

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q4-18 and FY-18 Supplementary Information

19 February 2019

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.

FY-18 Financial Results

Total Weighted New Sales	FY-18: S\$1,235.1m; -6% (FY-17: S\$1,312.6m) Lower sales from Singapore.			
New Business Embedded Value	FY-18: S\$527.6m; -3% (FY-17: S\$543.0m) Decline due to lower sales volume.			
Group Profit Attributable to Shareholders <div style="border: 1px solid black; padding: 10px; text-align: center;"> S\$740.7m ↓ 29% </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="629 625 1827 768"> Operating Profit: S\$625.3; +4% (FY-17: S\$600.3m) Growth from Singapore and Malaysia Insurance Business </td> </tr> <tr> <td data-bbox="629 768 1827 946"> Non-Operating Profit: S\$48.9; -57% (FY-17: S\$113.4m) Lower mark-to-market gains from less favourable market conditions in 2018 compared to 2017. </td> </tr> <tr> <td data-bbox="629 946 1827 1146"> Profit from Shareholder's fund¹: S\$66.5; -79% (FY-17: S\$323.0m) Lower gains on sale of investments and higher mark-to-market losses in 2018 amid less favourable market conditions. </td> </tr> </table>	Operating Profit: S\$625.3; +4% (FY-17: S\$600.3m) Growth from Singapore and Malaysia Insurance Business	Non-Operating Profit: S\$48.9; -57% (FY-17: S\$113.4m) Lower mark-to-market gains from less favourable market conditions in 2018 compared to 2017.	Profit from Shareholder's fund¹: S\$66.5; -79% (FY-17: S\$323.0m) Lower gains on sale of investments and higher mark-to-market losses in 2018 amid less favourable market conditions.
Operating Profit: S\$625.3; +4% (FY-17: S\$600.3m) Growth from Singapore and Malaysia Insurance Business				
Non-Operating Profit: S\$48.9; -57% (FY-17: S\$113.4m) Lower mark-to-market gains from less favourable market conditions in 2018 compared to 2017.				
Profit from Shareholder's fund¹: S\$66.5; -79% (FY-17: S\$323.0m) Lower gains on sale of investments and higher mark-to-market losses in 2018 amid less favourable market conditions.				

The Board of Directors has recommended a final one-tier tax exempt dividend of 50 cents, payable on 8 May 2019. Total dividends for FY-18 amounts to 60 cents per ordinary share.

Note:

1. Includes Non-Controlling Interest

Overview of Q4-18 and FY-18 Financial Results

S\$'m	Q4-18	Q4-17	Δ	FY-18	FY-17	Δ
Total Weighted New Sales^{1&4}	330.2	470.8	-30%	1,235.1	1,312.6	-6%
New Business Embedded Value^{2 to 4}	166.6	178.6	-7%	527.6	543.0	-3%
Operating Profit (net of tax)^{4&5} from Insurance Business	171.6	163.2	+5%	625.3	600.3	+4%
Non-Operating Profit (net of tax)^{4&5} from Insurance Business	11.4	84.0	-86%	48.9	113.4	-57%
Profit (net of tax) from Shareholder's fund	-45.4	182.7	nm	75.8	333.9	-77%
Non-Controlling Interest	-0.7	-3.1	nm	-9.3	-10.9	nm
Group Profit Attributable to Shareholders⁵	136.9	426.8	-68%	740.7	1,036.7	-29%

