Presentation
Q3 2022

SpareBank 1 HELGELAND

- A driving force for growth in Helgeland

Presentation per 30.09.22 (SBH Group)

Hanne Nordgaard

Chief Executive Officer

Sverre Klausen

Chief Financial Officer

Anne Ekroll

Chief Financial Officer from 01.11.22

Main Features and market

Events Q3

Profit & loss

Lending

Deposits

Funding

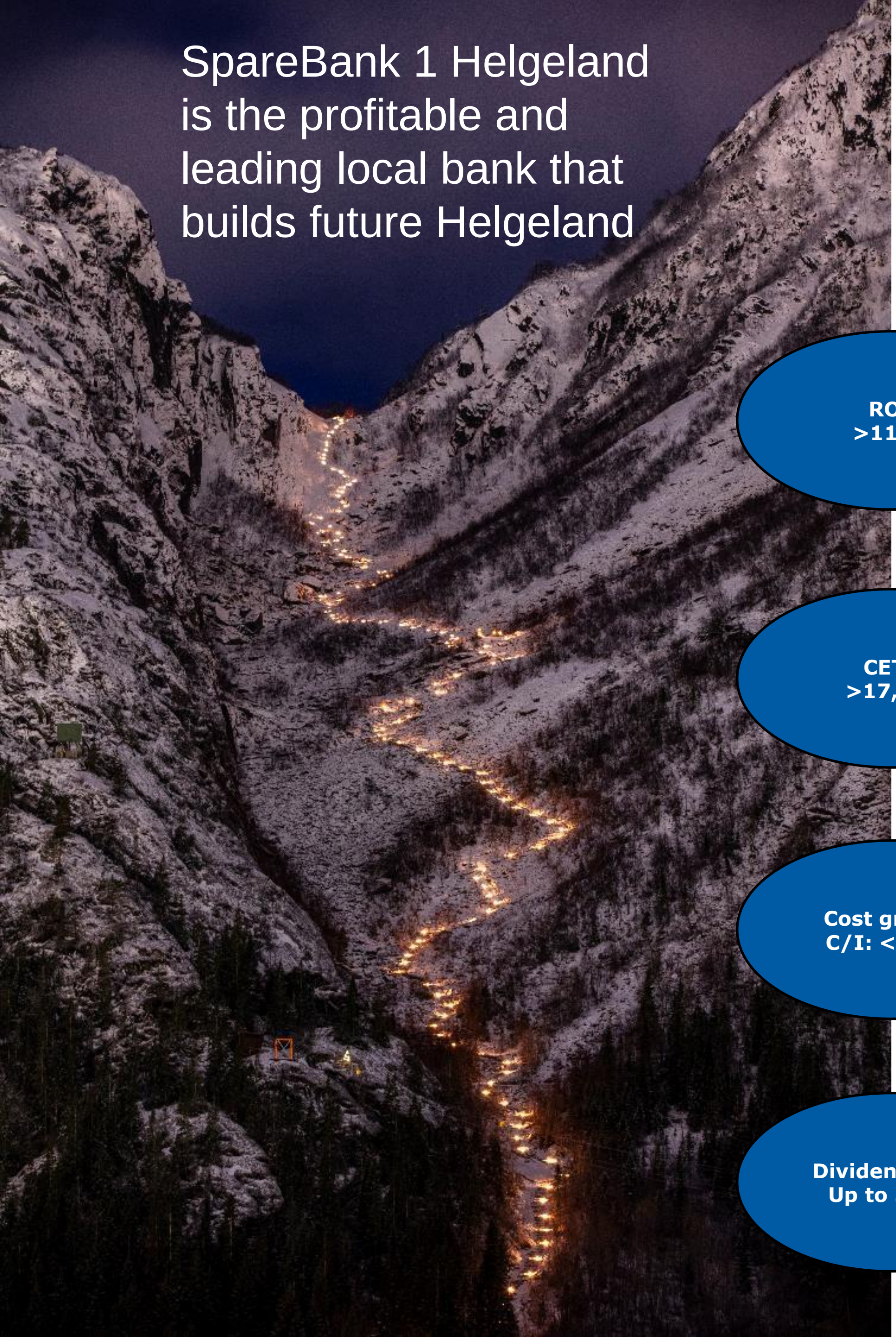
Solidity

Prospects and priorities

Appendices

SpareBank 1 HELGELAND

SpareBank 1 Helgeland is the profitable and leading local bank that builds future Helgeland



Financial targets

ROE
>11 %

Profitable

The bank has a ROE target on level with comparable banks, p.t. 11 %. In the transformation year 2022 it is not expected to fulfil the long term target for ROE.

CET1
>17,5 %

Solid

The target for CET1 must be 1,3 % over the regulatory demands, and is p.t. decided 17,5 %. The target of CET1 is fulfilled by the end of the quarter, and takes in to account expected increase in buffer targets (countercyclical and system risk).

Cost growth
C/I: <40 %

Efficient

Long term cost target of 40 % of income. Increased costs related to the entrance of the SpareBank 1 alliance and the acquisition entails that the target can not be expected fulfilled in 2022.

Dividend ratio
Up to 50 %

Responsible

Dividend ratio of up to 50 % of the dividend ratio.

SpareBank 1 HELGELAND

Main features per 30.09.22

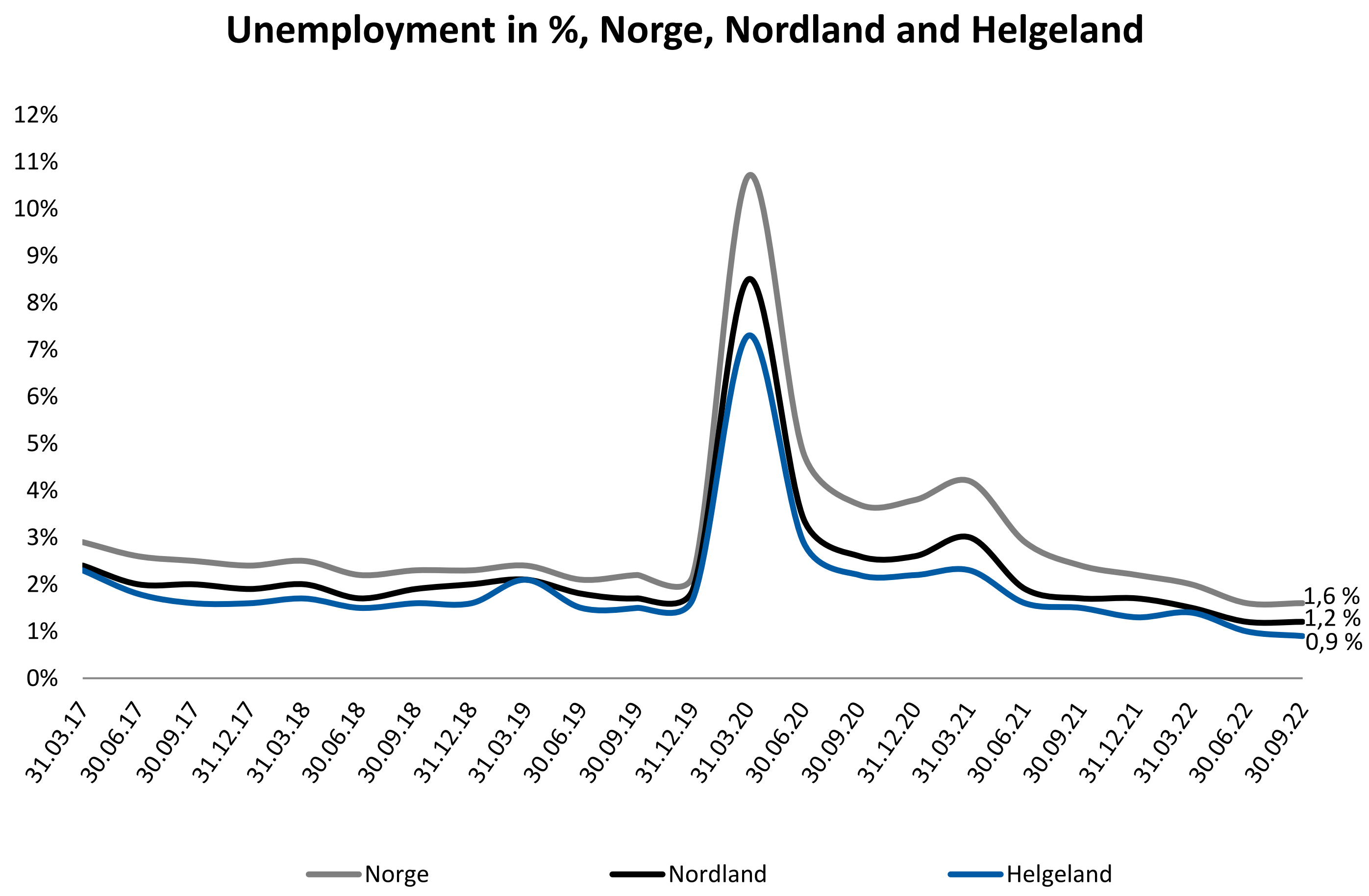
Gross profit
MNOK 382 (250)

ROE*
8.3 (7.2) %
*Adjusted for hybrid capital

Total assets
NOK 38.2 (36,6) bn.

