Supplementary Information for 1H-23

03 August 2023

Great Eastern
A member of the OCBC Group

Reach for Great

Overview of 1H-23 Financial Results

S$m	1H-23	1H-22	Δ%
Total Weighted New Sales	**725.9**	1,051.8	-31
New Business Embedded Value	**351.2**	390.6	-10
Profit from Insurance Business	**371.5**	314.0	+18
Profit from Shareholders' Fund	**73.7**	(89.8)	nm
Non-Controlling Interest	**(8.0)**	(0.1)	nm
Profit Attributable to Shareholders	**437.2**	224.1	+95

nm: not meaningful

SFRS (I) 17 replaces SFRS (I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. The Group has adopted SFRS (I) 17 on 1 January 2023 and has prepared its 1H-23 Profit Attributable to Shareholders under this basis. The comparative for prior period (1H-22) has been restated in accordance with SFRS (I) 17. Kindly refer to the section on "Update on SFRS (I) 17" for more details.

1H-23 Financial Results

Total Weighted New Sales and New Business Embedded Value
TWNS: S$725.9m; -31% (1H-22: S$1,051.8m) Decline contributed by lower single premium sales from the Singapore market.
NBEV: S$351.2m; -10% (1H-22: S$390.6m) Decline on the back of lower sales; margins continue to record healthy growth compared to a year ago.

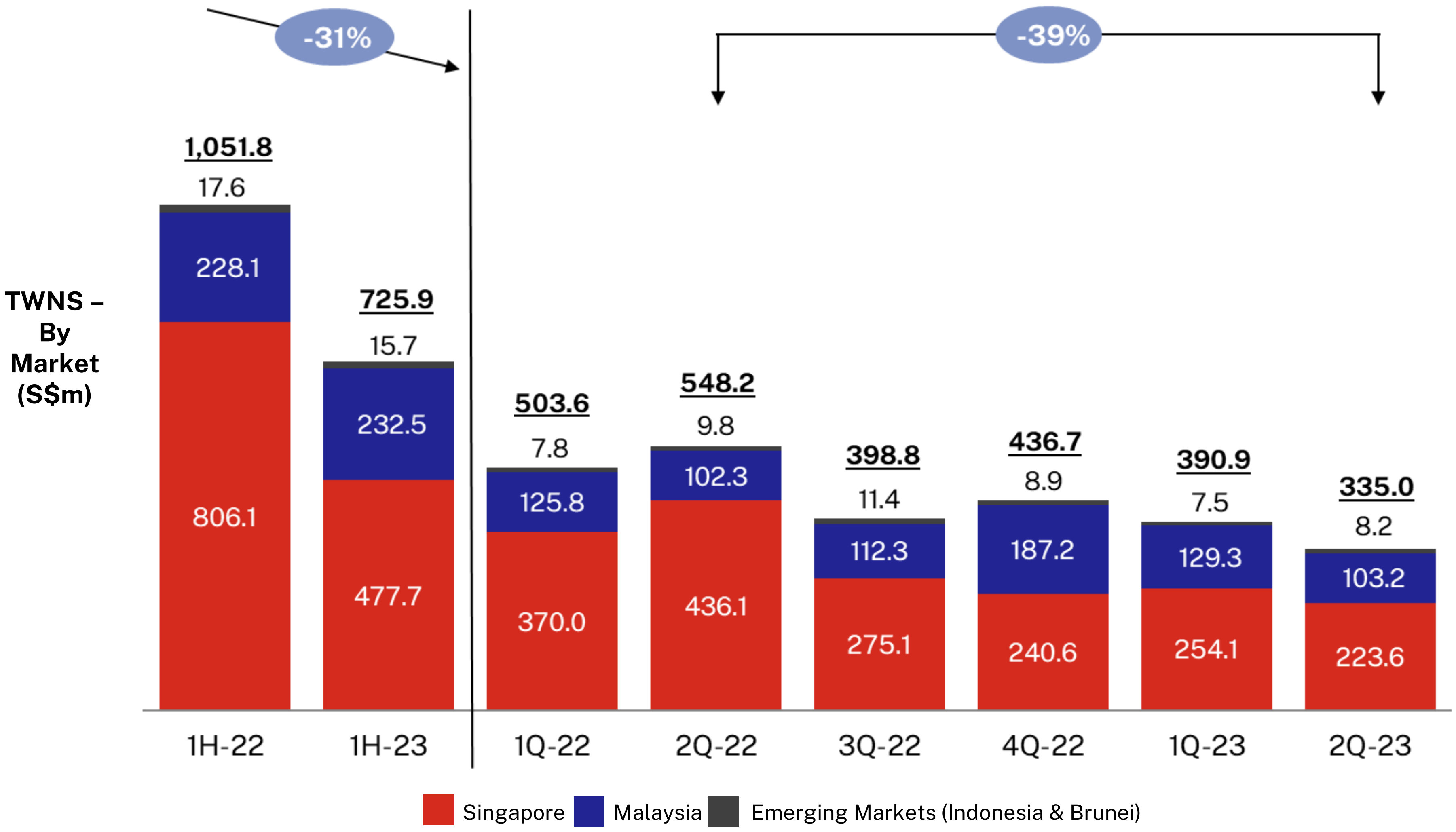
Profit Attributable to Shareholders
Profit from Insurance Business: S$371.5m; +18% (1H-22: S$314.0m) Higher profit driven by higher contribution from the Singapore life business arising from better investment performance, partially offset by higher than expected claims in Singapore and Malaysia.
Profit from Shareholders' fund[1]: S$65.7m; nm (1H-22: -S$89.9m) Gain due to mark-to-market in equities and collective investment schemes in 1H-23, compared to a loss a year ago.
Profit Attributable to Shareholders: S$437.2m; +95% (1H-22: S$224.1m)

