



Financial report
Fourth quarter 2021

Main features group

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

PROFIT AND LOSS ACCOUNT (Amounts in NOK million)	Q4/21		Q3/21		31.12.2021		31.12.2020	
Net interest- and credit commission income	168	1.70 %	148	1.70 %	604	1.69 %	598	1.77 %
Net commission income and other operating income	35	0.37 %	22	0.25 %	111	0.30 %	102	0.29 %
Net profit from other financial investments	-13	-0.13 %	3	0.04 %	-3	-0.01 %	203	0.60 %
Staff cost (note 4)	45	-0.01 %	39	0.44 %	158	0.01 %	140	0.42 %
Other operating expenses (note 4)	96	1.43 %	41	0.47 %	226	1.07 %	322	0.95 %
Losses on loans, guarantees etc. (note 10)	35	0.35 %	19	0.22 %	64	0.18 %	51	0.15 %
Result before tax	15	0.15 %	78	0.90 %	264	0.74 %	390	1.16 %
Tax payable on ordinary result	0	0.00 %	21	0.24 %	59	0.17 %	50	0.15 %
Net profit	15	0.15 %	58	0.66 %	205	0.57 %	340	1.01 %

Key numbers

Profitability	31.12.2021	31.12.2020
ROE (excl. hybrid capital)	6.5 %	13.4 %
Net interest	1.69 %	1.77 %
Costs as a percentage of income	53.9 %	51.2 %
Costs as a percentage of income excl. one-time costs	46.5 %	35.0 %

Balance and liquidity

Total assets	39 433	33 207
Average total assets	35 740	33 693
Total asset including transfered loans	44 014	33 693
Total loans	32 424	27 689
Total loans including transfered loans	37 005	27 689
Lending growth including transfered loans	33.6 %	0.1 %
Customer deposits	23 552	18 684
Customer deposits growth in percent	26.1 %	-1.5 %
Customer deposits in percent of total loans	72.6 %	67.5 %

Solidity (including cooperative group)

Core tier one Capital ratio	18.0 %	18.8 %
Core Capital ratio	20.0 %	20.5 %
Total capital ratio	22.3 %	23.1 %
Core tier one Capital	3 853	3 400
Core Capital	4 283	3 714
Total net equity and related capital	4 778	4 184
Capital requirement	21 451	18 110
Leverage Ratio	9.4 %	10.5 %

ACCOUNTS SPAREBANK 1 HELGELAND 4th QUARTER 2021

General information

SpareBank 1 Helgeland is an independent savings bank determined to be the leading bank and a driving force for growth in Helgeland. SpareBank 1 Helgeland is the only bank with a head office in the region. The bank's strong market position combined with professional expertise, competitive prices and solid capital makes the bank well prepared to meet 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 2020 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 4th quarter

- The profit in the quarter is weak, and amounted to MNOK 15.
- Stable basic operation, changes in the PLA compared to the same period last year is mainly related to losses in lending and one-time costs
- Net interest in the quarter of MNOK 168, an increase of MNOK 21 from last quarter.
- Commission income of MNOK 36, an increase of MNOK 14 from last quarter.
- High write-downs in lending in the quarter by MNOK 35 (19).
- Costs in % of income MNOK 50.8 % excluding one-time costs.
- Annualized net ROE adjusted for hybrid capital and one-time effects of 5.7 %
- The board suggests a dividend payout for 2021 of NOK 3,2 per EC.

Main features this quarter (MNOK)	Q4/21	Q3/21	Change
Net profit	15	78	-64
Net interest and commission income	168	148	21
Operating cost	141	80	62
Operating costs excluding one-time eff.	97	79	19
Yield per equity capital certificate	2.0	2.0	0
Provision of loss	35	19	16
Profit from financial investments	-13	3	-16
Growth gross lending (this quarter)	8681	202	8479
Growth deposits (this quarter)	2736	204	2532

Main features 2021

- Stable basic operation
- Gross profit of MNOK 264 (390).
- Net interest income of MNOK 604 (598).
- Net commission income of MNOK 111 (102).
- Moderate write-downs on lending of MNOK 64 (51). 0.20 % of gross lending.
- Cost in % of income was 46.5 % excl. one-time costs.
-

- Net ROE adjusted for hybrid capital and one-time effects of 6.5 %

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

Profit

As for the fourth quarter, gross profit was MNOK 15 against MNOK 78 in the third quarter of 2021, a reduction of MNOK 63 compared to last quarter. The weakening is mainly related to increased costs related to the acquisition, and high losses in lending compared to last quarter.

For the year 2021, gross profit is MNOK 264 (390), a decrease of MNOK 126. The decrease is related to reduced gains on financial investments, while lower costs related to the Helgeland 1 project and higher commission income contributes positively.

Net interest

Net interest and credit commission income amounted in the 4th quarter to MNOK 168, which is MNOK 21 higher than the last quarter. In % of average total assets net interest and credit commission income is unchanged from the 3rd quarter 2021. The interest rate increase from November 18th draws the net interest up, while lower average interest on the overtaken portfolio and higher funding costs draws the net interest equivalent down. Inclusive transferred commission income for transferred loans to mortgage loan companies, the net interest and credit commission income amounts to MNOK 176 this quarter.

For the year as a whole, net interest and credit commission income is MNOK 604 (598), an increase of MNOK 6. In % of average total assets, this amounts to 1.69 (1.77) %. Inclusive commission income from transferred loans to mortgage companies, net interest and credit commission income amounts to MNOK 612 in 2021.

So far this year the group has expensed MNOK 18 in contribution to the deposit guarantee fund and the emergency fund.

Net commission earnings.

For the quarter, the net commission earnings were MNOK 36 against MNOK 22 in the third quarter of 2021. In percentage of average total assets this amounts to 0.37 % for the fourth quarter, an increase of 0.12 % from the third quarter of 2021. Deducted commission income

on loans transferred to SpareBank 1 Boligkreditt net commission earnings in % of average total assets amounts to 0.29 %.

Net commission income amounts to MNOK 107 (97) in 2021, but includes unexpected bonus commissions of general insurance of MNOK 5. These neutralises parts of the reduced income as a consequence of reduced travelling activity and card use in 2021.

Net value change and profit/loss from financial investments

Income from financial investments in the fourth quarter was MNOK 13, a reduction of MNOK 16 compared to third quarter in 2021. The value changes in the fourth quarter is mainly related to value change on fixes interest loans and the security portfolio as a consequence in the money market interests in the last quarter.

For the year 2021 profit on financial investments is MNOK -3 (203). The decrease from 2020 is related to significant gains and value regulations in relation to comprehensive share sale last year.

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

Operating costs

This quarter, the operating costs were MNOK 141, an increase of MNOK 62 compared to third quarter of 2021. Exclusive the one-time costs related to the Helgeland 1 project the corresponding number is MNOK 97 against 79 in the third quarter. Exclusive the one-time cost related to Helgeland 1, the operating costs are 50.8 % of the income. The costs are over the bank's target for cost level of 40 % of total income. This is as expected, and is related to temporarily wage-, IT and market costs related to the overtaking of Sparebank 1 Nord-Norges business on Helgeland and lower income.

In 2021 the operating costs amounts to MNOK 384 (462), which amounts to a reduction of MNOK 78. Exclusive the Helgeland 1 costs, the operating costs amounts to MNOK 331 (316). This amounts to an increase of MNOK 15 compared to last year. For the year 2021, the cost percentage deducted one-time costs 46.5 %.

The bank's sick leave is higher than at the same time last year with 3.8 (3.1) %.

Write-downs on lending

MNOK 35 has been expensed in write-downs on loans this quarter against MNOK 19 in the third quarter. Annualized, this amounts to a percentage of gross lending of 0.43

MNOK 64 (51) has been expensed in write-downs on loans this year. This amounts to a percentage of gross lending of 0.20 (0.18).

The write-downs are partly a product of calculated loss expectations and partly a product of statements on

earlier depreciated commitments. Large parts of the loss in the fourth quarter is related to individual re-evaluations of provisions on a commitment within the nutrition industry, also mentioned in the third quarter, together with statement by further write-downs on a corporate commitment within building and construction. This results in that the losses in the fourth quarter was higher than expected, but the losses for the year as a whole is considered moderate.

Net non-performing and impaired commitments has this quarter decreased by MNOK 95. Net non-performing and impaired commitments amounts to MNOK 232 by the end of the quarter against MNOK 327 in the third quarter of 2021. There are individual loss evaluations on large parts of the volume that in the fourth quarter is marked within non-performing and impaired commitments, and it is not expected further loss in these commitments.

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

The equity certificate – HELG

By the end of the quarter, the number of EC owners amounts to 2 737. The 20 largest owners are noted with 79.6 % of the EC capital. Of this, Sparebankstiftelsen owns 28.11 % and SpareBank 1 Nord-norge 19.99 %.

The number of total EC's is 27 000 130. As of 31.12.21 the bank owned 1.492 of our own EC's.

By the end of the quarter, the price of the bank EC's was NOK 131.0 which represents an increase of NOK 46 or 54 % from 31.12.20.

Balance development per 31.12.21

Total assets amount to 39.4 bn. Over the last 12 months, total assets are increased by MNOK 6 226 (-861) or 18.7 (-2.5) %. 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 8 681 or 30.6 (0.1) %. The change in the quarter is mainly related to the overtaking of the lending portfolio of SpareBank 1 Nord-Norge in Helgeland.

By the end of the year, gross lending included transferred loans to mortgage companies constituted MNOK 37 005. This equals a lending growth of MNOK 9 316 or 33.6 (0.1) % for 2021. Of the group's lending 84.6 (83.3) % is lent to customers in Helgeland.

Of gross lending included transferred loans to mortgage companies, MNOK 27 262, or 73.7 (67.7) % is lending to retail customers, of which MNOK

11 618 has been transferred to mortgage companies. Lending to the retail market has inclusive transferred loans to the mortgage companies over the last 12 months increased by MNOK 8 529 (-40), or 45.5 (-0.2) %. Exclusive transferred loans in relation to the acquisition the growth for the retail market is 2.5 %.

In the corporate market, the development inclusive transferred loans to the mortgage companies over the last 12 months was MNOK 787 (74), or 8.8 (0.8) %. The development includes transferred corporate commitments from SpareBank 1 Nord-Norge. Exclusive these commitments, the 12-month growth for the corporate market is negative with -5.5 %, and is mainly related to departure of two large corporate commitments during the first half year. By the end of the year, lending to the corporate market amounts to MNOK 9 743 (8 956) inclusive transferred loans to SpareBank 1 Boligkreditt.

