

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q1-14 Supplementary Information

28 April 2014

Overview of Q1-14 Financial Results

S\$ million	Q1-14	Q1-13	Δ
Total Weighted New Sales[^]	225.9	201.9	+12%
New Business Embedded Value[*]	89.2	80.2	+11%
Operating Profit from Insurance Business	143.3	131.2	+9%
Non-Operating Profit from Insurance Business	33.4	38.3	-13%
Group Profit Attributable to Shareholders	231.6	207.5	+12%

[^]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

Note:

-For comparative reasons, TWNS/ NBEV figures for Q1-13 have been restated using exchange rates as at 31 March 2014.

-Q1-13 NBEV figures have been restated to take into account revised investment and actuarial assumptions implemented in Q4-13

Q1-14 Key Highlights

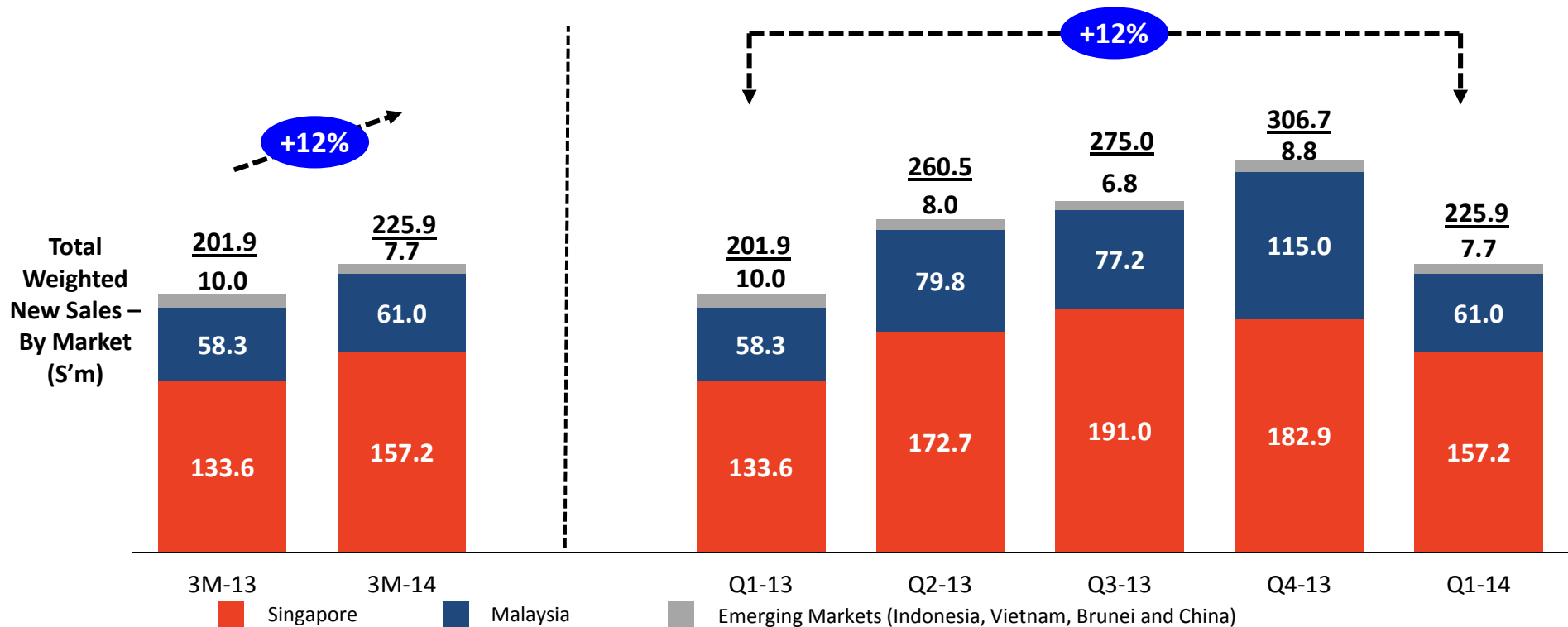


- TWNS rose 12% Y-o-Y to S\$225.9m from broad based growth across distribution channels in Singapore and Malaysia
- NBEV increase of 11% Y-o-Y to S\$89.2m largely in line with the sales performance
- Operating profit from insurance business grew 9% Y-o-Y to S\$143.3m on better performance of Non-participating and Investment-linked Funds
