

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q1-15
Supplementary Information

23 April 2015



Overview of Q1-15 Financial Results

S\$'m	Q1-15	Q1-14	Δ
Total Weighted New Sales[^]	209.6	223.6	-6%
New Business Embedded Value[*]	85.2	85.3	-
Operating Profit (net of tax)[#] from Insurance Business	150.7	143.3	+5%
Non-Operating Profit (net of tax)[#] from Insurance Business	41.1	33.4	+23%
Profit from investments in Shareholders' Fund	45.6	69.6	-34%
Group Profit Attributable to Shareholders[~]	220.5	231.6 [~]	-5%

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\$13.8 m for Q1-15 (Q1-14: S\$15.4m)

[~]Q1-14 included a one-off gain of S\$31.9m (pre-tax) from the sale of part of the Group's stake in its China joint venture from 50% to 25%

-For comparative reasons, TWNS/ NBEV figures for Q1-14 have been restated using exchange rates as at 31 March 2015. NBEV figures for Q1-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.



Q1-15 Key Highlights

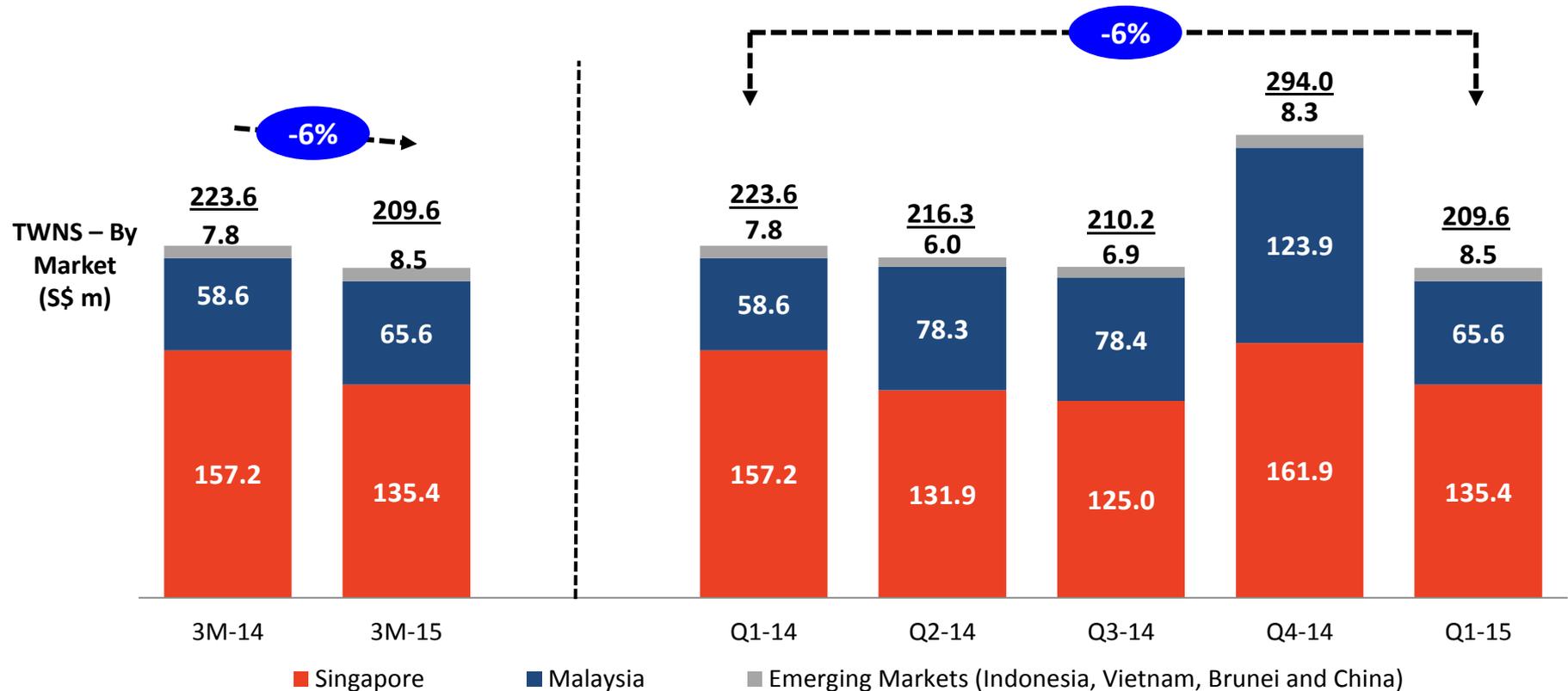
- Operating profit from insurance business grew 5% for Q1-15 on better performance from the Singapore Non-participating Fund
- Non-operating profit from insurance business was higher compared with the same quarter last year, mainly brought about by unrealised mark-to-market gains from equity investments, particularly for stocks with exposure to China
- Excluding the one-off gain of S\$31.9m (pre-tax) in Q1-14 from the sale of part of the Group's stake in its China joint venture, Q1-15 Group Profit attributable to Shareholders of S\$220.5m rose 9% compared with the same quarter last year
- Total Weighted New Sales (TWNS) of S\$209.6m for Q1-15 was 6% lower, caused by lower sales through the bancassurance channel in Singapore
- NBEV was stable at S\$85.2m; a shift in channel and product mix increased NBEV margin to 40.7% for Q1-15



