

Rating Action: Moody's takes rating action on seven Norwegian savings banks and a covered bond company

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Limassol, March 05, 2020 -- Moody's Investors Service (Moody's) has today taken action on seven Norwegian savings banks' Baseline Credit Assessments (BCAs) and ratings, in addition to the ratings of a covered bond issuance company. The rating actions on the seven banks fall into three categories: 1) Moody's has upgraded the BCAs and deposit/debt ratings with stable outlook for SpareBank 1 Ostlandet and SpareBank 1 Nord-Norge; 2) The rating agency has also affirmed the BCA and ratings of Sparebanken Vest and changed the outlook to positive from stable; and 3) Moody's has affirmed the BCA, where applicable, and ratings with stable outlook for SpareBank 1 SR-Bank ASA (SpareBank 1 SR), SpareBank 1 SMN, SpareBank 1 BV, SpareBank 1 Boligkreditt (SpaBol) and Helgeland Sparebank.

Today's rating actions reflect, to differing degrees, the Norwegian savings banks resilience through the economic cycle, coupled with Moody's expectation of steady profitability and low levels of asset risk. The rating action also takes into account the supportive operating environment in Norway, characterised by unique countercyclical mechanisms, which will continue to help offset downside risks related to the banks' relatively narrow geographic focuses and high credit concentrations in cyclical sectors.

Rating actions include:

- Upgrade of SpareBank 1 Ostlandet's long-term deposit and senior unsecured debt ratings to Aa3, from A1, with a stable outlook. Upgrade of the bank's BCA and Adjusted BCA to a3 from baa1;
- Upgrade of SpareBank 1 Nord-Norge's long-term deposit and senior unsecured debt ratings to Aa3, from A1, with a stable outlook. Upgrade of the bank's BCA and Adjusted BCA to a3 from baa1;
- Affirmation of Sparebanken Vest's A1 long-term deposit and senior unsecured debt, with the outlook changed to positive from stable. Affirmation of the bank's baa1 BCA and Adjusted BCA.
- Affirmation of SpareBank 1 SR's A1 long-term deposit and senior unsecured debt, with a stable outlook. Affirmation of the bank's baa1 BCA and Adjusted BCA.
- Affirmation of SpareBank 1 SMN's A1 long-term deposit and senior unsecured debt, with a stable outlook. Affirmation of the bank's baa1 BCA and Adjusted BCA.
- Affirmation of SpareBank 1 BV's A2 long-term deposit and issuer ratings, with a stable outlook. Affirmation of the bank's baa1 BCA and Adjusted BCA.
- Affirmation of Helgeland Sparebank's A3 long-term deposit and issuer ratings, with a stable outlook. Affirmation of the bank's baa2 BCA and Adjusted BCA.
- Affirmation of SpaBol's A2 issuer rating with a stable outlook, which is the covered bond issuer for the SpareBank 1 Alliance Banks.

A full list of the banks' ratings is provided at the end of this press release.

RATINGS RATIONALE

Today's rating action reflects, to differing degrees, the banks' consistently robust standalone financial performance through the credit cycle, as well as their resilience to downside risks stemming from relatively high level of credit concentrations (both geographical and sectoral) compared to international peers.

UPGRADES OF SPAREBANK 1 OSTLANDET AND SPAREBANK 1 NORD-NORGE

The upgrades of SpareBank 1 Ostlandet and SpareBank 1 Nord-Norge's BCA to a3 from baa1 and long-term deposit and senior unsecured ratings to Aa3 from A1, reflect their consistently stronger financial performance compared to peers, including particularly resilient asset quality and strong capital metrics throughout the credit

cycle. Despite sizeable exposures to the cyclical commercial real-estate (CRE) sector, they have demonstrated a strong track record of low credit losses, even during the period of low oil prices (2014-16) that affected the Norwegian economy. Moody's expects this strong performance to be maintained. The higher BCA of a3 also reflects these banks' strong capital buffers, combined with satisfactory profitability, business growth potential and solid regional positioning in a highly competitive market. The banks' financial profiles compare favourably to similarly rated international peers with geographically concentrated loan books.

