

Sparbanken Lidköping AB

Full Rating Report

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N3

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RATING RATIONALE

Our 'BBB+' long-term issuer rating on Sweden-based Sparbanken Lidköping AB reflects the bank's exceptional capital position, moderate risk appetite, good market position in Lidköping in western Sweden, and relationship-based funding profile. The bank has a cooperation agreement with Swedbank AB, which we view as positive, as it provides material diversity of product offerings, shared IT costs and the opportunity to finance retail mortgage loans. We expect that interest rates in Sweden will decline but remain above the lows of the past decade. This, along with dividends from the bank's shareholdings in Swedbank, implies continued support for its strong core earnings profile

The rating is constrained by Sparbanken Lidköping's concentration in its core market and the related exposure in its loan book to regional commercial and residential real estate and the agricultural sector. Due to a high proportion of transferred mortgages, the bank has significantly higher single-name concentrations in its loan book than many of its domestic peers.

STABLE OUTLOOK

The outlook is stable, reflecting our expectation that Sparbanken Lidköping will maintain solid profitability combined with moderate loan growth. The outlook balances our base-case projections, in which we project low loan losses, with exceptional capital buffers that should be sufficient to protect the bank against possible higher losses. We expect that the regional economy will remain stable and note that it has little direct connection with current uncertainty about global trade. We believe that the bank will maintain its modest risk appetite and its relationship with Swedbank, while paying prudent levels of dividends to its owner foundation.

POTENTIAL POSITIVE RATING DRIVERS

- Reduced single-name concentration in the loan book and deposits; and
- Maintained or improved economic prospects in the bank's core market, enabling sustainable loan growth.

POTENTIAL NEGATIVE RATING DRIVERS

- A deteriorating operating environment leading to reduced regional growth, asset quality and collateral values.
- A sustained decline in the common equity Tier 1 (CET1) capital ratio to below 22%.
- Increased risk appetite in the loan or liquidity portfolios.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.28	1.54	2.15	2.02	1.80	1.70	1.70
Loan losses/net loans	-0.03	0.08	0.12	0.04	0.04	0.05	0.05
Pre-provision income/REA	3.5	3.9	4.7	5.5	5.8	4.9	4.9
Core pre-provision income/REA	1.7	2.3	3.4	3.3	2.9	2.7	2.7
Core cost-to-income	52.4	48.1	39.6	41.7	44.6	45.7	45.2
Return on average equity	7.0	6.0	6.7	7.4	7.5	6.2	6.2
Loan growth	8.0	13.3	8.6	-0.5	4.0	5.0	7.0
CET1 ratio	35.8	34.6	39.7	42.8	46.1	47.6	48.3

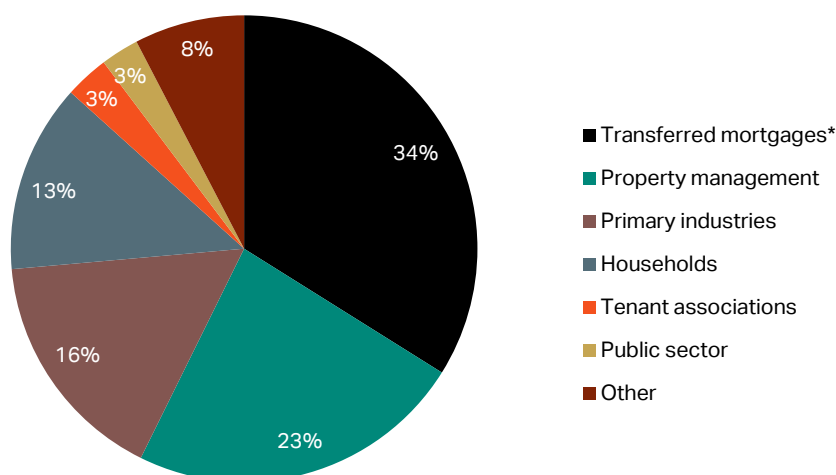
Source: company and NCR. e=estimate. REA=risk exposure amount. CET1=common equity Tier 1. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Sparbanken Lidlköping is a mid-sized Swedish savings bank, with total business volumes (including transferred loans and savings to Swedbank) amounting to around SEK 30bn as of 31 Dec. 2024. This included SEK 8bn in net loans on the bank's own books and an additional SEK 4bn in transferred loans. The bank operates out of its headquarters in Lidlköping Municipality in Västra Götaland County, with close connections to the Skaraborg region, which includes Skövde, Mariestad and other towns. The bank was established in 1834 and is wholly owned by Sparbankstiftelsen Lidlköping, a foundation that receives dividends from the bank.

Sparbanken Lidlköping's cooperation agreement with Swedbank enables material product diversity and shared IT costs. The agreement also provides the bank with the opportunity to finance commercial and retail mortgage lending via Swedbank Hypotek AB (publ), Sweden's largest issuer of covered bonds. Sparbanken Lidlköping has transferred just over one-third of its total loan book, including transferred loans, to Swedbank Hypotek, which is among the highest proportions for Swedish savings banks. On its own books, Sparbanken Lidlköping's main loan exposures are to the property management sector, agriculture and retail mortgages.

Figure 2. Gross loans by sector/type (including transferred loans), 31 Mar. 2025



Source: company.*to Swedbank Hypotek AB.

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national and regional factors in our assessment of the operating environment. Sparbanken Lidlköping has high exposure to commercial and residential real-estate loans, as well as to agricultural loans. Most of this exposure is associated with its core market of Lidlköping.

