

P&I

REPORT 2016/17

FOREWORD

The time has come again that we are pleased to provide you with our annual P&I report to give you an overview of the latest developments of the P&I market and a forecast for the upcoming P&I renewal 2017/18.

In 2016 possibly the most decisive events for the insurance industry had been the stock market crashes in January and after the UK referendum in June. At present nobody can exactly foresee when the Brexit will ultimately take place and which EU treaties and legislations will continue to apply. Regardless of the legal and political uncertainties, business in the financial service sector should start to make plans what needs to be considered when the UK's formal withdrawal becomes effective.

Before Brexit, there was Grexit and the European sovereign debt crisis which has primarily affected the southern member states of the EU. However, those developments have a significant impact on the European financial stability and according to ECB estimations the stock of non-performing loans in Eurozone banks has passed the one trillion euro mark already. While interest rates remain on a low or even negative level it will be tough for banks to offload bad loans, including shipping assets, from their books. In light of the strained situation in the banking sector regulators are looking very closely at the banks' balance sheets and also at their shipping books. We have seen that big shipping lenders are, especially this year, accelerating the reduction of their shipping portfolios by selling distressed shipping assets on a larger scale.

In the P&I world there have been also some notable developments like the discussions about a possible merger between the Britannia and the UK P&I Club announced in February 2016. The new established Club would have been the largest Club in terms of gross tonnage in the International Group ("the Group") combining some of the best shipowners and charterers worldwide. This Club could have transformed the P&I industry but at the end of June both Clubs informed their members that whilst a number of

potential synergies and benefits were identified during the process of due diligence, Britannia's Committee and the UK P&I Club's Board were unable to reach an agreement and the discussions have been terminated.

For the upcoming P&I renewal in February 2017 we are convinced that the Group Clubs will continue to waive a general increase, or keep it on a modest level. For the past policy year 2015/16, the underwriting results of almost all Clubs were positive, fostered by a sustained positive development on the claims side. On the financial side the last year has been quite challenging for the Clubs as nearly all of them reported negative investment returns reflecting the turbulences on the financial markets during the reporting period. Nevertheless, in the end eight out of 13 Group Clubs managed to achieve an overall surplus and the Group has closed the financial year 2015/16 with a record in free reserves of USD 4.83 billion.

One issue appears very clear – the vast majority of the Group Clubs are by far in a better financial condition than most of their members. In view of the positive development of the collective free reserves contrary to the difficult circumstances on the freight markets for almost all shipowners the question arises whether the Clubs will again ask for a general increase. As the majority of the well-capitalized Clubs are easily fulfilling the capital requirements of the regulators (Solvency II) and the rating agencies we share the opinion that there is no financial need to increase the P&I premiums at the upcoming renewal on 20th of February 2017.

We trust that the following analysis will give you an overview of the P&I market and provide you with all the necessary information to make the best decision for your forthcoming P&I renewal.

Christian and Matthias Ross
October 2016



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CURRENT MARKET ISSUES

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CONVENTIONS

Since our last P&I report there have been certain developments regarding the latest conventions and agreements which will affect the P&I Clubs as well as their members. During the last policy year the International Group has reported another benign year for pooled casualties but the risk of large claims in terms of number as well as magnitude should not be underestimated.

MARITIME LABOUR CONVENTION

The Maritime Labour Convention (MLC) 2006 has been ratified by more than 60 states so far and entered into force on the 20th of August 2013. More than 100 pages long, the MLC 2006 sets minimum requirements for nearly every aspect of working and living conditions for seafarers including recruitment and placement practices, conditions of employment, hours of work and rest, repatriation, annual leave, payment of wages, accommodation, recreational facilities, food and catering, health protection, occupational safety and health, medical care, onshore welfare services and social protection. The purpose of the MLC is the consolidation of many previous International Labour Organization instruments and to guarantee seafarers equal and acceptable conditions aboard vessels, no matter which flag they sail under. The IMO has revised the convention so that from January 2017 the requirements for financial security are extended and will cover abandonment of seafarers including not just repatriation costs but also unpaid back wages of up to four months and contractual claims for death and injury. The Boards of all Group Clubs have agreed that the cover should be extended to include back wages; however this liability will not be poolable and in accordance with this high risk exposure there have been the first enquiries for standalone reinsurance to address this liability. Further the discussions continue within the Group to agree a common endorsement of cover for members, which will be inserted into each ship's Certificate of Entry.

IG CLUBS VS. IOPC FUND

The members of the Group Clubs are still concerned about the relationship of the International Oil Pollution Compensation

(IOPC) Fund and the Group Clubs. Since Gard's announcement on the 28th of March 2014 that they have filed proceedings in the English High Court of Justice against the 1971 IOPC Fund to resolve outstanding issues in the Nissos Amorgos incident, the relationship between the Group Clubs and the IOPC Fund is under enormous pressure. While we were writing our annual report both parties published a statement that they have agreed a deal to resolve the dispute. Anyhow, there will be ongoing meetings between the P&I Clubs and the IOPC Fund to find a final agreement but the IOPC Fund is now agreeing to pay the cargo-side contribution of the oil industry in full as expected by the Group Clubs. Therefore members should not be worried about the review of the Small Tanker Oil Pollution Indemnification Agreement (STOPIA) and Tanker Oil Pollution Indemnification Agreement (TOPIA) which are both voluntary agreements between the P&I Clubs and the IOPC Fund and are due this year.

BALLAST WATER MANAGEMENT CONVENTION

Last September Finland has acceded to the Ballast Water Management Conventions (BMWV) bringing the global share of gross tonnage belonging to the 52 ratification states beyond the required 35%. Hence, the 12-year long ratification process will come to an end on 8th of September 2017 when the IMO treaty will enter into force. Shipowners have now less than one year left to prepare for the new requirements, particularly the convention's G8 guidelines for the approval of ballast water systems. BIMCO, as the world's largest international shipping association, have addressed their concerns in respect of the treatment systems designed to prevent the spread of invasive species via ballast water. It might be that shipowners are equipping their vessels with costly treatment systems without knowing if they will be allowed in US waters as the US Coast Guard has not approved any of those IMO systems yet. To reduce the uncertainty of the shipowners, P&I Clubs (or rather their managers) are advocating for a trial period and a more relaxed compliance to the guidelines after the Convention will enter into force in autumn 2017.



SANCTIONS

With ongoing geopolitical conflicts in Crimea, Ukraine, Syria, North Korea, and elsewhere, most of the long-standing sanctions have remained in place. But, there also have been some noteworthy positive developments in last 12 months such as the resumption of the diplomatic relations between U.S. and Cuba after more than half a century.

One of the most remarkable political achievements has been the suspension of the nuclear-related sanctions against Iran imposed by the United Nations, European Union, and the United States on 16th January 2016. However, the implementation of the Joint Comprehensive Plan of Action (JCPOA) agreed between the P5+1 countries and Iran did not result in a lifting of primary US sanctions. Consequently, it is still forbidden for US persons and financial institutions to be engaged in any business activities, including financial

transactions in US dollar, when an Iranian nexus is involved. The ongoing US primary sanctions have further restricted the participation of US domiciled insurers/reinsurers in the Group's commercial reinsurance programme as they are not allowed to provide insurance coverage to any Iranian-linked business. In order to close this potential gap of cover, which could have affected non-Iranian shipowners as well, the Group has set up a commercial "fall-back cover" placed with non-US reinsurers. The cover is an annual cover in respect of third party liabilities, whether or not these arise under so-called certified risks (full CLC, TOPIA and Wreck Removal Convention) or non-certified risks (cargo claims, collision, etc.). In the long-term, it is likely that the US reinsurers will be replaced in the Group's commercial reinsurance programme if the relevant US authorities (OFAC) are not permitting them to provide insurance coverage when Iranian interests are involved.

PIRACY

The downturn of piracy incidents and successful vessel captures around the globe continued their fall during 2016 according to statistics from the International Maritime Bureau (IMB) tracking crimes at sea. In response to the reduced incidents in the Eastern Indian Ocean the Joint War Committee (JWC) has revised the boundaries of the High Risk Area (HRA) for piracy from longitude 78° East to longitude 65° East. Another former hot spot has been the Horn of Africa and Somalia with 237 attacks reported in 2011, whereas the current year has seen only three incidents according to the IMB. The decline can be attributed to the EU mission Atalanta in combination with a significant presence of armed guards on board of the merchant vessels whilst transiting the HRA as well as the establishment of anti-piracy courts in Somalia and other states.

Despite the positive trend off the coast of Somalia, there have been some alarming developments on the other side of the continent in West Africa where piracy attacks are on the rise. In recent years, the mostly Nigerian pirates have changed their tactics from seizing whole ships or stealing their cargoes and fuels to abducting sailors for the payment of ransom. During the course of 2016 there have been at least 16 commercial seafarers kidnapped in Gulf of Guinea waters, most of them in the Niger Delta. It further appears that the attacks carried out are showing an enhanced level of brutality as the pirates often initiate their attacks by firing to intimidate the crew prior to boarding.

02

REVIEW OF THE P&I MARKET

GROUP FINANCIAL RESULTS 2015/16

MARKET SHARE OF P&I CLUBS

STANDARD AND POOR'S RATING OF P&I CLUBS

GENERAL INCREASE RECORD

SUPPLEMENTARY CALL RECORD

POOLING AND REINSURANCE

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GROUP FINANCIAL RESULTS 2015/16

**STRONG UNDERWRITING
PERFORMANCE: NET
COMBINED RATIO OF 89%**

**MODEST OVERALL
SURPLUS OF USD 207M**

**FIRST NEGATIVE
INVESTMENT RETURN
SINCE 2008/09: -1.1%**

**NET CLAIMS PER GT
DOWN BY 16%**

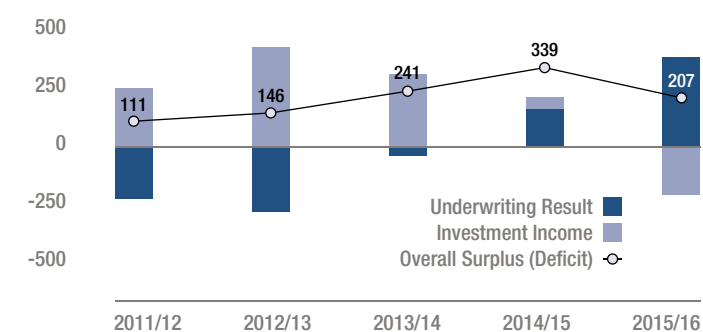
**HIGH-LEVEL FREE
RESERVES OF
USD 4.83BN (+4.7%)**

**GROWTH OF
ENTERED TONNAGE:
3.2% (1,149M GT)**

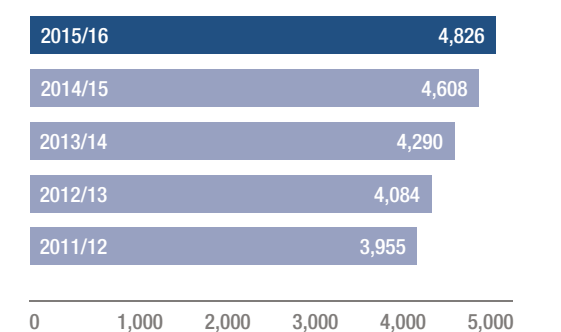
The Group recorded with USD 207.3 million a lower overall profit for the financial year to February 2016 compared to the last two years. The deterioration was mainly caused by notable investment losses following a sharp decline in the public equity markets. In an environment of volatile financial markets, the investment portfolios of the Group Clubs have suffered an aggregated loss of USD 206.9 million, delivering their worst annual result since the financial crisis in 2008/09. Despite those negative returns on the investment side, most of the P&I Clubs have been able to generate further cash resulting in a rise of the Groups free reserves by 4.7% to USD 4.83 billion.

The driving factor for the ongoing profitability has been an improved operating performance of the Clubs reflected in the drop of the combined ratio to 89% from 96% last year. While written gross premiums have grown quite modestly, there has been a significant fall in net claims per GT which were down by 16%. The frequency and severity of claims is influenced by numerous factors such as the state of the freight market, improved risk management solutions and the average age of the fleet. The increased deductibles imposed by most of the P&I Clubs at the last renewals have also triggered the downturn in claims as some minor causalities are now fully paid by the owners.

