

GREAT EASTERN HOLDINGS LIMITED

Announcement of Financial Results for the year ended 31 Dec 2001

21 February 2002, Thursday

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Agenda

- **Review of 2001 Results**
- **Status of Integration**
- **2002 Outlook**

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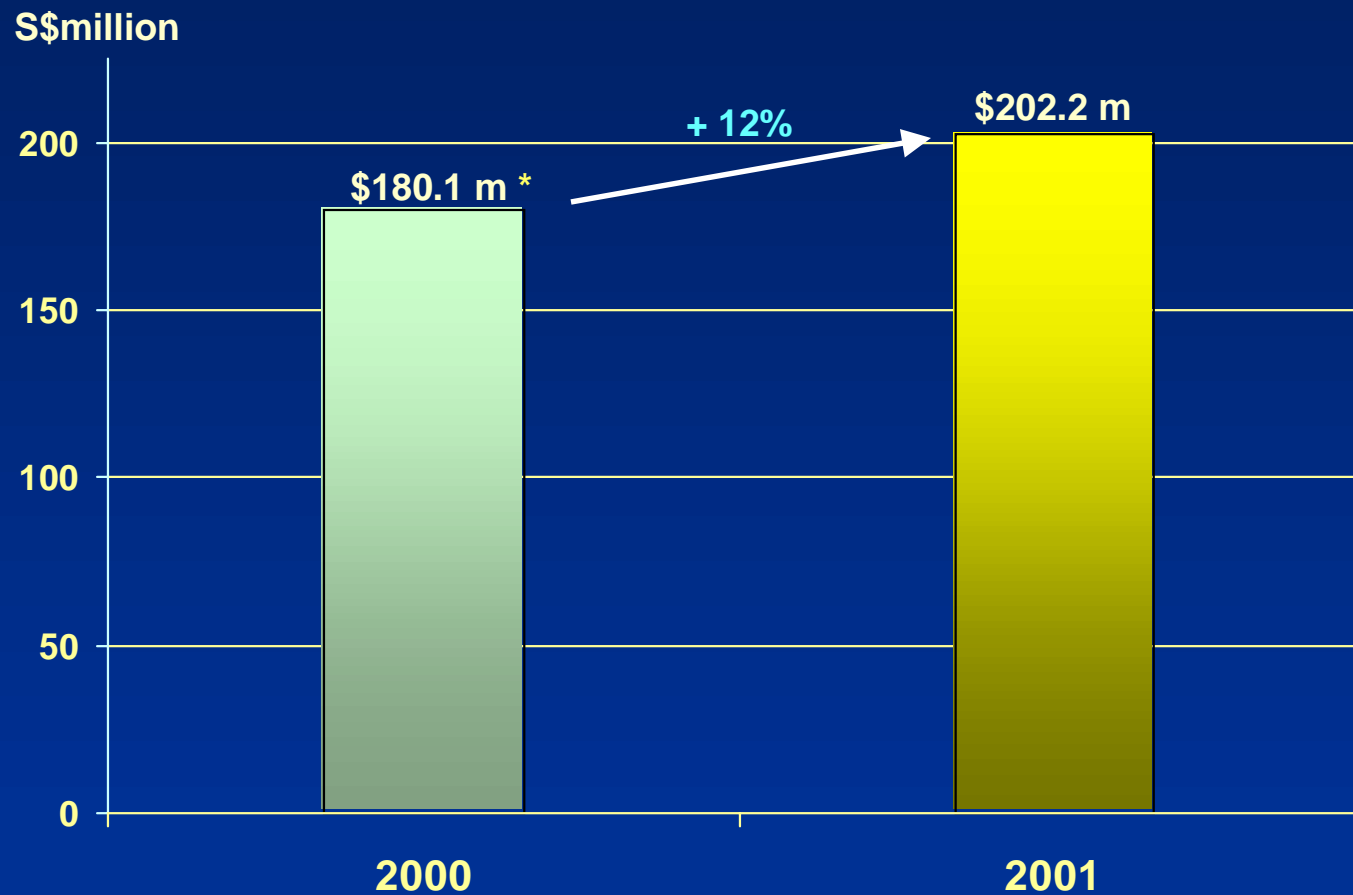
Please note:

- **Comparison is based on published results**, *i.e. 2000 Profit & Loss does not include OAC, whereas the Balance Sheet @ 31 December 2000 includes OAC.*
- **Merger with OAC was completed on 23 December 2000.**

