

SINGAPORE REINSURANCE CORPORATION LIMITED
(Company Registration No. 197300016C)

Twelve Months/Fourth Quarter Financial Statements Announcement For The Year Ended 31 December 2013

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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2013

	GROUP					
	12 months	12 months	Incr/	4th Qtr	4th Qtr	Incr/
	2013	2012	(decr)	2013	2012	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	147,245	137,077	7.4	52,362	38,453	36.2
Income statements:						
Reinsurance operations:						
Gross written premiums	140,881	130,373	8.1	49,998	36,249	37.9
Reinsurance premiums	(88,302)	(81,976)	7.7	(35,074)	(24,334)	44.1
Net written premiums	52,579	48,397	8.6	14,924	11,915	25.3
Gross transfer to provision for unexpired risks	(1,839)	(7,847)	(76.6)	(2,928)	(2,999)	(2.4)
Reinsurance transfer to provision for unexpired risks	1,101	6,292	(82.5)	2,442	2,443	(0.0)
Net earned premiums	51,841	46,842	10.7	14,438	11,359	27.1
Gross claims incurred	(83,999)	(93,629)	(10.3)	(22,829)	(33,229)	(31.3)
Reinsurers' share of claims incurred	52,094	61,496	(15.3)	12,263	25,137	(51.2)
Net claims incurred	(31,905)	(32,133)	(0.7)	(10,566)	(8,092)	30.6
Commission expense	(38,414)	(36,518)	5.2	(11,782)	(9,285)	26.9
Commission income	26,399	24,641	7.1	11,447	7,559	51.4
Net commission expense	(12,015)	(11,877)	1.2	(335)	(1,726)	(80.6)
Management expenses	(6,047)	(8,067)	(25.0)	(2,434)	(1,667)	46.0
Underwriting results	1,874	(5,235)	nm	1,103	(126)	nm
Net investment income	12,503	10,665	17.2	2,261	2,050	10.3
Net income from reinsurance operations (I)	14,377	5,430	164.8	3,364	1,924	74.8
Non-reinsurance operations:						
Net investment income	7,458	6,730	10.8	4,659	2,307	102.0
Other operating income	6,390	6,794	(5.9)	2,349	2,217	6.0
Management expenses	(5,662)	(6,072)	(6.8)	(1,594)	(1,811)	(1.1)
Net income from non-reinsurance operations (II)	8,186	7,452	9.8	5,414	2,913	85.9

Income statements - continued						
Profit before income tax (I + II)	22,563	12,882	75.2	8,778	4,837	81.5
Income tax expense	(2,021)	(1,464)	38.0	(583)	(315)	85.1
Profit for the year/period	20,542	11,418	79.9	8,195	4,522	81.2
Profit attributable to:						
Equity holders of the Company	20,378	11,259	81.0	8,093	4,439	82.3
Non-controlling interests	164	159	3.2	102	83	23.0
Profit for the year/period	20,542	11,418	79.9	8,195	4,522	81.2

Statement of comprehensive income:						
Profit for the year/period	20,542	11,418	79.9	8,195	4,522	81.2
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	6,941	2,385	191.0	6,685	2,330	186.9
Tax on items that will not be reclassified to profit or loss	(34)	1	nm	(16)	(1)	nm
	6,907	2,386	189.5	6,669	2,329	186.3
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	(4,359)	(4,732)	(7.9)	(217)	(250)	(13.2)
Reclassification of impairment write-down on investments to profit or loss	665	195	nm	497	195	154.9
Change in fair value of investments	(1,240)	11,677	nm	319	2,112	(84.9)
Tax on items that are or may be reclassified subsequently to profit or loss	838	(1,624)	nm	(105)	(342)	(69.3)
	(4,096)	5,516	nm	494	1,715	(71.2)
Other comprehensive income for the year/period, net of income tax	2,811	7,902	(64.4)	7,163	4,044	77.1
Total comprehensive income for the year/period	23,353	19,320	20.9	15,358	8,566	79.3
Total comprehensive income attributable to:						
Equity holders of the Company	23,210	19,153	21.2	15,256	8,478	79.9
Non-controlling interests	143	167	(14.3)	102	88	16.0
Total comprehensive income for the year/period	23,353	19,320	20.9	15,358	8,566	79.3

