

Askim & Spydeberg Sparebank

Full Rating Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

PRIMARY ANALYST

Christian Yssen
+4740019900
christian.yssen@nordiccreditrating.com

SECONDARY CONTACTS

Ylva Forsberg
+46768806742
ylva.forsberg@nordiccreditrating.com

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.com

RATING RATIONALE

Our 'A-' long-term issuer rating on Norway-based Askim & Spydeberg Sparebank reflects the bank's solid capital position and earnings, low risk appetite, and ready access to funding. We take a positive view of the bank's membership in the Lokalbanksamarbeidet banking cooperative, which enables product diversity, shared development costs and the opportunity to finance residential retail mortgage loans through jointly owned covered-bond company Verd Boligkreditt AS.

The rating is constrained by Askim & Spydeberg Sparebank's concentrated exposure to residential and commercial real estate and the construction sector in northern Østfold county and the district of Follo. Although the bank has strong market share in its core operating region, the stiffer competition in the Follo district growth markets is an additional rating constraint.

STABLE OUTLOOK

The outlook is stable, reflecting our view that Askim & Spydeberg Sparebank's earnings and cost efficiency will remain strong, offsetting moderate credit losses. We believe the bank's strong capital position and diverse funding profile will prove resilient against a modest economic slowdown. The outlook also factors in continued improvements in risk governance.

POTENTIAL POSITIVE RATING DRIVERS

- Pre-provision income to risk exposure amount (REA) sustainably above 3%;
- A stronger market position in the district of Follo and northern Østfold county; and
- Sustained reduction in Stage 2 and Stage 3 loans.

POTENTIAL NEGATIVE RATING DRIVERS

- A Tier 1 capital ratio below 20% over a protracted period.
- A material deterioration in the local operating environment that negatively affects asset quality.
- Pre-provision income below 2% of REA for a protracted period.

Figure 1. Key credit metrics, 2023–2028e

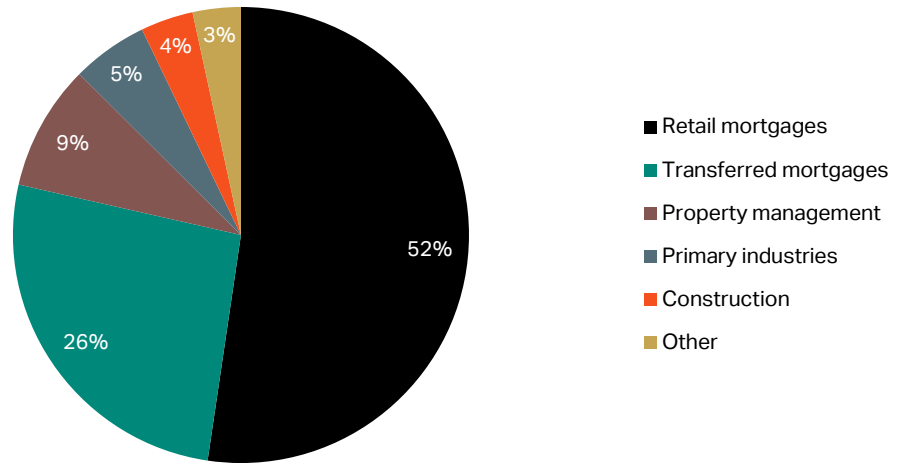
%	2022	2023	2024	2025	2026e	2027e	2028e
Net interest margin	2.1	2.4	2.4	2.2	2.2	2.1	2.0
Pre-provision income/REA	2.3	2.5	2.8	2.7	2.5	2.4	2.2
Cost-to-income	42.1	44.7	41.3	45.0	50.8	50.2	51.7
Return on ordinary equity	10.2	8.4	9.7	8.8	7.3	7.2	6.8
Loan losses/net loans	-0.08	0.22	0.16	0.06	0.09	0.08	0.08
Net stage 3/net loans	0.78	1.22	1.42	1.48	1.30	1.15	1.14
Tier 1 ratio	19.9	21.5	22.0	25.5	25.2	24.9	24.6

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

ISSUER PROFILE

Askim & Spydeberg Sparebank is an independent Norwegian savings banks formed through the merger of Askim Sparebank and Spydeberg Sparebank in 2015. The merged entities date back to 1988 and 1859, respectively. Its core market is the northern region of Østfold county and the district of Follo. Askim & Spydeberg Sparebank is a member of the Lokalbanksamarbeidet cooperative of local savings banks, which supports product breadth and cost efficiency through shared IT, risk management and compliance, and provides access to covered-bond funding via Verd Boligkreditt. The cooperative has also joined Frendegruppen, where member banks jointly distribute products from Frende Forsikring, Brage Finans and Norne Securities and cooperate on product development.

