



Pioneering  
marine insurance  
since 1872

Annual Report  
For the year ended 31 december

2025

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A close-up profile of a man with a beard, wearing a bright blue quilted hooded jacket and a black beanie. He is looking out towards the sea, which is visible in the background. The overall tone is professional and resilient.

# Stronger together in a changing world

The global shipping industry continues to navigate a period of sustained geopolitical upheaval. Conflict, sanctions, shifting trade policies, cyber threats and increasingly complex regulatory frameworks have combined to create an environment defined by volatility and uncertainty. For shipowners, the consequences are often immediate: disrupted trade routes, longer voyages, heightened risk exposure and the need to make critical decisions at short notice, often without clear precedent.

Throughout 2025, The Swedish Club has focused on delivering consistent, practical support in this demanding context. Responsiveness, timely advice and proactive loss prevention remain central, ensuring that members are

equipped to manage emerging risks as they develop. Particular attention is also given to the human dimension of shipping, recognising the essential contribution of seafarers and the importance of safeguarding their wellbeing and that of their families.

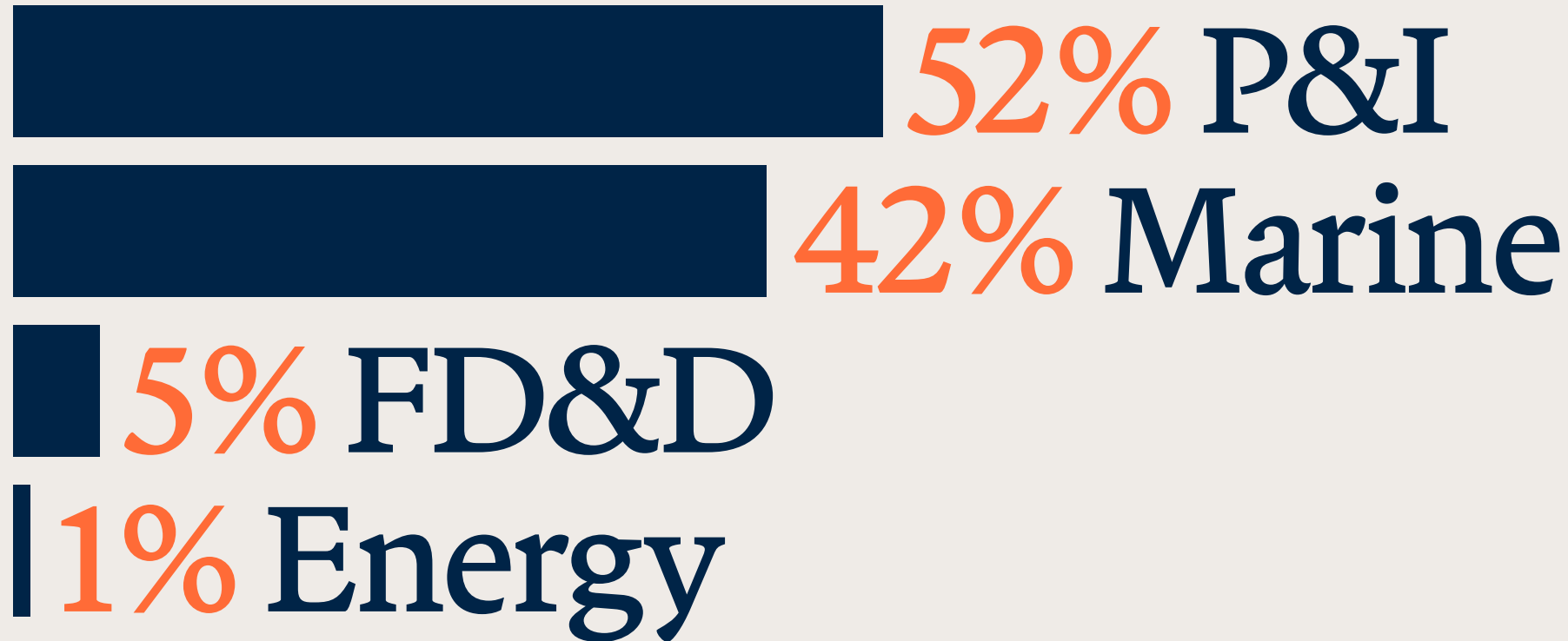
Close collaboration across teams, regions and disciplines strengthens this approach. Through open dialogue with members, brokers and partners, expertise and insight are continuously shared and refined. Supported by a strong financial position, the Club continues to broaden its services and global presence, providing stability, continuity and confidence as members navigate an increasingly complex world.



# 2025 in a brief

Pioneering marine insurance since 1872

# Our business portfolio



# Financial highlights

## Calls and premiums

**\$262.8m**

2024	2023
\$243.8m	\$242.6m

## Reinsurance premiums

**\$52.0m**

2024	2023
\$59.8m	\$56.5m

## Net claims incurred

**\$153.9m**

2024	2023
\$143.1m	\$147.0m

## Investment result

**\$41.6m**

2024	2023
\$28.8m	\$34.0m

## Operating result

**\$48.1m**

2024	2023
\$34.0m	\$30.0m

## Free reserves at year end

**\$270.1**

2024	2023
\$216.6m	\$183.7m

## Expense ratio

**21%**

2024	2023
21%	20%

## Combined ratio

**97%**

2024	2023
98%	102%

## Loss ratio

**76%**

2024	2023
77%	82%

# 2025 highlights



Continued solid improvements of financial strength, confirmed by rating institutes



An operational result of 48 MUSD, representing the strongest result in the Club's history



Sustained member growth, reinforcing long-term mutual strength



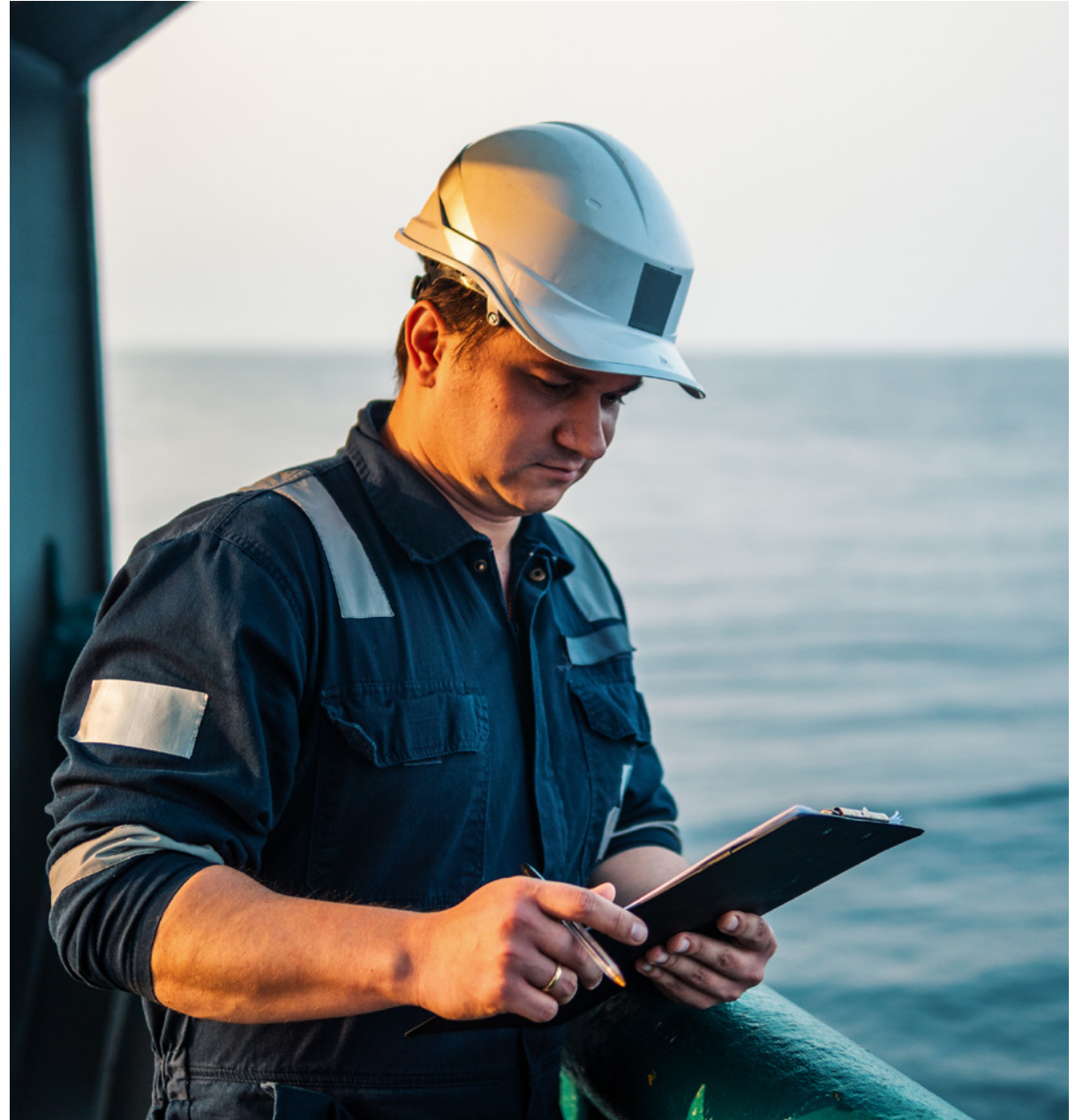
Introduced new core value: "Caring", defining the Club, its people, and operations



Expanding global footprint – the announcement of a new office in New York



Organisational enhancements, responding to growing and changing needs of members

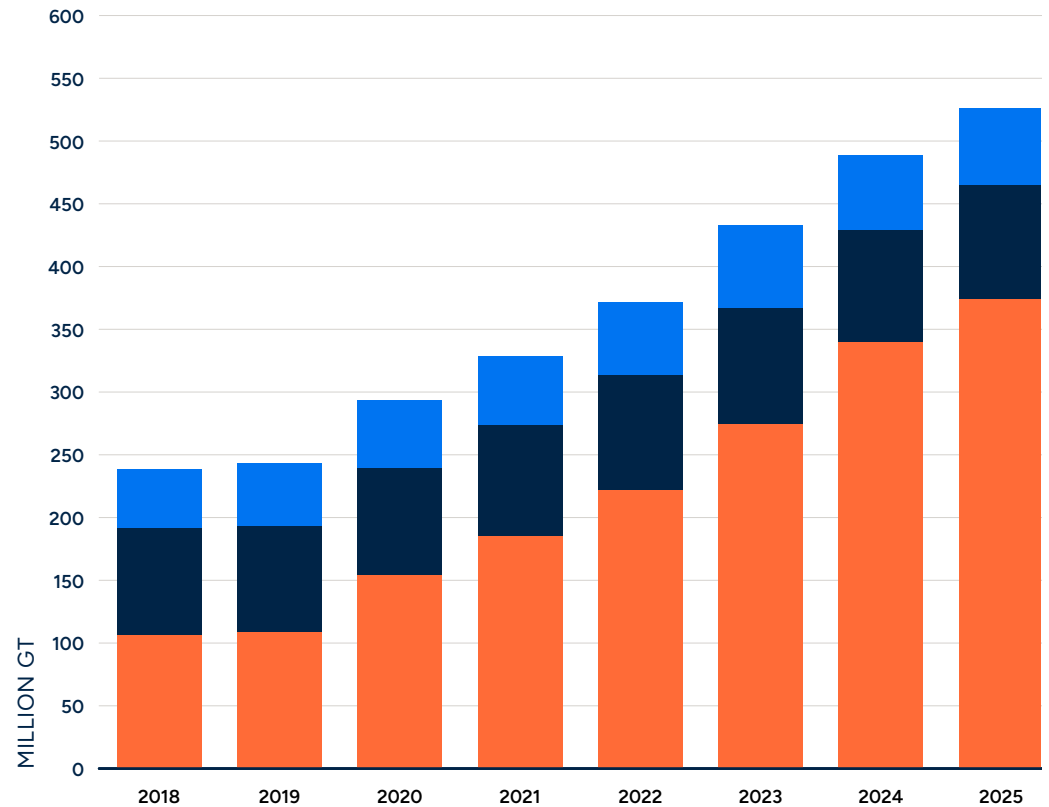




# Vessel portfolio

GT – Insurance Year Start

■ H&M   
 ■ P&I Owners' + Charterers'   
 ■ FD&D Owners' + Charterers'



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

# 2025 at a glance

## Insurance facts

	2026	2025	2024	2023	2022
<b>P&amp;I Insurance including Charterers' Liability, 20 February</b>					
No. of vessels	2,312	2,224	2,248	2,437	2,437
Gross tonnage (million)	83	87	88	93	92
<b>FD&amp;D Insurance including Charterers' Liability, 20 February</b>					
No. of vessels	1,442	1,375	1,309	1,651	1,443
<b>Marine H&amp;M Insurance including OSVs, 1 January</b>					
No. of vessels	7,377	6,736	6,116	5,237	4,780
Insurance value (USD million)	299,500	261,100	217,100	188,100	154,400
<i>Of which the Club has insured (USD million)</i>	29,900	27,200	23,500	22,600	19,500

## Call history policy year

	2026/27	2025/26	2024/25	2025/24	2024/23
<b>P&amp;I Insurance</b>					
General increase (Owners' P&I)	5 %	5 %	7.5 %	10 %	12.5 %
Additional call/estimated additional call	0 %	0 %	0 %	0 %	0 %
Open/closed	Open	Open	Open	Closed	Closed
<b>FD&amp;D Insurance</b>					
General increase (Owners' P&I)	5 %	5 %	7.5 %	15 %	15 %
Additional call/estimated additional call	0 %	0 %	0 %	0 %	0 %
Open/closed	Open	Open	Open	Closed	Closed





# Chairman's report

Strong progress in an increasingly complex environment

# Strong progress in an increasingly complex environment

Peter Claesson, Chairman, The Swedish Club

A year ago, I reflected on the geopolitical, environmental, regulatory and economic forces shaping global shipping. Twelve months later, those pressures have only intensified. In 2025 the industry continued to navigate a volatile environment marked by geopolitical tensions, shifting trade policies, evolving sanctions regimes and new regional conflicts.

