

GREAT EASTERN HOLDINGS LIMITED

Financial Results for 1H-21 Supplementary Information

02 August 2021

Disclaimer: This material should be read as an overview of GEH's current business activities and operating environment. It should not be solely relied upon by investors or potential investors when making an investment decision. GEH accepts no liability whatsoever with respect to the use of this document or its content.

Overview of 1H-21 Financial Results

S\$m	Q2-21	Q2-20	Δ%	1H-21	1H-20	Δ%
Total Weighted New Sales	535.9	285.6	+88	919.5	584.7	+57
New Business Embedded Value	186.7	118.4	+58	368.9	258.8	+43
Operating Profit (net of tax) from Insurance Business	148.0	185.1	-20	330.3	483.7	-32
Non-Operating Profit (net of tax) from Insurance Business	34.9	35.6	-2	249.6	-187.2	nm
Profit (net of tax) from Shareholders' fund	55.8	85.3	-35	102.2	43.4	+135
Non-Controlling Interest	-6.4	-8.5	nm	-12.2	-8.5	nm
Profit Attributable to Shareholders	232.3	297.5	-22	669.9	331.4	+102

nm: not meaningful

1H-21 Financial Results

Total Weighted New Sales	TWNS: S\$919.5m; +57% (1H-20: S\$584.7m) Strong growth due to sustained sales momentum particularly from Singapore, as well as low base effect experienced in Q2-20.
New Business Embedded Value	NBEV: S\$368.9m; +43% (1H-20: S\$258.8m) Growth in NBEV contributed by higher sales.
<div data-bbox="175 518 558 1089" style="text-align: center;"> <p>Profit Attributable to Shareholders</p> <div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p>S\$669.9m ↑102%</p> </div> </div>	<p>Operating Profit: S\$330.3m; -32% (1H-20: S\$483.7m) Decrease due to higher new business strain in 1H-21 and positive one-off items in 1H-20 from adoption of RBC 2 framework in Singapore and release of unallocated surplus in Malaysia.</p> <p>Non-Operating Profit: S\$249.6m; nm (1H-20: -S\$187.2m) Mark-to-market gains from favourable market conditions in 1H-21, compared to significant losses a year ago amid unfavourable financial market conditions in 1H-20 following the onset of the COVID-19 pandemic.</p> <p>Profit from Shareholders' fund¹: S\$90.0m; +158% (1H-20: S\$34.9m) Higher profit due to mark-to-market gains amid favourable market conditions.</p>

The Board of Directors has declared an interim one-tier tax exempt dividend of 10 cents per ordinary share for the financial year ending 31 December 2021, payable on 31 August 2021.

