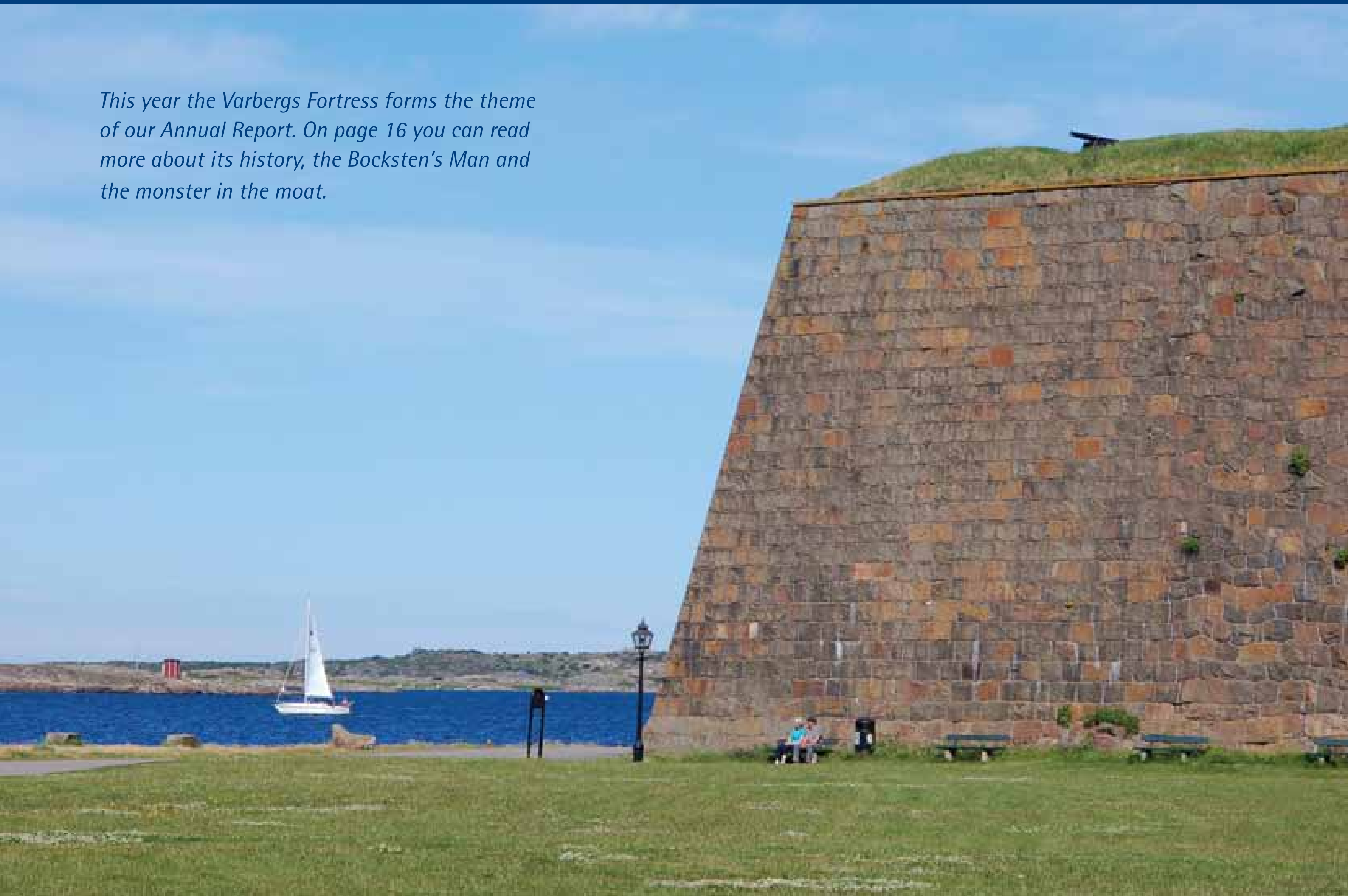
SVERIGES ÅNGFARTYGS ASSURANS FÖRENING
The Swedish Club
Est. 1872

Annual Report 2011

for the year ended 31 December

Contents

This year the Varbergs Fortress forms the theme of our Annual Report. On page 16 you can read more about its history, the Bockstens's Man and the monster in the moat.



2011

The year in brief

- Continued P&I growth
- End result acceptable considering turbulent year
- Free reserves remains at an historically high level
- Increased focus on leading marine business as opposed to follow
- First year of energy underwriting ahead of expectations
- The diversification drive continues

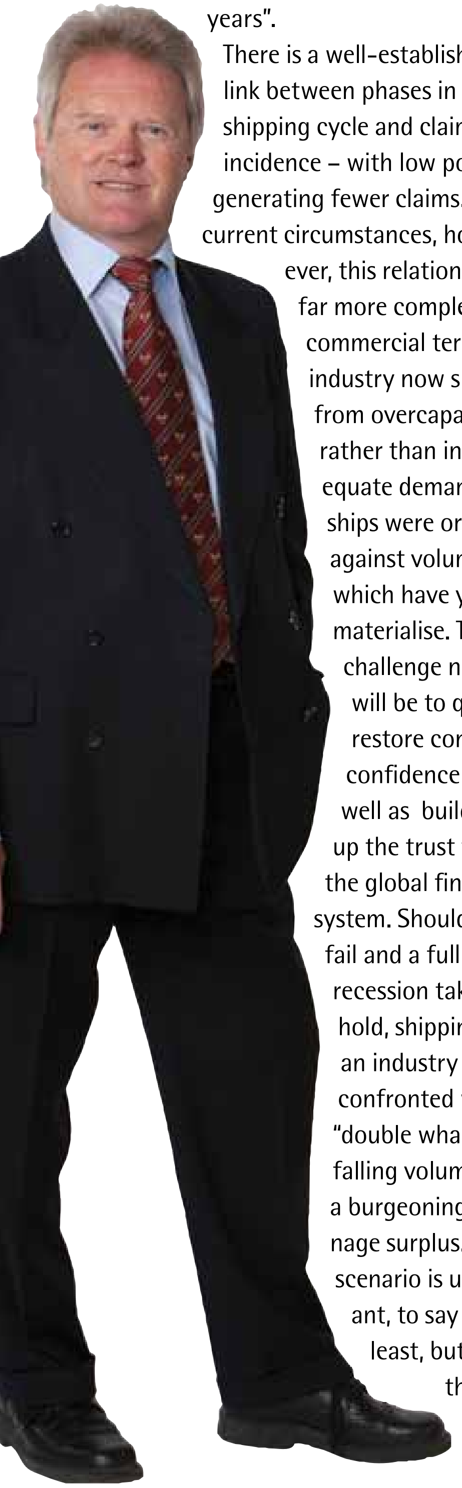
Financial highlights

USD thousands	31 Dec 2011	31 Dec 2010	31 Dec 2009	Average
Calls and premiums	173 714	160 068	149 964	161 249
Reinsurance premiums	–40 106	–36 290	–45 753	–40 716
Net claims incurred	-121 489	–85 520	–78 749	–95 253
Financial result	3 581	13 526	9 104	8 737
Actual result	–9 312	29 549	14 849	11 695
Loss ratio	91%	69%	76%	79%
Expense ratio	19%	18%	19%	19%
Combined ratio	110%	87%	94%	97%

When the going gets tough…

Chairman's Overview

The shipping industry wrestled with difficult market conditions in 2011, with the debt crisis in the Western economies – especially the Eurozone countries – dominating the picture. The degree of challenge for shipowners varied from sector to sector, but it was a year of ups and downs on all fronts. Perhaps 2011 can be described as "not the best of years".



There is a well-established link between phases in the shipping cycle and claims incidence – with low points generating fewer claims. In current circumstances, however, this relationship is far more complex. In commercial terms, the industry now suffers from overcapacity rather than inadequate demand. New ships were ordered against volumes which have yet to materialise. The challenge now will be to quickly restore consumer confidence as well as building up the trust for the global financial system. Should this fail and a full-blown recession take hold, shipping as an industry will be confronted with a "double whammy": falling volumes and a burgeoning tonnage surplus. This scenario is unpleasant, to say the least, but not the most likely.

Quality owners emerges

During 2011 we saw the financial markets take fright at the scale of losses in the banking sector. It has always in the past been a mistake to paint a too gloomy picture for the future and this time is no different. No doubt Europe will resolve its problems eventually, one way or another, and if current levels of consumer confidence can be defended shipping markets may already have reached their low points.

…good quality owners will survive and go forward.

It is also a fact of life that good quality owners will survive and go forward. They will emerge all the stronger from these painful experiences. In contrast, pure financial players lacking any long term allegiance to shipping will fall away.

The position in the dry markets changed little during 2011, with the usual pattern of marked regional variation. It was a different story elsewhere. Tanker operators endured a tough time. Newbuildings have flooded the market and undermined rates – which fell to extremely poor levels by the close of the year. Not surprisingly, there were a number of attempts to create stronger market positions through strategic alliances.

The container sector enjoyed a reasonable start to the year, on the back of a good 2010. Nevertheless, rates began to tumble during the first quarter, as the market was hit by plunging consumer confidence. As in the tanker sector, the container majors sought new alliances to buttress market position and influence.

The Club is in good order

As for The Swedish Club, the year unfolded much as anticipated, although four years of freedom from pool claims came to an end. Yet, despite three pool claims, we still achieved an acceptable result and the end of the year found the Club in good order.

The 2010 result was better than the average expected, while the result in 2011 was lower than the average forecast. In the insurance industry it is always important to consider the picture over a period of years and our position over the past five years is exactly as budgeted.

Very positive was that we during the year continued to see encouraging growth in the P&I book. This is one of the best possible market endorsements of The Swedish Club's quality and financial strength. Marine volumes were stable and characterised by a small but steady increase in lead business. We expect to continue to grow in 2012, but at a somewhat reduced rate.

The Board and the Management has spent a lot of time in working with The Compliance Programme relating to Solvency II and the successful introduction of the Internal Capital Model. The outcome ensures that we are well placed to meet the demands of the future.

We all hope that some measure of confidence will be restored to both financial markets and the global economy. That shipping get´s rewarded in the way it deserves and the light at the end of the tunnel becomes stronger and stronger. Knowing the mentality of the genuine ship owner´s, I´m convinced that they will do their part to make this happen.

Our members know and appreciate that after having operated in a harsh commercial climate for some time, new opportunities are around the corner. Success springs from the ability to forge and nurture strong commercial partnerships, adding value for both parties. In this context, The Swedish Club will continue as a staunch insurance partner.

Gothenburg, March 2012

Lennart Simonsson
Chairman
The Swedish Club

Living with the expected and the unpredictable

Managing Director's Comments

The year got off to a promising start for The Swedish Club. Indeed, the entire first half was stable, in terms of claims and financial performance, but a different and more volatile story unfolded in the second half of the year. Fortunately, the Club has the financial resilience to accommodate both the expected and unpredictable events.

Volatility in the financial markets prompted our decision to reduce the exposure to equities during a part of the year and we expect more volatility in the near future. As for claims, the predicted and expected rise in frequency materialised during 2011. The relatively benign claims environment experienced in recent years has changed. Meanwhile, problems in the shipping markets were aggravated by increasing overcapacity.

> All respondents reported that they were 'satisfied' or 'more than satisfied' with our service in general. There were no exceptions!

Pool claims within limits

Our exceptional run of freedom from pool claims ended with three during 2011. They included the container vessel Rena, which grounded off the coast of New Zealand. As always, this position must be considered over a period of several years, rather than from the narrow perspective of a year alone. Despite the low probability of three pool claims in a single year, over the five years 2007-11 we find ourselves well within the range of expectation based on the considered probability of 0.8 pool claims annually.

Pool claims are random events and, naturally, our 2011 result reflects this inherent volatility, together with the widespread financial imbalance in the world. Nevertheless, the outcome for the year can be described as acceptable. The Swedish Club is in good order, with free reserves standing close to record level.

In short, we continue to steer the right course. We are also encouraged by an outstanding result from the latest survey of Member satisfaction. The Members' Questionnaire recorded 100% satisfaction with our quality of service. All respondents reported that they were "satisfied" or "more than satisfied" with our service in general. There were no exceptions! This is a significant endorsement of The Swedish Club and bodes well for our future prospects.

Highlights during 2011 included the launch of new SCOL on-line services, providing a range of benchmarking tools for Members and brokers. Reliable casualty and claims data is absolutely vital, constituting a sound bedrock for loss prevention action.

Growth in the P&I portfolio

Our overall net combined ratio stood at 110% at the year's end. The increased frequency of attritional claims was anticipated and this trend developed much as expected. The rise in P&I claims such as cargo, illness and injury reinforced our determination to thoroughly investigate underlying causes. As always, firm underwriting discipline contributed to an acceptable outcome for the year.

Strong growth in the P&I portfolio provided another positive measure of confidence, with new Members and an encouraging level of organic growth. The P&I book (owners' entries) was close to 34 million GT in 2011 — almost an 10% increase over 12 months. The combined portfolio (owners and charterers) now totals over 50 million GT.

Turning to our Marine business, volumes remained stable, which reflects flat pricing in the market overall. Nevertheless, The Swedish Club remains open to opportunities, as and when they arise. The year was marked by an increase in our strive for lead business.

Oslo-based "Team Energy" enjoyed a successful first year writing Hull & Machinery, Increased Value and Loss of Hire covers for Mobile Offshore Units and FPSOs. This new venture received a warm welcome in the market when it opened for business on 20 February. We have an effective Senior Manager at the helm and have rapidly gained ground, moving ahead of forecast. The Club's positive standing also facilitated this successful launch – the offshore market knows we are in this business to stay.

Other highlights of 2011 included Standard & Poor's decision to upgrade our rating from BBB "Stable" to BBB "Positive Outlook". Commenting on this decision, S&P said that The Swedish Club is now "better positioned to build a solid platform for growth

and capital development". Our highly motivated staff have every reason to feel encouraged by this positive endorsement!

Loss Prevention priorities

Reduced levels of shipping activity post-2008 resulted in a decline in major navigational claims numbers. Subsequently, this trend went into reverse as shipping volumes recovered and growing numbers of newbuildings entered service. The Swedish Club responded by publishing the brochure Collisions and Groundings — a thought-provoking assessment of the casual factors surrounding major accidents. We also used our extranet — Swedish Club On-Line (SCOL) — to promote loss prevention. One example concerns ISM's requirement that owners ensure their crews analyse emergency scenarios on a regular basis. SCOL's "In Focus" loss prevention section now provides Members with ready-made emergency scenarios, suitable for use in these training situations.

We have also responded to the fact that a disproportionate number of groundings and collisions occur whilst pilots are on board. The key question may be sensitive but it must be asked: why? Clearly, there is scope for improving the interface between pilots and bridge teams. This issue turns on behavioural interaction and, in particular, effective communication on the bridge.

With this in mind The Swedish Club Academy launched "Working with pilots and VTS", a new Maritime Resource Management (MRM) training module. This gets to the heart of the issue — the close, harmonious interaction required for successful cooperation between officers, pilots and Vessel Traffic Services.

The Swedish Club Academy went from strength to strength during the year, adding a further 13 licensed MRM providers to its global training network. The Academy is working closely with a number of Flag States, helping them comply with the significant human dimension of STCW's "Manila Amendments". We believe this is of great significance to all Club Members.

We are well known for our determination to better understand the root causes of accidents and claims. During 2011 we made further progress in our pioneering work on Root Cause Analysis. MRM acts as the all-important "bridge", applying – in the most practical way – the many lessons arising from this investigations.

> **We are well known for our determination to better understand the root causes of accidents and claims.**

Solvency II and related issues

With The Swedish Club's Internal Capital Model now well under way, work is progressing to further refine new interactive systems. The Board plays an active part in our extensive programme addressing capital requirements and risk tolerance. A preliminary ORSA (Own Risks and Solvency Assessment) document secured Board approval in 2011 and a Corporate Governance Manual is due for completion during 2012. Mention of the Board's important role in these matters provides an opportunity to record changes to its composition during the year, with the resignation of Mrs Christiane E. Scola of REEDEREI NORD and the election of Mr Anders Boman of Wallenius Lines.

In the European arena, the Commission's P&I review appeared to lose momentum during the year. Perhaps Brussels has bigger fish to fry? Nevertheless, the Commission is expected to reach a view during 2012. The International Group will continue its efforts to explain how the mutual insurance system, in its current structure, benefits not only the shipping industry worldwide but also the society at large.

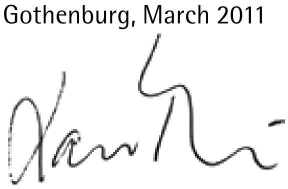
During the year the International Group also devoted resources to an attempt to clarify requirements underlying the international sanctions, against Iran in particular. Difficulties concerning lack of definition also persist in relation to China's new marine spills regulatory regime, which took effect on January 1, 2012.

Looking ahead

The Swedish Club continues on a steady course. Increasingly, we are the preferred choice of shipowners seeking quality, cost-efficiency and added value. Consistent good performance is our main theme, binding together risk assessment, pricing, claims handling and the many other aspects of service to Members. We prefer to be proactive, managing the expected and preparing to meet the unpredictable. This is why we place such emphasis on loss prevention and casualty analysis.

In conclusion, 2012 will be a special year for The Swedish Club. We will celebrate 140 years of service to the maritime community. We will also mark the thirtieth anniversary of our office in Hong Kong, which serves our significant Asian membership.

Gothenburg, March 2011



Lars Rhodin
Managing Director,
The Swedish Club

Claims: understanding the dynamics

Risk Management

The Swedish Club's four years of freedom from pool claims came to an end in 2011. Three pool claims arose during the year. Pool claims are random events but should be expected to happen from time to time. We must be ready to meet this eventuality and this means building an organisation sturdy enough to withstand even unlikely probabilities.

We have taken every opportunity to become more resilient. Over the four years free of pool claims, our capacity rose by over 70%. We also made timely changes to our reinsurance arrangements, providing comprehensive cover at less cost. These are particularly advantageous in cases such as the Rena, where the Club has both Hull and P&I risks.

Resilience also depends on a clear understanding of risk exposures. Here, the new Internal Capital Model has greatly enhanced our ability to make sound decisions. During 2011, The Swedish Club has been an active participant in a review of the International Group's pooling mechanism. This lead to changes which reduce the financial impact from past and future pool claims for individual clubs.

We are now much better placed to ride out difficult years and make the most of happier times. It must be said that three pool claims in the space of a year is both improbable and disappointing. To put this into context, The Swedish Club expects an average of around 0.8 pool claims annually, an expectation based on incidence across the entire International Group membership. Our expectation for a five-year period would be four claims, on that measure the outcome for 2007 – 2011 is in line with expectations. During the preceding five years, there were two major pool claims and three smaller cases – again a result much as expected.

> We are now much better placed to ride out difficult years and make the most of happier times.

Risk management: new initiatives

Our new Internal Capital Model has done much to enhance the risk management "toolkit". Substantial investment has served as a gateway to greater competitive edge and we are now better positioned to take more informed decisions, with this interactive toolkit having a significant influence on day-to-day operations. This has led to harmonised pricing across the business spectrum. Clearly, the benefit of the Internal Capital Model extends far beyond regulatory compliance and improvements in the consistency of our risk-related decisions benefits all Members.

