

GREAT EASTERN HOLDINGS LIMITED

Unaudited Financial Summary for 9M-20

4 November 2020

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 9M-20 Financial Results

S\$m	9M-20	9M-19	Δ%	Q3-20	Q3-19	Δ%
Total Weighted New Sales	1,017.7	861.7	+18	432.8	317.5	+36
New Business Embedded Value	395.4	418.6	-6	160.2	157.4	+2
Operating Profit (net of tax) from Insurance Business	655.7	486.6	+35	171.4	178.5	-4
Non-Operating Profit (net of tax) from Insurance Business	-137.8	20.9	nm	50.0	-31.3	nm
Profit (net of tax) from Shareholders' fund	118.3	223.1	-47	74.9	62.3	+20
Non-Controlling Interest	-16.9	-13.8	nm	-8.4	-4.4	nm
Profit Attributable to Shareholders	619.3	716.8	-14	287.9	205.1	+40

nm: not meaningful

9M-20 Financial Results

<p>Total Weighted New Sales</p>	<p>TWNS: S\$1,017.7m; +18% (9M-19: S\$861.7m) Strong sales momentum in Q3-20, with higher sales contribution across all markets. For 9M-20, higher sales driven by Singapore agency business.</p>
<p>New Business Embedded Value</p>	<p>NBEV: S\$395.4m; -6% (9M-19: S\$418.6m) Higher NBEV in Q3-20 amid higher sales. For 9M-20, NBEV was slightly lower due to the lower sales in Malaysia.</p>
<p>Profit Attributable to Shareholders</p> <div data-bbox="185 786 504 951" style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> <p>S\$619.3m ↓ 14%</p> </div>	<p>Operating Profit: S\$655.7m; +35% (9M-19: S\$486.6m) Increase driven by higher contribution across all markets.</p> <hr/> <p>Non-Operating Profit: -S\$137.8m; nm (9M-19: S\$20.9m) Mark-to-market losses from unfavourable market conditions in Q1-20, with partial recovery in the subsequent quarters.</p> <hr/> <p>Profit from Shareholders' fund¹: S\$101.4m; -52% (9M-19: S\$209.3m) Lower profit as a result of unfavourable market conditions in Q1-20, recovered in the subsequent quarters. Last year, mark-to-market gains in equities was much higher.</p>

