

# GREAT EASTERN HOLDINGS LIMITED

## Financial Results for Q1-17 Supplementary Information

27 April 2017

## Overview of Q1-17 Financial Results

S\$'m	Q1-17	Q1-16	Δ
<b>Total Weighted New Sales<sup>^</sup></b>	<b>279.8</b>	217.2	+29%
<b>New Business Embedded Value<sup>*</sup></b>	<b>102.0</b>	82.0	+24%
<b>Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>121.1</b>	120.4	+1%
<b>Non-Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>44.7</b>	-42.6	nm
<b>Profit (net of tax) from Shareholder's fund</b>	<b>54.6</b>	21.6	+153%
<b>Non-Controlling Interest</b>	<b>-2.5</b>	-2.5	nm
<b>Group Profit Attributable to Shareholders</b>	<b>217.9</b>	96.9	+124%

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 \$16.0m for Q1-17 (Q1-16: \$11.3m).

-For comparative reasons, TWNS/ NBEV figures for Q1-16 have been restated using exchange rates as at 31 Mar 2017.

- nm: not meaningful

## Q1-17 Key Highlights

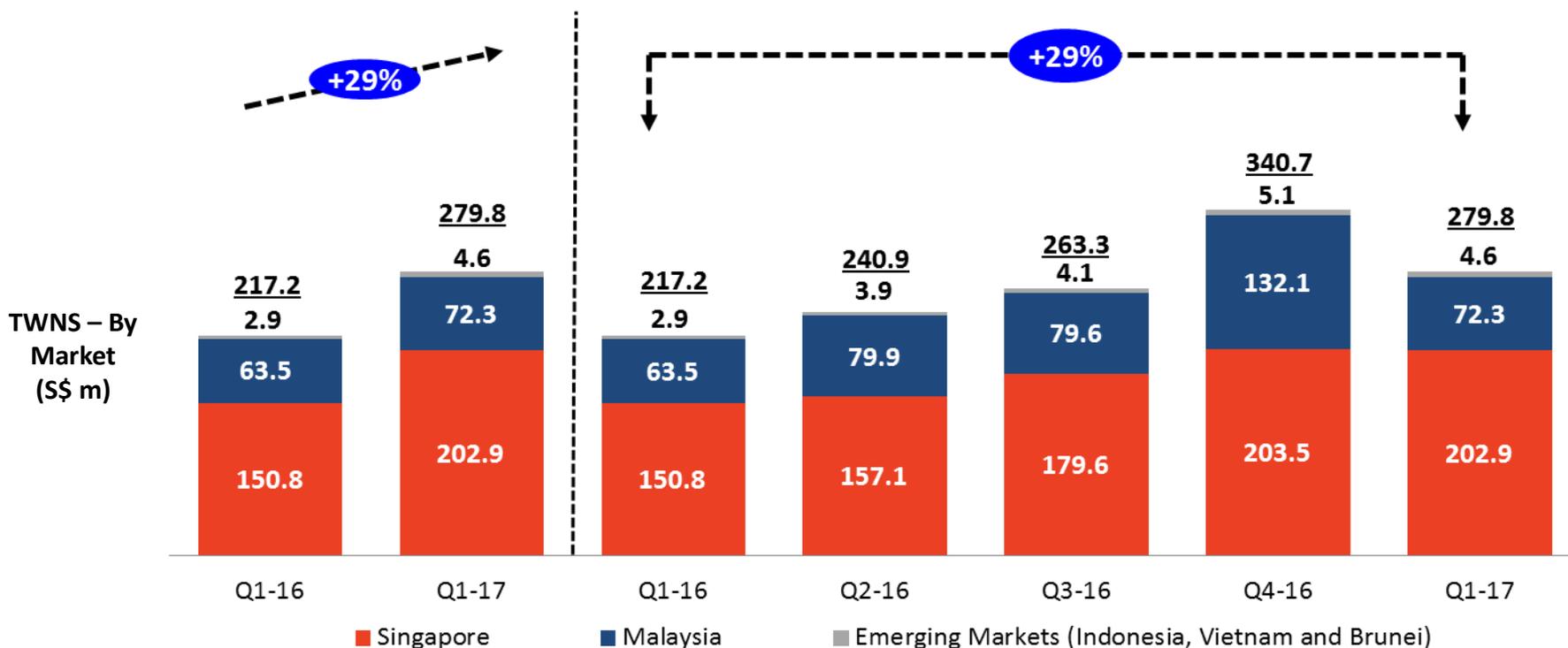
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- Group's TWNS was 29% higher at S\$279.8 million for Q1-17, underpinned by strong growth in Singapore and Malaysia, particularly significant growth for Singapore's bancassurance channel and also improvement in agency channel in both Singapore and Malaysia.
- Led by the increase in sales, NBEV increased 24% to S\$102.0 million for Q1-17.
- Operating profit at S\$121.1 million for Q1-17 was stable and increased 1% compared to the same quarter last year.
- Non-operating profit of \$44.7m for Q1-17, as financial markets experienced narrowing of credit spreads and rally in the equity markets.
- Group's profit attributable to shareholders of \$217.9 million was higher than the same quarter last year, largely due to mark-to-market gains from the insurance funds amid favourable market conditions.

