

# GREAT EASTERN HOLDINGS LIMITED

## Financial Results for Q3-16 and 9M-16 Supplementary Information

25 October 2016



# Overview of Q3-16 and 9M-16 Financial Results

S\$'m	Q3-16	Q3-15	Δ	9M-16	9M-15	Δ
<b>Total Weighted New Sales<sup>^</sup></b>	<b>266.9</b>	267.4	-	<b>731.6</b>	668.0	+10%
<b>New Business Embedded Value<sup>*</sup></b>	<b>135.3</b>	105.2	+29%	<b>323.2</b>	273.1	+18%
<b>Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>136.7</b>	129.5	+6%	<b>391.7</b>	412.4	-5%
<b>Non-Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>17.5</b>	-78.7	n.m.	<b>-61.2</b>	-46.4	n.m.
<b>Profit (net of tax) from Shareholders' Fund</b>	<b>43.5</b>	19.2	+126%	<b>71.1</b>	206.7	-65%
<b>Non-Controlling Interest</b>	<b>-2.7</b>	-1.6	n.m.	<b>-7.5</b>	-6.1	n.m.
<b>Group Profit Attributable to Shareholders</b>	<b>195.0</b>	68.4	185%	<b>394.1</b>	566.6	-30%

Note:

<sup>^</sup>Total Weighted New Sales (TWNS) = (Single Premium x 10%) + New Regular Premium

<sup>\*</sup>New Business Embedded Value (NBEV) is a measure of the long-term profitability of new sales

<sup>#</sup>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 \$16.9m for Q3-16 (Q3-15: \$17.4m).

-For comparative reasons, TWNS/ NBEV figures for Q3-15 and 9M-15 have been restated using exchange rates as at 30 Sep 2016. NBEV figures for periods prior to Q4-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.

