

THIRD QUARTER REPORT

On consolidated results for the third quarter and for the nine months ended 30 September 2003

The Board of Directors of Great Eastern Holdings Limited is pleased to announce the unaudited results of the Group and the Company for the third quarter and for the nine months ended 30 September 2003:

1 GROUP PROFIT AND LOSS STATEMENTS for the third quarter and nine months ended 30 September

	Third quarter ended 30 September			Nine months ended 30 September		
	2003	2002	% +/(-)	2003	2002	% +/(-)
in Singapore Dollars (millions)						
Turnover ^(1.1)	1,753.5	1,521.3	15.3	3,951.6	4,689.6	(15.7)
Gross Premiums	1,354.3	1,214.4	11.5	3,404.4	3,632.1	(6.3)
Life assurance profit from:						
Participating Fund	20.4	18.9	7.9	61.3	57.9	5.9
Non-participating Fund	29.6	(9.7)	nm	89.1	63.9	39.4
Investment-linked Fund	7.0	3.3	112.1	16.9	8.3	103.6
Profit from life assurance	57.0	12.5	nm	167.3	130.1	28.6
Profit from general insurance	8.6	4.4	95.5	18.7	37.9	(50.7)
Profit from insurance operations	65.6	16.9	nm	186.0	168.0	10.7
Investment income	16.6	6.5	155.4	37.7	27.3	38.1
Interest income	1.8	2.0	(10.0)	4.2	6.0	(30.0)
Gain/(loss) on sale of investments and changes in fair value	2.8	(1.8)	nm	(1.5)	8.1	(118.5)
Exchange differences	(5.6)	1.1	nm	14.4	(2.3)	nm
Profit from investments	15.6	7.8	100.0	54.8	39.1	40.2
Fees and other income	7.8	4.4	77.3	20.2	17.6	14.8
Profit before expenses	89.0	29.1	nm	261.0	224.7	16.2
less:						
Management expenses	3.3	4.2	(21.4)	9.7	8.6	12.8
Depreciation	0.1	0.1	-	0.2	0.2	-
Expenses	3.4	4.3	(20.9)	9.9	8.8	12.5
Profit before income tax	85.6	24.8	nm	251.1	215.9	16.3
less: Income tax	21.6	5.9	nm	60.4	54.6	10.6
Profit after income tax	64.0	18.9	nm	190.7	161.3	18.2
less: Minority interests	0.9	0.3	200.0	2.3	1.9	21.1
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	63.1	18.6	nm	188.4	159.4	18.2
Basic earnings per share (in Singapore cents)	13 cents	4 cents		40 cents	34 cents	
Diluted earnings per share (in Singapore cents)	13 cents	4 cents		40 cents	34 cents	

^(1.1) Turnover for the Group is derived from the summation of components as follows: (i) Investment income, Interest income, Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) and Fees and other income from the Profit and Loss Statement; (ii) Gross premiums, Investment income, Interest income, Rental income and Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) from the Life Assurance Revenue Statement and (iii) Gross premiums, Investment income, Interest income and Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) from the General Insurance Revenue Statement.

nm - not meaningful / exceeding 200%

2 COMPANY PROFIT AND LOSS STATEMENTS for the third quarter and nine months ended 30 September

in Singapore Dollars (millions)	Third quarter ended 30 September			Nine months ended 30 September		
	2003	2002	% +/(-)	2003	2002	% +/(-)
Dividend from subsidiaries	-	-	-	-	87.3	(100.0)
Investment income	0.3	1.4	(78.6)	1.1	3.6	(69.4)
Interest income	0.4	0.5	(20.0)	0.6	1.7	(64.7)
(Loss)/gain on sale of investments and changes in fair value	(0.1)	(0.1)	-	(2.3)	3.8	(160.5)
Exchange differences	(0.1)	0.8	(112.5)	0.1	1.2	(91.7)
Profit/(loss) from investments	0.5	2.6	(80.8)	(0.5)	97.6	(100.5)
Fees and other income	0.1	0.3	(66.7)	0.3	0.3	-
Profit/(loss) before expenses	0.6	2.9	(79.3)	(0.2)	97.9	(100.2)
less: Management expenses	0.7	0.7	-	2.2	1.6	37.5
(Loss)/profit before income tax	(0.1)	2.2	(104.5)	(2.4)	96.3	(102.5)
less: Income tax	-	0.8	(100.0)	(0.6)	26.9	(102.2)
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS	(0.1)	1.4	(107.1)	(1.8)	69.4	(102.6)

