CREDIT OPINION
21 November 2025

Update

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RATINGS

SpareBank 1 Helgeland

Domicile	Norway
Long Term CRR	A1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	A2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Americas	1-212-553-1653
Asia Pacific	852-3551-3077

SpareBank 1 Helgeland

Update to credit analysis following ratings affirmation

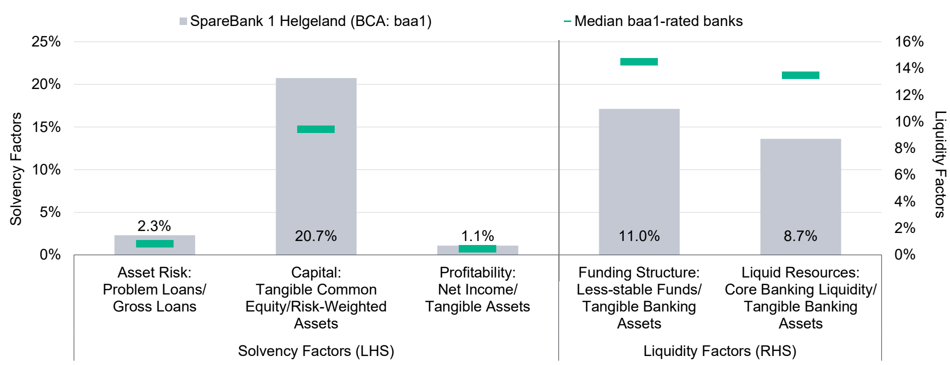
Summary

SpareBank 1 Helgeland's ratings and assessments, including the bank's A2 long-term issuer and deposit ratings and the baa1 Baseline Credit Assessment (BCA), reflects our view of a strong funding profile, supported by a granular deposit base and wholesale funding with a significant share of longer-dated covered bonds, alongside access to the SpareBank 1 Alliance's shared funding vehicle, which mitigates refinancing risk.

This is balanced against risks from very high geographic concentration in the Helgeland region of Northern Norway, which leaves the bank highly exposed to local economic shocks that could trigger a rapid deterioration in a downside scenario. It also reflects credit metrics that have historically been more volatile than those of peers, as demonstrated recently with the third-quarter 2025 increase in problem loans.

The long-term issuer and deposit ratings also incorporate our assumption of low loss-given-failure under our advanced Loss Given Failure Analysis (LGF), which results in a two-notch rating uplift from the bank's BCA. Low probability of support from the Government of Norway (Aaa, outlook stable), does not result in any further uplift.

Exhibit 1
Rating Scorecard - Key financial ratios



These are our Banks Methodology scorecard ratios. Asset risk and profitability reflect the weaker of either the three-year average and the latest figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.
Source: Moody's Ratings

Credit strengths

- Good asset quality with low credit losses, albeit more volatile metrics than peers
- Capitalisation is strong, well above requirements
- Improved profitability and solid operating efficiency, benefitting from its position in the SpareBank 1 Alliance
- Solid funding structure with granular deposit base and longer-dated bond funding

Credit challenges

- Sizable lending and deposit-taking concentrations in its home region in northern Norway
- Limited earnings diversification with high reliance on net interest income

Outlook

The stable outlook on the bank's long-term deposit and issuer ratings reflects our expectation that its strong fundamentals, namely, very high capitalisation and sound profitability, will be maintained over the next 12-18 months. It also reflects our view that the recent increase, and any potential further rise, in problem loans will not lead to significant loan impairments.

Factors that could lead to an upgrade

The ratings and assessments of SpareBank 1 Helgeland could be upgraded if it materially improves its geographical diversification while maintaining a low and stable level of problem loans, and very high capitalisation. The bank's deposit and issuer ratings could be upgraded if its liability structure changes to include substantially higher volumes of more junior debt in relation to its balance sheet.

Factors that could lead to a downgrade

The ratings and assessments of SpareBank 1 Helgeland could be downgraded if (1) the bank's problem loan ratio increases above 3%, and its cost of risk rises sustainably above the historical average; or if (2) if there is a significant increase in single-borrower, geographic or sector concentration levels.

The bank's deposit and issuer ratings could also be downgraded if there is a significant change in its liability structure through a lower volume of junior liabilities, such that it increases the expected loss given failure for deposits and senior debt.