Profit for the period has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	6,540	7,005	(6.6)	2,363	2,233	5.8
Operating expenses relating to subsidiaries non-reinsurance operations*	(5,138)	(5,487)	(6.4)	(1,489)	(1,462)	1.8
Allowances for doubtful debts and bad debts written back/(off)	390	(2,177)	nm	(1,016)	(468)	117.1
Gain on sale of investments	4,359	4,732	(7.9)	217	250	(13.2)
Change in fair value of investment properties	4,573	1,451	nm	4,446	1,500	196.4

nm

not meaningful

* 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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	32,629	25,886	32,537	25,801
Investment properties	20,123	15,550	20,123	15,550
Interests in subsidiaries	-	-	1,134	1,211
Reinsurers' share of insurance contract provisions for				
- outstanding claims	216,285	222,390	216,285	222,390
- unexpired risks	27,351	26,250	27,351	26,250
Financial assets	272,189	287,155	272,362	285,731
Club membership	18	20	-	-
Insurance receivables	70,958	45,947	70,958	45,947
Other receivables	4,273	4,644	3,354	3,237
Cash and cash equivalents	79,043	66,381	75,776	64,864
Total assets	722,869	694,223	719,880	690,981
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	26,175	23,343	26,175	23,230
Accumulated profits	75,460	63,554	74,781	62,719
	224,935	210,197	224,256	209,249
Non-controlling interests	328	492	-	-
Total equity	225,263	210,689	224,256	209,249
Liabilities				
Insurance contract provisions for				
- outstanding claims	376,798	376,715	376,798	378,715
- unexpired risks	46,544	44,705	46,544	44,705
Deferred taxation	2,383	3,116	2,363	3,116
Insurance payables	65,811	51,320	65,811	51,320
Other payables	4,045	4,203	2,221	2,562
Current tax payable	2,045	1,475	1,887	1,314
Total liabilities	497,606	483,534	495,624	481,732
Total equity and liabilities	722,869	694,223	719,880	690,981

