

UOI Annual Report 2021

Innovating for a Sustainable Tomorrow



The Day After Tomorrow
Wong Yee Heng

Our mission is to be a premier insurer in the Asia Pacific region, committed to providing quality products, excellent customer service while upholding strong corporate governance and enhancing shareholders' value.



The Day After Tomorrow

Wong Yee Heng

Chinese ink on rice paper

70 x 140 cm

The Day After Tomorrow, the Silver Award winner in the Emerging Artist Category at the 2021 UOB Painting of the Year (Singapore), is the design inspiration for this year's Annual Report. The artwork is inspired by climate change and the natural disasters faced around the world. It depicts the natural landscape of mountains and rivers transforming into man-made high-rise buildings, tunnels, bridges, transportation and underground cities — a reminder that our desire to create futuristic cities comes at the expense of Mother Earth.

In these fast-changing times, we must consider how the continuous pursuit of progress and innovation is impacting the environment. At UOB, we believe that growth must be balanced with responsibility. It is our long-term approach as we draw on our time-tested values of Honour, Enterprise, Unity and Commitment to forge a sustainable future with our customers, colleagues and communities.

As the leading patron of the arts in Asia, UOB believes in the vital role of art in connecting communities. 2021 marks the significant 40th milestone for our flagship visual arts programme, the UOB Painting of the Year competition. The entries from across Indonesia, Malaysia, Singapore and Thailand ignited the imagination and demonstrated the ingenuity of artists in capturing the fortitude, compassion and resilience of people during these uncertain times.

About United Overseas Insurance Limited

Founded in 1971, United Overseas Insurance Limited (UOI) very quickly made its mark in the business community and in just seven years, UOI was listed on the Singapore Exchange. UOI's profitable growth over the years reflects its financial strength and prudence.

The Company's principal activities are the underwriting of general insurance business and reinsurance. General insurance covers a broad spectrum of classes of insurance, among which are fire, marine, motor, engineering, general accident and liability business.

UOI has received a financial strength rating of 'A+' (Superior) and an issuer credit rating of 'aa-' from A.M. Best.

The Company is located at 146 Robinson Road, UOI Building, #02 - 01, Singapore 068909, and its Singapore and international operations are supported by prominent insurance brokers, agents and international reinsurance companies. UOI has a representative office in Yangon, Myanmar.

UOI provides management services for Union (2009) Limited (formerly known as Overseas Union Insurance, Limited).

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Chairman's Statement



“The Board and Management are committed to building a sustainable and resilient business.”

2021 Performance

The Singapore economy grew by 7.6 per cent in 2021, which was in contrast to the 4.1 per cent decline in 2020. The construction and manufacturing sectors led the growth, rising by 20.1 per cent and 13.2 per cent respectively. The service sector grew by 5.6 per cent as compared to a 5.1 per cent decline in the previous year.

Amid the on-going pandemic, the local insurance industry displayed resilience in 2021 and grew by 10.7 per cent, of which 45.6 per cent was contributed by offshore business. The industry also recorded a profit of \$568.2 million. This was due to a reduction in the number of claims in property, surety, credit/credit-related and travel classes of insurance, largely attributable to decreased business activities, slowdown in construction work and restrictions in overseas travel caused by the COVID-19 pandemic.

For the year under review, the Company's gross premium income from underwriting increased to \$97.4 million [FY2020: \$96.9 million] in the midst of a difficult operating environment brought about by the pandemic and prevailing intense competition. An underwriting profit of \$20.8 million was achieved, which was marginally lower than the \$21.1 million attained in the previous year. It is nevertheless still credible taking into account the higher unexpired premium reserves due to premium growth and higher claims provisions set aside as a matter of prudence.

Other income increased to \$12.0 million [FY2020: \$8.5 million] due mainly to favourable investment market conditions, gains from the revaluation of the Company's building and profit from a core stock which was the subject of a takeover by the major shareholder.

During the year, the Company received the Corporate Excellence and Resilience Award (companies with market capitalisation of \$300 million to less than \$51 billion as at 31 December 2020) at the Singapore Corporate Awards. The award was conferred in recognition of exemplary companies that have upheld best practices in corporate governance and have shown leadership, innovation and resilience during the pandemic.

It is noteworthy that the Company continues to enjoy a financial strength rating of A+ (Superior), an issuer credit rating of 'aa-' and a stable outlook from A.M. Best, a leading independent international credit rating agency for the insurance industry. These ratings are the highest awarded by A.M. Best to general insurance companies in Southeast Asia. In the opinion of A.M. Best, the Company's ratings reflect its balance sheet strength, very strong operating performance, neutral business profile and appropriate enterprise risk management.

The Board recommends a final one-tier tax-exempt dividend of 8.5 cents per share and a 50th Anniversary special one-tier tax-exempt dividend of 8 cents per share. Together with the interim dividend of 8.5 cents, the total dividend for FY2021 will be 25 cents per share.

2022 Prospects

From the underwriting perspective, the COVID-19 pandemic continues to be troubling with variants of the virus spreading in spite of containment efforts. Furthermore, Singapore and the rest of the global economies are likely to continue to face tough challenges ahead, posed by adverse economic conditions and worsening climate change. In light of the mounting pressure from these challenges, the Company will maintain its judicious underwriting prudence so as to achieve sustainable and profitable growth. In this regard, the Company will invest even more in digitalisation capabilities and intensify new product development to meet the evolving operating environment.

In addition to the tough challenges mentioned, investment markets are likely to be affected by multiple uncertainties, particularly those arising from the pandemic, worsening impact of climate change, geopolitical conflicts, and global trade tension. The Company will continue to be vigilant and calibrate its investment strategies to take into account the vagaries of the investment environment.



Chairman's Statement

Sustainability

The Board and Management are committed to building a sustainable and resilient business. All material, economic, social, environmental, governance risks and opportunities are constantly assessed and addressed. Sustainability issues are considered when framing and reviewing business strategy. Special attention will be paid to monitoring the environmental, social and governance factors which are material to creating sustainable value for the business and stakeholders.

For more information on this subject, please refer to the Sustainability Report. You will note the progress made based on the framework of environmental, social and governance factors.

50th Anniversary

2021 marked the celebration of UOI's Golden Jubilee. In 1971, the Company's shareholders' fund was a mere \$2.1 million. Since then, the Company has grown its shareholders' fund to a sizable \$448.2 million as at 31 December 2021. The continuous growth reflects the consistency in the company's operating performance, particularly in underwriting. This has facilitated a steady stream of annual dividend payments for shareholders, which the Board has firmly committed itself to.

UOI has always been a company of the community, rooted in the people of Singapore. The success of the Company over the last half a century has been due largely to the unwavering support given by all its stakeholders, who have put their trust in the Company. As a company, our duty is to safeguard and grow their interests. Looking ahead, I am confident of your continued support and the diligence of the management and staff in implementing the Board's decisions.

UOI Building

Another memorable milestone for UOI is the Company's move to UOI Building at 146 Robinson Road as scheduled in the fourth quarter of 2021. The building is the Company's new headquarters in Singapore. The new office is a blend of modern aesthetics and latest technology. When the Company's stakeholders visit the new headquarters, they will be greeted with the familiarity of the UOI that has served them and the community for the past 50 years. That integrity, loyalty and respect remain unchanged. They will also feel the excitement of a promising future as UOI enters a new era of technological innovation that enables the Company to deliver sustainable results.

Acknowledgement

On behalf of the Board, I wish to thank our clients, brokers, agents, reinsurers and shareholders for their steadfast support, and our employees for their dedication and hard work in spite of the many challenges arising from the COVID-19 pandemic. I would also like to thank my fellow directors for their commitment and wise counsel. In particular, I would like to thank Mr Yang Soo Suan, who retired in September 2021, for his 30 years of service to the Board. His dedication and pragmatic approach to the affairs of the Company were invaluable.

Last but not least, I must express our deep appreciation for the continuous assistance and leadership of the Government in helping us all through another challenging year of the pandemic.

Wee Cho Yaw

Chairman

February 2022

Board of Directors

As at 9 February 2022

Wee Cho Yaw, 93

Chairman

Non-executive and Non-independent

First appointed as a director: 17 February 1971

Last re-elected as a director: 23 April 2021

A distinguished banker with more than 60 years' experience, Dr Wee is a veteran in the banking, insurance, real estate and hospitality industries. He has received numerous awards and accolades at the national and regional levels for his business achievements and support of education, community welfare and the business community.

Board Committee Positions

- Nominating Committee (Member)
- Remuneration Committee (Chairman)

Current Directorships in Other Listed Companies

- UOL Group (Chairman)
- Haw Par Corporation (Chairman)
- Singapore Land Group (Chairman)

Other Principal Commitments

- United Overseas Bank (Chairman Emeritus and Honorary Adviser)
- United Overseas Bank (Malaysia) (Chairman Emeritus and Honorary Adviser)
- United Overseas Bank (China) (Supervisor)
- United Overseas Bank (Thai) Public Company (Chairman)
- Pan Pacific Hotels Group (Chairman)
- Marina Centre Holdings (Chairman)
- Nanyang Technological University (Pro-chancellor)
- Singapore Chinese Chamber of Commerce & Industry (Honorary President)
- Singapore Federation of Chinese Clan Associations (Honorary President)
- Singapore Hokkien Huay Kuan (Honorary President)
- Wee Foundation (Chairman)
- Chung Cheng High School (Chairman)

Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- PT Bank UOB Indonesia (President Commissioner) (till October 2019)
- United Overseas Bank (Malaysia) (Chairman Emeritus and Adviser) (till April 2019)
- Far Eastern Bank (Chairman Emeritus and Adviser) (till May 2018)
- United Overseas Bank (Chairman Emeritus and Adviser) (till April 2018)

Education and Achievements

- Chinese high school education
- ASEAN Business Advisory Council Legacy Award for Singapore (2017)
- Honorary Doctor of Letters, Nanyang Technological University (2014)
- The Distinguished Service Order, Singapore National Day Award (2011)
- *The Asian Banker* Lifetime Achievement Award (2009)
- Honorary Doctor of Letters, National University of Singapore (2008)
- Credit Suisse-Ernst & Young Lifetime Achievement Award (2006)
- Businessman of the Year, Singapore Business Awards (2001 and 1990)

David Chan Mun Wai, 67

Managing Director and Chief Executive

Non-independent

First appointed as a director: 10 March 1994

Last re-elected as a director: 23 April 2021

Appointed as Managing Director: 1 January 1996

A chartered insurer with more than 40 years' experience in the insurance industry, Mr Chan is a Director, Deputy Chairman of the Board and Executive Committee, as well as a member of the Audit, Nominating, Remuneration and Investment Committees of Singapore Reinsurance Corporation. He was previously President of the General Insurance Association of Singapore.

Board Committee Positions

- Nil

Current Directorships in Other Listed Companies

- Nil

Other Principal Commitments

- Singapore Reinsurance Corporation (Deputy Chairman)

Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- Nil

Education and Achievements

- Bachelor of Business Administration, University of Singapore
- Chartered Insurance Institute, UK (Fellow)



Board of Directors

Wee Ee Cheong, 69

Non-executive and Non-independent

First appointed as a director: 20 March 1991

Last re-elected as a director: 12 April 2019

A career banker with more than 40 years' experience, Mr Wee is active in the banking and financial services industry and the community through his involvement in various industry-based organisations. He was previously Deputy Chairman of the Housing & Development Board and a director of the Port of Singapore Authority, UOL Group and Pan Pacific Hotels Group.

Board Committee Positions

- Nil

Current Directorships in Other Listed Companies

- United Overseas Bank (Director)

Other Principal Commitments

- United Overseas Bank (Deputy Chairman and Chief Executive Officer)
- United Overseas Bank (China) (Chairman)
- PT Bank UOB Indonesia (President Commissioner)
- United Overseas Bank (Malaysia) (Deputy Chairman)
- United Overseas Bank (Thai) Public Company (Deputy Chairman)
- ASEAN Bankers Association (Director)
- The Association of Banks in Singapore (Chairman)
- The Institute of Banking & Finance (Vice Chairman)
- Singapore-China Foundation (Member, Board of Governors)
- Indonesia-Singapore Business Council (Member)
- Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member)
- Nanyang Academy of Fine Arts (Patron)
- Wee Foundation (Director)

Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- Visa AP Senior Client Council (Member) (till March 2020)
- Far Eastern Bank (Alternate Director) (till May 2018)

Education and Achievements

- Master of Arts (Applied Economics), American University, Washington, DC
- Bachelor of Science (Business Administration), American University, Washington, DC
- Public Service Star (2013)

Hwang Soo Jin, 86

Non-executive and Non-independent under the Insurance (Corporate Governance) Regulations 2013

Independent under the MAS Guidelines¹ and Code of Corporate Governance (6 August 2018)

Re-elected as an independent director at the UOI AGM on 23 April 2021 pursuant to the SGX-ST Listing Rules

First appointed as a director: 17 February 1971

Last re-elected as a director: 23 April 2021

Mr Hwang is a chartered insurer with more than 50 years' experience. He is an honorary fellow of the Singapore Insurance Institute and a Justice of the Peace.

Board Committee Positions

- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Current Directorships in Other Listed Companies

- Nil

Other Principal Commitments

- Singapore Reinsurance Corporation (Senior Advisor and Chairman Emeritus)

Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- Haw Par Corporation (Director) (till December 2021)
- Singapore Land Group (Director) (till December 2021)
- Singapore Reinsurance Corporation (Director) (till April 2019)

Education and Achievements

- Chartered Insurance Institute, UK (Chartered Insurer)
- Singapore Insurance Institute (Honorary Fellow)
- Asia Insurance Industry Awards, Lifetime Achievement Award (2013)

¹ "MAS Guidelines" means the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore (2013).

Professor Ho Yew Kee, 58
Non-executive and Independent

First appointed as a director: 1 June 2015

Last re-elected as a director: 12 June 2020

Professor Ho is the Associate Provost (SkillsFuture) and Cluster Director, Design and Specialised Businesses at the Singapore Institute of Technology. He was previously the Head of the Department of Accounting and Vice Dean (Finance & Administration) of the NUS Business School. He has also held academic positions in Monash University and Carnegie Mellon University. Professor Ho is actively involved in community work and serves on the boards of several not-for-profit organisations.

Board Committee Position

- Audit Committee (Member)
- Remuneration Committee (Member)

Current Directorships in Other Listed Companies

- Nil

Other Principal Commitments

- Christian Business Men's Committee (Singapore) (Director)
- Commonwealth Association of Accountants (Guarantee) (Council Member & Deputy President)
- CPA Australia (Director)
- CPA Australia – Singapore Division (Council Member)
- National Kidney Foundation (Director)
- Prison Fellowship Singapore (Director)
- St Luke's Eldercare (Chairman)

Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- St Luke's Hospital (Director) (till January 2020)
- Tax Academy of Singapore (Director) (till July 2017)
- Accounting and Corporate Regulatory Authority (Director) (till March 2017)

Education and Achievements

- Bachelor of Economics (Hons), Monash University, Australia
- Master of Economics, Monash University, Australia
- Master of Science in Industrial Administration, Carnegie Mellon University, USA
- Doctor of Philosophy (Accounting), Carnegie Mellon University, USA
- Institute of Singapore Chartered Accountants (Fellow Chartered Accountant)
- CPA Australia (Fellow Certified Practising Accountant)
- Singapore Institute of Directors (Fellow)
- CFA Institute, USA (Chartered Financial Analyst)
- Public Service Medal (2020)

Chng Hwee Hong, 71
Non-executive and Independent

First appointed as a director: 28 January 2016

Last re-elected as a director: 12 June 2020

Mr Chng was an executive Director of Haw Par Corporation prior to his retirement in 2012. He was a member of the Sub-Committee on Maximising Value from Land as a Scarce Resource of the Economic Strategies Committee of Singapore and a member of the Singapore-Sichuan Trade & Investment Committee. Mr Chng is also actively involved in community and social work and serves in a number of community and not-for-profit organisations.

Board Committee Position

- Audit Committee (Chairman)
- Nominating Committee (Member)

Current Directorships in Other Listed Companies

- Singapore Land Group (Director)

Other Principal Commitments

- Ministry of Home Affairs – Criminal Law Advisory Committee (Review) (Member)
- Singapore Prison Service – Drug Rehabilitation Centre Review Committee 1 (Member)
- Ministry of Social & Family Development – Core Action Team of the Alliance for Action for Caregivers of Persons with Disabilities (Member)
- Justice of the Peace



Board of Directors

Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- National Council Against Drug Abuse (Member) (till December 2021)
- Industry & Services Co-operative Society (Chairman, Board of Trustees) (till August 2021)
- Yellow Ribbon Singapore (Chairman) (till August 2021)
- Yuhua Citizens' Consultative Committee (Chairman) (till March 2017)

Education and Achievements

- Bachelor of Science (Hons) in Applied Chemistry, University of Singapore
- Diploma in Business Administration, University of Singapore
- Diploma in Management Studies, University of Chicago and Singapore National Productivity Board
- Graduate Certificate in International Arbitration, National University of Singapore
- Public Service Award (2014)
- Public Service Star (2020)

Chua Kim Leng, 52

Non-executive and Independent

First appointed as a director: 1 February 2020

Last re-elected as a director: 12 June 2020

Mr Chua stepped down from his role as Special Advisor (Financial Supervision) at the Monetary Authority of Singapore (MAS) in 2018 after 25 years of distinguished service at the organisation. Prior to that, he was the Assistant Managing Director in charge of the Banking and Insurance Group where he was responsible for the licensing and supervision of banks, insurance and finance companies, and anti-money laundering supervision for the financial sector. He was also a member of its Executive Committee where he was involved in policy making and the overall oversight of the authority.

Currently, he sits on the boards of the Casino Regulatory Authority and other financial institutions, and provides consultancy and training services.

Board Committee Positions

- Audit Committee (Member)

Current Directorships in Other Listed Companies

- Teho International Inc (Director)

Other Principal Commitments

- Casino Regulatory Authority (Director)
- ICHX Tech (Director)
- Sygnum Bank AG (Director)

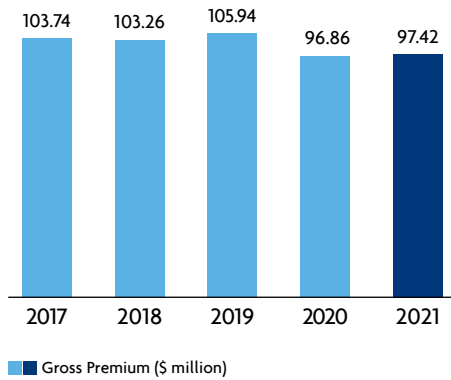
Past Directorships in Listed Companies and Principal Commitments held over the Preceding Five Years

- Sygnum Singapore (Director) (till December 2020)
- Ternary Fund Management (Director) (till December 2020)

Education and Achievements

- Bachelor of Business Administration (Hons), National University of Singapore
- Public Administration Medal (2014)

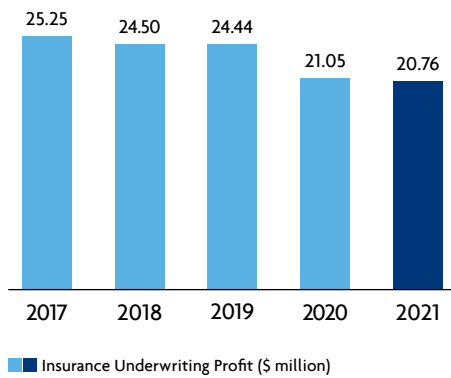
Financial Highlights



Gross Premium

The Company achieved a gross premium of \$97.42 million. Despite the lack of Travel Insurance business amid the worldwide COVID-19 pandemic, the Company had achieved a higher gross premium as compared to 2020.

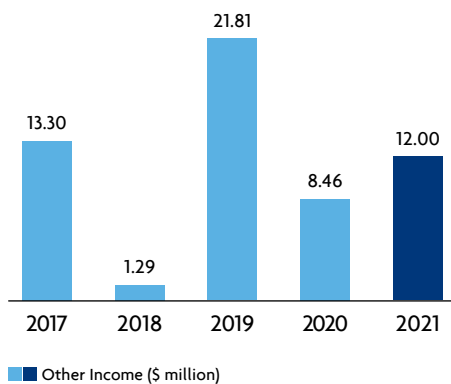
\$97.42 million
+ 0.6%



Insurance Underwriting Profit

The Company achieved an underwriting profit of \$20.76 million. This was a decrease of 1.4% over that of 2020 largely due to lower earned premium and higher net claims incurred.

\$20.76 million
- 1.4%



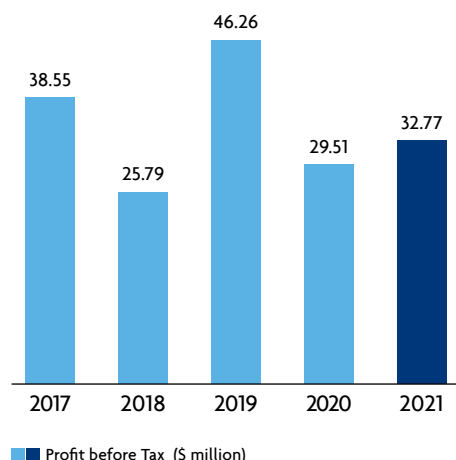
Other Income

Other income increased by \$3.54 million to \$12.00 million as compared to \$8.46 million in the previous period. This was due to mark-to-market gains of the Company's investment property and net exchange gains.

\$12.00 million
+ 42.0%



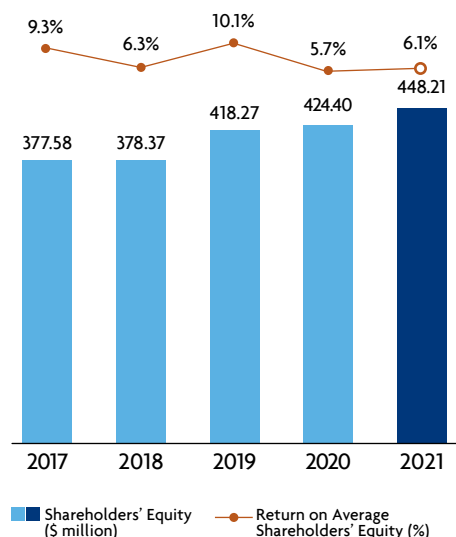
Financial Highlights



Profit Before Tax

Profit before tax increased by 11.0% to \$32.77 million as compared with 2020. It was mainly due to higher commission income and higher investment profits.

\$32.77 million
+ 11.0%

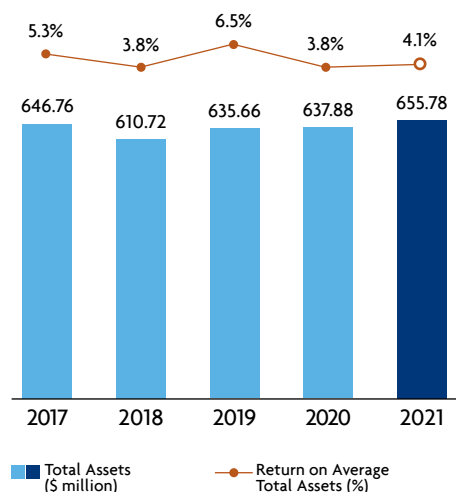


Shareholders' Equity/Return on Average Shareholders' Equity

The Company's shareholders' equity continued to grow. As at 31 December 2021 it increased by 5.6% to \$448.21 million when compared with the preceding year. The increase was due to profits from insurance operation and investing activities. Return on average shareholders' equity was 6.1% in 2021 as compared with 5.7% in 2020.

Shareholders' Equity
\$448.21 million
+ 5.6%

Return on Average Shareholders' Equity
6.1%
+ 0.4% pt



Total Assets/Return on Average Total Assets

The total assets of the Company increased by 2.8% to \$655.78 million as at 31 December 2021. Return on average total assets was higher at 4.1% in 2021.

Total Assets
\$655.78 million
+ 2.8%

Return on Average Total Assets
4.1%
+ 0.3% pt

Five-Year Company Financial Summary

Key Indicators	2017	2018	2019	2020	2021
Profit for the Financial Year (\$'000)					
Gross premium	103,744	103,258	105,943	96,857	97,419
Insurance underwriting profit	25,248	24,495	24,443	21,052	20,763
Other income	13,300	1,293	21,814	8,455	12,002
Profit before tax	38,548	25,788	46,257	29,507	32,765
Selected Balance Sheet Items as at Year-end (\$'000)					
Total assets	646,756	610,724	635,664	637,882	655,783
Net technical balances	79,572	72,740	71,089	67,840	68,464
Shareholders' equity	377,580	378,374	418,272	424,399	448,212
Financial Ratios					
Earnings per share - basic and diluted (cents)	53.9	39.0	66.1	39.4	43.5
Return on average shareholders' equity (ROE) (%)	9.3	6.3	10.1	5.7	6.1
Return on average total assets (ROA) (%)	5.3	3.8	6.5	3.8	4.1
Incurred loss ratio (%) ¹	21.6	22.8	25.8	28.2	28.8
Net commissions ratio (%) ²	(8.9)	(13.8)	(17.6)	(14.2)	(15.3)
Management expenses ratio (%) ³	29.1	31.8	34.0	35.2	35.8
Underwriting profit ratio (%) ⁴	58.2	59.2	57.7	50.8	50.7
Declared dividend per share (cents)					
Interim	3.0	8.5	8.5	8.5	8.5
Special	5.0	5.0	7.0	4.0	8.0
Final	14.0	8.5	8.5	8.5	8.5
Total	22.0	22.0	24.0	21.0	25.0
Net asset value per share (\$)	6.2	6.2	6.8	6.9	7.3

Note:

- 1 Incurred loss ratio is computed by dividing net claims incurred by net earned premium.
- 2 Net commission ratio is computed by dividing net commission by net earned premium.
- 3 Management expenses ratio is computed by dividing management expenses for insurance operations by net earned premium.
- 4 Underwriting profit ratio is computed by dividing net underwriting profit by net earned premium.



2021 in Review

2021 continued to be a period of uncertainty and volatility with the ongoing COVID-19 pandemic exerting pressures on economic recovery and workplace activities. Ensuring the wellness of our employees, customers and intermediaries while maintaining operational resilience and sustainable performance continued to be our priorities during the year.

Against this challenging backdrop, there were two memorable milestones in the corporate development of the Company. During 2021, we celebrated our 50th Anniversary and moved into our new headquarters at UOI Building, 146 Robinson Road.

Celebrating 50 Golden Years

Due to the restrictions on social activities and work-related events, the Company celebrations for its 50th Anniversary took the form of:



Commemorative video and magazine tracing important past, present and future milestones were commissioned for our golden jubilee celebrations.



Commemorative gifts for our staff and business partners

Driving for Sustainable Growth

In 2021, the gross premium for the Singapore general insurance market grew by 10.7 per cent with offshore business contributing more than 45.6 per cent of this growth. The insurance market showed an underwriting profit of \$568.2 million due to lesser claims from some classes of business largely a slowdown in the construction sector, less business activities and travel restrictions. Keen competition continued to prevail for the smaller accounts although the hard global insurance market caused substantial increases in premiums for the larger accounts across all lines of business.

The Company adapted its business strategies to address the evolving challenges posed by a very difficult business environment while stepping up initiatives to maintain operational resilience.

Client-Centricity

Client-centricity remains a cornerstone of UOI's business model that requires building and managing business relationships and being people-driven. With the pandemic entering its second year in 2021, our business engagement teams continued to have virtual meetings and collaborations to uphold our proven client-centric business strategy. Increased focus on renewal business was successful in retaining business during this challenging period.

Product development is a driving force in our client-centric business strategy. To compensate for the lack of demand for traditional travel insurance for the outbound market our product development team designed insurance packages for staycation and cruises. We also introduced more accident and health products that included COVID-19 coverages to address the insurance needs of our customers.

During the year, we continued to expand our agency network for new streams of income and to tap business opportunities in a slow growth market.

Investment in Digital Technology

Client-centricity remains a key driver in our digitalisation of products and services. During 2021, the Company continued to invest in its digital capability to support ongoing improvements in IT infrastructure, digitalisation and business process automation.

Ongoing enhancement projects to improve our digital platform for customers and agents continued unabated amid the pandemic. The upgrading of our core application system into a web-based integrated insurance digital platform and new application systems to meet business requirements are nearing their target completion timelines after delays caused by the pandemic.

For the Company's digital transformation journey, the strategy is to integrate the digital capability of various partners to set up a strong customer ecosystem to retain customer loyalty and improve customer propositions. Our collaboration with an Insurtech firm to introduce more innovative lines of digital products gathered momentum throughout 2021 and several personal lines products were launched on UOB and UOI websites.

Our automation drive with the objectives of replacing manual processes and boosting the use of data and technology for business processes accelerated in 2021. The work injury claims system successfully went live in January 2021 while the development of an application system to automate investment-related transactions is expected to be completed in the 2Q2022.

The project for the implementation of a company-wide document and workflow management system to drive radical business process automation went full steam in the second half of 2021. In conjunction with our office move, all legacy hard copies were converted into soft copies and/or archived at offsite storage creating an environment with less paper in our new office. This project is being implemented in phases to facilitate users' acceptance of new work processes and to manage resources optimally.

Regional Insurance

The Company maintained its prudent underwriting approach in its offshore segment while leveraging UOB's regional network to grow its offshore insurance portfolio. As some overseas markets are prone to natural catastrophes, risk selection remains the key priority, with adequate reinsurance protection to manage these offshore risks. Within the region, our main markets are Malaysia, Indonesia and Thailand.

Prudence in Investment Management

Investment markets had seen an overall recovery in 2021 as compared to the start of 2020 when COVID-19 turned into a global pandemic leading to the decline in global investment markets. The successful vaccination programs implemented globally as well as by the local government had led to a gradual and stable recovery in global economies.

The pandemic is slowly shifting towards an endemic state and being a part of daily life. Global economies had opened up which led to an upturn in the global investment markets. Considerable proactive actions such as government funding, safe distancing measures and appropriate legislation had effectively borne fruit leading to an increase in global economic activities. The emergence of the Omicron variant, albeit having less severe effects, is considerably more contagious than other variants, and now causing huge surge in infection rates globally. This development may have adverse effects on market sentiments going forward.

For the full year of 2021, the MSCI All Country World Index gained 20.9 per cent in Singapore Dollar terms. In line with the increase with global markets, the Singapore market had increased by 7.8 per cent in 2021.

The overall performance of the Company's investment portfolio in 2021 had strengthened. This was in tandem with the positive performance of the Singapore investment market.

Operational Resilience amid COVID-19 Pandemic

With the emergence of the Delta variant in the early part of 2021 and the Omicron variant in December, the Company's Crisis Management Team (CMT) continued to manage our pandemic response business continuity plans in line with government advisories and aligning our Safe Management and Monitoring Plan accordingly. It was business as usual throughout 2021.

Supportive Measures for Stakeholders

The supportive measures for various stakeholders notably employees, customers and intermediaries introduced in 2020 continued into 2021.

For our employees, they are assured of a safe and clean workplace, job security and additional resources to facilitate working in the new normal. The existing safe management measures continued to be in place like strict safe distancing, staggered work/lunch hours, split teams and other flexible work arrangements. Personal protection equipment such as disposable masks and hand sanitisers were given freely to employees and with the introduction of the vaccination regime, we distributed Antigen Rapid Test kits, encouraged employees to be fully vaccinated and monitored their vaccination status regularly. Employees continued to adhere to our Work From Home policy that outlined the eligibility criteria for employees to work from home and set out guidelines on how to work effectively in a conducive home environment to ensure the smooth running of the Company's business and operations as well as its control and risk management.

For staff development programmes, more virtual training sessions were held during the year and we maintained continuous communications with our employees on safe management measures and changes in operational matters via email circulars, chat groups etc.

Supportive measures for intermediaries included full sales and service support, special credit arrangements and webinars. As for customers, we stepped up online customer services, provided flexible premium payment plans and COVID-19 coverage.

We are closely monitoring the development of Omicron and any other future variant and will continue to abide with advisories issued from time to time.



