



Financial report Third quarter 2022

Main features group

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

PROFIT AND LOSS ACCOUNT (Amounts in NOK million)	Q3/22		Q2 /22		30.09.2022		30.09.2021		31.12.2021	
Net interest- and credit commission income	202	2.07 %	184	1.87 %	560	1.90 %	436	1.68 %	604	1.69 %
Net commission income and other operating income	45	0.42 %	39	0.38 %	132	0.45 %	76	0.29 %	111	0.30 %
Net profit from other financial investments	-19	-0.20 %	-27	-0.27 %	-25	-0.08 %	10	0.04 %	-3	-0.01 %
Staff cost (note 4)	43	0.44 %	40	0.41 %	127	0.43 %	113	0.67 %	158	0.44 %
Other operating expenses (note 4)	52	0.53 %	51	0.52 %	153	0.52 %	130	0.52 %	226	0.63 %
Losses on loans, guarantees etc. (note 10)	2	0.02 %	2	0.02 %	5	0.02 %	29	0.11 %	64	0.18 %
Result before tax	131	1.34 %	104	1.06 %	382	1.30 %	250	0.96 %	264	0.74 %
Tax payable on ordinary result	38	0.39 %	33	0.33 %	103	0.35 %	59	0.23 %	59	0.17 %
Net profit	93	0.96 %	71	0.72 %	280	0.95 %	191	0.74 %	205	0.57 %

Key numbers

Profitability	30.09.2022	30.09.2021	31.12.2021
ROE (excl. hybrid capital)	8.3 %	7.1 %	6.5 %
Net interest	1.90 %	1.68 %	1.69 %
Net interest including transferred loans	1.76 %	1.68 %	1.67 %
Costs as a percentage of income	42.0 %	46.6 %	53.9 %

Balance and liquidity

Total assets	38 287	36 588	39 433
Average total assets	39 345	34 582	35 740
Total asset including transferred loans	44 058	36 588	44 014
Average total assets including transferred loans	44 334	34 582	36 622
Total loans	31 039	28 324	32 424
Total loans including transferred loans	36 810	28 324	37 005
Lending growth including transferred loans	30.0 %	2.3 %	33.6 %
Customer deposits	24 152	20 816	23 552
Customer deposits growth in percent	16.0 %	12.0 %	26.1 %
Customer deposits in percent of total loans	77.8 %	73.5 %	72.6 %

Solidity (including cooperative group)

Core tier one Capital ratio	19.0 %	19.6 %	18.0 %
Core Capital ratio	21.1 %	23.0 %	20.0 %
Total capital ratio	23.6 %	25.6 %	22.3 %
Core tier one Capital	3 854	3 485	3 853
Core Capital	4 283	4 086	4 283
Total net equity and related capital	4 786	4 537	4 778
Capital requirement	20 286	17 757	21 451
Leverage Ratio	9.1 %	10.9 %	9.4 %

*Definisjon av nøkkeltall og APMer fremgår i note under andre beregninger

ACCOUNTS SPAREBANK 1 HELGELAND 3rd QUARTER 2022

General information

SpareBank 1 Helgeland is an independent savings bank determined to be the leading bank and a driving force for growth in Helgeland. SpareBank 1 Helgeland is the only bank with a head office in the region. The bank's strong market position combined with professional expertise, competitive prices and solid capital makes the bank well prepared to meet increased competition and eventual after-effects of the corona pandemic. The bank has offices in 4 municipalities in Helgeland, and was at the start of the year 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 2021 and annotation 1 in the quarterly report. The numbers used are consolidated figures unless it is otherwise stated. Figures in brackets are the previous year's comparative figures. The financial report has not been audited.

Main features 3rd quarter

- Quarterly gross profit of MNOK 131 against MNOK 104 last quarter.
- Stable basic operation.
- Improved net interest in the quarter of MNOK 202, an increase of MNOK 18 from last quarter.
- Profit from financial assets and commitments MNOK -19.
- Net commission income of MNOK 41, an increase of MNOK 3 from last quarter.
- Low write-downs in lending in the quarter of MNOK, same as last quarter.
- Costs in % of income was 41.7 % against 46.3 % last quarter.
- Annualized net ROE adjusted for hybrid capital and one-time effects of 8.7 %

Main features this quarter (MNOK)	Q3/22	Q2/22	Change
Net profit	131	104	27
Net interest and comission income	202	184	18
Operating cost	95	91	4
Yield per equity capital certificate	2.6	2.0	1
Provision of loss	2	2	1
Profit from financial investments	-19	-27	8
Growth gross lending (this quarter)	-57	-43	-14
Growth deposits (this quarter)	-579	587	-1166

Main features so far this year

- Stable basic operation
- Gross profit of MNOK 382 (250).
- Net interest income of MNOK 560 (436).
- Profit from financial assets and commitments MNOK -25 (10).
- Net commission income of MNOK 125 (71).
- Low write-downs on lending of MNOK 5 (29). 0.020 % of gross lending.
- Cost in % if income was 42.0 %
- Net ROE adjusted for hybrid capital of 8.3 %

Main features this year (MNOK)	30.09.2022	30.09.2021	Change
Net profit	382	250	133
Net interest and comission income	560	436	124
Operating cost	280	243	37
Profit from financial investments	-25	10	-35
Provision of loss	5	29	-24
Return on equity %	8.3 %	7.2 %	1.1 %
Yield per equity capital certificate	7.9	6.6	1.3
Core tier 1 ratio %	19.0 %	19.6 %	-0.6 %
Provision of loss % of gross leding	0.02 %	0.1 %	-0.1 %
Growth gross lending % this year	-0.5 %	-0.4 %	-0.1 %
Growth gross lending % this year	2.5 %	11.4 %	-8.9 %

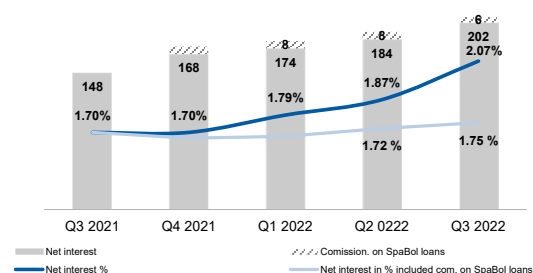
Profit

As for the third quarter, gross profit was MNOK 131 against MNOK 104 in the second quarter of 2022, an increase of MNOK 27. The increase in the quarterly profit is mainly related to reduced loss on financial instruments and increased net interest.

So far this year gross profit is MNOK 382 (250), an increase of MNOK 132 against corresponding period last year. The increase is related to a significant increase of the net interest and commission income related to interest increase together with the acquisition of SpareBank 1 Nord-Norges portfolio in Helgeland, and low losses on lending. Increased operating costs and profit from financial assets draws the profit slightly down compared to the same period last year.

Net interest

Net interest and credit commission income amounted in the 3rd quarter MNOK 202, which is MNOK 18 higher than the last quarter. In % of average total assets net interest and credit commission income is 2.07 against 1.87 from the 2nd quarter. The interest rate increase with effect from august 11th, interest regulation on the company's debt late in the quarter, and a decrease in total assets as a consequence of transfers to mortgage companies among others, contributes to a significant increased net interest and credit commission income. Inclusive commission income for transferred loans to mortgage loan companies, the net interest and credit commission income amounts to MNOK 208 against 192 last quarter. In % of total assets included transferred loans, this amounts to 1.75 % by the end of the quarter against 1.72 % last quarter.



So far this year, net interest and credit commission income is MNOK 560 (436), an increase of MNOK 124 from last year. In % of average total assets, this amounts to 1.90 (1.84) %. Inclusive commission income from transferred loans to mortgage companies, net interest and credit commission income amounts to MNOK 582 (436) pr 30.09.22. This equals a net interest in % of total assets included transferred loans of 1.76 (1.68) %.

So far this year the group has expensed MNOK 11 in contribution to the deposit guarantee- and the emergency fund.

Net commission earnings.

For the quarter, the net commission earnings were MNOK 38 against MNOK 46 in the first quarter of 2022. In percentage of average total assets this amounts to 0.38 % for the second quarter, a decrease of 0.09 % from the first quarter of 2022. Deducted bonus commission from non-life insurance companies of MNOK 9 in the first quarter, the commission earnings are MNOK 1 higher than the last quarter.

Deducted commission income on loans transferred to SpareBank 1 Boligkreditt net commission earnings in % of average total assets amounts to 0.36 % against 0.30 in the second quarter of 2022.

So far this year, net commission earnings amount to MNOK 125 (71) or 0.43 (0.27) % of average total assets.

Net value change and profit/loss from financial investments

Income from financial investments was negative by MNOK -19 in the third quarter, an improvement of MNOK 8 compared to the second quarter in 2022. The loss on financial instruments in the quarter is mainly related to turmoil in the money market. In the quarter, this has resulted in a loss on the security paper portfolio of MNOK 13., while value change on fixed rate loans is negative by MNOK -11 in the quarter. Positive value change on derivatives not included in hedge accounting reduces the effect of value change on fixed rate loans by MNOK 5 in the PLA.

So far this year profit on financial investments is MNOK -25 (10). The decrease from 2021 is related to significant turmoil in the market in the current year, while recognition of dividend from the product companies draws it up.

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

Operating costs

This quarter, the operating costs were MNOK 95, an increase of MNOK 4 compared to second quarter of 2022. In % of income, the costs amount to 41.7 % against 46.3 % in the second quarter of 2022. The costs are over the bank's target for cost level of 40 % of total income but is affected by low income related to financial assets and commitments. Loss on financial assets and commitments deducted, the cost percentage is 38.5 %.

Per 30.09.22, the operating costs amounts to MNOK 280 (243), This is an increase of MNOK 37 compared to last year. So far this year the cost percentage is 42.0. Loss on financial assets and commitments deducted, the cost percentage is 40.5 %.

So far this year the bank's sick leave is 4.3 against 4.2 % in the corresponding period last year.

Write-downs on lending

MNOK 2 has been expensed in write-downs on loans this quarter against MNOK 2 in the second quarter. Annualized, this amounts to a percentage of gross lending of 0.02 %. This quarter.

MNOK 5 (29) has been expensed in write-downs on loans this year. This amounts to a percentage of gross lending of 0.02 (0.14).

