



ANNUAL REPORT **2024**

For the year ended 31 December



ANNUAL REPORT 2024

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Embracing Change

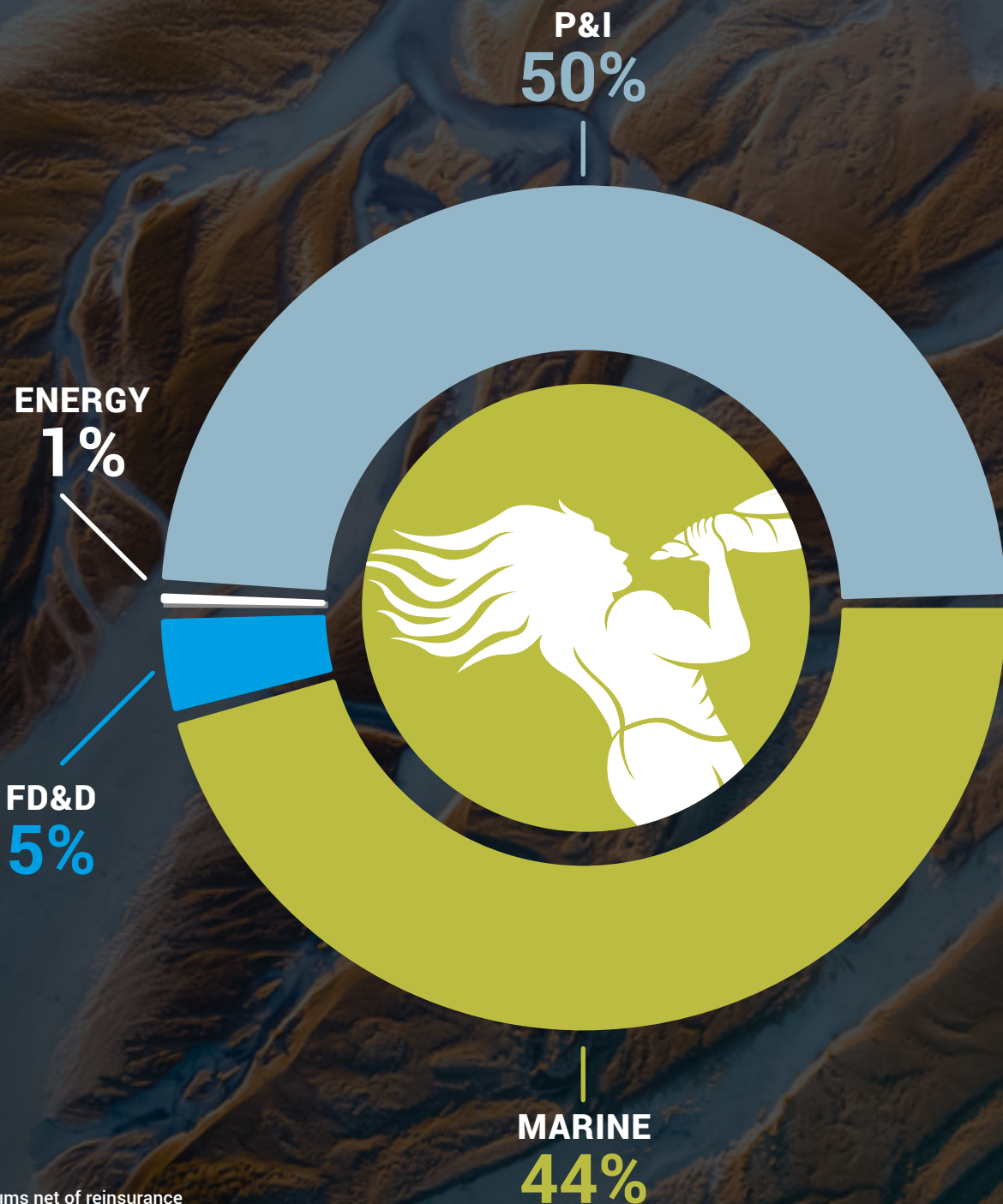
Global geopolitical challenges have continued to shape the landscape, impacting industries worldwide. The maritime sector has felt these pressures acutely, with vessels rerouted to avoid conflict zones or facing heightened risks when maintaining course. Despite these challenges, The Swedish Club has made great strides forward.

In 2024, The Swedish Club remained steadfast in its commitment to financial stability while ensuring the high level of service expected by its members. The Club strengthened its expertise, expanded its technological capabilities, and enhanced the support offered through its Loss Prevention team—reinforcing its role as a trusted partner in an increasingly complex environment.

These strategic initiatives have contributed to an improved financial position, supported by a strengthened management team and an expanded, highly skilled workforce. With these foundations in place, the Club is well-positioned to navigate the challenges ahead, achieve its strategic aims and continue delivering value to its members. 🌍

The Swedish Club

Marine and P&I Insurance



* Premiums net of reinsurance

Financial highlights

CALLS AND PREMIUMS

\$243.8m

2023: \$242.6m

2022: \$229.7m

REINSURANCE PREMIUMS

\$59.8m

2023: \$56.5m

2022: \$56.6m

NET CLAIMS INCURRED

\$143.1m

2023: \$147.0m

2022: \$136.9m

INVESTMENT RESULT

\$28.8m

2023: \$34.0m

2022: \$-38.2m

OPERATING RESULT

\$34.0m

2023: \$30.0m

2022: \$-41.7m

FREE RESERVES AT YEAR END

\$216.6m

2023: \$183.7m

2022: \$150.0m

EXPENSE RATIO

21%

2023: 20%

2022: 21%

COMBINED RATIO

98%

2023: 102%

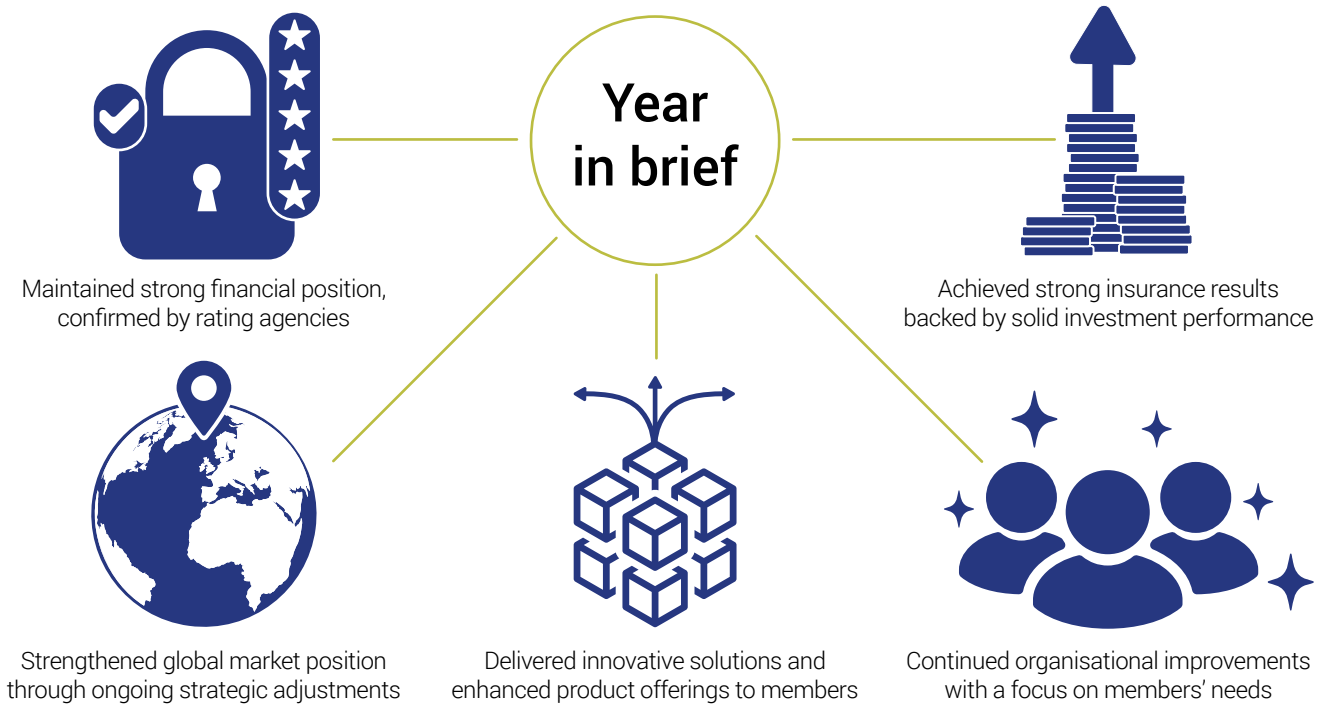
2022: 102%

LOSS RATIO

77%

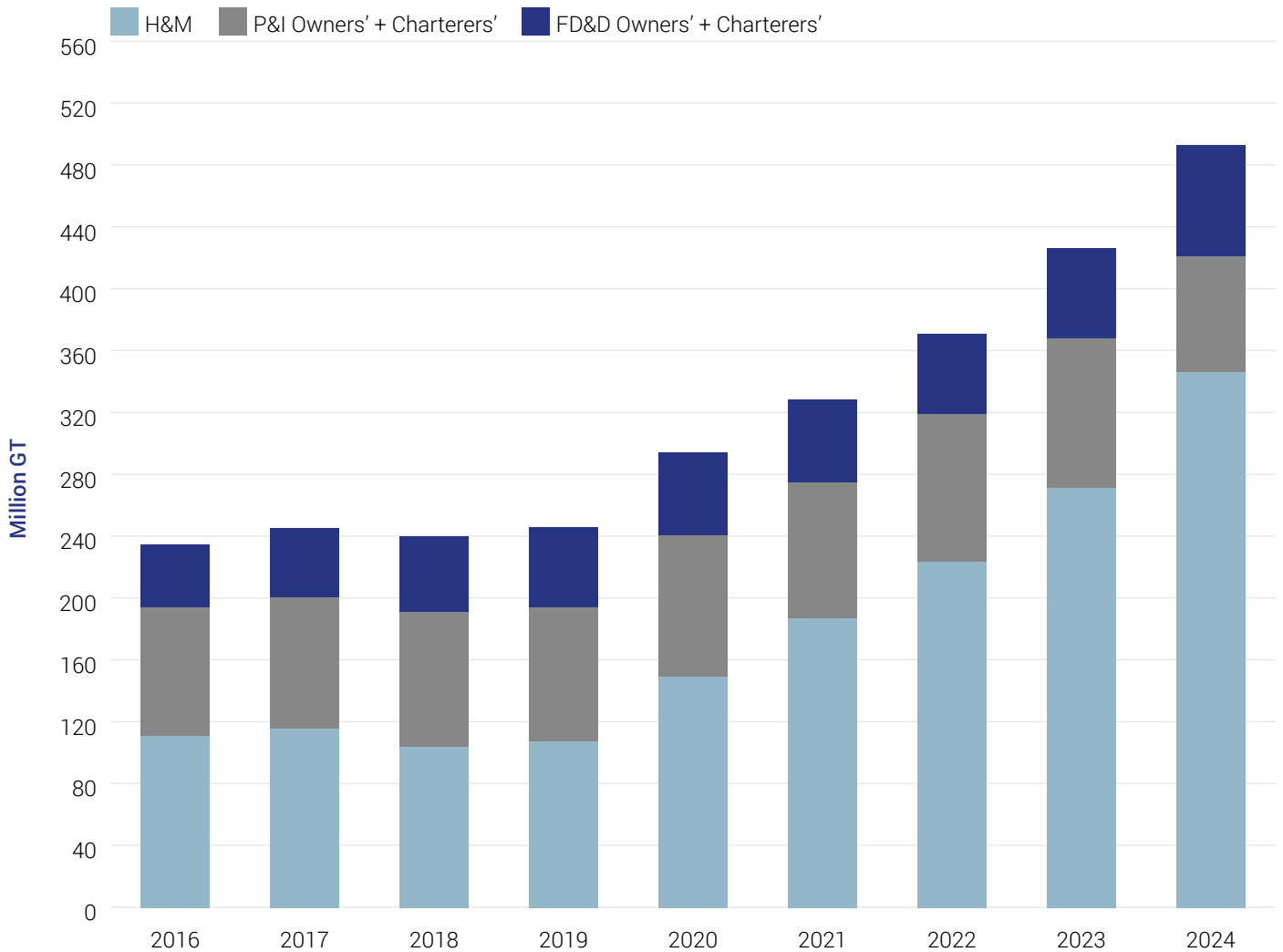
2023: 82%

2022: 81%



Vessel Portfolio

GT - Insurance Year Start



* Illustrated gross tonnes (GT) for Hull & Machinery (H&M) reflects the total GT of which a share is insured by The Swedish Club.

At a glance

Insurance facts	2025	2024	2023	2022	2021
P&I Insurance including Charterers' Liability, 20 February					
No. of vessels	2,224	2,248	2,437	2,437	2,230
Gross tonnage (million)	86.9	88	93	92	88
FD&D Insurance, 20 February					
No. of vessels	1,375	1,309	1,651	1,443	1,317
Marine H&M Insurance including OSVs, 1 January					
No. of vessels	6,736	6,116	5,237	4,780	3,999
Insurance value (USD million)	261,100	217,100	188,100	154,500	106,542
<i>Of which the Club has insured (USD million)</i>	27,200	23,500	22,600	19,500	13,800

Call history policy year	2025/26	2024/25	2023/24	2022/23	2021/22
P&I Insurance					
General increase (Owners' P&I)	5%	7.5%	10%	12.5%	5%
Additional call/estimated additional call	0%	0%	0%	0%	0%
Open/closed	Open	Open	Open	Closed	Closed
FD&D Insurance					
General increase (Owners' P&I)	5%	7.5%	15%	15%	10%
Additional call/estimated additional call	0%	0%	0%	0%	0%
Open/closed	Open	Open	Open	Closed	Closed



An aerial photograph showing a vast expanse of terraced rice fields. The fields are arranged in a series of curved, wavy rows that follow the contours of the land. The water in the fields reflects the sky, creating a shimmering effect. The surrounding area is covered in dense, vibrant green vegetation, including palm trees and other tropical plants. The overall scene is a beautiful example of traditional agricultural terracing in a lush, green environment.

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CHAIRMAN'S REPORT

A year of utilising the full potential of the team

**Peter Claesson, Chairman,
The Swedish Club**

The global shipping industry continues to be shaped by geopolitical, environmental, regulatory, and economic factors. These forces influence shipping routes, freight rates, market conditions, and investment decisions. While most shipowners remain in good financial health, the industry faces ongoing challenges—trade tariffs, fast-changing geopolitical landscapes, evolving sanctions, and the complexities of decarbonisation. Shipping remains at the centre of global affairs, requiring constant adaptation.

However, this is not a pessimistic outlook. The industry has a long history of resilience, responding swiftly to change. Whether safeguarding seafarers and vessels from piracy and conflict or navigating major global disruptions like the COVID-19 pandemic and recent Houthi attacks in the Red Sea, shipping has consistently adapted. In fact, these challenges have only strengthened the industry's ability to evolve and remain competitive.

The Swedish Club's Role and Strategic Direction

How do these global developments shape The Swedish Club's priorities and performance? As a mutual, our mission is to serve our members in the best way possible. When I became Chairman in 2023, I saw that the Club was already operating at the highest standards. Yet I posed key questions: What should we do more of? What should we do less of? How do we energise the organisation? And how must we adapt to the future?

