



# Financial report Third quarter 2021

## Main features group

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

<b>PROFIT AND LOSS ACCOUNT (Amounts in NOK million)</b>	<b>Q3/21</b>		<b>Q3/20</b>		<b>30.09.2021</b>		<b>30.09.2020</b>		<b>31.12.2020</b>	
Net interest- and credit commission income	148	1.70 %	149	1.75 %	436	1.68 %	448	1.77 %	598	1.77 %
Net commission income	22	0.25 %	23	0.27 %	71	0.27 %	71	0.28 %	97	0.29 %
Net profit from other financial investments	3	0.04 %	7	0.08 %	10	0.04 %	84	0.33 %	203	0.60 %
Other operating income	4	0.04 %	2	0.02 %	5	0.02 %	3	0.01 %	5	0.01 %
Operating costs (note 4)	80	0.91 %	113	1.33 %	243	0.94 %	295	1.17 %	462	1.37 %
Losses on loans, guarantees etc. (note 10)	19	0.22 %	3	0.04 %	29	0.11 %	56	0.22 %	51	0.15 %
<b>Gross profit</b>	<b>78</b>	<b>0.90 %</b>	<b>65</b>	<b>0.76 %</b>	<b>250</b>	<b>0.96 %</b>	<b>255</b>	<b>1.01 %</b>	<b>390</b>	<b>1.16 %</b>
Tax payable on ordinary result	21	0.24 %	16	0.19 %	59	0.23 %	45	0.18 %	50	0.15 %
<b>Net profit</b>	<b>58</b>	<b>0.66 %</b>	<b>49</b>	<b>0.58 %</b>	<b>191</b>	<b>0.74 %</b>	<b>210</b>	<b>0.83 %</b>	<b>340</b>	<b>1.01 %</b>

### Key numbers

<b>Profitability</b>	<b>30.09.2021</b>	<b>30.09.2020</b>	<b>31.12.2020</b>
ROE (excl. hybrid capital)	7.1 %	10.7 %	13.4 %
Net interest	1.68 %	1.77 %	1.77 %
Costs as a percentage of income	46.6 %	48.7 %	51.2 %
Costs as a percentage of income excl. one-time costs	44.8 %	37.3 %	35.0 %

### Balance and liquidity

Total assets	36 588	33 648	33 207
Average total assets	34 582	33 826	33 693

### Solidity (including cooperative group)

Core tier one Capital ratio	19.6 %	17.3 %	18.8 %
Core Capital ratio	23.0 %	19.0 %	20.5 %
Total capital ratio	25.6 %	21.6 %	23.1 %
Core tier one Capital	3 485	3 188	3 400
Core Capital	4 086	3 505	3 714
Total net equity and related capital	4 537	3 977	4 184
Capital requirement	17 757	18 440	18 110
Leverage Ratio	10.9 %	9.8 %	10.5 %

## ACCOUNTS SPAREBANK 1 HELGELAND 3<sup>rd</sup> QUARTER 2021

### 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 the competition ahead. The bank has offices in 4 municipalities in Helgeland, and is the 11th largest savings bank in Norway.

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 2020 and annotations 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 3<sup>rd</sup> quarter

- Stable profit from the basic operation, changes in the PLA compared to the same period last year is mainly related to higher loss and low one-time costs
- Decrease in net interest of MNOK 1.
- Decrease in commission income by MNOK 1.
- High write-downs in lending by MNOK 19 (3).
- Costs in % of income MNOK 44.7 % excluding one-time costs.
- Annualized net ROE adjusted for hybrid capital and one-time effects of 5.8 %

Main features this quarter (MNOK)	Q3/21	Q3/20	Change
Net profit	78	65	13.2
Net interest and commission income	148	149	-1
Operating cost	80	113	-33.4
Operating costs excluding one-time effects	79	73	6
Yield per equity capital certificate	2.0	1.7	0
Provision of loss	19	3	16
Profit from financial investments	3	7	-4
Growth gross lending (this quarter)	202	206	-4
Growth deposits (this quarter)	204	8	196

### Main features so far this year

- Stable basic operation
- Gross profit of MNOK 250 (255).
- Net interest income of MNOK 436 (448).
- Net commission income of MNOK 71 (71).
- Low write-downs on lending of MNOK 29 (56).
- Cost in % of income was 44.8 % excl. one-time costs.
- Annualized net ROE adjusted for hybrid capital and one-time effects of 7.1 %

Main features this year (MNOK)	30.09.2021	30.09.2020	Change
Net profit	250	255	-5
Net interest and commission income	436	448	-12
Operating cost	243	295	-52
Operating costs excluding one-time effects	234	226	8
Profit from financial investments	10	84	-74
Provision of loss	29	56	-27
Return on equity %	7.1 %	10.7 %	-3.6 %
Yield per equity capital certificate	6.6	7.3	-0.7
Core tier 1 ratio %	19.6 %	17.3 %	2.3 %
Provision of loss % of gross lending	0.14 %	0.3 %	-0.1 %
Growth gross lending % annualized	2.3 %	-2.7 %	5.0 %
Growth deposits % annualized	12.0 %	0.5 %	11.4 %

### Profit

As for the second quarter, gross profit was MNOK 78 (65), an increase of MNOK 13. This is mainly related to low one-time costs related to the acquisition, and lower losses in lending compared to the same period last year.

So far this year gross profit is MNOK 250 (255), a decrease of MNOK 5. The decrease is related to reduced gains on financial investments, while lower costs related to the Helgeland 1 project and losses in lending contributes positively.

### Net interest

Net interest and credit commission income amounted to MNOK 148 (149) which equals 1.70 (1.75) % in % of average total assets. The net interest has maintained relatively stable. High liquidity entry and correspondingly increase in total assets reduces the net interest in % of total assets.

So far this year, net interest and credit commission income is MNOK 436 (448), a decrease of MNOK 12. In % of average total assets, this amounts to 1.68 (1.77) %.

So far this year the bank has expensed MNOK 15 in contribution to the deposit guarantee fund and the emergency fund.

### Net commission earnings.

For the quarter, the net commission earnings were MNOK 22 (23), or 0.25 (0.27) in percentage of average total assets. The decrease is related to lower commission income as a result of reduced travelling activity and credit card use.

Commission income is so far this year stable and amounts to MNOK 71 (71), but includes unexpected bonus commissions of MNOK 5 that were not adequately considered in 2020.

### **Net value change and profit/loss from financial investments**

Income from financial investments in the second quarter was MNOK 3, a reduction of MNOK 4 compared to the same period last year.

So far this year profit on financial investments is MNOK 10 (84). The change is related to value regulation as a consequence of sale of shares in the second quarter last year.

In the parent bank, dividend from Helgeland Boligkreditt AS have been recognized as income with MNOK 69 in the first quarter of 2021.

### **Operating costs**

This quarter, the operating costs were MNOK 80 (113), a reduction of MNOK 33. Exclusive the one-time costs the corresponding number is MNOK 79 (73).

Exclusive the one-time cost related to Helgeland 1, the cost would be 44.7 % of the income. The costs are over the bank's target for cost level of 40 % of total income. This is as expected, and is related to more costs as a consequence of the Helgeland 1 project and lower income.

So far this year the operating costs amounts to MNOK 249 (295), which amounts to a reduction of MNOK 52. Exclusive the Helgeland 1 costs, the operating costs amounts to MNOK 234 (226), an increase of MNOK 8 compared to last year.

The bank's sick leave is higher than at the same time last year with 4.2 (3.0) %.

### **Write-downs on lending**

MNOK 19 (7) has been expensed in write-downs on loans this quarter. Annualized, this amounts to a percentage of gross lending of 0.27 (0.10).

MNOK 29 (56) has been expensed in write-downs on loans so far this year. This amounts to a percentage of gross lending of 0.14 (0.27).

The write-downs are partly a product of calculated loss expectations and partly a product of statements on earlier depreciated commitments. Large parts of the loss in third quarter is related to one write-down on a corporate commitment within fisheries and aquaculture. The write-downs so far this year are considered moderate to low.

Net non-performing and impaired commitments has this quarter decreased by MNOK 9. Net non-performing and impaired commitments amounts to MNOK 327 (317) by the end of the quarter. This is an increase of MNOK 10 from the corresponding period last year. There are individual loss evaluations on large parts of the volume that in the third quarter is marked within non-performing and impaired commitments, and it is not expected further loss in these commitments.

### **The equity certificate – HELG**

By the end of the quarter, the number of EC owners amounts to 2 576. The 20 largest owners are noted with 74.2 % of the EC capital. Of this, Sparebankstiftelsen owns 35.0 %.

The number of total EC's is 20 871 427. As of 30.09.21 the bank owned 1.492 of our own EC's.

By the end of the quarter, the price of the bank EC's was NOK 122.0 which represents an increase of NOK 36 from 31.12.20.

### **Balance development per 30.09.21**

Total assets amount to 34.6 bn. Over the last 12 months, total assets are increased by MNOK 2 940 (-587) or 8.7 (-1.7) %. Increased total assets is mainly related to high deposit growth and liquidity building for the acquisition of SpareBank 1 Nord-Norges portfolio in Helgeland in the fourth quarter.

### **Commitments**

By the end of the quarter, gross lending constituted MNOK 27 324. The 12-month lending growth was MNOK 625 (-782), or 2.3 (-2.7) %. Of the group's lending 83.9 (83.6) % is lent to customers in Helgeland.

In the third quarter, the bank had a lending growth of MNOK 996 (206) where corporate customers and retail customers has a change of MNOK 826 and 170.

Of gross lending, MNOK 19 148, or 67.6 (67.9) % is lending to retail customers, of which MNOK 7 349 has been transferred to the bank's mortgage company. The 12-month growth in the retail market has increased by MNOK 352 (-28), or 1.9 (-0.1) % over the last 12 months.

In the corporate market, the 12-month growth was MNOK 273 (-754), or 3.1 (-7.8) %. The development includes transferred corporate commitments from SpareBank 1 Nord-Norge.

### **Deposits from customers**

By the end of the quarter, deposits from customers constituted MNOK 20 816. The deposits have over the last 12 months increased by MNOK 2 223 (96), or 12.0 (0.0) %.

In the third quarter, the deposits have increased by MNOK 204 against MNOK 8 for the corresponding quarter last year or 0.5 (0.0) %.

The group has a local depositor mass where 91.0 (89.4) % are deposits from customers in Helgeland. The 12-month deposit growth in the retail market was MNOK 829 (585), or 7.6 (5.7) %. Of total deposits of MNOK 20 816, MNOK 11.752, or 56.5 (58.7) % are deposits from retail customers.

In the corporate market, deposits have increased over the last 12 months by MNOK 1 394 (-489) or 18.2 (-4.9) %.

Significant increase in deposits has provided a high deposit coverage, which per 30.09.21 was 73.5 (67.1)

% in the group and 100.9 (94.6) % in the parent bank. The development includes transferred corporate commitments from SpareBank 1 Nord-Norge.

### **Funding**

Deposits from customers are an important funding source for the bank. The volume difference between loans to customers and deposits is funded in the Norwegian money- and securities market. Total capital market funding is amounted to MNOK 10 596 (10.101), and has a satisfying allocation of duration and lending sources. By the end of the quarter, the share of loans beyond one year was 81.0 (97.5) %. Per 30.09.21, the average remaining term for debt securities was 2.37 (2.65) years. Duration in the mortgage company is slightly lower with 2.2 (2.9) years.

