

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q2-18 and 1H-18 Supplementary Information

31 July 2018

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Overview of Q2-18 and 1H-18 Financial Results

S\$'m	Q2-18	Q2-17	Δ	1H-18	1H-17	Δ
Total Weighted New Sales^{1&4}	326.7	256.0	+28%	557.8	536.1	+4%
New Business Embedded Value^{2 to 4}	139.5	128.7	+8%	240.2	239.7	+0.2%
Operating Profit (net of tax)^{4&5} from Insurance Business	153.0	158.1	-3%	312.3	278.9	+12%
Non-Operating Profit (net of tax)^{4&5} from Insurance Business	19.0	26.9	-29%	13.9	-55.2	nm
Profit (net of tax) from Shareholder's fund	69.1	49.2	+40%	70.1	103.8	-32%
Non-Controlling Interest	-3.5	-2.6	nm	-5.8	-5.1	nm
Group Profit Attributable to Shareholders⁵	237.6	231.6	+3%	390.5	322.4	+21%

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 +\$3.7m for Q2-18 and +\$7.3m for 1H-18 has been included in the Non-Operating Profit.
5. Comparatives figures for Q2-17 and 1H-17 have been restated upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)").
nm: not meaningful

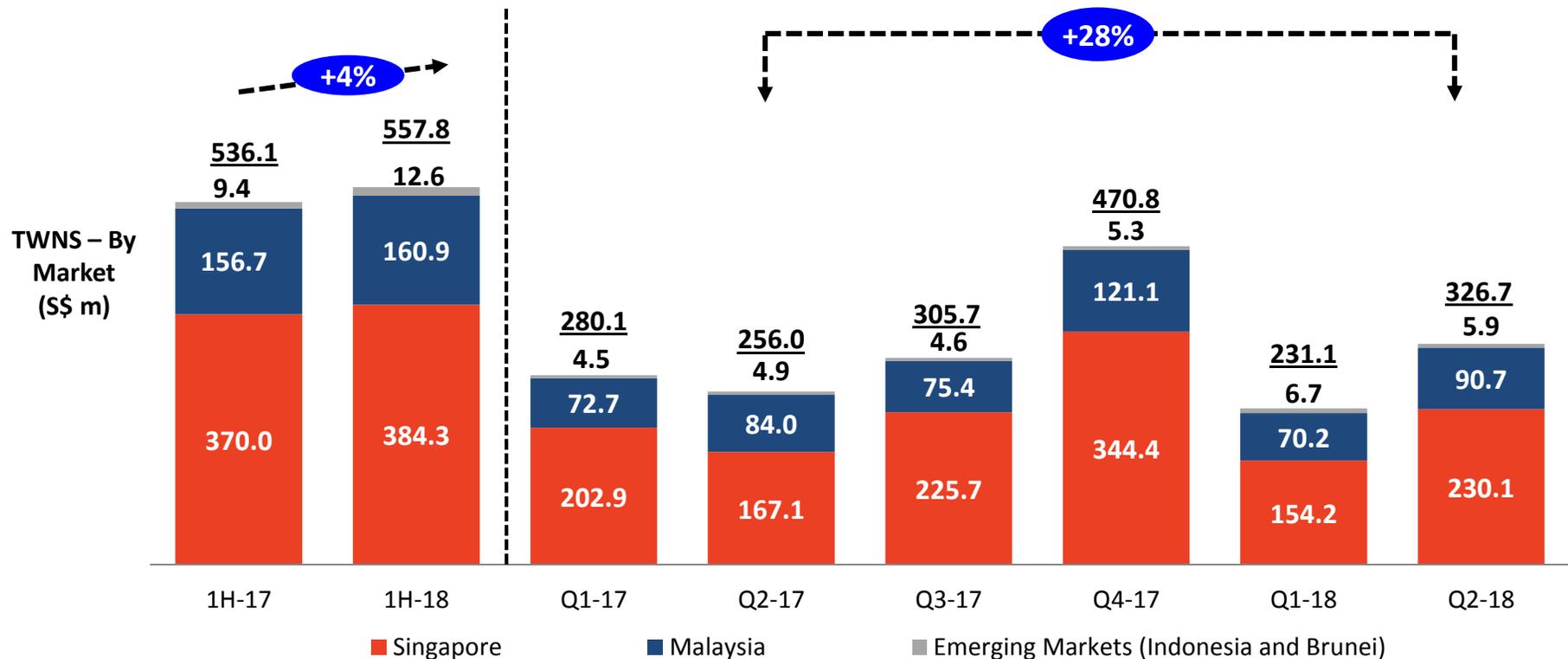
Q2-18 Key Highlights

- Group's TWNS at S\$326.7 million for Q2-18 was 28% higher than last year, underpinned by growth in Singapore and Malaysia.
