

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

Nine Months/Third Quarter Financial Statements Announcement For The Period Ended 30 September 2013

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

- 1(a) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS/THIRD QUARTER ENDED 30 SEPTEMBER 2013

	GROUP					
	9 months 2013	9 months 2012	Incr/ (decr)	3rd Qtr 2013	3rd Qtr 2012	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	94,883	98,624	(3.8)	36,190	38,900	(7.0)
Income statements:						
Reinsurance operations:						
Gross written premiums	90,883	94,124	(3.4)	34,937	37,472	(6.8)
Reinsurance premiums	(53,228)	(57,642)	(7.7)	(21,686)	(24,296)	(10.7)
Net written premiums	37,655	36,482	3.2	13,251	13,176	0.6
Gross transfer from/(to) provision for unexpired risks	1,089	(4,848)	nm	(1,833)	(3,301)	(44.5)
Reinsurance transfer (from)/to provision for unexpired risks	(1,341)	3,849	nm	1,552	2,808	(44.7)
Net earned premiums	37,403	35,483	5.4	12,970	12,683	2.3
Gross claims incurred	(81,170)	(60,400)	1.3	(23,248)	(11,041)	110.6
Reinsurers' share of claims incurred	39,831	36,359	9.5	15,250	5,986	154.8
Net claims incurred	(21,339)	(24,041)	(11.2)	(7,998)	(5,055)	58.2
Commission expense	(26,632)	(27,233)	(2.2)	(10,255)	(11,841)	(13.4)
Commission income	14,952	17,082	(12.5)	6,242	7,121	(12.3)
Net commission expense	(11,680)	(10,151)	15.1	(4,013)	(4,720)	(15.0)
Management expenses	(3,613)	(6,400)	(43.5)	(678)	(2,816)	(75.9)
Underwriting results	771	(5,109)	nm	281	92	nm
Net investment income	10,242	8,615	18.9	2,180	2,573	(15.3)
Net income from reinsurance operations (i)	11,013	3,506	nm	2,461	2,665	(7.7)
Non-reinsurance operations:						
Net investment income	2,799	4,423	(36.7)	856	868	(1.4)
Other operating income	4,041	4,577	(11.7)	1,261	1,446	(12.8)
Management expenses	(4,068)	(4,461)	(8.8)	(1,248)	(1,601)	(22.0)
Net income from non-reinsurance operations (ii)	2,772	4,539	(38.9)	869	713	21.9

Income statements - continued						
Profit before income tax (I + II)	13,785	8,045	71.3	3,330	3,378	(1.4)
Income tax expense	(1,438)	(1,149)	25.2	(129)	(427)	(69.8)
Profit for the period	12,347	6,896	79.0	3,201	2,951	8.5
Profit attributable to:						
Equity holders of the Company	12,285	6,820	80.1	3,182	2,960	7.5
Non-controlling interests	62	76	(18.4)	19	(9)	nm
Profit for the period	12,347	6,896	79.0	3,201	2,951	8.5

Statement of comprehensive income:						
Profit for the period	12,347	6,896	79.0	3,201	2,951	8.5
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	238	57	nm	68	(22)	nm
	238	57	nm	68	(22)	nm
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to income statement	(4,142)	(4,482)	(7.6)	(302)	(713)	(57.6)
Reclassification of impairment write-down on investments to income statement	168	-	nm	-	-	nm
Change in fair value of investments	(616)	8,283	nm	2,577	4,070	(36.7)
	(4,590)	3,801	nm	2,275	3,357	(32.2)
Other comprehensive income for the period, net of income tax	(4,352)	3,858	nm	2,343	3,335	(29.7)
Total comprehensive income/(loss) for the period	7,995	10,754	(25.7)	5,544	6,286	(11.8)
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	7,954	10,675	(25.5)	5,525	6,288	(12.1)
Non-controlling interests	41	79	(48.0)	19	(2)	nm
Total comprehensive income/(loss) for the period	7,995	10,754	(25.7)	5,544	6,286	(11.8)
Profit for the period has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	4,177	4,772	(12.5)	1,255	1,485	(15.5)
Operating expenses relating to subsidiaries non-reinsurance operations*	(3,649)	(4,025)	(9.3)	(1,110)	(1,463)	(24.1)
Allowances for doubtful debts and bad debts written back/(off)	1,406	(1,709)	nm	822	(1,153)	nm
Gain on sale of investments	4,142	4,482	(7.6)	302	713	(57.6)

nm

not meaningful

* included subsidiaries' revenue and costs on services rendered such as management, computer advisory and consultancy, publishing, organising of conferences and advertising

