

GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No 199903008M)



To Our Shareholders

The Board of Directors of Great Eastern Holdings Limited ("GEH") wishes to announce the following:

Unaudited Financial Results of GEH Group for the Third Quarter and for the Nine Months Ended 30 September 2008

For the quarter ended 30 September 2008, GEH Group reported Group profit attributable to shareholders of \$135.2 million, up 9% from a year ago. The Group profit attributable to shareholders for the nine months ended 30 September 2008 was \$195.9 million which declined 51% compared to the corresponding nine months in 2007. Details of the financial results are attached.

Dividend

No interim dividend has been declared in the third quarter of 2008 (third quarter 2007: nil).

Confirmation by Directors pursuant to Rule 705(4) of the Listing Manual

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Company and of the Group for the third quarter ended 30 September 2008 to be false or misleading in any material aspect.

Elizabeth Teoh
Group Company Secretary

Singapore, 3 November 2008

The Group financial results are also available on the Company's website at www.lifeisgreat.com.sg.

GREAT EASTERN HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199903008M)

FINANCIAL RESULTS FOR THIRD QUARTER

1 GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	9 Months 2008	9 Months 2007	% +/(-)	3rd Quarter 2008	3rd Quarter 2007	% +/(-)
Turnover ⁽¹⁾	7,542.5	6,757.0	12	2,512.8	2,222.7	13
Gross Premiums	5,721.9	4,149.0	38	2,136.1	1,391.6	53
Life assurance profit from:						
Participating Fund	74.9	72.2	4	25.5	23.2	10
Non-participating Fund	62.5	207.9	(70)	103.2	64.8	59
Investment-linked Fund	47.6	49.1	(3)	16.2	19.2	(16)
Profit from life assurance	185.0	329.2	(44)	144.9	107.2	35
Profit from general insurance	8.2	23.8	(66)	-	5.9	(100)
Profit from insurance operations	193.2	353.0	(45)	144.9	113.1	28
Investment income, net	88.6	66.5	33	28.3	20.3	39
Gain on sale of investments and changes in fair value	9.1	35.8	(75)	(13.9)	9.0	nm
(Increase) / Decrease in provision for impairment of assets	(13.0)	0.1	nm	(9.8)	0.1	nm
(Loss) / Gain in exchange differences	(15.3)	(2.8)	nm	1.0	(3.0)	nm
Profit from investments	69.4	99.6	(30)	5.6	26.4	(79)
Fees and other income	62.7	83.6	(25)	20.0	24.5	(18)
Profit before expenses	325.3	536.2	(39)	170.5	164.0	4
less:						
Management and other expenses	69.0	56.0	23	20.7	16.0	29
Depreciation	0.7	0.8	(13)	0.3	0.2	50
Expenses	69.7	56.8	23	21.0	16.2	30
Profit after expenses	255.6	479.4	(47)	149.5	147.8	1
Share of (loss) / profit of associates	(2.7)	4.0	(168)	(1.6)	(0.1)	nm
Share of loss of joint ventures	(2.5)	(1.7)	(47)	(1.1)	(0.3)	nm
	250.4	481.7	(48)	146.8	147.4	(0)
less: Income tax	44.7	66.5	(33)	8.3	18.9	(56)
Net profit after income tax	205.7	415.2	(50)	138.5	128.5	8
Attributable to:						
Shareholders	195.9	402.3	(51)	135.2	124.4	9
Minority interest	9.8	12.9	(24)	3.3	4.1	(20)
	205.7	415.2	(50)	138.5	128.5	8
Basic and diluted earnings per share (in Singapore Dollars)	\$0.41	\$0.85	(52)	\$0.28	\$0.26	8

nm - not meaningful / exceeding 200%

⁽¹⁾ Turnover for the Group is derived from the summation of components as follows: (i) Gross investment income, Interest income, Gain/(loss) on sale of investments (excluding fair value changes on fair value through profit and loss investments and investment properties) and Fees and other income from the Profit and Loss Statement; (ii) Gross premiums, Commission Income, Gross investment income, Interest income, Rental income and Gain/(loss) on sale of investments (excluding fair value changes on fair value through profit and loss investments and investment properties) from the Life Assurance Revenue Statement and (iii) Gross premiums, Commission Income, Gross investment income, Interest income and Gain/(loss) on sale of investments (excluding fair value changes on fair value through profit and loss investments and investment properties) from the General Insurance Revenue Statement.