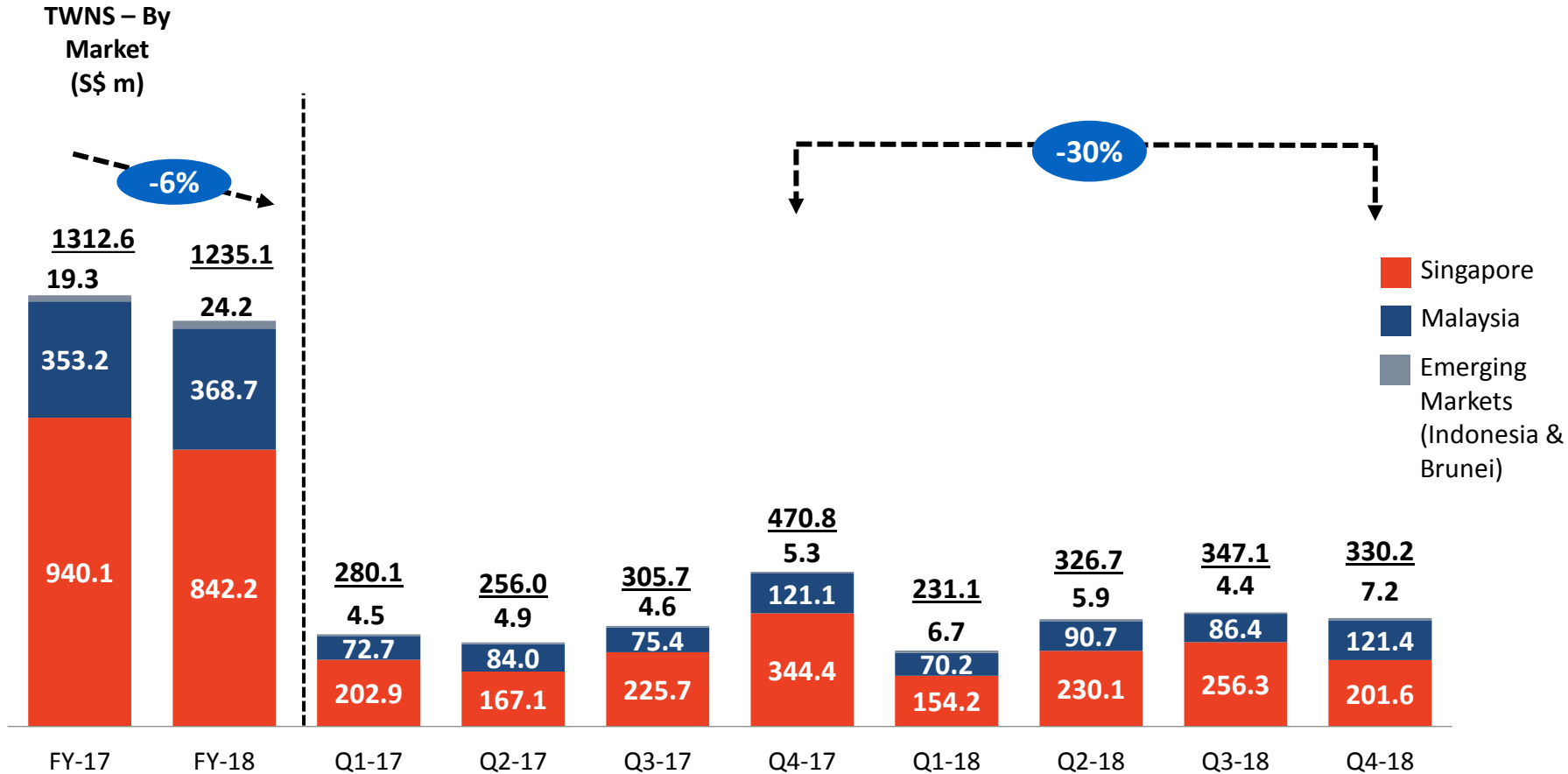
Note:

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, TWNS was reduced by \$0.3m for Q4-18 and \$11.6m for FY-18; and NBEV was reduced by \$0.3m for Q4-18 and \$7.9m for FY-18. Operating Profit was reduced by \$0.5m for Q4-18 and \$10.8m for FY-18 and this impact has been included in the Non-Operating Profit.
5. Comparatives figures for Q4-17 and FY-17 have been restated upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)").
nm: not meaningful

TWNS Performance by Market

Lower Group's TWNS for FY-18 compared to last year:

- Lower sales from Singapore

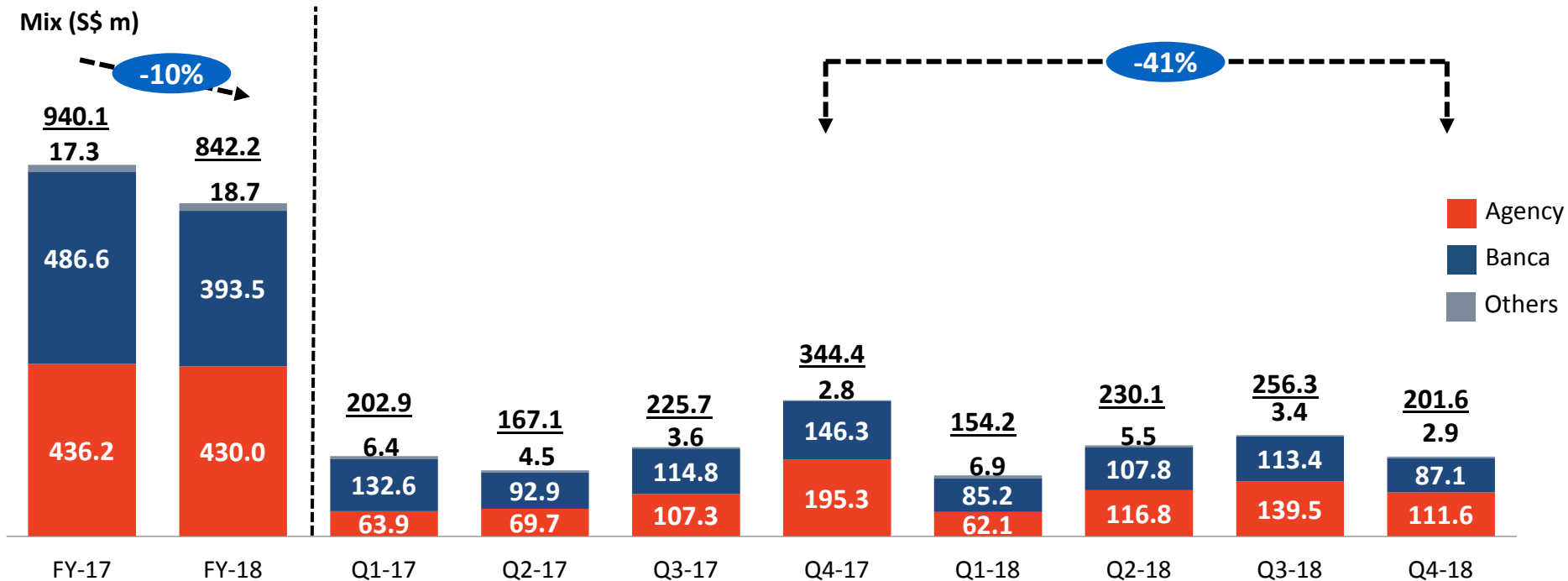


Singapore TWNS – By Channel Mix

TWNS in Singapore of S\$842.2 million for FY-18, lower than same period last year:

- Lower sales through agency and bancassurance channels

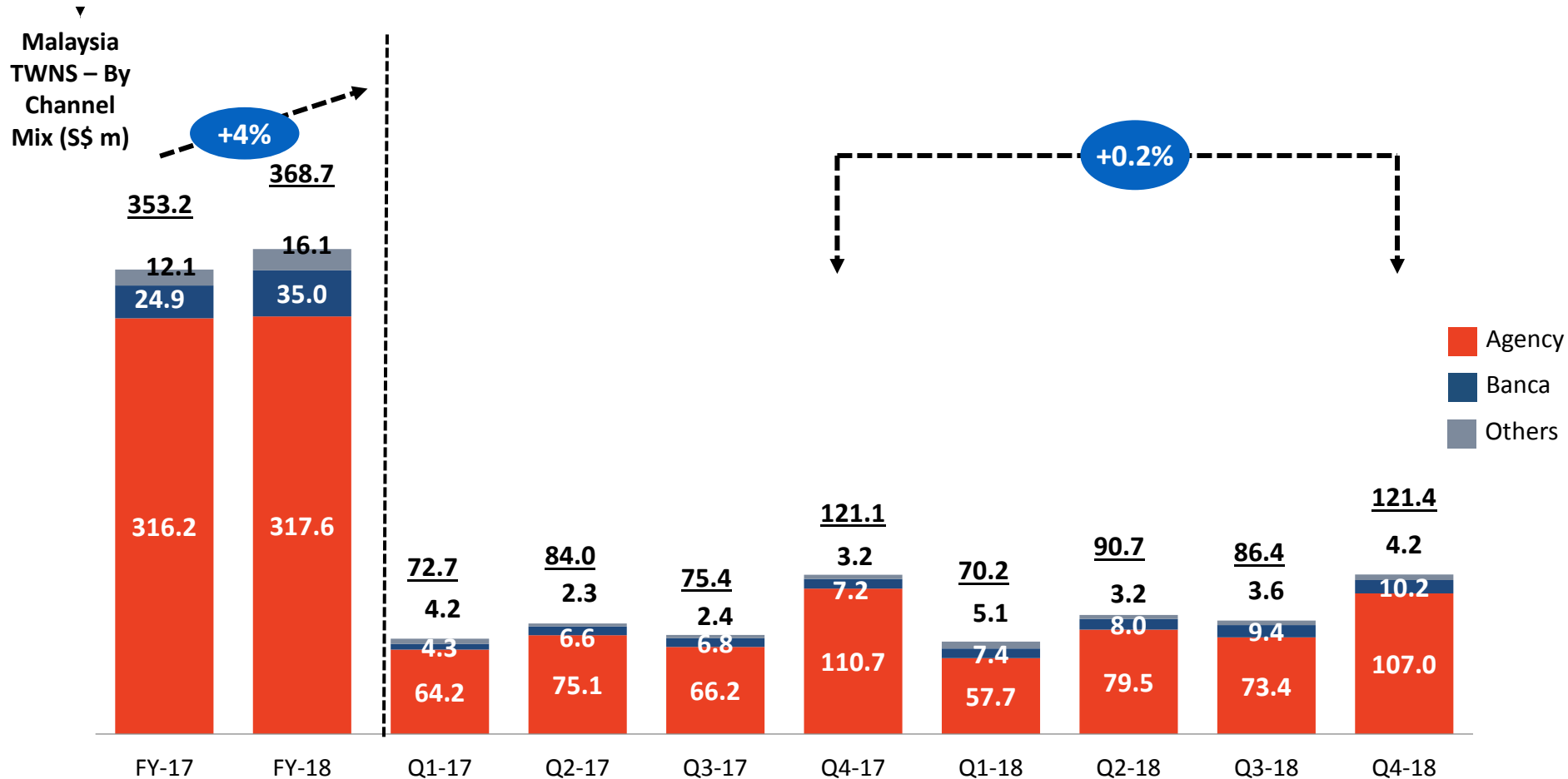
Singapore
TWNS – By
Channel
Mix (S\$ m)



