

## 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 2013

	<b>Group</b>					
	<b>9 Months</b>	9 Months	<b>Incr/</b>	<b>3rd Qtr</b>	3rd Qtr	<b>Incr/</b>
	<b>2013</b>	<u>2012</u>	<b>(Decr)</b>	<b>2013</b>	<u>2012</u>	<b>(Decr)</b>
	<b>\$'000</b>	(Restated)* \$'000	%	<b>\$'000</b>	(Restated)* \$'000	%
(a) Gross premium written	<b>87,994</b>	84,611	4.0	<b>24,346</b>	21,440	13.6
Net earned premium	<b>32,982</b>	34,724	(5.0)	<b>10,898</b>	10,627	2.6
Less/(Add) :						
Net claims incurred	<b>14,024</b>	13,701	2.4	<b>4,062</b>	4,924	(17.5)
Net commissions	<b>(1,034)</b>	(854)	21.1	<b>262</b>	786	(66.7)
Management expenses :						
Staff cost	<b>4,617</b>	4,590	0.6	<b>1,498</b>	1,588	(5.7)
Rental expenses	<b>890</b>	606	46.9	<b>306</b>	202	51.5
Depreciation	<b>78</b>	99	(21.2)	<b>25</b>	33	(24.2)
Foreign exchange loss	<b>78</b>	43	81.4	<b>34</b>	5	NM
Other operating expenses	<b>2,130</b>	2,032	4.8	<b>784</b>	843	(7.0)
Underwriting profit	<b>12,199</b>	14,507	(15.9)	<b>3,927</b>	2,246	74.8
Gross dividends from investments	<b>4,459</b>	3,803	17.2	<b>1,537</b>	1,234	24.6
Interest income from investments	<b>4,650</b>	4,257	9.2	<b>1,463</b>	1,567	(6.6)
Interest on fixed deposits and bank balances	<b>63</b>	59	6.8	<b>20</b>	18	11.1
Amortisation of Investments	<b>20</b>	18	11.1	<b>7</b>	6	16.7
Miscellaneous income	<b>25</b>	15	66.7	<b>2</b>	5	(60.0)
Net fair value (losses)/gains on financial derivatives - realised	<b>(1,601)</b>	1,247	(228.4)	<b>(1,229)</b>	1,423	(186.4)
Net fair value gains on financial derivatives - unrealised	<b>581</b>	998	(41.8)	<b>1,503</b>	135	NM
Net gains on disposal of available-for-sale investments	<b>4,597</b>	5,329	(13.7)	<b>1,315</b>	1,601	(17.9)
(Less)/Add :						
Management expenses not charged to insurance revenue account:						
Management fees	<b>(705)</b>	(568)	24.1	<b>(236)</b>	(209)	12.9
Other operating expenses	<b>(381)</b>	(229)	66.4	<b>(180)</b>	(52)	246.2
Exchange gains/(losses)	<b>1,462</b>	(1,883)	(177.6)	<b>(379)</b>	(1,179)	(67.9)
Non-underwriting income	<b>13,170</b>	13,046	1.0	<b>3,823</b>	4,549	(16.0)
Profit before tax	<b>25,369</b>	27,553	(7.9)	<b>7,750</b>	6,795	14.1
Tax expense	<b>(4,046)</b>	(4,476)	(9.6)	<b>(1,228)</b>	(1,106)	11.0
Profit from continuing operations, net of tax	<b>21,323</b>	23,077	(7.6)	<b>6,522</b>	5,689	14.6
(Loss)/profit from discontinued operation, net of tax	<b>(104)</b>	170	(161.2)	<b>(13)</b>	152	(108.6)
Profit attributable to:						
Equity holders of the Company	<b>21,219</b>	23,247	(8.7)	<b>6,509</b>	5,841	11.4

Note : NM = Not Meaningful

\* Restated due to cessation of operation of Hong Kong subsidiary with effect from 1 September 2012.

