

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q1-16
Supplementary Information

25 April 2016

Overview of Q1-16 Financial Results

S\$'m	Q1-16	Q1-15	Δ
Total Weighted New Sales[^]	222.9	204.5	+9%
New Business Embedded Value[*]	84.7	84.4	-
Operating Profit (net of tax)[#] from Insurance Business	120.4	150.7	-20%
Non-Operating Profit (net of tax)[#] from Insurance Business	-42.6	41.1	nm
Profit/loss from Shareholders' Fund's Investments	28.9	45.6	-37%
Group Profit Attributable to Shareholders[~]	96.9	220.5	-56%

Note:

[^]Total Weighted New Sales (TWNS) = (Single Premium x 10%) + New Regular Premium

^{*}New Business Embedded Value (NBEV) is a measure of the long term profitability of new sales

[#]Profit from insurance business in the Group Profit and Loss Statements are presented gross of tax for all life assurance funds in Malaysia and the Participating Fund in Singapore. Reconciling tax adjustment is S\$11.3m for Q1-16 (Q1-15: S\$13.8m)

-For comparative reasons, TWNS / NBEV figures for Q1-15 have been restated using exchange rates as at 31 March 2016. NBEV figures for Q1-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.

- nm: not meaningful



Q1-16 Key Highlights

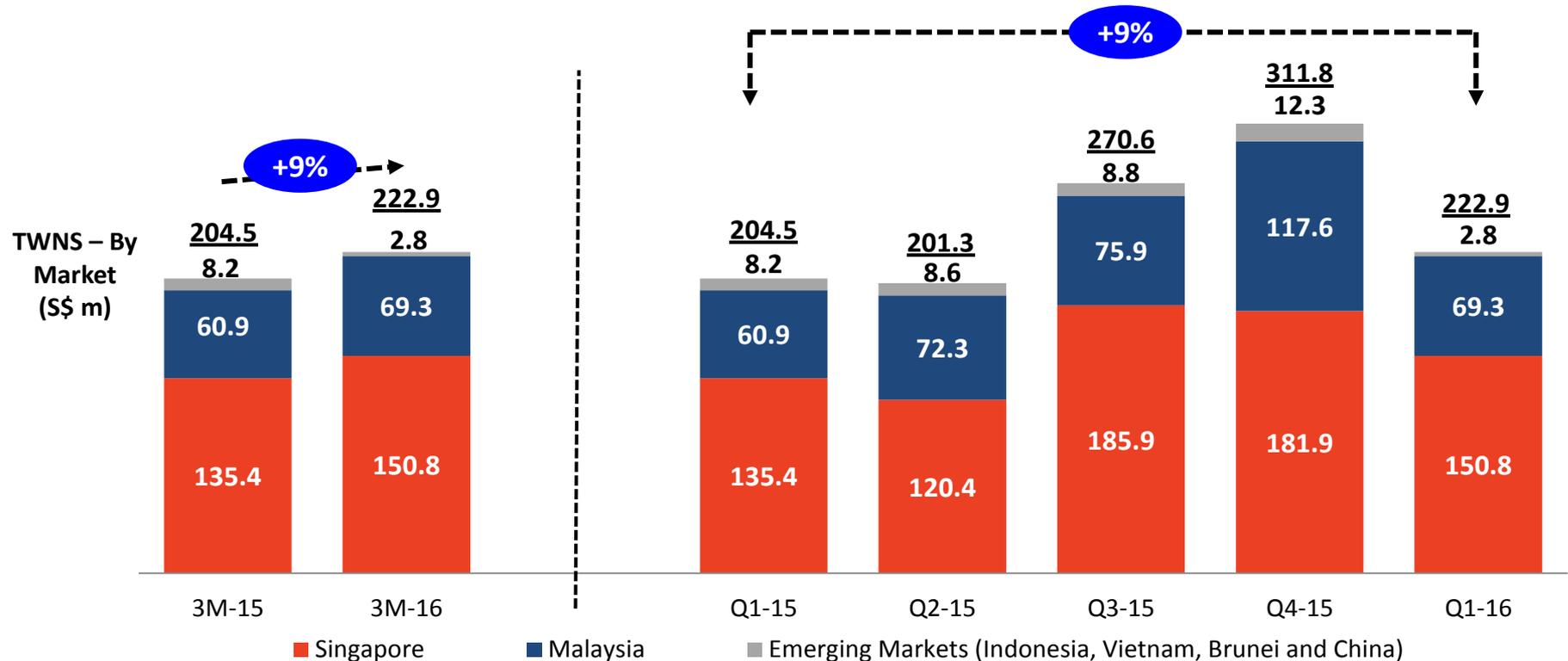
- Total Weighted New Sales (TWNS) for Q1-16 grew 9% from the same quarter last year to S\$222.9m, underpinned by higher sales in both Singapore and Malaysia. Excluding the sales contribution from the Group's investment in China, which ceased to be accounted for as an associate from December 2015, the Group's TWNS for Q1-16 was 11% higher than the same quarter last year.
- NBEV for Q1-16 was S\$84.7m, comparable with the same quarter last year; NBEV margin of 38.0% was lower as a result of channel and product mix shifts.
- Operating profit from insurance business for Q1-16 of S\$120.4m was lower than the same quarter last year, caused by higher claims in the Non-participating Fund; lower profit contributions in Singapore Dollar terms from the Group's operations in Malaysia as the Malaysian Ringgit had weakened against the Singapore Dollar.
- Non-operating loss of S\$42.6m for Q1-16, as financial markets experienced widening of credit spreads and decline in equity markets.
- Group Profit attributable to Shareholders of S\$96.9m for Q1-16 was lower than the same quarter last year, largely because of unrealised fair value losses from the valuation of assets and liabilities in the insurance business amid unfavourable financial market conditions.



