

Grue Sparebank

Full Rating Report

LONG-TERM RATING

BBB+

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 'BBB+' long-term issuer rating on Norway-based Grue Sparebank reflects the bank's low risk appetite and strong capital position. Despite total assets of only NOK 6.7bn, including transferred loans, the bank demonstrates reliable access to capital market funding and maintains a well-diversified and loyal retail deposit base. Its ownership and cooperation with the Eika Alliance banking association support product diversity, shared development costs and the ability to finance residential retail mortgage loans through the jointly owned covered-bond company Eika Boligkreditt AS.

We expect Grue Sparebank to maintain solid revenues despite margin pressure as it expands beyond its traditional markets. However, we expect profitability to remain weighed down by higher operating expenses related to recent staffing additions and investments supporting the bank's growth plans.

The rating is constrained by the geographic concentration of the loan book in the south-eastern municipalities of Innlandet county and by a high proportion of real estate and agricultural collateral in the region. The bank maintains a strong market share in its traditional markets but faces significant competition from regional and local peers as it seeks growth in Hamar and Elverum.

STABLE OUTLOOK

The outlook is stable, reflecting our view that the bank's low risk appetite will limit credit losses and offset the impact of a weaker regional economy. While growth-related investments weigh on profitability, the bank's strong capitalisation supports above-average loan growth. It also reflects our projections of credit losses to remain modest, supported by the bank's high share of retail lending and limited problem loans.

POTENTIAL POSITIVE RATING DRIVERS

- Pre-provision income to risk exposure amount (REA) sustainably above 3% and cost to income below 45%; and,
- Increased scale and improved market position in growth markets without material increase in risk appetite.

POTENTIAL NEGATIVE RATING DRIVERS

- Consolidated Tier 1 capital ratio below 18% over a protracted period.
- A material deterioration in the local operating environment or asset quality.
- Risk-adjusted earnings metrics below 1.5% over a protracted period.

Figure 1. Key credit metrics, 2022–2028e

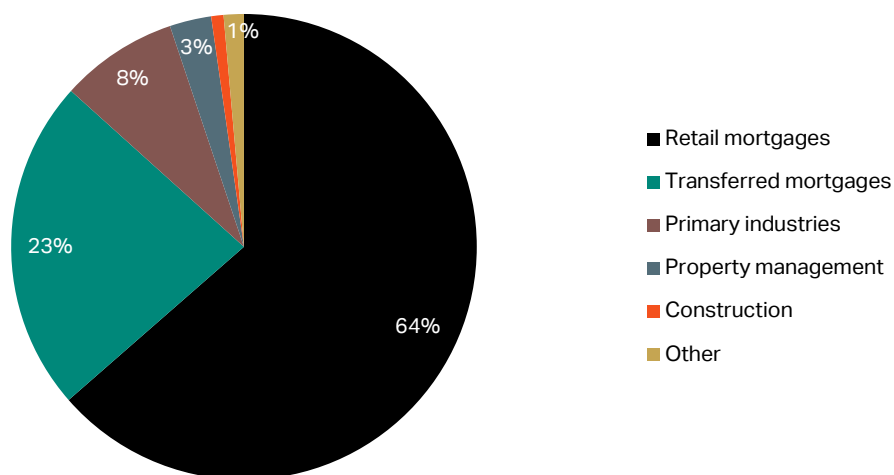
%	2022	2023	2024	2025	2026e	2027e	2028e
Net interest margin	1.9	2.7	2.7	2.6	2.3	2.3	2.2
Pre-provision income (PPI)/REA*	1.7	2.6	3.0	2.4	2.0	2.2	2.2
Cost-to-income	63.0	53.3	50.7	63.4	68.7	64.6	63.0
Return on ordinary equity	7.2	9.2	11.0	7.9	6.1	7.1	7.3
Loan losses/net loans	-0.01	0.19	0.03	0.03	0.05	0.08	0.11
Net Stage 3/net loans	0.63	1.25	0.95	1.22	1.41	1.35	1.30
Tier 1 ratio*	18.6	20.9	23.1	26.0	24.6	23.5	22.5

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.

