



Annual Publication 2017

About Us

EQ Insurance Company Limited is a homegrown general insurance provider.

Set up in February 2007, it built its initial insurance success through the construction-related industry and has since grown to underwrite all classes of commercial and personal insurance, including motor, property, casualty, financial protection (trade credit, professional indemnity), marine as well as accident and health insurance to a diverse group of clients.

It is a rapidly growing company with a proven management team and a strong network of intermediaries, including agents, brokers, and financial advisers.

EQ Insurance is part of the Citystate group of companies which includes other established brands in various service industries.



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 have access to us and our facilities for quotation and issue of certificates of insurance.

To ensure that customers enjoy a seamless enquiry, application, and payment process, making it easy for them to buy our products.

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.

Business Overview in a Decade

The Year in Review

2017 was marked by minimal growth in Singapore's general insurance industry. The sector continued its lacklustre performance from 2016, with gross premiums growing at a mere 0.8%, close to the 0.6% recorded in 2016. For the first time since 2010, the fiercely competitive motor insurance segment also registered an underwriting loss of S\$27.2 million.



Amidst this landscape, EQ Insurance's performance was relatively admirable. While gross premiums declined by 7% to S\$43.6 million, we managed to turn the S\$1.5 million loss in 2016 to a profit of S\$0.2 million. This was achieved despite a 58% plunge in the Singapore general insurance sector's underwriting profit.

We credit this outcome to our judicious stewardship of the company's operations and the dedicated commitment of our staff. Facing an environment of generally low underwriting rates arising from intense price competition, we took the opportunity to re-examine our traditional portfolio and re-constitute the make-up of our business lines.

6% ↑ 

Private Motor Insurance

132% ↑ 

Financial Protection

103% ↑ 

Health Insurance





As a result of stricter underwriting prudence, we secured revenue growth in a few business lines, including Motor and Health. In particular, we doubled our revenue growth in Financial Protection, which generated S\$1.1 million in gross premiums, up from S\$0.5 million in 2016.

Key Performance of Business Lines

Of the four main pillars of our business, Motor and Property & Casualty remain our largest segments, contributing 78% of our gross premiums. The other 22% comprises of Marine, Accident and Health as well as Financial Protection.

Motor

Comprising 44% of our portfolio, motor insurance remains the biggest contributor to our top line. Despite the cut-throat competition in this segment, gross premiums grew 4% in 2017 to about S\$19.3 million as we gained a deeper foothold in this mandatory class of business.

Against a backdrop of stagnated growth in the vehicle population in Singapore, both Commercial Motor and Private Motor contributed strongly to the overall growth in the Motor segment. Commercial Motor grew by 3% to S\$12.5 million, while Private Motor grew by 6% to S\$6.7 million,



giving us further headway into the saturated and extremely competitive motor insurance market.

Property & Casualty and Marine

Property & Casualty saw an overall 15% decline in gross premiums to S\$15.0 million.

The constricted construction scene in Singapore led to lower gross premiums of S\$8.0 million for Work Injury Compensation, the largest component in our Property & Casualty portfolio, compared to S\$10.7 million in 2016.

Also trending down as a result of industry downturn, Fire Insurance gross premiums decreased to S\$1.5 million from S\$1.6 million, and Marine Insurance receipts dropped to S\$0.5 million from S\$0.6 million respectively.

On the other hand, our focus on SMEs led to revenue growth from these sources. We chalked up significant revenue growth of 142% in Maid Insurance and 18.8% in Overall Bond Performance. As we continue to home in on listening and responding to the needs of local entrepreneurs, we expect to make further inroads into this segment to cultivate sustainable revenue growth.

Accident and Health

Gross premiums from Accident & Health shrank by 21% to S\$7.8 million, as a result of the highly competitive market. Foreign Worker Medical Insurance, its largest contributor, declined to S\$4.2 million from S\$5.0 million in 2016.