3 SELECTED MANAGEMENT EXPENSES for the nine months ended 30 September

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds				Life Assurance Fund	
	Nine months ended 30 September					
	2003	2002	2003	2002		
Directors' remuneration	0.4	0.3	1.2	1.1		
Fees paid to a director of the Company for professional services rendered	-	-	0.2	-		
Auditors' remuneration						
Audit fees paid to auditors of the Company	0.4	0.2	0.4	0.1		
Other fees paid to auditors ^(3.1)	0.2	0.1	0.8	0.2		
Staff costs	9.7	8.0	55.9	44.7		
Rental expense	1.1	1.7	8.9	10.4		

^(3.1) Other fees paid to auditors were approved by the Audit Committee.

4 **GROUP FINANCIAL HIGHLIGHTS for the nine months ended 30 September**

		Nine months ended 30 September		
		2003	2002	% +/(-)
Turnover	(S\$millions)	3,951.6	4,689.6	(15.7)
Gross Premiums	(S\$millions)	3,404.4	3,632.1	(6.3)
Total Assets as at 30 September	(S\$millions)	30,850.1	26,621.1	15.9
Profit Attributable to Shareholders	(S\$millions)	188.4	159.4	18.2
Shareholders' Fund as at 30 September	(S\$millions)	1,853.0	1,557.5	19.0
Profit After Tax before Minority Interests as a % of Turnover	%	4.8%	3.4%	1.4 pp
Return on Equity (average Shareholders' Fund)	%	10.8%	10.3%	0.5 pp
Gross Premium Growth	%	-6.3%	-15.2%	8.9 pp

5 **BALANCE SHEETS as at 30 September 2003 and 31 December 2002**

	Group			Company		
	30 Sep 2003	31 Dec 2002	% +/(-)	30 Sep 2003	31 Dec 2002	% +/(-)
in Singapore Dollars (millions)						
Property, plant and equipment	1,561.2	1,505.8	3.7	0.1	0.1	-
Investments	24,810.2	21,477.1	15.5	-	218.2	(100.0)
Subsidiary companies	-	-	-	1,240.9	1,217.5	1.9
Associated companies	177.5	160.8	10.4	-	-	-
Outstanding premiums	220.0	160.2	37.3	-	-	-
Other debtors and interfund balances	835.8	677.1	23.4	0.3	1.5	(80.0)
Cash on deposit	2,539.1	3,129.2	(18.9)	301.6	169.5	77.9
Cash and bank balances	706.3	236.1	199.2	(2.0)	5.2	(138.5)
Total Assets	30,850.1	27,346.3	12.8	1,540.9	1,612.0	(4.4)
Represented by :						
Share capital	235.7	235.7	-	235.7	235.7	-
Share premium	0.6	-	nm	0.6	-	nm
Reserves						
Merger reserve	141.9	141.9	-	620.0	620.0	-
Translation reserve	(6.6)	(6.5)	(1.5)	-	-	-
Fair value reserve	61.1	(50.2)	nm	-	(7.5)	100.0
Accumulated profit	1,420.3	1,309.1	8.5	684.1	763.1	(10.4)
Shareholders' Fund	1,853.0	1,630.0	13.7	1,540.4	1,611.3	(4.4)
Life Assurance Fund	26,345.8	23,347.7	12.8	-	-	-
General Insurance Fund	142.2	123.6	15.0	-	-	-
Minority interests	12.3	10.2	20.6	-	-	-
Provision for deferred tax	160.2	2.7	nm	(0.3)	(1.8)	83.3
Provision for agents' retirement benefits	135.1	128.5	5.1	-	-	-
Claims admitted or intimated	118.3	96.3	22.8	-	-	-
Policy benefits	1,067.6	1,000.7	6.7	-	-	-
Unearned premium reserve	41.2	34.1	20.8	-	-	-
Other creditors and interfund balances	841.0	796.8	5.5	1.3	1.0	30.0
Provision for income tax	133.4	175.7	(24.1)	(0.5)	1.5	(133.3)
	30,850.1	27,346.3	12.8	1,540.9	1,612.0	(4.4)
Net Asset Value per share	(S\$) 3.93	3.46	13.6	3.27	3.42	(4.4)

