

GREAT EASTERN HOLDINGS LIMITED

Financial Results for Q4-15 and FY-15
Supplementary Information

15 February 2016

Overview of Q4-15 and FY-15 Financial Results

S\$'m	Q4-15	Q4-14	Δ	FY-15	FY-14	Δ
Total Weighted New Sales[^]	307.1	279.9	+10%	975.2	905.5	+8%
New Business Embedded Value[*]	121.6	112.9	+8%	385.2	374.9	+3%
Operating Profit (net of tax)[#] from Insurance Business	169.0	155.5	+9%	581.4	590.7	-2%
Non-Operating Profit (net of tax)[#] from Insurance Business	48.9	25.5	+92%	2.5	145.2	-98%
Profit/loss from Shareholders' Fund's Investments	-1.1	48.6	nm	263.4	204.5	+29%
Group Profit Attributable to Shareholders	218.8	207.8	+5%	785.4	878.6	-11%

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\$21.7m for Q4-15 (Q4-14: S\$22.5m), and S\$68.6m for FY-15 (FY-14: S\$69.2m)

-For comparative reasons, TWNS/ NBEV figures for Q4-14 and FY-14 have been restated using exchange rates as at 31 Dec 2015.

-nm: not meaningful



FY-15 Key Highlights

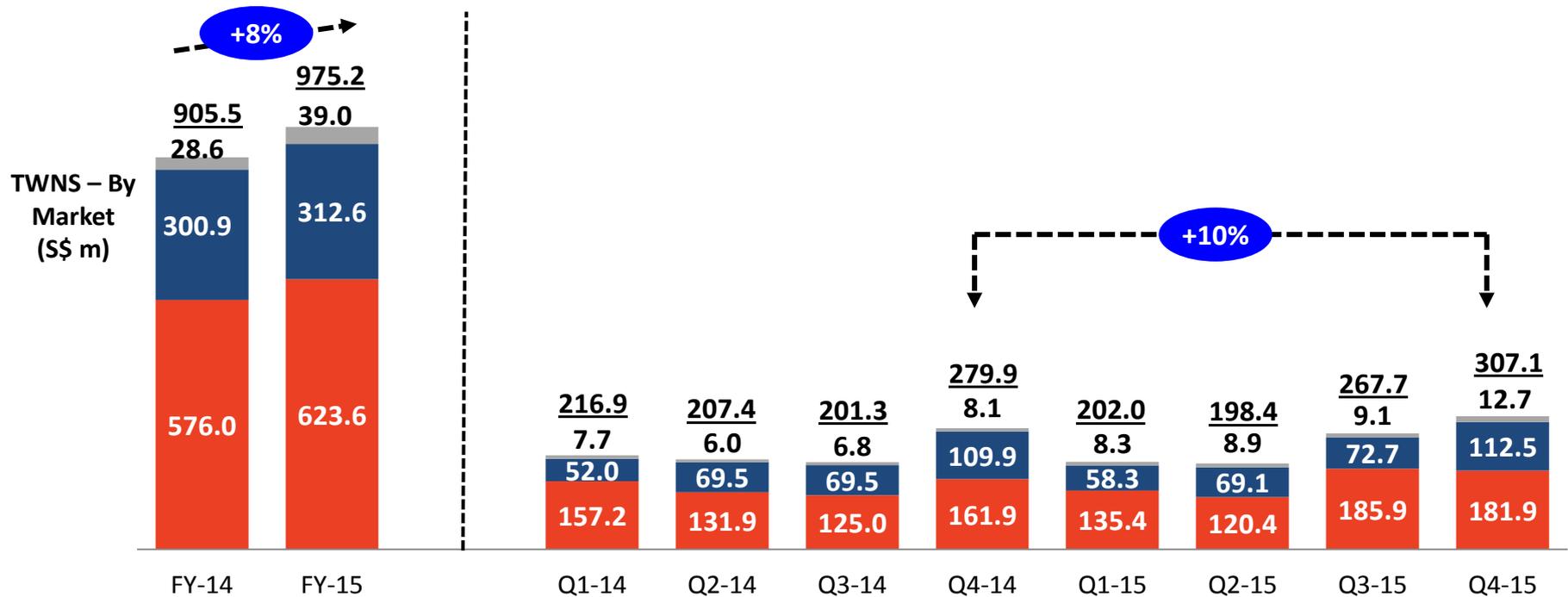
- TWNS was 8% higher at S\$975.2m for FY-15, underpinned by growth in Singapore and Malaysia.
- Led by the increase in sales, NBEV increased 3% to S\$385.2m for FY-15.
- Operating profit at S\$581.4m for FY-15 was 2% lower than last year, mainly due to the currency translation effect.
- Non-operating profit of S\$2.5m for FY-15 compared with \$145.2m last year against a backdrop of vastly different financial market conditions.
- FY-15 embedded value of S\$11.0b or an embedded value per share of S\$23.24, a 5% growth over 2014.
- The Board of Directors have recommended a final one-tier tax exempt dividend of 40 cents per ordinary share, plus a special one-tier tax exempt dividend of 5 cents per ordinary share, payable on 9 May 2016. Total dividends for FY-15 amount to 55 cents per ordinary share.



