

NOBA Bank Group AB (publ)

Rating Action Report

LONG-TERM RATING

BBB

OUTLOOK

Stable

SHORT-TERM RATING

N3

PRIMARY ANALYST

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.com

SECONDARY CONTACTS

Ylva Forsberg
+46768806742
ylva.forsberg@nordiccreditrating.com

Geir Kristiansen
+4790784593
geir.kristiansen@nordiccreditrating.com

NOBA Bank Group AB (publ) 'BBB' long-term issuer rating affirmed with stable outlook; removed from criteria review

Nordic Credit Rating (NCR) has affirmed its 'BBB' long-term issuer rating on Sweden-based [NOBA Bank Group AB \(publ\)](#) (NOBA). The outlook is stable. The 'N3' short-term issuer rating, the 'BBB' senior unsecured issue rating, the 'BB+' Tier 2 issue rating and the 'BB-' Additional Tier 1 issue rating have also been affirmed, in accordance with NCR's revised financial institutions rating methodology. The ratings are no longer under criteria review.

Rating rationale

NCR has reviewed its long-term and short-term issuer ratings, issue ratings, and outlook on NOBA following the revision of its methodology for assigning ratings to financial institutions (see Related publications). We consider that our amendments to the methodology have not had a material impact on our view of the bank's creditworthiness, and that there have not been significant changes in its overall risk profile. Consequently, we have affirmed our ratings and maintained the stable outlook on the ratings on NOBA.

Stable outlook

The stable outlook reflects our expectation that NOBA's strong earnings and growth rates of 10-13% will provide improved capital flexibility. We project a reduction in loss provisions in our forecast, although years of low real wage growth continue to hamper the bank's customer base. Nevertheless, the bank's increasing economies of scale improve resilience and continued growth across its markets, and its products provide diversification. We do not expect an eventual change in ownership will affect our long-term rating on NOBA.

We could raise the ratings to reflect a combination of increased stability in the operating environment for consumer lenders, demonstrated improvements in NOBA's asset quality metrics and economies of scale, and a Tier 1 ratio sustainably above 15%, with improved capital flexibility.

We could lower the ratings to reflect a Tier 1 ratio sustainably below 15% or a common equity Tier 1 ratio margin to requirements sustainably below 3%. We could also lower the ratings due to weakened loss performance or increased credit risk appetite or if regulatory changes adversely affect consumer lending operations.

Related publications

- i) [NOBA Bank Group AB \(publ\) 'BBB' long-term issuer rating affirmed; Outlook stable](#), 31 Mar. 2025.
- ii) [Nordic Credit Rating publishes amended Financial Institutions Rating Methodology](#), 12 May 2025.

Rating list	To	From
Long-term issuer credit rating:	BBB	BBB
Outlook:	Stable	Stable
Short-term issuer credit rating:	N3	N3
Senior unsecured issue rating:	BBB	BBB
Tier 2 issue rating:	BB+	BB+
Additional Tier 1 issue rating:	BB-	BB-

Figure 1. NOBA rating scorecard

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

Figure 2. Capital structure ratings

Seniority	To	From
Senior unsecured	BBB	BBB
Tier 2	BB+	BB+
Additional Tier 1	BB-	BB-

Type of credit rating:	Long-term issuer credit rating Short-term issuer credit rating Issue credit rating
Publication date:	The rating was first published on 29 Jun. 2021.
Office responsible for the credit rating:	Nordic Credit Rating AS (NCR), Oslo, Norway. NCR is a registered credit rating agency under Regulation (EC) No 1060/2009.
Primary analyst:	Sean Cotten, +46735600337, sean.cotten@nordiccreditrating.com
Rating committee chairperson responsible for approval of the credit rating:	Geir Kristiansen, +4790784593, geir.kristiansen@nordiccreditrating.com
Were ESG factors a key driver behind the change to the credit rating or rating outlook?	No.
Methodology used when determining the credit rating:	NCR's Financial Institutions Rating Methodology published on 12 May 2025 NCR's Rating Principles published on 14 Feb. 2024 NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024 The methodology and principles documents provide analytical guidance to NCR's rating activities including but not limited to, assumptions, parameters, cash flow analysis, and stress-testing. NCR's methodologies and principles can be found on our website nordiccreditrating.com/governance/policies . The historical default rates of entities and securities rated by NCR will be viewed on the central platform (CEREP) of the European Securities and Markets Authority (ESMA) .
Materials used when determining the credit rating:	Annual- and quarterly reports of the rated entity, Bond prospectuses, Company presentations, Data provided by external data providers, External market reports, Meetings with management of the rated entity, Non-public information, Press reports/public information, Website of rated entity.
Potential conflicts of interest:	The rating is NCR's independent opinion of the rated entity's relative creditworthiness. The rating is solicited, i.e. it is prepared for a fee paid by the rated entity. At the time of analysis and publication neither NCR nor any of the analysts or persons involved in the rating process held any interest, ownership interest or securities in the rated entity. NCR does not have any direct or indirect shareholder with a holding of more than 5% of NCR's shares and votes. For further information, please refer to NCR's conflict of interest policy which is available on: https://nordiccreditrating.com/governance/policies
Additional information:	Prior to publication, the rating was disclosed to the rated entity. The issuer was given 24 hours (of which 8 business hours) to remark on factual errors and/or the inadvertent inclusion of confidential information, if applicable. The rating was not amended after the review by the issuer. No stress test or cash flow forecasting was performed. NCR's rating is an opinion regarding the relative creditworthiness of an entity or an instrument. It is not a prediction, guarantee or recommendation to buy, hold or sell securities. NCR assigns outlooks to issuer ratings to indicate where they could move in the near term, normally 12–18 months. Further information on the rating process, rating definitions and limitations is available on our website: nordiccreditrating.com/governance/policies .
Ancillary services provided:	No ancillary services have been provided in the last 12 months.
Regulations:	This rating was issued and disclosed under Regulation (EC) No 1060/2009.
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