

SINGAPORE REINSURANCE CORPORATION LIMITED

(Company Registration No. 197300016C)

Financial Statements Announcement For The Year Ended 31 December 2020

PART I - INFORMATION REQUIRED FOR HALF-YEARLY AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a 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 2ND HALF YEAR AND YEAR ENDED 31 DECEMBER 2020

	GROUP					
	12 months	12 months	Incr/	2nd Half	2nd Half	Incr/
	2020	2019	(decr)	2020	2019	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income statements:						
Reinsurance operations:						
Gross written premiums	263,965	238,144	10.8	137,413	132,429	3.8
Reinsurance premiums	(194,691)	(173,476)	12.2	(99,287)	(95,829)	3.6
Net written premiums	69,274	64,668	7.1	38,126	36,600	4.2
Gross transfer to provision for unexpired risks	(13,533)	(7,805)	73.4	(3,222)	(5,087)	(36.7)
Reinsurance transfer from provision for unexpired risks	12,155	2,865	nm	3,302	1,993	65.7
Net earned premiums	67,896	59,728	13.7	38,206	33,506	14.0
Gross claims incurred	(175,634)	(156,954)	11.9	(83,232)	(77,922)	6.8
Reinsurers' share of claims incurred	126,288	116,163	8.7	55,961	51,514	8.6
Net claims incurred	(49,346)	(40,791)	21.0	(27,271)	(26,408)	3.3
Commission expense	(71,519)	(48,845)	46.4	(40,909)	(22,218)	84.1
Commission income	54,943	34,148	60.9	29,629	14,609	102.8
Net commission expense	(16,576)	(14,697)	12.8	(11,280)	(7,609)	48.2
Management expenses	(7,442)	(7,647)	(2.7)	(3,938)	(3,668)	7.4
Underwriting results	(5,468)	(3,407)	60.5	(4,283)	(4,179)	2.5
Net investment income	5,691	7,877	(27.8)	1,334	3,465	(61.5)
Net income from reinsurance operations (I)	223	4,470	(95.0)	(2,949)	(714)	nm
Non-reinsurance operations:						
Net investment income	5,697	6,190	(8.0)	4,535	4,184	8.4
Other operating income	2,147	5,195	(58.7)	465	2,849	(83.7)
Management expenses	(2,327)	(5,569)	(58.2)	(736)	(2,899)	(74.6)
Net income from non-reinsurance operations (II)	5,517	5,816	(5.1)	4,264	4,134	3.1

	GROUP					
	12 months 2020 S\$'000	12 months 2019 S\$'000	Incr/ (decr) %	2nd Half 2020 S\$'000	2nd Half 2019 S\$'000	Incr/ (decr) %
Income statements - continued						
Profit before income tax (I + II)	5,740	10,286	(44.2)	1,315	3,420	(61.5)
Income tax expense	(587)	(475)	23.6	(2)	196	nm
Profit for the year	5,153	9,811	(47.5)	1,313	3,616	(63.7)
Profit attributable to:						
Equity holders of the Company	5,130	9,817	(47.7)	1,322	3,600	(63.3)
Non-controlling interests	23	(6)	nm	(9)	16	nm
Profit for the year	5,153	9,811	(47.5)	1,313	3,616	(63.7)
Statements of comprehensive income:						
Profit for the year	5,153	9,811	(47.5)	1,313	3,616	(63.7)
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	2,322	3,318	(30.0)	2,262	3,259	(30.6)
	2,322	3,318	(30.0)	2,262	3,259	(30.6)
Items that are or may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets:						
- Reclassification of gain on sale of investments to profit or loss		(1,345)	(100.0)	-	(483)	(100.0)
- Reclassification of impairment write-down on investments to profit or loss	-	984	(100.0)	-	553	(100.0)
- Change in fair value of investments	-	5,621	(100.0)	-	591	(100.0)
- Tax on items that are or may be reclassified subsequently to profit or loss		(923)		-	(84)	(100.0)
Fair Value to Other Comprehensive Income financial assets:						
- Net Change in fair value of Equity investments at FVOCI	(7,519)	-	nm	1,506	-	nm
- Net Change in fair value of Debt investments at FVOCI	3,584	-	nm	1,597	-	nm
- Tax on items that are or may be reclassified subsequently to profit or loss	984	-	nm	(86)	-	nm
	(2,951)	4,337	nm	3,017	577	nm
Other comprehensive income for the year, net of income tax	(629)	7,655	nm	5,279	3,836	37.6
Total comprehensive income for the year	4,524	17,466	(74.1)	6,592	7,452	(11.5)
Total comprehensive income attributable to:						
Equity holders of the Company	4,501	17,472	(74.2)	6,601	7,436	(11.2)
Non-controlling interests	23	(6)	nm	(9)	16	nm
Total comprehensive income for the year	4,524	17,466	(74.1)	6,592	7,452	(11.5)
Profit for the year has been arrived at after crediting/(charging):						
Net exchange gains/(losses)	141	(404)	nm	(1,054)	(234)	nm
Depreciation	(340)	(332)	2.4	(155)	(167)	(7.2)
Net gain on sale of investments	-	1,345	(100.0)	-	483	(100.0)
Net gains in fair value of investment properties	1,887	2,637	(28.4)	1,802	2,627	(31.4)
Impairment provision and write (back)/down on investments	50	(984)	nm	40	(553)	nm