Figure 2. Gross loans by sector, 31 Dec. 2025



Source: company.

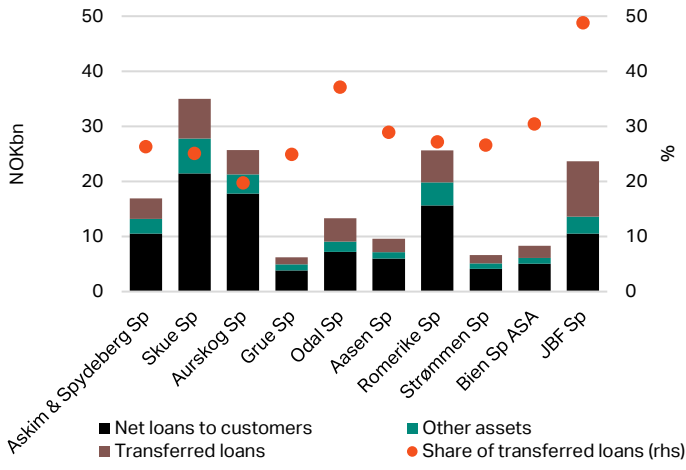
Competitive position

Strong core markets presence and expansion potential in Follo

Askim & Spydeberg Sparebank has a local focus and a strong position in its core markets. DNB holds the highest market share in Indre Østfold municipality, while other larger banks such as Nordea and SpareBank 1 Østfold Akershus are also active in the region. The bank also faces competition from neighbouring savings banks of similar size, including Marker og Eidsberg Sparebank, Trøgstad Sparebank, and Aurskog Sparebank. Askim & Spydeberg Sparebank has a weaker market position in the Follo district, where larger banks have an active presence. However, the bank regards the district as a growth market and is increasing its presence in anticipation of a rise in inward migration.

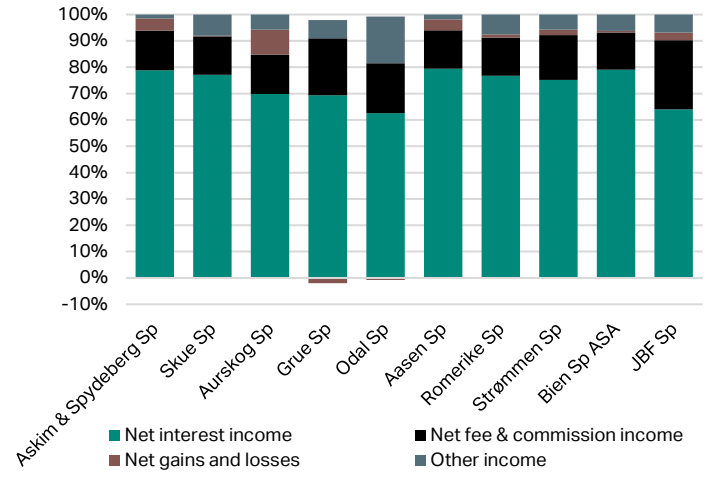
We view the bank’s contributions to its core markets as a positive rating factor. Membership in Lokalbanksamarbeidet supports revenue diversity and customer offerings, while ownership stakes in associated product companies provide additional income sources.

Figure 3. Balance sheet volume comparison, 31 Dec. 2025



Source: companies.

Figure 4. Revenue source split comparison, 2025



Source: companies.

Risk governance

Continued investment and enhancements in risk management and controls

In our view, Askim & Spydeberg Sparebank's risk governance framework, limit monitoring and risk reporting are proportional to its balance sheet and risk profile, supported by the Lokalbanksamarbeidet cooperation through shared risk management and compliance efforts. The bank has well-defined guidelines for key risk areas and an internal audit function that acts as a third line of defence.