Uncertainty is not new to shipping. The industry has always required resilience and adaptability, and shipowners continue to demonstrate these qualities as they respond to rapidly changing global conditions.

The impact of these external forces has varied across sectors. Tanker markets have remained volatile yet delivered several consecutive years of strong day rates. Ferry operators in Europe have largely followed broader economic trends, while container markets have rebounded but face concerns over vessel oversupply. Dry bulk, after a period of strong performance, is experiencing a more subdued phase.

Across the industry, sanctions compliance and geopolitical disruption remain key challenges. In 2025, shipping also faced increased policy uncertainty linked to tensions between the United States and other trading regions. In such circumstances, vigilance and flexibility remain essential qualities for shipowners and insurers alike.

## **A year of strong progress**

Against this backdrop, The Swedish Club has continued to make strong progress. The Board has focused on ensuring that the Club remains financially resilient, strategically disciplined and well governed in an increasingly complex environment.

The results achieved over the past year confirm that the strategy agreed between the Board and management is delivering. The Club has strengthened its financial position while maintaining a clear focus on long-term stability and sustainable growth.

The Board's role is to provide oversight, challenge and support to the management group.





We are encouraged by the disciplined approach taken across the organisation and by the continued progress in strengthening the Club's foundations.

#### **Governance and organisational strength**

Strong governance is fundamental to the long-term success of any mutual organisation. Over the past year the Board has continued to enhance its oversight of risk management, capital strength and strategic direction.

Board composition and diversity remain an area of focus. While the Club has achieved strong gender balance across its workforce and in the management group, improving representation at Board level remains an important objective. Ongoing efforts by the election committee and continued recruitment initiatives reflect our commitment to ensuring that the Board remains both diverse and effective.

Regular Board evaluation and self-assessment also form part of this process, ensuring that governance continues to evolve alongside the Club's strategy and operating environment.

#### **Decarbonisation and regulatory complexity**

The global shipping industry is also facing an unprecedented regulatory transition as it moves towards decarbonisation. The postponement of discussions around the IMO's Net Zero Framework at the MEPC meeting last October surprised many in the industry and highlighted the complexity of achieving global alignment.

At the same time, new regulations and initiatives continue to emerge across multiple jurisdictions. For shipowners this creates uncertainty and the potential for overlapping or even conflicting regulatory requirements.

The Board continues to monitor these developments closely. Decarbonisation will require significant technological innovation, investment

and collaboration across the maritime sector, and insurers will play an important role in supporting this transition.

#### **Looking ahead**

Global shipping will undoubtedly continue to operate in a complex and uncertain environment. Geopolitical developments, regulatory change and the transition towards decarbonisation will shape the industry for years to come.

The Swedish Club is well positioned to meet these challenges. The organisation stands on strong foundations, supported by disciplined strategy, effective governance and a clear sense of purpose.

The Board remains confident in the direction of the Club and in the leadership of the management group as they continue to implement the strategy that is strengthening the organisation for the long term.

#### **Conclusion**

The Swedish Club has undergone a significant transformation in recent years. Today there is a strong sense of momentum across the organisation, supported by effective leadership and a culture of continuous improvement.

The progress achieved over the past year reflects the dedication and professionalism of the Club's employees, as well as the continued trust and engagement of our members.

On behalf of the Board, I would like to thank our members, management group, employees and business partners for their commitment and support. Together we have navigated a demanding year and laid strong foundations for the future.

With the shared values and long-term perspective that define The Swedish Club, I am confident that the organisation will continue to thrive in the years ahead.

# Board of directors



**Peter Claesson**  
Chairman  
Stena AB  
Gothenburg, Sweden



**Thomas Nordberg**  
Chief Executive  
Officer  
The Swedish Club  
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**  
Stem Shipping Co. 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**  
Svenska Orient  
Linien AB  
Gothenburg, Sweden



**Lars Höglund**  
Furetank Rederi AB  
Donsö, Sweden



**Anders Källsson**  
Erik Thun AB  
Lidköping, Sweden



**Andonis Lemos**  
Enesel S.A.  
Athens, Greece



**Mikael Livijn**  
Wallenius Marine AB  
Stockholm, Sweden



**Twinchok**  
**Tanthuanit**  
Regional Container  
Lines Pte. Ltd.  
Bangkok, Thailand



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



**Janguang Xiao**  
COSCO Shipping  
Lines Ltd.  
Shanghai, China



**Jiadong Wei**  
COSCO Shipping  
Bulk Co., Ltd.  
Guangzhou, China



**Konstantinos**  
**Zacharatos**  
Costamare Shipping  
Company  
Athens, Greece



**Martin Birgersson**  
Elected by the  
employees  
Gothenburg, Sweden



**Lorraine M. Hager**  
Elected by the  
employees  
Gothenburg, Sweden



# CEO report

A year to be proud of



# A year to be proud of

Thomas Nordberg, Chief Executive Officer, The Swedish Club

As we reflect on the past year and look ahead, I feel both pride and optimism about The Swedish Club's future. Strengthening the Club's capital position remained central to our strategy throughout 2025 and continues to guide us as we move into 2026.

Over the past three years we have consistently delivered strong financial results, exceeding the ambitious targets set together with our Board. Our reserves and solvency ratios have improved significantly, confirming that the Club's trajectory is undeniably positive.

These results are not the product of chance or a single strong year, or even luck. They reflect disciplined execution of a clear strategy: strengthening the Club's foundations to ensure long-term resilience and sustainability. Alongside building a stronger capital base, we have invested in expertise, digital capability and organisational capacity to ensure the Club is prepared for the future.

## **Strong underwriting performance**

One of our most significant achievements has been delivering positive results across all insurance classes. Our combined ratio improved from just above 100 % in 2023 to 98 % in 2024 and 97 % in 2025 – performance that places us among the strongest in our sector.

While investment income supports most marine insurers, The Swedish Club has strengthened its free reserves while maintaining strong underwriting discipline. In a challenging global environment, this is a rare achievement and reflects the analytical and disciplined approach that defines our business.

## **Discipline and financial strength**

Discipline has been the cornerstone of our underwriting strategy and our broader operational approach. We continue to focus on every aspect of our business to ensure we remain resilient, competitive and prepared for future challenges.

Our ambition to regain our 'A' rating from S&P reflects this commitment to quality and financial strength. The rating represents credibility and trust in the market, signalling to shipowners and brokers that The Swedish Club operates at the highest standards.

Our constructive dialogue with S&P and AM Best continues, and we are positioning ourselves for a rating upgrade. S&P's recent positive outlook upgrade is a strong signal that our strategy is delivering results. Importantly, even when the rating changed, we retained the confidence of our members – a testament to the loyalty and long-term relationships that define the Club.

#### **Prepared for an uncertain world**

Global shipping is increasingly shaped by geopolitical developments, from tariffs and trade disputes to shifting regulatory frameworks. These changes directly affect our members.

Our role is to anticipate these developments early and provide the expertise and support members need to navigate them. We have strengthened our legal and compliance capabilities to ensure we remain a trusted advisor in a rapidly evolving environment.

In this context, the International Group continues to play a vital role. Our strong collaboration with fellow clubs provides access to reinsurance capacity, technical expertise and collective representation across the global maritime industry.

## “Strengthening the Club's capital position remained central to our strategy throughout 2025”





### **A culture defined by Caring**

In 2025 we formally adopted *Caring* as a core value of the Club. While it has always been part of our culture, it is now clearly articulated as a guiding principle for how we operate.

Caring shapes how we work together, how we support our members when they need us most and how we fulfil our responsibilities as a mutual insurer. It also underpins the way we build partnerships within the Club and across the wider maritime community.

Supporting seafarers remains a central priority. Initiatives such as our wellbeing programme reflect our commitment to crew welfare. Delivered in partnership with key seafarer support organisations, the programme promotes awareness of mental health and wellbeing across the maritime community. It reflects our belief that safe and resilient shipping ultimately depends on the wellbeing of the people at sea.

### **Expanding our global presence**

Looking ahead, the opening of our New York office in 2026 represents an important step in strengthening our global network. The office will enhance our service to members in the Americas while supporting the diversification of the Club's portfolio. We are also expanding our activities in the Charterers & Traders segment,

strengthening our capabilities with specialised expertise and new talent.

At the same time, the regulatory environment for international insurers continues to grow more complex. Ensuring that we remain fully compliant across multiple jurisdictions is essential, and we continue to invest in the expertise needed to meet these demands.

### **Looking forward**

I am proud of what we have achieved together. We have strengthened our financial position, enhanced our organisation and reinforced the values that define the Club.

None of this would be possible without the dedication and expertise of our people. Over the past year we have continued to develop our leadership and bring new talent into the organisation, ensuring that the Club is well equipped for the future.

The Swedish Club stands today on a strong foundation: disciplined underwriting, solid financial strength and a culture built on caring and collaboration. While the global environment remains uncertain, we are well positioned to navigate the challenges ahead and continue delivering long-term value to our members.



# Our story

Embracing a spirit of collaboration  
to move forward



# Embracing a spirit of collaboration to move forward

In 2025, The Swedish Club continued to demonstrate that our true strength lies not only in our financial performance or expanding global presence, but in the way we work, with care and through collaboration.

As the Club deepened our service offering and strengthened our market position, we also announced that we will open a New York office in 2026. This step marks an important milestone in the Club's long-term strategy to be closer to members and partners in key maritime markets. Preparations in 2025 focused on recruitment, incorporation and operational planning to ensure that the new office will be fully integrated into the Club's culture and standards from the outset.

Across underwriting, claims, loss prevention and support functions, the ambition remained clear: to stay close to members, to respond with expertise and efficiency, and to ensure that no member feels they stand alone in an increasingly complex maritime environment.

This spirit of collaboration was also reflected in a number of important milestones during the year.

The Club celebrated the 45th anniversary of our Greek office, a long-standing presence that continues to play a vital role in supporting members and strengthening relationships with one of the world's most important shipping communities. At the same time, The Swedish Club took a more active role in London International Shipping Week, engaging closely with industry stakeholders and raising the Club's profile across the global maritime community. Together, these moments underscored the Club's heritage, international reach and commitment to building strong partnerships and maintaining an open dialogue with the wider industry.

## **Caring for people, strengthening safety**

At the Annual General Meeting in June 2025, Members Day put this into action by focusing on seafarer wellbeing. The event proved both powerful and thought-provoking, opening meaningful dialogue across the membership. Speakers brought personal insights from different corners of the maritime community, including shipowners, seafarers and mental health professionals. Their varied perspectives created an honest and open discussion that



resonated strongly with those in attendance and reinforced the importance of addressing wellbeing. The connection between care and operational performance was equally clear in the Club's loss prevention work. Throughout 2025, the seafarer wellbeing initiative Check Your Pulse continued to evolve as a central component of the Club's proactive risk management strategy.

The programme is built on a simple but critical understanding: wellbeing and safety are inseparable. A significant proportion of claims involve a human factor, and fatigue, stress and isolation can impair judgement even in otherwise well-managed operations. Supporting seafarers is therefore not only a matter of care, but a direct contributor to safer ships and stronger outcomes for members.

During the year, Check Your Pulse was further strengthened through collaboration with maritime mental health specialists, ensuring that its content remains professionally grounded and clinically informed. Plans progressed for the development of a dedicated fatigue module, drawing on research from the World Maritime University into working hours and fatigue. The Club also continued its partnership with the seafarers' charity Stella Maris, supporting the distribution of *Our Family and the Sea*, a book for seafarers' children that has been warmly received.

The Club remains committed to sharing our resources more widely within the maritime community. Active participation in industry working groups and open access to select materials reflect the belief that improving

wellbeing and safety is a shared responsibility across the sector.

#### **Navigating uncertainty together**

The operating environment in 2025 was defined by pace, uncertainty and volatility. Sanctions regimes evolved, war and cyber risks remained present, and trade policies and tariffs shifted rapidly. In this environment, continuous dialogue with members was essential.

Underwriting discipline remained a cornerstone of the Club's strategy. All main classes of business, P&I, Marine, FD&D and Energy, delivered combined ratios below 100 percent – no class operated at a loss. This remarkable outcome reflects sustained focus on portfolio quality and premium adequacy. The Club continued our efforts to regain our S&P 'A' rating while maintain-

ing a balanced and resilient book of business. On the claims side, geopolitical developments required constant vigilance. Rerouting of vessels, changes in cargo flows and operations in new trading areas altered risk exposure. While no clear surge in heavy weather claims was observed, the Club remained alert to emerging trends linked to shifting global trade patterns.

