

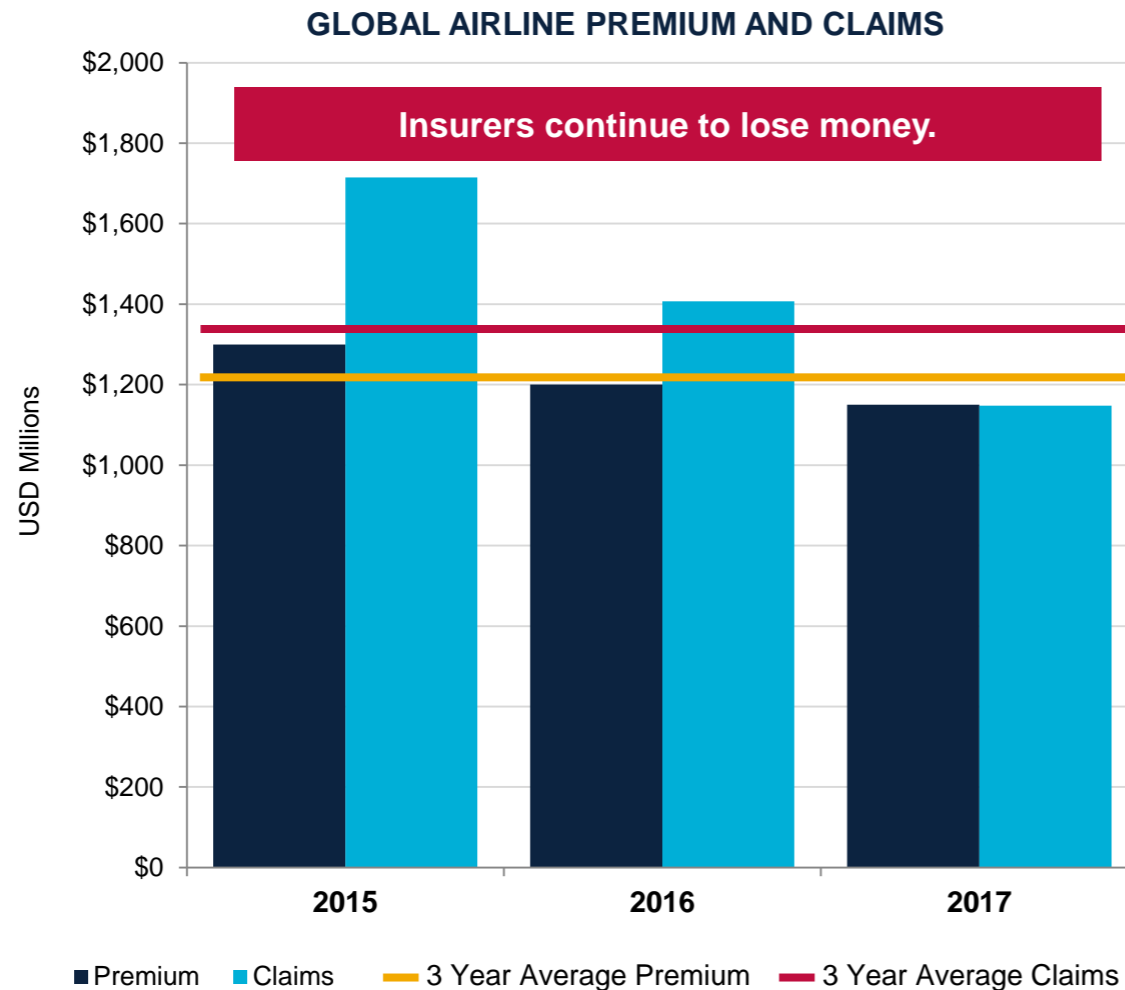


INVESTMENT IN SAFETY LONG TERM GAINS FOR AIRLINES IASS 2018

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MAJOR AIRLINE LOSSES

3 YEAR MARKET POSITION



Figures are on calendar year basis, excludes Hull War. Source: FlightGlobal data.

