

Grong Sparebank

Full Rating Report

LONG-TERM RATING

A-

OUTLOOK

Stable

SHORT-TERM RATING

N2

PRIMARY ANALYST

Christian Yssen
+4740019900
christian.yssen@nordiccreditrating.com

SECONDARY CONTACTS

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.comGeir Kristiansen
+4790784593
geir.kristiansen@nordiccreditrating.com

RATING RATIONALE

Our 'A-' long-term issuer rating on Norway-based Grong Sparebank reflects the bank's strong earnings, diverse funding access, low risk appetite and solid capital position. The bank has a strong market position in its operating region and faces less competition from similarly sized savings banks than its domestic peers. Grong Sparebank has proven access to capital market financing and few single-name concentrations. We perceive the bank's risk governance and internal risk reporting as strong, in view of its risk profile and complexity. Grong Sparebank is a member of the Eika Alliance banking association, which enables product diversity, shared development costs and the opportunity to finance residential retail mortgage loans through jointly owned covered-bond company Eika Boligkreditt AS.

The rating is constrained by the geographic concentration of the bank's loan book in northern Trøndelag county and Helgeland in Nordland county, and by a high proportion of residential housing collateral. It is also constrained by its markets' declining population. The bank is gaining market share in its northern market, but faces an increasingly competitive environment in its southern market towards Trondheim, where growth prospects are stronger.

STABLE OUTLOOK

The outlook is stable, reflecting our view that Grong Sparebank's strong earnings and solid capital position will compensate for a weakened domestic economy. We believe Grong Sparebank's asset quality will gradually improve from weakened levels over the past year. We expect the bank's solid foundation of risk governance resources to facilitate above-average growth during our forecast period through 2027. We forecast the bank will maintain its solid capital position following recent improvements from implementing the EU's Capital Requirements Regulations III (CRR3).

POTENTIAL POSITIVE RATING DRIVERS

- An upgrade is unlikely at this time due to weak long- and medium-term economic growth prospects in the bank's operating region.

POTENTIAL NEGATIVE RATING DRIVERS

- A deterioration in the local operating environment that weakens asset quality or profitability.
- Tier 1 ratio below 19% over a protracted period.
- Pre-provision income (PPI) to risk-exposure amount (REA) approaching 2%.

Figure 1. Key credit metrics, 2021–2027e

%	2021	2022	2023	2024	2025e	2026e	2027e
Net interest margin	1.8	2.0	2.4	2.3	2.2	2.1	2.1
Loan losses/net loans	-0.09	0.05	0.06	0.17	0.14	0.12	0.11
Pre-provision income/REA	2.3	3.6	3.2	2.4	3.0	2.7	2.7
Cost-to-income	52.9	40.2	46.0	50.3	45.6	48.5	48.0
Return on average equity	10.5	17.1	13.5	9.0	11.9	10.4	10.6
Loan growth	12.3	10.4	9.5	9.0	9.0	9.0	9.0
CET1 ratio	16.4	17.6	17.9	16.9	18.2	18.3	18.3
Tier 1 ratio	18.1	19.3	19.4	18.5	19.9	19.8	19.7

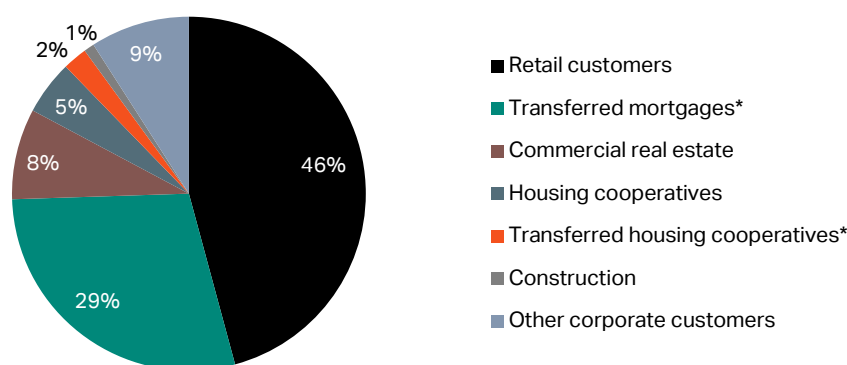
Source: company and NCR. e=estimate. REA=risk exposure amount. CET1=common equity Tier 1. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Grong Sparebank is an independent Norwegian savings bank with roots dating back to 1862. The bank's headquarters are located in its traditional market of Grong municipality in Trøndelag county. With six additional branches, its core markets have expanded to cover the majority of northern Trøndelag county and Helgeland in Nordland county. Grong Sparebank provides traditional banking services to retail customers and SMEs, and has co-located real-estate agency services to all its branches except its headquarters. As of 30 Sep. 2025, the bank had 87 employees and NOK 14bn in gross loans (including loans transferred to Eika Boligkreditt).

Grong Sparebank is a member of the Eika Alliance, an association of more than 40 small and medium-sized Norwegian savings banks. The association enables product diversity and helps improve cost efficiency through the sharing of IT costs and joint efforts in risk management and compliance. It also provides the opportunity to finance residential mortgages via Eika Boligkreditt.

