City of Trondheim

Rating report

Well-integrated institutional framework for Norwegian municipalities

Norwegian municipalities benefit from comprehensive fiscal equalisation schemes, robust funding support, and effective policy coordination across different tiers of government. A well-structured financial support framework ensures effective crisis response.

Our evaluation of this framework leads to an indicative rating range for Norwegian municipalities spanning from AAA to AA-. This assessment underscores their strong integration with the Norwegian sovereign and the coherence of Norway's sub-sovereign institutional arrangements.

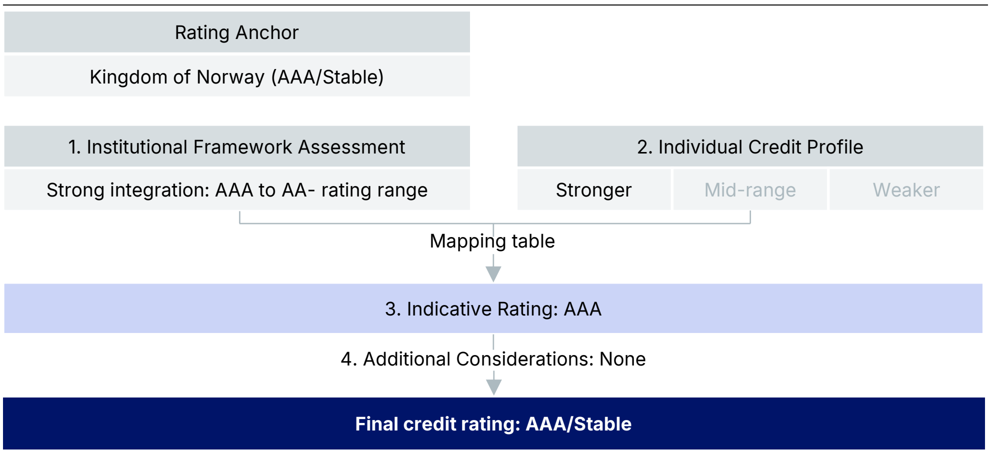
Strong individual credit profile

Trondheim demonstrates strong debt affordability, supported by substantial financial assets through its investment fund and liquidity reserves, a low net interest payment burden, and limited contingent liabilities. The city also shows resilient budgetary performance, with solid operating margins. Trondheim benefits from a diversified economy with favourable growth prospects and positive demographic trends, and it upholds strong governance standards. In addition, the city has low exposure to environmental risks and sets out ambitious climate policies.

Credit challenges

Trondheim's relatively high debt stock is less favourable compared to many domestic peers. In terms of revenue and expenditure flexibility, the city is broadly in line with the Norwegian average, relying significantly on transfers and grants, with a limited share of adjustable own-source revenue.

Figure 1: Trondheim's sovereign-rating drivers



Note: For further details, please see Scope's Sub-sovereigns Rating Methodology.
Source: Scope Ratings

Foreign currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Local currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

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Credit strengths and challenges

Credit strengths	Credit challenges
• Ample liquidity • Resilient budgetary performance • Robust governance quality • Wealthy, resilient local economy • Favourable debt profile • Integrated institutional framework	• High debt stock, though backed by own investment fund • Limited revenue flexibility and expenditure flexibility

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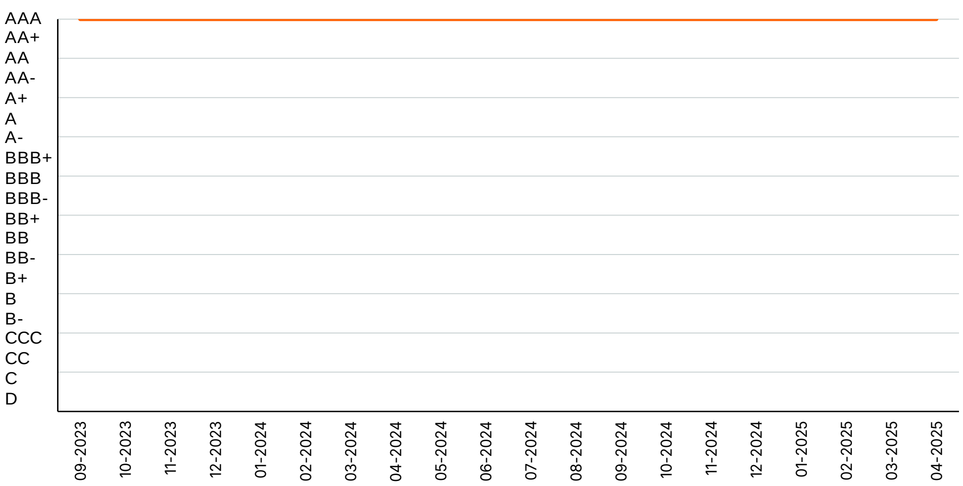
Outlook and rating triggers

The Stable Outlook reflects Scope's view that risks to the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
• Not applicable	• Downgrade of Norway's sovereign rating • Changes to the framework, materially weakening municipalities' integration in institutional arrangements • Individual credit profile weakening significantly

Figure 2: Rating history[1]



Source: Scope Ratings

[1] Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment

1. Institutional framework

Range from AAA to AA- for Norwegian municipalities

Our evaluation of the institutional framework for Norwegian municipalities leads to an indicative rating range for the sector spanning from AAA to AA- (**Annex I**). This assessment underscores their strong integration and coherence within Norway's sub-sovereign institutional arrangements. A well-structured framework for financial support, comprehensive fiscal equalisation systems, and municipalities' engagement in national policymaking foster a stable governance structure, ensuring effective crisis response and well-balanced decision-making across government tiers.

