

[Print this page](#)**Third Quarter * Financial Statement And Dividend Announcement**

* Asterisks denote mandatory information

Name of Announcer *	SINGAPORE REINSURANCE COR LTD
Company Registration No.	197300016C
Announcement submitted on behalf of	SINGAPORE REINSURANCE COR LTD
Announcement is submitted with respect to *	SINGAPORE REINSURANCE COR LTD
Announcement is submitted by *	Theresa Wee Sui Ling
Designation *	Chief General Manager (Core Operations)/Principal Officer
Date & Time of Broadcast	06-Nov-2006 17:28:34
Announcement No.	00073

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2006
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SINGAPORE REINSURANCE CORPORATION LIMITED

(Company Registration No. 197300016C)

Third Quarter Financial Statement Announcement For The Period Ended 30 September 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

	GROUP					
	9 months	9 months	Incr/	3rd Qtr	3rd Qtr	Incr/
	2006	2005	(decr)	2006	2005	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	66,653	60,355	10.4	29,692	19,883	49.3
Revenue from Reinsurance Operations : (I)						
Gross premiums	60,959	55,290	10.3	27,244	17,450	56.1
Reinsurance premiums	(29,740)	(27,170)	9.5	(12,978)	(8,574)	51.4
Net written premiums	31,219	28,120	11.0	14,266	8,876	60.7
Gross transfer from/(to) provision for unexpired risks	(3,266)	4,862	(167.2)	(3,914)	2,332	(267.8)
Reinsurance transfer from/(to) provision for unexpired risks	1,957	1,334	46.7	1,850	116	nm
Net earned premiums	29,910	34,316	(12.8)	12,202	11,324	7.8
Gross claims incurred	(33,138)	(26,347)	25.8	(12,711)	(12,154)	4.6
Reinsurers' share	21,332	8,840	141.3	9,314	5,358	73.8
Net claims incurred	(11,806)	(17,507)	(32.6)	(3,397)	(6,796)	(50.0)
Commission payable	(23,504)	(19,459)	20.8	(12,088)	(5,162)	134.2
Commission receivable	10,707	8,466	26.5	4,900	2,179	124.9
Net commission expense	(12,797)	(10,993)	16.4	(7,188)	(2,983)	141.0
Staff costs	(2,228)	(2,321)	(4.0)	(819)	(657)	24.7
Depreciation of property, plant and equipment	(174)	(260)	(33.1)	(54)	(79)	(31.6)
Other operating expenses	(1,718)	(1,600)	7.4	(536)	(756)	(29.1)
Management expenses	(4,120)	(4,181)	(1.5)	(1,409)	(1,492)	(5.6)
Underwriting results	1,187	1,635	(27.4)	208	53	292.5
Investment income from Reinsurance Operations	9,938	7,797	27.5	3,174	2,658	19.4
Investment expenses from Reinsurance Operations	(1,029)	(74)	nm	(165)	208	(179.3)
Income from investments	8,909	7,723	15.4	3,009	2,866	5.0
Net income from Reinsurance Operations	10,096	9,358	7.9	3,217	2,919	10.2
Revenue from Non-Reinsurance Operations : (II)						
Investment income from non-reinsurance business	5,615	5,166	8.7	1,763	1,600	10.2
Investment expenses from non-reinsurance business	(398)	(10)	nm	(96)	64	(250.0)
Other income relating to non-reinsurance business	5,859	5,224	12.2	2,490	1,985	25.4
Staff costs	(1,633)	(1,830)	(10.8)	(568)	(791)	(28.2)
Depreciation of property, plant and equipment	(207)	(224)	(7.6)	(60)	(71)	(15.5)
Other operating expenses relating to non-reinsurance business	(3,392)	(2,600)	30.5	(1,478)	(987)	49.8
Net income from Non-Reinsurance Operations	5,844	5,726	2.1	2,051	1,800	13.9
Profit before taxation (I + II)	15,940	15,084	5.7	5,268	4,719	11.6
Income tax expense	(3,054)	(2,873)	6.3	(1,111)	(1,058)	5.0
Profit after taxation	12,886	12,211	5.5	4,157	3,661	13.5
Attributable to:						
Equity holders of the Parent	12,700	12,091	5.0	4,079	3,641	12.0
Minority interests	186	120	55.0	78	20	290.0
	12,886	12,211	5.5	4,157	3,661	13.5
Profit after taxation has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	6,167	5,434	13.5	2,547	2,071	23.0
Operating expenses relating to subsidiaries non-reinsurance operations*	(4,612)	(4,090)	12.8	(1,954)	(1,672)	16.9
Foreign exchange gain/(loss)	(1,248)	164	nm	(241)	329	(173.2)
Profit on sale of investments	4,917	3,265	50.6	1,595	1,143	39.5

nm not meaningful

* included subsidiaries' revenue and costs on services rendered such as management, computer advisory and consultancy, publishing, organising of conferences and advertising

