

Skudenes & Aakra Sparebank

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 Skudenes & Aakra Sparebank reflects the bank's low risk appetite, solid capital position, strong earnings, and diverse access to funding. The bank finalised the switch from the Lokalbanksamarbeidet banking cooperative to the Eika Alliance in November 2025. Through its new membership in the Eika Alliance and similar to the previous alliance, the bank benefits from diversification of business and cost advantages. Membership also enables the opportunity to transfer mortgages to jointly owned covered bond companies.

We expect the bank to maintain strong earnings and cost efficiency even as Norwegian policy interest rates decline. We also expect loan losses to remain moderate despite the current economic slowdown in Norway. Together with modest lending growth and significant gift contributions to the local community, we project capital adequacy metrics to remain outstanding.

The rating is constrained by the bank's concentrated exposure to real-estate collateral in the municipality of Karmøy and the Haugalandet region on the west coast of Norway. It is also constrained by barriers to growth and stiff competition beyond Karmøy and its core markets.

STABLE OUTLOOK

The stable outlook reflects our view that a weak economic climate and likely credit losses will be offset by Skudenes & Aakra Sparebank's solid earnings and capital position. We believe the bank's low risk appetite, strong real-estate collateral, improved earnings, and solid cost efficiency will enable resilience to a modest economic slowdown. We forecast the bank to maintain robust and stable capital ratios following recent improvements from implementing the EU's Capital Requirements Regulations III (CRR3).

POTENTIAL POSITIVE RATING DRIVERS

- An upgrade is unlikely at this time, given the bank's already strong capital position and earnings, as well as its regional concentrations.

POTENTIAL NEGATIVE RATING DRIVERS

- Loan growth beyond our expectations, resulting in a Tier 1 capital ratio below 20%.
- Pre-provision income to risk exposure amount (REA) below 2% or cost-to-income above 50% over a protracted period.
- A material deterioration in the local operating environment that negatively affects asset quality.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.6	1.8	2.2	2.2	2.0	2.0	1.9
Loan losses/net loans	0.06	0.11	0.10	0.07	0.09	0.09	0.09
Pre-provision income/REA	2.5	2.6	3.3	3.3	3.2	2.9	2.9
Cost-to-income	42.0	41.6	36.2	37.5	40.7	41.3	40.7
Return on average equity	8.6	8.7	10.8	10.7	10.0	8.7	8.6
Loan growth	7.4	0.6	2.9	6.7	8.1	7.0	7.0
CET1 ratio	19.2	20.3	21.0	22.1	23.0	23.2	23.4
Tier 1 ratio	20.8	21.8	22.5	23.7	24.6	24.7	24.8

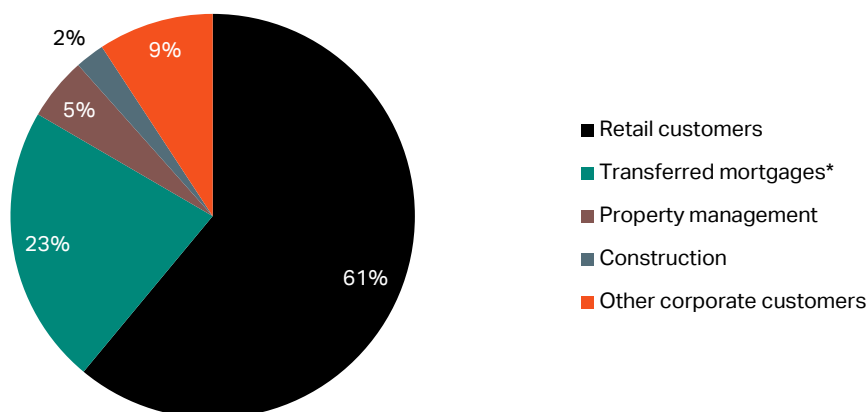
Source: company and NCR. e=estimate. REA=risk exposure amount. CET1=common equity Tier 1. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Skudenes & Aakra Sparebank is a mid-size Norwegian savings bank dating back to 1876. The bank operates through its headquarters in Åkrehamn and four additional offices in Haugalandet, a region in Rogaland county. Karmøy and some neighbouring municipalities make up the bank's core markets, while retail customers and SMEs account for its core customer base. Today, the bank has about NOK 14bn in net loans, including transferred loans, and close to 60 employees. During 2025, the bank has transitioned from the Lokalbanksamarbeidet banking cooperative to the Eika Alliance. The bank operates as an independent savings bank and has unlisted Equity Capital Certificates (ECCs). In 2024, the bank acquired a 34% stake in a local real-estate agency, Eiendomsmegler Rele.

The new membership in the Eika Alliance, which comprises of some 40 savings banks, provides collaboration advantages like those of Lokalbanksamarbeidet, while maintaining their local independence. The alliance enables product diversity and helps improve cost efficiency through the sharing of IT costs and joint efforts in risk management and compliance. It also provides the opportunity to finance residential mortgages via Eika Boligkreditt.

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



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

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national and regional factors in our assessment of the operating environment. Skudenes & Aakra Sparebank's operations are concentrated in Karmøy, with some activity in the neighbouring municipalities of Haugesund, Tysvær and Bokn. These municipalities, especially Karmøy, have low unemployment, but weaker population growth than the national average. While the national economy could weaken over the next few years due to reduced activity and persistent high inflation, we consider the Norwegian banking sector well positioned to cope.

