

Sparebank 1 Lom og Skjåk

Full Rating Report

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N2

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RATING RATIONALE

Our 'BBB+' long-term issuer credit rating on Norway-based SpareBank 1 Lom og Skjåk (SB1 Lom og Skjåk) reflects the bank's strong capitalisation, good access to funding, and robust earnings. The bank is part of the SpareBank 1 Alliance (SB1 Alliance), which we view as supportive of business diversity, operating efficiency, and liquidity. SB1 Lom og Skjåk's pre-provision profitability is strong and its cost efficiency average in the context of its peer group. The bank is predominantly a provider of retail residential mortgage loans, but also has significant exposure to commercial real estate, agriculture and construction.

The rating is constrained by high levels of corporate exposure in the bank's core markets in Norway's Innlandet county, where the population is in decline. It is also constrained by strong competition in key growth markets outside the core region.

STABLE OUTLOOK

The outlook is stable, reflecting SB1 Lom og Skjåk's low risk appetite, strong real estate collateral, and robust earnings, which we believe would enable resilience to a moderate slowdown in the economy. We expect that the bank will be able to generate sufficient earnings to keep capitalisation stable, despite the prospect of strong loan growth. We also expect the bank's capital ratios to be boosted by the prospective positive impact of implementing the EU's Capital Requirements Regulations III (CRR3).

POTENTIAL POSITIVE RATING DRIVERS

- Improved asset quality metrics, with net Stage 3 loans below 1.5% of net loans over a sustained period.
- Cost-to-income ratio below 45% and pre-provision income/risk exposure amount (REA) above 2.5% for a protracted period.
- Improved market position in the bank's growth markets.

POTENTIAL NEGATIVE RATING DRIVERS

- A lasting reduction in the consolidated Tier 1 capital ratio to below 18%.
- Risk-adjusted earnings metrics sustainably below 1.5% of REA.
- Material deterioration in the operating environment or increased risk appetite that negatively affects asset quality.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.56	2.10	2.59	2.55	2.15	2.05	2.05
Loan losses/net loans	0.07	0.22	0.28	0.49	0.24	0.22	0.20
Pre-provision income/REA*	2.3	2.0	2.6	3.8	3.1	2.6	2.6
Cost-to-income	51.5	52.7	48.6	38.4	44.6	50.0	49.2
Return on ordinary equity	8.4	6.2	7.6	12.3	9.2	7.1	7.3
Loan growth	9.5	7.0	-0.4	18.2	9.0	8.5	7.5
CET1 ratio*	21.5	21.4	21.2	20.3	22.3	22.3	22.5
Tier 1 ratio*	21.7	21.6	21.3	20.5	22.5	22.5	22.7

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.

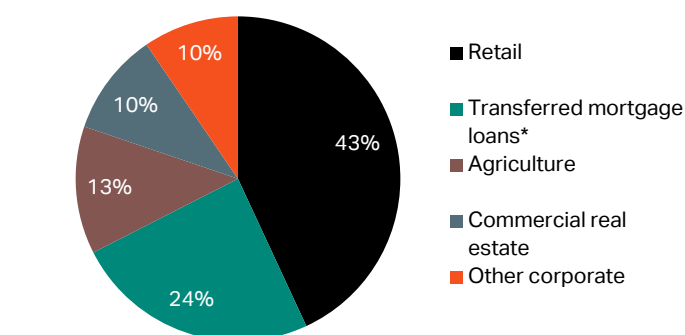
ISSUER PROFILE

SB1 Lom og Skjåk was founded in 1873. The bank's core region covers five municipalities in the northwestern part of Norway's Innlandet county. The bank is headquartered in Lom municipality and has five branch offices, including a branch in Oslo. It has 74 employees and total lending of NOK 11bn, including loans transferred to SB1 Alliance covered bond company SB1 Boligkreditt AS. SB1 Lom og Skjåk also owns 22.6% of real estate brokerage EiendomsMegler 1 Lillehammer og Gudbrandsdal AS (21 employees) and cooperates closely with accounting company SB1 Regnskapshuset SMN AS in which it has a small shareholding.

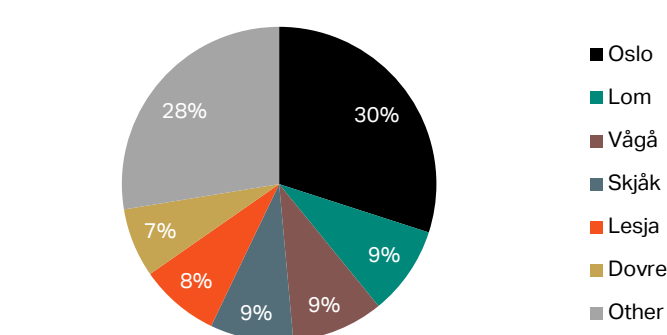
SB1 Lom og Skjåk's membership in the SB1 Alliance provides a joint IT platform and enables branding cooperation. The alliance is Norway's second-largest finance group in terms of assets and consists of 12 independent savings banks. In addition, it allows individual banks to offer competitive products and achieve economies of scale in development projects and compliance.

