



# GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q3-14 and 9M-14  
Supplementary Information

28 October 2014

# Overview of Q3-14 and 9M-14 Financial Results

S\$'m	Q3-14	Q3-13	Δ	9M-14	9M-13	Δ
<b>Total Weighted New Sales<sup>^</sup></b>	<b>213.9</b>	275.4	-22%	<b>660.1</b>	738.5	-11%
<b>New Business Embedded Value<sup>*</sup></b>	<b>94.3</b>	109.6	-14%	<b>282.8</b>	296.0	-4%
<b>Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>149.0</b>	138.6	+8%	<b>435.2</b>	424.3	+3%
<b>Non-Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>14.1</b>	91.1	-85%	<b>119.7</b>	-26.2	nm
<b>Group Profit Attributable to Shareholders</b>	<b>194.6</b>	282.8	-31%	<b>670.8</b>	508.9	+32%

<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 S\$17.6m for Q3-14 (Q3-13: S\$22.3m), and S\$46.7m for 9M-14 (9M-13: S\$54.0m).

Note:

-For comparative reasons, TWNS/ NBEV figures for Q3-13 and 9M-13 have been restated using exchange rates as at 30 September 2014

-Q3-13 and 9M-13 NBEV figures have been restated to take into account revised investment and actuarial assumptions implemented in Q4-13

-nm: Not meaningful



# Q3-14 Key Highlights

Key highlights of Q3-14 performance :

- Total Weighted New Sales (TWNS) of S\$213.9m
  - Lower compared with Q3-13 during which sales in Singapore were boosted by the recapturing of a high volume of maturing Participating policies
  - Singapore sales were partially affected by a drop in sales of regular premium savings products through the bancassurance channel
  - Sustained demand for regular premium Investment-linked products in the conventional business continued to drive sales in Malaysia
- New Business Embedded Value (NBEV) of S\$94.3m
  - Increase in NBEV margin\* to 44% for Q3-14 brought about by a positive shift in product and channel mix in Singapore
- Operating profit rose 8% to S\$149.0m on better performance from Non-participating Funds and Investment-linked Funds
- Non-operating profit was lower at S\$14.1m as there was stronger market recovery in Q3-13.
- Group profit attributable to Shareholders of S\$194.6m.

