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

Financial Statements Announcement For The Year Ended 31 December 2019

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, 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 FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2019

	GROUP					
	12 months 2019 S$'000	12 months 2018 S$'000	Incr/ (decr) %	**4th Qtr 2019 S$'000**	4th Qtr 2018 S$'000	Incr/ (decr) %
Income statements:						
Reinsurance operations:						
Gross written premiums	**238,144**	207,802	14.6	**75,173**	68,782	9.3
Reinsurance premiums	**(173,476)**	(157,121)	10.4	**(55,866)**	(53,873)	3.7
Net written premiums	**64,668**	50,681	27.6	**19,307**	14,909	29.5
Gross transfer to provision for unexpired risks	**(7,805)**	(9,084)	(14.1)	**(892)**	(6,373)	(86.0)
Reinsurance transfer from provision for unexpired risks	**2,865**	9,254	(69.0)	**(744)**	6,094	nm
Net earned premiums	**59,728**	50,851	17.5	**17,671**	14,630	20.8
Gross claims incurred	**(156,954)**	(122,143)	28.5	**(60,578)**	(14,059)	nm
Reinsurers' share of claims incurred	**116,163**	86,182	34.8	**45,167**	5,470	nm
Net claims incurred	**(40,791)**	(35,961)	13.4	**(15,411)**	(8,589)	79.4
Commission expense	**(48,845)**	(60,857)	(19.7)	**(8,474)**	(19,514)	(56.6)
Commission income	**34,148**	48,854	(30.1)	**5,156**	16,338	(68.4)
Net commission expense	**(14,697)**	(12,003)	22.4	**(3,318)**	(3,176)	4.5
Management expenses	**(7,647)**	(7,656)	(0.1)	**(1,893)**	(1,956)	(3.2)
Underwriting results	**(3,407)**	(4,769)	(28.6)	**(2,951)**	909	nm
Net investment income	**7,877**	8,012	(1.7)	**717**	995	(27.9)
Net income from reinsurance operations (I)	**4,470**	3,243	37.8	**(2,234)**	1,904	nm
Non-reinsurance operations:						
Net investment income	**6,190**	8,024	(22.9)	**3,390**	5,489	(38.2)
Other operating income	**5,195**	5,915	(12.2)	**1,901**	2,019	(5.8)
Management expenses	**(5,569)**	(5,885)	(5.4)	**(1,573)**	(1,810)	(13.1)
Net income from non-reinsurance operations (II)	**5,816**	8,054	(27.8)	**3,718**	5,698	(34.7)

	GROUP					
	12 months 2019 S$'000	12 months 2018 S$'000	Incr/ (decr) %	**4th Qtr 2019 S$'000**	4th Qtr 2018 S$'000	Incr/ (decr) %
Income statements - continued						
Profit before income tax (I + II)	**10,286**	11,297	(8.9)	**1,484**	7,602	(80.5)
Income tax expense	**(475)**	(2,436)	(80.5)	**255**	(2,085)	nm
Profit for the year	**9,811**	8,861	10.7	**1,739**	5,517	(68.5)
Profit attributable to:						
Equity holders of the Company	**9,817**	8,791	11.7	**1,688**	5,466	(69.1)
Non-controlling interests	**(6)**	70	nm	**51**	51	-
Profit for the year	**9,811**	8,861	10.7	**1,739**	5,517	(68.5)
Statements of comprehensive income:						
Profit for the year	**9,811**	8,861	10.7	**1,739**	5,517	(68.5)
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	**3,318**	9,618	(65.5)	3,230	9,530	(66.1)
	3,318	9,618	(65.5)	3,230	9,530	(66.1)
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 (realised)	**(1,345)**	(1,210)	11.2	**(84)**	(40)	110.0
Reclassification of impairment write-down on investments to profit or loss	**984**	1,094	(10.1)	**553**	725	(23.7)
Change in fair value of investments (unrealised)	**5,621**	(7,320)	nm	**1,593**	(1,115)	nm
Tax on items that are or may be reclassified subsequently to profit or loss	**(923)**	1,236	nm	**(286)**	135	nm
	4,337	(6,200)	nm	**1,776**	(295)	nm
Other comprehensive income for the year, net of income tax	**7,655**	3,418	124.0	**5,006**	9,235	(45.8)
Total comprehensive income for the year	**17,466**	12,279	42.2	**6,745**	14,752	(54.3)
Total comprehensive income attributable to:						
Equity holders of the Company	**17,472**	12,209	43.1	**6,694**	14,701	(54.5)
Non-controlling interests	**(6)**	70	nm	**51**	51	-
Total comprehensive income for the year	**17,466**	12,279	42.2	**6,745**	14,752	(54.3)
Profit for the year has been arrived at after crediting/(charging):						
Net exchange (losses)/gains	**(404)**	198	nm	**(724)**	(277)	161.4
Depreciation	**(332)**	(323)	2.8	**(83)**	(81)	2.5
Allowance provided for doubtful debts and bad debts written off	**(70)**	(299)	(76.6)	**(55)**	(167)	(67.1)
Gain on sale of investments	**1,345**	1,210	11.2	**84**	40	110.0
Change in fair value of investment properties	**2,637**	4,362	(39.5)	**2,772**	4,478	(38.1)
Impairment provisions/write-down on investments	**(984)**	(1,094)	(10.1)	**(553)**	(725)	(23.7)

