



# Financial report Third quarter 2021

**General information**

Helgeland Boligkreditt AS was established in November 2008 and is a fully owned subsidiary of SpareBank 1 Helgeland. The company is located at the bank's head office in Mo i Rana.

The company was licensed as a finance company in February 2009 and may issue bonds where the investors receive preferential rights in the company's cover pool. Security consists mainly of secured mortgages granted by SpareBank 1 Helgeland.

Helgeland Boligkreditt AS has no employees. There has been made a deal with SpareBank 1 Helgeland regarding the provision of services relating to loan servicing and operation of the company.

**Accounting standards**

The accounts have been prepared in accordance with international financial reporting standards (IFRS). All numerical quantities are given in thousands if not otherwise stated.

Helgeland Boligkreditt AS is listed on the Oslo Stock Exchange as a bond issuer. The financial report has not been audited.

**Rating**

Covered Bonds issued by Helgeland Boligkreditt AS are rated 'Aaa' by Moody's.

**Profit so far this year**

Gross profit was MNOK 54.7 (64.9). This is MNOK 10.2 lower than the same period last year and is mainly related to price loss in own holdings in cover bonds in addition to a lower net interest. Net profit was MNOK 42.2 (50.9) which gives a return on equity of 9.6 (11.5) %.

For the quarter, the gross profit was MNOK 19.9 (25.6). This amounts to a decrease of MNOK 5.7 for the corresponding period last year. The decrease is mainly related to the decreased net interest by MNOK 5.0 and a decrease in value change in financial instruments of MNOK 0.6.

**Key figures per 30.09.21 (30.09.20)**

- Net interest MNOK 65.2 (71.7)
- Operation costs MNOK 8.7 (8.9)
- Return on equity 9.6 (11.5) %
- CET1 capital ratio 18.6 (17.3) %
- Cover pool ratio of fullness 18 (19) %
- Indexed LTV 54 (55) %
- Net profit MNOK 54.7 (64.9)

**Key figures second quarter**

- Net interest MNOK 22.4 (27.4)
- Operation costs MNOK 2.2 (2.2)

- Gross profit MNOK 15.5 (20.4)
- Annualized net ROE 10.5 (13.9) %

**Balance development**

Combined assets in Helgeland Boligkreditt AS constituted MNOK 7 886 as of 30.09.2021. This is a reduction of NOK 287 compared to the same period last year.

**Cover pool**

By the end of the quarter the mortgage company had mortgages of MNOK 7 349 (7 659). 75.0 (76.5) % of the mortgages are lent to customers in the Helgeland region.

The lending has been reduced by MNOK 310 (5) or -4.1 (-0.1) % the past 12 months. All the mortgages have floating interest rates, and 10 (11) % of the lending volume are flexi loans. The lending portfolio is considered to be of good quality. Loans qualified for the cover pool amounts to MNOK 7 302 (7 619).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 380 as per 30.09.21 is fully included in the supplementary security.

Foreign national guaranteed security of MNOK 150 is included in the LCR calculation.

Purchase of loans in the parent bank are determined by the financing needs of the SBH group and how much of this is appropriate to cover through issuance of covered bonds.

**Funding**

The lending portfolio is funded by issuing covered bonds totaling MNOK 6 366 (6 361), as well as long term credit from SpareBank 1 Helgeland. MNOK 80 of the covered bonds is in the parent company's ownership.

The company's debt in finance institutions amounts to MNOK 913 (1 197) by the end of the quarter. The debt is related to credit lines in the parent bank.

The value of the cover pool is well above the volume of loans and there is good security in the portfolio. The cover pool capacity utilization (in relation to outstanding bonds) was 18 (19) %.

**Risk conditions and capital ratio**

Laws and regulations for companies licensed to issue covered bonds instruct that the risk levels should be low. The company has established guidelines and frames for governing and control of different forms of risk. There is a corporate

agreement between Helgeland Boligkreditt AS and SpareBank 1 Helgeland that ensures and maintains frames, proxies, capital management, and risk conditions.

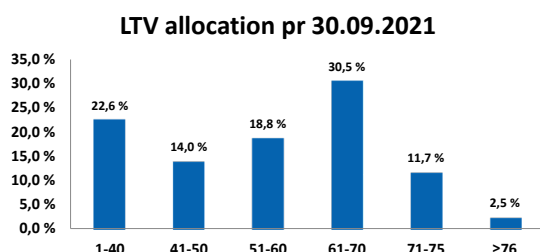
The Board of Directors considers the company's combined risk as low.

