

eqnsurance

THE FUTURE UNVEILED

Annual Publication **2016**

A low-angle photograph of a modern building with a grid of windows. A large white banner with the 'eqnsurance' logo is being hoisted into place on the side of the building. Two workers in safety gear are visible on metal scaffolding platforms, one near the top and one near the bottom of the banner. The sky is blue with scattered white clouds. The banner features the 'eq' in brown, 'ns' in teal, and 'urance' in blue.

eqnsurance

CONTENTS

01

About Us

02

Business Overview

04

Chairman's Message

06

Chief Executive Officer's Message

08

Board Of Directors

10

Management Team

14

Business Outlook

16

Corporate Social Responsibility

18

Extract From Financial Report



GROSS
WRITTEN
PREMIUM

\$47.0
MILLION



SALES FROM
AGENTS

76%



COMMERCIAL
MOTOR
BUSINESS

9%↑



POLICIES
SOLD

2%↑

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



BUSINESS OVERVIEW



THE YEAR IN REVIEW

In 2016, Singapore's economy grew at a slower pace with GDP growth at 2.0%. In tandem with this slowdown, the general insurance industry saw growth decelerate to 0.6% for the year, recording a total gross premium of S\$3.7 billion, which was slightly more than S\$3.6 billion in 2015.¹

Coupled with an intensely competitive landscape, overall underwriting profit

in the industry fell by close to 21% to S\$258 million.¹

During the year, Motor Insurance continued to form the largest component of the insurance industry generating total gross premiums of S\$1.2 billion, or approximately 32% of the industry. Other growth areas in the industry include Health Insurance, Fire and Personal Accident. On the flip side, Marine Cargo and Hull and Work

Injury Compensation saw a general decline.

In line with the lacklustre industry, we saw a 4% decline in our total gross premiums to S\$47.0 million this year. Our Commercial Motor business saw the biggest increase with gross premiums rising 9% to S\$12.2 million.

This increase was offset by declines in other segments, namely Private Motor and Work Injury Compensation which declined 15% year-on-year to S\$6.4 million and 11% year-on-year to S\$10.7 million respectively.

BRANDING CAMPAIGN

As we celebrate our 10th anniversary in February 2017, we decided it was a good opportunity to take a step back and critically review our work. We underwent an audit of our brand so as to gain on-the-ground understanding of how people viewed our brand, services and products, and embarked on a rebranding campaign to better represent the company that we have evolved into.

No doubt, this will translate into long-term value for the company as we broaden communication channels with our stakeholders and further entrench the EQ Insurance brand in the local market.



¹ General Insurance Association – Annual Report 2016

9% ↑Commercial
Motor Insurance**24% ↑**

Fire Insurance

**11% ↑**Foreign Worker
Medical Insurance**3% ↑**Sales From
Agents**KEY SECTOR PERFORMANCE**

EQ Insurance's business cover four main segments, namely Motor, Property and Casualty, Accident and Health and Financial Protection.

Our biggest segments continue to be the Motor and Property and Casualty (including Marine) segments, which comprised close to 78% of our gross premiums. Accident and Health and Financial Protection remain segments for us to pursue growth in.

MOTOR

In 2016, gross premium contributions from this segment remained generally stable at S\$18.6 million, slightly down from S\$18.7 million in the preceding year. Commercial Motor saw a healthy increase in premiums of about S\$1.0 million, which was offset by a S\$1.1 million decline in Private Motor premiums to S\$6.4 million.

Intense competition within the segment has led to aggressive rate cutting to keep market share. In the long run, we believe these unsustainable rates may see upward revisions.

PROPERTY AND CASUALTY

Premiums from Work Injury Compensation continued to come under pressure in line with the overall contraction of the segment. In 2016, our gross premium came in at S\$10.7 million, down from S\$12.0 million in 2015. This decline was partially compensated for with a 24% increase in Fire Insurance premiums to S\$1.6 million.