Since then, I have worked closely with Managing Director Thomas Nordberg, engaging in detailed discussions and



supporting his initiatives. My most important contribution has been to bring an external perspective, ensuring that the Club aligns with shipowners' needs and expectations.

Over the past 18 months, our focus has been on energising the Club's workforce and fully utilising its talent. We have realigned responsibilities, enabling some of our most experienced team members to take on new roles, often in different locations. We have also welcomed new talent, bringing fresh perspectives that have had a positive impact.

We want our employees to feel empowered, confident in questioning the status quo, and proactive in contributing to the Club's success.

Strengthening Compliance and Financial Resilience

In response to growing regulatory complexity, we have strengthened our compliance and legal teams. While we do not dictate where our members operate, we provide expert guidance on risk management, sanctions, and evolving regulations.

Financially, we have achieved our twin objectives of balanced underwriting and maintaining a combined ratio of 100 or below. In 2024, our strategic investments delivered strong results, increasing free reserves from USD 184 million to USD 217 million, while our solvency ratio improved from 171% to 186%.

Our financial strength has been recognised externally. In January 2025, AM Best reaffirmed our A- rating and revised our outlook to stable, reflecting our sound financial position and prudent management. One of our key objectives in our three-year strategic plan is to regain an A rating with S&P, and we are already seeing positive signs that we are on track to achieve this.

Decarbonisation and ESG: The Future of Shipping

Decarbonisation remains a defining challenge for shipowners and operators. With the International Maritime Organisation (IMO) setting revised greenhouse gas (GHG) targets and the EU's Emissions Trading System (ETS) taking effect in 2024, the pace of change will depend on both regulatory pressure and technological innovation. While opinions on Net Zero policies fluctuate across political and social landscapes, the trajectory is clear. Many recall concerns about fuel availability and cost before the Sulphur Directive 2015, yet the regulation has been successfully implemented. The same will likely be true for some future environmental regulations.

Beyond decarbonisation, broader ESG topics remain high on our agenda. We are proud to have achieved gender balance among our employees, though we recognise the need for greater diversity at the board level. Additionally, as board responsibilities grow in both scope and complexity, one of my key goals for 2025 is to ensure that board meetings are conducted efficiently, focused, constructive, and inclusive of all perspectives.

Looking Ahead with Confidence

Reflecting on 2024, I am proud of The Swedish Club's achievements and the dedicated work that has made them possible. Our team has grown, and we strive to ensure that every employee feels valued and empowered. We are confident that our disciplined approach to underwriting and investment will continue to drive strong results, enhance our financial ratings, and support our members.

These successes are a testament to the resilience of The Swedish Club's team and the unwavering support of our members. Thank you for your trust—we look forward to navigating the future together. 🌐

Board of Directors



Peter Claesson
Chairman
Stena AB
Gothenburg, Sweden



Thomas Nordberg
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



Michael Bodouoglou
Allseas Marine S.A.
Voula, Greece



Tim Ponath
NSB Niederelbe
Schiffahrtsgesellschaft
mbH & Co. KG,
Buxtehude, Germany



Demetri Dragazis
Latsco (London) Ltd.
London, United Kingdom



Andrew Hampson
Tufton Investment
Management Limited
London, United Kingdom



Ragnar Johansson
Wallenius SOL AB
Gothenburg, Sweden



Lars Höglund
Furetank Rederi AB
Donsö, Sweden



Anders Källsson
Erik Thun AB
Lidköping, Sweden



Andonis Lemos
Enesel S.A.
Athens, Greece



Mingfa Liu
IMC Industrial Group
Singapore



Mikael Livijn
Wallenius Marine AB
Stockholm, Sweden



Tony Sun
Winning International Group
Singapore



Twinchok Tanthuwantit
Regional Container Lines
Co. Ltd.
Bangkok, Thailand



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



Junguang Xiao
COSCO Shipping Lines Ltd.
Shanghai, PRC



Xiuli Shi
China Merchants Energy
Shipping Co., Ltd.,
Hong Kong SAR



Konstantinos Zacharatos
Costamare Shipping
Company
Athens, Greece



Martin Birgersson
Elected by the employees
Gothenburg, Sweden



Anna Fjaervoll
Elected by the employees
Gothenburg, Sweden







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**MANAGING
DIRECTOR'S
REPORT**

A Year of Progress and Strength

**Thomas Nordberg, Managing Director,
The Swedish Club**

The past year has given us much to be proud of. We not only exceeded our financial targets but also demonstrated resilience and strategic foresight in navigating an increasingly complex market environment. Our combined ratio across all classes averaged 98%, reflecting disciplined underwriting and operational stability, while our free reserves grew from USD 184 million to USD 217 million. In recognition of our financial strength and stability, AM Best reaffirmed our A- rating and upgraded our outlook to stable—an affirmation of the solid foundation we continue to build.

It is important to take a moment to acknowledge these achievements and absorb the positive momentum they bring. This marks a significant step forward in our ongoing financial recovery plan, which we launched at the beginning of 2023. However, we are not resting on our successes. There is always room for refinement and growth. We remain committed to our strategic roadmap, steadfastly pursuing our objectives—including the ambition to regain our A-rating with S&P. This remains a work in progress, requiring unwavering focus and discipline.

In 2024, The Swedish Club embraced the theme of 'Embracing Change'—not just as a slogan, but as a guiding principle embedded within our culture. Over the past year, we have implemented organisational improvements, enhanced operational processes, and sharpened our focus on regional offices. This mindset encourages every member of our team to be proactive—observing industry developments, anticipating shifts, and responding strategically to unforeseen challenges.





A key aspect of our progress has been strengthening our expertise in regulatory and compliance matters. In response to the growing complexities faced by shipowners and insurers alike, we have expanded our team by recruiting specialists in legal and compliance fields. This has allowed us to navigate the increasing regulatory landscape with confidence and complete critical compliance work, including preparations for DORA (the European Union's Digital Operational Resilience Act). This framework is designed to bolster the financial sector's IT security and ensure resilience in the face of operational disruptions.

We view these regulations as necessary safeguards, recognising the importance of proactive compliance in protecting our members, board, and organisation as a whole.

At the same time, we continue to operate in a world where geopolitical tensions, economic volatility, and rapid regulatory changes are shaping the shipping and insurance industries. The complex burden of sanctions has intensified, requiring shipowners and insurers to exercise heightened diligence and adaptability.

As a Club, we have focused on gathering intelligence, analysing risk factors, and providing members with the insights and tools needed to navigate these shifting landscapes. The growing importance of global industry collaboration has underscored the critical role of the International Group (IG), ensuring that we respond to emerging challenges with a unified and strategic approach.

The journey toward decarbonisation remains another defining challenge for the shipping industry. Shipowners face critical investment decisions regarding green technology and future fuels while navigating regulatory uncertainty and evolving financing models. As a risk management partner, we recognise that supporting our members through this transition is essential. Understanding new risks—whether regulatory, financial, or operational—will be key to providing tailored coverage and strategic guidance.

The digital transformation of the industry continues to create both opportunities and challenges. At The Swedish Club, we have embarked on several initiatives to leverage IT and artificial intelligence (AI) in strengthening our operations, enhancing risk analysis, and improving member services.

However, as digitalisation accelerates, so does the need for robust data governance and ethical guidelines. As we embrace these advancements, we remain committed to ensuring data integrity, security, and compliance with evolving regulatory frameworks.

Strengthening Our Future: Investing in People and Expertise

To navigate these dynamic challenges, we recognise that our future success depends on having the right people with the right expertise. As the industry undergoes significant transformation—driven by new regulations, digitalisation, and green technology—it is crucial that we continue investing in our human capital.

We must continuously assess and anticipate the competencies required to meet the evolving needs of our members and clients. This means staying ahead of global trends, analysing what regulatory shifts, technological advancements, and sustainability initiatives mean for us as a company and service provider. Our goal is to build a workforce equipped with the specialised skills needed to address these changes, ensuring we add real value to those we serve.

Strategic HR planning will play an increasingly important role in identifying, attracting, and developing talent in key areas such as regulatory compliance, digital innovation, cybersecurity, green shipping solutions, and advanced risk management. In addition to recruitment, we must cultivate a culture of continuous learning, where our teams are empowered with the knowledge and skills to tackle emerging challenges and opportunities.

Looking Ahead: Our Membership and Future Growth

As we move into 2025 and beyond, our members will remain at the heart of everything we do. The Swedish Club has long been committed to building close relationships with its members, understanding their evolving needs, and responding with solutions that deliver real value. In an increasingly competitive market, this focus will only intensify.

We will dedicate even more resources to analysing and anticipating member needs—not just in traditional insurance coverage but in broader areas such as risk prevention, regulatory guidance, and operational support. This requires us to continuously evolve as a service provider, ensuring that we provide the expertise, insights, and solutions our members rely on to navigate the complexities of the shipping industry.



The journey toward decarbonisation remains another defining challenge for the shipping industry.

At the same time, strategic business development will be a key priority. A strong and well-balanced portfolio is essential for securing The Swedish Club's long-term financial stability and ensuring we remain well-positioned to serve our members for decades to come. To achieve this, we will actively pursue sustainable portfolio growth, strengthening our market presence while maintaining our disciplined underwriting approach.

This focus on both service excellence and portfolio growth is crucial—not only for protecting the company's future but for reinforcing our ability to support our members in an ever-changing global landscape. By enhancing our capabilities, expanding our expertise, and investing in strategic initiatives, we are ensuring that The Swedish Club remains a trusted and forward-thinking partner for the industry.

**Staying on Course:
Discipline, Strategy, and Execution**

The road ahead will be shaped by rapid change—geopolitical shifts, technological disruption, and

evolving regulatory frameworks. For The Swedish Club, staying on course requires discipline, strategic execution, and an unwavering commitment to our members.

Our goal is not just to maintain our strong financial position but to strengthen it further. We are focused on reinforcing our underwriting discipline, deepening member engagement, and ensuring that we continue to innovate and add value. Securing a solid A-rating from S&P remains a priority, and we will continue working diligently towards this goal.

While we acknowledge the role of good fortune in recent performance, we firmly believe that success is built on strategy, structure, and execution. There are no shortcuts—our continued progress will depend on the strength of our people and the way we operate. By ensuring we have the expertise and strategic foresight to adapt, innovate, and lead, we move forward with confidence, resilience, and a commitment to excellence. 🌍



An aerial photograph of a winding river in a dry, brown landscape. The river is a vibrant blue-green color, contrasting sharply with the surrounding arid terrain. The river flows from the top right towards the bottom left, with several meanders. The landscape is characterized by deep, winding channels and a network of smaller, dry tributaries, suggesting a semi-arid or desert environment. The overall tone is warm and earthy, with shades of tan, brown, and beige.

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OUR STORY

Management Team



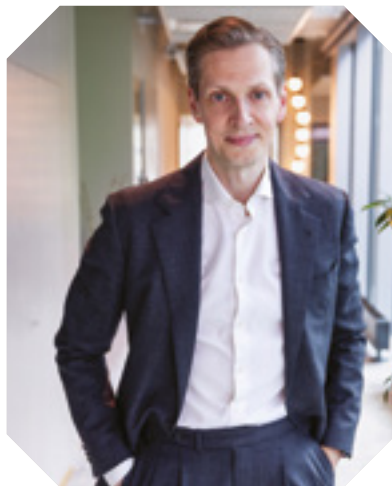
Managing Director
Thomas Nordberg



Our goal is to build a workforce equipped with the specialised skills needed to address industry changes, ensuring we add real value to those we serve.



Director, Finance
Mikael Kromli



Director, Underwriting
Thorbjörn Emanuelsson



Director, Claims
Johan Kahlmeter



Director, Corporate Legal
Emilia Dean



Director, IT and Digital Transformation
Magnus Axelsson



Director, Human Resources
Britta Patriksson

Strong Financial Performance and Growth Propel The Swedish Club in 2024

In 2024, The Swedish Club delivered strong financial results, increasing free reserves, improving its solvency ratio, and achieving a significant milestone in operational efficiency with a combined ratio of 98%. The Club also continued to innovate in underwriting, claims, IT, and human resources.

The year saw the launch of new products, like marine cyber insurance, and a continued focus on digital transformation with the SAFIRE platform. The year also marked a milestone in employee engagement, with the entire staff coming together for the first time at a Spring Summit, reinforcing the Club's commitment to people development and a strong organisational unity.

Financial Strength Surpasses Expectations

The Club entered 2024 with a clear focus on continuous improvement across all facets of its operations. This effort paid off as the Club's financial results surpassed expectations. Free reserves grew from US\$184 million to US\$217 million, and the solvency ratio increased from 171% to 186%.

Mikael Kromli, Director of Finance and Risk Management, reflected, "In financial terms, we surpassed our targets. We performed strongly in underwriting and in investment returns – not by taking more risks but by excelling on the fundamentals." The Club's success was built on a disciplined focus on risk selection, prudent investment management, and a clear commitment to long-term sustainability. The Club's investment strategy remained carefully balanced, ensuring that it was able to manage risks and deliver solid returns in line with benchmarks.

In addition to strong financial results, AM Best confirmed the Club's A- rating while upgrading from a negative to a stable outlook, reflecting the progress made in operational efficiency. The Club is on track to regain its S&P A-rating, with Kromli noting, "Our progress is ahead of plan. We have seen continuous improvements in all facets of our operations."

However, the Club remains mindful of the challenges ahead, particularly with global growth remaining modest and geopolitical factors continuing to impact trade and financial markets.

Focused Underwriting Drives Stability and Growth

Underwriting was another key focus in 2024. While the Club saw continued growth in its hull & machinery (H&M) business, the influx of new capacity into the market led to increased competition, pressuring margins.

Thorbjorn Emanuelsson, Director of Underwriting, explained, "In that cycle, we cannot realistically push prices upwards. So we need to focus even more on selection, on optimising the portfolio and on reducing exposure where necessary."

The Club's disciplined approach to underwriting allowed it to maintain a stable portfolio while ensuring that risks were selected carefully. In response to evolving market needs, the Club introduced new products, including a marine cyber insurance that addressed a long-standing gap in the market. Emanuelsson shared, "We felt that the industry needed something primary, easy to understand and cost-efficient," and the product was well received, attracting interest from both existing members and new ship owners.

The Club also made strides across its geographical footprint. Offices in the UK and Singapore contributed to steady growth. Additionally, the Club's Norway office saw significant demand for shipbuilders' risk coverage, which provides protection for vessels under construction. Emanuelsson emphasised that risk mitigation and selective growth are ongoing processes,

underscoring the Club's long-term commitment to stability and strong partnerships. "We take a very long-term approach and that is how we view risks in our selection criteria," he said, emphasising the importance of trust and solid relationships in delivering sustainable results

Stable Claims Year Amid Geopolitical Challenges

2024 proved to be a stable year for claims, with no reported Pool claims. Johan Kahlmeter, Director of Claims, noted that while the average cost of claims remained high due to lingering inflation from the pandemic years, the overall claims environment was in line with expectations.

"The average cost of claims is still high – the inflation from the pandemic years has remained and P&I claims are much more expensive compared to pre-pandemic," he explained. While geopolitical tensions, particularly the Houthi attacks in the Red Sea, presented new risks, the Club's claims team remained agile in responding to these challenges, ensuring the smooth handling of claims and minimising disruptions to operations.

