



A Member of the Citystate Group of Companies



partnering  
for a better  
future

**EQ Insurance**  
in 2010

# Contents

content	page
Vision, Mission & Statistical Milestones	2
EQ Takes Stock: 4 Years On	5
Chairman's Message	6
Board of Directors	8
Core Insurance Classes in 2010	10
Principal Officer's Message	12
Management Team	14
New Partnerships & Customer Service Developments in 2010	16
People Developments in 2010	18
Extract from Financial Report	20

# Vision ■ Mission ■ Statistical Milestones

## VISION

A financially strong, Singapore-based multinational insurance firm writing international business.

## MISSION

Underwrite a profitable portfolio of non-life insurance business; develop a team of competent, young executives to lead the company's expansion; and build a value-driven organisation.

## CORE VALUES

### Ease

To ensure that intermediaries enjoy ease in contacting us, and facilities to quote and issue certificates of insurance.

To ensure that customers enjoy ease in the enquiry stage and application and payment process.

### Quality

To ensure that intermediaries benefit from quality support, advice on guidelines and consistent information on procedures.

To ensure that customers benefit from quality products, advice and consistent information when purchasing a policy or enquiring on a claim.

### Integrity

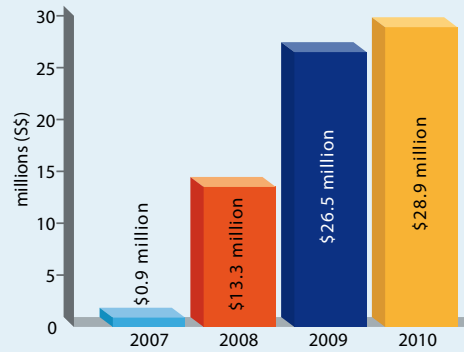
To ensure that intermediaries experience transparency in our dealings and procedures.

To ensure that customers experience honest and reliable claims solutions.

## STATISTICAL MILESTONES

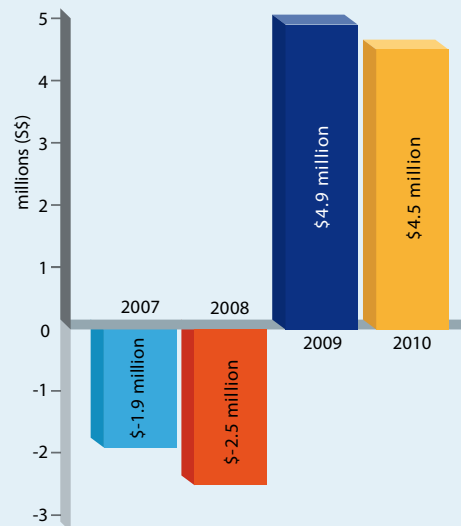
### Net Earned Premiums:

2007: S\$0.9 million  
 2008: S\$13.3 million  
 2009: S\$26.5 million  
 2010: S\$28.9 million



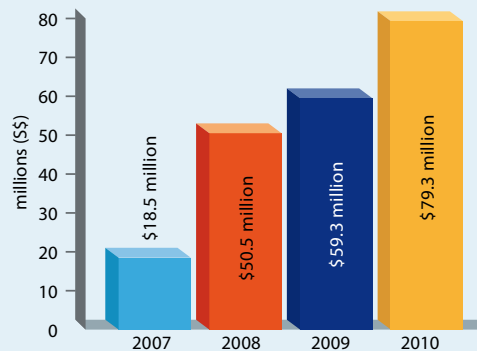
### Total Profit / Loss:

2007: -\$1.9 million  
 2008: -\$2.5 million  
 2009: S\$4.9 million  
 2010: S\$4.5 million



### Total Assets:

2007: S\$18.5 million  
 2008: S\$50.5 million  
 2009: S\$59.3 million  
 2010: S\$79.3 million





Partnership philosophy #1:

**We know your business intimately  
so that we can serve you faster and better**

## 4 Years On

**2011** marks the fifth year of our operations as a young, homegrown insurer. We were established in February 2007 upon receiving a license from the Monetary Authority of Singapore (MAS) to operate a multi-line insurance business.

In four years, we have become one of the fastest growing local insurance startups in Singapore in terms of topline premiums and profitability. Our numbers reflect the fact that we are now viewed as a serious competitor in the industry. In our first 12 months of operations, we posted a modest S\$5.3 million in gross premium and a loss of S\$1.9 million.

