

Trøndelag Sparebank

Full Rating Report

LONG-TERM RATING

BBB+

OUTLOOK

Negative

SHORT-TERM RATING

N2

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RATING RATIONALE

Our 'BBB+' long-term issuer rating on Norway-based Trøndelag Sparebank reflects the bank's low risk appetite, strong capital position, and ready access to funding. 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 mortgage loans through jointly owned covered-bond company Eika Boligkreditt AS.

We believe that Trøndelag Sparebank is likely to maintain profitability through improved cost efficiency and loan growth despite pressure on net interest margins due to declining interest rates and growing competition. However, lower demand for loans due to a global recession is a distinct risk factor in the bank's export-oriented region of operation.

The rating is constrained by Trøndelag Sparebank's concentrated exposure to real estate and agriculture in the region west of Trondheim in central Norway. It is also constrained by a high level of non-performing corporate loans and historically poor credit risk governance. Although the bank has a strong market share in its core region, the rating is further constrained by its low, albeit growing, market share elsewhere in Trøndelag county.

NEGATIVE OUTLOOK

The outlook is negative, reflecting uncertainty about the adequacy of Trøndelag Sparebank's current loan-loss provisions given the bank's strong growth and high level of non-performing loans. It also reflects shortcomings in the bank's risk management. In addition, it reflects the possibility that profitability is insufficient to finance the bank's growth ambitions of 10% annually. Such expansion would likely lead to weakened capitalisation and reduced loss absorbing capacity.

DRIVERS FOR A STABLE OUTLOOK

- Improved asset quality, reflected in reduced loan losses and non-performing loans.
- Tier 1 ratio sustainably above 19%, pre-provision income to risk exposure amount (REA) sustainably above 2%, and cost-to-income below 60%.

POTENTIAL NEGATIVE RATING DRIVERS

- Increased loan losses and lack of improvement in asset quality.
- Tier 1 ratio below 19% for a protracted period.
- Risk-adjusted earnings metrics 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	1.81	2.03	2.65	2.38	2.28	2.18	2.18
Loan losses/net loans	-0.19	0.09	0.11	0.31	0.22	0.10	0.10
Pre-provision income/REA	1.7	1.8	2.3	2.1	2.3	2.4	2.5
Cost-to-income	63.5	64.2	68.4	65.4	60.4	59.9	57.7
Return on ordinary equity	8.5	6.7	9.3	6.6	7.5	8.3	9.0
Loan growth	13.5	11.6	82.9	11.1	10.0	10.0	10.0
CET1 ratio	16.3	18.6	17.1	17.3	18.2	17.6	17.0
Tier 1 ratio	17.6	19.9	18.9	19.4	20.3	19.5	18.8

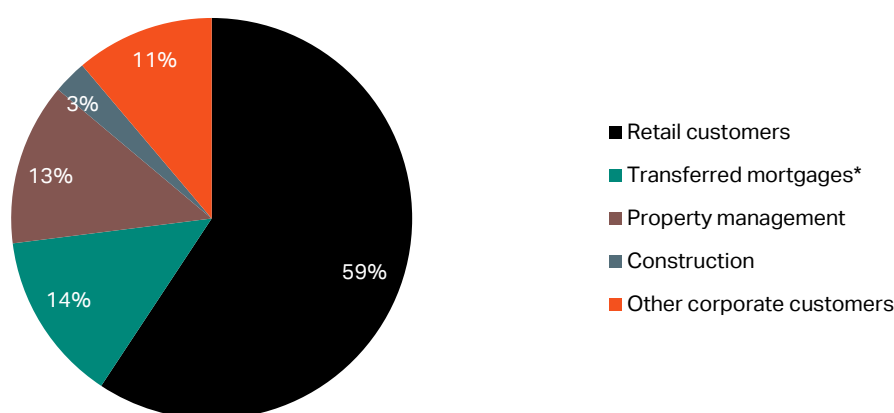
Source: company and NCR. e=estimate. CET1=common equity Tier 1. All metrics adjusted in line with NCR methodology. *Trøndelag Sparebank was created in 2023, when Åfjord Sparebank was merged into Hemne Sparebank. Metrics from 2021–2022 reflect Hemne Sparebank only.

ISSUER PROFILE

Trøndelag Sparebank was created in April 2023 through a merger between Hemne Sparebank (established in 1865) and Åfjord Sparebank (established in 1902). As of 31 Dec. 2024, the bank had net lending of NOK 9.2bn (included loans transferred to Eika Boligkreditt). Trøndelag Sparebank has 78 employees and six branch offices. In addition, the bank owns a real estate agency and three accounting companies with a total of 35 employees. Its primary market is the coastal region west of Trondheim in Trøndelag county, but since the merger it has been attracting customers from elsewhere in the county.

