

MEDIA RELEASE
(For Immediate Release)

Great Eastern Reports Q3-15 and 9M-15 Financial Results

Singapore, 23 October 2015 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q3-15”) and nine months (“9M-15”) ended 30 September 2015.

Highlights of Financial Results

S\$ million	Q3-15	Q3-14	Δ	9M-15	9M-14	Δ
Total Weighted New Sales	266.2	199.6	+33%	663.8	621.2	+7%
New Business Embedded Value	101.6	87.3	+16%	261.7	260.0	+1%
Operating Profit from Insurance Business	129.5	149.0	-13%	412.4	435.2	-5%
Non-Operating Profit from Insurance Business	-78.7	14.1	nm	-46.4	119.7	nm
Profit from Shareholders’ Fund’s Investments	38.6	44.4	-13%	264.5	155.9	+70%
Group Profit Attributable to Shareholders	68.4	194.6	-65%	566.6	670.8	-16%

nm - not meaningful/ exceeding 300%

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

The Group’s TWNS for Q3-15 grew 33% to S\$266.2 million, mainly driven by a 49% growth in Singapore with strong demand for two new products launched during the quarter. In Malaysia, TWNS was also higher compared with the same quarter last year, supported by growth in sales of regular premium Participating products. For 9M-15, TWNS increased 7% to S\$663.8 million, underpinned by growth in Singapore and Malaysia.

NBEV, a measure of long-term economic profitability, of S\$101.6 million for Q3-15, was 16% higher than the same quarter last year, brought about by higher sales. NBEV margin of 38.2% for Q3-15 was however lower compared with 40.2% for Q3-14, arising from shifts in product and channel mix in Singapore. For 9M-15, NBEV was also impacted by a downward adjustment as a result of the new tax regulations in Malaysia.

Operating Profit from Insurance Business

Operating profit for Q3-15 of S\$129.5 million was 13% lower than the same quarter last year. This decline was largely due to the further weakening of the Malaysian Ringgit against the Singapore Dollar. In addition, operating profit was impacted by a few large death claims and higher medical claims in Singapore.

For 9M-15, operating profit of S\$412.4 million was 5% lower than the same period last year, a result of the further weakening of the Malaysian Ringgit, and a release of tax provisions in 9M-14.

Non-Operating Profit from Insurance Business

Unrealised losses from the valuation of assets and liabilities, brought about by a widening of credit spreads, decline in equity prices, and fall in long term interest rates led to a non-operating loss of S\$78.7 million for Q3-15 and S\$46.4 million for 9M-15. In contrast, spreads narrowed in Q3-14, which gave rise to non-operating profit; and, for 9M-14, there was a further boost from a rise in long term interest rates and narrowing of spreads.

Profit from Shareholders' Fund's Investments

Despite higher net investment income and a foreign exchange gain from US Dollar denominated investments, profit from Shareholders' Fund's Investments for Q3-15 of S\$38.6 million was 13% lower than the same quarter last year. This was partly caused by realised loss from the sale of investments. The Group also made an impairment provision of S\$13.0 million for certain investments, in accordance with its accounting policy.

For 9M-15, profit from Shareholders' Fund's Investments of S\$264.5 million was 70% higher than the same period last year, contributed by the gain from the sale of part of the Group's investment in New China Life Insurance Company Ltd in Q2-15.

Group Profit Attributable to Shareholders

Group profit attributable to Shareholders of S\$68.4 million for Q3-15 and S\$566.6 million for 9M-15, were 16% and 65% lower than the respective same periods last year, mainly because of unrealised mark-to-market losses from the insurance business.

Regulatory Capital

The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia remain strong and well above the minimum regulatory levels of 120% and 130% respectively.

Commenting on the Group's Q3-15 financial results, Director and Acting Group CEO, Mr Norman Ip said:

"The Group delivered robust growth in new sales during the quarter, particularly in Singapore, with the introduction of new products. Moving into the fourth quarter, we have lined up more new products and are optimistic of sustaining the existing sales momentum.

As for profit, while the performance of our operations in Malaysia remained stable, contribution to the Group's reported profit in Singapore Dollars was reduced by the further weakening of the Ringgit. The Group's profit was also impacted by significant unrealised losses from credit spreads, equity prices and interest rates movements. Notwithstanding the mark-to-market losses, the Group's investment portfolio remains sound."

-End-

About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With S\$63.2 billion in assets and around 4.7 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, Vietnam and Brunei and has a joint venture 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 has 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. It was ranked by Bloomberg Markets as the world's strongest bank in 2011 and 2012.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has over 630 branches and representative offices in 18 countries and territories. These include the more than 330 branches and offices in Indonesia operated by subsidiary Bank OCBC NISP, and 95 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

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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. For comparative reasons, TWNS/NBEV figures for Q3-14 and 9M-14 have been restated using exchange rates as at 30 September 2015. NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.