

**SINGAPORE REINSURANCE CORPORATION LIMITED**

(Company Registration No. 197300016C)

Financial Statements Announcement For The Period Ended 30 June 2018

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

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

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

	GROUP					
	6 months 2018	6 months 2017	Incr/ (decr)	2nd Qtr 2018	2nd Qtr 2017	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Income statements:</b>						
<b>Reinsurance operations:</b>						
Gross written premiums	92,830	83,286	11.5	53,297	50,913	4.7
Reinsurance premiums	(70,273)	(58,992)	19.1	(40,574)	(39,946)	1.6
<b>Net written premiums</b>	<b>22,557</b>	<b>24,294</b>	<b>(7.1)</b>	<b>12,723</b>	<b>10,967</b>	<b>16.0</b>
Gross transfer to provision for unexpired risks	(362)	1,702	nm	1,620	1,908	(15.1)
Reinsurance transfer from provision for unexpired risks	1,348	441	nm	(2,271)	(201)	nm
<b>Net earned premiums</b>	<b>23,543</b>	<b>26,437</b>	<b>(10.9)</b>	<b>12,072</b>	<b>12,674</b>	<b>(4.7)</b>
Gross claims incurred	(78,048)	(43,308)	80.2	(41,829)	(39,347)	6.3
Reinsurers' share of claims incurred	65,760	30,491	115.7	33,271	30,247	10.0
<b>Net claims incurred</b>	<b>(12,288)</b>	<b>(12,817)</b>	<b>(4.1)</b>	<b>(8,558)</b>	<b>(9,100)</b>	<b>(6.0)</b>
Commission expense	(29,099)	(25,510)	14.1	(16,699)	(14,776)	13.0
Commission income	22,689	17,533	29.4	13,112	12,187	7.6
<b>Net commission expense</b>	<b>(6,410)</b>	<b>(7,977)</b>	<b>(19.6)</b>	<b>(3,587)</b>	<b>(2,589)</b>	<b>38.5</b>
<b>Management expenses</b>	<b>(4,079)</b>	<b>(3,915)</b>	<b>4.2</b>	<b>(1,933)</b>	<b>(1,979)</b>	<b>(2.3)</b>
<b>Underwriting results</b>	<b>766</b>	<b>1,728</b>	<b>(55.7)</b>	<b>(2,006)</b>	<b>(994)</b>	<b>101.8</b>
<b>Net investment income</b>	<b>4,663</b>	<b>4,313</b>	<b>8.1</b>	<b>2,232</b>	<b>2,715</b>	<b>(17.8)</b>
<b>Net income from reinsurance operations (I)</b>	<b>5,429</b>	<b>6,041</b>	<b>(10.1)</b>	<b>226</b>	<b>1,721</b>	<b>(86.9)</b>
<b>Non-reinsurance operations:</b>						
Net investment income	1,551	1,465	5.9	920	808	13.9
Other operating income	2,930	3,083	(5.0)	1,405	1,292	8.7
Management expenses	(2,842)	(2,922)	(2.7)	(1,421)	(1,390)	2.2
<b>Net income from non-reinsurance operations (II)</b>	<b>1,639</b>	<b>1,626</b>	<b>0.8</b>	<b>904</b>	<b>710</b>	<b>27.3</b>

