

**SUMMARY**

Trust Re's Gross Written Premium amounted to 426.4m at 30 September 2017 compared to 374.3m twelve months ago registering a growth of 13.9%.

The Combined ratio for the period was 3.3 percentage points higher at 98.4% (Q3 2016: 95.1%) due to higher frequency of large energy losses.

Net non-technical income increased by 100% versus the prior year period to reach 13.2m (Q3 2016: 6.6m).

Dividend distribution and reduction in share price of equities impacted the shareholders' equity which reported a decline of 17.3m compared to the previous year end (YE 2016: 456.9m).

**HIGHLIGHTS Q3 2017 VS. Q3 2016**

- Gross Written Premium up **13.9%**
- Net non-technical income up **100%**

**STRONG BALANCE SHEET**

- Total assets at **1,817 million**
- Cash at **24.3% of total assets**

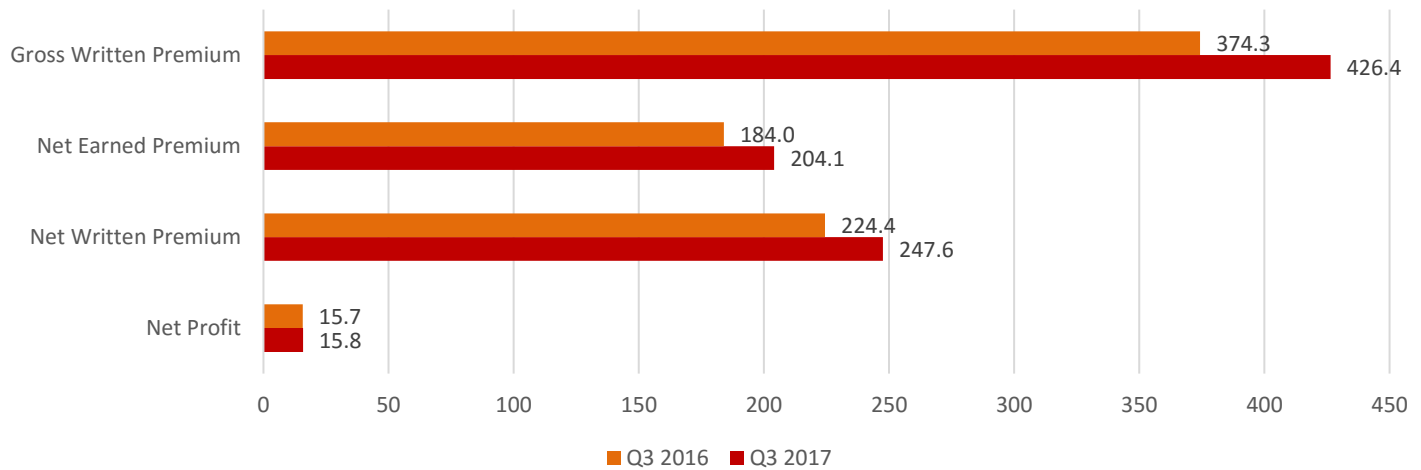
**KEY RESULTS**

| <i>(in millions)</i>        | Nine months ended 30 |             | CHANGE (%)    |
|-----------------------------|----------------------|-------------|---------------|
|                             | September            |             |               |
|                             | 2017                 | 2016        |               |
| Gross Written Premium       | 426.4                | 374.3       | <b>13.9</b>   |
| Net Earned Premium          | 204.1                | 184.0       | <b>10.9</b>   |
| Net acquisition cost        | (42.2)               | (33.8)      | <b>(24.9)</b> |
| Net claims                  | (138.3)              | (123.4)     | <b>(12.1)</b> |
| Gross Underwriting Profit   | 23.6                 | 26.8        | <b>(11.9)</b> |
| Operational expenses        | (20.4)               | (17.7)      | <b>(15.3)</b> |
| Net Underwriting Profit     | 3.2                  | 9.1         | <b>(64.8)</b> |
| Net non-technical income    | 13.2                 | 6.6         | <b>100.0</b>  |
| <b>Profit before Tax</b>    | <b>16.4</b>          | <b>15.7</b> | <b>4.5</b>    |
| Taxation                    | 0.6                  | -           | -             |
| <b>Profit after Tax</b>     | <b>15.8</b>          | <b>15.7</b> | <b>0.6</b>    |
| <b>KEY RATIOS (%)</b>       |                      |             |               |
| Retention Ratio             | 58.1                 | 59.9        | -             |
| Combined Ratio              | 98.4                 | 95.1        | -             |
| Loss Ratio                  | 67.8                 | 67.1        | -             |
| Expense Ratio               | 10.0                 | 9.6         | -             |
| Annualised Return on Equity | 4.7                  | 4.8         | -             |

**UNDERWRITING PERFORMANCE**

Gross Written Premium rose 13.9% during the period. The Loss Ratio deteriorated by 0.7 percentage points at 67.8% (Q3 2016: 67.1%) whilst the Combined Ratio increased by 3.3 percentage points to 98.4%.

**Key results US\$ m**



**MAJOR LOSSES AND NET IMPACT**

Our top 4 largest losses contributed 19.8 percentage points to the loss ratio.

**Trust Underwriting Limited (TUL)**

The Cash distribution in May 2017 was 4.4m. TUL’s capacity has increased to £27.0m for the 2018 YoA, from £25.2m for 2017 YoA.

The capital requirements for the 2018 showed a surplus of £532k but due to Hurricanes Harvey/Irma, extra capital of £3.6m is required and thus we need to fund the deficit of £3.1m in Q4 2017 (£1.1m by increase in the Standby LC and having to transfer the remaining £1.9m to TUL’s bank account).

Revised Lloyd’s estimates for 2015 and 2016 years of account have shown slight improvements compared to 2016 year end estimates.

### Asset Allocation

Total investable assets increased by 14.5m, mainly as a result of increased cash generation due to growth in top-line. Fall in equity prices and growth in total investable assets reduced the equity allocation to 19.5%. Additional net investment of 14.0m in fixed income portfolio increased fixed income allocation to 16.4%.

### INVESTED ASSET DISTRIBUTION

| ASSET CLASS                              | Q3 2017 (%)  | YE 2016 (%)  |
|--|--------------|--------------|
| Cash                                     | 64.1%        | 63.7%        |
| Listed Equities                          | 19.5%        | 21.7%        |
| Fixed Income                             | 16.4%        | 14.6%        |
| <b>TOTAL INVESTED (in millions US\$)</b> | <b>688.5</b> | <b>674.0</b> |

### Non-Technical Performance

Net Non-technical income reported 100% increase from the previous period end. Investment income increased by 1.8m as a result of higher dividend income and realised capital gains. Fee and other income was consistent with last year. Forex position benefited the company as a result of strengthening of Pound Sterling and Malaysian Ringgit.

Non-technical expenses increased from 5.0m to 6.1m due to an increase in headcount and increased investment in infrastructure.

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

|  | Q3 2017     | Q3 2016    |
|--|-------------|------------|
| Interest, Dividends and Realised Gains | 12.4        | 8.2        |
| Fees and Other Income                  | 3.8         | 3.7        |
| FOREX – net of gain on hedge           | 3.0         | (0.3)      |
| Gross non-technical income             | 19.3        | 11.6       |
| Non-technical expenses                 | (6.1)       | (5.0)      |
| <b>Net non-technical income</b>        | <b>13.2</b> | <b>6.6</b> |