Total Weighted New Sales (TWNS) – By Market

TWNS for Q1-16 grew 9% from same quarter last year to S\$222.9m:

- Excluding the sales contribution from the Group's investment in China, which ceased to be accounted for as an associate from December 2015, the Group's TWNS for Q1-16 was 11% higher than the same quarter last year
- Underpinned by higher sales in both Singapore (+11%) and Malaysia (+14%)



Note:

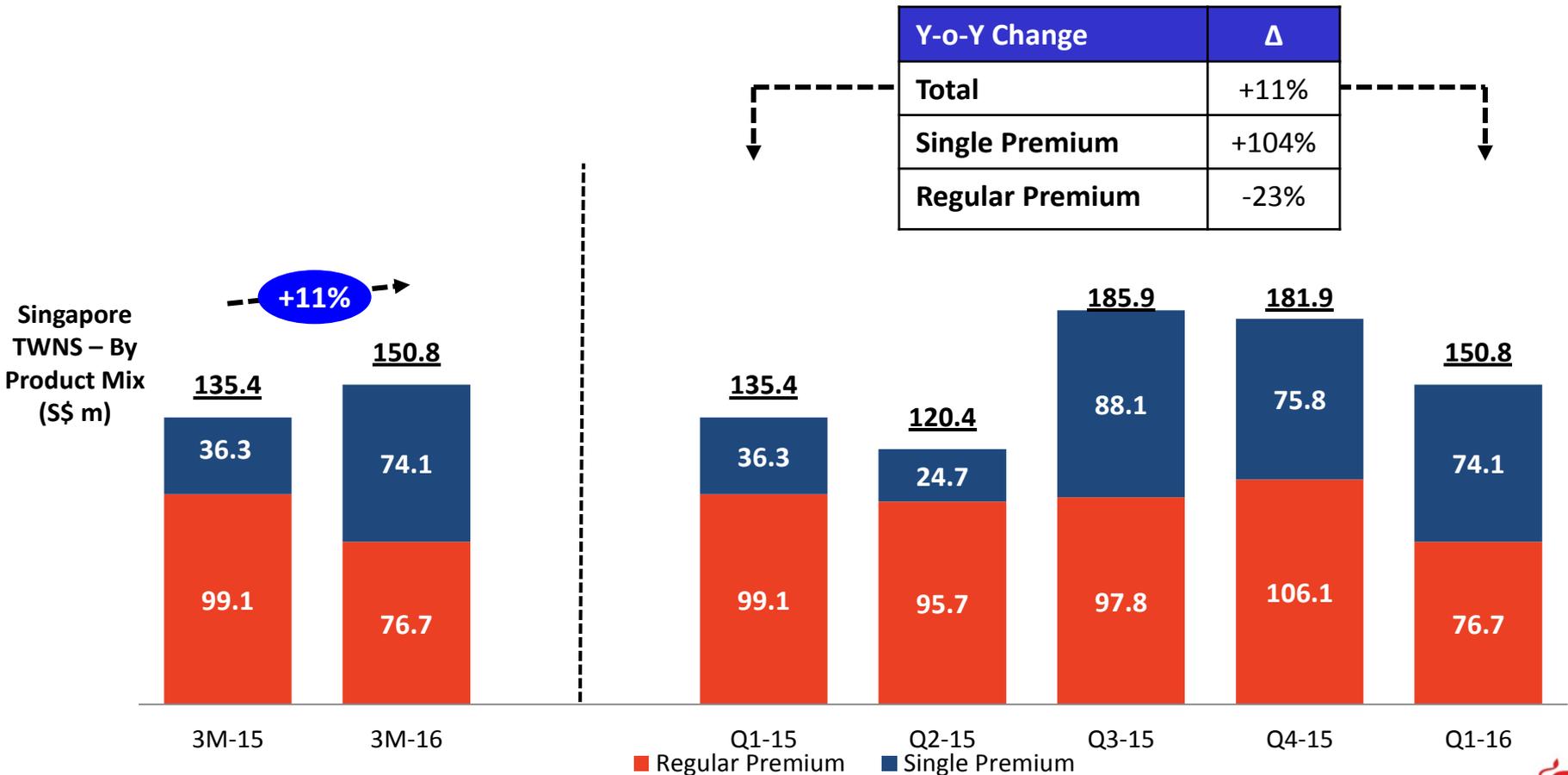
- For comparative reasons, TWNS figures for periods prior to Q1-16 have been restated using exchange rates as at 31 March 2016.
- TWNS for Q1-15, Q2-15, Q3-15 and Q4-15 (up to 30 November 2015) include sales from the Group's investment in China.
- TWNS in December 2015 and Q1-16 exclude sales from the Group's investment in China.
- QoQ TWNS comparison may not be relevant given seasonality of insurance sales.