nm not meaningful

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	57,185	54,946	57,185	54,852
Investment properties	36,658	34,771	36,658	34,771
Interests in subsidiaries	-	-	244	1,123
Reinsurers' share of insurance contract provisions for				
- outstanding claims	305,870	268,553	305,870	268,553
- unexpired risks	70,427	58,272	70,427	58,272
Financial assets	217,455	260,253	217,455	260,253
Club membership	-	15	-	-
Insurance receivables	110,924	99,225	110,924	99,225
Other receivables	2,480	3,418	3,960	4,030
Cash and cash equivalents	152,524	103,645	150,763	100,252
Total assets	953,523	883,098	953,486	881,331
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	50,246	54,916	50,246	54,916
Accumulated profits	94,756	94,884	94,840	94,695
	268,302	273,100	268,386	272,911
Non-controlling interests	24	226	-	-
Total equity	268,326	273,326	268,386	272,911
Liabilities				
Insurance contract provisions for				
- outstanding claims	478,054	428,860	478,054	428,860
- unexpired risks	95,067	81,534	95,067	81,534
Deferred taxation	2,821	3,935	2,821	3,935
Insurance payables	105,022	90,709	105,022	90,709
Other payables	3,036	3,588	2,939	2,246
Current tax payable	1,197	1,146	1,197	1,136
Total liabilities	685,197	609,772	685,100	608,420
Total equity and liabilities	953,523	883,098	953,486	881,331

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 31.12.2020		As at 31.12.2019	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2020		As at 31.12.2019	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

Not applicable.

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

	GROUP			
	12 months	12 months	2nd Half	2nd Half
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	5,740	10,286	1,315	3,420
Adjustments for:				
Insurance contract provisions for net unexpired risks	1,378	4,940	(80)	3,094
Insurance contract provisions for net outstanding claims	11,877	7,033	8,310	10,459
Impairment provision and write (back)/down on investments	(50)	984	(40)	553
Net gains in fair value of investment properties	(1,887)	(2,637)	(1,802)	(2,627)
Net gain on sale of investments	-	(1,345)	-	(483)
Depreciation of property, plant and equipment	340	332	155	167
Interest income	(7,011)	(8,692)	(3,201)	(4,377)
Dividend income	(1,547)	(2,579)	(937)	(947)
Loss on sale of investment properties	-	272	-	272
Gain on sale of investment in subsidiary	(878)	-	(878)	-
	7,962	8,594	2,842	9,531
Changes in working capital:				
Insurance receivables	(11,699)	(9,052)	(21,387)	(22,117)
Other receivables and staff loans	1,493	(351)	1,504	214
Insurance payables	14,313	4,313	18,229	9,441
Other payables	(528)	482	(768)	(320)
Cash flows used in operations	11,541	3,986	420	(3,251)
Income tax paid	(666)	(787)	(656)	(419)
Net cash from/(used in) operating activities	10,875	3,199	(236)	(3,670)
Investing activities				
Interest received	7,045	8,669	3,147	6,433
Dividends received	1,547	2,579	937	947
Purchase of investments	(7,898)	(15,272)	(4,966)	(4,531)
Proceeds from sale of investments	46,845	24,077	29,595	13,040
Purchase of property, plant and equipment	(333)	(205)	(64)	(108)
Disposal of property, plant and equipment	76	-	76	-
Proceeds from disposal of investment properties	-	1,361	-	1,361
Proceeds from disposal of investment in subsidiary	270	-	270	-
Net cash from investing activities	47,552	21,209	28,995	17,142
Financing activities				
Dividends paid to owners of the Company	(6,869)	(7,867)	(6,869)	(3,026)
Dividends paid to non-controlling interests	(225)	-	(150)	-
Payment of share buyback	(2,430)	-	(291)	-
Payment of lease liabilities	(24)	(37)	13	(37)
Net cash used in financing activities	(9,548)	(7,904)	(7,297)	(3,063)
Net increase in cash and cash equivalents	48,879	16,504	21,462	10,409
Cash and cash equivalents at beginning of the year	103,645	87,141	131,062	93,236
Cash and cash equivalents at end of the year	152,524	103,645	152,524	103,645

