

Melhus Sparebank

Full Rating Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

PRIMARY ANALYST

Geir Kristiansen
+4790784593
geir.kristiansen@nordiccreditrating.com

SECONDARY CONTACTS

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.comElisabeth Adebäck
+46700442775
elisabeth.adeback@nordiccreditrating.com

RATING RATIONALE

Our 'A-' long-term issuer rating on Norway-based Melhus Sparebank (MelhusBanken) reflects the bank's robust capital position, low risk appetite and strong earnings. The bank is a member of the Eika banking alliance, which we view as positive, as it provides product diversity, shared development costs and the opportunity to finance residential retail mortgages through mortgage company Eika Boligkreditt. We expect strong cost efficiency to support the bank's core earnings despite a likely decline in net interest margins over the next few years. We also expect robust pre-provision profit to offset late-cycle loan losses.

The rating is constrained by the bank's concentrated exposure to real-estate project financing in the municipalities of Melhus and Trondheim in central Norway and a high level of non-performing loans relative to peers. It is also constrained by strong competition in its core market and its low market share in the larger municipality of Trondheim.

STABLE OUTLOOK

The outlook is stable, reflecting our view that the bank's strong earnings metrics and solid capitalisation will offset elevated late-cycle credit losses. We also believe the bank's low risk appetite and robust real estate collateral to support its resilience to a moderate economic slowdown. In addition, we expect that the real estate market in the bank's core area will benefit from lower interest rates.

POTENTIAL POSITIVE RATING DRIVERS

- Consolidated Tier 1 ratio sustainably above 25%; and
- Pre-provision income (PPI) to risk exposure amount (REA) sustainably above 3%; and
- Reduced uncertainty about credit risk and improved asset quality metrics.

POTENTIAL NEGATIVE RATING DRIVERS

- A lack of improvement in credit quality.
- A reduction in the Tier 1 capital ratio to below 22% over a protracted period.
- Risk-adjusted earnings metrics below 2% of REA or cost/income above 50% over a protracted period.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.7	1.9	2.4	2.4	2.4	2.3	2.3
Loan losses/net loans	-0.10	0.10	0.25	0.17	0.16	0.14	0.10
Pre-provision income/REA	2.0	1.9	2.7	2.7	2.6	2.7	2.8
Cost-to-income	47.8	48.7	41.7	43.2	45.2	44.9	42.3
Return on ordinary equity	9.1	8.0	9.7	9.2	8.6	8.6	9.3
Loan growth	4.9	4.1	4.6	1.7	5.0	8.0	8.0
CET1 ratio	17.4	18.1	18.1	18.3	20.4	20.2	20.2
Tier 1 ratio	19.0	19.4	19.8	20.0	22.1	21.8	21.7

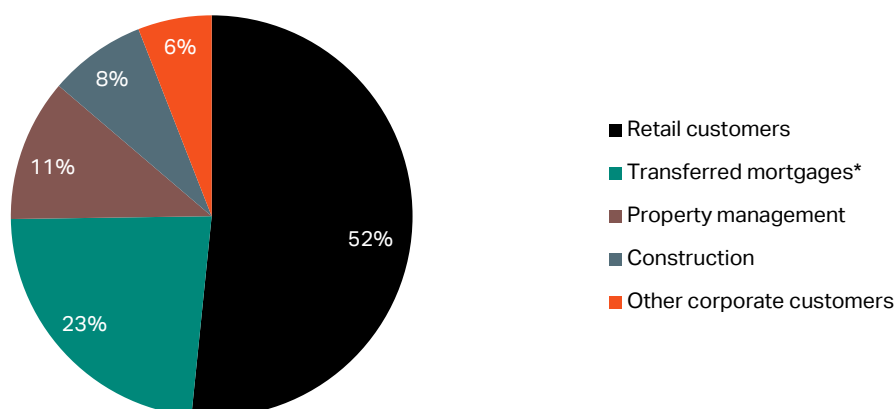
Source: company and NCR. e=estimate. REA=risk exposure amount. CET1=common equity Tier 1. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

MelhusBanken is a Norwegian savings bank headquartered in Melhus municipality, Trøndelag county. Established in 1840, it is one of the country's oldest independent savings banks. MelhusBanken offers a range of financial services to household and corporate borrowers. These services include savings accounts, loans, mortgages, investment services, insurance and advisory services related to personal and business finance. The bank has a strong local presence, primarily serving the community in Melhus municipality and the regional centre of Trondheim. MelhusBanken has three branches in Melhus and two in Trondheim. As of 30 Jun. 2025, the bank had total net lending of NOK 12.7bn (including NOK 2.9bn in retail mortgage loans transferred to Eika Boligkreditt). Lending is evenly split between Melhus and Trondheim. The bank also owns 41.5% of real estate brokerage Heimdal Eiendomsmegling, which has a market share of about 15% in Trøndelag county, and 34% of Melhus Regnskap, the leading accountancy company in Melhus municipality.

MelhusBanken is a member of the Eika alliance, a network of Norwegian savings banks that collaborates to improve their service offerings, technology and product development while maintaining local independence. Through this alliance, MelhusBanken's customers benefit from enhanced digital banking services and access to a wide range of financial products.

Figure 2. Gross loans by sector, including transferred loans, 30 Jun. 2025



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

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national and regional factors in our assessment of the operating environment. MelhusBanken operates in a region with above-average economic growth prospects. 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 cope.