- Lower non-operating profit from insurance business of S\$33.4m due to smaller net unrealised mark-to-market gains as the sharper rise in long term interest rates in Q1-13 led to a larger gain from the valuation of liabilities
- Group profit attributable to Shareholders increased 12% Y-o-Y to S\$231.6m on better performance of the insurance business, as well as a one-off gain of S\$31.9m from the Group's divestment of its stake in its China joint venture from 50% to 25%

Total Weighted New Sales (TWNS) – By Market

12% Y-o-Y rise in Q1-14 TWNS to S\$225.9m:

- Broad based growth across distribution channels in Singapore and Malaysia
- Lower sales from emerging markets, partly a result of a lower contribution from its joint venture in China following the Group's divestment of its stake in the joint venture from 50% to 25%



Note:

-For comparative reasons, TWNS figures for periods prior to Q1-14 have been restated using exchange rates as at 31 March 2014

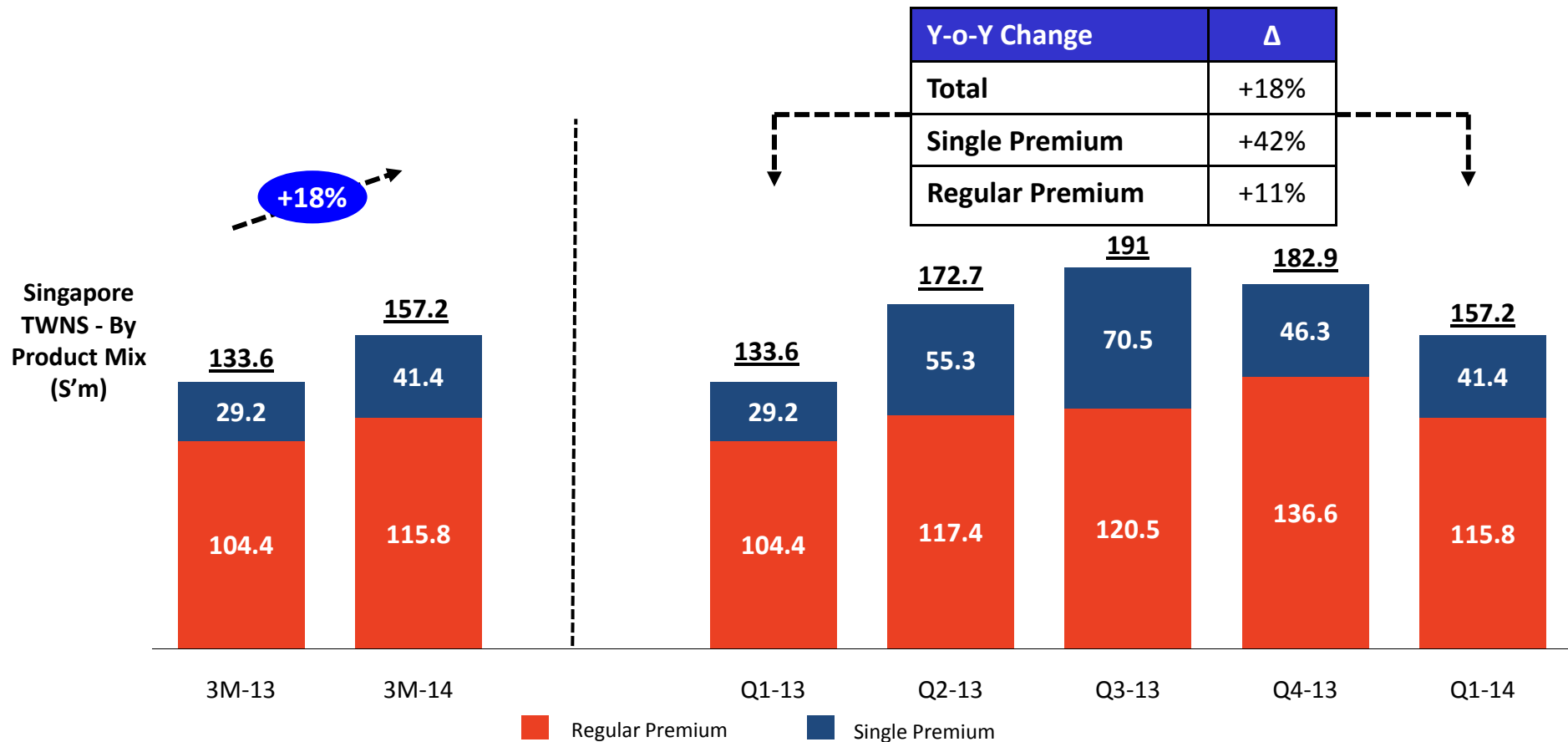
-QoQ TWNS comparison not relevant given seasonality of insurance sales

