

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q1-18 Supplementary Information

3 May 2018

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Overview of Q1-18 Financial Results

S\$'m	Q1-18	Q1-17	Δ
Total Weighted New Sales^{1&4}	231.1	280.1	-17%
New Business Embedded Value^{2 to 4}	100.7	111.0	-9%
Operating Profit (net of tax)^{4&5} from Insurance Business	159.3	120.8	+32%
Non-Operating Profit (net of tax)^{4&5} from Insurance Business	-5.1	-82.1	nm
Profit (net of tax) from Shareholder's fund	1.0	54.6	-98%
Non-Controlling Interest	-2.3	-2.5	nm
Group Profit Attributable to Shareholders⁵	152.9	90.8	+68%

Note:

1. Total Weighted New Sales (TWNS) = (Single Premium x 10%) + New Regular Premium
2. New Business Embedded Value (NBEV) is a measure of the long-term profitability of new sales.
3. NBEV figures for periods prior to Q4-17 have been restated to take into account revised actuarial assumptions implemented in Q4-17.
4. 2018 TWNS, NBEV and Operating Profit in foreign currencies are translated using the monthly spot rate for 2017 for comparison on constant currency. In applying the constant currency translation, the positive impact to Operating Profit of +\$3.6m for Q1-18 has been included in the Non-Operating Profit.
5. Comparatives figures for Q1-17 have been restated upon adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)").