6 GROUP STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September

in Singapore Dollars (millions)	Share Capital	Share Premium	General and Accident Reserve	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2002	235.7	-	792.5	245.9	4.1	-	253.0	1,531.2
Effect of adopting FRS 39:								
Reversal of provision for diminution in value of investments and other adjustments	-	-	-	-	-	-	7.3	7.3
Fair value changes on remeasuring held-for-trading investments	-	-	-	-	-	-	0.7	0.7
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	8.3	-	8.3
Effect of adopting FRS 12:								
Deferred tax on fair value changes	-	-	-	(25.6)	-	(0.5)	(0.1)	(26.2)
Balance at 1 January 2002, as restated	235.7	-	792.5	220.3	4.1	7.8	260.9	1,521.3
Exchange differences arising on translation of overseas entities	-	-	-	-	(2.7)	-	-	(2.7)
Net profit for the period	-	-	-	-	-	-	80.4	80.4
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	64.6	-	64.6
Deferred tax on fair value changes	-	-	-	-	-	(15.7)	-	(15.7)
Deferred tax - effect of change in tax rate	-	-	-	2.6	-	0.1	-	2.7
Balance at 31 March 2002	235.7	-	792.5	222.9	1.4	56.8	341.3	1,650.6
Exchange differences arising on translation of overseas entities	-	-	-	-	(2.1)	-	-	(2.1)
Net profit for the period	-	-	-	-	-	-	60.4	60.4
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	(48.6)	-	(48.6)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	-	(11.6)	-	(11.6)
Deferred tax on fair value changes	-	-	-	-	-	14.8	-	14.8
Transfer from General and Accident Reserve to Accumulated Profit	-	-	(100.0)	-	-	-	100.0	-
Dividends paid for the period:								
Final dividend for the previous year (net of 28% Malaysian Income Tax)	-	-	-	-	-	-	(40.7)	(40.7)
Balance at 30 June 2002	235.7	-	692.5	222.9	(0.7)	11.4	461.0	1,622.8
Exchange differences arising on translation of overseas entities	-	-	-	-	0.5	-	-	0.5
Net profit for the period	-	-	-	-	-	-	18.6	18.6
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	(82.0)	-	(82.0)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	-	0.5	-	0.5
Deferred tax on fair value changes	-	-	-	-	-	15.5	-	15.5
Dividends paid for the period:								
Interim dividend paid (net of 22% Singapore Income Tax)	-	-	-	-	-	-	(18.4)	(18.4)
Balance at 30 September 2002	235.7	-	692.5	222.9	(0.2)	(54.6)	461.2	1,557.5

6 GROUP STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September - continued

in Singapore Dollars (millions)	Share Capital	Share Premium	General and Accident Reserve	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2003	235.7	-	-	141.9	(6.5)	(50.2)	1,309.1	1,630.0
Exchange differences arising on translation of overseas entities	-	-	-	-	3.1	-	-	3.1
Net profit for the period	-	-	-	-	-	-	40.1	40.1
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	(15.8)	-	(15.8)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	-	1.5	-	1.5
Deferred tax on fair value changes	-	-	-	-	-	3.1	-	3.1
Issue of share capital	*	*	-	-	-	-	-	*
Balance at 31 March 2003	235.7	*	-	141.9	(3.4)	(61.4)	1,349.2	1,662.0
Exchange differences arising on translation of overseas entities	-	-	-	-	(0.3)	-	-	(0.3)
Net profit for the period	-	-	-	-	-	-	85.2	85.2
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	81.6	-	81.6
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	-	10.6	-	10.6
Deferred tax on fair value changes	-	-	-	-	-	(20.2)	-	(20.2)
Dividends paid for the period:								
Final dividend for the previous year (net of 22% Singapore Income Tax)	-	-	-	-	-	-	(55.1)	(55.1)
Issue of share capital	*	0.4	-	-	-	-	-	0.4
Balance at 30 June 2003	235.7	0.4	-	141.9	(3.7)	10.6	1,379.3	1,764.2
Exchange differences arising on translation of overseas entities	-	-	-	-	(2.9)	-	-	(2.9)
Net profit for the period	-	-	-	-	-	-	63.1	63.1
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	63.1	-	63.1
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	-	2.3	-	2.3
Deferred tax on fair value changes	-	-	-	-	-	(14.9)	-	(14.9)
Dividends paid for the period:								
Interim dividend paid (net of 22% Singapore Income Tax)	-	-	-	-	-	-	(22.1)	(22.1)
Issue of share capital	*	0.2	-	-	-	-	-	0.2
Balance at 30 September 2003	235.7	0.6	-	141.9	(6.6)	61.1	1,420.3	1,853.0