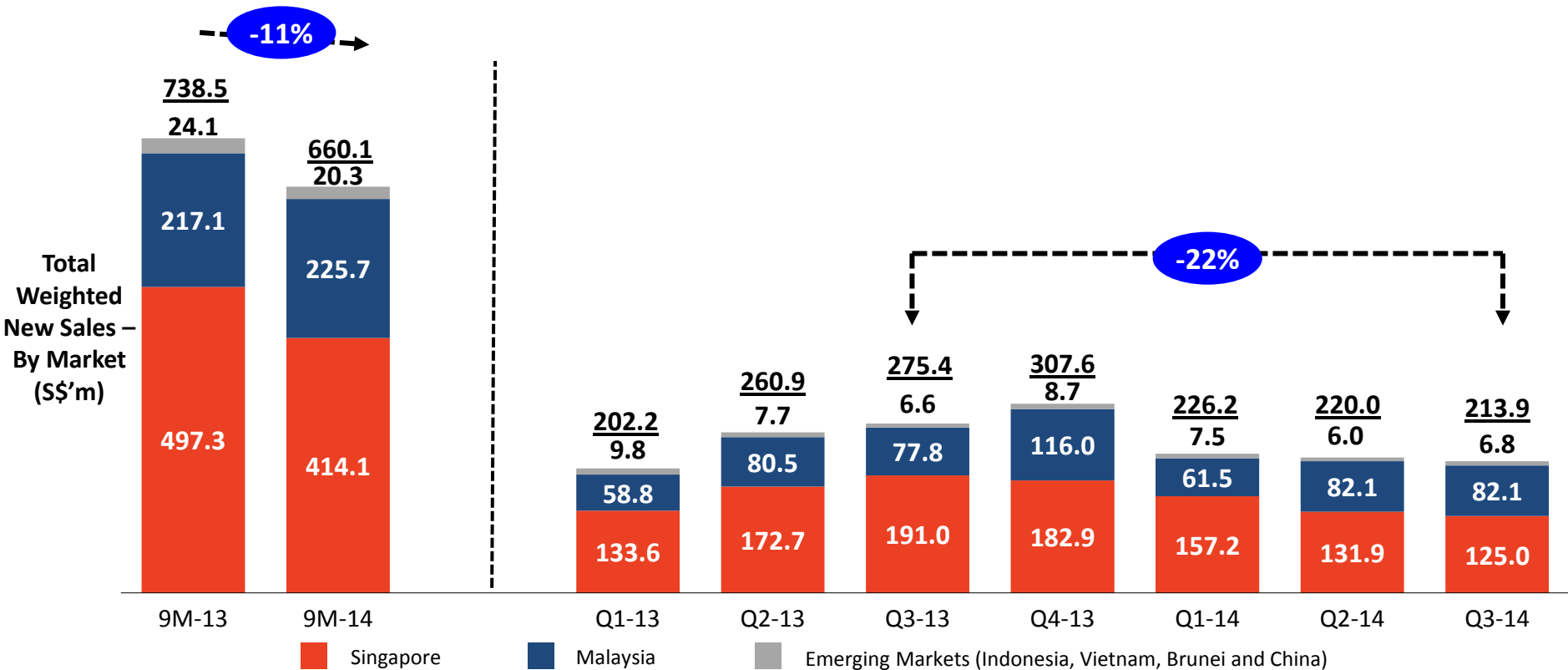
\*NBEV margin = NBEV/ TWNS



# Total Weighted New Sales (TWNS) – By Market

TWNS of S\$213.9m in Q3-14 was 22% lower:

- Lower sales in Singapore from both the agency and bancassurance channel
- Stable agency sales growth in Malaysia



Note:

-For comparative reasons, TWNS figures for periods prior to Q3-14 have been restated using exchange rates as at 30 September 2014

-QoQ TWNS comparison not relevant given seasonality of insurance sales

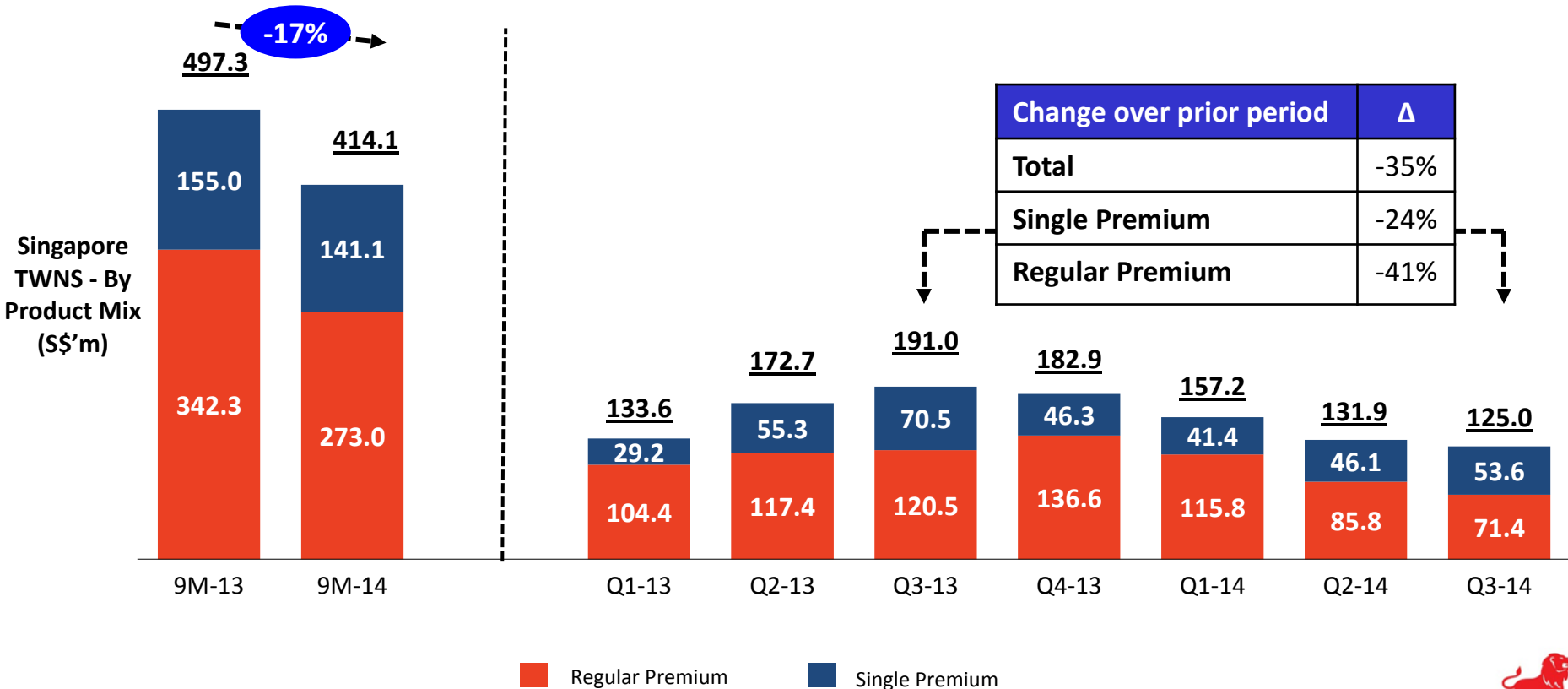
- Following completion of the disposal of 25% stake in the Great Eastern's joint venture in China , TWNS of emerging markets from Q1-14 reflects reduced stake of 25%