Under the Solvency II regime, all European insurers are required to obtain regulatory approval of an annual ORSA (Own Risk and Solvency Assessment). The introduction of Solvency II was postponed yet again in 2011, with entry into force now scheduled for January 1, 2014. The Club is well ahead of schedule on this front and we will be ready to seek approval following the completion of final rounds of consultation.

During the year we prepared a draft ORSA, which was approved by the Board in December 2011. A similar exercise will take place in 2012. The new ORSA succeeds the previous requirement for a "Risk Management Review".

The Swedish Club's Board continues to play an active role in our efforts relating to Solvency II and production of the ORSA. There were several presentations on these subjects to the Board during the year, together with two workshops. Work also continued on the production of a set of "Board Directives" – arising from an analysis of risk management procedures and legal requirements.

Looking ahead, we will continue to "filter down" the benefits of the Internal Capital Model throughout the organisation. During 2012 we will revisit and further refine our Claims Forecasting Models and, in addition, intensify internal training in the practical use of the new risk management tools. We will commence with workshops for senior managers, followed by specialised training for underwriting teams and, subsequently, workshops open to all employees of The Swedish Club.

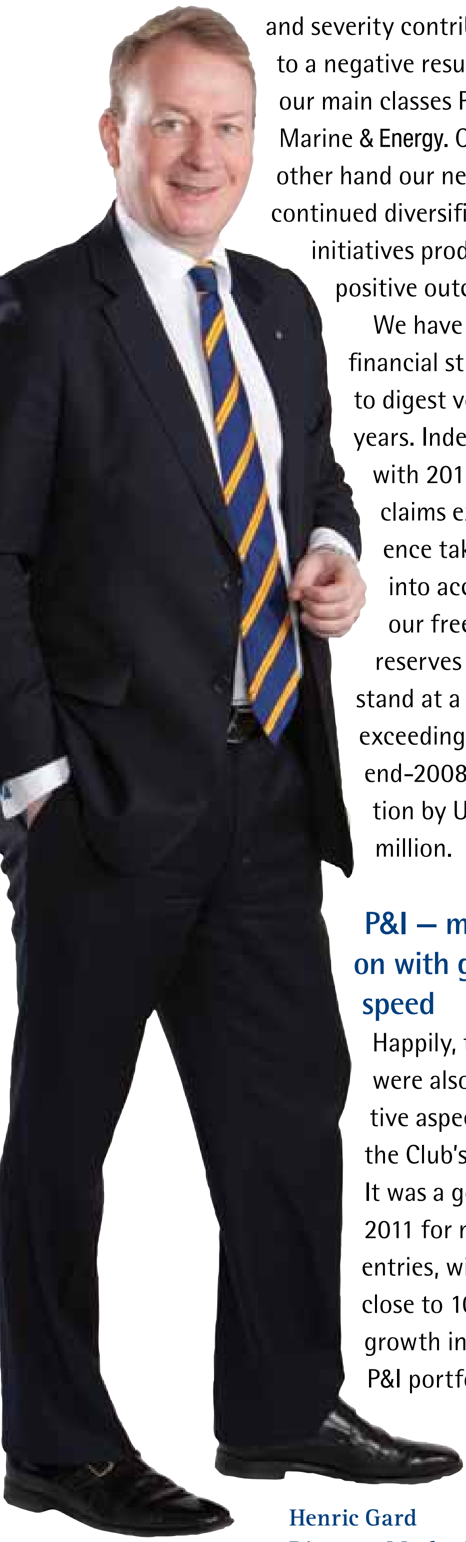
Just Arne Storvik
Acting Risk Manager, The Swedish Club

Review of operations

Underwriting: strength and resilience

The Swedish Club demonstrated resilience during 2011, taking a highly volatile year in its stride. We saw an increase in claims frequency and severity contributing to a negative result for our main classes P&I and Marine & Energy. On the other hand our new and continued diversification initiatives produced positive outcomes.

We have the financial strength to digest volatile years. Indeed, with 2011's claims experience taken into account, our free reserves still stand at a level exceeding the end-2008 position by USD 50 million.



Henric Gard
Director Marketing & Business Development

P&I — moving on with good speed

Happily, there were also positive aspects to the Club's year. It was a good 2011 for new entries, with close to 10% growth in the P&I portfolio. This was especially significant in North Europe and Asia. We still have plenty of momentum in the market and are on the radar of quality owners worldwide. Our mutual portfolio has grown by approximately 35% since 2008 and during the year we welcomed 9 new P&I Members. At 1 December we had 205 owner Members, with 1,031 vessels entered for P&I and the owners' book grew from 31 million GT to 33.9 million GT. Another mark was that our combined P&I entries (owners and charterers) passed the 50 million GT milestone in November.

For some years we were regarded as one of the International Group's smaller clubs; today, however, we have the critical mass to be numbered medium-sized. With a combined P&I book standing at 50.3 million GT at the year's end, we look forward to further controlled growth in 2012. There exists a large population of quality owners with a "natural profile" for membership of The Swedish Club. We take a particular interest in the operators of larger vessels and look for growth on a structured basis, maintaining a healthy balance between owners' and charterers' business. With owned tonnage at around double the level of charterers' tonnage, we seek to maintain the present ratio.

With a combined P&I book standing at 50.3 million GT at the year's end, we look forward to further controlled growth in 2012.

Turning to Freight, Demurrage and Defence (FD&D), this portfolio continued to grow during 2011, reaching 747 vessels of 29.2 million GT by the year's end. The FD&D team continued to achieve notable success in cases involving large claims.

Despite the years claims experience, we finished in a more "weather resistant" condition, pleased with Standard & Poor's decision to upgrade our rating, from BBB "Stable" to BBB "Positive Outlook".

Energy – a successful first year of operation

Team Energy in Oslo made a positive contribution to the total premium income and this new venture's first nine months of operation ended well. The team writes property covers for Mobile Offshore Units and FPSOs, and its activities strengthen our ability to manage the business cycle. The offshore market has close affinities with our traditional P&I and Marine businesses. Clearly, we benefited from good timing and the offshore sector is hungry for fresh Scandinavian capacity, offered by the reliable provider we are. The Oslo team ended the year with 33 accounts, having written cover for over 200 units.

The challenge for 2012 is to maintain momentum and, at the same time, capitalise on the Oslo location and reach out to the Norwegian shipping community. We want to expand the P&I and Marine books through closer ties with Norwegian shipowners and brokers, and look forward to further development in our Energy portfolio in the years to come. During 2012, we will look — very selectively — at international accounts located beyond the Scandinavian region.

Marine – our drive for portfolio diversification continues

We experienced a challenging year in the Marine sector, with claims frequency and severity on the increase. It is too early to draw firm conclusions concerning these trends but, clearly, this situation requires close monitoring.

During the year we remained focussed on the planned restructuring of the portfolio and our proportion of lead business increased. The main challenge now is to continue to differentiate us from other providers. When doing so we underline the considerable added value, including in-house adjustment and other aspects of high quality client service. We always make the point that The Swedish Club is not in the market as a mere capacity provider, but we seek to lead business. At the same time we seek close relationships with Members, creating a positive environment for the delivery of added value. We will now continue the diversification, writing more Increased Value, War and Loss of Hire cover, which will further enhance balance within the portfolio.

Looking ahead, we see every prospect for more development in our Marine book. It seems the market is unlikely to soften further; reinsurance costs are set to rise and this will add to pressures for an upward rate correction. In this environment we expect owners and brokers to gravitate towards the proven quality providers. Within this segment the "Scandinavian Model" will continue to gain ground.

Claims: a changed picture

In the P&I arena, there was a steady increase in the incidence of crew and cargo claims during 2011. Also the severity of third party injury claims and a tendency to pursue them with greater vigour escalated. When it comes to Team Energy's first period of operation, the year was benign on the claims front.

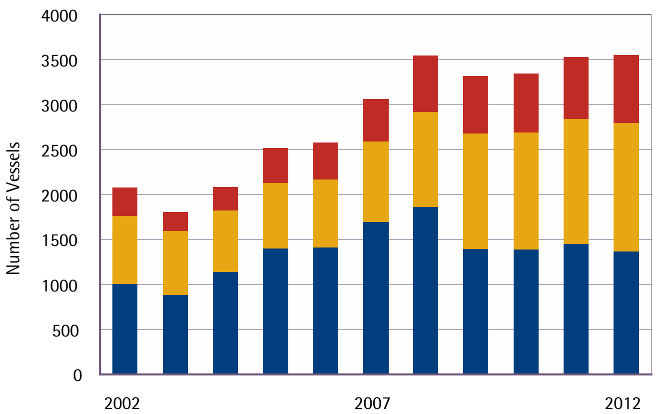
> In all cases the quality of the Member's management organisation remains a consideration of high importance...

Going forward, to discuss large marine claims (over USD 500,000), there has been a steady increase in the frequency over the past 12-18 months. During 2008-09 the number of cases fell significantly — a product of financial and economic crises and the general decline in demand for shipping services. Today, however, the major concerns centre on crew shortages and tonnage surplus. These factors will likely lead to an escalation in navigational claims.

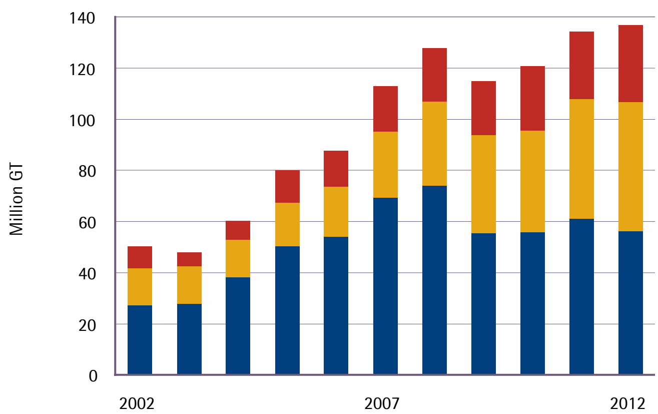
Added requirements are certainly a key factor behind crew claims, especially the growing number of injury cases. There are also more illness-related claims, perhaps another expression of difficulties sourcing sufficient seafarers. Without doubt, the shortage of experienced seafarers is one of the most important challenges now confronting the international shipping community.

The Swedish Club always seeks to match risk and premium. On the P&I side matching of premiums and exposure evolves over time, within the context of a long-term mutual relationship. Marine pricing, however, are a different matter. It must be set at an appropriate level right away, to reflect the different character of H&M business. In all cases the quality of the Member's management organisation remains a consideration of high importance in this matter.

Number of vessels — insurance year start



GT — insurance year start



FD&D · P&I + Charterer's P&I · H&M

The complex process of "getting the balance right" is supported by our sophisticated risk modelling tools. They provide an increasingly accurate overview of risks, with a particularly positive impact on the Marine side. As for P&I, the models are also accurate, but the process here requires highly intricate assessment at the individual level, as so many variables contribute to the risk exposure. Similar ships, in similar trades, may present very different risks – depending on how that ship is managed.

P&I and Marine – claims trends

The Club's most high profile casualty in 2011 was the containership Rena, which grounded off New Zealand and later broke up. The case demonstrates the crucial influence of location. This accident poses many challenges: its remote location, the scarcity of local response assets and the considerable logistical difficulties. On a more positive note, Rena demonstrates the benefits of timely, well-organised response – especially in relation to the removal of bunkers. Another important issue is the time-consuming nature of containership salvage/wreck removal operations.

Inevitably, cases of this type produce substantial claims. At the same time, they demonstrate the importance of a constructive response partnership between Club and Member in highly adverse circumstances. We are geared to providing wide-ranging support for the Member, so reducing the significant burdens in a major casualty situation. Our team in New Zealand, working on the Rena case, included the Club's Salvage Master, together with a senior Claims Manager, an expert in environmental matters and a Technical Advisor. They where also backed up by our personnel in Piraeus and Gothenburg.

> We are geared to providing wide-ranging support for the Member, so reducing the significant burdens in a major casualty situation.

During 2011 there were few fresh developments in relation to shipowner P&I liabilities, The pending Rotterdam Rules will certainly make life more challenging for owners and clubs. This will mean an increased liability for cargo damage passed to the shipowner, who will no longer be able to rely upon the "error in navigation" defence.

There are also issues surrounding the new Chinese regulatory regime for marine spills. This leads to considerable uncertainty over the exact nature of requirements and intentions regarding enforcement. Clearly, owners with ships calling at Chinese ports must ensure that their underwriters are sufficiently capitalised.

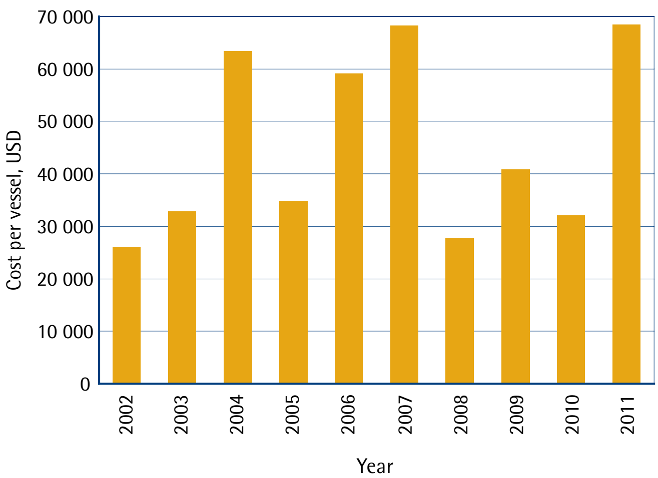
During the year we continued to make the P&I portfolio more robust. The book has grown significantly over the past two years, with the emphasis on medium to large vessels of quality. This increase is a product of tonnage entered by new Members and organic growth. The outlook is affected by the increase in cargo and crew claims numbers. This is likely to continue and the longer-term outlook is also influenced by further deliveries of new ships and continued pressure on freight rates.

The higher incidence of major Marine claims raises concerns over the current crew situation. The beneficial effects of slow steaming practices, as seen in recent years, are now outweighed by a growing ship population. In these circumstances, an increased frequency in collisions and groundings claims is to be expected.

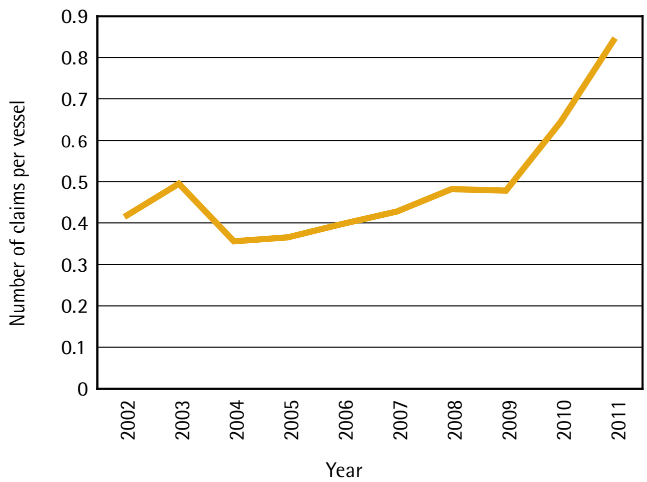
Loss prevention – as always high on our agenda

With this in mind, we continue to focus and invest in loss prevention. These measures include the increased use of interactive Root Cause Analysis tools. We want a more detailed understand-

P&I claims cost per vessel in USD



P&I claims frequency



ing of the causes of large cases. This requires close working partnerships with Members, including the joint identification of remedial measures.

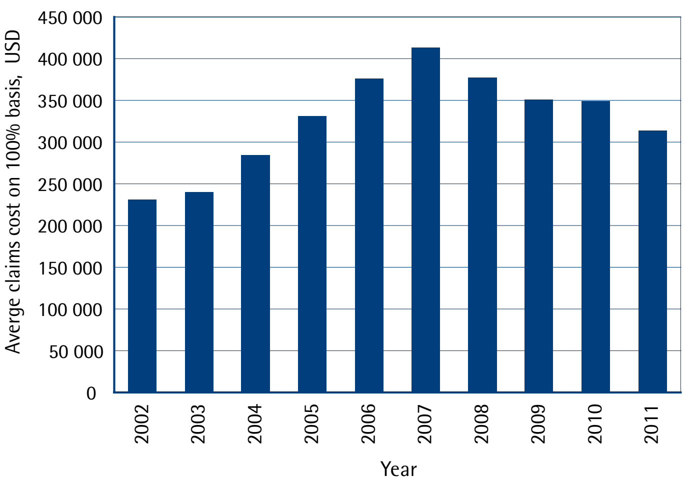
Another key loss prevention initiative utilises the SCOL (Swedish Club On-Line) "In Focus" element. This now provides a wide range of safety/emergency response scenarios for use by ships' crews. SCOL is among other things available to support Members seeking to comply with the ISM requirement for regular shipboard emergency training. Furthermore, its Loss Prevention features allow Members to benchmark fleet safety performance with data drawn from a far larger vessel population. We will increase the range of benchmarking tools available to Members during 2012.

We will increase the range of benchmarking tools available to Members during 2012.

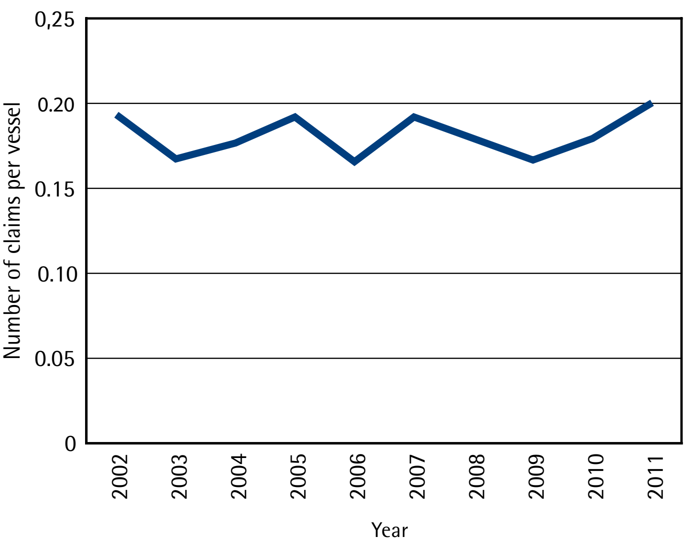
In that most crucial area – collisions and groundings – The Swedish Club recently published a detailed review of causal factors. This also sets out a full range of preventive measures. In addition, we have updated our Main Engine Damage Survey, which is of vital importance, as machinery failure may lead to a collision or grounding and subsequent pollution.

There is a common thread running through our consideration of the claims outlook for 2012 and beyond: the continued increase in the size of the world fleet and the issue of experienced seafarers. The tonnage imbalance makes the prospect of a return to satisfactory freight rates unlikely in the foreseeable future. With these facts in mind, we can expect the higher frequency of P&I claims to persist, together with increased P&I-related liabilities and more major Marine claims.

