

# GREAT EASTERN HOLDINGS LIMITED

## FINANCIAL RESULTS FOR Q2-13 and YTD-June13 Supplementary Information

30 July 2013

## Overview of Q2-13 and YTD-June13 Financial Results

S\$ million	Q2-13	Q2-12	Δ	YTD-June13	YTD-June12	Δ
<b>Total Weighted New Sales<sup>^</sup></b>	<b>263.9</b>	196.8	+34%	<b>468.6</b>	371.8	+26%
<b>New Business Embedded Value<sup>*</sup></b>	<b>101.5</b>	84.4	+20%	<b>178.5</b>	160.7	+11%
<b>Operating Profit from Insurance Business</b>	<b>154.5</b>	117.4	+32%	<b>285.7</b>	222.2	+29%
<b>Non-Operating Profit from Insurance Business</b>	<b>(155.6)</b>	(56.9)	nm	<b>(117.3)</b>	50.6	nm
<b>Group Profit Attributable to Shareholders</b>	<b>18.6</b>	81.4	-77%	<b>226.1</b>	343.9	-34%

<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

Note: TWNS/ NBEV figures for Q2-12, YTD-Jun13 and YTD-Jun12 have been restated for comparative reasons

## Key Highlights

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- Q2-13 Total Weighted New Sales<sup>^</sup> up 34% Y-o-Y to S\$263.9m on:
  - Robust sales across all distribution channels in Singapore
  - Healthy growth in Malaysia by both conventional and takaful business
- NBEV\* increased 20% Y-o-Y to S\$101.5m in Q2-13 on strong sales performance
- Operating profit from insurance business rose 32% Y-o-Y to S\$154.5m in Q2-13, with increased contribution from both Participating and Non-participating Funds
- Non-operating loss of S\$155.6m in Q2-13, mainly from significant unrealised mark-to-market impact in the Singapore Non-participating Fund
- Group profit attributable to shareholders decreased 77% Y-o-Y to S\$18.6m in Q2-13
- The Board of Directors has declared an interim tax exempt (one-tier) dividend of 10 cents per ordinary share for financial year 2013, payable on 4 September 2013
- Great Eastern Life's 'AA-' rating affirmed and Overseas Assurance Corp's rating raised to 'AA-' both with stable outlook following Standard & Poor's insurance rating criteria change in May 2013

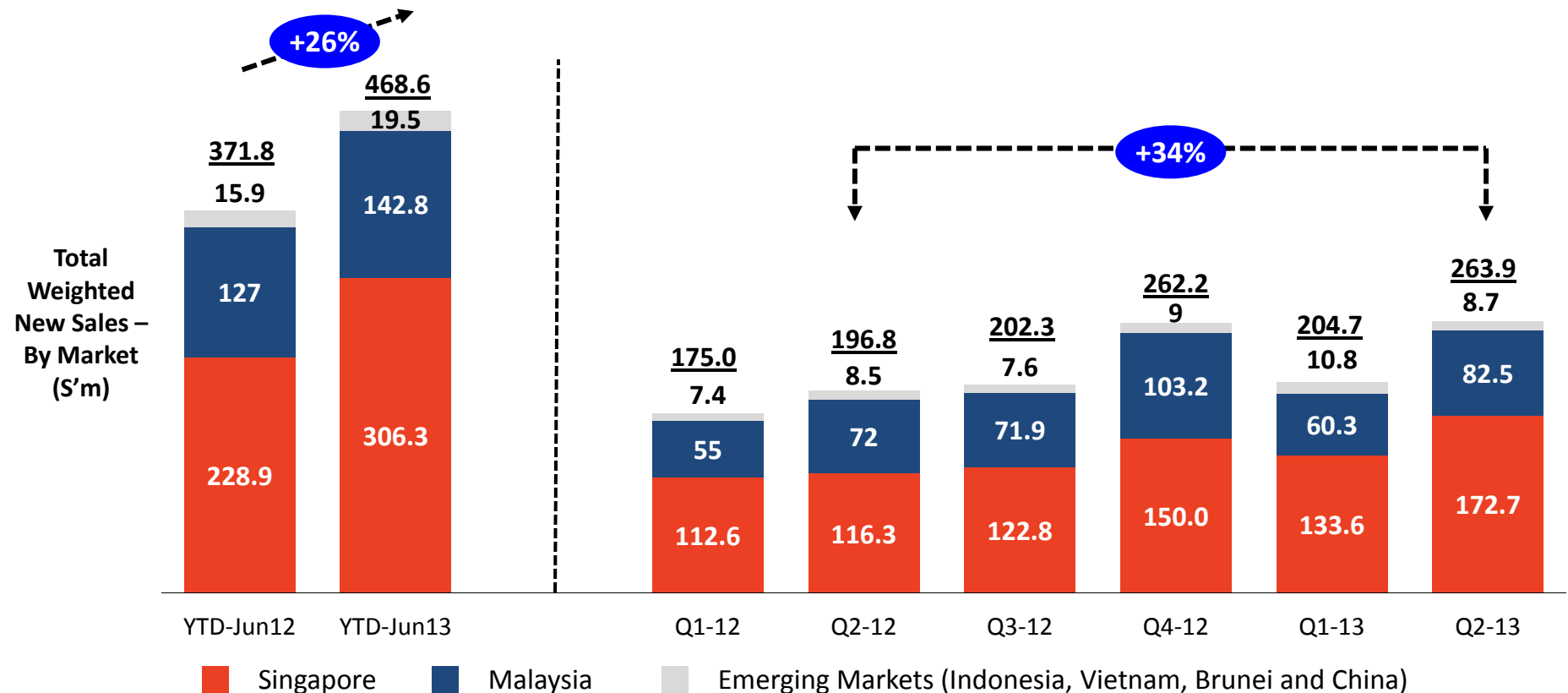
<sup>^</sup>Total Weighted New Sales (TWNS) = (Single Premium x 10%) + New Regular Premium