nm: not meaningful

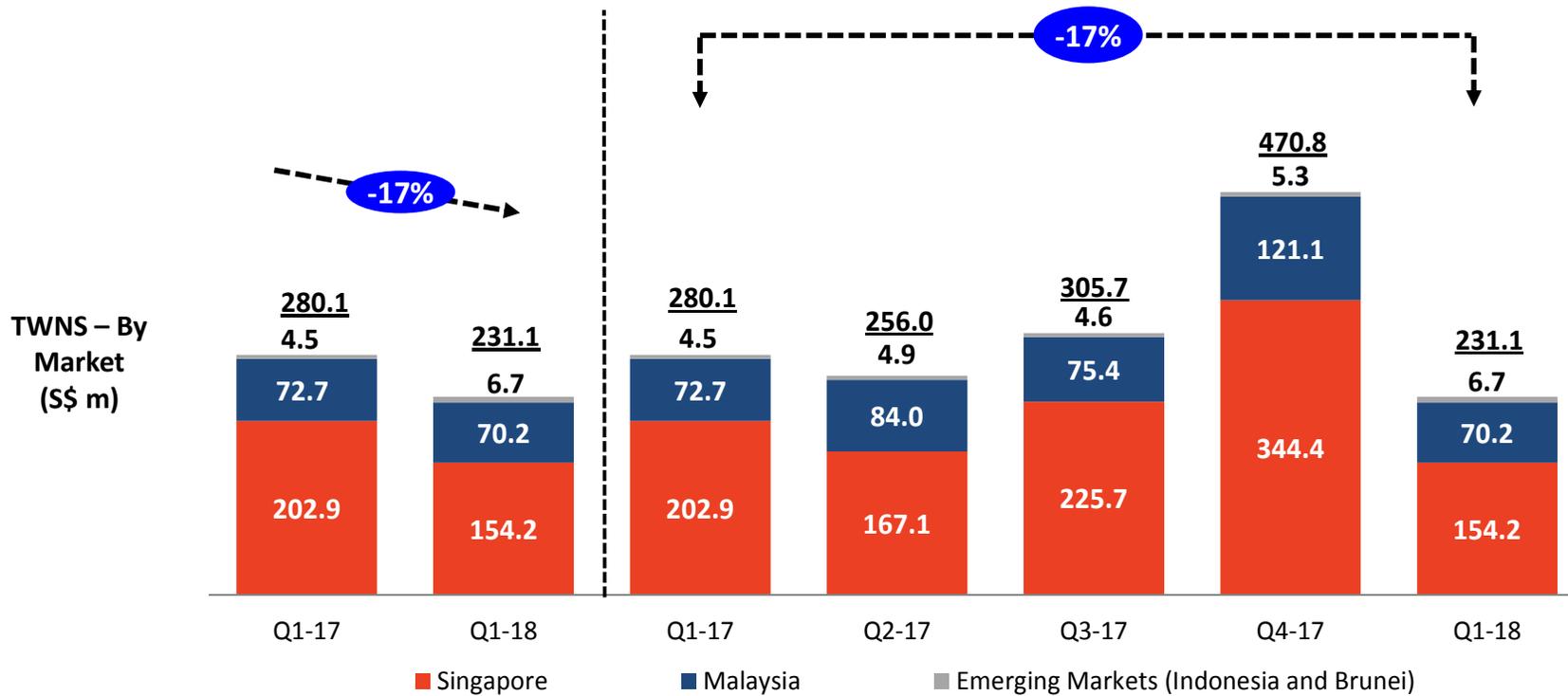
Q1-18 Key Highlights

- Group's TWNS at S\$231.1 million for Q1-18 was 17% lower than last year due to lower Single Premium sales in Singapore.
- Group's NBEV was 9% lower at S\$100.7 million for Q1-18, contributed by lower sales. NBEV margin was higher at 43.6% as a result of shift in product mix.
- Operating profit at S\$159.3 million for Q1-18 was 32% higher than last year due to higher profit in the Singapore Insurance business.
- Non-operating loss of -S\$5.1 million for Q1-18 due to mark-to-market loss arising from unfavorable market conditions.
- Profit from Shareholder's fund at \$1.0m for Q1-18, significantly lower than last year due to mark-to-market loss arising from unfavorable market conditions.
- Group Profit Attributable to Shareholders of S\$152.9 million for Q1-18 was higher than the same period last year because of higher operating profit and lower non-operating loss from insurance business; offset by lower profit from Shareholder's Fund.

Total Weighted New Sales (TWNS) – By Market

Lower Group's TWNS for Q1-18 compared to same quarter last year:

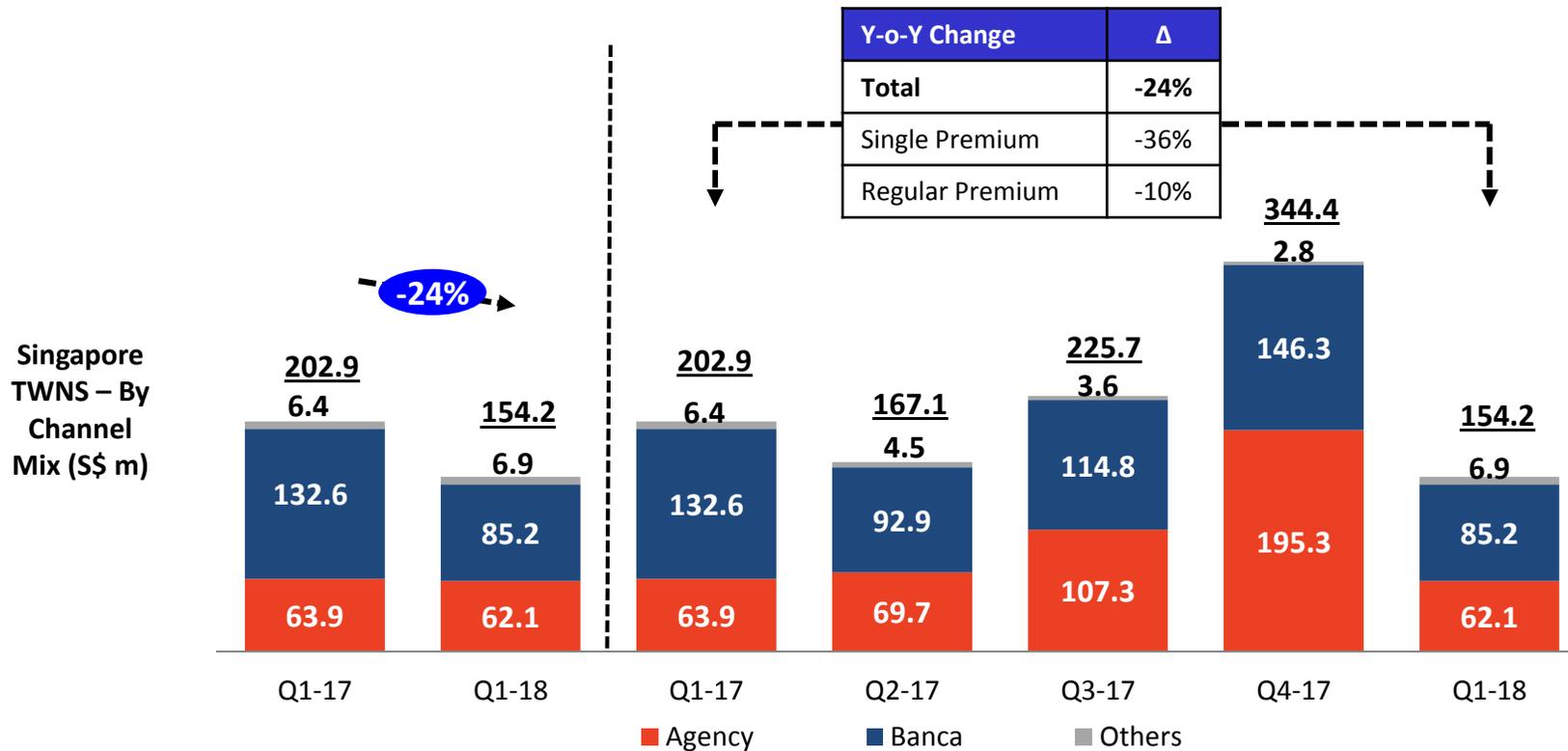
- Lower sales from bancassurance channel in Singapore.



