

SINGAPORE REINSURANCE CORPORATION LIMITED

(Company Registration No. 197300016C)

Nine Months/Third Quarter Financial Statements Announcement For The Period Ended 30 September 2014

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS
1(a) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS/THIRD QUARTER ENDED 30 SEPTEMBER 2014

	GROUP					
	9 months 2014	9 months 2013	Incr/ (decr)	3rd Qtr 2014	3rd Qtr 2013	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	110,444	94,883	16.4	36,023	36,190	(0.5)
Income statements:						
Reinsurance operations:						
Gross written premiums	106,297	90,883	17.0	34,641	34,937	(0.8)
Reinsurance premiums	(62,661)	(53,228)	17.7	(20,724)	(21,686)	(4.4)
Net written premiums	43,636	37,655	15.9	13,917	13,251	5.0
Gross transfer (to)/from provision for unexpired risks	(5,142)	1,089	nm	(1,540)	(1,833)	(16.0)
Reinsurance transfer to/(from) provision for unexpired risks	2,618	(1,341)	nm	1,111	1,552	(28.4)
Net earned premiums	41,112	37,403	9.9	13,488	12,970	4.0
Gross claims incurred	(41,936)	(61,170)	(31.4)	(19,896)	(23,248)	(14.4)
Reinsurers' share of claims incurred	19,242	39,831	(51.7)	12,103	15,250	(20.6)
Net claims incurred	(22,694)	(21,339)	6.3	(7,793)	(7,998)	(2.6)
Commission expense	(30,696)	(26,632)	15.3	(9,409)	(10,255)	(8.2)
Commission income	18,271	14,952	22.2	6,029	6,242	(3.4)
Net commission expense	(12,425)	(11,680)	6.4	(3,380)	(4,013)	(15.8)
Management expenses	(4,011)	(3,613)	11.0	(2,156)	(678)	nm
Underwriting results	1,982	771	157.1	159	281	(43.4)
Net investment income	10,190	10,242	(0.5)	2,865	2,180	31.4
Net income from reinsurance operations (I)	12,172	11,013	10.5	3,024	2,461	22.9
Non-reinsurance operations:						
Net investment income	2,923	2,799	4.4	1,154	856	34.8
Other operating income	4,149	4,041	2.7	1,382	1,261	9.6
Management expenses	(4,095)	(4,068)	0.7	(1,403)	(1,248)	12.4
Net income from non-reinsurance operations (II)	2,977	2,772	7.4	1,133	869	30.4

Income statements - continued						
Profit before income tax (I + II)	15,149	13,785	9.9	4,157	3,330	24.8
Income tax expense	(1,559)	(1,438)	8.4	(420)	(129)	nm
Profit for the period	13,590	12,347	10.1	3,737	3,201	16.7
Profit attributable to:						
Equity holders of the Company	13,526	12,285	10.1	3,727	3,182	17.1
Non-controlling interests	64	62	3.2	10	19	(47.4)
Profit for the period	13,590	12,347	10.1	3,737	3,201	16.7

Statement of comprehensive income:						
Profit for the period	13,590	12,347	10.1	3,737	3,201	16.7
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	106	256	(58.6)	73	73	-
Tax on items that will not be reclassified to profit or loss	(2)	(18)	(88.9)	(4)	(5)	(20.0)
	104	238	(56.3)	69	68	1.5
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)	(2,900)	(4,142)	(30.0)	(814)	(302)	169.5
Reclassification of impairment write-down on investments to profit or loss	-	168	(100.0)	-	-	nm
Change in fair value of investments (unrealised)	2,977	(1,559)	nm	(311)	3,029	nm
Tax on items that are or may be reclassified subsequently to profit or loss	(10)	943	nm	215	(452)	nm
	67	(4,590)	nm	(910)	2,275	nm
Other comprehensive income for the period, net of income tax	171	(4,352)	nm	(841)	2,343	nm
Total comprehensive income for the period	13,761	7,995	72.1	2,896	5,544	(47.8)
Total comprehensive income attributable to:						
Equity holders of the Company	13,697	7,954	72.2	2,886	5,525	(47.8)
Non-controlling interests	64	41	56.1	10	19	(47.4)
Total comprehensive income for the period	13,761	7,995	72.1	2,896	5,544	(47.8)

