

Ringerike Kommune

Full Rating Report

LONG-TERM RATING

AA+

OUTLOOK

Stable

SHORT-TERM RATING

N1

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RATING RATIONALE

Our 'AA+' long-term issuer rating on Norway's Ringerike municipality reflects that the municipality's budget performance and demographic profile are in line with the average of Norwegian municipalities. Ringerike has prudent financial reserves that have supported slim operating margins in recent years. We expect operating margins to remain positive, despite some weakening in 2026, before gradually improving thereafter. We also expect the municipality to prioritise rebuilding its financial reserves. The municipality benefits from its commuting distance to Oslo, Norway's capital, and its population has been steady historically.

The rating is constrained by Ringerike's high debt and interest burden compared with levels for other domestic local governments due to high investment requirements to serve its citizens and meet policy objectives. We expect the municipality's debt will remain elevated during our forecast period. However, we view Ringerike's debt with average time to maturity of 7 years as positive and consider its refinancing risk to be low due to readily available funding sources.

Ringerike benefits from Norway's exceptional creditworthiness, given the country's institutional stability, strong governance, and conservative fiscal performance. Local and regional government institutions are strong thanks to a predictable revenue distribution system and a robust framework that supports solid governance and transparency.

STABLE OUTLOOK

The outlook is stable, reflecting our view that Ringerike will continue to have an average budget performance within the sector. We expect the municipality will improve margins slightly while carefully managing its debt and interest expense. We also believe Ringerike will take necessary measures to ensure a balanced budget and strengthen financial reserves. We expect Norway's creditworthiness will remain stable, with no material changes to the institutional framework.

POTENTIAL POSITIVE RATING DRIVERS

- A significant reduction in gross debt and interest payments.
- Materially improved operating margins and financial reserves.
- Stronger demographics than we currently expect.

POTENTIAL NEGATIVE RATING DRIVERS

- Deteriorating operating margin or high capital spending resulting in a drain on financial reserves.
- A significant rise in gross debt and interest payments.
- Weaker demographics than we currently expect.

Figure 1. Key credit metrics, 2023–2028e

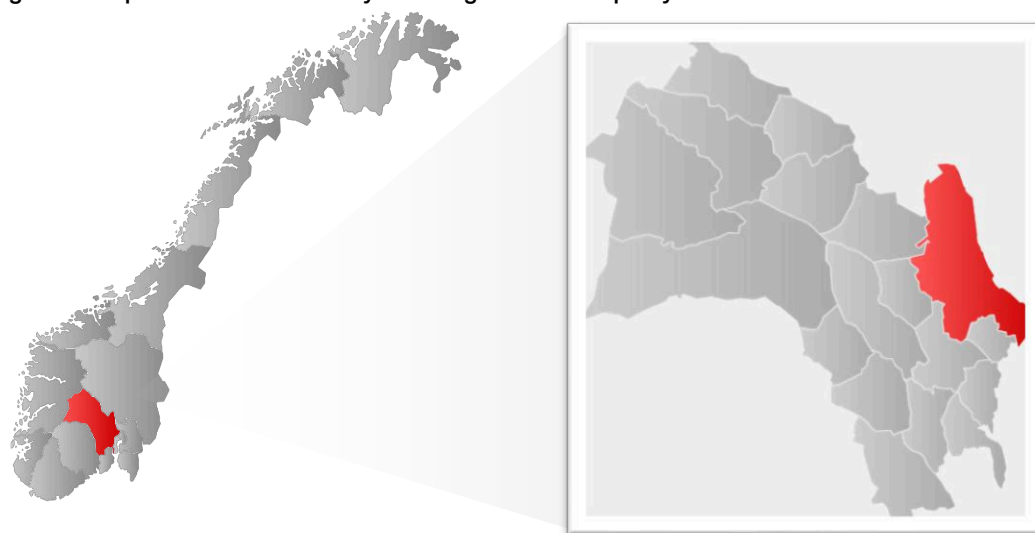
	2023	2024	2025	2026e	2027e	2028e
Population ('000)*	31,444	31,581	31,793	31,942	32,071	32,213
Unemployment rate (%)	2.2	2.3	2.7	2.5	2.6	2.6
Operating revenues (NOKm)	2,989	3,102	3,388	3,602	3,623	3,639
Operating margin (%)	6.3	3.1	9.0	7.1	8.4	9.8
Operating & investment balance (%)	-2.7	-4.9	3.4	1.4	1.0	1.0
Financial reserves (%)	9.9	6.2	7.7	7.3	8.7	9.9
Gross debt burden (%)	132.0	132.6	123.6	121.8	127.3	130.1
Interest burden (%)	4.6	5.6	5.2	5.1	5.4	5.4