### STATISTICS AT A GLANCE

#### Net Earned Premium:

2009: S\$26.5 million

2010: S\$28.9 million

#### Underwriting Profit:

2009: S\$8.0 million

2010: S\$8.2 million

#### Pre-tax Profit:

2009: S\$4.8 million

2010: S\$5.0 million

#### Investment Income:

2009: S\$0.9 million

2010: S\$1.8 million

The second year of operations saw an acceleration of our growth momentum as gross premium income jumped six-fold to S\$33.3 million. In 2009, amidst one of the worst financial storms in Singapore, we turned an underwriting profit of \$8.0 million despite maintaining stable growth in gross premiums at S\$33.2 million, as a result of underwriting discipline and tight control on claims and expenses. **2010 provided further evidence of the underlying resilience and profitability of our portfolio as we achieved a 24.2% increase in topline gross premiums to S\$41.3 million and an underwriting profit before expenses of S\$8.2 million. This robust growth has continued in the first quarter of 2011, exhibiting a 35% increase in topline premium income.**

From a capital base of S\$12.5 million, we now boast a paid-up capital of S\$25 million, indicating that we are firmly capitalised. To support our growth in 2011, we plan to inject a capital increase of S\$5 million at the end of the financial year.

Our total assets under management have also grown from S\$18.5 million in 2007 to S\$79.3 million in 2010.

In addition, we have evolved from a startup owned by the Citystate Group, a holding company established in 1987 with core businesses in insurance and reinsurance underwriting and broking, to become a wholly owned subsidiary of Citystate Capital Asia (CCA). With a capital base of US\$50 million, CCA is a firmly capitalised company with the financial might and ambition to expand in the region by acquiring insurance and underwriting companies. We see ourselves evolving into a company with a strong parentage and a strong capital base and regional focus.

Our credit rating has also improved as a result of our strong capital position. In end 2010, EQ was assigned a Financial Strength Rating of BBB by Fitch Ratings, from BBB- in 2009.

# Chairman's Message



**EQ** Insurance enjoyed a remarkable year of growth and success in 2010.

After a period of consolidation in 2009, we decided that last year would be one of expansion and premium income growth. The 12 months did not disappoint and we witnessed strong growth in all our major classes of business, with gross premium income for the year rising to S\$41.3 million, up from the S\$33.2 million recorded in 2009. Underwriting profit before expenses was S\$8.2 million (2009: S\$8.0 million) while pre-tax profit rose to S\$5.0 million from S\$4.8 million in the previous year. The total assets on our balance sheet at December 31, 2010 were S\$79.3 million and this figure is expected to rise again in 2011.

The rise in these figures is attributed directly to the growth in Singapore's economy which bounced back with vigour last year after a difficult 2009. I am also happy to report that this expansion trend has continued into the first quarter of 2011. Premium income growth in the first quarter of this year was 35% ahead of the same period in 2010.

EQ Insurance is committed to growing its portfolio in a balanced and sustainable way and we shall ensure measures will be taken to harness this growth so that it is sustainable and long term. To underpin this growth, we increased our paid up capital by S\$5 million in 2010 to S\$25 million and it is our intention to increase it by a further S\$5 million this year to S\$30 million.

While the financial figures that we achieved last year were excellent, it is even more pleasing to note that as we enter our fifth year of underwriting operations, EQ Insurance has attained a new level of maturity. By this I mean that increasingly we are seen by our competitors as a serious and professional company, and one that is beginning to set trends in the Singapore general insurance market. This has been achieved because we have a senior team of experienced and successful underwriters in place who really understand the markets in which they operate, and are constantly looking to innovate and develop new and relevant products for our clients. Other indicators of our growing status in the market – Fitch, the leading credit rating agency, boosted our rating from BBB- to BBB in the middle of last

year. A survey of the public's perception of the most reputable local companies by communications consultancy Reputation Management Associates also placed EQ as the ninth most reputable general insurer in Singapore, a sterling achievement by a four-year-old company and a strong reflection of our success in achieving customer trust and brand recognition. Not bad for a company that only started underwriting in 2007.

All our main lines of business including motor, casualty-professional indemnity, fire and marine and accident and health showed rises in premium income volume with satisfactory claims records throughout the 12 months. We still derive the majority of our incomes fairly evenly from across both brokers and our agents. We continue to work hard at continually improving our business interface with these channels, both on personal face to face interaction, and by a concerted and conscious effort to roll out useful online tools to do business faster and more efficiently.

The performance of our investments also improved last year due to increased dividend income from investments in listed equities, and fixed income arising from our efforts to create a better spread investment portfolio. Previously, too high a percentage of our investment portfolio was held in fixed deposits with very low interest rates, and this has now been corrected.

What's in store for this year and going forward? We are confident that Singapore's economy will continue to be steady and strong this year and into the next; we continue to see a trend which shows Singaporeans are becoming more aware of the value of insurance and how they can use it to protect themselves, their families and their businesses. As a locally owned insurer which is close to the Singaporean 'heartbeat', we believe we are well placed to take advantage of this increasing awareness and growing appetite for insurance.

As part of these moves, for example, we are launching new policies which are aimed at meeting the changing needs of our customers.