# Total Weighted New Sales (TWNS) – By Market

Higher Group's TWNS of \$279.8 million for Q1-17 compared to same quarter last year:

- Driven by strong growth from both agency and bancassurance channels.



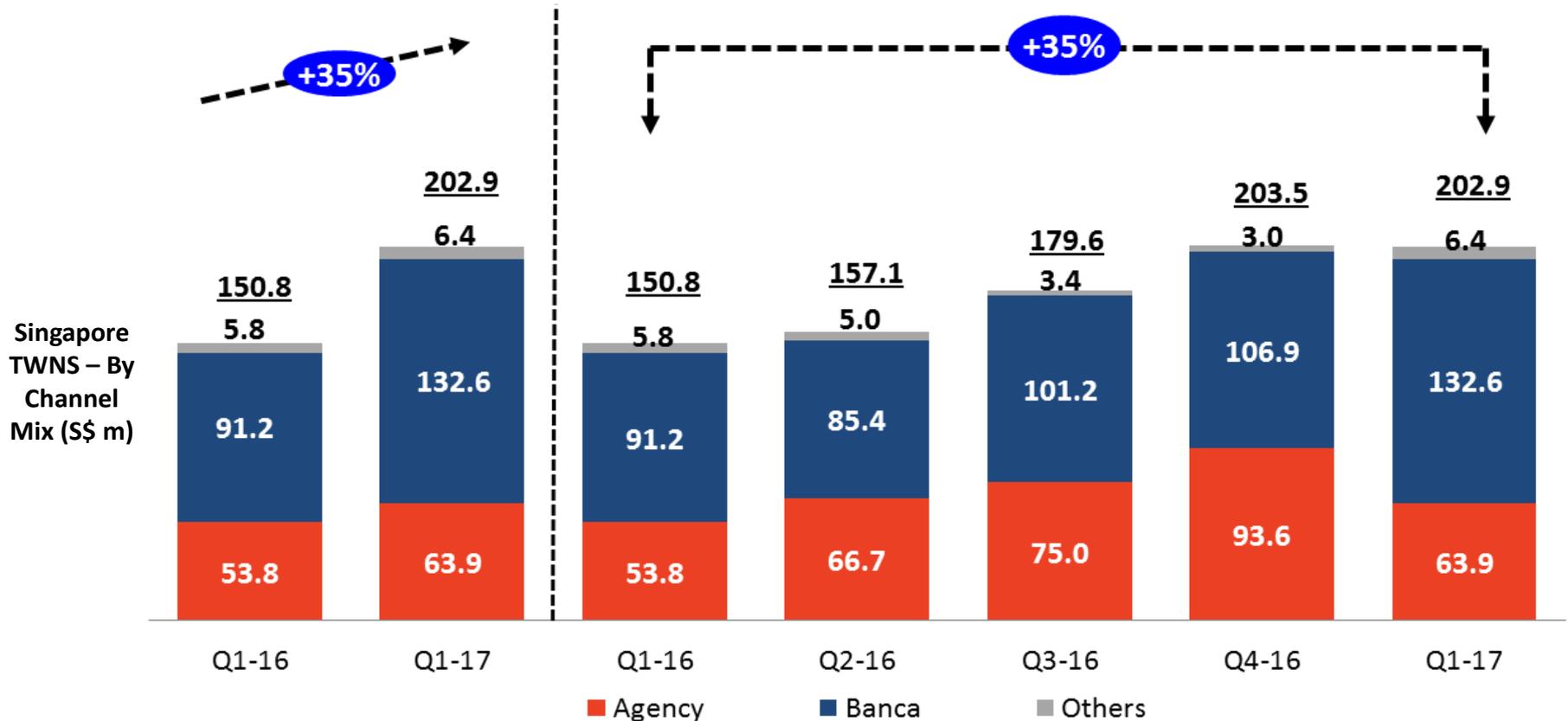
## Note:

- For comparative reasons, TWNS figures for periods prior to Q1-17 have been restated using exchange rates as at 31 Mar 2017.
- TWNS for Q1-16 and Q2-16 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

Higher TWNS in Singapore of \$202.9 million (35% growth) for Q1-17:

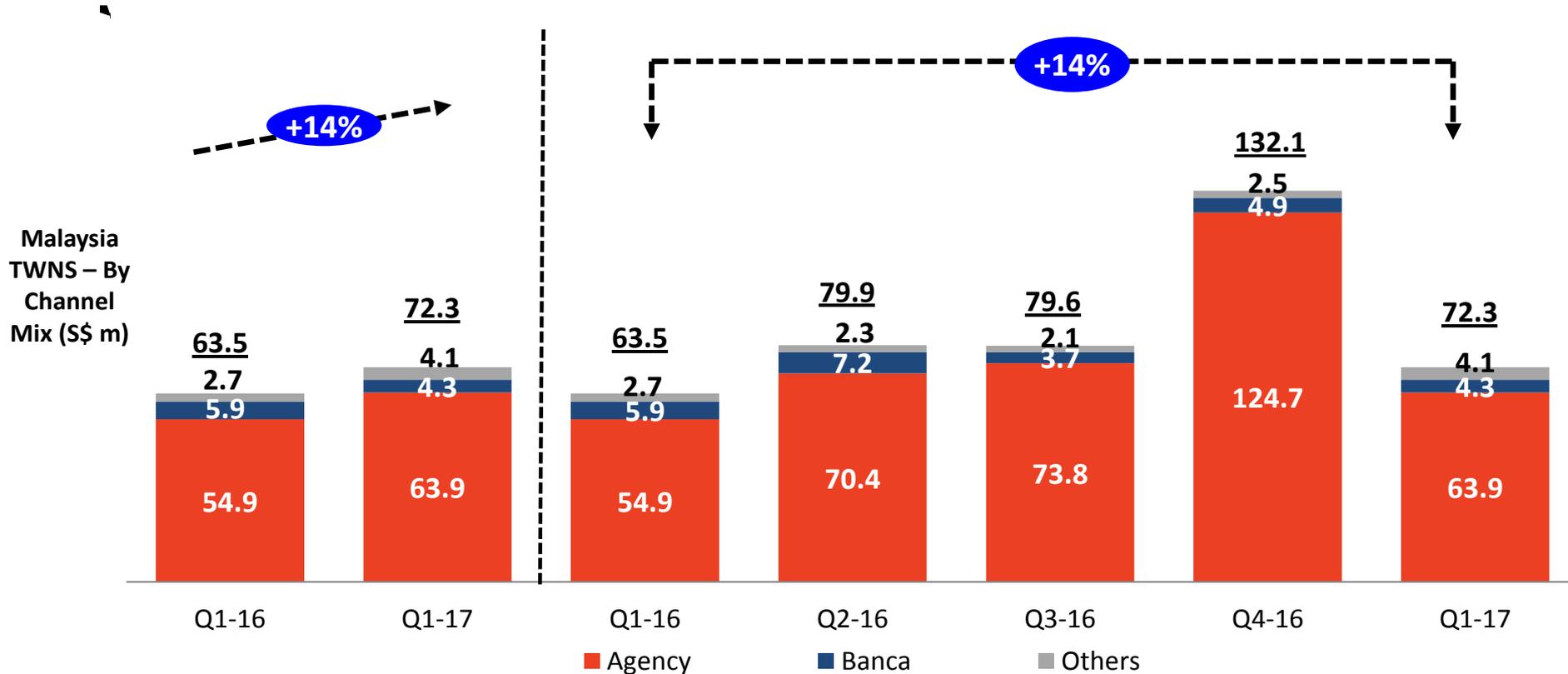
- Contributed by stronger sales across all channels, in particular bancassurance (45% growth).



