

Askim & Spydeberg 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 Askim & Spydeberg Sparebank reflects the bank's solid capital position and earnings, low risk appetite, and ready access to funding. We take a positive view of the bank's membership in the Lokalbanksamarbeidet banking cooperative, which enables product diversity, shared development costs and the opportunity to finance residential retail mortgage loans through jointly owned covered-bond company Verd Boligkreditt AS.

We expect Askim & Spydeberg Sparebank will maintain strong earnings over our forecast period through 2027, despite pressure on its net interest margins from peaking interest rates and growing competition. We further believe that strong earnings will keep the bank's cost/income ratio well below 50%. We expect improved loss performance over our forecast period after extraordinary losses in recent years.

The rating is constrained by Askim & Spydeberg Sparebank's concentrated exposure to residential and commercial real estate and the construction sector in northern Østfold county and the district of Follo. Although the bank has strong market share in its core operating region, the stiffer competition in the Follo district growth markets is an additional rating constraint.

STABLE OUTLOOK

The outlook is stable, reflecting our view that Askim & Spydeberg Sparebank's earnings and cost efficiency will remain strong, despite expectations of lower interest rates, offsetting moderate credit losses. We believe the bank's strong capital position and diverse funding profile will prove resilient against a modest economic slowdown. The outlook also factors in improved risk governance and our expectation of continued investment in this area.

POTENTIAL POSITIVE RATING DRIVERS

- Pre-provision income to risk exposure amount (REA) sustainably above 3%; and
- A Tier 1 ratio maintained significantly above 22%; and
- A stronger market position in the district of Follo and northern Østfold county.

POTENTIAL NEGATIVE RATING DRIVERS

- A Tier 1 capital ratio below 20% over a protracted period.
- A material deterioration in the local operating environment that negatively affects asset quality.
- Pre-provision income below 2% of REA for a protracted period.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	2.0	2.1	2.4	2.4	2.3	2.2	2.1
Loan losses/net loans	0.54	-0.08	0.22	0.16	0.16	0.15	0.14
Pre-provision income/REA*	2.3	2.3	2.5	2.8	2.5	2.4	2.3
Cost-to-income	43.6	42.1	44.7	41.3	46.1	47.5	48.7
Return on ordinary equity	7.0	9.6	7.8	9.0	7.6	7.1	6.9
Loan growth	11.1	5.2	6.4	4.1	5.0	6.0	6.0
CET1 ratio*	17.0	18.3	19.4	20.1	21.6	21.4	21.2
Tier 1 ratio*	18.5	19.9	21.5	22.0	23.6	23.2	23.0

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.

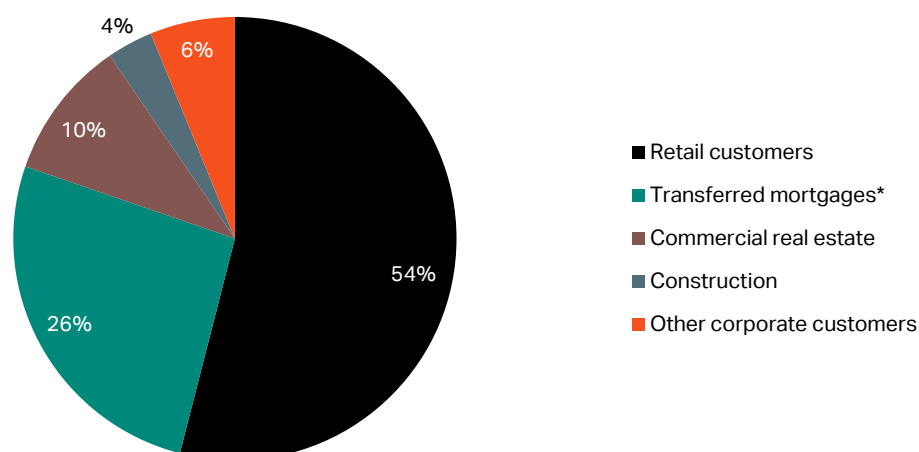
ISSUER PROFILE

Askim & Spydeberg Sparebank is an independent Norwegian savings banks formed through the merger of Askim Sparebank and Spydeberg Sparebank in 2015. The merged entities date back to 1988 and 1859, respectively. The bank has some 60 full-time equivalents and is headquartered in Askim, with branches in Spydeberg and Ski. Its core market is the northern region of Østfold county and the district of Follo. At 31 Mar. 2025, the bank had NOK 14.2 billion in net loans (including NOK 3.7bn in retail loans transferred to covered-bond companies). Retail customers, agricultural borrowers and SMEs account for its core customer base. The bank also owns 84% of a real estate agency.

Askim & Spydeberg Sparebank is one of 16 savings banks in the Lokalbanksamarbeidet banking cooperative, which consists of small and medium-sized local savings banks with total gross lending close to NOK 100bn as of end-2024. The cooperative provides members with product diversity, builds customer loyalty and helps improve their cost efficiency through the sharing of IT costs and joint efforts in risk management and compliance. It also enables members to finance residential mortgage loans through Verd Boligkreditt, a mid-sized domestic issuer of covered bonds.

The member banks of Lokalbanksamarbeidet have also joined Frendegruppen, a cooperative of financial services providers that include the regional savings banks Sparebanken Norge and Sparebanken Øst. The banks in Frendegruppen have ownership stakes in, and distribute products for, insurance company Frende Forsikring, finance company Brage Finans AS and securities company Norne Securities. They also cooperate in developing new products for the member banks.

Figure 2. Gross loans by sector, including transferred loans, 31 Mar. 2025



Source: company. *Net loans transferred to Eika Boligkreditt and Verd Boligkreditt.