AIRLINE LOSSES - 2017

Loss Date	Operator	Aircraft Type	Fatalities
03/01/17	Aeroflot Airlines	A321-211	-
16/01/17	ACT Airlines	B747-400F	39
28/01/17	AerCaribe	B737-400	-
14/03/17	BahamasAir	ATR-72-600	-
28/03/17	Peruvian Airlines	B737-300	-
31/05/17	Sriwijaya Air	B737-300	-
03/07/17	AirAsia X	A330-300	-
18/07/17	Tri-MG Airlines	B737-301F	-
03/08/17	Wings Air	ATR72-500	-
03/08/17	Lion Air	B737-900ER	-
30/09/17	Air France	A380-800	-
29/11/17	Singapore Airlines	777-200	-
08/12/17	Qatar Airways	A321-231	-
13/12/17	West Wind Aviation	ATR42-320	-

Based on airline incidents involving loss of life, total loss, CTL or a significant Hull claim.
Source: Information collated from publicly available online sources.

Few major airline losses - zero passenger fatalities from commercial jet flights in 2017.

However attritional losses were frequent and costly and continue to erode profits.

MAJOR AIRLINE LOSSES

2018 YEAR TO DATE



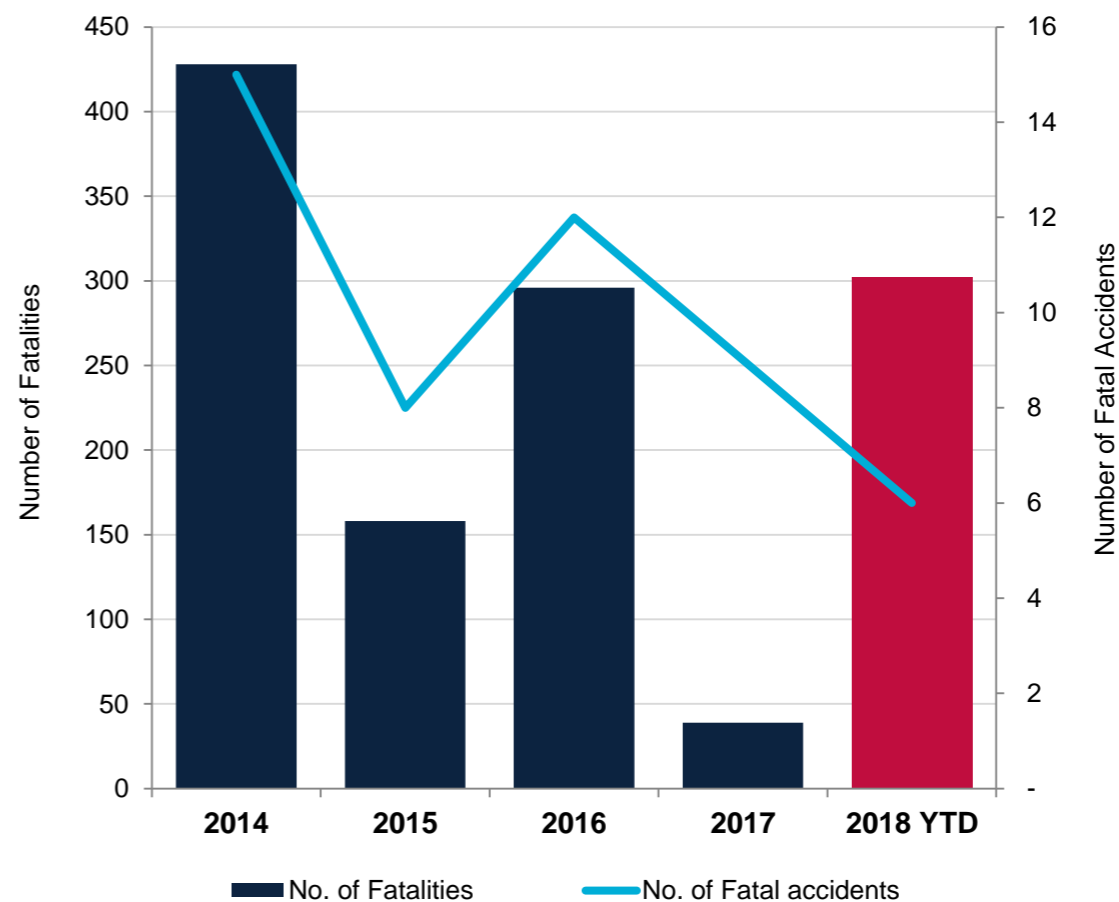
AIRLINE LOSSES - 2018

Loss Date	Operator	Aircraft Type	Fatalities
05/01/18	Sunwing Airlines	B737-800	-
13/01/18	Pegasus Airlines	B737-800	-
11/02/18	Saratov Airlines	AN-148-100B	71
18/02/18	Iran Aseman Airlines	ATR 72-212	66
12/03/18	US-Bangla Airlines	DHC-8-Q400	51
17/04/18	Southwest Airlines	B737-700	1
29/04/18	Lion Air	B737-800	-
18/05/18	Global Air	B737-200	112
11/06/18	Lufthansa	A340-300	-
14/06/18	LinkPNG	DHC-8-Q200	-
31/07/18	Aeroméxico Connect	ERJ-190AR	-
10/08/18	Horizon Air	DHC-8-400	1
01/09/18	UTAir	B737-800	-

Based on airline incidents involving loss of life, and or are a total loss, CTL or are estimated will lead to a significant hull claim (includes hull war) (excludes GA type aircraft).
Source: Information collated from publicly available online sources.

Six fatal airline losses to date, which account for some 302 fatalities

AIRLINE FATAL ACCIDENTS VS. FATALITIES



*Figures are on a calendar year basis and are shown only as a guide. They include commercially operated jet or turboprop aircraft of more than 14 passenger seats or their cargo equivalent. Source: JLT and FlightGlobal data.


