

# GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q2-15 and 6M-15  
Supplementary Information

27 July 2015



## Overview of Q2-15 and 6M-15 Financial Results

S\$'m	Q2-15	Q2-14	Δ	6M-15	6M-14	Δ
<b>Total Weighted New Sales<sup>^</sup></b>	<b>203.9</b>	213.0	-4%	<b>410.5</b>	434.0	-5%
<b>New Business Embedded Value<sup>*</sup></b>	<b>82.1</b>	94.1	-13%	<b>166.0</b>	178.4	-7%
<b>Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>132.2</b>	142.9	-7%	<b>282.9</b>	286.2	-1%
<b>Non-Operating Profit (net of tax)<sup>#</sup> from Insurance Business</b>	<b>-8.8</b>	72.2	nm	<b>32.3</b>	105.6	-69%
<b>Profit from investments in Shareholders' Fund</b>	<b>180.3</b>	41.9	nm	<b>225.9</b>	111.5	103%
<b>Group Profit Attributable to Shareholders</b>	<b>277.7</b>	244.6	14%	<b>498.2</b>	476.2	5%

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\$15.7m for Q2-15 (Q2-14: S\$13.7m)

-For comparative reasons, TWNS/ NBEV figures for Q2-14 and 6M-14 have been restated using exchange rates as at 30 June 2015. NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.



## Q2-15 Key Highlights

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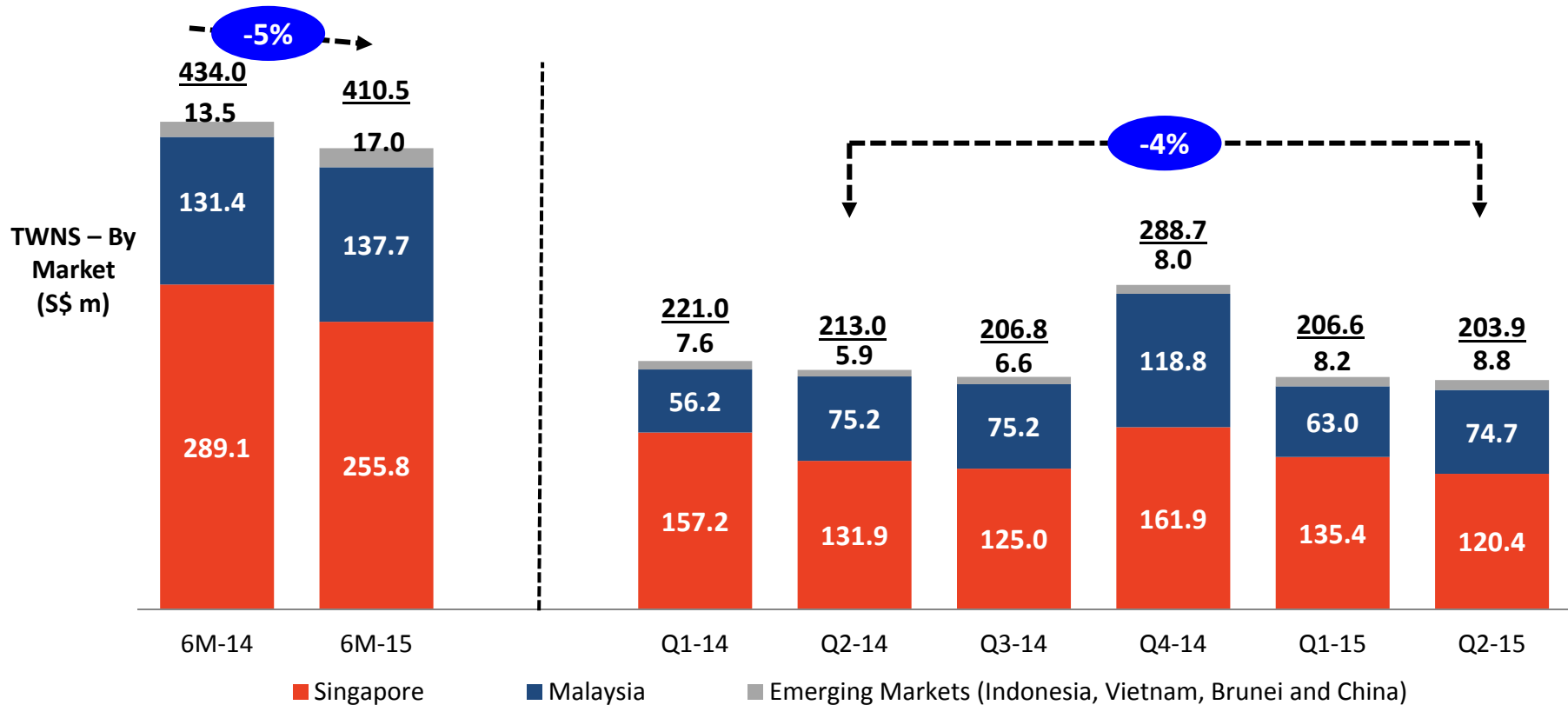
- Operating profit of S\$132.2m was lower compared with the same quarter last year, as profit for Q2-14 was boosted by a release of tax provisions
- Non-operating loss of S\$8.8m due to unrealised mark-to-market losses from equity investments and widening of swap spreads
- Group Profit attributable to Shareholders grew 14% on higher profit from Shareholders' Fund's investments, which included a gain of S\$119.9m (post-tax) from the sale of part of the Group's investment in New China Life Insurance Company Ltd
- Total Weighted New Sales (TWNS) of S\$203.9m for Q2-15 was 4% lower, mainly due to lower sales in Singapore
- NBEV of S\$82.1m was lower, a result of lower sales in Singapore, as well as lower margins in both Singapore and Malaysia
- 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 2015, to be paid on 2 September 2015