As part of longer term efforts, we are working to ensure EQ Insurance will always be a solid operation with deep foundations. We took the decision

EQ Insurance is committed to growing its portfolio in a balanced and sustainable way and we shall ensure measures will be taken to harness this growth so that it is sustainable and long term.

last year to bring the company wholly under the control of our newly formed parent group, Citystate Capital Asia (CCA) and raised new capital to support our ambitions to take our operations and brand regional. As part of the CCA Group, we are actively working on our plan to expand via acquisitions, or by opening branches elsewhere in the region.

Finally, I'd like to thank all our directors, management and workforce for all their efforts in what has been another successful year for EQ Insurance.

Our performance in 2010 demonstrated we are working well together as one team, in one EQ Insurance family and I believe this sets us up well for a successful future.



**Leow Siak Fah**  
Chairman  
EQ Insurance

# Board of Directors



**LEOW SIAK FAH**  
Chairman

Mr Leow Siak Fah read law at the University of Singapore and was called to the Malaysian Bar. He is an alumnus of the Advanced Management Program, Harvard Business School. Mr Leow has over 50 years of working experience in the insurance industry, including some years in the UK. He has founded many insurance companies in several countries. He is an Associate of the Chartered Insurance Institute, UK.

Mr Leow is the Chairman of the Citystate Group Pte Ltd, which has interests in insurance, travel, food distribution and restaurants, banking, real estate and education. Mr Leow was responsible for the formation of the EQ Insurance Company Limited and is now its Chairman. He also founded The Singapore Lyric Opera Ltd. He was awarded a Public Service Medal in 1996 by the President of Singapore, the Montblanc 2000 Cultural Foundation Award for the Patron of the Arts and The Champion of the Arts Award for the year 2003.



**FREDDIE SIM**  
Director and Principal Officer

Mr Freddie Sim has been working in the insurance industry since 1974, holding various senior positions in insurance companies in the Republic. Prior to joining EQ Insurance, he was the General Manager and Principal Officer of GE Frankona Reinsurance. He has extensive experience in property underwriting both in Singapore and in the region.

Mr Sim is an Associate of the Chartered Insurance Institute, UK, and an Associate member of the Institution of Fire Engineers, UK. He holds an MBA from the University of Leicester, UK.

**ANTHONY TAN**  
Director



Mr Anthony Tan has 49 years of experience in the insurance industry. Having run several insurance companies, both specialist and general, he brings a wealth of experience and knowledge to EQ Insurance. He is a specialist in Accident and Health Insurance.

Mr Tan has held many key positions in various institutes, including that of President of the Singapore Insurance Institute and Governor of the Singapore College of Insurance. He is an Associate of the Chartered Insurance Institute, UK, and the Singapore Insurance Institute.

Mr Tan holds an MBA from Oklahoma City University, USA.

**PHILLIP TAN**  
Director



Mr Phillip Tan is a Certified Public Accountant in Singapore. He was a member of the leadership team in PricewaterhouseCoopers (PwC) in Singapore and was the leader of the firm's Capital Markets practice till he retired on 30 June 2007. He has more than 25 years of auditing experience of insurance companies and has advised on a wide range of issues in relation to insurance companies, including cost reduction and reorganisations, mergers and acquisitions and financial investigations. He had been the leader of Insurance Practice for PwC for a number of years. He is currently a member of the Insurance Committee of the Institute of Certified Public Accountants Singapore and had been a past Chairman of that Committee.

He is active in community service and has been awarded the Public Service Medal, the Public Service Star and the Public Service Star (Bar).



**TAE YOUNG SHIN**  
Director

Mr Tae Young Shin brings with him many years of experience in the insurance industry. He started with AIG in 1973 and then worked for Alexander and Alexander in the Middle East in the early 1980s and was based in Riyadh, Saudi Arabia. Before he retired from the insurance industry, he was the Chairman of AON (Far East) Ltd.

**LEOW TZE WEN**  
Executive Director

Mr Leow Tze Wen started his career in investment banking in 1996, working with local and foreign companies such as OCBC and Merrill Lynch. He also worked with Guy Carpenter, a reinsurance broker in London before joining the Citystate Group in 1998. More recently, he has been involved with the Group's insurance broking operations and is now with EQ Insurance.

Mr Leow is an Associate of the Chartered Insurance Institute and holds a BSc (Econs) and MSc (Econs) in Accounting and Finance from the London School of Economics, UK.



**NG TEE CHUAN**  
Director

Mr Ng Tee Chuan has a Bachelor of Science (Computer Science) and a Bachelor of Engineering (Electronics) from the University of Western Australia, Australia. He also has a Masters of Business Administration (Finance and IM) from the University of Western Australia.

He was a practicing engineer for a few years before leaving the profession to manage the various family companies. Mr Ng is on the board of many diverse companies in Singapore, Malaysia, Indonesia, Australia and the British Virgin Islands.