GROUP FINANCIAL PERFORMANCE (USD MILLION)



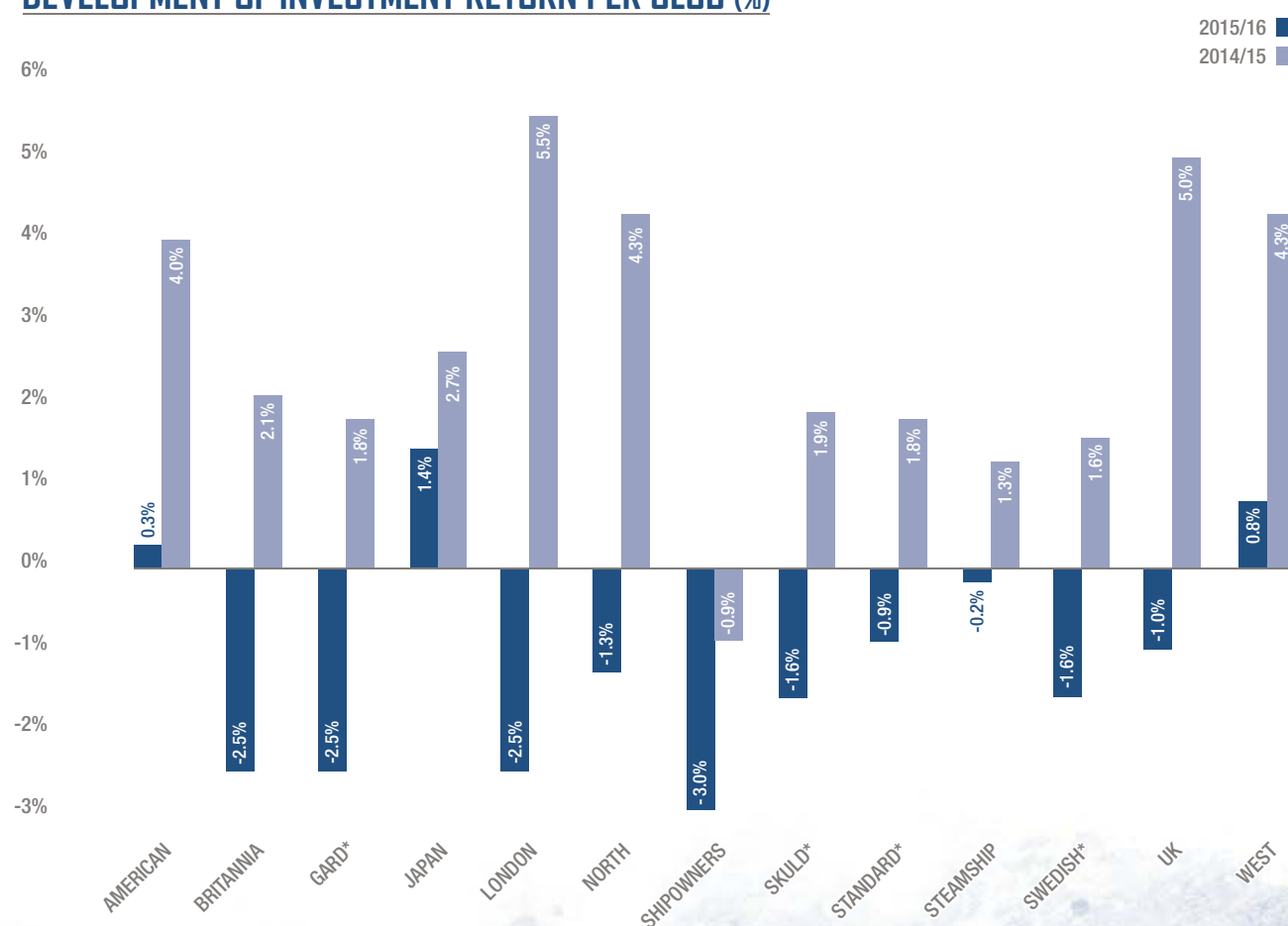
DEVELOPMENT OF FREE RESERVES (USD MILLION)



As the financial stability of the Group is crucially determined by the ups and downs on the international financial markets, it is worthwhile to review these in more detail. The start of the financial year 2015 was under the influence of the one trillion Euro bonds purchasing programme of the European Central Bank (ECB) stimulating optimism among the market participants and pushing up share prices. As the year progressed, however, the investment climate was clouded by

speculation about a possible Greek exit from the Eurozone, economic growth concerns in China and a severe recession in Brazil. As a result, exchange rates continued to become more volatile while the commodity markets, especially the prices for fossil fuels such as oil or coal, declined considerably. The appreciation of the US dollar against other major currencies has been also fostered by the U.S. Federal Reserve's rate hike by a quarter percent in December 2015.

DEVELOPMENT OF INVESTMENT RETURN PER CLUB (%)



* Consolidated Group figures

On the equity markets, most of the stocks have surged during the first half of 2015 while the year-end has been shaped by the turbulences on the Shanghai and Shenzhen stock exchanges. Especially emerging markets had a difficult year with the MSCI emerging market index dropping by nearly 15% while the MSCI world equity index slipped by 0.3% only. On the Wall Street the S&P 500 closed the year nearly unchanged while the European equities index EURO STOXX 50 rose by modest 6.4%. In the first two months of 2016 global stock markets plunged as a result of deep fears about the crash in oil prices and the economic weakness in China.

On the fixed-income markets conservative investors in treasuries and certain investment-grade bonds have been rewarded with positive returns while some riskier high-yield bonds generated sharp losses in 2015. Both developed and emerging market bonds denominated in local currency terms felt the impact of falling commodity prices and the strong US dollar. While most of the emerging market bonds measured in local currency declined during the year, the U.S., German and Japanese government bonds finished the 2015 with a modest total gain.

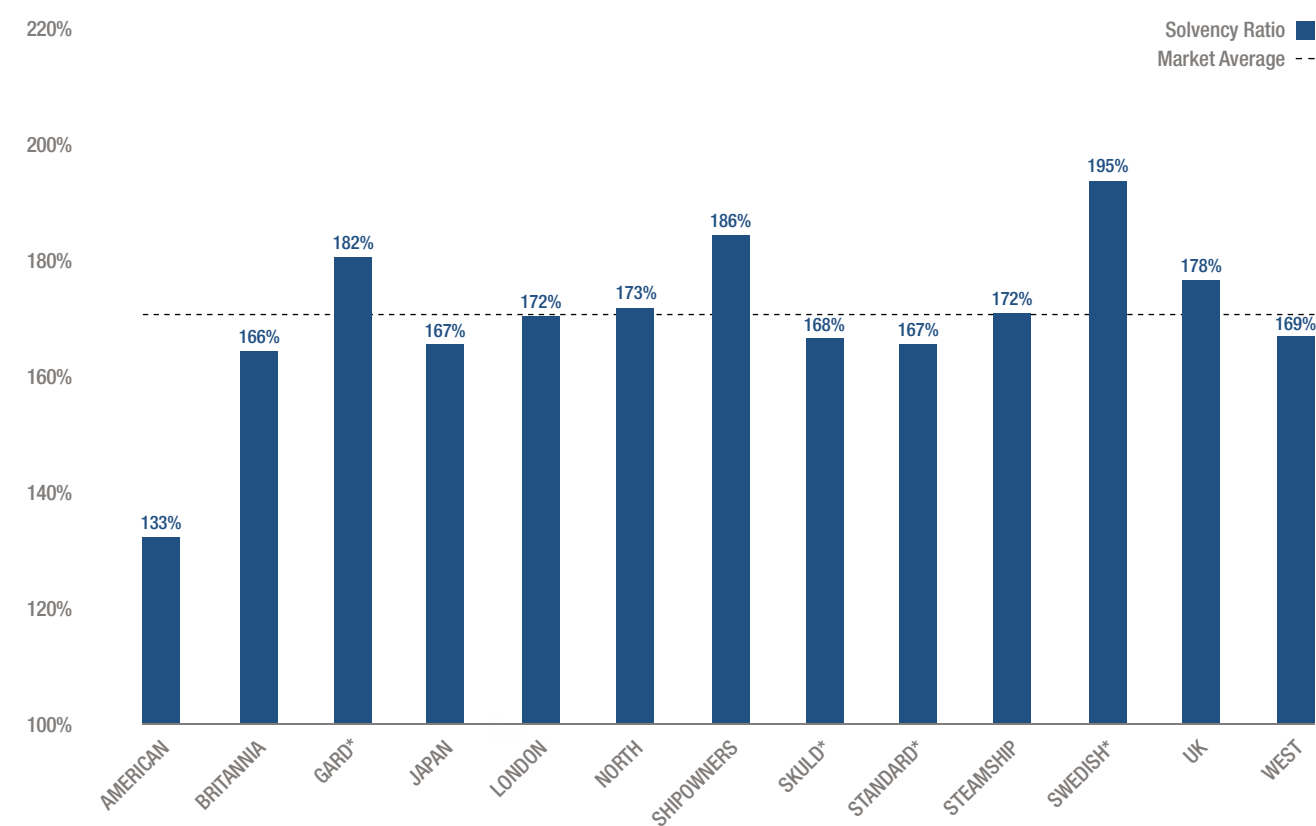
In response to the enhanced complexity and diversification of insurance companies operating in a fast-changing financial market, the more rigorous supervisory regime Solvency II came into effect on the 1st of January 2016. The new regulatory framework applies to most insurers and reinsurers with their head office in the European Union (EU), including mutuals such as P&I Clubs. It has to be seen how the Brexit affects the implementation of Solvency II, but it is likely that UK regulators will stick to the regulatory regime for the time being. In recent years, most of the Club managers have already put a lot of effort and money into preparing their Club for Solvency II compliance.

In accordance with the new reporting requirements, the Clubs first annual reporting under the Solvency II regime will be in respect of the year ending 20 February 2017. For this reason, we would like to follow our last year's P&I Report by introducing the solvency ratio, calculated by dividing net assets by net outstanding claims, to address the capital adequacy and financial strength of each Club. The Solvency ratio estimates a Club's capability to meet future claims payments, indicating a Club's technical insolvency if the coefficient falls below 100%. For the financial year 2015/16, the Group members had an average Solvency ratio of 173%, underlining that most of the Clubs are well-capitalized and prepared for Solvency II.





SOLVENCY RATIO 2015/16 PER CLUB (%)



* Consolidated Group figures.

GROUP FINANCIAL RESULTS 2015/16 PER CLUB IN NUMBERS

P&I Club	Period End	Gross Written Premium (\$M)	Total Expenditure (\$M)	Underwriting Result (\$M)	Investment Income (\$M)	Surplus (Deficit) (\$M)	Overall (Deficit) (\$M)	Free Reserves (\$M)	Owned GT (M)	Free Reserves / GT (\$)
AMERICAN	31-12-15	97.5	99.5	-2.0	-0.2	-2.2	-2.2	56.4	16.0	3.53
BRITANNIA ¹⁾	20-02-16	260.3	262.7	-2.4	-30.5	-32.9	-32.9	512.7	105.9	4.84
GARD*	20-02-16	897.3	794.9	102.4	-71.1	48.1 ²⁾	48.1 ²⁾	1,017.2	215.2	4.73
JAPAN	31-03-16	226.3	208.9	17.3	-13.5	3.9	3.9	187.1	89.6	2.09
LONDON	20-02-16	110.1	94.8	15.3	-12.0	3.3	3.3	160.7	44.4	3.62
NORTH	20-02-16	489.8	406.3	83.5	-7.3	90.3 ³⁾	90.3 ³⁾	428.4	131.0	3.27
SHIPOWNERS	31-12-15 ⁴⁾	209.9	206.6	3.2	-24.1	-20.9	-20.9	279.4	24.6	11.36
SKULD*	20-02-16	410.0	387.9	22.1	-9.0	13.0	13.0	347.4	78.0	4.45
STANDARD*	20-02-16	354.3	336.6	17.7	-7.8	9.9	9.9	390.1	116.0	3.36
STEAMSHIP	20-02-16	350.3	274.2	76.2	-12.0	64.1	64.1	440.3	77.8	5.66
SWEDISH*	31-12-15	180.4	180.2	0.2	-3.1	-1.1 ⁵⁾	-1.1 ⁵⁾	183.1	43.6	4.20
UK	20-02-16	385.4	367.5	17.8	-19.0	-1.2	-1.2	546.9 ⁶⁾	135.0	4.05
WEST	20-02-16	227.6	197.5	30.1	2.8	33.0	33.0	276.7	72.1	3.84
Group Total		4,199.1	3,817.6	381.5	-206.9	207.3	207.3	4,826.4	1,149.2	Avg. 4.20

*) Consolidated Group figures.
1) Combined figures of Britannia and its Bermuda-based reinsurance offshoot Boudicca.
2) The overall result of the Gard has improved by USD 16.9 million due to a change in pension assumptions.
3) Overall surplus 2015/16 incl. the remeasurement gain on defined benefit plans of USD 14.1 million.
4) Following a change of financial year-end the 2015 results cover the period from 20 February 2015 to 31 December 2015.
5) The overall result 2015/16 of the Sw edish Club includes a change in value of receivables on Hydra of USD 1.8 million.
6) Free reserves incl. perpetual subordinated capital securities (hybrid capital) of USD 99 million.