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national banking factors and regional factors in our assessment of the operating environment. Askim & Spydeberg Sparebank operates in a region with strong growth prospects, supported by proximity to Oslo, Norway's capital. We believe that the national economy could weaken over the next few years due to reduced economic activity and the ongoing impact of high inflation. Still, we consider the Norwegian banking sector to be well positioned to offset higher credit risk with strong earnings and capital.

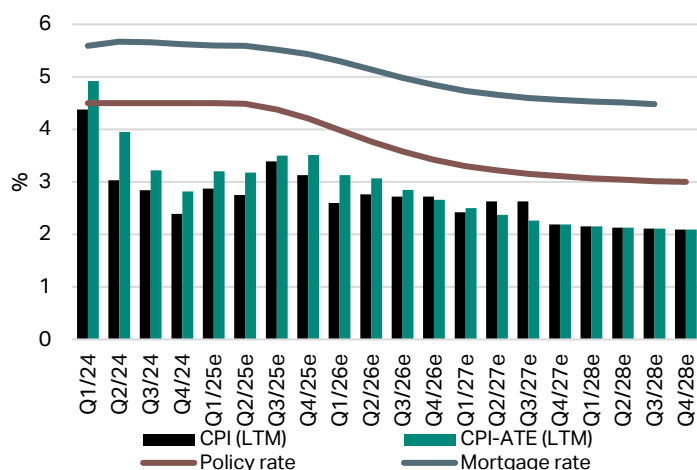
Norwegian savings banks resilient to slowing economic activity

National banking environment

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 earnings growth and lower returns on equity in 2025 and 2026.

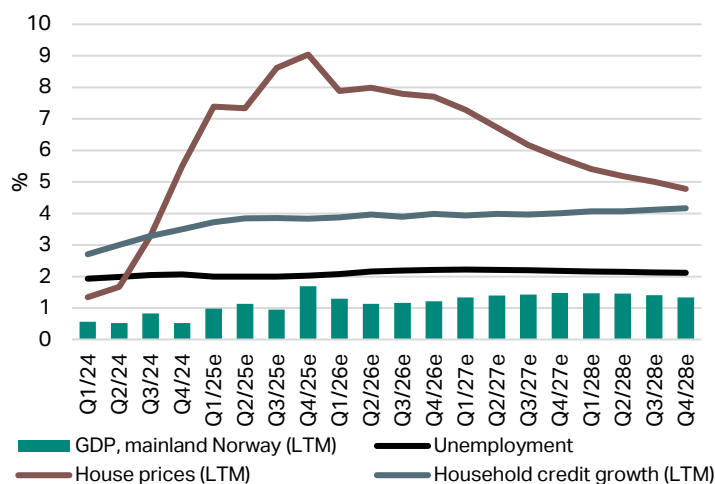
As intended, still-high interest rates are helping to slow the economy. Increased US tariffs on imports and a possible trade war between the US and China could stall an expected upturn or even lead to recession. High interest rates and weak economic conditions sparked an increase in loan-loss provisions at domestic savings banks in 2023 and 2024. Norway's savings banks are well capitalised and have strong pre-provision profitability, which makes them relatively 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.

Moderate proximity to Oslo and good transportation links

Regional assessment

Askim & Spydeberg Sparebank's core markets in northern Østfold county and the Follo district account for some 81% of the bank's gross lending. The area is home to about 190,000 of Norway's 5.6 million people (2024, Statistics Norway), is close to Oslo, and has good public transportation links. Regional population growth has increased in recent years, and we believe it will outpace country-wide population growth over the next few decades.

Unemployment in the region has been higher than the Norwegian average for many years. Over the past 12 months, unemployment has increased slightly but remains low. Indre Østfold municipality is Norway's largest centre of agriculture, a sector which has historically enjoyed significant government support. In addition, the region has higher-than-average exposure to construction, which is currently experiencing a temporary slowdown. We believe construction activity could rise in the next year, although an increase will depend on costs and macroeconomic factors.

Figure 5. Core markets

Municipality	Population, Q4 2024	Expected population change, 2024-2050 (%)	Unemployment, Mar. 2025 (%)	Unemployment, Mar. 2024 (%)
Nordre Follo	64,668	14.4	2.7	2.2
Indre Østfold	47,449	13.9	2.7	2.5
Ås	22,344	26.1	3.0	2.9
Vestby	19,855	22.8	2.1	2.0
Frogn	16,337	10.8	2.5	2.0
Enebakk	11,549	14.9	2.2	2.4
Skiptvet	3,956	19.8	2.4	1.5
Marker	3,655	9.1	2.0	2.4
Core markets	189,813	16.3	2.6	2.3
Norway	5,594,340	9.3	2.1	2.0

Source: Statistics Norway, Norwegian Labour and Welfare Administration.

High real-estate prices in Oslo have led to significant housing and commercial real-estate development in Askim & Spydeberg Sparebank's core markets. Anticipated interest rate cuts from the second half

of 2025 and a significant decline in building permits for new dwellings, especially in the Oslo area, should further support housing prices over the next few years.

RISK APPETITE

Risk appetite

Our assessment of Askim & Spydeberg Sparebank's risk profile reflects the bank's strong capital position, large proportion of low-risk exposure to residential mortgage lending, diverse funding, and ability to transfer loans to Verd Boligkreditt. The bank has moderate loan growth, high customer concentrations in Østfold county and the district of Follo, and sizeable levels of property lending in the region. The bank has made material improvements in risk governance over the past year, but we also factor in a track record of weak compliance with governance frameworks.