We believe Askim & Spydeberg Sparebank has addressed the risk-governance issues outlined by Norway's Financial Supervisory Authority (FSA) in 2022. The FSA noted unconventional lending via a private broker, and a subsequent review of the bank's anti-money laundering practices resulted in NOK 9.5m in fines in 2023. Since then, the bank has strengthened risk governance, implemented structural and management changes, and enhanced AML and KYC processes, reducing the risk of further fines and related losses. Since February 2025, the bank has no longer been under official FSA investigation and limited impact on our assessment.

We view the bank's management of environmental, social and governance (ESG) factors as satisfactory, given its size, complexity and impact.

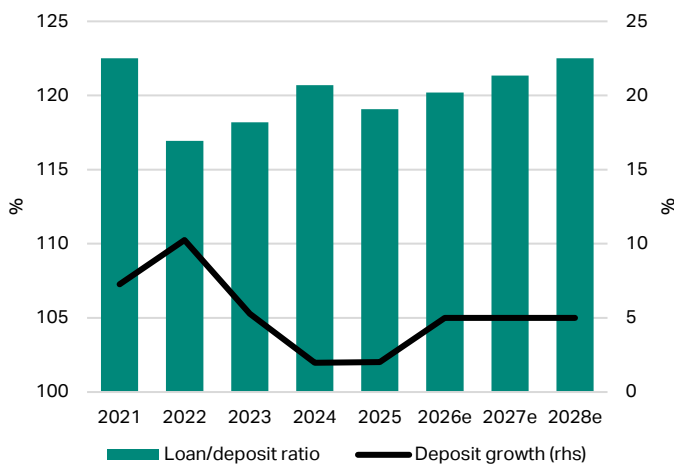
Funding and liquidity

Diversified sources and maturities

We consider Askim & Spydeberg Sparebank's funding, liquidity profile and management appropriate for a medium-sized Norwegian savings bank and broadly in line with domestic peers. The bank has maintained a loan-to-deposit ratio around 120% for the last five years, although the growth rate has declined. We project deposit growth to increase to 5% annually in 2026-2028, compared to 2% annually in 2024-2025. The bank maintains robust liquidity buffers and maintains liquidity coverage ratio and net stable funding ratio materially above internal limits and regulatory requirements.

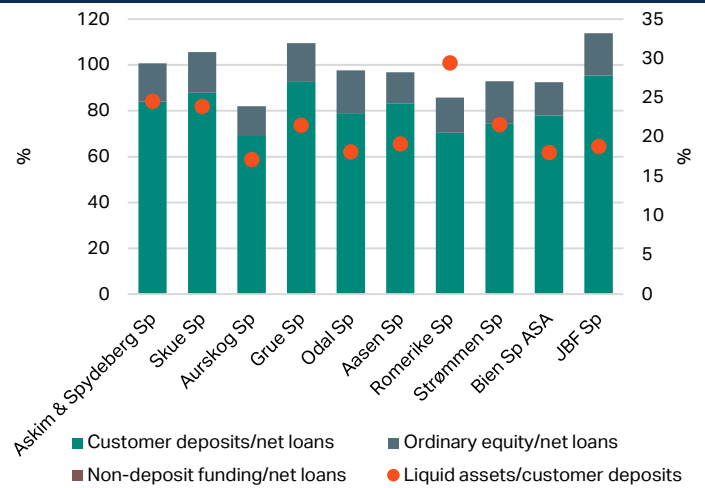
The bank benefits from a balanced maturity profile and continued access to capital markets, supported by covered-bond funding through Verd Boligkreditt. Legacy residential mortgage loans previously transferred to Eika Boligkreditt remain in place during a transition period following the bank's exit from the Eika Alliance, and will be phased out gradually over the coming years.

Figure 5. Deposit metrics, 2020-2028e



Source: company and NCR. e-estimate.

Figure 6. Norwegian savings banks' funding profiles, 31 Dec. 2025



Source: companies.

CREDIT RISK PROFILE

Operating environment

We consider a balance of national and regional factors in our assessment of the operating environment. Norwegian banks' net interest margins increased in 2022–2025 due to higher policy rates. While rates were cut somewhat in 2025, the still-elevated level is constraining credit growth, particularly in rate-sensitive segments. Market expectations and central bank guidance point to a higher likelihood of rate increases than further cuts in 2026, but strong competition and high deposit pass-through are expected to limit further margin upside. The Norwegian economy continues to benefit from high oil prices, but sentiment is dampened by heightened geopolitical uncertainty. While we consider the Norwegian economy to be strong, and the banking sector as resilient, there are risks concerning higher inflationary pressure, and continued pressure on property managers and developers.

