

JBF Sparebank

Full Rating Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

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RATING RATIONALE

Our 'A-' long-term issuer rating on Norway-based JBF Sparebank reflects the bank's low risk appetite, strong capital position, good access to funding and high share of residential mortgage loans. The bank has a cooperation agreement with the Eika Alliance banking association, which we view as positive, as it provides product diversity, shared development costs and the opportunity to finance residential retail mortgages through jointly owned covered-bond company Eika Boligkreditt. We view JBF Sparebank's cooperation with Eika Boligkreditt as critical, as the bank transfers about half of its retail lending to the covered-bond company.

We expect JBF Sparebank will report robust earnings in the 2025–2027 period, despite pressure on net interest margins and commission income from Eika Boligkreditt due to peaking interest rates and increasing competition. We expect improved cost efficiency to support earnings and low-risk mortgage loans to trigger modest loan losses.

The rating is constrained by stiff competition and the bank's low market share. An additional constraint is JBF Sparebank's lack of scale, which curbs its ability to shoulder an increasing regulatory burden.

STABLE OUTLOOK

The outlook is stable, reflecting the bank's strong capital and likely low credit losses due to a high share of residential real-estate collateral. It also factors in the bank's robust earnings and cost efficiency improvements in recent years, offset by a likely decline in net interest margins over the next few years. We forecast sustainable loan growth through 2027, with capital ratios improving and boosted further by the implementation of the EU's Capital Requirements Regulations III (CRR3).

POTENTIAL POSITIVE RATING DRIVERS

- A strengthened market position and increased scale; and
- Pre-provision earnings sustainably above 2.5% and a cost-to-income ratio sustainably below 45%.

POTENTIAL NEGATIVE RATING DRIVERS

- A material deterioration in the Norwegian housing market or weakened asset quality.
- A lasting reduction in the Tier 1 capital ratio to below 18%.
- Risk-adjusted earnings metrics sustainably below 1.5% of the risk exposure amount (REA).

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.4	1.5	2.0	2.1	2.0	1.8	1.8
Loan losses/net loans	-0.02	0.01	-0.01	-0.02	0.02	0.02	0.02
Pre-provision income/REA*	1.7	1.2	2.0	2.4	2.5	2.6	2.5
Cost-to-income	53.1	61.9	51.2	44.7	45.6	46.1	47.4
Return on ordinary equity	7.4	5.1	7.6	8.8	8.2	7.6	7.2
Loan growth	1.3	5.5	6.1	1.4	6.0	6.0	6.0
CET1 ratio*	16.8	17.3	19.3	19.7	24.0	24.7	25.4
Tier 1 ratio*	18.4	18.9	20.8	21.2	25.7	26.3	26.9

Source: company and NCR. e=estimate. CET1=common equity Tier 1. All metrics adjusted in line with NCR methodology. *Consolidated capital adequacy metrics, including the estimated effect of CRR3 from 2025.

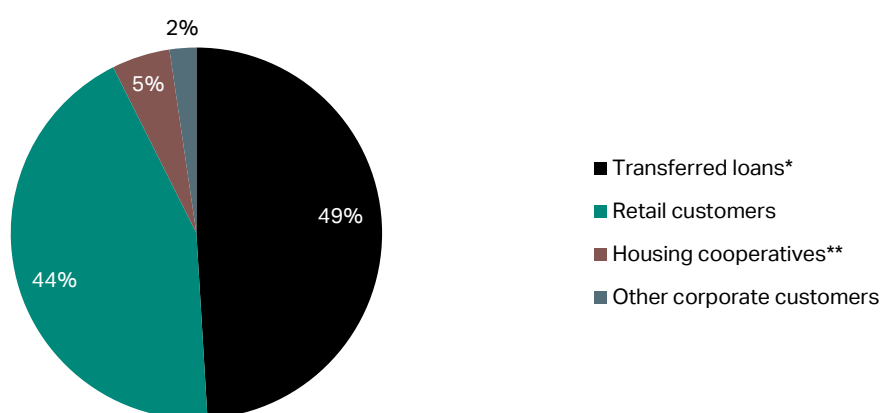
ISSUER PROFILE

A mid-size Norwegian savings bank founded in 1885, JBF Sparebank primarily serves railway industry employees but is accessible to all retail customers. It collaborates and shares management with insurer JBF Forsikring Gjensidig. This enhances efficiency and cross-selling opportunities, given that many of the bank's core customers are also insurance company clients. NCR's rating applies only to JBF Sparebank.

JBF Sparebank is headquartered in Oslo, with branches in other Norwegian railway hubs. The bank had NOK 22bn in total assets, including NOK 9bn in mortgages transferred to Eika Boligkreditt, on 31 Dec. 2024. Retail mortgage lending and loans to housing cooperatives comprise 98% of the loan book.

The bank is part of the Eika Alliance, comprising more than 40 small and medium-sized Norwegian savings banks. The alliance enhances member banks' product diversity and improves their cost efficiency by sharing expenses. It also provides them the opportunity to finance residential mortgage loans via Eika Boligkreditt.

Figure 2. Gross loans by sector, including transferred loans, 31 Dec. 2024



Source: company. *Net loans transferred to Eika Boligkreditt, **Syndicated loans through Boligbanken ASA.

OPERATING ENVIRONMENT

Operating environment

We consider both national and regional factors in our assessment of the operating environment. JBF Sparebank has diverse operations across Norway, despite a significant proportion of lending in the greater Oslo region. We believe the Norwegian economy will remain moderately weak through 2025, with reduced economic activity caused by recent high inflation and interest rate spikes. Nevertheless, we believe the wider banking sector is well positioned to cope.