Malaysia TWNS – By Channel Mix

TWNS in Malaysia of S\$368.7 million for FY-18; higher than same period last year :

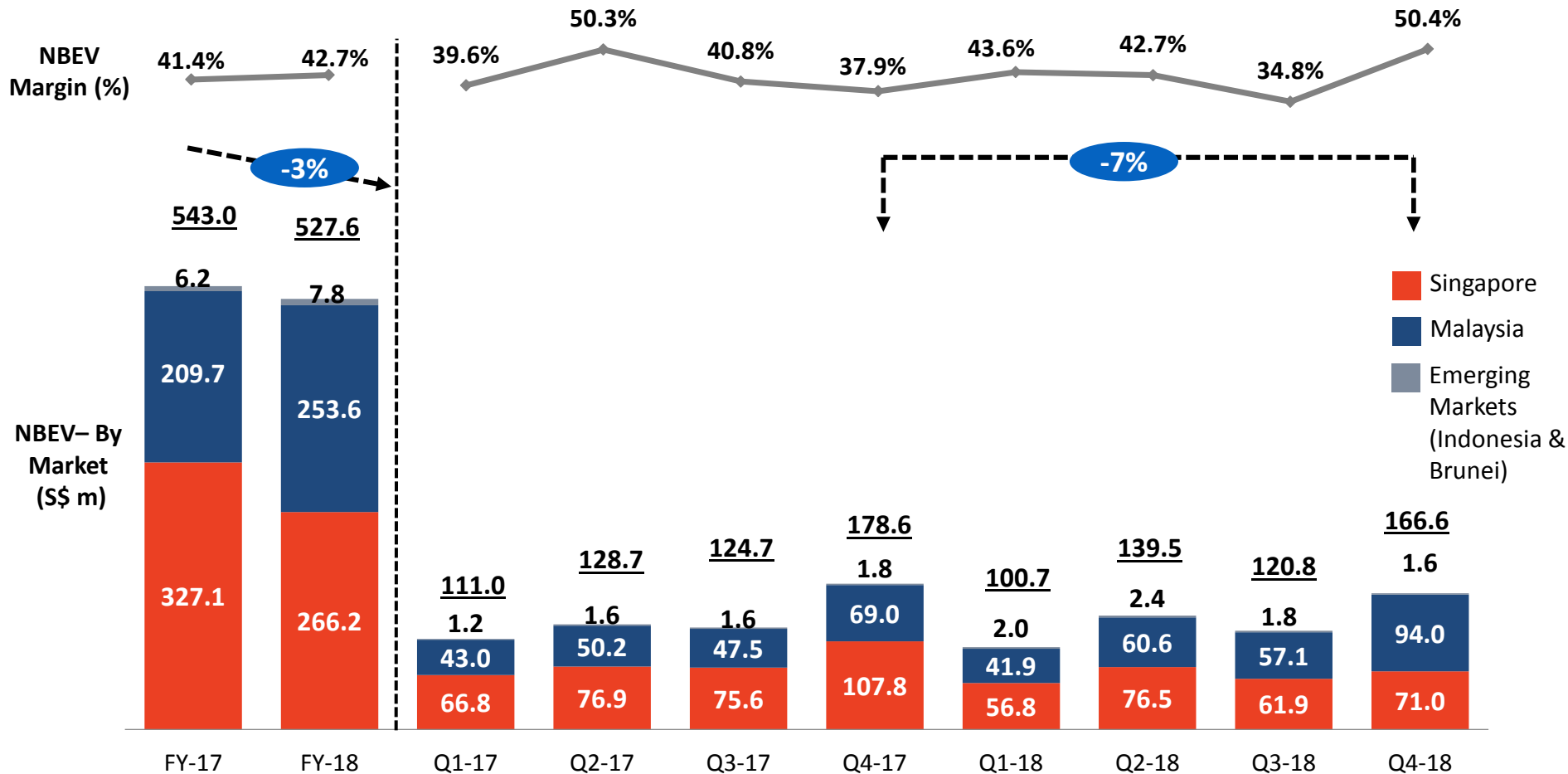
- Contributed by growth in both agency and bancassurance channel