# Total Weighted New Sales (TWNS) – By Market

TWNS of S\$203.9m for Q2-15:

- Lower sales from agency channel in Singapore
- Stable sales in Malaysia



Note:

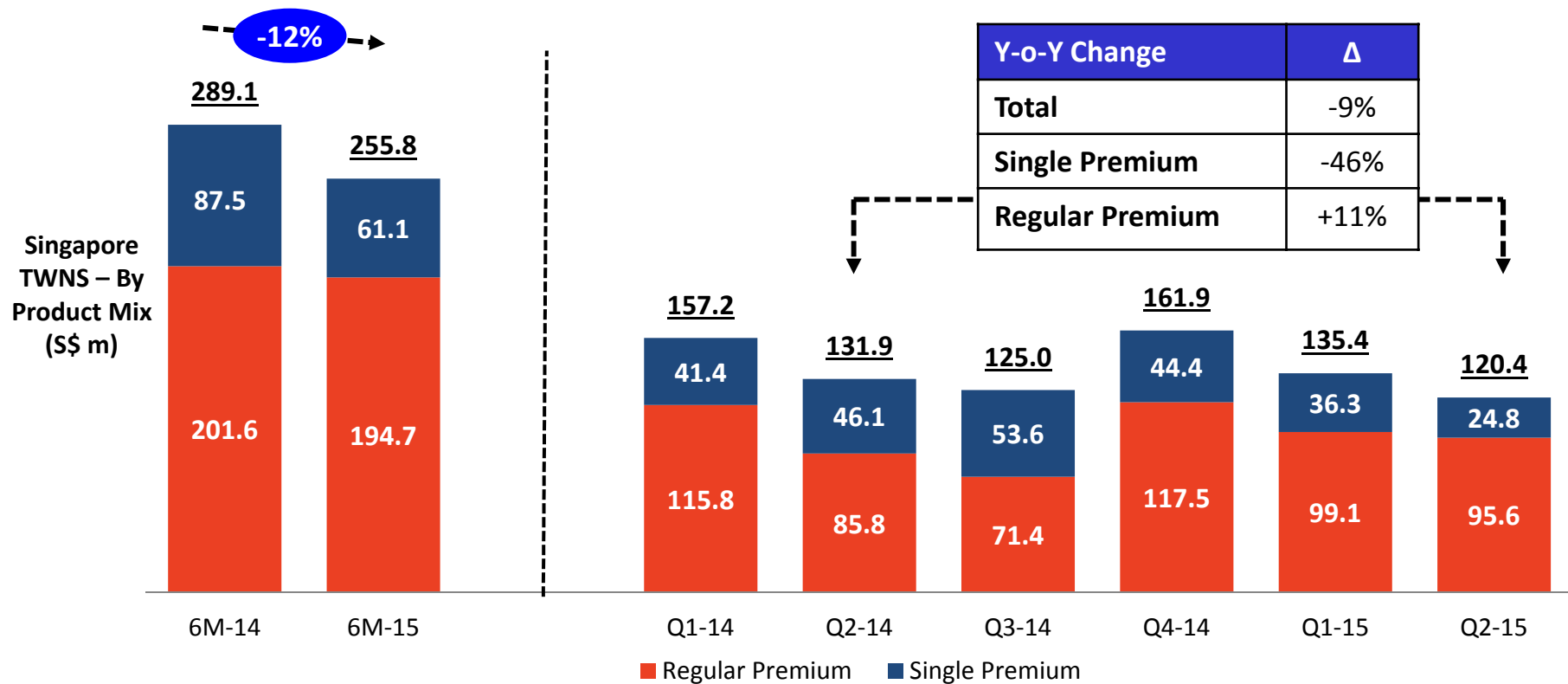
- For comparative reasons, TWNS figures for periods prior to Q2-15 have been restated using exchange rates as at 30 June 2015
- QoQ TWNS comparison may not be relevant given seasonality of insurance sales