TELP, the Trade Enabling Loss Prevention service, continued to evolve. In 2025, the introduction of Right Whale Advice provided guidance on seasonal zones, routing measures and speed limits to protect endangered whale populations and ensure compliance with North American regulations. Ice alerts and expanded country claims alerts further enhanced the service. TELP advice is delivered directly to masters and operators, reinforcing the Club's commitment to

practical, timely support. Collaboration across offices and competence groups ensured that knowledge was shared efficiently. The focus remained on trust, responsiveness and long-term relationships.

### **Building the infrastructure for the future**

Digital development progressed significantly during 2025. The SAFIRE platform, developed in-house, moved closer to full completion. Its fifth and final module, covering claims handling, is scheduled to go live in May 2026. SAFIRE integrates insurance, underwriting, documentation and insurance management into one cohesive system, improving transparency, workflow and data quality.

The initiative represents dedicated work over five years, delivered alongside day-to-day operational support and increasing regulatory demands. SAFIRE now provides the foundation for further integration with members, brokers, correspondents and surveyors.

Advanced statistical modelling and machine learning were used increasingly in data discovery and claims analysis, including collaboration with research institutes. By strengthening analytical capability and automating lower-value tasks, the Club ensures that expertise is directed where it adds most value.

### **Investing in people and culture**

Care and collaboration were equally central to the Club's internal culture. During 2025, the onboarding process was enhanced to provide greater clarity for new employees during their first weeks and months. Regardless of office location, new colleagues are introduced person-

ally and systematically to the organisation. Leadership development initiatives supported dialogue and shared responsibility across the global leadership team. New colleagues joined the Club during the year, including top competencies within Charterers & Traders. Competence mapping across offices was further developed to ensure that specialist expertise is recognised and accessible.

Shorter, more frequent employee surveys replaced the previous annual survey, allowing faster identification of trends and areas for improvement. The results also confirmed many areas where the organisation is performing strongly and where existing practices continue to support a positive working environment. Continued focus on mental health, sustainable performance and wellness contributed to very low sick leave levels and reinforced the Club's reputation as a supportive workplace.

### **Governance, responsibility and financial resilience**

Regulatory demands increased during 2025. Following the creation of a separate Anti-Financial Crime department, the legal team focused on core corporate governance and regulatory matters. Strengthened internal controls in sanctions, compliance and KYC were also approached not only as regulatory requirements but as part of responsible corporate citizenship.

Financially, 2025 marked continued consolidation and progress. Supported by favourable financial markets and prudent investment management, the investment portfolio delivered a 9 percent return and grew to a record US\$540 million. Free Reserves increased from US\$217

million to US\$270 million, further reinforcing the Club's financial resilience.

While global economic prospects remain difficult to predict, the Club assesses that our insurance operations are relatively stable in the face of short-term fluctuations. Asset management requires continued vigilance, and risk exposure in the investment portfolio will remain measured. For 2026, the priority is to maintain quality and premium adequacy while preparing to deliver further value to existing and prospective members.

### **A cohesive whole**

Throughout 2025, The Swedish Club demonstrated that care and collaboration are embedded in daily operations. They are evident in support for seafarers, in proactive dialogue with members during geopolitical turbulence, in disciplined underwriting, in strengthened governance and in the systems that connect teams across regions.

As the Club prepares to expand into the Americas in 2026, we do so from a position of financial strength and organisational cohesion. The guiding principle remains unchanged. Long-term success in marine insurance depends on people working together and on a consistent commitment to care for members, colleagues and the wider maritime community.



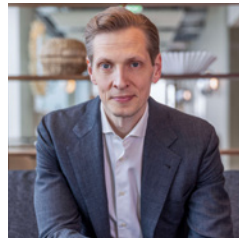
# Management team 2025



**Thomas Nordberg**  
Chief Executive Officer



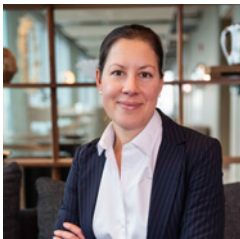
**Mikael Kromli**  
Chief Financial Officer



**Thorbjörn Emanuelsson**  
Chief Underwriting Officer



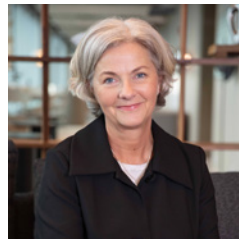
**Johan Kahlmeter**  
Chief Claims Officer



**Emilia Dean**  
Chief Legal Officer



**Magnus Axelsson**  
Chief Information Officer



**Britta Patriksson**  
Chief People Officer

“Our true strength lies not only in our financial performance or expanding global presence, but in the way we work, with care and through collaboration.”

# Team updates

## Greece

2025 has been a remarkable year for the team, marked by exceptionally strong underwriting results across both H&M and P&I. These outcomes are a result of recent years' disciplined work by the team to enhance portfolio quality and strengthen risk selection.

During the year, the Club also succeeded in attracting several new high quality members in Greece – an important validation of our strong market offering and the trust placed in us by leading shipowners. This growth, combined with the solid technical performance, reinforces the Club's position and provides a strong platform for the years ahead.



**Ludvig Nyhlén**  
Area Manager for  
Team Greece

## Hong Kong

Early in 2025, the Hong Kong office reached an important milestone as it became officially licensed in Hong Kong and began operating under the name *The Swedish Club Hong Kong Branch*, further strengthening our presence and long term commitment in the region. Later in the year, leadership of Team Hong Kong transitioned to Ms. Julia Ju, formerly Head of Claims, ensuring continuity and strong local expertise at the helm.

Throughout 2025, the team continued to expand its capabilities, including the addition of a new underwriter to reinforce our underwriting capacity. The Club also launched a cooperation scheme with a major Chinese insurance company, creating promising opportunities for business development and delivering additional value to our Members. Team Hong Kong continues to contribute significantly to the Club's overall performance, progressing steadily while meeting all local compliance requirements and upholding the Club's high standards of governance and operational excellence.



**Julia Ju**  
Area Manager for  
Team Hong Kong

## Sweden

2025 proved to be another excellent year for Team Sweden, as we continued to strengthen our portfolio with growth in both P&I entries and H&M lead business. Our dedication to fostering an open, collaborative, and supportive team culture really stood out this year. Engagement levels remained high, and colleagues consistently highlighted knowledge sharing, a low-prestige environment, and genuine teamwork as the driving forces behind our progress.

As we reflect on strong results and a unified spirit, it's clear that 2025 has set us up well for our next big step – integrating into Team Nordic in 2026. This solid year has reinforced our market position while also laying a strong foundation for the future. The trust and confidence our members place in us means a lot, and we're as committed as ever to serving them even better going forward.



**Fredrik Bergqvist**  
Area Manager for  
Team Sweden

# Singapore

Team Singapore delivered a strong performance in 2025, achieving sustained business growth across all insurance classes. More importantly, we generated a solid underwriting profit. This is the result of consistently living out the core values of the Club – being proactive, committed, reliable, and caring – in everything we do, both externally and internally.

We strengthened our presence across multiple markets, supported by our brand reputation, comprehensive product offerings, and personalised, solutions driven services. This places us in a strong position to pursue healthy growth and enhance our regional influence in 2026 and beyond.



**Brian Png**  
Area Manager for  
Team Singapore

# Norway

The quality growth strategy embarked upon last year has successfully been continued in 2025. Even though markets have been challenging, we have continued to deliver very positive underwriting results combined with an unprecedented claims development. Our special risk portfolio, such as builders risks, has continued to grow with a global footprint and with strong results and increased activity.

On the marine side, we have seen a healthy increase in both quality tonnage and claims lead with well reputed shipping companies. With a focus on costs we have also managed to carry the strong topline down to a strong bottom line. We have been able to balance market volatility with long term business perspectives and loyal, long term members. This strong support and mutual understanding leads again to high membership retention.



**Tore Forsmo**  
Area Manager for  
Team Norway

# UK

The London office continues to develop and has further strengthened its position within the London market. During 2025 we deepened relationships with key brokers & shipowners and while attracting some new members, confirming the value of our long-term strategy for the office. Our growing presence has enhanced visibility for The Swedish Club and contributed positively to our growth.

Collaboration across business lines has also continued to expand, with marine cross-selling initiatives delivering solid results and opening opportunities in additional segments. By leveraging the strength of the London insurance ecosystem, we have been able to refine our product offering and enhance the efficiency of our reinsurance structures.

The London team works closely with colleagues across the Club's global network, supporting recruitment, knowledge sharing and business development. Together we are well positioned to continue contributing to The Swedish Club's international growth and long-term ambitions.



**Tord Nilsson**  
Area Manager for  
Team UK



# Sustainability report

Our approach to sustainable marine insurance

# Our approach to sustainable marine insurance

## Our 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 2025, the number of staff was 159.

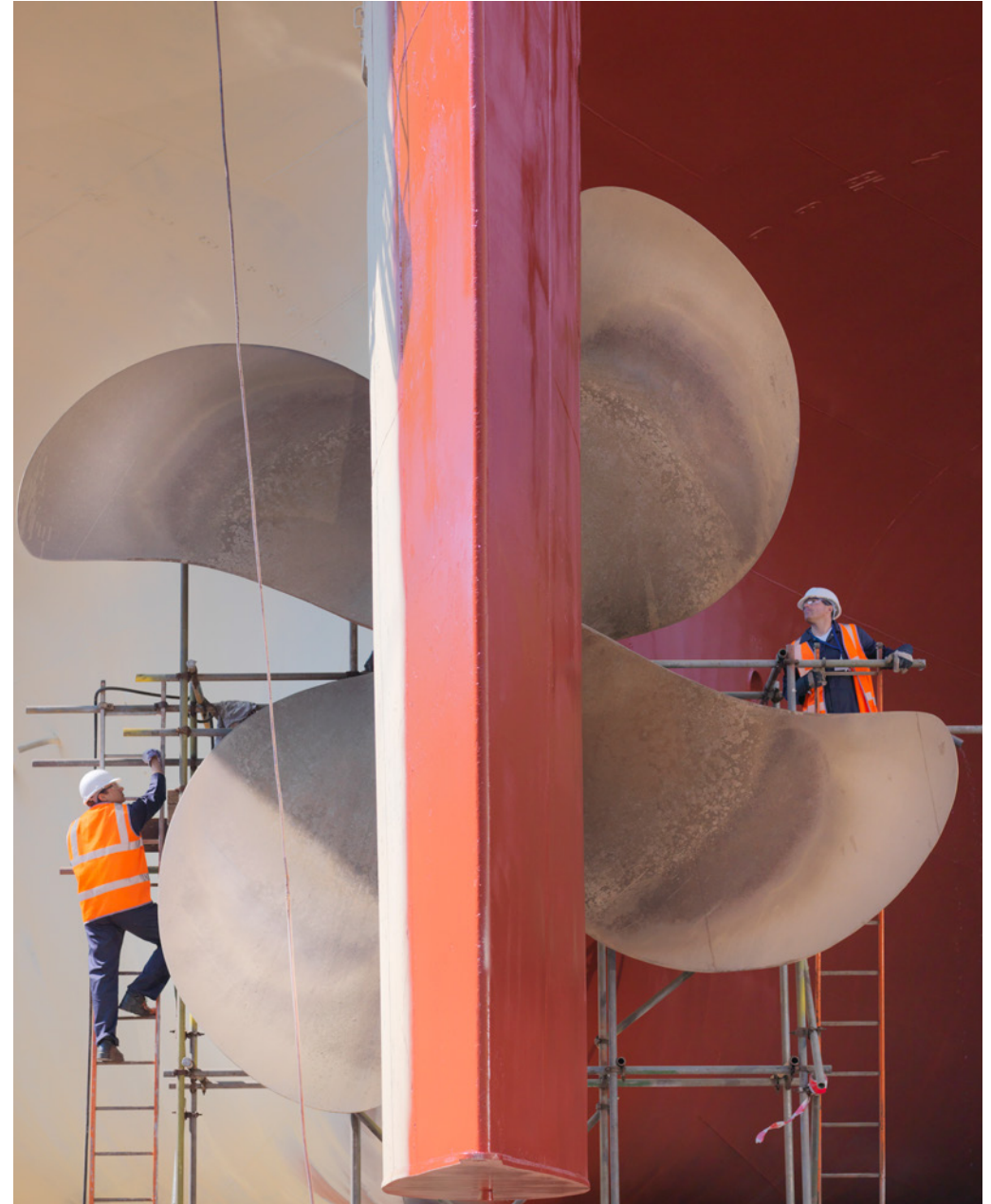
Mutuality means that the Club is owned and controlled directly by the policyholders (hereafter “members”). The interests of the Club’s management and Board of Directors are, therefore, identical to the collective interests of the members. The mutual nature and self-management of the Club puts it in a 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, Proactive and Caring. 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 2025.



## A clear business strategy for further progress

The Swedish Club's mission is to be a leader in the international marine insurance market and, on a mutual basis, provide shipowners, charterers and ship managers with top-quality, cost-effective insurance solutions and insurance-related services.

A key part of the business strategy is to achieve financial strength with an objective to establish a stable and long-term A-rating from S&P Global and AM Best.

As part of the Club's strategy to regain an A-rating with S&P Global, in 2024 The Swedish Club embraced the theme of "Embracing Change". This is a guiding principle which is embedded in the Club's culture. With this theme in mind – and as part of the Club's strategy to regain an A-rating with S&P – the Club has implemented organisational improvements, enhanced operational processes and sharpened the focus on regional offices.