In total, premiums from the Property and Casualty segment saw a decline of about 8% to S\$17.5 million for 2016. Revenue from our Marine business also declined 6% to S\$0.6 million this year.

ACCIDENT AND HEALTH

Foreign Worker Medical Insurance continued to remain the largest contributor in this segment with total premiums reaching S\$5.0 million, this is an increase of about 11% from 2015.

Premiums for our Personal Accident Insurance contracted approximately 11% to S\$4.3 million while premiums for Health Insurance decreased to S\$5.5 million. In total, this led to our gross premium for the segment to decline marginally to S\$9.8 million in 2016.

FINANCIAL PROTECTION

Comprising mainly Professional Indemnity and Trade Credit Insurance, our Financial Protection segment remains largely unchanged with total gross premium at S\$0.6 million.

EXPANDING OUR SALES NETWORK IN KEY AREAS

In 2016, we took great care to grow our pool of agents in order to strengthen our future position. Sales derived from our agents rose to 76%, up from 73% in 2015 and 65% in 2014.

Moving forward, we will continue to expand and better equip our sales force, particularly in key business areas that we see good potential to grow in.

WIDENING OUR REINSURANCE PARTNERSHIPS

To gear ourselves with the ability to take up more contracts in the future, we also expanded our reinsurance partnerships by collaborating with more partners and working closely with existing partners. With a stronger network of reinsurance partners to tap on, we will be more confident to undertake and compete for bigger and more profitable contracts.

CHAIRMAN'S MESSAGE



“Approaching our 10th year milestone anniversary does not give us a chance to rest on our laurels, rather, it provides greater catalyst to spur us to achieve many more successes and milestones.”



2016 was a volatile year with leading economies such as the United Kingdom voting in favour of exiting the European Union in June, followed by an unexpected result in the United States Presidential elections held in November 2016.

These unprecedented world events, combined with a slowdown in China and geopolitical uncertainties in the Asia Pacific region, have led to a subdued market in Singapore.

Closer to home, Singapore's small and open economy was naturally impacted as the country saw GDP grow at 2.0% in 2016¹.

Growth in Singapore's general insurance industry was likewise muted, with total premiums growing about 0.6% to \$3.7 billion in 2016 from \$3.6 billion in 2015.²

For EQ Insurance, navigating this challenging period in the industry meant finding new ways for us to differentiate ourselves, and to provide more value for our partners,

intermediaries and customers even as we cope with tighter margins on the back of intense competition.

Throughout the year, our people worked hard leading to us significantly diversifying and growing our customer base in 2016.

GEARING FOR GROWTH

Despite the challenging business climate in recent years, we have continuously found ways to innovate and grow as we work towards establishing ourselves as a major player in the Singapore insurance market.

One of our key thrusts was to strengthen our product offering. This enabled us to penetrate new areas of business and explore underserved markets.

In 2016, we also established more collaborative partnerships in the form of stronger support from our reinsurance partners. These partnerships will allow us to underwrite much bigger and more complex types of risks going forward, thus expanding our capacity,

¹ Ministry of Trade and Industry – Press Release (17 February 2017) – MTI Maintains 2017 GDP Growth Forecast at “1.0 to 3.0 Per Cent”

² General Insurance Association – Annual Report 2016

widening our scope and giving us greater confidence to compete for more business.

Leveraging on technology is another important way to differentiate ourselves in the industry. While we know changes take time and require the buy-in of multiple stakeholders including our employees, intermediaries and customers, we are committed to building a more technology driven workforce.

Over the past year, we have been exploring various methods to achieve a completely paperless workflow in our processes. Having already achieved some success in this area, we hope that this will progressively enable our operations to be more efficient thereby improving the level of service that we can offer to our partners.

GROOMING THE NEXT GENERATION OF LEADERS

Since our incorporation in 2007, our company has grown from strength to strength, from less than 10 employees then, to a workforce of close to 100 today. Supported by a core team of experienced and capable senior and

middle management, our teams today tend to be much more sophisticated, reflecting our evolving business.