## NEWS RELEASE

### 1. Unaudited income statement for the nine months/third quarter ended 30 September 2013 (continued)

	<b>Group</b>					
	<b>9 Months 2013</b>	9 Months 2012 (Restated)*	<b>Incr/ (Decr) %</b>	<b>3rd Qtr 2013</b>	3rd Qtr 2012 (Restated)*	<b>Incr/ (Decr) %</b>
(b) Annualised earnings per share from continuing operations: Basic and diluted (cents)	<b>46.5</b>	50.3	(7.6)	<b>42.7</b>	37.2	14.8
(c) Annualised earnings per share : Basic and diluted (cents)	<b>46.3</b>	50.7	(8.7)	<b>42.6</b>	38.2	11.5

### 2. Unaudited statement of comprehensive income for the nine months/third quarter ended 30 September 2013

	<b>Group</b>					
	<b>9 Months 2013</b>	9 Months 2012 (Restated)*	<b>Incr/ (Decr) %</b>	<b>3rd Qtr 2013</b>	3rd Qtr 2012 (Restated)*	<b>Incr/ (Decr) %</b>
	<b>\$'000</b>	\$'000	%	<b>\$'000</b>	\$'000	%
Net profit	<b>21,219</b>	23,247	(8.7)	<b>6,509</b>	5,841	11.4
<b>Other comprehensive income :</b>						
Foreign currency translation difference	<b>201</b>	(424)	(147.4)	<b>(34)</b>	(268)	(87.3)
Net (losses)/gains on available-for-sale investments	<b>(6,059)</b>	12,206	(149.6)	<b>3,460</b>	8,202	(57.8)
Income tax relating to available-for-sale investments	<b>1,039</b>	(2,068)	(150.2)	<b>(580)</b>	(1,391)	(58.3)
<b>Other comprehensive income for the nine months/3rd quarter ended 30 September, net of tax</b>	<b><u>(4,819)</u></b>	<u>9,714</u>	(149.6)	<b><u>2,846</u></b>	<u>6,543</u>	(56.5)
<b>Total comprehensive income for the nine months/3rd Quarter ended 30 September</b>	<b><u>16,400</u></b>	<u>32,961</u>	(50.2)	<b><u>9,355</u></b>	<u>12,384</u>	(24.5)
<b>Attributable to:</b>						
Total comprehensive income from continuing operations, net of tax	16,303	33,215	(50.9)	9,402	12,500	(24.8)
Total comprehensive income from discontinued operation, net of tax	<b>97</b>	(254)	(138.2)	(47)	(116)	(59.5)
<b>Total comprehensive income attributable to Equity holders of the Company</b>	<b><u>16,400</u></b>	<u>32,961</u>	(50.2)	<b><u>9,355</u></b>	<u>12,384</u>	(24.5)

\* Restated due to cessation of operation of Hong Kong subsidiary with effect from 1 September 2012.

## NEWS RELEASE

### 3. Unaudited statement of financial position

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-13</u>	<u>31-Dec-12</u>	<u>30-Sep-13</u>	<u>31-Dec-12</u>
	\$'000	\$'000	\$'000	\$'000
(a) Share capital - Issued & fully paid	91,733	91,733	91,733	91,733
Reserves	176,491	170,487	174,157	168,250
	<u>268,224</u>	<u>262,220</u>	<u>265,890</u>	<u>259,983</u>
<b>Liabilities</b>				
Insurance creditors	21,239	12,981	21,240	12,981
Non-trade creditors & accrued liabilities	4,005	2,893	4,005	2,893
Amount owing to related companies	803	1,088	8,067	1,088
Tax payable	6,747	9,647	6,747	9,647
Deferred tax liabilities	2,532	3,571	2,532	3,571
Deferred acquisition cost - reinsurers' share	10,375	9,043	10,375	9,043
Gross technical balances				
- Reserve for unexpired risks	69,994	60,521	69,994	60,521
- Reserve for outstanding claims	142,928	140,003	142,928	140,003
	<u>258,623</u>	<u>239,747</u>	<u>265,888</u>	<u>239,747</u>
Liabilities of discontinued operation	-	1,830	-	-
	<u>526,847</u>	<u>503,797</u>	<u>531,778</u>	<u>499,730</u>
<b>Assets</b>				
Bank balances and fixed deposits	69,655	35,611	69,655	35,611
Insurance debtor	17,625	11,194	17,625	11,194
Non-trade debtors and accrued interest receivable	2,302	3,389	2,302	3,389
Amount owing by related companies	-	-	-	49
Derivative financial assets	627	46	627	46
Associated company	1	1	1	1
Available-for-sale investments	305,467	321,271	305,467	321,271
Unsecured term loan	13	13	13	13
Fixed assets	250	299	250	299
Deferred acquisition cost - gross	8,620	7,260	8,620	7,260
Reinsurers' share of technical balances				
- Reserve for unexpired risks	42,506	35,764	42,506	35,764
- Reserve for outstanding claims	79,772	79,893	79,772	79,893
	<u>526,838</u>	<u>494,741</u>	<u>526,838</u>	<u>494,790</u>
Investment in subsidiary	-	-	4,940	4,940
Assets of discontinued operation	9	9,056	-	-
	<u>526,847</u>	<u>503,797</u>	<u>531,778</u>	<u>499,730</u>
(b) Net asset value per share (S\$)	4.39	4.29	4.35	4.25
Number of shares issued ('000)	61,155	61,155	61,155	61,155