The Board of Directors has declared an interim one-tier tax exempt dividend of 35 cents per ordinary share in respect of the financial year ending 31 December 2023, payable on 31 August 2023.

The Company is modifying its method of paying dividends to pay a more steady dividend payment twice yearly. Each twice yearly payment will be of an amount that targets a full year payout to shareholders that is based on the sustainable profit level of the Group, and dividends will be progressive in line with the profit trend. Barring unforeseen circumstances, the Company aims to maintain each dividend amount to be no lower than the preceding one.

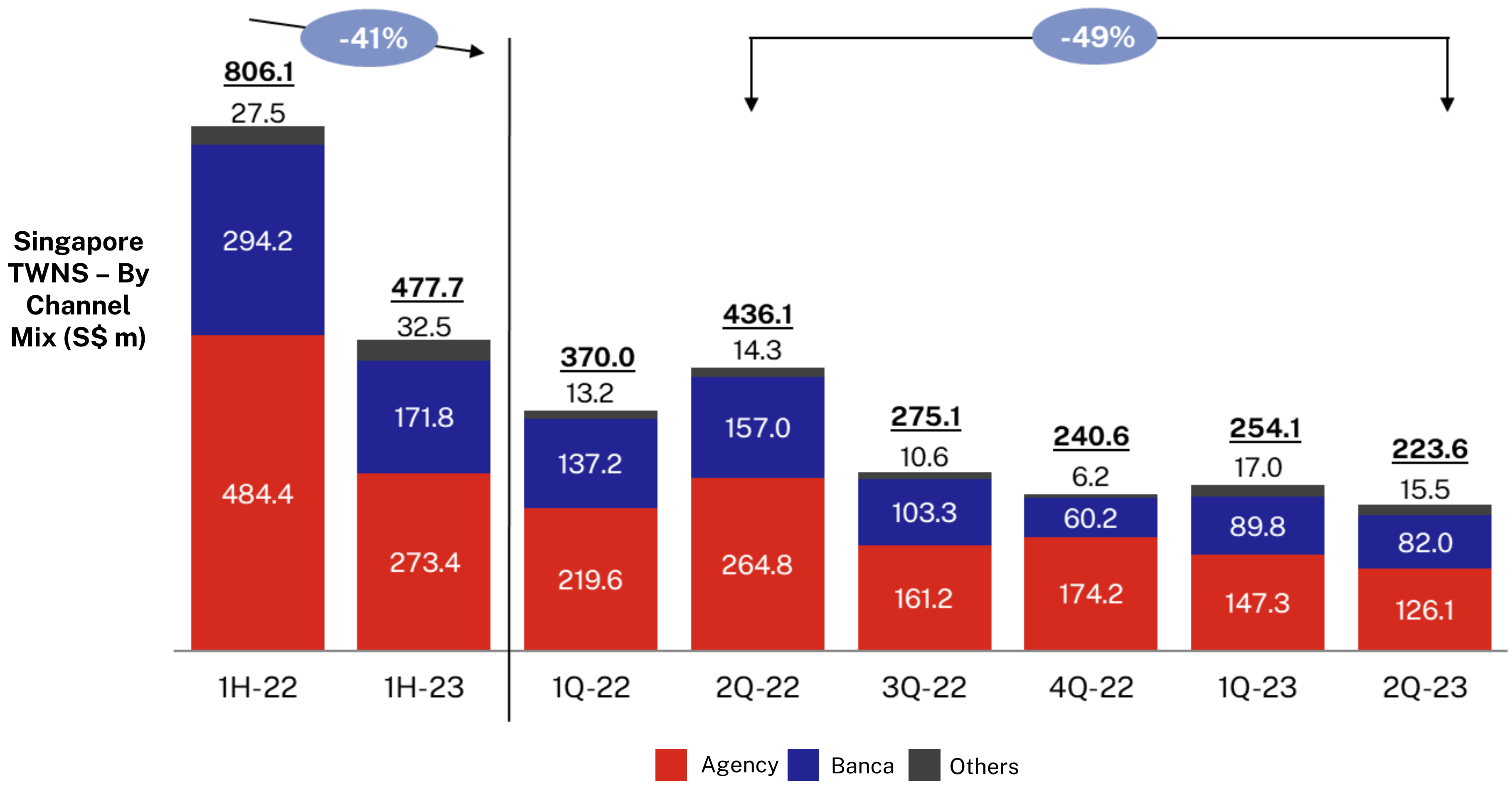
Note:
1. Includes Non-Controlling Interest
nm: not meaningful