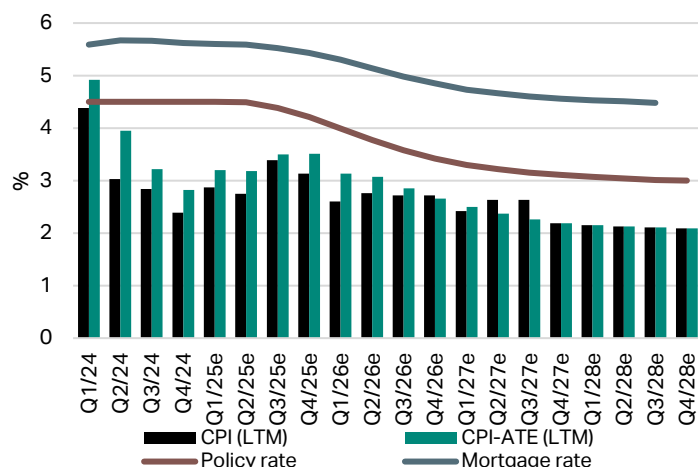
Norwegian savings banks resilient to reduced economic activity

National factors

Net interest margins for Norwegian savings banks have widened significantly due to high interest rates since 2021. This, together with strong lending growth, has boosted earnings across the sector. An anticipated drop in interest rates did not materialise in 2024, and net interest margins held up better than we expected. However, we believe that falling interest rates, heightened competition and marginally increased loan losses will slow savings banks' earnings growth and lower their returns on equity in 2025 and 2026.

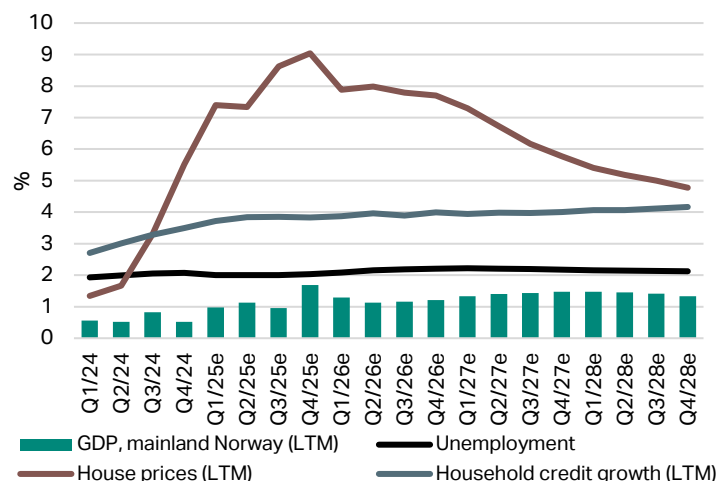
As intended, high interest rates are helping to slow the economy. High interest rates and weak economic conditions prompted increased loan-loss provisions among domestic savings banks in 2023 and 2024. We now expect flat provisions through our forecast period. Norway's savings banks are well capitalised and have strong pre-provision profitability, which makes them generally resilient to increased credit losses.

Figure 3. Norwegian inflation and interest rates, 2024–2028e



Source: central bank. e-estimate. CPI-consumer price index. LTM-last 12 months. ATE-adjusted for tax changes and excluding energy products.

Figure 4. Norwegian economic indicators, 2024–2028e

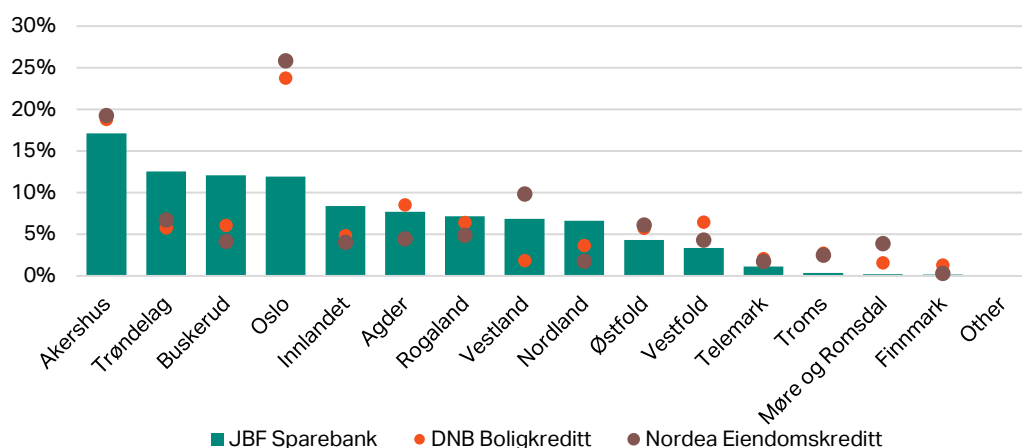


Source: central bank. e-estimate.

Nationwide retail mortgage focus

JBF Sparebank's lending is mortgage-oriented and geographically diverse, with exposure to most of Norway's counties, unlike other domestic savings banks of similar size. Because of the bank's strong connections with the railway industry, lending tends to have some concentration in areas with good railway networks. More than half of JBF Sparebank's retail lending, including transferred loans, is in the Oslo region and Trøndelag county, in central Norway. Compared with Norway's largest mortgage lenders, DNB Boligkreditt and Nordea Eiendomskreditt, JBF Sparebank has a lower concentration in Oslo County, but a higher share in Trøndelag, Buskerud and Innlandet counties. Housing price growth is somewhat below average in the bank's largest counties, but all counties where it operates have low unemployment and most are set to have strong population growth over the next decades.

Figure 5. JBF Sparebank, DNB Boligkreditt and Nordea Eiendomskreditt retail mortgage loan distribution by county, 31 Dec. 2024.

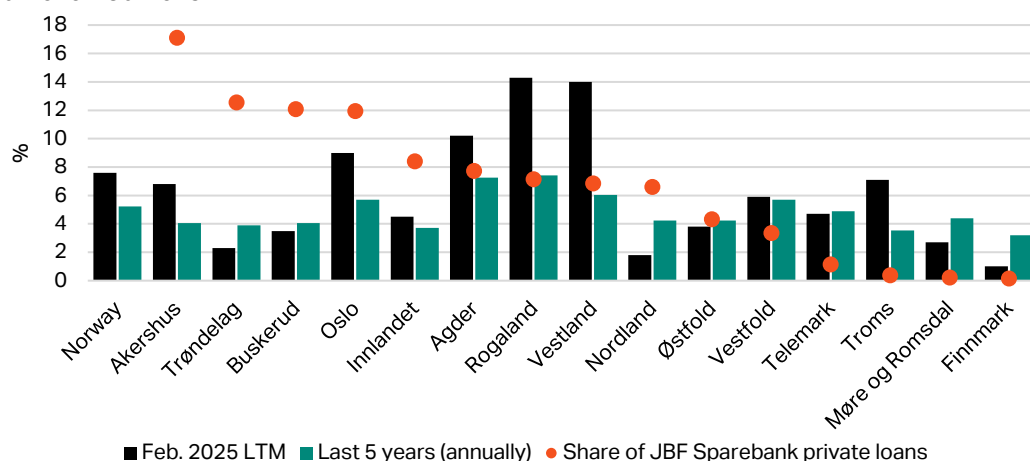


Source: DNB Boligkreditt and Nordea Eiendomskreditt HTT templates (2024Q4), company.