Solidity
CET1 19,0 (19.6) %

Unemployment

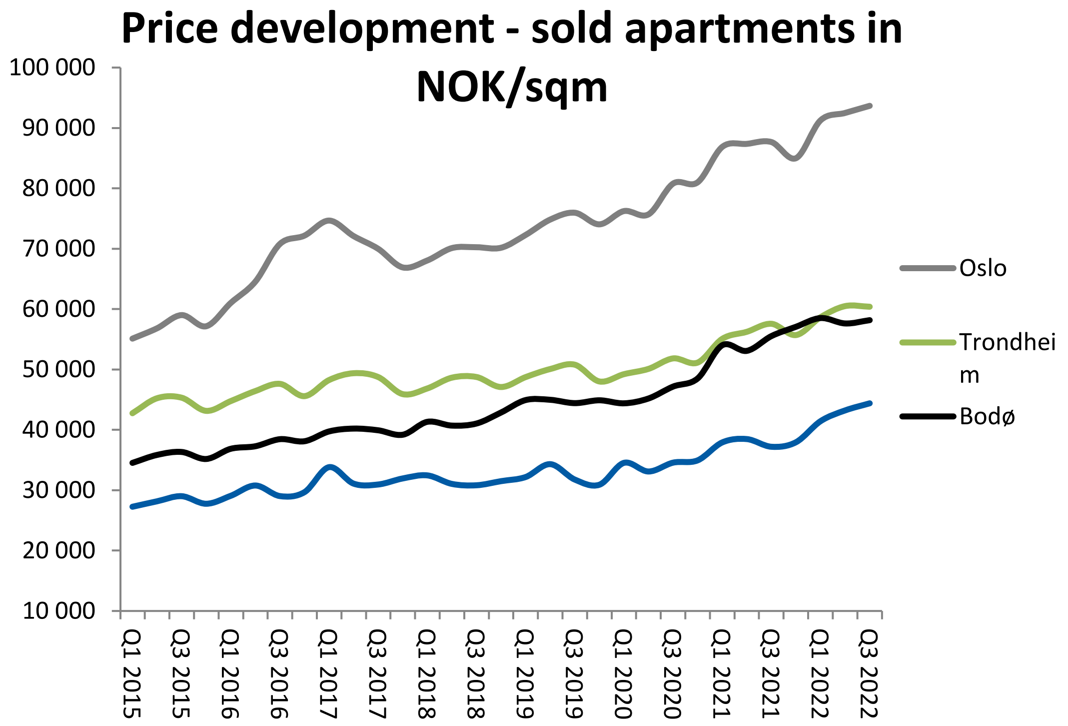


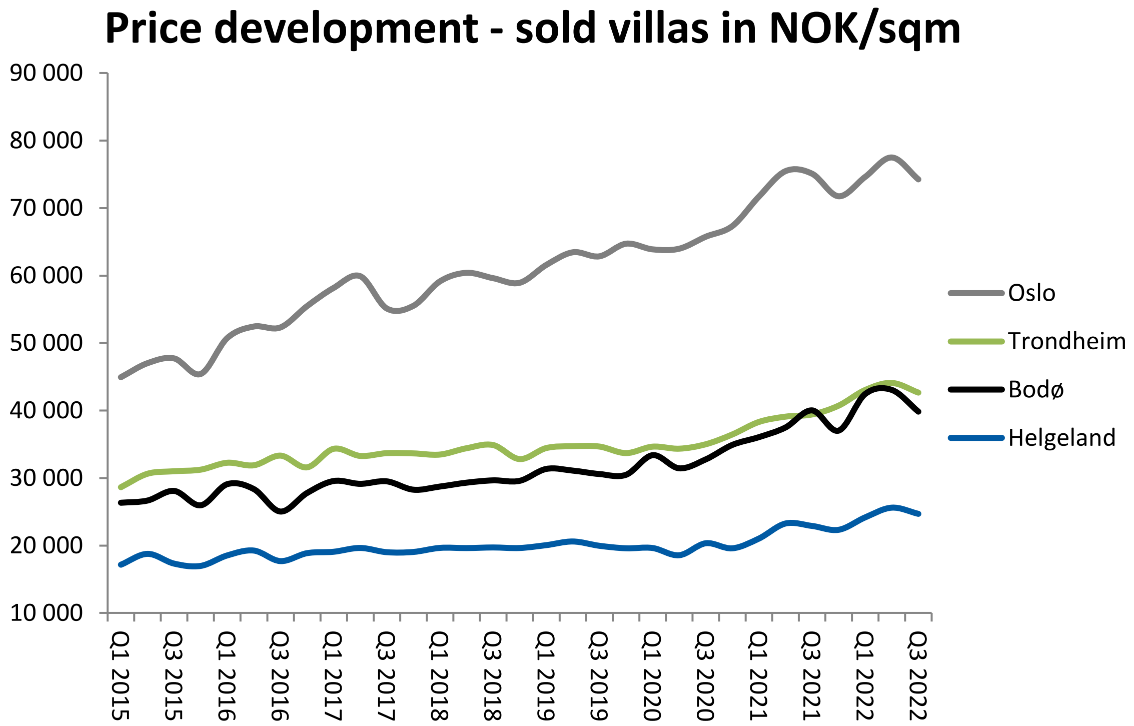
Under the covid-19 pandemic, the unemployment increased significant from Q4 2019 to Q1 2020.

The unemployment in Helgeland and Nordland is lower than Norway overall.

- Norway 1.6 %
- Nordland 1.2 %
- Helgeland 0.9 %

Housing price development





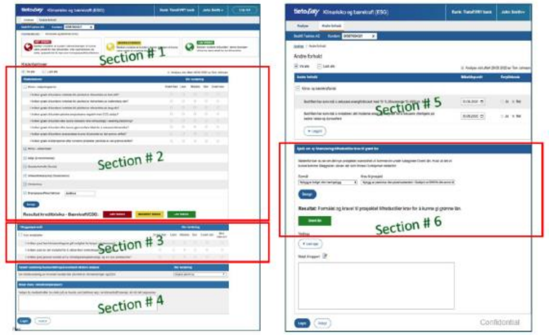
Price development in Q3:
2.7 % in Helgeland and 1.3 % in Oslo.
An increase in prices for sold apartments in Helgeland in Q3 compared to last quarter.

Price development in Q3:
-3.6 % in Helgeland and -4.2 % in Oslo.
A decrease in prices for sold Villas in Helgeland in Q3 compared to last quarter.

SpareBank 1 HELGELAND

Sustainability in Sparebank 1 Helgeland

SERTIFISERT VIRKSOMHET
Miljøfyrtårn®



Green buildings
Electric vehicle loan
Energy efficiency
Green deposits
Sustainable Funds

- Newly employed manager for sustainability is well into the job.
- Sustainability is integrated in the banks targets- and strategy documents
  - Business strategy
  - Risk- and capital strategy
  - Market-, purchasing-, finance-, credit strategy among others
- New sustainability strategy to be decided in December.
  - Increase knowledge around sustainability among our employees.
  - Increase knowledge and the level of action among our customers.
  - Set requirements to our suppliers
  - Integrate sustainability- and sustainability indicators stronger in external reports and internal business management
  - Targets, action plans and measures

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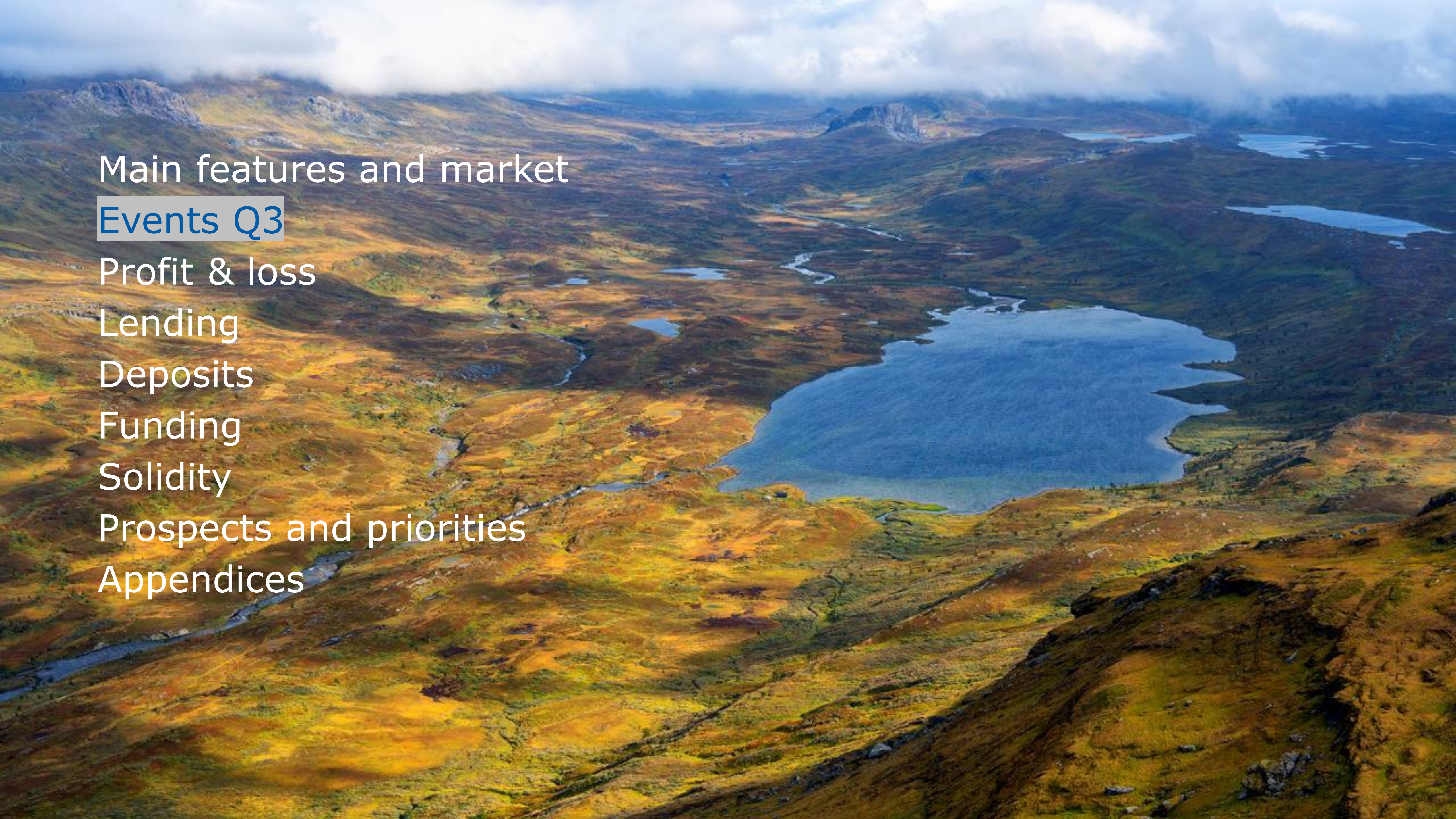

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Summary Q3

The improvement in the quarterly PLA is mainly related to reduced loss on financial instruments and increased net interest from last quarter.