- 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

Q1-14 Singapore sales increased 18% Y-o-Y to S\$157.2m from a combination of :

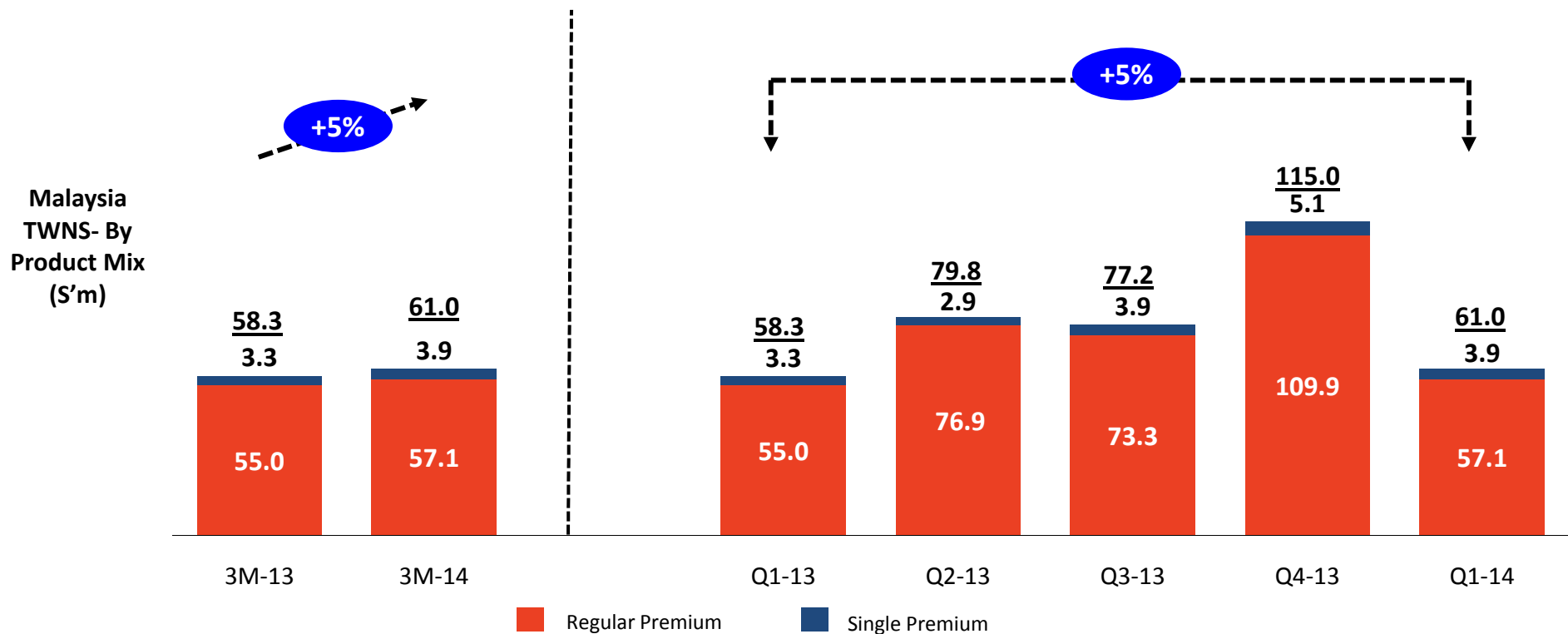
- Agency channel maintained its strong sales trend for participating and protection products
- Increasing contributions from the financial advisory channel, as it further expanded its distribution force and improved its sales productivity
- Sustained sales of regular premium savings policies through the bancassurance channel