**J. ANTONIO A. CABANGON, JR.**  
Director

Mr J. Antonio A. Cabangon, Jr., at his young age, has been involved in the various companies of the ALC Group of Companies since 1990, Chairman of the Board and CEO Fortune Medicare, Inc., one of the pioneers and leading HMO's in the industry and Fortune General Insurance Corporation (FGIC), as President and Director of Aliw Broadcasting Corporation, as Managing Director of Citystate Savings Bank, Inc., as Vice Chairman and Treasurer of Fortune Life Insurance Co., Inc., among others. From the time he was appointed by his father, Ambassador Antonio L. Cabangon Chua, Founder and Chairman Emeritus of ALC Group, he has been instrumental in the upgrading of standards of work and service of the companies he handles.

Mr Cabangon is also active in the various organisations in Life, Non-Life and HMO industries. He is currently appointed as Commodore of the Manila Yacht Club and an active member of the Young Entrepreneurs' Organisation and Philippine Insurers Club.

He obtained his Bachelor of Science Degree in Finance from the California State University in 1990.



**NG TIAN MING**  
Director

Mr Ng Tian Ming graduated with a Bachelor of Architecture from the University of Sydney, Australia. He was a practicing Architect for many years before he left the profession to manage the various family companies that are involved in diverse business. He is a director of many companies in Singapore, Malaysia and the British Virgin Islands.



## Core Insurance Classes in 2010

**We** are a homegrown general insurance player in Singapore with expertise in the underwriting of all classes of non-life insurance, including personal and commercial insurance.

In 2010, premium income for all our classes of business registered an increase compared to the year before. The motor business was our largest class with gross premiums of S\$13.3 million, making up 32% of our portfolio. The next largest class was work injury compensation at S\$9.8 million. Bond business was third at S\$6.8 million.

We continued to carve a niche in foreign worker insurance, which comprises work injury compensation, foreign workers' medical and foreign workers bond, by writing a substantial volume of business amounting to S\$16.9 million in gross premiums.

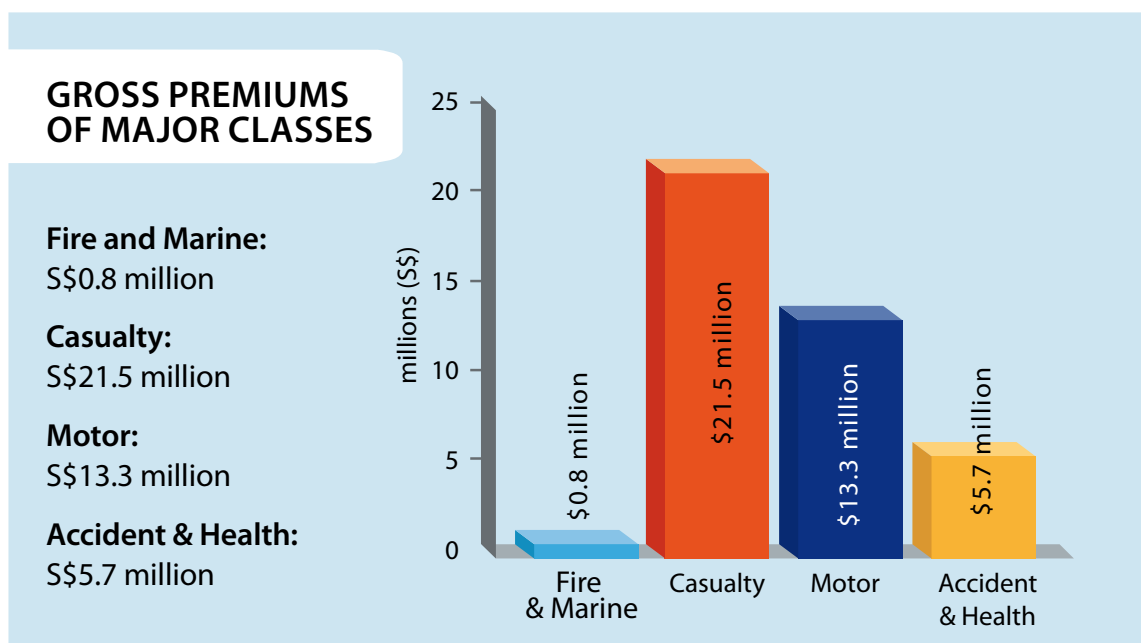
We are also a significant player in the Singapore market in the writing of bonds, taking up 6.9% of market share. Our strength in writing the bond business, which includes performance, foreign workers, foreign students, spa and wellness and other miscellaneous bonds – was exhibited by a strong S\$6.8 million worth of gross premiums generated.

The highly specialised class of construction

insurance in Singapore is also one of our strongest and best-performing classes and where we have established a reputation in the market. We wrote S\$3.0 million of Engineering and CAR business focusing mainly on building construction works as this sector has proven to be more resilient and profitable than civil works.

Fire and marine cargo remain small and competitive classes, at S\$0.4 million each.

