

# Presentation Q2 2025

- A driving force for growth in Helgeland



# Presentation 30.06.25



**Hanne Nordgaard**  
Chief Executive Officer



**Anne Ekroll**  
Chief Financial Officer



- Main features
- Profit & loss
- Lending
- Deposits
- Funding
- Solidity
- Prospects ahead
- Appendices



# Financial targets

## Profitable

The bank has a ROE target on level with comparable banks, p.t. 12 %.

## Solid

The target for CET1 of 16.5 % includes a management buffer of 1.3 %.

## Efficient

Long term cost target of 40 % of income

## Responsible

Dividend ratio of minimum 50 % of the dividend basis

ROE  
>12 %

CET1  
>16.5 %

Cost growth  
C/I: <40 %

Dividend ratio  
Minimum 50 %



# Main features so far this year

## Gross Profit

MNOK 361\* (364)

\*taking into account one-off effects for the TietoEvy judgment, and depreciation

## ROE\*

11.5 (12.0) %

\*adjusted for hybrid capital

## 12 months lending growth

4.6 (2.3)%

RM 7.4 (2.6)%

CM -2.7 (9.9) %

## Total assets

40.7 (37.9) mrd. Kr

## Solidity

CET 17.4 (17.3) %

## Losses on loans

MNOK 31 (59)



- Main features
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# Summary Q2

SpareBank 1 Helgeland (group)	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Net interest- and credit comission earnings	255	254	236	234
Net comission earnings	46	47	39	47
Other operatios income	3	2	2	3
Ordinary operations cost	106	106	106	122
<b>Result basic operations</b>	<b>198</b>	<b>198</b>	<b>172</b>	<b>163</b>
Write-downs lending and warranties	17	26	19	12
Net value change financial instruments	19	7	37	21
<b>Gross profit</b>	<b>200</b>	<b>179</b>	<b>190</b>	<b>171</b>
<b>Net profit</b>	<b>155</b>	<b>133</b>	<b>154</b>	<b>136</b>
Net extended income posts	0	-1	1	0
<b>Profit for the period</b>	<b>155</b>	<b>132</b>	<b>155</b>	<b>136</b>



# Summary Q2

The quarterly profit is affected by reduced write-downs, increased commission income, increased costs and lower income on financial investments

- **Net interest** of MNOK 234, a decrease of MNOK 2 from last quarter.
- **Net commission income and other income** of MNOK 50, an increase of MNOK 9 compared to last quarter.
  - The increase is mainly related to season variation related to payment fees and semi-annual income recognition of fond sales.
- **Net profit from financial investments** of MNOK 21, a decrease of MNOK 17 from last quarter.





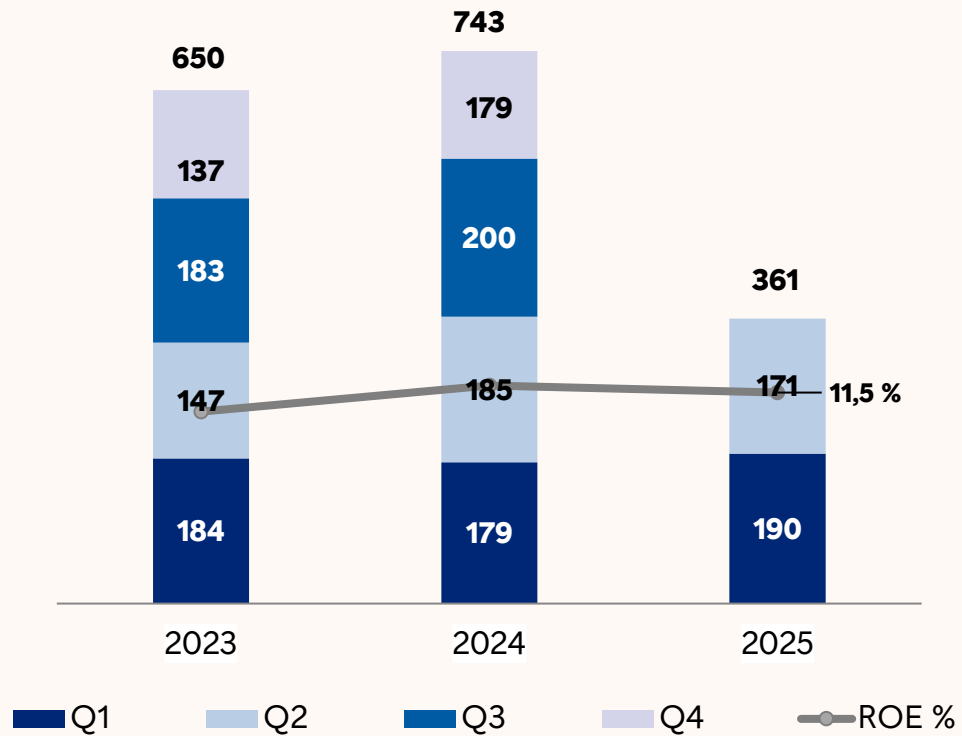
# Summary Q2

- **Operating costs** of MNOK 122, an increase of MNOK 16.
  - Increased operating costs is mainly related to the judgement in the Court of Appeal on June 3<sup>rd</sup> 2025 in the case between SpareBank 1 Utvikling DA and TietoEvry Norway AS. The judgement involves an adjustment of the fixed price paid by the banks in the SpareBank 1 Alliance, by approximately NOK 100 million per year. In the second quarter of 2025, SpareBank 1 Helgeland made a provision for accrued costs for the period 2023 to the second quarter of 2025 of approximately NOK 10 million.
- **Write-downs** on lending, MNOK 12 against MNOK 19 last quarter
- **Stable lending growth** in the quarter with 1.3 %
  - CM: MNOK 107 or 1.0%
  - RM: MNOK 431 or 1.4%



# Stable gross profit

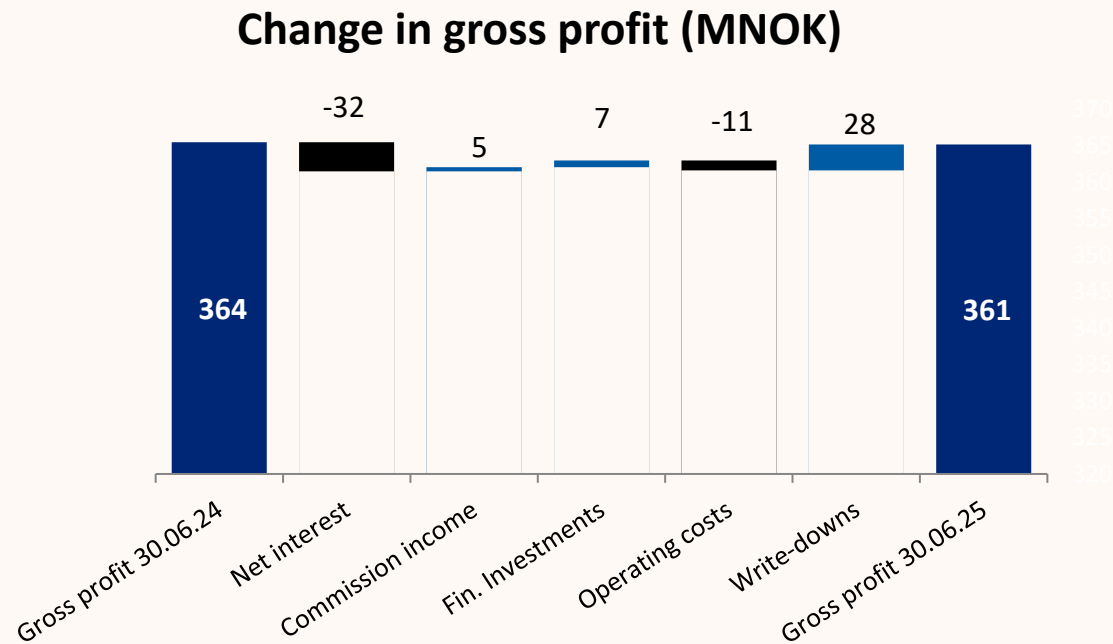
## Profit development (MNOK)