Figure 2. Gross loans by sector, including transferred loans, 30 Sep. 2025



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

OPERATING ENVIRONMENT

Operating environment

We consider a balance of national and regional factors in our assessment of the operating environment. The majority of Grong Sparebank's exposure is located in its core markets of northern Trøndelag county and southern Helgeland. Its operating region is geographically larger than peers of similar size, but less densely populated. Regional growth estimates vary substantially, but growth prospects are commonly weak. We believe that the national economy could weaken over the next few years due to reduced economic activity and the ongoing impact of high inflation, but consider the Norwegian banking sector well positioned to cope.

Norwegian savings banks resilient to slowing economic activity

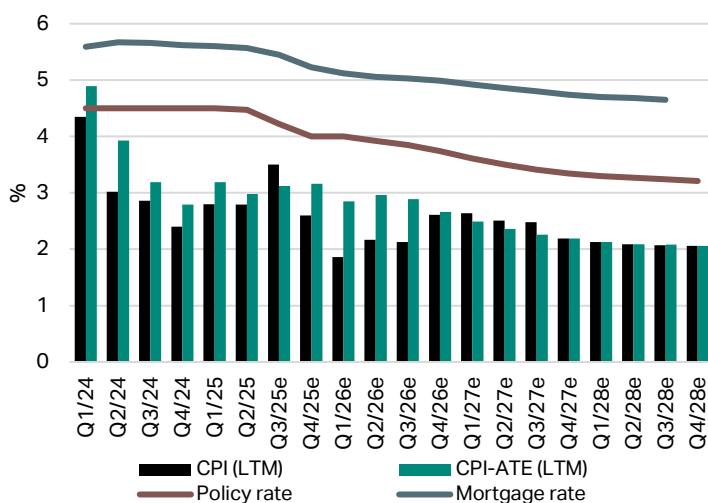
National banking environment

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.

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.

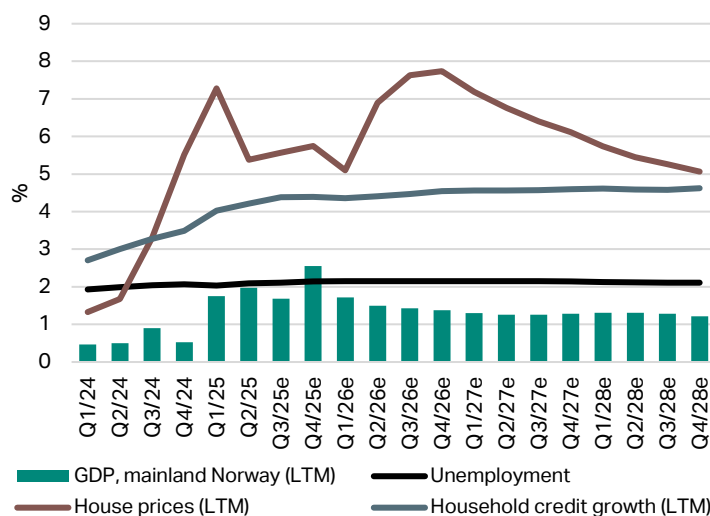
Nonetheless, Norwegian savings banks remain well capitalised, with the introduction of CRR3 enhancing competitiveness for those using the standardised approach, which includes most banks. Solid risk-adjusted earnings, despite somewhat lower interest margins, and stable or improved asset quality metrics 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.

Large, rural operating region

Regional assessment

The operating region of Grong Sparebank has expanded substantially over the last two decades from its traditional market in Grong municipality, where its headquarters are located, almost three hours from the metropolitan area of Trondheim. Today, 80% of the bank's lending is in an area that covers most of northern Trøndelag county and Helgeland in Nordland County, with a total population of about 250,000. The seven municipalities in which Grong Sparebank has offices account for about 60% of its lending, and have a combined population of about 106,000. These markets have low population density and weak growth prospects. However, the broad operating region provides industrial diversification. We do not expect the bank to establish a branch in Trondheim in the near future, where growth prospects are higher, or serve customers without a connection to the bank's core markets. Unemployment rates vary but remain significantly below the national average.

Figure 5. Core markets

Municipality	Population, Q2 2025	Expected population change, 2025-2050 (%)	Unemployment, Aug. 2025 (%)	Unemployment, Aug. 2024 (%)
Grong	2,295	7.5	1.9	2.1
Namsos	15,115	-5.7	1.6	1.3
Steinkjer	24,038	-4.3	2.6	2.1
Vefsn	13,491	-5.5	1.2	1.1
Nærøysund	9,907	-0.3	2.3	2.9
Rana	25,899	-6.9	1.2	1.3
Verdal	15,447	-3.0	2.3	1.7
Core markets	106,192	-4.5	1.9	1.7
Norway	5,606,944	9.1	2.2	2.1

Source: Statistics Norway, Norwegian Labour and Welfare Administration.

Grong Sparebank's core markets are rural, with limited industry diversification compared to other regions, although this is offset by the larger geographical area. Primary industries are important for the region and include agriculture in the south and fishing and aquaculture in the north. There are some large anchor companies in the region, which play an important role for employment and stability in the local communities. The public sector is also a major employer, particularly in the fields of education, health and social work.

RISK APPETITE

Risk appetite assessment

Our assessment of Grong Sparebank's risk profile reflects its diverse funding access, solid capital adequacy, large proportion of residential mortgage lending (including retail mortgages and housing cooperatives) and ability to transfer loans to Eika Boligkreditt. We perceive the bank's risk governance and internal risk reporting as solid, in view of its risk profile and complexity. Grong Sparebank has a significant proportion of property lending and some regional concentrations in its core markets.

