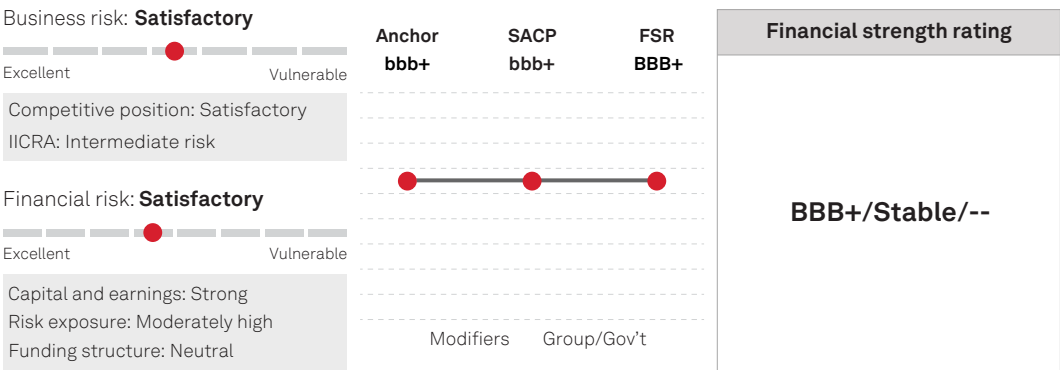


Sveriges Angfartygs Assurans Forening (The Swedish Club)

October 7, 2025

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

Andreas Lindberg
Stockholm
46764950026
andreas.lindberg
@spglobal.com

Secondary Contact

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

Credit Highlights

Overview

Key strengths	Key risks
Cased capital adequacy at the 99.95% confidence level according to our risk-based capital model.	More diversified than other property and indemnity (P&I) clubs, but business is nearly all related to marine cover.
Strong risk-control framework supporting its underwriting performance.	Small absolute size.

S&P Global Ratings expects the Swedish Club (TSC)’s capitalization at the 99.95% confidence level will remain a credit strength. Its capital notably strengthened during 2024 and first-half 2025, following an improved underwriting result and strong investment returns, which resulted in an operating profit of US\$34 million in 2024, and US\$25 million in first-half 2025. Consequently, free reserves are US\$246 million as of the first half, having improved from US\$217 million at year-end 2024 (US\$184 million and year-end 2023). We assume this capital strengthening will continue throughout 2025 on the back of the company’s healthy operating performance.

Following a period of below-breakeven underwriting results, TSC’s combined ratio of 98% for 2024 and 97% for first-half 2025 shows a sustained improvement in technical performance

and risk selection. We anticipate this current momentum will last, with disciplined underwriting and healthy premium increases supporting additional improvements in underwriting results over 2025-2027, during which we estimate a combined ratio of 96%-99%.

Gross premiums written increased marginally to US\$244 million in 2024, yielding 0.5% growth for the year. In our view, TSC’s disciplined underwriting policy and selective risk taking was notable last year. We foresee continued healthy retention levels combined with modest price increases over the next 12-24 months. As such we forecast premiums will grow 2%-4%.

Outlook

The stable outlook reflects our expectation that the club will maintain capital at the 99.95% benchmark according to our model, and that its operating performance will continue to improve over our two-year outlook horizon.

Downside scenario

We could lower the ratings over the next two years if:

- Contrary to our expectations, the club's capitalization, measured using our model, deteriorates and falls below the 99.95% level for a prolonged period;
- TSC's operating performance does not remain in line with our base case, which is that combined ratios will be breakeven or lower on average over the two-year outlook period; or
- The club's underwriting performance significantly weakens such that its combined ratio is in the lowest quartile of its international peer group.

Upside scenario

We could raise the rating within the next two years if:

- TSC restores its capital adequacy, with a comfortable buffer above our 99.99% requirement, while maintaining underwriting performance in line with its similarly rated peers in the P&I sector and our expectations.

