

# GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q2-16 and 1H-16  
Supplementary Information

26 July 2016



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# Overview of Q2-16 and 1H-16 Financial Results

S\$'m	Q2-16	Q2-15	Δ	1H-16	1H-15	Δ
<b>Total Weighted New Sales<sup>^</sup></b>	<b>245.7</b>	199.3	+23%	<b>466.7</b>	402.0	+16%
<b>New Business Embedded Value<sup>*</sup></b>	<b>105.1</b>	85.1	+24%	<b>188.9</b>	168.7	+12%
<b>Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>134.6</b>	132.2	+2%	<b>255.0</b>	282.9	-10%
<b>Non-Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>-36.1</b>	-8.8	nm	<b>-78.7</b>	32.3	nm
<b>Profit/loss from Shareholders' Fund's Investments</b>	<b>19.2</b>	180.3	-89%	<b>48.1</b>	225.9	-79%
<b>Group Profit Attributable to Shareholders<sup>~</sup></b>	<b>102.2</b>	277.7	-63%	<b>199.1</b>	498.2	-60%

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 S\$17.7m for Q2-16 (Q2-15: S\$15.7m)

-For comparative reasons, TWNS/ NBEV figures for Q2-15 and 1H-15 have been restated using exchange rates as at 30 June 2016. NBEV figures for periods prior to Q4-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.

- nm: not meaningful



## Q2-16 Key Highlights

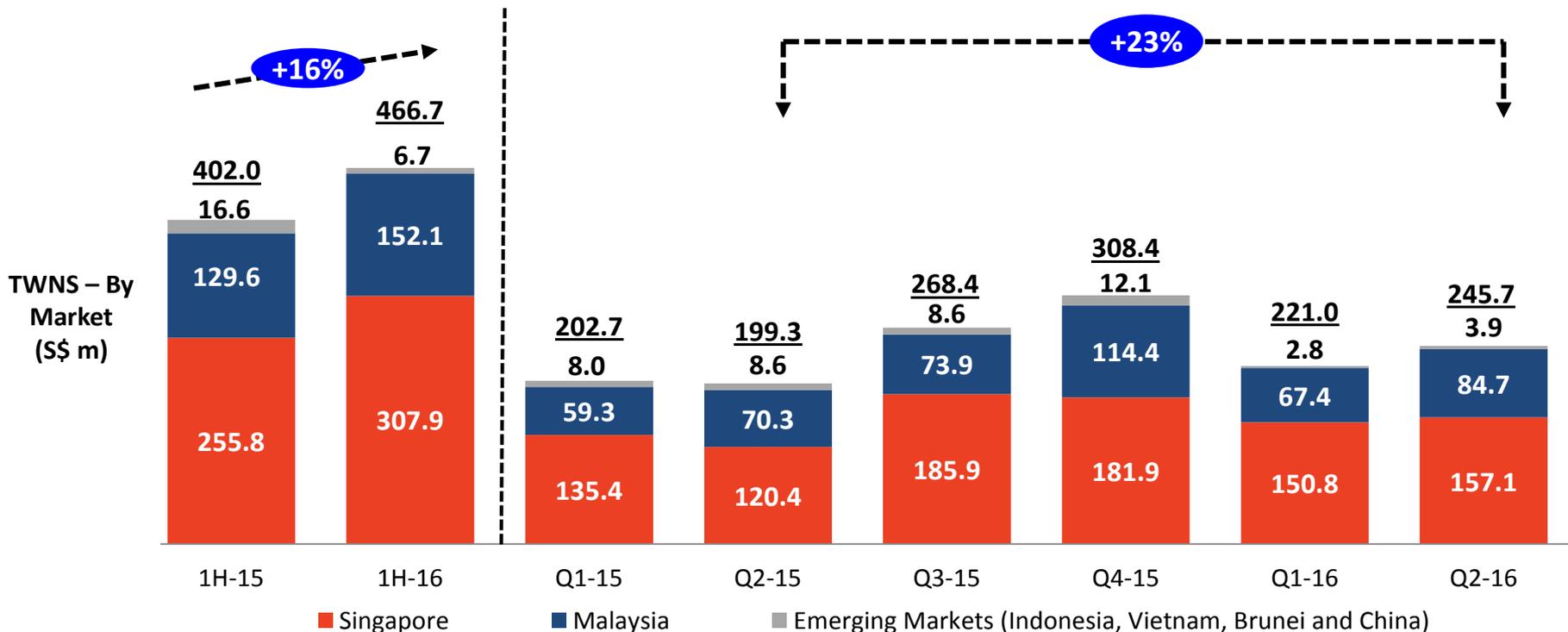
- Total Weighted New Sales (TWNS) for Q2-16 grew 23% from the same quarter last year to \$245.7m, underpinned by higher sales from all distribution channels in both Singapore and Malaysia. Excluding the sales contribution from the Group's investment in China, which ceased to be accounted for as an associate from December 2015, the Group's TWNS for Q2-16 was 26% higher than the same quarter last year.
- NBEV for Q2-16 of \$105.1m was 24% higher than the same quarter last year, driven by sales growth. Q2-16 NBEV margin of 42.8% while comparable to Q2-15, showed a significant improvement over Q1-16 of 37.9%.
- Operating profit from insurance business for Q2-16 of S\$134.6m was 2% higher than the same quarter last year.
- Group Profit attributable to Shareholders of S\$102.2m for Q2-16 was lower than the same quarter last year because of higher non-operating loss amid unfavourable financial market conditions and loss of S\$18.7m on disposal of Vietnam subsidiary. Q2-15 was also boosted by gain of S\$119.9m (post-tax) from the sale of part of the Group's stake in New China Life Insurance Company Ltd.
- 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 2016, to be paid on 2 September 2016



