

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q3-19 and 9M-19 Supplementary Information

24 October 2019

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9M-19 Financial Results

Total Weighted New Sales	9M-19: S\$867.4m; -5% (9M-18: S\$916.2m) Marginally lower than last year same period.
New Business Embedded Value	9M-19: S\$416.6m; +9% (9M-18: S\$383.2m) Strong growth in Q3-19 as a result of product mix shift; leading to 9% growth for 9M-19 despite lower sales.
Profit Attributable to Shareholders <div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 20px auto;"> S\$716.8m ↑19% </div>	<p>Operating Profit: S\$490.7m; +6% (9M-18: S\$464.0m) Driven by strong performance from Singapore and Malaysia Life and General businesses.</p> <p>Non-Operating Profit: S\$16.8m; -38% (9M-18: S\$27.2m) Lower due to higher valuation of long-term insurance contract liabilities as a result of a decline in the discount rate used to value these liabilities, which offset better investment performance.</p> <p>Profit from Shareholders' fund¹: S\$209.3m; +86% (9M-18: S\$112.6m) Higher mark-to-market gains in equities in 9M-19 compared to the same period last year.</p>

Note:

1. Includes Non-Controlling Interest

Overview of Q3-19 and 9M-19 Financial Results

S\$'m	Q3-19	Q3-18	Δ%	9M-19	9M-18	Δ%
Total Weighted New Sales^{1&4}	318.1	350.5	-9	867.4	916.2	-5
New Business Embedded Value^{2 to 4}	163.3	125.7	+30	416.6	383.2	+9
Operating Profit (net of tax)⁴ from Insurance Business	179.0	144.4	+24	490.7	464.0	+6
Non-Operating Profit (net of tax)⁴ from Insurance Business	-31.8	20.6	nm	16.8	27.2	-38
Profit (net of tax) from Shareholders' fund	62.3	51.1	+22	223.1	121.2	+84
Non-Controlling Interest	-4.4	-2.8	nm	-13.8	-8.6	nm
Profit Attributable to Shareholders	205.1	213.3	-4	716.8	603.8	+19

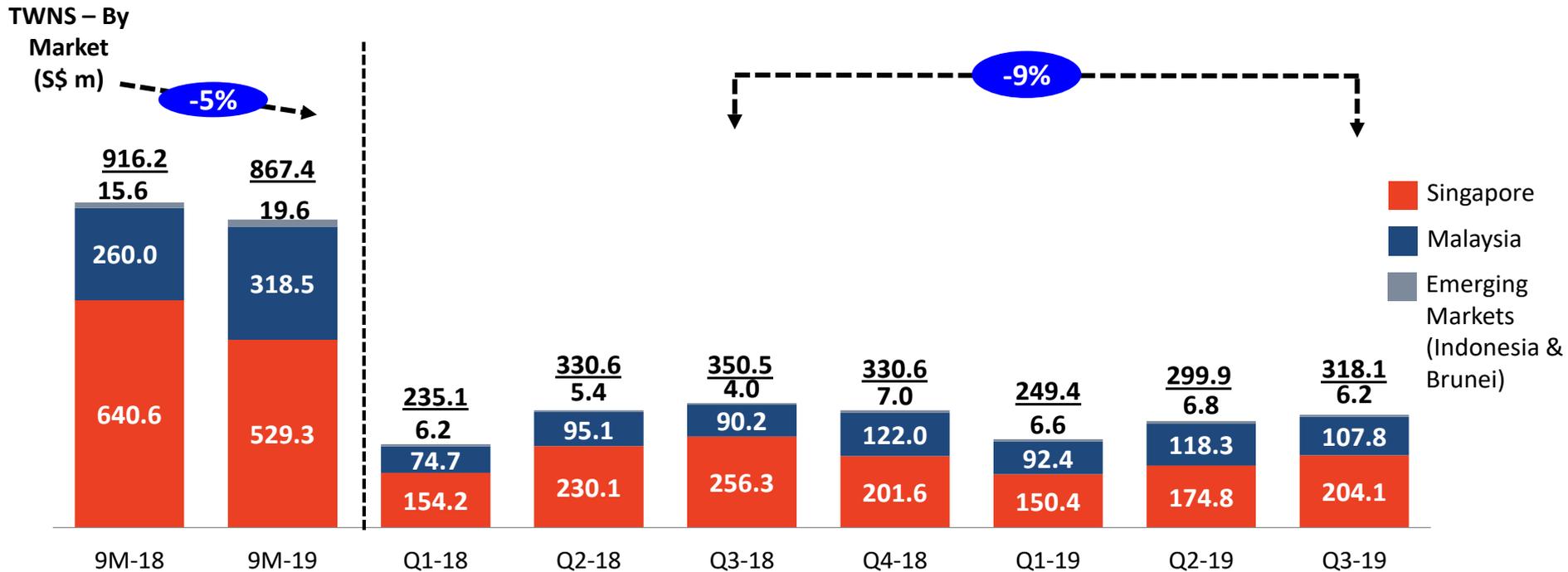
Note:

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 Q4-18 have been restated to take into account revised actuarial assumptions implemented in Q4-18.
4. 2019 TWNS, NBEV and Operating Profit in foreign currencies are translated using the monthly spot rate for 2018 for comparison on constant currency. In applying the constant currency translation, TWNS has increased by \$0.6mil and \$5.7m for Q3-19 and 9M-19A respectively. NBEV has increased by \$0.5m and \$3.9m for Q3-19A and 9M-19A respectively. Operating Profit increased by \$0.6mil and \$4.1m for Q3-19 and 9M-19A respectively and this impact has been included in the Non-Operating Profit.

nm: not meaningful

TWNS Performance by Market

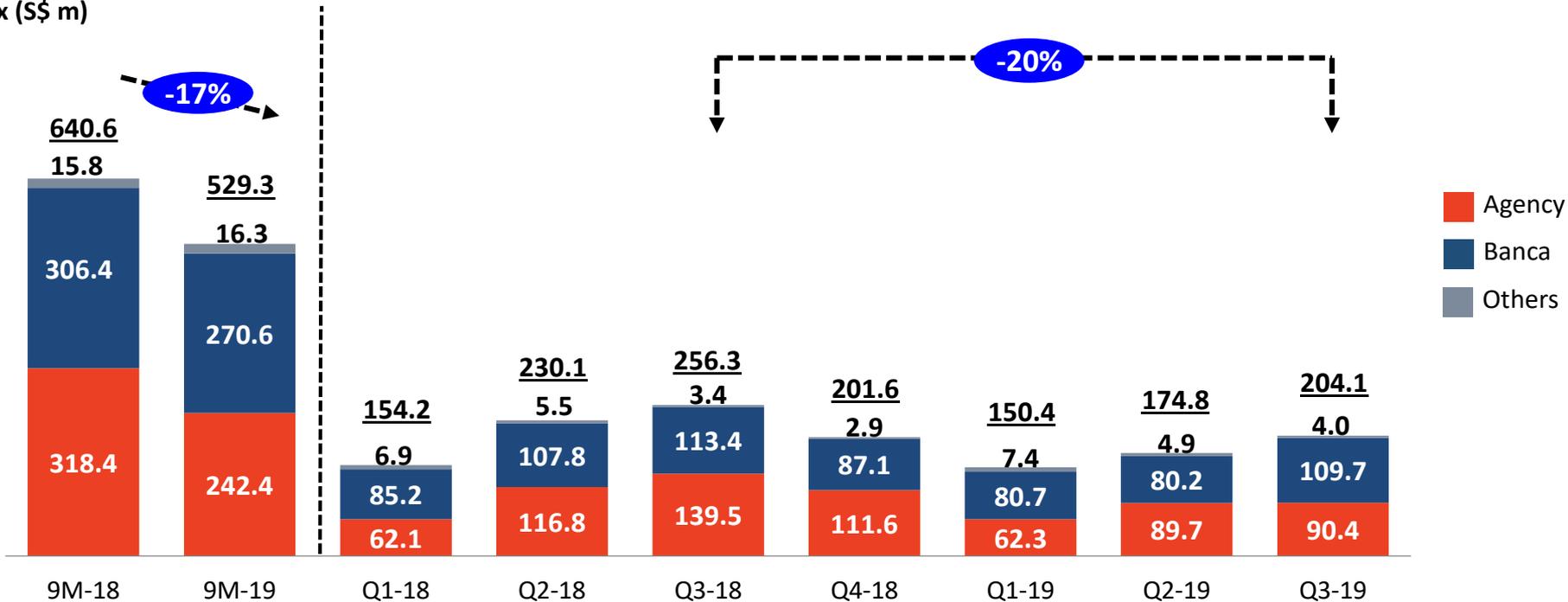
Lower sales from Singapore while Malaysia and Indonesia achieved higher TWNS for both the quarter and first 9 months of 2019.