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 31.12.2013		As at 31.12.2012	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2013		As at 31.12.2012	
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			
	12 months	12 months	4th Qtr	4th Qtr
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Operating activities				
Profit before income tax	22,563	12,882	8,778	4,837
Adjustments for:				
Insurance contract provisions for net unexpired risks	738	1,555	486	556
Insurance contract provisions for net outstanding claims	4,188	4,012	324	(327)
Impairment losses on investments	667	193	499	193
Change in fair value of investment properties	(4,573)	(1,451)	(4,446)	(1,500)
Gain on sale of investments	(4,359)	(4,732)	(217)	(250)
Depreciation of property, plant and equipment	318	302	80	75
Interest income	(8,824)	(9,320)	(2,206)	(2,342)
Dividend income	(1,813)	(2,180)	(307)	(490)
Loss on sale of property, plant and equipment	1	5	1	3
	<u>8,906</u>	<u>1,266</u>	<u>2,992</u>	<u>755</u>
Changes in working capital:				
Insurance receivables	(25,011)	(12,835)	(12,860)	884
Other receivables	129	(115)	141	273
Insurance payables	14,491	12,199	13,961	5,739
Other payables	(453)	(747)	(973)	(1,213)
Cash flows used in operations	(1,938)	(232)	3,261	6,438
Income tax paid	(1,400)	(894)	(158)	(22)
Net cash (used in)/from operating activities	<u>(3,338)</u>	<u>(1,126)</u>	<u>3,103</u>	<u>6,416</u>
Investing activities				
Interest received	9,062	9,164	1,699	2,199
Dividends received	1,813	2,180	307	490
Purchase of investments	(53,564)	(38,176)	(18,652)	(7,026)
Proceeds from sale of investments	67,294	47,123	2,769	7,156
Purchase of property, plant and equipment	(121)	(108)	(13)	(37)
Purchase non-controlling interests in subsidiary	(12)	-	(0)	-
Net cash from/(used in) investing activities	<u>24,472</u>	<u>20,183</u>	<u>(13,890)</u>	<u>2,782</u>
Financing activities				
Dividends paid	(8,472)	(6,052)	-	-
Increase in deposits pledged	(5)	83	(15)	28
Net cash (used in)/from financing activities	<u>(8,477)</u>	<u>(5,969)</u>	<u>(15)</u>	<u>28</u>
Net increase/(decrease) in cash and cash equivalents	<u>12,657</u>	<u>13,088</u>	<u>(10,802)</u>	<u>9,226</u>
Cash and cash equivalents at beginning of the year/period (exclude pledged deposits)	65,547	52,459	89,006	56,321
Cash and cash equivalents at end of the year/period	78,204	65,547	78,204	65,547
Pledged deposits	839	834	839	834
Cash and cash equivalents at end of the year/period including pledged deposits	<u>79,043</u>	<u>66,381</u>	<u>79,043</u>	<u>66,381</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	Non- Controlling Interests S\$'000	Total Equity S\$'000
GROUP							
At 1 January 2013	123,300	11,929	11,414	63,554	210,197	492	210,689
Total comprehensive income for the year							
Net profit	-	-	-	20,378	20,378	184	20,542
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	8,941	-	6,941	-	6,941
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss	-	(4,336)	-	-	(4,336)	(23)	(4,359)
Reclassification of impairment write-down on investments to profit or loss	-	665	-	-	665	-	665
Change in fair value of investments	-	(1,242)	-	-	(1,242)	2	(1,240)
Income tax relating to components of other comprehensive income	-	838	(34)	-	804	-	804
Total other comprehensive income, net of income tax	-	(4,075)	6,907	-	2,832	(21)	2,811
Total comprehensive income/(loss) for the year	-	(4,075)	6,907	20,378	23,210	143	23,353
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(4,236)	(4,236)	-	(4,236)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)	-	(4,236)
Acquisition of minority interests	-	-	-	-	-	(12)	(12)
Dividend paid to non-controlling interests	-	-	-	-	-	(295)	(295)
Total contributions by and distributions to owners	-	-	-	(8,472)	(8,472)	(307)	(8,779)
At 31 December 2013	123,300	7,854	18,321	75,480	224,935	328	225,263
At 1 January 2012	123,300	8,421	9,028	58,347	197,096	512	197,608
Total comprehensive income for the year							
Net profit	-	-	-	11,259	11,259	159	11,418
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,385	-	2,385	-	2,385
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss	-	(4,717)	-	-	(4,717)	(15)	(4,732)
Reclassification of impairment write-down on investments to profit or loss	-	195	-	-	195	-	195
Change in fair value of investments	-	11,654	-	-	11,654	23	11,677
Income tax relating to components of other comprehensive income	-	(1,624)	1	-	(1,623)	-	(1,623)
Total other comprehensive income, net of income tax	-	5,508	2,386	-	7,894	8	7,902
Total comprehensive income for the year	-	5,508	2,386	11,259	19,153	167	19,320
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.5 cent per share tax exempt (one-tier) in respect of year 2011	-	-	-	(3,026)	(3,026)	-	(3,026)
Interim dividend paid of 0.5 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(3,026)	(3,026)	-	(3,026)
Dividend paid to non-controlling interests	-	-	-	-	-	(187)	(187)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)	(187)	(6,239)
At 31 December 2012	123,300	11,929	11,414	63,554	210,197	492	210,689

