

Søgne og Greipstad Sparebank

Full Rating Report

LONG-TERM RATING

BBB+

OUTLOOK

Stable

SHORT-TERM RATING

N2

PRIMARY ANALYST

Ylva Forsberg
+46768806742
ylva.forsberg@nordiccreditrating.com

SECONDARY CONTACTS

Christian Yssen
+4740019900
christian.yssen@nordiccreditrating.comSean Cotten
+46735600337
sean.cotten@nordiccreditrating.com

RATING RATIONALE

Our 'BBB+' long-term issuer rating on Norway-based Søgne og Greipstad Sparebank reflects the bank's robust capital position, moderate risk appetite, diverse access to funding and solid asset quality performance. We take a positive view of the bank's membership in the Lokalbanksamarbeidet banking cooperative, which enables product diversity, shared development costs and the opportunity to finance residential retail mortgage loans through jointly owned covered-bond company Verd Boligkreditt AS.

The rating is constrained by the bank's geographic concentration in western Kristiansand, a high proportion of real-estate collateral in its core markets, and some limitations in the risk governance framework. The rating is also constrained by the bank's small size as well as high, and increasing, competition in and around Kristiansand.

STABLE OUTLOOK

The outlook is stable, reflecting our view that Søgne og Greipstad Sparebank' solid capitalisation and adequate earnings are sufficient to compensate for a continued weakened domestic economy and relatively high risk in the real-estate development sector. We expect that Søgne og Greipstad Sparebank will maintain its moderate risk profile and that asset quality metrics will remain stable. We also expect that the bank will protect its market position in both its traditional and newer markets, despite high competition. We forecast the bank will maintain strong capital ratios following recent improvement due to implementing the EU's Capital Requirements Regulations III (CRR3).

POTENTIAL POSITIVE RATING DRIVERS

- Improved scale and market position,
- Strengthened core earnings, with a cost-to-income ratio around 50% and risk-adjusted earnings around 2.5%, over a protracted period; and,
- Improvements to the risk governance framework.

POTENTIAL NEGATIVE RATING DRIVERS

- A material deterioration in the local operating environment or significantly weakened asset quality.
- Consolidated Tier 1 ratio below 18% over a protracted period.
- Increased competition and margin pressure.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.6	2.0	2.4	2.4	2.2	2.1	2.0
Loan losses/net loans	0.05	0.01	0.19	0.07	0.11	0.11	0.11
Pre-provision income/REA	1.7	2.2	2.5	2.4	2.0	2.1	2.1
Cost-to-income	55.0	52.4	48.9	48.7	55.3	53.4	53.4
Return on average equity	6.9	8.6	9.0	9.6	6.9	7.0	6.9
Loan growth	3.7	1.2	1.5	6.0	8.0	6.0	6.0
CET1 ratio	19.5	20.2	18.8	18.8	21.1	21.6	22.1
Tier 1 ratio	19.7	20.5	19.3	20.7	23.1	23.5	23.9

Source: company and NCR. e—estimate. REA—risk exposure amount. CET1—common equity Tier 1. All metrics adjusted in line with NCR methodology.
*Consolidated capital adequacy metrics, including the estimated effect of CRR3 from 2025.

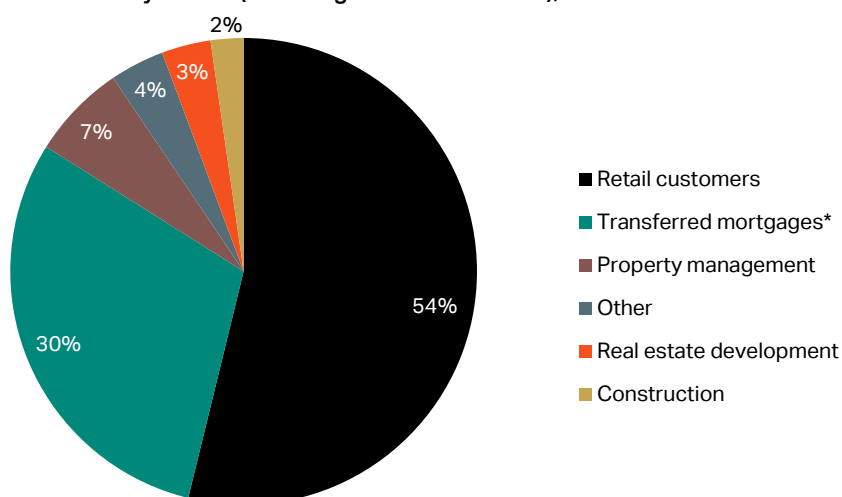
ISSUER PROFILE

Søgne og Greipstad Sparebank is an independent Norwegian savings bank established in 1863. The bank's traditional market encompasses the former municipalities of Søgne and Songdalen, now merged with Kristiansand municipality, in southern Norway. Its head office is located in Søgne, with additional offices in Nodeland and Vågsbygd, to the west and southwest of Kristiansand. Through its close to 40 employees, the bank serves local retail and SME customers. In addition to traditional banking services, the bank co-owns a local real-estate agency (Exbo Sørlandet) with local savings banks Lillesands Sparebank and Flekkefjord Sparebank.

Søgne og Greipstad Sparebank is one of 16 savings banks in the Lokalbanksamarbeidet banking cooperative, which consists of small and medium-sized local savings banks with total gross lending close to NOK 100bn as of end-2024. The cooperative provides members with product diversity, builds customer loyalty and helps improve cost efficiency through the sharing of IT costs and joint efforts in risk management and compliance. It also enables members to finance residential mortgage loans through Verd Boligkreditt, a mid-sized domestic issuer of covered bonds.

The member banks of Lokalbanksamarbeidet have also joined Frendegruppen, a cooperative of financial service providers that include the regional savings banks Sparebanken Norge and Sparebanken Øst. The banks in Frendegruppen have ownership stakes in, and distribute products for, insurance company Frende Forsikring, finance company Brage Finans AS and securities company Norne Securities. They also cooperate in developing new products for the member banks.

Figure 2. Gross loans by sector (including transferred loans), 30 Jun. 2025



Source: company. *net loans transferred to Verd Boligkreditt.

