

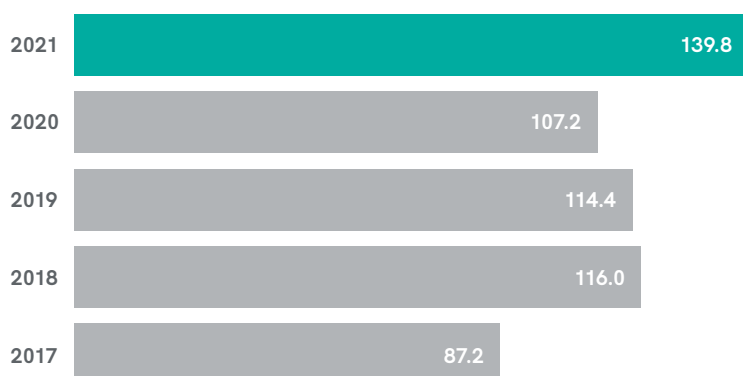
Financial Overview

Operating Performance

2020 was marked by a greater number of higher severity losses, both within the Club's own retention and on the Pool. Consequently, after a period of improving performance, the Club's operating result reflects the increased claims experience and the reported combined ratio for the year is 139.8%.

Combined ratio (%)

Financial year to 20 February



Class One Members' Claims

The incurred cost at 12 months is higher than any preceding year at the 12-month point.

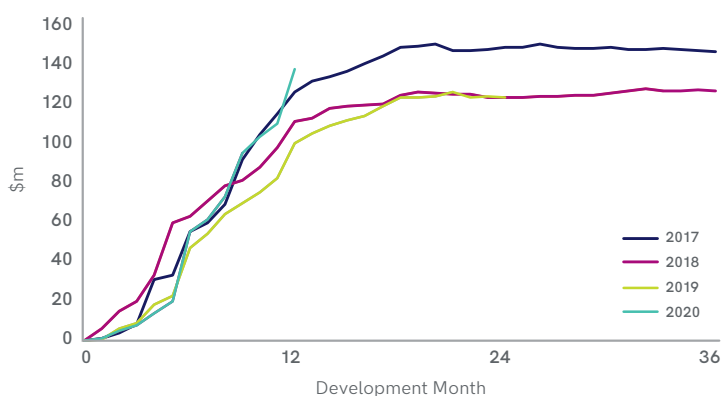
Attritional claims were greater than budgeted due to the cost of Covid related claims which exceeded \$12m.

Compounding this, the Club's own large loss experience was worse than expected with four claims notified to the IG Pool.

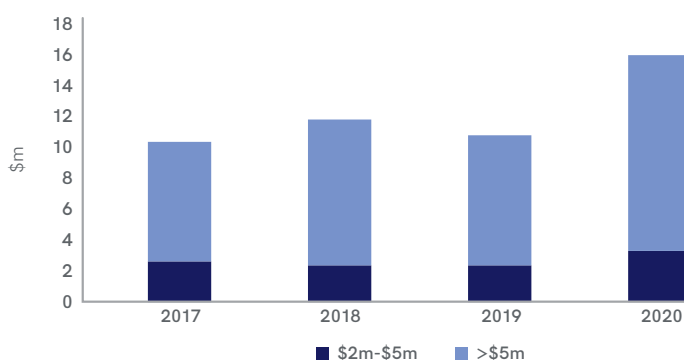
The Club's reinsurance has responded as it should but nevertheless the severity of the losses has had an adverse impact on the result.

Development of Members' net incurred claims

Policy Years 2017 to 2020



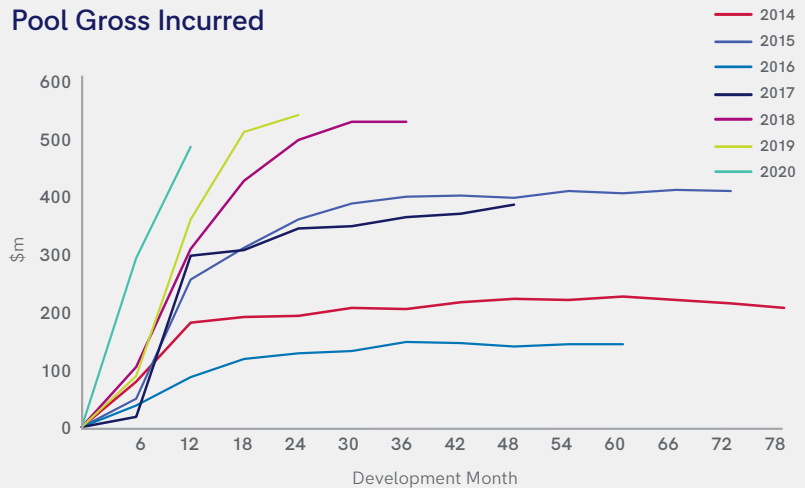
P&I Owned Large Claims Average Size



Other Clubs' Pool claims

The IG Pool also suffered more severe losses than expected resulting in the 2020 Policy Year having the highest incurred cost of any recent year at the 12 month stage. This followed the recent poor experience of both Policy Years 2018 and 2019 which already reported the highest incurred cost for a number of years.

Pool Gross Incurred

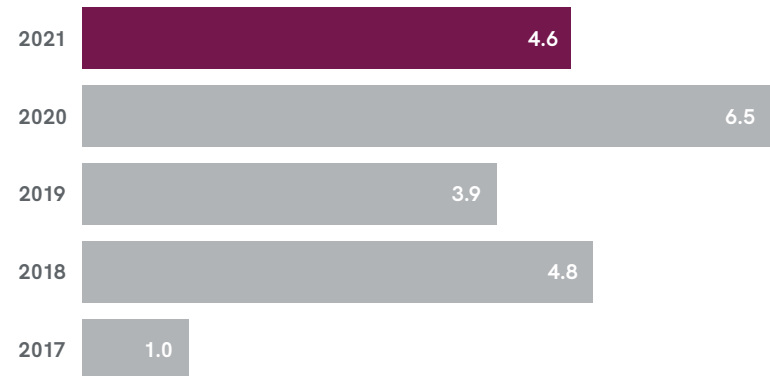


Investment Performance

The investment return was again positive returning 4.6% (USD 33.3m) and the strategic allocation served the Club well during the extreme market volatility in March 2020.

Investment Return (%)

Financial year to 20 February



Financial and Rating Strength

The Club's Free Reserve is now USD 291.1m and the Club continues to meet its objective of maintaining capital in excess of the AAA rating on S&P capital model. The Club's financial strength rating was re-affirmed as A- in April this year.



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