

Svensk FastighetsFinansiering AB (publ)

Rating Action Report

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N3

PRIMARY ANALYST

Elisabeth Adebäck
+46700442775
elisabeth.adeback@nordiccreditrating.com

SECONDARY CONTACTS

Yun Zhou
+46732324378
yun.zhou@nordiccreditrating.com

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.com

Svensk FastighetsFinansiering AB (publ) 'BBB+' long-term issuer rating affirmed; Outlook stable

Nordic Credit Rating (NCR) has affirmed its 'BBB+' long-term issuer rating on Sweden-based [Svensk FastighetsFinansiering AB \(publ\)](#) (SFF). The outlook is stable. The 'N3' short-term issuer rating has also been affirmed as has the 'BBB+' senior secured issue rating.

Rating rationale

The affirmation reflects SFF's continued stable performance in line with our expectations. Since 2022, SFF has seen a decrease in outstanding debt and corresponding collateral volume, mainly due to decreasing activity among its owner- and lender- companies. We expect this trend will change in 2025 and that its lenders will choose to partly fund themselves through SFF. As such, we now expect bond and collateral volumes to increase somewhat in 2025 and 2026, yet at a slower pace compared with our expectations one year ago. We also expect that SFF will continue to focus on improving diversification in its collateral pool.

The long-term rating reflects SFF's purpose as a financing vehicle for its owners, five of Sweden's largest real-estate companies. The rating also reflects SFF's low risk appetite, creditworthiness and continuous support provided by its owners, and the collateral available for senior secured bondholders. It is also indicative of the relatively long average remaining lease term and the high occupancy rates of the properties in SFF's pledged portfolio, as well as the stable operating environment. In addition, the rating reflects liquidity assurance provided by SFF's owners, which limits the near-term refinancing risk.

Downward pressure on property values has increased net loan-to-value (LTV), which remains high for the rating level despite a strong cash position. The rating is constrained by the high net LTV (54% as of 30 Sep. 2024), as well as the company's relatively short debt maturity profile.

Stable outlook

The stable outlook reflects our expectations of continued stable performance by both SFF's property operations and its owners. Net LTV is elevated, but we believe SFF's owners will provide sufficient collateral to ensure the financial risk profile is maintained. We expect SFF will improve diversity in its collateral pool and increase new bond issuance to refinance upcoming maturities. We also expect SFF's risk appetite to remain low, given restrictions in its medium-term note (MTN) prospectus. Furthermore, we expect SFF will remain an attractive funding source for its five owners, and that its current ownership will stay unchanged.

We could raise the rating to reflect a significant improvement in collateral pool diversity and portfolio quality, combined with a sustainable reduction in NCR-adjusted net LTV to below 45%.

We could lower the rating to reflect a failure to improve collateral pool diversity through our forecast period, or a material deterioration in creditworthiness or withdrawal of one or more of the owners. We could also lower the rating to reflect an increase in NCR-adjusted net LTV to above 55% over a protracted period.

Rating list

	To	From
Long-term issuer credit rating:	BBB+	BBB+
Outlook:	Stable	Stable
Short-term issuer credit rating:	N3	N3
Senior secured issue rating:	BBB+	BBB+

Figure 1. SFF rating scorecard

Subfactors	Impact	To	From
Operating environment	20.0%	bbb-	bbb-
Market position, size and diversification	12.5%	bb+	bb+
Portfolio assessment	12.5%	bbb	bbb
Operating efficiency	5.0%	bbb+	bbb+
Business risk assessment	50.0%	bbb-	bbb-
Ratio analysis		bb	bb
Risk appetite		a	a
Financial risk assessment	50.0%	bbb	bbb
Indicative credit assessment		bbb	bbb
Liquidity		Adequate	Adequate
ESG		Adequate	Adequate
Peer calibration		Neutral	Neutral
Stand-alone credit assessment		bbb	bbb
Support analysis		+1 notch	+1 notch
Issuer rating		BBB+	BBB+
Outlook		Stable	Stable
Short-term rating		N3	N3

