

Full Year Financial Statements Announcement For The Year Ended 31 December 2011

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.

AUDITED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	GROUP					
	2011 S\$'000	2010 S\$'000	Incr/ (decr) %	4th Qtr 2011 S\$'000	4th Qtr 2010 S\$'000	Incr/ (decr) %
Revenue	115,522	109,061	5.9	33,780	29,660	13.9
Income statements:						
Reinsurance operations:						
Gross written premiums	108,607	102,464	6.0	31,681	27,758	14.1
Reinsurance premiums	(64,227)	(60,978)	5.3	(20,427)	(18,654)	9.5
Net written premiums	44,380	41,486	7.0	11,254	9,104	23.6
Gross transfer to provision for unexpired risks	(1,396)	(3,848)	(63.7)	(1,726)	(1,448)	19.2
Reinsurance transfer from provision for unexpired risks	438	2,216	(80.2)	1,087	962	13.0
Net earned premiums	43,422	39,854	9.0	10,615	8,618	23.2
Gross claims incurred	(124,404)	(54,892)	126.6	(80,201)	(16,662)	nm
Reinsurers' share of claims incurred	84,126	32,827	156.3	58,970	10,337	nm
Net claims incurred	(40,278)	(22,065)	82.5	(21,231)	(6,325)	nm
Commission expense	(31,890)	(32,760)	(2.7)	(8,050)	(7,912)	1.7
Commission income	20,607	21,369	(3.6)	6,980	6,700	4.2
Net commission expense	(11,283)	(11,391)	(0.9)	(1,070)	(1,212)	(11.7)
Management expenses	(6,031)	(5,414)	11.4	(517)	(1,003)	(48.5)
Underwriting results	(14,170)	984	nm	(12,203)	78	nm
Net investment income	9,445	10,226	(7.6)	3,473	2,085	66.6
Net (loss)/income from reinsurance operations (I)	(4,725)	11,210	(142.1)	(8,730)	2,163	nm
Non-reinsurance operations:						
Net investment income	7,525	5,137	46.5	2,452	2,388	2.7
Other operating income	7,069	6,713	5.3	2,131	1,928	10.5
Management expenses	(6,144)	(5,718)	7.5	(1,689)	(1,568)	7.7
Net income from non-reinsurance operations (II)	8,450	6,132	37.8	2,894	2,748	5.3
Profit/(Loss) before income tax (I + II)	3,725	17,342	(78.5)	(5,836)	4,911	nm
Income tax (expense)/credit	(490)	(2,127)	(77.0)	791	(573)	nm
Profit/(Loss) for the year	3,235	15,215	(78.7)	(5,045)	4,338	nm
Profit/(Loss) attributable to:						
Equity holders of the Company	3,037	14,998	(79.8)	(5,115)	4,274	nm
Non-controlling interests	198	217	(8.8)	70	64	9.4
Profit/(Loss) for the year	3,235	15,215	(78.7)	(5,045)	4,338	nm

Statement of comprehensive income:						
Profit/(Loss) for the year	3,235	15,215	(78.7)	(5,045)	4,338	nm
Other comprehensive income:						
Revaluation of property, plant and equipment	2,957	1,677	76.3	2,940	1,591	84.8
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to income statement	(3,755)	(2,897)	29.6	(357)	(402)	(11.2)
Reclassification of impairment write-down on investments to income statement	647	56	nm	(322)	43	nm
Change in fair value of investments	(5,381)	7,906	(168.1)	(2,405)	(1,905)	26.2
Income tax relating to components of other comprehensive income	1,483	(775)	nm	337	102	nm
Other comprehensive income for the year, net of income tax	(4,049)	5,967	(167.9)	193	(571)	(133.8)
Total comprehensive income for the year	(814)	21,182	(103.8)	(4,852)	3,767	nm
Total comprehensive income attributable to:						
Equity holders of the Company	(994)	20,946	(104.7)	(4,920)	3,702	nm
Non-controlling interests	180	236	(23.7)	68	65	4.6
Total comprehensive income for the year	(814)	21,182	(103.8)	(4,852)	3,767	nm
Profit/(Loss) before income tax has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	7,188	6,792	5.8	2,150	1,757	22.4
Operating expenses relating to subsidiaries non-reinsurance operations*	(5,547)	(5,120)	8.3	(1,553)	(1,431)	8.5
Exchange (loss)/gain	(486)	(426)	14.1	742	(363)	nm
Gain on sale of investments	3,755	2,897	29.6	357	402	(11.2)
Change in fair value of investment properties	2,244	1,732	29.6	2,297	1,732	32.6
Impairment write-down on investments	(647)	(56)	nm	322	(43)	nm