Deposits from customers

By the end of the fourth quarter, deposits from customers constituted MNOK 23 552. The deposits have over the last 12 months increased by MNOK 4 868 (-275), or 26.1 (-1.5) %.

In the fourth quarter, the deposits have increased by MNOK 2 736 against MNOK 204 in the third quarter of 2021. The increase in deposits is mainly related to the overtaking of the deposit portfolio from SpareBank 1 Nord-Norge in Helgeland, in addition to that other deposits have declined slightly.

The group has a local depositor mass where 89.8 (89.8) % are deposits from customers in Helgeland. The 12-month deposit growth in the retail market was MNOK 3 405 (476), or 31.6 (4.6) %. Of total deposits of MNOK 23 552, MNOK 14.187, or 60.2 (57.7) % are deposits from retail customers.

In the corporate market, deposits have increased over the last 12 months by MNOK 1 463 (-751) or 18.5 (-8.7) %.

Significant increase in deposits has provided a high deposit coverage, which per 31.12.21 was 72.6 (67.5) % in the group and 94.9 (93.1) % in the parent bank.

Funding

Deposits from customers are an important funding source for the bank. The volume difference between loans to customers and deposits is funded in the Norwegian money- and securities market. Total capital market funding is amounted at the end of the quarter to MNOK 10 272 (9.418), and has a satisfying allocation of duration and lending sources. By the end of the quarter, the share of loans beyond one year was 80.9 (87.6) %. Per 31.12.21, the average remaining term for debt securities was 2.69 (2.58) years. Duration in the mortgage company is slightly lower with 2.32 (2.71) years.

The bank is continually preparing for the transferral of approved mortgages to mortgage companies. By the end of the quarter, the bank has transferred MNOK 4 581 to

SpareBank 1 Boligkreditt, and 7 037 to the fully owned subsidiary Helgeland Boligkreditt. Totally, this amounts to MNOK 11 618, which is an increase of MNOK 4 388 compared to the corresponding quarter last year. Loans transferred to Helgeland Boligkreditt is included in the consolidation, while transferred loans to SpareBank 1 Boligkreditt is excluded from the consolidation.

The fixed maximum limit for transferring loans to Helgeland Boligkreditt AS is 35 % of gross lending and 50 % of gross lending RM. As of 31.12.21, the transfer level is 26.4 (21.8) % and 42.3 (38.6) %. Transferred loans to Helgeland Boligkreditt AS is expected to be reduced in line with the maturity dates of the loans in the company. This follows of the transfer to SpareBank 1-alliance, and use of funding through SpareBank 1 Boligkreditt.

Allocation of the profit

SpareBank 1 Helgeland has a target of an annual dividend of 50 % of the dividend basis in the parent bank, where the two groups is equally treated. The bank has a strategy of a long term and predictable dividend policy.

At determination of dividend, the bank's capital situation, hereunder future capital needs and the banks strategic plan is to be considered.

With background in described considerations the board suggests a dividend of NOK 3.2 per EC for 2021. In addition, it is suggested to distribute MNOK 25 to societal purposes.

Helgeland 1

The implementation of the transaction between SpareBank 1 Helgeland and SpareBank 1 Nord-Norge was executed 18.10.2021. The transfer of the customers has been resource-intensive and challenging, but has been solved in a good way through good teamwork with external suppliers, employees, the alliance companies and not least the customers.

In the fourth quarter, there has been expensed MNOK 44 related to legal advice, consultants and market costs in the project in addition to write-downs of obsolete assets as a consequence of the acquisition.

Project costs for 2021 ended up at MNOK 53, and is within those frames decided. The project is now mainly completed, and the board is pleased with the implementation and the cost control in the project.

Emission

The bank implemented in the fourth quarter a successful emission of MNOK 600. This results in that SpareBank 1 Nord-Norge is an owner with 19,9 % of the ECs in the bank.

Cash flow

The cash flow statement shows how SpareBank 1 Helgeland has received cash and how these are used. It is based on gross cash flows from operational activities, investment- and financing activities. The liquidity holding

is increased by MNOK 234 since the beginning of the year.

Rating

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

Subsidiaries and joint ventures

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

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

Risk and capital management

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

Credit risk

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

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

As of 31.12.21 net non-performing (>90 days) and impaired commitment constitute MNOK 232 (316) which is an decrease of MNOK 84 from 31.12.20. In percentage of gross lending this amounts to 0.7 (1.1) %.

Market risk

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

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

Operational risk

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

Liquidity risk

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

The SBH group's combined liquidity reserves (cash, deposits, and interest-bearing assets) constitute NOK 6.7 (5.4) bn, or 17.1 (16.4) % of the group's total assets. The combined duration of the interest portfolio is 1.6 (1.5) 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 164 (185) %.

Solidity

After proportionally consolidation, net equity and related capital amounts to MNOK 4 779, hereby fund obligations by MNOK 398 and subordinated loan by MNOK 451.

the SBH group has per 31.12.21 a CET1 capital ratio of 18.0 (18.7) % and a total capital ratio of 22.3 (23.1) %. Suggested dividend is deducted of the calculation.

Statutory minimum requirement for pure core capital adequacy is 11.0 %. The bank has a Pillar 2 addition of 2.2 %. The group's capital requirement including Pillar 2 addition amounts to 13.2 (13.2) %.

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

The Group has a risk weighted balance before proportionately consolidation of MNOK 21 495 (18 110). The bank has completed some intern definitions and marking of commitments, mainly related to mass market, high risk commitments and default. This has provided some migrations in classifications.

The group's Leverage Ratio (unweighted core capital ratio) was 9.4 (10.5) % after proportionally consolidation.

Prospects ahead

October 18th, the acquisition of large parts of SpareBank 1 Nord-Norges business in Helgeland was completed. The acquisition meant that around 25 000 customers, a total credit volume of 5.1 bn and deposits of MNOK 3.4 bn. has been transferred to SpareBank 1 Helgeland. In addition, the bank has taken over around 4.6 bn of SpareBank 1 Nord-Norges portfolio in SpareBank 1 Boligkreditt.

The acquisition in the fourth quarter of 2021 and the entrance in SpareBank 1 Helgeland will affect the operation and the costs also in 2022. The profitability is expected to strengthen throughout the coming year, and up against the profitability target at the earliest in first quarter of 2023. The group has a long-term profitability target on level with comparable banks of 11 % after tax.

The net interest is expected to strengthen after the interest rate increase in the third quarter and the expected interest rate increases in 2022. Isolated the interest rate increases on the portfolio at the balance date is expected to provide an annual strengthening of the net interest by MNOK 110. Increased funding costs and price adaptations will draw this effect on the net interest significantly down. The first interest rate increase had effect from medio November 2021, while the interest rate increase in December will have effect from February 2022.

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

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

packages processes and IT and operating deals that expires.

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

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

For the corporate market it is expected a significant increase of activity in Helgeland in the years to come. Significant infrastructure and industry projects as airport, battery fabric, deep water quay, hydrogen production, hospital and housing and road building will provide investments for up to 10 billion NOK in Helgeland. The investment need in the fish farm industry is also expected to be high because of smolt, green change and building of land-based fish farms. The bank is well proportioned to be an important contributor for the local business actors that is expected to contribute in the projects or in another way be a part of the ripple effects such investments provide.

The positive development in Helgeland gives 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, February 10th 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

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PROFIT AND LOSS ACCOUNT (amounts in NOK million)

Parent bank				Group					
Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20	
171	201	776	702	Interest income and similar income (note 2.1)	840	966	236	208	
40	46	252	161	Interest payable and similar costs	217	348	64	53	
5	4	20	18	Hedge fund fees	18	20	3	5	
126	150	504	523	Net interest- and credit commission income	604	598	168	150	
29	40	108	118	Commissions receivable and income from banking services	118	108	40	29	
3	4	11	11	Commissions payable and costs relating to banking services	11	11	4	3	
2	3	9	9	Other operating income	4	5	-1	2	
28	39	106	116	Net commission income and other operating income	111	102	35	28	
8	0	58	72	Dividend	2	7	0	7	
0	1	30	8	Net profit from associates	11	30	4	0	
96	-13	150	-11	Net profit from other financial investments	-16	166	-17	112	
104	-12	238	69	Gains/losses on financial assets available for sale (note 3)	-3	203	-13	119	
35	45	140	157	Staff cost (note 4)	158	140	45	35	
111	105	296	228	Other operating expenses (note 4)	226	322	96	132	
146	150	436	385	Total operating expenses	384	462	141	167	
112	28	412	323	Result before losses	328	441	50	130	
10	29	67	60	Losses on loans, guarantees etc. (note 10)	64	51	35	-5	
103	-1	345	263	Result before tax	264	390	15	135	
-2	1	27	47	Tax payable on ordinary result	59	50	0	5	
105	0	318	216	Net profit	205	340	15	130	
		12	12	Attributable to additional tier 1 capital holders	12	12			
		244	158	Attributable to equity capital certificate holders	149	259			
		63	46	Attributable to the saving bank reserve	44	69			
				Attributable to non-controlling interest	0	1			
		318	216	Net profit	205	341			
		11.2	5.8	Yield per equity capital certificate (note 5)	5.5	12.0			
		11.2	5.8	Diluted result per ECC in Norwegian currency (note 5)	5.5	12.0			
Extended Income Statement									
105	-2	318	216	Net profit	205	340	15	130	
<u>Items that will not be reclassified through profit or loss:</u>									
-1	-1	-1	-1	Recognized deviations in pensions	-1	-1	-1	-1	
<u>Items that are subsequently reversed through profit or loss:</u>									
0	2	0	2	Estimate variances, pensions will not be reversed over the income statement later	2	0	2	0	
0	0	0	0	Tax on extended profit	0	0	0	0	
-1	2	-1	2	Net extended profit or loss items	2	-1	2	-1	
104	0	317	218	Total profit of the period	207	339	16	129	

BALANCE SHEET (amounts in NOK million)