National banking environment

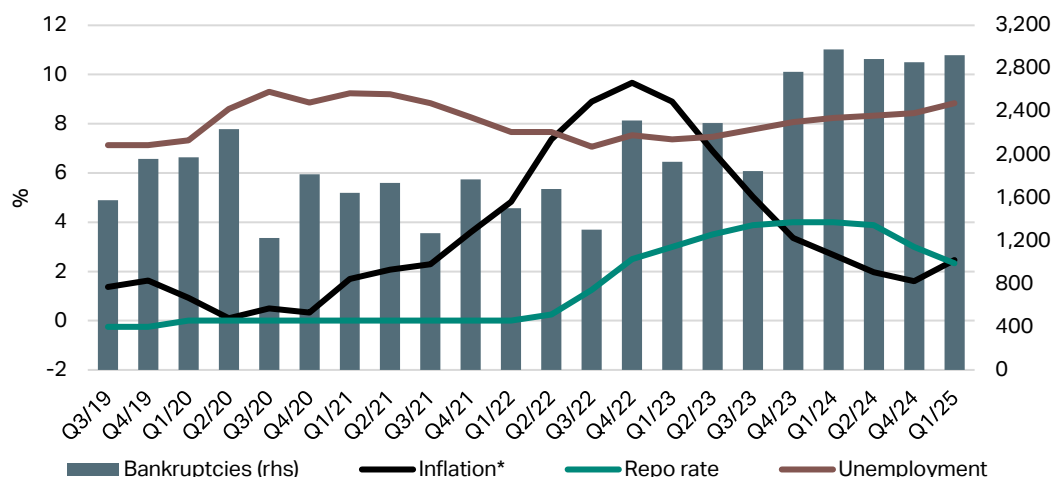
National banking environment is stable amid global turmoil

We anticipate that the Swedish banking environment will remain stable in 2025, supported by positive, but muted, growth and only moderate increases to unemployment. Although the central bank has gradually lowered policy interest rates since May 2024, banks have strengthened their capital ratios in recent years due to solid earnings. We expect only minor, if any, further reductions in policy rates and believe earnings will remain stronger than before 2022 across the sector. Gradual improvements in investor sentiment, and rising housing prices should support loan demand, enabling balance sheet growth and lessening pressure on interest margins. Recent suggestions for softened mortgage requirements should provide a boost to the housing market, although their effect might be noticeable only in 2026 after they come into force.

Global trade, geopolitical, and economic uncertainty will likely dampen credit growth in the near term. However, we believe there is a latent investment need that will nevertheless lead to moderate credit growth in 2025. Lower interest rates should increase disposable income and fuel further recovery in housing prices, and also support corporations' investment appetite. We believe banks will see a

recovery in retail deposit growth, although competition will continue to squeeze margins, underpinning our view that net interest margins have likely peaked at most banks. We expect most domestic banks will maintain strong net interest margins and robust cost efficiency.

Figure 3. Swedish economic indicators, Q3 2019–Q1 2025



Sources: Swedish Agency for Growth Policy Analysis, Statistics Sweden, Swedish Public Employment Service, Riksbanken. *CPIF - with fixed

Bankruptcies continue to be a heightened risk factor, but not a major issue for the sector as a whole. Consequently, we believe that risk limits and rigorous underwriting standards will prove important for many banks. Imminent concerns for the real-estate sector have diminished, in our view, but rising vacancies are still a risk. Construction and development growth remains weak, and the construction sector continues to face particularly elevated risk. We expect actual loan losses in the sector will remain manageable due to generally high securitisation backing conventional bank lending to the real-estate sector.

Primary focus on Lidköping, with some exposure to neighbouring municipalities

Lidköping is located on the southern shore of the third-largest lake in Europe, Vänern, in Västra Götaland County in West Sweden. Lidköping and neighbouring municipalities, constituting the Skaraborg region, make up one of Sweden's most active farming regions, which is reflected in Sparbanken Lidköping's high share of agricultural lending. Lidköping municipality has around 40,000 inhabitants, which is a relatively small market compared with those of larger savings banks in Sweden but broadly in line with those of similarly sized peers.

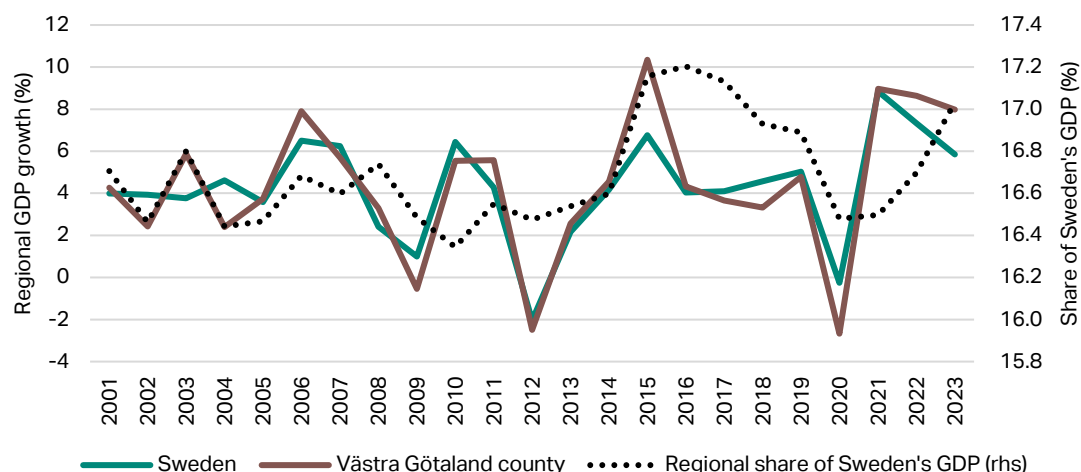
Figure 4. Core markets

Municipality	Population, 2024	Expected population change, 2024–2050 (%)	Unemployment, May 2025 (%)	Unemployment, May 2024 (%)
Lidköping	40,589	0.9	4.3	4.0
Sweden	10,577,720	4.1	6.8	6.5

Source: Statistics Sweden, Swedish Public Employment Service.