Net non-performing and impaired commitments is this quarter reduced by MNOK 12. Net non-performing and impaired commitments amounts to MNOK 229 by the end of the quarter against MNOK 241 at the end of second quarter. There are individual loss evaluations on large parts of the volume that in the second quarter is marked within non-performing and impaired commitments as of 30.09.22, and it is not expected further loss in these commitments.

The group has in third quarter changed to the SpareBank 1 alliance's loss model. Isolated, the transition to the new calculation model an entrance of MNOK 2 in loss. In relation to the transition to a new model, the earlier covid-19 provision was reversed. This amounted to an entrance of MNOK 18. The change is described closer in the loss note.

It lies uncertainty related to the war in Ukraine and the macroeconomic picture. Based on this, the bank has in the third quarter made adaptations in the model to take into account a possible downturn. This adjustment results in an additional provision of MNOK 14 at the end of the quarter.

The equity certificate – HELG

By the end of the quarter, the number of EC owners amounts to 2 724. The 20 largest owners are noted with 80.4 % of the EC capital. Of this, Sparebankstiftelsen owns 28.11 % and SpareBank 1 Nord-norge 19.99 %.

The number of total EC's is 27 000 130. As of 30.09.22 the bank owned 16.679 of our own EC's. By the end of the quarter, the price of the bank ECs was NOK 115. This represents a decrease of NOK 16 or 12.2 % from 31.12.21.

Balance development per 30.09.22

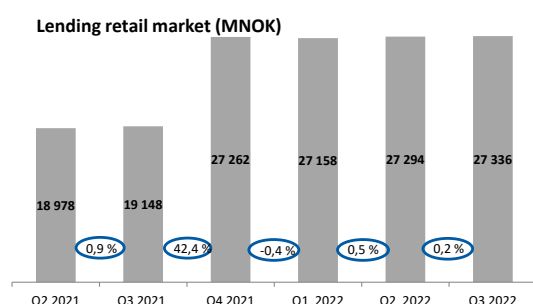
Total assets amount to 38.3 bn. Over the last 12 months, total assets are increased by MNOK 1 699 (4 381) or 4.6 (12.6) %. Increased total assets is mainly related to high deposit growth and the acquisition of SpareBank 1 Nord-Norges portfolio in Helgeland in fourth quarter 2021.

Commitments

In this quarter, lending growth inclusive loans to mortgage companies constituted MNOK -57 or -0.2 %. Of this, the retail market has a growth of MNOK 42 this quarter while the corporate market has a decrease of MNOK -99. Low lending growth in the period is mainly related to little activity in the retail and the corporate market.

By the end of the quarter, gross lending included transferred loans to mortgage companies amounted to 36 810. Of the groups lending, 84.5 (83.9) % is lent to customers in Helgeland.

Of total lending, MNOK 27 336, or 74.3 (67.6) % is lending to retail customers, of which MNOK 5 543 has been transferred to mortgage companies. Lending to the retail market has over the last 12 months increased by MNOK 8 188 (352), or 42.8 (1.9) %.



By the end of the quarter, the lending to the corporate market amounts to MNOK 9 474 (9 176). Hereof MNOK 228 transferred to SpareBank 1 Boligkreditt. In the corporate market, the development over the last 12 months was MNOK 298 (273), or 3.2 (3.1) %.



Deposits from customers

By the end of third quarter, deposits from customers constituted MNOK 24 152. Inclusive the acquisition of the portfolio from SpareBank 1 Nord-Norge, the deposits have over the last 12 months increased by MNOK 3 336 (2 223), or 16.0 (12.0) %.

In the third quarter, the deposits have decreased by MNOK -579 against MNOK 587 in the first quarter of 2022.

The group has a local depositor mass where 90.1 (91.0) % are deposits from customers in Helgeland. Of total deposits of MNOK 24 152, MNOK 14 495 or 60.0 (56.5) % is deposits from retail customers. The 12-month deposit growth in the retail market was MNOK 2 743 (829), or

23.3 (7.6) %. In the corporate market, deposits have over the last 12 months increased by MNOK 593 (1 205) or 6.5 (18.2) %.

Deposit coverage in % of gross lending was per 30.09.22 77.8 (73.5) %.

Funding

Deposits from customers are an important funding source for the bank. The group is also funded in the Norwegian money- and securities market. Total capital market funding is amounted at the end of the quarter to MNOK 8 226 (10.596) and has a satisfying allocation of duration and lending sources. By the end of the quarter, the share of loans beyond one year was 76.7 (81.0) %. Per 30.09.22, the average remaining term for debt securities was 2.13 (2.37) years. Duration in the mortgage company is slightly lower with 2.0 (2.2) years.

The bank is continually preparing for the transferral of approved mortgages to mortgage companies. By the end of the quarter, the bank has transferred MNOK 5 771 to SpareBank 1 Boligkreditt, and 5 714 to the fully owned subsidiary Helgeland Boligkreditt. Totally, this amounts to MNOK 11 485, which is an increase of MNOK 4 136 compared to the corresponding quarter last year. Loans transferred to Helgeland Boligkreditt is included in the consolidation, while transferred loans to SpareBank 1 Boligkreditt is excluded from the consolidation.

The fixed maximum limit for transferring loans to Helgeland Boligkreditt AS is 35 % of gross lending and 50 % of gross lending RM. As of 30.09.22, the transfer level is 31.2 (25.9) % and 41.9 (38.4) %. 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.

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 decreased by MNOK -48 since the beginning of the year.

Rating

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

Subsidiaries and joint ventures

The SBH group consists of SpareBank 1 Helgeland and the consolidated subsidiaries Helgeland Boligkreditt AS, Bankbygg Mo AS, AS Sparebankbygg, Helgeland Sparebanks Eiendomsselskap AS, Helgeland Utviklingsselskap AS, Storgata 73 AS and Strendene Utviklingsselskap AS. The subsidiary Strendene Utviklingsselskap AS is in its entirety written down, and is to be discontinued in 2022.

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

Risk and capital management

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

Credit risk

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

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

As of 30.09.22 net non-performing (>90 days) and impaired commitment constitute MNOK 229 (327) which is a decrease of MNOK 98 from 30.09.21. In percentage of gross lending this amounts to 0.7 (1.2) %.

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

Operational risk

The risk management is central in the daily operation and in the board's work. The risk is primarily managed through policy and guidelines, frameworks, power of attorney, reporting requirements and competence requirements. As of 30.09.22 it has not been revealed any conditions that are critical to the bank's activities.

Liquidity risk

The Board has approved a strategy for liquidity management that determine the purpose, management objectives, and risk tolerance for the management of liquidity risk. The bank's liquidity situation is considered

satisfactory, and the share of long-term funding is well above the target.

The SBH group's combined liquidity reserves (cash, deposits, and interest-bearing assets) constitute NOK 6.8 (8.2) bn, or 17.9 (22.4) % of the group's total assets. The combined duration of the interest portfolio is 1.83 (1.23) years.

The banks liquidity reserve portfolio mainly consists of solid issuers of interest-bearing securities that qualify for LCR reporting. By the end of the quarter the SBH Group has an LCR of 181 (219) %.

Solidity

After proportionally consolidation, net equity, and related capital amounts to MNOK 4 786, hereby fund obligations by MNOK 398 and subordinated loan by MNOK 451.

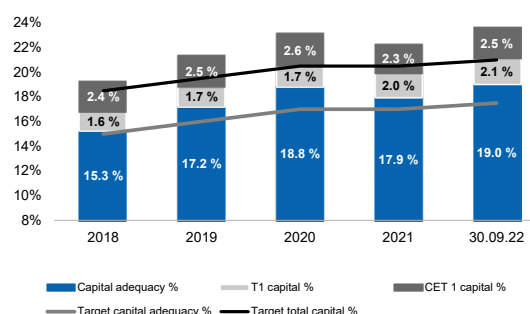
the SBH group has per 30.09.22 a CET1 capital ratio of 19.0 (19.6) % and a total capital ratio of 23.6 (25.6) %. The profit pr 3rd quarter is deducted of the calculation. Inclusive 50 % of the profit, the CET1 and the total capital ratio is 19.7 % and 24.3 %

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

Statutory minimum requirement for pure core capital adequacy is 11.5 %. The bank has a Pillar 2 addition of 2.2 %. The group's capital requirement including Pillar 2 addition amounts to 13.7 (13.2) %. The Group received a new decision around Pillar 2 addition the 26.04.22, The decision has effect from 30.04.22.

The target of CET1 and total capital ratio is at 1.3 % over regulatory demands, and at this point this amount to 17.5 %, and 21.0 %. The bank has in its target considered increased system risk and countercyclical buffer requirements of up to 2.5 %.

Development capital adequacy



The Group has a risk weighted balance before proportionately consolidation of MNOK 20 286 (17 757).

The group's Leverage Ratio (unweighted core capital ratio) was 9.1 (10.9) % after proportionally consolidation.

Prospects ahead

SpareBank 1 Helgeland is close to its first full year as a part of the SpareBank 1 alliance. This last year has been affected by ripple effects of pandemic, war in Ukraine and a macroeconomic picture that indicate a challenging time ahead. Through this turbulent time. The employees have shown from their best sides through being adaptable, willing to learn and not least been good advisors for our customers. This is qualities that will be important when the local bank shall contribute to growth and development in the region, in a time where lots of things indicate the opposite.

Increased interests, high price growth, increased taxes and fees will affect the customers behaviour in the time to come. Both retail customers and corporate customers will experience a tighter economy. In the banks market area, the electricity prices have been low, which contributes to a positive direction for the customers, but it is still likely that default and bankruptcy will increase some in the time to come. The real estate market, especially in the towns in Helgeland is still expected to maintain stable in the time to come.

The suggested state budget will affect some of our customer groups and the bank. Among others, increased fees in competence work places and the implementation of the basic interest tax for the fish farming industry will lead to reduced profitability in exposed industries. Especially in the fish farming industry in the region, the uncertainty is large, and several investments put on hold as a consequence of the suggested implementation of the basic interest tax.

