

LONG-TERM RATING

AA+

OUTLOOK

Stable

SHORT-TERM RATING

N1

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Ringerike municipality assigned 'AA+' long-term issuer rating; Outlook stable

Nordic Credit Rating (NCR) has assigned a 'AA+' long-term issuer rating to Norway's [Ringerike municipality](#). The outlook is stable. An 'N1' short-term rating was also assigned. In addition, NCR has assigned 'AA+' issue ratings to Ringerike's senior unsecured bonds.

Rating rationale

The long-term issuer rating reflects the municipality's average budget performance and demographic profile within the domestic local government sector. Ringerike has prudent financial reserves that have supported slim operating margins in recent years. We foresee a positive margin trend for Ringerike from 2025 and believe that the municipality will prioritize adding back to its financial reserves. The municipality benefits from its commuting distance to Oslo, Norway's capital, and its population has been steady historically.

The rating is constrained by Ringerike's high debt and interest burden compared with levels for other domestic local governments due to high investment requirements to serve its citizens and meet policy objectives. We expect the municipality's debt will remain elevated during our forecast period. Ringerike continually monitors liquidity, but we note that its liquidity has weakened gradually over the past three years. However, we view Ringerike's debt with average time to maturity of 10 years as positive and consider its refinancing risk to be low due to readily available funding sources.

Ringerike benefits from Norway's exceptional creditworthiness, given the country's institutional stability, strong governance, and conservative fiscal performance. Local and regional government institutions are strong thanks to a predictable revenue distribution system and a robust framework that supports solid governance and transparency.

Stable outlook

The stable outlook reflects our view that Ringerike will continue to have an average budget performance within the sector. We expect the municipality will improve margins slightly while carefully managing its debt and interest expense. We also believe Ringerike will take necessary measures to ensure a balanced budget and strengthen financial reserves. We expect Norway's creditworthiness will remain stable, with no material changes to the institutional framework.

We could raise the rating on Ringerike to reflect a significant reduction in gross debt and interest payments, materially improved operating margins and financial reserves, or stronger demographics than we currently expect.

We could lower the rating to reflect a deteriorating operating margin or high capital spending resulting in a drain on Ringerike's financial reserves, a significant rise in gross debt or interest payments, or weaker demographics than we currently expect.

Rating list

	Rating
Long-term issuer credit rating:	AA+
Outlook:	Stable
Short-term issuer credit rating:	N1
Senior unsecured issue rating:	AA+

Figure 1. Ringerike rating scorecard

Step	Analysis	Score
1	Sovereign creditworthiness	aaa
2	Local and regional government institutions	Strong
3	Entity-specific assessment	Below average
4a	Standard notching	-1/-2
4b	Indicative credit assessment alternatives	aa+/aa
5a	Higher or lower alternative	Higher
5b	Indicative credit assessment	aa+
6	Other adjustments	0
7	Issuer rating	AA+

Figure 2. Ringerike entity-specific assessment scorecard

Subfactors	Impact	Score
Average income	30.0%	3
Population growth	30.0%	3
Old age burden	20.0%	3
Unemployment	20.0%	3
Demographics calibration	-	0
Demographics weighed score	33.3%	3.00 (Average)
Operating margin	60.0%	3
Operating and investment balance	20.0%	3
Financial reserves	20.0%	3
Budget performance calibration	-	0
Budget performance weighed score	33.3%	3.00 (Average)
Gross debt burden	60.0%	4
Interest burden	40.0%	4
Debt burden and liquidity calibration	-	0
Debt burden and liquidity weighed score	33.3%	4.00 (Weak)
Weighted average entity-specific scoring	100.0%	3.33 (Below average)

Figure 3. Capital structure ratings

Seniority	Rating
Senior unsecured	AA+

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 25 Apr. 2025.
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.
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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 Rating Principles published on 14 Feb. 2024 NCR's Local & Regional Government Rating Methodology published on 14 Feb. 2024 NCR's Sovereign Credit Assessment Methodology published on 26 Mar. 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:	<p>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.</p> <p>The Rating Committee was led by the chairperson who ensured that all attending analysts were qualified to vote, had ample time to prepare for the committee, and acknowledged that they did not have any conflicts of interest with the rated entity. The chairperson also asked the committee members if they were aware of any former Nordic Credit Rating employees now employed by the rated entity. The primary analyst provided an overview of their recommendation, referring to key discussion areas outlined in the committee material. All committee members were given the opportunity to question the recommendation, and to request further details on qualitative and quantitative factors, including forward-looking expectations and forecasts. The committee members were also afforded the opportunity to offer counterarguments and/or alternative proposals. The committee voted on all relevant subfactors, and decided on the long- and short-term issuer and issue ratings, where relevant. The committee also determined the outlook for the issuer rating and decided on the key drivers that could lead to a change in the issuer rating. A summary of the committee's decision is reflected in the rating action report. Following the committee's decision, the chairperson and primary analyst reviewed the rating action draft report to ensure consistency with the discussed key areas and credit drivers for the rated entity. The weighting of all rating factors is described in the relevant methodologies used in the rating decision (see the "Methodology used when determining the credit rating section" in the disclaimer).</p>
Ancillary services provided:	No ancillary services were provided.
Regulations:	This rating was issued and disclosed under Regulation (EC) No 1060/2009.
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