

Great Eastern Reports Q1-14 Financial Results

Singapore, 29 April 2014 - Great Eastern Holdings Limited (the "Group") today announced its financial results for the quarter ("Q1-14") ended 31 March 2014.

Highlights of Financial Results

S\$ million	Q1-14	Q1-13	Δ
Total Weighted New Sales	225.9	201.9	+12%
New Business Embedded Value	89.2	80.2	+11%
Operating Profit from Insurance Business	143.3	131.2	+9%
Non-Operating Profit from Insurance Business	33.4	38.3	-13%
Group Profit Attributable to Shareholders	231.6	207.5	+12%

Operating Profit from Insurance Business

Q1-14 operating profit from insurance business registered a 9% growth year-on-year, on better performance from the Singapore Non-participating and Malaysia Investment-linked Funds. This was driven by profits from the Group's growing in-force business as sales rose steadily over the past years. The healthy performance reflects the Group's focus on building a high quality business portfolio that creates sustainable value for its stakeholders.

Total Weighted New Sales and New Business Embedded Value

Total weighted new sales increased 12% year-on-year to S\$225.9 million, as the Group registered broad based growth across distribution channels in Singapore and Malaysia. Sales in Singapore recorded 18% year-on-year growth to S\$157.2 million while sales in Malaysia increased 5% year-on-year to S\$61.0 million. The agency channel in Singapore maintained its strong sales trend for participating and protection products, while the financial advisory channel further expanded its distribution force and improved its sales productivity. In Malaysia, the strong demand in 2013 for conventional regular premium investment-linked products sold through the agency channel was sustained into 2014. The takaful business also continued to grow its bumiputera agency force. On the bancassurance front, while sales of credit insurance products fell in both Singapore and Malaysia as regulators tightened rules on consumer credits, overall sales were higher year-on-year, driven by sustained momentum in the sales of regular premium savings products across both markets. Aggregated sales from the Group's operations in other markets fell, partly a result of lower contributions from its joint venture in China, Great Eastern Life Assurance (China) Company, Ltd ("GELC"), following the Group's divestment of its stake in the joint venture from 50% to 25%.

New business embedded value ("NBEV"), a measure of long-term economic profitability, grew 11% to S\$89.2 million in Q1-14, compared with S\$80.2 million in Q1-13. The growth in NBEV was largely in line with the sales performance.

Non-Operating Profit from Insurance Business

Non-operating profit from insurance business of S\$33.4 million was lower year-on-year due to smaller net unrealised mark-to-market gains from the valuation of assets and liabilities.

Profit from investments in Shareholders' Fund

During the quarter, the Group registered a 28% year-on-year increase in profit from investments in Shareholders' Fund to S\$69.6 million. The strong performance was mainly attributed to a one-off gain of S\$31.9 million from the the Group's divestment of its stake in GELC from 50% to 25%. Excluding this one-off gain, profit from investments in Shareholders' Fund was lower than Q1-13 when the Group recorded higher realised gains amid favourable equity market conditions.

Group Profit Attributable to Shareholders

Q1-14 Group profit attributable to shareholders was 12% higher year-on-year at S\$231.6 million on better performance of the insurance business and the one-off gain from the Group's divestment of its stake in GELC from 50% to 25%.

Regulatory Capital

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

strong capital position of the Group.

Commenting on the Group's Q1-14 financial results, Group Chief Executive Officer Chris Wei said:

"We retained our market leading positions in Singapore and Malaysia last year, and I am pleased to see that the positive momentum built up across our key operating metrics has flowed into the new year. Efforts to strengthen our professional advisory force and enhance the customer experience across every touchpoint, both grounded in our organisational purpose as a LIFE company, proved to be the key ingredients of our success. This has been supplemented with the launch of innovative new products that aim to meet consumer needs in retirement, healthcare and protection."

"I believe these initiatives will place us in good standing as we face a number of new regulations that will impact the insurance industry this year. In addition, we are also doubling efforts to engage and increase our value add to customers. As a start, we have replicated our successful Live Great Space concept in Malaysia, giving the public an opportunity to participate in health and wellness activities supported by our Live Great partners. In tandem, we are raising the bar for our 'Live Great Healthy Rewards' programme, offering policyholders more attractive financial rewards for staying healthy. Given our intention to help our customers live healthier and longer, we are also providing complimentary follow up consultations to customers who do not fare as well in their health assessments."

About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With S\$61.8 billion in assets and around 4.7 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 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 second largest financial services group in Southeast Asia by assets. It is one of the world's most highly-rated banks, with an "Aa1" rating from Moody's. It is also ranked by Bloomberg Markets as the World's strongest bank in 2011 and 2012. OCBC Bank's key markets are Singapore, Malaysia, Indonesia, and Greater China. It has a network of over 450 branches and representative offices in 15 countries and territories, including about 330 branches and offices in Indonesia operated by its subsidiary, Bank OCBC NISP.

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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, total weighted new sales figures for periods prior to Q1-14 have been restated using exchange rates as at 31 March 2014.
4. For comparative reasons, NBEV figures for periods prior to Q1-14 have been restated using exchange rates as at 31 March 2014. NBEV figures for periods prior to Q4-13 have been restated to take into account revised actuarial assumptions implemented in Q4-13.