

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q4-14 and FY-14
Supplementary Information

5 February 2015



Overview of Q4-14 and FY-14 Financial Results

S\$'m	Q4-14	Q4-13	Δ	FY-14	FY-13	Δ
Total Weighted New Sales[^]	296.3	304.5	-3%	950.3	1,037.4	-8%
New Business Embedded Value[*]	114.5	126.8	-10%	394.3	420.0	-6%
Operating Profit (net of tax)[#] from Insurance Business	155.5	135.3	+15%	590.7	559.6	+6%
Non-Operating Profit (net of tax)[#] from Insurance Business	25.5	15.3	+67%	145.2	-10.9	nm
Profit from investments in Shareholders' Fund	48.6	34.3	+42%	204.5	169.1	+21%
Group Profit Attributable to Shareholders	207.8	165.9	+25%	878.6	674.8	+30%

Note:

[^]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

[#] 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\$22.5m for Q4-14 (Q4-13: S\$21.5m), and S\$69.2m for FY-14 (FY-13: S\$75.5m).

Note:

-For comparative reasons, TWNS/ NBEV figures for Q4-13 and FY-13 have been restated using exchange rates as at 31 December 2014

- nm: Not meaningful



FY-14 Key Highlights

- Operating profit increased 6% to S\$590.7m, mainly on better performance from Investment-linked Fund in Malaysia
- Non-operating profit of S\$145.2m compared with loss of S\$10.9m last year, mainly from unrealised mark-to-market gains from lower interest rates and higher equity prices
- Total Weighted New Sales (TWNS) of S\$950.3m for FY-14 were 8% lower than last year, during which a high volume of Participating policies matured and were recaptured
- NBEV was 6% lower than last year, mainly the result of lower sales
- FY-14 embedded value of S\$10.4b or an embedded value per share of S\$22.05, registering a 13% growth over 2013
- The Board of Directors have recommended a final tax exempt (one-tier) dividend of 40 cents plus a special tax exempt (one-tier) dividend of 5 cents per ordinary share, payable on 7 May 2015. Total dividends for FY-14 amounts to 55 cents per ordinary share.

Note:

*NBEV margin = NBEV/ TWNS

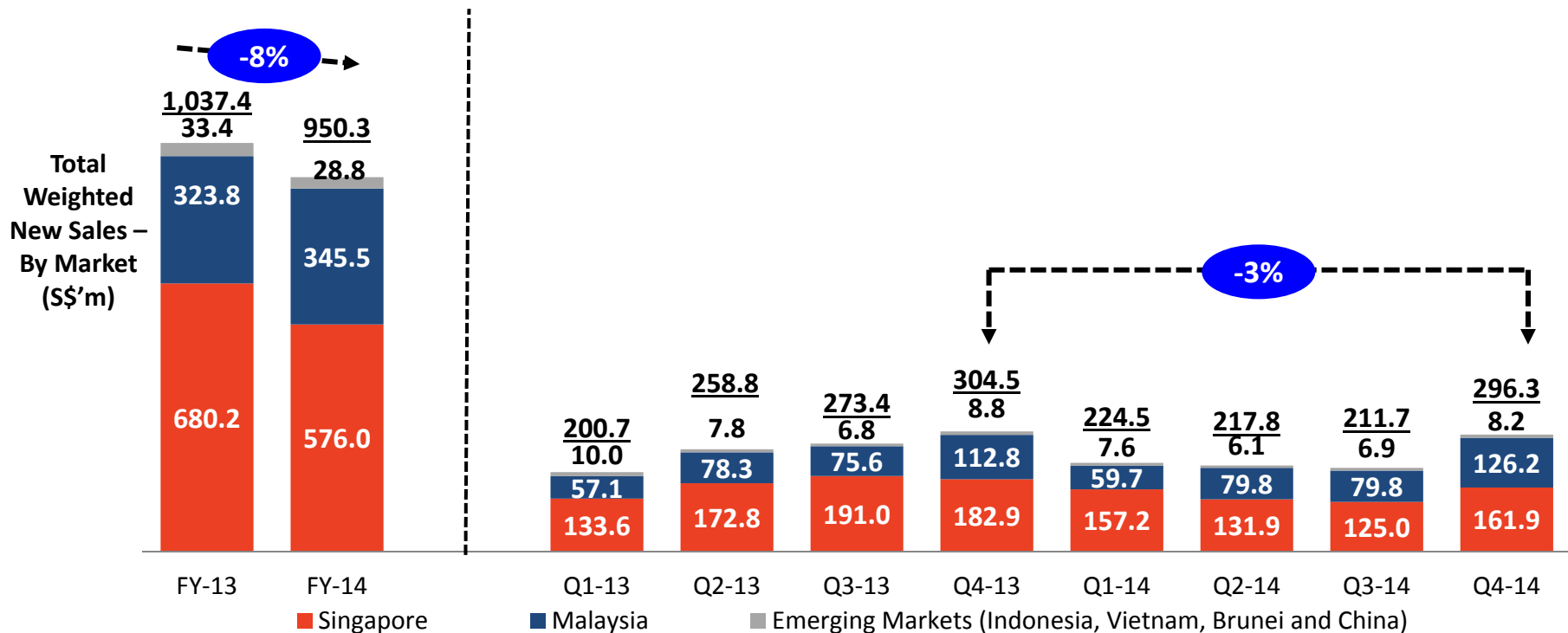
^ Embedded value is an estimate of the long-term economic value of a life insurance company for the existing blocks of business



