

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q3-15 and 9M-15
Supplementary Information

22 October 2015



Overview of Q3-15 and 9M-15 Financial Results

S\$'m	Q3-15	Q3-14	Δ	9M-15	9M-14	Δ
Total Weighted New Sales[^]	266.2	199.6	+33%	663.8	621.2	+7%
New Business Embedded Value[*]	101.6	87.3	+16%	261.7	260.0	+1%
Operating Profit (net of tax)[#] from Insurance Business	129.5	149.0	-13%	412.4	435.2	-5%
Non-Operating Profit (net of tax)[#] from Insurance Business	-78.7	14.1	nm	-46.4	119.7	nm
Profit from Shareholders' Fund's Investments	38.6	44.4	-13%	264.5	155.9	+70%
Group Profit Attributable to Shareholders	68.4	194.6	-65%	566.6	670.8	-16%

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\$17.4m for Q3-15 (Q3-14: S\$17.6m)

-For comparative reasons, TWNS/ NBEV figures for Q3-14 and 9M-14 have been restated using exchange rates as at 30 Sep 2015. NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.

- nm: Not meaningful



Q3-15 Key Highlights

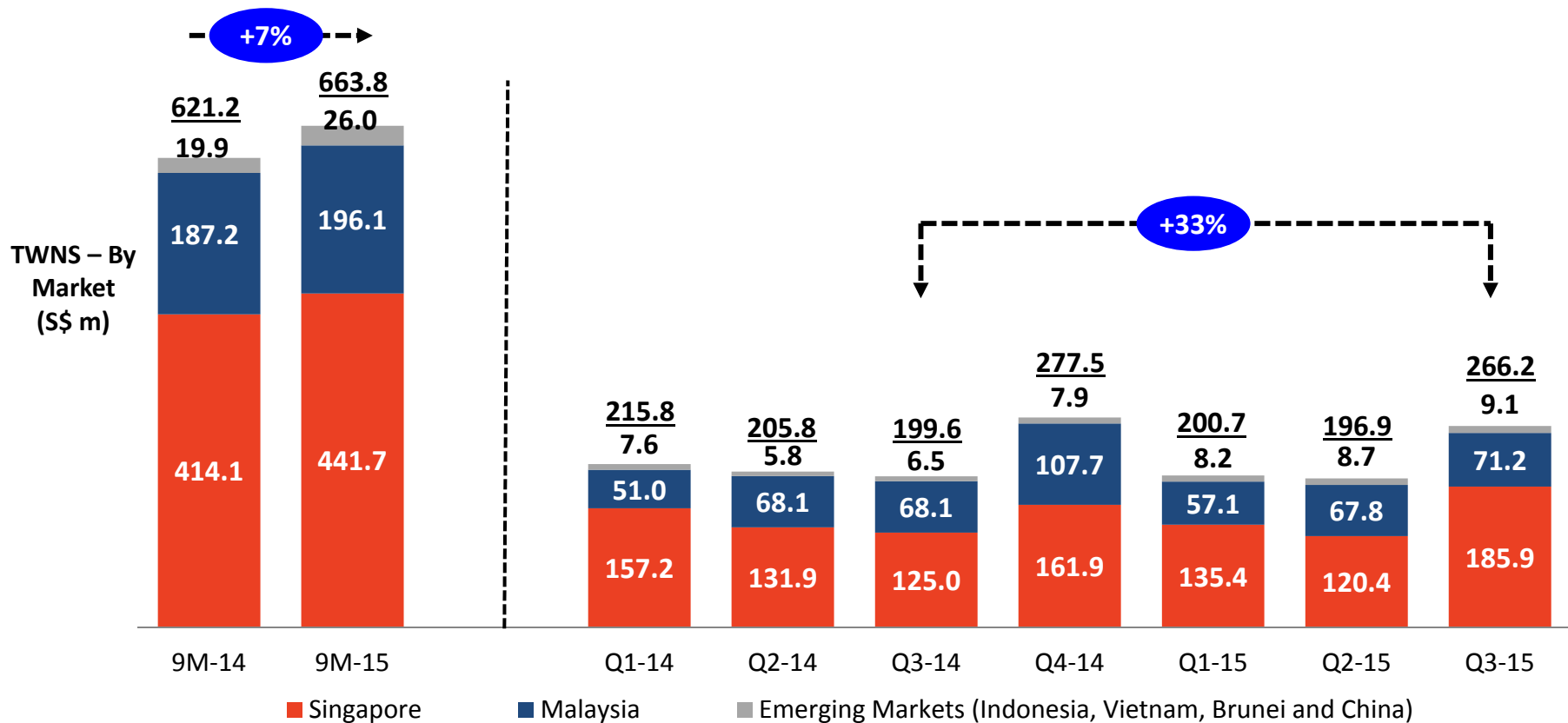
- TWNS grew by 33% to S\$266.2m, with strong demand for two new products launched in Singapore during the quarter
- NBEV of S\$101.6m for Q3-15 was 16% higher than the same quarter last year, driven by higher sales
- Operating profit of S\$129.5m for Q3-15 was 13% lower, largely due to the further weakening of the Malaysian Ringgit against the Singapore Dollar, a few large death claims and higher medical claims in Singapore
- Non-operating loss of S\$78.7m for Q3-15 was due to unrealised losses from the valuation of assets and liabilities brought about by a widening of credit spreads, decline in equity prices, and fall in long term interest rates
- Group Profit attributable to Shareholders of S\$68.4m for Q3-15 was lower mainly because of unrealised mark-to-market losses from the insurance business