## NEWS RELEASE

### 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	Reserve of discontinued operation \$'000	Total \$'000
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)
<b>Balance at 30 September 2013</b>	<b>91,733</b>	<b>22,880</b>	<b>11,417</b>	<b>-</b>	<b>143,762</b>	<b>(1,568)</b>	<b>268,224</b>
Balance at 1 January 2012	91,733	22,880	2,784	(1,329)	112,943	-	229,011
Profit net of tax	-	-	-	-	23,247	-	23,247
Other comprehensive income for the nine months ended 30 September	-	-	10,138	(424)	-	-	9,714
Total comprehensive income for the nine months ended 30 September	-	-	10,138	(424)	23,247	-	32,961
Dividend for Year 2011	-	-	-	-	(7,339)	-	(7,339)
Dividend for Year 2012	-	-	-	-	(1,834)	-	(1,834)
Balance at 30 September 2012	91,733	22,880	12,922	(1,753)	127,017	-	252,799
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)
<b>Balance at 30 September 2013</b>	<b>91,733</b>	<b>22,880</b>	<b>11,417</b>	<b>-</b>	<b>143,762</b>	<b>(1,568)</b>	<b>268,224</b>
Balance at 1 July 2012	91,733	22,880	6,111	(1,485)	123,010	-	242,249
Profit net of tax	-	-	-	-	5,841	-	5,841
Other comprehensive income for the quarter ended 30 September	-	-	6,811	(268)	-	-	6,543
Total comprehensive income for the quarter ended 30 September	-	-	6,811	(268)	5,841	-	12,384
Dividend for Year 2012	-	-	-	-	(1,834)	-	(1,834)
Balance at 30 September 2012	91,733	22,880	12,922	(1,753)	127,017	-	252,799

## NEWS RELEASE

### 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 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)
<b>Balance at 30 September 2013</b>	<b>91,733</b>	<b>22,880</b>	<b>11,417</b>	<b>139,860</b>	<b>265,890</b>
Balance at 1 January 2012	91,733	22,880	2,784	108,983	226,380
Profit net of tax	-	-	-	23,077	23,077
Other comprehensive income for the nine months ended 30 September	-	-	10,138	-	10,138
Total comprehensive income for the nine months ended 30 September	-	-	10,138	23,077	33,215
Dividend for Year 2011	-	-	-	(7,339)	(7,339)
Dividend for Year 2012	-	-	-	(1,834)	(1,834)
<b>Balance at 30 September 2012</b>	<b>91,733</b>	<b>22,880</b>	<b>12,922</b>	<b>122,887</b>	<b>250,422</b>
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)
<b>Balance at 30 September 2013</b>	<b>91,733</b>	<b>22,880</b>	<b>11,417</b>	<b>139,860</b>	<b>265,890</b>
Balance at 1 July 2012	91,733	22,880	6,111	119,032	239,756
Profit net of tax	-	-	-	5,689	5,689
Other comprehensive income for the quarter ended 30 September	-	-	6,811	-	6,811
Total comprehensive income for the quarter ended 30 September	-	-	6,811	5,689	12,500
Dividend for Year 2012	-	-	-	(1,834)	(1,834)
<b>Balance at 30 September 2012</b>	<b>91,733</b>	<b>22,880</b>	<b>12,922</b>	<b>122,887</b>	<b>250,422</b>