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Group Profit After Tax

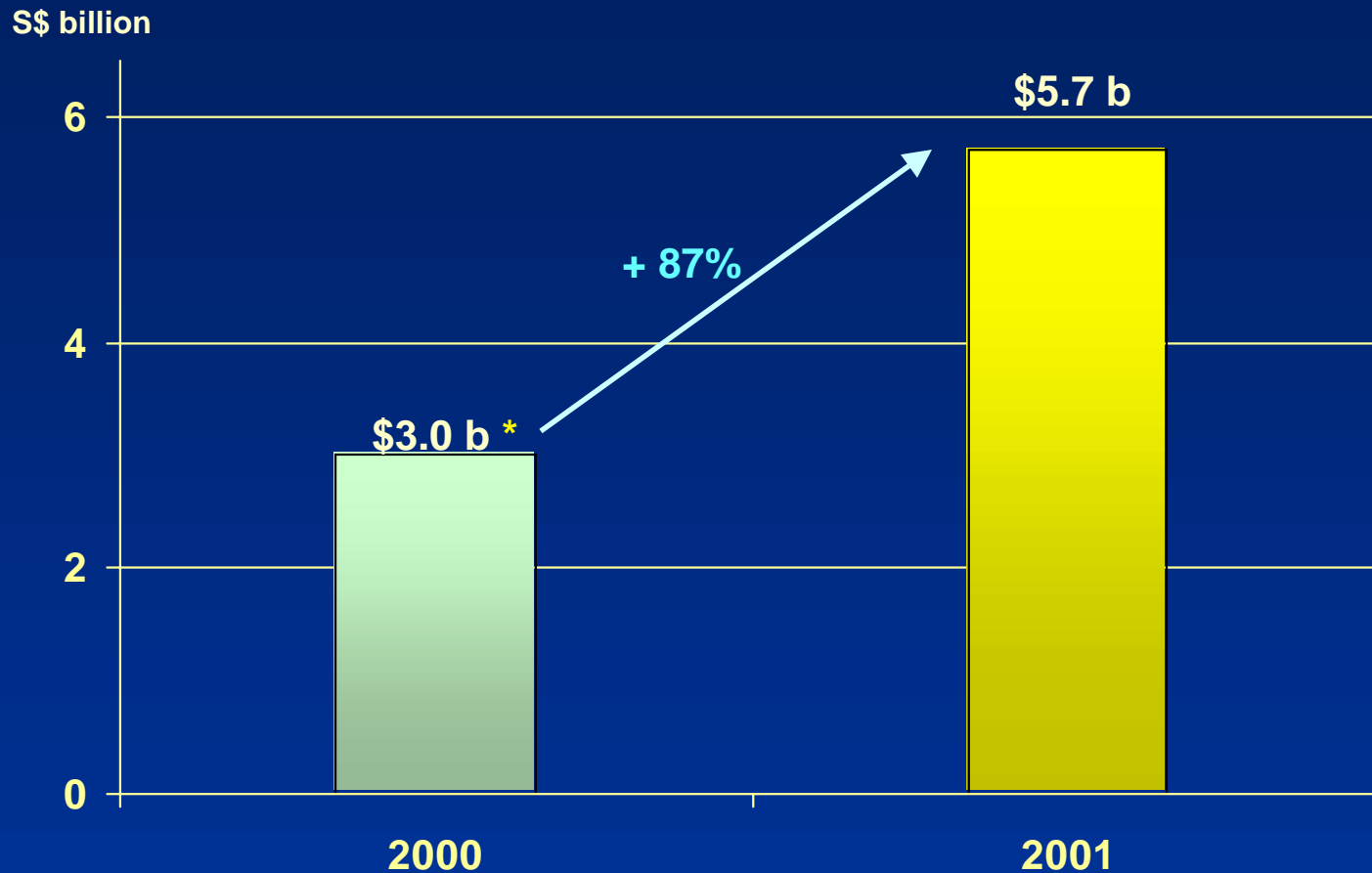


* include OAC = \$236.0 m (- 14%)

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Gross Premiums

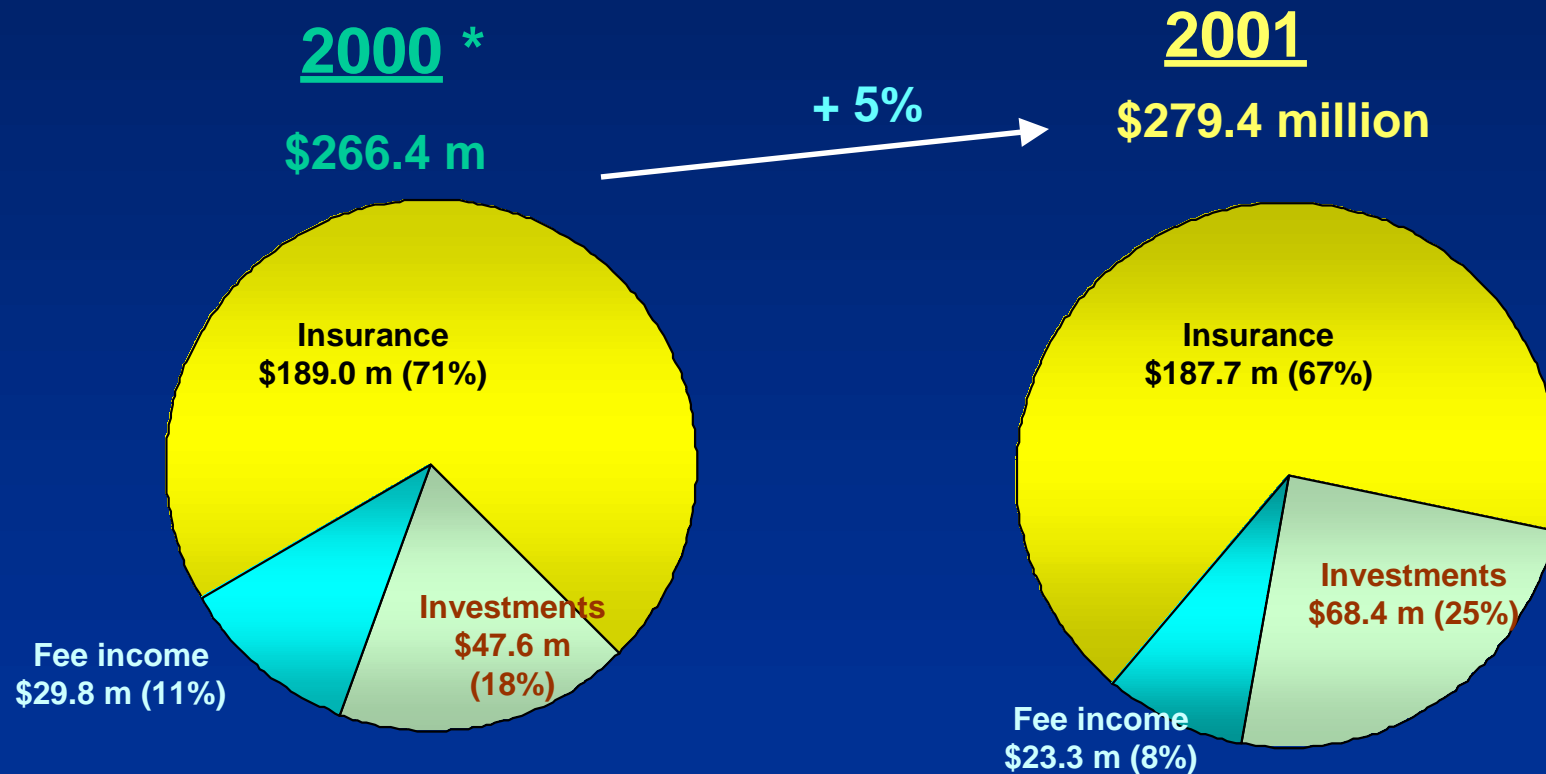


* include OAC = \$3.6 b (+ 56%)

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Group Profit Before Expense/Tax