Total Weighted New Sales (TWNS) – By Market

TWNS of S\$296.3m for Q4-14 and S\$950.3m for FY-14

- Sales in Singapore were lower than the same periods last year for both the agency and bancassurance channel
- Agency channel in Malaysia continued to deliver stable growth in sales



Note:

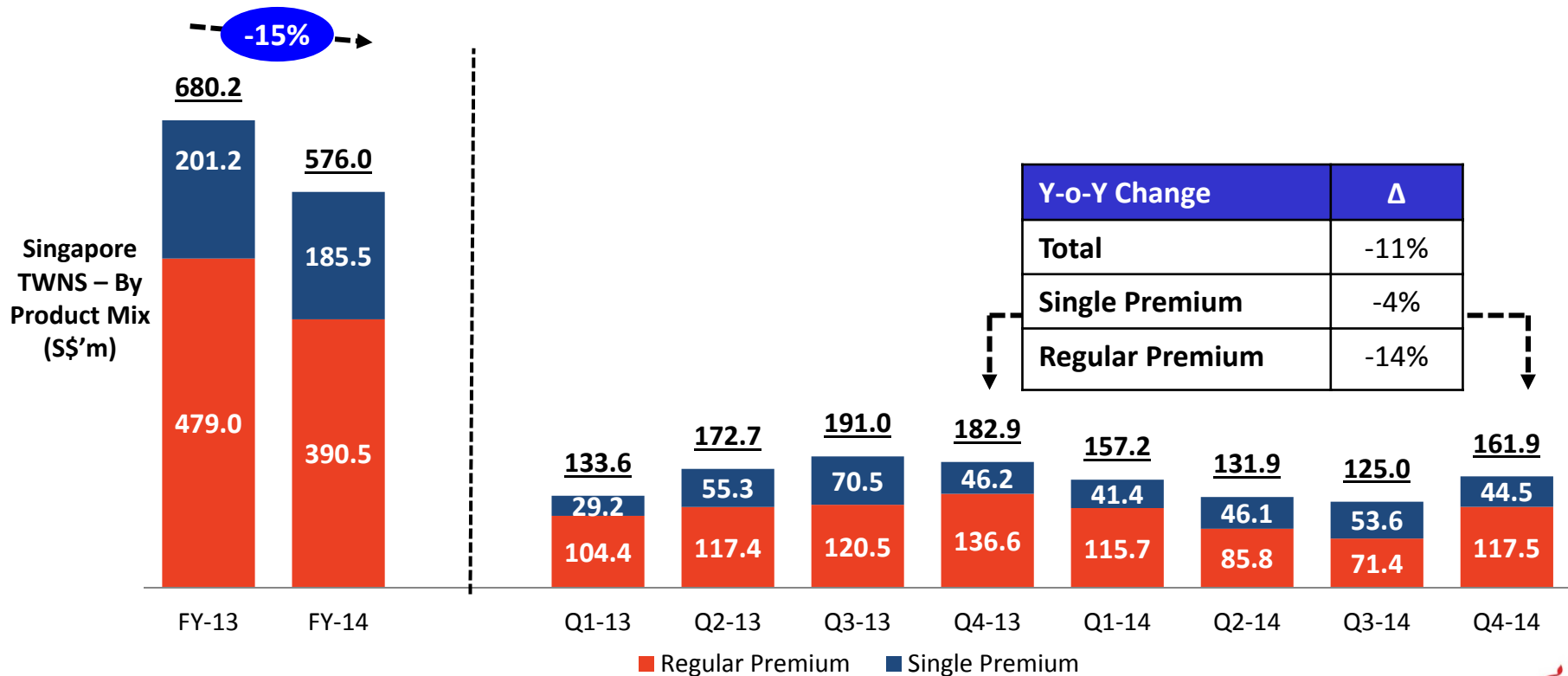
- For comparative reasons, TWNS figures for periods prior to Q4-14 have been restated using exchange rates as at 31 December 2014
- QoQ TWNS comparison not relevant given seasonality of insurance sales



