



financial report

first quarter 2019



General information

Helgeland Boligkreditt AS was established in November 2008 and is a fully-owned subsidiary of Helgeland Sparebank. The company is located at the bank's head office in Mo i Rana. The company was licensed as a finance company in February 2009 and may issue bonds where the investors receive preferential rights in the company's cover pool. Security consists mainly of secured mortgages granted by Helgeland Sparebank. Helgeland Boligkreditt AS has no employees. There has been made a deal with Helgeland Sparebank regarding the provision of services relating to loan servicing and operation of the company.

Accounting standards

The accounts have been prepared in accordance with international financial reporting standards (IFRS). All numerical quantities are given in thousands if not otherwise stated. Helgeland Boligkreditt AS is listed on the Oslo Stock Exchange as a bond issuer. The financial report has not been audited.

Rating

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

Result per 31.03.19
Profit before tax was MNOK 16.3 (19.0). This is MNOK 2.7 lower than the same period last year. The net interest has been reduced by NOK 2.0 million, which is mainly related to increased Nibor, which has resulted in higher funding costs.

Net profit was MNOK 12.6 (14.7) which gives a return on equity of 9.0 (9.9) %.

The company is well capitalized with Core tier one Capital ratio of 18.1 (20.1) %.

Key figures per 31.03.19 (31.03.18)

- Net interest MNOK 19.1 (21.1)
- Operation costs MNOK 2.6 (2.5)
- Return on equity 9.0 (9.9) %
- CET1 capital ratio 18.1 (20.1) %
- Cover pool ratio of fullness 15 (25) %
- Indexed LTV 56 (55) %

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 7 925. Of this, 95 % of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had mortgages of MNOK 7 494 (6 790). 78.1 (78.2) % of the mortgages are lent to customers in the Helgeland region.

The lending has increased by MNOK 703 or 10.3 (16.6) % the past 12 months. All the mortgages have floating interest rates, and 11 (14) % of the lending volume are flexi loans.

The lending portfolio is considered to be of good quality.

Loans qualified for the cover pool amounts to MNOK 7 419 (6 713).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 407 as per 31.03.19 is fully included in the supplementary security.

Statutory bill of MNOK 25 is included in the LCR calculation.

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

Funding

The lending portfolio is funded by issuing covered bonds totalling MNOK 6 836 (5 707), as well as long term credit from Helgeland Sparebank. None of the covered bonds is in the parent company's ownership.

The company's debt in finance institutions amounts to MNOK 516 (981) by the end of the quarter. The debt is linked to credit lines in the parent bank.

The value of the cover pool is well above the volume of loans and there is good security in the portfolio. The OC level (in relation to outstanding bonds) was 15 (25) %.

Risk conditions and capital ratio

Laws and regulations for companies licensed to issue covered bonds instruct that the risk levels should be low. The company has established guidelines and frames for governing and control of different forms of risk. There is a corporate agreement between Helgeland Boligkreditt AS and Helgeland Sparebank that ensures and maintains frames, proxies, capital management, and risk conditions. The Board of Directors considers the company's combined risk as low.

Credit risk

The company's credit strategy is approved by the Board of Directors and determines the framework for management objectives and risk profile.

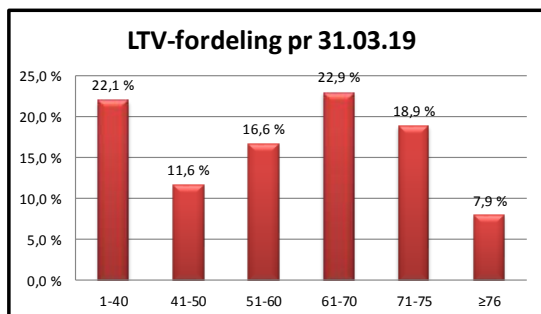
Lending in the cover pool fulfils the requirements of the financial services act, and is secured by collateral in real estate within 75% of prudent market value.

The company has had no individual write downs or established losses.

The Board of Directors considers the quality of the lending portfolio as very good.

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

LTV (Loan to value) was 56 (55) %. The diagram below shows the distribution of the LTVs for the mortgages in the cover pool.



Liquidity risk

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

By the end of the quarter the share of funding over 1 year was 98.1 (91.2) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 3.1 (3.1) years. Helgeland Boligkreditt AS has established committed credit lines with the parent bank that guarantees repayment of bond obligations over the next 12 months on a revolving basis. The company further seeks to reduce the liquidity risk in relation to larger loan maturities by repurchasing its own bonds.