ISSUER PROFILE

Grue Sparebank was established in 1862 in Norway's Grue municipality. Its core market includes the municipalities of Grue, Åsnes, Kongsvinger, Våler, Elverum and Hamar. The bank operates four branches, including one in Hamar opened in March 2025. The bank increased its number of employees to 46 in 2025, with expectations of surpassing 50 by 2026. As of 30 Jun. 2026, Grue Sparebank reported total net lending of NOK 5.2bn, including NOK 1.2bn in retail mortgage loans transferred to Eika Boligkreditt. The bank aims to increase its share of corporate and agricultural lending over the next few years as it expands operations in Elverum and Hamar. The bank also has a 66% ownership stake in an accounting services firm.

Figure 2. Gross loans by sector, 30 Jun. 2026



Source: company.

Seeking retail growth in larger towns

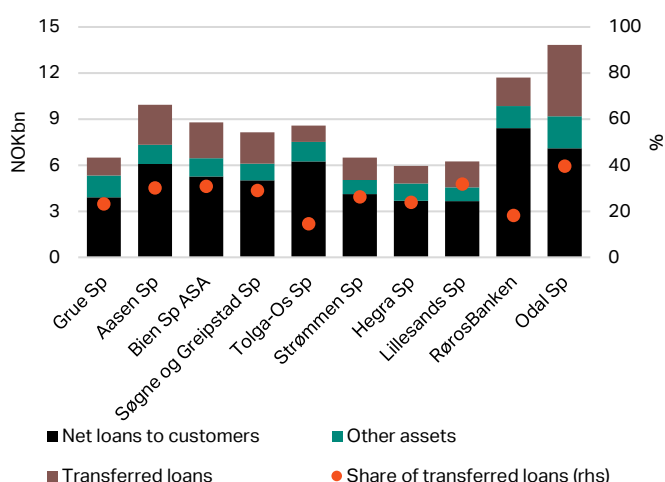
Competitive position

Grue Sparebank maintains a strong position in its core markets, with close to 50% market share in Grue municipality and about 8% across its core markets. We expect the bank to gradually strengthen its position in its growth markets, supported by above-average loan growth, although significant competition is likely to continue to weigh on margins. Competitors include SpareBank 1 Østlandet across all core markets, Tolga-Os Sparebank in Elverum and Hamar, and Odal Sparebank in the southern parts of Innlandet.

Grue Sparebank's membership in the Eika Alliance diversifies its revenue streams and allows the bank to offer a broader range of customer services than it could independently. Through the alliance, the bank provides insurance, debit and credit products, asset management and real estate agency services.

We view the bank's strong commitment to local communities as a competitive strength, demonstrated by its support for local social and cultural activities.

Figure 3. Business volume comparison, 30 Jun. 2026



Source: bank reports.

Risk governance

Risk governance proportional to complexity

In our view, Grue Sparebank's risk governance framework, risk appetite, limit monitoring, risk reporting, and internal capital and liquidity adequacy assessments are appropriate for its low risk profile. The bank has limited single-name concentrations and maintains a high share of corporate lending to low-risk agricultural customers. Negatively, strong planned growth and expansion into new markets increase execution and operational risks. Positively, the bank has strengthened its credit, risk control and compliance resources and continues to improve its processes within anti-money-laundering and know-your-customer. Due to its size, the bank does not have an internal audit function, unlike larger peers that use internal or external resources for third line risk functions.

The bank's history in its local market and emphasis on social responsibility support its sustainability profile. A significant share of the bank's mortgage portfolio is financed through Eika Boligkreditt, which has established a framework for issuing green bonds. Cooperation with the Eika Alliance also supports risk governance and future sustainability reporting and supplements the bank's own staff in monitoring money-laundering risks.