Singapore TWNS – By Product Mix

Singapore TWNS of S\$150.8m for Q1-16 was 11% higher:

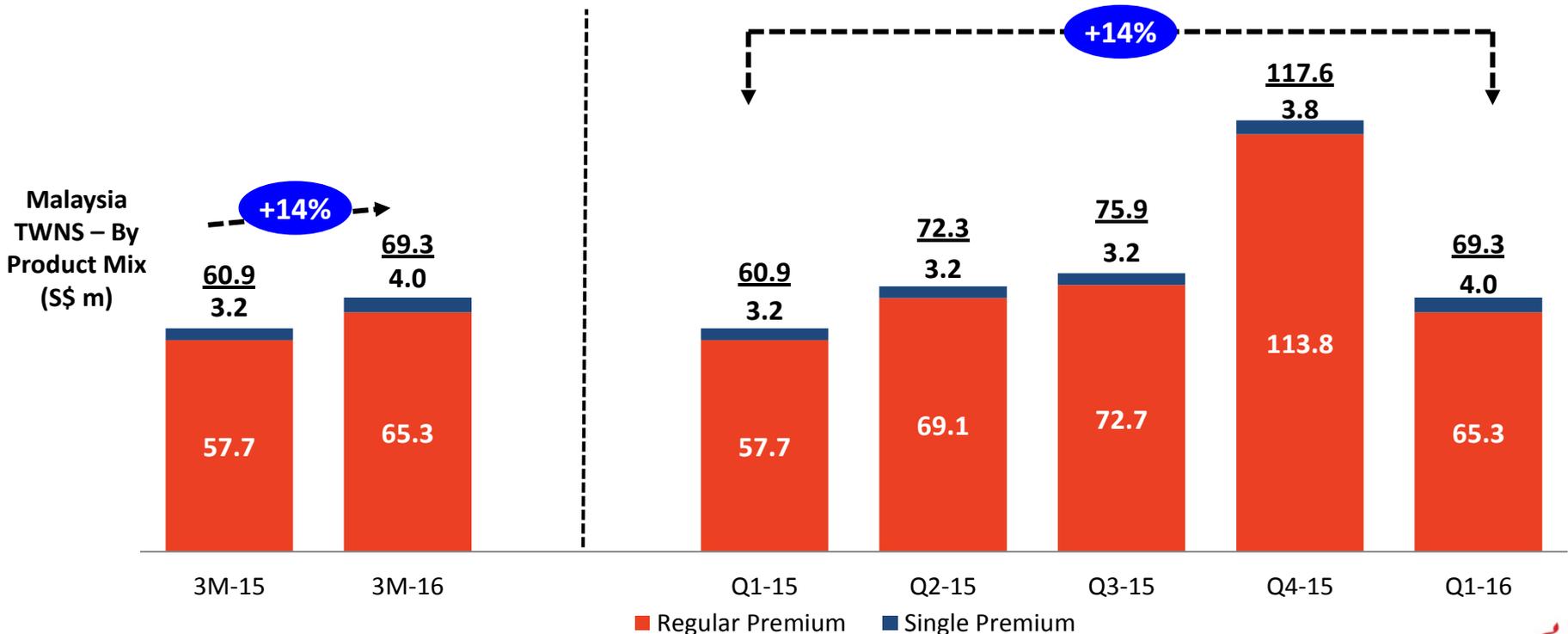
- Fuelled by strong sales from the bancassurance channel