HULL & LIABILITY MARKET TREND

GLOBAL AIRLINE PREMIUM AND RATES - CURRENT POSITION

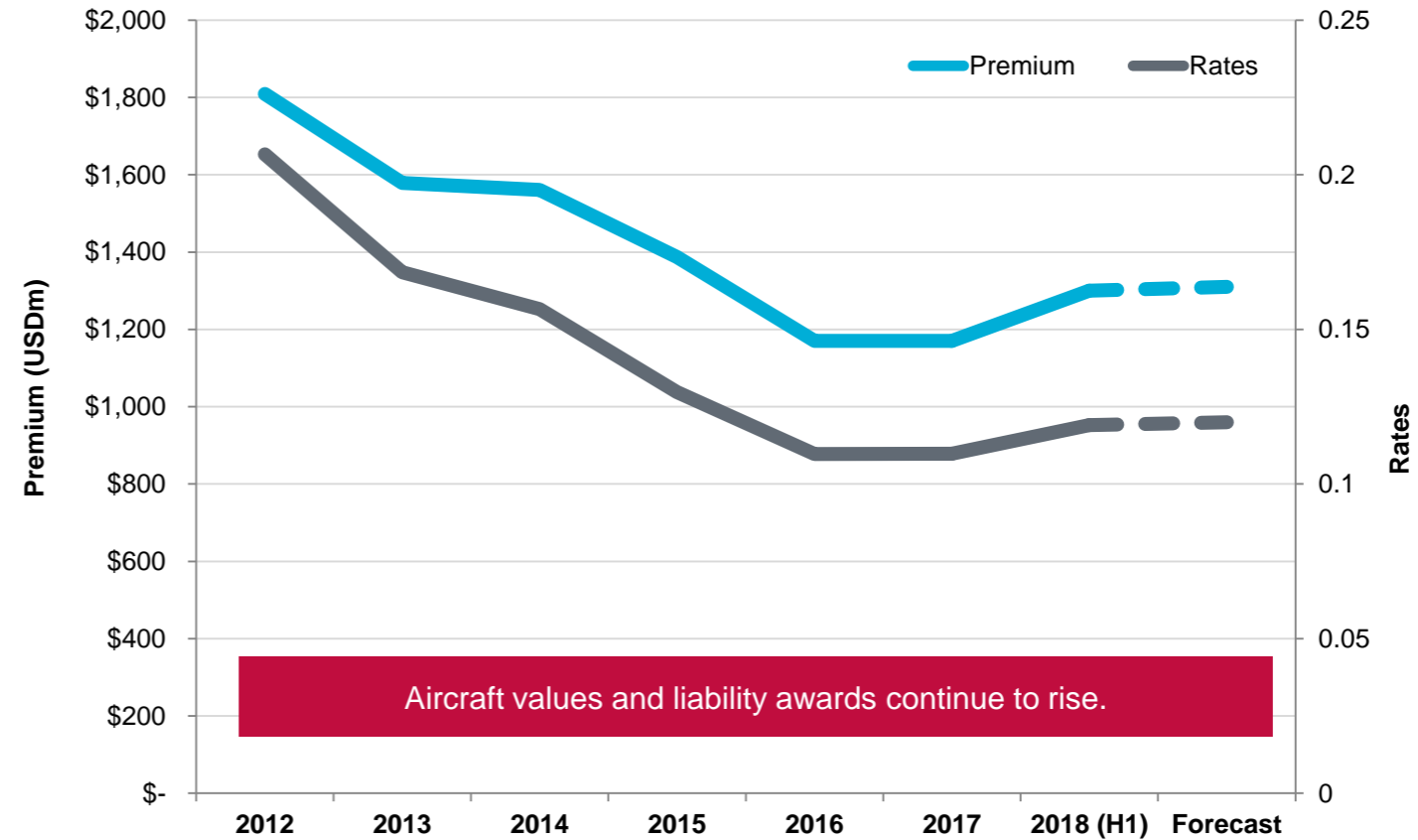


 Rates had been on a long-term downwards trend and market conditions were soft

 However, 2017 saw a flattening out of rates and a push to increase premiums