### **Credit risk**

The company's credit strategy is approved by the Board of Directors and determines the framework for management objectives and risk profile. Lending in the cover pool fulfils the requirements of the financial services act, and is secured by collateral in real estate within 75% of prudent market value. The company has had no individual write-downs or established losses. The Board of Directors considers the quality of the lending portfolio as very good.

A potential fall in housing prices will reduce the net value of the cover pool. Quarterly stress tests are therefore performed to calculate the effect of a potentially negative development in the housing prices. The Board of Directors considers the results of these stress tests as satisfactory. The credit risk in the lending portfolio is considered to be low.

LTV (Loan to value) was 54 (55) %. The diagram below shows the distribution of the LTVs for the mortgages in the cover pool.



### **Liquidity risk**

Liquidity risk is the risk that the company will be unable to fulfil its payment obligations. The Board of Directors annually determines the frames for risk management in the company. This includes determining frames for management of liquidity risk, organization and responsibilities, stress tests, routines for monitoring the use of frames and compliance with guidelines, board- and management reporting as well as independent control of systems for governing and control.

By the end of the quarter the share of funding over 1 year was 81.8 (94.5) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 2.2 (2.9) years. The target of 3-year duration has been removed as a consequence

of the acquisition between SBH and Sparebank 1 NN in Q4 2021. Helgeland Boligkreditt AS has established committed credit lines with the parent bank that guarantees repayment of bond obligations over the next 12 months on a revolving basis. The company further seeks to reduce the liquidity risk in relation to larger loan maturities by repurchasing its own bonds.

The company's liquidity risk is considered low.

### **Operational risk**

The transfer- and service agreement between Helgeland Boligkreditt AS and SpareBank 1 Helgeland ensures and maintains the operational risk. The agreement covers i.a. administration, bank production and IT-management.

### **Capital ratio**

The capital ratio per 30.09.21 was 18.6 (17.3) % and consists exclusively of a CET1 capital of MNOK 548. When calculating capital requirements, the standard method is used for credit risk and the basic method for operational risk. The company's core capital adequacy target is 13.0 % and total capital adequacy ratio exceeds 16.5 %.

### **The prospects ahead**

The future for Helgeland boligkreditt AS and Helgeland, looks positive. Low unemployment, large infrastructure and industry projects, rising housing prices and stable turnover numbers is factors that substantiates this. The Board sees no special relations that insinuates that this development will change significantly into 2021.

The housing market in Helgeland, especially in Mosjøen and Mo I Rana, can be characterized as well functioning. The prices on sold housing in Helgeland is stable, with corresponding season variation. In the first quarter, the prices decreased by -7.9 % on villas and -5.2 % on apartments.

Unemployment has stabilized on a low level. For Helgeland, the unemployment is by the end of third quarter 1.5 % against 2.4 % nationally. The unemployment rate is expected to maintain on a low level.

The parent bank's entries in the Sparebank 1 group during 1<sup>st</sup> quarter 2021 has affected, and will still affect Helgeland Boligkreditt AS ahead, mainly in form of a gradual reduction of the balance. This as a consequence of that SpareBank 1 Helgeland gets access to long term funding through Sparebank 1 Boligkreditt AS.

The Board considers the company to have a solid cover pool and that Helgeland Boligkreditt AS still will deliver stable results.

Mosjøen, October 27<sup>th</sup> 2021

Hanne Nordgaard  
*Chairman*

Sverre Klausen

Brit Sjøfting

Sten Ove Lisø  
*General Manager*

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# PROFIT AND LOSS

## PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
Interest income fom assets measured at amortized cost	3	112 445	166 861	36 385	45 057	209 046
Interest income fom assets measured at fair value	3	767	0	767	0	268
Interest payable and similar costs	3	47 985	95 159	14 707	17 650	112 446
<b>Net interest- and credit commission income</b>		<b>65 227</b>	<b>71 702</b>	<b>22 445</b>	<b>27 407</b>	<b>96 868</b>
Commissions receivable and income from banking services		5	16	2	3	18
<b>Net commission income</b>		<b>5</b>	<b>16</b>	<b>2</b>	<b>3</b>	<b>18</b>
Net value change gains/losses on financial assets		-2 004	1 307	-190	417	963
Operating costs	4	8 733	8 910	2 209	2 217	11 138
Impairment on loans and guarantees	5	-176	-765	130	44	-661
<b>Profit from ordinary operations</b>		<b>54 671</b>	<b>64 880</b>	<b>19 919</b>	<b>25 566</b>	<b>87 372</b>
<b>Gross profit</b>		<b>54 671</b>	<b>64 880</b>	<b>19 919</b>	<b>25 566</b>	<b>87 372</b>
Tax payable on ordinary result		12 469	13 986	4 424	5 117	19 236
<b>Net profit</b>		<b>42 202</b>	<b>50 894</b>	<b>15 495</b>	<b>20 449</b>	<b>68 136</b>
Result per share in NOK	17	78	94			126
Diluted result per share in NOK	17	78	94			126

