

# ANNUAL RETURN: FORM 1 - FUND BALANCE SHEET

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Annex	Row No.	Amount
<b>ASSETS</b>			
Equity securities	1A	1	10,639,431
Debt securities	1B	2	37,373,131
Land and buildings	1C	3	0
Loans	1D	4	0
Cash and deposits		5	41,502,664
Other invested assets	1E	6	51,505
Investment income due or accrued		7	75,953
Outstanding premiums and agents' balances	1F	8	4,925,636
Deposits withheld by cedants		9	0
Reinsurance recoverables (on paid claims)	1G	10	390,637
Income tax recoverables		11	0
Fixed assets	1H	12	904,943
Inter-fund balances and intra group balances (due from)	1I	13	113,455
Other assets	1J	14	5,157,486
<b>Total Assets (1 to 14)</b>		<b>15</b>	<b>101,134,841</b>
<b>LIABILITIES</b>			
Policy liabilities	1K	16	50,650,147
Other liabilities:			
Outstanding claims		17	0
Annuities due and unpaid		18	0
Reinsurance deposits		19	0
Amounts owing to insurers		20	4,297,790
Bank loans and overdrafts		21	0
Inter-fund balances and intra-group balances (due to)	1L	22	2,096,898
Others	1M	23	10,272,055
<b>Total Liabilities (16 to 23)</b>		<b>24</b>	<b>67,316,890</b>
<b>SURPLUS (15 - 24)</b>	<b>1N</b>	<b>25</b>	<b>33,817,951</b>

**ANNUAL RETURN: FORM 1 - FUND BALANCE SHEET**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Annex	Row No.	Amount
<b>ASSETS</b>			
Equity securities	1A	1	0
Debt securities	1B	2	2,212,949
Land and buildings	1C	3	0
Loans	1D	4	0
Cash and deposits		5	1,456,243
Other invested assets	1E	6	0
Investment income due or accrued		7	4,868
Outstanding premiums and agents' balances	1F	8	1,603,050
Deposits withheld by cedants		9	969,610
Reinsurance recoverables (on paid claims)	1G	10	885,555
Income tax recoverables		11	67,631
Fixed assets	1H	12	0
Inter-fund balances and intra group balances (due from)	1I	13	0
Other assets	1J	14	984,539
<b>Total Assets (1 to 14)</b>		<b>15</b>	<b>8,184,445</b>
<b>LIABILITIES</b>			
Policy liabilities	1K	16	4,659,858
Other liabilities:			
Outstanding claims		17	0
Annuities due and unpaid		18	0
Reinsurance deposits		19	0
Amounts owing to insurers		20	1,474,327
Bank loans and overdrafts		21	0
Inter-fund balances and intra-group balances (due to)	1L	22	143,436
Others	1M	23	19,683
<b>Total Liabilities (16 to 23)</b>		<b>24</b>	<b>6,297,304</b>
<b>SURPLUS (15 - 24)</b>	<b>1N</b>	<b>25</b>	<b>1,887,141</b>

**ANNUAL RETURN: ANNEX 1A - INVESTMENT IN EQUITY SECURITIES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Row No.	Listed	Unlisted	Amount
Equity securities other than collective investment schemes	1	3,399,932	0	3,399,932
Collective investment schemes	2	2,086,190	5,153,309	7,239,499
Total (1 to 2) = Row 1 of Form 1	3			10,639,431

**ANNUAL RETURN: ANNEX 1A - INVESTMENT IN EQUITY SECURITIES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Listed	Unlisted	Amount
Equity securities other than collective investment schemes	1	0	0	0
Collective investment schemes	2	0	0	0
Total (1 to 2) = Row 1 of Form 1	3			0

**ANNUAL RETURN: ANNEX 1B - INVESTMENT IN DEBT SECURITIES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Row No.	Amount
Government debt securities	1	27,319,310
Qualifying debt securities	2	2,851,253
Other debt securities	3	7,202,568
Total (1 to 3) = Row 2 of Form 1	4	37,373,131

**ANNUAL RETURN: ANNEX 1B - INVESTMENT IN DEBT SECURITIES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Amount
Government debt securities	1	1,750,913
Qualifying debt securities	2	257,692
Other debt securities	3	204,344
Total (1 to 3) = Row 2 of Form 1	4	2,212,949

**ANNUAL RETURN: ANNEX 1C - INVESTMENT IN LAND AND BUILDINGS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Location and Description of Land and Buildings</b>	<b>Row No.</b>	<b>Cost</b>	<b>Last Revaluation Date</b>	<b>Last Reported Amount</b>	<b>Changes from Last Reported Amount</b>	<b>Amount</b>
Total = Row 3 of Form 1	21					0

**ANNUAL RETURN: ANNEX 1C - INVESTMENT IN LAND AND BUILDINGS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Location and Description of Land and Buildings</b>	<b>Row No.</b>	<b>Cost</b>	<b>Last Revaluation Date</b>	<b>Last Reported Amount</b>	<b>Changes from Last Reported Amount</b>	<b>Amount</b>
Total = Row 3 of Form 1	21					0



**ANNUAL RETURN: ANNEX 1D - INVESTMENT IN LOANS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Row No.	Amount Outstanding	Provision for Doubtful Loans	Amount
Policy loans	1	0	0	0
Mortgage loans	2	0	0	0
Other secured loans	3	0	0	0
Unsecured loans	4	0	0	0
Total (1 to 4) = Row 4 of Form 1	5			0

**ANNUAL RETURN: ANNEX 1D - INVESTMENT IN LOANS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Amount Outstanding	Provision for Doubtful Loans	Amount
Policy loans	1	0	0	0
Mortgage loans	2	0	0	0
Other secured loans	3	0	0	0
Unsecured loans	4	0	0	0
Total (1 to 4) = Row 4 of Form 1	5			0

**ANNUAL RETURN: ANNEX 1E - BREAKDOWN OF OTHER INVESTED ASSETS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**General: Singapore Insurance Fund**

**Reporting Cycle: 2006 12**

Description	Row No.	Notional Principal Amount	Amount
<b>Derivatives</b>			
Options:			
(a) Call options	1	0	0
(b) Put options	2	0	0
(c) Swaptions	3	0	0
(d) Other options	4	0	0
Total investments in options (1 to 4)	5	0	0
Futures contracts:			
(a) Currency futures contracts	6	0	0
(b) Interest rate futures contracts	7	0	0
(c) Other futures contracts	8	0	0
Total investments in futures contracts (6 to 8)	9	0	0
Forward contracts:			
(a) Currency forward contracts	10	5,110,934	51,505
(b) Interest rate forward contracts	11	0	0
(c) Other forward contracts	12	0	0
Total investments in forward contracts (10 to 12)	13	5,110,934	51,505
Swaps:			
(a) Interest rate swaps	14	0	0
(b) Currency swaps	15	0	0
(c) Other swaps	16	0	0
Total investments in swaps (14 to 16)	17	0	0
Other derivatives	18	0	0
Total investments in derivatives (5 + 9 + 13 + 17 + 18)	19	5,110,934	51,505
<b>Other invested assets excluding derivatives</b>			

Total investments in other invested assets excluding derivatives	40		0
Total = Row 6 of Form 1	41		51,505

# ANNUAL RETURN: ANNEX 1E - BREAKDOWN OF OTHER INVESTED ASSETS

I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED

General: Offshore Insurance Fund

Reporting Cycle: 2006 12

Description	Row No.	Notional Principal Amount	Amount
<b>Derivatives</b>			
Options:			
(a) Call options	1	0	0
(b) Put options	2	0	0
(c) Swaptions	3	0	0
(d) Other options	4	0	0
Total investments in options (1 to 4)	5	0	0
Futures contracts:			
(a) Currency futures contracts	6	0	0
(b) Interest rate futures contracts	7	0	0
(c) Other futures contracts	8	0	0
Total investments in futures contracts (6 to 8)	9	0	0
Forward contracts:			
(a) Currency forward contracts	10	0	0
(b) Interest rate forward contracts	11	0	0
(c) Other forward contracts	12	0	0
Total investments in forward contracts (10 to 12)	13	0	0
Swaps:			
(a) Interest rate swaps	14	0	0
(b) Currency swaps	15	0	0
(c) Other swaps	16	0	0
Total investments in swaps (14 to 16)	17	0	0
Other derivatives	18	0	0
Total investments in derivatives (5 + 9 + 13 + 17 + 18)	19	0	0
<b>Other invested assets excluding derivatives</b>			