Norwegian savings banks resilient to slowing economic activity

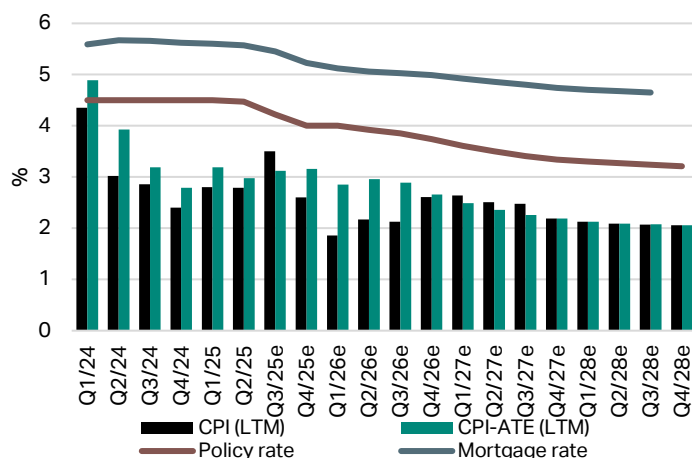
National banking environment

Norwegian savings banks' net interest margins have widened significantly due to high domestic interest rates since 2021. This, together with strong lending growth, has boosted earnings across the sector. The central bank has begun a gradual normalisation of the policy rate, reducing it by 25bps on 19 Jun. 2025 and again on 18 Sep. 2025. We do not anticipate additional cuts in 2025. Persistently high inflation above target, combined with shifts in global trade and tariff policies, adds to the uncertainty about the direction of interest rates path and clouds the outlook for economic growth. We believe, though, that falling interest rates, heightened competition and marginally increased loan losses will slow earnings growth and lead to lower returns on equity during our forecast period.

As intended, still-high interest rates are helping to slow the economy. High interest rates and weak economic conditions sparked an increase in loan-loss provisions among domestic savings banks in 2023 and 2024. Loan-loss provisions have declined somewhat in 2025 and we expect the interest rate

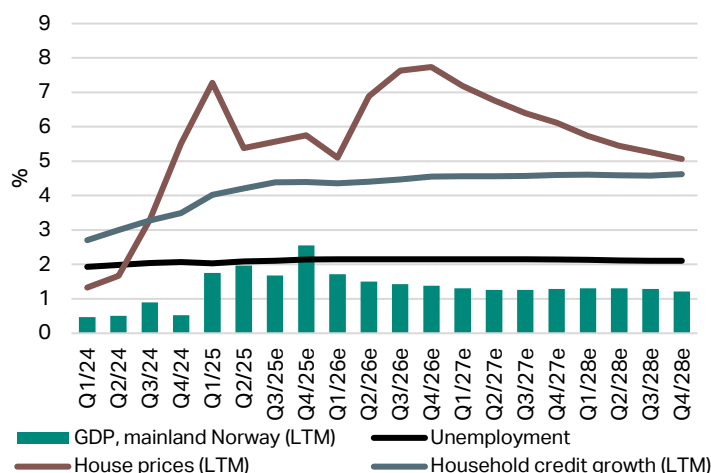
cuts to improve asset quality. In our view, Norway's savings banks are well capitalised and have strong pre-provision profitability, which makes them relatively resilient to increased credit losses.

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.

Exposure to the greater Trondheim region

Melhus municipality borders the larger municipality of Trondheim to the north and about half of the workforce in Melhus municipality commutes to Trondheim. Melhus municipality's economy is mainly agricultural and the municipality itself is the largest employer. Both Melhus and Trondheim have a stronger expected population growth and lower unemployment than the national average. The region also has a less cyclical economy due to high levels of public sector employment and a focus on agriculture. Trondheim is also a centre for the large salmon farming industry in Trøndelag county.

More than 50% of MelhusBanken's total lending and a significantly larger proportion of corporate lending are located in Trondheim; the regional centre and the fourth largest city in Norway. Trondheim has a diverse economy and is also a university hub with 40,000 students. Accordingly, lending to owners of rental properties represents an important business opportunity.

Figure 5. Core markets

Municipality	Population, Q2 2025	Expected population change, 2025-2050 (%)	Unemployment, Aug. 2025 (%)	Unemployment, Aug. 2024 (%)
Melhus	17,864	9.8	2.0	1.9
Trondheim	216,752	15.5	1.9	1.8
Core markets	234,616	15.1	1.9	1.8
Trøndelag county	487,220	8.7	1.9	1.7
Norway	5,606,944	9.1	2.2	2.1

Source: Statistics Norway, Norwegian Labour and Welfare Administration.

RISK APPETITE

Risk appetite

Our assessment of MelhusBanken's risk profile reflects the bank's strong capital, diverse funding access, large proportion of residential mortgage lending and ability to transfer loans to Eika Boligkreditt. Risk governance and internal risk reporting are adequate, in view of the bank's risk profile and complexity. The bank has some regional concentrations in its core markets and a significant proportion of property lending, including project financing.

Risk governance proportional to structural complexity

Risk governance

In our view, MelhusBanken's risk governance framework, risk appetite, limit monitoring and risk reporting are in proportion to its balance sheet and risk profile. The bank has well-defined guidelines for risk governance and relevant risk areas. It has also established anti-money laundering routines and policies, reducing the risk of related regulatory fines and associated losses. The bank's internal risk reporting and internal capital adequacy assessment processes are proportional to its risk profile.