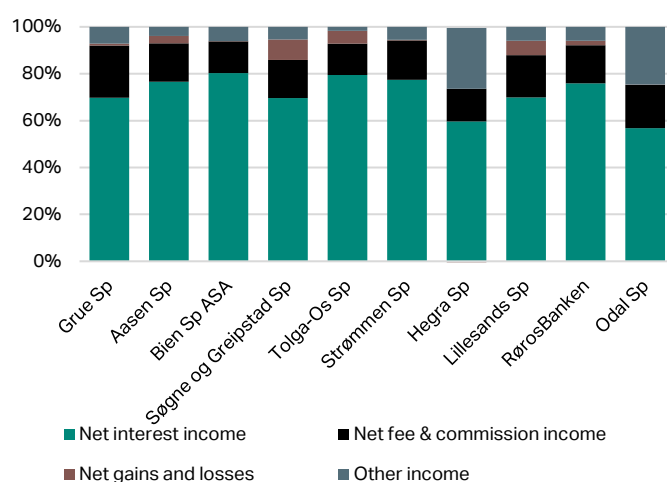
Potential to increase off-balance sheet funding

Grue Sparebank's funding and liquidity profile is relatively diverse for its size. The bank benefits from a stable and loyal retail deposit base and has demonstrated access to capital market funding. It has limited single-name concentrations in customer deposits and maintains internal limits on annual and quarterly bond maturities to reduce refinancing risk. The bank also holds strong liquidity buffers (around 27% of customer deposits as of 30 Jun. 2026). As of 30 Jun. 2026, the liquidity coverage ratio was 286% and the net stable funding ratio was 147%, both well above the bank's internal limits of 110%.

We expect the bank to have around NOK 700m in senior unsecured bonds outstanding at end-2026, with maturities extending through 2029. The bank aims to grow its balance sheet in line with customer deposits, and we project the loan-to-deposit to largely remain stable at around 100%.

Eika Boligkreditt remains a stable and important funding source for Grue Sparebank, offering access to more affordable, longer-term retail mortgage funding than the bank could secure by itself. As of 30 Jun. 2026, the bank had transferred NOK 1.2bn in mortgage loans or 23% of total retail mortgage lending (including NOK 4bn on its own loan book), well within its internal limit of 40%. The bank maintains a significant volume of readily transferable loans, and we expect it to increase its use of Eika Boligkreditt financing for private loans, while allocating on balance sheet funding to corporate growth.

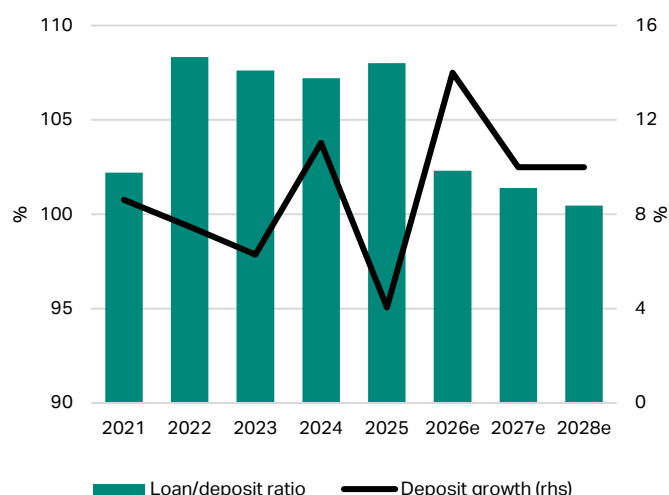
Figure 4. Revenue source split comparison, LTM to 30 Jun. 2026



Source: bank reports.