	GROUP					
	6 months 2018 S\$'000	6 months 2017 S\$'000	Incr/ (decr) %	2nd Qtr 2018 S\$'000	2nd Qtr 2017 S\$'000	Incr/ (decr) %
<b>Income statements - continued</b>						
Profit before income tax (I + II)	7,068	7,667	(7.8)	1,130	2,431	(53.5)
Income tax expense	(679)	(802)	(15.3)	65	(248)	nm
<b>Profit for the period</b>	<b>6,389</b>	<b>6,865</b>	<b>(6.9)</b>	<b>1,195</b>	<b>2,183</b>	<b>(45.3)</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	6,346	6,810	(6.8)	1,181	2,180	(45.8)
Non-controlling interests	43	55	(21.8)	14	3	nm
<b>Profit for the period</b>	<b>6,389</b>	<b>6,865</b>	<b>(6.9)</b>	<b>1,195</b>	<b>2,183</b>	<b>(45.3)</b>
<b>Statements of comprehensive income:</b>						
Profit for the period	6,389	6,865	(6.9)	1,195	2,183	(45.3)
<b>Other comprehensive income, after tax:</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
Revaluation of property, plant and equipment	59	59	-	29	29	-
	59	59	-	29	29	-
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to profit or loss (realised)	(794)	(1,415)	(43.9)	(545)	(1,268)	(57.0)
Reclassification of impairment write-down on investments to profit or loss	369	791	(53.4)	369	791	(53.4)
Change in fair value of investments (unrealised)	(6,433)	10,098	nm	(2,850)	3,716	nm
Tax on items that are or may be reclassified subsequently to profit or loss	1,083	(1,559)	nm	482	(522)	nm
	(5,775)	7,915	nm	(2,544)	2,717	nm
<b>Other comprehensive income for the period, net of income tax</b>	<b>(5,716)</b>	<b>7,974</b>	<b>nm</b>	<b>(2,515)</b>	<b>2,746</b>	<b>nm</b>
<b>Total comprehensive income for the period</b>	<b>673</b>	<b>14,839</b>	<b>(95.5)</b>	<b>(1,320)</b>	<b>4,929</b>	<b>nm</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	630	14,765	(95.7)	(1,334)	4,917	nm
Non-controlling interests	43	74	(41.9)	14	12	16.7
<b>Total comprehensive income for the period</b>	<b>673</b>	<b>14,839</b>	<b>(95.5)</b>	<b>(1,320)</b>	<b>4,929</b>	<b>nm</b>
<b>Profit for the period has been arrived at after crediting/(charging):</b>						
Net exchange gains/(losses)	217	(319)	nm	129	1	nm
Depreciation	(162)	(168)	(3.6)	(82)	(85)	(3.5)
Accretion of investments	23	22	4.5	12	11	9.1
Allowances for doubtful debts and bad debts written back	(211)	110	nm	(132)	119	nm
Under provision of tax	(44)	(2)	nm	(42)	(2)	nm
Gain on sale of investments	794	1,415	(43.9)	545	1,268	(57.0)
Change in fair value of investment properties	147	(124)	nm	(25)	(15)	66.7
Impairment provisions/write-down on investments	(369)	(791)	(53.4)	(369)	(791)	(53.4)

nm

not meaningful

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
Property, plant and equipment	42,334	42,408	42,240	42,320
Investment properties	29,552	29,405	29,552	29,405
Interests in subsidiaries	-	-	1,097	1,110
Reinsurers' share of insurance contract provisions for				
- outstanding claims	248,880	220,710	248,880	220,710
- unexpired risks	47,501	46,153	47,501	46,153
Financial assets	271,418	269,061	271,418	269,061
Club membership	15	15	-	-
Insurance receivables	65,442	59,842	65,442	59,842
Other receivables	3,547	3,076	2,377	2,574
Cash and cash equivalents	77,003	100,739	74,519	97,890
<b>Total assets</b>	<b>785,692</b>	<b>771,409</b>	<b>783,026</b>	<b>769,065</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	123,300	123,300	123,300	123,300
Reserves	38,127	43,843	38,127	43,843
Accumulated profits	93,515	92,010	92,921	91,662
	254,942	259,153	254,348	258,805
<b>Non-controlling interests</b>	295	252	-	-
<b>Total equity</b>	<b>255,237</b>	<b>259,405</b>	<b>254,348</b>	<b>258,805</b>
<b>Liabilities</b>				
Insurance contract provisions for				
- outstanding claims	396,992	368,999	396,992	368,999
- unexpired risks	65,007	64,645	65,007	64,645
Deferred taxation	2,194	3,263	2,194	3,263
Insurance payables	60,888	69,611	60,888	69,611
Other payables	4,101	4,170	2,411	2,548
Current tax payable	1,273	1,316	1,186	1,194
<b>Total liabilities</b>	<b>530,455</b>	<b>512,004</b>	<b>528,678</b>	<b>510,260</b>
<b>Total equity and liabilities</b>	<b>785,692</b>	<b>771,409</b>	<b>783,026</b>	<b>769,065</b>

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

Amount repayable in one year or less, or on demand

As at 30.6.2018		As at 31.12.2017	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.6.2018		As at 31.12.2017	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

Not applicable.