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 2020	123,300	10,944	43,972	94,884	273,100	226	273,326
Impact of adopting SFRS(I) 9	-	(4,041)	-	4,041	-	-	-
Restated Balance at 1.1.2020	123,300	6,903	43,972	98,925	273,100	226	273,326
Total comprehensive income for the year							
Net profit	-	-	-	5,130	5,130	23	5,153
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,322	-	2,322	-	2,322
Fair Value to Other Comprehensive Income financial assets:							
- Net Change in fair value of Equity investments at FVOCI	-	(7,519)	-	-	(7,519)	-	(7,519)
- Net Change in fair value of Debt investments at FVOCI	-	3,584	-	-	3,584	-	3,584
- Income tax relating to components of other comprehensive income	-	984	-	-	984	-	984
Total other comprehensive income, net of income tax	-	(2,951)	2,322	-	(629)	-	(629)
Total comprehensive income for the year	-	(2,951)	2,322	5,130	4,501	23	4,524
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.35 cent per share tax exempt (one-tier) in respect of year 2020	-	-	-	(2,091)	(2,091)	-	(2,091)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2019	-	-	-	(4,778)	(4,778)	-	(4,778)
Payment of Share buyback	-	-	-	(2,430)	(2,430)	-	(2,430)
Dividend paid to non-controlling interests	-	-	-	-	-	(225)	(225)
Total contributions by and distributions to owners	-	-	-	(9,299)	(9,299)	(225)	(9,524)
At 31 December 2020	123,300	3,952	46,294	94,756	268,302	24	268,326
At 1 January 2019	123,300	6,607	40,654	92,934	263,495	232	263,727
Total comprehensive income for the year							
Net profit	-	-	-	9,817	9,817	(6)	9,811
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	3,318	-	3,318	-	3,318
Available-for-sale financial assets:							
- Reclassification of gain on sale of investments to profit or loss	-	(1,345)	-	-	(1,345)	-	(1,345)
- Reclassification of impairment write-down on investments to profit or loss	-	984	-	-	984	-	984
- Change in fair value of investments	-	5,621	-	-	5,621	-	5,621
- Income tax relating to components of other comprehensive income	-	(923)	-	-	(923)	-	(923)
Total other comprehensive income, net of income tax	-	4,337	3,318	-	7,655	-	7,655
Total comprehensive income for the year	-	4,337	3,318	9,817	17,472	(6)	17,466
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 2019	-	-	-	(3,026)	(3,026)	-	(3,026)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2018	-	-	-	(4,841)	(4,841)	-	(4,841)
Total contributions by and distributions to owners	-	-	-	(7,867)	(7,867)	-	(7,867)
At 31 December 2019	123,300	10,944	43,972	94,884	273,100	226	273,326