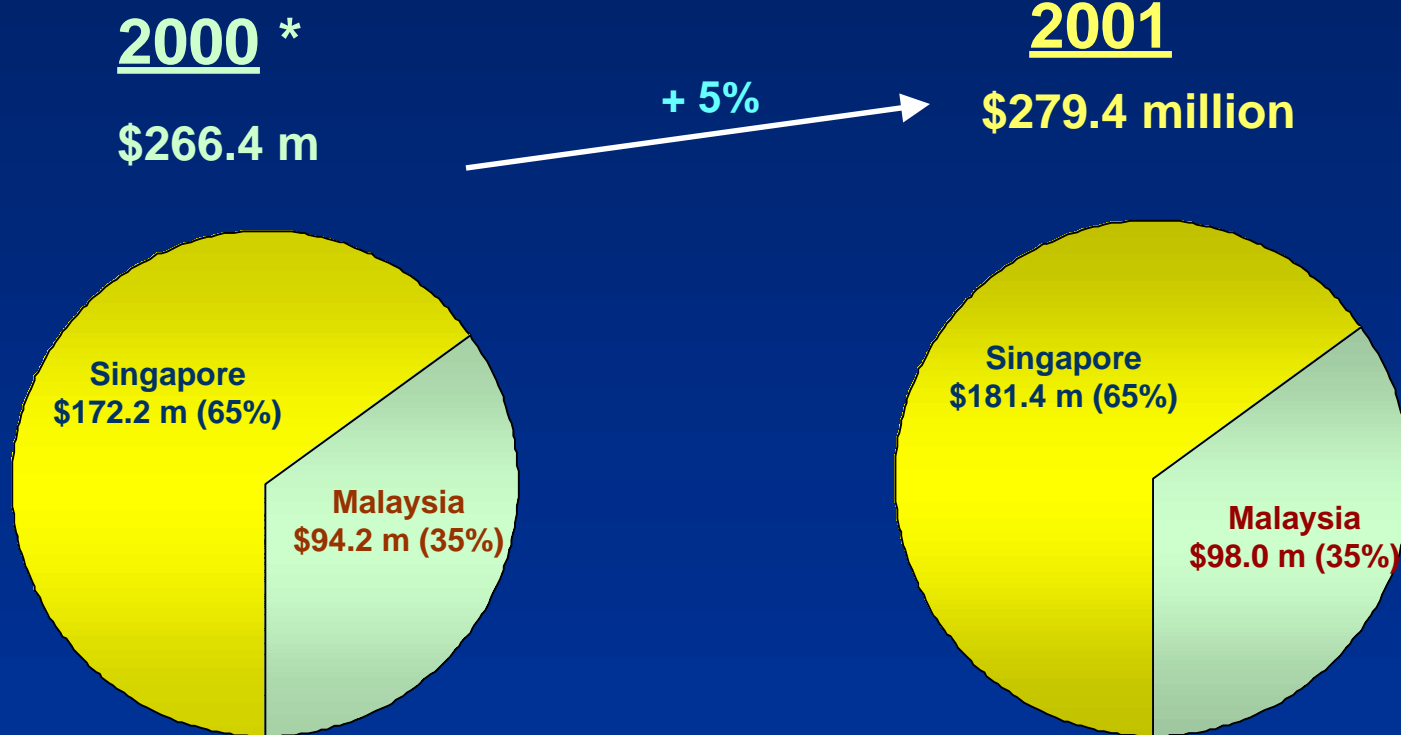


* include OAC: \$349.2 m (- 20%)

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Group Profit Before Exp/Tax by Segment