Risk governance is improving and is proportional to complexity

Risk governance

In our view, Askim & Spydeberg Sparebank's risk governance framework, limit monitoring and risk reporting are proportional to its balance sheet and risk profile. The cooperation with Lokalbanksamarbeidet supports our view that the bank's risk management and compliance are adequate. The bank has well-defined guidelines for risk governance and relevant risk areas. The bank's internal risk reporting and internal capital adequacy assessment processes are proportional to its risk profile. In addition, the bank differentiates itself from smaller savings bank peers through its internal audit function, acting as a third line of defence.

We believe Askim & Spydeberg Sparebank has addressed most of the risk governance issues outlined in a report by Norway's Financial Supervisory Authority (FSA) in 2022, though the track record weighs on our assessment. The FSA observed unconventional lending at the bank, through a private individual acting as a broker. A further investigation of the bank's anti-money laundering practices led to NOK 9.5m in fines in 2023. Askim & Spydeberg Sparebank has since made substantial improvements in risk governance, as well as several structural and management changes. Strengthened anti-money laundering practices and policies reduce the risk of related regulatory fines and associated losses. In our view, these areas have been further bolstered over the past year. Since February 2025, the bank is no longer under official investigation by the FSA.

Askim & Spydeberg Sparebank has made significant efforts to support sustainability and contributes to its core region through social contributions. The bank assesses environmental, social and governance (ESG) risks for all new and recurring corporate customers and publishes annual sustainability reports. We believe this fosters better internal risk awareness and sustainable customer behaviour. The bank has established a green bond framework to issue green bonds and obtained Miljøfyrtårn/Eco-Lighthouse environmental certification for all offices.

Capital ratios set to improve

Capital

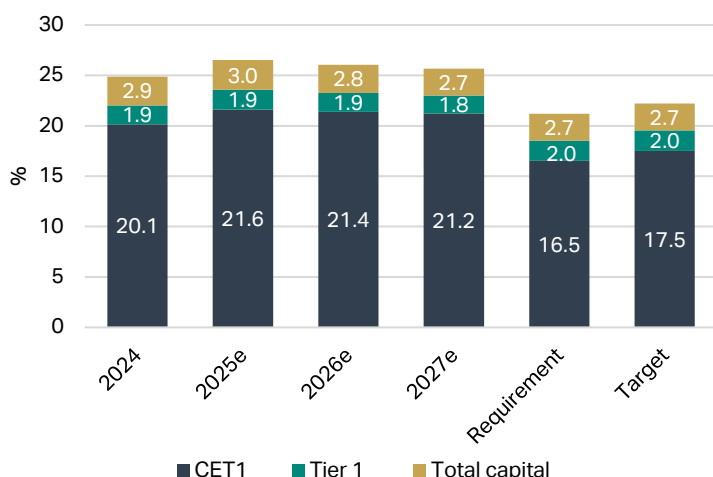
Our capital assessment takes into consideration Askim & Spydeberg Sparebank's consolidated position, including its proportional holdings in Verd Boligkreditt, Eika Boligkreditt, Brage Finans and Norne Securities. As of 31 Mar. 2025, the bank's consolidated CET1 ratio was 19.3% and its Tier 1 capital ratio 21.2%, compared with the bank's minimum targets of 16.5% and 18.5% (including a 1pp management buffer), respectively. We note that the reported capital ratios would have been 0.2pp higher had we included 50% of the profits for the year to date. The consolidated leverage ratio was 9.3% as of 31 Mar. 2025, compared with an internal minimum target of 5.5% and a regulatory requirement of 3%.

Our estimates include a 1.5% boost of to the bank's Tier 1 capital ratios from mid-2025 due to the EU's Capital Requirements Regulation (CRR3) taking effect on April 1, 2025. We expect Askim & Spydeberg Sparebank will expand its on-balance-sheet loan book by 5-6% annually over the next three years. We also expect a return on equity declining to 6.9% owing to lower interest margins, versus 9.0% in 2024. We further expect 43% of net income to be paid out as dividends to holders of ECCs or as contributions to the local community. Consequently, we expect the Tier 1 ratio will increase to 23.6% by end-2025 (bolstered by the CRR3 effect), and then decline slightly to 23.0% by end-2027.

Following a change in principle with respect to deducting its ownership in partially owned companies, the bank's unconsolidated CET1 ratio was 24.0% on 31 Mar. 2025 (versus 22.3% at end-2024). All banks in Lokalbanksamarbeidet made this change in the first quarter of 2025 whereas banks in the Eika Alliance did so in the fourth quarter of 2024. The change has no impact on consolidated capital figures,

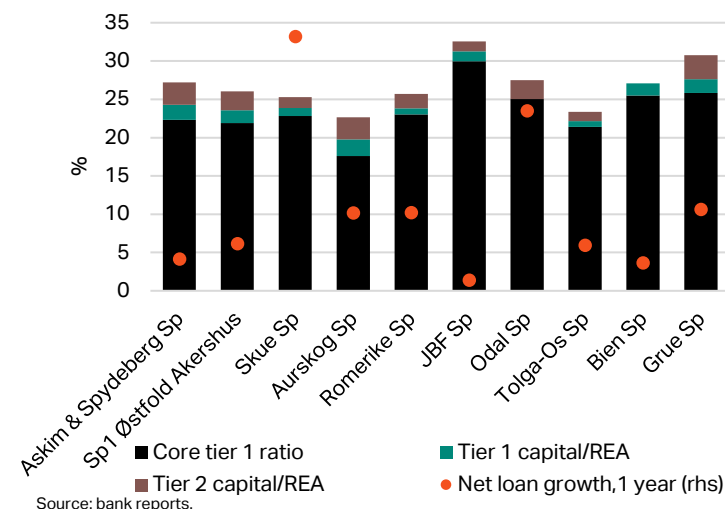
but it explains the significant differences between consolidated and unconsolidated capital ratios (see Figures 6 and 7).

