

NEWS RELEASE

To : All Shareholders

The Board of Directors of United Overseas Insurance Limited wishes to make the following announcement:

1. Unaudited income statement for the nine months/third quarter ended 30 September 2014

	Group					
	9 Months 2014	9 Months 2013	Incr/ (Decr)	3rd Qtr 2014	3rd Qtr 2013	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
(a) Gross premiums written	85,468	87,994	(2.9)	22,715	24,346	(6.7)
Net earned premiums	32,973	32,982	-	10,646	10,898	(2.3)
Less/(Add) :						
Net claims incurred	13,121	14,024	(6.4)	4,852	4,062	19.4
Net commissions	62	(1,034)	NM	5	262	(98.1)
Management expenses :						
Staff cost	5,082	4,617	10.1	1,767	1,498	18.0
Rental expenses	938	890	5.4	313	306	2.3
Depreciation	72	78	(7.7)	27	25	8.0
Foreign exchange loss	21	78	(73.1)	(1)	34	NM
Other operating expenses	1,422	2,130	(33.2)	47	784	(94.0)
Underwriting profit	12,255	12,199	0.5	3,636	3,927	(7.4)
Gross dividends from investments	4,611	4,459	3.4	1,527	1,537	(0.7)
Interest income from investments	4,971	4,650	6.9	1,701	1,463	16.3
Interest on fixed deposits and bank balances	78	63	23.8	25	20	25.0
Amortisation of investments	(65)	20	NM	(23)	7	NM
Miscellaneous income	75	25	NM	73	2	NM
Net fair value losses on financial derivatives - realised	(298)	(1,601)	(81.4)	(93)	(1,229)	(92.4)
Net fair value (losses)/gains on financial derivatives - unrealised	(125)	581	NM	(1,000)	1,503	NM
Net gains on disposal of available-for-sale investments	8,973	4,597	95.2	588	1,315	(55.3)
(Less)/Add :						
Management expenses not charged to insurance revenue account:						
Management fees	(727)	(705)	3.1	(239)	(236)	1.3
Other operating expenses	(330)	(381)	(13.4)	(115)	(180)	(36.1)
Exchange differences	1,325	1,462	(9.4)	1,057	(379)	NM
Non-underwriting income	18,488	13,170	40.4	3,501	3,823	(8.4)
Profit before tax	30,743	25,369	21.2	7,137	7,750	(7.9)
Tax expense	(5,351)	(4,046)	32.3	(1,126)	(1,228)	(8.3)
Profit from continuing operations, net of tax	25,392	21,323	19.1	6,011	6,522	(7.8)
Loss from discontinued operation, net of tax	-	(104)	(100.0)	-	(13)	(100.0)
Profit attributable to:						
Equity holders of the Company	25,392	21,219	19.7	6,011	6,509	(7.7)

Note : NM = Not Meaningful

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1. Unaudited income statement for the nine months/third quarter ended 30 September 2014 (cont'd)

	Group					
	9 Months 2014	9 Months 2013	Incr/ (Decr)	3rd Qtr 2014	3rd Qtr 2013	Incr/ (Decr)
			%			%
(b) Annualised earnings per share from continuing operations:						
Basic and diluted (cents)	53.3	46.5	14.6	39.3	42.7	(8.0)
(c) Annualised earnings per share :						
Basic and diluted (cents)	53.3	46.3	15.1	39.3	42.6	(7.7)

2. Unaudited statement of comprehensive income for the nine months/third quarter ended 30 September 2014

	Group					
	9 Months 2014	9 Months 2013	Incr/ (Decr)	3rd Qtr 2014	3rd Qtr 2013	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit	25,392	21,219	19.7	6,011	6,509	(7.7)
Other comprehensive income :						
Foreign currency translation difference	(191)	201	NM	-	(34)	(100.0)
Net gains/(losses) on available-for-sale investments	840	(6,059)	NM	(5,233)	3,460	NM
Income tax relating to available-for-sale investments	(140)	1,039	NM	891	(580)	NM
Other comprehensive income for the nine months /3rd Quarter ended 30 September, net of tax	509	<u>(4,819)</u>	NM	(4,342)	<u>2,846</u>	NM
Total comprehensive income for the nine months/3rd Quarter ended 30 September	25,901	<u>16,400</u>	57.9	1,669	<u>9,355</u>	(82.2)
Attributable to:						
Total comprehensive income from continuing operations, net of tax	25,901	16,303	58.9	1,669	9,402	(82.2)
Total comprehensive income from discontinued operation, net of tax	-	97	(100.0)	-	(47)	(100.0)
Total comprehensive income attributable to equity holders of the Company	25,901	<u>16,400</u>	57.9	1,669	<u>9,355</u>	(82.2)