Loss prevention activities and support remain at the heart of the Club's services to members, even more so in a fluid political landscape with many new and emerging risks. Webinars held in 2024 ranged from preventing hatch cover leaks to cybersecurity. The Club's TELP (Trade-Enabled Loss Prevention) service, which sends out tailored advice and information based on a vessel's location and destination, has been further expanded to include heavy weather alerts which can support navigational decisions.

The Club is also in the process of launching a seafarer wellbeing initiative, starting with the production of 'Our Family and the Sea', a story book produced to support seafarers and their families.

IT Transformation Through SAFIRE Revolutionises Club Operations

A significant achievement for the Club in 2024 was the continued rollout of SAFIRE (System Administration for Insurance Risks Enterprise), the in-house developed platform designed to integrate operations across the Club.

The fourth and largest module, which covers insurance, underwriting, documentation, and insurance management, was successfully launched in May 2024. Magnus Axelsson, Director of IT and Digital, expressed pride in the team's accomplishments: "I am so proud of what the team has achieved. We have an excellent mix of skilled people, both from IT and the business, this proves that with clear common goals even complex system development projects can become a success." he said. The final module, focused on claims handling, is scheduled to go live in spring 2026, completing the transition from the legacy system that has been in use for 25 years. Axelsson highlighted the importance of IT in driving the Club's success, noting that, "We are very





much driven by the business and our users.” In addition, the Club has been proactive in ensuring compliance with new regulations, such as the EU’s Digital Operational Resilience Act (DORA), which sets demanding IT and cybersecurity requirements. Axelsson explained; “DORA is a framework that puts all the responsibility on the board level. We have spent many hours on gap analysis to ensure we are delivering IT in the insurance industry with constant compliance and resilience.”

The Club is exploring the use of artificial intelligence (AI) to enhance decision-making and improve efficiency. With tools like such as ChatGPT and Microsoft Copilot, the Club is testing how AI can help employees make smarter, faster decisions and automate monotonous tasks. “We need to get smarter, more efficient and even more insight-driven,” said Axelsson, underscoring the Club’s commitment to leveraging technology for continuous improvement. Training sessions have been held to show staff how to get the best out of these tools for efficiency and accuracy.

People-Centric Culture Drives Engagement and Growth

At the heart of The Swedish Club’s success in 2024 was its people. For the first time in its history, all employees gathered for a Spring Summit in Gothenburg, where they participated in discussions, presentations, and networking sessions. Britta Patriksson, Director of Human Resources, reflected, “It was a huge achievement to have everyone in the same room, listening to the same message and networking.” The Summit emphasised the importance of building a unified, people-centric culture and allowed the Club to refine its core values and key performance indicators (KPIs), particularly in areas such as financial strength, innovation, and competence development.

Talent acquisition and retention remained a priority in 2024. The Club added a total of 10 employees and made 32 internal changes, including key appointments such as Richard Elmersson as Chief Risk Officer and Maria Törngård as Chief Compliance Officer to address the growing demands of international regulations and further strengthen its risk management approach.

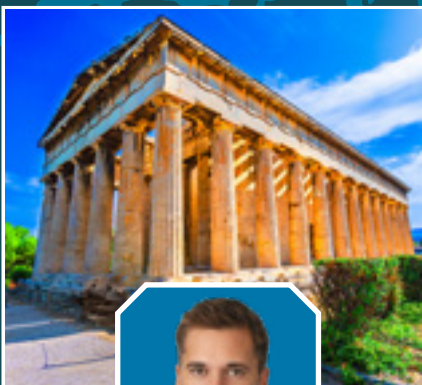
The Club also launched our HRM system’s payroll and travel reimbursement capabilities to our offices outside of Sweden to centralise processes and enhance operational efficiency. Patriksson emphasised the importance of a structured onboarding process to ensure that new employees are supported from day one, and a strong offboarding programme to ensure a positive exit experience for those leaving the organisation.

Looking ahead, the Club will continue to focus on refining its talent management strategies, including further developing its leadership programmes and expanding its competence mapping capabilities. “We want to be a premium employer in the maritime sector,” said Patriksson. The HR team is also focused on strengthening the Club’s employer brand, ensuring that it remains an attractive place for top talent in the global maritime industry.

Conclusion

In 2024, The Swedish Club experienced continued growth and transformation. Through disciplined financial management, strategic underwriting, effective claims handling, cutting-edge technological advancements, and a strong commitment to people development, the Club is well-positioned to face the challenges ahead and continue delivering value to its members. 🌐

Our teams



Ludvig Nyhlén

Area Manager for Team Greece

Greece

2024 saw a great deal of progress from Team Greece. We were focused on building the quality of our portfolio while ensuring its premium adequacy.

Simultaneously, we have maintained consistent growth in our membership throughout the region. Team Greece has been strengthened through the appointment of a number of highly experienced and qualified insurance professionals who will ensure that we can safeguard our top-of-the-line service level in all functions locally. Today the team stands at 25 people strong and is still growing. 🌐



Tore Forsmo

Area Manager for Team Norway

Norway

Team Norway had a high-quality growth strategy for 2024 and we are pleased to say that this proved to be successful with a combination of good underwriting results and a very benign claims development. The team is continuing to develop its portfolio in accordance with the plan approved in the previous financial year and a strategic approach to KPIs which underpinned its implementation.

We still see the potential for growth on the builders' risk side of the business while the energy segment continues to have a less positive outlook due to oil price fluctuations and global political uncertainty. 🌐



Lars Malm

Area Manager for Team Hong Kong

Hong Kong

Throughout the year 2024, Team Hong Kong has been focusing on the regulatory and compliance related aspects of our operations in the region. Today we can confidently state that we have very solid processes and routines in place and the organisation has the relevant competence to support our work going forward.

Our office also underwent a major make-over and we are now stationed in a modern and user-friendly space that enhances work satisfaction. In addition, we have been working continuously to refine the quality of our portfolio of business and have engaged in a couple of significant structured cooperations which we believe will add more high-quality tonnage on the P&I side going forward. 🌐



Brian Png
Area Manager for Team Singapore

Singapore

In its second full year of operations, Team Singapore maintained healthy growth by prioritising premium adequacy and quality tonnage. By the end of 2024, we had achieved a gross premium of approximately USD 30 million, finishing the year close to break-even. Although the office is still relatively new, we are proud to have built a strong reputation in the market for our comprehensive offerings and personalised, solution-driven services. Our team has thrived, growing from five members in 2022 to ten today. Looking ahead, we aim to broaden our brand presence across additional regions within our market while remaining dedicated to sustainable growth. 🌍



Fredrik Bergqvist
Area Manager for Team Sweden

Sweden

2024 was a strong year for Team Sweden, marked by solid results and continued high member satisfaction. We placed a strong focus on business development and enhancing internal collaboration, leveraging the broad expertise within the team. A key priority has also been to foster a structured and engaging work environment where everyone feels motivated to contribute. Our high retention rate reflects the trust and confidence our members place in us, and we remain committed to serving them even better in the future. 🌍



Tord Nilsson
Area Manager for Team United Kingdom

United Kingdom

Expansion of the London office is progressing well, and we've successfully attracted several major shipowners, validating our strategic presence in the city. This has reinforced our visibility and significantly contributed to premium growth and the bottom line. Marine cross-selling efforts have exceeded our initial targets, and we are actively working to expand our reach across additional lines of business by engaging a broader broker network. We've been able to capitalise on the London ecosystem to not only develop innovative product offerings but also to improve cost efficiency in our reinsurance structures. We frequently are able to share opportunities with other global offices, helping The Swedish Club to achieve its long-term international growth ambitions. 🌍



The background of the page features a close-up photograph of a concrete surface. In the upper portion, a dark, out-of-focus shadow of a tree is cast onto a light-colored wall. Below the wall, a horizontal concrete ledge or step is visible, showing some texture and a small crack. The overall lighting is soft and natural, suggesting an outdoor setting.

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ESG

Sustainability report

The Swedish Club – Business Model

The Swedish Club (hereafter the Club) is an independent, self-managed, mutual insurance company headquartered in Gothenburg, Sweden, with offices in Hong Kong, Singapore, Oslo, London, and Athens. It has been in existence since 1872. As of 31 December 2024, the number of staff was 149.

Mutuality means that the Club is owned and controlled directly by the policyholders (hereafter “members”). The interests of the Club’s management and Board of Directors are, therefore, identical to the collective interests of the members. The mutual nature and self-management of the Club puts it in a unique place among its competitors.

The Club’s purpose is to provide marine insurance to shipowners and other ship operators worldwide. The liability insurance (P&I) provided by the Club, and through the Club’s reinsurance arrangements, is a key factor in enabling world seaborne trade, protecting the marine environment, and providing compensation to legitimate victims of maritime accidents. Therefore, the Club’s core business is vital in supporting a well-functioning and sustainable society.

As an insurance company, the Club is subject to stringent regulatory requirements, which prompts equally stringent regulatory compliance. Sound business practices and stability in the operations are safeguarded by robust processes for internal control and a holistic enterprise risk management system. This system is carried out through a control cycle that involves the systematic identification, valuation, monitoring and reporting of all existing and emerging risks.

The Club’s core values are Committed, Reliable and Proactive. These core values are central to the Club’s operations and sustainability over time.

Further details of the Club’s business model can be found in the Annual Report 2024.

The Sustainability Report – Structure

This Sustainability Report addresses the requirements of the sustainability report as a matter of Swedish law.

The Swedish requirements are:

1. Environment;
2. Social and Staff-related Questions;
3. Respect for Human Rights; and
4. Combatting Corruption.

The report also covers the UN Sustainable Development Goals which have been adopted by the Club. The adopted goals are listed on page 34.

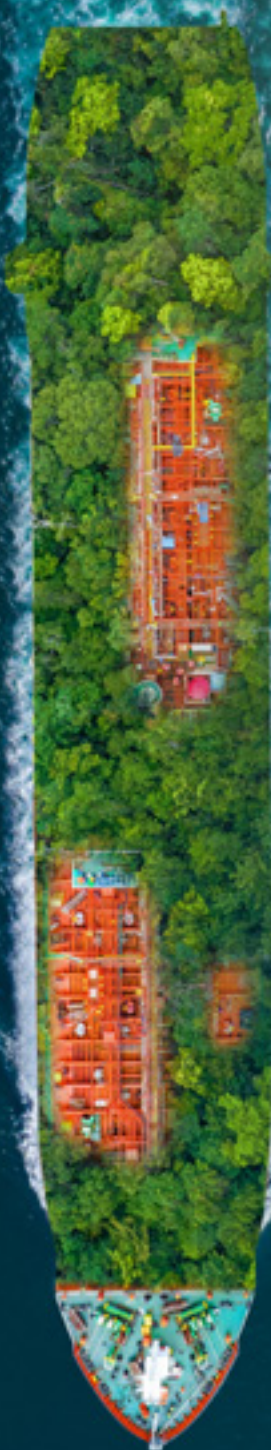
Environmental, Social and Governance (ESG)

Given the nature of shipping, it is impossible to eradicate all maritime-related accidents.

As risk managers, insurers and investors, the Club and other marine insurers play an important role in promoting economic, social and environmental sustainability and development.

The Club has a long-standing commitment to assisting its members in managing maritime risks – thereby minimising any negative effect on the environment and society.

The Club is committed to preventing maritime accidents through proactive loss prevention initiatives and risk analysis. By providing proactive loss prevention and relevant insurance solutions, the Club aims to minimise any negative consequences to the environment and society as a whole while serving its members. Sustainability, therefore, is – and has been for a long time – at the core of what the Club delivers.



ESG Framework Policy

The Club's Board of Directors adopted an ESG Framework Policy at its October 2020 meeting. The Club's ESG Framework Policy aims to provide the organisation with a declaration of the intentions for the Club's work on sustainability. The policy aims to assist in establishing a common view of what sustainability means to the Club and providing guidance to its employees and members. The ESG Framework Policy is a forward-looking document subject to annual review.

The Club's ESG Framework Policy takes the four principles for sustainable insurance - as defined by the United Nations Environment Programme's Finance Initiative (the UNEP FI) – as the starting point, namely:

1. To embed ESG in the Club's decision-making;
2. To raise awareness about ESG;
3. To promote widespread action with ESG; and
4. To demonstrate accountability and transparency within the ESG area.

To further assist work in the ESG area, the Club's ESG Framework Policy adopts four of the United Nations Global Goals for Sustainable Development to provide direction in the Club's further ESG efforts.

As identified by the UN, the UN Sustainable Development Goals (SDGs) are the blueprint for achieving a better and more sustainable future for everyone.

The goals are all interconnected and intended to address global challenges.

More information about all 17 goals is available on the following site: UN Sustainable Development Goals (<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>)

UN Sustainable Development Goals adopted by the Club

The UN Sustainable Development Goals the Club uses as a framework for its sustainability work are:

- UN Goal 14: Life Below Water: The Club will work to safeguard life below water through active loss prevention and relevant insurance solutions to its members.
- UN Goal 12: Responsible Consumption and Production: The Club will promote responsible water, energy, and food consumption.
- UN Goal 3: Good Health and Wellbeing: The Club will promote health and safety in people's working life, on-shore as well as off-shore.
- UN Goal 16: Peace, Justice and Strong Institutions: The Club promotes the rule of law and works against using bribes and other illegal or illicit activities.

ESG risks in the Club's Business Segment

The main ESG risks in the Club's business segment as a marine insurance provider are:

- Inadvertently providing insurance coverage for illegal fishing, illegal shipping activities, intentional pollution from and illegal scrapping of ships; and
- Inadvertently providing insurance coverage for breaches of climate-related emission levels, labour and trafficking laws and regulations, poor worker safety records and money laundering.

Following is an overview of how the Club works to facilitate sustainability and mitigate the ESG risks within its business segments.

The Environment & UN Goal 14 – Life Below Water

The Club makes significant efforts to safeguard environmental interests in its routine work. As part of its loss prevention activities, the Club regularly produces publications. It holds workshops on how to avoid marine casualties, mitigate marine risks and mitigate the environmental impact through advice about ship bunker fuel management and information on environmental regulations relating to the shipping industry.

Courses and Seminars

The Club's Loss Prevention team closely cooperates with the Club's claims handlers to understand and advise members on what causes maritime accidents. Emergency Response Training is offered to members to stress-test their organisations. It further creates an understanding of ways to cooperate among stakeholders to handle and minimise the adverse consequences of maritime casualties. The Club's Marine Insurance Course and Marine Insurance Seminars - made available to members and business partners annually - are important means to educate and raise awareness of the importance of marine insurance and casualty response.

Trade Enabling Loss Prevention (TELP)

The Club's initiative, Trade Enabling Loss Prevention (TELP), is at the forefront of providing shipowners with up-to-date proactive loss prevention advice to prevent and minimise loss and accidents at sea. TELP was launched in January 2020 and is a free-of-charge service for members. It aims to increase safety awareness in specific areas and ports worldwide - thereby reducing claims. The information provided through the TELP service was expanded and enhanced further throughout 2024. TELP has enabled efficient and targeted distribution of information on claims experience and risk factors to the Club's membership where their ships approach particular ports.

Big Blue Ocean Cleanup

In 2020, the Club became an official Big Blue Ocean Cleanup corporate member and continued its support throughout 2024. The Big Blue Ocean Cleanup helps keep the oceans clean, protect marine wildlife and support the development of innovative technologies.

The Big Blue Ocean Cleanup runs free educational workshops and provides resources for schools worldwide, inspiring every generation to take action and protect our blue planet.