Unemployment in Lidköping is lower than the national average and has remained stable over the past year. Statistics Sweden projects materially lower population growth for Lidköping than in Sweden over the next couple of decades, although recent investments in local agricultural production could provide additional growth. Lidköping is located in Västra Götaland County, Sweden's second-largest county in terms of population and gross regional domestic product, accounting for around 17% of Sweden's GDP and demonstrating strong growth in recent years. However, the bank's market accounts for only a small part of Västra Götaland's 1.8 million population, with lower median incomes and a higher share of the low-income workforce than the county average.

Figure 5. Västra Götaland's annual economic growth and share of Sweden's GDP, 2001–2023



Source: Statistics Sweden.

RISK APPETITE

Risk appetite assessment

Sparbanken Lidköping has a moderate risk profile and exceptional capital ratios. It has a satisfactory liquidity portfolio, including a shareholding in Swedbank. However, its liquidity management track record is slightly weaker than for peers, which is partly mitigated a loyal retail deposit base and the ability to transfer mortgage loans to Swedbank. The bank has a low proportion of residential lending on its own balance sheet compared with peers and, consequently, a relatively high share of exposure to residential and commercial real estate along with agriculture on its balance sheet.

Risk governance largely proportional to the bank's complexity

Risk governance

Sparbanken Lidköping's risk governance, risk appetite and limit structure are adequate and proportional to its complexity and size, albeit less developed than those of larger Nordic banks. In our view, Sparbanken Lidköping's risk appetite, limit monitoring and risk reporting are largely in line with those of other mid-sized Swedish savings banks. The bank manages anti-money laundering activities and know-your-customer processes internally and in collaboration with other savings banks, in addition to its cooperation with Swedbank.

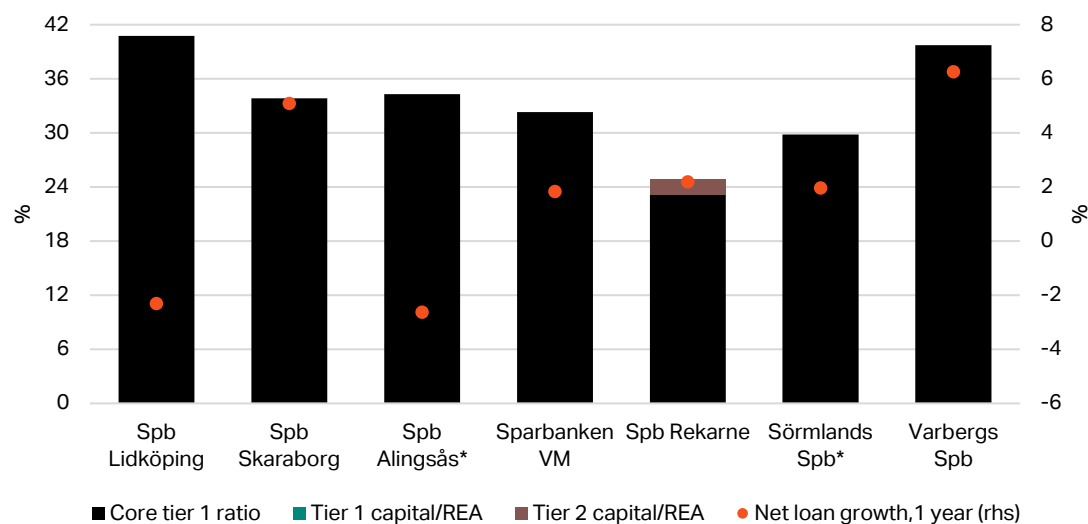
As of late 2023, Sparbanken Lidköping had adapted the new Swedbank tool for assessing environmental, social, and governance (ESG) risks in credit decisions for exposures above SEK 8m, and it hired a sustainability manager in early 2024.

Exceptional capital buffers to high regulatory requirement

Capital

Sparbanken Lidköping's CET1 ratio was 40.8% as of 31 Mar. 2025, excluding year-to-date net profit. We expect the capital ratio to increase through end-2027, due to moderate loan growth, robust core earnings and dividends from the bank's holdings in Swedbank shares. The bank's CET1 ratio stands out even among the strong capital ratios of its peers, providing a solid buffer against the unusually high capital requirement of 20.57%, as of 31 Mar. 2025. This capital requirement is caused by the regulator's high 8.07% Pillar 2 guidance (P2G), received in the fourth quarter of 2022. The major reason for the high P2G relates to the change in the standardised approach for credit risk in investment portfolios, which called for higher risk weights on unrated securities, and the, at the time, relatively large volume of unrated instruments in Sparbanken Lidköping's portfolio. While Sparbanken Lidköping's investment portfolio contains some higher-risk securities, we do not view the high P2G as proportionally indicative of the bank having a higher risk appetite than peers.

Figure 6. Swedish savings banks' capital ratios* and loan growth, 31 Mar. 2025



The EU's Capital Requirements Regulation (CRR3) came into effect in Sweden on 1 Jan. 2025, and we expect to see the full positive effect on risk weights unfold gradually in the remainder of the year. Because Sparbanken Lidköping already has strong capitalisation, we believe the main impact of the new requirements will be an improvement in the bank's competitiveness against rivals which use the internal ratings-based method, rather than positive effect on its capital ratios.

Sparbanken Lidköping's regulatory capital base excludes its holdings of Swedbank shares, which exceed 10% of its CET1, reducing the impact of share price volatility on the bank's capital ratios. As of 31 Mar. 2025, the estimated value of the bank's Swedbank shares (it owns 7.1m shares) was SEK 1.7bn, compared with its CET1 capital of SEK 2.3bn, implying that around SEK 1.3bn of the value is excluded from CET1 and the regulatory leverage ratio. Consequently, we estimate that Sparbanken Lidköping's CET1 ratio would have been 34.3% if the entire market value of the shares were deducted from the capital base.