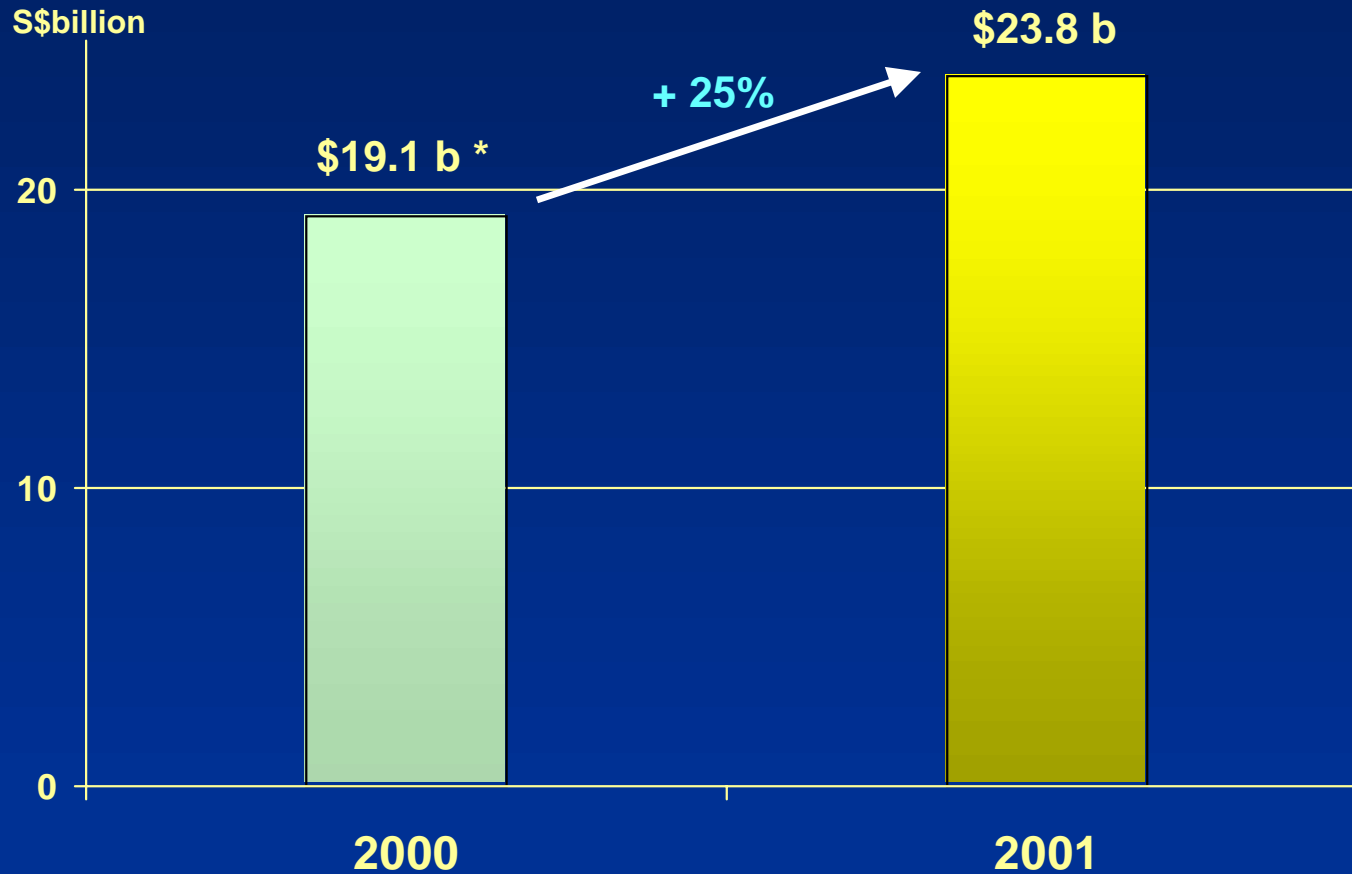


* include OAC: \$349.2 m (S'pore: 64%, M'sia: 36%)

