



Financial report
First quarter 2022

Main features group

(Numbers in MNOK and in % of average total assets)

PROFIT AND LOSS ACCOUNT (Amounts in NOK million)	31.03.2022	31.03.2021	31.12.2021
Net interest- and credit commission income	174 1.79 %	144 1.73 %	604 1.69 %
Net commission income and other operating income	48 0.47 %	29 0.34 %	111 0.30 %
Net profit from other financial investments	21 0.22 %	4 0.05 %	-3 -0.01 %
Staff cost (note 4)	44 0.44 %	38 0.01 %	158 0.44 %
Other operating expenses (note 4)	50 0.63 %	43 0.97 %	226 0.63 %
Losses on loans, guarantees etc. (note 10)	1 0.01 %	3 0.04 %	64 0.18 %
Result before tax	147 1.52 %	93 1.12 %	264 0.74 %
Tax payable on ordinary result	32 0.33 %	22 0.26 %	59 0.17 %
Net profit	115 1.19 %	71 0.85 %	205 0.57 %

Key numbers

Profitability	31.03.2022	31.03.2021	31.12.2021
ROE (excl. hybrid capital)	10.8 %	8.1 %	6.5 %
Net interest	1.79 %	1.73 %	1.69 %
Costs as a percentage of income	38.8 %	45.8 %	53.9 %

Balance and liquidity

Total assets	39 636	34 627	39 433
Average total assets	39 341	33 711	35 740
Total asset including transferred loans	44 426	34 627	44 014
Total loans	32 120	27 126	32 424
Total loans including transferred loans	36 910	27 126	37 005
Lending growth including transferred loans	36.1 %	-2.2	33.6 %
Customer deposits	24 144	20 222	23 552
Customer deposits growth in percent	19.4 %	12.0	26.1 %
Customer deposits in percent of total loans	75.2 %	74.5 %	72.6 %

Solidity (including cooperative group)

Core tier one Capital ratio	18.1 %	19.9 %	18.0 %
Core Capital ratio	20.1 %	21.6 %	20.0 %
Total capital ratio	22.5 %	24.2 %	22.3 %
Core tier one Capital	3 849	3 405	3 853
Core Capital	4 278	3 704	4 283
Total net equity and related capital	4 773	4 155	4 778
Capital requirement	21 237	17 135	21 451
Leverage Ratio	9.1 %	10.4 %	9.4 %

General information

SpareBank 1 Helgeland is an independent savings bank determined to be the leading bank and a driving force for growth in Helgeland. SpareBank 1 Helgeland is the only bank with a head office in the region. The bank's strong market position combined with professional expertise, competitive prices and solid capital makes the bank well prepared to meet increased competition and eventual after-effects of the corona pandemic. The bank has offices in 4 municipalities in Helgeland.

The accounts are produced in line with IFRS, including IAS 34 on interim reporting. Further information on the accounting principles is given in the annotations to the annual accounts for 2021 and annotation 1 in the quarterly report. The numbers used are consolidated figures unless it is otherwise stated. Figures in brackets are the previous year's comparative figures. The financial report has not been audited.

Main features 1st quarter

- Strong quarterly net profit of MNOK 147.
- Stable basic operation, changes compared to last quarter is mainly related to dividend income, reduced loss, and one-time costs.
- Net interest in the quarter of MNOK 174, an increase of MNOK 6 from last quarter.
- Commission income of MNOK 46, an increase of MNOK 10 from last quarter.
- Low write-downs in lending in the quarter by MNOK 1 against 35 last quarter.
- Costs in % of income MNOK 38.8 %, a significant decrease of 12 % against last quarter.
- Annualized net ROE adjusted for hybrid capital of 10.8 %

Main features this year (MNOK)	31.03.2022	31.03.2021	Change
Net profit	147	93	54
Net interest and commission income	174	144	30
Operating cost	94	81	13
Profit from financial investments	21	4	17
Provision of loss	1	3	-2
Return on equity %	10.8 %	8.1 %	2.6 %
Yield per equity capital certificate	3.3	2.4	0.9
Core tier 1 ratio %	18.1 %	19.9 %	-1.7 %
Provision of loss % of gross lending	0.01 %	0.0 %	0.0 %
Growth gross lending % annualized	-0.3 %	-2.2 %	1.9 %
Growth deposits % annualized	2.5 %	8.2 %	-5.7 %

Profit

As for the first quarter, gross profit was MNOK 147 against MNOK 15 in the fourth quarter of 2021, an increase of MNOK 132. The increase is mainly related to reduced costs related to the acquisition, recognition of dividend income, low losses in lending and increased commission income.

Net interest

Net interest and credit commission income amounted in the 1st quarter MNOK 174, which is MNOK 6 higher than the last quarter. In % of average total assets net interest and credit commission income is 1.79 %, against 1.70 in

the fourth quarter 2021. The interest rate increase with effect from February 1st draws the net interest up, while higher funding costs draws the net interest down. The implementation of the advantage program "LO favør", together with other price adaptations are also factors that affect the net interest negatively this quarter. Inclusive transferred commission income for transferred loans to mortgage loan companies, the net interest and credit commission income amounts to MNOK 182 this quarter.

So far this year the group has expensed MNOK 6 in contribution to the deposit guarantee fund and the emergency fund.

Net commission earnings.

For the quarter, the net commission earnings were MNOK 46 against MNOK 36 in the fourth quarter of 2021. In percentage of average total assets this amounts to 0.47 % for the first quarter, an increase of 0.10 % from the fourth quarter of 2021. The increase from last quarter is mainly related to the recognition of bonus commission from non-life insurance of MNOK 9.

Commission income on loans transferred to SpereBank 1 Boligkreditt deducted, the net commission income in % of average total assets amounts to 0.39 % against 0.29 % in the fourth quarter 2021.

Net value change and profit/loss from financial investments

Income from financial investments in the first quarter was MNOK 21, an increase of MNOK 34 compared to fourth quarter in 2021. Income from financial investments in the quarter is mainly related to recognition on dividend from SpareBank 1 Finans Nord-Norge (MNOK 23), Eiendomsmedler 1 Nord-Norge (MNOK 4) and Regnskapshuset SpareBank 1 Nord-Norge (MNOK 3). Disturbances in the money market related to among others the war in Ukraine, has led to unrealized loss on the security portfolio of around MNOK 14.

In the parent bank, dividend from Helgeland Boligkreditt AS have been recognized as income with MNOK 56 in the first quarter of 2022.

Operating costs

This quarter, the operating costs were MNOK 94, a decrease of MNOK 47 compared to fourth quarter of 2021. The decrease is related to one-time costs regarding the Helgeland 1 project in 2021. In % of income, the costs amount to 38.8 %. The costs are under the cost target of 40 % of total income, but is affected by high income, especially related to finance income.

The bank's sick leave is higher than at the same time last year with 4.8 (3.8) %.

Write-downs on lending

MNOK 1 has been expensed in write-downs on loans this quarter against MNOK 35 in the fourth quarter 2021. Annualized, this amounts to a percentage of gross lending of 0.01 in this quarter.

Net non-performing and impaired commitments has this quarter decreased by MNOK 16. Net non-performing and impaired commitments amounts to MNOK 216 by the end of the quarter against MNOK 232 in the fourth quarter of 2021. There are individual loss evaluations on large parts of the volume that in the first quarter 2022 is marked within non-performing and impaired commitments, and it is not expected further loss in these commitments.

It still lies uncertainty related to final consequences after the pandemic and the war in Ukraine, especially considering how companies and retail customers will cope with the economic losses because of the pandemic and the war. With background in this uncertainty, the changes in the loss model is maintained. By the end of the year, the additional provision amounts to MNOK 18.

The equity certificate – HELG

By the end of the quarter, the number of EC owners amounts to 2 768. The 20 largest owners are noted with 80.0 % of the EC capital. Of this, Sparebankstiftelsen owns 28.11 % and SpareBank 1 Nord-norge 19.99 %.

The number of total EC's is 27 000 130. As of 31.03.22 the bank owned 35.112 of our own EC's.

By the end of the quarter, the price of the bank ECs was NOK 134.0 which represents an increase of NOK 3 or 2 % from 31.12.21.

Balance development per 31.03.22

Total assets amount to 39.6 bn. Over the last 12 months, total assets are increased by MNOK 5 009 (1 075) or 14.5 (3.2) %. Increased total assets is mainly related to high deposit growth and the acquisition of SpareBank 1 Nord-Norges portfolio in Helgeland in fourth quarter 2021.

Commitments

In this quarter, lending growth inclusive loans to mortgage companies constituted MNOK -95 or -0.3 % whereby the retail market has a negative growth of MNOK 104 this quarter while the corporate market has a growth of MNOK 9. Low lending growth in the quarter is mainly related to low activity related to housing sales in addition to the leave of one corporate commitment.

By the end of the year, gross lending included transferred loans to mortgage companies constituted MNOK 36 910. Of the group's lending 84.7 (83.3) % is lent to customers in Helgeland.

Of gross lending included transferred loans to mortgage companies, MNOK 27 158, or 73.6 (68.7) % is lending to retail customers, of which MNOK 4 596 has been transferred to mortgage companies. Lending to the retail market has over the last 12 months increased by MNOK 8 527 (-200), or 45.8 (-1.1) %.

By the end of the quarter, the corporate commitments amount to MNOK 9 752 (8 495), hereof MNOK 194 is transferred loans to SpareBank 1 Boligkreditt. In the

corporate market, the development over the last 12 months was MNOK 1 257 (- 408), or 14.8 (-4.6) %.

Deposits from customers

By the end of the first quarter, deposits from customers constituted MNOK 24 144. The deposits have over the last 12 months increased by MNOK 3 922 (2 169), or 19.4 (12.0) %.

In the first quarter, the deposits have increased by MNOK 592 against MNOK 1 538 in the fourth quarter of 2021.

The group has a high deposit coverage where 90.0 (91.2) % are deposits from customers in Helgeland. Of total deposits of MNOK 24 144, MNOK 14.333, or 59.4 (56.4) % are deposits from retail customers. The 12-month deposit growth in the retail market was MNOK 2 921 (882), or 25.6 (8.4) %. In the corporate market, deposits have increased over the last 12 months by MNOK 1 001 (1 288) or 11.4 (17.1) %.

Significant increase in deposits has provided a high deposit coverage, which per 31.03.22 was 75.2 (74.5) % in the group and 97.1 (103.3) % in the parent bank.

Funding

Deposits from customers are an important funding source for the bank. The group is also funded in the Norwegian money- and securities market. Total capital market funding is amounted at the end of the quarter to MNOK 9 775 (9.268) and has a satisfying allocation of duration and lending sources. By the end of the quarter, the share of loans beyond one year was 75.4 (81.6) %. Per 31.03.22, the average remaining term for debt securities was 2.34 (2.37) years. Duration in the mortgage company is slightly lower with 2.16 (2.47) years.

The bank is continually preparing for the transferral of approved mortgages to mortgage companies. By the end of the quarter, the bank has transferred MNOK 4 790 to SpareBank 1 Boligkreditt, and 6 714 to the fully owned subsidiary Helgeland Boligkreditt. Totally, this amounts to MNOK 11 504, which is an increase of MNOK 4 307 compared to the corresponding quarter last year. Loans transferred to Helgeland Boligkreditt is included in the consolidation, while transferred loans to SpareBank 1 Boligkreditt is excluded from the consolidation.

The fixed maximum limit for transferring loans to Helgeland Boligkreditt AS is 35 % of gross lending and 50 % of gross lending RM. As of 31.03.22, the transfer level is 31.2 (26.5) % and 42.1 (38.6) %. Transferred loans to Helgeland Boligkreditt AS is expected to be reduced in line with the maturity dates of the loans in the company. This follows of the transfer to SpareBank 1-alliance, and use of funding through SpareBank 1 Boligkreditt.