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	
	30.9.2013	31.12.2012	30.9.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	25,011	25,886	25,913	25,801
Investment properties	15,677	15,550	15,677	15,550
Interests in subsidiaries	-	-	1,223	1,211
Reinsurers' share of insurance contract provisions for				
- outstanding claims	219,662	222,390	219,662	222,390
- unexpired risks	24,909	26,250	24,909	26,250
Financial assets	255,992	287,155	256,252	285,731
Club membership	20	20	-	-
Insurance receivables	58,098	45,947	58,098	45,947
Other receivables	3,904	4,844	2,333	3,237
Cash and cash equivalents	89,830	66,381	87,479	64,884
Total assets	694,103	694,223	691,546	690,981
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	19,012	23,343	19,016	23,230
Accumulated profits	67,367	63,554	67,504	62,719
	209,679	210,197	209,820	209,249
Non-controlling interests	226	492	-	-
Total equity	209,905	210,689	209,820	209,249
Liabilities				
Insurance contract provisions for				
- outstanding claims	379,851	378,715	379,851	378,715
- unexpired risks	43,616	44,705	43,616	44,705
Deferred taxation	2,200	3,116	2,204	3,116
Insurance payables	51,850	51,320	51,850	51,320
Other payables	5,018	4,203	2,612	2,562
Current tax payable	1,663	1,475	1,593	1,314
Total liabilities	484,198	483,534	481,726	481,732
Total equity and liabilities	694,103	694,223	691,546	690,981

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

Amount repayable in one year or less, or on demand

As at 30.9.2013		As at 31.12.2012	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2013		As at 31.12.2012	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			
	9 months 2013 S\$'000	9 months 2012 S\$'000	3rd Qtr 2013 S\$'000	3rd Qtr 2012 S\$'000
Operating activities				
Profit before income tax	13,785	8,045	3,330	3,378
Adjustments for:				
Insurance contract provisions for net unexpired risks	252	999	281	493
Insurance contract provisions for net outstanding claims	3,864	4,339	1,766	(651)
Impairment losses on investments	168	-	-	-
Change in fair value of investment properties	(127)	49	(30)	55
Gain on sale of investments	(4,142)	(4,482)	(302)	(713)
Depreciation of property, plant and equipment	238	227	80	73
Interest income	(6,618)	(6,978)	(2,105)	(2,321)
Dividend income	(1,506)	(1,690)	(519)	(509)
	5,914	509	2,501	(195)
Changes in working capital:				
Insurance receivables	(12,151)	(13,719)	(5,937)	(4,198)
Other receivables	(12)	(388)	206	(151)
Insurance payables	530	6,460	4,626	8,404
Other payables	520	466	459	674
Cash flows used in operations	(5,199)	(6,672)	1,855	4,534
Income tax paid	(1,242)	(872)	(519)	(240)
Net cash (used in)/from operating activities	(6,441)	(7,544)	1,336	4,294
Investing activities				
Interest received	7,363	6,967	2,712	2,388
Dividends received	1,506	1,690	519	509
Purchase of investments	(34,912)	(31,150)	(12,952)	(7,327)
Proceeds from sale of investments	64,525	39,967	28,574	13,916
Purchase of property, plant and equipment	(108)	(71)	(28)	(33)
Net cash outflow on acquisition of non-controlling interests in subsidiary	(12)	-	(12)	-
Net cash from investing activities	38,362	17,403	18,613	9,453
Financing activities				
Dividends paid	(8,472)	(6,052)	(4,236)	(3,026)
Increase in deposits pledged	10	55	-	39
Net cash used in financing activities	(8,462)	(5,997)	(4,236)	(2,987)
Net increase in cash and cash equivalents	23,459	3,862	15,913	10,760
Cash and cash equivalents at beginning of the year/period (exclude pledged deposits)	65,547	52,459	73,093	45,561
Cash and cash equivalents at end of the period	89,006	56,321	89,006	56,321
Pledged cash equivalents	824	862	824	862
Cash and cash equivalents at end of the period including pledged deposits	89,830	57,183	89,830	57,183