- **Net interest income** of MNOK 202, up from 184 last quarter. The interest rate increase with effect from August 11th, Interest rate regulation on the banks debt late in the quarter and decrease in the banks total assets as a consequence of among others transfers to mortgage companies contributes to a significant improved net interest and credit commission income.

- **Net commission income** of MNOK 41. an increase of MNOK 3 from last quarter.

SpareBank 1 Helgeland (group)	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net interest- and credit comission earnings	**168**	**174**	**184**	**202**
Net comission earnings	**36**	**46**	**38**	**41**
Other operatios income	-1	2	2	4
Ordinary operations cost	141	94	91	95
Result basic operations	63	128	133	152
Write-downs lending and warranties	35	1	2	2
Net value change financial instruments	-13	21	-28	-19
Gross profit	15	147	104	131
Net profit	15	115	71	93
Net extended income posts	2	-1	-2	-1
Profit for the period	17	114	69	92

SpareBank 1 HELGELAND

Summary Q3 continued…

- **Profit from financial assets and liabilities** was in 3rd quarter negative by MNOK -19, an improvement of MNOK 8 compared to second quarter 2022. The loss on financial instruments in the quarter is mainly related to turmoil in the money market. In the quarter this has resulted in a loss in the security portfolio of MNOK -13, while value change on fixed rate lending is negative by MNOK -11 this quarter. Positive value change on derivates not included in hedge accounting reduces the effect of value change on fixed rate lending by MNOK 5 in the PLA.

- **Write-downs in lending** amounted to MNOK 2 this quarter. At the end of third quarter, the bank has gone over to the SpareBank 1 alliance loss model. The change resulted in an entrance of MNOK 2 in loss. In the quarter, the scenario weighting in the loss model were adjusted as a consequence of the macroeconomic picture and possible downturn. The adjustment provided an additional provision of MNOK 14. In the same period, the covid-19 provision was dissolved. This provided an entrance of MNOK 18.

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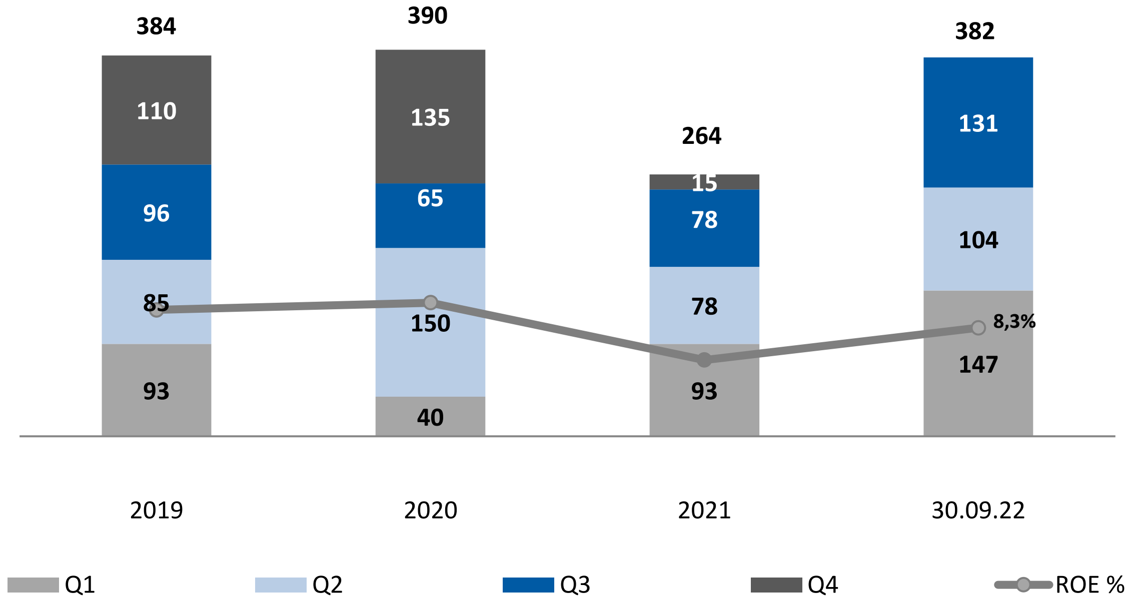
Profit

Profit development



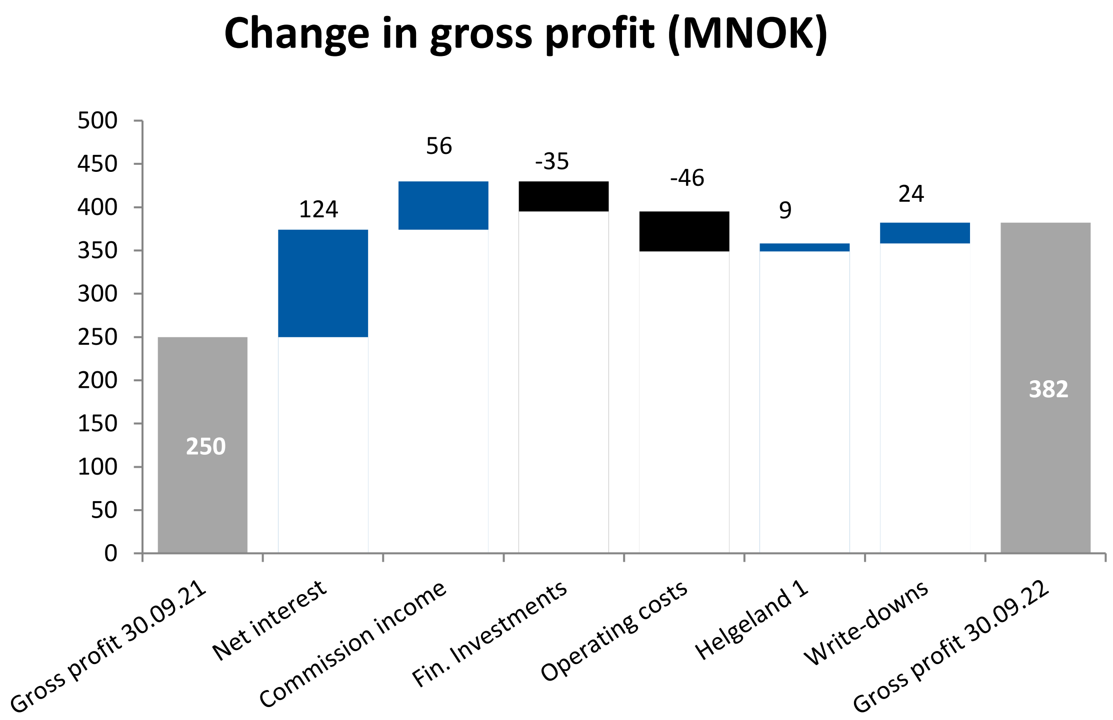
Profit

Gross profit of MNOK 382 (250) pr 30.09.22.

- ROE of 8.3 %*

(ROE is adjusted for hybrid capital)

Gross profit



Gross profit is MNOK 132 higher than in the same period last year.

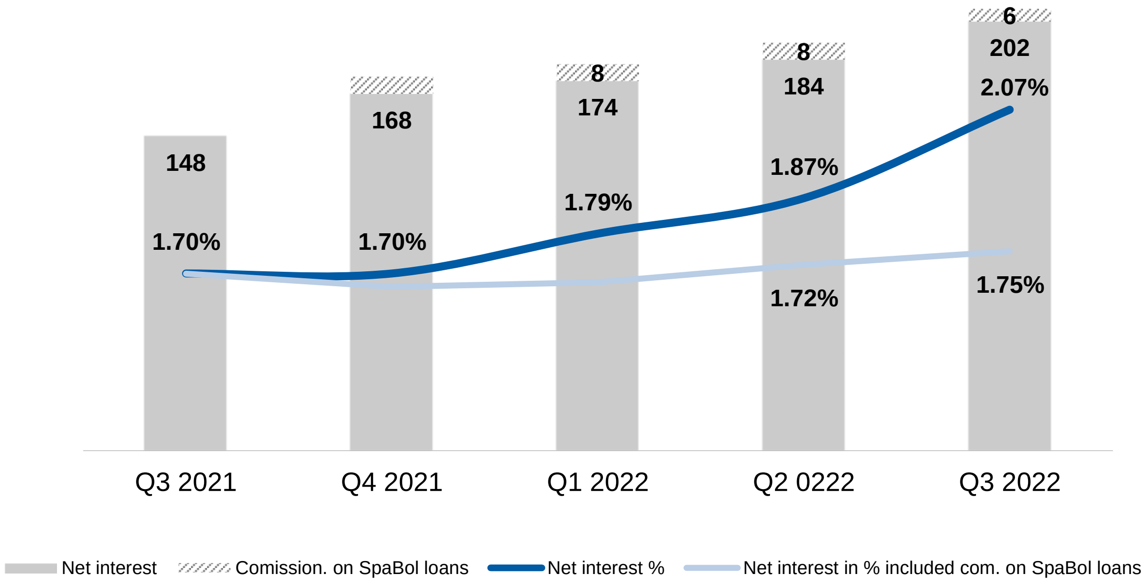
- Increase in net interest is related to the acquisition in the fourth quarter 2021. The interest rate increase with effect from August 11th, interest rate regulation on the banks debt late in the quarter and decrease in total assets as a consequence of among others transfers to the mortgage companies contributes to a significant improved net interest- and credit commission income.

- Increased commission income from the same period last year is mainly related to bonus commission recognized in first quarter in addition to commission income on transferred loans to SpaBol.

- The decrease in profit from financial investments from 2021 is related to significant turmoil in the current year, while income from the product companies in the first quarter draws the profit up.

