

## 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 first quarter ended 31 March 2012

	<b>Group</b>		
	<b>1st Qtr 2012 \$'000</b>	<b>1st Qtr 2011 \$'000</b>	<b>Incr/ (Decr) %</b>
(a) Gross premium written	<b>29,623</b>	<b>26,810</b>	10.5
Net earned premium	<b>10,822</b>	9,627	12.4
Less/(Add) :			
Net claims incurred	<b>3,239</b>	2,423	33.7
Net commissions	<b>(670)</b>	(709)	(5.5)
Management expenses :			
Staff cost	<b>1,488</b>	1,265	17.6
Rental expenses	<b>202</b>	202	-
Management fees	<b>25</b>	17	47.1
Depreciation	<b>33</b>	36	(8.3)
Foreign exchange loss/(gain)	<b>4</b>	(14)	(128.6)
Other operating expenses	<b>682</b>	614	11.1
Underwriting profit	<b>5,819</b>	5,793	0.4
Gross dividends from investments	<b>301</b>	221	36.2
Interest income from investments	<b>1,277</b>	1,174	8.8
Interest on fixed deposits and bank balances	<b>25</b>	14	78.6
Amortisation of Investments	<b>2</b>	(1)	(300.0)
Miscellaneous income	<b>9</b>	4	125.0
Net fair value gains on financial derivatives - realised	<b>1,008</b>	1,015	(0.7)
Net fair value gains/(losses) on financial derivatives - unrealised	<b>162</b>	(718)	(122.6)
Net gains on disposal of available-for-sale investments	<b>1,332</b>	2,535	(47.5)
Less/(Add) :			
Management expenses not charged to insurance revenue account:			
Management fees	<b>173</b>	176	(1.7)
Other operating expenses	<b>68</b>	97	(29.9)
Exchange differences	<b>860</b>	81	NM
Non-underwriting income	<b>3,015</b>	3,890	(22.5)
Profit before tax	<b>8,834</b>	9,683	(8.8)
Tax expense	<b>(1,472)</b>	(1,594)	(7.7)
Net profit	<b>7,362</b>	8,089	(9.0)
Profit attributable to: Equity holders of the Company	<b>7,362</b>	8,089	(9.0)
(b) Annualised earnings per share (cents) - basic and diluted	<b>48.2</b>	52.9	(8.9)

Note : NM = Not Meaningful

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### 2. Unaudited statement of comprehensive income for the first quarter ended 31 March 2012

	<b>Group</b>		
	<b>1st Qtr 2012</b>	<b>1st Qtr 2011</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Net profit	7,362	8,089	(9.0)
<b>Other comprehensive income :</b>			
Foreign currency translation difference	(243)	(140)	73.6
Net gains/(losses) on available-for-sale investments	13,712	(2,156)	NM
Income tax relating to available-for-sale investments	(2,330)	367	NM
<b>Other comprehensive income for the quarter, net of tax</b>	<b>11,139</b>	<b>(1,929)</b>	NM
<b>Total comprehensive income for the quarter ended 31 March</b>	<b>18,501</b>	<b>6,160</b>	200.3
<b>Total comprehensive income attributable to: Equity holders of the Company</b>	<b>18,501</b>	<b>6,160</b>	200.3

Note : NM = Not Meaningful

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### 3. Unaudited statement of financial position

