

Media Release | 4 May 2012

Great Eastern's First Quarter 2012 Net Profit after Tax Rose 65% to S\$262.5 million
Earnings underpinned by growth in underwriting profit and better investment performance

Great Eastern Holdings Limited today reported profit attributable to shareholders of S\$262.5 million for the quarter ended 31 March 2012 (Q1-12), a rise of 65% compared with the same quarter last year. Net profit was supported by growth in underwriting profit, reflecting the successful shift in product mix over past quarters. The Group's performance also benefited from an increase in investment income as well as mark-to-market gains from the recovery of global financial markets.

The Group reported total weighted new sales of S\$176.8 million, with a significant shift from single to regular premium products. The Singapore business benefited from the strong, sustained demand for regular premium products from the bancassurance channel, in particular the premier banking customer segment. Malaysia continued to register healthy sales of investment-linked products.

During the quarter, the Group's NBEV grew by a healthy 14% against Q1-11 to S\$83.8 million, resulting from the improvement in product mix towards regular premium and protection-based products from the tied agency and financial advisory channels. NBEV in Singapore rose by 29% to S\$50.8 million, contributed by higher sales of protection plans. In Malaysia, NBEV was supported by the continued momentum in the sales of investment-linked products.

Compared with Q1-11, profit from insurance operations rose by 45% to S\$226.4 million. Underwriting profit continued to grow, reflecting the Group's strong insurance fundamentals. In addition, profit from insurance operations also benefited from the recovery of global financial markets. During the quarter, favourable credit and equity markets resulted in mark-to-market gains in asset valuations, leading to a significant increase in investment profit, which is a component of profit from insurance operations.

Profit from investments in Shareholders' Fund rose 170% against Q1-11 to S\$69.2 million. The increase was largely caused by mark-to-market gains in held-for-trading investments in Q1-12, in line with the improved investment climate.

In Q1-12, fees and other income amounted to S\$15.3 million. Compared with Q1-11, expenses increased to S\$21.8 million, reflecting higher staff costs.

Great Eastern remains strongly capitalised. The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia exceeded 200%, well above the minimum regulatory ratios of 120% and 130% in Singapore and Malaysia respectively.

Commenting on the Group's Q1-12 financial results, Group CEO Chris Wei said:

"I am heartened by the Group's performance in Q1-12. We achieved strong results for our underwriting business and continued to record healthy growth in terms of long-term economic profitability. With a sizable protection gap in Asia, we are confident that our strategy of promoting regular premium, protection-based products will continue to address the needs of customers while delivering sustained value-creation across the markets in which

we operate. In Singapore, we see opportunities to enhance protection coverage alongside health concerns of an ageing population and evolving needs of a growing, affluent middle class. Our recent launch of Supreme Protect, an innovative whole life plan, as well as a suite of enhanced Personal Accident plans and riders seek to provide customers with greater benefits, flexibility and superior value. In Malaysia, there is further potential for us to serve the needs of young working adults and to increase the penetration of takaful products."

"In response to changing customer behaviour and their preference to be engaged through digital and social media, we have strengthened our customer engagement efforts through Facebook, YouTube and Twitter. Customers can also look forward to exciting new initiatives in the coming months as we gear up efforts on delivering our mission of creating a unique customer experience for all our customers."

About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With \$57 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.

[Financial Highlights](#)

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