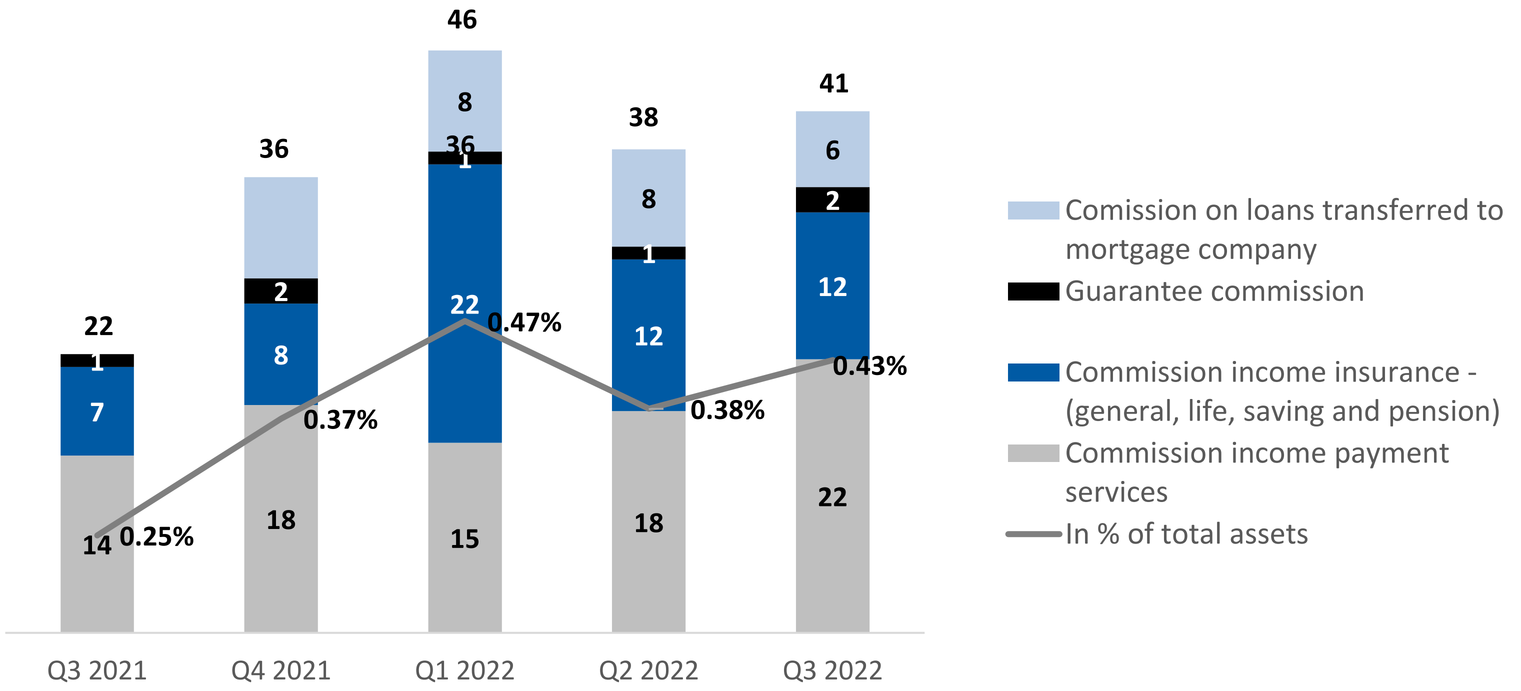
- Increase in operating costs are related to higher operating costs related to higher total assets and more employees after the acquisition.

Net interest



- Net interest and commission income amounts to MNOK 202 in the third quarter against MNOK 184 last quarter.
- The interest rate increase with effect from August 11th, interest regulation on the banks debt late in the quarter and decrease in total assets as a consequence of among others transfers to the mortgage companies contributes to a significant improved net interest and credit commission income.
- In % if average total assets, net interest and credit commission income is 2.07 % against 1.87 % last quarter.

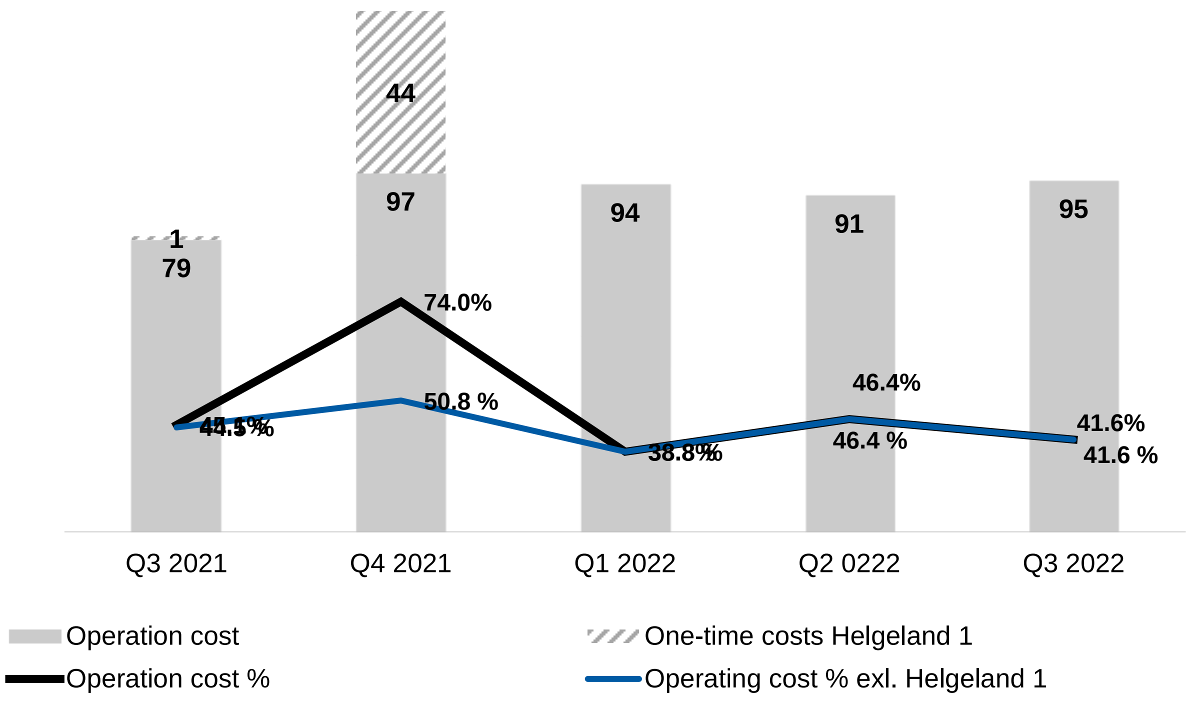
Commission income (MNOK)



Commission income amounts to MNOK 41. Increase from last quarter is related to increase in commission income payment services. Recognition of bonus commission from non-life insurance companies of MNOK 9 in Q1 makes this quarter stand out.

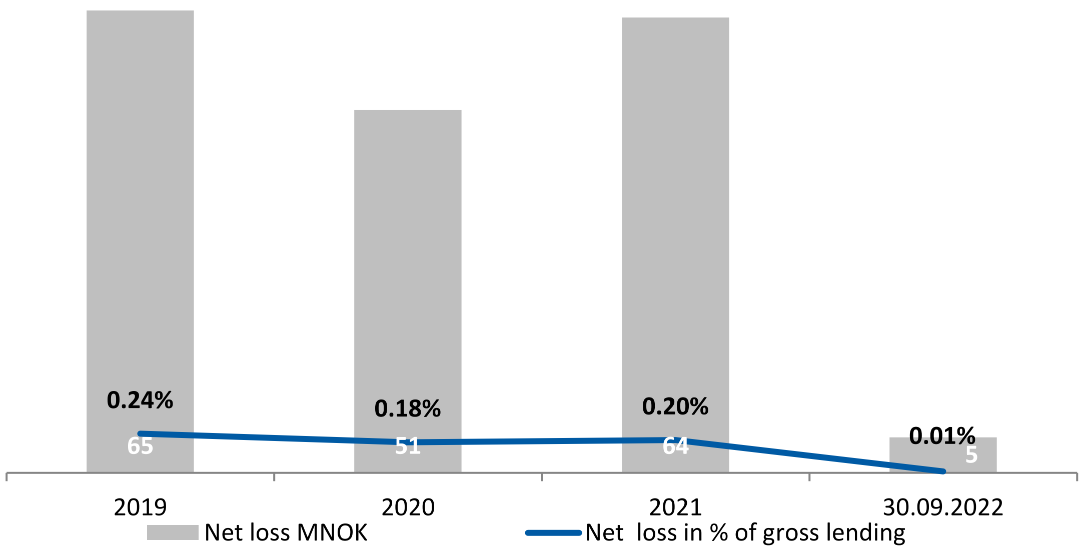
Operating costs

Operating cost (mnok) and % of income



- Costs are over the banks target in the second quarter (cost/income <40%)
- So far this year, cost/income is 42,0 %.
- Loss on financial assets and liabilities deducted, the cost % in the quarter would be 38.5 %.

Loss on commitments



- MNOK 5 in loss so far this year, whereof MNOK 2 in the third quarter of 2022.

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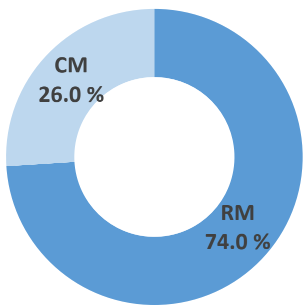
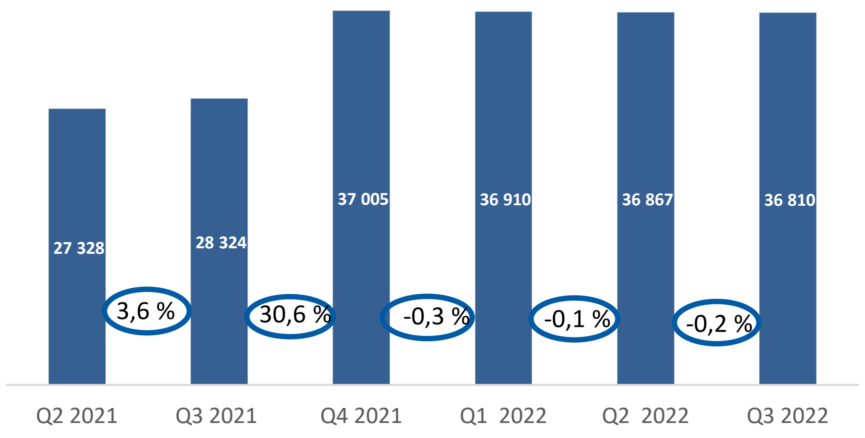
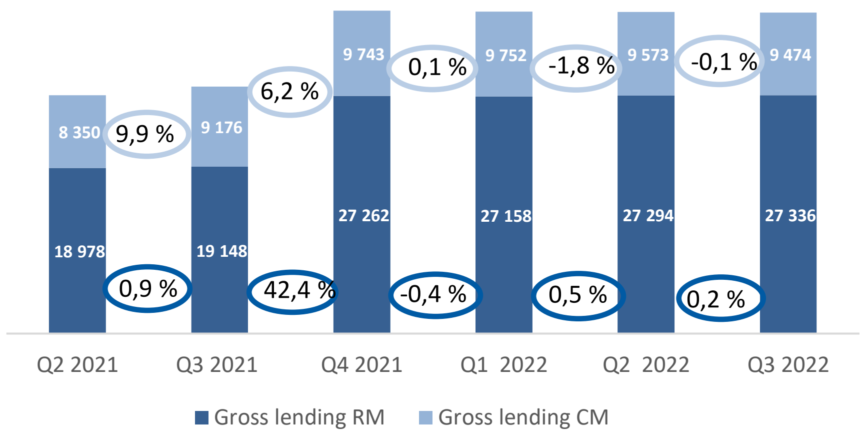
12-month credit development (SpaBol included)



