TRUST RE

SUMMARY

Trust Re's Gross Written Premium amounted to 143.5m in Q1 2012, compared to 130.7m in Q1 2011.

Net earned insurance revenue totalled 46.2m representing a 19.4% increase from 38.7m the previous year.

The Underwriting profit margin grew by 2.6 percentage points mainly due to the 4 percentage point improvement in the loss ratio.

Net Underwriting Profit for the first quarter rose by 144.4% compared to 12 months ago, to reach 2.2m.

Cash generation continued its strong momentum to end the quarter with 183m. This is 80.8% more than one year ago and 25.9% more since December 2011.

Total shareholders' equity expanded by 11.4% to end the quarter at 217.2m (+5.4m since December 2011).

HIGHLIGHTS

HIGHLIGHTS Q1 2012 vs. Q1 2011

- **Disciplined growth, driven by the core Energy portfolio**
- **Underwriting margin more than doubled**
- **Strong Balance Sheet with total assets up by 16% to 951m**
- **Strong and increasing cash position (19% of total assets)**

KEY RESULTS *(actual)*

(in millions)	Q1 2012	Q1 2011	CHANGE (%)
Gross Written Premium	143.5	130.7	**9.8**
Net Written Premium	102.7	96.4	**6.5**
Net Earned Insurance Revenue	46.2	38.7	**19.4**
Net Underwriting Profit	2.2	0.9	**144.4**
Total Profit	7.8	4.5	**70.3**
KEY RATIOS (%)			
Retention Ratio	71.6	73.8	-
Combined Ratio	95.1	97.7	-
Profit Margin	4.9	2.3	-
Return on Equity	3.7	2.4	
RESERVE RATIOS (%)			
Loss Reserves/Net Earned Insurance Revenue (**NEIR**)	**320**	**263**	-
Net Technical Reserves (**NTR**)/Net Written Premium (**NWP**)	**364**	**301**	-

The Company continued its strong reserving policy during Q1 2012, and as a result the NTR/NWP ratio shifted from 263% a year ago to 320% in Q1 2012 whilst the NLR/NEIR ratio has moved from 301% to 364% over the same period.

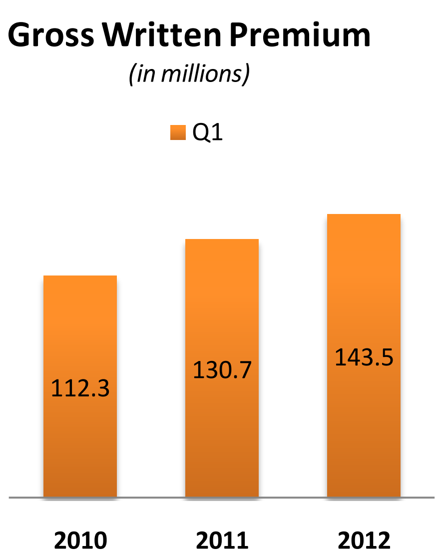
Figures in USD
Basis of preparation: Management Accounts (excluding TUL)

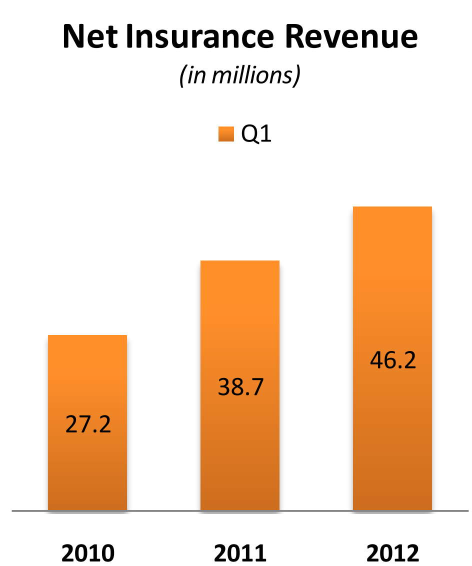
UNDERWRITING PERFORMANCE

Stable terms during Q1 2012 renewal season enabled the Company to increase its writings in the core Energy accounts. As a result, Gross Written Premium for the Facultative portfolio registered a 21% growth compared to 12 months ago. The Treaty portfolio showed a much smaller growth (4%) due to corrective action taken on proportional accounts which did not fit the profitability criteria. The non- proportional segment of the Treaty portfolio increased to 14% of the total compared to 11% one year ago. The portion of the premium led also increased to 28% from 22%, a year ago.

The retention ratio decreased by 3.8 percentage points as a result of reinstatement premiums accrued in respect of the Thai floods recoveries and the Atlantic Oilfield loss (16th January 2012).

The combined ratio improved due to a reduced loss ratio which benefitted from no natural catastrophe losses during the quarter.

