

MEDIA RELEASE
(For Immediate Release)

Great Eastern Reports Q3-19 and 9M-19 Financial Results

9M-19 Profit Attributable to Shareholders increased by 19%
9M-19 New Business Embedded Value increased by 9%

Singapore, 25 October 2019 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q3-19”) and nine months (“9M-19”) ended 30 September 2019.

Highlights of Financial Results

\$ million	Q3-19	Q3-18	Δ%	9M-19	9M-18	Δ%
Operating Profit from Insurance Business	179.0	144.4	+24%	490.7	464.0	+6%
Non-Operating Profit from Insurance Business	-31.8	20.6	nm	16.8	27.2	-38%
Profit from Shareholders’ Fund	62.3	51.1	+22%	223.1	121.2	+84%
Non-Controlling Interest	-4.4	-2.8	nm	-13.8	-8.6	nm
Profit Attributable to Shareholders	205.1	213.3	-4%	716.8	603.8	+19%
Total Weighted New Sales	318.1	350.5	-9%	867.4	916.2	-5%
New Business Embedded Value	163.3	125.7	+30%	416.6	383.2	+9%

nm - not meaningful

Profit Attributable to Shareholders

The Group’s Profit Attributable to Shareholders increased by 19% for the first nine months of 2019, driven by the strong performance in Operating Profit and Profit from Shareholders’ Fund. Operating profit delivered strong growth of 24% in the third quarter and 6% for the first nine months of 2019 from the improved contribution from our Singapore and Malaysia businesses. Lower non-operating profit was due to higher valuation of insurance contract liabilities as a result of a decline in the discount rate used to value these liabilities.

Total Weighted New Sales (“TWNS”) and New Business Embedded Value (“NBEV”)

The Group’s TWNS for Q3-19 and 9M-19 fell 9% and 5% respectively compared to the same period last year due to the Company’s product management strategy to optimise its product mix, which has resulted in NBEV recording a significant 30% growth in Q3-19 and 9% for 9M-19.

Regulatory Capital

The Capital Adequacy Ratios of the Group’s insurance subsidiaries in both Singapore and Malaysia remain strong and well above their respective minimum regulatory levels.

Commenting on the Group’s financial results, Group Chief Executive Officer Mr Khor Hock Seng said:

“We have delivered strong operating results in the nine months of 2019. Our Group’s key operating metrics such as Operating Profit and New Business Embedded Value have shown significant growth in the third quarter compared with the same period last year. Our Group’s Profit Attributable to Shareholders and New Business Embedded Value for 9M-19 registered strong growth of 19% and 9% respectively over last year, underpinned by our strong fundamentals.

The growth is a result of the contribution from both our agency and bancassurance channels. The Group’s agency force remains an important and core channel for us and we will continue to devote key resources to strengthen the agency channel and enhance its effectiveness. Coupled with our synergistic bancassurance partnership with OCBC Bank and advancement in our digital transformation, we remain on track to grow our business.”

-End-

About Great Eastern

A market leader and a well-established trusted brand in Singapore and Malaysia, Great Eastern was founded in 1908. With S\$85.0 billion in assets and over 4 million policyholders, it has three successful distribution channels – a tied agency force, bancassurance, and a financial advisory firm, Great Eastern Financial Advisers. The Group also operates in Indonesia and Brunei and has a presence in China as well as a representative office in Myanmar.

It was named Life Insurance Company of the Year at the Asia Insurance Industry Awards in 2011 and 2013 by Asia Insurance Review. The Great Eastern Life Assurance Company Limited and Great Eastern General Limited have been assigned the financial strength and counterparty credit ratings of "AA-" by Standard and Poor's since 2010, one of the highest among Asian life insurance companies. Great Eastern's asset management subsidiary, Lion Global Investors Limited, is one of the largest private sector asset management companies in Southeast Asia.

Great Eastern is a subsidiary of OCBC Bank, the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has about 560 branches and representative offices in 19 countries and regions. These include over 290 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 90 branches and offices in Mainland China, Hong Kong SAR and Macau SAR under OCBC Wing Hang.

For more information, please contact:

Keith Chia
Head, Group Brand and Marketing
Tel: (65) 6248 2866/ 9674 4808
Email: KeithChiaMY@greateasternlife.com

Low Lai Fong
Senior Vice President, Group Finance
Tel: (65) 6248 2000
Email: investor-relations@greateasternlife.com

Notes

1. Operating profit from insurance business (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus net investment income (dividends, coupons etc.).
2. 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.
3. TWNS, NBEV and Operating Profit figures in foreign currencies for Q3-19 and 9M-19 have been translated using the monthly spot rate for 2018 for comparison on constant currency.
4. NBEV figures for periods prior to Q4-18 have been restated to take into account revised actuarial assumptions implemented in Q4-18.