The bank has completed its framework for green bonds during third quarter. The framework commits SpareBank 1 Helgeland to contribute to a sustainable development in the region as well as contribute to fulfil UN's sustainability goals. The framework is evaluated by an independent part. The evaluation and the green framework can be read on SpareBank 1 Helgelands website. In relation to completion of the framework, the bank has issued two green bonds, both of MNOK 500.

The bank is continually preparing for the transferral of approved mortgages to the fully owned mortgage company. The volume is reduced from MNOK 7 659 per 30.09.20 to MNOK 7 349 per 30.09.21. The fixed maximum limit for transferring loans to Helgeland Boligkreditt AS is 35 % of gross lending and 50 % of gross lending RM. As of 30.09.21, the transfer level is 20.1 (22.8) % and 38.4 (40.7) %. 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.

### **Helgeland 1**

The implementation of the transaction between SpareBank 1 Helgeland and SpareBank 1 Nord-Norge was executed after the balance date. The transfer of the customers has been resource-intensive and challenging, but has been solved in a good way through good teamwork with external suppliers, employees, the alliance companies and not least the customers. The project is essentially completed, and the board is overall pleased with the implementation of the project.

With background in the technical limitations that lies, the corporate commitments are manually moved from SpareBank 1 Nord-Norge on Helgeland over to SpareBank 1 Helgeland. By the end of 3<sup>rd</sup> quarter, MNOK 750 has been transferred in loans and MNOK 571 in deposits related to this portfolio. By the end of this quarter, MNOK 118 in lending and MNOK 11.3 in deposits remains to manually transfer. The remaining transfers happens on the time of the transaction in the fourth quarter, and is not taken in to account for the third quarter.

In the third quarter, there has been expensed MNOK 2 related to legal advice, consultants and market costs in the project. Low costs in the quarter is mainly related to the summer holiday and accounting against provisions. Total costs in the project are still expected to end at the earlier guided level.

### **Issuance and acquisition of hybrid capital**

SpareBank 1 Helgeland during third quarter taken up mutual fund bonds of MNOK 400, as well as a repurchase of MNOK 96 on issued mutual fund bonds. In addition, a successful emission was completed as a consequence of the transaction with SpareBank 1. The emission amounted to MNOK 600 and makes SpareBank 1 Nord-Norge from 4<sup>th</sup> quarter an owner of 19,9% of the EC's in the bank. The emission is not taken in to account in the third quarter.

### **The corona crisis**

The society has mainly gone back to normal for most people during third quarter. It still lies uncertainty related to total consequences of the pandemic, especially on how companies and retail customers will cope with the economic losses after the pandemic. With background in this uncertainty the changes made to consider the pandemic in the loss model is maintained also in the second quarter. By the end of this quarter these changes isolated amounts to MNOK 18 in increased model provision.

At the end of third quarter, there has not been revealed further need for loss provision or other provisions as a consequence of the pandemic and its repercussions. The bank has a relative limited scope of especially exposed businesses as hotel and restaurant, tourism and oil business.

### **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 865 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 associated companies**

The SBH group consists of SpareBank 1 Helgeland and the consolidated subsidiaries Helgeland Boligkreditt AS, ANS Bankbygg Mo, AS Sparebankbygg, SpareBank 1 Helgeland's 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.

By the end of the quarter net non-performing (>90 days) and impaired commitment constitute MNOK 327 (317) which is an increase of MNOK 10 from 30.09.20. In percentage of gross lending this amounts to 1.2 (1.1) %.

### **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 of securities issued by Norwegian banks, mortgage companies, municipalities, government, and non-financial institutions. The credit spread risk is within the approved frames.

The bank's 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 8.0 (5.6) bn, or 21.8 (16.6) % of the group's total assets. The combined duration of the interest portfolio is 1.2 (1.5) years.

The bank's 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 219 (185) %.

### **Solidity**

After proportionally consolidation, net equity and related capital amounts to MNOK 4 535, hereby fund obligations by MNOK 601 and subordinated loan by MNOK 451.

the SBH group has per 30.09.21 a CET1 capital ratio of 19.6 (17.3) % and a total capital ratio of 25.5 (21.6) %. The profit per second quarter is included in the calculation.

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 target of CET1 is 17.0 %, and 20.5 % for total capital adequacy. 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 17 757 (18 440). The bank has completed some internal definitions and marking of commitments. This has provided some migrations in classifications.

The bank has had a significant increase in mass market commitments. This is mainly related to a re-evaluation of the bank's classification of mass market, mainly related to amount sizes on commitments that can be classified as mass market.

The group's Leverage Ratio (unweighted core capital ratio) was 10.9 (9.8) % after proportionally consolidation.

### **Prospects ahead**

With effect from October 18<sup>th</sup>, SpareBank 1 Helgeland has completed the acquisition with SpareBank 1 Nord-Norge. The transaction entails that 25 000 customers, a total credit volume of 4.2 bn and deposits of MNOK 2.9 bn. has been transferred from SpareBank 1 Nord-Norge to SpareBank 1 Helgeland. In addition, the bank has taken over around 4.6 bn of SpareBank 1 Nord-Norges portfolio in SpareBank 1 Boligkreditt. Through good teamwork between employees, SpareBank 1 Nord-Norge and other co-operators, the technical transformation has been completed without significant challenges.

For SpareBank 1 Helgeland, the acquisition and the entrance in SpareBank 1 alliance important strategic choices to be a solid provider in the positive

development one can see in Helgeland. Low unemployment, large public and private projects, together with increasing housing prices and stable turnover numbers is factors that gives foundation for optimism. SpareBank 1 Helgeland sees no special relations that suggests that this development will change significantly in 2021 and further in to 2022. The local bank will be a central power for growth in Helgeland.

The acquisition in the fourth quarter of 2021 will affect the operation and the costs in 2021 and partly in 2022. This results in that the groups long-term profitability targets cannot be expected to be fulfilled for a period. In a longer perspective, the profitability is expected to strengthen. The group has a long-term profitability target on level with comparable banks of 11 % after tax.

The net interest is expected to strengthen after the interest rate increase on the portfolio and provide an annual strengthening of the net interest by MNOK 40. Increased funding costs will draw this effect on the net interest slightly down. The interest rate increase will have effect from medio November.

Overall, the level of commission income is satisfying. Established measures and an aggressive sales organization provide the basis for expecting this level to be stable throughout 2021. As a consequence of entering the SpareBank 1 alliance, the bank will change product suppliers in 2021. It is not expected to provide significant changes in the commission income, but will in a transformation period in a certain degree affect the commission income negatively. In a long term, a positive effect as a consequence of the entrance in the SpareBank 1-alliance is expected.

The cost level will naturally be affected by the project. Operating costs for the basic operation are expected to maintain relative stable but slightly over target of 40 percent of total income. This is basically related to increased costs in a transition phase after entering the

SpareBank 1 alliance and the acquisition. It is expected further project costs of MNOK 40 during 4<sup>th</sup> quarter of 2021.

The bank has earlier guided the market on an expectation of normalized losses of around 0.20 % of gross lending. The level of expectation is also maintained throughout 2021. It is still an underlying uncertainty regarding future losses considering Covid-19, but the bank has relatively little exposure against especially affected industries within oil, tourism, hotel and restaurant business.

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, but the board will still 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 gives reason to optimism related to the long-term growth in the private market. For 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 and hospital will provide investments for up to 10 billion NOK in Helgeland. 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 board expect that the entrance in the SpareBank 1 alliance will strengthen the group's position as a profitable and forward-looking local bank, and also further contribute to that SpareBank 1 Helgeland will represent a force for growth in Helgeland. Finally, the board wishes all new customers and new employees welcome to SpareBank 1 Helgeland.

Mo i Rana, October 28<sup>th</sup> 2021

Bjørn Krane  
*Chairman of the Board*

Rolf Eigil Bygdnes  
*Deputy Chairman of the Board*

Marianne Terese Steinmo

Siw Moxness

Jonny Berfjord

Linda Brennbakk  
*Permanent deputy member*

Birgitte Lorentzen  
*Employee representative*

Geir Pedersen  
*Employee representative*

Hanne Nordgaard  
CEO



## CONTENTS

Main features group.....	1
PROFIT AND LOSS ACCOUNT (amounts in NOK million) .....	9
BALANCE SHEET (amounts in NOK million).....	10
CHANGE IN EQUITY .....	11
CASH FLOW STATEMENT .....	12
NOTE 1. ACCOUNTING PRINCIPLES .....	13
NOTE 2. SEGMENT.....	13
NOTE 2.1 NET INTEREST .....	14
NOTE 2.2 NET COMMISSION INCOME .....	14
NOTE 3. SPECIFICATION OF NET CHANGE IN VALUE OF FINANCIAL INSTRUMENTS.....	14
NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS.....	14
NOTE 5. LOSSES ON LOANS GUARANTEES, ETC.....	14
NOTE 6. PROFIT PER PRIMARY CERTIFICATE .....	15
NOTE 7. GEOGRAPHICAL EXPOSURE WITHIN THE LOAN PORTFOLIO.....	15
NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY.....	15
NOTE 9. NET NON-PERFORMING AND IMPAIRED COMMITMENT .....	17
NOTE 10. INDIVIDUAL AND COLLECTIVE WRITE DOWNS OF LOANS AND GUARANTEES.....	18
NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS.....	21
NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES .....	22
NOTE 13. OPERATING FUNDS.....	23
NOTE 13.1 LEASES .....	23
NOTE 14. DISCLOSURES OF RELATED PARTIES.....	24
NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS .....	24
NOTE 16. FINANCIAL DERIVATIVES .....	26
NOTE 17. SECURITIES ISSUED.....	27
NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS.....	27
NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY.....	28
NOTE 20. EQUITY CERTIFICATE CAPITAL HELD.....	28
NOTE 21. CAPITAL ADEQUACY.....	29
NOTE 22. FINANCIAL ESTIMATES AND ESTIMATIVE ASSESSMENTS.....	30
PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS.....	30
PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT.....	31
OTHER KEY FIGURES .....	32
OTHER CALCULATIONS.....	33
INFORMATION CONCERNING SPAREBANK 1 HELGELAND.....	35

