

SINGAPORE REINSURANCE CORPORATION LIMITED

(Company Registration No. 197300016C)

Financial Statements Announcement For Nine Months/Third Quarter Ended 30 September 2015

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 NINE MONTHS/THIRD QUARTER ENDED 30 SEPTEMBER 2015

	GROUP					
	9 months	9 months	Incr/	3rd Qtr	3rd Qtr	Incr/
	2015	2014	(decr)	2015	2014	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	100,586	110,444	(8.9)	31,521	36,023	(12.5)
Income statements:						
Reinsurance operations:						
Gross written premiums	96,228	106,297	(9.5)	30,549	34,641	(11.8)
Reinsurance premiums	(56,131)	(62,661)	(10.4)	(18,094)	(20,724)	(12.7)
Net written premiums	40,097	43,636	(8.1)	12,455	13,917	(10.5)
Gross transfer (to)/from provision for unexpired risks	5,470	(5,142)	nm	440	(1,540)	nm
Reinsurance transfer to/(from) provision for unexpired risks	(4,102)	2,618	nm	(160)	1,111	nm
Net earned premiums	41,465	41,112	0.9	12,735	13,488	(5.6)
Gross claims incurred	(41,429)	(41,936)	(1.2)	(16,363)	(19,896)	(17.8)
Reinsurers' share of claims incurred	17,862	19,242	(7.2)	8,570	12,103	(29.2)
Net claims incurred	(23,567)	(22,694)	3.8	(7,793)	(7,793)	-
Commission expense	(29,940)	(30,696)	(2.5)	(10,408)	(9,409)	10.6
Commission income	17,414	18,271	(4.7)	6,302	6,029	4.5
Net commission expense	(12,526)	(12,425)	0.8	(4,106)	(3,380)	21.5
Management expenses	(4,932)	(4,011)	23.0	(1,287)	(2,156)	(40.3)
Underwriting results	440	1,982	(77.8)	(451)	159	nm
Net investment income	7,626	10,190	(25.2)	1,635	2,865	(42.9)
Net income from reinsurance operations (I)	8,066	12,172	(33.7)	1,184	3,024	(60.8)
Non-reinsurance operations:						
Net investment income	2,425	2,923	(17.0)	751	1,154	(34.9)
Other operating income	4,358	4,149	5.0	972	1,382	(29.7)
Management expenses	(4,494)	(4,095)	9.7	(1,421)	(1,403)	1.3
Net income from non-reinsurance operations (II)	2,289	2,977	(23.1)	302	1,133	(73.3)