# BALANCE SHEET

## BALANCE SHEET

(amounts in NOK 1.000)	Notes	30.09.21	30.09.20	31.12.20
<b>ASSETS</b>				
Loans to and claims on credit institutions	11	379 831	383 028	383 012
Loans to and claims on customers	6,7,8,9,10	7 347 426	7 657 694	7 230 430
Certificates and bonds		154 863	100 903	100 697
Financial derivatives		4 032	30 333	14 102
Other assets		-2		
<b>Total assets</b>		<b>7 886 150</b>	<b>8 173 158</b>	<b>7 728 241</b>
<b>LIABILITIES AND EQUITY</b>				
Liabilities to credit institutions	12	912 908	1 196 614	911 867
Borrowings through the issuance of securities	13,14	6 366 089	6 361 162	6 179 979
Other liabilities		16 919	16 443	20 226
<b>Total liabilities</b>		<b>7 295 916</b>	<b>7 574 219</b>	<b>7 112 072</b>
Paid-in equity	15,16,17	540 010	540 010	540 010
Accrued equity/retained earnings	17	50 224	58 929	76 159
<b>Total equity</b>		<b>590 234</b>	<b>598 939</b>	<b>616 169</b>
<b>Total liabilities and equity</b>		<b>7 886 150</b>	<b>8 173 158</b>	<b>7 728 241</b>

## CHANGE IN EQUITY

### CHANGE IN EQUITY

	Share capital	Premium fund	Other equity	Total
Equity 01.01.20	540 000	10	57 840	597 850
Unrealized gains fund			-207	-207
Dividend			-49 610	-49 610
Profit			68 136	68 136
<b>Equity 31.12.20</b>	<b>540 000</b>	<b>10</b>	<b>76 159</b>	<b>616 169</b>

	Share capital	Premium fund	Other equity	Total
Equity 01.01.21	540 000	10	76 159	616 169
Unrealized gains fund				0
Dividend			-68 136	-68 136
Profit			42 202	42 202
<b>Equity 30.09.21</b>	<b>540 000</b>	<b>10</b>	<b>50 224</b>	<b>590 234</b>



# CASH FLOW STATEMENT

## CASH FLOW STATEMENT

	30.09.21	30.09.20	31.12.20
Change in lending to customers	-116 819	-59 407	367 751
Interest income lending to customers	111 873	165 209	207 267
Change deposits from customers	1 040	514 454	229 708
Interest cost deposit from customers	-8 030	-10 352	-13 832
Change certificates and bonds	-50 000	-50 000	-50 000
Comission income	5	16	18
Payments relating to operations	-8 733	-8 910	-11 138
Paid tax	-14 946	-13 847	-14 881
Other cutoffs	-2 539	-9 591	-7 831
<b>A Net liquidity change from operating activities</b>	<b>-88 148</b>	<b>527 572</b>	<b>707 062</b>
Long-term investments in shares	0	0	0
Income sale of long-term investments in shares	0	0	0
Dividend from long-term investments in shares	0	0	0
<b>B Liquidity change from financial activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
New borrowing through issuance of securities	1 665 000	20 000	20 000
Repayments - issued securities	-1 473 000	-431 000	-597 000
Interest payments borrowing through issuance of securities	-38 897	-83 928	-97 434
Dividend to share owners	-68 136	-49 610	-49 610
<b>C Net liquidity change financing</b>	<b>84 967</b>	<b>-544 538</b>	<b>-724 044</b>
<b>A+B+C Net liquidity change in the period</b>	<b>-3 181</b>	<b>-16 966</b>	<b>-16 982</b>
Liquid funds at the start of the period	383 012	399 994	399 994
Liquid funds at the end of the period	379 831	383 028	383 012
<b>Liquid funds specified</b>	<b>-3 181</b>	<b>-16 966</b>	<b>-16 982</b>
<b>Balances with credit institutions without notice periods</b>	<b>379 831</b>	<b>383 028</b>	<b>383 012</b>

## NOTES

### NOTE 1. ACCOUNTING PRINCIPLES

The interim financial statements have been reported in accordance with IFRS and have not been audited. The accounting principles are described in the annual accounts for 2020. Interim report complies with IAS 34 and has not been audited.

### NOTE 2. SEGMENT

The company's operations include just only one strategic area of business, which is organised and managed as one unit. The company's business area is the customer retail market. Lending to corporate retail market is limited to mortgaged loans to sole proprietorships and is a small share of total lending. The geographical segment is mainly the region of Helgeland.