# Total Weighted New Sales (TWNS) – By Market

TWNS for Q2-16 grew 23% from same quarter last year to S\$245.7m:

- Higher sales through both agency and bancassurance channels in Singapore (+30%)
- Higher sales in Malaysia (+21%)



Note:

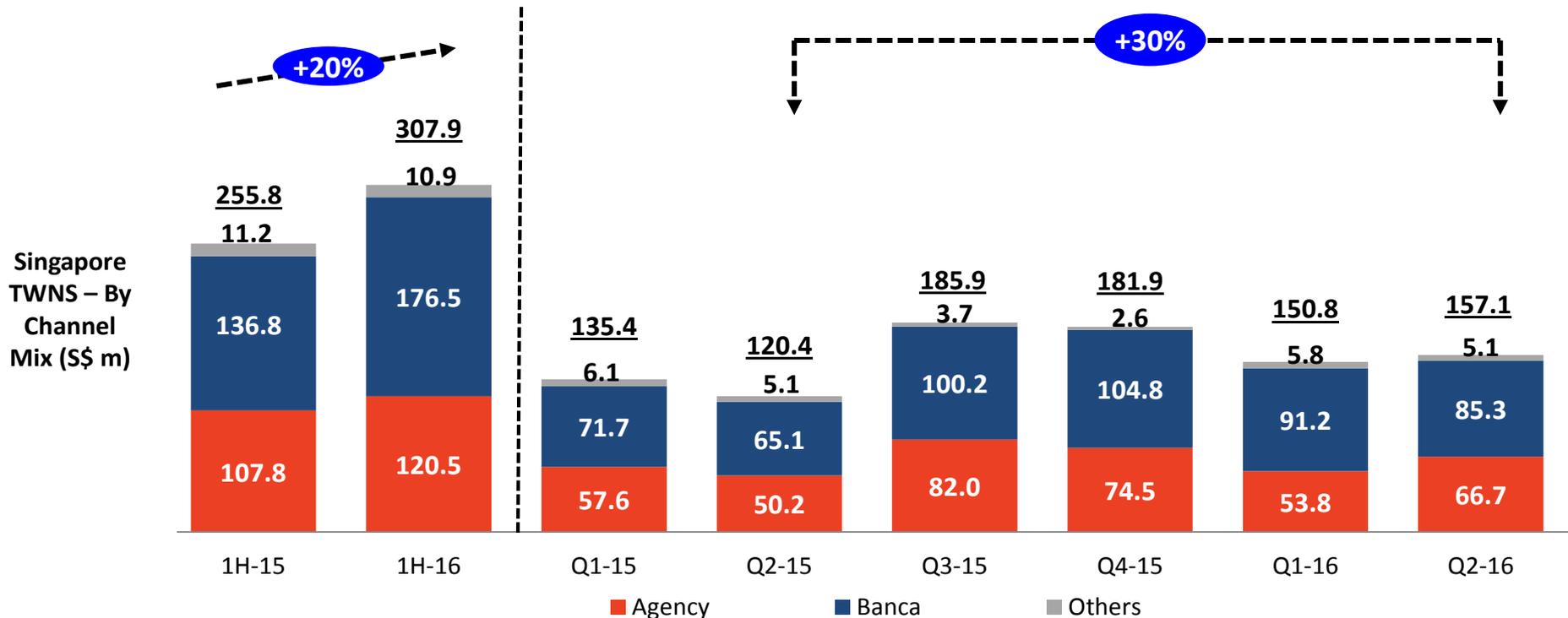
- For comparative reasons, TWNS figures for periods prior to Q2-16 have been restated using exchange rates as at 30 June 2016.
- TWNS for Q1-15, Q2-15, Q3-15 and Q4-15 (up to November 2015) include sales from the Group's investment in China. TWNS exclude sales from the Group's investment in China from December 2015 onwards.
- QoQ TWNS comparison may not be relevant given seasonality of insurance sales.



