Orkla Sparebank

Rating Action Report

LONG-TERM RATING
A-

OUTLOOK
Stable

SHORT-TERM RATING
N2

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Orkla Sparebank 'A-' long-term issuer rating affirmed; Outlook stable

EDITOR'S NOTE (19 Oct. 2026): The rating action report has been republished due an incorrect issuer rating in the headline.

Nordic Credit Rating (NCR) has affirmed its 'A-' long-term issuer rating on Norway-based savings bank Orkla Sparebank. The outlook is stable. The bank's 'N2' short-term issuer rating, 'A-' senior unsecured, 'BBB+' Tier 2, and 'BBB-' Additional Tier 1 instrument ratings are also affirmed.

Rating rationale

The affirmation reflects Orkla Sparebank's strong capital and liquidity positions, as well as its moderate risk appetite. The merger with Rindal Sparebank, together with organic loan growth outpacing the market, has led us to upgrade our assessment of Orkla Sparebank's competitive position. Increased resources for risk management, low loan losses, and improved credit quality have also resulted in higher assessments of risk governance and loan loss performance. As a member of the Eika Alliance, the bank benefits from product diversity, shared development costs, and access to residential mortgage financing through Eika Boligkreditt.

The rating is constrained by the bank's concentrated exposure to real estate and agriculture in the region southwest of Trondheim in central Norway. It is also limited by strong competition and a low market share in Trondheim, the bank's fastest-growing market.

Stable outlook

The outlook remains stable, reflecting our view that a weak economic climate and projected credit losses will be offset by strong and stable pre-loss earnings metrics. The merger with Rindal Sparebank appears to have been well executed, and we expect cost synergies to materialise in 2027. The merger has also strengthened the bank's capital ratios, and our expectations of stable capital ratios are a stabilising factor in our credit risk assessment.

We could raise our rating on Orkla Sparebank if economic conditions and asset quality metrics improve relative to peers, if pre-provision income/risk exposure amount (REA) remains sustainably above 3%, or if there is a general improvement in funding and liquidity.

We could lower our rating if there is a material deterioration in the local operating environment that weakens asset quality, a sustained reduction in the Tier 1 capital ratio to below 20%, or risk-adjusted earnings metrics remain below 2% of REA on a sustained basis.

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-
Tier 2 issue rating:	BBB+	BBB+
Additional Tier 1 issue rating:	BBB-	BBB-

Figure 1. Orkla Sparebank rating scorecard

Subfactors	Impact	To	From
National banking environment	10.0%	a	a
Sector exposure assessment	-	-	-
Regional assessment	10.0%	bbb+	bbb+
Cross border assessment	-	-	-
Operating environment	20.0%	a-	a-
Risk governance	7.5%	a	a-
Capital	17.5%	aa	aa
Funding and liquidity	15.0%	a-	a-
Credit and market risk	10.0%	bbb	bbb
Risk appetite	50.0%	a	a
Competitive position	15.0%	bbb-	bb+
Earnings	7.5%	a+	a+
Loss performance	7.5%	a	a-
Performance indicators	15.0%	a	a
Indicative credit assessment		**a-**	**a-**
Peer comparison		Neutral	Neutral
Transitions		Neutral	Neutral
Borderline assessments		Neutral	Neutral
Stand-alone credit assessment		**a-**	**a-**
Ownership		Neutral	Neutral
Capital structure protection		Neutral	Neutral
Rating caps		Neutral	Neutral
Issuer rating		**A-**	**A-**
Outlook		Stable	Stable
Short-term rating		**N2**	**N2**

Figure 2. Capital structure ratings

Seniority	To	From
Senior unsecured	A-	A-
Tier 2	BBB+	BBB+
Additional Tier 1	BBB-	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 30 Oct. 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 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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