

**SUMMARY**

Trust Re's Gross Written Premium amounted to 384.2m at the end of Q3 2015 compared to 381.3m twelve months ago.

Net Earned Premium grew by 4.7 percentage points compared to Q3 2014, to stand at 203.7m.

The Underwriting Profit Margin rose from 2.3% to 5.0% as a result of the improvement in net acquisition cost ratio. Loss ratio remained stable compared to Q3 2014.

During the period, the Company booked an extraordinary item of 16.8m; a result of the sale transaction in its equity portfolio. This has significantly boosted the bottom-line result and resulted in a net profit at Q3 2015 of 31.5m (Q3 2014: 6.6m).

**HIGHLIGHTS Q3 2015 VS Q3 2014**

- GWP up 0.8% to reach 384.2m
- NUP up 134.1%

**STRONG BALANCE SHEET  
(compared to Dec 2014)**

- Total assets at 1.4 billion (up 15.7%)
- Consistently strong cash position (35.6% of total assets)
- Net Technical Reserves up 12.6% at 475.6m
- Shareholder's equity at 441.1m (up 14.2%)

**KEY RESULTS**

<i>(in millions)</i>	Q3 2015 Actual	Q3 2014 Actual	CHANGE (%)
Gross Written Premium	384.2	381.3	+ 0.8%
Net Earned Premium	203.7	194.4	+ 4.7%
Net acquisition cost	(34.9)	(38.6)	- 9.6%
Net claims	(140.2)	(133.7)	+ 4.9%
Gross Underwriting Profit	28.6	22.1	+ 29.4%
Operational expenses	(18.3)	(17.7)	+ 3.4%
Net Underwriting Profit	10.3	4.4	+ 134.1%
Net non-technical income	21.4	2.3	+ 830.4%
<b>Profit before Tax</b>	<b>31.7</b>	<b>6.7</b>	<b>+ 373.1%</b>
Taxation	(0.2)	(0.1)	(100)
<b>Profit after Tax</b>	<b>31.5</b>	<b>6.6</b>	<b>+ 377.3%</b>

**KEY RATIOS (%)**

Retention Ratio	61.8	63.3	(1.5)
Combined Ratio	95.0	97.7	(2.7)
Underwriting Profit Margin	5.0	2.3	2.7
Return on Equity	7.6	2.0	5.6

**RESERVE RATIOS (%)**

Loss Reserves/Net Earned Premium	153.0	151.6	1.4
Net Technical Reserves (NTR)/Net Written Premium (NWP)	200.3	188.6	11.7