## Singapore TWNS – By Product Mix

TWNS in Singapore of S\$120.4m for Q2-15:

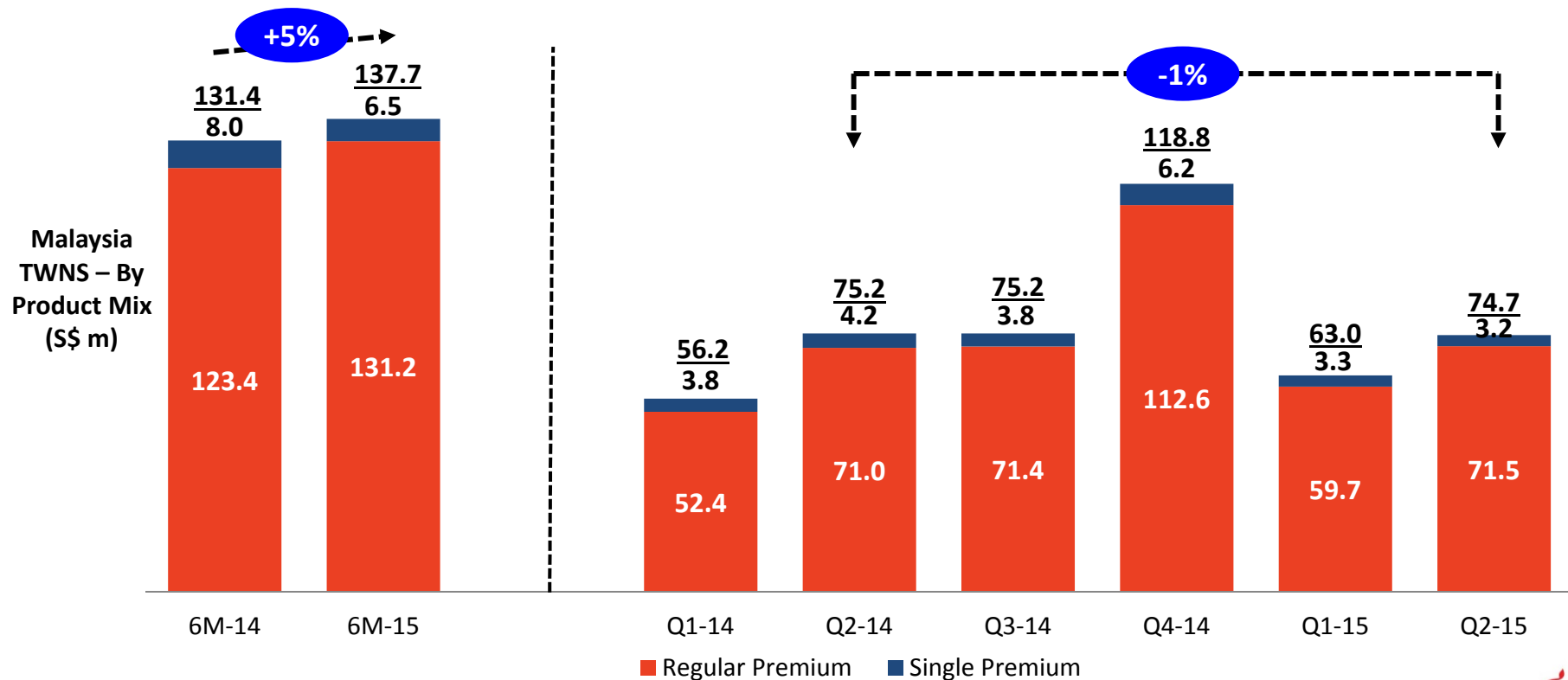
- Lower sales of single premium Participating products through agency channel
- Sales from bancassurance channel was comparable to the same quarter last year