H&M average claim in USD



H&M claims frequency



Lars A. Malm
Director Risk & Operations

Going from strength to strength

The Swedish Club Academy

Following a highly successful inaugural year in 2010, The Swedish Club Academy made good progress during 2011 and built a stable platform. We prepared the ground for further enhancement of our Maritime Resource Management (MRM) programme and the expansion of related services. Highlights included the presentation of MRM Workshop Leader events in Odessa, Manila, Gothenburg and Singapore. The new Academy organisation functions well as an independent entity. The experience of the first two years is highly encouraging and allows us to explore new ideas and opportunities. With this in mind we opened a campaign to attract new licensees among The Swedish Club's Members. Many of them already appreciate the significance of MRM, in terms of accident avoidance and loss prevention. Members taking important initiatives on this front during 2011 included: Wallenius Marine in Sweden; EuroShip Services in the UK; Kuwait Oil Tanker Company; and Reederei Hans Peterson of Rendsberg, Germany. They were among 13 new MRM providers granted licences during 2011.

New providers included three BSM Crew Service Centres (Yangon, Myanmar; Shanghai; and Jakarta), together with two organisations based in India – the Swayam Maritime Academy of Mumbai and Seek Research and Consultations of Gurgaon. In addition, the first MRM licence in Africa was awarded to Transnet National Ports Authority of Durban (an organisation also training pilots). Licences were also granted to Costamare Shipping of Athens, Sirius Training and Education Institute of Singapore and the Fremantle Maritime Simulation Centre in Australia.

> The experience of the first two years is highly encouraging and allows us to explore new ideas and opportunities.

New MRM Module

The year saw the completion of an important new MRM Module, Working with Pilots and VTS – to be presented during the first quarter of 2012. It emerged from lengthy consultations with pilotage organisations and existing providers. All had a hand in developing and refining the Module's objectives and detailed content.

Four pilotage organisations already hold MRM licences. They are based in the UK, Germany, Sweden and The Netherlands. All contributed to the preparation of the new Pilotage Module. In a related initiative, a tailor-made MRM course for pilot boat operators was rolled out in Sweden. Inevitably, Pilots board in an "unconventional" manner. This course sets out a shared model for the safe transport and boarding of pilots.

MRM and STCW Manila

The Swedish Club Academy's achievements in 2011 included the production of a guide to the Manila Amendments – the new requirements taking effect under the STCW Convention in 2012. This demands for, inter alia, mandatory training of the MRM type. Some administrations, vessel owners and operators have had difficulties interpreting these new requirements. The Academy's guide offers clarification, by separating operational issues from human aspects and explaining how the new regime should be applied to Deck Officers and Engineers.

We believe the guide presents a straightforward pathway to compliance. It groups together leadership, teamwork and MRM issues which may be described, generically, as human factors. It also demonstrates that MRM training will meet the non-technical requirements of the Manila Amendments. During the year, we made good progress in encouraging a number of Administrations, including Sweden, to recognise MRM as a compliance route for all non-technical elements of the Manila Amendments.

Martin Hernqvist
Managing Director, The Swedish Club Academy

Taking decisions to manage risk

Finance

The euro area debt crisis continued to have a significant impact on financial markets. From the end of July until early October 2011, the global stock market was down about 20%. During autumn, central banks, in particular the European Central Bank(ECB), took various measures to reduce the level of stress in the financial market, the most important of which was the ECB's Long-Term Refinancing Operations (LTRO). In December, the ECB helped boost liquidity in the banking sector via a three-year refinancing operation of around EUR 500 billion. A second operation of the same magnitude is planned for 29 February 2012.

Through these actions, the ECB has succeeded in reducing refinancing risk for the euro area banking system and indirectly, for the euro area governments as well. The purpose is to prevent an undesired credit crunch that could be devastating for the euro area. Lately, we have also seen some cautious steps toward a more integrated financial policy within the euro area. The general opinion is that the likelihood of a global recession is lower today than it was some months ago. As a result, stock markets picked up by about 10% during the last quarter of 2011. The upward trend has continued thus far in 2012, and by mid-February, when this report was written, the global stock market was up 8% year-to-date. However, although the trend is promising, the situation is still fragile and we can expect periods of high volatility this year as well.

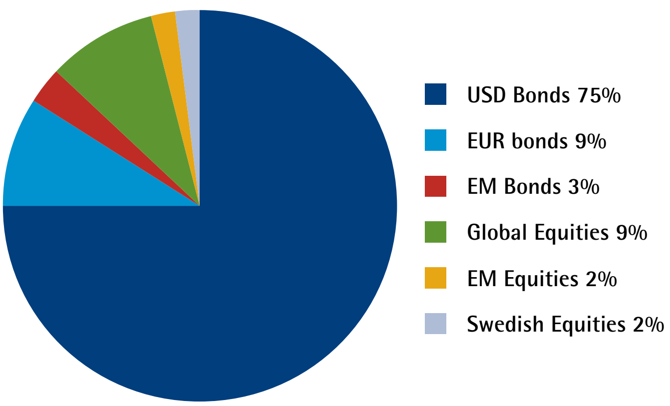
> **The Swedish Club's investment portfolio delivered a return of USD 3.7 million in 2011 in a climate where stock markets were down.**

Our bonds performed well

The Swedish Club's investment portfolio delivered a return of USD 3.7 million in 2011 in a climate where stock markets were down (MSCI Global Equity index by 5.5 %). However, the losses on equities were offset by income from the bond portfolio, which performed well since falling yields increased the market value of our portfolio. During the year, 10-year US Treasury bond yields went from around 3.2% to 2.0%. In the short term, we benefit from this because bond holdings accordingly increase in value. From a long-term perspective, however, lower bond yields result in a lower investment return and the contributions from investments to support underwriting results will be of less significance than what we were accustomed to some years ago.

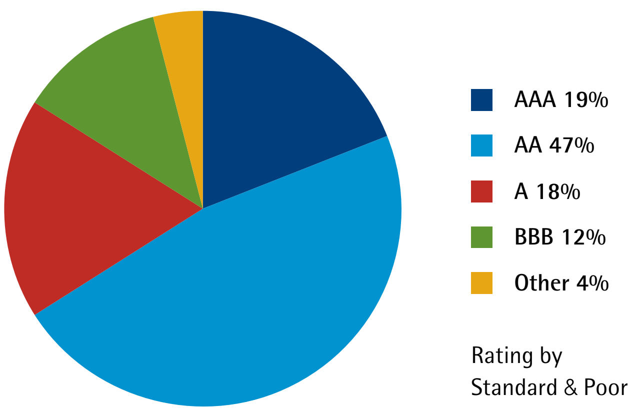
In January 2011, we invested in Vontobel Emerging Market Equity Fund. It was down 3% in 2011, corresponding to an outperformance of its benchmark by 15%. This put the fund at the top among its peers according to LIPPER, one of the global leaders in mutual fund ratings. From a very conservative starting point, we began to take on slightly more credit risk on our bond holdings by investing in

Financial investments by type



As per 31 December 2011

Quality distribution of bond portfolio

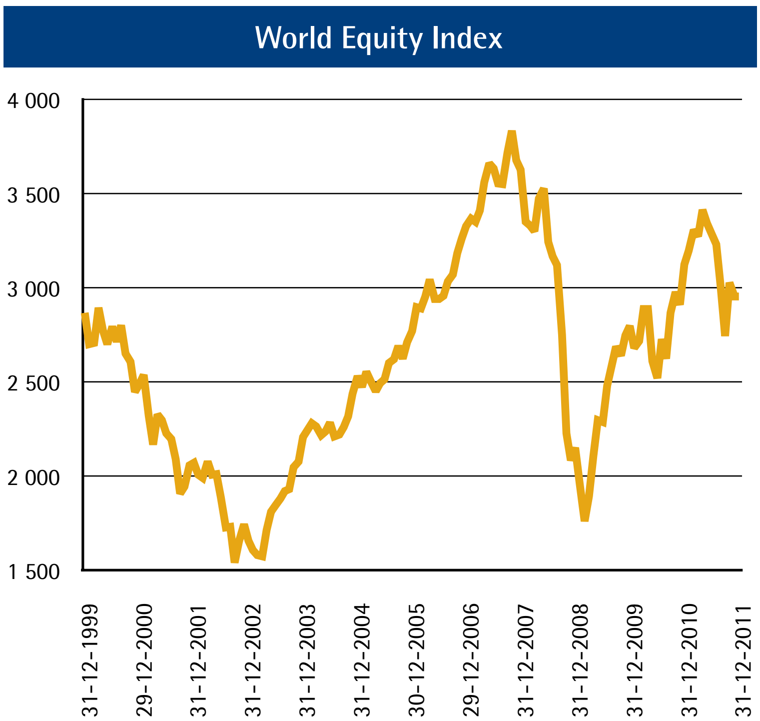


As per 31 December 2011

Neuberger Berman US High Yield Fund. We also gave our main bond managers, Hillswick Asset Management and Western Asset Management, wider mandates regarding duration and credit risk. At year-end, the market value of our investment portfolio was USD 313 million, of which 88% was invested in bonds and just 12% in equities. The historically low exposure to equities was the result of a decision taken in August 2011 to sell off half of the equity portfolio. This was done in order to reduce the risk level, since we expected extreme turbulence in financial markets due to the sovereign debt crisis in the euro area. Our assumption turned out to be correct and the period subsequent to de-risking of the investment portfolio was indeed turbulent. In September 2011, global equities were down 9% but by October they were back up 10%!

At year-end, the market value of our investment portfolio was USD 313 million, of which 88% was invested in bonds and just 12% in equities.

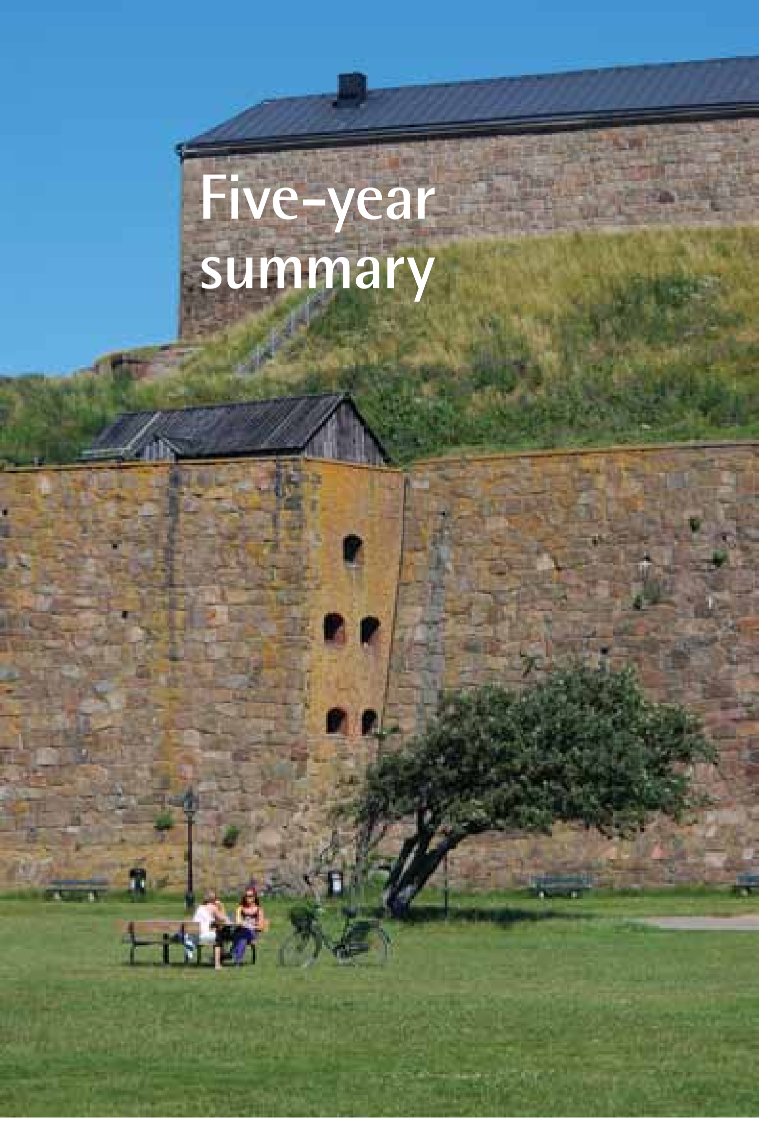
In January 2012, we re-entered the equities market and we now essentially have the same level of exposure that we had back in August 2011. These risk management measures did not have any noticeable impact on the result, since we basically re-entered the market at the same level.



Information taken from MSCI Inc.

For the ten year period 2002 – 2011 the average yearly return for a global equity portfolio was 3.6%. The corresponding figure for the twelve year period 2000 – 2011 was only 0.25%.

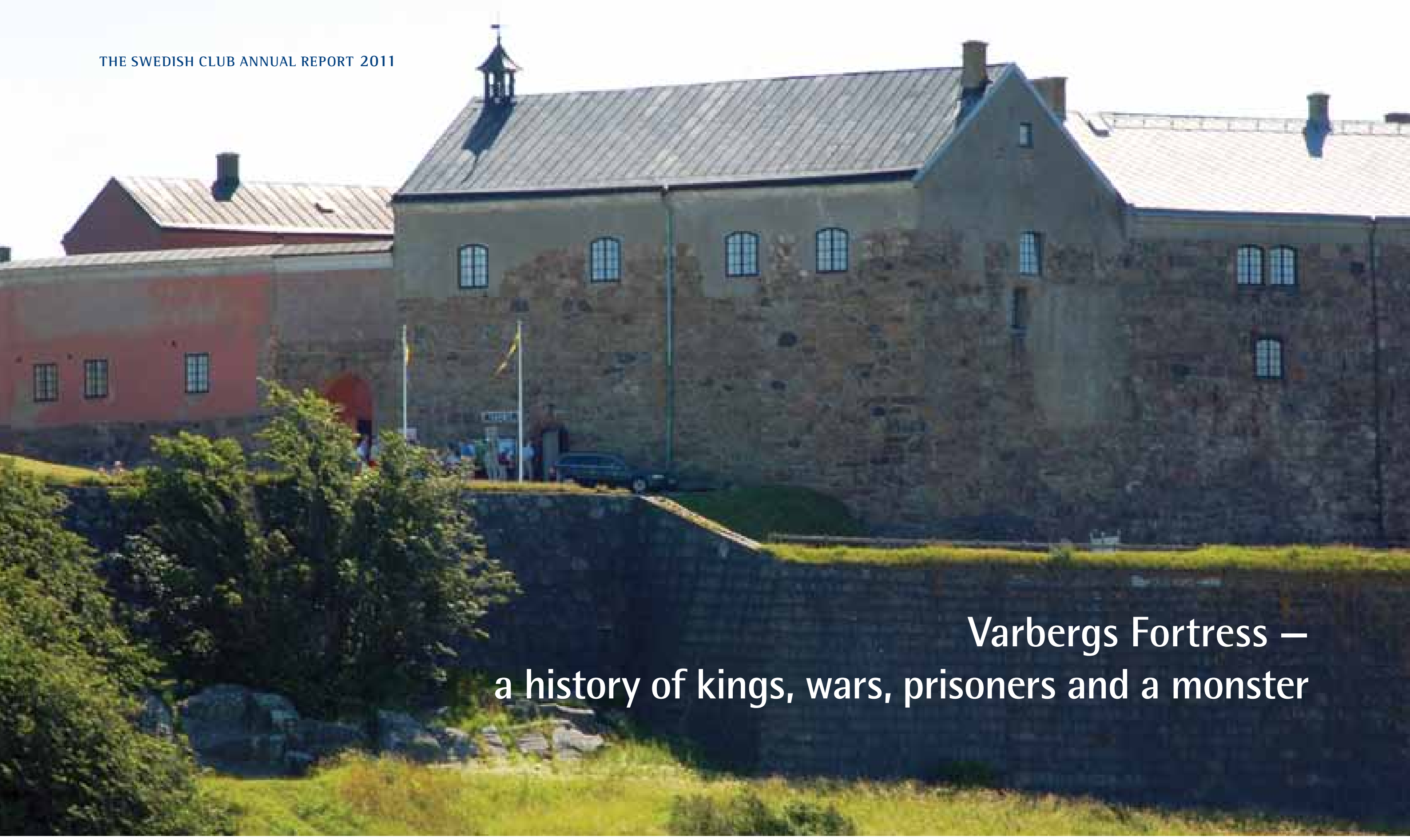
Jan Rydenfelt
Director Finance, Reinsurance & IT



Five-year summary

Insurance facts	2012	2011	2010	2009	2008
P&I insurance, 20 February					
Number of vessels	1,032	994	891	884	910
Gross tonnage (Million)	33.9	30.9	25.9	24.5	25.1
FD&D insurance, 20 February					
Number of vessels	754	753	670	567	581
Gross tonnage (Million)	30.0	29.1	25.5	21.3	20.9
Marine H&M insurance, 1 January					
Number of vessels	1,365	1,436	1,396	1,400	1,865
Gross tonnage (Million)	56.3	60.2	55.5	55.6	74.8
Insurance value (USD Million)	48,807	50,960	48,344	53,708	76,314
of which the Club has insured (USD Million)	12,050	12,226	11,386	12,648	17,629

Call history, policy year	2012/13	2011/12	2010/11	2009/10	2008/09
P&I insurance					
General increase	+5%	+2.5%	+2.5%	+15%	+15%
Additional call/Estimated additional call	0%	0%	0%	0%	0%
Open/Closed	Open	Open	Open	Closed	Closed
FD&D insurance					
General increase	+5%	+10%	+5%	+15%	+10%
Additionalcall/Estimated additional call	0%	0%	0%	0%	0%
Open/Closed	Open	Open	Open	Closed	Closed



Varbergs Fortress – a history of kings, wars, prisoners and a monster

It is time to visit our last fortress in the annual report. We have already looked at Carlstens Fortress in spring of 2008, Älsvsborgs Fortress dressed in heavy snow 2009, and Bohus Fortress in sparkling autumn colours 2010; for 2011 we look closer at Varberg's Fortress, when the summer was at its fairest. Standing on a cliff, this fortification has a great view out over the North Sea and was the perfect place to control the coastlines from less than welcome visitors from other countries' armed forces.

It all started in 1287, when the Danish count Jacob Nielsen began to build the fortress for protection after he had been accused of killing their king Erik Klipping a year earlier. In 1305 he decided to hand it over to Norway, who extended and augmented it during the coming centuries until the area, after the Treaty of Brömsebro, in 1645 became Swedish. Around 1,000 farm labourers worked every day for 30 years to construct what, at the time, was classed as the most modern of defenses. During the 18th century the Swedish army maintained the fortress, and when they no longer needed the building at the start of the 19th century, there were plans to blow the whole thing up.

Prison and war

From the rock where Jacob built his castle, there is not much handed down to posterity but a lot has been added since his time. The whole rock was covered with soil and four bastions were built – one in each corner and one more in the middle of the wall, facing the sea. The south and southwesterly parts was reinforced because otherwise the enemy quite easily could place cannons at the facing Rantzau rock, which occurred in 1565 during the Nordic seven-year war.

From the Middle Ages right up to 1931 the fortress also served as a prison, and both the medieval dungeon as well as the individual cells have been preserved.

