

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q2-17 and 1H-17 Supplementary Information

24 July 2017

Overview of Q2-17 and 1H-17 Financial Results

S\$'m	Q2-17	Q2-16	Δ	1H-17	1H-16	Δ
Total Weighted New Sales[^]	255.7	242.1	+6%	536.5	460.2	+17%
New Business Embedded Value[^]	121.1	103.3	+17%	223.7	185.8	+20%
Operating Profit (net of tax)[^] from Insurance Business	157.4	131.6	+20%	278.9	248.8	+12%
Non-Operating Profit (net of tax)[^] from Insurance Business	73.4	-33.1	nm	117.7	-72.5	nm
Profit (net of tax) from Shareholder's fund	51.3	6.0	+755%	105.9	27.6	+284%
Non-Controlling Interest	-2.6	-2.3	nm	-5.1	-4.8	nm
Group Profit Attributable to Shareholders	279.5	102.2	+173%	497.4	199.1	+150%

[^] 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 Q4-16 have been restated to take into account revised actuarial assumptions implemented in Q4-16.
4. For comparative reasons, TWNS, NBEV, Operating and Non-Operating Profit figures for prior reported period have been restated using exchange rates as at 30 June 2017. The difference between the restated Operating Profit figures for prior period and what were previously reported are included in the Non-Operating Profit. (Q2-16: S\$3.0m; 1H-16: S\$6.2m)
5. 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\$13.4m for Q2-17 (Q2-16: S\$17.7m).