Key indicators

Exhibit 2

SpareBank 1 Helgeland (Consolidated Financials) [1]

	09-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	CAGR/Avg. [3]
Total Assets (NOK Billion)	49.0	47.5	45.4	45.0	44.0	2.9 [4]
Tangible Common Equity (NOK Billion)	4.9	4.7	4.6	4.4	4.1	4.8 [4]
Problem Loans / Gross Loans (%)	2.3	1.4	1.4	0.9	1.1	1.4 [5]
Tangible Common Equity / Risk Weighted Assets (%)	20.7	19.8	20.6	21.2	19.1	20.3 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	17.9	11.2	11.0	7.0	9.1	11.2 [5]
Net Interest Margin (%)	2.0	2.2	2.2	1.8	1.6	2.0 [5]
PPI / Average RWA (%)	3.1	3.5	3.5	2.7	2.0	2.9 [6]
Net Income / Tangible Assets (%)	1.2	1.2	1.0	1.0	0.5	1.0 [5]
Cost / Income Ratio (%)	37.7	34.7	35.8	40.6	48.2	39.4 [5]
Gross Loans / Due to Customers (%)	157.4	160.3	153.9	148.6	157.1	155.4 [5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	--	8.7	--	--	--	8.7 [5]
Less-stable Funds (Non-LCR) / Tangible Banking Assets (%)	--	11.0	--	--	--	10.7 [5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods. [ ] Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities.

Sources: Moody's Ratings and company filings

Profile

SpareBank 1 Helgeland (SB1 Helgeland) is a savings bank with a leading position in Helgeland, the southernmost district in Northern Norway, with consolidated assets of NOK49.0 billion (€4.2 billion) as of September 2025. The bank provides traditional banking products and financial services to retail customers, small and medium-sized companies, municipalities and institutions that are predominantly connected to Helgeland.

The bank joined the SpareBank 1 alliance in March 2021 and changed its name from the former Helgeland Sparebank, following a strategic partnership transaction with SpareBank 1 Nord-Norge (SNN) (Aa3/Aa3 stable, a3[1]), whereby SNN increased its ownership in SB1 Helgeland to 19.99% and SB1 Helgeland overtook SNN's regional business including a NOK10.2 billion loan portfolio and acquired various stakes in SNN's subsidiaries and 3% in SpareBank 1 SamSpar. SpareBank 1 Helgeland's ownership in SpareBank 1 SamSpar has since increased, rising to 11.9% in April 2025.

Detailed credit considerations

SpareBank 1 Helgeland's credit profile is constrained by high geographic concentration and limited earnings diversification

The bank's credit profile is constrained by concentration risks stemming from its geographically concentrated customer base and significant reliance on net interest income, which limits earnings diversification compared with some larger peers. These considerations are reflected in two negative Business and Geographic Diversification adjustments, positioning its baa1 BCA two notches below the a2 Financial Profile.

The bank has a high geographic concentration in the Helgeland district of Northern Norway, with 80% of its lending located in Helgeland as of September 2025. Such concentrations are typical for savings banks; however, they could amplify both the pace and severity of any deterioration in asset quality, particularly in the event of an economic downturn. In addition, given the bank's relatively small balance sheet, even modest shifts in its geographically concentrated corporate segment can introduce volatility in asset quality metrics, as reflected in the slight increase in problem loans over the past three years.

In addition, the bank's primary market is more regionally concentrated than that of some peers. Located in the southern part of Nordland county, the Helgeland region covers a relatively small population base of around 80,000, leaving the bank highly exposed to a limited number of municipalities and towns. These concentration risks are partly mitigated by Norway's coordinated policy framework and substantial sovereign wealth fund, which support a regionally dispersed economy through strong infrastructure and public services, while providing a potential buffer in times of stress.