Malaysia TWNS – By Product Mix

TWNS in Malaysia of S\$69.3m for Q1-16 was 14% higher:

- Regular premium products continued to drive growth in both the conventional and takaful businesses



Note:

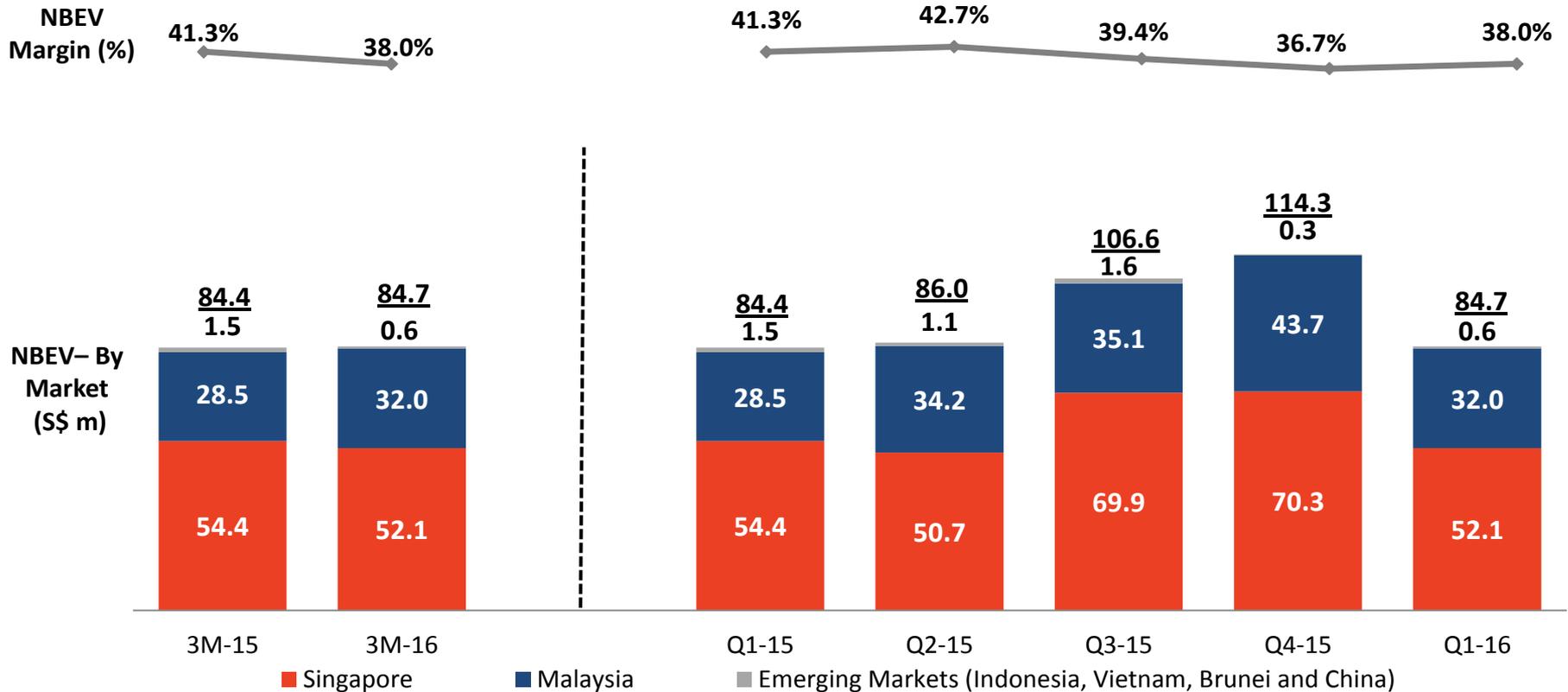
- For comparative reasons, TWNS figures prior to Q1-16 have been restated using exchange rates as at 31 March 2016.