The Hellenic Marine Environment Protection Association

The Club sponsors HELMEPA - the Hellenic Marine Environment Protection Association, the pioneering voluntary commitment of Greek seafarers and shipowners to safeguard the seas from ship-generated pollution, undertaken in Piraeus on 4 June 1982. HELMEPA operates under the motto, "To Save the Seas".

UN Goal 12 – Responsible Consumption and Production

Being an insurance company, the Club's operations' impact on the environment comes primarily from the use of office space, any waste the operation of its offices generates, and the business travel undertaken by its employees.

Minimising Waste

The Club seeks to apply high standards to operate in an eco-friendly way. This includes recycling waste, minimising the use of paper and using video conferences instead of travelling to the extent that it is reasonable in the business context in which the Club operates. Club employees are expected to travel responsibly and consider the best way to attend meetings, inspect incident sites or manage a casualties to achieve and maintain the service level expected.

Travel by Employees

Guidelines on the Club's travel policy for employees are provided in The Swedish Club's Personnel Handbook. The Club is assisted by its worldwide network of correspondents, experts and lawyers in its routine claims-handling activities. A physical presence is often necessary to maintain a close relationship with the Club's members and to properly manage marine casualties. It is therefore unavoidable to some extent for the Club's employees to travel by air.

Commuting to the Workplace

To encourage more environmentally friendly commuting, the Club facilitates easy access to public transport fares and enables bicycle parking as an alternative to cars in most of its offices. Charging electric cars at the Club's Gothenburg office is also possible.

Office Renovation

In 2024, the Club started an office renovation of Headquarters in Gothenburg. A key part of the renovation has been to reuse or upcycle office furniture and other materials wherever possible. Examples of reuse or upcycling are reuse of some tables and merely changing the table top on others, reuse of certain chairs and cabinets, as well as keeping some of the already existing flooring.

Insurance – solutions supporting Decarbonisation of Shipping

Being a mutual marine insurance provider, the Club has an important role in supporting shipping decarbonisation by ensuring that relevant insurance solutions are available for the emerging risks its members may face. Alternative fuels and new ship designs are changing the landscape of shipping. For the Club, honouring its heritage and supporting the technological transition by providing relevant insurance solutions is important. After all, the Club was founded in 1872 by shipowners finding themselves unable to procure relevant insurance for their modern ships. Social-related Questions & UN Goal 3 - Good Health and Wellbeing

Ethical Code of Conduct

Social responsibility is a central part of the Club's operations. The Club has an Ethical Code of Conduct, which each employee reviews and gives consent to annually. Adherence to the ethical guidelines is followed up at regular employee/manager meetings and through interactive questionnaires on the Club's intranet.

Community of the Club's Members

Another important social dimension involves the community, which ownership in the Club entails. The Club's membership stretches from local bunker barge operators to the world's largest state-owned shipowners. Furthermore, some of the Club's members are based in countries with tense political relationships and, as a result, have little or no business relationships. Therefore, the Club is a unique platform for creating a community and building relationships beyond political and geographical boundaries.

The Swedish Sea Rescue Society (SSRS)

The Club supports the local community by sponsoring The Swedish Sea Rescue Society (SSRS). The SSRS is a non-profit organisation founded by dedicated volunteers in 1907. More than 100 years later, the dedication still runs deep among the volunteers, who are always prepared to help whenever someone needs assistance at sea.

Sponsor of 'Faktum'

The Club is also a proud sponsor of the magazine 'Faktum', a monthly magazine sold by, and for the benefit of, homeless people, raising awareness of the situation and providing a way back.



Staff-related Questions & UN Goal 3 – Good Health and Wellbeing

Staff

The Club is a true knowledge-based company. As such, it depends entirely on its employees' expertise and wellbeing. The Club is dedicated to growing and developing its staff. Equally important is promoting good health, motivation, and commitment through initiatives encouraging a healthy lifestyle while developing job skills. The Club is a signatory to collective bargaining agreements through its membership in The Swedish Insurance Employers' Association (Försäkringsbranshens Arbetsgivareorganisation, FAO) and engages in dialogue with the local unions.

Employee Engagement

Every second year, the Club measures employee engagement and satisfaction through a survey carried out by a third party. Following the survey in 2023, the KPI for employee work satisfaction was significantly higher than the Swedish national industry benchmark.

Further, a majority of other KPIs came out better or levelled with the benchmark.

The employee satisfaction level remains at the same high level as in the previous surveys from 2017, 2019, 2021 and 2023. It is high for all employee groups. Satisfaction with the physical and social working environment is included in the survey. Results are followed up on over time, and any issues that arise are actively addressed.

The survey covers areas of discrimination and bullying. A field in which the Club has zero tolerance. According to the Club's written policy on equal treatment, the Club shall safeguard equal opportunities or employment, education, promotion, and development in the work role, regardless of gender, sexual orientation, ethnicity or religion. The Club has a policy to combat discriminatory behaviour.

Equality

The Club strives for an equal split between men and women in the Club's different functions and organisational levels based on merits. The Club's gender division in 2024 was 53% women and 47% men. The Club facilitates the possibility of combining work with family life. In 2024, 9 employees used the opportunity of being on parental leave.

An annual mapping of salaries is carried out to detect and rectify undue differences in the salaries between men and women.

The use of digital means for Club internal activities has enabled a number of training sessions and seminars to be held on a wide range of topics.

Human Rights & UN Goal 16 – Peace, Justice and Strong Institutions

Sound business behaviour and compliance with internal and external regulations ultimately depend on the individual employee's acts. This includes safeguarding the values set out in this sustainability report.

Risk-management Workshops

The Club has several channels through which employees can alert management about abuse or wrongdoing. Annual risk workshops are held under the auspices of the risk management function. These workshops aim to target operational risks. These include fraud, malicious damage, employment practices, business practices, and workplace and public safety.

'Near Misses' Register

The Club has two web-based applications where risks and incidents – “near misses” – in the organisation are registered. The findings are compiled and presented to management and the Club's board annually.

Whistle-blower Policy

The Club has a whistle-blower policy that enables employees to submit confidential complaints through an external law firm.

The confidential complaint may relate to, amongst others, non-compliance, any kind of illegal or unethical activity, or any other abusive or erroneous behaviour that adversely impacts an individual, the Club, its members, other stakeholders or the environment.

Human Rights – Employees & Business Associates

The Club's work in identifying and mitigating risks includes several tools that are used for safeguarding respect for human rights of both the Club's employees and the Club's business associates. The P&I insurance provided by the Club contains elements for enabling due compensation to be reimbursed by the Club to its members for compensating their seafarers for work-related illness and injuries under applicable contracts, law and convention limits when serving on insured ships.

Repatriation of Seafarers Following Abandonment

The P&I insurance has been extended to include financial security, required under the Maritime Labour Convention, for repatriating seafarers and up to four months' wages in case their employer abandoned the seafarers on a ship entered with the Club for P&I risks. This was done in response to a request put forward by the International Labour Organization.



Combatting Corruption & UN Goal 16 – Peace, Justice and Strong Institutions

Zero-tolerance Towards Corruption and Bribery

The Club has zero tolerance towards corruption and bribery. The Club applies the UK Bribery Act 2010 as a benchmark for its employee policy. This is generally more stringent than the equivalent Swedish legislation that would otherwise apply. An annual sign-off procedure was introduced in 2020 and also performed in 2024, whereby all employees read and sign off on their understanding of the Club's Ethical Directive, among other policy documents.

Screening of Members and Vessels

To combat corruption, the Club uses a market-leading screening tool provided by World-Check whereby all the Club's members and insured vessels are screened monthly.

The screening includes global sanctions lists, global enforcement and warning lists, global politically exposed (PEP) lists and global state-owned entity lists (SOE).

The screening also includes corporate managers who are directly or indirectly connected to, or associated with, an embargoed country or entity.

World-Check also draws on hundreds of thousands of credible media sources to monitor all the categories above. It is also used to identify and maintain many profiles related to individuals convicted of one or more predicate offences as defined by the Financial Action Task Force (FATF). The purpose of the screening is to prevent the Club from doing business with inappropriate companies or individuals.

Know Your Client (KYC)

In 2024, the Club continued to enhance its "know your client" routines through which its membership is reviewed. While the Club, being a non-life insurer, is not subject to the Swedish Anti-Money Laundering Act, it has voluntarily introduced a number of measures to enhance its routines for anti-money laundering and countering the financing of terrorism.

Vessel Tracking & Sanctions Screening

During the year, the Club has continued and refined its work using an AIS tracking system, enabling it to conduct more in-depth due diligence on vessels' trading patterns and ownership structures to combat illicit trade. Compliance data and automated screening against sanctions lists have been integrated into the Club's compliance and risk assessment tools to enable early identification of risk factors. The Club utilises compliance data from IHS MIRS to assess prospective and existing members before entry into the Club and throughout the insurance relationship. Based on sanctions lists, automated backstops were incorporated into the Club's

insurance and payments systems in 2021 to further enhance anti-money laundering activities. These measures help mitigate the risk of inadvertently providing insurance cover for illicit activities as well as mitigate the risk of the Club inadvertently facilitating money laundering.

Illegal Acts are Uninsurable

It is noteworthy that illegal acts, as a matter of Swedish law, are uninsurable as a result of being contrary to public policy and good insurance practice. For example, the Club's Rules for P&I insurance expressly excludes liabilities arising from unlawful trade to enhance this fact.

Finally, all the Club's Board members, management group members, and personnel responsible for the Club's central functions (actuary, risk managers, internal audit and compliance) are subject to an equivalent screening process to ensure that these individuals meet regulatory fit and proper standards. 🌍









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**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 2024, its 152nd 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 service office in Athens (Greece) and branch offices in Hong Kong (China), London (UK), Singapore and Oslo (Norway). The Club also has a subsidiary in Hong Kong. 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 & Energy), Ship liability (Protection and Indemnity, P&I) and Defence (Freight Demurrage & Defence, FD&D). The Club also undertakes accepted reinsurance.

In accordance with the Swedish Annual Accounts Act, the Club's subsidiary in Hong Kong has not been consolidated as it is of lesser importance with regard to true and fair view requirements.

Significant events during the year

Price adjustments and volume increases enabled the Club to achieve balanced growth in premiums which, overall, contributed to improved profitability and a positive cash flow from insurance activities. Investments benefited from sharply rising stock markets and attractive interest rates, which contributed to a good return from the investment portfolio. The Club maintained its lower level of risk exposure in the investment portfolio during the year. The Club's financial position, expressed as both basic own funds (BOF) and investment assets strengthened significantly during the year. The improvement in basic own funds contributed to a strengthening of the solvency ratio in accordance with the Solvency II regulations despite higher capital requirements stemming from the more favourable investment portfolio and anticipated growth in premiums. The solvency requirements were once again met with a good margin.

Both of the rating institutions confirmed their ratings of the Club as follows: Standard & Poor's at BBB+ and AM Best at A-.

Since the invasion of Ukraine in 2022, the EU and G7 countries have implemented wide-ranging sanctions against Russia and certain other countries. The Club's compliance in this area has required significant investments in knowledge and processes. Changes to the sanctions packages happen frequently and quickly, which is why the Club has been continuously improving its ability to manage changed requirements and risks.

Financial overview

The following is a brief commentary on the income statement

and balance sheet. For more detailed information, please see the Notes.

Result for the period

For 2024, the result before appropriations and tax was a profit of USD 34 (30) million. Other comprehensive income, related to hedging of future operating expenses denominated in SEK into USD, was USD -1.1 (3.7) million before tax.

The relationship between the result expressed in USD and SEK is shown in the table below as a change in free reserves:

Free reserves	USD m	USD/SEK	SEK m
31 December 2023	183.7	9.983	1,834.0
Income for the period 2024	34.0		549.7
Other comprehensive income	-1.1		-
Tax expense for the year	-0.0		-0.4
31 December 2024	216.6	11.002	2,383.3

Insurance activities

Gross premiums written in 2024 amounted to USD 244 (243) million. Following the deduction of outgoing reinsurance premiums totalling USD 60 (56) million, premiums written amounted to USD 184 (187) million. Earned premiums, net of reinsurance, amounted to USD 188 (179) million.

Claims incurred, net of reinsurance, amounted to USD 156 (150) million. Changes in other technical provisions amounted to USD 13.1 (3.3) million. The total costs for net claims incurred correspond to 76 (82) % of earned premiums, net of reinsurance.

During the year, there were 35 claims reported (whereof 7 from the IG pool system) in excess of USD 0.5 million. In 2023, there were 42 such claims (whereof 7 from the IG pool system). Operating expenses for insurance activities amounted to USD 40 (37) million. In relation to earned premiums, net of reinsurance, this level corresponds to 21 (20) %. The balance on the technical account amounted to USD 21 (8) million.

The combined ratio was 98 (102) %.

Result by class of insurance

The combined ratio for P&I was 97 (98) %. Earned premiums,



net of reinsurance, amounted to USD 95 (93) million. The insurance year claims cost for other clubs' pool claims was USD 12 million in 2024 and it was USD 13 million in 2023. Claims incurred, net of reinsurance, decreased from USD 73 million in 2023 to USD 71 million in 2024. The loss ratio for the year was 75 (79) %.

As of 31 December 2024, the P&I portfolio, including Charterer's liability, consisted of 2,291 (2,286) vessels with gross tonnage of 91 (90) million.

The combined ratio for FD&D was 91 (81) %. As of 31 December 2024, the FD&D portfolio consisted of 1,398 (1,447) vessels with gross tonnage of 62 (66) million. Earned premiums, net of reinsurance, amounted to USD 9.7 (9.5) million. Claims incurred, net of reinsurance, increased from USD 6.3 million in 2023 to USD 7.5 million in 2024. The loss ratio for the year was 77 (66) %.

The combined ratio for Marine & Energy was 99 (110) %. Earned premiums, net of reinsurance, amounted to USD 83 (77) million. Claims incurred, net of reinsurance, decreased from USD 68 million in 2023 to USD 64 million in 2024. The loss ratio for the year was 77 (88) %.

At the end 2024 the Marine & Energy portfolio consisted of 6,816 (6,087) vessels, with gross tonnage of 374 (337) million and covered insured value of USD 28 (24) billion. The number of vessels insured for Loss of Hire was 1,011 (940) with a gross tonnage of 53 (50) million.

Finance activities

The financial result before transfer to technical account, including exchange rate differences amounted to USD 30 (34) million.

Investments

The return on the investment portfolio was 6.6 (9.2) %, corresponding to an investment result of USD 30 (34) million. The result from interest-bearing securities was USD 17 (21) million, including exchange revaluations of USD -1 (1) million, and the result for equity holdings amounted to USD 12 (12) million. At the end of 2024, the value of the Club's investments had grown by USD 62 million as a result of the positive investment result of USD 29 million and investments of positive cash flows from the insurance activities amounting to USD 33 million. The total invested amount of USD 498 (436) million was composed of 82 (85) % interest-bearing securities and 18 (15) % equity holdings.

Other financial items

The result for forward exchange contracts was USD -0 (-1) million, miscellaneous financial income and expenses amounted to USD 2 (1) million. Exchange differences from revaluation of insurance-related items amounted to USD -2 (1) million.

Other Comprehensive Income

Other comprehensive income, related to hedging of future operating expenses denominated in SEK into USD – for the purpose of reducing the currency risk in USD accounts – was USD -1.1 (4) million. See Note 1.