Profit for the period has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	4,158	4,177	(0.5)	1,386	1,255	10.4
Operating expenses relating to subsidiaries non-reinsurance operations*	(3,672)	(3,649)	0.6	(1,273)	(1,110)	14.7
Allowances for doubtful debts and bad debts written back	1,126	1,406	(19.9)	(348)	822	nm
Gain on sale of investments	2,900	4,142	(30.0)	814	302	169.5
Change in fair value of investment properties	1,179	127	nm	25	30	(16.7)

nm not meaningful

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

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	32,575	32,629	32,503	32,537
Investment properties	23,119	20,123	23,119	20,123
Interests in subsidiaries	-	-	1,123	1,134
Reinsurers' share of insurance contract provisions for				
- outstanding claims	203,214	216,285	203,214	216,285
- unexpired risks	29,969	27,351	29,969	27,351
Financial assets	275,648	272,189	275,714	272,362
Club membership	18	18	-	-
Insurance receivables	71,294	70,958	71,294	70,958
Other receivables	3,797	4,273	2,027	3,354
Cash and cash equivalents	72,915	79,043	69,155	75,776
Total assets	712,549	722,869	708,118	719,880
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	26,346	26,175	26,346	26,175
Accumulated profits	79,908	75,460	78,804	74,781
	229,554	224,935	228,450	224,256
Non-controlling interests	387	328	-	-
Total equity	229,941	225,263	228,450	224,256
Liabilities				
Insurance contract provisions for				
- outstanding claims	362,657	376,798	362,657	376,798
- unexpired risks	51,686	46,544	51,686	46,544
Deferred taxation	2,395	2,363	2,400	2,363
Insurance payables	58,609	65,811	58,609	65,811
Other payables	5,394	4,045	2,539	2,221
Current tax payable	1,867	2,045	1,777	1,887
Total liabilities	482,608	497,606	479,668	495,624
Total equity and liabilities	712,549	722,869	708,118	719,880

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

Amount repayable in one year or less, or on demand

As at 30.9.2014		As at 31.12.2013	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2014		As at 31.12.2013	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

Not applicable.

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

GROUP

	9 months 2014 S\$'000	9 months 2013 S\$'000	3rd Qtr 2014 S\$'000	3rd Qtr 2013 S\$'000
Operating activities				
Profit before income tax	15,149	13,785	4,157	3,330
Adjustments for:				
Insurance contract provisions for net unexpired risks	2,524	252	429	281
Insurance contract provisions for net outstanding claims	(1,070)	3,864	1,488	1,766
Impairment losses on investments	-	168	-	-
Change in fair value of investment properties	(1,179)	(127)	(25)	(30)
Gain on sale of investments	(2,900)	(4,142)	(814)	(302)
Depreciation of property, plant and equipment	241	238	79	80
Interest income	(6,314)	(6,618)	(2,104)	(2,105)
Dividend income	(2,111)	(1,506)	(840)	(519)
	<u>4,340</u>	<u>5,914</u>	<u>2,370</u>	<u>2,501</u>
Changes in working capital:				
Insurance receivables	(336)	(12,151)	(2,824)	(5,937)
Other receivables	(130)	(12)	(85)	206
Insurance payables	(7,202)	530	5,105	4,626
Other payables	1,344	520	816	459
Cash flows (used in)/from operations	<u>(1,984)</u>	<u>(5,199)</u>	<u>5,382</u>	<u>1,855</u>
Income tax paid	(1,719)	(1,242)	(738)	(519)
Net cash (used in)/from operating activities	<u>(3,703)</u>	<u>(6,441)</u>	<u>4,644</u>	<u>1,336</u>
Investing activities				
Interest received	6,921	7,363	3,444	2,712
Dividends received	2,111	1,506	840	519
Purchase of investments	(48,623)	(34,912)	(17,991)	(12,952)
Proceeds from sale of investments	48,144	64,525	20,146	28,574
Purchase of property, plant and equipment	(1,900)	(108)	(54)	(28)
Net cash outflow on acquisition of non-controlling interests in subsidiary	-	(12)	(11)	(12)
Net cash from investing activities	<u>6,653</u>	<u>38,362</u>	<u>6,374</u>	<u>18,813</u>
Financing activities				
Dividends paid	(9,078)	(8,472)	(4,236)	(4,236)
Decrease in deposits pledged	30	10	13	-
Net cash used in financing activities	<u>(9,048)</u>	<u>(8,462)</u>	<u>(4,223)</u>	<u>(4,236)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(6,098)</u>	<u>23,459</u>	<u>6,795</u>	<u>15,913</u>
Cash and cash equivalents at beginning of the period (exclude pledged deposits)	<u>78,204</u>	<u>65,547</u>	<u>65,311</u>	<u>73,093</u>
Cash and cash equivalents at end of the period	<u>72,106</u>	<u>89,006</u>	<u>72,106</u>	<u>89,006</u>
Pledged deposits	<u>809</u>	<u>824</u>	<u>809</u>	<u>824</u>
Cash and cash equivalents at end of the period including pledged deposits	<u>72,915</u>	<u>89,830</u>	<u>72,915</u>	<u>89,830</u>