TWNS Performance by Market



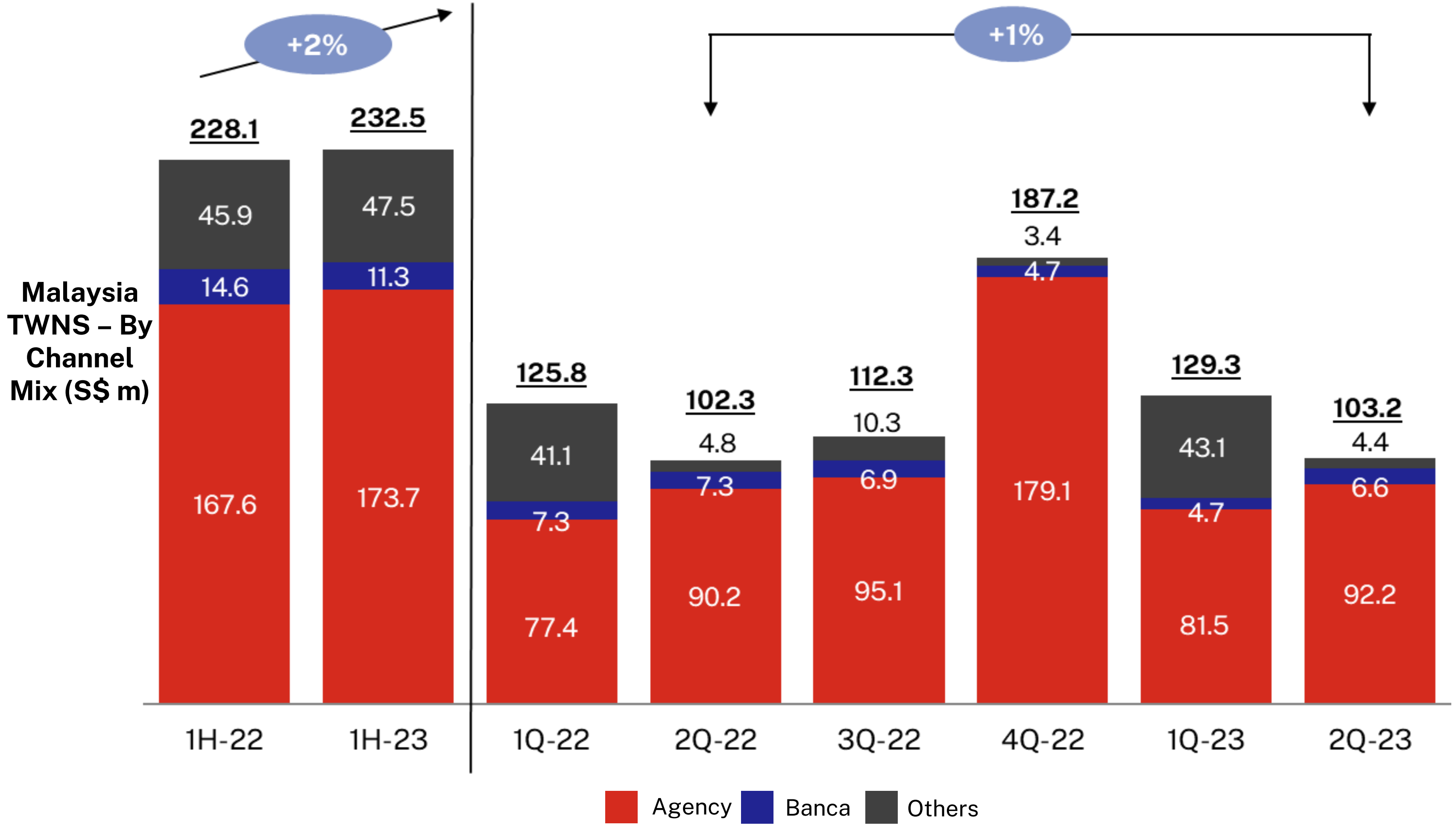
Decline in 2Q-23 against the same period a year ago was due to lower single premium sales from the Singapore market.

Singapore TWNS – By Channel



Singapore TWNS fell 49% for 2Q-23 against the same period a year ago as Single Premium sales softened amid an inverted Singapore Government Securities yield curve, resulting in heightened competition from alternative short term investments.