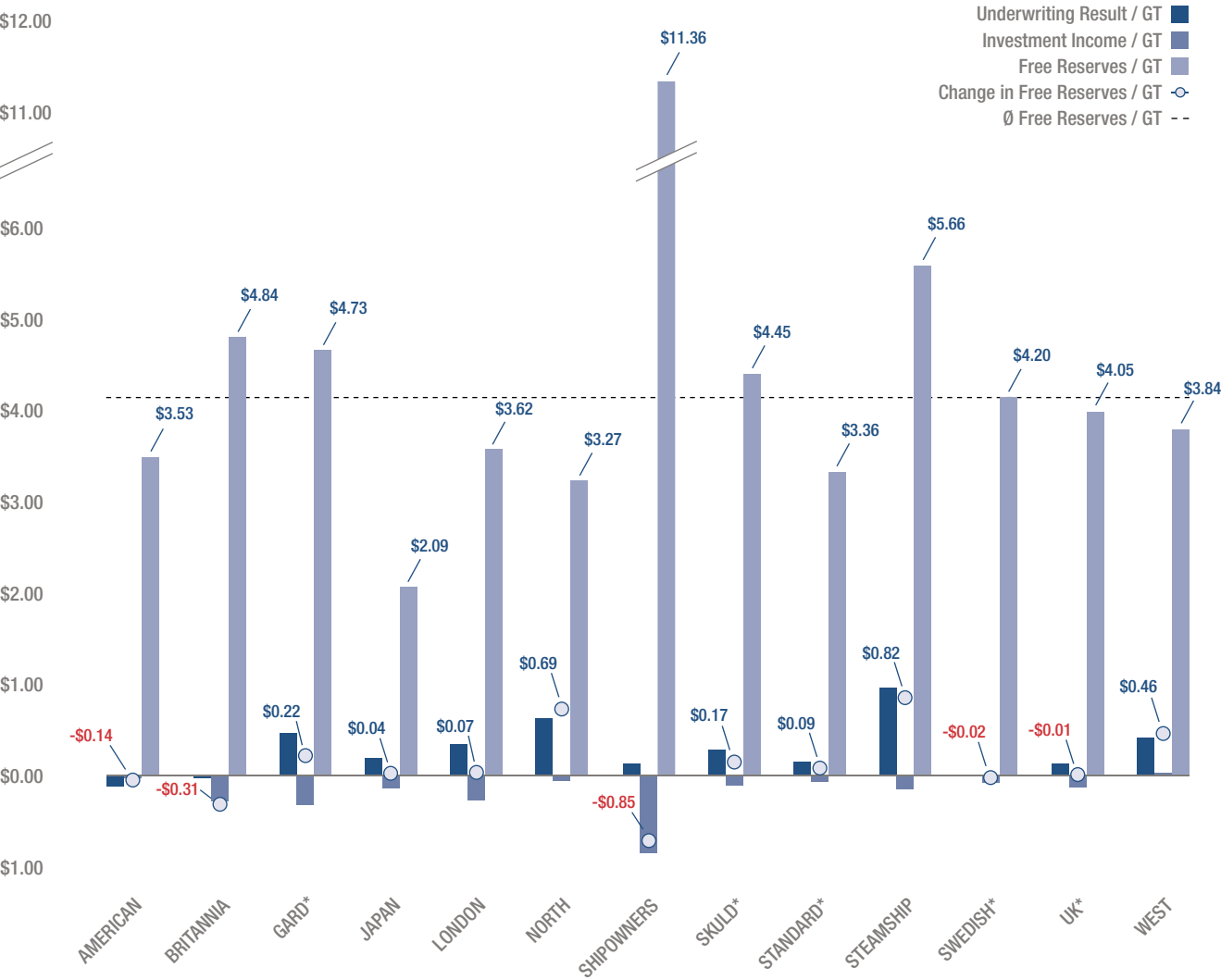
Analysing the financial results for the policy year 2015/16 on a Group-level stage, it can be observed that only four out of the 13 Group Clubs managed to increase their overall surpluses compared to the last year. Four logged profits lower than in the year before while five P&I Clubs suffered overall deficits and shrinking free reserves. On an aggregated basis the average free reserves per GT, as an indicator of a Club's financial ability to meet future claims, has marginally grown by five Cents to USD 4.20 per GT.

At the February renewal, the North of England has generated a surplus of USD 90 million. The very good result is based on a significant reduction of attritional and larger claims, bringing down the combined ratio to 77.8% from 109.9% last year. On the financial markets the North Tyneside-based P&I Club has made an investment loss of USD 7.3 million, equivalent to a negative return of -1.3%. In recent years, the North's profitably has been hit by heavy losses on pension liabilities while this year has seen an improvement of USD 18.2 million. Overall, the free reserves of the North have soared by USD 90.3 million to a level of USD 428 million. In terms of tonnage, the North has been the fastest growing Club within the Group in the last ten years with owners' tonnage standing at 131 million GT at the 2016 renewal compared to 48 million GT in 2006. When taking a look at the

relatively poor free reserves per GT ratio of USD 3.27 it appears clearly that the rapid growth of the North on the tonnage side has not been adequately accompanied by a rise in free reserves.

Gard, the largest of the 13 Group Clubs, has entered owners' tonnage of 215.2 million GT and piled up free reserves of more than USD 1 billion as of February 2016. The consolidated combined ratio for all lines of business (i.e. P&I and Marine & Energy) was 85.9% compared to 92.1% last year. According to Rolf Thore Roppestad, CEO of Gard, the Club has profited from a benign claims development for small and medium-sized claims combined with good risk selection and disciplined underwriting. The corresponding underwriting surplus of more than USD 100 million has been hit by a steep drop in financial asset prices reflecting the fall in global financial markets. After accounting for a change in pension assumptions of USD 16.9 million the Gard has been able to add USD 48.1 million to its record free reserves of USD 1,017 million. Based on the Gard's ability to generate stable surpluses over the last decade, the Arendal-based insurer has been able to reduce the deferred call in 8 out of the last 10 years saving owners USD 231 million. The 10% cut in the deferred call for the 2015 policy year reduces the insurance cost for mutual members by USD 37 million, raising the question why the Gard is still charging a general increase at the renewal.

GROUP FINANCIAL RESULTS 2015/16 PER CLUB IN FIGURES

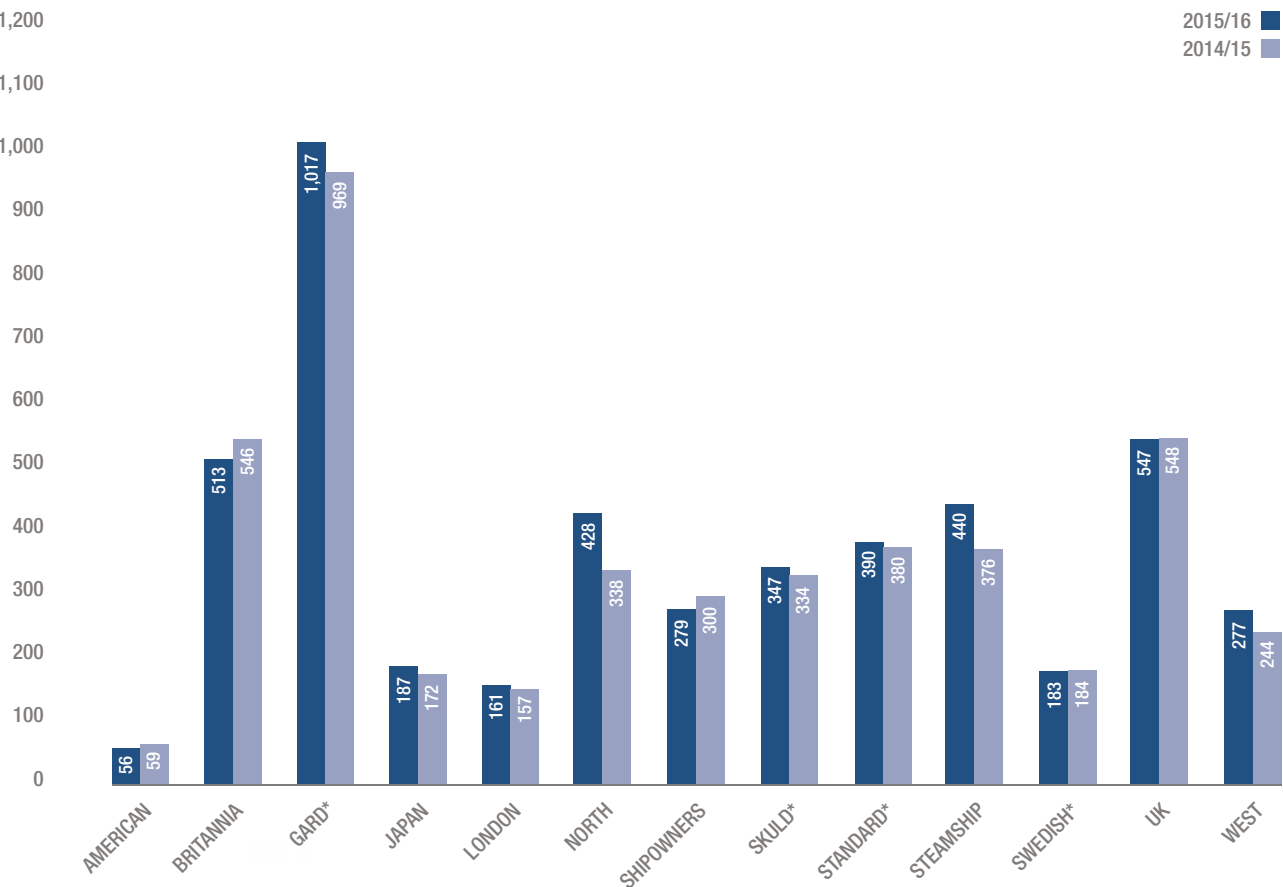


* Consolidated Group figures.

Despite the decline in gross premiums and investment losses of USD 9 million, the second Norwegian P&I mutual Skuld has like the Gard been able to once again strengthen its capital base in 2015/16. However, resulting from a shift in accounting principles, Skuld has recognized an actuarial loss on pension liabilities in the balance sheet and therefore adjusted them by USD 12.5 million. Hence, the free reserves of the Club have fallen by the same amount, turning a profitable year 2014/15 into a break-even one. At the last renewal, Skuld reported a positive technical result of USD 22 million and delivered the best combined ratio in five

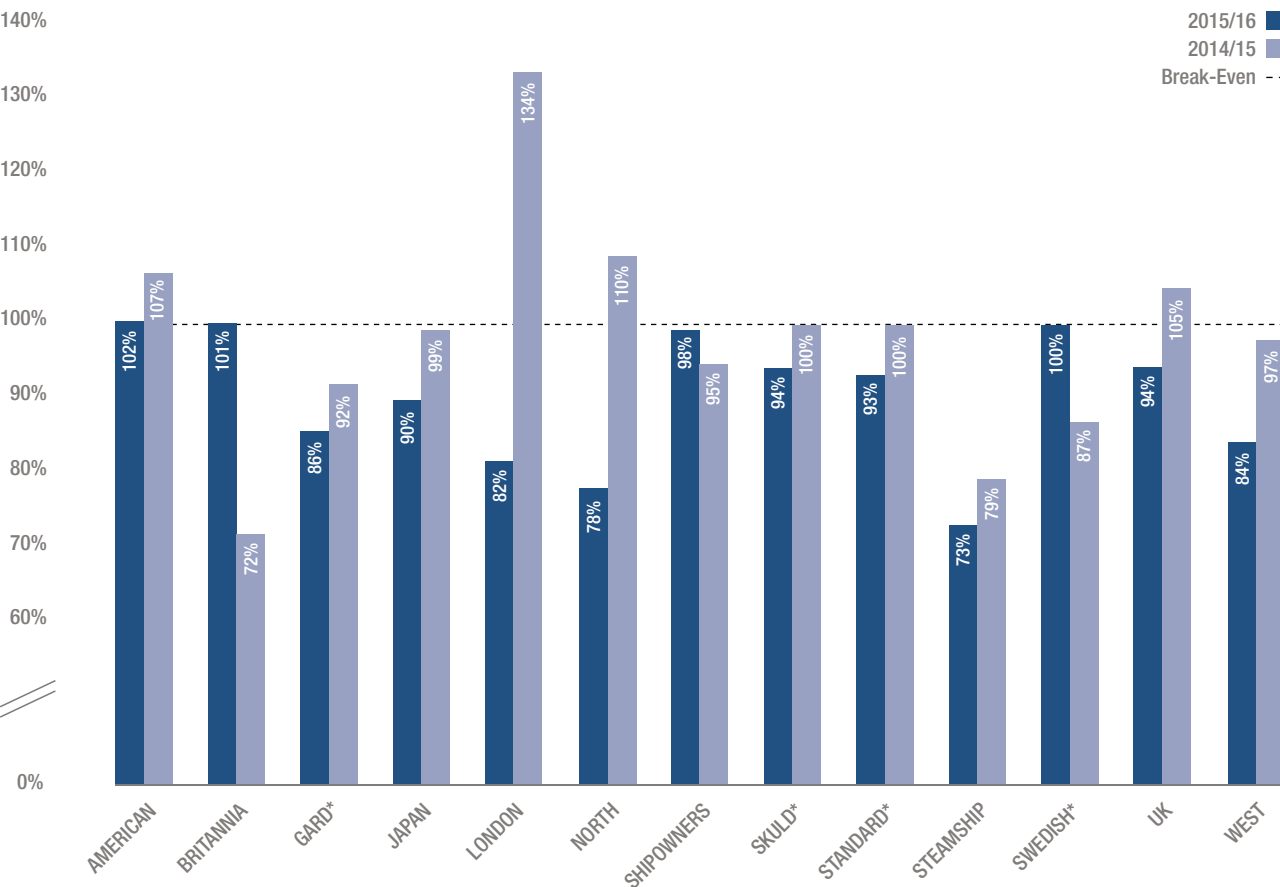
years at 93.8%. In light of this, the management led by Stale Hansen decided to grant a premium credit of 2.5%, equal to USD 5 million, to its members for the 2015/16 policy year. A segmental analysis of the financial statements reveals that the lasts year's result has been primarily driven by the commercial business activities more than compensating the small loss on mutual P&I risks. Therefore it comes as no surprise that Skuld has announced in spring this year plans to acquire the Scandinavian Marine Agency / Gerling Norway which would more than double its hull insurance business.

DEVELOPMENT OF FREE RESERVES PER CLUB (USD MILLION)



* 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2006-2016	2015-2016
AMERICAN	16	16	16	16	17	16	14	13	13	14	15	6.7%	0.0%
BRITANNIA	106	109	108	111	111	103	98	93	88	88	82	29.1%	-2.4%
GARD	215	208	187	174	163	145	133	127	117	103	87	147.4%	3.7%
JAPAN	90	91	89	89	87	89	88	86	79	72	66	35.8%	-1.0%
LONDON	44	44	43	41	41	38	36	39	39	34	34	30.6%	1.4%
NORTH	131	127	130	127	123	105	90	75	65	55	48	172.9%	3.1%
SHIPOWNERS	25	24	24	22	20	18	16	15	15	14	12	105.0%	4.7%
SKULD	78	74	75	72	65	58	52	43	39	34	30	160.0%	5.4%
STANDARD	116	112	108	109	102	92	82	65	50	47	46	152.2%	3.6%
STEAMSHIP	78	74	69	65	63	58	53	50	47	44	42	85.2%	4.7%
SWEDISH	44	42	37	35	34	31	26	25	25	22	20	118.0%	5.1%
UK	135	127	124	120	112	105	105	110	119	106	103	31.1%	6.3%
WEST	72	68	57	54	51	49	53	51	54	54	63	14.4%	6.8%
Group Total	1,149	1,113	1,067	1,034	988	906	847	792	750	686	647	77.6%	3.2%

For the first time since 2011 the Swedish Club has closed the financial year with an overall deficit of USD 1 million (including the change in value receivables on Hydra of USD 1.8 million) slightly pulling down the free reserves to USD 183 million. Despite a much higher claims activity in the first half of 2015 with a series of large casualties, including total losses like the grounding of the Good Faith or the foundering of the Cemfjord, the Gothenburg-based Club delivered a balanced underwriting result in 2015. On the investment side the climate was even more challenging with sharp equity falls on the Shanghai and Shenzhen stock exchanges in autumn 2015, resulting in a negative investment return of 1.6%. For P&I risks, the insured fleet has achieved 5% growth in gross tonnage from 41.5 million GT to 43.6 million GT for owners' entries.