Source: Issuer, SSB, NCR. e—estimate. All metrics as defined by NCR methodology. *As of 1 January.

ISSUER PROFILE

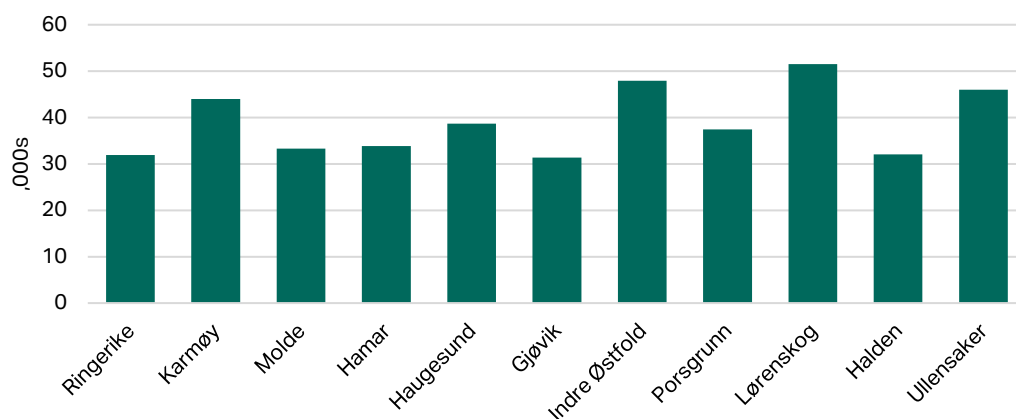
Ringerike was established in 1964 and is part of Buskerud county. Located in Norway's Eastern region, the municipality is a one-hour drive from Oslo. It has a population of around 32,000 and occupies an area of 1,500 sq km. Most residents live in Ringerike's centre, Hønefoss. Ringerike is one of the country's largest forestry municipalities, and forestry remains an important local industry. It also has significant agriculture, along with industry, trade, and service businesses. The municipality shares borders and collaborates with several municipalities, including Hole to the southeast and Jevnaker to the east.

Figure 2. Maps of Buskerud county and Ringerike municipality.



Source: Wikipedia. Maps

Figure 3. Norwegian municipalities population, 2025



Source: SSB, NCR.

NORWEGIAN SOVEREIGN CREDITWORTHINESS

In our view, Norway is characterised by excellent institutional stability and strong governance. The economy is resilient and the country's fiscal performance is conservative and well managed. Norway scores strongly in the World Bank's Worldwide Governance Indicators, with an average ranking across indicators in the 98th percentile. GDP per capita is strong, although there was a decline in 2023 due to cyclical oil-related revenue. Norway's inflation rate, adjusted for tax changes and excluding energy products, remains above the target. Statistics Norway (SSB) forecasts an inflation of 3.2% at end-2026, gradually declining to around 2.0% by 2030. However, uncertainty remains regarding the Norwegian krone, food and energy prices, and wage growth. Unemployment was relatively low at 2.1% in 2025 and we expect unemployment to remain low through 2026 and 2027. Historically, the country has had well-balanced budgets, having achieved positive budget balances over the past 20 years, except for a small deficit in 2020. As a result, gross public debt to GDP has remained at low levels.

LOCAL & REGIONAL GOVERNMENT INSTITUTIONS

Norway's local and regional governance benefits from a predictable revenue framework and effective equalisation. Municipalities and counties are primarily funded through income taxes and block grants, with the national budget presented in the third quarter to support planning and balanced budgets. The Ministry of Local Government and Modernisation maintains dialogue with regional authorities to ensure compliance with national governance principles.

