

Year End Results and Renewal Report

2023/24 Financial Year Highlights

May 2024

To the Members

At the Board meeting, held in Geneva on 21 May 2024, the following developments were reported in respect of the Steamship Mutual group of companies.

2023/24 Financial Year Highlights:

- A financial year surplus of US\$110 million, after adjustment for capital returns, resulted in Free Reserves increasing to US\$540 million, up from US\$454 million at the same time last year.
- The Club remains one of the best capitalised in the International Group and is S&P "A" rated with a stable outlook.
- US\$24 million of capital distributed to Members at the 2024 renewal taking total funds returned to Members over recent years to US\$114 million.
- The 2023/24 financial year combined ratio improved to 92.9% from 95.4% in 2022/23.
- Owned tonnage increased to 124 million GT at year end, an increase of 8 million GT over the previous year.
- Total entered tonnage at year end, including chartered, increased to 244 million GT from 230 million GT in 2022/23
- The number of International Group ("IG") Pool claims for the 2023 policy year was higher than the low levels experienced in the 2022 policy year. The overall level of claims remained favourable compared to recent years.
- Investments record a gain of US\$94.4 million (a 7.4% return), recovering strongly from the loss of US\$26.8 million in the previous year.

Financial Results

The Annual Report and Accounts of Steamship Mutual Underwriting Association Limited, Steamship Mutual Underwriting Association (Europe) Limited, The Steamship Mutual Underwriting Association (Bermuda) Limited, and The Steamship Mutual Trust were approved by their respective Directors at their Board Meetings.

The Directors noted an improvement in the underwriting performance with a financial year combined ratio of 92.9%. The positive underwriting outcome reflects a small projected deficit for the 2023 policy year which was more than offset by favourable claims development on prior years for claims within retention and IG Pool claims.

Investments in the 2023/24 financial year recorded a gain of US\$94.4 million, 7.4%, the best return experienced for over 20 years, with a continued focus on capital preservation. The combined assets of the Club amount to US\$1.4 billion and the regulatory capital ratio stands at 249%.

2024/25 Renewal

In October 2023, the Board decided upon a 5% general increase alongside a capital distribution of 7.5% for all renewing mutual Members. The Club achieved an increase equivalent to a 4% rise in mutual premium when adjusted for the value of changes in terms and conditions.

2021/22 Policy Year

The Directors reviewed the position in relation to the open years and resolved that the 2021/22 Class 1 P&I and Class 2 FD&D years be closed without further calls.

Release Calls

The Directors reviewed release call requirements and resolved that release call levels for Class 1 P&I and Class 2 FD&D should be set as follows:

- 2022/23: 0%
- 2023/24: 5%
- 2024/25: 10%

Capital Management

In October of this year, as part of its annual overall review of projected capital requirements and resources, the Board will consider whether a further return of capital to Members is appropriate.

Further information concerning the financial position and a review of the year may be found in the 2024 Management Highlights.

Club Circular: E.99

Yours faithfully,

STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (EUROPE) LIMITED