

# Sörmlands Sparbank

Full Rating Report

## LONG-TERM RATING

**BBB+**

## OUTLOOK

**Stable**

## SHORT-TERM RATING

**N-1+**

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## RATING RATIONALE

Our 'BBB+' long-term issuer rating on Sweden-based Sörmlands Sparbank reflects the bank's very strong capital position, low risk appetite, and relationship-based funding profile. The rating is constrained by the bank's relatively weak core earnings metrics, which are somewhat weaker than those of similar Nordic savings banks. Like most Swedish savings banks, the bank has a cooperation arrangement with Swedbank AB, which provides material diversification of product offerings, shared IT costs, and the opportunity to finance retail mortgages. We view this cooperation as significant and note that Sörmlands Sparbank has historically benefited from dividend revenues through its holdings of Swedbank shares, despite dividend restrictions in effect for 2020.

Sörmlands Sparbank is based in Katrineholm in the eastern Swedish county of Södermanland. Other core markets include the city of Nyköping and other, smaller communities in southern Södermanland, which is important for Sweden's manufacturing industry. The bank focuses on regional private customers and SMEs, with a strong focus on property loans. With total assets of SEK 16.6bn (SEK 23bn including mortgage loans transferred to Swedbank) it is Sweden's sixth largest savings bank, measured by total business volumes. Despite the uncertain economic environment, our projections for losses and non-performing loans are only slightly above historic levels given our expectation that a small number of legacy credit losses will be resolved in the next two years.

## STABLE OUTLOOK

Our stable outlook on Sörmlands Sparbank reflects our view that the bank will maintain its strong balance sheet despite higher credit losses and ongoing uncertainty related to COVID-19. We assume that the bank will reduce its cost base and retain its access to and relationship with Swedbank and that the ownership of Swedbank shares will not materially affect capitalisation.

### POTENTIAL POSITIVE RATING DRIVERS

- Improved economic conditions in Sweden and in the bank's local market.
- Sustainable and material improvements in core earnings metrics.
- Improved asset quality metrics.

### POTENTIAL NEGATIVE RATING DRIVERS

- Long-term economic recession in the Södermanland region, affecting economic activity and employment.
- Deterioration in asset quality metrics and credit losses impacting capitalisation.
- Swedbank-related issues impacting capitalisation or cooperation with Swedbank.

Figure 1. Sörmlands Sparbank key credit metrics, 2016–2022e

	2016	2017	2018	2019	2020e	2021e	2022e
Net interest margin (%)	1.47	1.37	1.40	1.47	1.56	1.56	1.60
Loan losses/gross loans (%)	0.75	0.05	0.11	(0.06)	0.37	0.18	0.08
Pre-provision income/REA (%)	0.1	2.2	1.2	1.7	0.8	2.2	2.8
Return on equity (%)	(2.1)	5.9	3.0	5.0	0.9	6.1	7.9
Loan growth (%)	9.1	5.5	9.8	(1.2)	7.2	6.0	6.0
CET1 ratio (%)	17.4	20.4	21.6	22.1	21.4	21.9	22.9

Based on NCR estimates and company data. e–estimate. REA–risk exposure amount. CET1–common equity Tier 1. All metrics are adjusted in line with NCR methodology

## ISSUER PROFILE

Sörmlands Sparbank was initially founded in 1832 as Nyköpings Sparbank and took its current form via a 1991 merger and the 1998 acquisition of five local bank offices as part of the creation of Föreningsparbanken (now Swedbank). Sörmlands Sparbank is based in Katrineholm in the county of Södermanland (also called Sörmland). The bank is also active in the municipalities of Nyköping, Flen, Vingåker and Oxelösund. These communities have a total of about 130,000 inhabitants in southern Södermanland, stretching from Lake Hjälmarén to the west and the Baltic Sea to the east.

Sörmlands Sparbank is a traditional savings bank, meaning that it is operated without an owner and focuses on customers in a specific geographic region. The bank's earnings, less a donation to support the local community, are retained on the balance sheet to protect depositors' funds. Like most Swedish savings banks, the bank shares a history of cooperation with Swedbank, which provides material product diversification, shared costs on IT solutions, and the opportunity to finance retail mortgages via Swedbank Hypotek AB, Sweden's largest issuer of covered bonds. We note that the business cooperation with Swedbank has been extended to June 2024.

## OPERATING ENVIRONMENT

Operating environment assessment is 'bbb-'

NCR considers a balance of national and regional factors in our assessment of Sörmlands Sparbank's operating environment. The bank operates in a narrow market with a high share of its exposures associated with the local economy, which has proven to be more volatile than the Swedish average given the relative volatility of the manufacturing sector and which currently has Sweden's highest unemployment rate.