Total Weighted New Sales (TWNS) – By Market

Higher TWNS of S\$307.1m for Q4-15 and S\$975.2m for FY-15:

- Underpinned by sales growth in Singapore and Malaysia



■ Singapore ■ Malaysia ■ Emerging Markets (Indonesia, Vietnam, Brunei and China)

Note:

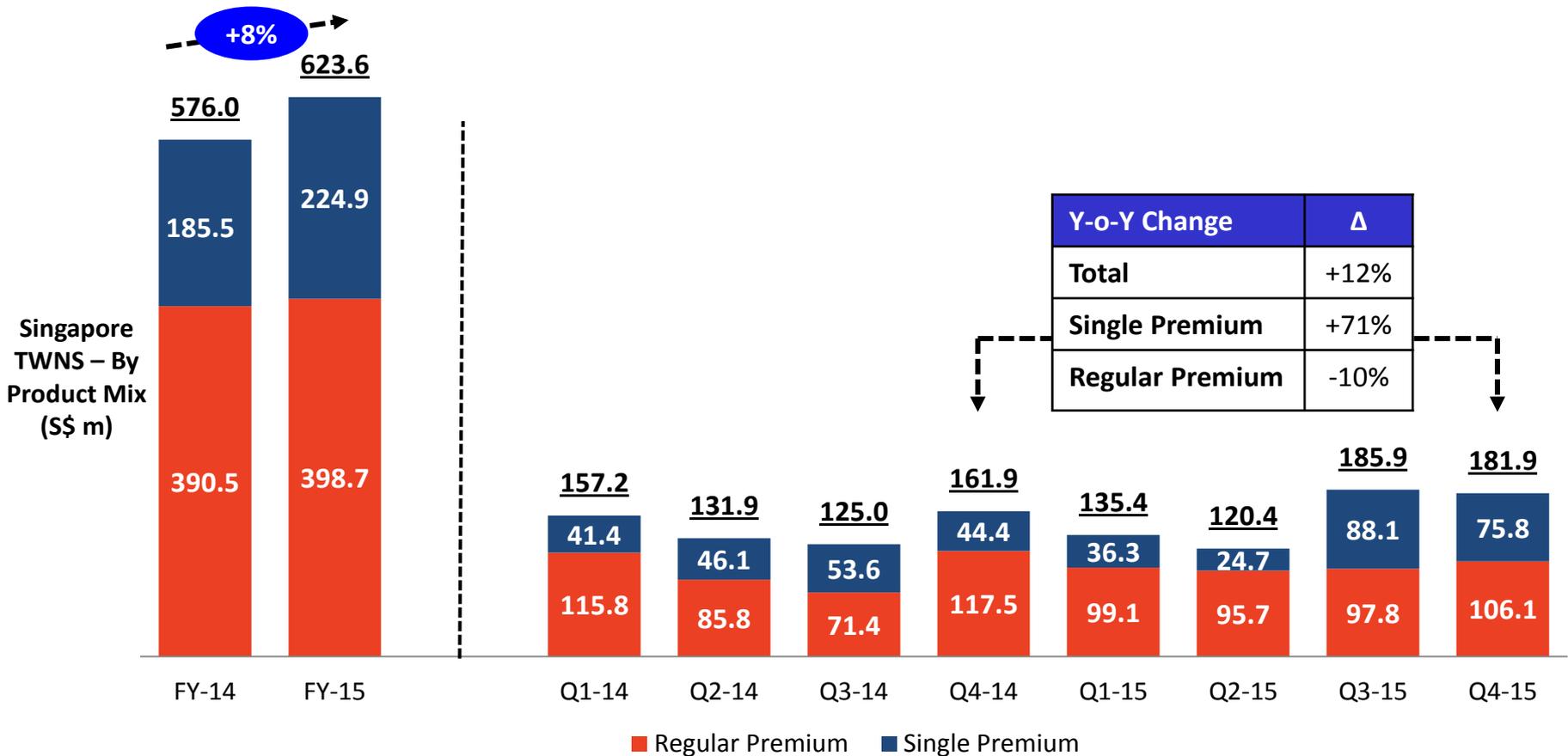
- For comparative reasons, TWNS figures for periods prior to Q4-15 have been restated using exchange rates as at 31 Dec 2015.
- From 1 Dec 2015, sales from GEH's joint venture in China have been excluded following a change in the classification of the investment.
- QoQ TWNS comparison may not be relevant given seasonality of insurance sales.