1.1 Extraordinary support and bail-out practices

Well-structured and predictable support framework

The Norwegian framework for extraordinary sub-sovereign support is well structured and predictable. Norwegian municipalities cannot become insolvent; in financial difficulties, the central government proactively takes control of financial management through the supervisory board to ensure obligations are met. Formal procedures for pre-emptive intervention and a credible history of support during crises enhance this supportive framework. The central government's demonstrated support during recent Covid and energy crises, with adapted grants and full cost compensation, underpins the stability of the sector.

1.2 Ordinary budgetary support and fiscal equalisation

Comprehensive equalisation system

A comprehensive and predictable fiscal equalisation system mitigates disparities in municipal fiscal capacities and costs. It deploys tax revenue redistribution and general grants for income and cost equalisation. Income equalisation symmetrically compensates 62% of tax revenue gaps in 2025, further increasing to 64% in 2026. Top-ups are added for entities below 90% of the national average. Cost equalisation considers demographics, social factors, and population density. Discretionary and regional policy grants further complement this to address special conditions and support policy goals.

1.3 Funding practices

Considerable financial autonomy

Norwegian local governments possess considerable financial autonomy. They source independent funding through banks, bonds and the state-owned Kommunalbanken (KBN), which provides financing at favourable rates under central government policy. KBN is a major debt financier and holds about a 50% market share, bolstering local governments' robust financial base.

1.4 Fiscal rules and oversight

Rigorous fiscal oversight

The Local Government Act mandates broad financial rules for counties and municipalities, including budget goals, accounting norms, and reporting mandates. It emphasises maintaining an operational budget balance and requires deficit correction within two years. Additional financial risk rules, although self-imposed, align with central policy objectives while maintaining sub-sovereign autonomy. Entities facing imbalances are closely monitored and included in ROBEK, a public registry.

1.5 Revenue and spending powers

Shared tax authority with the central government

Municipalities share tax authority with the central government, coordinating tax-sharing and rate-setting. While parliament annually sets maximum income tax rates, municipalities can choose lower rates. They also have flexibility with secondary tax revenue sources and fees.

1.6 Political coherence and multi-level governance – Full integration

Integrated multi-level governance

In Norway's integrated multilevel governance, sub-sovereigns impact national policymaking. Despite central government legislative dominance, a dedicated standing committee, effective communication via KS (Norwegian Association of Local and Regional Authorities), and decentralised administration bolster coordination. Extensive inter-municipal and inter-regional cooperation fosters policy coordination, efficient decisions, and a balanced, stable governance structure.

2. Individual credit profile (ICP)

Strong individual credit profile

Trondheim's individual credit profile is assessed at 80 out of 100 (**Annex II**), resulting in the city's 'AAA' credit rating.

- **Debt and liquidity:** Trondheim demonstrates strong debt affordability, supported by substantial liquidity reserves and financial assets held through its investment fund. The city maintains a low net interest payment burden and faces limited contingent liability risks. However, its overall debt stock is relatively high compared to that of other Norwegian municipalities.
- **Budget performance:** The city demonstrates resilient budget performance, characterised by consistently high operating margins. In terms of revenue and expenditure flexibility, the city is broadly in line with the national average, relying significantly on transfers and grants, with a limited proportion of adjustable own-source revenues.
- **Economy and governance:** Trondheim benefits from a diversified and growing economy, favourable demographic trends, and maintains strong governance standards.
- **Environmental and social factors**: The city has low exposure to environmental risks and is actively pursuing ambitious climate policies. Socially, Trondheim performs well in areas such as ageing and healthcare, although it faces ongoing challenges related to income inequality and poverty.

