

**MEDIA RELEASE**  
**(For Immediate Release)**

**Great Eastern Reports Q1-16 Financial Results**

**Singapore, 26 April 2016** – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q1-16”) ended 31 March 2016.

Highlights of Financial Results

<b>S\$ million</b>	<b>Q1-16</b>	<b>Q1-15</b>	<b>Δ</b>
Total Weighted New Sales	222.9	204.5	+9%
New Business Embedded Value	84.7	84.4	-
Operating Profit from Insurance Business	120.4	150.7	-20%
Non-Operating Profit from Insurance Business	-42.6	41.1	nm
Profit from Shareholders’ Fund’s Investments	28.9	45.6	-37%
Group Profit Attributable to Shareholders	96.9	220.5	-56%

nm – not meaningful

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

The Group’s TWNS for Q1-16 grew 9% from the same quarter last year to S\$222.9 million, underpinned by higher sales in both Singapore and Malaysia. Excluding the sales contribution from the Group’s investment in China, which ceased to be accounted for as an associate from December 2015, the Group’s TWNS for Q1-16 was 11% higher than the same quarter last year. In Singapore, growth was fuelled by strong sales from the bancassurance channel while in Malaysia, regular premium products continued to drive growth in both the conventional and takaful businesses.

NBEV, a measure of long-term economic profitability, for Q1-16 of S\$84.7 million was comparable with the same quarter last year. NBEV margin for Q1-16 of 38.0% was lower compared with 41.3% for Q1-15 as a result of channel and product mix shifts.

### Operating Profit from Insurance Business

For Q1-16, the Group recorded operating profit from insurance business of S\$120.4 million, compared with S\$150.7 million for the same quarter last year. In Singapore, operating profit was lower mainly due to higher claims in the Non-Participating Fund. The profit contribution from Malaysia in Singapore Dollar terms was also lower, primarily due to a weaker Malaysian Ringgit.

### Non-Operating Profit/Loss from Insurance Business

In Q1-16, financial markets experienced widening of credit spreads and decline in equity markets, leading to a non-operating loss of S\$42.6 million for the quarter. In contrast, the Group recorded a non-operating profit of S\$41.1 million for the same quarter last year, brought about mainly by unrealised gains from equity investments.

### Profit from Shareholders' Fund's Investments

Shareholders' Fund recorded higher investment income as well as higher realised gain from sale of investments and changes in fair value for Q1-16. However, this was more than offset by unrealised foreign exchange loss from US dollar-denominated investments. As a result, Profit from Shareholders' Fund's Investments for Q1-16 was lower at S\$28.9 million compared with S\$45.6 million for the same quarter last year.

### Group Profit Attributable to Shareholders

Profit attributable to shareholders was S\$96.9 million for Q1-16, compared with S\$220.5 million for Q1-15, largely because of unrealised fair value losses from the valuation of assets and liabilities in the insurance business amid unfavourable financial market conditions.

### Regulatory Capital

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.

Commenting on the Group's Q1-16 financial results, Group Chief Executive Officer Mr Khor Hock Seng (许福成) said:

"2016 started with strong sales growth in both Singapore and Malaysia. This was achieved through continued efforts to harness synergies with our parent bank and bancassurance partner, OCBC Bank, as well as a dedicated focus on improving the productivity of our sales force.

As for profit, the volatility in the global financial markets during the quarter impacted the valuation of our assets, resulting in a lower profit attributable to shareholders. Notwithstanding this, our investment portfolio remains sound and our capital position also remains strong."

-End-

### **About Great Eastern**

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With S\$68.1 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, Vietnam 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 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 620 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 Q1-15 have been restated using exchange rates as at 31 March 2016.
4. NBEV figures for Q1-15 have been restated to take into account revised actuarial assumptions implemented in Q4-15.