Board composition

In the board of trustees meeting 31.03.22, a new member was elected to the board. Ann-Helen Baadstrand was elected new member and replaces Tone Hauge.

Kenneth Normann and Solrun Johansen has entered the board as new employee representatives and replaces Birgitte Lorenzen and Geir Pedersen.

Cash flow

The cash flow statement shows how SpareBank 1 Helgeland has received cash and how these are used. It is based on gross cash flows from operational activities, investment- and financing activities. The liquidity holding is increased by MNOK 227 since the beginning of the year.

Rating

SpareBank 1 Helgeland is rated by Moody's. The bank's rating is A3 with a "stable outlook". Bonds issued by Helgeland Boligkreditt AS are given an Aaa rating by Moody's.

Subsidiaries and joint ventures

The SBH group consists of SpareBank 1 Helgeland and the consolidated subsidiaries Helgeland Boligkreditt AS, Bankbygg Mo AS, AS Sparebankbygg, Helgeland Sparebanks Eiendomsselskap AS, Helgeland Utviklingsselskap AS, Storgata 73 AS and Strendene Utviklingsselskap AS. The subsidiaries Helgeland Utvikling AS and Strendene Utviklingsselskap AS is in its entirety written down.

The owner shares in Samarbeidende Sparebanker AS and Samarbeidende Sparebanker Uvikling DA is classified as jointly controlled companies. The bank has an owner share of 3 % in both companies, where the owner share in Samarbeidende Sparebanker AS dictates an indirect owner share in SpareBank 1 Gruppen AS of 0.6 %.

Risk and capital management

The SBH group's combined risk is governed through proxies, targets, and frames determined by the Board of Directors. The combined capital requirement is summarised in the bank's ICAAP.

Credit risk

The SBH group's strategy for the credit area is derived from the overall strategy and contains guidelines for the distribution of loans between the retail and corporate markets, exposure to industries (concentration risk) and geographical limitations. Lending to retail customers consists of a high level of secure mortgages that give a low risk in the portfolio.

The development in the bank's credit risk is monitored closely. The corporate customers are given individual close follow-up in addition to monitoring development of risk based on the bank's score models. Monitoring of development has been established in relation to approved management objectives for the portfolio.

As of 31.03.22 net non-performing (>90 days) and impaired commitment constitute MNOK 216 (368) which is a decrease of MNOK 152 from 31.03.21. In percentage of gross lending this amounts to 0.7 (1.4) %.

Market risk

The SBH group's interest rate risk is managed within frames approved by the Board, and is considered low. The bank takes on credit spread risk, primarily through the management of interest-bearing assets in the bank's liquidity portfolio. The portfolio mainly consist is securities issued by Norwegian banks, mortgage companies, municipalities, government, and non-financial institutions. The credit spread risk is within the approved frames.

The banks positions in shares are primarily strategically motivated through investments in shares in subsidiary companies, associated companies and product companies. The market risk associated to these share investments are considered to be moderate.

Operational risk

The risk management is central in the daily operation and in the board's work. The risk is primarily managed through policy and guidelines, frameworks, power of attorney, reporting requirements and competence requirements. In 2021 it has not been revealed any conditions that are critical to the bank's activities.

Liquidity risk

The Board has approved a strategy for liquidity management that determine the purpose, management objectives, and risk tolerance for the management of liquidity risk. The bank's liquidity situation is considered satisfactory, and the share of long-term funding is well above the target.

The SBH group's combined liquidity reserves (cash, deposits, and interest-bearing assets) constitute NOK 6.5 (7.2) bn, or 16.4 (20.9) % of the group's total assets. The combined duration of the interest portfolio is 1.85 (1.54) years.

The banks liquidity reserve portfolio mainly consists of solid issuers of interest-bearing securities that qualify for LCR reporting. By the end of the quarter the SBH Group has an LCR of 193 (263) %.

Solidity

After proportionally consolidation, net equity, and related capital amounts to MNOK 4 773, hereby fund obligations by MNOK 398 and subordinated loan by MNOK 451.

the SBH group has per 31.03.22 a CET1 capital ratio of 18.1 (19.9) % and a total capital ratio of 22.5 (24.3) %. The profit for 1st quarter is deducted of the calculation. Inclusive 50 % of the profit, the CET1 and the total capital ratio is 18.4 % and 22.75 %

Statutory minimum requirement for pure core capital adequacy is 11.0 %. The bank has a Pillar 2 addition of 2.2 %. The group's capital requirement including Pillar 2 addition amounts to 13.2 (13.2) %. The Group received a new decision around Pillar 2 addition the 26.04.22, The decision has effect from 30.04.22.

The target of CET1 is at 1 % over regulatory demands, and at this point this amount to 17.0 %, and 20.5 %. The bank has in its target considered increased system risk and countercyclical buffer requirements of 2.5 %.

The Group has a risk weighted balance before proportionately consolidation of MNOK 21 237 (17 135).

The group's Leverage Ratio (unweighted core capital ratio) was 9.1 (10.4) % after proportionally consolidation.

Prospects ahead

SpareBank 1 Helgeland has started its first financial statement year as a part of the SpareBank 1 alliance. The bank has shown to be able to adapt and willing to learn and is now working to adapt to the tools and products available for the bank as a consequence of its entrance in the alliance. 2022 will still be a year where there is where there still is need for adjustment and change, and not least for that the bank is going to become a part of the forward leaning and development-oriented culture in the SpareBank 1 alliance. This provides that the groups long term profitability target cannot be expected fulfilled. In a longer perspective, the profitability is expected strengthened. The group has a long-term target of a ROE on level with comparable banks, pt. 11 % after tax from 2023.

The net interest is expected to strengthen after the interest rate increase in the first quarter and the expected interest rate increases in 2022. For the credit portfolio inclusive transferred loans to the mortgage companies, the interest rate increase in the first quarter isolated is expected to provide an annual strengthening of the net interest by MNOK 60 per balance date. Increased funding costs and price adaptations will draw this effect on the net interest significantly down. The interest rate increase in mars 2022 has effect from medio May.

The level of commission income is satisfying. Established measures and an aggressive sales organization provide the basis for expecting this level deducted commission from mortgage companies in 2022, to stabilize at around 0.30 % of total assets.

Operating costs for the basic operation are expected to maintain relative stable but slightly over target of 40

percent of total income. This is mainly related to increased costs in a transition phase after entering the SpareBank 1 alliance and the acquisition. It is expected that the cost level throughout 2022 will approach the target as a consequence of that employees in end packages processes and IT and operating deals that expires.

The bank has earlier guided the market on an expectation of normalized losses of around 0.18 % of gross lending. The level of expectation is also maintained into 2022. It is still an underlying uncertainty regarding future losses considering Covid-19, but the bank has relatively little exposure against especially affected industries.

In the retail market, in near future, the board expect a moderate market growth. The groups growth ambitions suggest a lending growth minimum equivalent to the market on Helgeland (p.t. 5 %). The board will prioritize profitable growth. The government's decision around the building of a new large airport in Mo I Rana and Freyrs coming establishment of a battery fabric with up to 1 500 employees, several industry establishments in Vefsn municipality and more establishments of land-based fish farms in the region gives reason of optimism related to the long-term growth in the private market.

Even if the first quarter of the year has been weak growth in the corporate market, it is expected a significant increase of activity in Helgeland in the years to come. Significant infrastructure and industry projects as airport, battery fabric, deep water quay, hydrogen production, hospital and housing and road building will provide investments for up to 20 billion NOK in Helgeland. The investment need in the fish farm industry is also expected to be high because of smolt, green change and building of land-based fish farms. The bank is well proportioned to be an important contributor for the local business actors that is expected to contribute in the projects or in another way be a part of the ripple effects such investments provide.

The positive development in Helgeland ives the Board good faith in the future, and that SpareBank 1 Helgeland will be a central contributor for further growth in Helgeland.

Mo i Rana, May 5th 2022

Bjørn Krane
Chairman of the Board

Rolf Eigil Bygdnes
Deputy Chairman of the Board

Marianne Terese Steinmo

Siw Moxness

Jonny Berfjord

Ann-Helen Baadstrand

Kenneth Normann
Employee representative

Solrun Johansen
Employee representative

Hanne Nordgaard
CEO

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PROFIT AND LOSS ACCOUNT (amounts in NOK million)

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
702	169	222	Interest income and similar income (note 2.1)	258	203	840
161	41	57	Interest payable and similar costs	78	54	217
18	5	6	Hedge fund fees	6	5	18
523	123	159	Net interest- and credit commission income	174	144	604
118	30	50	Commissions receivable and income from banking services	50	30	118
11	2	4	Commissions payable and costs relating to banking services	4	2	11
9	2	3	Other operating income	2	1	4
116	30	49	Net commission income and other operating income	48	29	111
72	70	87	Dividend	32	2	2
8	0	1	Net profit from associates	1	0	11
-11	3	-11	Net profit from other financial investments	-12	2	-16
69	73	77	Gains/losses on financial assets available for sale (note 3)	21	4	-3
157	38	44	Staff cost (note 4)	44	38	158
228	41	48	Other operating expenses (note 4)	50	43	226
385	79	92	Total operating expenses	94	81	384
323	147	193	Result before losses	148	96	328
60	3	1	Losses on loans, guarantees etc. (note 10)	1	3	64
263	144	192	Result before tax	147	93	264
47	18	29	Tax payable on ordinary result	32	22	59
216	126	163	Net profit	115	71	205
12	4	3	Attributable to additional tier 1 capital holders	3	4	12
158	96	128	Attributable to equity capital certificate holders	90	53	149
46	26	32	Attributable to the saving bank reserve	23	14	44
			Attributable to non-controlling interest	0		0
216	126	163	Net profit	115	71	205
5.8	4.4	4.7	Yield per equity capital certificate (note 5)	3.3	2.4	5.5
5.8	4.4	4.7	Diluted result per ECC in Norwegian currency (note 5)	3.3	2.4	5.5
Extended Income Statement						
216	126	163	Net profit	115	71	205
<u>Items that will not be reclassified through profit or loss:</u>						
-1	0		Recognized deviations in pensions		0	-1
<u>Items that are subsequently reversed through profit or loss:</u>						
2	0	-1	Estimate variances, pensions will not be reversed over the income statement later	-1	0	2
0	0	0	Tax on extended profit	0	0	0
2	0	-1	Net extended profit or loss items	-1	0	2
218	126	162	Total profit of the period	114	71	207

BALANCE SHEET (amounts in NOK million)

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
ASSETS						
73	69	71	Cash and claims on central banks	71	69	73
1 886	2 324	2 125	Loans to and claims on credit institutions	1 085	1 453	857
25 213	19 685	25 377	Loans to and claims on customers (note 7,8,9,10)	31 943	26 837	32 194
39	45	40	Financial derivatives (note 16)	40	47	39
5 786	5 880	5 910	Certificates, bonds and shares	6 009	5 901	5 805
144	147	146	Investments in associated companies (note 12)	146	147	144
590	590	590	Investments in subsidiaries (note 12)	0	0	0
104	26	101	Immaterielle eiendeler	101	26	104
46	51	43	Fixed assets (note 13)	150	122	153
72	56	99	Other assets (note 13.1)	91	25	64
33 953	28 873	34 502	Total assets	39 636	34 627	39 433
LIABILITIES AND EQUITY CAPITAL						
302	550	305	Liabilities to credit institutions	306	551	303
24 144	20 640	24 826	Deposits from customers and liabilities to customers (note 17,18)	24 144	20 222	23 552
4 288	3 118	4 009	Borrowings through the issuance of securities (note 15)	9 775	9 268	10 271
9	26	19	Financial derivatives (note 16)	38	26	12
209	309	306	Other liabilities (note 13.1)	310	298	218
451	451	451	Subordinated loan capital	451	451	451
29 403	25 094	29 916	Total liabilities	35 024	30 816	34 807
Equity capital						
270	209	266	Equity share capital (note 5,6,20)	266	209	270
1 505	971	1 505	Premium Fund	1 505	971	1 505
1 439	1 354	1 439	Cohesion Fund	1 439	1 354	1 439
3 214	2 534	3 210	Total equity share capital	3 210	2 534	3 214
778	753	777	Primary capital	777	753	777
51	32	20	Gift fund	20	32	51
829	785	797	Total primary capital	797	785	828
21	38	22	Unrealized gains reserve	22	38	21
398	299	398	Hybrid Capital (Note 1,17)	398	299	398
86	123	159	Other equity capital	182	152	161
4 550	3 779	4 586	Total equity capital exclusive minority interest	4 609	3 808	4 622
			Non-controlling interest	3	3	3
4 550	3 779	4 586	Total equity capital	4 612	3 811	4 626
33 953	28 873	34 502	Total liabilities and equity capital	39 636	34 627	39 433