The stable outlook for SpareBank 1 Ostlandet and SpareBank 1 Nord-Norge reflects the agency's expectation that these financial metrics will remain stable in the foreseeable future, supported by robust capital and profitability metrics despite some downside risks stemming from credit concentrations.

RATING AFFIRMATION OF SPAREBANKEN VEST AND CHANGE TO POSITIVE OUTLOOK

The affirmation of Sparebanken Vest's baa1 BCA and A1 long-term deposit and senior unsecured ratings reflects a broadly improving level of asset quality over the last five years, evidenced by a declining problem loans to gross loans ratio, albeit at a level still higher than SpareBank 1 Ostlandet and SpareBank 1 Nord Norge. The rating affirmation also balances the bank's exposures to more cyclical sectors with some downside risks emanating from the shipping and oil sector, and also from loans to the commercial real-estate sector.

The change in outlook on Sparebanken Vest's deposit ratings to positive from stable, recognises the bank's continuously improving asset quality and profitability combined with better efficiency levels, growing deposits and its relatively strong capital base which could translate to a rating upgrade over the next 12-18 months if such performance is sustained. Sparebanken Vest has recently launched a new digital mortgage banking platform 'Bulder bank', which if successful could further strengthen its earnings capacity.

RATING AFFIRMATION WITH STABLE OUTLOOK FOR SPAREBANK 1 SR, SPAREBANK 1 SMN, SPAREBANK 1 BV AND HELGELAND SPAREBANK

The affirmations of SpareBank 1 SR's, SpareBank 1 SMN's, SpareBank 1 BV's and Helgeland Sparebank's BCAs and ratings reflect the agency's view that these banks, along with the other rated savings banks, have strongly entrenched franchises in the regions they operate providing support to the overall strengthening in performance metrics that has occurred over recent years. The rating affirmation also balances downside risks for these banks that are comparatively greater due to higher credit risk concentrations to cyclical sectors (including commercial real estate and oil/offshore shipping).

The stable outlook for SpareBank 1 SR, SpareBank 1 SMN, SpareBank 1 BV and Helgeland Sparebank reflects Moody's view that the current ratings remain correctly positioned when compared to both local and international peers, as well as the agency's expectations that the banks' performance will remain stable in the foreseeable future and broadly in line with the assigned ratings.

DETAILED RATING RATIONALE FOR UPGRADES

-- SPAREBANK 1 OSTLANDET

SpareBank 1 Ostlandet's rating upgrade is driven by the upgrade of its BCA to a3 from baa1, which in turn reflects the bank's high levels of capital with a common equity Tier 1 (CET1) ratio of 17.2% in December 2019, and a leverage ratio of 7.2% providing a strong loss absorbing capacity. Moody's believes that SpareBank 1 Ostlandet will continue to boast high capital metrics, sustaining its ability to withstand severe shocks and potential losses. This combined with the bank's very strong asset quality, with problem loans at only 0.3% of gross loans (including covered bond loans) in December 2019, and lending growth of 7.5% with low loan-to-value (LTV) retail mortgages (almost 95% of total loans have an LTV below 70%), ensures continuation of the best-in-class track record of minimal credit losses.

The upgrade also considers the bank's good recurring profitability with no exposure to the cyclical oil sector, and its strong return on equity (RoE) of 12.8% in 2019 although with some one-off gains. In addition, the bank also has a comfortable liquidity and funding profile, with a liquidity coverage ratio (LCR) of 162% as of December 2019 and deposits growing annually by 9.8%.

SpareBank 1 Ostlandet's Aa3 long-term deposit and senior debt ratings also take into account the rating agency's Advanced Loss Given Failure (LGF) analysis, which provides three notches of rating uplift from its BCA of a3, incorporating the expected issuance of senior non-preferred (SNP) debt until the end of 2022.

The stable outlook is underpinned by Moody's expectation that the bank will continue to perform robustly with

profitable growth and sound capital management, commensurate to other rated banks globally with a BCA of a3. Additionally, Moody's Advanced LGF analysis indicates no near term upward or downward pressure on ratings.