### National factors consider ongoing economic stress due to COVID-19

National factors score 'bbb+'

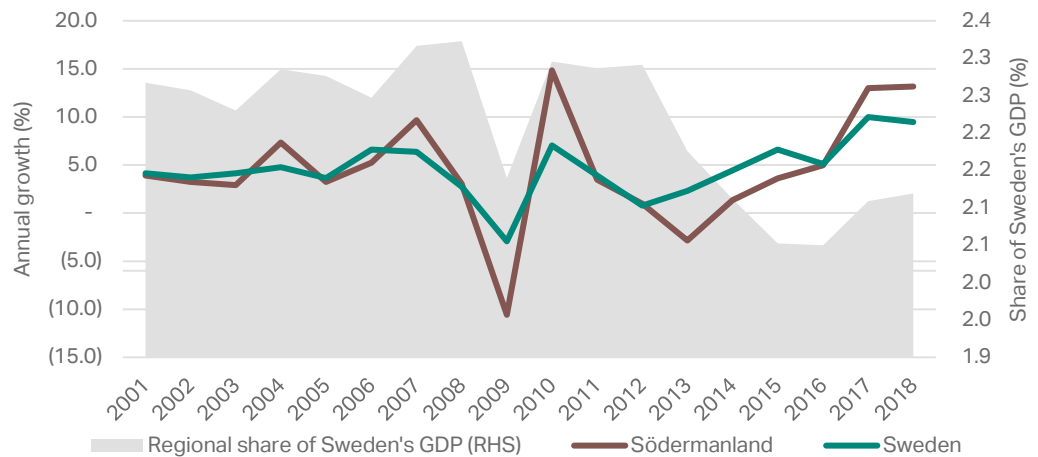
In April this year, NCR lowered its assessment of the Swedish banking sector to 'bbb+' from 'a-' due to the economic effects on domestic and international output growth and unemployment as a result of COVID-19. However, we view the outlook for Swedish banks as stable in the current environment. Swedish banks have outperformed our earlier expectations and an initial fall in income due to capital market tightening was mostly corrected during the second quarter. Property prices remain relatively stable supporting the collateral values behind much of the market's credit risk. Sweden's banks have taken losses (under International Financial Reporting Standards 9) based on economic projections and their own exceptional loss reserves, increasing buffers against future actual losses. They have also cancelled dividends for 2019, further improving their buffers. In addition, a sharp increase in customer deposits has supported liquidity.

### Sörmland region has Sweden's highest unemployment

Regional, sectoral, and cross-border factors score 'bb+'

Sörmlands Sparbank's base is in southern Södermanland county, excluding Eskilstuna and Strängnäs which fall within the domain of Sparbanken Rekarne AB and excluding Trosa and Gnesta, which are in Swedbank's domain. The bank's core markets, with the exception of Nyköping are largely dependent on manufacturing which suffered 15-20% declines in production during March and April 2020 due to supply chain disruptions, but had rebounded materially by the end of August. However, while manufacturing output has recovered, employment levels remain subdued and as of August 2020, Södermanland county had the highest unemployment rate in Sweden at 11.8% (9.5% in August 2019). Prior to the onset of COVID-19, the county had experienced strong economic growth, outpacing national rates in 2017 and 2018. In addition, it had enjoyed a cumulative annual growth rate of 4.2% since 2009, accounting for about 2% of the wider Swedish economy (see Figure 2). Södermanland's population has also been growing in line with the national average at about 0.8% per year since 2000, driven in large part by foreign-born migration to the region and the relative ease of commuting to Stockholm from Katrineholm and Nyköping.

Figure 2. Södermanland's annual economic growth and regional share of Sweden's GDP, 2001–2018



Source: Statistics Sweden

**RISK APPETITE**

Risk appetite assessment is 'a'

Sörmlands Sparbank has a low risk appetite given its significant capital buffers and retention of earnings on balance sheet. Its liquidity buffers are strong and the bank has a relationship-based funding profile with the ability to transfer mortgage loans to Swedbank Hypotek. As with many of its peers, the bank has natural portfolio concentrations in its local market, and in particular real estate.

**Risk governance and ESG efforts are improving**

Risk governance scores 'bbb-'

Sörmlands Sparbank's regional focus creates naturally high geographic risk concentrations and the bank's risk governance is less developed than that of its larger Nordic peers. However, we view the bank's risk appetite, limit monitoring, risk reporting, and overall governance as similar to that of other savings banks, despite material operational changes underway to reduce staff and branch offices and increase digitalisation of customer interactions. We believe that the current risk framework and related staffing levels have improved since a regulatory sanction was imposed by the Swedish financial supervisory authority in 2017. The authority identified issues with risk governance and the bank has responded by adding more internal risk oversight and resources, including a separate division with responsibility for anti-money laundering activities, and customer and transaction monitoring.