Balance sheet

For 2024, the provision for claims outstanding was USD 454 (400) million.

The value of the Club's investment assets amounted to USD 498 (436) million.

At year-end, Hydra receivables (see Note 19 and Note 2 in the section on counterparty risks) had an estimated value corresponding to USD 14 (20) million. These are reported in the balance sheet under the heading "Other assets".

Environment

The Club's Sustainability Report, in accordance with EU Directive 2014/95 (included in the Chapter 6, Section 12 of the Swedish Annual Accounts Act, 1995:1554 (ÅRL)), has been published on the Club's website, <https://www.swedishclub.com/about/corporate-governance/esg/>.

Significant events after the balance sheet date

The Swedish Club does not have any significant events to report on items that have not previously been communicated but relate to periods up to the balance sheet date. After the balance sheet date, insurance activities have developed in line with the established goals and expectations. Performance of the Club's investment portfolio has been favourable during the initial months of 2025.

In January 2025, the rating institution, AM Best, confirmed that the Club's financial rating had improved from A- negative outlook to A- stable outlook.

Employees

The Swedish Club is a knowledge-intensive organisation. The commitment, competence and performance of employees are decisive factors for the organisation's 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:

- **Proactive**

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

- **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.

- **Committed**

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

The average number of employees during the year was

127 (see Note 28 for more information).

The maximum total cost of the bonus program for employees has been set at 10 % of the Club's salary costs including social security expenses. Provision for bonuses has been made in 2024.

Note 28 also contains information on the principles for establishing salaries and benefits for senior management.

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
- Counterparty risk
- Operational risk
- Financial risk

An Internal Capital Model (ICM) is used for calculating and monitoring the risks. The model is a key component of the Club's process for Own Risk and Solvency Assessment (ORSA). It is also an important control mechanism for calibrating capital needs.

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

Prospects for 2025

The global economic prospects for the year are difficult to predict. The consequences of the war in Ukraine and instability in Gaza, with their ripple effects, cause great uncertainty about world trade and economic development. The assessment is that the Club's insurance activities are not significantly impacted by short-term economic fluctuations. The impact on asset management, however, could be significant. At the start of 2025 and in light of the prevailing uncertainty, the decision was made to maintain the – compared to the long-term strategic investment strategy – lower level of risk exposure in the investment portfolio.

In 2025, the Club will continue prioritising quality in the insurance portfolio and price recovery ahead of volume growth. Our assessment is that the net claims costs for 2025 will be below the volume-adjusted level for 2024. During the initial months of 2025, there has been favourable growth in stock markets and slightly lower interest rates, which has had a favourable impact on the Club's asset management.

Our assessment is that the Club's relative competitive strength will stand, and strong financial position provides resilience and offers comfort to business partners and members.

Five-year summary

Amounts in USD millions.	2024	2023	2022	2021	2020
Income statement					
Earned premiums, gross	247.5	235.7	225.9	193.1	173.8
Earned premiums, for own account	187.7	179.2	169.3	150.1	134.7
Investment income, allocated from non-technical account	16.8	12.7	-	-	2.8
Claims, for own account	-143.1	-147.0	-136.9	-163.4	-138.5
Refunds and P&I discounts	-	-	-	-	-
Net operating expenses	-40.1	-36.6	-35.1	-31.0	-27.1
Balance on technical account	21.3	8.3	-2.8	-44.2	-28.2
Balance on non-technical account	12.7	21.7	-38.9	9.9	31.1
Result before appropriations and tax	34.0	30.0	-41.7	-34.3	3.0
Financial position					
Free reserves	216.6	183.7	150.0	196.5	231.4
Free reserves / Provision for claims outstanding for own account	66%	60%	59%	80%	110%
Deferred tax liability included in free reserves	53.4	46.5	38.0	47.8	54.5
Eligible Own Funds, in accordance with Solvency 2	314.7	271.6	241.7	268.6	297.3
Basic own funds	230.2	192.4	172.0	194.5	232.8
Ancillary own funds	84.5	79.2	69.7	74.1	64.5
Minimum Capital Requirement (MCR)	58.9	58.4	49.7	48.3	41.8
Solvency Capital Requirement (SCR)	169.0	158.4	139.3	148.2	129.0
Eligible Own Funds / SCR	186%	171%	173%	181%	230%
Basic Own Funds / SCR	136%	121%	123%	131%	180%
Investment assets at fair value	498.2	436.4	350.5	390.7	397.3
Technical provisions, for own account	380.9	363.2	303.4	291.9	251.3
Key data insurance business					
Loss ratio	77%	82%	81%	109%	103%
Expense ratio	21%	20%	21%	20%	20%
Combined ratio	98%	102%	102%	129%	123%
Average Expense Ratio (AER)	12.9%	12.7%	13.6%	12.6%	12.8%
Key data asset management					
Total return	6.5%	8.1%	-4.0%	3.2%	7.7%

Income Statement

For the financial year January through December. Amounts in USD thousands.	Note	2024	2023
Technical account			
Earned premiums, net of reinsurance			
Premiums written, gross	3	243,771	242,632
Outward reinsurance premiums		-59,522	-56,120
Change in provision for unearned premiums		3,695	-6,886
Reinsurers' share of change in provision for unearned premiums		-241	-425
		187,703	179,202
Investment income transferred from the non-technical account	4	16,800	12,700
Claims incurred, net of reinsurance			
Claims paid			
Before outgoing reinsurance	5	-132,177	-261,546
Reinsurers' share	5	-2,950	163,747
		-135,127	-97,799
Change in provision for claims outstanding			
Before outgoing reinsurance		-53,706	-4,688
Reinsurers' share		32,575	-47,833
		-21,131	-52,521
		-156,258	-150,320
Change in other technical provisions	6	13,115	3,348
Net operating expenses	7, 8, 28	-40,074	-36,640
Balance on technical account		21,286	8,289
Non-technical account			
Balance on the technical account		21,286	8,289
Financial result			
Financial income	9	17,409	6,853
Unrealised gains on investments	10	15,699	29,123
Financial costs	11	-3,580	-1,530
		29,528	34,446
Allocated investment income transferred to the technical account	4	-16,800	-12,700
Result before appropriations and tax		34,014	30,035
Appropriations: change in safety reserve		-19,224	-8,200
Result before tax		14,790	21,835
Tax on result for the year	21	-3,274	-6,049
Profit or loss for the financial year		11,516	15,786

Other Comprehensive Income/Loss

For the financial year January through December. Amounts in USD thousands.	Note	2024	2023
Profit or loss for the financial year		11,516	15,786
Other Comprehensive Income:			
Items that have been reclassified or can be reclassified to profit or loss for the year			
Change in translation difference capital		-	-
Hedges of operating expenses		-1,069	3,719
Deferred tax other comprehensive income	21	220	-766
Total Comprehensive Income		10,667	18,739

Balance Sheet

As of 31 December. Amounts in USD thousands.	Note	2024	2023
Assets			
Intangible assets			
Intangible assets	12	2,875	2,490
		2,875	2,490
Investment assets			
Investments in group and associated companies			
Shares in group and associated companies	13	0	11
Other financial investment assets			
Quoted shares	14	88,008	67,275
Bonds and other interest-bearing securities	15	410,203	369,152
		498,211	436,439
Reinsurers' share of technical provisions			
Provision for unearned premiums	16	5,307	5,549
Provision for claims outstanding	16	125,500	92,924
		130,807	98,473
Receivables			
Receivables related to direct insurance operations		81,969	143,355
Receivables related to reinsurance operations	17	829	-
Other receivables	17	1,581	2,101
		84,379	145,457
Other assets			
Tangible assets	18	1,468	1,113
Cash and bank balances		41,985	31,123
Other assets	19	14,566	20,106
		58,019	52,342
Prepaid expenses and accrued income			
Prepaid acquisition costs		6,158	6,887
Other prepaid expenses and accrued income		1,235	1,411
		7,393	8,298
Total assets		781,684	743,498

Balance Sheet

As of 31 December. Amounts in USD thousands.	Note	2024	2023
Equity, provisions, and liabilities			
Equity			
Statutory reserve		45	50
Development fund		2,874	2,490
Accumulated profit or loss		-16,446	-31,598
Other reserves		-450	44
Profit/Loss for the financial year		11,516	15,786
		-2,461	-13,228
Untaxed reserves			
Safety reserve		207,687	188,463
Equalisation reserve		978	1,078
		208,665	189,541
Technical provisions before reinsurers' share			
Provision for unearned premiums	16	58,160	61,857
Provision for claims outstanding	16	453,533	399,827
		511,693	461,684
Provision for other risks and charges			
Pensions and similar obligations	20	190	232
Deferred tax	21	10,420	7,407
		10,610	7,639
Liabilities			
Liabilities related to direct insurance operations	22	17,558	15,129
Liabilities related to reinsurance operations		18,398	65,141
Forward exchange agreements	23	2,848	1,779
Other liabilities	23	10,340	13,556
		49,144	95,604
Accrued expenses and deferred income			
Accrued expenses		4,033	2,258
		4,033	2,258
Total equity, provisions and liabilities		781,684	743,498

Change in equity

Amounts in USD thousands	Statutory reserve	Development fund	Accumulated profit or loss	Other reserves	Profit/loss for the financial year	Total equity
Balance brought forward 2023-01-01	48	1,572	-1,197	-2,897	-29,446	-31,920
Carried forward			-29,446		29,446	-
Allocation to development fund		918	-918			-
Change in translation difference capital	2		-37	-12		-47
Profit/loss for the year					15,786	15,786
Other comprehensive income/loss				2,953		2,953
Balance carried forward 2023-12-31	50	2,490	-31,598	44	15,786	-13,228
Balance brought forward 2024-01-01	50	2,490	-31,598	44	15,786	-13,228
Carried forward			15,786		-15,786	-
Allocation to development fund		385	-385			-
Change in translation difference capital	-5		-250	355		100
Profit/loss for the year					11,516	11,516
Other comprehensive income/loss				-849		-849
Balance carried forward 2024-12-31	45	2,874	-16,446	-450	11,516	-2,461

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 2019:23) 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 2019:23. This means that all of the EU approved IFRS and statements have been applied, to the extent possible given Swedish law and with consideration given to the relationship between accounting and taxation.

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

The Club has a subsidiary in Hong Kong which, in accordance with Chapter 7, Section 3a of the Swedish Annual Accounts Act (ÅRL), has not been consolidated, since the subsidiary is considered to be of lesser importance with regard to true and fair view requirements.

The Club previously held an ownership interest in the associated company, The Swedish Club Academy, which was divested during the year.

Assumptions when preparing the insurance company's financial statements

USD is the Club's accounting currency since most of the Club's income and expenses are in USD. It is also the most significant currency used when making technical provisions and therefore, the primary environment in which the Club runs the business.

The Club converts transactions in foreign currency to the currency rate applicable on the transaction day, both to SEK and to USD. This financial statement is reported in USD while SEK is used in official Swedish regulatory reporting, in accordance with law-limited IFRS.

All assets and liabilities are registered in the original currency and converted to USD and to SEK at the end of the reporting period. This has the effect that the result in the two reporting currencies differs as the bulk of the balance sheet consists of USD. See Note 2.

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 assets classified as financial assets measured at fair value through profit or loss.

Assessments and estimates made when preparing the financial statements

To prepare the financial statements, it is sometimes necessary to make certain assessments and estimates. These are based on experience and assumptions.

Assessments and estimates that have been made impact the amounts reported in both the balance sheet and

income statement.

The effects of changes in estimates are reported in the period in which the change occurred, provided that the change only has an effect on that period. Alternatively, if the changes affect both current and future periods, changes are reported in the period in which the change occurred and in future periods.

The assessed value of premium receivables is equal to the amount expected to be received. Reviews of outstanding items are done on a continual basis.

The assessed value of recourse receivables is equal to the amount expected to be received.

The assessed value of reinsurance receivables corresponds to the amount agreed in the insurance contract.

Important estimates and assessments associated with technical provisions have been based on assumptions about future claims payments. Estimates are based on the Club's own historical statistics on prior claims outcomes. When estimating technical provisions, consideration is given to such things as unpaid claims, claims development including changes in the Club's assumptions within the scope of International Group of P&I Clubs, changes in legislation, judicial decisions and general economic development.

Hydra receivables are estimated to have a value equal to the Club's share of the captive company, Hydra.

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

Principles applied

New and revised standards applied by the Club

None of the new standards or amendments published after 1 January 2024 have had a significant impact on the Club's financial statements.

New standards, amendments and interpretations to existing standards that have not yet entered into force and have not been early adopted

Several new international accounting standards, along with revisions to standards and interpretations will come into force as of the next financial year. None of these changes is deemed to have a significant impact on the accounting. The Club has no plans to elect early adoption on new or revised standards.

IFRS 18, Presentation and Disclosures in Financial Statements, comes into effect on January 1, 2027, with retrospective application for the comparative year. The Club will adapt its financial reporting in accordance with the new standard and implement the necessary changes in presentation and disclosures to ensure compliance.

Insurance contracts

All of the Club's insurance contracts are defined as insurance contracts in accordance with FFFS 2019:23. 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 or not excluded (depending on applicability) 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, attributable to profit and loss or other comprehensive income.

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 of an asset or liability and its tax base. The valuation of deferred tax is based on the extent to 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, net of reinsurance

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 fall due for payment, or, when the first partial premium falls due for payment (this happens in cases where the contractual insurance period's premiums have been divided into several partial premiums). 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 also used for reinsurers' share of premiums written.

Premiums earned, net of reinsurance

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 duration of the insurance contract. The method described above is also used for reinsurers' share of earned premiums.

The provision for unearned premiums for own account is revalued using the closing day rate of exchange. The result of this revaluation is shown under the heading "Investment income" or "Investment costs".

A provision for remaining risks is made when future revenue and expenses during the remaining term of the insurance contract yield a deficit.

Investment income transferred from the non-technical account

Investment income is reported gross in the non-technical

result. The Club uses a model for the calculation of investment income transferred to the technical account. It is based on the interest rate that corresponds to the United States 1-year bond yield at the beginning of the year in relation to average provisions for claims outstanding net of reinsurance. The model compensates the insurance business with interest for the float generated during the period between premium payments and claim payments. No transfer is made in fiscal years in which the calculation yields an amount that is lower than the equivalent of USD 1 million annually.

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. In addition to claims in themselves, 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. Based on these statistics, the Club has chosen to make the assessment that the reserves are fully comprised of USD.

Net operating expenses

The proportion of the 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 management expenses". Operating expenses in the insurance business include, besides administrative costs, also acquisition costs. Internal acquisition costs and internal management expenses are allocated in accordance with a model (see Note 7 and Note 11).

Investment income - realised and unrealised profit on investments

Realised profit/loss on divestment of investments is equivalent to the difference between the sales proceeds and acquisition cost. The Club's investments are reported at fair value. Unrealised changes in values are reported in the income statement and can be defined as the annual change in the difference between fair value and acquisition cost.