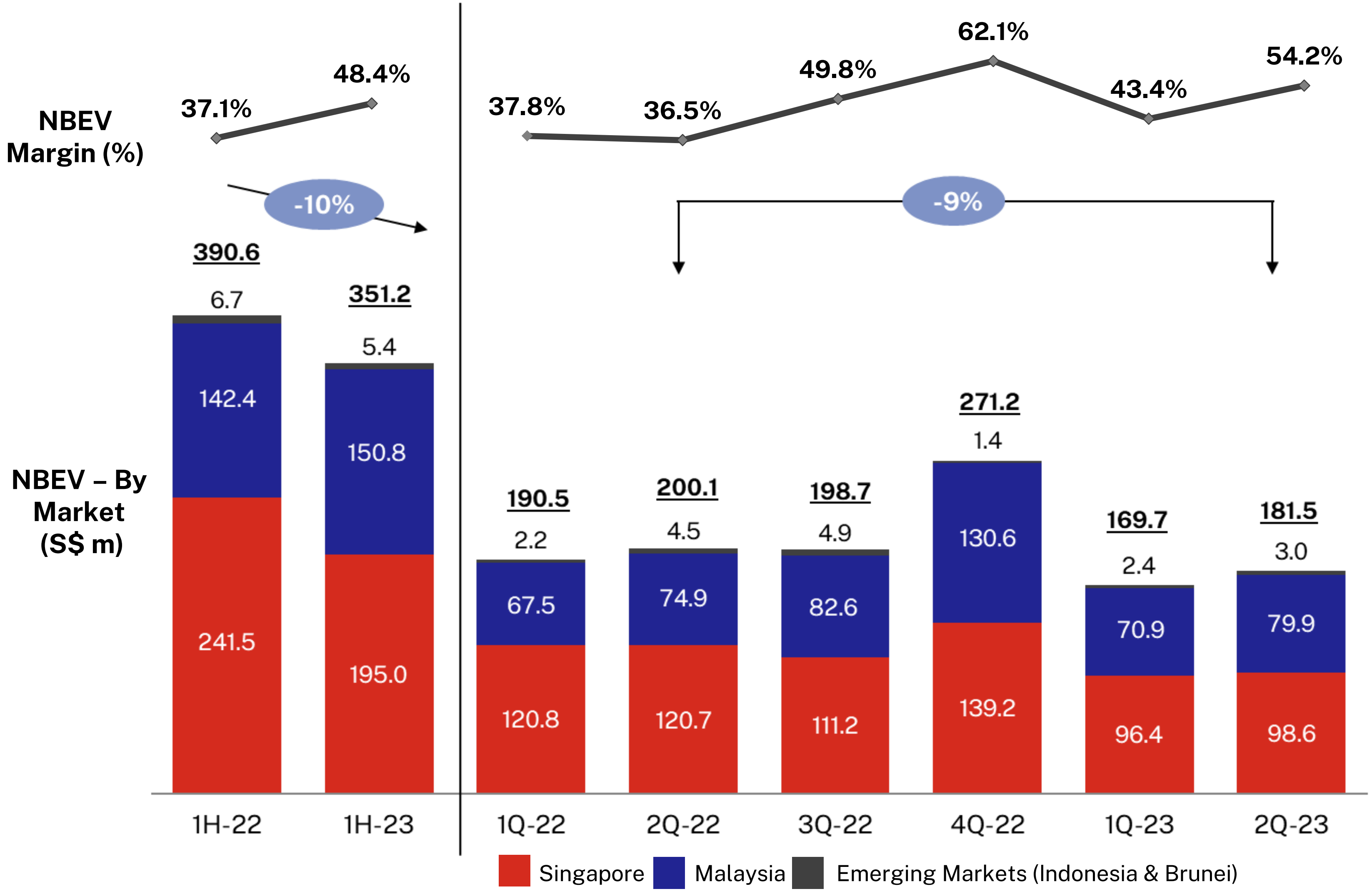
Malaysia TWNS – By Channel



TWNS growth for Malaysia was up 1% for 2Q-23 against the same period a year ago, sustained by good traction from Agency, with exceptional performance from our Takaful business.