- n.m.: not meaningful



## Q3-16 Key Highlights

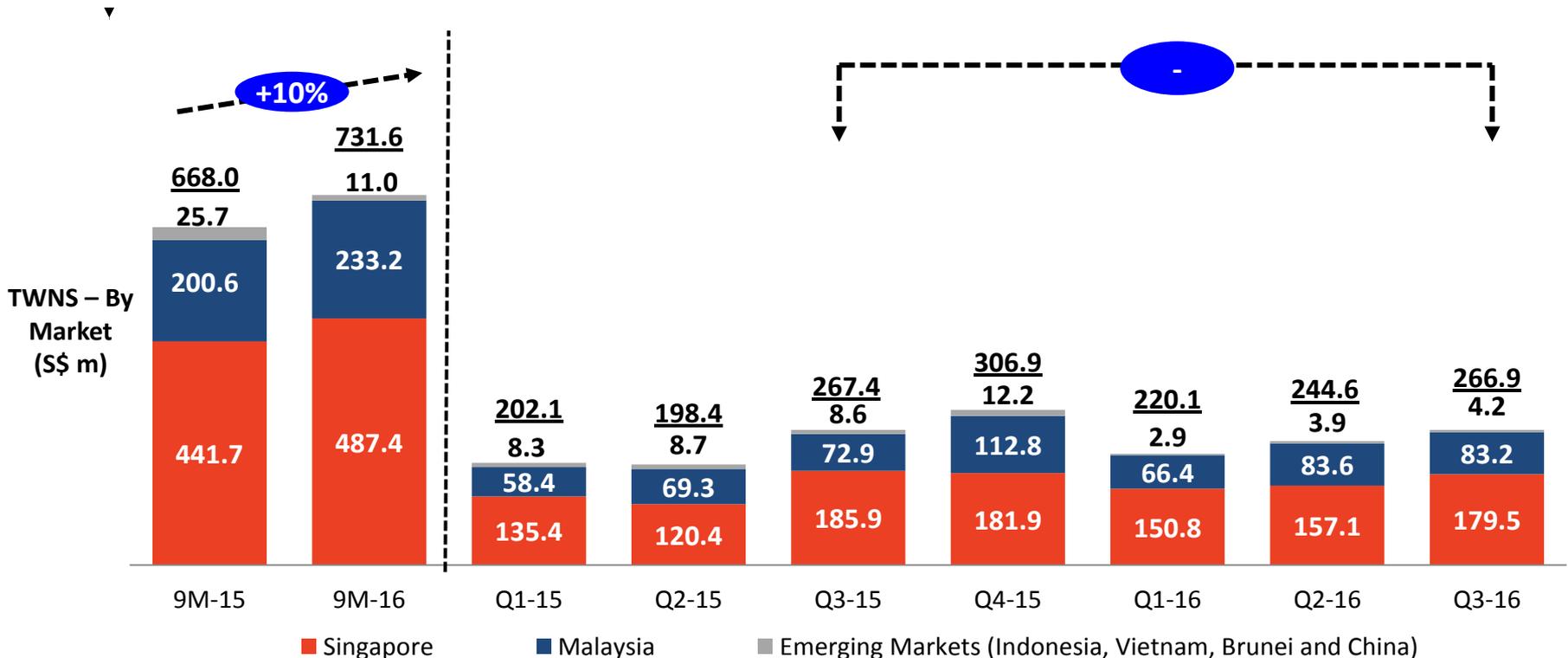
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- Group's TWNS for Q3-16 remained strong at \$266.9 million. Having started the year with TWNS of \$220.1 million in Q1-16, our Group's TWNS saw sustained quarter-on-quarter growth of around 10%.
- NBEV for Q3-16 of \$135.3 million was a 29% growth over the same quarter last year. The significant NBEV growth in this quarter was due to higher NBEV margin, which was the result of our company's product management strategy to optimise the product mix.
- Operating profit from insurance business for Q3-16 was \$136.7 million, 6% higher than the same quarter last year.
- Profit from Shareholders' Fund was \$43.5 million for Q3-16, 126% higher than Q3-15, arising from realised gain on sale of investments in 2016 compared to a realised loss on sale of investments in 2015.
- Group profit attributable to shareholders was \$195.0 million for Q3-16, 185% higher compared with the same period last year mainly due to higher operating profits and favourable financial market conditions.
- For 9M-16, the Group's profit attributable to shareholders was \$394.1 million. 9M-15 profit was boosted by a \$119.9 million gain on disposal of our investment in New China Life Insurance Company Ltd while 9M-16 saw a loss of \$18.7 million on disposal of our Vietnam subsidiary.



# Total Weighted New Sales (TWNS) – By Market

Group's TWNS for Q3-16 remained strong at \$266.9 million. Having started the year with TWNS of \$220.1 million in Q1-16, our Group's TWNS saw sustained quarter-on-quarter growth of around 10%.