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

	GROUP			
	6 months 2018 S\$'000	6 months 2017 S\$'000	2nd Qtr 2018 S\$'000	2nd Qtr 2017 S\$'000
<b>Operating activities</b>				
Profit before income tax	7,068	7,667	1,130	2,431
<b>Adjustments for:</b>				
Insurance contract provisions for net unexpired risks	(986)	(2,143)	651	(1,707)
Insurance contract provisions for net outstanding claims	(177)	(3,081)	(892)	711
Impairment provision and write-down on investments	369	791	369	791
Change in fair value of investment properties	(147)	124	25	15
Gain on sale of investments	(794)	(1,415)	(545)	(1,268)
Depreciation of property, plant and equipment	162	168	82	85
Interest income	(3,973)	(3,892)	(2,024)	(1,997)
Dividend income	(1,209)	(1,145)	(771)	(746)
	<b>313</b>	<b>(2,926)</b>	<b>(1,975)</b>	<b>(1,685)</b>
<b>Changes in working capital:</b>				
Insurance receivables	(5,600)	(5,046)	(4,172)	(2,208)
Other receivables and staff loan	(449)	(1,925)	(381)	17
Insurance payables	(8,723)	5,791	1,158	1,186
Other payables	(69)	130	(313)	9
Cash flows used in operations	<b>(14,528)</b>	<b>(3,976)</b>	<b>(5,683)</b>	<b>(2,681)</b>
Income tax paid	(707)	(328)	(641)	(328)
<b>Net cash used in operating activities</b>	<b>(15,235)</b>	<b>(4,304)</b>	<b>(6,324)</b>	<b>(3,009)</b>
<b>Investing activities</b>				
Interest received	3,890	3,953	1,746	1,955
Dividends received	1,209	1,145	771	746
Purchase of investments	(25,093)	(13,369)	(12,876)	(11,448)
Proceeds from sale of investments	16,363	18,874	8,987	11,233
Purchase of property, plant and equipment	(29)	(89)	(13)	(60)
<b>Net cash (used in)/from investing activities</b>	<b>(3,660)</b>	<b>10,514</b>	<b>(1,385)</b>	<b>2,426</b>
<b>Financing activities</b>				
Dividends paid to owners of the Company	(4,841)	(4,841)	(4,841)	(4,841)
Decrease in deposits pledged	-	3	-	1
<b>Net cash from financing activities</b>	<b>(4,841)</b>	<b>(4,838)</b>	<b>(4,841)</b>	<b>(4,840)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(23,736)</b>	<b>1,372</b>	<b>(12,550)</b>	<b>(5,423)</b>
<b>Cash and cash equivalents at beginning of the year (excluding pledged assets)</b>	<b>100,739</b>	<b>86,726</b>	<b>89,553</b>	<b>93,521</b>
<b>Cash and cash equivalents at end of the year (excluding pledged assets)</b>	<b>77,003</b>	<b>88,098</b>	<b>77,003</b>	<b>88,098</b>
<b>Pledged deposits</b>	<b>-</b>	<b>93</b>	<b>-</b>	<b>93</b>
<b>Cash and cash equivalents at end of the period including pledged deposits</b>	<b>77,003</b>	<b>88,191</b>	<b>77,003</b>	<b>88,191</b>

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.