MelhusBanken's membership in the Eika alliance provides it with additional resources for future sustainability efforts. The bank has established credit-related guidelines to assess climate and sustainability risks for its corporate customers. It is environmentally certified by Miljøfyrtårn/Eco-Lighthouse, which provides criteria and structure for products and solutions to minimise banks' environmental footprint. Its Eika alliance membership provides additional resources for future development in this area. Parts of the bank's mortgage portfolio are financed through Eika Boligkreditt, which has established a framework for issuing green bonds.

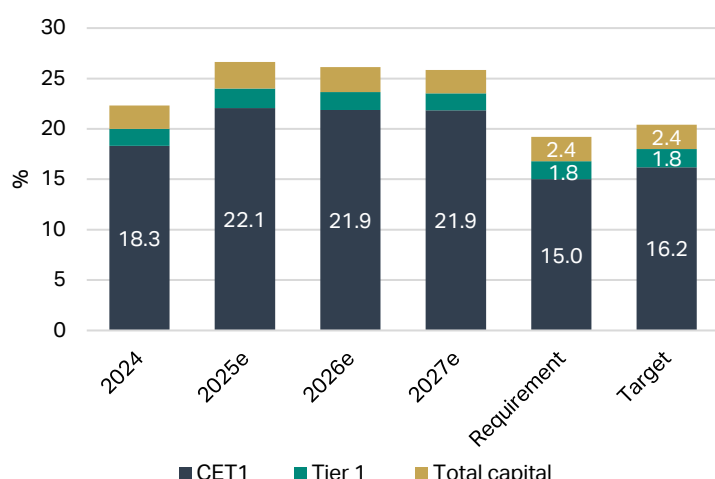
Strong capital boost from CRR3

Capital

Our capital assessment takes into consideration MelhusBanken's consolidated position, including its proportional holdings in Eika Gruppen and Eika Boligkreditt. The bank's consolidated Common Equity Tier 1 (CET1) ratio was 20.2% and its Tier 1 ratio 22.1% as of 30 Jun. 2025. The regulatory CET1 requirement is currently 15.3% and the bank's target, including a management buffer, is 16.8%. We note that the reported capital ratios would have been 0.6pp higher if 50% of the current year's profit had been included. We also note the implementation of CRR3 in the second quarter of 2025, which boosted capital ratios by about 3pp.

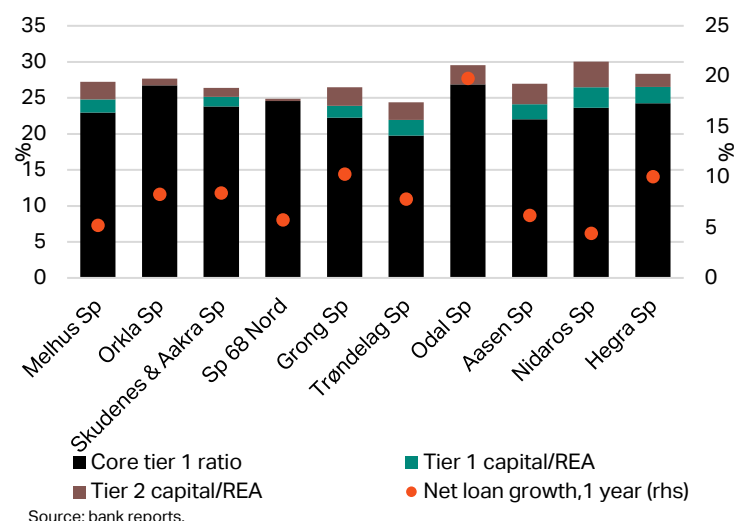
We expect moderate growth, particularly in corporate lending, in the 2025–2027 period and forecast a return on equity of around 9%. We therefore expect relatively stable capital ratios. Equity capital certificate (ECC) holders' share of equity and profit is currently 33%. The bank's policy is to distribute 50–100% of net profit in dividends to holders of ECCs on a proportionate basis. We assume a 100% payout ratio from 2026.

Figure 6. Consolidated capital ratios 2024–2027e, capital requirement and targets, 30 Jun. 2025



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

Figure 7. Norwegian savings bank unconsolidated capital ratios and loan growth, 30 Jun. 2025



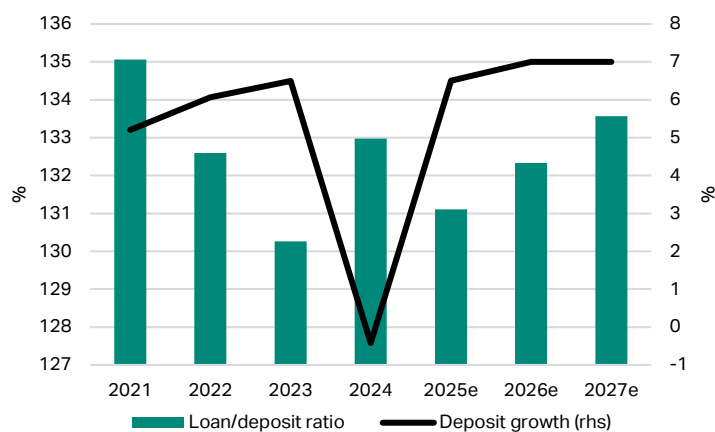
Source: bank reports.