In 2022 and parts of 2023, there will be need for further adjustment and change, not least for that the bank is going to become a part of the forward leaning and development-oriented culture in the SpareBank 1 alliance. This provides that the groups long term profitability target cannot be expected fulfilled. In a longer perspective, the profitability is expected strengthened. The group has a long-term target of a ROE on level with comparable banks, pt. 11 % after tax from the end of 2023.

The net interest is expected to strengthen after the interest rate increase in the third quarter. For the credit and deposit portfolio inclusive transferred loans to the mortgage companies, the interest rate increase in the August and September in the third quarter isolated will provide an annual strengthening of the net interest respectively by MNOK 80 and 80 per balance date. However increased funding costs and price adaptations

will draw this effect on the net interest significantly down. The interest rate increase in August and September 2022 has effect on the banks portfolio from respectively October 6th and November 9th.

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

Operating costs for the basic operation are expected to remain stable, but for 2022 slightly over target of 40 percent of total income. This is mainly related to increased costs in a transition phase after entering the SpareBank 1 alliance and the acquisition. It is expected that the cost level throughout 2022 will approach the target as a consequence of that employees in end packages processes and IT and operating deals that expires.

The bank has earlier indicated an expectation of normalized losses of around 0.18 % of gross lending. The level of expectation is also maintained ahead. It is still an underlying uncertainty regarding future losses considering the war in Ukraine and associated uncertainty in the economy.

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. The board will prioritize profitable growth. In the time ahead, it is expected large activity in the region. This provides reason for optimism in the long-term growth in the retail market.

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

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

Mo i Rana, October 27th 2022

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	12
CASH FLOW STATEMENT	13
NOTE 1. ACCOUNTING PRINCIPLES	14
NOTE 2. SEGMENT.....	14
NOTE 2.1 NET INTEREST	15
NOTE 2.2 NET COMMISSION INCOME	15
NOTE 3. SPECIFICATION OF NET CHANGE IN VALUE OF FINANCIAL INSTRUMENTS.....	15
NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS.....	15
NOTE 5. LOSSES ON LOANS GUARANTEES, ETC.....	16
NOTE 6. PROFIT PER PRIMARY CERTIFICATE	16
NOTE 7. GEOGRAPHICAL EXPOSURE WITHIN THE LOAN PORTFOLIO.....	17
NOTE 8.1 COMMITMENTS SPLIT BY SECTOR/INDUSTRY	18
NOTE 8.2 COMMITMENTS AND LOSSES SPLIT BY SECTOR/INDUSTRY	19
NOTE 9. NET NON-PERFORMING AND IMPAIRED COMMITMENT	21
NOTE 10. INDIVIDUAL AND COLLECTIVE WRITE DOWNS OF LOANS AND GUARANTEES.....	22
NOTE 11. CONTINGENT OFF-BALANCE SHEET COMMITMENTS.....	25
NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES	26
NOTE 13. OPERATING FUNDS.....	28
NOTE 13.1 LEASES	28
NOTE 14. DISCLOSURES OF RELATED PARTIES.....	28
NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS	28
NOTE 16. FINANCIAL DERIVATIVES	31
NOTE 17. SECURITIES ISSUED.....	32
NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS.....	32
NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY.....	33
NOTE 20. EQUITY CERTIFICATE CAPITAL HELD.....	33
NOTE 21. CAPITAL ADEQUACY.....	34
NOTE 22. FINANCIAL ESTIMATES AND ESTIMATIVE ASSESSMENTS.....	35
NOTE 23. SPAREBANK 1 BOLIGKREDITT.....	35
NOTE 24. ACQUISITION.....	Feil! Bokmerke er ikke definert.
NOTE 25. PROFORMA ACCOUNTING NUMBERS.....	Feil! Bokmerke er ikke definert.
NOTE 26. EVENTS AFTER BALANCE SHEET DAY.....	35
PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS.....	35
PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT.....	36
OTHER KEY FIGURES	37
OTHER CALCULATIONS.....	38
INFORMATION CONCERNING SPAREBANK 1 HELGELAND.....	40

PROFIT AND LOSS ACCOUNT (amounts in NOK million)

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
702	165	291	501	757	Interest income and similar income (note 2.1)	861	604	324	199	840
161	36	95	115	220	Interest payable and similar costs	290	153	119	46	217
18	4	3	14	11	Hedge fund fees	11	15	3	5	18
523	126	194	373	526	Net interest- and credit commission income	560	436	202	148	604
118	25	44	78	135	Commissions receivable and income from banking services	135	78	44	25	118
11	3	3	7	10	Commissions payable and costs relating to banking services	10	7	3	3	11
9	2	4	6	10	Other operating income	7	5	4	4	4
116	24	44	77	135	Net commission income and other operating income	132	76	45	26	111
72	2	0	72	88	Dividend	33	2	1	0	2
8	5	0	7	2	Net profit from associates	2	7	0	5	11
-11	-2	-20	2	-60	Net profit from other financial investments	-60	1	-20	-2	-16
69	5	-20	81	30	Gains/losses on financial assets available for sale (note 3)	-25	10	-19	3	-3
157	38	43	112	126	Staff cost (note 4)	127	113	43	39	158
228	36	51	123	148	Other operating expenses (note 4)	153	130	52	41	226
385	74	94	235	274	Total operating expenses	280	243	95	80	384
323	80	124	295	417	Result before losses	387	279	133	97	328
60	19	1	31	5	Losses on loans, guarantees etc. (note 10)	5	29	2	19	64
263	61	123	264	412	Result before tax	382	250	131	78	264
47	16	35	46	95	Tax payable on ordinary result	103	59	38	21	59
216	45	88	218	317	Net profit	280	191	93	58	205
12			10	12	Attributable to additional tier 1 capital holders	12	10			12
158			166	244	Attributable to equity capital certificate holders	214	145			149
46			42	61	Attributable to the saving bank reserve	54	36			44
				0	Attributable to non-controlling interest	0				0
216			218	317	Net profit	280	191			205
5.8			7.6	9.0	Yield per equity capital certificate (note 5)	7.9	6.6			5.5
5.8			7.6	9.0	Diluted result per ECC in Norwegian currency (note 5)	7.9	6.6			5.5
Extended Income Statement										
216	45	88	218	317	Net profit	280	191	93	58	205
<u>Items that will not be reclassified through profit or loss:</u>										
-1	0	-1	0	0	Recognized deviations in pensions	0	0	-1	0	-1
<u>Items that are subsequently reversed through profit or loss:</u>										
2	0	1	0	0	Estimate variances, pensions will not be reversed over the income statement later	0	0	0	0	2
0	0	0	0	0	Tax on extended profit	0	0	0	0	0
2	0	1	0	0	Net extended profit or loss items	0	0	-1	0	2
218	45	89	218	317	Total profit of the period	279	191	92	58	207

BALANCE SHEET (amounts in NOK million)

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
ASSETS						
73	83	71	Cash and claims on central banks	71	83	73
1 886	2 389	1 695	Loans to and claims on credit institutions	810	1 477	857
25 213	20 727	25 299	Loans to and claims on customers (note 7,8,9,10)	30 883	28 027	32 194
39	52	44	Financial derivatives (note 16)	44	56	39
5 786	6 543	5 822	Certificates, bonds and shares	5 970	6 618	5 805
144	143	143	Investments in associated companies (note 12)	143	143	144
590	591	591	Investments in subsidiaries (note 12)	0	0	0
104	26	96	Immaterielle eiendeler	96	26	104
46	57	38	Fixed assets (note 13)	175	135	153
72	41	111	Other assets (note 13.1)	95	23	64
33 953	30 652	33 910	Total assets	38 287	36 588	39 433
LIABILITIES AND EQUITY CAPITAL						
302	300	311	Liabilities to credit institutions	312	301	303
24 144	21 224	24 578	Deposits from customers and liabilities to customers (note 17,18)	24 152	20 816	23 552
4 288	4 310	3 517	Borrowings through the issuance of securities (note 15)	8 266	10 596	10 271
9	13	40	Financial derivatives (note 16)	68	13	12
209	191	278	Other liabilities (note 13.1)	264	188	218
451	451	452	Subordinated loan capital	452	451	451
29 403	26 489	29 176	Total liabilities	33 514	32 365	34 807
Equity capital						
270	209	268	Equity share capital (note 5,6,20)	268	209	270
1 505	971	1 505	Premium Fund	1 505	971	1 505
1 439	1 354	1 439	Cohesion Fund	1 439	1 354	1 439
3 214	2 534	3 212	Total equity share capital	3 212	2 534	3 214
778	753	777	Primary capital	777	753	777
51	29	18	Gift fund	18	29	51
829	782	795	Total primary capital	795	782	828
21	38	22	Unrealized gains reserve	22	38	21
398	601	398	Hybrid Capital (Note 1,17)	398	601	398
86	208	307	Other equity capital	343	265	161
4 550	4 163	4 734	Total equity capital exclusive minority interest	4 770	4 220	4 622
			Non-controlling interest	3	3	3
4 550	4 163	4 734	Total equity capital	4 773	4 223	4 626
33 953	30 652	33 910	Total liabilities and equity capital	38 287	36 588	39 433

Conditional liabilities off balance sheet (note 11)

Mo i Rana, October 27th 2022

Bjørn Krane
Chairman of the Board

Rolf Egil 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

CHANGE IN EQUITY

Group

31.12.21

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.21	209	971	0	299	38	753	34	8	1 354	150	3	3 819
Profit				12	-19	24	4	21	85	77		205
OCI					2	0			0			2
Comprehensive income for the period	0	0	0	12	-16	24	4	21	85	77	0	207
Issued FO				398								398
Redeemed FO				-299	1	0			-1			-299
Paid interest FO				-12								-12
Emission	61	534										595
Gifts							-8	-8				-16
Other changes										-1		-1
Transactions with owners												0
Dividend paid/interests										-65		-65
Equity 31.12.21	270	1 505	0	398	21	777	30	21	1 439	161	3	4 626
Paid-in/accrued equity/retained earnings			1 775								2 851	4 626