On the other hand, greater awareness of Health Insurance propelled gross premiums for this class by 103% to S\$1.0 million. We will continue to monitor the situation of healthcare inflation as we write more business in this class.

Financial Protection

The Financial Protection segment, made up of Professional Indemnity Insurance and Trade Credit Insurance, was one of the shining stars in a bleak year. This segment delivered a 132% increase in gross premiums of S\$1.1 million.

EQI Brand Story

Unveiling another
EQ Insurance milestone:
Rebranding and
10th Year Anniversary
Celebration!



We celebrated our 10th anniversary on 20 January 2017 at our annual Partners Appreciation Dinner in Raffles City Convention Centre. The event marked a significant milestone for us as we also took the opportunity to unveil the new brand logo after undergoing a branding exercise in 2016. The people that make up EQ Insurance are at the heart of this new branding – we have created something which presents a truly distinctive identity and expression of the company.

We believe our new-look entails our motivation: what we do, we do our best; and what we have, we give forward: to our partners, our intermediaries and to our colleagues. It's not a statement about who we could sometimes be; it's a confirmation in knowing that "You've got a Friend" throughout the good and tough times.

We hope you like our fresh new brand and look! We are proud to bring you our brand story, our inspiration that drives everything in what we do...





At EQI,
There is an equation
We live by.
One we call...
Friendship.

It may be a simple word,
But for us at EQI,
It is our happiness quotient
And so much more.

It is all about positivity.
A world of securing possibilities.
Turning frowns into smiles,
And future-proofing dreams together.

With us, you've someone who has your back,
And leaps forward with you.
Because at EQI, you don't just have an insurer,
You've got a friend.

To us, friendship is not lip service.
Friendship is peace of mind.
Partnership. Trust.
Protection against uncertainty.

Friendship is making insurance
Simpler. Faster. Easier.
And more comprehensive,
For what matters most,
Because they're ours too.

We may not be the largest,
But we hope to be the closest.
For a decade, we've been right beside you,
Keeping safe what you hold dear.
From personal to commercial:
Property, motor, health to travel.

We are here,
Come wind, fire or storm.
For the place we call home is yours too.

Some equate us with "the friendliest local insurer".
Others call us problem-solver. A partner.
But there is only one title we truly take pride in:

your friend.

Chairman's Message



Ten years ago, we knew we signed up for a huge challenge when we started business in one of the most competitive sectors in Singapore. Now, as we celebrate our 10th anniversary and re-brand ourselves for the next lap, we are proud to be where we are. With rejuvenation of our brand, we are poised to grow further with our business partners as our friends.

Our remarkable growth these ten years amidst the intense competition says it all: from S\$26.0 million in assets to S\$127.0 million; from three principle lines to all major classes of insurance; from 70 intermediaries to more than 250 and growing.

We may be seen as a growing force to reckon with, but above all, we have been a committed friend to those whose lives we touch. Customers, colleagues, partners and whomever we collaborate with – we make it a point to understand them and make things easier for them wherever we can. Why? We want them to leap forward in the direction they want, and we stay alongside them through thick and thin, seeing their challenges and opportunities through their eyes. That's what true friends are for, and friendship is what we are all about.

Undoubtedly, 2017 put us to the test. The subdued market and fiercely competitive environment that plagued Singapore's general insurance business in 2016 continued into 2017. This led to a prolonged period of less-than-optimal underwriting environment.

As always, we soldiered on, thanks to our talented team who worked tirelessly to overcome the challenges the best they could. As a result, our resilience saw us through the year, and we emerged stronger as a company, as a cohesive team and as a committed friend to our stakeholders.



Friendship Rules

To us, insurance is about establishing and deepening friendship, and friendship is about making insurance simpler, faster, easier and more comprehensive. We strive to make things easy to promote quick and efficient transactions to save everyone's time and effort.

To this end, we have already set up the capability to market insurance online and enable customers to complete their insurance purchase through the e-commerce portal. We are not stopping there. Next up, our digitalisation journey continues into using technology to enable our business partners to better cement their business relationships with us. Through our B2B portal, they get to know their production numbers with us quickly as well as other administrative details.

