

SWEDISH

BBB+

S&P
Rating

+17%

Free
Reserves

\$30M

Surplus

98%

Combined
Ratio

Overview

- The Swedish Club reported its first underwriting surplus (US\$ 4m) for eight years. The results were aided by a sound performance from the investment managers with a return of 6.6%, to give an overall surplus of US\$ 30m, pushing the free reserves up by 17% to a five year high of US\$ 206m.

Key Performance Indicators

		2025	2024	2023
S&P Rating		BBB+	BBB+	BBB+
Gross Owned Tonnage	Mil	58	58	58
Combined Ratio	%	98	103	102
Investment Return	%	6.6	9.2	-9.8
General Increase	%	5	7.5	10
Solvency	%	163	157	159
Movement in Net Premiums	%	4.7	5.9	12.8
Movement in Free Reserves	%	17	18	-20.1
Movement in Incurred Claims	%	-2.6	7.3	-16.2
AER (Average Expense Ratio)	%	12.9	12.7	13.6
Increase in GT	%	0	0	0
Average net PR per GT	\$	3.24	3.09	2.92
Free Reserves per GT	\$	3.56	3.04	2.58
Surplus /(Deficit)(Mil)	\$	30	27	(37)

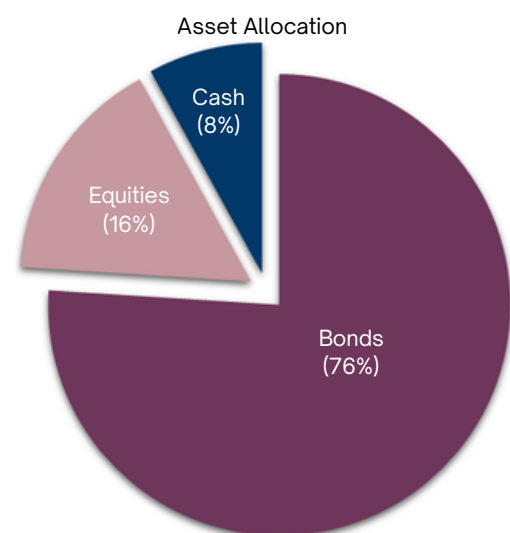
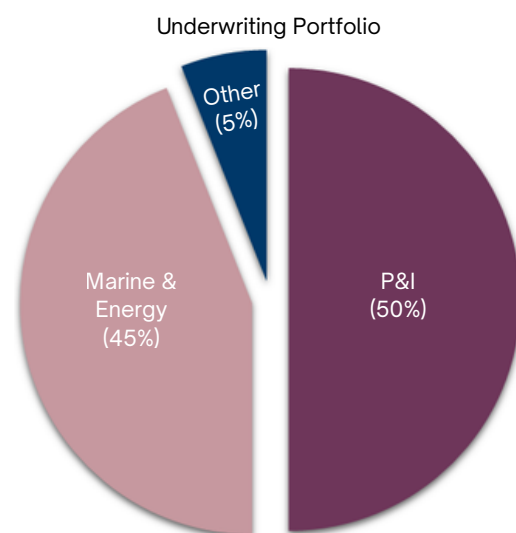
Underwriting

- The premium income rose by 5% with strong growth in the Hull and Machinery business, but an influx of new capacity into the market led to increased competition. There was also significant demand for shipbuilders' risk cover, which helped to push the Marine and Energy net premium income up by 8% to US\$ 83m. The claims fell by 6% to give an overall sector surplus of US\$ 1m, before investment income.
- The P&I business, which accounts for 50% of the net premium income, experienced the best performance with a small increase in income, a reduction in claims and a US\$ 13m reduction in "other technical provisions". This was reflected in improvements on earlier policy years, especially 2023 policy year, which improved dramatically. The P&I surplus was US\$ 3m, before investment income.
- There were 35 claims reported in excess of US\$ 500k, compared with 42 claims the previous year.
- The management costs rose by US\$ 3m to give overall costs of US\$ 183m, slightly down on last year, while the net premium income rose by nearly US\$ 9m to give an underwriting surplus of US\$ 4m. The combined ratio fell to 98%, down from a rather alarming 130% just three years ago. The Club also underwrites FD&D business and during the year introduced a cyber security cover.

Investments

- The investment managers had a successful year with a return of 6.6% and income of US\$ 25m. The return was clearly helped by underlying market conditions which pushed up prices in anticipation of lower interest rates and improvements in economic conditions. The equity allocation was 16% at the year-end with the remainder in cash and bonds.

Balance Sheet	US\$000's	2025	2024	2023
Investments		498,211	436,438	350,460
Cash		41,985	31,123	33,432
Debtors		91,772	153,755	160,450
Other Assets		18,909	23,709	19,071
Total Assets		650,877	645,025	563,413
Outstanding Claims		328,033	306,903	254,382
Creditors		116,640	161,809	159,657
Total Liabilities		444,673	468,712	414,039
Free Reserves		206,204	176,313	149,374
Revenue Statement	US\$000's	2025	2024	2023
Net Premiums		187,703	179,201	169,277
Net Claims Incurred		143,143	146,972	136,933
Management Costs		40,074	37,425	35,688
		183,217	184,397	172,621
Underwriting Surplus / (Deficit)		4,486	(5,196)	(3,344)
Investment Income / (Loss) Less Tax		25,405	32,135	(34,063)
Surplus / (Deficit)		29,891	26,939	(37,407)



Outlook

- The Swedish Club had a successful year with their first underwriting surplus for eight years, and a healthy investment return combined to push the free reserves up by 17% to US\$ 206m, a level not seen for four years. The Club has spent the last decade juggling the P&I and Marine classes of business in its diverse underwriting portfolio, with varying degrees of success.
- The perceived wisdom amongst regulators and rating agencies, is that the two classes complement each other, but that has not always proved to be the case with a 130% combined ratio for the 2022 year.
- Hopefully the Club has now got the balance right with 50% in P&I and 45% in Marine and Energy. This year has also been helped by a US\$ 13m change in technical provisions, which related to improvements on past policy years, which illustrated the conservative nature of their claims loss reserving.
- The Club has an S&P BBB+ credit rating, which it hopes to improve in the near future, and return to an S&P A- rating, which it lost shortly after 2022. The combined ratio was 98%, and the solvency ratio was 163%. Hopefully the Club will be able to sustain this recent improvement and keep all the different classes in surplus in the future.