

**SUMMARY**

At 31 March 2015 Gross Written Premium registered growth of 4.9% to reach 204.5m (Q1 2014: 195.0m).

Net Earned Insurance Revenue (NEIR) declined by 0.7% compared to 12 months ago, to stand at 72.5m.

The Underwriting Profit Margin improved by 0.4 percentage points to reach 6.5%.

Net Underwriting Profit for the first quarter rose year-on-year to reach 4.7m at 31 March 2015 (Q1 2014: 4.5m), driven mainly by the growth in the top-line.

During the period, the Company's parent injected additional capital of 30m. This, together with the increase in fair value reserve due to increase in value of equities, contributed to the rise in total shareholders' equity to 446.4m (up 15.6% [60.2m] since December 2014). Furthermore, the above shareholders' action underpinned the strength of the cash position to 481.3m.

**KEY RESULTS** (*actual*)

<i>(in millions)</i>	Q1 2015	Q1 2014	CHANGE (%)
Gross Written Premium	204.5	195.0	4.9
Net Written Premium	143.9	142.4	1.1
Net Earned Insurance Revenue	72.5	73.0	(0.7)
Net Underwriting Profit	4.7	4.5	4.4
<b>Net Profit (excl. TUL)</b>	<b>7.8</b>	<b>7.2</b>	<b>8.3</b>
<i>TUL Net Profit</i>	<i>0.9</i>	<i>0.7</i>	
<i>Net Profit (incl. TUL)</i>	<i>8.7</i>	<i>7.9</i>	<i>10.1</i>

**KEY RATIOS** (%)

Retention Ratio	70.3	73.1
Combined Ratio	93.5	93.9
Profit Margin	6.5	6.1
Return on Equity	1.9	2.6

**RESERVE RATIOS** (%)

Loss Reserves/Net Earned Insurance Revenue ( <b>NEIR</b> )	<b>425.0</b>	<b>379.6</b>
Net Technical Reserves ( <b>NTR</b> )/Net Written Premium ( <b>NWP</b> )	<b>354.3</b>	<b>323.1</b>

The Company continued to maintain healthy reserve ratios in the first quarter, resulting in an upwards shift of the reserve ratios as shown above.

*Figures in USD. Basis of preparation: Management Accounts (excluding TUL)*

**HIGHLIGHTS****HIGHLIGHTS Q1 2015 vs. Q1 2014**

- GWP up 4.9% to reach 204.5m
- Net Underwriting Profit up 4.4% at 4.7m
- Investment income up 50%

**STRONG BALANCE SHEET**

- Total assets above 1.4 billion (up 16.3%)
- Consistently high cash position (34.2% of total assets)



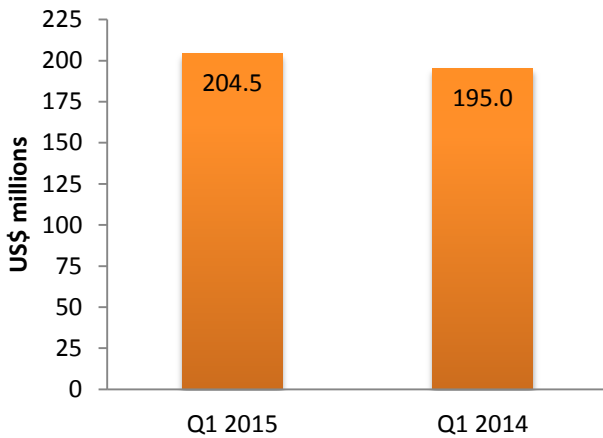
**UNDERWRITING PERFORMANCE**

Gross Written Premium rose by 4.9% compared to 12 months ago. NUP for Bahrain Facultative portfolio reached 2.7m against 1.7m twelve months ago, whereas NUP for Bahrain Treaty portfolio fell slightly to 0.8m from 0.9m in Q1 2014.

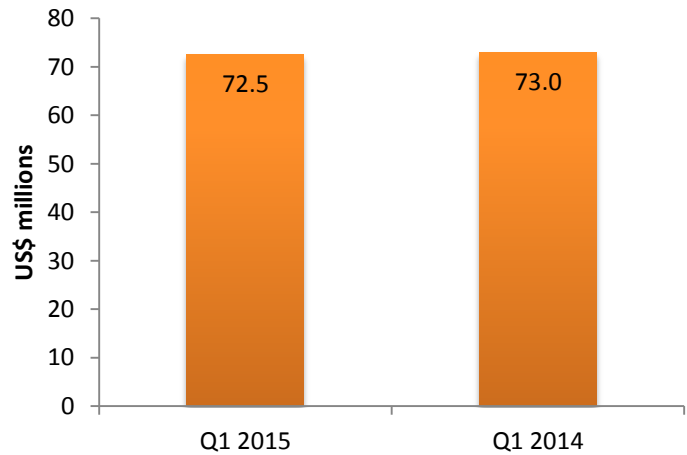
The performance of Cyprus Treaty portfolio showed significant improvement compared to the prior year period with Net Underwriting Profit of 1.9m (Q1 2014: 0.6m). Labuan continued to experience challenging conditions with the Facultative and Treaty portfolios recording net underwriting losses of 0.5m and 0.1m respectively (Q1 2014: Net Underwriting Profit of 0.6m and 0.8m).

Overall, the combined ratio improved by 0.4 points to reach 93.5% (Q1 2014: 93.9%).