Figure 4. Institutional considerations for Norwegian LRGs

Institution factors	Comments
Revenue distribution regime	Norway has a far-reaching financial equalisation system that compensates counties with an adverse cost structure or unfavourable demographic profile. The country aims to even out per capita differences in local tax bases.
Governance and transparency	County governments are required by law to disclose their annual budget for the upcoming year and a financial plan for the next four years before the end of any given year. Local and regional governments must also establish fiscal targets and financial and debt management plans.
Track record	By law, Norwegian local governments cannot become insolvent. The central government takes financial control of municipalities and counties with financial imbalances or failure to meet specific deadlines to ensure they meet their obligations. In such cases, we view support from the central government as likely.

See our Local & Regional Government Rating Methodology for guidelines used to assess LRG institutions.

ENTITY-SPECIFIC FACTORS

Our entity-specific assessment reflects Ringerike's average demographic profile, budget performance, and elevated debt and interest burden compared with the domestic local government sector. The municipality benefits from continued population growth and commuting opportunities to Oslo, but its ageing population will increase future service requirements. We expect steady operating margins and gradually increasing financial reserves to support the financial profile, although significant planned investments will lead to growth in debt burden over time.

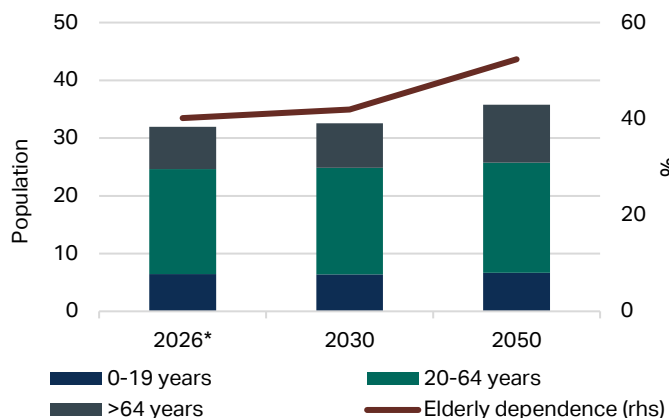
Average demographics supported by population growth and proximity to Oslo

Ringerike's population has grown around 1% since 2023, supported by net migration. According to projections from SSB, the population is expected to increase by 7.4% between 2026 and 2040, slightly above the projected national growth over the same period. The municipality also benefits from its relatively short commuting distance to Oslo, providing access to a broader and more diversified labour market.

Ringerike's median monthly income was NOK 52,240 in 2025, close to the domestic sector average. The municipality has lower education levels and a higher share of residents with health-related needs compared with national averages. The unemployment rate increased to 2.7% in 2025, somewhat above that of Ringerike's closest peers, but is expected to decline to around 2.5% in 2026.

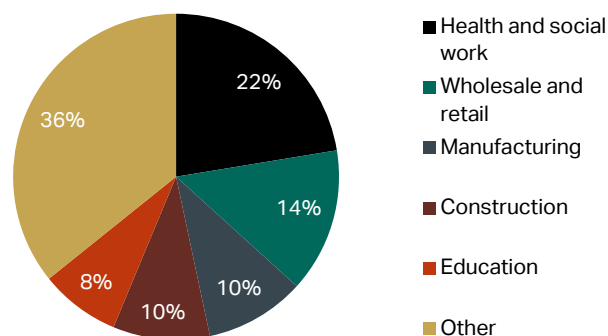
The elderly dependency ratio rose to 40.2% in 2025 and is expected to continue rising over the long term, reaching approximately 52% by 2050, above the estimated national average of 46%. This is likely to increase demand for health and care services and require continued adaptation of service provisions. To address these challenges, Ringerike Kommune plans to build a new nursing home, although construction has been postponed until the early 2030s.

Figure 5. Projections of elderly dependence and population



Source: SSB, NCR. *1 January.