The company's liquidity risk is considered to be low.

Operation risk

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

Capital ratio

The capital ratio per 31.03.19 was 18.1 (20.1) % and consists exclusively of a CET1 capital of MNOK 543.8.

When calculating capital requirements, the standard method is used for credit risk and the basic method for operational risk. The company's core capital adequacy target is 13.0 % and total capital adequacy ratio exceeds 16.5 %.

The prospects ahead

Unemployment (completely unemployed) remains low within the region, with a total unemployment rate of 2.1% at Helgeland at the end of the quarter. This is the same with Nordland county, while the national average was 2.4%. It is expected that the low level of unemployed will persist.

There has been an increase in the prices of detached houses in the quarter in Helgeland and while the prices of apartments increase somewhat less.

12 months As of February, credit growth in Norway for the retail market was 5.8%. The growth in Helgeland Boligkreditt AS is adapted to the parent bank's borrowing needs and will continue to be at a higher level than the credit growth in Norway and Helgeland. Work is continuously being done to facilitate further purchases of mortgage loans from the parent bank, as well as the issuance of covered bonds.

Interest rate changes have been decided with effect from May as a result of the interest rate increase in Norges Bank. The interest rate change will have a positive effect on the net interest rate.

Mo i Rana, April 30th 2019

Hanne Nordgaard
Chairman

Dan Hugo Heimstad
Deputy Chairman

Håkon Stanghelle

Sverre Klausen

Lena Båtstrand
General Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	31.03.19	31.03.18	31.12.18
Interest income fom assets measured at amortized cost	3	52 846	45 487	190 718
Interest income fom assets measured at real value	3		0	
Interest payable and similar costs	3	33 755	24 384	112 802
Net interest- and credit commission income		19 091	21 103	77 916
Commissions receivable and income from banking services		5	5	18
Commissions payable and costs relating to banking services			0	
Net commission income		5	5	18
Net value change gains/losses on financial assets		52	229	651
Operating costs	4	2 596	2 474	10 314
Impairment on loans and guarantees	5	272	-134	-124
Profit from ordinary operations		16 280	18 997	68 395
Gross profit		16 280	18 997	68 395
Tax payable on ordinary result		3 648	4 317	15 726
Net profit		12 632	14 680	52 669
Result per share in NOK	17	23	27	98
Diluted result per share in NOK	17	23	27	98
Extended income				
Net profit		12 632	14 680	52 669
Net change in value of financial assets over equity		0	0	0
Total period for the period		12 632	14 680	52 669

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	31.03.19	31.03.18	31.12.18
ASSETS				
Loans to and claims on credit institutions	11	407 033	425 058	414 457
Loans to and claims on customers	6,7,8,9,10	7 492 541	6 790 261	7 383 826
Certificates		24 943	49 950	24 957
Other assets			0	
Total assets		7 924 517	7 265 269	7 823 240
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	516 113	980 832	708 965
Borrowings through the issuance of securities	13,14	6 835 740	5 706 861	6 497 568
Other liabilities		11 976	14 800	15 979
Total liabilities		7 363 829	6 702 493	7 222 512
Paid-in equity capital	15,16,17	540 010	540 010	540 010
Accrued equity capital/retained earnings	17	20 678	22 766	60 718
Net profit		560 688	562 776	600 728
Total equity capital		7 924 517	7 265 269	7 823 240

CHANGE IN EQUITY

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.18	540 000	10	52 892	592 902
Change account prinsipp			-198	-198
Implementing IFRS 9			4 226	4 226
Paid out			-48 871	-48 871
Group contribution deduction			52 669	52 669
Equity capital as at 31.12.18	540 000	10	60 718	600 728

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.19	540 000	10	60 718	600 728
	0			-4
Paid out			-52 668	-52 668
Profit			12 632	12 632
Equity capital as at 31.03.19	540 000	10	20 682	560 688

