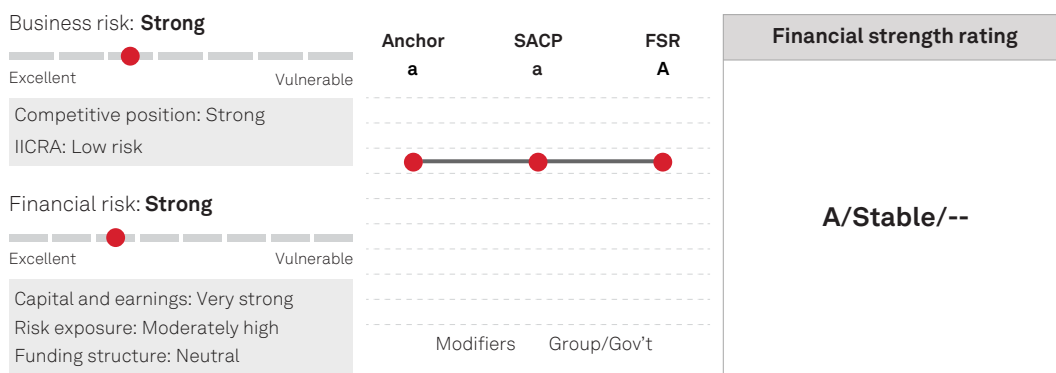


PRI Pensionsgaranti Mutual Insurance Co

April 15, 2026

This report does not constitute a rating action.



FSR--Financial strength rating. ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

Primary Contact

Viviane Ly
Frankfurt
49-693-399-9120
viviane.ly
@spglobal.com

Secondary Contact

Andreas Lundgren Harell
Stockholm
46-8-440-5921
andreas.lundgren.harell
@spglobal.com

Research Contributor

Rahul Iyer
CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Mumbai

Credit Highlights

Overview

Key strengths

A sustainable and profitable business model supported by a niche role in the Swedish occupational pensions market as the exclusive provider of credit insurance for pensions financed through the credit insurance model within the "Industrins och handelns tilläggspension 2" (ITP 2) scheme.

Excellent capitalization, comfortably exceeding the 99.99% confidence threshold in our risk-based capital framework.

Solid financial position of Swedish corporate pension clients.

Key risks

Elevated exposure to equities, with about 29% of the portfolio allocated to equities at year-end 2025.

Limited scale and limited diversity, both geographically and across product types.

Sensitivity to volatile capital markets and to Sweden's economic slowdown, which could reduce revenue and earnings.

We believe that PRI Pensionsgaranti Mutual Insurance Co. (PRI) will uphold its strong technical profitability due to its niche market position. In S&P Global Ratings' assessment, PRI's competitiveness is strengthened by its longstanding status as the sole credit insurer and service provider for occupational pensions in Sweden. Furthermore, PRI's capacity to leverage its expertise translates into sustainable long-term profitability and elevated operating margins, which positions the company to navigate the inherent volatility of the credit insurance sector.

Nonetheless, we believe that PRI's policyholder base, business lines, and restricted geographic footprint may constrain its competitive position.

We expect PRI will maintain its favorable profitability position. The company's combined (loss and expense) ratio stood at approximately 33.1% in 2025, with an average of about 30% over 2021-2025. We believe that PRI's earnings demonstrate resilience, but fluctuations in the financial markets have affected its investment performance historically. In the absence of significant losses, we project a net combined ratio of about 50% for 2026-2027 and an expected return on investments of at least 2%. It is important to note that these projections may be affected by the presence of a substantial portion of high-risk assets.

In our view, PRI's very robust capitalization will remain a key strength over 2026-2028. We expect PRI to maintain its excellent capital position over the forecast period, not least due to its retained earnings and sustainably low claims ratios. The redundancy at the 99.99% level is about par with PRI's entire equity exposure, which underlines PRI's resilience against volatile equity markets.

PRI has also demonstrated a very stable and robust Solvency II ratio, with almost no volatility. At year-end 2025, the ratio was robust, at 219%, including the capital add-on from the regulator.

Outlook

The stable outlook reflects our expectation that PRI will maintain its strong operating performance and its material capital buffer above our 99.99% capital requirement over the next two years.

Downside scenario

We could lower the ratings over the next 12-24 months if capital erodes below the 99.99% confidence level in our risk-based capital model due to a macroeconomic downturn--leading to a material increase of client defaults and consequently higher claims; or a strong drop in equity markets--resulting in a material loss.

Upside scenario

We regard a positive rating action as remote over the next two years, considering the concentration of PRI's business in, and exposure to, a niche product that is highly sensitive to the economic conditions of a single country.