-- SPAREBANK 1 NORD-NORGE

SpareBank 1 Nord-Norge's rating upgrade reflects its BCA upgrade to a3 from baa1. This follows the bank's very strong financial performance track record over recent years, with a normalised RoE of 12.8% in 2019, against a target of 12%. This was supported by an increased net interest margin (NIM), as deposit margins have been increasing easing the pressure from lending margins, which have compressed due to intense competition. Net fees and commissions increased by around 5.5% during 2019, while the bank posted a normalised cost-to-income ratio of 42.9% against a long-term target of 40%.

SpareBank 1 Nord Norge's standalone credit profile is also supported by a comfortable CET1 of 16.7% as of December 2019, and a leverage ratio at 7.5%. The BCA upgrade to a3 from baa1 also considers the bank's favourable asset quality and the rating agency's expectation that its problem loans will remain low. The bank reported problem loans of only 0.3% of gross loans in December 2019. The bank's loan book is well diversified with limited exposure to the cyclical oil sector (0.8% of gross loans including covered bond loans), with around 6% of gross loans going to the agriculture and fisheries sectors.

SpareBank 1 Nord Norge's Aa3 long-term deposit and senior debt ratings also incorporate the rating agency's Advanced LGF analysis, which provides three notches of rating uplift from its BCA of a3, considering the expected issuance of SNP debt until the end of 2022.

The stable outlook reflects Moody's expectation that the bank's performance will continue to be resilient, and consistent with a BCA level of a3, while the rating agency's Advanced LGF analysis shows no indication of any upward or downward rating pressure.

DETAILED RATING RATIONALE FOR SPAREBANKEN VEST'S POSITIVE OUTLOOK

The affirmation on Sparebanken Vest's A1 long-term deposit and senior debt ratings and baa1 BCA reflects the bank's strong regional retail franchise, good capital position (reported CET1 ratio of 17.4% as of end-December 2019) and comfortable liquidity and funding profile. The ratings affirmation also balances the bank's exposures to more cyclical sectors.

The bank's A1 long-term deposit and senior debt ratings also incorporate the rating agency's Advanced LGF analysis, which provides three notches of rating uplift from its BCA of baa1, considering the expected issuance of SNP debt until the end of 2022. Moody's LGF analysis indicates that the three notches of rating uplift is firmly positioned.

The positive outlook on Sparebanken Vest's long-term A1 deposit ratings indicates upward pressure on its BCA and recognises the progress in improving its asset quality as well as its strong 2019 results. Problem loans declined to 0.6% of gross loans in December 2019, from 0.9% in December 2018, with a significant reduction in the corresponding ratio in its corporate portfolio (1.4% in 2019 down from 2.7% in 2018). The bank's earnings were supported by an overall lending growth of 6.1% during 2019, an improvement in its net interest margin to 1.55% in 2019 from 1.46% in 2018, almost flat operating expenses and very low credit losses for the year amounting to only 0.03% of gross loans.

Sparebanken Vest's comfortable liquidity and funding profile is also a supporting factor for the positive outlook, with customer deposits growing at 9.8% in 2019 improving its deposits to loans ratio to 47.1% in 2019 from 45.6% in 2018. The rating agency expects the bank to sustain its strong earnings performance in 2020. Sparebanken Vest's digital mortgage bank ('Bulder Bank'), which was launched last year, has the potential to contribute to the bank's earnings going forward.

DETAILED RATIONALE FOR THE AFFIRMATION OF FOUR BANKS' AND SPABOL'S RATINGS WITH STABLE OUTLOOKS

The affirmation of the following banks' BCAs, ratings, and the stable outlook on their deposits and senior unsecured debt, where applicable, balances the good performance metrics of these four banks through the cycle and strong operating environment, against the downside risks which stem from operating in more limited geographic areas than many international peers, together with comparatively higher concentrations to cyclical sectors.

The rating agency believes that the BCAs of all four banks are firmly positioned at their current level, with no immediate negative or positive pressure exerted on their standalone credit profile or ratings from Moody's Advanced LGF analysis.