We are keen to assist our intermediaries in exploring marketing and cross-selling possibilities with their corporate clientele and the individuals who work with them. After all, it is easier to do more business with an existing client than to convert a new prospect. We now have the tools to enable our intermediaries to do this with less work on their part – and our helpful portal is right there, ready to facilitate the transactions.

Decade of Dedication


All the things we have done could not have been possible without the dedicated support from all levels of our staff. I salute them for dealing calmly and admirably with the operational challenges and competitive pressure.

With such a good team in place, I am confident that we will see, the benefit of the groundwork we have laid in terms of the marketing process, the underwriting process, the claims process and our relationships with business partners.

Our growth and success are based on our unique way of building business relationships as friendship. 2017 may have been a less-than-favourable year for our friends, but we are here to stick through it with them whether the going is good or tough. We accompany our friends in their journeys forward. We care, we are loyal, and we are here for the long term. Those who deal with us have a friend in us.

Leow Tze Wen
Chairman

Chief Executive Officer's Message



We marched into 2017 with greater caution due to the lacklustre market conditions and low underwriting rates that plagued 2016. As a result, greater selectivity in accepting new business formed the crux of our business strategy, rather than chasing after every case in the market. This calculated move was a deliberate intent to reduce the company's long-term risk exposure.

Our more discerning approach in 2017 naturally led to an overall reduction in gross premiums of 7% from S\$47.0 million to S\$43.6 million. But more importantly, it has paid off by significantly reducing our loss before tax to S\$0.6 million, which is one quarter of the S\$2.3 million suffered in 2016.

Motor Insurance Landscape

Motor Insurance was the biggest contributor to our loss, in line with the bloodbath seen in Singapore's motor insurance segment, which chalked up an underwriting loss for the first time since 2010, losing S\$27.2 million. This is a clear and sombre reminder that the days of gains in this segment cannot be taken for granted.





In this light, we are reviewing our portfolio to balance out the ratio between commercial vehicles and private vehicles, as it is now heavily tipped towards the former.

We are also exploring ways to reposition our offering to fleets. On top of giving them just insurance coverage, we also plan to help them improve their fleet management capabilities and manage their pool of drivers better.

Working more closely with the fleets aligns our interests better and enables us to contribute positively to their bottom lines. It will also help us increase our value proposition in being more than just an insurer, but also as a business partner who can add value to their business.

Growing the Business

Faced with key pressures such as a slowing construction industry, more controlled intake of foreign workers and a stagnating vehicle population growth, coupled with the price undercutting prevalent among general insurers, our operating environment has in general become tougher to navigate.

Nevertheless, we look for new ways to expand the business.

Strategically, we are wary of writing risks that might put an inordinate strain on us, such as cyber insurance. Much of the demand for cyber insurance arises from businesses who might have few or no internal measures in place to mitigate cyber risks, resulting in a much higher probability of claims incurred. While we want to write as many classes

of general insurance as possible, we also want to be more prudent and discerning in the business we write.

While we actively avoid certain areas, we are also keenly exploring others. One of these is going regional with the many Singaporean businesses who are expanding overseas to break away from the confines of a small domestic market. As a true blue partner, we align with them, analysing the risks and deciding which to underwrite.

It is a steep learning curve as the region presents risks, opportunities and situations that we don't encounter in Singapore. Nevertheless, we are up to it and hope to grow our regional books of business as we grow with our clients.

Enabling Intermediaries

We have over 250 intermediaries working with us, and they account for 98% of our revenues. They are thus a key element in our business model, and managing our relationships with them is naturally of paramount importance to us in fuelling our growth strategy.

We are mindful of the issues our intermediaries face. From their point of view, every obstacle to conclude a business transaction with us could derail it, and every bit of convenience counts, so we make it a point to ease the way they do business with us.

