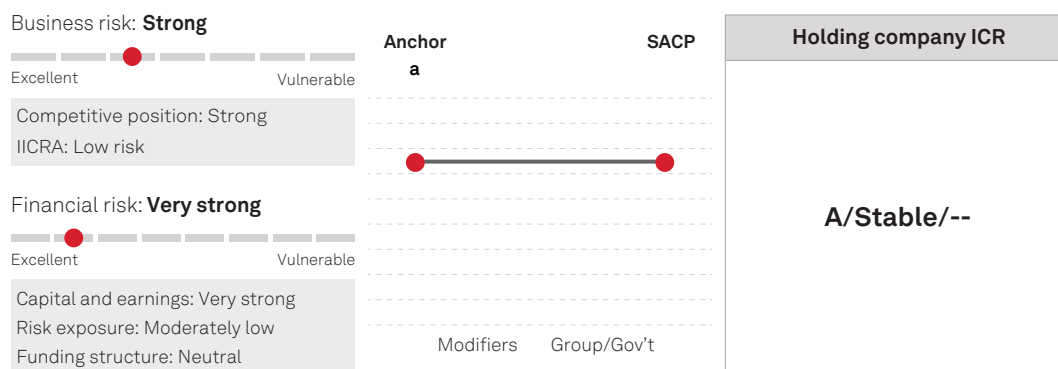


# Gjensidige

August 12, 2025



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

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## Credit Highlights

### Overview

Key strengths	Key risks
Leading market position in the Norwegian property and casualty (P/C) insurance market.	Higher-than-average investment risk appetite.
Consistently strong underwriting performance.	Limited product and geographic diversification compared with higher-rated peers.
A well-regarded brand and renowned reputation in the domestic market.	

**Gjensidige will continue to record strong underwriting results through 2025-2026, demonstrating its competitive strengths in its key markets.** S&P Global Ratings expects the group will continue to record combined (loss and expense) ratios below 90% and a return on equity (ROE) higher than 15%. Gjensidige's leading market position in Norway--with its well-recognized brand and loyal customer base--will help it achieve robust underwriting results over 2025-2026. Rate increases in motor lines to mitigate the impact of claims inflation have started to yield improvements and should result in improved combined ratios over that period. We expect the group will also continue to record strong results in Denmark and Sweden.

**We expect the group's capital to stay comfortably above our 99.8% confidence level over 2025-2026.** We believe Gjensidige will continue to demonstrate robust capital generation based on its strong underwriting performance and improving yields on its investment portfolio. Likewise,

the group will likely continue to pay out at least 80% of its earnings in dividends. We also believe it will maintain a solvency capital ratio under Solvency 2 in its target range of 140%-190%.

**The group's leverage ratio will remain at about 20% over the next two years.** We expect Gjensidige will retain conservative leverage ratios over the next two years. The group's ability to generate capital makes it less reliant on public markets to finance growth. Gjensidige has very strong fixed-charge coverage thanks to its consistently robust underwriting earnings.

## Outlook

The stable outlook on Gjensidige reflects our view that the group will continue to report excellent underwriting results and maintain capital well in excess of our 99.8% confidence level over the next two years. We expect the group will demonstrate its strong competitive position through recording combined ratios below 90% and a return on equity (ROE) in excess of 15% over the same period.

### Downside scenario

We could take a negative rating action over the next 24 months if Gjensidige suffers significant underwriting or investment losses that drive its capital base consistently below our 99.8% confidence level.

### Upside scenario

We could take a positive rating action over the next 24 months if Gjensidige continues to record combined ratios below 90% while consistently maintaining capital at the 99.99% confidence level.

## Assumptions

- GDP growth in Norway of 2.3% in 2025 and 1.9% in 2026. Household consumption should increase moderately this year, underpinned by lower borrowing costs and higher real wage growth. Investment activity should strengthen, predominantly in nonhydrocarbon sectors.
- Inflation to keep declining and average 2.2% in 2025 as price pressures continue to ease. Key risks to inflation persist, including volatile commodity prices, a weaker krone, and rising wages.
- Gjensidige to continue with a dividend payout ratio of at least 80%.