2021 in Review

UOI Building – Our New Headquarters at 146 Robinson Road

In spite of the ongoing pandemic, in 1Q2021, we proceeded with the retrofitting of our new headquarters into a modern, conducive and safe workplace. The Company started operations at UOI Building from September 2021.

In the planning for this new office, we factored in prevailing safe management measures and a hybrid work model to facilitate flexible working options in the new normal. Team collaboration areas and hot-desking are part of the design of the new office. We also took the opportunity to upgrade our IT infrastructure and have a technology refresh of equipment. We now have a

brand new data centre, video conferencing and telephony system among other additional technology resources to increase the productivity and well-being of our employees.

As part of our ongoing sustainability efforts, we stepped up our efforts to create an environment with lesser paper when we moved into our new headquarters at UOI Building at 146 Robinson Road. Furthermore, our retrofitting works included upgrading the air-cooled chiller to the variable refrigerant flow, replacing fluorescent light tubes with energy-efficient LED lighting, and water-efficient taps and sanitary ware with a more water-efficient usage design. We are in the process to achieve a Green Mark Certification for UOI Building.



A prominent street front along Robinson Road.



Spacious general office layout with hot-desking, team collaboration areas and lockers on several floors

Caring for the Community



At UOI, we believe in giving back to the communities in which we operate.

As part of UOB Group's Global Heartbeat Corporate Social Responsibility (CSR) programme, our CSR efforts aim to create sustainable good for more caring and inclusive societies through corporate philanthropy, stakeholder partnerships and employee participation. Guided by our values of Honour, Enterprise, Unity and Commitment, we bring together our colleagues, customers and partners to make a positive difference to our communities through the support of art, children and education.

To help vulnerable communities hard-hit by COVID-19 and also to encourage mental well-being, UOI employees and their families joined colleagues across 17 markets to keep fit and to keep the good going virtually during the 2021 UOB Global Heartbeat Run/Walk – the programme's 15th anniversary. UOI contributed a total of 510 hours to stay active for a good cause, and the annual programme eventually raised a record of more than \$1.8 million for 25 charities around the world.

More detailed information about our sustainability efforts are available in the Sustainability Report section of this Annual Report.

United Overseas Insurance Limited

(Incorporated in Singapore)

31 December 2021

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Corporate Governance

UOI complies with the following regulations, rules, guidelines and/or best practices:

- (a) the Insurance (Corporate Governance) Regulations 2013 (Insurance Regulations) that are applicable to UOI as a Tier 2 insurer;
- (b) the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST);
- (c) all material aspects of the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore (MAS) in 2013 (MAS Guidelines); and
- (d) the Code of Corporate Governance 2018 issued on 6 August 2018 (2018 Code).

The MAS Guidelines comprise the Code of Corporate Governance that was issued in 2012 (2012 Code) and supplementary principles and guidelines added by the MAS. Where UOI's practices deviate from the MAS Guidelines and/or the 2018 Code, an explanation is provided. A summary of the disclosures required under the 2018 Code and the supplementary MAS Guidelines can be found on pages 30 and 31.

Board Matters

Board Duties

The Board's key duties, as set out in its terms of reference, are as follows:

- providing strategic direction, entrepreneurial leadership and guidance;
- considering sustainability issues when formulating the Company's strategies;
- reviewing the Company's business and financial sustainability practices in light of its long-term strategic goals;
- determining environmental, social and governance (ESG) factors that are material to the business and overseeing the management and monitoring of the ESG factors;
- approving business plans and annual budgets;
- ensuring that financial statements are true and fair;
- monitoring financial performance;
- determining capital structure;
- determining the dividend strategy;

- approving major acquisitions and divestments;
- reviewing risk management framework and risk management system;
- setting company values and standards;
- overseeing the performance of Senior Management;
- performing succession planning; and
- establishing a board diversity policy.

Board Approval

Board approval is required for material matters such as business plans and annual budgets, major acquisitions and divestments, issue of shares, capital, dividend and other distributions, and announcements of financial results. If a matter is reserved for the decision of the Board or any of its committees in its terms of reference, the decision of the Board or Board Committee must be obtained before Management may act on it.

Board Delegation

The Board has established the Audit Committee (AC), Nominating Committee (NC) and Remuneration Committee (RC) to assist it in the discharge of its duties. The written terms of reference of the committees are reviewed annually for continued relevance, and approved by the Board. UOI does not have a board risk committee because the AC helps to oversee risk management matters. The Board has determined that an executive committee is not required because UOI's current scope of business and scale of operations can be overseen by the Board directly, and the Directors are easily available for consultation and decision-making, when required.

After each meeting, the NC, RC and AC will provide a short report on the matters discussed and decisions made to the Board. Minutes of the meetings are circulated to the Board when they are finalised, except where there is a conflict of interest.

Key Processes

Meetings of the Board and Board Committees and the annual general meeting (AGM) are scheduled well in advance. Additional meetings are held as required. For Directors to make informed decisions, materials for meetings are made available in advance with sufficient time for careful review. Directors have the option of receiving the materials via a secure portal on tablets provided by the Company.

A Director who is unable to attend a meeting in person may participate via telephone and/or video conference or make his views known through another Director or the company.



Corporate Governance

secretary. Due to the ongoing pandemic and the need for safe distancing, meetings of the Board and the Board Committees in 2021 were held electronically or in hybrid form, where some Directors attended physically at the meeting venue and some participated in the meeting via electronic means.

Board and Board Committee decisions are made by a majority vote at meetings or through written resolutions circulated to all members (except where there is a conflict of interest). Minutes of all meetings and written resolutions are maintained by the Company.

Managing Potential Conflicts of Interests

Directors who have personal, professional or business interests in matters that may conflict with the interests of the Company must disclose such interests to the Company, recuse themselves from the discussions and abstain from voting on the matters.

Directors have to notify UOI in a timely manner of any change in their interests. Before a Director accepts any additional appointment, the Board must be satisfied that the additional appointment will not give rise to any conflict of interest or hamper him in the discharge of his duties to UOI. When considering any proposed appointment, the Board takes into account the time commitment of the Director to ensure that the Director continues to have sufficient time to attend to the affairs of the Company.

Board Independence and Composition

Overview of the Board

- 7 members
 - Wee Cho Yaw (*Chairman*)
 - David Chan Mun Wai (*Managing Director and Chief Executive*)
 - Wee Ee Cheong
 - Hwang Soo Jin
 - Ho Yew Kee
 - Chng Hwee Hong
 - Chua Kim Leng
- Tenure
 - 3 have served fewer than 9 years
 - 4 have served more than 9 years
- Separation of roles of Chairman and Managing Director and Chief Executive
- Non-executive Chairman

The Board comprises seven members. Every year, the NC reviews the size and composition of the Board, the independence of Directors and whether they remain fit and proper and qualified

for office. When assessing the independence of each Director, the NC is guided by the criteria in the Insurance Regulations, SGX-ST Listing Rules, MAS Guidelines and the 2018 Code.

The Insurance Regulations defines a director as independent if he is independent from any management and business relationship with the insurer, independent from any substantial shareholder of the insurer, and has not served on the Board of the insurer for a continuous period of nine years or longer.

Under the prevailing SGX-ST Listing Rules, a director is not independent:

- if he is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; or
- if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; or
- If he has been a director for an aggregate period of more than nine years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (i) all shareholders; and (ii) shareholders, excluding those shareholders who are the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer.

The MAS Guidelines allows the Board to consider a Director of more than nine years' standing as independent if the Board, after performing a rigorous review, is satisfied that he is independent. The Board does this by reviewing whether a Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

The 2018 Code defines an independent director as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement in the best interests of the company.

When assessing a Director's independence, the NC takes into account:

- the above regulatory requirements;
- the Director's conduct and contributions during and outside of the meetings;

- his other appointments;
- his relationships with UOI Management and substantial shareholders (if any); and
- his response to questions relating to independence and fitness and propriety in a self-assessment questionnaire.

Having considered the above, the NC's assessment of the independence status of each Director is as follows:

- Professor Ho Yew Kee, and Messrs Chng Hwee Hong and Chua Kim Leng are independent. They meet all the independence criteria in the Insurance Regulations, SGX-ST Listing Rules, MAS Guidelines and 2018 Code;
- Mr David Chan Mun Wai is non-independent and executive. He is UOI's Managing Director and Chief Executive;
- Dr Wee Cho Yaw and Mr Wee Ee Cheong are non-independent and non-executive. Dr Wee Cho Yaw is the father of Mr Wee Ee Cheong. They are substantial shareholders of United Overseas Bank Limited (UOB), the parent company of UOI. Mr Wee Ee Cheong is also the chief executive officer of UOB; and

- Mr Hwang Soo Jin is non-executive. He had been determined by the NC, after a rigorous review, to be independent under the MAS Guidelines and the 2018 Code. He has always been independent in conduct, character and judgement, and has no relationship with UOI, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere in the best interests of UOI. Neither he nor any of his immediate family members was employed by UOI or its related corporations in the current or past three financial years. At the 2021 AGM, Mr Hwang was re-elected as an independent director by (i) all shareholders; and (ii) shareholders excluding those shareholders who are the directors and the chief executive officer, and associates of such directors and chief executive officer. However, under the Insurance Regulations, Mr Hwang is considered non-independent.

The current composition of the Board meets the requirement of the Insurance Regulations that at least one-third of the Board comprises independent directors and the SGX-ST Listing Rule requirement that at least two non-executive directors are independent and free of any material business or financial connection with UOI. It also meets the requirements of the 2018 Code that at least half of the directors are independent where the Chairman is not independent. The Board is of the view that it has an appropriate level of independence and diversity of thought to enable it to make decisions in the best interests of UOI.

Name of Director	ED/ NED ¹	Independence status under				Number of meetings attended in 2021				
		Ins Reg ³	SGX-ST LR ⁴	MAS GL ⁵	2018 Code	AGM	Board	NC	RC	AC
Wee Cho Yaw	NED	NID ²	NID	NID	NID	–	• 3/4	1/1	• 1/1	–
David Chan Mun Wai	ED	NID	NID	NID	NID	1	4/4	–	–	–
Wee Ee Cheong	NED	NID	NID	NID	NID	1	3/4	–	–	–
Hwang Soo Jin	NED	NID	ID	ID	ID	1	4/4	• 1/1	1/1	–
Yang Soo Suan ⁶	NED	NID	ID	ID	ID	1	3/3	1/1	1/1	3/3
Ho Yew Kee	NED	ID	ID	ID	ID	1	4/4	–	1/1	5/5
Chng Hwee Hong ⁷	NED	ID	ID	ID	ID	1	4/4	–	–	• 5/5
Chua Kim Leng	NED	ID	ID	ID	ID	1	4/4	–	–	5/5
Number of meetings held in 2021						1	4	1	1	5

1 "ED" means executive director and "NED" means non-executive director.

2 "NID" means non-independent director and "ID" means independent director.

3 "Ins Reg" means the Insurance Regulations.

4 "SGX-ST LR" means the Listing Rules of SGX-ST.

5 "MAS GL" means the MAS Guidelines.

6 Mr Yang Soo Suan retired as a Director and AC, NC and RC Member on 1 September 2021.

7 Mr Chng Hwee Hong was appointed as an NC Member on 1 September 2021.

• Denotes chairman.



Corporate Governance

The profiles of the Directors can be found in the Board of Directors section. The NC is of the view that collectively, the Directors possess the appropriate mix of skills, expertise and experience in insurance business, accounting, management, strategic planning, investment and regulatory compliance. The diversity of background, professional qualifications, expertise, age, credentials and tenure among the Directors provides a wider range of skills, perspectives and analyses, and guards against group-think.

Every year, the Directors are assessed on whether they remain fit and proper for office using a questionnaire based on the MAS Guidelines on Fit and Proper Criteria. The NC has reviewed each Director's profile and responses to the questionnaire and observed no change in the circumstances of the Directors since their last assessment. It has assessed that each Director remains fit and proper and qualified for office and nothing has come to its attention that any Director may have any issue that would disqualify him from office.

Chairman and Managing Director/Chief Executive

The Chairman is non-executive. The roles of the Board Chairman and the Managing Director/Chief Executive are separate. The Chairman, Dr Wee Cho Yaw, and the Managing Director/Chief Executive Mr David Chan are not related to each other by family ties.

As Chairman of the Board, Dr Wee Cho Yaw sets the agenda for Board meetings, ensures timely and comprehensive information is given to Directors to make informed decisions, and promotes open and candid discussions. He promotes good corporate governance and encourages constructive engagement with shareholders at general meetings and other stakeholders.

Mr David Chan is the Managing Director/Chief Executive. He leads the management team in seeking business opportunities and implementing strategies approved by the Board, oversees the Company's operations and ensures that the Company's system of internal controls and risk management is adequate and effective. He is assisted by the key management personnel. As a member of the Board and the leader of the management team, Mr David Chan ensures that the Board is kept fully apprised of material developments affecting the business. He also facilitates effective communication between the Board and Management.

Lead Independent Director

The majority of the Board is independent, and all but one Director are non-executive. The Directors are able to express their views and thoughts freely. Directors who have an interest in a matter under consideration recuse themselves from the discussion and abstain from voting on the matter. Shareholders and stakeholders may reach the independent Directors or any of them through various channels. For these reasons, the Board is of the view that there is no need for a lead independent director.

Time Commitment and Performance

At the end of each year, each Director performs a confidential self-assessment and an assessment of the work performed by the Board and Board Committees by completing a questionnaire. The assessments are submitted directly to the company secretary who collates the results for the NC to evaluate and make its recommendations to the Board. The NC is of the view that it was not necessary to engage an external facilitator to perform the assessment as all Directors were able to respond candidly throughout the process. All Directors are also able to speak freely at meetings and other engagements.

The factors that the NC considers in assessing the effectiveness of the Board and Board Committees include UOI's financial and share performance, conformity with accounting standards, compliance with applicable laws and regulations, the opinions and feedback of regulators and rating agencies, overall achievement of the Board and the Board Committees, the adequacy and effectiveness of the Company's system of internal controls and risk management (as supported by the reviews of the internal auditors), and the Directors' responses in the questionnaire.

The review of each Director's performance took into account his:

- competence and commitment to the role, including commitment of time;
- attendance at Board and Board Committee meetings and at the AGM;
- participation in Board and Board Committee discussions;
- other directorships and principal commitments; and
- advice and counsel given during and outside meetings.

The attendance record of Directors in 2021 is shown on page 19.

The NC is satisfied that each Director has devoted time and effort to attend to UOI's affairs and has contributed to the effectiveness of the Board and Board Committees. Before a Director accepts a new appointment, the Board assesses if the proposed appointment would pose any conflict of interest or adversely affect the ability of the Director to discharge his duties as a director of UOI. The NC is of the opinion that it is not necessary to limit the number of directorships that Directors may hold because each Director knows best the number of appointments he is capable of handling. The pre-appointment assessment also provides an opportunity for the Board to raise any concern about time commitment.

Selection Process, Appointment and Re-election

Any Director may nominate candidates for the Board. The NC reviews the suitability of candidates for appointment having regard to the board diversity policy. The Board seeks diversity in terms of business experience, skills, age, gender, industry expertise, domain or functional expertise, tenure, board independence, international experience, and cultural ethnicity, among other attributes, when reviewing potential candidates. It also considers the candidates' current commitments, qualification for office, personal attributes, fitness and propriety (based on MAS' Guidelines on Fit and Proper Criteria) and whether he would have sufficient time to commit to UOI's affairs.

At least one-third of the Directors retire from office by rotation at the AGM every year and all Directors are subject to retirement and re-election at least once every three years. The NC takes into account the competencies, commitment, contribution and performance of a Director in recommending that Director for re-election. New Directors have to stand for re-election at the first AGM following their appointments. The appointments of Directors and the Board Chairman are subject to the approval of the MAS.

The Board has nominated Messrs Wee Ee Cheong, Chng Hwee Hong and Chua Kim Leng for re-election by rotation at the upcoming AGM as each of them has made valuable contributions to the Company. The NC was of the view that each of them has been diligent in the discharge of his duties as a Director. Please refer to pages 131 to 137 for additional information on the Directors seeking re-election.

Induction and Continuous Development

New Directors receive an induction soon after they join the Board. They also receive a manual that contains the Constitution of the Company, the terms of reference of the Board and Board Committees, Articles of Directorship, Code of Corporate Governance, UOI Code of Conduct and extracts of applicable laws and regulations. The Articles of Directorship set out a Director's term of office, duties, responsibilities, remuneration and disclosure obligations. The Articles and any subsequent amendment are approved by the Board and apply to all Directors irrespective of when they were appointed. The induction for new Directors includes a meeting with key management personnel and briefings on UOI's corporate development, culture, values, organisational structure, business, operations and financial performance.

The NC oversees the training programme and budget for Directors' continuous training. In-house training was conducted in 2021 on various subjects, including sustainability reporting, data analytics, anti-money laundering and counter terrorist financing. The training was provided by internal and external specialists. Directors may also attend programmes by external trainers at the cost of the Company. A training budget is provided for Directors' training every year. In the year under review, Directors attended programmes organised/conducted by regulators and the Singapore Institute of Directors. The NC is of the view that the 2021 training programme has equipped Directors with the skills and knowledge necessary to discharge their duties.

Succession Planning for Key Management Positions

The NC reviews the succession plan for the position of chief executive officer, and other key management positions. The Managing Director assists the NC in identifying and preparing suitable candidates for key management positions. Candidates are mentored by senior executives and receive training on the job. If there is no suitable candidate, the Company will recruit from external sources. The NC will continue to monitor the progress made in nurturing these talents and building a succession pipeline. The NC also reviews the reasons behind the resignation of senior executives.



Corporate Governance

Access to Information, Management and Company Secretary

Directors have unfettered access to information, Management, and the internal and external auditors. Comprehensive reports on the Company's operations and financial position are given to Directors in advance, with ample time for them to prepare for meetings. Senior executives are present at meetings to provide additional information or clarification as needed. If necessary, professional advisers are invited to brief the Board or Board Committees. The common memberships in the Board Committees facilitate information sharing between the Board Committees and contribute to a holistic view of matters under the purview of different Board Committees.

The appointment and removal of the company secretary is decided by the Board. Directors have separate and independent access to the company secretary who assists them in the discharge of their duties, attends all Board and Board Committee meetings, and advises on governance matters and applicable laws. The company secretary also coordinates the induction of new Directors and facilitates Directors' attendance at seminars and training courses.

Directors may seek independent professional advice at UOI's expense should they need advice on any matter in order to discharge their duties. The company secretary will assist the Directors in such instances.

Composition of Board Committees

Every year, the NC reviews the size and composition of the Board Committees to assess if any change is needed. The composition of the committees is changed as necessary for fresh perspectives and as part of board succession planning.

Nominating Committee

NC membership

- Hwang Soo Jin (chairman), Wee Cho Yaw and Chng Hwee Hong (appointed 1 September 2021)
- Majority of members, including the chairman, are independent Directors pursuant to the prevailing SGX-ST Listing Rules, MAS Guidelines and the 2018 Code

The main responsibilities of the NC are:

- to recommend the appointment, re-election and retirement of Directors;
- to assess the performance of the Board, Board Committees and each Director;

- to determine the independence of Directors;
- to perform succession planning for the Board and the key management personnel; and
- to review the progress made in the implementation of the board diversity policy.

Its main activities are outlined in pages 18 to 21.

Remuneration Matters

Remuneration Committee

RC membership

- Wee Cho Yaw (Chairman), Hwang Soo Jin and Ho Yew Kee
- Majority of members are independent Directors pursuant to the prevailing SGX-ST Listing Rules, MAS Guidelines and the 2018 Code

The RC's main responsibilities are:

- to establish a remuneration policy and framework that are in line with the Company's strategic objectives, corporate values and prudent risk-taking;
- to determine the level and structure of remuneration that are appropriate and proportionate to the sustained performance and value creation of the Company and to promote the long-term success of the Company; and
- to review and to recommend the remuneration for Directors and key management personnel.

The Board has determined that Dr Wee Cho Yaw, a non-independent Director, shall remain as the RC chairman because of his in-depth experience in remuneration matters.

Remuneration and Disclosure

UOI's remuneration policy sets out the principles and philosophies adopted to provide competitive remuneration terms that would attract, motivate and retain employees. The service of an external remuneration consultant was not required during the year under review.

Directors' Remuneration

In recommending the fees to be paid to Directors, the RC takes into account the Directors' responsibilities as well as UOI's size, scope of business and its financial performance in that year. Mr David Chan, the Managing Director/Chief Executive and the only executive Director on the Board, is remunerated as a key management personnel. He does not receive any Director fee.

Non-executive Directors are paid a basic fee for service on the Board and additional fees for service on Board Committees. At its January 2022 meeting, the RC reviewed the directors' fees in light of the increase in board responsibilities over the years and recommended an increase in directors' fees of \$83,750 to a total of \$368,500 for year 2021. The proposed fees are benchmarked

against the remuneration of boards of comparable companies. The Board has accepted the RC's recommendation.

At the forthcoming Annual General Meeting, the Company will seek shareholders' approval for the proposed fees which are calculated based on the proposed new fee structure for the Board and Board Committees set out below:

Fee Structure	Chairman	Member
Basic Retainer	\$45,000	\$35,000
Audit Committee	\$15,000	\$12,000
Nominating Committee	\$12,000	\$7,000
Remuneration Committee	\$12,000	\$7,000

Subject to shareholders' approval, the total fees and other remuneration paid/payable by the Company to the Directors for the financial year ended 31 December 2021 are disclosed in the table below:

	Directors' fees	Base or fixed salary	Variable performance bonus	Benefits-in-kind and others	Total
\$500,000 to \$749,999					
David Chan Mun Wai	–	51.7%	40.4%	7.9%	100%
Below \$250,000					
Wee Cho Yaw	\$64,000	–	–	–	\$64,000
Wee Ee Cheong ¹	\$35,000	–	–	–	\$35,000
Hwang Soo Jin	\$54,000	–	–	–	\$54,000
Yang Soo Suan ²	\$61,000	–	–	–	\$61,000
Ho Yew Kee	\$54,000	–	–	–	\$54,000
Chng Hwee Hong ³	\$53,500	–	–	–	\$53,500
Chua Kim Leng	\$47,000	–	–	–	\$47,000
Total Directors' Fees	\$368,500	–	–	–	\$368,500

¹ Director's fee payable to Mr Wee Ee Cheong will be paid to United Overseas Bank Limited.

² Mr Yang Soo Suan retired from the Board, AC, NC and RC on 1 September 2021.

³ Mr Chng Hwee Hong was appointed as a member of the NC on 1 September 2021.

No Director was involved in the deliberation or determination of his own remuneration.



Corporate Governance

Employee Remuneration

UOI's remuneration framework is designed to encourage sustained performance and value creation for the Company in the long term. Value creation is measured based on metrics, including financial performance, dividend yield, net asset value, and shareholder fund over a five-to-ten year period. Remuneration programmes are designed to support the Company's business strategy and objectives, and aligned to a pay-for-performance philosophy. This is achieved by linking remuneration to financial, non-financial and individual performance, and by being flexible in responding to dynamic business needs. The remuneration package comprises fixed salaries, variable bonuses and benefits. To ensure salaries are appropriate and proportionate to performance, they are benchmarked against comparable roles in the insurance industry. Variable bonuses are granted based on the performance of UOI and the individual. Care is taken to ensure that employees are not rewarded for short-term gains that are made through taking excessive or undue risks. UOI has decided that the risk management and human resource policies and practices in the Company are such that it is not necessary to have a variable performance bonus deferral policy.

UOI's key management personnel consist of the Managing Director/Chief Executive, one General Manager and two Assistant General Managers. The names of the General Manager and Assistant General Managers can be found in the Corporate Information section.

Each year, the RC reviews the performance of the Managing Director/Chief Executive before recommending his remuneration package for the Board's approval. The variable performance bonus pool for other key management personnel and executives is also recommended by the RC taking into consideration the performance of the Company and the individual, while the performance bonuses for the other employees are based on a formula agreed with the Singapore Insurance Employees' Union.

The competition for talent in the financial services industry is intense. The skills required in the insurance industry are highly specialised. Mindful of its employees' right to privacy, UOI has decided not to disclose the remuneration of key executives whether individually or in the aggregate. Disclosure will put UOI at a disadvantage when competing for talent. The Company will continue to disclose the remuneration of the Managing Director/Chief Executive in bands of \$250,000.

The Company does not have any employee share option or share based incentive scheme or plan.

No employee of the Company was a substantial shareholder of UOI or an immediate family member of any Director, Chief Executive or substantial shareholder of UOI during the financial year ended 31 December 2021.

Accountability and Audit

Audit Committee

AC membership

- Chng Hwee Hong (chairman), Ho Yew Kee and Chua Kim Leng
- All members, including the chairman, are independent and non-executive Directors pursuant to the Insurance Regulations, prevailing SGX-ST Listing Rules, MAS Guidelines and 2018 Code.

The AC's duties include reviewing and, where appropriate, approving the following:

- financial statements and quality of, and any significant change in, accounting policies and practices;
- adequacy and effectiveness of internal accounting control systems and internal controls;
- risk management policies, frameworks and systems and adequacy of measures taken in relation to material risks;
- nature and extent of the significant risks that the Company is willing to take in achieving its strategic objectives and value creation;
- approach in identifying, measuring and monitoring its key and emerging risks and the governance and measurement of these risks;
- the adequacy and effectiveness of the Company's risk management and internal control system;
- appointment, reappointment, removal (if necessary), evaluation, remuneration and terms of engagement of the internal and external auditors;
- internal and external audit plans and reports;
- scope and results of the internal and external audits;
- effectiveness, independence, knowledge, competence and objectivity of the external auditor and internal auditor;
- performance and appointment of the certifying actuary;
- policies and procedures for handling fraud and whistleblowing cases; and
- interested person transactions and material related party transactions.

The AC has authority to investigate any matter within its terms of reference, including whistle-blowing reports received by it. It has the full cooperation of Management and the internal and external auditors to discharge its functions. Please refer to page 29 for more information on the whistle-blowing policy.

The internal and external auditors report their significant audit findings and recommendations to the AC independently. At least once a year, the AC meets separately with the internal and external auditors in the absence of Management.

Changes in accounting standards which may have a direct impact on financial statements are often discussed during AC meetings. Additional sessions may be arranged, where appropriate.

The AC reviews the financial statements (half-year and full-year) and voluntary financial highlights (first and third quarter results), and makes its recommendation to the Board for approval. In its review, the AC assesses the accounting policies and practices applied and any judgement made that may have a significant impact on the financial statements/highlights. The AC discusses key audit matters with Management and the external auditor.

For the financial year ended 31 December 2021, the external auditor has given UOI an unqualified opinion on the Company's financial statements and has also noted that based on the subjects audited, the systems and procedures of controls are operating as intended.

The external auditor has identified the following key audit matters: (a) valuation of technical balances; (b) valuation of property recognised as investment property and fixed assets; and (c) valuation of investments and application of SFRS(I) 9 *Financial Instruments*.

With regard to the key audit matters on the technical balances, the AC is cognisant of the uncertainties inherent in the insurance business and takes note of Management's judicious evaluation of the challenges imposed by COVID-19 pandemic. The Company's annual estimation of the technical balances as compared with the external actuary's estimation has been consistently prudent over the years, which is a testimony to the efficacy of the Company's systems and control for such technical balances.

The Company continues to diligently manage its investment portfolio, estimation of credit loss provisions and valuation of the investment property, which was measured at fair value based on an independent valuer's valuation. In respect of these key audit matters, the Board will continue to exercise oversight and provide Management with adequate resources to handle them.

The Company has transitioned from SFRS(I) 1-39 *Financial Instruments* to SFRS(I) 9 *Financial Instruments* (SFRS(I) 9). Measures taken by Management on changes in the financial reporting requirements will continue to be monitored by the AC. The external auditor has assessed the methodology deployed and the accounting standard adopted as appropriate.

In the year under review, the AC also monitored the progress made in the retrofitting of the Company's property at 146 Robinson Road. In particular, the AC was mindful of the impact of the pandemic on the works. In addition, the AC reviewed the MAS guidance on environmental and technology risk management. It will continue to guide Management in implementing measures to meet the expectation of regulators.

Internal Auditor

The internal auditor, PricewaterhouseCoopers Risk Services Pte. Ltd., performs its duties in compliance with the Internal Audit Charter, the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and other relevant best practices. The internal auditor has confirmed that it has received appropriate access to information and cooperation from Management to perform its duties.

The internal auditor adopts a risk-based approach in the audit of the Company's internal controls. It develops the audit work plan independently after meeting with Management. The audit plan, together with information on the personnel involved in the audit, is then reviewed and approved by the AC. The audit reports and significant findings are reported to the AC on a quarterly basis. The internal auditor has unfettered access to the AC. The AC may request the internal auditor to assist in the review of specific topics. In 2021, the internal auditor was requested to review the state of cyber hygiene of the Company, as well as the Company's initiatives in relation to regulatory developments in technology risks.

Each year, the internal auditor performs a self-assessment of its performance which is reviewed by the AC. In its assessment of the internal auditor, the AC took into account the interaction between the internal auditor and Management, its conduct of the audit and the quality of the reports submitted. The AC is satisfied that the internal auditor is independent, effective and has adequate resources, including suitably qualified and experienced employees, to perform the internal audit function.



Corporate Governance

External Auditor

Ernst & Young LLP, the external auditor, is registered with the Accounting and Corporate Regulatory Authority (ACRA). The partner in charge of auditing the Company is rotated every five financial years in accordance with the SGX-ST Listing Rules. The AC recommends the appointment or reappointment of the external auditor to the Board, which in turn recommends it to shareholders for approval. The AC approves the terms of engagement of the external auditor and reviews the external auditor's audit plan and reports. More information on the work carried out by the external auditor can be found in the Independent Auditor's Report.

Before recommending the reappointment of the external auditor to the Board, the AC assesses the effectiveness, independence, knowledge, competence and objectivity of the external auditor. In performing its assessment, the AC is guided by the Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors (ACRA/SGX-ST), ACRA's Audit Quality Indicators Disclosure Framework, and the Guidebook for Audit Committees in Singapore (MAS/ACRA/SGX-ST). It also considered the responses of the external auditor in its self-assessment.

The AC takes into account the quality of the external auditor's work, quarterly affirmation of independence and relationships with UOI, as well as the audit and non-audit fees paid to the external auditor. During the financial year, the external auditor was engaged to review the SFRS(I) 17 *Insurance Contracts* technical accounting papers prepared by Management and the transfer pricing documentation for year of assessment 2021. The non-audit fee payable to the external auditor was equivalent to 41 per cent of the audit fee for the year.

The AC is of the view that the non-audit fee paid to the external auditor did not affect its independence. Particulars of the audit and non-audit fees for the financial year are disclosed in Note 6 to the Financial Statements.

The AC is of the view that the external auditor was effective, independent and objective in its audit of the Company in 2021 and that it has the requisite expertise and resources to be the external auditor for the next financial year. The Board has therefore nominated Ernst & Young LLP for reappointment at the forthcoming AGM. UOI has complied with Rule 712 of the SGX-ST Listing Rules with regard to the appointment of the auditing firm.

Risk Management and Controls

The AC helps the Board to oversee the risk management functions of UOI. The NC recommended, and the Board agreed, that there is no need to establish a separate board risk committee or appoint a chief risk officer as UOI is a relatively small company and its business and setup are not complex.

UOI's system of risk management and internal controls involves management oversight and control, risk identification and management, as well as audits. The Company has put in place an Enterprise Risk Management Framework which is commensurate with the Company's level of activity, type of business and risk profile. Under the framework, key risks are identified and managed based on four risk dimensions. Each dimension has a defined risk tolerance limit.

Management reviews the framework and risk tolerance limits annually and proposed changes are submitted to the AC for endorsement before the revised framework and risk tolerance limits are approved by the Board. The Managing Director/Chief Executive, and the management committees are responsible for the continued development of risk management practices and implementation of systems and controls for managing material risks effectively. UOI has established policies and procedures which are appropriate for the nature, complexity and materiality of the Company's activities. More information on the management committees, risk dimensions and key risk types under UOI's Enterprise Risk Management Framework can be found in the Risk Management section.