In our view, Sörmlands Sparbank's primary environmental, social and governance (ESG) attribute is its strong sense of social responsibility in its local communities. The bank has contributed over SEK 120m to local education, youth sports, integration, and cultural projects since 1999. The bank has committed to work towards the UN's goals for responsible consumption, sustainable lending practices, and fair and equal employment opportunities.

Sörmlands Sparbank has climate neutral status according to the Greenhouse Gas Protocol, an international environmental watchdog. This status reflects the bank's efforts to limit its own emissions, which fell by 50% from 2015 to 2019, and compensating for excess emissions to neutralise its environmental footprint. In addition, the bank incorporates ESG reviews into all credit decisions exceeding SEK 5m.

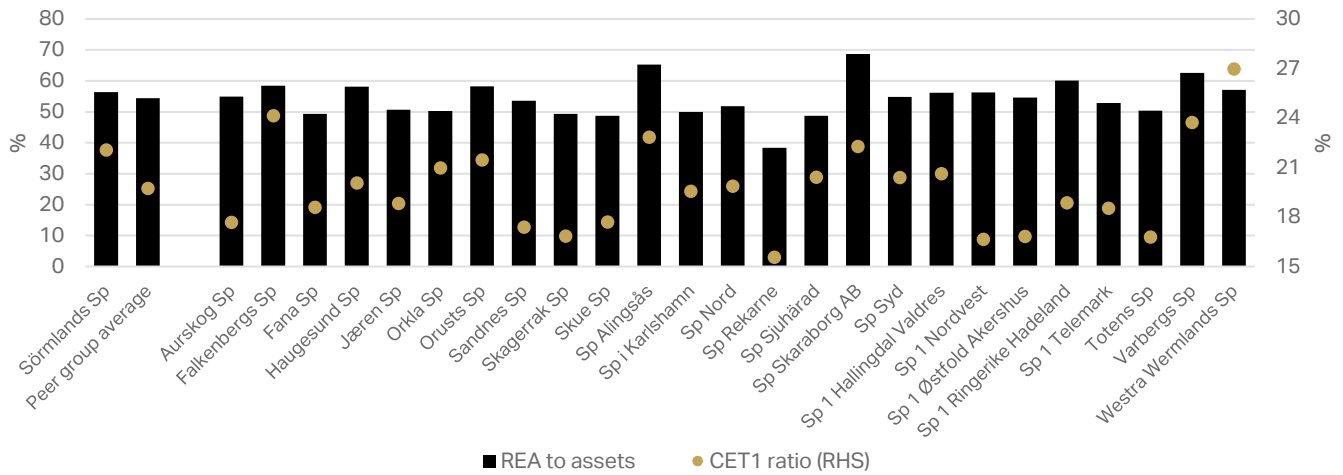
**Capitalisation strong and likely to improve further**

Capital scores 'aa-'

Sörmlands Sparbank's CET1 capital ratio was 21.0% as of 30 Jun. 2020 (21.2% including year to date profit), nearly double the regulatory requirement of 10.5% following the removal of the countercyclical buffer in March 2020. We project the ratio will improve slightly during 2020, including a SEK 10m distribution to the bank's charity fund, and to improve further to 22.9% by the end of 2022 given the bank's focus on improving cost efficiency and our expectations that Swedbank will resume paying dividends to its shareholders by 2021 (see Earnings performance below). The bank uses standardised capital models and total equity accounts for 15.4% of total assets, which is outstanding

among Nordic banks. We project loan growth of 6.0-7.0% through 2022 financed in large part by continued growth in customer deposits.

Figure 3. Sörmlands Sparbank REA/asset and CET1 ratios, 2019



Source: Company data. Sp-Sparbank(en) (Sweden)/Sparebank (Norway).

Sörmlands Sparbank's regulatory capital base excludes all its holdings of Swedbank shares that exceed 10% of its own CET1. As of 30 Jun. 2020, the amount deducted from the capital base stood at SEK 585m of the SEK 784m market value on the balance sheet. We note that Swedbank's share price has risen by nearly 33% since the bank published its mid-year result in late July, effectively extending Sörmlands Sparbank's capital buffer by nearly SEK 250m from the most recently reported figures.

We note that Sörmlands Sparbank's capitalisation would still be nearly 19.0%, even if the entire market value of Swedbank shares were reduced to zero. However, such an unlikely event would most certainly alter our overall view of Sörmlands Sparbank as it would directly affect the bank's cooperation agreement with Swedbank.

