

Sparbanken Mälardalen AB (publ)

Rating Action Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

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Sparbanken Mälardalen AB 'A-' long-term issuer rating affirmed; Outlook stable

Nordic Credit Rating (NCR) has affirmed its 'A-' long-term issuer rating on Sweden-based savings bank [Sparbanken Mälardalen AB](#). The outlook is stable. The 'N2' short-term issuer rating has also been affirmed, as has the 'A-' senior unsecured instrument rating. The Tier 2 'BBB+' instrument rating has been withdrawn, as the sole instrument has been called and we do not anticipate a new one.

Rating rationale

The affirmation reflects our view that the merged bank will perform broadly in line with our previous expectations. Sparbanken Mälardalen was formed on 1 Sep. 2025 through the merger of Sparbanken Rekarne AB and Sparbanken Västra Mälardalen, creating one of Sweden's largest savings banks. We expect the bank to focus on profitable growth, leveraging its increased scale to improve cost efficiency and strengthen its competitive position in core markets.

We have revised our assessment of the bank's capitalisation upward, as we expect its Common Equity Tier 1 (CET1) ratio to strengthen over our forecast period (26–27% in 2026–2028), supported by strong earnings and moderate growth, despite dividend payouts above the policy minimum. Following a review of the merged bank's risk management framework, we have strengthened our risk governance assessment. We also consider that material downside risks to asset quality metrics have abated, which has improved our view of the bank's loss performance.

The long-term issuer rating also reflects the bank's strong competitive position, relationship-based funding profile, and benefits from cooperation with Swedbank AB. These strengths are partially offset by the bank's concentrated exposure to a core market with weaker economic fundamentals, as well as its exposure to the local real estate sector and larger individual counterparties.

Stable outlook

The outlook is stable, reflecting our view that the merged bank will leverage improved economies of scale to achieve sustainable growth within its low to moderate risk appetite and gradually strengthen its cost efficiency. We do not anticipate a material economic downturn as a result of current global turmoil, but note that the bank's region is heavily exposed to the manufacturing industry. We expect the bank to maintain strong asset quality metrics, though loan book concentrations are likely to remain around current levels.

We could raise the rating to reflect improved economic conditions in the regional operating environment, combined with improved cost efficiency and proven economies of scale benefits, with a cost-income ratio below 50% on a sustainable basis.

We could lower the rating to reflect a CET1 ratio below 18% over a protracted period, or materially worsened regional operating environment, limiting growth prospects and/or negatively affecting asset quality. We could also lower the rating to reflect an increased risk appetite in the loan book or funding profile.

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 long-term issuer rating raised to 'A-' and withdrawn following merger with Sparbanken Rekarne](#), 1 Sep. 2025.

Rating list

	To	From
Long-term issuer credit rating:	A-	A-
Outlook:	Stable	Stable

Rating list

Short-term issuer credit rating:

Senior unsecured issue rating:

To

N2

A-

From

N2

A-

Figure 1. Sparbanken Mälardalen rating scorecard

Subfactors	Impact	To	From
National banking environment	10.0%	a-	a-
Sector exposure assessment	-	-	-
Regional assessment	10.0%	bbb-	bbb-
Cross border assessment	-	-	-
Operating environment	20.0%	bbb	bbb
Risk governance	7.5%	a	a-
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%	bbb+	bbb+
Earnings	7.5%	a	a
Loss performance	7.5%	a+	a
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	Neutral
Rating caps		Neutral	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-

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 04 Dec. 2018.
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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