

Your Ref:

Our Ref:

102/7292

16 June 2015

The Directors
City Re Ltd
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Dear Sirs,

CITY RE LIMITED (THE 'COMPANY')
AUDIT FOR THE YEAR ENDED 31 MARCH 2015

Introduction

The purpose of this letter is to bring to your attention the findings from the recent audit. We appreciate that you will already be aware of the majority of the matters contained in this letter. However, we are required by Auditing Standards to communicate them to you formally.

This report has been prepared for the sole use of City Re Limited, and no responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes.

Independence

The engagement team and the firm have complied with relevant ethical requirements regarding independence. There are no relationships between the firm, network firms and the company that may reasonably be thought to affect our independence.

Expected modifications to the audit report

We do not expect to make any modifications to our audit report. However, our responsibilities with regard to the audit report extend up to the date on which it is signed and we will advise you of any changes to this position if necessary.

Unadjusted misstatements

There were no unadjusted misstatements noted during the audit, excluding those that we consider to be trivial.

Material weaknesses in the accounting and internal control systems identified during the audit

In the course of our audit we examined the principal internal controls which your company has established to safeguard its assets and to enable it to ensure, as far as possible, the accuracy and reliability of its records.

The examination of the system's internal control which we carried out cannot necessarily be expected to disclose every weakness, since our audit work is designed primarily to enable us to report on the company's financial statements, and for this reason the matters below may not necessarily be the only shortcomings which exist in the system.

Lance Spurrier, ~~Clive Borton~~, Clive Dixon, Adrian Moll, Nicholas Solt.

Non-members of ICAEW: Sam Bird, David Green, ~~Gina Cleary, Kathy Gillen~~.

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We are pleased to report that there are no significant weaknesses in control which came to our notice during the audit.

Qualitative aspects of accounting practice and financial reporting

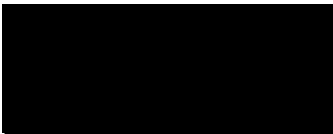
UK GAAP is changing. The Insurance SORP has been withdrawn. With effect from the year ended 31 March 2016 onwards FRS 102: The Financial Reporting Standard and FRS 103: Insurance Contracts will apply to the company. FRS 103 will require disclosure of insurance risks and financial risks, and will also require sensitivity analysis.

There are no other qualitative aspects of accounting practice or financial reporting that we wish to draw to your attention.

Matters required by other Auditing Standards to be communicated to you

There are no matters required by other auditing standards to be communicated to you.

Yours faithfully,



Moore Stephens