## PROFIT AND LOSS ACCOUNT (amounts in NOK million)

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
776	168	165	605	501	Interest income and similar income (note 2.1)	604	758	199	209	966
252	41	36	212	115	Interest payable and similar costs	153	295	46	55	348
20	5	4	15	14	Hedge fund fees	15	15	5	5	20
<b>504</b>	<b>122</b>	<b>126</b>	<b>378</b>	<b>373</b>	<b>Net interest- and credit commission income</b>	<b>436</b>	<b>448</b>	<b>148</b>	<b>149</b>	<b>598</b>
108	27	25	79	78	Commissions receivable and income from banking services	78	79	25	27	108
11	4	3	8	7	Commissions payable and costs relating to banking services	7	8	3	4	11
<b>97</b>	<b>23</b>	<b>22</b>	<b>71</b>	<b>71</b>	<b>Net commission income</b>	<b>71</b>	<b>71</b>	<b>22</b>	<b>23</b>	<b>97</b>
58	0	2	50	72	Dividend	2	0	0	0	7
30	14	5	30	7	Net profit from associates	7	30	5	14	30
150	-7	-2	54	2	Net profit from other financial investments	1	54	-2	-7	166
238	7	5	134	81	Gains/losses on financial assets available for sale (note 3)	10	84	3	7	203
9	3	2	7	6	Other operating income	5	3	4	2	5
436	112	74	290	235	Operating costs (note 4)	243	295	80	113	462
67	3	19	57	31	Losses on loans, guarantees etc. (note 10)	29	56	19	3	51
<b>346</b>	<b>40</b>	<b>61</b>	<b>243</b>	<b>264</b>	<b>Gross profit</b>	<b>250</b>	<b>255</b>	<b>78</b>	<b>65</b>	<b>390</b>
27	8	16	29	46	Tax payable on ordinary result	59	45	21	16	50
<b>319</b>	<b>32</b>	<b>45</b>	<b>214</b>	<b>218</b>	<b>Net profit</b>	<b>191</b>	<b>210</b>	<b>58</b>	<b>49</b>	<b>340</b>
11.2			7.9	7.6	Yield per equity capital certificate (note 5)	6.6	7.3			12.0
11.2			7.9	7.6	Diluted result per ECC in Norwegian currency (note 5)	6.6	7.3			12.0
<b>Extended Income Statement</b>										
<b>319</b>	<b>32</b>	<b>45</b>	<b>214</b>	<b>218</b>	<b>Net profit</b>	<b>191</b>	<b>210</b>	<b>58</b>	<b>49</b>	<b>340</b>
Items that will not be reclassified through profit or loss										
-1	0	0	0	0	Recognized deviations in pensions	0	0	0	0	-1
Items that are subsequently reversed through profit or loss:										
0	0	0	0	0	Estimate variances, pensions will not be reversed over the income statement later	0	0	0	0	0
0	0	0	0	0	Tax on extended profit	0	0	0	0	0
-1	0	0	0		Net extended profit or loss items	0	0	0	0	-1
<b>318</b>	<b>32</b>	<b>45</b>	<b>214</b>	<b>218</b>	<b>Total profit of the period</b>	<b>191</b>	<b>210</b>	<b>58</b>	<b>49</b>	<b>339</b>

## BALANCE SHEET (amounts in NOK million)

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
			<b>ASSETS</b>			
76	75	83	Cash and claims on central banks	83	75	76
1 531	2 056	2 389	Loans to and claims on credit institutions	1 477	860	619
20 210	19 792	20 727	Loans to and claims on customers (note 7,8,9,10)	28 027	27 393	27 398
54	76	52	Financial derivatives (note 16)	56	101	67
4 849	4 658	6 543	Certificates, bonds and shares	6 618	4 680	4 870
0	358	143	Investments in associated companies (note 12)	143	358	0
590	604	591	Investments in subsidiaries (note 12)			0
26	10	26	Deferred tax benefit	26	11	26
47	47	57	Fixed assets (note 13)	135	140	118
61	48	41	Other assets (note 13.1)	23	30	33
<b>27 444</b>	<b>27 724</b>	<b>30 652</b>	<b>Total assets</b>	<b>36 588</b>	<b>33 648</b>	<b>33 207</b>
			<b>LIABILITIES AND EQUITY CAPITAL</b>			
550	586	300	Liabilities to credit institutions	301	587	551
19 101	19 008	21 224	Deposits from customers and liabilities to customers (note 17,18)	20 816	18 593	18 684
3 318	3 820	4 310	Borrowings through the issuance of securities (note 15)	10 596	10 101	9 418
39	49	13	Financial derivatives (note 16)	13	42	39
254	180	191	Other liabilities (note 13.1)	188	179	245
451	451	451	Subordinated loan capital	451	451	451
<b>23 713</b>	<b>24 094</b>	<b>26 489</b>	<b>Total liabilities</b>	<b>32 365</b>	<b>29 953</b>	<b>29 388</b>
			<b>Equity capital</b>			
209	208	209	Equity share capital (note 5,6,20)	209	208	209
971	971	971	Premium Fund	971	971	971
1 354	878	1 354	Cohesion Fund	1 354	878	1 354
<b>2 534</b>	<b>2 057</b>	<b>2 534</b>	<b>Total equity share capital</b>	<b>2 534</b>	<b>2 057</b>	<b>2 534</b>
753	607	753	Primary capital	753	607	753
41	24	29	Gift fund	29	24	41
<b>794</b>	<b>631</b>	<b>782</b>	<b>Total primary capital</b>	<b>782</b>	<b>631</b>	<b>794</b>
38	439	38	Unrealized gains reserve	38	439	38
299	299	601	Hybrid Capital (Note 1,17)	601	299	299
65	204	208	Other equity capital	265	267	150
<b>3 731</b>	<b>3 630</b>	<b>4 163</b>	<b>Total equity capital exclusive minority interest</b>	<b>4 220</b>	<b>3 693</b>	<b>3 816</b>
			Non-controlling interest	3	2	3
<b>3 731</b>	<b>3 630</b>	<b>4 163</b>	<b>Total equity capital</b>	<b>4 223</b>	<b>3 695</b>	<b>3 819</b>
<b>27 444</b>	<b>27 724</b>	<b>30 652</b>	<b>Total liabilities and equity capital</b>	<b>36 588</b>	<b>33 648</b>	<b>33 207</b>

Conditional liabilities off balance sheet (note 11)

## CHANGE IN EQUITY

Group

31.12.20

	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 01.01.19	209	971	-1	299	439	590	39	14	822	181	2	3 564
Profit				12	-401	147	12	8	476	84	1	340
OCI						-1						-1
Comprehensive income for the period	0	0	0	12	-401	146	12	8	476	84	1	339
Paid interest FO				-12								-12
Gifts							-7					-7
Other changes										-2		-2
Transactions with owners			1									1
Change in allocation of profit 2019						17	-10	-7	56	-56		0
Dividend paid/interests								-7		-56		-63
Equity 31.12.19	209	971	0	299	38	753	34	8	1 354	150	3	3 819
Paid-in/accrued equity/retained earnings			1 179								2 640	3 819

30.09.21

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. res.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.20	209	971	0	299	38	753	34	8	1 354	150	3	3 819
Result for the period				10						181		191
Extended profit or loss items												0
Comprehensive income for the period	0	0	0	10	0	0	0	0	0	181	0	191
Issued FO				398								398
Redeemed FO				-96								-96
Paid interest FO				-10								-10
Gift fund							-4					-4
Other changes										-2		-2
Transactions with owners												0
Dividend paid/interests								-8		-65		-73
Equity 30.09.20	209	971	0	601	38	753	30	0	1 354	264	3	4 223
Paid-in/accrued equity/retained earnings			1 180								3 043	4 223

Parent bank

31.12.20

	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 01.01.19	209	971	-1	299	439	590	39	14	822	112	3 494
Profit				12	-401	147	12	8	476	65	319
OCI						-1					-1
Comprehensive income for the period	0	0	0	12	-401	146	12	8	476	65	318
Paid interest FO				-12							-12
Gift fund							-7				-7
Transactions with owners			1								1
Change in allocation of profit 2019						17	-10	-7	56	-56	0
Dividend paid/interests								-7		-56	-63
Equity 31.12.19	209	971	0	299	38	753	34	8	1 354	65	3 731
Paid-in/accrued equity/retained earnings			1 180							2 551	3 731

30.09.21

	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 01.01.20	209	971	0	299	38	753	34	8	1 354	65	3 731
Result for the period				10						208	218
Extended profit or loss items											0
Comprehensive income for the period	0	0	0	10	0	0	0	0	0	208	218
Issued FO				398							398
Redeemed FO				-96							-96
Paid interest FO				-10							-10
Gift fund							-4				-4
Transactions with owners											0
Dividend paid/interests								-8		-65	-73
Equity capital 30.09.20	209	971	0	601	38	753	30	0	1 354	208	4 163
Paid-in/accrued equity/retained earnings			1 180							2 983	4 163

## CASH FLOW STATEMENT

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
-404	14	-525	Lending to customers	-636	-44	-33
697	539	456	Interest income lending to customers	568	704	904
-290	-383	2 123	Deposits from customers	2 132	-366	-275
-170	-144	-75	Interest cost deposit from customers	-73	-134	-156
3	3	-250	Receivables and liabilities to credit institutions	-250	3	3
-9	-4	-9	intrest on receivables and liabilities to credit institutions	-4	-4	-4
-2 859	-1 919	-5 396	Purchase certificates and bonds	-5 641	-2 025	-2 909
3 153	2 548	3 660	sale certificates and bonds	3 660	2 543	3 073
61	38	37	Interest income certificates and bonds	37	46	61
97	70	71	Comission income	71	62	97
-323	-240	-215	Payments relating to operations	-225	-245	-321
-53	-53	-62	Paid tax	-77	-61	-61
-66	-34	-46	Other cutoffs	29	-1	-37
-164	435	-231	<b>A Net liquidity change from operating activities</b>	-409	478	342
-21	-8	-13	Investment in long-term securities	-15	-10	-21
0	0	0	Income sale of long-term securities	0	0	0
0	0	-211	Long-term investments in shares	-211	0	0
715	133	154	Payment from sales long-term investments in shares	154	133	715
96	89	71	Dividend from long-term investments in shares	2	38	45
790	214	1	<b>B Net liquidity change from investments</b>	-70	161	739
679	653	1 684	New borrowing through issuanse of securities	3 349	673	699
-1 079	-575	-787	Repayments - issued securities	-2 165	-1006	-1 676
-61	-51	-30	Interest payments borrowing through issuance of securities	-68	-144	-169
0	0	304	+ Liquid assets at the start of the period	304		
-15	-9	-6	Interest payments on subordinated debt	-6	-9	-15
-7		-5	payment gift fund	-5		-7
-56	-56	-65	dividend to share owners	-65	-56	-56
-539	-38	1 095	<b>C Net liquidity change financing</b>	1 344	-542	-1 224
87	611	865	A+B+C Net liquidity change in the period	865	97	-143
1 520	1 520	1 607	Liquid funds at the start of the period	695	838	838
1 607	2 131	2 472	Liquid funds at the end of the period	1 560	935	695
			<b>Liquid funds specified</b>			
76	75	83	Cash and balances with central banks	83	75	76
1 531	2 056	2 389	Balances with credit institutions without notice periods	1 477	860	619
<b>1 607</b>	<b>2 131</b>	<b>2 472</b>	<b>Liquid funds</b>	<b>1 560</b>	<b>935</b>	<b>695</b>