**Funding dominated by customer deposits; liquidity strong**

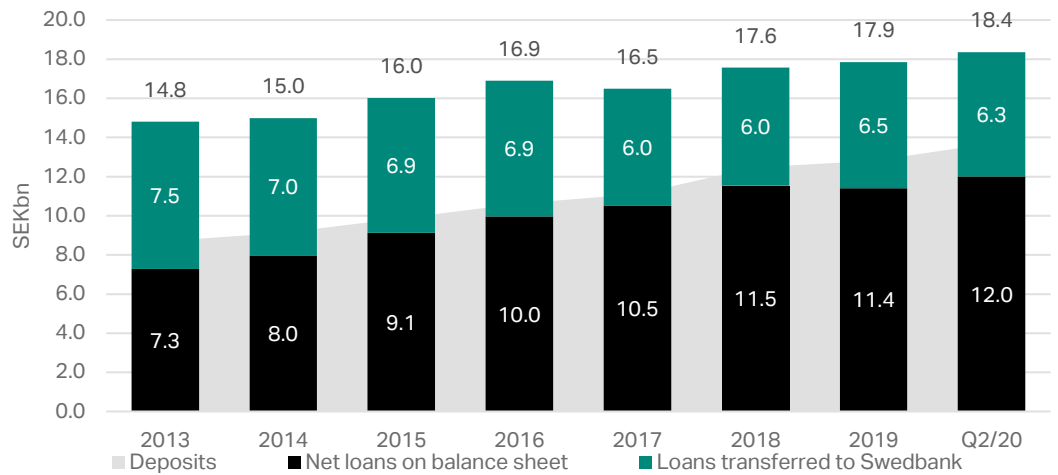
We regard Sörmlands Sparbank's funding and liquidity position as relative strengths. Existing liquidity buffers are strong and the bank has a high level of relationship-based retail deposits and the ability to transfer mortgage loans to Swedbank Hypotek. As of 30 Jun. 2020, the bank's liquidity coverage ratio was 392% and, though not publicly reported, the bank's net stable funding ratio is likely to exceed 150% based on internal projections, well above regulatory and internal limits.

An increased tendency for savings in Sweden has contributed to the bank's loan-to-deposit ratio falling to 88% as of 30 Jun. 2020. As of end 2019, 73% of the bank's customer deposits were from retail customers and 70% were covered by Sweden's deposit guarantee scheme, and we view the customer base as very loyal. The bank has yet to directly access capital market financing, but we note that there is a growing preference for bond financing among its Swedish savings bank peers and believe the bank could successfully access the capital markets if need arose.

Sörmlands Sparbank's cooperation with Swedbank also provides various funding benefits. The bank can transfer residential mortgages to Swedbank Hypotek, in return for a commission. During 2020, the bank has increased its own-balance-sheet lending relative to loans transferred to Swedbank with most new lending growth on the bank's own balance sheet (see Figure 4). We believe the bank will continue to repatriate transferred loans to its own balance sheet given its strong liquidity situation.

Funding and liquidity scores 'a'

Figure 4. Sörmlands Sparbank net loans (on own balance sheet and transferred to Swedbank), customer deposits and issued debt, 2013-Q2 2020



Source: Company data.

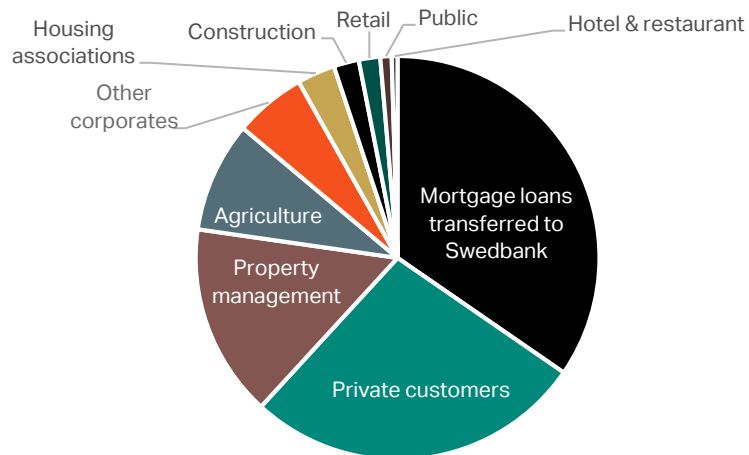
**Credit risk concentrated on property lending in the bank's region**

Credit risk scores 'bbb'

Some 80% of Sörmlands Sparbank's customer base is located within the bank's five core markets, leading to a material concentration of local real-estate collateral. Nearly 90% of total loan exposure is collateralised by private housing, housing cooperatives, agriculture or commercial real estate management and construction (including SEK 6bn in transferred mortgages) (see Figure 5). The low population density in the bank's operating region supports its agricultural exposure. Lending to the agricultural sector is highly diverse, with a high proportion extended to family-owned farms and forest owners.

