

CIRCULAR REF: 2017/011

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPT**

**18 MAY 2017
JMDs/KAH**

NORTH GROUP ANNUAL REVIEW & RELEASE CALLS

The Directors met on 11 May 2017 and approved the financial statements for the year ending 20 February 2017 for North P&I Club and Sunderland Marine (North Group). The Annual Review 2017 is now available to view and download from our website [here](#) and the combined financial statements together with the Directors Report and Bermuda Financial Statements will be published in the next few weeks.

Overall, the Club's performance in 2016/17 was positive and characterised by overwhelming support from the Members and a modest financial surplus. The Club also returned 5% of Owned premium to Members in respect of the 2016 Policy Year, in recognition of the continuing difficult trading conditions facing many in the global shipping community, as well as the significantly improved financial strength of the Club.

The Annual Review shows that the free reserves have increased modestly to US\$431 million. Despite a solid underwriting result with a combined ratio of 96% and a positive investment return of 2.8%, the financial results were impaired by an increase in the North Group's pension scheme deficits of some US\$30 million, which this year constrained further development of the free reserves. Notwithstanding this, the Club's capital strength as assessed by Standard and Poor's has increased to 'AAA', which supports this 13th consecutive year of an 'A' S&P rating.

RELEASE CALLS

The Directors also reviewed the Release Calls for the P&I and FD&D Classes, which they have decided should be set as follows:

POLICY YEAR	P&I CLASS	FD&D CLASS
2014/15	0%	0%
2015/16	0%	0%
2016/17	5%	5%
2017/18	15%	15%

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THE NORTH OF ENGLAND P&I ASSOCIATION LIMITED 100 The Quayside, Newcastle upon Tyne, UK, NE1 3DU
Telephone: +44 (0) 191 2325221 Fax: +44 (0) 191 2610540 www.nepia.com

The North of England Protecting and Indemnity Association Limited. Registered in England No. 505456. Registered office address above.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Hong Kong: Room 3011 COSCO Tower, 183 Queen's Road, Central, Hong Kong Telephone: +852 25446813 Fax: +852 25424424.
Greece: 5-7 Aghiou Nikolaou, GR 185 37 Piraeus, Greece Telephone: +30 210 4283038 Fax: +30 210 4280920.
Singapore: 80 Anson Road, #26-04 Fuji Xerox Towers, Singapore 079907 Telephone: +65 64110160 Fax: +65 62240160.
Tokyo: Shinkyobashi Building, 6th Floor, 2-8-8 Kyobashi, Chuo-ku, Tokyo, Japan, 104 – 0031 Telephone: +81 (3) 5159 5373 Fax: +81 (3) 5250 0003.
North of England Marine Consultants (Shanghai) Ltd Co.: Room 11D, Phase B, Shinmay Union Building, 506 Shangcheng Road, Pudong, 200120, Shanghai, China Telephone: +86 21 6087 5988 Fax: +86 21 6087 6198.

The 2016/17 year has been both productive and positive for the Club with significant achievement of strategic aims, combined with continued support from existing Members demonstrating their confidence in the Club's improved financial stability and long standing reputation for personal service excellence.

AA WILSON and PA JENNINGS
JOINT MANAGING DIRECTORS
The North of England P&I Association Limited