Following the positive underwriting results for 2014/15, the Steamship Mutual reported a remarkable combined ratio of 73.3% at the February renewal 2016. The Club has benefited from a favorable trend of projected claims costs for prior policy years, while the incurred net claim costs of new claims has been higher than the years before. The good underwriting result has been partly clouded by foreign currency losses of USD 8.3 million which had a negative impact on the Club's overall investment portfolio. However, below the line the free reserves of the Steamship Mutual have soared within

one year by USD 64.1 million to a record of USD 440 million. This positive financial development has been accompanied by a 4.7% increase in entered tonnage to 77.8 million GT and the free reserves per GT ratio stands at high-level USD 5.66. The good performance of the Steamship likely means that some part of the 25% final instalment premium will be forgiven and no general increase is going to be charged at the February 2017 renewal for the third year in succession.

The oldest P&I Club in the market, the Britannia, is widely regarded as one of the strongest with the ability to generate profits every year. Behind this backdrop, the reported USD 33 million deficit for the combined Britannia-Boudicca business in 2015/16 has been quite unexpected for some shipping analysts. The main reason for this disappointing result is that the Britannia incurred for the first time in seven years an investment loss of USD 30 million in challenging capital markets. While returns on government bonds were relatively flat, corporate bonds lost 3.5% and equities were down 11.9% at 20 February. As a result of the investment losses, the Britannia has moved some of their corporate bonds and equity holdings into diversified growth and absolute return funds to protect their portfolio. On the underwriting side the pure Britannia combined ratio is close to break-even, deteriorating slightly after the result of Boudicca is included. However, Britannia and its reinsurance vehicle

remain in a robust financial position with aggregated free reserves standing at USD 512.7 million. In light of this, the Associations Committee decided to waive an additional 2.5% of the deferred call for the 2014/15 policy year (the deferred call had already been reduced from 45% to 40%) saving members a further USD 3.7 million.

As mentioned earlier, there were on-going rumors that the Britannia might merge with the UK Club to create a superclub that would have been by far the biggest P&I Club in terms of free reserves and tonnage. In contrast to the Britannia, the UK has reported a substantial underwriting plus of USD 17.8 million, profiting from one of the lowest notified claims figures in the past decade. Two key features have contributed to this result: a lower number of large claims exceeding USD 1 million and the reduced amount of claims overall. Like most of the other Clubs, the UK has also suffered from a downturn in risk assets, especially on the equity class with a portfolio loss of 11%, leading to a negative investment return of 1% for the financial year. Overall, the investment losses erased the underwriting surplus with free reserves shrinking by USD 1.2 million to USD 448 million with a further USD 99 million held in hybrid capital. As the owner's mutual tonnage of the UK is expanding at a growing pace, over the last 12 months by 8 million GT to 135 million GT, free reserves per GT have fallen by more than a quarter dollar.

Similar to the UK, the Standard Club has achieved an underwriting surplus of USD 17.7 million (combined ratio of 93.3% against last year's ratio of 100.2%), helped by a positive development on prior year claims. The results of the Charles Taylor managed Club include the figures of their Lloyd's of London platform, The Standard Syndicate 1884, which generated a USD 4.5 million loss through its first nine months of operation. In a difficult market environment, the Standard Club's investment suffered a loss of USD 7.8 million, including a revaluation benefit of USD 2.5 million for the Clubs freehold premises at Essex Street, London. The bottom line result of USD 9.9 million has driven free reserves from USD 380.3 million to over USD 390 million. The increase in free reserves is closely tracking the growth in the insured fleet, where owners' tonnage has grown by 3.5% to 116 million GT over the year.

The best annual result for many years has been reported by the West of England increasing the Clubs free reserves by USD 33 million to USD 276.7 million. The primary factor for the reduced combined ratio from 97.4% last year to 83.6% has been the unusually benign development of members' own claims for the policy year 2014. There has been a positive trend on the claims side since 2011, when the West initiated its restructuring process with the outcome of a large proportion of the underperforming fleets leaving





the Club. On the capital markets, the West has maintained its low risk strategy with less than 10% of financial assets invested in equities. After accounting for the revaluation of the Club's head office close to London's Tower Bridge, the West has achieved an investment income of USD 2.8 million, equivalent to a 0.8% return. The broadly positive result of the West is rounded by the increase in owners' and charterers' tonnage, having passed the 100 million GT mark at the February renewal.

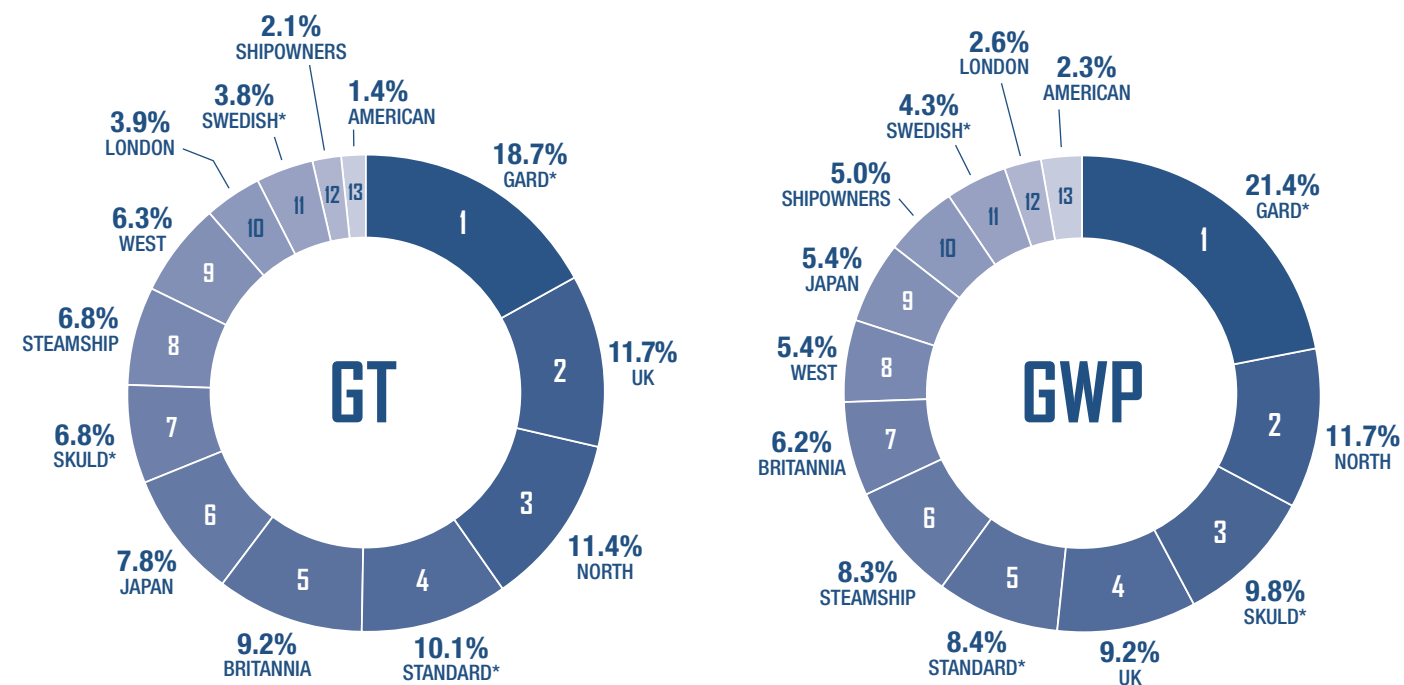
For the sixth consecutive reporting period, the Shipowners' Club has achieved an underwriting surplus of USD 3.2 million with a combined ratio of 98.2%. In light of the ongoing US Dollar appreciation against most major currencies, such as the Euro, British Pound and Australian Dollar, income has dramatically fallen as the Club has had to maintain high levels of these currencies for regulatory compliance requirements. Consequently, the Shipowners' Club, traditionally focused on smaller and specialist tonnage, has incurred, with USD 24.1 million, a significant investment loss with the free reserves deteriorating by USD 20.9 million. The reported results do

not reflect a full financial year, but the shortened period from 20th February to 31st December 2015 as the Shipowners' Club has shifted its reporting period from a fiscal to a calendar year basis.

After facing an unusual rise in the frequency of large claims in the previous year, the London P&I Club has managed to substantially improve its operating performance, with the combined ratio standing at 82.5% (134.4% in 2014/15). Like some of the other mutuals, the London P&I Club has profited from increased standard deductibles for owners contributing to the reduction in the cost of attritional claims. Most of the USD 15.3 million profit on the underwriting side has been wiped out by the negative investment return of 2.5% or USD 12 million as the London P&I Club is traditionally keener for investments in equities than most of the other Clubs. Finally, the operating result was a surplus of USD 3.3 million, lifting the free reserves to a level of USD 160.7 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 in the red for years when it comes to underwriting, the Japan Club managed to continue their profitable underwriting record with a net combined ratio of 89.6%. However, both Clubs have been affected by the global financial market turbulences and in particular the Japan Club has seen a decrease in value of its USD investments due to the appreciation of the Japanese Yen against the Dollar in the reporting period. Nevertheless, the Tokyo-based Club managed unlike the American Club to further increase its reserves to a level of USD 187 million.

MARKET SHARE OF P&I CLUBS



* Consolidated Group figures.

STANDARD & POOR’S RATING OF P&I CLUBS

Policy Year	Current	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
AMERICAN	BBB-	BBB-	BBB-	BBB-	BB+	BB+	BB-	BB-	BB-	BB-	B+	BB+
BRITANNIA	A	A	A	A pi	A pi	A pi	A pi	A pi	A pi	A pi	A pi	A pi
GARD	A+	A+	A+	A+	A+	A	A	A+	A+	A+	A	A
JAPAN	BBB+	BBB+	BBB+	BBB+	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi	BBB pi	-
LONDON	BBB	BBB	BBB pi	BBB pi	BBB pi	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	A	A
SHIPOWNERS	A-	A-	A-	A-	A-	BBB pi	BBB pi	BBB pi	BBB pi	A pi	A pi	A pi
SKULD	A	A	A	A	A	A-	A-	A-	A-	A-	BBB+	BBB+
STANDARD	A	A	A	A	A	A	A	A	A	A	A	A
STEAMSHIP	A	A-	A-	A-	A-	A-	BBB+	BBB+	BBB+	BBB pi	BBB pi	BBB pi
SWEDISH	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB	BBB	BBB	BBB	BBB	BBB-
UK	A	A	A	A-	A-	A-	A-	A-	A-	A	A	A
WEST	BBB+	BBB+	BBB+	BBB	BBB-	BBB pi	BBB pi	BBB pi	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	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	Club Avg.
AMERICAN	2.5	4.5	10	10	5	2	4.2	29	20	9.7
BRITANNIA	2.5	2.5	2.5	16.5	5	5	5	12.5	23.8	8.4
GARD	2.5	2.5	5	5	5	0	0	15	10	5.0
JAPAN	3	3	7.5	5	3	10	12.5	21.2	20	9.5
LONDON	5	6	10	12.5	5	5	5	15	17.5	9.0
NORTH	2.5	4.75	7.5	15	5	3	5	17.5	17.5	8.6
SHIPOWNERS	0	0	5	5	0	0	5	10	0	2.8
SKULD 1)	n/a	n/a	n/a	n/a	n/a	n/a	5	15	7.5	-
STANDARD	2.5	5	12.5	7.5	5	3.5	3	15	15	7.7
STEAMSHIP	0	0	10	7.5	5	0	5	17.5	15	6.7
SWEDISH	0	2.5	7.5	7.5	5	2.5	2.5	15	15	6.4
UK	2.5	6.5	10	7.5	3	5	5	12.5	17.5	7.7
WEST	0	2.5	7.5	7.5	5	5	5	19.2	15	7.4
Avg.	1.9	3.3	7.9	8.9	4.3	3.4	4.8	16.5	14.9	7.3

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	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
AMERICAN	0/0	0/0	0/0	0/0	25/25	25/25	20/20	0/25	0/25	0/35
BRITANNIA	45/45	45/37.5	45/45	40/40	40/40	40/40	40/32.5	40/40	30/30	30/30
GARD	25/15	25/15	25/15	25/15	25/20	25/15	25/10	25/25	25/25	25/20
JAPAN	40/40	40/20	40/40	40/40	40/40	40/50	40/40	30/30	30/30	30/60
LONDON	0/0	0/0	0/0	0/0	0/0	0/0	40/40	40/75	40/89	40/89
NORTH	0/0	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	10/0	10/0	25/0	25/0	25/0
SKULD	0/-2.5	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
STANDARD	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
STEAMSHIP	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/20	0/14	0/12.5
SWEDISH	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/35	0/35
UK	0/0	0/-2.5	0/0	0/0	0/-2.5	0/0	0/0	0/20	0/25	0/20
WEST	35/35	35/35	35/35	30/30	30/30	30/30	30/30	20/65	20/55	20/55

Supplementary Calls are constantly updated as per Club Circulars.