Hedge accounting

The Club applies hedge accounting according to IFRS 9 as from 1 January 2022. For forward currency contracts entered into before 2022, the exchange rate as of 1 January 2022 will be used as the reference for the hedge accounting (instead of the spot rate at contract inception). The hedging contracts are expected to be effective over the entire contractual period. The hedged item consists of operating expenses denominated in SEK, mostly employee-related costs. Cash flows are spread throughout a month. The cash flow for the hedging instrument on the other hand is exchanged once a month. The fact that the hedged item and the hedging instrument are not matched on the same day will entail a limited ineffectiveness, however, this inefficiency is not material. The effectiveness is tested partly through a forward-looking (prospective) assessment and partly a retrospective evaluation. The type of hedging activity performed is related to the cash flows where the foreign

currency risk is arising from highly probable forecasted operational expenses.

Financial instruments

Financial instruments reported in the balance sheet as instruments:

- Accounts receivable (reported under the heading "Receivables").
- Shares and participating interests
- Bonds and other interest-bearing securities

Items reported as liabilities or equity include:

- Trade creditors (reported under the heading "Liabilities")
- Forward exchange agreements

Reporting of financial assets and removal from the balance sheet

A financial asset or financial liability is reported in the balance sheet when the Club becomes a party to the instrument's contractual terms (economic approach), except for instances when the Club acquires or disposes listed securities (for these, cash/settlement approach is applied). Accounts receivables are reported in the balance sheet when an invoice has been sent. A liability is reported when the counterparty has completed performance and there is a contractual liability to pay, even if the invoice has not yet been received. Accounts payable, however, are reported when an invoice has been received. A financial asset is removed from the balance sheet when the rights in the agreement have been realized, expire or when the company loses control over them. The same applies to a part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement has been fulfilled or in some other way extinguished. The same applies to part of a financial liability.

Offset of financial instruments

Offsetting of a financial asset and financial liability and reporting them at a net amount in the balance sheet only occurs when there is a legally enforceable right to set-off and the intention either is to settle on a net basis or is to realise the financial asset and settle the financial liability simultaneously.

Classification and measurement of financial assets

At valuation, financial assets are divided into the following categories:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income

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.

Financial assets measured at amortised cost

These are balance sheet assets reported in the categories "other receivables" and "cash and bank balances". Both are measured at amortised cost. Bank deposits have repayment cover. As such, anticipated credit losses are insignificant since the investments are secured by the Swedish State.

Financial assets measured at fair value through profit or loss

These are balance sheet assets as reported in "quoted shares" and "bonds and other interest-bearing securities". The measurement method used is fair value through profit or loss because they are continually measured based on fair value. Measurement of the Club's investment assets at fair value is at the current buying rate based on prices quoted on an active market regarding Level 1 and Level 2. Measurement of the Club's investment assets at fair value regarding Level 3 is based on information from the Club's investment manager. See Note 2.

Financial assets measured at fair value through other comprehensive income

These are forward exchange contracts measured at fair value through other comprehensive income. The measurement method used is fair value through other comprehensive income because they are continually measured based on fair value. The unrealised profits and losses that arise as a result of changes in market value is reported after tax via other comprehensive income and becomes a part of "other reserves" in equity until the underlying contracts of the assets have expired and are removed from the balance sheet.

Classification of financial liabilities

Borrowings and other financial liabilities, such as trade creditors, are included in the category, Financial liabilities. These are valued at amortised cost. In the event that the measured fair value from forward exchange contracts is negative it is classified as a financial liability. See Note 2.

Determination of fair value

For a description of the methods and assumptions used by the Club to establish the fair value of financial instruments. See Note 2.

Intangible assets

Intangible assets 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.

Tangible assets

Machinery and equipment are reported at cost less accumulated depreciation according to plan, which is based on the useful life of the assets plus any write-downs. Depreciation is calculated on a linear basis over a useful life of three or five years. For improvements made on property owned by others, depreciation is calculated on a linear basis over a 20-year period.

Subsidiaries and associated companies

A subsidiary is a company that is subject to a controlling influence by the Parent Company. Controlling influence is the right to, directly or indirectly, formulate a company's financial or operating strategies to obtain economic benefits.

Associates are companies in which the Group has a significant (but not controlling) influence over the operating and financial management, usually through holdings corresponding to 20-50 % 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 asset management but not yet 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. 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, realistic assessments of individual 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 experience of the number and extent of claims reported for prior accounting years. The provision for outstanding claims also includes a reserve for operating costs associated with settling outstanding claims. The provision for outstanding claims has been reported using undiscounted values.

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.

The Club's obligations concerning contributions to defined-contribution plans have been reported as an expense in the income statement at the rate they are earned by employees performing services during the period.

The Club has older obligations for a few prior employees, and this is reported as a liability in the balance sheet.

Leasing contracts

Because the Club reports leasing in accordance with RFR 2 Accounting for Legal Entities, it is granted an exemption from the principles contained in IFRS 16. As such, there will be no change in how the Club reports leases.

The Club has operating leases consisting of leases for premises, cars and office machines for the duration stated in the agreement for each of these. Leasing fees are expensed over the contracted period based on utilisation. See Note 8.

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 (equals 1 USD)	2024	2023
Swedish kronor (SEK)	11.0018	9.9830
British pound (GBP)	0.7958	0.7843
Euro (EUR)	0.9597	0.9031
Hong Kong dollar (HKD)	7.7620	7.8120
Norwegian kroner (NOK)	11.3608	10.1836
Singapore dollar (SGD)	1.3566	1.3170

Note 2. Risk management and risk analysis

Overall risk management

The Swedish Club (TSC or the Club) manages risks in an integrated system that is a key part of operations. The goal is to identify, measure, manage, control, monitor and report the risks that the company is, or could be, exposed to. The risk management system is aligned with the directives adopted by the Board of Directors, and it ensures that these efforts are carried out in a structured and efficient way.

The Swedish Club uses an Internal Capital Model (ICM) to quantify the risks, which are supplemented with a system for managing the operational risks. The model functions as a control tool for management. It also supports the Swedish Club's Own Risk and Solvency Assessment (ORSA) process and optimises the reinsurance programme. These efforts reduce the likelihood of unfavourable operational and financial results. It also facilitates achievement of the Club's business goals.

Risk awareness is promoted at all levels of the organisation, where every department is responsible for identifying, documenting and reporting its risks, along with implementing preventive or corrective measures.

Corporate governance and allocation of responsibilities**Annual General Meeting**

The Annual General Meeting is TSC's highest decision-making body and it consists of all members. The AGM elects the Board of Directors along with members of the Nomination Committee. It also adopts the income statement and balance sheet contained in the annual report, elects the external auditors and addresses other matters that fall within its realm of responsibility.

Board of Directors

The Board has the ultimate responsibility for ensuring that the company complies with laws and regulations and that appropriate internal instructions for risk management and risk control are in place. The Board continually monitors the operations, financial result and asset management. It maintains regular contact with all of its committees, the senior management team and other key functions, always striving to work in a proactive and constructive way.

Risk Committee

The Risk Committee is a subgroup of the Board of Directors. It is responsible for reviewing and monitoring the effectiveness of TSC's risk management system. It also serves as a link between the Board and risk management function, helping the Board fulfil its responsibilities regarding risk management.

Finance & Audit Committee

The Finance & Audit Committee is a subgroup of the Board of Directors. It is responsible for monitoring TSC's financial operations and internal controls.

The committee reviews TSC's financial reporting to ensure that it is correct and compliant with the applicable rules and regulations. It also monitors effectiveness of the internal controls and internal audit, along with serving as a link between the Board of Directors and the audit. It ensures compliance and makes decisions on investment allocations based on TSC's risk directive.

Managing Director

The Managing Director is appointed by the Board and is responsible for the daily management activities of the Club.

Organisation and internal control

The Club's organisation consists of the managing director, central functions and six geographic teams. The geographic teams are mostly independent in terms of daily operations. However, many of the organisation's functions have been centralized, as illustrated in the figure, below.

The work and responsibilities for each component of the organisational structure must be well-defined, allocated and coordinated. Relevant processes are described and documented in the Club's management system.

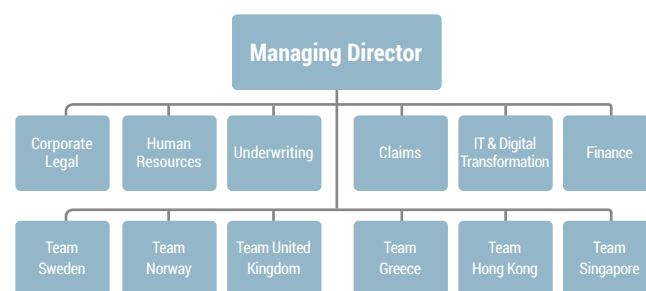
The Swedish Club (TSC) organises itself according to the model, with three lines of defence aimed at ensuring that risks are managed effectively and that there is robust internal control. The first line of defence is comprised of the operational activities, and this is where daily controls and risk management occurs.

The second line of defence consists of the central functions for Risk management, the Actuarial function and the Compliance function. They are independent of the operational activities and responsible for supporting and monitoring the work. The third line of defence is comprised of the Internal audit. It is completely independent and responsible for evaluating the effectiveness of the entire governance system.

Internal control

Internal control at TSC is designed to ensure that there is effective operational management, reliable financial reporting, compliance with laws and regulations, as well as systematic management of risks in order to safeguard the organisation's resources and goals.

The flows of information, along with roles and responsibilities, are clearly defined to facilitate timely, correct reporting between the various levels of the organisation. Processes and routines are continuously evaluated to ensure effectiveness and regulatory compliance.



Organisation overview

Operational functions

The operational functions or geographic themes within TSC comprise the first line of defence and they are responsible for identifying, managing and reporting risks in the daily operations. Managers for the operational functions ensure that employees follow TSC's rules and guidelines.

They are also responsible for implementing corrective measures when necessary. Managers must also inform the Risk, Actuarial and Compliance functions if they become aware of circumstances that could impact their areas of responsibility.

Risk function

The risk function is a central part of the second line of defence and it is responsible for implementing and monitoring an effective risk management system.

Examples of tasks that the Risk function works with are:

- Identifying and assessing risks
- Monitoring and reporting risks
- Providing support to the Board of Directors by supplying them with regular reports on risk control and risk tolerance, along with participating in relevant committees
- Providing advice on risk management
- Coordinating TSC's ORSA process
- Ensuring regulatory compliance associated with risk management

The Risk function conducts its activities independent of the operational side of the business and it regularly reports to senior management, the Board and relevant committees.

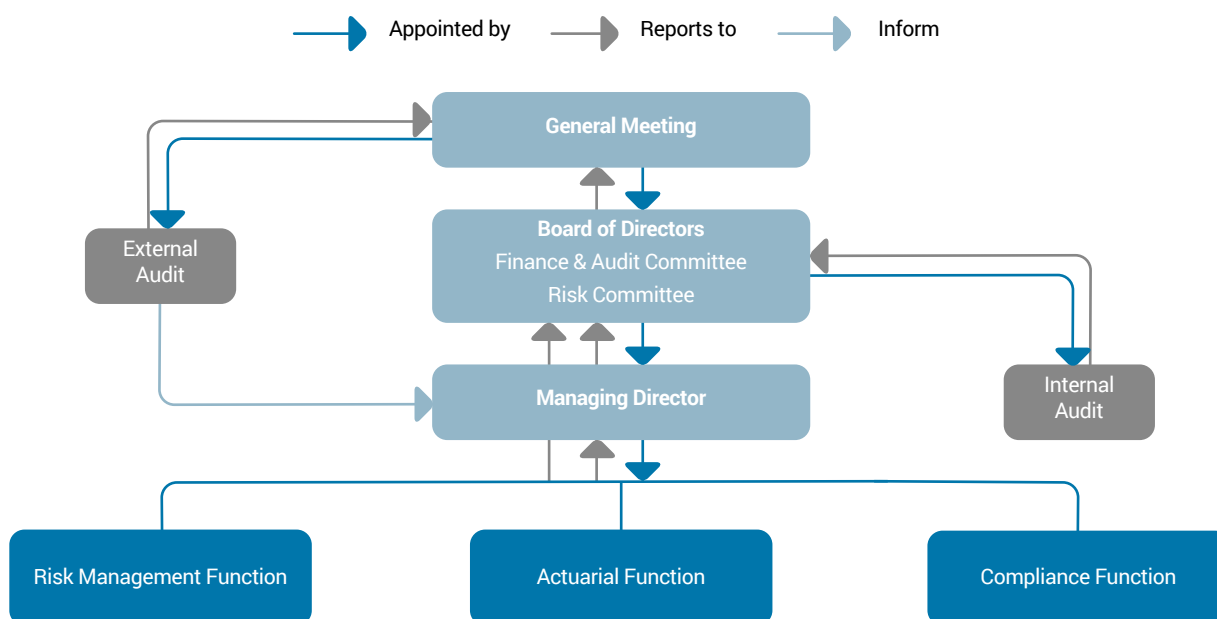
Actuarial function

The Actuarial function is responsible for coordinating calculation of the technical provisions, checking the calculations for the ORSA report, maintaining the Internal Capital Model (ICM), and performing controls on the relevant risks using advanced methods like scenario tests and stochastic models. It also reviews the suitability of the underwriting policy and reinsurance programme.

Compliance function

The compliance function is responsible for identifying and monitoring regulatory compliance associated with the Club's insurance activities that are subject to a permit in accordance with the applicable rules and regulations. Activities associated with compliance include:

- Identification and analysis of relevant rules, regulations and requirements that impact the Club's operations.
- Providing information and advice on the applicable rules, regulations and requirements.



The figure above illustrates important information flows and allocation of responsibilities.

- Follow up, review and reporting on regulatory compliance.

The Compliance function regularly reports to senior management, the Board and relevant committees.

Internal audit function

Internal audit is an independent function responsible for evaluating the effectiveness of the Club's internal control system and other governance processes. Its scope covers the Swedish Club and all of the Club's branches. It is an independent body that reports directly to the Board of Directors. Activities of the Internal audit function include:

- An overall review of corporate governance, including independence of the Actuarial function and the remuneration policy for employees.
- Regular reporting of observations and recommendations for improving the Club's processes.

The Internal Audit function's activities follow a set audit plan that is evaluated and updated annually.

Risk analysis

The Club's risk exposure is primarily associated with variations in the outcome of claims for the insurance classes, as well as variations in investment income. The scope of risk exposure also covers a number of other risk categories that are managed within the risk framework. Some risks have increased in importance, which is who more time and attention is being devoted to them.

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

Insurance risk

Insurance risk covers underwriting risk, concentration risk and reserving risk. An effective management of underwriting risks is fundamental to the Club's operations. Before new members can be accepted, a careful review of their country organisation and vessels is carried out. Rating systems and premium models are used to ensure that correct premium levels have been selected. The Swedish

Club's comprehensive reinsurance programme balances out variations in the claims result and protects against major losses, including the aggregation of losses from multiple insured interests.

There is quarterly follow up of the claims model via a comparison of the actual and expected results for each class of insurance. The claims model is also used to simulate claims costs in the Club's ICM, which enables a consistent treatment of insurance risk based on the capital requirements, ranging from the company level down to the underwriting of an individual risk.

Vessels can be insured in several classes, which results in concentration risk. A single event can thus result in claims in several classes of insurance. Depending on the design of the reinsurance protection, it can impact how the claims costs are allocated between the reinsurer and Club. This is particularly true for the classes of insurance specified in the table below.

	Vessels	Marine*	PI	FDD
Three classes	433	X	X	X
Two classes	298	X	X	
	24	X		X
One class	424		X	X
	5,959	X		
	340		X	
	191			X
No of Vessels				
No of Vessels per class	7,669			
		6,714	1,495	1,072

* Including Energy Risks

The table shows the concentration of insurance classes per vessel as of 31 December 2024:

6% of vessels were exposed to three insurance classes, 10% to two classes and 84% to one class.