Trøndelag Sparebank is primarily focused on core banking activities. The bank is a member of the Eika Alliance, an association of more than 40 small and medium-sized Norwegian savings banks. The association provides product diversity and helps to improve cost efficiency through the sharing of IT costs and joint efforts in risk management and compliance. It also provides the opportunity to finance residential mortgages via Eika Boligkreditt, one of Norway's largest issuers of covered bonds.

Figure 2. Gross loans by sector/type (including transferred loans), 2024



Source: company. *net loans transferred to Eika Boligkreditt.

OPERATING ENVIRONMENT

Operating environment assessment

We consider a balance of national and regional factors in our assessment of the operating environment. Trøndelag Sparebank operates in a region with average economic growth prospects, except for Trondheim, whose economy is growing faster than the national average. 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 but consider the Norwegian banking sector well positioned to offset higher credit risk with strong earnings and capital.

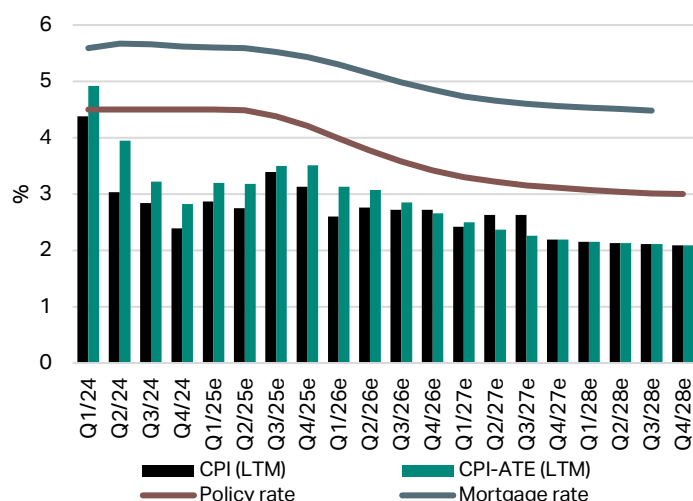
Saving banks showing resilience to slowing national economy

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

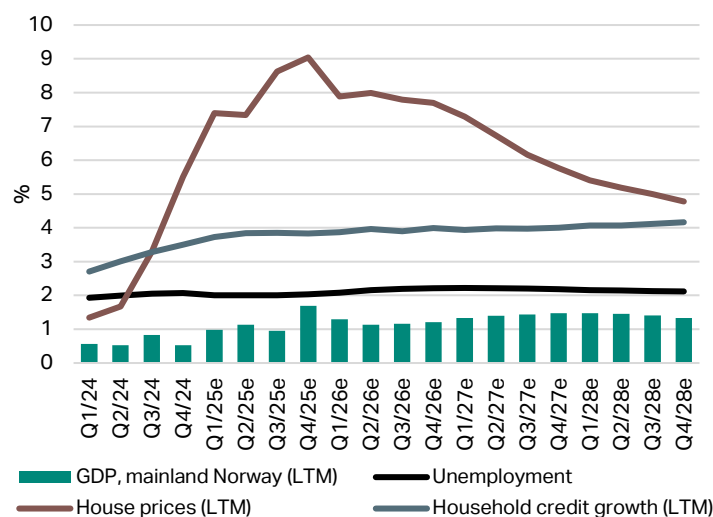
As intended, still-high interest rates are helping to slow the economy. Increased US tariffs and a possible trade war between the US and China could stall an expected upturn or even lead to recession. High interest rates and weak economic conditions led to an increase in loan-loss provisions among domestic 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.

Operating region exposed to changes in global demand

Trøndelag Sparebank's core market covers the coastal region west of Trondheim (65% of gross loans), with the city of Trondheim as a secondary market (17.5% of gross loans). The region has a vibrant economy largely due its role in the country's seafood sector. Salmon farming and associated industries are major sources of employment. However, Trøndelag Sparebank does not lend to salmon farming companies. Other important industries include fisheries, shipping, agriculture and tourism. Public services and the air force (Ørland flystasjon) are also major employers. The operating region has above-average exposure to export industries.

Unemployment is generally low and below the Norwegian average, and labour shortages are a challenge for businesses in the region. Economic growth in Trøndelag county has been stronger than the national average in recent years and the county accounts for about 5% of the Norwegian economy (2022).

Figure 5. Core markets

Municipality	Population 2024	Expected population change 2022–2050	Unemployment March 2024	Unemployment March 2025
Trondheim	216,518	16	1.6	1.9
Hitra	5,414	15	2.5	1.7
Frøya	5,655	23	1.9	1.8
Heim	6,134	-14	2.2	2.2
Ørland	10,627	5	2.2	2.2
Åfjord	4,342	-5	1.4	1.3
Total	248,690	15	1.7	1.9
Trøndelag county	486,815	8	1.7	1.9
Norway	5,594,340	9	2.0	2.1

Source: Statistics Norway, Norwegian Labour and Welfare Administration.