Assumptions

- Swedish GDP growth of 2.5% in 2026, followed by slightly lower growth of 2.2% in 2027 and 2.0% in 2028.
- Inflation of 1.9%-2.0% over 2026-2028.
- Interest rates to increase. In the eurozone, we anticipate 10-year government bond yields of about 3.0% over 2026-2028.

PRI Pensionsgaranti Mutual Insurance Co.--Key metrics

	2027f	2026f	2025	2024	2023
S&P Global Ratings capital adequacy* (%)	99.99	99.99	99.99	99.99	99.99

PRI Pensionsgaranti Mutual Insurance Co

Net premium written (mil. SEK)	~500	~500	496	475	551
Net income (mil. SEK)	~450-500	~450-500	1,430.9	1,749.2	1,479.2
Return on shareholders' equity (%)	>3	>3	3.8	4.8	4.3
Financial leverage including pension deficit as debt (%)	~0.1	~0.1	0.1	0.1	0.1
P/C: net combined ratio (%) §	<50	<50	33.1	28.7	36.3
Return on revenue (%)	<10	<10	(5.6)	13.9	(15.3)
Return on assets (excluding investment gains/losses) (%)	>1.0	>1.0	(0.2)	0.6	(0.5)

*Capital adequacy for 2023 onward as per new capital model. §Excluding bonus payments. f--Forecast.
P/C-- Property/casualty. SEK--Swedish krona.

Business Risk Profile

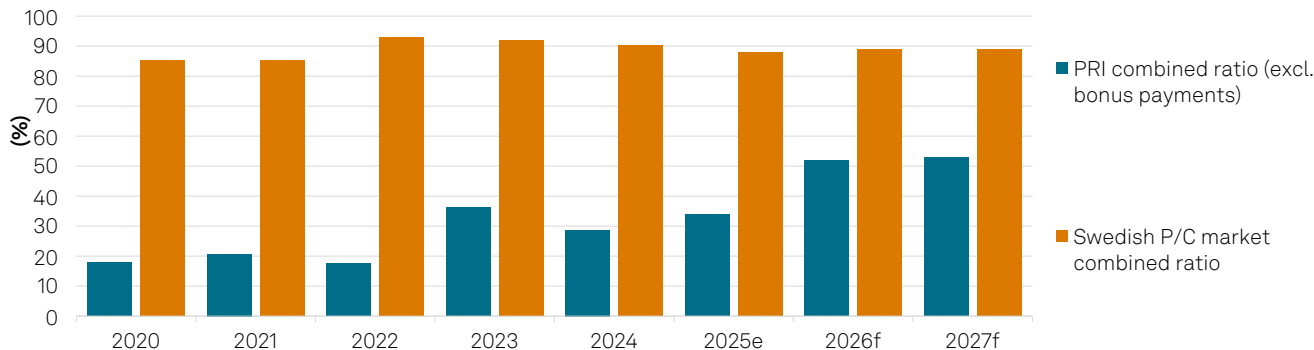
PRI serves as the primary provider of credit insurance and administrative services for occupational pension plans in Sweden and is the sole credit insurer for ITP 2 schemes. The funding mechanism operates on a book reserve system, making credit insurance a mandatory requirement. ITP 2 is a defined-benefit pension scheme designed for private-sector white-collar workers born in 1978 or earlier. We believe that PRI's unique position within this niche segment of the Swedish insurance market supports stable income streams and strong underwriting profitability.

PRI has approximately 1,000 policyholder owners, including many of the major companies operating in Sweden. Its business model centers on providing credit insurance that covers the pension liabilities of these owners, allowing them to retain their pension capital within their business operations. We believe that PRI's mutual ownership structure, its long-standing relationships with policyholder owners, and its broad product offerings--including financial reporting services, pension fund administration, and various pension administration services--fortify its strong position in the Swedish market. That said, we consider the company to be highly sensitive to Sweden's economic conditions, as its insurance operations are closely tied to economic cycles. In addition, PRI's operations show concentration across products, customer base, and geography, with Swedish exposures representing roughly two-thirds of total business.

Despite facing high unemployment and ongoing inflationary pressures in Sweden throughout 2025, PRI reported only a minimal number of claims, resulting in a strong combined ratio of approximately 33.1%. We view the robust five-year average combined ratio (2021-2025), excluding bonus payments, of about 30%, as a positive indicator, with net income reaching approximately Swedish krona (SEK) 1.4 billion (about €128 million) at the end of 2025, further strengthening the company's capital base.