Norwegian savings banks resilient to slowing economic activity

National banking environment

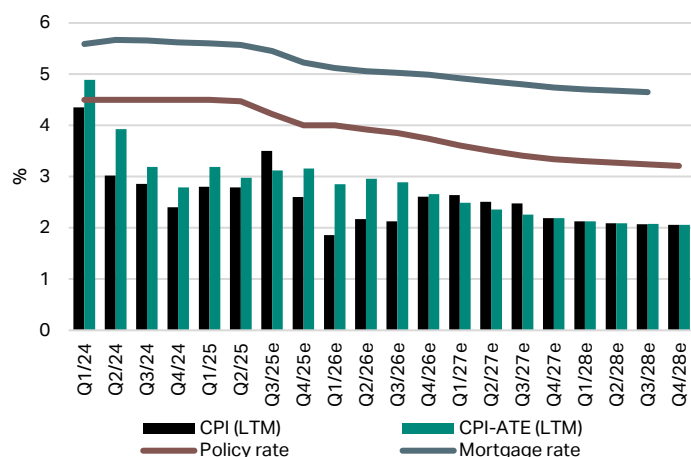
Net interest margins in the Norwegian banking sector have widened significantly since 2021, driven by higher interest rates. Along with strong lending growth, this has supported sector earnings. The central bank began a cautious normalisation of the policy rate, lowering it by 25bps to 4.25% in June 2025, followed by another 25bps cut to 4.00% in September. We do not anticipate further cuts in 2025, consistent with the central bank's latest guidance. While policy rates could gradually decline towards 3% through 2026–2027, this remains uncertain given persistently high inflation, changes in global trade and tariff policies and a resilient domestic economy. We expect that lower interest rates and increased competition, amid subdued loan demand, will slow earnings growth and reduce returns on equity during our forecast period.

As intended, persistently high interest rates are helping to slow the economy. Mainland GDP growth has improved somewhat from a weak 2023–2024, but we expect it to remain modest for now. Unemployment has increased slightly but remains exceptionally low compared with most European

countries. Low unemployment has likely contributed to strong wage growth in recent years. While this has supported consumption and loan demand, it also raises concerns about continued inflation.

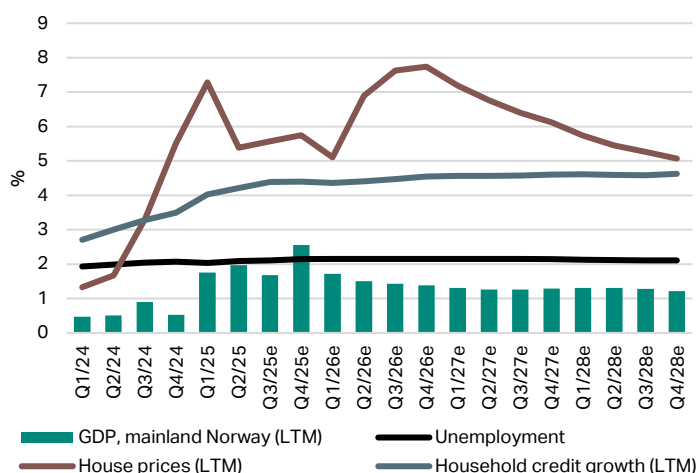
Nonetheless, Norwegian savings banks remain well capitalised, with the introduction of CRR3 enhancing competitiveness for those using the standardised approach, which includes most banks. Solid risk-adjusted earnings, despite somewhat lower interest margins, and stable or improved asset quality metrics should also support the banks' resilience in a prolonged weak economic environment.

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.

Low unemployment and flat population growth prospects in Karmøy

Skudenes & Aakra Sparebank's core market is in the area traditionally known as Haugalandet, on the Norwegian west coast between the cities of Bergen and Stavanger. More than 70% of lending is in Karmøy, a municipality adjacent to the city of Haugesund. Around 95,000 people live in the bank's core markets, where the population is poised to grow by 3% by 2050. We expect the ferry-free road projects of Hordfast and Rogfast to reduce travel time between Stavanger and Bergen significantly and contribute to regional economic growth in the longer term. Rogfast is set to finish by 2033, while the Hordfast project has been postponed to beyond 2036. Karmøy's unemployment rate of 1.5% is significantly lower than 2.2% nationally, based on data from October 2025.

Figure 5. Core markets

Municipality	Population, Q3 2025	Expected population change, 2025–2050 (%)	Unemployment, Oct. 2025 (%)	Unemployment, Oct. 2024 (%)
Karmøy	43,918	-1.3	1.5	1.2
Haugesund	38,604	6.5	2.1	2.0
Tysvær	11,763	8.2	1.6	1.2
Bokn	905	1.7	2.9	*
Core markets	95,190	3.1	1.8	1.5
Norway	5,606,944	9.1	2.2	2.0

Source: Statistics Norway, Norwegian Labour & Welfare Administration. *Fewer than four unemployed.

The region has a relatively diverse employment base, with the public sector as a major employer. The maritime sector has a strong presence, and there are several clusters of maritime industries. Other important industries include offshore, energy and processing. The broader region has high tourism activity, with an increasing number of cruise tourists contributing to economic growth and development.

RISK APPETITE

Our assessment of Skudenes & Aakra Sparebank's risk profile reflects the bank's outstanding capital position, diverse funding profile, large proportion of residential mortgage lending, and ability to transfer loans to jointly owned covered-bond companies. Risk governance and internal risk reporting

Regional assessment

Risk appetite assessment

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.