Enabling our intermediaries is the goal for us being heavily invested in technology. We have developed key tools to take the administrative drudgery out of their hands and

improve the experience our intermediaries have in their dealings with us.

For instance, our B2B portal is created not only to facilitate transactions between our intermediaries and us. It also serves as a repository of records to give them visibility of the transactions they have with EQI. With 24/7 access to such information at their fingertips, we free them from administrative hassle to help them become more productive. Some intermediaries, such as Financial Advisors firms, are tech-savvy. They appreciate our B2B portal and are therefore more open to doing business with us.

By empowering our intermediaries to indulge in more productive pursuits, we engage them to increase their production with us. It also helps us in attracting more intermediaries to come on board the EQI train.

Retaining Relevance

In navigating the tough conditions ahead, we will continue to monitor the market and adjust our rates and portfolio accordingly while playing to our advantage as a smaller player, which is, as a result, also more nimble and innovative in our response to the ever changing market conditions.

As we forge our way forward, we will continue to take calculated risks by exercising reasonable care, taking into account the interests of those we work with. This way, we will keep ourselves relevant and very much in the game.

Ronald Cheng

Chief Executive Officer

Board of Directors

Leow Tze Wen

Chairman

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 Pte Ltd in 1998. In the last few years, he has been involved in the Group's insurance broking operations, and in 2011, Mr Leow was appointed Principal Officer of EQ Insurance. In addition, he presides as Group Chief Operating Officer of Citystate Capital Asia Pte Ltd, an investment company formed in 2009 with the sole purpose of developing a pan-Asian Insurance Group of companies. Mr Leow is also Managing Director of the Citystate Group Pte Ltd. He 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.

Phillip Tan

Director

Mr Phillip Tan is a Certified Public Accountant in Singapore. He was a member of the leadership team in an international firm of accountants 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 was a Chairman of the Insurance Committee of the Institute of Certified Public Accountants Singapore. Mr Tan is active in community services. He is also a Justice of Peace and has been awarded the Public Service Medal, the Public Service Star, and the Public Service Star (Bar).



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 Master 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.

Ng Tee Yen

Director

Mr Ng Tee Yen graduated with a Bachelor of Computer Science and a Bachelor of Engineering (Electrical and Electronic) from the University of Western Australia in 2002. He then worked as a software engineer in a startup company that was subsequently acquired twice, ending in acquisition by IBM. In 2009, he left to manage various family companies. He holds a Master of Business Administration from the University of Western Australia.

Freddie Sim

Director

Mr Freddie Sim has been working in the insurance industry since 1974, holding various senior positions in insurance companies in the Republic. He has served as the Principal Officer of EQ Insurance in 2010, 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 was 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.



Management Team

Ronald Cheng

Chief Executive Officer

Ronald Cheng has more than 36 years of experience in the insurance industry and has held senior management positions in the broking and insurance companies. He holds a Master of Business Administration from the University of Strathclyde and is a Fellow of the Chartered Insurance Institute. He will be responsible for the overall execution of strategic business directions and overseeing the underwriting and claims operations and business development of EQ Insurance.

Adam Tang

Deputy Chief Executive Officer

Adam Tang started his insurance career in Malaysia and joined the Singapore insurance industry in 1989. He holds a Bachelor Of Science (Business Administration) from Oklahoma State University, USA. Previously, he had an illustrious career with both local and international insurance companies, contributing his experience in the areas of management, operations, marketing and underwriting of General Insurance business. He will be responsible in engaging across corporate and services delivery functions to ensure there are robust processes in place to agree and meet transformational change on financial and activity targets for the current year and outline for future years.

Rina Tan

Group Financial Controller

Rina has held various positions covering responsibilities in Accounting, Finance, HR as well as IT functions in the general and reinsurance companies. She joined Citystate Group Pte Ltd in 1996 and was actively involved in the run-off of Equatorial Reinsurance (S) Ltd and its branch in Hong Kong. She was a member of the management team responsible for the formation of EQ Insurance in 2007. Rina is a member of The Institute of Singapore Chartered Accountants (CA) as well as a Fellow of the Association of the Chartered Certified Accountants (FCCA). She is also an Accredited Tax Practitioner (ATP) of Singapore Institute of Accredited Tax Professionals Limited. She oversees the accounting, business support, financial planning and analysis, internal audit and tax functions at EQ Insurance.