Risk governance standards stronger than similar peers

Risk governance

In our view, Grong Sparebank's risk governance framework, risk appetite, limit monitoring and risk reporting are proportional to its balance sheet and risk profile. The bank has well-defined guidelines for risk governance and relevant risk areas. It has also established anti-money laundering practices and policies, reducing the risk of related regulatory fines and associated losses. The bank's internal risk reporting and internal capital adequacy assessment processes are proportional to its risk profile. In addition, the bank differentiates itself from smaller savings bank peers through its internal audit function, acting as a third line of defence. In our view, the bank's anti-money laundering and know your customer resources are robust, supporting a somewhat higher lending growth compared to similar peers (Figure 7). The bank has limited single-name concentrations and maintains a solid share of corporate lending to low-risk agricultural customers.

Grong Sparebank has made significant efforts to support sustainability and contributes to the local region through social contributions. The bank has established guidelines to assess environmental, social and governance (ESG) factors for new and recurring corporate customers. We believe this contributes to better internal risk awareness and sustainable customer behaviour. The bank has obtained certification by Miljøfyrtårn/EcoLighthouse for its branches, which provides criteria and structure for products and solutions to minimise banks' environmental footprints. A substantial portion of the bank's mortgage portfolio is financed through Eika Boligkreditt, which has also established a framework for the issuance of green bonds. We believe membership in the Eika Alliance provides beneficial resources for future risk governance development and sustainability reporting.

Capital ratios boosted by CRR3

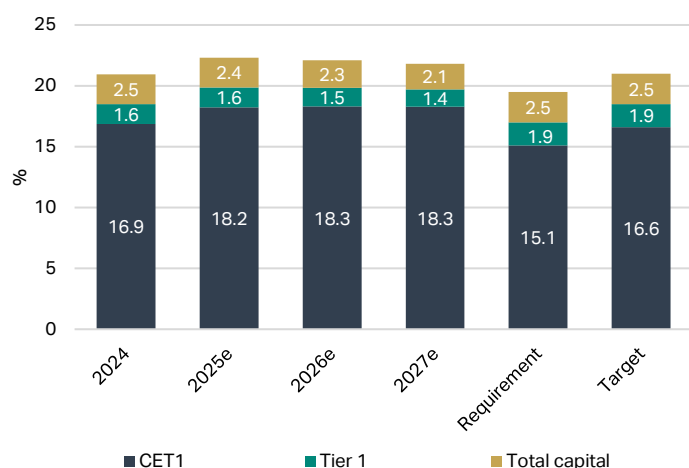
Capital

Our capital assessment takes into consideration Grong Sparebank's consolidated capital position, including its proportionate holdings in Eika Gruppen and Eika Boligkreditt. The bank's consolidated Common Equity Tier 1 (CET1) ratio was 17.8% and its Tier 1 ratio 19.5% (excluding 1pp as 50% of current year profits) as of 30 Sep. 2025. These compare with its respective minimum targets of 16.6% and 18.5% (including a 1.5pp management buffer). On 23 Oct. 2025, the bank announced the purchase of a small stake in leasing company Brage Finans, which we expect to have a modest negative impact on capital adequacy ratios. Its consolidated leverage ratio stood at 7.7%, compared with a regulatory minimum requirement of 3%.

The bank's most recent reported capital ratios were significantly boosted by implementing CRR3, which came into force in Norway on 1 Apr. 2025. The new method is more risk-sensitive than previously and has considerably reduced capital requirements for small to medium-sized retail and savings banks with low loan-to-value mortgages. We believe the isolated effect of CRR3 is above 2.0% due to the bank's high share of low-risk residential housing.

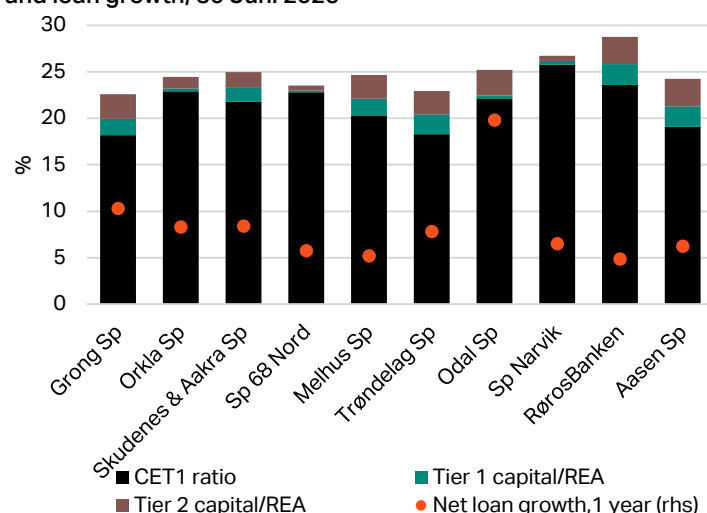
We expect Grong Sparebank to expand its loan book by 9% annually for 2025–2027. We also expect a return on equity above 10% through 2027. We further expect around 30% of net income to be paid out as dividends to holders of equity capital certificates (ECCs) or as contributions to the local community. Consequently, we expect the bank's capital ratios to remain stable through our forecast period. We estimate a Tier 1 ratio of 19.7% at end-2027.

Figure 6. Consolidated capital ratios 2024–2027e, capital requirement and targets as of 30 Sep. 2025



Source: company, e-estimate. *total pillar 2 guidance (P2G) of 1.9%

Figure 7. Norwegian savings banks' consolidated capital ratios and loan growth, 30 Jun. 2025



Source: bank reports.