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	31.03.19	31.03.18	31.12.18
Change in lending to customers	-108 992	-157 117	-750 688
Interest income lending to customers	52 149	44 908	188 416
Change deposits from customers	-192 853	-43 557	-315 423
Interest cost deposit from customers	-3 477	-4 858	-17 108
Change certificates and bonds	0	0	25 012
Interest income certificates and bonds	0	0	0
Comission income	4	5	11
Payments relating to operations	-2 596	-2 474	-10 313
Paid tax	-15 050	-11 608	-11 608
Other cutoffs	7 465	7 174	-3 039
A Net liquidity change from operating activities	-263 350	-167 527	-894 740
Long-term investments in shares	0	0	0
Income sale of long-term investments in shares	0	0	0
Dividend from long-term investments in shares	0	0	0
B Liquidity change from financial activities	0	0	0
New borrowing through issuance of securities	701 353	300 000	2 447 000
Repayments - issued securities	-362 479	-69 790	-1 424 000
Interest payments borrowing through issuance of securities	-30 279	-19 526	-95 694
New share capital	0	0	0
Dividend to share owners	-52 669	-48 871	-48 871
C Net liquidity change financing	255 926	161 813	878 435
A+B+C Net liquidity change in the period	-7 424	-5 714	-16 305
Liquid funds at the start of the period	414 457	430 762	430 762
Liquid funds at the end of the period	407 033	425 048	414 457
Liquid funds specified	-7 424	-5 714	-16 305
Balances with credit institutions without notice periods	407 033	279 981	414 457

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

The interim financial statements have been reported in accordance with IFRS and have not been audited. The accounting principles are described in the annual accounts for 2018. Interim report complies with IAS 34 and has not been audited.

NOTE 2. SEGMENT

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

NOTE 3. NET INTEREST INCOME

	31.03.19	31.03.18	31.12.18
Interest income of lending to and claims on credit institutions	696	579	2 302
Interest income of lending to and claims on customers	52 149	44 908	188 416
Total interest income	52 845	45 487	190 718
Interest expense on liabilities to credit institutions	3 477	4 858	17 108
Interest expense on issued securities	30 278	19 526	95 694
Other interest expenses		0	
Total interest expenses	33 755	24 384	112 802
Net interest income	19 090	21 103	77 916

NOTE 4. OPERATING COSTS

	31.03.19	31.03.18	31.12.18
Management fee and wage general manager	2 000	1 815	7 548
Other administration costs		0	33
Total wages and administration costs	2 000	1 815	7 581
Other operating costs	596	659	2 733
Total operating costs	2 596	2 474	10 314

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	31.03.19	31.03.18	31.12.18
Periodic change in individual write-downs		0	0
Periodic change in write-downs on groups of loans		0	0
Periodens endring i nedskrivninger trinn 1-3	272	-133	-124
Periodic losses on loans covered by previous write-downs		0	0
Periodic losses on loans not covered by previous write-downs		0	0
Periodic entrance of former confirmed losses		0	0
Write-downs on commitments etc.	272	-133	-124

Deduction for loss and loss cost is calculated in accordance to new accounting standard IFRS 9, method is explained in the annual report note 9.

NOTES

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	31.03.19	%	31.03.18	%
Helgeland	5 853 811	78.1 %	5 312 785	78.2 %
Areas other than Helgeland	1 622 875	21.7 %	1 465 534	21.6 %
International ¹⁾	17 268	0.2 %	13 072	0.2 %
Total	7 493 954	100 %	6 791 391	100 %

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

NOTE 7. LENDING

IFRS 9 and expected write-downs on loans are described in note 1 in the quarterly report. The standard replaces previously standard IAS 39. Reference is made to the supplementary commentary under accounting principles, note 1 and note 2.1.1 in the annual report for 2018.

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.

NOTES

31.03.19	Step 1	Step 2	Step 3		
Gross lending	Expected loss over 12 months	Expected loss over the instruments life	Expected loss over the instruments life	Expected loss over the instruments life	Total
Gross lending pr. 01.01.19	7 098 140	286 822	0	0	7 384 962
New loans / credits / guarantees	650 000	19 000	0	0	669 000
Transfers from step 1 to step 2	-165 000	164 000	0	0	-1 000
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	129 000	-130 000	0	0	-1 000
Reduced portfolio	-452 961	-29 000	-1 497	0	-483 458
	0	0	0	0	0
Other adjustments	-73 000	-1 550	0	0	-74 550
Gross lending pr. 31.03.19	7 186 179	309 272	-1 497	0	7 493 954
Unused drafts, guarantees etc.	468 000	6 562	-	-	474 562

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

31.03.18	Step 1	Step 2	Step 3		
Gross lending	Expected loss over 12 months	Expected loss over the instruments life	Expected loss over the instruments life	Expected loss over the instruments life	Total
Gross lending pr. 01.01.18	6 390 475	242 300	1 500	0	6 634 275
New loans / credits / guarantees	764 600	19 500	0	0	784 100
Transfers from step 1 to step 2	-133 300	131 200	0	0	-2 100
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	97 300	-98 100	0	0	-800
Reduced portfolio	-490 737	-12 300	0	0	-503 037
	0	0	0	0	0
Other adjustments	-120 247	-800	0	0	-121 047
Gross lending pr. 31.03.18	6 508 091	281 800	1 500	0	6 791 391
Unused drafts, guarantees etc.	448 146	1 335	-	-	449 481

