

SINGAPORE REINSURANCE CORPORATION LIMITED

(Company Registration No. 197300016C)

First Quarter Financial Statements Announcement For The Period Ended 31 March 2008

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

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 31 MARCH 2008

	GROUP		
	31.3.2008 S\$'000	31.3.2007 S\$'000	Incr/ (decr) %
Revenue	16,889	17,002	(0.7)
Reinsurance operations :			
Gross premiums	15,303	15,627	(2.1)
Reinsurance premiums	(6,728)	(7,292)	(7.7)
Net written premiums	8,575	8,335	2.9
Gross transfer from provision for unexpired risks	192	837	(77.1)
Reinsurance transfer from provision for unexpired risks	(280)	(410)	(31.7)
Net earned premiums	8,487	8,762	(3.1)
Gross claims incurred	4,882	(9,749)	nm
Reinsurers' share of claims incurred	(6,672)	6,681	nm
Net claims incurred	(1,790)	(3,068)	(41.7)
Commission expense	(7,170)	(5,682)	26.2
Commission income	3,127	2,008	55.7
Net commission expense	(4,043)	(3,674)	10.0
Management expenses	(2,087)	(1,418)	47.2
Underwriting results	567	602	(5.8)
Net investment income	(1,042)	4,942	(121.1)
Net income from reinsurance operations (I)	(475)	5,544	(108.6)
Non-reinsurance operations :			
Net investment income	4,689	3,459	35.6
Other operating income	1,615	1,429	13.0
Management expenses	(1,499)	(1,251)	19.8
Net income from non-reinsurance operations (II)	4,805	3,637	32.1
Profit before income tax (I + II)	4,330	9,181	(52.8)
Income tax expense	(647)	(1,447)	(55.3)
Profit for the period	3,683	7,734	(52.4)
Attributable to:			
Equity holders of the Company	3,620	7,688	(52.9)
Minority interests	63	46	37.0
Profit for the period	3,683	7,734	(52.4)
Profit after taxation has been arrived at after crediting/(charging):			
Income relating to subsidiaries non-reinsurance operations*	1,793	1,710	4.9
Operating expenses relating to subsidiaries non-reinsurance operations*	(1,345)	(1,080)	24.5
Foreign exchange gain/(loss)	(314)	20	nm
Profit on sale of investments	3,938	5,661	(30.4)
Impairment losses on investments	(2,605)	-	na

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

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	
	31.3.2008	31.12.2007	31.3.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	19,368	19,383	19,173	19,165
Investment properties	10,383	10,383	10,383	10,383
Reinsurers' share of insurance contract provisions for				
- outstanding claims	103,324	114,312	98,459	109,455
- unexpired risks	13,098	13,378	13,098	13,378
Interests in subsidiaries	-	-	6,436	6,436
Financial assets	247,911	244,049	239,054	235,126
Club membership	30	30	-	-
Insurance receivables	25,928	26,571	25,724	26,444
Other receivables	4,787	3,451	2,969	2,657
Cash and cash equivalents	71,048	81,394	63,526	73,916
Total assets	495,877	512,951	478,822	496,960
Equity attributable to equity holders of the Company				
Share capital	112,296	112,296	112,296	112,296
Reserves	7,825	11,150	7,736	11,079
Accumulated profits	78,272	77,702	73,797	73,550
	198,393	201,148	193,829	196,925
Minority interests	730	695	-	-
Total equity	199,123	201,843	193,829	196,925
Liabilities				
Insurance contract provisions for				
- outstanding claims	224,101	238,801	216,499	231,208
- unexpired risks	28,057	28,249	28,057	28,249
Insurance payables	32,186	31,768	31,903	31,562
Other payables	5,627	4,910	2,311	2,172
Current tax payable	5,736	5,533	5,199	5,007
Deferred taxation	1,047	1,847	1,024	1,837
Total liabilities	296,754	311,108	284,993	300,035
Total equity and liabilities	495,877	512,951	478,822	496,960

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 31.3.2008		As at 31.12.2007	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.3.2008		As at 31.12.2007	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

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	
	31.3.2008 S\$'000	31.3.2007 S\$'000
Operating activities		
Profit before income tax	4,330	9,181
Adjustments for:		
Insurance contract provisions for net unexpired risks	88	(427)
Insurance contract provisions for net outstanding claims	(3,712)	(520)
Impairment losses on investments	2,605	-
Gain on sale of investments	(3,938)	(5,661)
Depreciation of property, plant and equipment	89	87
Interest income	(2,261)	(2,556)
Dividend income	(184)	(132)
Others	(7)	(21)
	<u>(2,990)</u>	<u>(49)</u>
Changes in working capital:		
Insurance receivables	3,722	1,011
Other receivables	(3,763)	(3,085)
Insurance payables	408	(479)
Other payables	727	573
Cash generated from operations	<u>(1,896)</u>	<u>(2,029)</u>
Income tax paid	(452)	(29)
Cash flows from operating activities	<u>(2,348)</u>	<u>(2,058)</u>
Investing activities		
Interest received	1,611	2,558
Dividends received	184	132
Purchase of investments	(16,899)	(13,160)
Proceeds from sale of investments	10,198	25,310
Purchase of property, plant and equipment	(42)	(68)
Cash flows from investing activities	<u>(4,948)</u>	<u>14,772</u>
Financing activities		
Share Buyback	(3,050)	-
Reduction / (Increase) in deposits pledged	33	14
Cash flows from financing activities	<u>(3,017)</u>	<u>14</u>
Net increase/(decrease) in cash and cash equivalents	(10,313)	12,728
Cash and cash equivalents at beginning of the year	79,886	101,292
Cash and cash equivalents at end of the period	<u>69,573</u>	<u>114,020</u>
Pledged cash equivalents	1,475	1,576
Cash and cash equivalents at end of the period including pledged deposits	<u>71,048</u>	<u>115,596</u>