 2018 is now seeing an uptick in this position and the market remains challenging

Global Airline Premium and Rates



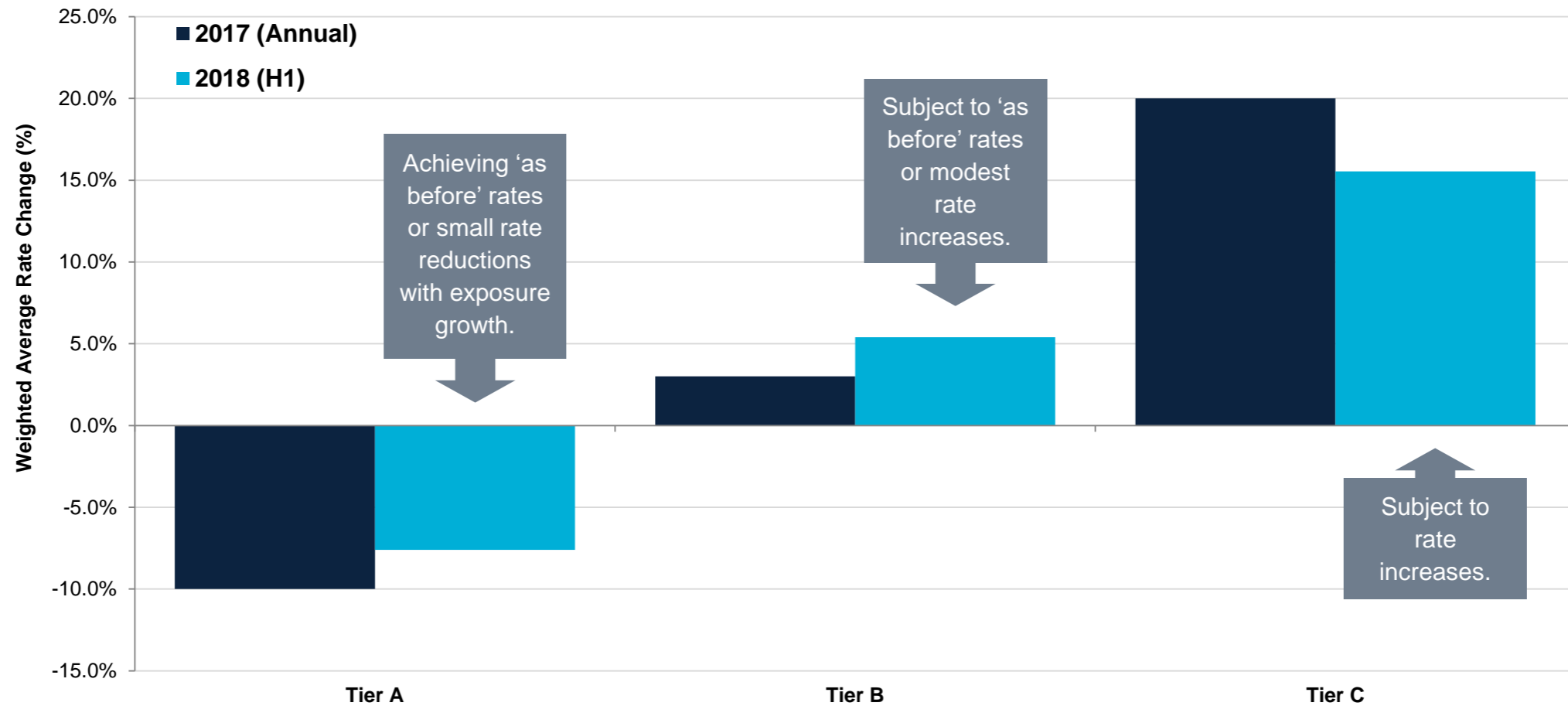
Source: Information is based on JLT/ Flightglobal data and is for indication purposes only.