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

NOTES

31.03.19	Step 1	Step 2	Step 3		
Tapsavsetninger	Expected loss over 12 months	Expected loss over the instruments life	Expected loss over the instruments life	Expected loss over the instruments life	Total
Loss deduction pr. 01.01.19	421	715	0	0	1 136
New loans / credits / guarantees	19	-70	-10	0	-60
Transfers from step 1 to step 2	-25	653	0	0	629
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	23	-414	0	0	-391
Reduced portfolio	-28	-82	0	0	-110
Other adjustments	112	96	0	0	209
Loss deduction pr. 31.03.19	523	900	-10	0	1 413

31.03.18	0	0	0		
Tapsavsetninger	Expected loss over 12 months	Expected loss over the instruments life	Expected loss over the instruments life	Expected loss over the instruments life	Total
Loss deduction pr. 01.01.19	400	900	100	0	1 400
New loans / credits / guarantees	170	225	0	0	395
Transfers from step 1 to step 2	-20	300	0	0	280
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	9	-200	0	0	-191
Reduced portfolio	-252	-194	-82	0	-528
Other adjustments	-24	-100	-100	0	-224
Loss deduction pr. 31.03.19	283	931	-82	0	1 131

Lending	31.03.19	31.03.18	31.12.18
Lending to customers	7 484 424	6 783 440	7 376 628
Accureds interests	9 530	7 951	8 334
Gross lending to customers	7 493 954	6 791 391	7 384 962
Individual write-downs	0	0	0
Lending to customers after individual write-downs	7 493 954	6 791 391	7 384 962
Write down	-1 413	-1 131	-1 136
Lending to and claims on customers, to amortized cost	7 492 541	6 790 260	7 383 826

NOTES

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	31.03.19	31.03.18	31.12.18
Unutilised credit	474 562	449 481	477 888
Guarantees	0	0	0
Total conditional liabilities	474 562	449 481	477 888

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.03.19	31.03.18	31.12.18
Gross defaulted commitments over 90 days	0	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	0	0	0

NOTE 10. LENDING AND EXPECTED LOSS DIVIDED ON INDUSTRY

31.03.19	Lending to amortized cost and fair value (OCI)							
	Gross lending		Forventet tap			Gross lending	Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value (FVOCI)	Fair value (FVOCI)	Total	
Total corporate market	147 223	-26	-165	0	0	0	0	147 032
Total retail market	7 348 144	-375	-846	0	0	0	0	7 346 922
Total	7 495 366	-401	-1 011	0	0	0	0	7 493 954
Expected loss off balance RM		-8	0			0		
Expected loss off balance CM		-1	0			0		

31.03.18	Lending to amortized cost and fair value (OCI)							
	Gross lending		Forventet tap			Gross lending	Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value (FVOCI)	Fair value (FVOCI)	Total	
Total corporate market	135 358	-35	-91	0	0	0	0	135 232
Total retail market	6 657 164	-318	-687	0	0	0	0	6 656 159
Total	6 792 522	-353	-778	0	0	0	0	6 791 391
Expected loss off balance RM		-10	0	0		0		
Expected loss off balance CM		0	0	0		0		

NOTES

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	31.03.19	31.03.18	31.12.18
Liabilities to credit institutions without agreed maturity	407 033	425 058	414 457
Total lending to and claims on credit institutions	407 033	425 058	414 457
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	31.03.19	31.03.18	31.12.18
Without agreed maturity	516 113	980 832	708 965
Total liabilities to credit institutions	516 113	980 832	708 965

The debt is entirely related to the parent bank Helgeland Sparebank

The Company has a credit facility (maturing > one year) of 1 500 million. As of 30/09/18 the idle frame was 870 million.

In addition, the company has an unused credit facility of 1,500 million (with maturities > one year) intended to cover payment obligations in the cover for a rolling 12 month period.

NOTE 13. DERIVATIVES

All funding is FRN and it has not been agreed any derivative agreements within the company.

NOTES

NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

Liabilities through issuance of securities are valued at amortized cost.