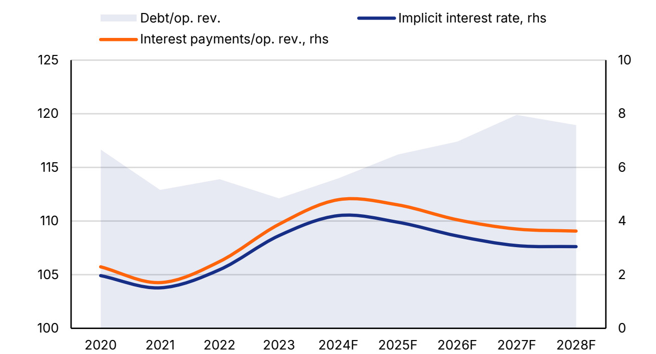
3. Debt and liquidity

3.1 Debt burden and trajectory

High debt stock

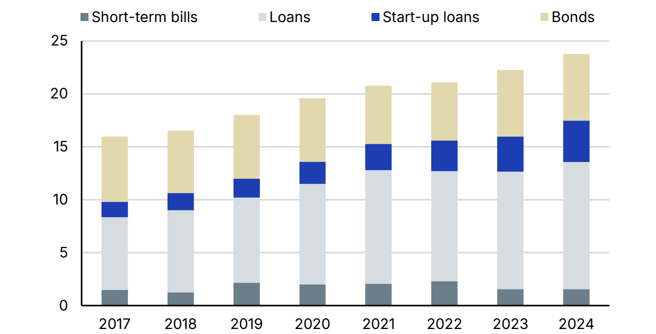
Trondheim's debt level stood at 114% of operating revenue in 2024 (**Figure 3**), a slight increase from 112.1% in 2023, though still below the 2020 peak of 116.7%. While high relative to other Norwegian municipalities, the debt burden remains manageable in light of Trondheim's solid operating revenue base and is largely backed by financial assets held in the city's own investment fund. We expect the debt-to-operating revenue ratio to increase further over the 2025–2028 period, reaching around 120% by 2028, driven by continued investment activity. Despite the rising debt ratio, Trondheim's strong liquidity position and financial asset base mitigate risks.

Figure 3: Debt and interest burden, %



Sources: Trondheim Kommune, KOSTRA database, Scope Ratings

Figure 4: Debt by instrument, NOK bn



Sources: Trondheim Kommune, Scope Ratings

3.2 Debt profile and affordability

Strong debt affordability

A significant share of Trondheim's debt service is supported by earmarked revenue sources such as user fees, on-lending arrangements, and central government financing. This diversified support structure enhances debt affordability and limits the city's exposure to interest rate volatility. In 2024, Trondheim's gross interest payments rose to 4.8% of operating revenue, up from 3.9% in 2023, though still in line with levels observed in other large Norwegian municipalities. We expect gross interest payments to remain elevated at around 4.0% of operating revenue in the coming years. However, net interest payments—adjusted for investment returns—are projected to decline, falling to 1.3% of operating revenue in 2025, after reaching 2.0% in 2024 (**Figure 3**). This low net burden reflects the support of Trondheim's income-generating investment fund (TKK) and substantial liquidity reserves. TKK, established in 2002 following the sale of the city's energy utility, continues to play a key role in supporting both Trondheim's investment programme and broader policy goals.

Favourable debt profile

Trondheim's total financial debt increased from NOK 16.5bn in 2018 to NOK 23.8 bn in 2024, comprising NOK 15.9bn in bank loans, NOK 6.3bn in bonds, and NOK 1.5bn in short-term notes (**Figure 4**). Of this total, NOK 13.4bn is financed through central government channels, while NOK 6.3bn is backed by dedicated revenue sources such as housing rents and water and waste management fees. The remaining NOK 4.1bn serves on-lending purposes, including start-up loans aimed at improving access to housing and supporting local investment projects. All of Trondheim's debt is denominated in Norwegian kroner. Nearly half of borrowings carry fixed interest rates and are fully serviced by the city's treasury, contributing to interest rate stability.

Well-contained refinancing risk

Although the average debt maturity is around eight years, a sizeable portion requires annual refinancing, with NOK 4.8bn in short-term notes due as of February 2025. To manage refinancing risk, Trondheim limits the share of debt maturing within one year to 30% of the total debt stock. Despite the high rollover share, this risk is effectively mitigated by the city's ample liquidity reserves and its demonstrated ability to accelerate loan amortisation during periods of fiscal strength.

Diversified funding access

Trondheim maintains broad access to external funding, including regular bond issuances on the Oslo Stock Exchange and frequent short-term note placements. The city also benefits from access to state-owned funding sources, particularly Kommunalbanken, which further strengthens its funding flexibility. As of April 2025, Trondheim has borrowed NOK 1.4bn out of a planned NOK 2.2bn in investment-related debt. An additional NOK 300–500m in borrowing is expected by year-end, depending on the pace of investment execution. For 2025's start-up loans, the full allocation of NOK 700m has already been drawn.

3.3 Contingent liabilities

Limited contingent liabilities

Trondheim's pension obligations remain financially stable, with net pension liabilities amounting to NOK 560m in 2024, or 2.5% of total pension liabilities, slightly down from NOK 590m in 2023. Financial debt within the municipality's primary shareholdings is minimal, posing limited risk to the city's balance sheet. Municipal guarantees to external entities remain high, although they have decreased to NOK 821m in 2024, from NOK 907m in 2023. The associated risk of materialisation remains moderate, reflecting the overall credit quality and oversight of the guaranteed entities.

3.4 Liquidity position and funding flexibility

Ample liquidity

In 2024, Trondheim's average total liquidity remained stable compared to the previous year, at around NOK 2.5bn, and this level is expected to continue into 2025. As of 28 February 2025, the city held around NOK 2bn in bank deposits, providing ample liquidity to cover short-term payment obligations. In addition, the city treasury has access to the investment fund's bank deposits and a NOK 500m withdrawal facility with its main banking partner, further mitigating liquidity risks. Trondheim's strong liquidity position aligns with its strategic objective of maintaining a buffer sufficient to cover 60 days of operating expenses without the need for new borrowing or refinancing of maturing debt.