<i>Parent bank</i>			<i>Group</i>	
31.12.20	31.12.21		31.12.21	31.12.20
		ASSETS		
76	73	Cash and claims on central banks	73	76
1 531	1 886	Loans to and claims on credit institutions	857	619
20 210	25 213	Loans to and claims on customers (note 7,8,9,10)	32 194	27 398
54	39	Financial derivatives (note 16)	39	67
4 849	5 786	Certificates, bonds and shares	5 805	4 870
0	144	Investments in associated companies (note 12)	144	0
590	590	Investments in subsidiaries (note 12)	0	0
26	104	Immaterielle eiendeler	104	26
47	46	Fixed assets (note 13)	153	118
61	72	Other assets (note 13.1)	64	33
27 444	33 953	Total assets	39 433	33 207
		LIABILITIES AND EQUITY CAPITAL		
550	302	Liabilities to credit institutions	303	551
19 101	24 144	Deposits from customers and liabilities to customers (note 17,18)	23 552	18 684
3 318	4 288	Borrowings through the issuance of securities (note 15)	10 271	9 418
39	9	Financial derivatives (note 16)	12	39
254	209	Other liabilities (note 13.1)	218	245
451	451	Subordinated loan capital	451	451
23 713	29 403	Total liabilities	34 807	29 388
		Equity capital		
209	270	Equity share capital (note 5,6,20)	270	209
971	1 505	Premium Fund	1 505	971
1 354	1 439	Cohesion Fund	1 439	1 354
2 534	3 214	Total equity share capital	3 214	2 534
753	778	Primary capital	777	753
41	51	Gift fund	51	41
794	829	Total primary capital	828	794
38	21	Unrealized gains reserve	21	38
299	398	Hybrid Capital (Note 1,17)	398	299
65	86	Other equity capital	161	150
3 731	4 550	Total equity capital exclusive minority interest	4 622	3 816
		Non-controlling interest	3	3
3 731	4 550	Total equity capital	4 626	3 819
27 444	33 953	Total liabilities and equity capital	39 433	33 207

Conditional liabilities off balance sheet (note 11)

Mo i Rana, February 10th 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

CHANGE IN EQUITY

Group

31.12.20

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.19	209	971	-1	299	439	590	39	14	822	181	2	3 564
Profit				12	-401	147	12	8	476	84	1	340
OCI						-1						-1
Comprehensive income for the period	0	0	0	12	-401	146	12	8	476	84	1	339
Paid interest FO				-12								-12
Gifts							-7					-7
Other changes										-2		-2
Transactions with owners			1									1
Change in allocation of profit 2019						17	-10	-7	56	-56		0
Dividend paid/interests								-7		-56		-63
Equity 31.12.19	209	971	0	299	38	753	34	8	1 354	150	3	3 819
Paid-in/accrued equity/retained earnings			1 179								2 640	3 819

31.12.21

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. res.	Divid. Equal	Other Equ.cap.	Min. int.	Total
Equity as at 01.01.20	209	971	0	299	38	753	34	8	1 354	150	3	3 819
Result for the period				12	-19	24	4	21	85	77		205
Extended profit or loss items					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
Emisjon	61	534										595
Gift fund							-8	-8				-16
Other changes										-1		-1
Transactions with owners												0
Dividend paid/interests										-65		-65
Equity 31.12.20	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

Parent bank

31.12.20

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Total	
Equity as at 01.01.20		209	971	-1	299	439	590	39	14	822	112	3 494
Profit					12	-401	147	12	8	476	65	319
OCI							-1					-1
Comprehensive income for the period		0	0	0	12	-401	146	12	8	476	65	318
Paid interest FO					-12							-12
Gift fund								-7				-7
Transactions with owners				1								1
Change in allocation of profit 2019							17	-10	-7	56	-56	0
Dividend paid/interests									-7		-56	-63
Equity 31.12.20		209	971	0	299	38	753	34	8	1 354	65	3 731
Paid-in/accrued equity/retained earnings				1 180							2 551	3 731

31.12.21

	ECC capital	Premium fund	Own ECCs	Additional tier 1 capital	Result for valuation	Savings bank's fund	Donation fund	Char. found.	Divid. Equal	Other Equ.cap.	Total	
Equity as at 01.01.20		209	971	0	299	38	753	34	8	1 354	65	3 731
Result for the period					12	-19	25	4	21	86	86	216
Extended profit or loss items						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
Emisjon		61	534									595
Gift fund								-8	-8			-16
Transactions with owners												0
Dividend paid/interests										-65		-65
Equity capital 31.12.20		270	1 505	0	398	21	778	30	21	1 439	86	4 550
Paid-in/accrued equity/retained earnings				1 775							2 773	4 550

CASH FLOW STATEMENT

<i>Parent bank</i>			<i>Group</i>	
31.12.20	31.12.21		31.12.21	31.12.20
-404	-5 009	Lending to customers	-4 803	-33
697	636	Interest income lending to customers	788	904
-290	5 043	Deposits from customers	4 868	-275
-170	-103	Interest cost deposit from customers	-102	-156
3	-248	Receivables and liabilities to credit institutions	-248	3
-9	-5	intrest on receivables and liabilities to credit institutions	-3	-4
-2 859	-7 304	Purchase sertificates and bonds	-7 454	-2 909
3 153	6 731	sale sertificates and bonds	6 881	3 073
61	52	Interest income sertificates and bonds	52	61
97	108	Comission income	108	97
-323	-392	Payments relating to operations	-419	-321
-53	-62	Paid tax	-77	-61
-66	-53	Other cutoffs	-56	-37
-164	-606	A Net liquidity change from operating activities	-465	342
-21	-132	Investment in long-term securities	-162	-21
0	0	Income sale of long-term securities	0	0
0	-710	Long-term investments in shares	-710	0
715	168	Payment from sales long-term investments in shares	168	715
96	71	Dividend from long-term investments in shares	2	45
790	-603	B Net liquidity change from investments	-702	739
679	2 356	New borrowing through issuanse of securities	5 090	699
-1 079	-1 365	Repayments - issued securities	-4 203	-1 676
	595	Emisjon	595	-
-61	-44	Interest payments borrowing through issuance of securities	-100	-169
0	100	+ Liquid assets at the start of the period	100	-
-15	-8	Interest payments on subordinated debt	-8	-15
-7	-8	payment gift fund	-8	-7
-56	-65	dividend to share owners	-65	-56
-539	1 561	C Net liquidity change financing	1 401	-1 224
87	352	A+B+C Net liquidity change in the period	234	-143
1 520	1 607	Liquid funds at the start of the period	695	838
1 607	1 959	Liquid funds at the end of the period	929	695
		Liquid funds specified		
76	73	Cash and balances with central banks	73	76
1 531	1 886	Balances with credit institutions without notice periods	856	619
1 607	1 959	Liquid funds	929	695

NOTE 1. ACCOUNTING PRINCIPLES

Both the consolidated financial statements and the parent bank's financial statements have been prepared in accordance with the IFRS standards, the accounting principles within the individual areas are described in the annual accounts for 2020. Interim reports are in accordance with IAS 34 and have not been audited.

NOTE 2. SEGMENT

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

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

Parent bank				Group				
31.12.21				31.12.21				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total
230	290	3	523	Net interest and credit commission income	343	292	-31	604
16	17	74	107	Net commission income	16	17	74	107
		78	78	Other operating income			1	1
95	53	237	385	Operating costs	106	54	224	384
12	48		60	Losses on loans guaranteed	12	52		64
139	207	-83	263	Gross profit	241	203	-180	264
15 990	9 462		25 452	Loans to and claims on customers	22 905	9 519		32 424
-22	-217		-239	Provision of loss	-22	-208		-230
		8 740	8 740	Other assets			7 239	7 239
15 968	9 245	8 740	33 953	Total assts per segment	22 883	9 311	7 239	39 433
14 187	9 957		24 144	Deposits from customers and liabilities	14 187	9 365		23 552
	11		11	Provisions of loss, unutilized deductions and guarantees		11		11
		9 798	9 798	Other liabilities and equity			15 870	15 870
14 187	9 968	9 798	33 953	Total liabilities and equity per segment	14 187	9 376	15 870	39 433

Parent bank				Group				
31.12.20				31.12.20				
Retail	Corp.	Unallocated	Total	Segment information	Retail	Corp.	Unallocated	Total
207	295	2	504	Net interest and credit commission income	314	298	-14	598
19	13	65	97	Net commission income	19	13	65	97
		248	248	Other operating income			208	208
96	57	283	436	Operating costs	99	57	306	462
4	63		67	Losses on loans guaranteed	3	48		51
126	188	32	346	Gross profit	231	206	-47	390
11 653	8 862		20 515	Loans to and claims on customers	18 733	8 956		27 689
-21	-283		-304	Provision of loss	-22	-269		-291
		7 233	7 233	Other assets			5 809	5 809
11 632	8 579	7 233	27 444	Total assts per segment	18 711	8 687	5 809	33 207
10 781	8 320		19 101	Deposits from customers and liabilities	10 782	7 902		18 684
	4		4	Provisions of loss, unutilized deductions and guarantees		4		4
		8 339	8 339	Other liabilities and equity			14 519	14 519
10 781	8 324	8 339	27 444	Total liabilities and equity per segment	10 782	7 906	14 519	33 207

NOTE 2.1 NET INTEREST

Parent bank					Group			
Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20
				Interest from financial instruments at amortized cost				
4	5	18	14	Interest from credit institutions	2	4	1	0
91	93	386	351	Interest receivable on loans	745	859	208	188
95	98	404	365	Total interest from financial instruments at amortized cost	747	863	209	188
				Interest from financial instruments valued to fair value over net profit				
11	11	42	40	Interest receivable on loans (fair value loans)	40	42	11	11
9	15	61	52	Interest from bearer bonds and certificates	53	61	16	9
20	26	103	92	Total interest from financial instruments valued to fair value over net profit	93	103	27	20
				Interest from financial instruments valued to fair value OCI				
56	77	269	245	Interest receivable on loans (loans who can transfer to the bank's mortgage company)	0	0	0	0
56	77	269	245	Total interest from financial instruments valued to fair value OCI	0	0	0	0
171	201	776	702	Total interest income	840	966	236	208

NOTE 2.2 NET COMMISSION INCOME

Parent bank					Group			
Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20
				Commissions and income from banking services				
0	8	0	8	Provisjon knyttet til utlån overført til kreditforetak	8	0	8	0
20	22	71	69	Fees relating to payments transmission services	69	71	22	20
7	8	30	35	Fees insurance (general, life, saving and pension)	35	30	8	7
2	2	7	6	Guarantee commission	6	7	2	2
29	40	108	118	Total commissions and income from banking services	118	108	40	29
				Commissions payable and costs relating to banking services				
3	4	11	11	Payments transmission services	11	11	4	3
3	4	11	11	Total commissions and income from banking services	11	11	4	3
26	36	97	107	Net commission income	107	97	36	26