Figure 6. Employment by industry, 2025



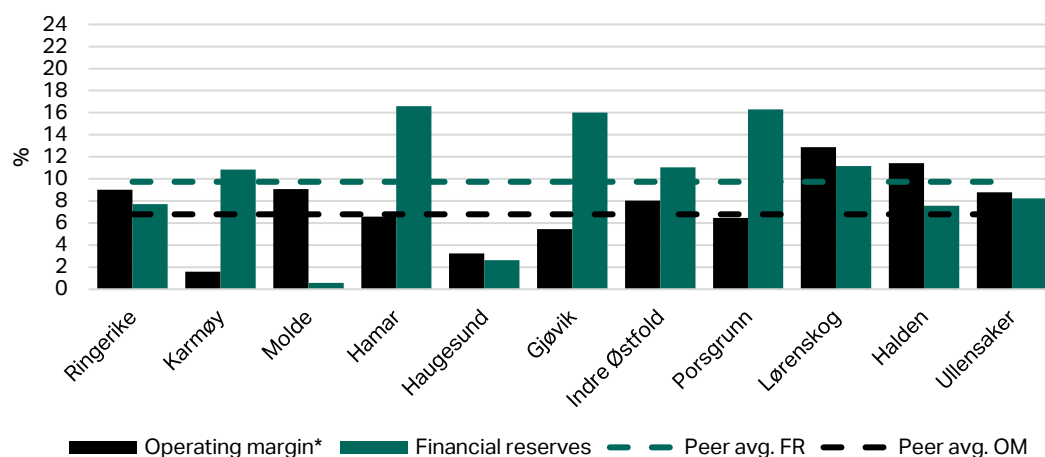
Source: SSB, NCR.

Sound budget performance despite continued expenditure pressure

Ringerike's operating margin improved to 9% in 2025, slightly above the peer and sector averages. We expect the margin to decline to around 7.0% in 2026 as continued growth in wages, pensions, and other operating costs offsets revenue growth. Cost pressures are expected to persist, with the Norwegian national budget assuming a municipal cost deflator of 3.8% in 2027. Planned investments and related borrowing are also expected to gradually add pressure to the operating budget. The municipality receives additional income from its internal investment fund, Fossefondet, energy concessions, and dividends from ownership interests.

Financial reserves increased to 7.7% of operating revenue in 2025, broadly in line with the sector average, but somewhat below the peer average. We expect Ringerike to prioritise further additions to its financial reserves, as these provide a buffer against weaker operating results and both expected and unexpected expenditures. The municipality's 10% target could be within reach by 2028. Ringerike's previous experience on the ROBEK register also supports its continued focus on maintaining sufficient reserves.

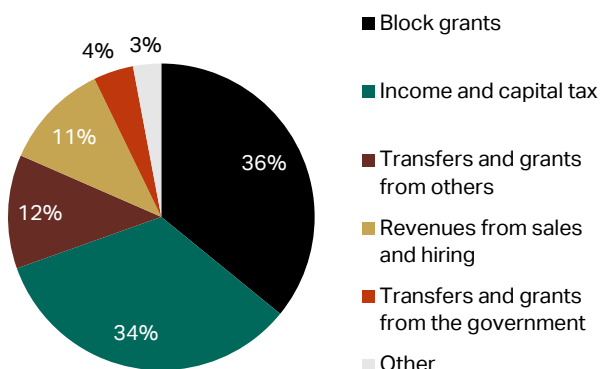
Figure 7. Norwegian municipalities' operating margins and financial reserves as a share of operating income, 2025



Source: SSB, NCR. *Excludes depreciation and interest costs. **Includes general funds and accumulated operating results.

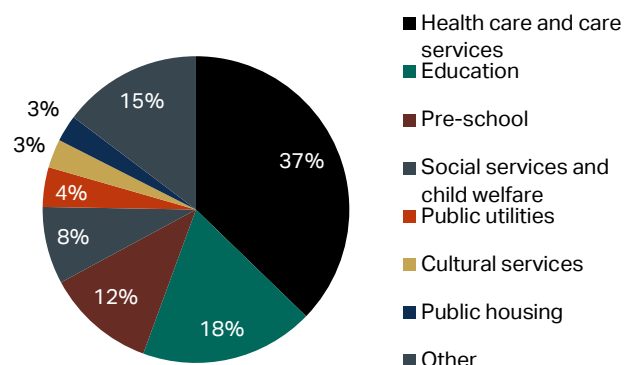
Ringerike shifted its operating and investment balance from a deficit to a surplus in 2025, reducing its borrowing needs. We expect Ringerike to maintain moderate investment levels over the forecast period, gradually increasing as the new fire station and crematorium projects progress. However, the increase will be slower than previously anticipated due to delayed construction of new health and care facilities, which will also postpone related borrowings.