2 BALANCE SHEETS

in Singapore Dollars (millions)	Group			Company		
	30 September 2008	31 December 2007	% + / (-)	30 September 2008	31 December 2007	% + / (-)
Share capital	247.4	247.4	-	247.4	247.4	-
Reserves						
Merger reserve	15.8	15.8	-	435.0	435.0	-
Translation reserve	(20.9)	(17.4)	(20)	-	-	-
Fair value reserve	(33.3)	210.0	(116)	-	-	-
Accumulated profit	2,779.8	2,830.0	(2)	508.6	709.6	(28)
SHAREHOLDERS' FUND	2,988.8	3,285.8	(9)	1,191.0	1,392.0	(14)
MINORITY INTEREST	27.2	32.9	(17)	-	-	-
TOTAL EQUITY	3,016.0	3,318.7	(9)	1,191.0	1,392.0	(14)
LIABILITIES						
Income tax	261.9	259.3	1	(0.6)	(0.7)	14
Other creditors and interfund balances	1,550.1	1,443.9	7	5.2	4.5	16
Reinsurance liabilities	88.0	67.8	30	-	-	-
Unexpired risk reserve	69.7	59.7	17	-	-	-
Policy benefits	1,804.5	1,645.2	10	-	-	-
Claims admitted or intimated	191.3	165.3	16	-	-	-
Agents' retirement benefits	179.3	183.6	(2)	-	-	-
Deferred tax	603.9	1,019.1	(41)	-	-	-
General insurance fund	106.3	109.1	(3)	-	-	-
Life assurance fund	36,844.3	38,243.7	(4)	-	-	-
TOTAL EQUITY AND LIABILITIES	44,715.3	46,515.4	(4)	1,195.6	1,395.8	(14)
ASSETS						
Cash and cash equivalents	4,116.1	2,768.3	49	16.1	19.1	(16)
Other debtors and interfund balances	1,280.4	1,365.8	(6)	-	-	-
Outstanding premiums	228.9	168.7	36	-	-	-
Reinsurance assets	83.7	79.0	6	-	-	-
Loans	3,699.6	3,469.2	7	-	-	-
Investments	32,810.5	35,993.7	(9)	-	-	-
Associates and joint ventures	501.5	581.9	(14)	-	-	-
Subsidiaries	-	-	-	651.3	635.6	2
Amounts due from subsidiaries, associates and joint ventures	5.2	66.3	(92)	527.9	740.8	(29)
Goodwill	25.5	25.5	-	-	-	-
Property, plant and equipment	799.6	818.7	(2)	0.3	0.3	-
Investment properties	1,164.3	1,178.3	(1)	-	-	-
TOTAL ASSETS	44,715.3	46,515.4	(4)	1,195.6	1,395.8	(14)
Net Asset Value per share (in Singapore Dollars)	6.31	6.94	(9)	2.52	2.94	(14)

nm - not meaningful / exceeding 200%

3 SELECTED MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		Life Assurance Fund	
	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007
	1 Directors' remuneration - Directors of the Company	0.4	0.4	1.8
2 Auditors' remuneration - Other fees paid to Ernst & Young, Singapore	0.1	-	0.1	0.1
3 Staff costs and related expenses (Including key management personnel compensation)	41.5	34.6	106.4	86.3
4 Rental expense	2.1	2.0	12.6	9.6
5 Depreciation	1.0	1.2	38.2	31.6

4 GROUP FINANCIAL HIGHLIGHTS

		Group		
		9 Months 2008	9 Months 2007	% + / (-)
1 Turnover	(S\$millions)	7,542.5	6,757.0	12
2 Gross Premiums	(S\$millions)	5,721.9	4,149.0	38
3 Total Assets	(S\$millions)	44,715.3	45,704.7	(2)
4 Profit Attributable to Shareholders	(S\$millions)	195.9	402.3	(51)
5 Shareholders' Fund	(S\$millions)	2,988.8	3,148.0	(5)
6 Profit After Tax before Minority Interests as a % of Turnover	%	2.7%	6.1%	-3.4 pp
7 Return on Equity (Average Shareholders' Fund)	%	6.2%	13.2%	-7 pp
8 Gross Premium Growth	%	37.9%	7.8%	30.1 pp