4. Budget

4.1 Budgetary performance and outlook

Consistently strong budget performance

Trondheim has a solid track record of robust budgetary performance. Despite challenges stemming from the pandemic and rising cost-of-living pressures, the city maintained an average operating margin of around 9% of operating revenue between 2021 and 2023, while reporting only moderate deficits in its balance before debt movements (**Figure 5**).

In 2024, Trondheim's performance exceeded initial budget projections. The operating margin improved to 8.8%, up from 7.6% in 2023, driven by operating revenue growth of 5%, which outpaced the 3.7% increase in operating expenditure. While tax revenues came in slightly below expectations, this shortfall was offset by an additional allocation of framework grants toward year-end and high returns from the city's power fund. Despite persistent inflationary pressures, the city was able to contain operating expenditure growth, which slowed significantly to 3.7% year-on-year in 2024, compared to 8.1% in 2023. This reflects effective cost control efforts across several service areas. Investment funds were underutilised by approximately NOK 561m relative to the budget, largely due to delays in project implementation. Looking ahead, the city will need to maintain a focus on strict spending prioritisation and implement structural adjustments to its service delivery to preserve budgetary flexibility.

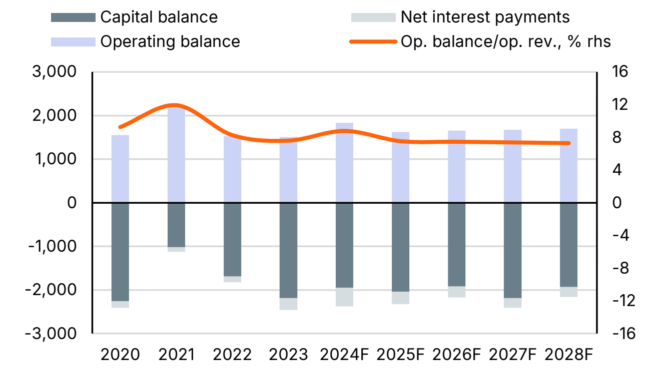
Stable budgetary outlook

Trondheim's budgetary outlook remains stable, with moderated but robust operating margins projected at 7.5% in 2025, reflecting the ongoing impact of elevated inflation and normalised tax revenue growth. From 2026 to 2028, we expect operating margins to stabilise at an average of 7.4%, supporting continued fiscal resilience. The outlook is underpinned by several positive factors, including tax revenues exceeding budgeted levels, the central government's demonstrated flexibility in compensating extraordinary municipal expenditures, and solid investment fund returns.

However, budgetary pressures persist. Despite higher-than-expected revenue, several key service areas—most notably child and family services, healthcare, and housing—recorded spending overruns in 2024. Nevertheless, the city's medium-term financial plan reflects prudent cost containment, with overall expenditure growth kept in check through disciplined spending controls. We expect Trondheim to post moderate deficits before debt movement, averaging around 2.4% of revenues over the 2025–2028 period. These deficits will be financed through additional borrowing to support the city's strategic investment agenda, which remains focused on expanding services in elderly care, health, and education.

Figure 5: Budgetary performance

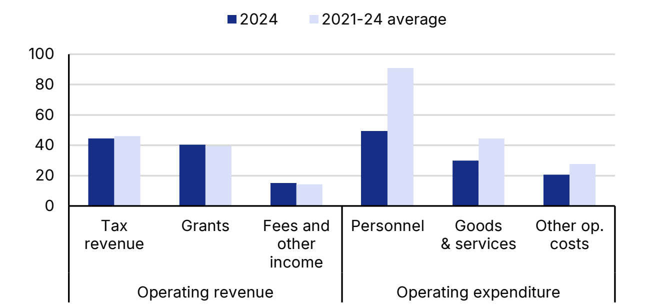
NOK m (lhs); % (rhs)



Sources: Trondheim Kommune, KOSTRA database, Scope Ratings

Figure 6: Operating revenue and expenditure composition

% of total operating revenue and expenditure respectively



Sources: Trondheim Kommune, KOSTRA database, Scope Ratings

4.2 Revenue flexibility

Moderate revenue flexibility

Like all Norwegian municipalities, Trondheim's revenue flexibility is structurally constrained by its significant reliance on central government transfers, which account for around 40% of total revenue (**Figure 6**). While a large share of these grants is unearmarked, providing some room for budgetary adjustments, the central government effectively controls the sector's total income level by adjusting grant allocations in response to strong local tax growth. This stabilises municipal revenue flows but limits Trondheim's ability to fully benefit from above-average tax performance.