Figure 8. Sources of revenues, 2025



Source: SSB, NCR.

Figure 9. Spending breakdown, 2025

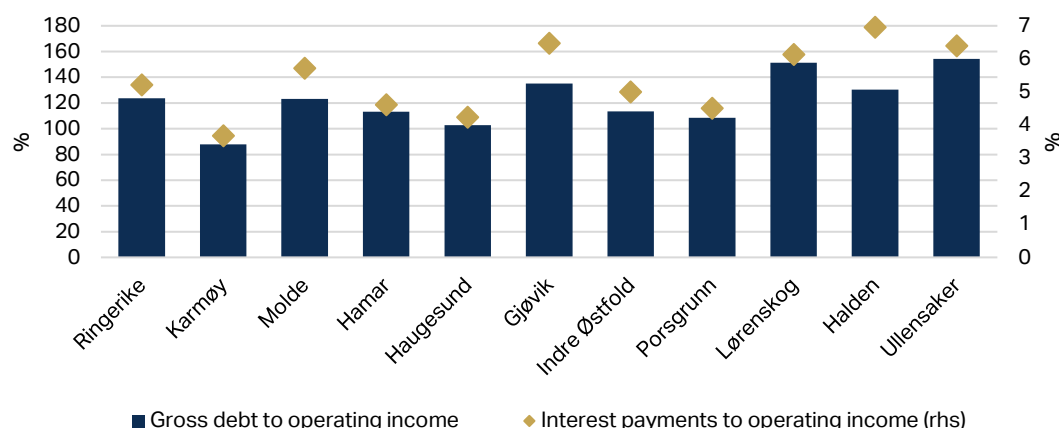


Source: SSB, NCR.

High debt likely to continue due to investment requirements

Ringerike's gross debt burden declined to 124% of operating revenue in 2025, mainly due to higher operating revenue and reduced borrowing needs following lower investment activity. Total debt amounted to NOK 4.4bn as of 31 Aug. 2026, including loans related to self-cost activities and NOK 905m in start loans from Husbanken. Start loans from Husbanken are redistributed to residents and typically have favourable terms and long maturities. Consequently, almost half of total debt is related to self-cost activities or start loans, which are supported by user fees or repayments from residents. We expect the municipality's debt burden to remain broadly stable through 2027 before increasing as investment activity picks up. The municipality's debt burden is expected to remain elevated compared with the sector.

Figure 10. Gross debt and interest payments as a share of operating income, 2025

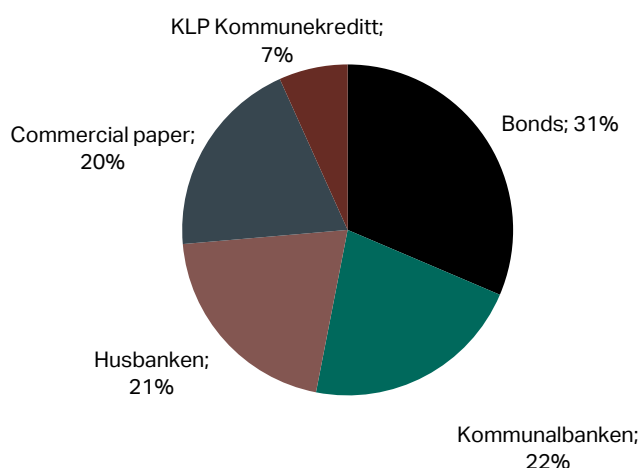


Source: SSB, NCR.

Ringerike maintains diversified access to bank and capital-market funding, with an average maturity of 7.1 years excluding start loans from Husbanken. The municipality continuously monitors liquidity and projected cash flow, with cash and cash equivalents of approximately NOK 500m in 2025. We assess refinancing risk as low, supported by access to funding from multiple counterparties and a relatively long maturity profile. In 2025, Ringerike made loan payments of about NOK 165m, in line with the minimum central government requirement.

