



Key Insurance Company Limited (KEY)

Financial Year ended December 31,2016 results:

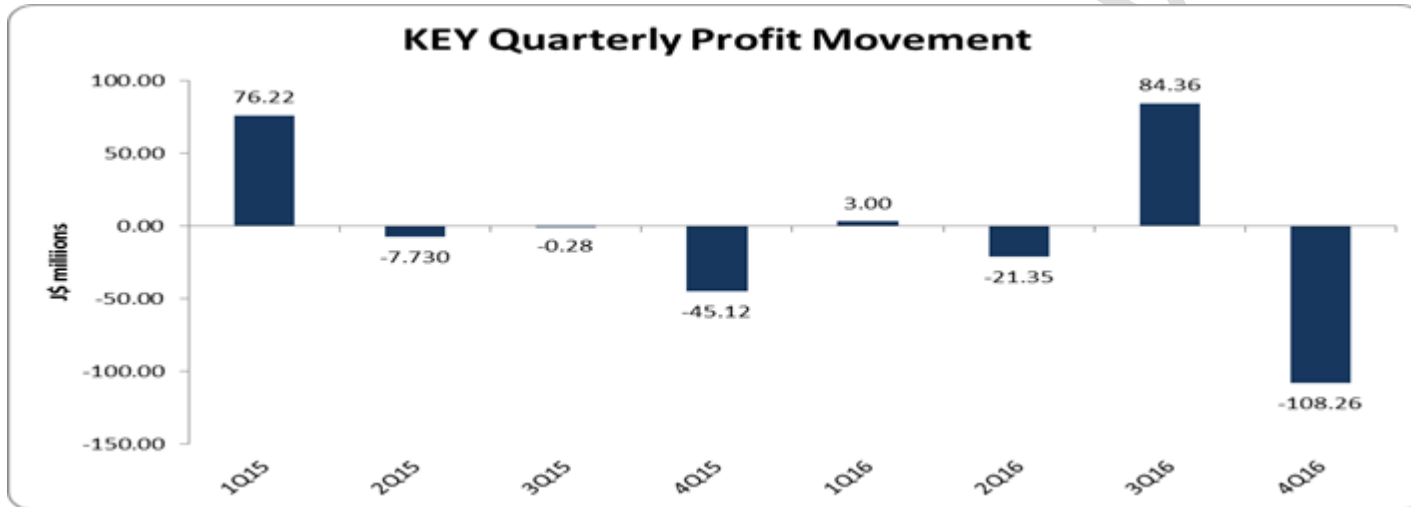
- Net premiums written grew by 37% from \$473 million to \$645.9 million as a result of a 13% increase in gross premiums written from \$960.97 million to \$1.08 billion as well as an 11% decrease of reinsurance ceded from \$487.96 million to \$435.9 million. For the quarter ended December 31, 2016 there was a 53% increase in Gross Premium to \$296.7 million (2015: \$194.28 million).
- Net premiums earned increased by 10% from \$486.04 million for the financial year 2015 to \$534.04 million for the financial year 2016.
- The company reported \$803.4 million in Reinsurance recoveries for financial year 2016 compared to the \$54.26 million reported in financial year 2015. The company stated that “Our reinsurers are committed to supporting our reinsurance program and this was reflected by the ease in the company's renewal of our reinsurance treaties for 2017.”
- Claims expense totalled \$1.04 billion in 2016 up 263% from the \$287.47 million recorded in 2015.
- There was an underwriting loss of \$121.69 million for the quarter in loss compared to \$78.53 million reported in 2015. For the year, there was an underwriting loss of \$125.18 million for financial year (2015: \$67.58 million). Administration and other expenses for the year increased by 29% to \$410.39 million (2015: \$318.40 million), while commission on premium written increased to \$101.91 million compared to \$90.11 million reported in 2015. In regards to these increase in expenses the company states that it, “has already put in place strategies, to control both costs and claims and is anticipating 2017 to be a productive and profitable year”



- The company reported a loss before taxation of \$50.56 million for 2016 compared to a profit of \$26.87 million for the comparable 2015 period.
- Following tax credit of \$8.33 million the company booked a loss for the year of \$42.23 compared to a profit of \$23.08 million in 2015.
- Loss per share for the year amounted to \$0.11 relative to EPS of \$0.06 in 2015. The loss per share for the quarter totalled \$0.29 relative to \$0.12 for the corresponding period in 2015. The number of shares used in the calculation was 368,460,863 units.

Balance Sheet Highlights:

- The company's total assets amounted to \$2.40 billion as December 31, 2016 up from \$1.95 billion as at December 31, 2015, representing a 23% increase. Cash and deposits, Due from reinsurers and other receivables attributed to the increased figure.
- Total Stockholders' Equity as at December 31, 2016 was \$994.50 million (2015: \$880.62 million), resulting in a book value of \$2.70 (2015: \$2.39).



INTERNAL



Disclaimer:

Analyst Certification -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

Company Disclosure -The information contained herein has been obtained from sources believed to be reliable, however its accuracy and completeness cannot be guaranteed. You are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. Mayberry may effect transactions or have positions in securities mentioned herein. In addition, employees of Mayberry may have positions and effect transactions in the securities mentioned herein.

INTERNAL USE ONLY