Figure 6. Consolidated capital ratios 2024–2027e, capital requirement and targets as of 31 Dec. 2024



Source: company, e-estimate. *Total pillar 2 guidance (P2G) of 2.7%

Figure 7. Norwegian savings bank unconsolidated* capital ratios and loan growth, 2024



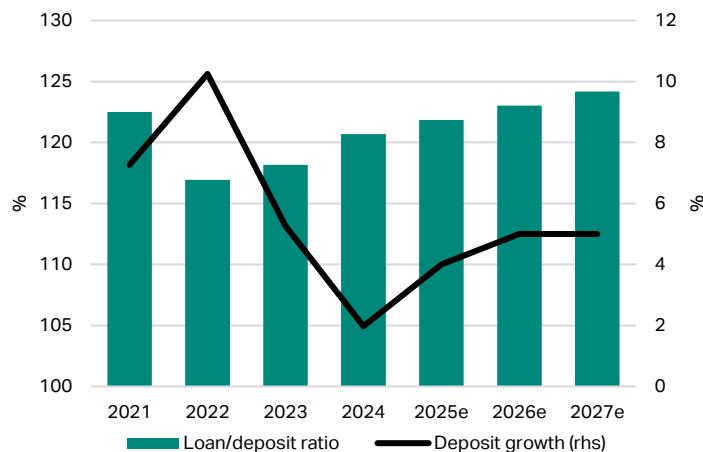
Source: bank reports.

Deposits and transfers of loans to covered-bond companies are the main funding sources

Askim & Spydeberg Sparebank's funding and liquidity position is generally strong, with a stable retail deposit base and proven access to capital market funding. As of 31 Mar. 2025, the loan-to-deposit ratio was 122%, close to the bank's peer group average. Deposit growth has lagged lending growth slightly in the past year, and we are uncertain about whether it will keep pace through 2027. The bank maintains robust liquidity buffers, at about 30% of customer deposits. As of 31 Mar. 2025, the liquidity coverage ratio was 303% and the net stable funding ratio 140%, well above the regulatory requirements of 100%. We expect the bank to maintain strong regulatory measures, given internal limits.

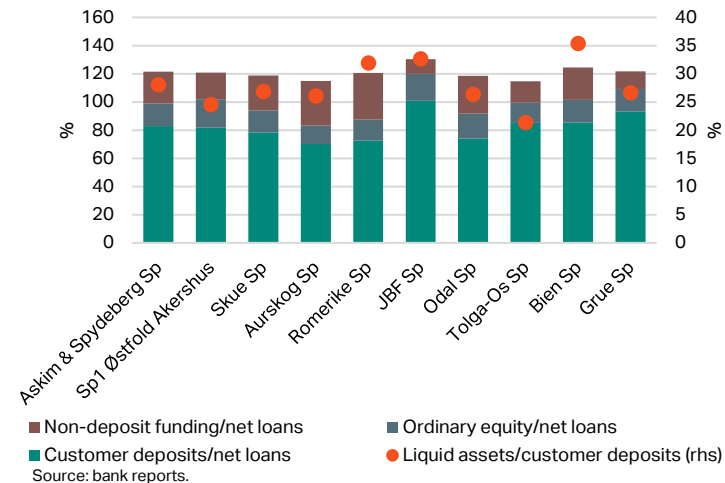
Funding and liquidity

Figure 8. Deposit metrics, 2021–2027e



Source: company, e-estimate.

Figure 9. Norwegian savings bank funding profiles, 31 Dec. 2024



Source: bank reports.

As of 31 Mar. 2025, Askim & Spydeberg Sparebank had NOK 2.4bn in outstanding senior bonds with maturities evenly spread through 2030 and average time to maturity of 2.7 years. In our forecast, we expect the bank to refinance debt through new issuance on maturity. We also project that the loan-to-deposit ratio will rise due to slightly higher lending growth than deposit growth and increased funding through senior unsecured debt.

Verd Boligkreditt is a stable and important source of funding, providing the bank with access to more affordable funding, with longer terms to maturity, than it could source by itself. Eika Boligkreditt acted as a similar funding source prior to the bank's exit from the Eika Alliance in 2021. New loans earmarked for transfer are transferred to Verd Boligkreditt, whereas the bank retains a commitment

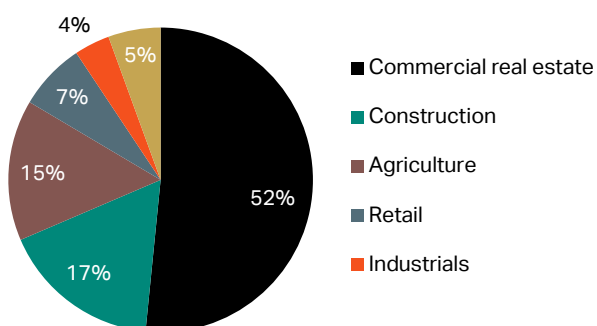
to keep existing transferred loans placed with Eika Boligkreditt for a transition period. We expect this period to continue to sometime between 2028 and 2029. As of 31 Mar. 2025, the bank had transferred 33% of its total mortgage lending, well below its 50% internal limit. We view this as supportive of funding and liquidity management.