Good asset quality with low credit losses, albeit more volatile metrics than peers

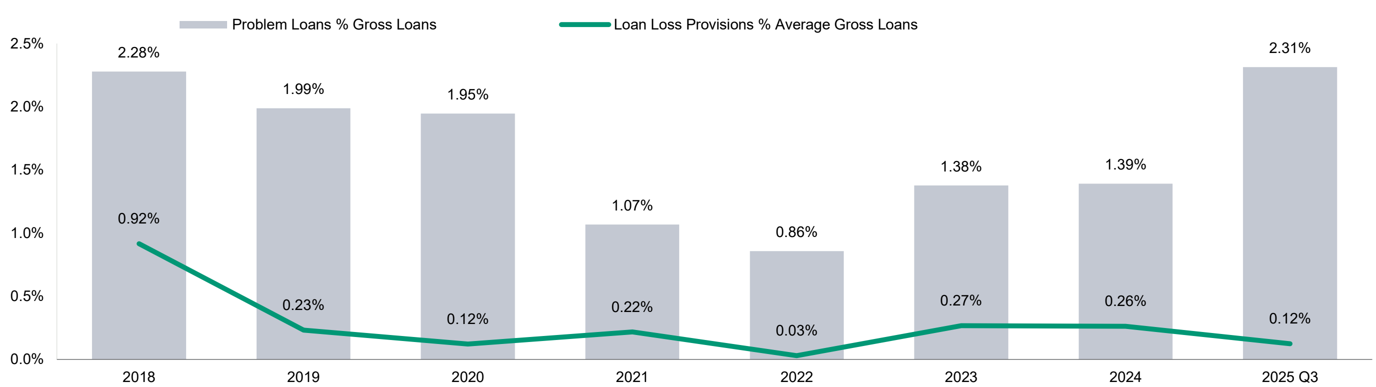
Our a3 Asset Risk score for SB1 Helgeland, which is three notches below the Macro-Adjusted score, reflects strong asset quality with low credit losses through the cycle, supported by a focus on mortgage lending. This is offset by historically more volatile credit metrics than peers, as demonstrated by the increase in NPLs in the third quarter of 2025 and the potential for a further rise in the fourth quarter.

The bank's good asset quality and low through-the-cycle credit losses are underpinned by its focus on residential mortgage lending, which accounted for 75% of its loan book as of September 2025. The remainder comprises business lending, which typically drives its NPLs. This portfolio is diversified across industries and does not include outsized exposure to commodity-linked sectors such as fisheries and aquaculture (2% of loans as of September 2025). However, the bank has some moderate exposure to more cyclical sectors, including real estate and construction, which together represent 16% of loans, or 1.3x its Common Equity Tier 1 (CET1) capital as of September 2025.

Exhibit 3

Asset quality metrics have been affected by several individual corporate commitments

SB1 Helgeland's asset quality evolution



Data presented for Q3 2025 is annualised.
Sources: Company filings and Moody's Ratings

While problem loans and credit losses remain low on a global basis, the bank has historically shown more volatile credit metrics than its Norwegian peers. Its NPL ratio rose to 2.3% in the third quarter of 2025 from 1.4% the previous quarter, driven largely by a single corporate exposure. In addition, the bank disclosed in its third-quarter results that another corporate borrower had declared bankruptcy, suggesting a further increase in the fourth quarter is possible. This highlights the risk stemming from the bank's relatively small balance sheet, where just a few modest exposures can lead to a rapid deterioration in credit metrics.

The bank's corporate lending is well secured, so we do not expect this deterioration in credit quality to result in a materially higher increase in credit losses. However, provisioning coverage is relatively low at 28.9% of NPLs as of September 2025, and the concentrated nature of its lending means collateral is concentrated in a single region with lower trading volumes than larger cities, which increases the risk of higher loan impairments in future periods.

Mortgages remain the largest segment of the portfolio, and we expect their quality to remain strong over the next 12–18 months, despite long-term risks from rising household debt. Mortgage affordability in Helgeland is substantially better than in areas such as Oslo. The residential housing market in Helgeland has shown sluggish price development, with single-family home prices remaining flat or slightly declining over the past year. This subdued trend may help sustain affordability but also signals weaker demand in the region.

