

Gjensidige's Restricted Tier 1 Notes Rated 'BBB'

September 11, 2025

STOCKHOLM (S&P Global Ratings) Sept. 11, 2025--S&P Global Ratings today assigned its 'BBB' issue rating to the Norwegian krone (NOK) 1.2 billion restricted tier 1 subordinated notes issued by Norwegian insurance company Gjensidige (A/Stable/--).

We classify the notes as having intermediate equity content, as per our hybrid capital criteria. We include securities of this nature--up to a maximum of 30% of adjusted common equity--in our consolidated risk-based capital analysis of insurance companies. This inclusion is subject to the notes being considered eligible as the group's regulatory own funds.

We rate the notes three notches below the 'A' long-term issuer credit rating on Gjensidige. We deduct:

- One notch to reflect the risk of a potential temporary write-down of principal;
- One notch to reflect the notes' subordination to Gjensidige's senior creditors; and
- One notch to reflect payment risk arising from the mandatory and optional coupon cancellation clauses in the documentation. Interest cancellation is mandatory in the event of a breach of either the solvency capital requirement (SCR) or the minimum capital requirement under Solvency II.

Gjensidige's SCR coverage ratio remains robust and was 181.5% at half-year 2025. We will monitor the group's SCR coverage and capital plans to assess whether the issue rating adequately captures the payment risk associated with the hybrid instrument. Increased sensitivity to stress, or a deterioration in the group's regulatory solvency position that does not result in a change to the issuer credit rating, could lead us to lower the issue rating on the notes by increasing the notching between the issue rating and the issuer credit rating to reflect the heightened payment risk.

We understand that the notes are perpetual but can be called at par 5.5 years after the settlement date and on every subsequent business day up to and including the next interest payment date, or on any interest payment date thereafter. The coupon will carry a variable rate based on the three-month Norwegian inter-bank offer rate (NIBOR) plus a margin. This coupon has a floor of zero, should the NIBOR plus the margin fall below zero. There is no step-up in the coupon rate if the bonds are not called on the first call date.

We understand that Gjensidige will use the proceeds from the restricted tier 1 notes for general corporate purposes, which may include, without any limitations, the refinancing of existing debt, including callable capital securities. With the issuance of the new debt, we no longer regard the debt to be refinanced as having any equity content.

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Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 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

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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