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

Parent bank					Group			
Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20
-5	-6	5	-9	Value change in interest-bearing securities	-9	5	-6	-5
2	-2	2	-10	Net gain/loss in interest-bearing securities	-12	2	-4	2
89	-3	150	10	Net gain/loss shares	10	165	-3	104
8	0	58	72	Share dividend	2	7	0	7
	4	30	11	Income from affiliated company	11	30	5	
0	-8	36	-29	Value change in value on lending fixed rate	-29	36	-8	0
10	3	-43	24	Value change on funding and swaps	24	-42	4	11
104	-12	238	69	Total value change financial instruments	-3	203	-13	119

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

Parent bank					Group			
Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20
35	45	140	157	Wages, salaries and social costs	158	140	45	35
19	36	87	102	General administration costs	102	87	36	19
8	25	31	45	Depreciation etc of fixed- and intangible assets	35	57	14	29
84	44	178	81	Other operating costs	89	178	46	84
146	150	436	385	Total operating costs	384	462	141	167

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

Parent bank					Group			
Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20
1	2	0	2	Period's change in write-downs step 1	2	0	2	1
-15	8	-10	-2	Period's change in write-downs step 2	-2	-10	10	-14
-9	-29	-5	10	Period's change in write-downs step 3	13	-5	-27	-9
34	50	86	55	Period's confirmed loss	55	70	50	18
-1	-1	-4	-4	Period's recoveries from previous periods' conf.losses	-4	-4	-1	-1
10	29	67	60	Total losses on loans, guarantees etc.	64	51	35	-5

NOTE 8.1 COMMITMENTS SPLIT BY SECTOR/INDUSTRY

	<i>Group</i>			
	31.12.21		31.12.20	
	Gross loans	%-stake	Gross loans	%-stake
Municipalities and municipal enterp.	0	0.0 %	0	0.0 %
Insurance and finance	16	0.0 %	1	0.0 %
Agriculture and forestry	1 540	4.7 %	1 385	5.0 %
Fisheries and aquaculture	1 285	4.0 %	1 324	4.8 %
Mining and industry	573	1.8 %	433	1.6 %
Building and construction	894	2.8 %	1 117	4.0 %
Trade, hotel, restaurants.	532	1.6 %	380	1.4 %
Transport and services	1 400	4.3 %	1 381	5.0 %
Property	3 279	10.1 %	2 935	10.6 %
Total corporate market	9 519	29.4 %	8 956	32.3 %
Retail market	22 905	70.6 %	18 733	67.7 %
Total	32 424	100 %	27 689	100 %
Loans transferred to Helgeland Boligkreditt	0		0	
Loans transferred to SpareBank 1 Boligkreditt	4 581		0	
Total loans including tranferred to mortgage company	37 005		27 689	

	<i>Parent bank</i>			
	31.12.21		31.12.20	
	Gross loans	%-stake	Gross loans	%-stake
Municipalities and municipal enterp.	0	0.0 %	0	0.0 %
Insurance and finance	16	0.1 %	1	0.0 %
Agriculture and forestry	1 518	6.0 %	1 365	6.7 %
Fisheries and aquaculture	1 278	5.0 %	1 315	6.4 %
Mining and industry	572	2.2 %	430	2.1 %
Building and construction	877	3.4 %	1 101	5.4 %
Trade, hotel, restaurants.	527	2.1 %	375	1.8 %
Transport and services	1 342	5.3 %	1 300	6.3 %
Property	3 332	13.1 %	2 974	14.5 %
Total corporate market	9 462	37.2 %	8 861	43.2 %
Retail market	15 990	62.8 %	11 653	56.8 %
Total	25 452	100 %	20 514	100 %
Loans transferred to Helgeland Boligkreditt	7 037		7 232	
Loans transferred to SpareBank 1 Boligkreditt	4 581		0	
Total loans including tranferred to mortgage company	37 070		27 746	

NOTE 8.2 COMMITMENTS AND LOSSES SPLIT BY SECTOR/INDUSTRY

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

Step 1: 12 months expected loss

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

Step 2: Expected loss of life.

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

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

Step 3: Expected loss of life

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

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

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

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

31.12.21

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	16	-	-0	-	-	-	16
Agriculture and forestry	1 372	154	-1	-8	-18	15	1 513
Fisheries and aquaculture	1 261	24	-2	-3	-1	-	1 279
Mining and industry	560	11	-0	-1	-23	2	549
Building and construction	817	64	-2	-6	-36	13	850
Trade, hotel, restaurants.	486	40	-1	-2	-0	5	529
Transport and services	1 173	211	-2	-8	-29	16	1 361
Property, property development	3 123	134	-3	-18	-32	22	3 227
Total corporate market	8 807	639	-11	-46	-138	73	9 324
Retail market	654	20 656	-4	-7	-13	1 595	22 882
Total	9 461	21 295	-15	-53	-150	1 668	32 206
Expected loss unutilized credit and guarantees RM			-0	-0	-		
Expected loss unutilized credit and guarantees CM			-1	-9	-		

31.12.20

Lending to amortized cost and fair value (OCI)

	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Step 1	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	0	0	0	0	0	0	0
Insurance and finance	1	0	0	0	0	0	1
Agriculture and forestry	1 371	0	-1	-8	-12	15	1 364
Fisheries and aquaculture	1 324	0	-1	-4	0	0	1 318
Mining and industry	433	0	0	-1	-3	0	429
Building and construction	1 112	0	-2	-4	-131	5	980
Trade, hotel, restaurants.	376	0	0	-2	0	4	377
Transport and services	1 358	0	-2	-11	-21	23	1 347
Property, property development	2 914	0	-5	-25	-41	21	2 865
Total corporate market	8 888	0	-12	-54	-208	68	8 682
Retail market	17 269	0	-1	-7	-14	1 464	18 710
Total	26 157	0	-13	-61	-222	1 532	27 393
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-3	0		

	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	16	-	-0	-	-	-	16
Agriculture and forestry	1 372	132	-1	-8	-18	15	1 491
Fisheries and aquaculture	1 261	17	-2	-3	-1	-	1 272
Mining and industry	560	10	-0	-1	-23	2	548
Building and construction	817	47	-2	-6	-36	13	833
Trade, hotel, restaurants.	486	35	-1	-2	-0	5	525
Transport and services	1 173	154	-2	-8	-29	16	1 303
Property, property development	3 189	121	-3	-19	-48	22	3 262
Total corporate market	8 872	516	-11	-47	-153	73	9 250
Retail market	654	13 741	-4	-5	-12	1 595	15 969
Total	9 526	14 257	-15	-53	-166	1 668	25 219
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-9	0		

	Lending to amortized cost and fair value (OCI)						
	Gross lending		Loss deductions			Gross lending	Net lending
	Amortized cost	Fair value (FVOCI)	Step 1	Step 2	Step 3	Fair value over profit	Total
Municipalities and municipal enterp.	0	0	0	0	0	0	0
Insurance and finance	1	0	0	0	0	0	1
Agriculture and forestry	1 218	133	-1	-8	-12	15	1 344
Fisheries and aquaculture	1 302	13	-1	-4	0	0	1 309
Mining and industry	416	14	0	-1	-3	0	426
Building and construction	1 057	29	-2	-4	-131	14	964
Trade, hotel, restaurants.	352	19	0	-2	0	4	372
Transport and services	1 185	89	-2	-12	-21	27	1 265
Property, property development	2 828	136	-5	-22	-54	10	2 892
Total corporate market	8 360	431	-12	-53	-222	70	8 574
Retail market	431	9 760	-1	-6	-14	1 462	11 632
Total	8 790	10 191	-13	-59	-236	1 532	20 205
Expected loss unutilized credit and guarantees RM			0	0	0		
Expected loss unutilized credit and guarantees CM			-1	-3	0		

NOTE 9. NET NON-PERFORMING AND IMPAIRED COMMITMENT

Parent bank		Group	
31.12.20	31.12.21	31.12.21	31.12.20
321	162	162	321
-163	-67	-67	-163
158	95	95	158
252	267	233	218
-73	-106	-97	-60
179	162	137	158
337	257	232	316
1.6 %	1.0 %	0.7 %	1.1 %

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

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

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

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

	Step 1	Step 2	Step 3	Group 31.12.21
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	11 077	2 061	48	13 187
Transfers from step 1 to step 2	-1 342	1 336		-6
Transfers from step 1 to step 3	-63		60	-3
Transfers from step 2 to step 3		-78	71	-7
Transfers from step 3 to step 2		4	-4	0
Transfers from step 3 to step 3	9		-10	0
Transfers from step 2 to step 1	1 349	-1 391		-41
Reduced portfolio	-5 320	-1 790	-222	-7 331
Other adjustments	-960	-151	-88	-1 199
Gross lending pr. 31.12.21	24 664	5 697	395	30 756
IB unused drafts, guarantees etc.	2 271	280	36	2 588
UB unused drafts, guarantees etc.	2 384	290	54	2 728

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

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

	Step 1	Step 2	Step 3	Group 31.12.20
Gross lending	With expected loss over 12 months	With expected loss over the instruments life	With expected loss over the instruments life time	Total
Gross lending pr. 01.01.20	20 827	4 764	550	26 141
New loans / credits / guarantees	5 894	1 111	60	7 065
Transfers from step 1 to step 2	-2 427	2 396		-31
Transfers from step 1 to step 3	-31		29	-2
Transfers from step 2 to step 3		-89	86	-3
Transfers from step 3 to step 2		17	-17	-1
Transfers from step 3 to step 3	3		-4	0
Transfers from step 2 to step 1	914	-985		-71
Reduced portfolio	-4 583	-1 334	-159	-6 076
Other adjustments	-685	-174	-6	-865
Gross lending pr. 31.12.20	19 912	5 706	539	26 157
IB unused drafts, guarantees etc.	2 570	190	23	2 782
UB unused drafts, guarantees etc.	2 271	280	36	2 588

