

Spareskillingsbanken

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 Spareskillingsbanken reflects the bank's exceptional capital position, low risk appetite, diverse access to funding and solid asset quality performance. 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 anticipate Spareskillingsbanken will maintain its current loan portfolio composition, skewed towards low-risk residential mortgages. The low-risk profile is demonstrated by exceptional capital ratios, boosted by the effects of implementing Capital Requirements Regulation III (CRR3). We believe Spareskillingsbanken will maintain solid asset quality, resulting in modest credit losses during our forecast period through 2027. Spareskillingsbanken has exhibited strong cost efficiency in recent years. We expect interest rate cuts and strong competition will weaken earnings through 2027, although remain at solid levels.

The rating is constrained by the bank's concentrated exposure to real-estate collateral in the Kristiansand region. It is also constrained by stiffer regional competition from larger banks and neighbouring similar-sized banks, heightening margin pressure.

STABLE OUTLOOK

The stable outlook reflects the bank's strong resilience to economic fluctuations due to its exceptional capital, strong real-estate collateral and solid earnings. We forecast a moderate loan growth of 7% through 2027 and anticipate the bank will maintain its low-risk appetite. We expect the bank to generate sufficient income to keep capitalisation stable, further boosted in mid-2025 from the implementation of CRR3.

POTENTIAL POSITIVE RATING DRIVERS

- A higher rating is unlikely at this time, given the bank's regional and sectoral concentrations.

POTENTIAL NEGATIVE RATING DRIVERS

- A sustained reduction in the Tier 1 capital ratio to below 20%.
- A material deterioration in the local operating environment or weakening asset quality.
- Cost-to-income ratio above 60% for a prolonged period.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.4	1.7	2.0	2.0	1.9	1.8	1.7
Loan losses/net loans	0.08	0.08	0.10	0.01	0.09	0.09	0.08
Pre-provision income/REA*	2.0	2.0	2.5	2.5	2.2	2.2	2.1
Cost-to-income	44.2	47.4	43.7	44.1	49.3	50.8	52.0
Return on average equity	6.5	6.3	7.8	8.4	6.5	5.9	5.6
Loan growth	6.2	0.0	7.0	9.9	7.0	7.0	7.0
CET1 ratio*	22.9	23.8	23.4	23.2	26.2	26.4	26.5
Tier 1 ratio*	23.1	24.1	23.7	23.5	26.7	26.9	27.0

Source: company and NCR. e—estimate. REA—risk exposure amount. 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.

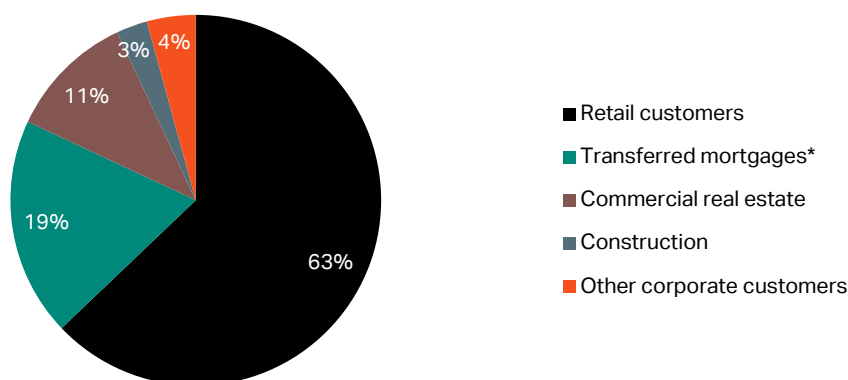
ISSUER PROFILE

Spareskillingsbanken, established in 1877, is a mid-sized savings bank headquartered in Kristiansand, Norway. Today, the bank has about NOK 12bn in total net loans, including transferred loans, and about 60 employees. It primarily serves retail customers and SMEs in the Kristiansand region. In 2025, the bank established an additional branch in the bordering municipality of Vennesla and a local real-estate agency in Kristiansand. Spareskillingsbanken operates as an independent self-owned savings bank and offers several financial services to household and corporate borrowers. These services include savings accounts, loans, mortgages, insurance, leasing and investment services.

Spareskillingsbanken 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 service 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 Verd Boligkreditt.

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national banking factors and regional factors in our assessment of the bank's operating environment. Spareskillingsbanken operates in one of the fastest-growing regions in Norway and the metropolitan area of Kristiansand provides diversified job opportunities. We believe 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

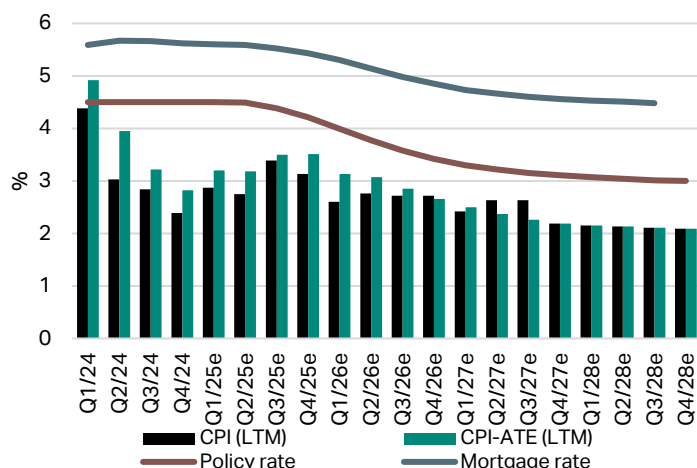
National banking environment

Net interest margins for Norwegian savings banks have widened significantly due to high interest rates in Norway 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 lead to 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 a recession. High interest rates and weak economic conditions sparked an increase in loan-loss