Stable gross profit of MNOK 361  
(364) pr. 30.06.25

- ROE of 11.5 %

# Increased profit before tax

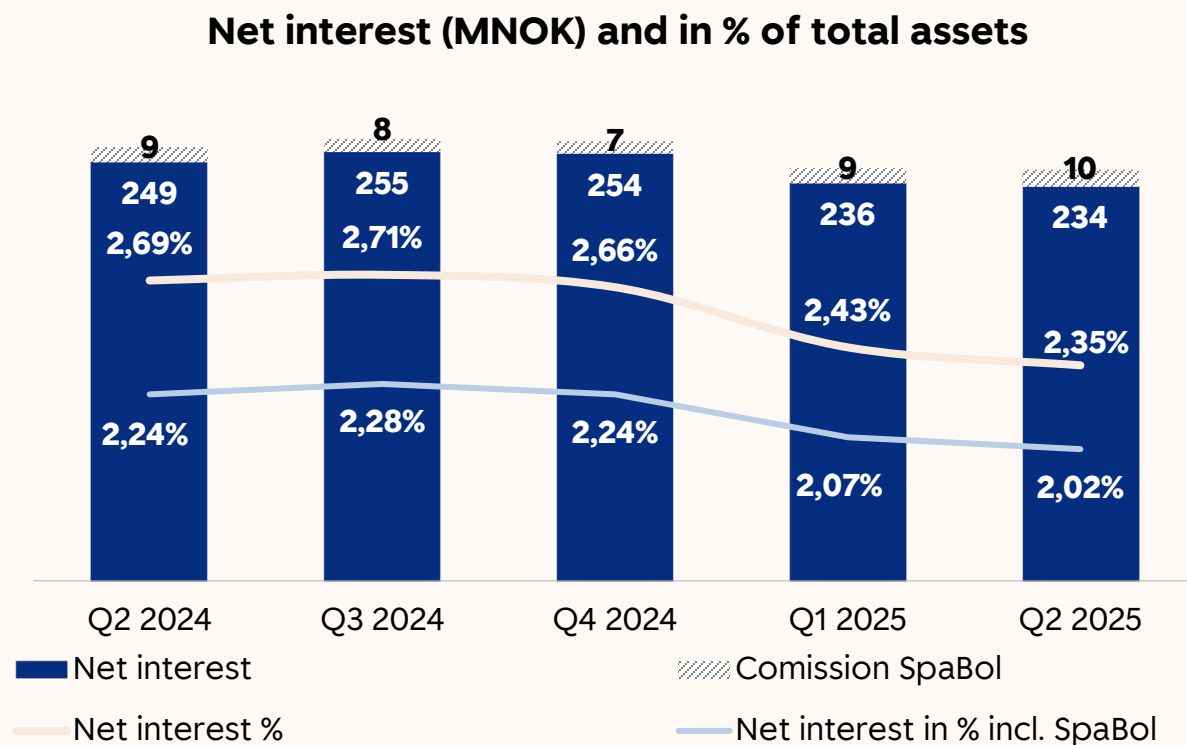


Gross profit is MNOK 3 lower than for the corresponding period last year.

- Reduced write-downs, increased commission income and increased gains on financial investments contributes to an increased profit.
- Lower net interest and increased costs reduces the profit.

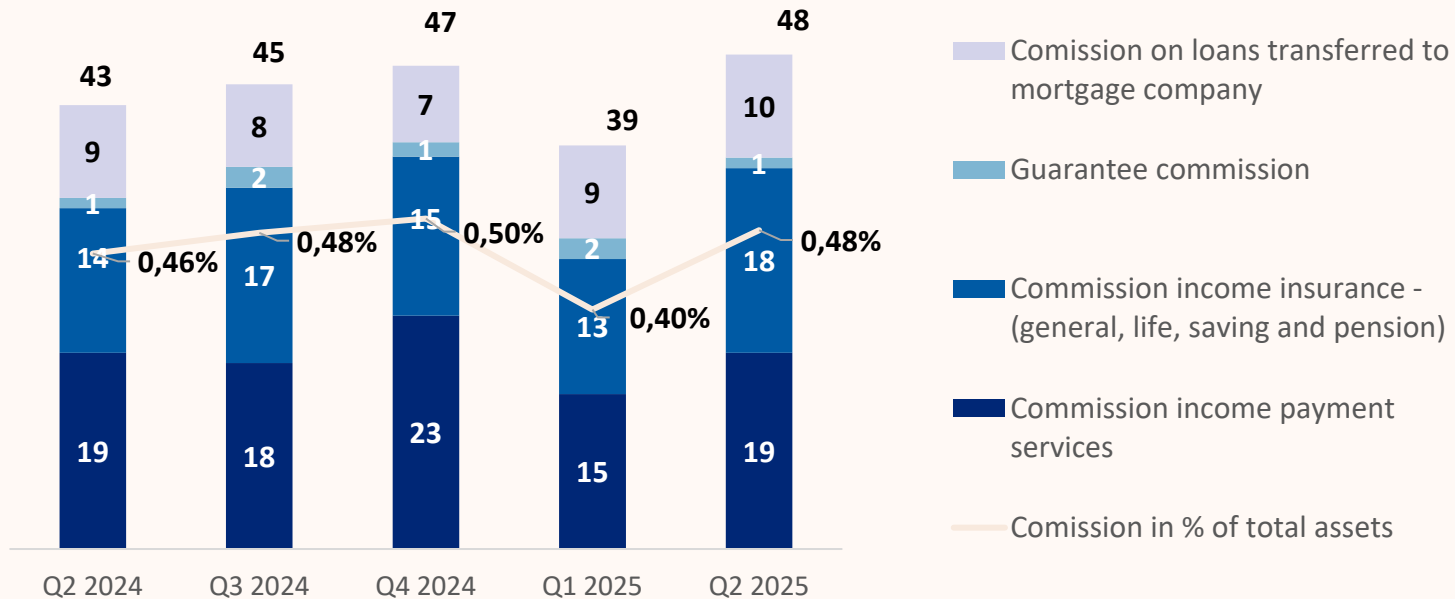


# Decreased net interest this quarter



- Net interest and commission income amounts to MNOK 234, a decrease of MNOK 2 from last quarter
- In % of average total assets, net interest and commission income is 2.35 %, down from 2.43 last quarter.
- The decrease in the net interest is related to high growth, especially in the retail market, reduced corporate market share in addition to a general pressure on margins.

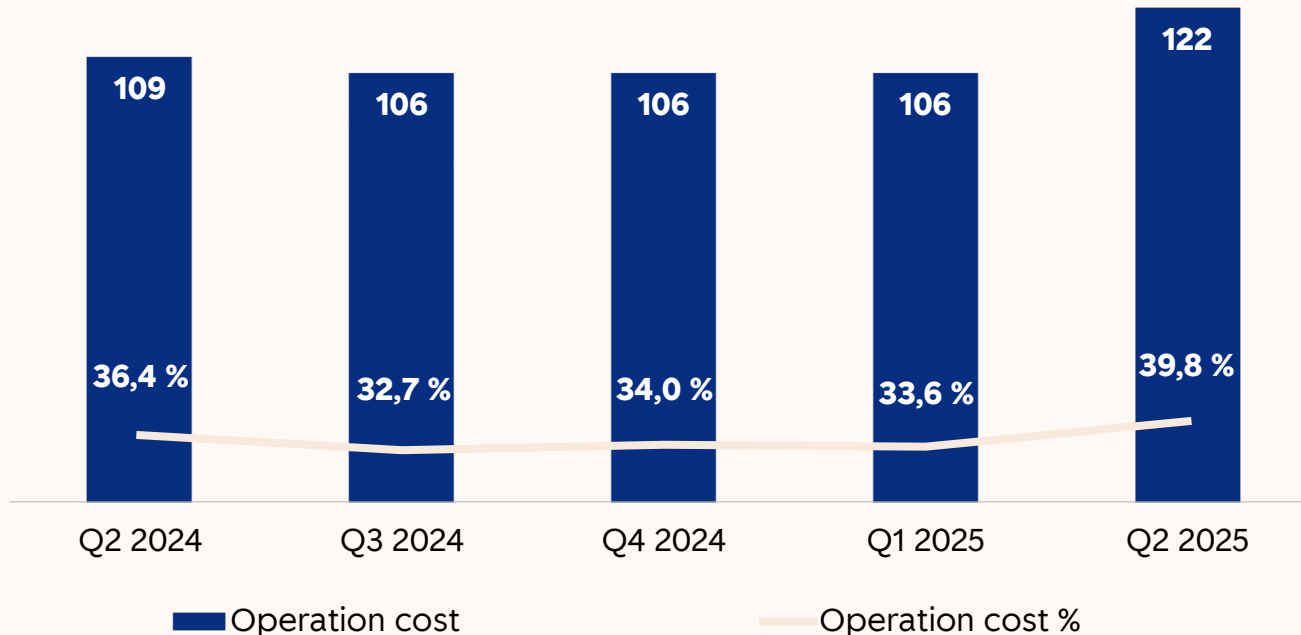
# Commission income



Increased commission income on insurance compared to last quarter and the corresponding period last year.