\*New Business Embedded Value (NBEV) is a measure of the long term profitability of new sales

## Total Weighted New Sales (TWNS) – By Market

Q2-13 sales up 34% Y-o-Y to S\$263.9m, with growth across all geographic segments:

- Robust sales across all distribution channels in Singapore
- Healthy growth in conventional and takaful sales in Malaysia



Note:

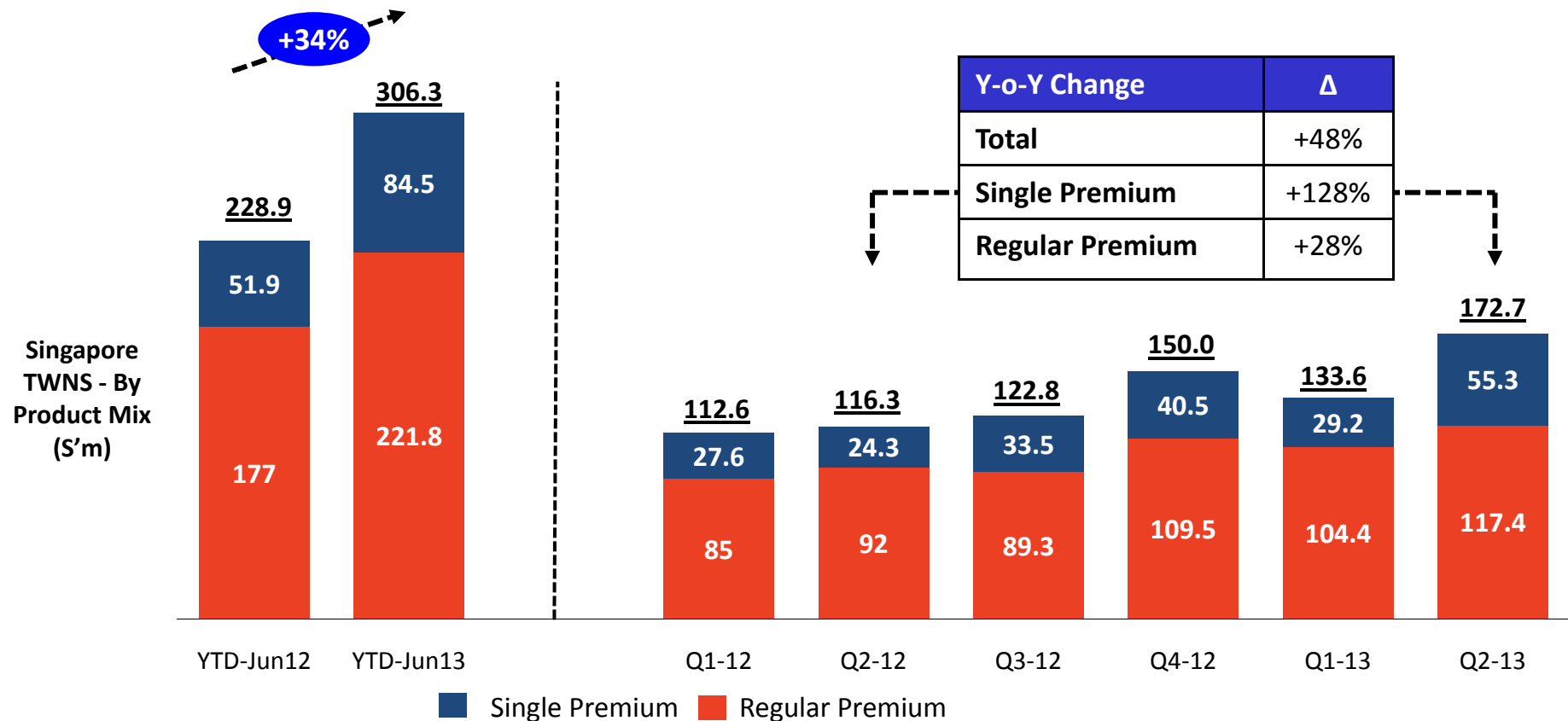
-For comparative reasons, TWNS figures for periods prior to Q2-13 have been restated using exchange rates as at 30 June 2013