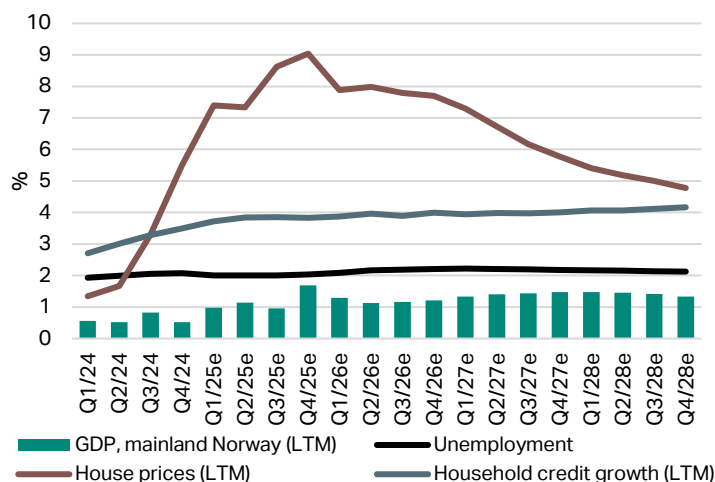
provisions for domestic savings banks in 2023 and 2024. However, Norway's savings banks are well capitalised and have strong pre-provision profitability, which makes them relatively resilient to increased credit losses.

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.

Strong industry clusters and diverse job opportunities

Spareskillingsbanken's core market is the Kristiansand region on the south coast of Norway and accounts for 86% of the bank's gross lending. As of first-quarter 2025, the region is home to about 151,000 of Norway's 5.6 million inhabitants (Statistics Norway). 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 core markets and the broader county, as well as domestically, has remained flat at low levels in the 12 months ended April 2025. A minor decrease in unemployment in Kristiansand municipality has compensated for moderate increases in the smaller neighbouring municipalities.

Figure 5. Core markets

Municipality	Population, 1 Jan. 2025	Expected population change, 2025-2050 (%)	Unemployment, Apr. 2025 (%)	Unemployment, Apr. 2024 (%)
Kristiansand	118,221	18.1	1.8	1.9
Vennesla	11,734	14.0	2.0	1.5
Birkenes	5,413	15.5	1.8	1.2
Lillesand	15,622	10.8	2.2	2.0
Core markets	150,990	16.9	1.9	1.9
Agder county	322,188	11.1	1.9	1.9
Norway	5,594,340	9.9	2.0	2.0

Source: Statistics Norway, Norwegian Labour and Welfare Administration.

The port city of Kristiansand is located in Norway's sixth largest municipality in terms of inhabitants and eighth largest in terms of metropolitan area. As the largest city in southern Norway, the local economy is characterised by strong industry clusters and diverse job opportunities. This is supported by a youthful demographic profile, partly due to the presence of the University of Agder. Process and offshore industries are fundamental to the local economy, and world-leading companies have established bases in the area. Simultaneously, the region has established itself as a key player in renewable technology. As with many other Norwegian regions, the public sector is a major employer, particularly in healthcare, social welfare and education. In addition, the southern coastal region is an attractive leisure destination during the summer, stimulating the local service sector.

RISK APPETITE

Our risk profile assessment reflects Spareskillingsbanken's exceptional capital, good risk governance practices, large proportion of low-risk exposure segments and the ability to transfer loans to Verd

Regional assessment

Risk appetite assessment

Boligkreditt. The bank has a high regional concentration in the Kristiansand region, primarily secured by real estate.

Well-defined guidelines and solid reporting

Risk governance

In our view, Spareskillingsbanken's risk governance framework, risk appetite, limit monitoring and risk reporting are adequate, considering its balance sheet and risk profile. The bank has well-defined guidelines for risk governance and relevant risk areas. Furthermore, the bank has adequate guidelines to support anti-money laundering in its daily operations and has implemented an internal audit function as a third line of defence. This reduces the risk of related losses and fines, which the Norwegian regulator has levied on some banks. The bank's internal risk reporting and capital adequacy assessment processes are proportional to its risk profile. Loan growth over the past year has been moderately high (12.5%, including transferred loans), which increases pressure on risk governance practices. However, we believe the bank's higher portion of residential lending growth mitigates this, as well as our expectations of lower growth in our forecast.

