

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

Financial Statements Announcement For Quarter and Full Year Ended 31 December 2012

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 QUARTER AND FULL YEAR ENDED 31 DECEMBER 2012

	GROUP					
	12 months	12 months	Incr/	4th Qtr	4th Qtr	Incr/
	2012	2011	(decr)	2012	2011	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	137,077	115,522	18.7	38,453	33,780	13.8
Income statements:						
Reinsurance operations:						
Gross written premiums	130,373	108,607	20.0	36,249	31,681	14.4
Reinsurance premiums	(81,976)	(64,227)	27.6	(24,334)	(20,427)	19.1
Net written premiums	48,397	44,380	9.1	11,915	11,254	5.9
Gross transfer (to)/from provision for unexpired risks	(7,847)	(1,396)	nm	(2,999)	(1,726)	73.8
Reinsurance transfer from/(to) provision for unexpired risks	6,292	438	nm	2,443	1,087	124.7
Net earned premiums	46,842	43,422	7.9	11,359	10,615	7.0
Gross claims incurred	(93,629)	(124,404)	(24.7)	(33,229)	(80,201)	(58.6)
Reinsurers' share of claims incurred	61,496	84,126	(26.9)	25,137	58,970	(57.4)
Net claims incurred	(32,133)	(40,278)	(20.2)	(8,092)	(21,231)	(61.9)
Commission expense	(36,518)	(31,890)	14.5	(9,285)	(8,050)	15.3
Commission income	24,641	20,607	19.6	7,559	6,980	8.3
Net commission expense	(11,877)	(11,283)	5.3	(1,726)	(1,070)	61.3
Management expenses	(8,067)	(6,031)	33.8	(1,667)	(517)	nm
Underwriting results	(5,235)	(14,170)	63.1	(128)	(12,203)	99.0
Net investment income	10,665	9,445	12.9	2,050	3,473	(41.0)
Net income/(loss) from reinsurance operations (I)	5,430	(4,725)	nm	1,924	(8,730)	nm
Non-reinsurance operations:						
Net investment income	6,730	7,525	(10.6)	2,307	2,452	(5.9)
Other operating income	6,784	7,069	(3.9)	2,217	2,131	4.0
Management expenses	(6,072)	(6,144)	(1.2)	(1,611)	(1,689)	(4.6)
Net income from non-reinsurance operations (II)	7,452	8,450	(11.8)	2,913	2,894	0.7
Profit before income tax (I + II)	12,882	3,725	nm	4,837	(5,836)	182.9
Income tax (expense)/credit	(1,464)	(490)	198.8	(315)	791	(139.8)
Profit/(loss) for the year/quarter	11,418	3,235	nm	4,522	(5,045)	189.6
Profit/(Loss) attributable to:						
Equity holders of the Company	11,259	3,037	nm	4,439	(5,115)	186.8
Non-controlling interests	159	198	(19.7)	83	70	nm
Profit/(loss) for the year/quarter	11,418	3,235	nm	4,522	(5,045)	189.6

Statement of comprehensive income:						
Profit/(loss) for the year/quarter	11,418	3,235	nm	4,522	(5,045)	189.6
Other comprehensive income:						
Revaluation of property, plant and equipment	2,385	2,957	(19.3)	2,330	2,940	(20.7)
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to income statement	(4,732)	(3,755)	28.0	(250)	(357)	(30.0)
Reclassification of impairment write-down on investments to income statement	195	647	(69.9)	195	(322)	160.6
Change in fair value of investments	11,677	(5,381)	nm	2,112	(2,405)	nm
Income tax relating to components of other comprehensive income	(1,623)	1,483	(209.4)	(343)	337	nm
Other comprehensive income for the year/quarter, net of income tax	7,902	(4,049)	295.2	4,044	193	nm
Total comprehensive income for the year/quarter	19,320	(814)	nm	8,566	(4,852)	nm
Total comprehensive income attributable to:						
Equity holders of the Company	19,153	(994)	nm	8,478	(4,920)	nm
Non-controlling interests	167	180	(7.2)	88	68	nm
Total comprehensive income for the year/quarter	19,320	(814)	nm	8,566	(4,852)	nm
Profit for the year/quarter has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	7,005	7,188	(2.5)	2,233	2,150	3.9
Operating expenses relating to subsidiaries non-reinsurance operations*	(5,487)	(5,547)	(1.1)	(1,462)	(1,553)	(5.9)
Exchange (loss)/gain	(510)	(486)	4.9	(45)	742	(106.1)
Depreciation	(302)	(348)	(13.2)	(75)	(126)	(40.5)
Allowances for doubtful debts and bad debts written (off)/back	(2,177)	(403)	nm	(468)	39	nm
Gain on sale of investments	4,732	3,755	26.0	250	357	(30.0)
Change in fair value of investment properties	1,451	2,244	(35.3)	1,500	2,297	(34.7)
Impairment write-(down)/back on investments	(195)	(647)	(69.9)	(195)	322	(160.6)

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.