Total Weighted New Sales (TWNS) – By Market

TWNS of S\$266.2m for Q3-15, driven by:

- 49% growth in Singapore
- Stable growth in Malaysia



Note:

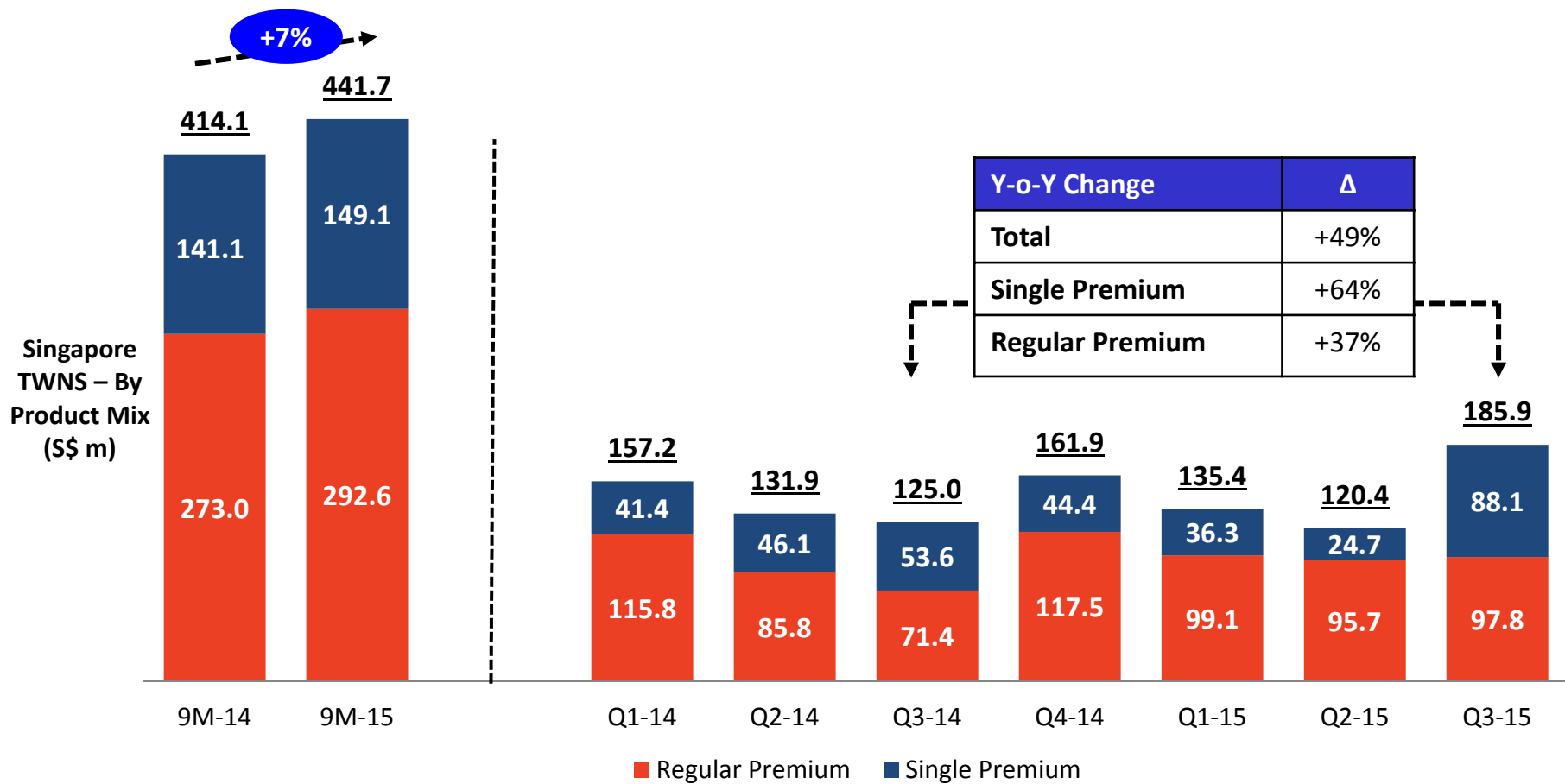
- For comparative reasons, TWNS figures for periods prior to Q3-15 have been restated using exchange rates as at 30 Sep 2015
- QoQ TWNS comparison may not be relevant given seasonality of insurance sales