nm not meaningful

* 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 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	23,700	20,864	23,629	20,809
Investment properties	14,099	11,855	14,099	11,855
Intangible asset	-	46	-	-
Reinsurers' share of insurance contract provisions for				
- outstanding claims	199,289	140,992	199,289	140,992
- unexpired risks	19,958	19,520	19,958	19,520
Interests in subsidiaries	-	-	1,211	1,211
Financial assets	284,371	291,159	283,004	289,741
Club membership	18	20	-	-
Insurance receivables	33,112	35,286	33,112	35,286
Other receivables	4,426	4,064	3,195	3,102
Cash and cash equivalents	53,376	43,496	50,812	40,716
Total assets	632,349	667,302	628,309	563,232
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	15,449	19,480	15,344	19,310
Accumulated profits	58,347	64,388	57,379	63,389
	197,096	207,168	196,023	205,999
Non-controlling interests	512	532	-	-
Total equity	197,608	207,700	196,023	205,999
Liabilities				
Insurance contract provisions for				
- outstanding claims	351,602	271,423	351,602	271,423
- unexpired risks	36,858	35,462	36,858	35,462
Insurance payables	39,121	42,937	39,121	42,937
Other payables	4,763	4,873	2,577	2,755
Current tax payable	940	2,024	666	1,778
Deferred taxation	1,457	2,883	1,462	2,878
Total liabilities	434,741	359,602	432,286	357,233
Total equity and liabilities	632,349	567,302	628,309	563,232

