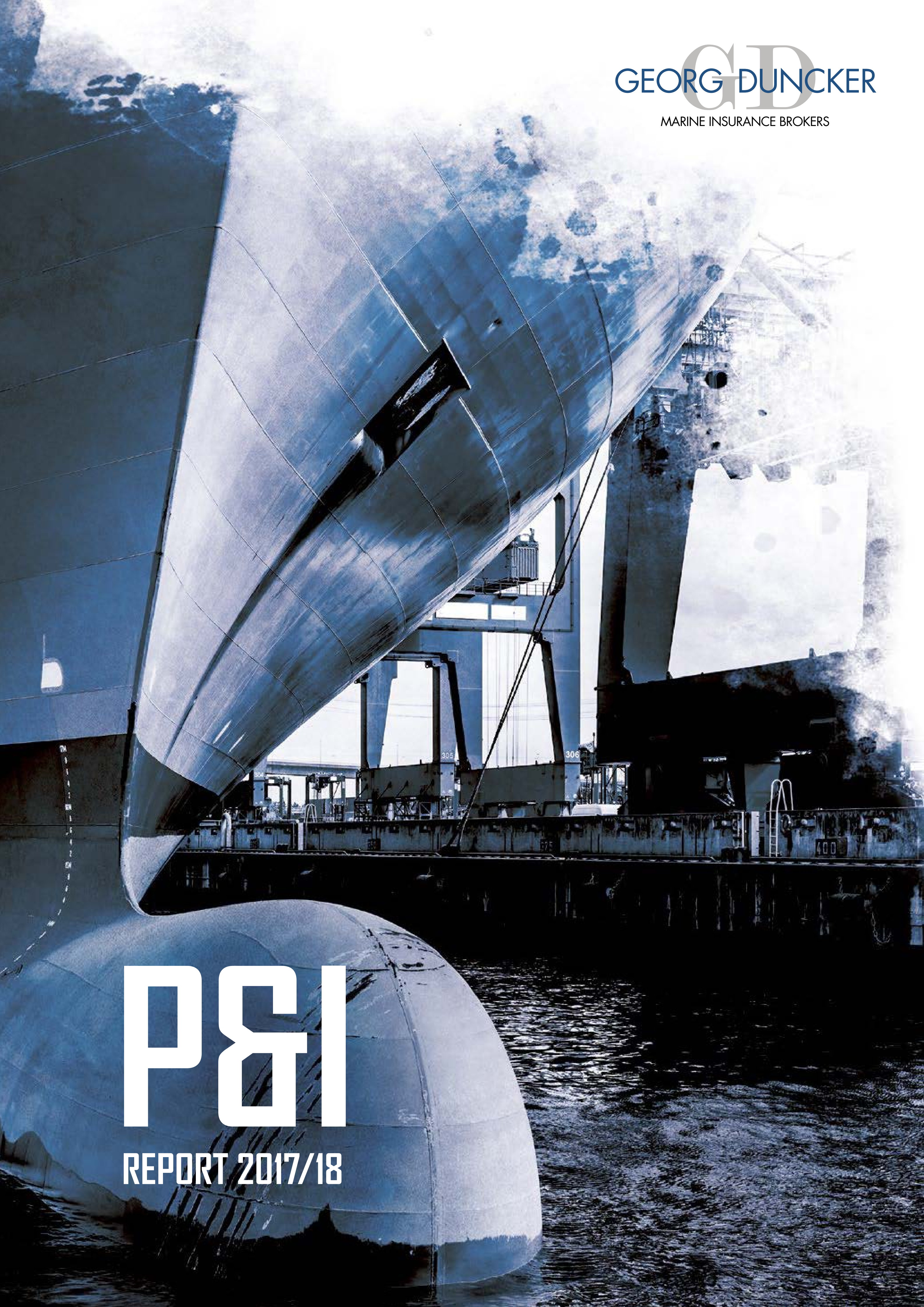
GEORG DUNCKER
MARINE INSURANCE BROKERS



P&I

REPORT 2017/18

FOREWORD

This report will give you an overview regarding the latest developments of the P&I markets as well as some analysis of the previous policy years. In general, the marine insurance market remains favorable for shipowners and will provide some cost relief.

Contrary to the positive developments for most Group Clubs, the freight markets have been pretty icy for most shipowners since the financial crisis back in 2008. The shipping sector is still suffering from a sluggish economic growth on the demand side and the prevailing severe overcapacity on the supply side. As a result, some shipping portfolios have been causing serious dents in the books of major global lenders who are continuously trying to divest distressed loans. Those market challenges have pushed owners and operators into various mergers and alliances to use synergies and reduce costs. At present, around 80% of the container liner trade is serviced by the top three alliances (i.e. 2M Alliance + HMM, Ocean Alliance, The Alliance) while we have also seen an ongoing consolidation process amongst the major dry bulk charterers / commodity traders.

Depending on the Club, cumulative general increases have been ranging between 20% up to 50% since 2010. Therefore, the last February 2017 renewal surprised members, when for the first time in history of the Group none of the P&I Clubs called any general increase, with some of the Clubs even returning funds to their members. The reason for this renewal approach of the Clubs was the overall benign claims environment and the better than expected investment returns. Fortunately, this trend seems to be persistent, which consequently led the Group to a record breaking financial fortune, increased the free reserves to USD 5.3 billion, and hopefully ends up in another smooth renewal for 2018/19.

Currently, the wealth of the Group and the benign claims run put a higher individual retention on the agenda. The issue is not on the work programme of the Group's reinsurance sub-committee but in the opinion of P&I experts justified and most likely to come. During the past decade the question of how much risk should be retained by the individual Clubs of the Group was answered by lifting the retentions from USD 7 million to USD 10 million. The higher retention must be compensated by a wider scope of reinsurance cover and accordingly higher reinsurance costs for each individual Club. The increase in costs and risks might build up the pressure for small and medium-sized Clubs to merge and that could lead to a Group consisting of seven or eight individual Clubs in the end.

For the six UK-based P&I Clubs (Britannia, London Club, North of England, Standard, Steamship Mutual and UK) the time is running until the 29 March 2019 – the date scheduled for the UK leaving the EU – and the bills for professional fees from lawyers, accountants, tax specialists and other advisors are rising. The aforementioned Clubs are preparing for a hard Brexit as a worst case scenario. This would mean that the Clubs would lose their passporting rights in the event of no European Economic Area (EEA) access or a specific bilateral agreement. The Clubs will incur costs of setting up subsidiaries within the EU, most probably Luxembourg, (the location of the West of England and Shipowners Club already) as an experienced P&I Club regulator or Dublin with linguistic and tax attractions. In all likelihood, companies will retain a base in the UK even if they have to set up subsidiaries to gain access to the EEA.

As every year, we are trying to assist you to find the right strategy for the upcoming P&I renewal, and our report will give you a detailed overview of the latest P&I market figures.

Christian and Matthias Ross
October 2017

CONTENTS

01
CURRENT MARKET ISSUES
PAGE 06

02
REVIEW OF THE P&I MARKET
PAGE 10

03
P&I CLUB PROFILES
PAGE 30

04
ALTERNATIVE P&I INSURANCE MARKETS
PAGE 46

01

CURRENT MARKET ISSUES

CONVENTIONS - 07
CYBER SECURITY AT SEA - 08
PIRACY - 09

CONVENTIONS

Since our last P&I report there have been certain developments regarding the latest conventions affecting P&I Clubs and their members which will be highlighted in the following paragraphs.

BALLAST WATER MANAGEMENT CONVENTION (THE BWMC)

The BWMC has partly entered into force on September 8, 2017 after the accession by Finland 12 months ago, bringing the total gross tonnage to over the required 35% from the signatory states. The BWMC is intended to prevent the spread of invasive species via ballast water from one eco-system into another and thus prevents the destruction of marine habitats.

According to the original version of the ballast water management plan, shipowners are required to fit their existing ships over 400 GT with an approved ballast water treatment system (BWTS) at the first renewal of the ship's International Oil Pollution Prevention (IOOP) certificate after September 8th of this year. The flag states of Liberia, India, Norway, Brazil, UK and the Cook Islands have proposed an extra time allowance for shipowners, so that they can invest in more robust technology to the benefit of the marine environment. In its decision on July 7, 2017, the IMO followed the proposal of the International Chamber of Shipping (ICS) members to postpone the BWMC implementation for existing ships by two years, while new ships with keel laid on or after September 8, 2017 must have approved BWTS installed on delivery. The change to the timetable affects around 40,000 sailing vessels which are now required to be fitted with BWTS until the first statutory IOOP survey after September 8, 2019. This extends the date by which all ships must have installed one of the around 60 IMO certified treatment systems from 2022 to 2024.

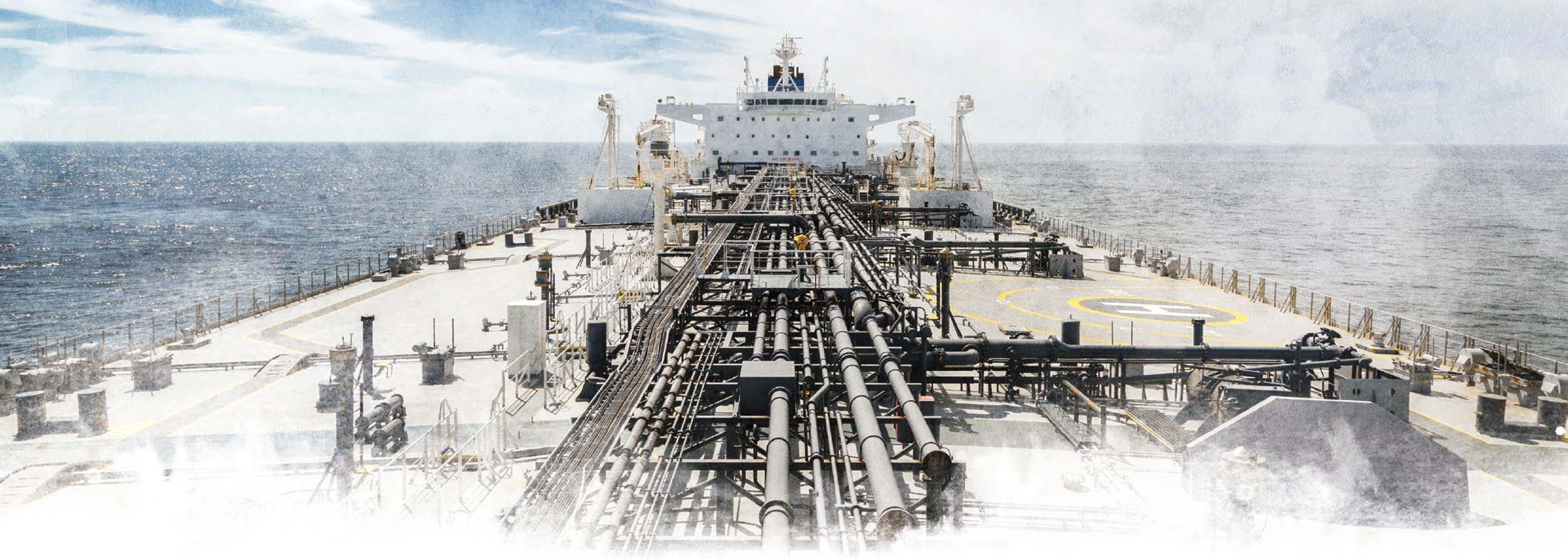
The ICS, as the world's principal shipping organization, noted that due to the lack of confidence in the certified BWTS only a few shipowners have refitted their vessels with the costly treatment system to date. Hence, most shipowners probably welcome the compromise between the IMO and the ICS to postpone the implementation of the BWMC.

MARITIME LABOUR CONVENTION (THE MLC)

As of today, 84 member states of the International Labour Organization (ILO) have ratified the MLC 2006, which came into force on August 20, 2013. The MLC establishes minimum working and living standards for all seafarers on ships of 500 GT or over either flying the flags of ratifying countries or calling at a port in a jurisdiction where MLC is in force. The aim of the MLC is to achieve decent working conditions for seafarers covering almost every aspect of their work and life on board.

In April 2014, the ILO agreed to several amendments to the MLC on financial security for seafarer liability and compensation, which commenced on January 18, 2017. Since this date, ships that are subject to the MLC have been required to obtain certificates by an insurer or other financial security provider (e.g. their P&I Club) confirming that insurance or other financial security is in place for the costs and expenses of crew repatriation, medical treatment, food and drinks as well as up to four months' contractually entitled wages following abandonment of vessel (MLC Regulation 2.5, Standard A2.5.2, as amended). A further certificate is required for liabilities for contractual claims arising from seafarer personal injury, long-term disability or death (MLC Regulation 4.2, Standard A4.2 as amended).

Club rules will normally cover compensation for long-term disability or death, but there are also other liabilities falling outside the scope of P&I cover such as unpaid wages and repatriation of seafarers. The Group Clubs decided that they provide the necessary certification on the basis set out in the MLC Extension Clause. It means that the P&I Clubs will forward claims payments in advance to seafarers for unpaid wages in the event of abandonment of vessel, but members will be obliged to reimburse the Club at a later stage. As such, payments fall outside the scope of standard (poolable) cover, Group Clubs have arranged additional reinsurance cover for liabilities arising under the MLC Extension Clause of USD 190 million in excess of their USD 10 million retention.



CYBER SECURITY AT SEA

With 90 percent of world trade transported by sea, the maritime industry from terminal operators to shipowners is operating in an increasingly connected environment. Nowadays, modern ships are heavily relying on the functionality of computer and software systems making them more vulnerable for cyber-attacks carried out by hackers. There have been a number of such attacks in recent times, most prominent the Petya ransomware attack on A.P. Moller-Maersk (striking also other major companies across Europe and US) June 2017 causing the breakdown of IT systems at the world's largest container line.

The risks around cyber security and insurers' exposure are continually being monitored by the P&I Clubs and the Group is engaged with the broader marine insurance and reinsurance markets on this hot topic. Whether a potential loss arising from a cyber-attack is falling inside the scope of P&I cover depends on the precise cause of the casualty. P&I liabilities are excluded from normal Club cover when they have been incurred as a result of any hostile act by or against a belligerent power, or any act of terrorism since these constitute war risks.

In response to the cyber exposure, the Baltic and International Maritime Council (BIMCO) in collaboration with other leading shipping organizations, launched its "Guidelines on Cyber Security Onboard Ships" on January 4, 2016. These guidelines assist shipowners and operators in assessing their operations for cyber risks as well as develop response and recovery plans in case of a hostile attack. In May 2016, the IMO Maritime Safety Committee finalized Interim Guidelines on Maritime Cyber Risk Management providing recommendations for shipowners for a safe operation of their vessels.

PIRACY

Recording some of the lowest figures in the last five-year period, the first six months of 2017 have seen a total of 87 incidents of maritime piracy and armed robbery against ships reported to the International Maritime Bureau (IMB) Piracy Reporting Centre compared with 97 for the same period of the previous year. According to the report, 63 ships were boarded, 12 fired upon, four were hijacked and attacks were attempted on another eight vessels.

In response to the surge in kidnapping and killing of seamen mostly by the Abu Sayyaf militant group in the Sulu-Celebes and South China seas, the Philippines have launched joint patrols with the Malaysian and Indonesian navies in piracy plagued waters. The undertaken measures against piracy of the three Southeast Asian island nations have proven successful as the number of reported incidents in and around the Philippines has declined from nine recorded cases in the first quarter of 2017 to just four cases in the second quarter.

The presence of the EU naval force Atalanta off the Somali coast has contributed to a reduced number of attacks in the Gulf of Aden and Indian Ocean waters since the peak in 2011. However, the hijacking of two commercial vessels (i.e. ARIS 13 and AL KAUSAR) and one local fishing trawler during the year has emphasized that the situation in this region is still fragile, in part due to the civil war in Yemen. West Africa continues to be a piracy hotspot, with Nigerian pirates being responsible for the abduction of 31 seafarers kidnapped for ransom in the first half of 2017. The reported incidents underline the piracy threat off the Horn of Africa and in the Gulf of Guinea. Vessels traversing these global trade routes should continue to follow the BMP4 and register with MSCHOA and UKMTO according to a statement of the Combined Maritime Forces.