Figure 2. Gross loans by type, 31 Mar. 2025

Figure 3. Gross loans by main markets, 31 Mar. 2025



Source: company. *to SB1 Boligkreditt.



Source: company.

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national banking and regional factors in our assessment of the operating environment. SB1 Lom & Skjåk operates in a region with unemployment levels below the national average, but with challenging demographics. The bank also has significant exposure to the Oslo region. 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.

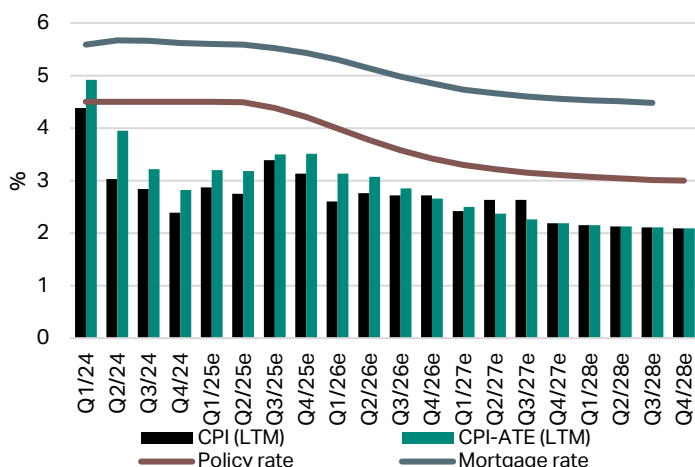
Lower policy interest rates reduce margins

National banking environment

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

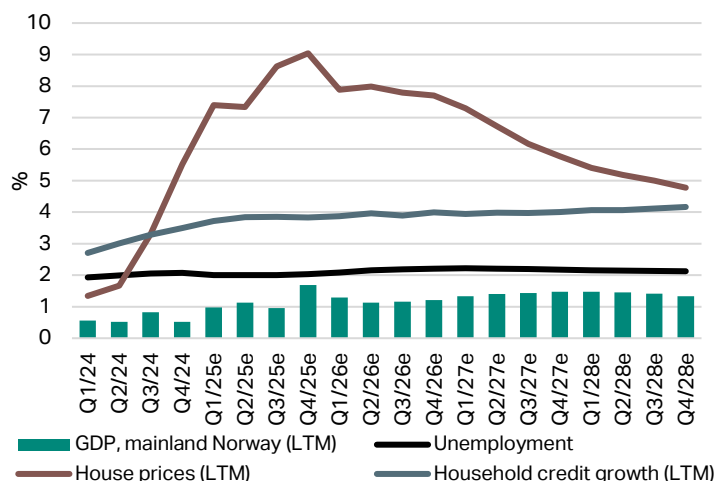
As intended, high interest rates are helping to slow the economy. High interest rates and weak economic conditions led to an increase in loan-loss provisions among domestic savings banks in 2023 and 2024. We now expect flat provision levels over our forecast period through 2026. Norway's savings banks are well capitalised and have strong pre-provision profitability, which makes them relatively resilient to increased credit losses.

Figure 4. 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 5. Norwegian economic indicators, 2024–2028e



Source: central bank. e-estimate.

Core region in decline

Regional assessment

SB1 Lom og Skjåk operates in a mountainous region with a significant tourist industry. The tourist season spans three seasons, reducing the impact of seasonality on employment. The region has a less cyclical economy than other parts of Norway due to high levels of public-sector employment and a large agriculture sector. The public health system is the largest employer, followed by construction. Traditional manufacturing industry is, however, extinct in the region. The population in the core region currently stands at only 12,000 and has been declining for many years. Statistics Norway projects the population will continue to decline, resulting in a rapidly aging population. Positively, unemployment is only half the national average.

In response to the declining demographics of its home market, SB1 Lom og Skjåk is focusing on retail lending in Oslo and, through digital operations, elsewhere in Norway. As a result, 60% of lending is now located outside the core region, with lending in the Oslo region up by 36% in 2024. Corporate lending is, however, predominantly to businesses located in the core market.

Figure 6. Core markets

Municipality	Population, 2024	Expected population change, 2024–2050 (%)	Unemployment, Apr. 2025 (%)	Unemployment, Apr. 2024 (%)
Lom	2,212	-13	0.7	0.9
Vågå	3,531	-13	1.0	1.3
Skjåk	2,141	-17	0.9	1.3
Lesja	1,983	-14	0.6	0.5
Dovre	2,503	-2	1.6	1.0
Core markets	12,370	-12	1.0	1.0
Innlandet county	376,304	5	1,8	1.7
Oslo	717,710	14	2.5	2.3
Norway	5,562,363	11	2.0	1.8

Source: Statistics Norway, Norwegian Labour and Welfare Administration.

RISK APPETITE

Risk appetite assessment

Our assessment of SB1 Lom og Skjåk's risk profile reflects the bank's robust capital, good access to funding, large proportion of residential mortgage lending, and ability to transfer loans to SB1 Boligkreditt. The bank has some regional concentrations in its core markets and a significant proportion of property lending. We see the bank's strong growth objectives outside its core region as a risk factor. However, the bank is focusing on expanding retail mortgage lending, which positively affects our view of its risk appetite.