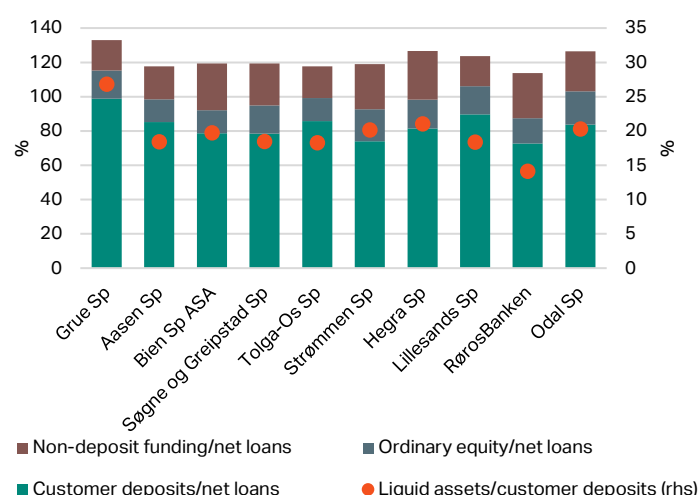
Funding and liquidity

Figure 5. Deposit metrics, 2021-2028e



Source: company and NCR. e-estimate.

Figure 6. Norwegian savings banks' funding profiles, 30 Jun. 2026



Source: bank reports.

CREDIT RISK PROFILE

Expanding operating region to Hamar

Grue Sparebank's core market is the southeast region of Innlandet county, about two hours northeast of Oslo and bordering Sweden. Nearly 90,000 people reside in the bank's core municipalities. Limited population growth in its traditional markets has prompted the bank to expand into Hamar and Elverum.

Figure 7. Regional core characteristics

	Strengths	Weaknesses
Regional employment and economic diversity	Stable and low unemployment supported by less cyclical industries in traditional markets. Growth markets support industrial diversification.	Somewhat more constrained employment base compared to larger metropolitan areas.
Expected population growth and credit demand	Stable housing prices. Stronger economic growth in growth markets Elverum and Hamar	Flat population growth in its traditional markets, although varying among municipalities.

In the smaller core municipalities, farming, logging and manufacturing represent a significant share of employment, and the region's extensive forest and agricultural land are reflected in the bank's loan portfolio. Long-term agricultural trends are increasing the scale and professionalism of local farmers, as farmhouses are increasingly separated from arable land.

Geographically concentrated loan portfolio

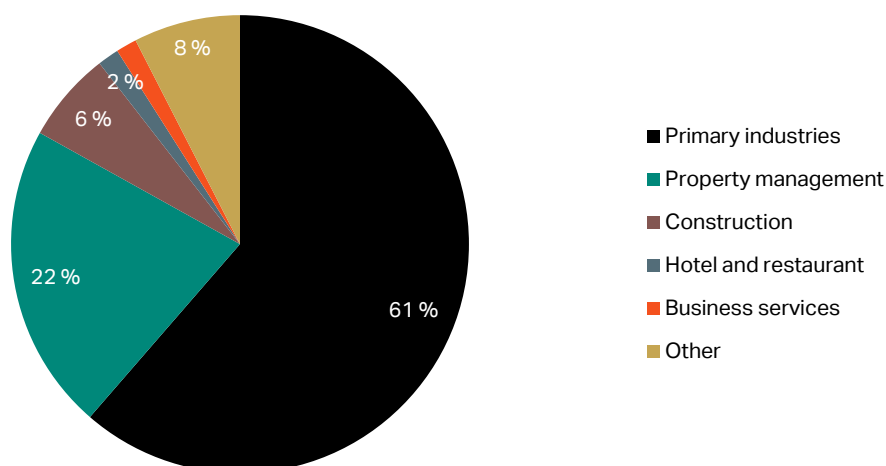
Grue Sparebank's loan portfolio is highly concentrated regionally, with approximately 75% of on-balance sheet lending to borrowers in its six core municipalities. About 95% of the bank's exposures, including transferred loans, are to residential housing and agricultural properties. The bank's main corporate exposure is to agriculture, accounting for only 8% of on-balance sheet exposure, which reflects the loan book's retail focus. While retail lending and agriculture are considered low-risk credit exposures, they are secured by a less liquid property market, including areas with declining populations. However, housing prices in the bank's operating region remain well below those in metropolitan areas, resulting in lower debt and interest burdens for customers.

Our forecast assumes annual loan growth on the bank's balance sheet of approximately 8–10% for 2026 to 2028.