Singapore TWNS – By Channel Mix

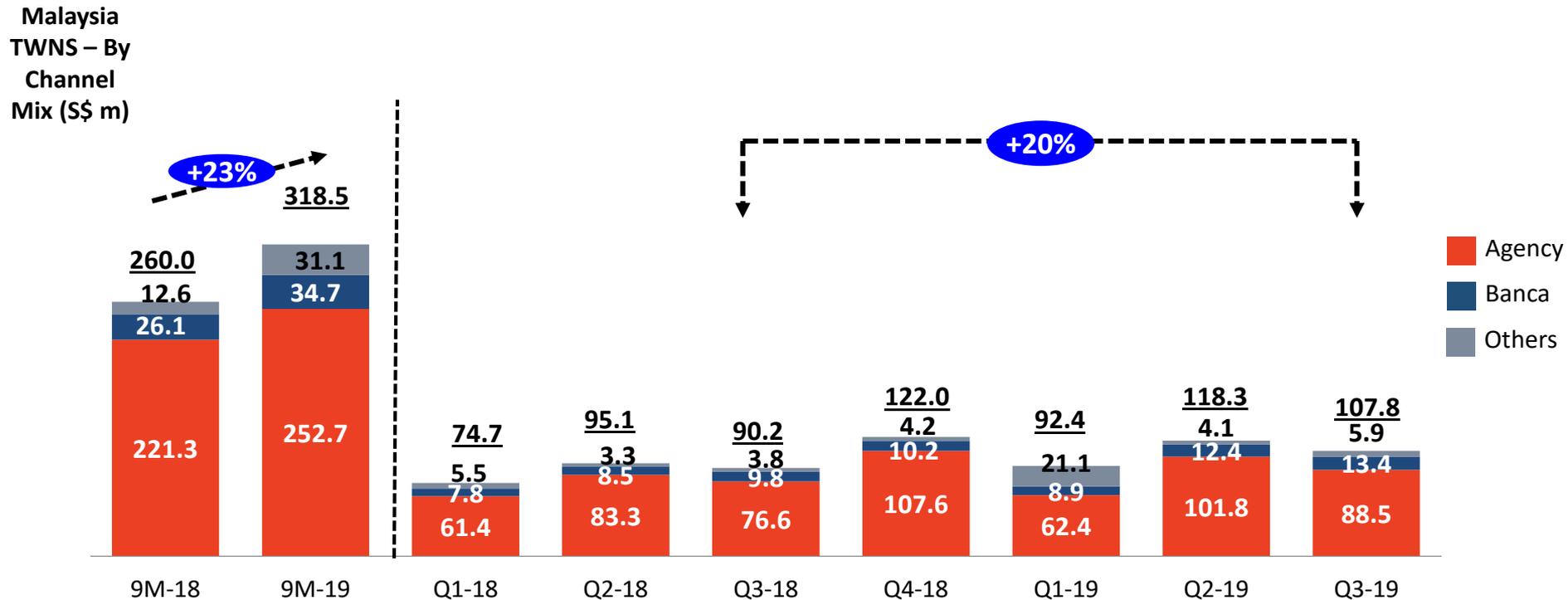
TWNS dipped for both Q3-19 and 9M-19 due to the product management strategy to optimise the product mix.