	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 October 2013	123,300	7,360	11,652	67,367	209,679	226	209,905
Total comprehensive income for the quarter							
Net profit	-	-	-	8,093	8,093	102	8,195
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	6,685	-	6,685	-	6,685
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss	-	(217)	-	-	(217)	-	(217)
Reclassification of impairment write-down on investments to profit or loss	-	497	-	-	497	-	497
Change in fair value of investments	-	319	-	-	319	-	319
Income tax relating to components of other comprehensive income	-	(105)	(16)	-	(121)	-	(121)
Total other comprehensive income, net of income tax	-	494	6,669	-	7,163	-	7,163
Total comprehensive income for the quarter	-	494	6,669	8,093	15,256	102	15,358
At 31 December 2013	123,300	7,854	18,321	75,460	224,935	328	225,263
At 1 October 2012	123,300	10,219	9,085	59,115	201,719	591	202,310
Total comprehensive income for the quarter							
Net profit	-	-	-	4,439	4,439	83	4,522
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,330	-	2,330	-	2,330
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss	-	(250)	-	-	(250)	-	(250)
Reclassification of impairment write-down on investments to profit or loss	-	195	-	-	195	-	195
Change in fair value of investments	-	2,107	-	-	2,107	5	2,112
Income tax relating to components of other comprehensive income	-	(342)	(1)	-	(343)	-	(343)
Total other comprehensive income, net of income tax	-	1,710	2,329	-	4,039	5	4,044
Total comprehensive income for the quarter	-	1,710	2,329	4,439	8,478	88	8,566
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Dividend paid to non-controlling interests	-	-	-	-	-	(187)	(187)
Total contributions by and distributions to owners	-	-	-	-	-	(187)	(187)
At 31 December 2012	123,300	11,929	11,414	63,554	210,197	492	210,689

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
COMPANY					
At 1 January 2013	123,300	11,816	11,414	62,719	209,249
Total comprehensive income for the year					
Net profit	-	-	-	20,534	20,534
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	6,941	-	6,941
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss	-	(4,203)	-	-	(4,203)
Reclassification of impairment write-down on investments to profit or loss	-	659	-	-	659
Change in fair value of investments	-	(1,256)	-	-	(1,256)
Income tax relating to components of other comprehensive income	-	838	(34)	-	804
Total other comprehensive income, net of income tax	-	(3,962)	6,907	-	2,945
Total comprehensive income/(loss) for the year	-	(3,962)	6,907	20,534	23,479
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(4,236)	(4,236)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(8,472)	(8,472)
At 31 December 2013	123,300	7,854	18,321	74,781	224,256
At 1 January 2012	123,300	6,316	9,028	57,379	196,023
Total comprehensive income for the year					
Net profit	-	-	-	11,392	11,392
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,385	-	2,385
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss	-	(4,597)	-	-	(4,597)
Reclassification of impairment write-down on investments to profit or loss	-	195	-	-	195
Change in fair value of investments	-	11,528	-	-	11,528
Income tax relating to components of other comprehensive income	-	(1,624)	1	-	(1,623)
Total other comprehensive income, net of income tax	-	5,500	2,386	-	7,886
Total comprehensive income for the year	-	5,500	2,386	11,392	19,278
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.5 cent per share tax exempt (one-tier) in respect of year 2011	-	-	-	(3,026)	(3,026)
Interim dividend paid of 0.5 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(3,026)	(3,026)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)
At 31 December 2012	123,300	11,816	11,414	62,719	209,249

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 October 2013	123,300	7,364	11,652	67,504	209,820
Total comprehensive income for the quarter					
Net profit	-	-	-	7,277	7,277
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	6,685	-	6,685
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss	-	(117)	-	-	(117)
Reclassification of impairment write-down on investments to profit or loss	-	491	-	-	491
Change in fair value of investments	-	221	-	-	221
Income tax relating to components of other comprehensive income	-	(105)	(16)	-	(121)
Total other comprehensive income, net of income tax	-	490	6,669	-	7,159
Total comprehensive income for the quarter	-	490	6,669	7,277	14,436
At 31 December 2013	123,300	7,854	18,321	74,781	224,256
At 1 October 2012	123,300	10,129	9,085	57,621	200,135
Total comprehensive income for the quarter					
Net profit	-	-	-	5,098	5,098
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,330	-	2,330
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss	-	(250)	-	-	(250)
Reclassification of impairment write-down on investments to profit or loss	-	195	-	-	195
Change in fair value of investments	-	2,084	-	-	2,084
Income tax relating to components of other comprehensive income	-	(342)	(1)	-	(343)
Total other comprehensive income, net of income tax	-	1,687	2,329	-	4,016
Total comprehensive income for the quarter	-	1,687	2,329	5,098	9,114
At 31 December 2012	123,300	11,816	11,414	62,719	209,249

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 outstanding convertibles as at 31 December 2013 and 31 December 2012.