Broad spectrum of funding sources

Funding and liquidity

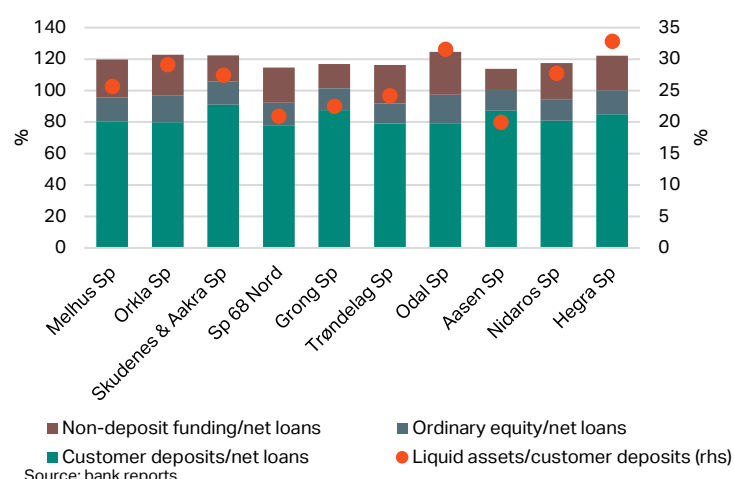
MelhusBanken's funding and liquidity position is diverse, with a strong deposit base and proven access to capital market funding. We note, however, that some concentration risk exists, together with a high proportion of institutional funding. This risk is mitigated by lock-in periods of 3–12 months for a significant proportion of deposits. The bank has moderate liquidity buffers at about 19% of customer deposits. The liquidity coverage ratio was 353% and the net stable funding ratio 120% as of 30 Jun. 2025, well above the regulatory requirements of 100%. We expect the bank to maintain strong regulatory measures, given internal limits.

Figure 8. Deposit metrics, 2021-2027e



Source: company, e-estimate.

Figure 9. Norwegian savings bank funding profiles, 30 Jun. 2025



Source: bank reports.

MelhusBanken had NOK 2.55bn in outstanding senior bonds as of 30 Jun. 2025, with an average time-to-maturity of about 2.8 years. In our forecast, we expect the bank to refinance debt through new issuance with longer time to maturity. We also project a relatively stable loan to deposit ratio on the balance sheet and a slightly increasing use of off-balance financing through Eika Boligkreditt, which is an important source of funding for MelhusBanken. Eika Boligkreditt provides access to more affordable funding for retail mortgages, with longer terms to maturity than the bank could source by itself. The bank had transferred 31% of total retail mortgage lending to Eika Boligkreditt as of 30 Jun. 2025.

Strong regional focus

MelhusBanken has a strong regional focus, with more than 90% of the loan portfolio located in its core markets. Some 78% of the bank's exposures (including transferred loans) are to private and agricultural customers and secured by housing and agricultural properties. While we regard this as low-risk credit, it nonetheless increases the concentration of local borrowers and exposes the bank's collateral to any decline in property values. Housing prices and real-estate values in the region have been stable over the past 12 months, despite rising interest rates, and housing prices in the region are close to the national average. MelhusBanken's main corporate exposure is to commercial real estate, followed by construction. We remain concerned about corporate and commercial real-estate lending, due to high interest costs and lower property prices. An added risk factor for MelhusBanken is that a significant proportion of commercial real estate exposure consists of project financing.

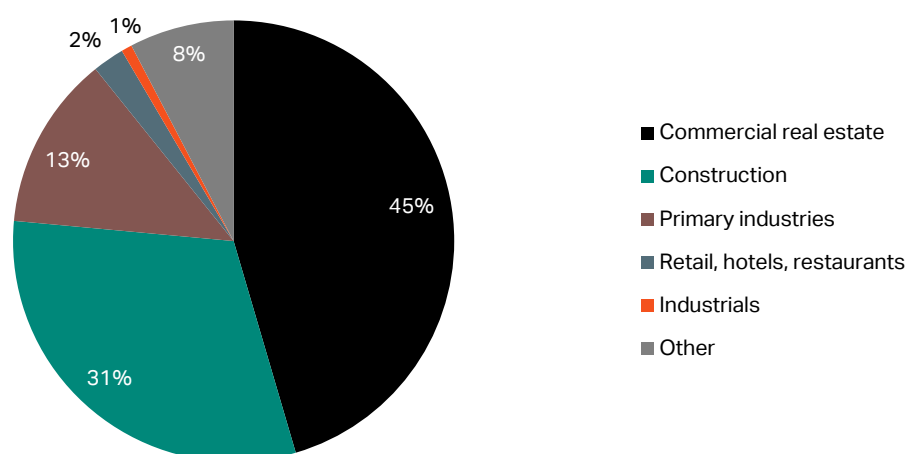
MelhusBanken's gross loans (including transferred loans) increased by 6.2% in the 12 months ended 30 Jun. 2025, and loan growth was relatively balanced between retail and corporate lending. Our forecast includes loan growth of 5% for 2025 (6% including transferred loans), and 8% for both 2026 and 2027. We believe that the bank will increase its focus on retail lending growth to preserve its credit risk profile.

MelhusBanken does not offload the risk associated with transferred loans and we expect it to take back all non-performing loans to enable Eika Boligkreditt to maintain a clean cover pool. MelhusBanken has always accepted repatriated loans, but in the event that repatriation should not prove possible, it guarantees 1% of transferred loans and covers 80% of any net loss incurred by Eika Boligkreditt through a loss guarantee. The bank is jointly liable with existing Eika alliance banks for losses not covered by the guarantee. Due to the high credit quality of transferred loans and repatriation agreements, Eika Bologkreditt has never incurred actual credit losses.