## 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 2020. 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				
30.09.21					30.09.21				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total	
169	211	-7	373	Net interest and credit commission income	239	214	-17	436	
11	14	46	71	Net commission income	11	14	46	71	
0	0	87	87	Other operating income	0	0	15	15	
59	35	141	235	Operating costs	67	36	140	243	
6	26	0	32	Losses on loans guaranteed	3	26	0	29	
<b>115</b>	<b>164</b>	<b>-15</b>	<b>264</b>	<b>Gross profit</b>	<b>180</b>	<b>166</b>	<b>-96</b>	<b>250</b>	
11 940	9 099	0	21 039	Loans to and claims on customers	19 148	9 176	0	28 324	
-19	-293	0	-312	Provision of loss	-19	-278	0	-297	
0	0	9 924	9 924	Other assets	0	0	8 560	8 560	
<b>11 921</b>	<b>8 806</b>	<b>9 924</b>	<b>30 651</b>	<b>Total assts per segment</b>	<b>19 129</b>	<b>8 898</b>	<b>8 560</b>	<b>36 587</b>	
11 752	9 472		21 224	Deposits from customers and liabilities	11 752	9 064	0	20 816	
	11		11	Provisions of loss, unutilized deductions and guarantees	0	11	0	11	
		9 416	9 416	Other liabilities and equity	0	0	15 760	15 760	
<b>11 752</b>	<b>9 483</b>	<b>9 416</b>	<b>30 651</b>	<b>Total liabilities and equity per segment</b>	<b>11 752</b>	<b>9 075</b>	<b>15 760</b>	<b>36 587</b>	

Parent bank					Group				
30.09.20					30.09.20				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total	
161	219	-2	378	Net interest and credit commission income	239	222	-13	448	
15	10	45	70	Net commission income	15	10	45	70	
0	0	142	142	Other operating income	0	0	88	88	
43	25	222	290	Operating costs	46	27	222	295	
0	57	0	57	Losses on loans guaranteed	-1	57		56	
<b>133</b>	<b>147</b>	<b>-37</b>	<b>243</b>	<b>Gross profit</b>	<b>209</b>	<b>148</b>	<b>-102</b>	<b>255</b>	
11 294	8 802	0	20 096	Loans to and claims on customers	18 795	8 904	0	27 699	
-19	-285	0	-304	Provision of loss	-21	-285	0	-306	
0	0	7 932	7 932	Other assets	0	0	6 255	6 255	
<b>11 275</b>	<b>8 517</b>	<b>7 932</b>	<b>27 724</b>	<b>Total assts per segment</b>	<b>18 774</b>	<b>8 619</b>	<b>6 255</b>	<b>33 648</b>	
10 922	8 086	0	19 008	Deposits from customers and liabilities	10 923	7 670	0	18 593	
0	4	0	4	Provisions of loss, unutilized deductions and guarantees	0	4	0	4	
		8 712	8 712	Other liabilities and equity	0	0	15 051	15 051	
<b>10 922</b>	<b>8 090</b>	<b>8 712</b>	<b>27 724</b>	<b>Total liabilities and equity per segment</b>	<b>10 923</b>	<b>7 674</b>	<b>15 051</b>	<b>33 648</b>	

## NOTE 2.1 NET INTEREST

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
18	4	3	14	9	Interest from financial instruments at amortized cost	4	4	3	3	4
386	86	84	295	258	Interest receivable on loans	534	671	174	186	859
<b>404</b>	<b>90</b>	<b>87</b>	<b>309</b>	<b>267</b>	<b>Total interest from financial instruments at amortized cost</b>	<b>538</b>	<b>675</b>	<b>177</b>	<b>189</b>	<b>863</b>
					Interest from financial instruments valued to fair value over net profit					
42	10	10	31	29	Interest receivable on loans (fair value loans)	29	31	10	10	42
61	10	12	52	37	Interest from bearer bonds and certificates	37	52	12	10	61
<b>103</b>	<b>20</b>	<b>22</b>	<b>83</b>	<b>66</b>	<b>Total interest from financial instruments valued to fair value over net profit</b>	<b>66</b>	<b>83</b>	<b>22</b>	<b>20</b>	<b>103</b>
					Interest from financial instruments valued to fair value OCI					
269	58	56	213	168	Interest receivable on loans (loans who can transfer to the bank's mortgage company)	0	0	0	0	0
<b>269</b>	<b>58</b>	<b>56</b>	<b>213</b>	<b>168</b>	<b>Total interest from financial instruments valued to fair value OCI</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>776</b>	<b>168</b>	<b>165</b>	<b>605</b>	<b>501</b>	<b>Total interest income</b>	<b>604</b>	<b>758</b>	<b>199</b>	<b>209</b>	<b>966</b>

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
71	18	17	51	47	Commissions and income from banking services	47	51	17	18	71
30	7	7	23	27	Fees relating to payments transmission services	27	23	7	7	30
7	2	1	5	4	Fees insurance (general, life, saving and pension)	4	5	1	2	7
<b>108</b>	<b>27</b>	<b>25</b>	<b>79</b>	<b>78</b>	<b>Total commissions and income from banking services</b>	<b>78</b>	<b>79</b>	<b>25</b>	<b>27</b>	<b>108</b>
					Commissions payable and costs relating to banking services					
11	4	3	8	7	Payments transmission services	7	8	3	4	11
					Fees - customers use of payment terminals					
					Other fees					
<b>11</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>7</b>	<b>Total commissions and income from banking services</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>11</b>
<b>97</b>	<b>23</b>	<b>22</b>	<b>71</b>	<b>71</b>	<b>Net commission income</b>	<b>71</b>	<b>71</b>	<b>22</b>	<b>23</b>	<b>97</b>

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

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
5	0	-1	10	-3	Value change in interest-bearing securities	-3	10	-1	0	5
2	0	-6	0	-8	Net gain/loss in interest-bearing securities	-8	0	-5	0	2
150	-3	-1	61	13	Net gain/loss shares	13	61	-1	-3	165
58	0	2	50	72	Share dividend	2	0	0	0	7
30	14	5	30	7	Income from affiliated company	6.5	30	5	14	30
36	0	-4	0	-21	Value change in value on lending fixed rate	-21	0	-4	0	36
-43	-3	10	-17	21	Value change on funding and swaps	21	-17	10	-4	-42
<b>238</b>	<b>7</b>	<b>5</b>	<b>134</b>	<b>81</b>	<b>Total value change financial instruments</b>	<b>10</b>	<b>84</b>	<b>3</b>	<b>7</b>	<b>203</b>

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
140	34	38	105	112	Wages, salaries and social costs	113	105	39	34	140
87	22	20	68	66	General administration costs	66	68	21	22	87
31	8	6	23	20	Depreciation etc of fixed- and intangible assets	21	28	4	15	57
178	48	10	94	37	Other operating costs	43	94	16	42	178
<b>436</b>	<b>112</b>	<b>74</b>	<b>290</b>	<b>235</b>	<b>Total operating costs</b>	<b>243</b>	<b>295</b>	<b>80</b>	<b>113</b>	<b>462</b>

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
0	1	1	-1	0	Period's change in write-downs step 1	0	-1	1	1	0
-10	-11	6	5	-10	Period's change in write-downs step 2	-12	4	5	-11	-10
-5	6	21	4	39	Period's change in write-downs step 3	39	4	23	6	-5
86	9	-8	52	5	Period's confirmed loss	5	52	-9	9	70
-4	-2	-1	-3	-3	Period's recoveries from previous periods' conf. losses	-3	-3	-1	-2	-4
<b>67</b>	<b>3</b>	<b>19</b>	<b>57</b>	<b>31</b>	<b>Total losses on loans, guarantees etc.</b>	<b>29</b>	<b>56</b>	<b>19</b>	<b>3</b>	<b>51</b>

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 1 in the annual report.

## NOTE 6. PROFIT PER PRIMARY CERTIFICATE

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
319	214	218	Net profit	191	210	340
-12	-11	-10	Interest fund bond	-10	-11	-12
307	203	208	Profit (excl. Interest fund bond)	181	199	328
76.4 %	76.4 %	76.3 %	ECC percentage	76.3 %	76.4 %	76.4 %
11.2	7.4	7.6	Yield per equity capital certificate	6.6	7.3	12.0
11.2	7.4	7.6	Diluted result per ECC in Norwegian currency	6.6	7.3	12.0

Parent bank				Group		
				30.09.21	30.09.20	31.12.20
Net profit				218	214	319
Interest fund bond				-10	-11	-12
Transferred reserve for valuation variances				12	34	401
<b>Basis dividend</b>				<b>220</b>	<b>237</b>	<b>708</b>

Parent bank				Group			
30.09.20	%	30.09.21	%	30.09.21	%	30.09.20	%
17 355	86.4 %	18 315	87.1 %	23 763	83.9 %	23 156	83.6 %
2 703	13.5 %	2 695	12.8 %	4 502	15.9 %	4 489	16.2 %
38	0.2 %	29	0.1 %	59	0.2 %	54	0.2 %
<b>20 096</b>	<b>100.0 %</b>	<b>21 039</b>	<b>100.0 %</b>	<b>28 324</b>	<b>100 %</b>	<b>27 699</b>	<b>100.0 %</b>

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 quarter 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.

Group

30.09.21	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	11	-	-0	-	-	-	11
Agriculture and forestry	1 424	-	-1	-7	-18	13	1 411
Fisheries and aquaculture	874	-	-1	-3	-3	-	867
Mining and industry	447	-	-0	-1	-13	1	435
Building and construction	963	-	-2	-2	-133	14	839
Trade, hotel, restaurants.	533	-	-0	-2	-1	4	534
Transport and services	1 777	-	-3	-7	-28	25	1 764
Property, property development	3 081	-	-3	-11	-40	9	3 035
Total corporate market	9 110	0	-11	-33	-236	66	8 896
Retail market	17 794	0	-1	-6	-12	1 354	19 129
<b>Total</b>	<b>26 904</b>	<b>0</b>	<b>-12</b>	<b>-39</b>	<b>-247</b>	<b>1 420</b>	<b>28 025</b>
Expected loss unutilized credit and guarantees RM			-	-	-		
Expected loss unutilized credit and guarantees CM			-1	-10			

Group

30.09.20	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	0	0	0	0	0
Insurance and finance	2	0	0	0	0	0	2
Agriculture and forestry	1 368	0	-1	-8	-13	17	1 363
Fisheries and aquaculture	962	0	-1	-1	0	0	960
Mining and industry	433	0	0	0	-8	-1	423
Building and construction	1 137	0	-1	-12	-115	6	1 015
Trade, hotel, restaurants.	389	0	0	-1	0	4	392
Transport and services	1 660	0	-1	-16	-41	24	1 626
Property, property development	2 873	0	-6	-29	-33	32	2 837
Total corporate market	8 822	0	-10	-67	-211	82	8 617
Retail market	17 276	0	-1	-6	-13	1 520	18 776
<b>Total</b>	<b>26 098</b>	<b>0</b>	<b>-11</b>	<b>-73</b>	<b>-224</b>	<b>1 602</b>	<b>27 393</b>
Expected loss unutilized credit and guarantees RM			-0	-0			
Expected loss unutilized credit and guarantees CM			-1	-3			

30.09.21	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	11	-	-0	-	-	-	11
Agriculture and forestry	1 283	118	-1	-7	-18	13	1 388
Fisheries and aquaculture	851	15	-1	-3	-3	-	859
Mining and industry	434	13	-0	-1	-13	1	434
Building and construction	914	32	-2	-2	-133	14	822
Trade, hotel, restaurants.	512	14	-0	-2	-1	4	528
Transport and services	1 596	107	-3	-8	-28	25	1 689
Property, property development	2 999	134	-3	-10	-55	9	3 073
Total corporate market	8 601	432	-11	-33	-251	66	8 805
Retail market	468	10 138	-1	-5	-12	1 333	11 923
<b>Total</b>	<b>9 069</b>	<b>10 571</b>	<b>-12</b>	<b>-38</b>	<b>-262</b>	<b>1 400</b>	<b>20 727</b>
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-10	0		