Singapore TWNS – By Product Mix

TWNS of S\$181.9m for Q4-15 and S\$623.6m for FY-15 was 12% and 8% higher respectively:

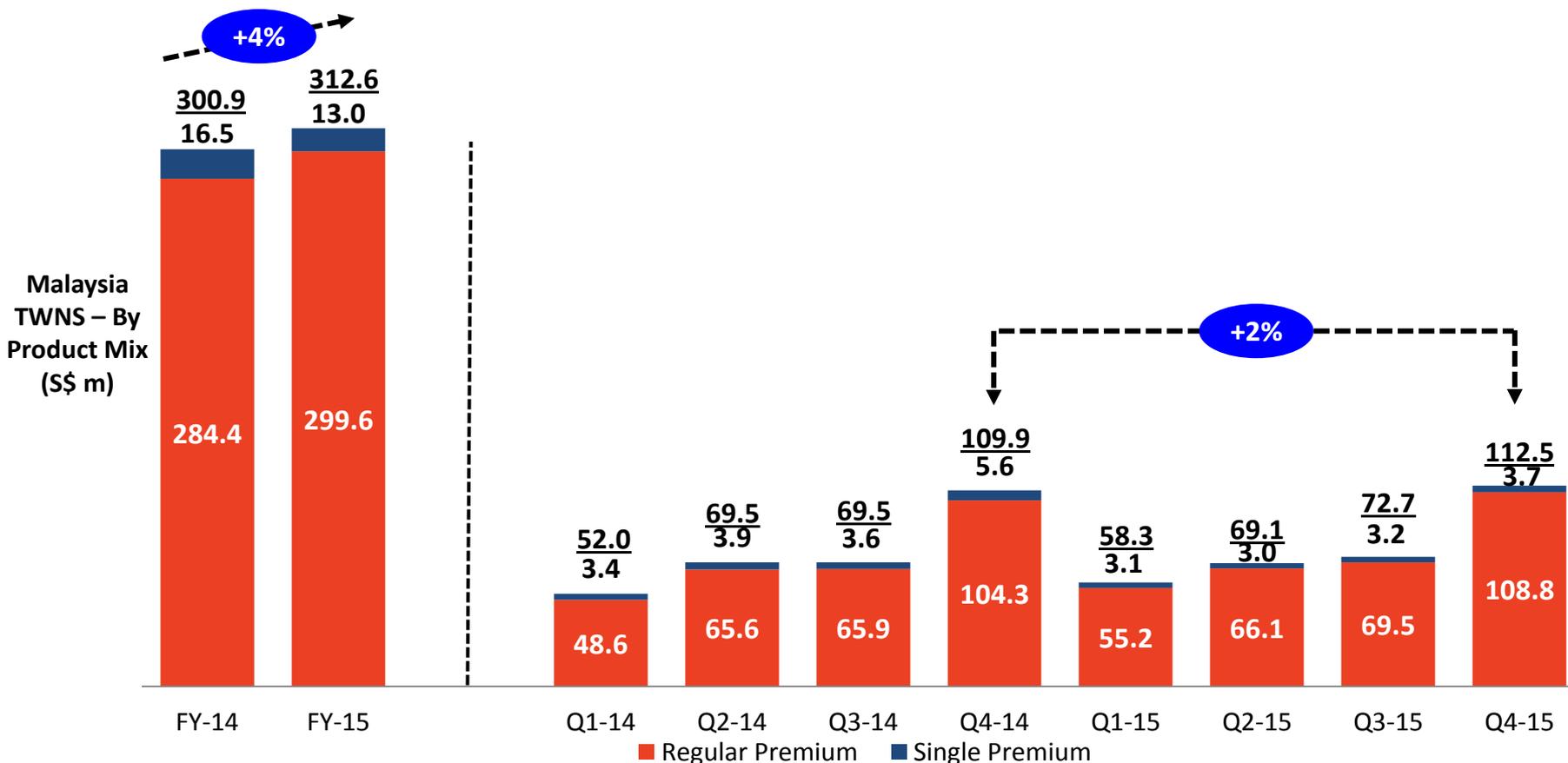
- Strong sales of new products launched through the bancassurance channel
- Agency channel maintained its contribution



Malaysia TWNS – By Product Mix

TWNS of S\$112.5m for Q4-15 and S\$312.6m for FY-15 was 2% and 4% higher respectively:

- Growth in sales of both conventional and takaful regular premium Investment-linked products



Note:

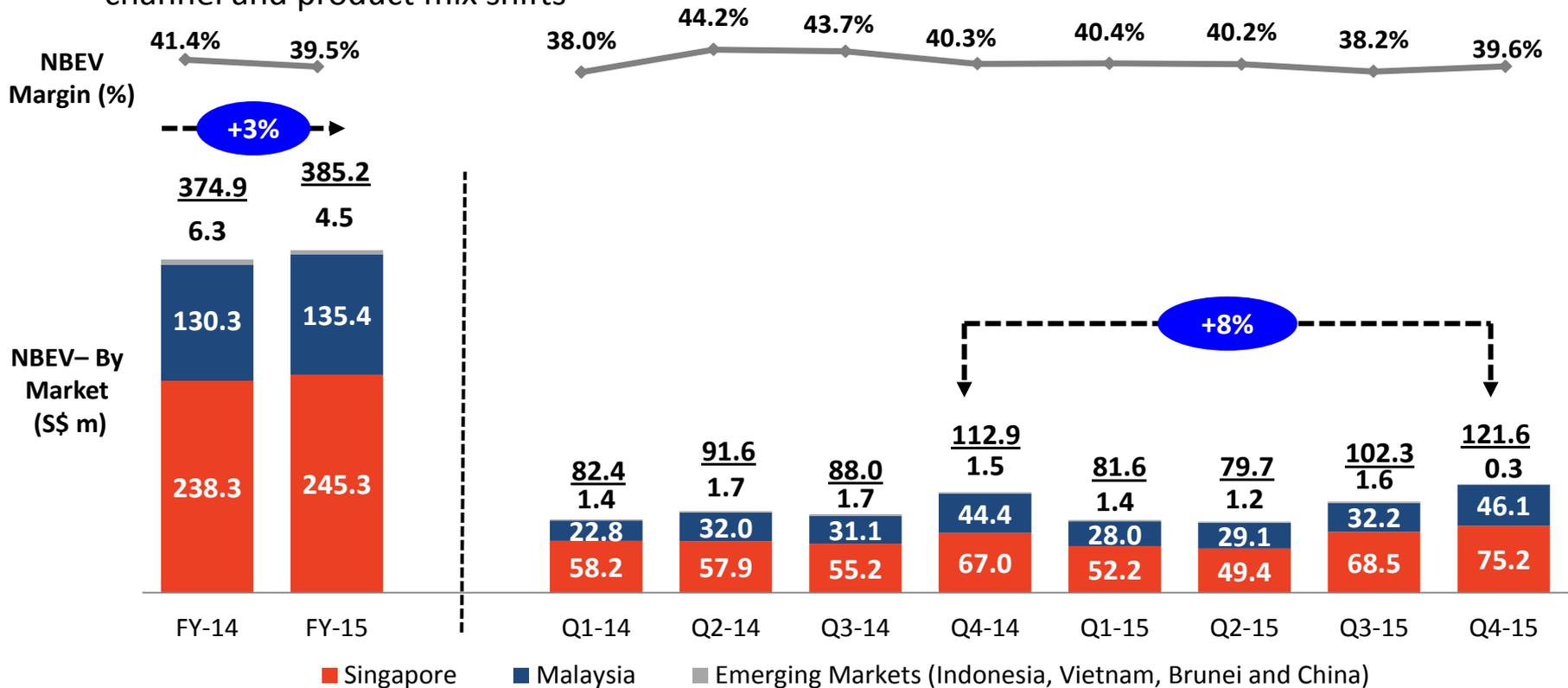
- For comparative reasons, TWNS figures for periods prior to Q4-15 have been restated using exchange rates as at 31 Dec 2015



New Business Embedded Value (NBEV)- By Market

Higher NBEV of S\$121.6m for Q4-15 and S\$385.2m for FY-15; Lower NBEV margin of 39.6% for Q4-15 and 39.5% for FY-15:

- Higher NBEV led by the increase in sales
- NBEV margin declined slightly compared with the respective same periods last year, a result of channel and product mix shifts



Note:

- For comparative reasons, NBEV figures for periods prior to Q4-15 have been restated using exchange rates as at 31 Dec 2015.
- NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.



