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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Credit Ratings of Sveriges Ångfartygs Assurans Förening (The Swedish Club)

LONDON, 25 January 2018—A.M. Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” of **Sveriges Ångfartygs Assurans Förening (The Swedish Club)** (The Club or TSC) (Sweden). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect TSC’s balance sheet strength, which A.M. Best categorises as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

TSC’s balance sheet strength is underpinned by risk-adjusted capitalisation at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR). The Club’s free reserves have grown by an annual compound rate of approximately 7% over the past five years (2012-2016). The Club maintains a good liquidity profile, with the majority of its investment portfolio allocated to securities that are listed in active markets.

In 2016, TSC generated a return on equity (ROE) ratio of 6%, supported by a small technical profit, which was in line with the Club’s underwriting profitability targets, and strong investment results. Historical performance has been moderately volatile. A.M. Best expects a low-single digit ROE for 2017 and prospective years.

TSC maintains a well-diversified portfolio within the marine insurance market, offering hull and machinery, and protection and indemnity (P&I) types of cover, and benefits from its membership to the International Group of P&I Clubs. Overall premiums declined in recent years due to continued negative pressure

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on premium rates; however, slightly hardening market conditions are expected to mitigate this trend in prospective years.

The Club's risk management capabilities are considered as appropriately aligned with its risk profile. In particular, the risk management framework benefits from the stringent controls introduced as part of Solvency II implementation.

This press release relates to Credit Ratings that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best's Credit Ratings](#). For information on the proper media use of Best's Credit Ratings and A.M. Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and A.M. Best Rating Action Press Releases](#).

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