* amount is less than S\$0.1 million

7 **COMPANY STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September**

in Singapore Dollars (millions)	Share Capital	Share Premium	General Reserve	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2002	235.7	-	152.8	701.0	-	167.6	1,257.1
Effect of adopting FRS 39:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	2.7	-	2.7
Effect of adopting FRS 12:							
Deferred tax on fair value changes	-	-	-	-	(0.7)	-	(0.7)
Balance at 1 January 2002, as restated	235.7	-	152.8	701.0	2.0	167.6	1,259.1
Net profit for the period	-	-	-	-	-	1.6	1.6
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	0.2	-	0.2
Deferred tax on fair value changes	-	-	-	-	(0.1)	-	(0.1)
Balance at 31 March 2002	235.7	-	152.8	701.0	2.1	169.2	1,260.8
Net profit for the period	-	-	-	-	-	66.4	66.4
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(1.6)	-	(1.6)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(3.6)	-	(3.6)
Deferred tax on fair value changes	-	-	-	-	1.3	-	1.3
Dividends paid for the period:							
Final dividend for the previous year (net of 28% Malaysian Income Tax)	-	-	-	-	-	(40.7)	(40.7)
Balance at 30 June 2002	235.7	-	152.8	701.0	(1.8)	194.9	1,282.6
Net profit for the period	-	-	-	-	-	1.4	1.4
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(9.4)	-	(9.4)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(0.5)	-	(0.5)
Deferred tax on fair value changes	-	-	-	-	2.1	-	2.1
Dividends paid for the period:							
Interim dividend paid (net of 22% Singapore Income Tax)	-	-	-	-	-	(18.4)	(18.4)
Balance at 30 September 2002	235.7	-	152.8	701.0	(9.6)	177.9	1,257.8

7 COMPANY STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September - continued

in Singapore Dollars (millions)	Share Capital	Share Premium	General Reserve	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2003	235.7	-	-	620.0	(7.5)	763.1	1,611.3
Net profit for the period	-	-	-	-	-	0.6	0.6
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(2.8)	-	(2.8)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(0.1)	-	(0.1)
Deferred tax on fair value changes	-	-	-	-	0.6	-	0.6
Issue of share capital	*	*	-	-	-	-	*
Balance at 31 March 2003	235.7	*	-	620.0	(9.8)	763.7	1,609.6
Net profit for the period	-	-	-	-	-	(2.3)	(2.3)
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(3.1)	-	(3.1)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	12.7	-	12.7
Deferred tax on fair value changes	-	-	-	-	(2.1)	-	(2.1)
Dividends paid for the period:							
Final dividend for the previous year (net of 22% Singapore Income Tax)	-	-	-	-	-	(55.1)	(55.1)
Issue of share capital	*	0.4	-	-	-	-	0.4
Balance at 30 June 2003	235.7	0.4	-	620.0	(2.3)	706.3	1,560.1
Net profit for the period	-	-	-	-	-	(0.1)	(0.1)
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	2.9	-	2.9
Deferred tax on fair value changes	-	-	-	-	(0.6)	-	(0.6)
Dividends paid for the period:							
Interim dividend paid (net of 22% Singapore Income Tax)	-	-	-	-	-	(22.1)	(22.1)
Issue of share capital	*	0.2	-	-	-	-	0.2
Balance at 30 September 2003	235.7	0.6	-	620.0	-	684.1	1,540.4

