



United Overseas Insurance Limited

Unaudited Results for Period Ended 30 September 2021

Financial Updates

20 October 2021

Private & Confidential

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Review of Performance

	Description	9M21	9M20	9M21/9M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(I)	<u>Underwriting Income</u>				
(i)	Gross Premium Written	77.31	77.85	(0.54)	(0.7)
(ii)	Net Premium Written	32.54	30.56	1.98	6.5
(iii)	Net Earned Premium	30.18	29.94	0.24	0.8

Gross premium decreased by \$0.54 million or 0.7% to \$77.31 million. The decrease was across all classes of insurance except motor, marine and reinsurance.

Net earned premium increased by \$0.24 million or 0.8% to \$30.18 million mainly due to higher net premium written in the current period as a result of higher retention.

Review of Performance

	Description	9M21	9M20	9M21/9M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(II)	<u>Underwriting Expenses</u>				
(i)	Net Claims Incurred	8.48	9.77	(1.29)	(13.2)
(ii)	Net Commission Income	1.65	2.06	(0.41)	(19.9)
(iii)	Management Expenses	11.12	9.86	1.26	12.8

Net claims incurred decreased by \$1.29 million or 13.2%. The decrease was due mainly to lower claims in Reinsurance class of business. Net commission income decreased by \$0.41 million due to lower commission recovery from reinsurers. Management expenses increased by 12.8% to \$11.12 million. This was mainly due to expenses related to office property and lower amount of support from the government's Jobs Support Scheme in the current period.

Review of Performance

	Description	9M21	9M20	9M21/9M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(III)	<u>Profit Components</u>				
(i)	Net Underwriting Profit	12.23	12.37	(0.14)	(1.1)
(ii)	Non-Underwriting Income	8.09	5.75	2.34	40.7
(iii)	Net Profit Before Tax	20.32	18.12	2.20	12.1

Consequently, underwriting profit decreased by 1.1% to \$12.23 million.

Non-underwriting income increased by 40.7% to \$8.09 million. The increase was due mainly to favourable exchange rate movements in the current period.

Consequently, overall profit before tax increased by \$2.20 million or 12.1% to \$20.32 million.

Review of Performance

	Description	9M21	9M20	9M21/9M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
(IV)	<u>Comprehensive Income</u>				
(i)	Net Profit After Tax	17.14	15.15	1.99	13.1
(ii)	Other Comprehensive Income, Net of Tax	8.08	(11.75)	19.83	168.8
(iii)	Total Comprehensive Income	25.22	3.40	21.82	641.8

Other comprehensive income, net of tax recorded an income of \$8.08 million instead of a loss of \$11.75 million in the corresponding period last year mainly due to realized gains from sales of equities and mark-to-market gains from equities.

Overall, total comprehensive income increased by \$21.82 million, when compared to the corresponding period last year due to better performance of investment portfolio.

Review of Performance

	Description	9M21	9M20	9M21/9M20	
				Inc/(Decr)	%
(V)	Return on Equity (%)	5.2	4.9	0.3 pt	-
(VI)	Total Assets (S\$m)	649.51	641.42	8.09	1.3
(VII)	Return on Assets (%)	3.5	3.2	0.3 pt	-
(VIII)	Net Asset Value Per Share (S\$)	7.14	6.66	0.48	7.2

The Company's return on equity increased from 4.9% to 5.2%.

Total assets of the Company increased by 1.3% to \$649.51 million this year.

Return on assets increased from 3.2% to 3.5% this year.

Net asset value per share increased from \$6.66 to \$7.14.

Review of Performance

	Description	9M21	9M20	Increase / (Decrease) % - pt
		<u>%</u>	<u>%</u>	<u>%</u>
(IX)	Ratios			
(i)	Net Incurred Loss Ratio	28.1	32.6	- 4.5
(ii)	Net Commission Ratio	(5.5)	(6.9)	+ 1.4
(iii)	Management Expenses Ratio	36.9	32.9	+ 4.0
(iv)	Underwriting Profit Ratio	40.5	41.3	- 0.8

- (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