Askim & Spydeberg Sparebank's core markets in northern Østfold county and the Follo district account for about 80% of the bank's gross lending. The area is home to about 190 thousand, near Oslo. Indre Østfold municipality is Norway's largest centre of agriculture, a sector which has historically enjoyed significant government support. In addition, the region has higher-than-average exposure to construction, which is currently experiencing a temporary slowdown. We believe construction activity could rise in the next year, although an increase will depend on costs and macroeconomic factors.

Figure 7. Regional core characteristics

	Strengths	Weaknesses
Regional employment and economic diversity	Close proximity to Oslo and favourable transportation links, providing greater job opportunities.	Higher unemployment compared to national averages.
Expected population growth and credit demand	Materially higher population growth compared to national averages.	Subdued credit growth remains.

Credit and market risk

Askim & Spydeberg Sparebank's loan portfolio has a strong regional focus, with about 95% of lending extended to borrowers in the counties of Østfold, Akershus, and Oslo. Some 83% of the bank's exposures (including transferred loans) 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 collateral to any decline in property values.

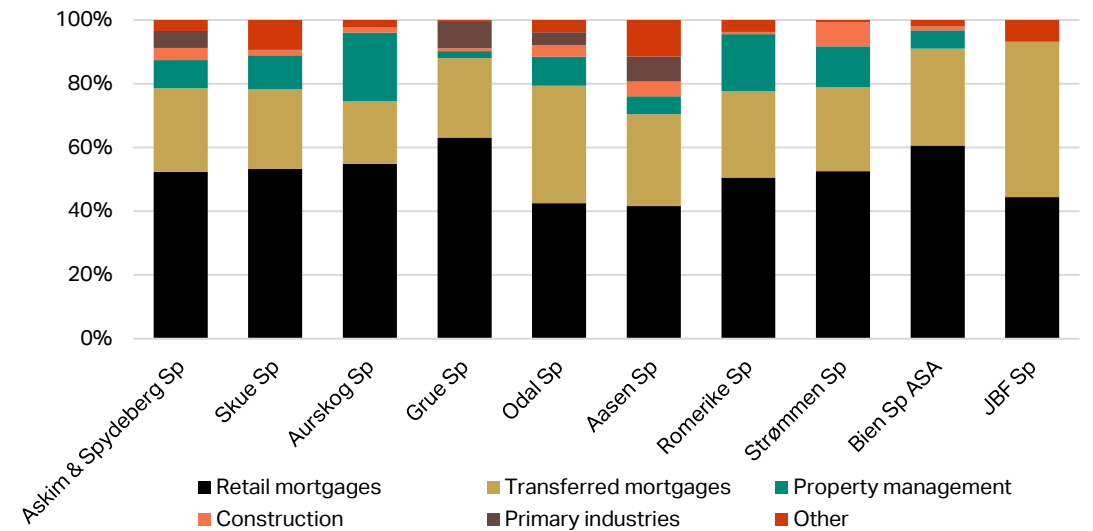
Lending growth has gradually declined over the last years to 1.1% in 2025 (including transferred loans). Our forecast includes higher loan growth on the bank's balance sheet of 6% annually through 2028 including transferred loans and assumes slightly higher corporate lending growth compared to

retail mortgage growth. Askim & Spydeberg Sparebank's main corporate exposure is to commercial real estate followed by construction and agriculture. We will continue to monitor construction and commercial real estate lending, due to currently high interest and input costs, and subdued price development.

At end-2025, Askim & Spydeberg Sparebank had transferred loans amounting to NOK 3.7bn (NOK 2.0bn to Eika Boligkreditt and NOK 1.7bn to Verd Boligkreditt). Such loans generate commission income, but the bank does not offload the associated risk.

