

Bane NOR Eiendom AS

Rating Action Report

LONG-TERM RATING

A

OUTLOOK

Stable

SHORT-TERM RATING

N2

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Bane Nor Eiendom 'A' long-term issuer rating affirmed; Outlook stable

Nordic Credit Rating (NCR) has affirmed its 'A' long-term issuer rating on Norway-based property manager [Bane NOR Eiendom AS](#). The outlook is stable. The 'N2' short-term issuer rating and 'A' senior unsecured issue rating were also affirmed.

Rating rationale

The affirmation reflects our expectation that Bane NOR Eiendom's credit metrics will remain moderate over the forecast period, supported by increasing EBITDA and cash inflows from the sale of completed properties. We project net loan-to-value (LTV) of approximately 36% by 2028 and EBITDA to net interest coverage (ICR) of around 2.3x by 2028, following a temporary decline during a period of elevated investment.

Interest coverage remained under pressure in 2025, with an ICR of 2.1x, below our prior expectation of 2.4x. EBITDA was broadly in line with forecasts, but higher debt and increased interest costs weighed on the ratio. We continue to expect debt to rise in 2026 due to elevated capex for ongoing projects, resulting in a projected ICR of 1.8x. As interest coverage is an operating metric, we do not believe it fully captures the company's debt service capacity, since a portion of its activities relates to property development for sale, generating cash flows not reflected in EBITDA. We expect cash proceeds from property sales to support liquidity and partially mitigate risks associated with weaker interest coverage.

As noted in the previous review, we expect lower capital expenditure from 2027, along with improved EBITDA and sales proceeds, to stabilise debt levels and strengthen credit metrics. Committed capital expenditure is below projections from 2027, and we anticipate management will defer projects if liquidity is insufficient.

The long-term issuer rating continues to reflect the company's moderate leverage, solid average remaining lease term and high proportion of government-funded tenants. The rating is supported by the company's monopoly over domestic railway stations and workshops, as well as its importance to Norwegian railway infrastructure.

The rating is constrained by the size of Bane NOR Eiendom's management portfolio, although this is largely offset by the specialised nature of the properties, and by the company's revenue concentrations and the risks associated with development projects. While asset sales support liquidity, their contribution is subject to year-to-year variation due to uncertainty in disposal timing.

We continue to add two notches to our standalone credit assessment to reflect Bane NOR Eiendom's 100% indirect ownership by the Norwegian government and our view that the government has a strategic interest due to the company's role as a provider of critical public transport infrastructure.

Stable outlook

The stable outlook reflects our expectation that Bane NOR Eiendom's credit metrics will remain moderate through 2028, despite continued high capital spending and an expected increase in debt in 2026. The outlook also incorporates our view that the company will divest completed projects, supporting cash flow and mitigating the impact of periods of weaker interest coverage. In addition, strong footfall at the company's railway stations supports occupancy and enhances the attractiveness of its property locations.

We could raise the rating to reflect an LTV ratio of around 20% and an EBITDA margin above 65% for a prolonged period. We could also raise the rating to take into account improved profitability and revenue stability, or to reflect a strengthened financial policy through tighter leverage targets.

We could lower the rating to reflect net LTV above 40% and net interest coverage below 2.0x over a prolonged period, or to take into account weaker profitability or an inability to achieve competitive prices on development properties.

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

Figure 1. Bane NOR Eiendom rating scorecard

Subfactors	Impact	To	From
Operating environment	20.0%	bbb+	bbb+
Market position, size and diversification	12.5%	a-	a-
Portfolio assessment	12.5%	a-	a-
Operating efficiency	5.0%	bbb-	bbb-
Business risk assessment	50.0%	bbb+	bbb+
Ratio analysis		bbb-	bbb-
Risk appetite		bbb+	bbb+
Financial risk assessment	50.0%	bbb	bbb
Indicative credit assessment		bbb+	bbb+
Liquidity		Adequate	Adequate
ESG		Adequate	Adequate
Peer calibration		Neutral	Neutral
Stand-alone credit assessment		bbb+	bbb+
Support analysis		+2 notches	+2 notches
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 30 May. 2022.
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 Corporate Rating Methodology published on 8 May 2023 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 was performed. Standard 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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