GROUP	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 Jul 2020	123,300	935	44,032	100,594	268,861	183	269,044
Total comprehensive income for the half year							
Net profit	-	-	-	1,322	1,322	(9)	1,313
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,262	-	2,262	-	2,262
Fair Value to Other Comprehensive Income financial assets:							
- Net Change in fair value of Equity investments at FVOCI	-	1,506	-	-	1,506	-	1,506
- Net Change in fair value of Debt investments at FVOCI	-	1,597	-	-	1,597	-	1,597
- Income tax relating to components of other comprehensive income	-	(86)	-	-	(86)	-	(86)
Total other comprehensive income, net of income tax	-	3,017	2,262	-	5,279	-	5,279
Total comprehensive income for the half year	-	3,017	2,262	1,322	6,601	(9)	6,592
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.35 cent per share tax exempt (one-tier) in respect of year 2020	-	-	-	(2,091)	(2,091)	-	(2,091)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2019	-	-	-	(4,778)	(4,778)	-	(4,778)
Payment of Share buyback	-	-	-	(291)	-	-	(291)
Dividend paid to non-controlling interests	-	-	-	-	-	(150)	(150)
Total contributions by and distributions to owners	-	-	-	(7,160)	(7,160)	(150)	(7,310)
At 31 December 2020	123,300	3,952	46,294	94,756	268,302	24	268,326
At 1 Jul 2019	123,300	10,367	40,713	94,310	268,690	210	268,900
Total comprehensive income for the half year							
Net profit	-	-	-	3,600	3,600	16	3,616
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	3,259	-	3,259	-	3,259
Available-for-sale financial assets:							
- Reclassification of gain on sale of investments to profit or loss	-	(483)	-	-	(483)	-	(483)
- Reclassification of impairment write-down on investments to profit or loss	-	553	-	-	553	-	553
- Change in fair value of investments	-	591	-	-	591	-	591
- Income tax relating to components of other comprehensive income	-	(84)	-	-	(84)	-	(84)
Total other comprehensive income, net of income tax	-	577	3,259	-	3,836	-	3,836
Total comprehensive income for the half year	-	577	3,259	3,600	7,436	16	7,452
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 2019	-	-	-	(3,026)	(3,026)	-	(3,026)
Total contributions by and distributions to owners	-	-	-	(3,026)	(3,026)	-	(3,026)
At 31 December 2019	123,300	10,944	43,972	94,884	273,100	226	273,326

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
COMPANY					
At 1 January 2020	123,300	10,944	43,972	94,695	272,911
Impact of adopting SFRS(I) 9	-	(4,041)	-	4,041	-
Restated Balance at 1.1.2020	123,300	6,903	43,972	98,736	272,911
Total comprehensive income for the year					
Net profit	-	-	-	5,403	5,403
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,322	-	2,322
Fair Value to Other Comprehensive Income financial assets:					
- Net Change in fair value of Equity investments at FVOCI	-	(7,519)	-	-	(7,519)
- Net Change in fair value of Debt investments at FVOCI	-	3,584	-	-	3,584
- Income tax relating to components of other comprehensive income	-	984	-	-	984
Total other comprehensive income, net of income tax	-	(2,951)	2,322	-	(629)
Total comprehensive income for the year	-	(2,951)	2,322	5,403	4,774
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Interim dividend paid of 0.35 cent per share tax exempt (one-tier) in respect of year 2020	-	-	-	(2,091)	(2,091)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2019	-	-	-	(4,778)	(4,778)
Payment of Share buyback	-	-	-	(2,430)	(2,430)
Total contributions by and distributions to owners	-	-	-	(9,299)	(9,299)
At 31 December 2020	123,300	3,952	46,294	94,840	268,386
At 1 January 2019	123,300	6,607	40,654	92,707	263,268
Total comprehensive income for the year					
Net profit	-	-	-	9,855	9,855
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	3,318	-	3,318
Available-for-sale financial assets:					
- Reclassification of gain on sale of investments to profit or loss	-	(1,345)	-	-	(1,345)
- Reclassification of impairment write-down on investments to profit or loss	-	984	-	-	984
- Change in fair value of investments	-	5,621	-	-	5,621
- Income tax relating to components of other comprehensive income	-	(923)	-	-	(923)
Total other comprehensive income, net of income tax	-	4,337	3,318	-	7,655
Total comprehensive income for the year	-	4,337	3,318	9,855	17,510
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 2019	-	-	-	(3,026)	(3,026)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2018	-	-	-	(4,841)	(4,841)
Total contributions by and distributions to owners	-	-	-	(7,867)	(7,867)
At 31 December 2019	123,300	10,944	43,972	94,695	272,911