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
<b>GROUP</b>							
At 1 January 2018	123,300	12,807	31,036	92,010	259,153	252	259,405
<b>Total comprehensive income for the period</b>							
Net profit	-	-	-	6,346	6,346	43	6,389
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	59	-	59	-	59
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(794)	-	-	(794)	-	(794)
Reclassification of impairment write-down on investments to profit or loss	-	369	-	-	369	-	369
Change in fair value of investments (unrealised)	-	(6,433)	-	-	(6,433)	-	(6,433)
Income tax relating to components of other comprehensive income	-	1,083	-	-	1,083	-	1,083
Total other comprehensive income, net of income tax	-	(5,775)	59	-	(5,716)	-	(5,716)
Total comprehensive income for the period	-	(5,775)	59	6,346	630	43	673
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2017	-	-	-	(4,841)	(4,841)	-	(4,841)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)	-	(4,841)
At 30 June 2018	123,300	7,032	31,095	93,515	254,942	295	255,237
At 1 January 2017	123,300	3,395	26,918	87,223	240,836	264	241,100
<b>Total comprehensive income for the period</b>							
Net profit	-	-	-	6,810	6,810	55	6,865
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	59	-	59	-	59
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,413)	-	-	(1,413)	(2)	(1,415)
Reclassification of impairment write-down on investments to profit or loss	-	791	-	-	791	-	791
Change in fair value of investments (unrealised)	-	10,077	-	-	10,077	21	10,098
Income tax relating to components of other comprehensive income	-	(1,559)	-	-	(1,559)	-	(1,559)
Total other comprehensive income, net of income tax	-	7,896	59	-	7,955	19	7,974
Total comprehensive income for the period	-	7,896	59	6,810	14,765	74	14,839
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(3,631)	(3,631)	-	(3,631)
Special dividend paid of 0.2 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(1,210)	(1,210)	-	(1,210)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)	-	(4,841)
At 30 June 2017	123,300	11,291	26,977	89,192	250,760	338	251,098

GROUP	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
<b>At 1 April 2018</b>	123,300	9,576	31,066	97,175	261,117	281	261,398
<b>Total comprehensive income for the quarter</b>							
<b>Net profit</b>	-	-	-	1,181	1,181	14	1,195
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	29	-	29	-	29
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(545)	-	-	(545)	-	(545)
Reclassification of impairment write-down on investments to profit or loss	-	369	-	-	369	-	369
Change in fair value of investments (unrealised)	-	(2,850)	-	-	(2,850)	-	(2,850)
Income tax relating to components of other comprehensive income	-	482	-	-	482	-	482
<b>Total other comprehensive income, net of income tax</b>	-	(2,544)	29	-	(2,515)	-	(2,515)
<b>Total comprehensive income for the quarter</b>	-	(2,544)	29	1,181	(1,334)	14	(1,320)
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2017	-	-	-	(4,841)	(4,841)	-	(4,841)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)	-	(4,841)
<b>At 30 June 2018</b>	<b>123,300</b>	<b>7,032</b>	<b>31,095</b>	<b>93,515</b>	<b>254,942</b>	<b>295</b>	<b>255,237</b>
<b>At 1 April 2017</b>	123,300	8,583	26,948	91,853	250,684	326	251,010
<b>Total comprehensive income for the quarter</b>							
<b>Net profit</b>	-	-	-	2,180	2,180	3	2,183
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	29	-	29	-	29
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,266)	-	-	(1,266)	(2)	(1,268)
Reclassification of impairment write-down on investments to profit or loss	-	791	-	-	791	-	791
Change in fair value of investments (unrealised)	-	3,705	-	-	3,705	11	3,716
Income tax relating to components of other comprehensive income	-	(522)	-	-	(522)	-	(522)
<b>Total other comprehensive income, net of income tax</b>	-	2,708	29	-	2,737	9	2,746
<b>Total comprehensive income for the quarter</b>	-	2,708	29	2,180	4,917	12	4,929
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(3,631)	(3,631)	-	(3,631)
Special dividend paid of 0.2 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(1,210)	(1,210)	-	(1,210)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)	-	(4,841)
<b>At 30 June 2017</b>	<b>123,300</b>	<b>11,291</b>	<b>26,977</b>	<b>89,192</b>	<b>250,760</b>	<b>338</b>	<b>251,098</b>