Singapore TWNS – By Product Mix

TWNS in Singapore of S\$185.9m for Q3-15:

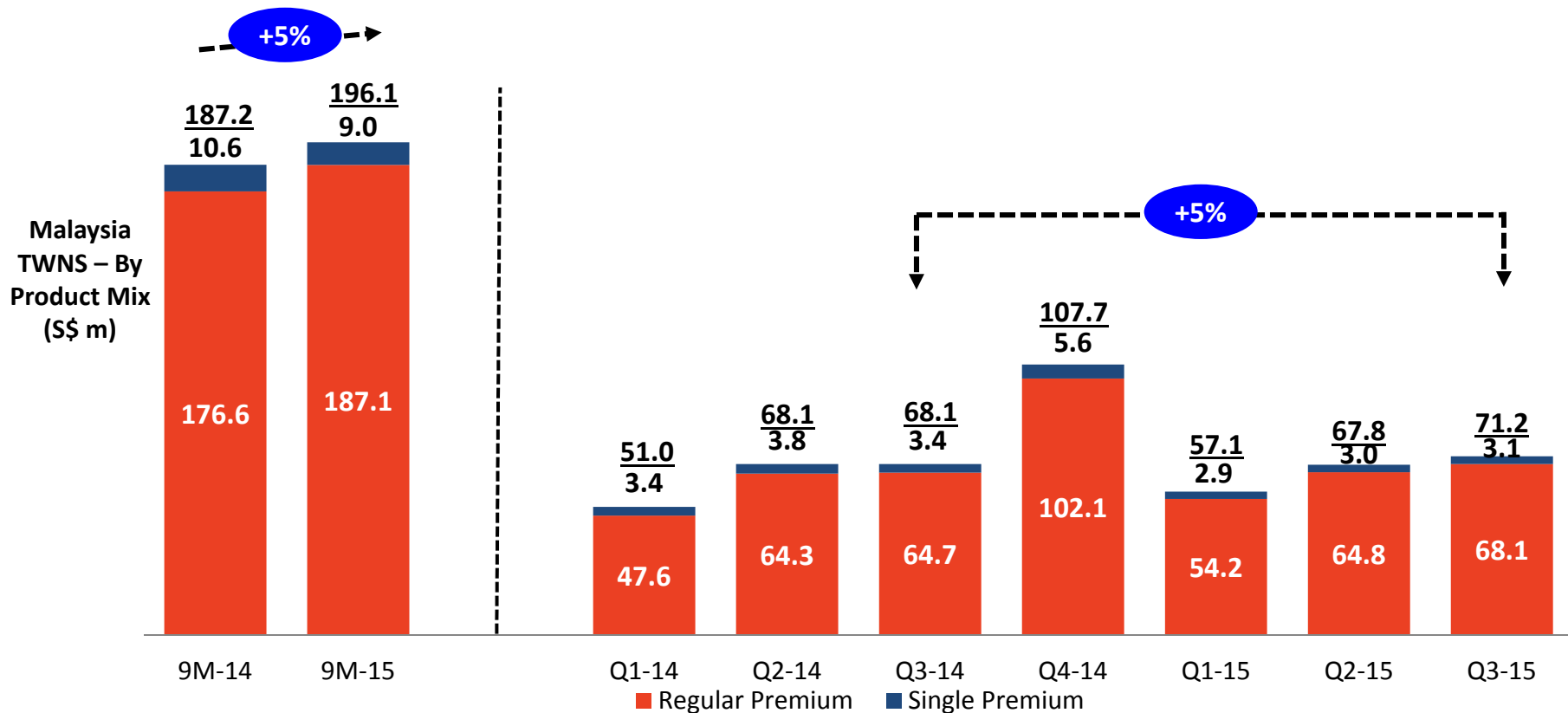
- Strong demand for two new products launched during the quarter



