

## Financial Statements and Related Announcement::First Quarter Results

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	SINGAPORE REINSURANCE CORPORATION LIMITED
<b>Securities</b>	SINGAPORE REINSURANCE COR LTD - SG1J71891696 - S49
<b>Stapled Security</b>	No

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	23-Apr-2015 17:43:45
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<b>Announcement Sub Title</b>	First Quarter Results
<b>Announcement Reference</b>	SG150423OTHRY4HB
<b>Submitted By (Co./ Ind. Name)</b>	Tan Swee Gek
<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	The First Quarter 2015 Financial Results is attached for your information.

## Additional Details

<b>For Financial Period Ended</b>	31/03/2015
<b>Attachments</b>	<a href="#">📎20151QFinResults.pdf</a> Total size =235K

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**SINGAPORE REINSURANCE CORPORATION LIMITED**

(Company Registration No. 197300016C)

## Financial Statements Announcement For The Period Ended 31 March 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 FIRST QUARTER ENDED 31 MARCH 2015

	<b>GROUP</b>		
	<b>3 months</b>	<b>3 months</b>	<b>Incr/</b>
	<b>2015</b>	<b>2014</b>	<b>(decr)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>36,063</b>	<b>38,734</b>	<b>(6.9)</b>
<b>Income statements:</b>			
<b>Reinsurance operations:</b>			
Gross written premiums	34,424	37,199	(7.5)
Reinsurance premiums	(17,976)	(21,636)	(16.9)
<b>Net written premiums</b>	<b>16,448</b>	<b>15,563</b>	<b>5.7</b>
Gross transfer (to)/from provision for unexpired risks	1,569	(1,925)	nm
Reinsurance transfer to/(from) provision for unexpired risks	(1,585)	1,018	nm
<b>Net earned premiums</b>	<b>16,432</b>	<b>14,656</b>	<b>12.1</b>
Gross claims incurred	(13,161)	(1,514)	nm
Reinsurers' share of claims incurred	3,594	(5,351)	nm
<b>Net claims incurred</b>	<b>(9,567)</b>	<b>(6,865)</b>	<b>39.4</b>
Commission expense	(9,971)	(10,650)	(6.4)
Commission income	5,317	6,195	(14.2)
<b>Net commission expense</b>	<b>(4,654)</b>	<b>(4,455)</b>	<b>4.5</b>
<b>Management expenses</b>	<b>(1,745)</b>	<b>(1,754)</b>	<b>(0.5)</b>
<b>Underwriting results</b>	<b>466</b>	<b>1,582</b>	<b>(70.5)</b>
<b>Net investment income</b>	<b>2,843</b>	<b>2,902</b>	<b>(2.0)</b>
<b>Net income from reinsurance operations (I)</b>	<b>3,309</b>	<b>4,484</b>	<b>(26.2)</b>
<b>Non-reinsurance operations:</b>			
Net investment income	690	771	(10.5)
Other operating income	1,639	1,537	6.6
Management expenses	(1,348)	(1,317)	2.4
<b>Net income from non-reinsurance operations (II)</b>	<b>981</b>	<b>991</b>	<b>(1.0)</b>

<b>Income statements - continued</b>			
<b>Profit before income tax (I + II)</b>	<b>4,290</b>	<b>5,475</b>	<b>(21.6)</b>
Income tax expense	(677)	(572)	18.4
<b>Profit for the period</b>	<b>3,613</b>	<b>4,903</b>	<b>(26.3)</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	<b>3,557</b>	<b>4,851</b>	<b>(26.7)</b>
Non-controlling interests	<b>56</b>	<b>52</b>	<b>7.7</b>
<b>Profit for the period</b>	<b>3,613</b>	<b>4,903</b>	<b>(26.3)</b>

<b>Statements of comprehensive income:</b>			
<b>Profit for the period</b>	<b>3,613</b>	<b>4,903</b>	<b>(26.3)</b>
<b>Other comprehensive income, after tax:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Revaluation of property, plant and equipment	104	56	85.7
Tax on items that will not be reclassified to profit or loss	(8)	(3)	166.7
	<b>96</b>	<b>53</b>	<b>81.1</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Available-for-sale financial assets:			
Reclassification of gain on sale of investments to profit or loss (realised)	(837)	(1,011)	(17.2)
Change in fair value of investments (unrealised)	<b>845</b>	<b>503</b>	<b>68.0</b>
Tax on items that are or may be reclassified subsequently to profit or loss	<b>6</b>	<b>89</b>	<b>(93.3)</b>
	<b>14</b>	<b>(419)</b>	<b>nm</b>
<b>Other comprehensive income for the period, net of income tax</b>	<b>110</b>	<b>(366)</b>	<b>nm</b>
<b>Total comprehensive income for the period</b>	<b>3,723</b>	<b>4,537</b>	<b>(17.9)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>3,667</b>	<b>4,485</b>	<b>(18.2)</b>
Non-controlling interests	<b>56</b>	<b>52</b>	<b>7.7</b>
<b>Total comprehensive income for the period</b>	<b>3,723</b>	<b>4,537</b>	<b>(17.9)</b>