Singapore TWNS – By Product Mix

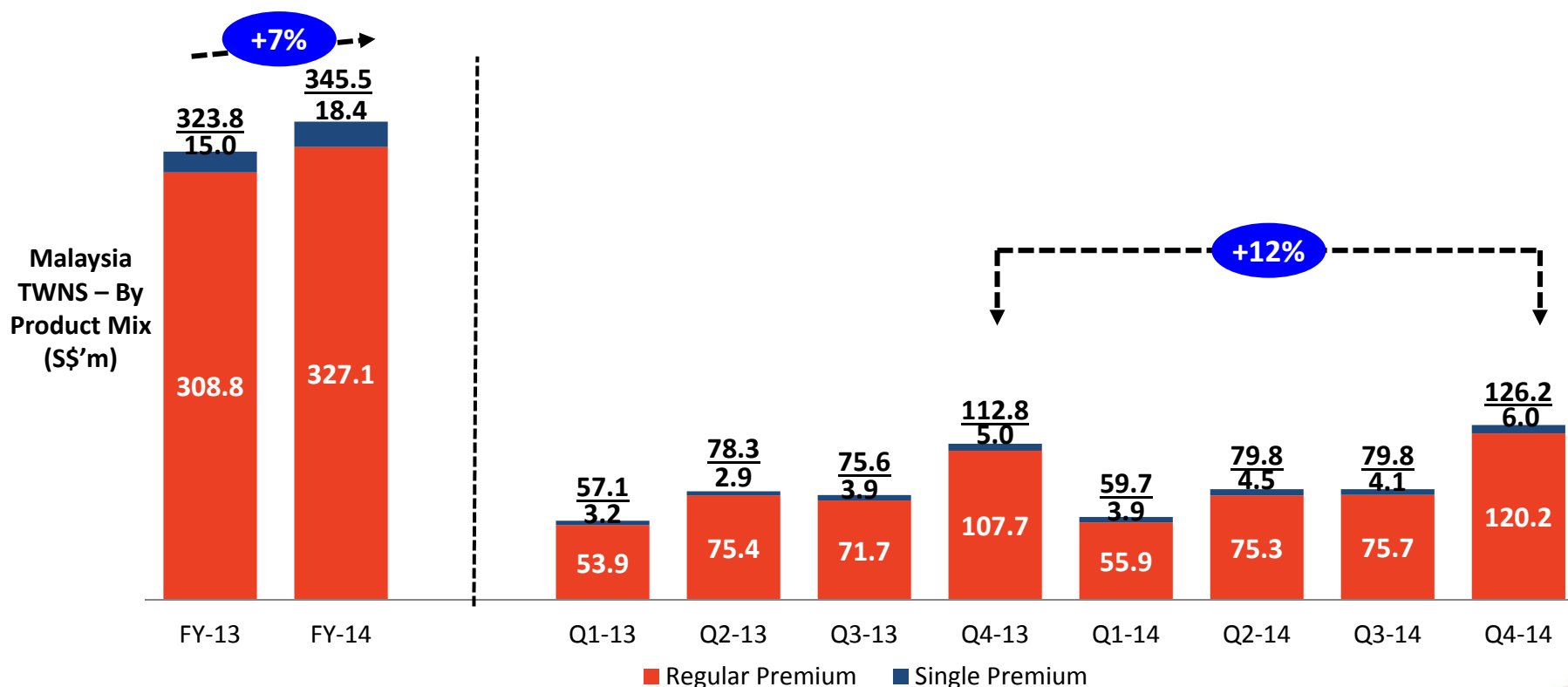
TWNS in Singapore was S\$161.9m for Q4-14 and S\$576.0m for FY-14

- Q4-14 saw a recovery in sales through the bancassurance channel
- Agency channel continued to deliver stable performance
- FY sales were lower than last year as 2013 saw a high volume of maturities from policies sold during the Group's centennial celebrations and sales were boosted by strong take-up of new products by customers with those policies



Malaysia TWNS – By Product Mix

- Q4-14 TWNS of S\$126.2m and FY-14 TWNS of S\$345.5m grew 12% and 7% over the same periods last year, driven by continued demand for regular premium Investment-linked products in the conventional business