-QoQ comparison not relevant given seasonality of insurance sales

## Singapore TWNS – By Product Mix

Q2-13 Singapore sales rose 48% Y-o-Y to S\$172.7m:

- Strong take-up of savings products launched through the agency and advisory channels to serve customers with maturing policies
- Growth in the sales of regular premium savings products through bancassurance channel

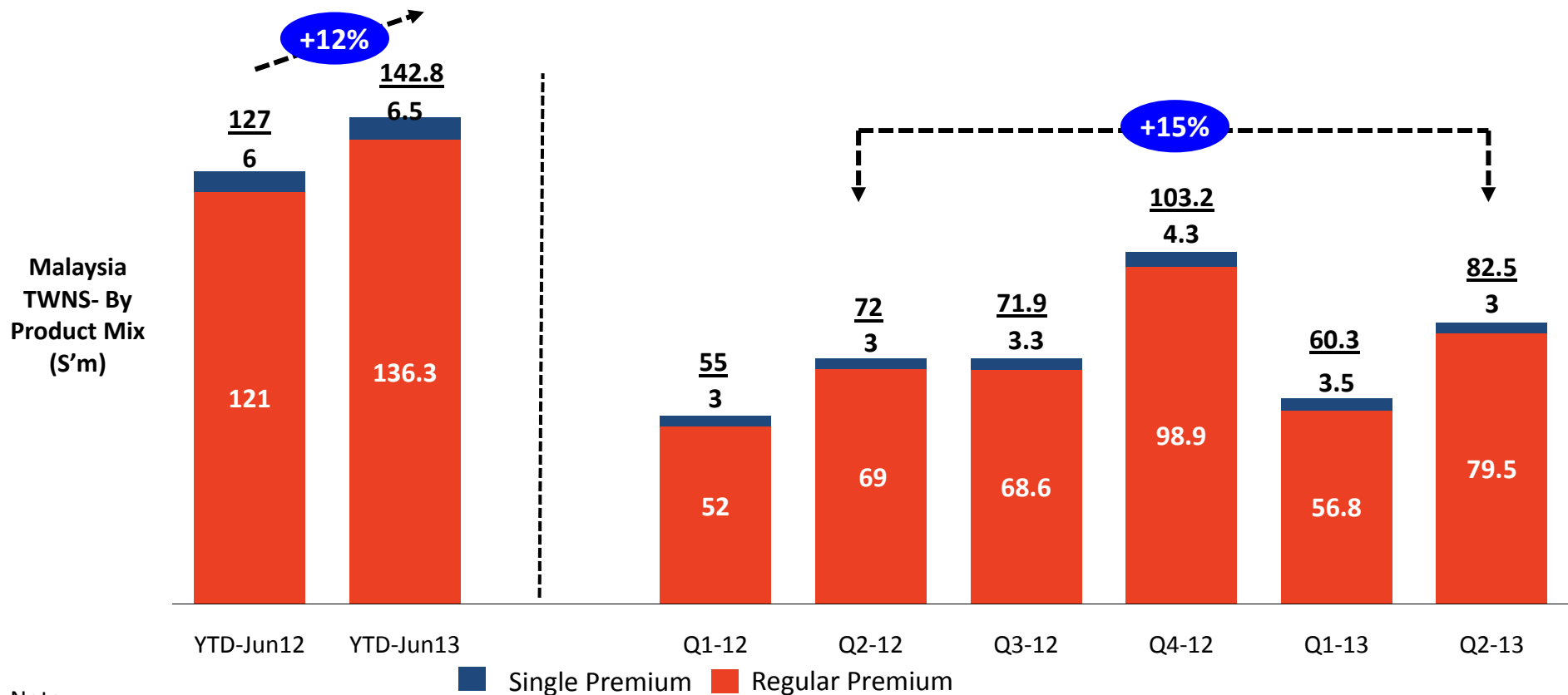


Note: QoQ comparison not relevant given seasonality of insurance sales

## Malaysia TWNS – By Product Mix

Q2-13 Malaysia sales grew 15% Y-o-Y to S\$82.5m:

- Growth in sales of conventional regular premium investment-linked products, further strengthening market leading position
- Increase in sales of takaful products



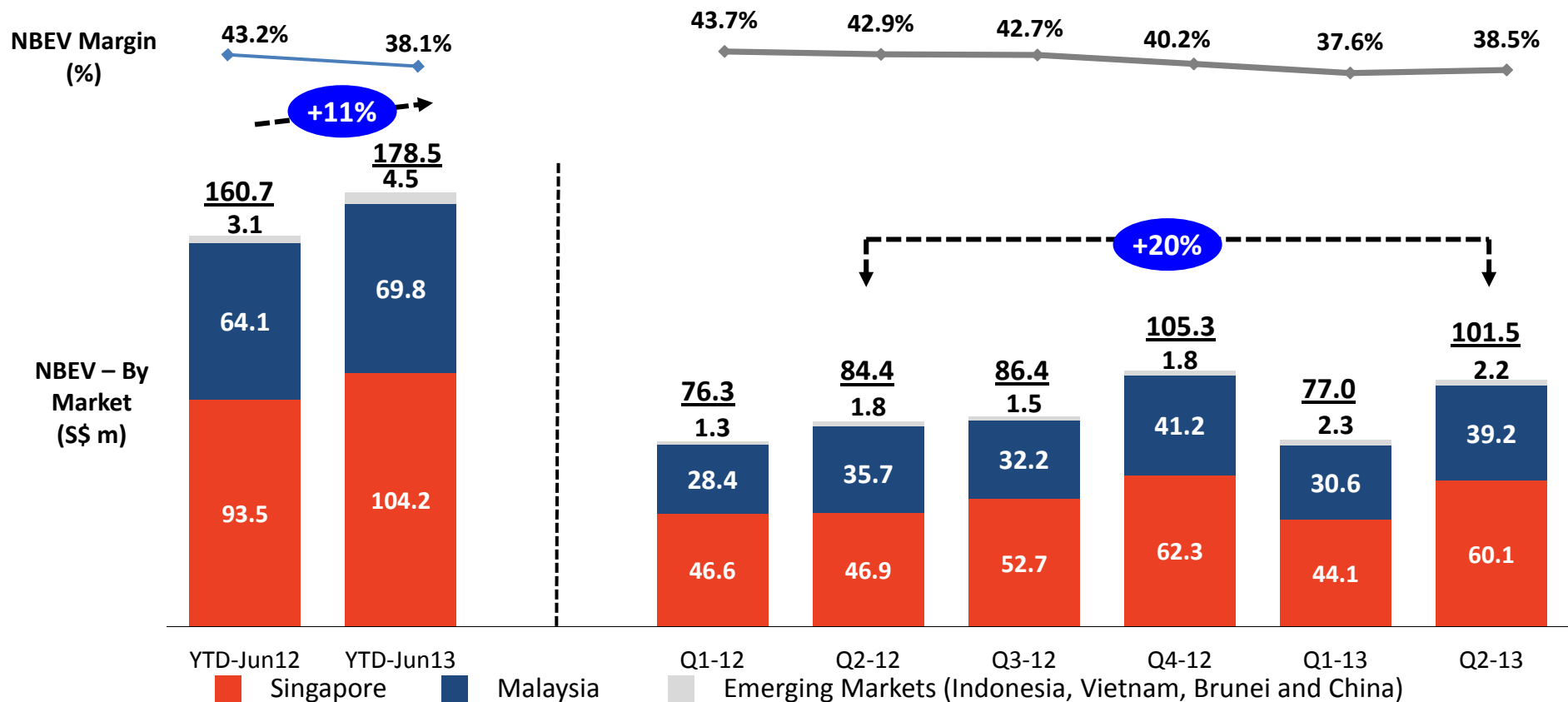
Note:

-For comparative reasons, TWNS figures for periods prior to Q2-13 have been restated using exchange rates as at 30 June 2013

-QoQ comparison not relevant given seasonality of insurance sales

## New Business Embedded Value (NBEV)- By Market

- Q2-13 NBEV\* increased 20% Y-o-Y to S\$101.5 m on strong sales performance



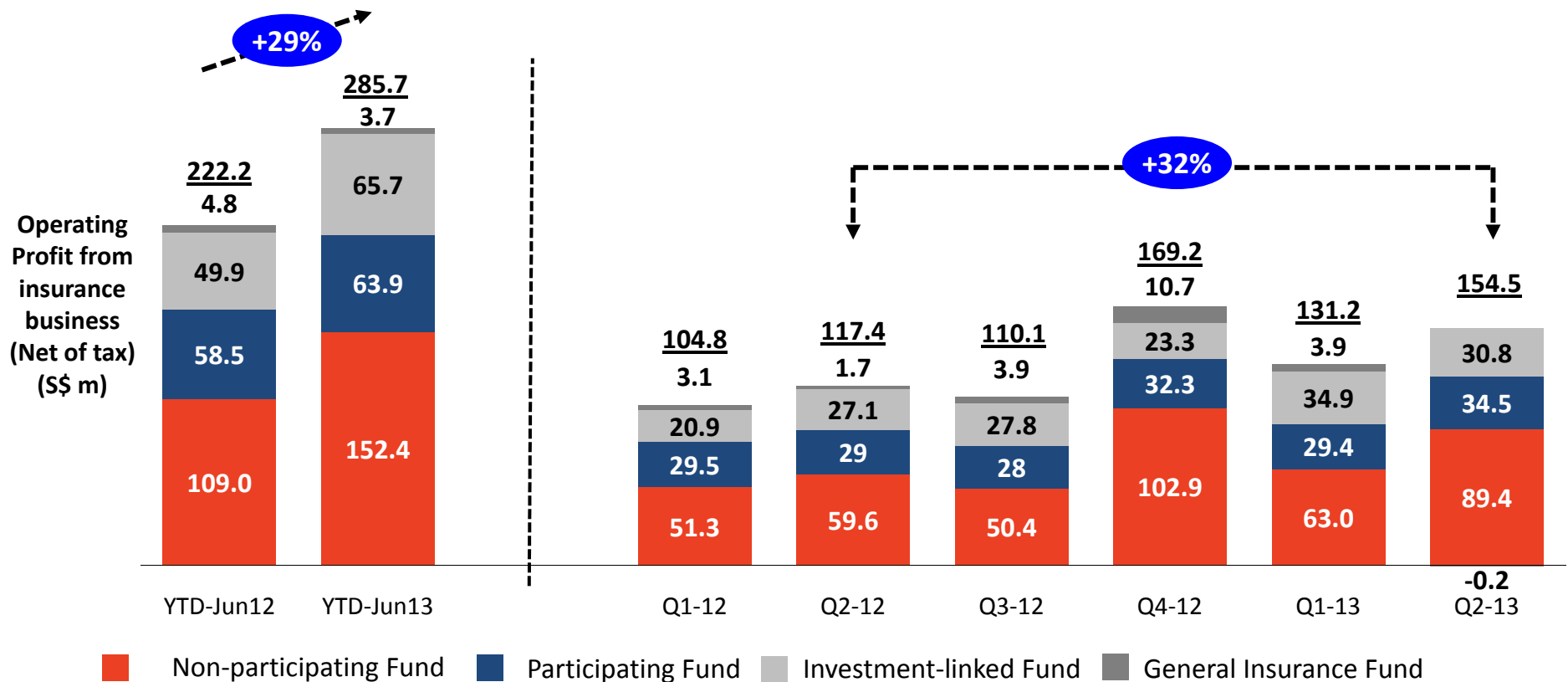
\*NBEV is a measure of the long term profitability of new sales