Malaysia TWNS – By Product Mix

TWNS in Malaysia of S\$71.2m for Q3-15:

- 5% growth in TWNS in Malaysia supported by growth in sales of regular premium Participating products



Note:

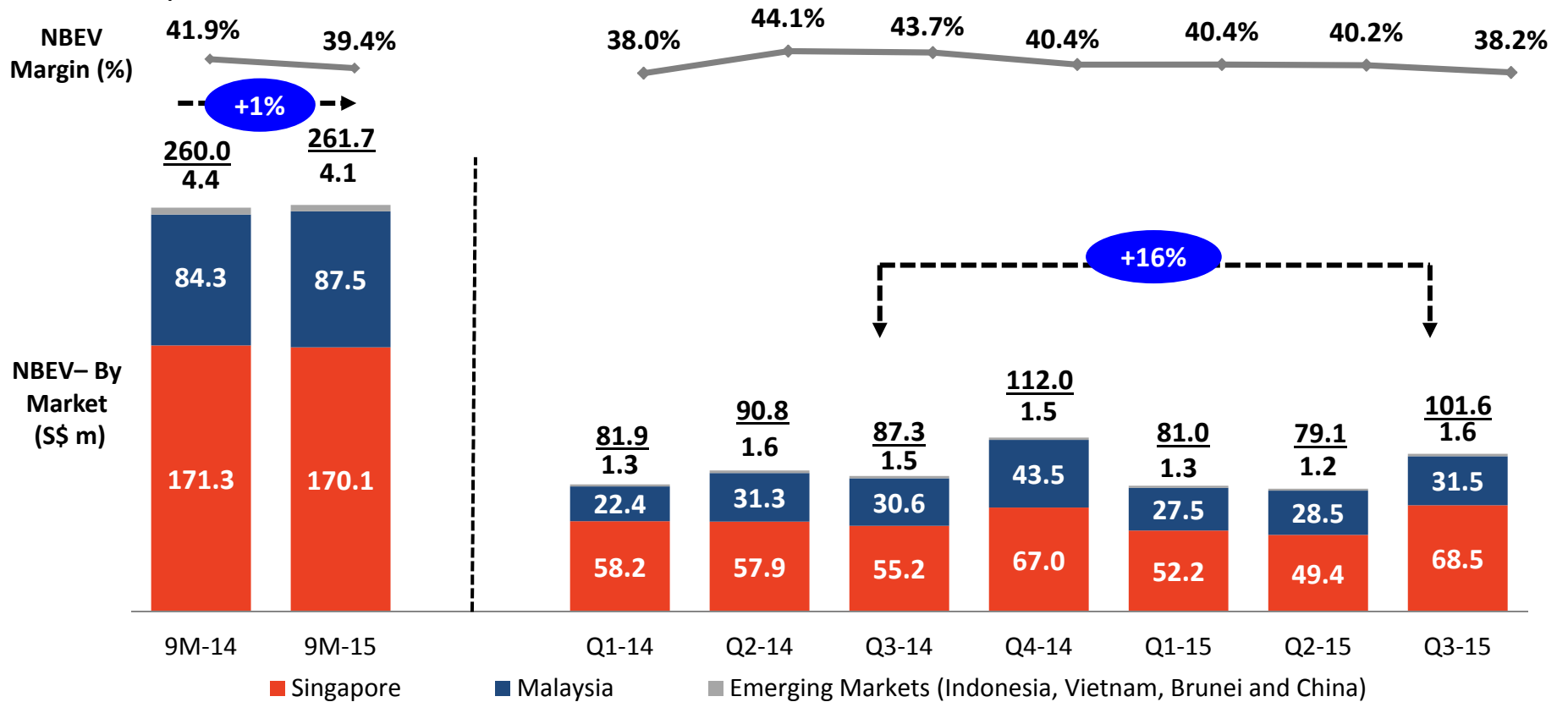
- For comparative reasons, TWNS figures for periods prior to Q3-15 have been restated using exchange rates as at 30 Sep 2015