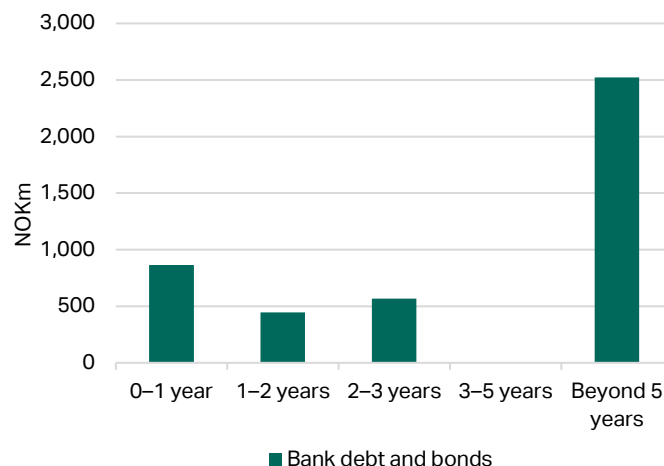
Ringerike's interest payments amounted to 5.2% of operating revenue in 2025. We expect interest payments to increase as debt rises and existing fixed-rate agreements mature. Interest-rate exposure remains material, with 69.5% of gross debt subject to interest-rate reset within one year. However, the exposure is partly mitigated by onward lending, self-financing water and wastewater operations, and interest-compensated debt. Sensitivity analysis indicates that a 1 percentage point increase in interest rates would increase net interest expenses by around NOK 30.6m.

Figure 11. Debt profile, 31. Aug 2026



Source: Issuer, NCR.

Figure 12. Debt maturity profile, 31. Aug. 2026

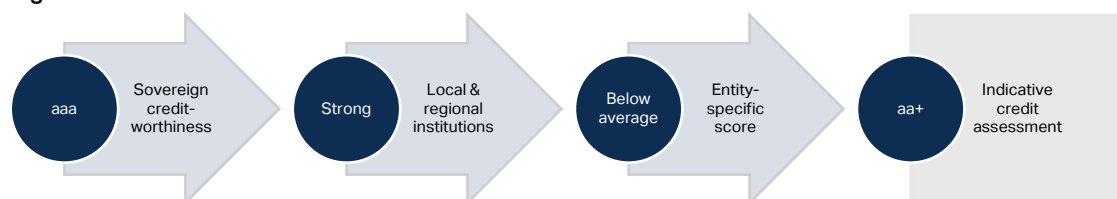


Source: Issuer, NCR.

INDICATIVE CREDIT ASSESSMENT

The combination of 'aaa' sovereign creditworthiness, a 'strong' local & regional government institutions assessment, and a 'below average' entity-specific assessment with the higher alternative leads to an 'AA+' indicative credit assessment. The overall entity-specific score is moderately below average. Ringerike's beneficial commuting distance to Oslo, contributing to employment diversification along with positive developments in our forecast and buffer funds, results in the higher alternative indicative credit assessment.

Figure 13. Indicative credit assessment



ADJUSTMENT FACTORS

Adjustment factors are assessed as neutral and have no effect on the final rating.

Contingent liabilities and guarantees

As of 31 Dec. 2025, Ringerike had guaranteed debt limits totalling NOK 53.6m, of which NOK 25.2m was outstanding. The guarantees are primarily given to projects related to kindergartens and sport projects. The guarantees have long maturities and typically remain valid until the associated project debt is repaid. The municipality repaid a NOK 12m loan for Hønefoss Tennisklubb (tennis hall) in 2024 due to financial distress. Ringerike would have had to uphold its guarantee on the project in any case. However, we see the risk associated with guarantees as minimal, as repayments of debt under guarantee have not been an issue historically. We also consider that risk is reduced owing to the small amounts guaranteed at the municipal level and the spread over several projects with diverse maturities. It is common practice for municipalities to issue such guarantees.

