

MEDIA RELEASE
(For Immediate Release)

Great Eastern Concludes Financial Year 2016 with Strong New Business Results

Total Weighted New Sales Grew 11% and New Business Embedded Value Grew 22%

Singapore, 13 February 2017 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q4-16”) and year (“FY-16”) ended 31 December 2016.

Highlights of Financial Results

\$ million	Q4-16	Q4-15	Δ	FY-16	FY-15	Δ
Total Weighted New Sales	343.5	304.4	+13%	1,069.9	968.2	+11%
New Business Embedded Value	145.5	111.6	+30%	466.2	382.5	+22%
Operating Profit from Insurance Business	112.5	169.0	-33%	504.2	581.4	-13%
Non-Operating Profit from Insurance Business	12.7	48.9	-74%	-48.5	2.5	nm
Profit from Shareholders’ Fund’s Investments	72.0	2.8	>100%	143.1	209.5	-32%
Non-Controlling Interest	-2.0	-1.9	nm	-9.5	-8.0	nm
Group Profit Attributable to Shareholders	195.2	218.8	-11%	589.3	785.4	-25%

nm - not meaningful

The Group’s Total Weighted New Sales (“TWNS”) and New Business Embedded Value (“NBEV”) registered robust growth for Q4-16 and FY-16.

With the continued growth in Q4-16, the Group’s TWNS for FY-16 rose by 11%, with sales surpassing the \$1 billion mark, driven by strong contributions from both agency and bancassurance channels.

NBEV, a measure of long-term economic profitability, recorded a significant 30% growth in Q4-16. On a full year basis, NBEV registered a strong 22% growth over FY-15, propelled by higher sales and NBEV margin. The Group’s NBEV margin rose to 43.6% in FY-16 from 39.5% in FY-15 reflecting the success of our deliberate strategy to actively manage our product mix.

The Group's operating profit from insurance business for FY-16 decreased by 13%. The decrease is attributed to new business strain from higher sales growth and medical claims in the Singapore operations.

On a full year basis, group profit attributable to shareholders decreased by 25%, largely attributable to lower non-operating profit, lower profit from shareholders' fund's investments and a loss on disposal of the Group's Vietnam business of \$18.7 million. In addition, for FY-15, there was a gain on disposal of the investment in New China Life Insurance Company Limited of \$119.9 million.

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.

Embedded Value

The Group's Embedded Value, an estimate of the long-term economic value of a life insurance company, continued to register robust growth of 6% in FY-16 to \$11.7 billion stemming from an increase in the value of the Group's in-force business and the value of adjusted shareholders' fund.

Dividend

The Directors have recommended, for shareholders' approval at the Annual General Meeting, the payment of a final one-tier tax exempt dividend of 40 cents per ordinary share. Upon approval, the final dividend will be payable on 8 May 2017. Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in September 2016, total dividends for the financial year 2016 would amount to 50 cents per ordinary share.

Commenting on the Group's FY-16 financial results, Group Chief Executive Officer Mr Khor Hock Seng said:

“We continued to deliver a strong set of new business results in 2016, with the Group's Total Weighted New Sales surpassing \$1 billion with a growth of 11% and New Business Embedded Value growing by 22%.

Central to this is the strength and depth of our multi-channel distribution capabilities, driven by our high quality agency and synergistic bancassurance partnership with OCBC Bank. The results are also testament to the disciplined execution of our strategy to further grow our business in our core markets of Singapore and Malaysia, while we continue to build our operations in Indonesia and our Takaful business in Malaysia.

Moving ahead, we will continue to strengthen our business model, prudently manage costs and improve operational efficiencies. We will continue to look at innovative ways to enhance our service level and enrich customer experience through digitalisation and analytics. The fundamentals underpinning our business remain strong and we are confident of the Group's growth prospects in the region.”

-End-

About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With \$71.1 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 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 is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore and the Asia Pacific by The Asian Banker.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 610 branches and representative offices in 18 countries and regions. These include the 340 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 100 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 Q4-15 and FY-15 have been restated using exchange rates as at 31 December 2016.
4. NBEV figures for periods prior to Q4-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.