

Romerike Sparebank

Rating Action Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

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Romerike Sparebank 'A-' long-term issuer rating affirmed with stable outlook; removed from criteria review

Nordic Credit Rating (NCR) has affirmed its 'A-' long-term issuer rating on Norway-based [Romerike Sparebank](#). The outlook is stable. The 'N2' short-term rating, 'A-' senior unsecured issue rating, 'BBB+' Tier 2 issue rating, and 'BBB-' 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

The affirmation reflects the bank's robust capital position, strong earnings, and presence in a growth region. The cooperation agreement with the Eika banking alliance is viewed positively, as it offers product diversification, shared development costs, and access to residential mortgage financing through Eika Boligkreditt. The bank is expected to maintain strong growth in household and corporate lending, which we project will absorb most of the increase in capital ratios from the implementation of CRR3. We have revised our view of the bank's funding and liquidity position, as we expect loan growth to be increasingly financed by bond issuance, leading to a steady rise in the loan to deposit ratio to above 140%.

Loan losses are expected to remain slightly above recent levels, primarily due to increased credit risk in certain segments of the commercial portfolio, reflecting broader regional and national trends. However, strong pre-provision operating profit is expected to offset these losses.

The rating is constrained by the bank's significant exposure to real estate in the Romerike region. Additional negative factors include intense competition in the greater Oslo area and the bank's low market share.

Stable outlook

The outlook is stable, reflecting our view that a softer operating environment and somewhat higher credit losses through 2027 will be offset by improved capital and solid earnings. We expect Romerike Sparebank's moderate risk appetite, strong real estate collateral, and stable cost base to underpin resilient core profitability despite narrowing net interest margins.

We could raise the rating if the consolidated Tier 1 capital ratio remains sustainably above 25%, pre-provision income to risk exposure amount (REA) is consistently above 3%, and uncertainty about credit risk declines as asset quality metrics improve.

We could lower the rating if asset quality deteriorates, the Tier 1 capital ratio remains below 18%, or pre-provision income to REA falls below 2% or the cost/income ratio exceeds 50% for a sustained period.

Rating list

	To	From
Long-term issuer credit rating:	A-	A-
Outlook:	Stable	Stable
Short-term issuer credit rating:	N2	N2
Senior unsecured issue rating:	A-	A-
Tier 2 issue rating:	BBB+	BBB+
Additional Tier 1 issue rating:	BBB-	BBB-

Figure 1. Romerike Sparebank rating scorecard

Subfactors	Impact	To	From
National banking environment	10.0%	a	-
Sector exposure assessment	-	-	-
Regional assessment	10.0%	a	-
Cross border assessment	-	-	-
National factors	-	-	a
Regional, cross border, sector	-	-	a
Operating environment	20.0%	a	a
Risk governance	7.5%	a-	a-
Capital	17.5%	a+	a+
Funding and liquidity	15.0%	a-	a
Credit and market risk	10.0%	bbb-	-
Credit risk	-	-	bbb-
Market risk	-	-	-
Other risks	-	-	a-
Risk appetite	50.0%	a-	a-
Competitive position	15.0%	bb+	bb+
Earnings	7.5%	a+	a+
Loss performance	7.5%	bbb+	bbb+
Performance indicators	15.0%	a-	a-
Indicative credit assessment		a-	a-
Peer comparison		Neutral	Neutral
Transitions		Neutral	Neutral
Borderline assessments		Neutral	Neutral
Stand-alone credit assessment		a-	a-
Ownership		Neutral	Neutral
Capital structure protection		Neutral	-
Rating caps		Neutral	Neutral
Material credit enhancement		-	Neutral
Issuer rating		A-	A-
Outlook		Stable	Stable
Short-term rating		N2	N2

Figure 2. Capital structure ratings

Seniority	To	From
Senior unsecured	A-	A-
Tier 2	BBB+	BBB+
Additional Tier 1	BBB-	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 12 Nov. 2024.
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:	<p>NCR's Financial Institutions Rating Methodology published on 12 May 2025</p> <p>NCR's Rating Principles published on 14 Feb. 2024</p> <p>NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024</p> <p>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.</p> <p>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).</p>
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, 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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