nm: not meaningful

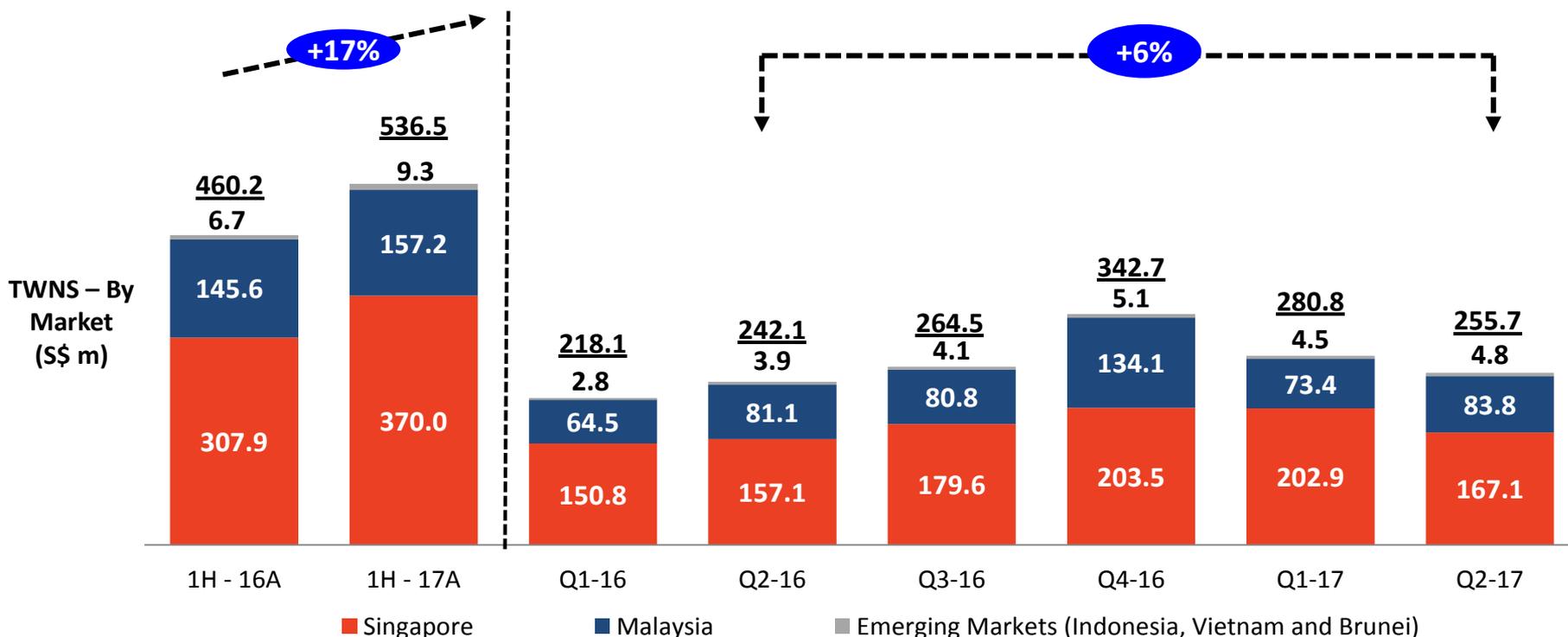
Q2-17 Key Highlights

- Group's TWNS for Q2-17 remained strong at S\$255.7 million, underpinned by continuing growth in Singapore and Malaysia.
- Led by the increase in sales, NBEV increased 17% to S\$121.1 million for Q2-17. Q2-17 NBEV margin of 47.4%; improvement from same period last year (42.7%) and Q1-17 (36.5%).
- Operating profit at S\$157.4 million for Q2-17 was 20% higher than last year due to higher profit in the Singapore Non-Participating Insurance business.
- Non-operating profit of S\$73.4m for Q2-17 due to gains from favorable market conditions.