# Malaysia TWNS – By Channel Mix

Higher TWNS in Malaysia of \$72.3 million (14% growth) for Q1-17:

- Fuelled by strong growth in Agency.

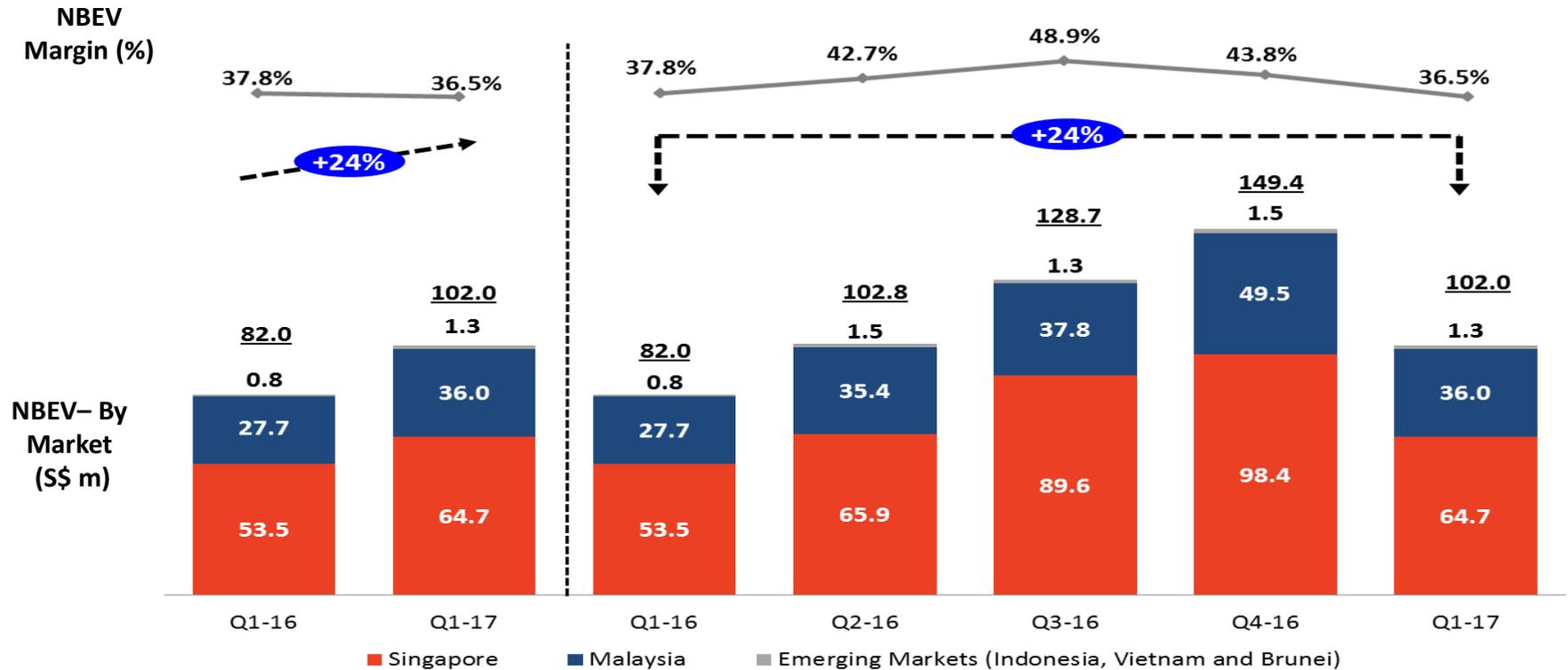


Note:

- For comparative reasons, TWNS figures prior to Q1-17 have been restated using exchange rates as at 31 Mar 2017.

# New Business Embedded Value (NBEV)- By Market

Robust growth in NBEV for Q1-17. Decline in overall NBEV margin mainly attributed to very strong YoY growth in Singapore's Bancassurance sales.