HULL & LIABILITY MARKET TREND

A THREE-TIER MARKET - AVERAGE RATE CHANGE



Despite limited major renewal activity, year to date analysis shows rates trending upwards over 2017.



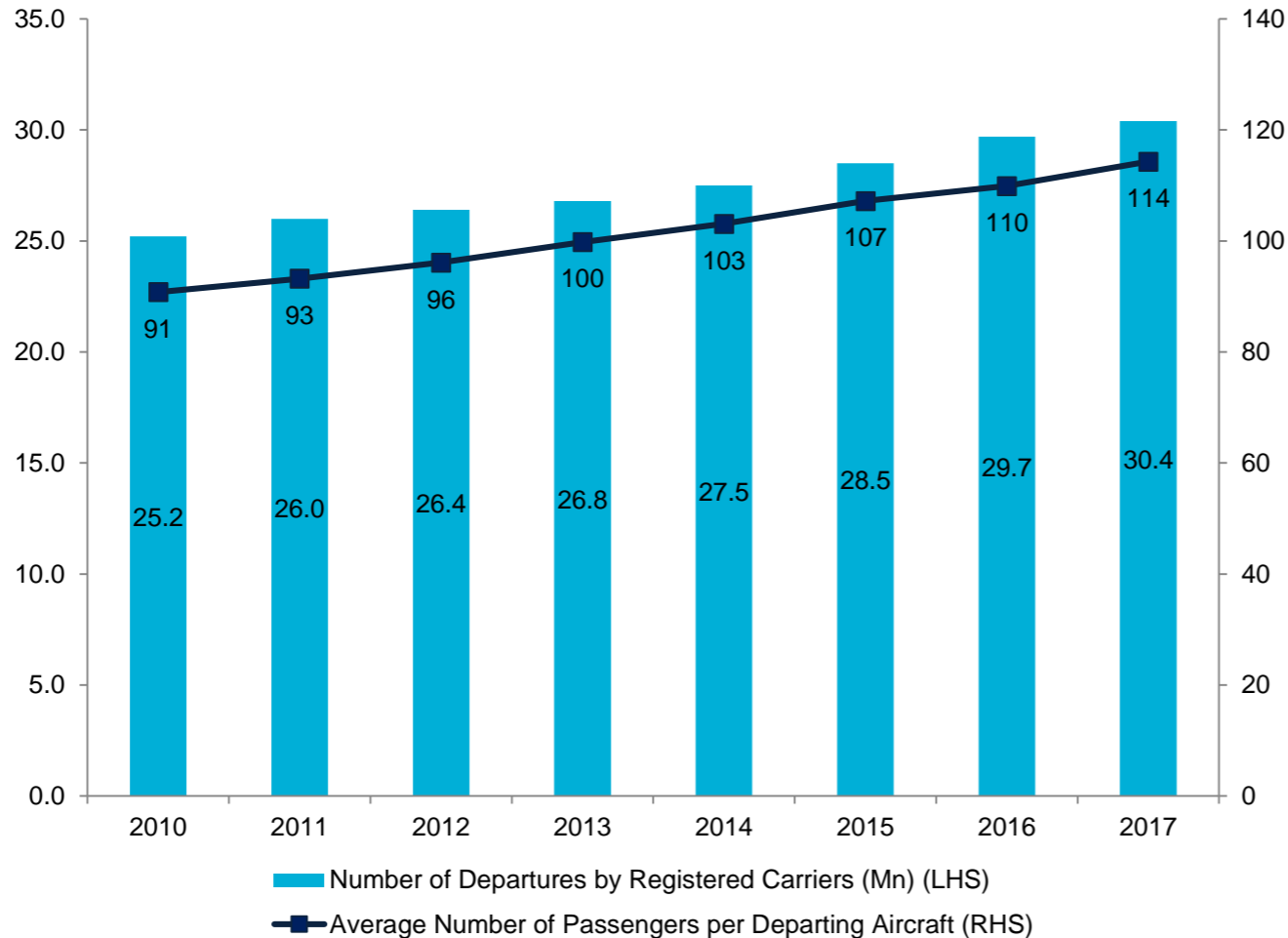
Excludes anomalies. Source: Information is based on a combination of JLT and Flightglobal data and market knowledge and is for indication purposes only.

