

MEDIA RELEASE
(For Immediate Release)

Great Eastern Delivers Strong New Business Results for Second Quarter 2016

Total Weighted New Sales Growth of 23%
New Business Embedded Value Grew by 24%

Singapore, 27 July 2016 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q2-16”) and half year (“1H-16”) ended 30 June 2016.

Highlights of Financial Results

S\$ million	Q2-16	Q2-15	Δ	1H-16	1H-15	Δ
Total Weighted New Sales	245.7	199.3	23%	466.7	402.0	16%
New Business Embedded Value	105.1	85.1	24%	188.9	168.7	12%
Operating Profit	134.6	132.2	2%	255.0	282.9	-10%
Non-Operating Profit	-36.1	-8.8	nm	-78.7	32.3	nm
Profit from Shareholders’ Fund’s Investments	19.2	180.3	-89%	48.1	225.9	-79%
Group Profit Attributable to Shareholders	102.2	277.7	-63%	199.1	498.2	-60%

nm – not meaningful

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

Q2-16 was a strong quarter for the Group with TWNS growing to \$245.7 million, a significant 23% quarter-on-quarter growth. The solid performance was driven by strong agency performance in both Singapore and Malaysia. The Group’s strategic Bancassurance partnership with OCBC continued to deliver high growth despite intense competition. The TWNS growth was achieved without compromising on margin, with the Group’s NBEV growing to \$105.1 million, a 24% quarter-on-quarter growth from Q2-15. The Group’s NBEV margin registered good improvement from 37.9% in Q1-16 to 42.8% in Q2-16.

Operating Profit

Operating profit for Q2-16 of \$134.6 million was 2% higher than Q2-15. Operating profit for 1H-16 of \$255.0 million was 10% lower than 1H-15.

Group Profit Attributable to Shareholders

Group Profit attributable to shareholders declined by 63% and 60% to \$102.2 million and \$199.1 million from Q2-15 and 1H-15 respectively. The lower profit was attributed to the \$18.7 million loss on disposal of the Group's Vietnam subsidiary, unfavourable financial markets and low interest rate environment. Q2-15's profit also included a \$119.9 million gain on disposal of our investments in New China Life Insurance Company Ltd.

Regulatory Capital

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

Dividend

The Board of Directors has declared an interim one-tier tax exempt dividend of 10 cents per ordinary share for the financial year ending 31 December 2016, to be paid on 2 September 2016.

Commenting on the Group's Q2-16 performance, Group Chief Executive Officer, Mr Khor Hock Seng said:

“Our Group's key operating metrics such as total weighted new sales and NBEV have shown significant growth compared with the same period last year. Our positive Q2-16 performance is a direct result of building upon, and even surpassing, our Q1-16's sales momentum for our major markets, Singapore and Malaysia. While we maintain our focus to grow our core markets, we will increase efforts to build our business in Indonesia.

I am confident that the Group will be able to ride through the global macroeconomic uncertainty with our strong fundamentals and robust financial position. The Group remains positive on the long term prospects of the insurance business in Southeast Asia and will continue to implement initiatives to support our distribution partners and improve customer experience.”

-End-

About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With \$68.5 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 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. Recognised for its financial strength and stability, OCBC Bank has been ranked Asean's strongest bank and among the world's five strongest banks by Bloomberg Markets for five consecutive years since the ranking's inception in 2011.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has over 630 branches and representative offices in 18 countries and regions. These include the more than 330 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 90 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 Q2-15 and 1H-15 have been restated using exchange rates as at 30 June 2016. NBEV figures for periods prior to Q4-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.