30.09.22

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found. res.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.22	270	1 505	0	398	21	777	30	21	1 439	161	3	4 626
Result for the period				12						268		280
Extended profit or loss items												0
Comprehensive income for the period	0	0	0	12	0	0	0	0	0	268	0	280
Paid interest FO				-12								-12
Gift fund												0
Other changes			-2				-12					-14
Transactions with owners												0
Dividend paid/interests								-21		-86		-107
Equity 31.12.22	270	1 505	-2	398	21	777	18	0	1 439	343	3	4 773
Paid-in/accrued equity/retained earnings			1 773								3 000	4 773

Parent bank

31.12.21

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Total
Equity as at 01.01.21	209	971	0	299	38	753	34	8	1 354	65	3 731
Profit				12	-19	25	4	21	86	86	216
OCI					2	0			0		2
Comprehensive income for the period	0	0	0	12	-16	25	4	21	86	86	218
Issued FO				398							398
Redeemed FO				-299	1	0			-1		-299
Paid interest FO				-12							-12
Emission	61	534									595
Gift fund							-8				-8
Transactions with owners											0
Dividend paid/interests								-8		-65	-73
Equity 31.12.21	270	1 505	0	398	23	778	30	21	1 439	86	4 550
Paid-in/accrued equity/retained earnings			1 775							2 775	4 550

30.09.22

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation	Savings bank's	Donation fund	Char. found.	Divid. Equal	Other Equ.cap.	Total
Equity as at 01.01.22	270	1 505	0	398	23	778	30	21	1 439	86	4 550
Result for the period				12						305	317
Extended profit or loss items											0
Comprehensive income for the period	0	0	0	12	0	0	0	0	0	305	317
Paid interest FO				-12							-12
Other changes			-2			-1					-3
Gift fund							-12				-12
Transactions with owners											0
Dividend paid/interests								-21		-86	-107
Equity capital 31.03.22	270	1 505	-2	398	23	777	18	0	1 439	305	4 734
Paid-in/accrued equity/retained earnings			1 773							2 961	4 734

CASH FLOW STATEMENT

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
-5 009	-525	-80	Lending to customers	1 337	-636	-4 803
636	456	660	Interest income lending to customers	787	568	788
5 043	2 123	434	Deposits from customers	600	2 132	4 868
-103	-75	-148	Interest cost deposit from customers	-147	-73	-102
-248	-250	9	Receivables and liabilities to credit institutions	7	-250	-248
-5	-9	-5	intrest on receivables and liabilities to credit institutions	-5	-4	-3
-7 304	-5 396	-1 895	Purchase certificates and bonds	-1 945	-5 641	-7 454
6 731	3 660	1 833	sale certificates and bonds	1 833	3 660	6 881
52	37	73	Interest income certificates and bonds	73	37	52
108	71	122	Comission income	122	71	108
-392	-215	-251	Payments relating to operations	-255	-225	-419
-62	-62	-49	Paid tax	-69	-77	-77
-53	-46	-46	Other cutoffs	-57	29	-56
-606	-231	657	A Net liquidity change from operating activities	2 281	-409	-465
-132	-13	-5	Investment in long-term securities	-57	-15	-162
0	0	0	Income sale of long-term securities	0	0	0
-710	-211	-26	Long-term investments in shares	-26	-211	-710
168	154	0	Payment from sales long-term investments in shares	0	154	168
71	71	88	Dividend from long-term investments in shares	32	2	2
-603	1	57	B Net liquidity change from investments	-51	-70	-702
2 356	1 684	251	New borrowing through issuanse of securities	774	3 349	5 090
-1 365	-787	-957	Repayments - issued securities	-2 773	-2 165	-4 203
595	0	0	Emisjon	0	0	595
-44	-30	-68	Interest payments borrowing through issuance of securities	-147	-68	-100
100	304	0	+ Liquid assets at the start of the period	0	304	100
-8	-6	-12	Interest payments on subordinated debt	-12	-6	-8
-8	-5	-12	payment gift fund	-12	-5	-8
-65	-65	-108	dividend to share owners	-108	-65	-65
1 561	1 095	-906	C Net liquidity change financing	-2 278	1 344	1 401
352	865	-192	A+B+C Net liquidity change in the period	-48	865	234
1 607	1 607	1 959	Liquid funds at the start of the period	929	695	695
1 959	2 472	1 767	Liquid funds at the end of the period	881	1 560	929
			Liquid funds specified			
73	83	71	Cash and balances with central banks	71	83	73
1 886	2 389	1 696	Balances with credit institutions without notice periods	810	1 477	856
1 959	2 472	1 767	Liquid funds	881	1 560	929

NOTE 1. ACCOUNTING PRINCIPLES

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

NOTE 2. SEGMENT

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

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

Parent bank					Group				
30.09.22					30.09.22				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total	
239	246	40	525	Net interest and credit commission income	293	247	20	560	
13	9	103	125	Net commission income	13	9	103	125	
0	0	41	41	Other operating income			-17	-17	
71	39	164	274	Operating costs	74	40	166	280	
-2	7	0	5	Losses on loans guaranteed	-2	7	0	5	
183	209	20	412	Gross profit	234	208	-60	382	
16 182	9 284	0	25 466	Loans to and claims on customers	21 793	9 246	0	31 039	
-18	-147	0	-165	Provision of loss	-18	-138	0	-156	
0	0	8 608	8 608	Other assets	0	0	7 404	7 404	
16 164	9 137	8 608	33 909	Total assts per segment	21 775	9 108	7 404	38 287	
14 495	10 083	0	24 578	Deposits from customers and liabilities	14 495	9 657	0	24 152	
0	14	0	14	Provisions of loss, unutilized deductions and guarantees	0	14	0	14	
0	0	9 317	9 317	Other liabilities and equity			14 121	14 121	
14 495	10 097	9 317	33 909	Total liabilities and equity per segment	14 495	9 671	14 121	38 287	

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	
115	164	-15	264	Gross profit	180	166	-96	250	
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	
11 921	8 806	9 924	30 651	Total assts per segment	19 129	8 898	8 560	36 587	
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	
11 752	9 483	9 416	30 651	Total liabilities and equity per segment	11 752	9 075	15 760	36 587	

NOTE 2.1 NET INTEREST

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
14	3	9	9	23	Interest from financial instruments at amortized cost	6	4	3	3	2
334	84	142	258	335	Interest receivable on loans	341	534	146	174	610
348	87	151	267	358	Total interest from financial instruments at amortized cost	347	538	149	177	612
					Interest from financial instruments valued to fair value over net profit					
40	10	9	29	30	Interest receivable on loans (fair value loans)	30	29	9	10	40
52	12	29	37	73	Interest from bearer bonds and certificates	73	37	29	12	53
92	22	38	66	103	Total interest from financial instruments valued to fair value over net profit	103	66	38	22	93
					Interest from financial instruments valued to fair value OCI					
262	56	101	168	295	Interest receivable on loans (loans who can transfer to the bank's mortgage company)	411	0	137	0	135
262	56	101	168	295	Total interest from financial instruments valued to fair value OCI	411	0	137	0	135
702	165	290	501	756	Total interest income	861	604	324	199	840
702	165	175	501	757	Hovedbok	861	522			957

NOTE 2. 2 NET COMMISSION INCOME

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
8	0	6	0	22	Commissions and income from banking services	22	0	6	0	8
69	17	25	47	64	Provision knyttet til utlån overført til kreditforetak	64	47	25	17	69
35	7	12	27	46	Fees relating to payments transmission services	46	27	12	7	35
6	1	2	4	4	Fees insurance (general, life, saving and pension)	4	4	2	1	6
118	25	45	78	135	Guarantee commission	135	78	44	25	118
					Total commissions and income from banking services					
					Commissions payable and costs relating to banking services					
11	3	3	7	10	Payments transmission services	10	7	3	3	11
11	3	3	7	10	Total commissions and income from banking services	10	7	3	3	11
107	22	42	71	125	Net commission income	125	71	41	22	107

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

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
-9	-1	-16	-3	-48	Value change in interest-bearing securities	-47	-3	-15	-1	-9
-10	-6	2	-8	-2	Net gain/loss in interest-bearing securities	-2	-8	2	-5	-12
10	-1	0	13	0	Net gain/loss shares	0	13	0	-1	10
72	2	0	72	88	Share dividend	32	2	0	0	2
11	5	0	7	2	Income from affiliated company	2	7	0	5	11
-29	-4	-11	-21	-51	Value change in value on lending fixed rate	-51	-21	-11	-4	-29
24	10	5	21	41	Value change on funding and swaps	41	21	5	10	24
69	5	-20	81	30	Total value change financial instruments	-25	10	-19	3	-3

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
157	38	43	112	126	Wages, salaries and social costs	126	113	42	39	158
102	20	32	66	83	General administration costs	83	66	32	21	102
45	6	11	20	31	Depreciation etc of fixed- and intangible assets	31	21	11	4	35
81	10	8	37	34	Other operating costs	40	43	10	16	89
385	74	94	235	274	Total operating costs	280	243	95	80	384

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
2	1	6	0	5	Period's change in write-downs step 1	5	0	7	1	2
-2	6	7	-10	-11	Period's change in write-downs step 2	-11	-12	7	5	-2
10	21	-2	39	11	Period's change in write-downs step 3	11	39	-2	23	13
55	-8	-9	5	4	Period's confirmed loss	4	5	-9	-9	55
-4	-1	-1	-3	-4	Period's recoveries from previous periods' conf.losses	-4	-3	-1	-1	-4
60	19	1	31	5	Total losses on loans, guarantees etc.	5	29	2	19	64

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

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

Parent bank						Group		
31.12.21	30.09.21	30.09.22				30.09.22	30.09.21	31.12.21
216	218	317	Net profit			280	191	205
			Non-controlling interest share of net profit					
-12	-10	-12	Interest fund bond			-12	-10	-12
204	208	305	Profit (excl. Interest fund bond)			268	181	193
77.3 %	76.3 %	79.9 %	ECC percentage			79.9 %	76.3 %	77.3 %
5.8	7.6	9.0	Yield per equity capital certificate			7.9	6.6	5.5
5.8	7.6	9.0	Diluted result per ECC in Norwegian currency			7.9	6.6	5.5

Parent bank			
	30.09.22	30.09.21	31.12.21
Net profit	317	218	216
Interest fund bond	-12	-10	-12
Transferred reserve for valuation variances	0	12	18
Basis dividend	305	220	222