Housing prices in Norway grew an average of 7.6% over the 12 months ended Feb. 2025, despite regional fluctuations. This compares with five-year annual average growth of 5.2%. We expect property values will continue to improve in our forecast period due to a decline in building permits for new dwellings, especially in the Oslo region. Growth rates should remain lower outside of major population centres. Currently, we expect a 25-50bp cut in policy rates later in 2025, although geopolitical risk is high and could affect overall growth and policy rate decisions.

Regional, sectoral, and cross-border factors

Figure 6. Change in annual housing prices by county and share of retail mortgage loans, Feb. 2020-Feb. 2025



Source: Eiendomsverdi, company.

RISK APPETITE

Risk appetite

Our risk profile assessment reflects JBF Sparebank's strong capital and liquidity buffers, large proportion of low-risk exposure to residential mortgage lending, and ability to transfer loans to Eika Boligkreditt. We consider the bank's risk governance and internal risk reporting as adequate, given its risk profile and complexity.

Risk governance proportional to complexity

Risk governance

In our view, JBF Sparebank's risk governance framework, limit monitoring and risk reporting are largely in line with those of its mid-size savings bank peers. The bank's risk appetite and complexity are low, which its high proportion of low-risk residential mortgages demonstrates. The low complexity and cooperation with the Eika Alliance support our view that the bank's risk management and compliance capacity is proportional to its risk profile. The bank has well-defined guidelines to support anti-money laundering measures in its daily operations, thereby reducing the risk of related losses and fines. The bank's corporate syndicated loans are subject to board approval, which we regard as important given the higher risk profile of these loans.

JBF Sparebank's cooperation with the Eika Alliance also provides resources for future sustainability, including Eika Boligkreditt's framework for issuing green bonds. The bank also issued two senior unsecured bonds under its own green bond framework in 2024 due to a high share of eligible mortgage loans on its own balance sheet. The bank has obtained environmental certification from Miljøfyrtårn/EcoLighthouse, which provides criteria and a structure for products and solutions to minimise banks' environmental footprint.

Improvements in already solid capital ratios due to CRR3 implementation

Capital

Our capital assessment takes into consideration JBF Sparebank's consolidated capital position, including its proportionate holdings in Eika Gruppen and Eika Boligkreditt. At end-2024, the bank's consolidated CET1 ratio was 19.7% and its Tier 1 ratio 21.2%. We project a robust Tier 1 capital ratio above 25% throughout our forecast period, including a 4.0% positive impact from the implementation of CRR3. JBF Sparebank's CET1 ratio requirement is 16.2%, including a management buffer of 1.2%. The Tier 1 ratio requirement is 18%, including the internal management buffer. The implementation of CRR3 creates significant flexibility given the excess capital above regulatory requirements.

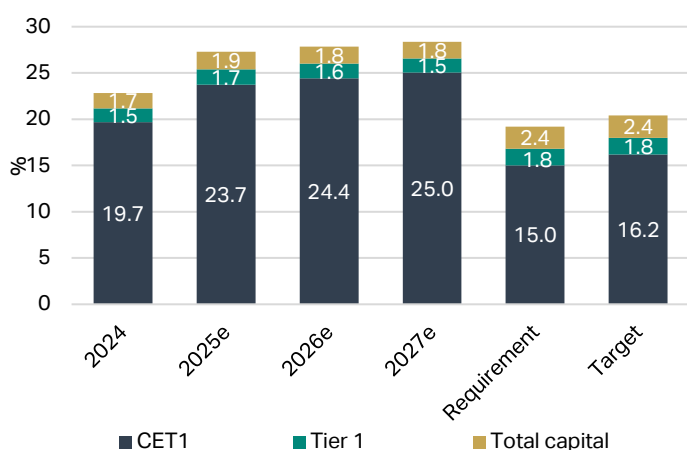
We forecast 6% loan growth and a rising share of corporate loans on JBF Sparebank's balance sheet. In addition, we expect a return on equity of 7-8% through 2027 and moderate loan losses. A modest 15% dividend payout ratio, reflecting low levels of ownership of the bank's equity capital certificates (ECCs), further supports capital improvements in the forecast.

CRR3 took effect in Norway on 1 Apr. 2025 (see Relevant Research). The new method is more risk-sensitive than previously and likely to reduce capital requirements significantly for small to medium-sized retail and savings banks. We expect CRR3 will improve the competitiveness of banks that use the

standard approach to credit risk by reducing the current disparity with larger banks that use the internal ratings-based approach.

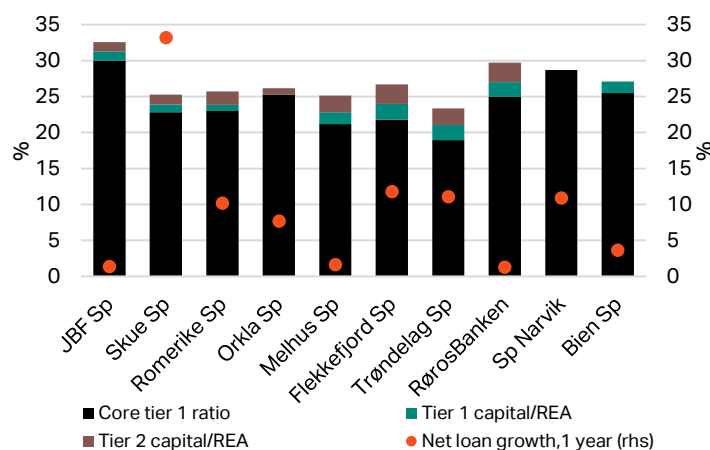
Following a change in principle with respect to deducting its ownership in Eika Gruppen and Eika Boligkreditt, the bank's unconsolidated CET1 ratio was 30.0% at end-2024 (versus 20.9% at end-2023). All banks in the Eika Alliance made this change in the fourth quarter of 2024, with no impact on consolidated capital figures. This explains the significant difference between consolidated and unconsolidated capital ratios (see Figures 7 and 8).