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 31.12.2011		As at 31.12.2010	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2011		As at 31.12.2010	
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	
	2011 S\$'000	2010 S\$'000
Operating activities		
Profit before income tax	3,725	17,342
Adjustments for:		
Insurance contract provisions for net unexpired risks	958	1,632
Insurance contract provisions for net outstanding claims	21,882	2,651
Impairment losses on investments and club membership	649	56
Change in fair value of investment properties	(2,244)	(1,732)
Gain on sale of investments	(3,755)	(2,896)
Depreciation and amortisation of property, plant and equipment and intangible asset	348	378
Interest income	(9,043)	(8,725)
Dividend income	(2,608)	(2,310)
Gain on sale of property, plant and equipment	(5)	(3)
Others	-	6
	<u>9,907</u>	<u>6,399</u>
Changes in working capital:		
Insurance receivables	2,174	(1,468)
Other receivables	174	(454)
Insurance payables	(3,816)	2,245
Other payables	(310)	(267)
Cash flows from operations	<u>8,129</u>	<u>6,455</u>
Income tax paid	<u>(1,517)</u>	<u>(733)</u>
Cash flows from operating activities	<u>6,612</u>	<u>5,722</u>
Investing activities		
Interest received	8,463	8,884
Dividends received	2,608	2,310
Purchase of investments	(68,339)	(94,101)
Proceeds from sale of investments	69,790	67,083
Purchase of property, plant and equipment	(188)	(167)
Proceeds from sale of property, plant and equipment	12	26
Net cash outflow on acquisition of non-controlling interests in subsidiary	-	(12)
Cash flows from/(used in) investing activities	<u>12,346</u>	<u>(15,977)</u>
Financing activities		
Dividends paid	(9,078)	(8,474)
(increase)/Decrease in deposits pledged	(16)	559
Cash flows used in financing activities	<u>(9,094)</u>	<u>(7,915)</u>
Net increase/(decrease) in cash and cash equivalents	<u>9,864</u>	<u>(18,170)</u>
Cash and cash equivalents at beginning of the year (exclude pledged assets)	<u>42,595</u>	<u>60,765</u>
Cash and cash equivalents at end of the year	<u>52,459</u>	<u>42,595</u>
Pledged cash equivalents	<u>917</u>	<u>901</u>
Cash and cash equivalents at end of the year including pledged deposits	<u>53,376</u>	<u>43,496</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 2011	123,300	13,382	6,098	64,388	207,168	532	207,700
Total comprehensive income for the year:							
Net profit	-	-	-	3,037	3,037	198	3,235
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,957	-	2,957	-	2,957
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(3,743)	-	-	(3,743)	(12)	(3,755)
Reclassification of impairment write-down on investments to income statement	-	647	-	-	647	-	647
Change in fair value of investments	-	(5,375)	-	-	(5,375)	(6)	(5,381)
Income tax relating to components of other comprehensive income	-	1,510	(27)	-	1,483	-	1,483
Total other comprehensive income, net of income tax	-	(6,961)	2,930	-	(4,031)	(18)	(4,049)
Total comprehensive income for the year	-	(6,961)	2,930	3,037	(994)	180	(814)
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.8 cent per share tax exempt in respect of year 2010	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2011	-	-	-	(4,236)	(4,236)	-	(4,236)
Dividend paid to non-controlling interests	-	-	-	-	-	(200)	(200)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)	(200)	(9,278)
At 31 December 2011	123,300	6,421	9,028	58,347	197,096	512	197,608
At 1 January 2010	123,300	9,094	4,438	57,864	194,696	533	195,229
Total comprehensive income for the year:							
Net profit	-	-	-	14,998	14,998	217	15,215
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	1,677	-	1,677	-	1,677
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(2,896)	-	-	(2,896)	(1)	(2,897)
Reclassification of impairment write-down on investments to income statement	-	56	-	-	56	-	56
Change in fair value of investments	-	7,886	-	-	7,886	20	7,906
Income tax relating to components of other comprehensive income	-	(758)	(17)	-	(775)	-	(775)
Total other comprehensive income, net of income tax	-	4,288	1,660	-	5,948	19	5,967
Total comprehensive income for the year	-	4,288	1,660	14,998	20,946	236	21,182
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.7 cent per share tax exempt in respect of year 2009	-	-	-	(4,237)	(4,237)	-	(4,237)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2010	-	-	-	(4,237)	(4,237)	-	(4,237)
Acquisition of non-controlling interests	-	-	-	-	-	(12)	(12)
Dividend paid to non-controlling interests	-	-	-	-	-	(225)	(225)
Total contributions by and distributions to owners	-	-	-	(8,474)	(8,474)	(237)	(8,711)
At 31 December 2010	123,300	13,382	6,098	64,388	207,168	532	207,700

COMPANY	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2011	123,300	13,212	6,098	63,389	205,999
Total comprehensive income for the year:					
Net profit	-	-	-	3,068	3,068
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,957	-	2,957
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(3,717)	-	-	(3,717)
Reclassification of impairment write-down on investments to income statement	-	647	-	-	647
Change in fair value of investments	-	(5,336)	-	-	(5,336)
Income tax relating to components of other comprehensive income	-	1,510	(27)	-	1,483
Total other comprehensive income, net of income tax	-	(6,896)	2,930	-	(3,966)
Total comprehensive income for the year	-	(6,896)	2,930	3,068	(898)
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.8 cent per share tax exempt in respect of year 2010	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2011	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)
At 31 December 2011	123,300	6,316	9,028	57,379	196,023
At 1 January 2010	123,300	8,866	4,438	55,529	192,133
Total comprehensive income for the year:					
Net profit	-	-	-	16,334	16,334
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	1,677	-	1,677
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(2,889)	-	-	(2,889)
Reclassification of impairment write-down on investments to income statement	-	53	-	-	53
Change in fair value of investments	-	7,960	-	-	7,960
Income tax relating to components of other comprehensive income	-	(778)	(17)	-	(795)
Total other comprehensive income, net of income tax	-	4,346	1,660	-	6,006
Total comprehensive income for the year	-	4,346	1,660	16,334	22,340
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.7 cent per share tax exempt in respect of year 2009	-	-	-	(4,237)	(4,237)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2010	-	-	-	(4,237)	(4,237)
Total contributions by and distributions to owners	-	-	-	(8,474)	(8,474)
At 31 December 2010	123,300	13,212	6,098	63,389	205,999