Singapore
TWNS – By
Channel
Mix (S\$ m)



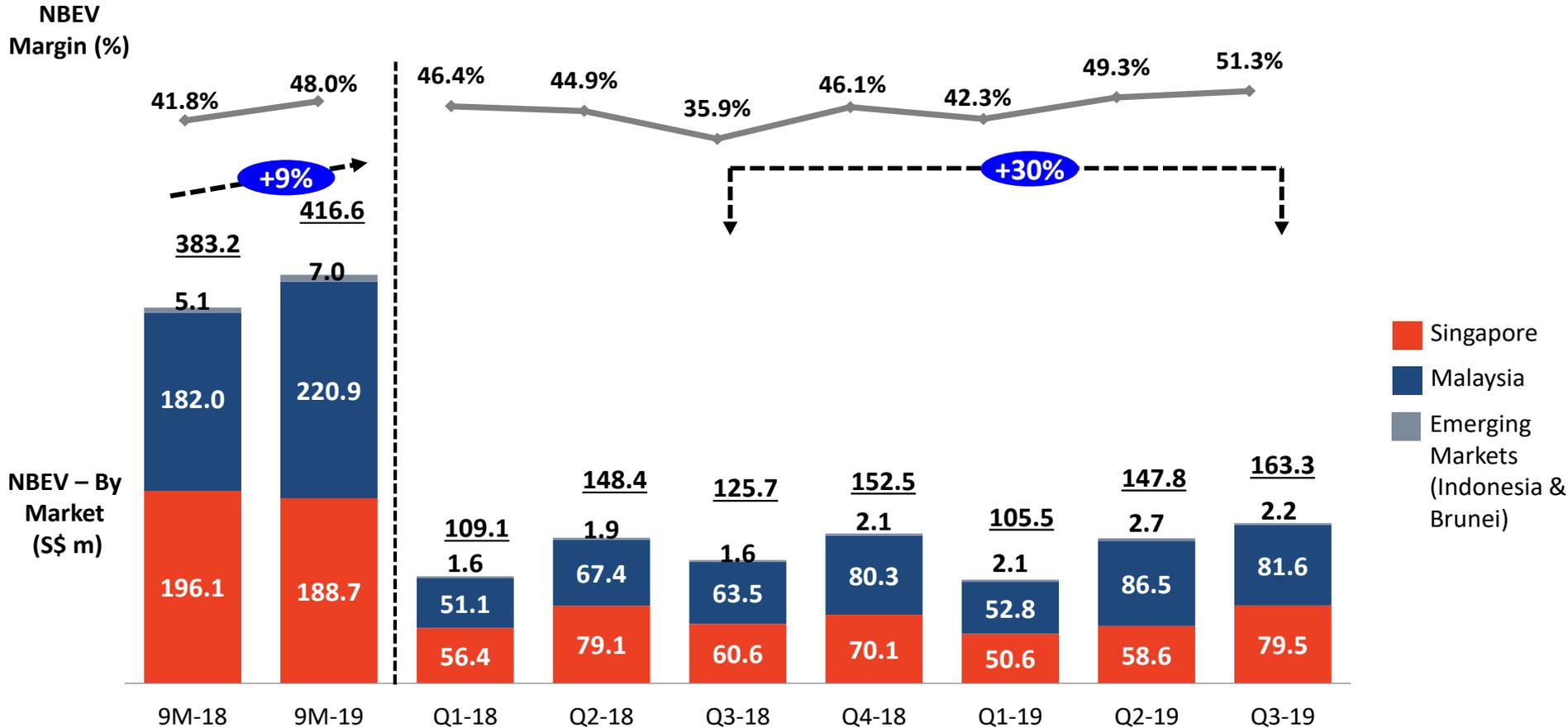
Malaysia TWNS – By Channel Mix

Strong sales growth for both Q3-19 and 9M-19 driven increased contribution from all distribution channels.