- Group's profit attributable to shareholders of S\$279.5 million for Q2-17 was higher than the same quarter last year because of higher operating and non-operating profit and profit from Shareholder's Fund.
- The Board of Directors has declared an interim tax exempt (one-tier) dividend of 10 cents per ordinary share for the financial year ending 31 December 2017, to be paid on 31 August 2017.

Total Weighted New Sales (TWNS) – By Market

Higher Group's TWNS of S\$255.7 million for Q2-17 compared to same quarter last year:

- Driven by growth from Singapore (both Agency and Bancassurance) and Malaysia Agency



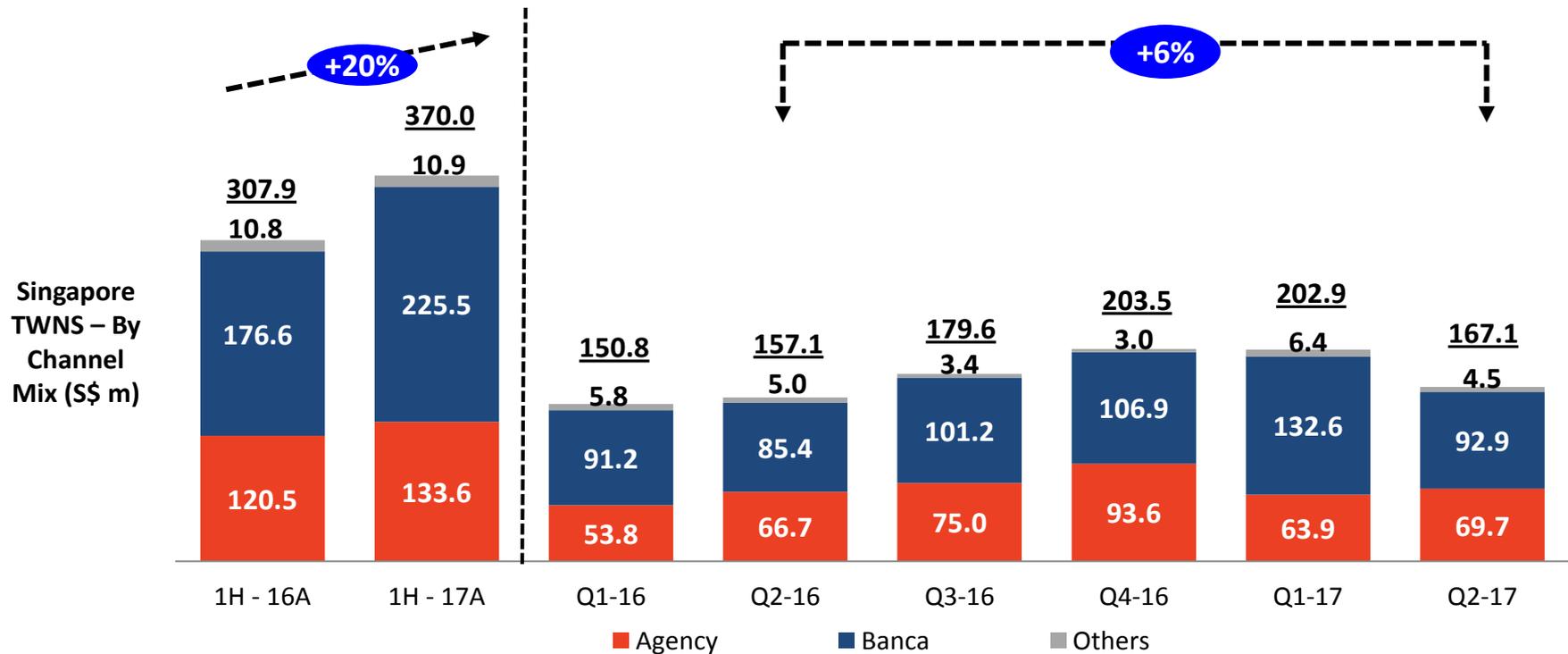
Note:

- For comparative reasons, TWNS figures for periods prior to Q2-17 have been restated using exchange rates as at 30 June 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 S\$167.1 million for Q2-17:

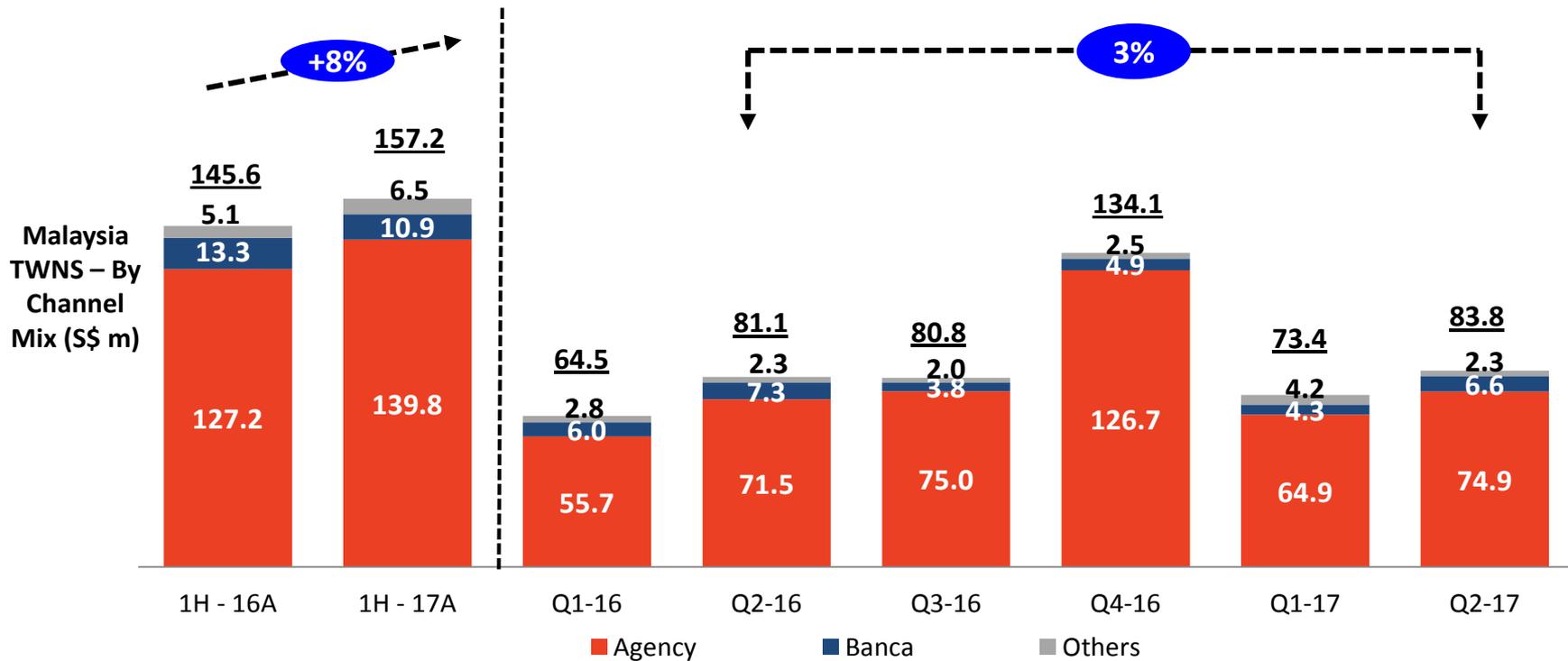
- Contributed by stronger sales for agency and bancassurance.