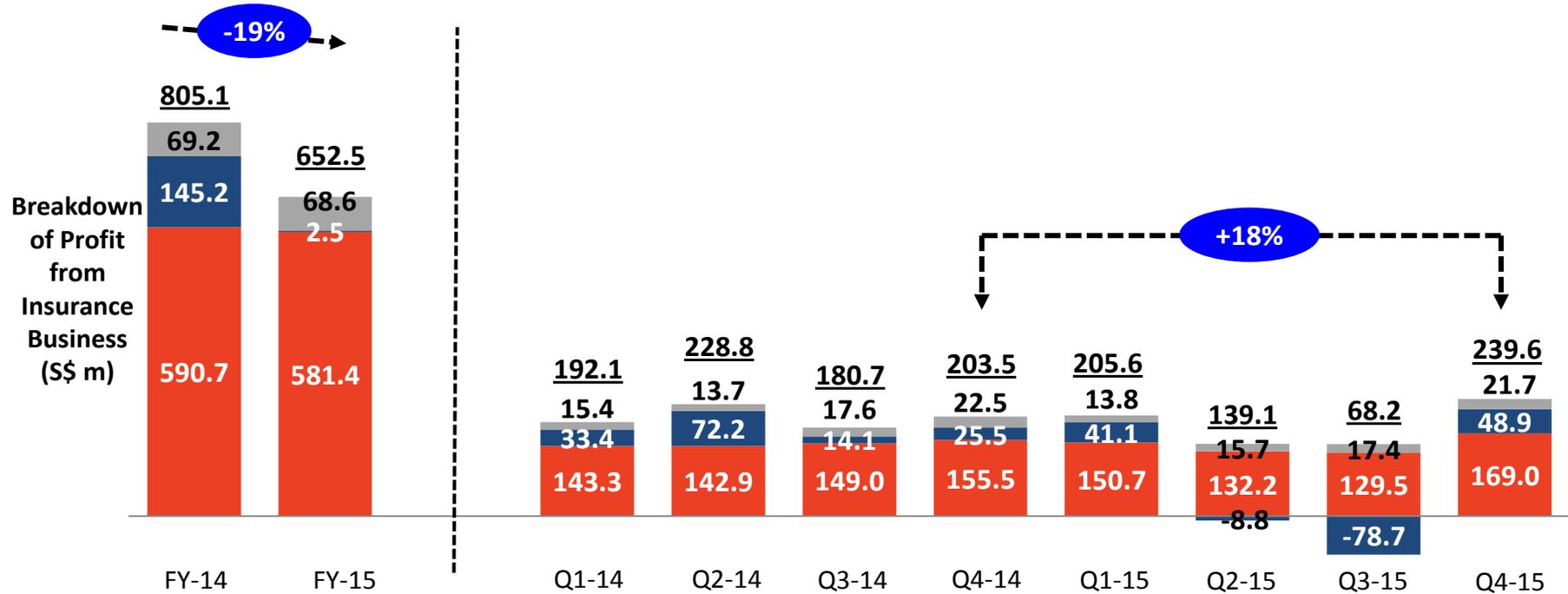
Breakdown of Profit from Insurance Business

Profit from insurance business of S\$239.6m for Q4-15 was 18% higher:

- Higher operating profit from the Singapore Non-participating Fund
- Higher non-operating profit as credit spreads narrowed during the quarter

Profit from insurance business of S\$652.5m for FY-15 was 19% lower:

- Currency translation effects on operating profit contribution from overseas operations
- Lower non-operating profit amid less favorable financial market conditions