In light of continuous changes in regulatory and compliance landscape, a strategic aim has been to strengthen the Club's regulatory and compliance teams by recruiting specialists in the legal and compliance field. This is to enable the Club to navigate the increasing regulatory landscape, including compliance with DORA (the European Union's Digital Operational Resilience Act). This is one part of the Club's increased attention on the 'Governance' aspect of ESG.

To continue to deliver a top-quality service to the Club's members, a focus on the digital transformation has been maintained with several initiatives to use IT and Artificial Intelligence (AI) within the Club's operations, risk analysis and delivery of service to members.

The Swedish Club's core values have always been a central part of the Club's service-offering and business strategy. The values are more than just principles on paper; they are the foundation of how we work, how we interact with our members and with each other as colleagues, and how we approach every challenge and opportunity.

The core values shape the Club's culture, behaviour and decision-making. In 2025, as part of the business strategy, a review and update of the core values took place. In addition to the Club's core values of "Proactive", "Reliable" and "Committed", the Club introduced Caring as a new fourth core value, reinforcing its commitment to people, culture, and long-term sustainability.

Captured within this core value is the dedication to building strong connections with our members, anticipating their needs. Further, caring is about ensuring a sustainable future, both environmentally and socially, contributing to a better world for generations to come.

In terms of underlying insurance business, the strategic business aim is to continue to maintain a well-diversified insurance portfolio, including diversification within insured vessel segments, geographical spread and insurance type.

The Club is committed to embedding sustainability and ESG principles into the core business strategy.

An example of the "Social" aspect of ESG – which aligns with the overall business strategy – is a focus on seafarer health and wellbeing. In 2025, the Club's Annual General Meeting theme was "Seafarer Wellbeing", which included speeches on this topic from different industry participants ranging from a shipowner to a crew member. In addition, the Club has launched a "Check your pulse" wellbeing initiative with a focus on seafarer's mental and physical health and wellbeing. The initiative included the launch of a book with an emphasis on the effects of serving aboard a ship on the seafarer's children and immediate family. This initiative is also made to further awareness within the shipping industry on the relevant topics and in this way the Club is part of making a positive contribution to the shipping community about these topics.

The Club remains committed to safeguarding the environment – in particular to the Club's chosen UN Sustainability Goals – which includes UN Goal 14: Life below water. A key aspect of protecting life below water is the prevention of maritime accidents at sea. To further enable insured shipowners to navigate safely, the Club has a business strategic aim of continuing enhancements of the Club's 'Trade Enabling Loss Prevention' (TELP) system. The system gives insured vessels updates and warnings in respect of ports that the vessel is calling at.

In 2025, TELP was updated to include an 'Iceberg Alert' for vessels navigating through regions where seasonal icebergs and sea ice are prevalent. A further aspect of safe-guarding life below water is to try to prevent accidents between ships and whales. As such, the Club launched Right Whale Advice within TELP in 2025. The advice has been designed to help members comply with Canadian and US regulations protecting endangered whale populations by allowing shipowners to build Right Whale Advice into the vessel's passage planning – thereby giving crew clear guidance on seasonal zones, speed limits, and routing measures.

## 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. The ESG Framework Policy is reviewed annually.

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.

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:

01. To embed ESG in the Club's decision-making
02. To raise awareness about ESG
03. To promote widespread action with ESG
04. To demonstrate accountability and transparency within the ESG area

More information about all 17 goals is available on the following site:



UN Sustainable Development Goals  
<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



## Main sustainability impact of our business

The main negative sustainability impact that The Swedish Club's business potentially has is:

- To inadvertently provide insurance coverage for illegal fishing, illegal shipping activities, intentional pollution, and illegal scrapping of ships;
- To inadvertently provide insurance coverage for breaches of climate-related emission levels, labour and trafficking, poor worker safety records and enable money laundering;
- Scope 1 emissions from own operations, offices and business travel; and
- Pollution from insured ships in which The Swedish Club has an indirect sustainability impact.

### Mitigating measures taken to identify, monitor, prevent and limit the effects

The Club has a process to identify emerging risks related to the insurance business. The Club also has data to measure the identified risks. However, data parameters specifically concerning climate-related risks are not currently sufficiently detailed and require some further development.

### *Inadvertently provide insurance coverage for illegal fishing, illegal shipping activities etc.*

The Club has a very low risk appetite for underwriting fishing vessels. All insurance that is provided is only in relation to legal fishing and legal shipping activities. Essential risks concerning sustainability

The Club deems that severe weather events are a risk that is emerging. Should this risk become more prevalent, it may have a negative impact on the insured fleet. The Club foresees that there is a risk for more pollution incidents, amongst others, caused by so-called freak storms.

### **Risk mitigating measures**

When insuring vessels, the Club has a programme of mitigating measures that needs to take place, including screening of the vessels and insured parties.

### **Relevant central risk indicators**

#### *Climate-related risks*

As part of the Club's sustainability and risk-management work, climate-related indicators have been identified to support the ongoing monitoring of environmental risks.

These include:

- Trends in claims potentially linked to extreme weather or new fuel technologies.
- The percentage of claims tagged with climate-related loss codes, a KPI currently being developed.
- Insights gathered from the Club's climate-risk workshops, staff surveys and risk-management activities.
- High-level observations from the Club's climate-related scenario analyses, introduced during the year.

These indicators will be refined as the Club continues to strengthen its data collection and analytical capabilities.

## Climate-related sustainability impacts and how we identify, monitor and mitigate these risks

As part of its sustainability and risk-management work, the Club conducted its first structured review of climate-related risks during the year. This review covered underwriting, claims handling and operational resilience, and forms a key component of the Club's long-term sustainability efforts.

### Identifying climate-related risks

Climate-related risks were identified through workshops held in the Hong Kong and Singapore offices, a survey of underwriting and claims staff, and engagement with risk owners. These activities highlighted several areas where climate factors may influence the Club's business:

- Physical risks, such as stronger storm activity and extreme weather capable of affecting vessels, ports and shipyards.
- Transition risks, particularly uncertainties linked to the use of alternative fuels and new onboard technologies, where limited operational experience and evolving regulation may increase the likelihood of technical failures.
- Emerging claims exposures, including machinery damage caused by new fuel blends, and the possibility that extreme weather may contribute to future claim patterns.

### Monitoring and data improvements

The assessment confirmed that improved data is essential for understanding climate-related developments. Current systems do not yet track climate-related factors in a consistent way, making analysis of emerging trends challenging. As a result, the Club has begun work to introduce enhanced loss codes and develop

its internal data structure to better capture climate-related drivers.

### Preventing and limiting climate-related impacts

The Club mitigates climate-related risks through established loss-prevention activities, including guidance on the safe use of new fuel types and updates on environmental regulations. Its operational resilience and business-continuity frameworks already incorporate certain climate-related elements and are reviewed regularly. In underwriting, the Club supports members by providing information on environmental developments affecting shipping operations.

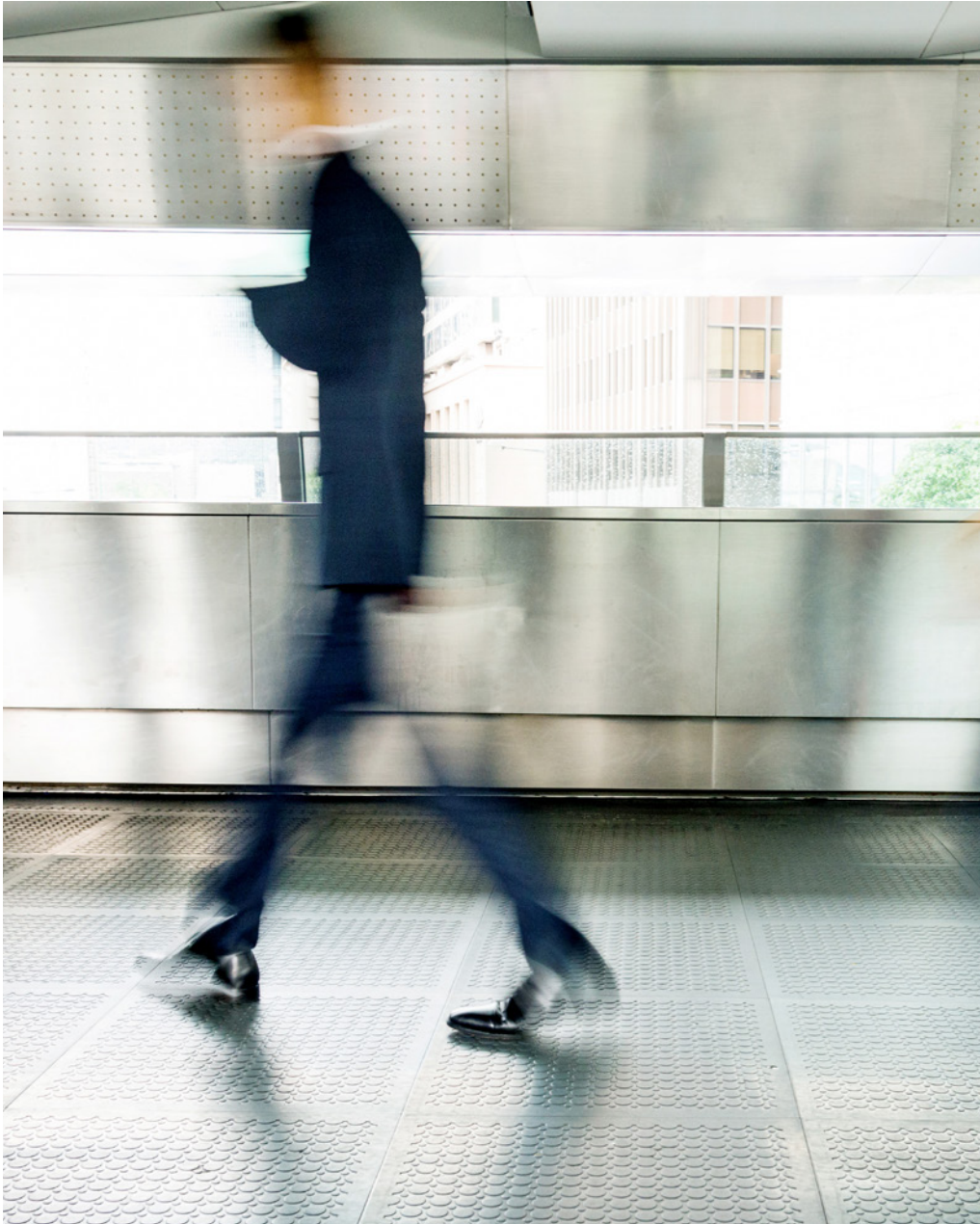
### Central indicators used in climate-risk monitoring

To support ongoing follow-up, the Club uses the following indicators:

- Percentage of claims coded with climate-related loss codes (new KPI under development).
- Monitoring changes in regulation, fuel technology and operational practices.
- Observations from climate-risk workshops, surveys and internal risk-management processes.
- Insights from climate-related scenario work, including new operational and investment scenarios introduced during the year.

Based on the structured assessment performed, climate-related risks are currently assessed as low to emerging for the Club. While the present level of impact is limited, the Club recognises that climate risks may evolve and continues to strengthen its data, analysis and monitoring capabilities.





## Main risks for The Club connected to sustainability

### Climate-related risk management

During the year, the Club completed structured climate-risk discussions across multiple offices. These workshops and surveys form part of the Club's broader sustainability and risk-management framework and support the integration of climate-related considerations into operational decision-making. Climate risk is now recognised as a separate risk category within the Club's risk taxonomy, allowing for clearer monitoring and follow-up.

Although current climate-related risks are assessed as low to emerging, the Club continues to strengthen its capabilities in this area. Improvements include enhanced data collection, the introduction of climate-related loss codes, and the development of new operational and investment scenarios. This work ensures that climate-related developments are monitored proactively and that the Club's governance structure can respond to future changes.

## Structure of the remainder of the report

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 in paragraph 8.1 below.

The paragraph heading will clarify which of the Swedish sustainability report requirements and/or UN Sustainable Development Goals are being addressed.

## 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.

### 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 Well-Being: 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.

Below 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 2025. 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 2025. 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".