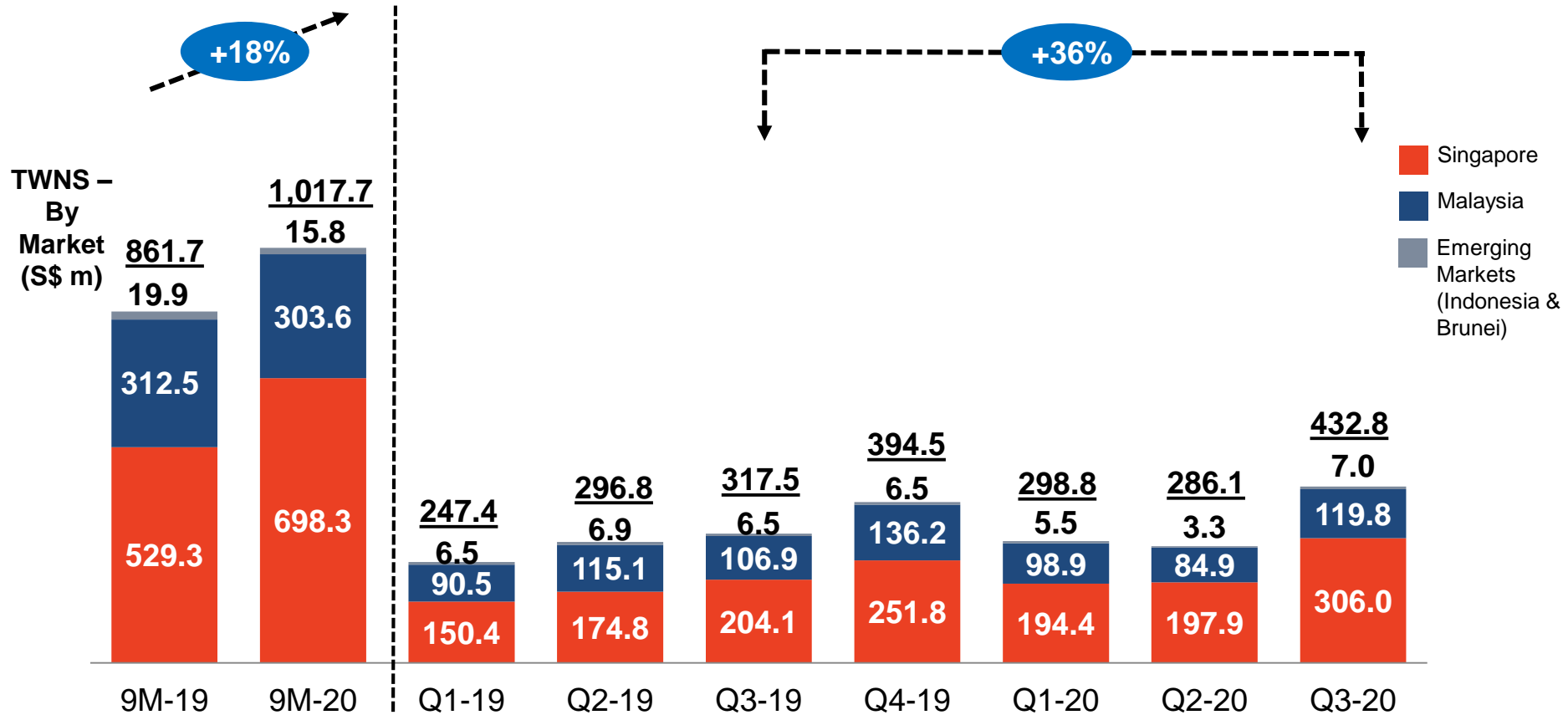
Note:

1. Includes Non-Controlling Interest

nm: not meaningful

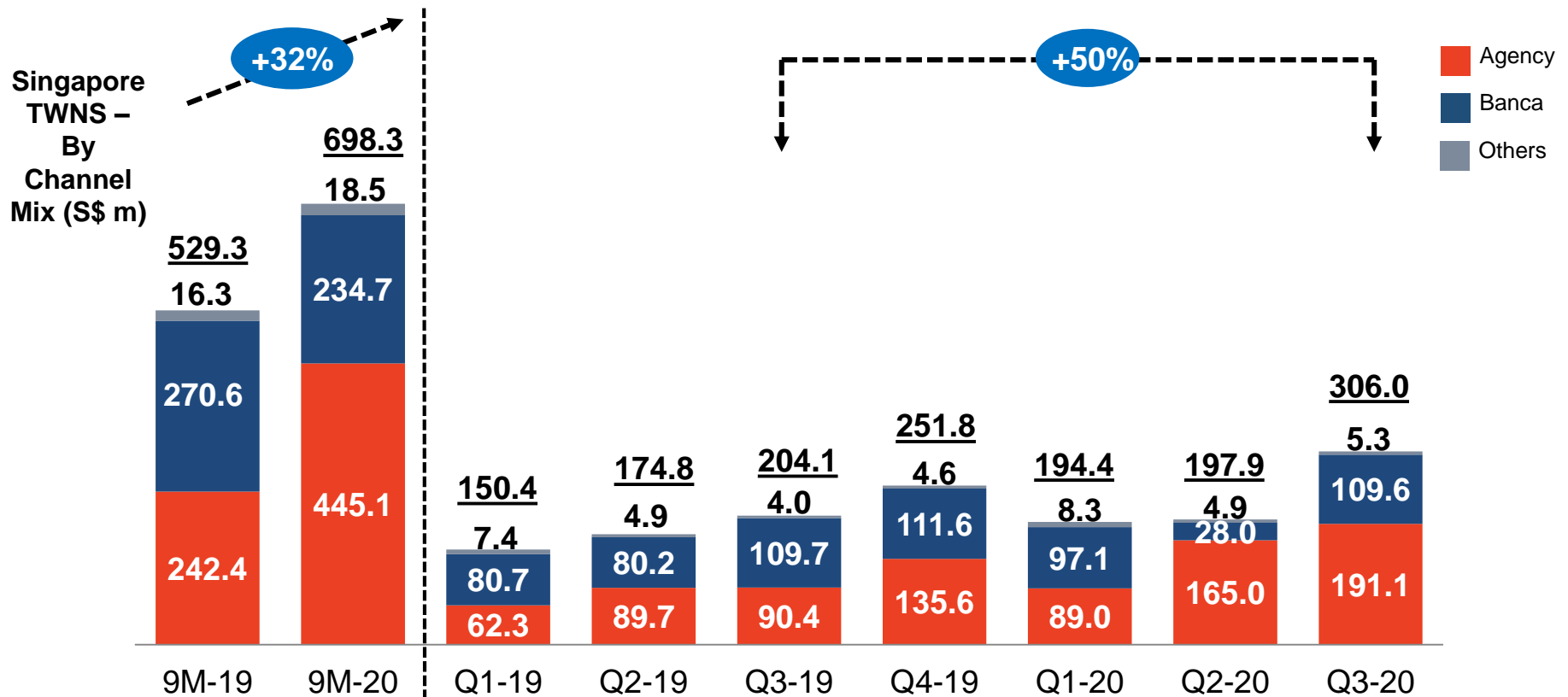
TWNS Performance by Market

Group TWNS for 9M-20 grew 18% on the back of a strong Q3-20 performance driven by improving