Over the past two years, we have put more focus on leadership training and succession planning. By ensuring that our managers are properly equipped with the right skills and training to lead and develop strong teams, we are confident this will enable us to continue on our growth path.

At the same time, we also need to ensure the knowledge and experience we have accumulated over the years are well handed down to our next generation of leaders. Ultimately, they will be the ones driving our company forward in the future.

POSITIONING OURSELVES FOR THE FUTURE

As we approach our tenth year of business, we underwent a corporate rebranding exercise in order to take stock of our achievements and shortcomings to improve as well as chart the next phase of growth for our company.

Through the feedback we gathered from this exercise, we learnt that

many saw EQ Insurance as being a homegrown insurer that is friendly and easy to work with, and we hope to utilise this advantage to further penetrate the local market.

Guided by this value proposition our employees have strived to understand and review the needs of our clients.

We also leveraged on this branding exercise to ensure that we continue to sharpen our focus in areas that have helped carve a successful niche for the company. Within EQ Insurance, we want to continue building a friendly culture not only to our customers, but also to our partners and intermediaries.

Approaching our 10th year anniversary in 2017, we will continue to rely on the hard work and support from all our partners, intermediaries and customers. This milestone anniversary does not give us a chance to rest on our laurels, rather it provides greater catalyst to spur us on to achieve many more milestones.



Leow Tze Wen
Chairman



CHIEF EXECUTIVE OFFICER'S MESSAGE



“To confront the competitive landscape we operate in, our team has worked hard and found innovative ways to improve our business to overcome the adverse operating environment.”

Weighed down by macroeconomic challenges and volatility in 2016, businesses around the world had to come to terms with slower growth. This was evidenced by a slowdown in the general insurance industry in Singapore, with gross written premiums growing by just 0.6% in 2016,¹ compared to 2.6% in the preceding year.

To confront the competitive landscape we operate in, our team has worked hard and found innovative ways to improve our business to overcome the adverse operating environment.

One area of growth we saw in 2016 was the improvement in premiums from our Commercial Motor business. Premiums for the product experienced an increase

of about 9% to S\$12.2 million, up from S\$11.2 million in 2015. This also made our Commercial Motor business our largest contributor of premiums for us in 2016, overtaking Work Injury Compensation, which declined by about 11% to S\$10.7 million.

Our business segments continued to remain resilient despite the intense competition we faced. Spurred by the improvement in Commercial Motor business in 2016, our Motor segment delivered a largely consistent premium contribution of S\$18.6 million. In contrast, our Property and Casualty segment saw premium contributions narrow 8% to S\$17.5 million on the back of weaker performance from our Work Injury Compensation business.



¹ General Insurance Association – Annual Report 2016

Premiums from both our Accident and Health and Financial Protection segments, which stood at S\$9.8 million and S\$0.6 million respectively, delivered stable returns compared to 2015.

Beyond our top line, we were also able to expand our business in other ways such as widening our range of products offered, forging more business partnerships and increasing our overall customer base.

WORKING CLOSELY WITH OUR INTERMEDIARIES

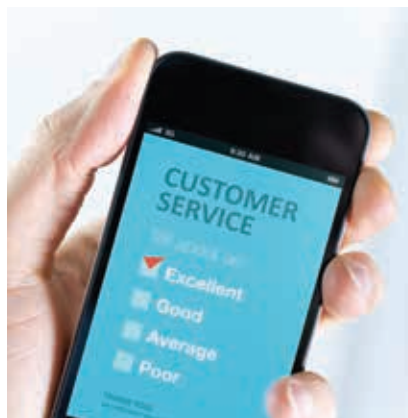
Agents continue to be our biggest channel of sales accounting for a total 76% of overall revenue in 2016, up from 73% in 2015.

We prioritised collecting feedback and working closely with our intermediaries to get a better grasp of what their customers were expecting of them and how we could better support their efforts.