## Minimising impact

### 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 casualty 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

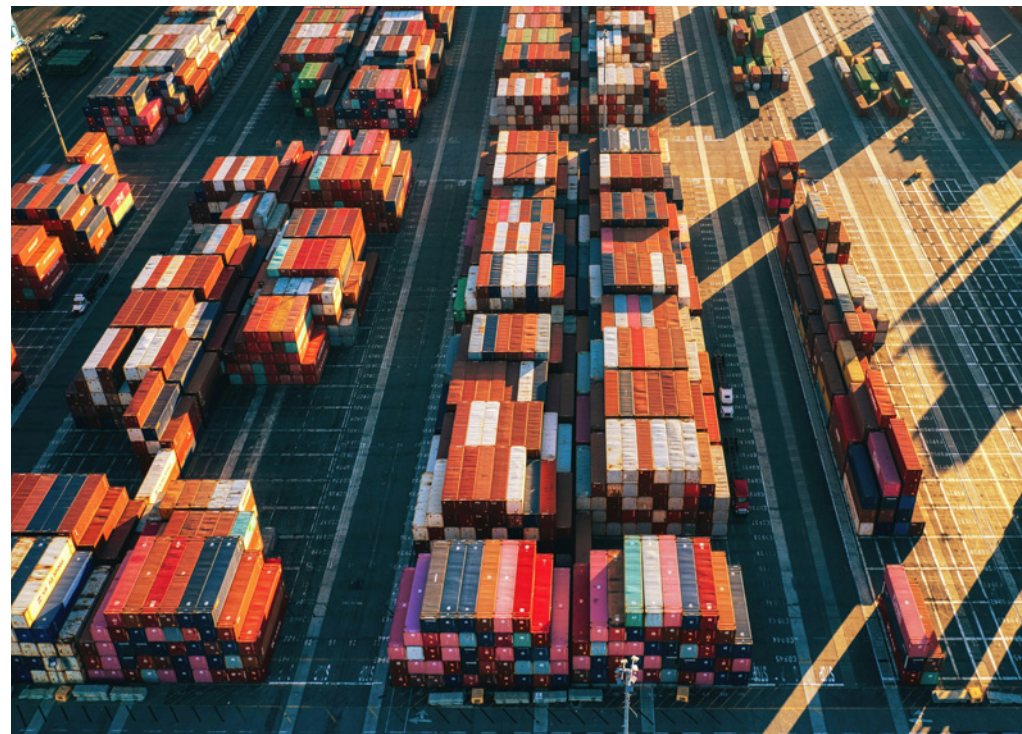
In 2024, the Club started an office renovation of Headquarters in Gothenburg. A key part of the renovation has been to reuse or upcycle office furniture and other materials wherever possible. Examples of reuse or upcycling are reuse of some tables and merely changing the table top on others, reuse of 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 Well-Being.

#### 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 well-being

#### Staff

The Club is a true knowledge-based company. As such, it depends entirely on its employees' expertise and well-being. 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 2025 was 55 % women and 45 % men. The Club facilitates the possibility of combining work with family life. An annual mapping of salaries is carried out as well to detect and rectify undue differences in the salaries between men and women.

With the introduction of *Caring* as a new core value, the Club also reinforced its commitment internally to people and culture. To embed this value, team-level workshops were held across the organisation, focusing on what caring means in practice for individuals and teams. The discussions emphasised everyday behaviours and actions - how colleagues support one another, collaborate with empathy, and take shared responsibility for a respectful and inclusive working environment. These workshops helped translate the value of *Caring* from words into tangible ways of working.

## 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 and 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.



## Combating 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 2025, 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 2025, 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 and 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 exclude 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.





# Financial statements

Continued improvements of financial strength

# 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 2025, its 153rd 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 a service office in Athens (Greece) and branch offices in Hong Kong (China), London (UK), Singapore and Oslo (Norway). 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.

The Club has a wholly owned subsidiary in Hong Kong. During 2024, all operational activities were transferred out of the subsidiary to a newly established branch in Hong Kong, and, consequently, the subsidiary did not conduct any material business activities during the financial year 2025. In accordance with the Swedish Annual Accounts Act, the subsidiary has not been consolidated, as it is considered to be of lesser importance with regard to the requirement to present a true and fair view.

## Significant events during the year

Going into 2024, the Club launched a three-year plan to significantly improve its financial resilience. Now, in 2025, for the second consecutive year, the Club has delivered well in line with that plan. 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 favourable 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 the anticipated premium growth. The solvency requirements were met with yet improved margin.

In December of 2025, the Club announced its expansion into the Americas with the opening of its first office in the United States, to be located in New York City. This is a major strategic step in broadening the Club's international reach and supporting members across the Americas. The expansion marks a natural next phase in the Club's long-term global growth strategy and establishes a solid platform for delivering closer, more responsive service in one of the world's most dynamic maritime regions.

Both rating institutions confirmed their ratings of the Club, i.e., Standard & Poor's at BBB+ and AM Best at A-.

## 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 2025, the result before appropriations and tax was a profit of USD 48 (34) million. Other comprehensive income, related to hedging of future operating expenses denominated in SEK into USD, was USD 5.4 (-1.1) 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 2024	216.6	11.00	2,383.3
Income for the period 2025	48.1		101.2
Other comprehensive income	5.4		–
Tax expense for the year	-0.0		-0.0
31 December 2025	270.1	9.20	2,484.5

## Insurance activities

Gross premiums written in 2025 amounted to USD 263 (244) million. Following the deduction of outgoing reinsurance premiums totalling USD 53 (60) million, premiums written amounted to USD 210 (184) million. Earned premiums, net of reinsurance, amounted to USD 203 (188) million.

Claims incurred, net of reinsurance, amounted to USD 151 (156) million. Changes in other technical provisions amounted to USD -2.5 (13.1) million. The total costs for net claims incurred correspond to 76 (77) % of earned premiums, net of reinsurance.

During the year, there were 32 claims reported (whereof 8 from the IG pool system) in excess of USD 0.5 million. In 2024, there were 35 such claims (whereof 7 from the IG pool system).

Operating expenses for insurance activities amounted to USD 43 (40) million. In relation to earned premiums, net of reinsurance, this level corresponds to 21 (21) %.

The balance on the technical account amounted to USD 18 (21) million.

The combined ratio was 97 (98) %.

## Result by class of insurance

The combined ratio for **P&I** was 98 (97) %. Earned premiums, net of reinsurance, amounted to USD 105 (95) million. The insurance year claims cost for other clubs' pool claims was USD 17 million in 2025 and it was USD 12 million in 2024. Claims incurred, net of reinsurance, increased from USD 71 million in 2024 to USD 80 million in 2025. The loss ratio for the year was 76 (75) %. As of 31 December 2025, the P&I portfolio, including Charterer's liability, consisted of 2,347 (2,291) vessels with gross tonnage of 89 (91) million.

The combined ratio for **FD&D** was 86 (91) %. As of 31 December 2025, the FD&D portfolio consisted of 1,438 (1,398) vessels with gross tonnage of 63 (62) million. Earned premiums, net of reinsurance, amounted to USD 9.6 (9.7) million. Claims incurred, net of reinsurance, decreased from USD 7.5 million in 2024 to USD 6.8 million in 2025. The loss ratio for the year was 71 (77) %.

The combined ratio for **Marine & Energy** was 98 (99) %. Earned premiums, net of reinsurance, amounted to USD 88 (83) million. Claims incurred, net of reinsurance, increased from USD 64 million in 2024 to USD 67 million in 2025. The loss ratio for the year was 77 (78) %.

At the end of 2025 the Marine & Energy portfolio consisted of 7,345 (6,816) vessels, with gross tonnage of 396 (374) million and covered insured value of USD 31 (28) billion. The number of vessels insured for Loss of Hire was 1,090 (1,011) with a gross tonnage of 49 (53) million.

#### Finance activities

The financial result before transfer to technical account, including exchange rate differences amounted to USD 43 (30) million.

#### Investments

The return on the investment portfolio was 9.0 (6.6) %, corresponding to an investment result of USD 43 (30) million. The result from interest-bearing securities was USD 23 (17) million, including exchange revaluations of USD 3 (-1) million, and the result for equity holdings amounted to USD 16 (12) million. At the end of 2025, the value of the Club's investments had grown by USD 45 million including forward exchange agreements. The total invested amount of USD 543 (498) million was composed of 82 (82) % interest-bearing securities and 18 (18) % equity holdings.

#### Other financial items

Miscellaneous financial income amounted to USD 1 (2) million. Exchange differences from revaluation of insurance-related items amounted to USD 1 (-2) 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 5 (-1) million. See Note 1.

#### Balance sheet

For 2025, the provision for claims outstanding was USD 508 (454) million.

The value of the Club's investment assets amounted to USD 543 (498) million.

At year-end, Hydra receivables (see Note 20 and Note 2 in the section on counterparty risks) had an estimated value corresponding to USD 12 (14) million. These are reported in the balance sheet under the heading "Other assets".

#### Environment

The Club's Sustainability Report has been prepared in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act (1995:1554). For the financial year 2025, the Club is not subject to the reporting requirement under the Corporate Sustainability Reporting Directive (CSRD). The Sustainability Report is available on the Club's website, [www.swedishclub.com/about/corporate-governance/esg/](http://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. The Swedish Club's investment portfolio has shown a weak performance at the start of 2026.

#### 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.

- **Caring**

We strive to empower our people and foster meaningful collaboration within our Club and beyond.

We care about how our actions today will ensure a sustainable future, both environmentally and socially, contributing to a better world for generations to come.

The average number of employees during the year was 157 (see Note 29 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 2025.

Note 29 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 five main categories of risk:

- Insurance risk
- Counterparty risk
- Operational risk
- Climate 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 2026**

The rules-based international order that has long supported global trade and shipping is facing increasing pressure. Together with geopolitical tensions and economic uncertainty in several key regions, this contributes to a more challenging environment for assessing the global economic outlook for the year ahead.

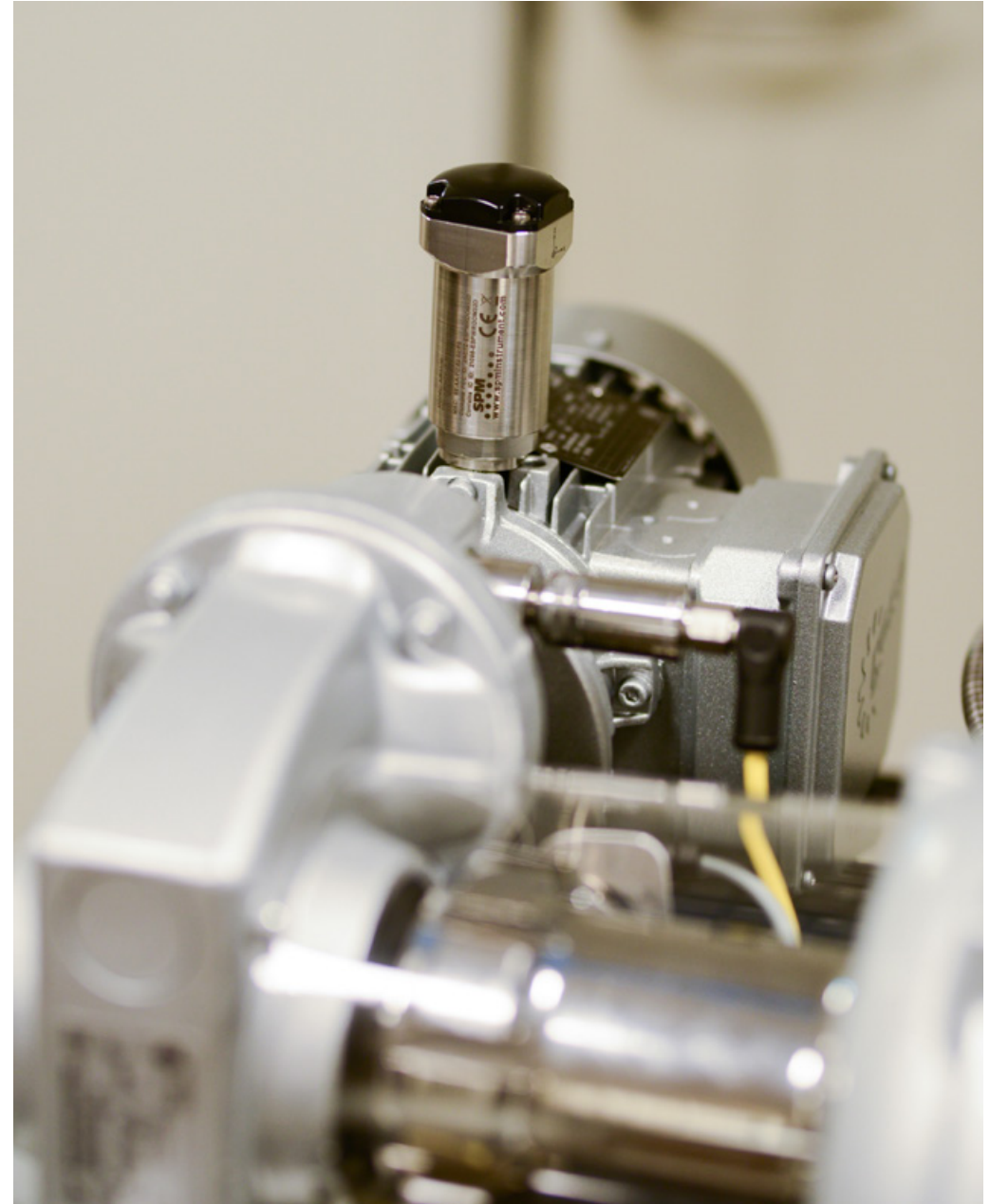
While the Club's core insurance operations are generally less sensitive to short-term economic fluctuations, the broader economic and financial environment may influence claims developments and the performance of the Club's investment portfolio.

Entering 2026, the Club continues to maintain a level of investment risk exposure that is lower than that implied by the long-term strategic asset allocation. This reflects a prudent and balanced approach to capital management in an environment characterised by heightened financial market volatility.

The Club will continue to prioritise underwriting discipline and the quality of the insurance portfolio. Price adequacy remains a key focus, with sustainable underwriting performance taking precedence over volume growth.

Financial markets during the initial months of 2026 have been characterised by volatility, including weaker equity markets and somewhat higher interest rates. Taken together, these developments have had a negative impact on the Club's asset management performance.

Despite the uncertain external environment, the Club's competitive position remains strong. The Club's solid capital position, disciplined underwriting approach and prudent investment management provide resilience and continue to support confidence among members, business partners and other stakeholders.



