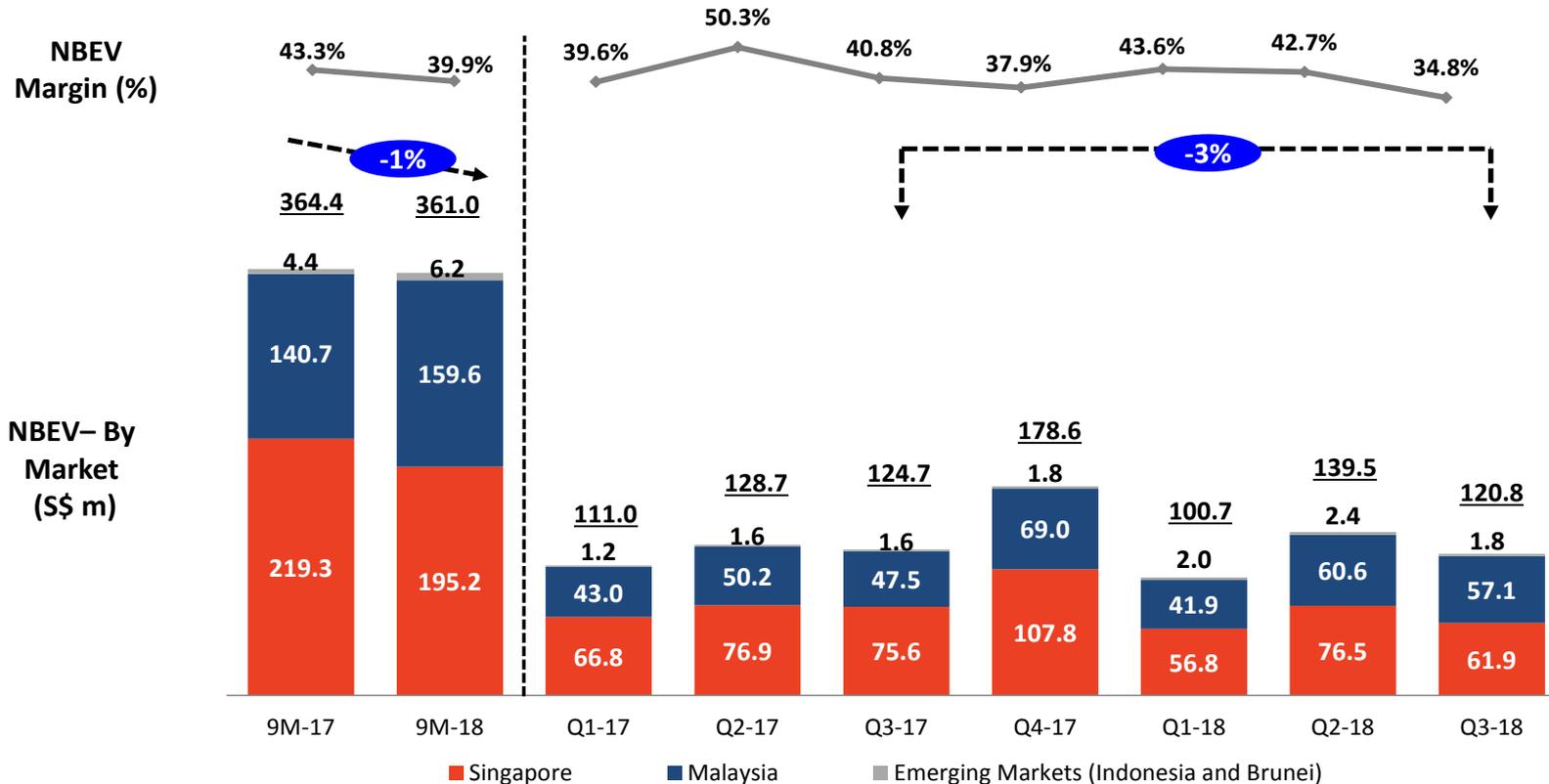
- Contributed by growth in both agency and bancassurance channel.



New Business Embedded Value (NBEV)- By Market

NBEV of S\$120.8 million and NBEV margin at 34.8% for Q3-18 :