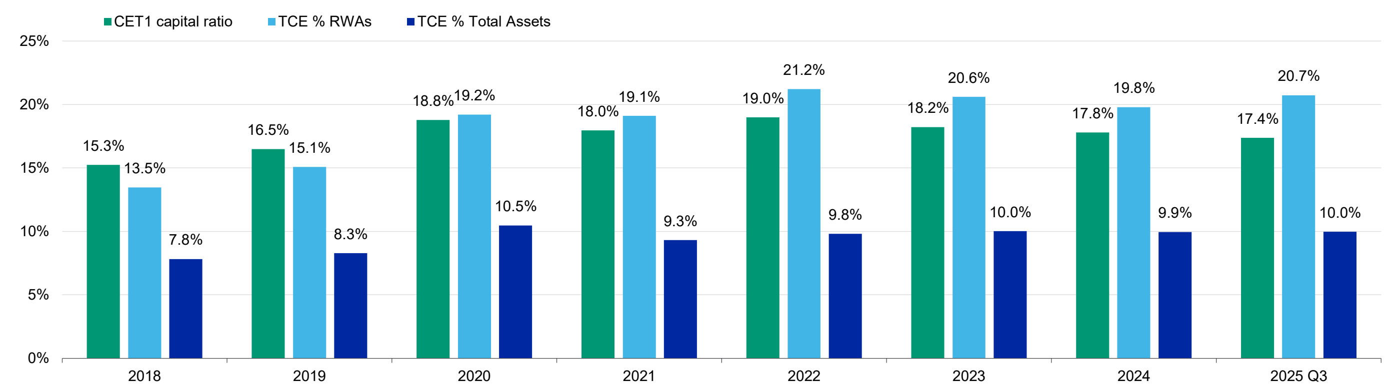
Capitalisation is strong, well above requirements

Our assigned Capital score of aa3 reflects SB1 Helgeland's strong capitalisation, evidenced by a tangible common equity ratio of 20.7% as of September 2025, which we view as a relative strength in its standalone financial profile. The score is positioned one notch below the Macro-Adjusted level to capture our view of the bank's limited ability to raise additional capital, given that it is not a listed joint stock company.

Exhibit 4

The bank's capitalisation is strong

SpareBank 1 Helgeland's capital evolution



Sources: Company filings and Moody's Ratings

As of September 2025, the bank's Common Equity Tier 1 (CET1) ratio stood at 17.4%. This reflects the application of updated capital regulations that came into effect on 1 April 2025, which provided a capital uplift of 1.1 percentage points[2]. However, this uplift was largely offset by the bank's increased ownership stake in SamSpar during the same month, leaving its CET1 capital ratio largely in line with its year-end 2024 level.

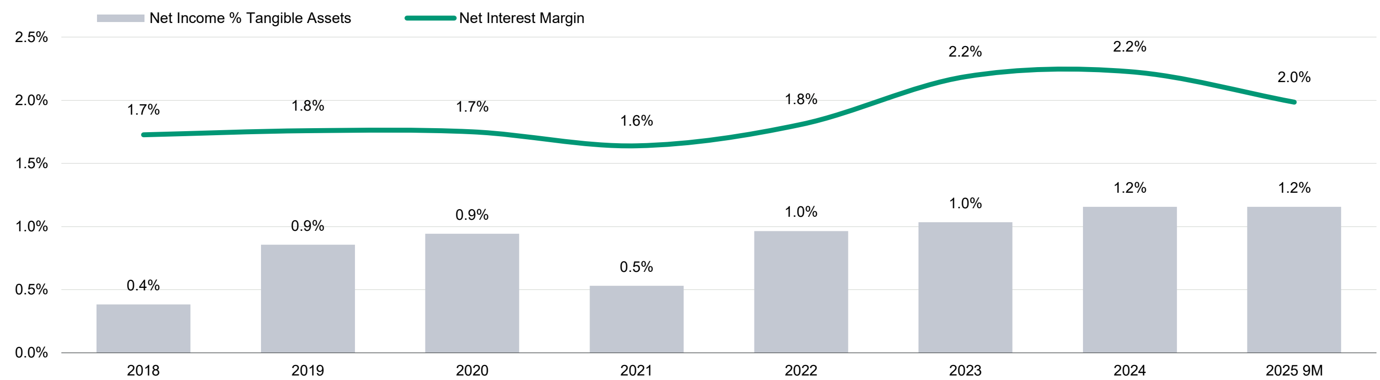
The CET1 ratio exceeds both the bank's internal target of 16.5% and the regulatory minimum of 15.2%. The regulatory requirement comprises a 2.2% Pillar 2 requirement specific to the bank, a 4.5% systemic risk buffer applicable to banks using the standardised approach for calculating risk-weighted assets, and a 2.5% countercyclical buffer. The bank also maintains an additional management buffer of at least 1.3 percentage points above the regulatory minimum.