02

REVIEW OF THE P&I MARKET

GROUP FINANCIAL RESULTS 2016/17 - 11
MARKET SHARE OF P&I CLUBS - 24
STANDARD AND POOR'S RATING OF P&I CLUBS - 24
GENERAL INCREASE RECORD - 25
SUPPLEMENTARY CALL RECORD - 25
POOLING AND REINSURANCE - 26

GROUP FINANCIAL RESULTS 2016/17

NET COMBINED RATIO STILL BELOW BREAK-EVEN: 94% (89% IN 2015/16)

BEST OVERALL SURPLUS SINCE 2010/11: USD 482 MILLION

POSITIVE INVESTMENT RETURN: 3.4% (PRIOR YEAR -1.1%)

DROP OF GWP (-7%), REINSURANCE PREMIUMS (-9%) NET CLAIMS (-1%)

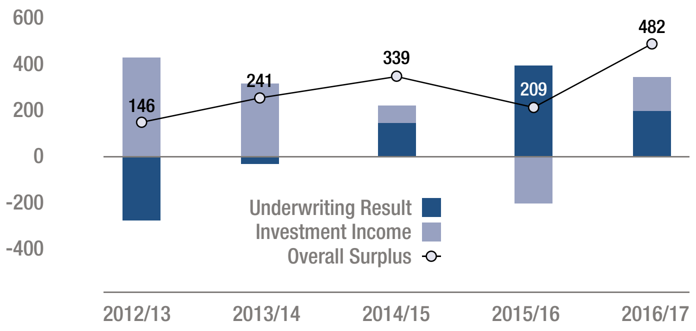
RECORD FREE RESERVES OF USD 5.30 BILLION (+10%)

GROWTH OF ENTERED TONNAGE: 3.8% (1,193 MILLION GT)

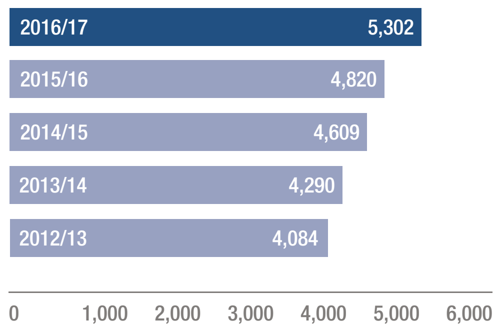
It has been the ninth consecutive financial year where the Group has written a collective profit resulting in an increase of free reserves by USD 482 million to USD 5.3 billion. This has been the highest cash rise since the years 2009/10 and 2010/11 when the Group Clubs generated aggregated surpluses of USD 691 million and USD 676 million, respectively. On the income side gross written premiums (GWP) continued their downward trend due to the enhanced competition amongst the Group Clubs (and with the fixed-premium providers), premium returns to members and the often cited churn-effect as older tonnage is being scrapped and replaced by newbuildings with lower P&I premiums.

On the cost side P&I Clubs have benefited again from a benign claims climate with the frequency of claims both retention and pool incidents are down. In combination with the reduced expenses for reinsurances the Group Clubs logged a positive underwriting result of USD 190 million. Across the board, the Group Clubs have achieved positive investment returns in 2016/17 (Group average 3.4%) contrary to the previous year when only three of the Clubs reported financial-side gains. As the financial stability of the Group Clubs is crucially influenced by the volatility on the global financial markets, it is worthwhile to review their last year's performance in more detail.

GROUP FINANCIAL PERFORMANCE
(USD MIO.)



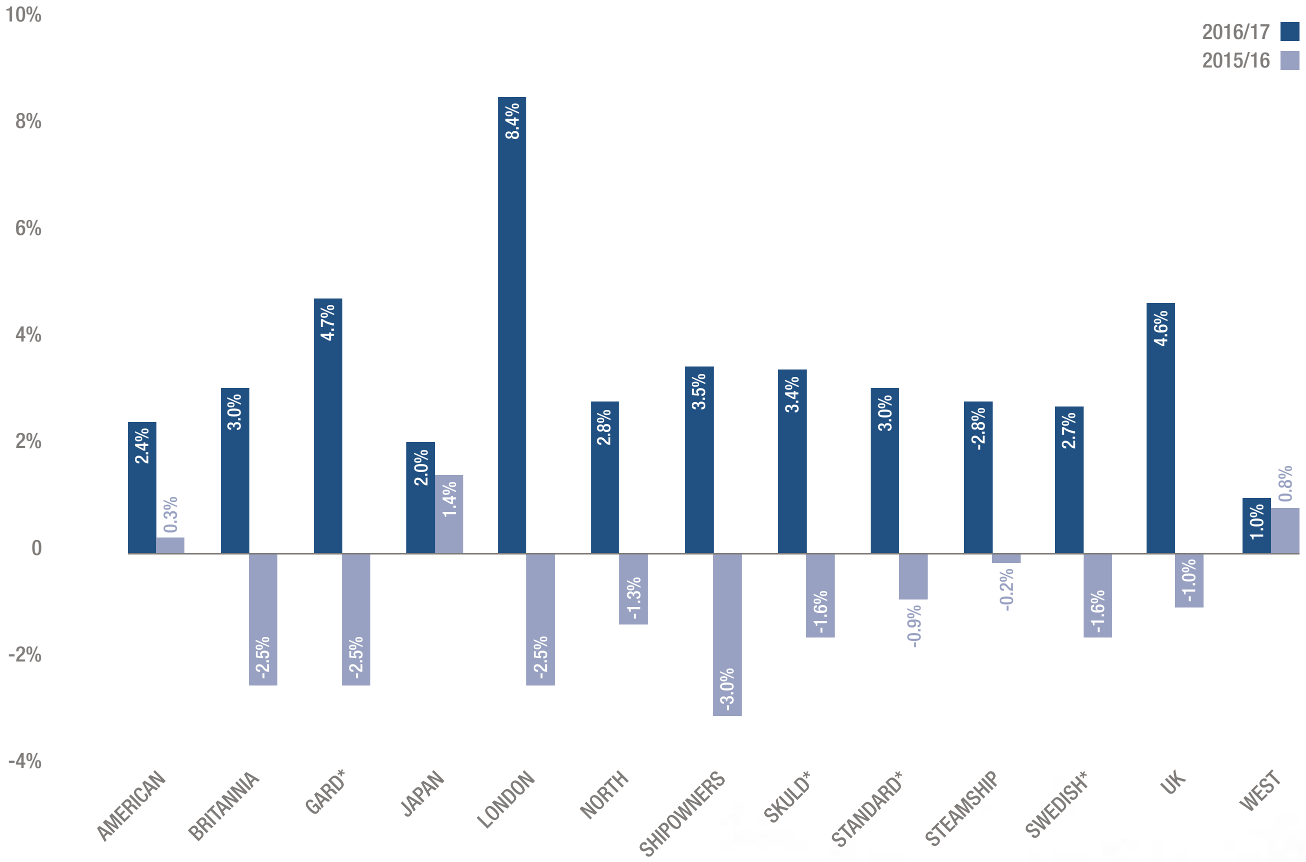
DEVELOPMENT OF FREE RESERVES
(USD MIO.)



P&I REPORT 2017/18

In the first quarter of 2016, China's slowing growth and plummeting oil prices have pushed stock prices down and bond prices up. The recovery in equity markets has been interrupted by the decision of the British voters to leave the European Union, where global stock markets have lost about USD 2 trillion and the sterling has plunged to a 31 year record low. After the shock of the referendum result, world markets have surged during the summer and have recouped the losses from the aftermath of the Brexit vote in June 2016. Following the election of Donald Trump as the President of the United States, global stocks have rallied into 2017, especially the ones from financial institutions, as banking regulations will most likely be scaled back by the Republican administration. Therefore, it is not surprising that throughout the year 2016/17 the best performing asset class in most portfolios has been equities, followed by corporate bonds, while cash and government bond returns have remained flat.

DEVELOPMENT OF INVESTMENT RETURN PER CLUB (%)

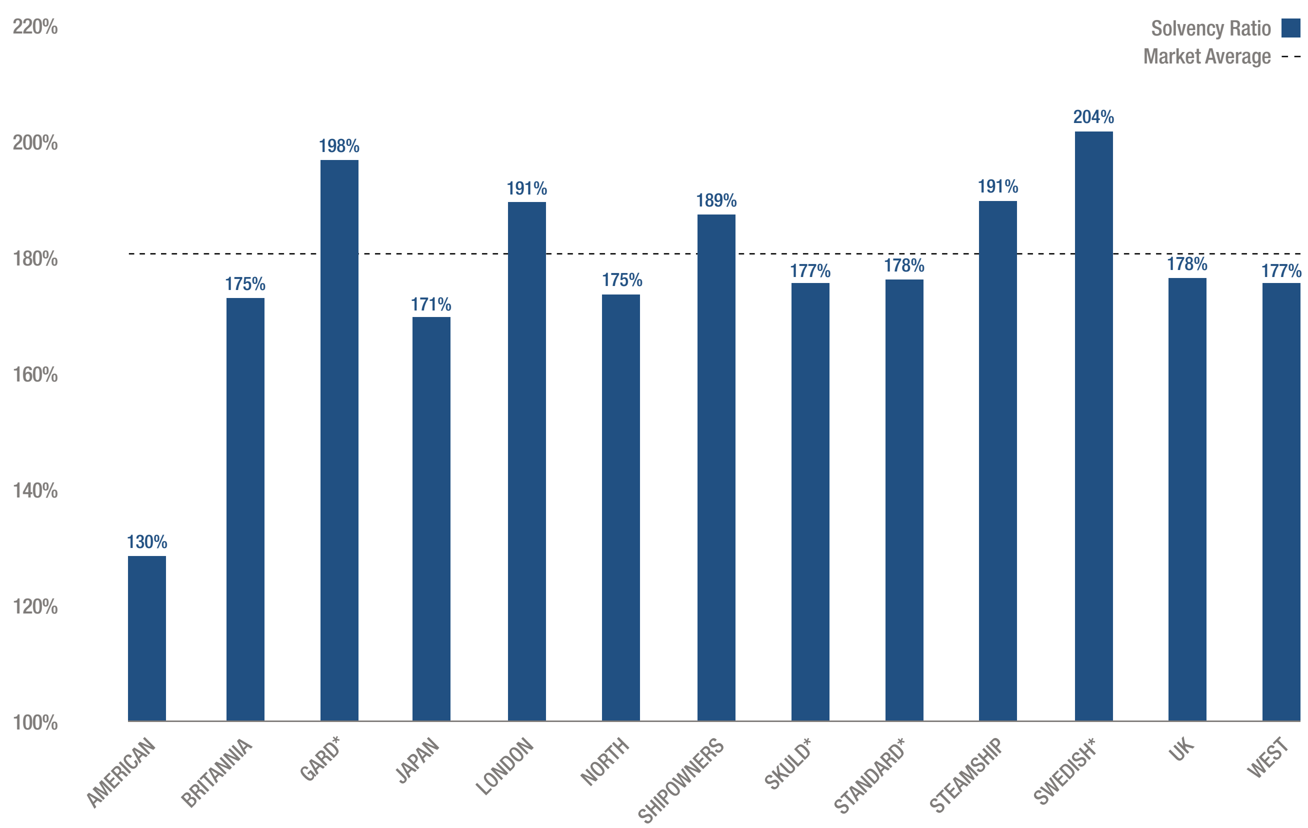


* Consolidated Group figures

The new, harmonized EU-wide regulatory regime for insurance companies, known as Solvency II, came into force on January 1, 2016. Solvency II applies for most insurance and reinsurance companies domiciled in the European Union (EU), including mutuals such as P&I Clubs. At present, it is unlikely that Solvency II will be discontinued in the UK after Brexit, as most of the capital regulations have already been implemented into national law. Abandoning the stricter capital regulations may negatively affect insurers from Lloyds and elsewhere, as they have to comply with Solvency II when moving some of its business operations to continental Europe.

In accordance with the Solvency II Directive, insurers are required to disclose a Solvency and Financial Condition Report (SFCR), including both qualitative and quantitative information, to assess the company's ability to meet its obligations towards policyholders. Amongst others, the SFCR provides a comparison on the capital position ("eligible own funds") of an insurer with the Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). The risk based SCR is calculated by using either a standard formula or an internal model that has been approved by the insurer's supervisor; or a mixture of both. A few P&I Clubs like the UK P&I Club have gained approval from the Prudential Regulation Authority (PRA) for their internal models which might result in lower regulatory capital requirements. Further, P&I Clubs domiciled outside the EU, such as the American or Japan P&I Club, are not obliged to stick to the Solvency II regulations. Therefore, we would like to keep our solvency ratio, which is calculated for all 13 Group Clubs in the same way, by dividing net assets by net outstanding claims. For the financial year 2016/17, the Group members had an average Solvency ratio of 182% (prior year: 173%), underlining that the majority of the Clubs are well-capitalized and are fulfilling the Solvency II requirements.

SOLVENCY RATIO 2016/17 PER CLUB (%)



* Consolidated Group figures.

GROUP FINANCIAL RESULTS 2016/17 PER CLUB (IN USD MIO.)

P&I Club	Period End	Gross Written Premium ($M)	Total Expenditure ($M)	Underwriting Result ($M)	Investment Income ($M)	Overall Surplus (Deficit) ($M)	Free Reserves ($M)	Owned GT (M)	Free Reserves / GT ($)
AMERICAN	31-12-16	109.5	122.7	-13.2	8.2	-5.0	51.4	16.5	3.12
BRITANNIA [1]	20-02-17	225.9	180.0	45.8	42.5	88.3	601.0	100.9	5.96
GARD*	20-02-17	767.4	727.8	39.6	86.7	124.7 [2]	1,134.9	216.6	5.24
JAPAN	31-03-17	221.1	195.9	25.3	-3.1	22.2	208.4	88.2	2.36
LONDON	20-02-17	102.9	101.2	1.7	25.6	27.3	188.0	43.9	4.28
NORTH	20-02-17	428.3	420.1	8.2	24.4	2.4 [3]	430.8	140.0	3.08
SHIPOWNERS	31-12-16	228.6	225.8	2.8	11.9	14.7	294.0	25.4	11.58
SKULD*	20-02-17	403.2	389.3	13.9	36.6	45.8 [4]	394.1	85.0	4.64
STANDARD*	20-02-17	338.8	321.3	17.5	22.8	40.3	430.5	126.2	3.41
STEAMSHIP	20-02-17	305.6	263.7	41.9	28.0	70.0	510.3	84.6	6.03
SWEDISH*	31-12-16	167.3	161.8	5.5	8.9	11.0 [5]	194.1	46.8	4.15
UK	20-02-17	376.2	398.3	-22.1	32.7	10.5	557.8 [6]	139.0	4.01
WEST	20-02-17	221.8	198.6	23.2	6.6	29.9	306.5	80.0	3.83
Group Total		3,896.6	3,706.4	190.2	331.8	482.1	5,301.9	1,193.1	Avg. 4.44

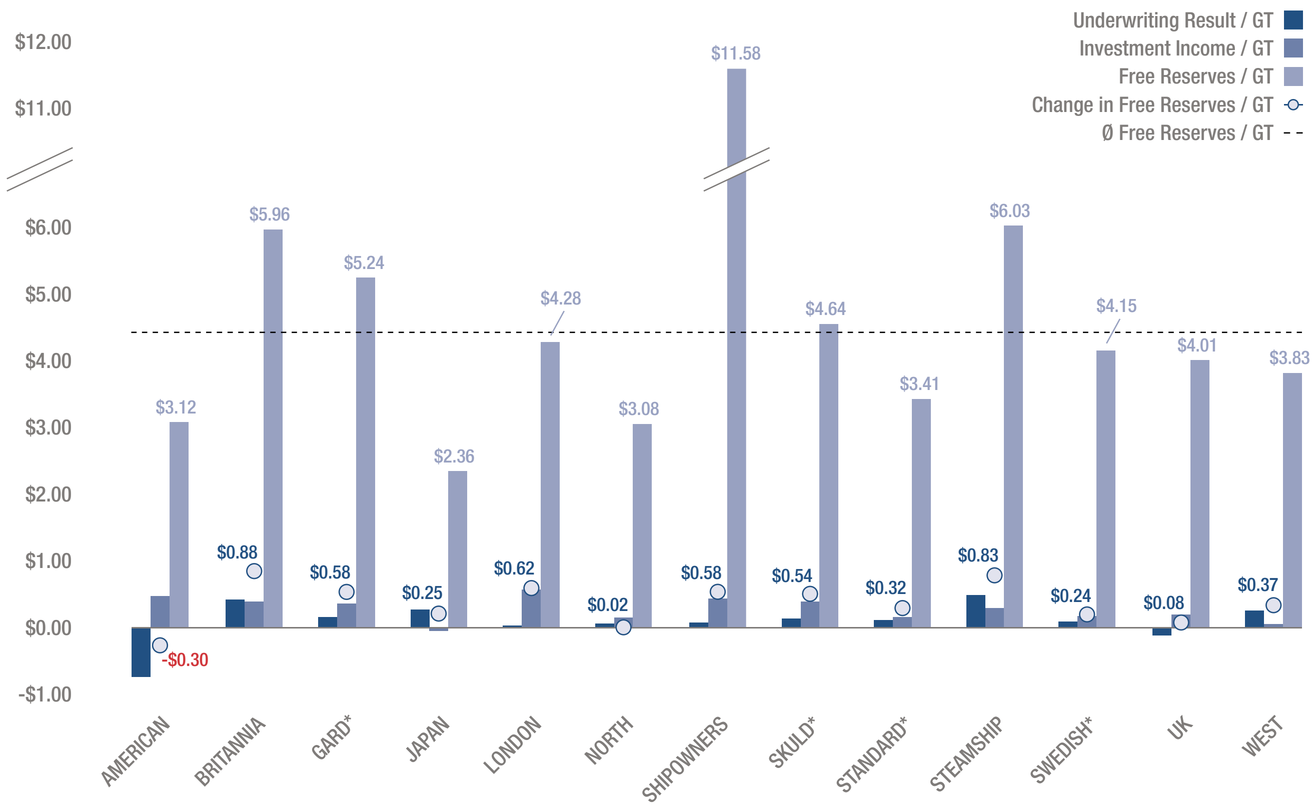
*) Consolidated Group figures.
1) Combined figures of Britannia and its Bermuda-based reinsurance offshoot Boudicca.
2) The overall result 2016/17 of the Gard has deteriorated by USD 1.5 million due to a change in pension assumptions.
3) Overall surplus 2016/17 incl. the remeasurement losses on defined benefit plans of USD 30.2 million.
4) The overall results 2016/17 and 2015/16 include the premium credit for members USD 4.7 million and USD 4.9 million, respectively.
5) The overall result 2016/17 of the Swedish Club includes a change in value of receivables on Hydra of minus USD 3.3 million.
6) Free reserves incl. perpetual subordinated capital securities (hybrid capital) of USD 99 million.