Malaysia TWNS – By Product Mix

Sales in Malaysia up 5% Y-o-Y to S\$61.0m in Q1-14:

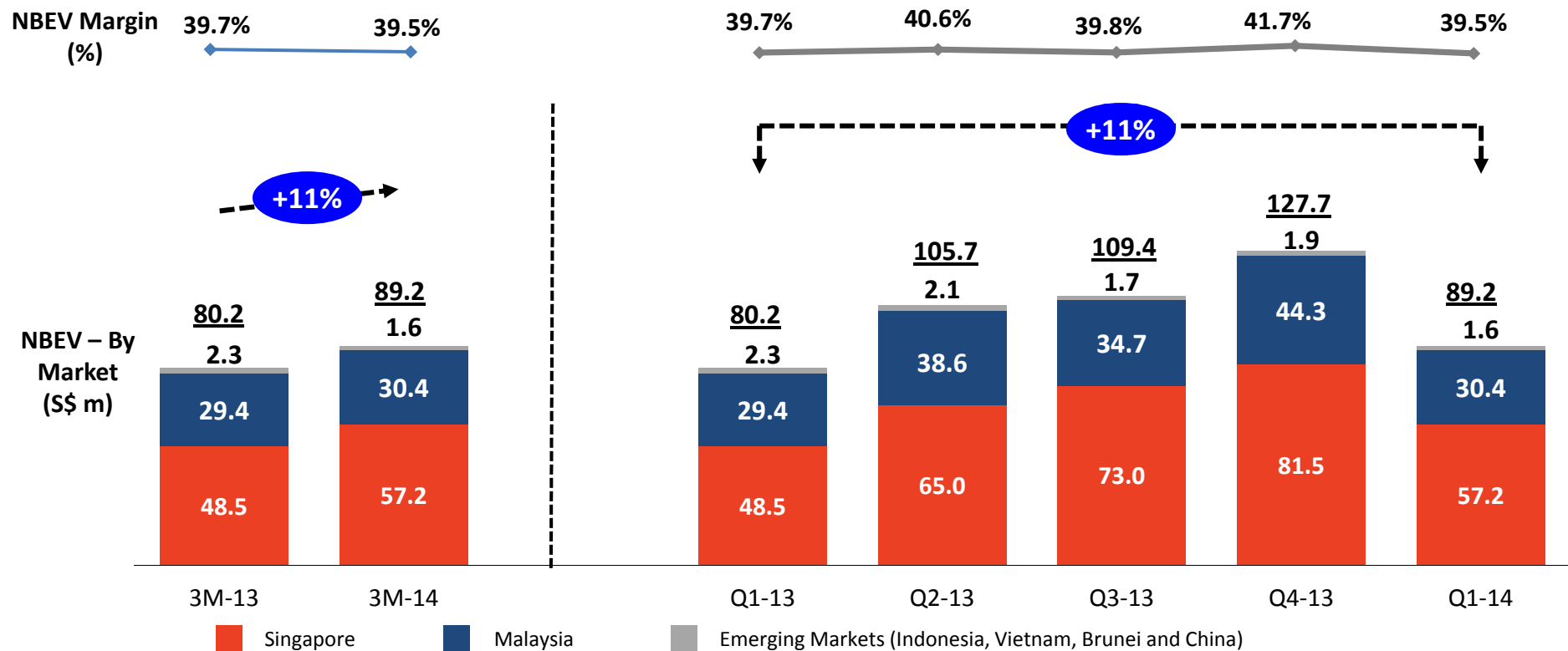
- Strong demand for conventional regular premium Investment-linked products sold through agency channel was sustained into 2014, coupled with higher sales of savings products through bancassurance channel
- Takaful business continued to grow its bumiputera agency force and build on its tie-ups with bancatakaful partners



Note: For comparative reasons, TWNS figures for periods prior to Q1-14 have been restated using exchange rates as at 31 March 2014