Total investments in other invested assets excluding derivatives	40		0
Total = Row 6 of Form 1	41		0

**ANNUAL RETURN: ANNEX 1F(b) - AGEING OF OUTSTANDING PREMIUMS AND AGENTS' BALANCES OF DIRECT GENERAL INSURER**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**General: Singapore Insurance Fund**

**Reporting Cycle: 2006 12**

Description	Row No.	Direct Business - Agents	Direct Business - Brokers	Direct Business - Others	Amount
<b>In respect of direct business</b>					
Bad debts written off during the year	1	0	0	0	0
Ageing of outstanding premiums and agents' balances:					
<i>Outstanding period</i>					
Up to 3 months	2	1,440,109	2,183,078	533,138	4,156,325
Above 3 months but not exceeding 6 months	3	65,526	280,390	48,708	394,624
Above 6 months but not exceeding 12 months	4	-2,855	139,015	39,848	176,008
Above 12 months	5	655	345,414	27,576	373,645
Gross total (2 to 5)	6	1,503,435	2,947,897	649,270	5,100,602
Provision for doubtful debts	7	0	324,324	21,508	345,832
Total outstanding premiums and agents' balances in respect of direct business (6 - 7)	8	1,503,435	2,623,573	627,762	4,754,770
<b>In respect of reinsurance business</b>					
Bad debts written off during the year	9				0
Ageing of outstanding premiums and agents' balances:					
<i>Outstanding period</i>					

Up to 6 months	10				150,723
Above 6 months but not exceeding 12 months	11				-1,425
Above 12 months but not exceeding 24 months	12				43,838
Above 24 months	13				0
Gross total (10 to 13)	14				193,136
Provision for doubtful debts	15				22,270
Total outstanding premiums and agents' balances in respect of reinsurance business (14 - 15)	16				170,866
Total (8 + 16) = Row 8 of Form 1	17				4,925,636

Note: For direct insurance business, outstanding period starts from date of commencement of the cover.

In respect of reinsurance business, outstanding period commences from the date of premiums are accrued in the books of the registered insurer.



**ANNUAL RETURN: ANNEX 1F(b) - AGEING OF OUTSTANDING PREMIUMS AND AGENTS' BALANCES OF DIRECT  
GENERAL INSURER**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**General: Offshore Insurance Fund**

**Reporting Cycle: 2006 12**

Description	Row No.	Direct Business - Agents	Direct Business - Brokers	Direct Business - Others	Amount
<b>In respect of direct business</b>					
Bad debts written off during the year	1	0	0	0	0
Ageing of outstanding premiums and agents' balances:					
<i>Outstanding period</i>					
Up to 3 months	2	0	475,863	0	475,863
Above 3 months but not exceeding 6 months	3	0	77,126	0	77,126
Above 6 months but not exceeding 12 months	4	0	19,234	0	19,234
Above 12 months	5	0	60,393	0	60,393
Gross total (2 to 5)	6	0	632,616	0	632,616
Provision for doubtful debts	7	0	20,670	0	20,670
Total outstanding premiums and agents' balances in respect of direct business (6 - 7)	8	0	611,946	0	611,946
<b>In respect of reinsurance business</b>					
Bad debts written off during the year	9				0
Ageing of outstanding premiums and agents' balances:					
<i>Outstanding period</i>					
Up to 6 months	10				988,128

Above 6 months but not exceeding 12 months	11				417
Above 12 months but not exceeding 24 months	12				2,559
Above 24 months	13				0
Gross total (10 to 13)	14				991,104
Provision for doubtful debts	15				0
Total outstanding premiums and agents' balances in respect of reinsurance business (14 - 15)	16				991,104
Total (8 + 16) = Row 8 of Form 1	17				1,603,050

Note: For direct insurance business, outstanding period starts from date of commencement of the cover.

In respect of reinsurance business, outstanding period commences from the date of premiums are accrued in the books of the registered insurer.

**ANNUAL RETURN: ANNEX 1G - STATEMENT OF REINSURANCE RECOVERABLES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Reinsurance recoveries on unpaid claims	1	24,402,919
Reinsurance recoverables written off during the year	2	0
Ageing of reinsurance recoverables (on paid claims): <i>Outstanding period</i>		
Up to 1 year	3	417,028
Above 1 year but not exceeding 2 years	4	93,122
Above 2 years	5	374,535
Total (3 to 5)	6	884,685
Provision for doubtful reinsurance recoverables	7	494,048
Total (6 - 7) = Row 10 of Form 1	8	390,637

**ANNUAL RETURN: ANNEX 1G - STATEMENT OF REINSURANCE RECOVERABLES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Reinsurance recoveries on unpaid claims	1	3,797,998
Reinsurance recoverables written off during the year	2	0
Ageing of reinsurance recoverables (on paid claims): <i>Outstanding period</i>		
Up to 1 year	3	885,555
Above 1 year but not exceeding 2 years	4	0
Above 2 years	5	0
Total (3 to 5)	6	885,555
Provision for doubtful reinsurance recoverables	7	0
Total (6 - 7) = Row 10 of Form 1	8	885,555

**ANNUAL RETURN: ANNEX 1H - FIXED ASSETS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Motor vehicles	1	0
Computer equipment	2	358,910
Other fixed assets	3	546,033
Total (1 to 3) = Row 12 of Form 1	4	904,943

**ANNUAL RETURN: ANNEX 1H - FIXED ASSETS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Motor vehicles	1	0
Computer equipment	2	0
Other fixed assets	3	0
Total (1 to 3) = Row 12 of Form 1	4	0

**ANNUAL RETURN: ANNEX 1I - INTER-FUND BALANCES AND  
INTRA-GROUP BALANCES (DUE FROM)**

**I524C    HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle:    2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Balances due from head office / shareholders fund	1	19
Balances due from overseas branches / related corporations	2	0
Balances due from other insurance funds established and maintained under the Act	3	113,436
Total (1 to 3) = Row 13 of Form 1	4	113,455

**ANNUAL RETURN: ANNEX 1I - INTER-FUND BALANCES AND  
INTRA-GROUP BALANCES (DUE FROM)**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Balances due from head office / shareholders fund	1	0
Balances due from overseas branches / related corporations	2	0
Balances due from other insurance funds established and maintained under the Act	3	0
Total (1 to 3) = Row 13 of Form 1	4	0



**ANNUAL RETURN: ANNEX 1J - BREAKDOWN OF OTHER ASSETS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Sundry Debtors	1	1,969
Prepayments	2	134,286
Sundry Deposits	3	117,880
Other Assets	4	484,645
Advance Payment on Reinsurance Outward Premium	5	932,247
Amount due from Fund Managers	6	3,486,459
Total = Row 14 of Form 1	26	5,157,486

**ANNUAL RETURN: ANNEX 1J - BREAKDOWN OF OTHER ASSETS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Amount due from Fund Managers	1	984,539
Total = Row 14 of Form 1	26	984,539

**ANNUAL RETURN: ANNEX 1L - INTER-FUND BALANCES AND  
INTRA-GROUP BALANCES (DUE TO)**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Balances due to head office / shareholders fund	1	0
Balances due to overseas branches / related corporations	2	0
Balances due to other insurance funds established and maintained under the Act	3	2,096,898
Total (1 to 3) = Row 22 of Form 1	4	2,096,898

**ANNUAL RETURN: ANNEX 1L - INTER-FUND BALANCES AND  
INTRA-GROUP BALANCES (DUE TO)**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Balances due to head office / shareholders fund	1	30,000
Balances due to overseas branches / related corporations	2	0
Balances due to other insurance funds established and maintained under the Act	3	113,436
Total (1 to 3) = Row 22 of Form 1	4	143,436

**ANNUAL RETURN: ANNEX 1M - BREAKDOWN OF OTHERS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Provision for Taxation	1	3,073,009
Deferred Taxation	2	229,048
Sundry Creditors	3	686,847
GST Creditors	4	36,374
Accrued Expenses	5	3,724,013
Provision for Refund Premium	6	1,530,035
Advance Premium	7	145,946
Profit Commission Payable	8	741,168
Finance Lease Obligations	9	105,615
Total = Row 23 of Form 1	26	10,272,055