## Malaysia TWNS – By Product Mix

TWNS in Malaysia of S\$74.7m for Q2-15:

- Stable sales of regular premium Investment-linked products in the conventional business



Note:

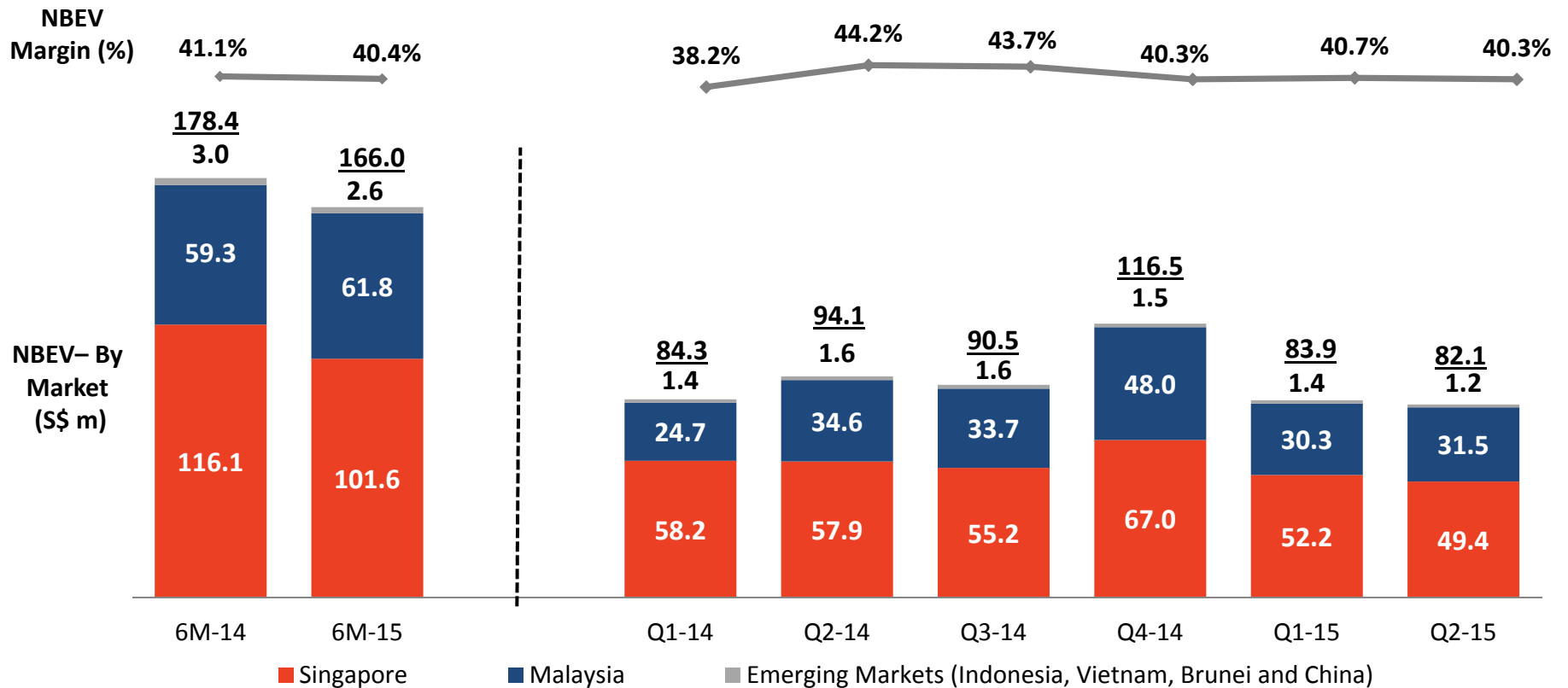
- For comparative reasons, TWNS figures for periods prior to Q2-15 have been restated using exchange rates as at 30 June 2015