COMPANY	Share Capital	Fair Value Reserves	Revaluation Reserves	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jul 2020	123,300	935	44,032	100,649	268,916
Total comprehensive income for the half year					
Net profit	-	-	-	1,351	1,351
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,262	-	2,262
Fair Value to Other Comprehensive Income financial assets:					
- Net Change in fair value of Equity investments at FVOCI	-	1,506	-	-	1,506
- Net Change in fair value of Debt investments at FVOCI	-	1,597	-	-	1,597
- Income tax relating to components of other comprehensive income	-	(86)	-	-	(86)
Total other comprehensive income, net of income tax	-	3,017	2,262	-	5,279
Total comprehensive income for the half year	-	3,017	2,262	1,351	6,630
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Interim dividend paid of 0.35 cent per share tax exempt (one-tier) in respect of year 2020	-	-	-	(2,091)	(2,091)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2019	-	-	-	(4,778)	(4,778)
Payment of Share buyback	-	-	-	(291)	(291)
Total contributions by and distributions to owners	-	-	-	(7,160)	(7,160)
At 31 December 2020	123,300	3,952	46,294	94,840	268,386
At 1 Jul 2019	123,300	10,367	40,713	94,207	268,587
Total comprehensive income for the half year					
Net profit	-	-	-	3,514	3,514
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	3,259	-	3,259
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss	-	(483)	-	-	(483)
Reclassification of impairment write-down on investments to profit or loss	-	553	-	-	553
Change in fair value of investments	-	591	-	-	591
Income tax relating to components of other comprehensive income	-	(84)	-	-	(84)
Total other comprehensive income, net of income tax	-	577	3,259	-	3,836
Total comprehensive income for the half year	-	577	3,259	3,514	7,350
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 2019	-	-	-	(3,026)	(3,026)
Total contributions by and distributions to owners	-	-	-	(3,026)	(3,026)
At 31 December 2019	123,300	10,944	43,972	94,695	272,911

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

Share Capital

Save as otherwise set out herein, there was no change in the Company's share capital since the end of the previous reported period.

Share Buyback

Under the Share Buy Back Mandate (approved by the Shareholders on 17 April 2019 and renewed at the Annual General Meeting on 23 June 2020), the Company bought back a total of 8,903,600 ordinary shares during the reporting period for the sum of S\$2,430,122. The sum of S\$2,430,122 was thus deducted from accumulated profits.

Share Capital and Treasury Shares

As at 31 December 2020, the Company had 596,316,185 ordinary shares and no treasury shares (31 December 2019 : 605,219,785 ordinary shares and no treasury shares).

The Company had no subsidiary holdings and no outstanding convertibles as at 31 December 2020 and 31 December 2019.

- 1(d)(iii) **To show the total 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 2020 was 596,316,185 (31 December 2019: 605,219,785).

- 1(d)(iv) **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company bought back 8,903,600 ordinary shares during the reporting period and held them as treasury shares. These treasury shares were cancelled on 29 December 2020.

- 1(d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company sold the entire 850,000 shares held in its subsidiary on 26 August 2020.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The full year 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 modifications or emphasis of a matter).**

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

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**

Not Applicable.

- (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 2020, except as stated in Note 5.

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.**

On 1 January 2020, the Group adopted SFRS(I) 9 Financial Instruments, which contains new requirements and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements. Under SFRS(I) 9, the Group's financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

SFRS(I) 9 replaces the 'incurred loss' model in SFRS(I) 1-39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost financial assets including debt securities at FVOCI. The principal components of the adjustments are as follows:

- A decrease of \$4.406 million in fair value reserves due to the reversal of impairment from accumulated profits to fair value reserves in relation to the reclassification of financial assets from equity securities AFS to FVOCI; and
- A decrease of \$365,000 in accumulated profits due to additional impairment recognised under the ECL model for debt securities AFS at FVOCI.