Last year, we wrote new lines such as spa and wellness bonds to protect consumers against spas in the case of insolvency or bankruptcy. Looking ahead, we plan to solidify our performance and increase our market share in the motor and work injury compensation business, the two largest classes on our books, growing in tandem with the growth of these major classes in the Singapore insurance industry. We also target to expand our two most profitable classes, namely the bond and foreign workers' medical businesses. We will also continue to build up other classes such as travel insurance, marine cargo and fire. In the pipeline are also new lines of professional indemnity insurance that targets specialised segments.



Partnership philosophy #2:  
We build deep relationships  
to support your success  
and our growth



## Principal Officer's Message



**The** underwriting performance of EQ Insurance for 2010 can be described as highly satisfactory.

Not only did we manage to increase our overall premium income by 24.2% from S\$33.2 million in 2009 to S\$41.3 million, we also increased our income in virtually every class of business we write.

These increases were due to the buoyant Singapore economy and to the fact that we now have a team of experienced underwriters who are well connected with brokers and agents in place.

In the casualty sector, our largest single class of business, premium income rose to S\$21.5 million, up from S\$18.0 million in the previous year.

This figure included strong rises in all the main classes of business, engineering (CAR), Performance Bond, Foreign Workers Bond and Work Injury Compensation.

In our motor portfolio, which includes private and commercial vehicles, premium income increased to S\$13.3 million in 2010, from S\$10.5 million in 2009.

And our accident and health sector, which includes foreign workers' medical cover and travel insurance, was up at S\$5.7 million in 2010 from S\$4.3 million in 2009.

Our fire and marine accounts are smaller, but still managed to produce an income of S\$819,000 between them, against S\$487,000 in 2009.

We believe these rises in premium income are prudent and sustainable in the long term.

Another reason for our growth in 2010 is the fact that we also took the decision to expand our portfolio into new areas of business to include specialist classes. For example we are now writing professional indemnity for real estate agents.

We are also writing more travel insurance in different forms and in this we have leveraged off our parent group's travel agency business where there is obviously a strong synergy.

Our other casualty business includes foreign worker bonds, performance bonds and work injury compensation and each of these showed particularly good growth.

The company sees the major classes such as motor, workers injury compensation and foreign

---

Another reason for our growth in 2010 is the fact that we also took the decision to expand our portfolio into new areas of business to include specialist classes. For example we are now writing professional indemnity for real estate agents.

workers medical as the bedrock of our business and while we recognise there is stiff competition, we nevertheless see ourselves as long term players in these areas.

We wish to supplement these cornerstone lines of business with other profitable lines. We see marine cargo and fire as profitable and we are making greater efforts to write more of this business.

We value our relationships with brokers and agents, and shall take every opportunity to work closely with them in the new directions.

We are constantly thinking of ways to strengthen and deepen these relationships and to that end we appointed an agency manager and a customer service manager in 2010.

Both these senior roles focus on the overriding issue of how we work more closely with our business providers and how we serve our customers better.

As we grow as a group, it is vital we do not lose that ability to stay close to our providers and be acutely aware of what our customers are thinking.

One area in which this partnership approach has come to fruition has been in product development and I am pleased to say that, via our broker partnerships, we have been able to create innovative new products which have proved popular.

Running through all our business practices in a seamless manner is the prompt attention to detail on claims and our claims handling ability is at the core of everything we do.

We have recently appointed a new head of

claims and the team is focusing on claims servicing excellence.

#### **How do we achieve these goals?**

I believe that in order to aspire to the highest international standards of the global insurance industry, there has to be constant review and upgrade of our training and Information Technology applications.

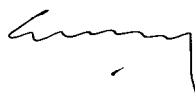
These two areas are top of mind for all the senior EQ Insurance managers.

We support our young executives and managers to complete professional examination courses so they can broaden their knowledge and skill sets as we strongly believe they are the future of the company.

In the IT arena, we are enhancing our systems so that the company can interface with our intermediaries more rapidly and fluently.

We believe ease of IT application and an increasingly sophisticated use of IT will enhance our service as well as the integrity of our products.

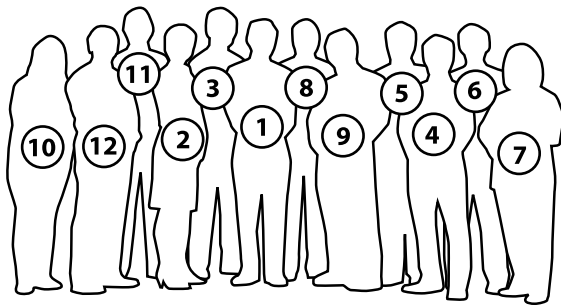
These are ambitions which we aim to fulfil this year and for many years to come.