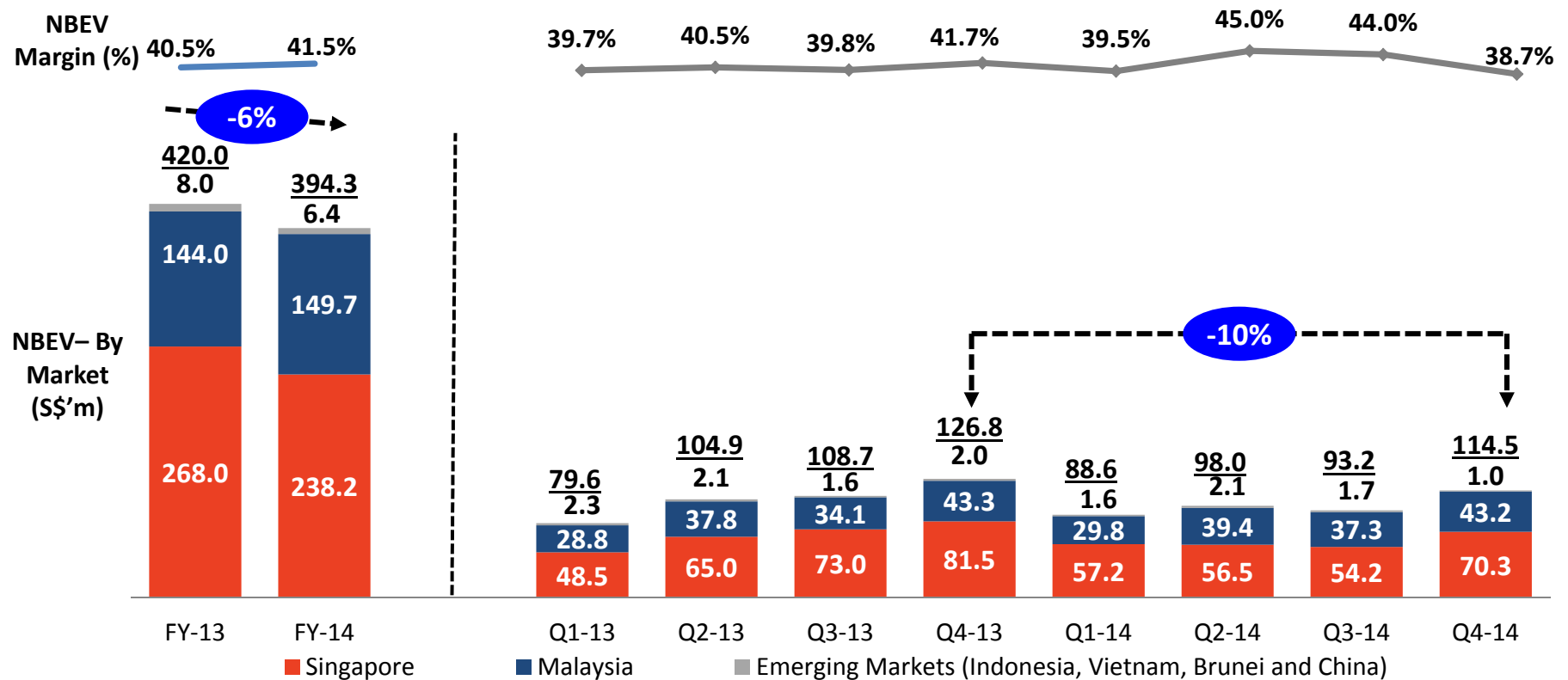
Note:

For comparative reasons, TWNS figures prior to Q4-14 have been restated using exchange rates as at 31 December 2014



New Business Embedded Value (NBEV)- By Market

- NBEV of S\$394.3 million for FY-14 was 6% lower than last year, mainly the result of lower sales