- Group's NBEV was 8% higher at S\$139.5 million for Q2-18, contributed by higher sales. NBEV margin was lower at 42.7% as a result of shift in product mix.
- Operating profit from insurance business for Q2-18 of S\$153.0 million was 3% lower than the same quarter last year.
- Non-operating profit from insurance business of S\$19.0 million for Q2-18 was due to mark-to-market gains arising from favorable market conditions.
- Profit from Shareholder's fund at \$69.1m for Q2-18 was higher than last year due to lower management expense.
- Group Profit Attributable to Shareholders of S\$237.6 million for Q2-18 was higher than the same period last year because of higher profit from Shareholder's Fund; offset by lower operating profit and non-operating profit from insurance business.
- The Board of Directors has declared an interim tax exempt (one-tier) dividend of 10 cents per ordinary share for the financial year ending 31 December 2018, to be paid on 31 August 2018.

Total Weighted New Sales (TWNS) – By Market

Higher Group's TWNS for Q2-18 compared to same quarter last year:

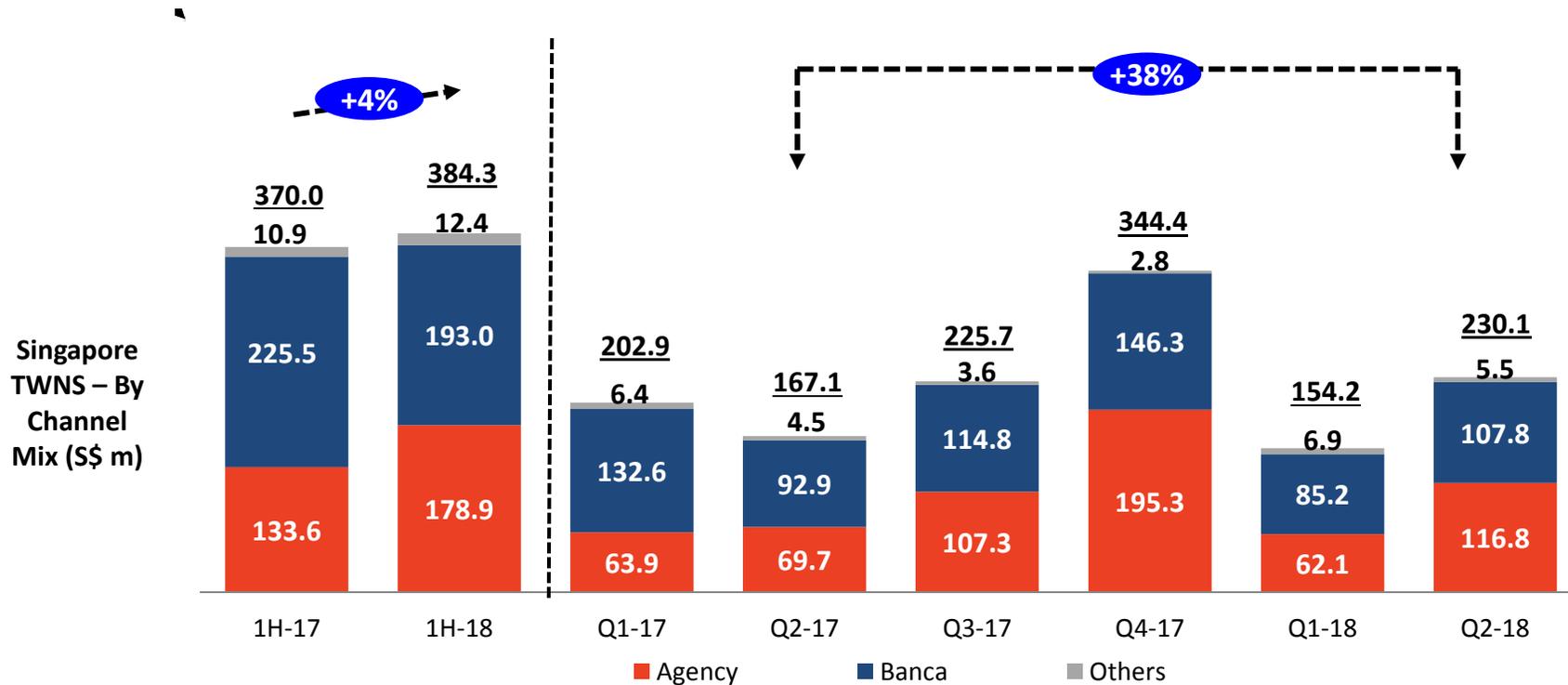
- Higher sales from agency and bancassurance channel in Singapore.