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national and regional factors in our assessment of the bank's operating environment. Søgne og Greipstad Sparebank operates in the immediate vicinity of one of the fastest-growing regions in Norway, and the metropolitan area of Kristiansand provides diversified job opportunities. We believe the national economy is likely to remain weakened over the next few years due to reduced economic activity and the ongoing impact of high inflation. Still, we consider the Norwegian banking sector to be well positioned to offset higher credit risk with strong earnings and capital.

Norwegian savings banks resilient to slowing economic activity

National banking environment

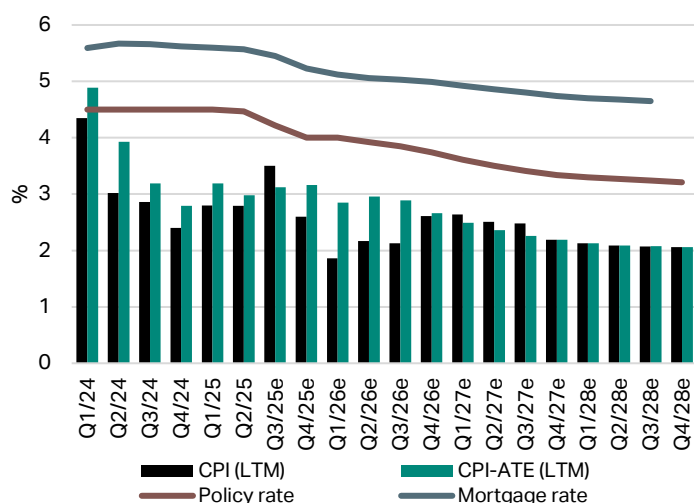
Net interest margins in the Norwegian banking sector have widened significantly since 2021, driven by higher interest rates. Along with strong lending growth, this has supported sector earnings. The central bank began a cautious normalisation of the policy rate, lowering it by 25bps to 4.25% in June 2025, followed by another 25bps cut to 4.00% in September. We do not anticipate further cuts in 2025, consistent with the central bank's latest guidance. While policy rates could gradually decline towards 3% through 2026–2027, this remains uncertain given persistently high inflation, changes in global

trade and tariff policies and a resilient domestic economy. We expect that lower interest rates and increased competition, amid subdued loan demand, will slow earnings growth and reduce returns on equity during our forecast period through 2027.

As intended, persistently high interest rates are helping to slow the economy. Mainland GDP growth has improved somewhat from a weak 2023–2024, but we expect it to remain modest for now. Unemployment has increased slightly but remains exceptionally low compared with most European countries. Low unemployment has likely contributed to strong wage growth in recent years. While this has supported consumption and loan demand, it also raises concerns about continued inflation.

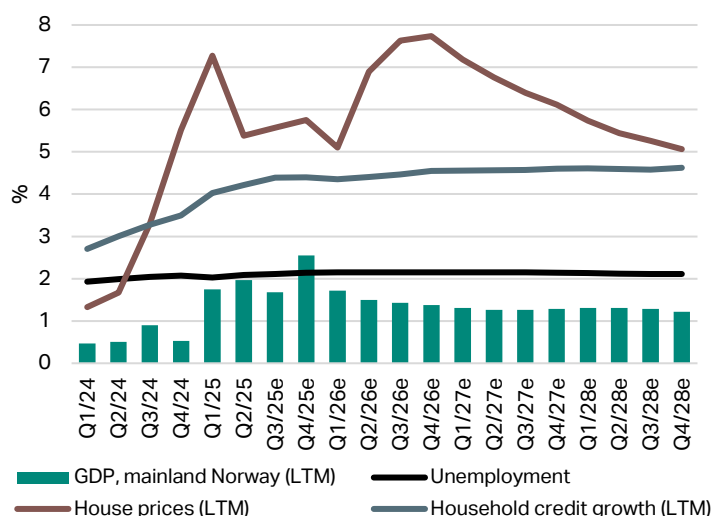
Nonetheless, Norwegian savings banks remain well capitalised, with the introduction of CRR3 enhancing competitiveness for those using the standardised approach, which includes most banks. Solid risk-adjusted earnings, despite somewhat lower interest margins, and stable or improved asset quality metrics should also support the banks' resilience in a prolonged weak economic environment.

Figure 3. Norwegian inflation and interest rates, 2024–2028e



Source: central bank. e-estimate. CPI-consumer price index. LTM-last 12 months. ATE-adjusted for tax changes and excluding energy products.

Figure 4. Norwegian economic indicators, 2024–2028e



Source: central bank. e-estimate.

Regional assessment

Located in rapidly growing region

Søgne og Greipstad Sparebank's core markets consist of the west and southwest areas of Kristiansand municipality. Its traditional core markets are in the former municipalities Søgne and Songdalen, which merged into Kristiansand municipality in 2020. Jointly, the two areas have around 20,000 inhabitants, and both are about 15–20 minutes from central Kristiansand city by car or public transport. Recently, the bank has increased its presence in Vågsbygd, a suburb south of Kristiansand city. Some 86% of the bank's total lending is to customers in Kristiansand municipality, which boasts around 118,000 inhabitants and an expected population growth that far surpasses that of Norway as a whole. Unemployment in Kristiansand has remained mostly flat year-on-year and is in line with the Norwegian average.

Figure 5. Core markets

Municipality	Population, 30 Jun. 2025	Expected population change, 2025–2050 (%)	Unemployment, Aug. 2025 (%)	Unemployment, Aug. 2024 (%)
Kristiansand	118,412	17.9	2.2	2.1
Norway	5,606,944	9.1	2.2	2.1

Source: Statistics Norway, Norwegian Labour & Welfare Administration.

The port city of Kristiansand is located in Norway's sixth largest municipality in terms of inhabitants and eighth largest in terms of metropolitan area. As the largest city in southern Norway, the local economy is characterised by strong industry clusters and diverse job opportunities. This is supported by a youthful demographic profile, partly due to the presence of the University of Agder. Oil processing and offshore industries are fundamental to the local economy, and world-leading companies have established bases in the area. Simultaneously, the region has established itself as a key player in

renewable technology. As with many other Norwegian regions, the public sector is a major employer, particularly in healthcare, social welfare and education. In addition, the southern coastal region is an attractive leisure destination during the summer, stimulating the local service sector.