Called below Estimated Supplementary Call
Called above Estimated Supplementary Call



POOLING AND REINSURANCE

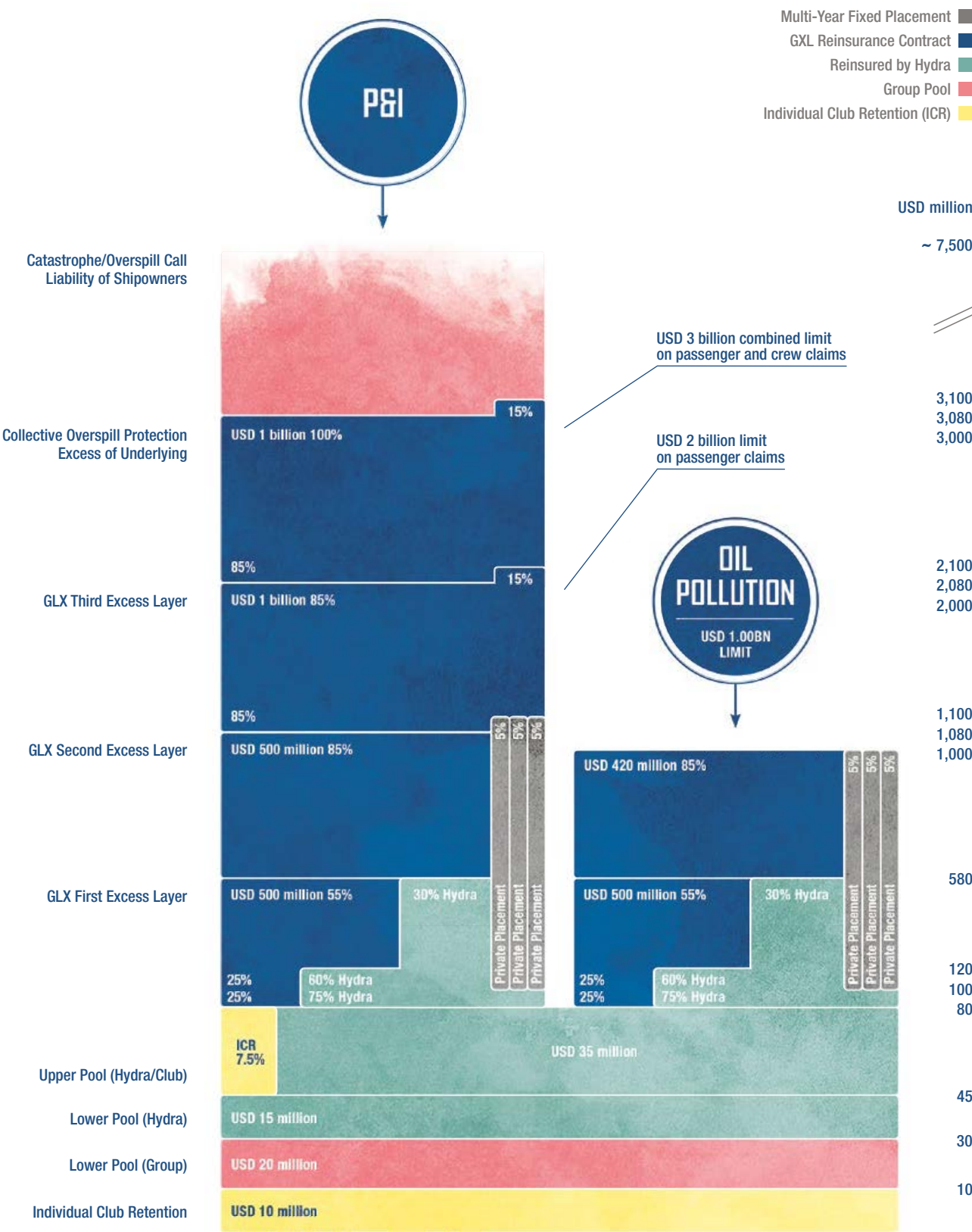
On the Group's reinsurance front, the arrangements for the policy year 2016/17 were broadly the same as those of the previous policy period. The Group has renewed its USD 2 billion General Excess of Loss (GXL) reinsurance contract including a further USD 1 billion collective overspill protection cover to protect members against overspill calls arising from any catastrophe claims up to USD 3.1 billion. The detailed composition of the Group's current owned entries reinsurance programme is illustrated on the right-hand page.

With effect from 20th February 2016 the individual club retention (ICR) has increased from USD 9 million to USD 10 million each claim and the attachment point on the first GXL excess layer remains unaltered at USD 80 million. Within the pool there is a new simplified two layer structure, consisting of a lower pool layer from USD 10 million to USD 45 million with each Club's contributions calculated according to claims, premium income and entered tonnage for each Club. The former upper upper pool layer has been replaced by a single upper pool layer from USD 45 million to USD 80 million, with a claiming Club retention rate of 7.5% across this combined layer. After exceeding the ICR of USD 10 million, a Club reinsures each claim up to an amount of USD 30 million in the Group pool. All claims between USD 30 million and USD 80 million are reinsured via the Group's captive reinsurer Hydra.

Claims above USD 80 million fall in the GXL reinsurance contract and are covered by commercial reinsurers up to USD 2.1 billion (maximum limit of USD 1 billion for oil pollution claims) combined with a collective overspill protection layer of USD 1 billion with one reinstatement. As a new feature, the Group has arranged a third 5% 36-month private placement of USD 1 billion in excess of 100 million with Hannover Re commenced on 20th February 2016. The newly established private placement with the German reinsurer follows similar deals with Liberty Mutual and Berkshire Hathaway incepting at the 2015 and 2014 renewals respectively. As a result of the Hannover Re placement, Hydra has slightly increased its existing 70% co-reinsurance share to include an additional 5% share of the layer USD 80 million to USD 100 million. This effectively results in Hydra retaining 67.5% of any losses in the first USD 40 million tranche above the 80 million attachment point, leading to an increased overall participation of Hydra on the first excess layer from 32.8% to 33%.

In addition, the Group's reinsurance cover has been extended to include nuclear risks (up to a limit of USD 1 billion) arising under approved certificates, guarantees or undertakings, in particular blue cards issued under IMO Conventions.

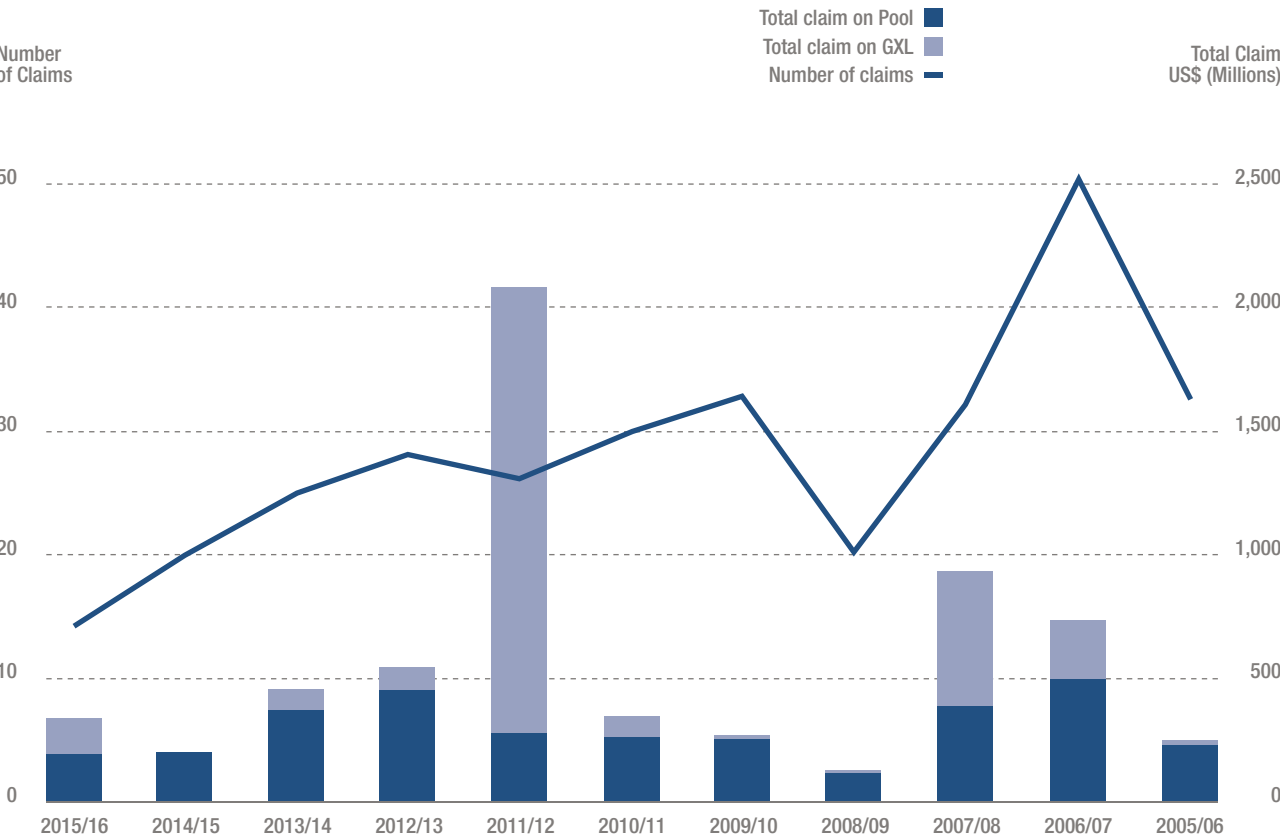
GROUP REINSURANCE PROGRAMME 2016/17



The Group has declared in its annual review that the policy year 2015/16 has been the fourth consecutive year of a reduced number of pool claims with only 15 of such claims compared to 20 one year ago. Nevertheless, based on current estimates the value of claims reported to the Group pool exceeds with USD 204.4 million the 2014/15 notifications at the same time last year. There has been one reinsurance claim (Transpetrol's 46,100-dwt products carrier Alpine Eternity alleged to hit

an Iranian oil rig in the South Pars field in the Persian Gulf) reaching the first layer of the GXL programme at about USD 350 million. It is possible that the Alpine Eternity claim could be of greater significance than any since the Costa Concordia and Rena claims on the 2011/12 policy year. However, there is a generally downward trend, with pool claims falling from around 30 in the mid-2000s to an average of 23 annually over the last five policy years as shown in the figure below.

POOL CLAIMS BY POLICY YEAR



Source: International Group of P&I Clubs

The ongoing softness in global reinsurance markets combined with a relatively positive claims development has enabled the Groups reinsurance sub-committee to negotiate for the first time in many years' reductions for all tonnage categories at the 2016 reinsurance renewal. In numbers, the reinsurance costs per GT both for crude and product tankers have fallen by 10.3%. There has been

also a rate reduction for dry cargo vessels (comprising bulkers, containerships, general cargoes, box ships, etc.) and cruise / passenger ships of around 7.2%. Despite the reduced reinsurance tariff for passenger vessels, the cruise operators are still paying more than double the pre-Costa Concordia reinsurance rate illustrated in the figure on the right hand side.

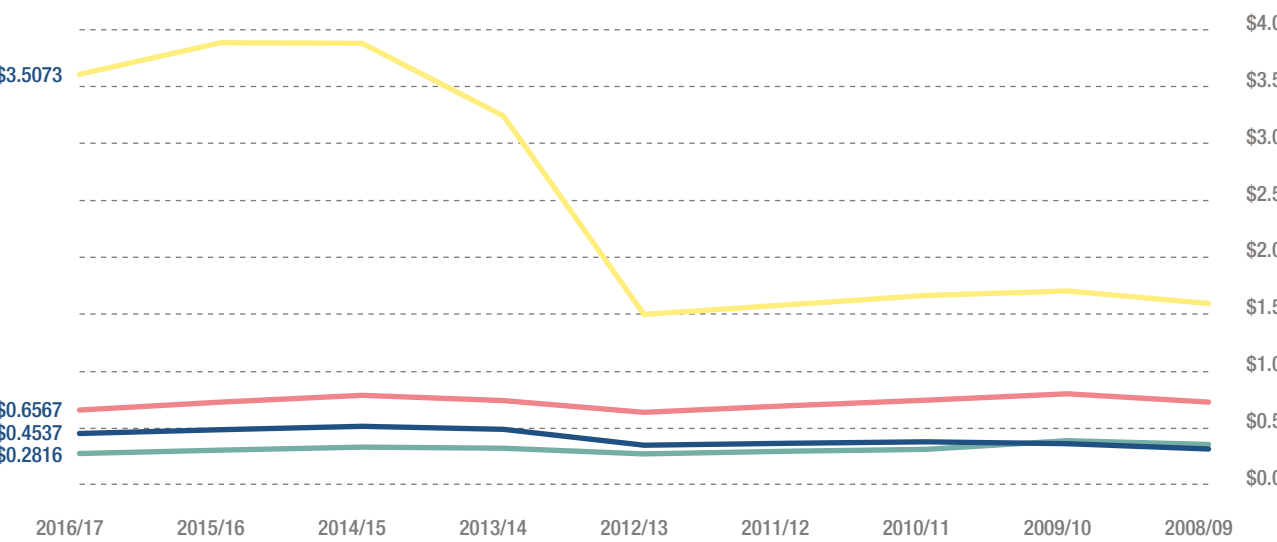
POOL CLAIMS 2015/16

Vessel	Type	Built	Club	Location	Incident
Al Oraiq	VLGC	2008	Japan	Zeebrugge, Belgium	Collision with Flinterstar which sank
Alpine Eternity	Products tanker	2009	Britannia	South Pars Gas Field, Iran	Alleged collision damage to Iranian oil rig
Chembulk Houston	Products tanker	2003	Britannia	Houston Ship Channel, U.S.	Collision with Monte Alegre
Conti Peridot	Bulker	2011	West of England	Houston Ship Channel, U.S.	Collision with Carla Maersk
Eastern Amber	General Cargo	2010	North of England	Jeju Island, South Korea	Capesized and sank after collision with sand carrier
El Faro	Ro-Ro	1975	Steamship Mutual	Bahamas	Sank after hurricane with loss of 33 crew members
Los Llanitos	Bulker	1993	Britannia	Manzanillo, Mexico	Pollution and wreck removal after grounding
Meratus Banjar 2	Container	1997	Shipowners'	Java Sea, Indonesia	Sank after engine room flooding
Nassau Energy	Tanker	1998	Gard	Egypt	Dragging anchor damaging pipeline
Navion Gothenburg	Tanker	2006	Gard	Brazilian waters	Oil pollution
Pacific Bridge	Tanker	2002	Steamship Mutual	Shanghai, China	Damage to tidal station
Peter F Gellatly	Tug	2008	Steamship Mutual	New Jersey	Damage to terminal causing pollution
STI Larvotto	Products tanker	2013	Standard	Tokyo Bay, Japan	Damaged Kawasaki sea berth and underwater pipeline
Stolt Commitment	Chemical tanker	2000	Gard	Singapore Strait	Collision with Thorco Cloud
Thorco Cloud	Multipurpose	2004	Standard	Singapore Strait	Sank after collision with Stolt Commitment