# New Business Embedded Value (NBEV)- By Market

NBEV of S\$82.1m and NBEV margin of 40.3% for Q2-15:

- Lower sales in Singapore
- Shift in channel mix in Singapore
- Downward adjustment of NBEV in Malaysia to factor in impact of changes in tax regulations



Note:

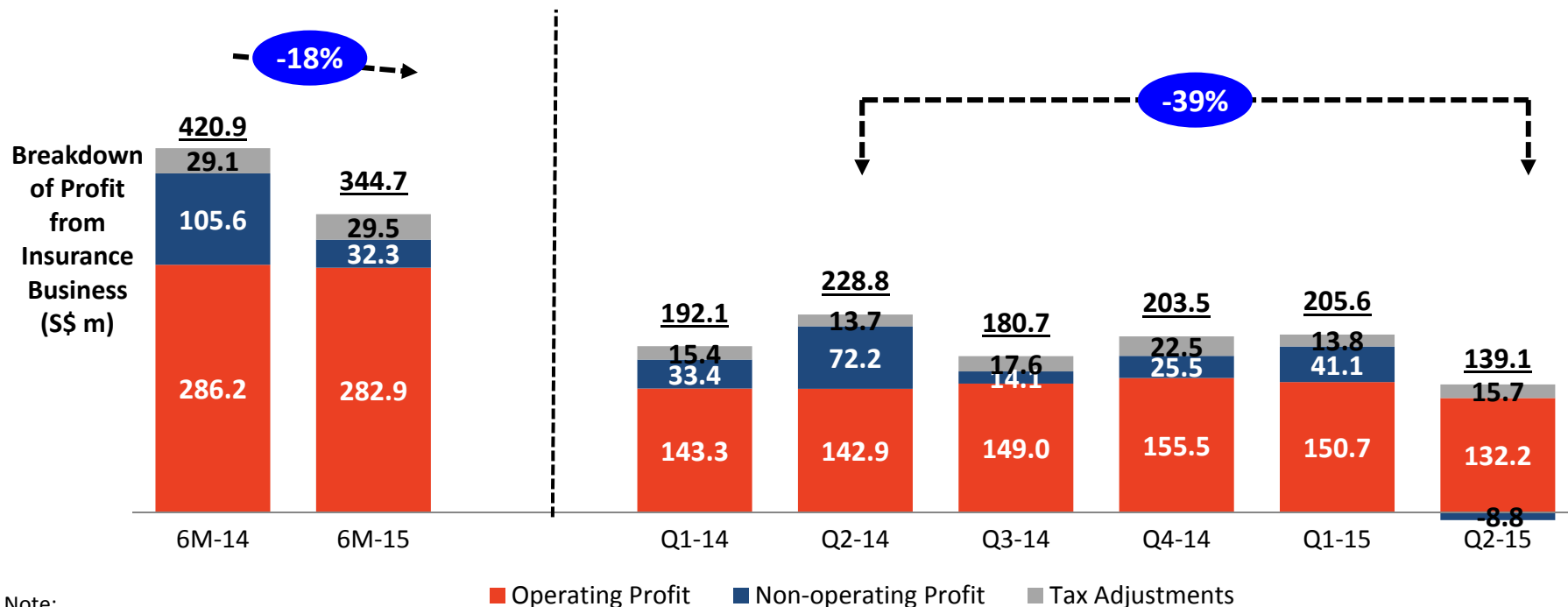
- For comparative reasons, NBEV figures for periods prior to Q2-15 have been restated using exchange rates as at 30 June 2015.
- NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.