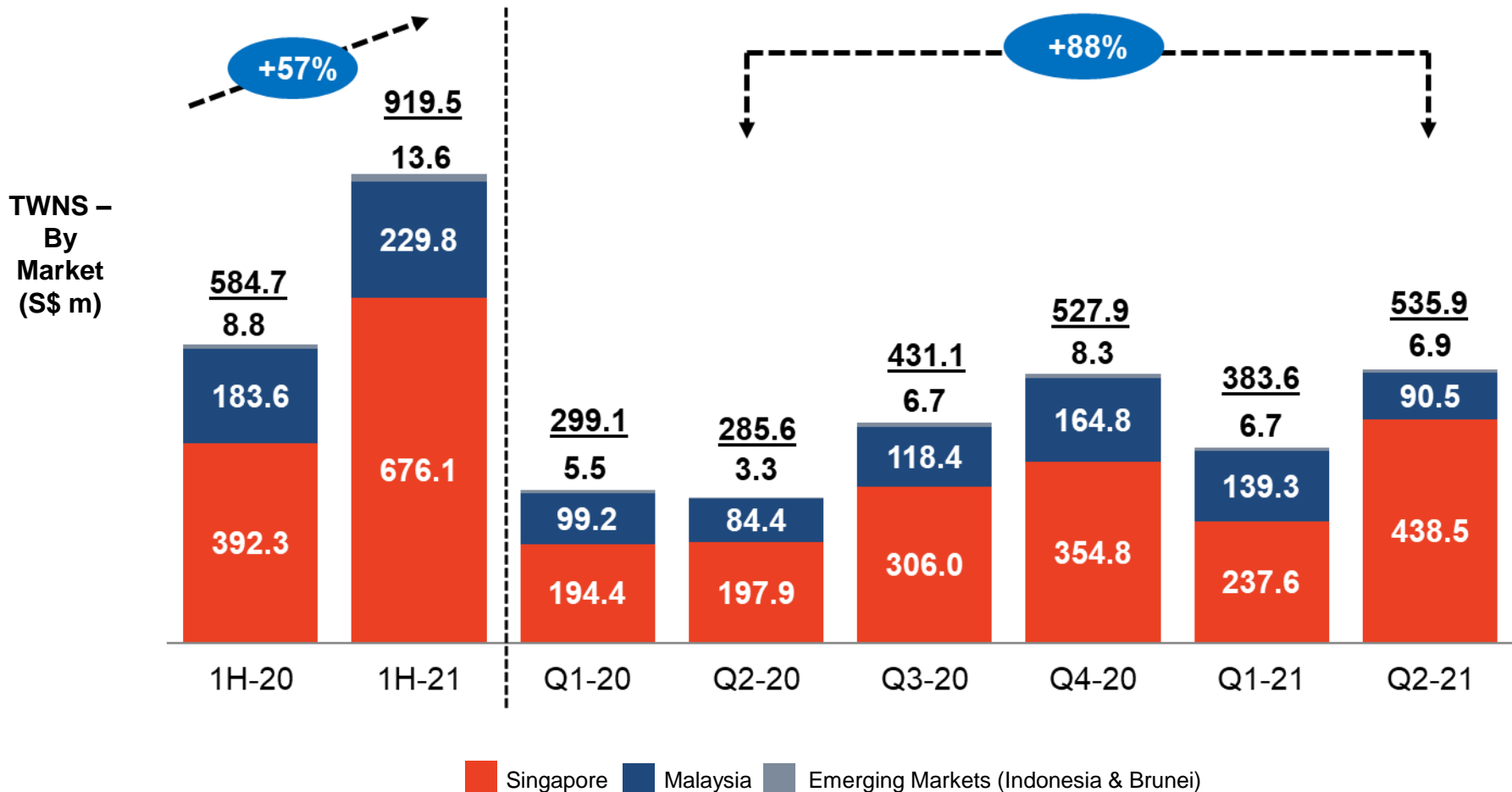
Note:

1. Includes Non-Controlling Interest

nm: not meaningful

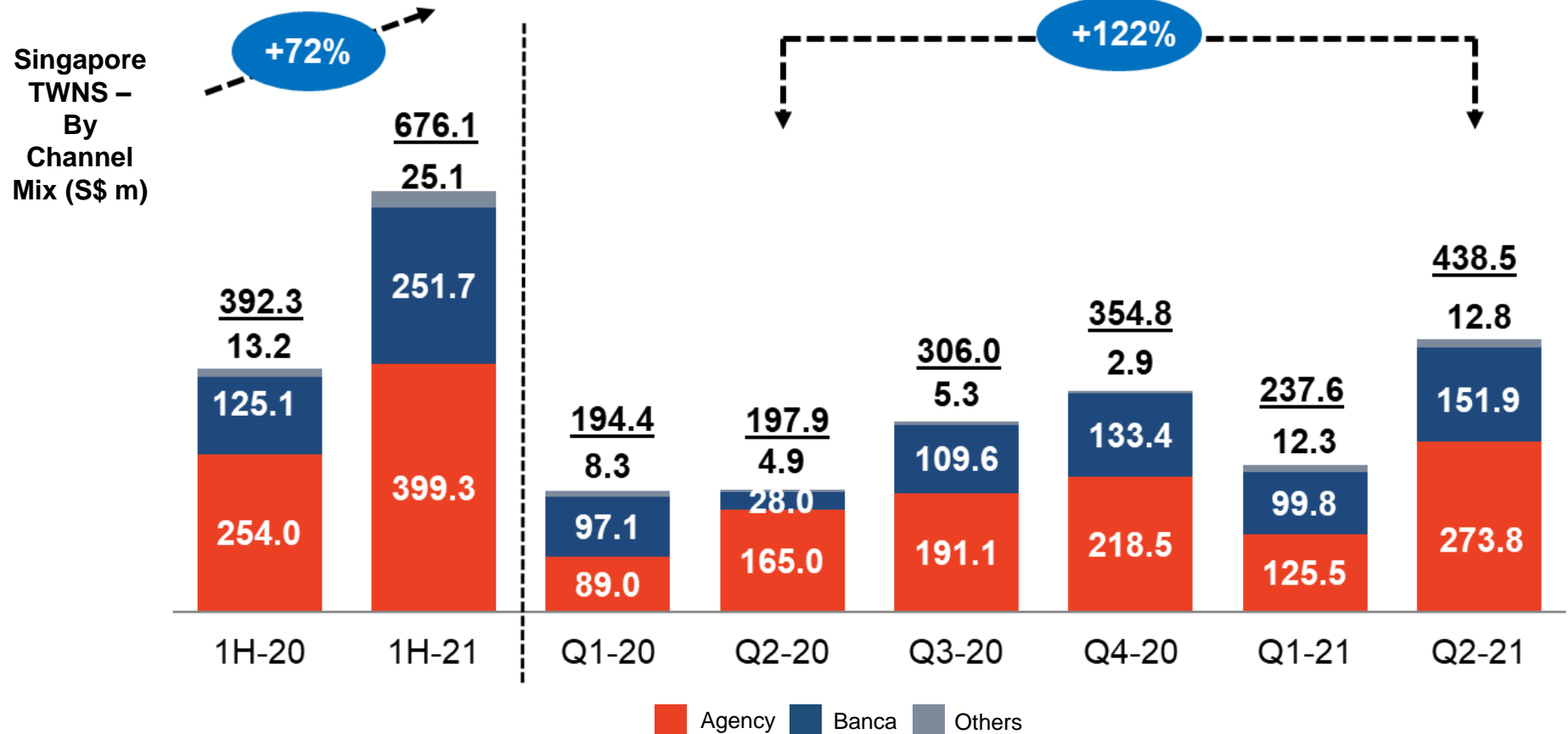
TWNS Performance by Market

Group TWNS rose 88% in Q2-21 driven by exceptional growth in Singapore; coupled with a lower base in Q2-20 due to the slowdown in business activity from social distancing measures imposed last year.