New Business Embedded Value (NBEV)- By Market

NBEV of S\$101.6m and NBEV margin of 38.2% for Q3-15:

- NBEV for Q3-15 was 16% higher than the same quarter last year, driven by higher sales
- Shifts in product and channel mix in Singapore brought about lower NBEV margin for Q3-15 compared with Q3-14



Note:

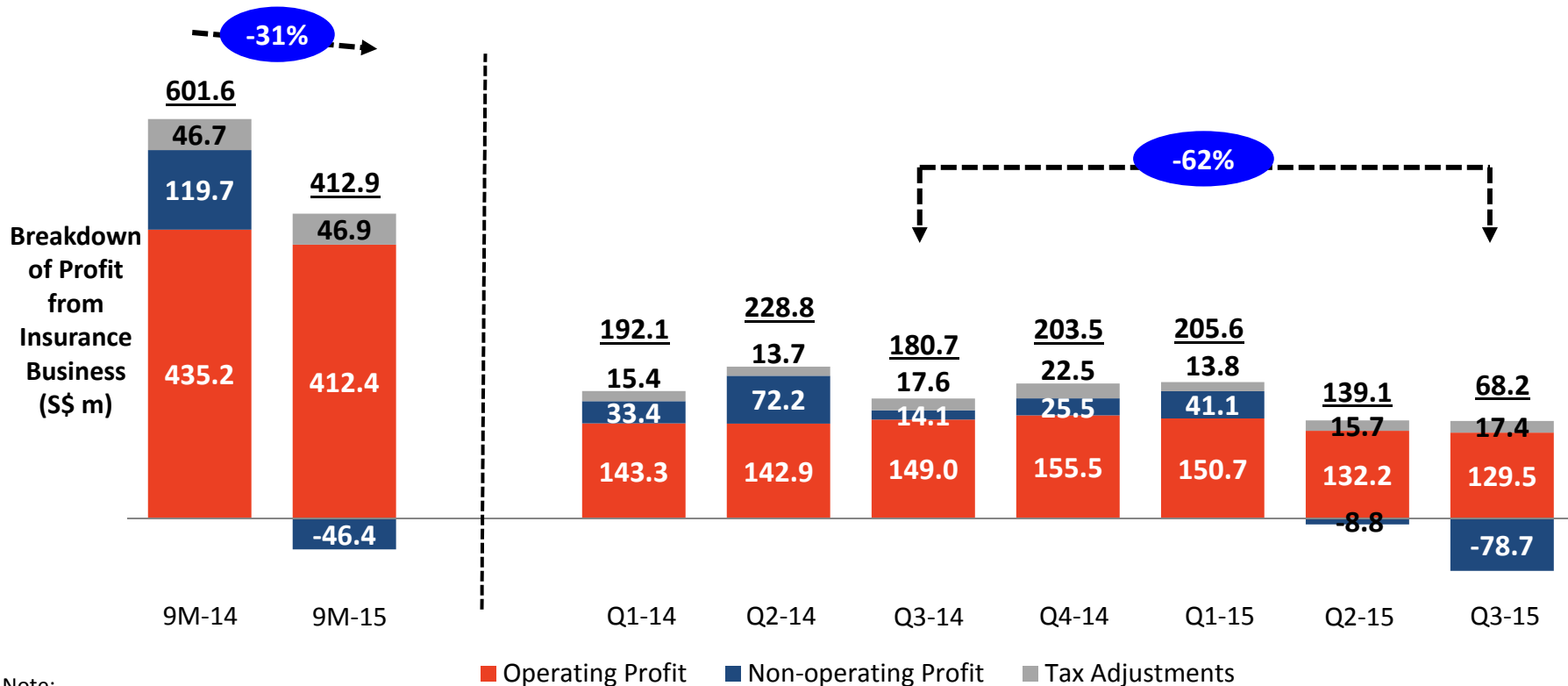
- For comparative reasons, NBEV figures for periods prior to Q3-15 have been restated using exchange rates as at 30 Sep 2015.
- NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.