RISK APPETITE

Risk appetite assessment

Our risk appetite assessment reflects Søgne og Greipstad Sparebank's strong capitalisation, adequate funding structure and risk governance framework, a high share of secured retail mortgage lending and its ability to transfer loans to Verd Boligkreditt. The bank has a high regional concentration in the Kristiansand region, primarily secured by real estate.

Limitations to risk governance structure

Risk governance

As a smaller local bank, Søgne og Greipstad Sparebank's operations are consequently less complex than those of larger banks. We consider its risk governance framework, risk resources, and internal risk and compliance tools to be adequate in relation to its risk profile. Proximity to Kristiansand mitigates key person risk. The bank also has well-defined guidelines to support anti-money laundering in its daily operations. We believe the bank has a moderate risk appetite, as reflected in its targets and limits. However, in our view, the bank's limit setting and reporting framework is less integrated into its operations than that of similar peers, which reduces monitoring ability and alignment with the defined risk appetite. Given the bank's size, it operates without an internal audit function, which is typical for peers of similar size, but differentiates it from its larger peers which use internal or consultant services for third-line risk functions.

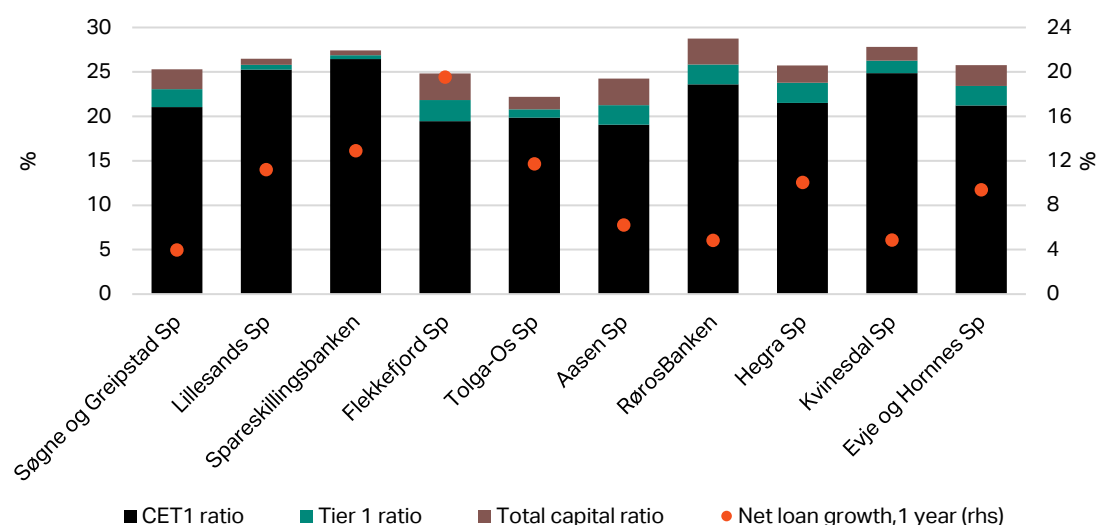
Søgne og Greipstad Sparebank assesses environmental, social and governance (ESG) risk for all its corporate customers. This provides the bank with greater risk awareness and contributes to more sustainable behaviour among its customers. In addition, the bank is environmentally certified by Miljøfyrtårn/Eco-Lighthouse, which provides criteria and structure for products and solutions to minimise banks' environmental footprint.

Capital strengthened by CRR3

Capital

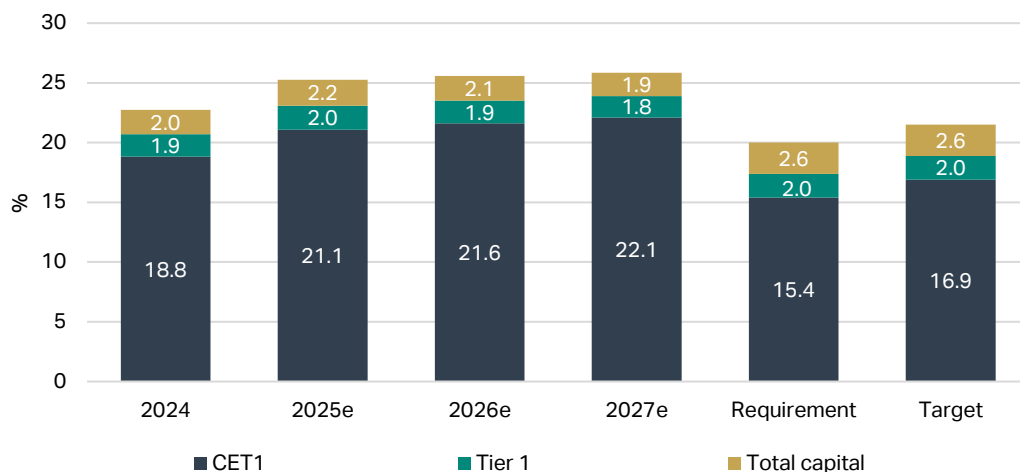
Our capital assessment takes into consideration Søgne og Greipstad Sparebank's consolidated position, including its proportional holdings in, among others, Verd Boligkreditt and Brage Finans. The bank's consolidated common equity Tier 1 (CET1) ratio was 21% and its Tier 1 ratio 23.1% as of 30 Jun. 2025. We note that the reported capital ratios would have been 0.6pp higher if 50% of the current year's profit had been included. The bank has a 2.5% Pillar 2 Requirement, leading to a CET1 requirement of 15.4% and Tier 1 requirement of 17.4%, excluding a 1.5pp management buffer. Its consolidated leverage ratio was at 10.3%, compared with a minimum regulatory requirement of 3%.

Figure 6. Norwegian savings banks' capital ratios and loan growth, 30 Jun. 2025



The bank's consolidated CET1 ratio strengthened by around 1.5pp between the first and second quarter of 2025, despite a 3% growth in financial assets during the same period. This was due to the implementation of CRR3, which led to lower risk weights on a significant portion of the bank's lending. We forecast a slight decrease in capital ratios due to increased loan growth on- and off-balance in the second half of the year, resulting in a Tier 1 ratio of 23.1% at year-end 2025. Based on our expectations of a loan growth on-balance of 6% annually in 2026 and 2027, maintained foundation pay-outs of 7% of net profit and a return on equity of around 7%, we forecast an increase in Tier 1 ratio to 23.9% by 2027.