How Important is Investment in Safety?

More aircraft take-off today, with more passengers than ever before



**Top* Aviation Markets
Departures v/s Average Occupancy**



Identifying 'Top' Aviation Markets



- Across the metrics of total number of departures, and the total numbers of passengers, 29 key markets can be identified as 'Top' aviation markets.
- These markets accounted for 90% of the global passengers carried and 85% of the global departure points in 2017
- In alphabetical order, these markets are: Australia, Brazil, Canada, Colombia, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Korea Republic, Malaysia, Mexico, Netherlands, Philippines, Russia, and Saudi Arabia, Singapore, Spain, Switzerland, Thailand, Turkey, UAE, UK, USA, and Vietnam

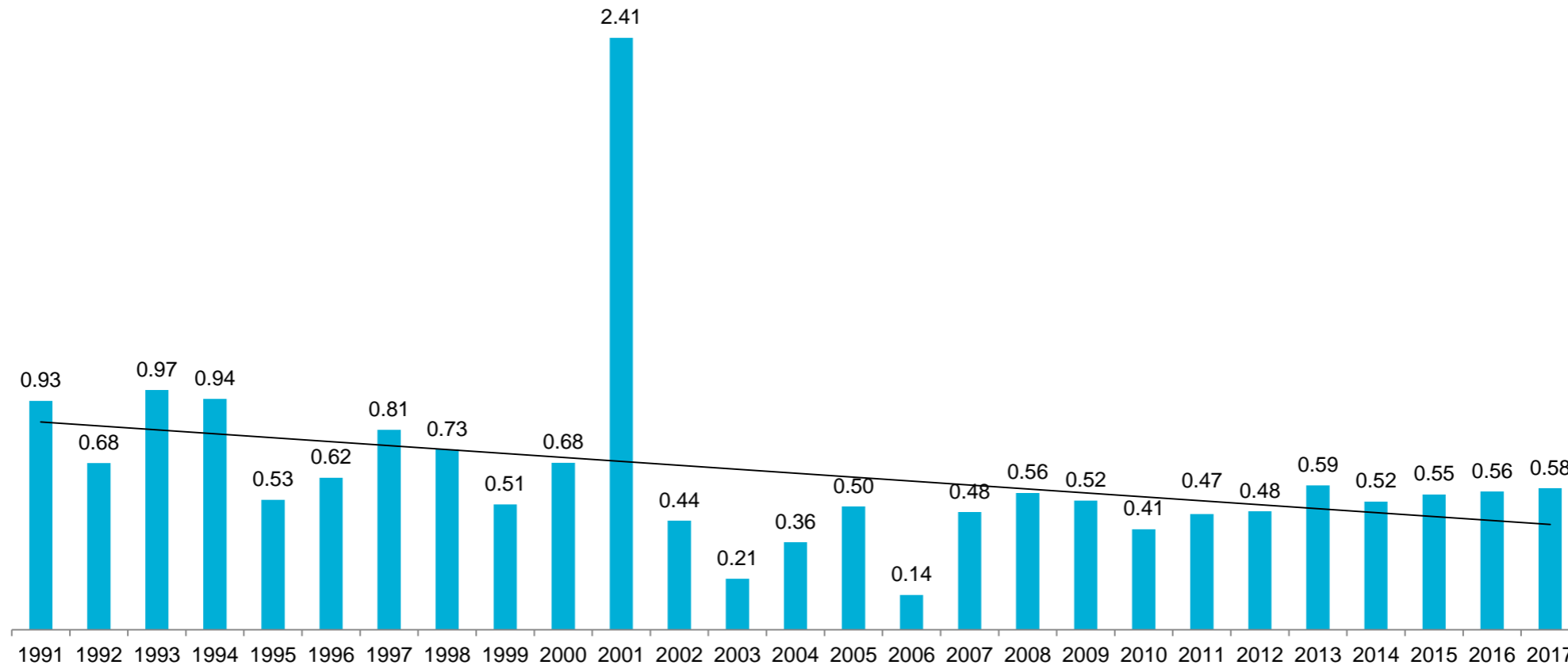
Financial Benefits of Safety Investments are Visible

Loss Ratios continue to slide down.