■ Operating Profit
 ■ Non-operating Profit
 ■ Tax Adjustments

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

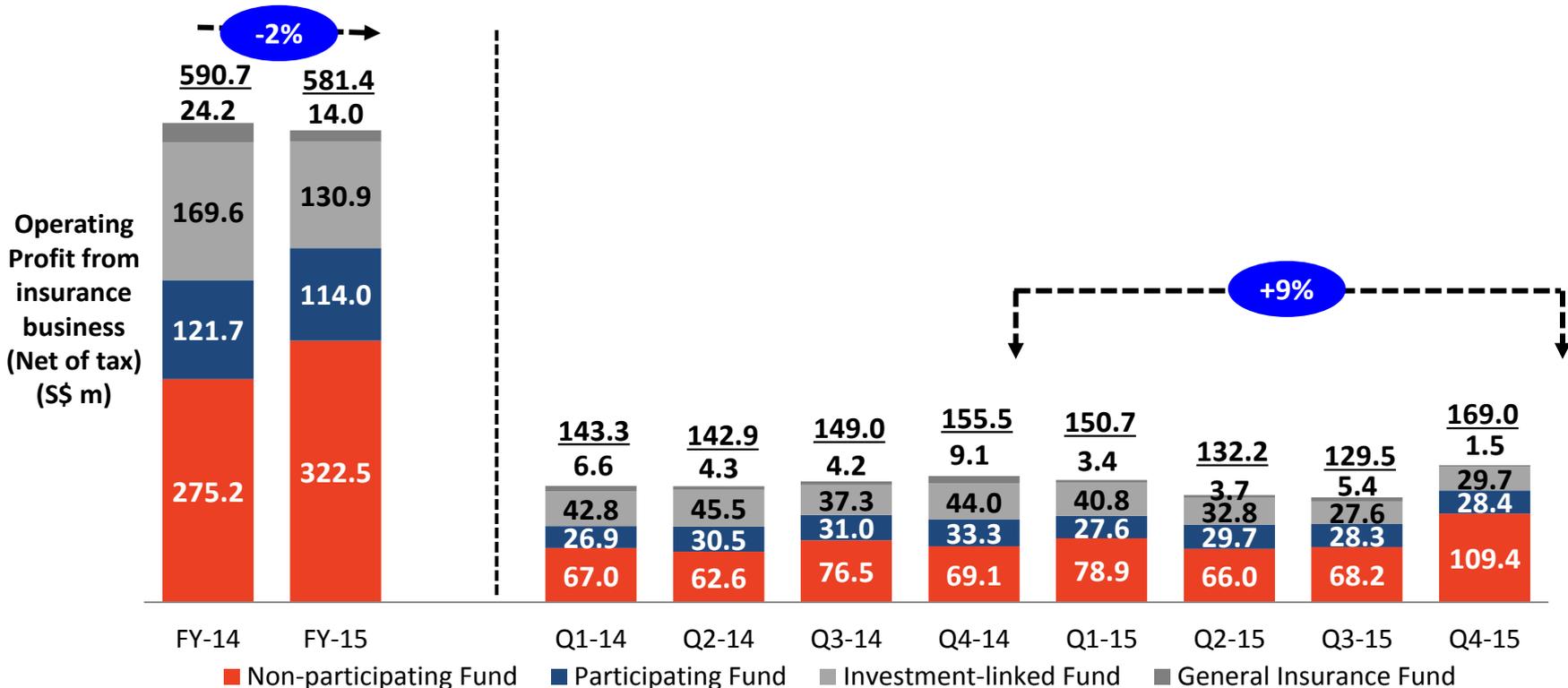


Operating Profit from Insurance Business – by Fund

Operating profit of S\$169.0m for Q4-15 was 9% higher than last year:

- A write-back of prior year’s tax provisions and a release of reserves in the Singapore Non-participating Fund to reflect improved claims experience
- Lower profit from Investment-linked Fund due to currency translation effect

Operating profit of S\$581.4m for FY-15 was 2% lower than last year due to currency translation. Excluding currency translation, FY-15 operating profit registered marginal growth.



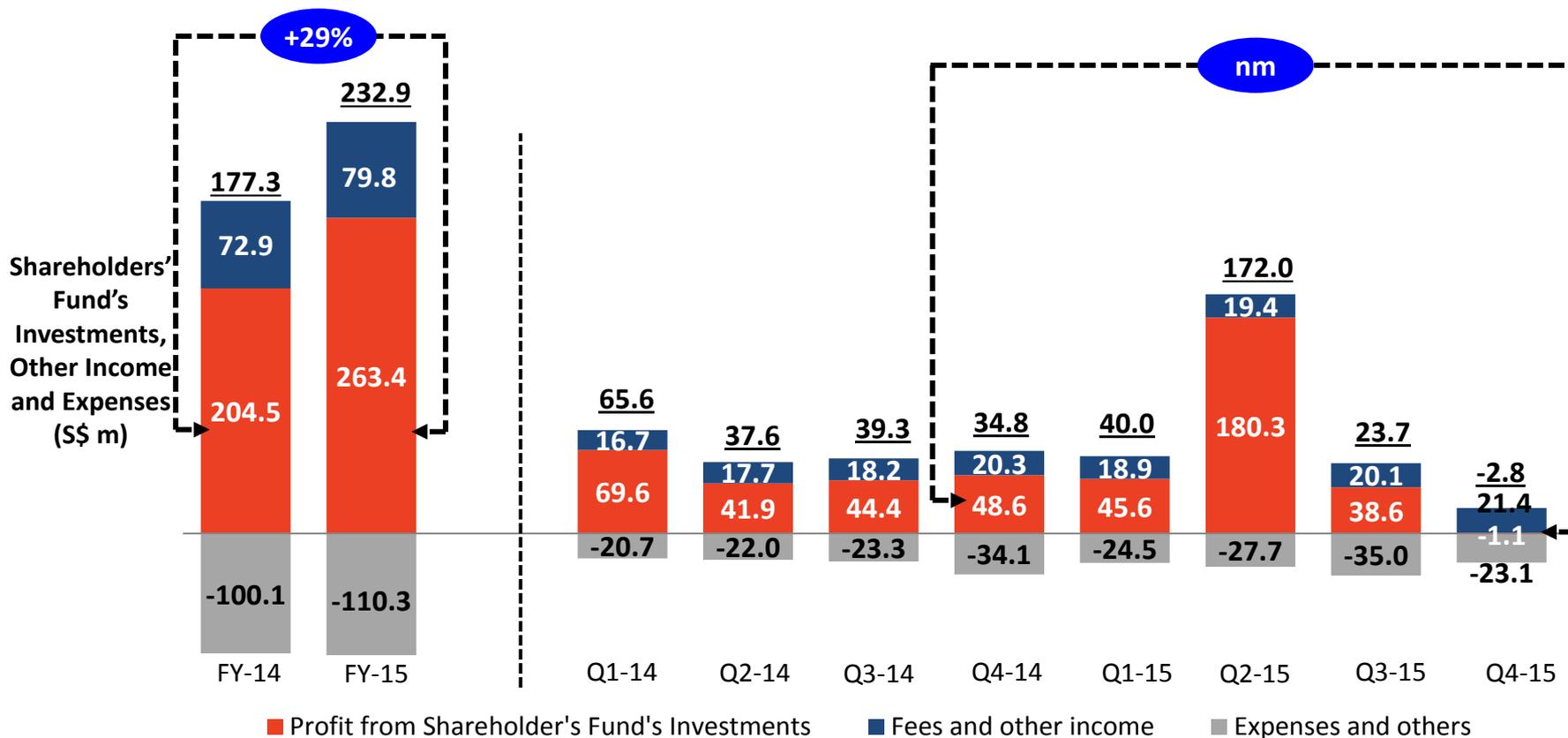
Shareholders' Fund's Investments, Other Income and Expenses