Figure 7. Consolidated capital ratios 2024–2027e, capital requirement and targets as of 31 Dec. 2024



Source: company, e-estimate.

Figure 8. Norwegian savings bank unconsolidated* capital ratios and loan growth, 2024



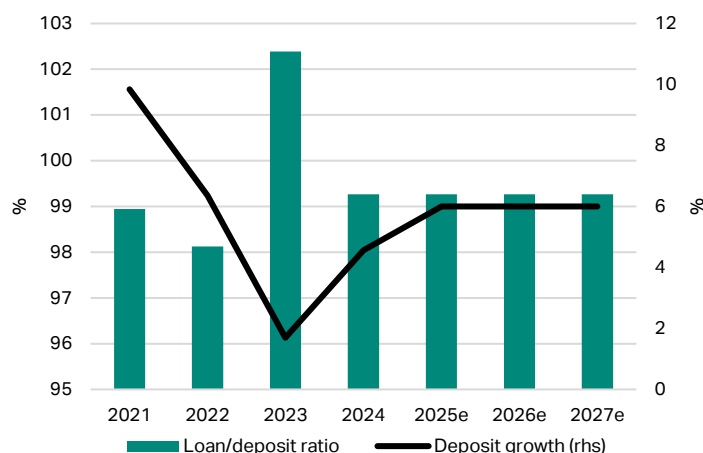
Source: bank reports. *Unconsolidated capital ratios of parent banks.

Diversified funding and a high transfer rate to Eika Boligkreditt

Funding and liquidity

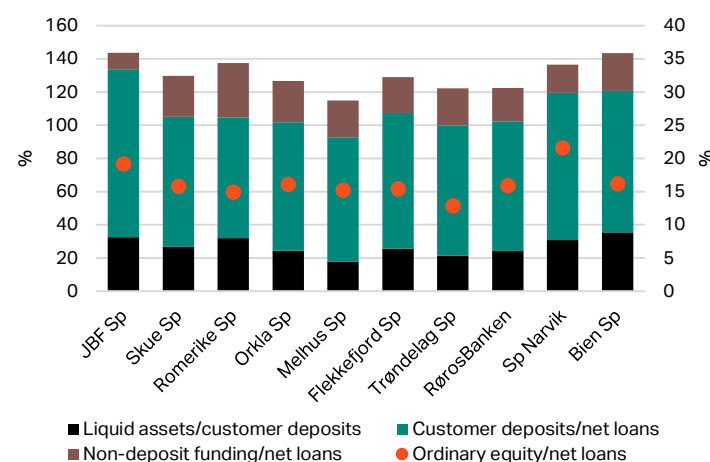
JBF Sparebank's funding is diverse, with a relatively strong and stable retail deposit base. Strong deposit growth and modest 1.4% loan growth in 2024 reduced the loan-to-deposit ratio to 99% at end-2024 from 112% at end-2018. We expect credit growth will follow deposit growth over the next few years, supported by modest increases in capital market financing. The bank maintains strong liquidity buffers, at around 30% of customer deposits. The liquidity coverage ratio was 269% at end-2024, well above the internal limit of 110%. At the same time, the bank's net stable funding ratio was a robust 155%, exceeding the internal limit of 107%. We expect JBF Sparebank will maintain strong regulatory liquidity ratios given its flat debt maturity profile.

Figure 9. Deposit metrics, 2021–2027e



Source: company, e-estimate.

Figure 10. Norwegian savings bank funding profiles, 31 Dec. 2024



Source: bank reports.

An important source of funding for JBF Sparebank is its cooperation with covered-bond company Eika Boligkreditt, which provides access to more affordable funding with longer terms to maturity than the bank could obtain by itself. Since 2021, the bank has increased its ratio of transferred mortgage lending to fund syndicated loans on its own balance sheet. As of end-2024, JBF Sparebank's ratio of retail lending transfers to Eika Boligkreditt was 49.9%, up from 43.9% at end-2020. This is the highest transfer ratio among all mid-size Norwegian savings banks. Despite this, the bank maintains a significant buffer

of retail mortgage loans that can be transferred to the covered bond company as a liquidity reserve, if necessary.

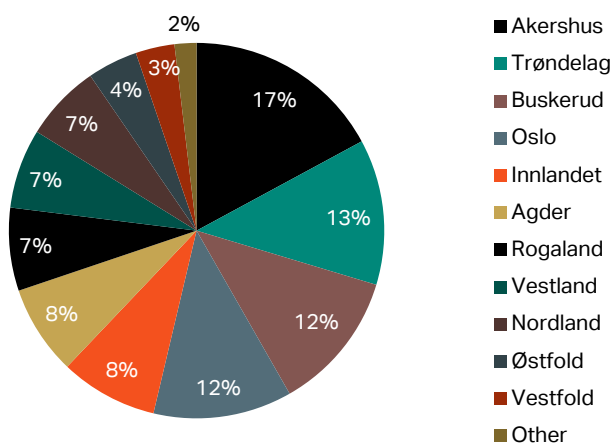
JBF Sparebank had NOK 1.2bn in outstanding senior bonds as of 31 Mar. 2025, including NOK 350m in green bonds. The bank's debt maturity profile was extended by three senior unsecured issues in 2024 and 2025 with maturities in 2027–2030. The bank has also demonstrated its ability to issue capital instruments; it has NOK 75m in hybrid capital and a subordinated bond of NOK 75m.