Assumptions

- We forecast global GDP growth of 2.9% in 2025, versus 3.3% in 2024, U.S. policy unpredictability led by tariffs, continues to cloud the global macro picture.
- U.S. 10-year Treasury yields to rise to 4.3% in 2025, a steady increase from 4.2% in 2024 and 4.0% in 2023.
- U.S. GDP growth is expected to remain around 1.7% in 2025 and 1.6% in 2026, down from 2.8% in 2024, as a shifting policy mix is altering the economic outlook.
- Eurozone GDP growth of 0.8% in 2025, unchanged from 2024. However, we expect a substantial recovery from 2026, with GDP growth of 1.1% thanks to higher defense and infrastructure spending.

The Swedish Club --Key Metrics

	2026F	2025F	2024	2023	2022
S&P Global Ratings capital adequacy*	99.95%	99.95%	99.95%	99.95%	Very Strong

	2026F	2025F	2024	2023	2022
Gross premiums written (mil. \$)	~253	~248	244	243	230
Net income (attributable to all shareholders) (mil. \$)	>20	>25	30.7	24	-33.8
P/C: net combined ratio (%)	~97	~97	97.6	102.5	101.6
P/C: net loss ratio (%)	~76	~76	76.3	82	80.9
P/C: net expense ratio (%)	~21	~21	21.3	20.4	20.8

*Capital adequacy for 2023, 2024, 2025f and 2026f is as per the new capital model. f--S&P Global Ratings forecast. ~ Approximately.

Business Risk Profile

The Swedish Club provides Protection and Indemnity (P&I) and marine insurance coverage to its members. It is underpinned by a geographically diverse operating presence and a focus on providing cover and expertise for its members. After a couple of challenging underwriting years, in particular 2020-2021 when its technical results were poor, we have seen management take steps to notably improve the club's technical profitability, with year-end 2024 and half-year 2025 combined ratios at 98% and 97%, respectively. That said, we note that so far this year both the frequency and severity of pool claims have increased and could weigh on results. However, we continue to forecast technical results of 96%-99% for 2025-2027, supported by management's sustained emphasis on careful pricing and risk selection.

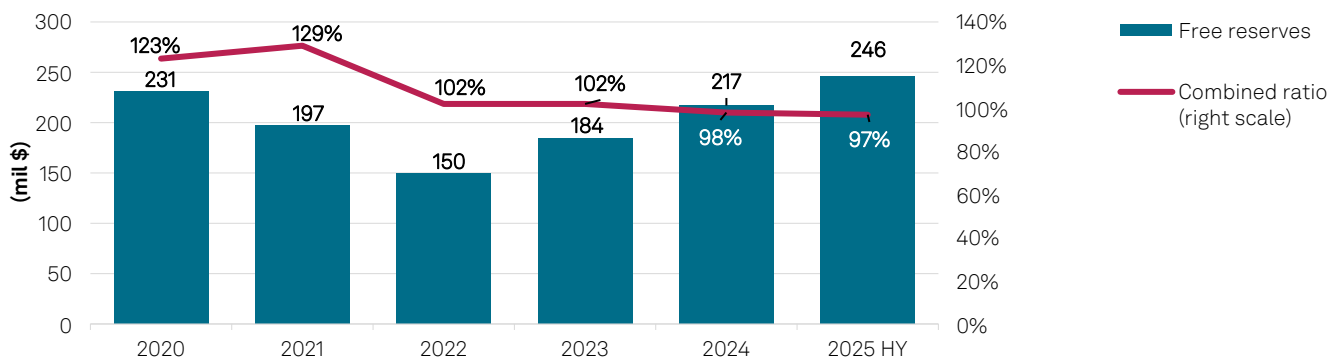
Gross premiums written for 2024 were US\$243.8 million, representing growth of 0.5%. We understand this relates to TSC's strategy of more active risk selection as well as not compromising on underwriting profitability in the current market, where increased capacity has led to greater competition. Further, we note a general softening of rates across the marine market, which may hamper growth. As such, we forecast the club's premiums will grow 2%-4% in the coming two years as market capacity normalizes and TSC continues to exercise disciplined underwriting coupled with high retention levels given its close relationships with members.

We view favorably the club's geographically diverse insurance portfolio and note its ongoing efforts to maintain its competitive position by aligning its services with the evolving needs and expectations of shipowners. The club provides cover for hull and energy, alongside P&I, which makes it one of the more diversified IGP&I peers in terms of product offering. Nonetheless, because of the club's smaller size compared to IGP&I peers, and as the vast majority of premiums is written in the marine sector, we view the diversification benefit as limited in terms of its competitive position.