# Singapore TWNS – By Channel Mix

Singapore TWNS of S\$157.1m for Q2-16 was 30% higher:

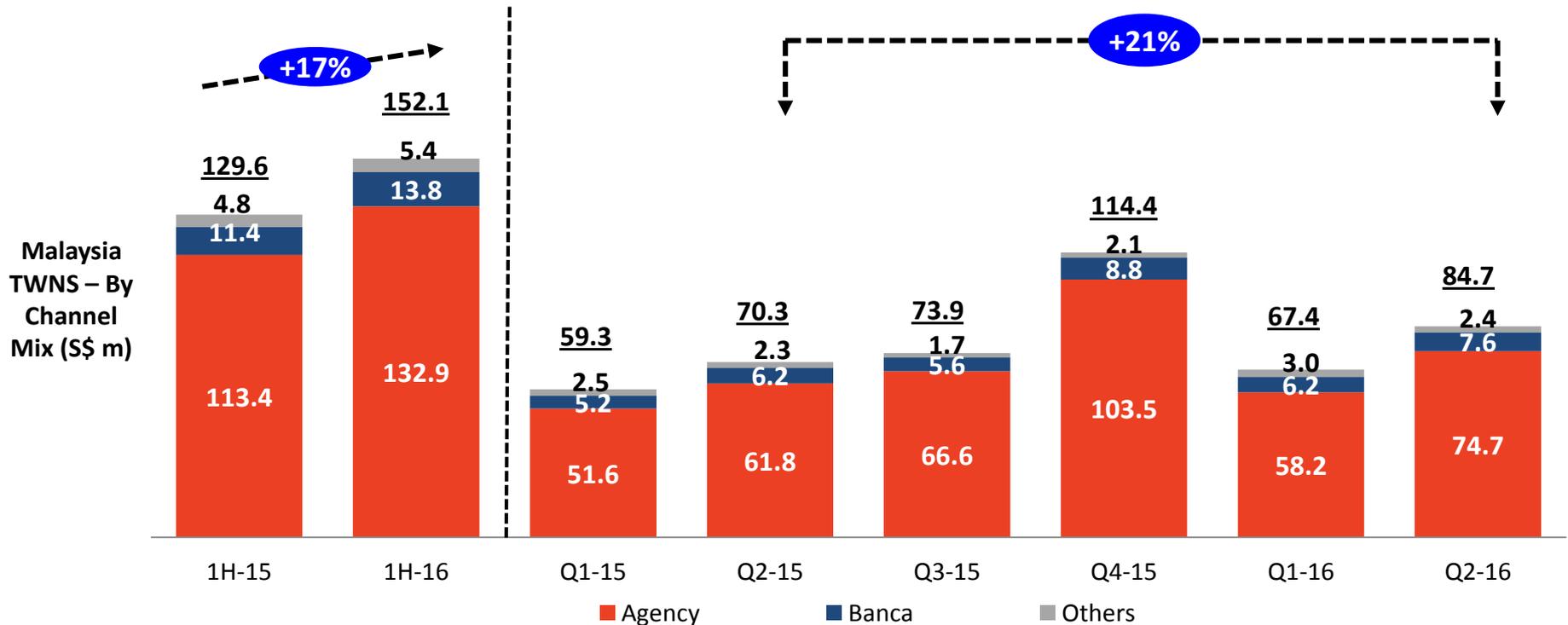
- Higher sales from both agency and bancassurance channels, fuelled by strong single premium Participating sales.