Retail mortgage exposure across Norway

Most of JBF Sparebank's lending is related to residential real estate located throughout Norway. Some 93% of the credit portfolio (including transferred loans) consists of residential mortgage lending, while corporate lending is largely composed of syndicated loans to housing cooperatives through Boligbanken ASA, with which the bank has a cooperation agreement. In addition, the bank has a small number of syndicated real estate development loans in a cooperation with Nordic Corporate Bank. As a result, more than 98% of JBF Sparebank's lending is secured by real estate. Our loan growth forecast for the 2025–2027 period assumes 6% annual growth in on- and off-balance-sheet mortgage lending.

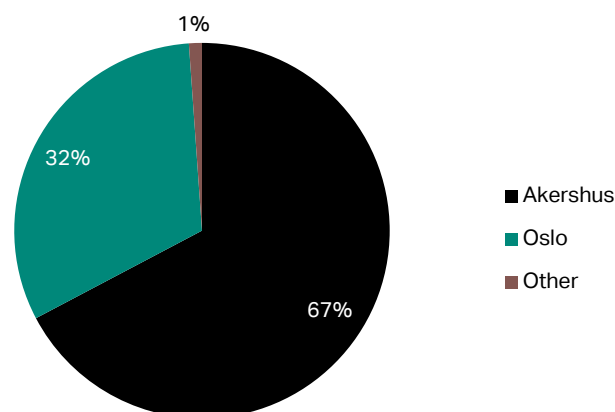
Credit risk

Figure 11. Retail mortgages by county, including transferred loans, 2024



Source: company.

Figure 12. Housing cooperative and corporate loans by county, 2024



Source: company.

The housing market has traditionally been highly sensitive to interest rates, largely due to elevated prices and loan-to-value ratios. Still, historical losses arising from housing loans are extremely low. A decade of housing price growth has bolstered the bank's collateral, and forecasts suggest that robust demand for housing, coupled with limited new construction activity, will support housing prices over the coming years (see Figure 6). These loans are backed by residential real estate collateral with low loan-to-value ratios, offsetting the risk of a substantial decline in housing prices. Despite the lack of geographical concentration, the link between JBF Sparebank's retail customers and the rail system results in a concentration risk associated with any reduction in railway personnel that the Norwegian government could make. We see this risk as minimal given the government's focus on increasing train traffic as part of its strategy to reduce Norway's overall environmental impact.

Other lending to corporate customers, including construction and primary industries, accounts for just over 2% of on-balance-sheet lending. Most of the bank's corporate lending is via syndicated loans, which enables it to participate in big-ticket real estate lending without material increases in concentration risk. JBF Sparebank has nearly NOK 1bn in syndicated loans to housing cooperatives issued via Boligbanken. These loans are well-collateralised with low loan-to-value ratios and a risk profile similar to residential mortgage loans. Syndicated development loans via Nordic Corporate Bank carry significantly higher credit risk but comprise only a small share of the bank's lending at just under NOK 200m in loan exposure. These loans are primarily associated with residential development projects in the Oslo region and are mostly first priority positions below 60% loan-to-value.

At end-2024, JBF Sparebank had transferred NOK 9.1bn in loans to Eika Boligkreditt. Such transfers generate commission income. The bank also takes a share of the covered-bond company's profit through its minority shareholding. However, the bank does not offload the risk associated with

transferred loans, and we expect it to take back any non-performing loans to enable Eika Boligkreditt to maintain a clean cover pool. When repatriation of loans is not possible, which has never occurred, the bank guarantees 1% of transferred loans and covers 80% of any net loss incurred by Eika Boligkreditt, with charges netted from commission payments on any loans transferred.

Wide diversity creates operational vulnerability

Other risks

Limited access to skilled personnel is a risk factor for mid-size banks operating across Norway. We believe JBF Sparebank faces key person risk and have aligned our "other risk" assessment with our risk governance assessment. We do not believe market risk is a material factor for the bank, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

JBF Sparebank has strategic ownership positions in Eika Gruppen (3.2%) and Eika Boligkreditt (9.0%), which provide access to the Norwegian covered-bond market, insurance, asset management, a real-estate agency and credit products, and ensure a strong voice alongside other savings bank owners. This ownership also contributes to the bank's earnings through dividend payments, as well as commissions paid on transferred loans and savings.

COMPETITIVE POSITION

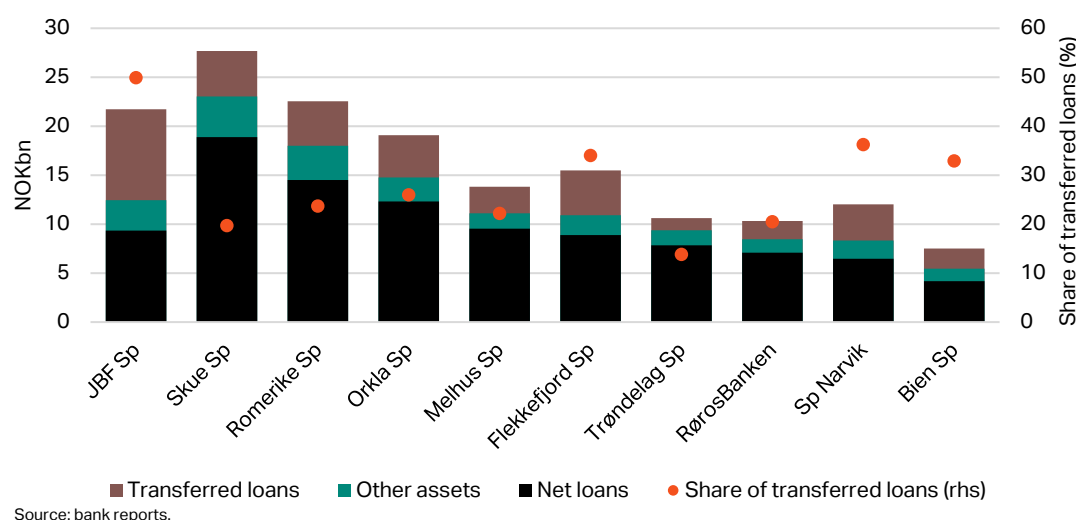
Competitive position

JBF Sparebank is a niche bank focusing on customers with ties to the railway industry. In addition, JBF Forsikring Gjensidig, the JBF financial services group's insurance company, provides insurance agreements to members of railway associations on better terms than they could obtain elsewhere. A strong overlap between banking and insurance customers characterises JBF Sparebank's 36,000 core customers, and we believe plenty of potential exists for future growth within JBF group's customer base of 100,000. We believe the bank's connection to the railway industry and the synergies provided by the insurance company support customer loyalty.