The external and internal auditors conduct independent audits and report on any material non-compliance or lapse in internal controls. The auditors evaluate the overall adequacy and effectiveness of the Company's risk management processes and internal control systems. The internal auditor has performed an independent review of certain processes in the Company's operations in 2021 in accordance with the two-year cycle audit plan.

As a member of the UOB Group, UOI's policies, guidelines and procedures, are broadly similar to its parent company's policies, guidelines and procedures, but are adapted to suit UOI's business and operations, where applicable.

The AC will continue to monitor the environmental and technology (including digitalisation) risks that the Company is exposed to and guide Management on the appropriate responses to such risks. It will also continue to review the initiatives implemented by Management to ensure individual accountability and inculcate the appropriate risk culture within the Company.

Adequacy and Effectiveness

Each year, self-assessment tools are used to evaluate the Company's compliance with internal controls and risk management processes. Management has performed an assessment of UOI's system of risk management and internal controls, including financial, operational, compliance and information technology controls. The result of Management's assessment was reviewed by the AC.

The Board reviews the adequacy and effectiveness of UOI's system of risk management and internal controls annually. In its review, the Board takes into account the work performed by the internal and external auditors, and opinions of the internal and external auditors and the AC. The Board has received assurance from the Managing Director/Chief Executive and the Head of Corporate Services (including Finance) that the system of risk management and internal controls is adequate and effective, the financial records have been properly maintained and the financial statements give a true and fair view of UOI's operations and finances.

Following its review and with the concurrence of the AC, the Board opined that the Company's system of risk management and internal controls (including financial, operational, compliance and information technology controls) was adequate and effective as at 31 December 2021. The Board notes that no system of risk management and internal controls can provide absolute assurance against material error, loss or fraud, and that the Company's system of risk management and internal controls provides reasonable but not absolute assurance that the Company will not be affected by any adverse event which may be reasonably foreseen.

Shareholder Rights and Engagement

Shareholder Rights and Conduct of Shareholder Meetings

UOI ensures that material information on the Company's financial performance and business are disclosed on the UOI website (www.uoi.com.sg) and the SGX website (sgx.com/securities/company-announcements) so that shareholders can make informed decisions on their investment in UOI shares.

All shareholders are entitled to attend and participate in the proceedings at general meetings. The notice of general meeting, related information and a proxy form are sent to shareholders at least 14 days before the meeting. The notice of meeting is also published on the UOI website and the SGX website. Each substantial matter is proposed as a separate and distinct resolution at the general meeting. Explanatory notes to the resolutions to be voted on are provided in the notice.

Under normal circumstances, the Company would hold physical general meetings, where shareholders may attend and vote in person or by proxy. The rules for the appointment of proxies are set out in the notice of general meeting and proxy form. Shareholders who are not relevant intermediaries as defined

in the Companies Act 1967 may appoint up to two proxies to attend, to speak and to vote at general meetings in their place. Nominee companies and custodian banks which are relevant intermediaries may appoint more than two proxies so that investors who hold shares through such nominee companies and custodian banks may attend and vote as proxies of the nominee companies or custodian banks. The completed proxy forms must be deposited at the place specified in the notice of general meeting at least 72 hours before the time set for holding the general meeting. UOI currently does not implement voting in absentia by mail or electronic means.

At each general meeting, each ordinary share carries one vote and electronic poll-voting services are provided by an independent contractor. Shareholders and proxies are briefed on the procedures before voting commences. The votes cast for or against each resolution are tallied and displayed immediately at the close of voting. An independent scrutineer is also present to validate the voting results before they are announced on the SGX website on the same day as the general meeting.

Following the outbreak of the COVID-19 pandemic in 2020 and the ensuing safe management measures implemented by the relevant authorities, the AGMs in 2020 and 2021 were convened and held electronically pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. As the pandemic situation remains fluid and variants continue to pose health risks, the Board has decided to convene and hold the 2022 AGM electronically instead of physically. Please refer to the Notice of AGM for details on the arrangements for the 2022 AGM.

Engagement with Shareholders

To ensure equal access to information by all shareholders and other stakeholders, all pertinent information relating to the Company is disclosed in a timely manner via the UOI website and the SGX website. The latest financial highlights, financial results, annual report and other corporate information can be found on the Investor Relations webpage on the UOI website.

The Company announces voluntary financial highlights for the first and third quarters and financial results for the second quarter (half-year) within 45 days from the end of the quarter. The full-year financial results are announced within 60 days from the end of the financial year.

The annual report is made available at least 14 days before the AGM, which is held within four months from the financial year-end. The annual report, which is available on the Company's website and the SGX website, contains the audited financial statements, AGM notice, proxy form and other pertinent information.



Corporate Governance

Under normal, non-pandemic circumstances, shareholders may pose questions relating to the resolutions to be passed at the meeting to the Directors and management present. As the 2022 AGM will be held electronically, the Company will once again invite shareholders to submit their questions ahead of the AGM, as shareholders did for the AGM in 2021. Answers to the questions received will be published in advance of the date and time for submission of proxy forms in accordance with SGX-ST regulations on the SGX and UOI websites. Please refer to the notes to meeting issued with the notice of the AGM, which are published on the SGX and UOI websites for the critical dates and time to register for attendance at the 2022 AGM and to submit questions.

Shareholders, analysts and other stakeholders may provide feedback to the Company's Investor Relations team, whose contact details are in the Corporate Information section and on the UOI website.

Dividend Payment

Dividends recommended or declared for payment are announced on the SGX website. Interim dividends are paid within 30 days after they are declared and final dividends are paid within 30 days after they are approved by shareholders at the AGM. The Company's dividend policy aims to pay sustainable dividends to shareholders over the long term by balancing the Company's growth with prudent capital management.

Managing Stakeholder Relationships

Engagement with Stakeholders

UOI has adopted a stakeholder engagement policy to assist the Company in identifying its primary stakeholders and their concerns.

The policy also sets out the approach taken by UOI in engaging its stakeholders. Particulars of UOI's engagement with its stakeholders can be found in the Sustainability Report.

Related Party Transactions and Interested Person Transactions

The AC reviews all interested person transactions and material related party transactions to assess if the transactions are undertaken in the ordinary course of business, on normal commercial terms and at arm's length. All Directors have to declare any interest which could conflict with UOI's interest, be recused from discussions relating to the matter and abstain from voting on any matter in which they have an interest. Information on related party transactions is disclosed in the Notes to the Financial Statements. The particulars of interested person transactions entered into during 2021 are disclosed in the table below.

Interested Person Transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
United Overseas Bank Limited	Controlling shareholder	<p>UOB provided the following services to UOI:</p> <ul style="list-style-type: none"> • telemarketing service valued at approximately \$2.2 million; and • marketing service at UOB branches. Fees payable are based on sales generated. 	Nil

Material Contracts

Save as may be disclosed on the SGX website or herein, no material contract involving the interest of the Managing Director/Chief Executive, any Director or controlling shareholder of UOI has been entered into by the Company since the end of the previous financial year, and no such contract subsisted as at 31 December 2021.

Ethical Standards

Code of Conduct

UOI has a written Code of Conduct (Code) which lays down the principles of personal and professional integrity and behaviour expected of all employees. The principles covered in the Code include:

- fair dealing with customers in the conduct of business;
- maintaining confidentiality of customer information;
- protection of personal data;
- equal opportunity for employees on the basis of merit;
- zero tolerance of any kind of discrimination, bullying, harassment or other forms of degrading behaviour that is inimical to the existence of a safe and harmonious working environment;
- maintaining professional independence and objectivity;
- compliance with applicable laws and regulations, including competition and anti-trust law;
- zero tolerance of bribery, corruption and illegal or unethical dealings, including insider trading and facilitation payments; and
- whistle-blowing.

Employees are required to read the Code when they join the Company and whenever the Code is revised. All employees are required to refresh their knowledge of the Code annually through an e-learning course.

Whistle-blowing Policy

UOI's whistle-blowing policy provides for any person to report in confidence, anonymously or otherwise, any impropriety in financial or other matters. The policy also sets out the procedures by which whistle-blowing cases are investigated. Whistle-blowing reports may be sent to the AC chairman (c/o Company Secretary, 80 Raffles Place, UOB Plaza 1, Singapore 048624). All whistle-blowing reports received are investigated independently by the AC with the assistance of the internal auditor or an external independent consultant firm, where appropriate.

UOI prohibits reprisal in any form against whistle-blowers who have acted in good faith.

Securities Dealing

Directors, employees and UOB personnel involved in providing services to UOI have to observe a code on dealing in securities. The code requires them to adhere to applicable laws on insider dealings at all times and prohibits dealings in UOI's securities in the following situations:

- on short-term considerations; and
- during the period commencing two weeks before the announcement of the Company's financial highlights for each of the first and third quarters of the financial year, and one month before the announcement of the Company's half-year and full-year financial results. The Company does not deal in and advises its Directors and employees not to deal in its securities during the prohibited dealing periods and whenever they are in possession of price-sensitive information.

Directors and the Managing Director/Chief Executive must notify the Company of their interests in the securities of UOI and its related corporations within two business days after they acquire or dispose of such interests or become aware of any change in interests so that the Company can announce it on the SGX website, where applicable.



Corporate Governance

Summary of disclosures – Express disclosure requirements in the 2018 Code and Supplementary MAS Guidelines

Principles and provisions of the 2018 Code – express disclosure requirements	Page reference
Provision 1.2 The induction, training and development provided to new and existing directors.	21
Provision 1.3 Matters that require board approval.	17
Provision 1.4 Names of the members of the board committees, terms of reference, any delegation of the board's authority to make decisions, and a summary of each board committee's activities.	17 to 27
Provision 1.5 The number of meeting of the board and board committees held in the year, as well as the attendance of every board member at these meetings.	19
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	18 to 20
Provision 4.3 Process for the selection, appointment and reappointment of directors to the board, including criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	21
Provision 4.4 Where the board considers a director to be independent notwithstanding the existence of a relationship between the director with the company, its related corporation, its substantial shareholders or its officers, which may affect his or her independence, such relationship and the reasons for considering him/her as independent should be disclosed.	Not applicable
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	5 to 8, 20 and 21
Provision 5.2 How the assessment of the board, its board committees and each director has been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	20 and 21
Provision 6.4 The company discloses the engagement of any remuneration consultants and their independence.	Not applicable
Provision 8.1 The company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.	23 and 24

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the company, or are immediate family member of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Not applicable
Provision 8.3 All forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, including the details of employee share schemes.	23 and 24
Provision 9.2 The Board should disclose whether it has received assurance from: (a) the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	27
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	19
Provision 12.1 The steps to solicit and understand the views of shareholders.	28
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	28, 37 and 38
Supplementary MAS Guidelines – Express disclosure requirements	Page reference
Guideline 1.16 An assessment of how induction, orientation and training provided to new and existing directors meet the requirements as set out by the NC to equip the board and the respective board committees with relevant knowledge and skills in order to perform their roles effectively.	21
Guideline 2.13 Names of the members of the board executive committee (EXCO) and the key terms of reference of the EXCO, explaining its role and the authority delegated to it by the board.	Not applicable
Guideline 4.13 Resignation or dismissal of key appointment holders.	Not applicable
Guideline 4.14 Deviation and explanation for the deviation from the internal guidelines on time commitment.	20 and 21
Guideline 11.14 Names of the members of the board risk committee and the key terms of reference of the board risk committee, explaining its role and the authority delegated to it by the board.	Not applicable
Guideline 17.4 Material related party transactions.	28



Sustainability

Our Commitment to Sustainability

UOI is committed to creating sustainable value for its stakeholders. Values such as honesty, fairness, social conscience, professionalism, and the constant pursuit of excellence guide Management and the Board to grow business sustainably.

UOI has a track record of nearly half a century of serving the insuring public. Established in 1971, it remains the only home-grown general insurer listed on the Singapore Exchange. Over the decades, it has maintained consistent growth, contributed to shareholder value and played its part as a responsible corporate citizen.

As a general insurer, UOI provides useful financial services to clients responsibly. It is a trustee of a mutual fund whereby the losses of a few are shared by many. Premiums are pooled together, claims are deducted, and surpluses are accumulated and used to fund capital requirements of businesses or deployed into investments that are beneficial to society. Through careful management of this mutual fund, UOI facilitates the transfer of risks from insureds, supports economic activities, contributes to government revenue through taxes, creates jobs and provides funding for investments and corporate finance.

UOI has a long history of contributing to society. The Board Chairman, Dr Wee, is a well-respected philanthropist who actively supports social and charitable causes. Dr Wee's voluntary positions have included as a council member of the then newly formed the National University of Singapore in 1980, and the Pro-Chancellor of Nanyang Technological University in 2004.

UOI has played an active role to support the establishment of several important institutions in Singapore. These include the National Crime Prevention Council, National Fire and Civil Emergency Preparedness Council, General Insurance Association of Singapore, Insurance Ombudsman Committee and the Asean Insurance Council.

UOI supports the Singapore government's drive for building a green economy. We are committed to contributing to the Singapore Green Plan 2030, introduced by the government in February 2021, to advance sustainable development. We are also committed to addressing climate-related risks and opportunities in accordance with the Environmental Risk Management Guidelines issued by the Monetary Authority of Singapore (MAS) in December 2020. We also continue to use the United Nations (UN) Sustainable Development Goals as a framework to inform our strategic sustainability priorities.

Our sustainability efforts are described throughout this report.

About This Report

This report is UOI's fifth annual sustainability report.

This report provides details of our performance relating to the material Environmental, Social and Governance (ESG) topics, including risks and opportunities. The performance data in the report is for the financial year ending on 31 December 2021.

Reporting Standards and Frameworks

This report has been prepared in accordance with the "GRI Standards: Core option." We have adopted the GRI Standards for our sustainability reporting due to its international recognition and acceptability. The report is also prepared in accordance with SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting. In addition, the report outlines UOI's contribution to the UN Sustainable Development Goals (SDGs). This report also refers to the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations, the Monetary Authority of Singapore's (MAS) Environmental Risk Management Guidelines (Insurers) and the Sustainability Accounting Standards Board's (SASB) Insurance Sustainability Accounting Standard.

Reporting Scope and Boundary

This report covers all our operations and business activities.

Reporting Principles

We have continued to apply GRI's reporting principles contained in the GRI Standards (GRI 101: Foundation 2016) to develop the content of this report. We have selected the topics through a materiality assessment process following the GRI principles of stakeholder inclusiveness, sustainability context, materiality and completeness. As such, this report focuses on issues that reflect UOI's material impacts on the economy, the environment and society and the topics of interest to our stakeholders.

To maintain the quality of the report, we have adhered to the GRI principles of accuracy, reliability, clarity, comparability, timeliness and balance.

Restatements

There are no restatements in this report.

External Assurance

UOI's current practice is to rely on internal checks and verifications for data presented in its sustainability report instead of seeking external assurance. In 2022, we plan to implement a mechanism for the internal review of sustainability information to strengthen the robustness of disclosures.

Availability

As part of our Annual Report, this report is available on UOI's website in PDF format for viewing and download.

Feedback

We welcome any questions or feedback relating to this report which may be sent to contactus@uoi.com.sg

ESG PERFORMANCE HIGHLIGHTS

MATERIAL ESG FACTORS	2021	2020	2019
Environmental			
Electricity consumption (kWh)	330,936	326,499	314,607
Energy intensity (kWh/employee)	3,277	3,170	3,178
CO ₂ emissions (tonnes)	135	133	129
CO ₂ emissions intensity (tonnes/employee)	1.34	1.29	1.30
Office paper use (kg)	13,469	14,875	17,135
Office paper use intensity (kg/employee)	133	144	173
Paper recycled (kg)	15,360*	2,470	1,880
Non-hazardous waste (kg)	10,898	7,259	6,886
Non-hazardous waste intensity (kg/employee)	108	70	70
Note: Energy and emissions refer to purchased electricity.			
SOCIAL			
Employees			
Total number of employees	101	103	99
New hires	13	20	10
Female employees (%)	81	83	82
Female managers and supervisors (%)	82	84	84
Female Heads of Department (%)	38	38	43
Average hours of training per employee	20	20	34
Annual employee turnover rate (%)	12	9	8
GOVERNANCE			
Compliance with the Insurance (Corporate Governance) Regulations (Insurance Regulations)	✓	✓	✓
Compliance with the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST)	✓	✓	✓
Compliance with all material aspects of the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore (MAS Guidelines) issued by the Monetary Authority of Singapore (MAS) in 2013	✓	✓	✓
Compliance with the Code of Corporate Governance 2018 issued on 6 August 2018 (2018 Code)	✓	✓	✓

* The large increase in the amount of paper recycled was due to housekeeping as UOI had moved to a new building in 2021.



Sustainability

Board Statement

The Board is committed to building a sustainable and resilient business. The Board constantly assesses and addresses material environmental, social, and governance (ESG) risks and opportunities. The Board considers sustainability in framing and reviewing business strategy and provides strategic direction to the management for managing sustainability issues. Assisted by the Management Committee, the Board determines the ESG factors to create sustainable value for the business and stakeholders. The Board maintains effective oversight of the management and monitoring of the material ESG issues presented in sustainability reporting. The Board has endorsed this sustainability report.

The Board recognises that the impact of climate change on the global insurance business can be substantial. Therefore, the insurance sector needs to effectively assess and manage climate-related risks and opportunities. At UOI, the Board has oversight of climate-related risks and opportunities. Guided by the Board, Management assesses and manages climate-related risks and opportunities as part of its overall management of material sustainability issues.

Sustainability Governance

At UOI, sustainability is governed at the Board level. The Board plays an active role in developing and implementing sustainability strategy, environmental risk management, and corporate governance.

- UOI continues to enjoy a financial strength rating of A+ (Superior), an issuer credit rating of 'aa-' and a stable outlook from A.M. Best, a leading independent international credit rating agency for the insurance industry.
- In 2021, UOI was awarded the Corporate Excellence and Resilience Award at the Singapore Corporate Awards.
- Absence of any significant adverse finding in internal and external audits.
- Absence of any significant complaint by customers and claimants.

With the Board's support, Management has established a robust system of controls and risk management that ensures that UOI's operations and dealings with its stakeholders uphold high standards of professionalism, ethical values, and social and environmental responsibility.

The Management Committee (MC), comprising senior executives from key functions, is chaired by the Managing Director and Chief Executive, who is also a member of the Board. Guided by the Board, the MC is responsible for implementing sustainability strategy and preparing this sustainability report.

As part of its overall responsibility for sustainability, the MC is also charged with developing and implementing an environmental risk management framework, policies, tools, and metrics to address climate-related risks and opportunities. In addition, the MC regularly reviews climate-related impacts and risks and updates the Board on significant developments.

The MC reviews and assesses the sustainability context, material ESG issues, environmental and climate-related risks, report content and scope, and topics for reporting. Finally, the Board reviews and approves the material ESG factors, targets and performance.

A cross-functional project team has the responsibility for collecting and verifying ESG performance data for reporting.

Sustainability Management

Various senior executive committees actively contribute to implementing sustainability strategies throughout UOI. These committees and their responsibilities are as follows:

Risk Management and Compliance Committee (RMCC): examines all risk management, corporate governance and compliance issues affecting the Company, including ESG risks which also cover climate-related risks.

Underwriting and Claims Committee (UCC): establishes underwriting and claims policies and procedures, and monitors the compliance of such policies and procedures by all operational units. The committee monitors underwriting risks and oversees the development of any new underwriting policy and strategy. Environmental and climate-related risks are fast becoming a new risk class that needs to be considered in our underwriting policies and procedures.

Investment Committee (IC): monitors and manages the Company's investment portfolios, ensuring sound and responsible economic performance. The Investment Committee also considers ESG risks in general and climate-related risks more specifically to minimise overall risk to our investment portfolio.

More detailed information about the functions of various committees is available in the Risk Management section of this Annual Report.

Sustainability Strategy

As a leading local general insurance company in Singapore, UOI aims to be a trusted insurance solutions provider. Consistently delivering exceptional client experience is our topmost priority. Sustainability is embedded in our governance and strategy backed by our commitment to creating long-term sustainable economic value. Our policies and actions are guided by high standards of ethics, integrity, professionalism, transparency and governance.

We manage our material ESG risks and opportunities by nurturing a compliance culture, adopting fair dealing practices, protecting personal data and customer privacy and offering insurance solutions to meet the needs of our customers.

In an increasingly complex and challenging operating environment driven by geopolitics, globalisation, climate change, disruptive technologies, and shifting demographics, UOI remains fully committed to supporting our clients, in particular, and the community in general in their efforts to overcome and recover from the adverse circumstances. By facilitating risk transfer, UOI is able to play a part in providing peace of mind to the insuring public. However, in our underwriting, we do not lose sight of the importance of “Safety First” in fire and accident prevention and apply to differentiate premium rating between good and bad risks to promote and contribute to a safer environment at home, workplace and on the road.

The pillars of our sustainability strategy include understanding the new developments and wider trends relevant to our business, identifying and mitigating the risks, looking for growth opportunities, and formulating action plans. In adopting this approach, UOI acknowledges the challenge, identifies and prioritises the areas that it can make significant contributions in, considering the available resources.

Significant Developments and Trends

We have identified below some of the more significant developments and trends that have an impact on our activities going forward within the ESG framework:

1. Climate Change

In its latest assessment report in 2021, the Intergovernmental Panel on Climate Change (IPCC) noted that many of the changes observed in the climate are unprecedented in thousands, if not hundreds of thousands of years, and some of the changes already set in motion—such as continued sea-level rise—are irreversible over hundreds to thousands of years. The report paints a grim picture of the future if urgent action is not taken to cut emissions to avoid a likely catastrophic impact of climate change.

The IPCC report further states that human-induced climate change is already affecting many weather and climate extremes in every region across the globe, such as heatwaves, heavy precipitation, droughts, and tropical cyclones.

In recent years extreme weather conditions resulting from climate change have caused billions of dollars of losses to the insurance industry worldwide. It is critical for the insurance sector to develop methodologies, tools and metrics to address both the physical and transitions risks of climate change.

At UOI, we are committed to adopting the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations over the coming year to develop the necessary framework for addressing climate-related risks and opportunities. TCFD has identified two broad categories of risks: risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change. More than ever before, businesses, including insurers, are expected to act on climate risks and opportunities to minimise the impact on their long-term financial performance.

2. COVID-19

The COVID-19 pandemic has continued to disrupt societies and economies, affecting millions worldwide. With almost the entire population fully vaccinated in Singapore, the government is making efforts to open the economy and borders to support recovery and growth. As an insurer involved in all aspects of human endeavours, we have to be fully geared to meet the challenges of whatever changes ahead.

3. Technological Disruption

COVID-19 has expedited the digitisation of economies and businesses as millions of people have been forced to work from home, and comply with frequent lockdowns and strict safe distancing measures. A rapid rise in the use of online services is fueling e-commerce in an unprecedented manner. This dramatic change requires the setting up of digital platforms by the vendors. As an insurer, we have kept up with the change to facilitate sales by developing new products to cater to the changing behaviour of insuring public. Much resources are allocated to our own internal development in this direction, and close attention is paid to other technological innovations such as the application of big data analytics and FinTech to ensure our existential relevance.

Where there is a risk, there is an opportunity. As corporate citizens, we will continue to strive to manage the risk as well as possible and exploiting the opportunities available to us to our best advantage to benefit all our stakeholders. Considering our many obligations, our sustainability in terms of financial viability must be a prerequisite to our wider role to make meaningful contributions to society.

Other trends that continue to be significant to the insurance sector include over-regulation, terrorism, generational changes, rising healthcare costs and geopolitical conflict leading to departure from multilateralism and international relations and trade.



Sustainability

Our Response

Strong Governance

UOI has strong corporate governance in place to address the disruption to business and uncertainties in the investment markets arising from COVID-19, climate change, global recession, geopolitics. The Board is fully aware of its fiduciary duties and responsibilities, and have directed Management to put in place adequate systems of controls and procedures. The Board oversees the business affairs of UOI, provides strategic direction and guidance, monitors financial performance, sets company values and standards and supervises the Management in all important business plans and projects. The Audit Committee reviews financial statements, interested person transactions, internal control systems and risk management policies, appoints and evaluates the internal and external auditors, and approves internal and external audit plans and reports. With a tradition of strong governance, UOI's policies and actions are guided by high standards of professionalism, ethics, integrity, transparency and governance, which will ensure the Company's long-term sustainability.

Accordingly, the Board and Management will ensure the Environmental Risk Management Guidelines issued by MAS to strengthen the governance, oversight and management of climate-related risks and opportunities are fully complied with. In the coming year, the Management will continue to strengthen our environmental risk management framework to assess and manage UOI's environmental risk exposures systematically in accordance with the Board's policies.

A detailed explanation of the Company's governance can be found in Corporate Governance on pages 17 to 31 of our Annual Report 2021.

Judicious Underwriting

Prudent management of risks is fundamental to UOI's business, bearing in mind the financial resources available, the high-risk nature of the insurance business and the importance of maintaining the regulatory solvency requirement at all times. UOI remains diligent in judiciously underwriting risks in the face of emerging challenges such as climate change, pandemics and technological disruptions. We will continue to be vigilant in monitoring the accumulation of risks and sustainability of UOI's value chain, which includes its reinsurers.

Resilience

Since the start of the COVID-19 pandemic, we have introduced a series of measures to protect and support our people. Our measures have included strict safe distancing measures, higher frequency of cleaning of the workplace, free masks and antiseptic hand sanitisers for our staff. UOI's Crisis Management

Team (CMT), established in the wake of the COVID-19 outbreak, continues to oversee measures to keep our people safe. The measures include Work-from-Home arrangements for employees who are able to perform their duties from home and Alternate Workday arrangement for employees who have to perform their duties within the office during the periods of heightened restrictions.

UOI actively monitors market trends and looks into offering new products that can help customers manage their risks better during the pandemic outbreak.

Digital Capabilities

Our investment in UOI's digital transformation to enhance customer experience continues. We have been augmenting our digital capabilities to be more efficient and productive. As we make more of our products and processes online, we are also constantly upgrading our personal data protection and cybersecurity measures. Securing our IT infrastructure remains a top priority for us. We are also investing in constant training of our people to build a digitally-savvy workforce. As we build digital infrastructure to serve our customers more effectively, we are also investing in enhancing IT security to provide our services in a secure environment.

Responsible Investing

We have embedded ESG considerations in our investment decisions. Our fund manager, UOB Asset Management (UOBAM), is committed to integrating ESG evaluation into its investment process across all investment asset classes. A signatory of the UN Principles for Responsible Investment, UOBAM uses a combination of tools, including sustainability ratings, to assess companies' ESG performance.

Green Insurance

We are exploring potential opportunities in green insurance solutions that support environmentally friendly lifestyles, products and projects. We also keep a close eye on rapid technological advancements, many of them disruptive in nature, and the challenges they pose in assessing and underwriting risks.

Green Office

We plan to achieve Green Mark Certification for our new office building, where we moved our operations to in 2021.

The retrofitting, already underway, includes upgrading the air-cooled chiller to the variable refrigerant flow, replacing fluorescent light tubes with energy-efficient LED lighting, and water-efficient taps and sanitary ware with a more water-efficient usage design.

Our Stakeholders

Actively listening to our stakeholders continues to be a critical part of how we approach sustainability and our business. We engage with a range of stakeholders throughout the year to gain insights into their needs, concerns and expectations. Stakeholder insights are regularly discussed in internal management meetings to help us develop suitable insurance plans and solutions for our customers. In addition, issues raised by various stakeholders are considered in our materiality assessment to prioritise ESG topics for reporting.

An overview of our engagement activities is presented in the following table:

Our Stakeholders	What They Expect	How We Engage	How We Respond
Customers	<ul style="list-style-type: none"> • Adequate cover • Affordable premiums • Clarity in policy terms and conditions • Fast claim settlements • Respect and fair treatment • Products tailored to their needs 	<ul style="list-style-type: none"> • Product brochures and communications • Web portal • Customer Services • Through the sales process • Through claims process • 24-hour hotline for UOI customers for specific products 	<ul style="list-style-type: none"> • Via a customer-centric business approach • Hiring of skilled personnel • Adherence to industry code of practice • Adherence to Code of Conduct • Employees' behavioural service standards • Product training for employees and sales personnel • Product development that aligns with customers' needs • Product review committee to assess all new products • Niche products to meet customers' needs • Annual review of agents to ensure their suitability in serving our customers
Employees	<ul style="list-style-type: none"> • Conducive work environment • Trust and respect • Job satisfaction • Skills training • Career advancement • Work-life balance • Job security • Safe Workplace • Fair remuneration and benefits 	<ul style="list-style-type: none"> • Intranet, emails and meetings • Team bonding activities and events • Performance appraisal • Internal customer survey • Reward programme • Conduct workplace safety assessments regularly 	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations, including Workplace Safety and Health Act • Employment policies and practices that promote inclusivity, diversity, fair treatment, safe working conditions, reward and recognition for performance, teamwork, work-life balance, and career growth • Flexi-work arrangements • Annual training plan



Sustainability

Our Stakeholders	What They Expect	How We Engage	How We Respond
Agents and Brokers	<ul style="list-style-type: none"> • Attractive sales commission and incentives • Product training and development • After-sales support • Prompt claims settlements • Payment of commission as agreed • Competitive products and pricing • Comprehensive coverage • Underwriting expertise 	<ul style="list-style-type: none"> • Regular meetings with Agents and Brokers • Dedicated Account Relationship Managers • Product briefings • Networking sessions with Brokers 	<ul style="list-style-type: none"> • Agency agreement with clear terms and conditions • Regular training opportunities • Agency management framework
Regulators	<ul style="list-style-type: none"> • Compliance with applicable regulations • Adherence to various sector-specific guidelines • Fair dealing 	<ul style="list-style-type: none"> • Attendance at briefings and consultations organised by regulatory agencies • Communication through emails and letters 	<ul style="list-style-type: none"> • Compliance with applicable rules and guidelines • Robust management of risks • Sound underwriting policy and strategies • Promptly responding to requests for information. • Timely submission of reports
Trade Associations	<ul style="list-style-type: none"> • Support through membership subscriptions 	<ul style="list-style-type: none"> • Attendance at industry seminars and conferences 	<ul style="list-style-type: none"> • Membership of relevant associations such as the General Insurance Association of Singapore
Investors	<ul style="list-style-type: none"> • Consistent returns • Good governance • Sustainable growth of business • High standards of ethics and integrity 	<ul style="list-style-type: none"> • Annual General Meeting (AGM) • Dedicated Investor Relations pages on the UOI website • Dedicated Investor Relations Officer 	<ul style="list-style-type: none"> • Professional and ethical conduct • An experienced management team that runs the business efficiently and generates optimum returns • Sustainable business growth policies and strategies • Prudent business planning and risk management • Good governance, transparency and disclosure
Community	<ul style="list-style-type: none"> • Good corporate citizenship • Support for social causes 	<ul style="list-style-type: none"> • Various community outreach activities 	<ul style="list-style-type: none"> • Participation in the parent company's and organise our own community initiatives and employee volunteering programmes • Support national green policies and measures

Membership of Associations

UOI is a member of the following industry and insurance sector associations, and actively participates in various activities conducted by these associations, including holding leadership positions when called upon:

- General Insurance Association of Singapore
- Singapore National Employers Federation
- Singapore Business Federation

Materiality

Periodic materiality assessment, coupled with annual reviews, is central to our sustainability reporting. We assess material topics using the GRI principles of materiality and stakeholder inclusiveness. The outcome of the materiality assessment guides our sustainability priorities, strategy and reporting. We prioritise the sustainability issues that reflect UOI's most significant economic, environmental and social impacts and which are of significant stakeholder interest. The MC validates the material sustainability issues resulting from the materiality assessment and submits them for the Board's review and approval.

Our materiality assessment also considers the broader sustainability trends, the UN SDGs, emerging ESG risks and opportunities for the insurance sector and the regulatory developments.