Chart 1

PRI continues to demonstrate strong technical profitability

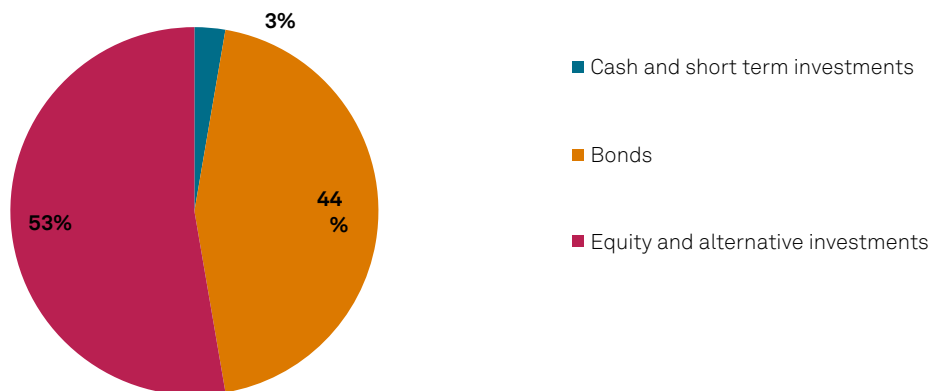


*Estimates for the Swedish market for 2025. P/C--Property/casualty, f--forecast. Source: Swedish Insurance Association, S&P Global Ratings.

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Chart 2

Investment portfolio with meaningful allocation to equities and alternatives (%)



* Includes investment in affiliates, other receivables Source: S&P Global Ratings.

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Based on our prudent assumptions, we project a combined ratio of about 50% for the period of 2026-2027. As of year-end 2025, around 52.5% of PRI's investment portfolio was allocated to equities and alternative investments, including real estate funds and hedge funds--an allocation we consider high compared with market averages. Conversely, we view positively the fixed-income portfolio, which comprises low-risk assets like government and mortgage bonds. PRI's strong capitalization supports this allocation. The investment portfolio yielded a return of approximately 5.3% as of October 2025, aligning closely with PRI's internal target of 5.5%.

In our base-case scenario, taking a conservative approach, we anticipate PRI to generate net income of more than SEK500 million (about €46 million) over the forecast period.

Financial Risk Profile

PRI's capital buffers are very solid, with capital adequacy well above the 99.99% category in our risk-based capital model. However, we recognize that our estimates of PRI's capital

requirements, derived from historical loss levels, may not fully reflect the sensitivity of PRI's gross exposure to potential economic shocks. We have factored these uncertainties into our conservative assessment of the financial risk profile. We expect PRI to sustain its robust capital position throughout the forecast period, supported by retained earnings and consistently low claims ratios. The redundancy at the 99.99% level slightly exceeds PRI's total equity exposure, underscoring the company's resilience in the face of volatile equity markets.

The company's regulatory Solvency II ratio at year-end 2025 stood at 219%, including the capital add-on from the regulator. PRI has shown a very stable and robust Solvency II ratio, with minimal volatility. In 2021, the regulator introduced a capital add-on, citing that PRI's risk profile deviates significantly from the assumptions underlying the standard formula for the solvency capital requirement. In 2023, the regulator asked PRI to develop its own partial internal model. We believe this model will provide a more accurate measurement of PRI's risk exposure and are closely monitoring any potential impact on its solvency ratio.

The 10 largest policyholders account for just under 40% of the company's net exposure, making policyholder concentration one of PRI's main risks. We maintain this view despite PRI's mitigation measures, including additional reinsurance for peak exposures and requirements for policyholders to increase collateral, which help limit customer concentration and overall net exposure.

The company carries no debt on its balance sheet, and we expect its earnings to be sufficient to support capital needs for future organic growth. Another strength, in our view, is PRI's flexible bonus policy for its mutual policyholders; under this approach, no bonuses were paid until 2021. In 2025, PRI distributed a bonus of SEK200 million to policyholders. Bonus decisions are made annually and depend on the consolidation and economic outlook. The company will increase the bonus to be paid in 2026 to SEK250 million.

Other Credit Considerations

Governance

PRI benefits from a highly experienced and stable management team, with a strong track record in governance and solid expertise in both the Swedish pension system and, more specifically, credit insurance for pensions funded through the book reserve system.

However, due to the company's relatively small size, operational risk exists, as replacing key personnel at short notice could be challenging.

Liquidity

We view PRI's liquidity as exceptional, owing to its solid available liquidity sources, which position the company to comfortably handle any unexpected increases in claim frequency or severity.

PRI Pensionsgaranti Mutual Insurance Co

Rating Component Scores

Business Risk Profile	Strong
Competitive position	Strong
IICRA	Low risk
Financial Risk Profile	Strong
Capital and earnings	Very strong
Risk exposure	Moderately high
Funding structure	Neutral
Anchor	a
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	A/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	A/Stable/--
Foreign currency issuer credit rating	--

Related Criteria

- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1 2019
- [General Criteria: Group Rating Methodology](#), July 1 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16 2011

Ratings Detail (as of April 15, 2026)*

PRI Pensionsgaranti Mutual Insurance Co.

Financial Strength Rating	
<i>Local Currency</i>	A/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	A/Stable/--
Domicile	Sweden

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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