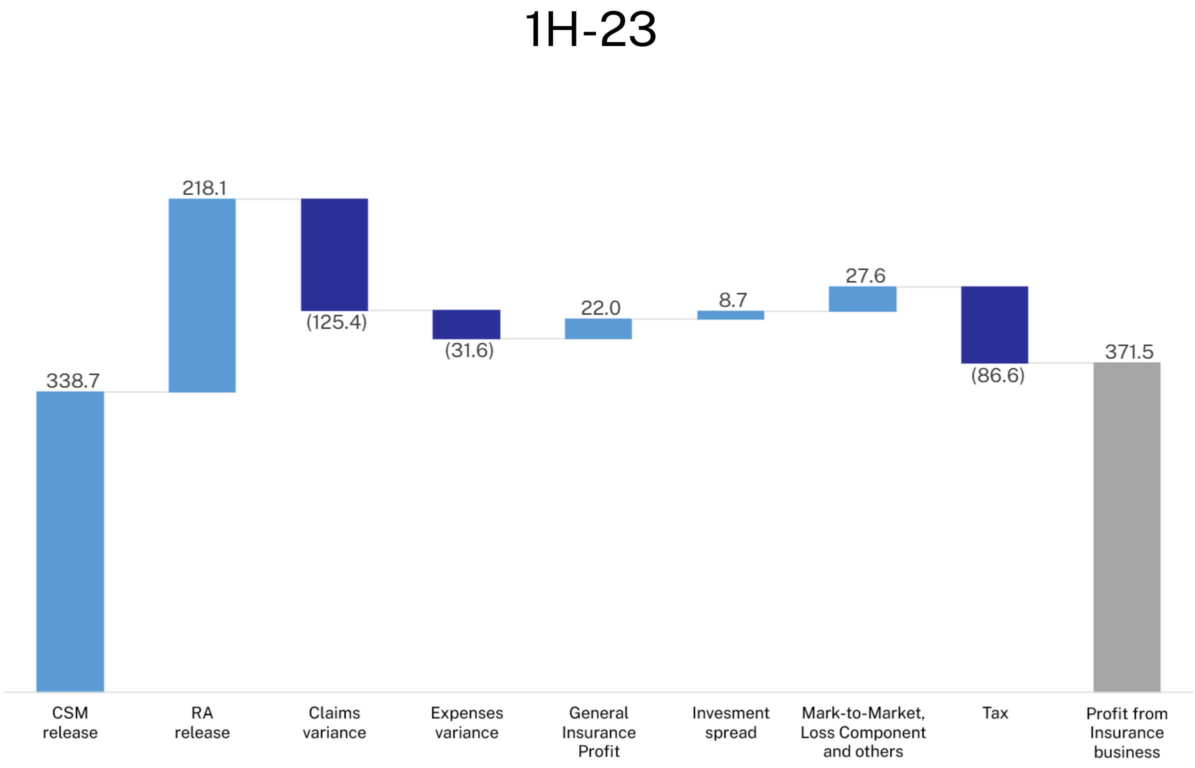
Growth was dampened by weakening Ringgit, otherwise growth would have been 8% for 2Q-23 and 9% for 1H-23.

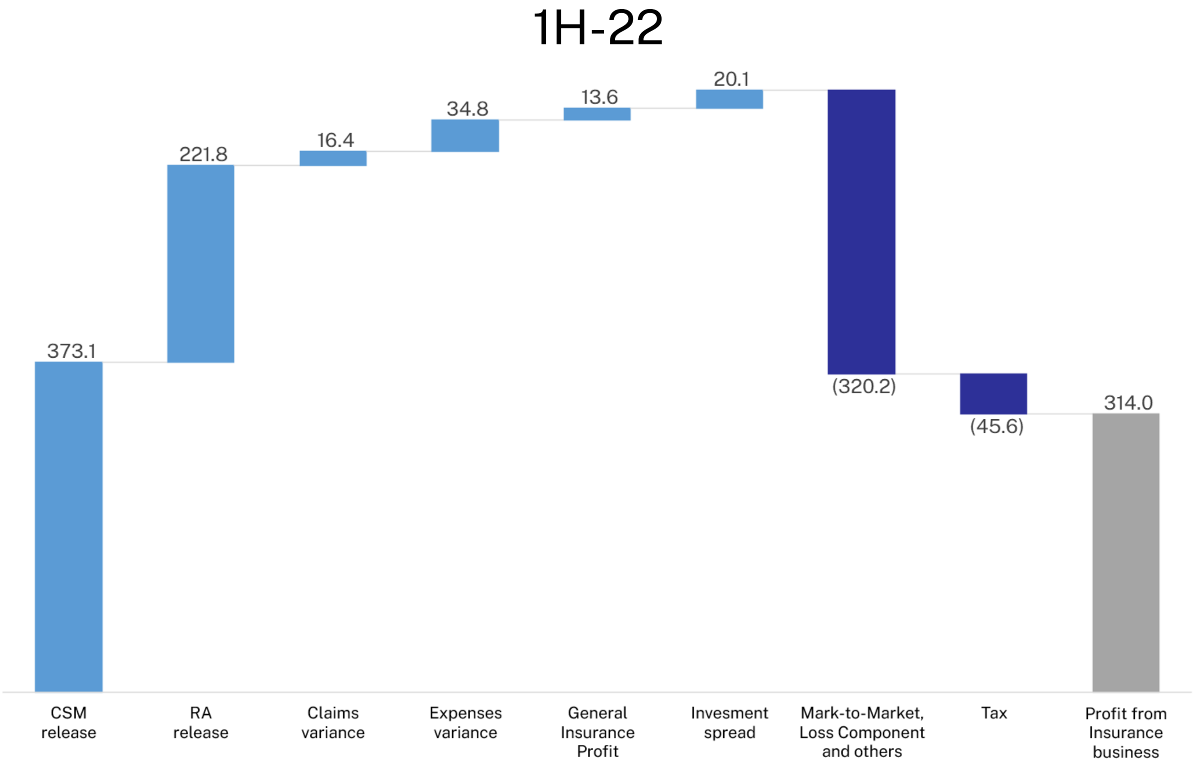
NBEV – By Market



NBEV for 2Q-23 was lower than the same period a year ago due to lower sales from Singapore. However, margin improved across core markets.