# Malaysia TWNS – By Channel Mix

TWNS in Malaysia of S\$84.7m for Q2-16 was 21% higher:

- Strong growth of agency channel



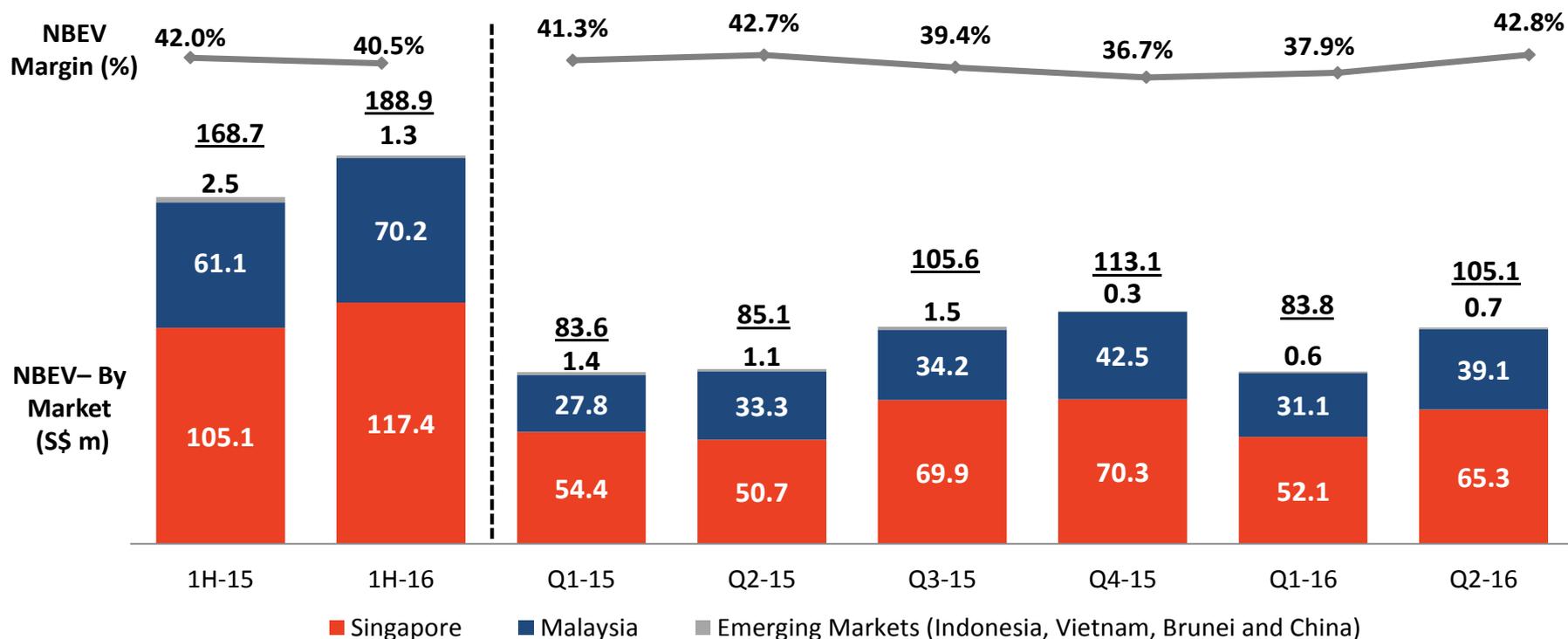
Note:

- For comparative reasons, TWNS figures prior to Q2-16 have been restated using exchange rates as at 30 June 2016.



