

Spring Financial Update

Club reports strong financial position

\$559_m

Free reserves

217%

Regulatory Capital Adequacy Ratio

9.6%

Investment Return (\$106m)

A (Stable)

Standard & Poor's rating

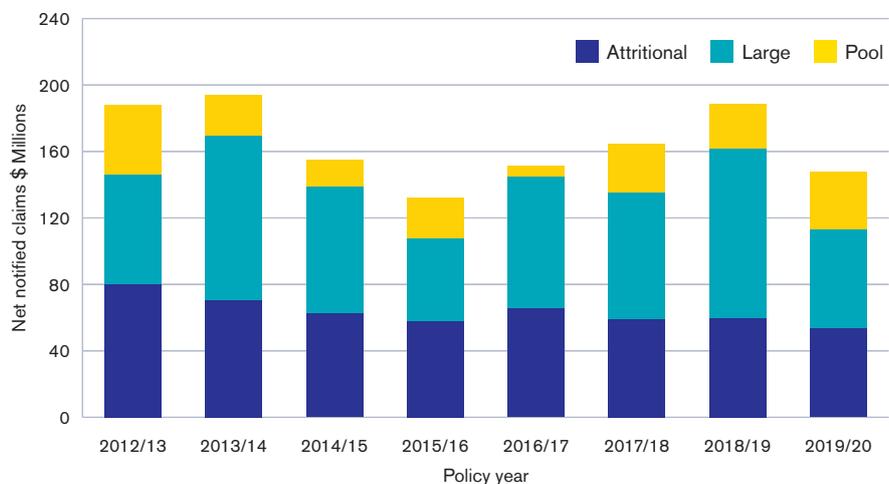
Financial Update

The Club's financial position remains strong as free reserves grew by \$54 million to \$559 million as at 20 February 2020. This was driven by an exceptional investment return of 9.6% for the year. The Club continues to meet all of its regulatory capital requirements and Standard & Poor's reaffirmed the Club's A (Stable) rating in December 2019.

The Club benefitted from reasonably good large claims experience on its own account for the 2019/20 policy year. However, other clubs' Pool claims were higher than usual.

While the recent renewal was firmer than recent years, further movement is needed to bring premiums in line with risk. This is important to maintaining a healthy and robust P&I sector, particularly in these challenging times. Members have benefitted from reduced premium rates in recent years, supported by the strength of the Club's financial position. However, the Club's combined ratio of 120% shows that premium rates have fallen below the level necessary to cover claims and expenses. The recent renewal was firmer and the Club has emerged stronger through careful selection of risk. Mutual tonnage remained stable at 142 million GT with significant additional Chartered tonnage.

Total net notified claims by size for policy years 2012/13-2019/20 at 12 months



Operations during Covid-19

The coronavirus outbreak is having a profound effect on people's lives and livelihoods across the globe. During these unprecedented times the Club remains financially strong and continues to deliver the same excellent, uninterrupted service, helping our Members to navigate the rapidly changing landscape caused by the pandemic. In particular:

- The Club's online webinars are proving to be a great success, and will continue to be a feature of our service going forward.
- The Club has recently launched its "GP at Sea" service, providing access to a specialist marine telemedicine service. UK Club Members can access this on a "pay as you go" basis for non-emergency advice for their ships' crew who, because of COVID-19, may be on board for longer than anticipated.

"TM connect" portal offers Members and their brokers significantly enhanced online services with access to essential data 24/7.