Analysing the financial results for the policy year 2016/17 on a Group-level stage, it can be observed that ten out of the 13 Group Clubs have managed to increase their overall surpluses compared to the previous policy year. The North of England has logged a significantly lower profit than in the year before as its result has been impaired by increased pension liabilities, while the American Club has suffered an overall deficit with shrinking free reserves resulting from a loss-making underwriting. Besides the American Club, the UK Club has been the only Group mutual where underwriting was in the red last year resulting from a small number of high value claims within the Club retention towards the end of the financial year. On an aggregated basis the average free reserves per GT of the Group, as an indicator of a Club's financial ability to meet future claims, has grown by 24 Cents to USD 4.44 per GT.

The already cash-rich Gard has once more rung up a remarkable profit of USD 215 million on ETC basis after tax. Thus, it is not surprising that in May the board of directors announced to waive the deferred call of 25% for the 2016/17 policy year entirely. The decision means that USD 90 million has not been collected from Gard members resulting in a rise of free reserves by USD 125 million to USD 1.135 billion. In a challenging financial market the investment side performed strongly with a return of 4.7%. Throughout the year, Gards core P&I business performed well with a combined ratio at 75% while a small underwriting deficit with a combined ratio at 103% has been incurred from the hull and offshore energy underwriting activities. The technical result, in particular the one in the P&I segment, benefited from a fall both in the frequency and severity of claims. Due to a continued softening market and lower demand in some segments, the Gard was squeezed by a reduction of 14% in gross written premiums to USD 767 million after accounting for the waiver of the deferred call. Over the last decade, the "A+" rated Gard has returned over USD 300 million to mutual members, raising the question why the Norwegians are not fully abandoning the principle of charging a deferred call from members.

Contrary to the previous year were the North of England generated a substantial surplus of more than USD 90 million, the policy year 2016/17 has just seen a meagre hike in free reserves by 0.6% to USD 430.8 million. The positive financial results on the underwriting (net combined ratio at 97.6%) and investment side (investment return of 2.8%) have been almost completely erased by the North's pension scheme deficit of USD 30.2 million trigged by falling UK corporate bond yields. This has been the third largest pension scheme

GROUP FINANCIAL RESULTS 2016/17 PER CLUB (IN USD PER GT)



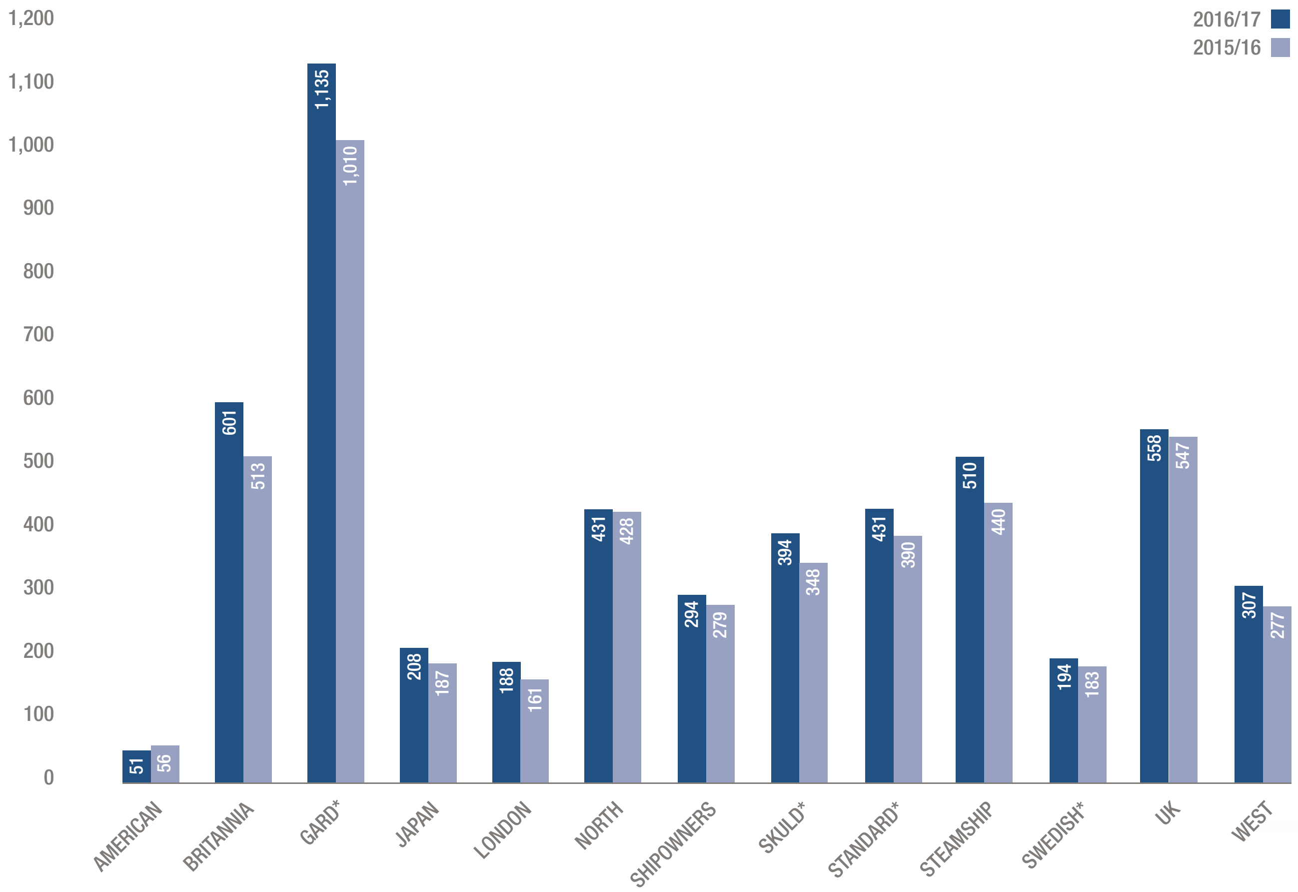
* Consolidated Group figures.

deficit (USD 19.1 million in 2014/15 and USD 26.3 million in 2013/14) for the North of England in four years. Taking into account that the North Tyneside-based Club has returned 5% of mutual premiums to their members for the last policy year, the overall surplus has been reduced by over USD 44 million. Tonnage-wise the North has managed to significantly increase its mutual entries by 6.9% to 140 million GT with further 50 million GT entered on the charterer's side at the February renewal. It is evident that the rapid tonnage growth of 115.4% since 2008, putting the North on number two of the league table in terms of tonnage, has not been adequately accompanied by the rise of free reserves as they are just standing at a relatively low level of USD 3.08 per GT.

Skuld has achieved its third-best result in its 120-year history with a profit of USD 45.8 million after accounting for the member's premium credit of USD 4.7 million. The policy year 2016/17 has started with two severe incidents (i.e. explosion on the COSCO HOPE and grounding of the SITEM ANJA) which have been brought forward to the Group pool, but as the year commences claims became quieter, especially in the final quarter. Despite a reduced premium income of 2.8% due to competitive markets and the churn effect of newbuildings replacing old vessels at lower premium rates, Skuld has written an underwriting profit for the 14th consecutive year of USD 13.9 million. A strong positive investment income of USD 36.6 million, mainly driven by strong equity markets, has contributed significantly to the bottom-line result. Not so favorable have been the reported results of the Skuld associated Syndicate 1897 at Lloyds which has burned GBP 20.5 million in 2016. In contrast to the Syndicate, the recently acquired Skuld Marine Agency (SMA), the former Gerling Norge hull insurance operation has maintained a profitable book of hull business over the past years. The acquisition gives Skuld renewal rights on SMA/Gerling Norway's hull & machinery book of business, which covers around 6,000 vessels paying some USD 40 million in premium.

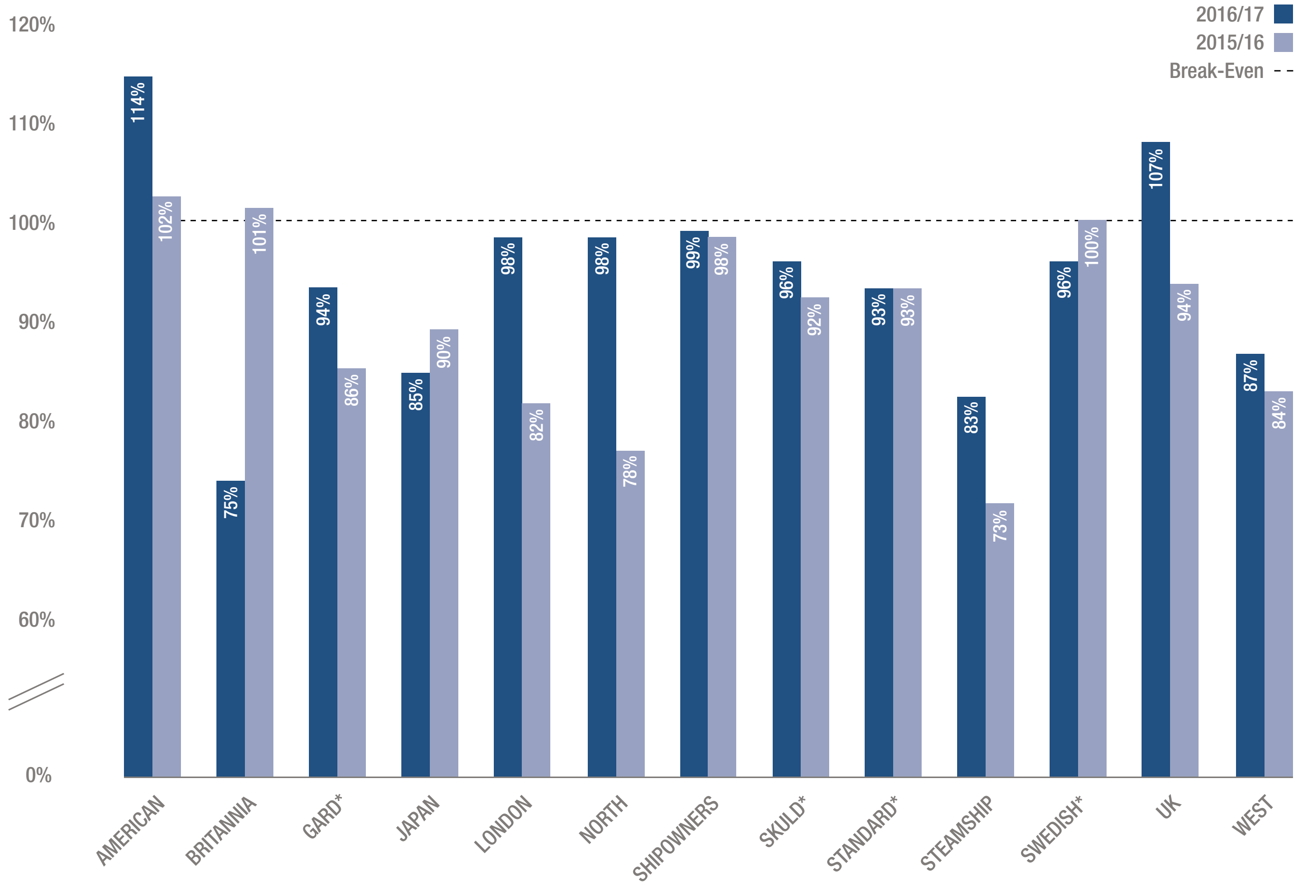
P&I REPORT 2017/18

DEVELOPMENT OF FREE RESERVES PER CLUB (USD MIO.)



* Consolidated Group figures.

DEVELOPMENT OF NET COMBINED RATIO PER CLUB (%)



* Consolidated Group figures.

10-YEAR DEVELOPMENT OF OWNED GT (M) PER CLUB

P&I Club	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2008-2017	2016-2017
AMERICAN	17	16	16	16	16	17	16	14	13	13	26.9%	3.1%
BRITANNIA	101	106	109	108	111	111	103	98	93	88	14.7%	-4.7%
GARD	217	215	208	187	174	163	145	133	127	117	85.1%	0.7%
JAPAN	88	90	91	89	89	87	89	88	86	79	11.6%	-1.6%
LONDON	44	44	44	43	41	41	38	36	39	39	12.6%	-1.1%
NORTH	140	131	127	131	127	123	105	90	75	65	115.4%	6.9%
SHIPOWNERS	25	25	24	24	22	20	18	16	15	15	69.3%	3.3%
SKULD	85	78	74	75	72	65	58	52	43	39	117.9%	9.0%
STANDARD	126	116	112	108	109	102	92	82	65	50	152.4%	8.8%
STEAMSHIP	85	78	74	69	65	63	58	53	50	47	80.0%	8.7%
SWEDISH	47	44	42	37	35	34	31	26	25	25	87.2%	7.3%
UK	139	135	127	124	120	112	105	105	110	119	16.8%	3.0%
WEST	80	72	68	57	54	51	49	53	51	54	48.1%	11.0%
Group Total	1,193	1,149	1,113	1,068	1,034	988	906	847	792	750	59.1%	3.8%

From the European Group Clubs, the UK Club has been the only one where underwriting was in the red last year with a net combined ratio at 107.5%. The UK Club has experienced an increase in the number of large (non-pool) claims in the 2016/17 policy year compared to the previous year. Collision claims were particularly significant as there were 12 collision claims, costing more than USD 500,000 each incident, during the year. Most of the costly collision incidents occurred towards the end of 2016, turning what could have been a favourable claims year into a more average one. The negative result of USD 22.1 million on the underwriting side has been outbalanced by investment gains of USD 32.7 million assisted by rising equity markets. Below the bottom line, the UK Club managed to increase its free reserves by USD 10.5 million to USD 458.4 million with a further USD 99.4 million held in hybrid capital. Throughout the year, the mutual tonnage of the UK Club grew by 3% to 139 million GT making the Club now one third larger than it was 7 years ago, while free reserves have risen within this time frame at a slower pace of 17%. Based on the relatively strong financial position of the UK Club, its Board decided to discount the mutual premium for the 2015/16 policy year by 3%. This was the third time in the last five years that the Club returned money, saving members USD 25 million.

The Standard Club had its best annual result since the policy year 2010/11, lifting its free reserves by USD 40.3 million to USD 430.5 million. Profiting from an absence of large casualties, the Charles Taylor managed Club has turned in an underwriting surplus of USD 17.5 million, reflected in a net combined ratio at 93.3%. On the financial markets, the Standard Club has logged positive annual returns across all asset classes leading to an investment return of 3.0%. About three-quarters of the assets are being held in sovereign and corporate bonds as the Club is traditionally having a more conservative investment philosophy. Over the past five years, the Club's reserves have risen by around 22% triggering the board's decision to return 5% of the mutual call for the 2016/17 policy year to its members. The Standard has a share (40% for 2015 and 2016 years of account, 47% for 2017) in the Standard Syndicate 1884, which has incurred a heavy loss of GBP 26.45 million in 2016 from its business operations. For P&I risks, the insured fleet has grown by 8.7% passing the 150 million GT mark, of which 126.2 million GT were owned entries.

For the fourth year in succession the Steamship Mutual has managed to increase its free reserves significantly, this time by USD 70 million to USD 510 million. Compared to the policy year 2012/13 where free reserves stood at USD 286 million, the Steamship has pushed its capital resources by almost 80% within four years. The strong performance on the underwriting side with a surplus of USD 42 million, a combined ratio at 83.2%, was favored by a low level of retained and pool claims in the 2016/17 policy year. There was a combined investment return of 2.8%, adding further USD 28 million to the books of the Steamship. The reported results are net after the USD 25.8 million returns to members in November 2016 as a mutual premium discount of 10% for the 2014/15 policy year. The again very good figures are hinting at a further return of premiums, likely to be decided at the Steamship Mutual's shipowner board meeting in October. The growth on the financial side has been adequately accompanied by a climbing combined tonnage of owners and charterers entries to 151 million GT from last year's 129 million GT.