**Freddie Sim**  
Director & Principal Officer  
EQ Insurance



## Management Team



**FREDDIE SIM**  
**Director & Principal Officer**

1

Mr Freddie Sim has been working in the insurance industry since 1974, holding various senior positions in insurance companies in the Republic. Prior to joining EQ Insurance, he was the General Manager and Principal Officer of GE Frankona Reinsurance. He has extensive experience in property underwriting both in Singapore and in the region.

Mr Sim is an Associate of the Chartered Insurance Institute, UK, and an Associate member of the Institution of Fire Engineers, UK. He holds an MBA from the University of Leicester, UK.

**RINA TAN**  
**Chief Financial Officer**

2

Ms Rina Tan has been involved in Accounting, Finance and the IT functions in the insurance industry for 28 years. Ms Tan is a Certified Public Accountant (CPA), a Fellow of the Association of the Chartered Certified Accountants (FCCA) and an Associate of the Singapore Institute of Taxation (ASIT).

**PETER NG**  
**Marketing Manager**

3

Mr Peter Ng manages the marketing and communication aspects of the company. He has more than 15 years' experience in the insurance industry. His educational background includes an M.B.A. from National University of Singapore and a Bachelor of Business (Banking & Insurance) degree from Nanyang Technological University.

**AUGUSTINE CHAN**  
**Motor Manager**

4

Mr Augustine Chan has over 20 years of experience in the insurance business. Formerly an account manager, he joined EQ Insurance in March 2008. He is a Certified Financial Planner (CFP) and a Fellow of Life Management Institute (FLMI).

**BERNARD CHAN**  
**Marine Manager**

5

Mr Bernard Chan began his insurance career in General Accident more than 40 years ago. Since then he has worked with major international insurers, brokers and reinsurers and had undergone training stints in London and Paris. Well-versed in all classes of general insurance, his forte is in Marine Cargo insurance. He is also a trainer for clients, agents and brokers' in-house courses on Marine Cargo.

**ERIC TAN**  
**Accident & Health Manager**

6

Mr Eric Tan has been in the insurance industry (both Life and General) for the last 18 years. His specialty is in Group Insurance dealing with employee's benefits. He joined EQ Insurance in March 2008. He is a member (Senior Associate) of The Australian and New Zealand Institute of Insurance and Finance.

**LIAN SIEW HIN**  
**Casualty Manager**

7

Ms Lian Siew Hin has 15 years of experience in the insurance business. She was one of the pioneers of EQ Insurance even before the company started operations and had the opportunity to be involved in setting up various areas of the company's operations. During her first two years in EQ Insurance, she managed to establish good relations with brokers and in early 2009 she took over the Casualty portfolio. Ms Lian graduated from the University of London with BSc (Econs) in Management Studies in 1989.

**VINCENT CHIA**  
**Property Manager**

8

Mr Vincent Chia has over 30 years of experience in the insurance business. He has held many senior management positions, the last being the broking

manager at a leading insurance broking firm. He joined EQ Insurance in January 2008, handling the underwriting of all classes of property insurance and casualty insurance. He also dealt with brokers, agents and direct clients. In early 2010, he took over the Property portfolio. Mr Chia has an ACII from the Chartered Insurance Institute of London.

**HARRY WANG**  
**IT Manager**

9

Mr Harry Wang has over 20 years of experience in insurance IT. He joined EQ Insurance in October 2007. His role entails harnessing IT to ensure the smooth running of EQ's business and its business contingency plans. Mr Wang has a Bachelor of Science in Business Information Technology (Hons) from the University of Central England.

**CHANG FOONG HON**  
**Assistant Claims Manager**

10

Ms Chang Foong Hon has over 15 years of experience in the insurance business. She has worked with major international insurers and gained invaluable experience. Her role is to ensure fair and reasonable claims settlement of all classes of insurance. Ms Chang has a Bachelor of Science (Hons) in Business Management.

**JERRY LIM**  
**Agency Manager**

11

Mr Jerry Lim has been in the insurance industry (both Life and General) for the last 20 years. Formerly an account manager, he joined EQ Insurance in December 2010 to manage the Agency Department. He has a Bachelor of Arts (Economics) from Victoria University of Wellington, New Zealand and a Diploma in Insurance from The Chartered Insurance Institute.

**EUGENE HO**  
**Customer Service Manager**

12

Mr Eugene Ho has been in the general insurance industry for the last 36 years and has worked with brokers and agents. At EQ Insurance, he manages Direct Marketing Clients, Affinity groups, Financial Advisors and Agents. Mr Ho is an Associate of the Australian Insurance Institute.



## New Partnerships & Customer Service Developments in 2010

**EQ** Insurance enjoys the support of a panel of 20 professional brokers and reinsurers, and the trust of a 145-strong agency force. The support of the insurance broking community and an energetic and dynamic agency force has allowed us to establish our credentials as a serious and reputable insurer and contributed to the sterling performance of the company in our fourth year of operations.