In addition, Sörmlands Sparbank's lending is focused on private individuals and SMEs with primary operations and employment within their own core markets, which leads to geographic concentration. The manufacturing industry is a significant employer in the region and many of the bank's exposures would have secondary effects if there were significant layoffs at any of the region's largest manufacturers. Geographic concentrations are mitigated by rail and highway access to larger employment markets in the greater Stockholm region, as well as Eskilstuna, Norrköping and other nearby cities. The bank has relatively low exposure to high-risk industries most affected by COVID-19 and social distancing, with modest exposures to construction, retail, and hotels and restaurants.

Figure 5. Sörmlands Sparbank net loans by segment, 30 Jun. 2020



Source: Company data

Sörmlands Sparbank's SEK 6bn in transferred mortgage loans to Swedbank provide income via commission fees. The bank has a first-loss risk associated with the transferred loans that results in a

reduction in paid commissions when writedowns of transferred loans occur. The maximum risk on transferred loans is SEK 45-50m per year, or the amount of reported loan commission income.

**Market risk low; other risk not a material concern**

Other risks score 'a'

In our view, market risk is not a material risk factor for the bank. Held securities consist primarily of covered bonds and bonds issued by municipalities and the Swedish government as part of the bank's liquidity buffers. The bank has low limits for interest rate risk and has immaterial foreign currency exposure. It maintains a derivative portfolio for hedging purposes.

Sörmlands Sparbank's ownership of Swedbank shares ensures it has a meaningful voice alongside other savings banks that own shares either directly or via their owner foundations. We consider the importance of Swedbank dividends in our assessment of Sörmlands Sparbank's earnings performance. Aside from Swedbank shares, the bank has strategic ownership in fund company Indecap Holding AB (jointly owned along with 35 other savings banks) and insurance company Sparbankernas Försäkring AB (with 53 other savings banks).

**COMPETITIVE POSITION**

Competitive position assessment is 'bbb'

Sörmlands Sparbank has a strong position in its core markets, with a market share of around 30% in Nyköping and nearly 60% in Katrineholm and its other core markets. The bank's primary local competition comes from Länsförsäkringar Bank, while larger corporations in the region are serviced by the country's larger banks. At national level, the bank accounts for about 0.3% of total deposits and total loans, including loans transferred to Swedbank.

**PERFORMANCE INDICATORS**

Performance indicators assessment is 'bb+'

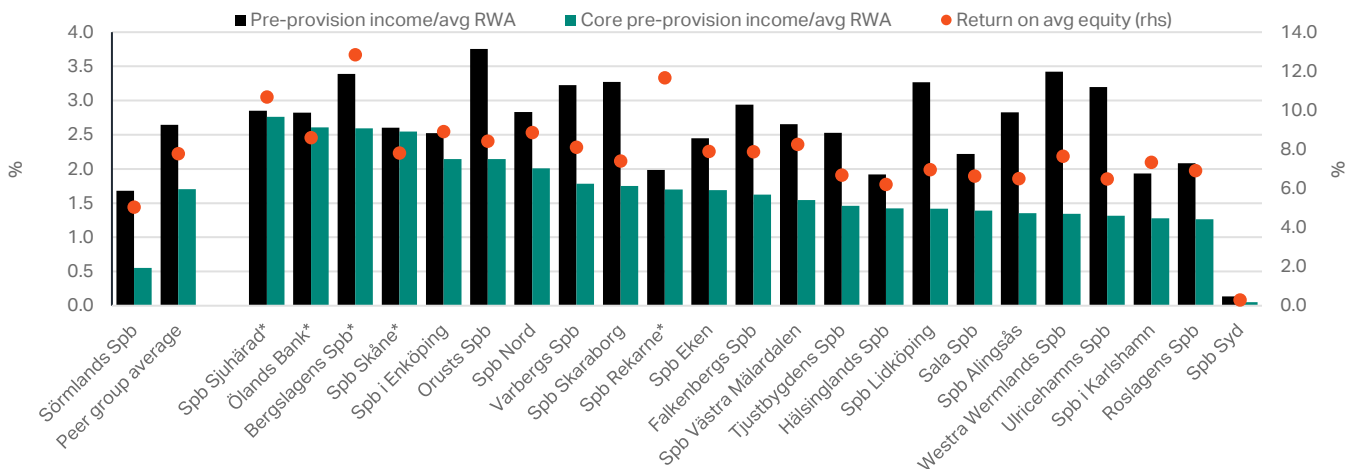
From 2012 to 2018, Sörmlands Sparbank's earnings were supported by high dividends from Swedbank. Our analysis of the bank's earnings focuses on core earnings, excluding financial gains and losses, dividends and other non-core income. We project material improvements given the bank's cost program and efforts to improve the earnings profile from below its Swedish peer group average to within its peer group. Our expectations for losses are higher than recent levels, though we expect the eventual resolution of legacy non-performing loans will lead to overall improvements in non-performing loans despite expectations of increased credit losses due to COVID-19.