The Britannia P&I Club has returned to the growth path in 2016/17 after posting a deficit of USD 32.8 million for the combined Britannia-Boudicca business a year ago. After adding the surplus assets of its 100% owned reinsurance captive of USD 221.7 million (prior period: USD 166.3 million) which are available to meet future claims, the total resources of the Association have soared by USD 88.3 million. On the underwriting side the Britannia profited from shrinking average cost of large claims running to more than USD 1 million, being almost a third lower than in 2015/16. The financial side also performed strongly with a combined investment income of USD 42.5 million after being in the red by more than USD 30 million last year. In light of the strong results, Britannia's board has approved a capital distribution of USD 20 million payable to members with owned ships on risk (pro rata based on premium paid for insured vessels as at 9 May 2017). Moreover, the oldest P&I Club have cut the deferred calls by an additional 2.5% for 2014/15 and by 5% for 2015/16 saving members a further USD 10.8 million. As of February 20, 2017 the Britannia Club insured an owned fleet of 100.9 million GT with 15 million chartered tonnage on top.

In 2015/16 the Swedish Club has been hit by a record number of total losses at seven while in 2016/17 there was just one total loss favoring a solid underwriting surplus of USD 5.5 million. The investment portfolio of the Gothenburg-based Club delivered a return on investments of 2.7%, which was the highest return of the past three years. Below the bottom line stands an overall after tax surplus of USD 11 million (including the change in value receivables on Hydra of minus USD 3.3 million) which lifts the free reserves to USD 194.9 million. Given the positive performance of the Club, the board decided to apply a discount on the 2017/18 premium in form of a 4% credit note on ETC, which will be deducted from the third premium instalment. For P&I risks, the insured fleet has achieved 7.3% growth in gross tonnage from 43.6 million GT to 46.8 million GT for owners' entries.

P&I REPORT 2017/18

P&I REPORT 2017/18

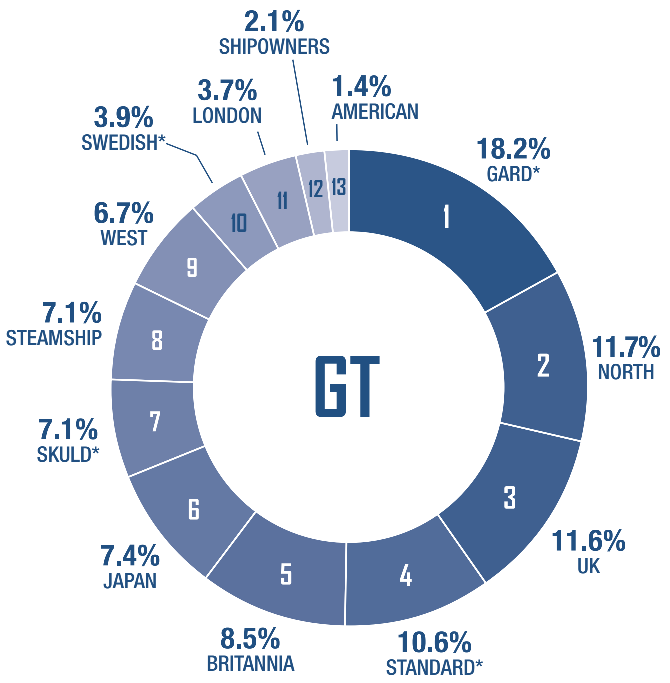
The West of England has reported another positive set of results for the financial year ending 20 February 2017. A better than forecast combined ratio at 87.2% (USD 23.2 million) arose primarily from reductions in claims provisions for years prior to policy year 2015/16. In addition, the Group pool result of the West recorded for the policy year 2016/17 also proved to be lower than expected at the mid-year. The investment performance of the West was also positive with an annual return of 1.0% (USD 6.6 million), net of tax and charges inclusive of a valuation and exchange loss arising from the Club's main office building near London's Tower Bridge. Consequently, free reserves have risen by USD 29.8 million from USD 276.7 million a year ago to USD 306.5 million at year end, the highest position in the Club's history. The strong and sustained operating performance of recent years has been reflected in the S&P rating upgrade from BBB+ to A- in November 2016. Over the past year entered owners tonnage in the Club has risen by 7.9 million GT, or 11%, to 80 million GT, with chartered business lifting the total insured fleet to 110 million GT. Last September, Tom Bowsher took over the helm from Peter Spendlove, the longest serving chief executive among the Group Clubs.

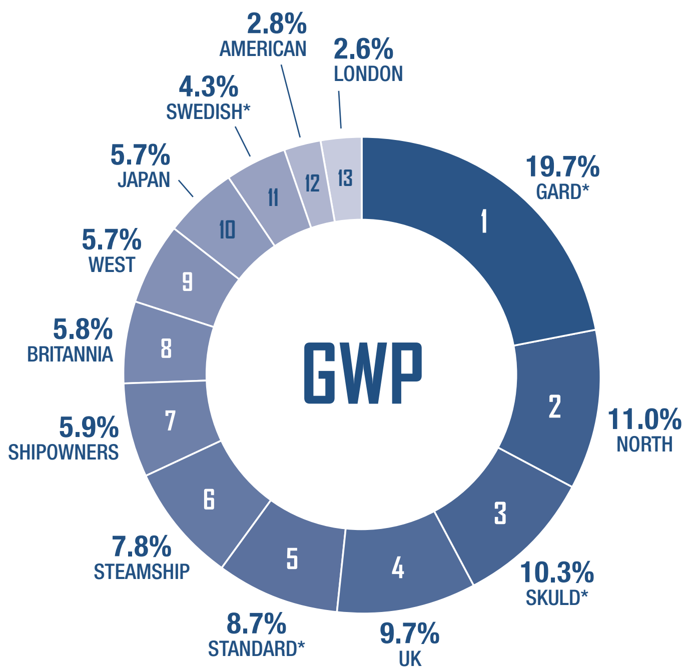
For the seventh consecutive reporting period the Shipowners' Club has achieved an underwriting surplus of USD 2.8 million resulting in a net combined ratio of 98.6% for the policy year 2016/17. The investment portfolio returned an annual gain of USD 11.9 million, which compares favorably to the loss seen in the prior period of USD 24.1 million. The gross return on the Shipowners' investment portfolio for the year 2016/17, before fees, was 3.5%. In total, the Club has added USD 14.7 million to its free reserves standing at USD 249 million as of February 20, 2017. The downturn in the offshore sector forced up to 30% of ships into lay-up in 2016. Otherwise, the reported results of the Shipowners might have been even better without mentioning that a reduced level of operations means also fewer claims.

Supported by a benign claims environment, the London P&I Club has recorded an overall surplus of USD 27.3 million for the financial year running to February 20, 2017, increasing free reserves to USD 188 million. Despite a rise of net incurred claims in 2016/17 by USD 9.3 million, they remained below the forecasted level in the retention as well as in the pooling layers. The positive result on the technical operations with a combined ratio at 97.9% (prior year: 82.5%) was supplemented by a strong performance of the Association's invested assets and cash holdings, which recorded an investment return of 8.4%. After a minus 2.5% return the year before, this has been the highest investment return amongst the Group Clubs in 2016/17. During the year under review, the London P&I Club has more or less maintained the level of GT owned mutual tonnage of 43.9 million (prior year: 44.4 million).

The two overseas P&I Clubs, namely the American Club and the Japan P&I Club, have reported contrary results. While the American Club has been on the technical side in the red for seven years, the Japan Club continued its profitable underwriting record with a net combined ratio at 85.3%. The Tokyo-based Club managed to increase its free reserves significantly by 11.4% to USD 208.4 million, while free reserves of the American Club dropped by USD 5 million to a low level of USD 51.4 million. In response to the losses incurred on the P&I side and to diversify its product portfolio, the American Club has set up with American Hellenic Hull, an insurance company based in Cyprus, offering hull and other marine related insurances since mid of 2016.

MARKET SHARE OF P&I CLUBS





* Consolidated Group figures.

STANDARD & POOR'S RATING OF P&I CLUBS

Policy Year	Current	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
AMERICAN	BBB-	BBB-	BBB-	BBB-	BBB-	BB+	BB+	BB-	BB-	BB-
BRITANNIA	A	A	A	A	A pi	A pi	A pi	A pi	A pi	A pi
GARD	A+	A+	A+	A+	A+	A+	A	A	A+	A+
JAPAN	BBB+	BBB+	BBB+	BBB+	BBB+	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi
LONDON	BBB	BBB	BBB	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi
NORTH	A	A	A	A	A	A	A	A	A	A
SHIPOWNERS	A	A-	A-	A-	A-	A-	BBB pi	BBB pi	BBB pi	BBB pi
SKULD	A	A	A	A	A	A	A-	A-	A-	A -
STANDARD	A	A	A	A	A	A	A	A	A	A
STEAMSHIP	A	A	A-	A-	A-	A-	A-	BBB+	BBB+	BBB+
SWEDISH	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB	BBB	BBB
UK	A	A	A	A	A-	A-	A-	A-	A-	A-
WEST	A-	BBB+	BBB+	BBB+	BBB	BBB-	BBB pi	BBB pi	BBB pi	BBB pi

Legend of financial security: AAA: "extremely strong", AA: "very strong", A: "strong", BBB: "good", BB: "marginal", B: "weak", pi = based on public data only

GENERAL INCREASE RECORD

Policy Year	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	Club Avg.
AMERICAN	0	2.5	4.5	10	10	5	2	4.2	29	20	8.7
BRITANNIA	0	2.5	2.5	2.5	16.5	5	5	5	12.5	23.8	7.5
GARD	0	2.5	2.5	5	5	5	0	0	15	10	4.5
JAPAN	0	3	3	7.5	5	3	10	12.5	21.2	20	8.5
LONDON	0	5	6	10	12.5	5	5	5	15	17.5	8.1
NORTH	0	2.5	4.75	7.5	15	5	3	5	17.5	17.5	7.8
SHIPOWNERS	0	0	0	5	5	0	0	5	10	0	2.5
SKULD 1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5	15	7.5	-
STANDARD	0	2.5	5	12.5	7.5	5	3.5	3	15	15	6.9
STEAMSHIP	0	0	0	10	7.5	5	0	5	17.5	15	6.0
SWEDISH	0	0	2.5	7.5	7.5	5	2.5	2.5	15	15	5.8
UK	0	2.5	6.5	10	7.5	3	5	5	12.5	17.5	7.0
WEST	0	0	2.5	7.5	7.5	5	5	5	19.2	15	6.7
Avg.	0	1.9	3.3	7.9	8.9	4.3	3.4	4.8	16.5	14.9	6.6

1) Skuld has decided to abandon the principle of a general increase on 2nd September 2010. Since that time Skuld performs an individual risk evaluation of each member when assessing the policy year premium requirement and is not setting a general increase on premium ratings.

SUPPLEMENTARY CALL RECORD

Policy Year	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
AMERICAN	0/0	0/0	0/0	0/0	0/0	25/25	25/25	20/20	0/25	0/25
BRITANNIA	45/45	45/40	45/35	45/45	40/40	40/40	40/40	40/32.5	40/40	30/30
GARD	25/0	25/15	25/15	25/15	25/15	25/20	25/15	25/10	25/25	25/25
JAPAN	40/40	40/30	40/20	40/40	40/40	40/40	40/50	40/40	30/30	30/30
LONDON	0/0	0/0	0/0	0/0	0/0	0/0	0/0	40/40	40/75	40/89
NORTH	0/-5	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
SHIPOWNERS	0/0	0/0	0/0	0/0	0/0	0/0	10/0	10/0	25/0	25/0
SKULD	0/0	0/-2.5	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
STANDARD	0/-5	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
STEAMSHIP	0/0	0/0	0/-10	0/0	0/0	0/0	0/0	0/0	0/20	0/14
SWEDISH	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/35
UK	0/0	0/-3	0/-2.5	0/0	0/0	0/-2.5	0/0	0/0	0/20	0/25
WEST	35/35	35/35	35/35	35/35	30/30	30/30	30/30	30/30	20/65	20/55

Supplementary Calls are constantly updated as per Club Circulars.

Called below Estimated Supplementary Call
Called above Estimated Supplementary Call

POOLING AND REINSURANCE

The Group's General Excess of Loss (GXL) reinsurance contract and the Hydra reinsurance arrangements for the policy year 2017/18 were already finalized in mid-December of 2016. In past years, the Group and its reinsurance sub-committee usually placed its reinsurances one month later, but due to the ongoing softness in the reinsurance markets, the renewal has been advanced by one month with the objective of assisting both shipowners and clubs in their P&I 2017/18 renewal negotiations. As a result of the continuous application of the US primary sanctions, the lines of the US domiciled reinsurers have been substituted with alternative capacity at the 2017/18 renewal. Thus, the shortfall risk (i.e. the inability of US domiciled reinsurers on the GXL and Hydra reinsurance programmes to make payments if they would be in breach of US primary sanctions) has been removed and consequently the fall-back cover was not renewed beyond February 20, 2017.

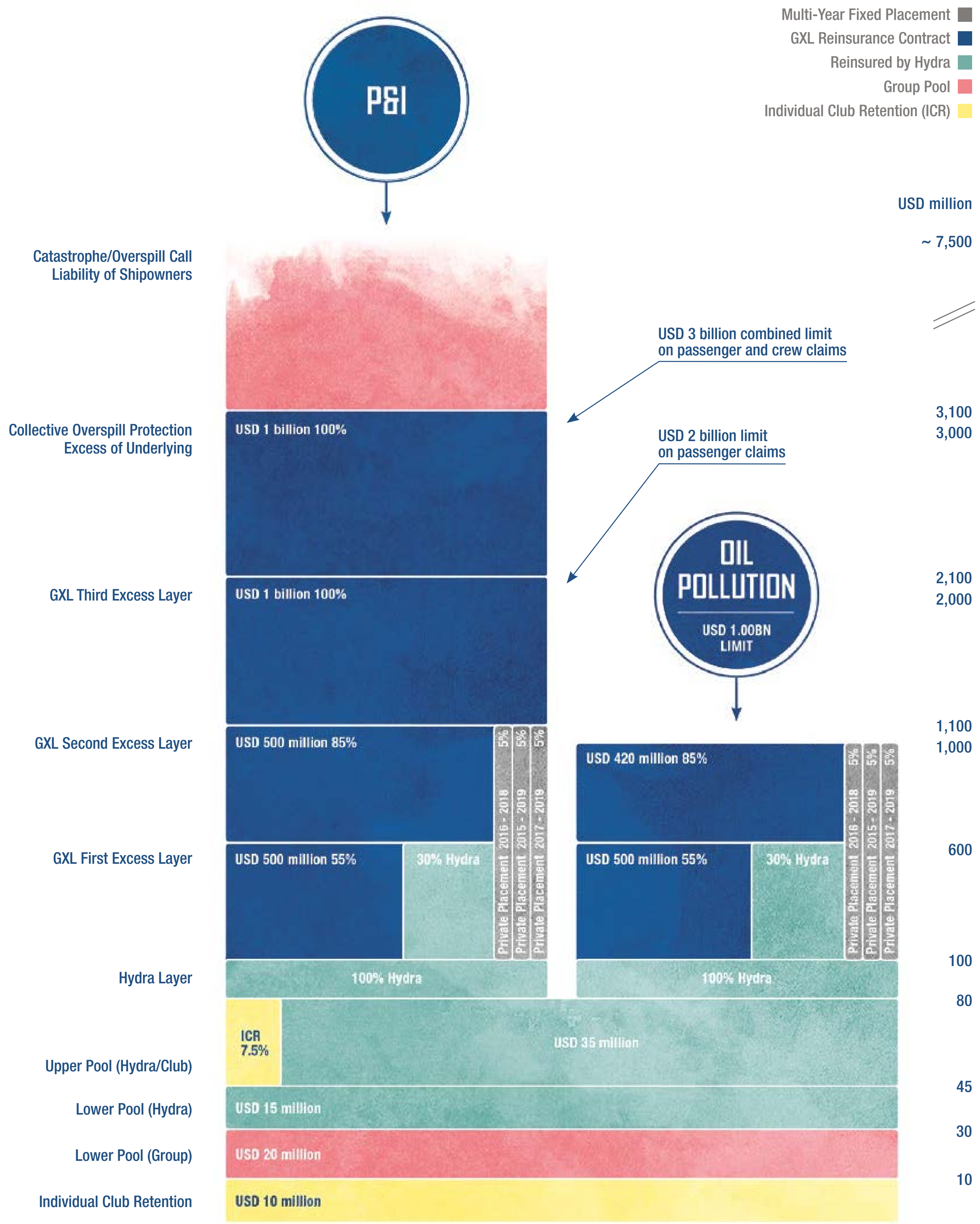
The structure of the Group's reinsurance programme 2017/18 for owned entries, illustrated on the righthand page, has remained broadly unchanged from the previous year. Within the individual club retention (ICR) of USD 10 million, it is at each Club's discretion if and to what extent reinsurance is bought for covering P&I claims. Further, most of the Group Clubs are having an abatement layer within the ICR to distribute the costs of a large casualty over all members on the basis that these claims occur at random within the membership and should therefore be treated as a mutual risk.