Our strength lies in establishing close relationships with our intermediaries, especially in the sectors where we have carved a niche such as foreign worker insurance and EAR/CAR. These deep relationships have not only boosted our credentials but contributed to our success in these highly specialised areas of business.

With 97% of our business coming from brokers



and agents, we pledge to remain a broker and agent-friendly company. Moving forward, we will forge deeper and long-term partnerships by working closely with our existing intermediaries. We will also establish new partnerships and connections across fresh product lines by fostering the trust and confidence of intermediaries. For instance, in 2010, we accepted more financial advisory firms into our fold so that the personal lines business serving the protection needs of the individual can be expanded.

2011 will see us expanding more hardware and software in cultivating new partnerships and connections. We have beefed up our marketing and customer service teams to increase our response and turnaround times to better serve the needs of existing customers and tap new partnerships.

We have also set up a new customer service facility that will make it accessible for walk-in customers to buy a policy or make a claim, as we prepare to expand our personal lines business. In the hardware arena, improvements in our IT system have made it convenient and easy for our intermediaries to obtain e-motor quotations and print certificates of insurance in the marine cargo and spa and wellness lines, at the comfort of their offices over the Internet.

Our customers can also be assured that we stand ready to operate even in a disaster, being certified with the SS540 certification in Business Continuity Management.

EQ's top performing intermediaries and agents are recognised in an Awards Dinner.



## People Developments in 2010

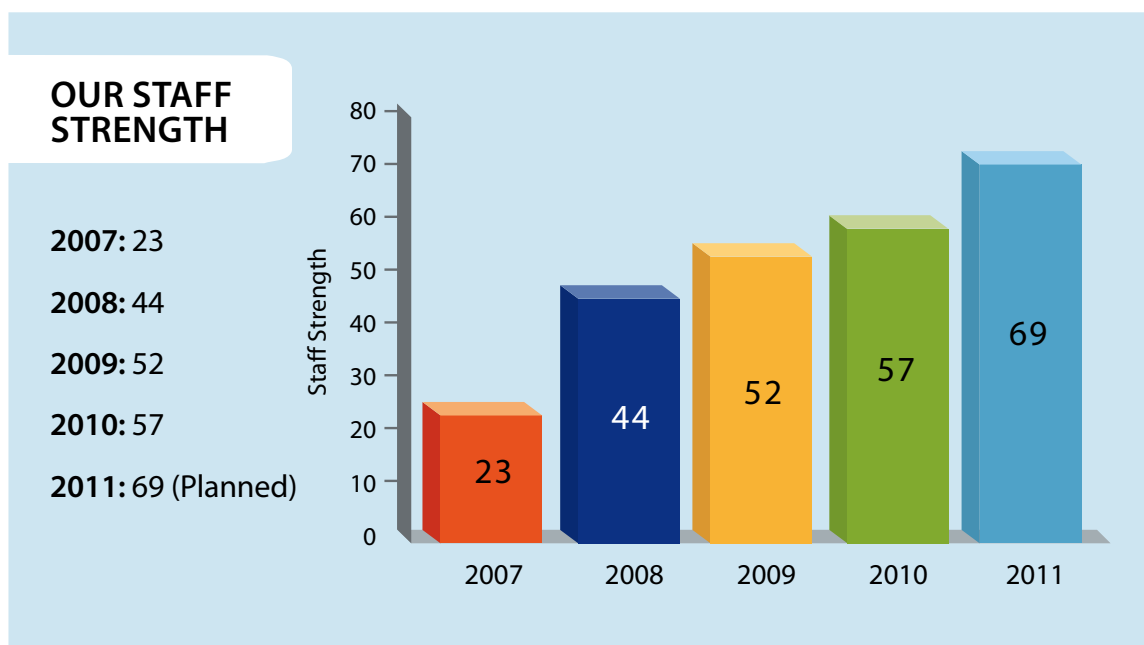
In 2010, our HR strategy centred on hiring people with deep industry knowledge and proven experience in verticals such as the motor industry who can transfer their background expertise to the insurance field and contribute to the company's underwriting expertise. These experienced personnel would then be able to know their customers and intermediaries' businesses better and work more closely with them to improve product service and coverage. The new hires join a highly experienced and competent management team that is committed to transparency, integrity and par excellence in meeting our obligations to our customers.

In 2010, we also strengthened our management team with two key appointments – a customer service manager and an agency manager, bringing our headcount to 57 employees. We also boosted our marketing staff strength with experienced people and hired IT-savvy staff to boost turnaround times in policy documentation to increase our competitive edge.

In 2011, we will continue to strengthen our

management team with experienced managers to ensure that we are fully equipped in all the classes we aspire to write business for. Staff strength is expected to grow to 69 working level executives and experienced senior managers for various classes of business who bring value and expertise to the organisation.