Loan book contains geographic and real-estate concentrations

Askim & Spydeberg Sparebank's loan portfolio has a strong regional focus, with about 95% of lending extended to borrowers in the counties of Østfold, Akershus, and Oslo. Some 83% of the bank's exposures (including transferred loans) are to private and agricultural customers and secured by housing and agricultural properties. While we regard this as low-risk credit, it nonetheless increases concentration on local borrowers and exposes the bank's collateral to any decline in property values. Housing prices and real-estate values in the region have increased over the past year, albeit slightly less than the wider Norwegian market. Accordingly, housing price growth over the past decade has strengthened the bank's collateral.

Credit and market risk

Figure 10. Corporate gross loans by industry, 31 Mar. 2025



Source: company.

Figure 11. Housing price growth, 31. April 2025

Municipality	LTM	Last five years (annually)
Østfold	3.8	4.6
Akershus	3.0	4.2
Oslo	4.8	5.7
Norway	5.9	5.5

Source: Eiendomsverdi.

In the 12 months to 31 Mar. 2025, Askim & Spydeberg Sparebank had moderate net loan growth of 4.2% (including transferred loans). On-balance-sheet net lending increased by 1.1%, while transferred loans rose by 13.7%. Our forecast includes loan growth on the bank's balance sheet of 5-6% annually through 2027 including transferred loans. Askim & Spydeberg Sparebank's main corporate exposure is to commercial real estate followed by construction and agriculture. We will continue to monitor construction and commercial real estate lending, due to currently high interest and input costs, and subdued price development.

At end-2024, Askim & Spydeberg Sparebank had transferred loans amounting to NOK 3.7bn (NOK 2.0bn to Eika Boligkreditt and NOK 1.7bn to Verd Boligkreditt). Such loans generate commission income, but the bank does not offload the associated risk. We expect it to take back all non-performing loans and replace loans exceeding loan-to-value limits to enable the mortgage companies to maintain clean cover pools. Askim & Spydeberg Sparebank has always accepted repatriated loans, but if repatriation is not possible, the bank guarantees 1% of transferred loans and covers 80% of any net loss incurred by Eika Boligkreditt through a loss guarantee. The bank is jointly liable with existing Eika Alliance banks for losses not covered by the loss guarantee. Verd Boligkreditt has the right to offset credit losses against commission income to be paid to the bank. Due to the high credit quality of transferred loans and repatriation agreements, neither mortgage company has ever incurred actual credit losses.

We do not consider market risk to be material for Askim & Spydeberg Sparebank, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

COMPETITIVE POSITION

Competitive position

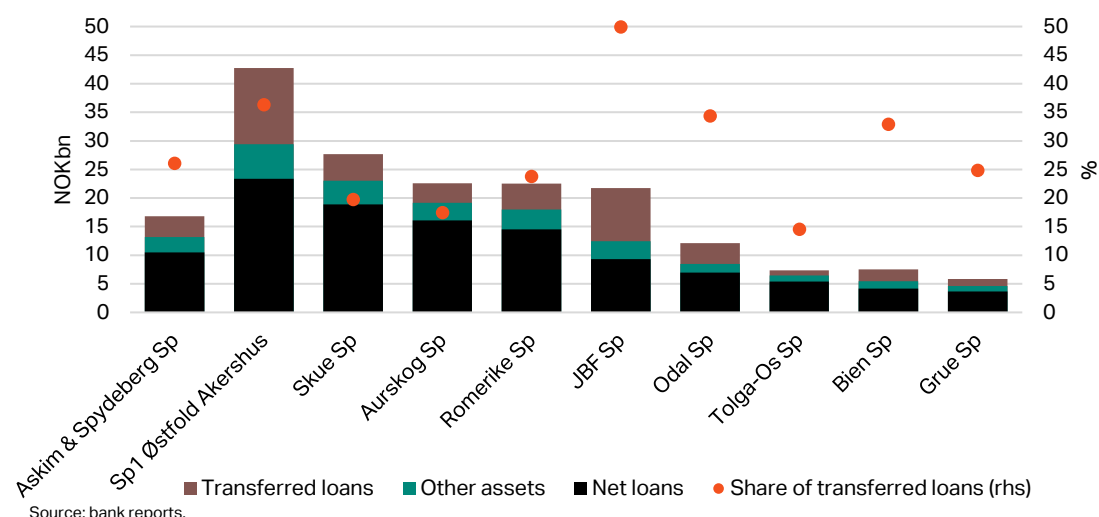
Askim & Spydeberg Sparebank has a local focus and a strong position in its core markets. The break with the Eika Alliance led to some loss of market share to three Eika Alliance banks operating in the region (Marker og Eidsberg Sparebank, Trøgstad Sparebank, and Aurskog Sparebank), due to the loss of the insurance portfolio of Eika Forsikring, but the bank is now back on a growth track. Norway's largest financial services group DNB has the highest market share in Indre Østfold municipality, ahead of Askim & Spydeberg Sparebank, but is losing market share in the retail segment. SpareBank 1 Østfold Akershus is also losing market share in the municipality.

Askim & Spydeberg Sparebank has a weaker market position in the Follo district, where larger banks have an active presence. However, the bank regards the district as a growth market and is increasing its presence in anticipation of a rise in inward migration.

Membership in Lokalbanksamarbeidet diversifies Askim & Spydeberg Sparebank's revenue and enables it to provide a wider range of customer services than it could with its own resources. The bank distributes insurance products from Frende Forsikring, savings products and brokerage services from Norne Securities, and collateralised consumer lending and leasing products from Brage Finans. Membership also provides access to the covered-bond company, Verd Boligkreditt. Ownership stakes in associated product companies contribute to diversity of income through dividend income, as well as commissions paid on transferred loans and savings. Eika Kredittbank remains Askim & Spydeberg Sparebank's preferred provider of credit cards, effectively offloading unsecured consumer lending from the bank's own balance sheet. Membership in the larger Frendeguppen will, we believe, strengthen Askim & Spydeberg Sparebank's long-term competitive position through improved economies of scale and efficiency gains.