5 GROUP STATEMENT OF CHANGES IN EQUITY for the 9 months ended 30 September

in Singapore Dollars (millions)	Attributable to shareholders of the Company					Total	Minority Interest	Total Equity
	Share Capital	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit			
Balance at 1 January 2008	247.4	15.8	(17.4)	210.0	2,830.0	3,285.8	32.9	3,318.7
Net profit/(loss) recognised directly in equity for period ended 30 September 2008:								
Exchange differences arising on translation of overseas entities	-	-	(3.5)	-	-	(3.5)	0.2	(3.3)
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	(268.3)	-	(268.3)	(0.1)	(268.4)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(29.2)	-	(29.2)	-	(29.2)
Deferred tax on fair value changes	-	-	-	54.1	-	54.1	-	54.1
Deferred tax - effect of change in tax rate	-	-	-	0.1	-	0.1	-	0.1
Net profit / (loss) recognised directly in equity	-	-	(3.5)	(243.3)	-	(246.8)	0.1	(246.7)
Net profit for the period	-	-	-	-	195.9	195.9	9.8	205.7
Total recognised profit / (loss) for the period	-	-	(3.5)	(243.3)	195.9	(50.9)	9.9	(41.0)
Dividends paid during the period:								
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	-	-	(198.8)	(198.8)	-	(198.8)
Interim tax exempt (one-tier) dividend	-	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to minority interest	-	-	-	-	-	-	(8.4)	(8.4)
Liquidation proceeds paid to minority interest	-	-	-	-	-	-	(7.2)	(7.2)
Balance at 30 September 2008	247.4	15.8	(20.9)	(33.3)	2,779.8	2,988.8	27.2	3,016.0
Balance at 1 January 2007	247.4	125.8	(20.3)	146.8	2,435.7	2,935.4	33.0	2,968.4
Net profit/(loss) recognised directly in equity for period ended 30 September 2007:								
Exchange differences arising on translation of overseas entities	-	-	1.5	-	-	1.5	(1.0)	0.5
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	109.3	-	109.3	1.3	110.6
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(28.4)	-	(28.4)	-	(28.4)
Deferred tax on fair value changes	-	-	-	(14.6)	-	(14.6)	(0.2)	(14.8)
Deferred tax - effect of change in tax rate	-	-	-	5.1	-	5.1	-	5.1
Net profit recognised directly in equity	-	-	1.5	71.4	-	72.9	0.1	73.0
Net profit for the period	-	-	-	-	402.3	402.3	12.9	415.2
Total recognised profit for the period	-	-	1.5	71.4	402.3	475.2	13.0	488.2
Dividends paid during the period:								
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	-	-	(186.3)	(186.3)	-	(186.3)
Interim dividend paid (net of 18% Singapore Tax)	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Interim dividend paid (net of 27% Malaysia Tax)	-	-	-	-	(73.8)	(73.8)	-	(73.8)
Dividends paid to minority interest	-	-	-	-	-	-	(16.0)	(16.0)
Balance at 30 September 2007	247.4	125.8	(18.8)	218.2	2,575.4	3,148.0	30.0	3,178.0

5 GROUP STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September

in Singapore Dollars (millions)	Attributable to shareholders of the Company					Total	Minority Interest	Total Equity
	Share Capital	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit			
Balance at 1 July 2008	247.4	15.8	(35.7)	60.9	2,691.9	2,980.3	33.0	3,013.3
Net profit/(loss) recognised directly in equity for period ended 30 September 2008:								
Exchange differences arising on translation of overseas entities	-	-	14.8	-	-	14.8	0.3	15.1
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	(121.5)	-	(121.5)	(1.1)	(122.6)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	6.8	-	6.8	-	6.8
Deferred tax on fair value changes	-	-	-	20.5	-	20.5	0.2	20.7
Net profit/(loss) recognised directly in equity	-	-	14.8	(94.2)	-	(79.4)	(0.6)	(80.0)
Net profit for the period	-	-	-	-	135.2	135.2	3.3	138.5
Total recognised profit / (loss) for the period	-	-	14.8	(94.2)	135.2	55.8	2.7	58.5
Dividends paid during the period:								
Interim tax exempt (one-tier) dividend	-	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to minority interest	-	-	-	-	-	-	(8.4)	(8.4)
Liquidation proceeds paid to minority interest	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 30 September 2008	247.4	15.8	(20.9)	(33.3)	2,779.8	2,988.8	27.2	3,016.0
Balance at 1 July 2007	247.4	125.8	(14.0)	215.8	2,527.3	3,102.3	33.2	3,135.5
Net profit/(loss) recognised directly in equity for period ended 30 September 2007:								
Exchange differences arising on translation of overseas entities	-	-	(4.8)	-	-	(4.8)	(1.5)	(6.3)
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	8.6	-	8.6	1.3	9.9
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(5.5)	-	(5.5)	-	(5.5)
Deferred tax on fair value changes	-	-	-	(0.7)	-	(0.7)	(0.2)	(0.9)
Net profit recognised directly in equity	-	-	(4.8)	2.4	-	(2.4)	(0.4)	(2.8)
Net profit for the period	-	-	-	-	124.4	124.4	4.1	128.5
Total recognised profit for the period	-	-	(4.8)	2.4	124.4	122.0	3.7	125.7
Dividends paid during the period:								
Interim dividend (net of 18% Singapore Tax)	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Interim dividend (net of 27% Malaysia Tax)	-	-	-	-	(73.8)	(73.8)	-	(73.8)
Dividends paid to minority interest	-	-	-	-	-	-	(6.9)	(6.9)
Balance at 30 September 2007	247.4	125.8	(18.8)	218.2	2,575.4	3,148.0	30.0	3,178.0