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

Figure 8. Norwegian savings banks' gross loan book sector split, 31 Dec. 2025

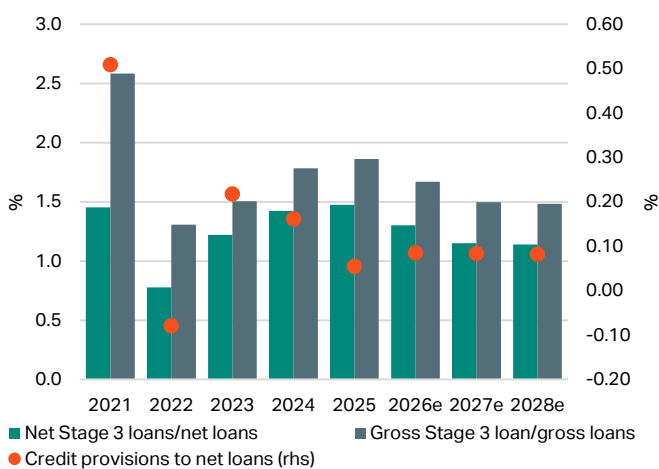


Source: companies.

Loss performance

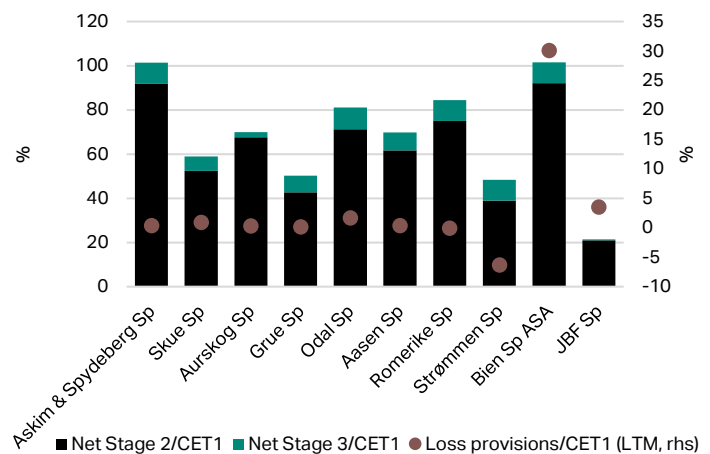
Askim & Spydeberg Sparebank booked 6bps loan losses in 2025, about average compared to its peer group. Historically, loan losses have been elevated and volatile, associated with unconventional loans brokered by a private individual at the bank, but all such cases have been resolved and expect no further related cases to arise. We also expect the share of net Stage 3 non-performing loans will decline somewhat from current levels in our forecast period.

Figure 9. Asset quality metrics, 2021–2028e



Source: company and NCR. e-estimate.

Figure 10. Asset quality in relation to capitalisation, 31 Dec. 2025



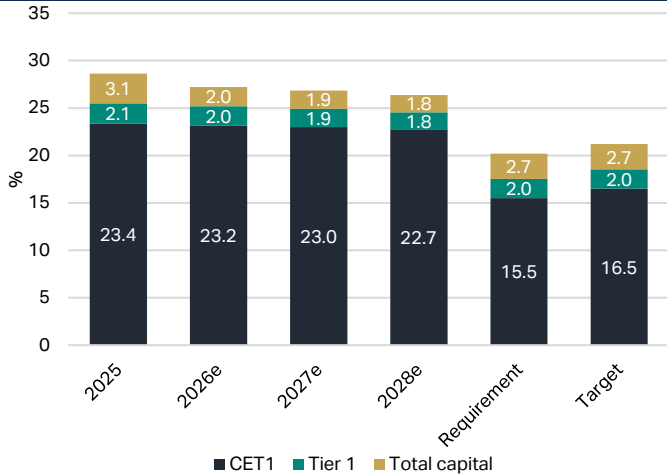
Source: companies. CET1-Common Equity Tier 1. LTM-last twelve months.

CAPITAL GENERATION

Our capital assessment takes into consideration Askim & Spydeberg Sparebank's consolidated position, including its proportional holdings in Verd Boligkreditt, Eika Boligkreditt, Brage Finans and Norne Securities. Capital ratios improved materially with the implementation of CRR3, and we expect its Tier 1 ratio to remain strong at levels above 24% through 2028.