30.09.20	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	0	0	0	0	0
Insurance and finance	2	0	0	0	0	0	2
Agriculture and forestry	1 220	127	-1	-8	-13	18	1 340
Fisheries and aquaculture	940	13	-1	-1	0	0	951
Mining and industry	418	11	0	0	-8	0	421
Building and construction	1 097	27	-1	-12	-115	6	1 010
Trade, hotel, restaurants.	364	17	0	-1	0	4	384
Transport and services	1 498	77	-1	-17	-41	25	1 543
Property, property development	2 786	124	-6	-27	-33	29	2 878
Total corporate market	8 324	395	-11	-66	-211	83	8 527
Retail market	452	9 325	-1	-5	-13	1 517	11 275
<b>Total</b>	<b>8 776</b>	<b>9 721</b>	<b>-11</b>	<b>-71</b>	<b>-224</b>	<b>1 599</b>	<b>19 802</b>
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-3	0		

## NOTE 9. NET NON-PERFORMING AND IMPAIRED COMMITMENT

Parent bank

Group

31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
<b>321</b>	<b>346</b>	<b>284</b>	Default commitments over 90 days	<b>284</b>	<b>346</b>	<b>321</b>
-163	-145	-159	Step 3 write-downs	-159	-145	-163
<b>158</b>	<b>201</b>	<b>125</b>	<b>Total net loans, guarantees etc. in default</b>	<b>125</b>	<b>201</b>	<b>158</b>
<b>252</b>	<b>195</b>	<b>314</b>	Other non-performing and impaired commitments and guara., not in default <sup>14</sup>	<b>290</b>	<b>195</b>	<b>218</b>
-73	-79	-102	Step 3 write-downs	-88	-79	-60
<b>179</b>	<b>116</b>	<b>212</b>	<b>Total non-performing and impaired commitments and guara., not in default</b>	<b>202</b>	<b>116</b>	<b>158</b>
<b>337</b>	<b>317</b>	<b>336</b>	<b>Total non-performing and impaired commitments and guara<sup>15</sup></b>	<b>327</b>	<b>317</b>	<b>316</b>
1.6 %	1.6 %	1.6 %	In % of total loans	1.2 %	1.1 %	1.1 %

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.

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 30.09.21
Gross lending	With expected loss over 12 months	With expected loss over the instruments life	With expected loss over the instruments life time	Total
<b>Gross lending pr. 31.12.20</b>	<b>19 912</b>	<b>5 706</b>	<b>539</b>	<b>26 157</b>
New loans / credits / guarantees	5 994	1 007	35	7 035
Transfers from step 1 to step 2	-1 283	1 262		-21
Transfers from step 1 to step 3	-62		61	-1
Transfers from step 2 to step 3		-95	86	-9
Transfers from step 3 to step 2		1	-1	0
Transfers from step 3 to step 3	11		-11	0
Transfers from step 2 to step 1	1 340	-1 350		-10
Reduced portfolio	-4 225	-1 152	-91	-5 468
Other adjustments	-569	-166	-45	-780
<b>Gross lending pr. 30.09.21</b>	<b>21 118</b>	<b>5 212</b>	<b>573</b>	<b>26 904</b>
IB unused drafts, guarantees etc.	2 271	280	36	2 588
UB unused drafts, guarantees etc.	2 318	273	23	2 614

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 30.09.20
Gross lending	With expected loss over 12 months	With expected loss over the instruments life	With expected loss over the instruments life time	Total
<b>Gross lending pr. 01.01.20</b>	<b>20 827</b>	<b>4 764</b>	<b>550</b>	<b>26 141</b>
New loans / credits / guarantees	4 503	847	7	5 357
Transfers from step 1 to step 2	-2 524	2 614		91
Transfers from step 1 to step 3	-30		29	-1
Transfers from step 2 to step 3		-121	123	2
Transfers from step 3 to step 2		24	-26	-2
Transfers from step 3 to step 3	2		-2	0
Transfers from step 2 to step 1	828	-860		-32
Reduced portfolio	-3 572	-956	-148	-4 676
Other adjustments	-586	-153	8	-731
<b>Gross lending pr. 30.09.20</b>	<b>19 449</b>	<b>6 159</b>	<b>541</b>	<b>26 149</b>
IB unused drafts, guarantees etc.	2 570	190	23	2 782
UB unused drafts, guarantees etc.	1 970	302	19	2 292

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>			
	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>30.09.21</b>
<b>Gross lending</b>	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
<b>Gross lending pr. 01.01.21</b>	<b>13 800</b>	<b>4 608</b>	<b>573</b>	<b>18 981</b>
New loans / credits / guarantees	5 399	939	38	6 376
Transfers from step 1 to step 2	-864	854		-10
Transfers from step 1 to step 3	-61		60	-1
Transfers from step 2 to step 3		-83	74	-9
				0
Transfers from step 3 to step 2		1	-1	0
Transfers from step 3 to step 3	9		-10	0
Transfers from step 2 to step 1	970	-970		0
Reduced portfolio	-4 075	-1 011	-92	-5 178
				0
Other adjustments	-337	-139	-45	-521
<b>Gross lending pr. 30.09.21</b>	<b>14 842</b>	<b>4 199</b>	<b>597</b>	<b>19 639</b>
IB unused drafts, guarantees etc.	1 909	278	36	2 223
UB unused drafts, guarantees etc.	1 945	266	23	2 234

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>			
	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>30.09.20</b>
<b>Gross lending</b>	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
<b>Gross lending pr. 01.01.20</b>	<b>14 211</b>	<b>3 835</b>	<b>550</b>	<b>18 596</b>
New loans / credits / guarantees	3 573	669	16	4 258
Transfers from step 1 to step 2	-2 045	2 142		96
Transfers from step 1 to step 3	-25		24	-1
Transfers from step 2 to step 3		-117	120	2
Transfers from step 3 to step 2		24	-26	-2
Transfers from step 3 to step 3	2		-2	0
Transfers from step 2 to step 1	645	-674		-29
Reduced portfolio	-2 874	-797	-148	-3 819
				0
Other adjustments	-425	-138	8	-556
<b>Gross lending pr. 30.09.20</b>	<b>13 063</b>	<b>4 942</b>	<b>541</b>	<b>18 546</b>
IB unused drafts, guarantees etc.	2 060	185	23	2 267
UB unused drafts, guarantees etc.	1 478	298	19	1 795

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 30.09.21
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
<b>Loss deduction pr. 01.01.21</b>	<b>13</b>	<b>61</b>	<b>222</b>	<b>296</b>
New or increased loans / credits / guarantees	4	16	12	32
Transfers from step 1 to step 2	-1	7		6
Transfers from step 1 to step 3	0		3	2
Transfers from step 2 to step 3		-4	14	10
				0
Transfers from step 3 to step 2		0	0	0
Transfers from step 3 to step 3	0		-1	-1
Transfers from step 2 to step 1	1	-10		-9
Reduced portfolio	-2	-10	-10	-23
				0
Other adjustments	-2	-11	7	-6
<b>Loss deduction pr. 30.09.21</b>	<b>13</b>	<b>49</b>	<b>247</b>	<b>309</b>

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

	Step 1	Step 2	Step 3	Group 30.09.20
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
<b>Loss deduction pr. 01.01.20</b>	<b>14</b>	<b>71</b>	<b>253</b>	<b>338</b>
New or increased loans / credits / guarantees	4	17	2	23
Transfers from step 1 to step 2	-4	26		22
Transfers from step 1 to step 3	0		5	5
Transfers from step 2 to step 3		-5	22	17
				0
Transfers from step 3 to step 2		0	-2	-2
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	1	-17		-16
Reduced portfolio	-2	-15	-55	-71
				0
Other adjustments	-2	-2	0	-3
<b>Loss deduction pr. 30.09.20</b>	<b>12</b>	<b>76</b>	<b>224</b>	<b>311</b>

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	30.09.21
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
<b>Loss deduction pr. 01.01.21</b>	<b>13</b>	<b>59</b>	<b>236</b>	<b>308</b>
New or increased loans / credits / guarantees	4	16	12	32
Transfers from step 1 to step 2	-1	6		5
Transfers from step 1 to step 3	0		5	4
Transfers from step 2 to step 3		-4	13	10
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	-10		-8
Reduced portfolio	-2	-10	-11	-23
				0
Other adjustments	-2	-10	7	-5
<b>Loss deduction pr. 30.09.21</b>	<b>13</b>	<b>48</b>	<b>262</b>	<b>323</b>

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	30.09.20
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
<b>Loss deduction pr. 01.01.20</b>	<b>14</b>	<b>69</b>	<b>253</b>	<b>336</b>
New or increased loans / credits / guarantees	4	16	2	22
Transfers from step 1 to step 2	-4	25		21
Transfers from step 1 to step 3	0		5	5
Transfers from step 2 to step 3		-5	21	17
Transfers from step 3 to step 2		0	-2	-2
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	1	-17		-16
Reduced portfolio	-2	-14	-55	-71
				0
Other adjustments	-2	-1	0	-3
<b>Loss deduction pr. 30.09.20</b>	<b>12</b>	<b>74</b>	<b>224</b>	<b>309</b>

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

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
1 822	1 405	1 930	Unutilized drawing rights	2 310	1 902	2 187
401	390	304	Guarantee obligations	304	390	401
588	303	587	Unutilized drawing rights Helgeland Boligkreditt AS			
2 811	2 098	2 821	Net guarantee and draw rights	2 614	2 292	2 588

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.

	Share capital	Number of shares	Equity stake	Parent bank	
				Book value	
				30.09.21	30.09.20
Bankbygg Mo AS	0.1		99.5 %	48	46
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
Helgeland Utviklingsselskap AS	0.5	500	100 %	0	0
Strendene Utviklingsseelskap AS	15	300	100 %	0	15
Storgata 73 AS	0.1	140	57 %	1	1
<b>Total investment in AC</b>				<b>591</b>	<b>604</b>

The share of profit in associated companies is where there are no final accounting figures based on forecast figures.