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3. Unaudited statement of financial position

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-14</u>	<u>31-Dec-13</u>	<u>30-Sep-14</u>	<u>31-Dec-13</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(a) Share capital - Issued and fully paid	91,733	91,733	91,733	91,733
Reserves	204,710	189,205	204,710	186,830
	<u>296,443</u>	<u>280,938</u>	<u>296,443</u>	<u>278,563</u>
Liabilities				
Insurance creditors	24,942	20,473	24,942	20,473
Non-trade creditors and accrued liabilities	3,652	3,187	3,652	3,187
Amount owing to related companies	190	2,020	190	9,326
Derivative financial liabilities	997	850	997	850
Tax payable	8,642	5,833	8,642	5,833
Deferred tax liabilities	3,718	3,578	3,718	3,578
Deferred acquisition cost - reinsurers' share	10,160	9,890	10,160	9,890
Gross technical balances				
- Reserve for unexpired risks	69,071	65,143	69,071	65,143
- Reserve for outstanding claims	166,489	170,095	166,489	170,095
	<u>287,861</u>	<u>281,069</u>	<u>287,861</u>	<u>288,375</u>
	<u>584,304</u>	<u>562,007</u>	<u>584,304</u>	<u>566,938</u>
Assets				
Bank balances and fixed deposits	56,721	47,269	56,721	47,269
Insurance debtors	19,390	12,121	19,390	12,121
Non-trade debtors and accrued interest receivable	2,793	2,597	2,793	2,597
Derivative financial assets	29	7	29	7
Associated company	1	1	1	1
Available-for-sale investments	353,001	347,403	353,001	347,403
Unsecured term loan	-	13	-	13
Fixed assets	310	256	310	256
Deferred acquisition cost - gross	8,702	8,295	8,702	8,295
Reinsurers' share of technical balances				
- Reserve for unexpired risks	42,624	39,700	42,624	39,700
- Reserve for outstanding claims	100,733	104,336	100,733	104,336
	<u>584,304</u>	<u>561,998</u>	<u>584,304</u>	<u>561,998</u>
Investment in subsidiary	-	-	-	4,940
Assets of discontinued operation	-	9	-	-
	<u>584,304</u>	<u>562,007</u>	<u>584,304</u>	<u>566,938</u>
(b) Net asset value per share (S\$)	4.85	4.59	4.85	4.56
Number of shares issued ('000)	61,155	61,155	61,155	61,155

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4. Unaudited Group statement of changes in equity

	Share capital \$'000	General reserve \$'000	Available- for-sale investment reserve \$'000	Retained profits \$'000	Reserve of * discontinued operation \$'000	Total \$'000
Balance at 1 January 2014	91,733	22,880	17,928	149,919	(1,522)	280,938
Profit net of tax	-	-	-	25,392	-	25,392
Other comprehensive income for the nine months ended 30 September	-	-	700	-	(191)	509
Total comprehensive income for the nine months ended 30 September	-	-	700	25,392	(191)	25,901
Liquidation of its subsidiary	-	-	-	(1,713)	1,713	-
Dividend for Year 2013	-	-	-	(8,561)	-	(8,561)
Dividend for Year 2014	-	-	-	(1,835)	-	(1,835)
Balance at 30 September 2014	91,733	22,880	18,628	163,202	-	296,443
Balance at 1 January 2013	91,733	22,880	16,437	132,939	(1,769)	262,220
Profit net of tax	-	-	-	21,219	-	21,219
Other comprehensive income for the nine months ended 30 September	-	-	(5,020)	-	201	(4,819)
Total comprehensive income for the nine months ended 30 September	-	-	(5,020)	21,219	201	16,400
Dividend for Year 2012	-	-	-	(8,561)	-	(8,561)
Dividend for Year 2013	-	-	-	(1,835)	-	(1,835)
Balance at 30 September 2013	91,733	22,880	11,417	143,762	(1,568)	268,224
Balance at 1 July 2014	91,733	22,880	22,970	159,026	-	296,609
Profit net of tax	-	-	-	6,011	-	6,011
Other comprehensive income for the quarter ended 30 September	-	-	(4,342)	-	-	(4,342)
Total comprehensive income for the quarter ended 30 September	-	-	(4,342)	6,011	-	1,669
Dividend for Year 2014	-	-	-	(1,835)	-	(1,835)
Balance at 30 September 2014	91,733	22,880	18,628	163,202	-	296,443
Balance at 1 July 2013	91,733	22,880	8,537	139,088	(1,534)	260,704
Profit net of tax	-	-	-	6,509	-	6,509
Other comprehensive income for the quarter ended 30 September	-	-	2,880	-	(34)	2,846
Total comprehensive income for the quarter ended 30 September	-	-	2,880	6,509	(34)	9,355
Dividend for Year 2013	-	-	-	(1,835)	-	(1,835)
Balance at 30 September 2013	91,733	22,880	11,417	143,762	(1,568)	268,224