**ANNUAL RETURN: ANNEX 1M - BREAKDOWN OF OTHERS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Sundry Creditors	1	16,260
Provision for Refund Premium	2	3,423
Total = Row 23 of Form 1	26	19,683

**ANNUAL RETURN: ANNEX 1N - SURPLUS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Surplus at beginning of period	1	48,063,659
Net income	2	8,754,292
Transfer (to) from head office / shareholders fund	3	-23,000,000
Surplus at End of Period (1 to 3) = Row 25 of Form 1	4	33,817,951

**ANNUAL RETURN: ANNEX 1N - SURPLUS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Surplus at beginning of period	1	2,076,412
Net income	2	-189,271
Transfer (to) from head office / shareholders fund	3	0
Surplus at End of Period (1 to 3) = Row 25 of Form 1	4	1,887,141



**ANNUAL RETURN: ANNEX 1(ii) - INFORMATION IN RESPECT OF REDUCTION IN UNEARNED PREMIUM RESERVES  
DUE TO REINSURANCE CEDED TO REINSURERS IN RESPECT OF GENERAL BUSINESS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Row No.	Amount
Registered insurer / foreign insurer under the foreign insurer scheme	1	2,493,763
Authorised reinsurer / related corporation / head office / branch of head office of the registered insurer	2	0
Unregistered reinsurer	3	429,977
Total (1 to 3)	4	2,923,740

**ANNUAL RETURN: ANNEX 1(ii) - INFORMATION IN RESPECT OF REDUCTION IN UNEARNED PREMIUM RESERVES  
DUE TO REINSURANCE CEDED TO REINSURERS IN RESPECT OF GENERAL BUSINESS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Amount
Registered insurer / foreign insurer under the foreign insurer scheme	1	498,954
Authorised reinsurer / related corporation / head office / branch of head office of the registered insurer	2	0
Unregistered reinsurer	3	25,831
Total (1 to 3)	4	524,785

**ANNUAL RETURN: ANNEX 1(iii) - INFORMATION IN RESPECT OF INVESTMENTS IN  
A RELATED CORPORATION OF REGISTERED INSURER**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description of Assets and Name of Investee Company</b>	<b>Row No.</b>	<b>No. of Units</b>	<b>Cost</b>	<b>Amount</b>
Name of company: -				
Equity securities	1	0	0	0
Debt securities	2	0	0	0
Secured loans	3	0	0	0
Unsecured loans	4	0	0	0
Other invested assets	5	0	0	0

**ANNUAL RETURN: ANNEX 1(iii) - INFORMATION IN RESPECT OF INVESTMENTS IN  
A RELATED CORPORATION OF REGISTERED INSURER**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description of Assets and Name of Investee Company	Row No.	No. of Units	Cost	Amount
Name of company: -				
Equity securities	1	0	0	0
Debt securities	2	0	0	0
Secured loans	3	0	0	0
Unsecured loans	4	0	0	0
Other invested assets	5	0	0	0

# ANNUAL RETURN: NOTES TO FORM 1

I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED

Reporting Cycle: 2006 12

General: Singapore Insurance Fund

Note 1 The aggregate amounts of loans to and amounts due from -	Amount
(a) Directors	0
(b) Employees of the registered insurer	0

**Note 3 - Description of any change in accounting policies and methodologies in the valuation of assets and liabilities and the quantification of their effects.**

NIL

**Note 4 - Description of any prior adjustment and correction for errors and reasons for the adjustments and corrections.**

NIL

Note 5 In respect of financial guarantee business -	Amount
(a) where premiums are payable in instalments, the present value of future instalment premiums payable by the insured in a future accounting period	0
and discount rate used	0
(b) where the premiums are payable in full at the commencement of the policy of insurance, the full amount of the premiums payable by the insured in the accounting period in which the policy commences.	0

# ANNUAL RETURN: NOTES TO FORM 1

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Note 1 The aggregate amounts of loans to and amounts due from -</b>	<b>Amount</b>
(a) Directors	0
(b) Employees of the registered insurer	0

**Note 3 - Description of any change in accounting policies and methodologies in the valuation of assets and liabilities and the quantification of their effects.**

NIL

**Note 4 - Description of any prior adjustment and correction for errors and reasons for the adjustments and corrections.**

NIL

<b>Note 5 In respect of financial guarantee business -</b>	<b>Amount</b>
(a) where premiums are payable in instalments, the present value of future instalment premiums payable by the insured in a future accounting period	0
and discount rate used	0
(b) where the premiums are payable in full at the commencement of the policy of insurance, the full amount of the premiums payable by the insured in the accounting period in which the policy commences.	0

# ANNUAL RETURN: FORM 1 - ADDITIONAL INFORMATION

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle 2006 12**

SIF	OIF	\$	\$
Reconciliation of net income:			
Net income per Form 2 (Row 16)		8,130,763	-189,271
Add: Cumulative share option reserve charged to Fund Profit and Loss Account up to 31/12/2006		623,529	-
Net income per Annex 1N (Row 2)		8,754,292	-189,271
Capital reserve comprises the cumulative value of employee services received for the issue of share options of the ultimate holding company.			

**ANNUAL RETURN: FORM 2 - FUND PROFIT AND LOSS ACCOUNT**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Annex	Row No.	Amount
Gross premiums	2A	1	48,770,630
Less: Outward reinsurance premiums	2B	2	14,904,519
Investment revenue	2C	3	5,863,257
Less: Investment expenses		4	161,503
Other income	2D	5	373,663
<b>Total Income (1 to 5)</b>		<b>6</b>	<b>39,941,528</b>
Gross claims settled	2E	7	22,897,680
Less: Reinsurance recoveries		8	4,010,595
Management expenses	2F	9	8,062,766
Distribution expenses	2G	10	4,765,389
Increase (decrease) in net policy liabilities	2H	11	(3,374,947)
Provision for doubtful debts/ bad debts written off on receivables		12	230,553
Taxation expenses		13	2,825,639
Other expenses	2I	14	414,280
<b>Total Outgo (7 to 14)</b>		<b>15</b>	<b>31,810,765</b>
<b>Net Income (6 - 15)</b>	<b>2J</b>	<b>16</b>	<b>8,130,763</b>



# ANNUAL RETURN: FORM 2 - FUND PROFIT AND LOSS ACCOUNT

I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED

Reporting Cycle: 2006 12

General: Offshore Insurance Fund

Description	Annex	Row No.	Amount
Gross premiums	2A	1	11,149,387
Less: Outward reinsurance premiums	2B	2	3,997,691
Investment revenue	2C	3	310,009
Less: Investment expenses		4	34,642
Other income	2D	5	9,338
<b>Total Income (1 to 5)</b>		<b>6</b>	<b>7,436,401</b>
Gross claims settled	2E	7	3,982,217
Less: Reinsurance recoveries		8	2,929,036
Management expenses	2F	9	3,799,019
Distribution expenses	2G	10	1,735,920
Increase (decrease) in net policy liabilities	2H	11	952,066
Provision for doubtful debts/ bad debts written off on receivables		12	(62,729)
Taxation expenses		13	(30,738)
Other expenses	2I	14	178,953
<b>Total Outgo (7 to 14)</b>		<b>15</b>	<b>7,625,672</b>
<b>Net Income (6 - 15)</b>	<b>2J</b>	<b>16</b>	<b>(189,271)</b>

**ANNUAL RETURN: ANNEX 2B - OUTWARD REINSURANCE PREMIUMS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Registered insurer / foreign insurer under the foreign insurer scheme	1	12,576,467
Authorised reinsurer / related corporation / head office / branch of head office of the registered insurer	2	0
Unregistered reinsurer	3	2,328,052
Total (1 to 3) = Row 2 of Form 2	4	14,904,519

**ANNUAL RETURN: ANNEX 2B - OUTWARD REINSURANCE PREMIUMS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Registered insurer / foreign insurer under the foreign insurer scheme	1	3,460,920
Authorised reinsurer / related corporation / head office / branch of head office of the registered insurer	2	0
Unregistered reinsurer	3	536,771
Total (1 to 3) = Row 2 of Form 2	4	3,997,691