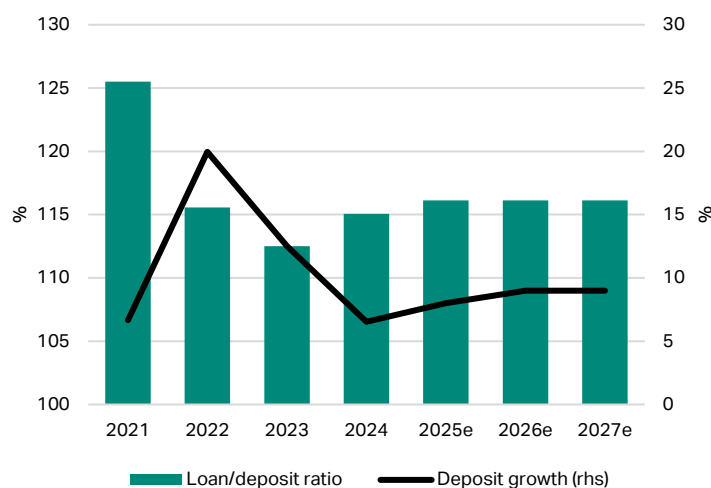
Diverse funding profile and strong liquidity buffers

Funding and liquidity

Grong Sparebank's funding and liquidity profile is diverse, given its size. The bank has a stable retail deposit base and demonstrable access to capital market funding. Deposit growth has averaged some 10% over the last five years and exceeded average on-balance-sheet lending growth by some 1pp. We forecast deposit growth of 8-9% annually for 2025–2027, keeping pace with the bank's lending growth. This results in a loan-to-deposit ratio of 116%, similar to most recent years. The bank's liquidity risks are mitigated by modest single-name concentrations in its customer deposits. As of 30 Sep. 2025, the liquidity coverage ratio was 215% and net stable funding ratio 129%, well above the bank's internal limits of 115% and 110%, respectively.

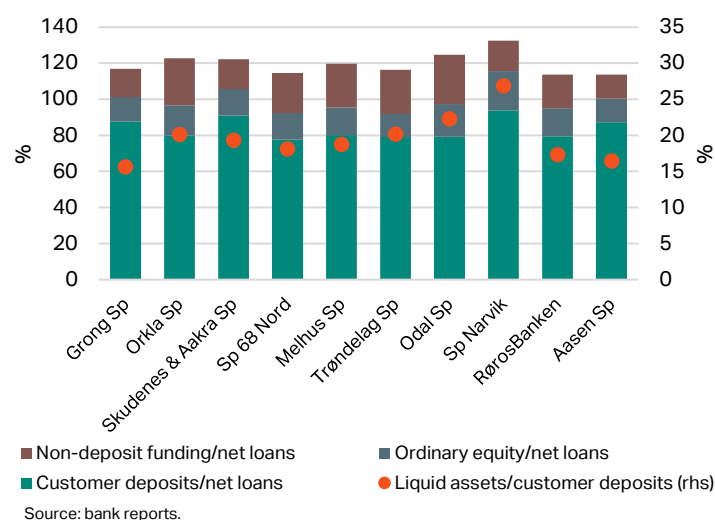
Grong Sparebank had nine outstanding senior bonds totalling NOK 1.5bn as of 30 Sep. 2025, with evenly distributed maturities through 2030. We expect bond funding to increase to NOK 2.0bn by 2027. The bank's internal limits for annual and quarterly maturities reduce refinancing risk.

Figure 8. Deposit metrics, 2021–2027e



Source: company, e-estimate.

Figure 9. Norwegian savings bank funding profiles, 30 Jun. 2025



Source: bank reports.

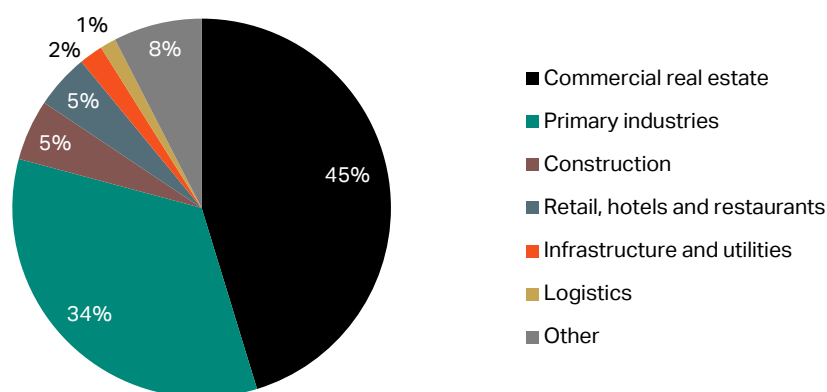
Eika Boligkreditt is another stable and important source of funding for Grong Sparebank. It provides access to more affordable funding for retail mortgages and housing cooperatives, with longer terms to maturity, than the bank could source by itself. The bank had transferred NOK 4.3bn in residential housing loans, or 38% of total residential housing lending, including NOK 7.1bn on its own loan book as of 30 Sep. 2025. We expect the bank to maintain a similar transfer share through 2027. This is well within its internal limits and it maintains a steady volume of readily transferrable loans as a liquidity buffer.