	Share capital	Cost	Number of shares	Equity stake	Parent bank and group	
					Book value	
					30.09.21	30.09.20
Samarbeidende Sparebanker AS (FKV)	355	146	26 618	3.0 %	142	-
Samarbeidene Sparebanker Utvikling DA (FKV)	-	1	-	3.0 %	1	-
Helgeland Invest AS	209	73	38 783 266	40.0 %	-	355
REDE Eiendomsmegling AS	1	15	2 352	40.0 %	-	4
<b>Investment in joint ventures and associated companies</b>					<b>143</b>	<b>359</b>

Financial information associated companies and joint ventures, balance posts:

		Assets	Debt	Income	Parent bank and group	
					30.09.21	
					Cost	Result
<b>Balance 100 % ownership</b>						
Samarbeidende Sparebanker AS	100.0 %	55	0			0
Samarbeidene Sparebanker Utvikling DA	100.0 %					0
<b>Total</b>		<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>The bank's share</b>						
Samarbeidende Sparebanker AS	3.0 %	2	0	0	0	0
Samarbeidene Sparebanker Utvikling DA	3.0 %	0	0	0	0	0
<b>Total</b>		<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

		Assets	Debt	Income	Parent bank and group	
					30.09.20	
					Cost	Result
<b>Balance 100 % ownership</b>						
Helgeland Invest AS	100.0 %	705	0	66	4	62
REDE Eiendomsmegling AS	100.0 %	71	55	3	3	0
<b>Total</b>		<b>776</b>	<b>55</b>	<b>69</b>	<b>7</b>	<b>62</b>
<b>The bank's share</b>						
Helgeland Invest AS	48.3 %	341	0	25	23	30
REDE Eiendomsmegling AS	40.0 %	28	22	1	1	0
<b>Total</b>		<b>369</b>	<b>22</b>	<b>26</b>	<b>24</b>	<b>30</b>

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

Parent bank and group					
30.09.21					
Specification joint ventures and associated companies	0	0	0	0	0
Samarbeidende Sparebanker AS	146	0	-2	9	-11
Samarbeidene Sparebanker Utvikling DA	1	0	0	0	0
<b>Specification joint ventures and associated companies</b>	<b>147</b>	<b>0</b>	<b>-2</b>	<b>9</b>	<b>-11</b>

Parent bank and group					
30.09.20					
Specification joint ventures and associated companies	0	0	0	0	0
Helgeland Invest AS	0	0	0	30	-39
REDE Eiendomsmegling AS	0	0	0	0	0
<b>Sum shares joint ventures and associated companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>-39</b>

Parent bank and group		
30.09.21		
30.09.20		
Book value joint venture and associated companies		
Opening balance	0	379
Acquisition	147	0
Sales	0	0
Equity changes	0	0
Results	9	30
Other adjustments	-2	-11
Dividends paid	-11	-39
<b>Book value</b>	<b>143</b>	<b>359</b>

## NOTE 13. OPERATING FUNDS

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
47	47	57	Operating funds	135	140	118
47	47	57	Total operating funds	135	140	118

## IFRS 16 Leases

The new standard for accounting for leases requires the lessee to capitalize assets and liabilities for most leases. For the bank this applies to leases (mainly rental of office spaces). Usage rights and obligations are shown in the note below.

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
			Assets			
34	34	45	Rights of use 01.01	16	14	14
23	10	-7	Value adjustment	3	4	5
-12	-9	-5	Impairment	-2	-2	-2
45	35	33	Rights of use OB	18	16	16
			Liabilities			
34	34	46	Lease obligations 01.01	17	14	14
22	9	-5	Value adjustment	3	4	5
-12	-9	-7	Repayment	-1	-2	-2
2	2	1	Interest	1	1	1
46	36	35	Leas obligations OB	19	17	17



#### NOTE 14. DISCLOSURES OF RELATED PARTIES

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:

##### Helgeland Boligkreditt AS (share of ownership 100 %)

Transferred loans as of 30.09.21 constitute a total of MNOK 7 347. Covered bonds in the housing mortgage company constitute MNOK 6 366 where MNOK 80 (80) is owned by SpareBank 1 Helgeland. Credit line of NOK 1.5bn is drawn with MNOK 912. 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 68.1 in 2021.

##### ANS Bankbygg (share of ownership 99,5 %)

The bank rents premises from ANS Bankbygg and has paid MNOK 3.1 per 30.09.21.

#### 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 price (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 30.09.21 were MNOK 1 420 (1 599) 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 3.8 (-2.7) per 30.09.21.

Parent bank			Assets and liabilities measured at fair value			Group
30.09.21						30.09.21
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	1 406	- Loans to and claims on customers at fair value	0	0	1 406
0	6 416	127	- Certificates, bonds and equities at fair value		6 491	127
Financial assets available for sale						
0	0	10 571	- Mortgages	0	0	0
0	52		- Financial derivatives	0	56	0
0	6 468	12 104	Total assets	0	6 547	1 533
LIABILITIES						
Financial liabilities at fair value through profit						
	13		- Debt issuance of securities		13	
0	13	0	Total liabilities	0	13	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
-154	-298	-452	Payment loan/sale of shares	-154	-247	-401
64	542	606	New loans	64	133	197
10	-17	-7	Value change	10	-39	-29
127	11 977	12 104	Financial instruments valued on Level 3	127	1 406	1 533

Parent bank			Assets and liabilities measured at fair value			Group		
31.12.20						31.12.20		
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	1 559	- Loans to and claims on customers at fair value			0	0	1 559
0	4 642	207	- Certificates, bonds and equities at fair value				4 663	207
Financial assets available for sale								
0	0	10 191	- Mortgages			0	0	0
0	54	0	- Financial derivatives			0	67	
0	4 696	11 957	Total assets			0	4 730	1 766
LIABILITIES								
Financial liabilities at fair value through profit								
0	39	0	- Financial derivatives			0	39	0
0	39	0	Total liabilities			0	39	0
Shares	Loans	Total	Changes in instruments classified in Level 3			Shares	Loans	Total
379	11 375	11 754	Opening balance			379	1 506	1 885
-276	-655	-931	Payment loan/sale of shares			-276	-234	-510
0	993	993	New loans			0	251	251
104	37	141	Value change			104	36	140
207	11 750	11 957	Financial instruments valued on Level 3			207	1 559	1 766

## NOTE 16. FINANCIAL DERIVATIVES

Parent bank				Group			
30.09.21				30.09.21			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
1 309	0	13	Interest rate swaps- fixed interest rate loans	1 309	0	13	
55	0	0	Interest rate swaps- bank deposits with share yield	55	0	0	
1 364	0	13	Total financial derivatives	1 364	0	13	
2 000	52	0	Interest rate swaps – fixed interest rate with hedging	2 300	56	0	
2 000	52	0	Total financial derivatives with hedging	2 300	56	0	

Net presentation of financial assets and liabilities

Parent bank				Group			
30.09.20				30.09.20			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
1 364	0	49	Interest rate swaps- fixed interest rate loans	1 364	0	42	
50	0	0	Interest rate swaps- bank deposits with share yield	50	0	0	
1 414	0	49	Total financial derivatives	1 414	0	42	
2 200	76	0	Interest rate swaps – fixed interest rate with hedging	2 500	101	0	
2 200	76	0	Total financial derivate with hedging	2 500	101	0	

Group					
30.09.21					
	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net
Derivatives carried as assets	56	0	56	-13	43
Derivatives carried as liabilities	13	0	13	-13	0

Group					
30.09.20					
	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net
Derivatives carried as assets	101	0	101	-42	59
Derivatives carried as liabilities	42	0	42	-42	0

## NOTE 17. SECURITIES ISSUED

<i>Parent bank</i>			<i>Group</i>	
30.09.20	30.09.21	(MNOK)	30.09.21	30.09.20
3 743	4 257	Bonds, nominal value	10 535	9 993
50	31	Value adjustments	30	72
27	22	Accrued interest	31	36
<b>3 820</b>	<b>4 310</b>	<b>Total securities</b>	<b>10 596</b>	<b>10 101</b>

<i>Change in securities issued</i>					<i>Group</i>
	31.12.20	Issued	Matured/redeemed	Other change	30.09.21
Bonds, nominal value	9 349	3 349	-2 165	2	10 535
Value adjustments	45			-15	30
Accrued interest	24			7	31
<b>Total</b>	<b>9 418</b>	<b>3 349</b>	<b>-2 165</b>	<b>-6</b>	<b>10 596</b>

<i>Change in subordinated debt</i>					<i>parent bank</i>
	31.12.20	Issued	Matured/redeemed	Other change	30.09.21
Bonds, nominal value	3 265	1 684	-692	0	4 257
Value adjustments	33			-2	31
Accrued interest	20			2	22
<b>Total</b>	<b>3 318</b>	<b>1 684</b>	<b>-692</b>	<b>0</b>	<b>4 310</b>

<i>Change in securities issued</i>					<i>Group/Parent bank</i>
	31.12.20	Issued	Matured/redeemed	Other change	30.09.21
equity and related capital, nominal value	451			0	451
Value adjustments	-1			0	-1
Accrued interest	1			0	1
<b>Total</b>	<b>451</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>451</b>

\*) 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>	
	30.09.21		30.09.21	31.12.20
Bonds, amortized cost	8 259		7 500	
Bonds, hedging	2 337		1 918	
<b>Total debt securities</b>	<b>10 596</b>		<b>9 418</b>	

<i>Accounted value</i>			<i>Parent bank</i>	
	30.09.21		30.09.21	31.12.20
Bonds, amortized cost	2 278		1 715	
Bonds, hedging	2 032		1 603	
<b>Total debt securities</b>	<b>4 310</b>		<b>3 318</b>	

## NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

Parent bank								Group	
%	30.09.20	%	30.09.21		30.09.21	%	30.09.20	%	
89.6 %	17 033	90.2 %	19 142	Helgeland	18 947	91.0 %	16 627	89.4 %	
9.6 %	1 822	9.0 %	1 911	Areas other than Helgeland	1 716	8.2 %	1 818	9.8 %	
0.8 %	153	0.8 %	171	International	153	0.7 %	148	0.8 %	
100 %	19 008	100 %	21 224	Total	20 816	100 %	18 593	100 %	

## NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

Parent bank					Group				
%	30.09.20	%	30.09.21		30.09.21	%	30.09.20	%	
3.1 %	591	2.8 %	590	Financial institutions	210	1.0 %	208	1.1 %	
11.9 %	2 264	12.9 %	2 734	Municipalities and municipal ente	2 734	13.1 %	2 264	12.2 %	
2.0 %	383	2.0 %	435	Agriculture and forestry	435	2.1 %	383	2.1 %	
2.4 %	452	2.7 %	567	Fisheries and aquaculture	567	2.7 %	452	2.4 %	
1.4 %	267	1.2 %	264	Mining and industry	264	1.3 %	267	1.4 %	
3.1 %	582	3.7 %	781	Building and construction	781	3.8 %	582	3.1 %	
2.6 %	503	3.2 %	671	Trade, hotel, restaurants.	671	3.2 %	503	2.7 %	
10.4 %	1 968	11.4 %	2 410	Transport and services	2 410	11.6 %	1 968	10.6 %	
5.7 %	1 076	4.8 %	1 020	Property, property development	992	4.8 %	1 043	5.6 %	
42.5 %	8 086	44.6 %	9 472	Total corporate market	9 064	43.5 %	7 670	41.3 %	
57.5 %	10 922	55.4 %	11 752	Retail market	11 752	56.5 %	10 923	58.7 %	
<b>100 %</b>	<b>19 008</b>	<b>100 %</b>	<b>21 224</b>	<b>Total</b>	<b>20 816</b>	<b>100 %</b>	<b>18 593</b>	<b>100 %</b>	