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	
	31.12.2019	**31.12.2018**	**31.12.2019**	31.12.2018
	S$'000	S$'000	**S$'000**	S$'000
Assets				
Property, plant and equipment	**54,946**	51,755	**54,852**	51,662
Investment properties	**34,771**	33,767	**34,771**	33,767
Interests in subsidiaries	**-**	-	**1,123**	1,091
Reinsurers' share of insurance contract provisions for				
- outstanding claims	**268,553**	232,994	**268,553**	232,994
- unexpired risks	**58,272**	55,407	**58,272**	55,407
Financial assets	**260,253**	263,392	**260,253**	263,392
Club membership	**15**	15	**-**	-
Insurance receivables	**99,225**	90,173	**99,225**	90,173
Other receivables	**3,418**	3,089	**4,030**	2,727
Cash and cash equivalents	**103,645**	87,141	**100,252**	84,779
Total assets	**883,098**	817,733	**881,331**	815,992
Equity attributable to equity holders of the Company				
Share capital	**123,300**	123,300	**123,300**	123,300
Reserves	**54,916**	47,261	**54,916**	47,261
Accumulated profits	**94,884**	92,934	**94,695**	92,707
	273,100	263,495	**272,911**	263,268
Non-controlling interests	**226**	232	**-**	-
Total equity	**273,326**	263,727	**272,911**	263,268
Liabilities				
Insurance contract provisions for				
- outstanding claims	**428,860**	386,268	**428,860**	386,268
- unexpired risks	**81,534**	73,729	**81,534**	73,729
Deferred taxation	**3,935**	3,407	**3,935**	3,407
Insurance payables	**90,709**	86,396	**90,709**	86,396
Other payables	**3,588**	3,143	**2,246**	1,899
Current tax payable	**1,146**	1,063	**1,136**	1,025
Total liabilities	**609,772**	554,006	**608,420**	552,724
Total equity and liabilities	**883,098**	817,733	**881,331**	815,992