We regard Askim & Spydeberg Sparebank's contributions to its core markets as positive rating factors. The bank's primary ESG attribute is its strong sense of social responsibility to its local communities. The bank also funds social and cultural activities to support these communities.

Figure 12. Norwegian savings banks' total assets and net lending, 31 Dec. 2024



PERFORMANCE INDICATORS

Performance indicators

Askim & Spydeberg Sparebank has reported generally strong profitability in recent years. We expect cost efficiency will remain strong, despite increased pressure on margins and mounting operating costs. Loan losses are likely to decrease after a period of additional losses associated with lending through unconventional channels.

Track record of solid cost efficiency

Earnings

High interest rates have improved Askim & Spydeberg Sparebank's net interest margin since 2022, reversing years of margin pressure stemming from low interest rates and competition for mortgage loans. We believe the bank's margins will remain robust through our forecast period, despite a gradual contraction due to interest rate cuts from the second half of 2025, increased competition and slowing loan demand. We note that the bank has a lower proportion of other operating income than its peers (see Figure 15). We believe this stems from lost cross selling opportunities since it left the Eika Alliance. Positively, we believe that sales of insurance products from Frende Forsikring will gain increasing importance.

The bank operates with a cost/income ratio consistently below 45% (despite NOK 24m in one-off items in 2022-2023 to cover legal costs and fines). In the 12 months to 31 Mar. 2025, Askim & Spydeberg Sparebank achieved cost efficiency of 41.3%, below the 43.1% peer group average. We believe operating expense will grow more than revenue in our forecast, but we expect the bank will maintain

cost efficiency significantly below 50%. Accordingly, we also believe that consolidated pre-provision income (PPI)/REA will remain significantly above 2%.

Figure 13. Norwegian savings banks' annualised net interest margins, Q1 2024 – Q4 2024

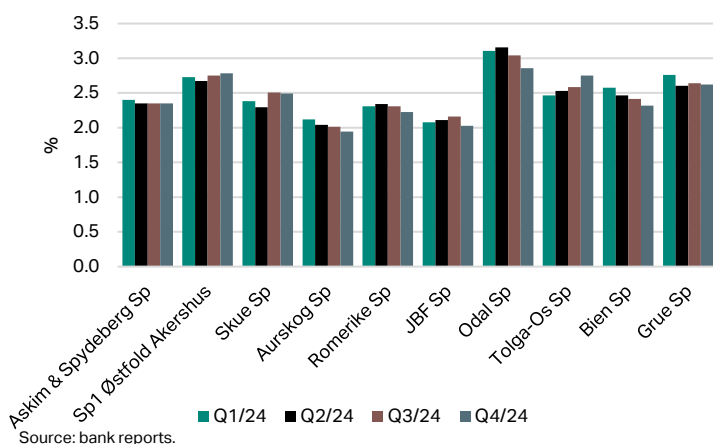


Figure 14. Norwegian savings banks' cost efficiency metrics, 2024

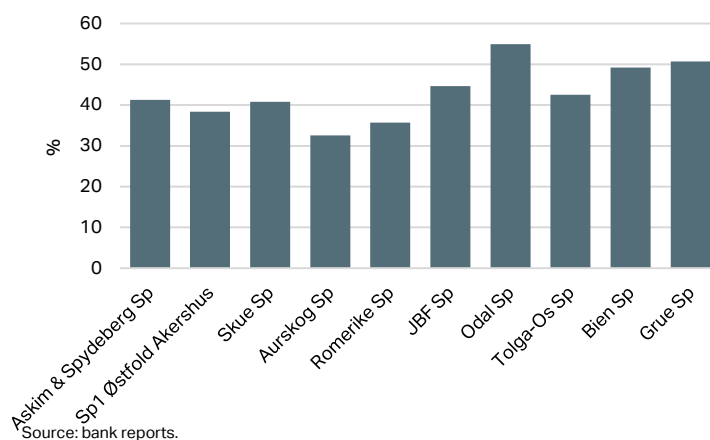


Figure 15. Norwegian savings banks' PPI to REA*, 2024

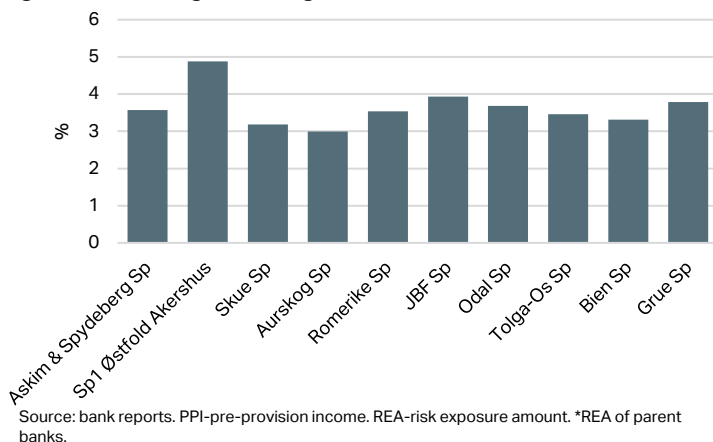
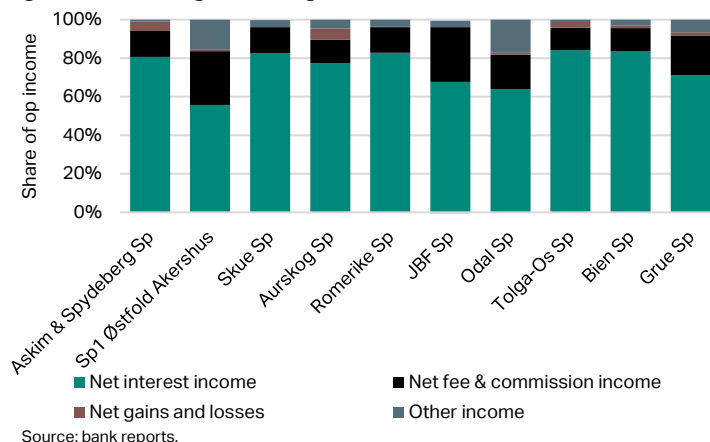