Note: certain comparative figures have been reclassified to conform with the current year's presentation

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	112,296	101,855	112,296	101,855
Reserves				
Fair value reserve	8,017	9,443	8,128	9,399
Accumulated profits	53,967	56,444	49,173	53,186
Total Shareholders' Equity	174,280	167,742	169,597	164,440
Minority Interests	594	365	-	-
Total Equity	174,874	168,107	169,597	164,440
LIABILITIES				
Technical provisions for outstanding claims	245,333	250,912	233,809	237,701
Technical provisions for unexpired risks	28,448	25,183	28,448	25,183
Reinsurance payables	39,546	29,447	39,280	29,199
Other payables	6,098	5,142	1,985	2,918
Provision for taxation	4,187	4,209	3,743	3,815
Deferred Taxation	2,139	2,369	2,120	2,320
Total Equity and Liabilities	500,625	485,369	478,982	465,576
ASSETS				
Property, plant and equipment	24,008	26,724	23,757	26,443
Reinsurers' share of technical provisions for outstanding claims	118,897	118,528	111,581	109,904
Reinsurers' share of technical provisions for unexpired risks	13,846	11,890	13,846	11,890
Interests in subsidiaries	-	-	6,449	6,499
Reinsurance receivables	27,054	21,807	26,803	21,610
Other receivables	4,185	5,395	2,159	3,635
Financial assets	219,144	210,396	210,956	201,864
Club membership	25	25	-	-
Cash and cash equivalents	93,466	90,604	83,431	83,731
Total Assets	500,625	485,369	478,982	465,576

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.9.2006		As at 31.12.2005	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2006		As at 31.12.2005	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not Applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	9 months 2006 S\$'000	9 months 2005 S\$'000
Operating activities		
Profit from ordinary activities before taxation	15,940	15,084
Adjustments for:		
Technical provisions for unexpired risks	1,309	(6,196)
Technical provisions for outstanding claims	(5,948)	3,424
Impairment losses written back on leasehold land and buildings	(71)	-
Impairment losses written back on investments	-	(21)
Profit on sale of investments	(4,917)	(3,265)
Depreciation of property, plant and equipment	383	486
Interest income	(6,946)	(6,891)
Dividend income	(2,591)	(1,820)
Others	123	63
Operating profit before working capital changes	(2,718)	864
Changes in working capital:		
Reinsurance receivables	(3,032)	(2,283)
Other receivables	(918)	(121)
Reinsurance payables	10,099	8,120
Other payables	956	38
Cash generated from operations	4,387	6,618
Interest paid	(17)	(30)
Income tax paid	(3,077)	(1,952)
Cash flows from operating activities	1,293	4,636
Investing activities		
Interest received	6,849	6,852
Dividends received	2,591	1,820
Purchase of investments	(41,183)	(40,539)
Proceeds from sale of investments	35,576	38,276
Purchase of property, plant and equipment	(141)	(205)
Proceeds from sale of property, plant and equipment	2,566	617
Net cash inflow on disposal of subsidiary	47	-
Cash flows from investing activities	6,305	6,821
Financing activities		
Dividends paid	(15,177)	(8,963)
Proceeds from issuance of share capital	10,441	-
Cash flows from financing activities	(4,736)	(8,963)
Net increase in cash and cash equivalents	2,862	2,494
Cash and cash equivalents at beginning of the year	90,604	67,706
Cash and cash equivalents at end of the period	93,466	70,200

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Attributable to Shareholders of the Company					Total Equity S\$'000
	Share Capital S\$'000	Fair Value Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000	Minority Interests S\$'000	
At 1 January 2006	101,855	9,443	56,444	167,742	365	168,107
Increase of Share Capital	10,441	-	-	10,441	50	10,491
Net profit for the period	-	-	12,700	12,700	186	12,886
Final and Special dividend paid of 13.125% less tax at 20% in respect of year 2005	-	-	(10,695)	(10,695)	-	(10,695)
Interim dividend paid of 5% less tax at 20% in respect of year 2006	-	-	(4,482)	(4,482)	-	(4,482)
Fair value changes on revaluation of available-for-sale investments	-	(1,426)	-	(1,426)	(7)	(1,433)
At 30 September 2006	112,296	8,017	53,967	174,280	594	174,874
At 1 January 2005 as previously reported	101,855	-	47,610	149,465	282	149,747
Effect of adopting FRS 39	-	12,907	-	12,907	7	12,914
At 1 January 2005, restated	101,855	12,907	47,610	162,372	289	162,661
Net profit for the period	-	-	12,091	12,091	120	12,211
Final dividend paid of 5% less tax at 20% in respect of year 2004	-	-	(4,074)	(4,074)	-	(4,074)
Interim dividend paid of 6% less tax at 20% in respect of year 2005	-	-	(4,889)	(4,889)	-	(4,889)
Fair value changes on revaluation of available-for-sale investments	-	61	-	61	-	61
At 30 September 2005	101,855	12,968	50,738	165,561	409	165,970