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 31 December 2013 and 31 December 2012 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 been audited in accordance with Singapore Standards on Auditing.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

A copy of the auditors' report is appended at the end of the Announcement. The auditors' report does not contain any qualification or emphasis of matter.

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 2012, except for those disclosed under item 5 below.

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.

In 2013, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) that are effective in this financial year.

The Group applied Amendments to FRS1 - Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income and FRS 113 - Fair Value Measurement. There is no financial impact on the financial results of the Group arising from the adoption of the revised standards.

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	
	12 months 2013	12 months 2012
Basic and fully diluted earnings per share (cents)	3.37	1.86
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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net asset value per share (cents)	37.17	34.73	37.05	34.57

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 4th quarter 2013 vs 4th quarter 2012

In 4th quarter 2013, the Group's revenue increased by 36.2% to S\$52.4 million due mainly to timing difference in booking of premium. Net claims incurred rose 30.6% to S\$10.6 million due to natural catastrophe related losses and some medium to large sized fire losses in the markets which we operate in. Net commission expense declined by 80.6% to S\$335,000 due to lower accrual of profit commission payable to cedants, while reinsurance management expense rose 46% to S\$2.4 million due to higher general provision for doubtful debts and office rental. Consequently, an underwriting surplus of S\$1.1 million was reported during the quarter under review compared to the S\$126,000 deficit in the corresponding quarter in 2012. Net investment income increased by 58.8% to S\$6.9 million, from the S\$4.4 million in the same quarter a year earlier, attributed to higher surplus on revaluation of investment properties. Overall, the Group's profit before income tax of S\$8.8 million in 4th quarter of 2013 was 81.5% higher than the S\$4.8 million recorded in the corresponding quarter in preceding year.

Comparison of 12 months 2013 vs 12 months 2012

For the year ended 31 December 2013, the Group's revenue rose 7.4% to S\$147.2 million due to timing difference in booking of premium and new business, while net commission expense increased by a moderate 1.2% to S\$12 million. Notwithstanding the occurrence of Typhoon Fitow which impacted China, and benefiting from some reserve savings involving the 2011 mega flooding in Thailand, the net claims incurred declined by 0.7% to S\$31.9 million, equivalent to an incurred loss ratio (of net written premium) of 60.7% compared to the 66.4% a year earlier. Reinsurance management expenses slid 25% to S\$6 million due mainly to the general provision for doubtful debts in the preceding year being written back in the year under review. If the provision for bad and doubtful debts and foreign exchange differences were excluded, reinsurance management expenses would be 12.1% higher than a year earlier due mainly to higher office rental expense and staff cost. In light of the foregoing, an underwriting surplus of S\$1.9 million was recorded, compared to the S\$5.2 million underwriting deficit in the previous year. The net investment income increased by 14.8% to S\$20 million due largely to higher surplus on revaluation of investment properties. Overall, the Group's net profit before income tax rose 75.2% to S\$22.6 million, compared to the S\$12.9 million net profit before income tax last 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.**

With increased number of players at both the primary and reinsurance levels throughout the insurance markets in Asia, competition is intensifying. This will inevitably lead to further erosion in premium rates. Higher operating expenses will add to the pressures on underwriting profitability.

The unpredictability in the global climate change which has produced extremities in global weather conditions in recent years and caused havoc to the insurance industry, renders it increasingly difficult to forecast with any certainty the underwriting outcome from year to year.

On the investment front, the outlook remains highly challenging, bearing in mind the continuing geopolitical economic and climatic uncertainties globally.

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?