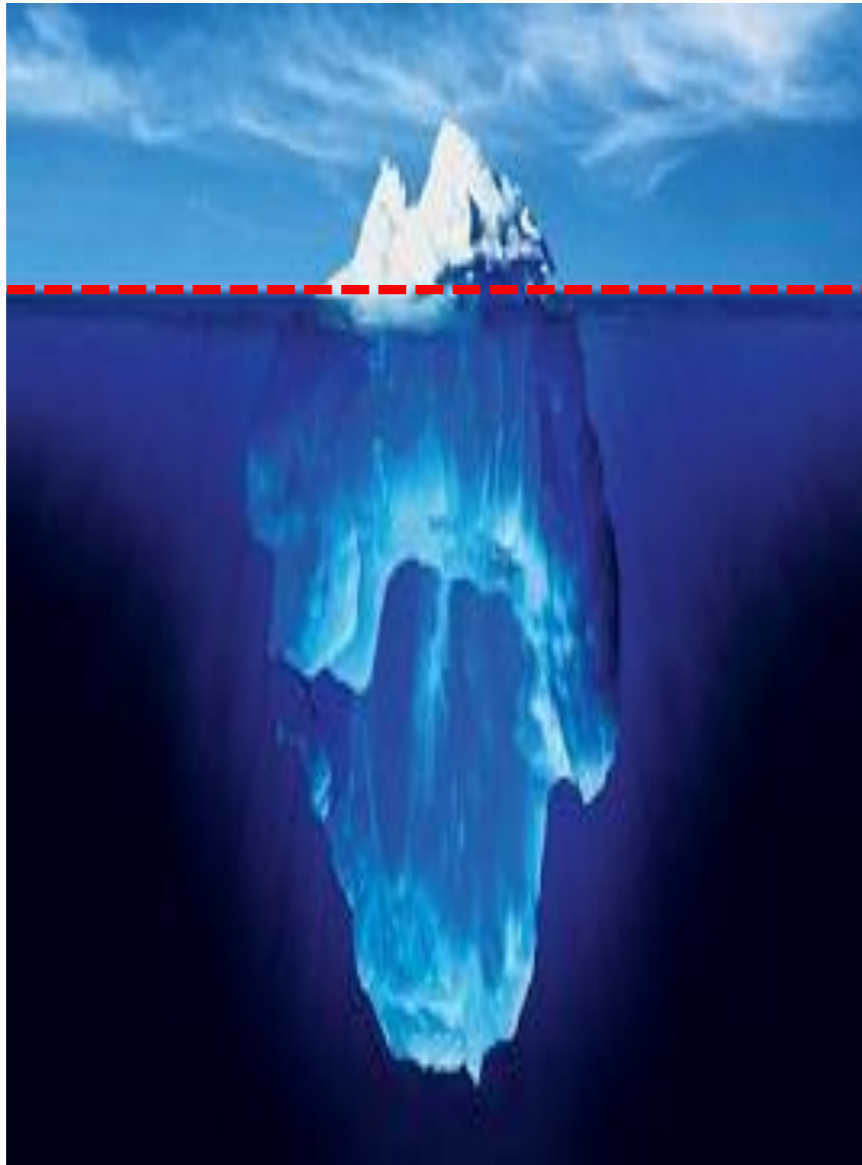


Claims per Dollar Premium (USD) in Major Aviation Markets
(De-facto Industry Loss Ratio)

As a result of better aircraft, and robust investments into safety, the reduction in insurance premium rates has always been followed closely by reducing claims.