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

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

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	31.12.21
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	10 347	1 961	59	12 367
Transfers from step 1 to step 2	-907	915		8
Transfers from step 1 to step 3	-63		60	-3
Transfers from step 2 to step 3		-68	60	-7
				0
Transfers from step 3 to step 2		4	-4	0
Transfers from step 3 to step 3	7		-8	0
Transfers from step 2 to step 1	1 027	-1 058		-30
Reduced portfolio	-4 862	-1 553	-224	-6 639
				0
Other adjustments	-675	-130	-88	-893
Gross lending pr. 31.12.21	18 675	4 680	429	23 784
IB unused drafts, guarantees etc.	1 909	278	36	2 223
UB unused drafts, guarantees etc.	2 022	282	54	2 358

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

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

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	31.12.20
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. 01.01.20	14 211	3 835	550	18 596
New loans / credits / guarantees	4 918	956	62	5 936
Transfers from step 1 to step 2	-1 948	1 933		-15
Transfers from step 1 to step 3	-64		62	-2
Transfers from step 2 to step 3		-88	85	-3
				0
Transfers from step 3 to step 2		17	-17	-1
Transfers from step 3 to step 3	3		-4	0
Transfers from step 2 to step 1	705	-770		-64
Reduced portfolio	-3 556	-1 117	-159	-4 832
				0
Other adjustments	-469	-158	-6	-633
Gross lending pr. 31.12.20	13 800	4 608	573	18 982
IB unused drafts, guarantees etc.	2 060	185	23	2 267
UB unused drafts, guarantees etc.	1 909	278	36	2 223

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

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

	<i>Group</i>			
	Step 1	Step 2	Step 3	31.12.21
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	7	31	19	57
Transfers from step 1 to step 2	-1	11		10
Transfers from step 1 to step 3	0		3	2
Transfers from step 2 to step 3		-3	12	9
				0
Transfers from step 3 to step 2		0	0	0
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	1	-9		-8
Reduced portfolio	-2	-19	-116	-137
				0
Other adjustments	-3	-9	23	12
Loss deduction pr. 31.12.21	15	64	163	241

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

	<i>Group</i>			
	Step 1	Step 2	Step 3	31.12.20
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.20	14	71	253	338
New or increased loans / credits / guarantees	6	11	8	26
Transfers from step 1 to step 2	-4	28		24
Transfers from step 1 to step 3	0		5	5
Transfers from step 2 to step 3		-5	18	13
				0
Transfers from step 3 to step 2		0	-1	-1
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	2	-21		-19
Reduced portfolio	-3	-19	-57	-79
				0
Other adjustments	-2	-4	-4	-10
Loss deduction pr. 31.12.20	13	61	222	296

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

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	31.12.21
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	7	31	20	57
Transfers from step 1 to step 2	-1	10		9
Transfers from step 1 to step 3	0		-2	-2
Transfers from step 2 to step 3		-3	12	9
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	-8		-7
Reduced portfolio	-2	-18	-117	-137
Other adjustments	-3	-9	23	12
Loss deduction pr. 31.12.21	15	62	173	249

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

	<i>Parent bank</i>			
	Step 1	Step 2	Step 3	31.12.20
Loss provisions on gross loans and off-balance sheet items	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.20	14	69	253	336
New or increased loans / credits / guarantees	6	11	8	26
Transfers from step 1 to step 2	-4	27		23
Transfers from step 1 to step 3	0		19	19
Transfers from step 2 to step 3		-5	18	13
Transfers from step 3 to step 2		0	-1	-1
Transfers from step 3 to step 3	0		0	0
Transfers from step 2 to step 1	2	-20		-18
Reduced portfolio	-3	-18	-57	-78
Other adjustments	-2	-4	-4	-11
Loss deduction pr. 31.12.20	13	59	236	308

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

NOTE 11. CONTINGENT OFF-BALANCE SHEET COMMITMENTS

<i>Parent bank</i>			<i>Group</i>	
31.12.20	31.12.21		31.12.21	31.12.20
1 822	2 039	Unutilized drawing rights	2 409	2 187
401	319	Guarantee obligations	319	401
588	470	Unutilized drawing rights Helgeland Boligkreditt AS		
2 811	2 828	Net guarantee and draw rights	2 728	2 588

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

NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES

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

	Share capital	Number of shares	Equity stake	Parent bank	
				Book value	
				31.12.21	31.12.20
Bankbygg Mo AS	0.1		99.5 %	48	47
Helgeland Boligkreditt AS	540	540 000	100 %	540	540
AS Sparebankbygg	0.1	100	100 %	1	1
Helgeland Spb.eiend.selskap AS	0.1	100	100 %	0.4	0.4
Strendene Utviklingsseelskap AS	15	300	100 %	0	0
Storgata 73 AS	0.1	140	57 %	1	1
Total investment in AC				591	590

Associated companies (AC) and joint ventures (JV) is calculated at cost price with subsequent measuring in accordance to the equity method. The bank has in the first quarter bought stocks and shares in joint ventures at MNOK 147. Cost price includes an interest compensation for first quarter 2021 at MNOK 2 accounted for in the profit share for the period. 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	
					31.12.21	31.12.20
Samarbeidende Sparebanker AS (FKV)	355	146	26 618	3.0 %	143	-
Samarbeidene Sparebanker Utvikling DA (FKV)	-	1	-	3.0 %	1	-
Helgeland Invest AS	209	73	38 783 266	40.0 %	-	-
REDE Eiendomsmegling AS	1	15	2 352	40.0 %	-	-
Investment in joint ventures and associated companies					144	0

Financial information associated companies and joint ventures, balance posts:

		Parent bank and group				
		31.12.21				
		Assets	Debt	Income	Cost	Result
Balance 100 % ownership						
Samarbeidende Sparebanker AS	100.0 %	2312	23	421	0	421
Samarbeidene Sparebanker Utvikling DA	100.0 %	31	0	235	235	0
Total		2343	23	656	235	421
The bank's share						
Samarbeidende Sparebanker AS	3.0 %	69	1	13	0	13
Samarbeidene Sparebanker Utvikling DA	3.0 %	1	0	7	7	0
Total		70	1	20	7	13

		Parent bank and group				
		31.12.20				
		Assets	Debt	Income	Cost	Result
Balance 100 % ownership						
Helgeland Invest AS	100.0 %	705	0	66	4	62
REDE Eiendomsmegling AS	100.0 %	71	55	3	3	0
Total		776	55	69	7	62
The bank's share						
Helgeland Invest AS	48.3 %	341	0	25	23	30
REDE Eiendoms megling AS	40.0 %	28	22	1	1	0
Total		369	22	26	24	30

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

	<i>Parent bank and group</i>				
	31.12.21				
Specification joint ventures and associated companies	0	0	0	0	0
Samarbeidende Sparebanker AS	146	0	-3	11	-11
Samarbeidene Sparebanker Utvikling DA	1	0	0	0	0
Specification joint ventures and associated companies	147	0	-3	11	-11

	<i>Parent bank and group</i>				
	31.12.20				
Specification joint ventures and associated companies	0	0	0	0	0
Helgeland Invest AS	0	0	0	30	-39
REDE Eiendomsmegling AS	0	0	0	0	0
Sum shares joint ventures and associated companies	0	0	0	30	-39

	<i>Parent bank and group</i>	
Book value joint venture and associated companies	31.12.21	31.12.20
Opening balance	0	379
Acquisition	147	0
Sales	0	-359
Equity changes	-3	0
Results	13	30
Other adjustments	-2	-11
Dividends payed	-11	-39
Book value	144	0

NOTE 13. OPERATING FUNDS

<i>Parent bank</i>		<i>Group</i>	
31.12.20	31.12.21	31.12.21	31.12.20
47	46	153	118
Operating funds			
47	46	153	118
Total operating funds			

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.

31.12.20	31.12.21		31.12.21	31.12.20
		Eiendeler		
34	45	Bruksrett 01.01	16	14
23	-5	Verdijustering	5	5
-12	-8	Nedskrivning	-4	-2
45	32	Bruksrett UB	18	16
		Geld		
34	46	Forpliktelse 01.01	17	14
22	11	Verdijustering	19	5
-12	-10	Nedbetaling	-4	-2
2	2	Renter	1	1
46	48	Forpliktelse UB	33	17

NOTE 14. DISCLOSURES OF RELATED PARTIES

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

Helgeland Boligkreditt AS (share of ownership 100 %)

Transferred loans as of 31.12.21 constitute a total of MNOK 7 037. Covered bonds in the housing mortgage company constitute MNOK 6 064 where MNOK 80 is owned by SpareBank 1 Helgeland. Credit line of NOK 1.5bn is drawn with MNOK 1 030. In addition, the bank has a revolving credit facility (with maturity > one year) provided by SpareBank 1 Helgeland, which will cover payment obligations in the security pool for a rolling 12-month period. The agreements are based on the principle of arm's length. In the consolidated accounts, the effects of the facilities are eliminated. SBH has received dividend of MNOK 68.1 in 2021.

ANS Bankbygg (share of ownership 99,5 %)

The bank rents premises from ANS Bankbygg and has paid MNOK 4.1 per 31.12.21.

NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS

Measurement of fair value of financial instruments by level

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

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

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

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

Principal fixed rate loans per 31.12.21 were MNOK 1 668 (1 532) MNOK. Net interest rate risk by a parallel interest rate shift of 1 %-point for fixed rate loans and derivatives, fixed rate loans was MNOK 3.8 (-0.5) per 31.12.21.