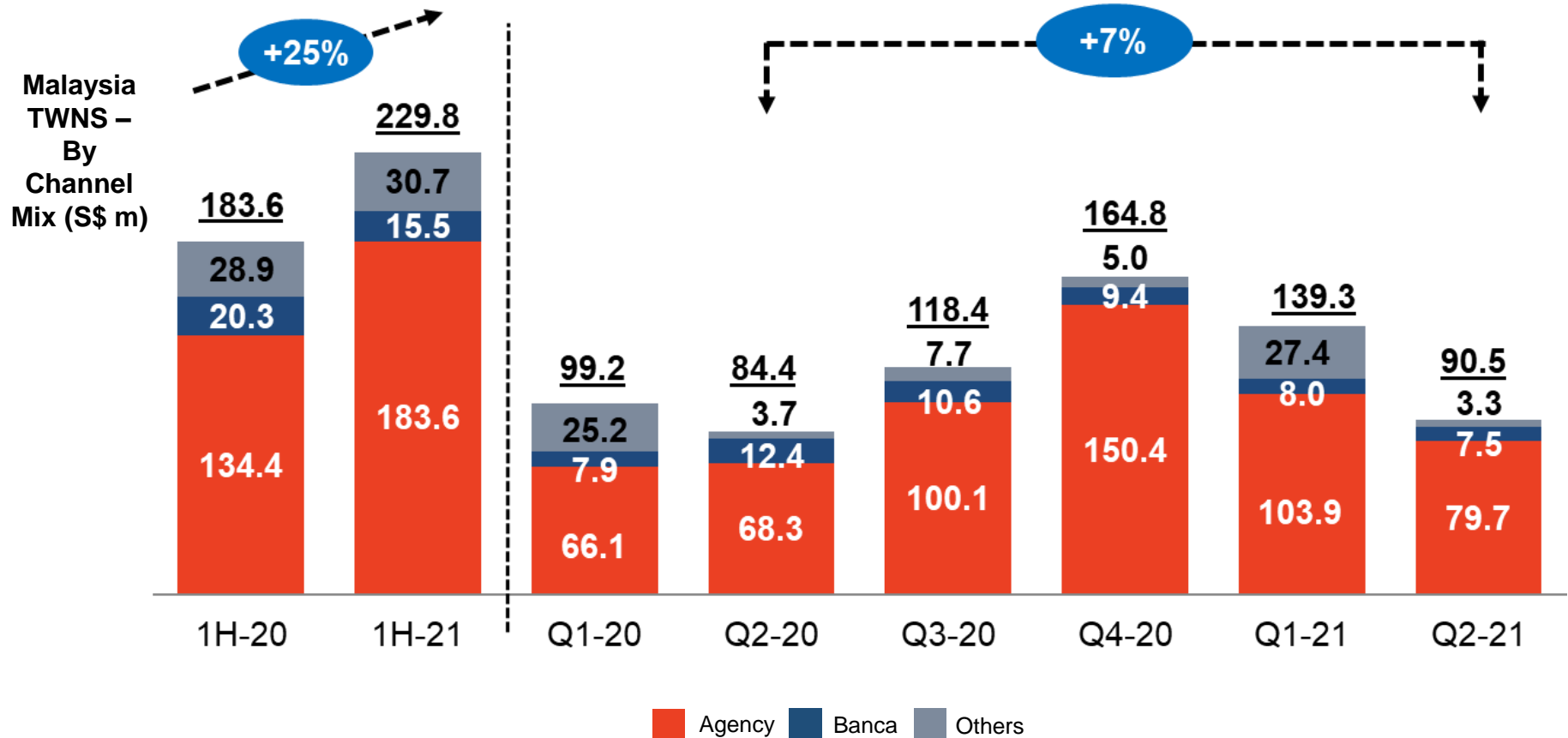
Singapore TWNS – By Channel Mix

Strong sales growth from the agency channel, driven by successful product campaigns and the strengthening of the distribution capabilities in both productivity and size of its agency force. Bancassurance's TWNS continues to gain momentum; bolstered by the adoption of digital tools and successful execution of its product strategy.