-- SpareBank 1 SR

The affirmation of SpareBank 1 SR's A1 long-term deposit and senior debt ratings with a stable outlook is driven by the affirmation of its BCA of baa1. The bank's BCA reflects its solid regional market position, strong capital buffers (reported CET1 capital ratio of 17% as of December 2019), resilient pre-provision income combined with lower credit impairments (0.11% of gross loans in 2019, down from 0.16% in 2018). These strengths are balanced against the bank's credit-risk concentrations in more cyclical sectors, such as oil/offshore (around 4.2% of gross loans in December 2019) and commercial real estate.

The bank maintains a sound overall asset quality with reported stage 3 loans to gross loans ratio (including financial commitments and loans sold to SpaBol and SpareBank 1 Næringskreditt AS) of around 1.5% in December 2019, although higher than local peers. Concurrently, the rating agency recognises the bank's resilient performance in recent years, despite some challenges in certain oil-related exposures.

The bank's A1 long-term deposit and senior debt ratings also incorporate the rating agency's Advanced LGF analysis, which provides three notches of rating uplift from its BCA of baa1, considering the expected issuance of SNP debt until the end of 2022.

Moody's forward-looking expectation is that the bank's asset quality, profitability (with a lean cost structure, normalised cost-to-income of 40.8% in 2019) and capitalisation will remain robust in the current operating environment in Norway, driving its stable outlook.

-- SpareBank 1 SMN

Moody's affirmed SpareBank 1 SMN's long-term deposit and senior unsecured debt ratings of A1 with a stable outlook, following the affirmation of its BCA at baa1. The BCA affirmation reflects the bank's strong retail franchise in central Norway supporting its robust core earnings and its solid capital metrics with a reported CET1 capital ratio of 17.2% and a leverage ratio of 7.5% in December 2019. These positive rating drivers are balanced against some downside credit risks stemming from its oil-related exposures of around 2.5% of total exposure at default in December 2019, which includes a number of restructured loans.

SpareBank 1 SMN has maintained sound metrics with a reported problem loans to gross loans (including covered bond loans) ratio of around 1.3% at end-December 2019 and cost of risk of 0.18% of gross loans, which while low in absolute terms, was at the higher end among the large savings banks and was mainly emanating from its oil-related exposures. Nonetheless, the affirmation of the bank's BCA reflects a strong performance in 2019 with an RoE of 13.7% and significant contribution to the bank's earnings from fees and commissions comprising approximately 40% of its total core income (excluding gains from securities and affiliated companies).

The bank's A1 long-term deposit and senior debt ratings also incorporate the rating agency's Advanced LGF analysis, which provides three notches of rating uplift from its BCA of baa1, considering the expected issuance of SNP debt until the end of 2022.

The stable outlook is driven by Moody's expectation that the bank's performance and underlying financial metrics will continue to be resilient and consistent with its ratings, and also by the rating agency's Advanced LGF that indicates no upward or downward pressure.

-- SpareBank 1 BV

The affirmation of SpareBank 1 BV's deposit ratings of A2 with stable outlook, is mainly driven by the firm positioning of its BCA of baa1. The bank's BCA reflects its strong asset quality (problem loans ratio of 0.6% in 2019, down from 0.8% in 2018) and relatively stable retail operations and earnings. It also considers its robust capitalisation with the highest among its peers CET1 ratio of 18.3%, combined with a leverage ratio of 8.5% in December 2019. The bank's BCA is supported by the bank's growing retail deposit base that increased by a high 10.4% during 2019.

These credit strengths are balanced against the bank's higher than peers focus on retail mortgages and the commercial real estate sector (combined exposure of around 95% of total loans including covered bond loans as of December 2019) that makes it more vulnerable to property price fluctuations. The bank's BCA also takes

into account its relatively high level of market funding, although with a strong liquidity position with an LCR of 230% in December 2019.

The bank's A2 long-term deposit and issuer ratings also incorporate the rating agency's Advanced LGF analysis, which provides two notches of rating uplift from its BCA of baa1, considering the volume of subordinated obligations in its liability structure.

The stable outlook indicates the rating agency's view that it expects no upward or downward pressure on the bank's BCA or ratings over the next 12-18 months, as also indicated by the rating agency's LGF analysis.