We do not believe market risk is a material factor for MelhusBanken, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

Credit and market risk

Figure 10. Corporate gross loans by industry, 30 Jun. 2025



Source: company.

COMPETITIVE POSITION

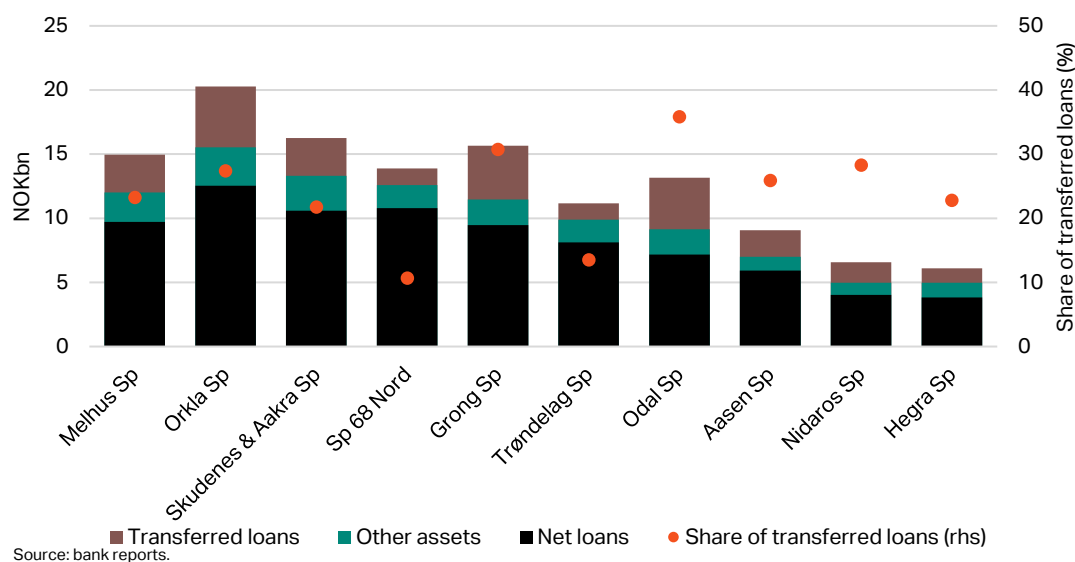
Competitive position

MelhusBanken has a regional focus and a strong market position in Melhus municipality with a market share of close to 25%. SpareBank 1 SMN is the market leader in MelhusBanken's core area of operations, both in retail and corporate banking, and has increased its sales efforts. MelhusBanken sees growth potential in Trondheim, where its market share is only 3–4%.

Through the Eika alliance, the bank offers customers insurance, debit and credit products, asset management and real estate agency services. In addition, its ownership in real estate brokerage and accountancy businesses outside the alliance supports diversification.

MelhusBanken's operations are concentrated in its core markets, and we consider its role in and meaningful contributions to its local market as positive rating factors. The bank's primary environmental, social and governance (ESG) attribute is its strong sense of social responsibility to its local communities. The bank also funds social and cultural activities to support these communities.

Figure 11. Norwegian savings banks' total assets and net lending, 30 Jun. 2025



Source: bank reports.

PERFORMANCE INDICATORS

Performance indicators

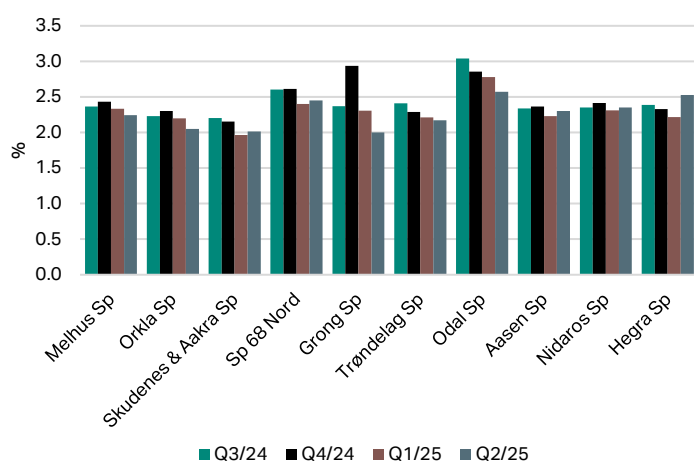
MelhusBanken reported relatively strong profitability in 2023, 2024 and year-to-date 2025. We forecast modest revenue growth, reflecting increased pressure on interest margins. Cost efficiency is expected to remain strong. Loan losses are likely to stay elevated for some time due to a weak newbuild property market.

Earnings

Earnings boosted by net provisions and cost efficiency

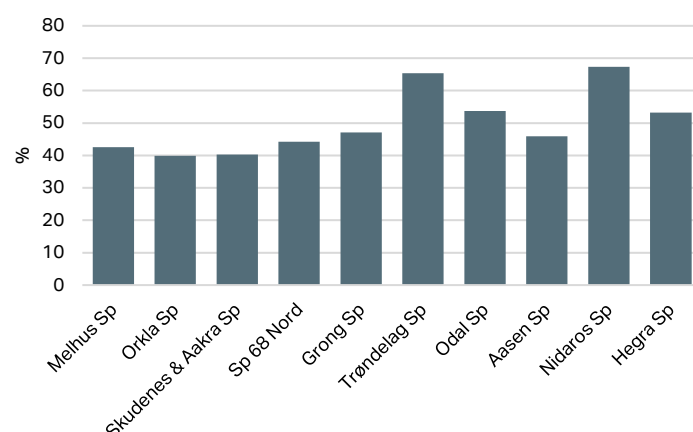
Net interest margin peaked in 2024 due to increased competition and lower interest rates. We believe falling interest rates will lead to continued margin pressure in 2025 and 2026. Still, we expect revenues to be boosted by lending growth and increased sales of savings and insurance products. We forecast strong cost efficiency, with cost-to-income levels creeping below 45% from 2026, mainly due to lower IT costs. We believe the bank will report a relatively modest increase in PPI to REA to 2.9% in 2026 from 2.7% in 2024, due to lower risk weights following the implementation of CRR3.