Singapore TWNS – By Channel Mix

TWNS in Singapore of S\$230.1 million for Q2-18, higher than same period last year:

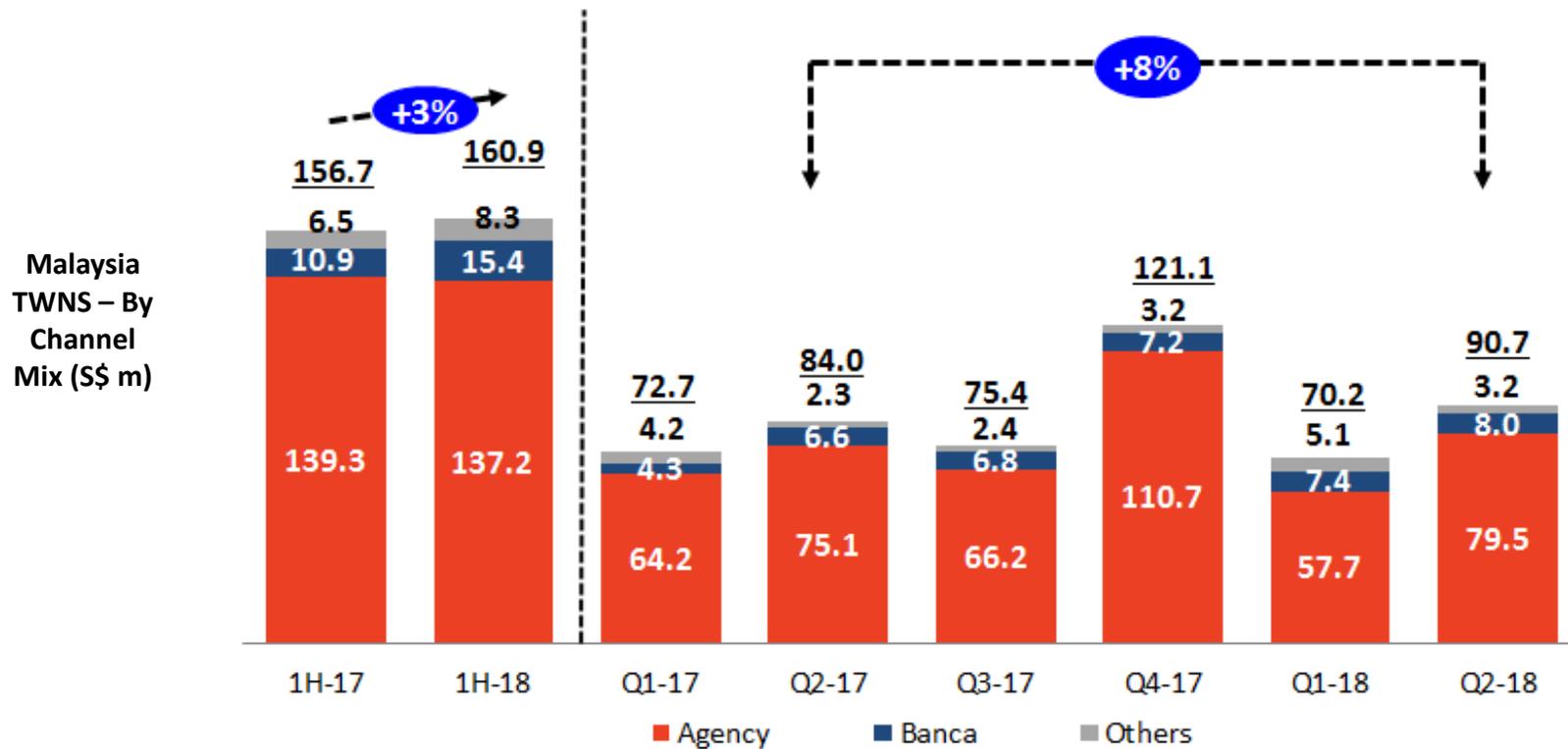
- Higher sales through agency and bancassurance channel.