RISK APPETITE

Our assessment of Trøndelag Sparebank's risk profile reflects the bank's strong capital and liquidity buffers, large proportion of low-risk exposure to residential mortgage lending, and ability to transfer loans to Eika Boligkreditt. The bank has relatively strong loan growth, high customer concentrations in the central coastal areas of Trøndelag county, and significant levels of property lending in the region. This creates challenges for the bank's credit risk governance.

Regional, sectoral, and cross-border factors

Risk appetite assessment

Risk governance

Merger and strong loan growth a challenge for risk governance

In our view, Trøndelag Sparebank's risk governance framework, risk appetite, limit monitoring and risk reporting are in line with those of its mid-sized savings bank peers. However, the bank still faces challenges due to strong loan growth and a decentralised organisation. The bank has well-defined guidelines to eliminate money laundering and significant capacity to implement them.

Trøndelag Sparebank has sharpened its focus on risk management in response to a supervisory review by Norway's Financial Supervisory Authority (NFSA) in 2024 (an inspection report was made public in March 2025). The review placed particular emphasis on credit risk and lending to the corporate sector, as well as risk governance. In our view, the bank has addressed most of the issues raised by the authority. In 2024, the bank hired EY as internal auditor and in 2025, temporarily outsourced its anti-money laundering function to KPMG until a new company takes over the function later in the year.

A common climate ambition was adopted by the Eika Alliance in 2024. The primary goal is to ensure that all member banks have net zero emissions by 2050. Trøndelag Sparebank has obtained certification from the Miljøfyrtårn/Eco-Lighthouse environmental certification scheme, which provides criteria and structures for products and solutions to minimise banks' environmental footprint. Parts of the bank's mortgage portfolio are financed through Kredittforening for Sparebanker and Eika Boligkreditt, which have established frameworks for the issuance of green bonds.

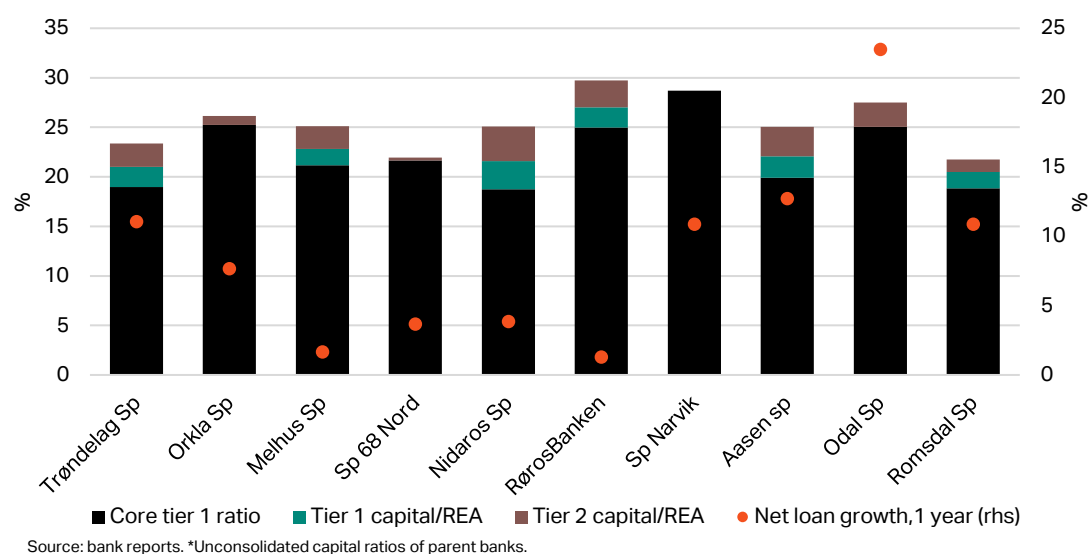
Capital generation not sufficient to finance growth plans

Capital

Our capital assessment takes into consideration Trøndelag Sparebank's consolidated capital position, including its proportionate holdings in Eika Gruppen and Eika Boligkreditt. The bank's consolidated CET1 ratio was 17.3% and its Tier 1 ratio was 19.4% at end-2024 compared with its respective targets of 16.5% and 18.5% (including a 1pp management buffer). The consolidated leverage ratio is strong, at 9.7%.