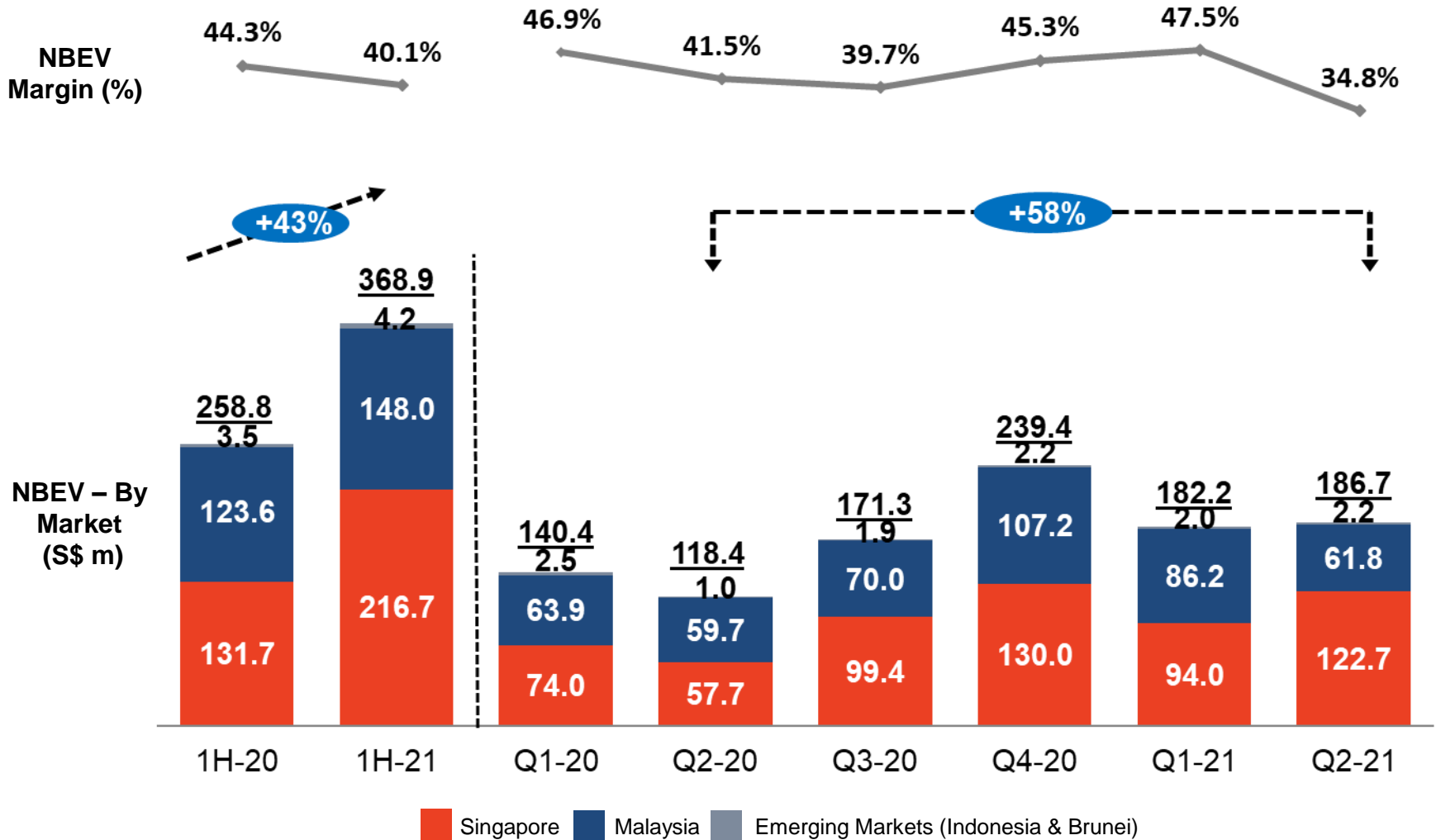
Malaysia TWNS – By Channel Mix

Q2-21 TWNS achieved a resilient growth of 7% amid state and national lockdown measures.