Nick Wong

Senior Manager, Customer Service, Marketing,
Property Casualty & Marine and Specialty Lines

Nick is an experienced insurance practitioner who has served under various capacities, both as a Broker and Underwriter in MNCs. He joined EQ Insurance in 2013 and played a significant role in creating new markets, new products as well as establishing strategic partnerships. As Head of Marketing, he leads a team in achieving the company targets, expanding the intermediaries channel and fine-tuning the work processes for the intermediaries. Nick is currently a committee member of the GIA-Trade Credit. He has recently been awarded a Diploma in Advance General Insurance Course jointly conducted by The General Insurance Association of Japan and The General Insurance Institute of Japan.

Chet Boo

Manager, Motor

Chet has held various positions in reinsurance, direct insurance and insurance broking, spanning both local and international insurance companies. His experience includes marketing, underwriting and actuarial work, covering both consumer and commercial lines of general insurance. His last appointment was General Manager of an international broking company, focusing on structuring Extended Warranty Programs for major consumer electrical/electronic retail stores. He holds a Bachelor of Science (Actuarial Science & Statistics) from the University of Calgary, Canada. He is currently responsible for overseeing the Motor Department of the company.



Management Team

Audrey Ang

Manager, Compliance & Technical Support

Audrey started her insurance career after 11 years in the stockbroking industry. She holds a Master in Business Administration from the University of Hull, UK. She has held various positions in Life Insurance – Management Information Reporting, Compensation Modelling, Operations, Office Administration and Business Risk & Control Management, prior to joining EQ Insurance. She currently oversees all compliance and risk management matters, including corporate governance, enterprise risk management and reinsurance management, and is responsible for the implementation of technical business analytics.

Bernadette Yeo

Manager, Claims

Bernadette has held various positions in several major international insurance companies with a speciality in Claims. She is a Senior Associate member of The Australian and New Zealand Institute of Insurance and Finance. She joined EQ insurance in 2016 and leads a team responsible for assessing the scope causes, complexity and loss amount as well as determining the company's legal obligation to indemnify a claim. Her dedication, passion and leadership qualities are qualities that defines her current role.

Brenda Cheong

Manager, Property, Casualty & Marine

Brenda has served in several major international insurance companies. She joined EQ Insurance in 2014 and served her speciality in Property & Casualty underwriting and assumed the additional role as Head of Marine. She is responsible for delivering EQ Insurance's Property, Casualty and Marine products at the heart of EQ Insurance's customer solutions for the retail and commercial segments.



Tan Leng Leng

Manager, Human Resource & Administration

Leng Leng started her career in HR with the Life and General Insurance industry in 1999. She has held several roles in both the Regional and Local office of a leading international insurance company. Her vast experiences and knowledge in both Human Resource and Administration includes training and development, recruitments, HR Operations and employee engagement.

Meriati Lim

Manager, Accident & Health

Meriati started her insurance career after more than 8 years in a major construction firm as an Engineer, she was appointed as the Head of Planning and Logistics Department. She holds a Master in Civil Engineering from the National University of Singapore, and has 5 years of underwriting experience in Accident & Health of which she is deeply passionate in making it her dedicated career. Since she came onboard in 2016, she is responsible for developing Accident & Health products solutions both for retail and commercial segments.

Harry Wang

Manager, Information Technology

Harry started his career in IT in 1990. He continued his deep-rooted passion with EQ Insurance in 2007. He holds a Bachelor of Science in Business Information Technology (Hons) from the University of Central England. Leading a team, his role is to ensure the streamlined operation of the IT Department in alignment with the business and business continuity objectives of the organisation. He was instrumental in the e-commerce development, and is currently overseeing the automation processes.