Morbank			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	- Debt issuance of securities	0	12	0		
0	9	0	Total liabilities	0	12	0		

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

Morbank			Assets and liabilities measured at fair value			Group		
31.12.20						31.12.20		
Level 1	Level 2	Level 3	Assets and liabilities measured at fair value	Level 1	Level 2	Level 3		
Financial assets at fair value through profit								
0	0	1 559	- Loans to and claims on customers at fair value	0	0	1 559		
0	4 642	207	- Certificates, bonds and equities at fair value		4 663	207		
Financial assets available for sale								
0	0	10 191	- Mortgages	0	0	0		
0	54	0	- Financial derivatives	0	67			
0	4 696	11 957	Total assets	0	4 730	1 766		
LIABILITIES								
Financial liabilities at fair value through profit								
0	39	0	- Financial derivatives	0	39	0		
0	39	0	Total liabilities	0	39	0		
Changes in instruments classified in Level 3								
Shares	Loans	Total	Changes in instruments classified in Level 3	Shares	Loans	Total		
379	11 375	11 754	Opening balance	379	1 506	1 885		
-276	-655	-931	Payment loan/sale of shares	-276	-234	-510		
0	993	993	New loans	0	251	251		
104	37	141	Value change	104	36	140		
207	11 750	11 957	Financial instruments valued on Level 3	207	1 559	1 766		

NOTE 16. FINANCIAL DERIVATIVES

<i>Parent bank</i>				<i>Group</i>		
31.12.21				31.12.21		
Nominal value		Market value		Nominal value		Market value
Total	Assets	Commitments		Total	Assets	Commitments
1 749	0	9	Interest rate swaps- fixed interest rate loans	1 749	0	12
55	0	0	Interest rate swaps- bank deposits with share yield	55	0	0
1 804	0	9	Total financial derivatives	1 804	0	12
2 000	39		Interest rate swaps – fixed interest rate with hedging	2 300	38	0
2 000	39	0	Total financial derivatives with hedging	2 300	38	0

Net presentation of financial assets and liabilities

<i>Parent bank</i>				<i>Group</i>		
31.12.20				31.12.20		
Nominal value		Market value		Nominal value		Market value
Total	Assets	Commitments		Total	Assets	Commitments
1 334	0	39	Interest rate swaps- fixed interest rate loans	1 334	0	39
55	0	0	Interest rate swaps- bank deposits with share yield	55	0	0
1 389	0	39	Total financial derivatives	1 389	0	39
1 600	54	0	Interest rate swaps – fixed interest rate with hedging	1 900	67	0
1 600	54	0	Total financial derivatives with hedging	1 900	67	0

					<i>Group</i>	
					31.12.21	
	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net	
Derivaives carried as assets	39	0	39	0	39	
Derivaives carried as liabilities	12	0	12	0	0	

					<i>Group</i>	
					31.12.20	
	Gross financial assets	Financial assets that are recognized net	Net financial assets in the balance sheet	Financial instruments	Net	
Derivaives carried as assets	67	0	67	0	67	
Derivaives carried as liabilities	39	0	39	0	0	

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

NOTE 17. SECURITIES ISSUED

<i>Parent bank</i>			<i>Group</i>	
31.12.20	31.12.21	(MNOK)	31.12.21	31.12.20
3 265	4 249	Bonds, nominal value	10 230	9 349
33	16	Value adjustments	14	45
20	23	Accrued interest	28	24
3 318	4 288	Total securities	10 272	9 418

<i>Change in securities issued</i>					<i>Group</i>
	31.12.20	Issued	Matured/redeemed	Other change	31.12.21
Bonds, nominal value	9 349	5 090	-4 203	-7	10 229
Value adjustments	45			-31	14
Accrued interest	24			4	28
Total	9 418	5 090	-4 203	-34	10 271

<i>Change in subordinated debt</i>					<i>parent bank</i>
	31.12.20	Issued	Matured/redeemed	Other change	31.12.21
Bonds, nominal value	3 265	2 356	-1 365	-7	4 249
Value adjustments	33			-17	16
Accrued interest	20			3	23
Total	3 318	2 356	-1 365	-21	4 288

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

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

<i>Accounted value</i>			<i>Group</i>	
			31.12.21	31.12.20
Bonds, amortized cost			7 955	7 500
Bonds, hedging			2 316	1 918
Total debt securities			10 271	9 418

<i>Accounted value</i>			<i>Parent bank</i>	
			31.12.21	31.12.20
Bonds, amortized cost			2 271	1 715
Bonds, hedging			2 017	1 603
Total debt securities			4 288	3 318

NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>				<i>Group</i>				
%	31.12.20	%	31.12.21	31.12.21	%	31.12.20	%	
90.0 %	17 185	90.0 %	21 732	Helgeland	21 152	89.8 %	16 787	89.8 %
9.2 %	1 765	9.2 %	2 212	Areas other than Helgeland	2 201	9.3 %	1 755	9.4 %
0.8 %	151	0.8 %	200	International	199	0.8 %	142	0.8 %
100 %	19 101	100 %	24 144	Total	23 552	100 %	18 684	100 %

NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

Parent bank				Group				
%	31.12.20	%	31.12.21		31.12.21	%	31.12.20	%
3.3 %	629	3.4 %	814	Financial institutions	234	1.0 %	246	1.3 %
13.5 %	2 579	11.5 %	2 772	Municipalities and municipal ente	2 772	11.8 %	2 579	13.8 %
2.0 %	373	1.8 %	446	Agriculture and forestry	446	1.9 %	373	2.0 %
2.3 %	441	2.5 %	609	Fisheries and aquaculture	609	2.6 %	441	2.4 %
1.2 %	228	1.0 %	253	Mining and industry	253	1.1 %	228	1.2 %
3.4 %	651	3.2 %	770	Building and construction	770	3.3 %	651	3.5 %
2.6 %	489	2.6 %	636	Trade, hotel, restaurants.	636	2.7 %	489	2.6 %
10.5 %	1 999	11.0 %	2 661	Transport and services	2 661	11.3 %	1 999	10.7 %
4.9 %	931	4.1 %	996	Property, property development	984	4.2 %	896	4.8 %
43.6 %	8 320	41.2 %	9 957	Total corporate market	9 365	39.8 %	7 902	42.3 %
56.4 %	10 781	58.8 %	14 187	Retail market	14 187	60.2 %	10 782	57.7 %
100 %	19 101	100 %	24 144	Total	23 552	100 %	18 684	100 %

NOTE 20. EQUITY CERTIFICATE CAPITAL HELG

Per 31.12.21	Number	% share		Number	% share
Sparebankstiftelsen Helgeland	7 588 922	28.11 %	Lamoholmen invest AS	274 854	1.0 %
SpareBank 1 Nord-Norge	5 397 325	20.0 %	Catilina Invest AS	252 646	0.9 %
Pareto Invest AS	2 118 691	7.8 %	Kommunal Landspensjonskasse	251 000	0.9 %
VPF Eika Egenkapital	1 199 397	4.4 %	VPF Nordea Avkastning	249 368	0.9 %
Verdipapirfondet Nordea Norge Verd	1 051 653	3.9 %	VPF Nordea Kapital	247 164	0.9 %
J.P. Morgan Bank Luxembourg S.A.	420 129	1.6 %	Bergen kommunale pensjonskas	228 235	0.8 %
Spesialfondet Borea Utbytte	394 027	1.5 %	AF Kapital Managemet	188 552	0.7 %
MP Pensjon PK	393 399	1.5 %	VPF Nordea Norge Plus	167 650	0.6 %
Helgeland Kraft AS	390 925	1.4 %	Nima Invest AS	152 913	0.6 %
U.S Bank National Association	372 197	1.4 %	Vigner Olaisen AS	150 067	0.6 %
Total 10 largest owners	19 326 665	71.6 %	Total 20 largest owners	21 489 114	79.6 %

The bank has issued a total of 27 000 130 equity certificates value of NOK 10

NOTE 21. CAPITAL ADEQUACY

Parent bank			Group	
31.12.20	31.12.21		31.12.21	31.12.20
3 731	4 550	Total equity capital	4 622	3 819
-299	-398	Hybrid capital classified as equity (CB)	-398	-299
-24	-36	Deduction investement in Balder Betaling	-36	-24
0	0	Deduction shares in financial institutions	0	0
-6	-8	Deduction prudent valuation	-8	-7
0	0	Deduction share of profit not eligible as common equity tier 1 capital		0
-26	-105	Deduction Intangible assets	-105	-28
-73	-111	Deduction dividend classified as equity	-111	-73
		Effect of proportionate consolidation on equity tier 1 capital	-110	11
3 304	3 891	Total common equity tier one capital	3 853	3 400
0	0	Shares in financial institutions	0	0
299	398	Hybrid capital (CB)	398	299
		Effect of proportionate consolidation on other tier 1 capital	31	14
3 603	4 289	Total tier 1 capital	4 283	3 714
451	451	Subordinatet dept	451	451
0	0	Shares in financial institutions	0	0
		Effect of proportionate consolidation on additional capital	44	20
451	451	Total net additional capital	495	471
4 054	4 740	Total net equity and related capital	4 778	4 184
16 023	18 601	Risk-weighted balance (calculation basis)	21 451	18 110
20.62 %	20.92 %	Common equity tier one Capital ratio in%	17.96 %	18.78 %
22.49 %	23.06 %	Tier 1 capital ratio in%	19.96 %	20.51 %
25.30 %	25.48 %	Total capital ratio in%	22.27 %	23.11 %
11.00 %	11.00 %	Requirement common equity core tier one capital ratio in %	13.20 %	13.20 %
12.50 %	12.50 %	Requirement tier 1 capital ratio in %	14.70 %	14.70 %
14.50 %	14.50 %	Requirement capital ratio in %	16.70 %	16.70 %
2 323	2 697	Required capital incl. buffer and pilar II requirements	3 582	3 024
1 730	2 043	Excess capital incl. buffer and pilar II requirements	1 196	1 160

31.12.20	31.12.21	Calculation basis	31.12.21	31.12.20
2	2	States and central banks	2	2
307	247	Local and regional authorities (including municipalities)	247	307
524	462	Institutions	208	197
1 899	1 509	Enterprises	1 509	1 899
908	2 787	Mass market loans	2 912	908
8 467	9 186	Loans secured by real property	11 624	11 075
643	318	Loans overdue	290	667
813	863	Covered bonds	238	189
212	317	High risk exposures	317	212
0	0	Units in securities funds	0	0
774	1 402	Equity positions	801	183
120	130	Other loans and commitments	242	164
14 669	17 222	Capital requirement credit risk	18 389	15 803
1 347	1 363	Capital requirement operational risk	1 382	1 385
7	15	CVA addition	19	41
0	0	Other adjustment from capital requirement	0	0
16 023	18 601	Total capital requirement	19 791	17 229
		Proportionate share of risk-weighted balance cooperating groups	2 126	1 035
		Deduction internal eliminations cooperating groups	-466	-154
		Risk-weighted balance after proportionate consolidation	21 451	18 110

NOTE 22. FINANCIAL ESTIMATES AND ESTIMATIVE ASSESSMENTS

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

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

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

Acquisition analyses contains a significant degree of discretion and estimates, and will therefore always contain a degree of uncertainty. The estimated used in relation acquisition analyses is substantiated of calculations of expected cashflows and comparable transactions.