Malaysia TWNS – By Channel Mix

Higher TWNS in Malaysia of S\$83.8 million (3% growth) for Q2-17:

- Contributed by strong growth in Agency.

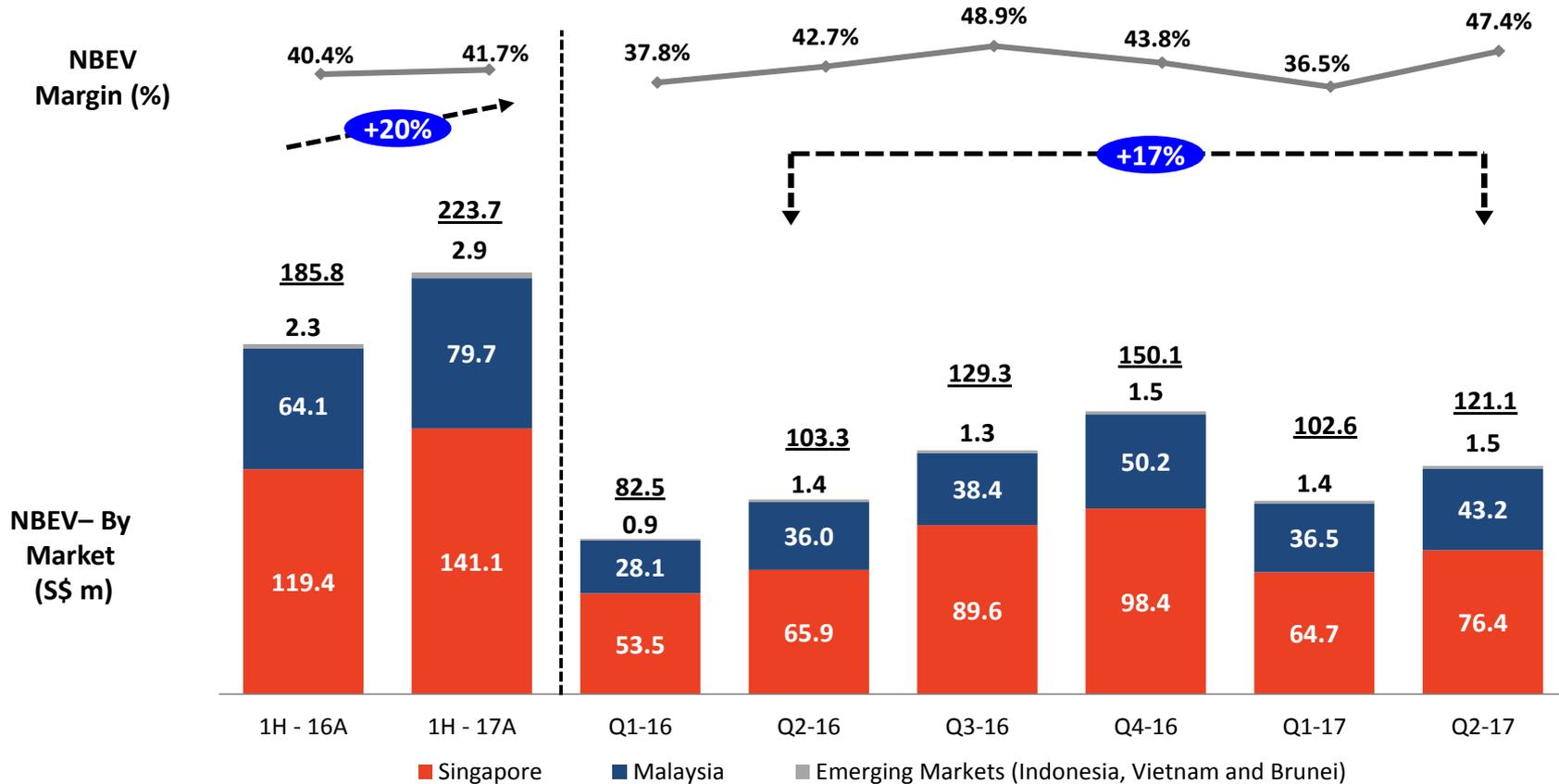


Note:

- For comparative reasons, TWNS figures prior to Q2-17 have been restated using exchange rates as at 30 June 2017.

New Business Embedded Value (NBEV)- By Market

Robust growth in NBEV for Q2-17. Improvement in overall NBEV margin for Q2-17 was the result of our company's product management strategy to optimise the product mix.



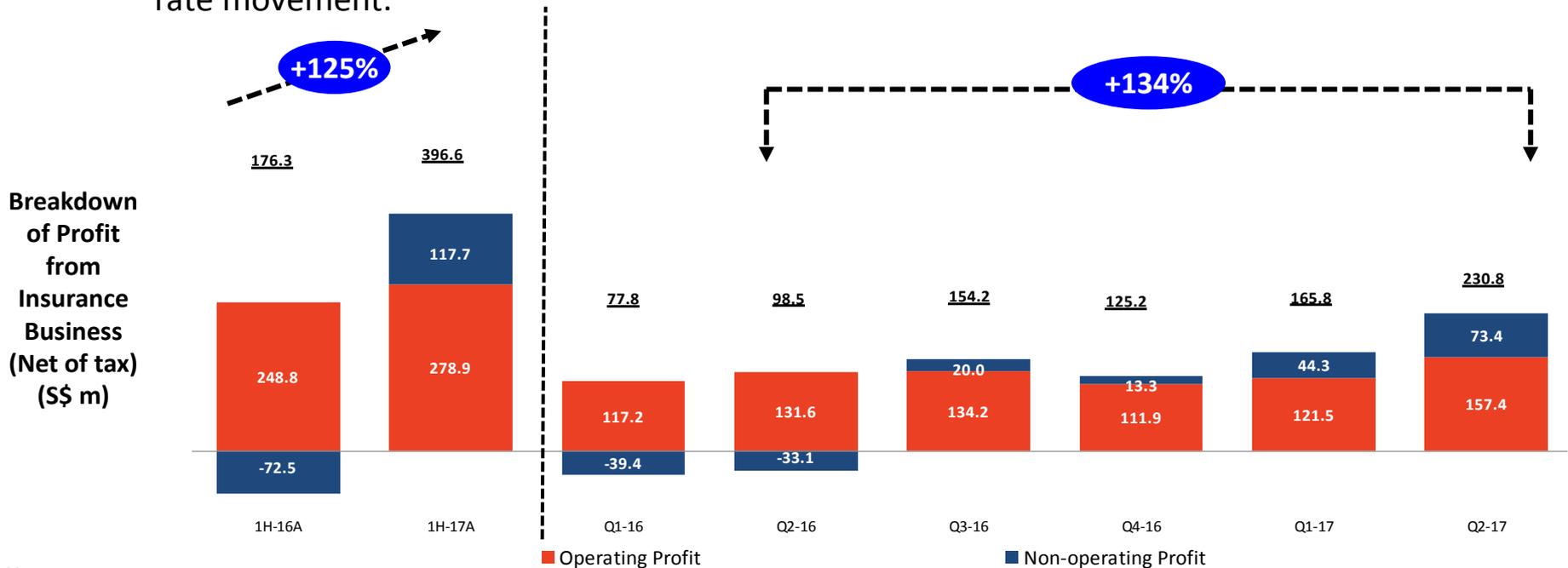
Note:

- For comparative reasons, NBEV figures for periods prior to Q2-17 have been restated using exchange rates as at 30 June 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 S\$230.8 million for Q2-17:

- Higher operating profit in the Singapore Non-Participating insurance business.
- Higher non-operating profit due to narrowing of credit spreads and gain from favorable interest rate movement.



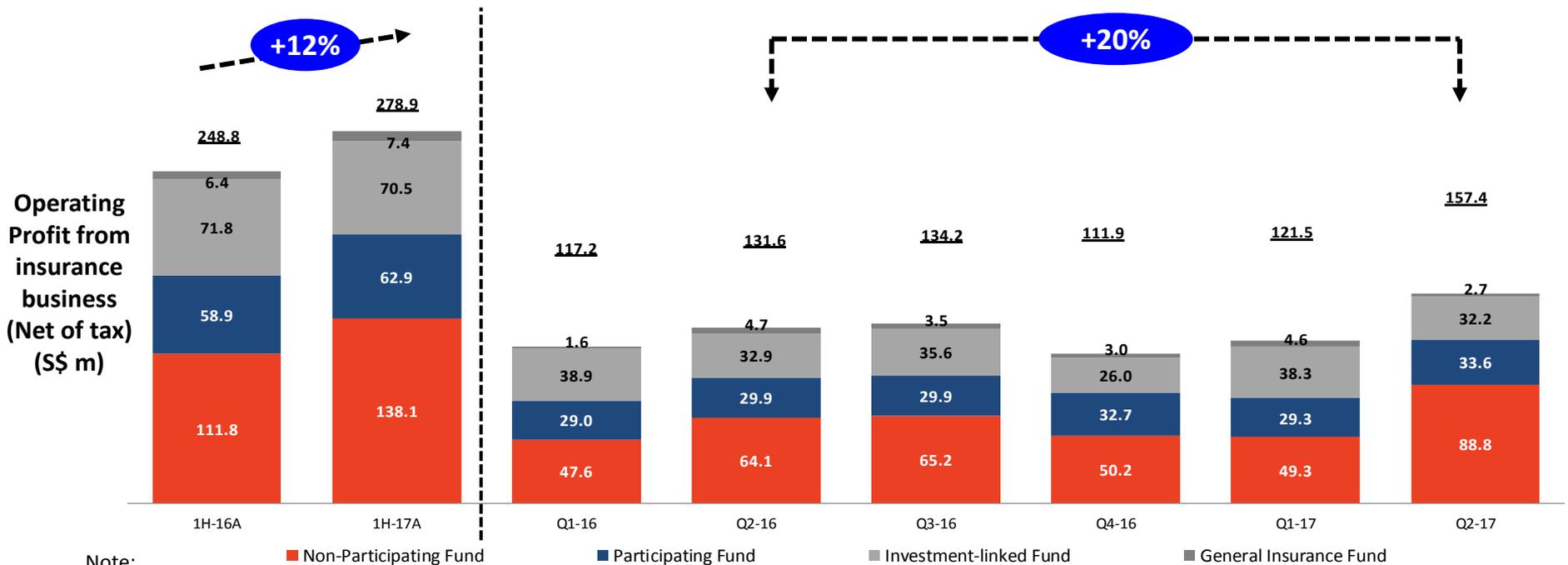
Note:

- 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 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\$13.4m for Q2-17 (Q2-16: S\$17.7m).
- For comparative reasons, Operating and Non-Operating Profit figures for prior reported period have been restated using exchange rates as at 30 June 2017. The difference between the restated Operating Profit figures for prior period and what were previously reported are included in the Non-Operating Profit. (Q2-16: S\$3.0m; 1H-16: S\$6.2m)

Operating Profit from Insurance Business – by Fund

Operating Profit from Insurance Business of S\$157.4 million for Q2-17:

- Higher profit as a result of the company repositioning its assets and liabilities in the Singapore Non-Participating insurance business.

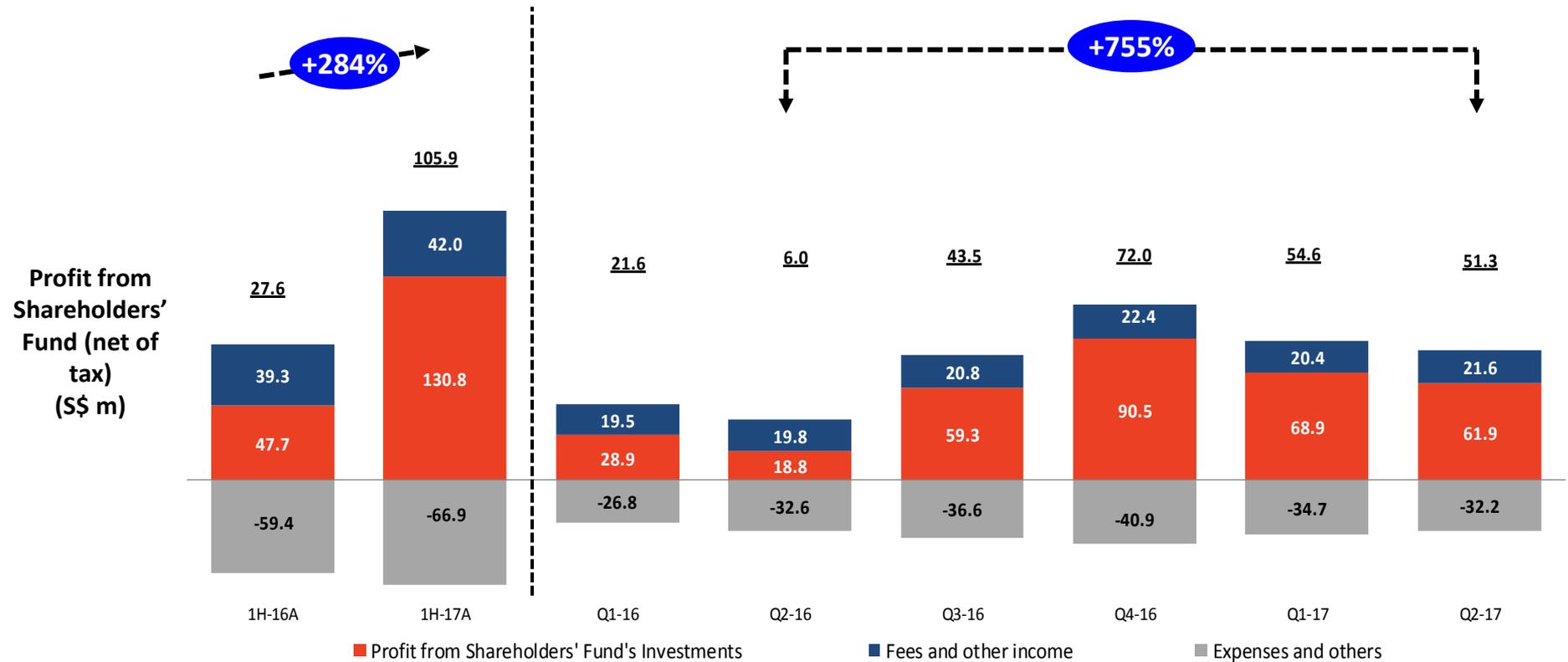


Note: For comparative reasons, Operating and Non-Operating Profit figures for prior reported period have been restated using exchange rates as at 30 June 2017. The difference between the restated Operating Profit figures for prior period and what were previously reported are included in the Non-Operating Profit. (Q2-16: S\$3.0m; 1H-16: S\$6.2m)