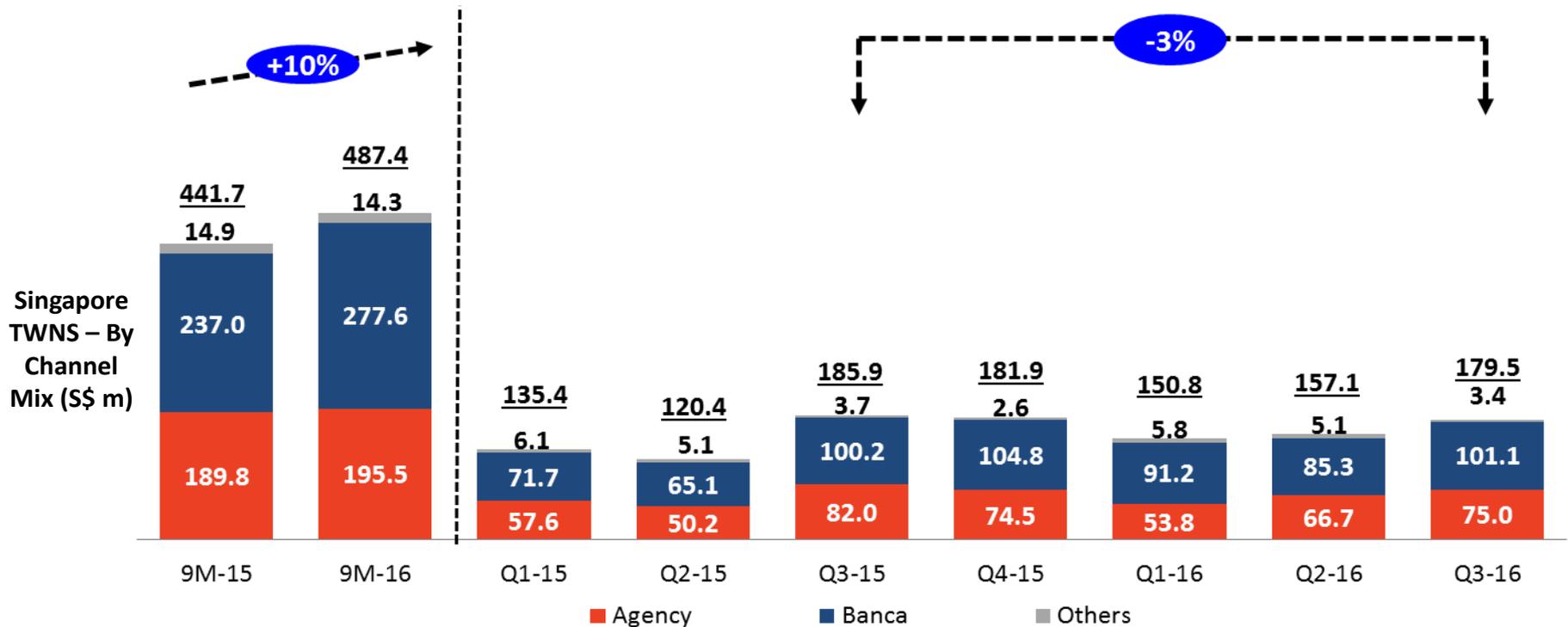
## Note:

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



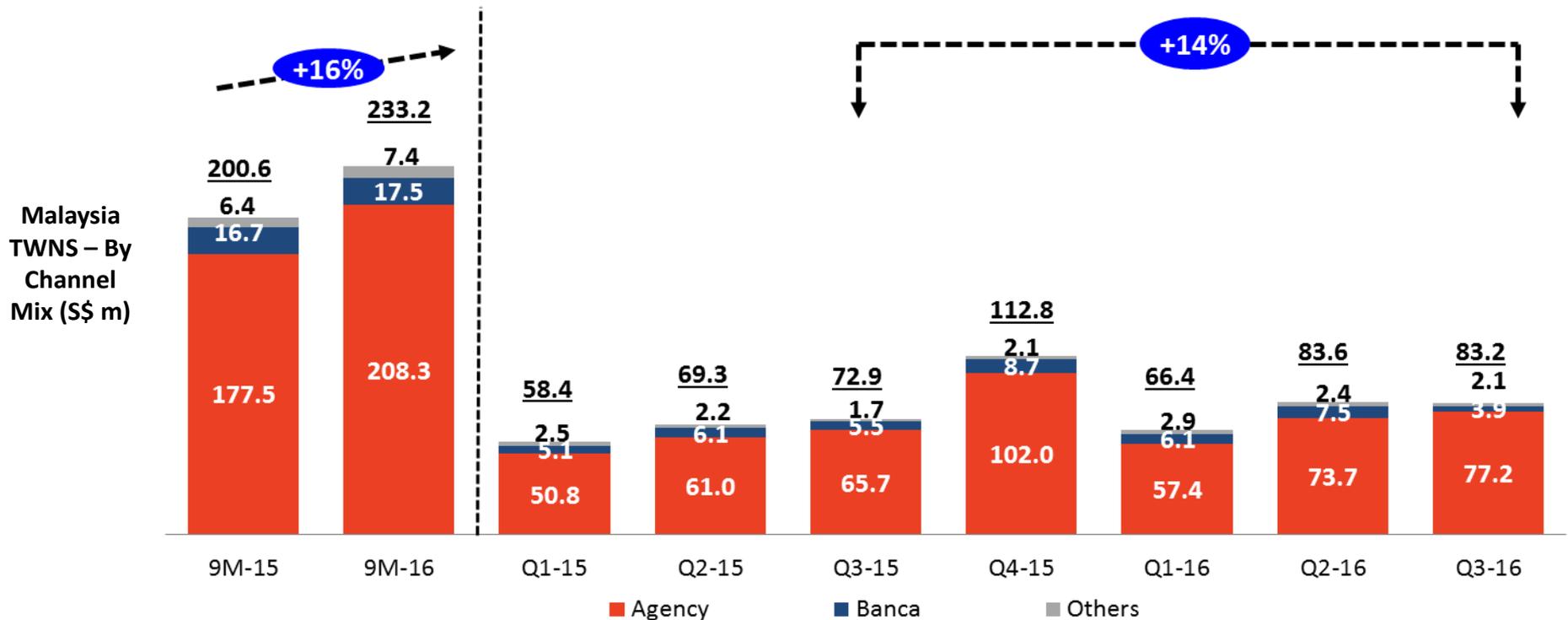
# Singapore TWNS – By Channel Mix

Singapore TWNS of \$179.5 million for Q3-16 was 3% lower than Q3-15 mainly due to 9% drop in Agency sales.



# Malaysia TWNS – By Channel Mix

TWNS in Malaysia of \$83.2 million for Q3-16 was 14% higher mainly due to 18% growth in Agency TWNS, driven by an increase in sales of regular premium investment-linked product.



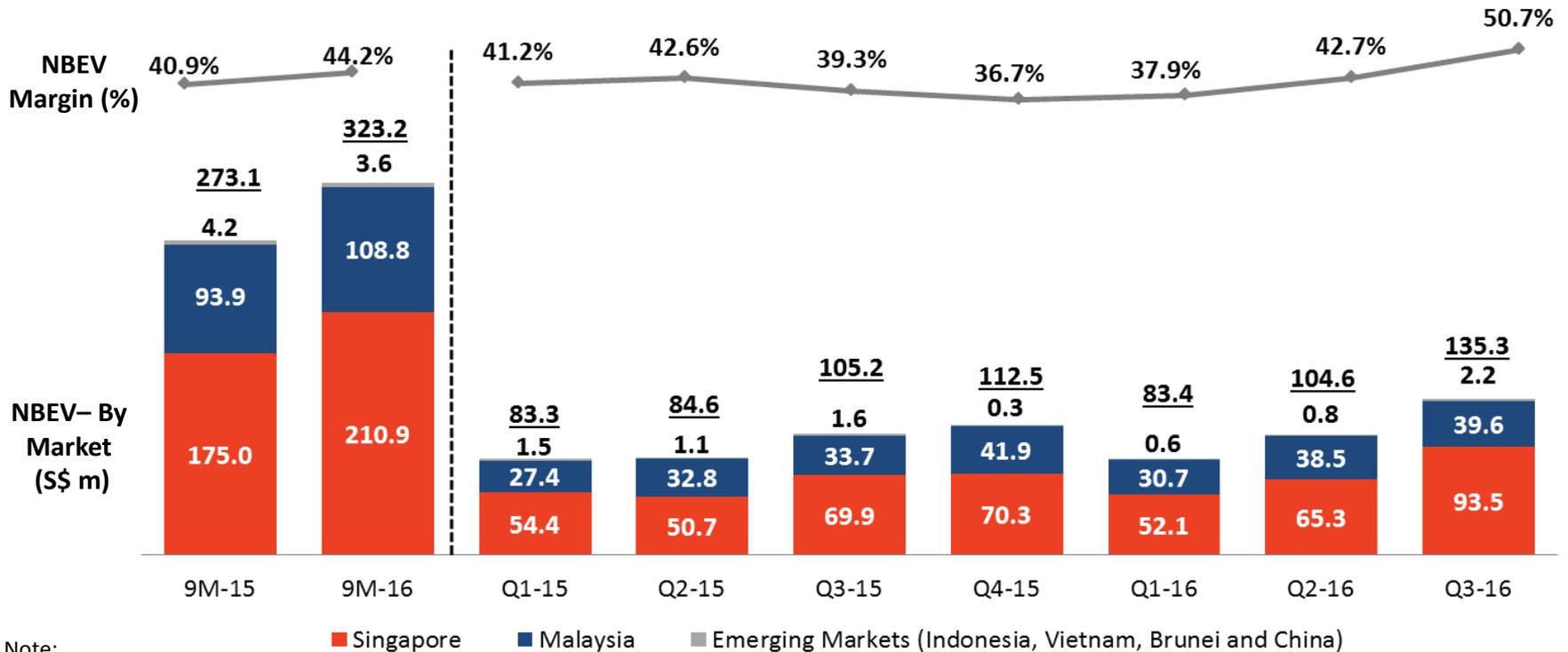
Note:

- For comparative reasons, TWNS figures prior to Q3-16 have been restated using exchange rates as at 30 Sep 2016.



# New Business Embedded Value (NBEV)- By Market

NBEV for Q3-16 of \$135.3 million was a 29% growth over the same quarter last year contributed by higher NBEV margin.



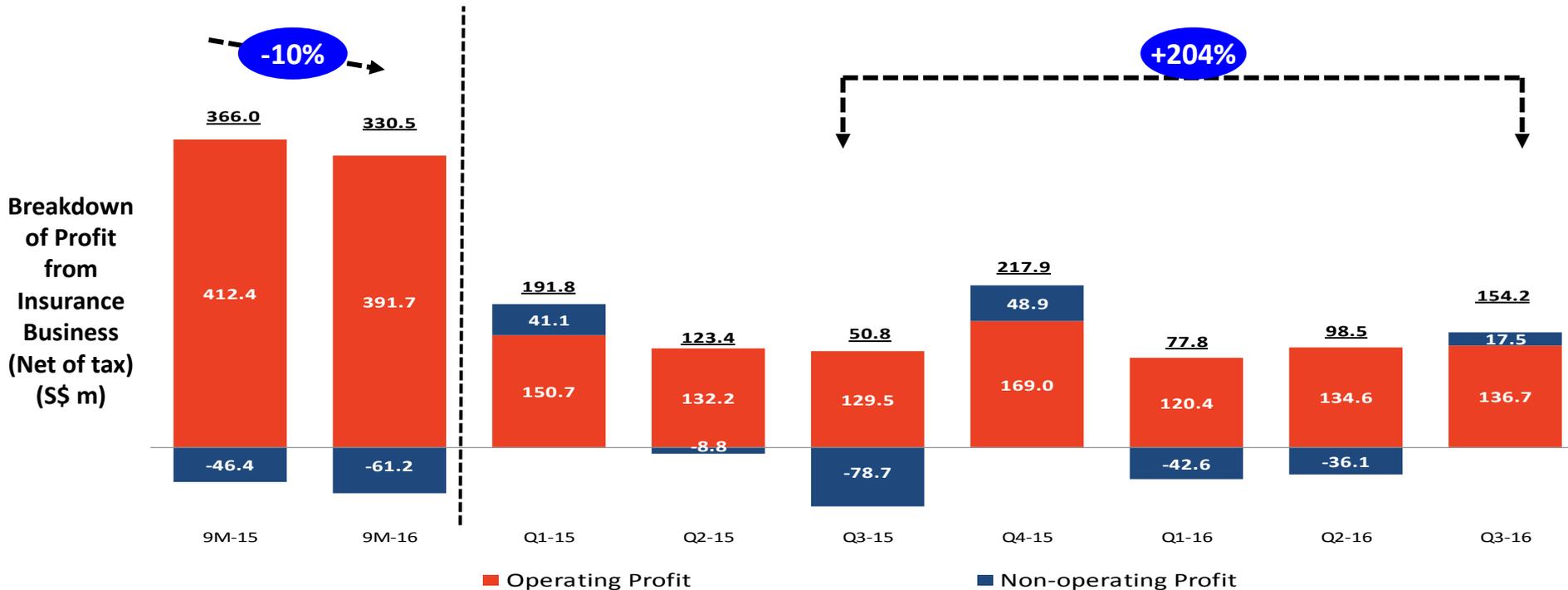
Note:

- For comparative reasons, NBEV figures for periods prior to Q3-16 have been restated using exchange rates as at 30 Sep 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 November 2015) include NBEV from the Group's investment in China. NBEV exclude NBEV from the Group's investment in China from December 2015 onwards.
- NBEV include NBEV from Group's investment in Vietnam up to June 2016.



# Breakdown of Profit from Insurance Business

Profit from insurance business was \$154.2 million for Q3-16, 204% higher than Q3-15 due to higher operating profit and favourable financial market conditions which led to unrealised fair value gains in bond and equity portfolio.



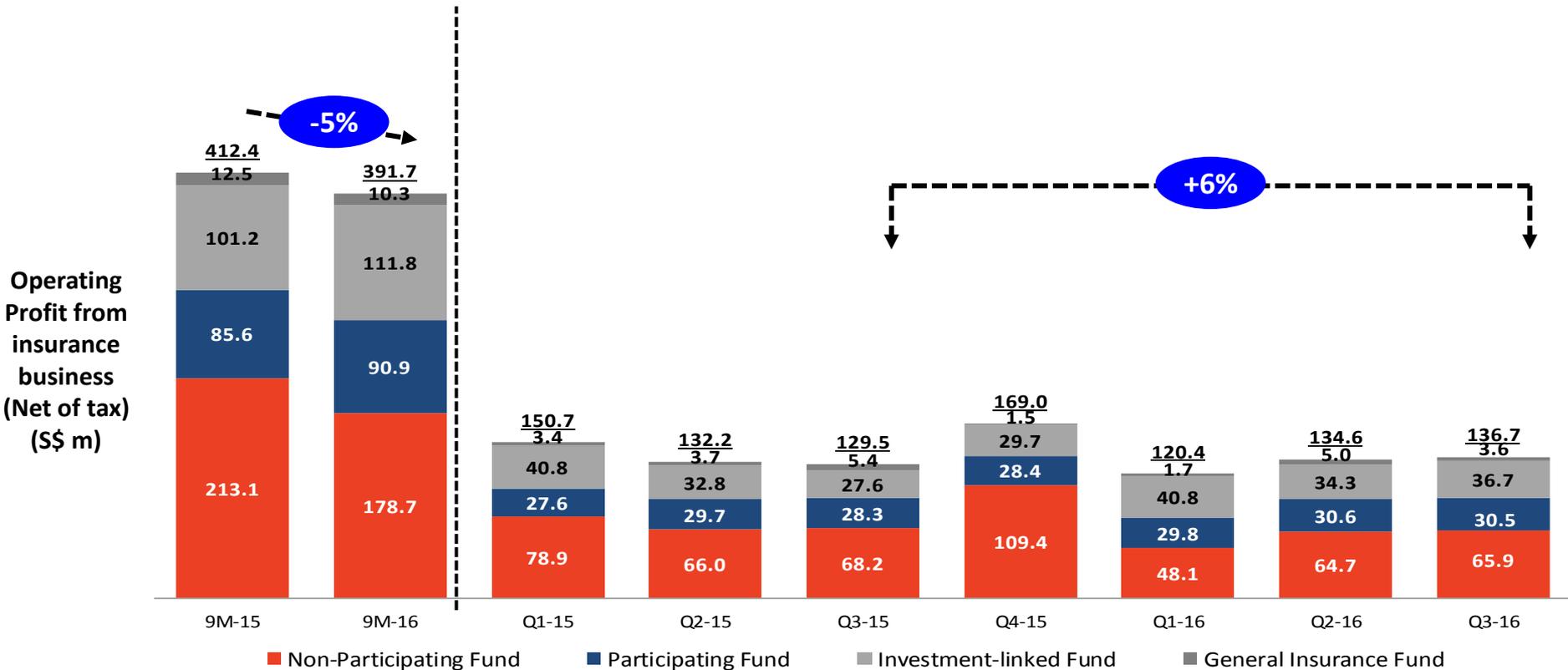
Note:

- 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
- 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 \$16.9m for Q3-16 (Q3-15: \$17.4m).