We expect Trøndelag Sparebank to expand its loan book by 10% annually over the next three years. We also expect a return on equity of 8-9% through 2027. We further expect 33% of net income to be paid out as dividends to holders of equity capital certificates (ECCs) or as contributions to the local community. Consequently, we expect the bank's capital ratios to weaken (see Figure 1), except for a positive impact of 2.5% in 2025 due to the implementation of the EU's Capital Requirement Regulation III (CRR3). In an initial public offering in December 2024, the bank issued NOK 90m in new equity to finance growth. In addition, the bank has flexibility to reduce dividends.

Figure 6. Norwegian savings banks' capital ratios*, 31 Dec. 2024



CRR3 came into force in Norway on 1 Apr. 2025 (see Relevant Research). The new regulation 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 to improve the competitiveness of banks that

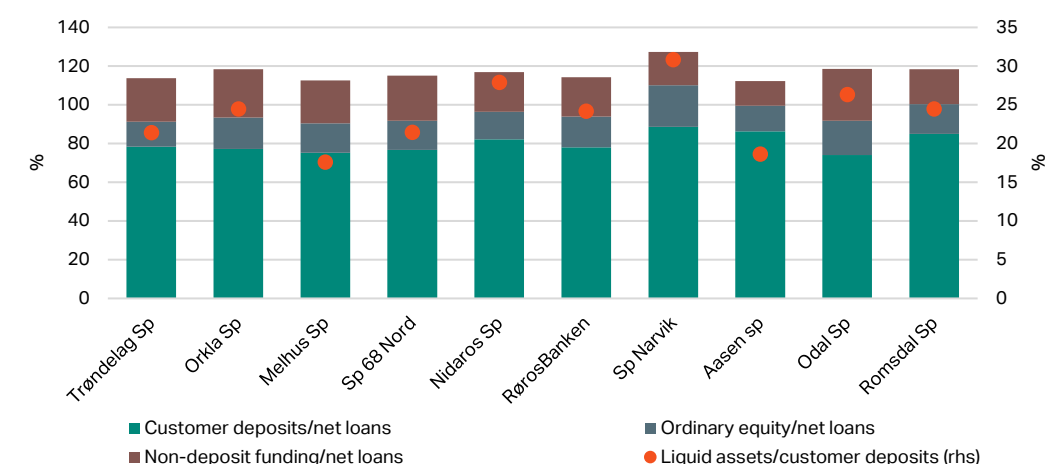
use the standard approach to credit risk by reducing the disparity with larger banks that use the internal ratings-based approach.

Eika Alliance an important, but underutilised funding source

Funding and liquidity

Trøndelag Sparebank's funding and liquidity position is relatively strong, with a stable retail deposit base and demonstrable access to capital market funding. At end-2024, the loan to deposit ratio was 128%, which is close to the average of similarly sized domestic peers. However, deposit growth did not keep pace with lending growth in 2024, and we are not confident that it will do so the next three years. We see some concentration risk due to a small number of large depositors, including two municipalities with volatile deposits. However, the bank is cognisant of this risk factor and maintains adequate liquidity buffers, at about 21% of customer deposits. In addition, it has room to increase transfers to Eika Boligkreditt significantly. At end-2024, the bank's liquidity coverage ratio was 172% and the net stable funding ratio 132%, well above the regulatory requirements of 100%. Liquidity is typically higher in periods when the municipalities make large deposits. We expect the bank to maintain strong regulatory metrics, given its internal limits.

Figure 7. Norwegian savings banks' funding, 31 Dec. 2024



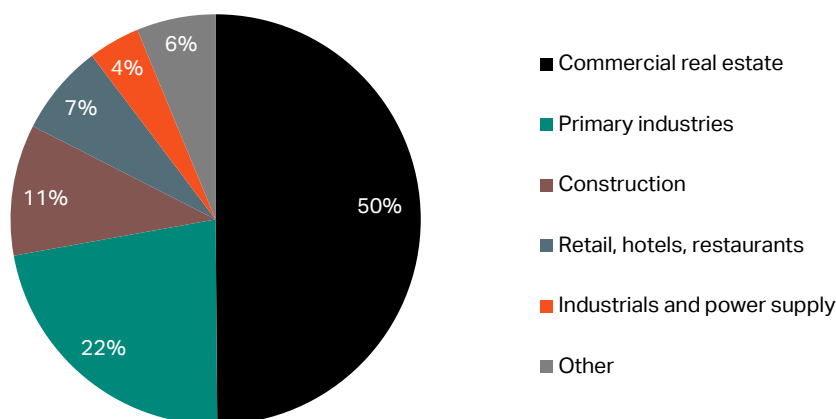
As of 31 Mar. 2024, Trøndelag Sparebank had NOK 1.7bn in outstanding senior bonds with maturities spread through 2029 but with the highest volumes maturing in 2026 and 2027. In addition, the bank has issued NOK 95m in hybrid bonds and NOK 120m in subordinated bonds. Eika Boligkreditt represents a stable 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. At end-2024, the bank had transferred 19% of its mortgage lending, well below its 35% internal limit. We believe that the low utilisation is sub-optimal and a result of decentralised decision making.