Trondheim, in line with national norms, adheres to parliamentary limits on local income taxation. The city applies the highest permissible tax rates on income and wealth, ensuring revenue maximisation within existing regulatory constraints. Additionally, Trondheim increased user fees for services such as water and waste disposal in 2023, reflecting efforts to strengthen own-source revenues. The 2025 revision of the revenue equalisation system is expected to yield a slight benefit for Trondheim, given its relatively lower income levels compared to other large cities. However, the fiscal impact is expected to be modest, with estimated gains accounting for less than 1% of total revenue.

4.3 Expenditure flexibility

Moderate expenditure flexibility

Trondheim's expenditure flexibility is moderate, reflecting structural limitations similar to those faced by other Norwegian municipalities. A significant portion of spending—nearly 50% of operating expenditure—is allocated to civil servant salaries (**Figure 6**), leaving limited room for short-term spending adjustments. Additionally, a large share of the budget is dedicated to core welfare services, including health, elderly care, and social support, which are politically and socially sensitive and therefore difficult to scale back without structural reform.

However, the city has demonstrated prudent cost control by slowing expenditure growth and identifying efficiency gains in service delivery. For capital expenditure, Trondheim allocates around 14% of total spending on average, broadly in line with national peers. While this supports infrastructure development and investment priorities, it also limits short-term budgetary flexibility, as many capital projects are long-term commitments.

5. Economy

5.1 Wealth levels and economic resilience

High wealth and economic resilience

Trondheim benefits from favourable economic fundamentals, underpinned by high wealth levels, strong economic resilience, and its position as Norway's third-largest municipality, with a population of around 215,000. The city's relatively high income levels and dynamic local economy support continued population growth of 2,000–3,000 residents annually, driven by both net immigration and a positive birth surplus. A strong labour market further supports economic stability and underpins Trondheim's solid socio-economic profile.

5.2 Economic sustainability

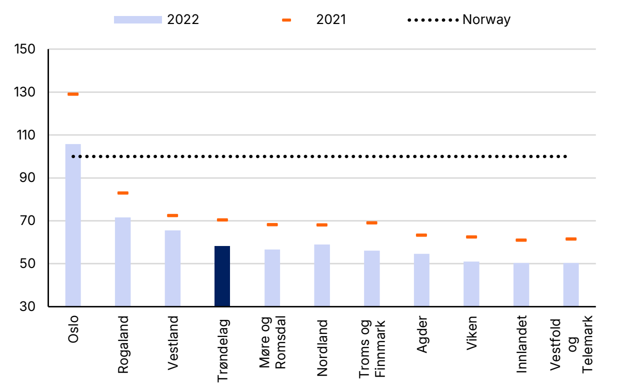
Diversified and strategic economy

Trondheim holds a strategically important position in Norway's transport network, serving as a key land and sea link between the country's more densely populated south and its northern regions. This role enhances the city's economic relevance, particularly in terms of trade flow and market connectivity. The local economy is diversified, with activity spanning manufacturing sectors such as metal and paper products, construction materials, textiles, and food processing, including a notable presence in the fish industry. This broad industrial base supports economic stability and contributes to a resilient revenue structure.

Trondheim also benefits from its role as a national centre for research, innovation, and technology, being home to the Norwegian University of Science and Technology (NTNU)—Norway's largest university. The presence of higher education and research institutions supports knowledge-based economic activity and enhances the city's long-term adaptability to evolving economic trends.

Figure 7: GDP per capita, by county

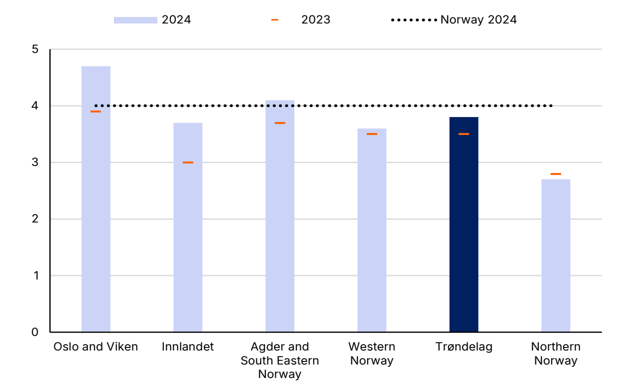
% of national average



Sources: Statistics Norway, Scope Ratings

Figure 8: Unemployment rate

%



Sources: Statistics Norway, Scope Ratings

6. Governance

6.1 Governance and financial management

Robust and predictable governance

Trondheim benefits from a strong governance framework, characterised by transparent decision-making processes, stable political conditions, and effective administrative capacity. Norwegian municipalities operate under a uniform set of accounting standards and benefit from centralised and harmonised financial reporting systems, which enhance transparency and oversight.

Trondheim has demonstrated a consistent track record of prudent financial management, including the effective implementation of multi-year financial plans, adherence to fiscal regulations, and alignment with strategic investment priorities. The city's internal controls are further supported by the existence of a strategic investment fund, which plays a key role in financing policy initiatives and long-term capital projects. In addition, Trondheim's debt is managed conservatively, in line with its broader risk-mitigation approach.

