

SUMMARY

Trust Re’s Gross Written Premium amounted to 230.8m at 31 March 2017 compared to 174.0m twelve months ago.

The Underwriting Profit Margin fell from 6.0% to 3.5%.

The Combined ratio for the quarter was 2.5 percentage points higher at 96.5% (Q1 2016: 94.0%).

Dividend distribution and reduction in share price of equities impacted the growth of equity which reported a decline of 23.2m (Q1 2017: 433.7m Vs Q4 2016: 456.9m).

HIGHLIGHTS Q1 2017 vs Q1 2016

- Gross Written Premium up 32.6%
- Net non-technical income up 33.3%
- Net Profit up 5.9%

STRONG BALANCE SHEET

- Total assets at 1,722.0 million (up 14.6% compared to Q4 2016)
- Strong cash position (24.8% of total assets)

KEY RESULTS

<i>(in millions)</i>	Q1 2017 Actual	Q1 2016 Actual	CHANGE (%)
Gross Written Premium	230.8	174.0	32.6
Net Earned Premium	68.9	57.5	19.8
Net acquisition cost	15.3	11.1	37.8
Net claims	44.7	37.5	19.2
Gross Underwriting Profit	8.9	8.9	-
Operational expenses	(6.5)	(5.4)	(20.4)
Net Underwriting Profit	2.4	3.4	(29.4)
Net non-technical income	6.8	5.1	33.3
Profit before Tax	9.2	8.5	8.2
Taxation	0.2	-	
Profit after Tax	9.0	8.5	5.9

KEY RATIOS (%)

Retention Ratio	71.2	70.7	-
Combined Ratio	96.5	94.0	-
Underwriting Profit Margin	3.5	6.0	-
Return on Equity	2.0	1.9	-

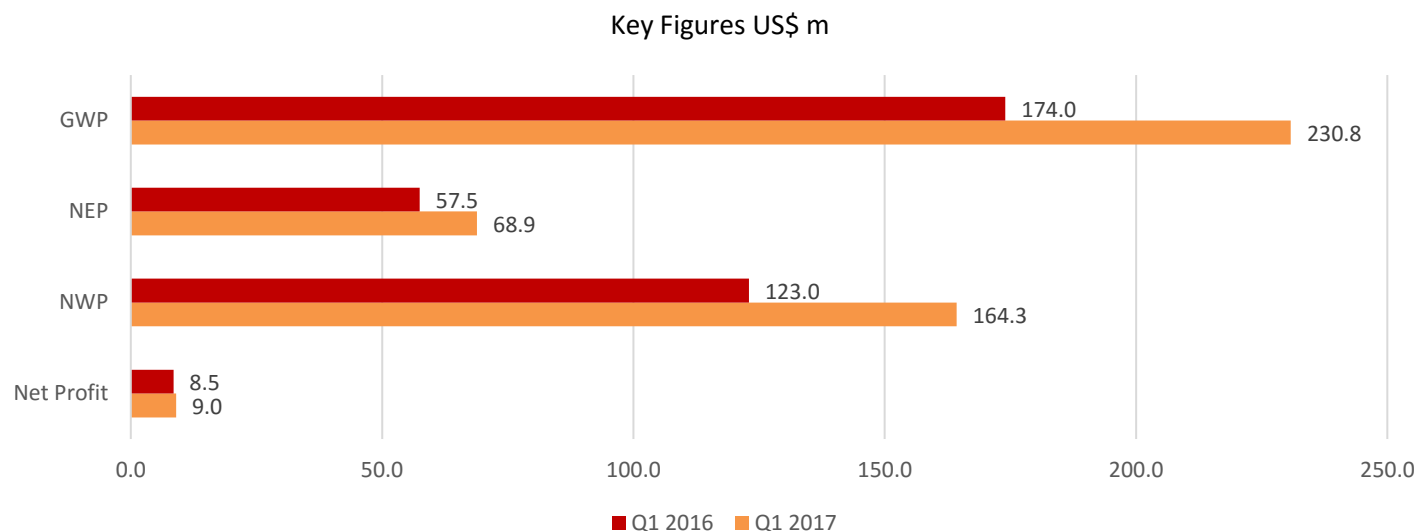
RESERVE RATIOS (%)

Loss Reserves/Net Earned Premium	500.1	546.7
Net Technical Reserves (NTR)/Net Written Premium (NWP)	366.6	421.9

Reserve ratios continued to remain strong due to prudent reserving policy of the Company.

UNDERWRITING PERFORMANCE

The Company's gross writings grew by 32.6%, during the period under review. The Loss ratio improved by 0.4 percentage points compared to twelve months ago. The Company reported a 2.5 percentage point increase in the combined ratio to 96.5%.



Major losses and net impact

	Country	Millions (net claim)	Loss ratio (% points contribution)
Societe Ivoirienne du Refinage (SIR)	Ivory Coast	8.0	11.6%
Ruwais Refinery	UAE	10.0	14.5%
ASTRA Tabuk Pharmaceutical	Saudi Arabia	2.0	2.9%
Saudi Roof & Walls Industrial	Saudi Arabia	1.0	1.5%
TOTAL		11.0	30.5%

MAJOR LOSSES AND NET IMPACT

The largest loss in Q1 2017 was for Ruwais Refinery, Abu Dhabi, which is expected to affect the net loss position by US\$ 10m. Total large losses contributed 30.5 percentage points to the loss ratio.

Trust Underwriting Limited (TUL)

The Cash distribution in May 2017 is expected to be 4.4m. An amount of 2.9m is expected to be retained to cover the capital requirements for 2015-2017 years of accounts. TUL has increased its capacity for the 2017 Year of Account. The total capacity for 2017 YoA is £25.2m which is £2.4m higher than 2016 capacity. Revised Lloyd's estimates for 2015 and 2016 years of account have shown improvements compared to 2016 year end estimates.

Asset Allocation

Total investable assets decreased by 13.3m, mainly due to decrease in equity prices, impacting the value of investment in equities. As a result, asset allocation for equities dropped from 21.7% to 19.9% at Q1 2017, while asset allocation for cash and fixed income compensated for the drop.

INVESTED ASSET DISTRIBUTION

	Q1 2017 (%)	Q4 2016 (%)	Q1 2016 (%)
Equities	19.9%	21.7%	22.4%
Fixed Income	15.5%	14.6%	13.8%
Cash	64.6%	63.7%	63.8%
TOTAL INVESTED (in millions)	660.9	674.2	700.2

Non-Technical Performance

Net non-technical income reported a 36% increase year on year. Investment income increased by 0.8m as a result of higher dividend income and realised capital gains. Fee and other income was higher by 0.8m compared to a year ago as a result of higher profit commission from FAIR Energy Syndicate. Forex position reported good improvement as a result of strengthening of Pound Sterling and Malaysian Ringgit.

Non-Technical expenses increased from 1.5m to 1.9m as a result of growth in headcount and increased investment in infrastructure.

NON- TECHNICAL INCOME DISTRIBUTION (in millions)

	Q1 2017	Q1 2016
Interest, Dividends and Realised Gains	6.4	5.6
Fees and Other Income	1.8	1.0
FOREX – net of gain on hedge	0.5	(0.1)
Gross non-technical income	8.7	6.5
Non-technical expenses	(1.9)	(1.5)
Net non-technical income	6.8	5.0