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 31.12.2019		As at 31.12.2018	
S$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2019		As at 31.12.2018	
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 2019 S$'000	12 months 2018 S$'000	**4th Qtr 2019 S$'000**	4th Qtr 2018 S$'000
Operating activities				
Profit before income tax	**10,286**	11,297	**1,484**	7,602
Adjustments for:				
Insurance contract provisions for net unexpired risks	**4,940**	(170)	**1,636**	279
Insurance contract provisions for net outstanding claims	**7,033**	4,985	**6,671**	(241)
Impairment provision and write-down on investments	**984**	1,094	**553**	725
Change in fair value of investment properties	**(2,637)**	(4,362)	**(2,772)**	(4,478)
Gain on sale of investments	**(1,345)**	(1,210)	**(84)**	(40)
Depreciation of property, plant and equipment	**332**	323	**83**	81
Interest income	**(8,692)**	(8,525)	**(2,134)**	(2,466)
Dividend income	**(2,579)**	(1,992)	**(314)**	4
Gain on sale of property, plant and equipment	**-**	6	**-**	-
Gain on sale of investment properties	**272**	-	**272**	-
	8,594	1,446	**5,395**	1,466
Changes in working capital:				
Insurance receivables	**(9,052)**	(30,331)	**(7,596)**	(18,640)
Other receivables and staff loan	**(351)**	8	**83**	557
Insurance payables	**4,313**	16,785	**2,580**	14,838
Other payables	**482**	(991)	**(609)**	(1,581)
Cash flows used in operations	**3,986**	(13,083)	**(147)**	(3,360)
Income tax paid	**(787)**	(1,308)	**(29)**	(112)
Net cash from/(used in) operating activities	**3,199**	(14,391)	**(176)**	(3,472)
Investing activities				
Interest received	**8,670**	8,422	**1,995**	2,239
Dividends received	**2,579**	1,992	**314**	(4)
Purchase of investments	**(15,272)**	(45,659)	**(2,870)**	(9,480)
Proceeds from sale of investments	**24,077**	44,089	**5,405**	6,374
Purchase of property, plant and equipment	**(205)**	(59)	**(32)**	(9)
Disposal of property, plant and equipment	**-**	1	**-**	1
Disposal of investment properties	**1,360**	-	**-**	-
Net cash from investing activities	**21,209**	8,786	**4,812**	(879)
Financing activities				
Dividends paid to owners of the Company	**(7,867)**	(7,867)	**-**	-
Dividends paid to non-controlling interests	**-**	(90)	**-**	-
Payment of lease liabilities (2018: Payment of finance lease liabilities)	**(37)**	(36)	**(37)**	(36)
Net cash used in financing activities	**(7,904)**	(7,993)	**(37)**	(36)
Net increase/(decrease) in cash and cash equivalents	**16,504**	(13,598)	**4,599**	(4,387)
Cash and cash equivalents at beginning of the year	**87,141**	100,739	**99,046**	91,528
Cash and cash equivalents at end of the year	**103,645**	87,141	**103,645**	87,141

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 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 (realised)	-	(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 (unrealised)	-	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**
At 1 January 2018	123,300	12,807	31,036	92,010	259,153	252	259,405
Total comprehensive income for the year							
Net profit	-	-	-	8,791	8,791	70	8,861
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	9,618	-	9,618	-	9,618
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,210)	-	-	(1,210)	-	(1,210)
Reclassification of impairment write-down on investments to profit or loss	-	1,094	-	-	1,094	-	1,094
Change in fair value of investments (unrealised)	-	(7,320)	-	-	(7,320)	-	(7,320)
Income tax relating to components of other comprehensive income	-	1,236	-	-	1,236	-	1,236
Total other comprehensive income, net of income tax	-	(6,200)	9,618	-	3,418	-	3,418
Total comprehensive income for the year	-	(6,200)	9,618	8,791	12,209	70	12,279
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 2018	-	-	-	(3,026)	(3,026)	-	(3,026)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2017	-	-	-	(4,841)	(4,841)	-	(4,841)
Dividend paid to non-controlling interests	-	-	-	-	-	(90)	(90)
Total contributions by and distributions to owners	-	-	-	(7,867)	(7,867)	(90)	(7,957)
At 31 December 2018	123,300	6,607	40,654	92,934	263,495	232	263,727

