

**SUMMARY**

Trust Re's Gross Written Premium amounted to 174.0m at 31 March 2016 compared to 204.5m twelve months ago.

The Underwriting Profit Margin fell from 6.5% to 6.0%.

The Combined ratio for the quarter was 0.5 percentage points higher at 94.0% (Q1 2015: 93.5%).

Shareholder's equity increased by 1.1m, representing internal capital generation of 16.1m and dividend payment of 15.0m during the period.

**HIGHLIGHTS Q1 2016 vs Q1 2015**

- Net Profit up 7.7%
- Combined ratio at 94.0% (Q1 2015: 93.5%)

**STRONG BALANCE SHEET**

- Total assets at 1,460 million (up 3.8%)
- Consistently strong cash position (30.6% of total assets)
- Net Technical Reserves up 1.8% at 518.9m

**KEY RESULTS**

<i>(in millions)</i>	Q1 2016 Actual	Q1 2015 Actual	CHANGE (%)
Gross Written Premium	174.0	204.5	(14.9)
Net Earned Premium	57.5	72.5	(20.7)
Net acquisition cost	11.1	13.7	(19.0)
Net claims	37.5	48.7	(23.0)
Gross Underwriting Profit	8.9	10.1	(11.9)
Operational expenses	(5.4)	(5.4)	–
Net Underwriting Profit	3.4	4.7	(27.7)
Net non-technical income	5.0	3.2	56.3
<b>Profit before Tax</b>	8.4	7.8	7.7
Taxation	-	-	
<b>Profit after Tax</b>	<b>8.4</b>	<b>7.8</b>	<b>7.7</b>

**KEY RATIOS (%)**

Retention Ratio	70.7	70.3	-
Combined Ratio	94.0	93.5	-
Underwriting Profit Margin	6.0	6.5	-
Return on Equity	1.9	1.9	-

**RESERVE RATIOS (%)**

Loss Reserves/Net Earned Premium	546.7	425.0
Net Technical Reserves (NTR)/Net Written Premium (NWP)	421.9	354.3

*Figures in USD*

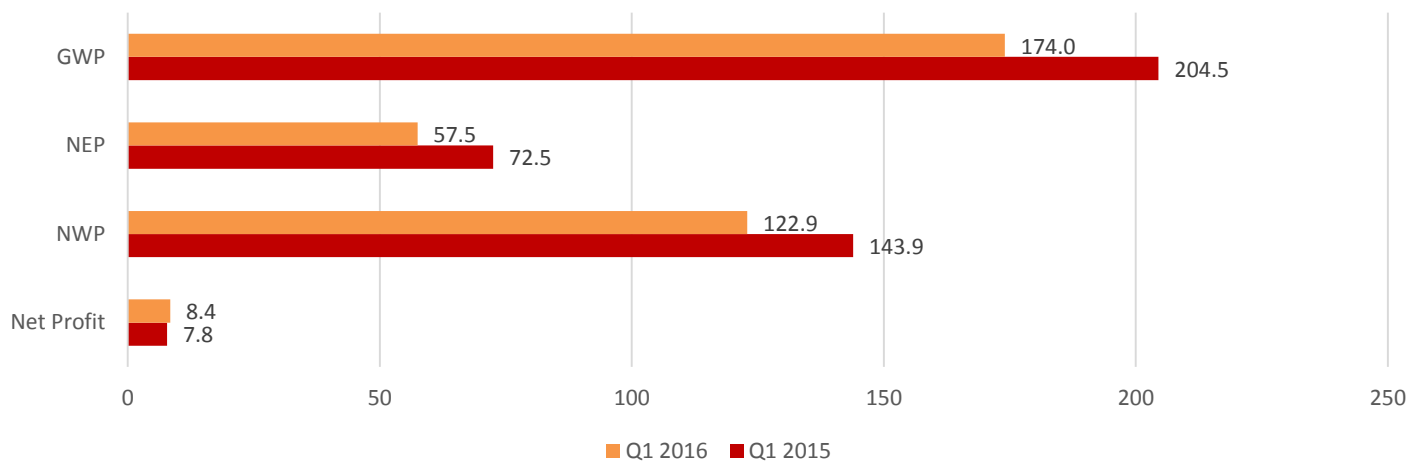
*Basis of preparation: Management Accounts (excluding TUL)*

**UNDERWRITING PERFORMANCE**

The Company’s gross writings fell by 14.9%, partially due to seasonality and continuous soft market conditions. The Loss ratio improved by 1.8 percentage points compared to twelve months ago. The Company reported a 0.5 percentage point increase in the combined ratio to 94.0%. The Combined ratio for the Facultative book improved year on year from 93.3% to 84.9%. However, the Combined Ratio for the Treaty book reported deterioration year on year from 93.7% to 103.3%.

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

Key Results US\$ m



**MAJOR LOSSES AND NET IMPACT**

The largest loss impacting the quarter was the Chennai Floods which cost the Company 2.4m net. The loss mainly had an impact on the Treaty book of the Company.

**Trust Underwriting Limited (TUL)**

TUL continued to perform well during the period, contributing 0.5m in profit to the bottom-line. Revised Lloyd’s estimates for 2013 and 2014 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 3.4 m was received. This cash dividend was after a retention of 1.1m to cover TUL’s increased Capital requirement for 2016.

### Asset Allocation

Total invested assets registered 1.3% growth compared to the previous year end. 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

	Q1 2016 (%)	Q4 2015 (%)	Q1 2015 (%)
Equities	22.4	20.5	25.2
Fixed Income	13.8	12.6	6.3
Cash	63.8	66.9	68.5
<b>TOTAL INVESTED (in millions)</b>	<b>700.2</b>	<b>694.5</b>	<b>703.4</b>

### Non-Technical Performance

Net non-technical income reported a 56.25% increase year on year.

Investment income was lower than last year due to lower dividends and capital gains. Fees and other income was higher due to profit commission in FAIR Syndicate. Forex losses reported significant decline year on year as a result of the effective hedging strategy of the Company.

Non-technical expenses were lower mainly due to cancellation of Trust Tower lease agreement.

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

	Q1 2016	Q1 2015
Interest, Dividends and Realised Gains	5.6	7.5
Fees and Other Income	1.0	0.5
FOREX – net of gain on hedge	(0.1)	(2.7)
<b>Gross non-technical income</b>	<b>6.5</b>	<b>5.3</b>
Non-technical expenses	(1.5)	(2.1)
<b>Net non-technical income</b>	<b>5.0</b>	<b>3.2</b>