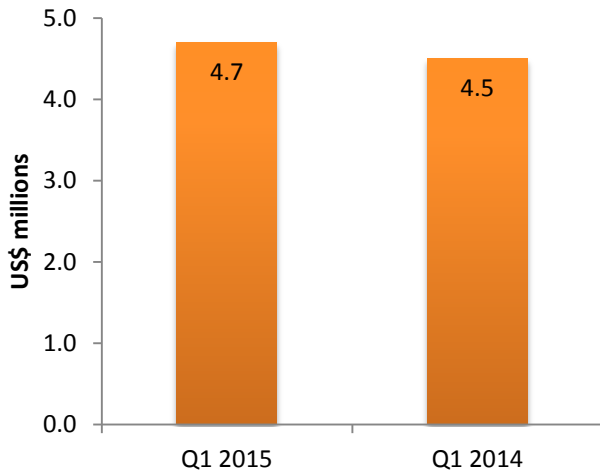
**Gross Written Premium**



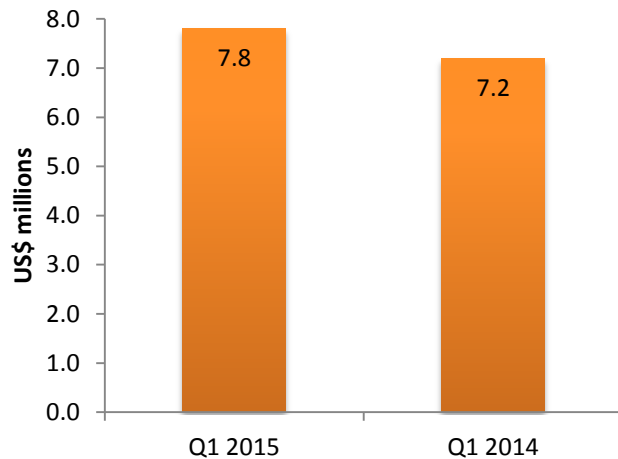
**Net Earned Insurance Revenue**



**Net Underwriting Profit**



**Profit After Tax**



Figures in USD. Basis of preparation: Management Accounts (excluding TUL)

**Company's Summary Statement of Income – excluding TUL (actual)**

	Q1 2015	Q1 2014
Gross Written Premium	204,539,581	194,956,736
Ceded Written Premium	60,672,205	52,535,420
<b>Total Insurance Revenue*</b>	<b>72,483,276</b>	<b>72,994,436</b>
Net incurred acquisition cost	13,715,618	14,766,610
Net incurred claims	48,697,104	48,429,119
Gross underwriting profit	10,070,554	9,798,707
Less operational expenses	5,383,093	5,313,808
<b>Net underwriting profit</b>	<b>4,687,461</b>	<b>4,484,899</b>
Net non-technical income	3,157,652	2,771,147
Taxation	50,000	100,000
<b>NET PROFIT</b>	<b>7,795,113</b>	<b>7,156,046</b>

\*Net Earned Revenue

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

	Q1 2015	Q1 2014
Interest, Dividends and Realised Gains	7.5	5.0
Fees and Other Income	0.5	0.4
FOREX – net of gain on hedge	(2.7)	(0.5)
<b>Gross non-technical income</b>	<b>5.3</b>	<b>4.9</b>
Non-Technical Expenses	(2.1)	(2.1)
<b>Net non-technical income</b>	<b>3.2</b>	<b>2.8</b>

	Q1 2015 (%)	Q4 2014 (%)	Q1 2014 (%)
Equities	25.2	23.5	20.9
Fixed Income	6.3	4.9	4.7
Cash	68.4	71.6	74.4
<b>TOTAL INVESTED (millions)</b>	<b>703.4</b>	<b>650.1</b>	<b>535.1</b>

**NON-TECHNICAL PERFORMANCE**

Non-technical income reported an 8.2% increase compared to Q1 2014. Investment income performed strongly due to increased dividend on equity investments. Fees and other income were slightly up, compared to 12 months ago. Forex losses, mainly due to depreciation of Euro, GBP and MYR, impacted the bottom-line results by 2.7m. However, up to the date of writing these results highlights, Euro has recovered, which has resulted in reduction of these forex losses by approximately 1.2m. Non-technical expenses were in line with the same period last year.

**MAJOR LOSSES AND NET IMPACT**

Major losses and net impact	Millions <i>(net claim)</i>	Loss ratio <i>(% points contribution)</i>
Petronas Carigali	6.5	9.0
PTT Public Company	3.2	4.4
Luke Oil Company	2.8	3.9
<b>TOTAL</b>	<b>12.5</b>	<b>17.3</b>

The largest loss during Q1 2015 was the Petronas Carigali loss in Indonesia which cost the Company 6.5m net. In totality, large losses contributed 17.3% to the loss ratio.

**KEY RESULTS** *(actual vs. budget)*

<i>(in millions)</i>	Q1 2015 <i>(actual)</i>	Q1 2015 <i>(budget)</i>	CHANGE (%)
Gross Written Premium	204.5	220.2	<b>(7.1)</b>
Net Written Premium	143.9	161.3	<b>(10.8)</b>
Net Earned Insurance Revenue	72.5	65.6	<b>10.5</b>
<b>Net Underwriting Profit</b>	<b>4.7</b>	<b>3.5</b>	<b>34.3</b>
<b>Total Profit</b>	<b>7.8</b>	<b>7.0</b>	<b>11.4</b>
<b>KEY RATIOS (%)</b>			
Retention Ratio	70.3	73.3	-
Combined Ratio	93.5	94.7	-
Profit Margin	6.5	5.3	-

Overall production was behind budget. Net Underwriting Profit, however, registered a 34.3% rise vs. the budget as a result of the improved combined ratio compared to the budget.