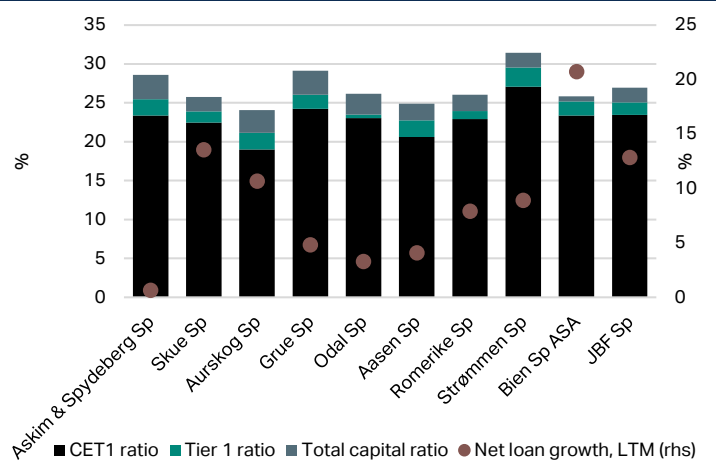
Capital

Figure 11. Forecast capital ratios vs. requirements, 2024–2028e



Source: company and NCR. e-estimate. Pillar 2 requirement (P2R) of 2.7%.

Figure 12. Norwegian savings banks' capital ratios and loan growth, 31 Dec. 2025



Source: companies.

Earnings

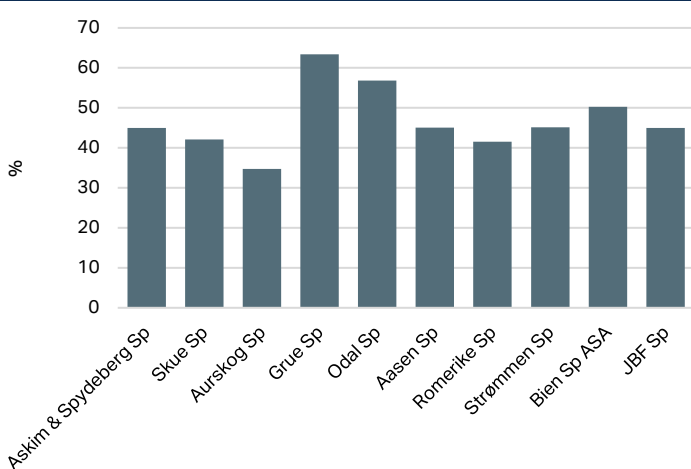
Askim & Spydeberg Sparebank operates with a strong cost efficiency and reported a cost-to-income of 45% in 2025, compared to its peer group average of 47%. However, we expect extraordinary costs related to a change in core banking system provider to impact cost efficiency in 2026. We further believe increased heightened competition and slow domestic credit growth to pressure margins and forecast the bank's cost efficiency to remain above 50% through 2028.

Figure 13. Capital projection assumptions, 2026e-2028e

%	2026e	2027e	2028e
Loan growth	6.0	6.0	6.0
Return on equity	7.3	7.2	6.8
Dividend payouts and gifts/net profit	40.0	40.0	40.0

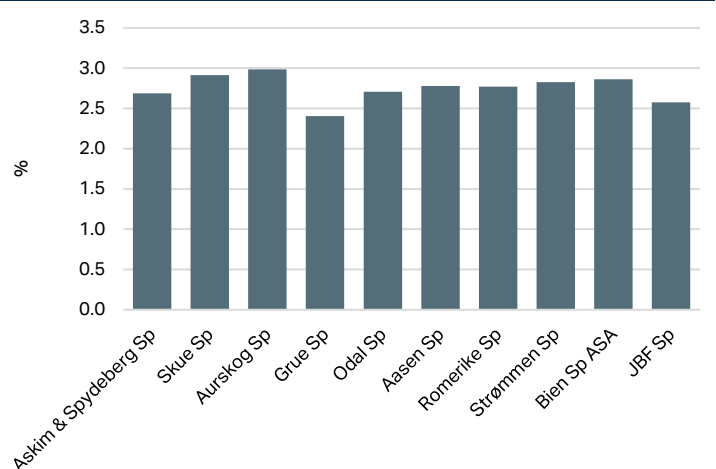
Source: NCR. e-estimate. All metrics adjusted in line with NCR methodology.

Figure 14. Norwegian savings banks' cost efficiency metrics, LTM to 31 Dec. 2025



Source: companies. LTM-last twelve months. Core represents net interest income and net fee & commission income.