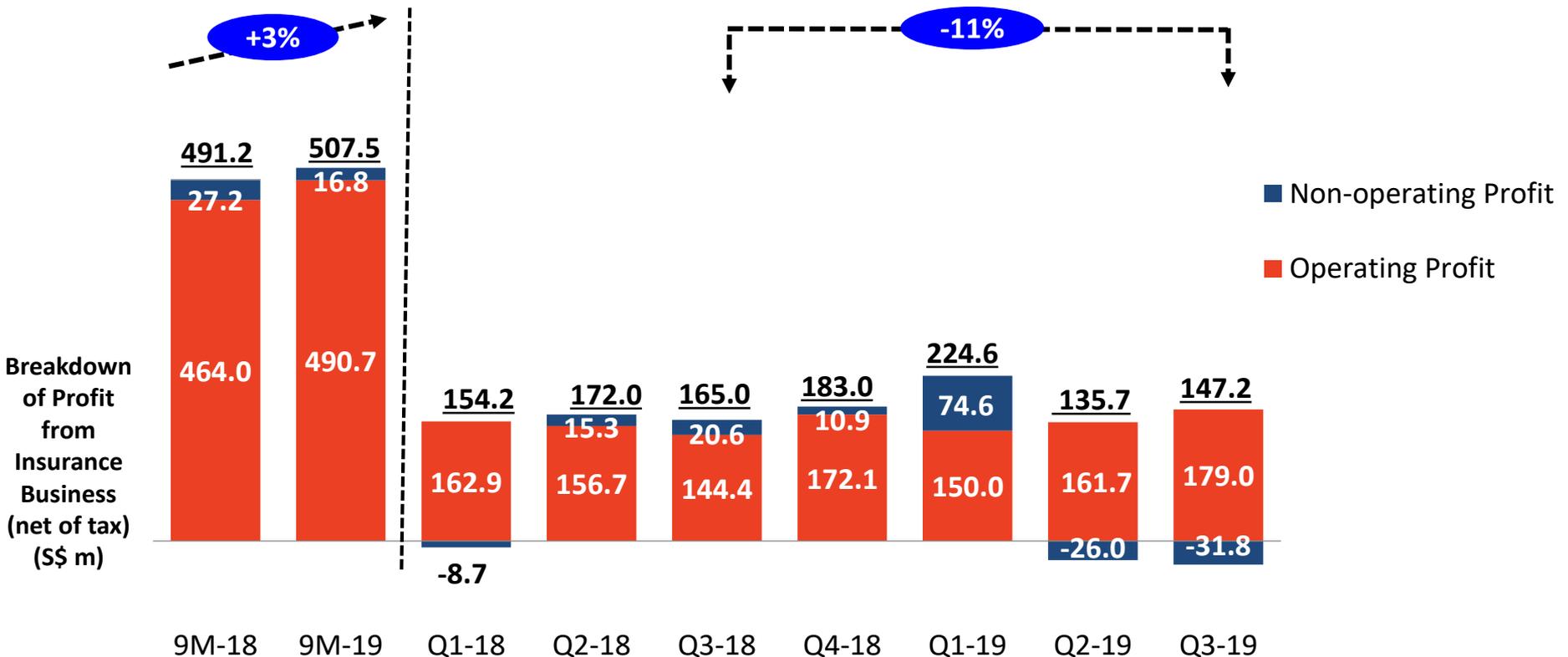
NBEV – By Market

For the quarter, strong growth in NBEV driven by improvement in NBEV margin; as a result of the Company’s product management strategy to optimise its product mix.



Breakdown of Profit from Insurance Business

Weaken in Q3-19 due to negative swing in non-operating profit as a result of unfavourable market conditions.