Impact of adoption of SFRS(I) 9 on transition date, 1 January 2020

	GROUP						
	Share Capital	Fair Value Reserves	Revaluation Reserves	Accumulated Profits	Total attributable to equity holders of the Company	Non-Controlling Interest	Total Equity
S\$'000							
Balance at 1.1.2020	123,300	10,944	43,972	94,884	273,100	226	273,326
Reversal of cumulative impairment losses for FVOCI equity securities	-	(4,406)	-	4,406	-	-	-
Remeasurement of debt securities (ECL impairment provision)	-	365	-	(365)	-	-	-
Restated Balance at 1.1.2020	123,300	6,903	43,972	98,925	273,100	226	273,326
Effect of SFRS(I) 9 to accumulated profits and fair value reserve	-	(4,041)	-	4,041	-	-	-

	COMPANY				
	Share Capital	Fair Value Reserves	Revaluation Reserves	Accumulated Profits	Total
S\$'000					
Balance at 1.1.2020	123,300	10,944	43,972	94,695	272,911
Reversal of cumulative impairment losses for FVOCI equity securities	-	(4,406)	-	4,406	-
Remeasurement of debt securities (ECL impairment provision)	-	365	-	(365)	-
Restated Balance at 1.1.2020	123,300	6,903	43,972	98,736	272,911
Effect of SFRS(I) 9 to accumulated profits and fair value reserve	-	(4,041)	-	4,041	-

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 2020	12 months 2019
Basic and fully diluted earnings per share (cents)	0.86	1.62
Weighted average number of ordinary shares on issue ('000)	599,063	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) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net asset value per share (cents)	44.99	45.12	45.01	45.09

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 2nd half 2020 vs 2nd half 2019

For the half year ended 31 December 2020, the Group's gross written premium increased by 3.8% to \$137.413 million attributed mainly to higher premiums reported by existing cedants and new business. Net earned premium climbed 14% to \$38.206 million benefiting from negative unearned premium reserve strain. However, net claims incurred rose 3.3% to \$27.271 million due to case reserves and additional case reserves (ACRs) set aside for new losses reported in various lines of business within the period under review. Net commission expense was 48.2% higher at \$11.28 million, mainly due to higher profit commission accrual in light of higher net written premiums. Consequently, a slightly higher underwriting deficit of \$4.283 million was reported, compared to the \$4.179 million deficit in the corresponding period last year. Net investment income fell 23.3% to \$5.869 million mainly due to lower interest income and surplus on revaluation of investment properties. Overall, the Group's net profit before income tax of \$1.315 million was 61.5% lower than the \$3.42 million profit in the 6-month period a year earlier.

Comparison of 12 months 2020 vs 12 months 2019

For the year ended 31 December 2020, the Group's gross written premium grew by 10.8% to \$263.965 million attributed to higher premiums reported by cedants, new business and higher signed shares. Correspondingly, net earned premium rose 13.7% to \$67.896 million on the back of lower unearned premium reserve strain. Net claims incurred increased by 21% to \$49.346 million due to higher advised outstanding losses and IBNR/IBNER loss reserve provisions including case reserves / ACRs set aside for COVID-19 related losses and other recent natural and man-made calamities. This represented an incurred loss ratio of 71.2% (on net written premium), compared to the 63.1% incurred loss ratio a year earlier. Net commission expense rose 12.8% to \$16.576 million partly due to higher accrual of profit commission as a result of net written premium growth. Reinsurance management expenses declined by 2.7% to \$7.442 million, mainly due to the governmental wage subsidy under the Jobs Support Scheme. In light of the foregoing, a higher underwriting deficit of \$5.468 million was reported compared to the \$3.407 million deficit in preceding year. Net investment income fell 19% to \$11.388 million primarily due to lower interest and dividend income, as well as lower surplus on revaluation of investment properties. Overall, the Group's net profit before income tax of \$5.740 million was 44.2% lower than the \$10.286 million net profit before income tax reported a year earlier.

Other comprehensive income, net of tax, which affects the balance sheet and not the profit before tax had recorded an unrealised loss of \$579,000 compared to \$7.655 million profit last year mainly due to a change in fair value of equity investments as a consequence of the volatility in the equity markets arising from the global economic malaise amidst the COVID-19 outbreak.