Credit and market risk

High proportion of property lending in local market drives credit risk

Grong Sparebank's loan portfolio has a regional focus, with about 90% of balance-sheet loans located in Trøndelag county and Helgeland. The bank does not promote lending to borrowers outside its core markets and other customers are mostly domestic migrants. About 80% of the bank's exposures (including transferred loans) are to private and agricultural customers and secured by housing and agricultural properties. While we regard these segments as low-risk credit, it nonetheless increases concentration on local borrowers and exposes the bank's collateral to any decline in property values. We see Grong Sparebank's larger operating region compared to similar sized savings banks as positive, as it reduces regional concentration risk. However, this is offset by the lower population density and relatively less liquid property market compared to metropolitan areas. The bank differentiates itself from similar sized peers as 7% of exposures are to low-risk housing cooperatives on- and off- balance sheet. Housing prices and real-estate values in the region have increased in recent years despite higher cost levels, supported by low construction of new dwellings and expectations of interest rate cuts. Housing price growth over the past decade has strengthened the bank's collateral.

Figure 10. Corporate gross loans by industry (excluding housing cooperatives), 30 Sep. 2025



Source: company.

Excluding housing cooperatives, corporate customers accounted for 18% of on- and off-balance sheet loans as of 30 Sep. 2025. More than half of its corporate exposure is allocated to commercial real estate and construction. We remain concerned about commercial real-estate lending due to high interest costs and a weak property market.

Grong Sparebank's lending increased by 11% in the 12 months to 30 Sep. 2025, including transferred loans. Our forecast includes annual loan growth of 9% for 2025-2027. We also expect the bank to slightly increase its share of corporate lending to about 20%.

Grong Sparebank had transferred loans amounting to NOK 4.3bn as of 30 Sep. 2025, which generates a material share of pre-provision income (18% in 2024). However, the bank does not offload the associated risk and we expect it to take back all non-performing loans to enable Eika Boligkreditt to maintain a clean cover pool. Grong Sparebank has always accepted repatriated loans, but in the event that repatriation should not prove possible, the bank guarantees 1% of transferred loans and covers 80% of any net loss incurred by Eika Boligkreditt through a loss guarantee. The bank is jointly liable with existing Eika Alliance banks for losses not covered by the guarantee. Due to the high credit quality of transferred loans and repatriation agreements, Eika Boligkreditt has never incurred actual credit losses.

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

COMPETITIVE POSITION

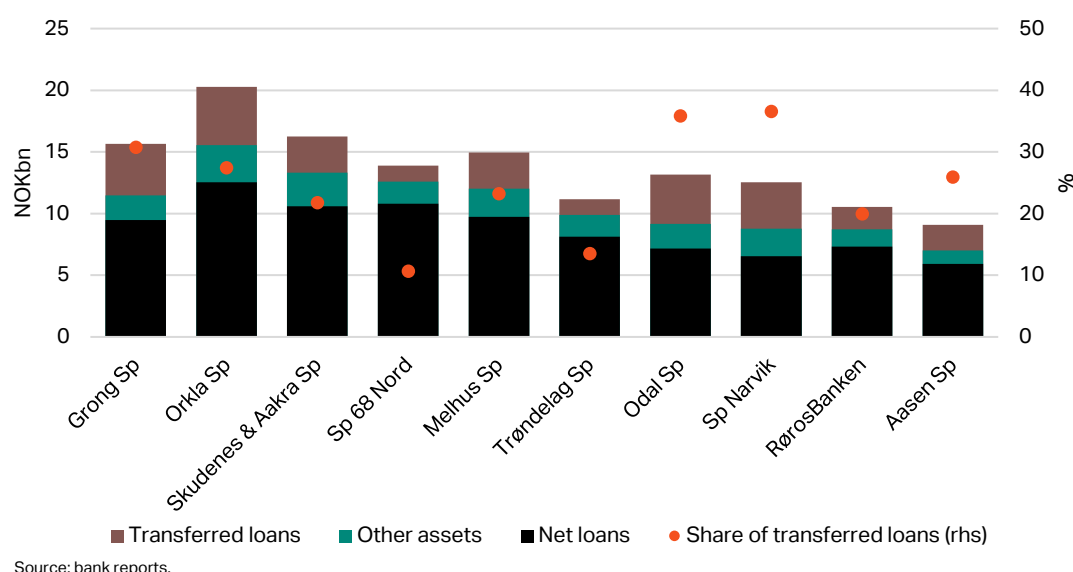
Competitive position

Grong Sparebank has a well-established position in its broader core region of operation with about 15% market share of retail customers. The bank's market share is continually increasing as about a quarter of all new mortgage loans in the region have been allocated to the bank over the past year. The increasing market share is also illustrated by strong growth in recent years in an otherwise

depopulating region. We believe the bank faces less competition in the north and west of Grong municipality compared to other small- to mid-size savings banks located elsewhere. Only the larger banks of SpareBank 1 Helgeland, Sparebank 1 SMN and DNB have active offices in the most northern areas of Trøndelag county and Helgeland. We expect a relatively higher share of Grong Sparebank's new lending volumes to originate from these markets in the years ahead due to reduced competition. Competition south of Grong municipality, however, increases more intensely closer to Trondheim. The bank co-located real-estate agency services to all its branches (except its headquarters) and recently established a cooperation agreement with a housing association, Helgeland Boligbyggerlag, which we believe supports lending growth and customer loyalty.