Loan book contains geographic and real-estate concentrations

Credit risk

Trøndelag Sparebank's loan portfolio has a strong regional focus, with more than 95% of lending extended to borrowers in Trøndelag county. Some 79% 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 been falling in line with the wider Norwegian market as interest rates have risen. However, housing prices in the bank's operating region have historically been less volatile than in Trondheim and other Norwegian cities, and the region has historically had low unemployment. Housing price growth over the past decade has strengthened the bank's collateral.

Figure 8. Corporate gross loans by sector, 31 Dec. 2024



Source: company.

In 2024, Trøndelag Sparebank had gross loan growth of 10.9% (including transferred loans). Our forecast includes loan growth on and off the bank's balance sheet of 10% annually through 2027. We see the projected strong loan growth as a risk factor. Trøndelag Sparebank's main corporate exposure is to commercial real estate followed by primary industries (agriculture and fisheries) and construction. We are concerned about corporate and commercial real estate lending, due to currently high interest and input costs, and falling property prices. Trøndelag Sparebank has a relatively high proportion of net Stage 3 non-performing loans to net loans (see Figure 13). This was highlighted in NFSA's report.

At end-2024, Trøndelag Sparebank had transferred loans amounting to NOK 1.3bn. Such loans generate commission income. However, the bank does not offload the associated risk, and we expect it to take back all non-performing loans to enable Eika Boligkreditt to maintain a clean cover pool. Trøndelag Sparebank has always accepted repatriated loans, but in the event that repatriation should prove not possible, 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.

Other risks aligned with risk governance

Other risks

We align this risk factor with our risk governance assessment. Access to skilled personnel is a risk factor for a small bank operating in a rural region. We do not believe market risk is a material factor for Trøndelag Sparebank, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

Trøndelag Sparebank has strategic ownership positions in Eika Gruppen (1.51%) and Eika Boligkreditt (1.15%), which provide it with access to the Norwegian covered-bond market, insurance, asset management, 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 commission paid on transferred loans and savings.

COMPETITIVE POSITION

Competitive position assessment

Trøndelag Sparebank has a strong market position in its traditional core markets; namely the municipalities of Frøya, Heim, Hitra, Åfjord and Ørland. This has been strengthened since Nordea and Danske Bank closed branches in Frøya and Hitra, and the bank is taking market share from other savings banks operating in the region, of which SpareBank1 SMN is the largest. In 2024, the bank established a branch office in the county capital of Trondheim, where it has a small footprint but aims to retain existing customers migrating to the city. Since the merger, it has been attracting customers from other urban centres in Trøndelag county, where it sees growth opportunities.

We believe that Trøndelag Sparebank is positioning itself as a player in the restructuring of the county's savings bank sector, which is characterised by numerous small savings banks. However, its market share in the county is low, and minimal at a national level.

Trøndelag Sparebank's membership in the Eika Alliance diversifies revenues and enables the bank to provide a wider range of customer services than it could with its own resources. The alliance enables the bank to provide insurance, debit and credit products, asset management and real-estate agency services. Direct ownership in accountancy companies and a real estate agency also increases diversity and provides opportunities for cross-selling.

We regard Trøndelag Sparebank's contributions to its core markets as positive rating factors. The bank's primary environmental, social and governance (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.

PERFORMANCE INDICATORS

Performance indicators assessment

Trøndelag Sparebank has reported modest profitability in comparison with its peers in recent years due to relatively low cost efficiency. While we believe that cost efficiency will improve, we expect that this will be outweighed by lower net interest margins due to increased competition and lower interest rates. Nevertheless, increased cost efficiency (and lower REA due to CRR3) should result in risk-adjusted pre-provision income (PPI) to REA increasing to 2.5% over our forecast period through 2027. Loan losses were higher than the bank's peer group average in 2024, and we forecast elevated loan losses in 2025 in view of the bank's significant high-risk and non-performing loans.

Cost efficiency likely to improve

Earnings

Trøndelag Sparebank's net interest margins have fallen from a peak in 2023, despite stable interest rates. We believe this is due to the bank's ambitious growth strategy as well as generally stronger competition. We expect that falling interest rates and plans for high growth will lead to declining margins through 2026. Extraordinary gains of NOK25m (recognition of goodwill) in 2023 outweighed NOK 16m in merger costs and the bank incurred NOK 8.5m in one-off costs related to the initial public offering in 2024. The bank has signalled plans to increase its focus on cost cutting, and we expect significant reductions in IT costs when rebates from a new provider take effect, most likely during 2025. Nevertheless, we believe that the cost/income ratio will remain higher than the peer group average due to the bank's decentralised organisation and branch network and due to high cost levels at subsidiaries.