Total Weighted New Sales (TWNS) – By Market

TWNS of S\$209.6m for Q1-15:

- Lower sales through the bancassurance channel in Singapore
- Continued growth in sales through the agency channel in Malaysia



Note:

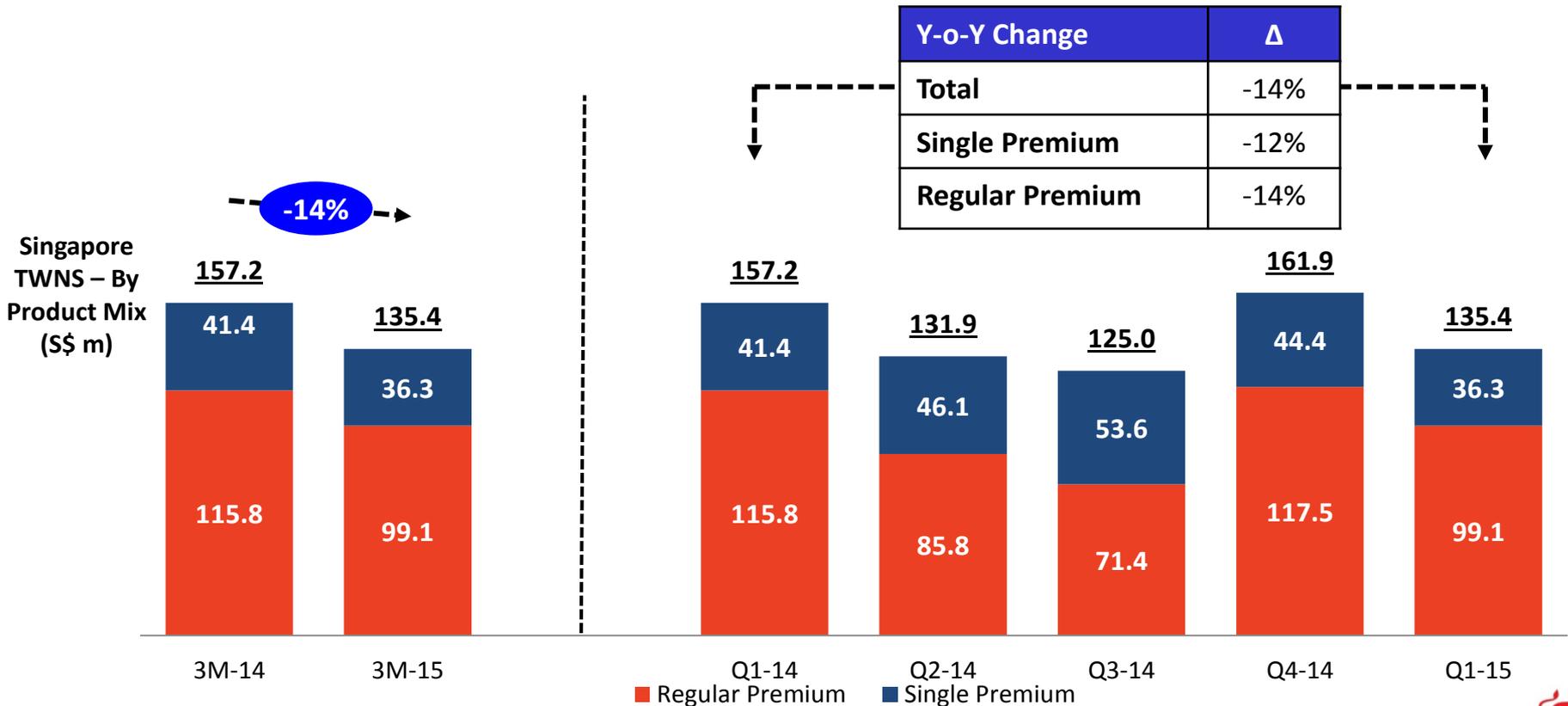
- For comparative reasons, TWNS figures for periods prior to Q1-15 have been restated using exchange rates as at 31 March 2015
- QoQ TWNS comparison may not be relevant given seasonality of insurance sales