Grong Sparebank's membership in the Eika Alliance diversifies revenues and enables it to provide a wider range of customer services than it could with its own resources. The alliance enables the bank to provide insurance, debit and credit products, asset management and real-estate agency services. The new ownership stake in Brage Finans enables the bank to offer leasing products to corporate customers and supports commission income.

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



We consider Grong Sparebank's meaningful role in and contributions to its local market as a positive rating factor. The bank's primary ESG attribute is its strong sense of social responsibility in its local communities. The bank also funds social and cultural activities.

PERFORMANCE INDICATORS

Performance indicators

Grong Sparebank has reported strong cost efficiency and risk-adjusted earnings in recent years. Loss performance metrics are about average compared to peers, following a rise in credit losses and non-performing loans over the last 12 months. We believe earnings performance will remain strong, despite pressure on margins and somewhat elevated loan losses over our forecast period.

Earnings are diversified and stabilised by non-bank revenues

Earnings

As with most Norwegian banks, Grong Sparebank has seen an improvement in earnings following interest rate increases in recent years. The bank had a net interest margin of 2.2% in the first nine months of 2025 and 2.3% in full-year 2024. We expect upcoming interest rate cuts, increased competition and weakened loan demand to pressure margins through 2027. We also expect lower mortgage margins to affect dividend income from Eika Boligkreditt.

Grong Sparebank's cost-to-income ratio was 47.1% in the 12 months ended 30 Jun. 2025, slightly above the peer sample average of 45.9%. In our forecast, we expect the effects of loan growth to exceed the decline in net interest margins, resulting in increasing operating income through 2027. Together with moderate growth in operating costs, we expect the cost-to-income ratio to remain well below 50% through 2027. Accordingly, we estimate a consolidated PPI to REA at 2.7% in 2026–2027.

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

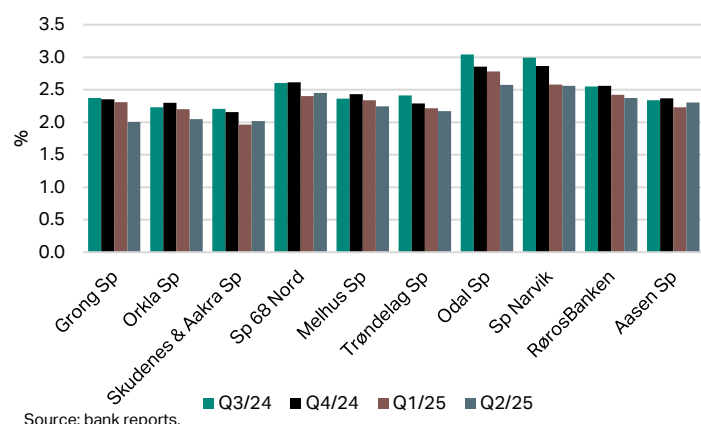


Figure 13. Norwegian savings banks' cost-to-income, LTM to 30 Jun. 2025

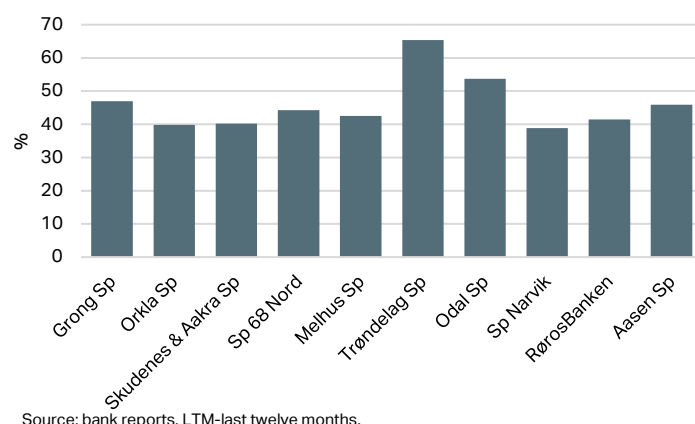


Figure 14. Norwegian savings banks' PPI to REA, LTM to 30 Jun. 2025

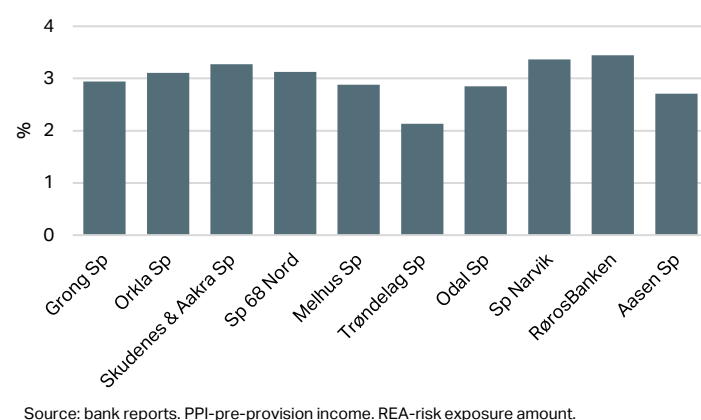
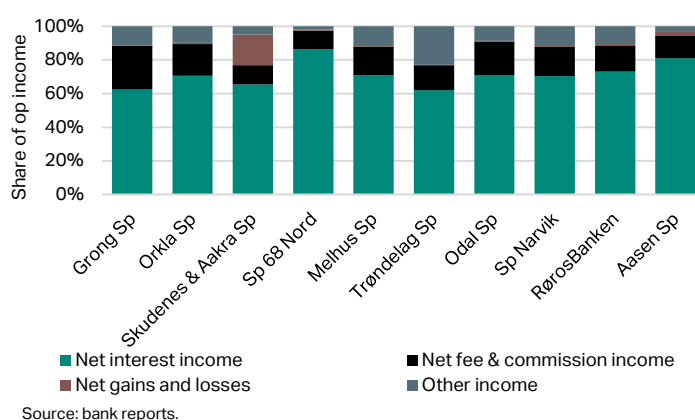