Switched alliance to Eika

Risk governance

As a mid-size local bank, Skudenenes & Aakra Sparebank's operations are less complex than those of larger banks. In our opinion, it has an adequate risk appetite framework and internal risk and compliance tools. Furthermore, the bank has well-defined 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. We also believe that membership in the Eika Alliance supports the bank's ability to meet increasing risk governance requirements. Although changes in alliances and technical infrastructure increase operational risk and resource needs, we consider recent transitions to have been well executed with minimal complexity.

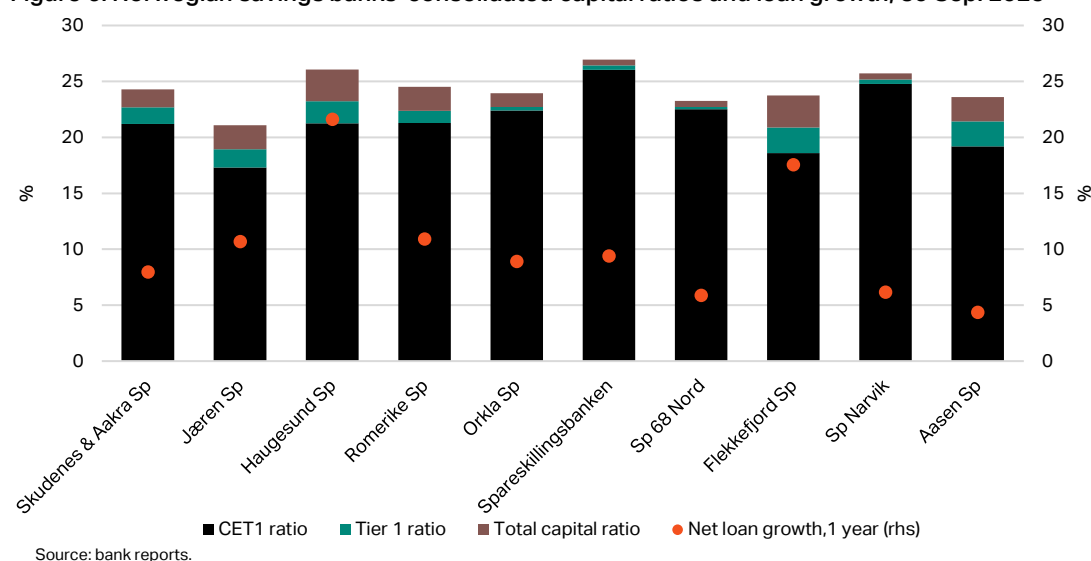
Skudenenes & Aakra Sparebank assesses environmental, social and governance (ESG) risk for all large corporate customers and is actively working with customers on environmental initiatives. We believe this contributes to good risk awareness at the bank and improves sustainable behaviour among its customers. The bank finances a substantial portion of its mortgage portfolio through Verd Boligkreditt, a mid-size domestic issuer of covered bonds that has also established a framework for the issuance of green bonds. Access to green financing will also apply for new mortgages transferred to covered bond issuer Eika Boligkreditt AS after the transition to the Eika Alliance.

Strong capital ratios boosted by CRR3

Capital

Our capital assessment takes into consideration Skudenenes & Aakra Sparebank's consolidated position, including its holdings in Verd Boligkreditt, Eika Gruppen and Brage Finans. As of 30 Sep. 2025, the bank's consolidated CET1 ratio was 21.2% and its Tier 1 capital ratio 22.7%. We note that the reported capital ratios would have been around 1pp higher including 50% of the current year's profit. These levels compare with the bank's respective minimum targets of 16.5% and 18.0% (including management buffer). We note that capital ratios were significantly boosted by implementing CRR3, which came into force in Norway on 1 Apr. 2025, and we believe the isolated effect is about 2.5pp on consolidated ratios. The consolidated leverage ratio stands at 9.3%, compared with a requirement of 3%.

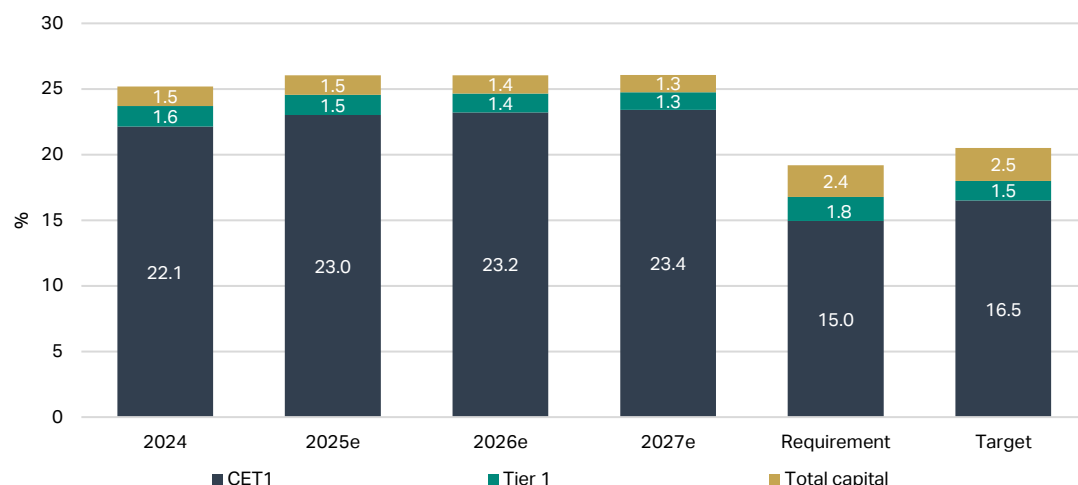
Figure 6. Norwegian savings banks' consolidated capital ratios and loan growth, 30 Sep. 2025



In the 12 months to 30 Sep. 2025, Skudenenes & Aakra Sparebank increased net loans by 8%. We project the bank's loan growth will remain at similar levels in our forecast period through 2027. We expect return on equity to remain strong at around 9% through the forecast period with dividends at 17-18% of net profits, including gifts and donations. This should result in a consolidated Tier 1 ratio of 23% at

end-2025. Our estimate also encompasses a positive effect from the covered bond companies, due to their use of the standard approach to credit risk and portfolios of low loan-to-value mortgages.