## NOTE 20. EQUITY CERTIFICATE CAPITAL HELG

				Parent bank	
Per 30.09.21	Number	%-share		Antall	%-share
Sparebankstiftelsen Helgeland	7 315 020	35.0 %	Catilina Invest AS	296 546	1.4 %
Pareto Invest AS	1 972 692	9.5 %	VPF Nordea Avkastning	240 370	1.2 %
VPF Nordea Norge	1 067 487	5.1 %	VPF Nordea Kapital	238 245	1.1 %
VPF Eika Egenkapital	997 386	4.8 %	Bergen kommunale pensjonskas	220 000	1.1 %
J.P. Morgan Bank Luxembourg S.A.	404 967	1.9 %	AF Kapital Managemet	181 749	0.9 %
Lamholmen Invest AS	396 991	1.9 %	Melum Mølle AS	177 000	0.8 %
MP Pensjon PK	379 203	1.8 %	Vigner Olaisen AS	144 653	0.7 %
Helgeland Kraft AS	377 691	1.8 %	Nima Invest AS	138 563	0.7 %
U.S Bank National Association	359 694	1.7 %	Melesio Invest AS	131 607	0.6 %
Spesialfondet Borea Utbytte	327 820	1.6 %	VPF Nordea Norge Plus	123 527	0.6 %
<b>Total 10 largest owners</b>	<b>13 598 951</b>	<b>65.2 %</b>	<b>Total 20 largest owners</b>	<b>15 491 211</b>	<b>74.2 %</b>

The bank has issued a total of 20871427 equity certificates value of NOK 10

## NOTE 21. CAPITAL ADEQUACY

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
<b>3 731</b>	<b>3 630</b>	<b>4 163</b>	<b>Total equity capital</b>	<b>4 220</b>	<b>3 693</b>	<b>3 819</b>
-299	-299	-601	Hybrid capital classified as equity (CB)	-601	-299	-299
-24	-24	-34	Deduction investement in Balder Betaling	-34	-24	-24
0	-25	0	Deduction shares in financial institutions	0	-25	0
-6	-6	-10	Deduction prudent valuation	-11	-7	-7
0	-203	-84	Deduction share of profit not eligible as common equity tier 1 capital	-89	-200	0
-26	0	0	Deduction Intangible assets	0	0	-28
-73	0	0	Deduction dividend classified as equity	0	0	-73
			Effect of proportionate consolidation on equity tier 1 capital	0	49	11
<b>3 304</b>	<b>3 072</b>	<b>3 434</b>	<b>Total common equity tier one capital</b>	<b>3 485</b>	<b>3 188</b>	<b>3 400</b>
0	-4	0	Shares in financial institutions	0	0	0
299	299	601	Hybrid capital (CB)	601	299	299
			Effect of proportionate consolidation on other tier 1 capital	0	18	14
<b>3 603</b>	<b>3 367</b>	<b>4 035</b>	<b>Total tier 1 capital</b>	<b>4 086</b>	<b>3 505</b>	<b>3 714</b>
451	452	451	Subordinatet dept	451	452	451
0	0	0	Shares in financial institutions	0	0	0
			Effect of proportionate consolidation on additonal capital	0	20	20
<b>451</b>	<b>452</b>	<b>451</b>	<b>Total net additional capital</b>	<b>451</b>	<b>473</b>	<b>471</b>
<b>4 054</b>	<b>3 819</b>	<b>4 486</b>	<b>Total net equity and related capital</b>	<b>4 537</b>	<b>3 977</b>	<b>4 184</b>
16 023	16 045	16 452	Risk-weighted balance (calculation basis)	17 757	18 440	18 110
20.62 %	19.15 %	20.87 %	Common equity tier one Capital ratio in %	19.63 %	17.29 %	18.78 %
22.49 %	20.98 %	24.52 %	Tier 1 capital ratio in %	23.01 %	19.01 %	20.51 %
25.30 %	23.80 %	27.27 %	Total capital ratio in %	25.55 %	21.57 %	23.11 %
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 %
2 323	2 327	2 386	Required capital incl. buffer and pilar II requirements	2 965	3 079	3 024
1 730	1 492	2 100	Excess capital incl. buffer and pilar II requirements	1 572	898	1 160

  

31.12.20	30.09.20	30.09.21	Calculation basis	30.09.21	30.09.20	31.12.20
2	0	2	States and central banks	2	0	2
307	317	492	Local and regional authorities (including municipalities)	492	317	307
524	496	616	Institutions	372	251	197
1 899	1 869	1 527	Enterprises	1 526	1 837	1 899
908	909	2 071	Mass market loans	2 192	909	908
8 467	8 307	7 776	Loans secured by real property	10 325	11 159	11 075
643	691	383	Loans overdue	371	785	667
813	767	842	Covered bonds	197	123	189
212	0	313	High risk exposures	313	0	212
0	0	0	Units in securities funds	0	0	0
774	1 256	926	Equity positions	335	633	183
120	111	147	Other loans and commitments	235	186	164
<b>14 669</b>	<b>14 724</b>	<b>15 093</b>	<b>Capital requirement credit risk</b>	<b>16 358</b>	<b>16 199</b>	<b>15 803</b>
1 347	1 308	1 347	Capital requirement operational risk	1 385	1 349	1 385
7	14	12	CVA addition	14	19	41
0	0	0	Other adjustment from capital requirement	0	0	0
<b>16 023</b>	<b>16 045</b>	<b>16 452</b>	<b>Total capital requirement</b>	<b>17 757</b>	<b>17 567</b>	<b>17 229</b>
			Proportionate share of risk-weighted balance cooperating groups	0	979	1 035
			Deduction internal eliminations cooperating groups	0	-107	-154
			<b>Risk-weighted balance after proportionate consolidation</b>	<b>17 757</b>	<b>18 440</b>	<b>18 110</b>

## 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 1<sup>st</sup> 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.

## PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

Parent bank						Group				
31.12.20	Q3/20	Q3/21	30.09.20	30.09.21		30.09.21	30.09.20	Q3/21	Q3/20	31.12.20
2.82	2.41	2.20	2.94	2.32	Interest receivable and similar income	2.33	3.00	2.28	2.46	2.87
0.99	0.66	0.53	1.10	0.60	Interest payable and similar costs	0.65	1.23	0.59	0.70	1.09
<b>1.83</b>	<b>1.75</b>	<b>1.67</b>	<b>1.84</b>	<b>1.72</b>	<b>Net interest- and credit commission income<sup>2</sup></b>	<b>1.68</b>	<b>1.77</b>	<b>1.70</b>	<b>1.75</b>	<b>1.77</b>
0.39	0.39	0.33	0.38	0.36	Commissions receivable and income from banking services	0.30	0.31	0.28	0.32	0.32
0.04	0.06	0.04	0.04	0.03	Commissions payable and costs relating to banking services	0.03	0.03	0.03	0.05	0.03
<b>0.35</b>	<b>0.33</b>	<b>0.29</b>	<b>0.34</b>	<b>0.33</b>	<b>Net commission income</b>	<b>0.27</b>	<b>0.28</b>	<b>0.25</b>	<b>0.27</b>	<b>0.29</b>
0.86	0.10	0.07	0.65	0.37	Gains/losses on financial assets available for sale	0.04	0.33	0.04	0.08	0.60
0.03	0.04	0.03	0.03	0.03	Other operating income	0.02	0.01	0.04	0.02	0.01
1.58	1.60	0.98	1.41	1.09	Operating costs	0.94	1.17	0.91	1.33	1.37
0.24	0.04	0.25	0.28	0.14	Losses on loans, guarantees etc. and fixed assets	0.11	0.22	0.22	0.04	0.15
<b>1.26</b>	<b>0.57</b>	<b>0.82</b>	<b>1.18</b>	<b>1.22</b>	<b>Gross profit</b>	<b>0.96</b>	<b>1.01</b>	<b>0.90</b>	<b>0.76</b>	<b>1.16</b>
0.10	0.11	0.21	0.14	0.21	Tax payable on ordinary profit	0.23	0.18	0.24	0.19	0.15
<b>1.16</b>	<b>0.46</b>	<b>0.60</b>	<b>1.04</b>	<b>1.01</b>	<b>Net profit</b>	<b>0.74</b>	<b>0.83</b>	<b>0.66</b>	<b>0.58</b>	<b>1.01</b>

## PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Profit and loss account (Amounts in NOK million)										
Parent bank						Group				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21		Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
168	171	169	167	165	Interest receivable and similar income	199	202	203	208	209
46	45	46	43	40	Interest payable and similar costs	51	58	59	58	60
<b>122</b>	<b>126</b>	<b>123</b>	<b>124</b>	<b>126</b>	<b>Net interest- and credit commission income</b>	<b>148</b>	<b>144</b>	<b>144</b>	<b>150</b>	<b>149</b>
27	29	30	23	25	Commissions receivable and income from banking service	25	23	30	29	27
4	3	2	2	3	Commissions payable and costs relating to banking service	3	2	2	3	4
<b>23</b>	<b>26</b>	<b>28</b>	<b>21</b>	<b>22</b>	<b>Net commission income</b>	<b>22</b>	<b>21</b>	<b>28</b>	<b>26</b>	<b>23</b>
7	104	73	3	5	Gains/losses on financial assets available for sale	3	3	4	119	7
3	2	2	2	2	Other operating income	4	0	1	2	2
112	146	79	82	74	Operating costs	80	82	81	167	113
3	10	3	9	19	Losses on loans, guarantees etc.	19	7	3	-5	3
<b>40</b>	<b>103</b>	<b>144</b>	<b>59</b>	<b>61</b>	<b>Gross profit</b>	<b>78</b>	<b>78</b>	<b>93</b>	<b>135</b>	<b>65</b>
8	-2	18	12	16	Tax payable on ordinary result	21	16	22	5	16
<b>32</b>	<b>105</b>	<b>126</b>	<b>47</b>	<b>45</b>	<b>Net profit</b>	<b>58</b>	<b>62</b>	<b>71</b>	<b>130</b>	<b>49</b>

Profit and loss account (Amounts in NOK million)										
Parent bank						Group				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21		Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
2.41	2.46	2.45	2.32	2.20	Interest receivable and similar income	2.28	2.39	2.44	2.44	2.46
0.66	0.65	0.67	0.60	0.53	Interest payable and similar costs	0.59	0.69	0.71	0.68	0.70
<b>1.75</b>	<b>1.81</b>	<b>1.78</b>	<b>1.72</b>	<b>1.67</b>	<b>Net interest- and credit commission income</b>	<b>1.70</b>	<b>1.71</b>	<b>1.73</b>	<b>1.76</b>	<b>1.75</b>
0.39	0.42	0.43	0.32	0.33	Commissions receivable and income from banking service	0.28	0.27	0.36	0.34	0.32
0.06	0.04	0.03	0.03	0.04	Commissions payable and costs relating to banking service	0.03	0.02	0.02	0.04	0.05
<b>0.33</b>	<b>0.37</b>	<b>0.41</b>	<b>0.29</b>	<b>0.29</b>	<b>Net commission income</b>	<b>0.25</b>	<b>0.25</b>	<b>0.34</b>	<b>0.31</b>	<b>0.27</b>
0.10	1.49	1.06	0.04	0.07	Gains/losses on financial assets available for sale	0.04	0.03	0.05	1.40	0.08
0.04	0.03	0.03	0.03	0.03	Other operating income	0.04	0.00	0.01	0.02	0.02
1.60	2.09	1.15	1.13	0.98	Operating costs	0.91	0.97	0.97	1.96	1.33
0.04	0.14	0.04	0.13	0.25	Losses on loans, guarantees etc.	0.22	0.09	0.04	-0.06	0.04
<b>0.57</b>	<b>1.47</b>	<b>2.08</b>	<b>0.83</b>	<b>0.82</b>	<b>Gross profit</b>	<b>0.90</b>	<b>0.93</b>	<b>1.12</b>	<b>1.59</b>	<b>0.76</b>
0.11	-0.03	0.26	0.17	0.21	Tax payable on ordinary result	0.24	0.19	0.26	0.06	0.19
<b>0.46</b>	<b>1.50</b>	<b>1.82</b>	<b>0.66</b>	<b>0.60</b>	<b>Net profit</b>	<b>0.66</b>	<b>0.73</b>	<b>0.85</b>	<b>1.53</b>	<b>0.58</b>