Equity capital certificate ratio (parent bank)	30.09.22	30.09.21	31.12.21
ECC capital	268	209	270
Dividend equalisation reserve	1 439	1 354	1 439
Premium reserve	1 505	971	1 505
Unrealised gains reserve	18	29	17
Other equity capital	245	159	-
Sum equity capital certificate owners	3 475	2 722	3 231
Ownerless capital	777	753	777
Savings bank gift fund	18	29	30
Unrealised gains reserve	4	9	5
Other equity capital	62	49	-
The saving bank reserve	861	840	813
Savinings bank gift foundation	-	-	21
Dividend declared	-	-	86
Equirt ex. Hybrid capital	4 336	3 562	4 151
Equity capital certificate ratio	80.1 %	76.4 %	79.9 %
Equity capital certificate ratio for distribution	79.9 %	76.3 %	77.3 %

NOTE 7. GEOGRAPHICAL EXPOSURE WITHIN THE LOAN PORTFOLIO

<i>Parent bank</i>					<i>Group</i>			
30.09.21	%	30.09.22	%		30.09.22	%	30.09.21	%
18 315	87.1 %	22 017	86.5 %	Helgeland	26 231	84.5 %	23 763	83.9 %
2 695	12.8 %	3 352	13.2 %	Areas other than Helgeland	4 701	15.1 %	4 502	15.9 %
29	0.1 %	95	0.4 %	International	107	0.3 %	59	0.2 %
21 039	100.0 %	25 464	100.0 %	Total	31 039	100 %	28 324	100.0 %

NOTE 8.1 COMMITMENTS SPLIT BY SECTOR/INDUSTRY

	30.09.22		30.09.21		Group
	Gross loans	%-stake	Gross loans	%-stake	
Municipalities and municipal enterp.	0	0.0 %	0	0.0 %	
Insurance and finance	210	0.7 %	11	0.0 %	
Agriculture and forestry	1 441	4.6 %	1 437	5.1 %	
Fisheries and aquaculture	1 177	3.8 %	874	3.1 %	
Mining and industry	573	1.8 %	449	1.6 %	
Building and construction	812	2.6 %	977	3.4 %	
Trade, hotel, restaurants.	510	1.6 %	537	1.9 %	
Transport and services	1 186	3.8 %	1 801	6.4 %	
Property	3 337	10.8 %	3 090	10.9 %	
Total corporate market	9 246	29.8 %	9 176	32.4 %	
Retail market	21 793	70.2 %	19 148	67.6 %	
Total	31 039	100 %	28 324	100 %	
Loans transferred to Helgeland Boligkreditt	0		0		
Loans transferred to SpareBank 1 Boligkreditt	5 771		0		
Total loans including tranferred to mortgage company	36 810		28 324		

	30.09.22		30.09.21	
	Gross loans	%-stake	Gross loans	%-stake
Municipalities and municipal enterp.	0	0.0 %	0	0.0 %
Insurance and finance	210	0.8 %	11	0.1 %
Agriculture and forestry	1 421	5.6 %	1 414	6.7 %
Fisheries and aquaculture	1 170	4.6 %	866	4.1 %
Mining and industry	572	2.2 %	448	2.1 %
Building and construction	799	3.1 %	960	4.6 %
Trade, hotel, restaurants.	506	2.0 %	531	2.5 %
Transport and services	1 138	4.5 %	1 727	8.2 %
Property	3 467	13.6 %	3 142	14.9 %
Total corporate market	9 283	36.5 %	9 099	43.2 %
Retail market	16 181	63.5 %	11 940	56.8 %
Total	25 464	100 %	21 039	100 %
Loans transferred to Helgeland Boligkreditt	5 714		7 349	
Loans transferred to SpareBank 1 Boligkreditt	5 771		0	
Total loans including tranferred to mortgage company	36 949		28 388	

NOTE 8.2 COMMITMENTS AND LOSSES SPLIT BY SECTOR/INDUSTRY

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

Step 1: 12 months expected loss

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

Step 2: Expected loss of life.

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

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

Step 3: Expected loss of life

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

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

The bank has gone over to the SpareBank 1 alliance loss model at the end of third quarter. The change resulted in a loss entrance of MNOK 2. The calculation models are quite similar, with some changes. Parameters from the old model is mainly continued in the new calculation model. The transition to the new model entails that the bank goes back to use three scenario calculations (from four), where the weighting is 10 % negative scenario, 80 % neutral and 10 % positive.

In the third quarter 2022, the scenario weighting in the loss model adjusted as a consequence of the macroeconomic picture and possible downturn. This resulted in a weighting of negative scenario of 20 % with associated reduction of the neutral scenario. The adjustment resulted in an additional provision of MNOK 14. In the same period the covid-19 provision was dissolved. This provided an entrance of 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 the provision.

30.09.22

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Step 1	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	-	-	-	-	-	-	0
Insurance and finance	210	-	-0	-0	-0	-	210
Agriculture and forestry	1 427	-	-0	-3	-16	14	1 422
Fisheries and aquaculture	1 177	-	-2	-4	-31	-	1 141
Mining and industry	571	-	-1	-2	-2	2	568
Building and construction	808	-	-1	-4	-2	5	806
Trade, hotel, restaurants.	506	-	-1	-2	-1	4	506
Transport and services	1 179	-	-2	-5	-8	7	1 170
Property, property development	3 310	-	-13	-16	-18	27	3 290
Total corporate market	9 187	0	-20	-36	-78	59	9 113
Retail market	817	19 556	-2	-9	-10	1 420	21 772
Total	10 004	19 556	-22	-44	-87	1 479	30 885
Expected loss unutilized credit and guarantees RM			-0	-0	-0		
Expected loss unutilized credit and guarantees CM			-3	-8	-6		

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
Total	26 904	0	-12	-39	-247	1 420	28 025
Expected loss unutilized credit and guarantees RM			-	-	-		
Expected loss unutilized credit and guarantees CM			-1	-10	-		

30.09.22

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Fair value (FVOCI)	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	-	-	-	-	-	-	0
Insurance and finance	277	-	-0	-0	-0	-	277
Agriculture and forestry	1 413	-	-0	-3	-16	14	1 408
Fisheries and aquaculture	1 320	-	-2	-4	-31	-	1 283
Mining and industry	473	-	-1	-2	-2	2	470
Building and construction	625	-	-1	-4	-2	5	623
Trade, hotel, restaurants.	532	-	-1	-2	-1	4	532
Transport and services	964	-	-2	-5	-8	7	956
Property, property development	3 575	-	-14	-15	-27	27	3 546
Total corporate market	9 178	0	-21	-35	-87	59	9 095
Retail market	966	14 372	-2	-8	-9	1 448	16 766
Total	10 144	14 372	-23	-43	-96	1 507	25 861
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-3	-8	-6		

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
Total	9 069	10 571	-12	-38	-262	1 400	20 727
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-10	0		

NOTE 9. NET NON-PERFORMING AND IMPAIRED COMMITMENT

Parent bank

Group

31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
162	284	157	Default commitments over 90 days	157	284	162
-67	-159	-57	Step 3 write-downs	-57	-159	-67
95	125	100	Total net loans, guarantees etc. in default	100	125	95
267	314	175	Other non-performing and impaired commitments and guara., not in default ¹⁴	165	290	233
-106	-102	-45	Step 3 write-downs	-36	-88	-97
162	212	130	Total non-performing and impaired commitments and guara., not in default	129	202	137
257	336	230	Total non-performing and impaired commitments and guara ¹⁵	229	327	232
1.0 %	1.6 %	0.9 %	In % of total loans	0.7 %	1.2 %	0.7 %

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 30.09.22
Gross lending	With expected loss over 12 months	With expected loss over the instruments life	With expected loss over the instruments life time	Total
Gross lending pr. 01.01.22	24 664	5 697	395	30 756
New loans / credits / guarantees	6 649	291	34	6 974
Transfers from step 1 to step 2	-1 162	1 168	0	6
Transfers from step 1 to step 3	-39	0	38	-1
Transfers from step 2 to step 3	0	-57	48	-9
	0	0	0	
Transfers from step 3 to step 2	0	30	-36	-6
Transfers from step 3 to step 3	13	0	-16	-3
Transfers from step 2 to step 1	2 555	-2 637	0	-82
Reduced portfolio	-5 428	-1 103	-173	-6 704
	0	0	0	
Other adjustments	-1 314	-91	32	-1 372
Gross lending pr. 30.09.22	25 939	3 299	322	29 560
IB unused drafts, guarantees etc.	2 384	290	54	2 728
UB unused drafts, guarantees etc.	2 409	174	16	2 600

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
Gross lending	With expected loss over 12 months	With expected loss over the instruments life	With expected loss over the instruments life time	Total
Gross lending pr. 01.01.21	19 912	5 706	539	26 157
New loans / credits / guarantees	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
Gross lending pr. 30.09.21	21 118	5 212	573	26 904
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.

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	30.09.22
Gross lending	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Gross lending pr. 01.01.22	18 675	4 680	429	23 784
New loans / credits / guarantees	6 581	291	34	6 906
Transfers from step 1 to step 2	-1 041	1 051	0	9
Transfers from step 1 to step 3	-35	0	34	-1
Transfers from step 2 to step 3	0	-56	47	-9
	0	0	0	0
Transfers from step 3 to step 2	0	30	-35	-6
Transfers from step 3 to step 3	13	0	-16	-3
Transfers from step 2 to step 1	2 279	-2 347	0	-68
Reduced portfolio	-4 229	-991	-197	-5 417
	0	0	0	0
Other adjustments	-1 160	-88	36	-1 212
Gross lending pr. 30.09.22	21 083	2 570	332	23 985
IB unused drafts, guarantees etc.	2 022	282	54	2 358
UB unused drafts, guarantees etc.	2 048	174	16	2 238

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

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

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	30.09.21
Gross lending	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Gross lending pr. 01.01.21	13 800	4 608	573	18 981
New loans / credits / guarantees	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
		1	-1	0
Transfers from step 3 to step 2				
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
Gross lending pr. 30.09.21	14 842	4 199	597	19 639
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.