ISIN code	Current	Par value	Own hold.	Interest	Admission	Maturity	Soft call	31.03.19
NO0010709355 NOK	500	000		Flytende 3mnd. Nibor+0,40	2014	2020	2021	500 467
NO0010724065 NOK	500	000		Flytende 3mnd. Nibor+0,30	2014	2021	2022	500 162
NO0010748601 NOK	500	000	370 000	Flytende 3 mnd.Nibor+0,78	2015	2019	2020	130 265
NO0010740673 NOK	500	000		Flytende 3 mnd.Nibor+0,49	2015	2020	2021	500 657
NO0010764897 NOK	500	000		Flytende 3 mnd.Nibor+0,86	2016	2021	2022	500 632
NO0010769920NOK	500	000		Flytende 3 mnd.Nibor+0,78	2016	2021	2022	500 456
NO0010782774NOK	500	000		Flytende 3 mnd.Nibor+0,52	2017	2022	2023	500 018
NO0010804008NOK	500	000		Flytende 3 mnd.Nibor+0,45	2017	2021	2022	500 010
NO0010785843NOK	500	000		Flytende 3 mnd.Nibor+0,64	2017	2022	2023	500 241
NO0010810278 NOK	500	000		Flytende 3 mnd.Nibor+0,41	2017	2021	2022	500 356
NO0010819568 NOK	500	000		Flytende 3 mnd.Nibor+0,40	2018	2022	2023	499 768
NO0010826415 NOK	500	000		Flytende 3 mnd.Nibor+0,47	2018	2022	2023	500 546
NO0010831290 NOK	500	000		Flytende 3 mnd.Nibor+0,42	2018	2023	2024	500 014
NO0010839434 NOK	500	000		Flytende 3 mnd.Nibor+0,55	2018	2023	2024	500 515
NO0010847080NOK	200	000		Flytende 3 mnd.Nibor+0,48	2019	2024	2025	201 549
Total listed covered bonds								6 835 656

All loans have soft call one year before maturity.

ISIN code	Current	Par value	Own hold.	Interest	Admission	Maturity	Soft call	31.03.18
NO0010686710 NOK	500	000		Flytende 3mnd. Nibor+0,50	2013	2019	2020	500 574
NO0010709355 NOK	500	000		Flytende 3mnd. Nibor+0,40	2014	2020	2021	500 224
NO0010724065 NOK	500	000		Flytende 3mnd. Nibor+0,30	2014	2021	2022	500 706
NO0010748601 NOK	500	000		Flytende 3 mnd.Nibor+0,78	2015	2019	2020	501 192
NO0010740673 NOK	500	000		Flytende 3 mnd.Nibor+0,49	2015	2020	2021	500 225
NO0010764897 NOK	500	000		Flytende 3 mnd.Nibor+0,86	2016	2021	2022	500 203
NO0010769920NOK	500	000		Flytende 3 mnd.Nibor+0,78	2016	2021	2022	500 434
NO0010782774NOK	300	000		Flytende 3 mnd.Nibor+0,52	2017	2022	2023	500 943
NO0010804008NOK	500	000		Flytende 3 mnd.Nibor+0,45	2017	2021	2022	500 644
NO0010785843NOK	500	000		Flytende 3 mnd.Nibor+0,64	2017	2022	2023	500 557
NO0010810278NOK	500	000	100 000	Flytende 3 mnd.Nibor+0,41	2017	2021	2022	401 011
NO0010819568NOK	300	000		Flytende 3 mnd.Nibor+0,42	2018	2022	2023	300 148
Total listed covered bonds								5 706 861

Issue NO0010660640 MNOK 97.

All loans have soft call one year before maturity.

All loans have soft call one year before final maturity.

	31.03.19	31.03.18
Total listed bonds	6 835 740	5 706 861
Loans secured by property	7 418 535	6 712 988
Claims that constitutes cover pool (inc. Interests)	407 033	425 058
Total cover pool	7 825 568	7 138 046
Cover pool capacity utilization	989 828	1 431 185
Cover pool capacity utilization %	15 %	25 %
Cover pool capacity utilization %, own share covered bonds deducted	9 %	23 %

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

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

NOTES

NOTE 15. CAPITAL ADEQUACY

	31.03.19	31.03.18	31.12.18
Total paid-in capital	540 010	540 010	540 010
Total accrued equity capital/retained earnings	23 349	22 766	60 719
Additional	0	0	0
Deduction	-15 327	-14 680	-52 667
Total core capital	548 032	548 096	548 062
Total net supplementary capital	0	0	0
Total net equity and related capital	548 032	548 096	548 062
Weighted asset calculation basis	3 025 364	2 724 665	2 954 987
Capital adequacy ratio	18.11 %	20.12 %	18.55 %
Of which core capital accounted for	18.11 %	20.12 %	18.55 %