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.

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.

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 2010, 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 2011, the Group applied the revised Financial Reporting Standard (FRS) 24 - Related Party Disclosures. There is no financial impact on the financial results of the Group arising from the adoption of the revised standard.

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			
	2011	2010	4th Qtr 2011	4th Qtr 2010
Basic and diluted earnings/(loss) per share (cents)	0.50	2.48	(0.85)	0.71
Number of ordinary shares issued ('000)	605,220	605,220	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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net asset value per share (cents)	32.57	34.23	32.39	34.04

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 2011 vs 4th quarter 2010

In 4th quarter 2011, the Group's revenue rose 13.9% to S\$33.8 million attributed largely to new risks written and higher premiums reported by cedants. In light of the flood situation in Thailand being more prolonged and severe than anticipated, additional case reserves were set aside for the flood losses and the net claims incurred increased by 235.7% to S\$21.2 million. Consequently, an underwriting deficit of S\$12.2 million equivalent to -108.4% of net written premium was recorded, compared to the S\$78,000 underwriting profit or 0.9% of net written premium in the corresponding quarter a year earlier. Net investment income rose 32.5% to S\$5.9 million, from the S\$4.5 million in the same quarter in preceding year, due mainly to higher surplus on revaluation of investment properties. Overall, the Group recorded a loss before income tax of S\$5.8 million in 4th quarter of 2011, as against the S\$4.9 million profit in the corresponding quarter a year ago.

Comparison of 12 months 2011 vs 12 months 2010

For the year ended 31 December 2011, the Group's revenue of S\$115.5 million was 5.9% higher than the preceding year, due mainly to higher premiums declared in existing accounts and new business. The net claims incurred rose 82.5% to S\$40.3 million, attributed to case reserves set aside for catastrophe-related losses in regional markets, equivalent to an incurred loss ratio (of net written premium) of 90.8%, compared to 53.2% in preceding year. Reinsurance management expenses rose 11.4% to S\$6 million due to unrealised exchange loss on revaluation of foreign-denominated transactions and higher general provision for bad and doubtful debts. If the unrealised exchange loss and general provision for bad and doubtful debts were excluded, reinsurance management expenses would be 1.7% or S\$95,000 higher than a year ago and the management expense ratio (of net written premium) would be 12.8%, compared to 13.5% last year. Bearing in mind the foregoing, an underwriting deficit of S\$14.2 million was recorded, compared to the S\$984,000 surplus in 2010.

The net investment income increased by 10.5% to almost S\$17 million due to higher surplus on revaluation of investment properties and profit on sale of equity investments, but partly offset by the impairment write-down on equity investments. Overall, the Group's net profit before income tax declined by 78.5% to S\$3.7 million, compared to the S\$17.3 million reported a year earlier, attributed mainly to the underwriting deficit.

A provision for claims arising from the flooding in Thailand has been set aside based on advices provided by cedants and other available relevant information. Whilst every endeavour has been made to ensure accuracy in the estimation, it is difficult at this stage to quantify the full extent of our liability, as given the magnitude of the disaster, delays are unavoidable for the many claims to be adjusted at the cedants' level and thence for full information and accurate advices to escalate to our level. Except for this, 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.**

There are strong indications that the disastrous results experienced by the insurance industry worldwide in 2011 have led to serious shrinkage in reinsurance capacity and consequently increase in cost of reinsurance protection for the year 2012. Unfortunately concomitant to this development, it is evident that the primary insurance market place continues to suffer from excessive competition characterized by reckless pricing. Juxtaposed between these two challenging scenarios, management will have to grapple with managing rising costs on the one hand and diminishing returns in premium on the other. Compounding the difficulties which are detrimental to underwriting profitability would be a recurrence of massive natural disasters such as those taken place in 2011. The experience of recent years points to the fact that climate change related and seismic disasters are on the increase both in frequency and in magnitude.