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	Minority Interests S\$'000	Total Equity S\$'000
GROUP							
At 1 January 2008	112,296	7,252	3,898	77,702	201,148	695	201,843
Net surplus on revaluation net of tax - Property, plant and equipment	-	-	31	-	31	-	31
Net change in fair value of available-for-sale financial assets, net of tax	-	(3,356)	-	-	(3,356)	(28)	(3,384)
Net profit for the period	-	-	-	3,620	3,620	63	3,683
Total recognised income and expense for the period	-	(3,356)	31	3,620	295	35	330
Share buyback and cancelled	-	-	-	(3,050)	(3,050)	-	(3,050)
At 31 March 2008	112,296	3,896	3,929	78,272	198,393	730	199,123
At 1 January 2007	112,296	11,638	-	61,731	185,665	588	186,253
Effect of adopting FRS 40	-	-	-	255	255	-	255
At 1 January 2007, restated	112,296	11,638	-	61,986	185,920	588	186,508
Net surplus on revaluation net of tax - Property, plant and equipment	-	-	686	-	686	-	686
Net change in fair value of available-for-sale financial assets, net of tax	-	2,144	-	-	2,144	2	2,146
Net profit for the period	-	-	-	7,688	7,688	46	7,734
Total recognised income and expense for the period	-	2,144	686	7,688	10,518	48	10,566
At 31 March 2007	112,296	13,782	686	69,674	196,438	636	197,074

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
COMPANY					
At 1 January 2008	112,296	7,181	3,898	73,550	196,925
Net surplus on revaluation net of tax - Property, plant and equipment	-	-	31	-	31
Net change in fair value of available-for-sale financial assets, net of tax	-	(3,374)	-	-	(3,374)
Net profit for the period	-	-	-	3,297	3,297
Total recognised income and expense for the period	-	(3,374)	31	3,297	(46)
Share buyback and cancelled	-	-	-	(3,050)	(3,050)
At 31 March 2008	112,296	3,807	3,929	73,797	193,829
At 1 January 2007	112,296	11,660	-	57,510	181,466
Effect of adopting FRS 40	-	-	-	255	255
At 1 January 2007, restated	112,296	11,660	-	57,765	181,721
Net surplus on revaluation net of tax - Property, plant and equipment	-	-	686	-	686
Net change in fair value of available-for-sale financial assets, net of tax	-	2,002	-	-	2,002
Net profit for the period	-	-	-	7,223	7,223
Total recognised income and expense for the period	-	2,002	686	7,223	9,911
At 31 March 2007	112,296	13,662	686	64,988	191,632

- 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.

Share Buy Back

On 22 January 2008, the Company completed the buy back of 10,000,000 ordinary shares, representing 1.8% of the issued share capital on that date, under the terms of the Share Buy Back Mandate dated 27 March 2007. The total consideration for the shares bought back on the market was S\$3.05 million at S\$0.305 per share. The shares bought back were cancelled at a cost of S\$3.05 million which had been deducted from equity under accumulated profits.

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 compared with the audited annual financial statements as at 31 December 2007.

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	
	31.3.2008	31.3.2007
Basic and Diluted earnings per share (cents)	0.66	1.37
Number of ordinary shares issued ('000)	550,200	560,200

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) immediate preceding financial year.

	GROUP		COMPANY	
	31.3.2008	31.12.2007	31.3.2008	31.12.2007
Net asset value per share (cents)	36.06	35.91	35.23	35.15

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.

For the first quarter ended 31 March 2008, the Group's revenue declined nominally by 0.7% to S\$16.9 million. The net claims incurred of S\$1.8 million was 41.7% lower year-on-year and the decline was partly attributed to a claim which had been finalised with substantial reserve savings, as well as the reduction in specific case reserves for various losses following the latest review. However, underwriting profit was lower at S\$567,000, compared to the S\$602,000 in the corresponding quarter last year, largely due to higher commission and management expenses. Rising concerns about the slowdown in global economic growth and inflationary pressures, further exacerbated by the continuing US sub-prime mortgage debacle, have resulted in greater uncertainty and volatility in the financial markets. Due to the exceptional global economic and financial situation, an impairment write-off for some equity investments was made, which coupled with the lower profit on sale of investments resulted in investment income falling 56.6% to S\$3.6 million. Overall, the Group's net profit before income tax declined by 52.8% to S\$4.3 million, compared to the S\$9.2 million in the same quarter a year earlier.

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 declining premium revenue is likely to continue into the next reporting period, and possibly the next 12 months, as the excess global insurance and reinsurance capacities would exert downward pressures on premium rates. The adverse repercussions triggered by the US sub-prime mortgage situation and expected global economic slowdown will likely continue to have ramifications on investments.

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.

Not applicable.

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 Sales.

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 period ended 31 March 2008 to be false or misleading.

BY ORDER OF THE BOARD

Gerard Seah Jim Hong
Company Secretary
24 April 2008

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