**ANNUAL RETURN: ANNEX 2C - INVESTMENT REVENUE**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

Description	Row No.	Interest / Dividend / Rental Income	Realised Gains (Losses) From Last Reported Value / Write-backs (Write-offs)	Unrealised Changes From Last Reported Value	Amount
Equity securities	1	761,339	2,038,332	515,664	3,315,335
Debt securities	2	994,623	-311,234	275,391	958,780
Land and Buildings	3	0	0	0	0
Loans	4	0	0	0	0
Cash and deposits	5	1,536,060	6,090	0	1,542,150
Other invested assets	6	0	0	46,992	46,992
Total (1 to 6) = Row 3 of Form 2	7				5,863,257

**ANNUAL RETURN: ANNEX 2C - INVESTMENT REVENUE**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Interest / Dividend / Rental Income	Realised Gains (Losses) From Last Reported Value / Write-backs (Write-offs)	Unrealised Changes From Last Reported Value	Amount
Equity securities	1	35,863	126,645	-23,592	138,916
Debt securities	2	61,068	7,269	7,793	76,130
Land and Buildings	3	0	0	0	0
Loans	4	0	0	0	0
Cash and deposits	5	96,050	240	0	96,290
Other invested assets	6	0	0	-1,327	-1,327
Total (1 to 6) = Row 3 of Form 2	7				310,009

**ANNUAL RETURN: ANNEX 2D - BREAKDOWN OF OTHER INCOME**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Co-Insurance Fees Income	1	45,045
Other Miscellaneous Write Back	2	328,618
Total = Row 5 of Form 2	26	373,663

**ANNUAL RETURN: ANNEX 2D - BREAKDOWN OF OTHER INCOME**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Interest on Reinsurance Treaty Premium	1	9,338
Total = Row 5 of Form 2	26	9,338

**ANNUAL RETURN: ANNEX 2F - MANAGEMENT EXPENSES****I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED****Reporting Cycle: 2006 12****General: Singapore Insurance Fund**

Description	Row No.	Amount
Staff salaries & expenses	1	5,983,084
Office rent	2	292,612
Head office / parent company expenses	3	-24,534
Directors' fees	4	0
Audit fees	5	76,398
Managing agent's fees	6	0
Repairs and maintenance	7	35,340
Public utilities	8	21,165
Printing, stationery and periodicals	9	299,666
Postage, telephone and telex charges	10	99,176
Computer charges	11	252,034
Hire of office equipment	12	0
Licence and association fees	13	74,826
Advertising and subscriptions	14	219,465
Entertainment	15	24,553
Travelling expenses	16	74,160
Professional Fees	1	281,111
Office Insurance	2	7,301
Bank Charges	3	48,466
GST Costs	4	209,689
Miscellaneous Expenses	5	42,434
Internal Audit Fees	6	43,465
Interest on Finance Lease	7	2,355
Total = Row 9 of Form 2	27	8,062,766



**ANNUAL RETURN: ANNEX 2F - MANAGEMENT EXPENSES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Amount
Staff salaries & expenses	1	1,831,276
Office rent	2	86,102
Head office / parent company expenses	3	-7,866
Directors' fees	4	0
Audit fees	5	20,893
Managing agent's fees	6	0
Repairs and maintenance	7	11,634
Public utilities	8	6,786
Printing, stationery and periodicals	9	1,465,998
Postage, telephone and telex charges	10	32,181
Computer charges	11	65,184
Hire of office equipment	12	0
Licence and association fees	13	18,935
Advertising and subscriptions	14	59,823
Entertainment	15	6,294
Travelling expenses	16	21,720
Professional Fees	1	80,787
Office Insurance	2	2,265
Bank Charges	3	13,291
GST Costs	4	57,158
Miscellaneous Expenses	5	11,868
Internal Audit Fees	6	13,935
Interest on Finance Lease	7	755
Total = Row 9 of Form 2	27	3,799,019

**ANNUAL RETURN: ANNEX 2I - BREAKDOWN OF OTHER EXPENSES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

<b>Description</b>	<b>Row No.</b>	<b>Amount</b>
Depreciation	1	268,281
Interest on Treaty Premium	2	10,643
Loss in Exchange	3	135,356
Total = Row 14 of Form 2	26	414,280

**ANNUAL RETURN: ANNEX 2I - BREAKDOWN OF OTHER EXPENSES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Offshore Insurance Fund**

Description	Row No.	Amount
Depreciation	1	82,058
Loss in exchange	2	96,895
Total = Row 14 of Form 2	26	178,953