Liquidity supported by a high share of loyal customer savings

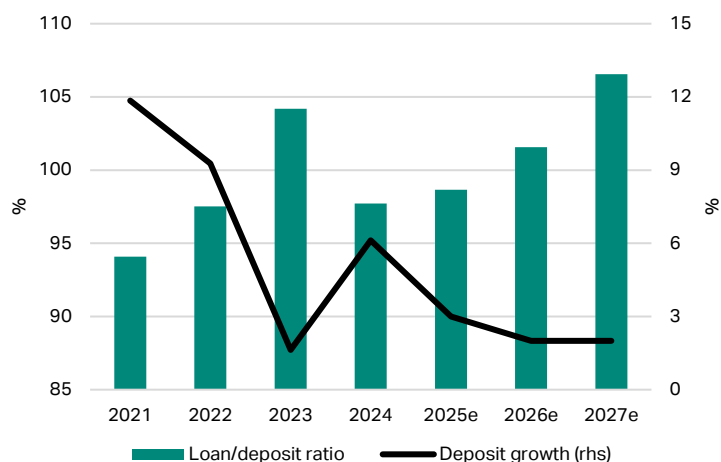
We view Sparbanken Lidköping's management of funding and liquidity as largely in line with its savings bank peers. The bank's funding primarily consists of deposits, with a high share of relationship-based retail deposits, and the ability to transfer mortgage loans to Swedbank's mortgage arm, Swedbank Hypotek. The bank held a large share of liquid assets to deposits of 53%, including Swedbank shares, as of 31 Mar. 2025. Deposit concentration is moderate with some overweighting of the top few deposits.

As of 31 Mar. 2024, the bank's liquidity coverage ratio (LCR) was 432% and its net stable funding ratio (NSFR) was 133%, up significantly after the bank revised its calculation method in the first quarter of 2024. The NSFR has been volatile in recent years, which we understand is largely owing to technical aspects rather than a funding issue. The loan-to-deposit ratio has historically been below 100%, at 94–97% in recent years, contrasting with 104% as of 31 Dec. 2023. It has since gone down, and stood at 95% as of 31 Mar. 2025. Subsequently, we expect the ratio will go back above 100% in our forecast, owing to a larger share of capital market financing.

Sparbanken Lidköping's cooperation with Swedbank provides various funding benefits. The bank has funded its growth to a large extent by transferring the majority of its mortgages to Swedbank Hypotek. Transferred volumes totalled SEK 4bn in residential mortgage loans as of 31 Mar. 2025, compared with SEK 8bn in net loans on the bank's own balance sheet. The bank maintains some mortgage lending on its own books, some of which it could transfer to Swedbank Hypotek if necessary. However, we believe the low proportion of mortgage lending on the bank's own books makes further significant transfers unlikely, limiting the benefit to the bank's funding and liquidity management in coming years.

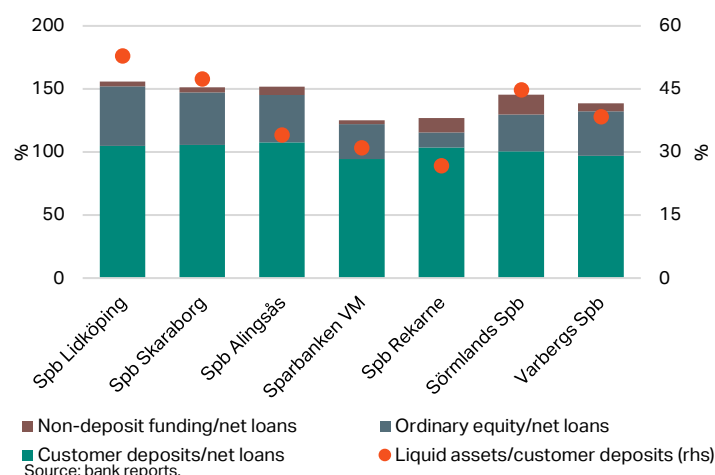
Funding and liquidity

Figure 7. Deposit metrics, 2020-2027e



Source: company, e-estimate.

Figure 8. Swedish savings banks' funding, 31 Mar. 2025



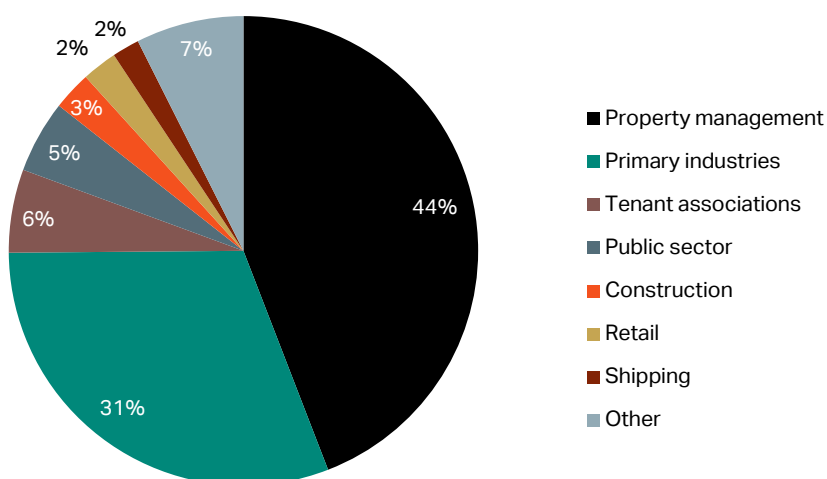
Source: bank reports.