## NEWS RELEASE

### 6. Unaudited statement of cash flows

	<b>Group</b>			
	<b>9 Months</b>	<b>9 Months</b>	<b>3rd Qtr</b>	<b>3rd Qtr</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax from continuing operations	25,369	27,553	7,750	6,795
(Loss)/profit before tax from discontinued operation	(104)	177	(13)	155
	<b>25,265</b>	<b>27,730</b>	<b>7,737</b>	<b>6,950</b>
Adjustments for:				
Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost)	-	(3)	-	(2)
Foreign currency difference on provision for outstanding claims	-	(6)	-	(4)
Movement in net reserve for unexpired risks	2,619	(48)	(111)	(823)
Movement in net deferred acquisition costs	(28)	-	(185)	-
Movement in net outstanding claims	2,953	3,480	1,205	1,566
Net fair value gains on financial derivatives - unrealised	(581)	(998)	(1,503)	(135)
Depreciation	78	99	25	33
Net gains on available-for-sale investments	(4,597)	(5,329)	(1,315)	(1,601)
Amortisation of Investments	(20)	(18)	(7)	(6)
Gross dividends from investments	(4,459)	(3,803)	(1,537)	(1,234)
Interest income from investments	(4,650)	(4,257)	(1,463)	(1,567)
Interest on fixed deposits and bank balances	(63)	(59)	(20)	(18)
Exchange differences	(1,667)	2,301	218	1,473
Operating profit before working capital change	<b>14,850</b>	<b>19,089</b>	<b>3,044</b>	<b>4,632</b>
Changes in working capital:				
Trade and other receivables	(5,276)	(5,451)	3,355	5,545
Trade and other payables	8,927	8,362	(3,447)	(4,420)
Amount owing to related companies	(285)	(479)	73	(2)
Cash generated from operations	<b>18,216</b>	<b>21,521</b>	<b>3,025</b>	<b>5,755</b>
Tax paid	(6,946)	(1,137)	(3,476)	(487)
<b>Net cash flows from/(used in) operating activities</b>	<b>11,270</b>	<b>20,384</b>	<b>(451)</b>	<b>5,268</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of available-for-sale investments	123,379	105,663	71,606	25,471
Purchase of available-for-sale investments	(107,350)	(112,569)	(42,348)	(43,851)
Purchase of fixed assets	(29)	(23)	(26)	(6)
Maturity of/(placement in) long-term fixed deposits	2,985	3,292	(2,013)	3,499
Unsecured term loans	-	3	-	3
Gross dividends from investments	4,459	3,803	1,537	1,234
Interest income from investments	4,650	4,257	1,463	1,567
Interest on fixed deposits and bank balances	63	59	20	18
<b>Net cash flows from/(used in) investing activities</b>	<b>28,157</b>	<b>4,485</b>	<b>30,239</b>	<b>(12,065)</b>
<b>Cash flow from financing activity</b>				
Dividend paid	(10,396)	(9,173)	(1,835)	(1,834)
<b>Cash flow used in financing activity</b>	<b>(10,396)</b>	<b>(9,173)</b>	<b>(1,835)</b>	<b>(1,834)</b>
Translation difference on foreign subsidiary company	201	(424)	(34)	(268)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>29,232</b>	<b>15,272</b>	<b>27,919</b>	<b>(8,899)</b>
Cash and cash equivalents at beginning of period	36,024	29,853	37,337	53,860
Effects of exchange rate changes on cash and cash equivalents	-	(439)	-	(275)
<b>Cash and cash equivalents at end of period</b>	<b>65,256</b>	<b>44,686</b>	<b>65,256</b>	<b>44,686</b>

## NEWS RELEASE

### 6. Unaudited statement of cash flows (continued)

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

	<b>Group</b>	
	<b>9 Months 2013 \$'000</b>	<b>9 Months 2012 \$'000</b>
Cash and cash equivalents		
- continuing operations	<b>65,256</b>	36,974
- discontinued operation	-	7,712
	<b>65,256</b>	<b>44,686</b>