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 substantially affect 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 unprecedented devastating impact of pandemic COVID-19 upon mankind in all the activities will continue into 2021 and beyond. Insurers and reinsurers being on the forefront enabling risk transfers from all human endeavours will not be spared the dire consequences with as yet uncertain magnitude. This extreme adversity combined with the worsening trend in climate change will give rise to a highly difficult and challenging operating environment. New issues and problems are emerging day by day so are new business opportunities. Every endeavour will be made by the board and management to adjust and adapt to the fast changing circumstances so as to be able to sustain a credible level of service, growth and profitability.

The global economic malaise and intermittent physical lockdowns triggered by governments arising from the COVID-19 pandemic, as well as heightened socio-political tensions between the mega economies, will continue to exert unprecedented challenges to the (re)insurance industry in underwriting, claims and investments. Vigilance in the overall management of the business to ensure long-term viability cannot be ignored.

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

	<u>Interim Ordinary</u>	<u>Final (Proposed)</u>
Name of dividend		
Dividend type	Cash	Cash
Gross dividend amount per share (in cents)	0.35	0.35
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding period of the immediately preceding financial year**Any dividend declared?**

Yes

	<u>Interim Ordinary</u>	<u>Final</u>
Name of dividend		
Dividend type	Cash	Cash
Gross dividend amount per share (in cents)	0.50	0.80
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is tax exempt.

(d) The date the dividend is payable

The proposed dividend will be paid on 2 June 2021.

(e) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 10 May 2021 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, up to 5.00 p.m. on 7 May 2021 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 7 May 2021 will be entitled to the dividend.

12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

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 has not obtained a general mandate from shareholders for IPTs.

14. **Confirmation pursuant to Rule 720(1) of the Listing Manual.**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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 2020			January - December 2019		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross written premiums	263,965	-	263,965	238,144	-	238,144
Net earned premiums	67,896	-	67,896	59,728	-	59,728
Net claims incurred	(49,346)	-	(49,346)	(40,791)	-	(40,791)
Net commission expense	(16,576)	-	(16,576)	(14,697)	-	(14,697)
Management expenses	(7,442)	-	(7,442)	(7,647)	-	(7,647)
Underwriting results	(5,468)	-	(5,468)	(3,407)	-	(3,407)
Net investment income	5,691	-	5,691	7,877	-	7,877
Net income from reinsurance operations (I)	223	-	223	4,470	-	4,470
Net investment income	-	5,697	5,697	-	6,190	6,190
Other operating income	-	2,147	2,147	-	5,195	5,195
Management expenses	-	(2,327)	(2,327)	-	(5,569)	(5,569)
Net income from non-reinsurance operations (II)	-	5,517	5,517	-	5,816	5,816
Profit before income tax (I) + (II)			5,740			10,286
Income tax expense			(587)			(475)
Profit for the year			5,153			9,811
Segment total assets	803,322	150,201	953,523	722,154	160,944	883,098
Segment total liabilities	681,609	3,588	685,197	604,921	4,851	609,772

(b) Major customer

For the year ended 31 December 2020, 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 and Malaysia. 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:

	Gross written premiums		Non-current assets	
	January - December 2020	January - December 2019	January - December 2020	January - December 2019
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	80,849	78,298	89,485	85,346
Malaysia	67,500	73,543	-	-
Greater China	39,211	32,453	4,358	4,371
Others	76,405	53,850	-	-
Total	263,965	238,144	93,843	89,717

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

16. **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 lower income of \$223,000 compared to the \$4.47 million income last year, attributed mainly to the higher underwriting deficit and lower investment income.

17. **A breakdown of sales as follows:-**

	GROUP		
	2020 S\$'000	2019 S\$'000	Incr/ (decr) %
(a) Gross written premiums			
6 months ended 30 June	126,552	105,715	19.7
6 months ended 31 December	137,413	132,429	3.8
Total for the year	<u>263,965</u>	<u>238,144</u>	<u>10.8</u>
(b) Net profit after tax before deducting non-controlling interests			
6 months ended 30 June	3,840	6,195	(38.0)
6 months ended 31 December	1,313	3,616	(63.7)
Total for the year	<u>5,153</u>	<u>9,811</u>	<u>(47.5)</u>

18. **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	6,869	7,867
Preference	-	-
Total:	<u>6,869</u>	<u>7,867</u>