# New Business Embedded Value (NBEV)- By Market

Higher NBEV of S\$105.1m for Q2-16 reflected a 24% growth, driven by sales growth. Q2-16 NBEV margin of 42.8% while comparable to Q2-15, showed a significant improvement over Q1-16 of 37.9%.



**Note:**

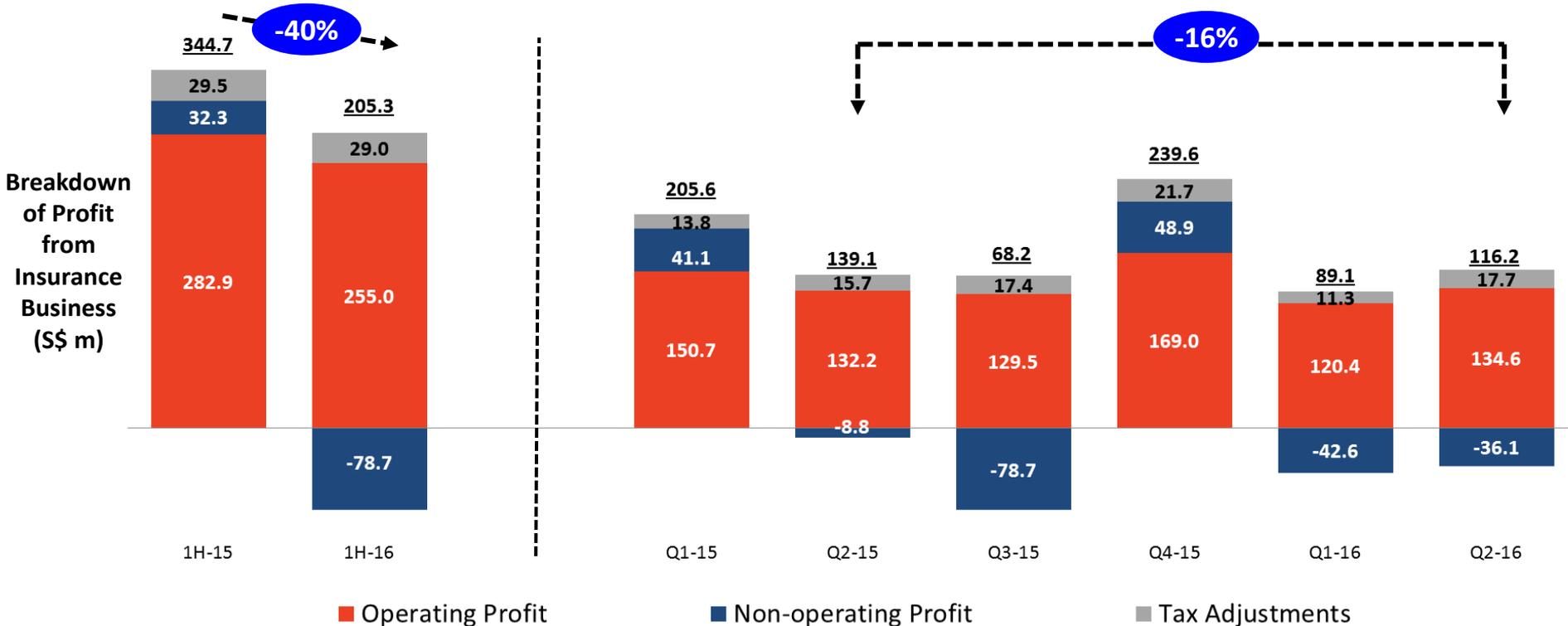
- For comparative reasons, NBEV figures for periods prior to Q2-16 have been restated using exchange rates as at 30 June 2016.
- NBEV figures for periods prior to Q4-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.
- NBEV for Q1-15, Q2-15, Q3-15 and Q4-15 (up to November 2015) include NBEV from the Group's investment in China. NBEV exclude NBEV from the Group's investment in China from December 2015 onwards.