Figure 14. Guarantees

Recipient	Purpose	Guarantee limit (NOKm)	Outstanding balance (NOKm)	Maturity
Hønefoss Ballklubb	Sports hall	3.6	3.6	01.06.2031
Blåbærskogen Barnehage SA	Kindergarten	9.5	2.7	01.02.2034
Tolpinrud Barnehage BA	Kindergarten	12.7	5.2	01.03.2038
Heradsbygda IL	Sports field	8.8	2.3	03.09.2040
Hønefoss Sportsklubb	Sports facilities	8.6	2.9	28.04.2043
Tolpinrud SA	Kindergarten	3.5	3.6	15.05.2043
IKA Kongsberg	Intercom archive	6.4	4.9	-
Ringeriksbadet IKS	Cash credit	0.5	0	-

Source: Issuer.

Sustainability concerns

We see no sustainability concerns that could have a material effect on Ringerike's creditworthiness or pose an immediate risk. However, climate change and extreme weather represent a potential threat to the wider local government sector. Specifically, Ringerike is obliged to cut greenhouse gas emissions to help Norway meet its obligations under the Paris Agreement. Ringerike targets reducing direct emissions by at least 55% by 2030, which includes reducing emissions from road traffic, agriculture and industry.

ISSUE AND SHORT-TERM RATINGS

Figure 15. Instrument and short-term ratings

Seniority	Issue rating and rationale
Senior unsecured issue rating	AA+; in line with the issuer rating.
Short-term rating	N1; reflecting the liquidity profile and the long-term issuer rating.

Issue ratings are assigned in accordance with our Local & Regional Government Rating Methodology. Short-term are mapped to the long-term issuer rating, in accordance with our Rating Principles.

Figure 16. Key credit metrics, 2023–2028e

	2023	2024	2025	2026e	2027e	2028e
Operating revenue	2,989	3,102	3,388	3,602	3,623	3,639
Operating spending	2,972	3,165	3,252	3,347	3,317	3,284
Operating balance	188	95	306	255	306	355
Operating margin (%)	6.3	3.1	9.0	7.1	8.4	9.8
Investment income	94	44	39	36	48	49
Investment spending	361	292	231	239	319	368
Operating and investment balance	-80	-153	113	52	35	36
Operating and investment balance (%)	-2.7	-4.9	3.3	1.4	1.0	1.0
Gross debt	3,943	4,115	4,189	4,388	4,610	4,735
Gross debt burden (%)	131.9	132.6	123.6	121.8	127.3	130.1
Interest payments	139	173	177	185	194	195
Interest burden (%)	4.6	5.6	5.2	5.1	5.4	5.4

Source: Issuer, SSB, NCR. e—estimate. All metrics as defined by NCR methodology.

METHODOLOGIES USED

- (i) [Local & Regional Government Rating Methodology](#), 14 Feb. 2024.
- (ii) [Sovereign Credit Assessment Methodology](#), 26 Mar. 2024.
- (iii) [Rating Principles](#), 14 Feb. 2024

RELEVANT RESEARCH

- (i) [Fiscal stability across Norwegian municipalities faces uneven pressures in 2026](#), 30 Jan. 2026.
- (ii) [Mounting costs continue to weigh on Norwegian municipal finances](#), 11 Jun. 2025.

Figure 17. Ringerike rating scorecard

Step	Analysis	Score
1	Sovereign creditworthiness	aaa
2	Local and regional government institutions	Strong
3	Entity-specific assessment	Below average
4a	Standard notching	-1/-2
4b	Indicative credit assessment alternatives	aa+/aa
5a	Higher or lower alternative	Higher
5b	Indicative credit assessment	aa+
6	Other adjustments	0
7	Issuer rating	AA+

Figure 18. Ringerike entity-specific assessment scorecard

Subfactors	Impact	Score
Average income	30.0%	3
Population growth	30.0%	3
Old age burden	20.0%	3
Unemployment	20.0%	3
Demographics calibration	-	0
Demographics weighed score	33.3%	3.00 (Average)
Operating margin	60.0%	3
Operating and investment balance	20.0%	3
Financial reserves	20.0%	3
Budget performance calibration	-	0
Budget performance weighed score	33.3%	3.00 (Average)
Gross debt burden	60.0%	4
Interest burden	40.0%	4
Debt burden and liquidity calibration	-	0
Debt burden and liquidity weighed score	33.3%	4.00 (Weak)
Weighted average entity-specific scoring	100.0%	3.33 (Below average)

Figure 19. Capital structure ratings

Seniority	Rating
Senior unsecured	AA+

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