sales momentum across all markets.



Singapore TWNS – By Channel Mix

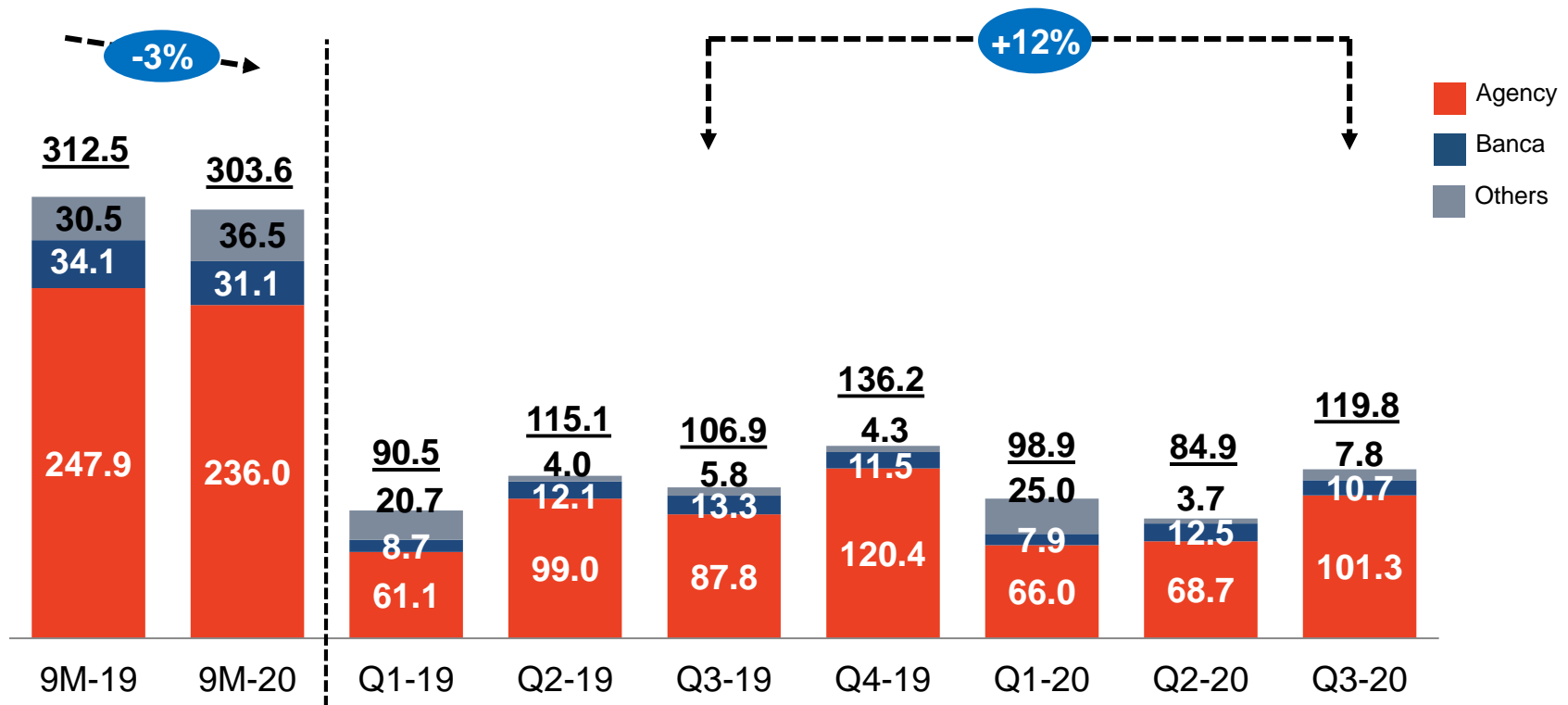
Singapore's TWNS continues to gain momentum, with strong sales growth from the agency channel in Q3-20.