# Stable cost development

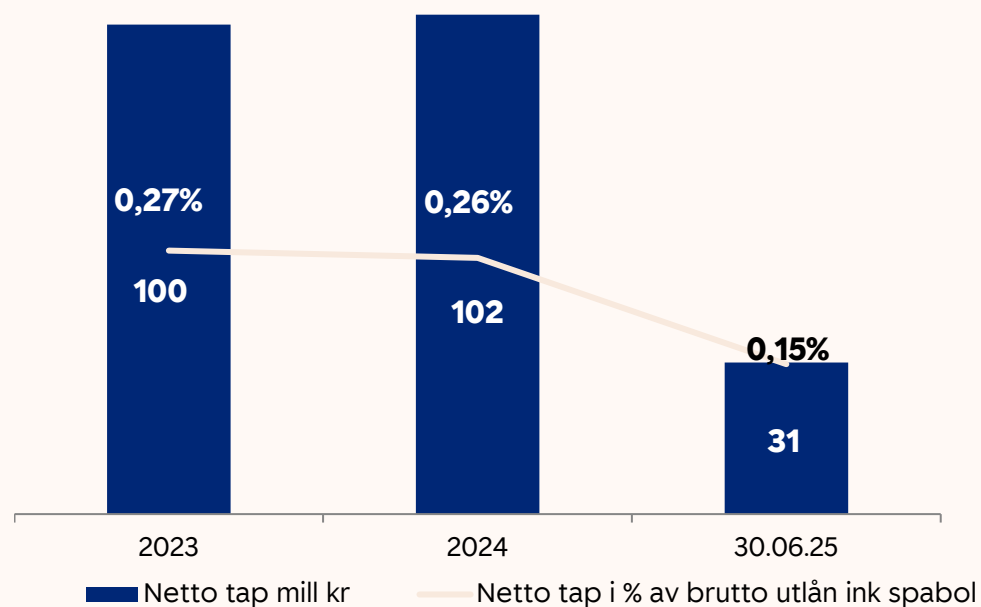
Operating cost (mnok) and % of income



- The costs are within target (cost/income <40 %).
- Increased operating costs are related to:
  - Tieto Evry MNOK 10
  - Accrual effects and increased IT costs



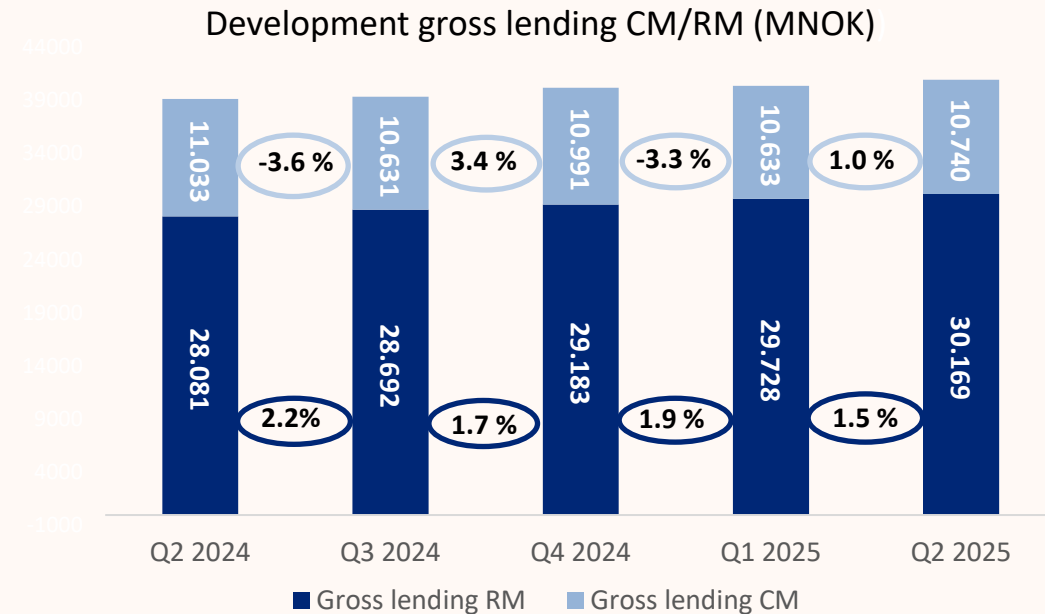
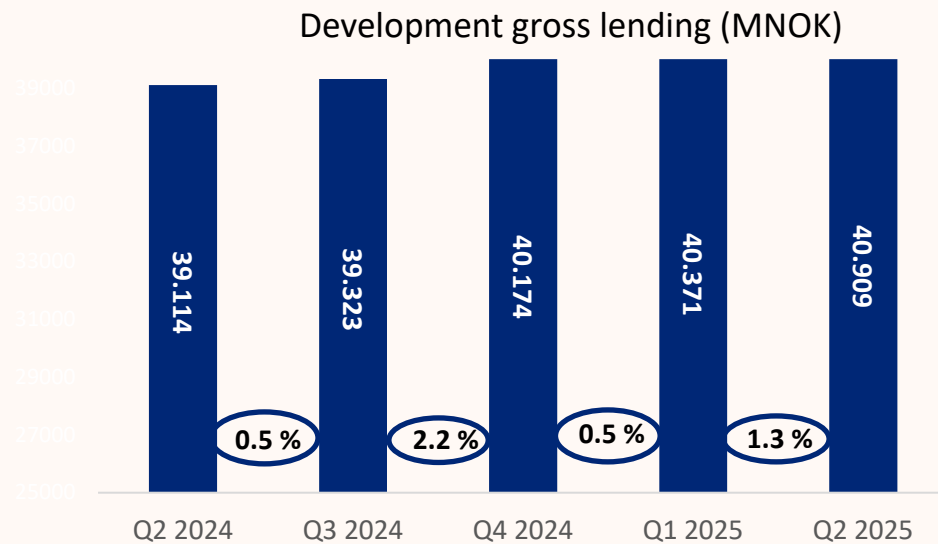
# Lower write-downs



- MNOK 12 in Q2 2025 against MNOK 19 last quarter.
- The write-downs are mainly model write-downs.

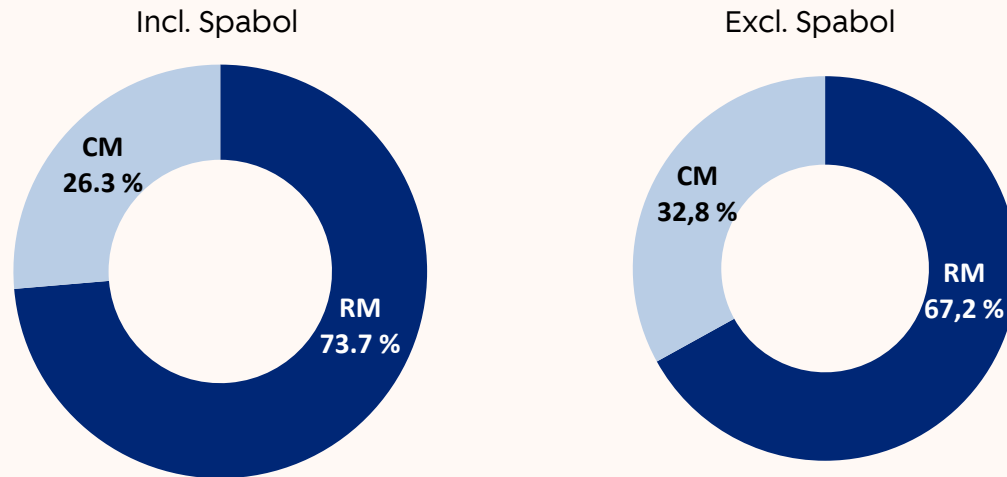
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# Lending growth in the quarter (SpaBol included)



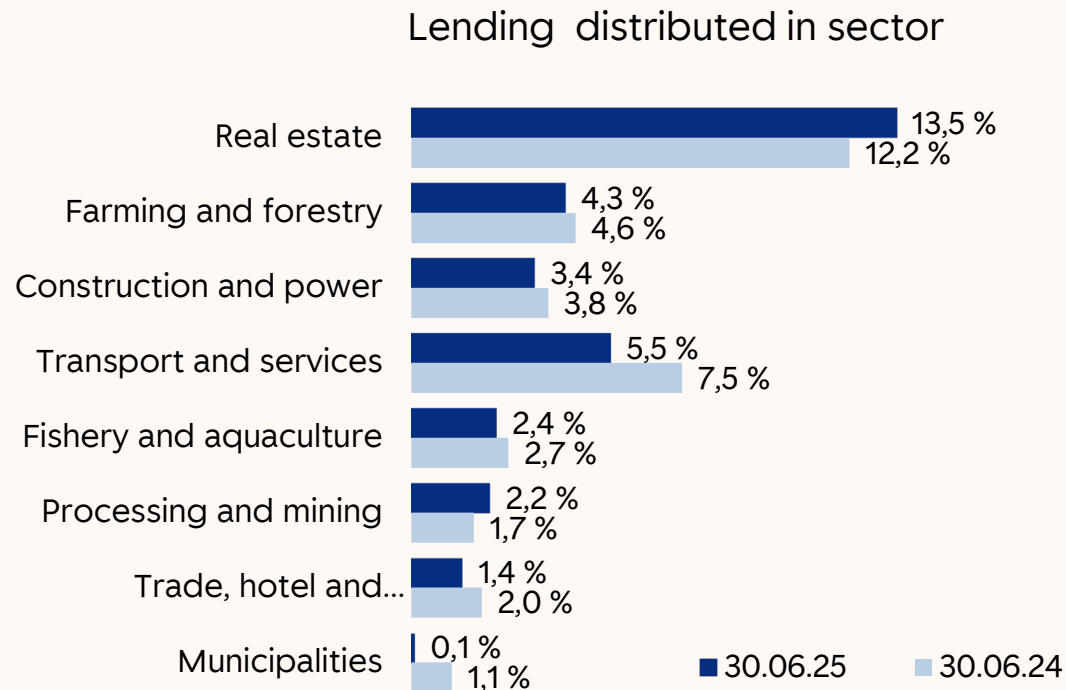


# Segment breakdown gross lending



- Share CM of total lending including transferred loans to SpaBol 26.3 (28.2) % equals MNOK 10 740 (10 633).
- Share CM of total lending excluded transferred loans to SpaBol 32.8 (35.6) % equals MNOK 10 630 (10 522).

