

MEDIA RELEASE
(For Immediate Release)

Great Eastern Reports Q4-18 and FY-18 Financial Results

Fourth quarter Operating Profit from Insurance Business increased by 5%, ending the year with an overall 4% increase

Singapore, 20 February 2019 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q4-18”) and the year ended 31 December 2018 (“FY-18”).

Highlights of Financial Results

\$ million	Q4-18	Q4-17	Δ	FY-18	FY-17	Δ
Operating Profit from Insurance Business	171.6	163.2	+5%	625.3	600.3	+4%
Non-Operating Profit from Insurance Business	11.4	84.0	-86%	48.9	113.4	-57%
Profit from Shareholders’ Fund’s Investments	-45.4	182.7	nm	75.8	333.9	-77%
Non-Controlling Interest	-0.7	-3.1	nm	-9.3	-10.9	nm
Group Profit Attributable to Shareholders	136.9	426.8	-68%	740.7	1,036.7	-29%
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Total Weighted New Sales	330.2	470.8	-30%	1,235.1	1,312.6	-6%
New Business Embedded Value	166.6	178.6	-7%	527.6	543.0	-3%

nm - not meaningful

Operating Profit from Insurance Business

Operating Profit from Insurance Business continued its good growth momentum, underscoring the strength of our core business fundamentals, achieving 5% growth for Q4-18 and 4% for FY-18. This was driven by both the Singapore and Malaysia Insurance Business.

Group Profit Attributable to Shareholders

On a full year basis, the Group’s profit attributable to shareholders decreased by 29% mainly due to lower valuation of investments as a result of unfavourable financial market conditions in 2018, particularly in Q4-18. In contrast, Q4-17 and FY-17 registered exceptionally high gains from higher valuation and sale of investments.

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

The Group’s TWNS for Q4-18 and FY-18 dropped 30% and 6% respectively compared to the same period last year. The decrease in Q4-18 as compared to Q4-17 was mainly attributed to a product campaign in Q4-17 which was very well received by the market. Correspondingly, NBEV dropped 7% and 3% respectively in Q4-18 and FY-18 compared to same period last year.

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.

Dividend

The Directors have recommended, for shareholders’ approval at the Annual General Meeting, the payment of a final one-tier tax exempt dividend of 50 cents per ordinary share. Upon approval, the final dividends will be payable on 8 May 2019. Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in August 2018; total dividends for FY-18 would amount to 60 cents per ordinary share.

Commenting on the Group’s FY-18 financial results, Group Chief Executive Officer Mr Khor Hock Seng said:

“2018 was a challenging year. Interest rate hikes, coupled with trade & geopolitical tensions have resulted in volatile capital and financial markets which have impacted our Group Profit Attributable to Shareholders. However, our Operating Profit from Insurance Business remained resilient, achieving a year-on-year growth of 4% for the full year.

Deepening our footprint in the region, we have recently acquired a general insurance company in Indonesia. The acquisition is part of our broader strategy to build our general insurance operations and complement our existing life insurance presence in the market. Looking forward, while concerns over market volatility and slowing global economic growth are present, we remain positive on the long term growth potential of the markets we operate in.”

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About Great Eastern

A market leader and a well-established trusted brand in Singapore and Malaysia, Great Eastern was founded in 1908. With S\$85.0 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 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 and Great Eastern General Limited have 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 is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 570 branches and representative offices in 19 countries and regions. These include over 300 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 100 branches and offices in Hong Kong, China and Macao 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. TWNS, NBEV and Operating Profit figures in foreign currencies for Q4-18 and FY-18 have been translated using the monthly spot rate for 2017 for comparison on constant currency.
4. NBEV figures for periods prior to Q4-17 have been restated to take into account revised actuarial assumptions implemented in Q4-17.