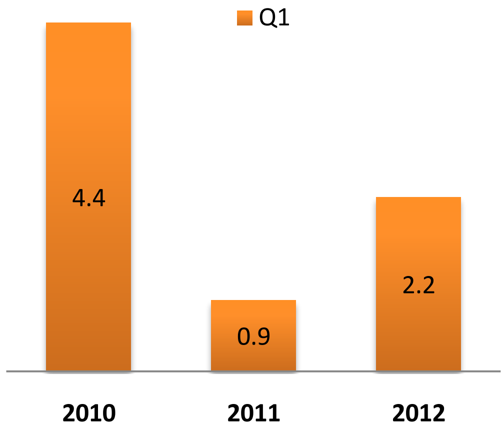




Figures in USD
Basis of preparation: Management Accounts (excluding TUL)

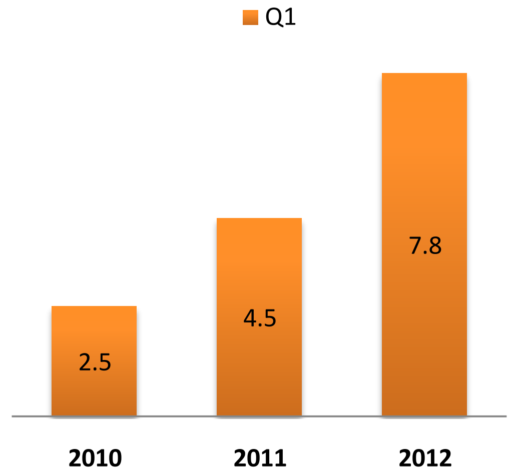
NET UNDERWRITING PROFIT

(in millions)



PROFIT AFTER TAX

(in millions)



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

	Q1 2011	**Q1 2012**
Gross Written Premium	130,697,240	143,488,949
Ceded Written Premium	34,264,217	40,741,669
Total Insurance Revenue*	**38,666,710**	**46,230,577**
Net incurred acquisition cost	7,123,042	9,911,725
Net incurred claims	27,330,916	30,825,682
Gross underwriting profit/(loss)	4,212,752	5,493,170
Less operational expenses	3,314,483	3,248,268
Net underwriting profit/(loss)	**898,269**	**2,244,902**
Net non-technical income	4,412,124	6,258,169
NET PROFIT	**4,541,959**	**7,754,201**

**Net Earned Revenue*

MAJOR LOSSES AND NET IMPACT

During Q1, Atlantic Oilfield (date of loss 16th January 2012) cost the Company 6.1m net. It contributed 13.2 percentage points to the loss ratio.

Figures in USD

Basis of preparation: Management Accounts (excluding TUL)

NON-TECHNICAL PERFORMANCE

Non-Technical Income produced 53% growth (1.9m). This is mainly attributed to higher interest earned on the increased cash reserves of the Company and Realised Capital Gains of 0.9m achieved by the Fixed Income Portfolio.

INVESTED ASSET DISTRIBUTION

	Q1 2012 (%)	Q4 2011 (%)	Q1 2011 (%)
Equities	27.3	28.9	41.9
Bonds	8.4	17.6	9.0
Cash	64.3	53.5	49.1
TOTAL INVESTED	284.5	271.7	206.4

NON- TECHNICAL INCOME DISTRIBUTION *(in millions)*

	Q1 2012	Q1 2011
Interest, Dividends and Realised Gains	4.1	2.5
Fees and Other Income	0.9	0.6
FOREX	1.2	1.3
Non-Technical Expenses	(0.7)	(0.8)
TOTAL	**5.5**	**3.6**

During Q1 2012, the Company reduced its exposure to Fixed Income and Equities, increasing its Cash weighting instead. This was a tactical move due to the underlying uncertainty which surrounds the said asset classes in the foreseeable future.

KEY RESULTS (*actual vs. budget*)

(in millions)	Q1 2012 *(actual)*	Q1 2012 *(budget)*	CHANGE (%)
Gross Written Premium	143.5	134.3	**6.9**
Net Written Premium	102.7	104.3	**(1.5)**
Net Earned Insurance Revenue	46.2	47.3	**(2.3)**
Net Underwriting Profit	2.2	2.9	**(24.1)**
Total Profit	7.8	5.1	**52.9**
KEY RATIOS (%)			
Retention Ratio	71.6	77.6	-
Combined Ratio	95.1	93.8	-
Profit Margin	4.9	6.2	-

Headline growth, compared to budget, was achieved due to our strong performance in Facultative Energy. Treaty writings showed stable to moderate increases when compared to the budget.

The Retention Ratio underperformed the budget by 6 percentage points out of which 3.8 percentage points were associated with higher reinstatement premiums on recoveries of Thai Floods and the Atlantic Oilfield loss.

The Combined Ratio was 1.3 percentage points higher and as a result the Net Underwriting Profit showed a shortfall of 0.7m. The main reason is the occurrence of the Atlantic Oilfield loss (January 2012). Excluding this loss, the actual underwriting performance would have significantly outperformed the budget.

Overall profitability, however, was considerably ahead by 2.7m (52.9%). The main contributors were the increased investment income by 10% as a result of Realised Capital Gains, FOREX Gains and increased Other Income (+1.7m) and reduced Non-Technical Expenses (-1.2m).

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