Interests in subsidiaries

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	25,886	23,700	25,801	23,629
Investment properties	15,550	14,099	15,550	14,099
Interests in subsidiaries	-	-	1,211	1,211
Reinsurers' share of insurance contract provisions for				
- outstanding claims	222,390	199,289	222,390	199,289
- unexpired risks	26,250	19,958	26,250	19,958
Financial assets	287,155	284,371	285,731	283,004
Club membership	20	18	-	-
Insurance receivables	45,947	33,112	45,947	33,112
Other receivables	4,644	4,426	3,237	3,195
Cash and cash equivalents	66,381	53,376	64,864	50,812
Total assets	694,223	632,349	690,981	628,309
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	23,343	15,449	23,230	16,344
Accumulated profits	63,554	58,347	62,719	57,379
	210,197	197,096	209,249	196,023
Non-controlling interests	492	512	-	-
Total equity	210,689	197,608	209,249	196,023
Liabilities				
Insurance contract provisions for				
- outstanding claims	378,715	351,602	378,715	351,602
- unexpired risks	44,705	36,858	44,705	36,858
Deferred taxation	3,116	1,457	3,116	1,462
Insurance payables	51,320	39,121	51,320	39,121
Other payables	4,203	4,783	2,562	2,577
Current tax payable	1,475	940	1,314	666
Total liabilities	483,534	434,741	481,732	432,286
Total equity and liabilities	694,223	632,349	690,981	628,309

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 31.12.2012		As at 31.12.2011	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2012		As at 31.12.2011	
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 2012	12 months 2011	4h Qtr 2012	4h Qtr 2011
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit/(Loss) before income tax	12,882	3,725	4,837	(5,836)
Adjustments for:				
Insurance contract provisions for net unexpired risks	1,555	958	556	639
Insurance contract provisions for net outstanding claims	4,012	21,862	(327)	15,827
Impairment losses on investments and club membership	193	649	193	(320)
Change in fair value of investment properties	(1,451)	(2,244)	(1,500)	(2,297)
Gain on sale of investments	(4,732)	(3,755)	(250)	(357)
Depreciation and amortisation of property, plant and equipment and intangible asset	302	348	75	91
Interest income	(9,320)	(9,043)	(2,342)	(2,307)
Dividend income	(2,180)	(2,608)	(490)	(470)
Loss/(gain) on sale of property, plant and equipment	5	(5)	3	1
	<u>1,266</u>	<u>9,907</u>	<u>755</u>	<u>4,971</u>
Changes in working capital:				
Insurance receivables	(12,835)	2,174	884	3,745
Other receivables	(115)	174	273	202
Insurance payables	12,199	(3,816)	5,739	1,058
Other payables	(747)	(310)	(1,213)	(1,573)
Cash flows (used in)/from operations	(232)	8,129	6,438	8,403
Income tax paid	(894)	(1,517)	(22)	(207)
Net cash (used in)/from operating activities	<u>(1,126)</u>	<u>6,612</u>	<u>6,416</u>	<u>6,196</u>
Investing activities				
Interest received	9,164	8,483	2,199	2,208
Dividends received	2,180	2,608	490	470
Purchase of investments	(38,176)	(68,339)	(7,026)	(17,432)
Proceeds from sale of investments	47,123	69,790	7,156	19,163
Purchase of property, plant and equipment	(108)	(188)	(37)	(98)
Proceeds from sale of property, plant and equipment	-	12	-	-
Net cash from investing activities	<u>20,183</u>	<u>12,346</u>	<u>2,782</u>	<u>4,311</u>
Financing activities				
Dividends paid	(6,052)	(9,078)	-	-
Decrease in deposits pledged	83	(16)	28	(22)
Net cash used in financing activities	<u>(5,969)</u>	<u>(9,094)</u>	<u>28</u>	<u>(22)</u>
Net increase in cash and cash equivalents	13,088	9,864	9,226	12,485
Cash and cash equivalents at beginning of the year/quarter (exclude pledged deposits)	52,459	42,595	56,321	39,974
Cash and cash equivalents at end of the year/quarter	<u>65,547</u>	<u>52,459</u>	<u>65,547</u>	<u>52,459</u>
Pledged cash equivalents	834	917	834	917
Cash and cash equivalents at end of the year/quarter including pledged deposits	<u>66,381</u>	<u>53,376</u>	<u>66,381</u>	<u>53,376</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 2012	123,300	6,421	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 income statement	-	(4,717)	-	-	(4,717)	(15)	(4,732)
Reclassification of impairment write-down on investments to income statement	-	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
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 (one-tier) in respect of year 2010	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) 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