The views from the fortress out over the Kattegat are beautiful and in summertime you can see the sailing boats come and go from the marina near by. The walk along the ramparts also offers a magnificent panorama of the Varberg town and the coast, and inside the walls you will find a bed & breakfast, the county museum, a blacksmith's workshop, a café and restaurants. The ceremonial premises are popular for a variety of festivities, for example balls and weddings. During the summer months both residents of Varberg and tourists gather in and around the fortress for just a stroll or a picnic at sunset.

A staked man and a monster

The County Museum of Varberg is located in the oldest parts of the castle, and has exhibitions about the fortress' history, art from the "Varberg School", cultural history from Halland county and, last but not least, the Bocksten's Man. He is an extremely well preserved corpse of a man from The Middle Ages – even his real hair and clothes from the time remain intact! The discovery is the first one found with stakes pegged through the body. He had been murdered and the stakes were meant to prevent him from haunting the village.

It is said that the fortress' moat is inhabited by a small lake monster. In August 2006, a couple of persons claimed to have seen the monster – described as brown, furless and with a 40 cm long tail – emerge from the dark water and devour a duck. Unfortunately, we didn't have such luck when we visited the fortress with our camera!

Financial statements

Contents

Financial statements

Board of Directors' report

The Board and the Managing Director of The Swedish Club (Sveriges Ångfartygs Assurans Förening) hereby present their annual report for the year 2011, the Association's 139th year of operation.

Principal activities and structure
The Swedish Club (also referred to in this report as "the Club") is a marine mutual insurer, headquartered in Gothenburg, Sweden, with offices in Hong Kong, Piraeus, Oslo and Tokyo. The Swedish Club is both owned and directly controlled by its members.

The Club's activities concern marine insurance, in the following classes of non-life insurance: Ship (Marine and Energy), Ship liability (Protection and Indemnity, P&I) and Defence (Freight Demurrage & Defence, FD&D).

Reinsurance acceptances are in run-off, with a remaining provision for outstanding claims of USD 0.6 million.

The Club also has a subsidiary which, in accordance with the Swedish Annual Accounts Act 7:5, has not been consolidated as it is of lesser importance with regard to true and fair view requirements.

Significant events during the year

During the first quarter of 2011, the Club began to underwrite property and business interruption insurances for mobile offshore units. The new business area is called Energy.

In 2011, the Club was affected by several major claims. The claim that received the most attention was the container ship, Rena. The ship went aground off the coast of New Zealand on 5 October 2011 and several insurance classes are affected. The total cost before reinsurers' share is estimated at USD 144 million.

Financial overview

The following is a brief commentary on the income statement and balance sheet. For more detailed information, please see the notes and performance analysis per insurance class.

Result for the period

For 2011, the Club reported a loss before appropriations and tax of USD -9.3 (29.5) million. The majority of the Club's assets are valued in USD. Valuation of assets and liabilities in other currencies than USD has resulted in exchange losses of USD -0.5 (0.6) million.

The relationship between the result expressed in USD and SEK is shown below as a change in solvency capital:

Solvency capital	USDm	SEK/USD	SEKm
December 31 2010	151.2	6.8025	1028.6
December 31 2011	141.9	6.9234	982.4
Result	-9.3		-46.2

Insurance activities

Gross premiums written in 2011 amounted to USD 176 (163) million. Following the deduction of outward reinsurance premiums totalling USD 40 (33) million, premiums written amounted to USD 136 (130) million. Earned premiums, net of reinsurance, amounted to USD 134 (123) million. In relation to premium volume, the cost for reinsurance is at the same level compared to last year.

A portion of investment income relates to insurance activities. The amount is based on the three year risk-free interest rate and the current year's average technical provisions for own account. The amount of transferred investment income was USD 1.1 (1.7) million.

Claims incurred, net of reinsurance, amounted to USD 121 (86) million. In relation to earned premiums, net of reinsurance, this corresponds to 91 (69)%.

During the year, 15 claims were reported in excess of USD 500,000. Compared to 2010, the frequency of claims was the same, but the claims cost was significantly higher 2011. One of the claims also affected several insurance classes. For 8 claims, the cost before reinsurers' share exceeded USD 2 million. Last year, this occurred for just 2 claims and the most expensive one amounted to USD 6.5 million. The new reinsurance scheme introduced 2010 responded well to the increased claims cost.

Operating expenses for insurance activities amounted to USD 25 (22) million. In relation to earned premiums, net of reinsurance, this corresponds to 19 (18)%.

The balance on the technical account totalled USD -12 (18) million.

Result by class of insurance

The combined ratio for P&I was 116 (93)%. Earned premiums, net of reinsurance, amounted to USD 72 (68) million. The claims costs for this business area increased substantially during the last half of the year, due to 3 major claims with a total estimated cost before reinsurance of USD 186 million. Claims incurred, net of reinsurance, increased from USD 52 million in 2010 to USD 71 million in 2011. The loss ratio for 2011 was 99 (76)%.

As of 31 December 2011, the P&I portfolio, including charterer's liability, consisted of 1,431 (1,394) vessels with gross tonnage of 50 (47) million.

The combined ratio for FD&D was 115 (90)%. This worsening of this figure compared to last year is primarily due to having strengthened the IBNR reserve.

As of 31 December 2011, the FD&D portfolio consisted of 745 (707) vessels with gross tonnage of 29 (27) million. Earned premiums, net of reinsurance, amounted to USD 6 (5) million. Claims incurred, net of reinsurance, increased from USD 4 million in 2010 to USD 6 million in 2011. The loss ratio for the year was 99 (75)%.

The combined ratio for Marine & Energy was 101 (79)%. The results for the various subclasses belonging to this business area were mixed. Performance for the smaller classes was better than 2010, which compensates for the downturn in the largest class, H&M, where there was a higher number of costly claims compared to last year. Earned premiums, net of reinsurance, amounted to USD 56 (50) million. Claims incurred, net of reinsurance, increased from USD 30 million in 2010 to USD 45 million in 2011. The loss ratio for the year was 80 (59)%.

At the end of 2011, the Marine H&M portfolio consisted of 1,370 (1,469) vessels and the covered insured value amounted to USD 13 (13) billion. The number of insured vessels covered for Loss of Hire amounted to 540 (512).

The new business area, Energy, was launched on 20 February 2011 and it performed in line with business plans.

Investments

The result from financing activities, including exchange rate differences amounted to USD 4 (14) million. The result from interest-bearing securities was USD 9 (7) million. The result for quoted shares amounted to USD -5 (7) million.

The translation of investment assets into USD resulted in exchange losses of USD -0.6 (-1.9) million. Exchange gains associated with the provision for outstanding claims amounted to USD 0.7 (2.2) million. Other currency effects amounted to USD -0.6 (0.3) million. The majority of the Clubs assets are valued in USD. As such, currency effects are primarily related to the strengthening of USD against other currencies. As of year-end 2011, the Club's investments amounted to a value corresponding to USD 315 (297) million, of which 88 (80)% was interest-bearing securities, 12 (20) % was mutual funds.

Balance sheet

The large increase in provisions for claims outstanding compared to last year is due to the number of major claims in 2011. For the 8 most costly claims that occurred during the year, the provision was allocated to the two largest business areas as follows: P&I for USD 170 million and Marine for USD 9 million.

Environment

The Swedish Club has an ongoing commitment to reduce its environmental impact. The Club has successfully implemented a paperless electronic claims handling/archiving system. It is also focusing on other ways of reducing its production of documents. For example, the Club no longer uses pre-printed stationery and documents are more frequently distributed electronically.

Publications that are sent to members and other stakeholders are now, to the extent possible, distributed as web versions. Otherwise, they are available on the website: www.swedishclub.com

The Club's Loss Prevention Department is also responsible for providing guidance to members on environmentally friendly solutions.

Significant events after the balance sheet date

At the beginning of the 2012, there was a wide-spread reallocation of investments such that the balance between bonds and equity was restored to the same level that it was a year ago. Bonds, which now represent 80 % of investments, were sold for USD 35 million and investments were made in equity-linked bonds for USD 10 million, as well as in a global share index fund for USD 10 million.

On 16 January 2012, a fire started aboard the jack-up drilling rig, KS Endeavor, off the coast of Nigeria. The estimated claims cost before reinsurance for the Club's share of 4.5 % is USD 7.7 million.

At the end of January 2012, the estimated claims cost for the environmental impact subsequent to grounding of the container ship, Rena, was increased by USD 50 million before reinsurance.

One event that has put a lot of focus on P&I insurance and International Group is the grounding of the cruise ship, Costa Concordia. This accident occurred on 13 January 2012 off Giglio Island, Italy. The vessel is insured by two other members of the International Group of P&I Clubs and is expected to cause one of the biggest P&I claims in history. The Club's exposure to the casualty is around USD 2 million representing its share in the joint pooling system between USD 8 and 60 million.

There was also some good news at the start of 2012, i.e. the shipowner's right to limit liability for oil pollution was confirmed for a claim from 2004, which resulted in high claims costs for the Club. USD 160 million has already been paid out but, as a result of the limitation of liability decision, the Club will be entitled to repayment of more than half that amount. The repayment will not have a direct impact on the result, since the amount gets refunded to reinsurers. However, we can expect an indirect impact via lower future reinsurance costs.

Employees

The Club is a knowledge-intensive organisation. The commitment, competence and performance of employees are decisive factors for success and competitiveness. The Swedish Club intends to remain an attractive employer by having a progressive human resources policy, a healthy organisational culture and well-established core values.

The Swedish Club's core values are as follows:

Committed

- We are committed in everything we do
- We build and develop relationships of mutual benefit
- Our service is based on respect and professionalism

Reliable

- We are reliable in our values and we stand behind them
- Through honesty and fair treatment, we are able to gain confidence and ensure continuity

Proactive

- We are proactive in our approach
- We respond in a forward-thinking and proactive manner and focus on cost-efficient solutions

The average number of employees during the year was 97 (see note 24 for more information).

A new bonus program for employees was introduced in 2011. The maximum total cost of the bonus program has been set at 10% of the Club's salary costs including social security expenses. No bonuses will be paid for 2011. Note 24 also contains information on the principles for establishing salaries and benefits for the Club's management team.

Risks and uncertainties

The Swedish Club's operations give rise to various types of risks that could have an effect on its result and financial position. There are four main categories of risk:

- Insurance risk
- Reinsurance risk
- Financial risk
- Operational risk

Note 2 contains an overview of how these risks affect operations and how the Club manages them.

Implementation of an internal capital model (ICM) as a control mechanism for the management process continued in 2011. The model aims to promote more efficient capital utilisation in the following areas: direct insurance, reinsurance and investments. The model will also be an important tool used by the Board when setting the Club's level of risk and Solvency Capital Requirements (SCRs).

ICM is also an important component of The Swedish Club's preparations for meeting the future requirements contained in the EU Solvency II Directive, which is expected to come into force on 1 January 2014. The Club has actively participated in the preparations for the preliminary review process of internal models and it demonstrated for the Swedish Financial Supervisory Authority (Finansinspektionen) how these models will be used as an integrated control mechanism.

Miscellaneous

The annual credit valuation, carried out by Standard & Poor's, was published on 16 August 2011. The Swedish Club now has a higher rating, BBB/Positive, compared to its previous rating, BBB/Stable.

In 2011 an updated on-line service (SCOL) was launched. This tool provides members and brokers with better access to insurance information and history of past claims.

Prospects for 2012

The volume for the new business area, Energy, is expected to increase. For the other business areas, a lower rate of increase or stable volume is expected. There is a great deal of uncertainty due to the debt crisis in Europe and the maritime industry that is facing major challenges of overcapacity in several sectors. In financial markets, interest rates on bonds are low and there is continued turbulence in equity markets. It will thus be even more important to achieve a positive technical result in 2012.

Appropriation of earnings

The Board's proposed appropriation of earnings is presented on page 48.

Five-year summary

Amounts in USD million	2011	2010	2009	2008	2007
Income statement					
Earned premiums, gross	173.7	160.1	150.0	192.4	135.5
Earned premiums, f.o.a.[1]	133.6	123.8	104.2	136.5	91.0
Investment income, allocated from non-technical account	1.1	1.7	2.1	6.2	6.3
Claims, f.o.a.	-121.5	-85.5	-78.7	-80.2	-94.1
Net operating expenses	-25.0	-22.2	-19.7	-23.4	-21.1
Balance on technical account	-11.8	17.7	7.8	39.1	-18.0
Balance on non-technical account	2.5	11.8	7.0	-31.9	15.6
Result before appropriations and tax	-9.3	29.5	14.8	7.2	-2.3
Financial position					
Investment assets at fair value	314.8	297.5	237.4	185.3	219.8
Technical provisions, f.o.a.	205.6	180.9	154.2	145.9	166.0
Solvency Capital	141.9	151.2	121.7	106.8	99.7
Deferred tax liability included in solvency capital	40.1	42.6	34.4	30.2	30.3
Key data insurance business					
Loss ratio	91%	69%	76%	59%	103%
Expense ratio	19%	18%	19%	17%	23%
Combined ratio	110%	87%	94%	76%	127%
Average Expense Ratio	13.0%	11.6%	11.4%	10.9%	9.2%
Key data asset management					
Total return	2%	5%	5%	-11%	10%
Other key figures					
Solvency ratio, claims	80%	97%	90%	85%	70%
Average number of employees	97	92	93	96	97

Definitions are provided on page 56-57.

[1] The figures for 2008 include supplementary calls of 35.1 MUSD for the 2006/07 and 2007/08 insurance years.

Income statement

For the financial year January — December. Amounts in USD thousands.	Note	2011	2010
Technical account for insurance business			
Earned premiums, net of reinsurance			
Premiums written, gross	3	176 355	162 993
Outward reinsurance premiums		-40 253	-33 410
Change in provision for unearned premiums		-2 641	-2 925
Reinsurers´share of change in provision for unearned premiums		147	-2 880
		133 608	**123 779**
Investment income transferred from the non-technical account	4	**1 100**	**1 700**
Claims incurred, net of reinsurance			
Claims paid	5		
Before outgoing reinsurance		-131 473	-70 267
Reinsurers´ share		32 964	7 776
		-98 509	-62 491
Change in provision for claims outstanding			
Before outgoing reinsurance		-161 707	-18 234
Reinsurers´ share		138 727	-4 796
		-22 980	-23 029
		-121 489	**-85 520**
Net operating expenses	6, 24	**-25 012**	**-22 236**
Balance on technical account		**-11 793**	**17 723**
Non-technical account			
Balance on the technical account		**-11 793**	**17 723**
Financial result			
Financial income	7	9 565	9 059
Unrealised gains on investments	8	867	6 270
Financial costs	9	-2 396	-1 802
Unrealised losses on investments	10	-4 455	-
		3 581	**13 526**
Allocated investment income transferred to the technical account	4	**-1 100**	**-1 700**
Result before appropiations and tax		**-9 312**	**29 549**
Appropriations: change in safety reserve		5 629	-28 885
Result before tax		**-3 683**	**664**
Tax on result for the year	19	908	-611
Profit/loss for the financial year		**-2 776**	**54**

Balance sheet

Assets

As of 31 December. Amounts in USD thousands.	Note	2011	2010
Intangible assets			
Intangible assets	11	368	482
		368	**482**
Investment assets			
Investments in group and associated companies			
Shares in group and associated companies	12	11	11
Other financial investment assets			
Quoted shares	13	38 807	60 828
Bonds and other interest-bearing securities	14	270 985	231 622
Loans to credit institutions		5 000	5 000
		314 803	**297 461**
Reinsurers' share of technical provisions			
Provisions for unearned premiums	15	3 432	3 285
Provision for claims outstanding	15	207 785	69 402
		211 217	**72 687**
Receivables			
Receivables related to direct insurance operations	16	28 662	28 524
Receivables related to reinsurance operations		7 258	2 343
Other receivables		684	654
		36 604	**31 521**
Other assets			
Tangible assets	17	976	1 056
Cash and bank balances		12 779	15 443
Other assets		995	1 013
		14 750	**17 512**
Prepaid expenses and accrued income			
Accrued interest		3 375	2 556
Prepaid acquisition costs		2 887	2 375
Other prepaid expenses and accrued income		737	501
		6 999	**5 432**
Total assets		**584 741**	**425 095**

Equity, provisions and liabilities

As of 31 December. Amounts in USD thousands.		Note	2011	2010
Equity				
Statutory reserve			72	73
Accumulated profit or loss			-8 588	-8 642
Profit/Loss for the financial year			-2 776	54
Translation difference capital			362	334
	A		**-10 930**	**-8 181**
Untaxed reserves				
Safety reserve			151 273	156 902
Equalisation reserve			1 555	1 582
	B		**152 827**	**158 483**
Technical provisions before reinsurers´ share				
Provision for unearned premiums		15	31 293	28 652
Provision for claims outstanding		15	385 568	224 889
			416 861	**253 540**
Provision for other risks and charges				
Pensions and similar obligations		18	2 210	2 249
Deferred tax	C	19	-	908
			2 210	**3 157**
Liabilities				
Liabilities related to direct insurance operations		20	5 142	3 778
Liabilities related to reinsurance operations			8 951	3 902
Other liabilities		21	8 609	9 075
			22 702	**16 755**
Accrued expenses and deferred income				
Accrued expenses			1 070	1 341
			1 070	**1 341**
Total equity, provisions and liabilities			**584 741**	**425 095**

Memorandum items	23		
Assets included in members priority right		304 642	306 510
Solvency Capital (A+B+C)		141 897	151 210

Change in equity

Amounts in USD thousands.	Statutory reserve	Accumulated profit or loss	Translation difference captial	Profit/loss for the financial year	Total equity
Balance brought forward 2010-01-01	69	-5 878	428	-2 764	-8 145
Carried forward		-2 764		2 764	
Profit for the year				54	54
Change in translation difference capital	4		-94		-90
Balance carried forward 2010-12-31	**73**	**-8 642**	**334**	**54**	**-8 181**
Balance brought forward 2011-01-01	73	-8 642	334	54	-8 181
Carried forward		54		-54	
Loss for the year				-2 776	-2 776
Change in translation difference capital	-1		28		27
Balance carried forward 2011-12-31	**72**	**-8 588**	**362**	**-2 776**	**-10 930**

Profit/loss for the year includes unrealised gains/losses on investments. Deferred tax has been calculated on that portion. See note 19.

Cash flow statement

Amounts in USD thousands.	2011	2010
Paid premiums	177 581	161 379
Paid reinsurance premiums	-40 121	-27 881
Claims paid	-131 473	-70 226
Claims paid, reinsurers' share	32 964	7 776
Cash flow from insurance operations	38 951	71 048
Other expenses	-27 802	-20 383
Interest received	6 085	5 707
Dividends received	236	564
Cash flow from other operations and from insurance operations	17 470	56 936
Net investments in tangible assets	-231	-227
Net investments in intangible assets	-	-328
Acquisition of financial assets held for sale	-135 863	-69 770
Sale of financial investment assets	123 422	18 772
Cash flow from investing activities	-12 672	-51 553
Cash flow for the year	**4 798**	**5 383**
Cash and bank balances		
Cash and bank balances at beginning of the year	15 443	13 572
Cash flow for the year	4 798	5 383
Exchange rate difference on cash and bank balances	-7 462	-3 512
Cash and bank balances at year-end	**12 779**	**15 443**

Performance analysis per class of insurance

According to Swedish regulations, there is only one class of insurance. However, the Club voluntarily reports on other subclasses. Please see pages 56-57 for an explanation of the classes of insurance.