### NOTE 3. NET INTEREST INCOME

	30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
Interest income of lending to and claims on credit institutions	572	1 588	193	231	1 779
Interest income of lending to and claims on customers	111 873	165 209	36 608	44 762	207 267
Other interest income	767	64	351	64	268
<b>Total interest income</b>	<b>113 212</b>	<b>166 861</b>	<b>37 152</b>	<b>45 057</b>	<b>209 314</b>
Interest expense on liabilities to credit institutions	8 030	10 352	2 962	3 246	13 832
Interest expense on issued securities	39 955	83 928	11 745	13 525	98 614
Other interest expenses	0	879	0	879	0
<b>Total interest expenses</b>	<b>47 985</b>	<b>95 159</b>	<b>14 707</b>	<b>17 650</b>	<b>112 446</b>
<b>Net interest income</b>	<b>65 227</b>	<b>71 702</b>	<b>22 445</b>	<b>27 407</b>	<b>96 868</b>

### NOTE 4. OPERATING COSTS

	30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
Management fee and wage general manager	6 083	6 189	2 059	2 092	8 213
Other administration costs	30	28	0	3	33
<b>Total wages and administration costs</b>	<b>6 113</b>	<b>6 217</b>	<b>2 059</b>	<b>2 095</b>	<b>8 246</b>
Other operating costs	2 620	2 693	150	122	2 892
<b>Total operating costs</b>	<b>8 733</b>	<b>8 910</b>	<b>2 209</b>	<b>2 217</b>	<b>11 138</b>

### NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.09.21	30.09.20	31.12.20
Periodic change in write-dows step 1-3	-176	-765	-661
Periodic losses on loans covered by previous write-downs	0	0	0
<b>Periodic losses on loans not covered by previous write-downs</b>	<b>0</b>	<b>0</b>	<b>0</b>
Periodic entrance of former confirmed losses	0	0	0
<b>Write-downs on commitments etc.</b>	<b>-176</b>	<b>-765</b>	<b>-661</b>

## NOTES

### NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	30.09.21	%	30.09.20	%
Helgeland	5 511 590	75.0 %	5 857 077	76.5 %
Areas other than Helgeland	1 807 791	24.6 %	1 786 895	23.3 %
International <sup>1)</sup>	29 755	0.4 %	15 503	0.2 %
<b>Total</b>	<b>7 349 136</b>	<b>100 %</b>	<b>7 659 475</b>	<b>100 %</b>

1) Customers resident abroad, Helgeland Boligkreditt AS has customer's property in Norway mortgaged.

### NOTE 7. LENDING

Expected losses for all accounts are calculated. All account commitments are entered into one of the three “steps” in the loss model, based on their risk change since granting (change in credit risk). For a description of the individual “steps”, see explanations below. All commitments that do not already have objective evidence of loss at the time of recognition are placed at the time of recognition in step 1, and are later moved to step 2; in cases where there has been a significant increase in credit risk, or step 3; in cases where there is objective evidence of loss.

#### Step 1: 12 months expected loss

This includes most cases of financial assets that are covered by the general loss model. Financial instruments that have similar credit risk (or better) to what it was at initial recognition, and which are therefore not classified under steps 2 and 3, are included in this step. The estimated expected loss attributable to the accounts corresponds to expected losses from default in the next 12 months.

#### Step 2: Expected loss of life.

In step 2, financial assets that have had a significant increase in credit risk are placed since initial recognition. If an account commitment is significantly worsened or not, it is defined as a function of probability of default (PD) at the time of calculation and the time of grant. The bank has chosen to define that assets with low credit risk (operationalized as assets with PD not exceeding 0.75%) remain in step 1. Expected loss for assets in step 2 is calculated over the residual maturity of the asset. The following events are always considered to have resulted in a significant increase in credit risk:

- Commitment where there is a 30 day cover. This applies to coverings from the first crown, but older than 30 days.
- Commitment where there is greater cover. This applies to overdrafts from the first day, where the balance is considerably larger than the grant.
- Commitment with changed payment obligations or refinancing (forbearance).

#### Step 3: Expected loss of life

In step 3 of the loss model, assets that have had significant increase in credit risk since initial recognition and where there is objective evidence of loss at the reporting date. Expected loss for assets in step 3 is calculated over the remaining maturity of the asset. Interest income is calculated on the assets' net book value.

The same model is used for the group, parent bank and wholly-owned mortgage companies, but with different data definition when it comes to initial recognition. For the group and the parent bank, the account's grant date must be used, while for the mortgage company the score is used at the transfer date.