High share of local real-estate and agricultural lending

Sparbanken Lidköping has natural geographic and sectoral risk concentrations, which it addresses with various sector limits in its risk appetite framework. While the bank is not actively targeting growth in the wider Skaraborg region, it has a significant share of its exposure outside its core market of Lidköping, and we expect this to continue, due to the close interconnections in the region. Due to the high share of residential mortgages transferred to Swedbank Hypotek, the bank's on-balance-sheet loan book has a higher proportion of agriculture and corporate lending than those of Swedish savings bank peers. This results in higher single-name concentrations, which we consider a significant risk factor for the bank.

The bank's exposures are largely collateralised by local property, with 84% of on-balance-sheet loans associated with residential, commercial or agricultural properties, or 90% including transferred loans. We continue to monitor the property management sector, which has been hard hit by the sharp rise in interest rates, affecting both interest coverage ratios and cash flow. The bank's high proportion of residential property managers reduces vacancy risk, but also implies a generally weaker ability to compensate for increased interest costs through raised rents.

Figure 9. Corporate gross loans by sector (excluding transferred loans), 31 Mar. 2025



Source: company.

The concentration of agricultural exposures is natural, given the bank's role in the local economy and the high share of arable land in the region. However, rising costs and more extreme weather events have added pressure in this segment. While realised loan losses are historically very low, the segment as a whole faces frequent strains on cash flow and possible squeezes on profitability. The bank's agriculture exposure is fairly diverse, with an overweighting in cereals and moderate single-name concentrations. Increases in climate swings and higher temperatures could push up volatility in this

Credit and market risk

segment, and we consider the bank's increased efforts in this area to be a step in the right direction in identifying areas of concern and reducing risk over time. The bank's geographic location implies an elevated risk to long-term valuations of collateral, due to the possibility of climate change increasing flooding and landslide risk in the area.

The bank has transferred the majority of its retail mortgages to Swedbank Hypotek, while primarily keeping new mortgages on its balance sheet for the past few years. The SEK 4.3bn in mortgage lending transferred to Swedbank Hypotek has a first-loss risk associated with the transferred loans that results in a reduction in commission fees paid when write-downs of transferred loans are necessary. The maximum risk associated with transferred loans is capped at the bank's annual commission, which was SEK 15m in 2024.

We do not consider market risk to be material for Sparbanken Lidköping, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk. Sparbanken Lidköping has reduced the spread and credit risk in its fixed-income investment portfolio in recent years, which we see as positive for reducing the bank's exposure to volatility in the capital markets. Some high-yield exposures remain in the portfolio, and while this is not a major concern for our overall assessment of the bank, we believe the portfolio contains somewhat higher risk than peers. Interest rate risk in the banking book is moderated by variable interest rates on a large proportion of the bank's loans and the use of interest rate hedges.

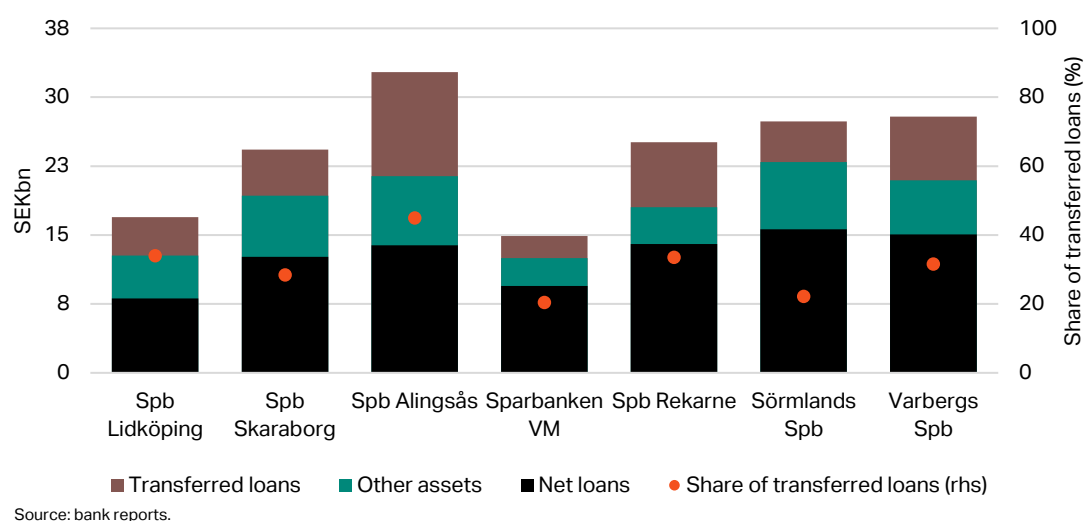
COMPETITIVE POSITION

Competitive position

Sparbanken Lidköping is among the 20 largest savings banks in Sweden both in terms of net loans and including transferred loans. The bank has a market share of just above 50% in the Lidköping area, where it competes with all the major Nordic banks except Danske Bank. This sets it apart from those peers whose markets, while similar in population, consist of several smaller municipalities that some of the larger banks have left. However, although the bank faces competition, we believe its strong ties to Lidköping and the surrounding area provide it with a solid position in its market. The bank has approximately 24,000 retail and 3,000 corporate customers.

Like its savings bank peers, the bank benefits from community involvement. Sparbanken Lidköping pays out a proportion of its profit in dividends to its owner foundation, which uses the proceeds to support local activities. This proportion is generally 15%, which allows the foundation to invest in local community initiatives. We believe the bank's increasing focus on discussing ESG risks with its customers further supports its market position.