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>COMPANY</b>					
<b>At 1 January 2018</b>	<b>123,300</b>	<b>12,807</b>	<b>31,036</b>	<b>91,662</b>	<b>258,805</b>
<b>Total comprehensive income for the period</b>					
<b>Net profit</b>	-	-	-	6,100	6,100
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	59	-	59
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(794)	-	-	(794)
Reclassification of impairment write-down on investments to profit or loss	-	369	-	-	369
Change in fair value of investments (unrealised)	-	(6,433)	-	-	(6,433)
Income tax relating to components of other comprehensive income	-	1,083	-	-	1,083
Total other comprehensive income, net of income tax	-	(5,775)	59	-	(5,716)
Total comprehensive income for the period	-	(5,775)	59	6,100	384
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contributions by and distributions to owners:</b>					
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2017	-	-	-	(4,841)	(4,841)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)
<b>At 30 June 2018</b>	<b>123,300</b>	<b>7,032</b>	<b>31,095</b>	<b>92,921</b>	<b>254,348</b>
At 1 January 2017	123,300	3,424	26,918	86,819	240,461
<b>Total comprehensive income for the period</b>					
<b>Net profit</b>	-	-	-	6,527	6,527
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	59	-	59
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,405)	-	-	(1,405)
Reclassification of impairment write-down on investments to profit or loss	-	791	-	-	791
Change in fair value of investments (unrealised)	-	9,959	-	-	9,959
Income tax relating to components of other comprehensive income	-	(1,559)	-	-	(1,559)
Total other comprehensive income, net of income tax	-	7,786	59	-	7,845
Total comprehensive income for the period	-	7,786	59	6,527	14,372
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contributions by and distributions to owners:</b>					
Final dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(3,631)	(3,631)
Special dividend paid of 0.2 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(1,210)	(1,210)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)
<b>At 30 June 2017</b>	<b>123,300</b>	<b>11,210</b>	<b>26,977</b>	<b>88,505</b>	<b>249,992</b>

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>COMPANY</b>					
<b>At 1 April 2018</b>	<b>123,300</b>	<b>9,576</b>	<b>31,066</b>	<b>96,662</b>	<b>260,604</b>
<b>Total comprehensive income for the quarter</b>					
<b>Net profit</b>	-	-	-	1,100	1,100
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	29	-	29
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(545)	-	-	(545)
Reclassification of impairment write-down on investments to profit or loss	-	369	-	-	369
Change in fair value of investments (unrealised)	-	(2,850)	-	-	(2,850)
Income tax relating to components of other comprehensive income	-	482	-	-	482
Total other comprehensive income, net of income tax	-	(2,544)	29	-	(2,515)
Total comprehensive income for the quarter	-	(2,544)	29	1,100	(1,415)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2017	-	-	-	(4,841)	(4,841)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)
<b>At 30 June 2018</b>	<b>123,300</b>	<b>7,032</b>	<b>31,095</b>	<b>92,921</b>	<b>254,348</b>
At 1 April 2017	123,300	8,556	26,948	91,168	249,972
<b>Total comprehensive income for the quarter</b>					
<b>Net profit</b>	-	-	-	2,178	2,178
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	29	-	29
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,258)	-	-	(1,258)
Reclassification of impairment write-down on investments to profit or loss	-	791	-	-	791
Change in fair value of investments (unrealised)	-	3,643	-	-	3,643
Income tax relating to components of other comprehensive income	-	(522)	-	-	(522)
Total other comprehensive income, net of income tax	-	2,654	29	-	2,683
Total comprehensive income for the quarter	-	2,654	29	2,178	4,861
<b>Contributions by and distributions to owners:</b>					
Final dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(3,631)	(3,631)
Special dividend paid of 0.2 cent per share tax exempt (one-tier) in respect of year 2016	-	-	-	(1,210)	(1,210)
Total contributions by and distributions to owners	-	-	-	(4,841)	(4,841)
At 30 June 2017	123,300	11,210	26,977	88,505	249,992

**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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

There was no change in the Company's share capital since the end of the previous reported period. There were no shares held as treasury shares and no outstanding convertibles as at 30 June 2018 and 30 June 2017.

**1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of shares excluding treasury shares as at 30 June 2018 and 31 December 2017 was 605,219,785.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not Applicable.

**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.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as those in the audited annual financial statements as at 31 December 2017, except as stated in Note 5.