Profit for the period has been arrived at after crediting/(charging):

Income relating to subsidiaries non-reinsurance operations*	<b>1,644</b>	<b>1,538</b>	<b>6.9</b>
Operating expenses relating to subsidiaries non-reinsurance operations*	<b>(1,206)</b>	<b>(1,181)</b>	<b>2.1</b>
Gain on sale of investments	<b>837</b>	<b>1,011</b>	<b>(17.2)</b>

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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
Property, plant and equipment	35,541	35,526	35,479	35,457
Investment properties	24,932	24,787	24,932	24,787
Intangible assets	-	-	-	-
Interests in subsidiaries	-	-	1,123	1,123
Reinsurers' share of insurance contract provisions for				
- outstanding claims	202,331	214,572	202,331	214,572
- unexpired risks	30,361	31,946	30,361	31,946
Financial assets	275,316	275,911	275,382	275,977
Club membership	20	20	-	-
Insurance receivables	72,144	72,531	72,144	72,531
Other receivables	3,864	3,390	2,878	3,114
Cash and cash equivalents	71,173	71,644	67,818	67,850
<b>Total assets</b>	<b>715,682</b>	<b>730,327</b>	<b>712,448</b>	<b>727,357</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	123,300	123,300	123,300	123,300
Reserves	29,149	29,039	29,149	29,039
Accumulated profits	87,978	84,421	86,877	83,648
	240,427	236,760	239,326	235,987
<b>Non-controlling interests</b>	<b>376</b>	<b>320</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>240,803</b>	<b>237,080</b>	<b>239,326</b>	<b>235,987</b>
<b>Liabilities</b>				
Insurance contract provisions for				
- outstanding claims	361,192	375,024	361,192	375,024
- unexpired risks	51,846	53,415	51,846	53,415
Deferred taxation	2,339	2,322	2,339	2,322
Insurance payables	52,621	56,139	52,621	56,139
Other payables	3,828	3,882	2,287	2,178
Current tax payable	3,053	2,465	2,837	2,292
<b>Total liabilities</b>	<b>474,879</b>	<b>493,247</b>	<b>473,122</b>	<b>491,370</b>
<b>Total equity and liabilities</b>	<b>715,682</b>	<b>730,327</b>	<b>712,448</b>	<b>727,357</b>

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

Amount repayable in one year or less, or on demand

As at 31.3.2015		As at 31.12.2014	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.3.2015		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.**

	<b>GROUP</b>	
	<b>3 months 2015 S\$'000</b>	<b>3 months 2014 S\$'000</b>
<b>Operating activities</b>		
Profit before income tax	4,290	5,475
Adjustments for:		
Insurance contract provisions for net unexpired risks	16	907
Insurance contract provisions for net outstanding claims	(1,591)	101
Change in fair value of investment properties	(146)	(15)
Gain on sale of investments	(837)	(1,011)
Depreciation of property, plant and equipment	93	82
Interest income	(2,062)	(2,123)
Dividend income	(370)	(387)
	<u>(607)</u>	<u>3,029</u>
Changes in working capital:		
Insurance receivables	387	(1,093)
Other receivables	(299)	(217)
Insurance payables	(3,518)	(6,181)
Other payables	(54)	380
Cash flows used in operations	<u>(4,091)</u>	<u>(4,082)</u>
Income tax paid	(74)	-
<b>Net cash used in operating activities</b>	<u>(4,165)</u>	<u>(4,082)</u>
<b>Investing activities</b>		
Interest received	1,876	2,530
Dividends received	370	387
Purchase of investments	(9,454)	(20,908)
Proceeds from sale of investments	10,905	14,595
Purchase of property, plant and equipment	(3)	(18)
Proceeds from liquidation of subsidiary	-	11
<b>Net cash from/(used in) investing activities</b>	<u>3,694</u>	<u>(3,403)</u>
<b>Financing activities</b>		
Decrease in deposits pledged	83	1
<b>Net cash from financing activities</b>	<u>83</u>	<u>1</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(388)</u>	<u>(7,484)</u>
<b>Cash and cash equivalents at beginning of the year (exclude pledged deposits)</b>	<u>71,405</u>	<u>78,204</u>
<b>Cash and cash equivalents at end of the period</b>	<u>71,017</u>	<u>70,720</u>
<b>Pledged deposits</b>	<u>156</u>	<u>838</u>
<b>Cash and cash equivalents at end of the period including pledged deposits</b>	<u>71,173</u>	<u>71,558</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
<b>GROUP</b>							
At 1 January 2015	123,300	7,776	21,263	84,421	236,760	320	237,080
<b>Total comprehensive income for the period</b>							
Net profit	-	-	-	3,557	3,557	56	3,613
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	104	-	104	-	104
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(837)	-	-	(837)	-	(837)
Reclassification of impairment write-down on investments to profit or loss	-	-	-	-	-	-	-
Change in fair value of investments (unrealised)	-	845	-	-	845	-	845
Income tax relating to components of other comprehensive income	-	6	(8)	-	(2)	-	(2)
Total other comprehensive income, net of income tax	-	14	96	-	110	-	110
Total comprehensive income for the period	-	14	96	3,557	3,667	56	3,723
<b>At 31 March 2015</b>	<b>123,300</b>	<b>7,790</b>	<b>21,359</b>	<b>87,978</b>	<b>240,427</b>	<b>376</b>	<b>240,803</b>
At 1 January 2014	123,300	7,854	18,321	75,460	224,935	328	225,263
<b>Total comprehensive income for the period</b>							
Net profit	-	-	-	4,851	4,851	52	4,903
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	56	-	56	-	56
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,011)	-	-	(1,011)	-	(1,011)
Reclassification of impairment write-down on investments to profit or loss	-	-	-	-	-	-	-
Change in fair value of investments (unrealised)	-	503	-	-	503	-	503
Income tax relating to components of other comprehensive income	-	89	(3)	-	86	-	86
Total other comprehensive income, net of income tax	-	(419)	53	-	(366)	-	(366)
Total comprehensive income for the period	-	(419)	53	4,851	4,485	52	4,537
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Payment to non-controlling interest on liquidation of subsidiary	-	-	-	-	-	(5)	(5)
Total contributions by and distributions to owners	-	-	-	-	-	(5)	(5)
At 31 March 2014	123,300	7,435	18,374	80,311	229,420	375	229,795