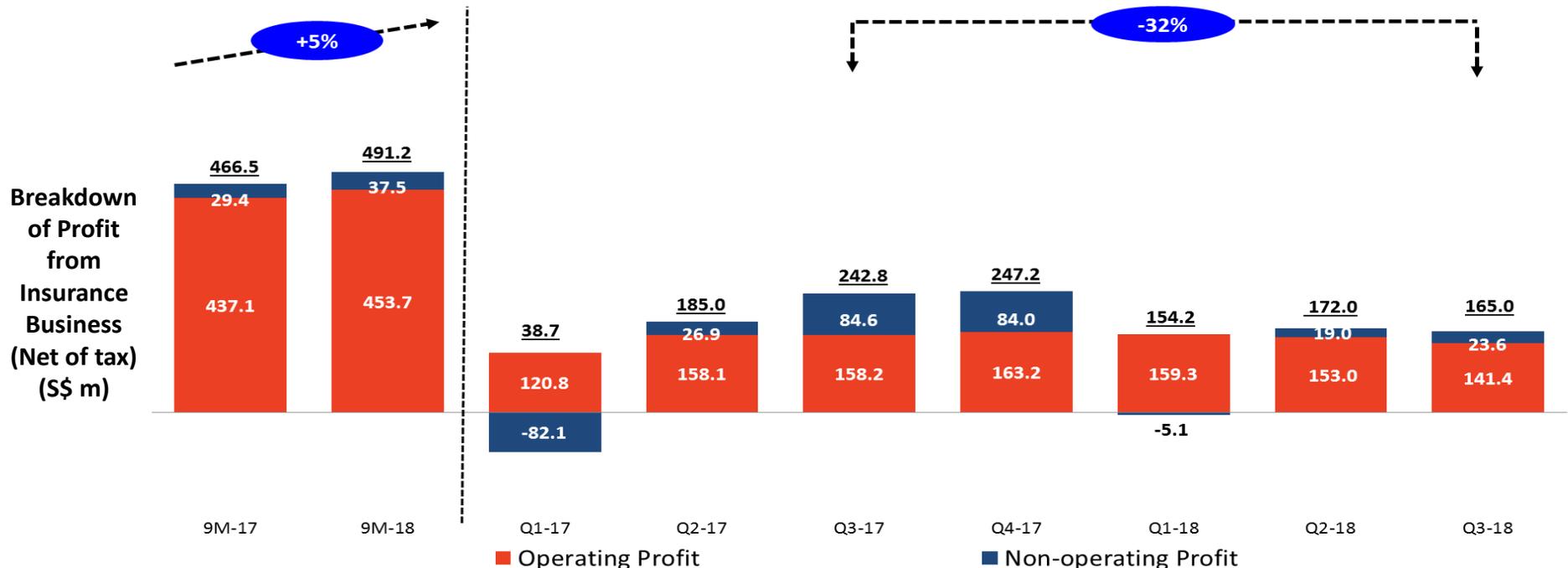
- Lower NBEV was contributed by Singapore.
- Lower margin as a result of change in product mix.



Breakdown of Profit from Insurance Business

Profit from insurance business of S\$165.0 million for Q3-18 was lower than last year:

- Lower operating profit in Q3-18, operating profit was higher last year due to the release of reserves arising from repositioning of the maturity profile of its asset and liabilities in Singapore Insurance business;
- Lower non-operating profit in Q3-18 as the financial market conditions were strong last year. The non-operating profit in Q3-18 was mainly from narrowing of credit spread and gains from equities.



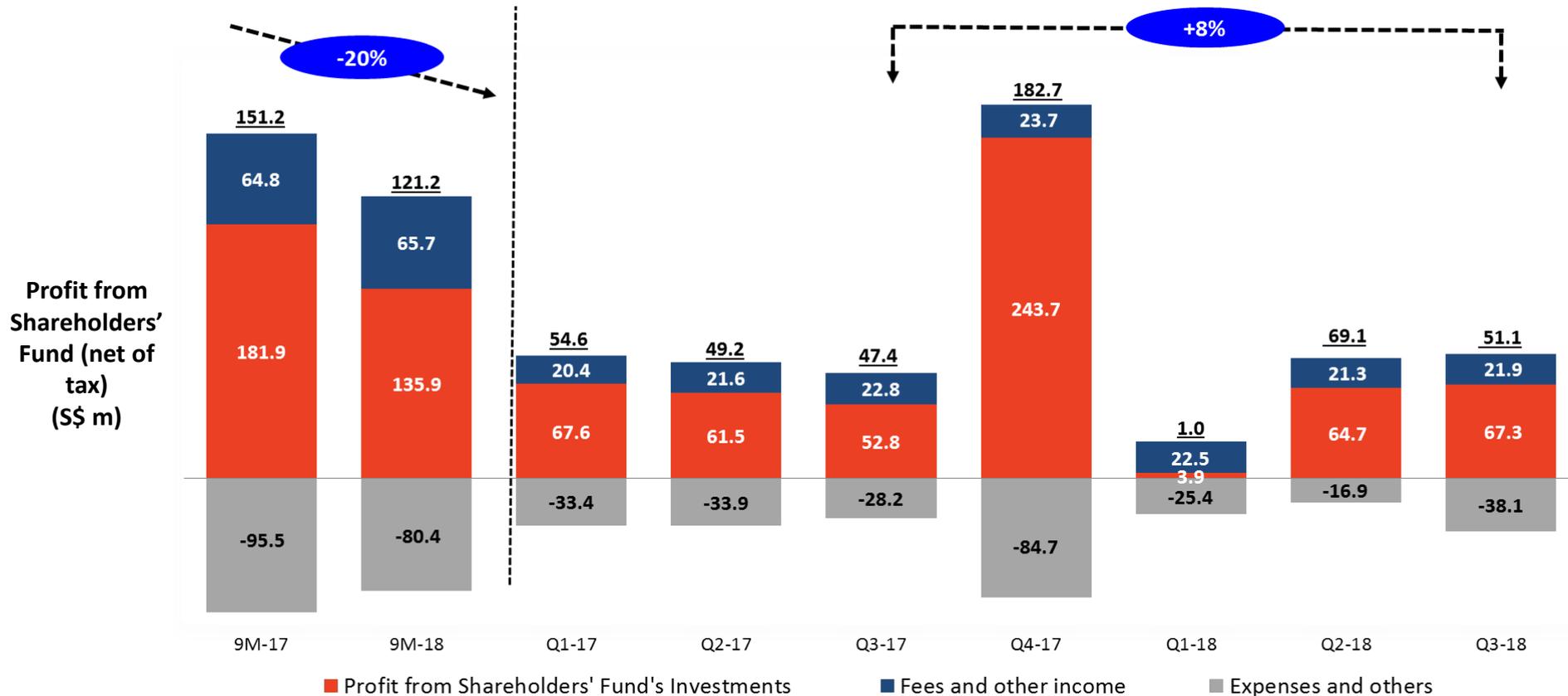
Note:

- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)
- Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates, other non-recurring items.

Profit from Shareholders' Fund

Profit from Shareholders' Fund of S\$51.1 million for Q3-18 was higher than Q3-17:

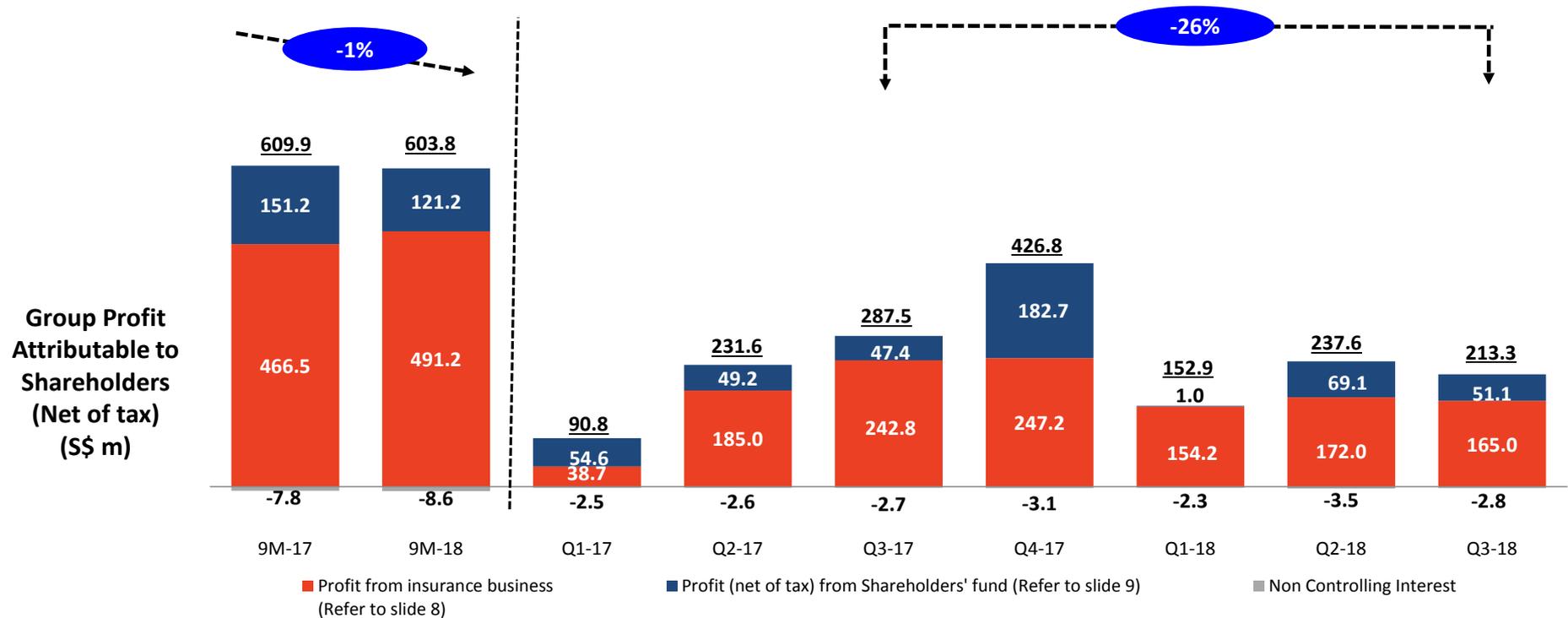
- Higher investment income.



Group Profit Attributable to Shareholders

Profit attributable to shareholders was S\$213.3 million for Q3-18 :

- Lower operating and non-operating profit from insurance business.
- Higher profit from shareholders' fund.



THANK YOU