Figure 16. Norwegian savings banks' income breakdown, 2024

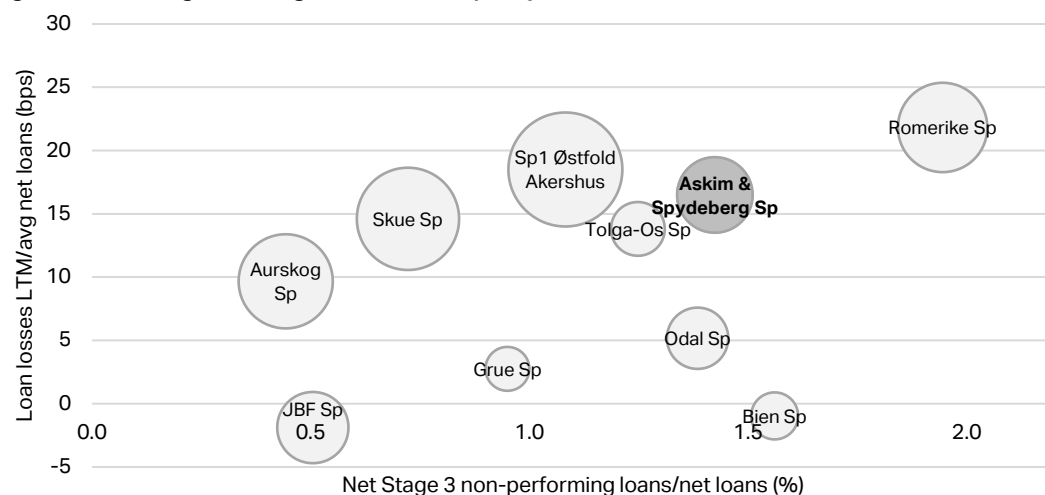


Loan losses likely to fall

Loss performance

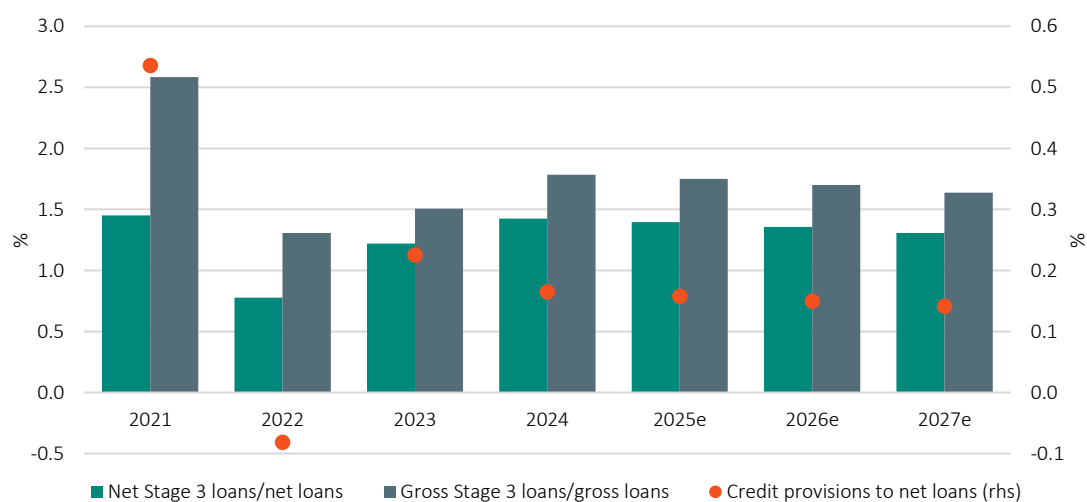
Askim & Spydeberg Sparebank booked a minor reversal in the first three months of 2025, compared with credit losses of NOK 17m in 2024. Losses in 2024 accounted for 16bps of net loans. Historically, loan losses have been elevated and volatile, associated with unconventional loans brokered by a private individual at the bank. We understand that except for a few longstanding disputes involving the sale of pledged assets, all cases involving lending through unconventional channels have been resolved. Our projection of credit losses should better reflect the bank's underlying lending exposure than in recent years given the impact of fraud-related credit losses. We expect no further losses arising from cases of unconventional lending and slightly declining loan losses in our forecast period. We also expect the share of net Stage 3 non-performing loans will marginally decline from current levels in our forecast period.

Figure 17. Norwegian savings banks asset quality metrics, 2024



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

Figure 18. Asset quality metrics, 2021–2027e



Source: company. e-estimate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

ESG factors are considered throughout our analysis, where material to the credit assessment.

Figure 19. 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 (+) Funding & liquidity (+)
Sustainable/green-bond framework	Diversity of funding sources, access to additional markets/investors.	Funding & liquidity (+)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (-)
Control of sustainability issues	Risk of overlooking sustainability impact 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.

SUPPORT ANALYSIS

Ownership

We do not adjust our rating on Askim & Spydeberg Sparebank to reflect potential additional support from its owners. Nearly 88% of the bank's ECCs are controlled by two foundations whose main income comes from dividends from the bank. These are used to fund various activities in the local community, and the foundations have limited resources to support the bank. However, the funding of community activities strengthens local perception of the Askim & Spydeberg Sparebank brand.

