

MEDIA RELEASE
(For Immediate Release)

Great Eastern Reports Q4-19 and FY-19 Financial Results

- Fourth quarter and FY-19 Profit Attributable to Shareholders increased 110% to S\$287.0 million and 36% to S\$1.0 billion respectively
- Fourth quarter and FY-19 New Business Embedded Value increased 31% to S\$199.7 million and 15% to S\$616.3 million respectively

Singapore, 19 February 2020 – Great Eastern Holdings Limited (the “Group”) today announced its financial results for the quarter (“Q4-19”) and year ended 31 December 2019 (“FY-19”).

Highlights of Financial Results

\$ million	Q4-19	Q4-18	Δ%	FY-19	FY-18	Δ%
Operating Profit from Insurance Business	173.7	172.1	+1	664.4	636.1	+4
Non-Operating Profit from Insurance Business	63.2	10.9	+480	80.0	38.1	+110
Profit from Shareholders’ Fund	54.6	-45.4	nm	277.7	75.8	+266
Non-Controlling Interest	-4.5	-0.7	nm	-18.3	-9.3	nm
Profit Attributable to Shareholders	287.0	136.9	+110	1,003.8	740.7	+36
Total Weighted New Sales	395.0	330.6	+19	1,262.4	1,246.8	+1
New Business Embedded Value	199.7	152.5	+31	616.3	535.7	+15

nm - not meaningful

Profit Attributable to Shareholders

The Group’s Profit Attributable to Shareholders increased by 36% for FY-19, driven by the consistent performance in Operating Profit; and strong performance in Non-Operating Profit and Profit from Shareholders’ Fund as a result of higher valuation of the investments due to favourable financial market conditions.

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

In Q4-19, the Group’s TWNS grew strongly by 19% driven by the Singapore and Malaysia businesses. The Group’s TWNS for FY-19 remained resilient with a 1% year-on-year growth. The Group’s NBEV recorded a significant 31% growth in Q4-19. On a full year basis, NBEV achieved a strong growth of 15% over last year as a result of the successful execution of the Company’s distribution and product strategies.

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 dividend will be payable on 8 May 2020. Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in August 2019; total dividend for FY-19 would amount to 60 cents per ordinary share.

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

“We delivered a strong set of results in 2019, with the Group’s New Business Embedded Value growing by 15% for the year, while the Group’s Profit Attributable to Shareholders increased by 36%, crossing the S\$1 billion mark. This achievement is a result of our focus and disciplined execution of clear and consistent strategies.

Our core markets of Singapore and Malaysia continue to deliver strong performance, while our Takaful business in Malaysia has ended 2019 on a strong footing and is firmly on a growth trajectory.

We made dynamic shifts in 2019 by driving more innovation in our services and products. We transformed our agency channel and raised the bar on customer experience by empowering our financial representatives with a suite of digital agency tools under the Great Digital Advantage platform. This platform has enabled our financial representatives to achieve more multi-product sales and better manage their relationship with their customers. To enhance customer experience, we continued to expand the use of robotics process automation regionally across the Group towards straight through processing of insurance transactions. In Singapore, we delivered market-first insurance solutions to meet customer needs, such as GREAT Family Care, a critical illness term plan that protects three generations within a single policy.

Our strong agency force and synergistic bancassurance partnership with OCBC Bank continue to be a key driver of our success as we harnessed the channels to deepen and broaden market penetration. We also deepened our reach in the region, through our partnership with Axiata Digital Capital in Malaysia and Indonesia; and Singtel in Singapore, complementing our digital affinity partnership strategy in the region.

Moving ahead, we will continue to strengthen our business model and build a resilient and sustainable business for the long term.”

-End-

About Great Eastern

Founded in 1908, Great Eastern is a well-established market leader and trusted brand in Singapore and Malaysia. With above S\$90 billion in assets and over 8 million policyholders, including 5 million from government schemes, it provides insurance solutions to customers through three successful distribution channels – a tied agency force, bancassurance, and 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.

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. 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.

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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 Q4-19 and FY-19 have been translated using the monthly spot rate for 2018 for comparison on constant currency.
4. NBEV figures for periods prior to Q4-18 have been restated to take into account revised actuarial assumptions implemented in Q4-18.