Regional assessment

Credit risk

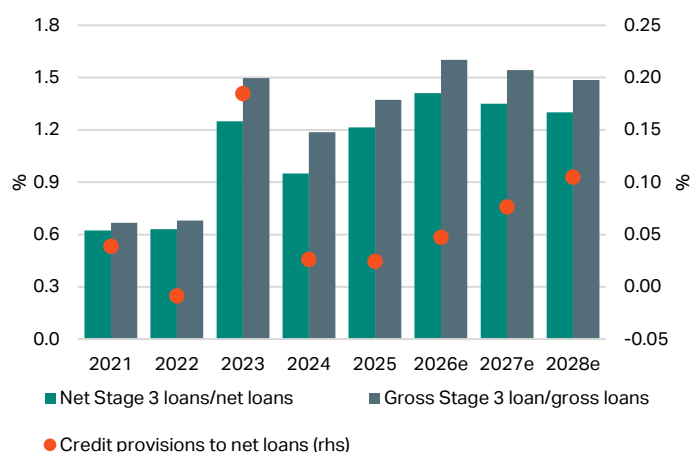
Figure 8. Corporate gross loans by sector, 30 Jun. 2026



Source: company.

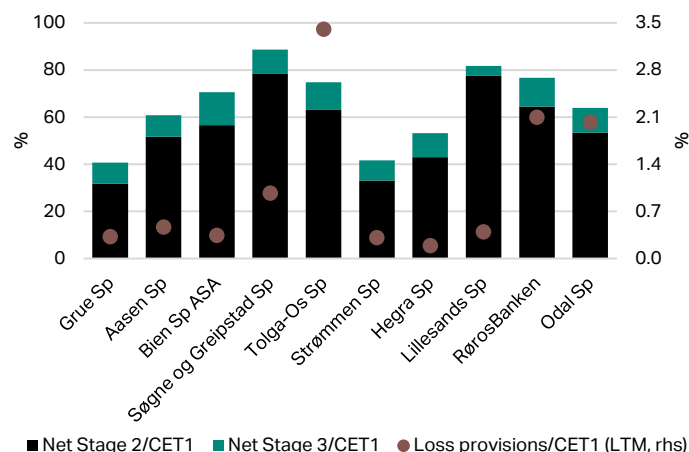
As of 30 Jun. 2026, Grue Sparebank had transferred loans totalling NOK 1.2bn. These loans generated NOK 12m in commission income (approximately 7% of operating revenues) in 2025. However, the bank retains the associated risk and is expected to repurchase all non-performing loans to allow Eika Boligkreditt to maintain a clean cover pool.

Figure 9. Asset quality metrics, 2021–2028e



Source: company and NCR. e—estimate.

Figure 10. Asset quality in relation to capitalisation, 30 Jun. 2026



Source: bank reports. CET1—Common Equity Tier 1. LTM—last twelve months.

Loss performance

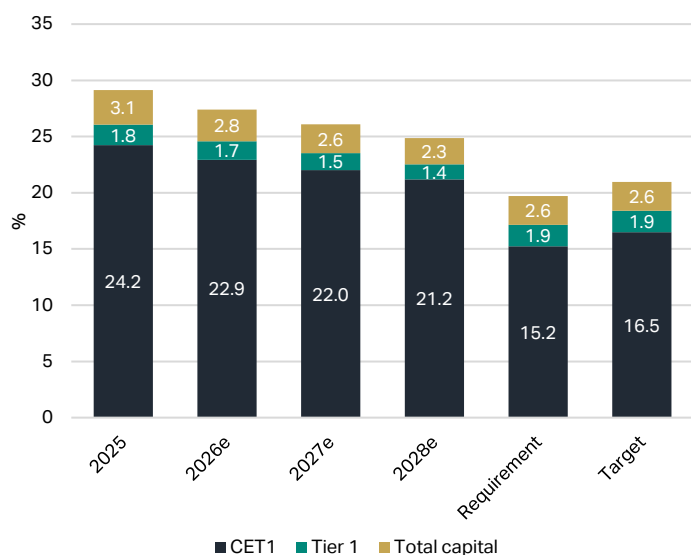
Grue Sparebank's net Stage 3 ratio increased to 1.4% in the first half of 2026, up from 1.2% at end-2025 and above its five-year average of 0.9%. We expect the net Stage 3 ratio to modestly decline to around 1.3% by 2028, remaining above its historical average. The bank booked net reversals of 1bps in the first half of 2026, compared with 3bps in loan losses in 2025. The bank's high share of retail and agricultural lending provides strong collateral coverage and supports loss performance. However, we project annual credit losses to gradually increase towards 10bps by 2028 as the bank pursues strong growth, particularly in the corporate segment, while increasing its exposure to commercial real estate. Nevertheless, we consider this level of losses to be broadly in line with normalised peer levels.