Malaysia TWNS – By Channel Mix

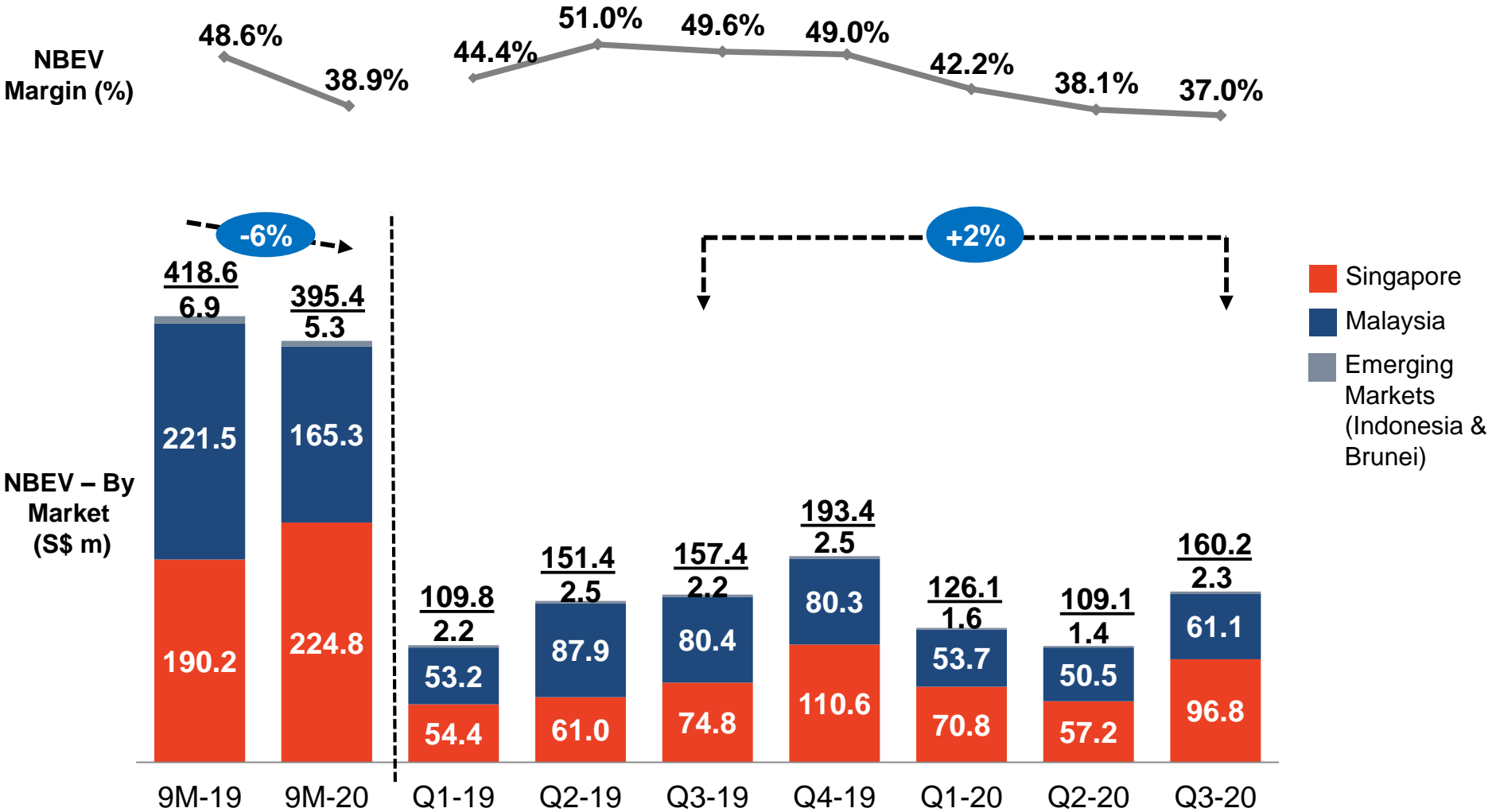
9M-20 TWNS was slightly lower than last year due to lower sales in Q2 amid the restricted sales activities. Sales momentum picked up in Q3-20, narrowing the gap.