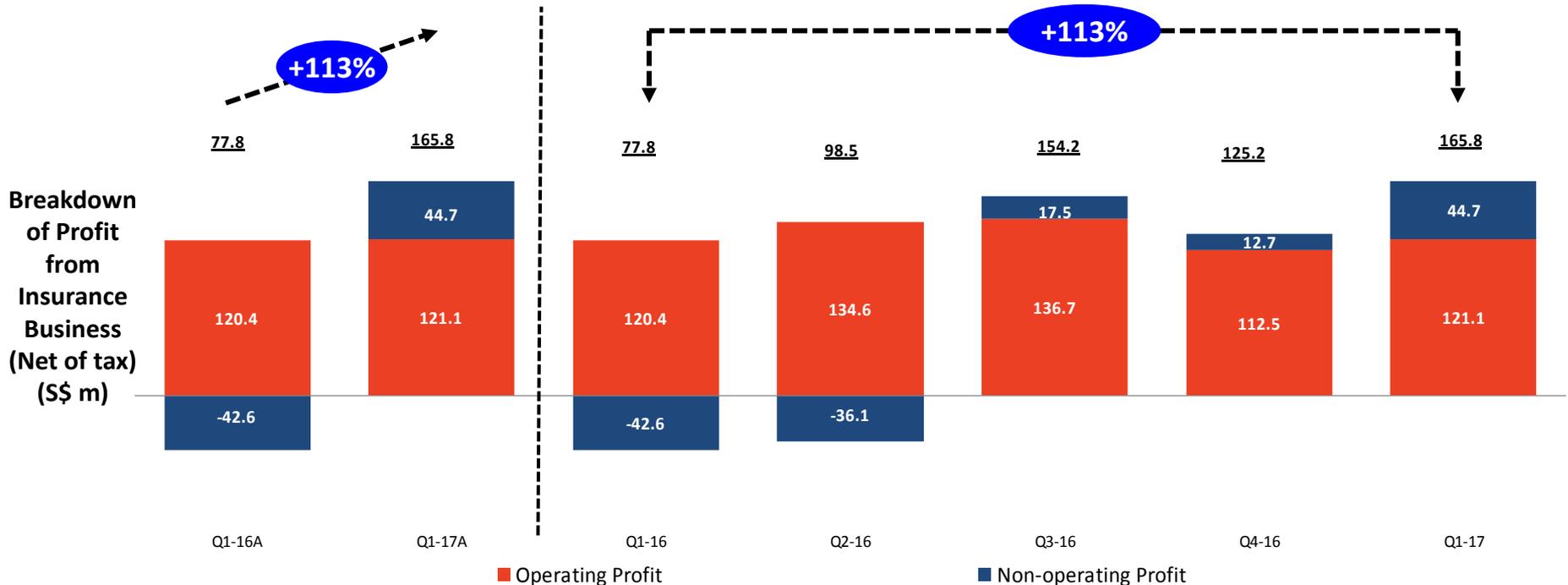
Note:

- For comparative reasons, NBEV figures for periods prior to Q1-17 have been restated using exchange rates as at 31 Mar 2017.
- NBEV figures for periods prior to Q4-16 have been restated to take into account revised actuarial assumptions implemented in Q4-16.
- NBEV for Q1-16 and Q2-16 include NBEV from Group's investment in Vietnam up to June 2016.