Figure 7. Consolidated capital ratios 2024–2027e, capital requirement and targets* as of Q3 2025



Source: company, e-estimate. *total pillar 2 guidance (P2G) of 1.7%

Diverse funding profile

Skudenæs & Aakra Sparebank's funding profile is diverse, with a relatively solid retail deposit base. The bank has also demonstrated access to capital market funding. Deposit growth has exceeded loan growth in recent years, resulting in a lower loan-to-deposit ratio of 112% as of 30 Sep. 2025, compared with 121% at end-2021. Looking ahead, we expect the loan growth to follow lending growth at 7% for a stable loan-to-deposit ratio. The bank has few single-name concentrations in its customer deposits and strong liquidity buffers (20% of customer deposits as of 30 Sep. 2025). As of 30 Sep. 2025, the liquidity coverage ratio was 419% and the net stable funding ratio 134%, well above the bank's internal limits of 110% for both.

Skudenæs & Aakra Sparebank had NOK 1.9bn in outstanding senior bonds as of 30 Sep. 2025. The bank's debt maturity profile is evenly distributed, with senior unsecured maturities spread out through 2029 and a weighted average time to maturity of 3.3 years. We forecast the bank will refinance through new issuance at maturity and increase bond financing modestly as the loan book grows.

Another important funding source has been Verd Boligkreditt, which has provided access to more affordable, longer-term funding than the bank could achieve independently. As of 30 Sep. 2025, the bank had transferred NOK 3.1bn to Verd Boligkreditt, representing approximately 27% of residential mortgages on and off balance sheet. The bank also maintains a strong portfolio of readily transferable loans as a liquidity buffer. From 2026, all new transferred mortgages will move to Eika Boligkreditt, and the portfolio transferred to Verd Boligkreditt will gradually decline over a run-off period of several years. We expect the bank to transfer mortgages in line with lending growth on its own book.

Funding and liquidity

Figure 8. Deposit metrics, 2021-2027e

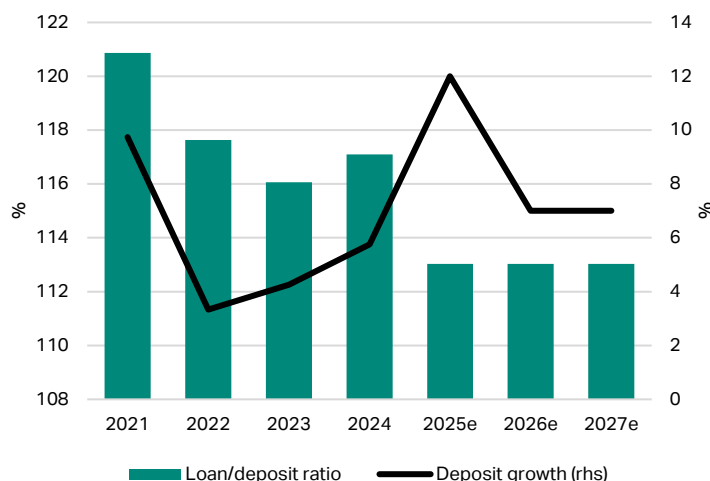
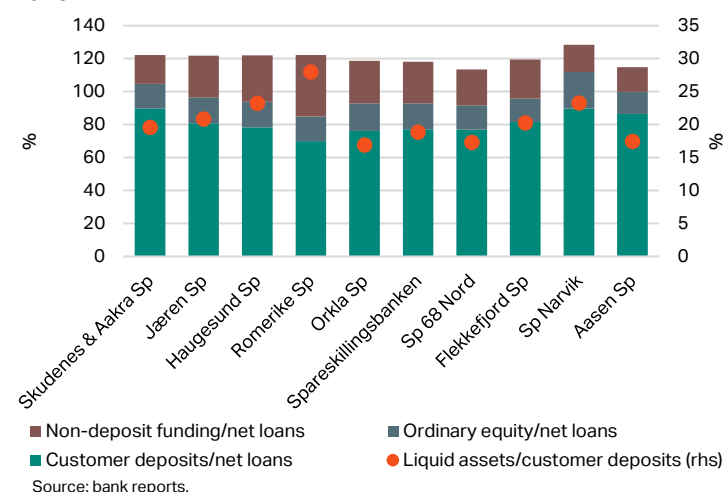