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



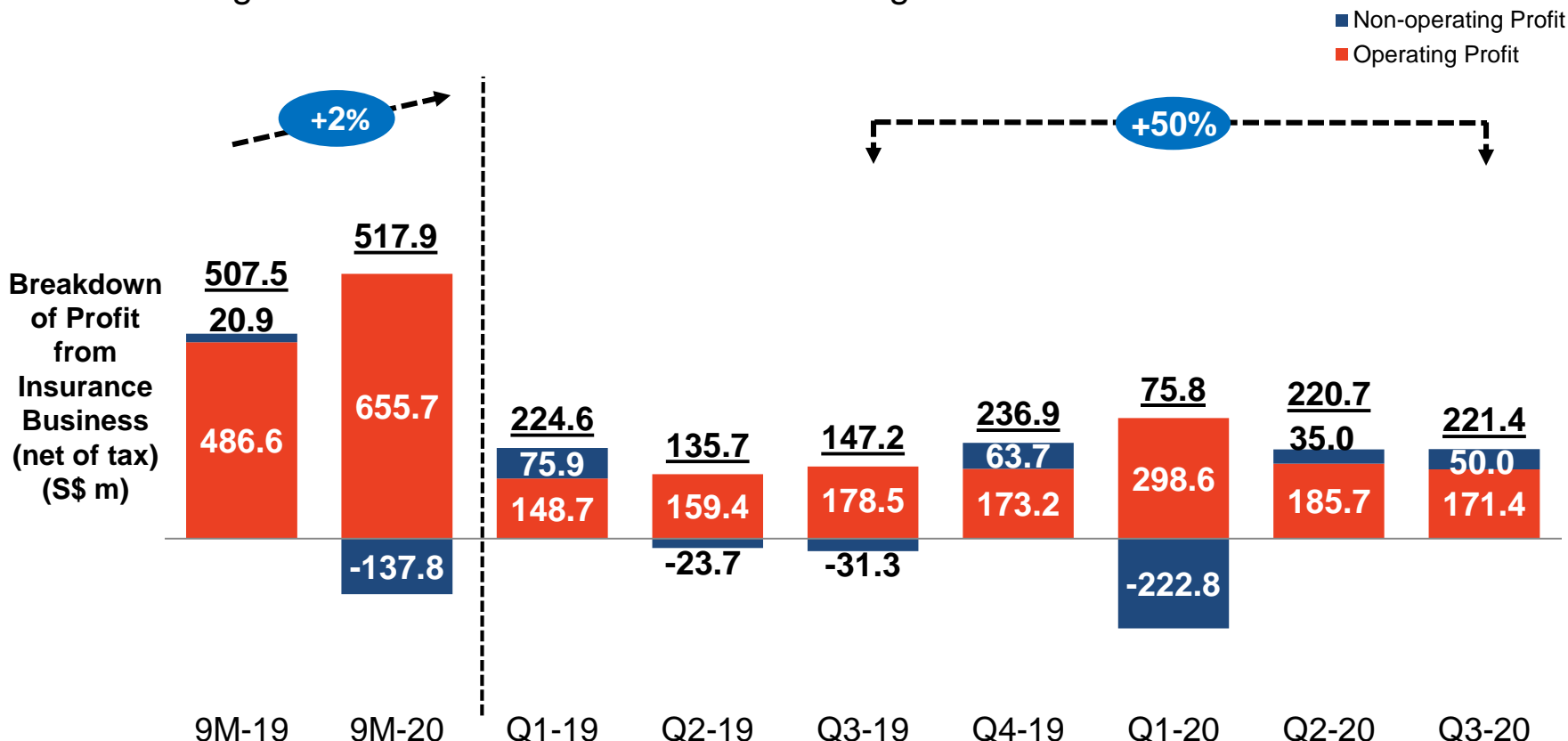
NBEV – By Market

Group's NBEV decreased 6% to S\$395.4 million for 9M-20 due to lower contribution from Malaysia.



Breakdown of Profit from Insurance Business

Higher operating and non-operating profit for the past two quarters have led to slight improvement for 9M-20 compared to a year ago. Operating profit in Q3-20 was slightly lower due to higher new business strain because of higher sales.