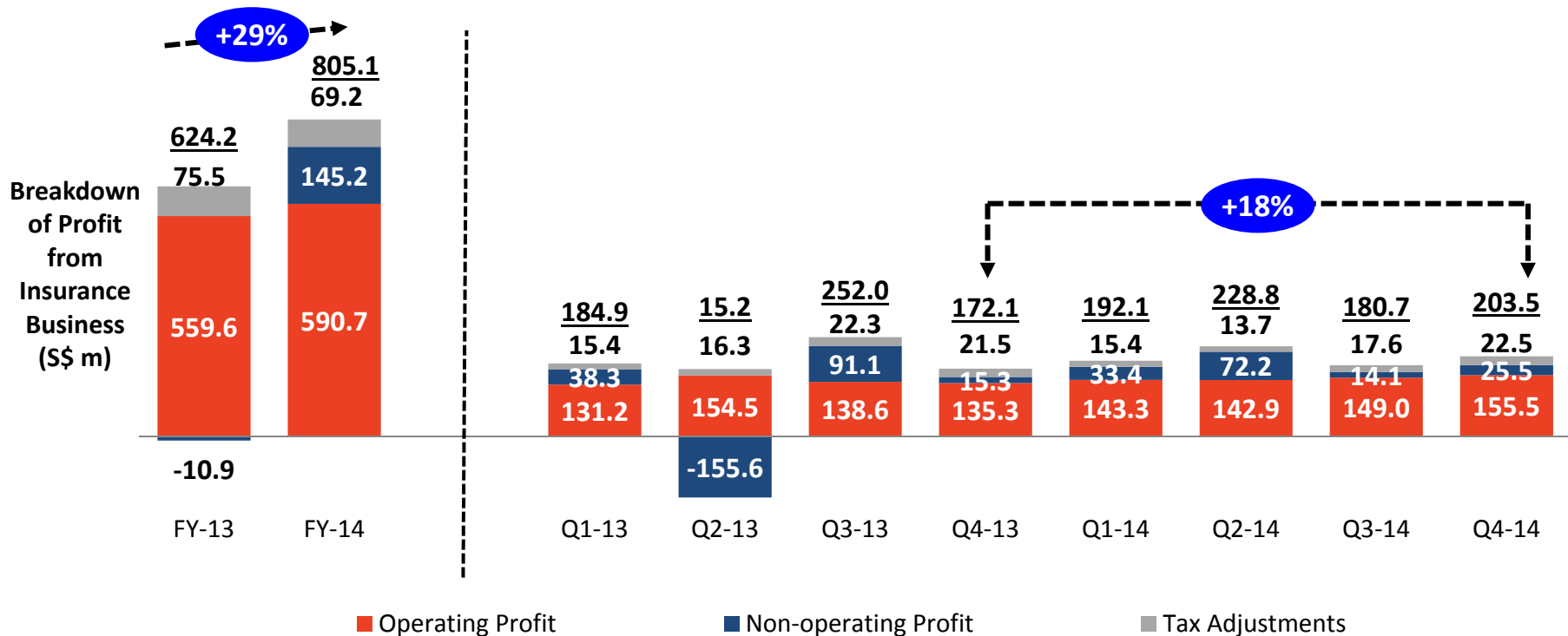
Note:
 - For comparative reasons, NBEV figures for periods prior to Q4-14 have been restated using exchange rates as at 31 December 2014. NBEV figures for periods prior to Q4-13 have been restated to take into account revised investment and actuarial assumptions implemented in Q4-13



Breakdown of Profit from Insurance Business

Profit from insurance business increased 29% to S\$805.1m for FY-14

- Higher Operating profit, mainly driven by the increase in profit contributions from Investment-linked Funds
- Non-operating profit of S\$145.2m, mainly comprising unrealised mark-to-market gains from lower interest rates and higher equity prices