Profit from Insurance Business



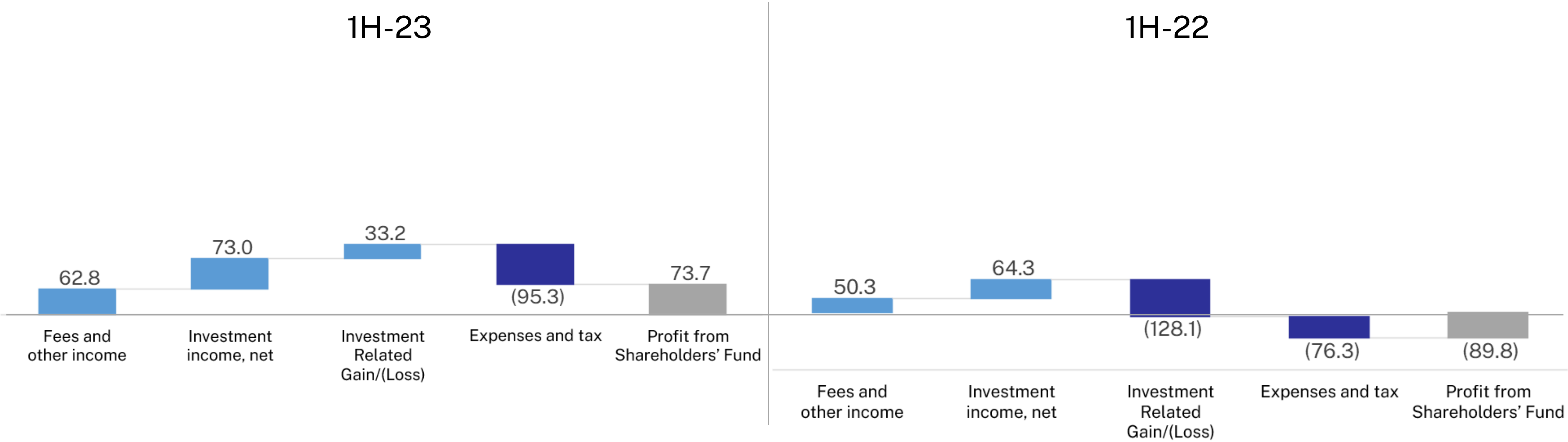


1H-23 against 1H-22 had:

(1) Improvement in investment performance largely drove higher Profit from Insurance Business.

(2) Worsening claims experience largely from rising medical claims from both core markets

Profit from Shareholders' Fund



1H-23 against 1H-22 had:

(1) Gain due to mark-to-market in equities and collective investment schemes, compared to a loss a year ago.

Update on SFRS (I) 17

- SFRS (I) 17 replaces SFRS (I) 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. The Group has adopted SFRS (I) 17 on 1 January 2023 and has prepared its 1H-23 Profit Attributable to Shareholders under this basis. The Group has restated the comparative information for 1H-22.

- This accounting change impacts the timing of profit recognition and the initial shareholders' equity but will not significantly affect the Group's business operations, strategies, earning prospects, capital adequacy and ability to pay dividends.