CAPITAL GENERATION

Capital

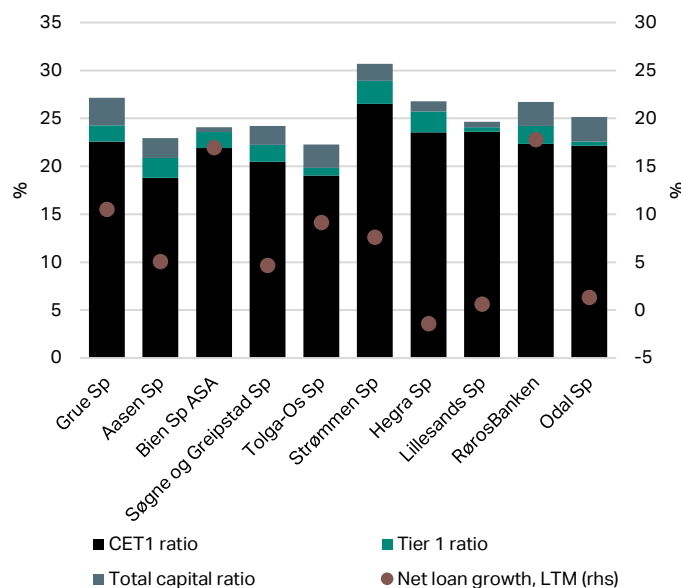
Our capital assessment considers Grue Sparebank's consolidated capital position, including its proportionate holdings in Eika Gruppen and Eika Boligkreditt. The CET1 ratio was 22.6%, and its Tier 1 ratio was 24.3% (excluding 0.4pp as 50% of current year profits) as of 30 Jun. 2026. These are well above its minimum targets of 16.5% and 18.4%, respectively, including a 1.25pp management buffer.

Figure 11. Forecast capital ratios vs. requirements, 2025–2028e



Source: company and NCR. e-estimate.

Figure 12. Norwegian savings banks' capital ratios and loan growth, 30 Jun. 2026



Source: bank reports.

We expect the bank's Tier 1 ratio to gradually decline to around 22.5% by 2028, reflecting strong corporate-led loan growth. Nevertheless, we expect the ratio to remain comfortably above 22% throughout the forecast period and well above the bank's internal target of 18.6%.

Earnings

We project the bank's interest margins to stabilise at 2.20-2.25%, which is below recent years but strong relative to peers. Increased competition in new markets and possible rate cuts in late 2027 and 2028 will put pressure on margins. However, corporate loan growth should partially offset the impact of lower market rates, and a high proportion of fee income reduces bottom line volatility.