	<u>Group</u>		<u>Company</u>	
	<u>31-Mar-12</u>	<u>31-Dec-11</u>	<u>31-Mar-12</u>	<u>31-Dec-11</u>
	\$'000	\$'000	\$'000	\$'000
(a) Share capital - Issued & fully paid	91,733	91,733	91,733	91,733
Reserves	155,779	137,278	153,230	134,647
	<b>247,512</b>	<b>229,011</b>	<b>244,963</b>	<b>226,380</b>
Deferred tax liabilities	3,131	801	3,131	801
Gross technical balances				
Reserve for unexpired risks	59,678	54,887	59,056	54,417
Provision for outstanding claims	127,425	125,590	126,478	124,612
	<b>187,103</b>	<b>180,477</b>	<b>185,534</b>	<b>179,029</b>
Current liabilities				
Insurance creditors	17,227	12,397	16,872	12,190
Non-trade creditors & accrued liabilities	4,141	2,905	4,051	2,800
Deferred acquisition cost-reinsurers' share	7,091	6,555	7,009	6,492
Amount owing to related companies	747	1,051	747	1,051
Derivative financial liabilities	190	327	190	327
Tax payables	7,232	5,893	7,232	5,926
	<b>36,628</b>	<b>29,128</b>	<b>36,101</b>	<b>28,786</b>
Total equity and liabilities	<b>474,374</b>	<b>439,417</b>	<b>469,729</b>	<b>434,996</b>
Fixed assets	346	379	346	379
Investment in subsidiary	-	-	4,940	4,940
Available-for-sale investments	300,781	283,847	300,781	283,847
Unsecured term loan	16	16	16	16
Reinsurers' share of technical balances				
Reserve for unexpired risks	29,936	26,851	29,455	26,490
Provision for outstanding claims	74,084	72,039	73,237	71,163
	<b>104,020</b>	<b>98,890</b>	<b>102,692</b>	<b>97,653</b>
Current assets				
Insurance debtors	17,711	12,378	17,439	12,198
Deferred acquisition cost-gross	7,167	6,382	7,020	6,277
Non-trade debtors and accrued interest receivable	2,077	1,988	2,068	1,980
Amount owing by related companies	-	-	12	47
Derivative financial assets	47	22	48	22
Bank balances and fixed deposits	42,209	35,515	34,367	27,637
	<b>69,211</b>	<b>56,285</b>	<b>60,954</b>	<b>48,161</b>
Total assets	<b>474,374</b>	<b>439,417</b>	<b>469,729</b>	<b>434,996</b>
(b) Net asset value per share (S\$)	4.05	3.74	4.01	3.70
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	Foreign currency translation reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2012	91,733	22,880	2,784	(1,329)	112,943	229,011
Profit net of tax	-	-	-	-	7,362	7,362
Other comprehensive income for the quarter ended 31 March	-	-	11,382	(243)	-	11,139
Total comprehensive income for the quarter ended 31 March	-	-	11,382	(243)	7,362	18,501
<b>Balance at 31 March 2012</b>	<b>91,733</b>	<b>22,880</b>	<b>14,166</b>	<b>(1,572)</b>	<b>120,305</b>	<b>247,512</b>
Balance at 1 January 2011	91,733	21,880	23,243	(1,440)	102,967	238,383
Profit net of tax	-	-	-	-	8,089	8,089
Other comprehensive income for the quarter ended 31 March	-	-	(1,789)	(140)	-	(1,929)
Total comprehensive income for the quarter ended 31 March	-	-	(1,789)	(140)	8,089	6,160
<b>Balance at 31 March 2011</b>	<b>91,733</b>	<b>21,880</b>	<b>21,454</b>	<b>(1,580)</b>	<b>111,056</b>	<b>244,543</b>

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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 2012	91,733	22,880	2,784	108,983	226,380
Profit net of tax	-	-	-	7,201	7,201
Other comprehensive income for the quarter ended 31 March	-	-	11,382	-	11,382
Total comprehensive income for the quarter ended 31 March	-	-	11,382	7,201	18,583
<b>Balance at 31 March 2012</b>	<b>91,733</b>	<b>22,880</b>	<b>14,166</b>	<b>116,184</b>	<b>244,963</b>
Balance at 1 January 2011	91,733	21,880	23,243	98,990	235,846
Profit net of tax	-	-	-	8,063	8,063
Other comprehensive income for the quarter ended 31 March	-	-	(1,789)	-	(1,789)
Total comprehensive income for the quarter ended 31 March	-	-	(1,789)	8,063	6,274
<b>Balance at 31 March 2011</b>	<b>91,733</b>	<b>21,880</b>	<b>21,454</b>	<b>107,053</b>	<b>242,120</b>

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### 6. Unaudited statement of cash flows

	Group	
	1st Qtr <u>2012</u> \$'000	1st Qtr <u>2011</u> \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	8,834	9,683
Adjustments for:		
Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost)	(2)	(2)
Foreign currency difference on provision for outstanding claims	(3)	(3)
Movement in net reserve for unexpired risks (net of movement in net deferred acquisition cost)	1,459	484
Movement in net outstanding claims	(207)	238
Net fair value (gains)/losses on financial derivatives - unrealised	(162)	718
Depreciation	33	36
Net gains on disposal of available-for-sale investments	(1,332)	(2,535)
Amortisation of Investments	(2)	1
Gross dividends from investments	(301)	(221)
Interest income from investments	(1,277)	(1,174)
Interest on fixed deposits and bank balances	(25)	(14)
Exchange differences	1,351	318
Operating profit before working capital change	<u>8,366</u>	<u>7,529</u>
Changes in working capital:		
Trade and other receivables	(5,422)	(5,418)
Trade and other payables	6,066	3,352
Amount owing by related companies	-	7
Amount owing to related companies	(304)	180
Cash generated from operations	<u>8,706</u>	<u>5,650</u>
Tax (paid)/recovered	(133)	132
<b>Net cash flow from operating activities</b>	<u>8,573</u>	<u>5,782</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of available-for-sale investments	27,168	29,211
Purchase of available-for-sale investments	(30,153)	(17,221)
Maturity of/(placement in) long-term fixed deposits	807	(2)
Gross dividends from investments	301	221
Interest income from investments	1,277	1,174
Interest on fixed deposits and bank balances	25	14
<b>Net cash flow (used in)/from investing activities</b>	<u>(575)</u>	<u>13,397</u>
Translation difference on foreign subsidiary company	(243)	(140)
<b>Net increase in cash and cash equivalents</b>	<u>7,755</u>	<u>19,039</u>
Cash and cash equivalents at beginning of period	29,853	47,681
Effects of exchange rate changes on cash and cash equivalents	(254)	(147)
<b>Cash and cash equivalents at end of period</b>	<u>37,354</u>	<u>66,573</u>