Our most recent comprehensive materiality assessment was in 2020. In 2021, we conducted a high-level review of the material topics reported last year. As part of the review, we have referred to the TCFD Recommendations, the MAS Environmental Risk Management Guidelines (Insurers) and the SASB Insurance Sustainability Accounting Standard to align our sustainability reporting.

An overview of UOI's material factors is presented in the following table.

Material ESG Factors	GRI Standards	Topic Boundary	Management Approach
Highly Material Factors			
Client Satisfaction	<ul style="list-style-type: none"> Marketing and Labelling Customer Privacy 	The impact occurs across our customer base through our product features, pricing, underwriting, claim settlement processes, customer service, and our agents and bancassurance partners.	Conduct our business professionally and ethically and deliver value and fair dealing outcomes to our customers.
Digitalisation	<ul style="list-style-type: none"> Customer Privacy 	The impact occurs within the organisation through improved efficiency and productivity as well as outside the organisation through enhanced customer experience.	Accelerate and increase digitalisation of business and automation of the delivery of insurance services and processes.
Regulations	<ul style="list-style-type: none"> Socio-Economic Compliance Anti-Corruption Customer Privacy Product and Service Labelling Marketing Communications 	Because of the strict regulations governing the insurance sector, our compliance policies positively impact regulatory institutions and customer satisfaction.	Maintain zero breaches or incidents of non-compliance with cybersecurity and personal data protection, laws and regulations.
Financial and Economic Performance	<ul style="list-style-type: none"> Economic Performance Indirect Economic Performance 	We make an impact on society by underwriting financial risks for our individual and commercial customers. Our economic impacts include tax contributions and jobs creation.	<p>Optimise financial performance to improve shareholder value and provide job security to employees.</p> <p>Maintain strong capital adequacy and solvency.</p>



Sustainability

Material ESG Factors	GRI Standards	Topic Boundary	Management Approach
Material Factors			
Responsible Investment	<ul style="list-style-type: none"> Product Portfolio (G4 Financial Services Sector Disclosures) 	The impact occurs outside of our organisation through our investment decisions.	We have embedded ESG considerations in our investment decisions.
Climate Change	<ul style="list-style-type: none"> Product Portfolio (G4 Financial Services Sector Disclosures) 	The impact occurs outside of our organisation through our underwriting insurance risks, investment decisions and green insurance solutions.	<p>To focus on prudent underwriting of insurance risks and consider climate change concerns in investment decisions.</p> <p>To explore developing solutions that support climate change mitigation.</p>
Talent Management	<ul style="list-style-type: none"> Employment Training and Education Diversity and Equal Opportunity 	The impact occurs within our organisation through the professional development of our people and through building an inclusive workplace.	<p>To attract, develop and retain talent.</p> <p>To nurture an inclusive workplace.</p>
Building a risk-focused organisational culture	<ul style="list-style-type: none"> Training and Education 	The impact occurs within our organisation through building risk management skills and capabilities.	To build a risk-focused organisation through ongoing training on risk management.
Important Factors			
Environment	<ul style="list-style-type: none"> Energy Greenhouse Gas Emissions 	Even though, as a relatively small user of energy and resources, our direct impact on the environment is minimal, we strive to reduce our environmental footprint and support the government's green initiatives.	To minimise our direct impact on the environment by using resources efficiently.
Society	<ul style="list-style-type: none"> Local Communities 	Our impact on society is through our involvement with community development initiatives and by serving the insurance needs of society.	<p>To be a responsible corporate citizen and to contribute to various social programmes.</p> <p>To monitor trends in claims and share relevant information with clients to help them in loss prevention and loss reduction, leading to a safer environment for the community.</p> <p>To meet the insurance needs of individuals and businesses through appropriate and relevant products.</p>

UN Sustainable Development Goals

We remain committed to making a positive contribution to sustainable development. Accordingly, we have integrated the SDGs into our sustainability approach. UOI's focus on the material topics that support the relevant SDG targets is illustrated below.

Contributing to the UN Sustainable Development Goals

Material ESG Topics	SDG Targets Supported	SDGs
Client Satisfaction	Target 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	
Digitalisation	Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	
Regulations	Target 16.3. Promote the rule of law at the national and international levels and ensure equal access to justice for all 16.5 Substantially reduce corruption and bribery in all their forms	
Financial and Economic Performance	Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	
Responsible Investment	Target 7.3. By 2030, double the global rate of improvement in energy efficiency	
Climate Change	Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	
Talent Management	Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
Building a risk-focused organisation culture	Target 16.3. Promote the rule of law at the national and international levels and ensure equal access to justice for all	



Sustainability

Marketplace

At UOI, we are driven by client-centricity and focused on providing a superior experience to our customers. Our paramount goal is to offer solutions that efficiently meet our customers' insurance needs. Driven by our long-cherished values, we constantly strive to maintain our role as a responsible and innovative player in the insurance sector. We uphold the highest ethical and professional standards in our dealing and engagement with customers and stakeholders.

Our Insurance Operation

Client Satisfaction

UOI has built an organisational culture to put clients at the centre of everything we do. We constantly train our employees to listen to our clients and seek client feedback to understand their needs.

We ensure high quality of our products and services aimed at building client trust and loyalty. Our insurance products provide the right coverage and affordable premium to meet our clients' needs. We offer several mandatory insurance products such as motor insurance, domestic helper insurance, and works injury compensation at competitive pricing to help clients meet their legal obligations.

We strive to make claims processing more straightforward and faster to serve our clients effectively. Our digital push will further enhance client satisfaction by making our processes more efficient and improving customer service.

We have established a dedicated task force that continually looks for ways to improve client satisfaction. The task force regularly reviews and implements customer service excellence initiatives to drive client satisfaction.

Ongoing Target	2021 Performance
To conduct our business professionally and ethically, that delivers value and fair dealing outcomes to our customers	There were no incidents of non-compliance concerning product and service information and labelling or marketing communications

Fair Dealing

Treating clients fairly and respectfully remains a central element of our client-centric culture. Ensuring transparency in our selling and marketing practices is key to client trust. We strive to help customers make an informed decision when buying an insurance policy. We seek to understand our clients' needs and to provide them with adequate information, explanation, quality advice and recommendations that they need to make an informed choice. We ensure our advertising and promotional materials, and our product information are transparent, simple, straightforward and easy to understand.

We require our agents to explain all the main features of our products and services and provide a product summary highlighting essential details of cover and benefits, significant restrictions, warranties or exclusions, and any significant conditions or obligations that our customers must meet.

Free Look Period

It is crucial for us that our clients feel confident about the insurance plan they buy from UOI. Therefore, we offer our clients a 14 to 30 day free-look period for some of the products so that clients can review their policy to ensure it meets their needs. Customers may cancel the policy within the free-look period for a full refund of their premium if they change their minds.

Fair Claim Processing

Fair and efficient claim processing is the cornerstone of client trust in the insurance business. Therefore, we are committed to handling claims and complaints fairly, reasonably and promptly.

Claim processing is faster when the coverage and the procedures are clear to clients. Therefore, we explain the claim procedures clearly to clients at the time of selling. Our website also carries detailed information about claim procedures. In addition, clients can contact our friendly claims executives to enquire about our claim procedures.

We aim to acknowledge all claims within three business days of receipt and decide the outcome as soon as practical after receiving all the necessary information and completing investigations.

Takaful

Takaful is Islamic insurance adhering to Syariah principles and based on social solidarity. Takaful follows the Islamic principles of equitability and transparency and advocates collective responsibility and cooperation. Unlike conventional insurance, the mutual risk is shared by Takaful participants. In Takaful, contributions paid by policyholders are kept in a Tabarru Fund or Donation Fund (for designated purposes) which is used to pay for claims and costs of operating the scheme.

UOI has built the business infrastructure to support the selling and servicing of Takaful products.

Digitalisation

The COVID-19 pandemic has accelerated the use of digital services, including buying financial products such as insurance. Digital transformation has been one of the strategic priorities at UOI for the past few years to stay ahead in a data-driven world. We have been investing in improving our IT infrastructure and management information system to support the digitalisation of products and services. We believe technology is key to enhancing the client experience, productivity and efficiency. Consolidating services and processes on a secure digital platform will help speed up processes, lower operational costs and reduce our environmental footprint.

In our view, emerging technologies such as artificial intelligence, machine learning, data analytics and the Internet of Things (IoT) will play a crucial role in the insurance sector. For example, the use of Big Data will enable us to develop tailored and personalised insurance solutions for our clients.

2021 Target	2021 Performance	2022 Target
To target to automate and to deliver our insurance services on a digital platform by 2022	There are significant investments in the improvement of our IT infrastructure. Progress is on track	Automate and to deliver our insurance services on a digital platform by 2022

Our digitalisation programme aims to harness the opportunities presented by rapid technological advancements, evolving business environment, stringent regulatory requirements and customers' changing preferences. Our digitalisation strategy is to operate a customer-oriented digital platform, leverage data analytics and digital marketing to improve the delivery of insurance products and reduce operational costs by process automation.

UOI customers can access a wide range of insurance products and services on our mobile and web-based digital marketing and e-commerce platforms. Customers can conveniently buy our travel insurance products via e-commerce platforms like online B2C portals available on UOI, UOB and UOB Travel Planners' website and UOB TMRW. Our customers can also get an instant quotation and purchase our travel insurance products on our secure internet platform.

Our B2B online application system is deployed to UOI's agents to facilitate our travel insurance sales and support the telemarketing sales of motor insurance to UOB customers. In addition, our digital platform for claims servicing and policy administration helps us to constantly improve our bancassurance business model and overall customer service.

Our digital drive continues to help the environment with our ongoing transitioning of the processes relating to insurance proposals, processing, approvals, renewals, and billing to the electronic transmission methods, eliminating the use of paper. We also encourage our customers to play their part for the environment by opting for a soft copy of their policy document.

We have significantly reduced paper consumption as our customer outreach programmes for personal line insurance products now rely more on direct electronic mailers, mobile text messages and digital marketing.

Digital Skills

It is essential to build a technology-savvy workforce to leverage the benefits of digitalisation fully. Therefore, we are investing in developing the digital skills of our employees through ongoing training. Our staff development programmes include skills training in key areas such as marketing, underwriting and claims servicing in a digital operating environment.

In 2021, our employees continued to participate in relevant training workshops to enhance their proficiency in using a number of digital applications deployed by the Group to serve our customers more efficiently.

Regulatory Compliance

UOI is committed to ensuring legal compliance in conducting its business. We take regulatory compliance seriously and maintain a zero-tolerance policy for the breach of any applicable laws. The Insurance Act governs our operations. We comply with the Insurance Act and remain committed to working with various regulatory authorities such as the Monetary Authority of Singapore to maintain the sector's resilience.

UOI's RMCC provides oversight of all regulatory compliance matters. In addition, operational manuals and toolkits are readily accessible to guide our employees on regulatory compliance.

Our employees also refresh their knowledge annually through training programs on regulatory compliance topics that include insider trading and market misconduct, anti-money laundering, anti-bribery, banking secrecy, computer misuse and cybersecurity, and fair dealing.



Sustainability

There were no incidents of non-compliance with laws or regulations in the social and economic areas in the reported period.

Socio-economic Compliance

Ongoing Target	2021 Performance
To maintain zero breaches with laws and regulations	No incidents of regulatory non-compliance

Our Business Practices

Anti-corruption

UOI maintains a zero-tolerance approach to fraud, bribery, corruption and money laundering. We strictly enforce the anti-bribery laws through our Code of Conduct that applies to all employees and Directors. Our policy prohibits all employees from offering, accepting, authorising or facilitating any form of bribes.

There was no incident of corruption during the reported period.

Ongoing Target	2021 Performance
To maintain zero breaches with laws and regulations	No incidents of corruption

Code of Practice

UOI is committed to selling insurance products responsibly. Accordingly, we have adopted the Singapore General Insurance Code of Practice, issued by the General Insurance Association of Singapore, including Service Standards of General Insurers.

The Code of Practice sets out clear and consistent standards for the insurance industry to improve policyholders' confidence and trust through transparency in insurance products. The Code of Practice seeks to establish transparency in the insurance products and insurance practices to enable policyholders to make informed choices when making purchasing decisions.

Customer Privacy and Data Security

With increasing digitalisation, data privacy is becoming ever more critical. As we continue with our digital transformation, personal data security remains a top priority for us. We are committed to adopting best practices to safeguarding the personal data of our customers and employees. Among the cybersecurity measures, we have implemented a security system that protects the confidentiality of our customers' account information and their particulars through multiple levels of firewalls between our internal computer systems and the internet servers.

UOI complies with the Personal Data Protection Act (PDPA) of Singapore. In line with the PDPA, a privacy notice outlining how UOI manages personal data, including the purposes for which personal data may have been or may be collected, used and disclosed, is available on our website.

In 2021, no substantiated complaints were received concerning breaches of customer privacy.

Ongoing Target	2021 Performance
To maintain zero breaches with laws and regulations	No substantiated complaints concerning breaches of customer privacy were received

Our Participation in Market Pools

Motor Insurers' Bureau

UOI contributes to the Motor Insurers' Bureau, an independent body funded by all motor insurers in Singapore whose primary purpose is to compensate road users for bodily injury in road accidents caused by untraced or uninsured motorists.

Suppliers

We are committed to treating our suppliers and partners fairly. We also expect our suppliers to uphold high standards of ethics and professional integrity. Our supply chain mainly includes suppliers of IT equipment, office equipment and consumables and utilities, banks, legal advisors, providers of telemarketing and direct marketing services, loss adjusters and claim handling service providers. Our broader value chain includes reinsurers, agents and brokers who market and sell our insurance products.

People

Our sustainable future depends on our people. We highly value our employees, who are fundamental to keeping our business ahead, driving innovation and enhancing the client experience. We foster a culture of collaboration, teamwork and empowerment to deliver on our client-centric business strategy. Our over 100-strong workforce brings extensive experience, expertise, skills and knowledge with a continued appetite for learning and innovating so that our clients can have the most appropriate insurance solutions backed by personalised service.

Our focus is on constantly nurturing a talented, engaged, high-performing workforce to serve our customers. In line with the government's national policies on equality and a conducive social environment, we uphold fair employment practices that foster a more compassionate multiracial society. Our policies support diversity, inclusion, engagement, mutual respect, teamwork, meritocracy, and employee well-being.

As of the end of 2021, UOI employed 101 people, of which 79 per cent were permanent employees. The average age of an employee was 52 years, with a number of them being long-serving staff.

Employee Health and Wellbeing

The safety, health and wellbeing of our employees have always been a no-compromise issue for us. However, in the continuing COVID-19 pandemic, employee well-being has gained a new significance. This is because our people have had to primarily work from home with extended periods of no social interaction with colleagues in a physical extended space such as the office.

The pandemic has also introduced an unexpected risk to the safety of our employees. Working closely with government agencies such as the Ministry of Health and the Ministry of Manpower, we have promptly implemented and adjusted a series of measures to protect and support our people during the pandemic. In addition to safe distancing measures, we clean the workplace more frequently, provide free masks and antiseptic hand sanitisers to employees, and allow Work-from-Home and alternate workday arrangements, where appropriate.

Workplace Diversity and Inclusion

UOI operates in a multiracial and multicultural market. We value cultural harmony and believe in strength in diversity. We continue to nurture a diverse and inclusive workplace and promote gender diversity. Women make up 81 per cent of our workforce, and they account for 82 per cent of managerial and supervisory positions.

In 2021, we rehired 18 retiring employees, including 15 women.

Talent Management

The ability to attract, to develop and to retain talent is essential for our business success. Our hiring practices focus on recruiting talent whom embraces our Company's values, vision and culture. We provide ongoing personal and professional development opportunities to all employees throughout their careers with us.

We benchmark our employee turnover against the national insurance sector turnover rates published by the Department of Manpower Research and Statistics Department of Singapore's Ministry of Manpower. Our employee turnover rate has consistently remained lower than the industry average.

We conduct exit interviews for all outgoing employees to understand their reasons for leaving and use the insights to review and update our HR policies.

In 2021, 12 employees left UOI, of which three were men and nine were women.

Ongoing Target	2021 Performance
To achieve a staff turnover rate to be lower than the national insurance sector turnover rate	UOI: 12% Insurance sector national average: 19%
To refresh training programmes for all full-time and contract staff on relevant topics and achieve a 100 per cent passing rate	Training programmes have been refreshed. Employees who attended the programmes attained a 100% passing rate
To ensure 100% fulfilment of training hours for Front-End Operatives, within the calendar year	100% per cent fulfilment of training hours from Front-End Operatives has been achieved

Our lower staff turnover is due to the number of long-serving employees in UOI. About 50% of our employees have been with the UOI family for more than 20 years, as shown in the table below:

Years of Service of Employees

0 to 10	11 to 20	21 to 30	31 to 40	41 and above
44	7	18	23	9

Developing People

Our people's continuous personal and professional development is central to building a high performing organisation. We ensure our employees have access to ongoing learning opportunities to equip themselves and upgrade the skills and knowledge required to meet stakeholders' needs.

In 2021, our employees attended regular in-house briefings, training and workshops covering 105 topics. Training was conducted mainly by our pool of experienced underwriters and claims handlers. The topics covered in our training programmes during the year included digitisation, cybersecurity and risk management. Our employees also attended two courses on the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations during the year organised by SGX.



Sustainability

As part of the Continuing Professional Development (CPD), our employees in Front End Operations (FEOs) are required to meet the minimum training requirement mandated by MAS. In 2020, due to the disruptions caused by the COVID-19 pandemic, MAS provided an extension of 12 months to allow eligible employees to complete their mandated training. In 2021, our FEOs completed 100% of the required training.

Risk-focused Organisational Culture

A strong risk culture that promotes risk awareness, discipline, and risk and control values is essential for a general insurance business. Fostering and maintaining a robust risk management capability is also the best protection for our policyholders. Risk governance, risk management skills and competencies and risk controls are critical to building a risk-aware culture.

The key components of our risk culture are described in our Board-approved Enterprise Risk Management Framework. The framework, which defines risk tolerance and operational tolerance limits, is reviewed and updated at least once a year and regularly communicated to all managers.

The responsibility for monitoring and managing risks, including unquantifiable but identifiable risks, lies with UOI's RMCC. The risks include strategic, reputational, cyber, geopolitical, earthquake and other catastrophes, automation technology, climate change such as extreme drought, rains, rising sea levels and business process outsourcing.

The RMCC is assisted by the UCC and Credit Control Committee (CCC), which address the key risks arising from the Company's core business activities. These committees meet monthly to consider matters relating to underwriting, claims handling, reinsurance, credit, asset allocation, concentration, investment management, liquidity, foreign exchange, operational risks, and the identified and emerging risks falling within their jurisdiction. Insights from these discussions are shared with all other staff members through departmental meetings.

2021 Target	2021 Performance	2022 Target
To refresh training programmes for all full-time and contract staff on relevant risk-related topics and achieve a 100 per cent passing rate	Training programmes have been refreshed; 100 per cent passing rate achieved	Refresh training programmes on relevant risk-related topics; 100 per cent passing rate for all full-time and contract staff
Staff to attend on at least three risk-related training programmes	All staff attended at least three risk-related training programmes	Staff to attend at least three risk-related training programmes

Risk Management Training

In 2021, our employees completed training covering the following risk topics:

- The Association of Banks in Singapore / MAS Tech & Cyber Risk Seminar
- Anti Money Laundering / Countering the Financing of Terrorism / Sanctions
- Chief Risk Officer - Risk Culture
- Cyber Attacks Can Cause Real - World Damage and Result in Real Liability
- Cyber Risk: Business Interruption - Understanding Risk and Exposure From a Claim Perspective
- Foreign Account Tax Compliance Act / Common Reporting Standard General Awareness Training (E-learning)
- Fireside Chat on the Future of Risk Management
- Fireside Chat on the Future of Risk Management Infrastructure
- Fraud Awareness Programme (E-learning)
- Fundamentals of the Personal Data Protection Act (2020)
- Information Security & Business Continuity Management (E-learning)
- Insider Trading & Market Misconduct (E-learning)
- MAS Fair Dealing (E-learning)
- MAS Guidelines on Environmental Risk Management for Insurers
- Operational Risk Management Begins with Me (E-learning)
- Privacy Of Customer Information & Computer Misuse/ Cybersecurity
- Ransomware Attacks: A Double Whammy for Organisations
- The Evolving Cyber Exposures
- UK Bribery Act (E-learning)
- UOB Information Technology Security (E-learning)
- UOB Risk Culture & Code of Conduct (E-learning)
- Workshop On Annual Update of Business Continuity Plan & Business Impact Analysis For 2021

We also require our employees to complete annual training on the Code of Conduct and relevant regulatory compliance matters.

Employee Relations

Building and maintaining the trust of all employees is paramount to keeping our teams focused on business. We support our employees' lawful right to freedom of association and collective bargaining. UOI has been actively engaging the Singapore Insurance Employees' Union since 2004, when we signed our first collective bargaining agreement with the union. The agreement, reviewed and revised every three years, covers employment benefits for bargainable employees, which comprise nearly 46 per cent of UOI's workforce. In 2021, the agreement was renewed for a new term of three years.

Over the years, UOI has worked closely with the union through regular engagement and constructive dialogue. Our remuneration policy complies with the tripartite agreement with the union. We enjoy a good working relationship with the union, and there has been no dispute over labour issues.

Performance Management

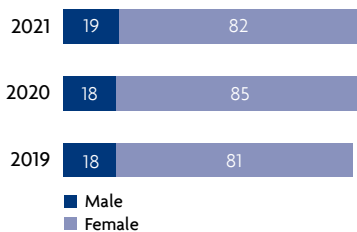
Our policies reward performance fairly and support employees' professional and personal development. All permanent employees participate in periodic performance and career development reviews and enjoy ongoing learning opportunities.

Our performance management process empowers employees and their managers to engage in an open and trusted dialogue to help achieve their personal development goals while meeting UOI's business objectives.

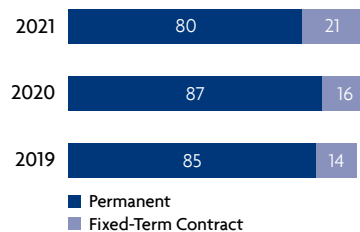
The Key Performance Indicators (KPI) established at the beginning of each year form an objective basis for assessing employee performance. Employees discuss the progress of these KPIs with their respective managers throughout the year. In addition, performance feedback dialogues are conducted half-yearly and formal appraisals take place at the end of the year.

Our people and performance data is presented in the charts below.

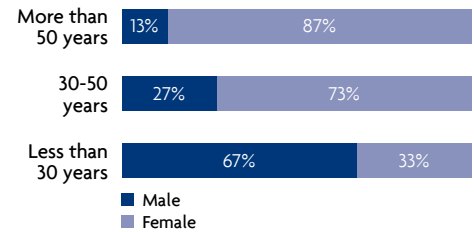
Total No of Employees by Gender



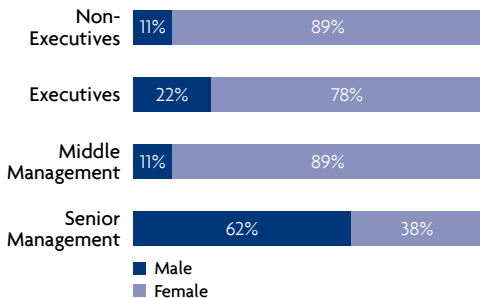
Employee by Employment Contract



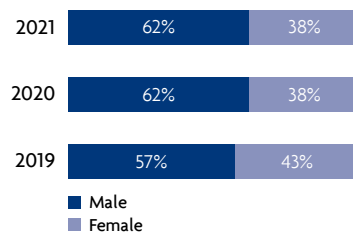
Age and Gender Diversity



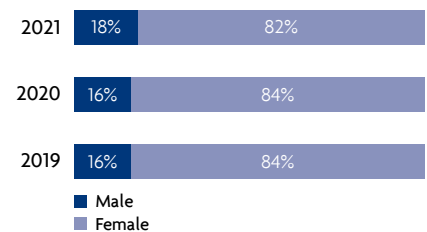
Gender Diversity by Employee Category



Gender Diversity: HODs

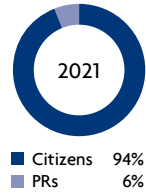


Gender Diversity: Managers and Supervisors

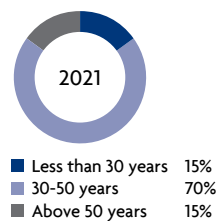


Sustainability

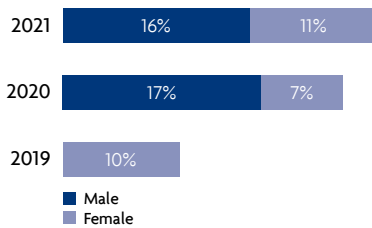
Local Employees



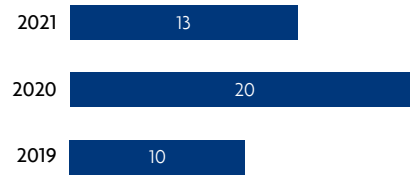
New Hiring by Age



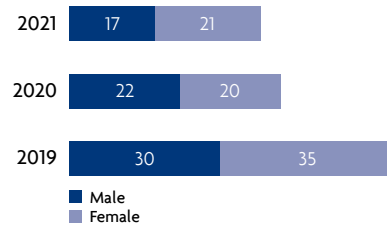
Employee Turnover by Gender



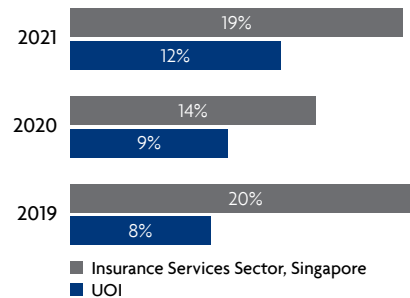
New Hires



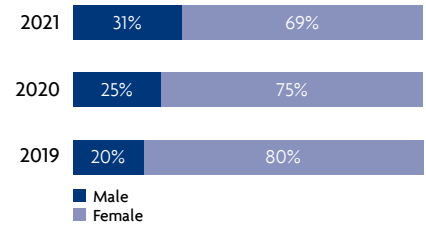
Average Training Hours per Employee (By Gender)



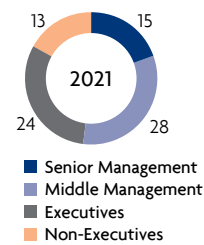
Annual Employee Turnover



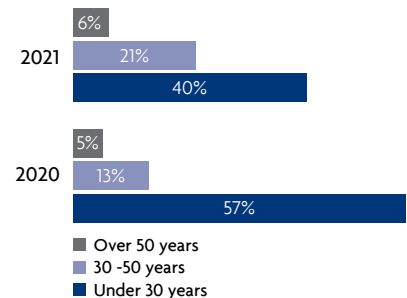
New Hires by Gender



Average Training Hours by Management Category



Employee Turnover by Age



Environment

UOI is committed to protecting the environment. Although our direct operational impact on the environment is negligible, we strive to minimise our footprint. As an insurance business, we contribute by reducing our environmental impact through our investment and underwriting activities.

Our direct environmental impact relates to electricity consumption and paper use in our head office. We have implemented measures, including employee awareness, to reduce energy and paper consumption to keep our environmental footprint to the minimum.

Our ongoing digitalisation programme helps us reduce the use of paper use as we progressively transition to digital forms and

documentation. For example, our customers can choose to receive their travel insurance policy documents in soft copy to save paper. In 2020, we formed a task group to implement a digital document management system that will reduce paper consumption. Currently, the system is still in the midst of implementation.

We have been reporting our consumption of office paper every year. We have also started tracking the use of paper in our office, such as envelopes, policies jackets and letterheads. In 2021, our paper usage on these items was 8,149 kg. Please refer to the chart below for more data for our paper use and recycling.

In 2021, our waste increased as we took the opportunity to do some housekeeping when we moved into our new office.

Climate Change

Global warming is exacerbating environmental risks for economies and societies. In the latest IPCC report, scientists reported their observations on changes in climate systems in several parts of the world. Many of these changes are unprecedented, such as the continued sea-level rise and extreme weather events. Climate change was projected to increase in all regions.

According to the IPCC, it is only possible to avoid warming of 1.5 degrees Celsius or 2.0 degrees Celsius if massive and immediate cuts in greenhouse gas emissions are made. If temperatures increase by 1.5 degrees Celsius, there would be increased heat waves, longer warm seasons and shorter cold seasons. If temperatures increase by 2.0 degrees Celsius, heat extremes would more often reach critical tolerance thresholds for agriculture and health.

The increase in global warming would intensify the water cycle and increase the probability of rising sea levels, coastal floods, severe weather spells, natural disasters, biodiversity loss, pandemics and mass migration.

The potential damage from climate change has profound implications for the insurance sector through more claims and indirect exposure from investment activities. It is ever more critical for insurance companies to understand and address climate change risks, including physical, liability and transition risks.

As a small and low-lying city-state, Singapore is vulnerable to climate change. The Centre for Climate Research Singapore has projected that Singapore could experience an increase in daily mean temperature of 1.4 to 4.6 degrees Celsius towards the end of this century and a mean sea-level rise of up to 1 metre by 2100. The Singapore Government is taking a series of steps for climate change mitigation and adaptation. In February 2021, the government unveiled a ten-year plan called the Singapore Green Plan 2030 with specific action plans and targets.

At UOI, we support Singapore's government's efforts to become a low-carbon global city-state by reducing the nation's greenhouse gas emissions.

Climate Risks

In December 2020, the MAS issued Guidelines on Environmental Risk Management (MAS ERM Guidelines) to enhance financial institutions' resilience to environmental risks from climate change. Accordingly, we have started assessing the climate-related risks and opportunities for UOI in line with the MAS ERM Guidelines and the TCFD Recommendations.

In 2021, the senior management team and the Board attended a workshop facilitated by an external sustainability expert to develop a deeper understanding of the TCFD Recommendations and the MAS ERM Guidelines.

Responsible Investment

Environmental risk is an essential component of the ESG considerations in our investment decisions. Our fund manager, UOBAM, is committed to integrating ESG evaluation into its investment process across all investment asset classes. A signatory of the UN Principles for Responsible Investment, UOBAM uses a combination of tools, including sustainability ratings, to assess companies' ESG performance. Currently, UOI's Investment Committee monitors the exposure of our investment portfolio to sectors with high environmental risk exposure based on S&P's ESG risk score.

UOBAM has integrated ESG evaluation into its investment process across all investment asset classes. As part of the ESG evaluation, UOBAM generates assessments and ratings using ESG data and company reports and publications. Various investment teams utilise these ESG ratings and reviews to complement their respective investment methodologies.