The Group pool is still divided into a lower pool layer stretching from USD 10 million to USD 45 million, and an upper pool layer from USD 45 million to USD 80 million while 7.5% of the claim will be borne by the individual Club. Starting in February 2017, Hydra absorbs the 25% GXL market share of the layer from USD 80 million to USD 100 million and in turn reduces its participation in the layer from USD 100 million to USD 120 million from 60% to 30%. This brings the overall participation of Hydra in the layer from USD 100 million to USD 600 million to 30%. Through the introduction of such a flat attachment for the GXL together with the three USD 1 billion private placements attaching at USD 100 million, the structure of the Group's reinsurance programme should be simplified.

In line with the preceding years, the Group has arranged a USD 1 billion collective overspill protection with one reinstatement on top of the USD 2.1 billion GXL reinsurance programme. Therefore, commercial reinsurance is guaranteed up to a combined limit of USD 3.1 billion. Claims falling beyond this limit (catastrophe/overspill claims) are shared among the Clubs up to approximately USD 7.5 billion, while the Clubs have the right to levy overspill calls from their members.

Going along with the MLC introduction in January 2017, the Group has arranged additional reinsurance cover (USD 190 million xs of USD 10 million) for liabilities arising under the MLC Extension Clause with its cost being included in the overall reinsurance costs.

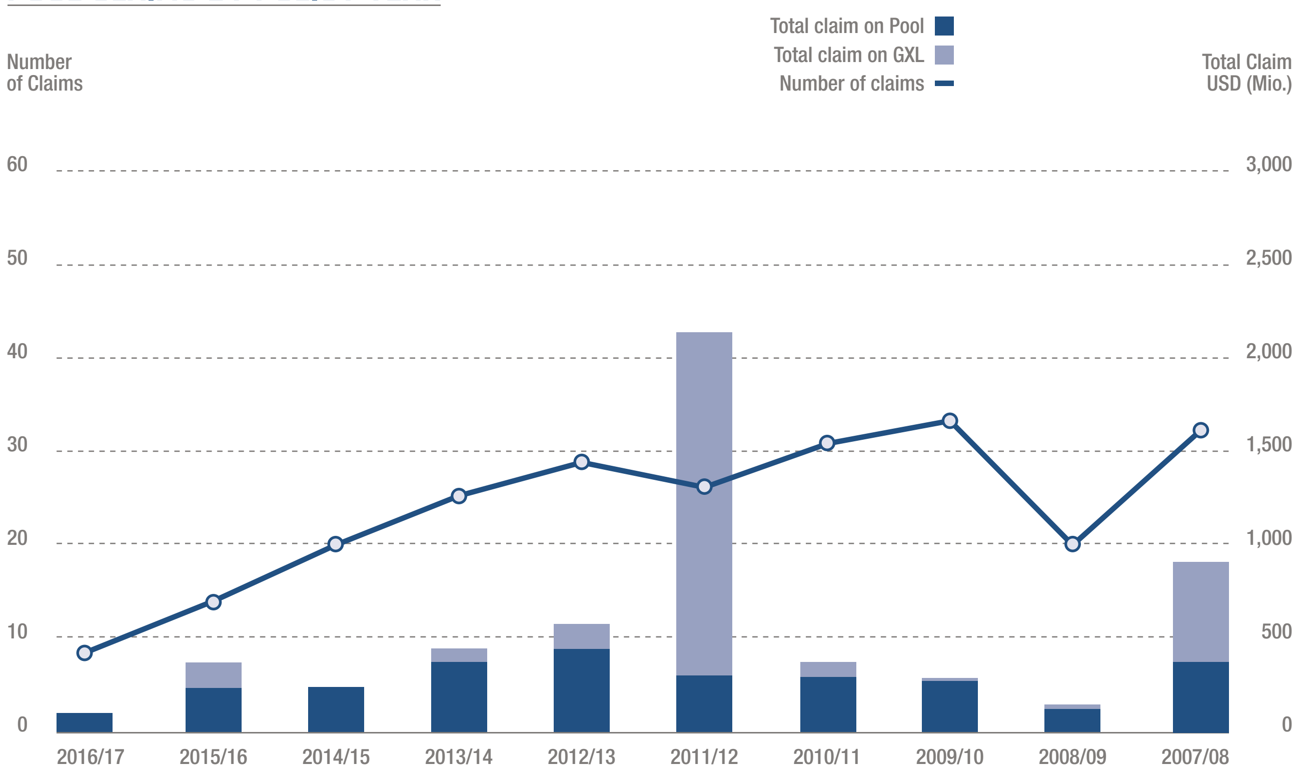
GROUP REINSURANCE PROGRAMME 2017/18



The number of claims brought forward to the mutual Group pool has been steadily falling since peaking at more than 50 in 2006. There were 26 of such claims in the policy year 2010/11 with the first (Costa Concordia) and third (Rena) largest ever claims. As can be seen in the diagram below, these claims pushed the total pool and reinsurance compensations for that year to over USD 2 billion. In its latest annual review, the Group has reported that the policy year 2016/17 has been the fifth consecutive year of a reduced number of pool claims with only 13 of such claims (four of these claims have been notified on a precautionary basis, but they are estimated below pool entry level) compared to 15 one year ago.

The costliest claim on the last policy year resulted from the engine failure on the 1,578 TEU container carrier TS Taipei leading to grounding and subsequently splitting into two. During the rescue operation with a helicopter two crew members died and the required bunker spill response and wreck removal operation has been insured by the Swedish Club. The other reported pool casualties are listed on the next page.

POOL CLAIMS BY POLICY YEAR



Source: International Group of P&I Clubs

The favorable loss experience for reinsurers participating in the Groups reinsurance programme on the 2012/13 to 2016/17 policy years combined with the positive financial development of Hydra has enabled the Group and its reinsurance sub- committee to achieve rate reductions across all tonnage categories for the second year in a row.

In numbers, the reinsurance costs per GT, both for dry cargo vessels (comprising bulkers, containerships, general cargoes, etc.) and dirty tankers, have dropped by 9.32% while the rates for clean tankers and cruise / passenger vessels have decreased by 5.01% and 5.00%, respectively.

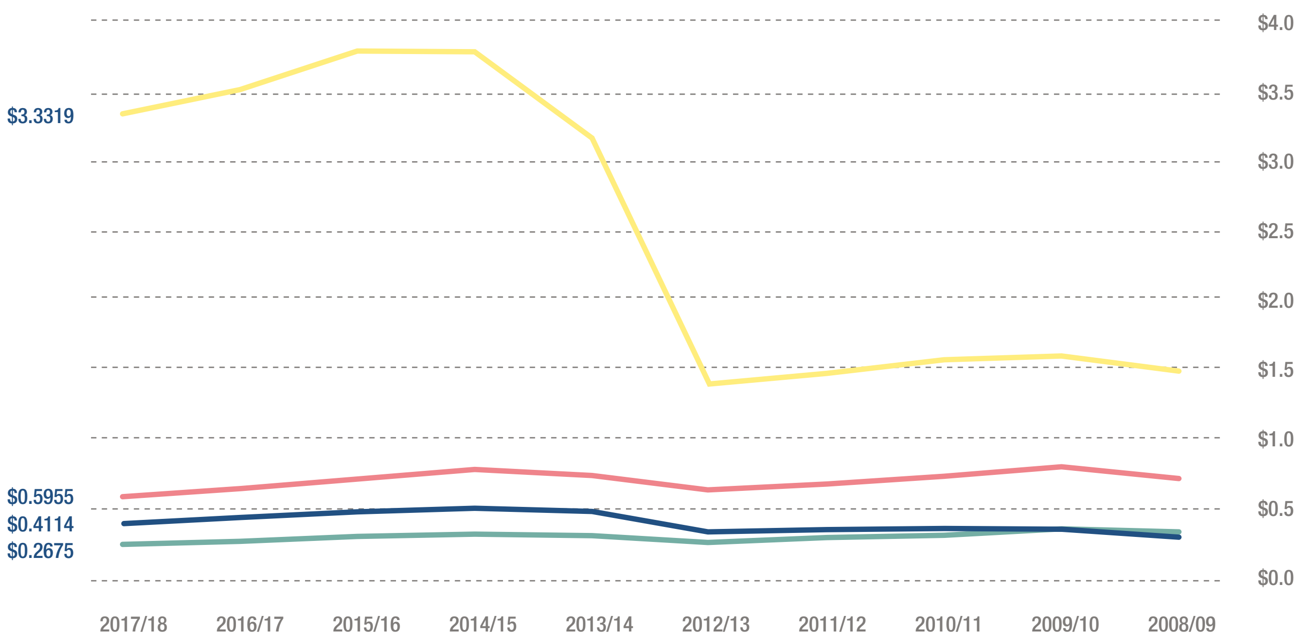
P&I POOL CLAIMS 2016/17

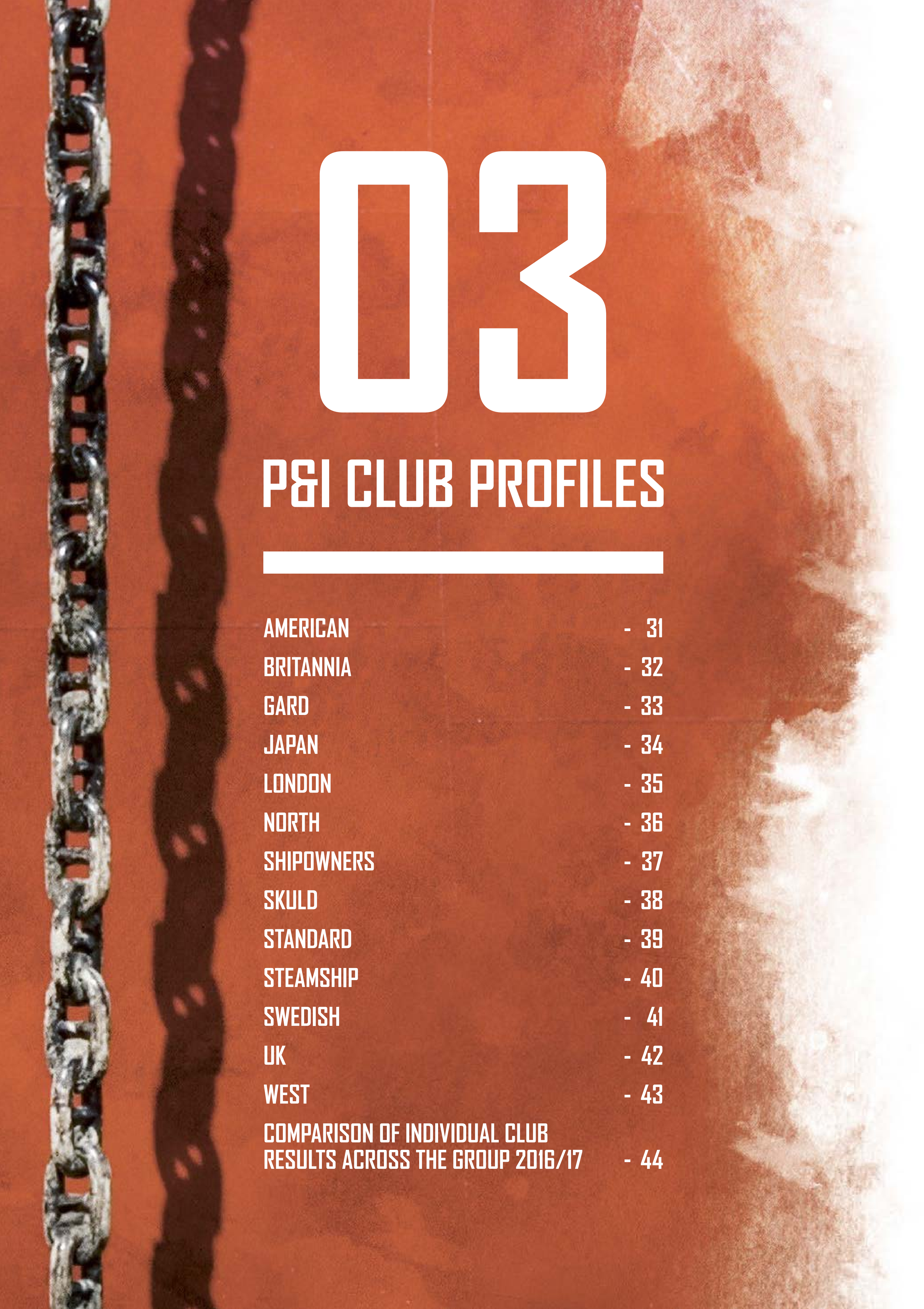
Vessel	Type	Built	Club	Location	Indident
Benita	Bulker	1998	London	Mauritius	Crew member damaged engine room leading to loss of power and grounding
Cosco Hope	Container	2012	Skuld	Port Said, Egypt	Collision with gantry crane resulting in a large explosion at container terminal
Delta Pioneer	Tanker	2004	West of England	Primorsk Port, Russia	Collision damage to berth claimed to have disrupted local crude exports
New Katerina	Bulker	1997	American	Suez Canal	Total loss following grounding
New Mykonos	Bulker	1997	American	Faux Cap, Madagascar	Total loss after breaking in two as a result of grounding
Siteam Anja	Chemical tanker	1997	Skuld	Punta del Este, Uruguay	Grounding following the loss of power in bad weather
Star of Abu Dhabi	Bulker	2009	Japan	Gramercy, U.S.	Collision with sugar-refinery wharf after an anchor failure
Stolt Invention	Chemical tanker	1997	Gard	–	Substantial claim resulting from injury to pilot
TS Taipei	Container	2006	Swedish	Keelung, Taiwan	Broke in two after engine failure and grounding due to bad weather

2017/18 AND HISTORICAL REINSURANCE RATES (USD PER GT)

Vessel Type	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Dirty Tankers	$0.5955	$0.6567	$0.7317	$0.7963	$0.7565	$0.6515	$0.7038	$0.7554	$0.8079	$0.7300
% Change	-9.32%	-10.25%	-8.11%	5.26%	16.12%	-7.43%	-6.83%	-6.50%	10.67%	7.40%
Clean Tankers	$0.2675	$0.2816	$0.3138	$0.3415	$0.3245	$0.2798	$0.3055	$0.3335	$0.3667	$0.3498
% Change	-5.01%	-10.26%	-8.11%	5.24%	15.98%	-8.41%	-8.40%	-9.05%	4.83%	9.76%
Dry Cargo Vessels	$0.4114	$0.4537	$0.4888	$0.5203	$0.4942	$0.3561	$0.3709	$0.3867	$0.3695	$0.3196
% Change	-9.32%	-7.18%	-6.05%	5.28%	38.78%	-3.99%	-4.09%	4.65%	15.61%	12.65%
Passenger Vessels	$3.3319	$3.5073	$3.7791	$3.7791	$3.1493	$1.3992	$1.4780	$1.5654	$1.6026	$1.4985
% Change	-5.00%	-7.19%	0.00%	20.00%	125.08%	-5.33%	-5.58%	-2.32%	6.95%	9.27%

DEVELOPMENT OF REINSURANCE COSTS (USD PER GT)





03

P&I CLUB PROFILES

AMERICAN - 31
BRITANNIA - 32
GARD - 33
JAPAN - 34
LONDON - 35
NORTH - 36
SHIPOWNERS - 37
SKULD - 38
STANDARD - 39
STEAMSHIP - 40
SWEDISH - 41
UK - 42
WEST - 43
COMPARISON OF INDIVIDUAL CLUB RESULTS ACROSS THE GROUP 2016/17 - 44

AMERICAN STEAMSHIP OWNERS MUTUAL PROTECTION AND INDEMNITY ASSOCIATION, INC.

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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
16,500	1.38%	0.00%	$109,493	$51,418	BBB-

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	16,500	16,000	16,000	15,800	15,500
Chartered	300	300	300	300	300
Market Share by Owned GT	1.38%	1.39%	1.44%	1.48%	1.50%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/0	0/0	0/0
Release	20	20	10	Closed	Closed
General Increase	0	2.5	4.5	10	10

Supplementary and Release Calls are constantly updated as per Club Circulars.