Improved profitability and solid operating efficiency, benefitting from its position in the SpareBank 1 Alliance

Our assigned baa1 Profitability score reflects the bank's solid recurring profitability and strong operating efficiency, as well as an expected decline in its profitability, as measured by net income to tangible assets, due to falling net interest margins as the policy rate declines.

The bank's profitability, measured as net income to tangible assets, compares favourably with its rated peers. This performance benefits from its strong market position in the Helgeland region, which supports robust net interest margins. In recent years, like other banks, it has also benefitted from higher interest rates, with net income to tangible assets rising to 1.2% for full-year 2024 and remaining at that level for the nine months to September 2025.

Exhibit 5
Profitability remains elevated even as interest rates moderate
SB1 Helgeland's profitability evolution



2025 9M ratios are annualised
Sources: Company filings and Moody's Ratings

Despite its small size, the bank is relatively cost-efficient, benefiting from its membership in the SpareBank 1 Alliance, which provides shared infrastructure and collaborative services. This supports its relatively low cost-to-income ratio of 37% in the first nine months of 2025, compared with 35% in 2024 and 36% in 2023, bringing it closer to the level of its Alliance peers. We expect the bank to continue leveraging its relatively new membership in the Alliance, and although interest rates are likely to decline, we anticipate only a moderate reduction, allowing profitability to remain above 0.9%. However, the recent uptick in problem loans, coupled with a decline in loan loss provisions to 0.12% of average gross loans in the nine months to September from 0.26% in the previous year, could weigh on earnings in future periods if provisions are raised retrospectively.

In second-quarter 2025, the bank announced that it had increased its ownership in the three SamSpar companies This resulted in an increase in the share of profits distributed from the SpareBank 1 Group, rising to NOK 12 million in 2025 Q2 from NOK 3 million in Q1. This was partly offset by a NOK 5 million charge related to a write down of intangible assets. We view the increased ownership as positive for earnings diversification, reducing the bank's still high reliance on net interest income, which accounted for 76% of total revenue as of Q3 2025, as it will now be entitled to a larger share of dividend income.

Solid funding structure with granular deposit base and longer-dated bond funding

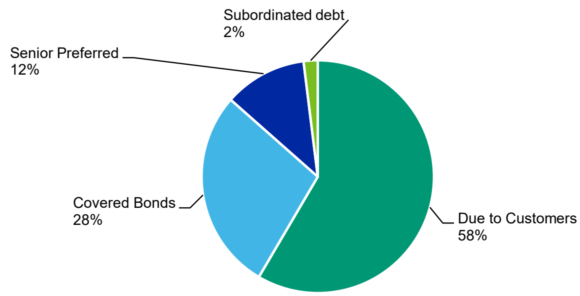
The assigned a1 Funding Structure score reflects the bank's solid funding profile, characterised by a high proportion of retail deposits supplemented by longer-dated bond funding. The one-notch negative adjustment from its Macro-Adjusted score captures its slightly weaker standalone access to capital markets compared with larger peers.

SB1 Helgeland's funding profile benefits from a sizeable deposit base, which accounted for 58% of its non-equity funding as of September 2025, above the level of its rated Norwegian peers. Retail customer deposits make up 67% of total deposits, complemented by slightly larger local municipality and corporate deposits, which are typical for savings banks.

Covered bonds remain the bank's largest source of wholesale funding, having grown significantly since 2009 when Helgeland Boligkreditt AS (the bank's wholly owned covered bond company) was established. The bank has since broadened its investor base by increasing its use of SpareBank 1 Boligkreditt AS (SpaBol; Aa3 stable) as a funding source, largely replacing Helgeland Boligkreditt AS. We view this positively as it provides better market access through larger, regular issuance and should, on average, lower funding costs. Together, the sizeable retail deposit base and high proportion of longer-dated covered bond funding underpin a low Less Stable Funds ratio.

The remainder of the bank's market funding is largely comprised of senior preferred funding, with a small portion of subordinated debt. We view its access to senior preferred funding as slightly weaker than that of larger peers, although this is partly mitigated by lower refinancing risk due to its domestic investor base.