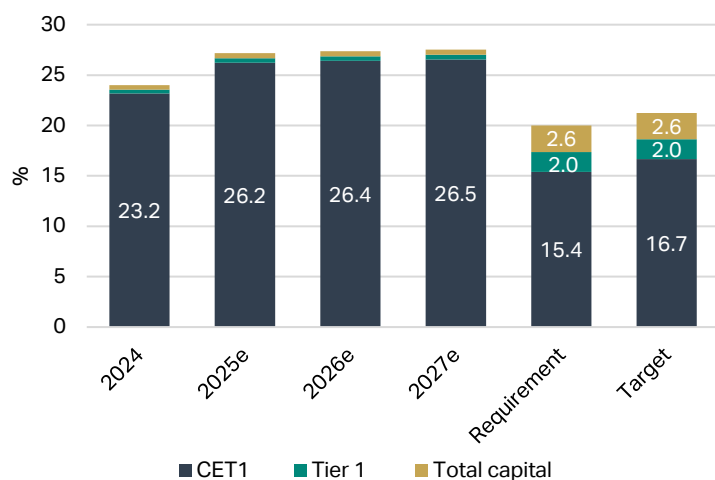
Spareskillingsbanken assesses environmental, social and governance (ESG) risk for all its corporate customers, which contributes to better risk awareness by the bank and sustainable behaviour among its customers. In addition, it is environmentally certified by Miljøfyrtårn/Eco-Lighthouse, which provides criteria and structure for products and solutions to minimise banks' environmental footprint. The bank has established a green bond framework for the issuance of green bonds, similar to the covered bond mortgage company Verd Boligkreditt, of which parts of the bank's mortgage portfolio are financed through.

Exceptional capital ratios post CRR3

Capital

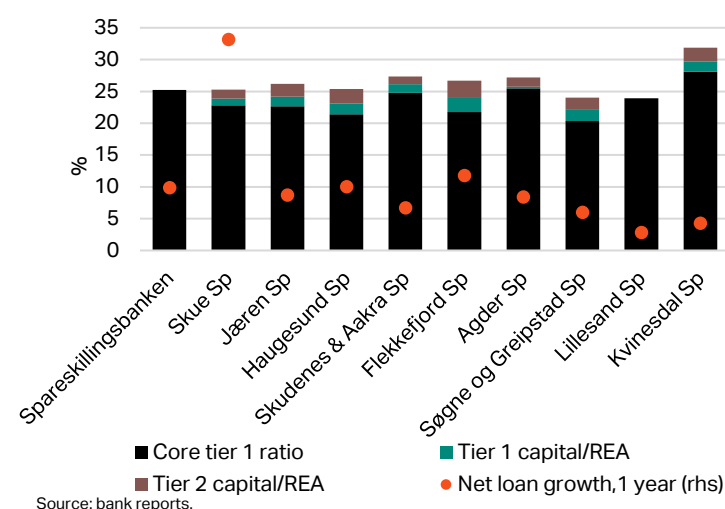
Our capital assessment takes into consideration Spareskillingsbanken's consolidated position, including its proportional holdings in Verd Boligkreditt and Brage Finans. The bank's consolidated common equity Tier 1 (CET1) ratio was 22.9% and its Tier 1 ratio 23.3% as of 31 Mar. 2025. The bank has not issued hybrid instruments and we note that the reported capital ratios would have been 0.2pp higher if 50% of the current year's profit had been included. These levels are strong compared to its minimum targets of 15.4% and 17.4% for CET1 and Tier 1 ratios, respectively, (including a 1.25pp management buffer). Its consolidated leverage ratio is at 10.3%, compared with a minimum regulatory requirement of 3%.

Figure 6. Consolidated capital ratios 2024–2027e, capital requirement and targets as of 31 Mar. 2025



Source: company, e-estimate. *Total pillar 2 guidance (P2G) of 2.5%

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



Source: bank reports.

We expect Spareskillingsbanken will increase its loan book by 7% annually in 2025–2027. In addition, we forecast return on equity will gradually decrease to 5.3% in 2027, from 8.4% in 2024. We assume payouts of 10% of net profits to gifts. Together with a positive regulatory impact as a result of CRR3, assumed to be 3% from 2025, we estimate exceptional consolidated Tier 1 ratio close to 27% in 2025–2027.

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.

Enabled green bond funding

Spareskillingsbanken's funding profile is diverse, with a relatively solid retail deposit base. The bank has also demonstrated access to capital market funding. The loan-to-deposit ratio increased to 125% as of 31 Mar. 2025, from remaining stable at around 120% in the years prior to 2023, due to lending growth exceeding deposit growth. We expect lending growth to increase slightly more than deposit growth, resulting in a loan-to-deposit ratio close to 130% in 2027. The bank has few single-name concentrations in its customer deposits and solid liquidity buffers (25% of customer deposits as of 31 Mar. 2025). The bank's liquidity coverage ratio was 139% and net stable funding ratio was 137% as of 31 Mar. 2025, well above its internal limits of 120% and 110%, respectively. The bank operates with a tighter liquidity coverage margin than the peer group average of 247%.