	Step 1	Step 2	Step 3	Group 30.09.22
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.22	15	64	163	242
New or increased loans / credits / guarantees	6	12	6	24
Transfers from step 1 to step 2	-1	14	0	13
Transfers from step 1 to step 3	0	0	5	5
Transfers from step 2 to step 3	0	-1	9	8
	0	0	0	0
Transfers from step 3 to step 2	0	1	-2	-1
Transfers from step 3 to step 3	0	0	-1	-1
Transfers from step 2 to step 1	4	-28	0	-24
Reduced portfolio	-2	-14	-94	-110
	0	0	0	0
Other adjustments	3	5	6	13
Loss deduction pr. 30.09.22	25	52	93	169

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

	Step 1	Step 2	Step 3	Group 30.09.21
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.21	13	61	222	296
New or increased loans / credits / guarantees	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
Loss deduction pr. 30.09.21	13	49	247	309

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	30.09.22
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.22	15	62	173	250
New or increased loans / credits / guarantees	6	12	6	24
Transfers from step 1 to step 2	-1	13	0	12
Transfers from step 1 to step 3	0	0	5	5
Transfers from step 2 to step 3	0	-1	9	8
	0	0	0	
Transfers from step 3 to step 2	0	1	-2	-1
Transfers from step 3 to step 3	0	0	-1	-1
Transfers from step 2 to step 1	4	-28	0	-23
Reduced portfolio	-2	-14	-94	-110
	0	0	0	0
Other adjustments	4	5	6	15
Loss deduction pr. 30.09.22	26	51	102	179

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
Loss deduction pr. 01.01.21	13	59	236	308
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
Loss deduction pr. 30.09.21	13	48	262	323

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

NOTE 11. CONTINGENT OFF-BALANCE SHEET COMMITMENTS

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
2 039	1 930	2 638	Unutilized drawing rights	3 008	2 310	2 409
319	304	249	Guarantee obligations	249	304	319
470	587	615	Unutilized drawing rights Helgeland Boligkreditt AS			
2 828	2 821	3 502	Net guarantee and draw rights	3 257	2 614	2 728

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

NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES

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

	Share capital	Number of shares	Equity stake	Parent bank	
				Book value	
				30.09.22	30.09.21
Bankbygg Mo AS	0.1		99.5 %	48	48
Helgeland Boligkreditt AS	540	540 000	100 %	540	540
AS Sparebankbygg	0.1	100	100 %	1	1
Helgeland Spb.eiend.selskap AS	0.1	100	100 %	0.4	0.4
Strendene Utviklingsseelskap AS	15	300	100 %	0	0
Storgata 73 AS	0.1	140	57 %	1	1
Total investment in AC				590	591

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

	Share capital	Cost	Number of shares	Equity stake	Parent bank and group	
					Book value	
					30.09.22	30.09.21
Samarbeidende Sparebanker AS (FKV)	355	146	26 618	3.0 %	142	142
Samarbeidene Sparebanker Utvikling DA (FKV)	-	1	-	3.0 %	1	1
Investment in joint ventures and associated companies					143	143

Financial information associated companies and joint ventures, balance posts:

Parent bank and group					
30.09.22					
Balance 100 % ownership		Assets	Debt	Income	Cost Result
Samarbeidende Sparebanker AS	100.0 %	2250	41	84	31 53
Samarbeidene Sparebanker Utvikling DA	100.0 %	30	0	0	0 0
Total		2280	41	84	31 53
The bank's share					
Samarbeidende Sparebanker AS	3.0 %	68	1	3	1 2
Samarbeidene Sparebanker Utvikling DA	3.0 %	1	0	0	0 0
Total		68	1	3	1 2

Parent bank and group					
30.09.21					
Balance 100 % ownership		Assets	Debt	Income	Cost Result
Samarbeidende Sparebanker AS	100.0 %	2118	15	399	24 375
Samarbeidene Sparebanker Utvikling DA	100.0 %	30	0	0	0 0
Total		2148	15	399	24 375
The bank's share					
Samarbeidende Sparebanker AS	3.0 %	64	0	12	1 9
Samarbeidene Sparebanker Utvikling DA	3.0 %	1	0	0	0 0
Total		64	0	12	1 9

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

Parent bank and group					
30.09.22					
Specification joint ventures and associated companies		0	0	0	0 0
Samarbeidende Sparebanker AS		0	0	0	2 -4
Samarbeidene Sparebanker Utvikling DA		0	0	0	0 0
Specification joint ventures and associated companies		0	0	0	2 -4

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
Sum shares joint ventures and associated companies		147	0	-2	9 -11

Parent bank and group		
30.09.22 30.09.21		
Book value joint venture and associated companies		
Opening balance	144	0
Acquisition	0	147
Sales	0	0
Equity changes	0	0
Results	3	9
Other adjustments	0	-2
Dividends paid	-4	-11
Book value	143	143

NOTE 13. OPERATING FUNDS

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
46	57	38	Operating funds	175	135	153
46	57	38	Total operating funds	175	135	153

NOTE 13.1 LEASES

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		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
Right of use						
45	45	32	Opening balance 01.01.	18	16	16
20	3	0	Aquisition	0	3	20
-15	0	0	- sales	0	0	-15
-8	-7	14	Other changes	1	1	1
42	41	47	Closing balance at the end of the period	19	20	22
10	7	10	Depreciations in the period	6	2	5
32	34	37	Closing balance on the right of use at the end of the period	13	18	18
Lease commitment						
46	46	48	Opening balance 01.01.	33	17	17
20	3	0	New agreements in the period	0	3	20
-12	-9	-12	Lease payments in the period - installments	-8	-2	-5
2	2	2	Interest	1	1	2
-8	-7	14	Other changes	1	0	1
48	35	53	Total lease commitments at the end of the period	28	19	33
PLA						
10	7	10	Depreciations	6	2	5
2	2	2	Interest	1	1	2
12	9	12	Total	7	3	7

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 30.09.22 constitute a total of MNOK 5 714. Covered bonds in the housing mortgage company constitute MNOK 4 749. Credit line of NOK 1.5bn is drawn with MNOK 885. In addition, the bank has a revolving credit facility (with maturity > one year) provided by SpareBank 1 Helgeland, which will cover payment obligations in the security pool for a rolling 12-month period. The agreements are based on the principle of arm's length. In the consolidated accounts, the effects of the facilities are eliminated. SBH has received dividend of MNOK 55.5 in 2022.

NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS

Measurement of fair value of financial instruments by level

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

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

The fair value of financial instruments that are traded in an active market is based on the market price at the end of the reporting period. A market is considered active if the markets rates are simply and regularly available from a stock

exchange, trader, broker, business group pricing service or regulatory authority, and these prices represent actual and regularly occurring arm's length market transactions. The market price used for financial assets is the current bid price, while for financial liabilities it is the current offer price. These instruments are included in level 1.

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

Principal fixed rate loans per 30.09.22 were MNOK 1 479 (1 420) 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 -3.6 (3.7) per 30.09.22.

Parent bank			Assets and liabilities measured at fair value			Group
30.09.22						30.09.22
Level 1	Level 2	Level 3	Assets and liabilities measured at fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit						
0	0	1 426	- Loans to and claims on customers at fair value	0	0	1 426
0	5 205	617	- Certificates, bonds and equities at fair value	0	5 353	617
Financial assets available for sale						
0	0	14 381	- Mortgages	0	0	19 759
0	44	0	- Financial derivatives	0	44	0
0	5 249	16 424	Total assets	0	5 397	21 802
LIABILITIES						
Financial liabilities at fair value through profit						
0	50	0	- Debt issuance of securities	0	68	0
0	50	0	Total liabilities	0	68	0
Shares	Loans	Total	Changes in instruments classified in Level 3	Shares	Loans	Total
595	15 923	16 518	Opening balance	595	22 961	23 556
26	-191	-165	Payment loan/sale of shares	26	-1 851	-1 825
0	129	129	New loans	0	129	129
-4	-53	-57	Value change	-4	-53	-57
617	15 808	16 425	Financial instruments valued on Level 3	617	21 186	21 803

Parent bank			Assets and liabilities measured at fair value			Group		
31.12.21						31.12.21		
Level 1	Level 2	Level 3	Assets and liabilities measured at fair value			Level 1	Level 2	Level 3
			Financial assets at fair value through profit					
0	0	1 666	- Loans to and claims on customers at fair value			0	0	1 666
0	5 191	595	- Certificates, bonds and equities at fair value			0	5 210	595
			Financial assets available for sale					
0	0	14 257	- Mortgages			0	0	21 295
0	39	0	- Financial derivatives			0	39	0
0	5 230	16 518	Total assets			0	5 249	23 556
			LIABILITIES					
			Financial liabilities at fair value through profit					
0	9	0	- Financial derivatives			0	12	0
0	9	0	Total liabilities			0	12	0
Shares	Loans	Total	Changes in instruments classified in Level 3			Shares	Loans	Total
207	11 750	11 957	Opening balance			207	1 559	1 766
-168	-404	-572	Payment loan/sale of shares			-168	-404	-572
562	4 641	5 203	New loans			562	21 870	22 432
-6	-64	-70	Value change			-6	-64	-70
595	15 923	16 518	Financial instruments valued on Level 3			595	22 961	23 556

NOTE 16. FINANCIAL DERIVATIVES

Parent bank

Group

30.09.22

30.09.22

Nominal value				Market value			
Total	Assets	Commitments		Total	Assets	Commitments	
1 549	0	40	Interest rate swaps- fixed interest rate loans	1 549	0	68	
55	0	0	Interest rate swaps- bank deposits with share yield	55	0		
1 604	0	40	Total financial derivatives	1 604	0	68	
1 700	44	0	Interest rate swaps – fixed interest rate with hedging	2 000	44	0	
1 700	44	0	Total financial derivatives with hedging	2 000	44	0	

Net presentation of financial assets and liabilities

Parent bank

Group

30.09.21

30.09.21

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	

Group

30.09.22

	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net
Derivatives carried as assets	44	0	44	-44	0
Derivatives carried as liabilities	68	0	68	-44	24

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

NOTE 17. SECURITIES ISSUED

<i>Parent bank</i>				<i>Group</i>	
30.09.21	30.09.22	(MNOK)		30.09.22	30.09.21
4 257	3 542	Bonds, nominal value		8 309	10 535
31	-45	Value adjustments		-76	30
22	20	Accrued interest		33	31
4 310	3 517	Total securities		8 266	10 596