* amount is less than S\$0.1 million

8 **CONSOLIDATED STATEMENT OF CASH FLOWS for the third quarter and nine months ended 30 September**

in Singapore Dollars (millions)	Third quarter ended 30 September		Nine months ended 30 September	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	85.6	24.8	251.1	215.9
Excess of income over expenses before income tax from life assurance revenue statement	956.7	587.3	2,072.9	2,422.9
Excess of income over expenses before income tax from general insurance revenue statement	9.6	3.1	21.6	38.3
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(57.0)	(12.5)	(167.3)	(130.1)
Profit transferred from general insurance fund but not yet withdrawn	(8.6)	(4.4)	(18.7)	(37.9)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	-	(6.4)	(4.8)	(14.3)
(Gain)/loss on sale of investments and changes in fair value	(148.9)	175.6	97.9	(45.0)
Increase in/(write-back of) provision for impairment	-	4.7	(30.0)	5.7
Provision for agents' retirement benefits	3.7	0.7	10.7	9.0
Increase in loss reserves	0.5	1.0	1.8	3.3
Depreciation	5.7	7.5	16.8	19.9
Exchange difference	26.4	-	(58.5)	-
	873.7	781.4	2,193.5	2,487.7
Changes in working capital:				
Outstanding premiums	(95.0)	(19.2)	(59.8)	15.4
Other debtors and interfund balances	(97.3)	(39.0)	(158.7)	(359.2)
Claims admitted or intimated	2.8	4.4	22.0	8.8
Policy benefits	13.4	33.0	66.9	69.4
Unearned premium reserve	0.8	2.2	7.4	5.6
Other creditors and interfund balances	51.8	70.3	44.2	391.3
Cash generated from operations	750.2	833.1	2,115.5	2,619.0
Income tax paid	(31.7)	(34.1)	(134.3)	(95.1)
Agents' retirement benefits paid	(1.2)	-	(3.6)	(1.9)
Net cash flows from operating activities	717.3	799.0	1,977.6	2,522.0
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	1,625.2	1,288.9	6,470.9	7,588.8
Purchase of investments	(2,226.6)	(2,450.1)	(8,397.3)	(10,078.4)
Proceeds from sale of property, plant and equipment	0.1	-	0.1	0.2
Capital injection in associated company	-	-	(4.9)	-
Repayment of loan by associated company	0.8	-	18.2	-
Purchase of property, plant and equipment	(28.2)	(35.0)	(73.1)	(479.2)
Net cash flows for investing activities	(628.7)	(1,196.2)	(1,986.1)	(2,968.6)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(22.1)	(18.4)	(77.2)	(59.1)
Dividends paid to minority shareholder of a subsidiary	-	-	-	(0.5)
Issue of shares	0.2	-	0.6	-
Net cash flows for financing activities	(21.9)	(18.4)	(76.6)	(59.6)
Net effect of translation reserve adjustment	(160.1)	52.4	(34.8)	(271.6)
Net decrease in cash and cash equivalents	(93.4)	(363.2)	(119.9)	(777.8)
Cash and cash equivalents at the beginning of the period	3,338.8	3,154.9	3,365.3	3,569.5
Cash and cash equivalents at the end of the period	3,245.4	2,791.7	3,245.4	2,791.7

Cash and cash equivalents consist of cash, bank balances and cash on deposit.