GROUP

	9 months 2015 S\$'000	9 months 2014 S\$'000	Incr/ (decr) %	3rd Qtr 2015 S\$'000	3rd Qtr 2014 S\$'000	Incr/ (decr) %
Income statements - continued						
	10,355	15,149	(31.6)	1,486	4,157	(64.3)
Income tax expense	(1,513)	(1,559)	(3.0)	(312)	(420)	(25.7)
Profit for the period	8,842	13,590	(34.9)	1,174	3,737	(68.6)
Profit attributable to:						
Equity holders of the Company	8,805	13,526	(34.9)	1,208	3,727	(67.6)
Non-controlling interests	37	64	(42.2)	(34)	10	nm
Profit for the period	8,842	13,590	(34.9)	1,174	3,737	(68.6)
Statements of comprehensive income:						
Profit for the period	8,842	13,590	(34.9)	1,174	3,737	(68.6)
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	256	106	141.5	89	73	21.9
Tax on items that will not be reclassified to profit or loss	(17)	(2)	nm	(6)	(4)	50.0
	239	104	129.8	83	69	20.3
Items that are or may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to profit or loss (realised)	(2,229)	(2,900)	(23.1)	(4)	(814)	(99.5)
Reclassification of impairment write-down on investments to profit or loss	209	-	nm	-	-	nm
Change in fair value of investments (unrealised)	(7,593)	2,977	nm	(7,691)	(311)	nm
Tax on items that are or may be reclassified subsequently to profit or loss	1,508	(10)	nm	1,219	215	nm
	(8,105)	67	nm	(6,476)	(910)	nm
Other comprehensive income for the period, net of income tax	(7,866)	171	nm	(6,393)	(841)	nm
Total comprehensive income for the period	976	13,761	(92.9)	(5,219)	2,896	nm
Total comprehensive income attributable to:						
Equity holders of the Company	953	13,697	(93.0)	(5,171)	2,886	nm
Non-controlling interests	23	64	(64.7)	(48)	10	nm
Total comprehensive income for the period	976	13,761	(92.9)	(5,219)	2,896	nm
Profit for the period has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	4,384	4,158	5.4	987	1,386	(28.8)
Operating expenses relating to subsidiaries non-reinsurance operations*	(3,960)	(3,672)	7.8	(1,193)	(1,273)	(6.3)
Exchange (loss)/gain	(892)	180	nm	(504)	39	nm
Allowances for doubtful debts and bad debts written back/(off)	435	1,126	(61.4)	409	(348)	nm
Gain on sale of investments	2,229	2,900	(23.1)	4	814	(99.5)
Change in fair value of investment properties	206	1,179	(82.5)	69	25	176.0
Impairment write-down on investments	(209)	-	nm	-	-	nm
Profit on sale of investment property	76	-	nm	76	-	nm

nm not meaningful

na not applicable

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

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	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	35,748	35,528	35,672	35,457
Investment properties	22,899	24,787	22,899	24,787
Interests in subsidiaries	-	-	1,123	1,123
Reinsurers' share of insurance contract provisions for				
- outstanding claims	194,848	214,572	194,848	214,572
- unexpired risks	27,844	31,946	27,844	31,946
Financial assets	265,711	275,911	265,228	275,977
Club membership	20	20	-	-
Insurance receivables	61,069	72,531	61,069	72,531
Other receivables	3,496	3,390	2,217	3,114
Cash and cash equivalents	70,111	71,644	66,566	67,850
Total assets	681,746	730,327	677,466	727,357
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	21,187	29,039	21,264	29,039
Accumulated profits	82,332	84,421	81,266	83,648
	226,819	236,760	225,830	235,987
Non-controlling interests	343	320	-	-
Total equity	227,162	237,080	225,830	235,987
Liabilities				
Insurance contract provisions for				
- outstanding claims	349,760	375,024	349,760	375,024
- unexpired risks	47,945	53,415	47,945	53,415
Deferred taxation	819	2,322	819	2,322
Insurance payables	48,135	56,139	48,135	56,139
Other payables	5,579	3,882	2,673	2,178
Current tax payable	2,346	2,465	2,304	2,292
Total liabilities	454,584	493,247	451,636	491,370
Total equity and liabilities	681,746	730,327	677,466	727,357