Risk governance

Adequate resources allocated to risk governance

In our opinion, SB1 Lom og Skjåk has an adequate risk appetite framework and internal risk and compliance tools. However, increased lending outside its core region represents a challenge in terms of risk governance. SB1 Lom og Skjåk is a medium-sized local operator and the smallest lender in the SB1 Alliance. Its operations are therefore less complex than those of larger competitors.

In 2023, SB1 Lom og Skjåk's total lending approached NOK 10bn, prompting the bank to implement a third line of defence and seek a credit risk manager. In our view, the bank has allocated adequate resources to combat money laundering and improve customer surveillance and compliance. In addition, the SB1 Alliance helps member banks to deal with compliance issues and provides resources for future development.

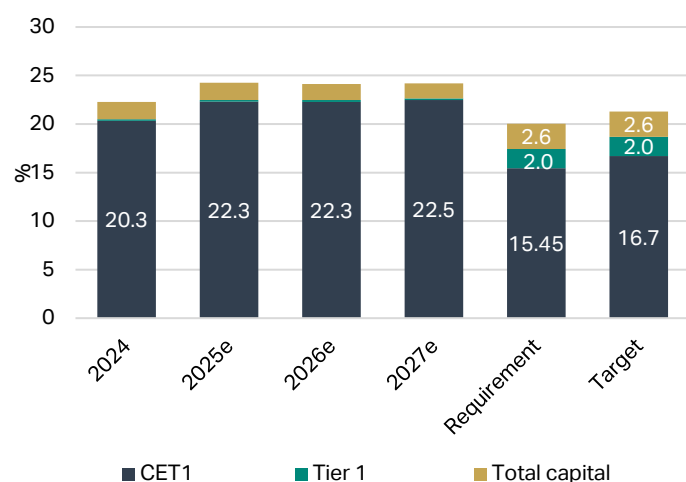
SB1 Lom og Skjåk has established credit-related guidelines to assess climate and sustainability risk facing its corporate customers. In addition, it is working to establish a green bond framework and seeking certification from domestic environmental certification agency Miljøfyrtårn/Eco-Lighthouse, which provides criteria and structure for products and solutions to minimise banks' environmental footprint. The bank's cooperation with the SB1 Alliance provides additional resources for future development in this area as well as access to green covered bond funding.

Strong capital base boosted by CRR3

Capital

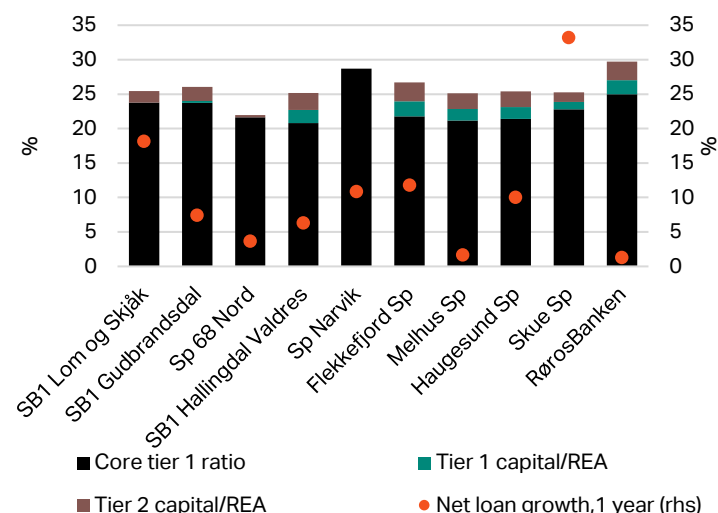
Our capital assessment takes into consideration SB1 Lom og Skjåk's consolidated position, including its proportional holdings in product companies owned jointly by the SB1 Alliance. As of 31 Mar. 2025, the consolidated Tier 1 ratio was 20% (20.2% including 50% of first-quarter net profit), which compares favourably with the current regulatory requirement of 17.38% (excluding a 1.25pp management buffer). The bank has not issued Tier 1 capital instruments but issued NOK 100m in Tier 2 instruments in 2024.

Figure 7. Capital requirement and targets* as of 2025



Source: company, e-estimate. *Total pillar 2 requirement 2.5%.

Figure 8. Norwegian savings banks' capital ratios*, 31. Dec 2024



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

In the 12 months to 31 Mar. 2025, SB1 Lom og Skjåk increased gross lending (including transferred loans) by 16%. We project that loan growth will decline to 7.5-9% through our forecast period. In addition, we expect a return on equity of 7-9% over the same period. We expect most of the projected loan growth to come from retail mortgage lending, and that REA will grow at a slower rate than lending. We also expect that capital generation will be sufficient to finance such growth. The bank has no equity instruments, such as equity capital certificates, and we expect gifts and donations paid to amount to less than 10% of net profit. In our estimates for 2025, we assume a positive regulatory impact of 1.7pp on the consolidated Tier 1 ratio, resulting in an estimated consolidated Tier 1 ratio of 22.5% by year-end. Our estimate includes a negative impact from the bank's holdings in SB1 Boligkreditt, which uses the internal ratings-based approach to credit risk which entails a higher risk weight floor on residential mortgage lending.