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Group Assets @ 31 December

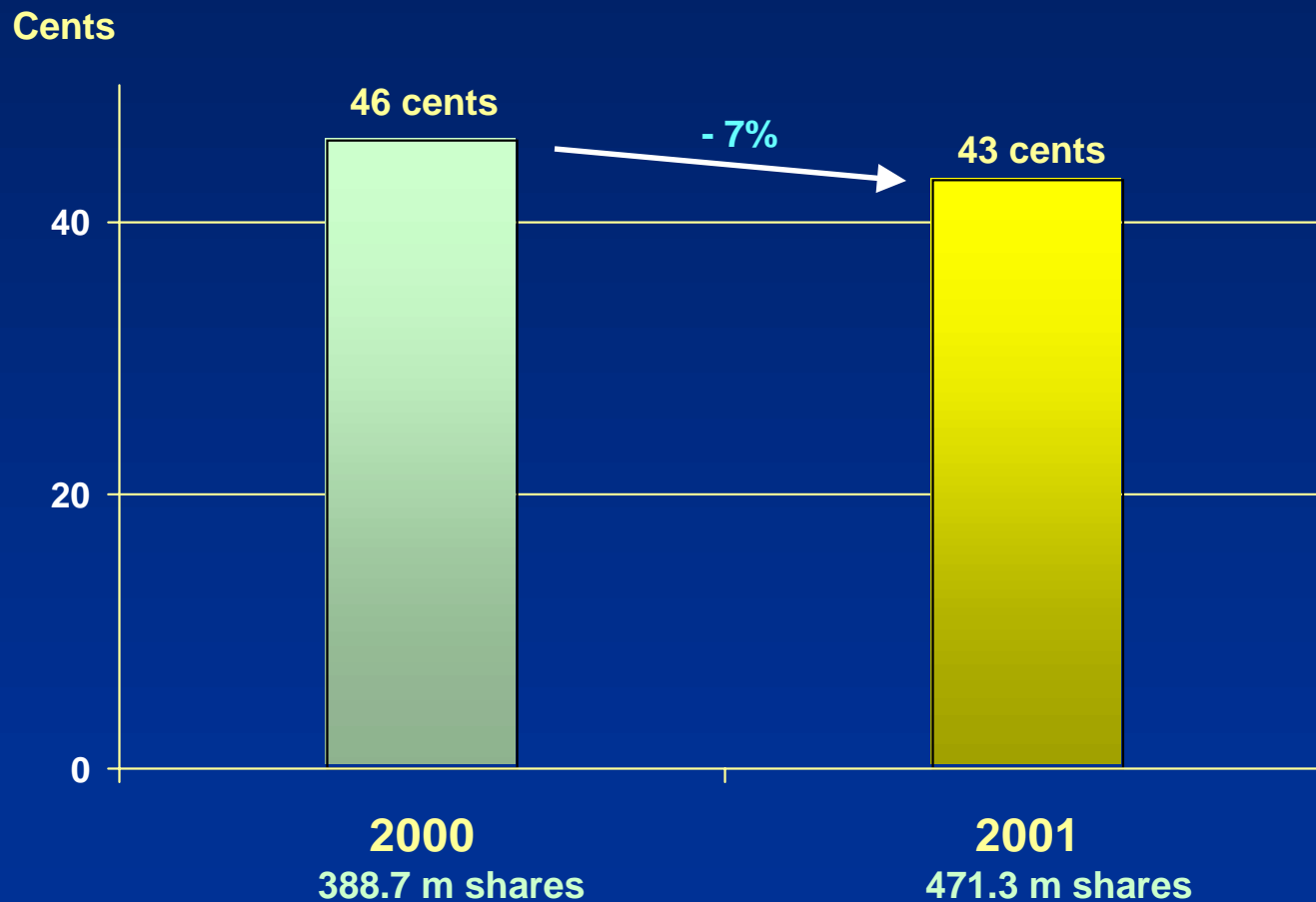


* Assets include OAC

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Earnings Per Share



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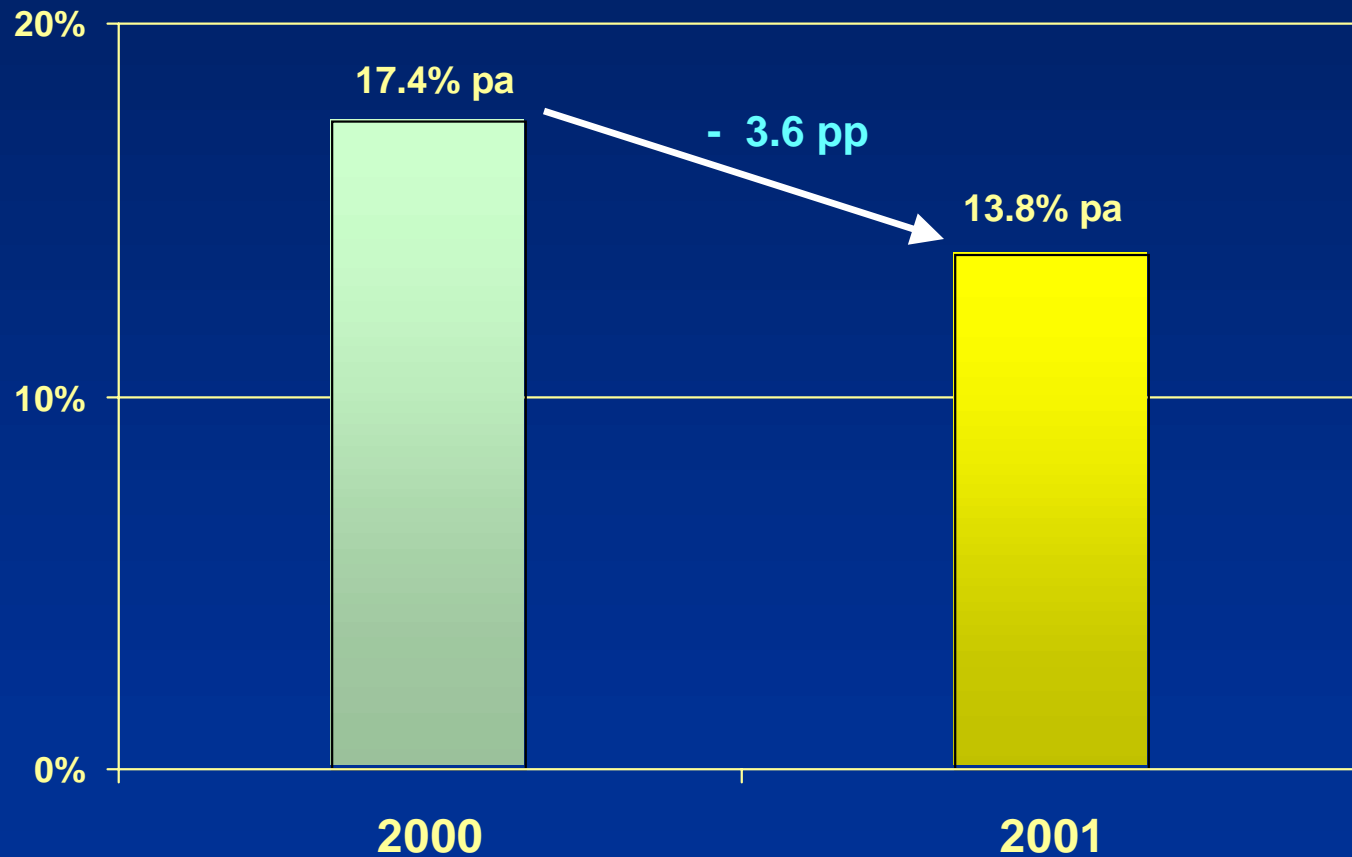
Net Tangible Assets Per Share @ 31 December



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Return on Equity



* Adjusted for SAS 10, previous 18.2%

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Management Expense Ratio (Singapore only, include OAC)

	Great Eastern	Major Competitors	Industry
2001	1.55%	not available	not available
2000	2.43%	2.92% to 4.18%	3.52%

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Group Management Expense Ratio (include OAC)

		<u>Target</u>
2001	2.15%	not > 3%
2000	2.91%	not > 3.5%

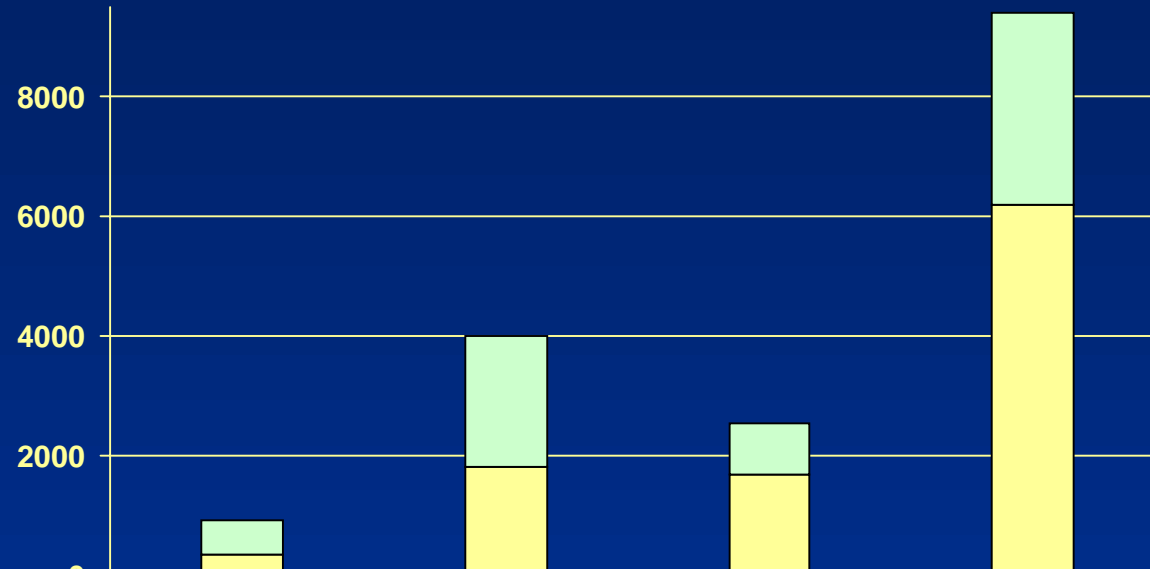
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New Business Market Share

(New Business, Total Premium basis, Singapore only, include OAC)