* Hong Kong subsidiary was dissolved on 29 July 2014.

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5. Unaudited Company statement of changes in equity

	Share capital \$'000	General reserve \$'000	Available- for-sale investment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2014	91,733	22,880	17,928	146,022	278,563
Profit net of tax	-	-	-	27,576	27,576
Other comprehensive income for the nine months ended 30 September	-	-	700	-	700
Total comprehensive income for the nine months ended 30 September	-	-	700	27,576	28,276
Dividend for Year 2013	-	-	-	(8,561)	(8,561)
Dividend for Year 2014	-	-	-	(1,835)	(1,835)
Balance at 30 September 2014	91,733	22,880	18,628	163,202	296,443
Balance at 1 January 2013	91,733	22,880	16,437	128,933	259,983
Profit net of tax	-	-	-	21,323	21,323
Other comprehensive income for the nine months ended 30 September	-	-	(5,020)	-	(5,020)
Total comprehensive income for the nine months ended 30 September	-	-	(5,020)	21,323	16,303
Dividend for Year 2012	-	-	-	(8,561)	(8,561)
Dividend for Year 2013	-	-	-	(1,835)	(1,835)
Balance at 30 September 2013	91,733	22,880	11,417	139,860	265,890
Balance at 1 July 2014	91,733	22,880	22,970	159,026	296,609
Profit net of tax	-	-	-	6,011	6,011
Other comprehensive income for the quarter ended 30 September	-	-	(4,342)	-	(4,342)
Total comprehensive income for the quarter ended 30 September	-	-	(4,342)	6,011	1,669
Dividend for Year 2014	-	-	-	(1,835)	(1,835)
Balance at 30 September 2014	91,733	22,880	18,628	163,202	296,443
Balance at 1 July 2013	91,733	22,880	8,537	135,173	258,323
Profit net of tax	-	-	-	6,522	6,522
Other comprehensive income for the quarter ended 30 September	-	-	2,880	-	2,880
Total comprehensive income for the quarter ended 30 September	-	-	2,880	6,522	9,402
Dividend for Year 2013	-	-	-	(1,835)	(1,835)
Balance at 30 September 2013	91,733	22,880	11,417	139,860	265,890

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6. Unaudited statement of cash flows

