

Sparbanken Västra Mälardalen

Rating Action Report

LONG-TERM RATING

NR

OUTLOOK

-

SHORT-TERM RATING

NR

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Sparbanken Västra Mälardalen long-term issuer rating raised to 'A-' and withdrawn following merger with Sparbanken Rekarne

Nordic Credit Rating (NCR) has raised its long-term issuer rating on Sweden-based savings bank [Sparbanken Västra Mälardalen](#) (Sparbanken VM), and withdrawn the rating following its merger with Swedish savings bank [Sparbanken Mälardalen AB \(publ\)](#) (formerly Sparbanken Rekarne AB (publ)) ('A-' long-term issuer rating). Sparbanken VM's sole outstanding senior unsecured bond was transferred to the merged bank and is now rated 'A-'. Sparbanken Rekarne is the surviving entity of the merger and has been renamed Sparbanken Mälardalen.

Rating rationale

The merger between Sparbanken VM and Sparbanken Rekarne was finalised on 1 Sep. 2025. When the merger was initially announced in January 2025, NCR placed its rating on Sparbanken VM on watch positive, reflecting our expectation that the merged bank will be assigned an 'A-' long-term issuer rating in line with the rating on Sparbanken Rekarne.

Subsequently, following the completion of the merger, we raised our ratings on Sparbanken VM to align with the ratings on the merged bank. Following the merger, the issuer rating on Sparbanken VM was withdrawn.

Related rating actions

- i) Sparbanken Mälardalen AB 'A-' long-term issuer rating affirmed following merger and name change; Outlook stable, 1 Sep. 2025
- ii) [Sparbanken Västra Mälardalen 'BBB+' long-term issuer rating placed on watch positive](#), 27 Jan. 2025
- iii) [Sparbanken Rekarne AB \(publ\) 'A-' long-term issuer rating affirmed; Outlook stable](#), 27 Jan. 2025

Rating list	Withdrawal	To	From
Long-term issuer credit rating:	NR	A-	BBB+
Outlook:	-	Stable	
Watch:	-		Watch Positive
Short-term issuer credit rating:	NR	N2	N3
Senior unsecured issue rating:	NR	A-	BBB+

Figure 1. Sparbanken VM rating scorecard

Subfactors	Impact	Withdrawal	To	From
National banking environment	5.0%	-	a-	a-
Sector exposure assessment	-	-	-	-
Regional assessment	15.0%	-	bb+	bb+
Cross border assessment	-	-	-	-
Operating environment	20.0%	-	bbb-	bbb-
Risk governance	7.5%	-	bbb+	bbb+
Capital	17.5%	-	aa	aa
Funding and liquidity	15.0%	-	a	a
Credit and market risk	10.0%	-	bbb-	bbb-
Risk appetite	50.0%	-	a	a
Competitive position	15.0%	-	bb+	bb+
Earnings	7.5%	-	a	a
Loss performance	7.5%	-	a	a
Performance indicators	15.0%	-	a	a
Indicative credit assessment		-	bbb+	bbb+
Peer comparison		-	Neutral	Neutral
Transitions		-	+1 notch	Neutral
Borderline assessments		-	Neutral	Neutral
Stand-alone credit assessment		-	a-	bbb+
Ownership		-	Neutral	Neutral
Capital structure protection		-	Neutral	Neutral
Rating caps		-	Neutral	Neutral
Issuer rating		NR	A-	BBB+
Outlook		-	Stable	Watch Positive
Short-term rating		NR	N2	N3

Figure 2. Capital structure ratings

Seniority	Withdrawal	To	From
Senior unsecured	NR	A-	BBB+

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 09 Jan. 2019.
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.
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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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