Conditional liabilities off balance sheet (note 11)

Mo i Rana, May 5th 2022

Bjørn Krane
Chairman of the Board

Rolf Eigil Bygdnes
Deputy Chairman of the Board

Marianne Terese Steinmo

Siw Moxness

Jonny Berfjord

Ann-Helen Baadstrand

Kenneth Normann
Employee representative

Solrun Johansen
Employee representative

Hanne Nordgaard
CEO

CHANGE IN EQUITY

Group

31.12.21												
	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.21	209	971	0	299	38	753	34	8	1.354	150	3	3.819
Profit				12	-19	24	4	21	85	77		205
OCI					2	0			0			2
Comprehensive income for the period	0	0	0	12	-16	24	4	21	85	77	0	207
Issued FO				398								398
Redeemed FO				-299	1	0			-1			-299
Paid interest FO				-12								-12
Emission	61	534										595
Gifts							-8	-8				-16
Other changes										-1		-1
Transactions with owners												0
Dividend paid/interests										-65		-65
Equity 31.12.21	270	1.505	0	398	21	777	30	21	1.439	161	3	4.626
Paid-in/accrued equity/retained earnings			1.775								2.851	4.626

31.03.22												
	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found. res.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.22	270	1.505	0	398	21	777	30	21	1.439	161	3	4.626
Result for the period				3						112		115
Extended profit or loss items										-1		-1
Comprehensive income for the period	0	0	0	3	0	0	0	0	0	111	0	114
Paid interest FO				-3								-3
Gift fund							-11					-11
Other changes			-4		0					-2		-6
Transactions with owners												0
Dividend paid/interests								-21		-86		-107
Equity 31.12.22	270	1.505	-4	398	22	777	20	0	1.439	183	3	4.612
Paid-in/accrued equity/retained earnings			1.771								2.842	4.612

Parent bank

31.12.21												
	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.		Total
Equity as at 01.01.21		209	971	0	299	38	753	34	8	1.354	65	3.731
Profit					12	-19	25	4	21	86	86	216
OCI					2	0				0		2
Comprehensive income for the period		0	0	0	12	-16	25	4	21	86	86	218
Issued FO					398							398
Redeemed FO					-299	1	0			-1		-299
Paid interest FO					-12							-12
Emission		61	534									595
Gift fund								-8				-8
Transactions with owners												0
Dividend paid/interests									-8		-65	-73
Equity 31.12.21		270	1.505	0	398	23	778	30	21	1.439	86	4.550
Paid-in/accrued equity/retained earnings					1.775						2.775	4.550

31.03.22												
	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation	Savings bank's	Donation fund	Char. found.	Divid. Equal	Other Equ.cap.		Total
Equity as at 01.01.22		270	1.505	0	398	23	778	30	21	1.439	86	4.550
Result for the period					3						159	163
Extended profit or loss items											-1	-1
Comprehensive income for the period		0	0	0	3	0	0	0	0	0	158	162
Paid interest FO					-3							-3
Other changes				-4		-1	-1			0		-5
Gift fund								-11				-11
Transactions with owners												0
Dividend paid/interests									-21		-86	-107
Equity capital 31.03.22		270	1.505	-4	398	22	777	20	0	1.439	158	4.586
Paid-in/accrued equity/retained earnings					1.771						2.815	4.586

CASH FLOW STATEMENT

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
-5 009	529	-110	Lending to customers	304	562	-4 803
636	154	198	Interest income lending to customers	238	193	788
5 043	1 539	682	Deposits from customers	594	1 539	4 868
-103	-26	-37	Interest cost deposit from customers	-37	-26	-102
-248	0	3	Receivables and liabilities to credit institutions	3	0	-248
-5	-2	-2	intrest on receivables and liabilities to credit institutions	-2	-2	-3
-7 304	-1 879	-928	Purchase certificates and bonds	-928	-1 879	-7 454
6 731	770	758	sale certificates and bonds	758	770	6 881
52	11	19	Interest income certificates and bonds	19	11	52
108	28	46	Comission income	46	28	108
-392	-75	-82	Payments relating to operations	-86	-78	-419
-62	-31	-27	Paid tax	-37	-38	-77
-53	-27	-56	Other cutoffs	-60	-28	-56
-606	991	464	A Net liquidity change from operating activities	812	1 052	-465
-132	-10	-2	Investment in long-term securities	-2	-10	-162
0	0	0	Income sale of long-term securities	0	0	0
-710	-211	0	Long-term investments in shares	0	-211	-710
168	154	0	Payment from sales long-term investments in shares	0	154	168
71	70	55	Dividend from long-term investments in shares	0	2	2
-603	3	53	B Net liquidity change from investments	-2	-65	-702
2 356	0	251	New borrowing through issuance of securities	491	766	5 090
-1 365	-192	-500	Repayments - issued securities	-1 023	-897	-4 203
595	0	0	Emisjon	0	0	595
-44	-11	-17	Interest payments borrowing through issuance of securities	-37	-25	-100
100	0	0	+ Liquid assets at the start of the period	0	0	100
-8	-4	-3	Interest payments on subordinated debt	-3	-4	-8
-8	-2	-11	payment gift fund	-11	-2	-8
-65	0	0	dividend to share owners	0	0	-65
1 561	-209	-280	C Net liquidity change financing	-583	-162	1 401
352	785	237	A+B+C Net liquidity change in the period	227	825	234
1 607	1 607	1 959	Liquid funds at the start of the period	929	695	695
1 959	2 392	2 196	Liquid funds at the end of the period	1 156	1 520	929
			Liquid funds specified			
73	68	71	Cash and balances with central banks	71	67	73
1 886	2 324	2 125	Balances with credit institutions without notice periods	1 085	1 453	856
1 959	2 392	2 196	Liquid funds	1 156	1 520	929

NOTE 1. ACCOUNTING PRINCIPLES

Both the consolidated financial statements and the parent bank's financial statements have been prepared in accordance with the IFRS standards, the accounting principles within the individual areas are described in the annual accounts for 2021. Interim reports are in accordance with IAS 34 and have not been audited.

NOTE 2. SEGMENT

The Group has defined its geographical segment as a main area of Norway – Helgeland and the Group only has minor exposure to credit risk in areas other than its geographically defined main area.

The group has split the bank into two segments, corporate and retail banking.

Parent bank					Group				
31.03.22					31.03.22				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total	
75	79	5	159	Net interest and credit commission income	102	79	-8	173	
3	3	40	46	Net commission income	3	3	40	46	
0	0	80	80	Other operating income	0	0	22	22	
24	13	55	92	Operating costs	25	13	55	93	
-1	1	0	1	Losses on loans guaranteed	-1	1	0	1	
54	67	70	192	Gross profit	80	68	-1	147	
15 959	9 604	0	25 563	Loans to and claims on customers	22 562	9 558	0	32 120	
-19	-167	0	-186	Provision of loss	-19	-158	0	-177	
0	0	9 126	9 126	Other assets	0	0	7 693	7 693	
15 940	9 437	9 126	34 502	Total assts per segment	22 543	9 400	7 693	39 636	
14 333	10 493	0	24 826	Deposits from customers and liabilities	14 333	9 811	0	24 144	
0	7	0	7	Provisions of loss, unutilized deductions and guarantees	0	7	0	7	
0	0	9 669	9 669	Other liabilities and equity	0	0	15 485	15 485	
14 333	10 500	9 669	34 502	Total liabilities and equity per segment	14 333	9 818	15 485	39 636	

Parent bank					Group				
31.03.21					31.03.21				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total	
54	74	-5	123	Net interest and credit commission income	76	75	-7	144	
4	7	17	28	Net commission income	4	7	17	28	
0	0	75	75	Other operating income	0	0	5	5	
18	11	50	79	Operating costs	20	12	49	81	
1	2	0	3	Losses on loans guaranteed	1	2	0	3	
39	68	37	144	Gross profit	59	68	-34	93	
11 578	8 408	0	19 986	Loans to and claims on customers	18 631	8 495	0	27 126	
-21	-280	0	-301	Provision of loss	-21	-267	0	-288	
0	0	9 188	9 188	Other assets	0	0	7 789	7 789	
11 557	8 128	9 188	28 873	Total assts per segment	18 610	8 228	7 789	34 627	
11 412	9 228	0	20 640	Deposits from customers and liabilities	11 412	8 811	0	20 223	
0	7	0	7	Provisions of loss, unutilized deductions and guarantees	0	7	0	7	
0	0	8 226	8 226	Other liabilities and equity	0	0	14 397	14 397	
11 412	9 235	8 226	28 873	Total liabilities and equity per segment	11 412	8 818	14 397	34 627	

NOTE 2.1 NET INTEREST

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
			Interest from financial instruments at amortized cost			
14	3	6	Interest from credit institutions	1	1	2
334	90	94	Interest receivable on loans	97	181	610
348	93	100	Total interest from financial instruments at amortized cost	98	182	612
			Interest from financial instruments valued to fair value over net profit			
40	10	10	Interest receivable on loans (fair value loans)	10	10	40
52	11	19	Interest from bearer bonds and certificates	19	11	53
92	21	29	Total interest from financial instruments valued to fair value over net profit	29	21	93
			Interest from financial instruments valued to fair value OCI			
262	55	93	Interest receivable on loans (loans who can be transferred to the bank's mortgage company)	131	0	135
262	55	93	Total interest from financial instruments valued to fair value OCI	131	0	135
702	169	222	Total interest income	258	203	840

NOTE 2.2 NET COMMISSION INCOME

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
			Commissions and income from banking services			
8	0	8	Provision knyttet til utlån overført til kreditforetak	8	0	8
69	15	19	Fees relating to payments transmission services	19	15	69
35	13	22	Fees insurance (general, life, saving and pension)	22	13	35
6	2	1	Guarantee commission	1	2	6
118	30	50	Total commissions and income from banking services	50	30	118
			Commissions payable and costs relating to banking services			
11	2	4	Payments transmission services	4	2	11
11	2	4	Total commissions and income from banking services	4	2	11
107	28	46	Net commission income	46	28	107

NOTE 3. SPECIFICATION OF NET CHANGE IN VALUE OF FINANCIAL INSTRUMENTS

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
-9	-1	-13	Value change in interest-bearing securities	-13	-1	-9
-10	0	0	Net gain/loss in interest-bearing securities	0	0	-12
10	5	0	Net gain/loss shares	0	5	10
72	70	87	Share dividend	32	2	2
11	0	1	Income from affiliated company	1	0	11
-29	-12	-20	Value change in value on lending fixed rate	-20	-12	-29
24	11	22	Value change on funding and swaps	22	10	24
69	73	77	Total value change financial instruments	21	4	-3

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
157	38	44	Wages, salaries and social costs	44	38	158
102	23	24	General administration costs	25	23	102
45	7	10	Depreciation etc of fixed- and intangible assets	10	9	35
81	11	13	Other operating costs	15	11	89
385	79	92	Total operating costs	94	81	384

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

Parent bank

Group

31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
2	1	0	Period's change in write-downs step 1	0	1	2
-2	-9	-7	Period's change in write-downs step 2	-7	-9	-2
10	8	6	Period's change in write-downs step 3	6	8	13
55	-2	4	Period's confirmed loss	4	-2	55
-4	5	-2	Period's recoveries from previous periods' conf.losses	-2	5	-4
60	3	1	Total losses on loans, guarantees etc.	1	3	64

Provisions for losses and loss costs are calculated in accordance with IFRS 9, the method is described in the annual accounts note 22 and note 8 in the annual report.