NBEV- By Market

Lower NBEV of S\$527.6 million for FY-18; NBEV margin of 42.7% for FY-18 :

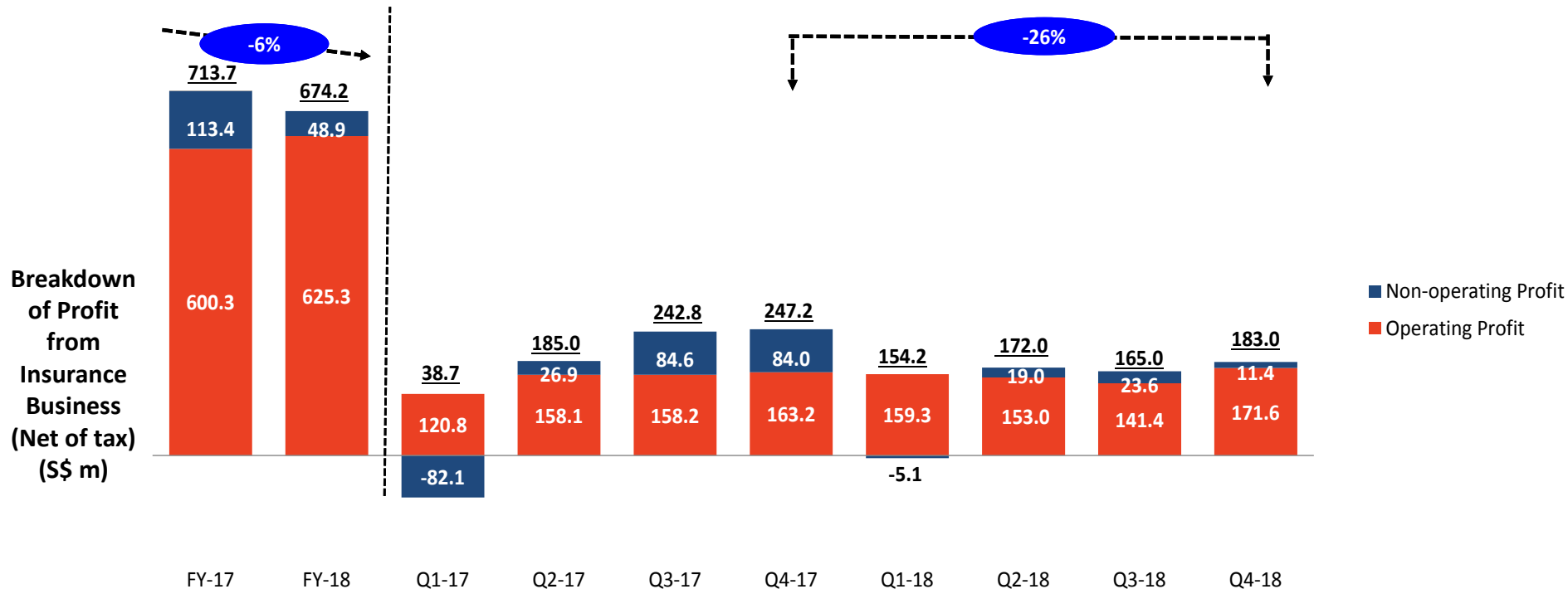
- Lower NBEV was contributed by Singapore
- Higher margin as a result of change in product mix