Figure 7. Consolidated capital ratios 2024–2027e, capital requirement and targets as of Q2 2025



Source: company, e-estimate. Pillar 2 requirement (P2R) of 2.5%

Funding and liquidity adequate

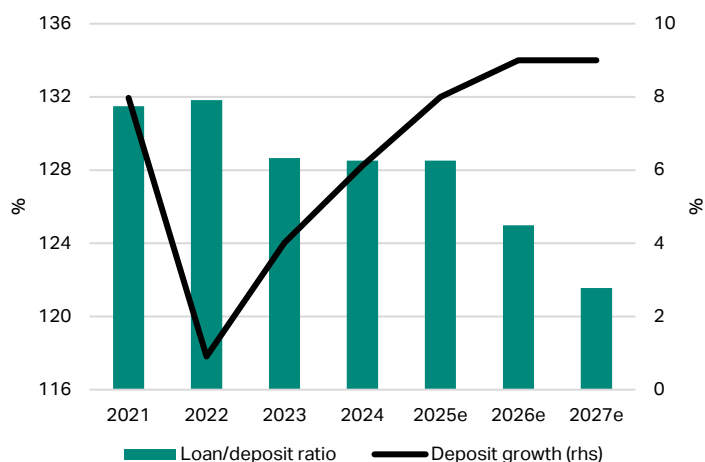
Funding and liquidity

In our view, Søgne og Greipstad Sparebank's funding profile is adequately diverse given its size. The bank has a stable retail deposit base and demonstrable access to capital market funding. The bank's loan-to-deposit ratio has fluctuated at around 130% for the past couple of years, since its retail deposit funding has been supplemented by a senior unsecured issuance of about NOK 1bn during the same period. We expect the bank to increase its funding base through our forecast period by targeting higher deposit growth than loan growth and maintaining a similar share of senior unsecured funding as it does today.

The bank has few single-name concentrations in its customer deposits and adequate liquidity buffers (17.4% of customer deposits as of 30 Jun. 2025). The bank's liquidity coverage ratio was 289% and its net stable funding ratio was 130% as of 30 Jun. 2025, well above regulatory requirements of 100% and the bank's internal limits of 130% and 120%, respectively.

Søgne og Greipstad Sparebank has the ability to transfer retail mortgages to jointly-owned covered bond company Verd Boligkreditt, which we view as a stable and important source of funding for the bank. It provides access to more affordable funding for retail mortgages, with access to green financing and longer terms to maturity than the bank could source by itself. The bank had transferred some NOK 2.1bn in mortgages as of 30 Jun. 2025, about the same as at year-end 2024, corresponding to about 30% of total lending, including transfers. While the bank is in the upper range on share of transferred mortgages compared with many savings bank peers, its internal limits on available transferrable mortgages ensures it is able to utilise Verd Boligkreditt for emergency liquidity.

Figure 8. Deposit metrics, 2020-2027e



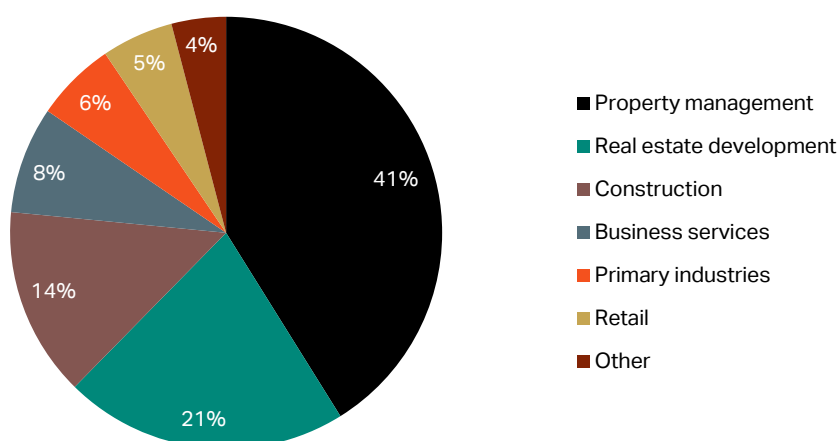
Source: company, e-estimate.

The bank's NOK 1bn in bond issuance has an average maturity of 2.2 years as of 30 Jun. 2025. With five outstanding issues, this implies a relatively large size per issue, given its small size, compared with many similarly-sized peers. We note that the bank tends to proactively buyback as issues start to near maturity, and refinances issues with room to spare. Nonetheless, we believe the somewhat large issue sizes does increase refinancing risk.

Credit risk characterised by regional concentrations

Søgne og Greipstad Sparebank's loan portfolio has a high regional focus, with about 86% of lending extended to customers in Kristiansand municipality, the majority of which are in its traditional core market. The bank does not promote lending to borrowers in other regions and customers outside its core markets are mostly domestic migrants. Some 84% of the bank's lending (including transferred mortgages) are retail mortgages. While we regard this as low-risk credit, it nonetheless reflects concentration on local borrowers and exposes the bank's collateral to any decline in property values. Of the remaining 16% of total lending, 10% is to the property management and real-estate development sectors, increasing the bank's sensitivity to local real estate. Housing prices and real-estate values in the region have increased in recent years despite higher cost levels, with prices in wider Kristiansand having grown 37% over the past five years, compared with 26% nationally and 25% in Oslo according to Eiendomsverdi AS. This has strengthened the bank's collateral and enabled loan growth.