Figure 15. Norwegian savings banks' income breakdown, LTM to 30 Jun. 2025

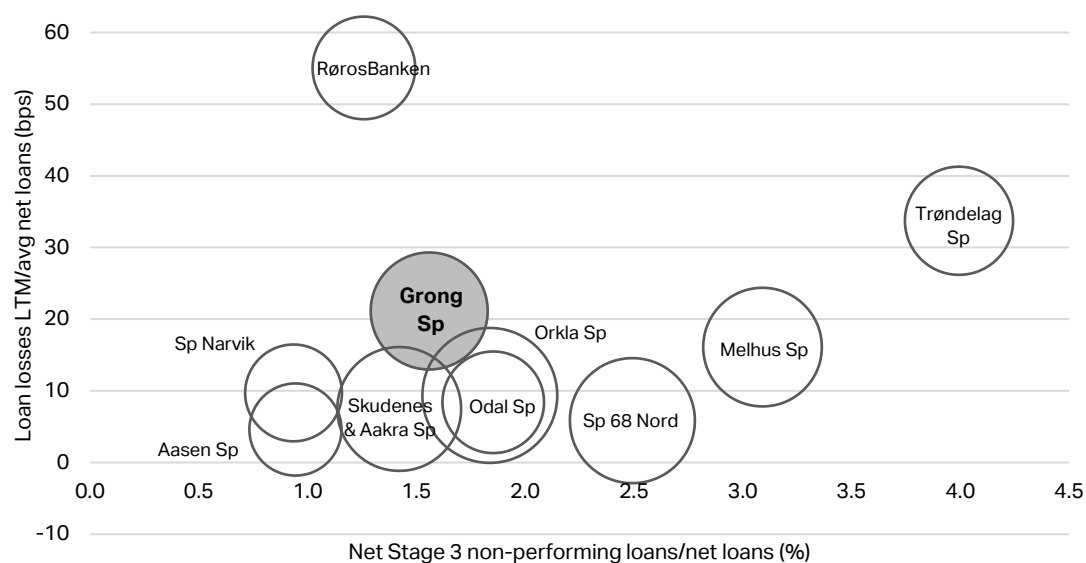


Strong loss performance despite weakened metrics

Loss performance

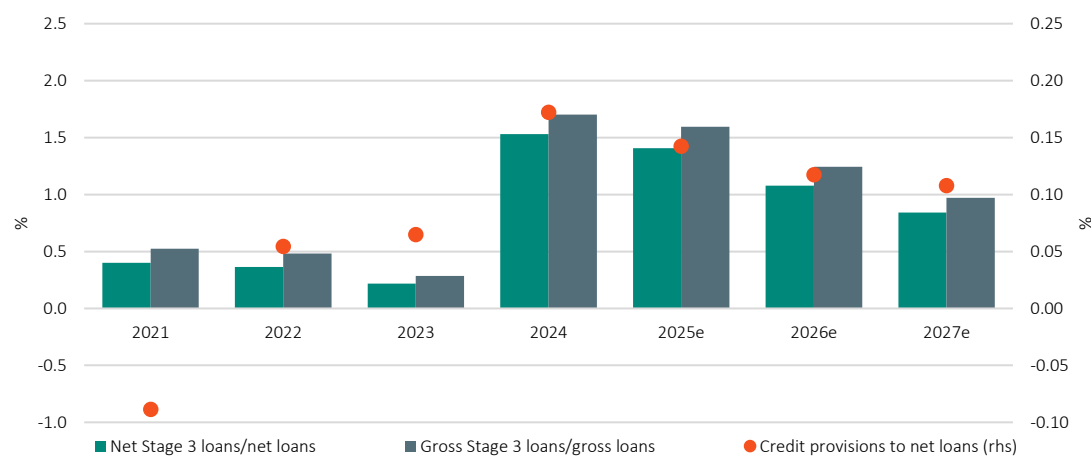
Grong Sparebank's loss performance metrics have weakened over the past year but remain moderate compared to peers. The bank booked loan losses of NOK 19m in the 12 months ended 30 Sep. 2025, accounting for 21bps of average net loans. This compares to an annual average of 9bps in 2020–2024. The bank's share of non-performing loans to net loans increased to 1.5% as of 30 Sep. 2025, from a low 0.6% in the third quarter of 2024. We believe asset quality will improve gradually as lower interest rates begin to reduce the burden on borrowers and remain above the bank's historically low levels. We project loan losses to steadily decline to 11bps in 2027 and share of net Stage 3 loans to decline below 1% during the same period.

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



Source: bank reports. Bubble sizes reflect net loan volumes.

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. Longer-term effects on market values in flood risk areas.	Credit risk (-) Loss performance (0)
Social engagement in the community	Close connection to narrow niche provides a benefit.	Competitive position (+)
Anti-money laundering capacity	Risk of sanctions and fraud due to insufficient reviews of customers.	Risk governance (0)
Control of sustainability issues	Risk of overlooking sustainability impact 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.