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

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

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

NOTE 24. ACQUISITION

SpareBank 1 Helgelands purchase of the business of SpareBank 1 Nord-Norge in Helgeland was completed October 18th 2021, with accounting effect from the same date. SpareBank 1 Helgeland took from this point over the business of SoareBank 1 Nord-Norge in Helgeland. The acquisition is treated according to IFRS 3.

Acquisition analysis	SpareBank 1 Nord-Norge Helgeland		
	Book values	More/less values	Opening Balance
Real value of identifiable assets and committments			
Cash and claims on central banks			0
Loans to and claims on credit institutions			0
Loans to and claims on customers	5 089	13	5 102
Financial derivatives			0
Certificates, bonds and shares			0
Investments in associated companies			0
Investments in subsidiaries			0
Intangible assets		62	106
<i>Hereby customer relations</i>		62	62
<i>Hereby goodwill</i>			44
Fixed assets	3		3
Other assets		4	4
Total assets	5 092	79	5 215
LIABILITIES AND EQUITY CAPITAL			
Liabilities to credit institutions			0
Deposits from customers and liabilities to customers	3 392		3 392
Borrowings through the issuance of securities			0
Financial derivatives			0
Other liabilities	1	23	25
Subordinated loan capital			0
Total liabilities	3 394	23	3 417
Net assets	1 698	56	1 754
Goodwill			44
Purchase price acquisition			1 798

NOTE 25. PROFORMA ACCOUNTING NUMBERS

The proforma PLA shows the acquisitions effect on the actual PLA in SpareBank 1 Helgeland and the effect as if the acquisition had happened with effect from January 1st 2021. The numbers carry significant estimate uncertainty.

	Proforma profit from 01.01.21			The acquisitions effect on the accounts		
	Group exd. Transaction 01. jan - 31. dec. 2021	Transaction 01. jan - 31. dec. 2021	Proforma profit 01. jan - 31. dec. 2021	Group exd. Transaction 01. jan - 31. dec. 2021	Transaction 18. okt - 31. dec. 2021	Group 31. dec. 2021
Profit and loss account						
Interest income and similar income (note 2.1)	817	110	927	817	22	840
Interest payable and similar costs	210	37	247	210	8	217
Hedge fund fees	18	0	18	18	0	18
Net interest- and credit commission income	589	73	662	589	15	604
Commissions receivable and income from banking services	104	67	172	104	14	118
Commissions payable and costs relating to banking services	11	0	11	11	0	11
Other operating income	4	0	4	4	0	4
Net commission and other operating income	97	67	165	97	14	111
Dividend	2	0	2	2	0	2
Net profit from associates	8	0	8	8	0	8
Net profit from other financial investments	-13	0	-13	-13	0	-13
Net value change on financial investments and commitments	-3	0	-3	-3	0	-3
Personnel costs	155	17	171	155	3	158
Other operating income	225	7	232	225	1	226
Total operating costs	379	24	403	379	5	384
Profit before loss	305	116	420	305	23	328
Losses on loans, guarantees etc	62	10	72	62	2	64
Gross profit	243	106	348	243	21	264
Tax payable on ordinary result	54	26	80	54	5	59
Profit of the period	189	79	268	189	16	205
Extended Income Statement						0
Net profit	189	79	268	189	16	205
<u>Items that will not be reclassified through profit or loss</u>						
Recognized deviations in pensions	-1	0	-1	-1	0	-1
<u>Items that are subsequently reversed through profit or loss</u>						
Estimate variances, pensions will not be reversed over the income	2	0	2	2	0	2
Tax on extended profit	0	0	0	0	0	0
Net extended profit or loss items	2	0	2	2	0	2
Total profit of the period	191	79	270	191		206

NOTE 26. 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	Q4/20	Q4/21	31.12.20	31.12.21		31.12.21	31.12.20	Q4/21	Q4/20	Group
	2.46	2.38	2.82	2.34	Interest receivable and similar income	2.35	2.87	2.38	2.44	
	0.65	0.60	0.99	0.60	Interest payable and similar costs	0.66	1.09	0.68	0.68	
	1.81	1.79	1.83	1.74	Net interest- and credit commission income²	1.69	1.77	1.70	1.76	
	0.42	0.48	0.39	0.39	Commissions receivable and income from banking services	0.33	0.32	0.41	0.34	
	0.04	0.05	0.04	0.04	Commissions payable and costs relating to banking services	0.03	0.03	0.04	0.04	
	0.37	0.43	0.35	0.36	Net commission income	0.30	0.29	0.37	0.31	
	1.49	-0.14	0.86	0.23	Gains/losses on financial assets available for sale	-0.01	0.60	-0.13	1.40	
	0.03	0.04	0.03	0.03	Other operating income	0.01	0.01	-0.01	0.02	
	2.09	1.78	1.58	1.28	Operating costs	1.07	1.37	1.43	1.96	
	0.14	0.34	0.24	0.20	Losses on loans, guarantees etc. and fixed assets	0.18	0.15	0.35	-0.06	
	1.47	-0.02	1.26	0.88	Gross profit	0.74	1.16	0.15	1.59	
	-0.03	0.01	0.10	0.16	Tax payable on ordinary profit	0.17	0.15	0.00	0.06	
	1.50	-0.03	1.16	0.72	Net profit	0.57	1.01	0.15	1.53	

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Parent bank					Group					
Q4/20	Q1/21	Q2/21	Q3/21	Q4/21		Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
171.4	169	167	165	201	Interest receivable and similar income	236	199	202	203	208
45	46	43	40	50	Interest payable and similar costs	67	51	58	59	58
126	123	124	126	150	Net interest- and credit commission income	168	148	144	144	150
29	30	23	25	40	Commissions receivable and income from banking services	40	25	23	30	29
3	2	2	3	4	Commissions payable and costs relating to banking services	4	3	2	2	3
26	28	21	22	36	Net commission income	36	22	21	28	26
104	73	3	5	-12	Gains/losses on financial assets available for sale	-13	3	3	4	119
2	2	2	2	3	Other operating income	-1	4	0	1	2
146	79	82	74	150	Operating costs	141	80	82	81	167
10	3	9	19	29	Losses on loans, guarantees etc.	35	19	7	3	-5
103	144	59	61	-1	Gross profit	15	78	78	93	135
-2	18	12	16	1	Tax payable on ordinary result	0	21	16	22	5
105	126	47	45	0	Net profit	15	58	62	71	130

Q4/20	Q1/21	Q2/21	Q3/21	Q4/21		Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
2.46	2.45	2.32	2.20	2.38	Interest receivable and similar income	2.38	2.28	2.39	2.44	2.44
0.65	0.67	0.60	0.53	0.60	Interest payable and similar costs	0.68	0.59	0.69	0.71	0.68
1.81	1.78	1.72	1.67	1.79	Net interest- and credit commission income	1.70	1.70	1.71	1.73	1.76
0.42	0.43	0.32	0.33	0.48	Commissions receivable and income from banking services	0.41	0.28	0.27	0.36	0.34
0.04	0.03	0.03	0.04	0.05	Commissions payable and costs relating to banking services	0.04	0.03	0.02	0.02	0.04
0.37	0.41	0.29	0.29	0.43	Net commission income	0.37	0.25	0.25	0.34	0.31
1.49	1.06	0.04	0.07	-0.14	Gains/losses on financial assets available for sale	-0.13	0.04	0.03	0.05	1.40
0.03	0.03	0.03	0.03	0.04	Other operating income	-0.01	0.04	0.00	0.01	0.02
2.09	1.15	1.13	0.98	1.78	Operating costs	1.43	0.91	0.97	0.97	1.96
0.14	0.04	0.13	0.25	0.34	Losses on loans, guarantees etc.	0.35	0.22	0.09	0.04	-0.06
1.47	2.08	0.83	0.82	(0.02)	Gross profit	0.15	0.90	0.93	1.12	1.59
-0.03	0.26	0.17	0.21	0.01	Tax payable on ordinary result	-	0.24	0.19	0.26	0.06
1.50	1.82	0.66	0.60	(0.03)	Net profit	0.15	0.66	0.73	0.85	1.53

Q4/20	Q1/21	Q2/21	Q3/21	Q4/21		Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
ASSETS										
76	69	88	83	73	Cash and claims on central banks	73	83	88	69	76
1 531	2 324	1 830	2 389	1 886	Loans to and claims on credit institutions	857	1 477	1 120	1 453	619
20 210	19 685	20 655	20 727	25 213	Loans to and claims on customers	32 194	28 027	27 036	26 837	27 398
54	45	63	52	39	Financial derivatives	39	56	70	47	67
4 849	5 880	6 052	6 543	5 786	Certificates, bonds and shares available for sale	5 805	6 618	6 173	5 901	4 870
0	147	138	143	144	Investments in associated companies	144	143	138	147	0
590	590	591	591	590	Investments in subsidiaries	0	0	0	0	0
26	26	26	26	104	Deferred tax benefit	104	26	26	26	26
47	51	53	57	46	Fixed assets	153	135	131	122	118
61	56	45	41	72	Other assets	64	23	26	25	33
27 444	28 873	29 541	30 652	33 953	Total assets*	39 433	36 588	34 808	34 627	33 207
LIABILITIES AND EQUITY CAPITAL										
550	550	550	300	302	Liabilities to credit institutions	303	301	551	551	551
19 101	20 640	21 124	21 224	24 144	Deposits from customers and liabilities to customers	23 552	20 816	20 612	20 222	18 684
3 318	3 118	3 371	4 310	4 288	Borrowings through the issuance of securities	10 271	10 596	9 106	9 268	9 418
39	26	22	13	9	Financial derivatives	12	13	22	26	39
254	309	203	191	209	Other liabilities	218	188	198	298	245
451	451	451	451	451	Fund bonds	451	451	451	451	451
23 713	25 094	25 721	26 489	29 403	Total liabilities	34 807	32 365	30 940	30 816	29 388
1 180	1 180	1 180	1 180	1 775	Paid-in equity capital	1 775	1 180	1 180	1 180	1 180
299	299	299	601	398	Hybrid capital	398	601	299	299	299
1 946	2 177	2 176	2 174	2 290	Accrued equity capital/retained earnings	2 288	2 174	2 176	2 177	1 946
306	123	165	208	86	Other equity capital	161	265	210	152	391
					Minority interest	3	3	3	3	3
3 731	3 779	3 820	4 163	4 550	Total equity capital	4 626	4 223	3 868	3 811	3 819
27 444	28 873	29 541	30 652	33 953	Total liabilities and equity capital	39 433	36 588	34 808	34 627	33 207