2016/17 AND 2015/16 POLICY YEAR RATING COMPARISON

Vessel Type	2016/17 rate per GT	% change from 2015/16	2015/16 rate per GT	% change from 2014/15
Dirty Tankers	\$0.6567	-10.25%	\$0.7317	-8.11%
Clean Tankers	\$0.2816	-10.26%	\$0.3138	-8.11%
Dry Cargo Vessels	\$0.4537	-7.18%	\$0.4888	-6.05%
Passenger Vessels	\$3.5073	-7.19%	\$3.7791	0.00%

DEVELOPMENT OF REINSURANCE COSTS (USD PER GT)



03

P&I CLUB PROFILES

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AMERICAN STEAMSHIP OWNERS MUTUAL PROTECTION AND INDEMNITY ASSOCIATION, INC.

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KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
16,000	1.39%	2.50%	\$97,504	\$56,410	BBB-

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	16,000	16,000	15,800	15,500	17,100
Chartered	300	300	300	300	300
Market Share by Owned GT	1.39%	1.44%	1.48%	1.50%	1.73%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	20	15	12.5	Closed	Closed
General Increase	2.5	4.5	10	10	5

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

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	97,504	114,798	107,959	112,126	111,955
Reinsurance Costs	16,128	20,553	18,581	18,585	16,283
Net Claims (Incurred)	49,364	65,962	65,064	83,265	72,986
Net Operating Expenses	33,978	34,795	35,250	31,995	33,045
Underwriting Result	-1,966	-6,512	-10,936	-21,719	-10,359
Investment Income	-224	7,768	14,051	15,729	6,966
Overall Surplus (Deficit)	-2,190	1,256	3,115	-5,990	-3,393
Net Assets	228,982	243,456	240,935	268,504	266,404
Net Outstanding Claims	172,572	184,856	183,591	214,205	206,185
Free Reserves	56,410	58,600	57,344	54,299	60,219

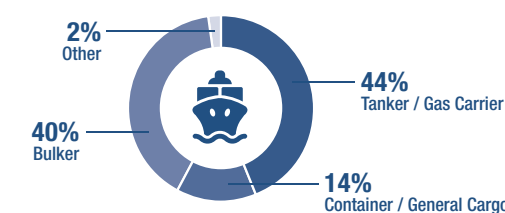
KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	102.4%	106.9%	112.2%	123.2%	110.8%
Investment Return	0.3%	4.0%	6.7%	7.6%	3.5%
Increase in Free Reserves	-3.7%	2.2%	5.6%	-9.8%	-5.3%
Free Reserves / GT	\$3.53	\$3.66	\$3.63	\$3.50	\$3.52
Solvency Ratio	133%	132%	131%	125%	129%
Average Expense Ratio	24.2%	21.6%	19.3%	19.3%	18.3%

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE




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KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
105,900	9.22%	2.50%	\$260,272	\$512,696	A

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	105,900	108,500	108,000	110,500	111,100
Chartered	35,500	27,000	23,000	25,000	28,900
Market Share by Owned GT	9.22%	9.75%	10.13%	10.68%	11.25%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	45/45	45/37.5	45/45	40/40
Release Call ¹⁾	15	7.5	7.5	0	Closed
General Increase	2.5	2.5	2.5	16.5	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)

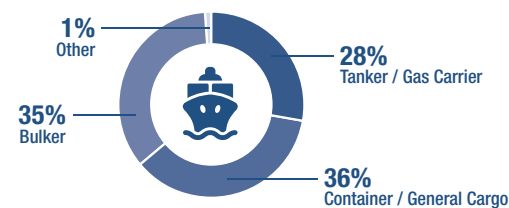
	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	260,272	269,726	284,167	294,057	281,772
Reinsurance Costs	43,413	48,941	48,616	48,910	45,681
Net Claims (Incurred)	192,276	132,991	230,703	285,816	248,942
Net Operating Expenses	26,986	24,963	26,811	29,317	29,389
Underwriting Result	-2,403	62,831	-21,963	-69,986	-42,240
Investment Income	-30,468	10,838	55,844	47,026	49,109
Overall Surplus (Deficit)	-32,871	73,669	33,881	-22,960	6,869
Net Assets	1,294,314	1,342,505	1,285,205	1,245,443	1,276,090
Net Outstanding Claims	781,618	796,938	813,307	807,426	815,113
Free Reserves	512,696	545,567	471,898	438,017	460,977

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	101.1%	71.5%	109.3%	128.5%	117.9%
Investment Return	-2.5%	2.1%	4.8%	4.1%	6.0%
Increase in Free Reserves	-6.0%	15.6%	7.7%	-5.0%	1.5%
Free Reserves / GT	\$4.84	\$5.03	\$4.37	\$3.96	\$4.15
Solvency Ratio	166%	168%	158%	154%	157%
Average Expense Ratio	9.1%	8.4%	8.0%	8.5%	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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Hong Kong, Imabari, London, New York, Oslo,
Piraeus, Rio de Janeiro, Singapore, Tokyo

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
215,200	18.73%	2.50%	\$897,287	\$1,017,160	A+

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	215,200	207,600	186,700	174,000	162,600
Chartered	90,000	57,500	57,500	60,000	57,500
Market Share by Owned GT	18.73%	18.65%	17.51%	16.82%	16.46%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	25/15	25/15	25/15	25/15
Release Call ¹⁾	20	15	15	5	Closed
General Increase	2.5	2.5	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)

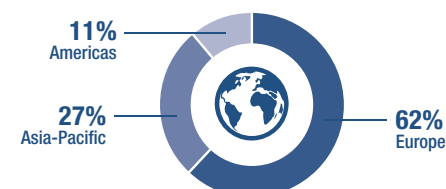
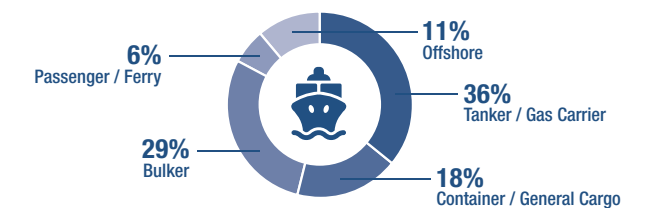
	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	897,287	966,572	912,595	852,343	829,854
Reinsurance Costs	169,760	161,902	184,171	170,811	144,459
Net Claims (Incurred)	532,259	630,893	643,175	600,382	595,141
Net Operating Expenses	92,891	110,331	90,337	121,572	92,388
Underwriting Result	102,377	63,446	-5,088	-40,422	-2,134
Investment Income	-71,121	11,903	49,395	109,598	38,057
Overall Surplus (Deficit) ²⁾	48,107	49,481	44,307	69,176	35,923
Net Assets	2,262,409	2,219,936	2,135,432	2,008,424	1,990,045
Net Outstanding Claims	1,245,409	1,250,883	1,215,860	1,113,169	1,163,964
Free Reserves ³⁾	1,017,160	969,053	919,572	895,255	826,081

²⁾ The overall result 2015/16 of the Gard has improved by USD 16.9 million due to a change in pension assumptions.

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	85.9%	92.1%	100.7%	105.9%	100.3%
Investment Return	-2.5%	1.8%	4.3%	6.1%	2.8%
Increase in Free Reserves	5.0%	5.4%	2.7%	8.4%	4.5%
Free Reserves / GT	\$4.73	\$4.67	\$4.93	\$5.15	\$5.08
Solvency Ratio	182%	177%	176%	180%	171%
Average Expense Ratio	11.8%	11.4%	11.3%	14.1%	13.0%

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

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE



**THE JAPAN SHIP OWNERS' MUTUAL
PROTECTION & INDEMNITY ASSOCIATION**

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

Office Locations:
Tokyo, Fukuoka, Imabari, Kobe,
Singapore, London (liaison)

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
89,600	7.80%	3.00%	\$226,280	\$187,130	BBB+

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	89,600	90,500	89,300	89,400	87,300
Chartered	12,500	11,800	11,400	12,700	13,600
Market Share by Owned GT	7.80%	8.13%	8.37%	8.64%	8.84%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	40/40	40/20	40/40	40/40
Release Call	45	45	45	5	Closed
General Increase	3	3	7.5	5	3

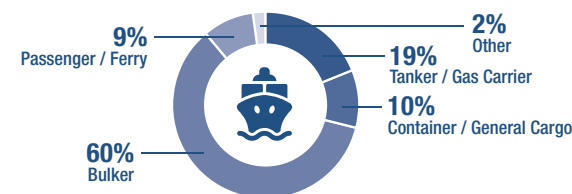
Supplementary and Release Calls are constantly updated as per Club Circulars.

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	226,280	233,086	237,738	223,555	259,865
Reinsurance Costs	59,229	55,257	56,264	44,545	46,228
Net Claims (Incurred)	125,416	155,635	168,548	175,893	180,390
Net Operating Expenses	24,290	20,297	22,775	22,574	26,498
Underwriting Result	17,345	1,897	-9,849	-19,457	6,749
Investment Income	-13,488	34,981	24,793	27,655	-2,883
Overall Surplus (Deficit)	3,857	36,878	14,944	8,198	3,866
Net Assets	465,589	428,303	429,279	441,866	461,599
Net Outstanding Claims	278,459	255,933	273,267	284,320	294,650
Free Reserves	187,130	172,370	156,012	157,546	166,949

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	89.6%	98.9%	105.4%	110.9%	96.8%
Investment Return	1.4%	2.7%	2.6%	2.5%	1.6%
Increase in Free Reserves	8.6%	10.5%	-1.0%	-5.6%	5.8%
Free Reserves / GT	\$2.09	\$1.90	\$1.75	\$1.76	\$1.91
Solvency Ratio	167%	167%	157%	155%	157%
Average Expense Ratio	5.2%	5.3%	5.7%	5.7%	6.2%

ENTERED VESSELS BY REGION**ENTERED VESSELS BY TYPE OF TONNAGE**

The London P&I Club

**THE LONDON STEAM-SHIP OWNERS' MUTUAL
INSURANCE ASSOCIATION LIMITED**

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

Office Locations:
London, Hong Kong, Piraeus

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
44,400	3.86%	5.00%	\$110,072	\$160,707	BBB

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	44,400	43,800	43,100	41,200	40,500
Chartered	7,500	3,500	4,900	4,700	5,200
Market Share by Owned GT	3.86%	3.93%	4.04%	3.98%	4.10%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	15	15	12.5	5	Closed
General Increase	5	6	10	12.5	5

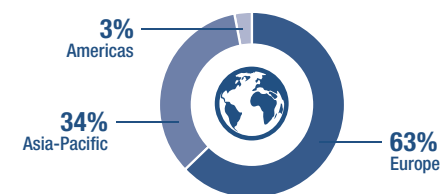
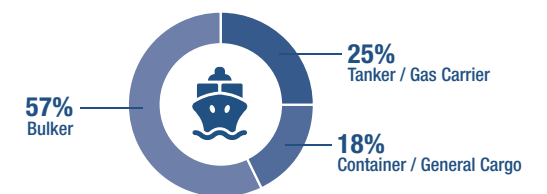
Supplementary and Release Calls are constantly updated as per Club Circulars.

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	110,072	111,290	106,895	101,951	109,190
Reinsurance Costs	22,670	24,445	20,754	22,175	21,216
Net Claims (Incurred)	60,129	104,277	92,956	82,691	93,338
Net Operating Expenses	11,954	12,483	11,921	11,483	11,367
Underwriting Result	15,319	-29,915	-18,736	-14,398	-16,731
Investment Income	-12,026	26,685	25,351	23,758	16,330
Overall Surplus (Deficit)	3,293	-3,230	6,615	9,360	-401
Net Assets	385,273	398,118	391,495	390,816	396,002
Net Outstanding Claims	224,566	240,704	230,851	236,787	251,333
Free Reserves	160,707	157,414	160,644	154,029	144,669

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	82.5%	134.4%	121.8%	118.0%	119.0%
Investment Return	-2.5%	5.5%	7.0%	6.9%	4.9%
Increase in Free Reserves	2.1%	-2.0%	4.3%	6.5%	-0.3%
Free Reserves / GT	\$3.62	\$3.59	\$3.73	\$3.74	\$3.57
Solvency Ratio	172%	165%	170%	165%	158%
Average Expense Ratio	9.5%	8.8%	8.4%	9.6%	9.4%

ENTERED VESSELS BY REGION**ENTERED VESSELS BY TYPE OF TONNAGE**


**THE NORTH OF ENGLAND
P&I ASSOCIATION LIMITED**

The Quayside
Newcastle Upon Tyne NE1 3DU
United Kingdom
www.nepia.com

Office Locations:
Newcastle, Hong Kong, Piraeus, Singapore, Tokyo

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
131,000	11.40%	2.50%	\$489,810	\$428,401	A

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	131,000	127,000	130,000	127,000	123,000
Chartered	54,000	43,000	50,000	43,000	40,000
Market Share by Owned GT	11.40%	11.41%	12.19%	12.28%	12.45%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	15	5	5	0	Closed
General Increase	2.5	4.75	7.5	15	5

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

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	489,810	471,083	383,534	365,347	346,348
Reinsurance Costs	114,572	125,173	77,885	70,788	55,432
Net Claims (Incurred)	196,040	305,808	231,627	253,512	246,072
Net Operating Expenses	95,727	74,497	53,600	51,300	52,300
Underwriting Result	83,471	-34,395	20,422	-10,253	-7,456
Investment Income ¹⁾	-7,299	32,786	13,100	8,500	15,000
Overall Surplus (Deficit) ²⁾	90,292	25,835	0	-1,753	7,544
Net Assets	1,014,650	1,000,410	935,751	917,723	896,237
Net Outstanding Claims	586,249	662,301	623,477	605,487	582,224
Free Reserves	428,401	338,109	312,274	312,236	314,013

1) Investment income 2015/16 incl. the revaluation of land and buildings of USD 2.5 million.

