

**Media Release** | 03 Aug 2011

**Great Eastern's Second Quarter 2011 Net Profit Surged 58% to S\$117.7 million**  
*Strong First Half 2011 Earnings of S\$276.4 million*

Great Eastern Holdings Limited today reported profit attributable to shareholders of S\$117.7 million for the quarter ended 30 June 2011 (Q2-11), an increase of 58% from S\$74.4 million a year ago. The strong set of results was underpinned by healthy underwriting performance. Investment performance improved compared with 2010, amidst better market conditions. Long-term profitability of new sales, as measured by new business embedded value (NBEV), grew 23% year-on-year in Q2-11.

For the first half of 2011 (1H-11), total weighted new sales for the Group rose by 23% to S\$363.6 million, compared with S\$296.2 million in 1H-10. The Singapore business registered an impressive growth in regular premium products distributed through the bancassurance channel, contributed by the increasingly successful penetration into the premier banking customer segment. The Group's business in Indonesia, China, and Vietnam continued to show steady progress.

The Group's NBEV grew by a strong 25% in 1H-11 to S\$157.2 million. The steady growth in NBEV has been achieved through the disciplined strategy of growing the sales of regular premium and protection-based products. In particular, NBEV in Malaysia rose by 24%, largely achieved through the introduction of regular premium investment-linked products tailored to meet the needs of the young and affluent customer segments.

Profit from insurance operations in Q2-11 totalled S\$113.5 million, a solid 51% year-on-year increase. Underwriting performance was healthy, reflecting the long-term strength of Great Eastern's overall insurance business. Investment performance was better compared with the same quarter last year, during which investments fared worse as a result of the onset of credit concerns over sovereign debt issues in the Eurozone.

The Group sold investments to capitalise on favourable market movements during the quarter. As a result, profit from investments in shareholders' fund came in higher at S\$36.6 million compared with the year before.

In Q2-11, fees and other income increased by 34% year-on-year to S\$24.7 million. The better performance in 2011 was largely contributed by fees earned by Lion Global Investors, the Group's asset management arm. Expenses of S\$33.5 million in Q2-11 were higher than the same period last year, largely the result of an increase in headcount and higher staff costs to support business expansion.

Great Eastern continues to be strongly capitalised. The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia exceeded 200%, well above the minimum regulatory ratios of 120% and 130% respectively.

Commenting on Great Eastern's Q2-11 financial results, Group CEO Chris Wei said:

"We are very pleased with the Group's good performance in Q2-11, with net profit rising 58% over the same quarter last year. To date, our insurance business continues to register strong growth momentum, as demonstrated by the 23% expansion in new sales and 25%

increase in NBEV.

"2011 is an exciting year for Great Eastern. In the first half, we successfully launched Great Eastern Financial Advisers, a unique platform that combines the strengths of the most established insurer in Singapore with those of a financial advisory firm. Our takaful operation in Malaysia is off to an encouraging start with the launch of new customer-centric products, and the bancatakal partnership with OCBC Al-Amin is beginning to bear fruit.

"In the second half of the year, we have in store more customer-engaging initiatives and innovative products. The Group will continue to focus on strengthening the quality of our distribution channels and partnership with OCBC to serve clients across various segments. We believe that our innovative customer-centric value proposition through the various distribution channels will meet the evolving financial needs of our policyholders.

"While we recognise the possible challenges posed by ongoing global economic uncertainties, including the sovereign debt issues in the developed economies, we are positive of our growth prospects as the economic fundamentals and consumer sentiments in Asia remain resilient."

### **About Great Eastern**

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With S\$54 billion in assets and 3.8 million policyholders, it has two successful distribution channels - the tied agency force and bancassurance. The Company also operates in China, Indonesia, Vietnam, and Brunei. Great Eastern Life Assurance Company Limited has been assigned the financial strength and counterparty credit ratings of 'AA-' by Standard & Poor's, which is 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 second largest financial services group in Southeast Asia by assets. It is one of the world's most highly-rated banks, with a long-term credit rating of Aa1 from Moody's. OCBC Bank's key markets are Singapore, Malaysia, Indonesia, and Greater China. It has a network of over 500 branches and representative offices in 15 countries and territories, including more than 400 branches and offices in Indonesia operated by its subsidiary, Bank OCBC NISP.

### [Financial Highlights](#)

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