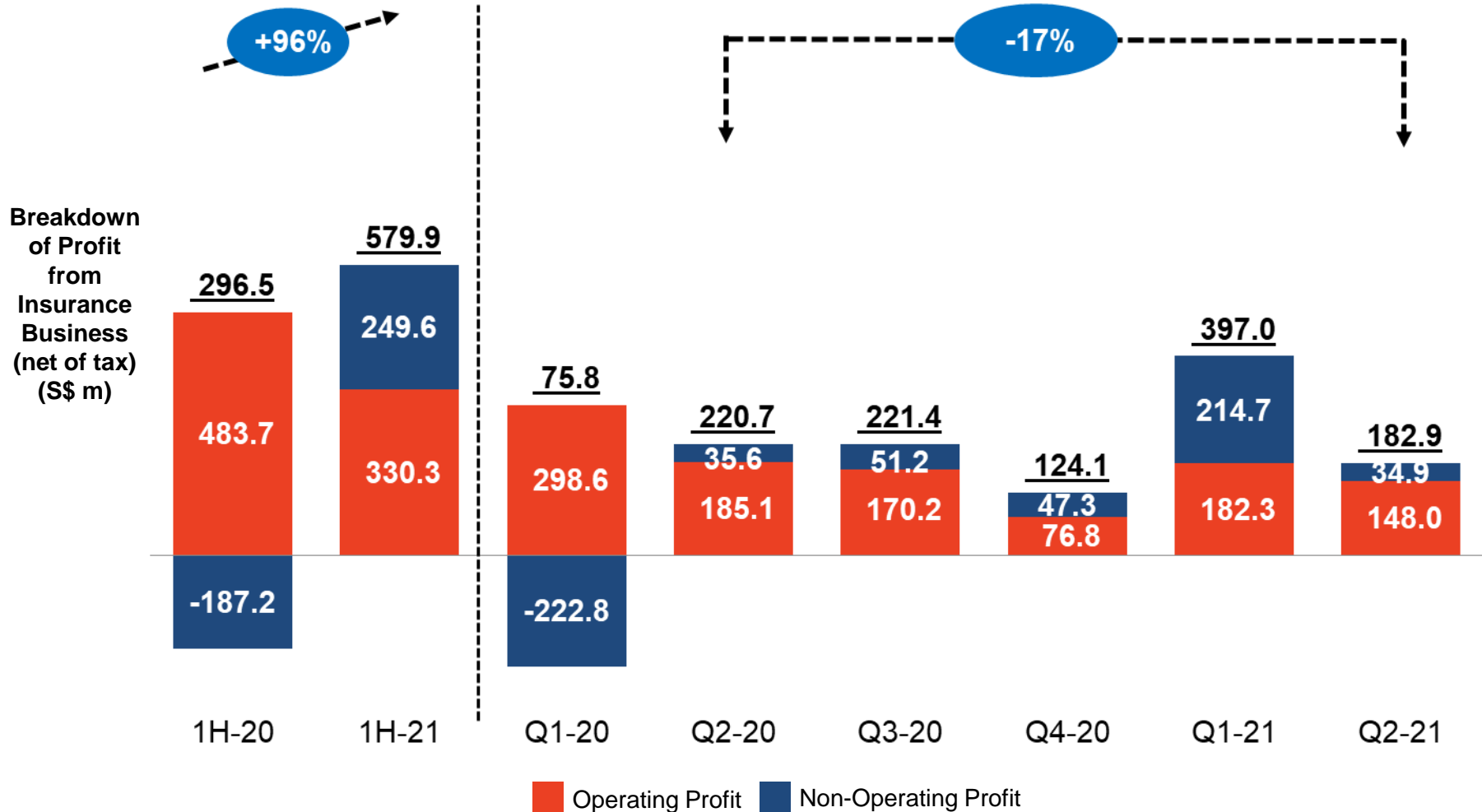
NBEV – By Market

Group NBEV increased 58% to S\$186.7m for the quarter contributed by higher sales. NBEV margin for Q2-21 was lower at 34.8% as a result of lower margins in the core markets.