Spareskillingsbanken's most recent bond of NOK 300m has been issued under its green bond framework. As of 31 Mar. 2025, the bank had NOK 2.7bn in eight outstanding senior bonds with an average maturity of 2.4 years. In our forecast, we expect the bank to increase its senior debt funding by 10% annually, to NOK 3.4bn through 2027.

Funding and liquidity

Figure 8. Deposit metrics, 2021-2027e

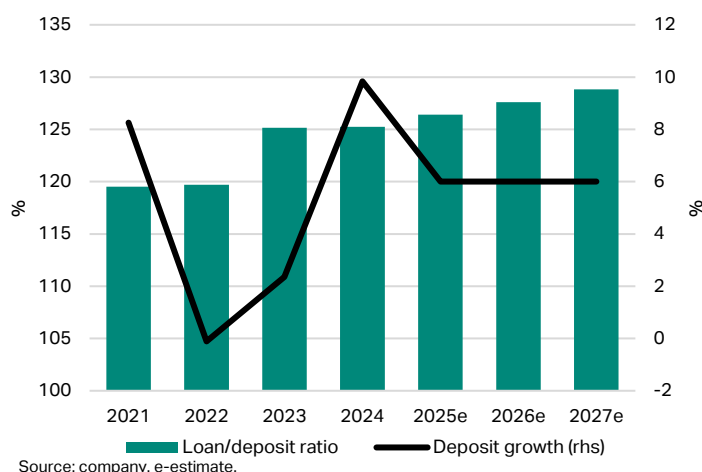
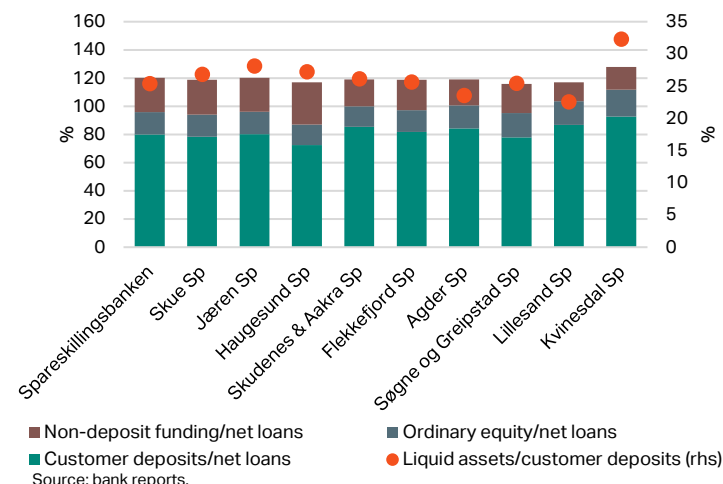


Figure 9. Norwegian savings bank funding profiles, 31 Dec. 2024



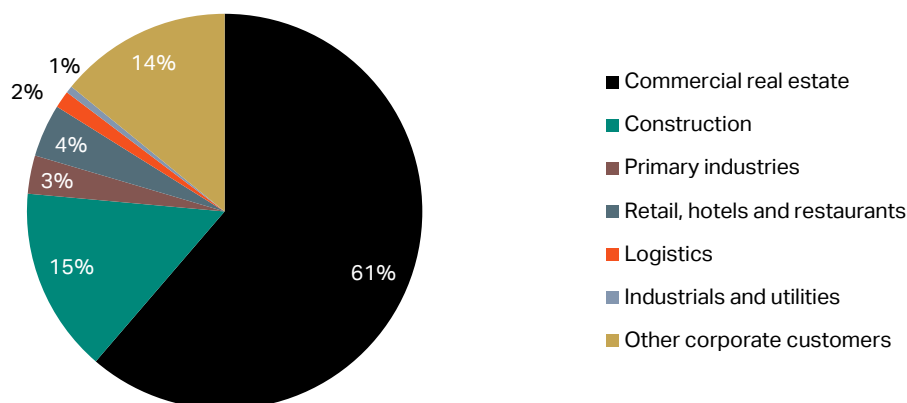
Verd Boligkreditt is a stable and important source of funding for Spareskillingsbanken. It provides access to more affordable funding for retail mortgages, with access to green financing and longer terms to maturity than the bank could source by itself. In the 12 months to 31 Mar. 2025, the bank increased its loans transferred to Verd Boligkreditt by 19% to NOK 2.6bn, accounting for 23% of residential mortgage lending on-and-off-balance-sheet. We expect the bank to continue to transfer a high proportion of its residential mortgage loans to Verd Boligkreditt, although at a similar pace as on-balance-sheet lending of 7%. In addition, the bank maintains a strong portfolio of readily transferrable loans as a liquidity buffer. This stood at about NOK 1.1bn as of 31 Dec. 2024.

Concentrated to Kristiansand

Spareskillingsbanken has a strong regional focus, with close to 80% of total lending located in Kristiansand municipality and 7% in the neighbouring municipalities of Lillesand, Birkenes and Vennesla. The bank does not promote lending to borrowers in other regions and customers outside its core market are mostly domestic migrants. Some 82% of the bank's exposures (including transferred loans) are to private customers and secured by housing. While we regard this as low-risk credit, it nonetheless increases the concentration of local borrowers and exposes the bank's collateral to any decline in property values. Housing price development in the region remains strong. Over the past five years, housing price growth in the Kristiansand region has significantly exceeded most of Norway's largest metropolitan areas, only surpassed by Stavanger's metropolitan area. Accordingly, historical housing price growth has strengthened the bank's collateral.