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

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
GROUP							
At 1 January 2014	123,300	7,854	18,321	75,460	224,935	328	225,263
Total comprehensive income for the period							
Net profit	-	-	-	13,526	13,526	64	13,590
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	106	-	106	-	106
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,900)	-	-	(2,900)	-	(2,900)
Change in fair value of investments (unrealised)	-	2,977	-	-	2,977	-	2,977
Income tax relating to components of other comprehensive income	-	(10)	(2)	-	(12)	-	(12)
Total other comprehensive income, net of income tax	-	67	104	-	171	-	171
Total comprehensive income for the period	-	67	104	13,526	13,697	64	13,761
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)	-	(4,236)
Payment to non-controlling interest on liquidation of subsidiary	-	-	-	-	-	(5)	(5)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)	(5)	(9,083)
At 30 September 2014	123,300	7,921	18,425	79,908	229,554	387	229,941
At 1 January 2013	123,300	11,929	11,414	63,554	210,197	492	210,689
Total comprehensive income for the period							
Net profit	-	-	-	12,285	12,285	62	12,347
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	256	-	256	-	256
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(4,119)	-	-	(4,119)	(23)	(4,142)
Reclassification of impairment write-down on investments to profit or loss	-	168	-	-	168	-	168
Change in fair value of investments (unrealised)	-	(1,561)	-	-	(1,561)	2	(1,559)
Income tax relating to components of other comprehensive income	-	943	(18)	-	925	-	925
Total other comprehensive income, net of income tax	-	(4,569)	238	-	(4,331)	(21)	(4,352)
Total comprehensive income/(loss) for the period	-	(4,569)	238	12,285	7,954	41	7,995
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(4,236)	(4,236)	-	(4,236)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)	-	(4,236)
Acquisition of non-controlling interests	-	-	-	-	-	(12)	(12)
Dividend paid to non-controlling interests	-	-	-	-	-	(295)	(295)
Total contributions by and distributions to owners	-	-	-	(8,472)	(8,472)	(307)	(8,779)
At 30 September 2013	123,300	7,360	11,652	67,367	209,679	226	209,905