Development gross lending (MNOK)



Development gross lending CM/RM (MNOK)

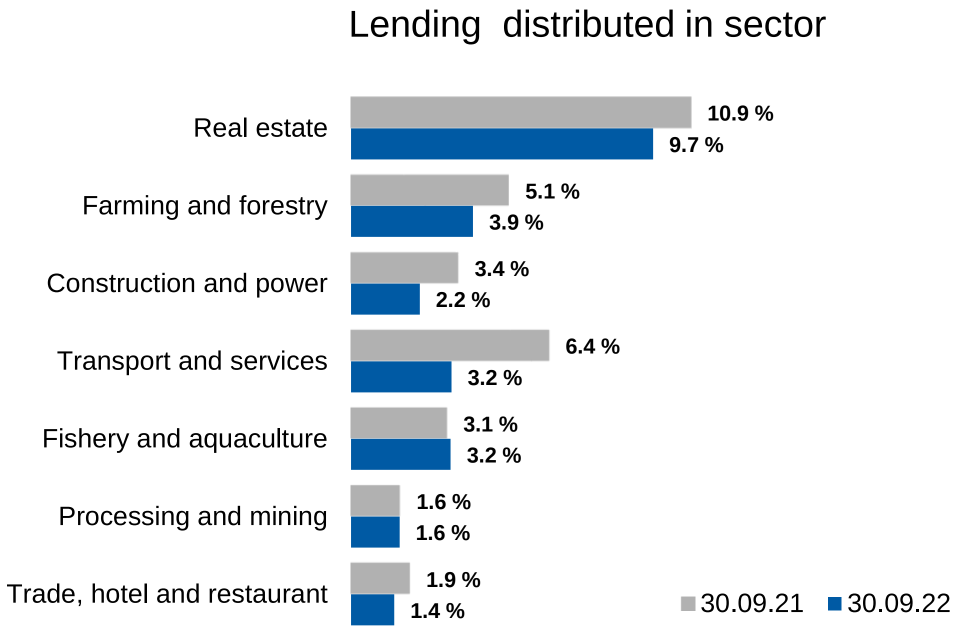


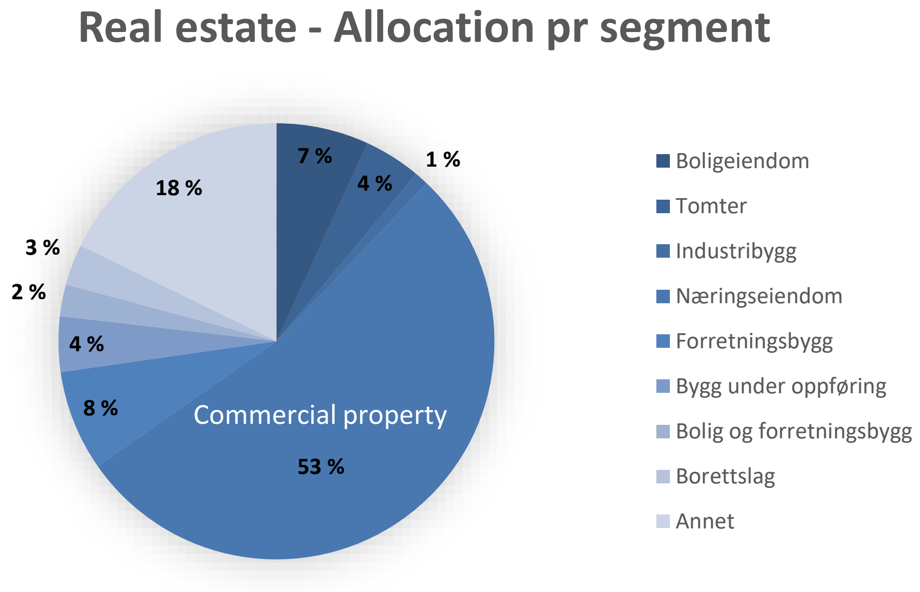
The growth in the RM from Q3 to Q4 is related to the acquisition from SpareBank 1 Nord-Norge in Q4 2021.

The CM commitments in the acquisition was manually transferred, so that the growth in the CM from the acquisition is seen both in Q3 and in Q4 2021.

SpareBank 1 HELGELAND

Lending CM

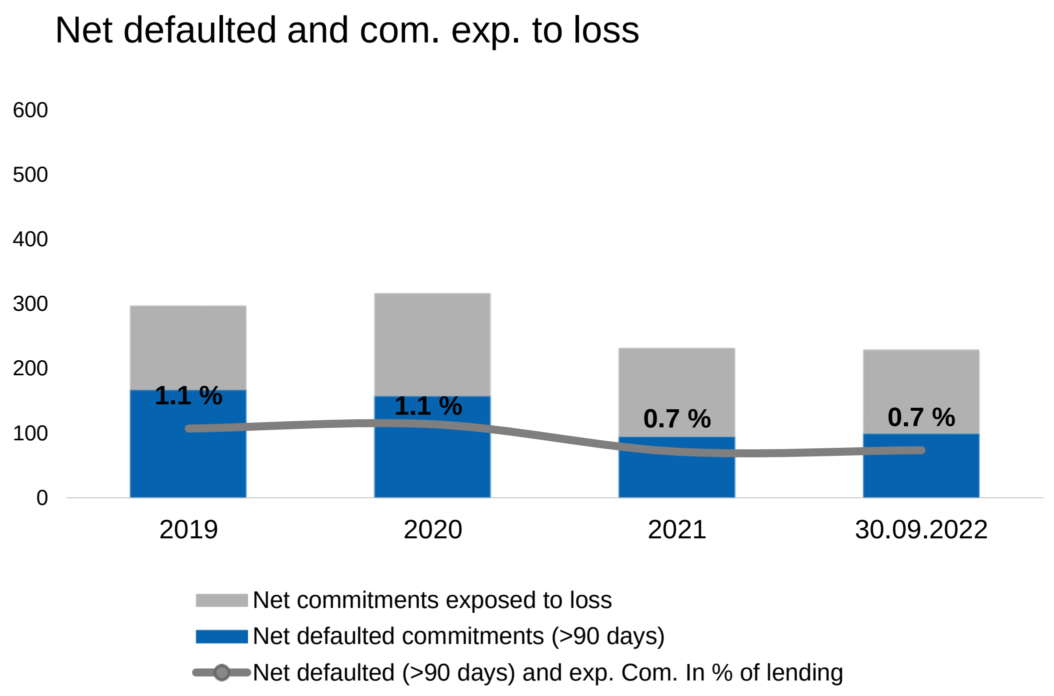




- Good diversification in the CM lending portfolio and loyal corporate customers. Share CM of total lending 29.8 (32.4)% or MNOK 9 246 (9 176).
- Low vacancy in all segments on the real estate side. Under coverage on housing and industrial areas.
- 65 % of real estate lies in risk classes categorized as low risk and 20 % in the best middle risk class. 96 % of the real estate mass lies in Nordland. The 15 largest commitments amounts to 55 % of the volume in commercial property and is mainly not dependent on the commercial rental market.

SpareBank 1 HELGELAND

Non-performing and other impaired commitments



- Net non-performing and other impaired commitments amounts to MNOK 229, a reduction of MNOK 3 from year end.

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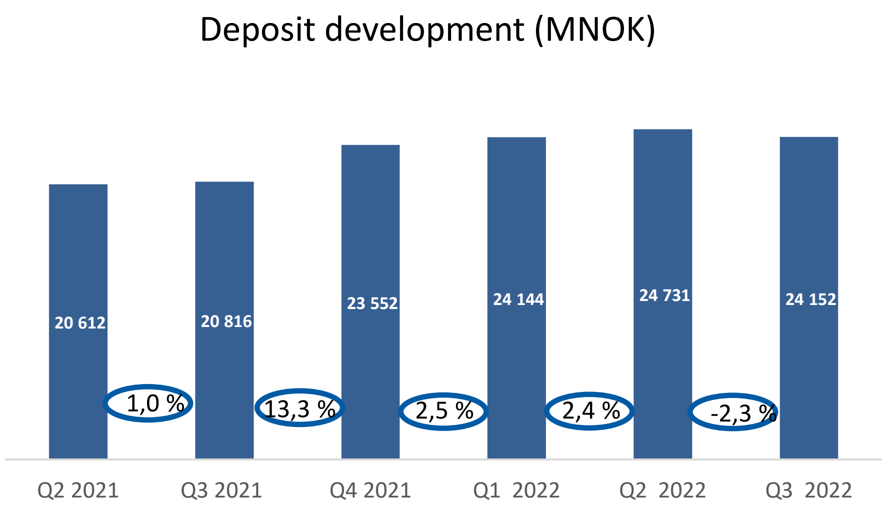
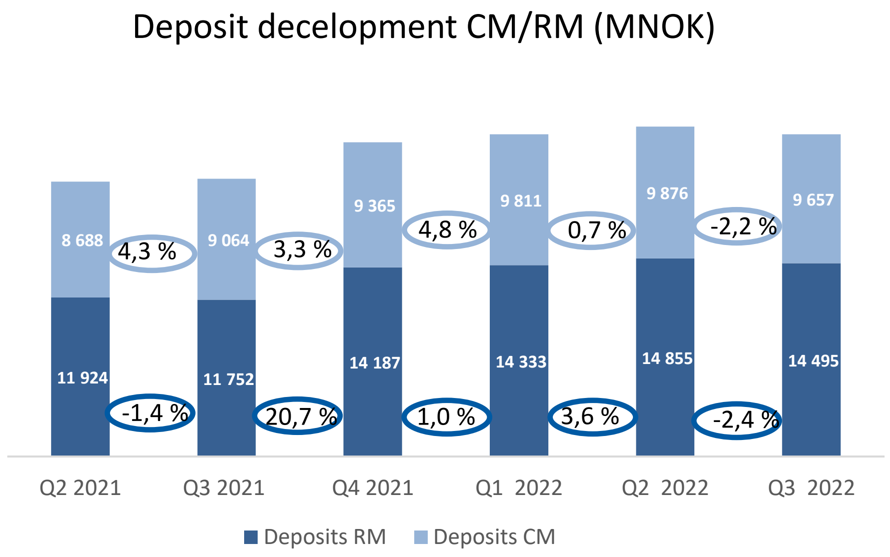
Deposit development