# Singapore TWNS – By Product Mix

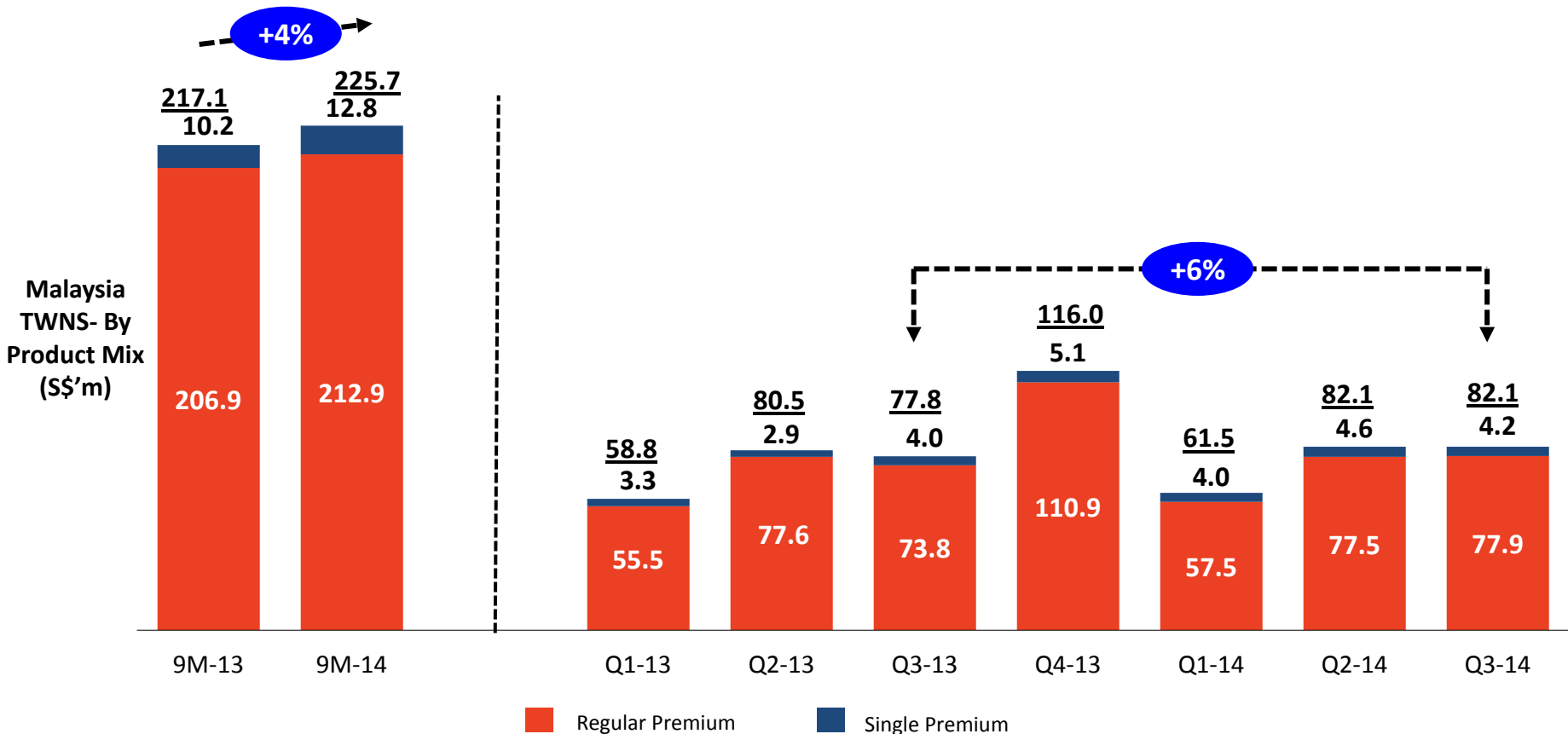
Singapore TWNS of S\$125.0m for Q3-14:

- Overall sales were lower than in the same period last year during which there was a peak in the number of maturing policies sold during the Group's centennial celebrations and sales were boosted by strong take-up of new products offered to customers with those policies
- Lower sales also partially caused by a drop in sales through the bancassurance channel



# Malaysia TWNS – By Product Mix

- Q3-14 Malaysia TWNS rose 6% to S\$82.1m, driven by sustained demand of regular premium investment-linked product sales

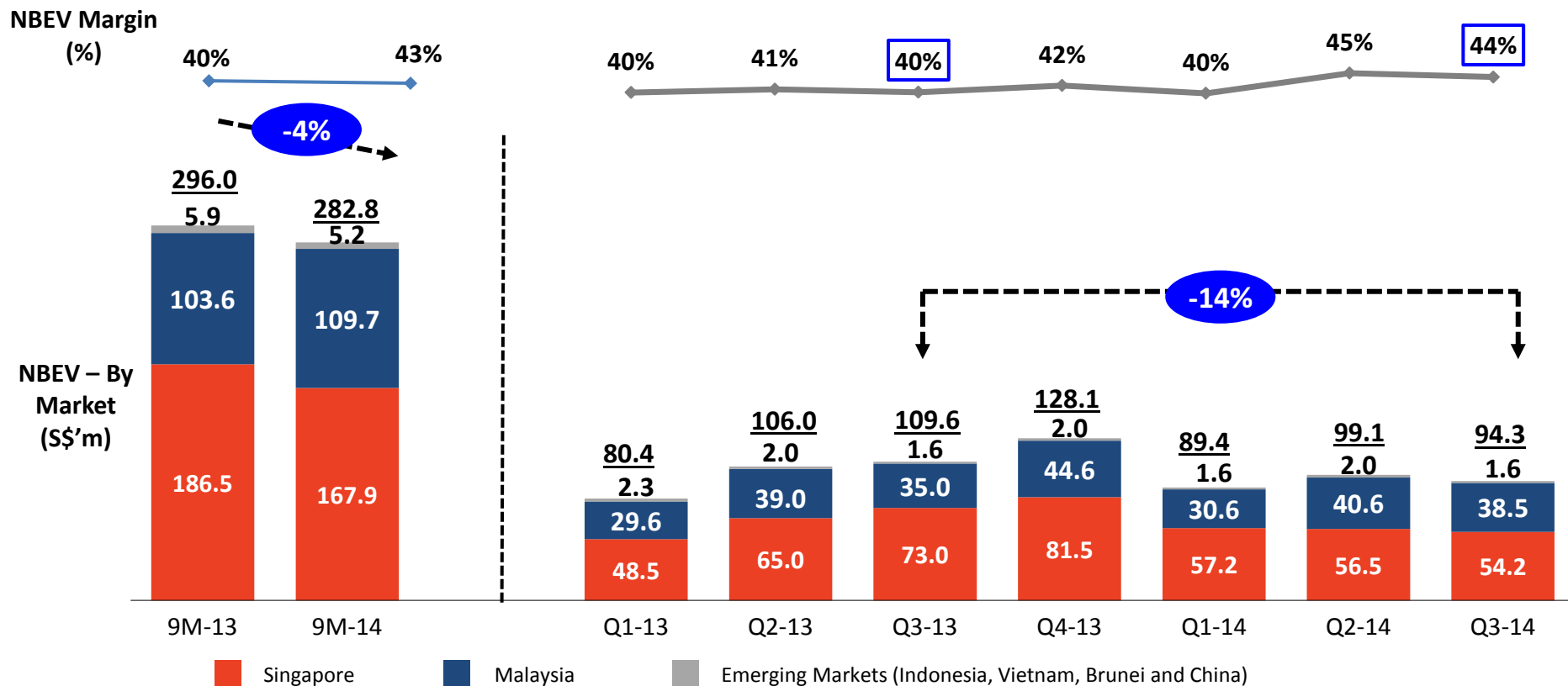