Despite its national presence, JBF Sparebank has a weak position outside of railway employees. Other national banks with similar geographical footprints are substantially larger, while smaller regional savings banks have stronger connections to their local communities.

JBF Sparebank's membership in the Eika Alliance expands the bank's customer offerings beyond what it could provide itself and diversifies revenues. The alliance enables the bank to offer debit and credit products, asset management services, and real-estate agency solutions.

Figure 13. Norwegian savings banks' total assets and net lending, 31 Dec. 2024



PERFORMANCE INDICATORS

Performance indicators

We project JBF Sparebank's profitability will remain at current levels through 2027 based on our expectation of stable interest rates, despite some margin pressure. We believe that loan losses and loan-loss provisions will remain low, but somewhat higher than historical levels due to uncertainty in the wider economy.

Earnings

Robust earnings likely to continue on improved cost efficiency

JBF Sparebank maintained improved net interest margins at 2.1% in 2024 as interest rates remained stable at high levels. The recent higher policy rates have supported deposit margins and income from interest rate-related instruments. We believe that the bank's margins have peaked but nonetheless expect that they will remain above 1.8% over our forecast period. We expect margins to contract slightly due to increased competition for lending and deposits and lower interest rates from later in 2025 and beyond.

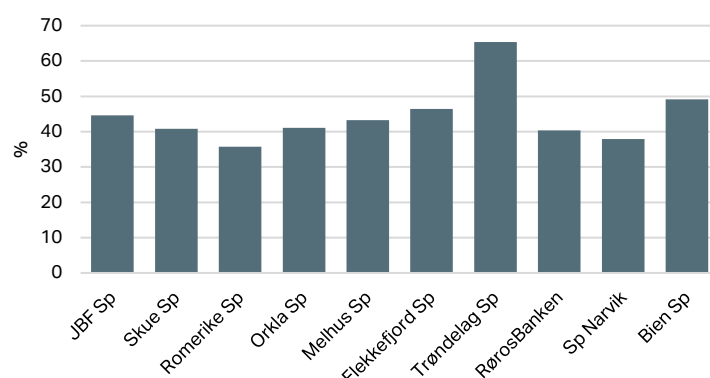
JBF Sparebank's cost efficiency benefits from its shared location and cooperation with JBF Forsikring Gjensidig. The cost-to-income ratio fell below 45% in 2024, down from 62% in 2022, mainly owing to improved interest income. However, the bank also incurred a total of NOK 25m in conversion costs in 2022 and 2023 as it implemented a new core banking system. We expect significant IT cost reductions from 2025 following these investments. In combination with weakening margins, we project the cost-to-income ratio will increase slightly in our forecast, albeit remaining well below 50% through 2027. This would result in stable pre-provision income (PPI) to consolidated REA of about 2.5%, supporting the bank's ability to sustainably grow its loan book.

Figure 14. Norwegian savings banks' annualised net interest margins, Q1 2024 – Q4 2024



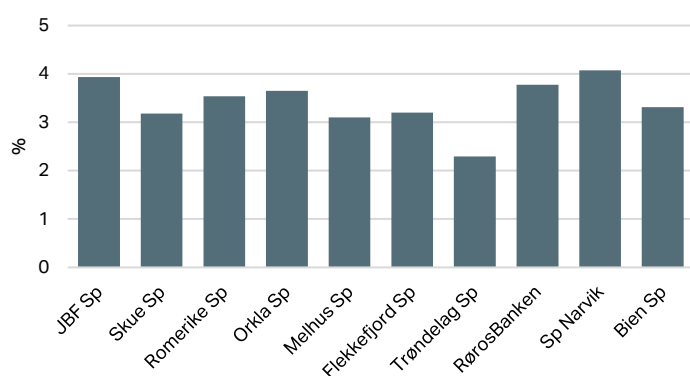
Source: bank reports.

Figure 15. Norwegian savings banks' cost efficiency metrics, 2024



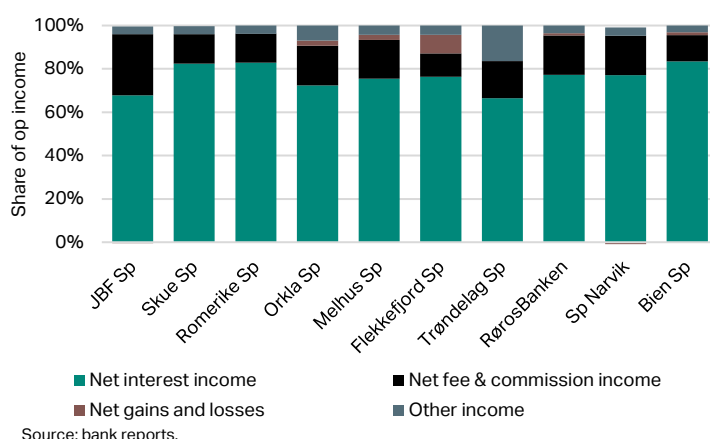
Source: bank reports.

Figure 16. Norwegian savings banks' PPI to REA*, 2024



Source: bank reports. PPI-pre-provision income. REA-risk exposure amount. *REA of parent banks.

Figure 17. Norwegian savings banks' split between income groups, 2024



Source: bank reports.