Business Outlook

The Singapore economy's expected growth rate of 1.5% to 3.5% for 2018 bodes well for the insurance business. Having gone through two years of lacklustre performance, it is our hope that the cycle has bottomed out. A quick scan of the market-related developments coming our way vindicates the more intense effort we have been making to pro-actively read the market and manage our risks accordingly.



Motor

In October 2017, the Land Transport Authority announced that it will cut the annual permissible vehicle growth rate from 0.25% to 0% for cars and motorcycles, with a further review in 2020. The growth rate for goods vehicles and buses will be held at 0.25% per year until the first quarter of 2021.

In view of this, growth in one insurer's gross premiums for Private Motor Insurance is likely to be at the expense of another's for the next few years. The zero-sum game will cause further undercutting of rates by insurers.

We therefore might expect the industry's underwriting loss to extend into 2018. We will continue to monitor developments and exercise prudence when writing for this sector.

Property and Casualty

Another slow year is expected in this sector, with economists anticipating the construction sector to weigh down Singapore's GDP growth in 2018. To overcome this, and perhaps in the attempt to reverse the slowdown in Singapore's construction sector, the Government has announced it will bring forward S\$1.4 billion in public projects to 2018.

While large projects have traditionally not been our target market, we believe there will be a spill-over effect into the smaller construction projects. Our

strategy is to watch this space carefully for opportunities and act accordingly.

Health

The General Insurance Association of Singapore and Life Insurance Association of Singapore are aligning efforts to manage the problem of healthcare costs inflation in Singapore.

Although recent developments in integrated shield plans (a type of hospitalisation insurance plan in Singapore offered by a few life insurers) do not affect EQI directly, we are monitoring them closely for their effects on the life insurance industry's efforts to curb runaway medical costs. Should there be a need, we will adjust our directions for Health Insurance accordingly.

Business Directions and Operations Management

Given that the aforesaid developments will play out in 2018 and after, the storm clouds are likely to linger on in the next few years. As a young insurance firm, we believe we have the flexibility to ride these choppy waters.

We will continue to selectively pursue the traditional lines of business. At the same time, we expect to reap the gains from the processes and initiatives we have put in place in 2017 and before. These include initiatives to expand our distribution channels, and look into areas of under-served demand.





On top of selective underwriting and paying special attention to the proposer's risk-mitigation measures, we will make renewing insurance cover easier and more convenient.

We will also focus on developing the SMEs market, exploring opportunities in the region and adding further value to our relationships with our intermediaries and re-insurers.

Buoyed by the positive outcome of our costs management measures in 2017, we will continue to be prudent with our overheads and management expenses.

Ongoing efforts to enhance claims reporting and manage claims experience will result in better loss

ratios, which will in turn be reflected in the premiums.

To deal with a challenging external environment, we need competent heroes. That is why we are grooming product champions to deepen understanding, technical capabilities and focus within the respective product lines. Coupled with broad-based business exposure, the eventual aim is to develop each product's market to its fullest extent.

In addition, our ongoing internal succession planning effort is well underway. Identifying and grooming successors from within will carry on in 2018. This gels perfectly with our initiative to groom product champions.

Being a True Business Partner

Apart from enhancing our B2B portal to make sales easier for our intermediaries, we have also identified common initiatives with partners for mutual business growth. For example, we are rolling out composite services along with motor insurance to add value to our relationship with fleets, and co-branded mail drops will improve branding awareness and product awareness among households.

We will listen closely to the needs of the intermediaries and the Singapore general insurance market and enter markets that are under-served but has potential to grow. Our edge lies in our decision-making mechanism being right here in Singapore, and that we understand Singapore and the region, so we can make faster decisions without the hindrance of red tape or insufficient familiarity with the business environment.

Ready for the Challenges Ahead

In expecting the highly competitive environment to persist, our talented team – together with our multi-pronged approach that covers risk-onboarding management, costs management, channel management, marketing and brand awareness – will keep our business relevant and growing on an even keel.