**Earnings well below peer group average, but likely to improve due to accelerated cost focus**

Earnings scores 'bb-'

We view Sörmlands Sparbank's core earnings metrics as weak but anticipate that improvements will be noticeable from 2021 given an accelerated cost focus on the part of current management. The bank's earnings metrics are negatively affected by a low emphasis on profit, and are considerably weaker than those of similar savings bank peers, when adjusted for Swedbank dividends.

Figure 6. Swedish savings banks' risk-adjusted earnings and return on equity, 2019

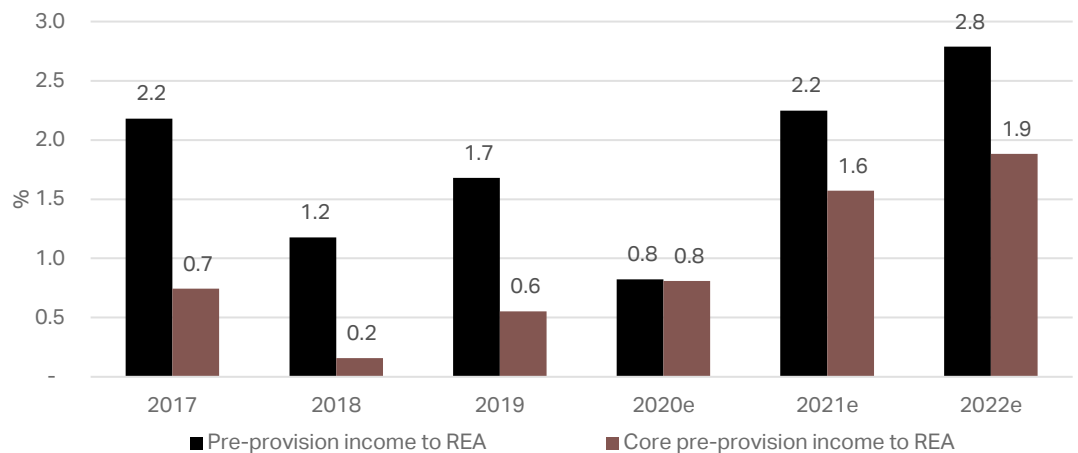


Source: Bank reports. Spb-Sparbank(en) \*Uses IRB models in capital calculations. Core pre-provision income considers only net interest income and net fee & commission income.

We note that Sörmlands Sparbank is targeting improvements in cost efficiency to improve its earnings performance. The bank projects a core cost-to-income ratio of under 60% by 2022 (compared with 87% in 2019 and 81% in our 2020 forecast). The plan includes increased use of digital customer channels, which has been spurred by COVID-19, merger of the bank's three branches in Nyköping, and a reduction in headcount which has accelerated in 2020. The bank will invest nearly SEK 40m in consolidation of branches and headcount reductions in the second half of 2020 with effect beginning in 2021 and full effect in 2022, explaining the improvements in our forecast of core pre-provision income to REA (see Figure 7). In addition, net interest margins have improved in 2020 after the Swedish central bank put an end to its negative policy rate in December 2019, though we believe current rates will prevail throughout our forecast. With these improvements the bank should be in line with its Nordic saving bank peer group average by end-2021.

The bank's earnings are likely to improve further when Swedbank begins to pay dividends again, most probably in 2021. Our forecast includes about SEK 60m paid out in 2021 and an additional SEK 90m in 2022 when we expect Swedbank's dividends to return to 2018 levels. See [Swedish savings banks prepared for uncertain future](#), published 15 Jun. 2020 and [Q&A: Swedbank judgement and share price impacts on Swedish savings banks](#), 23 Mar. 2020 for more about the impact of Swedbank's dividend decision and how movements in its share price affect Sörmlands Sparbank and other Swedish savings banks.

Figure 7. Sörmlands Sparbank pre-provision income to risk exposure amount, 2017-2022e



Based on NCR estimates and company data. e-estimate. Core revenues include only net interest income and net fee & commission income.

