

LONG-TERM RATING

BBB

OUTLOOK

Stable

SHORT-TERM RATING

N3

PRIMARY ANALYST

Geir Kristiansen
+4790784593
geir.kristiansen@nordiccreditrating.com

SECONDARY CONTACTS

Christian Yssen
+4740019900
christian.yssen@nordiccreditrating.com

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.com

Trøndelag Sparebank long-term issuer rating lowered to 'BBB'; Outlook stable

Nordic Credit Rating (NCR) has lowered its long-term issuer rating on Norway-based [Trøndelag Sparebank](#) to 'BBB' from 'BBB+'. The outlook is stable. At the same time, the short-term issuer rating has been lowered to 'N3' from 'N2', the senior unsecured issuer rating to 'BBB' from 'BBB+', the Tier 2 rating to 'BB+' from 'BBB' and the Additional Tier 1 issue rating to 'BB-' from 'BB+'.

Rating rationale

The downgrade reflects our view that the bank's operating performance will remain under pressure over our forecast horizon, even after adjusting for one-off costs related to the planned merger with Ørland Sparebank. Earnings have weakened due to lower net interest margins, driven by strong competition and ambitious growth targets, as well as relatively low cost efficiency. In addition, loan losses have exceeded expectations and are expected to remain elevated, given persistent net Stage 3 loans, which rose to 4.2% at end-2025.

We believe the planned merger will eventually strengthen Trøndelag Sparebank's capitalisation, which would otherwise be under pressure from strong growth relative to capital generation. The merger is also expected to improve overall asset quality, expand the bank's deposit base and may improve cost efficiency over time. Ørland Sparebank operates in the same core region as Trøndelag Sparebank, but will establish a new stronghold in the municipality of Ørland.

Our 'BBB' long-term issuer rating reflects the bank's moderate risk appetite, robust capital position and stable funding access. The bank's cooperation agreement with the Eika Alliance is viewed positively, as it supports product diversification, shared development costs and access to residential mortgage financing through the jointly owned covered bond company Eika Boligkreditt AS. The rating is constrained by concentrated exposure to real estate and agriculture in the core region, as well as a high level of non-performing corporate loans and historically weak credit risk governance. While the bank maintains a strong market share in its core region, the rating also reflects its low, though increasing, market share in other parts of Trøndelag county.

Stable outlook

The outlook is stable, reflecting our view that earnings, adjusted for merger-related costs with Ørland Sparebank, will stabilise at relatively weaker levels, with pre-provision income (PPI)/risk exposure amount (REA) below 2% and a cost-income ratio above 60%. Once completed, we expect the merger to have a positive impact on credit quality and capitalisation. The outlook also reflects our expectation that the bank's asset quality metrics will remain weaker than peers but should show measured improvement over the next 12–18 months.

We could raise the rating if asset quality improves, as evidenced by lower loan losses and non-performing exposures, PPI/REA remains sustainably above 2%, with cost to income below 60%, or Tier 1 ratio remains sustainably above 20%. Conversely, we could lower the rating if loan losses increase and asset quality metrics deteriorate further, the Tier 1 ratio falls below 18%, or PPI/REA approaches 1%.

Rating list	To	From
Long-term issuer credit rating:	BBB	BBB+
Outlook:	Stable	Negative
Short-term issuer credit rating:	N3	N2
Senior unsecured issue rating:	BBB	BBB+
Tier 2 issue rating:	BB+	BBB
Additional Tier 1 issue rating:	BB-	BB+

Figure 1. Trøndelag 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%	bbb+	bbb+
Risk governance	7.5%	bbb	bbb
Capital	17.5%	a-	a-
Funding and liquidity	15.0%	a-	a-
Credit and market risk	10.0%	bbb	bbb
Risk appetite	50.0%	bbb+	bbb+
Competitive position	15.0%	bb	bb
Earnings	7.5%	bbb	bbb+
Loss performance	7.5%	bbb-	bbb
Performance indicators	15.0%	bbb-	bbb
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		BBB	BBB+
Outlook		Stable	Negative
Short-term rating		N3	N2

Figure 2. Capital structure ratings

Seniority	To	From
Senior unsecured	BBB	BBB+
Tier 2	BB+	BBB
Additional Tier 1	BB-	BB+

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 15 May. 2024.
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.
Primary analyst:	Geir Kristiansen, +4790784593, geir.kristiansen@nordiccreditrating.com
Rating committee chairperson responsible for approval of the credit rating:	Sean Cotten, +46735600337, sean.cotten@nordiccreditrating.com
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, 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.
Legal exemption from liability:	Disclaimer © 2026 Nordic Credit Rating AS (NCR, the agency). All rights reserved. All information and data used by NCR in its analytical activities come from sources the agency considers accurate and reliable. All material relating to NCR's analytical activities is provided on an "as is" basis. The agency does not conduct audits or similar warranty validations of any information used in its analytical activities and related material. NCR advises all users of its services to carry out individual assessments for their own specific use or purpose when using any information or material provided by the agency. Analytical material provided by NCR constitutes only an opinion on relative credit risk and does not address other forms of risk such as volatility or market risk and should not be considered to contain facts of any kind for the purpose of assessing an issuer's or an issue's historical, current or future performance. Analytical material provided by NCR may include certain forward-looking statements relating to the business, financial performance and results of an entity and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Forward-looking statements contained in any analytical material provided by NCR, including assumptions, opinions and views either of the agency or cited from third-party sources are solely opinions and forecasts which are subject to risk, uncertainty and other factors that could cause actual events to differ materially from anticipated events. NCR and its personnel and any related third parties provide no assurance that the assumptions underlying any statements in analytical material provided by the agency are free from error, nor are they liable to any party, either directly or indirectly, for any damages, losses or similar, arising from use of NCR's analytical material or the agency's analytical activities. No representation or warranty (express or implied) is made as to, and no reliance should be placed upon, any information, including projections, estimates, targets and opinions, contained in any analytical material provided by NCR, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained in any analytical material provided by the agency. Users of analytical material provided by NCR are solely responsible for making their own assessment of the market and the market position of any relevant entity, conducting their own investigations and analysis, and forming their own view of the future performance of any relevant entity's business and current and future financial situation. NCR is independent of any third party, and any information and/or material resulting from the agency's analytical activities should not be considered as marketing or a recommendation to buy, sell, or hold any financial instruments or similar. Relating to NCR's analytical activities, historical development and past performance does not safeguard or guarantee any future results or outcome. All information herein is the sole property of NCR and is protected by copyright and applicable laws. The information herein, and any other information provided by NCR, may not be reproduced, copied, stored, sold, or distributed without NCR's written permission.

NORDIC CREDIT RATING AS

nordiccreditrating.com