The weighted average duration for claims outstanding net of reinsurance is 2.6 (2.6) years.

Reserving risk pertains to the risk associated with provisions that are made to cover future claims. The provision for unearned premiums must give consideration to the variation in risk exposure during an insurance period, such as seasonal variations in claims frequency and scope of claims.

Provisions for incurred and reported claims are based on individual assessments of each claim using the available information. Claims reserves must reflect the total liability, including claims handling costs, expected claims inflation and impact from currency fluctuations.

For Incurred But Not Reported claims (IBNR), statistical methods based on experience of the number and extent of claims in prior years are used.

The table below shows the development of claims, net, which means how the originally determined claim amount at the end of each respective reporting year has developed through 31 December 2024.

Counterparty risk

Reinsurance protection is crucial to the Club's success. Risks can arise from an insufficient or erroneous level of protection. The reinsurance department is responsible for procurement, and they are tasked with optimising insurance costs in relation to risk, results, volatility and capital requirements. Essential to the management of these risks is a reliable assessment of the probabilities and expected outcomes.

The Club has had a consistent reinsurance strategy for many years. For Marine, Energy and FD&D, coverage is obtained directly via the Club's long-term relationships with leading reinsurance companies. For P&I, the Club collaborates with the International Group of P&I Clubs, where claim costs between USD 10 million and USD 100 million are shared (the Pooling Agreement). To supplement this, reinsurance protection up to USD 3.1 million (Excess reinsurance programme) is purchased.

Parts of the pool and reinsurance protection are covered by Hydra Insurance Company Limited (Bermuda), which is owned by the Group's 12 members. Hydra is a protected cell company, which means that the assets and liabilities in each cell are legally separate from the other cells and each member owns their own cell. Hydra covers the protection of P&I clubs as follows:

- 100% between USD 30 and 100 million.
- Maximum USD 107 million of the coverage between USD 100 and 750 million.

The Swedish Club's share is approximately 4% of the business. For more information on International Group see www.igpandi.org.

The Swedish Club also has its own reinsurance solution that covers Marine, Energy, FD&D and P&I up to USD 10 million.

To minimise counterparty risk, there are requirements on participating reinsurers to have a minimum rating of A- (Standard & Poor's) or A3 (Moody's). In 2024, all of the reinsurers had a rating of A or higher.

For claims management, guarantees are sometimes accepted from P&I clubs, known insurance companies or banks. There is a low level of risk associated with such guarantees. In December 2024, outstanding premiums older than 3 months were 1.2 (0.6) % of the 2024 gross premiums written.

Operational risks

Operational risks can arise from missing or inadequate processes, human error, system deficiencies or external events. The Club also has subcategories of operational risks that include climate, legal and compliance risks.

Process risks arise when internal processes are insufficient or fail to work as intended. These risks are dealt with via regular process evaluations and incident management. Work flows are documented and standardised to ensure that processes are effective and robust. Human error attributable to employees is minimised via regular trainings, skills development, follow up on incidents and clear work instructions.

System risks area related to errors or deficiencies in ICT systems and technological solutions. They are managed by testing new systems before they are implemented, as well as evaluation and risk assessment of the suppliers of

Estimated final claims cost at the end of:	Insurance year					
	2019	2020	2021	2022	2023	2024
Claim year (net)	108,757	125,892	175,060	146,885	145,463	167,769
one year later	121,670	138,169	177,591	155,655	127,774	
two years later	118,859	132,101	171,416	157,913		
three years later	118,232	138,177	164,992			
four years later	120,504	135,123				
five years later	118,853					

ICT systems. Information security risks involve the risk that information is divulged to unauthorised parties, distorted or becomes unavailable. Robust information security policies and processes are used to manage these risks, along with training and data backup. Advanced security solutions are also used, such as firewalls, encryption and continuous monitoring of systems. ICT risks are also dealt with via redundancy in critical systems as well as regular testing of disaster recovery.

External risks, stemming from external events such as natural disasters are managed via continuity planning, crisis response plans and collaboration with external experts to identify and manage external threats.

Compliance risks and legal risks include the risk of sanctions, legal disputes or reputational damage resulting from a lack of compliance with applicable laws and regulations. These types of risks are managed via dedicated compliance resources that monitor regulatory changes, assurance of compliance with industry standards, and in-house training on legal and regulatory requirements.

In order to effectively manage climate risks, efforts are underway to integrate sustainability risks, including transition and physical risks, into our risk and solvency assessments. Transition risks have to do with changes in regulations, technologies and market requirements that impact our customers and operations. Physical risks are primarily extreme weather events, rising sea levels and other climate-related effects that could impact assets and insurance portfolios.

The Club has systems support for identifying, measuring and controlling its operational risks. The operational side of the business conducts an annual review of its operational risks and monitoring occurs via such things as the Club's incident management system.

Management of the risks of money laundering, terrorist financing and sanctions violations.

The Swedish Club has implemented a framework for compliance and risk management of these types of risks. It includes:

1. Know Your Customer (KYC): Procedures for continuous monitoring of customer relationships to ensure that we understand our customers' business and the purpose of the business relationship.

2. Screening of sanctions: Automated systems to regularly check customers, vessels and business partners against global sanctions lists.
3. Risk assessment: Risk analyses to identify high-risk activities and geographic areas, applying enhanced measures to identify elevated risk.
4. Training and awareness: Training for employees to ensure that they are aware of the applicable rules, sanctions and the Club's internal policies.

This is how the Swedish Club strives to maintain a high standard when it comes to regulatory compliance. It is also how we contribute to there being a secure and transparent financial environment globally.

Financial risk

Market, credit and liquidity risks are classified as financial risks, where the Club's goal is to identify a safe risk level and maximize long-term investment income. The currency mix in the investment portfolio is crucial for balancing the Club's assets with its liabilities. The investment philosophy focuses on risk diversification and investments in assets with a high level of creditworthiness. In order to control risks, the Board of Directors establishes an investment policy (Risk Management Directive), which governs the composition, control and authority over asset management.

A model has been developed for measuring the total value at risk through exposure in shares, currencies, interest rates and maturities, as well as matching against actuarial provisions. According to the model, risk exposure has increased from USD 24 million at the beginning of the year to USD 30 million at the end of 2024, which is in line with the goal of keeping the risk within the tolerance limits. Results and other relevant information is reported on a monthly basis to the Managing Director.

Market risks cover fluctuations in interest rates, exchange rates and share prices. The Club operates internationally and has revenue, expenditures and investments in various currencies. As of 31 December 2024, the duration of interest-bearing securities was 2.6 (2.6) years. A change in interest rates of 1 percentage point would result in a value change of approximately USD 10 (9) million.

Currency exposure for the Club's most important currencies was, as of 31 December 2024, USD 28.8 (29.1) million. All decisions regarding currency positions are based on a US dollar perspective. The Club has thus chosen to regard free reserves as consisting entirely of US dollars, although operating costs arise in a variety of currencies.

Currency exposure	EUR	GBP	SEK
Investment assets	24,089	-	0
Receivables	4,019	1,629	1,058
Other assets	1,318	1,746	4,672
Total assets	29,426	3,375	5,730
Equity and untaxed reserves	-	-	-
Technical provisions, net	-1,847	-1	-149
Other liabilities and provisions	-1,854	-172	-5,748
Total liabilities and provisions	-3,701	-173	-5,897
Net exposure	25,725	3,202	-167

18% of the Club's investments are shares. All of its holdings are in well-diversified funds or index-linked securities with a high rating. Decisions concerning investments and reallocations of equity investments are the responsibility of the Board of Directors through the Finance & Audit Committee.

Credit risks primarily cover the risk of bond failures, reinsurance compensations, receivables from members and guarantees from counterparties. The credit quality of bonds and other interest-bearing securities is shown in the table below. At year end, the Club's interest-bearing investments amounted to USD 410 (369) million.

Creditworthiness for classes of financial assets at fair value ¹⁾	AAA	AA	A	BBB	Other
Bonds and other interest-bearing securities					
Foreign governments	179,888	76,640	1,730	2,058	1,564
Other foreign issuers	3,172	6,662	40,225	73,670	24,593
	183,060	83,302	41,956	75,728	26,157

¹⁾ Rating by Standard & Poor's and Moody's

Liquidity risk is low over the short term, since the majority of the investment portfolio can be converted to cash within a few days. The Club is not, therefore, dependent on financing from capital markets.

2024	Financial assets measured at fair value through profit or loss	Loan receivables measured at amortised cost	Total carrying amount	Fair value
<i>Assets designated as belonging to this category</i>				
Financial assets				
Shares	88,008	-	88,008	88,008
Bonds and other interest - bearing securities	410,203	-	410,203	410,203
Other receivables	-	471	471	-1)
Cash and bank balances	-	41,985	41,985	-1)
Other assets	-	531	531	-1)
Total financial assets	498,211	42,987	541,198	498,211

2024	Financial liabilities measured at fair value through OCI	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
Financial liabilities				
Forward exchange agreements	2,848	-	2,848	2,848
Other liabilities	-	9,803	9,803	-1)
Total financial liabilities	2,848	9,803	12,651	2,848

2023	Financial assets measured at fair value through profit or loss	Loan receivables measured at amortised cost	Total carrying amount	Fair value
<i>Assets designated as belonging to this category</i>				
Financial assets				
Shares	67,275	-	67,275	67,275
Bonds and other interest -bearing securities	369,152	-	369,152	369,152
Other receivables	-	507	507	-1)
Cash and bank balances	-	31,123	31,123	-1)
Other assets	-	585	585	-1)
Total financial assets	436,427	32,215	468,643	436,427

2023	Financial liabilities measured at fair value through OCI	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
Financial liabilities				
Forward exchange agreements	1,681	98	1,779	1,779
Other liabilities	-	13,092	13,092	-1)
Total financial liabilities	1,681	13,190	14,871	1,779

¹⁾ Disclosure on fair value has not been provided because the carrying amount is deemed as being a reasonable approximation of fair value.

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, which are reported at fair value in the balance sheet:

Level 1

For financial instruments listed on an active market (investment assets) the fair value is based on the asset's listed purchase price on the reporting date, not including transaction costs (e.g. brokerage fees). Future transaction costs related to disposal are not taken into account.

Level 2

In those few instances where prices are not directly available, valuation has been made by an independent nominee, who, by own account, has used price components that can be observed on the market and which therefore are included in Level 2.

Level 3

The Club uses an evaluation by an independent nominee based on the latest information available.

The table below provides information on how fair value is decided for financial instruments that are measured at fair value in the balance sheet.

Capital requirements

FI's (the Swedish financial supervisory authority) oversight of insurance companies includes a quarterly reporting requirement on Solvency Capital Requirement (SCR) and own funds. SCR at the end of 2024 was USD 169 million and eligible own funds were USD 315 million Surplus of registered assets.

2024	Level 1	Level 2	Level 3	Total
Shares	76,547	-	11,461	88,008
Bonds and other interest-bearing securities	370,629	20,345	19,229	410,203
Total	447,176	20,345	30,690	498,211

Note 3. Premiums written, gross, by geographic area

	2024	2023
Greece	70,149	62,513
China	38,476	41,612
Singapore	30,340	29,880
Germany	18,557	21,450
Hong Kong	12,212	12,472
Sweden	11,319	11,727
Taiwan	8,221	5,243
Norway	7,432	6,798
Cyprus	5,970	7,833
Other countries	41,095	43,102
	243,771	242,632

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

	2024	2023
Allocated investment income transferred to the technical account	16,800	12,700
<i>The Club uses a model for the calculation of transferred investment income. It is based on the interest rate that corresponds to the United States 1-year bond yield at the beginning of the year in relation to the provisions for claims outstanding net of reinsurance. For 2024, the expected 1-year US Government bond rate used was 5.3%. If the calculated annual amount is less than USD 1 million no transfer will be made.</i>		
	2024	2023
Average interest rate	5,3%	4,6%

Note 5. Claims paid

	2024			2023		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Current year:						
Claims Paid	-31,032	3,705	-27,327	-25,259	1,195	-24,064
Claims Handling Costs	-16,360		-16,360	-13,534		-13,534
Previous years:						
Claims Paid	-84,785	-6,655	-91,440	-222,754	162,552	-60,201
	-132,177	-2,950	-135,127	-261,546	163,747	-97,799

Note 6. Change in other technical provisions

	2024	2023
Value change, Hydra	13,115	3,348
	13,115	3,348
<i>This income item reflects the change in value of receivables on Hydra. See Note 19.</i>		

Note 7. Net operating expenses

Specification of net operating expenses reported in the income statement

	2024	2023
Acquisition costs	-21,363	-21,475
Change in prepaid acquisition costs	-729	591
Internal operating expenses for acquisition of insurance contracts	-11,226	-8,170
	-33,318	-29,054
Administrative expenses	-6,756	-7,586
Net operating expenses	-40,074	-36,640

Allocation of other operating expenses in the income statement:

Claims handling expenses reported as claims paid	-16,360	-13,534
Finance administrative expenses reported as Financial costs, Note 11	-790	-522
	-57,224	-50,696

Total operating expenses analysed under the following categories:

Advertising and selling expenses	-791	-959
Personnel costs 2)	-23,705	-19,436
Travel expenses	-930	-1,092
Cost of premises	-2,173	-2,100
Office expenses	-1,817	-1,356
External services and fees 1)	-5,973	-4,407
Depreciation	-601	-359
Charged claims handling cost	4,494	3,615
Other revenue	138	202
External acquisition costs	-22,092	-20,884
Costs for The Swedish Club Hong Kong Limited	-3,774	-3,920
	-57,224	-50,696

1) Operating expenses include remuneration to PwC

	2024	2023
<i>Audit assignment</i>	-445	-376
<i>- of which concern PwC Sweden</i>	-391	-324
<i>Other statutory assignments</i>	-	-
<i>Tax advice services (nothing concern PwC Sweden)</i>	-27	-5
<i>Other services</i>	-144	-46
<i>- of which concern PwC Sweden</i>	-	-

2) Contains an impact from hedging instruments

Note 8. Operational leasing

Fees due

	Machinery & Equipment	Buildings & Premises
Year 2024	258	2,040
1 year	236	1,022
2 - 5 years	181	1,088
> 5 years	-	194

The company has operational leasing agreements, mainly rental agreements for premises, that are presented above.

Note 9. Financial income

	2024	2023
Dividends on quoted shares	175	124
Interest income		
Bonds and other interest-bearing securities	285	256
Other interest income	2,807	1,985
	3,092	2,241
Gains on foreign exchange, net	-	937
Gains on realisation, Other shares	2	-
Gains on the realisation of investments, net:		
Quoted shares	4,710	2,955
Bonds and other interest-bearing securities	9,430	596
	14,142	4,488
	17,409	6,853

Note 10. Unrealised gains on investments

	2024	2023
Quoted shares	6,782	8,825
Bonds and other interest-bearing securities	8,917	20,298
	15,699	29,123

Note 11. Financial costs

	2024	2023
Internal management expenses	-790	-522
External management expenses	-186	-263
Losses on foreign exchange, net	-2,493	-
Forward exchange agreement	-111	-745
	-3,580	-1,530

Note 12. Intangible assets

	2024	2023
Capitalised expenditure, software system		
Opening accumulated costs	7,002	5,817
Acquisitions	973	811
Revaluation of accumulated acquisition costs	-791	374
Closing accumulated costs	7,184	7,002
Opening accumulated depreciation	-4,512	-4,245
Depreciation for the year	-223	-70
Revaluation of depreciation	426	-197
Closing accumulated depreciation	-4,309	-4,512
	2,875	2,490

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

Note 13. Shares in group and associated companies

	2024	2023
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
	0	11

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

During the year, The Club divested its 50 % shareholding of The Swedish Club Academy in exchange for proceeds amounting to SEK 101,500 (USD 9,410).