## Breakdown of Profit from Insurance Business

Profit from insurance business of S\$139.1m for Q2-15:

- Operating Profit was lower compared with the same quarter last year, as profit for Q2-14 was boosted by a release of tax provisions
- Non-operating loss due to unrealised mark-to-market losses from equity investments and widening of swap 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 and other non-recurring items

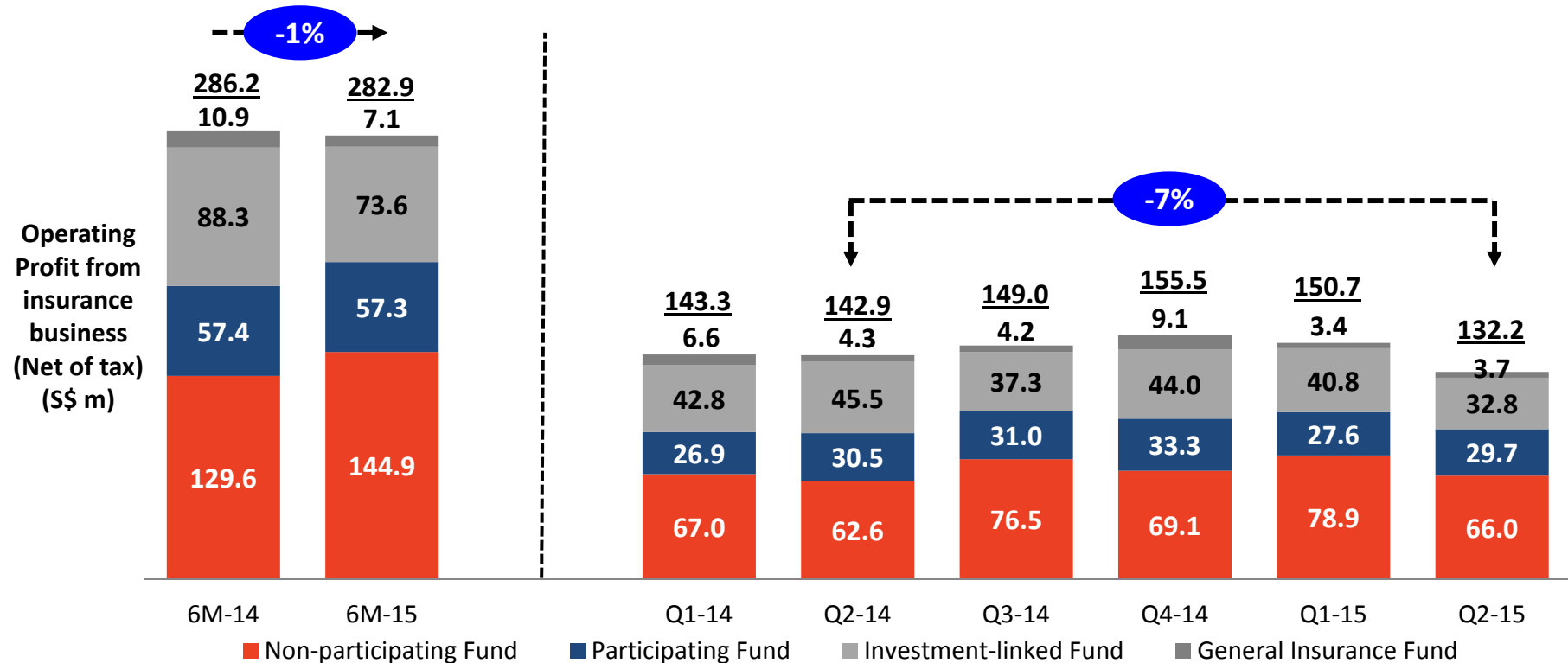