Figure 12. Norwegian savings banks' annualised net interest margins, Q3 2024 – Q2 2025



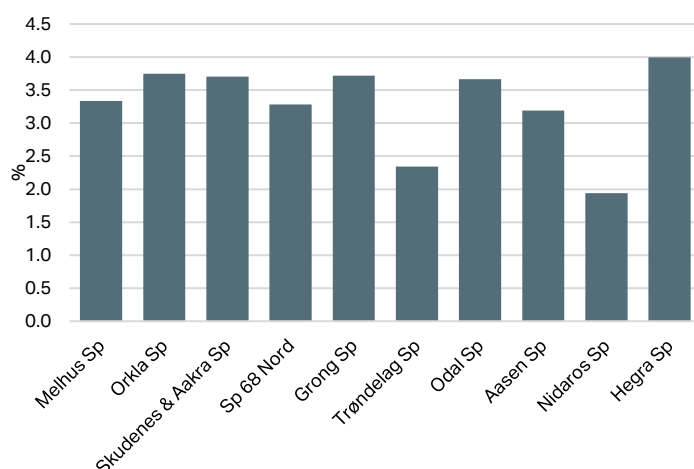
Source: bank reports.

Figure 13. Norwegian savings banks' cost-to-income ratio, LTM 30 Jun. 2025



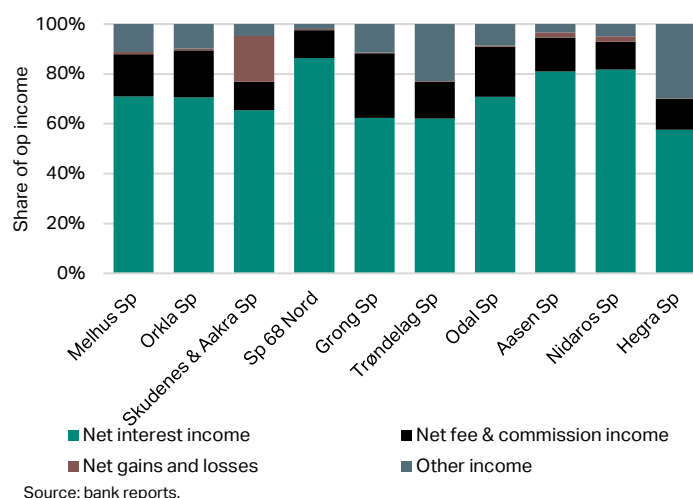
Source: bank reports. LTM-last twelve months.

Figure 14. Norwegian savings banks' PPI to REA, LTM 30 Jun. 2025



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

Figure 15. Norwegian savings banks' income breakdown, LTM 30 Jun. 2025



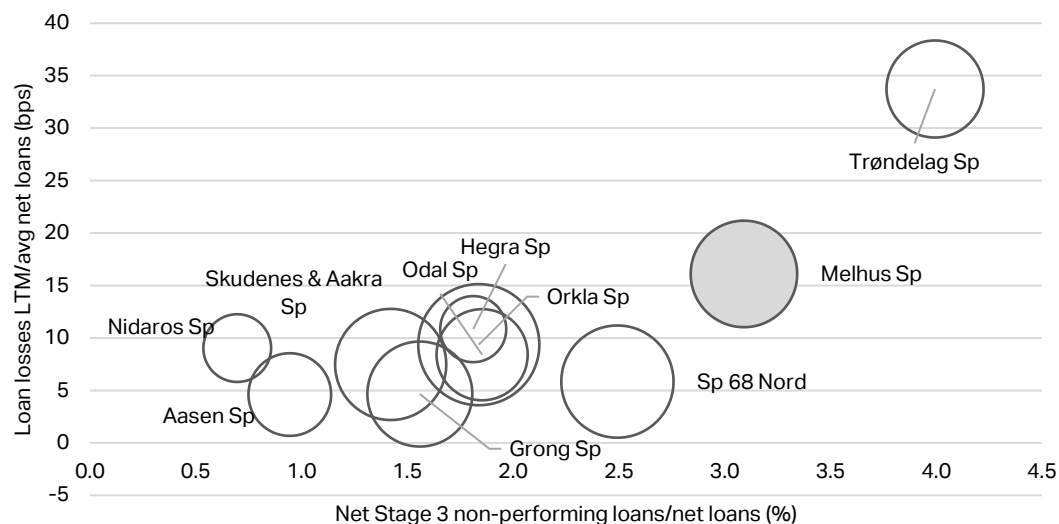
Source: bank reports.