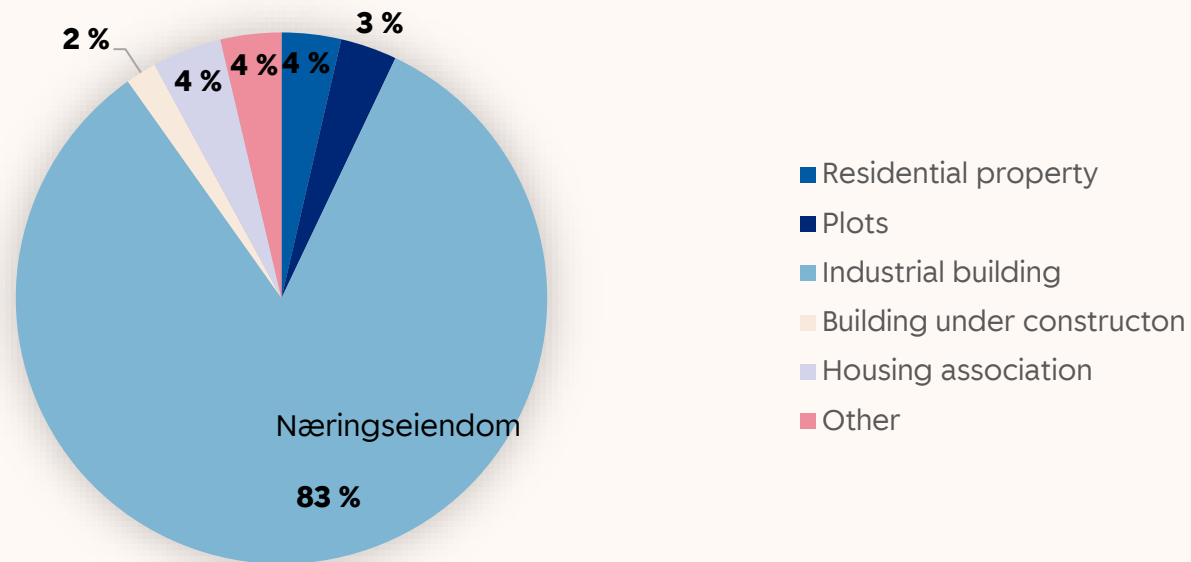
# Lending CM – good sector spread



- Good diversified lending portfolio in the CM and loyal corporate customers
- Within management frameworks
- Management frameworks for exposure in real estate and construction is reduced to lower the risk development in the portfolio.

# Lending real estate

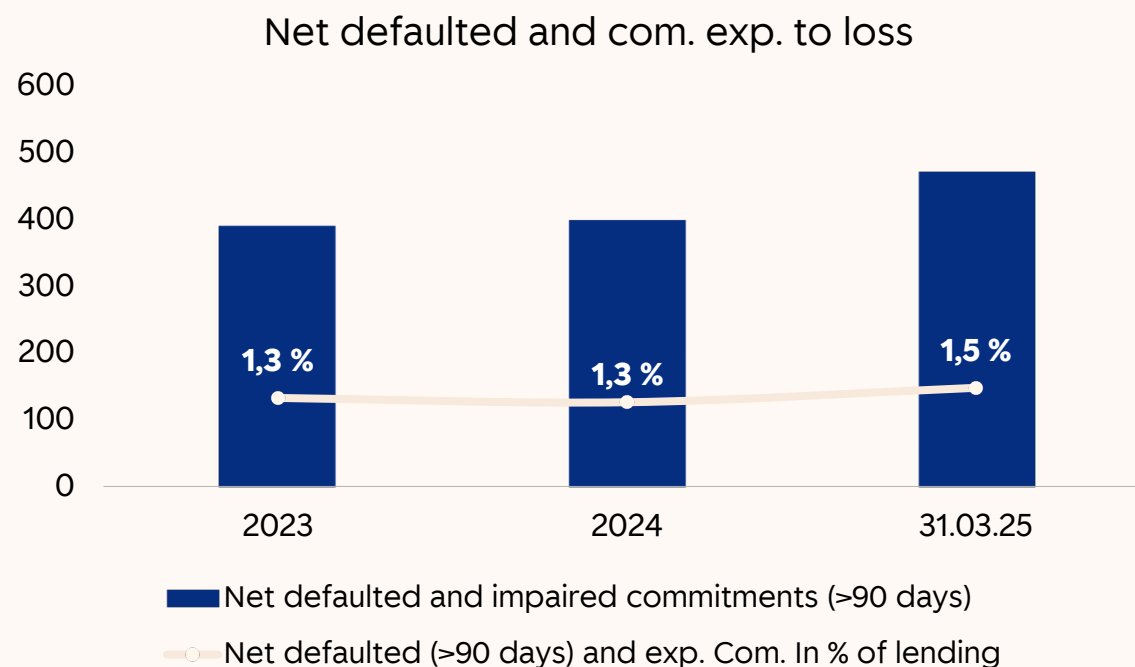
## Real estate - allocation pr segment



- 71 % of real estate categorized in low risk and best middle risk class. 85 % of the real estate mass is in Nordland.
- The 15 largest commitments amounts to 51 % of the volume in commercial property and is mainly not dependent on the commercial rental market.



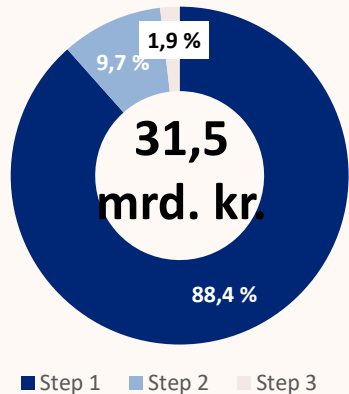
# Increased non-performing and impaired commitments



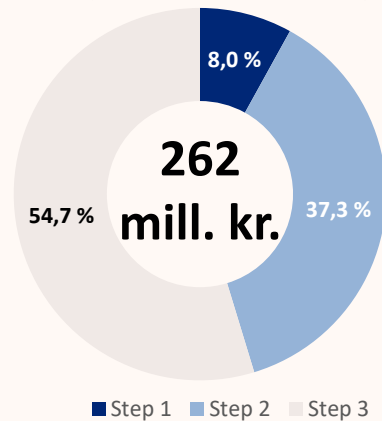
- Net non-performing and impaired commitments amounts to MNOK 441, a decrease of MNOK 30 from last quarter
- It is initiated several measures to secure that the credit risk is held on a satisfying level, and on level with comparable banks.

# Step breakdown provision rate

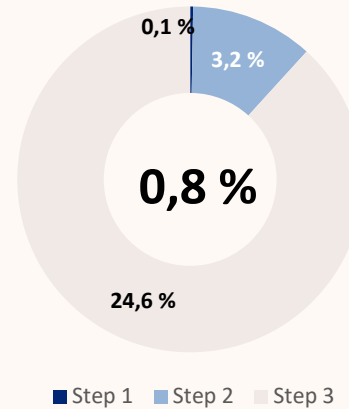
Step breakdown gross lending



Step breakdown loss provision

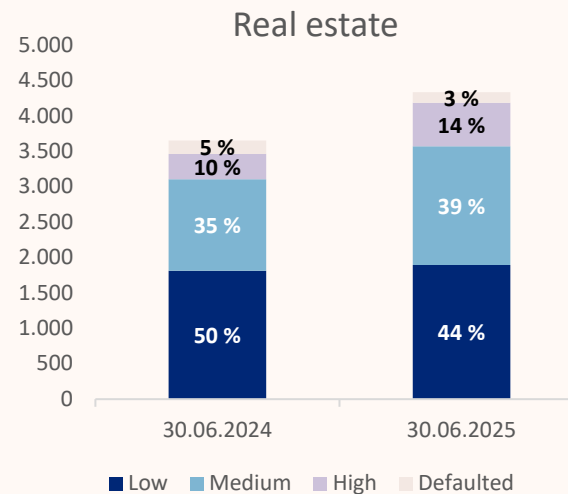
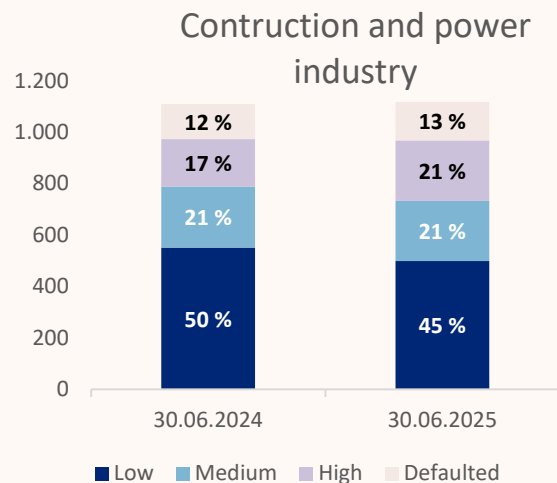
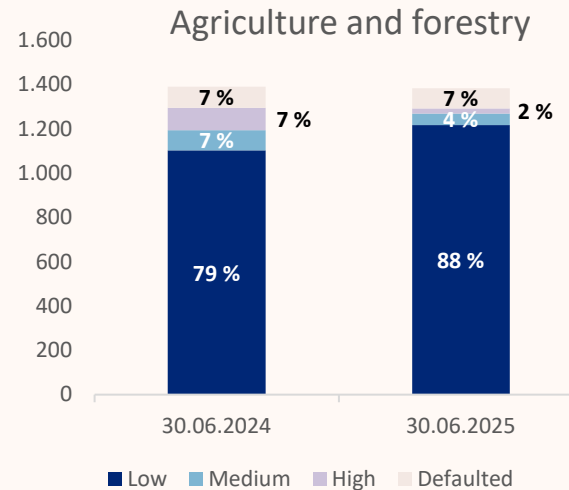
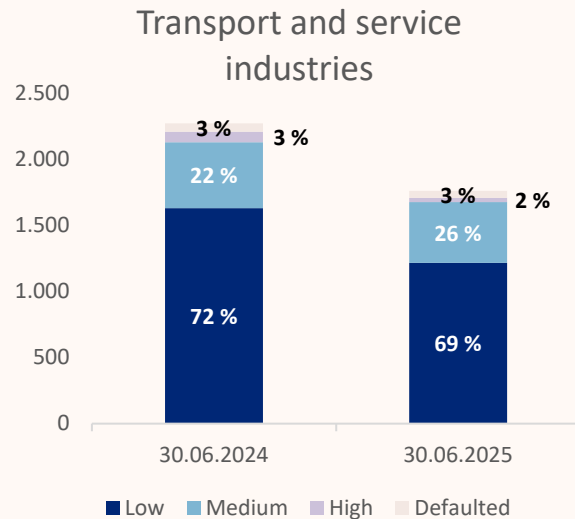