SUPPORT ANALYSIS

Ownership

We do not adjust the rating on Grong Sparebank to reflect expectations of additional support as we see limited potential for extraordinary support from the owners. The bank's ECCs are publicly listed and consequently the bank has ready access to the equity market. As of 30 Sep. 2025, around 44% of the bank's equity was owned by ECC holders, while the remainder was ownerless capital.

Figure 19. Ownership structure, 30 Sep. 2025

Owner	Share of ECCs (%)
VPF Eika Egenkapitalbevis	8.0
Moen Industrier AS	6.7
Kosli Holding AS	5.3
Kommunal Landspensjonskasse Gjensidige	3.0
Svein Halvor Moe	2.6
Other	74.4
Total	100.0

Source: company.

ISSUE RATINGS

Our rating on Grong Sparebank's unsecured senior debt is in line with the 'A-' 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 'BBB-'.

SHORT-TERM RATING

The 'N2' short-term rating is the higher of two alternatives available under NCR's methodology, given the 'A-' 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 272% 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 20. Grong Sparebank key financial data, 2021–Q3 2025 YTD

Key credit metrics (%)	FY 2021	FY 2022	FY 2023	FY 2024	Q3 2025 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	60.5	51.2	63.4	73.7	60.7
Net fee income to op. revenue	29.8	20.3	21.5	27.0	25.1
Net gains and losses/operating revenue	1.6	20.7	9.8	-4.8	6.9
Net other income to op. revenue	8.1	7.9	5.3	4.1	7.3
EARNINGS					
Net interest income to financial assets	1.8	2.0	2.4	2.3	2.2
Net interest income to net loans	2.0	2.3	2.9	2.8	2.6
Pre-provision income to REA	2.7	4.8	4.3	3.1	4.1
Core pre-provision income to REA (NII & NF&C)	2.2	2.5	3.1	3.2	3.1
Return on ordinary equity	10.5	17.1	13.5	9.0	13.5
Return on assets	1.1	2.0	1.6	1.1	1.6
Cost-to-income ratio	52.9	40.2	46.0	50.3	42.6
Core cost-to-income ratio (NII & NF&C)	58.5	56.3	54.2	49.9	49.7
CAPITAL					
CET1 ratio	16.9	16.9	17.0	21.0	21.9
Tier 1 ratio	18.8	18.6	18.5	22.5	23.6
Capital ratio	21.2	20.8	21.9	24.9	26.1
REA to assets	48.5	47.9	46.1	52.8	47.6
Dividend payout ratio	20.4	31.2	21.6	25.6	37.6
Leverage ratio	9.0	8.9	8.6	11.2	10.5
Consolidated CET1 ratio	16.4	17.6	17.9	16.9	17.8
Consolidated Tier 1 ratio	18.1	19.3	19.4	18.5	19.5
Consolidated Capital ratio	20.5	21.4	22.4	20.9	22.2
Consolidated Leverage ratio	8.0	8.5	8.4	8.5	7.7
GROWTH					
Asset growth	9.5	13.5	11.9	8.7	5.2
Loan growth	12.3	10.4	9.5	9.0	6.8
Deposit growth	6.7	20.0	12.5	6.5	5.0
LOSS PERFORMANCE					
Credit provisions to net loans	-0.09	0.05	0.06	0.17	0.14
Stage 3 coverage ratio	23.61	24.94	24.36	10.36	11.07
Stage 3 loans to gross loans	0.52	0.48	0.29	1.70	1.63
Net stage 3 loans to net loans	0.40	0.36	0.22	1.53	1.45
Net stage 3 loans/ordinary equity	3.23	2.51	1.49	10.91	10.36
FUNDING & LIQUIDITY					
Loan to deposit ratio	125.5	115.6	112.5	115.1	117.1
Liquid assets to deposit ratio	12.8	13.5	15.6	15.8	13.6
Net stable funding ratio	0.0	0.0	136.0	134.2	129.0
Liquidity coverage ratio	148.0	154.0	227.0	321.9	215.0

Key financials (NOKm)	FY 2021	FY 2022	FY 2023	FY 2024	Q3 2025 YTD
BALANCE SHEET					
Total assets	7,911	8,981	10,051	10,931	11,497
Total tangible assets	7,909	8,981	10,051	10,931	11,497
Total financial assets	7,833	8,909	9,956	10,812	11,367
Net loans and advances to customers	6,849	7,564	8,284	9,026	9,639
Total securities	834	1,118	1,377	1,417	1,421
Customer deposits	5,456	6,545	7,363	7,845	8,233
Issued securities	1,423	1,179	1,269	1,551	1,645
of which other senior debt	1,327	1,083	1,111	1,410	1,504
of which subordinated debt	95	96	158	141	141
Total equity	922	1,161	1,276	1,357	1,443
of which ordinary equity	852	1,091	1,206	1,267	1,353
CAPITAL					
Common equity tier 1	650	728	787	1,211	1,201
Tier 1	720	798	857	1,301	1,291
Total capital	815	893	1,014	1,441	1,431
REA	3,834	4,299	4,631	5,776	5,477
INCOME STATEMENT					
Operating revenues	218	324	357	327	301
Pre-provision operating profit	103	194	193	162	173
Impairments	-6	4	5	15	10
Net Income	86	166	155	111	133

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

Figure 21. Grong Sparebank rating scorecard

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

Figure 22. Capital structure ratings

Seniority	Rating
Senior unsecured	A-
Tier 2	BBB+
Additional Tier 1	BBB-

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