Name of dividend

Dividend type

Gross dividend amount per share (in cents)

Tax rate

Yes 2013	Yes 2013
<u>Interim</u>	<u>Final (Proposed)</u>
Cash	Cash
0.70	0.80
Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared?

Name of dividend

Dividend type

Gross dividend amount per share (in cents)

Tax rate

Yes	Yes
2012	2012
<u>Interim</u>	<u>Final</u>
Cash	Cash
0.50	0.70
Tax exempt (one-tier)	Tax exempt (one-tier)

(c) The date the dividend is payable

The proposed final dividend will be paid on 14 May 2014, if approved by shareholders at the forthcoming annual general meeting.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 5 May 2014 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 2 May 2014 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 2 May 2014 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 general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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.

(a) Operating segments

The Group is principally engaged in the business of underwriting general reinsurance business. Based on the internal reports that are regularly reviewed by the Group, the operating segments comprise mainly the reinsurance and non-reinsurance segments. The non-reinsurance segment relates to the Company's investment activities of its non-reinsurance funds and the operations of its subsidiaries.

GROUP	January - December 2013			January - December 2012		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	140,881	-	140,881	130,373	-	130,373
Net earned premiums	51,841	-	51,841	46,842	-	46,842
Net claims incurred	(31,905)	-	(31,905)	(32,133)	-	(32,133)
Net commission expense	(12,015)	-	(12,015)	(11,877)	-	(11,877)
Management expenses	(6,047)	-	(6,047)	(8,067)	-	(8,067)
Underwriting results	1,874	-	1,874	(5,235)	-	(5,235)
Net investment income	12,503	-	12,503	10,665	-	10,665
Net income/(loss) from reinsurance operations (i)	14,377	-	14,377	5,430	-	5,430
Net investment income	-	7,458	7,458	-	6,730	6,730
Other operating income	-	6,390	6,390	-	6,794	6,794
Management expenses	-	(5,662)	(5,662)	-	(6,072)	(6,072)
Net income from non-reinsurance operations (ii)	-	8,186	8,186	-	7,452	7,452
Profit before income tax (i) + (ii)			22,563			12,882
Income tax expense			(2,021)			(1,464)
Profit for the year			20,542			11,418
Segment total assets	597,586	125,283	722,869	566,611	125,612	694,223
Segment total liabilities	492,834	4,772	497,606	478,402	5,132	483,534

(b) Major customer

For the year ended 31 December 2013, the Group has two external clients in the reinsurance segment whose contribution to the Group's revenue is in excess of 10%.

(c) Geographical information

The Group's reinsurance operations are predominantly in Singapore. It also carries on business in other Asian countries.

Geographical information of the Group's revenue derived from external customers based on country of domicile and the non-current assets based on geographical location of the assets are as follows:

	Revenue		Non-current assets	
	January - December 2013	January - December 2012	January - December 2013	January - December 2012
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	78,652	73,614	47,513	37,247
Malaysia	24,347	24,241	-	-
China	21,069	14,562	5,239	4,189
Others	23,177	24,660	-	-
Total	147,245	137,077	52,752	41,436

The Group's non-current assets presented above consist of property, plant and equipment and investment properties.

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

The reinsurance business reported an income of S\$14.4 million compared to the S\$5.4 million income last year, attributed mainly to higher premium and investment income.

16. A breakdown of the sales as follows:-

		GROUP		
		2013	2012	Incr/ (decr)
		S\$'000	S\$'000	%
(a) Revenue				
	6 months ended 30 June	58,693	59,724	(1.7)
	6 months ended 31 December	88,552	77,353	14.5
	Total for the year	147,245	137,077	7.4
(b) Net profit after tax before deducting non-controlling interests				
	6 months ended 30 June	9,146	3,945	131.8
	6 months ended 31 December	11,398	7,473	52.5
	Total for the year	20,542	11,418	79.9

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total annual dividend paid during the year:

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	8,472	6,052
Preference	-	-
Total:	8,472	6,052

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no such person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

BY ORDER OF THE BOARD

Gerard Seah Jim Hong
Company Secretary
26 February 2014

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