As a consequence of the corona pandemic, the company has made changes related to the loss model. The changes have mainly been related to an increase in PD in the model calculations. Helgeland Boligkreditt has security in real estate, and the real estate prices is expected to be relatively stable in Helgeland. This means that the effects of the corona pandemic has little effect on the write-downs in lending.

## NOTES

<b>30.09.21</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>		
<b>Gross lending</b>	<b>Expected loss over 12 months</b>	<b>Expected loss over the instruments life time</b>	<b>Expected loss over the instruments life time</b>	<b>Expected loss over the instruments life time</b>	<b>Total</b>
<b>Gross lending pr. 01.01.21</b>	<b>6 703 117</b>	<b>529 200</b>	<b>0</b>	<b>0</b>	<b>7 232 317</b>
New loans / credits	1 983 963	49 931	0	0	2 033 895
Transfers from step 1 to step 2	-195 770	190 979	0	0	-4 791
Transfers from step 1 to step 3	-4 538	0	4 538	0	0
Transfers from step 2 to step 3	0	-5 400	5 359	0	-41
	0	0	0	0	
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	179 621	-187 645	0	0	-8 024
Reduced portfolio	-1 538 639	-156 815	0	0	-1 695 454
	0	0	0	0	0
Other adjustments	-205 955	-2 810	0	0	-208 766
<b>Gross lending pr. 30.09.21</b>	<b>6 921 799</b>	<b>417 441</b>	<b>9 897</b>	<b>0</b>	<b>7 349 137</b>
Unused drafts, guarantees etc.	376 060	4 675	-	-	380 735

Transition between steps includes changes in lending from the beginning to the end of the period.

<b>30.09.20</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>		
<b>Gross lending</b>	<b>Expected loss over 12 months</b>	<b>Expected loss over the instruments life time</b>	<b>Expected loss over the instruments life time</b>	<b>Expected loss over the instruments life time</b>	<b>Total</b>
<b>Gross lending pr. 01.01.20</b>	<b>7 085 168</b>	<b>514 900</b>	<b>0</b>	<b>0</b>	<b>7 600 068</b>
New loans / credits	1 914 456	102 052	0	0	2 016 509
Transfers from step 1 to step 2	-278 372	275 607	0	0	-2 764
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
	0	0	0	0	
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	152 080	-154 246	0	0	-2 166
Reduced portfolio	-1 610 222	-163 460	0	0	-1 773 683
	0	0	0	0	0
Other adjustments	-174 703	-3 785	0	0	-178 488
<b>Gross lending pr. 30.09.20</b>	<b>7 088 408</b>	<b>571 068</b>	<b>0</b>	<b>0</b>	<b>7 659 475</b>
Unused drafts, guarantees etc.	493 498	3 300	-	-	496 798

Transition between steps includes changes in lending from the beginning to the end of the period.

## NOTES

	Step 1	Step 2	Step 3		
<b>30.09.21</b>					
Loss deduction	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
<b>Loss deduction pr. 01.01.21</b>	<b>432</b>	<b>1 455</b>	<b>0</b>	<b>0</b>	<b>1 887</b>
New loans / credits	175	117	0	0	292
Transfers from step 1 to step 2	-20	485	0	0	465
Transfers from step 1 to step 3	-1	0	113	0	112
Transfers from step 2 to step 3	0	-59	136	0	77
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	22	-480	0	0	-458
Reduced portfolio	-105	-493	0	0	-598
Other adjustments	-46	-20	0	0	-66
<b>Loss deduction pr. 30.09.21</b>	<b>456</b>	<b>1 005</b>	<b>249</b>	<b>0</b>	<b>1 710</b>

	Step 1	Step 2	Step 3		
<b>30.09.20</b>					
Loss deduction	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
<b>Loss deduction pr. 01.01.20</b>	<b>389</b>	<b>2 156</b>	<b>0</b>	<b>0</b>	<b>2 545</b>
New loans / credits	105	162	0	0	267
Transfers from step 1 to step 2	-31	585	0	0	553
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	24	-585	0	0	-561
Reduced portfolio	-103	-907	0	0	-1 010
Other adjustments	84	-98	0	0	-13
<b>Loss deduction pr. 30.09.20</b>	<b>468</b>	<b>1 313</b>	<b>0</b>	<b>0</b>	<b>1 781</b>

<b>Lending</b>	<b>30.09.21</b>	<b>30.09.20</b>	<b>31.12.20</b>
Lending to customers	7 343 465	7 652 570	7 226 102
Accureds interests	5 671	6 905	6 215
<b>Gross lending to customers</b>	<b>7 349 136</b>	<b>7 659 475</b>	<b>7 232 317</b>
Individual write-downs	0	0	0
Lending to customers after individual write-downs	7 349 136	7 659 475	7 232 317
Write down	-1 710	-1 781	-1 887
<b>Lending to and claims on customers, to amortized cost</b>	<b>7 347 426</b>	<b>7 657 694</b>	<b>7 230 430</b>