Figure 9. Norwegian savings banks' annualised net interest margins, 2024

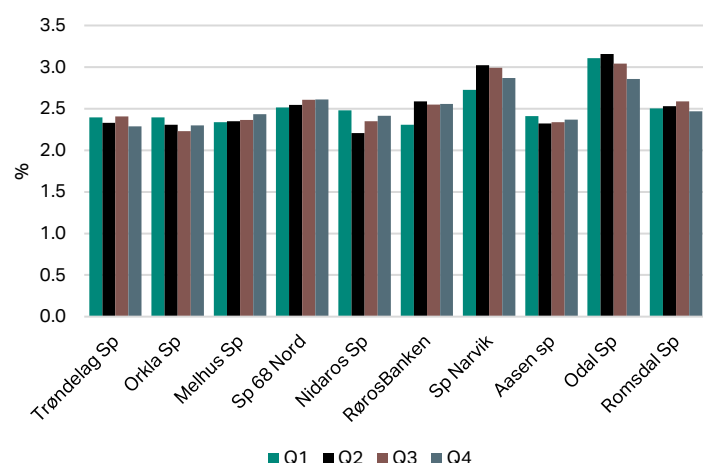


Figure 10. Norwegian savings banks' cost efficiency metrics, 2024

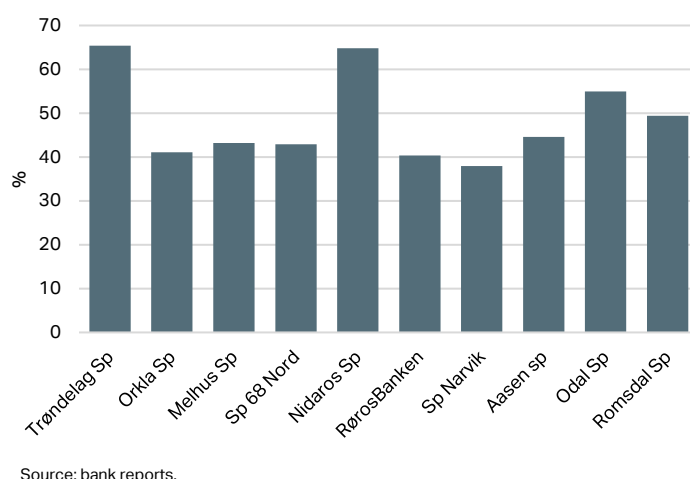
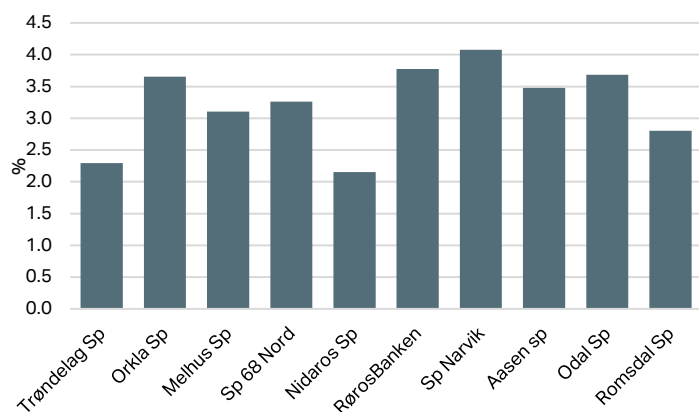
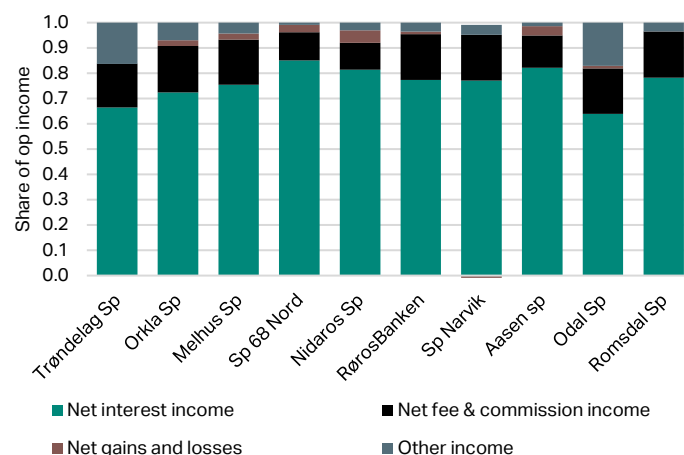


Figure 11. Norwegian savings banks' PPI to REA, 2024



Source: bank reports. PPI-pre-provision income.