**ANNUAL RETURN: FORM 2 - ADDITIONAL INFORMATION**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

NIL

ANNUAL RETURN: FORM 6 - STATEMENT OF PREMIUMS, CLAIMS AND UNDERWRITING RESULTS IN RESPECT OF GENERAL BUSINESS

I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED

General: Singapore Insurance Fund

Reporting Cycle: 2006 12

Description	Row No.	Marine and Aviation - Cargo	Marine and Aviation - Hull and Liability	Fire	Motor	Work Injury Compensation	Personal Accident	Health	Misc - Public Liability	Misc - Bonds	Misc - Engineering / CAR / EAR	Misc - Professional Indemnity	Misc - Credit / Political Risk	Misc - Others	Misc - Sub-Total	Total
<b>A. PREMIUMS</b>																
Gross premiums																
Direct business	1	4,418,690	5,836,759	7,784,108	19,956,913	2,657,879	2,521,901	584,519	748,030	105,664	1,210,243	24,808	0	1,398,011	3,486,756	47,247,525
Reinsurance business accepted -																
In Singapore	2	12,337	223,623	906,042	7,236	13,049	0	114,140	29,668	75	43,034	725	0	16,688	90,190	1,366,617
From other ASEAN countries	3	0	70	60,558	0	0	0	0	0	0	0	0	0	21,021	21,021	81,649
From other countries	4	0	39,248	35,591	0	0	0	0	0	0	0	0	0	0	0	74,839
Total (2 to 4)	5	12,337	262,941	1,002,191	7,236	13,049	0	114,140	29,668	75	43,034	725	0	37,709	111,211	1,523,105
Reinsurance business ceded -																
In Singapore	6	1,226,149	3,925,639	5,375,838	750,427	111,889	(1,941)	94	34,470	59,483	467,919	0	0	626,500	1,188,372	12,576,467
To other ASEAN countries	7	0	11,982	2,675	0	0	0	33,049	0	0	0	0	0	426	426	48,132
To other countries	8	602,364	354,392	527,583	0	0	250,445	0	0	3,774	56,336	0	0	485,026	545,136	2,279,920
Total (6 to 8)	9	1,828,513	4,292,013	5,906,096	750,427	111,889	248,504	33,143	34,470	63,257	524,255	0	0	1,111,952	1,733,934	14,904,519
Net premiums written (1 + 5 - 9)	10	2,602,514	1,807,687	2,880,203	19,213,722	2,559,039	2,273,397	665,516	743,228	42,482	729,022	25,533	0	323,768	1,864,033	33,866,111
Premium liabilities at beginning of period	11	691,231	840,099	1,520,135	9,238,582	1,093,892	255,580	45,626	206,960	63,947	273,645	10,861	0	102,337	657,750	14,342,895
Premium liabilities at end of period	12	708,330	724,096	1,496,094	8,511,046	1,150,580	272,418	41,905	237,783	44,484	136,145	8,493	0	135,570	562,475	13,466,944
Premiums earned during the period (10 + 11 - 12)	13	2,585,415	1,923,690	2,904,244	19,941,258	2,502,351	2,256,559	669,237	712,405	61,945	866,522	27,901	0	290,535	1,959,308	34,742,062
<b>B. CLAIMS</b>																
Gross claims settled																
Direct business	14	397,177	2,500,563	1,911,491	13,512,869	2,484,548	292,954	69,066	620,727	(93,263)	165,248	7,668	0	371,359	1,071,739	22,240,407
Reinsurance business accepted -																
In Singapore	15	388	10,548	199,873	157,033	105,470	0	0	55,268	(7,296)	92,864	0	0	1,987	142,823	616,135
From other ASEAN countries	16	0	645	0	0	0	0	0	0	0	0	0	0	0	0	645
From other countries	17	0	661	10,570	0	0	0	0	29,262	0	0	0	0	0	29,262	40,493
Total (15 to 17)	18	388	11,854	210,443	157,033	105,470	0	0	84,530	(7,296)	92,864	0	0	1,987	172,085	657,273
Recoveries from reinsurance business ceded -																
In Singapore	19	113,971	1,467,305	1,486,612	150,028	120,362	4,728	0	118,481	(69,272)	1,135	6,681	0	170,314	227,339	3,570,345
To other ASEAN countries	20	0	0	24,793	0	0	0	0	0	0	0	0	0	(3)	(3)	24,790
To other countries	21	7,872	139,616	142,921	0	0	2,701	0	199	(2,745)	1,694	0	0	123,202	122,350	415,460
Total (19 to 21)	22	121,843	1,606,921	1,654,326	150,028	120,362	7,429	0	118,680	(72,017)	2,829	6,681	0	293,513	349,686	4,010,595
Net claims settled (14 + 18 - 22)	23	275,722	905,496	467,608	13,519,874	2,469,656	285,525	69,066	586,577	(28,542)	255,283	987	0	79,833	894,138	18,887,085
Claims liabilities at end of period	24	1,282,255	2,453,366	2,051,744	20,656,371	4,808,931	463,295	29,260	4,833,096	141,392	296,973	112,513	0	54,007	5,437,981	37,183,203
Claims liabilities at beginning of period	25	1,368,631	2,994,850	1,571,662	18,470,474	8,367,620	428,397	33,304	5,245,211	331,427	470,434	182,736	0	217,453	6,447,261	39,682,199
Net claims incurred (23 + 24 - 25)	26	189,346	364,012	947,690	15,705,771	(1,089,033)	320,423	65,022	174,462	(218,577)	81,822	(69,236)	0	(83,613)	(115,142)	16,388,089
<b>C. MANAGEMENT EXPENSES</b>																
Management Expenses	27	911,336	353,497	1,398,392	2,813,010	794,900	908,537	195,350	154,986	19,301	252,877	5,586	0	254,994	687,744	8,062,766
<b>D. DISTRIBUTION EXPENSES</b>																
Commissions	28	688,532	972,849	2,039,026	3,653,154	291,286	471,278	109,100	126,248	15,228	201,925	3,534	0	256,439	603,374	8,828,599
Reinsurance commissions	29	401,216	1,008,208	1,966,516	37	3,342	11,474	2,965	539	28,149	182,557	0	0	458,207	669,452	4,063,210
Net commissions incurred (28 - 29)	30	287,316	(35,359)	72,510	3,653,117	287,944	459,804	106,135	125,709	(12,921)	19,368	3,534	0	(201,768)	(66,078)	4,765,389
Other distribution expenses	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>E. UNDERWRITING RESULTS</b>																
Underwriting gain / (loss) (13 - 26 - 27 - 30 - 31)	32	1,197,417	1,241,540	485,652	(2,230,640)	2,508,540	567,795	302,730	257,248	274,142	512,455	88,017	0	320,922	1,452,784	5,525,818
<b>F. NET INVESTMENT INCOME</b>	33	438,164	304,345	484,916	3,234,854	430,844	382,753	112,047	125,131	7,152	122,739	4,299	0	54,510	313,831	5,701,754
<b>G. OPERATING RESULT (32 + 33)</b>	34	1,635,581	1,545,885	970,568	1,004,214	2,939,384	950,548	414,777	382,379	281,294	635,194	92,316	0	375,432	1,766,615	11,227,572

**ANNUAL RETURN: FORM 6 - STATEMENT OF PREMIUMS, CLAIMS AND UNDERWRITING RESULTS IN RESPECT OF  
GENERAL BUSINESS**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**General: Offshore Insurance Fund**

**Reporting Cycle: 2006 12**

Description	Row No.	Marine and Aviation - Cargo	Marine and Aviation - Hull and Liability	Property	Casualty and Others	Total
<b>A. PREMIUMS</b>						
Gross premiums						
Direct business	1	0	2,071,679	281,605	82,513	2,435,797
Reinsurance business accepted -						
In Singapore	2	0	118,200	183,842	0	302,042
From other ASEAN countries	3	91,063	529,643	1,507,729	4,868,922	6,997,357
From other countries	4	10,823	1,358,273	20,511	24,584	1,414,191
Total (2 to 4)	5	101,886	2,006,116	1,712,082	4,893,506	8,713,590
Reinsurance business ceded -						
In Singapore	6	7,413	2,763,497	648,375	41,635	3,460,920
To other ASEAN countries	7	402	0	33,948	3,805	38,155
To other countries	8	824	168,193	128,416	201,183	498,616
Total (6 to 8)	9	8,639	2,931,690	810,739	246,623	3,997,691
Net premiums written (1 + 5 - 9)	10	93,247	1,146,105	1,182,948	4,729,396	7,151,696
Premium liabilities at beginning of period	11	26,149	299,892	616,483	175,271	1,117,795
Premium liabilities at end of period	12	24,938	332,037	619,412	622,964	1,599,351
Premiums earned during the period (10 + 11 - 12)	13	94,458	1,113,960	1,180,019	4,281,703	6,670,140
<b>B. CLAIMS</b>						
Gross claims settled						
Direct business	14	0	330,015	2,354,276	2,581	2,686,872
Reinsurance business accepted -						
In Singapore	15	0	212,908	1,789	104,483	319,180
From other ASEAN countries	16	25,083	276,243	87,018	431,358	819,702
From other countries	17	513	116,739	11,267	27,944	156,463
Total (15 to 17)	18	25,596	605,890	100,074	563,785	1,295,345
Recoveries from reinsurance business ceded -						
In Singapore	19	0	554,581	2,061,666	1,892	2,618,139
To other ASEAN countries	20	11,645	0	6,784	0	18,429
To other countries	21	0	91,519	200,836	113	292,468
Total (19 to 21)	22	11,645	646,100	2,269,286	2,005	2,929,036
Net claims settled (14 + 18 - 22)	23	13,951	289,805	185,064	564,361	1,053,181
Claims liabilities at end of period	24	83,080	1,552,969	278,459	1,145,999	3,060,507
Claims liabilities at beginning of period	25	70,497	1,332,189	360,219	827,092	2,589,997
Net claims incurred (23 + 24 - 25)	26	26,534	510,585	103,304	883,268	1,523,691
<b>C. MANAGEMENT EXPENSES</b>						
Management Expenses	27	32,526	222,605	572,749	2,971,139	3,799,019
<b>D. DISTRIBUTION EXPENSES</b>						
Commissions	28	24,326	549,813	411,844	1,665,173	2,651,156
Reinsurance commissions	29	239	662,294	241,238	11,465	915,236
Net commissions incurred (28 - 29)	30	24,087	(112,481)	170,606	1,653,708	1,735,920
Other distribution expenses	31	0	0	0	0	0
<b>E. UNDERWRITING RESULTS</b>						
Underwriting gain / (loss) (13 - 26 - 27 - 30 - 31)	32	11,311	493,251	333,360	(1,226,412)	(388,490)
<b>F. NET INVESTMENT INCOME</b>	33	3,590	44,129	45,548	182,100	275,367
<b>G. OPERATING RESULT (32 + 33)</b>	34	14,901	537,380	378,908	(1,044,312)	(113,123)

**ANNUAL RETURN: NOTES TO FORM 6**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

**General: Singapore Insurance Fund**

**Note 1 - Items in this Form may be allocated according to a reasonable basis used by the registered insurer which is acceptable to its external auditor. The bases used shall be stated as a Note to this Form.**

Management expenses:

Management expenses are specifically identified to General Singapore Insurance Fund and General Offshore Insurance Fund and to the respective classes of business where possible. Common expense are, however, allocated to General Singapore Insurance Fund and General Offshore Insurance Fund and the respective classes of business either on a time allocation or net written premium basis.

Net investment income:

Net investment income is specifically identified to General Singapore Insurance Fund and General Offshore Insurance Fund. The income within General Singapore Insurance Fund and General Offshore Insurance Fund is allocated to the respective classes of business according to the net premium written.