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
At 1 July 2014	123,300	8,831	18,356	80,417	230,904	377	231,281
Total comprehensive income for the quarter							
Net profit	-	-	-	3,727	3,727	10	3,737
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	73	-	73	-	73
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(814)	-	-	(814)	-	(814)
Change in fair value of investments (unrealised)	-	(311)	-	-	(311)	-	(311)
Income tax relating to components of other comprehensive income	-	215	(4)	-	211	-	211
Total other comprehensive income, net of income tax	-	(910)	69	-	(841)	-	(841)
Total comprehensive income/(loss) for the quarter	-	(910)	69	3,727	2,886	10	2,896
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)	-	(4,236)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)	-	(4,236)
At 30 September 2014	123,300	7,921	18,425	79,908	229,554	387	229,941
At 1 July 2013	123,300	5,085	11,584	68,421	208,390	219	208,609
Total comprehensive income for the quarter							
Net profit	-	-	-	3,182	3,182	19	3,201
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	73	-	73	-	73
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(302)	-	-	(302)	-	(302)
Reclassification of impairment write-down on investments to profit or loss	-	-	-	-	-	-	-
Change in fair value of investments (unrealised)	-	3,029	-	-	3,029	-	3,029
Income tax relating to components of other comprehensive income	-	(452)	(5)	-	(457)	-	(457)
Total other comprehensive income, net of income tax	-	2,275	68	-	2,343	-	2,343
Total comprehensive income for the quarter	-	2,275	68	3,182	5,525	19	5,544
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Interim dividend paid of 0.7 cent per share tax exempt (one tier) in respect of year 2013	-	-	-	(4,236)	(4,236)	-	(4,236)
Acquisition of non-controlling interests	-	-	-	-	-	(12)	(12)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)	(12)	(4,248)
At 30 September 2013	123,300	7,360	11,652	67,367	209,679	226	209,905

COMPANY	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2014	123,300	7,854	18,321	74,781	224,256
Total comprehensive income for the period					
Net profit	-	-	-	13,101	13,101
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	106	-	106
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,797)	-	-	(2,797)
Change in fair value of investments (unrealised)	-	2,874	-	-	2,874
Income tax relating to components of other comprehensive income	-	(10)	(2)	-	(12)
Total other comprehensive income, net of income tax	-	67	104	-	171
Total comprehensive income for the period	-	67	104	13,101	13,272
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)
At 30 September 2014	123,300	7,921	18,425	78,804	228,450
At 1 January 2013	123,300	11,816	11,414	62,719	209,249
Total comprehensive income for the period					
Net profit	-	-	-	13,257	13,257
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	256	-	256
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(4,086)	-	-	(4,086)
Reclassification of impairment write-down on investments to profit or loss	-	168	-	-	168
Change in fair value of investments (unrealised)	-	(1,477)	-	-	(1,477)
Income tax relating to components of other comprehensive income	-	943	(18)	-	925
Total other comprehensive income, net of income tax	-	(4,452)	238	-	(4,214)
Total comprehensive income/(loss) for the period	-	(4,452)	238	13,257	9,043
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2012	-	-	-	(4,236)	(4,236)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(8,472)	(8,472)
At 30 September 2013	123,300	7,364	11,652	67,504	209,820

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 July 2014	123,300	8,831	18,356	79,467	229,954
Total comprehensive income for the quarter					
Net profit	-	-	-	3,573	3,573
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	73	-	73
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(712)	-	-	(712)
Change in fair value of investments (unrealised)	-	(413)	-	-	(413)
Income tax relating to components of other comprehensive income	-	215	(4)	-	211
Total other comprehensive income, net of income tax	-	(910)	69	-	(841)
Total comprehensive income/(loss) for the quarter	-	(910)	69	3,573	2,732
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)
At 30 September 2014	123,300	7,921	18,425	78,804	228,450
At 1 July 2013	123,300	5,088	11,584	68,659	208,631
Total comprehensive income for the quarter					
Net profit	-	-	-	3,081	3,081
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	73	-	73
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(301)	-	-	(301)
Change in fair value of investments (unrealised)	-	3,029	-	-	3,029
Income tax relating to components of other comprehensive income	-	(452)	(5)	-	(457)
Total other comprehensive income, net of income tax	-	2,276	68	-	2,344
Total comprehensive income for the quarter	-	2,276	68	3,081	5,425
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(4,236)	(4,236)
At 30 September 2013	123,300	7,364	11,652	67,504	209,820

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital since the end of the previous reported period. There were no shares held as treasury shares and no outstanding convertibles as at 30 September 2014 and 30 September 2013.