	31.03.19	31.03.18	31.12.18
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	81 407	85 012	82 891
Enterprises	0	0	0
Mass market loans	52 718	97 723	15 387
Loans secured by real property	2 760 836	2 421 053	2 726 072
Loans overdue	0	0	0
Other loans and commitments	0	0	233
Capital requirement credit risk	2 894 960	2 603 788	2 824 583
Capital requirement operational risk	130 404	120 877	130 404
Deduction from capital requirement	0	0	0
Total capital requirement	3 025 364	2 724 665	2 954 987

NOTE 16. SHARE CAPITAL

The share capital is 540 MNOK. The shares has a face value of NOK 1 000, and Helgeland Sparebank owns all the shares.

NOTE 17. RESULT PER SHARE

	31.03.19	31.03.18	31.12.18
Result so far this year	12 632	14 680	52 668
Number of shares	540 000	540 000	540 000
Result per share in NOK	23	27	98
Diluted result per share in NOK	23	27	98

NOTES

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

The information is provided regarding to IAS 24 concerning the disclosure of related parties. Helgeland Boligkreditt AS is a wholly owned subsidiary of Helgeland Sparebank and is defined as a related party regarding the accounting standard. Transactions between the company and the parent bank are made in accordance with regular business conditions and principles. Office support and management of the loans are mainly bought services from Helgeland Sparebank. It has been agreed upon an operation agreement between the companies.

Intragroup transactions	31.03.19	31.03.18	31.12.18
Profit and loss account			
Interest income and similar income	697	579	2 302
Interest expense and similar expense	3 477	4 858	17 108
Management fee	2 000	1 815	7 548
Balance sheet			
Lending and claims on credit institutions	407 033	425 058	414 457
Liabilities to credit institutions	516 113	980 832	708 965
Liabilities from issue of securities	0	0	0

NOTE 19. KEY FIGURES

	31.03.19	31.03.18	31.12.18
Profit & Loss Account			
Gross profit (NOK 1.000)	12 632	14 680	52 669
Net interest as a % of average assets	0.99 %	1.19 %	1.05 %
Operation cost as a % of income	13.6 %	11.7 %	12.2 %
Net profit as a % of average assets	0.65 %	0.83 %	0.71 %
Balance sheet			
Gross lending (NOK 1.000)	7 493 954	6 791 391	7 384 962
Collective write-downs as a % of lending	0.0 %	0.0 %	0.0 %
12 months growth in customer lending	10.3 %	16.6 %	11.3 %
Total assets (NOK 1.000 kr)	7 823 240	7 265 269	7 823 240
Average total assets	7 849 327	7 186 666	7 434 347
Solidity			
Rate of return on equity capital	9.3 %	9.9 %	9.0 %
Core tier one Capital (NOK 1.000)	548 032	549 096	548 062
Core tier one Capital ratio	18.1 %	20.1 %	18.5 %
LR (Leverage Ratio)	6.7 %	7.3 %	6.8 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	989 828	1 431 185	1 242 039
Surplus value of cover pool (%)	15 %	25 %	19 %
Indexed LTV	56 %	55 %	56 %
Propotion of variable-rate loans	100 %	100 %	100 %
Propotion of flexible mortgages*)	11 %	14 %	11 %
Average loan value (NOK 1.000)	1 138	1 055	1 138
Number of loans	6 576	6 411	6 486
Remaining maturity - weighted average (year)	20.4	19.3	22.3
Seasoning - weighted average (year)	2.6	2.7	2.5

*) Calculated from the drawn amount

Elected representatives and senior management in Helgeland Boligkreditt AS

The General Meeting:

Helgeland Sparebank v/CEO Hanne J. Nordgaard

Board of Directors:

Hanne Nordgaard, Chairman
Dag Hugo Heimstad, Deputy Chairman
Sverre Klausen
Håkon Stanghelle

Contact information

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Investor Relations

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Tore Stamnes, Head of Treasury, telephone +47 415 08 660

Other sources:

Annual reports:

Helgeland Boligkreditt AS is part of the Helgeland Sparebank group. Annual reports are available under investor relations information at www.hsb.no

Interim reports

Quarterly reports are available at www.hsb.no