Malaysia TWNS – By Channel Mix

TWNS in Malaysia of S\$90.7 million for Q2-18; higher than same period last year :

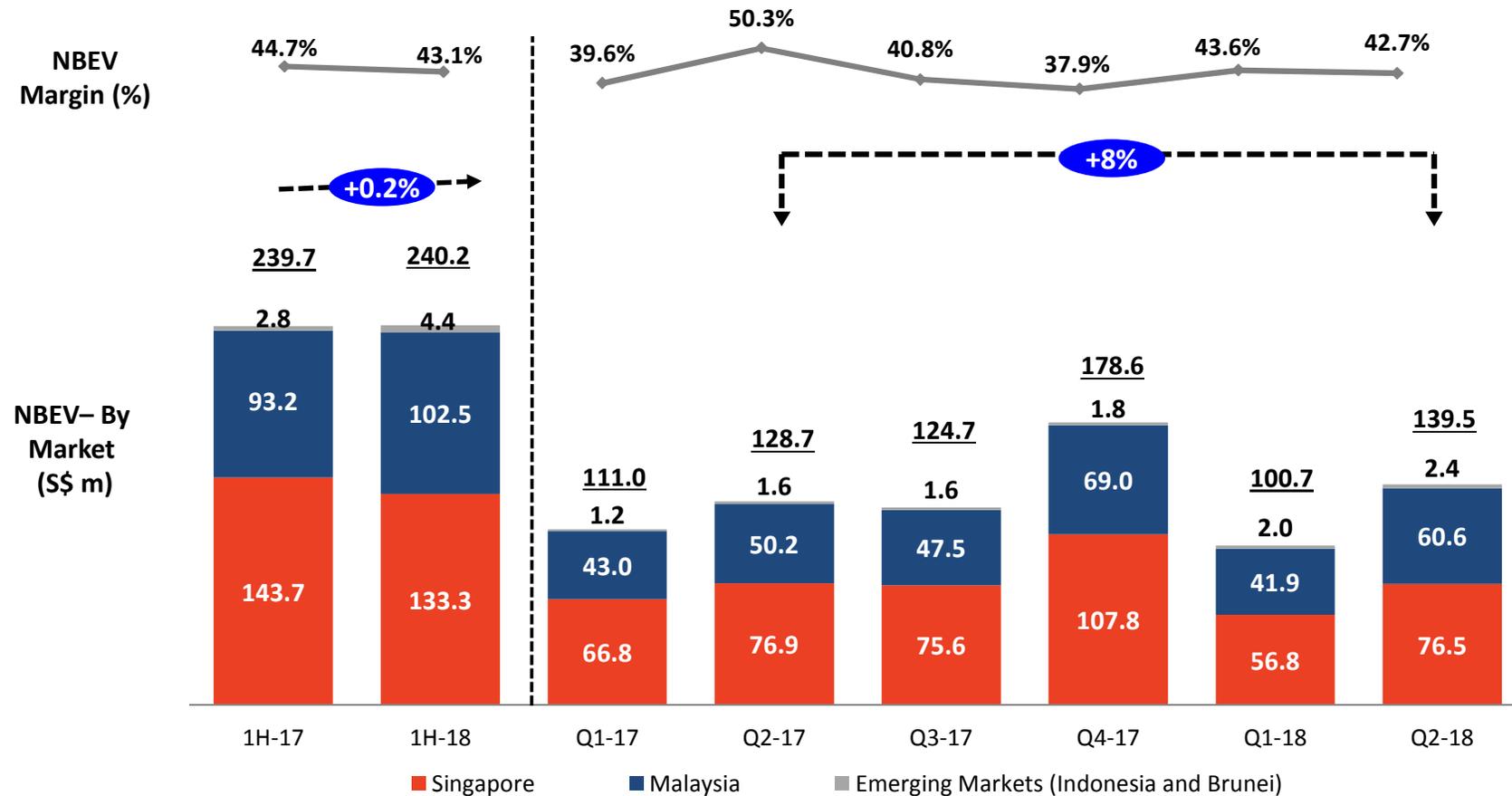
- Contributed by growth in both agency and bancassurance channel.