New Business Embedded Value (NBEV)- By Market

Higher NBEV of S\$84.7m for Q1-16; NBEV margin of 38.0%:

- Lower margin as a result of channel and product mix shifts



Note:

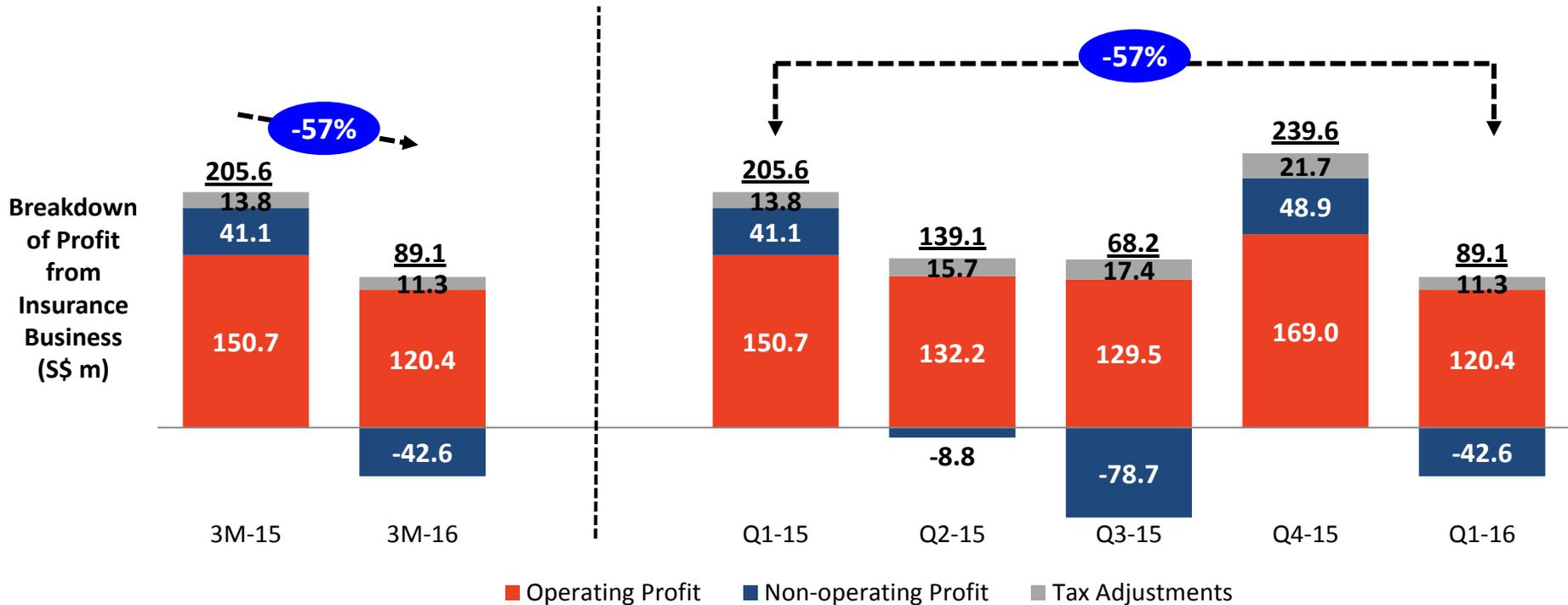
- For comparative reasons, NBEV figures for periods prior to Q1-16 have been restated using exchange rates as at 31 March 2016.
- NBEV figures for periods prior to Q4-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.
- NBEV for Q1-15, Q2-15, Q3-15 and Q4-15 (up to 30 November 2015) include NBEV from the Group's investment in China.
- NBEV in December 2015 and Q1-16 exclude NBEV from the Group's investment in China.