S\$million

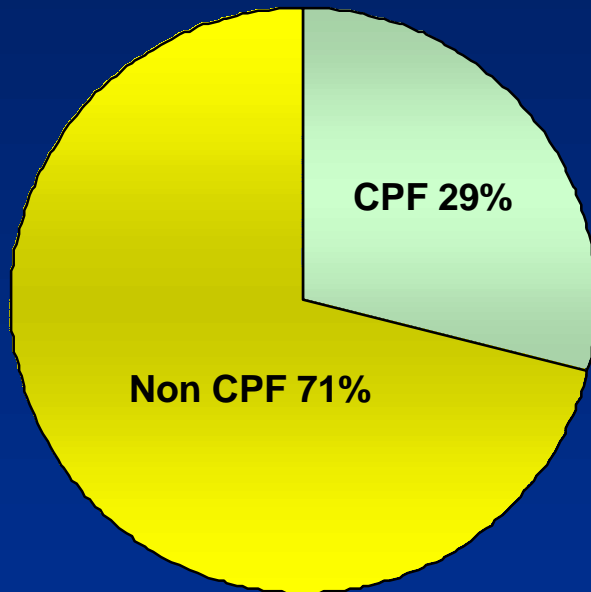


	2000 GE	2000 Ind	2001 GE	2001 Ind
■ H2	588.1	2,186.3	875.0	3,196.3
■ H1	341.7	1,817.1	1,673.9	6,202.8
Total	929.8	4,003.4	2,548.9	9,399.1
GE market share	23%	100%	27%	100%

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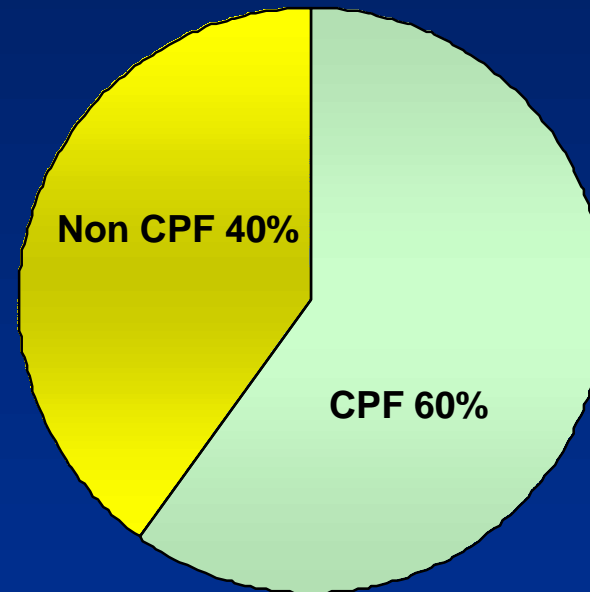


New Business – CPF vs Non-CPF (Total New Business, Singapore only, include OAC)



2000

Industry CPF: 38%



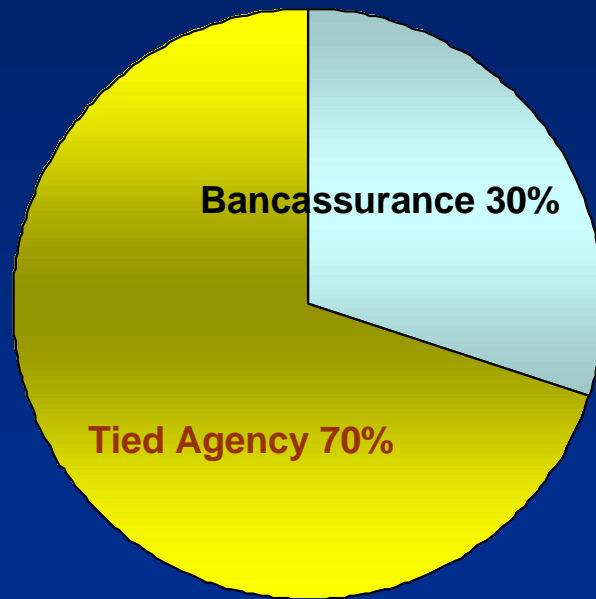
2001

Industry CPF: 69%

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New Business by Distribution Channel (New Business, Total Premium basis, Singapore only, include OAC)

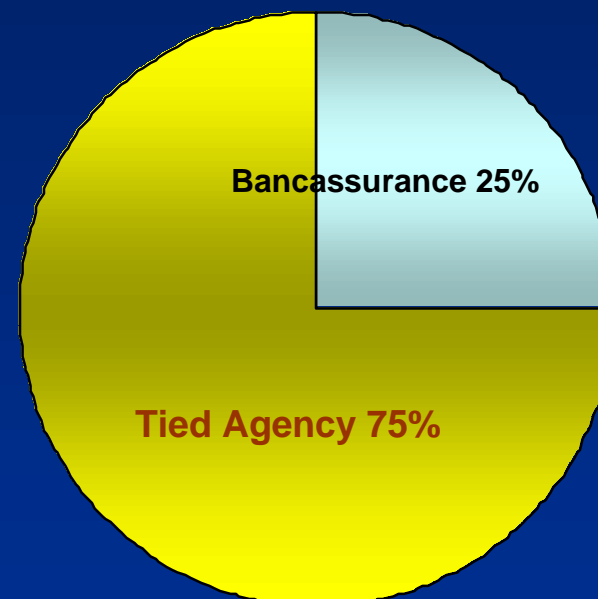


2000

Bancassurance

Market share:

not available



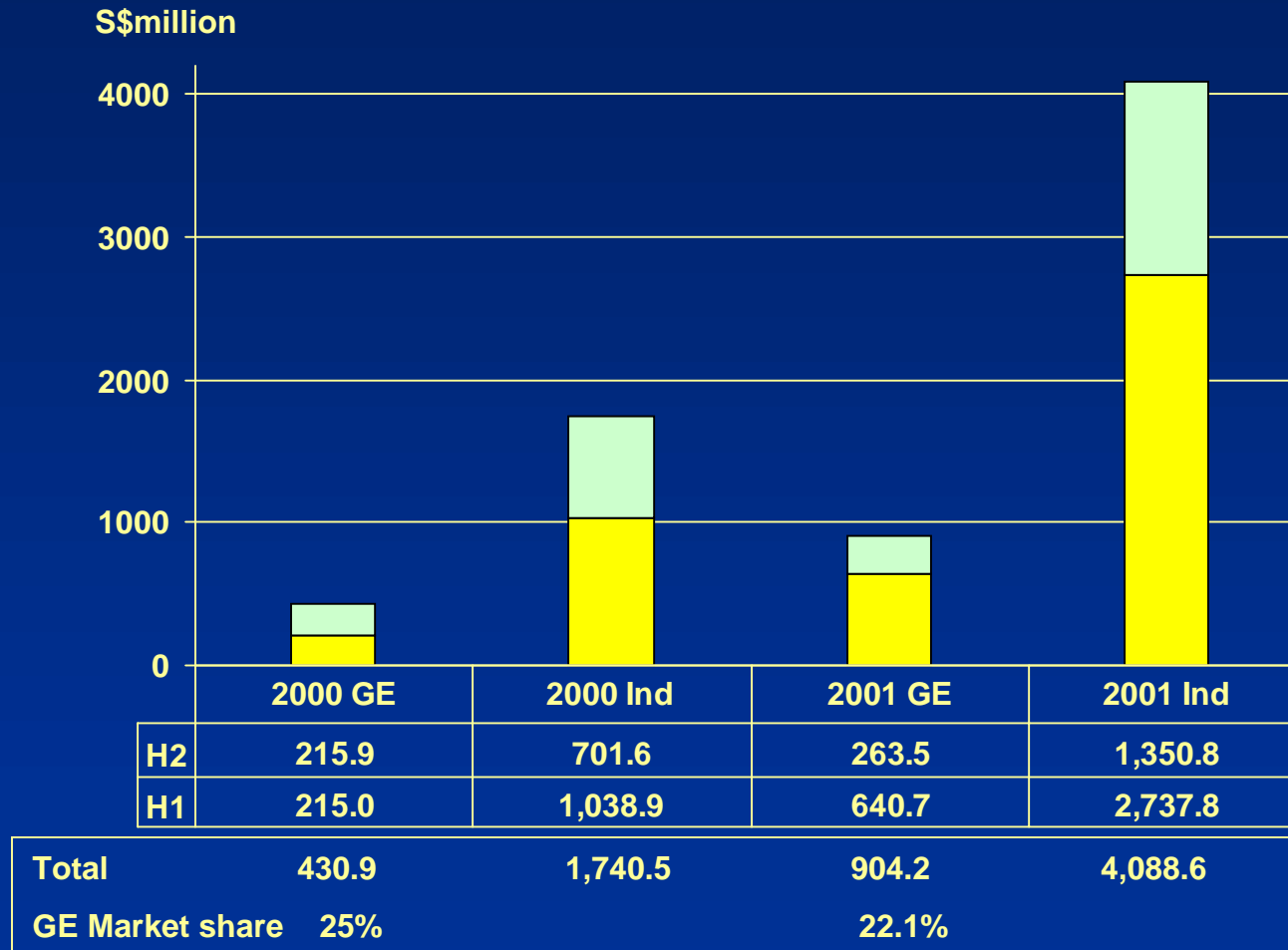
2001

41%

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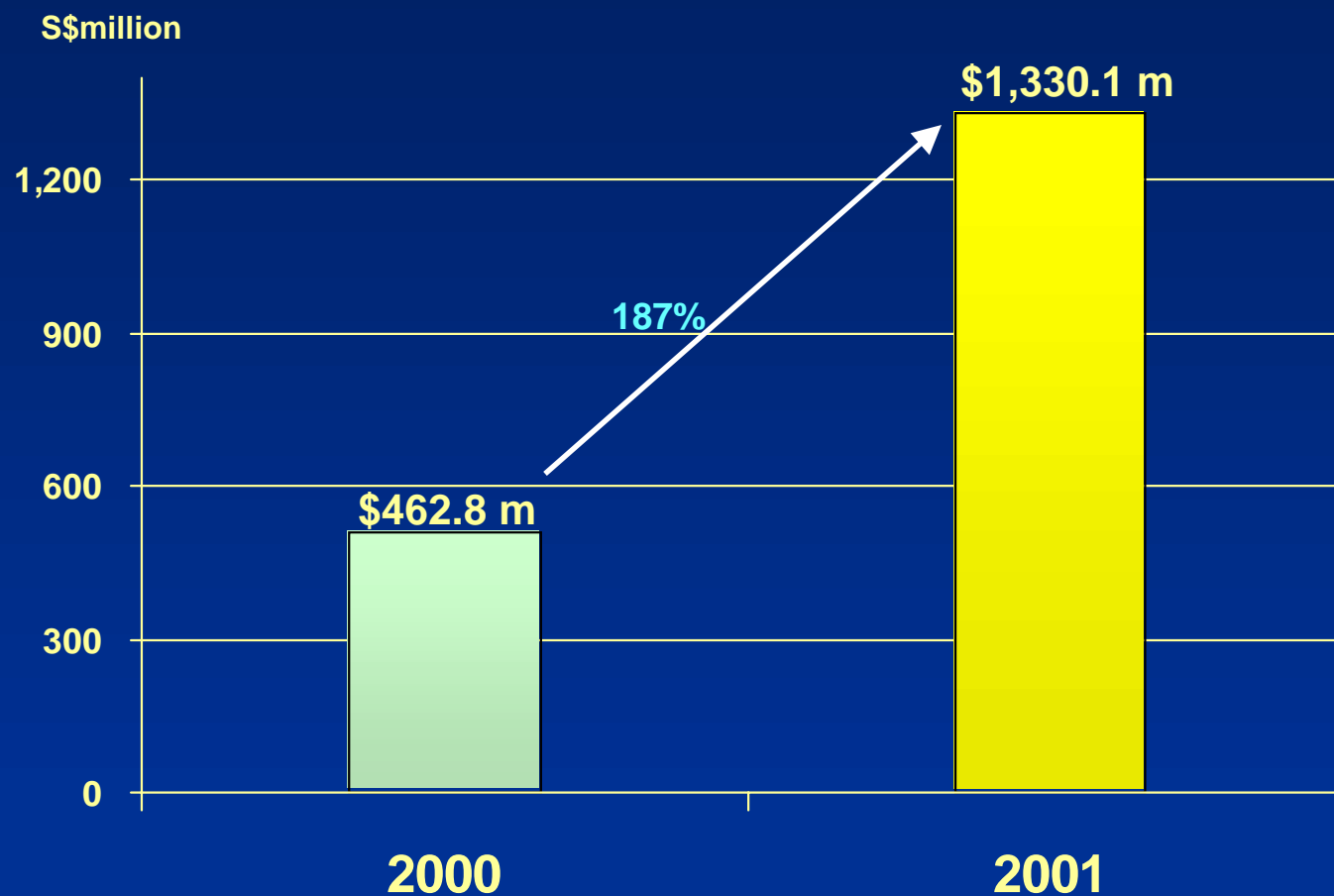
Investment Linked Premium Total New Business, Singapore only, include OAC