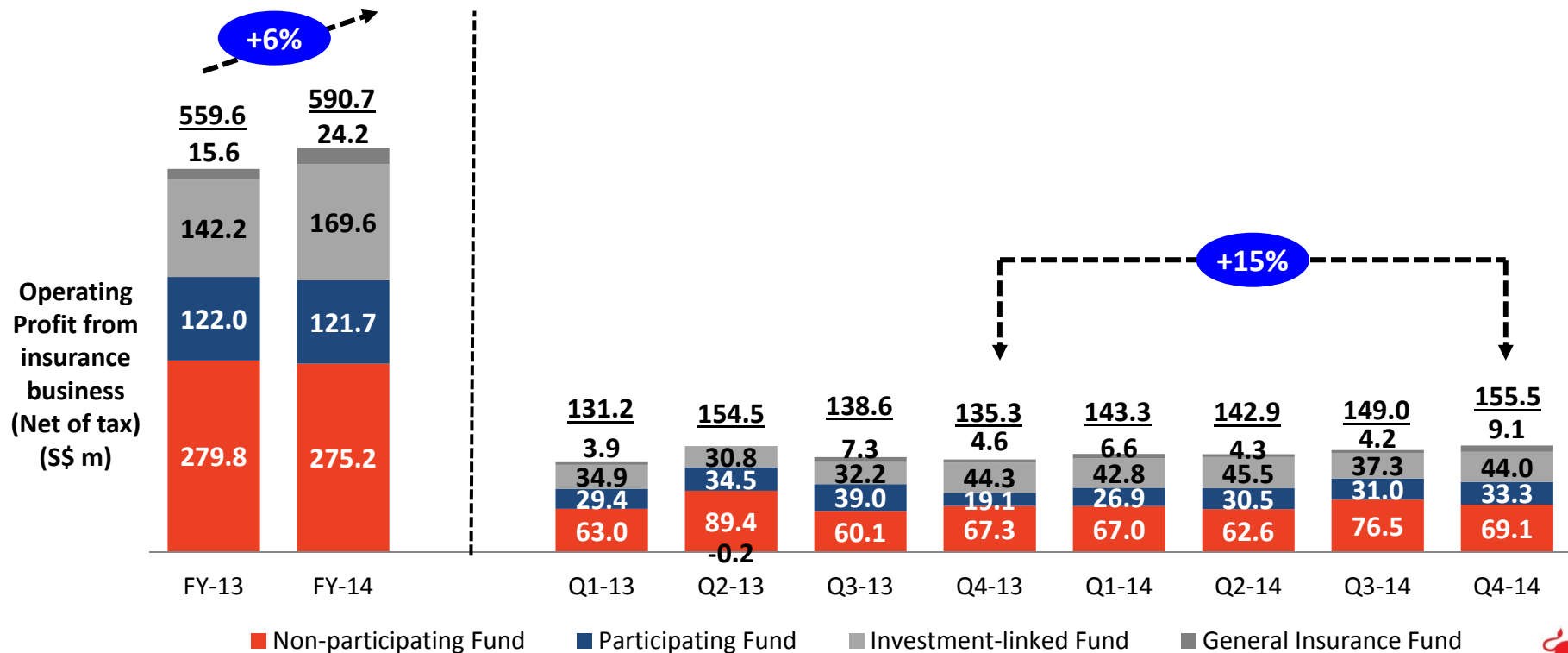


- Note:
- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons, etc)
 - Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities,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



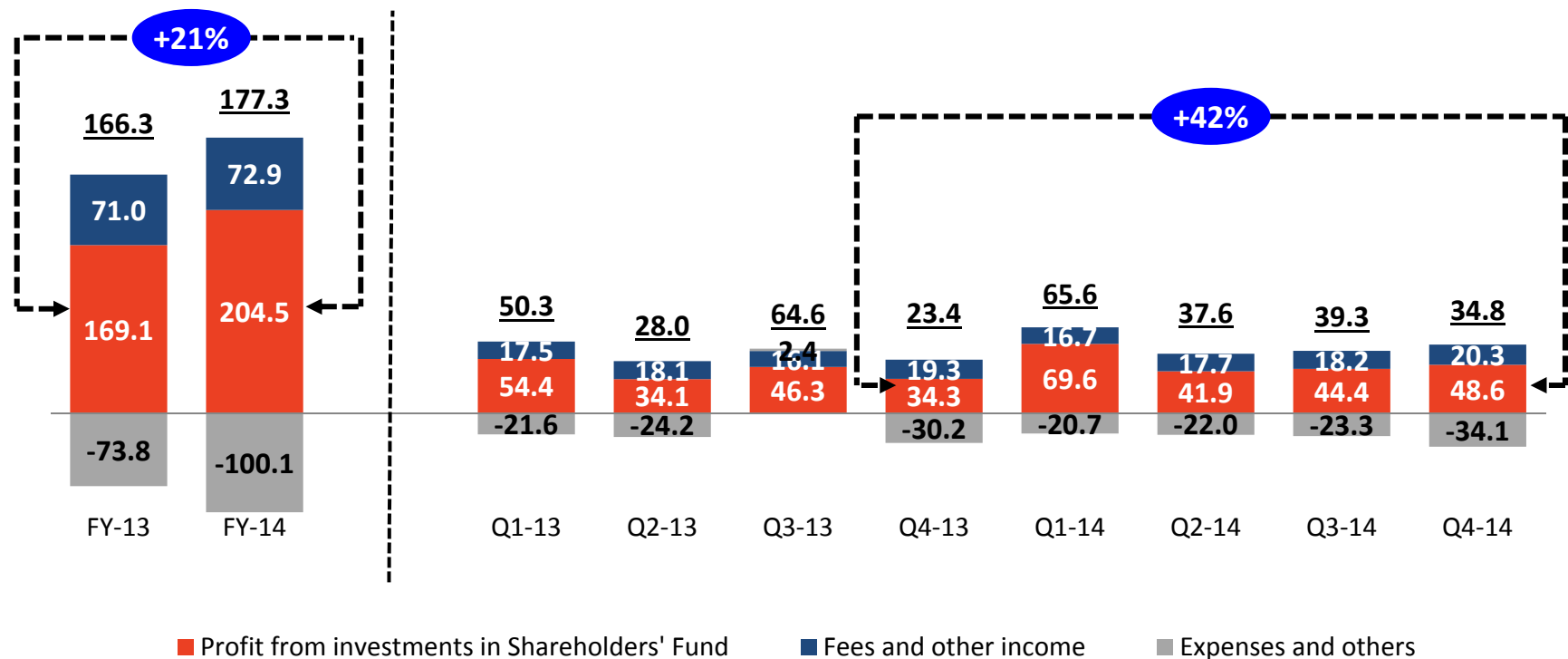
Operating Profit from Insurance Business – by Fund