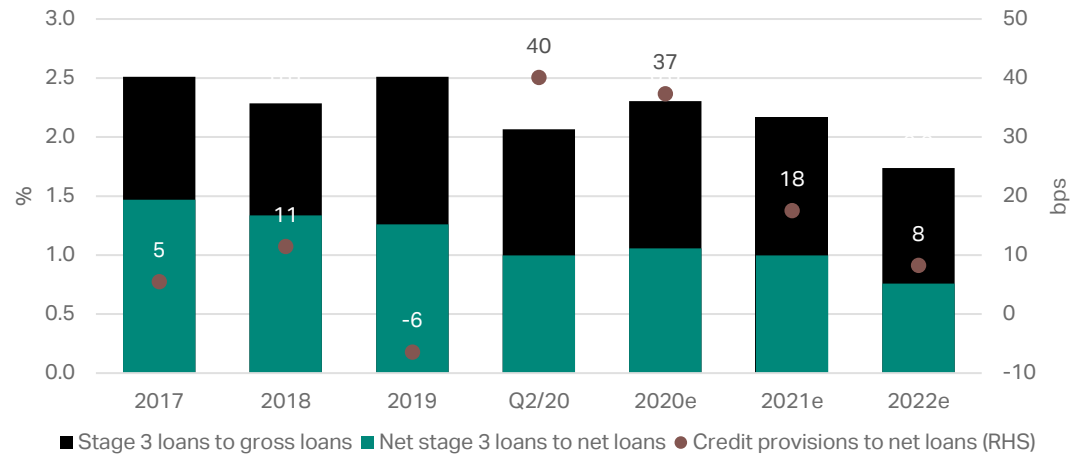
**Legacy non-performing loans should decrease despite higher credit losses**

Sörmland Sparbank's loan losses have been low in recent years, with the exception of a 75bps credit loss in 2016. The largest credit associated with the 2016 loss remains a significant part of the bank's Stage 3 non-performing exposures (as defined by International Financial Reporting Standards). We expect the resolution of this exposure over the coming years to reduce the bank's overall Stage 3 loans even considering higher credit losses in 2020 and 2021 associated with the impact of COVID-19. In total, net Stage 3 loans fell to 100 bps of net lending as at 30 Jun. 2020 (down from 126 bps at end-2019), but remain well above the savings bank peer group average (approximately 65bps).

During the first half of 2020 the bank booked SEK 23m in loan losses, however this includes SEK 27m reflecting a reserve of SEK 10m due to changes in economic assumptions for the bank's Stage 1 and Stage 2 loans and a SEK 17m sector-based reserve applied to its Stage 3 loans. Excluding the increase in general reserves, the bank had net reversals of SEK 4m during the first half. In our view, moderate loan losses are likely to continue, in large part due to expectations of ongoing government support, but we caution that uncertainty is still somewhat higher than normal even though it is lower than a few months ago.

Loss performance scores 'bbb'

Figure 8. Sörmlands Sparbank asset quality metrics, 2017–2022e



Based on NCR estimates and company data. e-estimate

**ADJUSTMENT FACTORS**

**Peer comparison**

Peer comparison is neutral

We believe that Sörmlands Sparbank's relative strengths and weaknesses are accurately reflected in our 'bbb+' initial credit assessment. NCR has confidential credit assessments (not full credit ratings) on nearly 300 Nordic banks. The average assessment is 'bbb+', reflecting a high level of savings banks in the sample. See [Nordic bank creditworthiness stable despite COVID-19 impact](#), published 1 Jun. 2020.

**Support analysis**

Support analysis is neutral

Sörmlands Sparbank has no owners. Instead, it has 50 principals. Half of the principals are appointed by the five municipalities, and the other half by the principals themselves. The principals essentially take on the owner's role by appointing a board and distributing the bank's profit. Given the bank's status, there is no additional owner capital that resides in a foundation or within Swedbank, which is the case at a number of other Swedish savings banks. Consequently, we do not notch the rating up to reflect ownership support.

**ISSUE RATINGS**

On 1 Oct. 2020, Sörmlands Sparbank received approval from the Swedish financial supervisory authority for a medium-term note programme to issue unsecured senior debt instruments. NCR rates the programme 'BBB+' in line with the issuer rating, an indication of our likely ratings on future issuance from the programme.