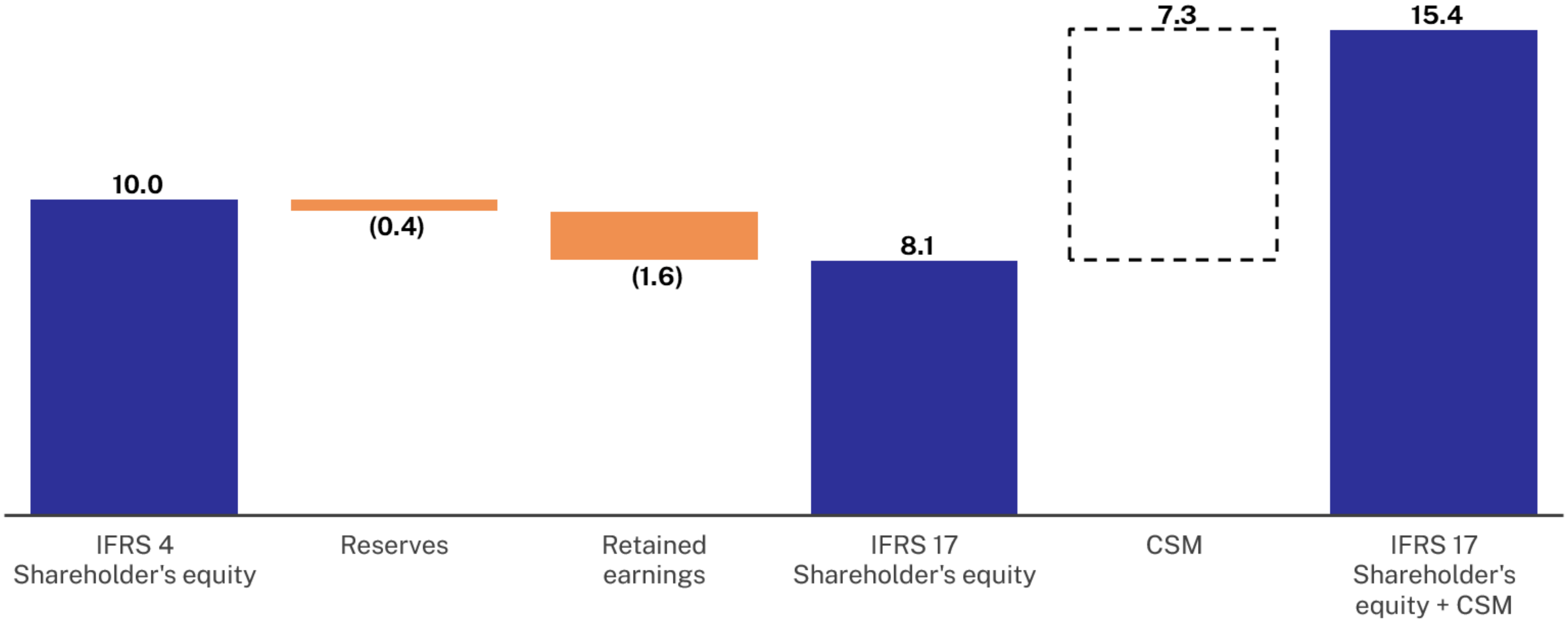
- Under SFRS (I) 4, profit from insurance contracts was recognised at two points: (1) new business profits which represent the difference between premium, expenses and reserves, are recognised immediately on the profit and loss statement; and (2) subsequent differences between actual and expected experiences. Under SFRS (I) 17, the new business profits are recognised in the Contract Service Margin (CSM) on Balance Sheet and released over the life of the insurance contract. Profit emerges as services are provided through the release of future profits from the CSM.

- At transition, the Group's Shareholders' Equity reduced by S$2.0b or 20% from S$10.0b to S$8.1b. CSM of S$7.3b has been established on in-force business and this represents the expected future profits from in-force business.

- We have elected to disaggregate the mark-to-market impact of our long tailed insurance contract liabilities and its backing assets to Other Comprehensive Income (OCI). The option to disaggregate mark-to-market impact of liabilities to OCI was not available under SFRS (I) 4. Our intention is to better match asset and liability mark-to-market movements within the Income Statement and reduce profit volatility.

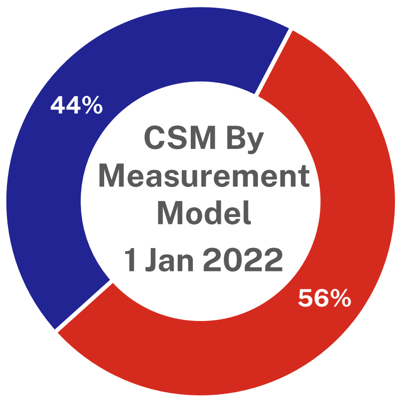
Shareholders' equity on transition

in $billions

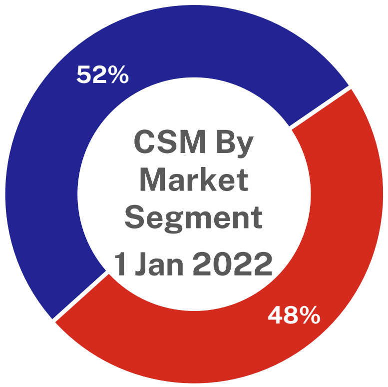


CSM by Class of Business and Geography

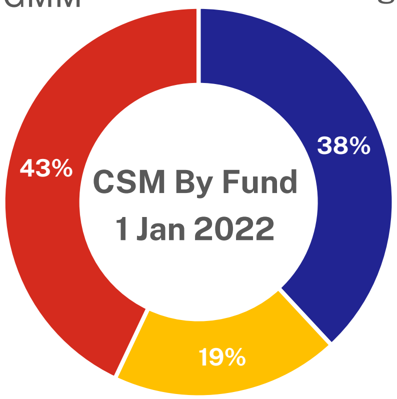
Measurement Model	Class of Business	Included in CSM
General Measurement Model (GMM)	• Non-Par protection and savings • Universal life • Investment-Linked (protection) • Group insurance	✓
Variable Fee Approach (VFA)	• Participating • Investment-Linked (savings)	✓
Premium Allocation Approach (PAA)	• General insurance	X