9 GROUP SEGMENTAL INFORMATION for the nine months ended 30 September

(1) By Geographical Segments

in Singapore Dollars (millions)	Nine months ended 30 September							
	Singapore		Malaysia		Other ASEAN		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
(a) Life Assurance Fund								
Premium income (net)	2,130.9	2,355.9	1,108.7	1,141.1	13.1	12.3	3,252.7	3,509.3
Investment, interest and rental income	469.0	388.5	363.2	307.8	4.5	3.4	836.7	699.7
(Loss)/gain on sale of investments and changes in fair value	(153.8)	(57.5)	54.8	66.3	(1.3)	(1.6)	(100.3)	7.2
Write-back of/(increase in) provision for impairment	30.0	(5.7)	-	-	-	-	30.0	(5.7)
Total income	2,476.1	2,681.2	1,526.7	1,515.2	16.3	14.1	4,019.1	4,210.5
Claims, surrenders and annuities	1,091.2	883.1	498.9	504.0	10.4	8.4	1,600.5	1,395.5
Commissions and expenses	119.2	160.0	223.4	227.9	3.1	4.2	345.7	392.1
Income tax	(22.7)	24.8	39.1	27.4	(0.1)	0.2	16.3	52.4
Total expenses	1,187.7	1,067.9	761.4	759.3	13.4	12.8	1,962.5	1,840.0
Excess of income over expenses	1,288.4	1,613.3	765.3	755.9	2.9	1.3	2,056.6	2,370.5
Total assets employed	18,443.7	15,720.5	9,867.8	8,645.7	174.5	158.5	28,486.0	24,524.7
Property, plant and equipment	1,308.5	1,282.5	248.6	237.0	0.2	0.2	1,557.3	1,519.7
Investments:	14,751.0	12,765.1	8,657.6	7,449.9	116.6	86.5	23,525.2	20,301.5
i. Quoted government securities, loan stocks and bonds	6,275.2	5,414.3	1,694.7	2,464.3	23.0	7.1	7,992.9	7,885.7
ii. Quoted equity in corporations	5,122.9	4,304.5	3,116.2	2,420.6	57.4	47.3	8,296.5	6,772.4
iii. Unquoted equity in corporations	51.8	43.8	9.0	2.1	0.5	0.6	61.3	46.5
iv. Other unquoted investments	1,246.0	1,094.4	2,562.8	1,365.5	14.4	12.5	3,823.2	2,472.4
v. Unit trusts	496.4	249.6	7.7	-	1.8	-	505.9	249.6
vi. Derivatives and embedded derivatives	151.8	(8.7)	25.9	-	1.5	-	179.2	(8.7)
vii. Policy loans	811.6	792.0	1,010.4	968.0	18.0	19.0	1,840.0	1,779.0
viii. Unsecured loans	0.2	15.0	0.3	2.6	-	-	0.5	17.6
ix. Secured loans	595.1	860.2	230.6	226.8	-	-	825.7	1,087.0
Cash and bank balances	1,800.6	1,405.4	775.4	801.4	54.5	69.7	2,630.5	2,276.5
Life Assurance Fund	17,262.9	14,535.8	8,915.3	7,802.8	167.6	150.7	26,345.8	22,489.3
Provision for deferred tax	36.0	(79.4)	72.8	32.2	(0.3)	-	108.5	(47.2)
Provision for agents' retirement benefits	-	-	134.3	128.2	0.8	0.8	135.1	129.0
Claims admitted or intimated	48.5	42.8	69.2	69.0	0.3	0.7	118.0	112.5
Policy benefits	563.1	523.9	498.1	447.0	6.4	6.3	1,067.6	977.2
Other creditors and interfund balances	549.0	643.8	181.6	161.4	(0.4)	(0.2)	730.2	805.0
Provision for income tax	(15.8)	53.4	(3.4)	5.1	-	0.4	(19.2)	58.9
(b) General Insurance Fund								
Premium income (net)	41.7	37.0	25.4	21.6	0.1	0.5	67.2	59.1
Increase in unearned premium reserve during the period	(5.5)	(4.4)	(1.9)	(1.3)	-	0.1	(7.4)	(5.6)
Claims and increase in loss reserve	(15.6)	(22.4)	(13.4)	(11.3)	(0.2)	(0.1)	(29.2)	(33.8)
Commissions and expenses	(12.8)	(13.1)	(7.2)	(5.9)	(0.4)	(0.4)	(20.4)	(19.4)
Net underwriting profit/(loss)	7.8	(2.9)	2.9	3.1	(0.5)	0.1	10.2	0.3
Investment income	6.7	33.1	4.7	4.9	-	-	11.4	38.0
Total assets employed	175.4	205.5	114.5	110.3	4.1	4.1	294.0	319.9

9 GROUP SEGMENTAL INFORMATION for the nine months ended 30 September - continued

(1) By Geographical Segments

in Singapore Dollars (millions)	Singapore		Malaysia		Other ASEAN		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
(c) Shareholders' Fund								
Profit/(loss) from insurance operations	84.3	76.4	102.4	93.2	(0.7)	(1.6)	186.0	168.0
Profit from investments ^(9.1)	163.0	34.2	5.1	4.4	-	0.5	54.8	39.1
Fees and other income	20.2	17.6	-	-	-	-	20.2	17.6
Total income ^(9.1)	267.5	128.2	107.5	97.6	(0.7)	(1.1)	261.0	224.7
Profit/(loss) attributable to shareholders ^(9.2)	193.2	90.0	77.5	70.5	(0.7)	(1.1)	188.4	159.4
Total assets employed ^(9.3)	1,900.0	1,597.4	203.4	214.7	12.2	12.4	2,070.1	1,776.5

^(9.1) elimination of inter-segment transactions - 2003: \$113.3 million (2002: nil)

^(9.2) elimination of inter-segment transactions - 2003: \$81.6 million (2002: nil)