<i>Change in securities issued</i>					<i>Group</i>
	31.12.21	Issued	Matured/redeemed	Other change	30.09.22
Bonds, nominal value	10 229	774	-2 703	9	8 309
Value adjustments	14			-90	-76
Accrued interest	28			5	33
Total	10 271	774	-2 703	-76	8 266

<i>Change in subordinated debt</i>					<i>parent bank</i>
	31.12.21	Issued	Matured/redeemed	Other change	30.09.22
Bonds, nominal value	4 249	251	-957	-1	3 542
Value adjustments	16			-61	-45
Accrued interest	23			-3	20
Total	4 288	251	-957	-65	3 517

<i>Change in securities issued</i>					<i>Group/Parent bank</i>
	31.12.21	Issued	Matured/redeemed	Other change	30.09.22
equity and related capital, nominal value	451			0	451
Value adjustments	-1			0	-1
Accrued interest	1			1	2
Total	451	-	-	1	452

*) 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>	
				30.09.22	31.12.21
Bonds, amortized cost				6 346	7 955
Bonds, hedging				1 920	2 316
Total debt securities				8 266	10 271

<i>Accounted value</i>				<i>Parent bank</i>	
				30.09.22	31.12.21
Bonds, amortized cost				1 871	2 271
Bonds, hedging				1 646	2 017
Total debt securities				3 517	4 288

NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>						<i>Group</i>			
%	30.09.21	%	30.09.22		30.09.22	%	30.09.21	%	
90.2 %	19 142	89.8 %	22 080	Helgeland	21 779	90.2 %	18 947	91.0 %	
9.0 %	1 911	9.2 %	2 269	Areas other than Helgeland	2 179	9.0 %	1 716	8.2 %	
0.8 %	171	0.9 %	229	International	194	0.8 %	153	0.7 %	
100 %	21 224	100 %	24 578	Total	24 152	100 %	20 816	100 %	

NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

Parent bank						Group		
%	30.09.21	%	30.09.22		30.09.22	%	30.09.21	%
2.8 %	590	2.3 %	574	Financial institutions	197	0.8 %	210	1.0 %
12.9 %	2 734	11.6 %	2 844	Municipalities and municipal ente	2 844	11.8 %	2 734	13.1 %
2.0 %	435	2.0 %	485	Agriculture and forestry	485	2.0 %	435	2.1 %
2.7 %	567	2.1 %	520	Fisheries and aquaculture	520	2.2 %	567	2.7 %
1.2 %	264	1.3 %	314	Mining and industry	314	1.3 %	264	1.3 %
3.7 %	781	3.0 %	741	Building and construction	741	3.1 %	781	3.8 %
3.2 %	671	2.6 %	642	Trade, hotel, restaurants.	642	2.7 %	671	3.2 %
11.4 %	2 410	11.7 %	2 871	Transport and services	2 871	11.9 %	2 410	11.6 %
4.8 %	1 020	4.4 %	1 092	Property, property development	1 043	4.3 %	992	4.8 %
44.6 %	9 472	41.0 %	10 083	Total corporate market	9 657	40.0 %	9 064	43.5 %
55.4 %	11 752	59.0 %	14 495	Retail market	14 495	60.0 %	11 752	56.5 %
100 %	21 224	100 %	24 578	Total	24 152	100 %	20 816	100 %

NOTE 20. EQUITY CERTIFICATE CAPITAL HELG

				Morbank	
Per 30.09.22	Antall	%-andel		Antall	%-andel
Sparebankstiftelsen Helgeland	7 588 922	28.11 %	U.S Bank National Association	326 499	1.2 %
SpareBank 1 Nord-Norge	5 397 325	20.0 %	Catilina Invest AS	252 646	0.9 %
Pareto Invest AS	2 118 691	7.8 %	VPF Nordea Avkastning	249 368	0.9 %
VPF Eika Egenkapital	1 237 404	4.6 %	Bergen kommunale pensjonskasse	248 235	0.9 %
Verdipapirfondet Nordea Norge Verd	1 006 616	3.7 %	Lamoholmen invest AS	211 850	0.8 %
Spesialfondet Borea Utbytte	588 232	2.2 %	VPF Nordea Kapital	203 166	0.8 %
J.P. Morgan Bank Luxembourg S.A.	494 959	1.8 %	AF Kapital Managemet	188 552	0.7 %
Helgeland Kraft AS	390 925	1.4 %	VPF Nordea Norge Plus	167 650	0.6 %
MP Pensjon PK	388 399	1.4 %	Nima Invest AS	160 143	0.6 %
Kommunal Landspensjonskasse	349 071	1.3 %	Vigner Olaisen AS	147 631	0.5 %
Sum 10 største eiere	19 560 544	72.4 %	Sum 20 største eiere	21 716 284	80.4 %

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

NOTE 21. CAPITAL ADEQUACY

Parent bank				Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
4 550	4 163	4 734	Total equity capital	4 770	4 220	4 622
-398	-601	-398	Hybrid capital classified as equity (CB)	-398	-601	-398
-36	-34	-47	Deduction investement in SpareBank 1 Betaling	-47	-34	-36
0	0	0	Deduction shares in financial institutions	0	0	0
-8	-10	-9	Deduction prudent valuation	-10	-11	-8
0	-84	-317	Deduction share of profit not eligible as common equity tier 1 capital	-279	-89	0
-105	0	-94	Deduction Intangible assets	-94	0	-105
-111	0	0	Deduction dividend classified as equity	0	0	-111
			Effect of proportionate consolidation on equity tier 1 capital	-88	0	-110
3 891	3 434	3 869	Total common equity tier one capital	3 854	3 485	3 853
0	0	0	Shares in financial institutions	0	0	0
398	601	398	Hybrid capital (CB)	398	601	398
			Effect of proportionate consolidation on other tier 1 capital	31	0	31
4 289	4 035	4 267	Total tier 1 capital	4 283	4 086	4 283
451	451	451	Subordinatet dept	451	451	451
0	0	0	Shares in financial institutions	0	0	0
			Effect of proportionate consolidation on additional capital	52	0	44
451	451	451	Total net additional capital	503	451	495
4 740	4 486	4 718	Total net equity and related capital	4 786	4 537	4 778
18 601	16 452	17 689	Risk-weighted balance (calculation basis)	20 286	17 757	21 451
20.92 %	20.87 %	21.87 %	Common equity tier one Capital ratio in %	19.00 %	19.63 %	17.96 %
23.06 %	24.52 %	24.13 %	Tier 1 capital ratio in %	21.11 %	23.01 %	19.96 %
25.48 %	27.27 %	26.67 %	Total capital ratio in %	23.59 %	25.55 %	22.27 %
11.00 %	11.00 %	11.50 %	Requirement common equity core tier one capital ratio in %	13.70 %	13.20 %	13.20 %
12.50 %	12.50 %	13.00 %	Requirement tier 1 capital ratio in %	15.20 %	14.70 %	14.70 %
14.50 %	14.50 %	15.00 %	Requirement capital ratio in %	17.20 %	16.70 %	16.70 %
2 697	2 386	2 653	Required capital incl. buffer and pillar II requirements	3 489	2 965	3 582
2 043	2 100	2 065	Excess capital incl. buffer and pillar II requirements	1 297	1 572	1 196

31.12.21	30.09.21	30.09.22	Calculation basis	30.09.22	30.09.21	31.12.21
2	2	15	States and central banks	15	2	2
247	492	270	Local and regional authorities (including municipalities)	270	492	247
462	616	479	Institutions	226	372	208
1 509	1 527	1 139	Enterprises	1 140	1 526	1 509
2 787	2 071	2 628	Mass market loans	2 745	2 192	2 912
9 186	7 776	8 910	Loans secured by real property	10 772	10 325	11 624
318	383	309	Loans overdue	309	371	290
863	842	703	Covered bonds	244	197	238
317	313	248	High risk exposures	247	313	317
0	0	0	Units in securities funds	0	0	0
1 402	926	1 449	Equity positions	847	335	801
130	147	167	Other loans and commitments	334	235	242
17 222	15 093	16 317	Capital requirement credit risk	17 149	16 358	18 389
1 363	1 347	1 363	Capital requirement operational risk	1 382	1 385	1 382
15	12	8	CVA addition	10	14	19
0	0	0	Other adjustment from capital requirement	0	0	0
18 601	16 452	17 689	Total capital requirement	18 541	17 757	19 791
			Proportionate share of risk-weighted balance cooperating groups	2 210	0	2 126
			Deduction internal eliminations cooperating groups	-466	0	-466
			Risk-weighted balance after proportionate consolidation	20 286	17 757	21 451

NOTE 22. FINANCIAL ESTIMATES AND ESTIMATIVE ASSESSMENTS

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

For write-downs in lending, the bank has estimated expected effect of potential downturn through the model wright-downs. This is solved by adjusting some predictions in the model, primarily related to changed weighting of the scenario expectations (increased weight on downturn scenario). The changes were implemented at the end of third quarter 2022 and are regularly assessed to take into account new information. There is great uncertainty associated with the estimates.

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

NOTE 23. SPAREBANK 1 BOLIGKREDITT

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

Remuneration for transferred loans equal accounted values, and equals in the most significant real value of the loans at the transfer point of time. At the end of the year, the bank has a transferred portfolio of MNOK 5 771.

SpareBank 1 Helgeland has together with other owners of the mortgage company established a liquidity facility, which means that the bank is committed to buy mortgage obligations at a value limited to the banks relative owners share of the company's maturity over the next 12 months. By the end of this quarter this credit facility amounts to MNOK 511.