For the financial year January – December 2011. Amounts in USD thousands.		Total	P&I	FD&D	Marine & Energy
Technical account					
Earned premiums, net of reinsurance					
Premiums written, gross		176 355	91 055	5 971	79 330
Outward reinsurance premiums		-40 253	-19 086	-363	-20 804
Change in provision for unearned premiums		-2 641	-129	-28	-2 484
Reinsurers' share of change in provision for unearned premiums		147	136	-3	14
	A	**133 608**	**71 976**	**5 577**	**56 055**
Investment income transferred from the non-technical account	B	**1 100**	**800**	**0**	**300**
Claims incurred, net of reinsurance					
Claims paid					
Before outgoing reinsurance		-131 277	-65 811	-4 375	-61 091
Reinsurers' share		32 964	12 262	-	20 702
Change in provision for claims outstanding					
Before outgoing reinsurance		-161 903	-162 163	-1 151	1 411
Reinsurers' share		138 727	144 698	-18	-5 954
	C	**-121 489**	**-71 014**	**-5 544**	**-44 932**
Net operating expenses					
External acquisition costs		-12 280	-5 465	-403	-6 412
Operating expenses for renewal of insurance contracts		-7 769	-4 206	-273	-3 290
Adminstrative expenses		-4 963	-2 687	-174	-2 102
	D	**-25 012**	**-12 358**	**-850**	**-11 805**
Balance on technical account	A+B+C+D	**-11 793**	**-10 596**	**-817**	**-381**
Run-off result (according 5 Chapter 4 § 6 ÅFRL)		2 299	3 585	-512	-774
Result outward reinsurance		131 585	138 011	-385	-6 042
Result accepted reinsurance		0			
Key figures					
Loss ratio [C/A]		91%	99%	99%	80%
Expense ratio [D/A]		19%	17%	15%	21%
Combined ratio [(C+D)/A]		110%	116%	115%	101%
Three-year average combined ratio		97%	102%	102%	90%
Number of insured vessels/units		-	1 431	745	1 543
Gross Tonnage (millions)		-	50	29	60
Average share covered (per cent of gross tonnage)		-	100%	100%	24%
Average age (years)		-	12	9	10

Performance analysis per class of insurance

As of 31 December 2011. Amounts in USD thousands.	Total	P&I	FD&D	Marine & Energy
Technical provisions				
Before reinsurers' share				
Provision for unearned premiums	31 293	12 150	708	18 435
Provision for claims outstanding[1]	385 568	322 757	9 213	53 598
	416 861	**334 907**	**9 921**	**72 033**
Reinsurers' share				
Provision for unearned premiums	3 432	2 562	43	827
Provision for claims outstanding	207 785	191 042	320	16 423
	211 217	**193 604**	**363**	**17 250**
For own account				
Provision for unearned premiums	27 861	9 588	665	17 608
Provision for claims outstanding	177 783	131 715	8 893	37 175
	205 644	**141 303**	**9 558**	**54 783**

[1]The provision is reported excluding incoming reinsurance 641 (see note 15).

Note 1. Accounting principles

Statement of compliance with regulations applied

The annual report has been prepared in accordance with the Law of Annual Reports in Insurance Companies (ÅRFL) and The Swedish Financial Supervisory Authority's rules, and regulations regarding annual reports for insurance companies (FFFS 2008:26) and the Swedish Financial Reporting Board's recommendation RFR 2. Law-limited IFRS have been applied, which are international accounting standards that have been adopted for use with the limitations that follow from RFR 2 and FFFS 2008:26. This means that all of the EU approved IFRS and statements have been applied, to the extent possible given Swedish law and the relationship between accounting and taxation.

Unless otherwise stated, all amounts in the financial statements are in USD thousands.

The Club has a subsidiary which, in accordance with the Swedish Annual Accounts Act, ÅRL 7:5, has not been consolidated, since the company is of lesser importance with regard to true and fair view requirements. The Club also has holdings in the associated company, The Swedish Club Academy.

Assumptions when preparing the insurance company's financial statements

US dollars is the company's functional currency, since most of the company's income and costs are in US dollars. It is also the most significant currency regarding provisions in the insurance business and therefore, the primary environment in which the company runs the business. The official accounting currency is Swedish kronor.

The Club converts transactions in foreign currency to the currency rate applicable on the transaction day, both to SEK and to USD. USD is the Club's currency for internal financial reporting and SEK is used in the official Swedish regulatory reporting, in accordance with law-limited IFRS. All amounts, unless stated otherwise, have been rounded off to the nearest thousand.

Assets and liabilities are reported at cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities that are measured at fair value consist of forward exchange contracts and financial assets classified as financial assets measured at fair value through profit or loss.

Assessments and estimates made when preparing the financial statements In order to prepare the financial statements in accordance with law-limited IFRS, management must make assessments, estimates and assumptions that affect the application of accounting principles and the carrying amounts of assets, liabilities, income and costs.

Estimates and assumptions are based on past experience and a number of other factors that under current circumstances seem to be feasible. The result of these estimates and assumptions are then used when assessing the carrying amounts of assets and liabilities for which the values are not clearly evident from other sources. Actual outcomes can differ from these estimates and assessments. Estimates and assumptions are regularly reviewed. Changes in estimates are reported in the same period that the change occurred, provided that the change only has an effect on that period. Otherwise, changes are reported in the same period that the change occurred and future periods, if the change affects both current and future periods.

Important estimates and assessments regarding technical provisions are based on assumptions about future claims costs, which means that the estimates are always associated with uncertainty. Estimates are based on the Club's own historical statistics on prior claims losses available on the reporting date. The following are examples of items considered when estimating technical provisions: unpaid claims, claims cost development, changes in legislation, judicial decisions and general economic development.

The accounting principles stated below have been applied consistently to all periods presented in the financial statements.

The Board of Directors approved the annual reports for publication on 29 March 2012.

Principles applied

A number of new or revised IFRS will come into force as of the next financial year and the Club has not opted for early adoption when preparing these financial statements. The Club does not intend to opt for early adoption of new standards or amendments that will come into force as of the next and future financial years. Below is description of the expected effects on the Club's financial statements from application of the new or revised IFRS listed below. There are no other new principles besides these that are expected to have an effect on the Club's financial statements.

IFRS 9 Financial Instruments is intended to replace IAS 39 Financial Instruments: Recognition and Measurement The IASB has published the first two parts of what will be the final IFRS 9. The first part deals with classification and measurement of financial assets. The categories for financial assets that exist in IAS 39 are replaced in IFRS 9 by two categories, where measurement is at fair value or amortised cost. Amortised cost is used for instruments that are held in a business whose goal is to receive the contractual cash flows, which shall constitute payments of principal and interest on the principal amount at specified dates. Other financial assets are reported at fair value and it is still possible to apply the fair value option, as in IAS 39. Changes in fair value are recognized in profit or loss, except for changes in the value of equity instruments that are not held for trading and for which it was decided to report changes in value in other comprehensive income at initial recognition.

In October 2010, the IASB also published the sections of IFRS 9 that deal with classification and measurement of financial liabilities. Most of the principles for classification and measurement of financial liabilities in accordance with IFRS 9 are consistent with the principles in IAS 39, except for how changes in the fair value of financial liabilities that are voluntarily reported at fair value in accordance with the fair value option are reported. The Club has not yet evaluated the effects of IFRS 9. IFRS 13 Fair Value Measurement. A new uniform standard for measurement of fair value and improved disclosure requirements.

The standard is to be applied prospectively for financial years starting 1 January 2013 or later. The Club has not yet evaluated whether IFRS 13 will result in any change to the methods currently used for measurement at fair value.

Insurance contracts

All of the Club's insurance contracts are defined as insurance contracts in accordance with IFRS 4.

Insurance contracts are reported and measured in the income statement and balance sheet in accordance with their financial substance rather than their legal form whenever there is a difference between the two.

Items reported as insurance contracts must transfer substantial insurance risk from the policyholder to the Club. They must also obligate the Club to compensate the policyholder, or another beneficiary, if a predetermined insured event were to occur.

Income tax

Income taxes are comprised of current tax and deferred tax. Income taxes are reported in the income statement. Current tax is tax that is payable or refunded for the current year, applying tax rates that have been decided or effectively adopted as of the reporting date. This also includes adjustments of current tax related to prior periods.

Deferred tax is measured according to the balance sheet method. The starting point is thus temporary differences between the carrying amount and of an asset or liability and its tax base. The valuation of deferred tax is based on the extent which the underlying assets and liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax rules that have been decided or effectively adopted as of the reporting date.

Untaxed reserves are reported including deferred tax liability.

Premiums written, gross f.o.a.

Gross premium written is normally reported according to the maturity principle. This means that the gross premium written is reported in the income statement when the annual premium or – in cases where the contractual insurance period's premiums have been divided into several partial premiums – when the first partial premium falls due for payment.

Furthermore, in order for the gross premium written to be included, the term of the underlying insurance contract must start during the current accounting period.
The method described above is used also for premium written, reinsurers' share.

Premiums earned f.o.a.

Premiums earned reflect the proportion of the gross premium written that is attributable to the accounting period. The share of the premium income from insurance contracts pertaining to periods after the closing date is allocated to the premium reserve in the balance sheet.

Calculation of the provision to the premium reserve is done by allocating the premium income to the proper period based on the underlying term of the insurance contract. The method described above is also used for earned premiums, reinsurers' share.

Investment income transferred from the non-technical account

Investment income is reported in the non-technical result. The Club uses a model for the calculation of investment income transferred from the financial business to the technical account. The model compensates the insurance business with interest for the float generated during the period between premium payment and claim payment. The interest rate used matches the interest on the three-year risk free investments in the relevant currencies as of 30 September 2010.

Net claims incurred

The total net claims incurred for the accounting period includes claims paid during the period and changes in the provision for claims outstanding. Besides claims, net claims incurred also includes claims handling costs. The provision for claims outstanding is calculated using expected nominal cash flows.

The provision for claims outstanding net of reinsurance is revalued using the closing day rate of exchange. Historical data on claims payments provides the basis for allocation of the provision to each relevant currency that is used for this calculation.

The result of this revaluation is shown under the heading "Investment income" or "Investment costs". The change in the provision for claims outstanding, net of reinsurance, is herewith reported excluding the foreign exchange revaluation of claims outstanding.

Net operating expenses

The proportion of the total operating expenses related to claims handling is reported under the heading "Net claims incurred". A portion of net operating expenses is also related to investment administration and this portion is reported as "Internal investment management costs". These costs include both direct costs and indirect allocated costs.

Operating expenses in the insurance business include, besides administrative costs, acquisition costs. Since 2007, a model has been used to allocate internal acquisition costs and internal investment administration costs. Before that time, the costs were not allocated (see Note 6 and Note 9).

Investment income – realised and unrealised profit on investments

Realised profit/loss on sale of investments is equivalent to the difference between the sales price and acquisition cost. The Club's investments are reported at fair value. Unrealised changes in values are reported in the income statement. Such changes can be defined as the year's change between fair value and acquisition cost. Realised and unrealised profits on interest-bearing securities are calculated by comparing the fair value to amortised cost.

Amortised cost is calculated by adding the accrued acquired overvalues or undervalues to the acquisition cost over the remaining duration. This value is reported as interest in the income statement.

Financial instruments

Financial instruments reported in the balance sheet as assets:

- Accounts receivable – trade (reported under the heading, receivables)
- Shares and participating interests, bonds and other interest-bearing securities
- Loan receivables (loans to credit institutions)
- Derivatives (forward exchange contracts).

Items reported as liabilities or equity include:

- Trade creditors (reported under the heading, liabilities)

Acquisition and disposal of financial assets are reported on the trading day, which is the day the Club is obliged to acquire or dispose of the asset.

Financial instruments that are not derivatives are initially reported at cost, which is equal to the instrument's fair value plus transaction costs. This applies to all financial instruments, except those that belong to the category, financial assets measured at fair value through profit or loss. Those are reported at fair value excluding transaction costs.

Initial recognition of a financial instrument is based on the purpose for which the instrument was acquired. The initial classification also determines how the financial instrument shall be measured going forward, as described below.

Derivative instruments are reported both initially and afterwards at fair value. The Club does not apply hedge accounting.

The Club has classified financial instruments in the following categories, in accordance with IAS 39:

The category financial assets measured at fair value through profit or loss consists of two subcategories:

- Financial assets that are held for trading
- Other financial assets that the Club initially chose to recognize in this category (according to Fair Value Option)

Financial instruments in this category are valued at fair value with changes in value reported in the income statement under the heading unrealised gains – or losses on investments.

Derivatives with a positive fair value are included in the first subcategory and consist of forward exchange contracts that hedge against currency risk exposure.

The other subcategory contains the Club's investment assets (except for derivatives and loan receivables). The Club has chosen to apply the fair value option on assets, since key personnel evaluate all investment assets on the basis of fair value in accordance with documented risk and investment strategies. The Club classifies such investment assets (i.e. assets that are financial instruments and not shares in subsidiaries) as Financial assets measured at fair value through profit or loss. This is due to the fact that the Club evaluates its asset management activities on the basis of fair values.

The category, loan receivables and accounts receivable - trade are financial assets that are not derivatives. Furthermore, they have determined or determinable payments and they are not listed on an active market. These assets are valued at amortised cost.

Amortised cost is determined based on the effective rate of interest calculated at the time of the acquisition. Accounts receivable and loan receivables are reported at net realisable value, i.e. after the deduction for doubtful debts.

The category financial liabilities measured at fair value through profit or loss consists of two subcategories:

- Financial liabilities that are held for trading
- Other financial liabilities that the Club initially chose to recognize in this category

The first subcategory includes derivatives with a negative fair value. Changes in fair value are reported in the income statement under the heading, Unrealised gains/losses on investments.

Borrowings and other financial liabilities, such as trade creditors, are included in the category, other financial liabilities. These are valued at amortised cost.

Calculation of fair value

The following is a summary of the primary methods and assumptions that have been used to determine the fair value of financial instruments:

For financial instruments listed on an active market, investment assets, the fair value is determined on the basis of the asset's listed buying rate on the reporting date, not including transaction costs (e.g. brokerage fees) at the time of acquisition. A financial instrument is considered to be "listed on an active market" if the listed prices can easily be obtained from any of the following: a stock exchange, dealer, stockbroker, trade association, a company that provides current price information or a supervising authority. Furthermore, the price must represent actual and regularly occurring market transactions on commercial terms. Such instruments are reported in the balance sheet as, Shares and participating interests, bonds and other interest-bearing securities.

Any future transaction costs related to disposal are not taken into account. For financial liabilities, fair value is determined on the basis of the quoted ask price. The majority of the Club's financial instruments are assigned a fair value based on prices listed on an active market. The fair value of derivatives (i.e. forward exchange contracts) is determined using available market data. The applied valuation techniques are, to the extent possible, based on market data. Company-specific information is used as little as possible.

At each reporting occasion, the Club assesses whether there is any objective evidence that a financial asset or group of assets has become impaired as the result of the occurrence of one or more events (loss events) having taken place after the asset was reported for the first time. Furthermore, the loss event(s) must have an impact on the forecasted cash flows for the asset or group of assets.

Intangible assets

Intangible assets are capitalised expenses for the development of computer systems. They are valued at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on a straight-line basis over a useful life of five years starting from the time when the system is put into operation.

Property, plant and equipment

Machinery and equipment are reported at cost less accumulated depreciation according to plan, which is based on the useful life of assets plus any impairment losses. Depreciation is calculated on a linear basis over a useful life of three to five years. For equipment that has been permanently installed in buildings, depreciation is calculated on a linear basis over a twenty-year period.

Subsidiaries and associated companies

Associates are companies in which the Group has a significant (but not controlling) influence over the operating and financial management, usually through a holding of between 20 and 50% of the votes. Shares in subsidiaries and participations in associated companies are reported in accordance with the cost method. Any dividends received are reported as income.

Cash and bank balances

Cash and bank (with the exception of minor cash amounts) consists of bank accounts and funds that have been transferred to investment management that will not be invested in assets.

Prepaid acquisition costs

The item includes allocated commissions associated with the signing of insurance contracts. These costs are allocated in the same way as the allocation of unearned premiums.

Provision for unearned premiums

The provision for unearned premiums is calculated strictly pro rata (pro rata temporis). In accordance with technical guidelines pertaining to insurance, testing is performed on a regular basis to determine whether a provision needs to be made for remaining risks.

Provision for claims outstanding

The provision for incurred and reported claims is based on individual assessments of claims using information that is available on the reporting date.

Incurred but not reported claims, IBNR, is calculated using statistical methods that are based on past experience of the number and extent of claims reported for prior accounting years.

Pensions costs and pensions commitments

The pension obligations are comprised of pension plans that are regulated through collective agreements and national insurance laws. The obligations consist of both defined contribution and defined benefit plans.

Retirement through insurance

The Club's pension plans for collective pension agreements are secured through insurance agreements with SPP. The pension plan for the Club's employees has been assessed as a defined benefit plan covering multiple employers. However, the Club has determined that the Swedish Financial Reporting Board's statement, UFR 6 Pensionsplaner, which covers multiple employers, is also applicable to the Club's pension plan. The Club lacks sufficient information for reporting in accordance with IAS 19. Therefore, in accordance with UFR 6, it reports these pension plans as defined contribution plans. The Club's obligations concerning contributions to defined contribution plans have been reported as a cost in the income statement at the rate they are earned by employees performing services during the period.

Retirement through own management

Besides the collective pension agreements guaranteed through insurance agreements, the Club also has special agreements with certain employees allowing them to retire earlier than 65 years' of age and obtain further compensation in addition to the collective pensions benefits. The majority of the provision originates from the 2006 change of terms in the collective agreement for the insurance sector, which gives employees born before 1956 the right to early retirement from the age of 62.

The calculated provision is based on anticipated future pension payments and it includes assumptions regarding mortality, employee turnover, salary growth and price inflation.

Leasing contracts

The Club has signed contracts in which assets such as cars and office equipment are leased for a contracted period of time. The cost of lease is put up as a cost over the contracted period of time based on utilization.

Assets and liabilities in foreign currency

Assets and liabilities in foreign currency are translated to USD at the closing day rates of exchange. However, shares in subsidiaries are valued using the rate of exchange prevailing on the acquisition date. For translation from a foreign currency to USD, the difference is reported in the income statement under the heading, Investment income or Investment costs. For the Club's most important currencies, the following rates (prevailing on 31 December) have been used:

Currency	2011	2010
Swedish kronor (SEK)	6.9234	6.8025
British pound (GBP)	0.6485	0.6449
Euro (EUR)	0.7628	0.7557
Hong Kong dollar (HKD)	7.7708	7.7743
		1 USD equals

Note 2. Risk management and risk analysis

Risk management

During 2011, The Swedish Club implemented an Internal Capital Model (ICM) as a control mechanism for its management process. The first version of ICM has provided assistance in the process of structuring reinsurance, as well as with the introduction in 2011 of the new business area, Energy. Development efforts are still underway, focusing on the model's calibration and precision, documentation, and modelling of accompanying aspects, such as operational risk and credit risk. ICM will play an important role in the Club's risk and solvency assessments.