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

	<b>Group</b>	
	<b>9 Months 2013 \$'000</b>	<b>9 Months 2012 \$'000</b>
Cash and bank balances	<b>15,072</b>	9,465
Fixed deposits placement less than 3 months	<b>50,184</b>	35,221
Cash and cash equivalents	<b>65,256</b>	44,686
Fixed deposits placement more than 3 months	<b>4,399</b>	2,370
	<b>69,655</b>	<b>47,056</b>

## NEWS RELEASE

### 7. Segment information

	<u>SIF</u>	<u>OIF</u>	<u>SHF</u>	<u>HK Subsidiary</u>	<u>Consolidated</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>For nine months ended 30 September 2013</u></b>					
Gross premium written	71,446	16,548	-	-	87,994
Net earned premium	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 expenses/(income) 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
<b><u>For nine months ended 30 September 2012 (Restated)*</u></b>					
Gross premium written	69,018	15,593	-	-	84,611
Net earned premium	26,929	7,795	-	-	34,724
Net claims incurred	10,844	2,857	-	-	13,701
Net commissions	(2,704)	1,850	-	-	(854)
Management expenses	6,374	996	-	-	7,370
Underwriting profit	12,415	2,092	-	-	14,507
Interest income from investments	2,332	380	1,545	-	4,257
Interest on fixed deposits and bank balances	28	21	10	-	59
Other income	5,770	726	4,914	-	11,410
Management expenses not charged to insurance revenue account	1,384	255	1,041	-	2,680
Profit before tax	19,161	2,964	5,428	-	27,553
Tax expense	3,257	296	923	-	4,476
Profit from continuing operations, net of tax	15,904	2,668	4,505	-	23,077
Profit from discontinued operation, net of tax	-	-	-	170	170
Profit after tax	15,904	2,668	4,505	170	23,247
Segment total assets as at 30 September 2012	305,787	47,701	136,620	9,292	499,400
Segment total liabilities as at 30 September 2012	212,178	27,953	4,495	1,975	246,601

\* Restated due to cessation of operation of Hong Kong subsidiary with effect from 1 September 2012.



## NEWS RELEASE

### 7. Segment information (continued)

	SIF \$'000	OIF \$'000	SHF \$'000	HK Subsidiary \$'000	Consolidated \$'000
<b>3 months ended 30 September 2013</b>					
Gross premium written	20,494	3,852	-	-	24,346
Net earned premium	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 investments	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 expenses/(income) 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
<b>3 months ended 30 September 2012 (Restated)*</b>					
Gross premium written	18,053	3,387	-	-	21,440
Net earned premium	8,623	2,004	-	-	10,627
Net claims incurred	4,176	748	-	-	4,924
Net commissions	388	398	-	-	786
Management expenses	2,168	503	-	-	2,671
Underwriting profit	1,891	355	-	-	2,246
Interest income from investments	867	139	561	-	1,567
Interest on fixed deposits and bank balances	10	6	2	-	18
Other income	2,373	322	1,709	-	4,404
Management expenses not charged to insurance revenue account	757	128	555	-	1,440
Profit before tax	4,384	694	1,717	-	6,795
Tax expense	745	69	292	-	1,106
Profit from continuing operations, net of tax	3,639	625	1,425	-	5,689
Profit from discontinued operation, net of tax	-	-	-	152	152
Profit after tax	3,639	625	1,425	152	5,841
Segment total assets as at 30 September 2012	305,787	47,701	136,620	9,292	499,400
Segment total liabilities as at 30 September 2012	212,178	27,953	4,495	1,975	246,601

\* Restated due to cessation of operation of Hong Kong subsidiary with effect from 1 September 2012.

## NEWS RELEASE

### 7. Segment information (continued)

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., which had ceased operation with effect from 1 September 2012. On 15 March 2013, the Hong Kong Insurance Authority approved the Hong Kong Subsidiary's application to withdraw its authorisation under the Hong Kong Insurance Companies Ordinance. The Company is in the process of members' voluntary winding up and liquidators were appointed on 2 September 2013.