^(9.3) elimination of inter-segment transactions - 2003: \$45.5 million (2002: \$48.0 million)

(2) By Business Segments

in Singapore Dollars (millions)	Nine months ended 30 September					
	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	2003	2002	2003	2002	2003	2002
Premium income (net)	2,924.9	3,183.1	327.8	326.2	3,252.7	3,509.3
Investment, interest and rental income	799.0	672.7	37.7	27.0	836.7	699.7
(Loss)/gain on sale of investments and changes in fair value	(309.7)	259.5	209.4	(252.3)	(100.3)	7.2
Write-back of/(increase in) provision for impairment	30.0	(5.7)	-	-	30.0	(5.7)
Total income	3,444.2	4,109.6	574.9	100.9	4,019.1	4,210.5
Claims, surrenders and annuities	1,393.6	1,306.9	206.9	88.6	1,600.5	1,395.5
Commissions and expenses	305.1	350.6	40.6	41.5	345.7	392.1
Income tax	13.1	50.4	3.2	2.0	16.3	52.4
Total expenses	1,711.8	1,707.9	250.7	132.1	1,962.5	1,840.0
Excess of income over expenses	1,732.4	2,401.7	324.2	(31.2)	2,056.6	2,370.5

10 REVIEW OF FINANCIAL RESULTS

Consolidated Group Financial Results

- 10.1 Group profit attributable to shareholders for the third quarter of 2003 increased to S\$63.1 million, from S\$18.6 million in the third quarter of 2002. For the nine months ended 30 September 2003, the increase was 18.2% to S\$188.4 million, from S\$159.4 million for the same period in 2002. The improved performance was principally due to general improvement in the economic climate and in the equity markets during the third quarter this year.
- 10.2 Profits from the life assurance operations, pre-tax, contributed by the Participating, Non-Participating and Investment-Linked Funds, totalled S\$57.0 million for the third quarter this year and S\$167.3 million for the nine months to September this year. The 2003 performance was within expectation compared to the lower pre-tax life assurance profits last year, of S\$12.5 million for the third quarter and S\$130.1 million for the nine months to September 2002, which were adversely affected by the equity market downturn, in particular to the Non-Participating Fund. The Non-Participating Fund, which made a pre-tax profit of S\$29.6 million for the third quarter 2003, turned in a pre-tax loss of S\$9.7 million for the third quarter 2002.
- 10.3 Profit from General Insurance, pre-tax, increased 95.5% to S\$8.6 million for the third quarter 2003 arising from improved underwriting profit, but showed a decrease of 50.7% to S\$18.7 million for the nine months to September 2003. The 50.7% decrease was due mainly to a non-recurring profit in the first quarter of 2002 which arose from sale of certain investments of the General Insurance Fund.
- 10.4 Group gross premiums from the insurance operations increased 11.5% to S\$1,354.3 million for the third quarter this year due to increased sales with the gradual recovery of the economy. However, premiums decreased 6.3% to S\$3,404.4 million for the nine months to September 2003, resulting from weaker single premium sales during the difficult first quarter this year.
- 10.5 Profit from investments in 2003 for the third quarter and for the nine months improved 100.0% to S\$15.6 million and 40.2% to S\$54.8 million respectively, arising from non-recurring dividends received and the general improvement in the equity markets in 2003. The exchange loss of S\$5.6 million in the third quarter of 2003 reflected largely the strengthening of the Singapore dollar against the US dollar.
- 10.6 The effective Group income tax rate for the nine months ended 30 September 2003 was 24.0%, which was slightly lower than the tax rate of 25.3% for the corresponding period last year, due mainly to a tax refund of S\$2.5 million.
- 10.7 Total Group assets as at 30 September 2003 amounted to S\$30,850 million, 12.8% higher than S\$27,346 million as at 31 December 2002. The Group net asset value per share of S\$3.93 as at 30 September 2003 was 13.6% higher than S\$3.46 as at 31 December 2002.

Company Financial Results

- 10.8 At Company level, for the nine months ended 30 September 2003, there was a loss of S\$1.8 million as compared to a profit of S\$69.4 million for the corresponding period last year due to dividends received last year from subsidiaries which amounted to S\$87.3 million.
- 11 The Group and Company financial statements for the third quarter and for the nine months ended 30 September 2003 have not been audited or reviewed by the Group's auditors.