- Operating profit from Insurance Business for Q4-14 and FY-14 was higher than the same periods last year, mainly driven by a growing in-force business, particularly from the Investment-linked Fund in Malaysia
- For the quarter, the growth of 15% over the same period last year was also partly contributed by a negative impact on profit from the Malaysia Participating Fund in Q4-13 brought about by a change in the timing of terminal bonus recognition



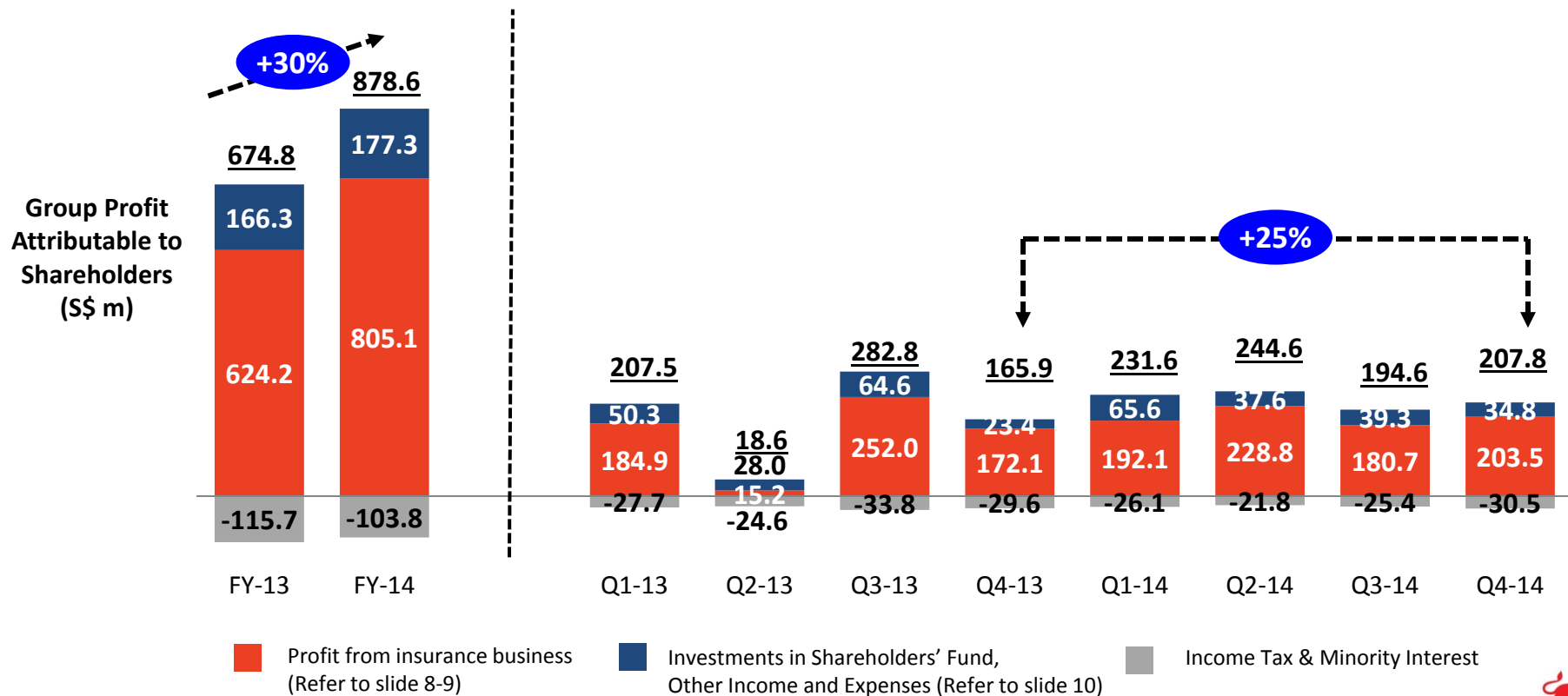
Investments in Shareholders' Fund, Other Income and Expenses

