Agder Sparebank

Rating Action Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

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Agder Sparebank assigned 'A-' long-term issuer rating; Outlook stable

Nordic Credit Rating (NCR) has assigned an 'A-' long-term issuer rating to Norway-based savings bank Agder Sparebank. The outlook is stable. An 'N2' short-term issuer rating, 'A-' senior unsecured issue rating, and 'BBB+' Tier 2 instrument rating have also been assigned. The bank currently has no outstanding Additional Tier 1 instruments, but we would rate such instruments three notches below the issuer rating at ‘BBB-’.

Rating rationale

The long-term issuer rating reflects the bank's strong capital position, predominantly low-risk retail mortgage portfolio, and satisfactory earnings. The bank holds a solid position in a growing market and maintains a low to moderate risk appetite. Its diverse and stable funding profile supports deposit growth in line with loan growth. Agder Sparebank's cooperation agreement with the Eika banking alliance is viewed positively, as it supports product diversification, shared development costs, and access to residential mortgage financing through Eika Boligkreditt.

The rating is constrained by Agder Sparebank's somewhat elevated Stage 3 levels and somewhat tighter liquidity buffers than peers. It is also limited by concentrated geographic exposure and related sensitivity to local property and housing prices.

Stable outlook

The stable outlook reflects our expectation that Agder Sparebank will maintain steady growth, with a slight overweight on the retail market, while preserving its regional focus and low risk appetite. We expect the bank's earnings to stabilise after several years affected by mergers, resulting in capital generation broadly in line with asset growth and only modest declines in capital ratios. The stable outlook also reflects the ongoing economic uncertainty, both globally and domestically, including the potential for a prolonged period of elevated interest rates, which may support earnings but could pressure asset quality.

An upgrade is unlikely at this time, given that capitalisation and earnings are already strong.

We could lower the rating to reflect a material deterioration in the regional operating environment, affecting growth prospects, profitability, or asset quality metrics, or a tier 1 capital ratio below 18% over a protracted period. We could also lower the rating to reflect materially weakened earnings, with a pre-provision income/REA below 2% and cost-income ratio above 60% over a protracted period.

Rating list	**Rating**
Long-term issuer credit rating:	A-
Outlook:	Stable
Short-term issuer credit rating:	N2
Senior unsecured issue rating:	A-
Tier 2 issue rating:	BBB+
Additional Tier 1 issue rating:	BBB-

Figure 1. Agder 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 2. Capital structure ratings

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

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 17 Aug. 2026.
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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