

NORTH P&I CLUB RESERVE ADVANCES 30% TO US\$ 312 MILLION AT RENEWAL

24 MAY 2011

Directors of North of England P&I Club confirm that the 'A' rated Club emerged substantially stronger from the annual renewal in February 2011, with an underwriting surplus and investment income boosting its free reserve by 30% to US\$ 312 million. Chairman Albert Engelsman and fellow board members approved the Club's 2010/11 accounts in Cyprus on Friday (20 May 2011).

'This year has been very successful for North, with a strong underwriting performance and positive investment return resulting in a substantial free reserve to underpin our continued development,' says Engelsman. 'Our strategy of achieving solid and prudent financial growth to match the quality expansion of our membership remains very much on track.'

North's directors are committed to increasing the Club's P&I market share to a minimum of 12.5% of the world's owned shipping tonnage. 'Owned entries increased 20% during the year to stand at 105 million GT at the 2011 renewal with chartered entries steadily growing to 45 million GT, resulting in a total entry of 150 million GT.' confirms Engelsman.

According to joint managing director Alan Wilson, 'New entries in 2010, a 5% general premium increase for P&I cover and a 10% increase for FD&D cover resulted in premium income for 2010/11 increasing 10% to US\$ 314 million. With a strong underwriting performance, represented by a combined ratio of 78%, and a 2.71% return on our low-risk P&I investment portfolio we achieved an overall surplus for the year of US\$ 72 million.' Full details will be published in the Club's *Management Report* next month.

'North is now entering its twentieth consecutive year of not calling on members for unbudgeted supplementary funding,' says joint managing director Paul Jennings. 'We have every intention of continuing this record by securely building the Club's financial strength and resources to match our ongoing development in quality tonnage. We will in particular continue to focus on the Club's primary role of providing Members with the highest possible levels of service.'

North maintained its 'A' stable rating from Standard and Poor's for the sixth consecutive year in December 2010, reflecting its, 'strong service ethic with a high level of members support,' and, 'strong competitive position and very strong financial flexibility - the Club has a long-term track record of outperforming most of its peers'.

In March 2011 the Club moved into newly enlarged UK headquarters in Newcastle upon Tyne, enabling it to employ up to 125 more head office staff. The Club has regional offices in Hong Kong, Piraeus and Singapore and currently employs 210 people worldwide.

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