NOTE 24. EVENTS AFTER BALANCE SHEET DAY

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

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

Parent bank						Group				
31.12.21	Q3/21	Q3/22	30.09.21	30.09.22		30.09.22	30.09.21	Q3/22	Q3/21	31.12.21
2.34	2.20	3.36	2.32	2.95	Interest receivable and similar income	2.93	2.33	3.33	2.28	2.35
0.60	0.53	1.13	0.60	0.90	Interest payable and similar costs	1.02	0.65	1.25	0.59	0.66
1.74	1.67	2.24	1.72	2.05	Net interest- and credit commission income^a	1.90	1.68	2.07	1.70	1.69
0.39	0.33	0.51	0.36	0.53	Commissions receivable and income from banking services	0.46	0.30	0.46	0.28	0.33
0.04	0.04	0.04	0.03	0.04	Commissions payable and costs relating to banking services	0.03	0.03	0.03	0.03	0.03
0.03	0.03	0.04	0.03	0.04	Other operating income	0.02	0.02	0.04	0.05	0.01
0.39	0.32	0.51	0.36	0.53	Net commission income and other operation income	0.45	0.29	0.46	0.30	0.31
0.23	0.07	-0.23	0.37	0.12	Gains/losses on financial assets available for sale	-0.08	0.04	-0.20	0.03	-0.01
0.52	0.51	0.50	0.52	0.49	Staff cost	0.43	0.44	0.44	0.45	0.44
0.76	0.48	0.59	0.57	0.58	Other operating expenses	0.52	0.50	0.53	0.47	0.63
1.28	0.98	1.09	1.09	1.07	Total operating expenses	0.95	0.94	0.98	0.91	1.07
1.08	1.07	1.43	1.37	1.62	Result before losses	1.32	1.08	1.37	1.11	0.92
0.20	0.25	0.02	0.14	0.02	Losses on loans, guarantees etc. and fixed assets	0.02	0.11	0.02	0.21	0.18
0.88	0.82	1.42	1.22	1.61	Gross profit	1.30	0.96	1.34	0.90	0.74
0.16	0.21	0.40	0.21	0.37	Tax payable on ordinary profit	0.35	0.23	0.39	0.24	0.17
0.72	0.60	1.02	1.01	1.24	Net profit	0.95	0.74	0.96	0.66	0.57

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Parent bank						Group				
Q3/21	Q4/21	Q1/22	Q2/22	Q3/22		Q3/22	Q2/22	Q1/22	Q4/21	Q3/21
165	201	222	244	291	Interest receivable and similar income	324	279	257.8	235.7	198.8
40	50	63	71	98	Interest payable and similar costs	122	95	84	67	51
126	150	159	174	194	Net interest- and credit commission income	202	184	174	168	148
25	40	50	41	44	Commissions receivable and income from banking service	44	41	50	40	25
3	4	4	3	3	Commissions payable and costs relating to banking service	3	3	4	4	3
22	36	46	39	40	Net commission income	41	38	46	36	22
5	-12	77	-27	-20	Gains/losses on financial assets available for sale	-19	-27	21	-13	3
2	3	3	3	4	Other operating income	4	2	2	-1	4
74	150	92	88	94	Operating costs	95	91	94	141	80
19	29	1	3	1	Losses on loans, guarantees etc.	2	2	1	35	19
61	-1	192	98	123	Gross profit	131	104	147	15	78
16	1	29	31	35	Tax payable on ordinary result	38	33	32	0	21
45	0	163	67	88	Net profit	93	71	115	15	58

Q3/21	Q4/21	Q1/22	Q2/22	Q3/22		Q3/22	Q2/22	Q1/22	Q4/21	Q3/21
2.20	2.38	2.64	2.80	3.36	Interest receivable and similar income	3.33	2.83	2.66	2.38	2.28
0.53	0.60	0.75	0.81	1.13	Interest payable and similar costs	1.25	0.96	0.87	0.68	0.59
1.67	1.79	1.89	1.99	2.24	Net interest- and credit commission income	2.07	1.87	1.79	1.70	1.70
0.33	0.48	0.59	0.47	0.51	Commissions receivable and income from banking service	0.46	0.41	0.52	0.41	0.28
0.04	0.05	0.05	0.03	0.04	Commissions payable and costs relating to banking service	0.03	0.03	0.04	0.04	0.03
0.29	0.43	0.55	0.44	0.51	Net commission income	0.42	0.38	0.47	0.37	0.25
0.07	-0.14	0.92	-0.31	-0.23	Gains/losses on financial assets available for sale	-0.20	-0.27	0.22	-0.13	0.04
0.03	0.04	0.04	0.04	0.04	Other operating income	0.04	0.02	0.02	-0.01	0.04
0.98	1.78	1.09	1.01	1.09	Operating costs	0.98	0.92	0.97	1.43	0.91
0.25	0.34	0.01	0.03	0.02	Losses on loans, guarantees etc.	0.02	0.02	0.01	0.35	0.22
0.82	-0.02	2.28	1.12	1.42	Gross profit	1.34	1.06	1.52	0.15	0.90
0.21	0.01	0.34	0.36	0.40	Tax payable on ordinary result	0.39	0.33	0.33	0.00	0.24
0.60	-0.03	1.94	0.76	1.02	Net profit	0.96	0.72	1.19	0.15	0.66

Q3/21	Q4/21	Q1/22	Q2/22	Q3/22		Q3/22	Q2/22	Q1/22	Q4/21	Q3/21
ASSETS										
83	73	71	71	71	Cash and claims on central banks	71	71	71	73	83
2 389	1 886	2 125	2 083	1 695	Loans to and claims on credit institutions	810	910	1 085	857	1 477
20 727	25 213	25 377	25 607	25 299	Loans to and claims on customers	30 883	31 422	31 943	32 194	28 027
52	39	40	52	44	Financial derivatives	44	22	40	39	56
6 543	5 786	5 910	6 179	5 822	Certificates, bonds and shares available for sale	5 970	6 279	6 009	5 805	6 618
143	144	146	143	143	Investments in associated companies	143	143	146	144	143
591	590	590	591	591	Investments in subsidiaries	0	0	0	0	0
26	104	101	98	96	Deferred tax benefit	96	98	101	104	26
57	46	43	41	38	Fixed assets	175	158	150	153	135
41	72	99	61	111	Other assets	95	86	91	64	23
30 652	33 953	34 502	34 926	33 910	Total assets*	38 287	39 189	39 636	39 433	36 588
LIABILITIES AND EQUITY CAPITAL										
300	302	305	312	311	Liabilities to credit institutions	312	312	306	303	301
21 224	24 144	24 826	25 378	24 578	Deposits from customers and liabilities to customers	24 152	24 731	24 144	23 552	20 816
4 310	4 288	4 009	3 857	3 517	Borrowings through the issuance of securities	8 266	8 713	9 775	10 271	10 596
13	9	19	23	40	Financial derivatives	68	50	38	12	13
191	209	306	255	278	Other liabilities	264	251	310	218	188
451	451	451	451	452	Fund bonds	452	451	451	451	451
26 489	29 403	29 916	30 276	29 176	Total liabilities	33 514	34 508	35 024	34 807	32 365
1 180	1 775	1 771	1 773	1 773	Paid-in equity capital	1 773	1 773	1 771	1 775	1 180
601	398	398	398	398	Hybrid capital	398	398	398	398	601
2 174	2 290	2 258	2 256	2 256	Accrued equity capital/retained earnings	2 256	2 256	2 258	2 288	2 174
208	86	159	222	307	Other equity capital	343	251	182	161	265
					Minority interest	3	3	3	3	3
4 163	4 550	4 586	4 650	4 734	Total equity capital	4 773	4 681	4 612	4 626	4 223
30 652	33 953	34 502	34 926	33 910	Total liabilities and equity capital	38 287	39 189	39 636	39 433	36 588

OTHER KEY FIGURES

Parent bank			Group		
31.12.21	30.09.21	30.09.22	30.09.22	30.09.21	31.12.21

17) Percentage of equity excl. Hybrid capital

OTHER CALCULATIONS

Parent bank			(Figures in MNOK and %)	Group		
31.12.21	30.09.21	30.09.22		30.09.22	30.09.21	31.12.21
			Operating costs, adjusted for one-time effects			
385	235	274	Operating costs	280	243	384
-53	-9	0	One-time effects	0	-9	-53
332	226	274	Operating costs, adjusted for one-time effects²³	280	234	331
1.11 %	1.05 %	1.10 %	Operating costs in % of BTA, adjusted for one-time effects	0.95 %	0.90 %	0.93 %
46.9 %	42.6 %	39.6 %	Operating costs in % of income, adjusted for one-time effects	42.0 %	44.8 %	46.5 %
216	218	317	Profit	280	191	205
-12	-10	-12	Paid interests subordinated bonds	-12	-10	-12
204	208	305	Net profit, incl. Interests subordinated bonds	268	181	193
53	9	0	one-time effect pension	0	9	53
257	217	305	Profit, adjusted for one-time effects	268	190	246
216	293	424	Profit (annualized)	374	256	205
257	291	408	Profit (annualized), eks one-time effects and incl. interests subordinat	358	253	246
4 017	3 947	4 630	Average equity	4 699	3 883	4 097
-325	-325	-398	Average subordinated bonds	-398	-325	-325
3 692	3 622	4 232	Average equity adjusted for subordinated bonds	4 301	3 558	3 772
6.4 %	7.4 %	9.2 %	ROE adjusted for one-time effects	8.0 %	6.5 %	6.0 %
6.9 %	8.0 %	9.6 %	ROE adjusted for one-time effects and interests FO11	8.3 %	7.1 %	6.5 %
216	218	317	Profit	280	191	205
216	293	424	Profit (annualized)	374	256	205
257	291	408	Profit (annualized), eks one-time effects and subordinated bonds	358	253	246
30 037	28 906	34 349	Average assets	39 345	34 582	35 740
0.7 %	1.0 %	1.2 %	Return on assets (annualized)	0.9 %	0.7 %	0.6 %
0.9 %	1.0 %	1.2 %	Return on assets (annualized) adjusted for one-time effects	0.9 %	0.7 %	0.7 %
4 289	4 035	4 267	CET1	4 388	4 086	4 400
41 081	37 911	39 553	Unweighted calculation basis	39 416	37 556	40 481
10.4 %	10.6 %	10.8 %	Leverage ratio	11.1 %	10.9 %	10.9 %

APM (Alternative performance measures)

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

Definitions key figures:

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

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

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

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Rolf Eigil Bygdnes, Deputy Chair man
Marianne Terese Steinmo
Jonny Berfjord
Siw Moxness
Kenneth Normann
Solrun Johansen
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Other sources of information

Annual reports

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

Quarterly publications

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