Note: For comparative reasons, TWNS figures for periods prior to Q3-14 have been restated using exchange rates as at 30 September 2014



# New Business Embedded Value (NBEV)- By Market

- NBEV margin improved to 44% for Q3-14, brought about by a positive shift in product and channel mix in Singapore



Note:

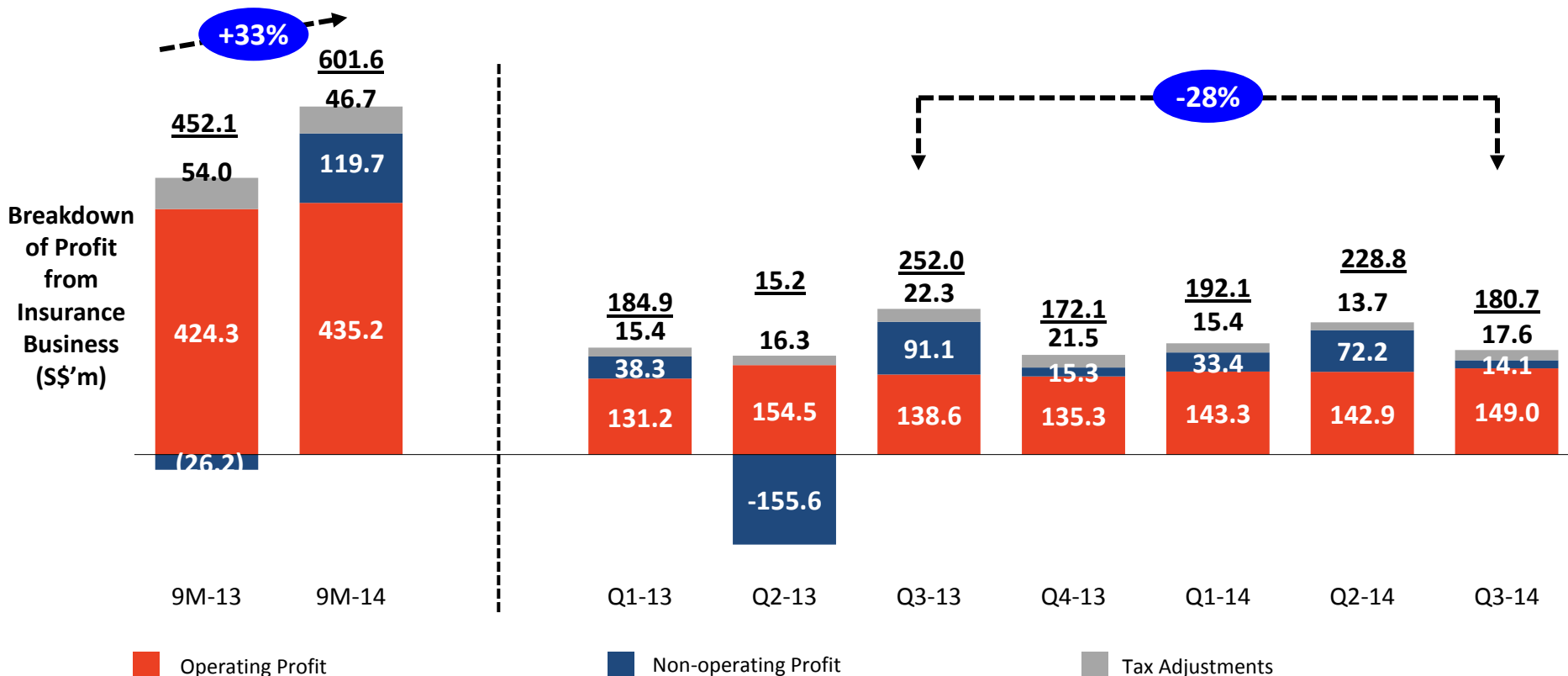
-For comparative reasons, NBEV figures for periods prior to Q3-14 have been restated using exchange rates as at 30 September 2014. NBEV figures for periods prior to Q4-13 have been restated to take into account revised actuarial assumptions implemented in Q4-13