6 COMPANY STATEMENT OF CHANGES IN EQUITY for the 9 months ended 30 September

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total
Balance at 1 January 2008	247.4	435.0	709.6	1,392.0
Net profit for the period	-	-	45.1	45.1
Dividends paid during the period:				
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	(198.8)	(198.8)
Interim tax exempt dividend	-	-	(47.3)	(47.3)
Balance at 30 September 2008	247.4	435.0	508.6	1,191.0
Balance at 1 January 2007	247.4	545.0	827.5	1,619.9
Net profit for the period	-	-	36.7	36.7
Dividends paid during the period:				
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	(186.3)	(186.3)
Interim dividend paid (net of 18% Singapore Tax)	-	-	(2.5)	(2.5)
Interim dividend paid (net of 27% Malaysia Tax)	-	-	(73.8)	(73.8)
Balance at 30 September 2007	247.4	545.0	601.6	1,394.0

6.1 COMPANY STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total
Balance at 1 July 2008	247.4	435.0	539.8	1,222.2
Net profit for the period	-	-	16.1	16.1
Dividends paid during the period:				
Interim tax exempt dividend	-	-	(47.3)	(47.3)
Balance at 30 September 2008	247.4	435.0	508.6	1,191.0
Balance at 1 July 2007	247.4	545.0	662.7	1,455.1
Net profit for the period	-	-	15.2	15.2
Dividends paid during the period:				
Interim dividend paid (net of 18% Singapore Tax)	-	-	(2.5)	(2.5)
Interim dividend paid (net of 27% Malaysia Tax)	-	-	(73.8)	(73.8)
Balance at 30 September 2007	247.4	545.0	601.6	1,394.0

7 CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)	9 Months 2008	9 Months 2007	3rd Quarter 2008	3rd Quarter 2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	250.4	481.7	146.8	147.4
Amount from life assurance revenue statement	2,185.7	968.9	671.4	255.3
Retained in life assurance fund	(2,076.5)	(380.1)	(540.0)	(84.6)
Excess of income over expenses before income tax from general insurance revenue statement	10.6	32.9	(0.2)	8.3
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(185.0)	(329.2)	(144.9)	(107.2)
Profit transferred from general insurance fund but not yet withdrawn	(8.2)	(23.8)	-	(5.9)
Share of loss / (profit) of associates and joint ventures	16.6	(41.4)	8.7	(13.1)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	(11.7)	7.5	(6.1)	(3.2)
Loss / (gain) on sale of investments and changes in fair value	765.7	(1,382.3)	500.6	(356.5)
Loss on sale of properties held for sale	-	0.2	-	0.2
Increase / (decrease) in provision for impairment of assets	77.0	(1.8)	72.2	(0.1)
Increase in provision for agents' retirement benefits	18.6	16.4	6.0	5.6
Gain on disposal of property, plant and equipment and investment properties	(9.1)	(2.5)	-	6.9
Depreciation	39.3	32.8	12.8	12.9
Unrealised loss / (gain) in exchange differences	21.6	(7.2)	(76.0)	43.9
Dividend income	(291.8)	(320.5)	(107.5)	(130.0)
Interest income	(976.2)	(927.6)	(322.7)	(307.3)
Interest on policy benefits	51.7	44.2	17.4	15.2
Shared-based payments	3.3	1.6	1.5	0.1
	(118.0)	(1,830.2)	240.0	(512.1)
Changes in working capital:				
Reinsurance assets	(6.0)	(7.5)	(2.9)	7.1
Outstanding premiums	(60.2)	(43.9)	(84.6)	(69.8)
Other debtors and interfund balances	85.4	(187.4)	(146.9)	53.2
Insurance contract liabilities	2,138.5	2,049.3	496.8	578.8
Loss reserves	8.9	5.2	5.1	(1.6)
Claims admitted and intimated	26.0	(1.5)	6.5	(2.8)
Policy benefits	159.3	119.0	31.7	34.7
Unexpired risk reserve	11.5	5.2	3.2	0.9
Reinsurance liabilities	20.2	15.2	(5.3)	(2.2)
Other creditors and interfund balances	102.9	81.4	5.3	249.7
Cash generated from operations	2,368.5	204.8	548.9	335.9
Income tax paid	(173.2)	(201.3)	(72.7)	(44.5)
Interest paid on policy benefits	(51.7)	(44.2)	(17.4)	(15.2)
Agents' retirement benefits paid	(14.7)	(4.5)	(7.6)	(2.2)
Net cash flows from operating activities	2,128.9	(45.2)	451.2	274.0
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	13,211.4	15,122.9	4,539.7	4,741.6
Purchase of investments	(14,457.7)	(16,504.8)	(5,015.9)	(5,058.9)
Proceeds from reduction of interests in associated company	24.8	21.6	(2.2)	(28.2)
Repayment of loan by associates and joint ventures	61.1	-	61.1	-
Repayment of loan by subsidiary	-	14.7	-	-
Proceeds from sale of property, plant and equipment and investment properties	16.4	9.5	(1.5)	(6.7)
Purchase of property, plant and equipment and investment properties	(32.5)	(89.1)	(8.6)	(28.7)
Interest income received	976.2	927.6	322.7	307.3
Dividend received	291.8	320.5	107.5	130.0
Net cash flows from investing activities	91.5	(177.1)	2.8	56.4
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(246.1)	(262.6)	(47.3)	(76.3)
Dividends paid to minority interest	(8.4)	(16.0)	(8.4)	(6.9)
Liquidation distribution paid to minority interest	(7.2)	-	(0.1)	-
Net cash flows used in financing activities	(261.7)	(278.6)	(55.8)	(83.2)
Net effect of translation reserve adjustment	(610.9)	50.6	30.8	(205.6)
Net increase / (decrease) in cash and cash equivalents	1,347.8	(450.3)	429.0	41.6
Cash and cash equivalents at the beginning of the period	2,768.3	3,823.9	3,687.1	3,332.0
Cash and cash equivalents at the end of the period	4,116.1	3,373.6	4,116.1	3,373.6
Cash and cash equivalents comprise:				
Cash and bank balances	649.3	482.2	649.3	482.2
Cash on deposit	2,514.4	2,106.3	2,514.4	2,106.3
Short term instruments	952.4	785.1	952.4	785.1
	4,116.1	3,373.6	4,116.1	3,373.6

