

Tinde Sparebank

Rating Action Report

LONG-TERM RATING

BBB+

OUTLOOK

Positive

SHORT-TERM RATING

N2

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Tinde Sparebank assigned 'BBB+' long-term issuer rating; Outlook positive

Nordic Credit Rating has assigned a 'BBB+' long-term issuer rating to Norway-based [Tinde Sparebank](#). The outlook is positive. An 'N2' short-term issuer rating has also been assigned, together with a 'BBB+' senior unsecured issue rating, a 'BBB' Tier 2 issue rating and a 'BB+' Additional Tier 1 issue rating.

Rating rationale

The long-term issuer rating reflects the bank's strong capital position, diversified funding, low risk appetite and solid earnings, despite higher costs following the recent merger. Tinde Sparebank maintains reliable access to capital market financing and limited single-name concentrations among its loan and deposit customers. The merger has strengthened the bank's risk organisation, although mergers can present risk management challenges. As a member of the Eika Alliance, Tinde Sparebank benefits from product diversity, shared development costs and the ability to finance residential retail mortgage loans through the jointly owned covered-bond company Eika Boligkreditt AS.

The rating is constrained by increased loss provisions and a higher proportion of high-risk and non-performing loans after the merger. It is also constrained by the geographic concentration of the bank's loan book in central and northern Møre og Romsdal county, and modest growth in its core municipalities. The bank maintains a strong market position in its core areas but faces significant competition from larger regional savings banks, particularly in its expanding markets.

We have lowered our standalone credit assessment on Tinde Sparebank by one notch to reflect near-term risks to our base case following its recent merger with Sunndal Sparebank.

Positive outlook

The positive outlook reflects our expectation that a stricter credit policy, enhanced risk governance resources and lower interest rates will lead to an improvement in credit quality, which has weakened over the last year. It also considers the potential for Tinde Sparebank to improve its earnings metrics as it realises merger-related cost synergies. We forecast the bank will maintain its solid capital position.

We could raise the rating to reflect improved credit quality metrics and a reduction in high-risk loan volumes, with the level of Stage 3 loans in line with peers, together with maintained strong capital ratios, with a consolidated Tier 1 ratio sustainably above 22%, and a stable pre-provision income (PPI) to risk exposure amount (REA) at approximately 2.5%, with a cost-to-income ratio nearing 50%.

We could revise the outlook to stable to reflect that asset quality metrics remain weaker than peers, with loan loss provisions consistently above 20bps, a consolidated Tier 1 ratio which remains consistently below 20%, or a PPI to REA which remains sustainably below 2.5% with a cost-to-income ratio failing to near 50%.

Rating list

Long-term issuer credit rating:
Outlook:
Short-term issuer credit rating:
Senior unsecured issue rating:
Tier 2 issue rating:

Rating

BBB+
Positive
N2
BBB+
BBB

Rating list

Additional Tier 1 issue rating:

Rating

BB+

Figure 1. Tinde Sparebank rating scorecard

Subfactors	Impact	Score
National banking environment	10.0%	a
Sector exposure assessment	-	-
Regional assessment	10.0%	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%	bbb
Performance indicators	15.0%	bbb+
Indicative credit assessment		a-
Peer comparison		Neutral
Transitions		-1 notch
Borderline assessments		Neutral
Stand-alone credit assessment		bbb+
Ownership		Neutral
Capital structure protection		Neutral
Rating caps		Neutral
Issuer rating		BBB+
Outlook		Positive
Short-term rating		N2

Figure 2. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB+
Tier 2	BBB
Additional Tier 1	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 10 Dec. 2025.
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 Rating Principles published on 14 Feb. 2024 NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024 NCR's Financial Institutions Rating Methodology published on 12 May 2025 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, 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
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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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