Exhibit 6
SpareBank 1 Helgeland's funding profile is dominated by deposits and long-dated covered bonds
Funding composition (Q3 2025)



Source: Bank's disclosures and Moody's Ratings

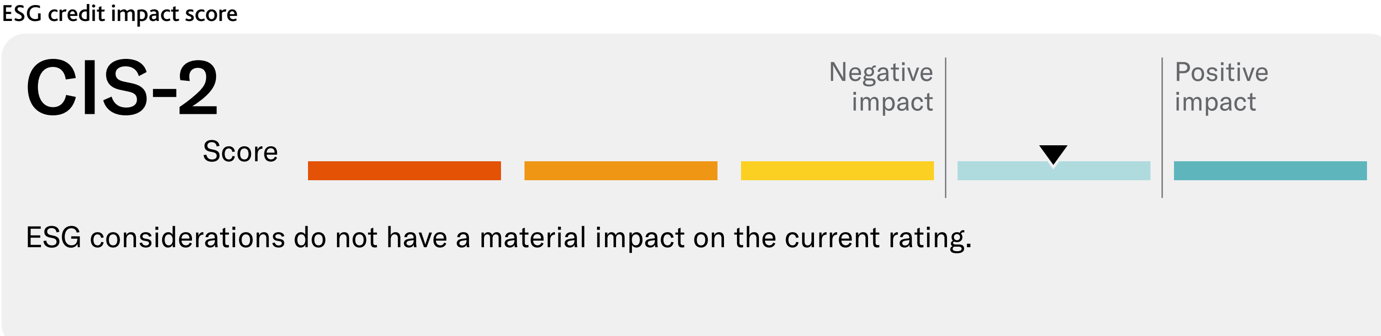
Solid liquidity buffers

The baa3 Liquid Resources score reflects the bank's ample liquid buffers relative to its funding profile. SpareBank 1 Helgeland maintains good liquidity buffers of high credit quality, which are broadly in line with those of its local peers. The bank's HQLA/tangible banking assets was 8.7% as of year-end 2024 and LCR was a strong 210% as of September 2025. As of September 2025, 98.9% of securities in the portfolio held were rated A3 (or its rating equivalent) or higher.

ESG considerations

SpareBank 1 Helgeland's ESG credit impact score is CIS-2

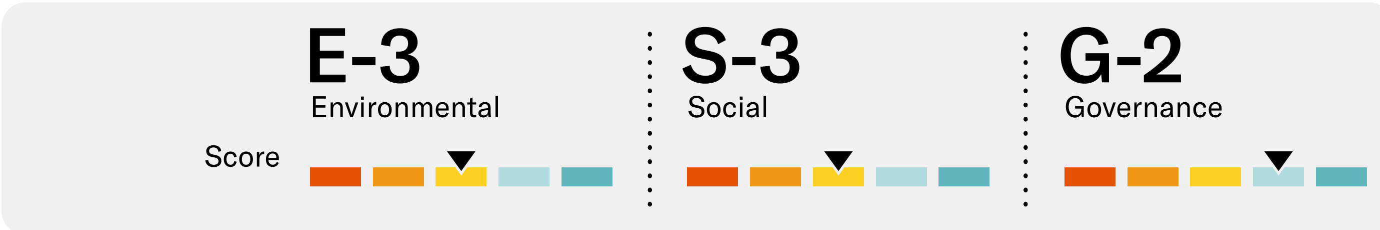
Exhibit 7
ESG credit impact score



Source: Moody's Ratings

SB1 Helgeland's **CIS-2** indicates that environmental, social and governance risks no material effect on the ratings.

Exhibit 8
ESG issuer profile scores



Source: Moody's Ratings

Environmental
SB1 Helgeland faces moderate environmental risks because of its portfolio exposure to carbon transition. These risks are primarily related to its corporate portfolio. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, the bank is developing its climate risk and portfolio management capabilities.

Social
SB1 Helgeland faces moderate social risks related to customer relations and associated regulatory and litigation risks, requiring high compliance standards. The exposure to customer relation risks is lower than its international peers, given the bank's untarnished customer conduct track record supported by the social mandate of the Savings Bank's model. SpareBank 1 Helgeland is a digitally advanced bank in Norway, with a robust IT infrastructure and strong capabilities to mitigate cyber and personal data risks, supported by its cooperation within the SpareBank 1 Alliance.