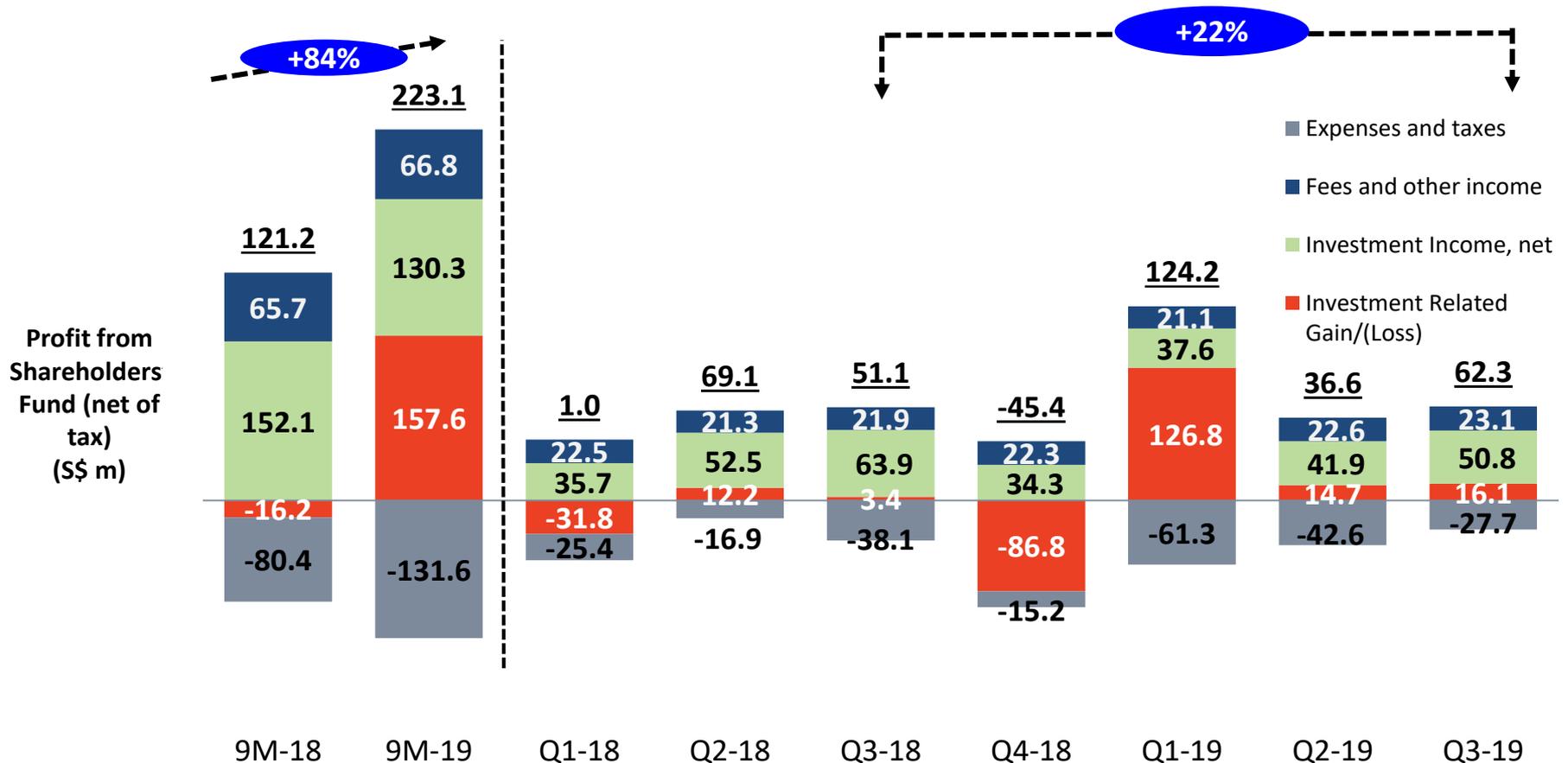
Note:

- 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

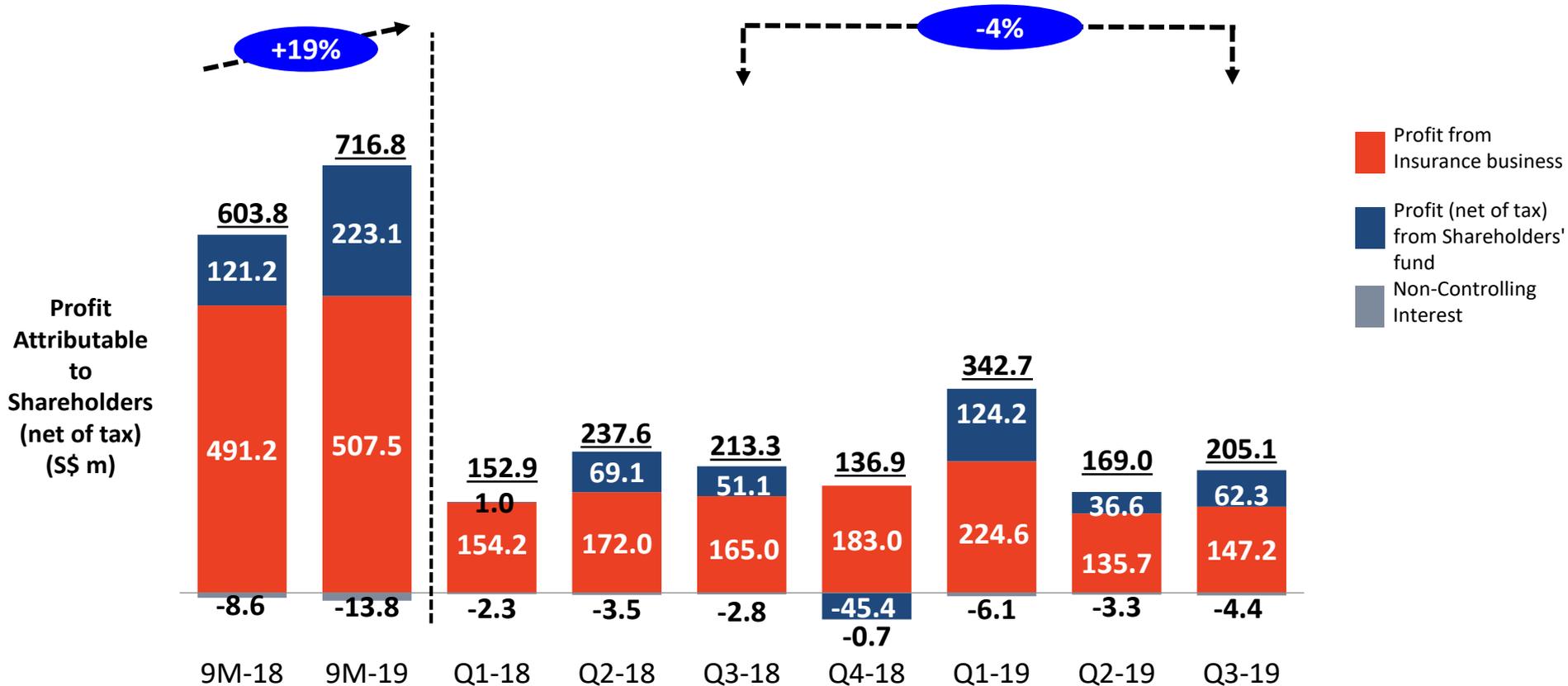
Profit from Shareholders' Fund of S\$62.3 million for Q3-19 was higher than Q3-18:

- Higher mark-to-market gain in collective investment schemes
- Lower expenses and taxes



Profit Attributable to Shareholders

Profit Attributable to Shareholders was S\$205.1 million for Q3-19 due to lower non-operating loss from insurance business.



THANK YOU