Figure 9. Norwegian/Swedish savings banks' funding, 30 Sep. 2025

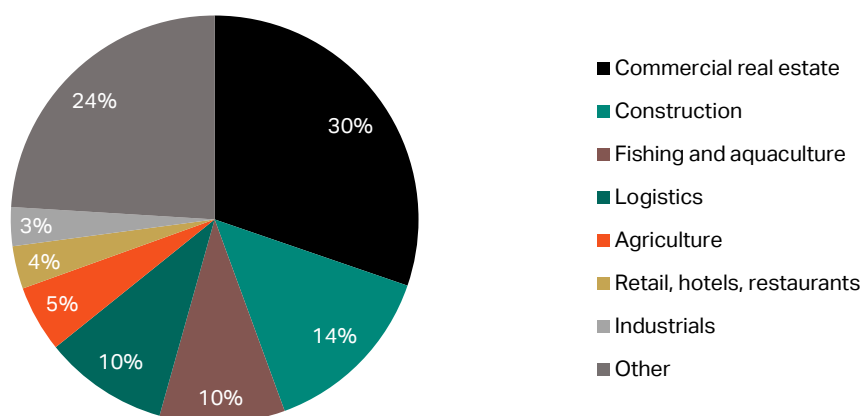


Strong regional focus

Skudenes & Aakra Sparebank's loan portfolio has a strong regional focus, encompassing 70% of net loans in Karmøy and 90% in the broader, yet local, Haugalandet. Of the bank's exposures (including transferred loans), 86% are to private and agricultural customers and secured by housing and agricultural properties. While we regard this as low-risk credit, it nonetheless increases concentration on local borrowers and exposes the bank's real-estate collateral to declines in property values. Housing prices have risen in recent years, despite higher interest rates. The increase in housing prices over the past decade has strengthened the bank's collateral position.

Corporate lending represents 21% of the loan book, or 17% including transferred loans. Skudenes & Aakra Sparebank's primary corporate exposure is to commercial real estate, followed by construction and fishing and aquaculture. We remain concerned regarding corporate and commercial real estate lending, given elevated interest costs and a weaker property market. The bank also has some single-name concentrations in the marine industry, which we believe have a higher risk profile.

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



Source: company.

In the 12 months to 30 Sep. 2025, the bank had strong loan growth of 8.5%. We expect the bank will maintain annual loan growth of around 7% in 2026-2027, exceeding likely national averages and somewhat improving its market share.

On 30 Sep. 2025, Skudenes & Aakra Sparebank had transferred loans amounting to NOK 3.1bn. Transferred loans generate commission income and accounted for 8% of the bank'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. The covered bond company maintains the right to offset credit losses against commission income

Credit risk

due to the bank. Because of the high credit quality of transferred loans and repatriation agreements, the mortgage company has not incurred actual credit losses. Following the switch to the Eika Alliance, we expect the bank to keep its current loans at Verd Boligkreditt until maturity or refinancing. New loans will be transferred to Eika Boligkreditt, which has a similar compensation and risk transfer system to Verd Boligkreditt.

We do not consider market risk to be material for Skudenes & Aakra Sparebank, given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

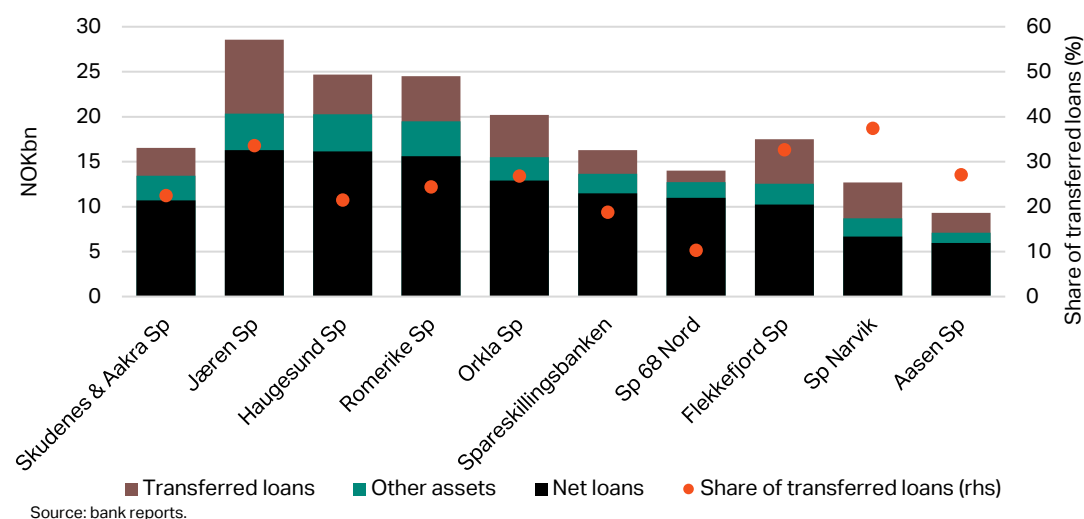
COMPETITIVE POSITION

Competitive position

Skudenes & Aakra Sparebank has a local focus and a strong position in its core markets. Among private customers in Karmøy, the bank has a market share of about 31%. The bank's offices are all located in this municipality, of which the majority is island based. The bank faces increased competition on the mainland, including in nearby Haugesund, where the bank has smaller, but growing market shares. Haugesund Sparebank is the closest competitor of similar size, while Sparebank 1 Sør-Norge, DNB and Sparebanken Norge are the most active players of larger size with significant market shares in the area. The bank has been growing its loan book at a similar level to, or slightly higher levels than, peers over recent years. We expect the bank to slowly increase its market share in core markets in the upcoming years while targeting additional growth in adjacent markets.

Like Lokalbanksamarbeidet, the new membership in the Eika Alliance diversifies revenue and allows the bank to offer a broader range of customer services than it could independently. Through the alliance, the bank provides insurance, debit and credit products, asset management, and real estate agency services.