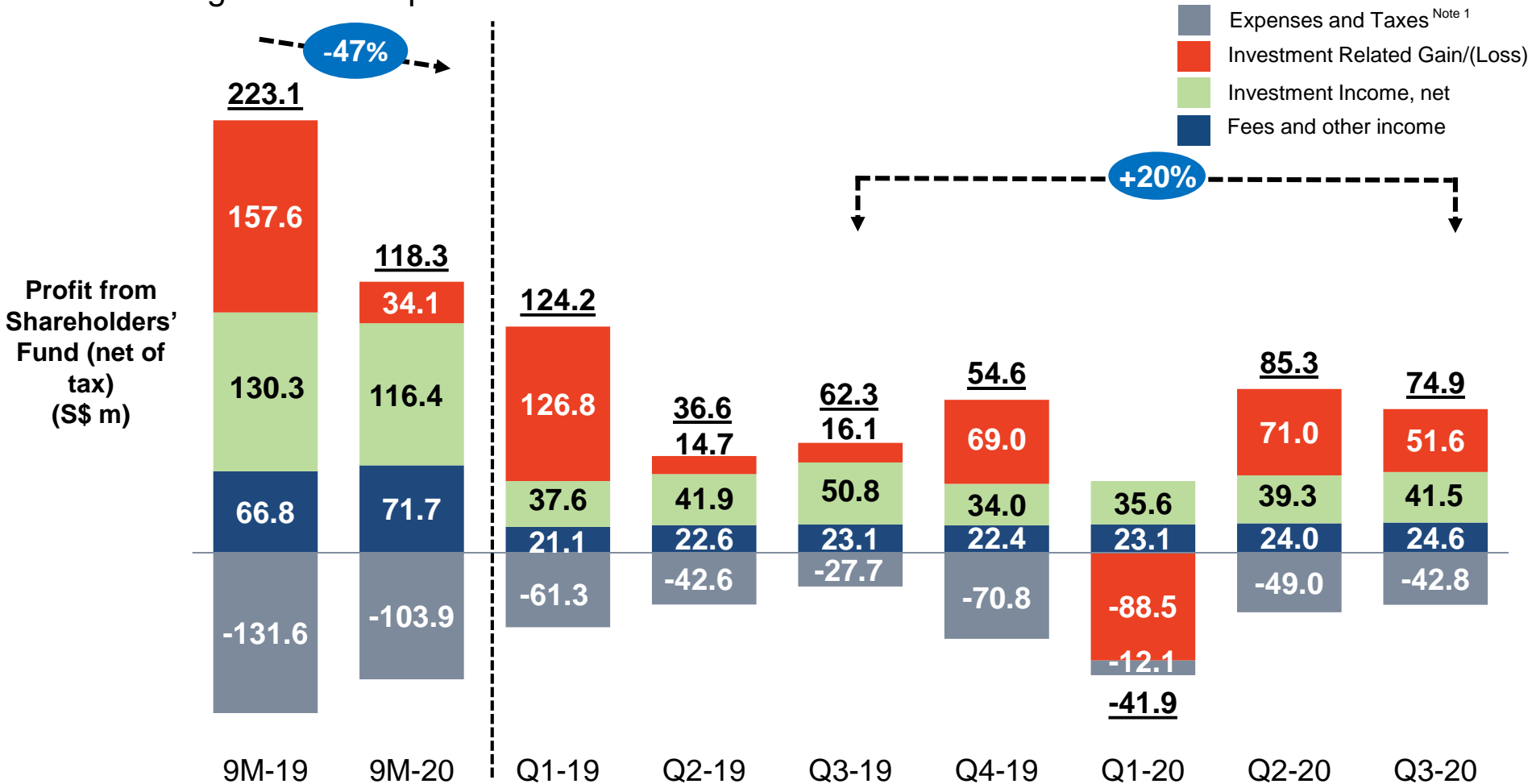


Note:

MAS Notice 133 on Valuation and Capital Framework for Insurers and Insurance (Valuation and Capital) (Amendment) Regulations 2020 came into effect on 31 March 2020, which formalized the RBC 2 enhanced valuation and capital framework for insurers in Singapore. Further impact on the financial results of the Group is expected for the remaining of 2020 as the Singapore insurance subsidiaries of the Group continue to take asset-liability management actions permissible under the RBC 2 framework. This impact was S\$245 million in Q1-20; S\$18 million in Q2-20; Nil in Q3-20; and is not expected to be material for the remaining of 2020.

Profit from Shareholders' Fund

Profit from Shareholders' Fund for Q3-20 was higher than Q3-19 due to higher mark-to-market gains from equities.