Credit and market risk

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



Source: company.

In the 12 months to 31 Mar. 2025, Spareskillingsbanken had gross loan growth of 12.5%, including transferred loans. This is split into 8.4% growth in on-balance sheet retail customers, 18.9% growth on transferred retail loans and 21.6% growth among corporate customers. We consider the high growth of the corporate segment a risk factor, although we take into account the relatively lower portion of corporate customers. Moreover, we anticipate the bank will maintain its share of corporate customers below or about 20% of total lending. Spareskillingsbanken's main corporate exposure is to commercial real estate, followed by construction. We remain concerned about corporate and commercial real-estate lending due to currently high interest and input costs and falling property prices. Our forecast envisages more moderate annual growth of 7% both on- and off-balance sheet through 2027.

Transferred loans generate commission income and accounted for 4% of Spareskillingsbanken's pre-provision income in 2024. However, the bank does not offload the associated risk on transferred loans, and we expect it to take back all non-performing loans to enable Verd Boligkreditt to maintain a clean cover pool. Verd Boligkreditt maintains the right to offset credit losses against commission income owed to the bank. Due to the high credit quality of transferred loans and repatriation agreements, Verd Boligkreditt has never incurred actual credit losses. We do not consider market risk to be material for Spareskillingsbanken, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

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COMPETITIVE POSITION

Competitive position

Spareskillingsbanken has a local focus and a moderate position in its core market. Larger banks such as DNB, Nordea and Sparebanken Norge have an active presence in the Kristiansand region due to its high population density and economic activity. Several smaller savings banks are also based in neighbouring regions, of which Kvinesdal Sparebank and Valle Sparebank have established offices in central Kristiansand. Spareskillingsbanken has increased its market share of residential mortgages during each quarter during 2024 and has now surpassed 10%. Given a projected loan growth of 7%, we expect the bank to continue gaining market share at a slow pace through 2027.

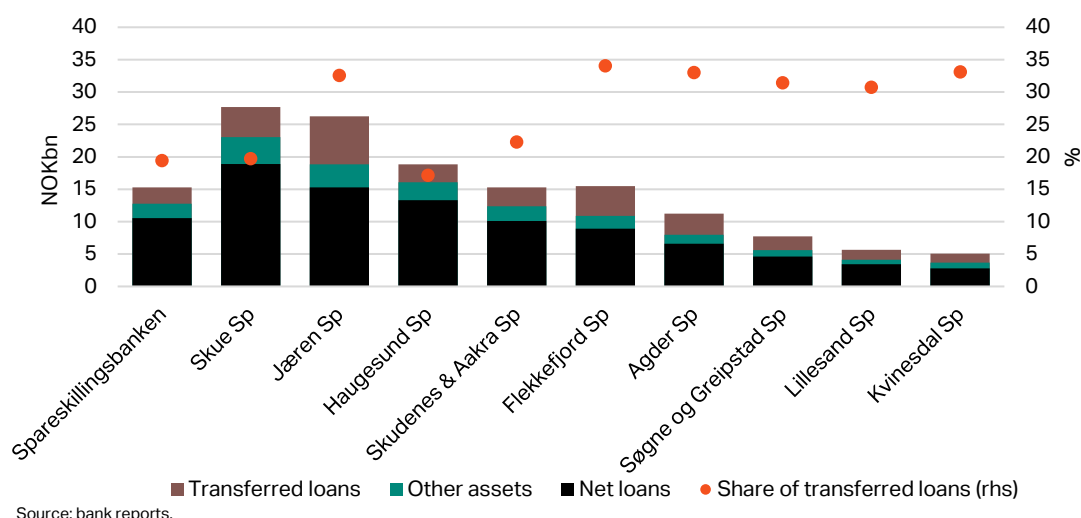
We believe Spareskillingsbanken's local presence and its contributions to the local community support its competitive position. Moreover, we expect the new branch in Vennesla to strengthen the bank's competitive position north of Kristiansand. We also expect growth to be supported by the bank's new real-estate agency in the centre of Kristiansand. The implementation of CRR3 should also strengthen its competitiveness against larger savings banks using the internal ratings-based approach to credit risk.

Membership in Lokalbanksamarbeidet diversifies Spareskillingsbanken'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. Membership in the larger Frendegruppen will, we believe, strengthen Spareskillingsbanken's long-term competitive position through improved economies of scale and efficiency gains.

We consider Spareskillingsbanken's role in, and financial contributions to, its core market as a positive rating factor. 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 11. Norwegian savings banks' total assets and net lending, 31 Dec. 2024



PERFORMANCE INDICATORS

Performance indicators

We anticipate Spareskillingsbanken's earnings will be somewhat weakened by interest rate cuts and heightened competition, although maintained at solid levels. The bank has a lower proportion of non-performing loans than its peer group average and we expect loans losses to remain low.