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 30.9.2015		As at 31.12.2014	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2015		As at 31.12.2014	
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			
	9 months 2015 S\$'000	9 months 2014 S\$'000	3rd Qtr 2015 S\$'000	3rd Qtr 2014 S\$'000
Operating activities				
Profit before income tax	10,355	15,149	1,486	4,157
Adjustments for:				
Insurance contract provisions for net unexpired risks	(1,368)	2,524	(280)	429
Insurance contract provisions for net outstanding claims	(5,540)	(1,070)	92	1,488
Impairment write-down on investments and club membership	209	-	-	-
Change in fair value of investment properties	(206)	(1,179)	(69)	(25)
Gain on sale of investments	(2,229)	(2,900)	(4)	(814)
Depreciation of property, plant and equipment	267	241	82	79
Interest income	(6,236)	(6,314)	(2,092)	(2,104)
Dividend income	(2,041)	(2,111)	(710)	(840)
Gain on sale of property, plant and equipment	(81)	-	(81)	-
	(6,870)	4,340	(1,576)	2,370
Changes in working capital:				
Insurance receivables	11,462	(336)	3,841	(2,824)
Other receivables	(577)	(130)	96	(85)
Insurance payables	(8,004)	(7,202)	(4,690)	5,105
Other payables	1,697	1,344	1,189	816
Cash flows used in operations	(2,292)	(1,984)	(1,140)	5,382
Income tax paid	(1,644)	(1,719)	(674)	(738)
Net cash (used in)/from operating activities	(3,936)	(3,703)	(1,814)	4,644
Investing activities				
Interest received	6,677	6,921	2,433	3,444
Dividends received	2,041	2,111	710	840
Purchase of investments	(36,672)	(48,623)	(12,549)	(17,991)
Proceeds from sale of investments	39,309	48,144	7,800	20,146
Purchase of property, plant and equipment	(252)	(1,900)	(225)	(54)
Proceeds from sale of investment properties and fixed assets	2,194	-	2,194	-
Proceeds from liquidation of subsidiary	-	-	-	(11)
Net cash from investing activities	13,297	6,653	363	6,374
Financing activities				
Dividends paid	(10,894)	(9,078)	(6,052)	(4,236)
Decrease/(Increase) in deposits pledged	106	30	(8)	13
Net cash used in financing activities	(10,788)	(9,048)	(6,060)	(4,223)
Net increase/(decrease) in cash and cash equivalents	(1,427)	(6,098)	(7,511)	6,795
Cash and cash equivalents at beginning of the year (exclude pledged deposits)	71,405	78,204	77,489	65,311
Cash and cash equivalents at end of the period	69,978	72,106	69,978	72,106
Pledged deposits	133	809	133	809
Cash and cash equivalents at end of the period including pledged deposits	70,111	72,915	70,111	72,915

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
GROUP							
At 1 January 2015	123,300	7,776	21,263	84,421	236,760	320	237,080
Total comprehensive income for the period							
Net profit	-	-	-	8,805	8,805	37	8,842
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	256	-	256	-	256
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,228)	-	-	(2,228)	(1)	(2,229)
Reclassification of impairment write-down on investments to profit or loss	-	209	-	-	209	-	209
Change in fair value of investments (unrealised)	-	(7,580)	-	-	(7,580)	(13)	(7,593)
Income tax relating to components of other comprehensive income	-	1,508	(17)	-	1,491	-	1,491
Total other comprehensive income, net of income tax	-	(8,091)	239	-	(7,852)	(14)	(7,866)
Total comprehensive income for the period	-	(8,091)	239	8,805	953	23	976
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(4,236)	(4,236)	-	(4,236)
Special dividend paid of 0.3 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(1,816)	(1,816)	-	(1,816)
Total contributions by and distributions to owners	-	-	-	(10,894)	(10,894)	-	(10,894)
At 30 September 2015	123,300	(315)	21,502	82,332	226,819	343	227,162
At 1 January 2014	123,300	7,854	18,321	75,460	224,935	328	225,263
Total comprehensive income for the period							
Net profit	-	-	-	13,526	13,526	64	13,590
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	106	-	106	-	106
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,900)	-	-	(2,900)	-	(2,900)
Change in fair value of investments (unrealised)	-	2,977	-	-	2,977	-	2,977
Income tax relating to components of other comprehensive income	-	(10)	(2)	-	(12)	-	(12)
Total other comprehensive income, net of income tax	-	67	104	-	171	-	171
Total comprehensive income for the period	-	67	104	13,526	13,697	64	13,761
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)	-	(4,236)
Payment to non-controlling interest on liquidation of subsidiary	-	-	-	-	-	(5)	(5)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)	(5)	(9,083)
At 30 September 2014	123,300	7,921	18,425	79,908	229,554	387	229,941