8 GROUP SEGMENTAL INFORMATION

8.1 By Geographical Segments

in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Consolidated	
	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007
(a) Shareholders' Fund								
Profit/(loss) from insurance operations	50.0	178.2	143.7	178.7	(0.5)	(3.9)	193.2	353.0
Profit from investments ^(a1)	295.4	227.1	8.1	9.8	1.9	-	305.4	236.9
Fees and other income	62.7	83.6	-	-	-	-	62.7	83.6
	408.1	488.9	151.8	188.5	1.4	(3.9)	561.3	673.5
Inter segment elimination	(236.0)	(137.3)	-	-	-	-	(236.0)	(137.3)
Profit/(loss) before expenses	172.1	351.6	151.8	188.5	1.4	(3.9)	325.3	536.2
	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07
Segment assets	3,255.2	3,493.8	341.9	511.0	57.4	9.0	3,654.5	4,013.8
Investments in associates and joint ventures	65.4	77.3	-	-	-	-	65.4	77.3
	3,320.6	3,571.1	341.9	511.0	57.4	9.0	3,719.9	4,091.1
Inter segment elimination	(134.8)	(85.6)	-	-	-	-	(134.8)	(85.6)
Shareholders' Fund Assets	3,185.8	3,485.5	341.9	511.0	57.4	9.0	3,585.1	4,005.5
Segment liabilities	406.1	432.1	57.6	60.5	-	-	463.7	492.6
Income tax and deferred tax liabilities	94.1	152.5	11.1	41.7	0.2	-	105.4	194.2
Shareholders' Fund Liabilities	500.2	584.6	68.7	102.2	0.2	-	569.1	686.8
Capital expenditure	1.3	1.2	-	-	-	-	1.3	1.2

^(a1) Profit or loss from insurance operations restated for comparability is as follows:

Profit/(loss) before tax from insurance operations	61.0	217.3	145.4	184.1	(0.5)	(3.9)	205.9	397.5
less: Income tax	11.0	39.1	30.5	49.7	-	-	41.5	88.8
Profit/(loss) after tax from insurance	50.0	178.2	114.9	134.4	(0.5)	(3.9)	164.4	308.7

Profit transferred from Singapore insurance funds and Malaysia general funds are presented net of tax in the Profit and Loss Statement and Revenue Statements. This is done to reflect the substance that the tax liability is borne by the respective insurance funds.

Profit transferred from Malaysia life funds are presented before tax in the Revenue Statements.

	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007
(b) General Insurance Fund								
Premiums less reinsurances	23.9	16.7	42.2	36.3	-	-	66.1	53.0
Net underwriting profit	3.6	(1.5)	(0.9)	4.8	-	-	2.7	3.3
Profit from investments	0.6	13.7	7.3	15.9	-	-	7.9	29.6
General Insurance Profits	3.6	9.0	4.6	14.8	-	-	8.2	23.8
	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07
General Insurance Fund Assets	104.3	85.9	109.7	120.1	-	0.5	214.0	206.5
General Insurance Fund Liabilities	104.3	85.9	109.7	120.1	-	0.5	214.0	206.5
Capital expenditure	-	-	0.5	0.5	-	-	0.5	0.5
	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007
(c) Life Assurance Fund								
Premiums less reassurances	4,056.7	2,631.6	1,472.1	1,329.9	29.3	43.7	5,558.1	4,005.2
Investment and rental income	(567.7)	1,400.1	964.1	1,048.6	(6.0)	14.6	390.4	2,463.3
Claims less reassurances	2,097.7	2,508.3	830.0	790.7	14.7	11.5	2,942.4	3,310.5
Commissions and expenses	286.1	199.0	303.9	287.3	11.1	7.9	601.1	494.2
Life Assurance Profit	46.6	169.1	138.9	164.0	(0.5)	(3.9)	185.0	329.2
	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07
Life Assurance Fund Assets	25,203.5	25,500.1	15,423.6	16,504.3	289.1	299.0	40,916.2	42,303.4
Life Assurance Fund Liabilities	25,203.5	25,500.1	15,423.6	16,504.3	289.1	299.0	40,916.2	42,303.4
Capital expenditure	15.9	32.0	13.3	69.6	1.3	4.2	30.5	105.8