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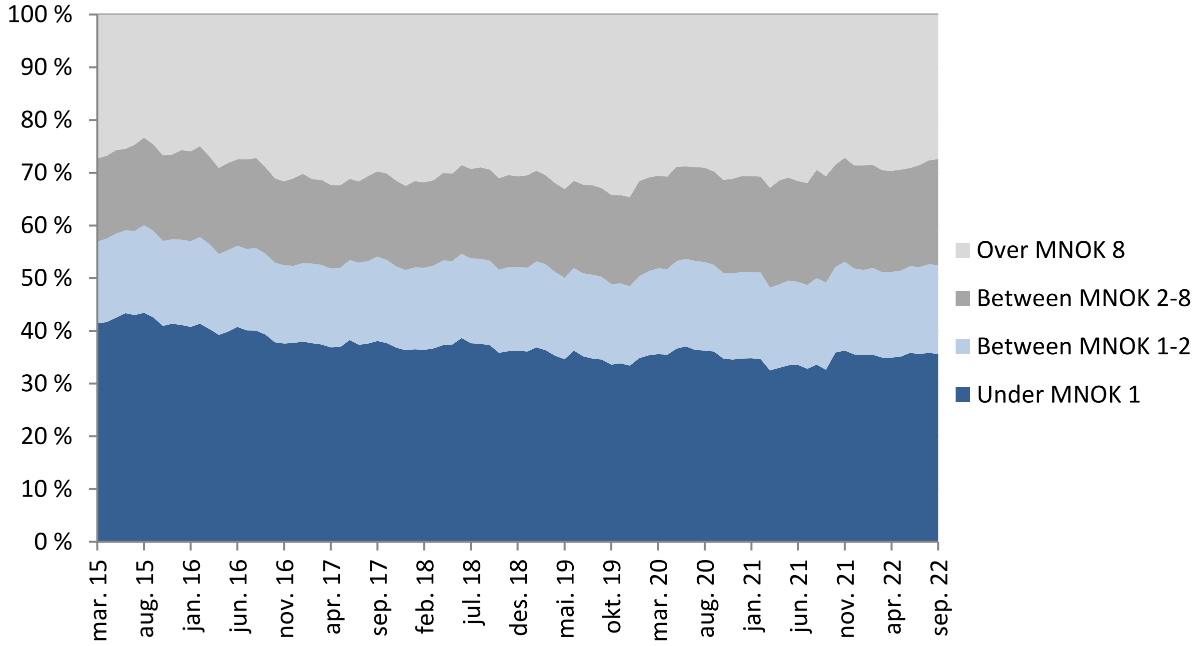
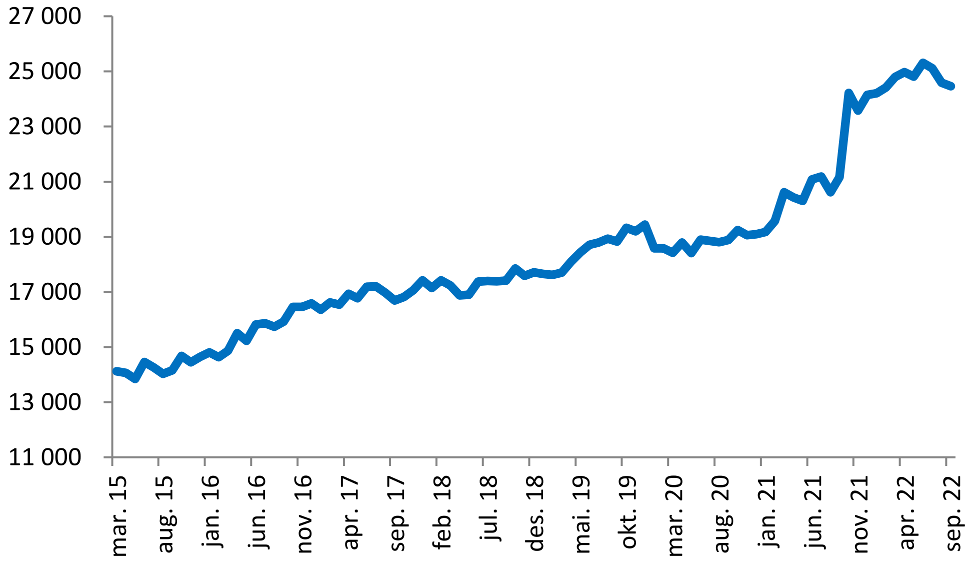
SpareBank 1 HELGELAND

Deposit development

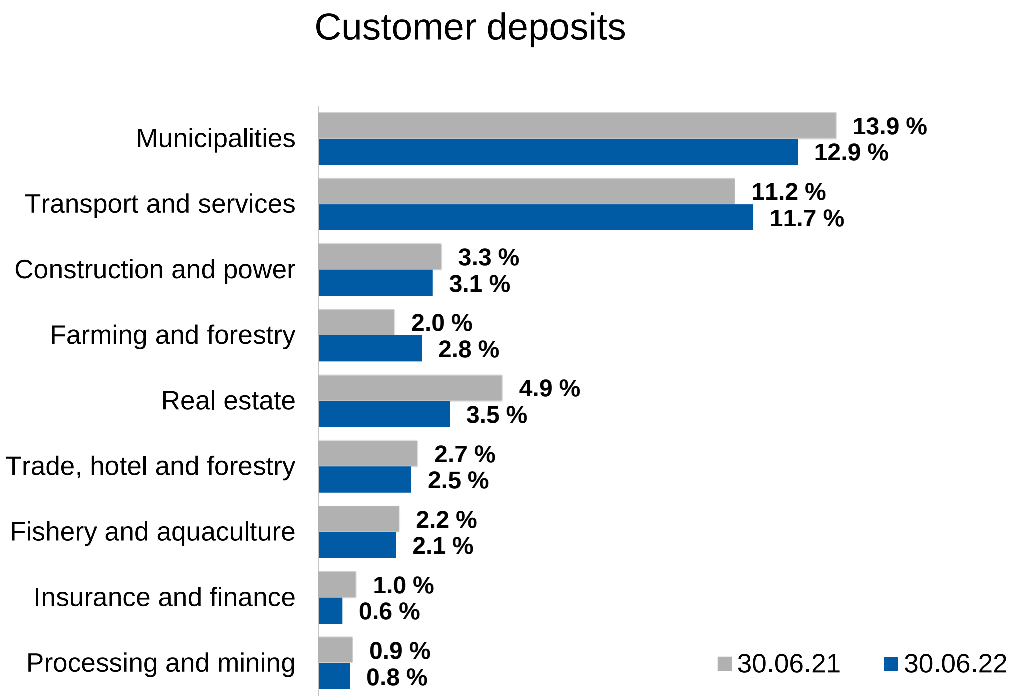




Decrease in deposits of MNOK 579 or -2,3 % last quarter.
Allocation of deposits sorted on size is relative stable.
52,4 % of RM deposits under MNOK 2.
62,4 % of the deposits are included in the guarantee arrangement.

SpareBank 1 HELGELAND

Deposits CM



Well diversified deposit portfolio in the CM

Share CM 40.0 (43.5)% or MNOK 9 657 (9 064) of total deposits

Deposits from municipalities constitute 29.5 % of the CM deposits.