TSC has a thoroughly developed risk-control framework, supporting its underwriting performance and the club's overall competitiveness.

Chart 1

TSC is showing robust improvements in technical results and free reserves



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Financial Risk Profile

TSC continues to benefit from its capitalization, which we consider a key rating strength. Owing to underwriting losses and poor investment results, the club's redundancy was meaningfully eroded during 2020 and 2021. We now see lasting improvements in capitalization, with free reserves increasing in the last two years amid solid results stemming from improved underwriting and, notably, strong investment results. Free reserves stood at US\$246 million as of June 30, 2025. Consequently, we also note the solvency ratio improved further in the period from 186% at year-end 2024 to 195% at first-half 2025.

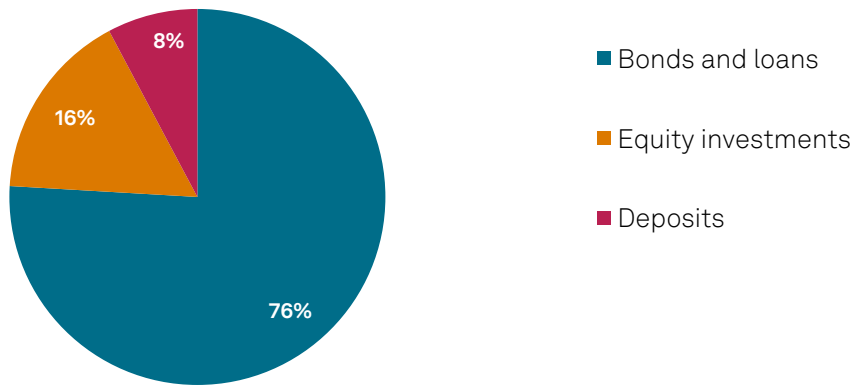
In our view, TSC's investment results will continue to support its ambition to further improve its capital position in the coming two years. We also view favorably the relatively lower risk in the investment portfolio compared to the historical allocation profile, which contributed to losses in 2022.

As part of the IGP&I, TSC's underwriting results are somewhat protected by contributions to the IGP&I pool claims. The mechanism allows any club to share losses in case of large claims. That said, this can also affect the results of other clubs' claims, as was the case for TSC in 2021 when record high pool claims were posted. TSC has the option to call on its members for more capital if needed. In addition, TSC's risk controls should maintain its underwriting discipline and counterbalance its somewhat small absolute size in comparison with peers in the IGP&I. To complement this, further protection is also enjoyed from TSC's own reinsurance cover. These elements are reflected in our rationale for the anchor selection.

The club has no debt outstanding, and we do not expect it will issue any.

Chart 2

The Swedish Club's invested assets
S&P Global Ratings capital model, year-end 2024



Source: S&P Global Ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Other Credit Considerations

Governance

TSC benefits from good governance. Its strategy is realistic and consistent with its capabilities, considering marketplace conditions.

Liquidity

TSC has ample sources of liquidity because its asset portfolio is predominantly marketable securities and cash or cash equivalents. It also benefits from recurrent premium income.

Environmental, social, and governance

ESG factors have no material influence on our credit rating analysis of TSC.

Rating Component Scores

Business Risk Profile	Satisfactory
Competitive position	Satisfactory
IICRA	Intermediate risk
Financial Risk Profile	Satisfactory
Capital and earnings	Strong
Risk exposure	Moderately high
Funding structure	Neutral
Anchor	bbb+
Modifiers	
Governance	Neutral
Liquidity	Adequate
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	BBB+/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	BBB+/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
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- Protection And Indemnity Clubs Opt For Rate Hikes In 2025. October 23, 2024
- Comparative Statistics: Global Marine Protection And Indemnity Clubs, October 23, 2024

Ratings Detail (as of October 07, 2025)*

Operating Company Covered By This Report	
Sveriges Angfartygs Assurans Forening (The Swedish Club)	
Financial Strength Rating	
Local Currency	BBB+/Stable/--
Issuer Credit Rating	
Local Currency	BBB+/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

Ratings Detail (as of October 07, 2025)*

obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.