



United Overseas Insurance Limited

Unaudited Results for Period Ended 31 March 2021

Financial Updates

28 April 2021

Private & Confidential

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Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(I)	<u>Underwriting Income</u>				
(i)	Gross Premium Written	27.58	28.02	(0.44)	(1.6)
(ii)	Net Premium Written	13.13	11.78	1.35	11.5
(iii)	Net Earned Premium	11.45	10.84	0.61	5.6

Gross premium decreased by \$0.44 million or 1.6% to \$27.58 million. The decrease was mainly in Other Accident class of insurance, such as Travel insurance, which was affected by the COVID-19 pandemic.

Net earned premium increased by \$0.61 million or 5.6% to \$11.45 million mainly due to higher net premium written in the current period as a result of higher retention.

Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(II)	<u>Underwriting Expenses</u>				
(i)	Net Claims Incurred	4.02	4.38	(0.36)	(8.2)
(ii)	Net Commission Income	0.94	1.89	(0.95)	(50.3)
(iii)	Management Expenses	3.80	3.52	0.28	8.0

Net claims incurred decreased by \$0.36 million or 8.2%. Net commission income decreased by \$0.95 million due to lower commission recovery from reinsurers. Management expenses increased by 8.0% to \$3.80 million. This was mainly due to expenses related to office property and higher telemarketing expenses.

Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(III)	<u>Profit Components</u>				
(i)	Net Underwriting Profit	4.57	4.83	(0.26)	(5.4)
(ii)	Non-Underwriting Income	2.47	(0.40)	2.87	NM
(iii)	Net Profit Before Tax	7.04	4.43	2.61	58.9

Consequently, underwriting profit decreased by 5.4% to \$4.57 million.

Non-underwriting income was \$2.47 million as compared to a loss of \$0.40 million in the corresponding period last year. The increase was due mainly to favourable exchange rate movements in the current period.

Consequently, overall profit before tax increased by \$2.61 million or 58.9% to \$7.04 million.

NM = Not Meaningful

Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(IV)	<u>Comprehensive Income</u>				
(i)	Net Profit After Tax	5.89	3.71	2.18	58.8
(ii)	Other Comprehensive Income, Net of Tax	11.28	(22.70)	33.98	149.7
(iii)	Total Comprehensive Income	17.17	(18.99)	36.16	190.4

Other comprehensive income, net of tax recorded an income of \$11.28 million instead of a loss of \$22.70 million in the corresponding period last year due mainly to mark-to-market gains of equity investments.

Overall, total comprehensive income increased by \$36.16 million or 190.4%, when compared to the corresponding period last year due to better performance of investment.

Review of Performance

	Description	3M21	3M20	3M21/3M20	
				Inc/(Decr)	<u>%</u>
(V)	Return on Equity (%)	5.5	3.6	1.9 pt	-
(VI)	Total Assets (S\$m)	659.10	616.07	43.03	7.0
(VII)	Return on Assets (%)	3.6	2.3	1.3 pt	-
(VIII)	Net Asset Value Per Share (S\$)	7.22	6.53	0.69	10.6

The Company's return on equity increased from 3.6% to 5.5%.

Total assets of the Company increased by 7.0% to \$659.10 million this year.

Return on assets increased from 2.3% to 3.6% this year.

Net asset value per share increased from \$6.53 to \$7.22.

Review of Performance

	Description	3M21	3M20	Increase / (Decrease) % - pt
		<u>%</u>	<u>%</u>	<u>%</u>
(IX)	Ratios			
(i)	Net Incurred Loss Ratio	35.1	40.3	- 5.2
(ii)	Net Commission Ratio	(8.2)	(17.4)	+ 9.2
(iii)	Management Expenses Ratio	33.2	32.5	+ 0.7
(iv)	Underwriting Profit Ratio	40.0	44.6	- 4.6

- (i) Net incurred loss ratio is computed by dividing net claims incurred by net earned premium.
- (ii) Net commission ratio is computed by dividing net commission by net earned premium. When this ratio is in negative, net commission is an income to the Company.
- (iii) Management expenses ratio is computed by dividing management expenses for insurance operations by net earned premium.
- (iv) Underwriting profit ratio is computed by dividing net underwriting profit by net earned premium.

Thank You