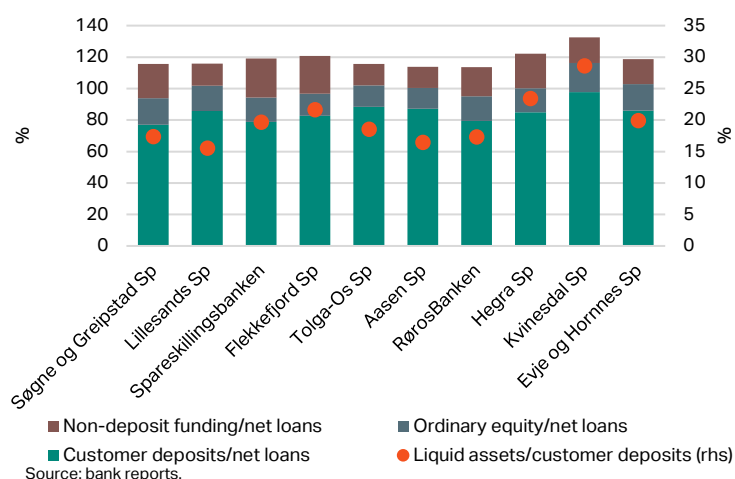
Figure 10. Corporate gross loans by sector (excluding transferred loans), 30 Jun. 2025



Source: company.

The bank has a relatively high share of real-estate development and construction on its loan book, compared with the Norwegian savings bank sector as a whole. In our understanding, these exposures are mainly related to smaller projects carried out by local entrepreneurs as the bank's size limits it from funding larger projects. We consider these sectors to carry higher risk compared with property

Figure 9. Norwegian savings banks' funding, 30 Jun. 2025



Source: bank reports.

Credit and market risk

management, but note that the bank has a long history of lending to these segments. Søgne og Greipstad Sparebank had gross loan growth of 6.8% in the 12 months ended 30 Jun. 2025, including transferred loans. This comprised 6% growth in on-balance sheet retail customers, 13.7% growth in transferred retail loans and -2.3% growth among corporate customers.

Transferred loans generate commission income and accounted for around 6% of Søgne og Greipstad Sparebank's operating income in 2024. However, the bank does not offload the associated risk on transferred loans, and we expect it to take back all non-performing loans to enable Verd Boligkreditt to maintain a clean cover pool. Verd Boligkreditt maintains the right to offset credit losses against commission income owed to the bank. Due to the high credit quality of transferred loans and repatriation agreements, Verd Boligkreditt has never incurred actual credit losses.

We do not consider market risk to be material for Søgne og Greipstad Sparebank given the lack of a trading portfolio and its low limits on interest rate risk and currency risk.

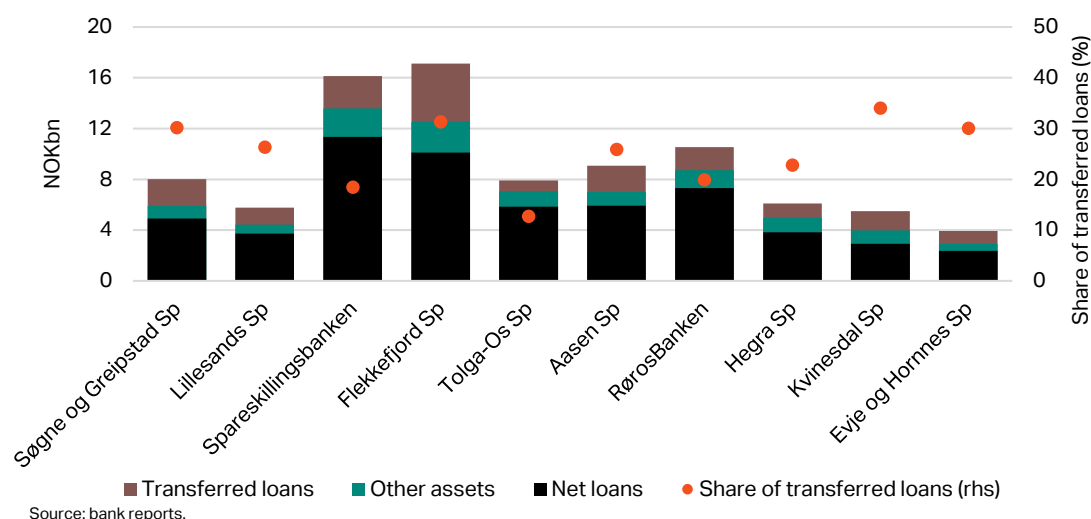
COMPETITIVE POSITION

Competitive position

While Søgne og Greipstad Sparebank is a small Norwegian savings bank, its local focus has supported a moderately strong competitive position in its core markets. Kristiansand municipality is characterised by strong competition between banks, with several savings banks as well as larger banks such as DNB, Nordea and Sparebanken Norge present. Only Søgne og Greipstad Sparebank and Sparebanken Norge have physical offices in its core markets Søgne and Nodeland. However, these towns are part of the municipality and we believe they are likely to grow into Kristiansand city over time. Søgne og Greipstad Sparebank has a market share in Søgne and Nodeland of around 30% and just below 25%, respectively. We consider this solid, but not exceptional, partly reflecting to its small size, which limits its ability to take on larger exposures.

Søgne and Nodeland both benefit from strong population growth in Kristiansand, since the city expands outwards as its population increases. We view this as positive for the bank's growth prospects in its core markets, in contrast to many peers that seek growth outside their traditional markets. However, we believe the geographic expansion of Kristiansand's urban areas is likely to increase competition for Søgne og Greipstad Sparebank.

Figure 11. Norwegian savings banks' total assets and net lending, 30 Jun. 2025



We believe Søgne og Greipstad Sparebank's local presence and contributions to the local community support its competitive position. We also believe its collaboration with local savings banks Flekkefjord Sparebank and Lillesands Sparebank, including their jointly owned real-estate agency, is supportive of its competitive position. We expect the implementation of CRR3 will strengthen Søgne og Greipstad Sparebank's competitiveness against larger savings banks using the internal ratings-based approach to credit risk.

Membership in Lokalbanksamarbeidet diversifies Søgne og Greipstad Sparebank's revenue and enables it to provide a wider range of customer services than it could with its own resources. The bank distributes insurance products from Frende Forsikring, savings products and brokerage services from Norne Securities and collateralised consumer lending and leasing products from Brage Finans. Ownership stakes in associated product companies contribute to income diversity through dividend income, as well as commissions paid on transferred loans and savings. Membership in the larger Frendegruppen will, we believe, strengthen Søgne og Greipstad Sparebank's long-term competitive position through improved economies of scale and efficiency gains.