-- Helgeland Sparebank

Helgeland Sparebank's A3 deposit and issuer ratings were affirmed with a stable outlook, reflecting the affirmation of its baa2 BCA. Helgeland Sparebank's baa2 BCA reflects Norway's supportive operating environment combined with the bank's comfortable capitalisation with a CET1 capital ratio of 16.5% as of the end of 2019 and recovered profitability during 2019, as well as, healthy operating efficiency.

These credit strengths are balanced against the bank's limited geographical reach with 82% of loans extended within its home district of Helgeland at the end of 2019, concentration in the cyclical real estate and construction sectors and material, although declining, single-name concentrations that drove a recent peak in credit costs of 0.9% of gross loans and consumed 67% of pre-provision income in 2018 (although the latter ratio averaged a stronger 20% over a 10-year period). The BCA also incorporates the bank's material market funding reliance.

The bank's A3 long-term deposit and issuer ratings incorporate Moody's Advanced LGF analysis, which provides two notches of rating uplift from its standalone BCA of baa2, considering the bank's liability structure.

The stable rating outlook reflects Moody's view that Helgeland Sparebank's financials will remain broadly resilient over the next 12-18 months and that its asset quality will continue to improve towards historical levels. The stable outlook is also driven by the rating agency's Advanced LGF analysis, which indicates no upward or downward rating pressure.

-- SpaBol

SpaBol's A2 long-term issuer rating affirmation with a stable outlook, is derived from the weighted-average credit profile of the larger individual banks forming the SpareBank 1 Alliance in Norway. Accordingly, the ratings assigned to SpaBol take into consideration the ratings assigned to its top five rated owner-banks (SpareBank 1 Ostlandet, SpareBank 1 SMN, SpareBank 1 Nord-Norge, SpareBank 1 BV and SpareBank 1 SR), as well as the rating agency's assessment of the likelihood that these banks will support SpaBol in case of need.

The rating upgrade of SpareBank 1 Ostlandet and SpareBank 1 Nord-Norge does not have an immediate impact on SpaBol's ratings, as the two banks' shareholdings do not represent a majority ownership (41% combined as of December 2019) in the covered bond entity.

This also drives SpaBol's stable outlook, which is consistent with the stable outlook of the other SpareBank 1 Alliance banks (SpareBank 1 SMN, SpareBank 1 BV and SpareBank 1 SR), indicating no expected upward or downgrade rating pressure in the next 12-18 months.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

In line with the rating agency's general view of the banking sector, Moody's assesses that the seven Norwegian savings banks affected by today's action and SpaBol have low exposure to Environmental risks and moderate exposure to Social risks. These savings banks have relatively low exposure to Norway's oil and off-shore sector, which is a source of environmental risk in the face of an eventual transition to a low-carbon economy.

Furthermore, Moody's does not have particular governance concerns for the Norwegian banks affected by this rating action and does not apply a corporate behaviour adjustment to any of these banks. Nevertheless, governance is highly relevant to all banks and requires ongoing monitoring.

WHAT COULD MOVE THE RATINGS UP/DOWN

- FOR BANKS WITH STABLE OUTLOOK

Upward rating momentum could develop if the banks show: (1) sustained improvements in their asset quality trends, especially in more volatile cyclical sectors including oil/offshore shipping and commercial real estate; (2) continued good access to capital markets and strong liquidity on a sustainable basis; (3) strong earnings generation without an increase in their risk profile; and/or (4) a potential material increase in junior liabilities that could change Moody's LGF analysis, triggering a rating upgrade for more senior ratings.

Future downward rating pressure, which is less likely, would emerge if: (1) banks' problem loans ratio increases well above the average of its similarly-rated peers; (2) financing conditions become more difficult; (3) the banks' credit risk profile increases, for example as a result of increased exposures to more cyclical sectors; (4) the macroeconomic environment weakens significantly, leading to a lower Macro Profile for Norway; (5) a reduction in the rating uplift as a result of the rating agency's Advanced LGF analysis, triggered by lower loss-absorbing cushion (subordinated liabilities) for the bank's senior creditors.

- FOR SPAREBANKEN VEST WITH POSITIVE OUTLOOK

The bank's positive rating outlook could result in a deposit and senior unsecured debt rating upgrade over the next 12-18 months, should the bank continue to demonstrate resilience in its financial performance and an ability to maintain strong levels of asset quality and capitalisation, combined with satisfactory recurring profitability.