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

Parent bank

Group

31.12.20	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
216	126	163	Net profit	115	71	205
			Non-controlling interest share of net profit			
-12	-4	-3	Interest fund bond	-3	-4	-12
204	122	160	Profit (excl. Interest fund bond)	112	67	193
77.3 %	76.3 %	79.9 %	ECC percentage	79.9 %	76.3 %	77.3 %
5.8	4.4	4.7	Yield per equity capital certificate	3.3	2.4	5.5
5.8	4.4	4.7	Diluted result per ECC in Norwegian currency	3.3	2.4	5.5

Parent bank

	31.03.22	31.03.21	31.12.21
Net profit	163	126	216
Interest fund bond	-3	-4	-12
Transferred reserve for valuation variances	0	0	18
Basis dividend	160	122	222

Equity capital certificate ratio (parent bank)	31.03.22	31.03.21	31.12.21
ECC capital	266	209	270
Dividend equalisation reserve	1 439	1 354	1 439
Premium reserve	1 505	971	1 505
Unrealised gains reserve	18	29	17
Other equity capital	127	94	-
Sum equity capital certificate owners	3 355	2 657	3 231
Ownerless capital	777	753	777
Savings bank gift fund	20	32	30
Unrealised gains reserve	4	9	5
Other equity capital	32	29	-
The saving bank reserve	833	823	813
Savings bank gift foundation	-	-	21
Dividend declared	-	-	86
Equit ex. Hybrid capital	4 188	3 480	4 151
Equity capital certificate ratio	80.1 %	76.3 %	79.9 %
Equity capital certificate ratio for distribution	79.9 %	76.3 %	77.3 %

NOTE 7. GEOGRAPHICAL EXPOSURE WITHIN THE LOAN PORTFOLIO

<i>Parent bank</i>					<i>Group</i>			
31.03.21	%	31.03.22	%		31.03.22	%	31.03.21	%
17 115	85.6 %	22 298	87.2 %	Helgeland	27 201	84.7 %	22 603	83.3 %
2 838	14.2 %	3 223	12.6 %	Areas other than Helgeland	4 844	15.1 %	4 468	16.5 %
32	0.2 %	42	0.2 %	International	75	0.2 %	55	0.2 %
19 985	100.0 %	25 563	100.0 %	Total	32 120	100 %	27 126	100.0 %

NOTE 8.1 COMMITMENTS SPLIT BY SECTOR/INDUSTRY
Group

	31.03.22		31.03.21	
	Gross loans	%-stake	Gross loans	%-stake
Municipalities and municipal enterp.	0	0.0 %	0	0.0 %
Insurance and finance	201	0.6 %	1	0.0 %
Agriculture and forestry	1 443	4.5 %	1 323	4.9 %
Fisheries and aquaculture	1 222	3.8 %	998	3.7 %
Mining and industry	576	1.8 %	466	1.7 %
Building and construction	866	2.7 %	1 010	3.7 %
Trade, hotel, restaurants.	536	1.7 %	391	1.4 %
Transport and services	1 399	4.4 %	1 349	5.0 %
Property	3 315	10.3 %	2 957	10.9 %
Total corporate market	9 558	29.8 %	8 495	31.3 %
Retail market	22 562	70.2 %	18 631	68.7 %
Total	32 120	100 %	27 126	100 %
Loans transferred to Helgeland Boligkreditt	0		0	
Loans transferred to SpareBank 1 Boligkreditt	4 790		0	
Total loans including tranferred to mortgage company	36 910		27 126	

Parent bank

	31.03.22		31.03.21	
	Gross loans	%-stake	Gross loans	%-stake
Municipalities and municipal enterp.	0	0.0 %	0	0.0 %
Insurance and finance	201	0.8 %	1	0.0 %
Agriculture and forestry	1 420	5.6 %	1 303	6.5 %
Fisheries and aquaculture	1 215	4.8 %	989	4.9 %
Mining and industry	575	2.2 %	463	2.3 %
Building and construction	849	3.3 %	994	5.0 %
Trade, hotel, restaurants.	532	2.1 %	386	1.9 %
Transport and services	1 352	5.3 %	1 271	6.4 %
Property	3 460	13.5 %	3 000	15.0 %
Total corporate market	9 604	37.6 %	8 407	42.1 %
Retail market	15 959	62.4 %	11 578	57.9 %
Total	25 563	100 %	19 985	100 %
Loans transferred to Helgeland Boligkreditt	6 714		7 197	
Loans transferred to SpareBank 1 Boligkreditt	4 790		0	
Total loans including tranferred to mortgage company	37 067		27 182	

NOTE 8.2 COMMITMENTS AND LOSSES SPLIT BY SECTOR/INDUSTRY

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. The model is further described in notes in the annual financial statements.

In first quarter 2020 some parameters in the loss model has been adjusted as a consequence of covid-19, and the associated repercussions in the economy and the future prospects. Parameters that mainly has been adjusted to catch future loss of covid-19 situation is PD. PD is increased by 25 percent for all customer commitments. In addition, especially exposed business groups have been given further increase in PD. Effect of the changes in the pre-assumptions in the model amounted to a model write-down of MNOK 25 on the time of change. The effects the changes have on the provision on losses on loans is by the end of the year MNOK 18.

With background in the information available with presentation of the accounts, the bank is of the opinion that the changes in the model adequate catches the changes in expected loss. It still lies uncertainty related to total effects of covid-19 in the corporate and retail market in Helgeland.

31.03.22

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Step 1	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	0	-	-	-	-	-	0
Insurance and finance	201	-	-0	-	-	-	201
Agriculture and forestry	1 285	141	-1	-5	-21	17	1 417
Fisheries and aquaculture	1 199	23	-2	-4	-0	-	1 216
Mining and industry	566	7	-0	-1	-31	2	544
Building and construction	798	57	-3	-5	-5	11	853
Trade, hotel, restaurants.	500	33	-0	-2	-0	4	533
Transport and services	1 171	209	-2	-7	-10	19	1 379
Property, property development	3 167	126	-4	-18	-44	21	3 249
Total corporate market	8 888	596	-13	-44	-110	74	9 392
Retail market	635	20 392	-2	-6	-4	1 535	22 549
Total	9 523	20 988	-14	-50	-115	1 609	31 941
Expected loss unutilized credit and guarantees RM			-0	-0	-		
Expected loss unutilized credit and guarantees CM			-0	-5	-		

31.03.21

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Step 1	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	0	-	-	-	-	-	0
Insurance and finance	1	-	-0	-	-	-	1
Agriculture and forestry	1 312	-	-1	-5	-18	11	1 299
Fisheries and aquaculture	998	-	-1	-4	-0	-	993
Mining and industry	466	-	-0	-1	-4	-	461
Building and construction	996	-	-2	-3	-130	14	875
Trade, hotel, restaurants.	387	-	-0	-2	-0	4	388
Transport and services	1 323	-	-2	-11	-21	26	1 315
Property, property development	2 947	-	-3	-19	-40	10	2 895
Total corporate market	8 430	0	-10	-45	-212	65	8 227
Retail market	17 167	0	-1	-5	-15	1 464	18 610
Total	25 596	0	-11	-51	-228	1 530	26 836
Expected loss unutilized credit and guarantees RM			-	-	-		
Expected loss unutilized credit and guarantees CM			-1	-3	-3		

31.03.22

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Fair value (FVOCI)	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	0	-	-	-	-	-	0
Insurance and finance	201	-	-0	-	-	-	201
Agriculture and forestry	1 284	119	-1	-5	-21	17	1 393
Fisheries and aquaculture	1 199	16	-2	-4	-0	-	1 209
Mining and industry	566	6	-0	-1	-31	2	542
Building and construction	798	41	-3	-5	-5	11	836
Trade, hotel, restaurants.	500	28	-0	-2	-0	4	529
Transport and services	1 172	162	-2	-7	-10	19	1 332
Property, property development	3 326	113	-5	-19	-45	21	3 392
Total corporate market	9 045	485	-14	-44	-111	74	9 435
Retail market	599	13 828	-1	-5	-12	1 531	15 940
Total	9 645	14 313	-15	-50	-124	1 605	25 375
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			0	-5	0		

31.03.21

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Fair value (FVOCI)	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	0	-	-	-	-	-	0
Insurance and finance	1	-	-0	-	-	-	1
Agriculture and forestry	1 155	137	-1	-5	-18	11	1 279
Fisheries and aquaculture	973	16	-1	-4	-0	-	984
Mining and industry	450	13	-0	-1	-4	-	458
Building and construction	952	28	-2	-3	-130	14	859
Trade, hotel, restaurants.	363	19	-0	-2	-0	4	384
Transport and services	1 154	91	-2	-13	-21	26	1 236
Property, property development	2 855	135	-2	-16	-54	10	2 928
Total corporate market	7 903	439	-9	-44	-226	65	8 128
Retail market	464	9 649	-2	-5	-15	1 464	11 556
Total	8 367	10 088	-11	-49	-242	1 530	19 683
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-3	-3		

NOTE 9. NET NON-PERFORMING AND IMPAIRED COMMITMENT

Parent bank

Group

31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
162	285	103	Default commitments over 90 days	103	285	162
-67	-122	-24	Step 3 write-downs	-24	-122	-67
95	163	79	Total net loans, guarantees etc. in default	79	163	95
267	348	239	Other non-performing and impaired commitments and guara., not in default ¹⁴	228	314	233
-106	-123	-100	Step 3 write-downs	-91	-109	-97
162	225	139	Total non-performing and impaired commitments and guara., not in default	137	205	137
257	388	218	Total non-performing and impaired commitments and guara¹⁵	216	368	232
1.0 %	1.9 %	0.9 %	In % of total loans	0.7 %	1.4 %	0.7 %

A default commitment is the total of the customer total commitment if a part of the commitment has been overdue in more than 90 days. Non-performing and impaired commitments are commitments that are not in default but has a loss deduction.

Note 22 in the annual report describe commitments placed in step 3 by calculating expected loss. In step 3 write-downs on default loans expected loss and individual write-downs are included. See also note 1 in the quarterly accounts.

NOTE 10. INDIVIDUAL AND COLLECTIVE WRITE DOWNS OF LOANS AND GUARANTEES

Change in balance posts in accordance to IFRS 9. Individual write-downs are included in step 3. In the tables under, write-downs on off balance sheet items (unused credit and guarantees) directed to the balance debt side are included.

	Step 1	Step 2	Step 3	Group 31.03.22
Gross lending	With expected loss over 12 months	With expected loss over the instruments life time	With expected loss over the instruments life time	Total
Gross lending pr. 01.01.22	24 664	5 697	395	30 756
New loans / credits / guarantees	2 553	251	8	2 812
Transfers from step 1 to step 2	-851	823		-28
Transfers from step 1 to step 3	-5		5	0
Transfers from step 2 to step 3		-45	43	-2
Transfers from step 3 to step 2		8	-8	0
Transfers from step 3 to step 3	4		-5	0
Transfers from step 2 to step 1	1 058	-1 076		-18
Reduced portfolio	-2 026	-380	-73	-2 479
Other adjustments	-412	-83	-34	-530
Gross lending pr. 31.03.22	24 985	5 194	331	30 511
IB unused drafts, guarantees etc.	2 384	290	54	2 728
UB unused drafts, guarantees etc.	2 381	287	16	2 685

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

Lending fixed interest rate, which is measured at fair value with value change over profit, is not included.

