SpareBank 1 Helgeland

Rating Action Report

LONG-TERM RATING
A

OUTLOOK
Stable

SHORT-TERM RATING
N2

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SpareBank 1 Helgeland assigned 'A' long-term issuer rating; Outlook stable

Nordic Credit Rating (NCR) has assigned an 'A' long-term issuer rating to Norway-based SpareBank 1 Helgeland (SB1 Helgeland). The outlook is stable. An 'N2' short-term issuer rating has also been assigned, together with an 'A' senior unsecured issue rating, an 'A-' Tier 2 issue rating and a 'BBB' Additional Tier 1 rating.

In addition, we have assigned an 'A' long-term rating on Helgeland Boligkreditt and 'AAA' issue rating on Helgeland Boligkreditt's covered bonds.

Rating rationale

The long-term issuer rating reflects the bank's strong market position in core markets and profitability, solid capital adequacy management and diverse funding access. The bank is part of the SpareBank 1 Alliance, which we view as supportive of business diversity, operating efficiency and liquidity. The bank demonstrates strong pre-provision profitability, supported by robust net interest margins, solid contributions from non-interest income through the SB1 Alliance and effective cost management. SB1 Helgeland is primarily a retail bank providing low-risk residential mortgages but also has some exposure to more cyclical and higher-risk corporate segments typical of the Helgeland region.

Through its wholly owned covered bond company, Helgeland Boligkreditt, the bank has additional funding access of residential mortgage loans through covered bonds, distinguishing it from most other Norwegian savings banks. The issuer credit rating and instrument ratings of Helgeland Boligkreditt reflect our assessment of its parent, SB1 Helgeland.

The rating is constrained by elevated loss provisions and a relatively high proportion of non-performing loans compared with peers. It is also limited by geographic concentration in Helgeland in Nordland County, a dispersed region with demographic trends weaker than domestic averages.

Stable outlook

The stable outlook reflects our expectation that the bank's robust earnings, solid capitalisation, diversified funding profile and strong liquidity will offset elevated corporate credit losses. We expect the bank to gradually resolve its largest problem exposures and improve asset quality through 2028. We also expect the bank to maintain a prudent risk appetite, including moderate loan growth and broadly stable capital ratios over the forecast period. The outlook further reflects the bank to maintain its strong market position in Helgeland.

An upgrade is unlikely at this time, given earnings and capitalisation are already strong.

We could lower the rating to reflect asset quality development weaker than our projections, a Tier 1 ratio below 19% over a protracted period or weakened regional economic prospects.

Rating list	Rating
Long-term issuer credit rating:	A
Outlook:	Stable
Short-term issuer credit rating:	N2
Senior unsecured issue rating:	A
Tier 2 issue rating:	A-
Additional Tier 1 issue rating:	BBB

Figure 1. SB1 Helgeland rating scorecard

Subfactors	Impact	Score
National banking environment	10.0%	a
Sector exposure assessment	-	-
Regional assessment	10.0%	bbb
Cross border assessment	-	-
Operating environment	20.0%	bbb+
Risk governance	7.5%	a
Capital	17.5%	a
Funding and liquidity	15.0%	a+
Credit and market risk	10.0%	bbb
Risk appetite	50.0%	a
Competitive position	15.0%	a
Earnings	7.5%	aa
Loss performance	7.5%	bbb
Performance indicators	15.0%	a
Indicative credit assessment		**a**
Peer comparison		Neutral
Transitions		Neutral
Borderline assessments		Neutral
Stand-alone credit assessment		**a**
Ownership		Neutral
Capital structure protection		Neutral
Rating caps		Neutral
Issuer rating		**A**
Outlook		Stable
Short-term rating		**N2**

Figure 2. Capital structure ratings

Seniority	Rating
Senior unsecured	A
Tier 2	A-
Additional Tier 1	BBB

Figure 3. Associated entities

Name	LT rating	Outlook	ST rating
Helgeland Boligkreditt AS	A	Stable	N2

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 29 Oct. 2026.
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.
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Were ESG factors a key driver behind the change to the credit rating or rating outlook?	No.
Methodology used when determining the credit rating:	NCR's Financial Institutions Rating Methodology published on 12 May 2025 NCR's Rating Principles published on 14 Feb. 2024 NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024 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 nordiccreditrating.com/governance/policies. The historical default rates of entities and securities rated by NCR will be viewed on the central platform (CEREP) of the European Securities and Markets Authority (ESMA).
Materials used when determining the credit rating:	Annual- and quarterly reports of the rated entity, 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: https://nordiccreditrating.com/governance/policies
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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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