

**MEDIA RELEASE  
(For Immediate Release)**

**Great Eastern Reports Third Quarter Net Profit of S\$619.6 million**

*Earnings of S\$963.5 million in First Nine Months 2012*

Singapore, 2 November 2012 – Great Eastern Holdings Limited today reported profit attributable to shareholders of S\$619.6 million for the quarter ended 30 September 2012 (Q3-12), compared with S\$40.4 million a year ago. The increase included a S\$421.6 million post-tax gain arising from the sale of the Group's shareholdings in Asia Pacific Breweries Limited ("APB") and Fraser and Neave, Limited ("F&N") during the quarter. Excluding this gain, the Group delivered strong performance for the quarter with profit attributable to shareholders of S\$198.0 million, underpinned by continued growth in underwriting profit and mark-to-market gains on investments. For the first nine months of 2012 (9M-12), profit attributable to shareholders increased to S\$963.5 million from S\$316.8 million the year before.

Total weighted new sales for the Group in Q3-12 was stable at S\$202.5 million. 9M-12 total weighted new sales was S\$574.7 million, comparable to S\$569.5 million a year ago. The steady sales performance reflected the overall higher demand for regular premium products, which was offset by the lower sales of single premium products resulting from a limited availability of appropriate underlying investments. In Singapore, the sales of regular premium policies increased across all channels, particularly those distributed through bancassurance. In Malaysia, there was healthy growth in the take-up of regular premium investment-linked and single premium credit-related products. The total sales performance in Malaysia was however dampened by aggressive pricing competition in traditional endowment products.

In Q3-12, the Group recorded S\$88.3 million in new business embedded value (NBEV), a measure of its long-term economic profitability. Year-to-date, NBEV rose 6% to S\$258.5 million. This positive outcome was the result of sustained improvements in product mix across all channels towards regular premium and protection-based products.

Q3-12 profit from insurance operations rose 144% to S\$198.9 million from S\$81.4 million the year before. The Group's underwriting profit from insurance operations continued to exhibit growth in the quarter. Profit from insurance operations was further boosted by strong investment performance due to improvements in market conditions. The Group recorded mark-to-market net gains in asset and liability valuations, as a result of narrowing credit and swap spreads as well as favourable interest rate movements. This compares against mark-to-market net losses in the same quarter last year.

9M-12 profit from insurance operations rose by 43% year-on-year to S\$501.2 million, brought about by consistent growth in underwriting profit and a strong investment performance.

Q3-12 profit from investments in Shareholders' Fund rose to S\$540.0 million, against a net investment loss of S\$13.1 million in the same quarter last year amid the adverse investment climate then. For the first nine months of the year, profit from investments in Shareholders' Fund was S\$643.4 million, compared with S\$49.1 million last year. The significant increase in the Shareholders' Fund this year was largely contributed by the gain from the sale of APB and F&N shares.

As announced during the quarter, the Group was approached with an offer to purchase its shareholdings in F&N and APB. The shares in these two companies were long-term investments of the Group, and most of the investments had been made during the 1960s and 1970s. The offer was assessed to be a value accretive opportunity that allowed the Group to enhance financial returns from these long-term investments in the interest of policyholders and shareholders. On completion, the Group realised a total pre-tax gain of S\$2,183.7 million, computed based on historical book cost, of which S\$516.2 million (post-tax: S\$421.6 million) accrued to the Shareholders' Fund and S\$1,667.5 million to the life assurance funds. For the life assurance funds, as the assets are valued on an ongoing mark-to-market basis, a large part of the gain has already been recognised and taken into account when determining the amount of bonus to policyholders in past periods.

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

Commenting on the Group's Q3-12 financial results, Group CEO Chris Wei said:

"I am very pleased with our results for the quarter and the consistent positive year-on-year growth trend of underwriting profit and NBEV for the first nine months of the year. To build on our achievements and to stay ahead of the competition, the Group will continue to invest in developing the most trusted and professional advisory capability as well as to enhance our product suite and offer a differentiated customer value proposition through our *Live Great* programme. We believe that this will continue to generate sustained value creation for the Group in the long-term."

## **About Great Eastern**

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With \$58 billion in assets and around 4.0 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, one of the highest among Asian life insurance companies. It was voted Life Insurer of the Year at the Asia Insurance Industry Awards 2011 by Asia Insurance Review. 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. It is also ranked by Bloomberg Markets as the world's strongest bank. 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.

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