Eiendomskreditt AS

Rating Action Report

COVERED BOND RATING
NR

ISSUER RATINGS
LONG-TERM RATING
NR

OUTLOOK
-

SHORT-TERM RATING
NR

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Eiendomskreditt AS 'BBB' long-term issuer rating affirmed and withdrawn

Nordic Credit Rating (NCR) has affirmed its 'BBB' long-term issuer rating on Norway-based mortgage company Eiendomskreditt AS, and withdrawn the rating at the issuer's request. At the time of withdrawal, the outlook was stable. The 'N3' short-term rating, 'AAA' covered bond rating, 'BBB' senior unsecured rating, 'BB+' Tier 2 instrument rating, and 'BB-' additional Tier 1 instrument rating were also affirmed and withdrawn.

Rating rationale

The affirmation reflects Eiendomskreditt's continued stable performance, despite continued pressure in the Norwegian real-estate sector. The company's loan growth quieted in the first half of 2026 following an active second half of 2025 but remained positive. Improved capital ratios following the implementation of CRR3 in 2025 support continued room for growth, however persistently high interest rates in Norway remain a dampening factor on demand. Interest rates have also impacted loan performance, with net Stage 3 loans rising to 3.6% of the loan book as of 30 Jun. 2026, having remained above 3% since 2023. The company continues to report very modest loan loss provisions. However, given very strong collateralisation, we do not view the low coverage ratio as a material cause for concern.

The long-term issuer rating reflects Eiendomskreditt's strong capitalisation, earnings and low historical credit losses. The rating is constrained by the company's concentrated loan portfolio, modest market position and concentrated funding profile.

The issue rating on Eiendomskreditt's covered bonds reflects the 'BBB' issuer rating and the company's role as a commercial real-estate lender and partner to small and medium-sized Norwegian banks. The covered bond ratings are supported by an 'a+' qualitative assessment and our analysis of up to four notches of support from the cover pool, indicating 'AAA'-level support for bondholders in the unlikely event that the pool were to become a standalone entity. Refer to the latest full rating report for an overview of the covered bond rating components. The standalone analysis of the cover pool as of 30 Jun. 2026 confirms the four notches of support included in the 'AAA' covered bond rating.

Stable outlook

At the time of withdrawal, the outlook was stable, reflecting our view that Eiendomskreditt will retain a niche, but central, role in the Norwegian real-estate market for the foreseeable future. The stable outlook also reflects our view that its prudent underwriting and strong capitalisation mitigates against significant losses despite an uncertain market. We expect no material changes in the company's access to the covered-bond market.

Relevant research and rating actions

(i) Eiendomskreditt AS 'BBB' long-term issuer rating affirmed with stable outlook; removed from criteria review, 17 Oct. 2025

Rating list	Withdrawal	To	From
Long-term issuer credit rating:	NR	BBB	BBB
Outlook:	-	Stable	Stable
Short-term issuer credit rating:	NR	N3	N3
Covered bond issue rating:	NR	AAA	AAA
Senior unsecured issue rating:	NR	BBB	BBB
Tier 2 issue rating:	NR	BB+	BB+
Additional Tier 1 issue rating:	NR	BB-	BB-

Figure 1. Eiendomskreditt rating scorecard

Subfactors	Impact	Withdrawal	To	From
National banking environment	10.0%	-	a	a
Sector exposure assessment	10.0%	-	bbb-	bbb-
Regional assessment	-	-	-	-
Cross border assessment	-	-	-	-
Operating environment	20.0%	-	bbb+	bbb+
Risk governance	7.5%	-	bbb-	bbb-
Capital	17.5%	-	a-	a-
Funding and liquidity	15.0%	-	bbb	bbb
Credit and market risk	10.0%	-	bb+	bb+
Risk appetite	50.0%	-	bbb	bbb
Competitive position	15.0%	-	bb	bb
Earnings	7.5%	-	a+	a+
Loss performance	7.5%	-	bbb	bbb
Performance indicators	15.0%	-	a-	a-
Indicative credit assessment		**-**	**bbb**	**bbb**
Peer comparison		-	Neutral	Neutral
Transitions		-	Neutral	Neutral
Borderline assessments		-	Neutral	Neutral
Stand-alone credit assessment		**-**	**bbb**	**bbb**
Ownership		-	Neutral	Neutral
Capital structure protection		-	Neutral	Neutral
Rating caps		-	Neutral	Neutral
Issuer rating		**NR**	**BBB**	**BBB**
Outlook		-	Stable	Stable
Short-term rating		**NR**	**N3**	**N3**

Figure 2. Capital structure ratings

Seniority	Withdrawal	To	From
Covered bond	NR	AAA	AAA
Senior unsecured	NR	BBB	BBB
Tier 2	NR	BB+	BB+
Additional Tier 1	NR	BB-	BB-

Type of credit rating:	Issue credit rating
Publication date:	The rating was first published on 23 Feb. 2023.
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 NCR's Covered Bond 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, 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
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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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