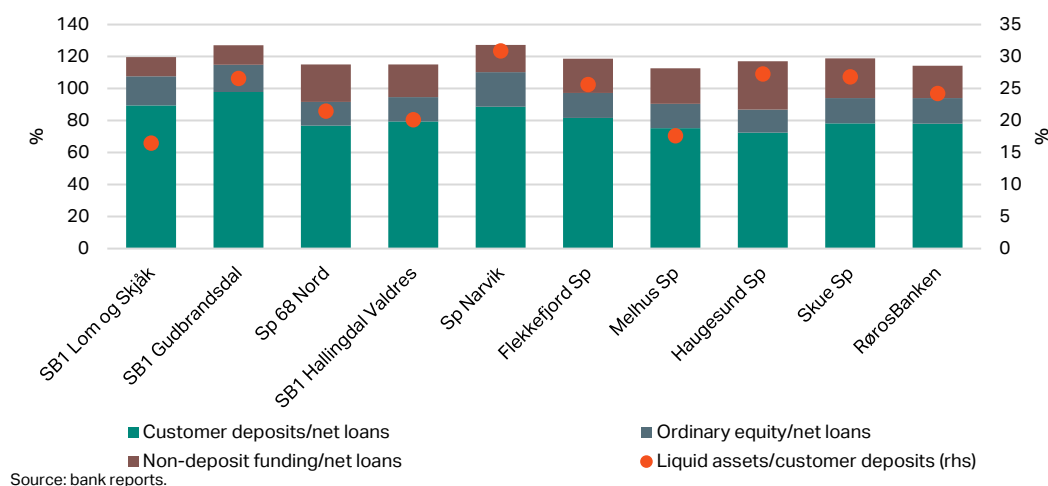
CRR3 came into force in Norway on 1 Apr. 2025 (see Relevant Research). The new regulation is more risk-sensitive than previously and likely to reduce capital requirements significantly for small to medium-sized retail and savings banks.

Diverse funding with strong deposit base

Funding and liquidity

SB1 Lom og Skjåk has diverse funding, a stable retail deposit base, and proven access to bond funding. As of 31 Mar. 2025, the loan to deposit ratio was 110%, which was lower than the average of similarly sized domestic savings banks. While the loan to deposit ratio had increased from 102% at 31 Dec 2023, we do not see this as a material concern. The bank has few single-name concentrations in its customer deposits while its liquidity buffer (16.5% of customer deposits) is relatively moderate. As of 31 Mar. 2025, the liquidity coverage ratio was 160%, well above the regulatory requirement of 100%.

Figure 9. Norwegian savings banks' funding, 31 Dec. 2024



As of 31 Mar. 2025, SB1 Lom og Skjåk had transferred loans amounting to NOK 2.8bn to SB1 Boligkreditt, representing 36% of total mortgage lending (compared with 41% a year earlier). This is the lowest transfer level among banks in the SB1 Alliance, implying that the bank retains a significant buffer of loans that can be transferred as a liquidity reserve. Negatively, CRR3 makes transfers to covered bond companies using the internal ratings-based approach less favourable.

SB1 Lom og Skjåk has raised NOK 975m through the issue of senior unsecured bonds, with NOK 160m maturing within the next 12 months. The average time to maturity is 2.7 years, which we believe reduces refinancing risk.

Mortgage lending growth outside core region strong

Credit and market risk

SB1 Lom og Skjåk's loan portfolio consists mainly of retail mortgage loans (68% including transferred loans and 57% of on-balance sheet lending). In addition, 39% of the bank's corporate customers are involved in local agriculture and have a history of low credit losses. Apart from retail and agricultural customers, the bank's main sectoral exposure is to property management. This sector is currently under pressure due to still-high interest rates, which have reduced collateral values. Corporate lending is predominantly local, and the bank rejects corporate customers which have no connection with the core region.

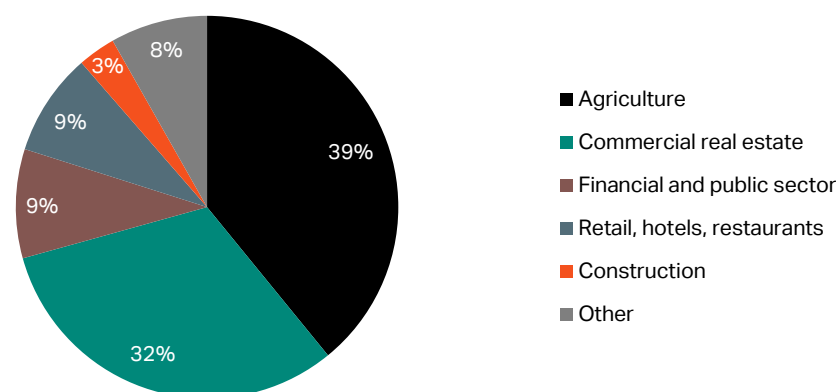
The 16% loan growth recorded in the 12 months to March 2025 was driven by 23% growth in retail lending (including transferred loans), while corporate lending was up by only 4%. The bank plans to continue to expand mainly through retail lending, effectively reducing our concerns about high growth rates. We believe this is likely to be beneficial for the credit quality of the loan book, while also reducing geographic concentration risk. Collateral in the Oslo region is generally more liquid than in the bank's more rural core region. Lending elsewhere in Norway is also growing, and we understand that the bank's required collateral levels are higher outside the Oslo region.