8.2 By Business Segments

in Singapore Dollars (millions)	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007	9 Months 2008	9 Months 2007
Premiums less reassurances	4,660.6	2,780.7	897.5	1,224.5	5,558.1	4,005.2
Investment and rental income	1,431.1	2,016.4	(1,040.7)	446.9	390.4	2,463.3
Claims less reassurances	2,663.0	2,638.7	279.4	671.8	2,942.4	3,310.5
Commissions and expenses	436.7	331.1	164.4	163.1	601.1	494.2
Life Assurance Profit	137.4	280.1	47.6	49.1	185.0	329.2
	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07	30 Sep 08	31 Dec 07
Life Assurance Fund Assets	37,475.1	38,318.9	3,441.1	3,984.5	40,916.2	42,303.4
Life Assurance Fund Liabilities	37,475.1	38,318.9	3,441.1	3,984.5	40,916.2	42,303.4
Capital expenditure	30.5	105.8	-	-	30.5	105.8

9. REVIEW OF RESULTS

The Group Financial Statements for the third quarter of 2008 (Q3-08) and for the 9 months ended 30 September 2008 (9M-08) have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS).

9.1 BUSINESS PREMIUMS

9.1.1 The underlying insurance business of the Group remains strong, with gross business premiums income recording year-on-year increases of 53% for the third quarter and 38% for 9M-08. Gross business premiums in Q3-08 increased 53% to \$2,136 million (Q3-07: \$1,392 million), in the ratio 70:30 between Singapore and Malaysia (Q3-07: 65:35). Gross business premiums for 9M-08 rose 38% to \$5,722 million (9M-07: \$4,149 million).

9.1.2 New business premiums from the life assurance operations rose 130% in Q3-08 to \$1,245 million (Q3-07: \$541 million). The increase was due to strong growth in the Singapore and Malaysia single premium category. New business premiums sales for 9M-08 rose 81% to \$3,253 million (9M-07: \$1,799 million). Due to the long term nature of the life insurance business, insurance premium sales reported in a period do not translate directly into profit of the same period.

in SGD (million)	9M-08	9M-07	+/(-)	Q3-08	Q3-07	+/(-)
SINGAPORE						
Single Premium	2,723	1,400	95%	983	396	148%
Annual Premium	153	119	29%	52	41	27%
	2,876	1,519	89%	1,035	437	137%
MALAYSIA						
Single Premium	208	104	100%	143	37	nm
Annual Premium	147	139	6%	60	54	11%
	355	243	46%	203	91	123%
OTHER ASIA						
Single Premium	16	33	-52%	4	11	-64%
Annual Premium	6	4	50%	3	2	50%
	22	37	-41%	7	13	-46%
TOTAL						
Single Premium	2,947	1,537	92%	1,130	444	155%
Annual Premium	306	262	17%	115	97	19%
	3,253	1,799	81%	1,245	541	130%

9.1.3 Market share

The Group maintained its leadership position in the life insurance business both in Singapore and Malaysia. Share of weighted premium market for the 6M-08 was 28.6% (6M-07: 21.8%) in Singapore and 16.9% (6M-07: 20.3%) in Malaysia. Bancassurance market share in Singapore for 6M-08 was 46.7% (6M-07: 40.7%). Industry statistics for the third quarter sales performance are not available at reporting time.

9.1.4 New Business Embedded Value

New business embedded value (NBEV) increased 3% in Q3-08 to \$65.2 million (Q3-07: \$63.0 million). NBEV for 9M-08 increased by 12% to \$200.9 million (9M-07: \$179.2 million).

in SGD (million)	9M-08	9M-07	+/(-)	Q3-08	Q3-07	+/(-)
Singapore	125.6	99.9	26%	35.8	31.9	12%
Malaysia	74.0	78.1	-5%	29.0	30.5	-5%
Other Asia	1.3	1.2	8%	0.4	0.6	-33%
Total	200.9	179.2	12%	65.2	63.0	3%

9.2 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Group profit attributable to shareholders rose year-on-year by 9% to \$135.2 million for the quarter (Q3-07:\$124.4 million). 9M-08 profit fell 51% to \$195.9 million (9M-07: \$402.3 million).