Furthermore, the development of ICM is an important component of the Club's preparations for meeting the future requirements contained in the EU Solvency II Directive. As a component of the future Solvency II rules, the model can be used for calculating solvency capital requirements (SCR), provided that the Board submits an application for doing so and is approved by the supervisory authority.

Solvency II is expected to come into force on 1 January 2014. However, a gradual implementation has been proposed in which the European Commission may adopt transition rules. The following is included in the current proposal's wide ranging transition rules: a transition period of 3 years (maximum) for elements of the general requirements on corporate governance and public disclosures, 5 years (maximum) for providing information for supervisory purposes and 10 years (maximum) for valuation of assets and liabilities as well as for the SCR calculation. A decision from the EU on the revised timetable for implementation and transitions rules is expected to be announced in 2012.

Article 44 of the Solvency II Directive states that insurers must conduct an evaluation of the risks in their business and the level of solvency required in order to mitigate such risks. This process is also called Own Risk and Solvency Assessment (ORSA) and it is defined as all processes and routines used for identifying, assessing, monitoring, managing and reporting short-term and long-term risks that the company is facing, or may face. It also involves determining the amount of capital required for ensuring that the company's capital needs are adequate at all times.

ORSA is thus an internal risk evaluation process that links the company's own view of the risks existing within the organization with its own solvency needs. At the same time, consideration is given to the external risks that the company is exposed to. The risk assessment process aims at ensuring that senior executives have conducted their own review of the risks that the organization is exposed to and that they maintain adequate capital for addressing such risks.

The internal risk assessment process is becoming an increasingly integrated part of the Club's efforts to achieve its

Solvency II – the three pillars

Within the EU, comprehensive efforts are underway on a project called Solvency II. The aim of this project is to introduce a more risk-based model for calculating solvency requirements. Another aim is to facilitate more proactive supervision within the EU. The central purpose of these regulatory requirements is to provide policyholders with better protection.

Requirements are divided into three pillars:

1. Quantitative requirements for the calculation of capital. Here, two different levels are suggested for the capital base, a minimum level and a targeted level
2. Qualitative requirements pertaining to risk management and internal control
3. Reporting to supervising authorities and external disclosure requirements

The updated requirements are expected to come into force on 1 January 2014.

chosen strategy, as well as an increasingly important decision support tool (derived from the ICM) for the Board and company management team. Furthermore, it is used to obtain consistent, risk-quantified information in order to prepare the ORSA report.

Risk management philosophy

The Club has an open risk culture that strives to create risk awareness and encourage all levels of the organization to participate in discussions about risk at their appropriate meeting places. This assists in identifying and quantifying current and emerging risks.

We believe that a strong Enterprise Risk Management process is a potential source of competitive advantage. In particular, an ICM that enables the company to calculate risk-adjusted return for various decision alternatives should, over time, result in lower losses per unit of income. The risk management philosophy thus supports the Club's efforts to achieve its goals by reducing the likelihood of undesirable operational and financial outcomes.

Risk culture

In addition to the formal risk management structure, which is described below, the Club encourages incorporating a risk dimension at most meetings and activities throughout the year The figure below seeks to illustrate the wider spectrum of activities that feed into the core risk and capital management processes, thus ensuring that risk management is an integral part of all functions within the Club, and not only of relevance to those with formal risk management responsibilities.

The figure below illustrates the four key annual processes that contribute to internal risk management and other relevant activities.

Risk governance

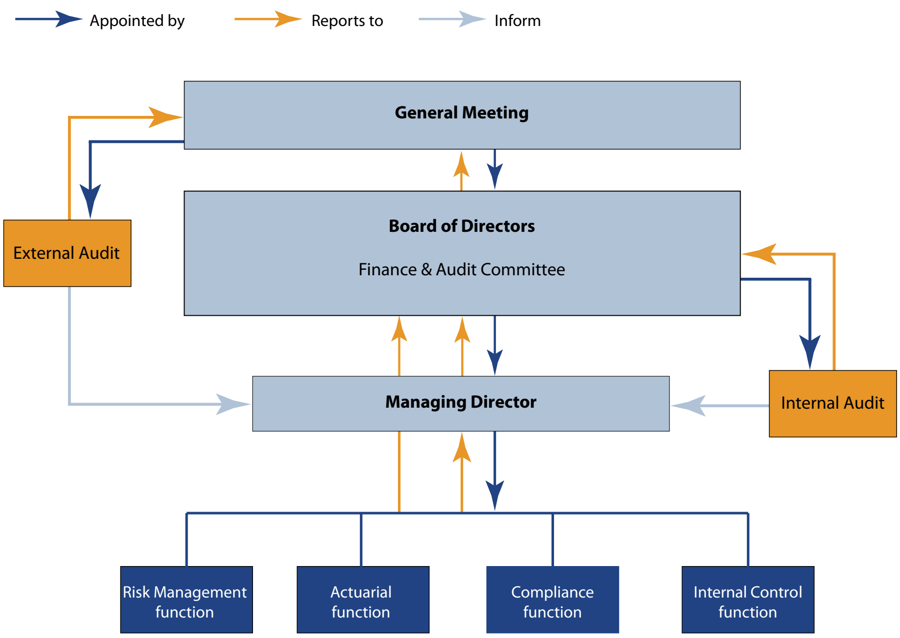
Based on the risk management philosophy, the Club has adopted a policy, setting out the general direction and aims for risk management within the club. The Risk Management Policy also provides the foundation for the Club's acceptance of risk in pursuit of its goals.

Risk management is a traditional line management responsibility which means that risks are generally managed at the source – within the team or department where they originate.

In the second line of defence, the risk management function's role is to ensure that systems for reporting and managing risks have been implemented and are being followed. The compliance and internal control functions ensure that the Club complies with relevant laws and regulations. They also monitor conformity with internal directives and policies.

Risk and capital management processes

Allocation of responsibilities



An independent internal audit is carried out annually, which includes a formal audit to evaluate the adequacy and effectiveness of the systems for risk management and internal control. Any findings and recommendations of the internal audit are reported to the Board, which determines what actions are to be taken with respect to each of the internal audit findings/recommendations. The Board also ensures that those actions are carried out.

Structure of corporate governance and allocation of responsibilities

The Club has a Board elected by the Annual General Meeting (AGM). It currently consisting of 23 members, including the Managing Director and two employee representatives. In addition to an elected Chairman of the Board, there are two elected Deputy Chairmen.

The Club also has an election committee elected by the AGM. This committee is responsible for recommending changes to the Board of Directors for the AGM's consideration.

A Finance and Audit Committee has been created as a subgroup of the board. It is responsible for reviewing recommendations and providing feedback to the management team on key areas, such as changes in investment allocation within the guidelines, audit, compliance and premium collection. The Finance and Audit Committee compiles this information so that the Board is able to make well informed decisions. The minutes from the Finance and Audit Committee meetings are distributed to the other members of the Board as soon as possible after each meeting.

The Club has a six member management team consisting of the following individuals: Managing Director; Director of Finance, IT & Reinsurance; Director of Risk & Operation; Director of Marketing & Business Development; Director of Corporate Legal & FDD and Director of Human Resources.

The Club's activities are governed, controlled and monitored in accordance with guidelines and instructions that have been established by the Club's Board and Managing Director. The purpose of these guidelines and instructions is to clarify the allocation of responsibilities within the organisational structure, which is comprised of the following: the AGM, Board of Directors, Managing Director, business areas, support functions, the risk management and actuarial functions, the function for compliance with regulations and internal audit.

Risk analysis

The Club's risk exposure is primarily associated with variations in the outcome of Marine and P&I claims, as well as variations in the level of investment returns. However, the Club is also exposed to a number of other risks.

The components of insurance, reinsurance, financial and operational risks are presented below:

Insurance risks

Insurance risks consist of both underwriting risks and reserving risks. Effective management of underwriting risks is fundamental to the Club's operations. Potential member's vessels and management team are thoroughly reviewed prior to acceptance. Rating systems and premium models are used to ensure that correct premium levels have been selected. The Club's comprehensive reinsurance arrangements level out fluctuations in claims results. This helps protect the Club from incurring losses that are associated with very large claims, including the aggregation of losses from multiple insured interests.

The accuracy of current claims models is monitored on a monthly basis, by comparing the actual outcome per insurance class to the expected result that was generated by the models. The models are also used for simulation of claims costs in the Club's ICM. This enables a consistent treatment of underwriting risk based on the capital requirements at all levels, i.e. from the company level down to the underwriting of an individual risk.

Concentrations of insurance risk[1]

Insurance risk is highly concentrated to the shipping industry. The table below shows concentration measures for the two largest individual classes of insurance. The weighted average duration for outstanding claims is approximately 2.7 years.

	Number of vessels	Average age	Gross tonnage (millions)	Average claim duration
P&I	1,032	11.5	33.4	3
H&M	1,371	9.9	55.8	2

[1] *as of 1 January 2011.*

It is not uncommon for a vessel to be insured in more than one of the Club's business areas, refered to as clash exposures. Based on how the different reinsurance protections have been set up, clash exposures could affect the allocation of claims costs between reinsurers and the Club. Clashes primarily concern the insurance classes shown in the table to the right.

Exposure	Number of vessels	P&I	H&M	Loss of Hire	Hull Interest
Four Classes	142	X	X	X	X
Three Classes	2	X	X	X	
	186	X	X		X
	165		X	X	X
Two Classes	97	X	X		
	14		X	X	
	280		X		X
	9	X		X	
	2	X			X
	31			X	X
Vessels per insurance class	1,371		X		
	1,032	X			
	548			X	
	903				X
Total number of vessels	2,262	-	-	-	-

The table shows the concentration of insurance classes per vessel as of 31 December 2011: 6.3% of vessels were exposed to four insurance classes, 15.6% to three classes and 19.1% to two classes.

Reserving risk is associated with the provision for claims outstanding and the provision for unearned premiums. When calculating the provision for unearned premiums, consideration must be given to differences in risk exposure during the policy period. For example, there are seasonal variations in the frequency/severity of claims between quarters or other periods of time that must be considered. The provision for incurred and reported claims is based on individual assessments of claims using the latest information available. Claims reserves must reflect the total liability, which includes claims handling costs, expected claims inflation and currency considerations. Incurred but not reported claims, IBNR, is calculated using statistical methods that are based on past experience of the number and extent of claims reported for prior accounting years.

Sensitivity of provisions made

The table on the next page shows the development of claims, i.e. how the original provisions for all claims have developed over time (from the end of each respective accounting year through 31 December 2011).

The remaining provision for outstanding claims (and the currency adjustment) and accumulated claims paid, shows the development of claims, gross and net in USD thousands. The sharp negative development of gross claims for the years 2006 and 2007 is due to two exceptionally large claims. The extent of costs for oil clean-up activities and wreck removal for these two cases was difficult to assess at the outset.

The table shows that the variation in results due to changes in provisions made is higher for the gross amount than it is for the net amount. Also, variations in provisions made had a positive impact on results during the last five years. It is primarily changes in the reserve for large claims that affects the change in the overall technical provision. Since the very large claims have been captured by our reinsurance program, this rarely has any effect on the technical provision for own account. Changes in the technical provision for own account is thus assessed as having a limited effect on solvency capital. However, due to the new reinsurance solution that was introduced in 2010, sensitivity for variations of results will be higher than it has been in prior years.

Claims development table, gross[1]	2006	2007	2008	2009	2010	2011
Provision for claims outstanding, net	123 341	142 096	124 955	134 682	155 487	177 783
Reinsurers´ share of claims outstanding	108 610	137 777	157 939	75 775	69 402	207 785
Provision for claims outstanding, gross	231 951	279 873	282 894	210 457	224 889	385 568
Provision for claims outstanding gross, reported in the balance sheet	**231 951**	**279 873**	**282 894**	**210 457**	**224 889**	**385 568**
Rate of exchange adjustment gross	3 884	-10 073	504	-4 479	-1 028	-
Provision for claims outstanding, gross after rate of exchange adjustment	235 835	269 800	283 398	205 978	223 861	385 568

[1] before 2007 IBNR were accounted for net

Claims paid (accumulated), gross	2006	2007	2008	2009	2010
One year later	121 664	192 061	134 369	44 122	65 436
Two years later	191 173	292 657	158 020	89 903	
Three years later	199 098	307 798	194 776		
Four years later	211 375	329 380			
Five years later	219 934				

Provision for claims outstanding, gross	2006	2007	2008	2009	2010
One year later	156 291	212 251	151 829	154 473	145 390
Two years later	99 703	111 141	119 170	95 777	
Three years later	71 767	90 988	66 919		
Four years later	56 789	54 922			
Five years later	44 307				
Claims development, gross	**-28 406**	**-114 502**	**21 703**	**20 298**	**13 035**

Claims development table, net	2006	2007	2008	2009	2010	2011
Provision for claims outstanding, net	123 341	142 096	124 955	134 682	155 487	177 783
Rate of exchange adjustment	1 689	-5 582	78	-2 676	-684	-
Provision for claims outstanding, net after rate of exchange adjustment	125 030	136 514	125 033	132 006	154 803	177 783

Claims paid (accumulated), net	2006	2007	2008	2009	2010
One year later	46 826	57 228	40 780	37 346	41 971
Two years later	71 759	75 685	58 816	62 659	
Three years later	83 368	85 910	75 713		
Four years later	91 844	89 975			
Five years later	85 675				

Provision for claims outstanding, net	2006	2007	2008	2009	2010
One year later	74 888	71 250	80 593	91 417	110 533
Two years later	44 184	47 217	57 451	63 590	
Three years later	23 882	34 715	35 270		
Four years later	16 077	25 848			
Five years later	18 204				
Claims development, net	**21 151**	**20 691**	**14 050**	**5 757**	**2 299**

Reinsurance risks

Reinsurance protection is essential for the successful operation of the Club. Reinsurance risks can arise due to insufficient, incorrect or inadequate reinsurance protection. The Club's reinsurance purchasing activities are centralised and they are the responsibility of the Reinsurance Department. Documented routines are followed in order to ensure correct wording and consistency of reinsurance contracts. The Reinsurance Manager prepares an annual "Reinsurance Risk Assessment Report". This provides the basis for ensuring that reinsurance protection is set at an appropriate level. Thorough knowledge of probabilities and expected outcomes of claims are important components in assessing the risks associated with reinsurance.

The Club has had a consistent reinsurance strategy for many years. For Marine, the Club purchases its own reinsurance protection. This is based on a long relationship with some of the world's leading reinsurance companies – a collaboration that has been productive for all of the parties involved. For P&I, the reinsurance is based on the cooperation within the International Group of P&I Clubs, where claim costs between USD 8 million and USD 60 million are pooled (the Pooling Agreement). To supplement this, the Group purchases reinsurance protection up to USD 3,050 million (the Pool Reinsurance Programme). The International Group's joint reinsurance company is Hydra Insurance Group Ltd (Bermuda). It reinsures the Group's P&I pool claims for USD 30 million in excess of USD 30 million and also part of the layer USD 500 million in excess of USD 50 million. More information about the International Group is available at: www.igpandi.org

In 2010, The Swedish Club introduced a new reinsurance solution for the level USD 8 million in excess of USD 2 million. The new solution covers 75 % of the layer, and the remaining 25 % is covered by the traditional reinsurance structure. The purpose of the new structure is to combine the protection for subclasses under Marine insurance (H&M/IV/LoH) with P&I and to retain the first USD 2 million of each combined loss. With this structure, the Club retains all claims in the layer USD 8 million in excess of USD 2 million during a normal claims year by means of an annual aggregate deductible (AAD) of USD 33 million. The reinsurance will only come into force in a poor claims year, when the claims in this layer exceed the AAD. One of the advantages of the new structure is that it significantly reduces the costs for reinsurance, while maintaining protection against particulary adverse claim scenarios.

Operational risks

The Club is exposed to many types of operational risk. Different parts of the organization participate in self-assessment workshops to identify and evaluate operational risks. They also provide the input that makes it possible to model these risks.

Operational risks are difficult to assess. They tend to occur as a result of inadequate processes, human error or ambiguous management practices. The Club has a history of adequate documentation of critical activities via its quality systems. This working practice ensures that many undesired operational events are avoided.

Important operational risks include risks associated with a catastrophe scenario, such as an office fire, IT systems breakdown, a lengthy power failure, and so on. The Club has a contingency plan for such situations, which is updated annually. An IT system failure lasting more than a few days would have a serious impact on the Club and it would be very important to restore normal operations as quickly as possible.

Financial risks

Market, credit and liquidity risks are classified as financial risks. Here, the Club's primary objective is to identify an acceptable level from which it can maximize long-term investment returns. The investment portfolio's currency mix and average duration also play an important role when matching the assets and liabilities. The investment philosophy is based on risk diversification and investments in assets with a high level of creditworthiness. In order to minimise and control risks, the Board establishes an investment policy (Investment Directive), which governs the composition, control and authority of the investment portfolio. A model has been developed in order to stress the investments and measure the total value at risk. It is based on the same principles that are suggested in Solvency II and it measures the exposure of shares, currencies, interest rates and maturities. According to the model, risk exposure has decreased from USD 22 million at the beginning of the year to approximately USD 16 million at the end of 2011.

Performance and other factors are measured and reported to the Managing Director on a monthly basis. The Audit and Finance Committee is responsible for monitoring debt coverage, outcomes and risks. Follow-up, which includes sensitivity analysis, is performed and reported on a quarterly basis.

Valuation method for market-valued financial assets

2011	Published prices in an active market	Valuation technique based on observable market data	Total fair value reported in the balance sheet
Financial assets valued at fair value via the income statement			
Shares	38 807	-	38 807
Bonds and other interest bearing securities	270 985	-	270 985
Loans to credit institutions	5 000	-	5 000
Receivables	-	36 604	36 604
Total market value of investments	**314 792**	**36 604**	**351 396**

NOTES

2011	Financial assets at fair value through the income statement	Loans receivables	Total carrying amount	Fair value
	Assets chosen to be recognised in category			
Financial assets				
Shares	38 807	-	38 807	38 807
Bonds and other interest- bearing securities	270 985	-	270 985	270 985
Loans to credit institutions	5 000	-	5 000	5 000
Receivables	-	36 604	36 604	36 604
Total Financial assets	**314 792**	**36 604**	**351 396**	**351 396**

2011	Other financial liabilities	Total carrying amount	Fair value
Financial liabilities			
Other liabilities	22 702	22 702	22 702
Total Financial liabilities	**22 702**	**22 702**	**22 702**

2010	Financial assets at fair value through the income statement	Loans receivables	Total carrying amount	Fair value
	Assets chosen to be recognised in category			
Financial assets				
Shares	60 828	-	60 828	60 828
Bonds and other interest- bearing securities	231 622	-	231 622	231 622
Loans to credit institutions	5 000	-	5 000	5 000
Receivables	-	31 521	31 521	31 521
Total Financial assets	**297 449**	**31 521**	**328 971**	**328 971**

2010	Other financial liabilities	Total carrying amount	Fair value
Financial liabilities			
Other liabilities	16 755	16 755	16 755
Total Financial liabilities	**16 755**	**16 755**	**16 755**

Market risks include fluctuations in interest rates, exchange rates and share prices. The Club operates in an international environment, with revenue, expenditures and investments in various currencies. One objective is to hedge investment assets currencies with claims cost currencies, in order to minimise currency risks. In addition, the Club seeks to match the duration of investments with the anticipated duration of liabilities. As of 31 December 2011 the duration of fixed income securities was 3.3 (3.1) years.

