

UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number : 197100152R

To: All Shareholders

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

1. UNAUDITED RESULTS FOR THE THREE MONTHS/FIRST QUARTER ENDED 31 MARCH 2008

	Group		
	1st Qtr 2008 \$'000	1st Qtr 2007 \$'000	Incr/ (Decr) %
(a) Gross premiums written	28,092	25,507	10.1
Net earned premiums	4,302	3,776	13.9
Less/(Add) :			
Net claims incurred	1,451	803	80.7
Net commissions	(2,081)	(2,023)	2.9
Management expenses :			
Staff cost	1,129	1,040	8.6
Rental expenses	163	163	-
Management fees	25	33	(24.2)
Depreciation	54	50	8.0
Foreign exchange gain	(2)	(1)	100.0
Other operating expenses	331	145	128.3
Underwriting profit	3,232	3,566	(9.4)
Gross dividends from investments	400	454	(11.9)
Interest income	1,080	1,056	2.3
Miscellaneous income	3	3	-
Net (losses)/gains on investments at fair value through profit or loss	(2,771)	3,420	NM
Net gains on available-for-sale investments	741	72	NM
Less/(Add) :			
Management expenses not charged to insurance revenue account:			
Management fees	127	127	-
Other operating expenses	62	108	(42.6)
Exchange differences	(27)	(66)	(59.1)
Profit before tax	2,523	8,402	(70.0)
Less:			
Tax expense	409	1,485	(72.5)
Net profit	2,114	6,917	(69.4)
Note : NM = Not Meaningful			
(b) Annualised earnings per share (cents) - basic & diluted	13.8	67.9	

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

2. UNAUDITED BALANCE SHEET

	Group		Company	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
	\$'000	\$'000	\$'000	\$'000
(a) Share capital - Issued & fully paid	91,733	91,733	91,733	91,733
Reserves	102,915	106,436	101,221	104,509
	194,648	198,169	192,954	196,242
Deferred tax liabilities	4,554	5,733	4,554	5,733
Gross technical balances				
Reserve for unexpired risks	44,075	33,876	43,391	33,231
Provision for outstanding claims	108,159	108,447	104,387	104,613
	152,234	142,323	147,778	137,844
Current liabilities				
Insurance creditors	22,124	12,112	21,936	11,917
Non-trade creditors & accrued liabilities	4,106	2,943	3,992	2,858
Deferred acquisition cost-reinsurers' share	6,028	4,690	5,920	4,586
Amount owing to related companies - non-trade	-	134	-	134
Tax payables	8,297	8,305	8,272	8,284
	40,555	28,184	40,120	27,779
Total equity and liabilities	391,991	374,409	385,406	367,598
Fixed assets	428	462	428	462
Investment in subsidiary	-	-	4,940	4,940
Available-for-sale investments	97,464	83,315	97,464	83,315
Non-current debtors	9	14	9	14
Statutory deposit	500	500	500	500
Unsecured term loan	26	26	26	26
Reinsurers' share of technical balances				
Reserve for unexpired risks	26,169	18,026	25,650	17,530
Provision for outstanding claims	63,210	63,708	60,839	61,346
	89,379	81,734	86,489	78,876
Current assets				
Insurance debtors	21,524	8,939	21,332	8,686
Deferred acquisition cost - gross	4,612	4,035	4,441	3,893
Non-trade debtors and accrued interest receivable	1,174	1,365	1,148	1,350
Amount owing by related companies	-	6	78	66
Investments at fair value through profit or loss	75,257	86,600	75,257	86,600
Cash and cash equivalents	101,618	107,413	93,294	98,870
	204,185	208,358	195,550	199,465
Total assets	391,991	374,409	385,406	367,598
(b) Net asset value per share (S\$)	3.18	3.24	3.16	3.21

UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number : 197100152R

3. UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	Available- for-sale <u>investment reserve</u> \$'000	Foreign currency <u>translation reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2008	91,733	18,880	25,340	(673)	62,889	198,169
Net valuation loss taken to equity	-	-	(5,377)	-	-	(5,377)
Foreign currency translation differences	-	-	-	(258)	-	(258)
Net losses not recognised in profit and loss accounts	-	-	(5,377)	(258)	-	(5,635)
Net profit	-	-	-	-	2,114	2,114
Total recognised (losses)/gains for the quarter ended 31 March 2008	-	-	(5,377)	(258)	2,114	(3,521)
Balance at 31 March 2008	91,733	18,880	19,963	(931)	65,003	194,648
Balance at 1 January 2007	40,770	17,880	26,123	(227)	78,536	163,082
Net valuation gain taken to equity	-	-	2,400	-	-	2,400
Foreign currency translation differences	-	-	-	(103)	-	(103)
Net gains/(losses) not recognised in profit and loss accounts	-	-	2,400	(103)	-	2,297
Net profit	-	-	-	-	6,917	6,917
Total recognised gains/(losses) for the quarter ended 31 March 2007	-	-	2,400	(103)	6,917	9,214
Balance at 31 March 2007	40,770	17,880	28,523	(330)	85,453	172,296