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 October 2019	**123,300**	**9,168**	**40,742**	**93,196**	**266,406**	**175**	**266,581**
Total comprehensive income for the quarter							
Net profit	-	-	-	**1,688**	**1,688**	**51**	**1,739**
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	**3,230**	-	**3,230**	-	**3,230**
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	**(84)**	-	-	**(84)**	-	**(84)**
Reclassification of impairment write-down on investments to profit or loss	-	**553**	-	-	**553**	-	**553**
Change in fair value of investments (unrealised)	-	**1,593**	-	-	**1,593**	-	**1,593**
Income tax relating to components of other comprehensive income	-	**(286)**	-	-	**(286)**	-	**(286)**
Total other comprehensive income, net of income tax	-	**1,776**	**3,230**	-	**5,006**	-	**5,006**
Total comprehensive income for the quarter	-	**1,776**	**3,230**	**1,688**	**6,694**	**51**	**6,745**
At 31 December 2019	**123,300**	**10,944**	**43,972**	**94,884**	**273,100**	**226**	**273,326**
At 1 October 2018	123,300	6,902	31,124	87,468	248,794	271	249,065
Total comprehensive income for the quarter							
Net profit	-	-	-	5,466	5,466	51	5,517
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	9,530	-	9,530	-	9,530
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(40)	-	-	(40)	-	(40)
Reclassification of impairment write-down on investments to profit or loss	-	725	-	-	725	-	725
Change in fair value of investments (unrealised)	-	(1,115)	-	-	(1,115)	-	(1,115)
Income tax relating to components of other comprehensive income	-	135	-	-	135	-	135
Total other comprehensive income, net of income tax	-	(295)	9,530	-	9,235	-	9,235
Total comprehensive income for the quarter	-	(295)	9,530	5,466	14,701	51	14,752
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Dividend paid to non-controlling interests	-	-	-	-	-	(90)	(90)
Total contributions by and distributions to owners	-	-	-	-	-	(90)	(90)
At 31 December 2018	123,300	6,607	40,654	92,934	263,495	232	263,727

	Share Capital S$'000	Fair Value Reserves S$'000	Revaluation Reserves S$'000	Accumulated Profits S$'000	Total S$'000
COMPANY					
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 (realised)	-	**(1,345)**	-	-	**(1,345)**
Reclassification of impairment write-down on investments to profit or loss	-	**984**	-	-	**984**
Change in fair value of investments (unrealised)	-	**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**
At 1 January 2018	123,300	12,807	31,036	91,662	258,805
Total comprehensive income for the year					
Net profit	-	-	-	8,912	8,912
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	9,618	-	9,618
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(1,210)	-	-	(1,210)
Reclassification of impairment write-down on investments to profit or loss	-	1,094	-	-	1,094
Change in fair value of investments (unrealised)	-	(7,320)	-	-	(7,320)
Income tax relating to components of other comprehensive income	-	1,236	-	-	1,236
Total other comprehensive income, net of income tax	-	(6,200)	9,618	-	3,418
Total comprehensive income for the year	-	(6,200)	9,618	8,912	12,330
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 2018	-	-	-	(3,026)	(3,026)
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2017	-	-	-	(4,841)	(4,841)
Total contributions by and distributions to owners	-	-	-	(7,867)	(7,867)
At 31 December 2018	123,300	6,607	40,654	92,707	263,268

	Share Capital S$'000	Fair Value Reserves S$'000	Revaluation Reserves S$'000	Accumulated Profits S$'000	Total S$'000
COMPANY					
At 1 October 2019	**123,300**	**9,168**	**40,742**	**93,294**	**266,504**
Total comprehensive income for the quarter					
Net profit	**-**	**-**	**-**	**1,401**	**1,401**
Other comprehensive income:					
Revaluation of property, plant and equipment	**-**	**-**	**3,230**	**-**	**3,230**
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	**-**	**(84)**	**-**	**-**	**(84)**
Reclassification of impairment write-down on investments to profit or loss	**-**	**553**	**-**	**-**	**553**
Change in fair value of investments (unrealised)	**-**	**1,593**	**-**	**-**	**1,593**
Income tax relating to components of other comprehensive income	**-**	**(286)**	**-**	**-**	**(286)**
Total other comprehensive income, net of income tax	**-**	**1,776**	**3,230**	**-**	**5,006**
Total comprehensive income for the quarter	**-**	**1,776**	**3,230**	**1,401**	**6,407**
At 31 December 2019	**123,300**	**10,944**	**43,972**	**94,695**	**272,911**
At 1 October 2018	123,300	6,902	31,124	87,018	248,344
Total comprehensive income for the quarter					
Net profit	-	-	-	5,689	5,689
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	9,530	-	9,530
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(40)	-	-	(40)
Reclassification of impairment write-down on investments to profit or loss	-	725	-	-	725
Change in fair value of investments (unrealised)	-	(1,115)	-	-	(1,115)
Income tax relating to components of other comprehensive income	-	135	-	-	135
Total other comprehensive income, net of income tax	-	(295)	9,530	-	9,235
Total comprehensive income for the quarter	-	(295)	9,530	5,689	14,924
At 31 December 2018	123,300	6,607	40,654	92,707	263,268