Provision rate



- The provision rate in step 3 has increased from 23.8 to 24.6 this quarter.
- The provision rate in step 2 has increased from 2.6 to 3.2 this quarter.
- Stable provision rate of 0.1 % in step 1.
- It is individual assessments on large parts of the volume that 30.06.25 is marked non-performing and impaired, and it is not expected significant changes on write-downs in these commitments.

# Migration between risk classes



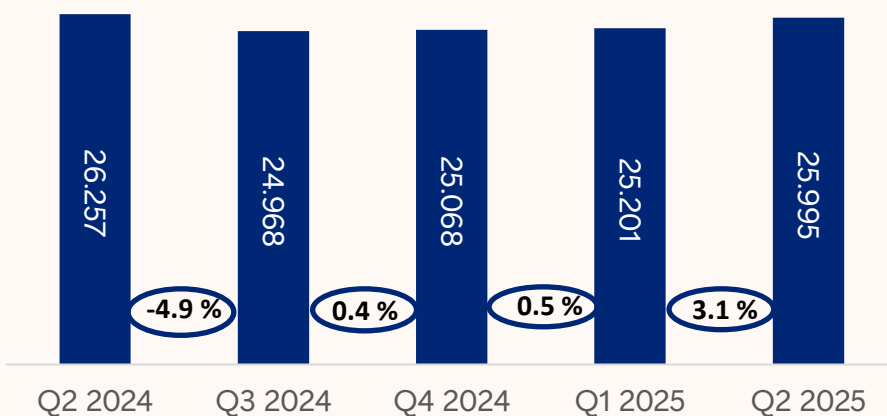
- Improvement in agriculture and forestry
- Worsening in construction, real estate and transport and service industries

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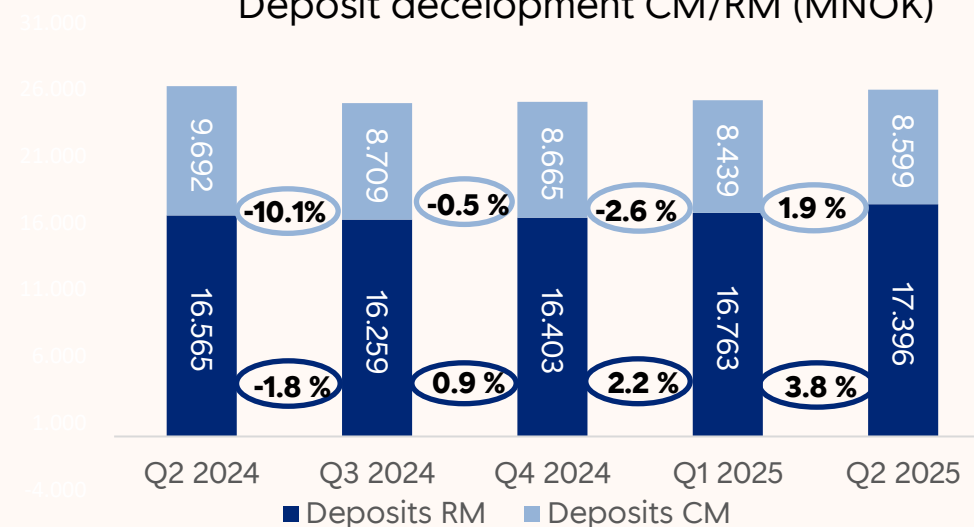


# Slightly increased deposit level this quarter

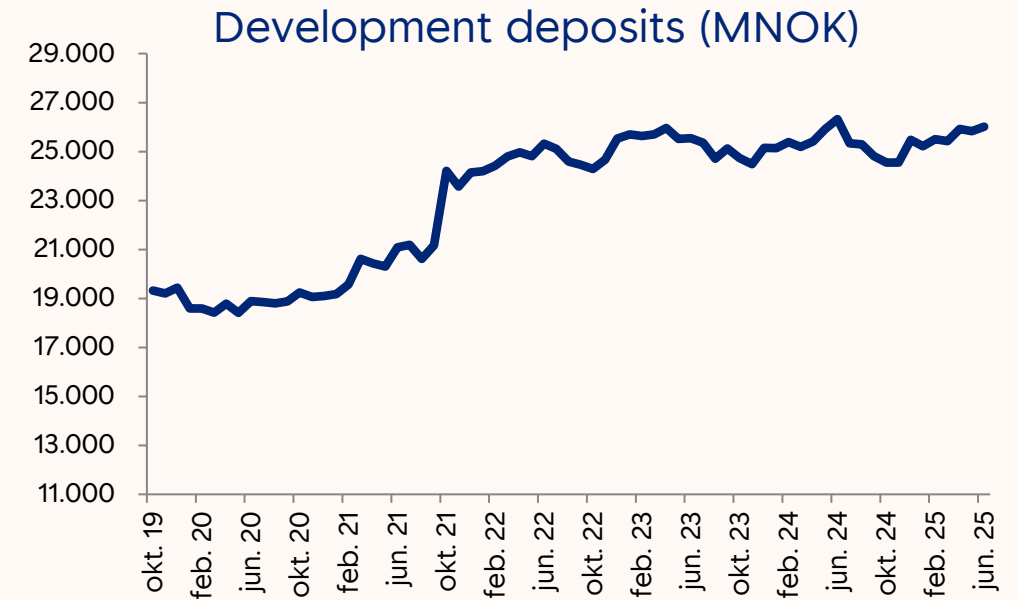
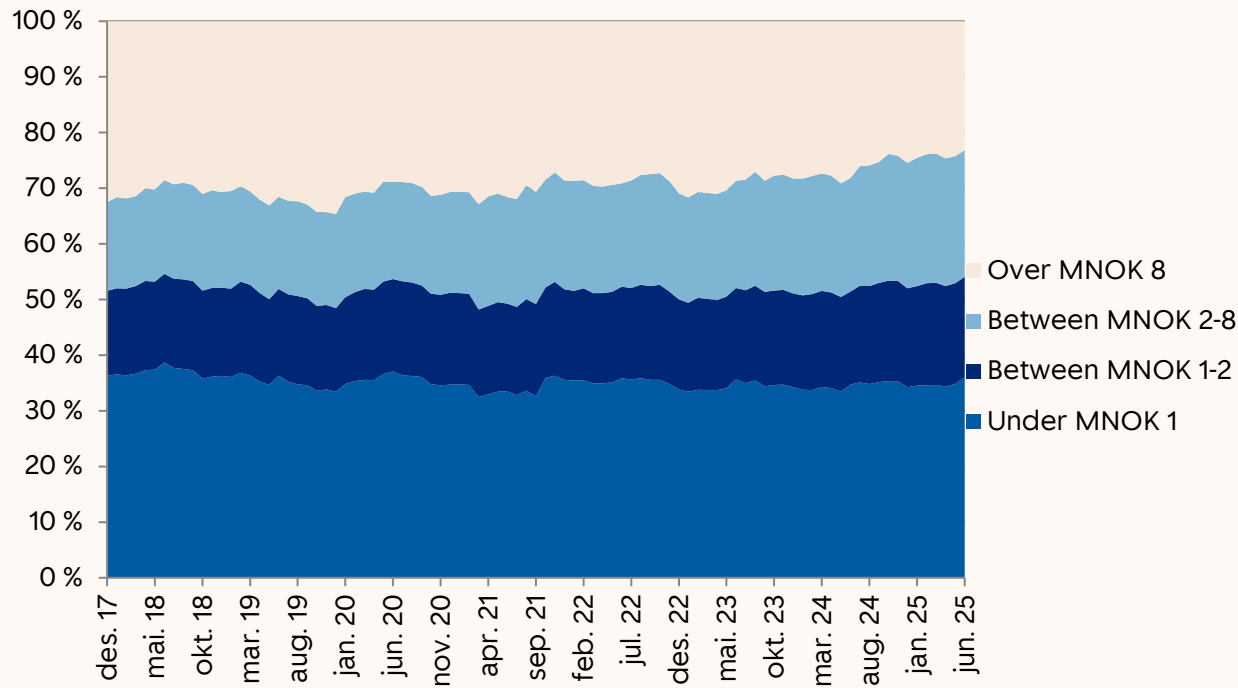
Deposit development (MNOK)



