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TO ALL MEMBERS AND ASSURED

Dear Sirs

The London P&I Club – 2017/18 Financial Year

This Circular is to provide an advance summary of the Association's result for the 2017/18 financial year. Further information on this and other developments over the last 12 months will be contained in the Annual Report, which will be issued shortly.

Financial position

The Association recorded a surplus after tax of US\$6.6m, lifting the free reserve to US\$194.6m. This result followed a US\$14.4m rise in the cost of the Association's net incurred claims, the drivers of which included an increase in claims activity involving the International Group Pool as well as an increase in the cost of higher severity Fixed and Floating Object claims within the Association's retained layer. The claims outturn coincided with a period of continued pressure on P&I premium levels and the combination of these factors contributed to an increased combined ratio of 118.7%.

Investments

In the year to 20 February 2018, there was a return on the Association's portfolio of 5.5% or US\$18.9m, net of associated management expenses.

Membership & Overview

The Association has continued to receive additional entries from new as well as existing Members and following the February 2018 renewal there was a year on year increase of 5.8% in the mutual membership. In addition, there was further volume growth in the Association's bespoke covers for Charterers and for the Owners of smaller vessels.

Detailed information on all of the above will be provided in the forthcoming Annual Report. In the meantime the Association's 2018 Corporate Overview is now available online [here](#).

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

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