Singapore TWNS – By Product Mix

TWNS in Singapore of S\$135.4m for Q1-15:

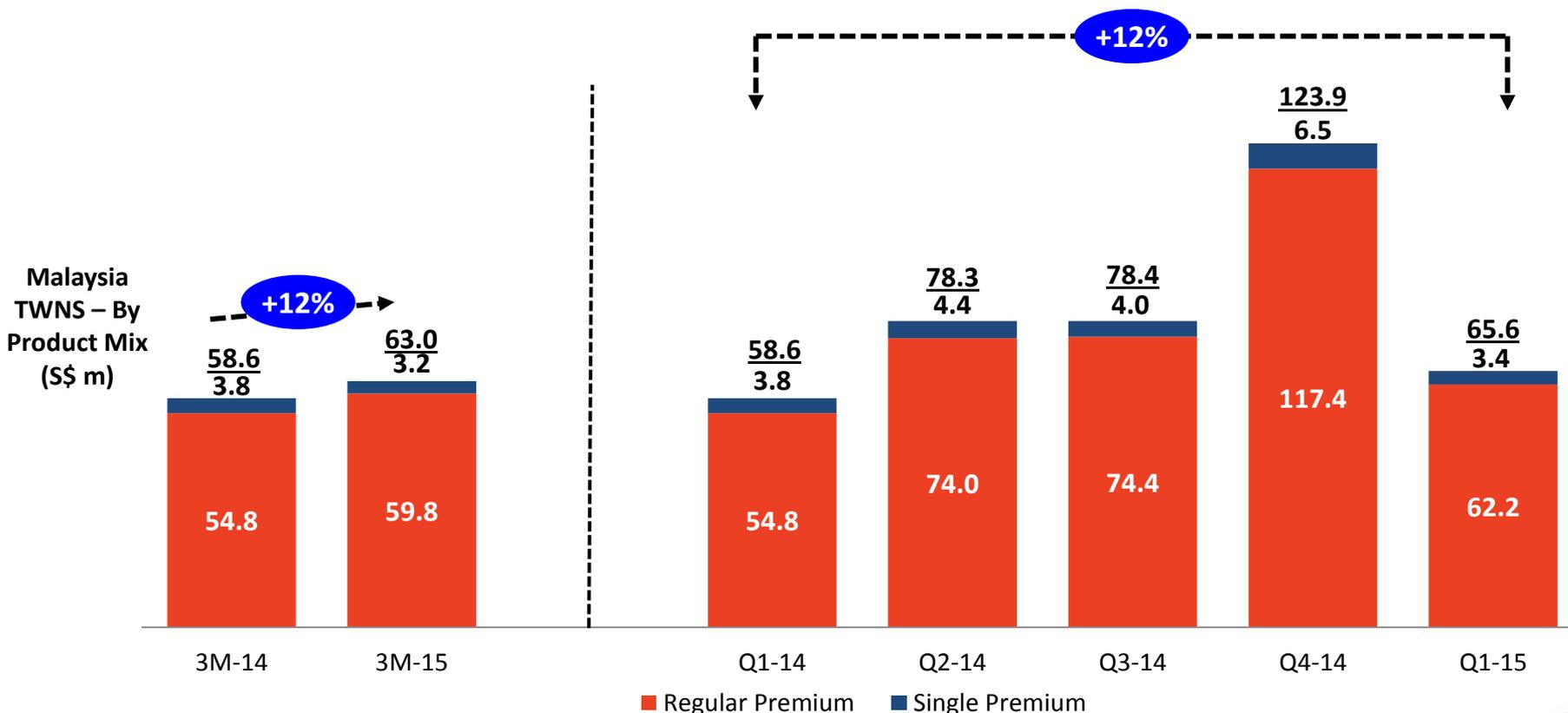
- Sales through the agency channel remained stable
- Sales through the bancassurance channel were satisfactory, though lower compared with the strong performance for Q1-14; sales recovery seen in Q4-14 was maintained