Breakdown of Profit from Insurance Business

Profit from insurance business of S\$68.2m for Q3-15, 62% lower than same quarter last year:

- Unrealised losses from the valuation of assets and liabilities, brought about by a widening of credit spreads, decline in equity prices, and fall in long term interest rates
- Operating profit for Q3-15 was 13% lower compared with Q3-14



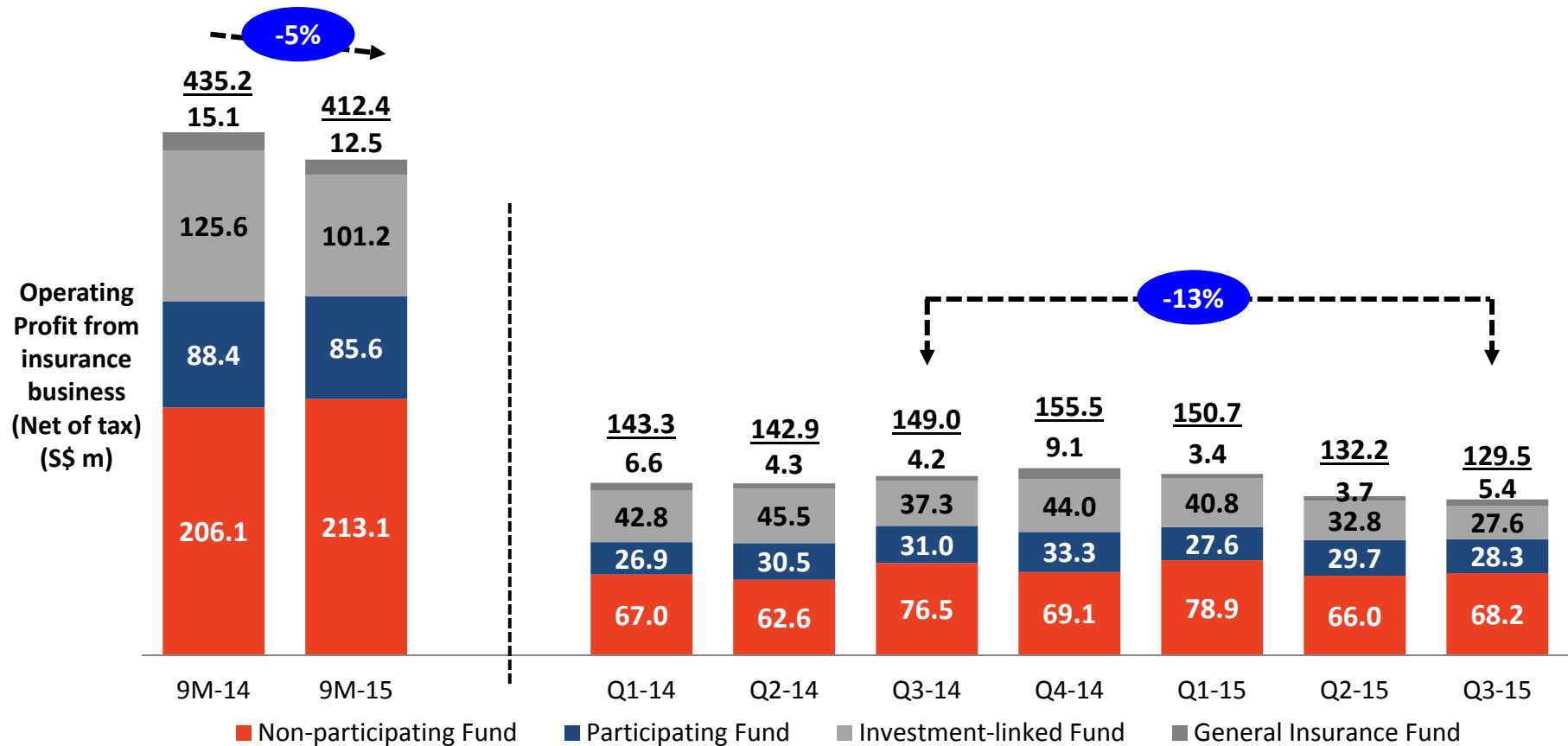
- Note:
- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)
 - Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities,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



