

**ALTERNATIVE ARRANGEMENTS FOR
THE ADJOURNED ANNUAL GENERAL MEETING (AGM) TO BE HELD ON 12 JUNE 2020
Responses to shareholders' questions**

11 June 2020 – United Overseas Insurance Limited (UOI or the Company) refers to the announcement of 20 May 2020 on the alternative arrangements for the Adjourned AGM, in particular, the invitation to shareholders to submit questions in advance of the Adjourned AGM.

The Company thanks shareholders for the questions received. Set out below are the Company's response to the questions received.

Responses to shareholders' questions which are relevant to the AGM resolutions		
Category	Questions	Answers
IMPACT OF COVID-19 AND BUSINESS OUTLOOK	How has the COVID-19 Pandemic affected the Company's insurance operation thus far?	<p>In 1Q2020, some travel claims were lodged, but they are not expected to have a significant impact on underwriting result in FY2020.</p> <p>Claims experience is expected to worsen and the Company will continue to monitor and handle them appropriately.</p> <p>The Company will continue to further drive cross selling initiatives with the parent bank in Singapore and elsewhere in the region as well as develop the intermediary business, especially in classes of insurance with better underwriting margins.</p> <p>With the COVID-19 pandemic and global recession, premium growth for the year will be challenging.</p>
OPERATIONS	With regard to the new accounting standard IFRS 17 – Insurance Contracts, are the estimated implementation and running cost expected to be significant?	This new accounting standard is an international standard affecting insurers worldwide. The one-off implementation costs will be amortised over a few years. Both the implementation and running costs are not expected to have a significant impact on our result.

	<p>International Accounting Standards Board (IASB) has announced that the implementation date of IRS 17 is delayed to 1 January 2023. How does this affect the Company, if any?</p>	<p>Notwithstanding the postponement of the implementation timeline by IASB, the Company will continue with its implementation plan, and is on track to comply with the new IRS 17 ahead of 1 January 2023.</p>
	<p>Please comment as to why the level of capitalization of UOI appears to be high?</p>	<p>The Company's share capital and reserves are necessary to determine its level of risk retention, support its insurance operation, demonstrate financial strength, provide greater financial stability in the midst of a volatile environment and fund new value creation initiatives. This prudent capital management is necessary if we are to continue to maximise risk retention, remain competitive and achieve sustainable earnings.</p>
INVESTMENT	<p>It was noted that the Company had disposed a substantial part of its unit trusts and exchange traded funds (ETFs) during 2019. What was the reason for the move?</p>	<p>The disposal and purchase of investments are in accordance with the Company's strategic asset allocation and investment strategy, which actively seeks out an optimal return while balancing risk. During 2019, funds were redeployed into equities and bonds as a result of the re-balancing of the Company's investment portfolio.</p>
	<p>Substantial mark to market losses were noted in 1Q2020. What were the reasons for this?</p>	<p>The mark to market losses in 1Q2020 were due to the sudden drop in the investment markets due to the COVID-19 outbreak, which affected both fixed income securities and equities. Markets have since made some recovery, but continue to remain volatile.</p>
DIVIDEND	<p>Will dividend payouts for financial year 2020 be affected due to COVID-19 situation?</p>	<p>The FY2020 dividends will take into account the long term interests of shareholders and the Company, as the Company aims to pay sustainable dividends to shareholders over the long term by balancing growth with prudent capital management.</p>