Breakdown of Profit from Insurance Business

Profit from insurance business of S\$674.2 million for FY-18 was lower than last year:

- Higher operating profit in FY-18, contributed by higher growth from Singapore and Malaysia Insurance Business
- Lower non-operating profit in FY-18 as the financial market conditions were stronger last year



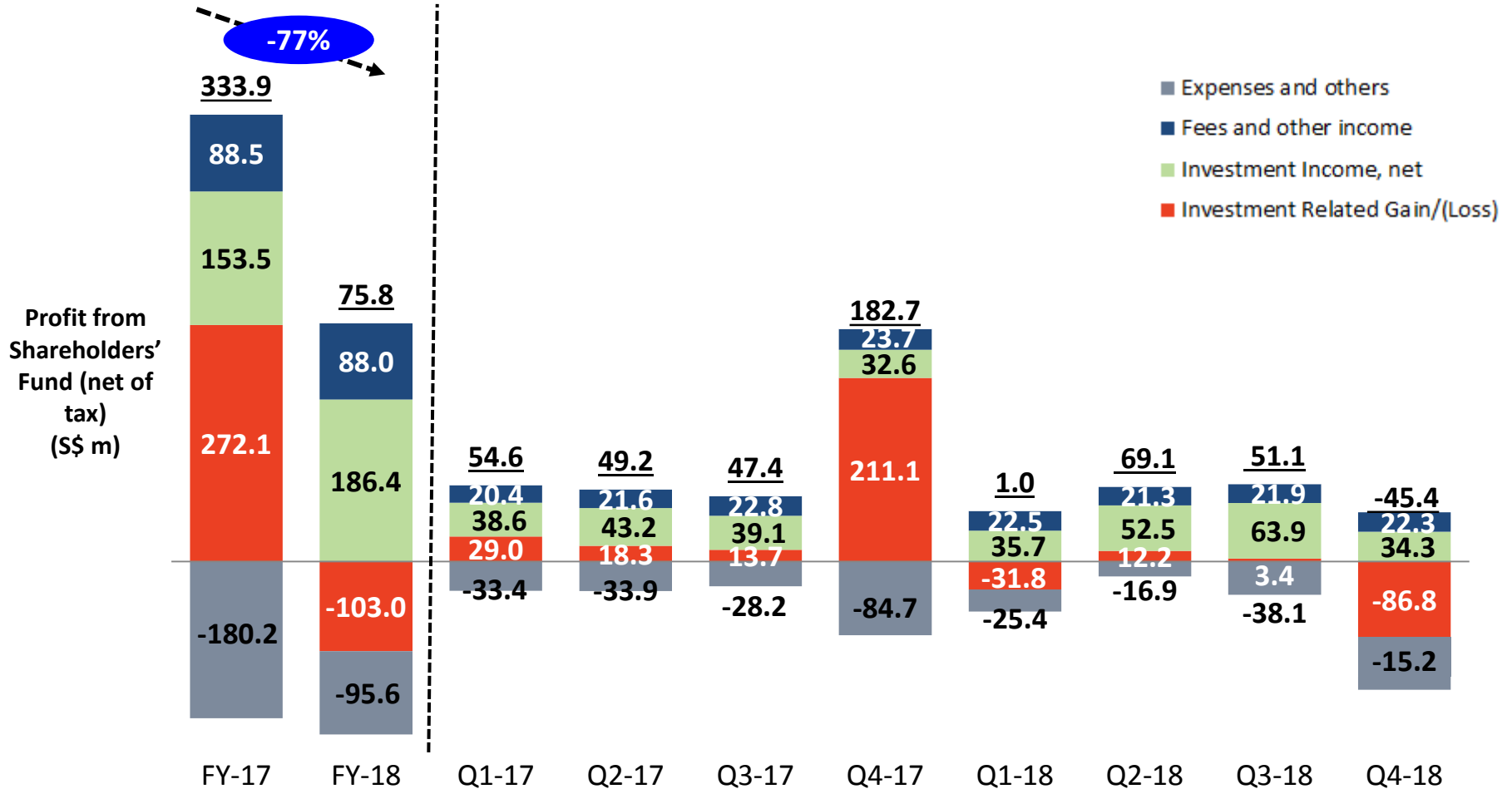
Note:

- 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\$75.8 million for FY-18 was lower than FY-17:

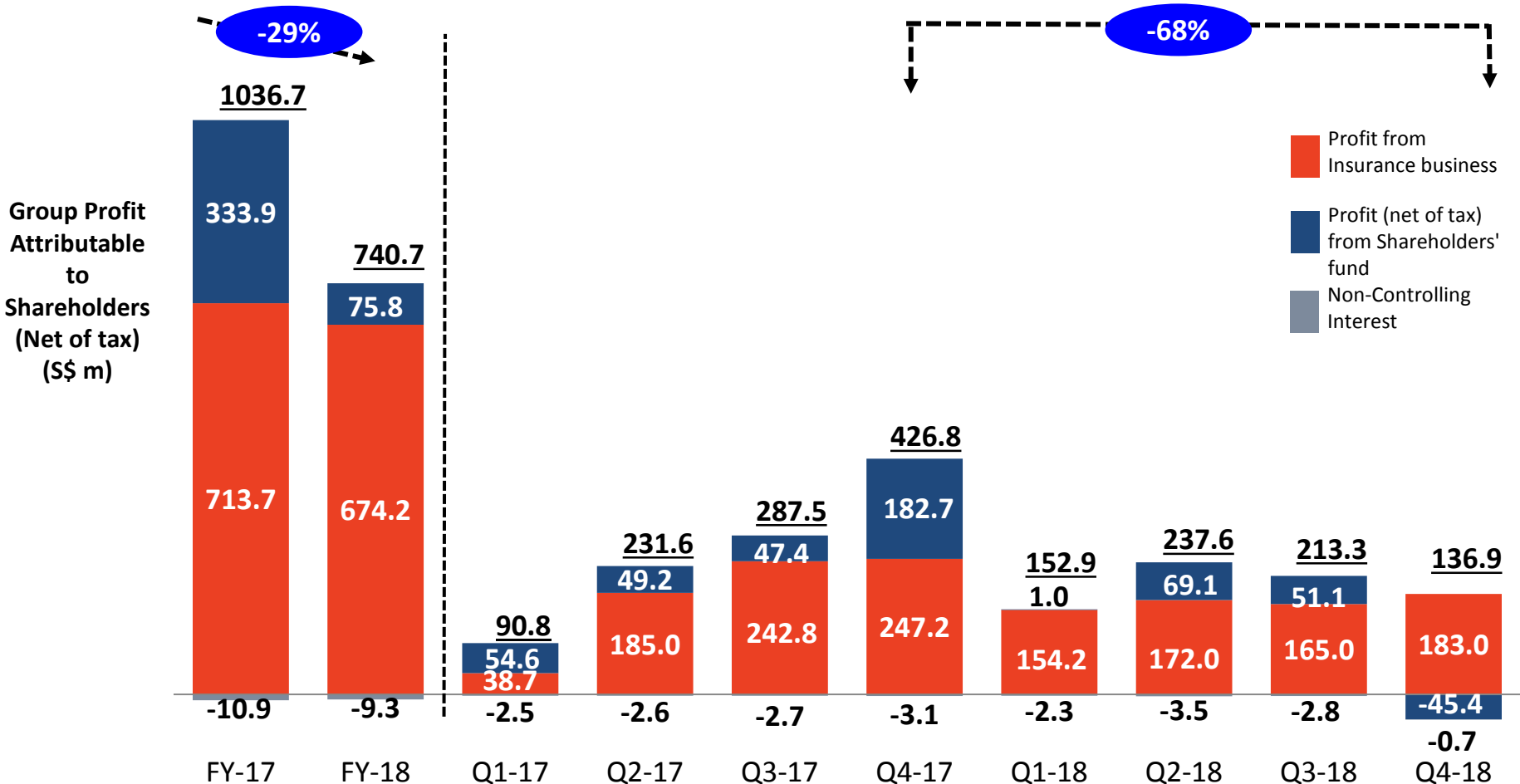
- Higher gains from sale of investments in FY-17
- Higher mark-to-market losses from investments in FY-18