Figure 15. Norwegian savings banks' PPI to REA, LTM to 31 Dec. 2025



Source: companies.

SUPPORT ANALYSIS

We assess the company's ownership as neutral according to our group and government methodology. Nearly 88% of the bank's ECCs are controlled by two foundations whose main income comes from dividends from the bank. These are used to fund various activities in the local community, and the foundations have limited resources to support the bank. However, the funding of community activities strengthens local perception of the Askim & Spydeberg Sparebank brand.

ISSUE AND SHORT-TERM RATINGS

Figure 16. Issue and short-term ratings

	Rating
Senior unsecured	A-
Tier 2	BBB+
Additional Tier 1	BBB-
Short-term rating	N2; adequate due to LCR above 150% over the last four quarters.

Short-term and issue ratings are mapped to the long-term issuer rating, in accordance with our Financial Institutions Rating Methodology. In cases where two alternatives for short-term ratings are possible, the short-term rating is assigned based on liquidity being strong, adequate, or weak, as applicable. See definitions in the methodology.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider ESG factors throughout our analysis, when they are material to our credit assessment.

Figure 17. 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. Longer-term effects on market values in flood risk areas.	Credit risk (-) Loss performance (0)
Social engagement in the community	Close connection to narrow niche provides a benefit.	Competitive position (+) Earnings (+) Funding & liquidity (+)
Sustainable/green-bond framework	Diversity of funding sources, access to additional markets/investors.	Funding & liquidity (+)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (-)
Control of sustainability issues	Risk of overlooking sustainability impact in the bank's underwriting, operations, and customer base.	Risk governance (0) Credit risk (0)

*Defined on a 5-step scale ranging from double minus (--) to double plus (++), with (-) representing the most negative impact and (++) the most positive.

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 corporates well prepared for improving demand in 2026](#), 14 Jan. 2026.
- (ii) [Nordic niche banks focus on optimisation and scalability in 2026](#), 13 Jan. 2026.
- (iii) [Swedish savings banks face little drama in 2026](#), 12 Jan. 2026.
- (iv) [Capital strength sets Norwegian savings banks up for 2026 growth](#), 9 Jan. 2026.

Figure 18. Askim & Spydeberg Sparebank key financial data, 2022–2025

Key credit metrics (%)	FY 2022	FY 2023	FY 2024	FY 2025
INCOME COMPOSITION				
Net interest income to op. revenue	77.6	83.8	80.7	78.8
Net fee income to op. revenue	14.3	12.9	13.4	15.1
Net gains and losses/operating revenue	3.5	0.3	4.8	4.6
Net other income to op. revenue	4.5	3.0	1.1	1.5
EARNINGS				
Net interest income to financial assets	2.1	2.4	2.4	2.2
Net interest income to net loans	2.7	3.1	3.0	2.7
Pre-provision income to REA	2.3	2.8	3.6	3.2
Core pre-provision income to REA (NII & NF&C)	2.0	2.7	3.2	2.9
Return on ordinary equity	10.2	8.4	9.7	8.8
Return on assets	1.3	1.1	1.2	1.2
Cost-to-income ratio	42.1	44.7	41.3	45.0
Core cost-to-income ratio (NII & NF&C)	45.8	46.2	43.8	48.0
CAPITAL				
CET1 ratio	18.3	21.8	22.3	27.1
Tier 1 ratio	19.9	24.2	24.3	29.1
Capital ratio	21.9	27.3	27.2	32.2
REA to assets	65.4	47.8	48.8	46.5
Dividend payout ratio	18.3	31.6	38.4	35.6
Leverage ratio	8.6	11.5	11.5	13.1
Consolidated CET1 ratio	18.3	19.4	20.1	23.4
Consolidated Tier 1 ratio	19.9	21.5	22.0	25.5
Consolidated Capital ratio	21.9	24.4	24.9	28.6
Consolidated Leverage ratio	8.6	9.3	9.8	10.3
GROWTH				
Asset growth	9.2	4.6	4.1	0.2
Loan growth	5.2	6.4	4.1	0.6
Deposit growth	10.3	5.3	2.0	2.0
LOSS PERFORMANCE				
Credit provisions to net loans	-0.08	0.22	0.16	0.06
Stage 3 coverage ratio	41.00	19.34	20.76	21.38
Stage 3 loans to gross loans	1.31	1.51	1.78	1.86
Net stage 3 loans to net loans	0.78	1.22	1.42	1.48
Net stage 3 loans/ordinary equity	4.78	7.68	8.85	8.80
FUNDING & LIQUIDITY				
Loan to deposit ratio	116.9	118.2	120.7	119.1
Liquid assets to deposit ratio	26.7	25.4	26.0	24.5
Net stable funding ratio	139.8	140.0	136.0	132.0
Liquidity coverage ratio	576.7	474.0	277.0	220.0
Key financials (NOKm)				
BALANCE SHEET				
Total assets	12,084	12,642	13,154	13,175
Total tangible assets	12,084	12,642	13,154	13,175
Total financial assets	12,031	12,595	12,903	13,091
Net loans and advances to customers	9,448	10,052	10,468	10,536
Liquid assets	2,161	2,159	2,252	2,172
Customer deposits	8,080	8,506	8,674	8,849
Issued securities	2,282	2,284	2,552	2,318
of which other senior debt	2,161	2,092	2,361	2,126
of which subordinated debt	121	192	192	191
Total equity	1,626	1,744	1,810	1,892
of which ordinary equity	1,535	1,599	1,685	1,767
CAPITAL				
Common equity tier 1	1,445	1,319	1,433	1,658
Tier 1	1,571	1,464	1,558	1,783
Total capital	1,733	1,652	1,747	1,973
REA	7,899	6,043	6,414	6,129
INCOME STATEMENT				
Operating revenues	318	358	378	366
Pre-provision operating profit	184	198	222	201
Impairments	-8	22	17	6
Net Income	150	131	159	152