In view of the bank's positive rating outlook, Moody's does not expect any downward pressure on the bank's BCA over the next 12-18 months. Although unlikely, a potential reduction in the rating uplift as a result of Moody's Advanced LGF analysis, triggered by lower loss-absorbing cushion (subordinated liabilities) for the bank's senior creditors, could lead to a rating downgrade.

LIST OF AFFECTED RATINGS

..Issuer: SpareBank 1 Nord-Norge

Upgrades:

- Adjusted Baseline Credit Assessment, Upgraded to a3 from baa1
- Baseline Credit Assessment, Upgraded to a3 from baa1
- Long-term Counterparty Risk Assessment, Upgraded to Aa3(cr) from A1(cr)
- Long-term Counterparty Risk Ratings, Upgraded to Aa3 from A1
- Issuer Rating, Upgraded to Aa3 from A1, Outlook Remains Stable
- Senior Unsecured MTN Program, Upgraded to (P)Aa3 from (P)A1
- Junior Subordinate MTN Program, Upgraded to (P)Baa2 from (P)Baa3
- Subordinate MTN Program, Upgraded to (P)Baa1 from (P)Baa2
- Preferred Stock Non-cumulative, Upgraded to Baa3(hyb) from Ba1(hyb)
- Senior Unsecured Regular Bond/Debenture, Upgraded to Aa3 from A1, Outlook Remains Stable
- Long-term Bank Deposit Ratings, Upgraded to Aa3 from A1, Outlook Remains Stable

Affirmations:

- Short-term Counterparty Risk Assessment, Affirmed P-1(cr)
- Short-term Counterparty Risk Ratings, Affirmed P-1
- Short-term Bank Deposit Ratings, Affirmed P-1

Outlook Action:

- Outlook Remains Stable

..Issuer: SpareBank 1 Ostlandet

Upgrades:

- Adjusted Baseline Credit Assessment, Upgraded to a3 from baa1
- Baseline Credit Assessment, Upgraded to a3 from baa1
- Long-term Counterparty Risk Assessment, Upgraded to Aa3(cr) from A1(cr)
- Long-term Counterparty Risk Ratings, Upgraded to Aa3 from A1
- Issuer Rating, Upgraded to Aa3 from A1, Outlook Remains Stable
- Senior Unsecured MTN Program, Upgraded to (P)Aa3 from (P)A1
- Junior Subordinate MTN Program, Upgraded to (P)Baa2 from (P)Baa3
- Subordinate MTN Program, Upgraded to (P)Baa1 from (P)Baa2
- Senior Unsecured Regular Bond/Debenture, Upgraded to Aa3 from A1, Outlook Remains Stable
- Long-term Bank Deposit Ratings, Upgraded to Aa3 from A1, Outlook Remains Stable

Affirmations:

- Short-term Counterparty Risk Assessment, Affirmed P-1(cr)
- Short-term Counterparty Risk Ratings, Affirmed P-1
- Short-term Bank Deposit Ratings, Affirmed P-1

Outlook Action:

- Outlook Remains Stable

..Issuer: SpareBank 1 SMN

Affirmations:

- Adjusted Baseline Credit Assessment, Affirmed baa1
- Baseline Credit Assessment, Affirmed baa1
- Long-term Counterparty Risk Assessment, Affirmed A1(cr)
- Short-term Counterparty Risk Assessment, Affirmed P-1(cr)
- Long-term Counterparty Risk Ratings, Affirmed A1
- Short-term Counterparty Risk Ratings, Affirmed P-1
- Issuer Rating, Affirmed A1, Outlook Remains Stable
- Senior Unsecured MTN Program, Affirmed (P)A1
- Junior Subordinate MTN Program, Affirmed (P)Baa3
- Subordinate MTN Program, Affirmed (P)Baa2
- Senior Unsecured Regular Bond/Debenture, Affirmed A1, Outlook Remains Stable
- Subordinate Regular Bond/Debenture, Affirmed Baa2(hyb)
- Long-term Bank Deposit Ratings, Affirmed A1, Outlook Remains Stable
- Short-term Bank Deposit Ratings, Affirmed P-1