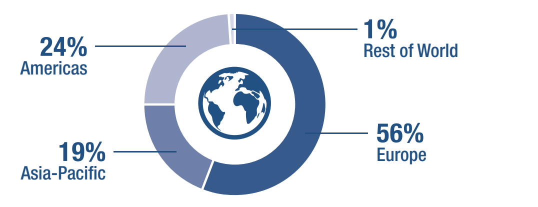
FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	109,493	97,504	114,798	107,959	112,126
Reinsurance Costs	14,168	16,128	20,553	18,581	18,585
Net Claims (Incurred)	70,761	49,364	65,962	65,064	83,265
Net Operating Expenses	37,744	33,978	34,795	35,250	31,995
Underwriting Result	-13,180	-1,966	-6,512	-10,936	-21,719
Investment Income	8,188	-224	7,768	14,051	15,729
Overall Surplus (Deficit)	-4,992	-2,190	1,256	3,115	-5,990
Net Assets	223,124	228,982	243,456	240,935	268,504
Net Outstanding Claims	171,706	172,572	184,856	183,591	214,205
Free Reserves	51,418	56,410	58,600	57,344	54,299

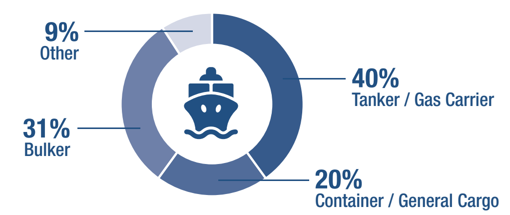
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	113.8%	102.4%	106.9%	112.2%	123.2%
Investment Return	2.4%	0.3%	4.0%	6.7%	7.6%
Increase in Owned GT	3.1%	0.0%	1.3%	1.9%	-9.4%
Increase in Free Reserves	-8.8%	-3.7%	2.2%	5.6%	-9.8%
Free Reserves / GT	$3.12	$3.53	$3.66	$3.63	$3.50
Solvency Ratio	130%	133%	132%	131%	125%
Average Expense Ratio	25.7%	24.2%	21.6%	19.3%	19.3%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
100,900	8.46%	0.00%	$225,854	$601,042	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	100,900	105,900	108,500	108,000	110,500
Chartered	15,000	35,500	27,000	23,000	25,000
Market Share by Owned GT	8.46%	9.22%	9.75%	10.12%	10.68%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	45/45	45/40	45/35	45/45
Release [1]	15	7.5	5	0	Closed
General Increase	0	2.5	2.5	2.5	16.5

Supplementary and Release Calls are constantly updated as per Club Circulars.
1) The release calls are a percentage of the advance call proportion of the estimated total call for the relevant policy years and are in addition to any uncollected part of the deferred call levied for the relevant policy year.

FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	225,854	260,272	269,726	284,167	294,057
Reinsurance Costs	39,498	43,413	48,941	48,616	48,910
Net Claims (Incurred)	114,789	192,276	132,991	230,703	285,816
Net Operating Expenses	25,719	26,986	24,963	26,811	29,317
Underwriting Result	45,848	-2,403	62,831	-21,963	-69,986
Investment Income	42,498	-30,468	10,838	55,844	47,026
Overall Surplus (Deficit)	88,346	-32,871	73,669	33,881	-22,960
Net Assets	1,406,583	1,367,196	1,406,303	1,396,200	1,296,798
Net Outstanding Claims	805,541	854,500	860,736	924,302	858,781
Free Reserves	601,042	512,696	545,567	471,898	438,017

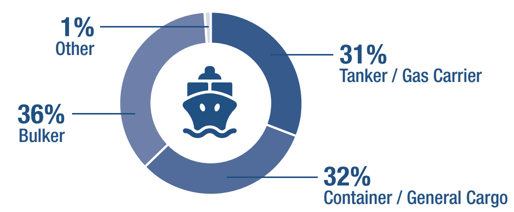
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	75.4%	101.1%	71.5%	109.3%	128.5%
Investment Return	3.0%	-2.5%	2.1%	4.8%	4.1%
Increase in Owned GT	-4.7%	-2.4%	0.5%	-2.3%	-0.5%
Increase in Free Reserves	17.2%	-6.0%	15.6%	7.7%	-5.0%
Free Reserves / GT	$5.96	$4.84	$5.03	$4.37	$3.96
Solvency Ratio	175%	160%	163%	151%	151%
Average Expense Ratio	9.4%	9.1%	8.4%	8.0%	8.5%

Combined figures of Britannia and its Bermuda-based reinsurance offshoot Boudicca.

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE



GARD P&I (BERMUDA) LIMITED

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Office Locations:
Arendal, Bergen, Bermuda, Helsinki, Hong Kong, Imabari, London, New York, Oslo, Piraeus, Rio de Janeiro, Singapore, Tokyo

KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
216,600	18.15%	0.00%	$767,364	$1,134,863	A+

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	216,600	215,200	207,600	186,700	174,000
Chartered	90,000	90,000	57,500	57,500	60,000
Market Share by Owned GT	18.15%	18.73%	18.65%	17.49%	16.82%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	25/0	25/15	25/15	25/15
Release [1]	20	15	5	0	Closed
General Increase	0	2.5	2.5	5	5

Supplementary and Release Calls are constantly updated as per Club Circulars.
1) The release calls are a percentage of the estimated total call for the relevant policy years.

FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16 Restated	2014/15	2013/14	2012/13
Gross Written Premium	767,364	897,287	966,572	912,595	852,343
Reinsurance Costs	150,181	169,760	161,902	184,171	170,811
Net Claims (Incurred)	493,045	532,259	630,893	643,175	600,382
Net Operating Expenses	84,588	92,891	110,331	90,337	121,572
Underwriting Result	39,550	102,377	63,446	-5,088	-40,422
Investment Income	86,726	-69,735	11,903	49,395	109,598
Overall Surplus (Deficit) [2]	124,749	49,495	49,481	44,307	69,176
Net Assets	2,287,206	2,255,363	2,219,936	2,135,432	2,008,424
Net Outstanding Claims	1,152,343	1,245,249	1,250,883	1,215,860	1,113,169
Free Reserves [3]	1,134,863	1,010,114	969,053	919,572	895,255

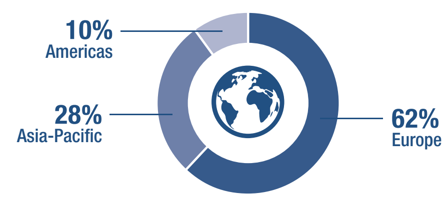
2) The overall result 2016/17 of the Gard has deteriorated by USD 1.5 million due to a change in pension assumptions.

KEY PERFORMANCE INDICATORS

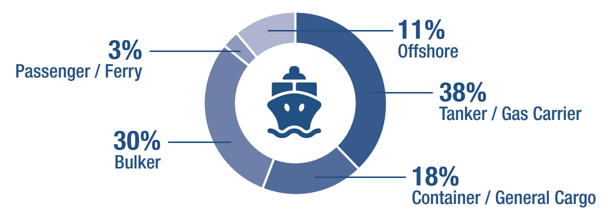
	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	93.6%	85.9%	92.1%	100.7%	105.9%
Investment Return	4.7%	-2.5%	1.8%	4.3%	6.1%
Increase in Owned GT	0.7%	3.7%	11.2%	7.3%	7.0%
Increase in Free Reserves	12.3%	4.2%	5.4%	2.7%	8.4%
Free Reserves / GT	$5.24	$4.69	$4.67	$4.93	$5.15
Solvency Ratio	198%	181%	177%	176%	180%
Average Expense Ratio	12.0%	11.8%	11.4%	11.3%	14.1%

Group figures incl. the Marine & Energy underwriting division of Gard.

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



Since 1950

THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCATION

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Office Locations:
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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
88,200	7.39%	0.00%	$221,126	$208,423	BBB+

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	88,200	89,600	90,500	89,300	89,400
Chartered	12,200	12,500	11,800	11,400	12,700
Market Share by Owned GT	7.39%	7.80%	8.13%	8.37%	8.64%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	40/40	40/30	40/20	40/40
Release	45	45	15	5	Closed
General Increase	0	3	3	7.5	5

Supplementary and Release Calls are constantly updated as per Club Circulars.

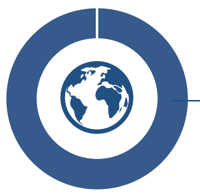
FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	221,126	226,280	233,086	237,738	223,555
Reinsurance Costs	49,132	59,229	55,257	56,264	44,545
Net Claims (Incurred)	122,604	125,416	155,635	168,548	175,893
Net Operating Expenses	24,134	24,290	20,297	22,775	22,574
Underwriting Result	25,256	17,345	1,897	-9,849	-19,457
Investment Income	-3,096	-13,488	34,981	24,793	27,655
Overall Surplus (Deficit)	22,160	3,857	36,878	14,944	8,198
Net Assets	501,715	465,589	428,303	429,279	441,866
Net Outstanding Claims	293,292	278,459	255,933	273,267	284,320
Free Reserves	208,423	187,130	172,370	156,012	157,546

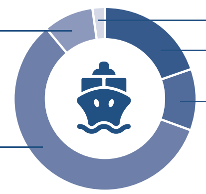
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	85.3%	89.6%	98.9%	105.4%	110.9%
Investment Return	2.0%	1.4%	2.7%	2.6%	2.5%
Increase in Owned GT	-1.6%	-1.0%	1.3%	-0.1%	2.4%
Increase in Free Reserves	11.4%	8.6%	10.5%	-1.0%	-5.6%
Free Reserves / GT	$2.36	$2.09	$1.90	$1.75	$1.76
Solvency Ratio	171%	167%	167%	157%	155%
Average Expense Ratio	5.5%	5.2%	5.3%	5.7%	5.7%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



The London P&I Club

THE LONDON STEAM-SHIP OWNERS' MUTUAL INSURANCE ASSOCIATION LIMITED

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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
43,900	3.68%	0.00%	$102,891	$188,012	BBB

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	43,900	44,400	43,800	43,100	41,200
Chartered	9,800	7,500	3,500	4,900	4,700
Market Share by Owned GT	3.68%	3.86%	3.93%	4.04%	3.98%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/0	0/0	0/0
Release	15	15	12.5	5	Closed
General Increase	0	5	6	10	12.5

Supplementary and Release Calls are constantly updated as per Club Circulars.

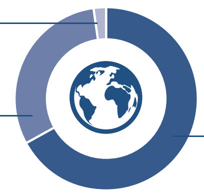
FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	102,891	110,072	111,290	106,895	101,951
Reinsurance Costs	20,181	22,670	24,445	20,754	22,175
Net Claims (Incurred)	69,472	60,129	104,277	92,956	82,691
Net Operating Expenses	11,542	11,954	12,483	11,921	11,483
Underwriting Result	1,696	15,319	-29,915	-18,736	-14,398
Investment Income	25,609	-12.026	26,685	25,351	23,758
Overall Surplus (Deficit)	27,305	3,293	-3,230	6,615	9,360
Net Assets	394,296	385,273	398,118	391,495	390,816
Net Outstanding Claims	206,285	224,566	240,704	230,851	236,787
Free Reserves	188,012	160,707	157,414	160,644	154,029

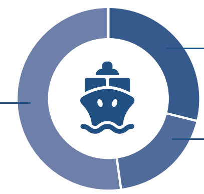
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	97.9%	82.5%	134.4%	121.8%	118.0%
Investment Return	8.4%	-2.5%	5.5%	7.0%	6.9%
Increase in Owned GT	-1.1%	1.4%	1.6%	4.6%	1.7%
Increase in Free Reserves	17.0%	2.1%	-2.0%	4.3%	6.5%
Free Reserves / GT	$4.28	$3.62	$3.59	$3.73	$3.74
Solvency Ratio	191%	172%	165%	170%	165%
Average Expense Ratio	9.5%	9.5%	8.8%	8.4%	9.6%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



THE NORTH OF ENGLAND P&I ASSOCIATION LIMITED

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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
140,000	11.73%	0.00%	$428,348	$430,775	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	140,000	131,000	127,000	131,000	127,000
Chartered	50,000	54,000	43,000	49,000	43,000
Market Share by Owned GT	11.73%	11.40%	11.41%	12.27%	12.28%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/-5	0/0	0/0	0/0
Release	15	5	0	0	Closed
General Increase	0	2.5	4.75	7.5	15

Supplementary and Release Calls are constantly updated as per Club Circulars.

FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	428,348	489,810	471,083	383,534	365,347
Reinsurance Costs	91,257	114,572	125,173	77,885	70,788
Net Claims (Incurred)	246,013	196,040	305,808	231,627	253,512
Net Operating Expenses	82,830	95,727	74,497	53,600	51,300
Underwriting Result	8,248	83,471	-34,395	20,422	-10,253
Investment Income	24,367	-7,299	39,667	13,100	8,500
Overall Surplus (Deficit) [1]	2,374	90,292	25,835	0	-1,753
Net Assets	1,003,422	1,014,650	1,000,410	935,751	917,723
Net Outstanding Claims	572,647	586,249	662,301	623,477	605,487
Free Reserves	430,775	428,401	338,109	312,274	312,236

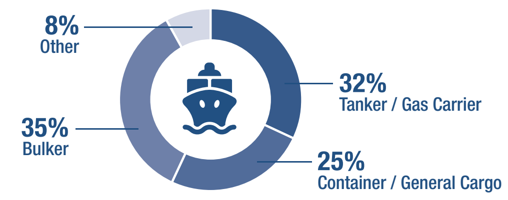
1) Overall surplus 2016/17 incl. the remeasurement losses on defined benefit plans of USD 30.2 million.

KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	97.6%	77.8%	109.9%	93.3%	103.5%
Investment Return	2.8%	-1.3%	4.3%	1.9%	1.6%
Increase in Owned GT	6.9%	3.1%	-3.1%	3.1%	3.3%
Increase in Free Reserves	0.6%	26.7%	8.3%	0.0%	-0.6%
Free Reserves / GT	$3.08	$3.27	$2.66	$2.38	$2.46
Solvency Ratio	175%	173%	151%	150%	152%
Average Expense Ratio	12.0%	12.4%	12.4%	12.5%	13.1%

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE



THE SHIPOWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION (LUXEMBOURG)

SHIPOWNERS

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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
25,400	2.12%	0.00%	$228,580	$294,041	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	25,400	24,600	23,500	23,600	21,900
Chartered	500	500	500	500	800
Market Share by Owned GT	2.12%	2.14%	2.11%	2.21%	2.12%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/0	0/0	0/0
Release	0	0	0	0	0
General Increase	0	0	0	5	5

Supplementary and Release Calls are constantly updated as per Club Circulars.

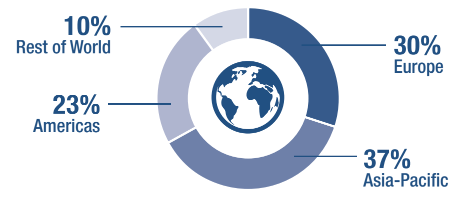
FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	228,580	209,881	247,342	243,715	221,925
Reinsurance Costs	27,527	27,870	36,243	30,664	21,795
Net Claims (Incurred)	149,087	136,060	145,493	158,462	146,871
Net Operating Expenses	49,164	42,704	54,168	52,255	44,321
Underwriting Result	2,802	3,247	11,438	2,334	8,938
Investment Income	11,861	-24,142	-10,020	20,888	31,935
Overall Surplus (Deficit)	14,663	-20,895	1,418	23,222	40,873
Net Assets	624,016	604,661	610,129	618,784	565,570
Net Outstanding Claims	329,975	325,283	309,856	319,929	289,937
Free Reserves	294,041	279,378	300,273	298,855	275,633

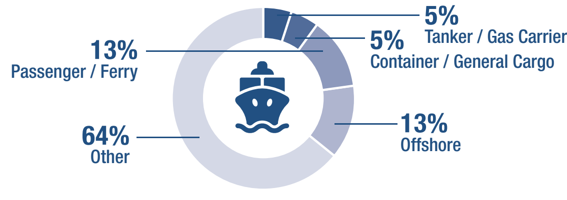
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	98.6%	98.2%	94.6%	98.9%	95.5%
Investment Return	3.5%	-3.0%	-0.9%	4.4%	7.8%
Increase in Owned GT	3.3%	4.7%	-0.4%	7.8%	10.6%
Increase in Free Reserves	5.2%	-7.0%	0.5%	8.4%	17.4%
Free Reserves / GT	$11.58	$11.36	$12.78	$12.66	$12.59
Solvency Ratio	189%	186%	197%	193%	195%
Average Expense Ratio	22.0%	21.0%	20.0%	18.0%	20.0%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



ASSURANCEFORENINGEN SKULD

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Office Locations:
Oslo, Bergen, Copenhagen, Hamburg, Hong Kong, London, New York, Piraeus, Singapore

KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
85,000	7.12%	n/a	$403,235	$394,075	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	85,000	78,000	74,000	75,000	72,000
Chartered	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed
Market Share by Owned GT	7.12%	6.79%	6.65%	7.03%	6.96%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/-2.5	0/0	0/0
Release	15	7.5	3	0	Closed
General Increase [1]	n/a	n/a	n/a	n/a	n/a

Supplementary and Release Calls are constantly updated as per Club Circulars.
1) Skuld has decided to abandon the principle of a general increase on 2nd September 2010. Since that time Skuld performs an individual risk evaluation of each member when assessing the policy year premium requirement and is not setting a general increase on premium ratings.

FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16 Restated	2014/15	2013/14	2012/13
Gross Written Premium	403,235	414,837	411,246	379,391	317,936
Reinsurance Costs	71,636	56,663	63,622	56,557	40,244
Net Claims (Incurred)	229,143	243,276	259,057	245,554	212,167
Net Operating Expenses	88,510	87,971	87,781	73,321	64,556
Underwriting Result	13,946	26,927	786	3,959	969
Investment Income	36,619	-9,035	12,352	25,098	16,550
Overall Surplus (Deficit) [2]	45,845	13,035	647	29,057	17,519
Net Assets	898,709	858,933	831,998	804,707	720,548
Net Outstanding Claims	507,194	511,526	497,578	470,159	412,123
Free Reserves	394,075	348,230	335,195	334,548	308,425

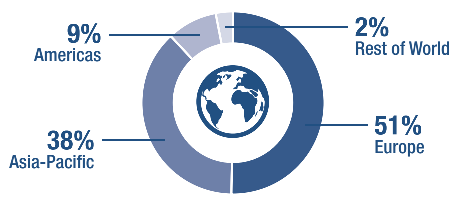
2) The overall results 2016/17 and 2015/16 include the premium credit for members USD 4.7 million and USD 4.9 million, respectively.