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

Figure 19. Askim & Spydeberg Sparebank rating scorecard

Subfactors	Impact	Score
National banking environment	10.0%	a
Sector exposure assessment	-	-
Regional assessment	10.0%	a-
Cross border assessment	-	-
Operating environment	20.0%	a-
Risk governance	7.5%	bbb+
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%	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 20. Capital structure ratings

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

DISCLAIMER

Disclaimer © 2026 Nordic Credit Rating AS (NCR, the agency). All rights reserved. All information and data used by NCR in its analytical activities come from sources the agency considers accurate and reliable. All material relating to NCR's analytical activities is provided on an "as is" basis. The agency does not conduct audits or similar warranty validations of any information used in its analytical activities and related material. NCR advises all users of its services to carry out individual assessments for their own specific use or purpose when using any information or material provided by the agency. Analytical material provided by NCR constitutes only an opinion on relative credit risk and does not address other forms of risk such as volatility or market risk and should not be considered to contain facts of any kind for the purpose of assessing an issuer's or an issue's historical, current or future performance. Analytical material provided by NCR may include certain forward-looking statements relating to the business, financial performance and results of an entity and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Forward-looking statements contained in any analytical material provided by NCR, including assumptions, opinions and views either of the agency or cited from third-party sources are solely opinions and forecasts which are subject to risk, uncertainty and other factors that could cause actual events to differ materially from anticipated events. NCR and its personnel and any related third parties provide no assurance that the assumptions underlying any statements in analytical material provided by the agency are free from error, nor are they liable to any party, either directly or indirectly, for any damages, losses or similar, arising from use of NCR's analytical material or the agency's analytical activities. No representation or warranty (express or implied) is made as to, and no reliance should be placed upon, any information, including projections, estimates, targets and opinions, contained in any analytical material provided by NCR, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained in any analytical material provided by the agency. Users of analytical material provided by NCR are solely responsible for making their own assessment of the market and the market position of any relevant entity, conducting their own investigations and analysis, and forming their own view of the future performance of any relevant entity's business and current and future financial situation. NCR is independent of any third party, and any information and/or material resulting from the agency's analytical activities should not be considered as marketing or a recommendation to buy, sell, or hold any financial instruments or similar. Relating to NCR's analytical activities, historical development and past performance does not safeguard or guarantee any future results or outcome. All information herein is the sole property of NCR and is protected by copyright and applicable laws. The information herein, and any other information provided by NCR, may not be reproduced, copied, stored, sold, or distributed without NCR's written permission.

NORDIC CREDIT RATING AS

nordiccreditrating.com