Following the September 2023 local elections, the political balance shifted modestly, with the centre-right bloc securing approximately 46% of the vote, compared to 44% for the red-green parties. In June 2024, Trondheim transitioned to a parliamentary model of local governance, with a city council composed of four men and four women. We consider Trondheim's governance framework resilient to political shifts, with no expected impact on the municipality's policy continuity or fiscal discipline.

7. Environmental and social considerations

7.1 Environmental factors and resilience

Strong climate resilience

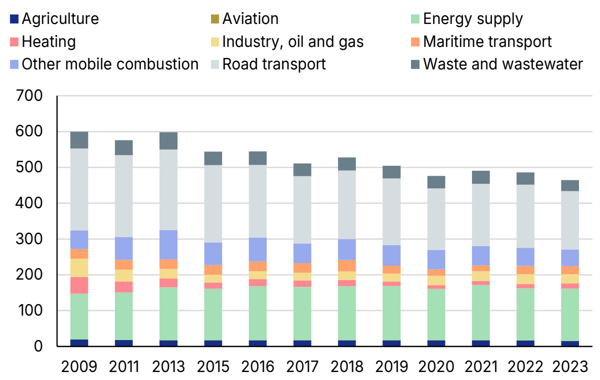
Trondheim demonstrates a favourable environmental profile and ranks among the more advanced Norwegian municipalities in terms of climate transition readiness. In 2023, the city recorded emissions of approximately 464,000 metric tonnes of CO_2 equivalents, a decline from 486,000 tonnes in 2022 (**Figure 9**). Emissions are primarily attributable to road transport (35%) and energy supply (32%), in line with national trends. Located in Trøndelag County, Trondheim is exposed to moderate physical climate risk, as assessed by the ESPON Climate Risk Index, while benefiting from a strong adaptive capacity, comparable to most counties in Norway. The city has adopted ambitious climate policies, including a formal commitment to the UN Sustainable Development Goals, and is recognised by the Norwegian Association of Local and Regional Authorities as a leader in sustainable development.

Trondheim has ambitious climate policies and is a pioneer in integrating the UN Sustainable Development Goals, as highlighted by the Norwegian Association of Local and Regional

Authorities[2]. Trondheim aims to reduce greenhouse gas (GHG) emissions by 80% by 2030, compared to 2009 levels—significantly more ambitious than the national target of 60%. By 2022, the city had already achieved a 20% reduction, outperforming the national average. Although the interim 30% reduction target set for 2023 was not met, Trondheim adopted a revised Energy and Climate Plan to accelerate its transition toward becoming a climate-neutral, energy-smart, and circular city. Planned measures include the expansion of emission-free construction sites, increased reliance on waste incineration for district heating, and a full transition to fossil-free public transport. Trondheim also intends to expand its use of green loans—particularly through Kommunalbanken—to finance low-emission building projects. The city's multi-year climate budget aims to mobilise NOK 655m from 2024 to 2027 to support these efforts. However, achieving the 2030 target will require accelerated emission reductions in the coming years.

Figure 9: GHG emissions per sector

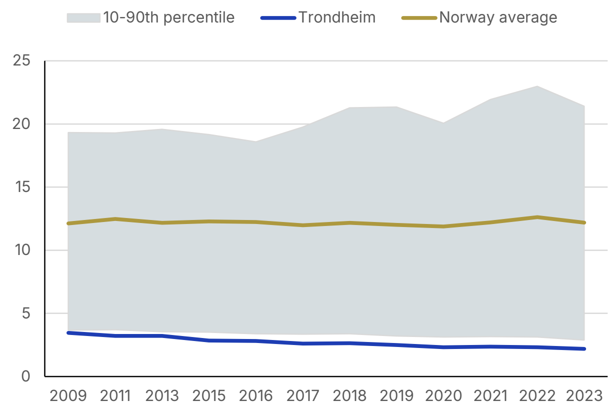
tCO2e, thousands



Sources: Norwegian Environmental Agency, Scope Ratings

Figure 10: Carbon intensity per capita vs Norwegian peers

tCO2e



Sources: Norwegian Environmental Agency, Scope Ratings

Trondheim compares favourably to domestic peers in terms of carbon intensity per capita (tCO_2e), reflecting strong environmental performance that underpins the city's credit quality by signalling lower exposure to transition risks and a proactive stance on sustainability (**Figure 10**).

In the area of water management, Trondheim provides high-quality water services, with 100% access to safe drinking water and leakage rates of 28% in 2024, below the national average of 30.3%. However, the city's pipeline infrastructure is ageing, with an average age of 45 years in 2024, compared to the national average of 35 years. While the current system functions reliably, the relatively low per capita investment in water infrastructure (EUR 6,970 vs. a national average of EUR 10,008) may signal long-term capital needs to modernise the system and maintain service quality.

7.2 Social factors and resilience

Favourable demographic trends

Trondheim benefits from favourable demographic trends. The old-age dependency ratio stood at 25% in 2024, significantly below the national average of 32%, indicating a more balanced population structure. Furthermore, population ageing is projected to be less pronounced in Trondheim, with the old-age dependency ratio expected to rise by 11 percentage points by 2050, compared to a national increase of 16 percentage points. These dynamics suggest lower future pressure on social and healthcare systems.