Shareholders' Fund's investment portfolio recorded a net loss of S\$1.1m for Q4-15:

- Mainly contributed by losses from disposals, decline in the fair value of some investments, and provision for impairment in accordance with the Group's accounting policy.

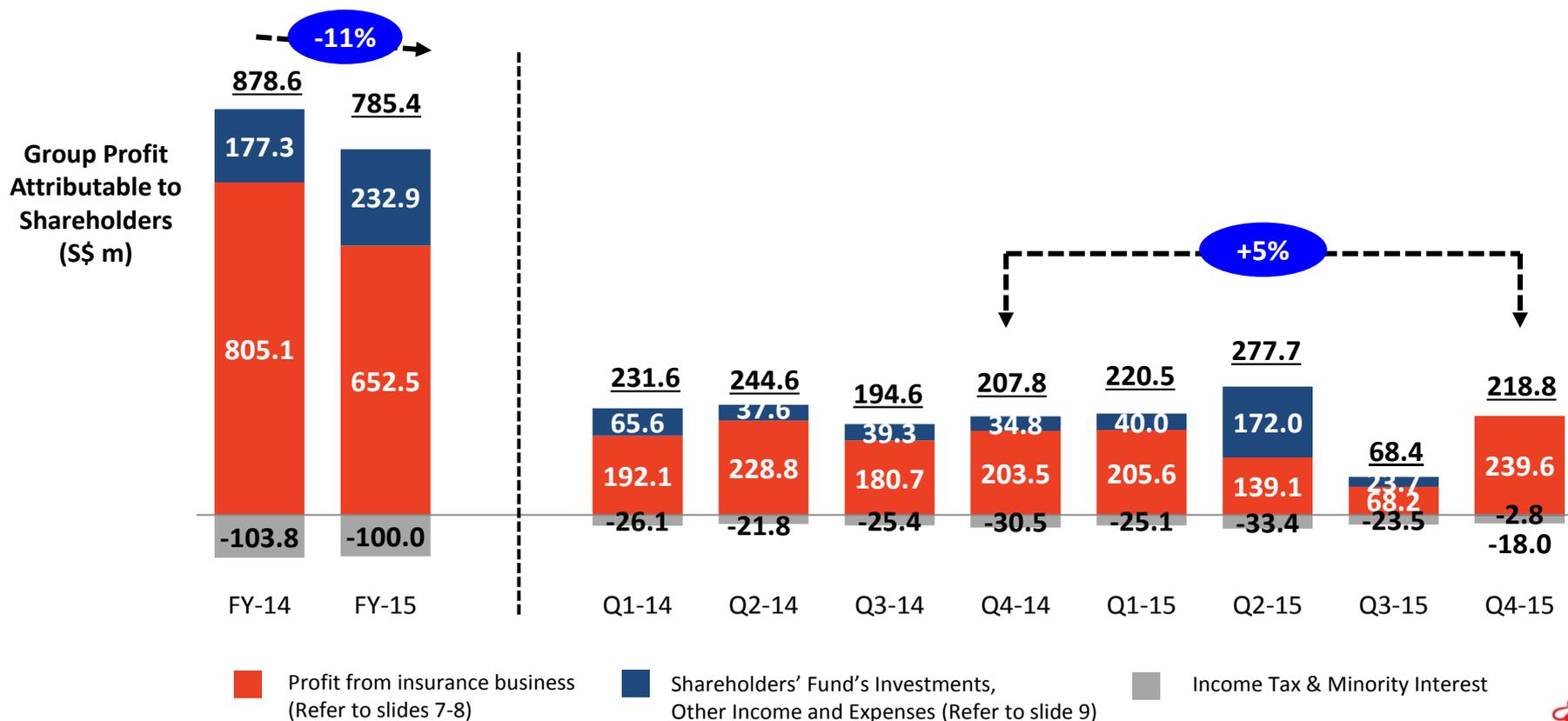
FY-15 net profit of S\$263.4m from Shareholder's Fund's Investments was 29% higher than last year:

- Mainly contributed by the gain from sale of part of the Group's investment in New China Life Insurance Company Ltd in Q2-15 and foreign exchange gains from US Dollar-denominated investments.



