

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)

To: All Shareholders

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

1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2001

	GROUP			COMPANY		
	<u>2001</u>	<u>2000</u>	Incr/ (Decr)	<u>2001</u>	<u>2000</u>	Incr/ (Decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Gross premium income	31,447	29,986	4.9	30,982	29,453	5.2
Gross investment income	5,138	7,408	(30.6)	4,875	7,054	(30.9)
Profit on sale of investments	1,567	2,623	(40.3)	1,567	2,623	(40.3)
Profit on sale of property	1,499	-	NM	1,499	-	NM
Other income	10	41	(75.6)	10	41	(75.6)
Non-underwriting income	8,214	10,072	(18.4)	7,951	9,718	(18.2)
(b) Underwriting profit	5,181	4,430	17.0	5,224	4,438	17.7
Net profit before tax, depreciation and provision for investments	12,733	13,736	(7.3)	12,519	13,370	(6.4)
Add/(less) :						
Depreciation	(91)	(76)	19.7	(91)	(76)	19.7
Writeback of provision for diminution in value of investments	80	564	(85.8)	80	564	(85.8)
Net profit before tax	12,722	14,224	(10.6)	12,508	13,858	(9.7)
Taxation	(2,598)	(3,510)	(26.0)	(2,600)	(3,510)	(25.9)
Net profit after tax	10,124	10,714	(5.5)	9,908	10,348	(4.3)
(c) Net profit after tax:						
6 months ended 30 June	4,578	8,739	(47.6)	4,526	8,656	(47.7)
6 months ended 31 December	5,546	1,975	180.8	5,382	1,692	218.1
Total for the year	10,124	10,714	(5.5)	9,908	10,348	(4.3)
(d) Gross premium income						
6 months ended 30 June	18,424	17,843	3.3	18,086	17,462	3.6
6 months ended 31 December	13,023	12,143	7.2	12,896	11,991	7.5
Total for the year	31,447	29,986	4.9	30,982	29,453	5.2

Note : NM = Not Meaningful

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1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONT'D)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
(e) Net profit after tax as percentage of gross premium income (%)	32.19	35.73	31.98	35.13
(f) Net profit after tax as percentage of issued capital and reserves (%)	10.7	11.8	10.7	11.7
(g) Net earnings per share (cents)	24.8	26.3	24.3	25.4
(h) Net tangible asset backing per share (S\$)	2.33	2.22	2.26	2.17

The provision for taxation contain an adjustment of S\$2,000 for over provision of tax in respect of prior years at the Group level. There was no pre-acquisition profit.

2. DIRECTORS' COMMENTS

Despite the economic downturn, the Company achieved a growth in gross premium income. If last year's one-time book adjustment in gross premium arising from the insurance undertaking transferred from Industrial & Commercial Insurance Limited was excluded, the growth rate would be 9%. The growth was due mainly to new businesses derived from synergies within the UOB Group.

The Group's continuing commitment to underwriting discipline resulted in a year on year increase in the net underwriting profit. Investment income earned this year was satisfactory. Last year's investment income was higher because of exceptional income.

The Group has adopted the revised Singapore Statements of Accounting Standard (SAS) where applicable and certain comparative figures have been restated accordingly.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between 31 December 2001 and the date of this announcement which is likely to affect substantially the results of the Company and the Group for the current financial year.

3. CURRENT YEAR PROSPECTS

Premium rates, particularly rates for the larger risks, have started to increase due to the international reinsurance market increasing their rates after the September 11th event. These increases would arrest the slide in premium rates that prevailed during the last several years. Premium income is expected to grow as the economy improves and as more opportunities for new business arise from the parent bank's expansion.

Although the rise in international reinsurance rates would raise the cost of protection, we nevertheless expect the Company's underwriting profit to remain satisfactory. Non-underwriting income should improve along with the improvement in the overall economic outlook.

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4. DIVIDEND

The Directors recommend the payment of a final dividend of 15% or 15 cents per share (2000 final dividend : 15% or 15 cents per share) less 24.5% Singapore income tax in respect of the financial year ended 31 December 2001.

Together with the interim payment of 5% or 5 cents per share paid previously, the total dividend for the financial year ended 31 December 2001 would be 20% or 20 cents per share amounting to a total net dividend payment of S\$6.1 million (2000 : S\$6.1 million). If approved at the Annual General Meeting, the proposed final dividend will be paid on 31 May 2002.

5. SEGMENT INFORMATION

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

6. BALANCE SHEET

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2001</u> S\$'000	<u>2000</u> S\$'000	<u>2001</u> S\$'000	<u>2000</u> S\$'000
Fixed Assets	1,087	548	1,087	548
Long-Term Investments	12,248	11,568	17,188	16,508
Other Non-Current Debtors	135	12	135	12
Unsecured Term Loan	41	43	41	43
Current Assets (includes investments)	135,916	133,938	127,956	126,658
Less : Current Liabilities	54,187	55,464	53,789	55,060
Net Current Assets	81,729	78,474	74,167	71,598
Deferred Taxation	(358)	(201)	(358)	(201)
	<u>94,882</u>	<u>90,444</u>	<u>92,260</u>	<u>88,508</u>
Represented by :-				
Share Capital	40,770	40,770	40,770	40,770
Revenue Reserve	54,112	49,674	51,490	47,738
	<u>94,882</u>	<u>90,444</u>	<u>92,260</u>	<u>88,508</u>

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7. CLOSURE OF BOOKS

Notice is hereby given that, subject to shareholders' approval of the payment of the abovementioned dividend at the Annual General Meeting to be held on 9 May 2002, the Share Transfer Books and the Register of Members of the Company will be closed from 21 May 2002 to 22 May 2002, both dates inclusive for the preparation of dividend warrants. Registrable transfers received by the Company's Registrar, Lim Associates (Pte) Ltd at 10 Collyer Quay, #19-08, Ocean Building, Singapore 049315, up to 5.00 pm on 20 May 2002 will be registered for the abovementioned dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the abovementioned dividend, if approved, will be paid by the Company to CDP who will distribute the dividend to holders of the securities accounts.

BY ORDER OF THE BOARD

MRS. VIVIEN CHAN
SECRETARY

Dated this 8th day of March 2002