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.

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, no subsidiary holdings and no outstanding convertibles as at 31 December 2019 and 31 December 2018.

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 2019 and 31 December 2018 was 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.

Not Applicable.

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.

Not Applicable.

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 auditors' report is appended at the end of the Announcement. The auditors' report does not contain any modifications 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 2018.

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 2019, the Group adopted SFRS(I) 16 Leases and there was no significant impact to the financial statements for the year ended 31 December 2019.

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 2019	12 months 2018
Basic and fully diluted earnings per share (cents)	**1.62**	1.45
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) immediately preceding financial year.

	GROUP		COMPANY	
	31.12.2019	31.12.2018	**31.12.2019**	31.12.2018
Net asset value per share (cents)	**45.12**	**43.54**	**45.09**	**43.50**

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 2019 vs 4th quarter 2018

For the quarter ended 31 December 2019, the Group's gross written premium increased by 9.3% to $75.173 million attributed mainly to higher premiums reported by cedants and new business. Net earned premium climbed 20.8% to $17.671 million as a result of lower retrocession outwards. Net claims incurred rose 79.4% to $15.411 million due to higher advised outstanding losses and IBNR/IBNER loss provisions, as well as case reserves/ACR set aside for losses arising from the spate of typhoons and floods in Japan. Net commission expense was 4.5% higher at $3.3 million, bearing in mind the premium growth, but partly offset by lower profit commission accrual. Consequently, an underwriting deficit of $2.951 million was reported, compared to the $909,000 surplus in the corresponding quarter in previous year. Net investment income fell 36.7% to $4.107 million mainly due to lower surplus on revaluation of investment properties. Overall, the Group's net profit before income tax of $1.484 million, was 80.5% lower than the $7.602 million profit in the same quarter a year ago.

Comparison of 12 months 2019 vs 12 months 2018

For the year ended 31 December 2019, the Group's gross written premium grew by 14.6% to $238.144 million attributed to higher premiums reported by cedants, new business and higher signed shares. Correspondingly, net earned premium rose 17.5% to $59.728 million. Net claims incurred increased by 13.4% to $40.791 million due to higher advised outstanding losses and IBNR/IBNER loss reserve provisions, as well as case reserves/ACR set aside for natural catastrophe-related losses. This represented an incurred loss ratio of 63.1% (on net written premium), compared to the 71% incurred loss ratio a year earlier. Net commission expense rose 22.4% to $14.697 million generally in line with the net premium growth. Reinsurance management expenses decreased nominally by 0.1% to $7.647 million. In light of the foregoing, a lower underwriting deficit of $3.407 million was reported compared to the $4.769 million deficit last year. Net investment income fell 12.3% to $14.067 million due to lower surplus on revaluation of investment properties. Overall, the Group's net profit before income tax of $10.286 million represented a 8.9% decline from the $11.297 million net profit before income tax in preceding 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.**

Amid continued devastating losses associated with climate change, there are indications that premium rates in some of the loss-making markets are hardening. However, it is too early to be sanguine as capacity worldwide remains largely intact. Underwriting profitability will therefore continue to be difficult to achieve given the unpredictability of climate change. The escalating frequency and severity of extreme weather conditions often lead to devastating insured losses.

On the investment front, deepening concerns over the likely adverse impact of COVID-19 on economic growth activity worldwide and the continued geopolitical and trade tensions will affect investor sentiment and consequently investment returns.