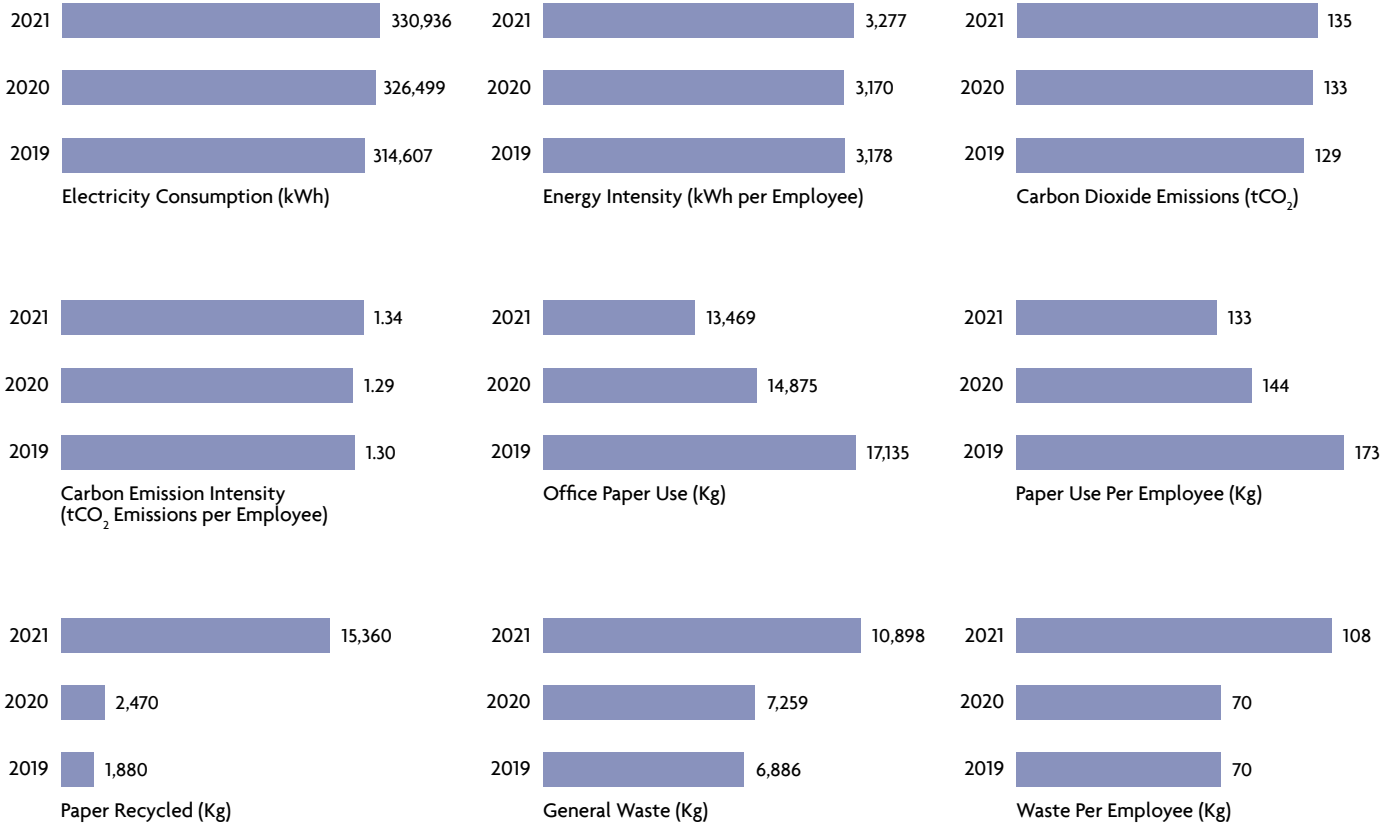
UOBAM publishes and disseminates ESG related information to its relevant stakeholders and plans to make all its active ownership activities and reports in the near future.

2021 Target	2021 Performance	2022 Target
To ensure that our fund managers apply economic, environmental, social and governance evaluation into the investment process across all investment asset classes	Our fund manager, UOBAM, has integrated ESG evaluation into the investment process across all investment asset classes	Ensure that our fund manager applies economic and ESG evaluation into the investment process across all investment asset classes



Sustainability

Presented below is a summary of UOI's direct environmental impacts.



Society

As an insurance provider, our business positively impacts our customers, communities, and a range of stakeholders. Our role in society has become ever more critical as families and companies face the health and financial impact of the COVID-19 pandemic. We remain committed to supporting our customers and communities to recover and rebuild.

Insurance is an essential service that helps protect people and businesses from financial losses arising from physical, moral, environmental and man-made hazards. We use our general insurance business expertise to protect businesses and individuals against unexpected financial damage. Our insurance plans offer risk-focused solutions that make our society more resilient by providing companies and people peace of mind and indemnifying them from financial losses. As risks become more complex due to climate change and technological

changes, businesses can rely on our insurance plans to mitigate unforeseen losses and disruptions. Our insurance products also promote positive behaviour such as road safety, home safety and workplace safety.

We also share significant trends in claims and relevant insights with our commercial clients to help them in loss prevention and reduction, leading to a safer environment for them and the community.

Our business model creates direct and indirect jobs in the local economy, providing income opportunities for our agents, brokers, and other service providers.

Our investment activities also have a positive economic, social, and environmental impact as our fund managers invest our funds responsibly in businesses that meet certain ESG criteria.

Demographic Change

Singapore, UOI's primary market, is witnessing a demographic shift due to a lower birth rate and ageing society. The median age of the resident population has increased from 34 years in 2000 to 41.8 years in 2021, according to the latest Population Trends Report by the Department of Statistics. Singapore's resident total fertility rate fell to a historic low at 1.10 births per female in 2020. The old-age support ratio of residents, the ratio of residents aged 20-64 years for each resident aged 65 years and over, declined to 4.0 as at end-Jun 2021 from 13 in 1970. Life expectancy at birth for residents has continued to rise steadily over the past ten years, from 81.7 years in 2010 to 83.9 years in 2020.

These changes are noteworthy for the insurance sector.

The Singapore government has introduced policies to increase the retirement age to allow older workers to remain in employment longer. The government has increased the retirement and rehiring age from 63 to 68 years from 1 July 2022. In addition, the government plans to increase the retirement age and re-employment age of up to 65 and 70, respectively, by 2030.

An increasing proportion of seniors in the population and the workforce presents challenges and opportunities for the insurance sector. Generally, an ageing population means higher consumption of healthcare services. In addition, seniors in specific workplaces may also be more vulnerable to health and safety hazards. At the same time, well-heeled and healthier seniors are likely to spend more on lifestyle needs such as leisure travel.

As a general insurance provider, we consider demographic changes to tailor our products and solution that the population will need. For example, we have increased the eligible enrolment age for our Personal Accident plans (PA Builder and Accident Care Refund Plan) from 59 years to 65 years. Our older plans can now be renewed up to the age of 85 years instead of the earlier 70 years. Our Personal Accident (PA) plan (SilverCare) caters to UOB customers aged 45 to 69 years old.

UOI closely monitors population trends to address demographic risks and opportunities to build a responsible and resilient business.

Small and Medium Enterprises (SMEs)

In Singapore, SMEs constitute 99% of all enterprises and account for 70% of the employment, according to the Singapore Department of Statistics. SMEs contribute nearly half of the GDP, playing a vital role in the economy. UOI is committed to helping small businesses by meeting their insurance needs.

Our insurance products tailored for SMEs protect against financial losses arising from damage of their assets and consequential loss of income. We have teamed up with UOB to offer BizCare to UOB's Business Banking customers. BizCare, a comprehensive business insurance package, provides coverage against loss and damage to contents, work injury compensation and other types of protection. We also work with various government agencies to offer insurance coverage to SMEs to make financing more accessible.

We also participate in the Special Risk Pool programme. The programme helps to extend insurance cover for risks that are difficult to get insurance coverage for due to their high or complex risk profile.

Community

At UOI, we continue to support various social initiatives. For example, our employees regularly volunteer in community programmes organised by UOB, our parent company.

In 2021, UOI employees participated in the Global Heartbeat Virtual Run/Walk, supporting Children's Wishing Well's Grant-A-Wish programme. The programme provides for disadvantaged children where government assistance is not available, such as living essentials and utilities. For every employee who participates, UOB donated S\$50 to the UOB Heartbeat Fund to help disadvantaged children and families affected by the global pandemic.

Economic and Financial Performance

UOI is committed to creating long-term value for our investors and stakeholders by pursuing sustainable growth strategies. We remain focused on underwriting profit and positive investment return to build shareholder value. UOI's economic performance over the years is a testament to our financial acumen, business prudence and good governance. Our ability to maintain strong capital adequacy and solvency remains at the core of UOI's financial resilience.

Please refer to the Financial Report section of this Annual Report to read about our financial performance, including creating and distributing value.



Sustainability

GRI Content Index

Global Reporting Initiative (GRI) Content Index 'In accordance' – Core		
GRI Standard	Disclosure	Page Number, URL (s) and/or Reference
GRI 101: Foundation 2016		
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GRI 102: General Disclosures 2016		
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102-3	Location of headquarters	2, 77, 141
102-4	Location of operations	2, 77, 141
102-5	Ownership and legal form	2, 77
102-6	Markets served	2, 114
102-7	Scale of the organisation	2, 9-11, 33, 45, 70-73
102-8	Information on employees and other workers	33, 45, 47
102-9	Supply chain	44
102-10	Significant changes to the organisation and its supply chain	None
102-11	Precautionary Principle or approach	35, 48-49
102-12	External initiatives	36, 39, 49
102-13	Membership of associations	38
Strategy		
102-14	Statement from senior decision-maker	3-4
102-15	Key impacts, risks, and opportunities	39-41
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102-16	Values, principles, standards and norms of behaviour	29, 32, 44, 49
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102-18	Governance structure	17-31
102-19	Delegating authority	17-34
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102-22	Composition of the highest governance body and its committees	5-8, 17-20
102-23	Chair of the highest governance body	20
102-24	Nominating and selecting the highest governance body	21-22
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102-27	Collective knowledge of highest governance body	21
102-28	Evaluating the highest governance body's performance	20-21
102-29	Identifying and managing economic, environmental, and social impacts	34
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102-32	Highest governance body's role in sustainability reporting	34

Global Reporting Initiative (GRI) Content Index
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102-45	Entities included in the consolidated financial statements	65, 106
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102-47	List of material topics	39-41
102-48	Restatements of information	32
102-49	Changes in reporting	39
102-50	Reporting period	32
102-51	Date of most recent report	March 2021
102-52	Reporting cycle	32
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102-54	Claims of reporting in accordance with the GRI Standards	32
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GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	70, 73, 95-97
Indirect Economic Impacts		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundaries	39
103-2	The management approach and its components	39, 41
103-3	Evaluation of the management approach	39, 41
GRI 203: Indirect Economic Impacts 2016		
203-2	Significant indirect economic impacts	50-51



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Global Reporting Initiative (GRI) Content Index 'In accordance' – Core		
GRI Standard	Disclosure	Page Number, URL (s) and/or Reference
Anti-corruption		
GRI 103: Management Approach 2016		
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103-3	Evaluation of the management approach	39, 41, 44, 46
GRI 205: Anti-corruption 2016		
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GRI 103: Management Approach 2016		
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103-2	The management approach and its components	40
103-3	Evaluation of the management approach	40, 50
GRI 302: Energy 2016		
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302-3	Energy intensity	33, 50
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundaries	40
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GRI 103: Management Approach 2016		
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306-1	Waste generation and significant waste-related impacts	48, 50
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306-3	Waste generated	33, 50
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundaries	40
103-2	The management approach and its components	40, 44-45
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103-1	Explanation of the material topic and its Boundaries	40
103-2	The management approach and its components	40, 45-46
103-3	Evaluation of the management approach	40, 45-46
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	33, 48
404-3	Percentage of employees receiving regular performance and career development reviews	47
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GRI 103: Management Approach 2016		
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GRI 103: Management Approach 2016		
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GRI 413: Local Communities 2016		
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103-1	Explanation of the material topic and its Boundaries	39
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417-2	Incidents of non-compliance concerning product and service information and labeling	42
417-3	Incidents of non-compliance concerning marketing communications	42



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Global Reporting Initiative (GRI) Content Index 'In accordance' – Core

GRI Standard	Disclosure	Page Number, URL (s) and/or Reference
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GRI 418: Customer Privacy 2016		
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundaries	39
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103-3	Evaluation of the management approach	39, 44
GRI 419: Socio-economic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	44

Risk Management

Risk management is at the heart of insurance operation. As the management of risks is fundamental to the financial soundness and integrity of an insurer, risk evaluation has always been an integral part of the Company's business strategy development. The Company's risk management philosophy requires that returns must be commensurate with the business risks taken and all residual risks must be within the Company's risk appetite. The Company continuously seeks to improve its risk management processes and systems for the identification, assessment, monitoring and management of all reasonably foreseeable and relevant material risks. These robust processes and systems are documented in UOI's Enterprise Risk Management (ERM) framework.

The Company is committed to maintaining a strong and effective ERM framework and is guided by the principles and provisions in the MAS Notice 126 "Enterprise Risk Management for Insurers".

The Board has overall responsibility for determining the type and level of business risks that the Company undertakes to achieve its corporate objectives. The Board has delegated to the Management the authority to formulate, review and approve policies and processes on identifying, monitoring and managing risk exposures within the Company's ERM framework. Major policy decisions and proposals affecting the Company's risk exposures are subject to review by the Board. Significant changes to the Company's ERM framework require the Board's approval.

Management of the Company has the responsibility of operationalising the Company's ERM framework and establishing and implementing appropriate systems and controls to manage and mitigate risks arising from its business operations. The systems and controls are designed to identify, to assess, to manage and to monitor, rather than eliminate, the risks in the Company's business operations and can only provide reasonable and not absolute assurance.

Various committees, comprising the managerial staff of the Company, meet regularly to deliberate on matters relating to the key types of risks under their respective supervision.

The **Strategic Corporate Development Committee (SCDC)** is responsible for the development and implementation of strategies that will enhance the Company's position and progress in specific areas. Members of the SCDC work closely with all operational units to further the interests of the Company. It meets quarterly with the Managing Director to chart out, execute and monitor outcomes of the strategies and are actively involved in talent management.

The **Management Committee** monitors the overall operational matters of the Company. It formulates, reviews and approves policies and strategies relating to the monitoring and management of operational risks and develops appropriate action plans across all business and support units. It also sets strategic directions of the Company, determines the allocation of resources and monitors the execution of strategic plans and key performance indicators.

The **Risk Management and Compliance Committee** addresses all risk management, corporate governance and compliance issues affecting the Company. These issues include compliance matters emanating from regulatory authorities, industry associations, parent company, auditors and other relevant bodies, as well as challenges arising from change in operating environment, innovation, technological advancement and climate change. It also develops and implements compliance policies, procedures and guidelines to meet the regulatory requirements applicable to the Company. It monitors the implementation of risk management policies and procedures by all operational units. As part of its risk management monitoring function, it receives reports from committees which address the key risks arising from the Company's core business activities, namely, the Underwriting and Claims Committee and Credit Control Committee.

The **Underwriting and Claims Committee** establishes underwriting and claims policies and procedures and monitors the compliance with such policies and procedures by all operational units. It also monitors market trends and developments that may affect the Company's underwriting and claims policies. Appropriate risk management strategies are applied to address the variety of underwriting risks accepted to ensure the Company's retention is appropriate, and adequate reinsurance protection is in place. Issues arising from claims development and provisions are dealt with judiciously.

The **Credit Control Committee** establishes credit control policies and procedures and ensures that the premium collection process is implemented by all operational units. It approves the write-off of bad debts and develops action plans to improve collection or initiate remedial recovery actions.

The **Business Development Committee** develops and executes business plans of the Company, reviews business performance and formulates action plans to enhance business performance. Market trends, changes in business risks and product offerings are identified, addressed and managed accordingly.



Risk Management

The **Information Security Committee** sets the direction and priority, and provides guidance, for the development and enhancements to the security infrastructure and associated procedures and guidelines, including evaluation and implementation of recommendations from cybersecurity consultants and review the Company's network design, other infrastructure and security controls. Other roles include fostering and maintaining a data security culture through education and appropriate policies, systems, processes and practices.

The **Investment Committee**, which comprises senior managerial staff of UOI and investment specialists from its parent company meets regularly to monitor and manage the Company's investment.

Under the Company's ERM framework, risks are categorised and managed under four risk dimensions.

(1) Risk Dimension - Earnings

Underwriting Risk

The principal activity of the Company is the underwriting of general insurance business. As general insurance business encompasses a wide range of different insurance products, the prudent management of risks is fundamental to our business. This safeguards not only the interest of our shareholders but also that of our customers and employees. The Company has developed a robust underwriting framework to ensure that risks accepted meet all the underwriting guidelines issued to our pool of experienced underwriters. This framework allows for the proper selection of risks at adequate but competitive pricing for our products.

Reinsurance Risks

Reinsurance refers to the cession of a portion of the risks assumed by an insurer to another insurer or reinsurer.

The Company's business activities lie primarily in Singapore and the region. Geographically, there is an inherent concentration of insurance risks in the Company's insurance portfolio. Based on historical experience of loss frequency and severity of similar risks and in similar geographical zones, the Company has developed its reinsurance strategy to manage such concentration of insurance risks.

In particular, the Reinsurance Management Strategy has been approved by the Board to set guiding principles and objectives for the Company to manage its reinsurance risks and ensures that a prudent and appropriate reinsurance protection programme is in place. Significant changes to the Strategy requires the Board's approval.

Premium and Claims Liability Risk

One of the purposes of insurance is to enable policyholders to protect themselves against financial losses arising from uncertain future events. Insurance companies facilitate the transfer of risks from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in these insurance risks is inevitably reflected in the financial statements of insurance companies. The uncertainty in the financial statements principally arises in the technical provisions, which include the provisions of premium and claims liabilities.

Premium liabilities refer to the reserves for unearned premium and include liabilities for all benefits, claims and expenses, acquisition costs, maintenance costs and policyholders' experience refund to be incurred after the balance sheet date. Claims liabilities refer to obligation to make future payments in relation to all claims that have been incurred as at the balance sheet date and include reserves for claims reported, incurred but not reported (IBNR) and incurred but not enough reported (IBNER), as well as direct and indirect claim expenses. The Company's unearned premium reserves are calculated based on formula generally accepted by the industry while its outstanding claims liabilities are reviewed by our experienced claims officers. Both the premium and claims liabilities are reviewed and certified annually by an external independent actuary.

Generally, premium and claims liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is the past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual future premium and claims liabilities will not develop exactly as projected and may vary from our projection.

The other uncertainties arising under insurance contracts will include:

- uncertainty as to whether an event has occurred which would give rise to a policyholder suffering an insured loss;
- uncertainty as to the extent of policy coverage and limits applicable; and
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring.

There may be significant reporting lag between the occurrence of the insured event and the time it is actually reported to the Company. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will affect the level of uncertainty such as inflation, inconsistent judicial interpretations, legislative changes and claims handling procedures.

The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual cost of settlement of premium and claims liabilities can vary substantially from the initial estimates.

Investment Risk

The Company's investment objective is to invest in quality investment for long-term appreciation and to achieve a reasonable return annually. The Company has appointed a professional fund manager to manage its investments pursuant to its Board-approved investment policy. Through regular meetings with the fund manager and the performance reports, the Company reviews and monitors the performance of its investment funds. The Company has also established a policy to address the selection, review and management of its fund manager.

Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices, other than interest or exchange rates. The Company is exposed to market price risk arising from its investments which may include quoted equity securities, debt securities, unit trusts, hedge funds, exchange-traded funds (ETFs) and derivatives contracts used for hedging purposes. The Company has established a Board-approved investment policy, which sets strategic asset allocation and maximum exposure limits for its investment portfolio.

Foreign Exchange Risk

The Company has transactional currency exposures arising from its offshore insurance business. The Company is also exposed to foreign exchange risk arising from its investing activities. When it is necessary, the Company enters into forward contracts to manage its foreign exchange exposure arising from its investments denominated in foreign currencies. Other than the exposure arising from its investing activities, the Company does not consider its exposure to foreign exchange risk to be significant.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash outflow commitment is substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the interest income on the Company's fixed deposits and the fair value of debt securities. When it is necessary, the Company uses interest rate futures to manage its interest rate risk.

(2) Risk Dimension - Operational

Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, strategy, people, systems and frauds or from external events which may include geopolitics, climate change, disruptive technological change and natural catastrophes. Potential loss may be in the form of financial loss or other damage, for example, loss of reputation and public confidence that will impact the Company's credibility and ability to transact, maintain liquidity and obtain new business. The Company has put in place processes for monitoring, controlling and reporting of significant operational risks.

Business Continuity Risk

The Company has formulated a comprehensive Business Continuity Management Plan and annual test-run is conducted to ensure its readiness to handle a range of targeted events that could affect the Company's business operations.



Risk Management

(3) Risk Dimension - Capital

Insolvency Risk

Insolvency risk refers to the risk that an entity is unable to meet its financial obligations and regulatory capital adequacy requirements. The Company has consistently maintained its capitalisation at higher than the local regulatory requirements. It has put in place monitoring controls to ensure that its solvency and capitalisation meet internal target and maintained adequate financial resources as buffers.

(4) Risk Dimension - Liquidity

Liquidity Risk

Due to the nature of its business and type of assets being held, the Company is not exposed to significant liquidity risk. The Company has formulated a liquidity policy to manage its liquidity risk. It is the Company's policy to maintain adequate liquidity at all times, honour all cash outflow commitments on an ongoing basis and avoid raising funds from credit facilities or through the forced sale of investments.

Credit Risk

The Company has a credit control policy in place to ensure that sales made to customers and recoveries from reinsurers are duly collected. The Company has also established a selection and management policy for its reinsurers to ensure that they are financially sound, and set maximum exposure limits for its reinsurers based on their credit ratings and financial strength.



United Overseas Insurance Limited

(Incorporated in Singapore)

31 December 2021

Financial Report

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Directors' Statement

for the financial year ended 31 December 2021

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2021.

Opinion of the Directors

In the opinion of the directors,

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company holding office as at the date of this report are:

Wee Cho Yaw (*Chairman*)
 David Chan Mun Wai (*Managing Director and Chief Executive*)
 Wee Ee Cheong
 Hwang Soo Jin
 Ho Yew Kee
 Chng Hwee Hong
 Chua Kim Leng

Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Interests in Shares and Debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, the interests of the directors who held office as at 31 December 2021, in the share capital of the Company and related corporations were as follows:

	Number of ordinary shares			
	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
The Company				
<i>United Overseas Insurance Limited</i>				
Wee Cho Yaw	38,100	38,100	—	—
Hwang Soo Jin	100,000	100,000	—	—
David Chan Mun Wai	21,000	21,000	—	—
Ho Yew Kee	1,000	1,000	—	—
Chng Hwee Hong	100	100	—	—

Directors' Interests in Shares and Debentures (continued)

	Number of ordinary shares			
	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
Holding Company				
<i>United Overseas Bank Limited</i>				
Wee Cho Yaw	21,599,798	21,599,798	290,003,084	290,003,084
Wee Ee Cheong	3,081,455	3,081,455	173,701,487	173,701,487
David Chan Mun Wai	6,888	6,787	–	–
Ho Yew Kee	1,065	1,065	–	–

Directors' Remuneration

The proposed annual fee structure for the Board for 2021 is set out below. The proposed directors' fees are subject to shareholders' approval at the forthcoming Annual General Meeting.

Fee structure	Chairman \$	Member \$
Basic Retainer Fee	45,000	35,000
Audit Committee	15,000	12,000
Nominating Committee	12,000	7,000
Remuneration Committee	12,000	7,000

Details of the total fees and other remuneration paid/payable by the Company to the directors for the financial year ended 31 December 2021 are as follows:

	Directors' fees	Base or fixed salary	Variable performance bonus	Benefits-in-kind and others	Total
\$500,000 to \$749,999					
David Chan Mun Wai	–	51.7%	40.4%	7.9%	100%
Below \$250,000					
Wee Cho Yaw	\$64,000	–	–	–	\$64,000
Wee Ee Cheong ¹	\$35,000	–	–	–	\$35,000
Hwang Soo Jin	\$54,000	–	–	–	\$54,000
Yang Soo Suan ²	\$61,000	–	–	–	\$61,000
Ho Yew Kee	\$54,000	–	–	–	\$54,000
Chng Hwee Hong ³	\$53,500	–	–	–	\$53,500
Chua Kim Leng	\$47,000	–	–	–	\$47,000
Total Directors' Fees	\$368,500	–	–	–	\$368,500

¹ Director's fee payable to Mr Wee Ee Cheong will be paid to United Overseas Bank Limited.

² Mr Yang Soo Suan retired on 1 September 2021.

³ Mr Chng Hwee Hong was appointed as a member of Nominating Committee on 1 September 2021.



Directors' Statement

for the financial year ended 31 December 2021

Share Options

There was no share option granted by the Company during the financial year.

No share was issued during the financial year pursuant to any exercise of options to take up unissued shares of the Company.

There was no unissued share of the Company under option as at 31 December 2021.

Audit Committee

The Audit Committee comprises three members, all of whom are non-executive and independent directors. The members of the Audit Committee are:

Chng Hwee Hong (*Chairman*)
Ho Yew Kee
Chua Kim Leng

The Audit Committee has reviewed the financial statements, the internal and external audit plans and audit reports, the external auditor's evaluation of the system of internal accounting controls, the scope and results of internal and external audit procedures, the adequacy of internal audit resources, the cost effectiveness, independence and objectivity of external auditor, the significant findings of internal audit investigations and interested person transactions. The reviews were made with the internal and external auditors, the Managing Director and/or other senior management staff, as appropriate.

Auditor

The Audit Committee has nominated Ernst & Young LLP for reappointment as auditor of the Company and Ernst & Young LLP has expressed its willingness to be reappointed.

On behalf of the Board of Directors,

Wee Cho Yaw
Chairman

David Chan Mun Wai
Managing Director and
Chief Executive

Singapore
09 February 2022



Independent Auditor's Report

for the financial year ended 31 December 2021

Independent Auditor's Report to the Members of United Overseas Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Overseas Insurance Limited (the Company), which comprise the balance sheet as at 31 December 2021, the profit and loss statement, statement of comprehensive income, insurance revenue account, and the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of technical balances

The Company's technical balances on the balance sheet include the reserve for outstanding claims and reserve for unexpired risks, which contain an element of uncertainty inherent in the insurance business. We identified this as a key audit matter as the estimation of technical balances involves a high degree of management judgment. In addition, the COVID-19 pandemic continues to bring uncertainties in the market and economic conditions, which increase the level of estimation uncertainty in the valuation of the technical balances. With regard to the reserve for outstanding claims, the claims department will set up a loss reserve upon notification and after assessment of the claim information received from the policyholder. The claims information is then aggregated and considered as a whole to determine the total estimate of the ultimate losses that will be incurred in respect of the insurance policies underwritten for each line of business. The modelling for the loss reserves takes into account the claims experience, claims development, market conditions, as well as matters that are sensitive to the legal, economic, and various other factors and uncertainties, in order to arrive at the estimation of the ultimate losses. The reserve for unexpired risk is computed based on the premiums booked, nature of the policies and generally accepted valuation basis. Management reviews the various inputs into the actuarial models (including claims and premiums data), and they also engage an independent certified actuary to review the estimation of ultimate losses and reserve for unexpired risks to ensure that the technical balances are adequate.



Independent Auditor's Report

for the financial year ended 31 December 2021

Key Audit Matters (continued)

Valuation of technical balances (continued)

In auditing the technical balances, we performed test of controls, test of details, and analytical review procedures on the Company's technical balances. We also compared the actuarial valuation methodologies and assumptions used by management with industry data and against recognised actuarial practices. Our procedures included a review of the assumptions used by the independent qualified certifying actuary and rationale for conclusions made thereon, an assessment of the consistency of valuation methodologies applied against prior years, and an assessment of whether changes made to the actuarial models are in line with our understanding of business developments, and our expectations derived from market experience in the light of the current market and economic conditions brought upon by the COVID-19 pandemic. In addition, we performed an independent analysis and re-computation of the technical balances of selected classes of business, focusing on the largest reserves. We also compared our independent analysis to those performed by the management and obtained explanations for any significant differences, if any.

We also assessed the adequacy of disclosures in relation to technical balances. The Company's disclosures related to technical balances are included in Note 2(h) (Reserve for Unexpired Risks), Note 2(i) (Deferred Acquisition Costs), Note 2(j) (Claims Paid and Reserve for Outstanding Claims), Note 4(a) (Insurance Risks), Note 16 (Reserve for Unexpired Risks), Note 17 (Deferred Acquisition Costs) and Note 18 (Reserve for Outstanding Claims).

Valuation of investments and application of SFRS(I) 9 Financial Instruments ("SFRS(I) 9")

The Company's investments represent 66% of the Company's total assets. These investments, which comprise mainly fixed income securities and equity shares, are measured at fair value with the corresponding fair value changes recognised in the profit and loss statement or in other comprehensive income. The valuation is performed by the Company using valuation inputs which have been classified in accordance with the fair value hierarchy stated in SFRS(I) 13 *Fair Value Measurement*. The fair value hierarchy is disclosed in Note 26.

New investments during the year were assessed to determine its classification and measurement category in accordance with SFRS(I) 9. This assessment may be complex and requires significant judgement by the management. In addition, the calculation of the Company's expected credit loss ("ECL") on its financial assets are subject to significant judgement and estimation uncertainty. Accordingly, we identified the valuation of investments and application of SFRS(I) 9 as a key audit matter.

In auditing the Company's valuation of investments, we assessed the processes and key controls relating to valuation of investments including the management's considerations of the potential impact the COVID-19 pandemic has on the valuation of the investments. We ascertained the existence of the investments through direct confirmations with the custodian and fund manager. We also performed an independent price verification on the investments using external quotes.

In auditing the application of SFRS(I) 9, we assessed the Company's classification and measurement methodology and accounting policies for compliance with the requirements of SFRS(I) 9. We reviewed the Company's business model assessment and the contractual cash flows characteristics assessment and tested such analysis to the underlying contracts on a sampling basis. We also assessed the Company's ECL methodology to evaluate its application against the requirements of SFRS(I) 9. We evaluated the design of the ECL model including the model build, approval process, ongoing monitoring, validation of the key assumptions such as the default rate and forward-looking adjustments used in the determination of the ECL factor to compute the ECL provision, model governance as well as arithmetic accuracy.

We also assessed the adequacy of disclosures in relation to the Company's investments with the relevant disclosure requirements. The Company's disclosures related to its investments are included in Note 2(p) (Financial Instruments), Note 2(q) (Impairment of Financial Assets) and Note 26 (Investments).



Key Audit Matters (continued)

Valuation of property recognised as investment property and fixed assets

The Company owns a property which is split and recorded as investment property and fixed assets according to usage. Both the investment property and fixed assets were carried at fair value as at 31 December 2021 based on independent external valuation. We identified this as a key audit matter as the valuation process involves significant judgement in determining the appropriate valuation methodology to be used and in determining the underlying assumptions to be applied. The valuation is sensitive to key assumptions applied, including those relating to capitalization rate and prevailing market conditions, i.e. a change in assumptions may have an impact to the valuation. In addition, the COVID-19 pandemic continues to bring uncertainty in the market and economic conditions which may increase the level of estimation uncertainty in the valuation of the property.

In auditing the Company's valuation of the property, we considered the objectivity, independence and expertise of the external property valuer. We discussed with management and the external property valuer the valuation process, methods, and key assumptions used in determining the valuation of the property. We assessed if the valuation methodology and techniques used were adequate and consistent with appraisal methodology given the circumstances of the property in the Singapore market. We also assessed the reasonableness of the significant assumptions (such as the adjustments factors used to adjust for comparable properties and localities after taking into the adjustments like location, size, age/condition) in the valuation report to observable market data, including considerations of potential impact COVID-19 pandemic has on the valuation of the property.

We also assessed the adequacy of disclosures in relation to the Company's property with the relevant disclosure requirements. The Company's disclosures related to the property are included in Note 2(m) (Fixed Assets and Depreciation), Note 2(n) (Investment Property), Note 27 (Investment Property) and Note 28 (Fixed Assets).

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.