Singapore TWNS – By Channel Mix

TWNS in Singapore of S\$154.2 million for Q1-18, lower than same period last year:

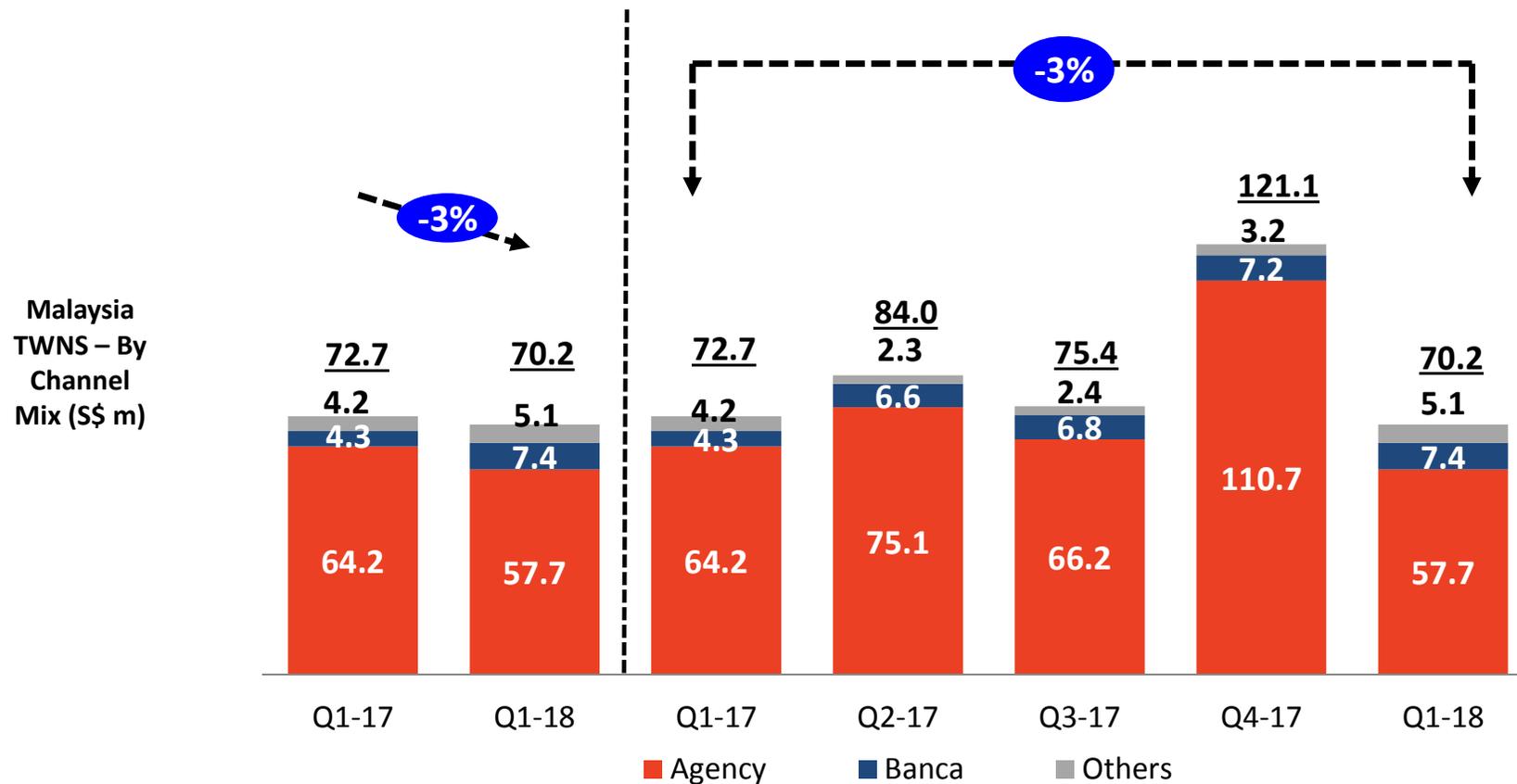
- Lower sales of single premium products through bancassurance channel.
- Sales from agency channel was comparable to the same quarter last year.