Extract from Financial Report

EQ Insurance Company Limited

Balance sheet as at 31 December 2017

	2017 \$	2016 \$
Non-current assets		
Property and equipment	1,404,113	1,378,916
Investment securities	30,880,249	34,970,434
Reinsurers' share of insurance contract liabilities	6,801,585	7,762,019
Deferred tax assets – net	1,101,360	516,946
	40,187,307	44,628,315
Current assets		
Investment securities	10,462,123	7,490,484
Prepayments and deposits	478,476	651,809
Trade receivables	7,823,995	5,701,967
Amounts due from related companies	1,211,591	379,090
Other receivables	1,163,136	1,110,109
Cash, bank balances and deposits	63,322,090	65,035,993
Loans and receivables at amortised costs	73,520,812	72,227,159
	84,461,411	80,369,452
Current liabilities		
Trade payables	2,987,909	3,276,350
Amounts due to related companies	34,617	28,744
Other payables	3,578,689	2,935,197
Financial liabilities carried at amortised costs	6,601,215	6,240,291
Tax payables	–	1,625
	6,601,215	6,241,916
Net current assets	77,860,196	74,127,536
Non-current liabilities		
Gross insurance contract liabilities	68,563,586	69,787,856
Contingency reserves	35,118	20,073
Deferred tax liabilities – net	–	–
	68,598,704	69,807,929
Net assets	49,448,799	48,947,922
Equity attributable to equity holder of the Company		
Share capital	40,000,000	39,500,000
Fair value reserve	152,378	173,261
Accumulated profit	9,296,421	9,274,661
Total equity	49,448,799	48,947,922

Extract from Financial Report

EQ Insurance Company Limited

Statement of profit and loss for the financial year ended 31 December 2017

	2017 \$	2016 \$
Gross written premium	43,639,833	47,027,326
Reinsurers' share of gross premiums written	(5,045,247)	(6,963,273)
Gross change in reserve for unexpired risk – net of deferred acquisition cost	(1,498,338)	3,037,718
Reinsurers' share of gross change in reserve for unexpired risk – net of deferred acquisition cost	(365,018)	(487,619)
Net earned premium	36,731,230	42,614,152
Gross claims paid	(24,709,261)	(30,004,273)
Reinsurers' share of gross claims paid	(458,350)	3,714,222
Gross change in loss reserves	2,722,608	(3,043,343)
Reinsurers' share of gross change in loss reserves	(595,416)	(1,075,333)
Net claims incurred	(23,040,419)	(30,408,727)
Commission expense	(7,399,056)	(7,692,588)
Commission income	1,011,732	1,575,648
Net commission	(6,387,324)	(6,116,940)
Other underwriting expenses	(2,089,920)	(1,454,681)
Underwriting profit from direct general insurance	5,213,567	4,633,804
Net underwriting results from reinsurance business (in run off)	–	7,017
Investment and other income	4,276,456	3,147,068
Other operating expenses	(10,048,400)	(10,067,412)
Loss before tax	(558,377)	(2,279,523)
Taxation	580,137	759,722
Profit/(loss) for the year	21,760	(1,519,801)

Extract from Financial Report

EQ Insurance Company Limited

Statement of comprehensive income for the financial year ended 31 December 2017

	2017 \$	2016 \$
Profit/(loss) for the year	21,760	(1,519,801)
Other comprehensive income:		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Changes in value of available-for-sale financial assets:		
Net fair value (losses)/gains on available-for-sale financial assets	(25,160)	171,801
Net fair value gains on available-for-sale financial assets reclassified to profits or loss	–	(178,868)
Income tax relating to components of other comprehensive income	4,277	1,201
Other comprehensive loss for the year, net of tax	(20,883)	(5,866)
Total comprehensive income/(loss) for the year	877	(1,525,667)



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A Member of Citystate



— YEARS OF —
FRIENDSHIP

2007 - 2017