Independent Auditor's Report

for the financial year ended 31 December 2021

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit responsible for this independent auditor's report is Du Xiaolin.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
09 February 2022



Profit and Loss Account

for the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Insurance underwriting profit		20,763	21,052
Other income:			
Dividend income from investments	5(a)	3,907	3,553
Interest income from investments	5(b)	7,988	8,896
Interest on fixed deposits and bank balances from:			
– Holding company		–	11
– Other financial institutions		41	238
Rental income from investment property	5(c), 27	823	1,006
Losses on disposal of fixed assets		(19)	–
Miscellaneous income		171	64
Net fair value gains/(losses) on mandatorily measured at fair value through profit or loss (FVTPL) investments – unrealised		522	(46)
Net fair value gains/(losses) on investment property – unrealised	27	2,026	(1,382)
Net (losses)/gains on disposal of fair value through other comprehensive income (FVOCI) investments	19	(904)	761
(Provision)/write-back of expected credit loss on debt securities at FVOCI	33(d)	(9)	26
Amortisation of premium on investments		(929)	(781)
Net fair value gains/(losses) on financial derivatives – realised		206	(2,057)
Net fair value (losses)/gains on financial derivatives – unrealised	21	(4,960)	3,885
Exchange gains/(losses)		5,785	(3,335)
		1,031	(1,507)
Less			
Management expenses not charged to insurance revenue account:			
– Management fees		(1,438)	(1,326)
– Depreciation on building improvement and renovation	28	(61)	–
– Other operating expenses		(1,147)	(1,058)
Non-underwriting income		12,002	8,455
Profit before tax		32,765	29,507
Tax expense	9(a)	(6,177)	(5,403)
Profit, net of tax		26,588	24,104
Profit attributable to:			
Equity holders of the Company		26,588	24,104
Earnings per share:			
Basic and diluted	10	43.48 cents	39.41 cents

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

Statement of Comprehensive Income

for the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Net profit		26,588	24,104
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss in subsequent periods:			
Net fair value gains/(losses) on equity securities at FVOCI		18,207	(8,321)
Tax related to the above		(2,892)	1,284
		15,315	(7,037)
Net fair value gains on property	28	801	–
Tax related to the above		(136)	–
		665	–
Items that may be reclassified subsequently to profit or loss:			
Debt securities at FVOCI			
Changes in fair value		(8,041)	5,294
Transfer to profit or loss on disposal	19	904	(761)
Changes in allowance for expected credit loss	33(d)	9	(26)
Tax related to the above	15	1,215	(770)
		(5,913)	3,737
Other comprehensive income/(loss) for the financial year, net of tax		10,067	(3,300)
Total comprehensive income for the financial year, net of tax		36,655	20,804
Total comprehensive income attributable to equity holders of the Company		36,655	20,804

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



Insurance Revenue Account

for the financial year ended 31 December 2021

	Note	Fire \$'000	General Accident \$'000	Marine \$'000	2021 Total \$'000	2020 Total \$'000
Gross premium written		44,939	50,451	2,029	97,419	96,857
Reinsurance premium ceded		(24,054)	(30,427)	(700)	(55,181)	(57,309)
Net premium written		20,885	20,024	1,329	42,238	39,548
Movement in net reserve for unexpired risks	16	(500)	(688)	(157)	(1,345)	2,648
Movement in net deferred acquisition costs	17	(12)	112	(51)	49	(777)
Net earned premium		20,373	19,448	1,121	40,942	41,419
Less						
Gross claims paid		8,406	21,984	557	30,947	28,146
Reinsurance claims recoveries		(4,961)	(13,386)	(90)	(18,437)	(15,883)
Net claims paid	18	3,445	8,598	467	12,510	12,263
Change in net outstanding claims		616	(1,502)	165	(721)	(601)
Net claims incurred	18	4,061	7,096	632	11,789	11,662
Gross commission		9,639	7,942	418	17,999	17,959
Reinsurance commission		(13,247)	(10,740)	(265)	(24,252)	(23,832)
Net commission		(3,608)	(2,798)	153	(6,253)	(5,873)
Management expenses:						
Staff costs	7	4,217	4,735	190	9,142	7,657
Depreciation	6,28,29	851	954	38	1,843	1,808
Foreign exchange losses/(gains)		71	79	3	153	(2)
(Write-back)/provision of impairment losses on owner-occupied property	6,28	(352)	(395)	(16)	(763)	763
Other operating expenses	6	1,969	2,210	89	4,268	4,352
Total outgoing		7,209	11,881	1,089	20,179	20,367
Insurance underwriting profit transferred to profit and loss account		13,164	7,567	32	20,763	21,052

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

Balance Sheet

as at 31 December 2021

	Note	2021 \$'000	2020 \$'000
Share capital			
Issued and fully paid	12	91,733	91,733
Reserves			
General reserve	14	22,880	22,880
Revaluation on investment reserve	19	41,601	43,607
Revaluation surplus		665	–
Retained profits		291,333	266,179
Total equity attributable to equity holders of the Company		448,212	424,399
Liabilities			
Insurance creditors	20(a)	12,089	10,254
Non-trade creditors and accrued liabilities	20(a)	7,887	7,288
Lease liabilities	29	28	1,159
Amount owing to related companies	20(a)	2,058	1,465
Derivative financial liabilities	21	158	1,290
Tax payable	9(b)	8,686	8,605
Deferred tax liabilities	15	8,569	9,049
Deferred acquisition costs – reinsurers' share	17	8,710	8,787
Gross technical balances			
– Reserve for unexpired risks	16	50,876	49,040
– Reserve for outstanding claims	18	108,510	116,546
Total liabilities		207,571	213,483
Total equity and liabilities		655,783	637,882
Assets			
Bank balances and fixed deposits	22	40,003	59,742
Insurance debtors	23	14,990	9,913
Non-trade debtors and accrued interest receivables	23	5,131	4,786
Amount owing from related companies		3	–
Derivative financial assets	21	747	6,839
Associated company	25	1	1
Investments	26	435,593	398,142
Investment property	26, 27	27,858	27,591
Fixed assets	28	33,515	24,866
Right-of-use assets	29	23	1,231
Deferred acquisition costs – gross	17	6,997	7,025
Reinsurers' share of technical balances			
– Reserve for unexpired risks	16	29,970	29,479
– Reserve for outstanding claims	18	60,952	68,267
Total assets		655,783	637,882

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



Statement of Changes in Equity

for the financial year ended 31 December 2021

	Note	Attributable to equity holders of the Company					Total \$'000
		Share capital \$'000	General reserve \$'000	Revaluation on investment reserve \$'000	Revaluation surplus \$'000	Retained profits \$'000	
Balance at 1 January 2021		91,733	22,880	43,607	–	266,179	424,399
Profit net of tax		–	–	–	–	26,588	26,588
Other comprehensive income for the financial year, net of tax		–	–	9,402	665	–	10,067
Total comprehensive income for the financial year, net of tax		–	–	9,402	665	26,588	36,655
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	19	–	–	(11,408)	–	11,408	–
Dividend for Year 2020	11	–	–	–	–	(7,644)	(7,644)
Dividend for Year 2021	11	–	–	–	–	(5,198)	(5,198)
Balance at 31 December 2021		91,733	22,880	41,601	665	291,333	448,212
Balance at 1 January 2020		91,733	22,880	47,363	–	256,296	418,272
Profit net of tax		–	–	–	–	24,104	24,104
Other comprehensive income for the financial year, net of tax		–	–	(3,300)	–	–	(3,300)
Total comprehensive income for the financial year, net of tax		–	–	(3,300)	–	24,104	20,804
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	19	–	–	(456)	–	456	–
Dividend for Year 2019	11	–	–	–	–	(9,479)	(9,479)
Dividend for Year 2020	11	–	–	–	–	(5,198)	(5,198)
Balance at 31 December 2020		91,733	22,880	43,607	–	266,179	424,399

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

Cash Flow Statement

for the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Profit before tax		32,765	29,507
Adjustments for:			
Movement in net reserve for unexpired risks	16	1,345	(2,648)
Movement in net deferred acquisition costs	17	(49)	777
Movement in net outstanding claims	18	(721)	(601)
Net fair value losses/(gains) on financial derivatives – unrealised	21	4,960	(3,885)
(Write-back)/provision of impairment losses on owner-occupied property	28	(763)	763
Net fair value (gains)/losses on investment property – unrealised	27	(2,026)	1,382
Loss on disposal of fixed assets	28	19	–
Depreciation	28,29	1,904	1,808
Interest paid	29	13	41
Net fair value (gains)/losses on mandatorily measured at FVTPL investments – unrealised		(522)	46
Net losses/(gains) on disposal of FVOCI investments		904	(761)
Amortisation of premium on investments		929	781
Provision/(write-back) of expected credit loss on debt securities at FVOCI	33(d)	9	(26)
Dividend income from investments	5(a)	(3,907)	(3,553)
Interest income from investments	5(b)	(7,988)	(8,896)
Interest on fixed deposits and bank balances		(41)	(249)
Exchange (gains)/losses		(5,927)	3,268
Operating profit before working capital changes		20,904	17,754
Changes in working capital:			
Trade and other receivables		(5,490)	10,693
Amount owing from related companies		(3)	–
Trade and other payables		2,434	205
Amount owing to related companies		593	825
Cash generated from operations		18,438	29,477
Tax paid	9(b)	(8,389)	(4,454)
Interest paid		(13)	(41)
Net cash flows from operating activities		10,036	24,982

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



Cash Flow Statement

for the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Cash Flows from Investing Activities			
Proceeds from disposal of investments		316,203	231,342
Purchase of investments		(337,968)	(232,439)
Purchase of investment property	27	–	(28,973)
Purchase of owner-occupied property	28	–	(24,582)
Purchase of fixed assets	28	(6,041)	(705)
Proceeds from/(placement in) long-term fixed deposits		927	(21)
Dividend received from investments		3,864	3,558
Interest received from investments		8,098	9,175
Interest received from fixed deposits and bank balances		42	305
Net cash flows used in investing activities		(14,875)	(42,340)
Cash Flows from Financing Activity			
Leases paid	29	(1,131)	(1,209)
Dividend paid	11	(12,842)	(14,677)
Cash flows used in financing activity		(13,973)	(15,886)
Net decrease in cash and cash equivalents		(18,812)	(33,244)
Cash and cash equivalents at beginning of year		57,288	90,532
Cash and cash equivalents at end of year		38,476	57,288

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

Cash and bank balances (Note 22 (a))	23,694	32,269
Fixed deposits placement less than 3 months (Note 22 (b))	14,782	25,019
Cash and cash equivalents	38,476	57,288
Fixed deposits placement more than 3 months (Note 22 (b))	1,527	2,454
Bank balances and fixed deposits	40,003	59,742

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

United Overseas Insurance Limited (the Company) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The Company is a member of the United Overseas Bank Group. The holding company which is also the ultimate holding company is United Overseas Bank Limited, incorporated in Singapore, which owns 58% of the issued share capital of the Company.

The address of the Company's registered office is as follows:

80 Raffles Place
UOB Plaza
Singapore 048624

The address of the Company's principal place of business is as follows:

146 Robinson Road
UOI Building #02-01
Singapore 068909

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company, which are presented in Singapore dollars (\$) and rounded to the nearest thousand (\$'000) except when otherwise indicated, have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) as required by the Companies Act.

The preparation of the financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Except as otherwise stated, the financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investment property, owner-occupied property, financial assets and all financial derivatives.

(b) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the applicable new and revised standards which are effective for annual periods beginning on or after 1 January 2021.

Changes during the financial year

The Company adopted the following reporting standards during the financial year:

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to SFRS(I) 16

The adoption of these standards did not have material effect on the financial performance or position of the Company.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(c) Standards Issued but Not Yet Effective

The Company has not adopted the following standards applicable that have been issued but not yet effective:

	Effective for annual periods beginning on or after
(i) Amendment to FRS 116 <i>Leases</i> : COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
(ii) Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment</i> : Proceeds before Intended Use	1 January 2022
(iii) Amendments to SFRS(I) 1-37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
(iv) Annual Improvements to SFRSs 2018-2020	1 January 2022
(v) SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2023
(vi) Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
(vii) Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
(viii) Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
(ix) Amendments to SFRS(I) 1-12 <i>Income Taxes</i> : Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
(x) Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures</i> – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for SFRS(I) 17 *Insurance Contracts*, the directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

SFRS(I) 17 is effective for annual reporting periods beginning on or after 1 January 2023. SFRS(I) 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short duration which typically applies to certain non-life insurance contracts. The overall objective of SFRS(I) 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

The general model in the standard requires insurance contract liabilities to be measured using discounted probability-weighted current estimates of future cash flows, an adjustment for non-financial risk, and a contractual service margin representing the profit expected from fulfilling the contracts. Effects of changes in the estimates of future cash flows (and the risk adjustment for non-financial risk) relating to future services are recognised over the period services are provided rather than immediately in profit or loss.

An entity should apply SFRS(I) 17 retrospectively from the transition date unless impracticable. Notwithstanding the requirement for retrospective application, if it is impracticable (as defined in SFRS(I) 1-8), to apply SFRS(I) 17 retrospectively for a group of insurance contracts, an entity should apply either the modified retrospective approach or the fair value approach.

The Company will be adopting the general model and have established a project team with assistance from Finance, Technology, and external consultants in ensuring a smooth transition upon adoption of the standard.



2 Significant Accounting Policies (continued)

(d) Revenue Recognition

(i) *Premium income*

Premium income from direct and facultative reinsurance business is taken up as income at the time a policy is issued which approximates the inception date of the risk.

Premium income from treaty reinsurance is taken up in the insurance revenue account based on statements received up to the time of closing of the books.

(ii) *Investment income*

Dividend income is recognised when such dividends are declared. Interest income is accounted for on an accrual basis using the effective interest method. Profits or losses on disposal of investments are recognised in the profit and loss statement, or in other comprehensive income.

(e) Government Grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is deducted on a systematic basis over the periods of the related costs. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

(f) Reinsurance

The Company assumes and/or cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from both insurance and reinsurance companies for ceded insurance liabilities. Amounts due to reinsurers are determined in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract.

(g) Product Classification

All the Company's existing products are insurance contracts as defined in SFRS(I) 4. Insurance contracts are defined as those containing significant insurance risk at the inception of the contract, or where at inception of the contract there is a scenario with commercial substance where the level of insurance risk may be significant over time. The significance of insurance risk is dependent on both the probability of an insurance event and the magnitude of its potential effect.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period.

(h) Reserve for Unexpired Risks

Reserve for unexpired risks comprises the sum of unearned premium reserves and premium deficiency reserves.

Unearned premium reserves are calculated on the following basis:

- (i) Unearned premium reserves, other than for marine cargo and inward treaties, are calculated using the 1/24th method based on gross premiums written less premiums on reinsurances.
- (ii) Unearned premium reserves on marine cargo direct business are calculated at 25% of the gross premiums written less premiums on reinsurances.
- (iii) Unearned premium reserves on inward treaties are calculated at 40% of gross premiums written less premiums on reinsurances.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(h) Reserve for Unexpired Risks (continued)

Premium deficiency reserves are derived using actuarial methods on loss statistics and are recognised when the expected value of claims and expenses attributable to the unexpired periods of policies in force at the balance sheet date for any line of business exceeds the unearned premium reserves in relation to such policies.

Reserve for unexpired risks are compared with the report issued by a certifying actuary, which is prepared for a valuation of the premium liabilities in accordance with Section 95 of the Insurance Act 1966, on a yearly basis.

(i) Deferred Acquisition Costs

Commission and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and/or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. Deferred acquisition costs (DAC) are calculated using the 1/24th method on actual commission. All other acquisition costs are recognised as an expense when incurred.

An impairment review is performed at each reporting date and the carrying value is written down to the recoverable amount.

(j) Claims Paid and Reserve for Outstanding Claims

Claims are charged against the insurance revenue account when incurred based on the estimated liability for compensation owed to policyholders or damage suffered by third party claimants. They comprise direct and indirect claims settlement costs, including loss adjustment expenses and professional fees, and arise from events that have occurred up to the balance sheet date even if they have not been reported to the Company.

Provision is made for the estimated costs of all claims notified but not settled as at the balance sheet date using the best information available at that time for individual cases. Provision is also made for the estimated costs of claims incurred but not reported (IBNR) as at the balance sheet date using statistical methods and compared with the assessment of a certifying actuary as required under the Insurance Act. The Company does not discount its reserve for outstanding claims. Any reduction or increase in the reserve is dealt with in the insurance revenue account of the year in which the reduction or increase arises. Any difference between the estimated cost and subsequent settlement is dealt with in the insurance revenue account of the year in which settlement takes place. For claims from assumed reinsurance, an additional reserve is made based on developmental trends as discerned in the running-off of outstanding claims in respect of prior underwriting years.

As explained in Note 4, the assumptions used to estimate the reserve require judgement and are subject to uncertainty.

Liabilities and related assets under liability adequacy test

Insurance contracts are tested for adequacy by comparing current estimates of all future contractual cash flows with the carrying value of the liability. Where a shortfall is identified, an additional reserve is made and the Company recognises the deficiency in profit or loss for the financial year.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation where as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.



2 Significant Accounting Policies (continued)

(l) Trade and Other Debtors

Trade debtors comprise receivables related to insurance contracts and include amounts due from policyholders, agents and reinsurers. Loss allowance is measured at an amount equal to lifetime ECL with impairment loss recognised in the profit or loss. The additional accounting policies applicable to trade and other debtors can be found in Note 2(q).

(m) Fixed Assets and Depreciation

All items of fixed assets are initially recorded at cost. The cost of an item of fixed asset is recognised as an asset if, and only if, it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. Owner-occupied property is stated at fair value less accumulated depreciation and impairment allowance.

Valuation for owner-occupied property is performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in Other Comprehensive Income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Subsequent to recognition, other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:

	%
Building improvement and renovation	10
Office equipment	20 to 33 1/3
Motor vehicles	20
Owner-occupied property	2

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down to its recoverable amount and the impairment loss is charged to the profit or loss. If, in subsequent periods, circumstances and events that led to the provision for impairment in value cease to exist, a write-back up to the full provision may be made, net of depreciation which would have been recognised in the profit or loss had the provision not been made.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the profit or loss in the year the asset is derecognised.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(n) Investment Property

Investment property consists of leasehold office premises located at 146 Robinson Road.

Investment properties are properties that are either owned by the Company or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise of completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(o) Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in the profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. For such assets, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.



2 Significant Accounting Policies (continued)

(p) Financial Instruments

(i) *Classification*

Financial instruments and financial liabilities are classified as follows:

Financial instruments at fair value through profit or loss

Financial instruments within a held for trading business model are classified and measured at FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Debt instruments

The debt instruments with contractual cash flows that represent solely payments of principal and interest are classified and measured as follows:

- at amortised cost (AC) if they are held within a business model whose objective is to collect contractual cash flows from the assets;
- at FVOCI if the objective of the business model is both for collection of contractual cash flows and for sale; or
- at FVTPL (designated) if so designated to eliminate or reduce accounting inconsistency.

Equity instruments

Equity instruments are classified and measured at FVTPL unless elected irrevocably at inception to be classified and measured at FVOCI on an instrument-by-instrument basis when they meet the definition of equity under SFRS(I)1-32 *Financial Instruments: Presentation* and are not held for trading.

Financial liabilities

Financial liabilities are classified and measured at AC. They may be designated at FVTPL at initial recognition if they meet the following criteria:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities on a different basis;
- the assets and liabilities are managed on a fair value in accordance with a documented risk management or investment strategy; or
- the financial instrument contains an embedded derivative that would otherwise require bifurcation.

For financial liabilities that are designated at FVTPL, the fair value changes attributable to own credit risk are taken to other comprehensive income unless this would create accounting mismatch, in which case such fair value changes are taken to profit or loss.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(p) Financial Instruments (continued)

(ii) *Measurement*

Initial measurement

Financial instruments are recognised initially at their fair value which is generally the transaction price, reduced by loss allowance for financial assets at AC. Directly attributable transaction costs are included as part of the initial cost for financial instruments that are not measured at FVTPL.

Subsequent measurement

Held for trading financial instruments and those designated as FVTPL measured at fair value with fair value changes recognised in the income statement.

Financial instruments classified as FVOCI are measured at fair value with fair value changes taken to the fair value reserve. For debt instruments, the fair value change in the fair value reserve is taken to the income statement upon disposal or impairment of the assets. For equity instruments elected to be classified as FVOCI, gains or losses on these financial assets are never recycled to profit and loss account. Dividends are recognised as other income in the profit and loss account when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the financial asset, in which case, such gains are recorded in OCI.

All other financial instruments are measured at amortised cost using the effective interest method less allowance for impairment.

Interest and dividend income on all non-derivative financial instruments at FVTPL are recognised separately from fair value changes. The effective interest rate applied to Stage 1 and Stage 2 financial assets is on their gross carrying amount. For Stage 3 financial assets the effective interest rate is applied to the net carrying amount.

Fair Value Determination

Fair values of financial assets and financial liabilities with active markets are determined based on the market bid and ask prices respectively at the balance sheet date. For financial instruments with no active markets, fair values are established using valuation techniques such as making reference to recent transactions or other comparable financial instruments, discounted cash flow method and option pricing models. Valuation inputs include spot and forward prices, volatilities, correlations and credit spreads.

(iii) *Recognition and derecognition*

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets that require delivery within the period generally established by regulation or market convention are recognised on the settlement date.

Financial instruments are derecognised when the contractual rights to cash flows and risks and rewards associated with the instruments are substantially transferred, cancelled or expired. On derecognition, the difference between the carrying amount of the instruments and the consideration received/paid, less the accumulated gain or loss that has been recognised in equity are recognised in the profit and loss statement, or in other comprehensive income.



2 Significant Accounting Policies (continued)

(q) Impairment of Financial Assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments held at FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For debt instruments at FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. Equity instruments designated at fair value through OCI are not subjected to impairment assessment.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(r) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(s) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(s) Financial Liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) *Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(t) Trade and Other Creditors

Liabilities for trade and other creditors and amounts owing to related companies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.



2 Significant Accounting Policies (continued)

(u) Foreign Currency

(i) *Functional currency*

The financial statements of the Company are presented in Singapore dollars, which is the functional currency of the Company.

(ii) *Transactions and balances*

Foreign currency monetary assets and liabilities are converted to Singapore dollars at the rates of exchange ruling at the balance sheet date. Foreign currency transactions during the year are converted into the functional currency using the rates of exchange ruling on the transaction dates. Exchange differences are taken up in the insurance revenue accounts or in profit or loss as appropriate.

Exchange differences on investments held at fair value through profit or loss, such as unit trusts, ETFs and equities are reported as part of the fair value gain or loss. Exchange differences on equities classified as FVOCI financial assets, are recognised in other comprehensive income and accumulated under the revaluation on investment reserve in equity.

(v) Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(w) Deferred Income Tax

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the financial statements at the balance sheet date. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(x) **Cash and Cash Equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, and fixed deposits with maturity of less than 3 months.

(y) **Dividend Distribution**

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders.

(z) **Employees' Benefits**

(i) **Defined contribution plan**

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised in compensation expense in the same period as the employment that gives rise to the contributions.

(ii) **Employees' leave entitlement**

Employees' entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(aa) **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) **As lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property 3 years
- Office equipment 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as described in Note 2(o).



2 Significant Accounting Policies (continued)

(aa) Leases (continued)

(i) As lessee (continued)

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(ii) As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(ab) Associate

An associate is an entity over which the Company has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Company's investment in material associate is accounted for using the equity method.

The Company accounts for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.



Notes to the Financial Statements

for the financial year ended 31 December 2021

2 Significant Accounting Policies (continued)

(ab) Associate (continued)

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Company recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and associate are eliminated to the extent of the interest in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in associate. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

(ac) Share Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(ad) Segment Reporting

The Company is organised into operating segments based on its separate fund accounts in accordance with the Singapore Insurance Act 1966. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

(ae) Related Parties

A related party is a person or entity that is related to the Company.

- (i) A person or a close member of that person's family is related to the Company if that person:
 - (a) has control or joint control over the Company;
 - (b) has significant influence over the Company; or
 - (c) is a member of the key management personnel of the Company or of a parent of the Company.
- (ii) An entity is related to the Company if any of the following conditions applies:
 - (a) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
 - (c) Both entities are joint ventures of the same third party;
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
 - (f) The entity is controlled or jointly controlled by a person identified in (i); and
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



3 Principal Activities

The principal activities of the Company is the underwriting of general insurance business. There have been no significant changes in the nature of these activities during the financial year.

4 Judgements and Inherent Uncertainty in Accounting Estimates

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Insurance Risks

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

As general insurance business encompasses a wide range of different insurance products, a prudent management of risks is fundamental to the Company's business. This safeguards not only the interest of its shareholders but also that of its customers. The Company has developed a robust underwriting framework to ensure that all risks accepted meet with its guidelines and standards.

The Company's business is primarily derived from Singapore and the region. Geographically, there is an inherent concentration of insurance risks in the Company's insurance portfolio. The Company has developed a reinsurance management strategy which manages such concentration of insurance risks based on historical experience of loss frequency and severity of similar risks and in similar geographical zones. The primary objectives of the Company's reinsurance management strategy include protection of shareholders' fund, smoothing out the peaks and troughs of underwriting result, providing the Company with competitive advantage, sound and diversified reinsurance securities and developing long-term strategic partnership with key reinsurers.

One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events. Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in insurance is inevitably reflected in the financial statements of insurance companies. The principal uncertainty in the Company's financial statements primarily arises in the technical reserves which include the reserves of premium and claim liabilities. The premium liabilities comprise reserve for unexpired risks, net of deferred acquisition cost while the claim liabilities comprise reserve for outstanding claims and their values are carried in the balance sheet as disclosed in Notes 16, 17 and 18 to the financial statements.

Although the premium and claim liabilities are estimated based on management's best knowledge and judgement of current facts including consultations with its certifying actuary as at the balance sheet date, the actual outcome may differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

For general insurance contracts, claims reserve, compromising provision for claims reported by policyholders and claims incurred but not reported (IBNR) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the balance sheet date. The provisions are revised continuously as part of a regular ongoing process as claims are settled and further claims are reported.



Notes to the Financial Statements

for the financial year ended 31 December 2021

4 Judgements and Inherent Uncertainty in Accounting Estimates (continued)

(a) Insurance Risks (continued)

(i) *Estimation process*

The claims reserve estimation process involves estimation of reserve of outstanding reported claims (case reserves), and estimation of additional reserves for IBNR and expected future movements in the estimated ultimate liabilities associated with outstanding reported claims incurred but not enough reported (IBNER). Case reserves are set and periodically reviewed by the claims department. IBNR and IBNER reserves are determined by the Company after taking into account the certifying actuary's assessment. The total claim liabilities are subject to a yearly actuarial review and at year end a formal actuarial report will be provided on the adequacy of the Company's claim liabilities.

In forming their view on the adequacy of the claims reserve, the actuary uses a variety of statistical projection techniques like the Chain Ladder and Bornhuetter-Ferguson methods. Claims reserve is separately analysed by class of business and it is intended to provide a minimum of 75% level of assurance of adequacy, and as such include a provision for adverse deviation (PAD) beyond the best estimate of the claim liabilities.

The best estimates for premium liabilities have been determined such that the total liability reserve would be adequate to pay for future claims and expenses in servicing the unexpired policies as of the valuation date.

(ii) *Assumptions*

The principal assumption underlying the actuarial estimate of the claim liabilities is that the past claims development experience of the Company is indicative of likely future claims development, both in terms of expected amounts and variability around those expected amounts. In estimating the required claims reserve, actuary also considers business strategy, trends in claims frequency and severity, rate of settlement, and the impact of changes in the underwriting and claims handling policies of the Company. There is typically a lot of judgement involved in estimating the claim liabilities.

(iii) *Sensitivities*

The estimates of premium and claim liabilities are an inherently uncertain process. The uncertainty may be due to a number of factors, which include variation in the mix of risks insured, changes in social and legal environments, which affect the final settlement costs of unsettled claims, and changes in claim management procedures and, as a consequence of this uncertainty, the eventual value of premium and claim liabilities can vary from the initial estimates.

The following table shows an analysis of sensitivity performed by the certifying actuary on the technical balances on gross and net (i.e. reserve for unexpired risks and reserve for outstanding claims, net of reinsurers' share and deferred acquisition cost), profit before tax and equities.



4 Judgements and Inherent Uncertainty in Accounting Estimates (continued)

(a) Insurance Risks (continued)

(iii) Sensitivities (continued)

	Change in assumptions	Impact on gross liabilities \$ million	Impact on net liabilities \$ million	Impact on profit before tax \$ million	Impact on equity \$ million
As at 31 December 2021					
Provision for adverse deviation margin	+20%	2.08	0.96	(0.46)	(0.38)
Loss ratio	+20%	10.13	4.79	(4.29)	(3.56)
Claims handling expenses	+20%	1.09	1.09	(0.59)	(0.49)
As at 31 December 2020					
Provision for adverse deviation margin	+20%	2.17	0.94	(0.35)	(0.29)
Loss ratio	+20%	11.82	4.60	(4.01)	(3.33)
Claims handling expenses	+20%	1.01	1.01	(0.42)	(0.35)

(b) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(c) Impairment Losses on Financial Assets

The measurement of impairment losses under SFRS(I) 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used. For more details on the Company's ECL methodology and assumptions and loss allowance recognised for the year ended 31 December 2021, refer to Note 33(d).

(d) Revaluation of owner-occupied and investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures the owner-occupied property at fair value less accumulated depreciation and impairment allowance.

The Company engaged real estate valuation experts to assess fair value as at 31 December 2021. The fair value of the owner-occupied and investment property are determined by independent real estate valuation experts using the market comparable. The key assumptions used to determine the fair value of the investment property are provided in Note 27.

The carrying amount of the Company's investment property and owner-occupied property as at 31 December 2021 was \$55,000,000 (2020: \$51,000,000). The details can be found in Notes 27 and 28 respectively.



Notes to the Financial Statements

for the financial year ended 31 December 2021

5 Other Income

	2021 \$'000	2020 \$'000
(a) Dividend income from:		
– Equity securities at FVOCI	3,907	3,553
(b) Interest income from:		
– Debt securities measured at FVOCI	7,988	8,896
(c) Rental income from:		
– Investment property (Note 27)	823	1,006

6 Management Expenses

Included in management expenses are the following:

	Charged to insurance revenue accounts	
	2021 \$'000	2020 \$'000
Depreciation on:		
Right-of-use assets (Note 29)	1,208	1,325
Owner-occupied property (Note 28)	500	410
Building improvement and renovation (Note 28)	68	9
Office equipment (Note 28)	63	60
Motor vehicles (Note 28)	4	4
	1,843	1,808
Auditor's remuneration:		
Payable to the auditors of the Company		
– Audit fees	170	170
– Overprovision for prior year	(5)	–
– Non-audit fees	10	7
	175	177
Foreign exchange losses/(gains)	153	(2)
(Write-back)/provision of impairment losses on owner-occupied property (Note 28)	(763)	763
Licence/levy	199	188
Printing and stationery	70	68
Upkeep of application software	372	761
Allowance for bad debts written off	–	10
Write-back of allowance for bad debts	(1)	–



7 Staff Information (Including an Executive Director)

	2021 \$'000	2020 \$'000
Wages, salaries and other employee benefits	8,237	6,771
Central Provident Fund contribution	905	886
	<u>9,142</u>	<u>7,657</u>

	2021	2020
Number of persons employed at the end of year	<u>101</u>	<u>103</u>

As part of the COVID-19 reliefs provided by the Singapore government, the Company did not receive the Jobs Support Scheme (JSS) in 2021 (2020: \$1,382,000). JSS has been included under wages, salaries and other employee benefits in 2020.