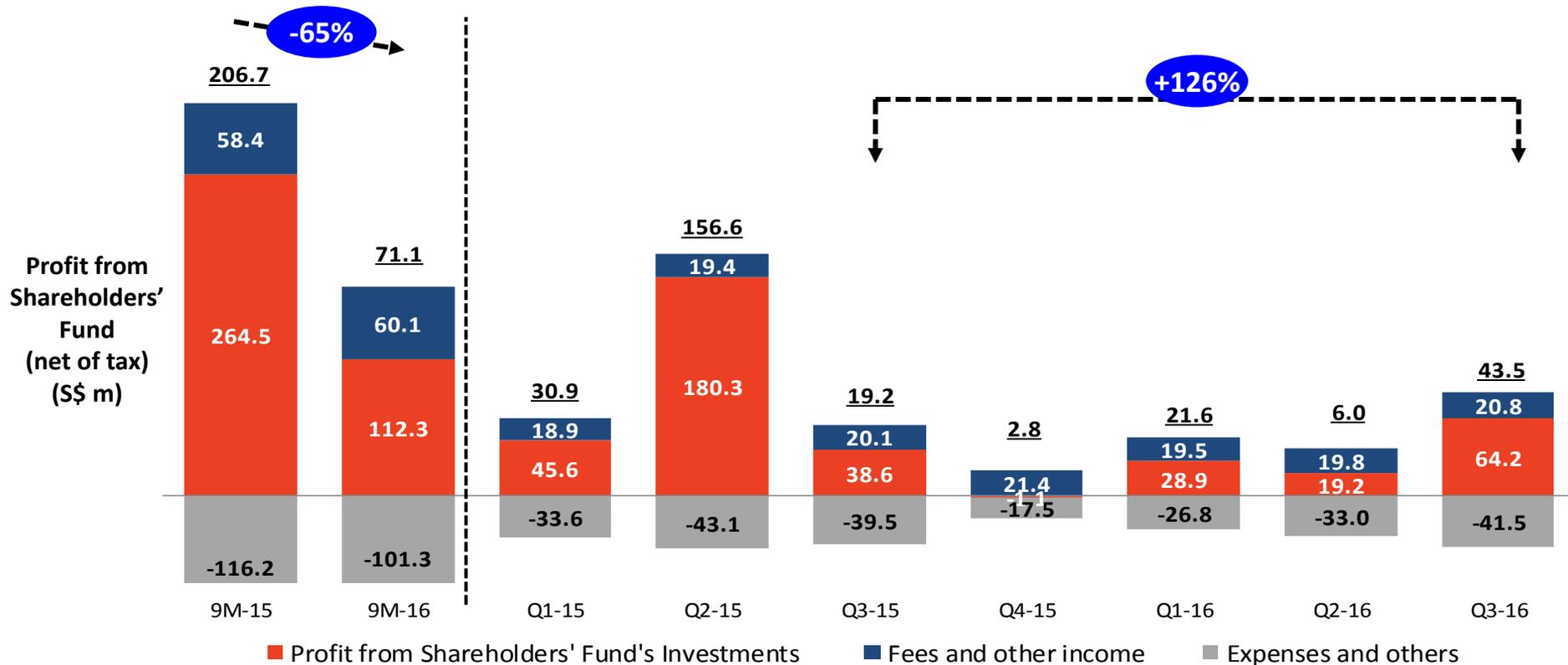
# Operating Profit from Insurance Business – by Fund

Operating Profit from Insurance Business for Q3-16 was \$136.7 million, 6% higher than the same quarter last year with contribution from both our Singapore and Malaysia business.



