

NORTH P&I CLUB REPORTS ANOTHER 'STABLE' RESULT IN A CHALLENGING YEAR

8 JULY 2013

The 170 million GT, 'A' rated North P&I Club achieved another 'stable' result in a difficult financial year, says Chairman Pratap Shirke in the Club's newly published *Management Report 2013*.

'This has been a challenging year for the shipping industry as a whole, a year which has seen no abatement in the fragile and unstable global economy and further deterioration in the claims environment. Despite this, North is pleased to report another stable result, which has further consolidated our position as one of the leading P&I clubs', he says.

Joint Managing Director Alan Wilson confirms, 'Overall we are pleased to report a satisfactory financial result for the year to 20 February 2013, with an increase in premium income to US\$365.3 million and a net investment income of US\$8.5 million.

However, the high level of P&I claims and North's significant contributions to the International Group of P&I Clubs' pool claims led to a deficit of US\$1.8 million. 'We presented two pool claims in each of the last two years, but overall North remains a net contributor. This and our unusually high retained claims resulted in a modest fall in the free reserve from US\$314 million to US\$312.2 million, with a combined ratio of 104.2%.'

Joint Managing Director Paul Jennings says, 'We nevertheless emerged from the renewal as one of the largest and most financially secure members of the International Group. Whilst our total tonnage of 170 million GT has shown little movement over the past 12 months, we have achieved a significant growth in premium income thanks to the overwhelming support of our membership.'

He says North will continue to adopt a very cautious financial approach, with a risk-averse investment policy, strong financial controls and cautious claims reserving methodology, with Members' claims reserved in the balance sheet at a very conservative 95% confidence level.

Shirke concludes, 'North is in a sound financial position, with a quality membership and an outstanding reputation for service. But in view of the many challenges facing the shipping industry, we must continue to take appropriate and proactive steps to ensure the continued success of the Club.

'We have thus been embarking upon a series of efficiency initiatives, including comprehensive reviews of our management, operations and membership. These will all help us to realise our strategic vision for North, which is to be the most cost-effective marine insurance mutual providing the highest levels of service'.

He adds that the Club is in its 22nd consecutive year of not burdening Members with unbudgeted supplementary funding and has maintained its Standard & Poor's 'A' (stable) rating for the ninth consecutive year.

Ends

For further information contact: Alan Wilson or Paul Jennings +44 191 232 5221

Notes to editors

1. The *Management Report 2013* can be downloaded from North's website at www.nepia.com.
2. North is a leading marine mutual liability insurer providing P&I, FD&D, war risks and ancillary insurance to 127 million GT of owned tonnage and 43 million GT of chartered tonnage, with 3500 ships entered by 330 Members worldwide. It is based in Newcastle upon Tyne, UK with regional offices in Greece, Hong Kong, Japan and Singapore. The Club is a leading member of the International Group of P&I Clubs (IG), with over 12.5% of the IG's owned tonnage. The 13 IG clubs provide liability cover for approximately 90% of the world's ocean-going tonnage and, as a member of the IG, North supports, protects and promotes the interests of the international shipping industry.