	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
At 1 July 2015	123,300	6,147	21,419	87,176	238,042	391	238,433
Total comprehensive income for the quarter							
Net profit	-	-	-	1,208	1,208	(34)	1,174
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	89	-	89	-	89
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(3)	-	-	(3)	(1)	(4)
Change in fair value of investments (unrealised)	-	(7,678)	-	-	(7,678)	(13)	(7,691)
Income tax relating to components of other comprehensive income	-	1,219	(6)	-	1,213	-	1,213
Total other comprehensive income, net of income tax	-	(6,462)	83	-	(6,379)	(14)	(6,393)
Total comprehensive income for the quarter	-	(6,462)	83	1,208	(5,171)	(48)	(5,219)
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(4,236)	(4,236)	-	(4,236)
Special dividend paid of 0.3 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(1,816)	(1,816)	-	(1,816)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)	-	(6,052)
At 30 September 2015	123,300	(315)	21,502	82,332	226,819	343	227,162
At 1 July 2014	123,300	8,831	18,356	80,417	230,904	377	231,281
Total comprehensive income for the quarter							
Net profit	-	-	-	3,727	3,727	10	3,737
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	73	-	73	-	73
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(814)	-	-	(814)	-	(814)
Change in fair value of investments (unrealised)	-	(311)	-	-	(311)	-	(311)
Income tax relating to components of other comprehensive income	-	215	(4)	-	211	-	211
Total other comprehensive income, net of income tax	-	(910)	69	-	(841)	-	(841)
Total comprehensive income for the quarter	-	(910)	69	3,727	2,886	10	2,896
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)	-	(4,236)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)	-	(4,236)
At 30 September 2014	123,300	7,921	18,425	79,908	229,554	387	229,941

COMPANY	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2015	123,300	7,776	21,263	83,648	235,987
Total comprehensive income for the period					
Net profit	-	-	-	8,512	8,512
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	256	-	256
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,225)	-	-	(2,225)
Reclassification of impairment write-down on investments to profit or loss	-	209	-	-	209
Change in fair value of investments (unrealised)	-	(7,506)	-	-	(7,506)
Income tax relating to components of other comprehensive income	-	1,508	(17)	-	1,491
Total other comprehensive income, net of income tax	-	(8,014)	239	-	(7,775)
Total comprehensive income for the period	-	(8,014)	239	8,512	737
Contributions by and distributions to owners:					
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(4,236)	(4,236)
Special dividend paid of 0.3 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(1,816)	(1,816)
Total contributions by and distributions to owners	-	-	-	(10,894)	(10,894)
At 30 September 2015	123,300	(238)	21,502	81,266	225,830
At 1 January 2014	123,300	7,854	18,321	74,781	224,256
Total comprehensive income for the period					
Net profit	-	-	-	13,101	13,101
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	106	-	106
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,797)	-	-	(2,797)
Change in fair value of investments (unrealised)	-	2,874	-	-	2,874
Income tax relating to components of other comprehensive income	-	(10)	(2)	-	(12)
Total other comprehensive income, net of income tax	-	67	104	-	171
Total comprehensive income for the period	-	67	104	13,101	13,272
Contributions by and distributions to owners:					
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)
At 30 September 2014	123,300	7,921	18,425	78,804	228,450

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 July 2015	123,300	6,150	21,419	85,942	236,811
Total comprehensive income for the quarter					
Net profit	-	-	-	1,376	1,376
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	89	-	89
Available-for-sale financial assets:					
Change in fair value of investments (unrealised)	-	(7,607)	-	-	(7,607)
Income tax relating to components of other comprehensive income	-	1,219	(6)	-	1,213
Total other comprehensive income, net of income tax	-	(6,388)	83	-	(6,305)
Total comprehensive income for the quarter	-	(6,388)	83	1,376	(4,929)
Contributions by and distributions to owners:					
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(4,236)	(4,236)
Special dividend paid of 0.3 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(1,816)	(1,816)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)
At 30 September 2015	123,300	(238)	21,502	81,266	225,830
At 1 July 2014	123,300	8,831	18,356	79,467	229,954
Total comprehensive income for the quarter					
Net profit	-	-	-	3,573	3,573
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	73	-	73
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(712)	-	-	(712)
Change in fair value of investments (unrealised)	-	(413)	-	-	(413)
Income tax relating to components of other comprehensive income	-	215	(4)	-	211
Total other comprehensive income, net of income tax	-	(910)	69	-	(841)
Total comprehensive income for the quarter	-	(910)	69	3,573	2,732
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)
At 30 September 2014	123,300	7,921	18,425	78,804	228,450