PERFORMANCE INDICATORS

Performance indicators

Søgne og Greipstad Sparebank's earnings metrics were boosted significantly in 2023 and 2024 by higher net interest margins and net gains on its shareholdings. We anticipate that lower interest margins will bring core earnings back closer to pre-2022 levels, albeit with improved cost efficiency as the bank has grown. Søgne og Greipstad Sparebank's net Stage 3 loans have been somewhat elevated since 2023, but the bank has not incurred significant losses.

Core earnings decline from peak interest rate levels

Earnings

Søgne og Greipstad Sparebank reported a decline in annualised risk-adjusted earnings to 2.1% for the first half of 2025, from 2.4% for the full year 2024, on the back of decreasing interest margins. The bank also received a significant boost in 2024 from net gains on its shareholdings of joint companies, in particular Verd Boligkreditt and Brage Finans. In our forecast, we do not account for additional valuation gains due to their unpredictability.

Figure 12. Norwegian savings banks' annualised net interest margins, Q3 2024 – Q2 2025

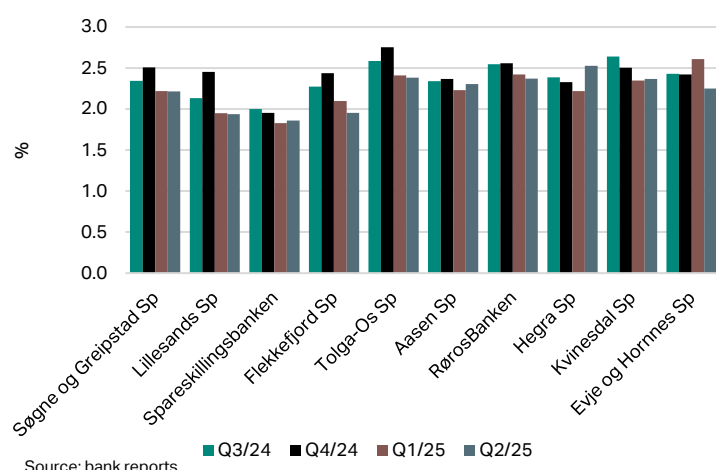
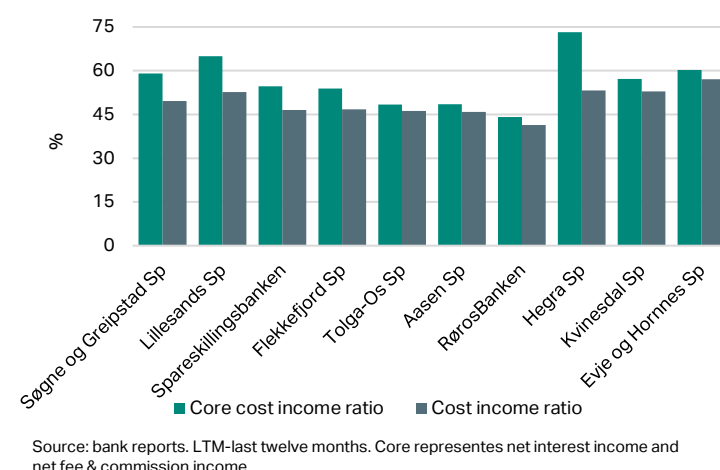


Figure 13. Norwegian savings banks' cost efficiency metrics, LTM to 30 Jun. 2025



While we expect interest margins to continue to decrease through our forecast period, both due to lower policy rates and increasing competition domestically and in the bank's markets, we do expect that increases to the bank's size will benefit its cost efficiency. Extraordinary costs for the renovation of the bank's head office in Søgne had a negative impact on operating costs in 2023 and 2024. We expect cost growth of 5% annually in 2026 and 2027 after adjusting for this temporary cost increase.

Figure 14. Norwegian savings banks' PPI to REA, LTM to 30 Jun. 2025

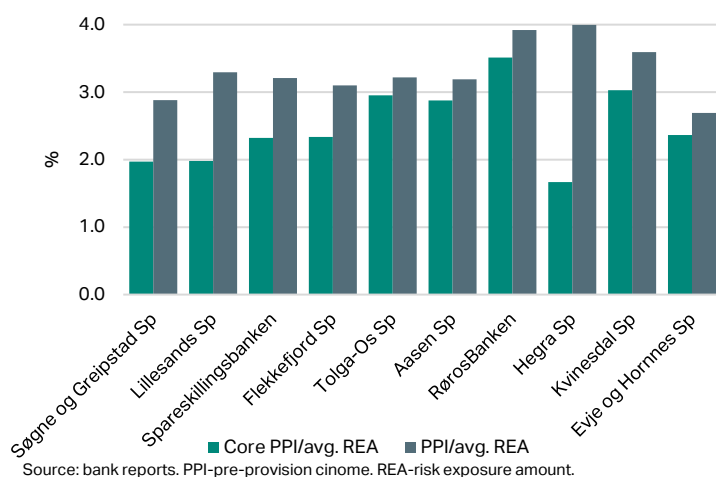
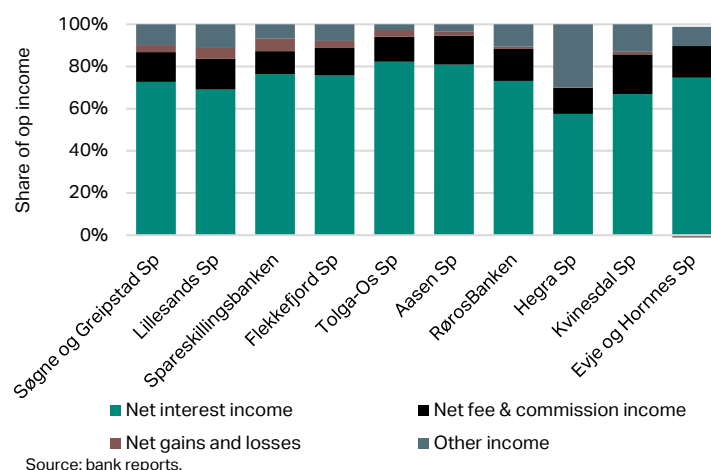


Figure 15. Norwegian savings banks' split between income groups, LTM to 30 Jun. 2025



Loan losses expected to remain low

Loss performance

Søgne og Greipstad Sparebank booked an average of 9bps in loan losses between 2020 and 2024 and we expect losses to be around 11bps through our forecast period. Net Stage 3 loans declined to 1.47% as of 30 Jun. 2025, from 1.84% as of year-end 2024. We view this as broadly in line with small and medium-sized Norwegian savings banks in recent years. However, the bank maintains a relatively high proportion of net Stage 2 loans, ranging from 11% to 14% since year-end 2022, which we believe signals an elevated risk of increases in Stage 3 loans. Nonetheless, we expect a modest decline in net Stage 3 loans through our forecast period, reflecting our view of a continued elevated risk in the property development and construction sectors, but not an additional increase in overall risk level.