Income inequality has improved, as reflected in a Gini coefficient of 0.24 in 2023, in line with the national average. Access to healthcare and care professionals is comparable to other Norwegian

[2] Kommunesektorens Organisasjon (2021), Voluntary Subnational Review – Norway

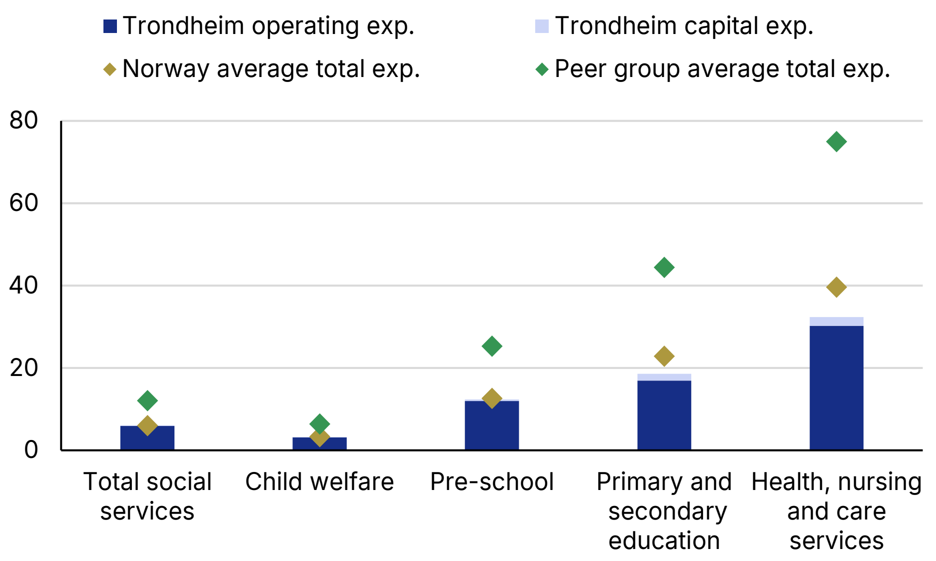
municipalities, while health outcomes are favourable, evidenced by lower sick leave rates and higher life expectancy than national benchmarks.

Educational outcomes are strong despite structural challenges. Although Trondheim records larger class sizes and access to primary and lower secondary education resources is below the national average, student performance remains above average, reflecting the efficiency of the local education system.

In 2024, Trondheim's total per capita social spending was NOK 6,071—broadly in line with national and peer averages—indicating balanced support for core services (**Figure 11**). Child welfare spending (NOK 3,193) aligns closely with national benchmarks, while spending on pre-school and primary/secondary education (NOK 12,329 and NOK 18,573, respectively) is below national and peer averages. These figures suggest operational efficiency, likely due to economies of scale, though they may signal long-term underinvestment. However, educational outcomes remain strong, mitigating immediate risk. Health, nursing, and care services spending (NOK 32,358) is also well below the national average (NOK 39,623).

Figure 11: Spending per capita on social policy priorities 2024

NOK thousands



Source: Statistics Norway, Scope Ratings

7.3 Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Institutional Framework Assessment

To assess the institutional framework, we apply a Qualitative Scorecard (QS1) centred around 6 components. We assess each analytical component on a five-point scale ranging from a score of 0 for 'low' integration to 100 for 'full' integration. The institutional framework score, ranging from 0 to 100, is calculated as a simple average of these assessments. The score is then used to determine a rating range from the rating anchor level, within which the sub-sovereign's rating can be positioned.

Our assessment of intergovernmental integration between Norwegian municipalities and the Kingdom of Norway (AAA/Stable) results in an indicative **downward rating range of up to three notches** from the Norwegian sovereign, within which the municipalities can be positioned according to their individual credit strengths.

Institutional Framework scorecard (QS1)

Analytical component	Full integration (100)	Strong integration (75)	Medium integration (50)	Some integration (25)	Low integration (0)
Extraordinary support and bail-out practices		●			
Ordinary budgetary support and fiscal equalisation	●				
Funding practices		●			
Fiscal rules and oversight		●			
Revenue and spending powers		●			
Political coherence and multilevel governance		●			

Integration score	**79**		
Downward rating range	**0-3**		

Institutional framework score	100 > x ≥ 90	90 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	60 > x ≥ 50	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 > x ≥ 10	10 > x ≥ 0
Indicative rating range	0-1	0-2	0-3	0-4	0-5	0-6	0-7	0-8	0-9	0-10

Appendix 2. Individual Credit Profile

Risk pillar	Analytical component	Assessment		
Debt and liquidity	Debt burden & trajectory			Weaker
	Debt profile & affordability	Stronger		
	Contingent liabilities	Stronger		
	Liquidity position & funding flexibility	Stronger		
Budget	Budgetary performance & outlook	Stronger		
	Revenue flexibility		Mid-range	
	Expenditure flexibility		Mid-range	
Economy	Wealth levels and economic resilience		Mid-range	
	Economic sustainability	Stronger		
Governance	Governance and financial management	Stronger		

Additional environmental and social factors	Assessment		
Environmental factors and resilience	Positive impact		
Social factors and resilience		No impact	

ICP score	**80**
Indicative notching	**0**

Appendix 3. Mapping table

We derive the indicative sub-sovereign rating by mapping the result of the institutional framework assessment (i.e. the indicative rating range) to the ICP score.