**Note 2 - Particulars on reinsurances of special risks other than reinsurances of liabilities under a marine and aviation policy.**

NIL

ANNUAL RETURN: NOTES TO FORM 6

I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED

Reporting Cycle: 2006 12

General: Offshore Insurance Fund

**Note 1 - Items in this Form may be allocated according to a reasonable basis used by the registered insurer which is acceptable to its external auditor. The bases used shall be stated as a Note to this Form.**

Management expenses:

Management expenses are specifically identified to General Singapore Insurance Fund and General Offshore Insurance Fund and to the respective classes of business where possible. Common expenses are, however, allocated to General Singapore Insurance Fund and General Offshore Insurance Fund and the respective classes of business either on a time allocation or net written premium basis.

Net investment income:

Net investment income is specifically identified to General Singapore Insurance Fund and General Offshore Insurance Fund. The income within General Singapore Insurance Fund and General Offshore Insurance Fund is allocated to the respective classes of business according to the net premium written.

**Note 2 - Particulars on reinsurances of special risks other than reinsurances of liabilities under a marine and aviation policy.**

NIL



**ANNUAL RETURN: FORM 6 - ADDITIONAL INFORMATION**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

NIL

ANNUAL RETURN: FORM 7 - STATEMENT IN RESPECT OF ACCIDENT AND HEALTH BENEFITS

I524C    HSBC INSURANCE (SINGAPORE) PTE. LIMITED

Reporting Cycle:    2006 12

Form 7 (b) - Accident and Health Insurance (Short-term)

Description	Row No.	Medical Expense	Medical Expense	Critical Illness	Critical Illness	Disability	Disability	Personal Accident	Personal Accident	Hospital Cash	Hospital Cash	Total	Total
		Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group
A. PREMIUMS													
Gross premiums	1	15,860	0	203,830	0	0	0	2,521,901	0	478,969	0	3,220,560	0
Reinsurance ceded	2	0	0	33,143	0	0	0	248,504	0	0	0	281,647	0
Net premiums written (1 - 2)	3	15,860	0	170,687	0	0	0	2,273,397	0	478,969	0	2,938,913	0
Premium liabilities at beginning of period	4	1,314	0	13,687	0	0	0	255,580	0	30,625	0	301,206	0
Premium liabilities at end of period	5	999	0	10,747	0	0	0	272,418	0	30,159	0	314,323	0
Premium earned during the period (3 + 4 - 5)	6	16,175	0	173,627	0	0	0	2,256,559	0	479,435	0	2,925,796	0
B. CLAIMS													
Gross claims settled	7	8,446	0	0	0	0	0	292,954	0	60,620	0	362,020	0
Reinsurance recoveries	8	0	0	0	0	0	0	7,429	0	0	0	7,429	0
Net claims settled (7 - 8)	9	8,446	0	0	0	0	0	285,525	0	60,620	0	354,591	0
Claim liabilities at end of period	10	0	0	10,500	0	0	0	463,295	0	18,760	0	492,555	0
Claim liabilities at beginning of period	11	5,560	0	3,600	0	0	0	428,397	0	24,144	0	461,701	0
Net claims incurred (9 + 10 - 11)	12	2,886	0	6,900	0	0	0	320,423	0	55,236	0	385,445	0
C. MANAGEMENT EXPENSES													
Management expenses	13	4,656	0	50,102	0	0	0	908,537	0	140,592	0	1,103,887	0
D. DISTRIBUTION EXPENSES													
Commissions	14	3,120	0	17,206	0	0	0	471,278	0	88,774	0	580,378	0
Reinsurance commissions	15	0	0	2,965	0	0	0	11,474	0	0	0	14,439	0
Net commissions incurred (14 - 15)	16	3,120	0	14,241	0	0	0	459,804	0	88,774	0	565,939	0
Other distribution expenses	17	0	0	0	0	0	0	0	0	0	0	0	0
E. UNDERWRITING RESULTS (6 - 12 - 13 - 16 - 17)	18	5,513	0	102,384	0	0	0	567,795	0	194,833	0	870,525	0
F. NET INVESTMENT INCOME	19	2,670	0	28,737	0	0	0	382,753	0	80,640	0	494,800	0
G. OPERATING RESULTS (18 + 19)	20	8,183	0	131,121	0	0	0	950,548	0	275,473	0	1,365,325	0
H. OTHERS													
Number of policies in force	21	15	0	60	0	0	0	7,119	0	836	0	8,030	0
Number of lives covered under policies in force	22	21	0	77	0	0	0	8,495	0	1,057	0	9,650	0
Number of claims registered	23	2	0	0	0	0	0	149	0	57	0	208	0

ANNUAL RETURN: NOTES TO FORM 7(b)

I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED

Reporting Cycle: 2006 12

**Note 1 - Items in this Form may be allocated according to a reasonable basis used by the registered insurer. The bases used shall be stated as a Note to this Form.**

Management expenses and net investment income are allocated to the respective classes of business according to the net premium written

**ANNUAL RETURN: FORM 7(b) - ADDITIONAL INFORMATION**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

NIL

**ANNUAL RETURN: FORM 8 - BALANCE SHEET IN RESPECT OF GLOBAL BUSINESS OPERATIONS**

**Reporting Cycle:**

Description	Row No.
<b>ASSETS</b>	
Equity securities	1
Debt securities	2
Land and buildings	3
Loans	4
Cash and deposits	5
Other invested assets	6
Investment income due or accrued	7
Outstanding premiums and agents' balances	8
Deposits withheld by cedants	9
Reinsurance recoverables (on paid claims)	10
Income tax recoverables	11
Fixed assets	12
Inter-fund balances and intra-group balances (due from)	13
Other assets	14
<b>Total Assets (1 to 14)</b>	<b>15</b>
<b>LIABILITIES</b>	
Policy liabilities	16
Other liabilities	
Outstanding claims	17
Annuities due and unpaid	18
Reinsurance deposits	19
Amounts owing to insurers	20
Bank loans and overdrafts	21
Inter-fund balances and intra-group balances (due to)	22

Others	23
<b>Total Liabilities (16 to 23)</b>	<b>24</b>
<b>NET ASSETS (15 - 24)</b>	<b>25</b>
<b>SHAREHOLDERS' EQUITY &amp; SURPLUS</b>	
Paid-up capital	26
Reserves:	
Unappropriated profits (losses)	27
Other reserves	28
Surplus	29
<b>Total (26 to 29)</b>	<b>30</b>

**ANNUAL RETURN: ANNEX 8A - STATEMENT OF CHANGES IN EQUITY OF SHAREHOLDERS FUND**

**Reporting Cycle:**

<b>Description</b>	<b>Row No.</b>
Balance at beginning of period	1
Changes in accounting policy	2
Increase (decrease) in reserves	3
Net profit for the period	4
Dividends paid for the period	5
Issue of share capital	6
Transfer (to) from insurance funds maintained in Singapore	7
Transfer (to) from overseas (branch) operations	8
<b>Balance at End of Period</b>	9

**ANNUAL RETURN: ANNEX 8B - INTRA-GROUP BALANCES IN RESPECT OF OVERSEAS OPERATIONS  
(GENERAL BUSINESS)**

**Reporting Cycle:**

Description	Row No.	Amount
<b>Due From</b>		
Balances due from head office / shareholders fund	1	
Balances due from related corporations	2	
Balances due from insurance funds established and maintained under the Act	3	
Total Balances Due From	4	
<b>Due To</b>		
Balances due to head office / shareholders fund	5	
Balances due to related corporations	6	
Balances due to insurance funds established and maintained under the Act	7	
Total Balances Due To	8	
Total Net Balances (4 - 8)	9	



**ANNUAL RETURN: NOTES TO FORM 8**

**Reporting Cycle:**

Note 1 Breakdown of "Other Reserves"	Row No.	Amount
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**ANNUAL RETURN: FORM 8 - ADDITIONAL INFORMATION**