Figure 2. Capital structure ratings

Seniority	To	From
Senior secured	BBB+	BBB+

Type of credit rating:	Long-term issuer credit rating Short-term issuer credit rating Issue credit rating
Publication date:	The rating was first published on 13 Feb. 2020.
Office responsible for the credit rating:	Nordic Credit Rating AS (NCR), Oslo, Norway. NCR is a registered credit rating agency under Regulation (EC) No 1060/2009.
Primary analyst:	Elisabeth Adebäck, +46700442775, elisabeth.adeback@nordiccreditrating.com
Rating committee chairperson responsible for approval of the credit rating:	Sean Cotten, +46735600337, sean.cotten@nordiccreditrating.com
Were ESG factors a key driver behind the change to the credit rating or rating outlook?	No.
Methodology used when determining the credit rating:	NCR's Corporate Rating Methodology published on 8 May 2023 NCR's Rating Principles published on 14 Feb. 2024 NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024 The methodology and principles documents provide analytical guidance to NCR's rating activities including but not limited to, assumptions, parameters, cash flow analysis, and stress-testing. NCR's methodologies and principles can be found on our website nordiccreditrating.com/governance/policies . The historical default rates of entities and securities rated by NCR will be viewed on the central platform (CEREP) of the European Securities and Markets Authority (ESMA) .
Materials used when determining the credit rating:	Annual- and quarterly reports of the rated entity, Bond prospectuses, Company presentations, Data provided by external data providers, External market reports, Meetings with management of the rated entity, Non-public information, Press reports/public information, Website of rated entity.
Potential conflicts of interest:	The rating is NCR's independent opinion of the rated entity's relative creditworthiness. The rating is solicited, i.e. it is prepared for a fee paid by the rated entity. At the time of analysis and publication neither NCR nor any of the analysts or persons involved in the rating process held any interest, ownership interest or securities in the rated entity. NCR does not have any direct or indirect shareholder with a holding of more than 5% of NCR's shares and votes. For further information, please refer to NCR's conflict of interest policy which is available on: https://nordiccreditrating.com/governance/policies
Additional information:	Prior to publication, the rating was disclosed to the rated entity. The issuer was given 24 hours (of which 8 business hours) to remark on factual errors and/or the inadvertent inclusion of confidential information, if applicable. The rating was not amended after the review by the issuer. No stress test was performed. Standard cash flow forecasting was performed. NCR's rating is an opinion regarding the relative creditworthiness of an entity or an instrument. It is not a prediction, guarantee or recommendation to buy, hold or sell securities. NCR assigns outlooks to issuer ratings to indicate where they could move in the near term, normally 12–18 months. Further information on the rating process, rating definitions and limitations is available on our website: nordiccreditrating.com/governance/policies .
Ancillary services provided:	No ancillary services were provided.
Regulations:	This rating was issued and disclosed under Regulation (EC) No 1060/2009.
Legal exemption from liability:	Disclaimer © 2025 Nordic Credit Rating AS (NCR, the agency). All rights reserved. All information and data used by NCR in its analytical activities come from sources the agency considers accurate and reliable. All material relating to NCR's analytical activities is provided on an "as is" basis. The agency does not conduct audits or similar warranty validations of any information used in its analytical activities and related material. NCR advises all users of its services to carry out individual assessments for their own specific use or purpose when using any information or material provided by the agency. Analytical material provided by NCR constitutes only an opinion on relative credit risk and does not address other forms of risk such as volatility or market risk and should not be considered to contain facts of any kind for the purpose of assessing an issuer's or an issue's historical, current or future performance. Analytical material provided by NCR may include certain forward-looking statements relating to the business, financial performance and results of an entity and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Forward-looking statements contained in any analytical material provided by NCR, including assumptions, opinions and views either of the agency or cited from third-party sources are solely opinions and forecasts which are subject to risk, uncertainty and other factors that could cause actual events to differ materially from anticipated events. NCR and its personnel and any related third parties provide no assurance that the assumptions underlying any statements in analytical material provided by the agency are free from error, nor are they liable to any party, either directly or indirectly, for any damages, losses or similar, arising from use of NCR's analytical material or the agency's analytical activities. No representation or warranty (express or implied) is made as to, and no reliance should be placed upon, any information, including projections, estimates, targets and opinions, contained in any analytical material provided by NCR, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained in any analytical material provided by the agency. Users of analytical material provided by NCR are solely responsible for making their own assessment of the market and the market position of any relevant entity, conducting their own investigations and analysis, and forming their own view of the future performance of any relevant entity's business and current and future financial situation. NCR is independent of any third party, and any information and/or material resulting from the agency's analytical activities should not be considered as marketing or a recommendation to buy, sell, or hold any financial instruments or similar. Relating to NCR's analytical activities, historical development and past performance does not safeguard or guarantee any future results or outcome. All information herein is the sole property of NCR and is protected by copyright and applicable laws. The information herein, and any other information provided by NCR, may not be reproduced, copied, stored, sold, or distributed without NCR's written permission.

NORDIC CREDIT RATING AS
nordiccreditrating.com