	Group			
	9 Months	9 Months	3rd Qtr	3rd Qtr
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax from continuing operations	30,743	25,369	7,137	7,750
Loss before tax from discontinued operation	-	(104)	-	(13)
	30,743	25,265	7,137	7,737
Adjustments for:				
Movement in net reserve for unexpired risks	1,004	2,619	(1,046)	(111)
Movement in net deferred acquisition costs	(137)	(28)	(58)	(185)
Movement in net outstanding claims	(3)	2,953	(132)	1,205
Net fair value losses/(gains) on financial derivatives - unrealised	125	(581)	1,000	(1,503)
Depreciation	72	78	27	25
Net gains on disposal of available-for-sale investments	(8,973)	(4,597)	(588)	(1,315)
Amortisation of Investments	65	(20)	23	(7)
Gross dividends from investments	(4,611)	(4,459)	(1,527)	(1,537)
Interest income from investments	(4,971)	(4,650)	(1,701)	(1,463)
Interest on fixed deposits and bank balances	(78)	(63)	(25)	(20)
Exchange differences	(1,156)	(1,667)	(1,064)	218
Operating profit before working capital change	12,080	14,850	2,046	3,044
Changes in working capital:				
Trade and other receivables	(7,465)	(5,276)	(940)	3,355
Trade and other payables	4,934	8,927	496	(3,447)
Amount owing to related companies	(1,830)	(285)	(506)	73
Cash generated from operations	7,719	18,216	1,096	3,025
Tax paid	(2,533)	(6,946)	(1,361)	(3,476)
Net cash flows from/(used in) operating activities	5,186	11,270	(265)	(451)
Cash flows from investing activities				
Proceeds from sale of available-for-sale investments	93,826	123,379	15,444	71,606
Purchase of available-for-sale investments	(88,520)	(107,350)	(10,070)	(42,348)
Purchase of fixed assets	(126)	(29)	(96)	(26)
(Placement in)/proceeds from long-term fixed deposits	(517)	2,985	(509)	(2,013)
Unsecured term loans	13	-	-	-
Gross dividends from investments	4,611	4,459	1,527	1,537
Interest income from investments	4,971	4,650	1,701	1,463
Interest on fixed deposits and bank balances	78	63	25	20
Net cash flows from investing activities	14,336	28,157	8,022	30,239
Cash flow from financing activity				
Dividend paid	(10,396)	(10,396)	(1,835)	(1,835)
Cash flow used in financing activity	(10,396)	(10,396)	(1,835)	(1,835)
Translation difference on foreign subsidiary company	(191)	201	-	(34)
Net increase in cash and cash equivalents	8,935	29,232	5,922	27,919
Cash and cash equivalents at beginning of period	43,871	36,024	46,884	37,337
Cash and cash equivalents at end of period	52,806	65,256	52,806	65,256

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6. Unaudited statement of cash flows (cont'd)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the year :

	Group	
	9 Months	9 Months
	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Cash and bank balances	12,338	15,072
Fixed deposits placement less than 3 months	40,468	50,184
Cash and cash equivalents	52,806	65,256
Fixed deposits placement more than 3 months	3,915	4,399
	<u>56,721</u>	<u>69,655</u>

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7. Segment information

	<u>SIF</u> \$'000	<u>OIF</u> \$'000	<u>SHF</u> \$'000	<u>HK Subsidiary*</u> \$'000	<u>Consolidated</u> \$'000
<u>For nine months ended 30 September 2014</u>					
Gross premiums written	69,831	15,637	-	-	85,468
Net earned premiums	25,359	7,614	-	-	32,973
Net claims incurred	10,645	2,476	-	-	13,121
Net commissions	(1,504)	1,566	-	-	62
Management expenses	6,459	1,076	-	-	7,535
Underwriting profit	9,759	2,496	-	-	12,255
Interest income from investments	2,790	470	1,711	-	4,971
Interest on fixed deposits and bank balances	38	24	16	-	78
Other income	4,221	547	8,403	-	13,171
Management income/(expenses) not charged to insurance revenue account	77	(33)	224	-	268
Profit before tax	16,885	3,504	10,354	-	30,743
Tax expense	(2,870)	(350)	(2,131)	-	(5,351)
Profit after tax	14,015	3,154	8,223	-	25,392
Segment total assets as at 30 September 2014	357,473	65,743	161,088	-	584,304
Segment total liabilities as at 30 September 2014	243,954	36,622	7,285	-	287,861
<u>For nine months ended 30 September 2013</u>					
Gross premiums written	71,446	16,548	-	-	87,994
Net earned premiums	24,633	8,349	-	-	32,982
Net claims incurred	11,575	2,449	-	-	14,024
Net commissions	(3,028)	1,994	-	-	(1,034)
Management expenses	6,700	1,093	-	-	7,793
Underwriting profit	9,386	2,813	-	-	12,199
Interest income from investments	2,701	379	1,570	-	4,650
Interest on fixed deposits and bank balances	29	27	7	-	63
Other income	3,640	628	3,813	-	8,081
Management income/(expenses) not charged to insurance revenue account	410	(30)	(4)	-	376
Profit before tax	16,166	3,817	5,386	-	25,369
Tax expense	(2,748)	(382)	(916)	-	(4,046)
Profit from continuing operations, net of tax	13,418	3,435	4,470	-	21,323
Loss from discontinued operation, net of tax	-	-	-	(104)	(104)
Profit after tax	13,418	3,435	4,470	(104)	21,219
Segment total assets as at 30 September 2013	321,412	53,256	152,170	9	526,847
Segment total liabilities as at 30 September 2013	225,837	28,471	4,315	-	258,623

*Hong Kong subsidiary was dissolved on 29 July 2014.