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



We regard Skudenes & Aakra Sparebank's contributions to its core markets 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.

PERFORMANCE INDICATORS

Performance indicators

Skudenes & Aakra Sparebank has reported solid risk-adjusted earnings and strong cost efficiency relative to levels at peers in recent years. We believe earnings will remain solid, despite pressure on margins. The bank has an average proportion of non-performing loans and reported moderate loan losses in recent years.

Strong cost efficiency

Earnings

High interest rates have improved Skudenes & Aakra Sparebank's net interest margin since 2022, reversing years of margin pressure stemming from low interest rates and competition for mortgage

loans. We believe margins will remain robust through our forecast period, despite a gradual decrease due to interest rate cuts, increased competition, and weakened loan demand.

Skudenes & Aakra Sparebank's cost efficiency has improved as growth in operating revenue has outstripped growth in costs. The cost-to-income ratio was 40.3% in the 12 months to 30 Sep. 2025, compared with the peer group average of 43.0%. We expect the cost-to-income ratio to remain strong at around 41% through 2027. Pre-provision income to REA is estimated to stay close to 3% in 2026-2027.

Figure 12. Norwegian savings banks' annualised net interest margins, Q4 2024 – Q3 2025

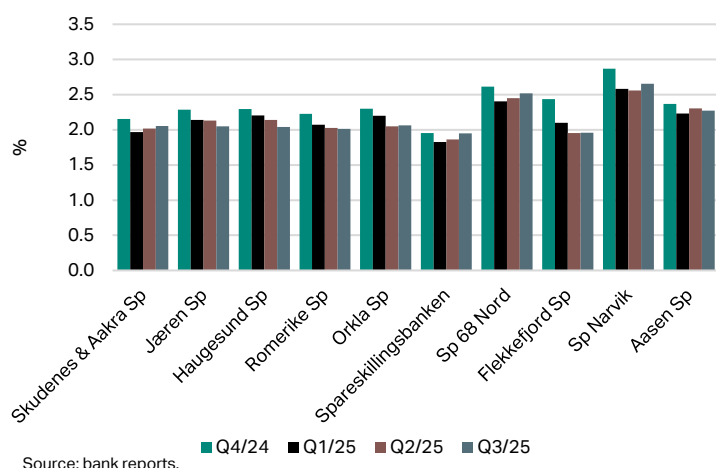


Figure 13. Norwegian savings banks' cost-to-income, LTM to 30 Sep. 2025

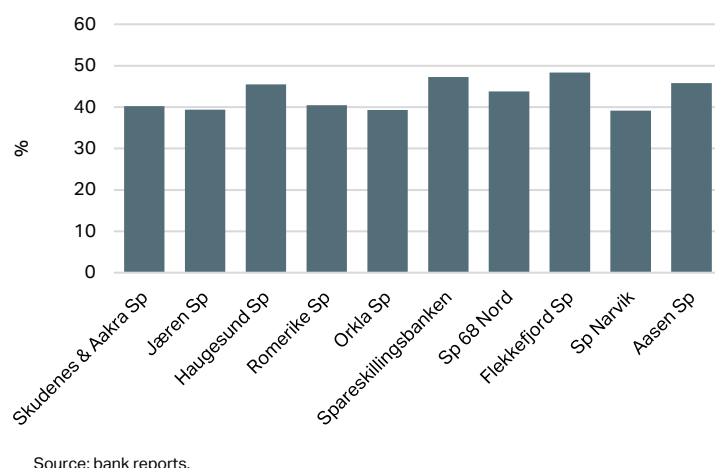


Figure 14. Norwegian savings banks' PPI to REA, LTM to 30 Sep. 2025

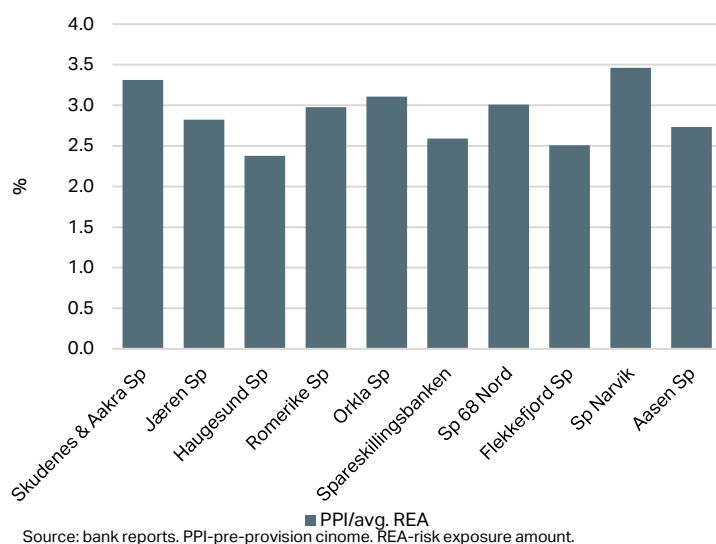
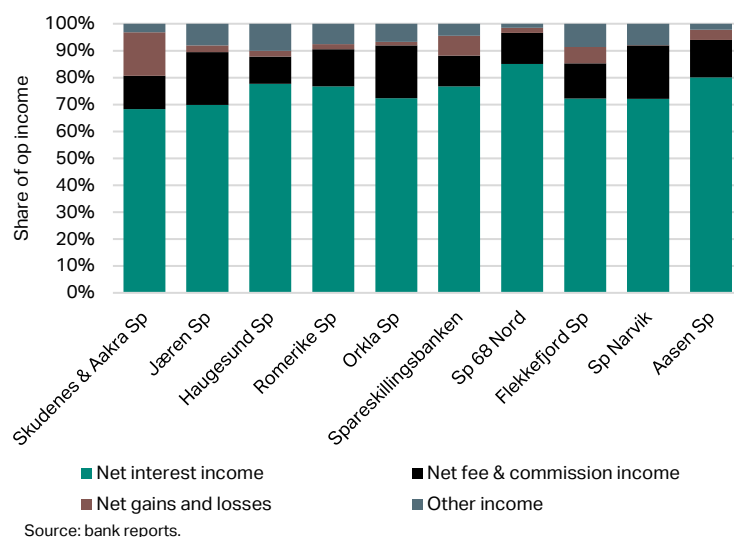