Deposit development CM/RM (MNOK)

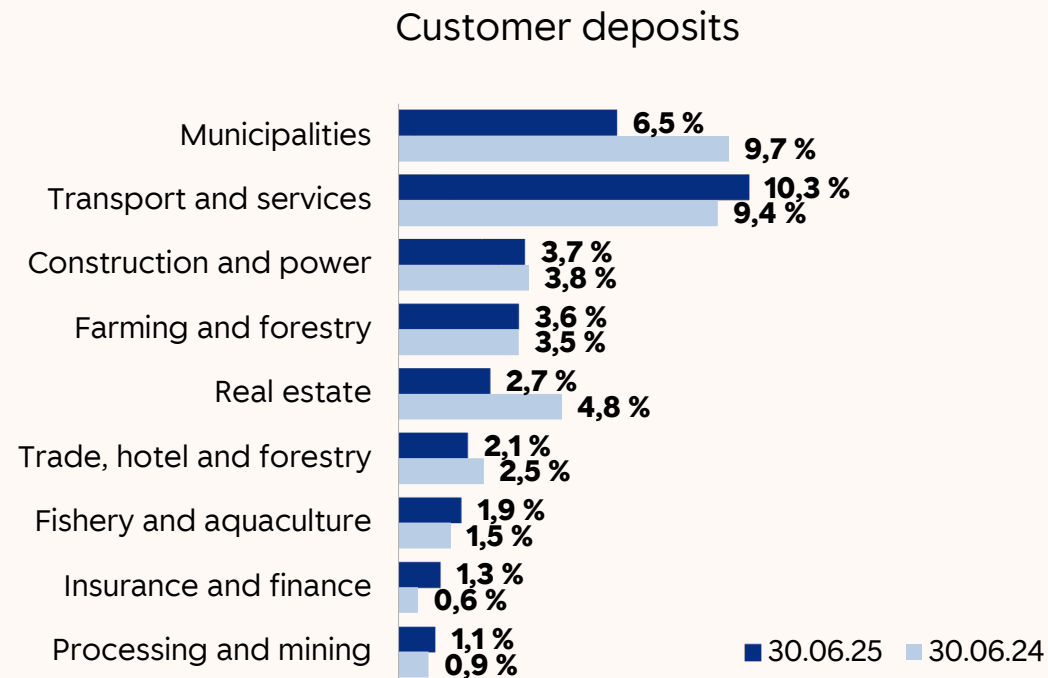


# Stable deposit allocation




- Increase in deposits of MNOK 794 or 3.15 % last quarter.
- Allocation deposits sorted on size is relatively stable.
- 54.1 % of the RM deposits are under MNOK 2
- 60.5 % of the deposits are included in the guarantee arrangement.

# Deposits CM



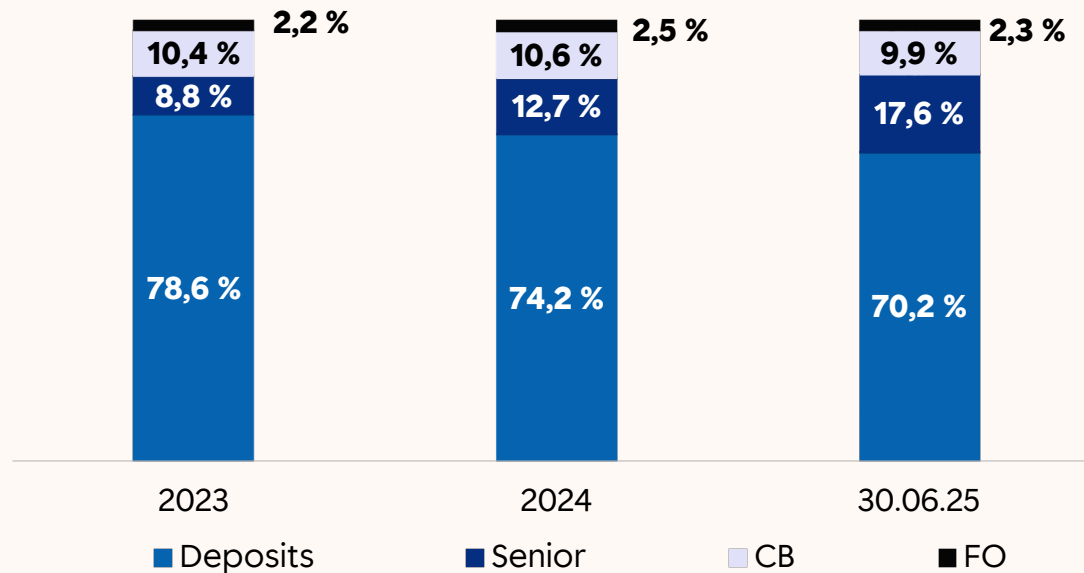
- Good diversity in the deposit portfolio in the CM.
- Share CM deposits amounts to 33.1 (36.9) % or MNOK 8 599 (9 692) of total deposits.
- Deposits from municipalities amounts to 19.5 % of the CM deposits.

- 
- Main features
  - Profit & loss
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# Increased senior funding

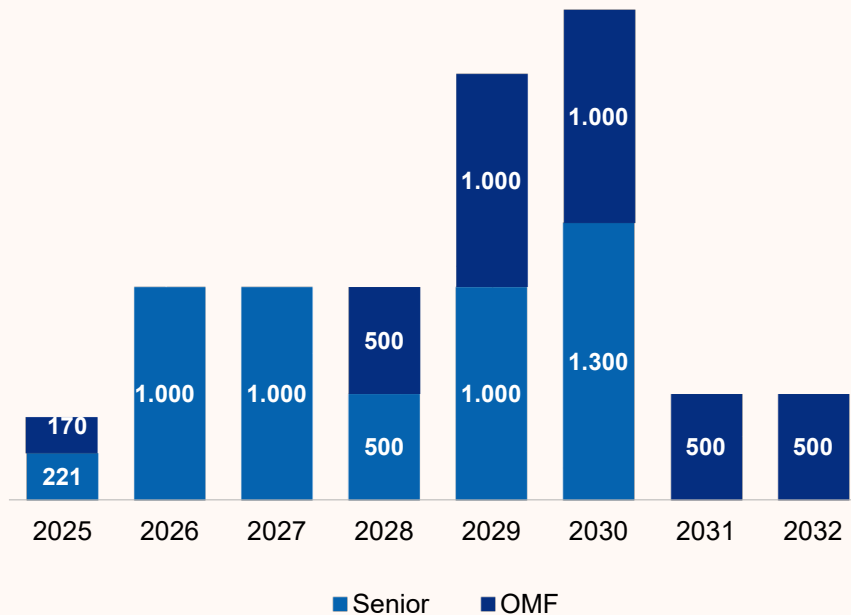
Funding development



- Preparations for expected MREL requirements
  - Full MREL requirements
  - No requirement for subordination
  - No significant changes in senior funding
  - Some higher duration and volume of MREL-counting senior loans

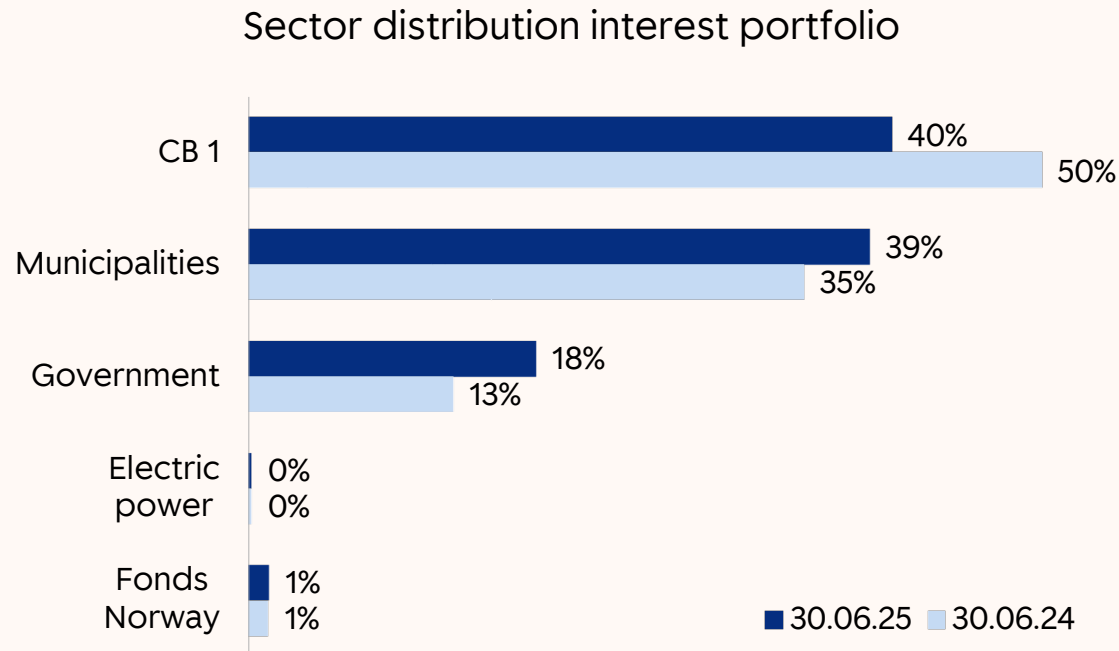
# Funding due

Maturity of loans (MNOK)



- Share long term funding  
89.8 % (82.0) %
- Combined duration of 3.3 (2.8)  
years. Duration in the mortgage  
company of 4.0 years.

