



## MEDIA RELEASE

### **OCBC MAKES S\$1.4 BILLION OFFER FOR GREAT EASTERN**

*Move strengthens its business pillars of banking, wealth management and insurance, and reinforces its One Group approach, in line with its Corporate Strategy*

Singapore, 10 May 2024 – Oversea-Chinese Banking Corporation Limited (“OCBC”) today announced a S\$1.4 billion voluntary unconditional general offer (“Offer”) for the 11.56% stake in Great Eastern Holdings Limited (“Great Eastern”) that it does not currently own, a move aimed at strengthening OCBC’s business pillars of banking, wealth management and insurance, and optimising its capital to enhance shareholder returns. OCBC’s corporate strategy gained strong momentum in 2023, leveraging OCBC’s strengths to capitalise on the vast opportunities in one of the world’s fastest-growing regions. The Offer is therefore in line with OCBC’s strategy to solidify its wealth management leadership position to drive growth by capturing rising Asian wealth.

The Offer price of S\$25.60 represents a 36.9% premium over Great Eastern’s last traded price of S\$18.70 and premiums of 38.6%, 40.0% and 42.4% over the one-month, three-month and 12-month periods up to and including the last trading date of 9 May 2024.

With the Offer, OCBC intends to increase its investment in Great Eastern beyond its current stake of 88.44%, with a view to delisting the insurer from the SGX-ST.

OCBC Group Chief Executive Officer Ms Helen Wong said: “The Offer is a natural progression of OCBC’s strategy. We have moved intentionally to build up a strong wealth management franchise by hiring the best people and instituting best practices and processes, and raising our investment in Great Eastern. We have been looking at opportunities to best use our

capital and believe the Offer allows us to deploy our resources into a key business that is expected to be earnings accretive to OCBC.”

## **Rationale**

### **A) Offer is in line with OCBC’s corporate strategy and strengthens its business pillars of banking, wealth management and insurance**

First announced in 2022, OCBC’s corporate strategy is focused on four growth drivers to capture regional trade, investment and wealth flows. One of the growth drivers is to capture rising Asian wealth with its Singapore-Hong Kong-Dubai hubs and digital propositions.

In a fast-growing region that has seen rising demand for products and solutions to enhance and preserve wealth, bringing Great Eastern even closer to OCBC reinforces its long-term vision of becoming the leading wealth management player.

As Great Eastern has been part of OCBC’s stable of companies for decades, OCBC and Great Eastern share a strong synergistic relationship. OCBC is able to customise a full suite of investment, insurance and estate planning solutions for its customers, while Great Eastern has benefited from its access to OCBC’s extensive retail and commercial customer base.

### **B) Offer enhances returns and optimises capital**

The Offer is expected to be earnings accretive to OCBC.<sup>1</sup> Great Eastern provides diversification to OCBC’s earnings base to deliver balanced earnings growth through economic cycles. Great Eastern has contributed an average of about S\$700 million annually in net profit to OCBC over the past 10 years, which translates to an average of about 15% of OCBC’s annual net profit over this period.

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<sup>1</sup> Based on the financial statements of OCBC and Great Eastern for the financial year ended 31 December 2023.

The Offer presents an opportunity for OCBC to deploy its capital to generate greater returns for its shareholders. By increasing its investment in Great Eastern, OCBC can further capture the benefits from ongoing synergies and have a greater share of Great Eastern's value.

Ms Wong added: "This is not the first time that we are making an offer to increase our investment in Great Eastern – first in 2004, followed by 2006. As OCBC has been the majority shareholder of Great Eastern for the past 20 years, the Group has entrenched institutional knowledge and expertise to manage the insurance business. We are confident this exercise complements our One Group, One Brand strategy. This will further accelerate our ambitious wealth management plans and build even tighter bonds and synergies across all our business pillars and key markets".

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The directors of OCBC (including any director who may have delegated detailed supervision of the preparation of this media release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this media release are fair and accurate and that there are no other material facts not contained in this media release, the omission of which would make any statement in this media release misleading, and they jointly and severally accept full responsibility.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from Great Eastern Holdings Limited, the sole responsibility of the directors of OCBC has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources and/or reflected or reproduced in this media release in its proper form and context.

J.P. Morgan Securities Asia Private Limited is the exclusive financial adviser to OCBC for the Offer while Allen & Gledhill LLP acts as legal adviser to OCBC.

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## **About OCBC**

OCBC is 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 one of the world's most highly-rated banks, with Aa1 by Moody's and AA- by both Fitch and S&P. Recognised for its financial strength and stability, OCBC 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 is the second largest financial services group in Southeast Asia by assets. The Group offers a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals. Its insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the leading asset management companies in Southeast Asia. Its brokerage subsidiary, OCBC Securities, is one of the leading securities firms in Singapore.

The Group's key markets are Singapore, Malaysia, Indonesia and Greater China. It has close to 420 branches and representative offices in 19 countries and regions.

For more information, please visit [www.ocbc.com](http://www.ocbc.com).

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