- Following completion of the disposal of 25% stake in the Great Eastern's joint venture in China , NBEV of emerging markets from Q1-14 reflects reduced stake of 25%



# Breakdown of Profit from Insurance Business

- Q3-14 profit from insurance business of S\$180.7m was lower compared with Q3-13, net impact of:
- Higher operating profit\* of S\$149.0m, from better performance of the Non-participating Funds and Investment-linked Funds, offset by
  - Lower non-operating profit\*\* as a result of lower unrealised mark-to-market gains



\*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

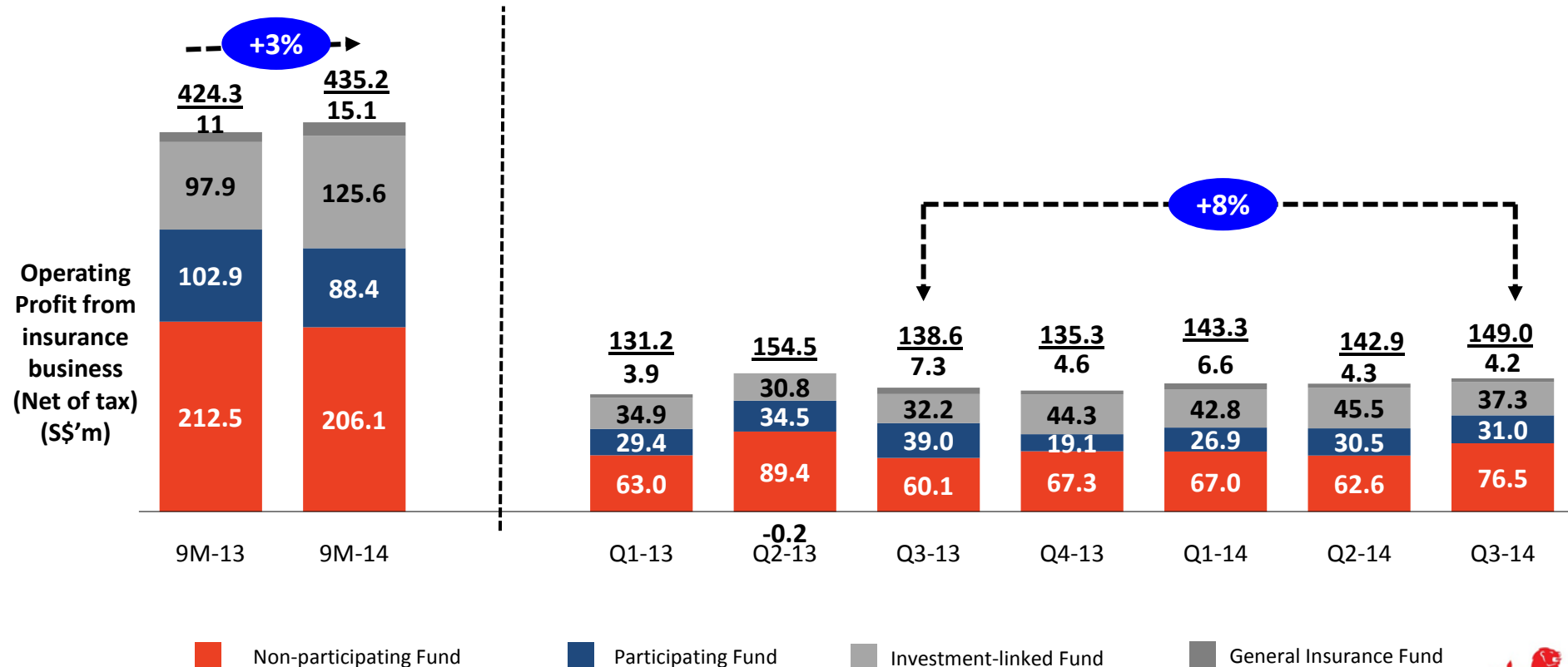




# Operating Profit from Insurance Business – by Fund

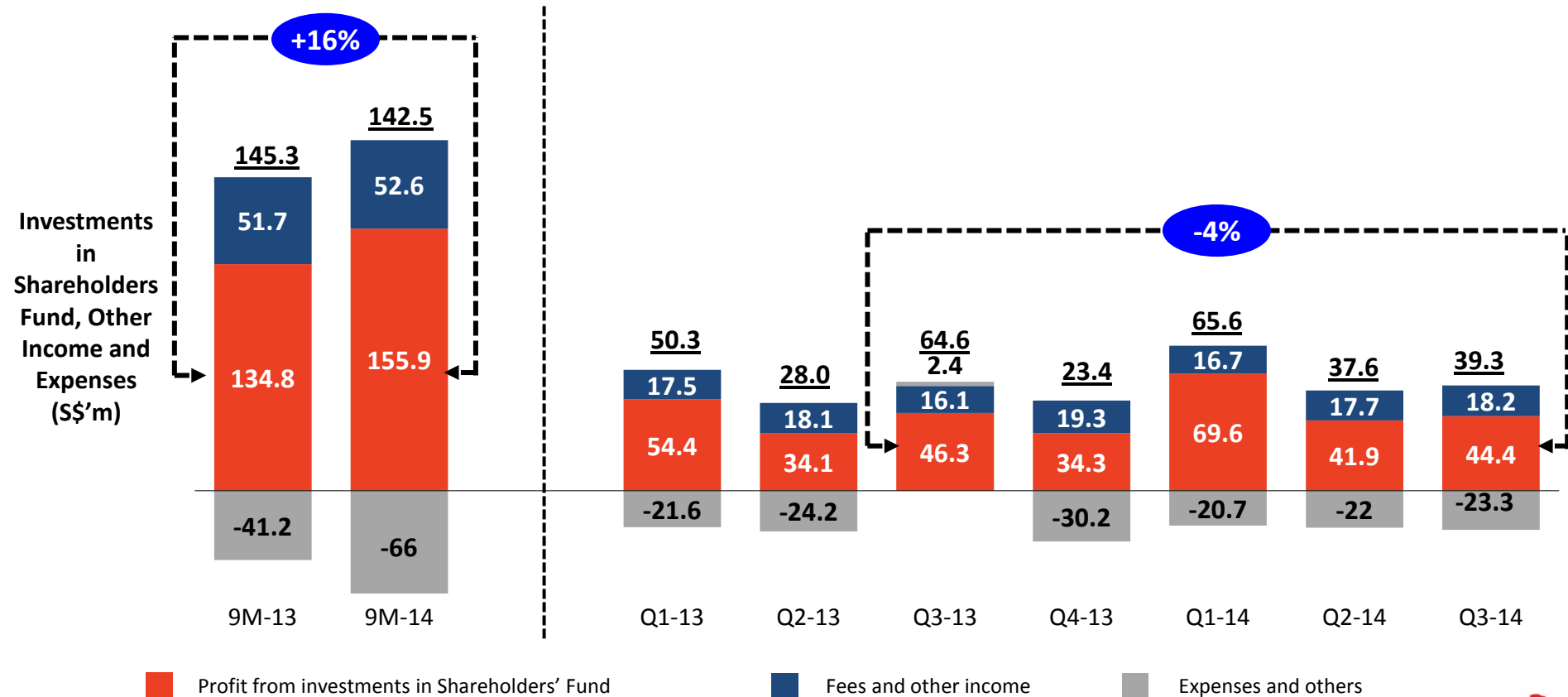
Q3-14 operating profit of S\$149.0m was 8% higher compared with Q3-13, driven by:

- Growing in-force business
- Higher investment income in the Singapore Non-participating Fund