	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 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 income statement	-	(250)	-	-	(250)	-	(250)
Reclassification of impairment write-down on investments to income statement	-	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
At 1 October 2011	123,300	9,134	6,120	63,462	202,016	594	202,610
Total comprehensive income for the quarter							
Net profit/(loss)	-	-	-	(5,115)	(5,115)	70	(5,045)
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,940	-	2,940	-	2,940
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(357)	-	-	(357)	-	(357)
Reclassification of impairment write-down on investments to income statement	-	(322)	-	-	(322)	-	(322)
Change in fair value of investments	-	(2,403)	-	-	(2,403)	(2)	(2,405)
Income tax relating to components of other comprehensive income	-	369	(32)	-	337	-	337
Total other comprehensive income, net of income tax	-	(2,713)	2,908	-	195	(2)	193
Total comprehensive income for the quarter	-	(2,713)	2,908	(5,115)	(4,920)	68	(4,852)
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Dividend paid to non-controlling interests	-	-	-	-	-	(150)	(150)
Total contributions by and distributions to owners	-	-	-	-	-	(150)	(150)
At 31 December 2011	123,300	6,421	9,028	58,347	197,096	512	197,608

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
COMPANY					
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 income statement	-	(4,597)	-	-	(4,597)
Reclassification of impairment write-down on investments to income statement	-	195	-	-	195
Change in fair value of investments	-	11,526	-	-	11,526
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
At 1 January 2011					
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 (one-tier) in respect of year 2010	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) 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

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
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 income statement	-	(250)	-	-	(250)
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
Income tax relating to components of other comprehensive income	-	1,687	2,329	5,098	9,114
At 31 December 2012	123,300	11,816	11,414	62,719	209,249
At 1 October 2011	123,300	9,015	6,120	61,835	200,270
Total comprehensive income for the quarter					
Net loss	-	-	-	(4,466)	(4,466)
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,940	-	2,940
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(357)	-	-	(357)
Reclassification of impairment write-down on investments to income statement	-	(322)	-	-	(322)
Change in fair value of investments	-	(2,389)	-	-	(2,389)
Income tax relating to components of other comprehensive income	-	369	(32)	-	337
Total other comprehensive income, net of income tax	-	(2,699)	2,908	-	209
Income tax relating to components of other comprehensive income	-	(2,699)	2,908	(4,466)	(4,247)
At 31 December 2011	123,300	6,316	9,028	57,379	196,023

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 2012 and 31 December 2011.

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 2012 and 31 December 2011 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.

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 2011, 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 2012, the Group applied the Amendments to Financial Reporting Standard (FRS) 12 Income Taxes - Deferred Tax : Recovery of Underlying Assets. 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			
	12 months 2012	12 months 2011	4th Qtr 2012	4th Qtr 2011
Basic and diluted earnings/(loss) per share (cents)	1.86	0.50	0.73	(0.85)
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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net asset value per share (cents)	34.73	32.57	34.57	32.39

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 2012 vs 4th quarter 2011

In 4th quarter 2012, the Group's revenue increased by 13.8% to S\$38.5 million due largely to new business, higher premiums reported by some cedants and timing difference in booking. Benefiting from less catastrophic weather conditions in Asia, net claims incurred fell 61.9% to S\$8.1 million, whilst the corresponding quarter in previous year had been adversely impacted by the widespread flooding in Thailand. The small underwriting deficit of S\$126,000 equivalent to -1.1% of net written premium was primarily attributed to the unexpired risks reserve strain and higher provision for bad and doubtful debts, compared to the S\$12.2 million deficit or -108.4% of net written premium in 4th quarter 2011. If the unexpired risks reserve strain and provision for bad and doubtful debts were excluded, there would be an underwriting surplus of S\$ 898,000. Net investment income declined by 26.5% to S\$4.4 million, from the S\$5.9 million in the corresponding period a year earlier, due mainly to lower surplus on revaluation of investment properties. Overall, the Group's profit before income tax amounted to S\$4.8 million in 4th quarter 2012 compared to the S\$5.8 million loss in the same quarter in previous year.