A change in interest rates of 1% would result in a change in the value of the bond portfolio of approximately USD 9 (7) million.

As of 31 December 2011, currency exposure for the Club's most important currencies was USD -1.4 (9.6) million (see table, below). As all decisions regarding currency positions are based on a US dollar perspective, the Club has chosen to regard solvency capital as consisting entirely of US dollars.

Currency exposure	EUR	GBP	SEK
Investment assets	28 030	-	10
Receivables	5 918	2 364	5 053
Other assets	3 581	549	4 738
Total assets	**37 529**	**2 913**	**9 802**
Technical provisions, net	-40 753	-11	-82
Other liabilities and provisions	-2 186	-647	-7 931
Total liabilities and provisions	**-42 939**	**-658**	**-8 013**
Net exposure	**-5 410**	**2 255**	**1 788**

Approximately12% of the Club's investments are quoted shares. All equity exposure is in well-diversified funds or in indexed-linked securities with a high rating. Decisions concerning investments and reallocations of equity investments are the responsibility of the Board through the Finance & Audit Committee.

The Club's main credit risks are associated with the following items: risk of bond failures, reinsurance compensations, receivables from members and guarantees from counterparts. The likelihood that the result would be significantly impacted by fixed income portfolio defaults has been assessed as quite small. At year-end, the Club had USD 276 (236) million invested in fixed income products.

Rating classes of financial assets (Standard & Poor)	AAA	AA	A	BBB	Other
Bonds and other interest-bearing securities					
Foreign governments	8 115	57 178	3 165	234	-
Other foreign issuers	44 281	70 770	45 376	30 550	11 314
	52 396	**127 948**	**48 541**	**30 784**	**11 314**

In order to minimise the risk of losses relating to payments from reinsurers, the Club has centralised reinsurance purchasing to one department. Furthermore, in accordance with documented procedures, minimum rating limits apply to the participating reinsurers. During 2011, none of the participating reinsurers was rated below A by Standard & Poor's.

In connection with claims handling, the Club occasionally accepts guarantees from counterparts. In general, the Club only accepts guarantees issued by other P&I Clubs, major insurance companies, banks or cash deposits. The number of guarantees is limited and the associated risks are relatively small.

Historically, the Club has suffered very little from bad debts by members. As of December 2011, premiums more than six months overdue were less than 0.5 (0.05)% of the 2011 gross premium. There is little liquidity risk in the short term of the Club becoming short of cash funds, since the entire investment portfolio can be converted to cash within a few days. In addition, the Club is not dependent on financing from capital markets.

Capital requirements

The Swedish Financial Supervisory Authority's oversight of insurance companies includes a quarterly reporting requirement for minimum solvency capital and capital base.

The table below shows that the solvency requirement is low compared to the capital base. Alternative calculations are performed to reflect future solvency-related risks, e.g. via the Swedish Financial Supervisory Authority's traffic-light system. Solvency risk is the risk of the Club not being able to meet its obligations to the policyholders.

Capital base and solvency requirement, USD million

	2011	2010	Change
Capital base	141.5	150.7	-9.2
Regulatory solvency margin	29.2	31.7	-2.5
Surplus	112.3	119.0	-6.7

Note 3. Premiums written by geographic area (Direct insurance)

	2011	2010
Greece	38 820	42 888
Germany	39 842	40 437
China	23 183	26 851
Sweden	10 130	10 320
Other countries	64 380	42 497
	176 355	**162 993**

Note 4. Investment income transferred from the non-technical account

	2011	2010
Allocated investment income transferred to the technical account	**1 100**	**1 700**

Investment income is reported in the non-technical result. From 2006 a model is used for the calculation of investment income transferred from the financial business to the technical account. The model compensates the insurance business with interest for the float generated during the period between premium payment and claim payment. The interest rate used corresponds to the interest on 3-year risk free investments. The following interest rates were used for the calculation:

	2011	2010
Average interest rate	0.7%	1.2%

Note 5. Claims paid

	2011			2010		
	Gross	Reinsurers share	Net	Gross	Reinsurers share	Net
Current year:						
claims paid	-57 615	9 500	-48 115	-19 435	1 000	-18 435
claims handling costs	-8 160		-8 160	-7 142		-7 142
Previous years:						
claims paid	-65 698	23 464	-42 234	-43 690	6 776	-36 914
	-131 473	**32 964**	**-98 509**	**-70 267**	**7 776**	**-62 491**

Note 6. Net operating expenses

	2011	2010
Specification of net operating expenses reported in the income statement		
Acquisition costs	-12 792	-11 095
Change in prepaid acquisition costs	512	319
Internal operating expenses for acquisition of insurance contracts	-7 768	-6 821
Acquisition costs	-20 048	-17 597
Administrative expenses	-4 964	-4 639
Net operating expenses	**-25 012**	**-22 236**
Allocation of other operating expenses in the income statement:		
Claims handling expenses reported as claims paid	-8 160	-7 142
Finance administrative expenses reported as investment costs	-961	-834
	-34 133	-30 212

Total operating expenses analysed under the following categories:

Advertising and selling expenses	-847	-700
Personnel costs	-14 160	-12 069
Travel expenses	-785	-894
Cost of premises	-1 523	-1 319
Office Expenses	-1 764	-2 443
External services and fees[1)]	-3 650	-3 162
Depreciation	-390	-300
Charged claims handling cost	3 513	3 477
Other revenue	30	242
External acquisition costs	-12 280	-10 776
Costs for The Swedish Club Hong Kong Limited	-2 277	-2 269
	-34 133	-30 212

[1)]Operating expenses includes remuneration for audit engagements to KPMG for USD -97 (2010: -90) thousands, along with other auditing tasks in addition to the audit engagement for USD -39 (2010: -33). In addition, renumeration was paid to PWC related to the independent review function for USD -7 (2010: -14) thousand.

Total operating expenses analysed under the following categories, including The Swedish Club Hong Kong Limited:

Advertising and selling expenses	-858	-784
Personnel costs	-15 772	-13 577
Travel expenses	-885	-1 053
Cost of premises	-1 871	-1 668
Office expenses	-1 870	-2 552
External services and fees	-3 750	-3 221
Depreciation	-390	-300
Charged claims handling cost	3 513	3 477
Other revenue	30	242
External acquisition costs	-12 280	-10 776
	-34 133	-30 212

Note 7. Financial income

	2011	2010
Dividends on quoted shares	236	564
Interest income:		
bonds and other interest-bearing securities	6 084	5 213
other interest income	822	1 092
	6 906	6 305
Gains on foreign exchange, net	-	641
Gains on the realisation of investments, net:		
quoted shares	-	2
bonds and other interest-bearing securities	1 831	1 419
forward currency contracts	592	128
	2 423	2 190
	9 565	**9 059**

Note 8. Unrealised gains on investments

	2011	2010
Quoted shares	-	6 018
Bonds and other interest-bearing securities	867	252
	867	**6 270**

Note 9. Financial costs

	2011	2010
Internal management expenses	-960	-834
External management expenses	-686	-540
Interest costs	-	-4
Losses on foreign exchange, net	-466	-
Losses on the realisation of investments, net		
Quoted shares	-284	-
Forward currency contracts	-	-424
	-2 396	**-1 802**

Note 10. Unrealised losses on investments

	2011	2010
Quoted shares	-4 455	-
	-4 455	**-**

Note 11. Intangible assets

	2011	2010
Capitalised expenditure on computer software system		
Opening acccumulated costs	6 199	5 396
Acquisitions	-	475
Revaluation of accumulated acquisition costs	-108	328
Closing accumulated costs	6 091	6 199
Opening acccumulated depreciation	-5 717	-5 321
Depreciation for the year	-111	-73
Revaluation of depreciation	105	-323
Closing accumulated depreciation	-5 723	-5 717
	368	**482**

Depreciation is accounted for in the income statement under net operating expenses.

Note 12. Shares in group and associated companies

	2011	2010
Non-quoted shares in subsidiaries:		
The Swedish Club Hong Kong Limited		
1 share nominal value HKD 1	0	0
Non-quoted shares in associated companies:		
The Swedish Club Academy		
750 shares nominal value SEK 100	11	11
	11	**11**

The Club has a subsidiary company which, in accordance with the Swedish Annual Accounts Act 7:5, has not been consolidated since the subsidiary company is of lesser importance with regard to true and fair view requirements.

The Club's ownership of the associated company, The Swedish Club Academy is 50%.
Information about The Swedish Club Academy AB:
CIN: 556798-1435
Registered office: Göteborg
Country: Sweden

Note 13. Quoted shares

	2011	2010
Quoted shares at market value	38 807	60 828
	38 807	**60 828**

Acquisition costs of quoted shares 41 193 (2010: 58 758)

Quoted shares are specified in the table below:

Name	Number	Acquisition cost	Accounted value
Vontobel Emerging Market Equity Fund	35 730	5 000	4 995
Enter Sverige	29 180	5 045	5 039
Kommuninvest i Sverige AB - Certifikat Världen	6 750 000	6 750	4 633
SSGA World Index Equity Fund	149 808	24 398	24 140
		41 193	38 807

Note 14. Bonds and other interest-bearing securities

2011	Nominal value	Acquisition value	Market value	Accounted value
Foreign governments	55 851	54 805	54 687	54 687
Other foreign emittants	144 270	146 439	148 433	148 433
Total quoted securities	200 121	201 244	203 120	203 120
Bond funds		67 491	67 865	67 865
		268 735	**270 985**	**270 985**

2010	Nominal value	Acquisition value	Market value	Accounted value
Foreign governments	117 314	110 495	109 591	109 591
Other foreign emittants	91 700	94 957	96 649	96 649
Total quoted securities	209 014	205 452	206 240	206 240
Bond funds		24 787	25 382	25 382
		230 239	**231 622**	**231 622**

Note 15. Technical provisions

	2011			2010		
Provision for claims outstanding	Gross	Reinsurers share	Net	Gross	Reinsurers share	Net
Opening balance, provision for reported claims	195 099	-67 712	127 387	184 227	-73 585	110 642
Opening balance, provision for incurred not reported (IBNR)	29 790	-1 690	28 100	26 230	-2 190	24 040
Balance brought forward	**224 889**	**-69 402**	**155 487**	**210 457**	**-75 775**	**134 682**
Claims occurred during the current year	298 054	-182 427	115 627	89 418	-7 346	82 072
Claims paid current year	-123 312	32 964	-90 348	-63 124	7 776	-55 348
Change in expected cost for claims occurred previous years (run-off result)	-13 035	10 736	-2 299	-8 060	4 366	-3 694
Gains/losses on foreign exchange	-1 028	344	-684	-3 802	1 577	-2 225
Closing balance	**385 568**	**-207 785**	**177 783**	**224 889**	**-69 402**	**155 487**
Closing balance, reported claims	348 598	-206 115	142 483	195 099	-67 712	127 387
Closing balance, provision for incurred not reported (IBNR)	36 970	-1 670	35 300	29 790	-1 690	28 100
Provision for unearned premiums						
Balance brought forward	**28 651**	**-3 285**	**25 366**	**25 727**	**-6 165**	**19 562**
Insurance contracts signed during the period	31 293	-3 432	27 861	28 652	-3 285	25 367
Premiums earned during the period	-28 651	3 285	-25 366	-25 727	6 165	-19 562
Closing balance	**31 293**	**-3 432**	**27 861**	**28 652**	**-3 285**	**25 367**

The provision is valued at the exchange rate on the balance day. The exchange rate difference which thus arises is reported under Investment income.

Provision for claims handling included in provision for claims outstanding amounts to 5 607 (2010: 5 607).

The provision for incurred and reported claims is reported including incoming reinsurance amounting to 641 (2010: 838).

Note 16. Receivables related to direct insurance operations	2011	2010
Members	27 042	24 700
Insurance brokers	7	9
Insurance companies	1 613	3 815
	28 662	**28 524**

Note 17. Tangible assets	2011	2010
Machinery and equipment		
Opening accumulated cost	3 063	2 841
Acquisitions	260	277
Sales and disposals	-231	-226
Revaluation of accumulated purchase prices	-68	171
Closing accumulated cost	3 024	3 063
Opening accumulated depreciation	-2 008	-1 874
Reversed depreciation on tangible assets sold	201	223
Depreciation for the year	-291	-244
Revaluation of depreciation	49	-113
Closing accumulated depreciation	-2 049	-2 008
	976	**1 056**

Depreciations are accounted for in the income statement under net operating expenses

Note 18. Pensions and similar obligations	2011	2010
Provision pensions	491	551
Provisions for defered non-vested pension	1 719	1 699
	2 210	**2 249**

The pensions obligations comprise pensions plans that are regulated through collective agreements and national insurance laws. The obligations consist of both defined contribution and defined benefit plans. For defined contribution plans, the pension cost comprises the premiums paid for securing the pension obligations in life insurance companies. Total paid premiums during the year was 1 669.

The associations pension plans for collective pensions agreements is guaranteed through insurance agreements. The pension plan for the employees has been assessed as a defined-benefit plan that covers several employers. The company has however done the assessment that "UFR 6 Pensionsplaner" that covers several employers is applicable also for the company's pension plan. The company lacks sufficient information in order to account in accordance with IAS 19, and presents therefore, in accordance with UFR 6, these pension plans as defined-contribution plans. The associations obligations concerning charges to defined-contribution plans has been presented as a cost in the profit and loss account as they are earned through that the employees performed services carried out during a period. Paid premiums to SPP Liv during the year was 856.

Employees born before 1956 have according to collective agreement the right to retire from the age of 62. The provision is based on anticipated future pension payments and includes assumptions regarding mortality, employee turnover, salary growth and price inflation. Pension payments during the year was 339.

Note 19. Taxes

Tax on result for the year	2011	2010
Deffered tax[1)]	908	-611
	908	**-611**

[1)]Tax rate 26,3% (2010: 26,3%). Current years defferred tax is assignable to unrealised value changes in investment assets.

Change in provision for deferred tax	2011	2010
Opening balance	908	297
Change recognised in income statement	-908	611
Closing balance	**–**	**908**

Change in provision for deferred tax reported in untaxed reserves	2011	2010
Opening balance	41 681	34 061
Change reported in untaxed reserves	-1 487	7 620
Closing balance	40 194	41 681

Note 20. Liabilities related to direct insurance operations

	2011	2010
Members	2 467	1 824
Insurance brokers	2 654	1 951
Insurance companies	21	3
	5 142	**3 778**

Note 21. Other liabilities

	2011	2010
Supplier creditors	745	839
Other creditors	7 864	8 236
	8 609	**9 075**

Note 22. Exptected settlement of assets and liabilities

About 40 per cent of claims outstanding is expected to be paid after more than 12 months in the future. Reinsurer proportion of claims outstanding will generally take somewhat more time. Other balance items that are expected to be settled after more than 12 months are 50 per cent of receivables and liabilities pertaining to other insurance companies. The risk of the Club becoming short of cash funds is small in the short run, as the entire investment portfolio can be converted to cash within a few days. For more information about liquidity risk, see note 2 and the cash flow statement.

Note 23. Memorandum items

The listed assets below, are held in a register for coverage of technical provisions. In case of insolvency the members have a priority right in the registered assets. The company has the right that in going concern add or delete assets in the register as long as the demand for coverage accordance with Swedish Insurance Act is fullfiled.

	2011	2010
Bonds state and municipality	82 732	114 092
Bonds other	144 319	103 777
Quoted shares	38 807	48 861
Cash and bank balances	9 914	11 974
Receivables related to direct insurance operations	28 870	27 807
	304 642	**306 510**
Technical provisions, net	205 645	180 853
Surplus of registered assets	98 997	125 657
	304 642	**306 510**

Bank guarantees
In connection with commitments to other members of the International Group and to members of the Swedish Club, the Association has provided bank guarantees of USD 18.2 (2010 41.3) million.

Note 24. Personnel

	2011	2010
Average number of employees:		
Sweden	69	67
Greece	15	13
Hong Kong	11	11
Japan	1	1
Norway	1	-
	97	**92**
Of which females	41	39
Females in management team	(17%)	(20%)
Salaries and payments:		
in Sweden		
Chairman of the Board	25	21
of which variable portion	(8)	(8)
Other board members (20 persons)	149	169
of which variable portion	(122)	(112)
Managing Director	352	293
Management team excluding the Managing Director (5 persons)	924	731
Other employees	4 770	4 208
in Greece	1 536	1 275
in Japan	139	125
in Norway	282	-
	8 177	**6 822**

Social security costs:

in Sweden	4 334	3 764
in Greece	355	197
in Japan	16	13
in Norway	56	-
	4 761	**3 974**
of which pension costs	2 528	2 225
Management team (5)	(76)	(60)

The Managing Director is employed according to a contract with two years' notice on the part of the Association. The heading Provision for pensions in note 18 includes the capital value of a pension undertaking towards earlier management staff amounting to 348 (2010: 346).

Remuneration to the Board has been paid according to decision of the annual general meeting. The distribution of the remuneration, between the Chairman of the Board and the other Board members, is decided by the annual general meeting. The variable part is based on attendance. Remuneration to the Managing Director, MD, is decided by the Chairman of the Board and renumeration to other members of the management team is decided by the MD. Remuneration to the MD and other members of the management consists of a salary, other benefits and pensions. For pensions obligations see note 18.
No remuneration is paid to board members employed by the association.

Proposed appropriation of earnings

The Board of Directors proposes that the accumulated deficit **–11 002 TUSD** is to be carried forward.

The income statement and balance sheet will be brought forth for adoption by the AGM on 14 June 2012. The Board of Directors and the Managing Director hereby declare that the annual report has been prepared in accordance with generally accepted accounting principles and that is gives a true and fair view of the Club's financial position and results. The Board of Directors' report provides a true and fair view of the Club's operations, position and results and it describes the Club's significant risks and uncertainty factors.

Auditors' report

To the AGM of Sveriges Ångfartygs Assurans Förening (The Swedish Club), CIN: 557206-5265.

Report on the annual report

We have audited the 2011 Annual Report for Sveriges Ångfartygs Assurans Förening (The Swedish Club).