Outlook Action:

...Outlook Remains Stable

..Issuer: SpareBank 1 SR-Bank ASA

Affirmations:

.... Adjusted Baseline Credit Assessment, Affirmed baa1

.... Baseline Credit Assessment, Affirmed baa1

.... Long-term Counterparty Risk Assessment, Affirmed A1(cr)

.... Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

.... Long-term Counterparty Risk Ratings, Affirmed A1

.... Short-term Counterparty Risk Ratings, Affirmed P-1

.... Issuer Rating, Affirmed A1, Outlook Remains Stable

.... Senior Unsecured MTN Program, Affirmed (P)A1

.... Junior Subordinate MTN Program, Affirmed (P)Baa3

.... Subordinate MTN Program, Affirmed (P)Baa2

.... Senior Unsecured Regular Bond/Debenture, Affirmed A1, Outlook Remains Stable

.... Subordinate Regular Bond/Debenture, Affirmed Baa2(hyb)

.... Subordinate Regular Bond/Debenture, Affirmed Baa2

.... Long-term Bank Deposit Ratings, Affirmed A1, Outlook Remains Stable

.... Short-term Bank Deposit Ratings, Affirmed P-1

Outlook Action:

...Outlook Remains Stable

..Issuer: SpareBank 1 BV

Affirmations:

.... Adjusted Baseline Credit Assessment, Affirmed baa1

.... Baseline Credit Assessment, Affirmed baa1

.... Long-term Counterparty Risk Assessment, Affirmed A1(cr)

.... Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

.... Long-term Counterparty Risk Ratings, Affirmed A1

.... Short-term Counterparty Risk Ratings, Affirmed P-1

.... Issuer Ratings, Affirmed A2, Outlook Remains Stable

.... Long-term Bank Deposit Ratings, Affirmed A2, Outlook Remains Stable

.... Short-term Bank Deposit Ratings, Affirmed P-1

Outlook Action:

...Outlook Remains Stable

..Issuer: SpareBank 1 Boligkreditt AS

Affirmations:

... Long-term Counterparty Risk Assessment, Affirmed A2(cr)

... Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

... Long-term Counterparty Risk Ratings, Affirmed A2

... Short-term Counterparty Risk Ratings, Affirmed P-1

... Issuer Ratings, Affirmed A2, Outlook Remains Stable

Outlook Action:

...Outlook Remains Stable

..Issuer: Sparebanken Vest

Affirmations:

... Adjusted Baseline Credit Assessment, Affirmed baa1

... Baseline Credit Assessment, Affirmed baa1

... Long-term Counterparty Risk Assessment, Affirmed A1(cr)

... Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

... Long-term Counterparty Risk Ratings, Affirmed A1

... Short-term Counterparty Risk Ratings, Affirmed P-1

... Senior Unsecured MTN Program, Affirmed (P)A1

... Junior Subordinate MTN Program, Affirmed (P)Baa3

... Subordinate MTN Program, Affirmed (P)Baa2

... Other Short Term, Affirmed (P)P-1

... Senior Unsecured Regular Bond/Debenture, Affirmed A1, Outlook Changed to Positive from Stable

... Long-term Bank Deposit Ratings, Affirmed A1, Outlook Changed to Positive from Stable

... Short-term Bank Deposit Ratings, Affirmed P-1

Outlook Action:

...Outlook Changed to Positive from Stable

..Issuer: Helgeland Sparebank

Affirmations:

... Adjusted Baseline Credit Assessment, Affirmed baa2

... Baseline Credit Assessment, Affirmed baa2

... Long-term Counterparty Risk Assessment, Affirmed A2(cr)

... Short-term Counterparty Risk Assessment, Affirmed P-1(cr)

... Long-term Counterparty Risk Ratings, Affirmed A2

.... Short-term Counterparty Risk Ratings, Affirmed P-1
.... Issuer Ratings, Affirmed A3, Outlook Remains Stable
.... Long-term Bank Deposit Ratings, Affirmed A3, Outlook Remains Stable
.... Short-term Bank Deposit Ratings, Affirmed P-2

Outlook Action:

.... Outlook Remains Stable

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in November 2019. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moody's.com.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moody's.com, for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

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