

**SUMMARY**

Trust Re's Gross Written Premium amounted to 374.3m at 30 September 2016 compared to 384.2m twelve months ago.

The Combined ratio for the period was 0.1 percentage points higher at 95.1% (Q3 2015: 95.0%).

Shareholder's equity increased to 432.7m, compared to 430.0m at 31<sup>st</sup> December 2015.

**HIGHLIGHTS Q3 2016 VS. Q3 2015**

- Net Profit at 15.7m (Q3 2015 – 14.7m excluding one-off item)
- Combined ratio at 95.1% (Q3: 2015 95.0%)
- Total assets at 1,506 million (up 7.6%)
- Strong cash position (28.0%) of total assets.

**KEY RESULTS**

<i>(in millions)</i>	Nine months ended 30 September		CHANGE (%)
	2016	2015	
Gross Written Premium	374.3	384.2	(2.6)
Net Earned Premium	184.0	203.7	(9.7)
Net acquisition cost	(33.8)	(34.9)	(3.2)
Net claims incurred	(123.4)	(140.2)	(12.0)
Gross Underwriting Profit	26.8	28.6	(6.3)
Operational expenses	(17.7)	(18.3)	(3.3)
Net Underwriting Profit	9.1	10.3	(11.7)
Net non-technical income	6.6	21.4	(69.2)
<b>Profit before Tax</b>	<b>15.7</b>	<b>31.7</b>	<b>(50.5)</b>
Taxation	-	(0.2)	-
<b>Profit after Tax</b>	<b>15.7</b>	<b>31.5</b>	<b>(50.2)</b>
<b>KEY RATIOS (%)</b>			
Retention Ratio	59.9	61.8	-
Combined Ratio	95.1	95.0	-
Underwriting Profit Margin	4.9	5.0	-
Return on Equity	3.6	7.6	-
<b>RESERVE RATIOS (%)</b>			
Loss Reserves/Net Earned Premium	179.7	153.0	
Net Technical Reserves (NTR)/Net Written Premium (NWP)	227.3	200.3	

*Figures in USD*

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

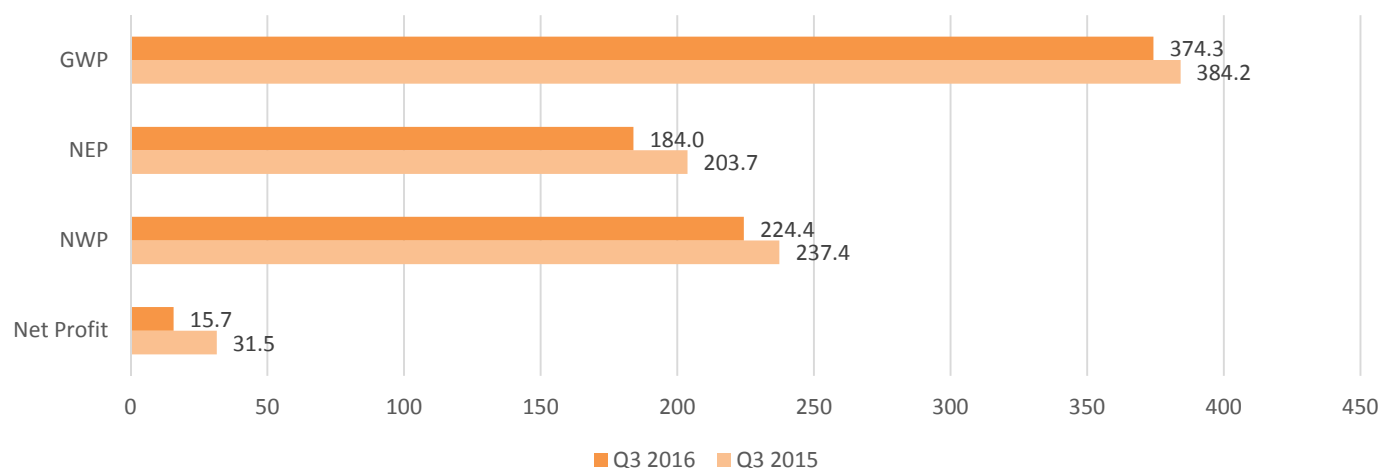


**UNDERWRITING PERFORMANCE**

Gross writings fell by 2.6%, due to continuous soft market conditions. The Loss ratio improved by 1.7 percentage points compared to twelve months ago. The Company reported a slight increase of 0.1 percentage points in the combined ratio to 95.1%. The combined ratio for Facultative book improved from 91.5% to 90.7%. However, combined ratio for Treaty book registered deterioration from 97.9% to 99.1%.

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

**Key figures US\$ m**



**Major losses and net impact**

	Millions <i>(net claim)</i>	Loss ratio <i>(% points contribution)</i>
Chennai Indian Floods	3.9	2.1
Earthquake Taiwan	3.5	1.9
Sri Lanka Floods	7.8	4.2
Bashneft Refinery	7.4	4.0
Jubilee Field, Ghana	8.2	4.5
<b>TOTAL</b>	<b>30.8</b>	<b>16.7</b>

**MAJOR LOSSES AND NET IMPACT**

The largest loss as at September 2016 was Jubilee Field Ghana, which cost the Company 8.2m and contributed 4.5 percentage points to the loss ratio.

**Trust Underwriting Limited (TUL)**

TUL continued to perform well during the period, contributing 1.7m in profit to the bottom-line. Revised Lloyd’s estimates for 2014 and 2015 years of account have shown significant improvements compared to 2015 year end estimates. Following the Lloyd’s Release Test in May 2016, a cash distribution of 3.4m was received. This cash dividend was after a retention of 1.1m to cover TUL’s increased Capital requirement for 2016.

*Figures in USD*

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

**Asset Allocation**

Total investment assets declined by 4.5% mainly due to dividend payment to the parent. Allocation of fixed income increased due to new investments during the period. The increase in equities is mainly due to recovery of stock prices compared to December 2015.

**INVESTED ASSET DISTRIBUTION**

	Q3 2016 (%)	Q4 2015 (%)	Q3 2015 (%)
Equities	21.2	20.5	21.8
Fixed Income	15.2	12.6	6.8
Cash	63.6	66.9	71.4
<b>TOTAL INVESTED (in millions)</b>	<b>663.2</b>	<b>694.5</b>	<b>696.8</b>

**Non-Technical Performance**

Net non-technical income reported a 69.2% decrease year on year. However, after excluding one-off gain on sale of investments included in Q3 2015, non-technical income reported 43.5% increase.

Investment income (excluding the one-off item) declined by 2.8m due to lower dividend and impairment loss on listed equities. However, higher fees and other income and improvement in forex supported the bottom-line non-technical income.

Non-technical expenses reported a saving of 2.3m compared to Q3 2015.

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

	Q3 2016	Q3 2015
Interest, Dividends and Realised Gains	10.7	28.7
Fees and Other Income	3.4	2.7
Impairment Provision on Investments	(2.6)	(1.0)
FOREX – net of gain on hedging	(0.3)	(2.1)
<b>Gross non-technical income</b>	<b>11.2</b>	<b>28.3</b>
Non-technical expenses	(4.6)	(6.9)
<b>TOTAL</b>	<b>6.6</b>	<b>21.4</b>