**Reporting Cycle:**

**ANNUAL RETURN: FORM 9 - PROFIT AND LOSS ACCOUNT IN RESPECT OF GLOBAL BUSINESS OPERATIONS**

**Reporting Cycle:**

<b>Description</b>	<b>Row No.</b>
Gross premiums	1
Less: Outward reinsurance premiums	2
Investment revenue	3
Less: Investment expenses	4
Other income	5
<b>Total Income (1 to 5)</b>	<b>6</b>
Gross claims settled	7
Less: Reinsurance recoveries	8
Management expenses	9
Distribution expenses	10
Increase (decrease) in net policy liabilities	11
Provision for doubtful debts / bad debts written off on receivables	12
Taxation expenses	13
Other expenses	14

<b>Total Outgo (7 to 14)</b>	<b>15</b>
<b>NET INCOME (6 - 15)</b>	<b>16</b>

**ANNUAL RETURN: FORM 9 - ADDITIONAL INFORMATION**

**Reporting Cycle:**

**ANNUAL RETURN: FORM 20 - ACTUARY'S CERTIFICATE ON POLICY LIABILITIES IN  
RESPECT OF GENERAL BUSINESS**

**ACTUARIAL INVESTIGATION OF POLICY LIABILITIES**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

I have conducted an investigation into the valuation of policy liabilities relating to general business as required under section 37 of the Insurance Act and confirm that the valuation is in accordance with all applicable requirements stipulated under the Act and directions issued under the Act, subject to the qualifications stated below\*. I certify these amounts, net of reinsurance, as follows:

<b>Description</b>	<b>Singapore Insurance Fund</b>	<b>Offshore Insurance Fund</b>
Premium Liabilities	13,463,000	1,594,000
Claim Liabilities	34,474,000	2,386,000
Policy Liabilities	47,937,000	3,980,000

**\*Qualifications (if none, state "none"):**

None

**ANNUAL RETURN: FORM 20 - ADDITIONAL INFORMATION**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle: 2006 12**

NIL

**ANNUAL RETURN: FORM 21 - STATEMENT IN RELATION TO FUND SOLVENCY REQUIREMENT OF  
INSURANCE FUND**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**General: Singapore Insurance Fund**

**Reporting Cycle: 2006 12**

Description	Row No.	Amount
<b>(i) Financial Resources of Insurance Fund</b>		
Balance in the surplus account (of participating fund)	1	0
Add:		
Allowance for provision for non-guaranteed benefits (of participating fund): (lower of 3 or 4)	2	0
Policy liabilities - minimum condition liability	3	0
50% of aggregate of provisions for non-guaranteed benefits and PAD	4	0
Surplus of insurance fund (of any other insurance fund)	5	33,817,951
Less:		
Reinsurance adjustment	6	429,977
Financial resource adjustment: (8 to 12)	7	0
(a) loans to, guarantees granted for, and other unsecured amounts owed to the registered insurer	8	0
(b) charged assets	9	0
(c) deferred tax assets	10	0
(d) intangible assets	11	0
(e) other financial resource adjustments	12	0
<b>Financial Resources of Insurance Fund (1 + 2 + 5 - 6 - 7)</b>	13	33,387,974
<b>(ii) Total Risk Requirement of Insurance Fund</b>		
<b>A. Component 1 Requirement - Insurance Risks</b>		
Life Insurance Risk Requirement (for participating fund): (15 + 18)	14	0
(a) Policy Liability Risk Requirement: (zero or 16 - 17, whichever is higher)	15	0
Modified minimum condition liability	16	0
Minimum condition liability	17	0
(b) Surrender Value Condition Risk Requirement: (zero or 19 - 20, whichever is higher)	18	0
Aggregate of surrender values of policies of the insurance fund	19	0
Higher of 21 or 22:	20	0
Sum of total risk requirement and minimum condition liability of the insurance fund	21	0
Policy liabilities of the insurance fund	22	0
Life Insurance Risk Requirement (other than participating fund) (24 + 27)	23	0
(a) Policy Liability Risk Requirement: (zero or 25 - 26, whichever is higher)	24	0
Modified policy liabilities	25	0
Policy Liabilities	26	0
(b) Surrender Value Condition Risk Requirement: (zero or 28 - 29, whichever is higher)	27	0
Aggregate of surrender values of policies of the insurance fund	28	0
Sum of total risk requirement and policy liabilities of the insurance fund	29	0
General Insurance Risk Requirement (for general business): (31 to 32)	30	12,510,038
(a) Premium liability risk requirement	31	2,968,803
(b) Claim liability risk requirement	32	9,541,235
<b>Total C1 Requirement (14 + 23 + 30)</b>	33	12,510,038
<b>B. Component 2 Requirement - Investment Risks and Risks arising from Interest Rate Sensitivity and Foreign Currency Mismatch between Asset and Liabilities</b>		
Equity Investment Risk Requirement (35 to 36)	34	1,702,308
(a) Specific Risk Requirement	35	851,154



(b) General Risk Requirement	36	851,154	
Debt Investment and Duration Mismatch Risk Requirement: (38 or 43, whichever is higher)	37		1,597,447
(a) Sum of: (39 + 42)	38	1,597,447	
Debt investment risk requirement in an increasing interest rate environment (40 to 41)	39	1,597,447	
Debt specific risk requirement	40	618,925	
Debt general risk requirement	41	978,522	
Liability adjustment requirement in an increasing interest rate environment	42	0	
(b) Sum of: (44 + 47)	43	-359,597	
Debt investment risk requirement in a decreasing interest rate environment (45 to 46)	44	-359,597	
Debt specific risk requirement	45	618,925	
Negative of debt general risk requirement	46	-978,522	
Liability adjustment requirement in a decreasing interest rate environment	47	0	
Loan Investment Risk Requirement	48		0
Property Risk Requirement	49		0
Foreign Currency Mismatch Risk Requirement (for Singapore Insurance Fund)	50		0
Derivative Counterparty Risk Requirement	51		824
Miscellaneous Risk Requirement	52		1,402,727
<b>Total C2 Requirement (34 + 37 + 48 + 49 + 50 + 51 + 52)</b>	<b>53</b>		<b>4,703,306</b>
<b>C. Component 3 Requirement - Concentration Risks</b>			
Counterparty Exposure	54		0
Equity Securities Exposure	55		0
Unsecured Loans Exposure	56		0
Property Exposure	57		0
Foreign Currency Risk Exposure	58		0
Exposure to assets in miscellaneous risk requirements	59		1,251,838
Exposure to non-liquid assets with Singapore Insurance Fund (for general business)	60		0
<b>Total C3 Requirement (54 to 60)</b>	<b>61</b>		<b>1,251,838</b>
<b>Total Risk Requirement of Insurance Fund (33 + 53 + 61)</b>	<b>62</b>		<b>18,465,182</b>

**ANNUAL RETURN: FORM 21 - STATEMENT IN RELATION TO FUND SOLVENCY REQUIREMENT OF  
INSURANCE FUND**

**I524C HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**General: Offshore Insurance Fund**

**Reporting Cycle: 2006 12**

Description	Row No.	Amount
<b>(i) Financial Resources of Insurance Fund</b>		
Balance in the surplus account (of participating fund)	1	0
Add:		
Allowance for provision for non-guaranteed benefits (of participating fund): (lower of 3 or 4)	2	0
Policy liabilities - minimum condition liability	3	0
50% of aggregate of provisions for non-guaranteed benefits and PAD	4	0
Surplus of insurance fund (of any other insurance fund)	5	1,887,141
Less:		
Reinsurance adjustment	6	25,831
Financial resource adjustment: (8 to 12)	7	0
(a) loans to, guarantees granted for, and other unsecured amounts owed to the registered insurer	8	0
(b) charged assets	9	0
(c) deferred tax assets	10	0
(d) intangible assets	11	0
(e) other financial resource adjustments	12	0
<b>Financial Resources of Insurance Fund (1 + 2 + 5 - 6 - 7)</b>	13	1,861,310
<b>(ii) Total Risk Requirement of Insurance Fund</b>		
<b>A. Component 1 Requirement - Insurance Risks</b>		
Life Insurance Risk Requirement (for participating fund): (15 + 18)	14	0
(a) Policy Liability Risk Requirement: (zero or 16 - 17, whichever is higher)	15	0
Modified minimum condition liability	16	0
Minimum condition liability	17	0
(b) Surrender Value Condition Risk Requirement: (zero or 19 - 20, whichever is higher)	18	0
Aggregate of surrender values of policies of the insurance fund	19	0
Higher of 21 or 22:	20	0
Sum of total risk requirement and minimum condition liability of the insurance fund	21	0
Policy liabilities of the insurance fund	22	0
Life Insurance Risk Requirement (other than participating fund) (24 + 27)	23	0
(a) Policy Liability Risk Requirement: (zero or 25 - 26, whichever is higher)	24	0
Modified policy liabilities	25	0
Policy Liabilities	26	0
(b) Surrender Value Condition Risk Requirement: (zero or 28 - 29, whichever is higher)	27	0
Aggregate of surrender values of policies of the insurance fund	28	0
Sum of total risk requirement and policy liabilities of the insurance fund	29	0
General Insurance Risk Requirement (for general business): (31 to 32)	30	1,117,591
(a) Premium liability risk requirement	31	217,516
(b) Claim liability risk requirement	32	900,075
<b>Total C1 Requirement (14 + 23 + 30)</b>	33	1,117,591
<b>B. Component 2 Requirement - Investment Risks and Risks arising from Interest Rate Sensitivity and Foreign Currency Mismatch between Asset and Liabilities</b>		
Equity Investment Risk Requirement (35 to 36)	34	0
(a) Specific Risk Requirement	35	0
(b) General Risk Requirement	36	0
Debt Investment and Duration Mismatch Risk Requirement:		