## NOTES

### NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	30.09.21	30.09.20	31.12.20
Unutilised credit	380 735	496 798	364 295
Guarantees	0	0	0
<b>Total conditional liabilities</b>	<b>380 735</b>	<b>496 798</b>	<b>364 295</b>

### NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

	30.09.21	30.09.20	31.12.20
Defaulted commitments over 90 days	0	0	0
Step 3 write-downs	0	0	0
<b>Net defaulted commitments</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other non-performing and impaired commitments and guara., not in default <sup>14</sup>	9 897	0	0
Step 3 write-downs	-249	0	0
<b>Total non-performing and impaired commitments and guara., not in default</b>	<b>9 648</b>	<b>0</b>	<b>0</b>

### NOTE 10. LENDING AND EXPECTED LOSS DIVIDED ON INDUSTRY

30.09.21	Lending to amortized cost and fair value						
	Gross lending		Expected loss		Individual write downs	Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value	Fair value	Total
Total corporate market	141 045	-40	-72	0	0	0	140 933
Total retail market	7 187 852	-409	-930	-249	0	20 229	7 206 493
<b>Total</b>	<b>7 328 897</b>	<b>-449</b>	<b>-1 002</b>	<b>-249</b>	<b>0</b>	<b>20 229</b>	<b>7 347 426</b>
Expected loss off balance RM		-7	-3	0	0		
Expected loss off balance CM		0	0	0	0		

30.09.20	Lending to amortized cost and fair value						
	Gross lending		Expected loss		Individual write downs	Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value (FVOCI)	Fair value (FVOCI)	Total
Total corporate market	157 140	-30	-108				157 002
Total retail market	7 502 335	-438	-1 205				7 500 692
<b>Total</b>	<b>7 659 475</b>	<b>-468</b>	<b>-1 313</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7 657 694</b>
Expected loss off balance RM		8	-2	0	0		
Expected loss off balance CM		-1	0	0	0		

### NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.21	30.09.20	31.12.20
Liabilities to credit institutions without agreed maturity	379 831	383 028	383 012
<b>Total lending to and claims on credit institutions</b>	<b>379 831</b>	<b>383 028</b>	<b>383 012</b>
Total exposure at Helgeland in %	100 %	100 %	100 %

## NOTES

### NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.21	30.09.20	31.12.20
Without agreed maturity	912 908	1 196 614	911 867
<b>Total liabilities to credit institutions</b>	<b>912 908</b>	<b>1 196 614</b>	<b>911 867</b>

The debt is entirely related to the parent bank Helgeland Sparebank  
The Company has a credit facility (maturing > one year) of 1 500 million. As of 30/09/21 the idle frame was 587 million.  
In addition, the company has an unused credit facility of 1,500 million (with maturities > one year) intended to cover payment obligations in the cover for a rolling 12-month period.

### NOTE 13. DERIVATIVES

	30.09.21		
	Nominal value	Market value	
	Total	Assets	Commitments
Interest rate swaps- fixed interest rate loans	0	0	0
Interest rate swaps- bank deposits with share Yield	0	0	0
<b>Total financial derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest rate swaps – fixed interest rate with hedging	300 000	4 032	0
<b>Total financial derivatives with hedging</b>	<b>300 000</b>	<b>4 032</b>	<b>0</b>

	30.09.20		
	Nominal value	Market value	
	Total	Assets	Commitments
Interest rate swaps- fixed interest rate loans	0	0	0
Interest rate swaps- bank deposits with share Yield	0	0	0
<b>Total financial derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest rate swaps – fixed interest rate with hedging	300 000	30 333	0
<b>Total financial derivatives with hedging</b>	<b>300 000</b>	<b>30 333</b>	<b>0</b>

# NOTES

## NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

Liabilities through issuance of securities are valued at amortized cost.