	Step 1	Step 2	Step 3	Group 31.03.21
Gross lending	With expected loss over 12 months	With expected loss over the instruments life time	With expected loss over the instruments life time	Total
Gross lending pr. 01.01.21	19 912	5 706	539	26 157
New loans / credits / guarantees	1 393	137	3	1 533
Transfers from step 1 to step 2	-730	721		-9
Transfers from step 1 to step 3	-40		39	0
Transfers from step 2 to step 3		-56	54	-1
Transfers from step 3 to step 2		7	-7	0
Transfers from step 3 to step 3	5		-5	0
Transfers from step 2 to step 1	986	-1 003		-17
Reduced portfolio	-1 382	-351	-4	-1 738
Other adjustments	-271	-38	-20	-329
Gross lending pr. 31.03.21	19 873	5 123	599	25 596
IB unused drafts, guarantees etc.	2 271	280	36	2 588
UB unused drafts, guarantees etc.	2 301	260	24	2 585

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

Lending fixed interest rate, which is measured at fair value with value change over profit, is not included.

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	31.03.22
Gross lending	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Gross lending pr. 01.01.22	18 675	4 680	429	23 784
New loans / credits / guarantees	2 672	268	12	2 951
Transfers from step 1 to step 2	-682	655		-27
Transfers from step 1 to step 3	-5		5	0
Transfers from step 2 to step 3		-42	40	-2
				0
Transfers from step 3 to step 2		8	-8	0
Transfers from step 3 to step 3	4		-5	0
Transfers from step 2 to step 1	787	-800		-13
Reduced portfolio	-1 870	-340	-98	-2 309
				0
Other adjustments	-302	-90	-34	-426
Gross lending pr. 31.03.22	19 280	4 337	341	23 958
IB unused drafts, guarantees etc.	2 022	282	54	2 358
UB unused drafts, guarantees etc.	2 019	276	16	2 312

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

Lending fixed interest rate, which is measured at fair value with value change over profit, is not included.

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	31.03.21
Gross lending	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Gross lending pr. 01.01.21	13 800	4 608	573	18 981
New loans / credits / guarantees	1 239	129	3	1 371
Transfers from step 1 to step 2	-513	506		-8
Transfers from step 1 to step 3	-39		38	0
Transfers from step 2 to step 3		-53	52	-1
Transfers from step 3 to step 2		7	-7	0
Transfers from step 3 to step 3	5		-5	0
Transfers from step 2 to step 1	699	-714		-15
Reduced portfolio	-1 303	-322	-4	-1 630
				0
Other adjustments	-190	-36	-17	-243
Gross lending pr. 31.03.21	13 697	4 124	633	18 455
IB unused drafts, guarantees etc.	1 909	278	36	2 223
UB unused drafts, guarantees etc.	1 943	257	24	2 224

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

Lending fixed interest rate, which is measured at fair value with value change over profit, is not included.

	<i>Group</i>			
	Step 1	Step 2	Step 3	31.03.22
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.22	15	64	163	242
New or increased loans / credits / guarantees	3	3	0	6
Transfers from step 1 to step 2	-1	4		4
Transfers from step 1 to step 3	0		1	1
Transfers from step 2 to step 3		-1	8	7
				0
Transfers from step 3 to step 2		0	0	0
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	1	-5		-4
Reduced portfolio	-1	-2	-60	-62
				0
Other adjustments	-2	-7	2	-7
Loss deduction pr. 31.03.22	14	56	115	185

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

	<i>Group</i>			
	Step 1	Step 2	Step 3	31.03.21
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.21	13	61	222	296
New or increased loans / credits / guarantees	1	1	0	2
Transfers from step 1 to step 2	0	3		3
Transfers from step 1 to step 3	0		0	0
Transfers from step 2 to step 3		-1	8	6
				0
Transfers from step 3 to step 2		0	0	0
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	1	-6		-6
Reduced portfolio	-1	-2	-1	-3
				0
Other adjustments	-1	-2	2	-2
Loss deduction pr. 31.03.21	12	54	231	296

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

	Parent bank			
	Step 1	Step 2	Step 3	31.03.22
	Expected loss over	Expected loss over	Expected loss over	Total
Loss provisions on gross loans and off-balance sheet items	12 months	the instruments life	the instruments life	
		time	time	
Loss deduction pr. 01.01.22	15	62	173	250
New or increased loans / credits / guarantees	3	3	0	6
Transfers from step 1 to step 2	-1	4		3
Transfers from step 1 to step 3	0		1	1
Transfers from step 2 to step 3		-1	8	7
Transfers from step 3 to step 2		0	0	0
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	0	-4		-4
Reduced portfolio	-1	-2	-60	-62
				0
Other adjustments	-2	-7	2	-7
Loss deduction pr. 31.03.22	15	55	124	194

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

	Parent bank			
	Step 1	Step 2	Step 3	31.03.21
	Expected loss over	Expected loss over	Expected loss over	Total
Loss provisions on gross loans and off-balance sheet items	12 months	the instruments life	the instruments life	
		time	time	
Loss deduction pr. 01.01.21	13	59	236	308
New or increased loans / credits / guarantees	1	1	0	2
Transfers from step 1 to step 2	0	3		3
Transfers from step 1 to step 3	0		0	0
Transfers from step 2 to step 3		-1	8	6
Transfers from step 3 to step 2		0	0	0
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	1	-6		-5
Reduced portfolio	-1	-2	-1	-3
				0
Other adjustments	-1	-2	2	-2
Loss deduction pr. 31.03.21	12	52	245	308

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

NOTE 11. CONTINGENT OFF-BALANCE SHEET COMMITMENTS

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
2 039	1 842	2 069	Unutilized drawing rights	2 442	2 203	2 409
319	382	243	Guarantee obligations	243	382	319
470	628	461	Unutilized drawing rights Helgeland Boligkreditt AS			
2 828	2 852	2 773	Net guarantee and draw rights	2 685	2 585	2 728

In addition, the parent bank has a liability to Helgeland Boligkreditt AS which has a revolving credit facility to (with maturity > one year) which is intended to cover payment obligations in the cover for a rolling 12-month period.

NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries are consolidated and substantial interests are included under the equity method. Preliminary quarterly data from subsidiaries and associates have applied in the consolidated financial statements.

						<i>Parent bank</i>
	Share capital	Number of shares	Equity stake	Book value		
				31.03.22	31.03.21	
Bankbygg Mo AS	0.1		99.5 %	48	47	
Helgeland Boligkreditt AS	540	540 000	100 %	540	540	
AS Sparebankbygg	0.1	100	100 %	1	1	
Helgeland Spb.eiend.selskap AS	0.1	100	100 %	0.4	0.4	
Strendene Utviklingsseelskap AS	15	300	100 %	0	0	
Storgata 73 AS	0.1	140	57 %	1	1	
Total investment in AC				590	590	

Associated companies (AC) and joint ventures (JV) is calculated at cost price with subsequent measuring in accordance with the equity method. The share of profit in associated companies is where there are no final accounting figures based on forecast figures.

						<i>Parent bank and group</i>
	Share capital	Cost	Number of shares	Equity stake	Book value	
					31.03.22	31.03.21
Samarbeidende Sparebanker AS (FKV)	355	146	26 618	3.0 %	145	146
Samarbeidene Sparebanker Utvikling DA (FKV)	-	1	-	3.0 %	1	1
Investment in joint ventures and associated companies					146	147

Financial information associated companies and joint ventures, balance posts:

						<i>Parent bank and group</i>
						31.03.22
Balance 100 % ownership		Assets	Debt	Income	Cost	Result
Samarbeidende Sparebanker AS	100.0 %	2245	25	15	0	15
Samarbeidene Sparebanker Utvikling DA	100.0 %	31	0	235	235	0
Total		2276	25	250	235	15
The bank's share						
Samarbeidende Sparebanker AS	3.0 %	67	1	1	0	0
Samarbeidene Sparebanker Utvikling DA	3.0 %	1	0	7	7	0
Total		68	1	8	7	0

						<i>Parent bank and group</i>
						31.03.21
Balance 100 % ownership		Assets	Debt	Income	Cost	Result
Samarbeidende Sparebanker AS	100.0 %	2340	10	94	28	66
Samarbeidene Sparebanker Utvikling DA	100.0 %	30	0	0	0	0
Total		2370	10	94	28	66
The bank's share						
Samarbeidende Sparebanker AS	3.0 %	70	0	3	1	2
Samarbeidene Sparebanker Utvikling DA	3.0 %	1	0	0	0	0
Total		71	0	3	1	2

Financial information Associated companies and joint ventures, profit/loss posts

<i>Parent bank and group</i>					
31.03.22					
Specification joint ventures and associated companies	0	0	0	0	0
Samarbeidende Sparebanker AS	0	0	0	1	0
Samarbeidene Sparebanker Utvikling DA	0	0	0	0	0
Specification joint ventures and associated companies	0	0	0	1	0

<i>Parent bank and group</i>					
31.03.21					
Specification joint ventures and associated companies	0	0	0	0	0
Samarbeidende Sparebanker AS	146	0	0	0	0
Samarbeidene Sparebanker Utvikling DA	1	0	0	0	0
Sum shares joint ventures and associated companies	147	0	0	0	0

<i>Parent bank and group</i>		
Book value joint venture and associated companies	31.03.22	31.03.21
Opening balance	144	0
Acquisition	0	147
Sales	0	0
Equity changes	0	0
Results	1	2
Other adjustments	0	-2
Dividends paid	0	0
Book value	146	147

NOTE 13. OPERATING FUNDS

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
46	51	43	Operating funds	150	122	153
46	51	43	Total operating funds	150	122	153

IFRS 16 Leases

Morbank	Konsern					
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
			Bruksrett			
45	45	32	Balanseført verdi 01.01.	18	16	16
20	0	0	Tilgang	0	0	20
-15	0	0	- Avgang	0	0	-15
-8	1	1	Andre endringer	1	1	1
42	46	33	Balanseført verdi ved periodens slutt	19	17	22
10	3	3	Avskrivninger i perioden	2	1	5
32	43	31	Balanseført verdi bruksrett ved periodens slutt	17	16	18
			Leieforpliktelse			
46	46	48	Balanseført verdi 01.01.	33	17	17
20	0		Nye avtaler i perioden	0	0	20
-12	-3	-4	Leiebetalinger i perioden - avdrag	-3	-1	-5
2	1	1	Renter	0	0	2
-8	1	1	Andre endringer	1	0	1
48	45	47	Totale leieforpliktelser ved periodens slutt	32	17	33
			Resultatregnskap			
10	3	3	Avskrivninger	2	1	5
2	1	1	Renter	0	0	2
12	3	3	Sum	2	1	7

The information is given in line with IAS 24 for “Information regarding close parties” (Transactions toward leading employees and representatives appear in a note in the annual accounts). SpareBank 1 Helgeland defines its subsidiaries and associated companies as close parties in relation to this accounting standard. The transactions between the parent bank, affiliated companies and associated companies are conducted in line with regular commercial terms and principles.

Significant transactions with related parties:

Transferred loans as of 31.03.22 constitute a total of MNOK 6 714. Covered bonds in the housing mortgage company constitute MNOK 5 766. Credit line of NOK 1.5bn is drawn with MNOK 1 039. In addition, the bank has a revolving credit facility (with maturity > one year) provided by SpareBank 1 Helgeland, which will cover payment obligations in the security pool for a rolling 12-month period. The agreements are based on the principle of arm's length. In the consolidated accounts, the effects of the facilities are eliminated. SBH has received dividend of MNOK 55.5 in 2022.

NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS

Measurement of fair value of financial instruments by level

The table shows financial instruments to fair value according to fair value measurement method (IFRS13). The changes demand presentation of fair value measurements per level with the following divisions into levels. The different levels are defined like this:

- Level 1 - Noted price in an active market for an identical asset or liability
- Level 2 – Valuation based on observable factors either direct (price) or indirect (derived from prices) other than noted priced (used in level 1) for the asset or liability
- Level 3 Valuation based on factors not obtained from observable markets (non-observable assumptions)

The fair value of financial instruments that are traded in an active market is based on the market price at the end of the reporting period. A market is considered active if the markets rates are simply and regularly available from a stock exchange, trader, broker, business group pricing service or regulatory authority, and these prices represent actual and regularly occurring arm's length market transactions. The market price used for financial assets is the current bid price, while for financial liabilities it is the current offer price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation methods. These valuation methods maximize the use of observable data where these are available, and are based as little as possible on the Group's own estimates. If all the significant data required to determine the fair value of an instrument are observable data, the instrument are included in level 2. Unlisted equities and fixed-rate loans are classified under level 3. The fair value of shares where it's no active market, known market value or the last issue price is used. For papers without turnover, the value is set based on available financial information, etc. fixed rate loans are measured at fair value.

Principal fixed rate loans per 31.03.22 were MNOK 1 609 (1 530) MNOK. Net interest rate risk by a parallel interest rate shift of 1 %-point for fixed rate loans and derivatives, fixed rate loans was MNOK 0.1 (-4.3).

31.03.22

31.03.22

Level 1	Level 2	Level 3	Assets and liabilities measured at fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit						
0	0	1 583	- Loans to and claims on customers at fair value	0	0	1 583
0	5 315	595	- Certificates, bonds and equities at fair value	0	5 414	595
Financial assets available for sale						
0	0	14 313	- Mortgages	0	0	20 988
0	40	0	- Financial derivatives	0	40	0
0	5 355	16 491	Total assets	0	5 454	23 166
LIABILITIES						
Financial liabilities at fair value through profit						
0	19	0	- Debt issuance of securities	0	38	0
0	19	0	Total liabilities	0	38	0

Shares	Loans	Total	Changes in instruments classified in Level 3	Shares	Loans	Total
595	15 923	16 518	Opening balance	595	22 961	23 556
0	-123	-123	Payment loan/sale of shares	0	-486	-486
0	96	96	New loans	0	96	96
0	0	0	Value change	0	0	0
595	15 896	16 491	Financial instruments valued on Level 3	595	22 571	23 166

31.12.21

31.12.21

Level 1	Level 2	Level 3	Assets and liabilities measured at fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit						
0	0	1 666	- Loans to and claims on customers at fair value	0	0	1 666
0	5 191	595	- Certificates, bonds and equities at fair value	0	5 210	595
Financial assets available for sale						
0	0	14 257	- Mortgages	0	0	21 295
0	39	0	- Financial derivatives	0	39	0
0	5 230	16 518	Total assets	0	5 249	23 556
LIABILITIES						
Financial liabilities at fair value through profit						
0	9	0	- Financial derivatives	0	12	0
0	9	0	Total liabilities	0	12	0

Shares	Loans	Total	Changes in instruments classified in Level 3	Shares	Loans	Total
207	11 750	11 957	Opening balance	207	1 559	1 766
-168	-404	-572	Payment loan/sale of shares	-168	-404	-572
562	4 641	5 203	New loans	562	21870	22432
-6	-64	-70	Value change	-6	-64	-70
595	15 923	16 518	Financial instruments valued on Level 3	595	22 961	23 556

NOTE 16. FINANCIAL DERIVATIVES

Parent bank				Group			
31.03.22				31.03.22			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
1 649	0	19	Interest rate swaps- fixed interest rate loans	1 649	0	38	
55	0	0	Interest rate swaps- bank deposits with share yield	55	0	0	
1 704	0	19	Total financial derivatives	1 704	0	38	
2 000	40	0	Interest rate swaps – fixed interest rate with hedging	2 300	40	0	
2 000	40	0	Total financial derivatives with hedging	2 300	40	0	

Net presentation of financial assets and liabilities

Parent bank				Group			
31.03.21				31.03.21			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
1 234	0	26	Interest rate swaps- fixed interest rate loans	1 234	0	26	
55	0	0	Interest rate swaps- bank deposits with share yield	55	0	0	
1 289	0	26	Total financial derivatives	1 289	0	26	
1 600	45	0	Interest rate swaps – fixed interest rate with hedging	1 900	47	0	
1 600	45	0	Total financial derivatives with hedging	1 900	47	0	

Group					
31.03.22					
	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net
Derivatives carried as assets	40	0	40	-38	2
Derivatives carried as liabilities	38	0	38	38	0

Group					
31.03.21					
	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net
Derivatives carried as assets	47	0	47	-26	21
Derivatives carried as liabilities	26	0	26	26	0

Relevant instruments for interest rate risk management will be primarily interest rate swaps. Trading in derivatives can be made with various counterparties. To differentiate counterparty structure used a selection of the major banks / brokerages that account for the bulk of turnover in interest-related products in the market. If the bank has the same counterparty derivatives on both the asset side and the liability side, these are offset.

NOTE 17. SECURITIES ISSUED

<i>Parent bank</i>				<i>Group</i>	
31.03.21	31.03.22	(MNOK)		31.03.22	31.03.21
3 073	4 000	Bonds, nominal value		9 777	9 218
29	-13	Value adjustments		-31	27
16	21	Accrued interest		29	22
3 118	4 009	Total securities		9 775	9 268

<i>Change in securities issued</i>					<i>Group</i>
	31.12.21	Issued	Matured/redeemed	Other change	31.03.22
Bonds, nominal value	10 229	283	-729	-6	9 777
Value adjustments	14			-45	-31
Accrued interest	28			1	29
Total	10 271	283	-729	-50	9 775

<i>Change in subordinated debt</i>					<i>parent bank</i>
	31.12.21	Issued	Matured/redeemed	Other change	31.03.22
Bonds, nominal value	4 249	0	-249	1	4 001
Value adjustments	16			-29	-13
Accrued interest	23			-2	21
Total	4 288	0	-249	-30	4 009

<i>Change in securities issued</i>					<i>Group/Parent bank</i>
	31.12.21	Issued	Matured/redeemed	Other change	31.03.22
equity and related capital, nominal value	451			0	451
Value adjustments	-1			0	-1
Accrued interest	1			0	1
Total	451	-	-	0	451

*) Hybrid instruments do not meet the definition of financial liability in accordance with IAS 32 and are classified as equity 01/01/16

<i>Accounted value</i>				<i>Group</i>	
				31.03.22	31.12.21
Bonds, amortized cost				7 486	7 955
Bonds, hedging				2 288	2 316
Total debt securities				9 775	10 271

<i>Accounted value</i>				<i>Parent bank</i>	
				31.03.22	31.12.21
Bonds, amortized cost				2 021	2 271
Bonds, hedging				1 988	2 017
Total debt securities				4 009	4 288

NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>						<i>Group</i>		
%	31.03.21	%	31.03.22		31.03.22	%	31.03.21	%
90.7 %	18 726	90.7 %	22 518	Helgeland	21 937	90.9 %	18 435	91.2 %
8.5 %	1 757	8.5 %	2 113	Areas other than Helgeland	2 013	8.3 %	1 657	8.2 %
0.8 %	157	0.8 %	195	International	194	0.8 %	130	0.6 %
100 %	20 640	100 %	24 826	Total	24 144	100 %	20 222	100 %

NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

Parent bank						Group		
%	31.03.21	%	31.03.22		31.03.22	%	31.03.21	%
3.0 %	625	3.4 %	851	Financial institutions	272	1.1 %	242	1.2 %
12.5 %	2 581	11.7 %	2 908	Municipalities and municipal ente	2 908	12.0 %	2 581	12.8 %
2.3 %	474	2.3 %	564	Agriculture and forestry	564	2.3 %	474	2.3 %
1.6 %	336	2.4 %	598	Fisheries and aquaculture	598	2.5 %	336	1.7 %
1.0 %	198	0.8 %	209	Mining and industry	209	0.9 %	198	1.0 %
3.7 %	769	3.0 %	754	Building and construction	754	3.1 %	769	3.8 %
2.4 %	490	2.4 %	587	Trade, hotel, restaurants.	587	2.4 %	490	2.4 %
12.7 %	2 626	10.9 %	2 710	Transport and services	2 710	11.2 %	2 626	13.0 %
5.5 %	1 129	5.3 %	1 312	Property, property development	1 209	5.0 %	1 094	5.4 %
44.7 %	9 228	42.3 %	10 493	Total corporate market	9 811	40.6 %	8 810	43.6 %
55.3 %	11 412	57.7 %	14 333	Retail market	14 333	59.4 %	11 412	56.4 %
100 %	20 640	100 %	24 826	Total	24 144	100 %	20 222	100 %

NOTE 20. EQUITY CERTIFICATE CAPITAL HELG

Per 31.03.22				Morbank	
	Antall	%-andel		Antall	%-andel
Sparebankstiftelsen Helgeland	7 588 922	28.11 %	Kommunal Landspensjonskasse	321 000	1.2 %
SpareBank 1 Nord-Norge	5 397 325	20.0 %	Catilina Invest AS	252 646	0.9 %
Pareto Invest AS	2 118 691	7.8 %	VPF Nordea Avkastning	249 368	0.9 %
VPF Eika Egenkapital	1 214 789	4.5 %	Bergen kommunale pensjonskas	228 235	0.8 %
Verdipapirfondet Nordea Norge Verd	1 007 616	3.7 %	Lamoholmen invest AS	211 850	0.8 %
Spesialfondet Borea Utbytte	504 021	1.9 %	VPF Nordea Kapital	209 371	0.8 %
J.P. Morgan Bank Luxembourg S.A.	494 959	1.8 %	AF Kapital Managemet	188 552	0.7 %
MP Pensjon PK	393 399	1.5 %	VPF Nordea Norge Plus	167 650	0.6 %
Helgeland Kraft AS	390 925	1.4 %	Nima Invest AS	156 703	0.6 %
U.S Bank National Association	359 082	1.3 %	Vigner Olaisen AS	150 067	0.6 %
Sum 10 største eiere	19 469 729	72.1 %	Sum 20 største eiere	21 605 171	80.0 %