Figure 10. Swedish savings banks' total assets and net lending, 31 Mar. 2025



PERFORMANCE INDICATORS

Performance indicators

We expect Sparbanken Lidköping's earnings will weaken somewhat from their currently strong levels, due to market interest rates falling from their peak in 2023. The bank has a slightly weaker net interest margin than peers but has reported comparatively strong core cost efficiency in recent years. Apart

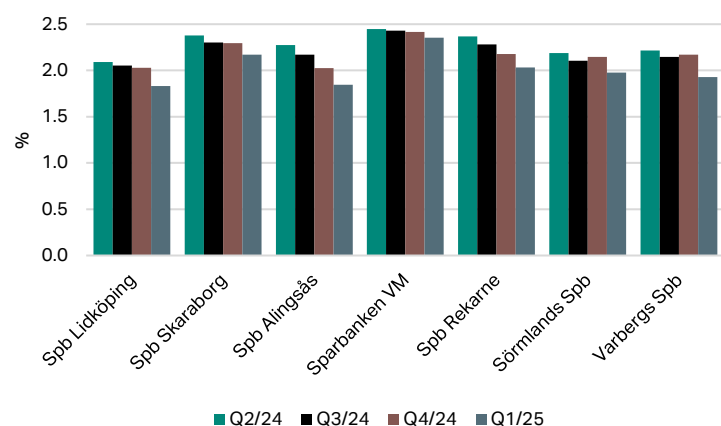
from core earnings, dividends from Swedbank add additional funds and build up the capital base. The bank has a history of very modest loan loss provisions, and in our base case we expect they will remain low.

Earnings likely to stabilise stronger than historical levels

Earnings

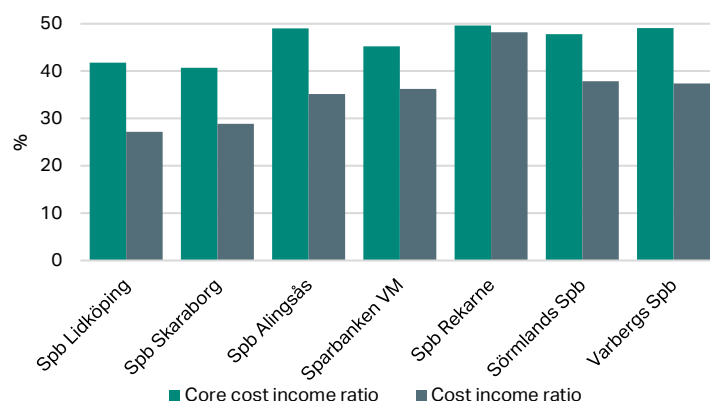
In 2023, Sparbanken Lidköping reported a sharp increase in its net interest margin to 2.1% from 1.5% in 2022, due to higher policy rates. By the end of the first quarter of 2025, this margin had narrowed to 1.8%, and we expect it to stay at 1.7-1.8% through our forecast period. Highly pressured margins on transferred mortgages to Swedbank Hypotek, combined with market volatility leading to lower volumes in fund savings, will likely lead to somewhat lower net fee and commission income in 2025 compared with 2024.

Figure 11. Swedish savings banks' annualised net interest margins, Q2 2024–Q1 2025



Source: bank reports.

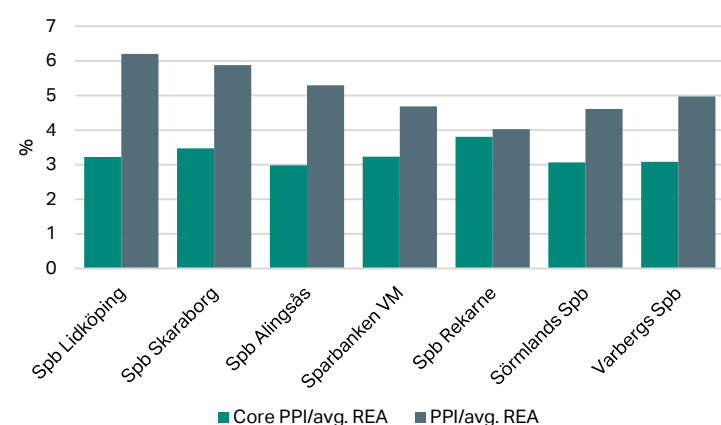
Figure 12. Swedish savings banks' cost efficiency metrics, LTM to 31 Mar. 2025



Source: bank reports. LTM-last twelve months. Core represents net interest income and net fee & commission income.

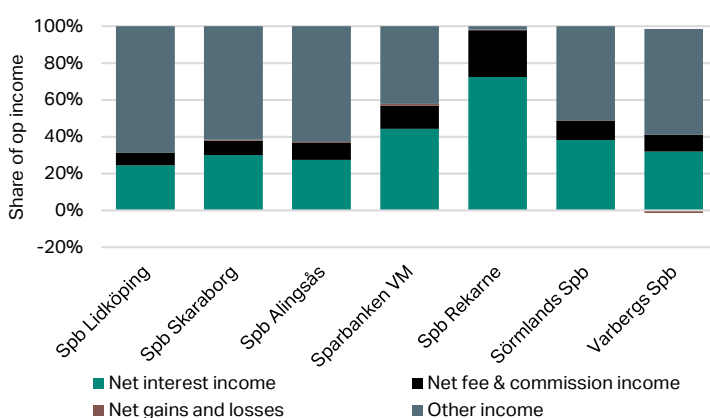
The bank has shown stable cost efficiency over the past couple of years, with further improvements to cost-to-income ratios driven by the increase in net interest income. We expect this ratio to increase somewhat in the coming years due to lower interest income and rising IT costs.

Figure 13. Swedish savings banks' PPI to REA*, LTM to 31 Mar. 2025



Source: bank reports. PPI-pre-provision income. REA-risk exposure amount.

Figure 14. Swedish savings banks' split between income groups, LTM to 31 Mar. 2025



Source: bank reports. *includes dividends from Swedbank AB.