Governance
SB1 Helgeland faces low governance risks and its risk management, policies and procedures are in line with industry best practices. Despite sectoral and geographical concentrations, due to its limited reach, the bank benefits from strong underwriting standards which mitigate some of these concerns. The bank has a track record of sound capital and liquidity management and earnings stability while losses have been low, even at times of market turbulence. Being a local savings bank, 43% of the bank is directly owned by the local Helgeland community foundation. Other owners are private investors which hold listed equity certificates, with Sparebank1 Nord Norge being the largest. The bank's Supervisory Board comprises of representatives of EC holders, the foundation, and employees. Related governance risks are however mitigated by Norway's developed institutional framework.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis
We apply our Advanced LGF analysis to SB1 Helgeland because the bank is based in Norway, which we consider an operational resolution regime. For this analysis, we assume that equity and losses are at 3% and 8%, respectively, of tangible banking assets in a failure scenario. We also assume a 25% runoff of junior wholesale deposits and a 5% runoff in preferred deposits. Moreover, we assign a 25% probability to junior deposits being preferred over senior unsecured debt. These metrics are in line with our standard assumptions.

Our LGF analysis indicates that SB1 Helgeland's junior depositors and senior unsecured debtholders are likely to face low loss given failure because of the large buffer of large volume of deposits and senior debt as well as loss-absorbing liabilities, which currently results in these ratings being positioned two notches above the BCA. It is also reflects our expectation that there will be no major changes to the bank's funding mix when it receives its inaugural Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirements.

In August 2025, the bank announced as part of its second-quarter results that it was preparing to receive full MREL requirements, and they expected no significant changes to its senior funding. Like other medium-sized savings banks, the bank will not receive a subordination requirement.

Government support

We believe that SB1 Helgeland is not a systemic institution, with a national market share of around 1.4% of deposits and 0.6% of loans, as of September 2025. As such, the bank's ratings do not include uplifts for government support, reflecting of our assessment of a low probability of support from the Norwegian government.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 9
Rating Factors

Macro Factors						
Weighted Macro Profile	**Very Strong -**	**100%**				
Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.3%	a1	↔	a3	Sector concentration	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	20.7%	aa2	↓	aa3	Expected trend	Access to capital
Profitability						
Net Income / Tangible Assets	1.1%	a2	↓	baa1	Expected Trend	
Combined Solvency Score		aa3		a2		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	11.0%	aa3	↔	a1	Limited market access	Deposit quality
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	8.7%	baa3	↔	baa3	Quality of liquid assets	
Combined Liquidity Score		a3		a3		
Financial Profile		a1		a2		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				-2		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				-2		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
Assigned BCA				baa1		
Affiliate Support notching				0		
Adjusted BCA				baa1		

Balance Sheet	**in-scope (NOK Million)**	**% in-scope**	**at-failure (NOK Million)**	**% at-failure**
Other liabilities	16,269	33.2%	18,855	38.5%
Deposits	25,349	51.8%	22,763	46.5%
Preferred deposits	18,758	38.3%	17,820	36.4%
Junior deposits	6,591	13.5%	4,943	10.1%
Senior unsecured bank debt	4,998	10.2%	4,998	10.2%
Dated subordinated bank debt	450	0.9%	450	0.9%
Preference shares (bank)	400	0.8%	400	0.8%
Equity	1,468	3.0%	1,468	3.0%
Total Tangible Banking Assets	48,934	100.0%	48,934	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	25.1%	25.1%	25.1%	25.1%	3	3	3	3	0	a1
Counterparty Risk Assessment	25.1%	25.1%	25.1%	25.1%	3	3	3	3	0	a1 (cr)
Deposits	25.1%	4.7%	25.1%	15.0%	2	3	2	2	0	a2
Senior unsecured bank debt	25.1%	4.7%	15.0%	4.7%	2	2	2	2	0	a2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a1	0	A1	A1
Counterparty Risk Assessment	3	0	a1 (cr)	0	A1(cr)	
Deposits	2	0	a2	0	A2	A2
Senior unsecured bank debt	2	0	a2	0	A2	A2

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 10

Category	Moody's Rating
SPAREBANK 1 HELGELAND	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A2

Source: Moody's Ratings

Endnotes

1 The bank ratings shown in this report are the bank's deposit rating, senior unsecured debt rating (where available) and Baseline Credit Assessment.

2 Please see 'New capital rules could alter competitive conditions, undermine savings bank model' for further detail on the impact of new capital rules.

REPORT NUMBER 1466125

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Americas	1-212-553-1653
Asia Pacific	852-3551-3077
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