The Board of Directors' and Managing Director's responsibility for the Annual Report

The Board of Directors and the Managing Director are responsible for preparing financial statements that provide a true and fair view in accordance with the Annual Accounts Act for Insurance Companies and for the level of internal control that the Board and Managing Director feel is necessary in order to prepare financial statements that are free of material misstatement due to either fraud or errors.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes various measures to obtain audit evidence about the amounts and other disclosures in the financial statements. The auditor selects which measures to perform by, for example, assessing the risks of material misstatement in the financial statements, regardless of whether they are due to fraud or errors. When performing this risk assessment, the auditor considers the components of internal control that are relevant to how the company prepares its financial statements in order to provide a true and fair view. This is done in order to design appropriate audit procedures given the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of estimates in the report that were made by the Board of Directors and the Managing Directors. Furthermore, an audit includes evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinion.

Opinion

In our opinion, the financial statements were prepared in accordance with the Annual Accounts Act for Insurance Companies and in all material respects, they provide a true and fair view Sveriges Ångfartygs Assurans Förening (The Swedish Club's) financial position as of 31 December 2011 and of its financial result and cash flows for the year, in accordance with the Annual Accounts Act for Insurance Companies. The Directors' report is consistent with the other parts of the annual accounts. We therefore recommend that the AGM adopt the income statement and balance sheet.

Report on other requirements in accordance with laws and other regulations

In addition to our audit of the financial statements, we have audited the proposed appropriation of profit or loss, as well as the Board of Directors' and the Managing Directors' administration of Sveriges Ångfartygs Assurans Förening (The Swedish Club) for the 2011 financial year.

The Board of Directors' and Managing Director's responsibility

The Board of Directors is responsible for the proposed appropriation of profit or loss. The Board of Directors and the Managing Director are responsible for administration in accordance with the Annual Accounts Act and the Swedish Insurance Business Act.

Auditors' responsibility

Our responsibility is to, with reasonable assurance, express an opinion on the proposed appropriation of the company's profit or loss and on its administration, based on our audit. We conducted our audit in accordance with generaly accepted auditing standards in Sweden.

As a basis for our opinion concerning the Board's proposed appropriation of profit or loss, we reviewed the Board's opinion, as well as, on a test basis, evidence supporting this in order to assess whether the proposal complies with the Annual Accounts Act. As a basis for our opinion concerning discharge from liability, we have, in addition to our audit of the financial statements, examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the Managing Director. We also examined whether any Board member or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act for Insurance Companies or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinion.

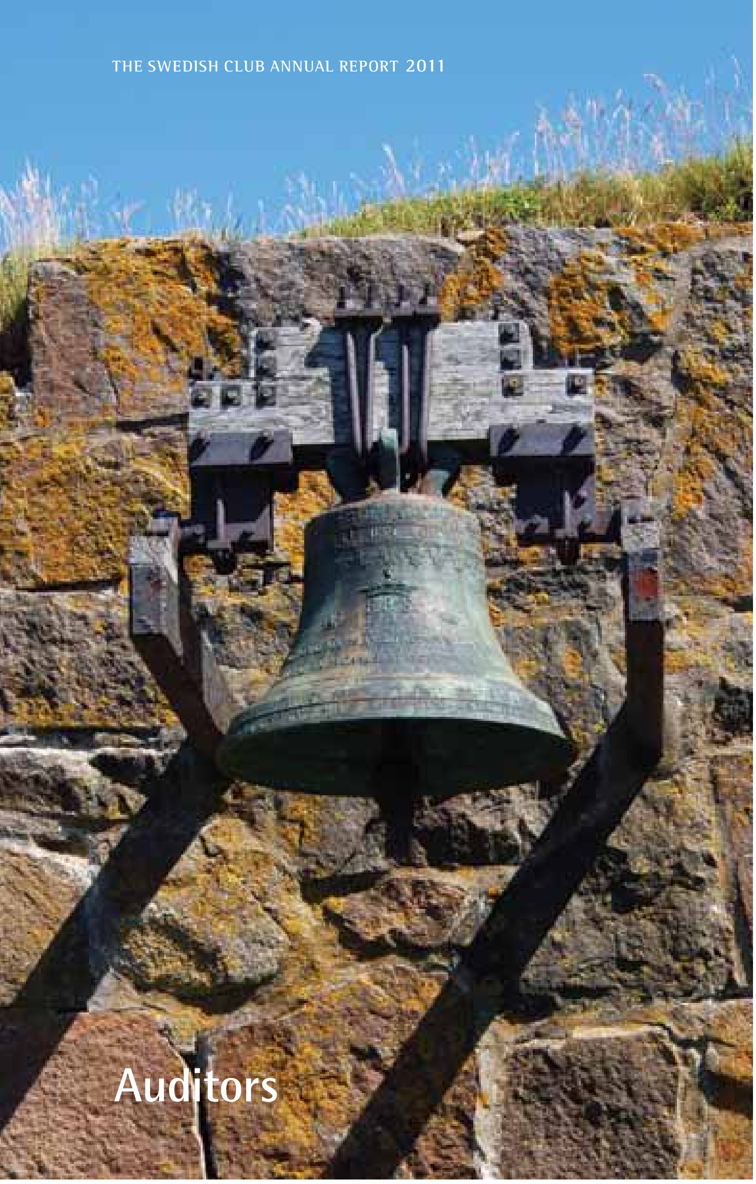
Opinion

We recommend to the AGM that the loss is dealt with in accordance with the proposal in the Directors' report and that the members of the Board of Directors and the Managing Director are discharged from liability for the financial year.

Gothenburg 29 March 2012

Roger Mattsson
Chartered Accountant

Gudbjörn Pálsson
Chartered Accountant



Auditors

Auditors

Roger Mattsson — Chartered Accountant
KPMG, Gothenburg

Gudbjörn Pàlsson — Chartered Accountant
KPMG, Gothenburg

Deputy Auditors

Lars-Ola Jäxvik — Authorised Public Accountant
KPMG, Gothenburg

Mikael Ekberg — Authorised Public Accountant
KPMG, Gothenburg

Actuary

Christian Björck — Authorised Actuary,
Stockholm

P&I policy year statement (unaudited)

At 20 February, 2012. Analysis in USD thousands		2011/12	2010/11	2009/10
Calls and Premiums accounting year		91 356	85 280	78 742
Reinsurance premiums		-19 038	-16 920	-17 321
Investment income transferd from non-technical account		800	1 200	1 350
Claims paid accounting year 2009				-7 997
Claims paid accounting year 2010			-6 215	-8 561
Claims paid accounting year 2011		-62 717	-8 707	-9 553
Claims handling costs		-6 307	-5 728	-5 230
Reinsurers share paid accounting year 2009				38
Reinsurers share paid accounting year 2010			1	-
Reinsurers share paid accounting year 2011		29 300	-	-
Administrative expenses		-12 675	-11 644	-9 824
Technical balance available to meet claims	A	20 719	37 267	21 644
Net outstanding claims**				
Pool		11 864	10 675	8 062
Members claims		26 120	23 498	15 129
	B	37 984	34 173	23 191
Technical result insurance year	A-B	**-17 265**	3 094	**-1 547**
Total investment income P&I*		2 865	9 334	10 948
Investment income transferd to technical account		-800	-1 200	-1 350
	C	2 065	8 134	9 598
Balance available to meet outstanding claims	A-B+C	**-15 200**	**11 228**	**8 051**

* *P&I bussiness part of investment income is accounted for in the policy year in which it arises.*
** *All reserves for outstanding claims are uplifted to include IBNR.*
All figures are shown net of taxation.

- The Income statement and Balance Sheet included in the Financial statements are reported as per 31 December.
- As the policy year ends 20 February for P&I we have attached a Policy Year Statement together with Income and expenditure account synchronising with this period.
- The Policy Year Statement above shows the likely outcome of the open policy years at 20 February 2012.
- The Income and Expenditure account on the next page shows the estimated result for one accounting year ended 20 February regardless of policy year.
- Balance available to meet claims outstanding for all years is a calculated estimate of generated surplus from the P&I business. The balance available amounts to TUSD 111 107 whereof closed years TUSD 98 828.

P&I income and expenditure account (unaudited)

For the year ended 20 February. Analysis in thousand USD	2011/12	2010/11	2009/10
Calls and premiums	91 356	85 280	78 742
Reinsurance premiums	-19 038	-16 920	-17 321
Claims paid	-94 022	-29 812	-92 011
to Pool	-4 187	-3 162	-8 434
on own business	-89 835	-26 650	-83 577
Change in provision claims	-127 645	-14 797	39 002
to Pool	-9 185	-2 839	1 152
on own business	-118 460	-11 958	37 850
Reinsurance recoveries	40 399	9 768	56 859
from Pool	31 856	1 406	-20 970
Group	4 980	5 144	69 397
other reinsurers	3 563	3 218	8 432
Change in provision claims	116 561	-11 519	-48 006
from Pool	58 155	-1 041	9 204
Group	56 598	-2 999	-54 987
other reinsurers	1 808	-7 479	-2 223
Claims handling costs	-6 307	-5 728	-5 230
Technical result	1 304	16 272	12 035
Investment income*	2 865	9 334	10 948
Administrative expenses	-12 675	-11 644	-9 824
Result	**-8 506**	**13 962**	**13 159**

* *Investment income has been allocated to the different classes of business in accordance with a formula that has been consistently applied from year to year.*

Management Group

Lars Rhodin

Managing Director

Born: 1959 · **Years at The Swedish Club:** 26 · **In management group since:** 1997

Master of Law from University of Lund and Master of Business Administration from University of Gothenburg. Worked as a lawyer in private practice prior to joining The Swedish Club. Served at the Hong Kong office 1988–1991. Deputy Managing Director 2003–2008, prior to his appointment as Managing Director in July 2008. Member of the International Group of P&I Clubs' Committees and Working Groups and Det Norske Veritas (DNV). He also serves on the board of directors of the Swedish Sea Rescue Society.

Henric Gard

Director of Marketing & Business Development

Born: 1963 · **Years at The Swedish Club:** 4 · **In management group since:** 2008

Master of Law from Uppsala University. Broker and Assistant Vice President, Marsh Marine & Energy Department with secondments in both London and New York 1989–1993. Various management positions within Wills Sweden AB and Willis Ltd 1994–2008.

Lars A. Malm

Director of Risk & Operation

Born: 1969 · **Years at The Swedish Club:** 12 · **In management group since:** 2007

Master of Law from University of Gothenburg and Oslo. Came from the Swedish insurance company Skandia and joined The Swedish Club in 2000 as a Hull Claims Adjuster. In 2003 appointed Area Manager. Assumed the current role as Director of Risk & Operation in 2008.

Jan Rydenfelt

Director of Finance, IT & Reinsurance

Born: 1954 · **Years at The Swedish Club:** 13 · **In management group since:** 1999

Master of Arts in Economics, University of California, Santa Barbara and Bachelor of Business Administration from University of Lund. Assistant to the managing director of Länssparbanken Gothenburg. Next various positions within the financial sector, whereof the latest, before The Swedish Club, as property consultant at Catella, IKEA Group.

Anders Leissner

Director Corporate Legal & FD&D

Born: 1969 · **Years at The Swedish Club:** 14 · **In management group since:** 2011

Master of Law from University of Lund. Legal Counsel at GF Konsult 1997–1998. Joined The Swedish Club 1998 as P&I and FD&D claims handler and served at the London office 2001–2003. Appointed FD&D Manager in 2003. Serves on various International Group of P&I Club Committees and BIMCO Documentary Committee.

Helena Wallerius Dahlsten

Director of Human Resources & Legal

Born: 1955 · **Years at The Swedish Club:** 30 · **In management group since:** 2003

Master of Law from University of Lund and Gothenburg. 1982-2003 various positions in claims handling including Deputy Director of P&I Claims 1989-1997 and Deputy Director of Claims & Legal Support 1997-2003. 2003 onwards Director Human Resources & Legal.

Board of Directors

Lennart Simonsson
Chairman
Gothenburg, Sweden

Lars Rhodin
Managing Director
Gothenburg, Sweden

John Coustas
Deputy Chairman
Danaos Shipping Co. Ltd.
Piraeus, Greece

Khalid Hashim
Deputy Chairman
Precious Shipping Public Co. Ltd.
Bangkok, Thailand

Anders Boman
Wallenius Lines
Stockholm, Sweden

Fred Cheng
Shinyo International Group Ltd.
Tokyo, Japan

Peter Claesson
Stena AB
Gothenburg, Sweden

Demetri Dragazis
Latsco London Ltd
London, United Kingdom

Rob Grool
Seaspan Ship Management Ltd.
Vancouver, Canada

Gustaf Grönberg
Star Cruises Management Ltd.
Kuala Lumpur, Malaysia

Lars Höglund
Furetank Rederi AB
Donsö, Sweden

Kim Kyung Soo
IMC Corp.
Singapore, Singapore

Board of Directors

Anders Källsson
Erik Thun AB
Lidköping, Sweden

Zhen Li
Sinotrans Shipping Ltd.
Beijing, The People's Republic of China

John P. Samartzis
J P Samartzis Maritime Enterprises S.A.
Piraeus, Greece

Sumate Tanthuwanit
Regional Container Lines Co. Ltd.
Bangkok, Thailand

Suay Umut
Dünya Denizcilik ve Ticaret A.S.
Istanbul, Turkey

Jakob Osvald
Elected by the employees

Andonis Lemos
Enesel S.A.
Athens, Greece

Diamantis Manos
Costamare Shipping Co. S.A.
Athens, Greece

Jia Kang Sun
China Ocean Shipping
Beijing, The People's Republic of China

Tuğrul Tokgöz
Geden Lines
Istanbul, Turkey

Michael Vinnen
F.A Vinnen & Co.
Bremen, Germany

Elisabeth Rydén
Elected by the employees

Definitions & Glossary

AER, Average expense ratio: all members of the International Group of P&I Clubs are subject to the EU Commission requirement to report the AER for P&I business. This is a measure of cost-effectiveness. AER is measured in US dollar and calculated for the latest five-year period by relating operating costs, excluding claim handling costs, connected with P&I activity to premiums plus investment income concerning P&I activity.

Capital base: equity and untaxed reserves, minus intangible assets in the balance sheet.

Claims frequency: the observed relationship during a specific period between the number of claims arising within a certain category of insurance and the number of insurance policies within the same category. Does not include major claims.

Combined ratio: claims for own account and net operating expenses in the insurance business, as a percentage of earned premium f.o.a..

CTL, Constructive Total Loss: is when the vessel is beyond any reasonable cost for repairs. The damage or damages to the ship will cost more to repair than the insured value.

Energy: insurance that is comprised of Hull & Machinery, Increased Value, Hull Interest, War, Loss of Hire for Mobile Offshore Units and FPSO. For more information, please read about Insurance Products at www.swedishclub.com

Expense ratio: net operating expenses in the insurance business, as a percentage of earned premium f.o.a..

FD&D, Freight, Demurrage & Defence: a cover that provides for advice and meets legal costs incurred in pursuing or defending claims covered by this class of insurance pursuant to the Rules. There is no cover under FD&D, however, for the claim itself.

For own account, F.o.a: net of reinsurance.

H&M, Hull & Machinery: a cover that protects the insured against damage to, or loss of, the vessel or machinery.

IBNR, Incurred but not reported: a term used to describe an estimation of the claims which may have occurred, but of which the Club is not yet aware, or is only partially aware and for which provisions must be made when calculating the Club's liabilities.

International Group of P&I Clubs: this organisation arranges collective insurance and reinsurance for P&I clubs and represents the views of the P&I community.

Investment income (or return): sum total of direct return and realised and unrealised changes in value expressed as a percentage of the fair value of investment assets measured in USD. The monthly time weighted method has been used to calculate the return of active investments. The return has been calculated using the calculation method used internally by the Club for the evaluation of asset management.

Loss ratio: claims incurred, net of reinsurance, as a percentage of earned premiums f.o.a..

Marine & Energy: a main class of insurance which includes Hull & Machinery (H&M), Hull Interest, War, Loss of Hire and Energy. For more information, please read about Insurance Products at www.swedishclub.com

MRM, Maritime Resource Management:	is a training course intended for seagoing staff, pilots and shore-based personnel. The objective is to minimise casualties and losses caused by human and organisational errors. The Swedish Club Academy AB is the owner of the MRM course and has licensed a large number of training providers world-wide for the purpose of providing training. For more information see: www.swedishclub.com/academy
Overspill:	claims exceeding the International Group of P&I Clubs' reinsurance are pooled amongst the members up to the overall limit set by the P&I Rules. The estimate is currently USD 2.4 billion in excess of reinsurance.
P&I, Protection & Indemnity:	insurance that indemnifies or covers the insured in respect of the discharge of legal liabilities incurred during the operation or employment of the vessel.
Pool:	the P&I clubs in the International Group share claims made in excess of the retention of USD 7 million. In the excess of the pool limit, the Group has jointly purchased Excess of Loss reinsurance.
Retention:	the highest insured or claims amount relating to the same risk that an insurer retains for its own account, without reinsurance.
Solvency capital:	equity less deferred tax assets plus untaxed reserves and deferred tax liability.
Solvency ratio, claims:	solvency capital, as a percentage of provision for claims outstanding f.o.a..
Total return:	direct yield on investments (operating surplus from buildings and land, dividends received and interest income), unrealised profits and losses and realization result in the sale of investment assets, in relation to the average market value of the investments and cash/bank.
Underwriting:	includes the risk assessment and pricing conducted when insurance contracts are drawn up. In accounting contexts, the term is also used more broadly to designate the operations of an insurance company that do not have the character of asset management.

Contact

Head Office Gothenburg
Visiting address: Gullbergs Strandgata 6, 411 04 Gothenburg
Postal address: P.O. Box 171,
SE-401 22 Gothenburg, Sweden
Tel: +46 31 638 400, Fax: +46 31 156 711
E-mail: swedish.club@swedishclub.com
Emergency: +46 31 151 328

Piraeus
5th floor, 87 Akti Miaouli, GR-185 38 Piraeus, Greece
Tel: +30 211 120 8400, Fax: +30 210 452 5957
E-mail: mail.piraeus@swedishclub.com
Emergency: +30 6944 530 856

Hong Kong
Suite 6306, Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong
Tel: +852 2598 6238, Fax: +852 2845 9203
E-mail: mail.hongkong@swedishclub.com
Emergency: +852 2598 6464

Tokyo
Room 103, 6-1, 1 Chome, Kaigan, Minato-Ku,
Tokyo 105-0022, Japan
Tel: +81 3 6459 0870, Fax: +81 3 6459 0871
E-mail: mail.tokyo@swedishclub.com
Emergency: +81 3 6459 0870

Oslo
Visiting address: House of Business, 6th floor
Postal address: Tjuvholmen Allé 3,
N-0252 Oslo, Norway
Tel: +47 9828 0514, Mobile: +47 9486 1205
E-mail: mail.oslo@swedishclub.com
Emergency: +46 31 151 328

Printed by: PR-Offset, Mölndal, www.pr-offset.se
Printed on: Lessebo Linné White, www.mapsverige.se
Photos: Photos, Varberg fortress motives: © Anna Jolfors
Photos of The Swedish Club's staff: © Jonas Ahlsén, (www.ahlsénsfoto.se)
Produced inhouse by The Swedish Club, Corporate Communications
1204pr2000/cw

SVERIGES ÅNGFARTYGS ASSURANS FÖRENING
The Swedish Club
Est. 1872

www.swedishclub.com