# Five-year summary

Amounts in USD millions	2025	2024	2023	2022	2021
<b>Income statement</b>					
Earned premiums, gross	254.6	247.5	235.7	225.9	193.1
Earned premiums, for own account	202.5	187.7	179.2	169.3	150.1
Investment income, allocated from non-technical account	12.7	16.8	12.7	–	–
Claims, for own account	-153.9	-143.1	-147.0	-136.9	-163.4
Refunds and P&I discounts	–	–	–	–	–
Net operating expenses	-43.5	-40.1	-36.6	-35.1	-31.0
Balance on technical account	17.9	21.3	8.3	-2.8	-44.2
Balance on non-technical account	30.2	12.7	21.7	-38.9	9.9
Result before appropriations and tax	48.1	34.0	30.0	-41.7	-34.3
<b>Financial position</b>					
Free reserves	270.1	216.6	183.7	150.0	196.5
Free reserves / Provision for claims outstanding for own account	84 %	66 %	60 %	59 %	80 %
Deferred tax liability included in free reserves	69.2	53.4	46.5	38.0	47.8
Eligible Own Funds, in accordance with Solvency 2	352.5	314.7	271.6	241.7	268.6
Basic own funds	266.4	230.2	192.4	172.0	194.5
Ancillary own funds	86.1	84.5	79.2	69.7	74.1
Minimum Capital Requirement (MCR)	63.4	58.9	58.4	49.7	48.3
Solvency Capital Requirement (SCR)	172.2	169.0	158.4	139.3	148.2
Eligible Own Funds / SCR	205 %	186 %	171 %	173 %	181 %
Basic Own Funds / SCR	155 %	136 %	121 %	123 %	131 %
Investment assets at fair value	542.6	498.2	436.4	350.5	390.7
Technical provisions, for own account	380.0	380.9	363.2	303.4	291.9
<b>Key data insurance business</b>					
Loss ratio	76 %	77 %	82 %	81 %	109 %
Expense ratio	21 %	21 %	20 %	21 %	20 %
Combined ratio	97 %	98 %	102 %	102 %	129 %
Average Expense Ratio (AER)	13.3 %	12.9 %	12.7 %	13.6 %	12.6 %
<b>Key data asset management</b>					
Total return	7.9 %	6.5 %	8.1 %	-4.0 %	3.2 %

# Income statement

For the financial year January through December.  
Amounts in USD thousands.

	Note	2025	2024
<b>TECHNICAL ACCOUNT</b>			
<b>Earned premiums, net of reinsurance</b>			
Premiums written, gross	3	262,816	243,771
Outward reinsurance premiums		-52,998	-59,523
Change in provision for unearned premiums		-8,245	3,697
Reinsurers' share of change in provision for unearned premiums		959	-241
		<b>202,532</b>	<b>187,703</b>
<b>Investment income transferred from the non-technical account</b>	4	<b>12,700</b>	<b>16,800</b>
<b>Claims incurred, net of reinsurance</b>			
Claims paid	5		
Before outgoing reinsurance		-181,610	-132,177
Reinsurers' share		22,090	-2,950
		-159,520	-135,127
Change in provision for claims outstanding			
Before outgoing reinsurance		-54,633	-53,706
Reinsurers' share		62,776	32,575
		8,143	-21,131
<b>Claims incurred, net of reinsurance</b>		<b>-151,377</b>	<b>-156,258</b>
<b>Change in other technical provisions</b>	6	<b>-2,489</b>	<b>13,115</b>
<b>Net operating expenses</b>	7, 8, 29	<b>-43,458</b>	<b>-40,074</b>
<b>Balance on technical account</b>		<b>17,908</b>	<b>21,286</b>

For the financial year January through December.  
Amounts in USD thousands.

	Note	2025	2024
<b>NON-TECHNICAL ACCOUNT</b>			
<b>Balance on the technical account</b>		<b>17,908</b>	<b>21,286</b>
<b>Financial result</b>			
Financial income	9	13,870	17,409
Unrealised gains on investments	10	30,229	15,699
Financial costs	11	-1,188	-3,580
		<b>42,911</b>	<b>29,528</b>
<b>Allocated investment income transferred to the technical account</b>	4	<b>-12,700</b>	<b>-16,800</b>
<b>Result before appropriations and tax</b>		<b>48,119</b>	<b>34,014</b>
Appropriations: change in safety reserve		-40,753	-19,224
<b>Result before tax</b>		<b>7,366</b>	<b>14,790</b>
Tax on result for the year	22	-6,238	-3,274
<b>Profit or loss for the financial year</b>		<b>1,128</b>	<b>11,516</b>

# Other comprehensive income/loss

For the financial year January through December.

Amounts in USD thousands.	Note	2025	2024
<b>Profit or loss for the financial year</b>		<b>1,128</b>	<b>11,516</b>
<b>Other Comprehensive Income:</b>			
<b>Items that have been reclassified or can be reclassified to profit or loss for the year</b>			
Hedges of operating expenses		5,406	-1,069
Deferred tax other comprehensive income	22	-1,114	220
<b>Total Comprehensive Income</b>		<b>5,420</b>	<b>10,667</b>

# Balance sheet

As of 31 December. Amounts in USD thousands.	Note	2025	2024	As of 31 December. Amounts in USD thousands.	Note	2025	2024
<b>Assets</b>				<b>Equity, provisions, and liabilities</b>			
<b>Intangible assets</b>				<b>Equity</b>			
Intangible assets	12	3,968	2,875	Statutory reserve		54	45
		<b>3,968</b>	<b>2,875</b>	Development fund		3,968	2,874
<b>Investment assets</b>				Accumulated profit or loss		-5,441	-16,446
Investments in group and associated companies				Other reserves		3,058	-450
Shares in group and associated companies	13	0	0	Profit/Loss for the financial year		1,128	11,516
Other financial investment assets						<b>2,767</b>	<b>-2,461</b>
Quoted shares	14	95,297	88,008	<b>Untaxed reserves</b>			
Bonds and other interest-bearing securities	15	444,741	410,203	Safety reserve		248,440	207,686
Derivatives	16	2,558	–	Equalisation reserve		1,170	978
		<b>542,596</b>	<b>498,211</b>			<b>249,610</b>	<b>208,665</b>
<b>Reinsurers' share of technical provisions</b>				<b>Technical provisions before reinsurers' share</b>			
Provision for unearned premiums	17	6,266	5,307	Provision for unearned premiums	17	66,405	58,160
Provision for claims outstanding	17	188,274	125,500	Provision for claims outstanding	17	508,166	453,533
		<b>194,540</b>	<b>130,807</b>			<b>574,571</b>	<b>511,693</b>
<b>Receivables</b>				<b>Provision for other risks and charges</b>			
Receivables related to direct insurance operations	18	87,483	81,969	Pensions and similar obligations	21	210	190
Receivables related to reinsurance operations		5,661	829	Deferred tax	22	17,761	10,420
Other receivables		1,717	1,581			<b>17,971</b>	<b>10,610</b>
		<b>94,861</b>	<b>84,379</b>	<b>Liabilities</b>			
<b>Other assets</b>				Liabilities related to direct insurance operations	23	15,813	17,558
Tangible assets	19	1,791	1,468	Liabilities related to reinsurance operations		11,487	18,398
Cash and bank balances		28,736	41,985	Derivatives	24	–	2,848
Other assets	20	12,182	14,566	Other liabilities	24	10,426	10,340
		<b>42,709</b>	<b>58,019</b>			<b>37,726</b>	<b>49,144</b>
<b>Prepaid expenses and accrued income</b>				<b>Accrued expenses and deferred income</b>			
Prepaid acquisition costs		7,007	6,158	Accrued expenses		4,733	4,033
Other prepaid expenses and accrued income		1,697	1,235			<b>4,733</b>	<b>4,033</b>
		<b>8,704</b>	<b>7,393</b>	<b>Total equity, provisions and liabilities</b>			
		<b>887,378</b>	<b>781,684</b>			<b>887,378</b>	<b>781,684</b>
<b>Total assets</b>							

# 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 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
<b>Balance carried forward 2024-12-31</b>	<b>45</b>	<b>2,875</b>	<b>-16,446</b>	<b>-450</b>	<b>11,516</b>	<b>-2,461</b>
Balance brought forward 2025-01-01	45	2,875	-16,446	-450	11,516	-2,461
Carried forward			11,516		-11,516	–
Allocation to development fund		1,093	-1,093			–
Change in translation difference capital	9		582	-783		-192
Profit/loss for the year					1,128	1,128
Other comprehensive income/loss				4,292		4,292
<b>Balance carried forward 2025-12-31</b>	<b>54</b>	<b>3,968</b>	<b>-5,441</b>	<b>3,058</b>	<b>1,128</b>	<b>2,767</b>

# Notes

## 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.

### 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 2025 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 of new or revised standards.

IFRS 18, Presentation and Disclosures in Financial Statements, which replaces IAS 1, comes into effect for financial years beginning on 1 January 2027 and shall be applied retrospectively, including comparative periods. The Club is preparing for implementation to ensure that the presentation and disclosures in the financial statements comply with IFRS 18 from its effective date.

#### ***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 falls 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")
- Derivatives

#### **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 receivable 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 realised, 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 are reported after tax via other comprehensive income and become 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) consist 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.

**Pension 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**

The Club applies the exemption from IFRS 16 in accordance with RFR 2 Accounting for Legal Entities and therefore accounts for leases as operating lease.

The Club has operating leases consisting of leases for premises, cars and office equipment that run for agreed contractual periods. Lease payments are recognised as an expense over the lease term 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:

<b>Currency (equals 1 USD)</b>	<b>2025</b>	<b>2024</b>
Swedish kronor (SEK)	9.1971	11.0018
British pound (GBP)	0.7425	0.7958
Euro (EUR)	0.8509	0.9597
Hong Kong dollar (HKD)	7.7790	7.7620
Norwegian kroner (NOK)	10.0447	11.3608
Singapore dollar (SGD)	1.2839	1.3566

**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.

**Chief Executive Officer (CEO)**

The CEO 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 CEO, 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.

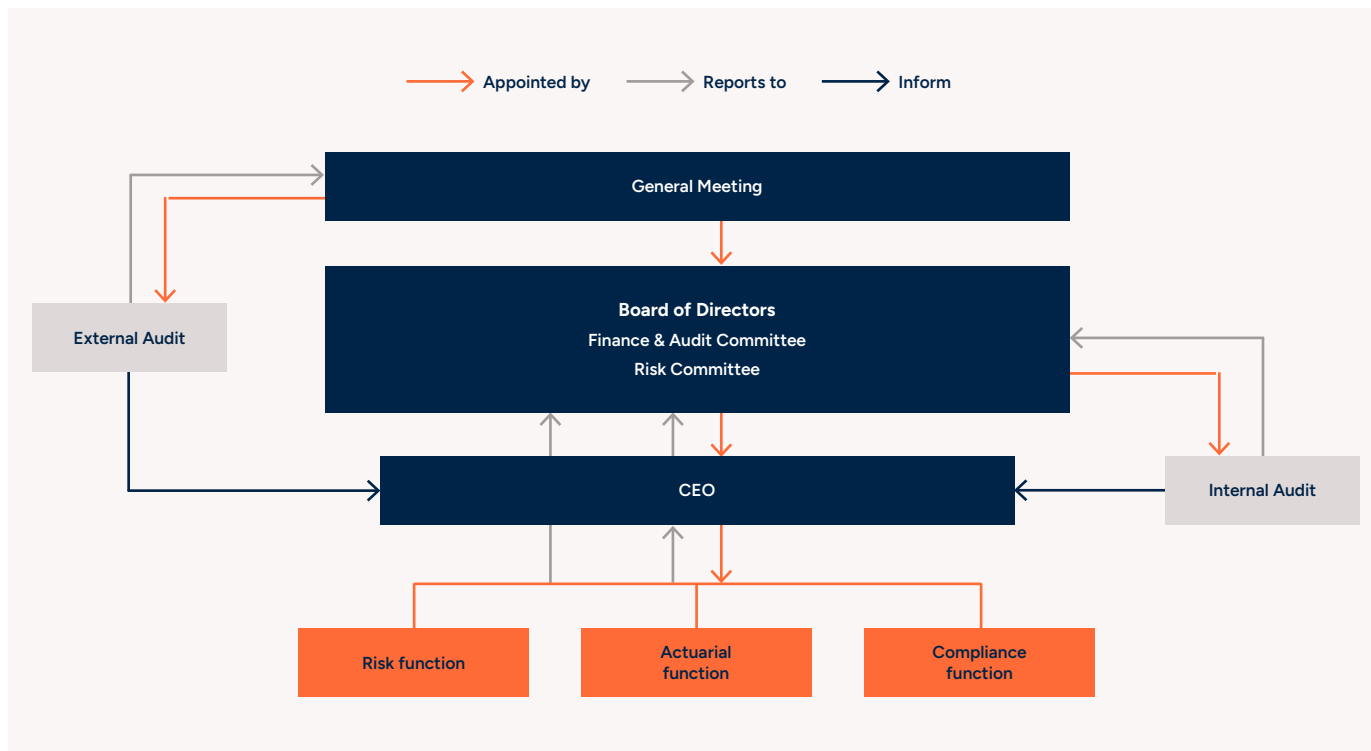
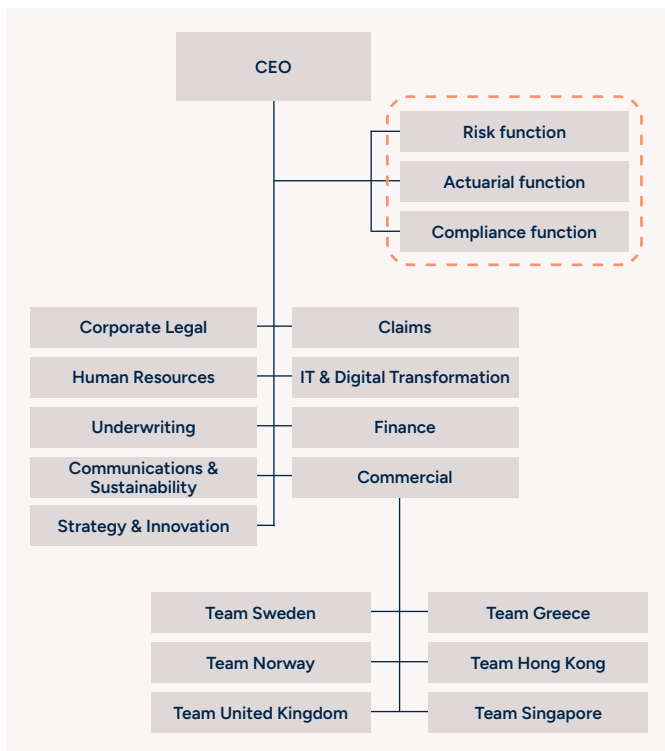
The Swedish Club (TSC) organises itself according to the model, with three lines of defence aimed at ensuring that risks are managed effectively and that there is robust internal control. The first line of defence is comprised of the operational activities, and this is where daily controls and risk management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

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



### Operational functions

The operational functions or geographic teams 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.
- Follow up, review and reporting on regulatory compliance.