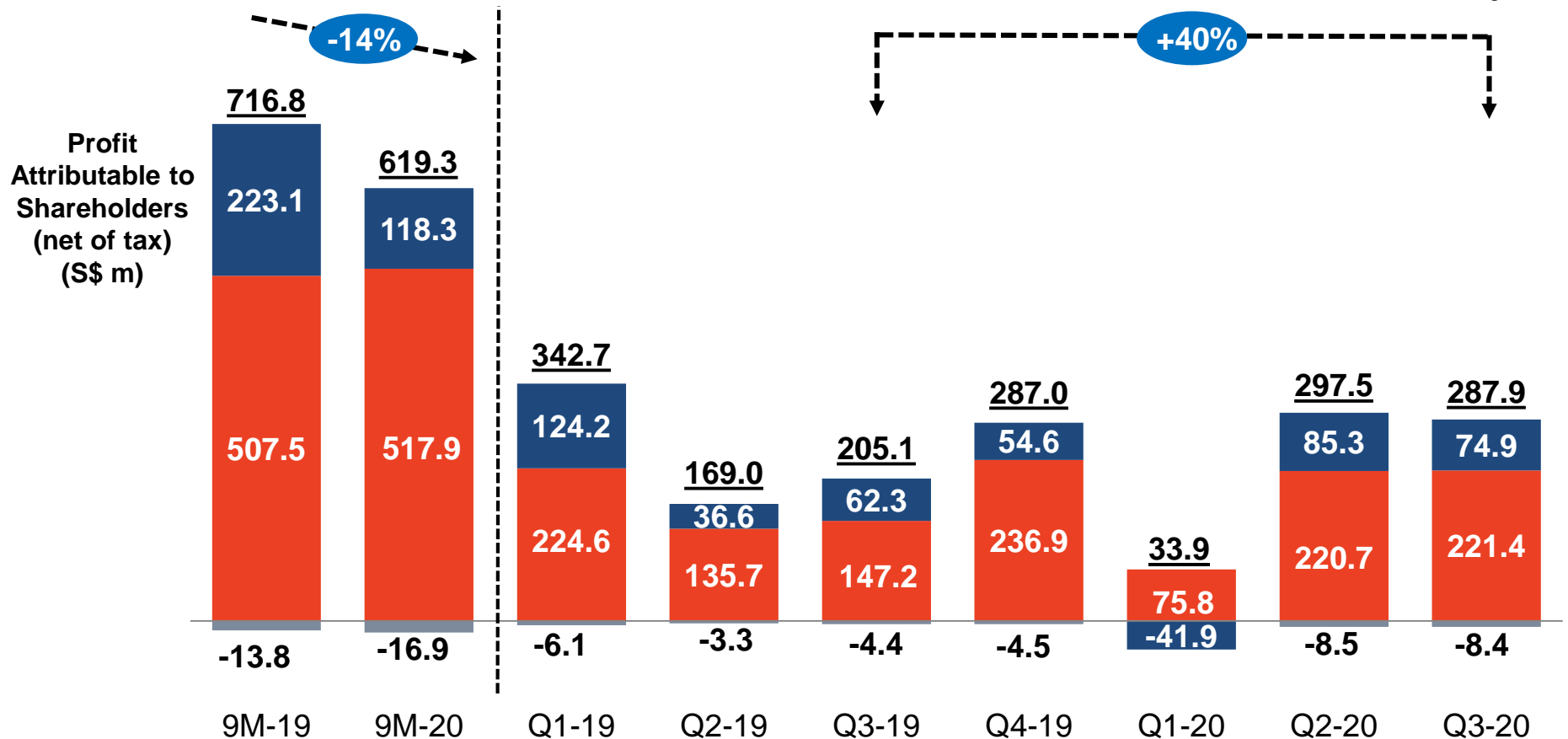
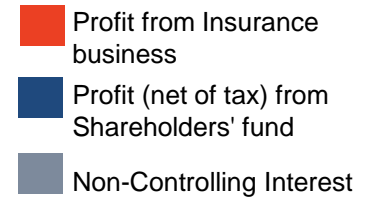
Note 1:

Q1-20 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

Profit Attributable to Shareholders up 40% for Q3-20 due to:

- Higher operating profit from insurance business
- Higher profit from Shareholders' fund



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 Q4-19 have been restated to take into account revised actuarial assumptions implemented in Q4-19.
4. 2020 TWNS, NBEV and Operating Profit in foreign currencies are translated using the monthly spot rate for 2019 for comparison on constant currency. In applying the constant currency translation, TWNS has increased \$1.7m and \$1.9m for Q3-20 and 9M-20 respectively; NBEV has increased \$0.8m and \$1.0m for Q3-20 and 9M-20 respectively; and Operating Profit has increased \$1.2mil and \$1.8mil for Q3-20 and 9M-20 respectively, which have been offset in Non-Operating Profit.
5. 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).
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, changes in liability discount rates, other non-recurring items.

THANK YOU