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	Interim Ordinary	Final (Proposed)
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)**

(b) Corresponding period of the immediately preceding financial year

Any dividend declared? Yes

Name of dividend	Interim Ordinary	Final
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 5 June 2020, if approved by shareholders at the forthcoming annual general meeting.

(e) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 12 May 2020 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 11 May 2020 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 11 May 2020 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 did not obtain 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.

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.

	January - December 2019			January - December 2018		
GROUP	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Gross written premiums	238,144	-	238,144	207,802	-	207,802
Net earned premiums	59,728	-	59,728	50,851	-	50,851
Net claims incurred	(40,791)	-	(40,791)	(35,961)	-	(35,961)
Net commission expense	(14,697)	-	(14,697)	(12,003)	-	(12,003)
Management expenses	(7,647)	-	(7,647)	(7,656)	-	(7,656)
Underwriting results	(3,407)	-	(3,407)	(4,769)	-	(4,769)
Net investment income	7,877	-	7,877	8,012	-	8,012
Net income from reinsurance operations (I)	4,470	-	4,470	3,243	-	3,243
Net investment income	-	6,190	6,190	-	8,024	8,024
Other operating income	-	5,195	5,195	-	5,915	5,915
Management expenses	-	(5,569)	(5,569)	-	(5,885)	(5,885)
Net income from non-reinsurance operations (II)	-	5,816	5,816	-	8,054	8,054
Profit before income tax (I) + (II)			10,286			11,297
Income tax expense			(475)			(2,436)
Profit for the year			9,811			8,861
Segment total assets	722,154	160,944	883,098	657,818	159,915	817,733
Segment total liabilities	604,921	4,851	609,772	550,146	3,860	554,006

(b) Major customer

For the year ended 31 December 2019, 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	
	January - December 2019	January - December 2018
	S$'000	S$'000
Singapore	78,298	63,065
Malaysia	73,543	78,955
Greater China	32,453	31,582
Others	53,850	34,200
Total	238,144	207,802

	Non-current assets	
	January - December 2019	January - December 2018
	S$'000	S$'000
	85,346	79,355
	-	-
	4,371	6,167
	-	-
	89,717	85,522

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 higher income of $4.470 million compared to the $3.243 million income last year, attributed mainly to the lower underwriting deficit.

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

	GROUP		
	2019 S$'000	2018 S$'000	Incr/ (decr) %
(a) Gross written premiums			
6 months ended 30 June	**105,715**	92,830	13.9
6 months ended 31 December	**132,429**	114,972	15.2
Total for the year	**238,144**	207,802	14.6
(b) Net profit after tax before deducting non-controlling interests			
6 months ended 30 June	**6,195**	6,389	(3.0)
6 months ended 31 December	**3,616**	2,472	46.3
Total for the year	**9,811**	8,861	10.7

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	**7,867**	**7,867**
Preference	**-**	**-**
Total:	**7,867**	**7,867**

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
25 February 2020

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 2019, 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 2019 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.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Recording of gross written premiums ($238 million), gross claims incurred ($157 million) and commission expenses ($49 million) (Refer to note 16 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
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. 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. 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.	We assessed the reasonableness of premiums, claims and commissions recorded by performing the following procedures: For bilateral cession business where premiums, claims and commissions were estimated, • 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. 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.
	Findings
	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. 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.

KPMG

Valuation of insurance contract provisions – Gross outstanding claims ($429 million); Gross unexpired risk ($82 million) (Refer to notes 10 and 16 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
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. The estimation of insurance contract liabilities are subjected to various assumptions applied, including, most importantly, the Ultimate Loss Ratio. 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.	We assessed whether the valuation of insurance contract provisions is reasonable by performing the following procedures: • 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 Group's 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 Group's Certifying Actuary.
	Findings
	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.

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
25 February 2020

 # The page numbers are as stated in the Independent Auditors' Report dated 25 February 2020 included in Singapore Reinsurance Corporation Limited's Annual Report for the financial year ended 31 December 2019.