Covered bonds:

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.21
NO0010724065	NOK	233 000	44 000	Flytende	3 mnd. Nibor+0,30	2014	2021	2022	189 988
NO0010769920	NOK	500 000	37 000	Flytende	3 mnd. Nibor+0,78	2016	2022	2023	464 074
NO0010785843	NOK	500 000		Flytende	3 mnd. Nibor+0,64	2017	2023	2024	501 159
NO0010804008	NOK	500 000		Flytende	3 mnd. Nibor+0,45	2017	2022	2023	500 924
NO0010810278	NOK	500 000	96 000	Flytende	3 mnd. Nibor+0,41	2017	2022	2023	404 992
NO0010819568	NOK	500 000		Flytende	3 mnd. Nibor+0,40	2018	2023	2024	500 789
NO0010826415	NOK	500 000		Flytende	3 mnd. Nibor+0,47	2018	2023	2024	500 767
NO0010831290	NOK	500 000		Flytende	3 mnd. Nibor+0,42	2018	2024	2025	500 261
NO0010839434	NOK	500 000		Flytende	3 mnd. Nibor+0,55	2018	2024	2025	500 190
NO0010847080	NOK	500 000		Flytende	3 mnd. Nibor+0,48	2019	2024	2025	500 555
NO0010859986	NOK	500 000		Flytende	3 mnd. Nibor+0,40	2019	2025	2026	500 032
NO0010865652	NOK	500 000		Flytende	3 mnd. Nibor+0,43	2019	2025	2026	502 766
NO0010867864	NOK	300 000		Fast	2.22 %	2019	2029	2030	299 568
NO0010935471	NOK	500 000		Flytende	3 mnd. Nibor+0,30	2021	2022	2023	500 024
<b>Total listed covered bonds</b>									<b>6 366 089</b>

Issue no: NO0010859986 MNOK 80

All loans have soft call one year before maturity.

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.20
NO0010724065	NOK	500 000	25 000	Flytende	3 mnd. Nibor+0,30	2014	2021	2022	476 776
NO0010740673	NOK	26 000		Flytende	3 mnd. Nibor+0,49	2015	2020	2021	27 997
NO0010764897	NOK	500 000	276 000	Flytende	3 mnd. Nibor+0,86	2016	2021	2022	226 069
NO0010769920	NOK	500 000		Flytende	3 mnd. Nibor+0,78	2016	2021	2022	502 175
NO0010782774	NOK	205 000	100 000	Flytende	3 mnd. Nibor+0,52	2017	2022	2023	107 040
NO0010785843	NOK	500 000		Flytende	3 mnd. Nibor+0,64	2017	2022	2023	502 269
NO0010804008	NOK	500 000		Flytende	3 mnd. Nibor+0,45	2017	2021	2022	501 843
NO0010810278	NOK	500 000		Flytende	3 mnd. Nibor+0,41	2017	2021	2022	501 966
NO0010819568	NOK	500 000		Flytende	3 mnd. Nibor+0,40	2018	2022	2023	501 670
NO0010826415	NOK	500 000		Flytende	3 mnd. Nibor+0,47	2018	2022	2023	501 665
NO0010831290	NOK	500 000		Flytende	3 mnd. Nibor+0,42	2018	2023	2024	501 088
NO0010839434	NOK	500 000		Flytende	3 mnd. Nibor+0,55	2018	2023	2024	501 926
NO0010847080	NOK	500 000		Flytende	3 mnd. Nibor+0,48	2019	2024	2025	502 361
NO0010859986	NOK	500 000		Flytende	3 mnd. Nibor+0,40	2019	2025	2026	502 040
NO0010865652	NOK	200 000		Flytende	3 mnd. Nibor+0,43	2019	2025	2026	201 908
NO0010867864	NOK	300 000		Fast	2.22 %	2019	2029	2030	302 369
<b>Sum børnoterte obligasjoner med fortrinnsrett</b>									<b>6 361 162</b>

All loans have soft call one year before maturity.



## NOTES

	30.09.21	30.09.20
Listed bonds (nominal value)	6 356 000	6 330 000
Own holdings	177 000	401 000
<b>Listed bonds with own holdings included</b>	<b>6 533 000</b>	<b>6 731 000</b>
Loans secured by property	7 302 101	7 618 533
Claims that constitutes cover pool (inc. Interests)	379 831	383 028
<b>Total cover pool</b>	<b>7 681 932</b>	<b>8 001 561</b>
Cover pool capacity utilization	1 148 932	1 270 561
Cover pool capacity utilization %	18 %	19 %

Collateral assembly is defined in the Financial Institutions Act § 11.8.