# Liquidity buffer



## Interest bearing securities:

- Duration portfolio 1.4 (1.7) years
- 98.8 % rated A- or better
- 97.5 % is OMF or state/ municipality guaranteed bonds.
- Municipality papers are actively used as short-term liquidity placements.
- Liquidity buffers amounts to 6.0 (5.9) bn. – equals 14.9 (15.7) % of total assets. The buffer capital consist of cash, deposits in NB/ banks and interest-bearing securities.

# SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt is 2.93 % owned by SpareBank 1 Helgeland

- SpareBank 1 Boligkreditt (SpaBol) is an issuer of covered bonds that is jointly owned by the saving banks working closely together under the brand SpareBank 1.
- Transferred loans amounts to MNOK 8 531 (8 535)



**HELGELAND**  
BOLIGKREDITT

**Helgeland Boligkreditt AS is 100 % owned by SpareBank 1 Helgeland**


- Transferred loans amounts to MNOK 4 441 (4 459)

## Transfer of loans to mortgage companies

Maximum limit for transfer to mortgage companies is maximum 40 % of the groups gross lending, and 55 % of gross lending RM.

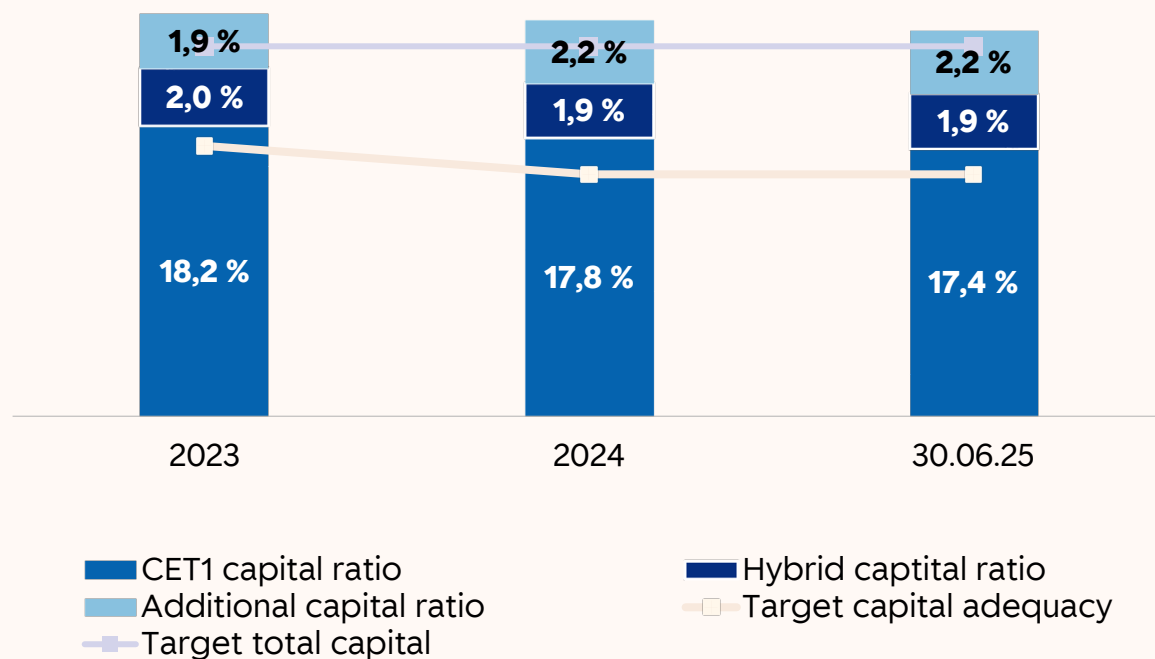
Pr. 30.06.25 transfer degree is 31.7 % and 43.0 % with a total of MNOK 12 972 transferred to the mortgage companies.



- 
- Main features
  - Profit & loss
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  - **Solidity**
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# Solid capital adequacy

Development capital adequacy



## Capital adequacy

- The effect of the introduction of CRR3 was offset by share purchases and lending growth in the quarter.
- The introduction of CRR3 in isolation resulted in a reduction in the calculation basis of NOK 1.5 billion.
- Increased equity investments resulted in an increase in the calculation basis of NOK 700 million, and increased deductions on pure core by just over NOK 200 million.
- 32 % of the profit is included in CET 1
- Target : CET1 16.5 %



# Sustainability in SpareBank 1 Helgeland

- SpareBank 1 Helgeland has revised and updated its double materiality analysis in the second quarter of 2025. The results of this will be presented and adopted by the board in the third quarter of 2025 and will form the basis for the bank's sustainability strategy, measures and sustainability reporting going forward.
- As of 30.06.25, the bank has MNOK 1.500 in green senior loans
- The SpareBank 1 alliance continuously work to make available relevant ESG data, and the bank developed in 2023 its own stress test on physical climate risk. At the turn of the year 2024/2025, the bank has further developed the stress test to also quantify transition risk, initially on property (residential and commercial property)
- The bank has started to a work to implement targets and frames in relation to physical climate risk and transition risk this quarter.
- A new green product framework is developed. This is implemented and made available in august 2025.





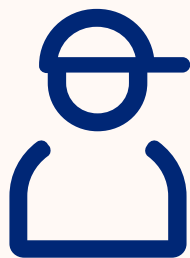


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# Unemployment

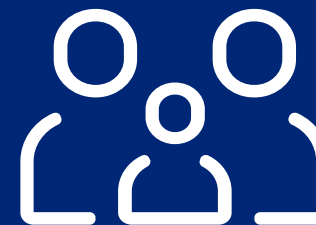
Unemployment in Helgeland and in Nordland is lower than for Norway overall.

Norway:	2.0 %
Nordland:	1.4 %
Helgeland:	1.3 %



# Recruitment

The region is dependent on immigration and skills development. Several projects have been implemented to achieve this.



# The property market

With potential for corporate establishment and migration more housing is needed in central parts of Helgeland. Several projects is redy. It lies uncertainty around the timing and when the need for these housings will occur.



Developments in tourism, industry, aquaculture and mining provide opportunities for growth in Helgeland

# Price development

Decrease in the prices on sold apartments by 6.1 % in Helgeland in the second quarter 2025

Increase in the prices of 5.7 % on sold villas in Helgeland in the second quarter 2025





# Prospects ahead

For the corporate market, an increase in activity is expected in the coming years.

A credit growth corresponding to the market growth in Helgeland in the private market is expected in the near future.

Long term ROE target of 12 % after tax

A certain reduction in the net interest is expected further into 2025.

Stable commission income of around 0.35% of total assets excluded commission from mortgage credit companies

Operating costs for basic operations are expected to remain within the bank's target of less than 40% of total income. The bank expect a stable cost development in 2025.

The bank has an expectation of a decrease in losses on lending compared to the level in 2023 and 2024.

# Internal Business Management

- No comments on corporate governance in general



# High Risk in the CM portfolio

- High level of engagement in stage 2 and 3
- High deposition rate
- Actual risk is evident from the accounts
  - high loss provisions in 2023 og 2024



# Target - Control - Reporting

- Risk monitoring and compliance with governance frameworks implemented in autumn 2024 (strategic battle: effective risk management)
  - positive development: fewer non-performing loans
- Clarification of governance documents in upcoming strategy work




Feedback from the Norwegian Financial Supervisory Authority after the inspection in March 2025

# Weaknesses in the loss assessment process

- Largely addressed to nuances in the assessments and their documentation rather than the levels of loss provisions
  - Have complied with guidelines for identifying risks early
  - Not cases where the risk of loss is assessed as too low