Malaysia TWNS – By Channel Mix

TWNS in Malaysia of S\$70.2 million for Q1-18; slight drop from the same period last year :

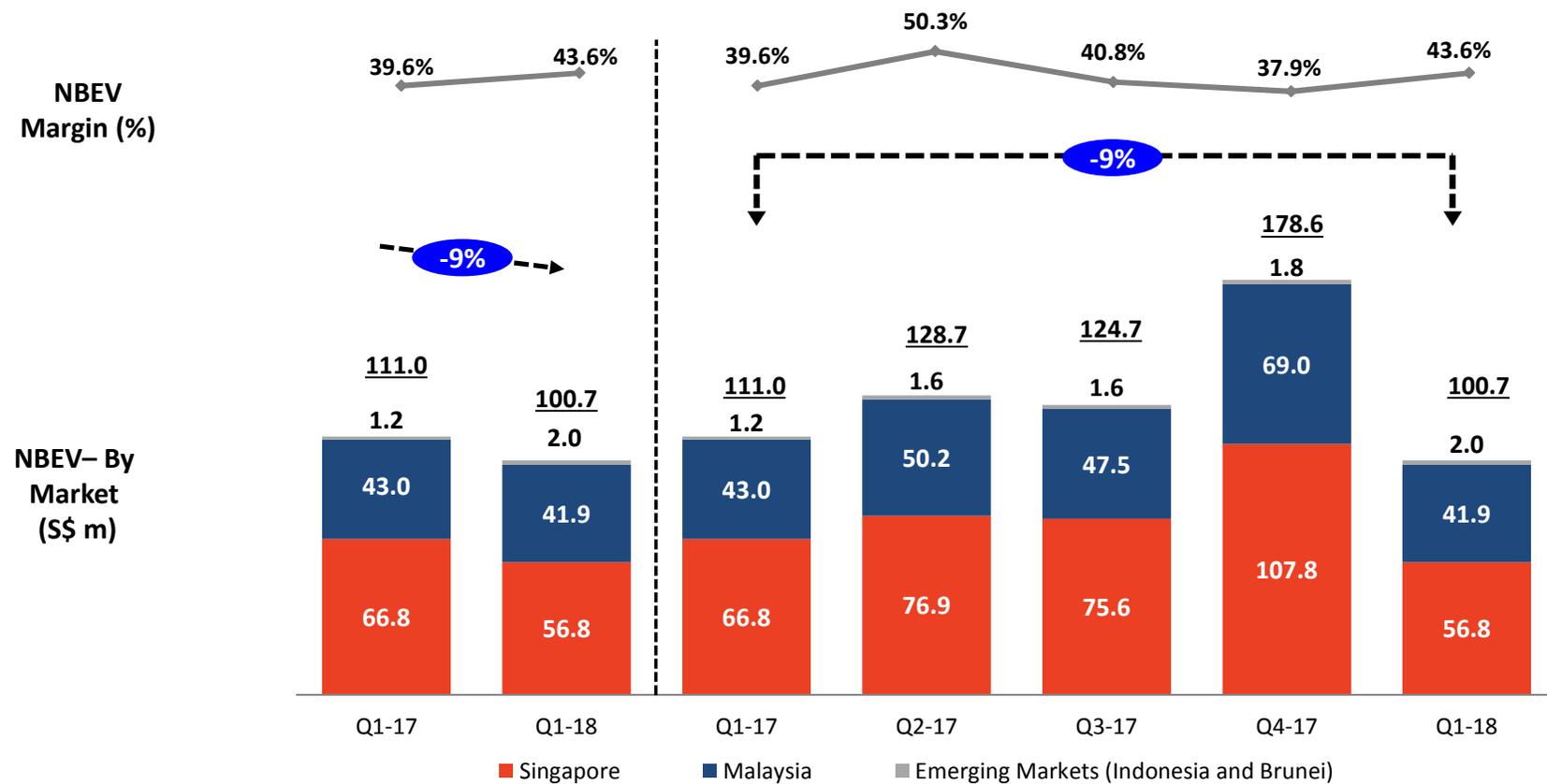
- Lower sales of regular premium products through agency channel.
- Continued growth in sales through bancassurance channel.