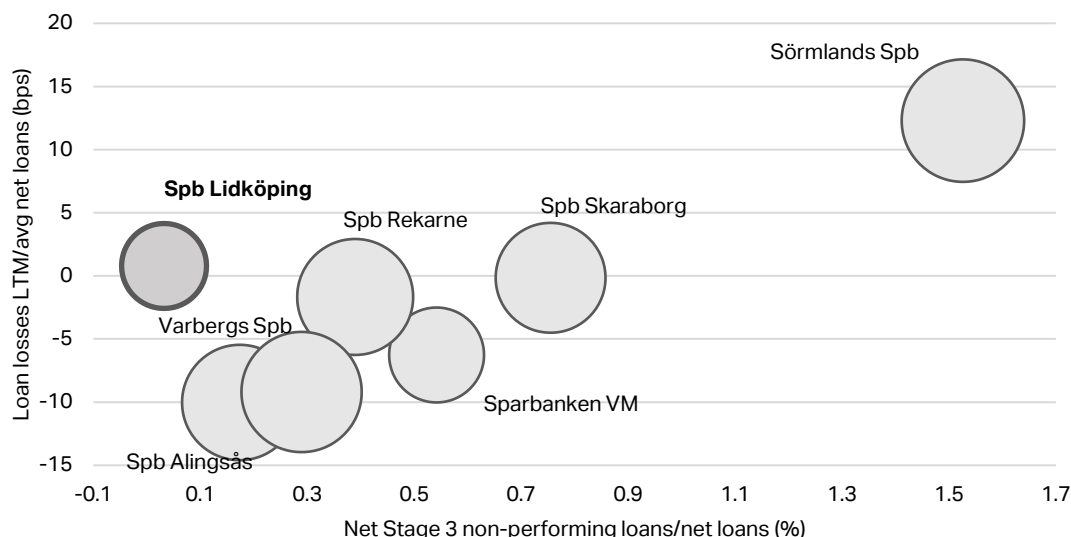
Dividends from Sparbanken Lidköping's shares in Swedbank increase its other earnings significantly, with SEK 159.5m received in the first quarter of 2025. Our forecast includes payments of SEK 125-132m annually for 2026 and 2027. However, the US authorities are continuing their investigation of money laundering by Swedbank. We believe that Swedbank is likely to reduce or suspend its dividend payout if it is required to pay a potential fine or fines. Because Sparbanken Lidköping has no control over the dividends, our forecast focuses on its core earnings performance and pre-provision income, excluding dividends and other income.

Loss performance

High collateralisation levels mitigate risk of increasing credit losses

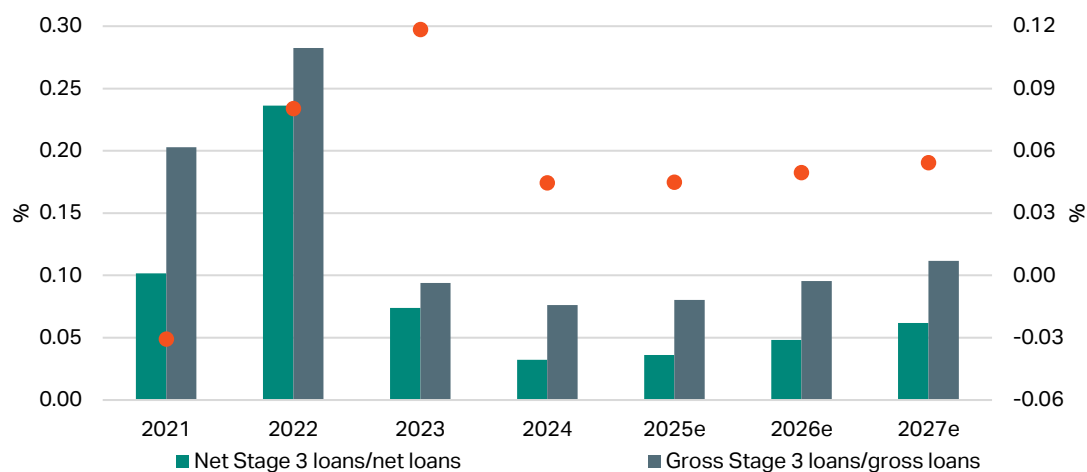
Despite a higher share of corporate loans than its peers, Sparbanken Lidköping's asset quality metrics have performed well in recent years. In our view, the high collateralisation levels mitigate the somewhat higher concentration risk in the on-balance-sheet loan book. The bank reported an average of 5bps in credit losses between 2020 and 2024. The bank saw an increase in Stage 2 non-performing loans and reserves in 2023, which has persisted but has yet to lead to an increase in non-performing loans. In our forecast, we assume only modest increases in Stage 3 loans and loss provisions, reflecting the bank's loan growth. However, our assessment also considers that the high single-name concentration implies a risk for high volatility in asset quality metrics.

Figure 15. Swedish savings banks' asset quality metrics, 31 Mar. 2025



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

Figure 16. Asset quality metrics, 2020–2027e



Source: company. e-estimate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

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

Figure 17. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Physical climate risk	Increased weather volatility impacting cash flow stability for primary industries. Climate-related damage to real-estate and agricultural collateral. Long-term effects on market values in flood zones.	Credit risk (-) Loss performance (0)
Social engagement in local community	Close connection to narrow regional markets provides a benefit.	Competitive position (++) Funding & liquidity (+) Earnings (0)
Risk management frameworks	Risk-taking beyond limits in bank operations. Insufficient customer checks and risk of fraudulent customer behaviour.	Risk governance (-)
Control of sustainability issues	Risk of overlooking sustainability impacts in the bank's underwriting, operations, and customer base.	Risk governance (-) 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](#).

SUPPORT ANALYSIS

Ownership

Sparbanken Lidsköping is 100% owned by Sparbankstiftelsen Lidsköping, whose main income comes from dividends from the bank. These dividends are used to fund various activities in the local community. The foundation has limited resources to support the bank.

ISSUE RATINGS

Our rating on Sparbanken Lidsköping's senior unsecured debt is in line with the 'BBB+' issuer rating. We expect to assign 'BBB+' ratings to future issues under a medium-term note programme.