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
GROUP							
At 1 January 2013	123,300	11,929	11,414	63,554	210,197	492	210,689
Total comprehensive income for the period							
Net profit	-	-	-	12,285	12,285	62	12,347
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	256	-	256	-	256
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(4,119)	-	-	(4,119)	(23)	(4,142)
Reclassification of impairment write-down on investments to income statement	-	168	-	-	168	-	168
Change in fair value of investments	-	(1,561)	-	-	(1,561)	2	(1,559)
Income tax relating to components of other comprehensive income	-	943	(18)	-	925	-	925
Total other comprehensive income, net of income tax	-	(4,569)	238	-	(4,331)	(21)	(4,352)
Total comprehensive income/(loss) for the period	-	(4,569)	238	12,285	7,954	41	7,995
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(4,236)	(4,236)	-	(4,236)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)	-	(4,236)
Acquisition of minority interests	-	-	-	-	-	(12)	(12)
Dividend paid to non-controlling interests	-	-	-	-	-	(295)	(295)
Total contributions by and distributions to owners	-	-	-	(8,472)	(8,472)	(307)	(8,779)
At 30 September 2013	123,300	7,360	11,852	67,367	209,679	226	209,905
At 1 January 2012	123,300	6,421	9,028	58,347	197,096	512	197,608
Total comprehensive income for the period							
Net profit	-	-	-	6,820	6,820	76	6,896
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	55	-	55	-	55
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(4,467)	-	-	(4,467)	(16)	(4,482)
Change in fair value of investments	-	9,547	-	-	9,547	18	9,565
Income tax relating to components of other comprehensive income	-	(1,282)	2	-	(1,280)	-	(1,280)
Total other comprehensive income, net of income tax	-	3,798	57	-	3,855	3	3,858
Total comprehensive income for the period	-	3,798	57	6,820	10,675	79	10,754
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)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)	-	(6,052)
At 30 September 2012	123,300	10,219	9,085	59,115	201,719	591	202,310

	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 July 2013	123,300	5,085	11,584	68,421	208,390	219	208,609
Total comprehensive income for the quarter							
Net profit	-	-	-	3,182	3,182	19	3,201
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	73	-	73	-	73
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(302)	-	-	(302)	-	(302)
Change in fair value of investments	-	3,029	-	-	3,029	-	3,029
Income tax relating to components of other comprehensive income	-	(452)	(5)	-	(457)	-	(457)
Total other comprehensive income, net of income tax	-	2,275	68	-	2,343	-	2,343
Total comprehensive income/(loss) for the quarter	-	2,275	68	3,182	5,525	19	5,544
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)	-	(4,236)
Acquisition of minority interests	-	-	-	-	-	(12)	(12)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)	(12)	(4,248)
At 30 September 2013	123,300	7,360	11,652	67,367	209,679	226	209,905
At 1 July 2012	123,300	6,869	9,107	59,181	198,457	593	199,050
Total comprehensive income for the quarter							
Net profit	-	-	-	2,960	2,960	(9)	2,951
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	(27)	-	(27)	-	(27)
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(713)	-	-	(713)	-	(713)
Change in fair value of investments	-	4,896	-	-	4,896	7	4,903
Income tax relating to components of other comprehensive income	-	(833)	5	-	(828)	-	(828)
Total other comprehensive income, net of income tax	-	3,350	(22)	-	3,328	7	3,335
Total comprehensive income/(loss) for the quarter	-	3,350	(22)	2,960	6,288	(2)	6,286
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.5 cent per share tax exempt (one tier) in respect of year 2012	-	-	-	(3,026)	(3,026)	-	(3,026)
Total contributions by and distributions to owners	-	-	-	(3,026)	(3,026)	-	(3,026)
At 30 September 2012	123,300	10,219	9,085	59,115	201,719	591	202,310

<u>COMPANY</u>	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2013	123,300	11,816	11,414	62,719	209,249
Total comprehensive income for the period					
Net profit	-	-	-	13,257	13,257
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	256	-	256
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(4,086)	-	-	(4,086)
Reclassification of impairment write-down on investments to income statement	-	168	-	-	168
Change in fair value of investments	-	(1,477)	-	-	(1,477)
Income tax relating to components of other comprehensive income	-	943	(18)	-	925
Total other comprehensive income, net of income tax	-	(4,452)	238	-	(4,214)
Total comprehensive income/(loss) for the period	-	(4,452)	238	13,257	9,043
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(4,236)	(4,236)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(8,472)	(8,472)
At 30 September 2013	123,300	7,364	11,652	67,504	209,820
At 1 January 2012	123,300	6,316	9,028	57,379	196,023
Total comprehensive income for the period					
Net profit	-	-	-	6,294	6,294
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	55	-	55
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(4,347)	-	-	(4,347)
Change in fair value of investments	-	9,442	-	-	9,442
Income tax relating to components of other comprehensive income	-	(1,282)	2	-	(1,280)
Total other comprehensive income, net of income tax	-	3,813	57	-	3,870
Total comprehensive income for the period	-	3,813	57	6,294	10,164
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 30 September 2012	123,300	10,129	9,085	57,621	200,135