Stiffer regional competition affects net interest margin

Earnings

High interest rates have improved Spareskillingsbanken's net interest margin since 2022, reversing years of margin pressure stemming from low interest rates and competition for mortgage loans. We note that the bank has a track record of somewhat lower net interest margins and believe this is partly due to higher competition in the Kristiansand region compared to other regions. 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. Positively, we believe that sales of insurance products from Frende Forsikring will gain increasing importance.

The bank has operated with a strong average cost-to-income ratio of 46% in the last five years and stood at 44% in the 12 months ended 31 Mar. 2025. In our forecast, we expect loan growth to offset decline in net interest margins and result in a relatively flat operating income through 2027. Together with moderate growth in operating costs, we expect cost efficiency to decline towards 55% in 2027. Accordingly, we also believe the consolidated pre-provision income (PPI) to risk exposure amount (REA) will decline towards 2.1% in 2027, compared to 2.5% in the 12 months ended 31 Mar. 2025. We note that PPI to REA is supported by the bank's lower REA from 2025 due to the effects of implementing CRR3.

Figure 12. Norwegian savings banks' annualised net interest margins, Q1 2024 – Q4 2024

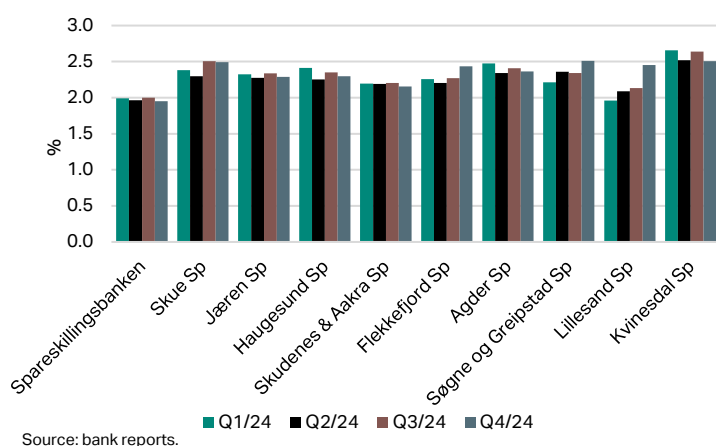


Figure 13. Norwegian savings banks' cost efficiency metrics, 2024

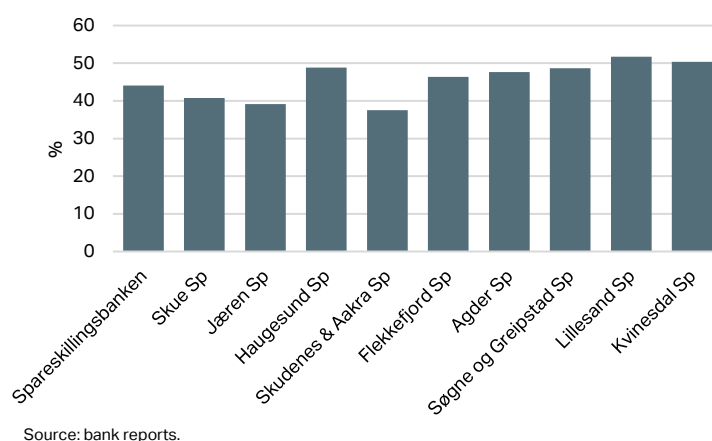


Figure 14. Norwegian savings banks' PPI to REA*, 2024

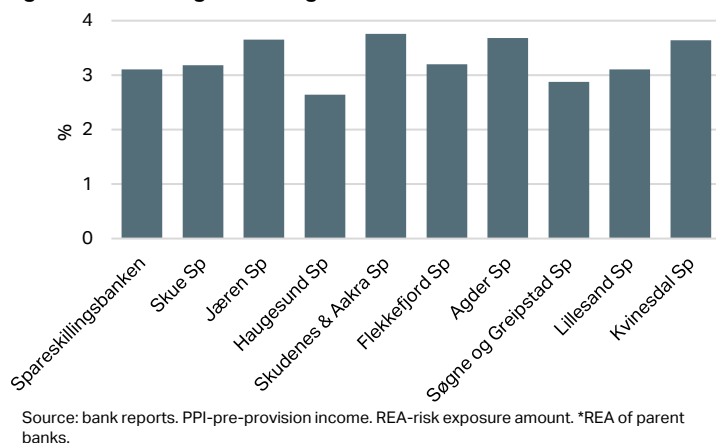
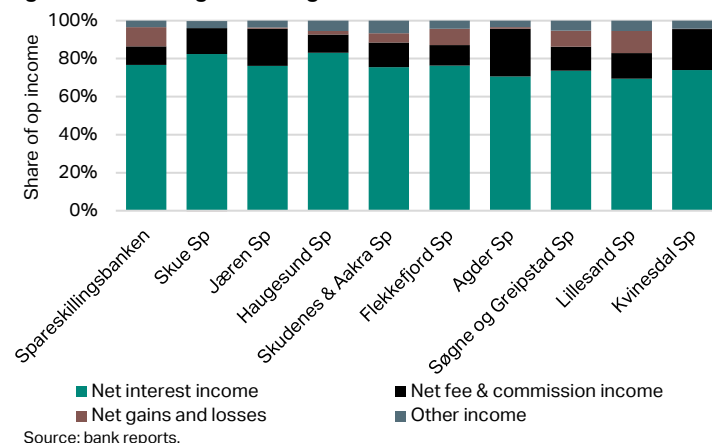