SHORT-TERM RATING

The 'N3' short-term rating is the lower of two alternatives available under our methodology, given the 'BBB+' long-term issuer rating. This reflects our view that Sparbanken Lidsköping does not have direct access to emergency liquidity assistance from the central bank, despite an average liquidity coverage ratio of 409% over the four quarters to 31 Mar. 2025.

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) [Swedish savings banks are prepared for growth in 2025](#), 11 Mar. 2025
- (iii) [Nordic niche banks navigate through winds of change](#), 4 Mar. 2025
- (iv) [NCR Comments: Ratings for Swedish savings banks unchanged after Swedbank's revised dividend policy](#), 23 Jan. 2025
- (v) [Swedish savings banks get dividend boost after solid 2020](#), 21 Jun. 2021.
- (vi) [Q&A: Swedbank judgement and share price impacts on Swedish savings banks](#), 23 Mar. 2020.

Figure 18. Sparbanken Lidköping 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	38.9	51.2	64.1	56.8	24.4
Net fee income to op. revenue	26.4	22.5	17.0	16.4	6.8
Net gains and losses/operating revenue	0.6	-0.2	-0.5	0.5	0.0
Net other income to op. revenue	34.1	26.4	19.3	26.3	68.7
EARNINGS					
Net interest income to financial assets	1.3	1.5	2.1	2.0	1.8
Net interest income to net loans	1.8	2.2	3.0	2.9	2.8
Pre-provision income to REA	3.5	3.9	4.7	5.5	14.7
Core pre-provision income to REA (NII & NF&C)	1.7	2.3	3.4	3.3	3.0
Return on ordinary equity	7.0	6.0	6.7	7.4	21.2
Return on assets	1.9	1.6	1.9	2.1	6.2
Cost-to-income ratio	34.2	35.5	32.1	30.5	13.3
Core cost-to-income ratio (NII & NF&C)	52.4	48.1	39.6	41.7	42.7
CAPITAL					
CET1 ratio	35.8	34.6	39.7	42.8	40.8
Tier 1 ratio	35.8	34.6	39.7	42.8	40.8
Capital ratio	35.8	34.6	39.7	42.8	40.8
REA to assets	48.7	49.5	46.4	44.1	43.8
Dividend payout ratio	43.4	11.3	6.0	9.8	
Leverage ratio	21.2	17.7	19.9	20.4	19.5
GROWTH					
Asset growth	13.0	8.1	5.3	10.1	3.2
Loan growth	8.0	13.3	8.6	-0.5	-0.1
Deposit growth	11.8	9.3	1.6	6.1	2.3
LOSS PERFORMANCE					
Credit provisions to net loans	-0.03	0.08	0.12	0.04	-0.03
Stage 3 coverage ratio	50.03	16.65	21.57	57.79	58.44
Stage 3 loans to gross loans	0.20	0.28	0.09	0.08	0.08
Net stage 3 loans to net loans	0.10	0.24	0.07	0.03	0.03
Net stage 3 loans/ordinary equity	0.25	0.63	0.19	0.07	0.07
FUNDING & LIQUIDITY					
Loan to deposit ratio	94.1	97.5	104.2	97.7	95.3
Liquid assets to deposit ratio	40.5	40.5	38.9	51.1	52.8
Net stable funding ratio	101.8	118.8	108.0	136.0	133.0
Liquidity coverage ratio	221.2	221.2	221.2	0.0	0.0
Key financials (SEKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q1 2025 YTD
BALANCE SHEET					
Total assets	9,881	10,685	11,255	12,389	12,782
Total tangible assets	9,881	10,685	11,255	12,389	12,782
Total financial assets	9,479	10,621	11,192	12,350	12,583
Net loans and advances to customers	6,625	7,503	8,147	8,108	8,097
Total securities	2,585	2,562	2,583	2,796	2,927
Customer deposits	7,041	7,693	7,819	8,298	8,492
Issued securities	–	–	–	302	302
of which other senior debt	–	–	–	302	302
of which subordinated debt	–	–	–	–	–
Total equity	2,734	2,820	3,221	3,567	3,824
of which ordinary equity	2,734	2,820	3,221	3,567	3,824
CAPITAL					
Common equity tier 1	1,726	1,829	2,073	2,339	2,282
Tier 1	1,726	1,829	2,073	2,339	2,282
Total capital	1,726	1,829	2,073	2,339	2,282
REA	4,816	5,284	5,220	5,466	5,597
INCOME STATEMENT					
Operating revenues	298	303	365	420	234
Pre-provision operating profit	196	195	248	292	203
Impairments	-2	6	9	4	-1
Net Income	177	166	203	251	196

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

Figure 19. Sparbanken Lidköping rating scorecard

Subfactors	Impact	Score
National banking environment	5.0%	a-
Sector exposure assessment	-	-
Regional assessment	15.0%	bbb-
Cross border assessment	-	-
National factors	-	-
Regional, cross border, sector	-	-
Operating environment	20.0%	bbb
Risk governance	7.5%	bbb+
Capital	17.5%	aa
Funding and liquidity	15.0%	a-
Credit and market risk	10.0%	bb+
Market risk	-	-
Other risks	-	-
Credit risk	-	-
Risk appetite	50.0%	a-
Competitive position	15.0%	bbb-
Earnings	7.5%	a-
Loss performance	7.5%	a-
Performance indicators	15.0%	a-
Indicative credit assessment		bbb+
Peer comparison		Neutral
Transitions		Neutral
Borderline assessments		Neutral
Stand-alone credit assessment		bbb+
Ownership		Neutral
Capital structure protection		Neutral
Rating caps		Neutral
Material credit enhancement		-
Issuer rating		BBB+
Outlook		Stable
Short-term rating		N3

Figure 20. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB+

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