9.3 PROFIT FROM INSURANCE OPERATIONS

Profit from insurance operations increased 28% for the quarter to \$144.9 million (Q3-07: \$113.1 million). Profit for 9M-08 decreased 45% to \$193.2 million (9M-07: \$353.0 million)

9.3.1 Profit from participating fund in Q3-08 \$25.5 million, was 10% higher than last year (Q3-07:\$23.2 million). Profit for 9M-08 was 4% higher at \$74.9 million (9M-07: \$72.2 million).

9.3.2 Profit from non-participating fund in Q3-08 was 59% higher at \$103.2 million (Q3-07: \$64.8 million). 9M-08 profit decreased 70% to \$62.5 million (9M-07: \$207.9 million).

The Singapore non-participating fund reported a post-tax profit of \$89.7 million in Q3-08 109% higher than last year (Q3-07: \$42.9 million). Factors included (a) lower interest rates during the quarter resulted in net mark-to-market gains in debt investments in the portfolio and (b) long term insurance contract liabilities decreased following an increase in the applicable interest rate used to discount these liabilities. Impairment provisions in September 2008 amounted to \$9.4 million. Profit for 9M-08 was \$0.8 million, 99% lower than last year (9M-07: \$112 million) due to mark-to-market losses in the debt and equity investments suffered during the first half of the year.

The Malaysia non-participating fund reported a post-tax profit of \$9.7 million in Q3-08, 36% lower than last year (Q3-07: \$15.2 million) due to lower investment profits and impairment provisions. Impairment provisions in September 2008 amounted to \$1.7 million. Profit for 9M-08 was \$47.2 million, 32% lower than last year (9M-07: \$69.2 million) also due to lower investment profits and impairment provisions.

9.3.3 Profit from investment-linked fund in Q3-08 was \$16.2 million, 16% lower than last year (Q3-07: \$19.2 million). Profit for 9M-08 was 3% lower at \$47.6 million (9M-07: \$49.1 million). The Singapore investment-linked fund reported post-tax profit of \$3.4 million for 9M-08, 69% lower than last year (9M-07: \$10.9 million) due to lower policy fee income. The Malaysia investment-linked fund reported post-tax profit of \$34.6 million for 9M-08, 24% higher than last year (9M-07: \$27.8 million) due to higher policy fee income.

9.3.4 Profit was nil from the general insurance fund in Q3-08 due to lower investment profits and impairment provisions (Q3-07: \$5.9 million). Profit for 9M-08 was 66% lower at \$8.2 million (9M-07:\$23.8 million) also due to lower investment profits and impairment provisions.

9.4 PROFIT FROM INVESTMENTS OF SHAREHOLDERS' FUND

Profit from investments of Shareholders' fund decreased 79% in Q3-08 to \$5.6 million (Q3-07: \$26.4 million) due mainly to (a) impairment provisions of \$9.8 million (Q3-07: \$0.1 million write back of provision) and (b) realised and mark-to-market losses of \$13.9 million (Q3-07: \$9 million profit) from its investments. Profit for 9M-08 was 30% lower at \$69.4 million (9M-07:\$99.6 million) due to impairment provisions of \$13 million (9M-07: \$0.1 million write back of provision) and mark-to-market loss on foreign exchange of \$15.3 million (9M-07: \$2.8 million loss).

9.5 FEES AND OTHER INCOME

Fees and other income declined 18% in Q3-08 to \$20.0 million (Q3-07: \$24.5 million) due mainly to lower fund management fees. Fees and other income for 9M-08 was 25% lower at \$62.7 million (9M-07:\$83.6 million).

9.6 MANAGEMENT AND OTHER EXPENSES

Management and other expenses increased 30% in Q3-08 to \$21.0 million (Q3-07: \$16.2 million). The increase was due to general increase in management expenses and business costs of startup insurance operations in China, Indonesia and Vietnam. Life insurance operations commenced in Hanoi, Vietnam on 12 September 2008. Management and other expenses for 9M-08 was 23% higher at \$69.7 million (9M-07: \$56.8 million), for the same reasons mentioned above.

9.7 SHARE OF LOSS OF ASSOCIATES AND JOINT VENTURES

Share of loss of associates and joint venture for the quarter was at \$2.7 million (Q3-07: \$0.4 million loss). Share of loss for 9M-08 was \$5.2 million (9M-07: \$2.3 million profit).

9.8 INCOME TAX

Income tax rates in Singapore and Malaysia are 18% and 26% respectively. The effective tax rate in Q3-08 was 19% (Q3-07: 21%) and 9M-08 was 22% (9M-07: 23%).