# Breakdown of Profit from Insurance Business

Profit from insurance business of \$165.8 million for Q1-17:

- Higher non-operating profit mainly due to narrowing of credit spreads and rally in equity market.



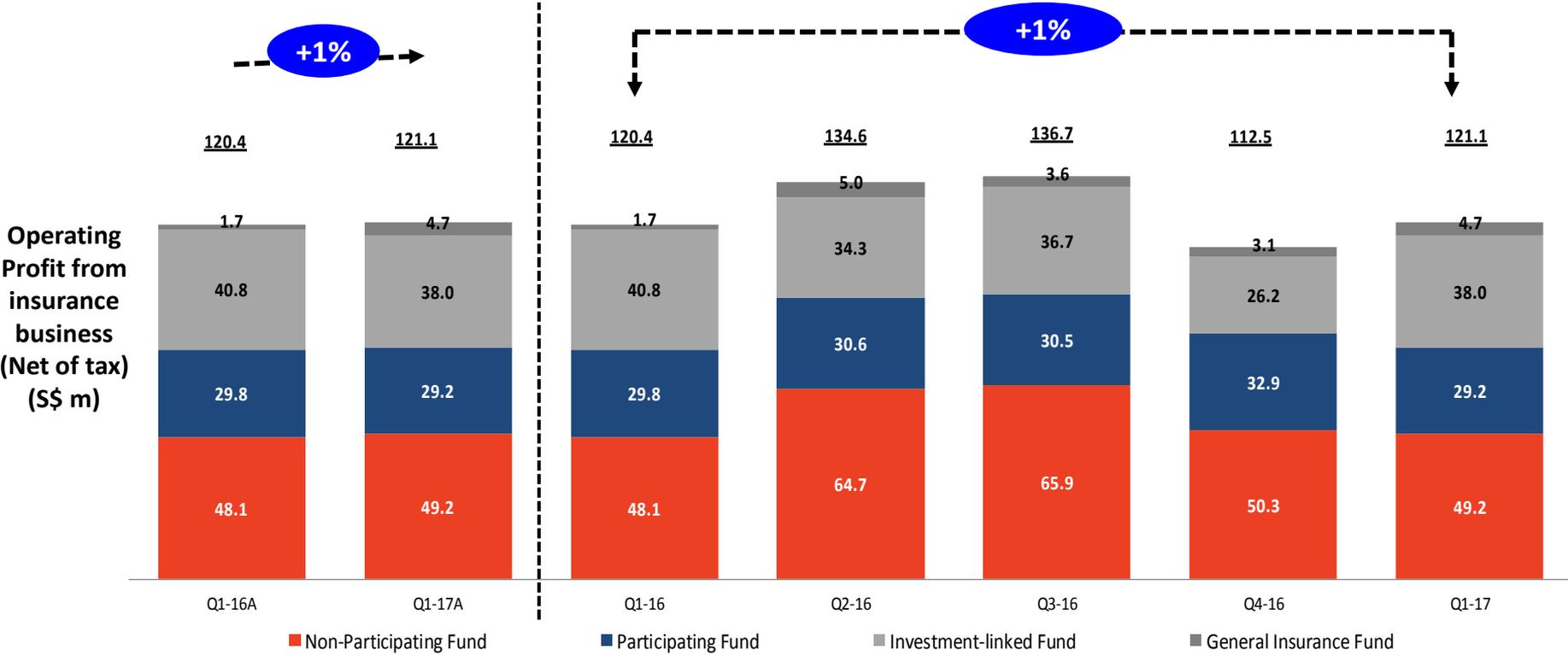
Note:

- 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 \$16.0m for Q1-17 (Q1-16: \$11.3m).