COMPANY	Attributable to Shareholders of the Company			
	Share Capital S\$'000	Fair Value Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2006	101,855	9,399	53,186	164,440
Increase of Share Capital	10,441	-	-	10,441
Net profit for the period	-	-	11,164	11,164
Final and Special dividend paid of 13.125% less tax at 20% in respect of year 2005	-	-	(10,695)	(10,695)
Interim dividend paid of 5% less tax at 20% in respect of year 2006	-	-	(4,482)	(4,482)
Fair value changes on revaluation of available-for-sale investments	-	(1,271)	-	(1,271)
At 30 September 2006	112,296	8,128	49,173	169,597
At 1 January 2005 as previously reported	101,855	-	45,943	147,798
Effect of adopting FRS 39	-	12,884	-	12,884
At 1 January 2005, restated	101,855	12,884	45,943	160,682
Net profit for the period	-	-	10,986	10,986
Final dividend paid of 5% less tax at 20% in respect of year 2004	-	-	(4,074)	(4,074)
Interim dividend paid of 6% less tax at 20% in respect of year 2005	-	-	(4,889)	(4,889)
Fair value changes on revaluation of available-for-sale investments	-	(39)	-	(39)
At 30 September 2005	101,855	12,845	47,966	162,666

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Following the Company's announcement in respect of the renounceable non-underwritten rights issue ("Rights Issue") of new ordinary shares of S\$0.21 each ("Rights Shares") in the capital of the Company, with the availability of an election option to use the net bonus dividend of S\$0.21 per share to subscribe for the Rights Shares, the Company has allotted and issued 50,927,255 new Rights Shares pursuant to the Rights Issue on 6 June 2006. The Rights Shares were listed and quoted on the Official List of the SGX-ST on 7 June 2006.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.
- The financial figures have not been audited or reviewed by the Group's auditors.
3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).
- Not Applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

There were no changes to the accounting policies and methods of computation adopted in the preparation of the financial statements for the period ended 30 September 2006, which are consistent with the audited annual financial statements for the year ended 31 December 2005.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP			
	9 months 2006	9 months 2005	3rd Qtr 2006	3rd Qtr 2005
Basic and Diluted earnings per share (cents)	2.27	2.37	0.74	0.72
Number of ordinary shares issued ('000)	560,200	509,273	560,200	509,273

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Net asset value per share (cents)	31.11	32.94	30.27	32.29

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group revenue for the nine months ended 30 September 2006 rose 10.4% to S\$66.7 million as compared to that for the same period last year. The improvement was attributable to higher premiums reported by cedants in both the domestic and overseas markets despite more intense competition which witnessed continued premium rate erosion. For the period under review, the underwriting profit although lower at S\$1.2 million when compared to that of S\$1.6 million for the same period last year, was most credible in that whereas last year had benefited from an unexpired premium reserve release of S\$6.2 million, the current period suffered a reserve strain of S\$1.3 million. On the other hand, investment income rose significantly to S\$14.1 million which was 9.7% better than that achieved for the same period last year. The higher profit was derived from the sale of investments. With positive contributions from all subsidiaries, the Group's net profit before tax rose to S\$15.9 million from that of S\$15.1 million in the same period last year or an improvement of 5.7%.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the balance sheet date and the date of this announcement which is likely to affect substantially the results of the operations of the Company and of the Group for the current financial year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As previously reported, the Company successfully negotiated renewals with the majority of participating companies on a bilateral basis for 2006, with firm support level of approximately 50% of historical gross premiums reported by insurers under the previous collective agreement. There is no assurance that the same level of bilateral support would be garnered in 2007 although negotiations are still ongoing. Looking ahead, a declining trend in premium growth is expected in the next reporting period, and even next 12 months, given the continued intense competition and many uncertainties in the global operating environment.

Barring unforeseen circumstances, the Company's profitability is expected to be satisfactory and will continue to rely largely on investment earnings.

11. DIVIDEND

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

There is no dividend declared for the period ended 30 September 2006.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not Applicable.

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not Applicable.

15. **A breakdown of Revenue.**

Not Applicable.

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	-	-
Preference	-	-
Total:	-	-

Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for the nine months/third quarter ended 30 September 2006 to be false or misleading.

BY ORDER OF THE BOARD

June Low Fui Sian
Company Secretary
6 November 2006

NOTE: This announcement can be accessed at our Corporate website at <http://www.singre.com.sg>