



United Overseas Insurance Limited

Unaudited Results for Period Ended 31 March 2023

Financial Highlights

20 April 2023

Private and Confidential

Review of Performance

	Description	3M23	3M22	3M23/3M22	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(I)	<u>Underwriting Income</u>				
(i)	Gross Premium Written	27.59	27.90	(0.31)	(1.1)
(ii)	Net Premium Written	12.23	13.22	(0.99)	(7.5)
(iii)	Net Earned Premium	11.38	12.20	(0.82)	(6.7)

Gross premium decreased by \$0.31 million or 1.1% to \$27.59 million. All classes of insurance saw a decrease except for Other Accident.

Net earned premium decreased by \$0.82 million or 6.7% to \$11.38 million mainly due to lower net premium written in the current period.

Note: The Company's financial results for 1Q 2023 are prepared based on SFRS(I) 4 Insurance Contracts.

Review of Performance

	Description	3M23	3M22	3M23/3M22	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(II)	<u>Underwriting Expenses</u>				
(i)	Net Claims Incurred	4.03	4.60	(0.57)	(12.4)
(ii)	Net Commission (Expenses) / Income	(0.03)	1.66	(1.69)	(101.8)
(iii)	Management Expenses	3.86	3.68	0.18	4.9

Net claims incurred decreased by \$0.57 million or 12.4%. Lower claims were noted in Property, Employers' Liability and Reinsurance lines of business.

Net commission income decreased by \$1.69 million due to lower commission recovery from reinsurers.

Management expenses increased by 4.9% to \$3.86 million. This was mainly due to higher software maintenance expenses arising from our digitalisation initiatives.

Review of Performance

	Description	3M23	3M22	3M23/3M22	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(III)	<u>Profit Components</u>				
(i)	Net Underwriting Profit	3.46	5.58	(2.12)	(38.0)
(ii)	Non-Underwriting Income / (Loss)	2.21	(0.12)	2.33	NM
(iii)	Net Profit Before Tax	5.67	5.46	0.21	3.8

Consequently, underwriting profit decreased by 38.0% to \$3.46 million.

Non-underwriting income increased by \$2.33 million to \$2.21 million in comparison to the loss of \$0.12 million in the corresponding period last year. The increase was due mainly to higher interest and dividends received and lower losses from investments.

Overall profit before tax increased by \$0.21 million or 3.8% to \$5.67 million.

NM = Not Meaningful

Review of Performance

	Description	3M23	3M22	3M23/3M22	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(IV)	<u>Comprehensive Income</u>				
(i)	Net Profit After Tax	4.71	4.60	0.11	2.4
(ii)	Other Comprehensive Income / (Loss), Net of Tax	2.58	(15.16)	17.74	117.0
(iii)	Total Comprehensive Income / (Loss)	7.29	(10.56)	17.85	169.0

Other comprehensive income, net of tax recorded a profit of \$2.58 million as compared to a loss of \$15.16 million in the corresponding period last year due to mark-to-market gains of investments. This result was largely attributed to the improvements in the current investment climate.

Overall, total comprehensive income increased by \$17.85 million or 169.0%, when compared to the corresponding period last year due to favourable market conditions.

Review of Performance

	Description	3M23	3M22	3M23/3M22	
				<u>Inc / (Decr)</u>	<u>%</u>
(V)	Return on Equity (%)	4.5	4.2	0.3 pt	-
(VI)	Total Assets (S\$m)	627.32	645.33	(18.01)	(2.8)
(VII)	Return on Assets (%)	3.0	2.8	0.2 pt	-
(VIII)	Net Asset Value Per Share (S\$)	6.98	7.16	(0.18)	(2.5)

The Company's return on equity increased from 4.2% to 4.5%.

Total assets of the Company decreased by 2.8% to \$627.32 million this year.

Return on assets increased from 2.8% to 3.0% this year.

Net asset value per share decreased from \$7.16 to \$6.98.

Review of Performance

	Description	3M23	3M22	Increase / (Decrease) % - pt
		<u>%</u>	<u>%</u>	<u>% pt</u>
(IX)	<u>Ratios</u>			
(i)	Net Incurred Loss Ratio	35.4	37.7	(2.3)
(ii)	Net Commission Ratio	0.3	(13.6)	13.9
(iii)	Management Expenses Ratio	33.9	30.2	3.7
(iv)	Underwriting Profit Ratio	30.4	45.8	(15.4)

- (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.