Figure 15. Norwegian savings banks' income breakdown, 2024



Projections of low loan losses

Loss performance

Spareskillingsbanken booked loans losses of NOK 4m in the first three months of 2025, against NOK 1m in 2024. Losses have remained low and below 10bps of net loans in recent years, post additional one-off losses in 2020. We project loan losses to remain slightly below 10bps for 2025–2027. The bank's net Stage 3 loans remain low at 0.7% as of 31 Mar. 2025, equivalent to the average of the last five years. This compares to a peer group average of 1.1%. We expect the proportion of net Stage 3 loans to remain at similarly low levels through 2027.

Figure 16. Norwegian savings banks asset quality metrics, 2024

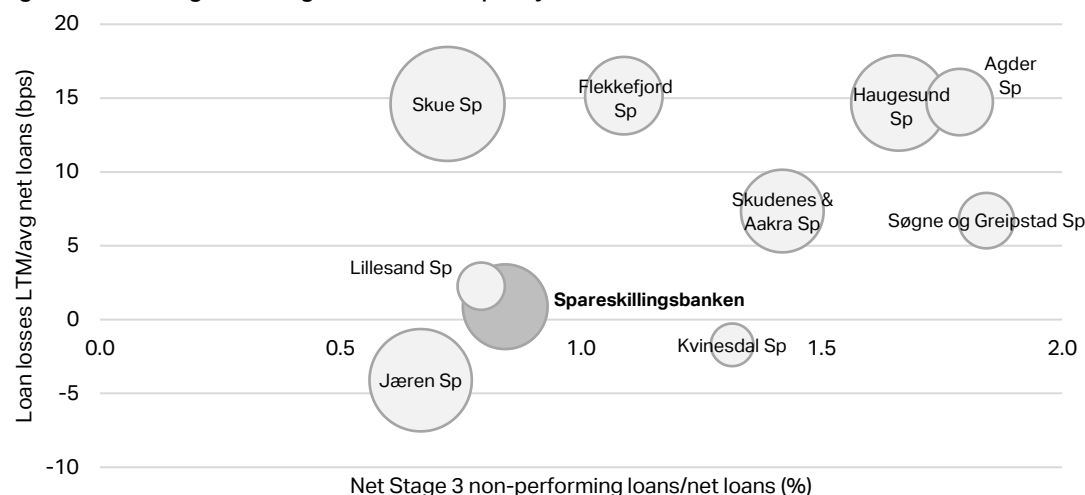
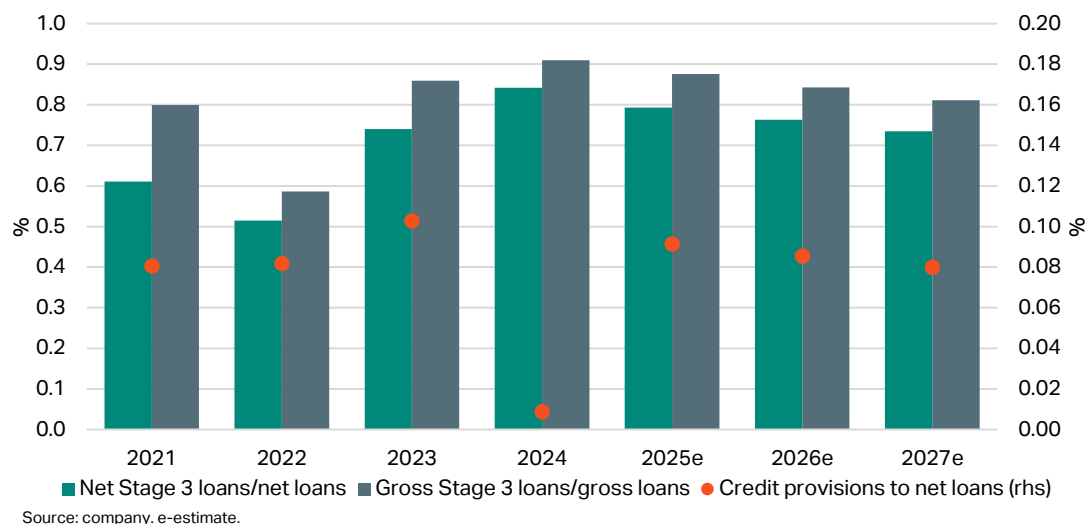