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Investment-Linked Fund Asset (Singapore only) @ 31 December (include OAC)



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Group Performance 2001 Key Financial Goals

	<u>Target</u>	<u>Actual</u>
Profit After Tax growth	+ 10 %	- 14 %
Gross Premium growth	+ 25 %	+ 56 %
Fund Surplus growth	+ 17 %	+ 19 %
Management Expense ratio	not > 3 %	2.15% (+ 28%)

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Life Fund Surpluses @ 31 December

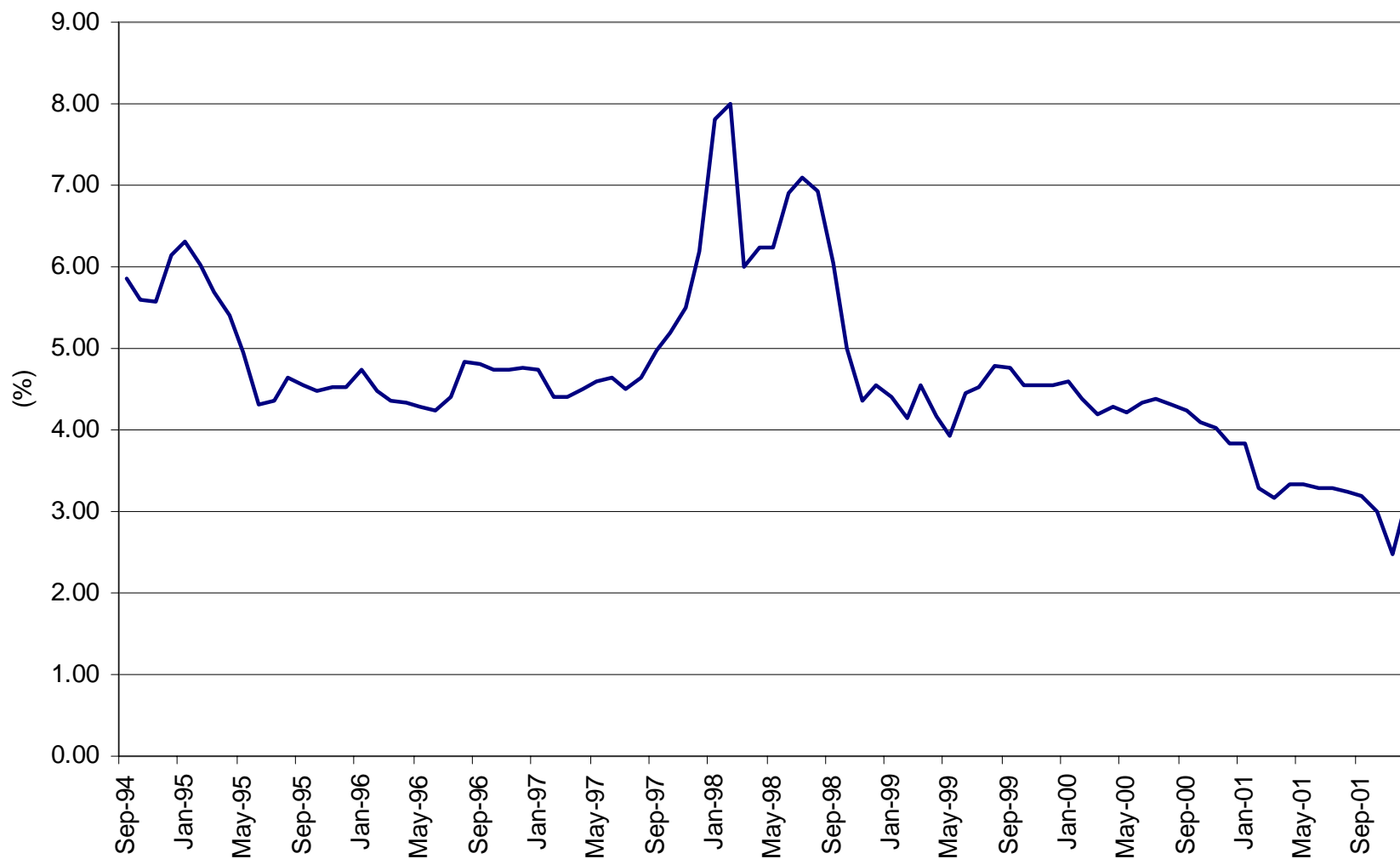
<u>in S\$ millions</u>	<u>2000</u> *	<u>2001</u>	<u>change</u>	<u>U/R gain</u>
Singapore	838.1	990.0	+ 18 %	338.1
Malaysia	756.7	911.8	+ 20 %	467.4
Others	48.3	57.2	+ 18 %	-
Group Total	1,643.1	1,959.0	+ 19 %	805.5

* include OAC

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S\$ INTEREST RATE SWAP (5-YEAR)



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Rationale for Bonus Revision

- Older policies priced at 6% and above;
- Fixed income returns eroded over the past two years by as much as 125-175 basis points;
- No immediate turnaround of fixed income yield due to high liquidity;
- Over 50% of life funds invested in fixed income; and
- LIA revised maximum pricing interest rate from 6% to 5.25% pa to take effect from 1 March 2002.

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Embedded Value

- EV to be disclosed for the first time effective 2001 Great Eastern Holdings Annual Report;
- Briefing planned in April for the benefit of media, investors and analysts.

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Status of Integration

Singapore - completed 30 November 2001

- Integrated front office, viz customer service at GEC;
- Integrated back office functions, HR, Finance, IT (supervision and network), Claims, New Business Underwriting for life business operations;
- Combined staff strength reduced by 106 count, with estimated annual manpower cost savings of 14%.

Malaysia - completed 1 September 2001

- Transfer of life fund business from OACM to GELM on 1 September.

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2002 Outlook

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2002 OUTLOOK

- Interest rate to remain soft;
- Return from equity investment portfolio to remain volatile;
- Seeking to achieve:
 - **PAT of \$233m to \$250m**
i.e. 15% to 25% growth;
 - **ROE of 14% to 15% pa; and**
 - **Premium growth of 3% to 7%.**

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Thank You

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