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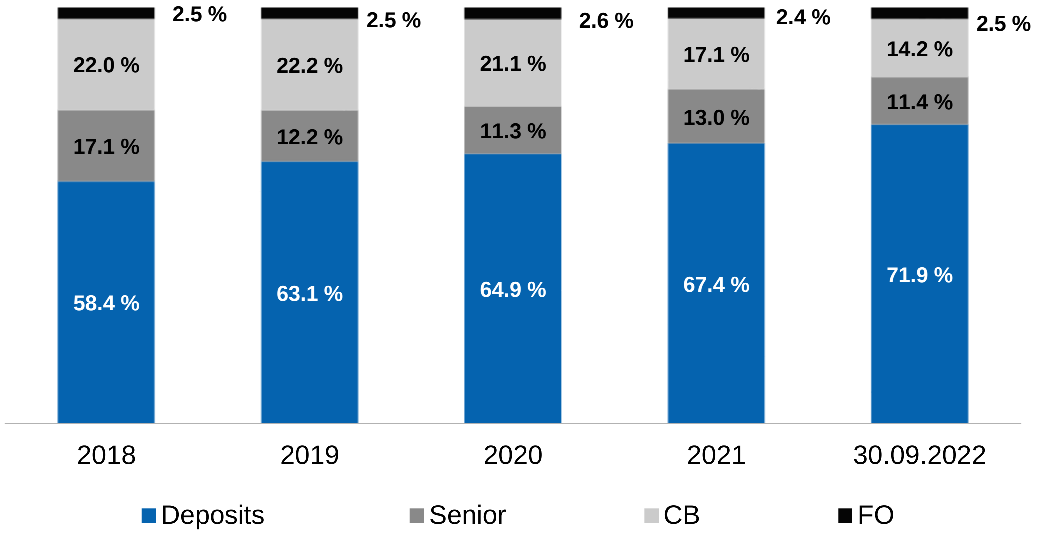
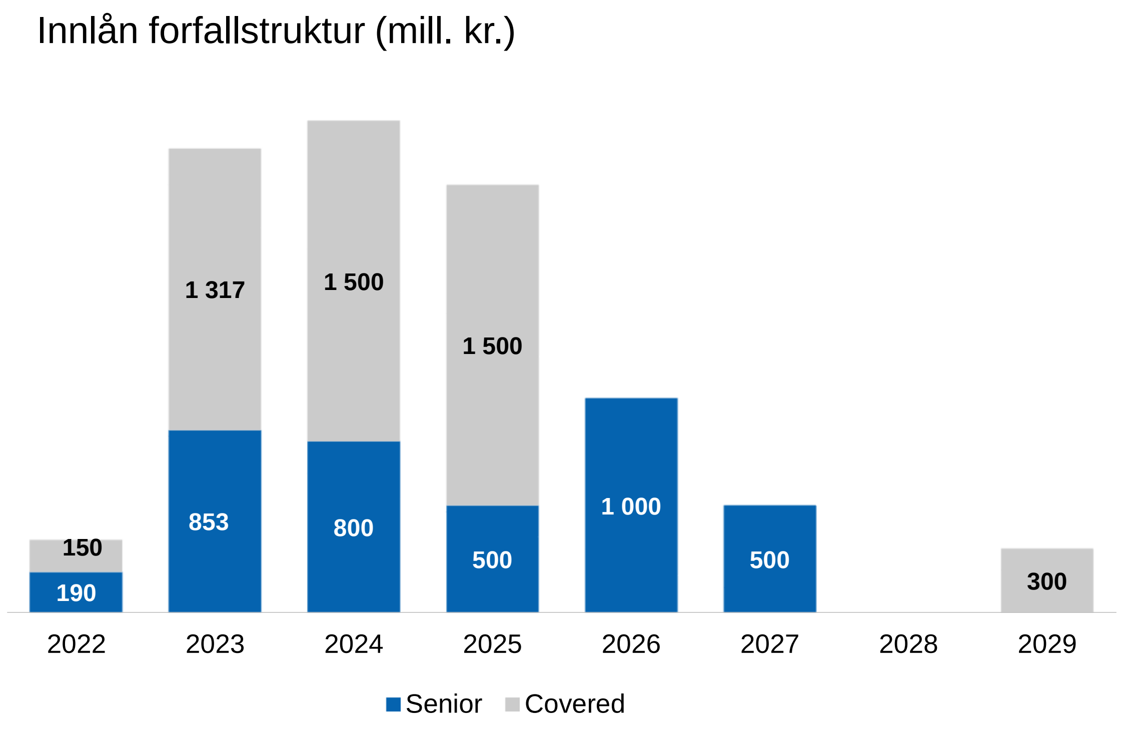
Funding development



- Customer deposit share has increased in 2022

Funding due

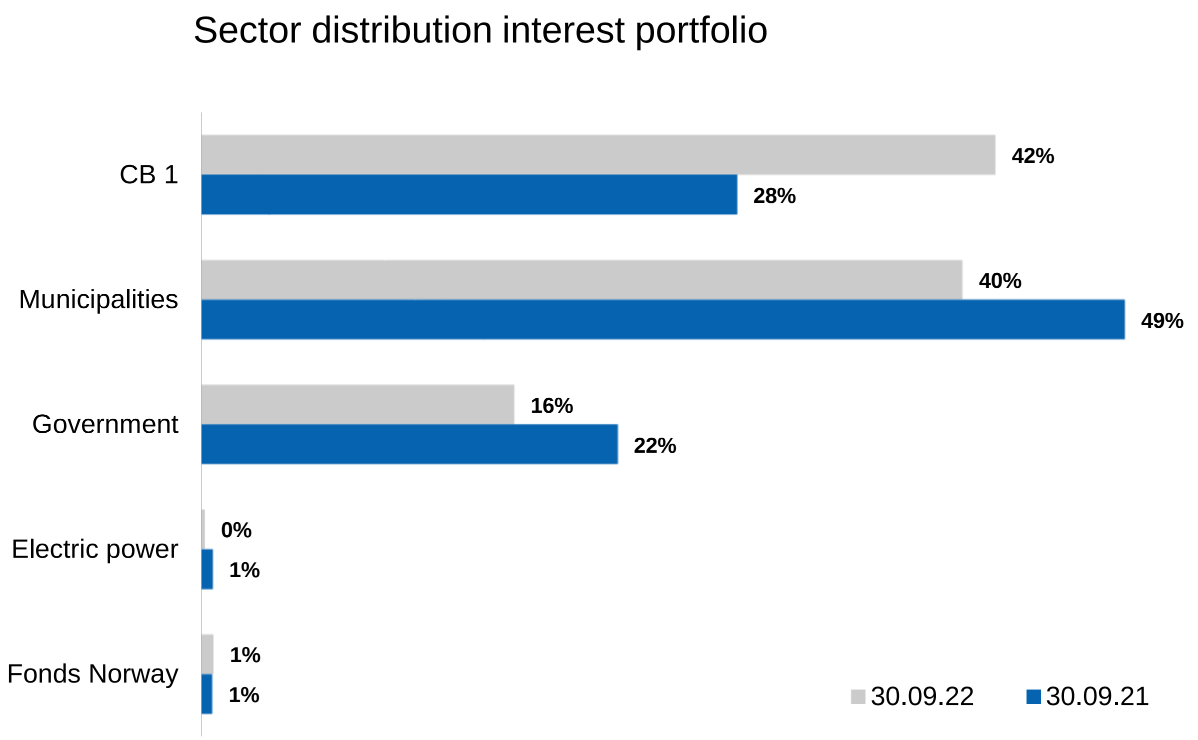


High quality and long-term funding

Share long term funding 76.7% (81.0)%

Combined duration of 2.1 (2.4) years. Duration in the mortgage company 2.0 years

Liquidity buffer



Interest bearing securities:
- Duration portfolio 1.8 (1.2) years
- 99.4 % rated A- or better
- 98.4 % CB or state-/ municipal guaranteed bonds

Municipality papers are actively used as short-term liquidity placements.

Liquidity buffers amonts to 6.2 (8.0) bn. – equal 16.1 (21.8) % of total assets. The buffer capital consist of cash, deposit in NB/banks and interest-bearing security.

Transfer of loans to mortgage companies

Maximum limit for transfer is 35 % of the Group's gross lending, and 50 % of gross lending RM.
Per 30.09.22 transfer degree is 31.1 and 41.7 % with a total of MNOK 11 485 transferred to the mortgage companies.

HELGELAND BOLIGKREDITT

Helgeland boligkreditt AS is fully owned by SpareBank 1 Helgeland

- Net profit MNOK 23.4 (42.2)
- CET1 ratio was 23.1 (18.5)%
  - standard method with 35% mortgage weights
- Gross loans amounts to MNOK 5 714 (7 349) and CB MNOK 4 749 (6 366)

Good security in the lending portfolio
- Cover pool ratio of fullness 23 (18)%
- Combined LTV 50 (54)%

Stress test HEBO – with a housing price fall of 40%. The cover pool ratio is reduced from 24 to 15 %

SpareBank 1 Boligkreditt

SpareBank 1 Boligkreditt is 2.05 % owned by SpareBank 1 Helgeland

- SpareBank 1 Boligkreditt (SpaBol) is an issuer of covered bonds that is jointly owned of the saving banks working closely together under the brand SpareBank 1.

- Transferred loans amounts to MNOK 5 771 (0).

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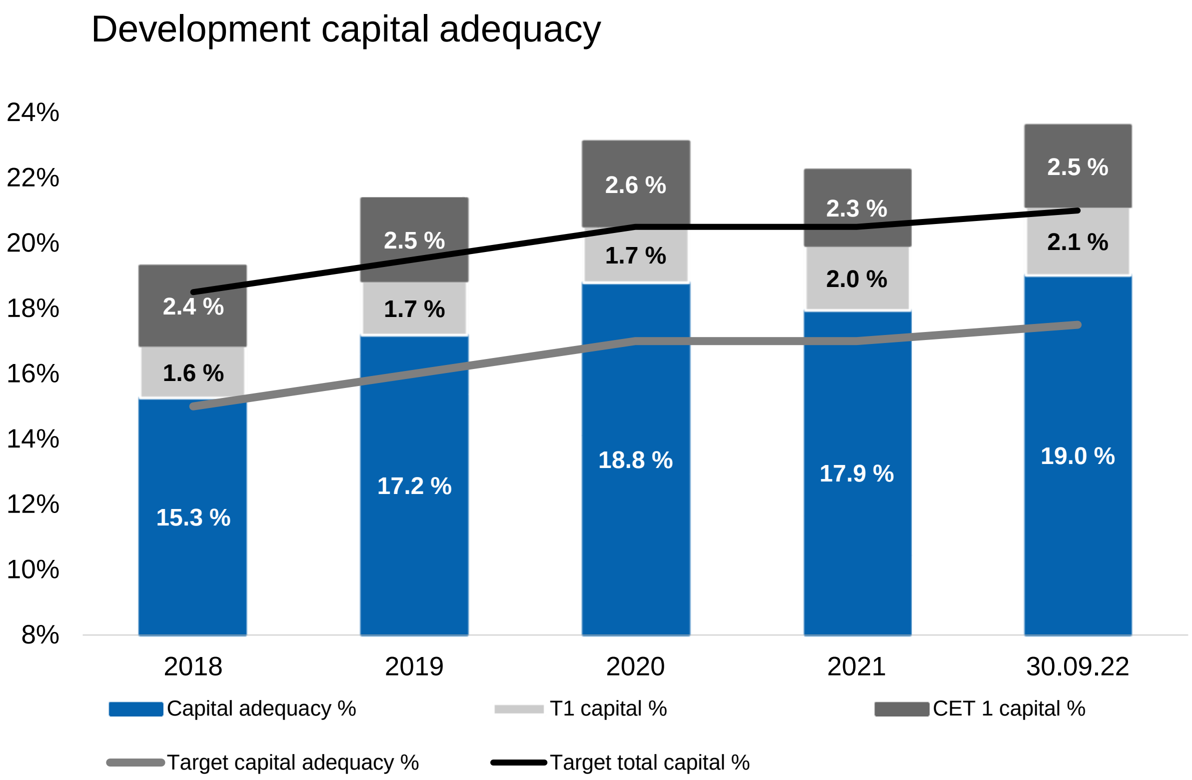
Foto: Hans Petter Sørensen