2) Overall surplus 2015/16 incl. the remeasurement gain on defined benefit plans of USD 14.1 million.

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	77.8%	109.9%	93.3%	103.5%	102.6%
Investment Return	-1.3%	4.3%	1.9%	1.6%	2.8%
Increase in Free Reserves	26.7%	8.3%	0.0%	-0.6%	0.5%
Free Reserves / GT	\$3.27	\$2.66	\$2.40	\$2.46	\$2.55
Solvency Ratio	173%	151%	150%	152%	154%
Average Expense Ratio	12.4%	12.4%	12.5%	13.1%	12.6%

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE

**THE SHIPOWNERS' MUTUAL PROTECTION & INDEMNITY
ASSOCIATION (LUXEMBOURG)**

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

Office Locations:
London, Hong Kong, Singapore

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
24,600	2.14%	0.00%	\$209,881	\$279,378	A-

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	24,600	23,500	23,600	21,900	19,800
Chartered	500	500	500	800	500
Market Share by Owned GT	2.14%	2.11%	2.21%	2.12%	2.00%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	0	0	0	0	0
General Increase	0	0	5	5	0

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

FINANCIAL STATEMENTS (\$'000)

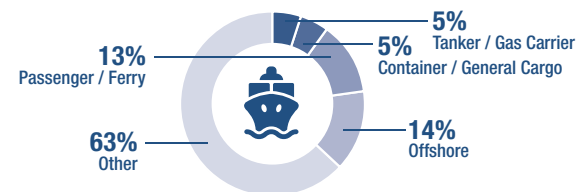
	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	209,881	247,342	243,715	221,925	209,689
Reinsurance Costs	27,870	36,243	30,664	21,795	19,927
Net Claims (Incurred)	136,060	145,493	158,462	146,871	118,172
Net Operating Expenses	42,704	54,168	52,255	44,321	43,030
Underwriting Result	3,247	11,438	2,334	8,938	28,560
Investment Income	-24,142	-10,020	20,888	31,935	17,986
Overall Surplus (Deficit)	-20,895	1,418	23,222	40,873	46,546
Net Assets	604,661	610,129	618,784	565,570	502,291
Net Outstanding Claims	325,283	309,856	319,929	289,937	267,531
Free Reserves	279,378	300,273	298,855	275,633	234,760

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	98.2%	94.6%	98.9%	95.5%	84.9%
Investment Return	-3.0%	-0.9%	4.4%	7.8%	4.8%
Increase in Free Reserves	-7.0%	0.5%	8.4%	17.4%	24.7%
Free Reserves / GT	\$11.36	\$12.78	\$12.66	\$12.59	\$11.86
Solvency Ratio	186%	197%	193%	195%	188%
Average Expense Ratio	21.0%	20.0%	18.0%	20.0%	20.0%

Following a change of financial year-end the 2015 results cover the period from 20 February 2015 to 31 December.

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE


ASSURANCEFORENINGEN SKULD



Rådhusgaten 27
0114 Oslo
Norway
www.skuld.com

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

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
78,000	6.79%	n/a	\$409,980	\$347,408	A

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	78,000	74,000	75,000	72,000	65,000
Chartered	Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed
Market Share by Owned GT	6.79%	6.65%	7.03%	6.96%	6.58%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/-2.5	0/0	0/0	0/0
Release Call	10	5	0	Closed	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)

	2015/16	2014/15 Restated	2013/14	2012/13	2011/12
Gross Written Premium	409,980	411,246	379,391	317,936	299,971
Reinsurance Costs	56,663	63,622	56,557	40,244	38,482
Net Claims (Incurred)	243,276	259,057	245,554	212,167	193,722
Net Operating Expenses	87,971	87,781	73,321	64,556	56,109
Underwriting Result	22,070	786	3,959	969	11,658
Investment Income	-9,035	12,352	25,098	16,550	12,696
Overall Surplus (Deficit) ²⁾	13,035	647	29,057	17,519	24,354
Net Assets	858,933	831,998	804,442	720,548	693,673
Net Outstanding Claims	511,526	497,578	470,159	412,123	402,244
Free Reserves	347,408	334,420	334,283	308,425	291,429

²⁾ The overall result 2014/15 of the Skuld has deteriorated by USD 12.5 million due to a increases in pension liabilities.

KEY PERFORMANCE INDICATORS

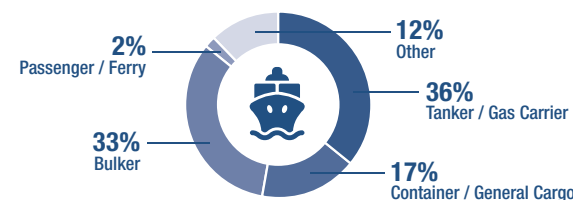
	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	93.8%	99.8%	98.8%	99.7%	95.5%
Investment Return	-1.6%	1.9%	5.4%	3.0%	2.6%
Increase in Free Reserves	3.9%	0.0%	8.4%	5.8%	9.4%
Free Reserves / GT	\$4.45	\$4.52	\$4.46	\$4.28	\$4.48
Solvency Ratio	168%	167%	171%	175%	172%
Average Expense Ratio	12.8%	12.9%	12.3%	12.3%	12.4%

Group figures incl. the results of Skuld Syndicate 1897.

ENTERED VESSELS BY REGION



ENTERED VESSELS BY TYPE OF TONNAGE



THE STANDARD CLUB LIMITED



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

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

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
116,000	10.09%	2.50%	\$354,300	\$390,100	A

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	116,000	112,000	108,000	109,000	102,000
Chartered	22,000	23,000	23,000	26,000	30,000
Market Share by Owned GT	10.09%	10.06%	10.13%	10.54%	10.33%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	7	3	2	Closed	Closed
General Increase	2.5	5	12.5	7.5	5

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

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	354,300	354,000	336,100	294,100	286,200
Reinsurance Costs	90,100	92,000	82,900	62,900	65,500
Net Claims (Incurred)	206,900	233,800	230,900	244,700	240,900
Net Operating Expenses	39,600	28,600	26,500	26,100	23,900
Underwriting Result	17,700	-400	-4,200	-39,600	-44,100
Investment Income	-7,800	12,200	10,100	49,600	47,000
Overall Surplus (Deficit)	9,900	11,800	5,900	10,000	2,900
Net Assets	972,800	956,500	949,300	916,000	875,600
Net Outstanding Claims	582,700	576,200	580,800	553,400	523,000
Free Reserves	390,100	380,300	368,500	362,600	352,600

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	93.3%	100.2%	101.7%	117.1%	120.0%
Investment Return ¹⁾	-0.9%	1.8%	0.6%	6.6%	6.6%
Increase in Free Reserves	2.6%	3.2%	1.6%	2.8%	0.8%
Free Reserves / GT	\$3.36	\$3.40	\$3.41	\$3.33	\$3.46
Solvency Ratio	167%	166%	163%	166%	167%
Average Expense Ratio	12.2%	11.4%	10.9%	13.2%	13.4%

¹⁾ The investment return 2015/16 includes the revaluation of Standard House. The investment portfolio excl. the property gains returned approx. minus 1.3%. 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

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

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

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
77,800	6.77%	0.00%	\$350,329	\$440,321	A

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	77,800	74,300	68,700	65,300	62,600
Chartered	51,200	46,000	45,000	37,000	30,000
Market Share by Owned GT	6.77%	6.67%	6.44%	6.31%	6.34%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	12.5	2.5	0	Closed	Closed
General Increase	0	0	10	7.5	5

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

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	350,329	365,341	345,731	315,265	329,646
Reinsurance Costs	64,830	69,002	61,169	44,323	51,470
Net Claims (Incurred)	167,930	187,614	232,450	266,261	274,194
Net Operating Expenses	41,397	45,421	42,823	38,456	44,922
Underwriting Result	76,172	63,304	9,289	-33,775	-40,940
Investment Income	-12,038	11,684	5,703	24,144	33,471
Overall Surplus (Deficit)	64,134	74,988	14,992	-9,631	-7,469
Net Assets	1,053,343	1,027,360	985,701	941,418	911,983
Net Outstanding Claims	613,022	651,173	684,502	655,211	616,145
Free Reserves	440,321	376,187	301,199	286,207	295,838

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	73.3%	78.6%	96.7%	112.5%	114.7%
Investment Return	-0.2%	1.3%	0.9%	3.0%	4.2%
Increase in Free Reserves	17.0%	24.9%	5.2%	-3.3%	-2.5%
Free Reserves / GT	\$5.66	\$5.06	\$4.38	\$4.38	\$4.73
Solvency Ratio	172%	158%	144%	144%	148%
Average Expense Ratio	12.1%	11.8%	11.3%	12.4%	12.3%

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE

SVERIGES ÅNGFARTYGS ASSURANS FÖRENING (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 Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
43,600	3.79%	0.00%	\$180,402	\$183,074	BBB+

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	43,600	41,500	37,100	34,800	33,900
Chartered	21,700	20,500	17,400	16,600	16,300
Market Share by Owned GT	3.79%	3.73%	3.48%	3.36%	3.43%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/0	0/0	0/0
Release Call	15	10	7.5	Closed	Closed
General Increase	0	2.5	7.5	7.5	5

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

FINANCIAL STATEMENTS (\$'000)

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	180,402	180,719	172,286	170,287	173,714
Reinsurance Costs	37,452	41,272	46,518	40,581	40,079
Net Claims (Incurred)	117,014	93,151	90,409	116,813	121,489
Net Operating Expenses	25,752	27,604	27,275	26,266	25,012
Underwriting Result	184	18,692	8,084	-13,373	-12,866
Investment Income	-3,071	684	8,360	19,789	4,489
Overall Surplus (Deficit) ¹⁾	-1,060	19,376	16,444	6,416	-8,377
Net Assets	375,255	364,971	301,856	331,141	319,680
Net Outstanding Claims	192,181	180,836	137,098	182,827	177,783
Free Reserves	183,074	184,135	164,758	148,314	141,897

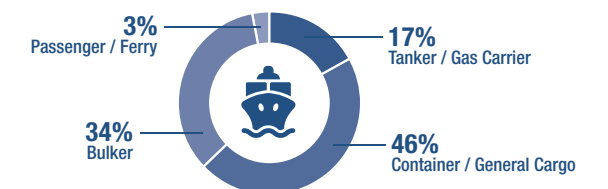
¹⁾ The overall result 2015/16 of the Swedish Club includes a change in value of receivables on Hydra of USD 1.8 million.

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	99.9%	86.6%	93.6%	110.3%	109.6%
Investment Return	-1.6%	1.6%	3.6%	8.0%	2.0%
Increase in Free Reserves	-0.6%	11.8%	11.1%	4.5%	-5.6%
Free Reserves / GT	\$4.20	\$4.44	\$4.44	\$4.26	\$4.19
Solvency Ratio	195%	202%	220%	181%	180%
Average Expense Ratio	13.3%	13.0%	12.1%	13.3%	13.0%

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**

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

Office Locations:

London, Beijing, Bermuda, Hong Kong,
New Jersey, Piraeus, San Francisco,
Shanghai, Singapore, Tokyo

KEY FIGURES

Owned GT ('000)	Market Share by Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
135,000	11.75%	2.50%	\$385,360	\$546,913	A

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	135,000	127,000	124,000	120,000	112,000
Chartered	100,000	98,000	80,000	80,000	80,000
Market Share by Owned GT	11.75%	11.41%	11.63%	11.60%	11.34%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	0/0	0/-2.5	0/0	0/0
Release Call ¹⁾	n/a	10	0	Closed	Closed
General Increase	2.5	6.5	10	7.5	3

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)

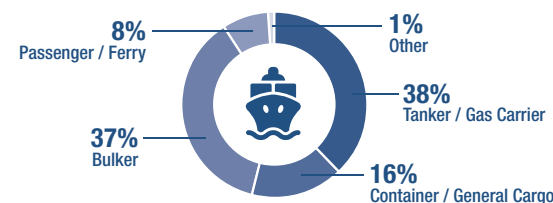
	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	385,360	408,059	396,281	352,950	360,540
Reinsurance Costs	81,414	88,969	93,502	73,190	70,685
Net Claims (Incurred)	241,252	289,936	268,906	258,679	243,287
Net Operating Expenses	44,874	43,961	40,942	41,133	42,109
Underwriting Result	17,820	-14,807	-7,069	-20,052	4,459
Investment Income	-19,045	33,872	43,017	27,649	3,007
Overall Surplus (Deficit)	-1,225	19,065	35,948	7,597	7,466
Net Assets	1,248,255	1,262,845	1,291,115	1,248,919	1,264,646
Net Outstanding Claims	701,342	715,079	762,773	755,088	778,869
Free Reserves ¹⁾	546,913	547,766	528,342	493,831	485,777

¹⁾ Free reserves incl. perpetual subordinated capital securities (hybrid capital) of USD 99 million.