Figure 12. Norwegian savings banks' operating income breakdown, 2024



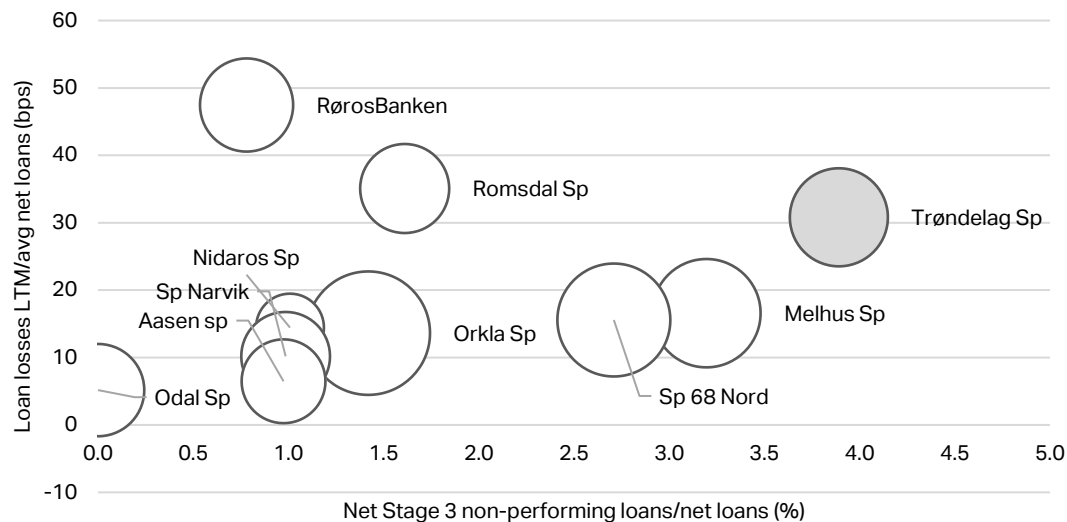
Source: bank reports.

High levels of non-performing loans

Loss performance

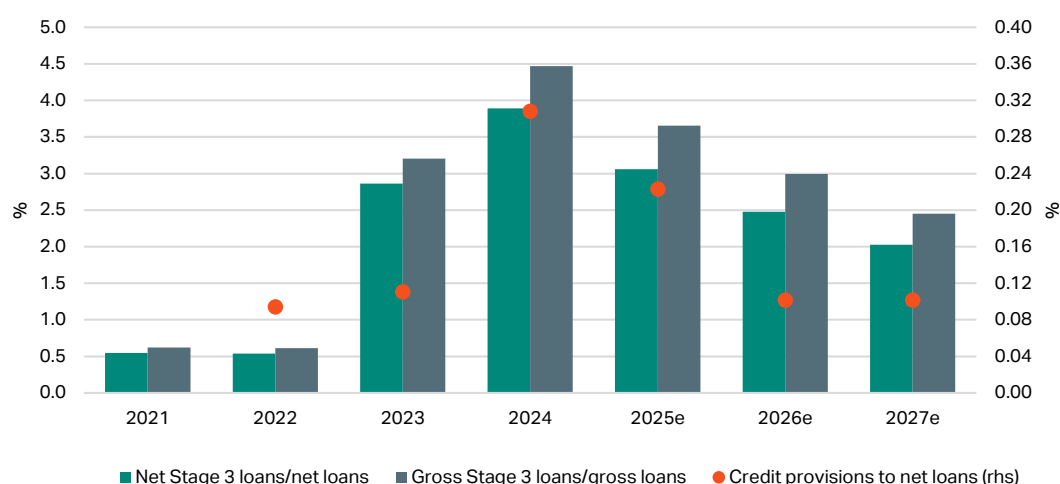
In 2024, Trøndelag Sparebank booked loan losses of NOK 23m compared with NOK 6m in 2023. The level of Stage 3 loans increased significantly following the merger and a review of the loan book, and continued to increase through 2024. Stage 3 loans are high compared with those of the bank's domestic peers. While we assume that they will fall slightly in 2025 due to lower interest rates, increased US tariffs and the risk of a trade war is a cause of some concern due to the number of export industries in the operating region. Management disputes the NFSA's view that loan-loss provisions are inadequate. We assume somewhat elevated loan losses in our estimates for 2025.

Figure 13. Norwegian savings banks' asset quality metrics, 2024



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

Figure 14. 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. In aggregate, we view the bank's ESG profile as having a neutral impact on its creditworthiness.

Figure 15. 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 (closely linked to supervision of insurance). Longer-term effects on market values in flood risk areas.	Credit risk (-) Loss performance (0)
Social engagement in local community	Close connection to narrow regional markets provides a benefit.	Competitive position (+) Earnings (+) Funding & liquidity (0)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (-)
Control of sustainability issues	Risk of overlooking impact of sustainability on 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 view Trøndelag Sparebank's ownership as neutral to our standalone credit assessment. Some 46.8% 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 Trøndelag Sparebank brand.