*Figures in USD*

*Basis of preparation: Management Accounts (excluding TUL)*

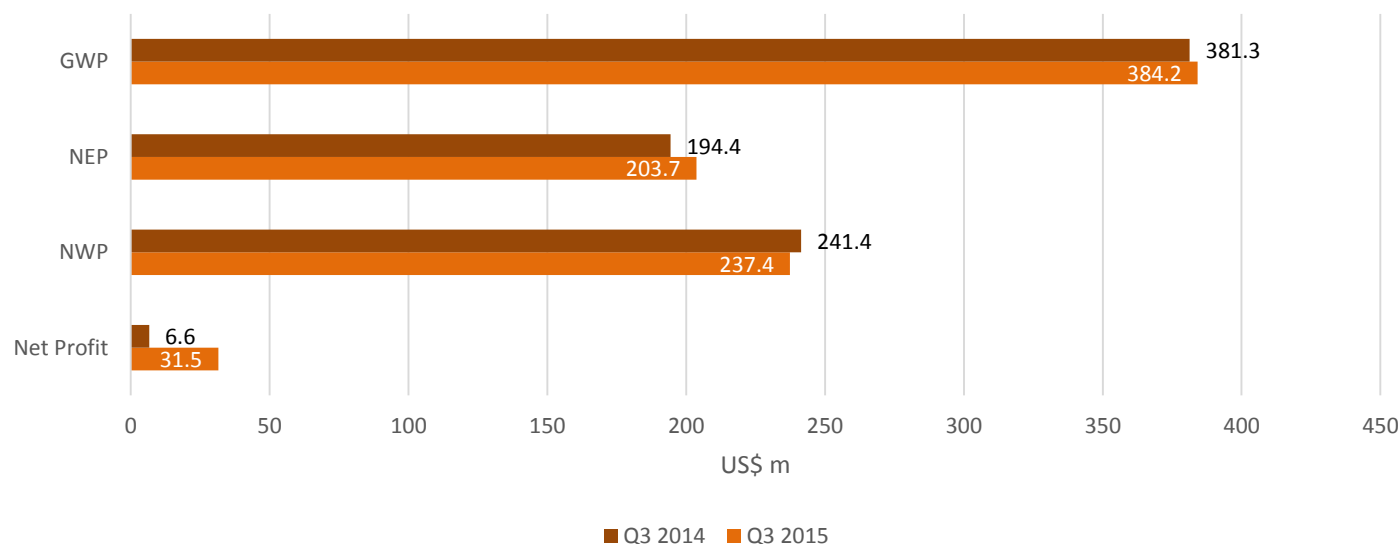


**UNDERWRITING PERFORMANCE**

Despite soft market conditions, the Company managed to maintain its gross writings with a growth of 0.8%. Loss ratio remained stable at 68.8% compared to twelve months ago, while Net Acquisition Cost ratio improved from 19.9% to 17.2%. As a result, the Company reported an improvement in combined ratio of 2.7%, at 95.0%.

Reserve ratios continued to strengthen as a result of the strong reserving policy of the Company.

**Key results**



**Major losses and net impact**

	Country	Millions (net claim)	Loss ratio (% points contribution)
Tianjin explosion	China	8.2	4.0
Earthquake Nepal	Nepal	4.0	2.0
Gulf Drilling	Qatar	4.0	2.0
Petronas Carigali	Indonesia	6.5	3.2
Luke Oil Company	Russia	3.0	1.5
Shelf Drilling	Egypt	4.6	2.2
<b>TOTAL</b>	-	<b>30.3</b>	<b>14.9</b>

**MAJOR LOSSES AND NET IMPACT**

The largest loss during the first nine months of the year was the Tianjin explosion loss which cost the Company 8.2m net and added 4.0 percentage points to the loss ratio. Overall, large losses contributed 14.9 percentage points to the loss ratio.

*Figures in USD*

*Basis of preparation: Management Accounts (excluding TUL)*

### Trust Underwriting Limited (TUL)

TUL performed strongly during the nine month period ended September 2015, contributing US\$ 2.3m in profits to the bottom-line. Revised Lloyd’s estimates for 2013 and 2014 years of account have shown significant improvements compared to 2014 year end estimates. Following the Lloyd’s Release Test in May 2015, a cash distribution of US\$ 2.32 m was received.

#### Asset Allocation

Total invested assets continued to grow (7.2% year to date and 12.8% on a 12 months basis) reaching 697m. The fixed income portfolio continued to grow and now comprises 6.8% of total investable assets.

#### INVESTED ASSET DISTRIBUTION

	Q3 2015	Q3 2014	Q4 2014
Equities	21.8%	18.9%	23.5%
Bonds	6.8%	4.4%	4.9%
Cash	71.4%	76.7%	71.6%
<b>TOTAL INVESTED (in millions)</b>	<b>696.8</b>	<b>617.9</b>	<b>650.1</b>

#### Non-Technical Performance

Non-technical income reported significant increase due to realised gain on sale of certain investments, which resulted in a net gain of 16.8m. Excluding this one-off item, non – technical income reported a year on year increase of 2.4m or 109.1%

Investment income reported a 5.8% growth year on year (excluding one-off item). Fees and other income were up 0.7m compared to the same period last year. Forex losses, mainly due to depreciation of EUR and MYR impacted the bottom-line results by 2.1m. Non-technical expenses were slightly up compared to last year. However, they remained within expectations.

#### NON- TECHNICAL INCOME DISTRIBUTION (in millions)

	Q3 2015	Q3 2014
Interest, Dividends and Realised Gains	27.7	10.3
Fees and Other Income	2.7	2.0
FOREX – net of gain on hedging	(2.1)	(3.3)
Non-Technical Expenses	(6.9)	(6.8)
<b>TOTAL (in millions)</b>	<b>21.4</b>	<b>2.2</b>