By making improvements in certain aspects of our products in terms of features, services and rates, we were able to write a 2% increase in policies during the year.

Another area we focused on was product training for our intermediaries to guide them in deepening their knowledge on various products, and its differentiating factors, that we offer.

On top of regular trainings, we also worked on important initiatives to build closer relationships with our intermediaries. One such initiative that has proven fruitful was the Motor Club scheme. Launched in 2015, the scheme provides attractive incentives for agents who have performed well in our Motor business segment. This provides an incentive for their efforts and in turn encourages them to work more closely



with us. In fact, the Motor Club scheme now accounts for about 61% of our Motor segment premiums and we expect this number to continue increasing as more agents come onboard the scheme.

On the technology front, we continued to scale up our efforts as we strived to introduce useful technology features to aid our intermediaries. One such innovation is the use of an online portal, which has been instrumental in helping us service them as they may require support for sales or retrieval of quotes beyond regular office hours.

In the long term, such technology will be important in providing us with greater bandwidth to serve our intermediaries efficiently as we continue to expand our sales network.

CONSCIENTIOUSLY RECALIBRATING OUR PORTFOLIO

In order to continue growing, we need to continuously review our business portfolio and adapt quickly to the changing business environment.

Over the past few years, our major business segments such as Motor and Property and Casualty have come under margin pressures on the back of intense competition.

In light of this, and as an insurer, we need to critically examine the kind of risks we should be underwriting rather than to engage in a price war. By doing this, we will be able to better manage the risks that we take on.

For example, we find ourselves writing a larger pool of smaller projects in the Property and Casualty segment in recent years, rather than large-scale projects where rates are much more competitive.

We are also exploring other niche areas of the market that are currently underserved. These include penetrating the Marine and Agriculture business as well as further entrenching ourselves in the Financial Protection segment. Another potential growth opportunity exists in the form of entering other Southeast Asian markets. To pursue this, we have identified the need to collaborate with the right local partners whom we can trust to take on more profitable underwriting businesses in these countries.

The key here is that as a company, standing still is never an option. We must continuously find ways to grow even if it means stepping outside our comfort zone.

BUILDING A SUSTAINABLE BUSINESS FOR THE FUTURE

Even as we expand our business, we will continue to remain prudent in balancing between our desire to grow, and the need to remain sustainable.

A good and sustainable business is not just about profitability. We must also differentiate ourselves in the form of all the things that we do, from simple matters such as implementing technology to exploring bigger initiatives that impact our entire operations. This drive has seen us help our customers identify and cover key risks they face as well as put in place a 24-hour hotline where our motor insurance customers can call for immediate support when an accident occurs.

Our customers and intermediaries are at the core of everything we do in our business. By prioritising their needs, treating them right and providing value-added services to improve their experience today, we believe we are ultimately building a strong foundation for our success tomorrow.

Ronald Cheng

Chief Executive Officer

“The key here is that as a company, standing still is never an option. We must continuously find ways to grow even if it means stepping outside our comfort zone.”

BOARD OF DIRECTORS



- ① LEOWTZE WEN
- ② NG TEE YEN
- ③ NG TEE CHUAN
- ④ PHILLIPTAN
- ⑤ ANTHONY TAN



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. Mr Leow supports many causes and he sits on the main committee of the Yellow Ribbon Fund.

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.

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.

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).

ANTHONY TAN

Director

Mr Anthony Tan served as the Principal Officer of EQ Insurance from 2007 to June 2010. In his active years of service in the insurance industry, he had served as a Management Committee Member of the General Insurance Association, President of the Insurance Institute of Singapore and Governor of the College of Insurance.

Mr Tan holds a Master of Business Administration from the Oklahoma City University and is also an Associate Member of the Chartered Insurance Institute of the United Kingdom.

MANAGEMENT TEAM



- ① RONALD CHENG
- ② RINA TAN
- ③ NICK WONG
- ④ STEPHEN CHAN
- ⑤ HARRY WANG



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.

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 WONGSenior 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.