New Business Embedded Value (NBEV)- By Market

- Q1-14 NBEV increase of 11% Y-o-Y to S\$89.2m largely in line with the sales performance



Note:

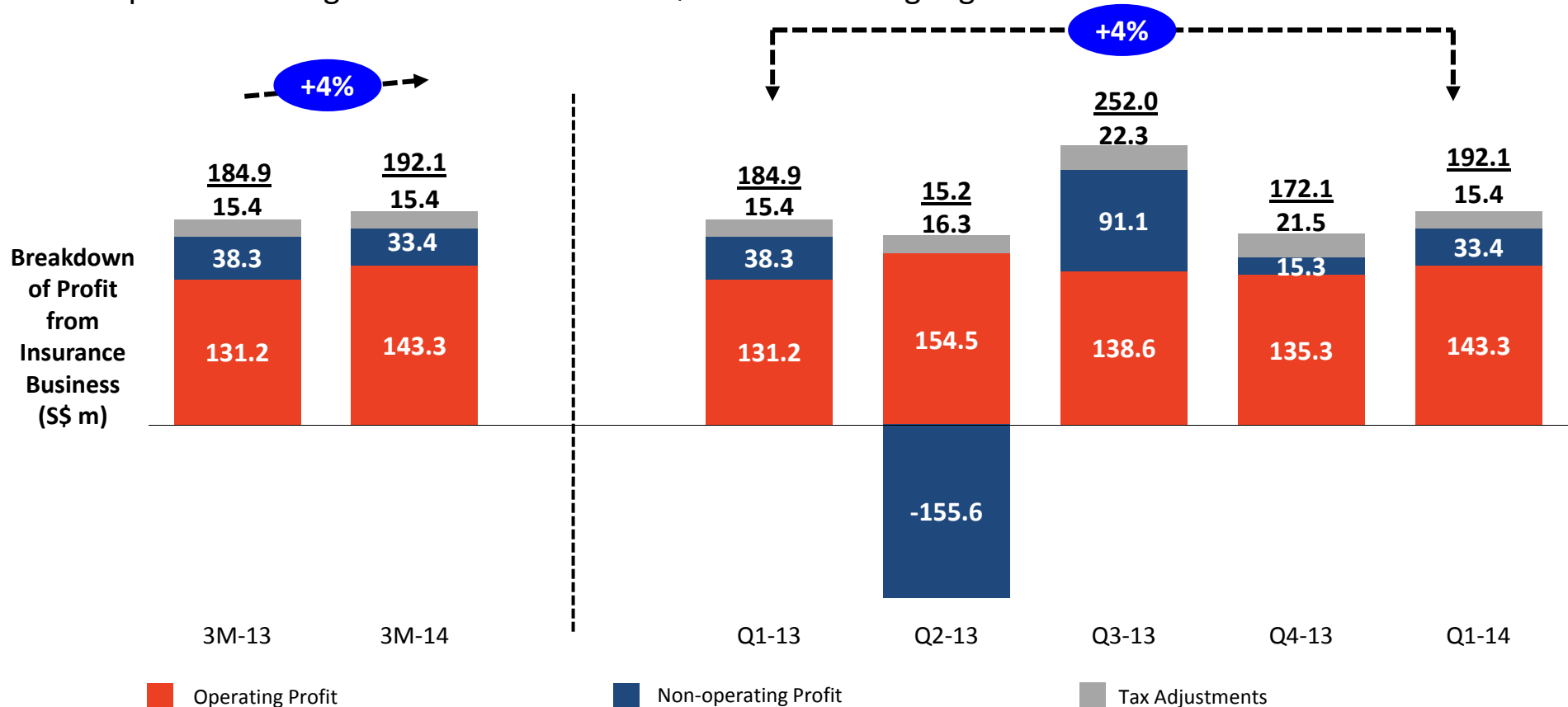
-For comparative reasons, NBEV figures for periods prior to Q1-14 have been restated using exchange rates as at 31 March 2014. NBEV figures for periods prior to Q4-13 have been restated to take into account revised actuarial assumptions implemented in Q4-13

- 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

Q1-14 profit from insurance business up 4% Y-o-Y to S\$192.1m:

- Increase in operating profit* on better performance of Non-participating and Investment-linked Funds, driven by profits from the Group's growing in-force business as sales rose steadily over the past years
- Comparatively lower non-operating profit** from lower net unrealised mark-to-market gains as the sharper rise in long term interest rates in Q1-13 led to a larger gain from the valuation of liabilities



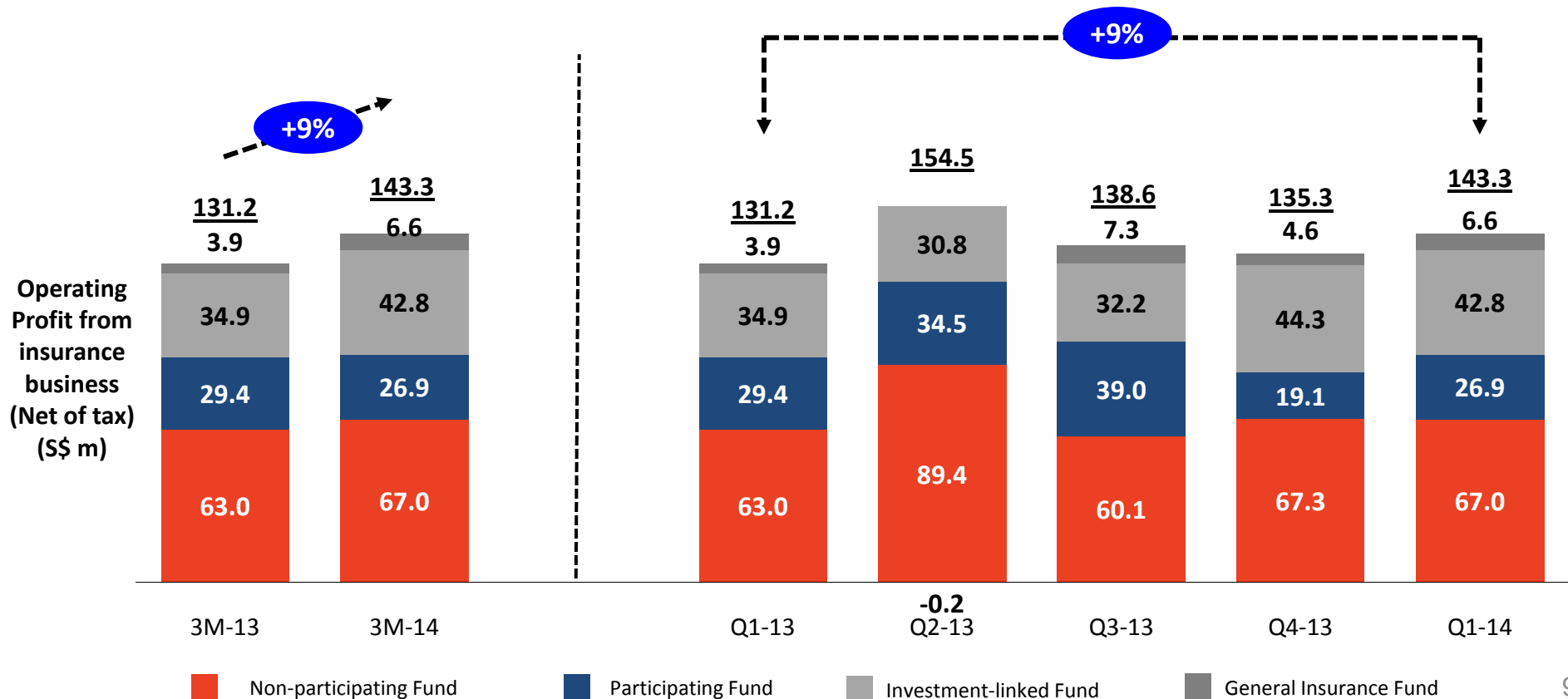
*Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)

