

CIRCULAR REF: 2012/028

**CIRCULATED TO ALL BROKERS
ATTENTION INSURANCE DEPARTMENT**

**22 AUGUST 2012
PAJ/AAW/KAH**

NORTH OF ENGLAND P&I ASSOCIATION LIMITED 2012 MANAGEMENT REPORT

Please find attached a copy of North's 2012 Management Report, which we trust you will find both informative and of interest.

This year we have reduced the number of printed copies of the Management Report as part of our commitment to Corporate Social Responsibility initiatives; to minimise our impact upon the environment. All of North's publications are available online at www.nepia.com.

Against a background of difficult market conditions, a volatile investment landscape and trend of increasing claims, we are able to report a stable and satisfactory result, with an overall surplus of US\$1.6 million, leading to a third consecutive annual increase in free reserves to US\$314.0 million. We would particularly draw your attention to a number of key developments:

- Standard and Poor's 'A' rating (with stable outlook) maintained.
- Total net assets of US\$896.2 million.
- Combined ratio of 101.8%.
- Capital adequacy comfortably exceeds anticipated Solvency II regulatory requirements.
- Total entered tonnage increased to 163 million GT at 20 February 2012 renewal.

We continue to make progress towards the objectives set by the Board of Directors, including the delivery of high levels of service and financial stability.

On behalf of all at the Club, we thank you for your continued support

AA WILSON and PA JENNINGS
JOINT MANAGING DIRECTORS - North Insurance Management Limited
As Managers on behalf of the North of England P&I Association Limited

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