\*) Loans that are not qualified are not included in eligible collateral

### NOTE 15. CAPITAL ADEQUACY

	30.09.21	30.09.20	31.12.20
Total paid-in capital	540 010	540 010	540 010
Total accrued equity capital/retained earnings	50 224	60 783	77 961
Additional	0	0	0
Deduction	-42 660	-52 748	-70 052
<b>Total core capital</b>	<b>547 574</b>	<b>548 045</b>	<b>547 919</b>
Total net supplementary capital	0	0	0
<b>Total net equity and related capital</b>	<b>547 574</b>	<b>548 045</b>	<b>547 919</b>
Weighted asset calculation basis	2 952 670	3 161 041	2 949 882
Capital adequacy ratio	18.55 %	17.34 %	18.57 %
Of which core capital accounted for	18.55 %	17.34 %	18.57 %

	30.09.21	30.09.20	31.12.20
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	75 647	81 544	79 311
Enterprises	0	0	0
Mass market loans	121 576	0	0
Loans secured by real property	2 578 294	2 869 940	2 626 170
Loans overdue	9 658	58 964	43 728
Other loans and commitments	0	1 200	0
<b>Capital requirement credit risk</b>	<b>2 785 174</b>	<b>3 011 648</b>	<b>2 749 208</b>
Capital requirement operational risk	164 340	143 534	164 340
Other deductions/additions to capital requirement	3 156	5 859	36 334
<b>Total capital requirement</b>	<b>2 952 670</b>	<b>3 161 041</b>	<b>2 949 882</b>

The shares have a face value of NOK 1 000, and SpareBank 1 Helgeland owns all the shares.

## NOTES

### NOTE 17. PROFIT PER SHARE

	30.09.21	30.09.20	31.12.20
Profit so far this year	42 202	50 894	68 136
Number of shares	540 000	540 000	540 000
Result per share in NOK	78	94	126
Diluted result per share in NOK	78	94	126

### NOTE 18. TRANSACTIONS WITH RELATED PARTIES

Transactions between the company and the parent bank are made in accordance with regular business conditions and principles. Office support and management of the loans are mainly bought services from SpareBank 1 Helgeland. It has been agreed upon an operation agreement between the companies.

	30.09.21	30.09.20	31.12.20
<b>Profit and loss account</b>			
Interest income and similar income	572	1 588	1 779
Interest expense and similar expense	8 030	10 352	13 832
Management fee	6 083	6 189	8 213
<b>Balance sheet</b>			
Lending and claims on credit institutions	379 831	383 028	383 012
Liabilities to credit institutions	912 908	1 196 614	911 867
Liabilities from issue of securities	80 000	80 000	80 000

# NOTES

## NOTE 19. KEY FIGURES

	30.09.21	30.09.20	31.12.20
<b>Profit &amp; Loss Account</b>			
Net profit (NOK 1.000)	42 202	50 894	68 136
Net interest as a % of average assets	1.16 %	1.17 %	1.20 %
Operation cost as a % of income	13.4 %	12.4 %	11.5 %
Net profit as a % of average assets	0.75 %	0.83 %	0.84 %
<b>Balance sheet</b>			
Gross lending (NOK 1.000)	7 349 136	7 659 475	7 232 317
Collective write-downs as a % of lending	0.0 %	0.0 %	0.0 %
12 months growth in customer lending	-4.1 %	-0.1 %	-4.8 %
Total assets (NOK 1.000 kr)	7 886 150	8 173 158	7 728 241
Average total assets	7 491 627	8 139 868	8 103 244
<b>Solidity</b>			
Rate of return on equity capital	9.6 %	11.5 %	11.4 %
Core tier one Capital (NOK 1.000)	547 574	548 045	547 919
Core tier one Capital ratio	18.5 %	17.3 %	18.6 %
LR (Leverage Ratio)	6.8 %	6.5 %	6.9 %
<b>Information on lending portfolio</b>			
Surplus value of cover pool (NOK 1.000)	1 148 932	1 270 561	1 406 079
Surplus value of cover pool (%)	18 %	19 %	23 %
Indexed LTV	54 %	55 %	54 %
Proportion of variable-rate loans	100 %	100 %	100 %
Proportion of flexible mortgages*)	10 %	11 %	11 %
Average loan value (NOK 1.000)	1 187	1 173	1 189
Number of loans	6 157	6 518	6 077
Remaining maturity - weighted average (year)	20.5	20.6	20.2
Seasoning - weighted average (year)	3.1	2.9	3.1

\*) Calculated from the drawn amount

## **Elected representatives and senior management in Helgeland Boligkreditt AS**

### **The General Meeting:**

SpareBank 1 Helgeland v/CEO Hanne Nordgaard

### **Board of Directors:**

Hanne Nordgaard, Chairman

Sverre Klausen

Brit Sjøfving

### **Contact information**

#### **SpareBank 1 Helgeland**

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### **Investor Relations**

Sverre Klausen, CFO, telephone +47 916 88 286

### **Other sources:**

#### **Annual reports:**

Helgeland Boligkreditt AS is part of the SpareBank 1 Helgeland group. Annual reports are available under investor relations information at [www.SBH.no](http://www.SBH.no)

#### **Interim reports**

Quarterly reports are available at [www.sbh.no](http://www.sbh.no)