Malaysia TWNS – By Product Mix

TWNS in Malaysia of S\$63.0m for Q1-15 was 12% higher:

- Sustained demand in sales of regular premium Investment-linked products in the conventional business



Note:

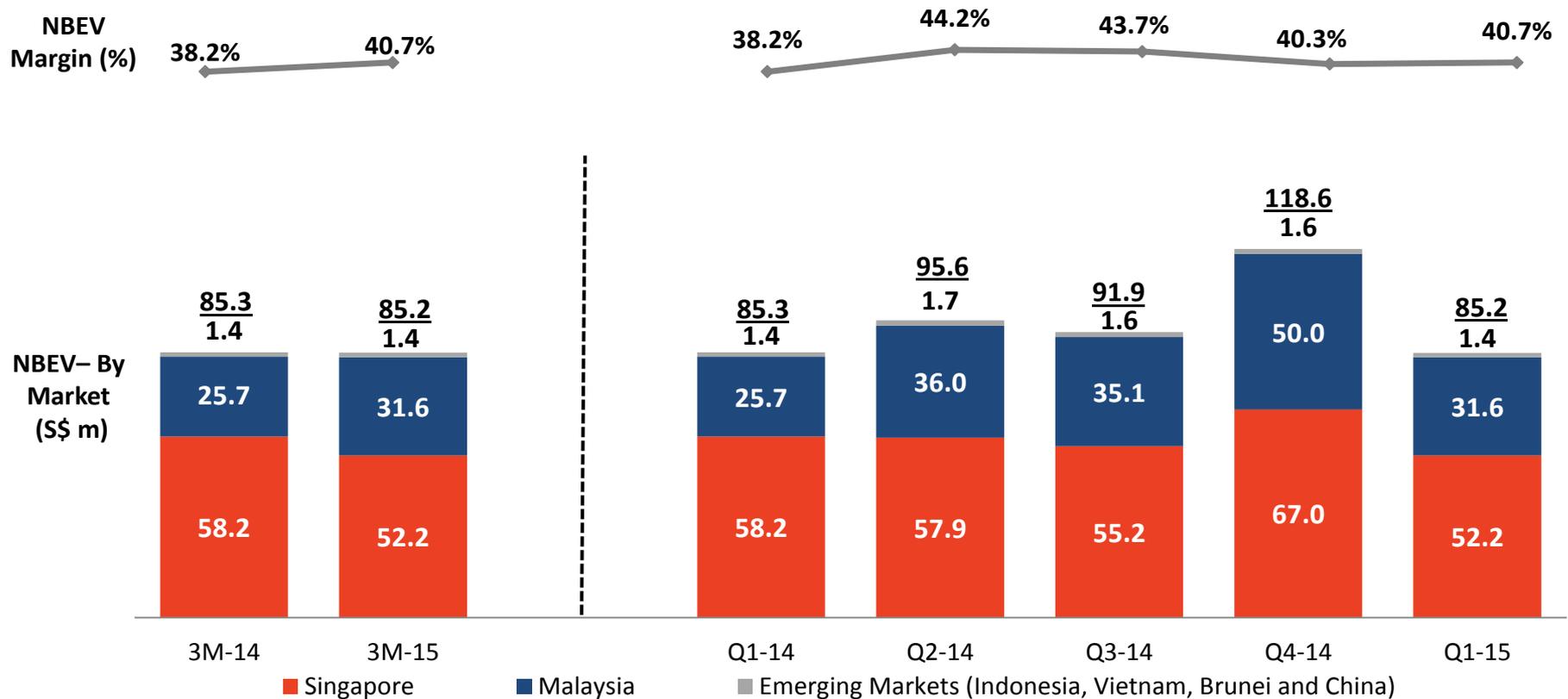
- For comparative reasons, TWNS figures prior to Q1-15 have been restated using exchange rates as at 31 March 2015.