Operating Profit from Insurance Business – by Fund

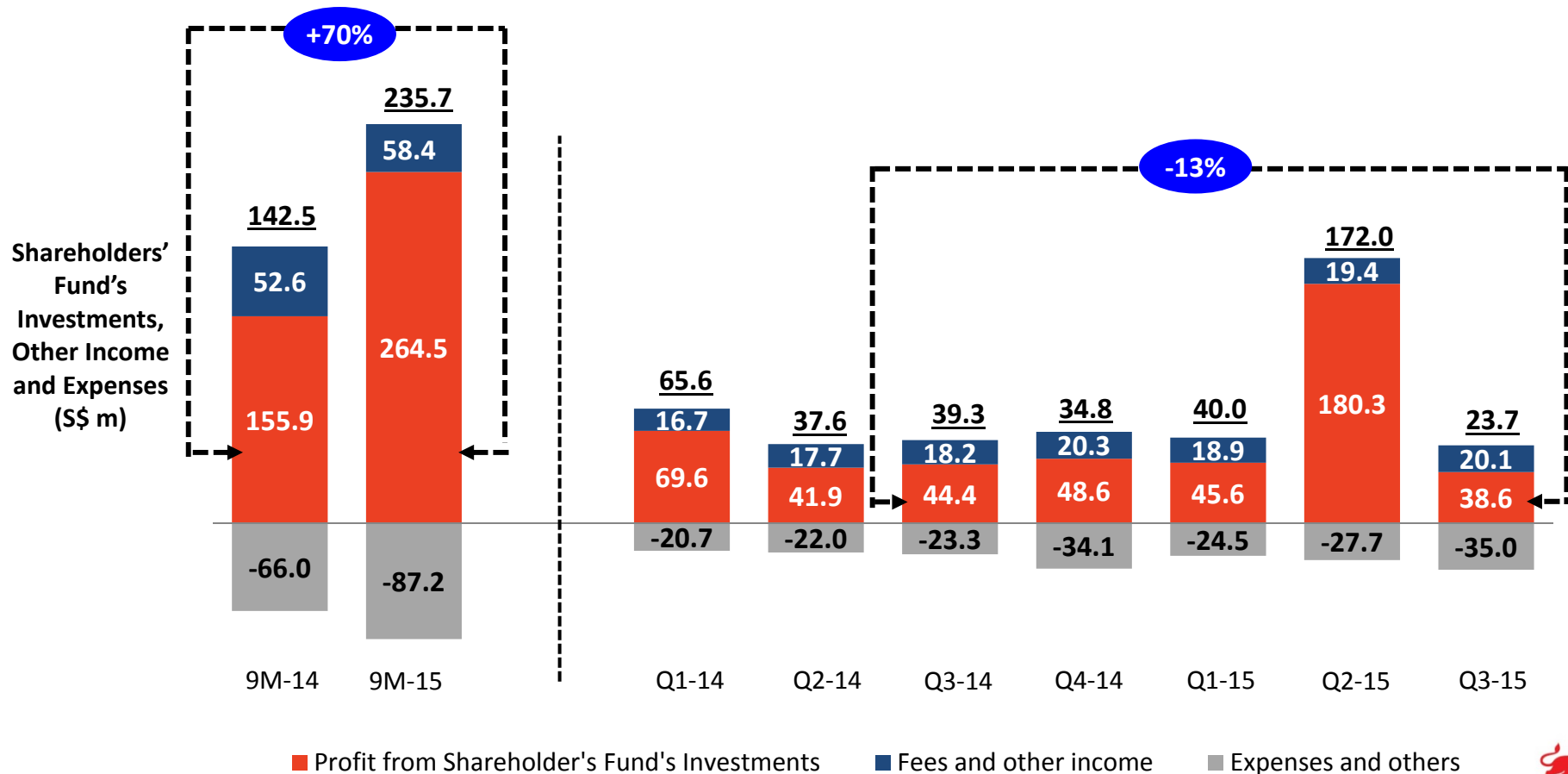
Operating Profit of S\$129.5m for Q3-15 was 13% lower compared with Q3-14:

- Largely due to the further weakening of Malaysian Ringgit against Singapore Dollar
- A few large death claims and higher medical claims in Singapore also impacted operating profit



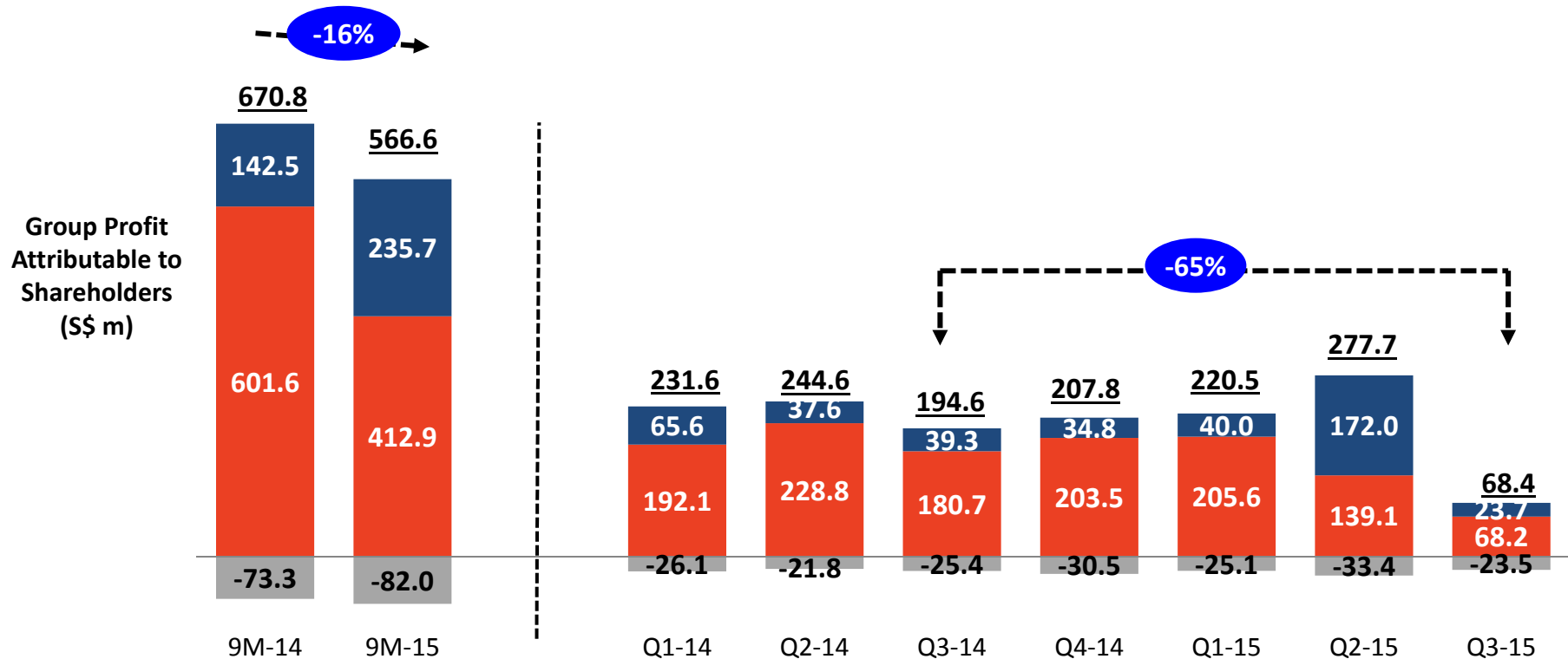
Shareholders' Fund's Investments, Other Income and Expenses

- Despite higher net investment income and a foreign exchange gain from US Dollar denominated investments, profit from Shareholders' Fund's Investments was lower for Q3-15, partly caused by realised loss from the sale of investments
- The Group also made an impairment provision of S\$13.0m for certain investments, in accordance with its accounting policy



Group Profit Attributable to Shareholders

- Group Profit attributable to Shareholders of S\$68.4m for Q3-15 was lower than the same quarter last year mainly because of unrealised mark-to-market losses from the insurance business in Q3-15



Profit from insurance business (Refer to slides 7-8)

Shareholders' Fund's Investments, Other Income and Expenses (Refer to slide 9)

Income Tax & Minority Interest



Thank You