Group Profit Attributable to Shareholders

Profit attributable to shareholders was S\$740.7 million for FY-18 :

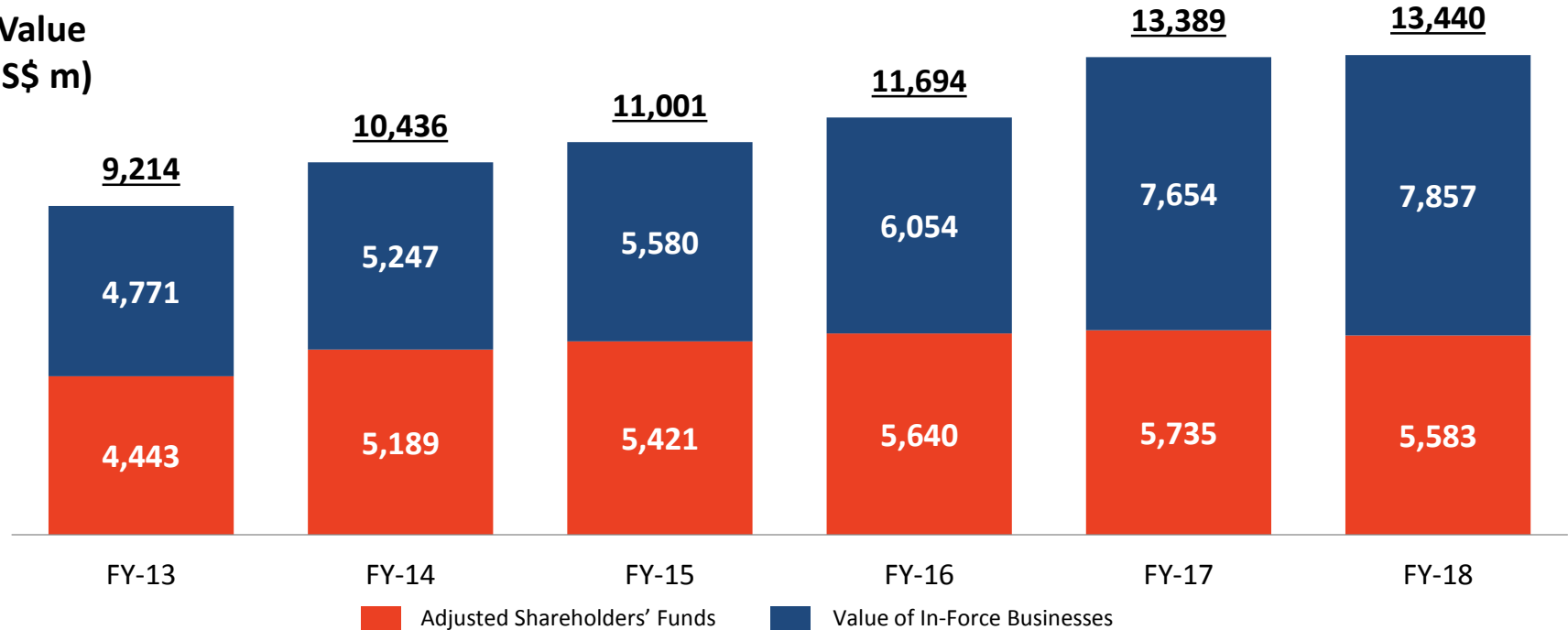
- Higher operating profit from insurance business
- Lower non-operating profit from insurance business and lower profit from shareholders' fund



Embedded Value

- FY-18 embedded value of S\$13.4b or an embedded value per share of S\$28.40 was a 0.4% growth from FY-17.
- Value of In-Force Business increased by 3% over FY-17.
- 5 year Compound Annual Growth Rate of 8%.

Embedded Value (\$ m)



Note:

- Embedded value per share is calculated using the Group's embedded value divided by the total number of issued shares.
- For FY-18 embedded value, risk-adjusted discount rate is 7.0% (FY-17: 7.0%) for Singapore, 8.75% (FY-17: 8.75%) for Malaysia and 13.5% (FY-17: nil) for Indonesia.

THANK YOU