(38 or 43, whichever is higher)	37	84,674
(a) Sum of: (39 + 42)	38	84,674
Debt investment risk requirement in an increasing interest rate environment (40 to 41)	39	84,674
Debt specific risk requirement	40	20,471
Debt general risk requirement	41	64,203
Liability adjustment requirement in an increasing interest rate environment	42	0
(b) Sum of: (44 + 47)	43	-43,732
Debt investment risk requirement in a decreasing interest rate environment (45 to 46)	44	-43,732
Debt specific risk requirement	45	20,471
Negative of debt general risk requirement	46	-64,203
Liability adjustment requirement in a decreasing interest rate environment	47	0
Loan Investment Risk Requirement	48	0
Property Risk Requirement	49	0
Foreign Currency Mismatch Risk Requirement (for Singapore Insurance Fund)	50	0
Derivative Counterparty Risk Requirement	51	0
Miscellaneous Risk Requirement	52	422,608
<b>Total C2 Requirement (34 + 37 + 48 + 49 + 50 + 51 + 52)</b>	<b>53</b>	<b>507,282</b>
<b>C. Component 3 Requirement - Concentration Risks</b>		
Counterparty Exposure	54	0
Equity Securities Exposure	55	0
Unsecured Loans Exposure	56	0
Property Exposure	57	0
Foreign Currency Risk Exposure	58	0
Exposure to assets in miscellaneous risk requirements	59	0
Exposure to non-liquid assets with Singapore Insurance Fund (for general business)	60	0
<b>Total C3 Requirement (54 to 60)</b>	<b>61</b>	<b>0</b>
<b>Total Risk Requirement of Insurance Fund (33 + 53 + 61)</b>	<b>62</b>	<b>1,624,873</b>

**ANNUAL RETURN: FORM 21 - ADDITIONAL INFORMATION**

**I524C      HSBC INSURANCE (SINGAPORE) PTE. LIMITED**

**Reporting Cycle:    2006   12**

NIL
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ANNUAL RETURN: FORM 22 - STATEMENT IN RELATION TO TOTAL RISK REQUIREMENT OF ASSETS AND LIABILITIES OF REGISTERED INSURER THAT DO NOT BELONG TO ANY INSURANCE FUND ESTABLISHED AND MAINTAINED UNDER THE ACT

Reporting Cycle:

Description
<b>(i) Total Risk Requirement</b>
<b>A. Component 1 Requirement - Insurance Risks</b>
Life Insurance Risk Requirement:
(for participating business only) (2 + 5)
(a) Policy Liability Risk Requirement: (zero or 3 - 4, whichever is higher)
Modified minimum condition liability
Minimum condition liability
(b) Surrender Value Condition Risk Requirement: (zero or 6 - 7, whichever is higher)
Aggregate of surrender values of policies
Higher of 8 or 9:
Sum of total risk requirement and minimum condition liability
Policy liabilities
 Life Insurance Risk Requirement: (other than participating business) (11 + 14)
(a) Policy Liability Risk Requirement: (zero or 12 - 13, whichever is higher)
Modified policy liabilities
Policy liabilities
(b) Surrender Value Condition Risk Requirement: (zero or 15 - 16, whichever is higher)
Aggregate of surrender values of policies
Sum of total risk requirement and policy liabilities
 General Insurance Risk Requirement (for general business) (18 to 19)
(a) Premium liability risk requirement
(b) Claim liability risk requirement
 <b>Total C1 Requirement (1 + 10 + 17)</b>
 <b>B. Component 2 Requirement - Investment Risks and Risks arising from Interest</b>
<b>Rate Sensitivity and Foreign Currency Mismatch between Asset and Liabilities</b>
Equity Investment Risk Requirement: (22 to 23)
(a) Specific Risk Requirement
(b) General Risk Requirement
 Debt Investment and Duration Mismatch Risk Requirement:
(25 or 30, whichever is higher)
(a) Sum of: (26 + 29)
Debt investment risk requirement in an increasing interest rate environment
(27 to 28)

Debt specific risk requirement

Debt general risk requirement

Liability adjustment requirement in an increasing interest rate environment

(b) Sum of: (31 + 34)

Debt investment risk requirement in a decreasing interest rate environment

(32 to 33)

Debt specific risk requirement

Negative of debt general risk requirement

Liability adjustment requirement in a decreasing interest rate environment

Loan Investment Risk Requirement

Property Risk Requirement

Derivative Counterparty Risk Requirement

Miscellaneous Risk Requirement

**Total C2 Requirement (21 + 24 + 35 + 36 + 37 + 38)**

**Total Risk Requirement of Assets and Liabilities of Registered Insurer that do not  
belong to any insurance fund established and maintained under the Act (20 + 39)**

ANNUAL RETURN: FORM 22 - ADDITIONAL INFORMATION

Reporting Cycle:

# ANNUAL RETURN

## FORM 23 - STATEMENT IN RELATION TO CAPITAL ADEQUACY REQUIREMENT OF REGISTERED INSURER

Reporting Cycle:

Description	Row No.
<b>(i) Financial Resources of Registered Insurer</b>	
<b>A. Tier 1 Resource</b>	
Aggregate of surpluses of all insurance funds other than a participating fund	1
Balances in the surplus account of each participating fund	2
Paid-up ordinary share capital	3
Unappropriated profits (losses)	4
Surpluses of Overseas Branch Operations	5
Irredeemable and non-cumulative preference shares	6
Any other capital instrument approved by the Authority as a Tier 1 resource	7
Less:	
Reinsurance adjustment	8
Financial resource adjustment: (10 to 14)	9
(a) loans to, guarantees granted for and other unsecured amounts owed to the registered insurer	10
(b) charged assets	11
(c) deferred tax assets	12
(d) intangible assets	13
(e) other financial resource adjustments	14
<b>Total Tier 1 Resource (1 to 7 less 8 to 9)</b>	<b>15</b>
<b>B. Tier 2 Resource</b>	
Irredeemable and non-cumulative preference shares not recognised as Tier 1 resource	16
Irredeemable and non-cumulative preference shares	17
Other Tier 2 resource	18
<b>Total Tier 2 Resource (16 to 18)</b>	<b>19</b>
<b>C. Aggregate of allowance for provisions for non-guaranteed benefits of participating funds</b>	<b>20</b>
<b>Financial Resources of Registered Insurer (higher of \$5m or 15 + 19 +20)</b>	<b>21</b>
<b>(ii) Total Risk Requirement of Registered Insurer</b>	
(a) Total risk requirements of insurance funds established or maintained under the Act	22
(b) Total risk requirements of assets and liabilities that do not belong to any insurance fund established and maintained under the Act	23
<b>Total Risk Requirement of Registered Insurer (22 to 23)</b>	<b>24</b>
<b>CAPITAL ADEQUACY RATIO (21/24)</b>	<b>25</b>



**ANNUAL RETURN: FORM 23 - ADDITIONAL INFORMATION**

**Reporting Cycle:**