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7. Segment information (cont'd)

	<u>SIF</u> \$'000	<u>OIF</u> \$'000	<u>SHF</u> \$'000	<u>HK Subsidiary*</u> \$'000	<u>Consolidated</u> \$'000
<u>3 months ended 30 September 2014</u>					
Gross premiums written	19,631	3,084	-	-	22,715
Net earned premiums	8,492	2,154	-	-	10,646
Net claims incurred	4,476	376	-	-	4,852
Net commissions	(202)	207	-	-	5
Management expenses	1,613	540	-	-	2,153
Underwriting profit	2,605	1,031	-	-	3,636
Interest income from investments	950	162	589	-	1,701
Interest on fixed deposits and bank balances	14	8	3	-	25
Other income	454	(47)	665	-	1,072
Management income/(expenses) not charged to insurance revenue account	436	74	193	-	703
Profit before tax	4,459	1,228	1,450	-	7,137
Tax expense	(758)	(122)	(246)	-	(1,126)
Profit after tax	3,701	1,106	1,204	-	6,011
Segment total assets as at 30 September 2014	357,473	65,743	161,088	-	584,304
Segment total liabilities as at 30 September 2014	243,954	36,622	7,285	-	287,861
<u>3 months ended 30 September 2013</u>					
Gross premiums written	20,494	3,852	-	-	24,346
Net earned premiums	8,388	2,510	-	-	10,898
Net claims incurred	3,764	298	-	-	4,062
Net commissions	(421)	683	-	-	262
Management expenses	2,093	554	-	-	2,647
Underwriting profit	2,952	975	-	-	3,927
Interest income from investment	840	118	505	-	1,463
Interest on fixed deposits and bank balances	9	8	3	-	20
Other income	1,342	229	1,564	-	3,135
Management income/(expenses) not charged to insurance revenue account	(347)	(51)	(397)	-	(795)
Profit before tax	4,796	1,279	1,675	-	7,750
Tax expense	(815)	(128)	(285)	-	(1,228)
Profit from continuing operations, net of tax	3,981	1,151	1,390	-	6,522
Loss from discontinued operation, net of tax	-	-	-	(13)	(13)
Profit after tax	3,981	1,151	1,390	(13)	6,509
Segment total assets as at 30 September 2013	321,412	53,256	152,170	9	526,847
Segment total liabilities as at 30 September 2013	225,837	28,471	4,315	-	258,623

*Hong Kong subsidiary was dissolved on 29 July 2014.

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7. Segment information (cont'd)

The Group is principally engaged in the business of underwriting general insurance. With different operating segments, its businesses are segregated into separate fund accounts in accordance with the requirements of the Singapore Insurance Act (Chapter 142).

As required under the Singapore Insurance Act, the Company has established and maintained a Singapore Insurance Fund (SIF) for insurance business relating to Singapore policies and an Offshore Insurance Fund (OIF) for insurance business relating to offshore policies. Shareholders' Fund (SHF) relates to the Company's investment activities of its non-insurance funds.

The HK Subsidiary refers to the Company's wholly-owned subsidiary, UOB Insurance (H.K.) Limited, incorporated in Hong Kong S.A.R. The liquidation of the HK Subsidiary was completed on 29 April 2014 and it was dissolved on 29 July 2014.

The segment information has been prepared in accordance with the Group's accounting policy and Singapore Financial Reporting Standards (FRS).

Information about major external customer

For the nine months/third quarter ended 30 September 2014 and the corresponding period last year, the Group did not have any external customer whose premium income exceeded 10% of the Group's total revenue.

