Issuer: Singapore Reinsurance Corporation Limited
Security: Singapore Reinsurance Corporation Limited

Meeting details:
Date: 26 April 2017
Time: 12:00H
Venue: Taurus, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594

Company Description

Singapore Reinsurance Corporation Limited operates as a general reinsurance company in Singapore and other Asian countries. The company primarily underwrites professional indemnity, as well as directors', officers', and products' liability insurance products. It also publishes insurance reviews and directories; and provides property management, computer advisory and consultancy, conferencing, and management and insurance consultancy services. The company was founded in 1973 and is headquartered in Singapore.
(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=S49)

Q1. As noted in the Chairman's Statement, the group's pre-tax profit slid 18.6% to S$9.9 million (2015: S$12.1 million) due primarily to the underwriting deficit. The group's underwriting results since 2008 are shown in the table below.

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Net Written Premiums	39,924	37,295	41,486	44,380	48,397	52,579	56,795	53,467	50,722
Underwriting Results	(1,663)	1,698	984	(14,170)	(5,222)	1,899	1,932	950	(2,055)
Surplus/ (Deficit) Ratio	(4.2%)	4.6%	2.4%	(31.9%)	(10.8%)	3.6%	3.4%	1.8%	(4.1%)

(Source: Singapore Reinsurance Corporation Limited Annual Reports)

a) Despite the group's long history in the business, the underwriting results have been mixed. Following three years of underwriting surplus, the group has since slipped into an underwriting deficit in 2016**. Can shareholders understand if this volatility is due to the nature of the business or the group's particular business model?**

b) **Can shareholders expect the underwriting results to average out to an underwriting surplus over the long term?**

Q2. In the Review of Operations (pages 5 to 9 of the annual report), it was disclosed that "the higher gross premium allocation of 56.2% to business derived from outside Singapore demonstrates the Management's determination to expand its business beyond the domestic market".

a) **What is management's target of its proportion of business derived from overseas markets?**

b) **Does the setting up of the retakaful window under the Labuan branch help the group to access specific overseas markets? What is the impact of the retakaful window under the Labuan branch to the group?**

c) **Does the group generally cede out the same proportion of gross premium regardless of the origin (by country)?**

Q3. In the Chairman's Statement (page 3), it was disclosed that:

The Group's investment assets were largely in bonds and government securities which comprised 49.9% of total investment funds, with another 15.8% in properties and 13.1% in equities.

Later, in the Review of operations (page 6), the following table was shown:

Assets	Total Investment Allocation
Fixed Income Investment	50.1%
Cash and Cash equivalents	20.7%
Properties	15.9%
Equities	13.3%

a) **Can shareholders understand if the discrepancies are due to a different balance-sheet date?**

b) **Regardless of the exact existing allocation, how are the allocation limits to each asset class determined?**

c) **Within each asset class, is there a further sub-limit on the exposure to any single counterparty/investment?**

d) **As investment income has been the main driver of profits for the group, can management provide shareholders with a better understanding of the risk in the group's portfolio? For instance, please disclose the top 10 holdings of fixed income and equities.**