Figure 15. Norwegian savings banks' split between income groups, LTM to 30 Sep. 2025

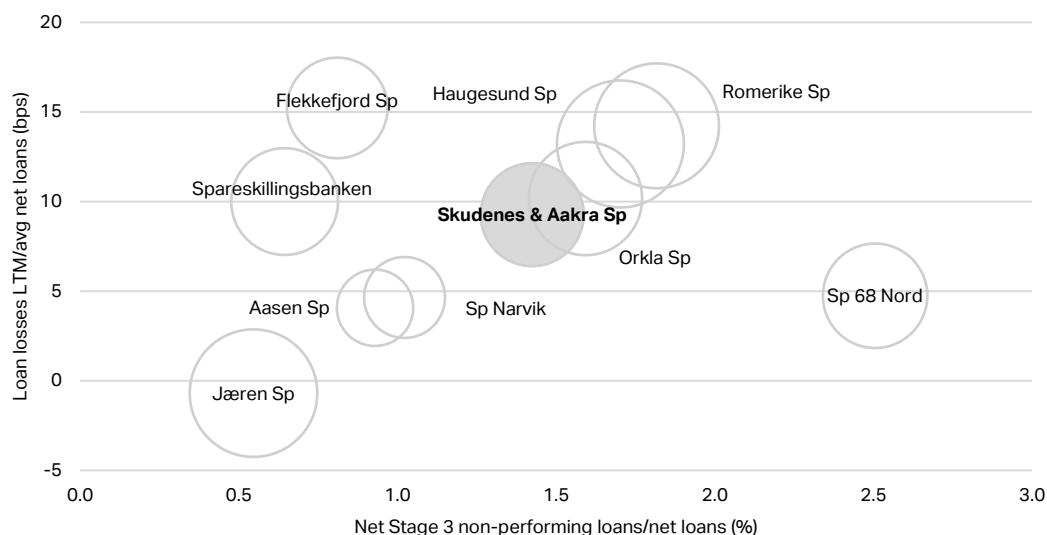


Non-performing loans close to peer group average

Loss performance

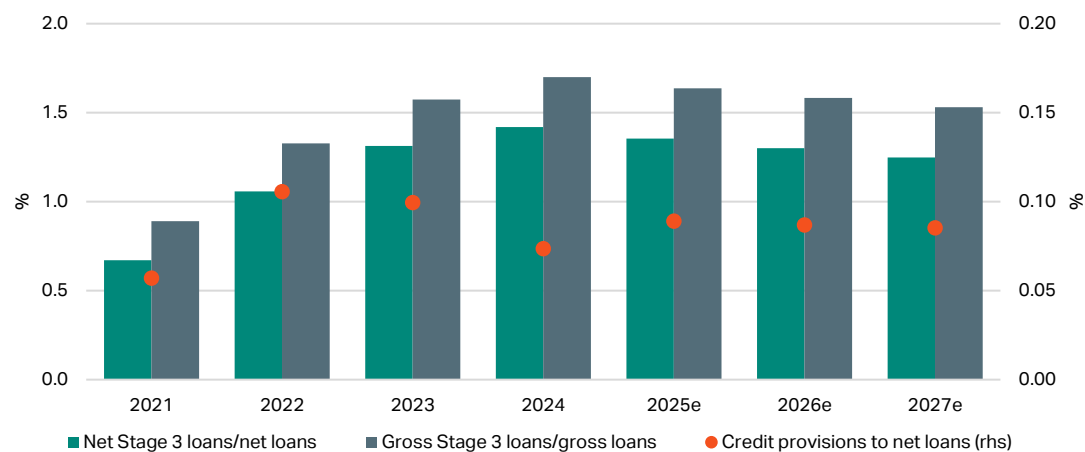
Skudenes & Aakra Sparebank's credit losses to net loans have averaged just below 10bps over the past five years. The bank booked losses of NOK 7m in the first nine months of 2025, against NOK 9m and NOK 5m in 2023 and 2024, respectively. We project similar loan losses through 2027, at 9bps in full-year 2025 and 10bps annually in 2026 and 2027. The bank's net Stage 3 non-performing loans have increased to 1.4%, which is average within our peer group. We expect the proportion of Stage 3 loans to decrease somewhat towards end-2027.

Figure 16. Norwegian savings banks' asset quality metrics, 30 Sep. 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

We consider ESG factors throughout our analysis, where material to our credit assessment. In aggregate, we view Skudenenes & Aakra Sparebank'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 impact 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.