Breakdown of Profit from Insurance Business

Profit from insurance business was S\$89.1m for Q1-16, 57% lower than the same quarter last year:

- Unrealised losses from the widening of credit spreads and decline in equity markets
- Lower operating profit



Note:

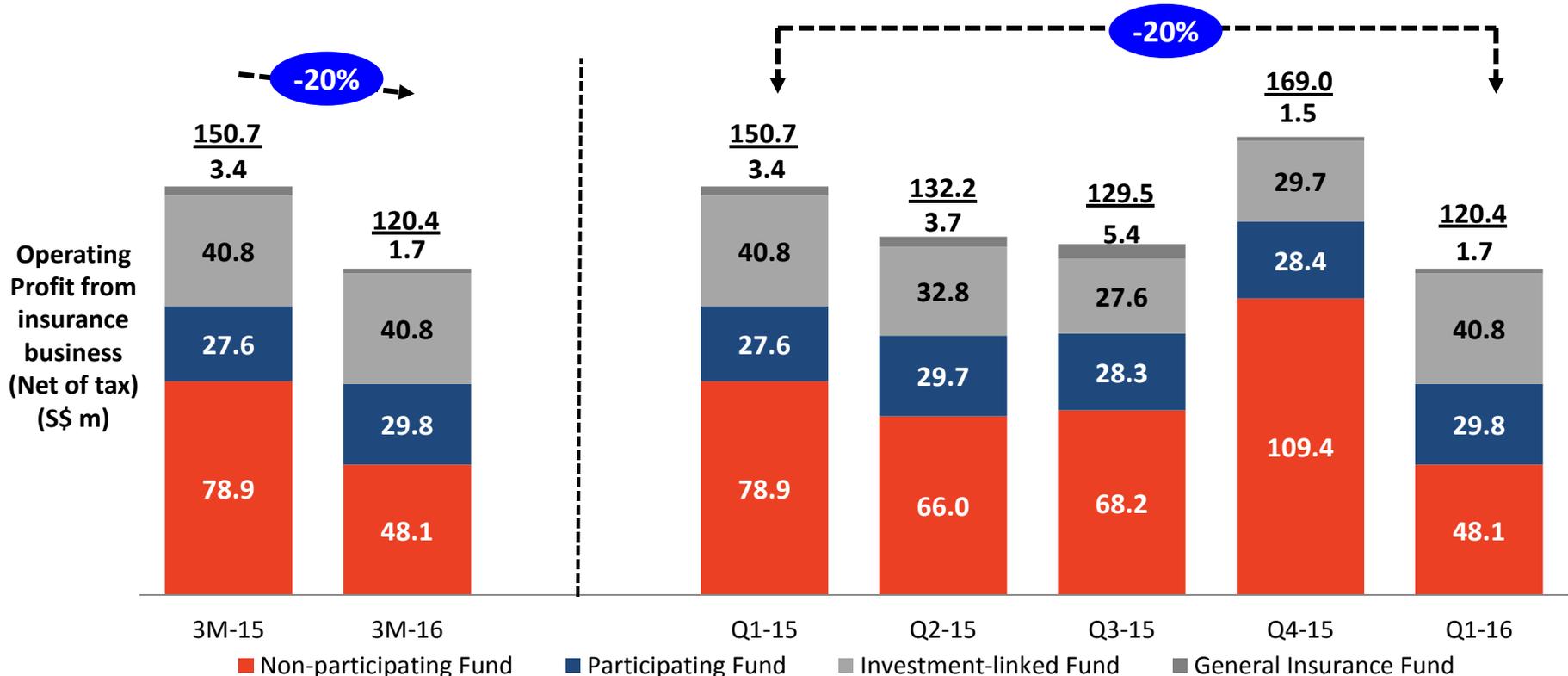
- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)
- Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items