KEY PERFORMANCE INDICATORS

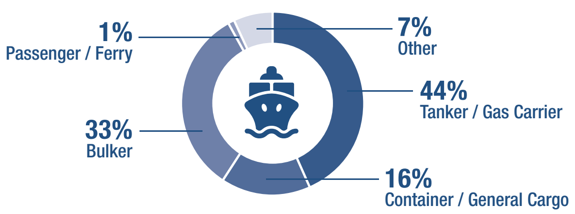
	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	95.8%	92.5%	99.8%	98.8%	99.7%
Investment Return	3.4%	-1.6%	1.9%	5.4%	3.0%
Increase in Owned GT	9.0%	5.4%	-1.3%	4.2%	10.8%
Increase in Free Reserves	13.2%	3.9%	0.2%	8.5%	5.8%
Free Reserves / GT	$4.64	$4.46	$4.53	$4.46	$4.28
Solvency Ratio	177%	168%	167%	171%	175%
Average Expense Ratio	12.8%	12.8%	12.9%	12.3%	12.3%

Group figures incl. the results of Skuld Syndicate 1897.

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



THE STANDARD CLUB LIMITED

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Office Locations:
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KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
126,200	10.58%	0.00%	$338,800	$430,500	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	126,000	116,000	112,000	108,000	109,000
Chartered	24,000	22,000	23,000	23,000	26,000
Market Share by Owned GT	10.58%	10.09%	10.06%	10.12%	10.54%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/-5	0/0	0/0	0/0
Release	6	0	0	Closed	Closed
General Increase	0	2.5	5	12.5	7.5

Supplementary and Release Calls are constantly updated as per Club Circulars.

FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	338,800	354,300	354,000	336,100	294,100
Reinsurance Costs	77,000	90,100	92,000	82,900	62,900
Net Claims (Incurred)	200,800	206,900	233,800	230,900	244,700
Net Operating Expenses	43,500	39,600	28,600	26,500	26,100
Underwriting Result	17,500	17,700	-400	-4,200	-39,600
Investment Income	22,800	-7,800	12,200	10,100	49,600
Overall Surplus (Deficit)	40,300	9,900	11,800	5,900	10,000
Net Assets	984,700	972,800	956,500	949,300	916,000
Net Outstanding Claims	554,200	582,700	576,200	580,800	553,400
Free Reserves	430,500	390,100	380,300	368,500	362,600

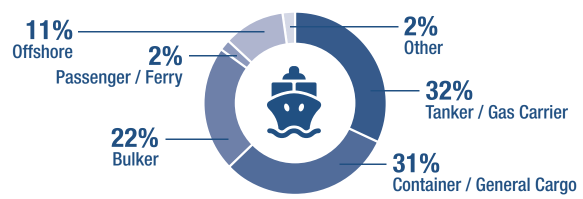
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	93.3%	93.3%	100.2%	101.7%	117.1%
Investment Return [1]	3.0%	-0.9%	1.8%	0.6%	6.6%
Increase in Owned GT	8.8%	3.6%	3.7%	-0.9%	6.9%
Increase in Free Reserves	10.4%	2.6%	3.2%	1.6%	2.8%
Free Reserves / GT	$3.41	$3.36	$3.40	$3.41	$3.33%
Solvency Ratio	178%	167%	166%	163%	166%
Average Expense Ratio	12.4%	12.2%	11.4%	10.9%	13.2%

Group figures incl. the results of Standard Syndicate 1884.

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE



THE STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

STEAMSHIP MUTUAL

Aquatical House 39, Bell Lane
London E1 7LU
United Kingdom
www.steamshipmutual.com

Office Locations:
London, Bermuda, Hong Kong, Piraeus, Rio de Janeiro, Singapore

KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
84,600	7.09%	0.00%	$305,642	$510,290	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	84,600	77,800	74,300	68,700	65,300
Chartered	66,700	51,200	46,000	45,000	37,000
Market Share by Owned GT	7.09%	6.77%	6.67%	6.44%	6.31%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/0	0/-10	0/0
Release	12.5	2.5	0	Closed	Closed
General Increase	0	0	0	10	7.5

Supplementary and Release Calls are constantly updated as per Club Circulars.

FINANCIAL STATEMENTS ($'000)

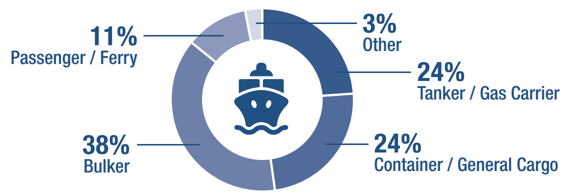
	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	305,642	350,329	365,341	345,731	315,265
Reinsurance Costs	56,033	64,830	69,002	61,169	44,323
Net Claims (Incurred)	168,455	167,930	187,614	232,450	266,261
Net Operating Expenses	39,219	41,397	45,421	42,823	38,456
Underwriting Result	41,935	76,172	63,304	9,289	-33,775
Investment Income	28,034	-12,038	11,684	5,703	24,144
Overall Surplus (Deficit)	69,969	64,134	74,988	14,992	-9,631
Net Assets	1,072,847	1,053,343	1,027,360	985,701	941,418
Net Outstanding Claims	562,557	613,022	651,173	684,502	655,211
Free Reserves	510,290	440,321	376,187	301,199	286,207

KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	83.2%	73.3%	78.6%	96.7%	112.5%
Investment Return	2.8%	-0.2%	1.3%	0.9%	3.0%
Increase in Owned GT	8.7%	4.7%	8.2%	5.2%	4.3%
Increase in Free Reserves	15.9%	17.0%	24.9%	5.2%	-3.3%
Free Reserves / GT	$6.03%	$5.66	$5.06	$4.38	$4.38
Solvency Ratio	191%	172%	158%	144%	144%
Average Expense Ratio	12.1%	12.1%	11.8%	11.3%	12.4%

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE



SVERIGES ÅNGFARTYGS ASSURANS FÖRENING (THE SWEDISH CLUB)

The Swedish Club

Gulbergs Strandgata 6
411 04 Gothenburg
Sweden
www.swedishclub.com

Office Locations:
Gothenburg, Hong Kong, London, Oslo, Piraeus, Tokyo

KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
46,800	3.92%	0.00%	$167,265	$194,115	BBB+

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	46,800	43,600	41,500	37,100	34,800
Chartered	24,200	21,700	20,500	17,400	16,600
Market Share by Owned GT	3.92%	3.79%	3.73%	3.48%	3.36%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/0	0/0	0/0
Release	15	10	5	Closed	Closed
General Increase	0	0	2.5	7.5	7.5

Supplementary and Release Calls are constantly updated as per Club Circulars.

FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	167,265	180,402	180,719	172,286	170,287
Reinsurance Costs	36,734	37,452	41,272	46,518	40,581
Net Claims (Incurred)	99,584	117,014	93,151	90,409	116,813
Net Operating Expenses	25,439	25,752	27,604	27,275	26,266
Underwriting Result	5,508	184	18,692	8,084	-13,373
Investment Income	8,910	-3,071	684	8,360	19,789
Overall Surplus (Deficit) [1]	11,041	-1,060	19,376	16,444	6,416
Net Assets	383,125	375,255	364,971	301,856	331,141
Net Outstanding Claims	188,244	192,181	180,836	137,098	182,827
Free Reserves	194,115	183,074	184,135	164,758	148,314

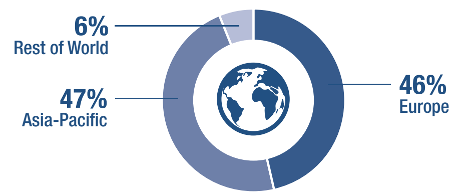
1) The overall result 2016/17 of the Swedish Club includes a change in value of receivables on Hydra of minus USD 3.3 million.

KEY PERFORMANCE INDICATORS

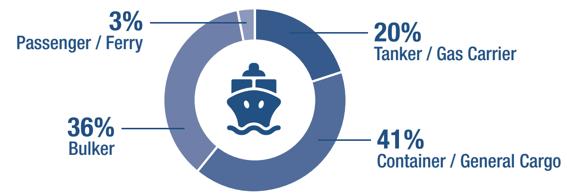
	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	95.8%	99.9%	86.6%	93.6%	110.3%
Investment Return	2.7%	-1.6%	1.6%	3.6%	8.0%
Increase in Owned GT	7.3%	5.1%	11.9%	6.6%	2.7%
Increase in Free Reserves	6.0%	-0.6%	11.8%	11.1%	4.5%
Free Reserves / GT	$4.15	$4.20	$4.44	$4.44	$4.26
Solvency Ratio	204%	195%	202%	220%	181%
Average Expense Ratio	13.3%	13.3%	13.0%	12.1%	13.3%

Group figures incl. the Marine & Energy underwriting divisions of The Swedish Club.

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED

UK P&I CLUB

90 Fenchurch Street
London EC3M 4ST
United Kingdom
www.ukpandi.com

Office Locations:
London, Bermuda, Hong Kong, Imabari, New Jersey, Piraeus, San Francisco, Shanghai, Singapore, Tokyo

KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
139,000	11.65%	0.00%	$376,170	$557,817	A

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	139,000	135,000	127,000	124,000	120,000
Chartered	100,000	100,000	98,000	80,000	80,000
Market Share by Owned GT	11.65%	11.75%	11.41%	11.62%	11.60%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	0/0	0/-3	0/-2.5	0/0
Release [1]	15	10	0	Closed	Closed
General Increase	0	2.5	6.5	10	7.5

Supplementary and Release Calls are constantly updated as per Club Circulars.
1) The release calls are a percentage of mutual premium plus any outstanding instalments of mutual premium.

FINANCIAL STATEMENTS ($'000)

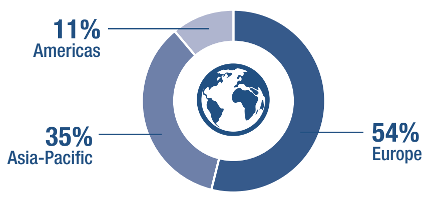
	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	376,170	385,360	408,059	396,281	352,950
Reinsurance Costs	81,082	81,414	88,969	93,502	73,190
Net Claims (Incurred)	273,619	241,252	289,936	268,906	258,679
Net Operating Expenses	43,595	44,874	43,961	40,942	41,133
Underwriting Result	-22,126	17,820	-14,807	-7,069	-20,052
Investment Income	32,659	-19,045	33,872	43,017	27,649
Overall Surplus (Deficit)	10,533	-1,225	19,065	35,948	7,597
Net Assets	1,268,556	1,248,255	1,262,845	1,291,115	1,248,919
Net Outstanding Claims	710,739	701,342	715,079	762,773	755,088
Free Reserves [2]	557,817	546,913	547,766	528,342	493,831

2) Free reserves incl. perpetual subordinated capital securities (hybrid capital) of USD 99.4 million.

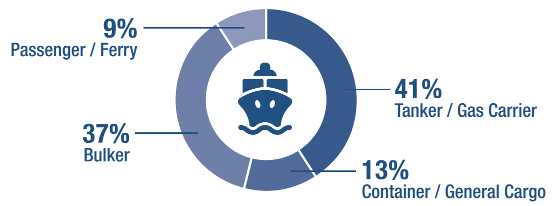
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	107.5%	94.1%	104.6%	102.3%	107.2%
Investment Return	4.6%	-1.0%	5.0%	4.5%	3.7%
Increase in Owned GT	3.0%	6.3%	2.4%	3.3%	7.1%
Increase in Free Reserves	2.0%	-0.2%	3.7%	7.0%	1.7%
Free Reserves / GT	$4.01	$4.05	$4.31	$4.26	$4.12
Solvency Ratio	178%	178%	177%	169%	165%
Average Expense Ratio	10.2%	10.2%	9.7%	9.4%	9.5%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



THE WEST OF ENGLAND SHIP OWNERS MUTUAL INSURANCE ASSOCIATION (LUXEMBOURG)

West of England

226 Tower Bridge Road
London SE 1 2UP
United Kingdom
www.westpandi.com

Office Locations:
London, Hong Kong, Luxembourg, Piraeus

KEY FIGURES

Owned GT ('000)	Market Share by GT	General Increase (2017/18)	Call Income ($'000)	Free Reserves ($'000)	S&P Rating
80,000	6.67%	0.00%	$221,849	$306,512	A-

GROSS TONNAGE ('000)

	2017	2016	2015	2014	2013
Owned	80,000	72,100	67,500	57,200	53,700
Chartered	30,000	27,900	22,500	20,000	17,000
Market Share by Owned GT	6.67%	6.27%	6.06%	5.36%	5.19%

CALLS & GENERAL INCREASE (%)

	2017/18	2016/17	2015/16	2014/15	2013/14
Original Estimate / Called	n/a	35/35	35/35	35/35	35/35
Release	20	10	0	Closed	Closed
General Increase	0	0	2.5	7.5	7.5

Supplementary and Release Calls are constantly updated as per Club Circulars.

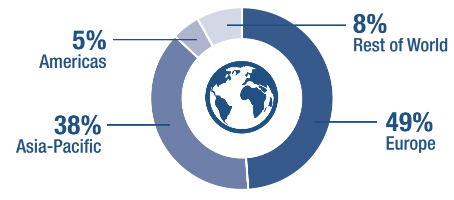
FINANCIAL STATEMENTS ($'000)

	2016/17	2015/16	2014/15	2013/14	2012/13
Gross Written Premium	221,849	227,614	216,798	203,311	195,483
Reinsurance Costs	40,172	43,927	40,619	36,369	29,187
Net Claims (Incurred)	123,772	118,072	136,280	133,485	135,168
Net Operating Expenses	34,688	35,466	35,350	34,854	35,264
Underwriting Result	23,217	30,149	4,549	-1,397	-4,136
Investment Income	6,634	2,820	22,947	13,748	21,215
Overall Surplus (Deficit)	29,851	32,969	27,496	12,351	17,079
Net Assets	703,001	680,166	653,978	638,045	626,020
Net Outstanding Claims	396,489	403,505	410,286	421,849	428,599
Free Reserves	306,512	276,661	243,692	216,196	197,421

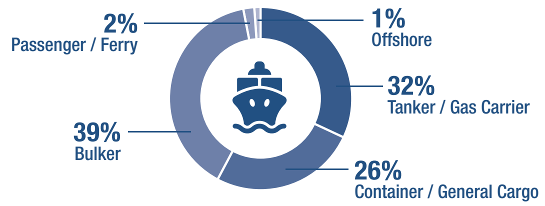
KEY PERFORMANCE INDICATORS

	2016/17	2015/16	2014/15	2013/14	2012/13
Net Combined Ratio	87.2%	83.6%	97.4%	100.8%	102.5%
Investment Return	1.0%	0.8%	4.3%	3.4%	3.8%
Increase in Owned GT	11.0%	6.8%	18.0%	6.5%	5.5%
Increase in Free Reserves	10.8%	13.5%	12.7%	9.5%	10.1%
Free Reserves / GT	$3.83	$3.84	$3.61	$3.78	$3.68
Solvency Ratio	177%	169%	159%	151%	146%
Average Expense Ratio	15.2%	15.5%	14.9%	14.2%	15.4%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE

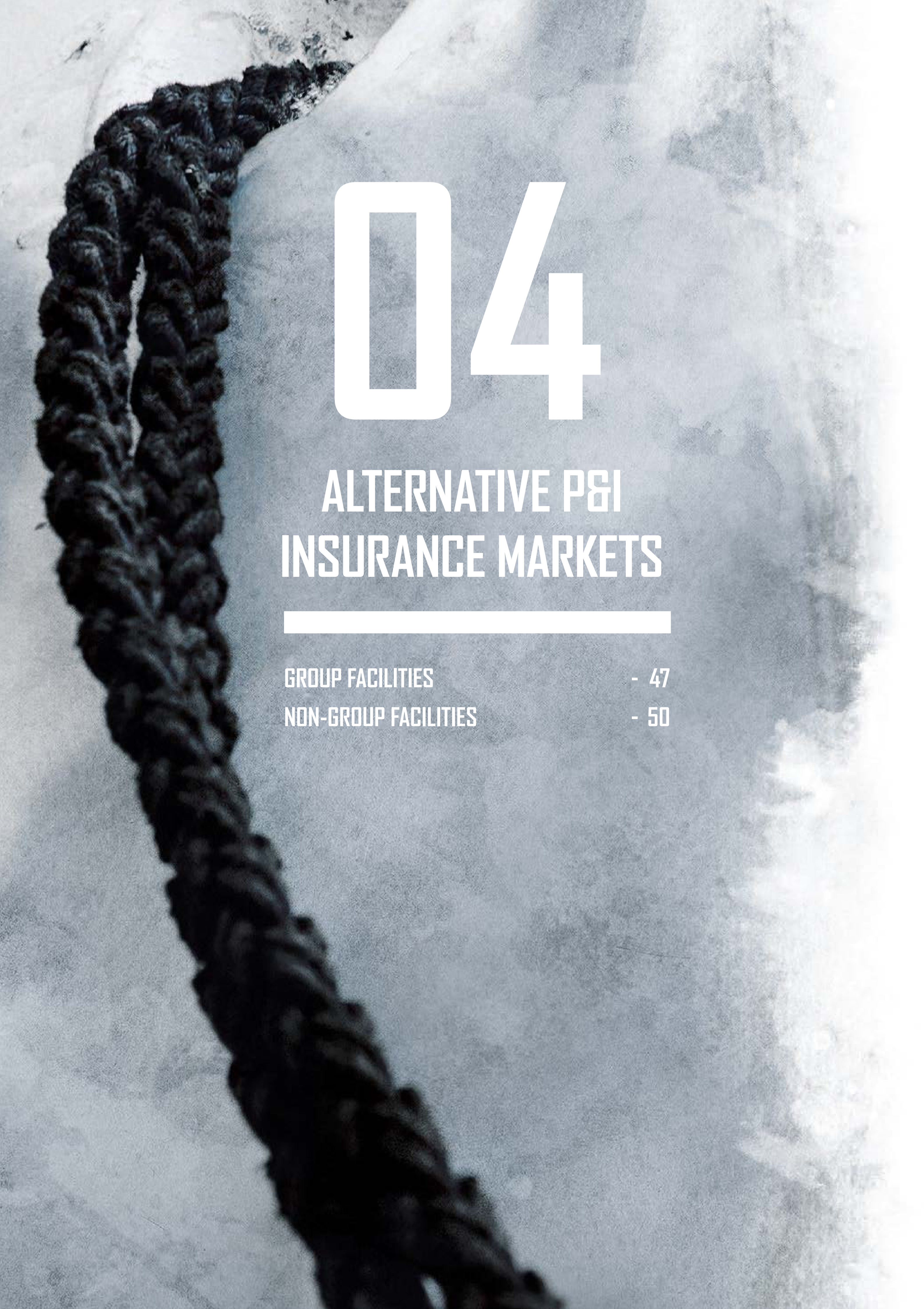


P&I REPORT 2017/18

COMPARISON OF INDIVIDUAL CLUB RESULTS ACROSS THE GROUP 2016/17

FINANCIAL STATEMENTS ($'000)	The American Club	Britannia	Gard	Japan (Since 1950)	The London P&I Club	North	Shipowners	Skuld	The Standard	Steamship Mutual	The Swedish Club	UK P&I Club	West of England	IGP&I
Gross Written Premium	109,493	225,854	767,364	221,126	102,891	428,348	228,580	403,235	338,800	305,642	167,265	376,170	221,849	3,896,617
Reinsurance Costs	14,168	39,498	150,181	49,132	20,181	91,257	27,527	71,636	77,000	56,033	36,734	81,082	40,172	754,601
Net Claims (Incurred)	70,761	114,789	493,045	122,604	69,472	246,013	149,087	229,143	200,800	168,455	99,584	273,619	123,772	2,361,144
Net Operating Expenses	37,744	25,719	84,588	24,134	11,542	82,830	49,164	88,510	43,500	39,219	25,439	43,595	34,688	590,672
Underwriting Result	-13,180	45,848	39,550	25,256	1,696	8,248	2,802	13,946	17,500	41,935	5,508	-22,126	23,217	190,200
Investment Income	8,188	42,498	86,726	-3,096	25,609	24,367	11,861	36,619	22,800	28,034	8,910	32,659	6,634	331,809
Overall Surplus (Deficit)	-4,992	88,346	124,749	22,160	27,305	2,374	14,663	45,845	40,300	69,969	11,041	10,533	29,851	482,144
Net Assets	223,124	1,406,583	2,287,206	501,715	394,296	1,003,422	624,016	898,709	984,700	1,072,847	383,125	1,268,556	703,001	11,751,300
Net Outstanding Claims	171,706	805,541	1,152,343	293,292	206,285	572,647	329,975	507,194	554,200	562,557	188,244	710,739	396,489	6,451,212
Free Reserves	51,418	601,042	1,134,863	208,423	188,012	430,775	294,041	394,075	430,500	510,290	194,115	557,817	306,512	5,301,883

KEY PERFORMANCE INDICATORS	The American Club	Britannia	Gard	Japan (Since 1950)	The London P&I Club	North	Shipowners	Skuld	The Standard	Steamship Mutual	The Swedish Club	UK P&I Club	West of England	IGP&I
S&P Rating	BBB-	A	A+	BBB+	BBB	A	A	A	A	A	BBB+	A	A-	–
Owned Tonnage ('000)	16,500	100,900	216,600	88,200	43,900	140,000	25,400	85,000	126,200	84,600	46,800	139,000	80,000	1,193,100
General Increase (2017/18)	0	0	0	0	0	0	0	n/a	0	0	0	0	0	0
Net Combined Ratio	113.8%	75.4%	93.6%	85.3%	97.9%	97.6%	98.6%	95.8%	93.3%	83.2%	95.8%	107.5%	87.2%	93.9%
Investment Return	2.4%	3.0%	4.7%	2.0%	8.4%	2.8%	3.5%	3.4%	3.0%	2.8%	2.7%	4.6%	1.0%	3.4%
Increase in Owned GT	3.1%	-4.7%	0.7%	-1.6%	-1.1%	6.9%	3.3%	9.0%	8.8%	8.7%	7.3%	3.0%	11.0%	3.8%
Increase in Free Reserves	-8.8%	17.2%	12.3%	11.4%	17.0%	0.6%	5.2%	13.2%	10.4%	15.9%	6.0%	2.0%	10.8%	10.0%
Free Reserves / GT	$3.12	$5.96	$5.24	$2.36	$4.28	$3.08	$11.58	$4.64	$3.41	$6.03	$4.15	$4.01	$3.83	$4.44
Solvency Ratio	130%	175%	198%	171%	191%	175%	189%	177%	178%	191%	204%	178%	177%	182%
Average Expense Ratio	25.7%	9.4%	12.0%	5.5%	9.5%	12.0%	22.0%	12.8%	12.4%	12.1%	13.3%	10.2%	15.2%	13.2%



04

ALTERNATIVE P&I INSURANCE MARKETS

GROUP FACILITIES - 47
NON-GROUP FACILITIES - 50

GROUP FACILITIES

CARINA
P&I COVER FOR SMALL SHIPS

CARINA

Regis House, 45 King William Street
London EC4R 9AN
United Kingdom
www.carinapandi.com

Security:
Lloyd's of London

S&P Rating:
A+

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
3,080	$12,100	$500 million	6,500	No U.S. flagged or managed/domiciled business

EAGLE OCEAN MARINE

EAGLE OCEAN MARINE

One Battery Park Plaza, 31st Floor
New York 10004
United States of America
www.eagleoceanmarine.com

Security:
American Club

S&P Rating:
BBB-

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
1,866	$8,400	$500 million	25,000	No U.S. flagged business or trade

JAPAN
Since 1950

JAPAN CLUB - NAIKO CLASS

2-15-14, Nihonbashi-Ningyocho
Chuoh-ko Tokyo 103-0013
Japan
www.piclub.or.jp

Security:
Japan Club

S&P Rating:
BBB+

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage
2,500	$18,923	¥8.0 billion	Undisclosed	Cover for Japanese coastal vessels (Naiko Class) only

The London P&I Club

LONDON P&I CLUB

50 Leman Street
London E1 8HQ
United Kingdom
www.londonpandi.com

Security:
London P&I Club

S&P Rating:
BBB

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
300	Undisclosed	$500 million	12,500	No passenger vessels, vessels over 35 years of age / U.S. owned or flagged, North Korean owned or flagged

SHIPOWNERS

St. Claire House, 30-33 Minories
London EC3N 1BP
United Kingdom
www.shipownersclub.com

Security: Shipowners

S&P Rating: A

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage
7,676	$65,803	$1 billion	Fish / Yachts - No Limit Barges < 6,000 All other < 1,000	Inland vessels (dry cargo, passenger and tankers), ferries, fishing vessels, yachts, tugs, barges and other harbour crafts

SKULD

Rådhusgaten 27
0158 Oslo
Norway
www.skuld.com

Security: Skuld

S&P Rating: A

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
2,300	$19,000	$1 billion	25,000	–

THE STANDARD CLUB

Standard House, 12-13 Essex Street
London WC2R 3AA
United Kingdom
www.standard-club.com

Security: The Standard Club

S&P Rating: A

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage
Undisclosed	Undisclosed	$1 billion	No Limit	Each enquiry is individually considered, subject to risks profile, worldwide trade and any size of ship

THE STEAMSHIP MUTUAL

Aquatical House 39, Bell Lane
London E17 7LU
United Kingdom
www.steamshipmutual.com

Security: The Steamship Mutual

S&P Rating: A

KEY FIGURES

Vessels Insured	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max	Coverage
4,500	Undisclosed	$1 billion	No Limit	Cover for yachts and inland crafts trading in European inland waters only

P&I REPORT 2017/18

THOMAS MILLER SPECIALTY

90 Fenchurch Street,
London EC3M 4ST
United Kingdom
www.thomasmillerspecialty.com

Security: Lloyd's of London

S&P Rating: A+

KEY FIGURES

Vessels Insured	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
2,900	$20,000	$500 million	25,000 Dry Cargo 10,000 All others	Avoids tankers carrying persistent oil cargoes

WEST OF ENGLAND

226 Tower Bridge Road
London SE 1 2UP
United Kingdom
www.westpandi.com

Security: West of England

S&P Rating: A-

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max	Exclusions
< 1,000	Undisclosed	$500 million	average ship size < 5,000	No dirty oil cargoes, fare paying passengers, U.S. waters trade, fish boats

P&I REPORT 2017/18

NON-GROUP FACILITIES

BRITISH MARINE

Plantation Place, 30 Fenchurch Street
London EC3M 3BD
United Kingdom
www.britishmarine.com

Security:
QBE Insurance (Europe) Ltd

S&P Rating:
A+

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage / Exclusions
9,200	$85,000	$500 million with ability to offer $1 billion in select cases	Preferable ships below 15,000 GT	Considering US risks (excluding tankers), Not writing Turkish business

HANSEATIC UNDERWRITERS

Kreuzfahrtcenter, Van-der-Smissen-Str. 1
22767 Hamburg
Germany
www.hanseatic-underwriters.com

Security:
Lloyd's of London

S&P Rating:
A+

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage / Exclusions
3,150	$21,050	$500 million	30,000 Bulker 20,000 Tanker	Owners & Charterers P&I / No U.S. flagged or managed business

HYDOR

Rådhusgaten 25
0158 Oslo
Norway
www.hydor.no

Security:
Lloyds of London (ANV Syndicates) and Markel International

S&P Rating:
A+

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage / Exclusions
1,956	$17,500	$1 billion	45,000	Owners & Charterers P&I / No U.S. flagged or U.S. crewed vessels

LODESTAR MARINE

Walsingham House, 35 Seething Lane
London EC3N 4AH
United Kingdom
www.lodestar-marine.com

Security:
Royal & Sun Alliance

S&P Rating:
A

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
4,200	$29,000	$1 billion	40,000 Bulker 10,000 Tanker 20,000 All others	U.S. flag except for yachts

NAVIGATORS P&I

6 Bevis Marks, Navigators, Floor 7-8
London EC3A 7BA
United Kingdom
www.navg.com

Security:
Navigators Insurance Company

S&P Rating:
A

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Exclusions
2,500	$21,000	$1 billion	25,000	Dislike U.S. flagged business

MS AMLIN MARINE N.V.

Fascinatio Boulevard 622
2909 VA Capelle A/D Ijssel
The Netherlands
www.raetsmarine.com

Security:
MS Amlin Syndicate 2001

S&P Rating:
A+

KEY FIGURES

Owned GT ('000)	Premium Income ($'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage
12,750	$42,500	$1 billion	40,000	Owners & Charterers P&I

CHARTERAMA

Veerkade 1
3016 DE Rotterdam
The Netherlands
www.charterama.nl

Security:
Royal & Sun Alliance

S&P Rating:
A

KEY FIGURES

Vessels Insured	Premium Income ($'000)	Maximum P&I Limit	Charterers P&I Max GT	Coverage
10,000	$9,750	$350 million	No Limit	Charterers P&I / FD&D

CHARTERERS P&I CLUB

65 Leadenhall Street
London EC3A 2AD
United Kingdom
www.themecogroup.co.uk/charterers-liability-insurance/

Security:
Great Lakes / Munich Re

S&P Rating:
AA-

KEY FIGURES

Vessels Insured	Premium Income ($'000)	Maximum P&I Limit	Charterers P&I Max GT	Coverage
15,000	$29,000	$500 million	No Limit	Charterers P&I only

NORWEGIAN HULL CLUB

Olav Kyrresgate 11
5014 Bergen
Norway
www.norclub.no

Security:
Norwegian Hull Club

S&P Rating:
A

KEY FIGURES

Vessels Insured	Premium Income ($'000)	Maximum P&I Limit	Charterers P&I Max GT	Coverage
6,900	$8,000	$1 billion	No Limit	Charterers P&I only

GLOSSARY

GWP, GROSS WRITTEN PREMIUM:	Total gross calls.
REINSURANCE COSTS:	All reinsurance premiums paid to the Group pool and market underwriters.
NWP, NET WRITTEN PREMIUM:	Gross written premium less reinsurance costs.
NET CLAIMS (INCURRED):	Gross paid claims less reinsurance recoveries plus change in the provision for outstanding claims.
NET OPERATING EXPENSES:	All administrative expenses and business acquisition costs (brokerage).
UNDERWRITING RESULT:	Net written premium less net claims (incurred) and net operating expenses.
INVESTMENT INCOME:	All investment income, including tax, foreign exchange gains/ losses, revaluations as well as other comprehensive income/expenses etc.
OVERALL SURPLUS (DEFICIT):	Underwriting result plus investment income.
NET ASSETS:	Total assets less creditors, less miscellaneous provisions for pensions, taxes, etc.
NET OUTSTANDING CLAIMS:	Total net estimated outstanding claims.
FREE RESERVES:	Net assets less net outstanding claims.
NET COMBINED RATIO:	Net claims (incurred) plus net operating expenses divided by net written premium.
INVESTMENT RETURN:	Return on invested assets and cash.
SOLVENCY RATIO:	Net assets divided by net outstanding claims.
AER, AVERAGE EXPENSE RATIO:	In accordance with Schedule 3 of the International Group Agreement 1999, all members of the International Group of P&I Clubs are required to report the AER for P&I business. This is a measure of cost-effectiveness. AER is measured in U.S. dollar and calculated for the latest five-year period by relating operating costs, excluding claims handling costs, connected with P&I activity to premium plus investment income concerning P&I activity.

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Concept, design and realization: RR-Media (rr-m.de)

LIST OF REFERENCE / USEFUL LINKS

INTERNATIONAL GROUP OF P&I CLUBS

AMERICAN	www.american-club.com
BRITANNIA	www.britanniapandi.com
GARD	www.gard.no
JAPAN	www.piclub.or.jp
LONDON	www.londonpandi.com
NORTH	www.nepia.com
SHIPOWNERS	www.shipownersclub.com
SKULD	www.skuld.com
STANDARD	www.standard-club.com
STEAMSHIP	www.steamshipmutual.com
SWEDISH	www.swedishclub.com
UK	www.ukpandi.com
WEST	www.westpandi.com

ALTERNATIVE P&I INSURANCE MARKETS

BRITISH MARINE	www.britishmarine.com
CARINA	www.carinapandi.com
EAGLE OCEAN MARINE	www.eagleoceanmarine.com
HANSEATIC	www.hanseatic-underwriters.com
HYDOR	www.hydor.no
LODESTAR	www.lodestar-marine.com
NAVIGATORS P&I	www.navg.com
RAETSMARINE	www.raetsmarine.com
THOMAS MILLER SPECIALTY / OSPREY P&I	www.thomasmillerspecialty.com
CHARTERAMA	www.charterama.nl
CHARTERERS P&I CLUB	www.themecogroup.co.uk/charterers-liability-insurance/
NORWEGIAN HULL CLUB	www.norclub.no

MARITIME ASSOCIATIONS & ORGANISATIONS

BALTIC INTERNATIONAL MARITIME COUNCIL	www.bimco.org
EUROPEAN COMMISSION (BANKING AND FINANCE)	www.ec.europe.eu
INTERNATIONAL GROUP OF P&I CLUBS	www.igpandi.org
INTERNATIONAL MARITIME BUREAU	www.icc-ccs.org
INTERNATIONAL MARITIME ORGANIZATION	www.imo.org
INTERNATIONAL TANKERS OWNERS POLLUTION FEDERATION	www.itopf.com
INTERNATIONAL UNION OF MARINE INSURANCE	www.iumi.com
LLOYD'S LIST	www.lloydslist.com
TRADEWINDS	www.tradewindsnews.com

WWW.GEORG-DUNCKER.COM

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