For Trondheim, this results in an indicative rating aligned with the sovereign rating of AAA. No additional considerations apply.

Institutional framework assessment		Individual credit profile score							
Score	**Downward rating range**	100 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	60 > x ≥ 50	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 ≥ x > 0
100 > x ≥ 90	0-1	0	0	0	0	0	0	-1	-1
90 > x ≥ 80	0-2	0	0	-1	-1	-1	-1	-2	-2
80 > x ≥ 70	0-3	0	-1	-1	-1	-2	-2	-3	-3
70 > x ≥ 60	0-4	0	-1	-1	-2	-2	-3	-3	-4
60 > x ≥ 50	0-5	0	-1	-1	-2	-2	-3	-4	-5
50 > x ≥ 40	0-6	0	-1	-1/-2	-2/-3	-2/-3	-3/-4	-4/-5	-6
40 > x ≥ 30	0-7	0	-1/-2	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-7
30 > x ≥ 20	0-8	0	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-6/-7	-8
20 > x ≥ 10	0-9	0	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-7/-8	-9
10 > x ≥ 0	0-10	0	-1/-2	-2/-3	-3/-4	-5/-6	-7/-8	-9/-10	-10

Note: Mapping table under section 4 of Scope's Sub-sovereigns Rating Methodology, as applied to the rating anchor's AAA-ratings.

Appendix 4. Statistical table

	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F
Budgetary performance (NOK m)									
Operating revenue	16,784	18,390	18,513	19,860	20,862	21,532	22,203	22,828	23,471
Tax revenue	7,120	8,218	9,228	9,059	9,280	9,597	9,916	10,215	10,524
Grants	7,262	7,469	6,945	7,889	8,411	8,679	8,946	9,195	9,451
Fees and other income	2,403	2,703	2,339	2,912	3,170	3,256	3,341	3,418	3,496
Operating expenditure	15,233	16,198	16,983	18,352	19,031	19,911	20,487	21,082	21,697
Personnel	7,597	7,893	8,310	8,915	9,400	9,862	10,120	10,385	10,656
Good and services	4,513	4,985	5,079	5,692	5,705	5,880	5,990	6,103	6,217
Other operating expenditure	3,123	3,320	3,594	3,744	3,927	4,169	4,377	4,595	4,823
Operating balance	1,552	2,192	1,530	1,508	1,831	1,621	1,716	1,746	1,774
Interest received	235	208	324	501	579	667	632	619	619
Interest paid	385	313	460	770	1,000	933	874	841	845
Current balance	1,402	2,087	1,393	1,239	1,410	1,356	1,474	1,524	1,548
Capital balance	-2,258	-1,018	-1,690	-2,189	-1,954	-1,929	-1,922	-2,187	-1,873
Balance before debt movement	-856	1,068	-297	-950	-544	-573	-448	-663	-325
Debt (NOK m)									
Financial debt	19,582	20,765	21,084	22,266	23,779	24,892	25,842	26,997	27,323
Bank loans	11,598	13,211	13,291	14,421	15,938	15,888	16,495	17,232	17,439
Bonds	6,000	5,500	5,500	6,300	6,300	6,888	7,151	7,471	7,561
Commercial paper	1,984	2,054	2,293	1,545	1,541	2,565	2,663	2,782	2,816
Financial ratios									
Debt/operating revenue, %	116.7	112.9	113.9	112.1	114.0	115.6	116.4	118.3	116.4
Debt/operating balance, years*	12.6	9.5	13.8	14.8	13.0	15.4	15.1	15.5	15.4
Interest payments/operating revenue, %	2.3	1.7	2.5	3.9	4.8	4.3	3.9	3.7	3.6
Implicit interest rate, %	2.0	1.5	2.2	3.5	4.2	3.7	3.4	3.1	3.1
Operating balance/operating revenue, %	9.2	11.9	8.3	7.6	8.8	7.5	7.7	7.6	7.6
Balance before debt movement/total revenue, %	-4.7	5.3	-1.5	-4.4	-2.4	-2.5	-1.9	-2.7	-1.3
Transfers and grants/operating revenue, %	43.3	40.6	37.5	39.7	40.3	40.3	40.3	40.3	40.3
Personnel costs/operating expenditure, %	49.9	48.7	48.9	48.6	49.4	49.5	49.4	49.3	49.1
Capital expenditure/total expenditure, %	17.7	13.1	12.7	15.7	12.6	11.1	11.7	11.7	11.1

* Capped at 100 years; n.a. in case of operating deficits

We refer to consolidated accounts as per the KOSTRA database, and then we remove depreciation and repayment instalments from operating expenditure.
Source: KOSTRA, Trondheim Kommune, Scope Ratings

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