ADJUSTMENT FACTORS

Support analysis

We do not adjust our rating on Skudenes & Aakra Sparebank to reflect the likelihood of additional support as we see limited potential for extraordinary support from the owners. The bank has ECCs which are not publicly listed. As of 30 Sept. 2025, around 14% of the bank's equity was owned by ECC holders, while the remainder was ownerless capital.

Figure 19. Ownership structure, 30 Sep. 2025

Owner	Share of capital
Sohl AS	10.9%
Ska Invest AS	4.4%
Kjell Olav Munkejord	2.4%
Kåre Johan Langåker	2.3%
X Invest AS	2.3%
Other	77.7%
Total	100.0%

Source: company.

ISSUE RATINGS

Our rating on Skudenes & Aakra Sparebank'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 Skudenes & Aakra Sparebank's access to central bank funding and our assessment

that the bank's liquidity is adequate, based on an average liquidity coverage ratio of 419% 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.
- (v) [Norwegian savings banks' capitalization boosted by CRR3](#), 26 Jun. 2024.

Figure 20. Skudenæs & Aakra Sparebank key financial data, 2021–Q3 2025 YTD

Key credit metrics (%)	FY 2021	FY 2022	FY 2023	FY 2024	Q3 2025 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	72.4	74.1	77.5	75.5	68.3
Net fee income to op. revenue	18.3	16.2	12.7	13.1	12.4
Net gains and losses/operating revenue	1.3	2.1	2.8	4.8	16.1
Net other income to op. revenue	7.9	7.5	6.9	6.6	3.2
EARNINGS					
Net interest income to financial assets	1.6	1.8	2.2	2.2	2.0
Net interest income to net loans	1.9	2.1	2.6	2.7	2.5
Pre-provision income to REA	2.6	2.9	3.7	3.8	3.9
Core pre-provision income to REA (NII & NF&C)	2.2	2.4	3.1	3.1	2.6
Return on ordinary equity	9.2	9.3	11.5	11.3	11.2
Return on assets	0.9	1.0	1.3	1.3	1.3
Cost-to-income ratio	42.0	41.6	36.2	37.5	39.8
Core cost-to-income ratio (NII & NF&C)	46.3	46.0	40.2	42.3	49.3
CAPITAL					
CET1 ratio	21.6	22.8	24.1	24.8	24.3
Tier 1 ratio	22.9	24.2	25.4	26.2	25.6
Capital ratio	24.4	25.5	26.6	27.3	26.9
REA to assets	47.6	48.0	48.1	47.6	43.9
Dividend payout ratio	9.9	9.8	10.3	9.5	9.7
Leverage ratio	10.8	11.5	12.1	12.4	11.1
Consolidated CET1 ratio	19.2	20.3	21.0	22.1	21.2
Consolidated Tier 1 ratio	20.8	21.8	22.5	23.7	22.7
Consolidated Capital ratio	22.2	23.5	24.0	25.2	24.3
Consolidated Leverage ratio	9.2	9.5	9.7	10.1	9.3
GROWTH					
Asset growth	6.7	1.3	4.3	7.8	8.4
Loan growth	7.4	0.6	2.9	6.7	6.1
Deposit growth	9.7	3.3	4.3	5.8	11.4
LOSS PERFORMANCE					
Credit provisions to net loans	0.06	0.11	0.10	0.07	0.09
Stage 3 coverage ratio	24.80	20.69	16.88	16.94	18.96
Stage 3 loans to gross loans	0.89	1.33	1.57	1.70	1.75
Net stage 3 loans to net loans	0.67	1.06	1.31	1.42	1.42
Net stage 3 loans/ordinary equity	5.43	7.96	9.23	9.68	9.53
FUNDING & LIQUIDITY					
Loan to deposit ratio	120.9	117.6	116.1	117.1	111.5
Liquid assets to deposit ratio	15.9	15.8	17.4	19.3	19.6
Net stable funding ratio	147.0	125.0	125.0	147.0	134.0
Liquidity coverage ratio	472.0	533.0	472.0	460.0	419.0

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q3 2025 YTD
BALANCE SHEET					
Total assets	10,882	11,019	11,497	12,394	13,433
Total tangible assets	10,879	11,015	11,492	12,389	13,427
Total financial assets	10,824	10,962	11,438	12,327	13,376
Net loans and advances to customers	9,129	9,182	9,445	10,078	10,691
Liquid assets	1,204	1,234	1,412	1,664	1,876
Customer deposits	7,554	7,805	8,138	8,606	9,592
Issued securities	1,859	1,695	1,698	1,985	1,941
of which other senior debt	1,784	1,620	1,622	1,909	1,866
of which subordinated debt	75	76	75	75	75
Total equity	1,210	1,300	1,424	1,557	1,678
of which ordinary equity	1,129	1,220	1,343	1,477	1,598
CAPITAL					
Common equity tier 1	1,118	1,207	1,330	1,462	1,432
Tier 1	1,188	1,278	1,403	1,543	1,507
Total capital	1,263	1,348	1,473	1,613	1,583
REA	5,184	5,290	5,529	5,898	5,891
INCOME STATEMENT					
Operating revenues	229	261	315	343	285
Pre-provision operating profit	133	153	201	215	172
Impairments	5	10	9	7	7
Net Income	100	109	147	160	130

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

Figure 21. Skudenæs & Aakra Sparebank rating scorecard

Subfactors	Impact	Score
National banking environment	5.0%	a
Sector exposure assessment	-	-
Regional assessment	15.0%	bbb
Cross border assessment	-	-
Operating environment	20.0%	bbb+
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 22. Capital structure ratings

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

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