# Operating Profit from Insurance Business – by Fund

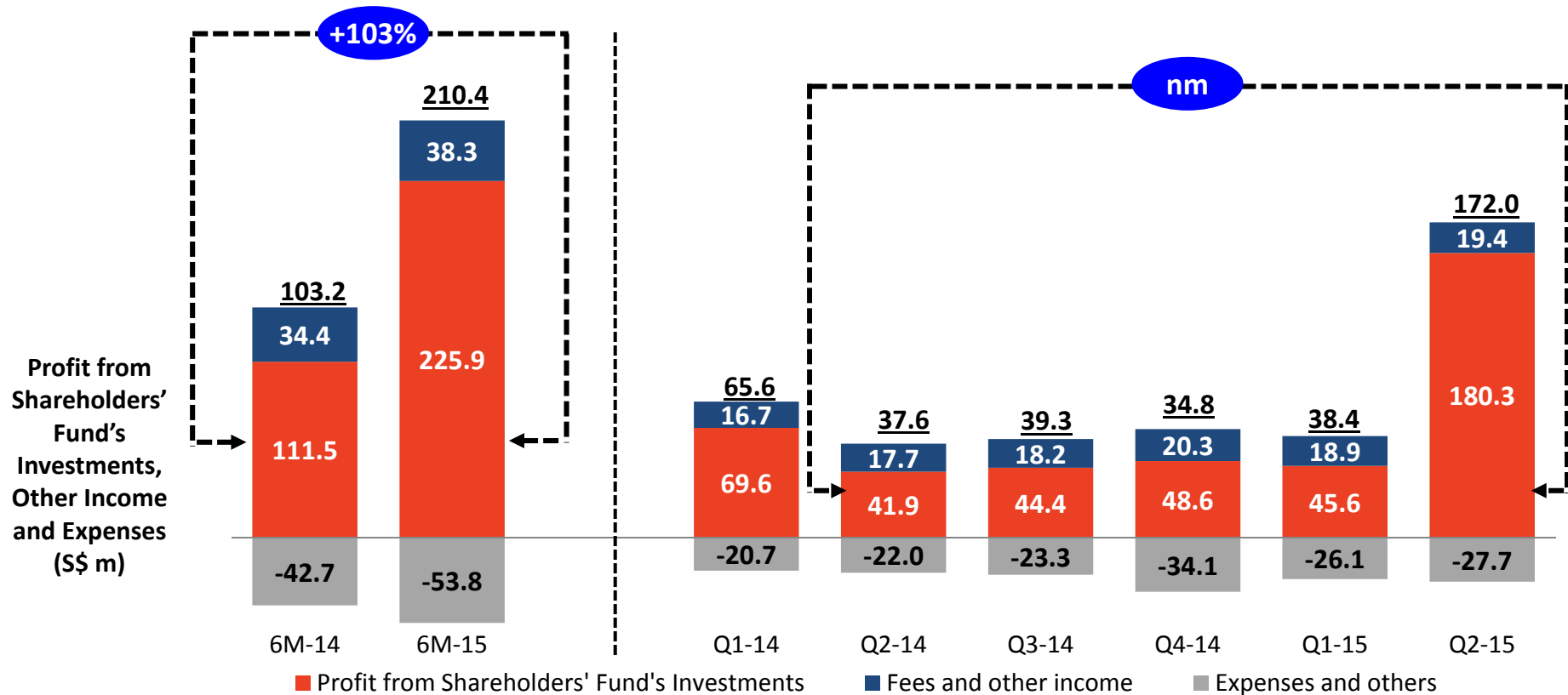
Operating Profit of \$132.2m for Q2-15:

- Higher operating profit from Non-participating fund, driven by lower claims
- Operating profit from the Investment-linked Fund for this quarter was lower than the same quarter last year as Q2-14 was boosted by a release of tax provisions. Excluding this, Q2-15 profit from the Investment-linked Fund was stable compared with the same quarter last year.