# Operating Profit from Insurance Business – by Fund

Operating Profit from Insurance Business of \$121.1 million for Q1-17:

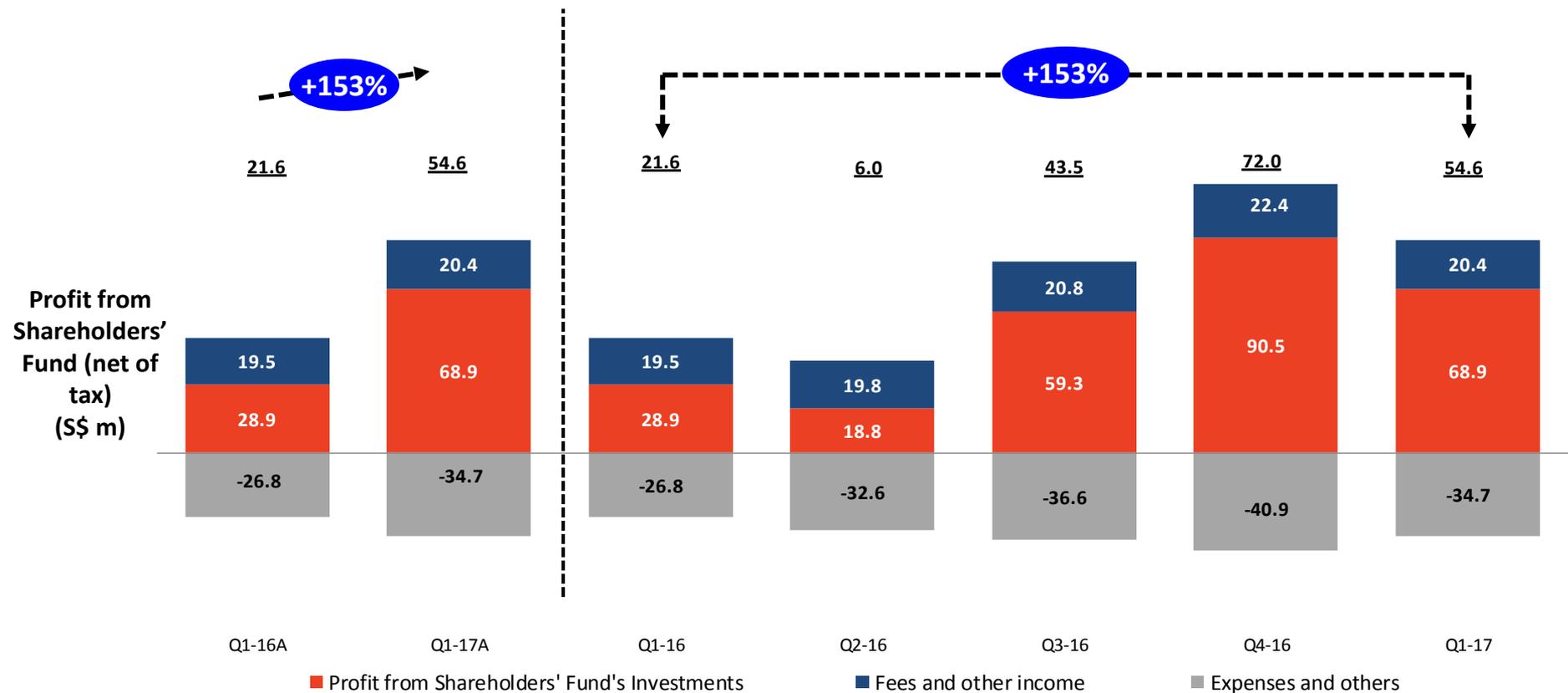
- Q1-17 profit was stable, increased of 1% compared to same quarter last year.