New Business Embedded Value (NBEV)- By Market

Higher NBEV of S\$139.5 million; but NBEV margin at 42.7% for Q2-18 was lower than Q2-17:

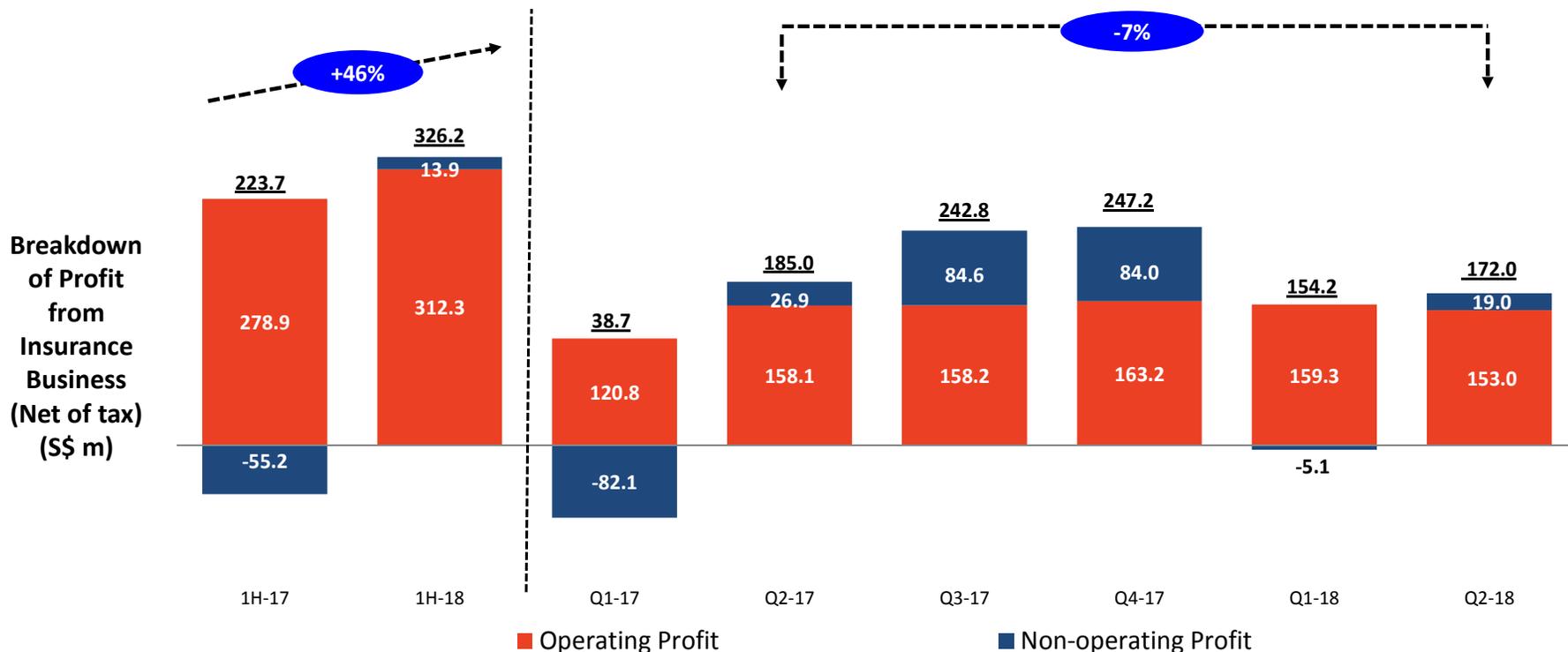
- Higher NBEV was contributed by Malaysia.
- Lower margin as a result of change in product mix.