Last year, the company continued to invest in the training of our staff in the underwriting of specialised classes of insurance at the Singapore College of Insurance and other external bodies. One of our tenets is to put experienced old guards and industry veterans with young talent to spearhead the company's growth. We pride ourselves as an attractive home for talented individuals hoping to make a career in insurance. To achieve this, we have a Management Trainee Scheme to recruit prominent young hires. Last year, a young executive was sent to the ASEAN School for Young Insurance Managers in Manila as part of a programme to give young talent a career path and groom them to take on senior management positions.





Partnership philosophy #3:  
We aim to cultivate new partnerships  
to break new frontiers

# EXTRACT FROM FINANCIAL REPORT

# EQ Insurance Company Limited

Balance Sheet as at 31 December 2010

	2010 \$	2009 \$
<b>Non-current assets</b>		
Plant and equipment	741,626	797,546
Investment securities	27,748,872	7,457,449
Reinsurers' share of insurance contract liabilities	6,355,784	5,461,255
	<u>34,846,282</u>	<u>13,716,250</u>
<b>Current assets</b>		
Investment securities	4,254,653	788,340
Prepayments and deposits	222,995	295,097
Trade receivables	6,350,116	4,649,387
Trade receivables due from related companies	104,185	252,728
Other receivables	532,765	238,573
Cash and cash equivalents	32,947,792	39,367,581
Loans and receivables	39,934,858	44,508,269
	<u>44,412,506</u>	<u>45,591,706</u>
<b>Current liabilities</b>		
Trade payables	6,722,899	4,681,449
Other payables	1,203,697	911,899
Hire purchase payables	77,576	77,576
Financial liabilities carried at amortised costs	8,004,172	5,670,924
Tax payables	364,714	91,609
	<u>8,368,886</u>	<u>5,762,533</u>
<b>Net current assets</b>	<u>36,043,620</u>	<u>39,829,173</u>
<b>Non-current liabilities</b>		
Hire purchase payables	114,902	192,478
Gross insurance contract liabilities	41,298,175	32,650,530
Deferred tax liability	580,541	93,017
	<u>41,993,618</u>	<u>32,936,025</u>
<b>Net assets</b>	<u>28,896,284</u>	<u>20,609,398</u>
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	25,000,000	20,000,000
Fair value reserve	286,241	40,159
Accumulated profit	3,610,043	569,239
<b>Total equity</b>	<u>28,896,284</u>	<u>20,609,398</u>

# EQ Insurance Company Limited

## Profit and Loss Account for the financial year ended 31 December 2010

	2010 \$	2009 \$
Gross written premium	41,286,138	33,243,854
Reinsurers' share of gross premiums written	(9,083,194)	(6,586,794)
Gross change in reserve for unexpired risk	(4,293,667)	683,885
Reinsurers' share of gross change in reserve for unexpired risk	991,552	(823,521)
<b>Net earned premium</b>	<b>28,900,829</b>	<b>26,517,424</b>
Gross claims paid	(11,938,000)	(12,704,759)
Reinsurers' share of gross claims paid	545,894	2,598,546
Gross change in loss reserves	(4,377,978)	(5,838,400)
Reinsurers' share of gross change in loss reserves	(97,023)	1,257,401
<b>Net claims incurred</b>	<b>(15,867,107)</b>	<b>(14,687,212)</b>
Commission expense	(6,165,035)	(5,410,186)
Commission income	2,454,608	1,702,830
<b>Net commission</b>	<b>(3,710,427)</b>	<b>(3,707,356)</b>
<b>Other underwriting expenses</b>	<b>(1,076,896)</b>	<b>(78,170)</b>
<b>Underwriting profit from direct general insurance</b>	<b>8,246,399</b>	<b>8,044,686</b>
<b>Net underwriting results from reinsurance business (in run off)</b>	<b>42,714</b>	<b>(237)</b>
Investment and other income	1,799,693	946,575
Other operating expenses	(5,082,303)	(4,154,621)
<b>Profit before taxation</b>	<b>5,006,503</b>	<b>4,836,403</b>
Taxation	(765,699)	(175,356)
<b>Profit for the year</b>	<b>4,240,804</b>	<b>4,661,047</b>

**EQ Insurance Company Limited**

**Statement of Comprehensive Income for the financial year ended 31 December 2010**

	<b>2010</b> \$	<b>2009</b> \$
<b>Profit net of tax</b>	4,240,804	4,661,047
<b>Other comprehensive income:</b>		
Net gains on available-for-sale financial assets	246,082	218,963
<b>Other comprehensive income for the year, net of tax</b>	246,082	218,963
<b>Total comprehensive income for the year</b>	4,486,886	4,880,010

**EQ Insurance Company Limited**

22 Gemmill Lane  
Singapore 069257

tel: (65) 6223 9433

fax: (65) 6224 3903

email: [marketing@eqinsurance.com.sg](mailto:marketing@eqinsurance.com.sg)

[www.eqinsurance.com.sg](http://www.eqinsurance.com.sg)