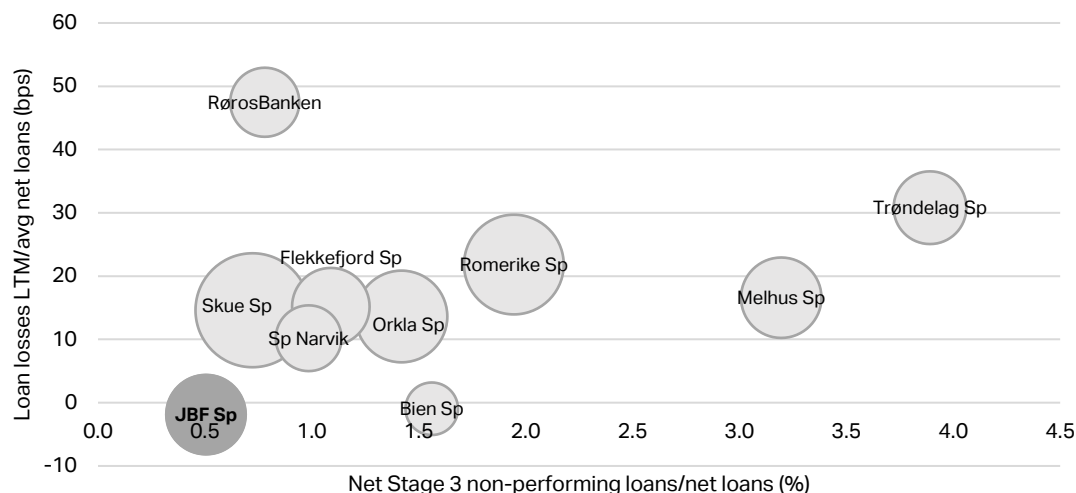
Loan losses likely to remain low despite increase in Stage 3 loans

Over the past six years, JBF Sparebank booked net loan losses only in 2022 (amounting to NOK 0.6m). In 2024, the bank booked net reversals of NOK 1.7m, despite a material increase in Stage 3 non-performing loans. We project modest loan losses of 2bps in our forecast period given the bank's high share of residential real estate collateral and low loan-to-value profile and despite slow economic growth.

Loss performance

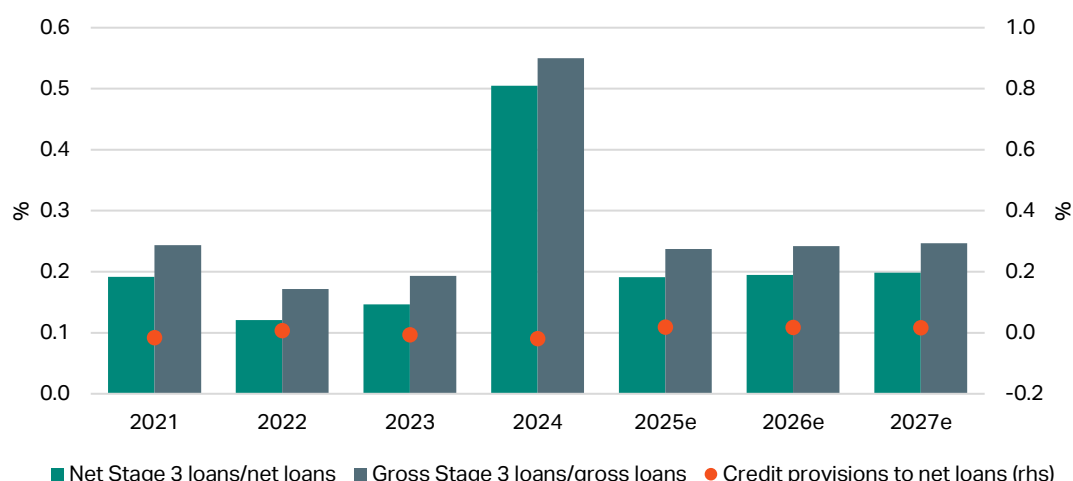
The rise in corporate loans is driving an increase in Stage 3 loans, although we consider that the exposures have a strong collateral position and, as such, a modest risk of credit losses. The bank's net Stage 3 loans to net loans increased to 50bps in 2024 from an average of 15bps from 2021-2023, which remains below the median for its domestic peer group. We expect non-performing loans to reduce after repayment of non-performing loans in 2025.

Figure 18. Norwegian savings banks asset quality metrics, 2024



Source: bank reports. Bubble sizes reflect net loan volumes.

Figure 19. Asset quality metrics, 2021–2027e



Source: company. e-estimate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

Environmental, social and governance (ESG) factors are considered throughout our analysis, where material to the credit assessment. In aggregate, we view JBF Sparebank's ESG profile as having a neutral impact on its creditworthiness.

Figure 20. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Physical climate risk to collateral	Climate-related damage to real-estate collateral. Longer-term effects on market values in flood risk areas.	Credit risk (-) Loss performance (0)
Social engagement in the community	Close connection to narrow niche provides a benefit.	Competitive position (+) Earnings (0) Funding & liquidity (0)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (0)
Control of sustainability issues	Risk of overlooking sustainability impacts in the bank's underwriting, operations, and customer base.	Risk governance (0) Credit risk (0)

*Defined on a 5-step scale ranging from double minus (--) to double plus (++), with (--) representing the most negative impact and (++) the most positive. See [ESG factors in financial institution ratings](#).

ADJUSTMENT FACTORS

Support analysis

We do not adjust the rating on JBF Sparebank to reflect expectations of additional support. The bank is self-owned but has access to the equity market through its ECCs. About 16% of the bank's equity is owned by ECC holders, which are primarily organisations associated with the railway industry (JBF Forsikring Gjensidig and labour unions).

The boards of JBF Bank and its largest owner, JBF Forsikring Gjensidig, decided on 9 Jan. 2025 to convert JBF Sparebank and JBF Forsikring Gjensidig into limited liability companies and establish a new group structure. According to the plan, JBF Forsikring will buy all the bank's ECCs and a holding company will be created to directly own the companies. The holding company will be controlled by a savings bank foundation and an insurance foundation, each owned by JBF's customers. This structure will facilitate capital transfers between the insurance company and the bank. The restructuring is set to be completed in 2025, pending approvals from relevant authorities and the fulfilment of certain conditions.

Figure 21. Ownership structure, 31 Dec. 2024

Owner	Share of ECCs (%)
JBF Forsikring Gjensidig	46.8
Norsk Jernbaneforbund	23.3
Stiftelsen Jernbaneetatens Samfundsbygning	5.5
Norsk Lokomotivmannsforbund	3.7
Lokomotivpersonalets forening Oslo	2.0
Other	18.7
Total	100.0

Source: company.