Note: For comparative reasons, NBEV figures for periods prior to Q2-13 have been restated using exchange rates as at 30 June 2013 and revised investment return assumptions implemented in Q4-12

## Operating Profit from Insurance Business – by Fund

Q2-13 operating profit rose 32% Y-o-Y to S\$154.5m:

- Increase in operating profit from Singapore Non-participating Fund, contributed by business growth, better claims experience and a release of tax provisions
- Higher number of Participating Fund policies maturing

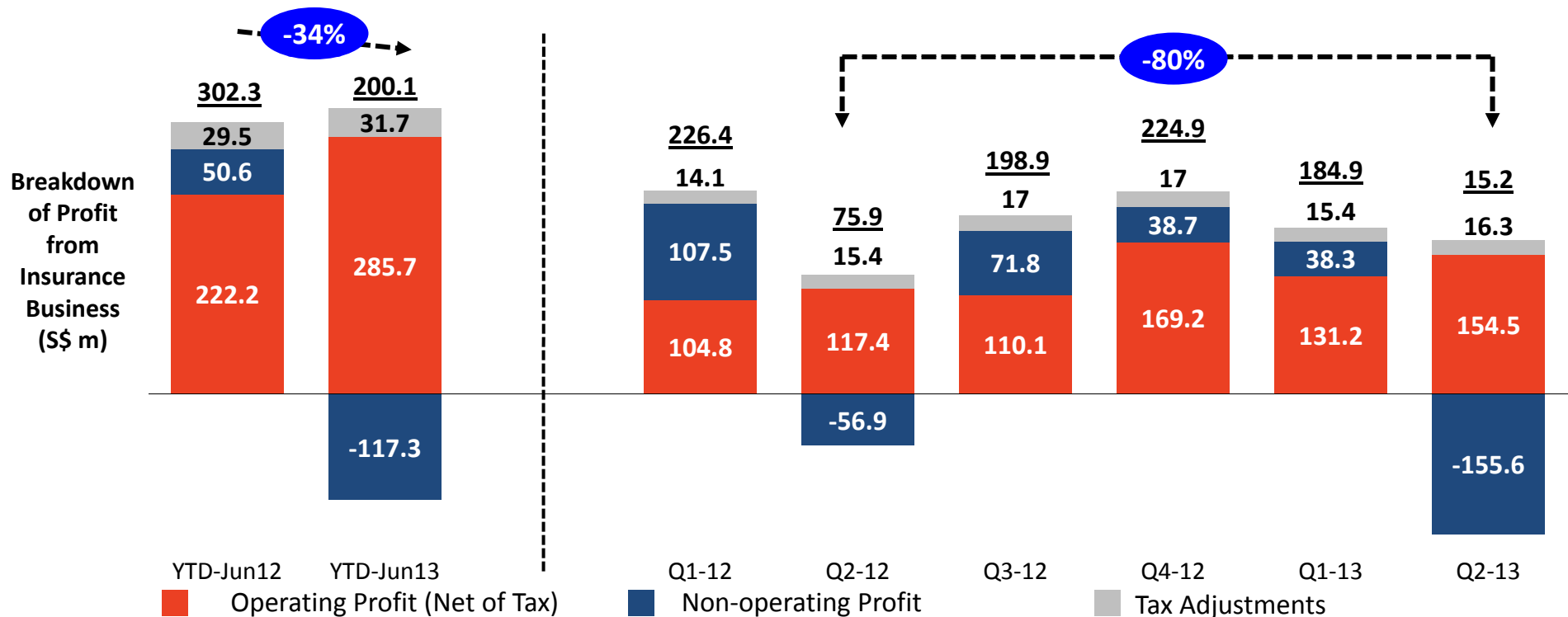




## Breakdown of Profit from Insurance Business

Profit from insurance business of S\$15.2m in Q2-13:

- Higher operating profit\* on better performance across life assurance funds
- Significant non-operating loss\*\* from unrealised mark-to-market impact as financial markets reacted to the potential tapering of the US quantitative easing programme
- Investment portfolio remained sound and delivered 10% higher investment income YoY



\*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)

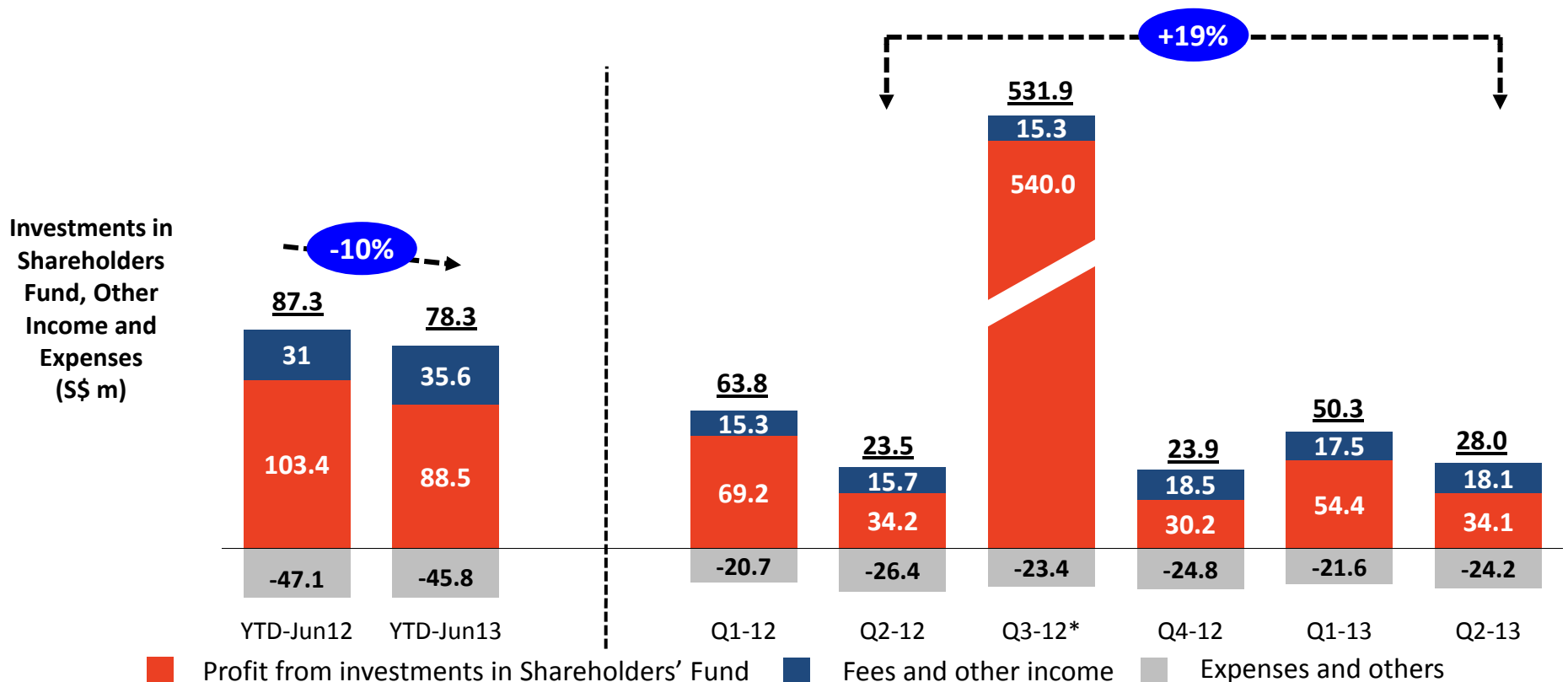
\*\*Non-operating Profit mainly comprises changes in the fair value of assets and liabilities, changes in liability discount rates and other non-recurring items

# Investments in Shareholders' Fund, Other Income and Expenses



Q2-13 performance improved 19% Y-o-Y to S\$28.0m:

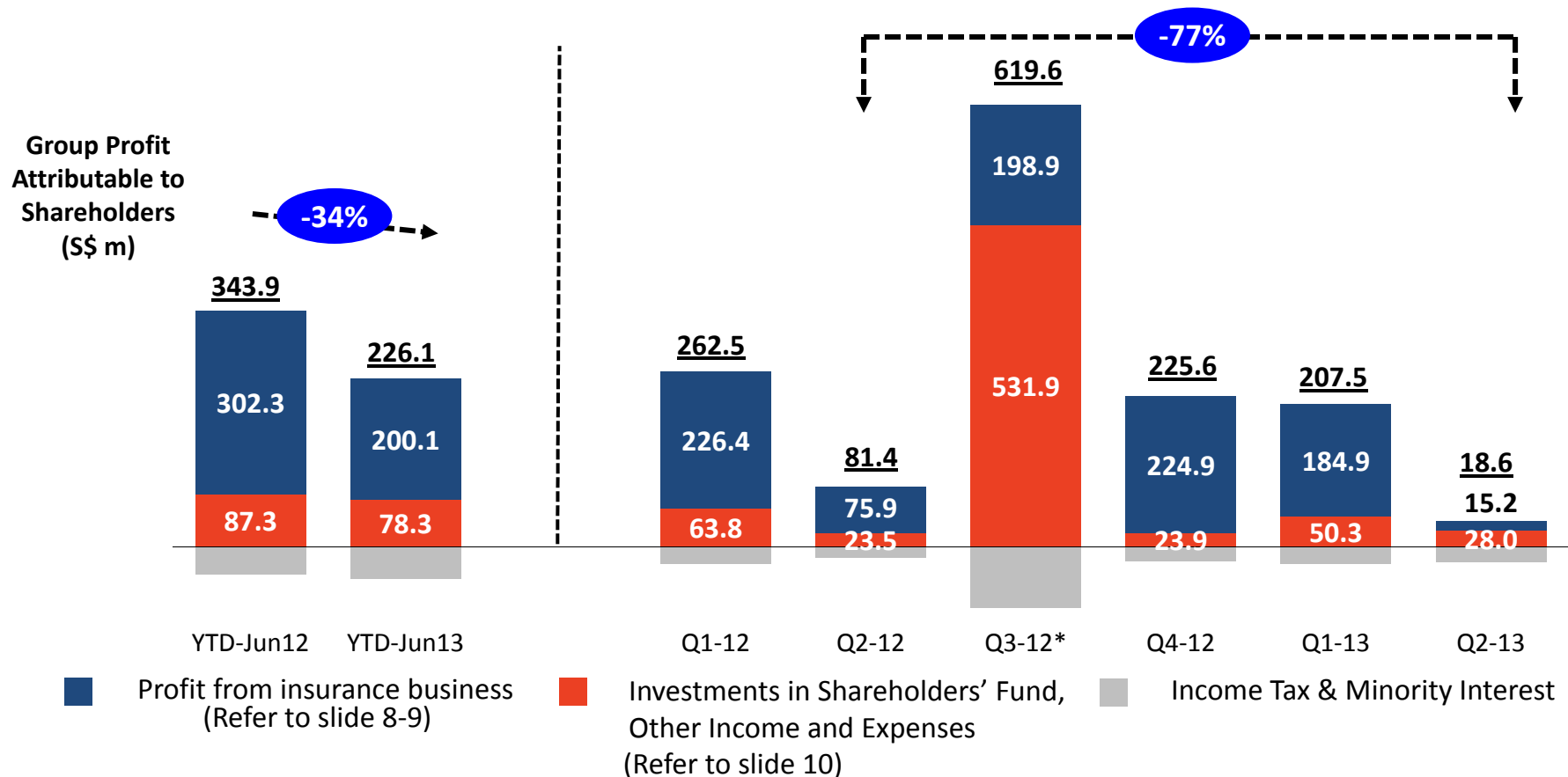
- Higher fees and other income from the Group's asset management arm, Lion Global Investors Limited and its subsidiary, Pacific Mutual Fund Berhad
- Stable profit from investments in Shareholders' Fund



\*Q3-12 Shareholders' Fund profit includes disposal gains from sale of stakes in APB and F&N

## Group Profit Attributable to Shareholders

- Overall, Q2-13 Group Profit attributable to Shareholders decreased to S\$18.6m



\*Q3-12 net profit included a S\$421.6m post-tax gain from sale of the Group's shareholdings in APB and F&N

**Thank You**