Figure 16. Norwegian savings banks' asset quality metrics, 30 Jun. 2025

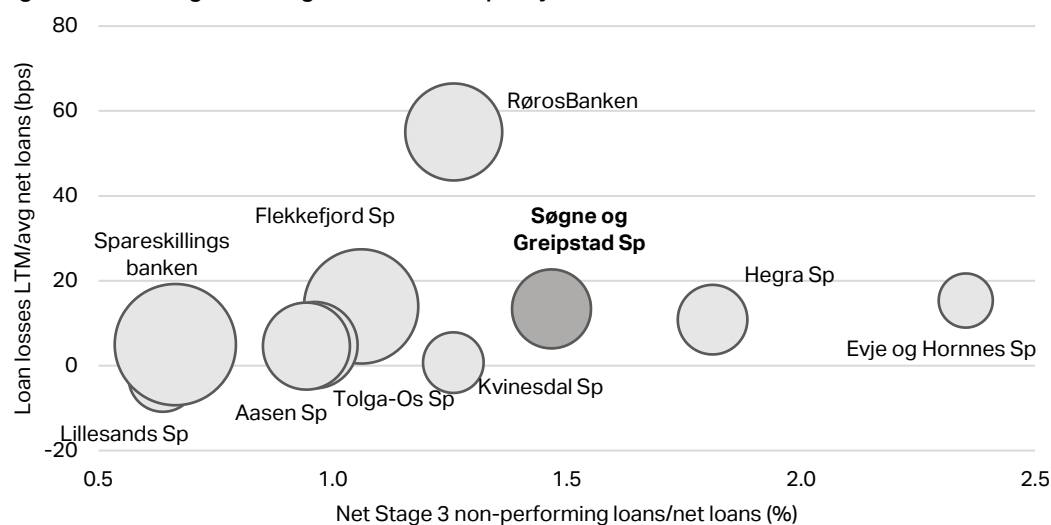
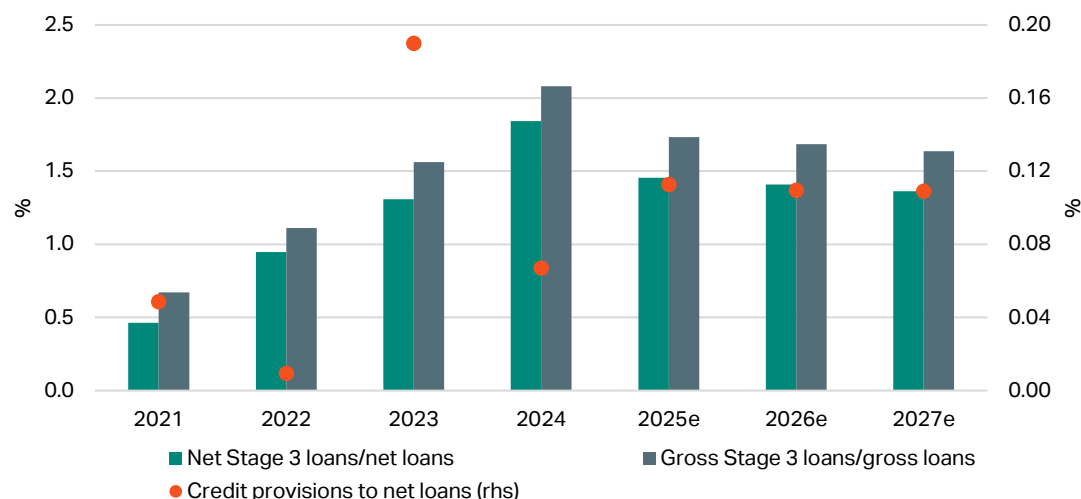


Figure 17. Asset quality metrics, 2021–2027e



Source: company, e-estimate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

ESG factors are considered throughout our analysis, where material to the credit assessment.

Figure 18. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Physical climate risk to collateral	Climate-related damage to real-estate collateral (closely linked to supervision of insurance). Longer-term effects on market values in flood risk areas.	Credit risk (0) Loss performance (0)
Social engagement in local community	Close connection to narrow regional markets provides a benefit.	Competitive position (+) Earnings (+) Funding & liquidity (+)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (0)
Risk limit setting and monitoring	Risk of fines. Risk of not being able to timely identify and respond to negative development.	Risk governance (--)
Control of sustainability issues	Risk of overlooking sustainability impacts in the bank's underwriting, operations, and customer base.	Risk governance (0) Credit risk (0)

*Defined on a 5-step scale ranging from double minus (--) to double plus (++), with (--) representing the most negative impact and (++) the most positive. See [ESG factors in financial institution ratings](#).

SUPPORT ANALYSIS

Ownership

We view Søgne og Greipstad Sparebank's ownership as neutral for our standalone credit assessment. The bank operates as a self-owned institution, which means it does not have traditional shareholders and reinvests profits in the local community. Many Norwegian savings banks have chosen to issue equity instruments (equity capital certificates) to finance growth or to recapitalise. Thus far, Søgne og

Greipstad Sparebank has chosen not to issue equity instruments but could do so in a process that normally takes up to six months.

ISSUE RATINGS

Our rating on Søgne og Greipstad Sparebank's unsecured senior debt is in line with the 'BBB+' long-term issuer rating. The bank has an outstanding Tier 2 instrument and an additional Tier 1 instrument, which we rate one and three notches below the issuer rating, respectively. Consequently, the Tier 2 instrument is rated 'BBB', while the additional Tier 1 instrument is rated 'BB+'.