STEPHEN CHAN

Senior Manager, Motor & Accident and Health

Stephen started his insurance career as an insurance broker and has worked with several major international insurance companies in the area of underwriting all classes of insurance, marketing and business development, multi channels distribution including Bancassurance and Financial Advisory Network and Direct businesses.

His last appointment was Director of Personal Lines overseeing the areas of Motor Insurance, Travel and Personal Accident, Home and Maid Insurance with an international insurer. He has developed new motor markets and led the e-commerce initiatives on online motor.

He has a MBA from Adelaide University, Australia and a Bachelor Degree in Business Administration from University of South Australia. He is also a Chartered Insurer and an ACII holder from The Chartered Insurance Institute, UK.

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.

MANAGEMENT TEAM



- 6 CHET BOO
- 7 MERIATI LIM
- 8 AUDREY ANG
- 9 BRENDA CHEONG
- 10 TAN LENG LENG
- 11 CHARLIE NEO



CHET BOO

Manager, Marketing

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 the General Manager of an international broking company, focusing on structuring Extended Warranty Programs for major consumer electrical and electronic retail stores.

He holds a Bachelor of Science (Actuarial Science & Statistics) from the University of Calgary, Canada. He is currently responsible for the sales expansion for the Agency, Financial Advisors and Broking channels.

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 and 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 and Health products solutions both for retail and commercial segments.

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 and 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.

BRENDA CHEONG

Manager, Property, Casualty & Marine

Brenda has served in several major international insurance companies. She joined EQ Insurance in 2014 and served her specialty in Property and 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.

Since she came onboard in 2015, Leng Leng has facilitated the introduction of the Performance Management System, Induction Program and continued to stride towards creating a fun and engaging workplace in EQ Insurance.

CHARLIE NEO

Manager, Claims

Charlie has held various positions in major international insurance companies with a specialty in Claims. He is a member (Associate) of The Australian and New Zealand Institute of Insurance and Finance. He is also a Motor Committee member of General Insurance Association (GIA) since 2009. He leads a team responsible for assessing the scope, causes, complexity and loss amount as well as determining our legal obligation to indemnify a motor or non-motor claim. Since his joining, EQ Insurance has introduced several loss-minimisation measures that benefit all concerned.

BUSINESS OUTLOOK



With GDP growth in Singapore likely to stay muted in the short-term future and hovering at the 1% to 3% mark in 2017,¹ we expect the next few years to be a challenging environment for the general insurance industry.

In order to stay competitive, businesses have had to work harder, cut costs and compete more aggressively so as to stay relevant. The insurance industry was not spared, and EQ Insurance had to steer through the lacklustre operational landscape.

One key change that we piloted over the past couple of years was to be more selective over the types of risk we underwrite. While this has partially insulated us from the weakening business sentiments, we must continue to be prudent moving forward, as we balance between the need to take on more business and having to be sustainable in the long run.

OUTLOOK FOR KEY SEGMENTS MOTOR

For our Commercial Motor business, we will continuously explore the introduction of innovative technologies that will give us an edge over our competitors. These include reviewing policy needs with our clients to assess

any changes in their underlying risk and coverage requirement. In return, this enables us to build stronger rapport with our clients and ensure we remain preferred partners for the future.

In the Private Motor business, margins will continue to remain suppressed on the back of intense competition. We have introduced value-added services, such as a 24-hour hotline where customers can call in for immediate support right after an accident occurs. By continuing to introduce even more relevant and convenient value-added services in the long term, we believe we will be able to retain our clients even as rates become more competitive.

PROPERTY AND CASUALTY

In 2016, the government increased compensation limit by close to 20% for deaths and permanent incapacity under the Work Injury Compensation Act.² This meant that, across the board, claim limits have risen even though premiums may not yet reflect this additional cost component.