Breakdown of Profit from Insurance Business

Profit from insurance business of S\$172.0 million for Q2-18 :

- Slightly lower operating profit.
- Non-operating profit due to gains from favorable interest rate movement, narrowing of swap spread and gains from equities.



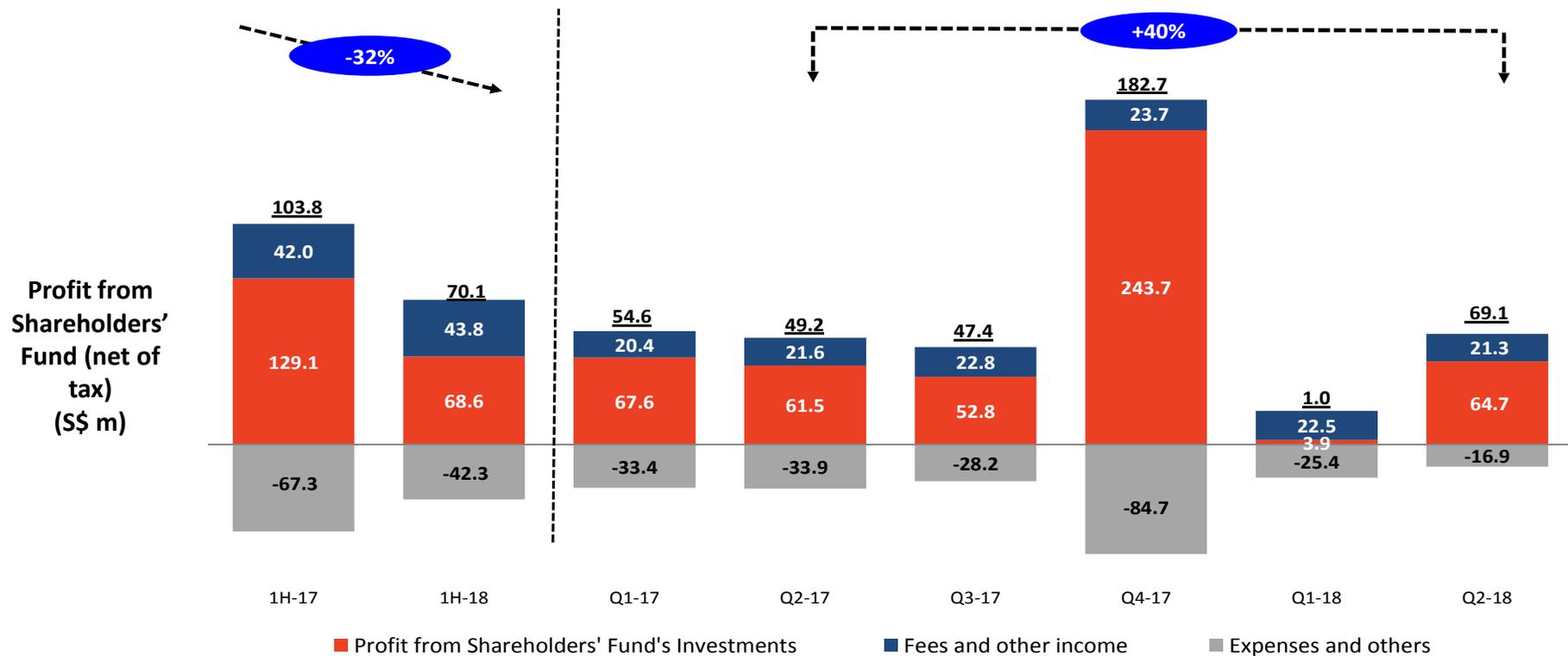
Note:

- 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\$69.1 million for Q2-18 was higher than Q2-17:

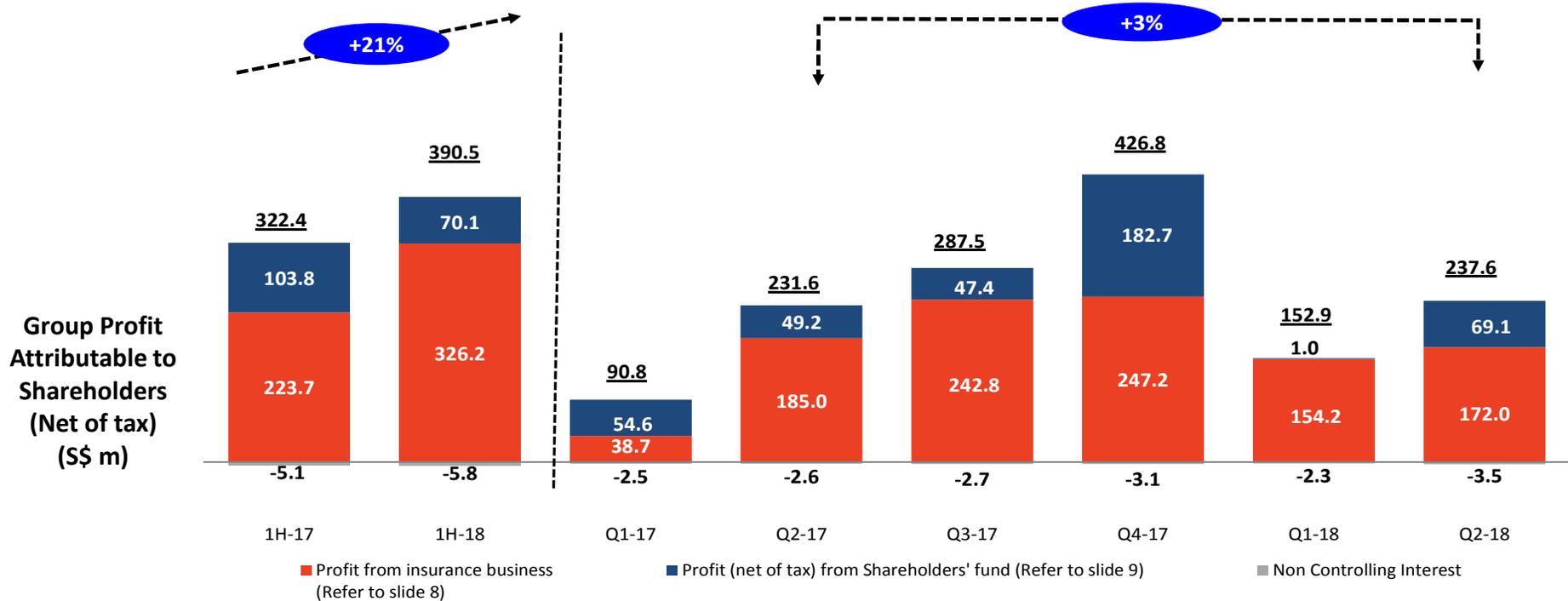
- Lower management expense



Group Profit Attributable to Shareholders

Profit attributable to shareholders was S\$237.6 million for Q2-18 :

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



THANK YOU