19. **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

Tan Swee Gek
Company Secretary
24 February 2021

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



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of Singapore Reinsurance Corporation Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Singapore Reinsurance Corporation Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of profit or loss, statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages # to #.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, the statement of profit or loss, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Recording of gross written premiums (\$264 million), gross claims incurred (\$176 million) and commission expenses (\$72 million) (Refer to note 16 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Premium closings, claims notifications and statement of accounts (SOAs) from cedants that are used to record premiums, claims and commission may not be received on a timely basis and may require significant efforts to verify prior to recording or estimating the accruals in the accounting records.</p> <p>Bilateral cessions premiums, claims and commissions expenses, to the extent not advised by cedants by the financial year-end are estimated on a cedant-by-cedant basis using comparative information adjusted for revisions in cession terms and conditions as described in Note 16 to the financial statements.</p> <p>Unprocessed premiums at the reporting date for treaty and facultative business are assessed for their significance to the financial statements to determine if they need to be recorded.</p>	<p>We assessed the reasonableness of premiums, claims and commissions recorded by performing the following procedures:</p> <p>For bilateral cession business where premiums, claims and commissions were estimated,</p> <ul style="list-style-type: none"> • updating our understanding on the Group's process for estimating the premiums, claims and commissions; • evaluating the Group's quantification of the premiums, claims and commissions not advised at the reporting date; and • comparing prior year estimates with actuals to assess the reliability of the Group's estimates. <p>For unprocessed premium closings, claims notifications and SOAs, we evaluated the Group's assessment of the significance at the reporting date to ascertain that they do not have a material impact on the financial statements.</p>
	<i>Findings</i>
	<p>For estimates relating to the bilateral cession business, we did not identify any significant changes in the estimation process. We found the assumptions and resulting estimates to be balanced. We have also assessed that Note 16 appropriately disclosed the process, assumptions and judgments involved and the sensitivity to the changes in key assumptions.</p> <p>For the unprocessed premiums, we independently verified and agreed with Group's assessment that the unprocessed premiums have no material impact on the financial statements.</p>



Valuation of insurance contract provisions – Gross outstanding claims (\$478 million); Gross unexpired risk (\$95 million) (Refer to notes 10 and 16 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Valuation of insurance contract liabilities is inherently judgmental and subjective. The methodologies and assumptions adopted are crucial to the valuation of the liabilities so that sufficient provisions are held to meet all obligations including those to cover claims which have been incurred but not reported.</p> <p>The estimation of insurance contract liabilities are subjected to various assumptions applied, including, most importantly, the Ultimate Loss Ratio.</p> <p>Management judgment is applied in setting these assumptions. Changes in these assumptions used could result in a material impact to valuation of insurance contract liabilities and the related movements in the income statement.</p>	<p>We assessed whether the valuation of insurance contract provisions is reasonable by performing the following procedures:</p> <ul style="list-style-type: none"> • evaluating the underwriting and claims processes and the consistency of those policies; • assessing the design and operating effectiveness of controls over the approval and recording of premiums and claims reported and paid, which form the basis upon which insurance contract provisions are estimated; • testing the completeness and accuracy of data used in the valuation of insurance contract provisions; • discussing with both the management and the Certifying Actuary on the methodologies and assumptions adopted; and • involving our actuarial specialists to assess the appropriateness of reserving methodologies, key assumptions used; and the reasonableness of the valuation performed by the Certifying Actuary.
<i>Findings</i>	
<p>Based on our above procedures, we found the methodologies and assumptions used in the valuation by the Certifying Actuary to be balanced. We noted that the insurance contract liabilities maintained in the Group's financial statements were higher than those assessed by the independent actuary due to more prudent assumptions used by the Group, which is consistent with prior years. We also found that note 16 provides appropriate disclosures on the estimates involved in the valuation process.</p>	



Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

Other than the Directors' Statement which we obtained prior to the date of this auditors' report, the other sections included in the annual report are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Goh Kim Chuah.


KPMG-LLP
*Public Accountants and
Chartered Accountants*

Singapore
24 February 2021

The page numbers are as stated in the Independent Auditors' Report dated 24 February 2021 included in Singapore Reinsurance Corporation Limited's Annual Report for the financial year ended 31 December 2020.