Capital adequacy



Capital ratio
- CET1 19.0 (19.6)%
- Core capital 21.1 (23.0)%
- Total capital 23.6 (25.6)%

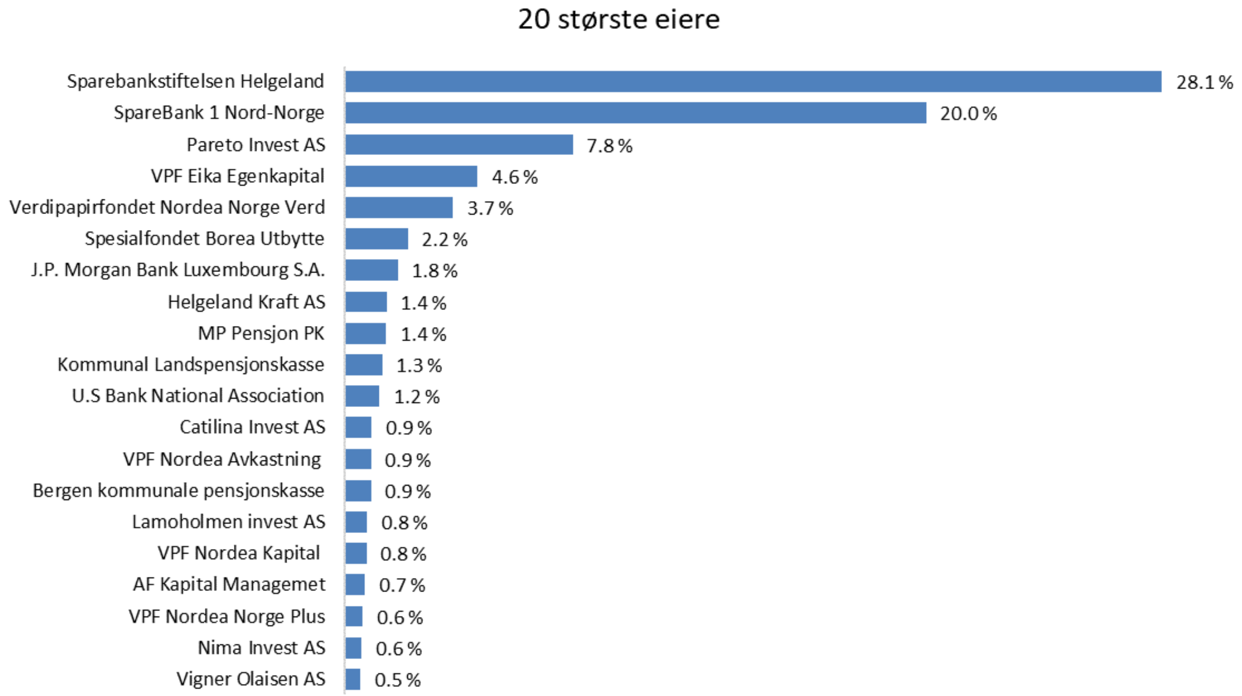
- Inclusive 50 % of the profit, CET1 and total capital adequacy amounts to 19.7 % and 24.3 %.

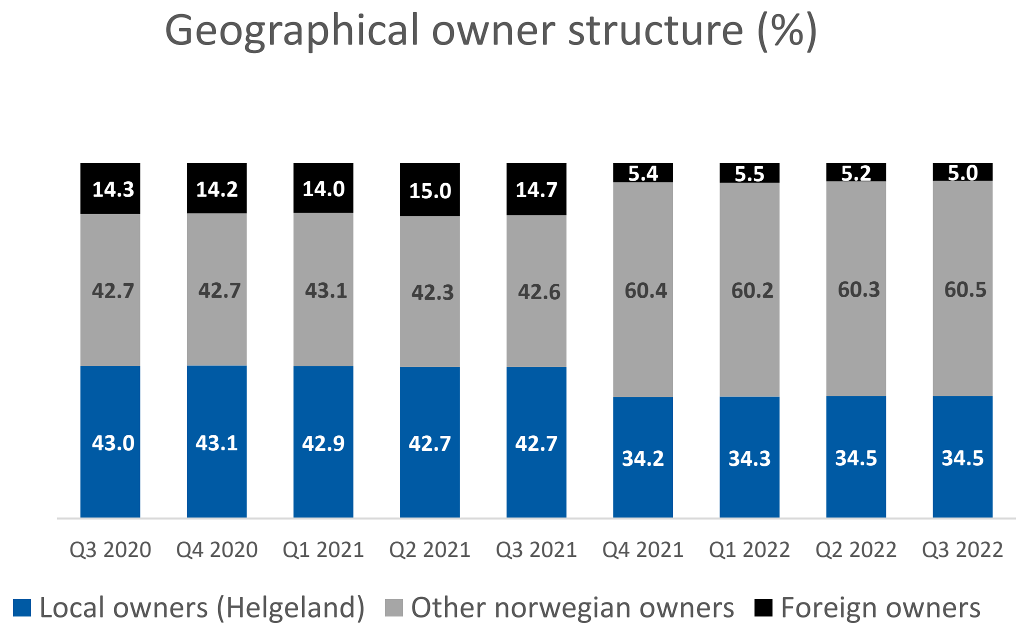
- Leverage ratio: 9.1 (10.9)%.

- Pilar II requirement from 30.04.22 of 2.2 %

- We have a reduction in the calculation basis as a consequence of transferred loans to SpareBank 1 Boligkreditt in the current year. This is transient and will be proportionately consolidated at the next regulation of the owners share in the mortgage company. At the end of the quarter, this amounts to a reduced CET1 of 0.45 %.

HELG – the 20 largest owners and geographical owner structure





- SpareBank 1 Helgeland has 2 723 owners where the 20 largest owners own 80.4 % of the EC's.
- After the emission in Q3 2021, the conditions have changed, and other Norwegian owners has increased as SpareBank 1 Nord-Norge now is the second largest owner with 20 % ownership.
- Employees owners share has increased through continued employee program. Per 30.09.22, 131 008 ECs are owned by SBH's employees. This equals 0.49 %.

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Prospects ahead

- Entrance in the SpareBank1 alliance.
  - The associated transactions will affect the operations and the costs in 2021 and 2022. The groups long term profitability targets can not be expected fulfilled before 2023
  - Profitability is expected strengthened in a long term perspective, and the group has a long term net ROE target of 11 % from 2023.

- Net interest is expected to strengthen after the interest rate regulation in the third quarter and the expected interest increases towards the end of 2022. The interest rate increase in August and September has effect on the banks portfolio in Q4; from October 6th and November 9th.

- The level of commission income is overall satisfying.
  - Established price measures and an offensive sales organisation provides basis to expect that the level deducted the commission from mortgage company will stabilize on around 0.30 % of the total assets.

Prospects ahead

- Operation cost for the basic operation is expected to maintain stable but slightly over upper target of 40 % in 2022.

- The losses in 2022 is expected to remain low, but expectation og normalized losses (0,18 % of gross lending) in 2023 is maintained. It lies uncertainty regarding future loss as a consequence of the war in Ukraine and associated uncertainty in the economy.

- The Groups growth ambitions is a credit growth minimum equal to the market in Helgeland, but the board will still prioritize profitable growth.

- Corporate Market
  - Even if it has been weak growth in the corporate market in the years first three quarters, it is expected a significant increased in activity in Helgeland in the years to come. Significant infrastructure – and industry projects as airport, battery fabric, depth water quey, hydrogen production, hospital and housing – and road building will provide investments of up to 20 billion NOK in Helgeland.
  - The bank is well positioned to be an important contributor for the local business actors that is expected to contribute in the projects or in other ways will take part in the ripple effects that the investments provide.

Profit & loss

SpareBank 1 Helgeland (group)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net interest- and credit comission earnings	140	149	150	144	144	148	168	174	184	202
Net comission earnings	24	23	26	28	21	22	36	46	38	41
Other operatios income	0	2	2	1	0	4	-1	2	2	4
Ordinary operations cost	96	113	167	81	82	80	141	94	91	95
Result basic operations	68	61	11	92	83	94	63	128	133	152
Write-downs lending and warranties	30	3	-5	3	7	19	35	1	2	3
Net value change financial instruments	112	7	119	4	3	3	-13	21	-28	-19
Gross profit	150	65	135	93	78	78	15	147	104	131
Net profit	139	49	130	71	62	58	15	115	71	93
Net extended income posts	0	0	-1	0	-1	0	2	-1	-2	-1
Profit for the period	139	49	129	71	61	58	17	114	69	92

HELG – EC development and liquidity

	31.12.19	31.12.20	31.12.21	30.09.22
EC fraction opening balance	76.4 %	76.4 %	77.3 %	79.9 %
Number of EC's	20.9	20.9	27.0	27.0
price	84.0	86.0	131	115
Stock exchange value	1 756	1 797	3 537	3 105
Accounted equity per EC	119	129	124	130
Profit per EC	10.6	12	5.5	7.9
Dividend per EC	2.70	3.10	3.19	
Price/Accounted EC	0.7	0.7	1.1	0.9

(Source: SBH; Data: Bloomberg/Euronext | October 2022)

SpareBank 1 Helgeland

- Vision: a driving force for growth in Helgeland.
- Business concept: SpareBank 1 Helgeland is the profitable and leading local bank building future Helgeland.
- Offices: The Bank has offices in Mo i Rana, Mosjøen, Sandnessjøen and Brønnøysund.
- Total assets incl. transferred loans to SpaBol: MNOK 44 058
- Employes, annual positions: 155
- Moodys rating: A3 – Positive outlook. Ticker: HELG

SpareBank 1 HELGELAND

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Board of directors
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Rolf Eigil Bygdnes, deputy chairman
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Siw Moxness
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