On the investment front, the outlook remains uncertain given the many geo-political conflicts and unresolved economic problems 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?

Yes

Name of dividend

Dividend type

Gross dividend amount per share (in cents)

Tax rate

2011	
<u>Interim</u>	<u>Final (Proposed)</u>
Cash	Cash
0.70	0.50
Tax exempt	Tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend

Dividend type

Gross dividend amount per share (in cents)

Tax rate

2010	
<u>Interim</u>	<u>Final (Proposed)</u>
Cash	Cash
0.70	0.80
Tax exempt	Tax exempt

(c) The date the dividend is payable

The proposed final dividend will be paid on 15 May 2012.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 4 May 2012 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 3 May 2012 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 3 May 2012 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 2011			January - December 2010		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	108,607		108,607	102,464		102,464
Net earned premiums	43,422		43,422	39,854		39,854
Net claims incurred	(40,278)		(40,278)	(22,065)		(22,065)
Net commission expense	(11,283)		(11,283)	(11,391)		(11,391)
Management expenses	(6,031)		(6,031)	(5,414)		(5,414)
Underwriting results	(14,170)		(14,170)	984		984
Net investment income	9,445		9,445	10,226		10,226
Net (loss)/income from reinsurance operations (I)	(4,725)		(4,725)	11,210		11,210
Net investment income		7,525	7,525		5,137	5,137
Other operating income		7,069	7,069		6,713	6,713
Management expenses		(6,144)	(6,144)		(5,718)	(5,718)
Net income from non-reinsurance operations (II)		8,450	8,450		6,132	6,132
Profit before income tax (I) + (II)			3,725			17,342
Segment total assets	500,567	131,782	632,349	436,644	130,658	567,302
Segment total liabilities	429,265	5,476	434,741	354,004	5,598	359,602

(b) Major customer

For the year ended 31 December 2011, 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 clients based on country of domicile and the non-current assets are as follows:

	Revenue		Non-current assets	
	January - December 2011	January - December 2010	January - December 2011	January - December 2010
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	63,702	62,740	33,743	29,616
Malaysia	16,437	15,874	-	-
China	15,059	11,276	4,056	3,149
Others	20,324	19,171	-	-
Total	115,522	109,061	37,799	32,765

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

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 a loss of S\$4.7 million compared to the S\$11.2 million income last year, attributed mainly to higher net claims incurred and management expenses.

16. A breakdown of the sales as follows:-

	GROUP		
	2011 S\$'000	2010 S\$'000	Incr/ (decr) %
(a) Revenue			
6 months ended 30 June	53,656	51,828	3.5
6 months ended 31 December	61,866	57,233	8.1
Total for the year	115,522	109,061	5.9
(b) Net profit after tax/(loss) before deducting non-controlling interests			
6 months ended 30 June	8,701	7,823	11.2
6 months ended 31 December	(5,466)	7,392	(173.9)
Total for the year	3,235	15,215	(78.7)

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	9,078	8,474
Preference	-	-
Total:	9,078	8,474

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.

Not applicable.

BY ORDER OF THE BOARD

Gerard Seah Jim Hong
Company Secretary
28 February 2012

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

Independent auditors' report

Members of Singapore Reinsurance Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Singapore Reinsurance Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2011, the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement of the Group, and the income statement and statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages # to #.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, the income statement and statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011 and the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore

28 February 2012

The page numbers are as stated in the Independent auditors' report dated 28 February 2012 included in Singapore Reinsurance Corporation Limited's Annual Report for the year ended 31 December 2011.