9.9 EARNINGS PER SHARE AND RETURN ON EQUITY

	<u>9M-08</u>	<u>9M-07</u>	<u>+/(-)</u>
Earnings per share	\$0.41	\$0.85	-52%
Return on equity	6.2%	13.2%	-7.0pp

9.10 NET ASSET VALUE PER SHARE AND GROUP ASSETS

	<u>30 Sep 08</u>	<u>31 Dec 07</u>	<u>+/(-)</u>
Net asset value per share	\$6.31	\$6.94	-9%
Group Assets	\$44.7 billion	\$46.5 billion	-4%

9.11 BALANCE SHEETS

9.11.1 Fair Value Reserves

Fair value reserves of \$210 million as at 31 December 2007 deteriorated to negative reserves of \$33 million as at 30 September 2008 due to mark-to-market changes and impairment provisions.

9.11.2 Deferred Tax

Deferred tax decreased 41% from \$1,019 million as at 31 December 2007 to \$604 million as at 30 September 2008 due to the decrease in fair value reserves.

9.11.3 Cash & Cash Equivalents

Cash & cash equivalents increased 49% from \$2,768 million as at 31 December 2007 to \$4,116 million as at 30 September 2008 due to uninvested positions.

9.11.4 Associates and Joint Ventures

Associates and joint ventures decreased 14% from \$582 million as at 31 December 2007 to \$502 million as at 30 September 2008 due mainly to fund redemptions.

9.11.5 Investments

Valuation of investments decreased 9% from \$35,994 million as at 31 December 2007 to \$32,811 million as at 30 September 2008 due primarily to mark-to-market changes. Investments of the participating business constituted 73% as at 30 Sep-08 (31 Dec-07: 72%) and investments of the unit linked business constituted 9% as at 30 Sep-08 (31 Dec-07: 10%).

9.11.6 Asset allocation of life funds, excluding investment-linked funds, is as follows:

	SINGAPORE		MALAYSIA	
	30 Sep-08	31 Dec-07	30 Sep-08	31 Dec-07
Fixed income & debt securities	58%	60%	72%	67%
Equities	22%	25%	19%	25%
Real estate & others	9%	9%	8%	4%
Cash & money market instruments	11%	6%	1%	4%
Market Value Assets (in SGD billion)	22.7	22.4	14.8	15.8

9.12 REGULATORY CAPITAL

The insurance subsidiaries of the Group are required to comply with capital ratios prescribed in the Insurance Regulations of the jurisdiction in which the subsidiary operates.

Capital Adequacy ratio of Singapore insurance subsidiaries was 243% at 30 Sep 08 (31 Dec 07: 252%). Available capital was \$6.8 billion (31 Dec 07: \$7.4 billion) and Risk capital requirement was \$2.8 billion (31 Dec 07: \$2.9 billion). The decrease was due to mark-to-market changes in the equity and debt portfolios. The regulatory requirement is 120%.

Mark-to-market fund surplus for the participating fund under margin of solvency requirement for the Malaysia insurance subsidiaries was \$2.7 billion as at 30 Sep 2008 (31 Dec 07: \$3.8 billion) representing 30.7% (31 Dec 07: 44.9%) of long term actuarial liability reserves. The decrease was due to mark-to-market changes in the equity portfolio. Regulatory requirements for the Malaysian insurance subsidiaries are fully met.

10. ACCOUNTING POLICIES

The Group adopted the accounting policies and methods of computation for the financial statements for Q3-08, consistent with the audited financial statements for the year ended 31 December 2007.

The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2008 do not have any material financial impact on the Group's results for Q3-08.

11. UNAUDITED RESULTS

The consolidated Group's financial results for the third quarter ended 30 September 2008 have not been audited or reviewed by the Group's auditors.

12. FACTORS THAT MAY AFFECT GROUP PERFORMANCE IN THE NEXT REPORTING AND/OR 12-MONTH PERIOD

12.1 As in the past quarters the Group's overall performance will continue to be affected by local, regional and global economic conditions. The current global financial and economic turmoil portends a weak economic outlook. Continued volatility in the equity and debt markets is expected to impact earnings of the insurance businesses of the Group. As liquidity for the Group is strong, Management would continue to rebalance its portfolios, adjust its product offerings and assess carefully business and investment opportunities.

12.2 Capital adequacy for all insurance funds remains strong. Our various stress tests demonstrated the ability to withstand further deterioration in the financial markets, in the near to medium term. Management is closely monitoring the various risks within the portfolios and will implement risk mitigation measures as needed by the portfolios, including that in Malaysia as the Malaysian regulator plans to implement Risk Based Capital framework for insurance companies which is currently scheduled to take effect on 1 January 2009.

12.3 The financial crisis intensified after mid-September 2008. Further declines in equity markets and tightening of credit markets occurred globally in the month of October 2008, after the books have closed for the third quarter 2008; impairment provisions may be made over the next few quarters.

13. SHARE CAPITAL

The Company's issued and paid up share capital amounted to \$247.4 million as at 30 September 2008, the same as 31 December 2007.

Issued: 3 November 2008