# Profit from Shareholders' Fund

Profit from Shareholders' Fund of \$54.6 million for Q1-17 was higher than Q1-16:

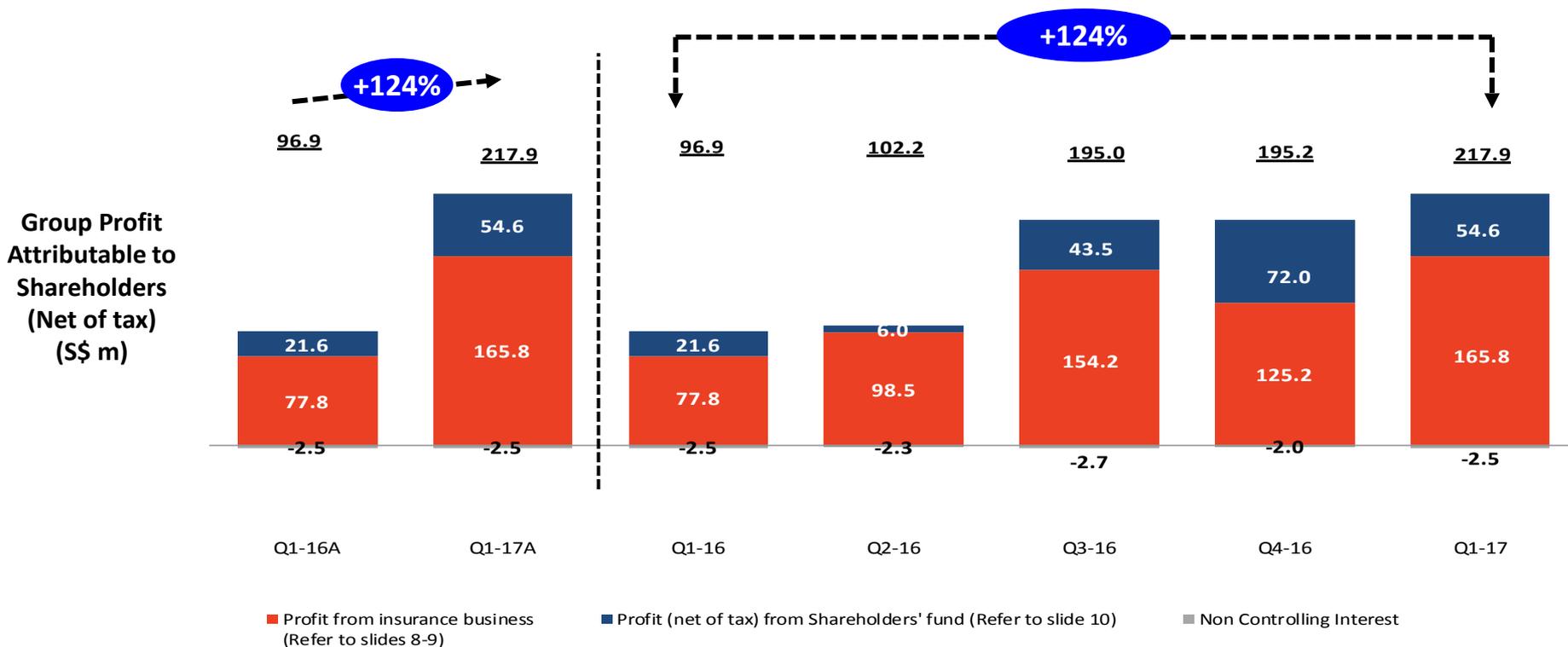
- Higher realised gain on sale of investments in Q1-17 (mainly from equities) as compared to same quarter last year.



# Group Profit Attributable to Shareholders

Profit attributable to shareholders was \$217.9 million for Q1-17:

- Higher non-operating profit from insurance business due to favourable financial market conditions compared to last year.
- Higher profit from shareholders' fund due to higher realised gain on sale of investments.



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 \$16.0m for Q1-17 (Q1-16: \$11.3m).

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THANK YOU