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 July 2013	123,300	5,088	11,584	68,659	208,631
Total comprehensive income for the quarter					
Net profit	-	-	-	3,081	3,081
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	73	-	73
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(301)	-	-	(301)
Change in fair value of investments	-	3,029	-	-	3,029
Income tax relating to components of other comprehensive income	-	(452)	(5)	-	(457)
Total other comprehensive income, net of income tax	-	2,276	68	-	2,344
Total comprehensive income/(loss) for the quarter	-	2,276	68	3,081	5,425
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)
At 30 September 2013	123,300	7,364	11,652	67,504	209,820
At 1 July 2012	123,300	6,816	9,107	57,689	196,912
Total comprehensive income for the quarter					
Net profit	-	-	-	2,958	2,958
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	(27)	-	(27)
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(707)	-	-	(707)
Change in fair value of investments	-	4,801	-	-	4,801
Income tax relating to components of other comprehensive income	-	(781)	5	-	(776)
Total other comprehensive income, net of income tax	-	3,313	(22)	-	3,291
Total comprehensive income/(loss) for the quarter	-	3,313	(22)	2,958	6,249
Transactions with owners, recorded directly in equity:					
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	-	-	-	(3,026)	(3,026)
At 30 September 2012	123,300	10,129	9,085	57,621	200,135

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 30 September 2013 and 30 September 2012.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of shares excluding treasury shares as at 30 September 2013 and 31 December 2012 was 605,219,765.

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 2012, except for those disclosed under item 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

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

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	9 months 2013	9 months 2012
Basic and fully diluted earnings per share (cents)	2.03	1.13
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	
	30.9.2013	31.12.2012	30.9.2013	31.12.2012
Net asset value per share (cents)	34.65	34.73	34.67	34.57

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Comparison of 3rd quarter 2013 vs 3rd quarter 2012

In 3rd quarter 2013, the Group's revenue declined by 7% to S\$36.2 million due mainly to timing difference in booking. Although net claims incurred rose 58.2% to S\$8 million due to higher IBNR/IBNER loss reserve provision, reinsurance management expense fell 75.9% to S\$678,000 due to general provision for doubtful debts made in prior quarters and written back in this quarter. Consequently a higher underwriting surplus of S\$281,000 was reported during the quarter under review compared to the S\$92,000 surplus in the corresponding quarter in 2012. Net investment income declined by 11.8% to S\$3 million, from the S\$3.4 million in the same quarter a year earlier, attributed mainly to lower profit on sale of investments. Overall, the Group's profit before income tax of S\$3.3 million in 3rd quarter of 2013 was 1.4% lower than the S\$3.4 million recorded in the corresponding quarter in preceding year.

Comparison of 9 months 2013 vs 9 months 2012

For the period ended 30 September 2013, the Group's gross revenue declined by 3.8% to S\$94.9 million, attributed largely to timing difference in booking. In contrast, net written premium increased 3.2% to S\$37.7 million due to the higher retention policy. Commission expense rose 15.1% to S\$11.7 million, from S\$10.2 million in preceding year, primarily due to higher accrual of profit commission payable to cedants and lower commission income earned from outward retrocession arrangement. Benefiting from no unduly large market losses being reported in those markets that the Company is active in, the net claims incurred declined by 11.2% to S\$21.3 million, equivalent to an incurred loss ratio (of net written premium) of 56.7% compared to the 65.9% in the corresponding period last year. Reinsurance management expenses slid 43.5% to S\$3.6 million due mainly to general provision for doubtful debts made in preceding year being written back this year. If the provision for bad and doubtful debts and foreign exchange differences were excluded, reinsurance management expenses would be 11.8% higher than the corresponding period a year earlier. In light of the foregoing, an underwriting surplus of S\$771,000 was recorded, compared to the S\$5.1 million underwriting deficit in the same period a year ago.

The net investment income for the period under review of S\$13 million was exactly the same figure achieved in the corresponding 9 months in the previous year. Overall, the Group's net profit before income tax rose 71.3% to S\$13.8 million, compared to the S\$8 million net profit before income tax in the same period last year.

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.**

Market competition in the (re)insurance sector remains rife as more (re)insurance companies focus attention on Asia because of the long-term growth potential. Hence, downward pressure continues to be exerted on (re)insurance premium rates and this would adversely impact reinsurers.

On the investment front, the many uncertainties in the global geo-political situation and economic environment will continue to influence 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? **No**

(b) Corresponding period of the immediately preceding financial year
Any dividend declared? **No**

(c) The date the dividend is payable
Not applicable.

(d) Books closure date
Not applicable.

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.

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 third quarter and nine months period ended 30 September 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Gerard Seah Jim Hong
Company Secretary
7 November 2013

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