8 Directors' Remuneration

The number of directors of the Company whose total remuneration from the Company falls into the following bands is:

	2021	2020
\$500,000 to \$749,999	1	1
\$250,000 to \$499,999	–	–
Below \$250,000	7	8
Total	<u>8</u>	<u>9</u>

9 Income Tax

(a) Tax Expense

The tax expense attributable to profit is made up of:

	2021 \$'000	2020 \$'000
On the profit of the year:		
Singapore current income tax (Note 9(b))	6,133	5,752
Transfer from/(to) deferred taxation (Note 15)	44	(349)
Income tax expenses recognised in profit and loss	<u>6,177</u>	<u>5,403</u>



Notes to the Financial Statements

for the financial year ended 31 December 2021

9 Income Tax (continued)

(a) Tax Expense (continued)

The tax expense on the results of the Company for the financial year differs from the theoretical amount that would arise by applying the Singapore statutory income tax rate to profit before tax due to the following:

	2021 \$'000	2020 \$'000
Profit before tax	32,765	29,507
Tax calculated at a tax rate of 17% (2020: 17%)	5,570	5,016
Exempt income	(478)	(963)
Expenses not deductible for tax purposes	11	1,528
Income not subject to tax	–	(235)
Expense/(income) from qualifying debt securities and general business, taxed at a rate of 10%	883	(140)
Others	191	197
Actual tax expense	6,177	5,403

(b) Movement in Tax Payables

	2021 \$'000	2020 \$'000
Balance at beginning of the financial year	8,605	7,210
Income tax paid	(8,389)	(4,454)
Current financial year's tax payable on profit	6,133	5,752
Tax relating to net gains on disposal of FVOCI equity securities	2,337	97
Balance at end of financial year	8,686	8,605

10 Earnings Per Share

Earnings per share is calculated by dividing the profit after tax attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2021 \$'000	2020 \$'000
Net profit	26,588	24,104
Weighted average number of ordinary shares ('000)	61,155	61,155
Basic and diluted earnings per share (cents)	43.48	39.41



11 Dividend Paid

	2021 \$'000	2020 \$'000
Interim dividend of 8.5 cents per share (one-tier tax-exempt) (2020: 8.5 cents per share one-tier tax-exempt in respect of the financial year 2020), in respect of the financial year 2021	5,198	5,198
Special dividend of 4 cents per share (one-tier tax-exempt) (2020: 7 cents per share one-tier tax-exempt in respect of the financial year 2019), in respect of the financial year 2020	2,446	4,281
Final dividend of 8.5 cents per share (one-tier tax-exempt) (2020: 8.5 cents per share one-tier tax-exempt in respect of the financial year 2019), in respect of the financial year 2020	5,198	5,198
	12,842	14,677

The directors have proposed a final one-tier tax-exempt dividend of 8.5 cents per share and a special one-tier tax-exempt dividend of 8.0 cents per share in respect of the financial year ended 31 December 2021 amounting to \$10,091,000. These financial statements do not reflect this dividend payable, which, if approved at the forthcoming Annual General Meeting, will be accounted for in the shareholders' equity as an appropriation of retained profits in the year ending 31 December 2022.

12 Share Capital

	2021		2020	
	No. of shares issued '000	\$'000	No. of shares issued '000	\$'000
Issued and fully paid, at beginning and end of financial year	61,155	91,733	61,155	91,733

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

13 Capital Management

The Company's capital management policy is to enhance shareholder value, deliver sustainable returns to shareholders, support business growth and maintain an adequate capital position to meet policyholders' obligations, regulatory requirements and the underlying risks of the Company's business and operations. Capital includes equity attributable to the owners of the Company less the investment reserve. There have been no changes to the Company's basis in determining capital.

The Company's capital management processes include the following key measures:

- observing an established dividend policy, which aims to support the Company's business needs, comply with regulatory requirements and reward shareholders reasonably;
- setting appropriate risk limits to control the Company's exposure in the underlying risks of its business and operations;
- investing the Company's funds in liquid and marketable securities and following an appropriate asset allocation strategy to maintain high liquidity and achieve the Company's objective in growth and preservation of capital; and
- stress-testing the Company's financial conditions and capital adequacy under various stress scenarios to assess and enhance the Company's financial stability.



Notes to the Financial Statements

for the financial year ended 31 December 2021

13 Capital Management (continued)

The Company is also required to maintain a minimum amount of capital and solvency requirements as prescribed under the Singapore Insurance Act 1966 and relevant Regulations. The Company has complied with such requirements during the financial year. The Company monitors its capital level on a regular basis to assess whether the capital adequacy requirements have been met.

The Company has no borrowings, contingent liabilities and loan capital as at 31 December 2021. There was no change in the Company's capital management objectives, policies and processes during the years ended 31 December 2021 and 31 December 2020.

The Company's equity as at 31 December 2021 was \$448,212,000 (2020: \$424,399,000).

14 General Reserve

In each financial year, a certain amount of retained profits may be transferred to general reserve of the Company. The general reserve has not been earmarked for any particular purpose. In the year of 2021, there is no transfer of retained profits to general reserve.

15 Deferred Tax Liabilities

Deferred tax liabilities as at 31 December relate to the following:

	Balance sheet		Profit and loss	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Differences in tax depreciation	72	15	57	(11)
Differences in tax depreciation – Right-of-use assets	–	11	(11)	11
Differences in interest receivable	–	–	–	(353)
Differences in expected credit loss	(54)	(52)	(2)	4
Deferred income tax related to other comprehensive income:				
Revaluation of investments				
– Balance at 1 January	9,075	9,686		
– Net gains/(losses) on fair value changes of FVOCI equity securities	555	(1,381)		
– Net (losses)/gains on fair value changes of FVOCI debt securities	(1,215)	770		
– Net gains on fair value changes on property	136	–		
Balance at 31 December	8,569	9,049		
Deferred income tax expense			44	(349)



16 Reserve for Unexpired Risks

Movements in reserve for unexpired risks:

	2021			2020		
	Gross \$'000	Reinsurance \$'000	Net \$'000	Gross \$'000	Reinsurance \$'000	Net \$'000
Balance at beginning of the financial year	49,040	(29,479)	19,561	56,473	(34,264)	22,209
Movement in reserve during the financial year	1,836	(491)	1,345	(7,433)	4,785	(2,648)
Balance at end of the financial year	50,876	(29,970)	20,906	49,040	(29,479)	19,561

17 Deferred Acquisition Costs

	2021			2020		
	Gross \$'000	Reinsurance \$'000	Net \$'000	Gross \$'000	Reinsurance \$'000	Net \$'000
Balance at beginning of the financial year	7,025	(8,787)	(1,762)	8,439	(9,424)	(985)
Movement in deferred acquisition cost during the financial year	(28)	77	49	(1,414)	637	(777)
Balance at end of the financial year	6,997	(8,710)	(1,713)	7,025	(8,787)	(1,762)

18 Reserve for Outstanding Claims

Reserve for outstanding claims will become payable and materialise into claims paid as and when the amounts of insured losses suffered by policyholders or third party claimants are ascertained and agreed, without any contractual maturity date. The timing of future cash outflow arising from the reserve is not ascertainable but is likely to fall within six years.

The reserve is sensitive to many factors such as interpretation of circumstances, legislative changes, judicial decisions and economic conditions and is also subject to uncertainties such as:

- uncertainty as to whether an event has occurred which would give rise to a policyholder or a third party claimant an insured loss;
- uncertainty as to the extent of policy coverage and limits applicable; and
- uncertainty as to the amount of insured loss suffered by a policyholder or a third party claimant as a result of the event occurring.

Movements in reserve for outstanding claims:

	2021			2020		
	Gross \$'000	Reinsurance \$'000	Net \$'000	Gross \$'000	Reinsurance \$'000	Net \$'000
Balance at beginning of the financial year	116,546	(68,267)	48,279	113,847	(64,967)	48,880
Claims paid during the financial year	(30,947)	18,437	(12,510)	(28,146)	15,883	(12,263)
Claims incurred	22,911	(11,122)	11,789	30,845	(19,183)	11,662
Balance at end of the financial year	108,510	(60,952)	47,558	116,546	(68,267)	48,279



Notes to the Financial Statements

for the financial year ended 31 December 2021

18 Reserve for Outstanding Claims (continued)

The following are the Company's actual claims compared with previous estimates on gross and net basis:

Accident Year	2011 & prior	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total (\$'000)
Estimate of claims incurred – gross												
– at end of accident year		50,653	80,354	51,991	49,497	67,666	50,098	45,449	44,683	52,362	40,341	
– one year later		53,641	79,297	54,793	48,664	67,916	43,213	41,787	36,934	44,423		
– two years later		51,420	64,022	52,172	45,692	65,144	41,472	39,786	37,673			
– three years later		46,423	59,966	47,179	41,671	57,644	39,067	37,023				
– four years later		43,229	54,375	40,311	40,072	54,276	37,580					
– five years later		40,962	50,165	38,627	38,159	51,984						
– six years later		38,166	46,124	35,887	36,923							
– seven years later		31,230	45,281	34,460								
– eight years later		31,085	44,673									
– nine years later		30,938										
Current estimate of cumulative claims incurred		30,938	44,673	34,460	36,923	51,984	37,580	37,023	37,673	44,423	40,341	
Less: cumulative claims paid to date		30,341	43,936	32,997	34,507	45,602	32,416	25,028	22,119	18,787	4,048	
Liability recognised in the balance sheet	2,273	597	737	1,463	2,416	6,382	5,164	11,995	15,554	25,636	36,293	108,510
Estimate of claims incurred – net												
– at end of accident year		24,853	27,458	22,829	24,872	24,275	20,090	17,621	17,567	18,395	18,360	
– one year later		23,624	26,472	22,111	20,214	22,206	19,530	17,455	15,792	16,112		
– two years later		23,702	25,101	21,096	19,353	21,555	19,370	17,685	16,252			
– three years later		21,261	22,665	18,894	17,530	20,418	18,248	16,623				
– four years later		19,585	20,438	17,041	16,462	18,890	17,177					
– five years later		18,495	19,545	16,173	15,693	17,764						
– six years later		17,410	17,858	15,033	15,218							
– seven years later		16,284	17,613	14,632								
– eight years later		16,160	17,337									
– nine years later		16,052										
Current estimate of cumulative claims incurred		16,052	17,337	14,632	15,218	17,764	17,177	16,623	16,252	16,112	18,360	
Less: cumulative claims paid to date		15,538	16,792	13,734	14,066	15,094	15,140	11,494	9,323	6,910	1,647	
Liability recognised in the balance sheet	1,769	514	545	898	1,152	2,670	2,037	5,129	6,929	9,202	16,713	47,558

19 Revaluation on Investment Reserve

Revaluation on investment reserve records the cumulative fair value changes in FVOCI investments, net of deferred income tax, until they are derecognised or impaired.

	2021 \$'000	2020 \$'000
Balance at 1 January	43,607	47,363
Net change in the reserve, net of tax	(2,006)	(3,756)
Balance at 31 December	41,601	43,607
Net change in the reserve arises from:		
– Net gains/(losses) on fair value changes and changes in allowance for ECL during the financial year, net of tax	8,653	(2,668)
– Recognised in the profit and loss account on disposal of FVOCI debt securities, net of 17% tax (2020: 17%)	749	(632)
– Recognised in the retained profits on disposal of FVOCI equity securities, net of 17% tax (2020: 17%)	(11,408)	(456)
	(2,006)	(3,756)

20 Amount owing to Trade and Non-trade Creditors

(a) Amount owing to Policyholders, Agents and Reinsurers

	2021 \$'000	2020 \$'000
Amount owing to policyholders and agents (Note 24)	181	147
Amount owing to reinsurers (Note 24)	9,157	7,380
Amount retained from reinsurers	2,751	2,727
Insurance creditors	12,089	10,254
Non-trade creditors and accrued liabilities	7,887	7,288
Amount owing to related companies	2,058	1,465
Total financial liabilities carried at amortised cost	22,034	19,007

These amounts are non-interest bearing and are normally settled on 90-day term.



Notes to the Financial Statements

for the financial year ended 31 December 2021

20 Amount owing to Trade and Non-trade Creditors (continued)

(b) Amount Retained from Reinsurers

	2021		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount retained from reinsurers	2,761	(10)	2,751

	2020		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount retained from reinsurers	2,750	(23)	2,727

These amounts are interest bearing. They are normally settled on a yearly basis.

(c) Non-trade Creditors and Accrued Liabilities

These amounts are unsecured, non-interest bearing and repayable on demand.

(d) Amount owing to Related Companies

These amounts are unsecured, non-interest bearing and repayable on demand.

21 Financial Derivatives

Financial derivatives are instruments whose values change in response to the change in prices of the underlying instruments.

The Company transacts in forward contracts to manage its foreign exchange exposure arising from investment in fixed income securities denominated in foreign currencies.

The table below shows the Company's foreign exchange forward contracts and their fair values measured by valuation technique with market observable inputs at the balance sheet date. The most frequently applied valuation techniques include forward and future pricing models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates. They are classified as level 2 in the fair value hierarchy. These amounts do not necessarily represent future cash flows and amounts at risk of the forward.

	2021			2020		
	Contract/ notional amount \$'000	Derivative financial assets \$'000	Derivative financial liabilities \$'000	Contract/ notional amount \$'000	Derivative financial assets \$'000	Derivative financial liabilities \$'000
Recurring fair value measurements						
Foreign exchange forwards						
Sell USD/ Buy SGD	296,917	747	–	291,767	6,839	–
Buy USD/ Sell SGD	38,550	–	158	56,707	–	1,290

21 Financial Derivatives (continued)

For the year ended 31 December 2021, the Company recognised net unrealised losses on financial derivatives of \$4,960,000 (2020: net unrealised fair value gains \$3,885,000).

The foreign exchange forward contracts have maturity dates in March 2022 (2020: March 2021). Counterparties are mainly graded at A-1+.

22 Bank Balances and Fixed Deposits

(a) Cash and Bank Balances

	2021 \$'000	2020 \$'000
Bank balances with:		
Holding company	7,541	5,613
Other financial institutions	16,151	26,654
Cash on hand	2	2
	23,694	32,269

Cash and bank balances earn interest at rates based on daily deposit rates.

(b) Fixed Deposits

	2021 \$'000	2020 \$'000
Fixed deposits with:		
Holding company	1,437	1,430
Other financial institutions	14,872	26,043
	16,309	27,473
Fixed deposits with:		
3 months or less	14,782	25,019
More than 3 months	1,527	2,454
	16,309	27,473

The Company's fixed deposits with the holding company and other financial institutions mature on varying dates within 6 months (2020: 6 months) from the financial year end and earn interest at the respective fixed deposit rates. The weighted average effective interest rate of these deposits at 31 December 2021 for the Company was 0.18% (2020: 0.13%) per annum.

	2021 \$'000	2020 \$'000
Total bank balances and fixed deposits	40,003	59,742



Notes to the Financial Statements

for the financial year ended 31 December 2021

23 Loans and Receivables

	2021 \$'000	2020 \$'000
Bank balances and fixed deposits	40,003	59,742
Amount due from policyholders and agents (Note 24(a))	4,196	4,290
Amount due from reinsurers (Note 24(b))	8,145	3,480
Amount retained by ceding companies (Note 24(c))	2,649	2,143
Insurance debtors	14,990	9,913
Non-trade debtors and accrued interest receivables (excluding prepayments of \$160,000 in 2021, \$186,000 in 2020)	4,971	4,600
Loans and receivables	59,964	74,255

All bank balances, fixed deposits, non-trade debtors and accrued interest receivables are placed with counterparties that are graded from A- to AA-. Amount due from reinsurers and ceding companies with counterparties that are mainly graded from B++ to AA+.

24 Amount Due from Policyholders and Agents, Reinsurers and Ceding Companies

The Company has arrangements to settle the net amount due to or from each counterparty on a 90-day term basis.

(a) Amount Due from Policyholders and Agents

	2021		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount due from policyholders and agents (Note 23)	5,428	(1,232)	4,196
Amount owing to policyholders and agents (Note 20)	(1,413)	1,232	(181)
	2020		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount due from policyholders and agents (Note 23)	5,482	(1,192)	4,290
Amount owing to policyholders and agents (Note 20)	(1,339)	1,192	(147)

These amounts are unsecured and non-interest bearing with payment terms not exceeding 90 days.

24 Amount Due from Policyholders and Agents, Reinsurers and Ceding Companies (continued)

(b) Amount Due from Reinsurers

	2021		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount due from reinsurers (Note 23)	40,263	(32,118)	8,145
Amount owing to reinsurers (Note 20)	(41,275)	32,118	(9,157)
	2020		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount due from reinsurers (Note 23)	40,516	(37,036)	3,480
Amount owing to reinsurers (Note 20)	(44,416)	37,036	(7,380)

These amounts are unsecured and non-interest bearing with payment terms not exceeding 90 days.

(c) Amount Retained by Ceding Companies

	2021		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount retained by ceding companies (Note 23)	2,659	(10)	2,649
	2020		
	Gross carrying amount \$'000	Gross amount offset in the balance sheet \$'000	Amount in the balance sheet \$'000
Amount retained by ceding companies (Note 23)	2,166	(23)	2,143



Notes to the Financial Statements

for the financial year ended 31 December 2021

25 Associated Company

This represents the Company's investment in the following company:

Name of company	Country of incorporation & place of business	Principal activity	Cost of investment		% of paid-up capital held by the Company	
			2021 \$'000	2020 \$'000	2021 %	2020 %
United Insurance Agency Pte Ltd*	Singapore	General Insurance Agent	1	1	49	49

* Audited by KPMG LLP, Singapore

The Company's investment in associate is considered immaterial and therefore does not apply equity accounting as at 31 December 2021.

26 Investments

Financial instruments as at 31 December 2021

	2021 \$'000	2020 \$'000
Mandatorily measured at fair value through profit or loss		
– Unit trusts and ETFs	9,602	5,329
At fair value through other comprehensive income		
– Debt securities	277,554	262,867
– Equity securities	148,437	129,946
	425,991	392,813
Total	435,593	398,142
Net carrying amount		
Current	127,560	78,306
Non-current	308,033	319,836
	435,593	398,142

The debt securities bear an effective weighted average interest rate of 2.58% (2020: 3.22%) per annum with maturity dates from February 2022 to September 2031 (2020: January 2021 to September 2031). The other government securities bear an effective weighted average interest rate of 1.91% (2020: 3.43%) per annum with maturity dates from January 2022 to July 2031 (2020: April 2024 to April 2025).

The Company's debt securities and other government securities are all graded as investment grade.

In 2021, the Company disposed certain investments for cash and realised the capital appreciation. These investments had a fair value \$316,203,000 (31 December 2020: \$231,342,000) at the date of disposal.

The net gain on disposal of the above investments was \$12,842,000 (31 December 2020: \$1,315,000).



26 Investments (continued)

Fair value measurements

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 – Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The investments are measured at fair value at 31 December as follows:

	2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Mandatorily measured at FVTPL				
– Unit trusts & ETFs	9,602	–	–	9,602
At FVOCI				
– Debt securities	277,554	–	–	277,554
– Equity securities	148,437	–	–	148,437
Investment property	–	–	27,858	27,858
	435,593	–	27,858	463,451
	2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Mandatorily measured at FVTPL				
– Unit trusts & ETFs	5,329	–	–	5,329
At FVOCI				
– Debt securities	262,867	–	–	262,867
– Equity securities	129,946	–	–	129,946
Investment property	–	–	27,591	27,591
	398,142	–	27,591	425,733

The fair value of investments traded in active markets is based on the quoted market bid prices at the balance sheet date. These investments are included in Level 1.

The fair value of investments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the balance sheet date. Quoted market prices, dealer quotes or net tangible asset values for similar instruments as well as other techniques, such as estimated discounted cash flows are used to estimate fair value of these instruments. These investments are included in Level 2.



Notes to the Financial Statements

for the financial year ended 31 December 2021

26 Investments (continued)

In infrequent circumstances, where a valuation technique for an investment is based on significant unobservable inputs, such instruments are included in Level 3.

27 Investment Property

	2021 \$'000	2020 \$'000
Balance as at 1 January	27,591	–
Additions	–	28,973
Transfer between investment property and owner-occupied property	(1,759)	–
Net fair value gains/(losses) recognised in profit or loss	2,026	(1,382)
Balance as at 31 December	27,858	27,591

The following amounts are recognised in profit and loss:

	2021 \$'000	2020 \$'000
Rental income	823	1,006
Direct operating expenses (including repairs and maintenance) generating rental income	(509)	(303)
Profit arising from investment property	314	703

As at 31 December 2021, the investment property consists of leasehold office premises located at 146 Robinson Road, Singapore.

Investment property is stated at fair value, which has been determined based on valuations performed on 3 December 2021. The valuation was performed by an independent valuer with a recognised and relevant professional qualification. The valuer analysed and studied recent sales and rental evidence of similar properties in comparable localities that had been transacted in the open market.

The investment property was leased to third parties under operating leases, further summary details of which are included in Note 29.

Fair value measurements

The Company classified the fair value of its investment property as Level 3 as the valuation is determined based on direct comparison method, with the key unobservable inputs being market value based on existing use and the age of the building.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance or enhancements.



28 Fixed Assets

	Owner-occupied property \$'000	Building improvement & renovation \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost					
At 1 January 2020	–	404	2,735	70	3,209
Additions	24,582	–	705	–	25,287
Disposals	–	–	–	–	–
At 31 December 2020 and 1 January 2021	24,582	404	3,440	70	28,496
Additions	–	4,889	1,152	–	6,041
Disposals	–	(177)	(581)	–	(758)
Transfers	1,759	–	–	–	1,759
Revaluation Surplus	801	–	–	–	801
At 31 December 2021	27,142	5,116	4,011	70	36,339
Accumulated depreciation and impairment					
At 1 January 2020	–	359	1,967	58	2,384
Depreciation charge for the year	410	9	60	4	483
Impairment	763	–	–	–	763
Disposals	–	–	–	–	–
At 31 December 2020 and 1 January 2021	1,173	368	2,027	62	3,630
Depreciation charge for the year	500	129	63	4	696
Write-back of impairment	(763)	–	–	–	(763)
Disposals	–	(163)	(576)	–	(739)
At 31 December 2021	910	334	1,514	66	2,824
Net book value					
At 31 December 2020	23,409	36	1,413	8	24,866
At 31 December 2021	26,232	4,782	2,497	4	33,515



Notes to the Financial Statements

for the financial year ended 31 December 2021

29 Leases

(a) **Company as a lessee**

The Company has lease contracts for various items of property and office equipment used in its operations. The lease of property has a lease term of 3 years, while office equipment have lease terms between 3 and 5 years.

The Company also has certain leases of office equipment with lease terms of 12 months or less, or with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property \$'000	Office equipment \$'000	Total \$'000
Balance as at 1 January 2020	2,477	79	2,556
Depreciation charge for the year	(1,295)	(30)	(1,325)
Additions to right-of-use assets	—	—	—
Balance as at 31 December 2020 and 1 January 2021	1,182	49	1,231
Depreciation charge for the year	(1,182)	(26)	(1,208)
Additions to right-of-use assets	—	—	—
Balance as at 31 December 2021	—	23	23

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Total \$'000
Balance as at 1 January 2020	2,368
Additions	—
Accretion of interest	41
Payments	(1,250)
Balance as at 31 December 2020 and 1 January 2021	1,159
Additions	—
Accretion of interest	13
Payments	(1,144)
Balance as at 31 December 2021	28

The maturity analysis of lease liabilities are disclosed in Note 33(f).



29 Leases (continued)

(a) Company as a lessee (continued)

The following are the amounts recognised in profit or loss:

	2021 \$'000	2020 \$'000
Depreciation charge on right-of-use assets	1,208	1,325
Interest expense on lease liabilities	13	41
Expense relating to short-term leases	1	(3)
Expense relating to leases of low-value assets	183	131
Total amount recognised in profit or loss	1,405	1,494

The Company had total cash outflows for leases of \$1,328,000 in 2021 (2020: \$1,378,000). The Company does not have non-cash additions to right-of-use assets and lease liabilities in 2021 (2020: nil).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide operational flexibility and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(b) Company as a lessor

The Company has entered into operating leases on its investment property consisting of leasehold office premises (Note 27). These leases are negotiated for terms ranging from one to three years.

Rental income recognised by the Company during the year is \$823,000 (2020: \$1,006,000) (Note 5).

Future minimum rental receivable under non-cancellable operating leases as at 31 December 2021 are as follows:

	2021 \$'000	2020 \$'000
Within one year	520	688
After one year but within three years	351	220
More than three years	–	–
	871	908

As part of the COVID-19 reliefs provided by the Singapore government, the Company received \$127,000 being property tax rebate and rental waivers in 2020. In 2020, \$156,000 was passed on to eligible tenants as rental waivers. No COVID-19 reliefs was granted to the company in 2021.

30 Commitments

(a) Capital Commitments

The Company has no lease contracts that have not yet commenced as at 31 December 2021.

(b) Renovation for 146 Robinson Road

At 31 December 2021, the Company has committed to upgrading and uplifting of the investment property at 146 Robinson Road. It was completed in Q3 2021.



Notes to the Financial Statements

for the financial year ended 31 December 2021

31 Related Party Transactions

The following related party transactions took place between the Company and related parties during the financial year on terms agreed by the parties concerned:

	2021 \$'000	2020 \$'000
Gross premium income from:		
– Holding company	5,640	5,553
– Related companies	579	471
– Associated companies of the holding company	1,143	1,041
Commission expenses paid to:		
– Holding company	6,440	6,913
– Related companies	1	40
– Associated company	612	624
Gross claims written-back from:		
– Holding company	(209)	(252)
– Associated companies of the holding company	(166)	(28)
Lease payments paid to an associated company of the holding company	1,119	1,220
Lease payment received from associated company	7	–
Management fee received from an associated company of the holding company	750	750
Management fee charged by a related company	1,438	1,326
Service fee charged by holding company	2,538	2,890
Interest income earned from holding company	–	11
Purchase of building from holding company		
– Investment property	–	28,132
– Owner-occupied property	–	23,868
Compensation of key management personnel		
– Directors of the Company	1,110	1,080

Directors' remuneration included fees, salary, bonus, Central Provident Fund contribution and other emoluments (including benefits-in-kind) computed based on costs incurred by the Company.



32 Segment Information

The Company is principally engaged in the business of underwriting general insurance. As the Company has different operating segments, its business are segregated into separate fund accounts in accordance with the requirements of the Singapore Insurance Act 1966.

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 segment information has been prepared in accordance with the Company's accounting policy and SFRS(I).

	SIF \$'000	OIF \$'000	SHF \$'000	Total \$'000
For Year 2021				
Gross premium written	68,540	28,879	–	97,419
Net earned premium	27,353	13,589	–	40,942
Net claims incurred	(4,611)	(7,178)	–	(11,789)
Net commission	7,036	(783)	–	6,253
Management expenses	(11,398)	(3,245)	–	(14,643)
Underwriting profit	18,380	2,383	–	20,763
Gross dividends from investments	1,385	289	2,233	3,907
Interest income from investments	4,289	933	2,766	7,988
Interest received from fixed deposits and bank balances	24	14	3	41
Rental income from property	–	–	823	823
Net fair value losses on financial derivatives	(2,521)	(563)	(1,670)	(4,754)
Net fair value gains on mandatorily measured at FVTPL investments – unrealised	261	255	6	522
Net fair value gain on investment property – unrealised	–	–	2,026	2,026
Net losses on sale of fixed assets	(19)	–	–	(19)
Net losses on disposal of FVOCI investments	(431)	(149)	(324)	(904)
Exchange gains	3,014	701	2,070	5,785
Miscellaneous expenses	(278)	(113)	(376)	(767)
Management expenses not charged to insurance revenue account – net	(849)	(188)	(1,609)	(2,646)
Profit before tax	23,255	3,562	5,948	32,765
Tax expense	(5,363)	(208)	(606)	(6,177)
Profit after tax	17,892	3,354	5,342	26,588
Segment total assets as at 31 December 2021	329,638	78,801	247,344	655,783
Segment total liabilities as at 31 December 2021	152,991	43,339	11,241	207,571



Notes to the Financial Statements

for the financial year ended 31 December 2021

32 Segment Information (continued)

	SIF \$'000	OIF \$'000	SHF \$'000	Total \$'000
For Year 2020				
Gross premium written	71,020	25,837	–	96,857
Net earned premium	28,303	13,116	–	41,419
Net claims incurred	(6,604)	(5,058)	–	(11,662)
Net commission	7,482	(1,609)	–	5,873
Management expenses	(11,814)	(2,764)	–	(14,578)
Underwriting profit	17,367	3,685	–	21,052
Gross dividends from investments	1,158	221	2,174	3,553
Interest income from investments	4,804	1,024	3,068	8,896
Interest received from fixed deposits and bank balances	149	57	43	249
Rental income from property	–	–	1,006	1,006
Net fair value gains on financial derivatives	953	51	824	1,828
Net fair value losses on mandatorily measured at FVTPL investments – unrealised	(23)	(23)	–	(46)
Exchange losses	(1,659)	(426)	(1,250)	(3,335)
Net fair value losses on investment property – unrealised	–	–	(1,382)	(1,382)
Net gains on disposal of FVOCI investments	358	160	243	761
Miscellaneous expenses	(238)	(84)	(369)	(691)
Management expenses not charged to insurance revenue account – net	(782)	(178)	(1,424)	(2,384)
Profit before tax	22,087	4,487	2,933	29,507
Tax expense	(4,221)	(562)	(620)	(5,403)
Profit after tax	17,866	3,925	2,313	24,104
Segment total assets as at 31 December 2020	328,247	76,371	233,264	637,882
Segment total liabilities as at 31 December 2020	162,895	40,640	9,948	213,483

Information about major external customers

For the year ended 31 December 2021 and the preceding period, the Company did not have any external customer whose premium income exceeded 10% of the Company's total revenue.

Geographical information

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

	Revenue for		Non-current assets as at	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore	72,637	74,302	33,538	26,097
ASEAN countries	17,124	16,201	–	–
Others	7,658	6,354	–	–
	97,419	96,857	33,538	26,097

32 Segment Information (continued)

The Company's non-current assets presented above consist of fixed assets (including property for its own occupancy) and right-of-use assets.

33 Financial Risk Factors and Management

The Company's business activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates and market prices. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Foreign Exchange Risk

The Company has transactional currency exposures arising from its offshore insurance business.

The Company is also exposed to foreign exchange risk arising from its investing activities. The Company transacts in forward contracts to manage its foreign exchange exposure arising from investments denominated in foreign currencies. Other than the exposure arising from investments denominated in foreign currencies, the Company does not consider its exposure to foreign exchange risk to be significant.

The Company monitors its exposure in each foreign currency as well as its aggregate exposure in all foreign currencies on a regular basis. The Company's net position in foreign currencies is as follows:

	Total net assets/(liabilities) position			
	2021		2020	
	Amount in foreign currency 1,000 units	Amount in reporting currency \$'000	Amount in foreign currency 1,000 units	Amount in reporting currency \$'000
Australian	(2)	(2)	(7)	(8)
Chinese Renminbi	1,919	441	1,323	282
Hong Kong Dollar	(41,692)	(7,247)	(44,586)	(7,810)
Indian Rupee	(49,088)	(1,034)	(46,756)	(994)
Indonesian Rupiah	(1,737,028)	(165)	(1,134,299)	(108)
Japanese Yen	(1,072)	(14)	(2,971)	(39)
Korean Won	(227)	(1)	6,149	7
Malaysian Ringgit	6,413	2,075	271	88
Sterling Pound	1	3	—	—
Thai Baht	11,351	461	(4,334)	(187)
US Dollar	43,593	58,762	32,336	42,734
		53,279		33,965



Notes to the Financial Statements

for the financial year ended 31 December 2021

33 Financial Risk Factors and Management (continued)

(a) Foreign Exchange Risk (continued)

The following table shows the sensitivity of the Company's profit before tax and the Company's equity to a reasonable possible change in the Singapore dollar exchange rate against all other currencies, with all other variables held constant:

	Increase/ Decrease in \$ exchange rate	Effect on profit before tax \$'000	Effect on equity net of tax \$'000
2021	+5%	238	(2,408)
	-5%	(238)	2,408
2020	+5%	400	(1,742)
	-5%	(400)	1,742

The method used for deriving sensitivity analysis and significant variables did not change from the previous year.

(b) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's operating cash outflow commitment is substantially independent of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the interest income on the Company's fixed deposits and the debt securities measured at fair value through other comprehensive income and through profit or loss. When it is necessary, the Company uses interest rate futures to manage its interest rate risk.

During 2021 and as at 31 December 2021, if interest rates had been 10 basis points higher/lower, with all other variables held constant, the Company's profit before tax for the year is estimated to be \$358,000 (2020: \$279,000) higher/lower, due mainly to higher/lower interest income on fixed deposits and fixed income securities. The Company's equity as at 31 December 2021 is estimated to be \$950,000 (2020: \$938,000) lower/higher due to unrealised loss/gain on fixed income securities.

The method used for deriving sensitivity analysis and significant variables did not change from the previous year.

(c) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than exchange or interest rates). The Company is exposed to market price risk arising from its investments comprising mainly quoted equity securities, debt securities and unit trusts. The Company has established an investment policy, which sets strategic asset allocation and maximum exposure limits for its investment portfolio. The quoted equity securities are listed on the Singapore Exchange or other regulated stock exchanges overseas.