Credit risk associated with transferred mortgage lending and commercial loans is transferred to the SB1 Alliance's covered-bond companies. The risk that remains with the bank is ownership risk in alliance companies.

SB1 Lom og Skjåk's real estate collateral in the core region could be negatively affected by significant climate events or flooding. In addition, increased climate volatility and higher mean temperatures could negatively affect the performance of tourism and agricultural businesses to which the bank has exposure. We take a positive view of the bank's evaluation of its exposure to climate risk and its incorporation of climate risk assessments into its credit processes.

We do not consider SB1 Lom og Skjåk's market risk material given the bank's lack of a trading portfolio and low limits on interest rate risk and currency risk.

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



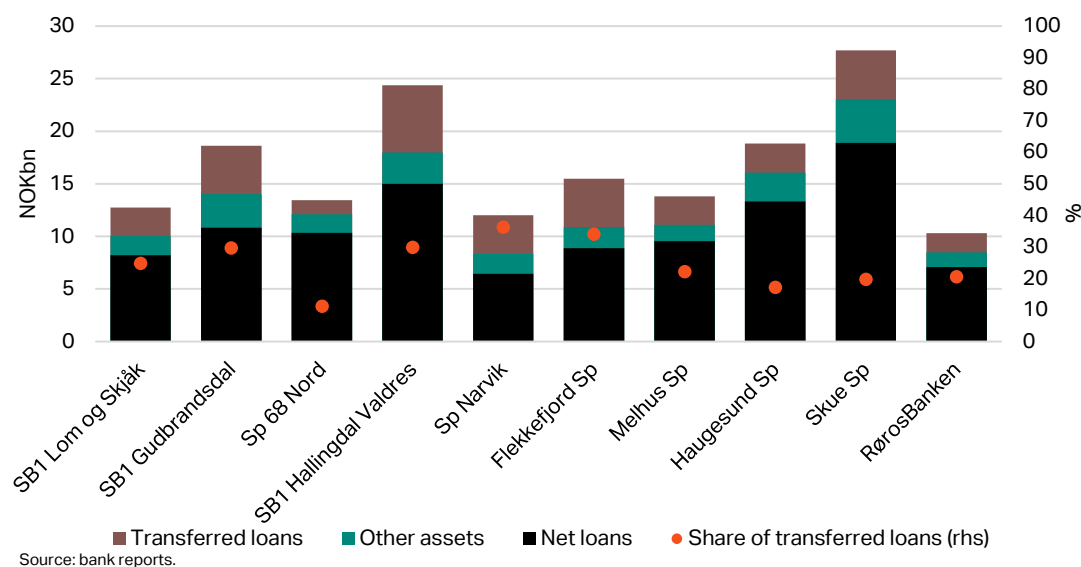
Source: company.

COMPETITIVE POSITION

Competitive position

SB1 Lom og Skjåk is a leader in retail and corporate banking in its core market, where it has a strong focus on agriculture. However, the highly competitive Oslo region is a significant area of retail lending growth and currently accounts for 32% of lending. The bank opened a branch office in the capital in 2019, and has a co-operation agreement with the Oslo branch of the Norwegian Tourist Association, whose members include potential and existing owners of holiday homes in the bank's core region. In addition, the bank extends loans digitally in regions outside its core market.

Figure 11. Norwegian savings banks' total assets and net lending, 31 Dec. 2024



Source: bank reports.

Member banks in the SB1 Alliance typically have larger proportions of non-interest income than their non-alliance peers. This can be partly explained by their higher proportions of transferred loans and

the broad product offering provided by the alliance. In general, we view the bank's relationship with the SB1 Alliance as beneficial, as it diversifies product offering and revenue streams. We consider SB1 Lom og Skjåk's meaningful role in and financial contributions to its local community as positive rating factors, as they strengthen the bond between the bank and its customers.

PERFORMANCE INDICATORS

Performance indicators

SB1 Lom og Skjåk has strong pre-provision profitability that is above its high-performing peer group average. This is largely due to fee income and contributions from product companies in the SB1 Alliance, which in turn have a positive effect on cost efficiency. We believe that loan losses peaked in 2024 but believe that such losses could remain above the bank's peer group average on the basis of historical performance.