**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.**

On 1 January 2018, the Group adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") that is equivalent to the International Financial Reporting Standards ("IFRS"). Accordingly, the financial statements have been prepared based on the new reporting framework. SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) was applied with no impact on the financial statements.

**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.**

	<b>GROUP</b>	
	<b>6 months 2018</b>	6 months 2017
Basic and fully diluted earnings per share (cents)	<b>1.05</b>	1.13
Number of ordinary shares issued ('000)	<b>605,220</b>	605,220

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Net asset value per share (cents)	42.12	42.82	42.03	42.76

**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.**

Comparison of 2nd quarter 2018 vs 2nd quarter 2017

In second quarter 2018, the Group's gross written premium increased by 4.7% to \$53.297 million and the premium growth was mainly attributed to new business. In contrast, the net earned premium fell 4.7% to \$12.072 million due to premium reserve strain as against a negative premium strain in the corresponding quarter last year. Net claims incurred declined by 6% to \$8.558 million due to lower advised outstanding losses and IBNR loss reserve provision. Net commission expense rose 38.5% to \$3.587 million attributed to higher profit commission accrual and higher premium income. In light of the premium reserve strain and higher net commission expense, an underwriting deficit of \$2.006 million was recorded in the quarter under review, compared to \$994,000 underwriting deficit in the same quarter a year earlier. Net investment income fell \$371,000 or 10.5% to \$3.152 million mainly due to lower profit on sale of investments. Overall, the Group's profit before income tax of \$1.13 million was 53.5% lower than the \$2.431 million recorded in the corresponding quarter a year ago.

Comparison of 6 months 2018 vs 6 months 2017

For the six months ended 30 June 2018, the Group's gross written premium grew 11.5% to \$92.83 million attributed to timing difference in receipt and booking of statement of accounts and new business written. In contrast, the net earned premium fell 10.9% to \$23.543 million mainly due to lower premium ceded under a treaty arrangement which is substantially retained. Net claims incurred declined by 4.1% to \$12.288 million, equivalent to an incurred loss ratio of 54.5% (on net written premium) mainly because of lower advised outstanding losses and IBNR loss reserve provision, benefitting from the relative lull in losses of a catastrophic nature reported. Reinsurance management expenses rose 4.2% to \$4.079 million due to higher provision for bad and doubtful debts. Consequently, a lower underwriting surplus of \$766,000 was recorded, compared to the \$1.728 million surplus in the same period a year earlier. Net investment income increased by 7.5% to \$6.214 million primarily due to lower impairment recognised for investments. Overall, the Group's net profit before income tax fell 7.8% to \$7.068 million, down from the \$7.667 million net profit before income tax reported in the corresponding period last year.

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 significant trends and 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.**

Global excess (re) insurance capacity which fuels market competition continues unabated. The negative impact on premium growth and profitability will likely persist into the next reporting period and beyond.

Amid escalating trade and geopolitical tensions among the major trading economies, the investment climate continues to be highly uncertain. The volatility of the financial markets globally will render it increasingly difficult to expect reasonable returns.

11. **DIVIDEND - If a decision regarding dividend has been made:**

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes

Name of dividend	<u>Interim Ordinary</u>
Dividend type	Cash
Gross dividend amount per share (in cents)	0.50
Tax rate	Tax exempt (one-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared?

Yes

Name of dividend	<u>Interim Ordinary</u>
Dividend type	Cash
Gross dividend amount per share (in cents)	0.50
Tax rate	Tax exempt (one-tier)

(c) The date the dividend is payable

The proposed dividend will be paid on 17 September 2018.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 21 August 2018 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, up to 5.00 p.m. on 20 August 2018 will be registered before entitlements to the proposed dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares in the capital of the Company as at 5.00 p.m. on 20 August 2018 will be entitled to the dividend.

12. **If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain a general mandate from shareholders for IPTs.

14. **Confirmation pursuant to Rule 705(5) of the Listing Manual.**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for second quarter ended 30 June 2018 to be false or misleading in any material aspect.

15. **Confirmation pursuant to Rule 720(1) of the Listing Manual.**

The Company confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Tan Swee Gek  
Company Secretary  
7 August 2018

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