12 ACCOUNTING POLICIES AND STANDARDS

- 12.1 The Group Profit and Loss Statement for the third quarter of 2003 and nine months ended 30 September 2003 and the Balance Sheet as at 30 September 2003 have been prepared based on the same accounting policies and methods of computation used to prepare the Group's financial statements for the year ended 31 December 2002, except as disclosed in paragraphs 12.2 to 12.4 below.
- 12.2 With effect from 1 January 2003, the Group complied with Financial Reporting Standards ("FRS") of Singapore which replaced the Singapore Statements of Accounting Standards ("SAS") adopted by the Group before FRS came into effect. There were no material differences arising from the compliance with FRS except for the following:-
- 12.3 The Group had accounted for its interest in associated companies using the Equity Accounting method, in accordance with FRS 28. Equity accounting of profits was exempted under SAS 27, now replaced by FRS 28. There are two associated companies within the Group.

The Group had in prior periods provided for impairment of secured loans to one of the associated companies in the Life Assurance Fund in accordance with Insurance Regulations in Singapore. There was a write back of the impairment provision during the second quarter of 2003 amounting to S\$30.0 million. As the remaining balance of this impairment provision of S\$36.1 million as at 30 September 2003 was in excess of the Group's share of losses of S\$24.9 million of the associated company, there was in effect no net financial impact to the Group with the adoption of FRS 28. However, a reclassification of S\$24.9 million was made from "provision for impairment of secured loans" to "share of losses of associated company". The Group's share of profits of the other associated company for the nine months ended 30 September 2003 was not material but would be accounted for at the end of the current financial year, in accordance with FRS 28.

12 ACCOUNTING POLICIES AND STANDARDS - continued

- 12.4 In accordance with FRS 21, the Group had with effect from 1 January 2003, changed the accounting basis for translating revenues and expenses of foreign entities from using exchange rates ruling at balance sheet date to average exchange rates. This change in accounting policy was adopted from 1 January 2003 as the effect of restatement of the Profit and Loss Statement, Life Assurance and General Insurance Revenue Statements on retrospective application was not material.
- 12.5 As disclosed in the Group's previous announcements of the financial results in 2002, the Group had with effect from 1 January 2002 adopted FRS 39 (previously SAS 33), Financial Instruments: Recognition and Measurement, before its effective date. The same basis has been used to prepare the Group's financial statements for the third quarter and for the nine months ended 30 September 2003.

13 CONDITIONS AND KNOWN FACTORS THAT MAY AFFECT GROUP PERFORMANCE IN THE NEXT REPORTING PERIOD AND NEXT TWELVE MONTHS

The operating environment in the region has improved in the third quarter this year. The Group's performance in the next twelve months is expected to continue to be affected by a range of short and long term factors including volatility in the equity, foreign exchange and credit markets, low interest rates and the performance of the economies in which the Group operates.

14 CHANGES IN ISSUED SHARE CAPITAL

During the third quarter ended 30 September 2003, the Company issued 34,900 new ordinary shares of 50 cents each arising from the exercise of share options granted under the Great Eastern Holdings Executives' Share Option Scheme ("the Scheme").

As at 30 September 2003, there were unexercised options for 6,475,350 (30 June 2003: 6,617,850) unissued ordinary shares of 50 cents each under the Scheme.

15 BORROWINGS, CONTINGENT LIABILITIES AND LONG TERM LIABILITIES

There were no borrowings or contingent liabilities for the Group as at 30 September 2003 (31 December 2002: nil) as the Group has strong liquidity for its business operations.

Liabilities in relation to the provision of long term financial protection and financial services have been computed in accordance with provisions of the Insurance Regulations in the respective jurisdictions in which the Group operates. The long term liability reserves and fund surplus reserves in the insurance funds are as set out below:

	Life Assurance Fund		General Insurance Fund	
	30 Sep 2003	31 Dec 2002	30 Sep 2003	31 Dec 2002
in Singapore Dollars (millions)				
Long Term Liability Reserves	22,826.8	20,970.7	54.0	52.1
Fund Surplus Reserves	3,519.0	2,377.0	88.2	71.5
	26,345.8	23,347.7	142.2	123.6

16 INTERIM DIVIDEND

No interim dividend in respect of the third quarter of 2003 (third quarter 2002: nil) has been declared.

BY ORDER OF THE BOARD

Elizabeth Teoh
Group Secretary
Singapore
6 November 2003