Hidden Cost of Accidents and Incidents



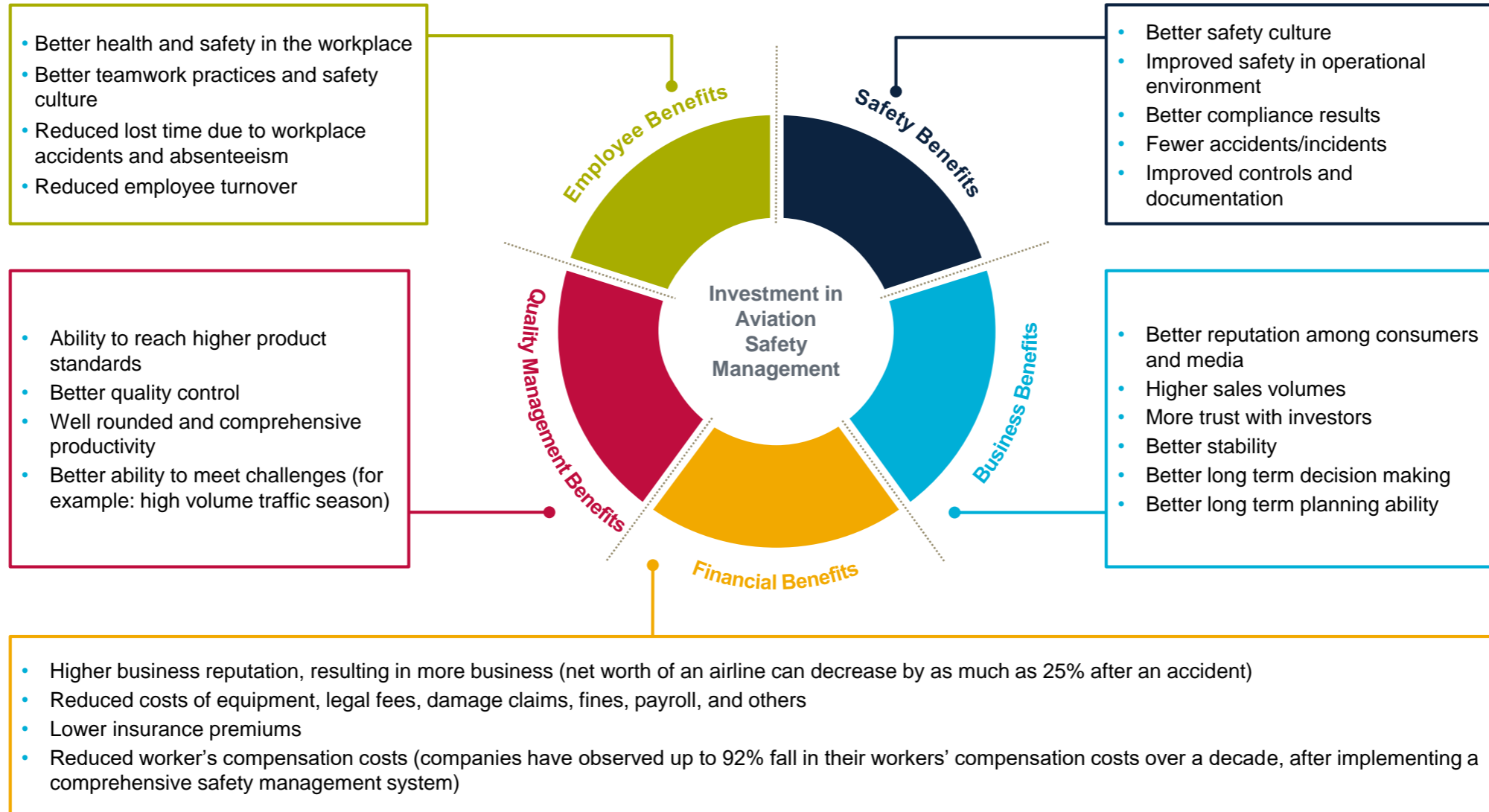
Direct Costs (Tip of Iceberg)

Indirect Costs (4X to 36X Direct Cost)

- Loss of profit
- Aircraft availability
- Non-company employees at the site
- External experts and investigators
- Employee overtime
- Supervisor's time working on the accident
- Lost productivity
- Cost of new hire and training
- Increased insurance excess
- Increased insurance premiums
- Loss of spare parts inventory
- Legal fees
- Government citations
- Government operating restrictions
- Loss of brand value and corporate reputation

Moving Beyond Insurance

An Aviation Safety Management System will have multiple business benefits



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