Information about The Swedish Club Hong Kong Limited:

CIN: 15065077-001-09-19-0

Registered office: Hong Kong

Note 14. Quoted shares

	2024	2023
Quoted shares at fair value	88,008	67,275
	88,008	67,275

Costs of quoted shares USD 63 876 (49 925) thousands.

Quoted shares are specified in the table below:

Name	Number	Cost	Fair value
Mercer Passive Global Equity UCITS Fund	356,596	53,901	76,547
Mercer PIP VI - Sub Fund INFRA	9,975	9,975	11,461
		63,876	88,008

Note 15. Bond funds and other interest-bearing securities

2024	Cost	Fair value	Carrying amount
Bond funds	380,902	410,203	410,203
	380,902	410,203	410,203
2023	Cost	Fair value	Carrying amount
Bond funds	348,768	369,152	369,152
	348,768	369,152	369,152

Note 16. Technical provisions

	2024			2023		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Provision for claims outstanding						
Opening balance, provision for reported claims	383,532	-92,674	290,858	373,792	-140,507	233,285
Opening balance, provision for incurred not reported (IBNR)	16,295	-250	16,046	21,347	-250	21,098
Opening balance	399,827	-92,924	306,904	395,139	-140,757	254,383
Claims occurred during the current year	195,939	-31,415	164,524	136,605	-1,327	135,278
Claims paid current year	-115,817	-2,950	-118,767	-248,012	163,746	-84,266
Change in expected cost for claims occurred previous years (run-off result)	-24,416	1,789	-24,628	116,096	-114,586	1,509
Closing balance	453,533	-125,500	328,033	399,828	-92,924	306,904
Closing balance, reported claims	434,626	-125,250	309,375	383,532	-92,674	290,858
Closing balance, provision for incurred not reported (IBNR)	18,907	-250	18,658	16,295	-250	16,046
Provision for unearned premiums						
Opening balance	61,857	-5,549	56,308	54,971	-5,973	48,998
Insurance contracts signed during the period	58,160	-5,307	52,853	61,857	-5,549	56,308
Premiums earned during the period	-61,857	5,549	-56,308	-54,971	5,973	-48,998
Closing balance	58,160	-5,307	52,853	61,857	-5,549	56,308

The provision is treated as USD. No exchange differences therefore occur. Provision for claims handling included in provision for claims outstanding amounts to USD 9,396 (9,396) thousands.

Note 17. Receivables related to direct insurance operations

	2024	2023
Policyholders (members)	57,696	54,593
Insurance brokers	53	33
Insurance companies	2,557	2,537
Other	21,663	86,192
	81,969	143,355

Note 18. Tangible assets

Machinery and equipment	2024	2023
Opening accumulated cost	4,100	3,329
Acquisitions	793	610
Sales and disposals	-	-
Revaluation of accumulated purchase prices	-353	161
Closing accumulated cost	4,540	4,100
Opening accumulated depreciation	-2,987	-2,562
Reversed depreciation on tangible assets disposals	-	-
Depreciation for the year	-376	-289
Revaluation of depreciation	291	-136
Closing accumulated depreciation	-3,072	-2,987
	1,468	1,113

Depreciations are accounted for in the income statement under 'Net operating expenses'.

Note 19. Other assets

	2024	2023
Receivables, Hydra	14,036	19,521
Other assets	530	585
	14,566	20,106

During the year, USD 18.6 million has been reinstated under Other assets as a result of the repatriation of capital from a Captive cell.

Note 20. Pensions and similar obligations

	2024	2023
Provision pensions	190	232
	190	232

The costs for own employees for both defined-benefit and defined-contribution pensions are reports as employee benefit expenses at the rate that the benefits are earned. Defined-benefit pensions are reported in accordance with RFR 2, which means that the pension expense corresponds to paid premiums. Total paid premiums during the year amounted to USD 2,050.

Pension provisions include the capital value of pension obligations for prior senior executives, which amounts to USD 190 (232) thousand.

Note 21. Taxes

Tax on result for the year	2024	2023
Deferred tax investment assets	-3,234	-5,999
Deferred tax other comprehensive income	220	-766
Other taxes	-40	-50
Closing accumulated cost	-3,054	-6,815

Tax rate 20.6 %. Current years deferred tax is assignable to unrealised value changes in investment assets.

Change in provision for deferred tax

Opening balance	7,407	641
Change recognised in income statement	3,013	6,766
Closing balance	10,420	7,407

Change in provision for deferred tax reported in untaxed reserves

Opening balance	37,114	35,415
Change reported in untaxed reserves	3,939	1,699
Closing balance	41,053	37,114

Note 22. Liabilities related to direct insurance operations

	2024	2023
Policyholders (members)	5,471	3,173
Insurance brokers	8,031	8,757
Insurance companies	4,056	3,199
	17,558	15,129

Note 23. Other Liabilities

	2024	2023
Forward exchange agreements	2,848	1,779
Trade creditors	696	367
Other creditors	9,644	13,189
	10,340	13,556

Note 24. Expected settlement of assets and liabilities

Approximately 60 % of the provision for claims outstanding is expected to be paid more than 12 months in the future. For other balance sheet items that are expected to be settled more than 12 months in the future, 50 % of the receivables and liabilities are associated with other insurance companies. There is little risk in the short term of the Club becoming short of cash funds since most of the investment portfolio can be converted to cash within a few days. For more information on liquidity risk, please see Note 2.

Note 25. Memorandum items

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

	2024	2023
Government/municipal bonds, etc.	249,509	197,353
Bonds other	140,349	155,063
Quoted shares	88,008	67,275
Investment fund	20,345	16,736
Cash and bank balances	32,477	17,879
Receivables related to direct insurance operations	37,978	41,919
	568,666	496,225
Technical provisions, net	380,886	363,211
Surplus of registered assets	187,780	133,014
	568,666	496,225

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 4.6 (3.3) million. There is also a bank guarantee on lease amounting to USD 0.1 (0.1) million.

Note 26. Related party transactions

With the exception of what is required by insurance contracts, there are no related party transactions with Board members. Neither are there any related party transactions with senior executives of the Club. During the year, the Club reimbursed the equivalent of USD 3.9 million to its subsidiary in Hong Kong. This was for operating costs in 2024. In addition, a receivable is reported in the balance sheet for USD 0.3 million.

Note 27. Significant events after the balance sheet date

After the balance sheet date, insurance activities have developed in line with the established goals and expectations. The Swedish Club does not have any significant events to report on items that have not previously been communicated but relate to periods up to the balance sheet date.

Note 28. Personnel

	2024	2023
Average number of employees:		
in Sweden	84	79
in Greece	21	20
in Norway	6	6
in Hong Kong ¹⁾	6	1
in Singapore	7	8
in United Kingdom	3	3
	127	117
of which, women	50%	48%
Women in management team	29%	29%
Salaries and payments:		
Board and senior management	1,793	1,791
whereof bonus payments	179	-
Other employees	12,355	9,528
Payroll overhead:		
Other employees	6,388	5,754
whereof pensions costs to board and senior management	330	372
whereof pension costs to other employees	1,710	1,536

1) The average number of employees in The Swedish Club Hong Kong Limited is 16 (21).

Board members' signatures

The income statements and balance sheets will be brought forth for adoption by the AGM on 12 June 2025.

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 it 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.

Gothenburg, 27 March 2025

P. Claesson
Chairman of the Board

M. Bodouroglou

D. Dragazis

A. Hampson

K. Hashim
Deputy Chairman

L. Höglund

R. Johansson

J. Coustas
Deputy Chairman

A. Källsson

A. Lemos

M. Liu

M. Livijn

S. Sun

T. Tanthuanit

M. Vinnen

J. Xiao

T. Ponath

X. Shi

K. Zacharatos

T. Nordberg
Managing Director

M. Birgersson
Employee Representative

A. Fjaervoll
Employee Representative

Our audit report was submitted by
Öhrlings PricewaterhouseCoopers AB

Iiulia Zhuravel
Authorised Public Accountant

Never again will change happen so slowly.



In a world where change is accelerating at such pace, there is only one course to take: be part of that change.

As a stable actor in the shipping industry since 1872, we stand ready to face the future - together with you at all times.





An aerial photograph of a rugged coastline. The top half shows a rocky shore with patches of green vegetation and a winding path. The bottom half shows clear, turquoise water with visible underwater rocks and sandbars. A white square containing the number 8 is positioned on the left side, overlapping the water and the shore.

8

INDEPENDENT AUDITOR'S REPORT

To the general meeting of Sveriges Ångfartygs Assurans Förening,
corporate identity number 557206-5265

Report on the annual accounts

Our opinion

We have audited the financial statements of The Swedish Club (the Company), which comprise the income statement for the year ended December 31, 2024, the balance sheet as at 31 December 2024, the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of The Swedish Club for the year ended 31 December 2024, are prepared, in all material respects, in accordance with the accounting policies described in the note 1 of these financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Sveriges Ångfartygs Assurans Förening in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matter

Valuation of provisions for claims outstanding

Provisions for claims outstanding constitute a significant balance sheet item based on calculations and estimates of future outcomes of the cost of claims. Factors taken into account in the assessment include time of settlement and patterns of claims.

The company uses established actuarial methods for calculating provisions for claims outstanding. The company's provisions consist of a number of different products where the characteristics of the products affect the calculation models.

For further description, see the Annual Report note 1, 2 and 16.

How our audit addressed the key audit matter

Our audit has included, but not exclusively, consisted of:

- Assessment of design and testing of the effectiveness of controls in the processes for calculating the provision for claims outstanding.
- Assessments of used actuarial methods and models. We have also challenged and assessed the management's assumptions used in the calculations.
- In addition, we have conducted our own calculations to ensure that the provision for claims outstanding is reasonable. PwC's own actuaries assisted the audit.
- We have reviewed and assessed whether the disclosures in the annual report are appropriate.

Other Matter

The Company has prepared a separate set of financial statements in SEK for the year ended 31 December 2024 in accordance with the regulations regarding annual reports for insurance companies (FFFS 2019:23), on which we will issue a separate auditor's report for the Sveriges Ångfartygs Assurans Förening. The financial statements have been translated from Swedish to English and from SEK into USD in accordance with the principles laid out in note 1 of these financial statements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate

the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud



may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. 🌐

Stockholm, May 2025

Öhrlings PricewaterhouseCoopers AB

Iuliia Zhuravel

Authorized Public Accountant





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**PERFORMANCE
ANALYSIS PER
CLASS OF
INSURANCE**

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 page 85 for an explanation of the classes of insurance.

For the financial year January through December 2024. Amounts in USD thousands.		Total	P&I	FD&D	Marine & Energy
Technical account					
Earned premiums, net of reinsurance					
Premiums written, gross		243,771	136,027	10,043	97,701
Outward reinsurance premiums		-59,522	-40,889	-371	-18,262
Change in provision for unearned premiums		3,695	-427	48	4,074
Reinsurers' share of change in provision for unearned premiums		-241	-65	-	-176
	A	187,703	94,646	9,720	83,337
Investment income transferred from the non-technical account					
	B	16,800	11,600	800	4,400
Claims incurred, net of reinsurance					
Claims paid					
Before outgoing reinsurance		-132,177	-77,206	-5,167	-49,804
Reinsurers' share		-2,950	-4,303	-	1,353
		-135,127	-81,509	-5,167	-48,451
Change in provision for claims outstanding					
Before outgoing reinsurance		-53,706	-24,613	-2,324	-26,769
Reinsurers' share		32,575	21,767	-	10,808
		-21,131	-2,846	-2,324	-15,961
	C	-156,258	-84,355	-7,491	-64,412
Change in other technical provisions					
	C	13,115	13,115	-	-
Net operating expenses					
	D	-40,074	-20,321	-1,339	-18,414
Balance on technical account	A+B+C+D	21,286	14,685	1,690	4,911
Financial result		29,528			
Allocated investment income transferred to the technical account		-16,800			
Result before appropriation and tax		34,014			
Key figures					
Loss ratio [C/A]		77%			
Expense ratio [D/A]		21%			
Combined ratio [(C+D)/A]		98%			

A top-down view of a dense network of tree roots, likely mangroves, growing over a thick carpet of small green plants. The roots are brown and gnarled, creating a complex web across the frame. The green plants are small and leafy, filling the spaces between the roots.

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**DEFINITIONS
AND GLOSSARY**

Definitions and 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 dollars 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.

Ancillary own funds:

consists of items in addition to those included in basic own funds and which may be required for covering losses.

For items in Level 2 and 3 of the hierarchy, the maximum amount of ancillary own funds that may be included here is 50% of the SCR.

Basic own funds:

the core of eligible own funds according to Solvency II. Calculated as the difference between assets and liabilities, including technical provisions measured at fair value.

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 for own account.

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.

Direct yield:

direct yield on investments (dividends received and interest income) as a percentage of the average fair value of investments and cash/bank balances.

Eligible own funds:

own funds consist of basic own funds and ancillary own funds, established according to the Solvency II requirements. Own-fund items are classified in three tiers, depending on their value. Only basic own funds classified as Tier 1 and Tier 2 are eligible for covering the MCR.

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 see: 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 (legal protection):

a main class of insurance that convey advice and cover the legal costs incurred in pursuing or defending claims covered by this class of insurance pursuant to its terms and conditions. There is no cover under FD&D, however, for the claim itself.

For own account, f.o.a.:

net of reinsurance.

Free reserves:

equity less deferred tax assets plus untaxed reserves and deferred tax liability.

H&M, Hull & Machinery:

a cover that protects the insured against damage to, or loss of, his vessel or machinery.

IBNR, Incurred But Not Reported:

a term used to describe an estimate of 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 reflects the views of the P&I community.

Loss ratio:

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

Marine & Energy (vessels):

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

MCR, Minimum Capital Requirement:

insurers subject to Solvency II must at all times have eligible basic own funds of at least the level of the MCR. The authorisation of an insurer is withdrawn when the undertaking's amount of eligible basic own funds falls below the MCR and the undertaking is unable to re-establish the amount of eligible basic own funds at the level of the MCR within a short period of time.

MRM, Maritime Resource Management:

is a training course intended for seagoing staff, pilots, and shore-based personnel. The overall 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 delivery of 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 3.5 billion in excess of reinsurance.

P&I, Protection & Indemnity (ship liability):

a main class of 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 10 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.

SCR, Solvency Capital Requirement:

capital requirement in accordance with the Solvency II Directive. It corresponds to the level where the probability that the company is unable to meet its obligations does not exceed 1 in 200. The requirement is calculated using a standard model. The capital requirement is affected by insurance, market, credit, and operational risks.

Total return:

direct yield on investments (dividends received and interest income), unrealised profits and losses and capital gains or losses from the sale of investment assets, in relation to the average fair value of the investments and cash/bank.

Underwriting:

includes the risk assessment and pricing that occurs 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.



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