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 September 2015 and 30 September 2014.

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 September 2015 and 31 December 2014 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 2014.

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 2015	9 months 2014
Basic and fully diluted earnings per share (cents)	1.45	2.23
Number of ordinary shares issued ('000)	605,220	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	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014
Net asset value per share (cents)	37.48	39.12	37.31	38.99

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 3rd quarter 2015 vs 3rd quarter 2014

In third quarter 2015, the Group's revenue declined by 12.5% to S\$31.521 million due to a reduction in Facultative premiums. In addition to intense market competition which has depressed (re)insurance rates, the premium decline was also due to timing difference in booking various accounts. Net commission expense rose 21.5% to S\$4.106 million due to higher accrual of profit commissions while management expense fell 40.3% to S\$1.287 million attributed largely to the write-back in bad and doubtful debt provision. In light of the foregoing, as well as new case reserves set aside for the port explosion in Tianjin, China an underwriting deficit of S\$451,000 was recorded in the quarter under review. Net investment income slid 40.6% or S\$1.633 million to S\$2.386 million largely due to exchange loss on revaluation of foreign-denominated deposits and lower profit on sale of investments. Overall, the Group's profit before income tax of S\$1.486 million was 64.3% lower than the S\$4.157 million recorded in the corresponding quarter in previous year.

Comparison of 9 months 2015 vs 9 months 2014

For the period ended 30 September 2015, the Group's revenue fell 8.9% to S\$100.586 million due to lower premiums reported by cedants and timing difference in booking various policies. Net claims incurred increased by 3.8% to S\$23.567 million or by 6.8 percentage-points to a loss ratio (net claims incurred/net written premium) of 58.8%, partly attributable to claims provisions in respect of the Tianjin port disaster, year on year. The reinsurance management expenses rose 23% to S\$4.932 million due mainly to a lower write-back in provision for bad and doubtful debts and compounded by higher staff costs. As previously mentioned, in 2014, the Group had fine-tuned the methodology of computing general provision for bad and doubtful debts resulting in a write-back in provision of S\$1.126 million last year. In light of the foregoing, the underwriting surplus fell 77.8% to S\$440,000 for the period under review. Net investment income declined by 23.4% or S\$3.062 million to S\$10.051 million attributed mainly to lower surplus from the change in fair value of investment properties and profit on sale of investments. Overall, the Group's net profit before income tax fell 31.6% to S\$10.355 million, compared to the S\$15.149 million net profit before income tax in the corresponding period a year ago. The Group's total comprehensive income declined by 92.9% to S\$976,000 due mainly to unrealised mark-to-market losses on investments at end-September 2015.

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.**

The insurance market world-wide continues to be highly competitive with excessive supply in capacity. Continuation of the trend will inhibit premium growth and pinch profit margins. On the investment front, the portfolio of quoted shares has suffered reduction in market values due to the bearish trend in world bourses. At the time of reporting, the situation has improved considerably. However, given the many global uncertainties, volatility with increasing unpredictability will continue to be order of the day in going forward.

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?

No

(b) Corresponding period of the immediately preceding financial year

Any dividend declared?

No

(c) The date the dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the current financial period reported on.

**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 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 third quarter and period ended 30 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
6 November 2015