Geographical information

Geographical information of the Group's revenue derived from external customers based on location of insurance risks and non-current assets are as follows:

	<u>Revenue</u>		<u>Non-current assets as at</u>	
	<u>9 Months</u> <u>2014</u> \$'000	9 Months <u>2013</u> \$'000	<u>9 Months</u> <u>2014</u> \$'000	9 Months <u>2013</u> \$'000
Singapore	63,006	64,667	310	250
Asean	11,432	10,330	-	-
Others	3,390	4,875	-	-
	<u>77,828</u>	<u>79,872</u>	<u>310</u>	<u>250</u>

	<u>Revenue</u>		<u>Non-current assets as at</u>	
	<u>3rd Qtr</u> <u>2014</u> \$'000	3rd Qtr <u>2013</u> \$'000	<u>3rd Qtr</u> <u>2014</u> \$'000	3rd Qtr <u>2013</u> \$'000
Singapore	18,994	19,776	310	250
Asean	2,713	1,712	-	-
Others	808	1,886	-	-
	<u>22,515</u>	<u>23,374</u>	<u>310</u>	<u>250</u>

The Group's non-current assets presented above consist of fixed assets only.

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8. Review of performance

Highlights and Performance Indicators for the Group's continuing operations

\$'000	9 Months 2014	9 Months 2013	9M14/ 9M13 %	3rd Quarter 2014	3rd Quarter 2013	3Q14/ 3Q13 %
Gross premiums written	85,468	87,994	- 2.9	22,715	24,346	- 6.7
Underwriting profit	12,255	12,199	+ 0.5	3,636	3,927	- 7.4
Non-underwriting Income	18,488	13,170	+40.4	3,501	3,823	- 8.4
Profit before tax	30,743	25,369	+21.2	7,137	7,750	- 7.9

9 Months 2014 ("9M14") versus 9 Months 2013 ("9M13")

Gross premiums decreased by \$2.5 million or 2.9% to \$85.5 million due mainly to portfolio pruning by management while net earned premiums remained at \$33.0 million when compared against the same period last year. Net claims incurred reduced by \$0.9 million or 6.4% due mainly to improvements in statutory classes of insurance and offshore business. Net commissions increased by \$1.1 million. Management expenses decreased by \$0.3 million or 3.3%. Consequently, underwriting profit increased by 0.5% to \$12.3 million.

Non-underwriting income increased by \$5.3 million to \$18.5 million as compared to \$13.2 million in the corresponding period last year due mainly to higher gains from the sales of investments.

Overall profit before tax increased by 21.2% to \$30.7 million.

3rd Quarter 2014 ("3Q14") versus 3rd Quarter 2013 ("3Q13")

The Group's gross premiums decreased by \$1.6 million or 6.7% to \$22.7 million. Net earned premiums decreased by \$0.3 million or 2.3% in 3Q14 as compared to 3Q13 due to lower net premiums written. Net claims incurred increased by \$0.8 million or 19.4% due mainly to Fire and Work Injury claims. Net commissions decreased by \$0.30 million. Management expenses decreased by \$0.5 million. Consequently, underwriting profit in 3Q14 decreased by \$0.3 million.

The Group recorded a lower non-underwriting income of \$3.5 million in 3Q14.

Profit before tax decreased by \$0.6 million to \$7.1 million due mainly to lower profits from both underwriting and non-underwriting income.

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9. Prospects for the next reporting period and the next 12 months

The potential risk of the spread of Ebola amidst continued geopolitical and economic uncertainties will render the operating environment even more challenging for both underwriting and investments.

However, strict adherence to the Company's judicious management policy will likely ensure consistency in profitability.

10. Accounting policy

The financial statements, expressed in Singapore dollars are prepared in accordance with Singapore Financial Reporting Standards (FRS). The accounting policies and computation methods adopted in the financial statements for the nine months ended 30 September 2014 are the same as those adopted in the preceding year.

11. Dividend

No dividend has been declared for the third quarter ended 30 September 2014.

12. Borrowings, contingent liabilities and loan capital

The Group has maintained strong liquidity for its business operations and has no borrowings, contingent liabilities and loan capital as at 30 September 2014 (30 September 2013: nil).

13. Interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Confirmation by directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to its attention which may render the unaudited group financial results for the nine months ended 30 September 2014 to be false or misleading.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 24th October 2014