Figure 20. Ownership structure, 31 Mar. 2025

Owner	Share of ECCs (%)
Sparebankstiftelsen Askim	59.4
Sparebankstiftelsen Spydeberg	28.4
Peca Eiendom AS	2.3
Asbjørg Kristine Langberg	1.3
TTC Invest AS	1.1
Other	7.6
Total	100.0

Source: company.

ISSUE RATINGS

Our rating on Askim & Spydeberg Sparebank's senior unsecured debt is in line with the 'A-' long-term issuer rating. The bank has two outstanding Tier 2 instruments and one Additional Tier 1 instrument, which we rate one and three notches below the issuer rating, respectively, at 'BBB+' and '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 Askim & Spydeberg Sparebank's access to central bank funding and our

assessment that the bank's liquidity is strong, with an average liquidity coverage ratio of 325% over the last four quarters.

METHODOLOGIES USED

- (i) [Financial Institutions Rating Methodology](#), 12 May 2025.
- (ii) [Rating Principles](#), 14 Feb. 2024.
- (iii) [Group and Government Support Rating Methodology](#), 14 Feb. 2024.

RELEVANT RESEARCH

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

Figure 21. Askim & Spydeberg Sparebank key financial data, 2021–Q1 2025 YTD

Key credit metrics (%)	FY 2021	FY 2022	FY 2023	FY 2024	Q1 2025 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	67.2	77.6	83.8	80.7	76.7
Net fee income to op. revenue	25.3	14.3	12.9	13.4	13.8
Net gains and losses/operating revenue	-1.5	3.5	0.3	4.8	0.7
Net other income to op. revenue	9.0	4.5	3.0	1.1	8.9
EARNINGS					
Net interest income to financial assets	2.0	2.1	2.4	2.4	2.2
Net interest income to net loans	2.4	2.7	3.1	3.0	2.7
Pre-provision income to REA	2.3	2.3	2.8	3.6	2.9
Core pre-provision income to REA (NII & NF&C)	2.0	2.0	2.7	3.2	2.4
Return on ordinary equity	7.4	10.2	8.4	9.7	7.7
Return on assets	1.0	1.3	1.1	1.2	1.0
Cost-to-income ratio	43.6	42.1	44.7	41.3	48.0
Core cost-to-income ratio (NII & NF&C)	47.1	45.8	46.2	43.8	53.0
CAPITAL					
CET1 ratio	17.0	18.3	21.8	22.3	24.0
Tier 1 ratio	18.5	19.9	24.2	24.3	25.9
Capital ratio	20.5	21.9	27.3	27.2	28.7
REA to assets	72.1	65.4	47.8	48.8	50.6
Dividend payout ratio	30.4	18.3	31.6	38.4	
Leverage ratio	8.4	8.6	11.5	11.5	12.6
Consolidated CET1 ratio	17.0	18.3	19.4	20.1	19.3
Consolidated Tier 1 ratio	18.5	19.9	21.5	22.0	21.2
Consolidated Capital ratio	20.5	21.9	24.4	24.9	24.0
Consolidated Leverage ratio	8.4	8.6	9.3	9.8	9.3
GROWTH					
Asset growth	12.9	9.2	4.6	4.1	-0.7
Loan growth	11.1	5.2	6.4	4.1	-0.3
Deposit growth	7.3	10.3	5.3	2.0	-1.6
LOSS PERFORMANCE					
Credit provisions to net loans	0.54	-0.08	0.22	0.16	0.00
Stage 3 coverage ratio	44.55	41.00	19.34	20.76	18.35
Stage 3 loans to gross loans	2.58	1.31	1.51	1.78	1.85
Net stage 3 loans to net loans	1.45	0.78	1.22	1.42	1.52
Net stage 3 loans/ordinary equity	9.28	4.78	7.68	8.85	9.61
FUNDING & LIQUIDITY					
Loan to deposit ratio	122.5	116.9	118.2	120.7	122.3
Liquid assets to deposit ratio	27.4	32.0	29.9	28.1	29.7
Net stable funding ratio	119.1	139.8	140.0	136.0	140.0
Liquidity coverage ratio	186.5	576.7	474.0	277.0	303.0

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q1 2025 YTD
BALANCE SHEET					
Total assets	11,064	12,084	12,642	13,154	13,065
Total tangible assets	11,064	12,084	12,642	13,154	13,065
Total financial assets	10,985	12,031	12,595	12,903	12,971
Net loans and advances to customers	8,977	9,448	10,052	10,468	10,437
Total securities	1,456	1,842	1,840	1,698	1,766
Customer deposits	7,328	8,080	8,506	8,674	8,531
Issued securities	2,145	2,282	2,284	2,552	2,573
of which other senior debt	2,024	2,161	2,092	2,361	2,381
of which subordinated debt	120	121	192	192	192
Total equity	1,496	1,626	1,744	1,810	1,776
of which ordinary equity	1,405	1,535	1,599	1,685	1,651
CAPITAL					
Common equity tier 1	1,353	1,445	1,319	1,433	1,585
Tier 1	1,475	1,571	1,464	1,558	1,710
Total capital	1,635	1,733	1,652	1,747	1,900
REA	7,982	7,899	6,043	6,414	6,610
INCOME STATEMENT					
Operating revenues	310	318	358	378	92
Pre-provision operating profit	175	184	198	222	48
Impairments	46	-8	22	17	-0
Net Income	102	150	131	159	32

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

Figure 22. Askim & Spydeberg Sparebank rating scorecard

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

Figure 23. Capital structure ratings

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

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