**Figure 9. Sörmlands Sparbank key credit metrics**

Key credit metrics (%)	2015	2016	2017	2018	2019	Q2 2020 YTD
<b>Income composition</b>						
Net interest income/op. revenue	46.6	50.9	41.2	48.3	49.7	66.6
Net fee income/op. revenue	34.1	23.7	31.7	31.4	28.9	33.2
Net trading income/op. revenue	(0.7)	4.0	5.2	(2.2)	0.4	(1.5)
Net other income/op. revenue	20.1	21.4	21.9	22.5	21.0	1.6
<b>Earnings</b>						
Net interest margin	1.5	1.5	1.4	1.4	1.5	1.6
Pre-provision income/REA	-	0.1	2.2	1.2	1.7	0.9
Return on ordinary equity	4.6	(2.1)	5.9	3.0	5.0	1.4
Return on assets	1.0	(0.4)	1.2	0.6	0.9	0.2
Cost-to-income ratio	66.2	96.6	58.8	76.5	68.0	77.5
Cost-to-income ratio, ex. trading	65.7	100.7	62.1	74.9	68.3	76.4
<b>Capital</b>						
CET1 ratio	19.4	17.4	20.4	21.6	22.1	21.0
Tier 1 ratio	19.4	17.4	20.4	21.6	22.1	21.0
Capital ratio	19.4	17.4	20.4	21.6	22.1	21.0
REA/assets	66.5	64.8	59.0	55.0	56.3	56.2
Dividend payout ratio	-	-	-	-	-	-
Leverage ratio	12.9	13.5	13.5	13.1	12.4	11.5
<b>Growth</b>						
Asset growth	-	8.8	3.0	10.9	(0.0)	4.8
Loan growth	-	9.1	5.5	9.8	(1.2)	5.3
Deposit growth	-	7.7	4.6	12.2	2.7	6.9
<b>Loss performance</b>						
Credit provisions to net loans	(0.03)	0.75	0.05	0.11	(0.06)	0.40
Impaired loans to gross loans	1.53	2.11	2.12	2.28	2.51	2.07
Net impaired loans to gross loans	0.48	1.00	1.08	1.19	1.12	0.80
Net problem loans to equity	1.69	3.58	4.05	4.79	4.85	3.82
NPL coverage ratio	68.4	52.6	49.0	47.8	55.3	61.2
Stage 3 loans/gross loans	-	-	2.51	2.28	2.51	2.07
Net Stage 3 loans/gross loans	-	-	1.47	1.34	1.26	1.00
<b>Funding &amp; liquidity</b>						
Loan/deposit ratio	92.6	93.8	94.6	92.5	89.0	87.7
Net stable funding ratio	-	-	-	-	-	-
Liquidity coverage ratio	184.0	224.0	350.0	406.0	410.0	392.0

Source: Company data. All metrics adjusted in line with NCR methodology. YTD-year to date.

**Figure 10. Sörmlands Sparbank key financials**

Key financials (SEKm)	2015	2016	2017	2018	2019	Q2 2020 YTD
<b>Balance sheet</b>						
Total assets	12,708	13,830	14,240	15,798	15,796	16,550
Total tangible assets	12,708	13,830	14,240	15,798	15,796	16,550
Total financial assets	12,486	13,585	14,031	15,591	15,621	16,365
Net loans and advances to customers	9,135	9,964	10,510	11,542	11,407	12,012
Total securities	2,566	2,865	2,629	2,722	2,413	2,319
Customer deposits	9,862	10,625	11,115	12,476	12,817	13,701
Issued securities	-	-	-	-	-	-
Other senior debt	18	17	22	19	18	-
Total equity	2,643	2,812	2,843	2,906	2,678	2,555
Total ordinary equity	2,643	2,812	2,843	2,906	2,678	2,555
<b>Capital</b>						
CET1	1,637	1,562	1,714	1,883	1,963	1,950
Tier 1	1,637	1,562	1,714	1,883	1,963	1,950
Total capital	1,637	1,562	1,714	1,883	1,963	1,950
REA	8,452	8,966	8,404	8,696	8,898	9,293
<b>Income statement</b>						
Operating revenues	401	378	460	429	462	187
Pre-provision operating profit	136	13	189	101	148	42
Impairments	(2)	96	6	13	(7)	23
Net income	120	(57)	167	87	141	19

Source: Company data. All metrics adjusted in line with NCR methodology. YTD-year to date.

**Figure 11. Sörmlands Sparbank rating scorecard**

<b>Subfactors</b>	<b>Impact</b>	<b>Score</b>
National factors	10.0%	bbb+
Regional, cross border, sector	10.0%	bb+
<b>Operating environment</b>	<b>20.0%</b>	<b>bbb-</b>
Capital	17.5%	aa-
Funding and liquidity	15.0%	a
Risk governance	5.0%	bbb+
Credit risk	10.0%	bbb
Market risk	-	n/a
Other risks	2.5%	a
<b>Risk appetite</b>	<b>50.0%</b>	<b>a</b>
<b>Market position</b>	<b>15.0%</b>	<b>bbb</b>
Earnings	7.5%	bb-
Loss performance	7.5%	bbb
<b>Performance indicators</b>	<b>15.0%</b>	<b>bb+</b>
<b>Indicative credit assessment</b>		<b>bbb+</b>
Peer comparisons		Neutral
Transitions		Neutral
Borderline assessments		Neutral
<b>Stand-alone credit assessment</b>		<b>bbb+</b>
Support analysis		Neutral
Material credit enhancement		Neutral
Rating caps		Neutral
<b>Issuer rating</b>		<b>BBB+</b>
Outlook		Stable
<b>Short-term rating</b>		<b>N-1+</b>

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