New Business Embedded Value (NBEV)- By Market

Lower NBEV of S\$100.7 million; but NBEV margin increased to 43.6% for Q1-18 :

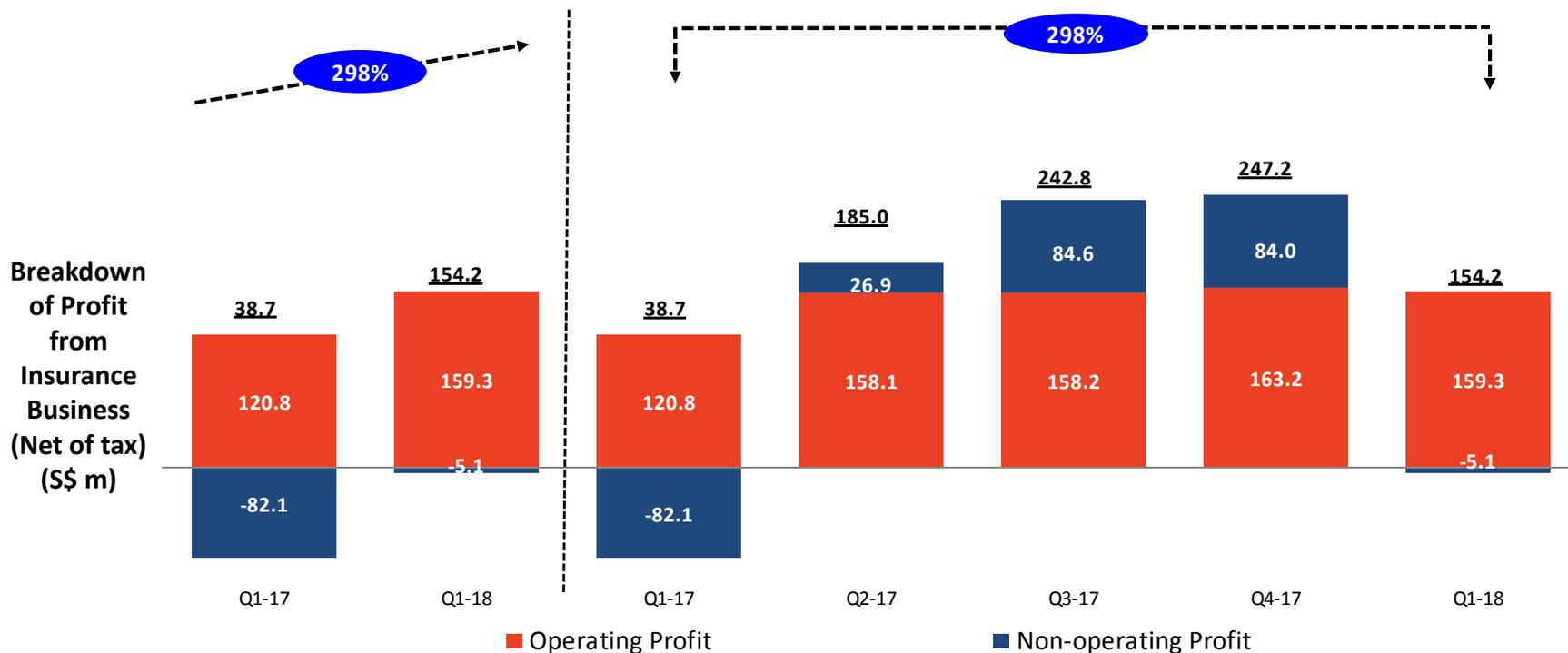
- Lower NBEV was contributed by lower sales in Singapore.
- Higher margin as a result of favorable product mix.