** 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

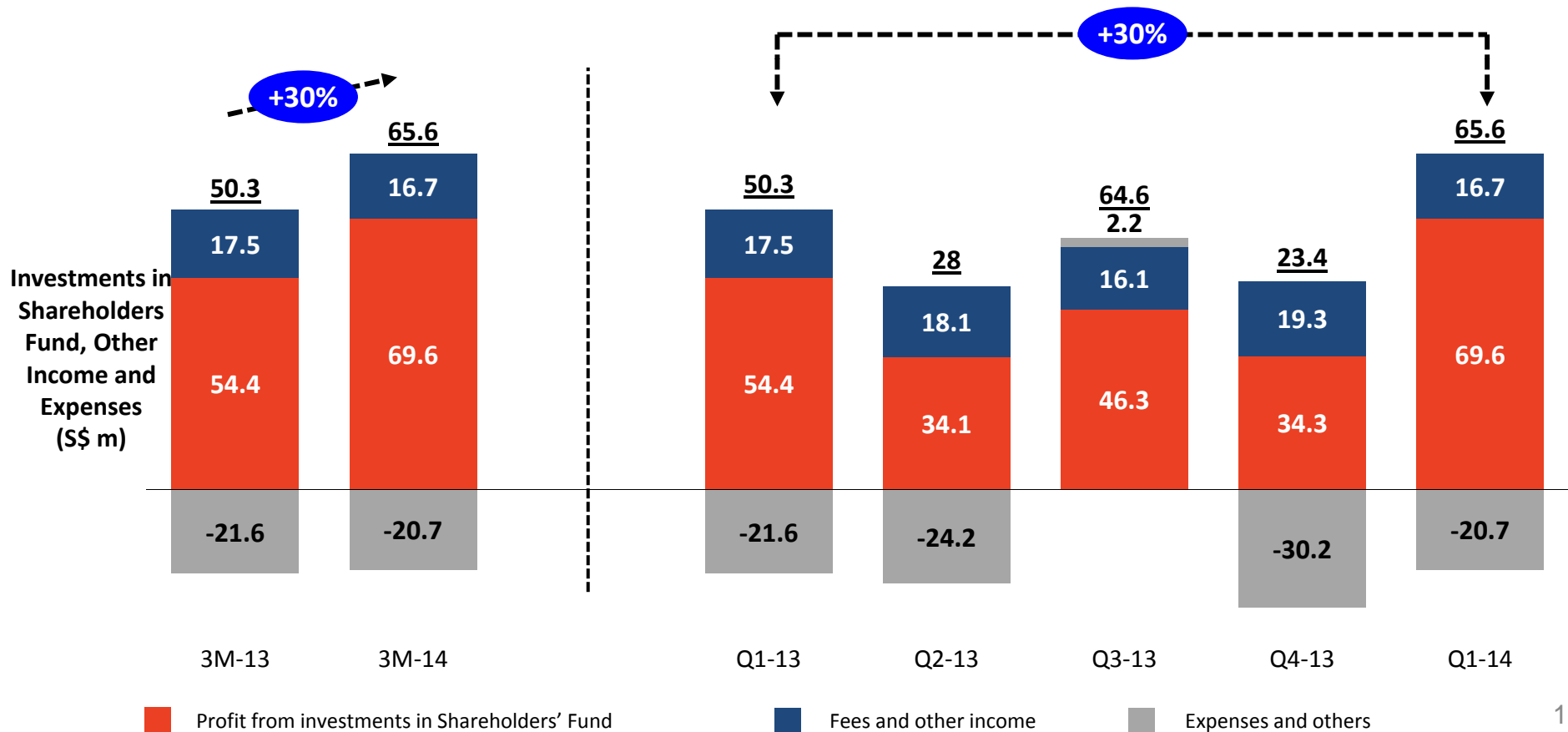
Operating profit grew 9% Y-o-Y to S\$143.3m in Q1-14, a net result of:

- Increase in operating profit from Singapore Non-participating Fund, resulting from business growth and lower claims
- Higher Investment-linked Fund operating profit mainly attributed to business growth in Malaysia
- Higher profit from General Insurance Fund arising from a one-off release of reserves