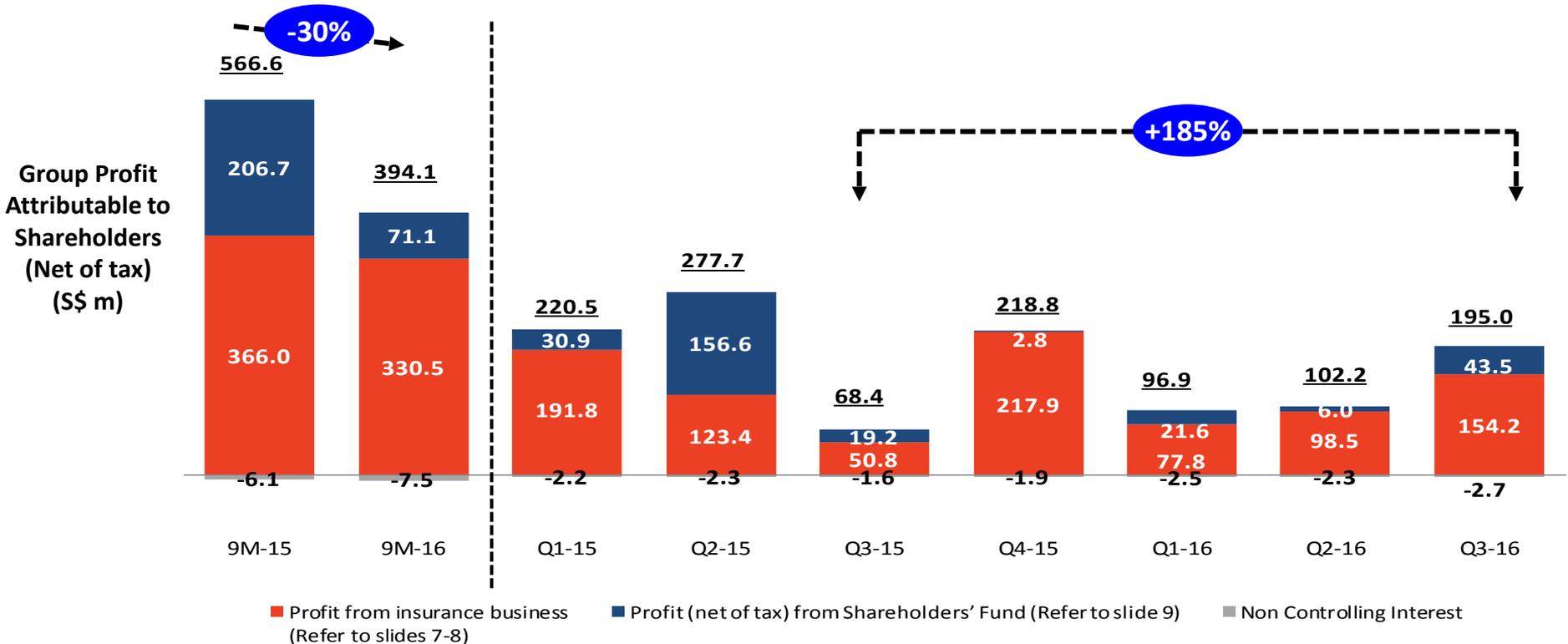
# Profit from Shareholders' Fund

Profit from Shareholders' Fund (net of tax) was \$43.5 million for Q3-16, 126% higher than Q3-15 arising from realised gain on sale of investments in 2016 compared to realised loss on sale of investments in 2015.



# Group Profit Attributable to Shareholders

Profit attributable to shareholders was \$195.0 million for Q3-16, 185% higher compared with the same period last year due to higher operating profit and favourable financial market conditions.



Note:

- 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 \$16.9m for Q3-16 (Q3-15: \$17.4m).



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**Thank You**