Earnings

Earnings boosted by one-offs

Strong net interest margins due to high interest rates, together with loan growth, have led to improved cost efficiency and profitability since 2021. While interest margins started to decline in 2024, profitability improved due to NOK 56m in gains from structural changes in the SB1 Alliance. While we consider these gains as extraordinary, the bank is on track to book a further NOK 41.5m in such gains in the second quarter of 2025. We expect pre-provision income (PPI)/REA of 2.8% in 2026 and 2027, despite margin pressure due to lower interest rates, strong competition and an absence of one-off gains. We also expect solid cost efficiency with cost-to-income below 50%.

Figure 12. Norwegian savings banks' annualised net interest margins, 2024

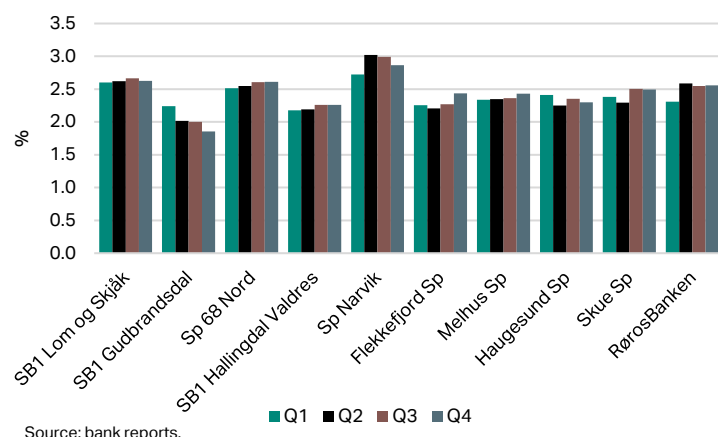


Figure 14. Norwegian savings banks' PPI to REA*, 2024

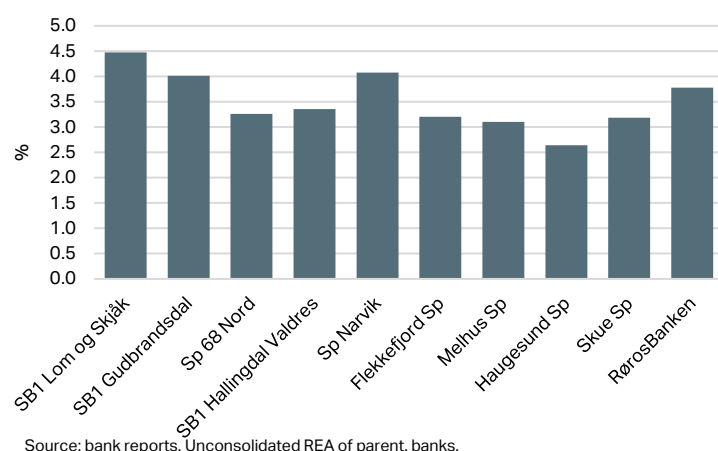


Figure 13. Norwegian savings banks' cost efficiency metrics, 2024

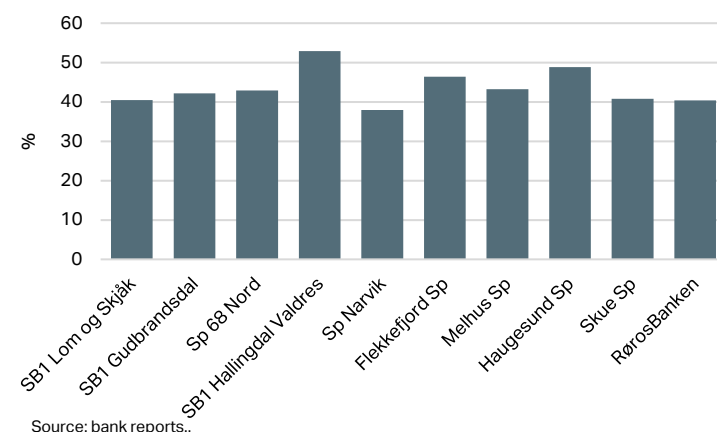
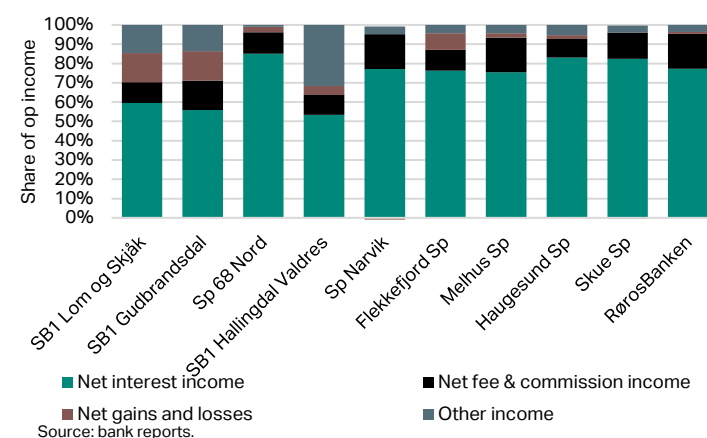