- Q4-14 profit from investments in Shareholders' Fund of S\$48.6m was higher than the same period last year, driven by higher investment income and gains from sale of investments
- FY-14 profit from investments in Shareholders' Fund of S\$204.5m was 21% higher than last year, boosted by a one-off gain of S\$31.9m in Q1-14 from the Group's reduction of its stake in its China joint venture from 50% to 25%



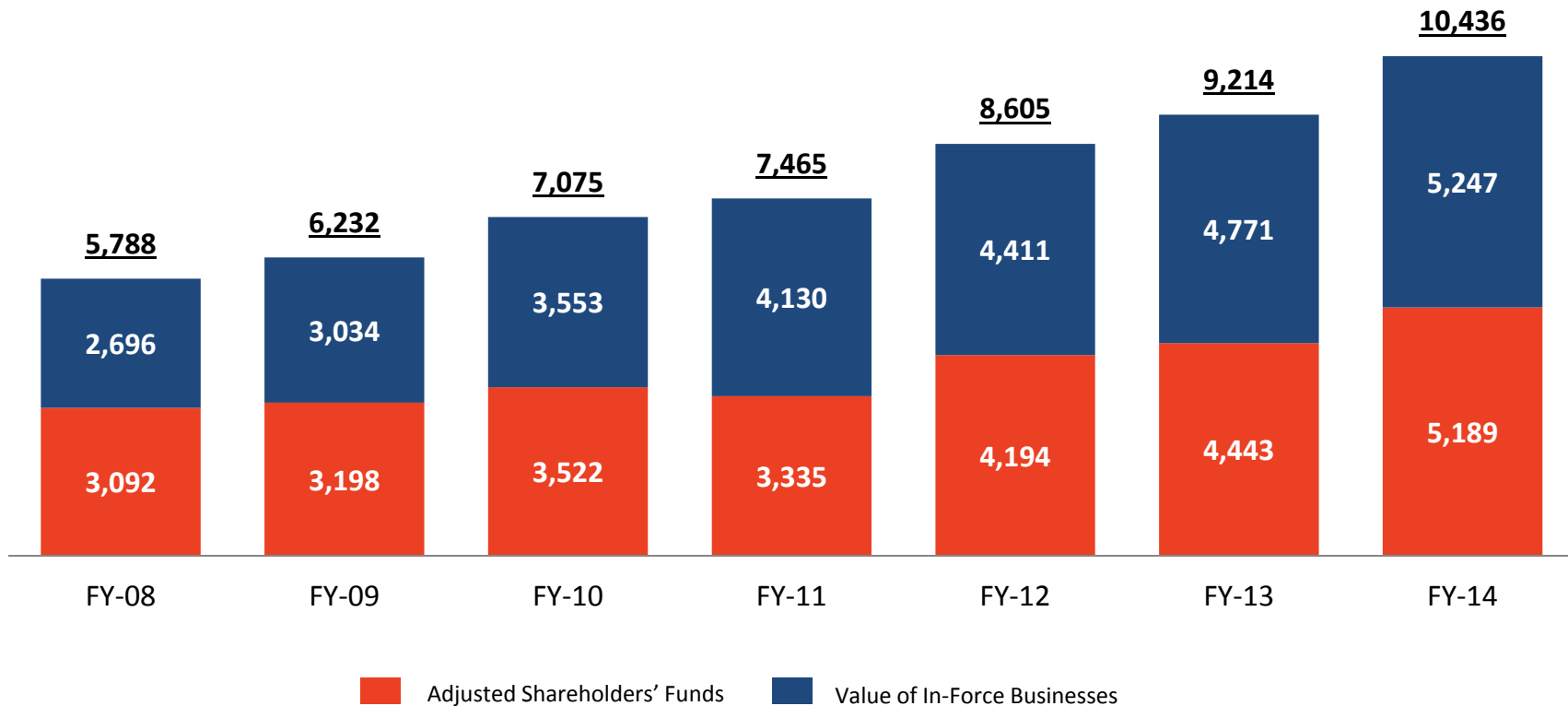
Group Profit Attributable to Shareholders

- Overall, Group Profit Attributable to Shareholders rose 30% to S\$878.6m for FY-14, largely a result of higher unrealised mark-to-market gains



Embedded Value

- FY-14 embedded value of S\$10.4b or an embedded value per share of S\$22.05 was a 13% increase over 2013
- Value of In-Force Business up 10% over 2013
- 6 year Compound Annual Growth Rate of 10%



Note:

-Embedded value per share is calculated using the Group's embedded value divided by the total number of issued shares.
 -The risk-adjusted discount rate is 7.5% for Singapore and 9% for Malaysia., unchanged from last year



Thank You

