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Miscellaneous

* 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	19-Sep-2006 17:27:23
Announcement No.	00070

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	A.M. BEST RATING
Description	Singapore Reinsurance Corporation Limited ("Singapore Re") has maintained its financial strength rating of A- (Excellent) and the issuer credit rating (ICR) of "a-" with a stable outlook by A.M. Best Co., the world's oldest and most authoritative source of insurance company ratings and information. Its Best's Ratings are the industry's standard measure of insurer financial performance. Singapore Re's current rating reflects its well established local presence, prudent capitalization and consistent investment performance with a high liquidity portfolio. We do not envisage the rating to have a material impact on the conduct of the Company's business nor is it expected to have a material impact on the earnings per share and net tangible assets per share of Singapore Re. The full text as released by A.M. Best is attached and is made public through our corporate website at www.singre.com.sg .
Attachments:	SingRe-AMBestRating2006.pdf Total size = **50K** (2048K size limit recommended)

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NEWS RELEASE

FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of Singapore Reinsurance Corporation Ltd

OLDWICK, NEW JERSEY, U.S.A., Sept. 18, 2006—A.M. Best Co. has affirmed the financial strength rating of A- (Excellent) and the issuer credit rating (ICR) of “a-” of **Singapore Reinsurance Corporation Ltd** (Singapore Re) (Singapore). The outlook on both ratings is stable.

The ratings reflect the company’s continued improvement in capitalization, established international market presence and improvement in underwriting margin. Additional comfort is given by management’s focus on further strengthening its capital.

An increase in the local capital adequacy ratio to 345% and a decrease in net underwriting leverage to 0.2 times in 2005 both demonstrated the continued improvement in capitalization of Singapore Re. The completion of a rights issue in the second quarter of 2006 helped the company retain its current year net profit as well as transform retained earnings into paid-in capital, further strengthening the company’s capitalization.

Singapore Re has an established international market presence. Singapore Re used to generate over 90% of its business from Singapore. In recent years, the company has focused on expanding its business to overseas markets. In terms of gross premium written, the contributions from Asian and overseas markets have gradually increased to over 30% in 2005 from less than

10% in 2001.

Singapore Re's overall loss ratio improved to 53% in 2005 from 66% in 2004. The improvement is attributed to the more favorable underwriting result of Bilateral Cessions. After the termination of the Voluntary Cessions market agreement at the year end of 2004, the company signed the Bilateral Cessions market agreement with the selected ceding companies in Singapore. This new type of business has allowed the company to be more flexible on risk selection, and therefore, provides better profitability. Besides, Singapore Re's investment income has also made a significant contribution to the bottom line of the company's overall operating results.

Offsetting factors include a deteriorating expense ratio and a decreasing premium trend.

Singapore Re experienced an abrupt increase in its expense ratio in 2005 due to the lower volume of net premiums written. The company's management expense has been lowered to SGD 5.0 million (USD 3.0 million) in 2005 from SGD 5.7 million (USD 3.4 million) in 2004. However, a large proportion of its underwriting expense was net commission expense, which amounted to SGD 13.5 million (USD 8.1 million). It would be a challenge for the company to lower its net commission expense as the degree of success depends on the overall market environment and the bargaining power of the company with both the reinsurers and the ceding companies.

Singapore Re's gross premiums written fell by 23% in 2005. Although Singapore Re is now expanding its business to overseas markets, in particular in India and China, the company is still lacking enough premium growth to generate a turnaround of its decreasing premium trend. For the first quarter of 2006, gross premiums written continued to drop by 7%.

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