



# United Overseas Insurance Limited

Unaudited Results for Period Ended 31 March 2021

## Financial Updates

28 April 2021

Private & Confidential

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# Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
<b>(I)</b>	<b><u>Underwriting Income</u></b>				
<b>(i)</b>	Gross Premium Written	27.58	28.02	(0.44)	(1.6)
<b>(ii)</b>	Net Premium Written	13.13	11.78	1.35	11.5
<b>(iii)</b>	Net Earned Premium	11.45	10.84	0.61	5.6

Gross premium decreased by \$0.44 million or 1.6% to \$27.58 million. The decrease was mainly in Other Accident class of insurance, such as Travel insurance, which was affected by the COVID-19 pandemic.

Net earned premium increased by \$0.61 million or 5.6% to \$11.45 million mainly due to higher net premium written in the current period as a result of higher retention.

# Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
<b>(II)</b>	<b><u>Underwriting Expenses</u></b>				
<b>(i)</b>	Net Claims Incurred	4.02	4.38	(0.36)	(8.2)
<b>(ii)</b>	Net Commission Income	0.94	1.89	(0.95)	(50.3)
<b>(iii)</b>	Management Expenses	3.80	3.52	0.28	8.0

Net claims incurred decreased by \$0.36 million or 8.2%. Net commission income decreased by \$0.95 million due to lower commission recovery from reinsurers. Management expenses increased by 8.0% to \$3.80 million. This was mainly due to expenses related to office property and higher telemarketing expenses.

# Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
<b>(III)</b>	<b><u>Profit Components</u></b>				
<b>(i)</b>	Net Underwriting Profit	4.57	4.83	(0.26)	(5.4)
<b>(ii)</b>	Non-Underwriting Income	2.47	(0.40)	2.87	NM
<b>(iii)</b>	Net Profit Before Tax	7.04	4.43	2.61	58.9

Consequently, underwriting profit decreased by 5.4% to \$4.57 million.

Non-underwriting income was \$2.47 million as compared to a loss of \$0.40 million in the corresponding period last year. The increase was due mainly to favourable exchange rate movements in the current period.

Consequently, overall profit before tax increased by \$2.61 million or 58.9% to \$7.04 million.

*NM = Not Meaningful*

# Review of Performance

	Description	3M21	3M20	3M21/3M20	
		<u>S\$m</u>	<u>S\$m</u>	<u>S\$m</u>	<u>%</u>
<b>(IV)</b>	<b><u>Comprehensive Income</u></b>				
<b>(i)</b>	Net Profit After Tax	5.89	3.71	2.18	58.8
<b>(ii)</b>	Other Comprehensive Income, Net of Tax	11.28	(22.70)	33.98	149.7
<b>(iii)</b>	Total Comprehensive Income	17.17	(18.99)	36.16	190.4

Other comprehensive income, net of tax recorded an income of \$11.28 million instead of a loss of \$22.70 million in the corresponding period last year due mainly to mark-to-market gains of equity investments.

Overall, total comprehensive income increased by \$36.16 million or 190.4%, when compared to the corresponding period last year due to better performance of investment.

# Review of Performance

	Description	3M21	3M20	3M21/3M20	
				Inc/(Decr)	<u>%</u>
<b>(V)</b>	<b>Return on Equity (%)</b>	5.5	3.6	1.9 pt	-
<b>(VI)</b>	<b>Total Assets (S\$m)</b>	659.10	616.07	43.03	7.0
<b>(VII)</b>	<b>Return on Assets (%)</b>	3.6	2.3	1.3 pt	-
<b>(VIII)</b>	<b>Net Asset Value Per Share (S\$)</b>	7.22	6.53	0.69	10.6

The Company's return on equity increased from 3.6% to 5.5%.

Total assets of the Company increased by 7.0% to \$659.10 million this year.

Return on assets increased from 2.3% to 3.6% this year.

Net asset value per share increased from \$6.53 to \$7.22.

# Review of Performance

	Description	3M21	3M20	Increase / (Decrease) % - pt
		<u>%</u>	<u>%</u>	<u>%</u>
<b>(IX)</b>	<b>Ratios</b>			
<b>(i)</b>	Net Incurred Loss Ratio	35.1	40.3	- 5.2
<b>(ii)</b>	Net Commission Ratio	(8.2)	(17.4)	+ 9.2
<b>(iii)</b>	Management Expenses Ratio	33.2	32.5	+ 0.7
<b>(iv)</b>	Underwriting Profit Ratio	40.0	44.6	- 4.6

- (i) Net incurred loss ratio is computed by dividing net claims incurred by net earned premium.
- (ii) Net commission ratio is computed by dividing net commission by net earned premium. When this ratio is in negative, net commission is an income to the Company.
- (iii) Management expenses ratio is computed by dividing management expenses for insurance operations by net earned premium.
- (iv) Underwriting profit ratio is computed by dividing net underwriting profit by net earned premium.

# Thank You