Breakdown of Profit from Insurance Business

Profit from insurance business of S\$154.2 million for Q1-18 :

- Higher operating profit coming from lower claims and higher investment income.
- Non-operating loss due to widening of credit spreads.



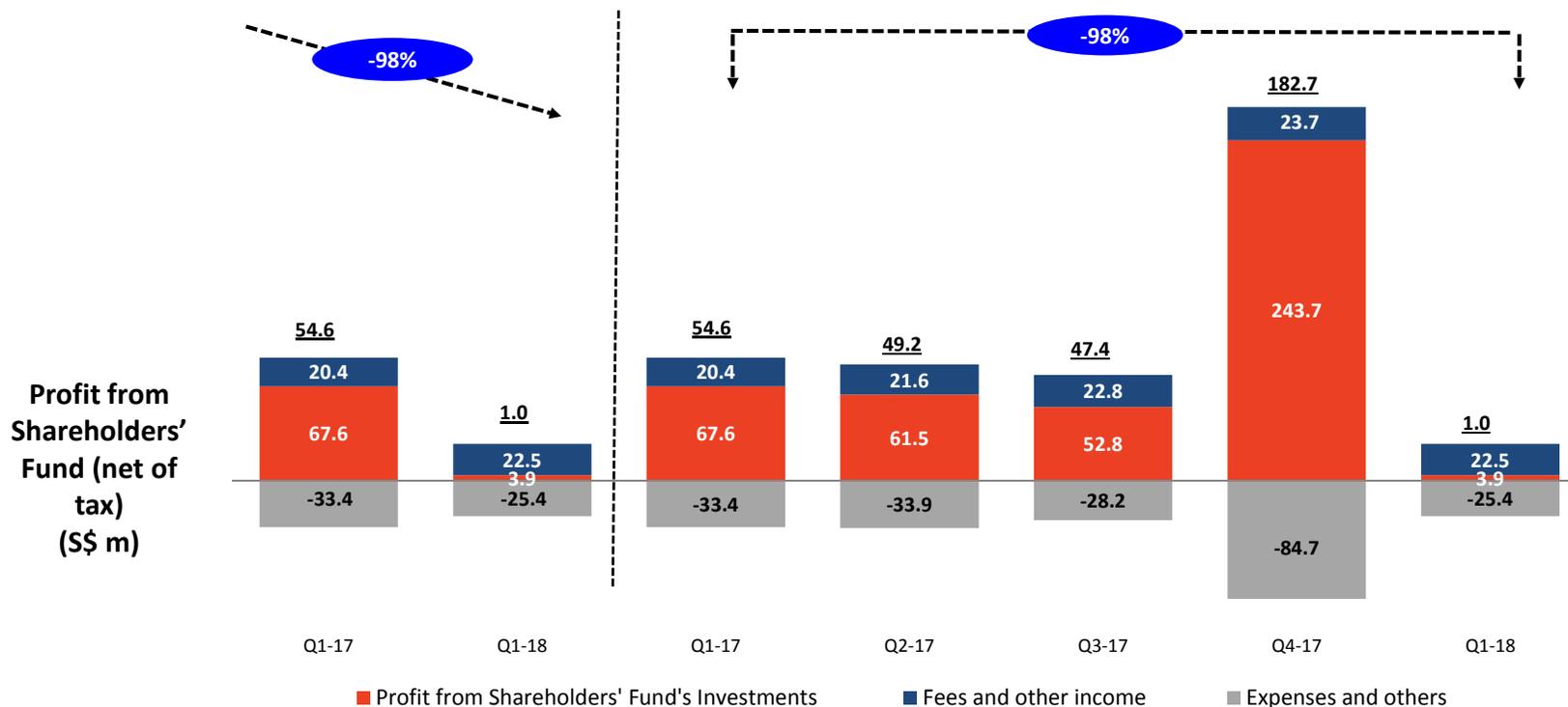
Note:

- 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, other non-recurring items.

Profit from Shareholders' Fund

Profit from Shareholders' Fund of S\$1.0 million for Q1-18 was lower than Q1-17:

- Lower realised gain on sale of investments in Q1-18 as compared to same quarter last year.
- Mark-to-market losses on investment assets classified as "fair-value through profit and loss" with the adoption of SFRS(I)* 9 – Financial Instruments in 2018.