#### Gjensidige--Key Metrics

	2026f	2025f	2025 H1	2024	2023	2022
S&P Global Ratings capital adequacy*	99.95%	99.95%		99.95%	99.95%	99.95%
			99.95%			
Insurance Revenue (mil. NOK)	~44,000	~41,000	20,826	38,883	36,625	32,639
Net income (mil. NOK)	~6,500	~6,000	3,635	5,139	4,130	3,438
Return on shareholders' equity (%)	>20	>20	27.9	20.5	17.1	14.2
P&C net combined ratio (%)#	<85	<85	82.5	85.7	87.4	82.3
Financial leverage (%)	~25	~25	26.5	25.6	21.6	20.1
Fixed charge cover (x)	>15	>15	18	14.7	20.2	52.9

\*--Estimated where half year figures were not available #--S&P's ratio is on a net/net basis--  
Gjensidige report under IFRS 17. f--Forecast. P&C--Property and casualty. NOK--Norwegian krone.

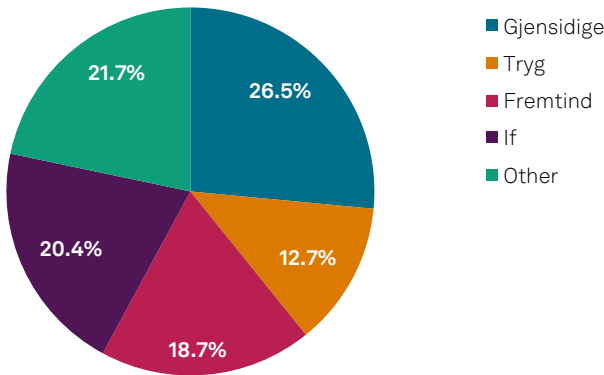
# Business Risk Profile

Gjensidige is the leading P/C insurance provider in Norway, with a very powerful brand and reputation, as shown by its very high retention rates (91% in Norway in 2024). Although the majority of the group's income is still sourced from non-life products in Norway (69% of group revenue in 2024), the group has some geographic diversification with sizable market shares in non-life lines in Denmark (24% of group revenue) and Sweden (5%). Gjensidige is also active in the Norwegian pension and savings market (1% of group revenue). We do not expect Gjensidige to expand outside Scandinavia over the next two years. Although we expect its pensions and savings business to become a larger part of the group, we view Gjensidige as having limited diversification compared to some of its 'A' rated peers.

Chart 1

## Gjensidige remains the dominant player in Norway's non-life insurance sector

Market share of non-life business in Norway



Source: S&P Global Ratings. Data: Finans Norge

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We expect Gjensidige's top line will continue to strengthen in 2025-2026, but more slowly than in previous years. The group increased its continuing insurance revenue by about 11% over 2024. This was largely driven rate increases to offset a rise in claims frequency and costs in 2023 and 2024. Gjensidige believes the increased claims frequency is partly due to newer cars being longer, wider, heavier, and with faster acceleration; 89% of new vehicles in Norway were electric vehicles in 2024. However, we expect growth to temper over the rest of 2025 as inflation and claims frequency normalize.

We regard operating conditions for non-life insurers in Gjensidige's markets as favorable, with strong and stable returns for the dominant players like Gjensidige. These markets are, however, relatively small, placing limits on potential growth in its current markets.

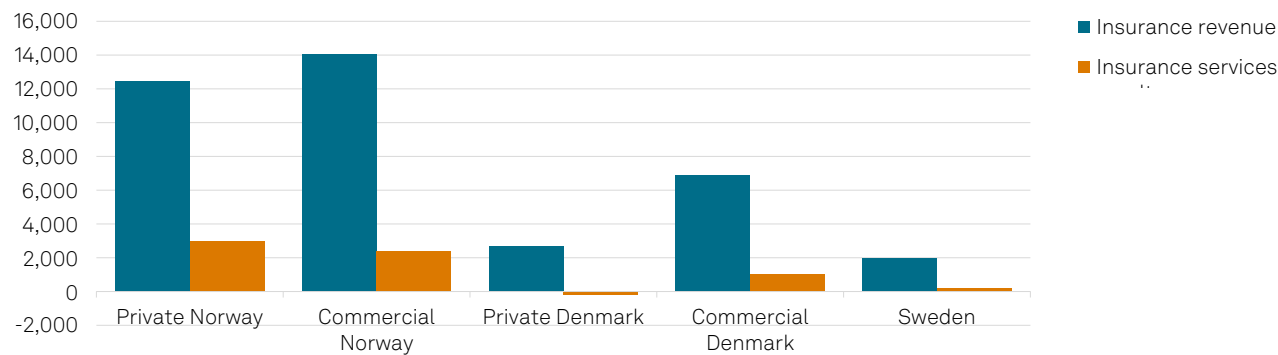
Gjensidige has consistently delivered a strong ROE, averaging more than 17% over the last three years, which is better than that of most of its 'A' rated peers. We expect this to trend upward to 20% over the next two to three years due to improved underwriting results and higher yields on investments. Gjensidige has historically displayed peer-leading underwriting results, with combined ratios consistently below 90% over the last decade. The 2024 result saw the group miss its combined ratio target of lower than 84% with a combined ratio of 85.7% (based on our calculation). Assuming a more normalized weather claims experience over 2025, we expect a