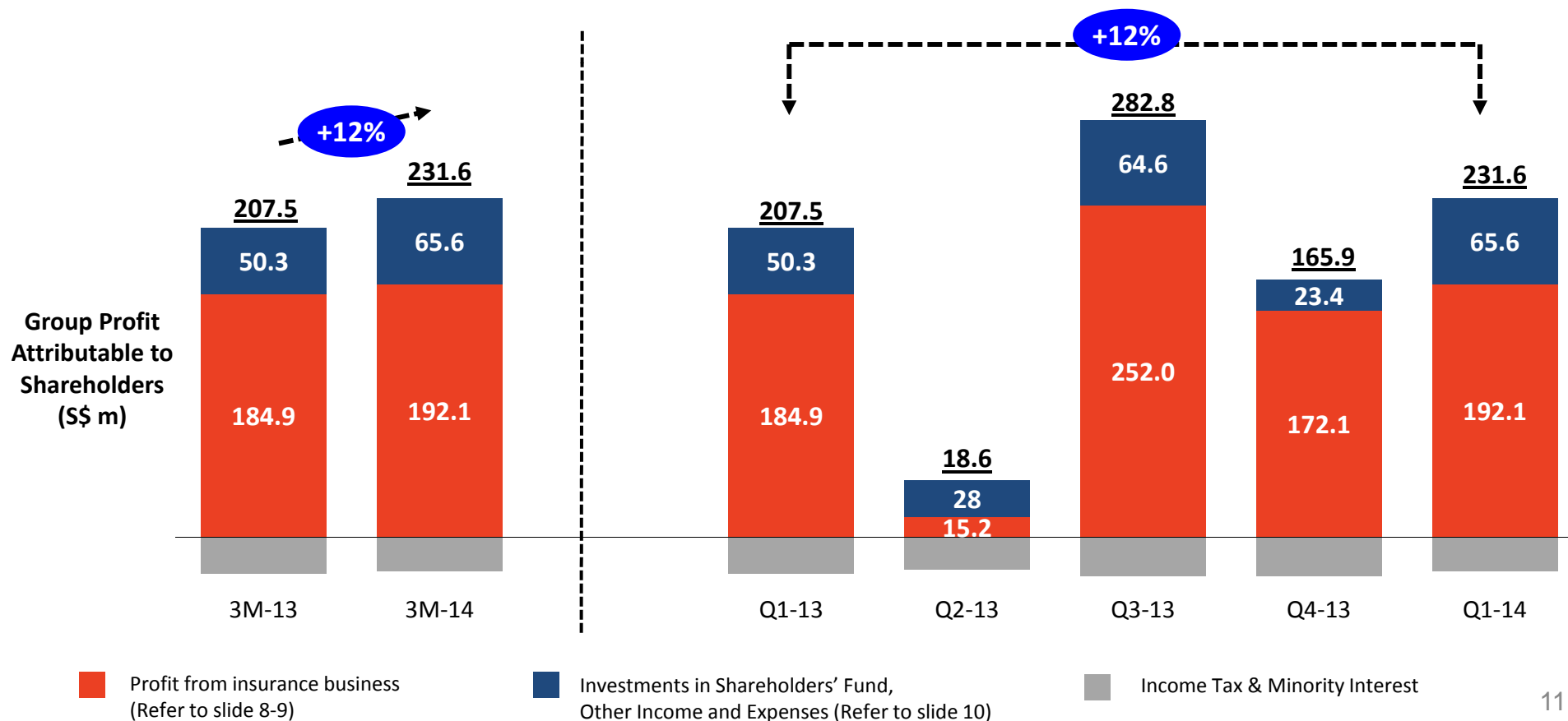
Investments in Shareholders' Fund, Other Income and Expenses

- Higher Y-o-Y profit from investments in Shareholders' Fund in Q1-14, mainly the result of a gain of S\$31.9m from the Group's divestment of its stake in its China joint venture from 50% to 25%
- Excluding the one-off gain, profit from investments in Shareholders' Fund was lower than Q1-13 when the Group recorded higher realised gains amid favourable equity market conditions
- Lower Fee income from Lion Global, while management expenses remained stable



Group Profit Attributable to Shareholders

- Q1-14 Group profit attributable to Shareholders increased 12% Y-o-Y to S\$231.6m on higher contributions from the insurance business, as well as a one-off gain from the Group's divestment of its stake in its China joint venture from 50% to 25%



Thank You