



STEAMSHIP MUTUAL

January 2014

To the Members

Dear Sirs,

FINANCIAL UPDATE

At a Board Meeting in Singapore on 20th and 21st January 2014 the Directors reviewed a number of matters including the financial position of the Club and they have asked the Managers to bring the Members up to date with developments.

Combined owned entered tonnage rose by a net total of 3.6 million tons to 68.9 million tons in the period 20th February to 20th January 2014.

At the 11 month stage of the 2013/14 policy year attritional claims, those below US\$250,000, are 15% lower in number and similar in average value to the position at the same point last year. The number of larger claims is however significantly higher than last year's experience. Last year the average cost of large claims increased by over 40% and this year a further increase of 9% has been recorded. As at 20th January there are 12 claims notified by Clubs to the International Group Pool, including two from the Association.

Prior year claims have developed more favourably than forecast but consistent with the Board's longer term expectations.

The combined total return on the Trust and Clubs' investments for the 11 months to 20th January stands at US\$6.0 million, equivalent to a return of 0.5%. The current projection is that free reserves will increase slightly at year end.

Standard & Poor's affirmed the Clubs' financial strength rating of A- with a stable outlook on 17th January.

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED

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STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED

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MANAGERS: STEAMSHIP P&I MANAGEMENT LLP

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