We continue to be prudent in underwriting the risk for this segment. For example, we have seen our books shift from big projects towards smaller projects due to more favourable profit



¹ Ministry of Trade and Industry – Press Release (17 February 2017) – MTI Maintains 2017 GDP Growth Forecast at “1.0 to 3.0 Per Cent”

² Ministry of Manpower – Website – Changes to Work Injury Compensation Act (WICA) in 2016



margins. This strategy also allowed us to be more resilient as we boosted our network of customer base by selling more policies.

Moving forward, we believe that there will be more infrastructure projects as the government tries to bolster the economy in light of expected slower growth.³

We have also readied ourselves for this by forging closer relationships with our partners. When the opportunity arises, we will be able to leverage on this to compete for contracts that are far larger and profitable in nature.

CORPORATE REBRANDING EXERCISE

In view of our 10th anniversary in 2017, we took a timely opportunity to refresh our corporate brand. Our rebranding exercise enabled us to take stock of our brand equity, and the perception that our stakeholders, both external and internal, have of us.

One of the initial findings was that many of our stakeholders found it easy and comfortable working with EQ Insurance. Leveraging on this, we are setting ourselves apart in the industry by being synonymous with approachability and friendliness.

Going forward, this will enable us to connect with our customers on the same level and provide a key thrust for our business as we look forward to another decade, and more, of continued growth and greater achievements.

EXPANDING ON THE TECHNOLOGY FRONT

We will continue to invest in technology as we seek to expand our business in an efficient and sustainable manner. The adoption and implementation of the right technology is something that will take time, and our management remains fully committed as we aim to introduce technology that will be useful for our employees and partners to go about their daily operational tasks.

BUILDING KEY BUSINESS RELATIONSHIPS

We will continue to build up our business by engaging with partners in strategic areas that have been earmarked for growth. These include new areas of risks that we have never explored, as well as developing regional business. We will work with the right partners in the right industry and strive to create win-win opportunities for all.

³ Building and Construction Authority – Press Release (6 January 2017) – public sector construction demand is expected to increase this year

CORPORATE SOCIAL RESPONSIBILITY



“HAWKING” UP A GOOD TIME WITH DIGNITY KITCHEN

On 17 September 2016, EQ Insurance collaborated with Dignity Kitchen as part of its Corporate Social Responsibility (CSR) initiative. Dignity Kitchen is Singapore’s first hawker training school for the disabled and disadvantaged people. They seek to do two things, first to change perceptions that the disabled, if given a chance, can be enabled; and second that their dignity can be restored through vocation.

This CSR event was the first in which our entire staff collectively

participated in. The first activity was called “Hawker for the Day”, where staff were allocated different roles to man a hawker stall and serve lunch to the elderly folks from “Sunlove Abode for Intellectually-Infirm” who were invited to Dignity Kitchen. The second activity was a team bonding session called “Working with the Disabled”.

The staff also got to try and taste one another’s cooking as they had to select their choice of lunch from one of the hawker stalls which they were helping to run earlier. After lunch, we kicked off our team-bonding session with the staff spilt into four groups to take part in the “Working with the Disabled” station games.

These games were designed to fortify awareness that disabled people are equal members of our society whilst educating the public on the various communication methods used by them. An example was the “Name Signing without Using Voice” station, where the staff learned how to sign their names using international sign

language from an individual who has impaired hearing.

The event came to a close with Dignity Kitchen founder Mr. Koh sharing lessons he has learned while working with the disabled throughout the years as well as the aspirations behind Dignity Kitchen. Overall, it was an enriching and meaningful experience to take home and we are glad that both the staff as well as the elderly had a great time interacting and supporting one another.





SETTING OURSELVES UP FOR GROWTH AND PROGRESS

“We remain clear on our core values that have guided our business to the success we enjoy today. Working alongside our stakeholders, we are confident of achieving sustainable and profitable growth for our long term future.”