New Business Embedded Value (NBEV)- By Market

NBEV of S\$85.2m and higher NBEV margin of 40.7% for Q1-15:

- Positive shift in channel mix in Singapore
- Change in product mix towards higher margin sales in Malaysia



Note:

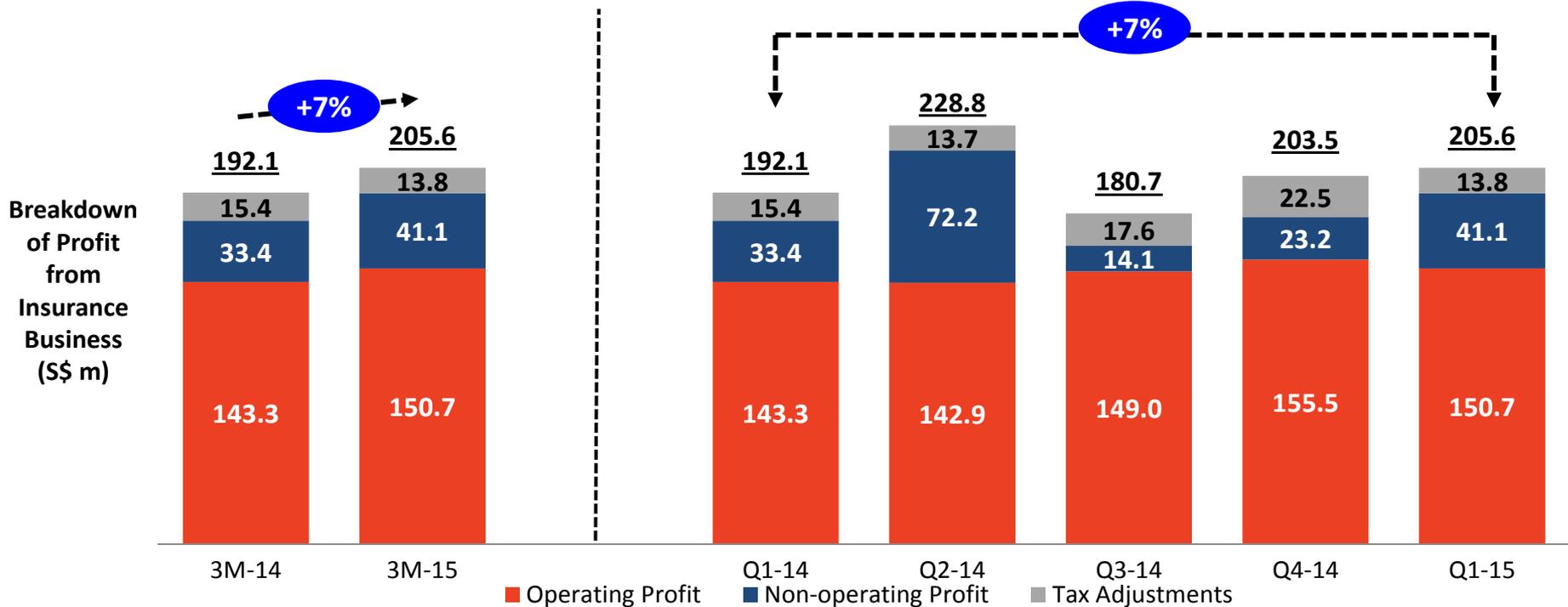
- For comparative reasons, NBEV figures for periods prior to Q1-15 have been restated using exchange rates as at 31 March 2015.
- NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.



