

## Hegra Sparebank

## Rating Action 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.com

Geir Kristiansen  
+4790784593  
geir.kristiansen@nordiccreditrating.com

## Hegra Sparebank assigned 'BBB+' long-term issuer rating; Outlook stable

Nordic Credit Rating (NCR) has assigned a 'BBB+' long-term issuer rating to Norway-based [Hegra Sparebank](#). The outlook is stable. An 'N2' short-term issuer rating has also been assigned, together with a 'BBB+' senior unsecured issue rating, 'BBB' Tier 2 issue rating and a 'BB+' additional Tier 1 issue rating.

### Rating rationale

The long-term issuer rating reflects the bank's robust capital position and liquidity buffers, low risk appetite and strong earnings. The bank has proven access to capital market financing and few single-name concentrations. Its substantial accounting firm provides greater business and revenue diversity compared to similar sized savings banks. Hegra Sparebank has an ownership and cooperation arrangement with the Eika Alliance banking association, which enables product diversity, shared development costs, and the opportunity to finance residential retail mortgage loans through jointly owned covered-bond company Eika Boligkreditt AS.

The rating is constrained by the bank's geographic concentration east of Trondheim and a high proportion of real-estate collateral in its core markets. The rating is also constrained by the bank's size and small market share in its operating region, with strong competition from large Nordic and other savings banks in Trondheim and Stjørdal.

### Stable outlook

The stable outlook reflects our expectation that Hegra Sparebank's robust capital position and strong earnings will compensate for a weakened domestic economy. We anticipate Hegra Sparebank will maintain its low-risk appetite and we expect its asset quality will improve from somewhat elevated proportions of non-performing loans over the past year. We forecast the bank will maintain strong capital ratios, following the recent improvement due to implementing the EU's Capital Requirements Regulations III (CRR3).

We could raise the rating to reflect improved scale and market position, in addition to reduced loan book concentration, mitigating downside risk to credit quality.

We could lower the rating to reflect a material deterioration in the bank's local operating environment that weakens asset quality. We could also lower the rating to reflect a Consolidated Tier 1 ratio below 18% or a pre-provision income to consolidated risk exposure amount below 2%, over a protracted period.

### Rating list

Long-term issuer credit rating:  
Outlook:  
Short-term issuer credit rating:  
Senior unsecured issue rating:  
Tier 2 issue rating:  
Additional Tier 1 issue rating:

### Rating

BBB+  
Stable  
N2  
BBB+  
BBB  
BB+

**Figure 1. Hegra 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%	b+
Earnings	7.5%	a
Loss performance	7.5%	a-
Performance indicators	15.0%	a-
<b>Indicative credit assessment</b>		<b>bbb+</b>
Peer comparison		Neutral
Transitions		Neutral
Borderline assessments		Neutral
<b>Stand-alone credit assessment</b>		<b>bbb+</b>
Ownership		Neutral
Capital structure protection		Neutral
Rating caps		Neutral
<b>Issuer rating</b>		<b>BBB+</b>
Outlook		Stable
<b>Short-term rating</b>		<b>N2</b>

**Figure 2. Capital structure ratings**

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

Type of credit rating:	Long-term issuer credit rating Short-term issuer credit rating Issue credit rating
Publication date:	The rating was first published on 26 Sep. 2025.
Office responsible for the credit rating:	Nordic Credit Rating AS (NCR), Oslo, Norway. NCR is a registered credit rating agency under Regulation (EC) No 1060/2009.
Primary analyst:	Christian Yssen, +4740019900, <a href="mailto:christian.yssen@nordiccreditrating.com">christian.yssen@nordiccreditrating.com</a>
Rating committee chairperson responsible for approval of the credit rating:	Geir Kristiansen, +4790784593, <a href="mailto:geir.kristiansen@nordiccreditrating.com">geir.kristiansen@nordiccreditrating.com</a>
Were ESG factors a key driver behind the change to the credit rating or rating outlook?	No.
Methodology used when determining the credit rating:	<p>NCR's Rating Principles published on 14 Feb. 2024</p> <p>NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024</p> <p>NCR's Financial Institutions Rating Methodology published on 12 May 2025</p> <p>The methodology and principles documents provide analytical guidance to NCR's rating activities including but not limited to, assumptions, parameters, cash flow analysis, and stress-testing. NCR's methodologies and principles can be found on our website <a href="https://nordiccreditrating.com/governance/policies">nordiccreditrating.com/governance/policies</a>.</p> <p>The historical default rates of entities and securities rated by NCR will be viewed on <a href="#">the central platform (CEREP) of the European Securities and Markets Authority (ESMA)</a>.</p>
Materials used when determining the credit rating:	Annual- and quarterly reports of the rated entity, Bond prospectuses, Company presentations, Data provided by external data providers, External market reports, Meetings with management of the rated entity, Non-public information, Press reports/public information, Website of rated entity.
Potential conflicts of interest:	The rating is NCR's independent opinion of the rated entity's relative creditworthiness. The rating is solicited, i.e. it is prepared for a fee paid by the rated entity. At the time of analysis and publication neither NCR nor any of the analysts or persons involved in the rating process held any interest, ownership interest or securities in the rated entity. NCR does not have any direct or indirect shareholder with a holding of more than 5% of NCR's shares and votes. For further information, please refer to NCR's conflict of interest policy which is available on: <a href="https://nordiccreditrating.com/governance/policies">https://nordiccreditrating.com/governance/policies</a>
Additional information:	Prior to publication, the rating was disclosed to the rated entity. The issuer was given 24 hours (of which 8 business hours) to remark on factual errors and/or the inadvertent inclusion of confidential information, if applicable. The rating was not amended after the review by the issuer. No stress test or cash flow forecasting was performed. NCR's rating is an opinion regarding the relative creditworthiness of an entity or an instrument. It is not a prediction, guarantee or recommendation to buy, hold or sell securities. NCR assigns outlooks to issuer ratings to indicate where they could move in the near term, normally 12–18 months. Further information on the rating process, rating definitions and limitations is available on our website: <a href="https://nordiccreditrating.com/governance/policies">nordiccreditrating.com/governance/policies</a> .
Ancillary services provided:	No ancillary services have been provided in the last 12 months.
Regulations:	This rating was issued and disclosed under Regulation (EC) No 1060/2009.
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