combined ratio lower than 85%. At half-year 2025, the combined ratio had improved to 82.5%, reflecting a benign winter claims experience. Traditionally, strong earnings have largely come from Gjensidige’s domestic market, but we expect its business in Denmark will deliver results similar to those in Norway in 2025-2026. The Swedish business will likely lag both markets due to its smaller scale and lower market share.

Chart 2

Commercial and retail lines in Norway dominate revenue and profit generation

2024 results by business line (mil. NOK)



NOK--Norwegian krone. Source: S&P Global Ratings.

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Financial Risk Profile

We expect that over 2025-2026 Gjensidige will continue to hold a significant excess of capital above the 99.8% confidence level in our capital model. We expect earnings from both underwriting and investments will remain strong over the next two years but believe they will be offset by significant returns to shareholders. Gjensidige targets at least an 80% dividend payout ratio but has in the past paid out more than 100% of earnings.

Gjensidige's coverage of its Solvency II capital requirements remained well within the target range at 185% at year-end 2024. At the end of the second quarter of 2025, the ratio was 182%. We expect Gjensidige's solvency coverage will remain well within its 140%-190% target range over the next two years.

In our view, Gjensidige has a higher-than-average investment risk appetite, and thereby potentially higher volatility in investment results than many other European P/C peers. In particular, it has notable exposure to unrated and speculative-grade bonds (rated 'BB+' and lower). Its investment portfolio is, however, highly liquid.

Gjensidige has both tier two and restricted tier one instruments as part of its total adjusted capital. Its leverage ratio is relatively low compared to peers' at just over 25% at year-end 2024, we expect this to reduce over the next two years. Fixed charge coverage will remain significantly above 4x over the next two years.

Although Gjensidige is a public company, the Gjensidige Foundation retains majority ownership, with a 63% stake. The Foundation could reduce its stake if necessary, which in our view, enhances the group's financial flexibility.

## Other Credit Considerations

### Governance

We regard Gjensidige's risk and governance practices as supporting the ratings. In our opinion, Gjensidige's key strengths include its management of exposures within the boundaries of the group's risk appetite, which are set at comfortable levels and in line with business plans.

In our view, the three-lines-of-defense framework is well implemented and enhances top-down risk oversight and execution of group risk policies. Furthermore, strategic planning, a robust reinsurance program, capital contingency plans, and clear performance metrics are embedded in the management of economic capital.

We view management's experience and expertise, and its ability to adapt its strategies to market conditions and then fully execute them, as favorable. This has been shown by various successful acquisitions as part of a strategy to strengthen Gjensidige's position in Scandinavia.

### Liquidity

We believe the liquidity sources available to the company are sound. In the event of major adverse claims developments, we consider the company well positioned to meet any liquidity needs that may arise, largely due to the generally very strong credit quality of its bond portfolio.

### Environmental, social, and governance

Environmental, social, and governance factors have no material influence on our credit rating analysis of Gjensidige. Formerly a mutual company, Gjensidige is still majority-owned (63%) by the Gjensidige Foundation (a financial foundation). Among the purposes of the Foundation are to distribute dividends received to Gjensidige's Norwegian customers. We believe the customer dividend model helps improve Gjensidige's position in the market, as well as customer loyalty.

## Rating Component Scores

<b>Business Risk Profile</b>	<b>Strong</b>
Competitive position	Strong
IICRA	Low risk
<b>Financial Risk Profile</b>	<b>Very Strong</b>
Capital and earnings	Very strong
Risk exposure	Moderately low
Funding structure	Neutral
<b>Anchor</b>	<b>a</b>
<b>Modifiers</b>	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
<b>Current Credit Rating</b>	
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: Hybrid Capital: Methodology And Assumptions](#), March 2, 2022
- [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

## Ratings Detail (as of August 11, 2025)\*

<b>Operating Company Covered By This Report</b>	
<b>Gjensidige</b>	
Financial Strength Rating	
Local Currency	A/Stable/--
Issuer Credit Rating	
Local Currency	A/Stable/--
Junior Subordinated	BBB
Subordinated	BBB+
<b>Domicile</b>	Norway

\*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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