At the balance sheet date, if the market prices of the equity investments had been 2% (2020: 2%) higher/lower with all other variables held constant, the Company's equity would have been \$2,464,000 (2020: \$2,157,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments.

The method used for deriving sensitivity analysis and significant variables did not change from the previous year.



33 Financial Risk Factors and Management (continued)

(d) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Company has no significant concentration of credit risk.

The Company has credit control policies in place to ensure that sales made to customers and recoveries from reinsurers are duly collected. The Company has also established a selection and management policy for reinsurers to ensure that they are financially sound and set maximum exposure limits for its reinsurers based on their financial strength.

Notwithstanding the measures taken, the failure of one or more of the Company's policyholders, agents, ceding companies, reinsurers and other counter-parties including issuers of debt securities to honour their contractual obligations, may result in credit losses being incurred and this will adversely affect the Company's financial position.

The Company applies a simplified approach in calculating ECLs on trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company recognises an allowance for ECLs for all debt securities not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company generally considers that balances outstanding for more than 90 days as due. The ageing summary of balances due to the Company is as follows:

	2021				2020			
	Up to 3 months \$'000	3 to 6 months \$'000	Above 6 months \$'000	Total \$'000	Up to 3 months \$'000	3 to 6 months \$'000	Above 6 months \$'000	Total \$'000
Amount due from policyholders and agents (Note 24 (a))	3,381	366	452	4,199	3,643	485	165	4,293
Less Expected credit loss	–	–	(3)	(3)	–	–	(3)	(3)
	3,381	366	449	4,196	3,643	485	162	4,290
Amount due from reinsurers (Note 24 (b))	3,350	–	4,801	8,151	2,618	460	405	3,483
Less Expected credit loss	–	–	(6)	(6)	–	–	(3)	(3)
	3,350	–	4,795	8,145	2,618	460	402	3,480



Notes to the Financial Statements

for the financial year ended 31 December 2021

33 Financial Risk Factors and Management (continued)

(d) Credit Risk (continued)

	2021 \$'000	2020 \$'000
Movement in ECL accounts:		
At 1 January	6	8
– Provision/(write-back)	3	(2)
At 31 December	9	6

As stated in Note 23, the Company's counterparties to its financial assets other than its FVOCI measured debt securities are mainly graded from B++ to AA+ and as such, the Company has minimal credit risk. The Company's ECL loss allowance as at 31 December 2021 is based on lifetime ECL.

The ageing summary of the gross receivables not subject to offsetting arrangements is as follows:

	2021				2020			
	Up to 3 months \$'000	3 to 6 months \$'000	Above 6 months \$'000	Total \$'000	Up to 3 months \$'000	3 to 6 months \$'000	Above 6 months \$'000	Total \$'000
Amount due from policyholders and agents (Note 24 (a))	3,937	498	993	5,428	4,292	550	640	5,482
Amount due from reinsurers (Note 24 (b))	27,657	3,381	9,225	40,263	32,681	3,466	4,369	40,516

The loss allowance provision for debt securities at fair value through other comprehensive income as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

	2021 \$'000	2020 \$'000
As at 1 January	299	325
Loss allowance measured at:		
12-month ECL		
Provision/(write-back) of ECL	9	(26)
As at 31 December	308	299

The Company's FVOCI measured debt securities are mainly graded from BBB- to AA+ and as such, the Company has minimal credit risk. The Company's ECL loss allowance as at 31 December 2021 is based on 12-month ECL.

33 Financial Risk Factors and Management (continued)

(d) Credit Risk (continued)

Financial assets that are neither past due nor impaired

Amounts due from policyholders, agents and reinsurers that are neither past due nor impaired are mainly creditworthy debtors with good payment record with the Company. With regard to other financial assets of the Company, which comprise cash and bank balances, fixed deposits, receivables and investments, they are placed with or entered into with reputable financial institutions or companies with high credit rating and no history of default.

The Company's exposure to credit risk, arising from default of the counterparty, has a maximum exposure equal to the carrying amount of these assets in the balance sheet.

(e) Concentration Risk

An important element of managing both market and credit risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to monitor and manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. The Company's exposures are within the concentration limits set by regulators.

(f) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its cash outflow commitment as and when they fall due. These commitments are generally met through cash and time deposits held by the Company and cash inflows generated from its operation, supplemented by assets readily convertible into cash. Liquidity risk may also arise if the cash flows related to assets and liabilities are mismatched.

Although the Company is not exposed to significant liquidity risk, it has formulated a liquidity policy to manage its liquidity risk. It is the Company's policy to maintain adequate liquidity at all times. The Company aims to honour all cash outflow commitments on an ongoing basis and to avoid raising funds from credit facilities or through the forced sale of investments.



Notes to the Financial Statements

for the financial year ended 31 December 2021

33 Financial Risk Factors and Management (continued)

(f) Liquidity Risk (continued)

Maturity profile

The table below summarises the maturity profile of the Company's assets and liabilities excluding the prepayments and technical balances based on remaining undiscounted contractual obligations.

	2021			Total \$'000	Carrying Amount \$'000
	< 3 months \$'000	3 – 12 months \$'000	> 1 year \$'000		
Investments					
At FVTPL					
Unit trust*	9,602	–	–	9,602	9,602
At FVOCI					
Debt securities	3,750	23,712	246,417	273,879	277,554
Equities securities*	148,437	–	–	148,437	148,437
Insurance debtors	6,731	7,744	515	14,990	14,990
Non-trade debtors and accrued interest receivables excluding prepayments	4,971	–	–	4,971	4,971
Bank balances and fixed deposits	38,476	1,187	340	40,003	40,003
Derivative financial assets	747	–	–	747	747
Investment property	27,858	–	–	27,858	27,858
Assets	240,572	32,643	247,272	520,487	524,162
Insurance creditors	1,095	10,976	18	12,089	12,089
Non-trade creditors and accrued liabilities	7,887	–	–	7,887	7,887
Lease liabilities	8	12	8	28	28
Amount owing to related companies	2,058	–	–	2,058	2,058
Derivative financial liabilities	158	–	–	158	158
Liabilities	11,206	10,988	26	22,220	22,220

* No maturity date

33 Financial Risk Factors and Management (continued)

(f) Liquidity Risk (continued)

Maturity profile (continued)

	2020			Total \$'000	Carrying Amount \$'000
	< 3 months \$'000	3 – 12 months \$'000	> 1 year \$'000		
Investments					
At FVTPL					
Unit trust*	5,329	–	–	5,329	5,329
At FVOCI					
Debt securities	528	3,859	246,784	251,171	262,867
Equities securities*	129,946	–	–	129,946	129,946
Insurance debtors	6,261	3,088	564	9,913	9,913
Non-trade debtors and accrued interest receivables excluding prepayments	4,600	–	–	4,600	4,600
Bank balances and fixed deposits	58,322	1,280	140	59,742	59,742
Derivative financial assets	6,839	–	–	6,839	6,839
Investment property	27,591	–	–	27,591	27,591
Assets	239,416	8,227	247,488	495,131	506,827
Insurance creditors	63	9,238	953	10,254	10,254
Non-trade creditors and accrued liabilities	7,288	–	–	7,288	7,288
Lease liabilities	209	935	26	1,170	1,159
Amount owing to related companies	1,465	–	–	1,465	1,465
Derivative financial liabilities	1,290	–	–	1,290	1,290
Liabilities	10,315	10,173	979	21,467	21,456

* No maturity date

Due to the nature of its business, the Company's claim liabilities, which comprise reserve for outstanding claims and the related reinsurers' share of those balances, are excluded from the above analysis as management are of opinion that, due to inherent uncertainties as to amount and timing, no meaningful maturity analysis of such items are practicable. The inherent liquidity risk assumed by the Company in this respect is mitigated by the Company's liquidity policy.



Notes to the Financial Statements

for the financial year ended 31 December 2021

34 Fair Values of Financial Instruments

The carrying values of the financial assets and financial liabilities as at the balance sheet date approximate their fair values as shown in the balance sheet.

35 Comparative Information

Where necessary, comparative figures have been reclassified to conform to the current year's presentation. The reclassification did not have any effect on the current year financial performance.

36 Authorisation of Financial Statements

The financial statements were authorised for issue in accordance with a resolution of the directors on 9 February 2022.



United Overseas Insurance Limited

(Incorporated in Singapore)

31 December 2021

Investor Reference

- 124 Statistics of Shareholdings
- 125 Notice of Annual General Meeting
- 131 Additional Information on Directors Seeking Re-election
- Proxy Form
- Corporate Information



Statistics of Shareholdings

as at 18 March 2022

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	121	6.89	1,906	0.00
100 – 1,000	368	20.96	238,033	0.39
1,001 – 10,000	992	56.49	3,817,425	6.24
10,001 – 1,000,000	268	15.26	15,260,352	24.96
1,000,001 and above	7	0.40	41,837,284	68.41
Total	1,756	100.00	61,155,000	100.00

Public Float

Under Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, at least 10 per cent of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) of a listed company in a class that is listed must be at all times held by the public.

Based on information available to the Company as at 18 March 2022, approximately 41.3 per cent of the issued shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

Twenty Largest Shareholders (as shown in the Register of Members and Depository Register)

No.	Name	No. of Shares	%
1	Tye Hua Nominees Private Limited	35,707,500	58.39
2	Citibank Nominees Singapore Pte Ltd	1,814,150	2.97
3	Chong Chew Lim @ Chong Ah Kau	1,205,000	1.97
4	Thia Cheng Song	1,101,000	1.80
5	Chen Siong Seng	1,005,000	1.64
6	Maybank Securities Pte. Ltd.	1,004,634	1.64
7	Ng Poh Cheng	965,950	1.58
8	DBS Nominees (Private) Limited	702,570	1.15
9	India International Insurance Pte Ltd – SIF	603,750	0.99
10	OCBC Securities Private Limited	601,601	0.98
11	Chong Chin Chin (Zhang JingJing)	562,000	0.92
12	Chong Kian Chun (Zhang JianJun)	542,500	0.89
13	Raffles Nominees (Pte.) Limited	501,000	0.82
14	Ng Ean Nee Mrs Chee Ying Lin @ Ooi Ean Nee	500,000	0.82
15	Singapore Reinsurance Corporation Ltd – Shareholders	500,000	0.82
16	Chen Swee Kwong	455,000	0.74
17	United Overseas Bank Nominees (Private) Limited	415,600	0.68
18	Yeoh Phaik Ean	375,000	0.61
19	Tan Suat Lay @ Tan Suat Ngor	245,250	0.40
20	Estate of Thian Thin Khoon, deceased	225,274	0.37
	Total	49,032,779	80.18

Substantial Shareholder (as shown in the Register of Substantial Shareholder)

Name of substantial shareholder	Shareholding registered in the name of substantial shareholder No. of Shares	Other shareholding in which the substantial shareholder is deemed to have an interest No. of Shares
United Overseas Bank Limited	–	*35,707,500

Note:

* United Overseas Bank Limited is deemed to have an interest in the 35,707,500 UOI shares held by Tye Hua Nominees Private Limited.

Notice of Annual General Meeting

United Overseas Insurance Limited

(Incorporated in the Republic of Singapore)

Company Registration No. 197100152R

Notice is hereby given that the 51st Annual General Meeting (**AGM**) of members of United Overseas Insurance Limited (**Company**) will be convened and held by electronic means on Wednesday, 27 April 2022 at 10:00am to transact the following business:

AS ORDINARY BUSINESS

- Resolution 1** To receive the Audited Financial Statements, the Directors' Statement and the Auditor's Report for the year ended 31 December 2021.
- Resolution 2** To declare a final one-tier tax-exempt dividend of 8.5 cents per share and a special one-tier tax-exempt dividend of 8 cents per share for the year ended 31 December 2021.
- Resolution 3** To approve Directors' fees of \$368,500 for 2021 (2020: \$284,750).
- Resolution 4** To reappoint Ernst & Young LLP as Auditor of the Company and authorise the Directors to fix its remuneration.
To re-elect the following Directors:
- Resolution 5** Mr Wee Ee Cheong (retiring by rotation)
- Resolution 6** Mr Chng Hwee Hong (retiring by rotation)
- Resolution 7** Mr Chua Kim Leng (retiring by rotation)

Additional information on Messrs Wee Ee Cheong, Chng Hwee Hong and Chua Kim Leng can be found on pages 131 to 137 of the UOI Annual Report 2021.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

- Resolution 8** "THAT authority be and is hereby given to the Directors to:
- (a) (i) issue ordinary shares in the capital of the Company (**Shares**) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, **Instruments**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - (b) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force,



Notice of Annual General Meeting

United Overseas Insurance Limited

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall be less than 10 per cent of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation and adjustment as may be prescribed by the Singapore Exchange Securities Trading Limited (SGX-ST)) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

In this Resolution 8, “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual of the SGX-ST.



Explanatory Notes to Resolutions

Resolution 2 is to approve the final and special dividends. The Transfer Books and Register of Members will be closed on 10 May 2022, for the preparation of the final and special dividends. Registrable transfers received up to 5:00pm on 9 May 2022 (record date) will be entitled to the final and special dividends. If approved, the final and special dividends will be paid on 20 May 2022.

Resolution 5 is to re-elect Mr Wee Ee Cheong as a Director. Mr Wee is currently a non-executive and non-independent Director.

Resolution 6 is to re-elect Mr Chng Hwee Hong as a Director. Mr Chng is currently a non-executive and independent Director. If re-elected, Mr Chng will continue as the chairman of the Audit Committee and a member of the Nominating Committee.

Resolution 7 is to re-elect Mr Chua Kim Leng as a Director. Mr Chua is currently a non-executive and independent Director. If re-elected, Mr Chua will continue as a member of the Audit Committee.

Resolution 8 is to empower the Directors to issue ordinary shares in the capital of the Company (**Shares**) and to make or grant instruments (such as warrants, debentures or options) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50 per cent of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of which the number of Shares that may be issued other than on a *pro rata* basis to shareholders shall be less than 10 per cent of the total number of Shares that may be issued (**General Mandate**). For the purpose of determining the aggregate number of Shares that may be issued pursuant to the General Mandate, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time that Resolution 8 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 8 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of Shares.

By ORDER OF THE BOARD

Vivien Chan
Company Secretary

Singapore
5 April 2022



Notice of Annual General Meeting

United Overseas Insurance Limited

Notes

1. The UOI Annual Report 2021, this Notice of AGM, Additional Information on Directors Seeking Re-election, and the Proxy Form for the AGM may be accessed at the:
 - (a) UOI website: www.uoi.com.sg/uoi/index.html; and
 - (b) SGX website: www.sgx.com/securities/company-announcements.
2. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
3. Members will not be able to attend the AGM in person. Members may participate in the AGM by taking the following steps:
 - (a) pre-registering to observe or listen to the AGM proceedings via “live” audio visual webcast or “live” audio only stream;
 - (b) submitting questions in advance of the AGM; and
 - (c) appointing the Chairman of the Meeting as proxy to attend, to speak and to vote on their behalf at the AGM.
4. The key dates/deadlines that members should take note of are summarised in the table below.

Key dates/ Deadline	Actions
	<i>Deadline for Pre-registration for the AGM</i>
24 April 2022, 10:00am (Sunday)	<ol style="list-style-type: none"> 1. Members (including CPF/SRS investors) must pre-register at https://online.meetings.vision/uoi-agm-registration for the “live” audio-visual webcast or “live” audio-only stream of the AGM proceedings by 10:00am, 24 April 2022. 2. Members must fill in their name, NRIC/Passport/Company Registration number, shareholding type, mobile number and email address during the pre-registration in order for the Company to verify their status as members. 3. Investors who hold shares through relevant intermediaries (other than CPF/SRS investors) will not be able to pre-register at the AGM website and should contact their respective relevant intermediaries if they wish to observe or listen to the AGM proceedings, submit questions in advance of the AGM and/or appoint the Chairman of the Meeting as proxy to attend, to speak and to vote on their behalf at the AGM.
	<i>Deadline for CPF or SRS investors to appoint Chairman of the Meeting to vote</i>
18 April 2022, 5:00pm (Monday)	CPF or SRS investors may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM by approaching their respective CPF Agent Banks or SRS operators to submit their votes by 5:00pm, 18 April 2022 .

Key dates/ Deadline	Actions
	<i>Deadline for submission of questions in advance and publication of answers to questions</i>
14 April 2022, 12:00 noon (Thursday)	<ol style="list-style-type: none"> Members will not be able to ask questions during the AGM. Therefore it is important that they submit their questions related to the AGM resolutions by 12:00 noon, 14 April 2022. Members can submit questions in the following manner: <ol style="list-style-type: none"> by email: uoiagm@uoi.com.sg; or by post: 146 Robinson Road #02-01, UOI Building, Singapore 068909 (Attention: Mr Aaron Cheong). Members are strongly encouraged to submit their questions via email. Members who submit questions should provide their full name and NRIC/Passport/Company Registration No. for authentication of membership.
17 April 2022 (Sunday)	<ol style="list-style-type: none"> Answers to substantial and relevant questions submitted by members will be published at www.uoi.com.sg/uoi/index.html and the SGX website by 17 April 2022.
	<i>Deadline for submission of proxy form to vote</i>
24 April 2022, 10:00am (Sunday)	<ol style="list-style-type: none"> A member (whether individual or corporate) who wishes to exercise his voting rights at the AGM must appoint the Chairman of the Meeting as his proxy to attend, to speak and to vote on his behalf at the AGM. A member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The instrument appointing the Chairman of the Meeting as proxy (Proxy Form) must be submitted to the Company in the following manner: <ol style="list-style-type: none"> By post: United Overseas Insurance Limited, c/o Trusted Services Pte. Ltd., 456 Alexandra Road, #14-01 Fragrance Empire Building, Singapore 119962; or Electronically: <ol style="list-style-type: none"> via email: proxyform@trustedservices.com.sg; or via the pre-registration website: https://online.meetings.vision/uoi-agm-registration, in each case by 10:00am, 24 April 2022 which is not less than 72 hours before the time appointed for holding the AGM. Proxy Forms submitted by post and email must be completed and signed/executed by the member. Members are strongly encouraged to submit their completed Proxy Forms electronically via email or via the pre-registration website. The Chairman of the Meeting, as proxy, need not be a member of the Company.



Notice of Annual General Meeting

United Overseas Insurance Limited

Key dates/ Deadline	Actions
	<i>User ID and password to access the AGM proceedings</i>
26 April 2022, by 12:00 noon (Tuesday)	<ol style="list-style-type: none"> 1. Authenticated registrants will receive an email containing login credentials (unique user ID and password) and the link to access the “live” audio-visual webcast or a toll-free land line telephone number (toll charges may apply if using mobile) and conference code to access the “live” audio-only stream of the AGM proceedings (Confirmation Email). 2. Registrants who do not receive the Confirmation Email by 12 noon on 26 April 2022 should contact the Company’s share registrar, Boardroom Corporate & Advisory Services Pte Ltd at (+65) 6536 5355 during office hours from 8:30am to 5:30pm, Monday to Friday or by email to srs.teamb@boardroomlimited.com.
	<i>AGM commences at 10:00am, 27 April 2022</i>
27 April 2022, 10:00am (Wednesday)	<ol style="list-style-type: none"> 1. The telephone line to access the “live” audio-only stream will be opened from 9:45am. Members will be put on hold until the AGM commences at 10:00am. 2. The “live” audio-visual webcast will start when the AGM commences at 10:00am. <p>Members are advised to check the Company’s website at www.uoi.com.sg/uoi/index.html and the SGX website regularly for updates.</p>
	<i>Dividend Record Date and Payment Date</i>
9 May 2022, 5:00pm (Monday)	Record Date for determining entitlements to final and special dividends, subject to members approving the dividend payment at the AGM.
20 May 2022 (Friday)	Payment date for final and special dividends, subject to members approving the dividend payment at the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, to speak and to vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company* for the purposes of the processing, administration and analysis by the Company* of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, notes of discussion and other documents relating to the AGM (including any adjournment thereof), for publication of the names and comments of the members and proxy on the Company’s website, and in order for the Company* to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

* including the Company’s agents and/or service providers

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Report 2021



Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 9 February 2022)

Name of Director	Wee Ee Cheong
Date of Appointment	20 March 1991
Date of last reappointment (if applicable)	12 April 2019
Age	69
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection, board diversity considerations, and search and nomination process)	<p>A career banker with more than 40 years' experience, Mr Wee is active in the banking and financial services industry and the community through his involvement in various industry-based organisations. He was previously Deputy Chairman of the Housing & Development Board and a director of the Port of Singapore Authority, UOL Group and Pan Pacific Hotels Group.</p> <p>The Board recommends the re-election of Mr Wee Ee Cheong as a Non-independent director as he has a wealth of experience in the financial services industry that would benefit the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	<ul style="list-style-type: none"> Non-executive and Non-independent Director
Professional Qualifications	<ul style="list-style-type: none"> Master of Arts (Applied Economics), American University, Washington, DC Bachelor of Science (Business Administration), American University, Washington, DC
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Deputy Chairman and Chief Executive Officer, United Overseas Bank Limited (UOB) – 2007 to present
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Son of Dr Wee Cho Yaw, who is a director and the Chairman of UOI. Dr Wee Cho Yaw and Mr Wee Ee Cheong are substantial shareholders of UOB. The Company is a subsidiary of UOB.
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes



Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 9 February 2022)

Name of Director	Wee Ee Cheong
Other Principal Commitments¹ including Directorships:	
Past (for the last five years)	<ul style="list-style-type: none"> • Visa AP Senior Client Council (Member) (till March 2020) • Far Eastern Bank (Alternate Director) (till May 2018)
Present	<ul style="list-style-type: none"> • United Overseas Bank (Deputy Chairman and Chief Executive Officer) • United Overseas Bank (China) (Chairman) • PT Bank UOB Indonesia (President Commissioner) • United Overseas Bank (Malaysia) (Deputy Chairman) • United Overseas Bank (Thai) Public Company (Deputy Chairman) • ASEAN Bankers Association (Director) • The Association of Banks in Singapore (Chairman) • The Institute of Banking & Finance (Vice Chairman) • Singapore-China Foundation (Member, Board of Governors) • Indonesia-Singapore Business Council (Member) • Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member) • Nanyang Academy of Fine Arts (Patron) • Wee Foundation (Director)

¹ "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.



Name of Director	Chng Hwee Hong
Date of Appointment	28 January 2016
Date of last reappointment (if applicable)	12 June 2020
Age	71
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection, board diversity considerations, and search and nomination process)	The Board recommends the re-election of Mr Chng Hwee Hong as he had given wise counsel and sound business advice to the Board and Management.
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit Committee • Member of Nominating Committee
Professional Qualifications	<ul style="list-style-type: none"> • Bachelor of Science (Hons) in Applied Chemistry, University of Singapore • Diploma in Business Administration, University of Singapore • Diploma in Management Studies, University of Chicago and Singapore National Productivity Board • Graduate Certificate in International Arbitration, National University of Singapore
Working experience and occupation(s) during the past 10 years	Mr Chng was an Executive Director of Haw Par Corporation prior to his retirement in 2012.
Shareholding interest in the listed issuer and its subsidiaries	100 UOI ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes



Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 9 February 2022)

Name of Director	Chng Hwee Hong
Other Principal Commitments ¹ including Directorships:	
Past (for the last five years)	<ul style="list-style-type: none">• National Council Against Drug Abuse (Member) (till December 2021)• Industry & Services Co-operative Society (Chairman, Board of Trustees) (till August 2021)• Yellow Ribbon Singapore (Chairman) (till August 2021)• Yuhua Citizens' Consultative Committee (Chairman) (till March 2017)
Present	<ul style="list-style-type: none">• Singapore Land Group (Director)• Ministry of Home Affairs – Criminal Law Advisory Committee (Review) (Member)• Singapore Prison Service – Drug Rehabilitation Centre Review Committee 1 (Member)• Ministry of Social & Family Development – Core Action Team of the Alliance for Action for Caregivers of Persons with Disabilities (Member)• Justice of the Peace



Name of Director	Chua Kim Leng
Date of Appointment	1 February 2020
Date of last reappointment (if applicable)	12 June 2020
Age	52
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection, board diversity considerations, and search and nomination process)	The Board recommends the re-election of Mr Chua Kim Leng as he has enriched the Board with his sound, practical approach in regulatory compliance. Mr Chua's financial regulatory background is of great benefit to the Company in its business.
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	<ul style="list-style-type: none"> Independent Director Member of Audit Committee
Professional Qualifications	<ul style="list-style-type: none"> Bachelor of Business Administration (Hons), National University of Singapore
Working experience and occupation(s) during the past 10 years	Mr Chua was formerly the Special Advisor (Financial Supervision) and Assistant Managing Director of the Banking & Insurance Group at the Monetary Authority of Singapore. He was also a member of its Executive Committee where he was involved in policy making and overall oversight of the Authority prior to his departure in 2018.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments ¹ including Directorships:	
Past (for the last five years)	<ul style="list-style-type: none"> Sygnum Singapore (Director) (till December 2020) Ternary Fund Management (Director) (till December 2020)
Present	<ul style="list-style-type: none"> Teho International Inc (Director) Casino Regulatory Authority (Director) ICHX Tech (Director) Sygnum Bank AG (Director)



Additional Information on Directors Seeking Re-election

Pursuant to SGX-ST Listing Manual – Appendix 7.4.1 (Information as at 9 February 2022)

Name of Director: Wee Ee Cheong, Chng Hwee Hong and Chua Kim Leng

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (a) | Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No |
| (b) | Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No |
| (c) | Whether there is any unsatisfied judgement against him? | No |
| (d) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No |
| (e) | Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No |
| (f) | Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No |
| (g) | Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No |
| (h) | Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No |
| (i) | Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No |



Name of Director: Wee Ee Cheong, Chng Hwee Hong and Chua Kim Leng

- (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- | | | |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| (i) | any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No |
| (ii) | any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No |
| (iii) | any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No |
| (iv) | any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, | No |
- in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?
- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? **No**



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Proxy Form



MEMBER OF THE UOB GROUP

UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 197100152R

1. The 51st Annual General Meeting (AGM) is being convened, and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions received and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 5 April 2022.
3. The Notice of AGM and Additional Information on Directors Seeking Re-election may be accessed at the Company's website at www.uoi.com.sg/uoi/index.html, and the SGX website at www.sgx.com/securities/company-announcements.
4. **Members will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his voting rights at the AGM must appoint the Chairman of the Meeting as his proxy to attend, to speak and to vote on his behalf at the AGM.**
5. Investors holding shares through relevant intermediaries should approach their relevant intermediaries to specify their voting instructions.
6. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks/SRS operators to submit their votes by 5:00pm on 18 April 2022.
7. By submitting an instrument appointing the Chairman of the Meeting as proxy (Proxy Form), a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2022.
8. **Please read the notes overleaf, which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, to speak and to vote on his behalf at the AGM.**

I/We _____ (Name), NRIC/Passport/Co. Reg. No. _____

of _____ (Address)

being a member/members of United Overseas Insurance Limited (Company), hereby appoint the Chairman of the Meeting as my/our proxy, to attend, to speak and to vote for me/us on my/our behalf at the 51st Annual General Meeting (AGM) of members of the Company to be convened and held by way of electronic means on Wednesday, 27 April 2022 at 10:00am and at any adjournment thereof.

I/We direct the Chairman of the Meeting to vote for or against and/or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*	No. of Votes Abstaining*
1	Audited Financial Statements, Directors' Statement and Auditor's Report			
2	Final and special dividends			
3	Directors' fees			
4	Auditor and its remuneration			
5	Re-election (Mr Wee Ee Cheong)			
6	Re-election (Mr Chng Hwee Hong)			
7	Re-election (Mr Chua Kim Leng)			
8	Authority to issue ordinary shares			

* Voting will be conducted by poll. You may tick (✓) within the relevant box to vote "For" or "Against" the resolution, or to abstain from voting, in respect of all your Shares on a resolution. Alternatively, you may indicate in the relevant box the number of Shares that you wish to vote "For" or "Against" the resolution, and/or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2022

Shares in	No. of Shares
(i) Depository Register	
(ii) Register of Members	
Total (see Note 1)	

Signature(s) or Common Seal of Members

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



Please
affix
a stamp
here

United Overseas Insurance Limited
c/o Trusted Services Pte. Ltd.
456 Alexandra Road
#14-01 Fragrance Empire Building
Singapore 119962

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NOTES TO PROXY FORM

1. If a member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited) (CDP)), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
2. Member will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his voting rights at the AGM must appoint the Chairman of the Meeting as his proxy to attend, to speak and to vote on his behalf at the AGM. This Proxy Form may be downloaded from the Company's website at www.uoi.com.sg/uoi/index.html, or the SGX website at www.sgx.com/securities/company-announcements or the AGM pre-registration website at <https://online.meetings.vision/uoi-agm-registration>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. This Proxy Form is not valid for use by investors who hold share through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors, if they wish to vote, should approach their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks/SRS operators to submit their votes by 5:00pm on 18 April 2022.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The Proxy Form must be submitted to the Company in the following manner:
 - (a) By post: United Overseas Insurance Limited, c/o Trusted Services Pte. Ltd., 456 Alexandra Road, #14-01 Fragrance Empire Building, Singapore 119962; or
 - (b) Electronically:
 - (i) via email: proxyform@trustedservices.com.sg; or
 - (ii) via the AGM pre-registration website: <https://online.meetings.vision/uoi-agm-registration>.

in each case **not less than 72 hours** before the time appointed for holding the AGM.

Members are strongly encouraged to submit completed Proxy Forms electronically via email or via the AGM pre-registration website.
6. A Proxy Form submitted by post or email must be signed/executed under the hand of the appointer or of his attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of its duly authorised officer or attorney. Where a Proxy Form is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), be submitted together with the Proxy Form either by post to the address stated in para 5(a) above or by email to: proxyform@trustedservices.com.sg, failing which the Proxy Form may be treated as invalid.
7. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the Proxy Form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the CDP to the Company.
8. Any alteration made in this Proxy Form must be initialled by the person who signs it.

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Corporate Information

As at 9 February 2022

Board of Directors

Wee Cho Yaw (*Chairman*)
David Chan Mun Wai (*Managing Director and Chief Executive*)
Wee Ee Cheong
Hwang Soo Jin
Ho Yew Kee
Chng Hwee Hong
Chua Kim Leng

Audit Committee

Chng Hwee Hong (*Chairman*)
Ho Yew Kee
Chua Kim Leng

Nominating Committee

Hwang Soo Jin (*Chairman*)
Wee Cho Yaw
Chng Hwee Hong (*appointed on 1 September 2021*)

Remuneration Committee

Wee Cho Yaw (*Chairman*)
Hwang Soo Jin
Ho Yew Kee

Secretary

Vivien Chan

General Manager

Andrew Lim Chee Hua

Assistant General Managers

Faridah Rahmat Ali
Aaron Cheong Chu Ming

Business Address

146 Robinson Road
UOI Building #02-01
Singapore 068909
Telephone: (65) 6222 7733
Facsimile: (65) 6327 3869/6327 3870
E-mail: ContactUs@uoi.com.sg
Website: uoi.com.sg

Registered Office

80 Raffles Place
UOB Plaza
Singapore 048624
Company Registration No: 197100152R
Telephone: (65) 6222 2121
Facsimile: (65) 6534 2334

Investor Relations

Aaron Cheong Chu Ming
146 Robinson Road
UOI Building #02-01
Singapore 068909
Facsimile: (65) 6327 3870
Email: aaroncheong@uoi.com.sg

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360

Internal Auditor


PricewaterhouseCoopers Risk Services Pte. Ltd.
7 Straits View
Marina One
East Tower, Level 12
Singapore 018936

External Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Jaslin Du Xiaolin
(*appointed on 23 April 2021*)

Myanmar Representative Office

Room No. 1401, 14th Floor Olympic Tower
Corner of Maharbandoola Street and Bo Aung Kyaw Street
Kyauktada Township
Yangon
Myanmar
Telephone: (95)(1) 8392 917
Facsimile: (95)(1) 8392 916



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Company Registration No.: 197100152R

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