Profit from Shareholders' Fund

Profit from Shareholders' Fund of S\$51.3 million for Q2-17 was higher than Q2-16:

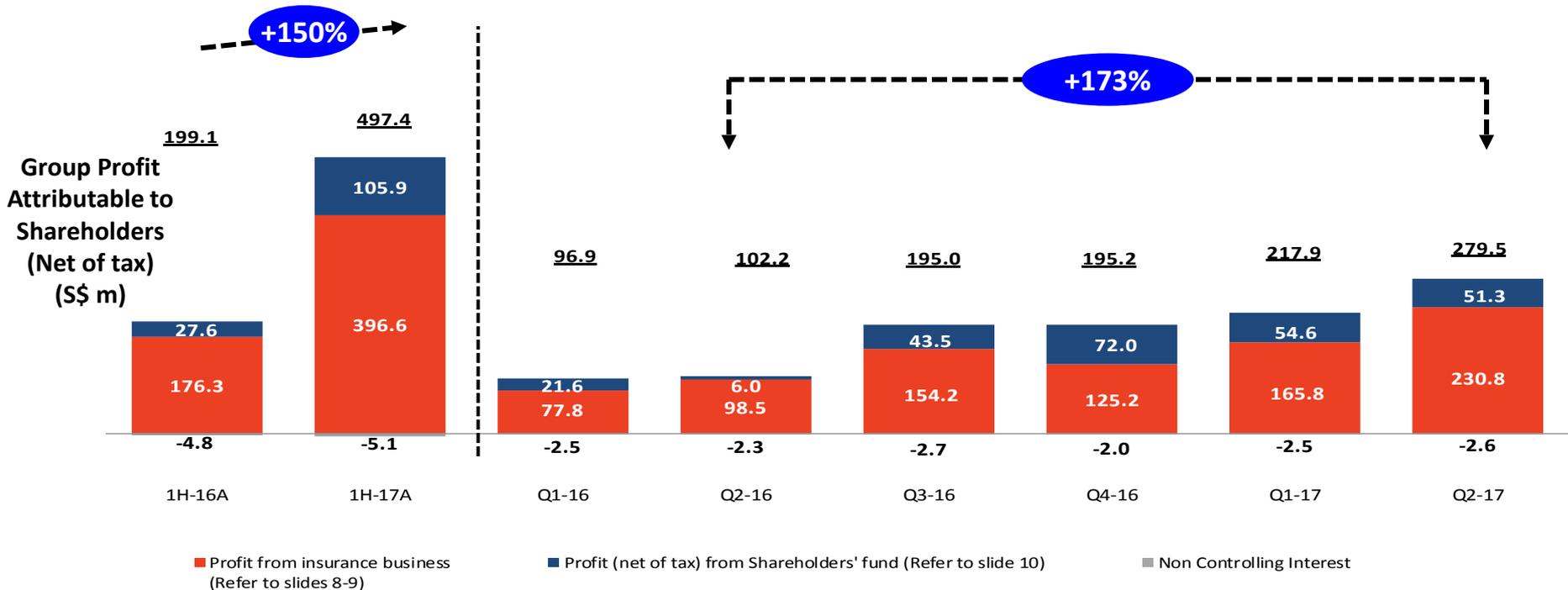
- Higher realised gain on sale of investments in Q2-17 (mainly from equities and collective investment schemes) as compared to same quarter last year.



Group Profit Attributable to Shareholders

Profit attributable to shareholders was S\$279.5 million for Q2-17:

- 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 S\$13.4m for Q2-17 (Q2-16: S\$17.7m).

THANK YOU