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 2013 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:

	Revenue		Non-current assets as at	
	9 Months 2013	9 Months 2012 (Restated)*	9 Months 2013	9 Months 2012
	\$'000	\$'000	\$'000	\$'000
Singapore	64,667	62,412	250	303
Asean	10,330	10,419	-	-
Others	4,875	3,686	-	-
	<b>79,872</b>	<b>76,517</b>	<b>250</b>	<b>303</b>

	Revenue		Non-current assets as at	
	3rd Qtr 2013	3rd Qtr 2012 (Restated)*	3rd Qtr 2013	3rd Qtr 2012
	\$'000	\$'000	\$'000	\$'000
Singapore	19,776	18,127	250	303
Asean	1,712	2,270	-	-
Others	1,886	875	-	-
	<b>23,374</b>	<b>21,272</b>	<b>250</b>	<b>303</b>

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

\* Restated due to cessation of operation of Hong Kong subsidiary with effect from 1 September 2012.

## NEWS RELEASE

### 8. Review of performance

Highlights and Performance Indicators for the Group's continuing operations

\$'000	<b>9 Months 2013</b>	9 Months 2012 (Restated)*	9M13/ 9M12 %	<b>3rd Quarter 2013</b>	3rd Quarter 2012 (Restated)*	3Q13/ 3Q12 %
Gross premium written	<b>87,994</b>	84,611	+ 4.0	<b>24,346</b>	21,440	+13.6
Underwriting profit	<b>12,199</b>	14,507	-15.9	<b>3,927</b>	2,246	+74.8
Non-underwriting Income	<b>13,170</b>	13,046	+ 1.0	<b>3,823</b>	4,549	-16.0
Profit before tax	<b>25,369</b>	27,553	- 7.9	<b>7,750</b>	6,795	+14.1

#### 9 Months 2013 ("9M13") versus 9 Months 2012 ("9M12")

Gross premium increased by \$3.4 million or 4.0% to \$88.0 million and net earned premium decreased by \$1.7 million or 5.0% when compared against the same period last year. The decrease in net earned premium was due to a one-time adjustment of \$4.6 million in unearned premium reserves (UPR) in the corresponding period last year. Net claims incurred was higher by \$0.3 million or 2.4%. Net commission income increased by \$0.2 million to \$1.0 million. Management expenses increased by \$0.4 million or 5.7%. Consequently, underwriting profit decreased by 15.9% to \$12.2 million.

Without the one-time adjustment of UPR of \$4.6 million, underwriting profit would have increased by \$2.2 million or 22.5%.

Non-underwriting income increased by \$0.1 million to \$13.2 million as compared to \$13.0 million in the corresponding period last year.

Overall profit before tax decreased by 7.9% to \$25.4 million.

#### 3rd Quarter 2013 ("3Q13") versus 3rd Quarter 2012 ("3Q12")

The Group's gross premium increased by \$2.9 million or 13.6% to \$24.3 million. Net earned premium increased by \$0.3 million or 2.6% in 3Q13 as compared to 3Q12. Net claims incurred was lower by \$0.9 million or 17.5%. Consequently, underwriting profit in 3Q13 increased by \$1.7 million.

The Group recorded a lower non-underwriting gain of \$3.8 million due mainly to lower profit from sale of investments.

Profit before tax increased by \$1.0 million to 14.1% due mainly to higher profits from underwriting income.

\* Restated due to cessation of operation of Hong Kong subsidiary with effect from 1 September 2012.

---

## NEWS RELEASE

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

Operating environment will remain challenging in view of continued uncertainties globally and intensifying competition in the general insurance industry. Higher operating costs and higher claims from Work Injury Compensation Insurance after legislative changes last year will continue to squeeze underwriting margin. The Company's proven prudential underwriting policy will however ensure sustainability of underwriting profitability at a credible level.

Given the uncertain economic outlook globally, investment income will likely remain volatile.

### 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 2013 are the same as those adopted in the preceding year.

### 11. Dividend

No dividend has been declared for the third quarter ended 30 September 2013.

### 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 2013 (30 September 2012: 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 2013 to be false or misleading.

BY ORDER OF THE BOARD

THERESA SIM KWEE SOIK  
ASSISTANT SECRETARY

Dated this 30th October 2013