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### 6. Unaudited statement of cash flows (Cont'd)

Bank balances and fixed deposits in the statement of financial position comprise the following :

	<b>Group</b>	
	<b>1st Qtr 2012 \$'000</b>	<b>1st Qtr 2011 \$'000</b>
Cash and bank balances	8,464	18,425
Fixed deposit placement less than 3 months	<b>28,890</b>	48,148
Cash and cash equivalents	<b>37,354</b>	66,573
Fixed deposits placement more than 3 months	<b>4,855</b>	1,464
Bank balances and fixed deposits	<b>42,209</b>	68,037

### 7. Segment information

	<u>SIF</u> \$'000	<u>OIF</u> \$'000	<u>SHE</u> \$'000	<u>HK Subsidiary</u> \$'000	<u>Consolidated</u> \$'000
<b><u>For 3 months ended 31 March 2012</u></b>					
Gross premium written	23,717	5,496	-	410	29,623
Net earned premium	7,777	2,971	-	74	10,822
Net claims incurred	1,707	1,532	-	-	3,239
Net commissions	(1,719)	1,005	-	44	(670)
Management expenses	2,123	226	-	85	2,434
Underwriting profit/(loss)	5,666	208	-	(55)	5,819
Other Income	1,659	224	1,058	5	2,946
Management expenses/(income) not charged to insurance revenue account	84	18	72	(243)	(69)
Profit before tax	7,241	414	986	193	8,834
Segment total assets as at 31 March 2012	280,075	44,410	140,292	9,597	474,374
Segment total liabilities as at 31 March 2012	194,947	26,821	2,986	2,108	226,862
<b><u>For 3 months ended 31 March 2011</u></b>					
Gross premium written	22,774	3,747	-	289	26,810
Net earned premium	7,660	1,909	-	58	9,627
Net claims incurred	1,597	827	-	(1)	2,423
Net commissions	(1,294)	555	-	30	(709)
Management expenses	1,875	167	-	78	2,120
Underwriting profit/(loss)	5,482	360	-	(49)	5,793
Other Income	1,921	382	1,643	1	3,947
Management expenses/(income) not charged to insurance revenue account	66	3	67	(79)	57
Profit before tax	7,337	739	1,576	31	9,683
Segment total assets as at 31 March 2011	266,963	38,696	144,248	9,224	459,131
Segment total liabilities as at 31 March 2011	186,570	22,442	3,714	1,862	214,588

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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 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 quarter ended 31 March 2012 and the preceding period, 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:

	Revenue		Non-current assets	
	1Q2012	1Q2011	1Q2012	1Q2011
	\$'000	\$'000	\$'000	\$'000
Singapore	21,844	20,562	346	449
Asean	3,112	2,955	-	-
Others	2,503	814	-	-
	<b>27,459</b>	<b>24,331</b>	<b>346</b>	<b>449</b>

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

\$'000	1st Quarter 2012	1st Quarter 2011	1Q12/ 1Q11 %
Gross premium written	<b>29,623</b>	26,810	+10.5
Underwriting profit	<b>5,819</b>	5,793	+ 0.4
Non-underwriting income	<b>3,015</b>	3,890	-22.5
Profit before tax	<b>8,834</b>	9,683	- 8.8

#### 1st Quarter 2012 ("1Q12") versus 1st Quarter 2011 ("1Q11")

Gross premium increased by \$2.8 million or 10.5% to \$29.6 million and net earned premium grew by \$1.2 million or 12.4% as compared with the same period of last year. The growth was due mainly to increased business from insurance intermediaries and regional activities. Net commission income decreased by 5.5%. Net claims incurred rose by \$0.8 million or 33.7% due to higher net retention and further claim provisions for losses arising from the floods in Thailand last year. Management expenses increased by \$0.3 million or 14.8% due mainly to certain items now accrued on a monthly basis instead of at the year end.

Underwriting profit grew slightly by \$0.03 million to \$5.8 million due mainly to increased net earned premium from higher net retention of selected risks. Non-underwriting income decreased to \$3.0 million from \$3.9 million in the corresponding period last year due to lower gains from the sale of investments.

Overall profit before tax decreased by 8.8% to \$8.8million.

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

Growing business in a matured and highly competitive market will become more difficult. Meaningful growth will have to depend on the success of new initiatives and the continuing staunch support of the parent bank. In order to sustain the company's track record of uninterrupted underwriting profitability, every endeavour will be made to continue our policy of prudent underwriting. The level of investment income will depend to a large extent upon market condition which likely remains volatile in light of continued economic uncertainties globally.

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### 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 quarter ended 31 March 2012 are the same as those adopted in the preceding year.

### 11. Dividend

No dividend has been declared for the quarter ended 31 March 2012.

### 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 31 March 2012 (31 March 2011: 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 first quarter ended 31 March 2012 to be false or misleading.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN  
SECRETARY

Dated this 2nd May 2012