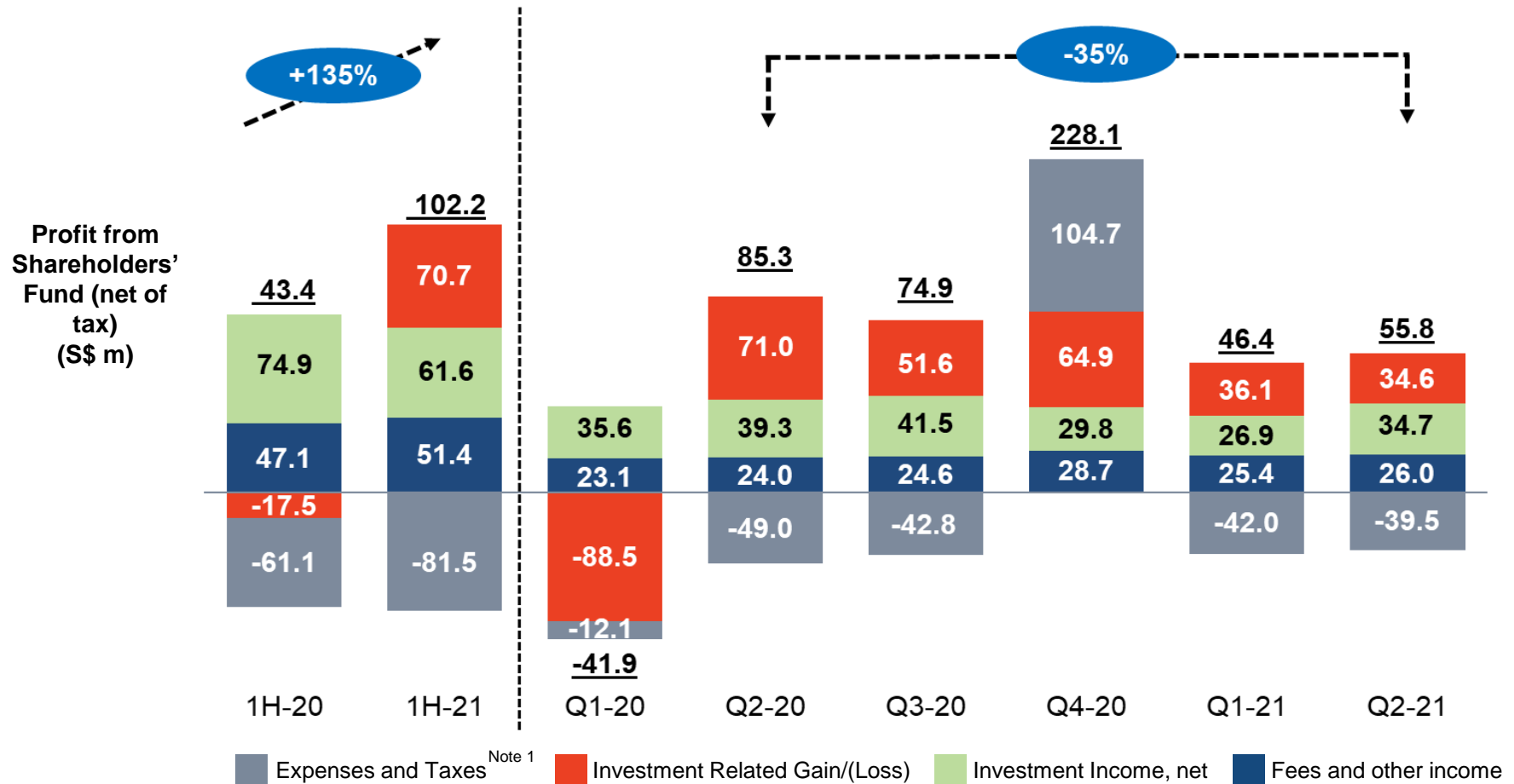
Breakdown of Profit from Insurance Business

Lower Profit from Insurance Business for Q2-21 was driven by the decline in Operating Profit, as a result of higher new business strain due to strong new business growth.