SHORT-TERM RATING

The 'N2' short-term rating is the higher of two alternatives available under NCR's methodology, given the 'BBB+' long-term issuer rating. This reflects the bank's direct access to emergency liquidity assistance from the central bank, and an average liquidity coverage ratio of 898% over the past four quarters.

METHODOLOGIES USED

- (i) [Financial Institutions Rating Methodology](#), 12 May 2025.
- (ii) [Rating Principles](#), 14 Feb. 2024.
- (iii) [Group and Government Support Rating Methodology](#), 14 Feb. 2024.

RELEVANT RESEARCH

- (i) [Nordic niche banks: building a foundation for growth](#), 4 Sep. 2025
- (ii) [Swedish savings banks steadfast amid increasing headwinds](#), 6 May 2025.
- (iii) [Lower interest margin will lead to a drop in profitability for Norwegian savings banks](#), 20 Jan. 2025.
- (iv) [NCR Comments: Norway moves to adopt new standardised approach to capital requirements](#), 6 Dec. 2024.
- (v) [Norwegian savings banks' capitalization boosted by CRR3](#), 26 Jun. 2024.

Figure 19. Søgne og Greipstad Sparebank key financial data, 2021–Q2 2025 YTD

Key credit metrics (%)	FY 2021	FY 2022	FY 2023	FY 2024	Q2 2025 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	71.2	73.0	77.1	73.6	72.7
Net fee income to op. revenue	11.0	11.4	11.3	12.7	14.2
Net gains and losses/operating revenue	7.1	8.1	4.8	8.5	3.3
Net other income to op. revenue	10.7	7.5	6.8	5.2	9.9
EARNINGS					
Net interest income to financial assets	1.6	2.0	2.4	2.4	2.2
Net interest income to net loans	1.9	2.3	2.9	2.9	2.6
Pre-provision income to REA	1.7	2.2	2.5	2.9	3.0
Core pre-provision income to REA (NII & NF&C)	1.0	1.5	1.9	2.1	2.2
Return on ordinary equity	6.9	8.6	9.0	9.9	8.1
Return on assets	0.8	1.1	1.1	1.3	1.1
Cost-to-income ratio	55.0	52.4	48.9	48.7	53.6
Core cost-to-income ratio (NII & NF&C)	66.9	62.0	55.3	56.4	61.8
CAPITAL					
CET1 ratio	19.5	20.2	18.8	20.4	21.4
Tier 1 ratio	19.7	20.5	19.3	22.2	23.3
Capital ratio	21.7	22.7	21.2	24.0	25.2
REA to assets	59.6	60.0	66.8	48.8	43.4
Dividend payout ratio					
Leverage ratio	9.6	9.7	8.8	11.1	10.3
Consolidated CET1 ratio	19.5	20.2	18.8	18.8	21.0
Consolidated Tier 1 ratio	19.7	20.5	19.3	20.7	23.0
Consolidated Capital ratio	21.7	22.7	21.2	22.8	25.3
Consolidated Leverage ratio	9.6	9.7	8.8	9.6	9.1
GROWTH					
Asset growth	4.6	2.0	6.3	4.6	5.0
Loan growth	3.7	1.2	1.5	6.0	5.6
Deposit growth	8.0	0.9	4.0	6.1	4.5
LOSS PERFORMANCE					
Credit provisions to net loans	0.05	0.01	0.19	0.07	0.10
Stage 3 coverage ratio	31.25	14.82	16.59	11.81	15.76
Stage 3 loans to gross loans	0.67	1.11	1.56	2.08	1.74
Net stage 3 loans to net loans	0.46	0.95	1.31	1.84	1.47
Net stage 3 loans/ordinary equity	3.37	6.45	8.28	11.30	9.17
FUNDING & LIQUIDITY					
Loan to deposit ratio	131.5	131.8	128.7	128.5	129.9
Liquid assets to deposit ratio	20.0	21.0	27.4	25.4	24.6
Net stable funding ratio	136.2	135.7	135.6	116.0	130.1
Liquidity coverage ratio	158.0	150.0	402.0	247.0	289.4

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q2 2025 YTD
BALANCE SHEET					
Total assets	4,941	5,042	5,361	5,609	5,891
Total tangible assets	4,941	5,042	5,361	5,609	5,891
Total financial assets	4,908	4,997	5,309	5,556	5,829
Net loans and advances to customers	4,261	4,311	4,376	4,639	4,900
Total securities	397	439	483	509	514
Customer deposits	3,241	3,270	3,401	3,609	3,772
Issued securities	952	953	1,076	1,006	1,107
of which other senior debt	901	903	1,026	956	1,057
of which subordinated debt	50	51	50	50	50
Total equity	585	634	692	806	832
of which ordinary equity	585	634	692	756	784
CAPITAL					
Common equity tier 1	573	610	675	557	547
Tier 1	580	621	690	607	595
Total capital	639	687	760	657	645
REA	2,947	3,027	3,583	2,736	2,556
INCOME STATEMENT					
Operating revenues	110	136	161	177	87
Pre-provision operating profit	49	65	82	91	40
Impairments	2	0	8	3	2
Net Income	39	53	60	72	31

Source: company. FY–full year. YTD–year to date.

Figure 20. Søgne og Greipstad Sparebank rating scorecard

Subfactors	Impact	Score
National banking environment	5.0%	a
Sector exposure assessment	-	-
Regional assessment	15.0%	bbb+
Cross border assessment	-	-
Operating environment	20.0%	bbb+
Risk governance	7.5%	bbb-
Capital	17.5%	aa-
Funding and liquidity	15.0%	a-
Credit and market risk	10.0%	bbb
Risk appetite	50.0%	a-
Competitive position	15.0%	bb-
Earnings	7.5%	a-
Loss performance	7.5%	bbb+
Performance indicators	15.0%	bbb+
Indicative credit assessment		bbb+
Peer comparison		Neutral
Transitions		Neutral
Borderline assessments		Neutral
Stand-alone credit assessment		bbb+
Ownership		Neutral
Capital structure protection		Neutral
Rating caps		Neutral
Issuer rating		BBB+
Outlook		Stable
Short-term rating		N2

Figure 21. Capital structure ratings

Seniority	Rating
Senior unsecured	BBB+
Tier 2	BBB
Additional Tier 1	BB+

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