Balance sheet (Amounts in NOK million)										
Parent bank						Group				
Q3/20	Q4/20	Q1/21	Q2/21	Q3/21		Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
					<b>ASSETS</b>					
75	76	69	88	83	Cash and claims on central banks	83	88	69	76	75
2 056	1 531	2 324	1 830	2 389	Loans to and claims on credit institutions	1 477	1 120	1 453	619	860
19 792	20 210	19 685	20 655	20 727	Loans to and claims on customers	28 027	27 036	26 837	27 398	27 393
76	54	45	63	52	Financial derivatives	56	70	47	67	101
4 658	4 849	5 880	6 052	6 543	Certificates, bonds and shares available for sale	6 618	6 173	5 901	4 870	4 680
358	0	147	138	143	Investments in associated companies	143	138	147	0	358
604	590	590	591	591	Investments in subsidiaries	0	0	0	0	0
10	26	26	26	26	Deferred tax benefit	26	26	26	26	11
47	47	51	53	57	Fixed assets	135	131	122	118	140
48	61	56	45	41	Other assets	23	26	25	33	30
<b>27 724</b>	<b>27 444</b>	<b>28 873</b>	<b>29 541</b>	<b>30 652</b>	<b>Total assets<sup>a</sup></b>	<b>36 588</b>	<b>34 808</b>	<b>34 627</b>	<b>33 207</b>	<b>33 648</b>
					<b>LIABILITIES AND EQUITY CAPITAL</b>					
586	550	550	550	300	Liabilities to credit institutions	301	551	551	551	587
19 008	19 101	20 640	21 124	21 224	Deposits from customers and liabilities to customers	20 816	20 612	20 222	18 684	18 593
3 820	3 318	3 118	3 371	4 310	Borrowings through the issuance of securities	10 596	9 106	9 268	9 418	10 101
49	39	26	22	13	Financial derivatives	13	22	26	39	42
180	254	309	203	191	Other liabilities	188	198	298	245	179
451	451	451	451	451	Fund bonds	451	451	451	451	451
<b>24 094</b>	<b>23 713</b>	<b>25 094</b>	<b>25 721</b>	<b>26 489</b>	<b>Total liabilities</b>	<b>32 365</b>	<b>30 940</b>	<b>30 816</b>	<b>29 388</b>	<b>29 953</b>
1 179	1 180	1 180	1 180	1 180	Paid-in equity capital	1 180	1 180	1 180	1 180	1 179
299	299	299	299	601	Hybrid capital	601	299	299	299	299
1 948	1 946	2 177	2 176	2 174	Accrued equity capital/retained earnings	2 174	2 176	2 177	1 946	1 948
204	306	123	165	208	Other equity capital	265	210	152	391	267
					Minority interest	3	3	3	3	2
<b>3 630</b>	<b>3 731</b>	<b>3 779</b>	<b>3 820</b>	<b>4 163</b>	<b>Total equity capital</b>	<b>4 223</b>	<b>3 868</b>	<b>3 811</b>	<b>3 819</b>	<b>3 695</b>
<b>27 724</b>	<b>27 444</b>	<b>28 873</b>	<b>29 541</b>	<b>30 652</b>	<b>Total liabilities and equity capital</b>	<b>36 588</b>	<b>34 808</b>	<b>34 627</b>	<b>33 207</b>	<b>33 648</b>



## OTHER KEY FIGURES

Parent bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
<b>BALANCE SHEET</b>						
<b>Development in the last 9 months</b>						
	-0.1	11.7	Total assets	10.2	-1.2	
	-0.1	2.6	Gross lending	2.3	0.2	
	-2.0	11.1	Customer deposits	11.4	-1.9	
<b>Development in the last 12 months</b>						
-1.1	-0.2	10.6	Total assets <sup>9</sup>	8.7	-1.7	-2.5
2.0	-3.7	4.7	Gross lending <sup>6</sup>	2.3	-2.7	0.1
-1.5	0.4	11.7	Customer deposits <sup>7</sup>	12.0	0.5	-1.5
93.1	94.6	100.9	Deposit coverage as a percentage of gross loans <sup>5</sup>	73.5	67.1	67.5
56.8	56.2	56.8	Lending to retail customers	67.6	67.9	67.7
27 553	27 493	28 906	Average assets <sup>10</sup>	34 582	33 826	33 693
20 514	20 096	21 039	Gross loans <sup>4</sup>	28 324	27 699	27 689
<b>SOLIDITY</b>						
20.6	19.2	20.9	Core tier one Capital ratio	19.6	17.9	19.7
22.5	21.0	24.5	Core Capital ratio	23.0	19.6	21.4
25.3	23.8	27.3	Total Capital ratio <sup>21</sup>	25.6	22.1	24.0
			Core tier one Capital ratio, after proportionally consolidation in%	19.6	17.3	18.8
			Core capital ratio, after proportionally consolidation in%	23.0	19.0	20.5
			Total Capital ratio, after proportionally consolidation in%	25.6	21.5	23.1
	9.7	10.6	Leverage ratio <sup>22</sup> , after proportionally consolidation in%	10.9	9.8	10.5
8.5	8.0	7.4	Rate of return on equity <sup>1</sup>	6.6	7.7	8.9
9.2	8.7	8.1	Rate of return on equity (excl. hybrid capital)	7.2	8.4	9.7
1.2	1.0	1.0	Return on assets	0.7	0.8	1.0
<b>KEY FIGURES PCC</b>						
11.2	7.4	7.6	Yield per primary certificate <sup>16</sup>	6.6	7.3	12.0
11.2	7.4	7.6	Diluted result per ECC, in Norwegian currency	6.6	7.3	12.0
76.4	76.4	76.3	ECCs split (01.01) <sup>18</sup>	76.3	76.4	76.4
126	122	130	Equity capital per ECC <sup>17</sup>	132	124	129
86.0	81.5	122.0	PCC price quoted on the stock exchange	122.0	81.5	86.0
7.7	8.2	12.0	P/E (price divided by profit per ECC) <sup>19</sup>	13.8	8.4	7.2
0.7	0.7	0.9	P/B (price divided by book value of equity capital) <sup>20</sup>	0.9	0.7	0.7
51.4	49.2	44.3	Costs as a percentage of income <sup>3</sup>	46.6	48.7	51.2
1.6	1.4	1.1	Cost in percent of average total assets	0.9	1.2	1.4
143	143	141	Number of man-years	141	143	143
<b>LOSSES ON LOANS AND GROSS DEFAULTS</b>						
As a percentage of gross lending:						
1.6	1.7	1.3	Gross defaults over 90 days <sup>13</sup>	1.0	1.2	1.2
1.5	1.5	1.5	Total loan loss provision	1.1	1.1	1.1
0.33	0.38	0.20	Losses on lending <sup>12</sup>	0.14	0.27	0.18

17) Percentage of equity excl. Hybrid capital

## OTHER CALCULATIONS

Parent bank				Group		
31.12.20	30.09.20	30.09.21	(Figures in MNOK and %)	30.09.21	30.09.20	31.12.20
			<b>Operating costs, adjusted for one-time effects</b>			
436	290	235	Operating costs	243	295	462
-146	-69	-9	One-time effects	-9	-69	-146
<b>290</b>	<b>221</b>	<b>226</b>	<b>Operating costs, adjusted for one-time effects<sup>23</sup></b>	<b>234</b>	<b>226</b>	<b>316</b>
1.05 %	1.07 %	1.05 %	Operating costs in % of BTA, adjusted for one-time effects	0.90 %	0.89 %	0.94 %
34.2 %	37.5 %	42.6 %	Operating costs in % of income, adjusted for one-time effects	44.8 %	37.3 %	35.0 %
319	214	218	Profit	191	210	340
-12	-11	-10	Paid interests subordinated bonds	-10	-11	-12
307	203	208	Net profit, incl. Interests subordinated bonds	181	199	328
146	69	9	one-time effect pension	9	69	146
453	272	217	Profit, adjusted for one-time effects	190	268	474
319	286	293	Profit (annualized)	256	280	340
453	363	291	Profit (annualized), eks one-time effects and incl. interests subordinat	253	357	472
3 749	3 588	3 947	Average equity	3 883	3 630	3 822
-299	-299	-325	Average subordinated bonds	-325	-299	-299
3 450	3 289	3 622	Average equity adjusted for subordinated bonds	3 558	3 331	3 523
<b>12.1 %</b>	<b>10.1 %</b>	<b>7.4 %</b>	<b>ROE adjusted for one-time effects</b>	<b>6.5 %</b>	<b>9.8 %</b>	<b>12.4 %</b>
<b>13.1 %</b>	<b>11.0 %</b>	<b>8.0 %</b>	<b>ROE adjusted for one-time effects and interests FO11</b>	<b>7.1 %</b>	<b>10.7 %</b>	<b>13.4 %</b>
319	214	218	Profit	191	210	340
319	286	293	Profit (annualized)	256	280	340
453	363	291	Profit (annualized), eks one-time effects and subordinated bonds	253	357	472
27 553	27 493	28 906	Average assets	34 582	33 826	33 693
<b>1.2 %</b>	<b>1.0 %</b>	<b>1.0 %</b>	<b>Return on assets (annualized)</b>	<b>0.7 %</b>	<b>0.8 %</b>	<b>1.0 %</b>
<b>1.6 %</b>	<b>1.3 %</b>	<b>1.0 %</b>	<b>Return on assets (annualized) adjusted for one-time effects</b>	<b>0.7 %</b>	<b>1.1 %</b>	<b>1.4 %</b>
3 603	3 367	4 035	CET1	4 086	3 437	3 688
34 702	35 203	37 911	Unweighted calculation basis	37 556	34 592	34 189
<b>10.4 %</b>	<b>9.6 %</b>	<b>10.6 %</b>	<b>Leverage ratio</b>	<b>10.9 %</b>	<b>9.9 %</b>	<b>10.8 %</b>

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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Organisation number	937904029

### Board of Directors of SpareBank 1 Helgeland

Bjørn Krane, Chair man  
Rolf Eigil Bygdnes, Deputy Chair man  
Marianne Terese Steinmo  
Jonny Berfjord  
Siw Moxness  
Linda Brennbakk (permanent deputy member)  
Birgitte Lorentzen  
Geir Pedersen

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Hanne Nordgaard, Chief Executive Officer

### Investor Relations

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### Other sources of information

#### Annual reports

The annual report for SpareBank 1 Helgeland is available at [www.sbh.no](http://www.sbh.no)

#### Quarterly publications

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