Comparison of 12 months 2012 vs 12 months 2011

For the year ended 31 December 2012, the Group's revenue rose 18.7% to S\$137.1 million, attributed largely to new business and timing difference in booking. If the timing difference in bookings for large accounts were eliminated, the increase in the Group's revenue would drop to 14.3% to S\$129.5 million. The net claims incurred declined by 20.2% to S\$32.1 million, equivalent to an incurred loss ratio (of net written premium) of 66.4% compared to the 90.8% in preceding year. The higher net claims incurred in the preceding year was attributed to case reserves set aside for the 2011 Thailand floods. Reinsurance management expenses rose 33.8% to S\$8.1 million due to higher provision for bad and doubtful debts. In ratio terms, the management expense ratio (of net written premium) of 12.2% was lower than the 12.8% a year earlier. If the provision for bad and doubtful debts and foreign exchange differences were excluded, reinsurance management expenses would be 4.4% higher than a year ago. In consequence of the foregoing, an underwriting deficit of S\$5.2 million was recorded for the whole year of 2012 largely due to the increase in loss estimates for the 2011 Thailand floods within the first half of the year as explained in past quarterly commentaries. The S\$5.2 million underwriting loss in 2012 was lower than the S\$14.2 million underwriting deficit in previous year.

The net investment income increased 2.5% to S\$17.4 million due to higher profit on sale and lower impairment write-down on equity investments. Overall, the Group's net profit before income tax was higher at S\$12.9 million compared to the S\$3.7 million net profit before income tax reported last year, attributed to the lower underwriting deficit.

The incurred loss estimate for the July to December 2011 floods in Thailand has stabilised. 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 operating environment remains extremely challenging. The general pullback in retrocessionary support has resulted in retrocession costs spiralling upwards whilst soft market conditions in primary insurance markets in Asia largely prevail as new entrants strive to aggressively grow their business. Hence, underwriting margin would likely remain unattainable.

On the investment front, we expect continued volatile conditions due to lack lustre global economic growth, further aggravated by rising socio-political tensions in the Middle East and territorial disputes among major economies in Asia, which may impact investor sentiment.

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

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

(b) Corresponding period of the immediately preceding financial year

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</u>
Cash	Cash
0.70	0.50
Tax exempt (one-tier)	Tax exempt (one-tier)

(c) The date the dividend is payable

The proposed final dividend will be paid on 13 May 2013.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 6 May 2013 for the preparation of dividend warrants. Duty 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 3 May 2013 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 2013 will be entitled to the dividend. The dividend, if approved by the shareholders at the Annual General Meeting, will be paid on 13 May 2013.

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 2012			January - December 2011		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	130,373	-	130,373	108,607	-	108,607
Net earned premiums	46,842	-	46,842	43,422	-	43,422
Net claims incurred	(32,133)	-	(32,133)	(40,278)	-	(40,278)
Net commission expense	(11,877)	-	(11,877)	(11,283)	-	(11,283)
Management expenses	(8,067)	-	(8,067)	(6,031)	-	(6,031)
Underwriting results	(5,235)	-	(5,235)	(14,170)	-	(14,170)
Net investment income	10,665	-	10,665	9,445	-	9,445
Net income/(loss) from reinsurance operations (i)	5,430	-	5,430	(4,725)	-	(4,725)
Net investment income	-	6,730	6,730	-	7,525	7,525
Other operating income	-	6,794	6,794	-	7,069	7,069
Management expenses	-	(6,072)	(6,072)	-	(6,144)	(6,144)
Net income from non-reinsurance operations (ii)	-	7,452	7,452	-	8,450	8,450
Profit before income tax (i) + (ii)			12,882			3,725
Income tax expense			(1,464)			(490)
Profit for the year			11,418			3,235
Segment total assets	568,611	125,612	694,223	500,567	131,782	632,349
Segment total liabilities	478,402	5,132	483,534	429,265	5,476	434,741

(b) Major customer

For the year ended 31 December 2012, 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 2012	January - December 2011	January - December 2012	January - December 2011
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	73,614	63,702	37,247	33,743
Malaysia	24,241	16,437	-	-
China	14,562	15,059	4,189	4,056
Others	24,660	20,324	-	-
Total	137,077	115,522	41,436	37,799

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\$5.4 million compared to the S\$4.7 million loss last year, attributed mainly to lower net claims incurred and higher premium income.

16. A breakdown of the sales as follows:-

	GROUP		
	2012 S\$'000	2011 S\$'000	Incr/ (decr) %
(a) Revenue			
6 months ended 30 June	59,724	53,656	11.3
6 months ended 31 December	77,363	61,866	25.0
Total for the year	137,077	115,522	18.7
(b) Net profit after tax/(loss) before deducting non-controlling interests			
6 months ended 30 June	3,945	8,701	(54.7)
6 months ended 31 December	7,473	(5,466)	nm
Total for the year	11,418	3,235	nm

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	6,052	9,078
Preference	-	-
Total:	6,052	9,078

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
1 March 2013

NOTE: This announcement can be accessed at our Corporate website at <http://www.singra.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 2012, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows 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 FS1 to FS71.

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 2012 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

1 March 2013