Breakdown of Profit from Insurance Business

Profit from insurance business increased 7% to S\$205.6m for 1Q-15:

- Operating Profit was higher, mainly led by the increase in profit contribution from Non-participating Fund in Singapore
- Non-operating profit was boosted by unrealised mark-to-market gains from equity investments, particularly for stocks with exposure to China



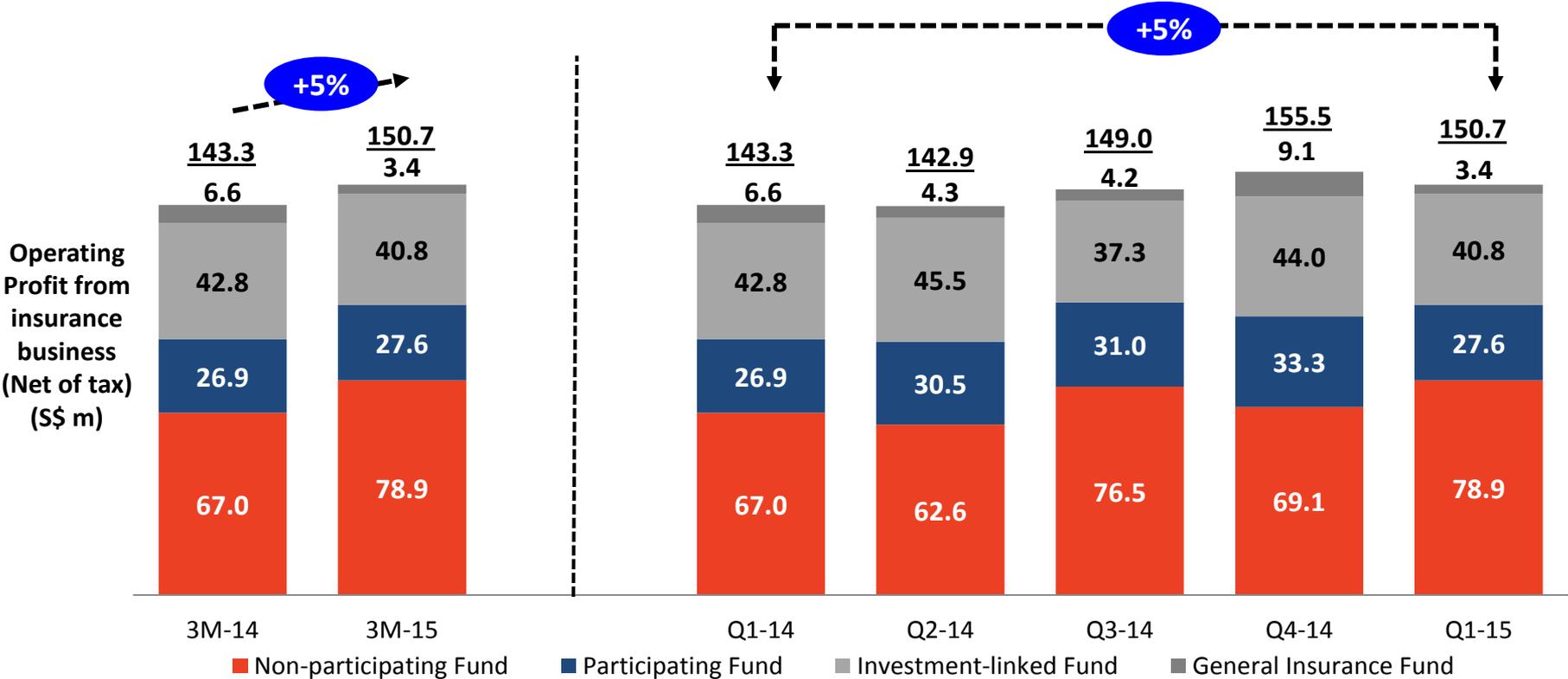
Note:

- 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



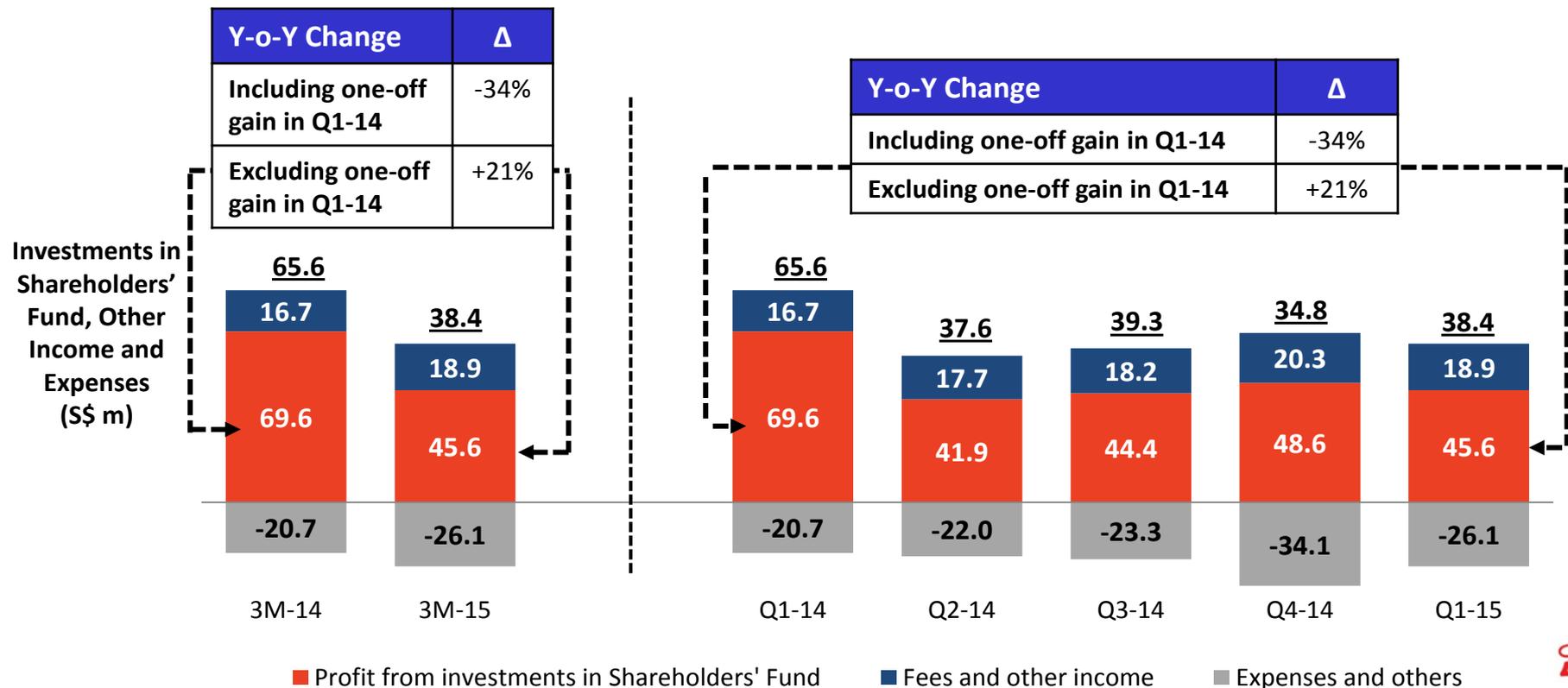
Operating Profit from Insurance Business – by Fund

- Operating Profit from Insurance Business for Q1-15 was 5% higher mainly attributed to lower claims from the Singapore Non-participating Fund