<b>COMPANY</b>	<b>Share Capital S\$'000</b>	<b>Fair Value Reserves S\$'000</b>	<b>Revaluation Reserves S\$'000</b>	<b>Accumulated Profits S\$'000</b>	<b>Total S\$'000</b>
<b>At 1 January 2015</b>	<b>123,300</b>	<b>7,776</b>	<b>21,263</b>	<b>83,648</b>	<b>235,987</b>
<b>Total comprehensive income for the period</b>					
<b>Net profit</b>	-	-	-	3,229	3,229
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	104	-	104
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(837)	-	-	(837)
Change in fair value of investments (unrealised)	-	845	-	-	845
Income tax relating to components of other comprehensive income	-	6	(8)	-	(2)
<b>Total other comprehensive income, net of income tax</b>	-	<b>14</b>	<b>96</b>	-	<b>110</b>
<b>Total comprehensive income for the period</b>	-	<b>14</b>	<b>96</b>	<b>3,229</b>	<b>3,339</b>
<b>At 31 March 2015</b>	<b>123,300</b>	<b>7,790</b>	<b>21,359</b>	<b>86,877</b>	<b>239,326</b>
<b>At 1 January 2014</b>	<b>123,300</b>	<b>7,854</b>	<b>18,321</b>	<b>74,781</b>	<b>224,256</b>
<b>Total comprehensive income for the period</b>					
<b>Net profit</b>	-	-	-	4,572	4,572
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	56	-	56
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,011)	-	-	(1,011)
Change in fair value of investments (unrealised)	-	503	-	-	503
Income tax relating to components of other comprehensive income	-	89	(3)	-	86
<b>Total other comprehensive income, net of income tax</b>	-	<b>(419)</b>	<b>53</b>	-	<b>(366)</b>
<b>Total comprehensive income for the period</b>	-	<b>(419)</b>	<b>53</b>	<b>4,572</b>	<b>4,206</b>
<b>At 31 March 2014</b>	<b>123,300</b>	<b>7,435</b>	<b>18,374</b>	<b>79,353</b>	<b>228,462</b>

- 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 31 March 2015 and 31 March 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 31 March 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	
	3 months 2015	3 months 2014
Basic and fully diluted earnings per share (cents)	0.59	0.80
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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Net asset value per share (cents)	39.73	39.12	39.54	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 1st quarter 2015 vs 1st quarter 2014

In first quarter 2015, the Group's revenue declined by 6.9% to S\$36.1 million due to lower construction project-related premiums and reduction in treaty premiums. In contrast, the net written premium increased by 5.7% to S\$ 16.4 million due to the higher retention. Net claims incurred rose 39.4% to S\$9.6 million attributed primarily to higher bulk IBNR loss reserves derived using the chain ladder and funded methodologies and exchange loss from the depreciation of the Singapore dollar against various foreign currencies. Commission expense increased 4.5% to S\$4.7 million, generally in tandem with the net premium growth. In light of the foregoing, a lower underwriting surplus of S\$466,000 was recorded in the quarter under review. Net investment income fell 3.8% or S\$140,000 to S\$3.5 million largely due to lower profit on sale of investments. Overall, the Group's profit before income tax of S\$4.3 million was 21.6% lower than the S\$5.5 million recorded in the corresponding 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.

Intense competition fuelled by excessive worldwide capacity continues to exert downward pressure on premium rate amid ever widening scope of insurance coverage. Despite signs of global economic recovery, numerous unpredictable dynamic factors would likely persist to affect the operating environment and profitability of the business.

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

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 first quarter ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Swee Gek  
Company Secretary  
23 April 2015