The bank's ECCs were listed on Euronext Oslo Børs in December 2024.

Figure 16. Ownership structure, 31 Dec. 2023

Owner	Share of ECCs
Sparebankstiftelsen Hemne Sparebank	25.9%
Sparebankstiftelsen Åfjord Sparebank	15.9%
Heim Kommune	3.3%
H Sæther AS	3.1%
Lernes Holding AS	2.2%
Other	49.6%
Total	100.0%

Source: company.

ISSUE RATINGS

Our rating on Trøndelag Sparebank's unsecured senior debt is in line with the 'BBB+' long-term issuer rating. The bank has outstanding Tier 2 instruments and additional Tier 1 instruments, which we rate one and three notches below the issuer rating, respectively, at 'BBB' and 'BB+'.

SHORT-TERM RATING

The 'N2' short-term rating is the higher of two possible alternatives, given the 'BBB+' long-term issuer rating. It reflects the bank's access to central bank funding and our assessment that its liquidity is strong, based on an average liquidity coverage ratio of 296% over the past 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 17. Trøndelag 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	62.2	67.2	62.3	66.4
Net fee income to op. revenue	23.4	18.9	13.7	17.2
Net gains and losses/operating revenue	-0.3	-0.4	0.5	0.0
Net other income to op. revenue	14.7	14.4	23.5	16.4
EARNINGS				
Net interest income to financial assets	1.8	2.0	2.7	2.4
Net interest income to net loans	2.2	2.5	3.2	2.8
Pre-provision income to REA	1.7	1.8	2.5	2.3
Core pre-provision income to REA (NII & NF&C)	1.0	1.1	0.6	1.2
Return on ordinary equity	9.1	7.2	9.9	7.3
Return on assets	0.9	0.8	1.1	0.8
Cost-to-income ratio	63.5	64.2	68.4	65.4
Core cost-to-income ratio (NII & NF&C)	74.1	74.6	90.0	78.2
CAPITAL				
CET1 ratio	16.3	18.6	17.0	19.0
Tier 1 ratio	17.6	19.9	18.7	21.0
Capital ratio	19.8	22.0	20.6	23.4
REA to assets	63.4	59.4	50.7	54.5
Dividend payout ratio	20.7	19.4	19.2	21.9
Leverage ratio	8.8	9.4	9.4	11.1
Consolidated CET1 ratio	16.3	18.6	17.1	17.3
Consolidated Tier 1 ratio	17.6	19.9	18.9	19.4
Consolidated Capital ratio	19.8	22.0	20.7	21.7
Consolidated Leverage ratio	8.8	9.4	9.1	9.7
GROWTH				
Asset growth	3.2	16.4	76.6	10.4
Loan growth	13.5	11.6	82.9	11.1
Deposit growth	7.8	8.7	69.1	9.4
LOSS PERFORMANCE				
Credit provisions to net loans	0.14	0.13	0.11	0.31
Stage 3 coverage ratio	11.98	12.64	11.16	13.60
Stage 3 loans to gross loans	0.62	0.61	3.20	4.47
Net stage 3 loans to net loans	0.55	0.54	2.86	3.89
Net stage 3 loans/ordinary equity	4.33	3.74	22.90	30.35
FUNDING & LIQUIDITY				
Loan to deposit ratio	113.1	116.2	125.6	127.5
Liquid assets to deposit ratio	20.4	27.3	22.4	21.4
Net stable funding ratio	130.0	130.0	131.0	132.0
Liquidity coverage ratio	183.0	311.0	229.0	172.0

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024
BALANCE SHEET				
Total assets	4,128	4,807	8,490	9,369
Total tangible assets	4,127	4,806	8,469	9,348
Total financial assets	4,084	4,767	8,320	9,159
Net loans and advances to customers	3,460	3,861	7,060	7,842
Total securities	279	347	1,030	1,146
Customer deposits	3,058	3,324	5,619	6,150
Issued securities	373	716	1,690	1,879
of which other senior debt	323	665	1,609	1,758
of which subordinated debt	50	51	81	121
Total equity	466	584	958	1,112
of which ordinary equity	436	554	882	1,005
CAPITAL				
Common equity tier 1	425	532	729	969
Tier 1	461	569	804	1,074
Total capital	518	627	884	1,194
REA	2,617	2,857	4,300	5,108
INCOME STATEMENT				
Operating revenues	117	134	278	313
Pre-provision operating profit	43	48	88	108
Impairments	-6	3	6	23
Net Income	38	35	71	69

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

Figure 18. Trøndelag Sparebank rating scorecard

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

Figure 19. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB+
Tier 2	BBB
Additional Tier 1	BB+

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