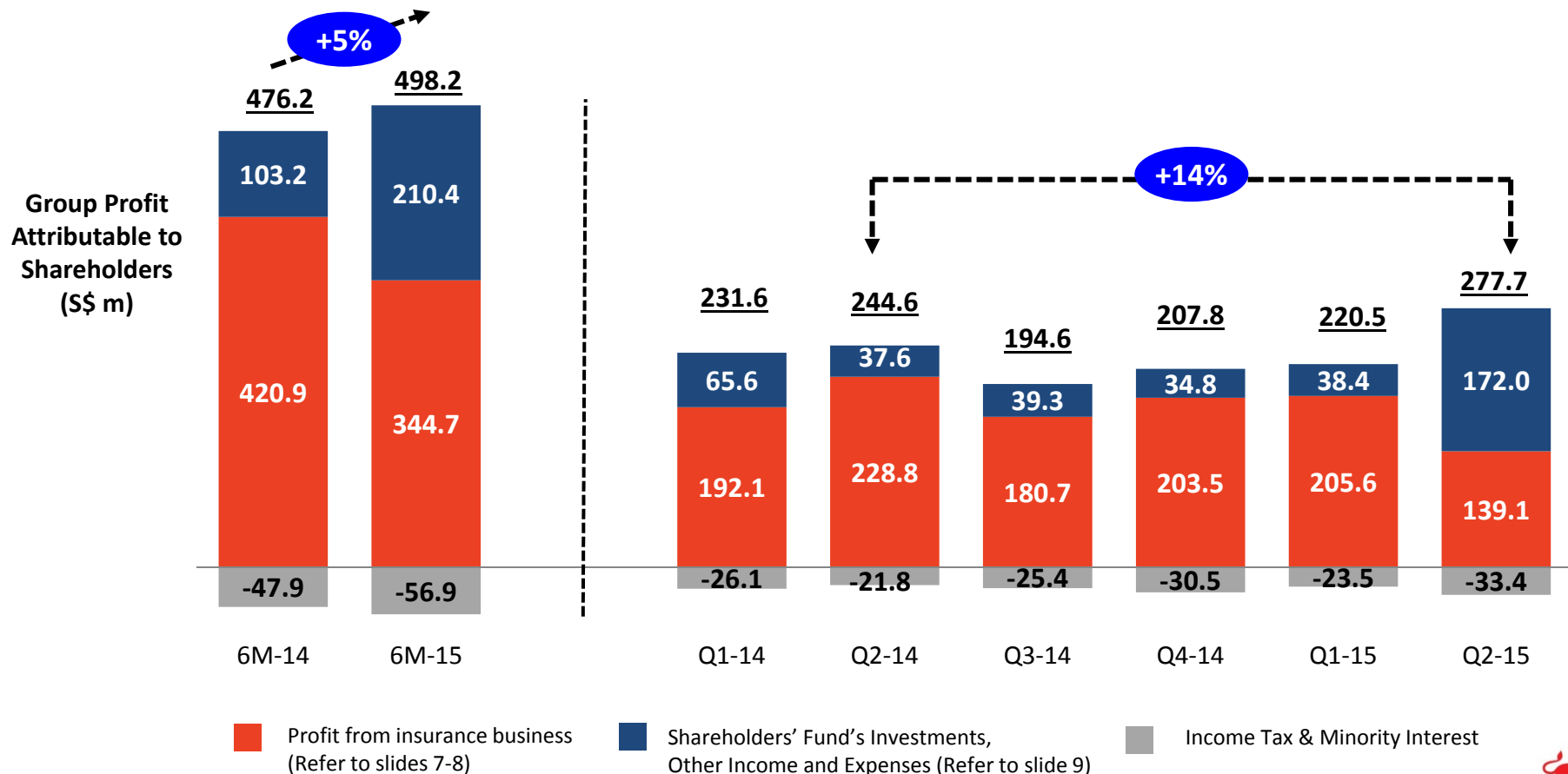
## Shareholders' Fund's Investments, Other Income and Expenses

- Profit from Shareholders' Fund's Investments rose to S\$180.3m, mainly attributed to the gain from the sale of part of the Group's investment in New China Life Insurance Company Ltd



# Group Profit Attributable to Shareholders

- Group Profit attributable to Shareholders grew 14%, mainly contributed by the gain of S\$119.9m (post-tax) from the sale of part of the Group's investment in New China Life Insurance Company Ltd



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**Thank You**