Non-performing loans and loan losses higher than peers'

Loss performance

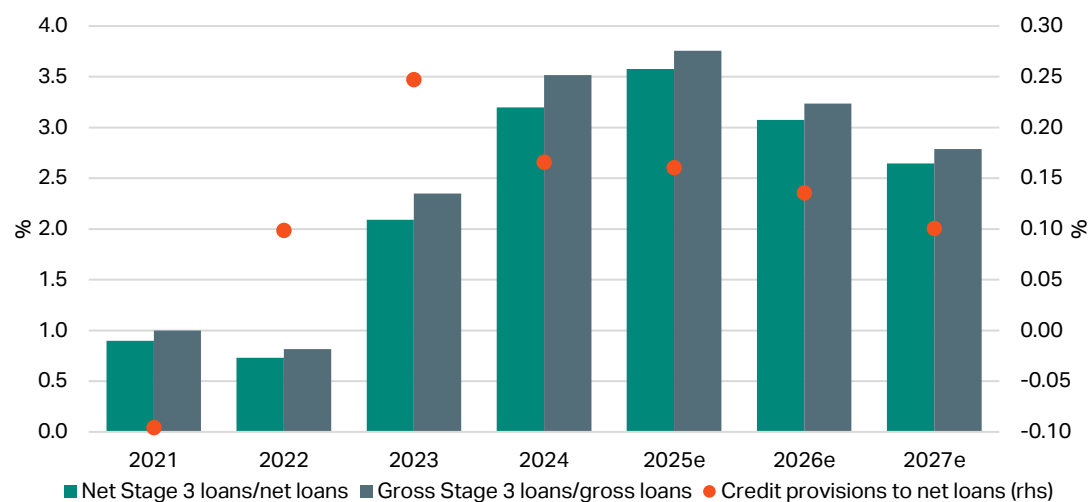
MelhusBanken booked NOK 6.4m in loan losses in the first six months of 2025 and NOK 15.3m in the 12 months ended 30 Jun. 2025. We project higher loan losses than the bank's historical average in the near term, as high interest rates continue to act as a burden on borrowers, particularly corporate customers. The bank's Stage 3 loans are relatively high compared with those of its domestic peer group. We expect such loans to fall gradually as loan losses are booked and lower interest rates begin to reduce the burden on borrowers. In our base-case projections, we expect net Stage 3 loans to fall to 2.6% of net loans by end-2027.

Figure 16. Norwegian savings banks asset quality metrics, 30 Jun. 2025



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. In aggregate, we view MelhusBanken's ESG profile as having a neutral impact on its creditworthiness.

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 the bank's underwriting, operations, and customer base.	Risk governance (0) Credit risk (0)
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)

*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

We do not adjust the rating on MelhusBanken to reflect expectations of additional support as we see limited potential for extraordinary support from the owners. The bank's ECCs are publicly listed and consequently the bank has ready access to the equity market. As of end-2024, around 33% of the bank's equity was owned by ECC holders, while the remainder was ownerless capital

Figure 19. Ownership structure, 30 Jun. 2025

Owner	Share of capital
Forsvarets Personellservice	9.1%
Verdipapirfondet Eika Egenkapitalbevis	5.0%
Unne Invest AS	3.9%
Thore Hyggen	3.1%
Rakon Eiendom AS	3.0%
Other	75.9%
Total	100.0%

Source: Company.

ISSUE RATINGS

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

SHORT-TERM RATING

The 'N2' short-term rating is the higher of two possible alternatives given the 'A-' long-term issuer rating. It reflects MelhusBanken's access to central bank funding and our assessment that the bank's liquidity is adequate on the basis of an average liquidity coverage ratio of about 242% over the past 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) [Nordic niche banks: building a foundation for growth](#), 4 Sep. 2025
- (ii) [Swedish savings banks steadfast amid increasing headwinds](#), 6 May 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.

Figure 20. Melhusbanken key financial data, 2021–Q2 2025 YTD

Key credit metrics (%)	FY 2021	FY 2022	FY 2023	FY 2024	Q2 2025 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	68.5	72.0	72.8	75.4	71.0
Net fee income to op. revenue	20.4	16.9	13.4	17.9	16.9
Net gains and losses/operating revenue	2.3	1.0	-0.8	0.3	1.0
Net other income to op. revenue	8.7	10.0	14.6	6.4	11.1
EARNINGS					
Net interest income to financial assets	1.7	1.9	2.4	2.4	2.3
Net interest income to net loans	1.9	2.1	2.7	2.7	2.7
Pre-provision income to REA	2.4	2.5	3.4	3.1	3.2
Core pre-provision income to REA (NII & NF&C)	1.9	1.9	2.6	2.7	2.6
Return on ordinary equity	9.8	8.5	10.4	9.9	10.4
Return on assets	1.1	1.0	1.3	1.3	1.3
Cost-to-income ratio	47.8	48.7	41.7	43.2	43.1
Core cost-to-income ratio (NII & NF&C)	53.7	54.7	48.3	46.3	49.0
CAPITAL					
CET1 ratio	18.5	18.0	18.1	21.2	22.9
Tier 1 ratio	20.1	19.1	20.0	22.8	24.8
Capital ratio	22.1	20.6	22.4	25.1	27.2
REA to assets	51.8	53.1	54.2	59.4	50.3
Dividend payout ratio	22.0	27.7	30.4	25.6	26.9
Leverage ratio	10.2	9.8	9.9	12.9	11.7
Consolidated CET1 ratio	17.4	18.1	18.1	18.3	20.2
Consolidated Tier 1 ratio	19.0	19.4	19.8	20.0	22.1
Consolidated Capital ratio	21.1	21.1	22.3	22.3	24.7
Consolidated Leverage ratio	9.1	9.2	9.9	10.5	0.0
GROWTH					
Asset growth	7.5	2.7	5.5	0.1	8.3
Loan growth	4.9	4.1	4.6	1.7	2.0
Deposit growth	5.2	6.1	6.5	-0.4	8.7
LOSS PERFORMANCE					
Credit provisions to net loans	-0.10	0.10	0.25	0.17	0.13
Stage 3 coverage ratio	10.55	10.73	11.41	9.51	7.23
Stage 3 loans to gross loans	1.00	0.82	2.35	3.52	3.32
Net stage 3 loans to net loans	0.90	0.73	2.09	3.20	3.09
Net stage 3 loans/ordinary equity	6.91	5.28	14.34	21.00	20.21
FUNDING & LIQUIDITY					
Loan to deposit ratio	135.1	132.6	130.3	133.0	124.7
Liquid assets to deposit ratio	22.7	17.6	19.5	17.6	25.6
Net stable funding ratio	110.0	110.0	115.0	114.0	119.7
Liquidity coverage ratio	272.7	152.5	251.0	214.6	352.5