Investments in Shareholders' Fund, Other Income and Expenses

- Excluding the one-off gain of S\$31.9m (pre-tax) in Q1-14 from the sale of part of the Group's stake in its China joint venture from 50% to 25%, Q1-15 profit from investments in Shareholders' Fund was higher, mainly because of translation gains from US Dollar denominated assets
- Increase in fee income from Lion Global, Great Eastern's asset management subsidiary



Group Profit Attributable to Shareholders

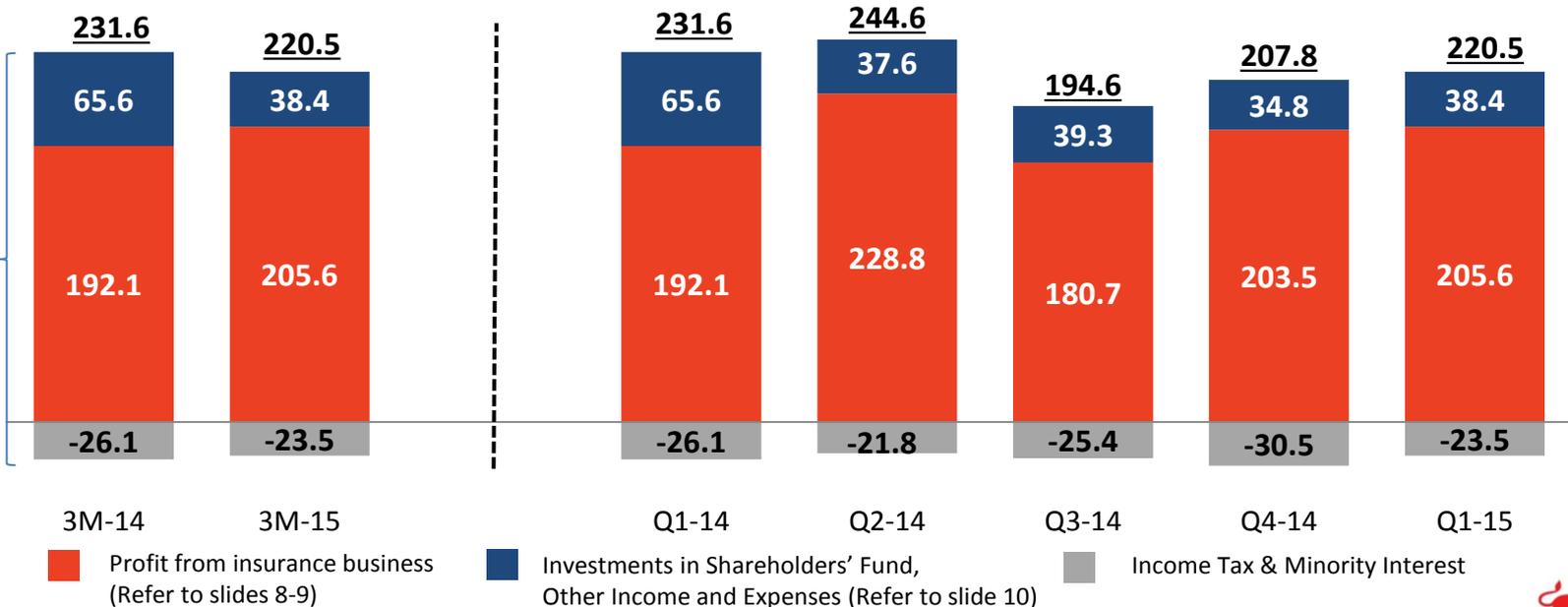
- Excluding the one-off gain of S\$31.9m (pre-tax) in Q1-14, Group Profit attributable to Shareholders grew 9% to S\$220.5m for Q1-15, on better performance of the insurance business and higher profit from investments in Shareholders' Fund

Y-o-Y Change	Δ
Including one-off gain in Q1-14	-5%
Excluding one-off gain in Q1-14	+9%

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Excluding one-off gain in Q1-14	+9%

Group Profit Attributable to Shareholders (S\$ m)

Includes one-off gain of S\$31.9m (pre-tax) from the sale of part of the Group's stake in its China joint venture from 50% to 25%



Thank You