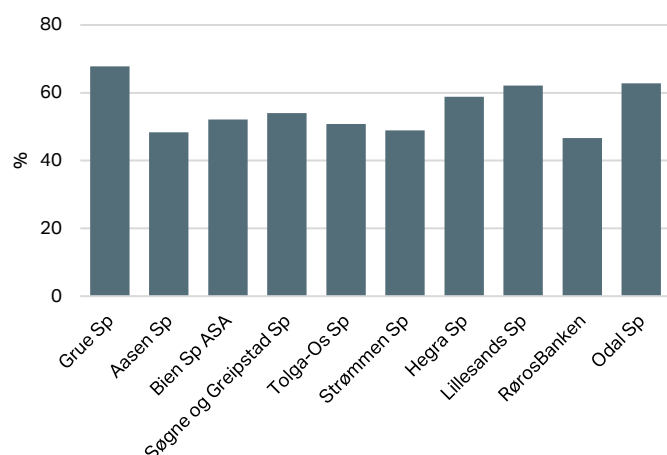
The bank's cost efficiency is constrained by a recent increase in staff and investments in new offices which we project will result in a cost-to-income ratio above 60% through the forecast period. Higher costs underpin our return on equity projections of 6%–7% and risk-adjusted earnings (pre-provision income to REA) of around 2.0-2.2% through 2028.

Figure 13. Capital projection assumptions

%	2026e	2027e	2028e
Net interest margin	2.25	2.25	2.20
Loan growth	8.0	9.0	9.0
Return on average equity	6.1	7.1	7.3
Gifts and contributions	17.1	17.1	17.1

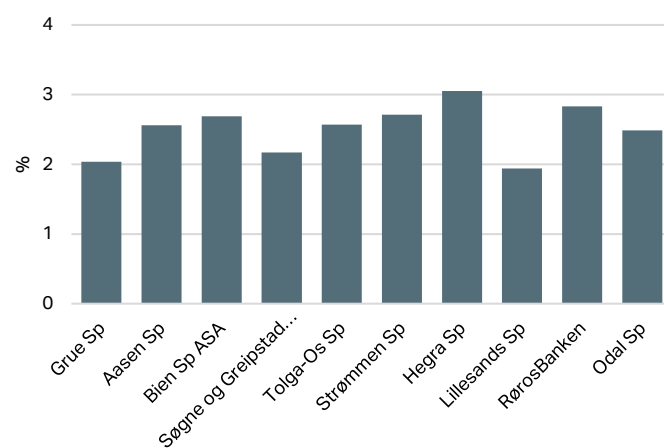
Source: NCR. e-estimate. All metrics adjusted in line with NCR methodology.

Figure 14. Norwegian savings banks' cost-to-income, LTM to 30 Jun. 2026



Source: companies.

Figure 15. Norwegian savings banks' PPI to REA, LTM to 30 Jun. 2026



Source: companies.

SUPPORT ANALYSIS

We consider Grue Sparebank's ownership structure neutral to its standalone credit profile. The bank is self-owned, with depositors as owners and profits reinvested in local community initiatives. While many Norwegian savings banks have issued equity capital certificates to support growth or recapitalisation, Grue Sparebank has not done so to date, but could initiate such a process, which typically takes up to six months.

ISSUE AND SHORT-TERM RATINGS

Figure 16. Issue and short-term ratings

	Rating
Senior unsecured	BBB+
Tier 2	BBB
Additional Tier 1	BB+
Short-term rating	N2; adequate due to LCR above 200% over the last four quarters (225%) and central bank access.

Short-term and issue ratings are mapped to the long-term issuer rating in accordance with our financial institutions rating methodology. When two short-term rating alternatives are possible, the assigned rating reflects whether liquidity is strong, adequate or weak, as defined in the methodology.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider ESG factors throughout our analysis, when they are material to our credit assessment.

Figure 17. 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 (-) 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)
Control of sustainability issues	Risk of overlooking sustainability impacts in 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.

