

MEDIA RELEASE
(For Immediate Release)

Great Eastern Reports Q4-15 and FY-15 Financial Results

Singapore, 16 February 2016 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q4-15”) and year (“FY-15”) ended 31 December 2015.

Highlights of Financial Results

| S\$ million | Q4-15 | Q4-14 | Δ | FY-15 | FY-14 | Δ |
|--|--------------|--------------|----------|--------------|--------------|----------|
| Total Weighted New Sales | 307.1 | 279.9 | +10% | 975.2 | 905.5 | +8% |
| New Business Embedded Value | 121.6 | 112.9 | +8% | 385.2 | 374.9 | +3% |
| Operating Profit from Insurance Business | 169.0 | 155.5 | +9% | 581.4 | 590.7 | -2% |
| Non-Operating Profit from Insurance Business | 48.9 | 25.5 | +92% | 2.5 | 145.2 | -98% |
| Profit from Shareholders’ Fund’s Investments | -1.1 | 48.6 | nm | 263.4 | 204.5 | +29% |
| Group Profit Attributable to Shareholders | 218.8 | 207.8 | +5% | 785.4 | 878.6 | -11% |

nm - not meaningful

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

The Group’s TWNS for Q4-15 grew 10% from the same quarter last year to S\$307.1 million, driven by strong sales of new products launched through the bancassurance channel in Singapore. FY-15 TWNS was 8% higher than last year, underpinned by growth in Singapore and Malaysia. In Singapore, sales growth was fuelled by strong performance from the bancassurance channel while the agency channel maintained its contribution. In Malaysia, growth was seen in the sales of both conventional and takaful investment-linked products.

Led by the increase in sales, NBEV, a measure of long-term economic profitability, rose 8% to S\$121.6 million for Q4-15 and 3% to S\$385.2 million for FY-15. For FY-15, NBEV margin of the agency channel rose from last year while margin of bancassurance channel was slightly lower, both resulting from product mix shifts. In addition, there was a shift in channel mix, bringing the Group’s overall margin for FY-15 to 39.5% compared with 41.4% for last year.

Operating Profit from Insurance Business

Q4-15 operating profit from insurance business of S\$169.0 million was 9% higher than the same quarter last year, largely boosted by a write-back of prior years' tax provisions and a release of reserves to reflect improved claims experience in the Singapore Non-participating Fund. Profit from the Investment-linked Fund was lower compared with the same quarter last year as contribution from the Group's operations in Malaysia was negatively impacted by currency translation.

FY-15 operating profit of S\$581.4 million was 2% lower than last year mainly due to currency translation. Excluding the effect of currency translation, operating profit registered marginal growth over last year.

Non-Operating Profit from Insurance Business

Q4-15 non-operating profit from insurance business of S\$48.9 million was 92% higher than the same quarter last year, driven by a narrowing of credit spreads during the quarter.

For FY-15, non-operating profit was S\$2.5 million compared with S\$145.2 million last year against a backdrop of vastly different financial market conditions. In 2014, interest rates fell and equity markets rallied, giving rise to significant mark-to-market gains from the valuation of assets and liabilities. In contrast, interest rates rose and credit spreads widened in 2015, negatively impacting non-operating profit.

Profit from Shareholders' Fund's Investments

For Q4-15, Shareholders' Fund's investment portfolio recorded a net loss of S\$1.1 million compared with a profit of S\$48.6 million for the same period last year. The main contributors were losses from disposals, decline in the fair value of some investments, and provision for impairment in accordance with the Group's accounting policy.

For FY-15, net profit from Shareholders' Fund's Investments of S\$263.4 million was 29% higher than last year. The main contributor was the gain from sale of part of the Group's investment in New China Life Insurance Company Ltd in Q2-15 and foreign exchange gains from US Dollar-denominated investments.

Group Profit Attributable to Shareholders

Q4-15 Group profit attributable to shareholders of S\$218.8 million was 5% higher than for Q4-14, driven by higher operating and non-operating profit from insurance business. For FY-15, Group profit attributable to shareholders for FY-15 was S\$785.4 million compared with S\$878.6 million last year, mainly because of lower non-operating profit amid less favourable 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.

Embedded Value

The Group's Embedded Value, an estimate of the long-term economic value of a life insurance company for the existing blocks of business, rose by 5% from S\$10.4 billion in FY-14 to S\$11.0 billion in FY-15, from an increase in the value of adjusted shareholders' fund and growth in the value of the in-force business.

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 plus a special one-tier tax exempt dividend of 5 cents per ordinary share. Upon approval, the final and special dividends will be payable on 9 May 2016. Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in September 2015, total dividends for the financial year 2015 would amount to 55 cents per ordinary share.

Commenting on the Group's FY-15 financial results, Group Chief Executive Officer Mr Khor Hock Seng (许福成) said:

"We ended 2015 strongly despite a relatively slow start in the first half of the year. The Group's focus on expanding our product range to meet customers' needs and strengthening our distribution capabilities has borne good results. Our multi-channel distribution model – comprising a 20,000-strong agency force, a financial advisory firm, Great Eastern Financial Advisers and our synergistic bancassurance partnership with OCBC Bank – continued to be a key driver of our success as we harnessed the channels to deepen and broaden market penetration. We continued to create long term value for our shareholders, with operating profit in our key markets registering healthy growth in local currency terms.

We will further enhance our data analytics capabilities and capitalise on technology to gain greater insights to change how we shape the customer experience. We will continue to pursue a disciplined and prudent strategy as we grow our franchise across our key markets in an increasingly uncertain and competitive business environment."

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About Great Eastern

Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia. With S\$65.8 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 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 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. It was 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 over 630 branches and representative offices in 18 countries and territories. These include the more than 330

branches and offices in Indonesia operated by subsidiary Bank OCBC NISP, and 95 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 Q4-14 and FY-14 have been restated using exchange rates as at 31 December 2015.
4. NBEV figures for periods prior to Q4-14 have been restated to take into account revised actuarial assumptions implemented in Q4-14.