Figure 17. Asset quality metrics, 2021–2027e



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. 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 (0)
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 view Spareskillingsbanken'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 and reinvests profits in the local community. Many Norwegian savings banks have chosen to issue equity instruments (equity capital certificates) to finance growth or to recapitalise. Thus far, Spareskillingsbanken 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 Spareskillingsbanken's unsecured senior debt is in line with the 'A-' long-term issuer rating. The bank has not issued Tier 2 or Additional Tier 1 instruments, which we likely would rate one and three notches, respectively, below the issuer rating if it chooses to do so. Consequently, a Tier 2 instrument would be rated 'BBB+', while an Additional Tier 1 instrument would be rated '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 Spareskillingsbanken's access to central bank funding and our assessment that the bank's liquidity is adequate, with an average liquidity coverage ratio of 175% 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 19. Spareskillingsbanken 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	72.3	80.3	79.5	76.7	76.3
Net fee income to op. revenue	13.6	11.8	9.9	9.7	10.3
Net gains and losses/operating revenue	6.0	0.3	5.7	10.1	7.8
Net other income to op. revenue	8.2	7.6	5.0	3.5	5.6
EARNINGS					
Net interest income to financial assets	1.4	1.7	2.0	2.0	1.8
Net interest income to net loans	1.7	2.0	2.4	2.4	2.2
Pre-provision income to REA	2.2	2.3	3.0	3.1	2.5
Core pre-provision income to REA (NII & NF&C)	1.6	1.9	2.4	2.4	1.8
Return on ordinary equity	6.5	6.3	7.8	8.4	6.5
Return on assets	0.8	0.8	1.0	1.1	0.9
Cost-to-income ratio	44.2	47.4	43.7	44.1	51.8
Core cost-to-income ratio (NII & NF&C)	51.5	51.5	48.9	51.0	59.8
CAPITAL					
CET1 ratio	25.8	26.5	25.6	25.2	24.3
Tier 1 ratio	25.8	26.5	25.6	25.2	24.3
Capital ratio	25.8	26.5	25.6	25.2	24.3
REA to assets	48.2	47.7	46.1	46.0	46.4
Dividend payout ratio					
Leverage ratio	10.5	10.5	10.5	11.5	11.2
Consolidated CET1 ratio	22.9	23.8	23.4	23.2	22.5
Consolidated Tier 1 ratio	23.1	24.1	23.7	23.5	22.9
Consolidated Capital ratio	23.4	23.7	24.0	24.0	23.3
Consolidated Leverage ratio	10.5	10.5	10.5	10.5	10.3
GROWTH					
Asset growth	6.2	3.2	5.4	9.5	2.1
Loan growth	6.2	0.0	7.0	9.9	2.2
Deposit growth	8.3	-0.1	2.4	9.8	0.9
LOSS PERFORMANCE					
Credit provisions to net loans	0.08	0.08	0.10	0.01	0.11
Stage 3 coverage ratio	23.86	12.50	14.12	7.68	8.50
Stage 3 loans to gross loans	0.80	0.59	0.86	0.91	0.72
Net stage 3 loans to net loans	0.61	0.51	0.74	0.84	0.66
Net stage 3 loans/ordinary equity	3.99	3.17	4.53	5.24	4.14
FUNDING & LIQUIDITY					
Loan to deposit ratio	119.5	119.7	125.2	125.2	126.9
Liquid assets to deposit ratio	22.5	27.1	26.0	25.4	25.4
Net stable funding ratio	145.5	146.2	147.0	138.0	137.1
Liquidity coverage ratio	157.3	157.3	157.3	0.0	138.7

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q1 2025 YTD
BALANCE SHEET					
Total assets	10,715	11,055	11,655	12,762	13,036
Total tangible assets	10,714	11,055	11,655	12,761	13,035
Total financial assets	10,666	11,010	11,610	12,704	12,958
Net loans and advances to customers	8,976	8,980	9,611	10,563	10,796
Total securities	1,272	1,482	1,603	1,454	1,540
Customer deposits	7,510	7,502	7,679	8,434	8,510
Issued securities	1,792	2,047	2,347	2,551	2,726
of which other senior debt	1,792	2,047	2,347	2,551	2,726
of which subordinated debt	–	–	–	–	–
Total equity	1,373	1,456	1,570	1,697	1,724
of which ordinary equity	1,373	1,456	1,570	1,697	1,724
CAPITAL					
Common equity tier 1	1,331	1,396	1,377	1,480	1,468
Tier 1	1,331	1,396	1,377	1,480	1,468
Total capital	1,331	1,396	1,377	1,480	1,468
REA	5,166	5,274	5,377	5,867	6,054
INCOME STATEMENT					
Operating revenues	202	226	283	312	77
Pre-provision operating profit	113	119	159	175	37
Impairments	8	8	10	1	4
Net Income	87	89	118	138	28

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

Figure 20. Spareskillingsbanken rating scorecard

Subfactors	Impact	Score
National banking environment	5.0%	a
Sector exposure assessment	-	-
Regional assessment	15.0%	a-
Cross border assessment	-	-
Operating environment	20.0%	a-
Risk governance	7.5%	a-
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%	a
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
Issuer rating		A-
Outlook		Stable
Short-term rating		N2

Figure 21. Capital structure ratings

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

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