Banken har utstedt totalt 27.000.130 stk egenkapitalbevis pålydende kr 10,-

NOTE 21. CAPITAL ADEQUACY

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
4 550	3 779	4 586	Total equity capital	4 609	3 808	4 622
-398	-299	-398	Hybrid capital classified as equity (CB)	-398	-299	-398
-36	-24	-36	Deduction investment in SpareBank 1 Betaling	-36	-24	-36
0	0	0	Deduction shares in financial institutions	0	0	0
-8	-9	-10	Deduction prudent valuation	-10	-10	-8
0	-126	-162	Deduction share of profit not eligible as common equity tier 1 capital	-114	-71	0
-105	0	-99	Deduction Intangible assets	-99	0	-105
-111	0	0	Deduction dividend classified as equity	0	0	-111
			Effect of proportionate consolidation on equity tier 1 capital	-103	0	-110
3 891	3 321	3 881	Total common equity tier one capital	3 849	3 405	3 853
0	0	0	Shares in financial institutions	0	0	0
398	299	398	Hybrid capital (CB)	398	299	398
			Effect of proportionate consolidation on other tier 1 capital	31	0	31
4 289	3 620	4 280	Total tier 1 capital	4 278	3 704	4 283
451	451	451	Subordinatet dept	451	451	451
0	0	0	Shares in financial institutions	0	0	0
			Effect of proportionate consolidation on additional capital	44	0	44
451	451	451	Total net additional capital	495	451	495
4 740	4 071	4 731	Total net equity and related capital	4 773	4 155	4 778
18 601	16 006	18 529	Risk-weighted balance (calculation basis)	21 237	17 135	21 451
20.92 %	20.75 %	20.95 %	Common equity tier one Capital ratio in %	18.12 %	19.87 %	17.96 %
23.06 %	22.62 %	23.10 %	Tier 1 capital ratio in %	20.14 %	21.62 %	19.96 %
25.48 %	25.44 %	25.53 %	Total capital ratio in %	22.48 %	24.25 %	22.27 %
11.00 %	11.00 %	11.00 %	Requirement common equity core tier one capital ratio in %	13.20 %	13.20 %	13.20 %
12.50 %	12.50 %	12.50 %	Requirement tier 1 capital ratio in %	14.70 %	14.70 %	14.70 %
14.50 %	14.50 %	14.50 %	Requirement capital ratio in %	16.70 %	16.70 %	16.70 %
2 697	2 321	2 687	Required capital incl. buffer and pillar II requirements	3 547	2 862	3 582
2 043	1 750	2 044	Excess capital incl. buffer and pillar II requirements	1 227	1 293	1 196

31.12.21	31.03.21	31.03.22	Calculation basis	31.03.22	31.03.21	31.12.21
2	22	2	States and central banks	2	22	2
247	412	256	Local and regional authorities (including municipalities)	256	412	247
462	768	549	Institutions	294	379	208
1 509	1 494	1 478	Enterprises	1 478	1 494	1 509
2 787	1 301	2 558	Mass market loans	2 687	1 358	2 912
9 186	7 882	9 403	Loans secured by real property	11 614	10 416	11 624
318	375	245	Loans overdue	247	355	290
863	820	846	Covered bonds	258	190	238
317	544	273	High risk exposures	273	544	317
0	0	0	Units in securities funds	0	0	0
1 402	927	1 394	Equity positions	802	336	801
130	107	145	Other loans and commitments	251	205	242
17 222	14 652	17 149	Capital requirement credit risk	18 162	15 712	18 389
1 363	1 347	1 363	Capital requirement operational risk	1 382	1 385	1 382
15	7	16	CVA addition	20	38	19
0	0	0	Other adjustment from capital requirement	0	0	0
18 601	16 006	18 529	Total capital requirement	19 565	17 135	19 791
			Proportionate share of risk-weighted balance cooperating groups	2 138	0	2 126
			Deduction internal eliminations cooperating groups	-466	0	-466
			Risk-weighted balance after proportionate consolidation	21 237	17 135	21 451

NOTE 22. FINANCIAL ESTIMATES AND ESTIMATIVE ASSESSMENTS

The group makes estimates and pre-assumptions that effects the reported balance numbers for the next accounting year. Estimates and evaluations is ever an item for evaluation and is based on historical experience and other factors, hereunder expectations in relation to future events that is considered fair. The group has as a consequence of the corona pandemic been challenged on estimating under uncertainty.

For write-downs in lending, the bank has estimated expected effect of the corona crisis through the model write-downs. This is by the end of the quarter resolved through adjusting the pre-assumptions in the model, primarily related to changed expectations in PD, and also change in PD on especially exposed business groups. The changes were completed by the end of 1st quarter 2020, and is regularly evaluated to include new information and expected corona effects. There is great uncertainty associated with the estimates.

Fair value of financial instruments is partly calculated based on observable data in the market, for positions where it doesn't lie market data it is used a combination of judgement and estimates based on market data in evaluation of fair value by the end of the year.

NOTE 23. SPAREBANK 1 BOLIGKREDITT

SpareBank 1 Helgeland have agreements of possible legal sale of loans with high security in real estate to SpareBank 1 Boligkredit. In accordance with the management agreement made, the bank manages the loans and maintain the customer contact. The bank receives a remuneration in form of commission for the responsibilities that follows with the management of the loans. By transferring the loans, the loans are deducted from SpareBank 1 Helgeland in its wholeness, this as a consequence of that transfer is evaluated to involve the most significant risks and benefits with ownership.

Remuneration for transferred loans equal accounted values, and equals in the most significant real value of the loans at the transfer point of time. At the end of the year, the bank has a transferred portfolio of MNOK 4 581. The portfolio is mainly related to the purchase of SpareBank 1 Nord-Norges business in Helgeland.

SpareBank 1 Helgeland has together with other owners of the mortgage company established a liquidity facility, which means that the bank is committed to buy mortgage obligations at a value limited to the banks relative owners share of the company's maturity over the next 12 months. By the end of 2021 this credit facility amounts to MNOK 20.

NOTE 24. EVENTS AFTER BALANCE SHEET DAY

There are no known events after the balance sheet date that have significant importance to the accounts.

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

Parent bank				Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
2.34	2.45	2.64	Interest receivable and similar income	2.66	2.44	2.35
0.60	0.67	0.75	Interest payable and similar costs	0.87	0.71	0.66
1.74	1.78	1.89	Net interest- and credit commission income²	1.79	1.73	1.69
0.39	0.43	0.59	Commissions receivable and income from banking services	0.52	0.36	0.33
0.04	0.03	0.05	Commissions payable and costs relating to banking services	0.04	0.02	0.03
0.36	0.41	0.55	Net commission income	0.47	0.34	0.30
0.23	1.06	0.92	Gains/losses on financial assets available for sale	0.22	0.05	-0.01
0.03	0.03	0.04	Other operating income	0.02	0.01	0.01
1.28	1.15	1.09	Operating costs	0.97	0.97	1.07
0.20	0.04	0.01	Losses on loans, guarantees etc. and fixed assets	0.01	0.04	0.18
0.88	2.08	2.28	Gross profit	1.52	1.12	0.74
0.16	0.26	0.34	Tax payable on ordinary profit	0.33	0.26	0.17
0.72	1.82	1.94	Net profit	1.19	0.85	0.57

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Profit and loss account (Amounts in NOK million)										
Parent bank						Group				
Q1/21	Q2/21	Q3/21	Q4/21	Q1/22		Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
169	167	165	201	222	Interest receivable and similar income	258	236	198.8	202	203
46	43	40	50	63	Interest payable and similar costs	84	67	51	58	59
123	124	126	150	159	Net interest- and credit commission income	174	168	148	144	144
30	23	25	40	50	Commissions receivable and income from banking services	50	40	25	23	30
2	2	3	4	4	Commissions payable and costs relating to banking services	4	4	3	2	2
28	21	22	36	46	Net commission income	46	36	22	21	28
73	3	5	-12	77	Gains/losses on financial assets available for sale	21	-13	3	3	4
2	2	2	3	3	Other operating income	2	-1	4	0	1
79	82	74	150	92	Operating costs	94	141	80	82	81
3	9	19	29	1	Losses on loans, guarantees etc.	1	35	19	7	3
144	59	61	-1	192	Gross profit	147	15	78	78	93
18	12	16	1	29	Tax payable on ordinary result	32	0	21	16	22
126	47	45	0	163	Net profit	115	15	58	62	71

Q1/21	Q2/21	Q3/21	Q4/21	Q1/22		Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
2.45	2.32	2.20	2.38	2.64	Interest receivable and similar income	2.66	2.38	2.28	2.39	2.44
0.67	0.60	0.53	0.60	0.75	Interest payable and similar costs	0.87	0.68	0.59	0.69	0.71
1.78	1.72	1.67	1.79	1.89	Net interest- and credit commission income	1.79	1.70	1.70	1.71	1.73
0.43	0.32	0.33	0.48	0.59	Commissions receivable and income from banking services	0.52	0.41	0.28	0.27	0.36
0.03	0.03	0.04	0.05	0.05	Commissions payable and costs relating to banking services	0.04	0.04	0.03	0.02	0.02
0.41	0.29	0.29	0.43	0.55	Net commission income	0.47	0.37	0.25	0.25	0.34
1.06	0.04	0.07	-0.14	0.92	Gains/losses on financial assets available for sale	0.22	-0.13	0.04	0.03	0.05
0.03	0.03	0.03	0.04	0.04	Other operating income	0.02	-0.01	0.04	0.00	0.01
1.15	1.13	0.98	1.78	1.09	Operating costs	0.97	1.43	0.91	0.97	0.97
0.04	0.13	0.25	0.34	0.01	Losses on loans, guarantees etc.	0.01	0.35	0.22	0.09	0.04
2.08	0.83	0.82	-0.02	2.28	Gross profit	1.52	0.15	0.90	0.93	1.12
0.26	0.17	0.21	0.01	0.34	Tax payable on ordinary result	0.33	0.00	0.24	0.19	0.26
1.82	0.66	0.60	-0.03	1.94	Net profit	1.19	0.15	0.66	0.73	0.85

Q1/21	Q2/21	Q3/21	Q4/21	Q1/22		Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
ASSETS										
69	88	83	73	71	Cash and claims on central banks	71	73	83	88	69
2 324	1 830	2 389	1 886	2 125	Loans to and claims on credit institutions	1 085	857	1 477	1 120	1 453
19 685	20 655	20 727	25 213	25 377	Loans to and claims on customers	31 943	32 194	28 027	27 036	26 837
45	63	52	39	40	Financial derivatives	40	39	56	70	47
5 880	6 052	6 543	5 786	5 910	Certificates, bonds and shares available for sale	6 009	5 805	6 618	6 173	5 901
147	138	143	144	146	Investments in associated companies	146	144	143	138	147
590	591	591	590	590	Investments in subsidiaries	0	0	0	0	0
26	26	26	104	101	Deferred tax benefit	101	104	26	26	26
51	53	57	46	43	Fixed assets	150	153	135	131	122
56	45	41	72	99	Other assets	91	64	23	26	25
28 873	29 541	30 652	33 953	34 502	Total assets*	39 636	39 433	36 588	34 808	34 627
LIABILITIES AND EQUITY CAPITAL										
550	550	300	302	305	Liabilities to credit institutions	306	303	301	551	551
20 640	21 124	21 224	24 144	24 826	Deposits from customers and liabilities to customers	24 144	23 552	20 816	20 612	20 222
3 118	3 371	4 310	4 288	4 009	Borrowings through the issuance of securities	9 775	10 271	10 596	9 106	9 268
26	22	13	9	19	Financial derivatives	38	12	13	22	26
309	203	191	209	306	Other liabilities	310	218	188	198	298
451	451	451	451	451	Fund bonds	451	451	451	451	451
25 094	25 721	26 489	29 403	29 916	Total liabilities	35 024	34 807	32 365	30 940	30 816
1 180	1 180	1 180	1 775	1 771	Paid-in equity capital	1 771	1 775	1 180	1 180	1 180
299	299	601	398	398	Hybrid capital	398	398	601	299	299
2 177	2 176	2 174	2 290	2 258	Accrued equity capital/retained earnings	2 258	2 288	2 174	2 176	2 177
123	165	208	86	159	Other equity capital	182	161	265	210	152
					Minority interest	3	3	3	3	3
3 779	3 820	4 163	4 550	4 586	Total equity capital	4 612	4 626	4 223	3 868	3 811
28 873	29 541	30 652	33 953	34 502	Total liabilities and equity capital	39 636	39 433	36 588	34 808	34 627