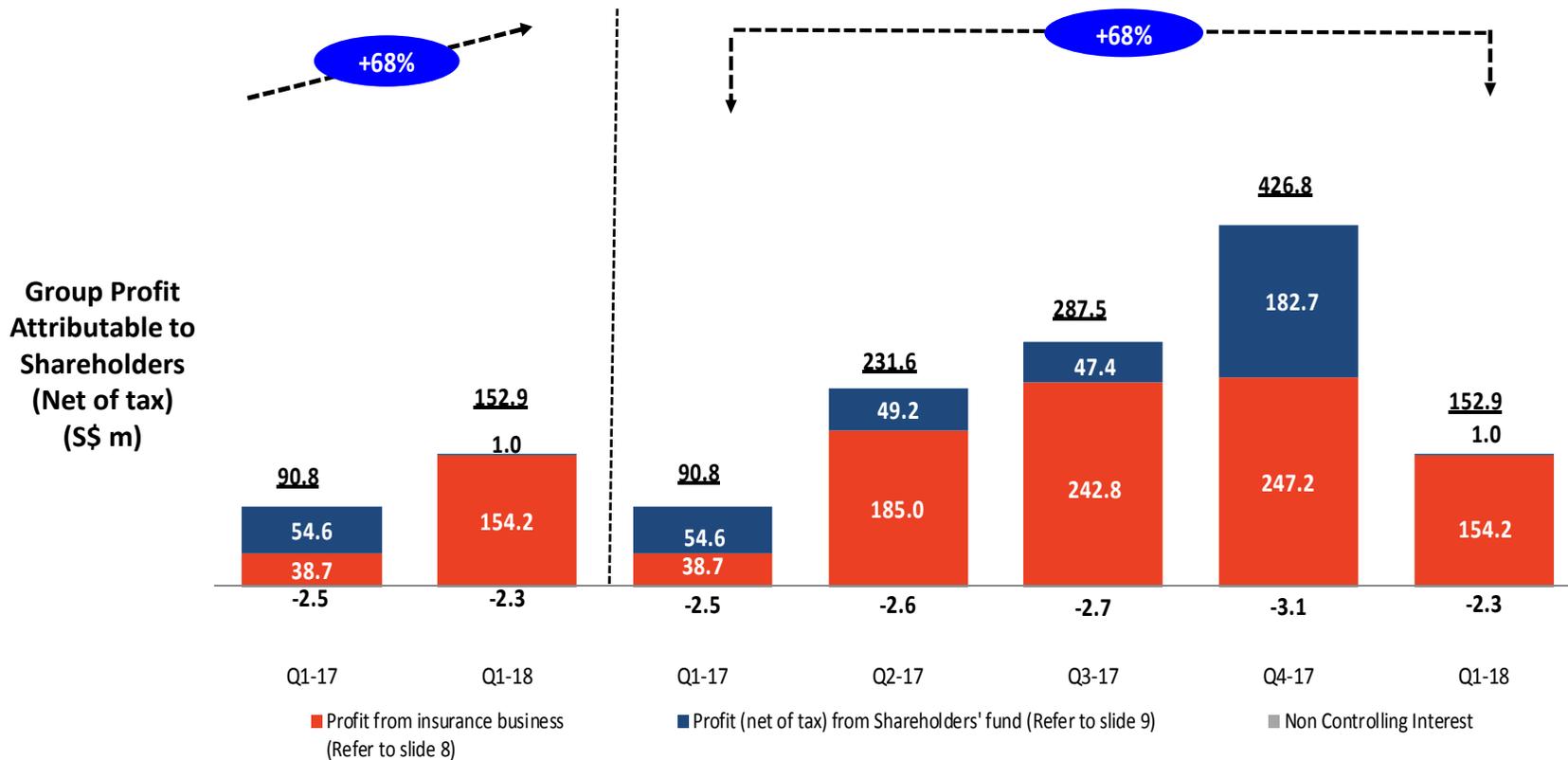
Note:

* Singapore Financial Reporting Standards (International) ("SFRS(I)")

Group Profit Attributable to Shareholders

Profit attributable to shareholders was S\$152.9 million for Q1-18 :

- Higher operating and non-operating profit from insurance business.
- Lower profit from shareholders' fund.



THANK YOU