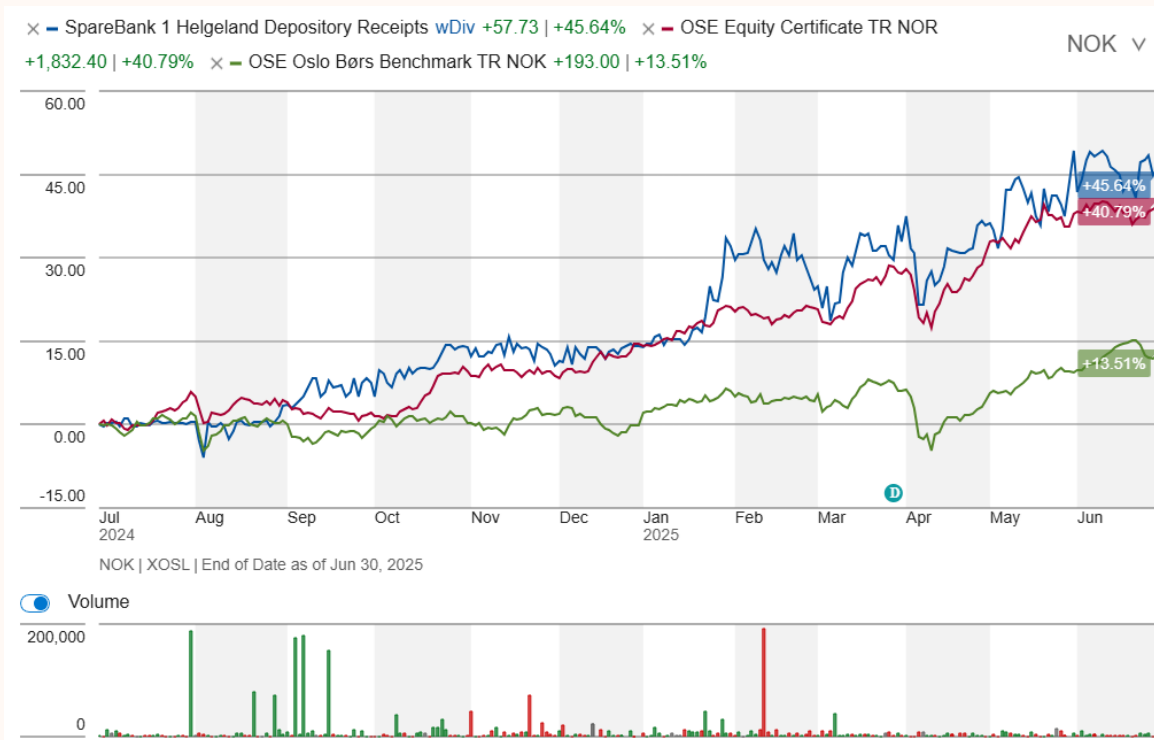
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- An aerial photograph of two people in yellow kayaks on clear, turquoise water. A large, semi-transparent white circle is positioned on the right side of the image, containing a bulleted list. The list includes 'Main features', 'Profit & loss', 'Lending', 'Deposits', 'Funding', 'Solidity', 'Prospects ahead', and 'Appendices'. The word 'Appendices' is highlighted in a darker blue color.
- Main features
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# Profit & loss

SpareBank 1 Helgeland (group)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Net interest- and credit comission earnings	223	233	233	254	265	254	249	255	254	236	234
Net comission earnings	39	36	40	40	39	39	43	46	47	39	47
Other operatios income	0	2	4	1	2	2	2	3	2	2	3
Ordinary operations cost	101	101	100	100	113	107	109	106	106	106	122
<b>Result basic operations</b>	<b>161</b>	<b>170</b>	<b>177</b>	<b>195</b>	<b>193</b>	<b>188</b>	<b>184</b>	<b>198</b>	<b>198</b>	<b>172</b>	<b>163</b>
Write-downs lending and warranties	6	10	37	11	43	53	6	17	26	19	12
Net value change financial instruments	26	24	6	-2	-13	44	7	19	7	37	21
<b>Gross profit</b>	<b>181</b>	<b>184</b>	<b>147</b>	<b>183</b>	<b>137</b>	<b>179</b>	<b>185</b>	<b>200</b>	<b>179</b>	<b>190</b>	<b>171</b>
<b>Net profit</b>	<b>165</b>	<b>144</b>	<b>111</b>	<b>134</b>	<b>101</b>	<b>144</b>	<b>139</b>	<b>155</b>	<b>133</b>	<b>154</b>	<b>136</b>
Net extended income posts	4	0	-2	0	1	0	0	0	-1	1	0
<b>Profit for the period</b>	<b>169</b>	<b>144</b>	<b>109</b>	<b>134</b>	<b>102</b>	<b>144</b>	<b>139</b>	<b>155</b>	<b>132</b>	<b>155</b>	<b>136</b>

# HELG- EC development and OSEEX last 12 months



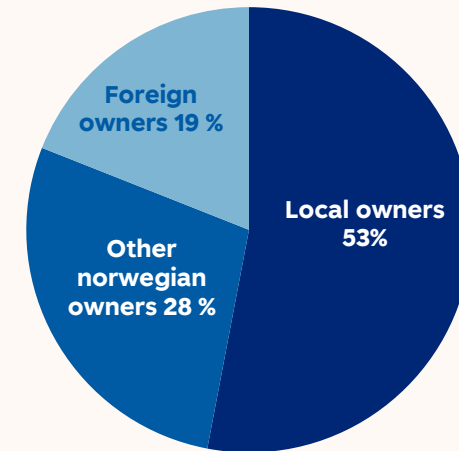
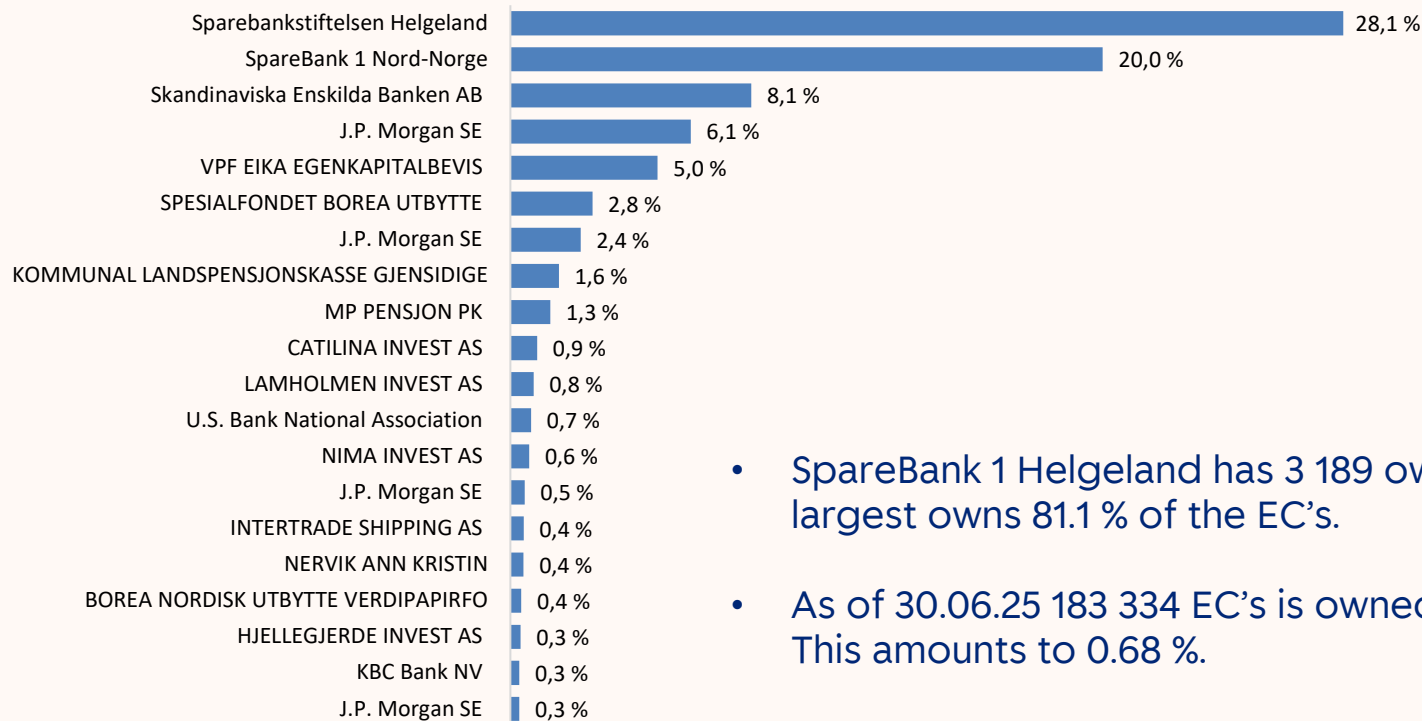
(Source: SBH; Data: Bloomberg/Euronext | July 2025)

	31.12.22	31.12.23	31.12.24	30.05.25
EC fraction opening balance	79.9 %	79.9 %	79.9 %	79.9 %
Number of EC's	27.0	27.0	27.0	27.0
price	120	130	144.5	174.8
Stock exchange value	3 240	3 510	3 902	4 719
Accounted equity per EC	135	141	145	143
Profit per EC	12.8	13.9	16.2	8.1
Dividend per EC	10.3	10.8	8.4	
Price/Accounted EC	0.9	0.9	1.0	1.2



# 53 % north norwegian ownership

20 largest owners



- SpareBank 1 Helgeland has 3 189 owners where the 20 largest owns 81.1 % of the EC's.
- As of 30.06.25 183 334 EC's is owned by SBH's employees. This amounts to 0.68 %.

# SpareBank 1 Helgeland

- Vision: a driving force for growth in Helgeland.
- Business concept: Sparebank 1 Helgeland is the local leading and profitable bank that takes an active social responsibility to build the Helgeland of the future.
- Offices: The bank has offices in Mo i Rana, Mosjøen, Sandnessjøen and Brønnøysund.
- Total assets included transferred loans to SpaBol: MNOK 49 212
- Employees, total man-years: 165
- Rating from Moodys: A2 – Stabile  
Ticker: HELG





# Contact information

## **Main office**

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Hanne Nordgaard

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