ISSUE RATINGS

Our rating on JBF Sparebank's senior unsecured debt is in line with the 'A-' issuer rating. The bank has an outstanding Tier 2 instrument and an Additional Tier 1 instrument, which we rate one and three notches below the issuer rating, respectively. Consequently, the Tier 2 instrument is rated 'BBB+', while the Additional Tier 1 instrument is rated 'BBB-'.

SHORT-TERM RATING

The 'N2' short-term issuer rating is the higher of two possible alternatives given the 'A-' long-term issuer rating. It reflects JBF Sparebank's access to central bank funding and our assessment that the bank's liquidity is adequate with an average liquidity coverage ratio of 239% over the last four quarters.

METHODOLOGIES USED

- (i) [Financial Institutions Rating Methodology](#), 14 Feb. 2024.
- (ii) [Rating Principles](#), 14 Feb. 2024.
- (iii) [Group and Government Support Rating Methodology](#), 14 Feb. 2024.

RELEVANT RESEARCH

- (i) [Nordic niche banks navigate through winds of change](#), 4 Mar. 2025.
- (ii) [Lower interest margin will lead to a drop in profitability for Norwegian savings banks](#), 20 Jan. 2025.
- (iii) [NCR Comments: Norway moves to adopt new standardised approach to capital requirements](#), 6 Dec. 2024.
- (iv) [Norwegian savings banks' capitalization boosted by CRR3](#), 26 Jun. 2024.

Figure 22. JBF Sparebank key financial data, 2021–2024

Key credit metrics (%)	FY 2021	FY 2022	FY 2023	FY 2024
INCOME COMPOSITION				
Net interest income to op. revenue	57.4	68.1	68.9	68.5
Net fee income to op. revenue	33.0	23.7	24.1	28.5
Net gains and losses/operating revenue	-2.0	-3.1	1.6	-0.5
Net other income to op. revenue	11.6	11.3	5.5	3.5
EARNINGS				
Net interest income to financial assets	1.4	1.5	2.0	2.1
Net interest income to net loans	1.8	2.1	2.6	2.8
Pre-provision income to REA	1.7	1.2	2.5	3.9
Core pre-provision income to REA (NII & NF&C)	1.3	1.0	2.2	3.7
Return on ordinary equity	7.8	5.4	8.0	9.2
Return on assets	0.9	0.7	1.1	1.3
Cost-to-income ratio	53.1	61.9	51.2	44.7
Core cost-to-income ratio (NII & NF&C)	58.7	67.4	55.0	46.0
CAPITAL				
CET1 ratio	16.8	17.3	20.9	30.0
Tier 1 ratio	18.4	18.9	22.5	31.3
Capital ratio	20.2	20.6	24.1	32.6
REA to assets	66.3	72.2	39.6	46.5
Dividend payout ratio	10.5	8.3	13.9	13.9
Leverage ratio	7.0	7.1	8.9	12.9
Consolidated CET1 ratio	16.8	17.3	19.3	19.7
Consolidated Tier 1 ratio	18.4	18.9	20.8	21.2
Consolidated Capital ratio	20.2	20.6	22.6	22.8
Consolidated Leverage ratio	7.0	7.1	7.6	7.8
GROWTH				
Asset growth	9.4	4.0	1.4	4.7
Loan growth	1.3	5.5	6.1	1.4
Deposit growth	9.8	6.4	1.7	4.6
LOSS PERFORMANCE				
Credit provisions to net loans	-0.02	0.01	-0.01	-0.02
Stage 3 coverage ratio	21.42	29.76	24.22	8.34
Stage 3 loans to gross loans	0.24	0.17	0.19	0.55
Net stage 3 loans to net loans	0.19	0.12	0.15	0.50
Net stage 3 loans/ordinary equity	1.23	0.64	0.80	2.63
FUNDING & LIQUIDITY				
Loan to deposit ratio	98.9	98.1	102.4	99.3
Liquid assets to deposit ratio	35.8	34.2	29.2	32.6
Net stable funding ratio	147.0	135.0	152.0	155.0
Liquidity coverage ratio	422.0	209.0	252.0	269.0
Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024
BALANCE SHEET				
Total assets	11,258	11,712	11,880	12,443
Total tangible assets	11,258	11,712	11,880	12,443
Total financial assets	11,201	11,700	11,834	12,403
Net loans and advances to customers	8,226	8,677	9,207	9,334
Total securities	2,365	2,809	2,398	2,495
Customer deposits	8,314	8,843	8,993	9,403
Issued securities	1,452	1,142	992	1,041
of which other senior debt	1,377	1,066	917	966
of which subordinated debt	75	75	75	75
Total equity	1,359	1,706	1,760	1,867
of which ordinary equity	1,284	1,631	1,685	1,792
CAPITAL				
Common equity tier 1	1,258	1,463	985	1,736
Tier 1	1,377	1,599	1,060	1,811
Total capital	1,506	1,746	1,135	1,886
REA	7,468	8,461	4,704	5,791
INCOME STATEMENT				
Operating revenues	255	259	342	373
Pre-provision operating profit	119	99	167	206
Impairments	-1	1	-1	-2
Net Income	97	78	132	160

Source: company. FY–full year. YTD–year to date.

Figure 23. JBF Sparebank rating scorecard

Subfactors	Impact	Score
National factors	15.0%	a
Regional, cross border, sector	5.0%	a-
Operating environment	20.0%	a
Risk governance	5.0%	a-
Capital	17.5%	aa-
Funding and liquidity	15.0%	a
Credit risk	10.0%	a-
Market risk	-	-
Other risks	2.5%	a-
Risk appetite	50.0%	a
Competitive position	15.0%	bb
Earnings	7.5%	a
Loss performance	7.5%	a+
Performance indicators	15.0%	a
Indicative credit assessment		a-
Transitions		Neutral
Peer calibration		Neutral
Borderline assessments		Neutral
Stand-alone credit assessment		a-
Material credit enhancement		Neutral
Rating caps		Neutral
Support analysis		Neutral
Issuer rating		A-
Outlook		Stable
Short-term rating		N2

Figure 24. Capital structure ratings

Seniority	Rating
Senior unsecured	A-
Tier 2	BBB+
Additional Tier 1	BBB-

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