

Søgne og Greipstad Sparebank

Rating Action Report

Søgne og Greipstad Sparebank 'BBB+' long-term issuer rating affirmed; Outlook stable

Nordic Credit Rating (NCR) has affirmed its 'BBB+' long-term issuer rating on Norway-based [Søgne og Greipstad Sparebank](#). The outlook is stable. The 'N2' short-term issuer rating, the 'BBB+' senior unsecured issue rating, the 'BBB' issue rating on the bank's Tier 2 instrument and the 'BB+' issue rating on the bank's Additional Tier 1 instrument were also affirmed.

Rating rationale

The affirmation reflects our view that the bank has, and will continue to, perform largely in line with our earlier expectations. Stronger capital generation compared with our forecast a year ago led to a consolidated Tier 1 ratio to 23.7% as of end-2025, compared with our expectation of 23.1%. While extraordinary costs in the first half of 2026 and stronger expected growth in the second half lead to a Tier 1 ratio of 23.5% in our 2026 forecast, we expect it to climb above 24% by end-2028. Reflecting this, we have raised our assessment of Søgne og Greipstad Sparebank's capital.

Our 'BBB+' long-term issuer rating on Norway-based Søgne og Greipstad Sparebank continues to reflect the bank's moderate risk appetite, diverse access to funding and solid market position in its historical core markets, supported by its membership in Lokalbanksamarbeidet. Asset quality performance worsened in the first half of 2026, in line with the trend seen in the Norwegian savings bank sector, and remains broadly in line with most peers.

The rating remains 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's 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 the bank to maintain its moderate risk profile. Net Stage 3 loans are forecast to remain elevated at approximately 1.5% of net lending in 2027 and 2028, while credit losses are expected to gradually decline towards historical levels. We also expect that the bank will maintain its market position in both its traditional and newer markets, despite high competition.

We could raise our rating on Søgne og Greipstad to reflect 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.

We could lower our rating to reflect a material deterioration in the local operating environment that negatively affects asset quality, a consolidated Tier 1 capital ratio sustainably below 20% or significantly weakened market position due to competitive pressure in the region.

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

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.com

Sean Cotten
+46735600337
sean.cotten@nordiccreditrating.com

Figure 1. Søgne og Greipstad Sparebank rating scorecard

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

Figure 2. Capital structure ratings

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

Type of credit rating:	Long-term issuer credit rating Short-term issuer credit rating Issue credit rating
Publication date:	The rating was first published on 09 Oct. 2025.
Office responsible for the credit rating:	Nordic Credit Rating AS (NCR), Oslo, Norway. NCR is a registered credit rating agency under Regulation (EC) No 1060/2009.
Primary analyst:	Ylva Forsberg, +46768806742, ylva.forsberg@nordiccreditrating.com
Rating committee chairperson responsible for approval of the credit rating:	Sean Cotten, +46735600337, sean.cotten@nordiccreditrating.com
Were ESG factors a key driver behind the change to the credit rating or rating outlook?	No.
Methodology used when determining the credit rating:	NCR's Financial Institutions Rating Methodology published on 12 May 2025 NCR's Rating Principles published on 14 Feb. 2024 NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024 The methodology and principles documents provide analytical guidance to NCR's rating activities including but not limited to, assumptions, parameters, cash flow analysis, and stress-testing. NCR's methodologies and principles can be found on our website nordiccreditrating.com/governance/policies . The historical default rates of entities and securities rated by NCR will be viewed on the central platform (CEREP) of the European Securities and Markets Authority (ESMA) .
Materials used when determining the credit rating:	Annual- and quarterly reports of the rated entity, Bond prospectuses, Company presentations, Data provided by external data providers, External market reports, Meetings with management of the rated entity, Non-public information, Press reports/public information, Website of rated entity.
Potential conflicts of interest:	The rating is NCR's independent opinion of the rated entity's relative creditworthiness. The rating is solicited, i.e. it is prepared for a fee paid by the rated entity. At the time of analysis and publication neither NCR nor any of the analysts or persons involved in the rating process held any interest, ownership interest or securities in the rated entity. NCR does not have any direct or indirect shareholder with a holding of more than 5% of NCR's shares and votes. For further information, please refer to NCR's conflict of interest policy which is available on: https://nordiccreditrating.com/governance/policies
Additional information:	Prior to publication, the rating was disclosed to the rated entity. The issuer was given 24 hours (of which 8 business hours) to remark on factual errors and/or the inadvertent inclusion of confidential information, if applicable. The rating was not amended after the review by the issuer. No stress test or cash flow forecasting was performed. NCR's rating is an opinion regarding the relative creditworthiness of an entity or an instrument. It is not a prediction, guarantee or recommendation to buy, hold or sell securities. NCR assigns outlooks to issuer ratings to indicate where they could move in the near term, normally 12–18 months. Further information on the rating process, rating definitions and limitations is available on our website: nordiccreditrating.com/governance/policies .
Ancillary services provided:	No ancillary services have been provided in the last 12 months.
Regulations:	This rating was issued and disclosed under Regulation (EC) No 1060/2009.
Legal exemption from liability:	Disclaimer © 2026 Nordic Credit Rating AS (NCR, the agency). All rights reserved. All information and data used by NCR in its analytical activities come from sources the agency considers accurate and reliable. All material relating to NCR's analytical activities is provided on an "as is" basis. The agency does not conduct audits or similar warranty validations of any information used in its analytical activities and related material. NCR advises all users of its services to carry out individual assessments for their own specific use or purpose when using any information or material provided by the agency. Analytical material provided by NCR constitutes only an opinion on relative credit risk and does not address other forms of risk such as volatility or market risk and should not be considered to contain facts of any kind for the purpose of assessing an issuer's or an issue's historical, current or future performance. Analytical material provided by NCR may include certain forward-looking statements relating to the business, financial performance and results of an entity and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Forward-looking statements contained in any analytical material provided by NCR, including assumptions, opinions and views either of the agency or cited from third-party sources are solely opinions and forecasts which are subject to risk, uncertainty and other factors that could cause actual events to differ materially from anticipated events. NCR and its personnel and any related third parties provide no assurance that the assumptions underlying any statements in analytical material provided by the agency are free from error, nor are they liable to any party, either directly or indirectly, for any damages, losses or similar, arising from use of NCR's analytical material or the agency's analytical activities. No representation or warranty (express or implied) is made as to, and no reliance should be placed upon, any information, including projections, estimates, targets and opinions, contained in any analytical material provided by NCR, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained in any analytical material provided by the agency. Users of analytical material provided by NCR are solely responsible for making their own assessment of the market and the market position of any relevant entity, conducting their own investigations and analysis, and forming their own view of the future performance of any relevant entity's business and current and future financial situation. NCR is independent of any third party, and any information and/or material resulting from the agency's analytical activities should not be considered as marketing or a recommendation to buy, sell, or hold any financial instruments or similar. Relating to NCR's analytical activities, historical development and past performance does not safeguard or guarantee any future results or outcome. All information herein is the sole property of NCR and is protected by copyright and applicable laws. The information herein, and any other information provided by NCR, may not be reproduced, copied, stored, sold, or distributed without NCR's written permission.

NORDIC CREDIT RATING AS
nordiccreditrating.com