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) [Norwegian savings banks face widening gap in asset quality metrics](#), 15 Oct. 2026
- (ii) [Capital strength sets Norwegian savings banks up for 2026 growth](#), 9 Jan. 2026
- (iii) [SME lending gains momentum among Nordic niche banks](#), 8 Sep. 2026.
- (iv) [Swedish savings banks face little drama in 2026](#), 12 Jan. 2026

Figure 18. Grue Sparebank key financial data, 2022–Q2 2026 YTD

Key credit metrics (%)	FY 2022	FY 2023	FY 2024	FY 2025	Q2 2026 YTD
INCOME COMPOSITION					
Net interest income to op. revenue	63.9	72.8	71.3	72.2	64.2
Net fee income to op. revenue	27.8	19.6	20.6	22.6	21.2
Net gains and losses/operating revenue	-1.4	1.4	1.6	-2.1	4.1
Net other income to op. revenue	9.7	6.2	6.6	7.3	10.5
EARNINGS					
Net interest income to financial assets	1.9	2.7	2.7	2.6	2.1
Net interest income to net loans	2.4	3.3	3.4	3.3	2.8
Pre-provision income to REA	2.3	3.4	3.8	2.8	2.4
Core pre-provision income to REA (NII & NF&C)	1.7	2.9	3.2	2.4	1.4
Return on ordinary equity	7.2	9.2	11.0	7.9	7.0
Return on assets	0.9	1.2	1.4	1.0	0.9
Cost-to-income ratio	63.0	53.3	50.7	63.4	66.5
Core cost-to-income ratio (NII & NF&C)	68.7	57.6	55.2	66.9	78.0
CAPITAL					
CET1 ratio	18.3	19.0	25.8	28.3	26.1
Tier 1 ratio	18.3	20.9	27.6	30.1	27.8
Capital ratio	20.4	22.8	30.7	33.2	30.6
REA to assets	48.8	50.0	48.5	45.6	44.3
Dividend payout ratio					17.1
Leverage ratio	9.1	10.6	12.8	12.9	11.6
Consolidated CET1 ratio	18.2	19.1	21.3	24.2	22.6
Consolidated Tier 1 ratio	18.6	20.9	23.1	26.0	24.3
Consolidated Capital ratio	20.7	22.9	26.1	29.1	27.1
Consolidated Leverage ratio	8.3	9.6	10.2	10.4	9.5
GROWTH					
Asset growth	7.3	8.7	10.5	7.4	9.9
Loan growth	13.9	5.6	10.6	4.8	4.0
Deposit growth	7.5	6.3	11.0	4.1	11.0
LOSS PERFORMANCE					
Credit provisions to net loans	-0.01	0.19	0.03	0.03	-0.01
Stage 3 coverage ratio	7.52	16.88	20.18	11.77	12.39
Stage 3 loans to gross loans	0.68	1.50	1.19	1.37	1.60
Net stage 3 loans to net loans	0.63	1.25	0.95	1.22	1.41
FUNDING & LIQUIDITY					
Loan to deposit ratio	108.3	107.6	107.2	108.0	101.2
Liquid assets to deposit ratio	2.2	5.5	18.5	21.5	26.8
Net stable funding ratio	140.0	144.3	143.4	146.2	147.1
Liquidity coverage ratio	179.0	263.4	176.8	203.2	286.1
Key financials (NOKm)	FY 2022	FY 2023	FY 2024	FY 2025	Q2 2026 YTD
BALANCE SHEET					
Total assets	3,849	4,182	4,622	4,966	5,456
Total financial assets	3,818	4,152	4,577	4,913	5,405
Net loans and advances to customers	3,138	3,314	3,665	3,842	3,995
Liquid assets	64	168	632	764	1,058
Customer deposits	2,897	3,079	3,419	3,557	3,949
Issued securities	442	493	524	675	775
of which other senior debt	402	453	454	604	705
of which subordinated debt	40	40	71	71	71
Total equity	483	577	625	690	698
of which ordinary equity	483	537	585	650	658
CAPITAL					
Common equity tier 1	344	397	579	641	632
Tier 1	344	437	619	681	672
Total capital	384	477	689	751	742
REA	1,880	2,090	2,240	2,263	2,420
INCOME STATEMENT					
Operating revenues	111	146	166	174	85
Pre-provision operating profit	41	68	82	64	28
Impairments	-0	6	1	1	-0
Net Income	32	47	62	49	23

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

Figure 19. Grue 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%	bbb+
Loss performance	7.5%	a-
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 20. Capital structure ratings

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

DISCLAIMER

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