Figure 15. Norwegian savings banks' operating income breakdown, 2024



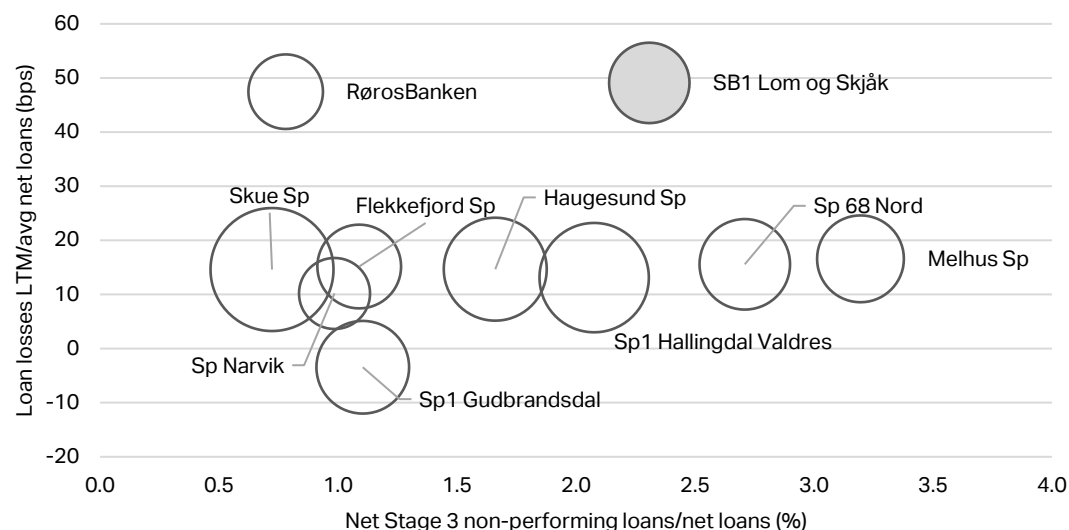
Loan losses above peer-group average

Loss performance

In 2024, SB1 Lom og Skjåk booked loan losses of NOK 37m compared with NOK 19m in 2023. Loan losses amounted to NOK 5m in the first quarter of 2025. These relatively high levels are explained by

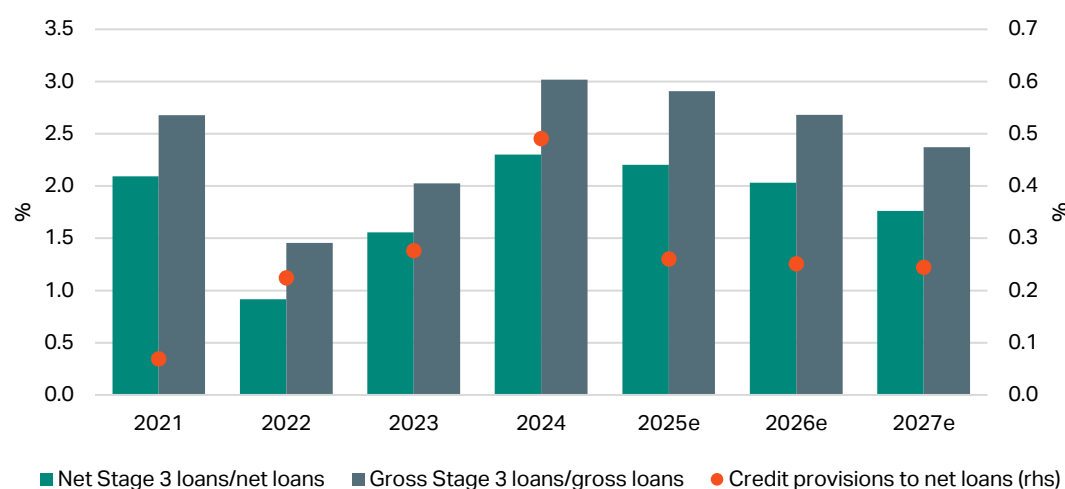
realised losses at small, local businesses and increased provisions related to commercial real estate and agricultural lending. The level of Stage 3 loans increased significantly in 2024 and the first quarter of 2025, and are high in comparison with those of most of the bank's domestic peers. The rise in Stage 3 lending is partly due to agricultural loans, which are highly collateralised. We assume that Stage 3 loans will fall slightly in the remainder of 2025 due to lower interest rates but have factored in loan losses above the bank's peer group average on the basis of historical performance.

Figure 16. Norwegian savings banks' asset quality metrics, 2024



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

Figure 17. 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 18. 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 (+)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (0)
Control of sustainability issues	Risk of overlooking sustainability impacts in 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.

ADJUSTMENT FACTORS

SUPPORT ANALYSIS

Ownership

We view SB1 Lom og Skjåk's ownership as neutral for our standalone credit assessment. The bank operates as a self-owned institution, which means it does not have traditional shareholders. Instead, it is, at least in theory, owned by its depositors and reinvests profits in local community activities. Many Norwegian savings banks have chosen to issue equity capital certificates to finance growth or to recapitalise. To date, the bank has chosen not to issue equity instruments but could do so in a process that normally takes up to six months.