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

### Internal audit

Internal audit is an independent function responsible for assessing the effectiveness of the Club's system of governance, internal control and other governance processes. Its scope covers the Swedish Club and the Club's branches, and the function reports directly to the Board of Directors. The activities of the Internal audit function include:

- An overall, risk-based review of corporate governance arrangements, including key functions and policies subject to regulatory and independence requirements.
- Regular reporting of observations and recommendations aimed at improving the Club's processes and controls.
- The internal audit function operates in accordance with an audit plan approved by the Board of Directors and reviewed and updated annually.

The internal audit function operates in accordance with an audit plan approved by the Board of Directors and reviewed 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 why more time and attention is being devoted to them.

The components of insurance risk, counterparty risk, operational risk, climate risk and financial risks are presented in the following text:

### 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 the Club. This is particularly true for the classes of insurance specified in the table below.

	Vessels	Marine <sup>1</sup>	PI	FDD
Three classes	416	X	X	X
Two classes	317	X	X	
	24	X		X
	480		X	X
One class	6,677	X		
	337		X	
	113			X
No of Vessels	8,364			
No of Vessels per class		7,434	1,550	1,033

1. Including Energy Risks

The table on the previous page shows the concentration of insurance classes per vessel as of 31 December 2025: 5 % of vessels were exposed to three insurance classes, 10 % to two classes and 85 % to one class.

The weighted average duration for claims outstanding net of reinsurance is 2.7 (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 2025.

Estimated final claims cost at the end of:	Insurance year					
	2020	2021	2022	2023	2024	2025
Claim year (net)	125,892	175,060	146,885	145,463	167,769	<b>157,518</b>
one year later	138,169	177,591	155,655	127,774	<b>174,630</b>	
two years later	132,101	171,416	157,913	<b>121,945</b>		
three years later	138,177	164,992	<b>158,798</b>			
four years later	135,123	<b>165,109</b>				
five years later	<b>134,371</b>					

### 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](http://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 2025, 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 2025, outstanding premiums older than 3 months were 0.7 (1.2) % of the 2025 gross premiums written.

### Operational risk

Operational risks can arise from missing or inadequate processes, human error, system deficiencies or external events. The Club also has a subcategory of operational risks that include legal 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. Workflows 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 relate to errors or dependencies in ICT systems and technological solutions. These risks are managed through thorough testing of new systems prior to implementation, as well as ongoing evaluation and risk assessments of ICT suppliers. Information security risks refer to the risk that information is disclosed to unauthorised parties, altered, or becomes unavailable. These risks are managed through robust information security policies and procedures, supported by regular staff training and systematic data backup. In addition, advanced security measures are applied, including firewalls, encryption, and continuous monitoring of systems. ICT risks are further mitigated through redundancy in critical systems and regular testing of disaster recovery capabilities.

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.

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

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.

### **Climate risk**

To effectively manage climate risks, this risk, including transition and physical risks, is managed as a standalone risk and integrated in 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.

### **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 maximise 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 30 million at the beginning of the year to USD 40 million at the end of 2025, 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 CEO.

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 2025, 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 11 (10) million.

<b>Currency exposure</b>	<b>EUR</b>	<b>GBP</b>	<b>SEK</b>
Investment assets	27,805	–	2 558
Receivables	5,775	2,942	1,789
Other assets	1,367	1,781	6,149
<b>Total assets</b>	<b>34,927</b>	<b>4,723</b>	<b>10,496</b>
Equity and untaxed reserves	–	–	–
Technical provisions, net	-3,626	-5	-201
Other liabilities and provisions	-1,273	-55	-3,528
<b>Total liabilities and provisions</b>	<b>-4,899</b>	<b>-60</b>	<b>-3,729</b>
Net exposure	30,048	4,663	6,767

Currency exposure for the Club's most important currencies was, as of 31 December 2025, USD 41.5 (28.8) 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.

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 445 (410) million.

### **Creditworthiness for classes of financial assets at fair value<sup>1</sup>**

	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Other</b>
Bonds and other interest-bearing securities					
Foreign governments	29,431	259,702	1,901	2,217	1,445
Other foreign issuers	7,071	9,494	47,541	60,263	25,675
	<b>36,502</b>	<b>269,196</b>	<b>49,442</b>	<b>62,480</b>	<b>27,120</b>

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.

2025	Financial assets measured at fair value through profit or loss	Loan receivables measured at amortised cost	Total carrying amount	Fair value
Assets designated as belonging to this category				
<b>Financial assets</b>				
Shares	95,297	–	95,297	95,297
Bonds and other interest- bearing securities	444,741	–	444,741	444,741
Other receivables	–	186	186	– <sup>1</sup>
Cash and bank balances	–	28,736	28,736	– <sup>1</sup>
Other assets	–	635	635	– <sup>1</sup>
<b>Total financial assets</b>	<b>540,038</b>	<b>29,557</b>	<b>569,595</b>	<b>540,038</b>

2025	Financial assets measured at fair value through OCI	Other financial assets measured at amortised cost	Total carrying amount	Fair value
<b>Financial assets</b>				
Derivatives	2,558	–	2,558	2,558
<b>Total financial assets OCI</b>	<b>2,558</b>	<b>–</b>	<b>2,558</b>	<b>2,558</b>

2025	Financial liabilities measured at fair value through OCI	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
<b>Financial liabilities</b>				
Other liabilities	–	11,726	11,726	– <sup>1</sup>
<b>Total financial liabilities</b>	<b>–</b>	<b>11,726</b>	<b>11,726</b>	<b>–</b>

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

2024	Financial liabilities measured at fair value through OCI	Other financial liabilities measured at amortised cost	Total carrying amount	Fair value
<b>Financial liabilities</b>				
Derivatives	2,848	–	2,848	2,848
Other liabilities	–	9,803	9,803	– <sup>1</sup>
<b>Total financial liabilities</b>	<b>2,848</b>	<b>9,803</b>	<b>12,651</b>	<b>2,848</b>

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 their 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.

2025	Level 1	Level 2	Level 3	Total
Shares	83,129	–	12,168	95,297
Bonds and other interest-bearing securities	400,971	21,566	22,204	444,741
<b>Total</b>	<b>484,100</b>	<b>21,566</b>	<b>34,372</b>	<b>540,038</b>

**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 2025 was USD 172 million and eligible own funds were USD 352 million.

**Note 3. Premiums written, gross, by geographic area**

	2025	2024
Greece	74,048	70,149
China	46,062	38,476
Singapore	28,924	30,340
Germany	18,585	18,557
Hong Kong	13,987	12,212
Sweden	12,365	11,319
Cyprus	7,562	5,970
Taiwan	7,499	8,221
Norway	6,825	7,432
Other countries	46,959	41,095
<b>Premiums written, gross</b>	<b>262,816</b>	<b>243,771</b>

**Note 5. Claims paid**

	2025			2024		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
<b>Current year:</b>						
Claims Paid	-46,245	6,551	-39,694	-31,032	3,705	-27,327
Claims Handling Costs	-18,900		-18,900	-16,360		-16,360
<b>Previous years:</b>						
Claims Paid	-116,465	15,539	-100,926	-84,785	-6,655	-91,440
	<b>-181,610</b>	<b>22,090</b>	<b>-159,520</b>	<b>-132,177</b>	<b>-2,950</b>	<b>-135,127</b>

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

	2025	2024
Allocated investment income transferred to the technical account	12,700	16,800

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 2025, the expected 1-year US Government bond rate used was 4.0 %. If the calculated annual amount is less than USD 1 million no transfer will be made.

	2025	2024
Average interest rate	4.0 %	5.3 %

## Note 6. Change in other technical provisions

	2025	2024
Value change, Hydra	-2,489	13,115
	<b>-2,489</b>	<b>13,115</b>

This income item reflects the change in value of receivables on Hydra.  
See Note 20.

## Note 7. Net operating expenses

Specification of net operating expenses reported in the income statement	2025	2024
Acquisition costs	-23,356	-21,363
Change in prepaid acquisition costs	849	-729
Internal operating expenses for acquisition of insurance contracts	-13,004	-11,226
	<b>-35,511</b>	<b>-33,318</b>
Administrative expenses	-7,947	-6,756
<b>Net operating expenses</b>	<b>-43,458</b>	<b>-40,074</b>
<b>Allocation of other operating expenses in the income statement:</b>		
Claims handling expenses reported as claims paid	-18,900	-16,360
Finance administrative expenses reported as Financial costs, Note 11	-935	-790
	<b>-63,293</b>	<b>-57,224</b>

Cont. note 7

Specification of net operating expenses reported in the income statement	2025	2024
<b>Total operating expenses analysed under the following categories:</b>		
Advertising and selling expenses	-1,181	-791
Personnel costs <sup>1</sup>	-27,938	-23,705
Travel expenses	-1,042	-930
Cost of premises	-3,042	-2,173
Office expenses	-2,705	-1,817
External services and fees <sup>2</sup>	-7,553	-5,973
Depreciation	-870	-601
Charged claims handling cost	3,379	4,494
Other revenue	198	138
External acquisition costs	-22,507	-22,092
Costs for The Swedish Club Hong Kong Limited	-32	-3,774
	<b>-63,293</b>	<b>-57,224</b>
	<b>2025</b>	<b>2024</b>
Audit assignment	-334	-445
– of which concern PwC Sweden	-274	-391
Other statutory assignments	–	–
Tax advice services (nothing concerns PwC Sweden)	-16	-27
Other services	-35	-144
– of which concern PwC Sweden	-3	–

1. Contains an impact from hedging instruments

2. Operating expenses include remuneration to PwC

## Note 8. Operational leasing

Fees due	Machinery & Equipment	Buildings & Premises
Year 2025	348	3,768
1 year	338	3,196
2–5 years	426	10,674
> 5 years	–	1,353

## Note 9. Financial income

	2025	2024
<b>Dividends on quoted shares</b>	<b>172</b>	<b>175</b>
Interest income		
Bonds and other interest-bearing securities	298	285
Other interest income	1,862	2,807
	<b>2,160</b>	<b>3,092</b>
Gains on foreign exchange, net	3,717	–
Gains on realisation, Other shares	–	2
Gains on the realisation of investments, net:		
Quoted shares	3,505	4,710
Bonds and other interest-bearing securities	4,316	9,430
	<b>11,538</b>	<b>14,142</b>
<b>Financial income</b>	<b>13,870</b>	<b>17,409</b>

**Note 10. Unrealised gains on investments**

	2025	2024
Quoted shares	12,105	6,782
Bonds and other interest-bearing securities	18,124	8,917
<b>Unrealised gains on investments</b>	<b>30,229</b>	<b>15,699</b>

**Note 11. Financial costs**

	2025	2024
Internal management expenses	-935	-790
External management expenses	-253	-186
Losses on foreign exchange, net	–	-2,493
Losses on the realisation of investments, net		
Derivatives	–	-111
<b>Financial costs</b>	<b>-1,188</b>	<b>-3,580</b>

**Note 12. Intangible assets**

	2025	2024
<b>Capitalised expenditure, software system</b>		
Opening accumulated costs	7,185	7,002
Acquisitions	1,445	974
Revaluation of accumulated acquisition costs	876	-791
<b>Closing accumulated costs</b>	<b>9,506</b>	<b>7,185</b>
<b>Intangible assets</b>	<b>3,968</b>	<b>2,876</b>

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

**Note 13. Shares in group and associated companies**

	2025	2024
<b>Non-quoted shares in subsidiaries:</b>		
The Swedish Club Hong Kong Limited		
1 share nominal value HKD 1	0	0
	<b>0</b>	<b>0</b>

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.