# Breakdown of Profit from Insurance Business

Profit from insurance business was S\$116.2m for Q2-16, 16% lower than the same quarter last year:

- Higher unrealised losses from the widening of credit spreads and sharp decline of the long term interest rates.



Note:

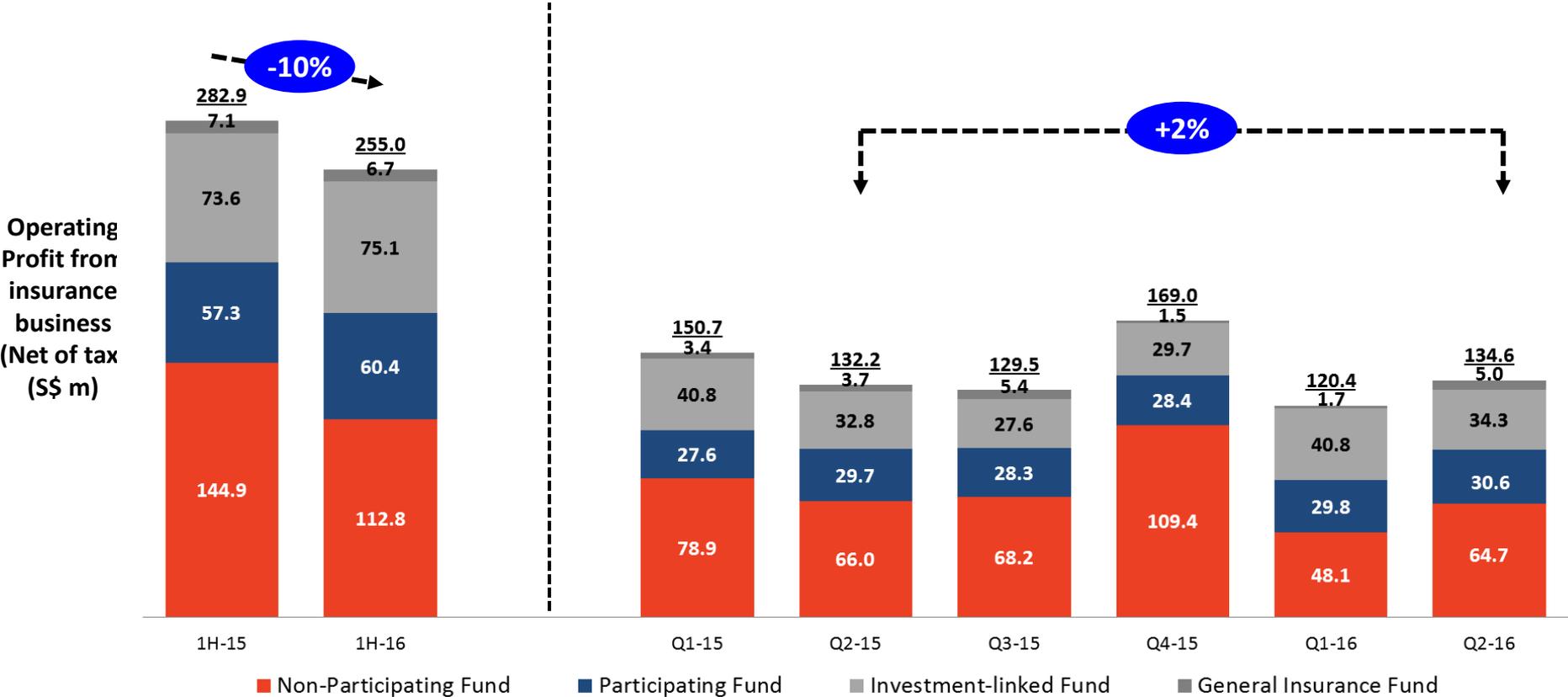
- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)
- Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items



# Operating Profit from Insurance Business – by Fund

Operating Profit from Insurance Business of S\$134.6 m for Q2-16 was 2% higher than same quarter last year:

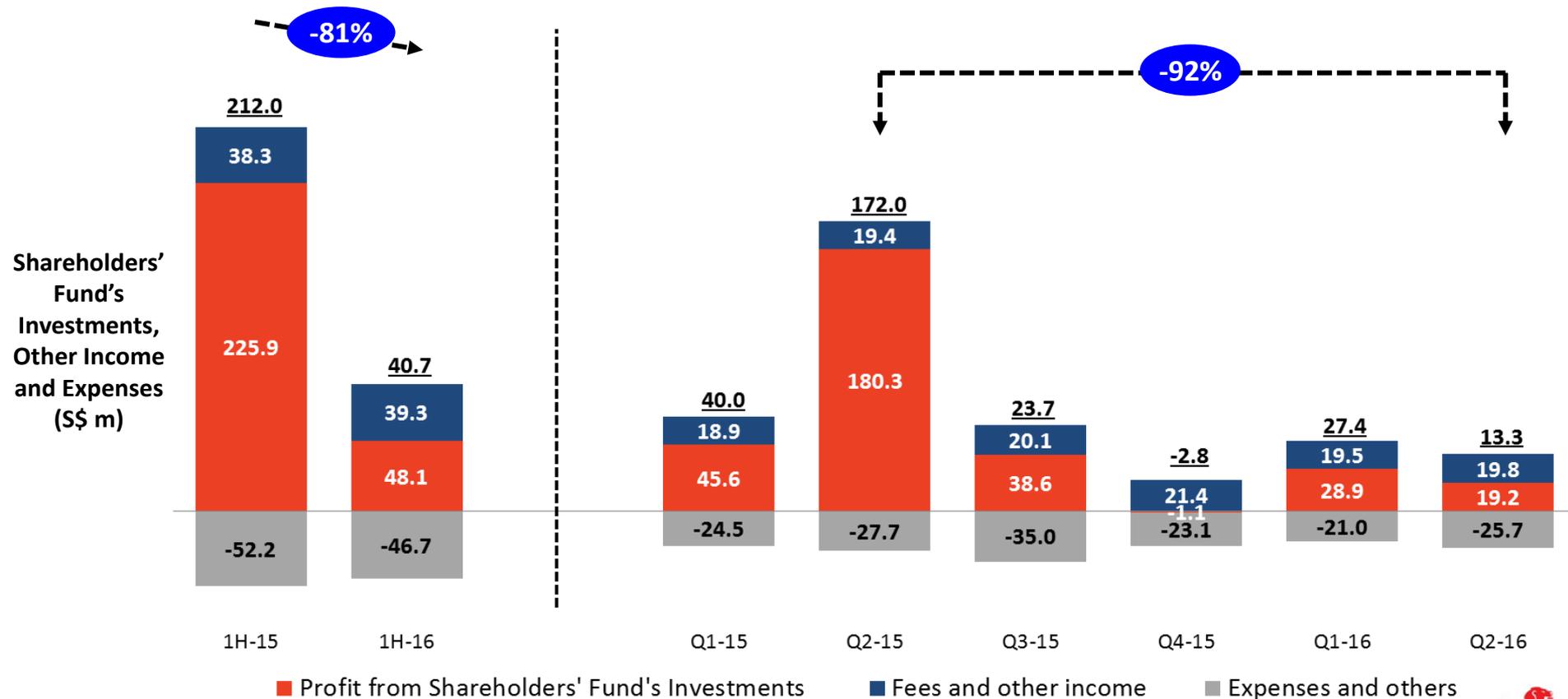
- Higher contribution from Malaysia business