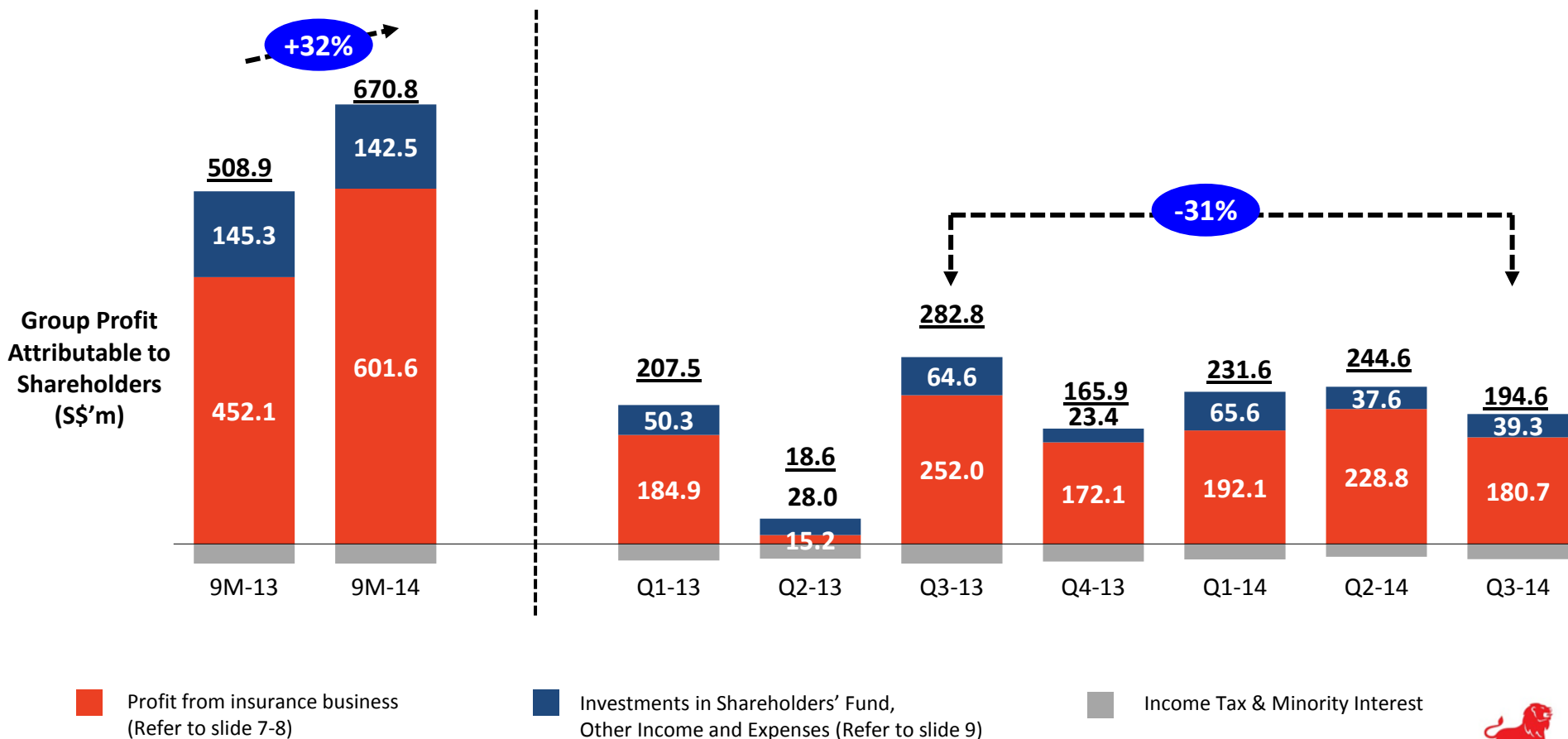
# Investments in Shareholders' Fund, Other Income and Expenses

- Q3-14 profit from investments in Shareholders' Fund of S\$44.4m was lower compared with the same period last year as a result of lower gains from sale of investments
- Excluding the reversal of a provision to support insurance operations in Q3-13, expenses for Q3-14 remained stable



# Group Profit Attributable to Shareholders

- Q3-14 Group profit attributable to Shareholders of S\$194.6m was lower compared with Q3-13 as a result of lower unrealised mark-to-market gains



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**Thank You**