Information about The Swedish Club Hong Kong Limited:

CIN: 15065077-001-09-19-0

Registered office: Hong Kong

**Note 14. Quoted shares**

	2025	2024
Quoted shares at fair value	95,297	88,008
	<b>95,297</b>	<b>88,008</b>

Costs of quoted shares USD 59,059 (63,876) thousands.

Quoted shares are specified in the table below:

Name	Number	Cost	Market value
Mercer Passive Global Equity UCITS Fund	321,782	49,084	83,130
Mercer PIP VI - Sub Fund INFRA	9,975	9,975	12,167
		<b>59,059</b>	<b>95,297</b>

**Note 15. Bond funds and other interest-bearing securities**

2025	Cost	Fair value	Carrying amount
Bond funds	397,316	444,741	444,741
	<b>397,316</b>	<b>444,741</b>	<b>444,741</b>

2024	Cost	Fair value	Carrying amount
Bond funds	380,902	410,202	410,202
	<b>380,902</b>	<b>410,202</b>	<b>410,202</b>

**Note 16. Derivatives**

	2025	2024
Forward exchange agreements at fair value	2,558	–
	<b>2,558</b>	<b>–</b>

## Note 17. Technical provisions

	2025			2024		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
<b>Provision for claims outstanding</b>						
Opening balance, provision for reported claims	434,626	-125,250	309,376	383,532	-92,674	290,858
Opening balance, provision for incurred not reported (IBNR)	18,907	-250	18,657	16,295	-250	16,046
<b>Opening balance</b>	<b>453,533</b>	<b>-125,500</b>	<b>328,034</b>	<b>399,827</b>	<b>-92,924</b>	<b>306,904</b>
Claims occurred during the current year	156,576	-20,445	136,131	195,939	-31,415	164,524
Claims paid current year	-162,710	22,090	-140,620	-115,817	-2,950	-118,767
Change in expected cost for claims occurred previous years (run-off result)	60,767	-64,419	-3,652	-26,416	1,789	-24,628
<b>Closing balance</b>	<b>508,166</b>	<b>-188,274</b>	<b>319,892</b>	<b>453,533</b>	<b>-125,500</b>	<b>328,034</b>
Closing balance, reported claims	486,131	-188,024	298,107	434,626	-125,250	309,376
Closing balance, provision for incurred not reported (IBNR)	22,035	-250	21,785	18,907	-250	18,657
<b>Provision for unearned premiums</b>						
<b>Opening balance</b>	<b>58,160</b>	<b>-5,307</b>	<b>52,853</b>	<b>61,857</b>	<b>-5,549</b>	<b>56,308</b>
Insurance contracts signed during the period	66,405	-6,266	60,140	58,160	-5,307	52,853
Premiums earned during the period	-58,160	5,307	-52,853	-61,857	5,549	-56,308
<b>Closing balance</b>	<b>66,405</b>	<b>-6,266</b>	<b>60,140</b>	<b>58,160</b>	<b>-5,307</b>	<b>52,853</b>

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

## Note 18. Receivables related to direct insurance operations

	2025	2024
Policyholders (members)	58,818	57,696
Insurance brokers	37	53
Insurance companies	4,538	2,557
Other	24,090	21,663
	<b>87,483</b>	<b>81,969</b>

## Note 19. Tangible assets

<b>Machinery and equipment</b>	2025	2024
Opening accumulated cost	4,540	4,100
Acquisitions	579	793
Sales and disposals	-1,495	–
Revaluation of accumulated purchase prices	817	-353
<b>Closing accumulated cost</b>	<b>4,441</b>	<b>4,540</b>
Opening accumulated depreciation	-3,072	-2,987
Reversed depreciation on tangible assets disposals	1,518	–
Depreciation for the year	-508	-376
Revaluation of depreciation	-588	291
<b>Closing accumulated depreciation</b>	<b>-2,650</b>	<b>-3,072</b>
	<b>1,791</b>	<b>1,468</b>

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

**Note 20. Other assets**

	2025	2024
Receivables, Hydra	11,547	14,036
Other assets	635	531
	<b>12,182</b>	<b>14,566</b>

**Note 21. Pensions and similar obligations**

	2025	2024
Provision pensions	210	190
	<b>210</b>	<b>190</b>

The costs for own employees for both defined-benefit and defined-contribution pensions are reported 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 2,554.

Pension provisions include the capital value of pension obligations for prior senior executives, which amounts to USD 210 (190) thousand.

**Note 22. Taxes**

Tax on result for the year	2025	2024
Deferred tax investment assets	-6,227	-3,234
Deferred tax other comprehensive income	-1,114	220
Other taxes	-11	-40
<b>Closing accumulated cost</b>	<b>-7,352</b>	<b>-3,054</b>
Tax rate 20.6 %. Current years deferred tax is assignable to unrealised value changes in investment assets.		
<b>Change in provision for deferred tax</b>		
Opening balance	10,420	7,407
Change recognised in income statement	7,341	3,013
<b>Closing balance</b>	<b>17,761</b>	<b>10,420</b>
<b>Change in provision for deferred tax reported in untaxed reserves</b>		
Opening balance	41,053	37,114
Change reported in untaxed reserves	8,435	3,939
<b>Closing balance</b>	<b>49,488</b>	<b>41,053</b>

**Note 23. Liabilities related to direct insurance operations**

	2025	2024
Policyholders (members)	4,826	5,471
Insurance brokers	8,371	8,031
Insurance companies	2,616	4,056
	<b>15,813</b>	<b>17,558</b>

**Note 24. Other Liabilities**

	2025	2024
<b>Derivatives</b>	<b>-</b>	<b>2,848</b>
Trade creditors	670	696
Other creditors	9,756	9,644
	<b>10,426</b>	<b>10,340</b>

**Note 25. 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 26. 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.

	2025	2024
<b>Assets with members' priority right</b>	<b>600,244</b>	<b>568,666</b>
Technical provisions, net (Solvency 2)	351,434	344,356
Surplus of registered assets	248,810	224,310
	<b>600,244</b>	<b>568,666</b>

**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 4.9 (2024: 4.6) million.

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

**Note 27. 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 0.03 million to its subsidiary in Hong Kong. This was for operating costs in 2025. In addition, a debt is reported in the balance sheet for USD 0.1 million.

**Note 28. 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 29. Personnel**

	2025	2024
<b>Average number of employees:</b>		
in Sweden	90	84
in Greece	26	21
in Norway	6	6
in Hong Kong <sup>1</sup>	21	6
in Singapore	11	7
in the United Kingdom	3	3
	<b>157</b>	<b>127</b>
of which, women	54 %	50 %
Women in management team	29 %	29 %
<b>Salaries and payments:</b>		
Board and senior management	1,786	1,793
<i>whereof bonus payments</i>	150	179
Other employees	16,434	12,355
<b>Payroll overhead:</b>		
Other employees	7,105	6,388
<i>whereof pensions costs to board and senior management</i>	469	330
<i>whereof pension costs to other employees</i>	2,068	1,710

1. The average number of employees in The Swedish Club Hong Kong Limited is 0 (16)

Fees have been paid to Board members during the year in accordance with the Annual General Meeting (AGM) decision. The AGM decides on how remuneration to the Board shall be allocated between the Chairman of the Board and the other Board members. No fees are paid to a board member who is employed by the company. No variable remuneration is paid to the Board members.

The Chief Executive Officer's (CEO) remuneration is decided by the Chairman of the Board and remuneration to other senior executives is decided by the CEO. Remuneration to the CEO and other senior executives consists of basic salary, other benefits and pensions. Other senior executives are individuals who, together with the CEO, form the management team. For pension terms, see Note 21. The CEO's employment contract states that the Club is required to give notice of termination two years in advance.



# Board members' signatures

The income statements and balance sheets will be brought forth for adoption by the AGM on 11 June 2026.

The Board of Directors and the Chief Executive Officer 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, 26 March 2026

**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. Livijn**

**T. Ponath**

**T. Tanthuwani**

**M. Vinnen**

**J. Wei**

**J. Xiao**

**K. Zacharatos**

**T. Nordberg**  
*Chief Executive Officer*

**M. Birgersson**  
*Employee Representative*

**L. Hager**  
*Employee Representative*

Our audit report was submitted on  
**Öhrlings PricewaterhouseCoopers AB**

**Iulia Zhuravel**  
*Authorised Public Accountant*



# Independent auditor's report

Report on the annual accounts

# Report on the annual accounts

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

## 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, 2025, the balance sheet as at 31 December 2025, 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 2025, are prepared, in all material respects, in accordance with the accounting policies described in the note 1 of these financial statements.

## 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 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 and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 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 17.

## How our audit addressed the key audit matter

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

- Assessment of the design and testing the effectiveness of controls in the process 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 with the audit.
- In addition, 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 2025 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 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 based on 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, 27 April 2026  
**Öhrlings PricewaterhouseCoopers AB**

**Liulia Zhuravel**  
*Authorised Public Accountant*



# Performance analysis per class of insurance

Business segment performance

# Business segment performance

According to Swedish regulations, there is only one class of insurance. However, the Club voluntarily reports on other subclasses. Please see pages 67-68 for an explanation of the classes of insurance.

For the financial year January through December 2025 Amounts in USD thousands	Total	P&I	FD&D	Marine & Energy	
<b>Technical account</b>					
<b>Earned premiums, net of reinsurance</b>					
Premiums written, gross	262,816	144,824	10,056	107,936	
Outward reinsurance premiums	-52,998	-39,425	-473	-13,100	
Change in provision for unearned premiums	-8,245	-1,276	32	-7,000	
Reinsurers' share of change in provision for unearned premiums	958	756	-	202	
<b>A</b>	<b>202,532</b>	<b>104,879</b>	<b>9,615</b>	<b>88,038</b>	
<b>Investment income transferred from the non-technical account</b>	<b>B</b>	<b>12,700</b>	<b>8,500</b>	<b>800</b>	<b>3,400</b>
<b>Claims incurred, net of reinsurance</b>					
Claims paid					
Before outgoing reinsurance	-181,610	-101,371	-6,345	-73,894	
Reinsurers' share	22,090	19,753	-	2,337	
	-159,520	-81,618	-6,345	-71,557	
Change in provision for claims outstanding					
Before outgoing reinsurance	-54,633	-55,167	-479	1,013	
Reinsurers' share	62,777	59,631	-	3,146	
	8,143	4,464	-479	4,159	
<b>C</b>	<b>-151,377</b>	<b>-77,154</b>	<b>-6,824</b>	<b>-67,398</b>	
<b>Change in other technical provisions</b>	<b>C</b>	<b>-2,489</b>	<b>-2,489</b>	<b>-</b>	

For the financial year January through December 2025 Amounts in USD thousands	Total	P&I	FD&D	Marine & Energy	
<b>Net operating expenses</b>	D	<b>-43,458</b>	<b>-23,373</b>	<b>-1,436</b>	<b>-18,649</b>
<b>Balance on technical account</b>	A+B+C+D	<b>17,908</b>	<b>10,363</b>	<b>2,155</b>	<b>5,391</b>
<b>Financial result</b>		<b>42,911</b>			
<b>Allocated investment income transferred to the technical account</b>		<b>-12,700</b>			
<b>Result before appropriation and tax</b>		<b>48,119</b>			
Loss ratio [C/A]		76 %			
Expense ratio [D/A]		21 %			
Combined ratio [(C+D)/A]		97 %			



# Definitions and glossary

Explanation of key terms and abbreviations

# Explanation of key terms and abbreviations

## 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

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](http://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 conveys advice and covers 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](http://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.

## 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 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.

# Contacts

## Head Office Gothenburg

Visiting address: Gullbergs Strandgata 6,  
411 04 Gothenburg  
Postal address: P.O. Box 171,  
SE-401 22 Gothenburg, Sweden  
Tel: +46 31 638 400  
E-mail: [headoffice@swedishclub.com](mailto:headoffice@swedishclub.com)  
**Emergency: +46 31 151 328**

## Athens

3rd Floor, K4 Complex II,  
4 Moraitini & Makariou Street,  
Paleo Faliro 175 61  
Athens, Greece  
Tel: +30 211 120 8400  
E-mail: [mail.piraeus@swedishclub.com](mailto:mail.piraeus@swedishclub.com)  
**Emergency: +30 6944 530 856**

## Oslo

Dyna Brygge 9, Tjuvholmen N-0252  
Oslo, Norway  
Tel: +46 31 638 400  
E-mail: [mail.nordic@swedishclub.com](mailto:mail.nordic@swedishclub.com)  
**Emergency: +46 31 151 328**

## London

37–39 Lime Street, 4th Floor  
London, EC3M 7AY, United Kingdom  
Tel: +44 7444 872 792  
E-mail: [headoffice@swedishclub.com](mailto:headoffice@swedishclub.com)  
**Emergency: +46 31 151 328**

## Hong Kong

Suite 6306, Central Plaza, 18 Harbour Road,  
Wanchai, Hong Kong  
Tel: +852 2598 6238  
E-mail: [mail.hongkong@swedishclub.com](mailto:mail.hongkong@swedishclub.com)  
**Emergency: +852 2598 6464**

## Singapore

4 Shenton Way  
#29-01 SGX Centre 2  
Singapore 068807  
Tel: +65 6381 9255  
E-mail: [mail.singapore@swedishclub.com](mailto:mail.singapore@swedishclub.com)  
**Emergency: +852 2598 6464**