# Shareholders' Fund's Investments, Other Income and Expenses

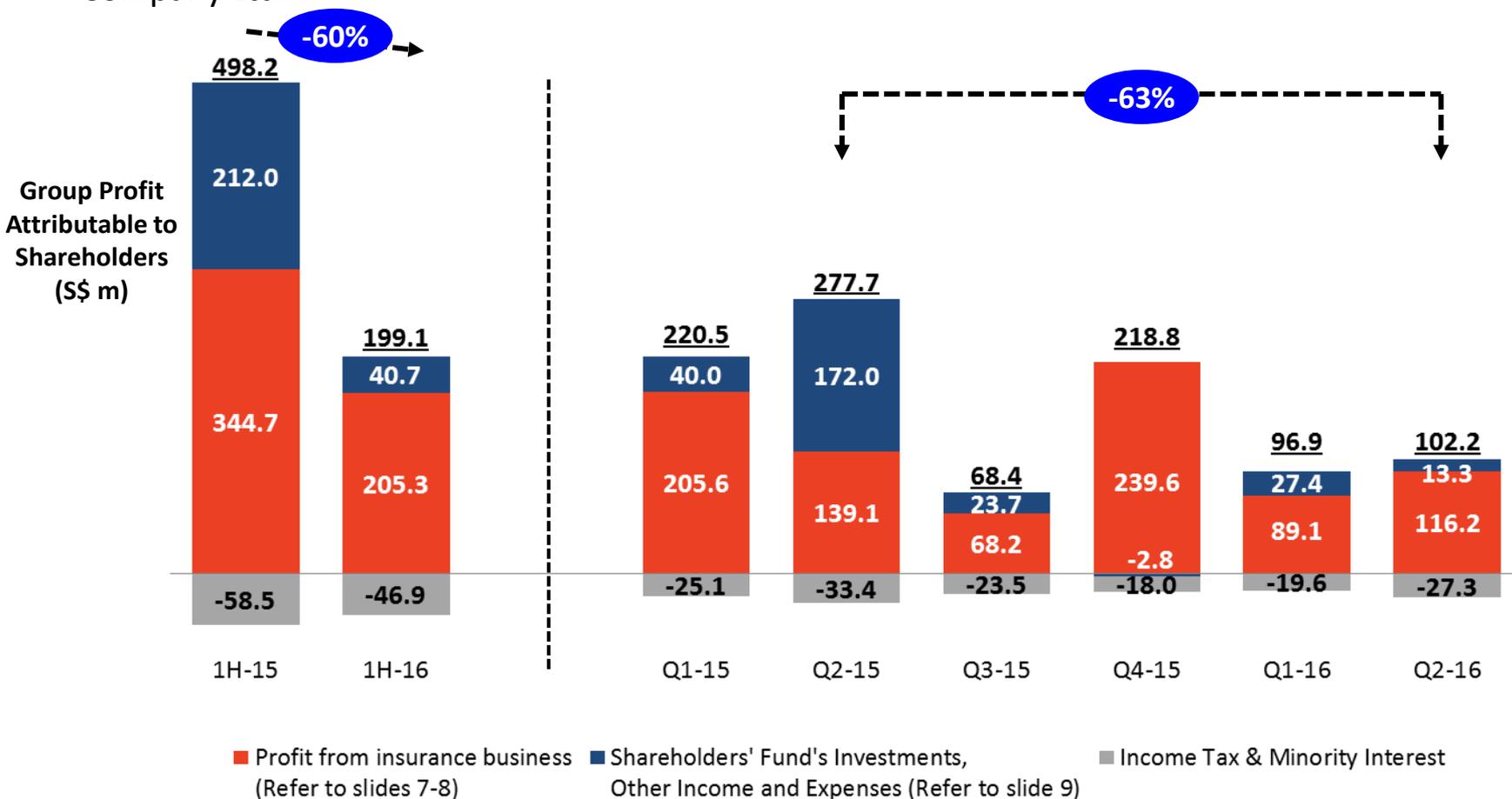
Profit from Shareholders' Fund's Investments was S\$19.2m for Q2-16, lower than Q2-15 of S\$180.3m, primarily due to the following:

- Loss on disposal of Vietnam subsidiary of S\$18.7m
- Last year same quarter was boosted by substantial gain from the disposal of part of the Group's stake in New China Life Insurance Company Ltd



# Group Profit Attributable to Shareholders

Overall, profit attributable to shareholders of S\$102.2m for Q2-16 was lower compared with the same period last year because of higher non-operating loss amid unfavourable financial market conditions and loss of S\$18.7m on disposal of Vietnam subsidiary. Q2-15 was also boosted by gain of S\$119.9m (post-tax) from the sale of part of the Group's stake in New China Life Insurance Company Ltd.



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**Thank You**