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q2 2025 YTD
BALANCE SHEET					
Total assets	10,220	10,501	11,079	11,095	12,016
Total tangible assets	10,220	10,494	11,074	11,091	12,012
Total financial assets	10,067	10,160	10,789	10,805	11,729
Net loans and advances to customers	8,617	8,972	9,387	9,542	9,729
Total securities	1,193	1,154	1,204	1,117	1,343
Customer deposits	6,380	6,766	7,206	7,176	7,800
Issued securities	2,571	2,369	2,319	2,282	2,518
of which other senior debt	2,461	2,289	2,168	2,131	2,367
of which subordinated debt	110	80	150	151	151
Total equity	1,203	1,301	1,478	1,563	1,598
of which ordinary equity	1,118	1,241	1,368	1,453	1,488
CAPITAL					
Common equity tier 1	978	1,006	1,089	1,395	1,386
Tier 1	1,063	1,066	1,199	1,505	1,496
Total capital	1,173	1,146	1,349	1,655	1,646
REA	5,298	5,572	6,009	6,589	6,040
INCOME STATEMENT					
Operating revenues	239	261	342	344	180
Pre-provision operating profit	125	134	200	195	102
Impairments	-8	9	23	16	6
Net Income	105	101	135	140	77

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

Figure 21. Melhusbanken rating scorecard

Subfactors	Impact	Score
National banking environment	10.0%	a
Sector exposure assessment	-	-
Regional assessment	10.0%	a-
Cross border assessment	-	-
National factors	-	-
Regional, cross border, sector	-	-
Operating environment	20.0%	a-
Risk governance	7.5%	a-
Capital	17.5%	a+
Funding and liquidity	15.0%	a-
Credit and market risk	10.0%	bbb-
Credit risk	-	-
Market risk	-	-
Other risks	-	-
Risk appetite	50.0%	a-
Competitive position	15.0%	bb+
Earnings	7.5%	a
Loss performance	7.5%	bbb+
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
Material credit enhancement		-
Issuer rating		A-
Outlook		Stable
Short-term rating		N2

Figure 22. Capital structure ratings

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

DISCLAIMER

Disclaimer © 2025 Nordic Credit Rating AS (NCR, the agency). All rights reserved. All information and data used by NCR in its analytical activities come from sources the agency considers accurate and reliable. All material relating to NCR's analytical activities is provided on an "as is" basis. The agency does not conduct audits or similar warranty validations of any information used in its analytical activities and related material. NCR advises all users of its services to carry out individual assessments for their own specific use or purpose when using any information or material provided by the agency. Analytical material provided by NCR constitutes only an opinion on relative credit risk and does not address other forms of risk such as volatility or market risk and should not be considered to contain facts of any kind for the purpose of assessing an issuer's or an issue's historical, current or future performance. Analytical material provided by NCR may include certain forward-looking statements relating to the business, financial performance and results of an entity and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Forward-looking statements contained in any analytical material provided by NCR, including assumptions, opinions and views either of the agency or cited from third-party sources are solely opinions and forecasts which are subject to risk, uncertainty and other factors that could cause actual events to differ materially from anticipated events. NCR and its personnel and any related third parties provide no assurance that the assumptions underlying any statements in analytical material provided by the agency are free from error, nor are they liable to any party, either directly or indirectly, for any damages, losses or similar, arising from use of NCR's analytical material or the agency's analytical activities. No representation or warranty (express or implied) is made as to, and no reliance should be placed upon, any information, including projections, estimates, targets and opinions, contained in any analytical material provided by NCR, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained in any analytical material provided by the agency. Users of analytical material provided by NCR are solely responsible for making their own assessment of the market and the market position of any relevant entity, conducting their own investigations and analysis, and forming their own view of the future performance of any relevant entity's business and current and future financial situation. NCR is independent of any third party, and any information and/or material resulting from the agency's analytical activities should not be considered as marketing or a recommendation to buy, sell, or hold any financial instruments or similar. Relating to NCR's analytical activities, historical development and past performance does not safeguard or guarantee any future results or outcome. All information herein is the sole property of NCR and is protected by copyright and applicable laws. The information herein, and any other information provided by NCR, may not be reproduced, copied, stored, sold, or distributed without NCR's written permission.

NORDIC CREDIT RATING AS

nordiccreditrating.com