

Storebrand Livsforsikring's Restricted Tier I Notes Rated 'BBB'

May 8, 2026

FRANKFURT (S&P Global Ratings) May 8, 2026--S&P Global Ratings today assigned its 'BBB' long-term issue rating to Storebrand Livsforsikring AS' (Storebrand's) restricted tier 1, noncumulative, callable bonds. The issue size is Norwegian krone 500 million and Swedish krona 500 million (two tranches). The rating is subject to our receipt and review of the bonds' final terms and conditions.

Our rating is three notches below our 'A' long-term issuer credit rating (ICR) on Storebrand. This reflects:

- One notch for subordination to the company's senior obligations;
- One notch for the risk of a potential write-down of principal; and
- One notch for payment risk created by the mandatory and optional coupon cancellation features. Interest cancellation is mandatory in the event of a breach of either the solvency capital requirement or the minimum capital requirement under solvency II.

Storebrand Livsforsikring's regulatory capital adequacy, based on solvency II, was 266% as of March 31, 2026, and for Storebrand Group it stood at 206% as of the same date--both well above the group's target of 150%-175% and our threshold of 165%. Therefore, we do not anticipate heightened payment risk for the notes and do not believe it is necessary to deduct a further notch from the ICR to derive the issue rating.

We will continue to monitor Storebrand's solvency range and capital plans to assess whether the ICR adequately incorporates the payment risk associated with its hybrid instruments. An unexpected deterioration in the group's regulatory solvency position, or increased sensitivity to stress, could lead us to lower the rating on the notes by widening the notching between them and the ICR, to ensure the rating on the hybrid instruments follows a measured transition to default.

The bond issue is perpetual but can be called at par after seven years, on any business day until the next interest payment date, and on any interest payment date thereafter. It comprises two tranches:

- One in Norwegian krone at a floating rate of the three-month Norwegian Interbank Offered Rate (NIBOR) plus 2.2%; and
- One in Swedish krona at a floating rate of the three-month Stockholm Interbank Offered Rate (STIBOR) plus 2.1%.

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The coupon has a zero floor if NIBOR (or STIBOR) plus the margin falls below zero. There is no step up in the coupon rate if the bonds are not called at the first call date. We understand Storebrand has the option to redeem the notes at any time following certain external events, such as a redemption triggered by a capital disqualification, rating agency event, or tax event.

We classify these notes as having intermediate equity content under our criteria, subject to our receipt and review of the final terms and conditions. Hybrid capital instruments with intermediate equity content can comprise up to 30% of capital in our consolidated risk-based capital analysis of insurance companies. This inclusion is subject to the notes being considered eligible as the group's own regulatory funds.

We understand the proceeds from the tier 1 notes will be used for the group's general corporate purposes, which may include, without limitations, refinancing existing debt, including callable capital securities.

We forecast Storebrand's financial leverage (debt plus hybrid capital, divided by the sum of shareholder equity, debt, and hybrid capital) will remain below 40% and fixed-charge coverage (EBITDA divided by senior and subordinated debt interest) ratios will remain comfortably above 4x after this issuance.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [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

Related Research

- [Storebrand Group](#), Nov. 26, 2025

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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