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

The total number of shares excluding treasury shares as at 30 September 2014 and 31 December 2013 was 605,219,785.

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

Not Applicable.

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

The financial figures have not been audited or reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not Applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as those in the audited annual financial statements as at 31 December 2013, except for that disclosed under item 5 below.

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

In 2014, the Group fine-tuned the method of computing general provision for bad and doubtful debts, the effect of which is a reduction in the management expense recognised in the Income Statement of S\$2 million for the period ended 30 September 2014.

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

	GROUP	
	9 months 2014	9 months 2013
Basic and fully diluted earnings per share (cents)	2.23	2.03
Number of ordinary shares issued ('000)	605,220	605,220

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediate preceding financial year.

	GROUP		COMPANY	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
Net asset value per share (cents)	37.93	37.17	37.75	37.05

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Comparison of 3rd quarter 2014 vs 3rd quarter 2013

In third quarter 2014, the Group's revenue declined marginally by 0.5% to S\$36 million. Benefiting from a relatively benign year in terms of major natural and man-made catastrophes, net claims incurred fell 2.6% to S\$7.8 million attributed to lower advised losses reported by cedants, while net commission expense declined by 15.8% to S\$3.4 million due to lower accrual of profit commission payable to cedants in the quarter under review. Management expenses were much lower in the corresponding quarter last year mainly due to the write-back in general provision for bad and doubtful debts. In light of the foregoing, the underwriting surplus declined by 43.4% to S\$159,000. Net investment income rose S\$983,000 or 32.4% to S\$4 million due to higher profit on sale of investments and dividend income. Overall, the Group's profit before income tax of S\$4.2 million was 24.8% higher than the S\$3.3 million recorded in the corresponding quarter last year.

Comparison of 9 months 2014 vs 9 months 2013

For the period ended 30 September 2014, the Group's revenue rose 16.4% to S\$110.4 million due to timing difference in booking of premium (S\$9.5 million) and higher premiums reported by various cedants. Net claims incurred increased by 6.3% to S\$22.7 million although the incurred loss ratio (of net written premium) of 52% was lower than the 56.7% incurred loss ratio in the corresponding period a year ago. Commission expense rose 6.4% to S\$12.4 million due to higher profit commission accrual payable to cedants. The reinsurance management expenses rose 11% to S\$4 million due mainly to a lower write-back in general provision for bad and doubtful debts. In light of the foregoing, a higher underwriting surplus of S\$2 million was recorded, compared to the S\$771,000 in the same period last year. Net investment income increased by 0.6% to S\$13.1 million and the Group's net profit before income tax rose 9.9% to S\$15.1 million, compared to the S\$13.8 million net profit before income tax in the corresponding period in preceding year. Last year, the Group benefited from the sale of a strategic holding in a Thai insurance company. Discounting exceptional items comprising profit derived from the sale of the stake in the Thai insurance company of S\$2.5 million and the change in fair value of investment properties of S\$1.2 million, the net investment income for the period under review rose S\$1.5 million or 14.3% and the Group's profit before income tax would be S\$2.8 million or 24.9% higher than the corresponding period a year earlier.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the balance sheet date and the date of this announcement which is likely to affect substantially the results of the operations of the Company and of the Group for the current financial year.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The potential risk of the spread of ebola amid continued intense competition within the industry, geo-political and economic uncertainties globally will render the operating environment for both underwriting and investment even more difficult.

11. DIVIDEND - If a decision regarding dividend has been made:

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No

(b) Corresponding period of the immediately preceding financial year

Any dividend declared?

No

(c) The date the dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain general mandate from shareholders for IPTs.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for third quarter and period ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Gerard Seah Jim Hong

Company Secretary

7 November 2014

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