ISSUE RATINGS

Our rating on SB1 Lom og Skjåk's unsecured senior debt is in line with the 'BBB+' long-term issuer rating. The bank has outstanding Tier 2 instruments, which we rate one notch below the issuer rating at 'BBB'. The bank has not issued Tier 1 instruments, but if it chooses to do so, we would expect to rate such instruments three notches below the issuer rating at 'BB+'.

SHORT-TERM RATING

The 'N2' short-term rating is the higher of two possible alternatives, given the 'BBB+' long-term issuer rating. This reflects the bank's access to central bank funding and high volumes of loans which can be transferred to SB1 Boligkreditt.

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) [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 19. 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	48.9	72.9	75.0	59.5	73.1
Net fee income to op. revenue	21.3	19.6	14.9	10.7	13.8
Net gains and losses/operating revenue	5.4	9.7	3.7	17.1	5.4
Net other income to op. revenue	24.4	-2.2	6.4	12.6	7.6
EARNINGS					
Net interest income to financial assets	1.6	2.1	2.6	2.5	2.2
Net interest income to net loans	1.8	2.4	3.1	3.1	2.6
Pre-provision income to REA	2.7	2.3	3.1	4.5	2.3
Core pre-provision income to REA (NII & NF&C)	1.0	2.0	2.5	2.3	1.7
Return on ordinary equity	8.4	6.2	7.6	12.3	6.3
Return on assets	1.2	0.9	1.1	1.8	0.9
Cost-to-income ratio	51.5	52.7	48.6	38.4	54.3
Core cost-to-income ratio (NII & NF&C)	73.4	57.0	54.1	54.6	62.5
CAPITAL					
CET1 ratio	21.8	22.0	22.1	23.7	23.0
Tier 1 ratio	21.8	22.0	22.1	23.7	23.0
Capital ratio	21.8	22.0	22.1	25.5	24.6
REA to assets	54.9	55.3	55.1	57.6	56.9
Dividend payout ratio					
Leverage ratio	12.0	12.2	12.2	13.6	12.9
Consolidated CET1 ratio	21.5	21.4	21.2	20.3	19.8
Consolidated Tier 1 ratio	21.7	21.6	21.3	20.5	20.0
Consolidated Capital ratio	22.0	21.8	21.5	22.3	21.7
Consolidated Leverage ratio	10.5	10.4	10.2	10.0	9.7
GROWTH					
Asset growth	12.5	5.4	6.8	10.6	2.9
Loan growth	9.5	7.0	-0.4	18.2	2.2
Deposit growth	16.3	4.2	8.2	7.7	3.6
LOSS PERFORMANCE					
Credit provisions to net loans	0.07	0.22	0.28	0.49	0.23
Stage 3 coverage ratio	22.81	38.24	24.53	25.19	21.27
Stage 3 loans to gross loans	2.68	1.46	2.03	3.02	3.39
Net stage 3 loans to net loans	2.09	0.92	1.56	2.30	2.72
Net stage 3 loans/ordinary equity	11.56	5.09	8.15	12.63	15.12
FUNDING & LIQUIDITY					
Loan to deposit ratio	107.9	110.8	102.0	111.9	110.4
Liquid assets to deposit ratio	18.1	16.7	24.3	20.1	20.6
Net stable funding ratio	0.0	0.0	0.0	126.4	126.2
Liquidity coverage ratio	180.9	190.0	189.0	191.0	160.0

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q1 2025 YTD
BALANCE SHEET					
Total assets	8,057	8,494	9,075	10,041	10,336
Total tangible assets	8,057	8,494	9,075	10,041	10,336
Total financial assets	7,624	8,035	8,614	9,696	9,962
Net loans and advances to customers	6,529	6,983	6,955	8,218	8,396
Total securities	478	420	607	809	912
Customer deposits	6,049	6,302	6,821	7,346	7,607
Issued securities	788	868	808	1,099	1,103
of which other senior debt	788	868	808	999	1,003
of which subordinated debt	–	–	–	100	100
Total equity	1,182	1,256	1,329	1,498	1,511
of which ordinary equity	1,182	1,256	1,329	1,498	1,511
CAPITAL					
Common equity tier 1	966	1,035	1,104	1,374	1,350
Tier 1	966	1,035	1,104	1,374	1,350
Total capital	966	1,035	1,104	1,474	1,449
REA	4,426	4,700	5,002	5,787	5,880
INCOME STATEMENT					
Operating revenues	230	226	288	392	75
Pre-provision operating profit	111	107	148	241	34
Impairments	4	15	19	37	5
Net Income	95	75	98	174	24

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

Figure 20. rating scorecard

Subfactors	Impact	Score
National banking environment	10.0%	a
Sector exposure assessment	-	-
Regional assessment	10.0%	bbb-
Cross border assessment	-	-
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%	bbb
Risk appetite	50.0%	a-
Competitive position	15.0%	bb
Earnings	7.5%	a
Loss performance	7.5%	bbb
Performance indicators	15.0%	bbb+
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
Issuer rating		BBB+
Outlook		Stable
Short-term rating		N2

Figure 21. Capital structure ratings

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

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