■ VFA ■ GMM



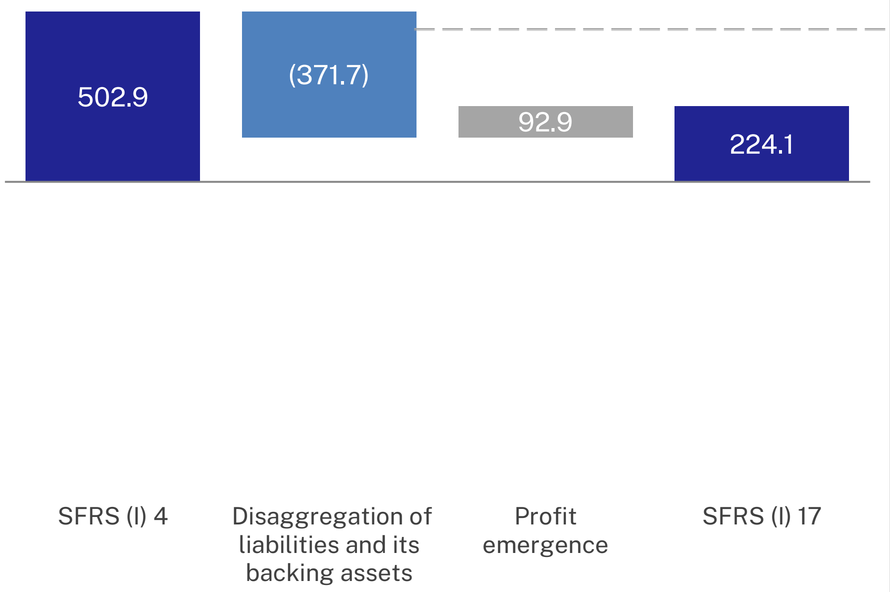
■ Singapore ■ Malaysia



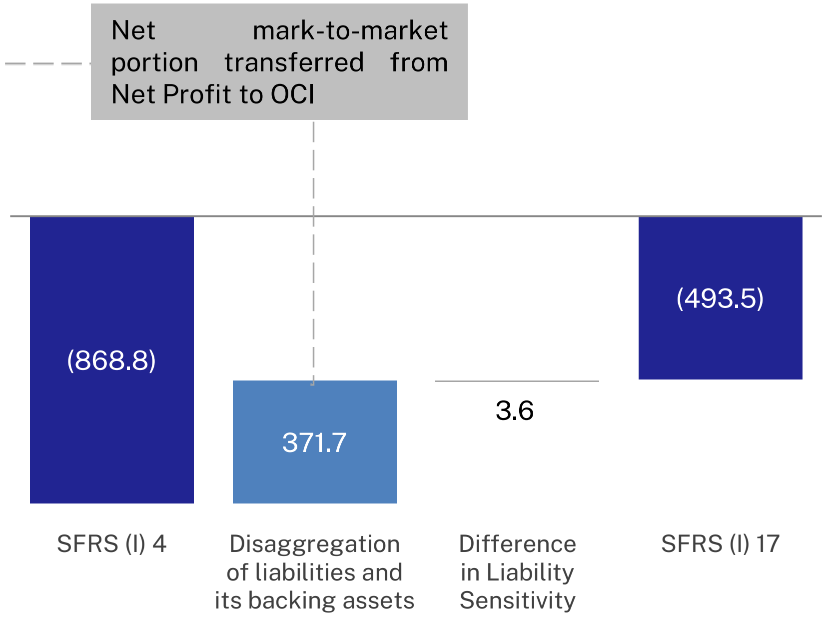
■ Par ■ Non-Par ■ Linked

Comparison of 1H-22 Profit Attributable to Shareholders and Total Comprehensive Income under SFRS (I) 4 to SFRS (I) 17

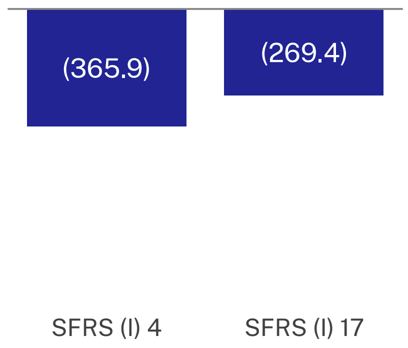
Profit Attributable to Shareholders (S$m)



Other Comprehensive Income (OCI) (S$m)



Total Comprehensive Income (TCI) (S$m)



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. TWNS, NBEV and NPAT in foreign currencies are translated using the respective monthly spot rate.

Thank you