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

4. UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	Available- for-sale <u>investment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2008	91,733	18,880	25,340	60,289	196,242
Net valuation loss taken to equity	-	-	(5,377)	-	(5,377)
Net losses not recognised in profit and loss account	-	-	(5,377)	-	(5,377)
Net profit	-	-	-	2,089	2,089
Total recognised (losses)/gains for the quarter ended 31 March 2008	-	-	(5,377)	2,089	(3,288)
Balance at 31 March 2008	91,733	18,880	19,963	62,378	192,954
Balance at 1 January 2007	40,770	17,880	26,123	76,344	161,117
Net valuation gain taken to equity	-	-	2,400	-	2,400
Net gains not recognised in profit and loss account	-	-	2,400	-	2,400
Net profit	-	-	-	6,862	6,862
Total recognised gains for the quarter ended 31 March 2007	-	-	2,400	6,862	9,262
Balance at 31 March 2007	40,770	17,880	28,523	83,206	170,379

UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number : 197100152R

5. UNAUDITED CASH FLOW STATEMENT

	Group	
	1st Qtr	1st Qtr
	2008	2007
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	2,523	8,402
Adjustments for:		
Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost)	(4)	(3)
Foreign currency difference on provision for outstanding claims	(55)	(4)
Movement in net reserve for unexpired risks (net of movement in net deferred acquisition cost)	2,821	2,146
Movement in net outstanding claims	265	(477)
Depreciation	54	50
Net gains on available-for-sale investments	(741)	(72)
Net losses/(gains) on investments at fair value through profit or loss	2,771	(3,420)
Gross dividends from investments	(400)	(454)
Interest income	(1,080)	(1,056)
Exchange differences	300	68
Operating profit before working capital change	<u>6,454</u>	<u>5,180</u>
Changes in working capital:		
Trade and other receivables	(12,389)	(12,281)
Trade and other payables	11,175	10,100
Amount owing by related companies	6	30
Amount owing to related companies	(134)	(116)
Cash generated from operations	<u>5,112</u>	<u>2,913</u>
Tax paid	(417)	(4)
Net cash flow from operating activities	4,695	2,909
Cash flows from investing activities		
Proceeds from sale of investments at fair value through profit or loss	13,826	7,884
Proceeds from sale of available-for-sale investments	9,136	523
Purchase of investments as fair value through profit or loss	(5,188)	(18,253)
Purchase of available-for-sale investments	(29,145)	(323)
Purchase of fixed assets	(20)	-
Gross dividends from investments	400	454
Interest income	1,080	1,056
Net cash used in investing activities	(9,911)	(8,659)
Translation difference on foreign subsidiary company	(258)	(103)
Net decrease in cash and cash equivalents	(5,474)	(5,853)
Cash and cash equivalents at beginning of period	107,413	73,582
Effects of exchange rate changes on cash and cash equivalents	(321)	(109)
Cash and cash equivalents at end of period	<u>101,618</u>	<u>67,620</u>

UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

6. SEGMENT INFORMATION

The Group is principally engaged in the business of underwriting general insurance business. No segment information by geographical location has been presented as the Group's overseas operations in Hong Kong are relatively insignificant.

7. REVIEW OF PERFORMANCE

Highlights and Performance Indicators for the Group

(\$'000)	1 st Quarter 2008	1 st Quarter 2007	1Q08/ 1Q07 %
Gross premiums written	28,092	25,507	+10.1
Underwriting profit	3,232	3,566	-9.4
Non-underwriting income/(loss)	(709)	4,836	NM
Profit before tax	2,523	8,402	-70.0

Note : NM = Not Meaningful

1st Quarter 2008 ("1Q08") versus 1st Quarter 2007 ("1Q07")

Gross premiums grew by 10.1% to \$28.09 million. Despite intense competition and higher operating expenses, growth was attained mainly through new businesses secured by leveraging on the parent bank's increased regional activities, which provided the bulk of the increase in premium income. This increase was sufficient to offset the loss in renewal of domestic business resulting from rate reduction.

Underwriting profit decreased by 9.4% to \$3.2 million due mainly to higher net claims incurred and premium reserve strain. Financial markets continued to be in turmoil in the 1st Quarter 2008. Non-underwriting activities suffered a loss of \$0.71 million as compared to a profit of \$4.8 million in the corresponding quarter last year due to unrealised losses from investments held for trading. Consequently, overall profit before tax decreased by 70% to \$2.5 million.

UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

8. PROSPECTS FOR THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS

Intense competition and higher operating costs will continue to prevail within the industry. In the absence of any adjustment in premium rates, the recent extension in Workmen's Compensation benefits is expected to further increase the industry's underwriting losses in this class of business.

In striving for growth in the face of more intense competition, Management will work on new initiatives to leverage on the parent bank's expansion in the regional markets in particular, and will selectively step up its acceptance of offshore business in general.

On the investment front, financial markets will likely continue to be affected by the US sub-prime mortgage and collateralised debt obligation problem. Until the problem is resolved, stock markets are expected to remain volatile.

9. 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 2008 are the same as those adopted in the preceding year.

10. DIVIDEND

No dividend has been declared for the quarter ended 31 March 2008.

11. CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for the three months/first quarter ended 31 March 2008 to be false or misleading.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 5th May 2008