Operating Profit from Insurance Business – by Fund

Operating Profit from Insurance Business of S\$120.4 m for Q1-16 was 20% lower:

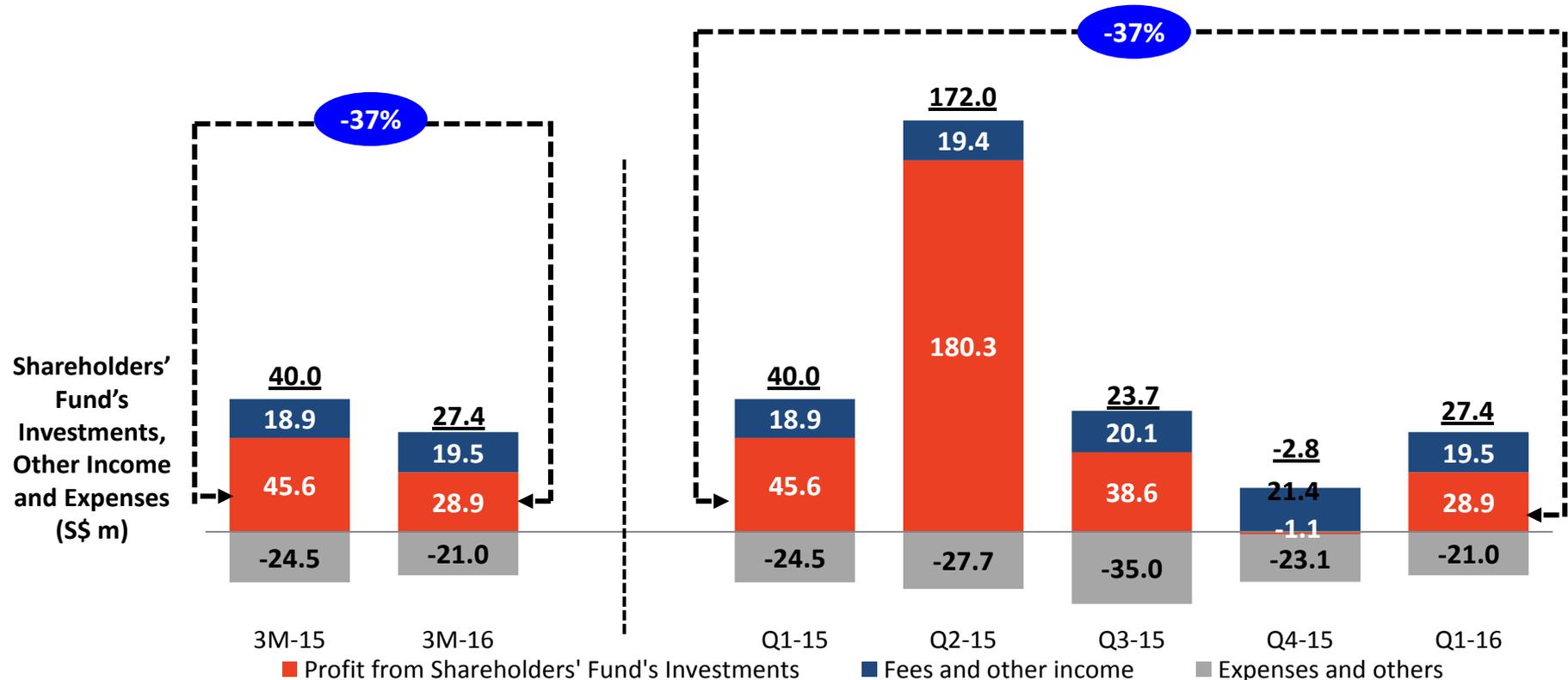
- Higher claims in the Singapore Non-Participating Fund
- Profit contributions in Singapore Dollar terms from the Group’s operations in Malaysia were reduced as the Malaysian Ringgit had weakened against the Singapore Dollar



Shareholders' Fund's Investments, Other Income and Expenses

Profit from Shareholders' Fund's Investments was S\$28.9m for Q1-16, compared with S\$45.6m for Q1-15:

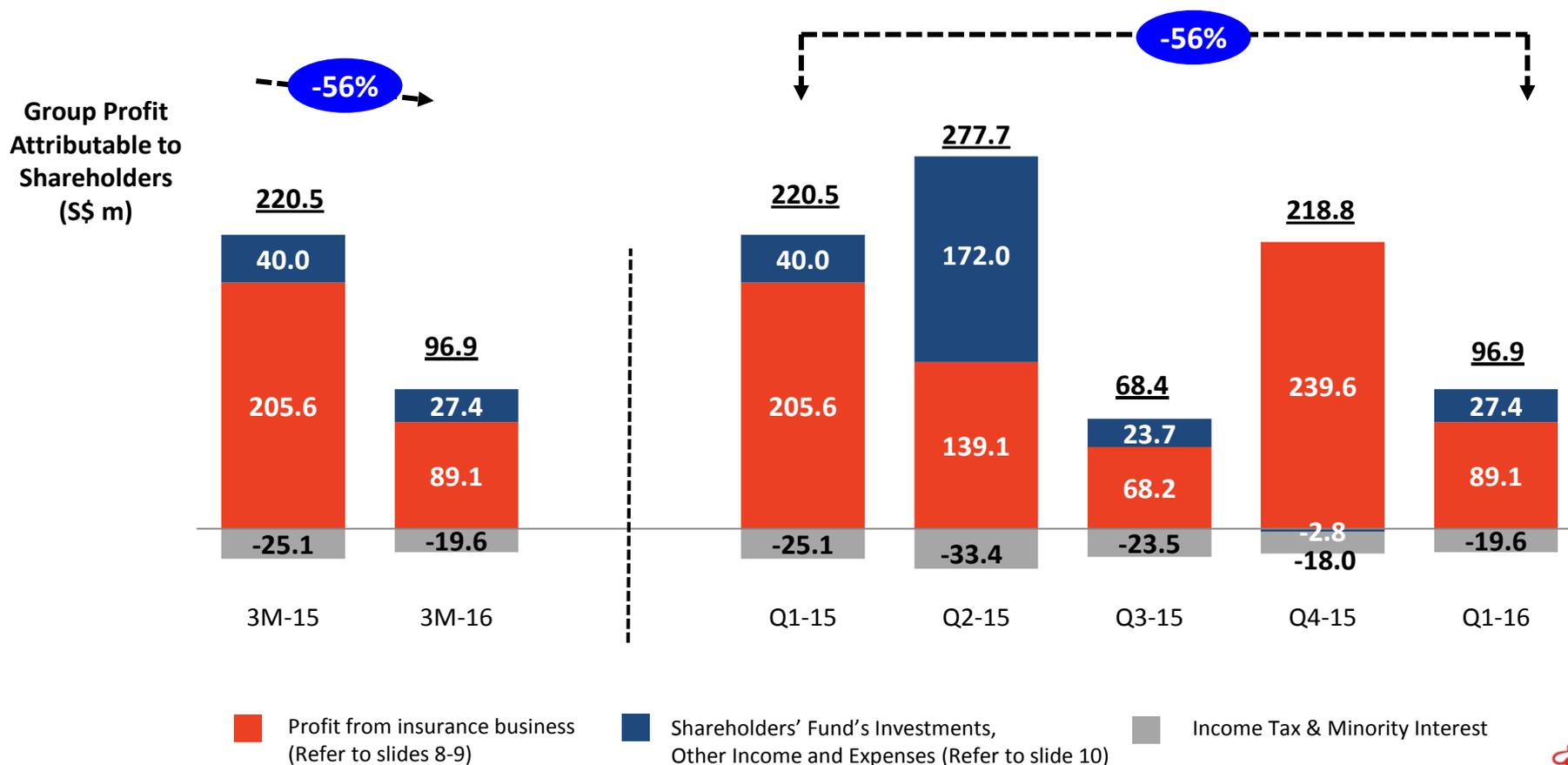
- Higher investment income as well as higher realised gain from sale of investments and changes in fair value
- More than offset by unrealised foreign exchange loss from US dollar-denominated investments



Group Profit Attributable to Shareholders

Overall, profit attributable to shareholders of S\$96.9m for Q1-16 was lower compared with the same period last year:

- Largely because of unrealised fair value losses from the valuation of assets and liabilities in the insurance business amid unfavourable financial market conditions



Thank You