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	94.1%	104.6%	102.3%	107.2%	98.5%
Investment Return	-1.0%	5.0%	4.5%	3.7%	1.5%
Increase in Free Reserves	-0.2%	3.7%	7.0%	1.7%	1.7%
Free Reserves / GT	\$4.05	\$4.31	\$4.26	\$4.12	\$4.34
Solvency Ratio	178%	177%	169%	165%	162%
Average Expense Ratio	10.2%	9.7%	9.4%	9.5%	9.5%

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE

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

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 Owned GT	General Increase (2016/17)	Call Income (\$'000)	Free Reserves (\$'000)	S&P Rating
72,100	6.27%	0.00%	\$227,614	\$276,661	BBB+

GROSS TONNAGE ('000)

	2016	2015	2014	2013	2012
Owned	72,100	67,500	57,200	53,700	50,900
Chartered	27,900	22,500	20,000	17,000	17,500
Market Share by Owned GT	6.27%	6.06%	5.36%	5.19%	5.15%

CALLS & GENERAL INCREASE (%)

	2016/17	2015/16	2014/15	2013/14	2012/13
Estimated Supplementary Call / Called	n/a	35/35	35/35	35/35	30/30
Release Call	20	10	0	Closed	Closed
General Increase	0	2.5	7.5	7.5	5

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

FINANCIAL STATEMENTS (\$'000)

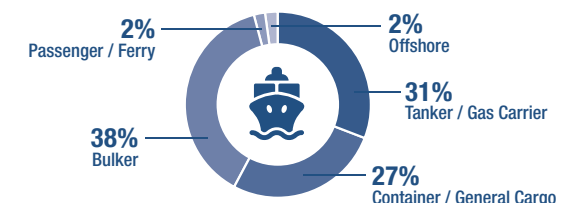
	2015/16	2014/15	2013/14	2012/13	2011/12
Gross Written Premium	227,614	216,798	203,311	195,483	211,551
Reinsurance Costs	43,927	40,619	36,369	29,187	33,008
Net Claims (Incurred)	118,072	136,280	133,485	135,168	157,595
Net Operating Expenses	35,466	35,350	34,854	35,264	36,492
Underwriting Result	30,149	4,549	-1,397	-4,136	-15,544
Investment Income	2,820	22,947	13,748	21,215	10,921
Overall Surplus (Deficit) ¹⁾	32,969	27,496	12,351	17,079	-4,623
Net Assets	680,166	653,978	638,045	626,020	671,600
Net Outstanding Claims	403,505	410,286	421,849	428,599	492,244
Free Reserves	276,661	243,692	216,196	197,421	179,356

KEY PERFORMANCE INDICATORS

	2015/16	2014/15	2013/14	2012/13	2011/12
Net Combined Ratio	83.6%	97.4%	100.8%	102.5%	108.7%
Investment Return	0.8%	4.3%	3.4%	3.8%	1.8%
Increase in Free Reserves	13.5%	12.7%	9.5%	10.1%	-1.8%
Free Reserves / GT	\$3.84	\$3.61	\$3.78	\$3.68	\$3.52
Solvency Ratio	169%	159%	151%	146%	136%
Average Expense Ratio	15.5%	14.9%	14.2%	15.4%	14.8%

¹⁾ Investment Return 2015/16 incl. the revaluation the Club's London property, Tower Bridge Court. For the last financial year, the portfolio of financial assets (excluding property) returned a loss of 0.8%.

ENTERED VESSELS BY REGION

ENTERED VESSELS BY TYPE OF TONNAGE


COMPARISON OF INDIVIDUAL CLUB RESULTS ACROSS THE GROUP 2015/16



FINANCIAL STATEMENTS (\$'000)

Gross Written Premium	97,504	260,272	897,287	226,280	110,072	489,810	209,881	409,980	354,300	350,329	180,402	385,360	227,614	4,199,091
Reinsurance Costs	16,128	43,413	169,760	59,229	22,670	114,572	27,870	56,663	90,100	64,830	37,452	81,414	43,927	828,028
Net Claims (Incurred)	49,364	192,276	532,259	125,416	60,129	196,040	136,060	243,276	206,900	167,930	117,014	241,252	118,072	2,385,988
Net Operating Expenses	33,978	26,986	92,891	24,290	11,954	95,727	42,704	87,971	39,600	41,397	25,752	44,874	35,466	603,590
Underwriting Result	-1,966	-2,403	102,377	17,345	15,319	83,471	3,247	22,070	17,700	76,172	184	17,820	30,149	381,485
Investment Income	-224	-30,468	-71,121	-13,488	-12,026	-7,299	-24,142	-9,035	-7,800	-12,038	-3,071	-19,045	2,820	-206,937
Overall Surplus (Deficit)	-2,190	-32,871	48,107	3,857	3,293	90,292	-20,895	13,035	9,900	64,134	-1,060	-1,225	32,969	207,346
Net Assets	228,982	1,294,314	2,262,409	465,589	385,273	1,014,650	604,661	858,933	972,800	1,053,343	375,255	1,248,255	680,166	11,444,630
Net Outstanding Claims	172,572	781,618	1,245,249	278,459	224,566	586,249	325,283	511,526	582,700	613,022	192,181	701,342	403,505	6,618,272
Free Reserves	56,410	512,696	1,017,160	187,130	160,707	428,401	279,378	347,408	390,100	440,321	183,074	546,913	276,661	4,826,359

KEY PERFORMANCE INDICATORS

S&P Rating	BBB-	A	A+	BBB+	BBB	A	A-	A	A	A	BBB+	A	BBB+	-
Owned Tonnage ('000)	16,000	105,900	215,200	89,600	44,400	131,000	24,600	78,000	116,000	77,800	43,600	135,000	72,100	1,149,200
General Increase (2016/17)	2.5	2.5	2.5	3	5	2.5	0	n/a	2.5	0	0	2.5	0	1.9
Net Combined Ratio	102.4%	101.1%	85.9%	89.6%	82.5%	77.8%	98.2%	93.8%	93.3%	73.3%	99.9%	94.1%	83.6%	88.7%
Investment Return	0.3%	-2.5%	-2.5%	1.4%	-2.5%	-1.3%	-3.0%	-1.6%	-0.9%	-0.2%	-1.6%	-1.0%	0.8%	-1.1%
Increase in Free Reserves	-3.7%	-6.0%	5.0%	8.6%	2.1%	26.7%	-7.0%	3.9%	2.6%	17.0%	-0.6%	-0.2%	13.5%	4.7%
Free Reserves / GT	\$3.53	\$4.84	\$4.73	\$2.09	\$3.62	\$3.27	\$11.36	\$4.45	\$3.36	\$5.66	\$4.20	\$4.05	\$3.84	\$4.20
Solvency Ratio	133%	166%	182%	167%	172%	173%	186%	168%	167%	172%	195%	178%	169%	173%
Average Expense Ratio	24.2%	9.1%	11.8%	5.2%	9.5%	12.4%	21.0%	12.8%	12.2%	12.1%	13.3%	10.2%	15.5%	13.0%



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
3,950	\$12,300	\$500 million	6,500	No U.S. flagged or managed/domiciled business



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
1,414	\$7,000	\$500 million	25,000	No U.S. flagged business or trade



JAPAN CLUB - NAIKO CLASS

2-15-14, Nihonbashi-Ningyocho
Chuo-ku 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
2,600	\$19,669	¥8.0 billion	Undisclosed	Cover for Japanese coastal vessels (Naiko Class)



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	Coverage / Exclusions
165	\$1,200	\$100 million	7,500	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
8,057	\$66,842	\$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

THOMAS MILLER SPECIALTY

THOMAS MILLER SPECIALTY / OSPREY P&I

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
1,425	\$25,000	\$500 million	25,000 Bulker 10,000 Non-Bulker	Avoids tankers carrying persistent oil cargoes and high capacity passenger vessels



SKULD

Rådhusgaten 27
0114 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
2,200	\$17,000	\$1 billion	25,000	—



WEST OF ENGLAND

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

Security:
West of England

S&P Rating:
BBB+

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	Dirty oil cargoes, fare paying passengers, U.S. waters trade, fish boats



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



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	Exclusions
12,500	\$105,000	\$1 billion	No Limit	Avoids U.S. trade, Transatlantic/Pacific risks, dirty tankers and passenger 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
3,848	\$29,000	\$1 billion	40,000 Bulker 10,000 Tanker 20,000 All others	U.S. flag except for yachts



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
3,030	\$18,150	\$500 million	30,000 Bulker 20,000 Tanker	Owners & Charterers P&I / No U.S. flagged or managed business



NAVIGATORS P&I

One Penn Plaza, 32nd Floor
New York 10119
United States of America
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
2,025	\$18,750	\$1 billion	25,000	Dislike Transatlantic/Pacific or U.S. trade. No U.S. flagged business and passenger vessels



HYDOR

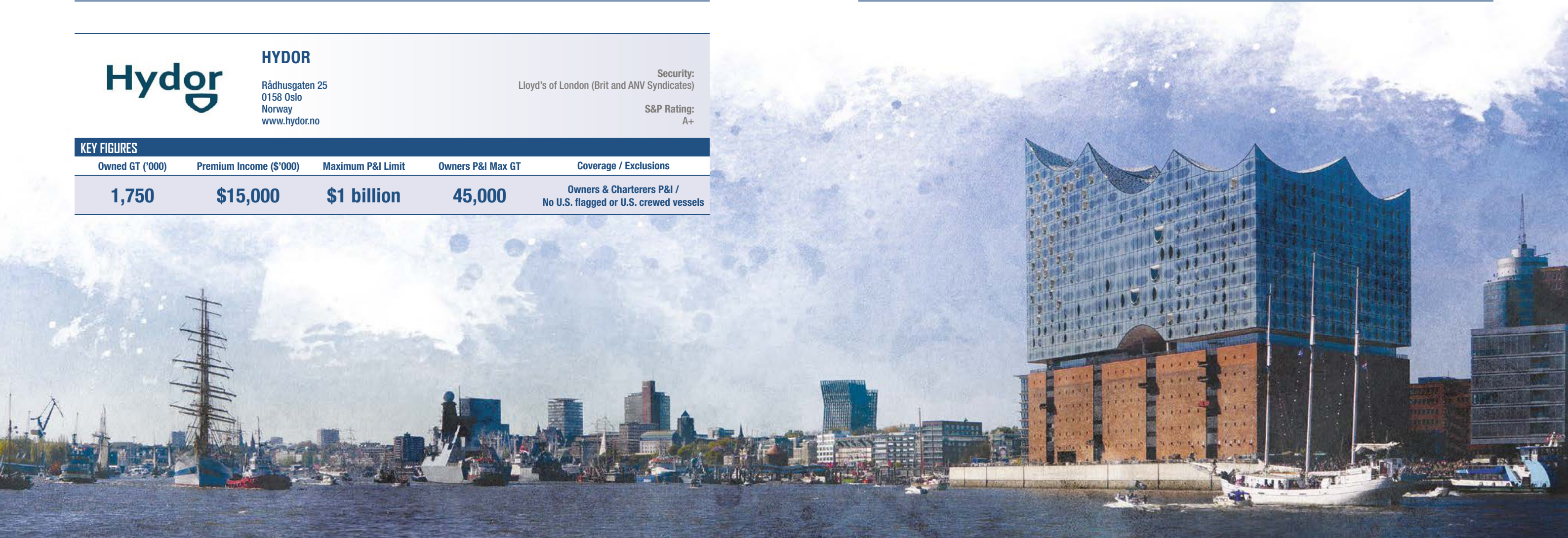
Rådhusgaten 25
0158 Oslo
Norway
www.hydor.no

Security:
Lloyd's of London (Brit and ANV Syndicates)

S&P Rating:
A+

KEY FIGURES

Owned GT ('000)	Premium Income (\$'000)	Maximum P&I Limit	Owners P&I Max GT	Coverage / Exclusions
1,750	\$15,000	\$1 billion	45,000	Owners & Charterers P&I / No U.S. flagged or U.S. crewed vessels



**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
15,600	\$52,250	\$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
11,000	\$9,750	\$350 million	No Limit	Charterers P&I only

THE CHARTERERS P&I CLUB**CHARTERERS P&I CLUB**

65 Leadenhall Street
London EC3A 2AD
United Kingdom
www.exclusivelyforcharterers.com

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
14,000	\$29,500	\$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
1,204	\$8,500	\$500 million	No Limit	Charterers P&I only

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.exclusivelyforcharterers.com
NORWEGIAN HULL CLUB	www.norclub.no

MARITIME ASSOCIATIONS & ORGANISATIONS


BALTIC INTERNATIONAL MARITIME COUNCIL	www.bimco.org
EUROPEAN COMMISSION	
(BANKING AND FINANCE)	www.ec.europa.eu/finance
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.tradewinds.com

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 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.
	Return on invested assets and cash.
INVESTMENT RETURN:	Net assets divided by net outstanding claims.
SOLVENCY 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.
AER, AVERAGE EXPENSE RATIO:	

DISCLAIMER

This is a General Disclaimer in the unfortunate event of an Error(s) and/or Omission(s) of any and all kinds arising in this report. Although every reasonable effort and care has been exercised by Georg Duncker to ensure the accuracy and completeness of information contained within this report, responsibility shall not be borne for errors, inaccuracies, omissions, or any inconsistency which may arise herein.



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E-mail: singapore@georg-duncker.com