OTHER KEY FIGURES

Parent bank			Group			
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
			BALANCE SHEET			
			Development in the last 3 months			
	5.2	1.6	Total assets	0.5	4.3	
	-2.6	0.4	Gross lending	-0.9	-2.0	
	8.1	2.8	Customer deposits	2.5	8.2	
			Development in the last 12 months			
23.7	6.1	19.5	Total assets ⁹	14.5	3.2	18.7
24.1	-0.3	27.9	Gross lending ⁶	18.4	-2.2	17.1
26.4	12.0	20.3	Customer deposits ⁷	19.4	12.0	26.1
94.9	103.3	97.1	Deposit coverage as a percentage of gross loans ⁵	75.2	74.5	72.6
62.8	57.9	62.4	Lending to retail customers	70.2	68.7	70.6
30 037	28 017	34 108	Average assets ¹⁰	39 341	33 711	35 740
25 452	19 986	25 563	Gross loans ⁴	32 120	27 126	32 424
			SOLIDITY			
20.9	20.8	20.9	Core tier one Capital ratio	18.1	19.9	18.0
23.1	22.6	23.1	Core Capital ratio	20.1	21.6	20.0
25.5	25.4	25.5	Total Capital ratio ²¹	22.5	24.2	22.3
			Core tier one Capital ratio, after proportionally consolidation in%	18.1	19.9	18.0
			Core capital ratio, after proportionally consolidation in%	20.1	21.6	20.0
			Total Capital ratio, after proportionally consolidation in%	22.5	24.2	22.3
			Leverage ratio ²² , after proportionally consolidation in%	9.1	10.4	9.4
5.4	13.6	14.5	Rate of return on equity ¹	10.1	7.5	5.0
5.9	14.8	15.5	Rate of return on equity (excl. hybrid capital)	10.8	8.2	5.4
0.6	1.8	1.9	Return on assets	1.2	0.8	0.5
			KEY FIGURES PCC			
5.8	4.4	4.7	Yield per primary certificate ¹⁶	3.3	2.4	5.5
5.8	4.4	4.7	Diluted result per ECC, in Norwegian currency	3.3	2.4	5.5
76.3	76.3	76.3	ECCs split (01.01) ¹⁸	76.3	76.3	76.3
122	127	124	Equity capital per ECC ¹⁷	125	128	124
131.0	107.0	134.0	PCC price quoted on the stock exchange	134.0	107.0	131.0
22.4	5.9	7.0	P/E (price divided by profit per ECC) ¹⁹	9.9	10.8	23.7
1.1	0.8	1.1	P/B (price divided by book value of equity capital) ²⁰	1.1	0.8	1.1
54.4	35.1	32.3	Costs as a percentage of income ³	38.8	45.8	53.9
1.3	1.1	1.1	Cost in percent of average total assets	1.0	1.0	1.1
165	141	159	Number of man-years	159	141	165
			LOSSES ON LOANS AND GROSS DEFAULTS			
			As a percentage of gross lending:			
0.6	1.4	0.4	Gross defaults over 90 days ¹³	0.3	1.1	0.5
1.0	1.5	0.8	Total loan loss provision	0.58	1.1	0.7
0.24	0.06	0.02	Losses on lending ¹²	0.01	0.04	0.20

17) Percentage of equity excl. Hybrid capital

OTHER CALCULATIONS

Parent bank			(Figures in MNOK and %)	Group		
31.12.21	31.03.21	31.03.22		31.03.22	31.03.21	31.12.21
			Operating costs, adjusted for one-time effects			
385	79	92	Operating costs	94	81	384
-53	-3	0	One-time effects	0	-3	-53
332	76	92	Operating costs, adjusted for one-time effects²³	94	78	331
1.11 %	1.11 %	1.09 %	Operating costs in % of BTA, adjusted for one-time effects	0.97 %	0.94 %	0.93 %
46.9 %	33.8 %	32.3 %	Operating costs in % of income, adjusted for one-time effects	38.8 %	44.1 %	46.5 %
216	126	163	Profit	115	71	205
-12	-4	-3	Paid interests subordinated bonds	-3	-4	-12
204	122	160	Net profit, incl. Interests subordinated bonds	112	67	193
53	3	0	one-time effect pension	0	3	53
257	125	160	Profit, adjusted for one-time effects	112	70	246
216	511	661	Profit (annualized)	468	289	205
257	507	648	Profit (annualized), eks one-time effects and incl. interests subordinat	454	286	246
4 017	3 751	4 567	Average equity	4 619	3 815	4 097
-325	-299	-398	Average subordinated bonds	-398	-299	-325
3 692	3 452	4 169	Average equity adjusted for subordinated bonds	4 221	3 516	3 772
6.4 %	13.5 %	14.5 %	ROE adjusted for one-time effects	10.1 %	7.5 %	6.0 %
6.9 %	14.7 %	15.5 %	ROE adjusted for one-time effects and interests FO11	10.8 %	8.1 %	6.5 %
216	126	163	Profit	115	71	205
216	511	661	Profit (annualized)	468	289	205
257	507	648	Profit (annualized), eks one-time effects and subordinated bonds	454	286	246
30 037	28 017	34 108	Average assets	39 341	33 711	35 740
0.7 %	1.8 %	1.9 %	Return on assets (annualized)	1.2 %	0.9 %	0.6 %
0.9 %	1.8 %	1.9 %	Return on assets (annualized) adjusted for one-time effects	1.2 %	0.8 %	0.7 %
4 289	3 620	4 280	CET1	4 278	3 704	4 400
41 081	36 029	41 298	Unweighted calculation basis	46 887	35 638	46 623
10.4 %	10.0 %	10.4 %	Leverage ratio	9.1 %	10.4 %	9.4 %

APM (Alternative performance measures)

In the board's report and in accounting presentations, SpareBank 1 Helgeland uses alternative performance measures or APM (alternative performance measures) with the purpose of giving a true and fair view of the bank's financial development and position, in order to ensure the correct information. Key figures that are regulated in IFRS or other legislation are not defined as APM. The same applies to non-financial information. APMs presented as part of the accounting portion of the reports are basically exempt from the APM guidelines, but are included in the schedule below to the extent that they are not defined in the financial statements. The reason for presenting adjusted results is to bring out the underlying operations in a better way and is not intended to replace ordinary reporting.

Definitions key figures:

- 1) **Return on equity.** Reason for use: The key figure indicates the return on the Group's equity. The key figure reflects the Group's ability to turn the capital into profitable business. Definition: Return on equity (total profit after tax) is calculated by dividing the profit/loss for the period for the financial year by the average equity for the past year. For information on return on equity for more than one profit for the period, the profit for the period is annualized.
- 2) **Net interest.** Reason for use: Net interest income is a normal key figure within banking/finance and reflects the bank's net interest income as a percentage of average total assets. Definition: Net interest income is the difference between gross interest income and interest expenses – net interest income in the result summary. Net interest income is annualized in the interim reports.
- 3) **Expense ratio.** Reason for use: Cost percentage is a normal key figure in banking/finance. The key figure reflects how effectively the bank/group operates. Definition: The cost percentage reflects the bank's/group's ability to translate its operating expenses into revenue recovery. The cost percentage is calculated by dividing the total operating costs by total income.
- 4) **Gross lending, the Group (incl. transfer for mortgage companies):** Reason for use: The bank owns Helgeland Boligkreditt 100 % and key figures reflect the bank's total lending volume. Definition: loan volume including transferred from the mortgage company.
- 5) **Deposit coverage.** Reason for use: Deposit coverage is a normal key figure in banking/finance. The key figure shows the share of the bank's lending activities that are financed by deposits from customers. Definition: The deposit coverage reflects the bank's ability to finance lending to customers through deposits from customers. Deposits are calculated by dividing the total deposits

from customers by gross loans, excl. transfer to mortgage companies in the parent bank and including transfer to mortgage companies in the group.

- 6) **Lending growth last 12 months.** Reason for use: Lending growth over the last 12 months is a normal key figure in banking/finance. The key figure reflects the activity and growth of the bank's lending activities. The Group includes transfers from the mortgage company, growth in the parent bank excl. volume of the mortgage company. Definition: Lending growth is calculated from the corresponding period last year to this year. The group includes the volume of the mortgage company, while the parent bank is excl. volume of the mortgage company.
- 7) **Deposits growth last 12 months.** Reason for use: Deposit growth over the last 12 months is a normal key figure in banking/finance. The key figure reflects the activity and growth of the bank's deposit operations. Definition: Deposit growth over the last 12 months reflects the growth in deposits in the balance sheet from the corresponding period last year to this year.
- 8) **Total assets.** Reason for use: The key figure reflects the bank's total assets. Definition: Total assets in the balance sheet.
- 9) **Growth last 12 months in total assets.** Reason for use: The key figure reflects the growth in the bank's total assets including transferred to the mortgage company in the group and excl. volume transferred to the mortgage company in the parent bank. Definition: Growth assets in the balance sheet are calculated from the corresponding period last year to this year.
- 10) **Average total assets.** Reason for use: Several key figures are calculated on average total assets. Definition: Weighted average of total assets throughout the year.
- 11) **Equity excluding hybrid capital.** Reason for use: The key figure reflects part of the bank's capital that belongs to the owners excluding hybrid capital (fund bonds). Definition: The difference between the bank's equity (earned and paid-in equity) and the bank's hybrid capital (funded bonds).
- 12) **Loss ratio loans.** Reason for use: The key figure reflects a loss recognized as a function of gross lending in the balance sheet date. Definition: Loss provisions for the period on loans and guarantees divided by gross lending as a percentage. For information on loss-based loans for shorter periods than full financial years, the loss expense recognized in the income statement is annualized.
- 13) **Non-performing commitments.** Reason for use: The key figure indicates the proportion of the bank's gross non-performing loans. Definition: Non-performing loans (over 90 days) on loans and guarantees.
- 14) **Doubtful commitments.** Reason for use: The key figure indicates the proportion of the bank's gross loans that are subject to losses. Definition: Gross lending for the period that is doubtful (has an individual loss provision or risk class K, but which is not defaulted).
- 15) **Net Non-performing and doubtful commitments.** Reason for use: The key figure indicates how much the bank's net non-performing and doubtful commitments amount to gross loans. Definition: Net non-performing and doubtful commitments, less write-downs on these loans, divided by gross loans.
- 16) **Earnings per equity certificate.** Reason for use: The key figure gives readers information about earnings per equity certificate. Definition: The equity certificate holders' share of the result is calculated as profit before other income statement items in proportion to the average number of equity certificates in the period.
- 17) **Booked equity per equity certificate.** Reason for use: The key figure provides information on the value of the book equity per equity certificate. Definition: Equity certificate holders' share of equity divided by the number of equity certificates.
- 18) **Equity certificate fraction.** Reason for use: Basis for calculating dividends. Definition: The equity certificate holders' share of equity, e.g. Fund bonds.
- 19) **P/E.** Reason for use: The key figure provides information on earnings per equity certificate. Definition: Share price at end of period divided by profit (annualized) per equity certificate.
- 20) **P/B.** Reason for use: The key figure provides information on price per equity certificate. Definition: Share price at end of period divided by book equity per equity certificate.
- 21) **Capital adequacy.** Reason for use: Legal requirements for capital adequacy. Definition: subordinated capital divided by weighted balance sheet and excluding balance sheet items.
- 22) **Unweighted core capital adequacy.** Reason for use: Normal key figure in banking/finance. Provides more comparable capital regardless of the method of calculating capital adequacy. Definition: Tier 1 capital divided by capitalized items and non-capitalized items calculated without risk weighting.

INFORMATION CONCERNING SPAREBANK 1 HELGELAND

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Board of Directors of SpareBank 1 Helgeland

Bjørn Krane, Chair man
Rolf Eigil Bygdnes, Deputy Chair man
Marianne Terese Steinmo
Jonny Berfjord
Siw Moxness
Ann-Helen Baadstrand
Kenneth Normann
Solrun Johansen

Management

Hanne Nordgaard, Chief Executive Officer

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Other sources of information

Annual reports

The annual report for SpareBank 1 Helgeland is available at www.sbh.no

Quarterly publications

Quarterly reports and presentations are available at www.sbh.no