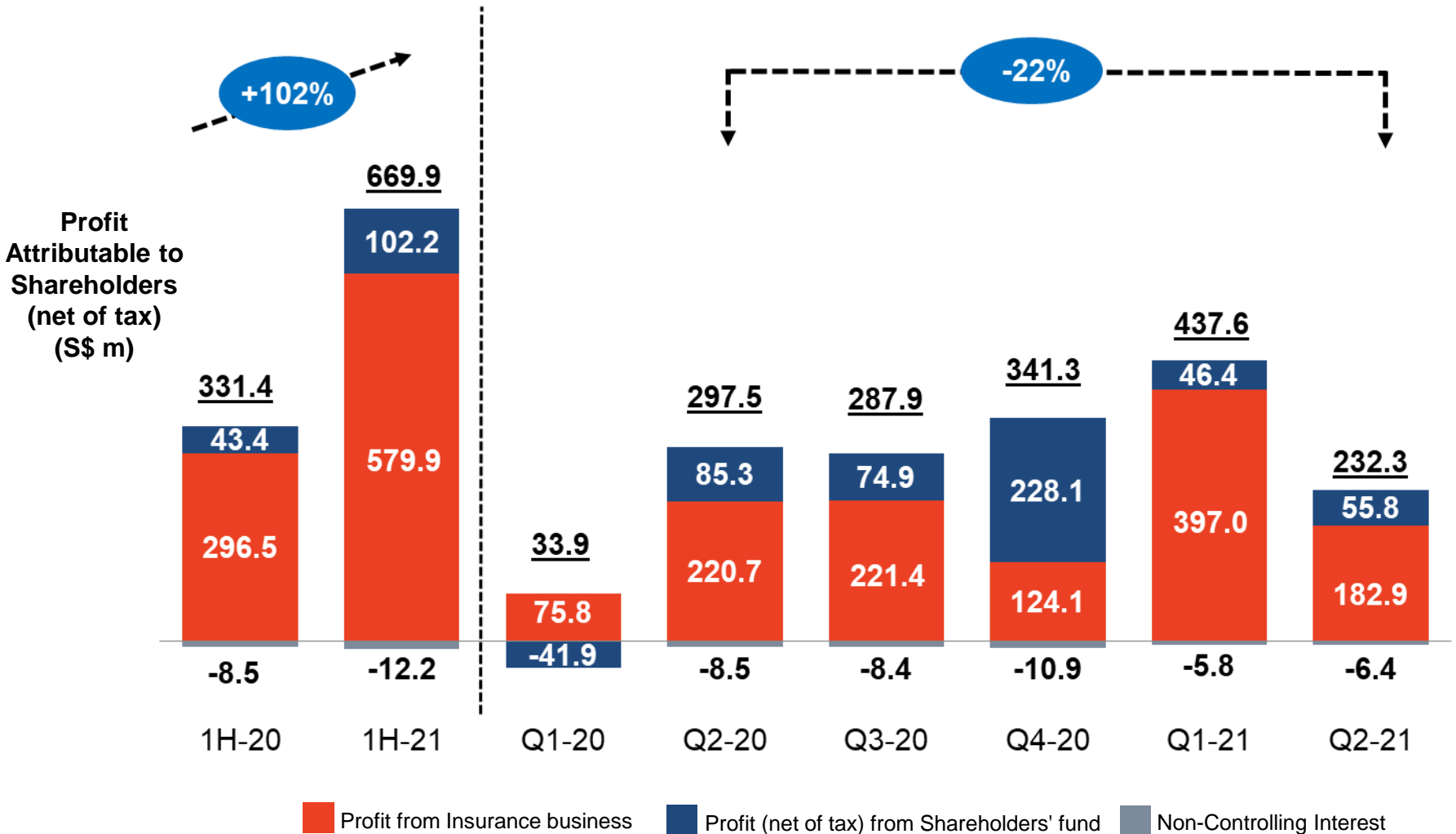
Profit from Shareholders' Fund

Profit from Shareholders' Fund for Q2-21 was lower than Q2-20 due to lower mark-to-market gains in equities.



Note 1:
Q1-20 and 1H-20 includes release of unallocated surplus in Malaysia and contribution to the National B40 Protection Trust Fund of RM2.37 billion in satisfaction of the local shareholding requirements applicable to insurance companies in Malaysia.

Profit Attributable to Shareholders



Reference Notes

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 Q4-20 have been restated to take into account revised actuarial assumptions implemented in Q4-20.
4. 2021 TWNS, NBEV and Operating Profit in foreign currencies are translated using the monthly spot rate for 2020 for comparison on constant currency. In applying the constant currency translation, TWNS has increased S\$1.1m for Q2-21 and S\$2.8m for 1H-21; NBEV has increased S\$0.7m for Q2-21 and S\$1.7m 1H-21; and Operating Profit has increased S\$1.1m for Q2-21 and S\$2.1m for 1H-21, which have been offset in Non-Operating Profit.
5. Operating Profit (net of tax) is defined as premiums less claims, maturities, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc).
6. 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 and changes in liability discount rates due to interest rates fluctuation.

THANK YOU