OTHER KEY FIGURES

<i>Parent bank</i>			<i>Group</i>	
31.12.20	31.12.21		31.12.21	31.12.20
BALANCE SHEET				
Development in the last 12 months				
-1.1	23.7	Total assets ⁹	18.7	-2.5
2.0	24.1	Gross lending ⁶	17.1	0.1
-1.5	26.4	Customer deposits ⁷	26.1	-1.5
93.1	94.9	Deposit coverage as a percentage of gross loans ⁵	72.6	67.5
56.8	62.8	Lending to retail customers	70.6	67.7
27 553	30 037	Average assets ¹⁰	35 740	33 693
20 514	25 452	Gross loans ⁴	32 424	27 689
SOLIDITY				
20.6	20.9	Core tier one Capital ratio	18.0	19.7
22.5	23.1	Core Capital ratio	20.0	21.4
25.3	25.5	Total Capital ratio ²¹	22.3	24.0
		Core tier one Capital ratio, after proportionally consolidation in%	18.0	18.8
		Core capital ratio, after proportionally consolidation in%	20.0	20.5
		Total Capital ratio, after proportionally consolidation in%	22.3	23.1
		Leverage ratio ²² , after proportionally consolidation in%	9.4	10.5
8.5	5.4	Rate of return on equity ¹	5.0	8.9
9.2	5.9	Rate of return on equity (excl. hybrid capital)	5.4	9.7
1.2	0.6	Return on assets	0.5	1.0
KEY FIGURES PCC				
11.2	5.8	Yield per primary certificate ¹⁶	5.5	12.0
11.2	5.8	Diluted result per ECC, in Norwegian currency	5.5	12.0
76.4	76.3	ECCs split (01.01) ¹⁸	76.3	76.4
126	122	Equity capital per ECC ¹⁷	124	129
86.0	131.0	PCC price quoted on the stock exchange	131.0	86.0
7.7	22.4	P/E (price divided by profit per ECC) ¹⁹	23.7	7.2
0.7	1.1	P/B (price divided by book value of equity capital) ²⁰	1.1	0.7
51.4	54.4	Costs as a percentage of income ³	53.9	51.2
1.6	1.3	Cost in percent of average total assets	1.1	1.4
143	165	Number of man-years	165	143
LOSSES ON LOANS AND GROSS DEFAULTS				
As a percentage of gross lending:				
1.6	0.6	Gross defaults over 90 days ¹³	0.5	1.2
1.5	1.0	Total loan loss provision	0.74	1.1
0.33	0.24	Losses on lending ¹²	0.20	0.18

OTHER CALCULATIONS

Parent bank			Group	
31.12.20	31.12.21	(Figures in MNOK and %)	31.12.21	31.12.20
		Operating costs, adjusted for one-time effects		
436	385	Operating costs	384	462
-146	-53	One-time effects	-53	-146
290	332	Operating costs, adjusted for one-time effects²³	331	316
1.05 %	1.11 %	Operating costs in % of BTA, adjusted for one-time effects	0.93 %	0.94 %
34.2 %	46.9 %	Operating costs in % of income, adjusted for one-time effects	46.5 %	35.0 %
319	216	Profit	205	340
-12	-12	Paid interests subordinated bonds	-12	-12
307	204	Net profit, incl. Interests subordinated bonds	193	328
146	53	one-time effect pension	53	146
453	257	Profit, adjusted for one-time effects	246	474
319	216	Profit (annualized)	205	340
453	257	Profit (annualized), eks one-time effects and incl. interests subordinat	246	472
3 749	4 017	Average equity	4 097	3 822
-299	-325	Average subordinated bonds	-325	-299
3 450	3 692	Average equity adjusted for subordinated bonds	3 772	3 523
12.1 %	6.4 %	ROE adjusted for one-time effects	6.0 %	12.4 %
13.1 %	6.9 %	ROE adjusted for one-time effects and interests FO11	6.5 %	13.4 %
319	216	Profit	205	340
319	216	Profit (annualized)	205	340
453	257	Profit (annualized), eks one-time effects and subordinated bonds	246	472
27 553	30 037	Average assets	35 740	33 693
1.2 %	0.7 %	Return on assets (annualized)	0.6 %	1.0 %
1.6 %	0.9 %	Return on assets (annualized) adjusted for one-time effects	0.7 %	1.4 %
3 603	4 289	CET1	4 400	3 688
34 702	41 081	Unweighted calculation basis	46 623	34 189
10.4 %	10.4 %	Leverage ratio	9.4 %	10.8 %

APM (Alternative performance measures)

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

Definitions key figures:

- 1) **Return on equity.** Reason for use: The key figure indicates the return on the Group's equity. The key figure reflects the Group's ability to turn the capital into profitable business. Definition: Return on equity (total profit after tax) is calculated by dividing the profit/loss for the period for the financial year by the average equity for the past year. For information on return on equity for more than one profit for the period, the profit for the period is annualized.
- 2) **Net interest.** Reason for use: Net interest income is a normal key figure within banking/finance and reflects the bank's net interest income as a percentage of average total assets. Definition: Net interest income is the difference between gross interest income and interest expenses – net interest income in the result summary. Net interest income is annualized in the interim reports.
- 3) **Expense ratio.** Reason for use: Cost percentage is a normal key figure in banking/finance. The key figure reflects how effectively the bank/group operates. Definition: The cost percentage reflects the bank's/group's ability to translate its operating expenses into revenue recovery. The cost percentage is calculated by dividing the total operating costs by total income.

- 4) **Gross lending, the Group (incl. transfer for mortgage companies):** Reason for use: The bank owns Helgeland Boligkreditt 100 % and key figures reflect the bank's total lending volume. Definition: loan volume including transferred from the mortgage company.
- 5) **Deposit coverage.** Reason for use: Deposit coverage is a normal key figure in banking/finance. The key figure shows the share of the bank's lending activities that are financed by deposits from customers. Definition: The deposit coverage reflects the bank's ability to finance lending to customers through deposits from customers. Deposits are calculated by dividing the total deposits from customers by gross loans, excl. transfer to mortgage companies in the parent bank and including transfer to mortgage companies in the group.
- 6) **Lending growth last 12 months.** Reason for use: Lending growth over the last 12 months is a normal key figure in banking/finance. The key figure reflects the activity and growth of the bank's lending activities. The Group includes transfers from the mortgage company, growth in the parent bank excl. volume of the mortgage company. Definition: Lending growth is calculated from the corresponding period last year to this year. The group includes the volume of the mortgage company, while the parent bank is excl. volume of the mortgage company.
- 7) **Deposits growth last 12 months.** Reason for use: Deposit growth over the last 12 months is a normal key figure in banking/finance. The key figure reflects the activity and growth of the bank's deposit operations. Definition: Deposit growth over the last 12 months reflects the growth in deposits in the balance sheet from the corresponding period last year to this year.
- 8) **Total assets.** Reason for use: The key figure reflects the bank's total assets. Definition: Total assets in the balance sheet.
- 9) **Growth last 12 months in total assets.** Reason for use: The key figure reflects the growth in the bank's total assets including transferred to the mortgage company in the group and excl. volume transferred to the mortgage company in the parent bank. Definition: Growth assets in the balance sheet are calculated from the corresponding period last year to this year.
- 10) **Average total assets.** Reason for use: Several key figures are calculated on average total assets. Definition: Weighted average of total assets throughout the year.
- 11) **Equity excluding hybrid capital.** Reason for use: The key figure reflects part of the bank's capital that belongs to the owners excluding hybrid capital (fund bonds). Definition: The difference between the bank's equity (earned and paid-in equity) and the bank's hybrid capital (funded bonds).
- 12) **Loss ratio loans.** Reason for use: The key figure reflects a loss recognized as a function of gross lending in the balance sheet date. Definition: Loss provisions for the period on loans and guarantees divided by gross lending as a percentage. For information on loss-based loans for shorter periods than full financial years, the loss expense recognized in the income statement is annualized.
- 13) **Non-performing commitments.** Reason for use: The key figure indicates the proportion of the bank's gross non-performing loans. Definition: Non-performing loans (over 90 days) on loans and guarantees.
- 14) **Doubtful commitments.** Reason for use: The key figure indicates the proportion of the bank's gross loans that are subject to losses. Definition: Gross lending for the period that is doubtful (has an individual loss provision or risk class K, but which is not defaulted).
- 15) **Net Non-performing and doubtful commitments.** Reason for use: The key figure indicates how much the bank's net non-performing and doubtful commitments amount to gross loans. Definition: Net non-performing and doubtful commitments, less write-downs on these loans, divided by gross loans.
- 16) **Earnings per equity certificate.** Reason for use: The key figure gives readers information about earnings per equity certificate. Definition: The equity certificate holders' share of the result is calculated as profit before other income statement items in proportion to the average number of equity certificates in the period.
- 17) **Booked equity per equity certificate.** Reason for use: The key figure provides information on the value of the book equity per equity certificate. Definition: Equity certificate holders' share of equity divided by the number of equity certificates.
- 18) **Equity certificate fraction.** Reason for use: Basis for calculating dividends. Definition: The equity certificate holders' share of equity, e.g. Fund bonds.
- 19) **P/E.** Reason for use: The key figure provides information on earnings per equity certificate. Definition: Share price at end of period divided by profit (annualized) per equity certificate.
- 20) **P/B.** Reason for use: The key figure provides information on price per equity certificate. Definition: Share price at end of period divided by book equity per equity certificate.
- 21) **Capital adequacy.** Reason for use: Legal requirements for capital adequacy. Definition: subordinated capital divided by weighted balance sheet and excluding balance sheet items.
- 22) **Unweighted core capital adequacy.** Reason for use: Normal key figure in banking/finance. Provides more comparable capital regardless of the method of calculating capital adequacy. Definition: Tier 1 capital divided by capitalized items and non-capitalized items calculated without risk weighting.

INFORMATION CONCERNING SPAREBANK 1 HELGELAND

Head Office

Postal address	Postboks 68, 8601 Mo i Rana
Office address	Jernbanegata 15, 8622 Mo i Rana
Telephone	+ 47 75 11 90 00
Website	www.sbh.no
Organisation number	937904029

Board of Directors of SpareBank 1 Helgeland

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

Management

Hanne Nordgaard, Chief Executive Officer

Investor Relations

Sverre Klausen, Chief Financial Officer tel: + 47 916 88 286

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