EXTRACT FROM FINANCIAL REPORT

EQ INSURANCE COMPANY LIMITED

Balance sheet as at 31 December 2016

	2016 \$	2015 \$
Non-current assets		
Property and equipment	1,378,916	1,147,718
Investment securities	34,970,434	36,223,796
Reinsurers' share of insurance contract liabilities	7,762,019	9,324,974
Deferred tax assets – net	516,946	–
	44,628,315	46,696,488
Current assets		
Investment securities	7,490,484	5,470,289
Prepayments and deposits	651,809	859,465
Trade receivables	5,701,967	8,883,535
Amounts due from related companies	379,090	331,943
Other receivables	1,110,109	1,065,977
Cash, bank balances and deposits	65,035,993	62,237,103
Loans and receivables at amortised costs	72,227,159	72,518,558
	80,369,452	78,848,312
Current liabilities		
Trade payables	3,276,350	5,105,375
Amounts due to related companies	28,744	37,935
Other payables	2,935,197	2,893,286
Financial liabilities carried at amortised costs	6,240,291	8,036,596
Tax payables	1,625	517
	6,241,916	8,037,113
Net current assets	74,127,536	70,811,199
Non-current liabilities		
Gross insurance contract liabilities	69,787,856	69,789,219
Contingency reserves	20,073	7,964
Deferred tax liabilities – net	–	236,915
	69,807,929	70,034,098
Net assets	48,947,922	47,473,589
Equity attributable to equity holder of the Company		
Share capital	39,500,000	36,500,000
Fair value reserve	173,261	179,127
Accumulated profit	9,274,661	10,794,462
Total equity	48,947,922	47,473,589

EXTRACT FROM FINANCIAL REPORT

EQ INSURANCE COMPANY LIMITED

Statement of Profit and Loss
for the financial year ended 31 December 2016

	2016 \$	2015 \$
Gross written premium	47,027,326	49,077,046
Reinsurers' share of gross premiums written	(6,963,273)	(7,278,987)
Gross change in reserve for unexpired risk – net of deferred acquisition cost	3,037,718	983,112
Reinsurers' share of gross change in reserve for unexpired risk – net of deferred acquisition cost	(487,619)	(849,438)
Net earned premium	42,614,152	41,931,733
Gross claims paid	(30,004,273)	(27,239,303)
Reinsurers' share of gross claims paid	3,714,222	4,084,645
Gross change in loss reserves	(3,043,343)	(5,381,654)
Reinsurers' share of gross change in loss reserves	(1,075,333)	2,085,888
Net claims incurred	(30,408,727)	(26,450,424)
Commission expense	(7,692,588)	(7,513,002)
Commission income	1,575,648	1,621,069
Net commission	(6,116,940)	(5,891,933)
Other underwriting expenses	(1,454,681)	(1,614,331)
Underwriting profit from direct general insurance	4,633,804	7,975,045
Net underwriting results from reinsurance business (in run off)	7,017	(3,675)
Investment and other income	3,147,068	2,153,093
Other operating expenses	(10,067,412)	(9,650,512)
(Loss)/profit before tax	(2,279,523)	473,951
Taxation	759,722	149,082
(Loss)/profit for the year	(1,519,801)	623,033

EXTRACT FROM FINANCIAL REPORT

EQ INSURANCE COMPANY LIMITED

Statement of Comprehensive Income
for the financial year ended 31 December 2016

	2016 \$	2015 \$
(Loss)/profit for the year	(1,519,801)	623,033
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 gains/(losses) on available-for-sale financial assets	171,801	(6,836)
Net fair value gains on available-for-sale financial assets reclassified to profit or loss	(178,868)	(151,752)
Income tax relating to components of other comprehensive income	1,201	26,960
Other comprehensive loss for the year, net of tax	(5,866)	(131,628)
Total comprehensive (loss)/income for the year	(1,525,667)	491,405



EQ INSURANCE COMPANY LIMITED

5 Maxwell Road, #17-00 Tower Block
MND Complex, Singapore 069110
T: +65 6223 9433 | F: +65 6224 3903
www.eqinsurance.com.sg
(Co. Regn. 1978-00490-N)



A Member of Citystate