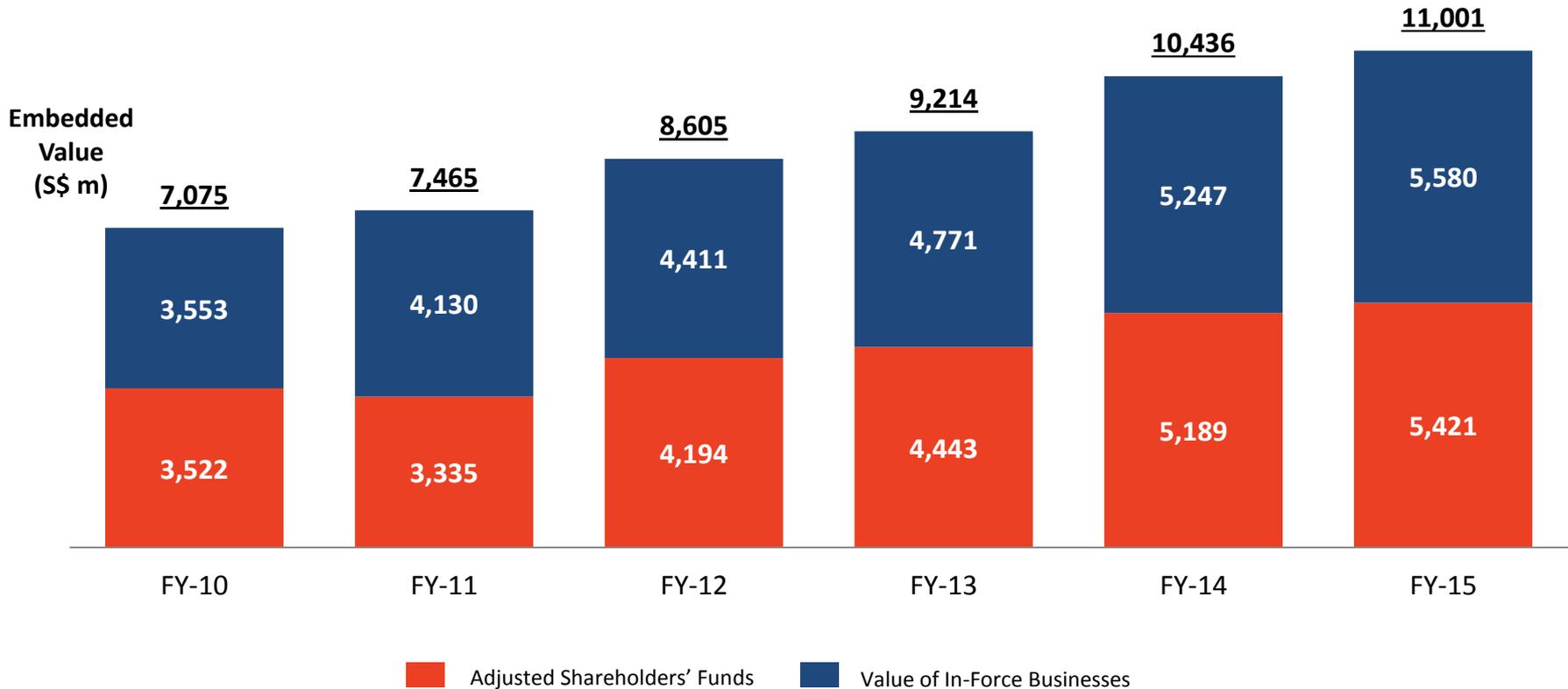
Group Profit Attributable to Shareholders

- Q4-15 Group Profit attributable to Shareholders of S\$218.8m was 5% higher than for Q4-14, driven by higher operating and non-operating profit from insurance business.
- FY-15 Group Profit attributable to Shareholders was S\$785.4m compared with S\$878.6m last year, mainly because of lower non-operating profit amid less favourable financial market conditions.



Embedded Value

- FY-15 embedded value of S\$11.0b or an embedded value per share of S\$23.24 was a 5% growth from 2014
- Value of In-Force Business up 6% over 2014
- 5 year Compound Annual Growth Rate of 9%



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 for Singapore has been changed from 7.5% for FY-14 to 7.25% for FY-15.
- The risk-adjusted discount rate for Malaysia is 9%, unchanged from last year



Thank You

