



HELGELAND
BOLIGKREDITT

En drivkraft for vekst på Helgeland



FINANCIAL REPORT FIRST QUARTER 2020

Helgeland Boligkreditt AS,

Preliminary accounts as of first quarter 2020.

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 so far this year

Gross profit was MNOK 20.2 (16.3). This is MNOK 3.9 higher than the same period last year.

Net profit was MNOK 15.7 (12.6) which gives a return on equity of 10.5 (9.3) %.

The company is well capitalized with Core tier one Capital ratio of 17.3 (18.1) %.

Key figures per 31.03.20 (31.03.19)

- Net interest MNOK 22.9 (19.1)
- Operation costs MNOK 2.8 (2.6)
- Return on equity 10.5 (9.3) %
- CET1 capital ratio 17.3 (18.1) %
- Cover pool ratio of fullness 18 (15) %
- Indexed LTV 56 (56) %

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 8 215 as of 31.03.2020. This is an increase of MNOK 290 compared to the same period last year.

Cover pool

By the end of the quarter the mortgage company had mortgages of MNOK 7 753 (7 494). 77.0 (78.1) % of the mortgages are lent to customers in the Helgeland region.

The lending has increased by MNOK 259 (703) or 3.5 (10.3) % the past 12 months. All the mortgages have floating interest rates, and 11 (11) % 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 7 677 (7 419).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 343 as per 31.03.20 is fully included in the supplementary security.

Statutory bill of MNOK 100 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 6 773 (6 836), as well as long term credit from Helgeland Sparebank.

MNOK 80 of the covered bonds is in the parent company's ownership.

The company's debt in finance institutions amounts to MNOK 864 (516) 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 18 (15) %.

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.

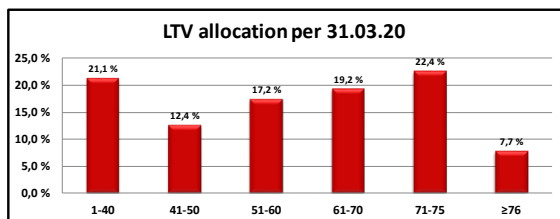
The company has had no individual write downs or established losses.

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 (56) %. 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 96.4 (98.1) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 3.2 (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.

Operational 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 31.03.20 was 17.3 (18.1) % and consists exclusively of a CET1 capital of MNOK 548.

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

The corona pandemic has had large effect on Norwegian and international economy. By the end of the quarter, large parts of the economy are affected by a partly closedown as a consequence of the preventive measures to reduce the spreading of the virus. The total effect of the corona pandemic is uncertain. The uncertainty is mainly related to the time perspective and the measures initiated, both nationally and internationally. The crisis has by the end of the quarter had little effect on the mortgage company. Stable housing market and relative low unemployment considering the crisis indicate that the total effect will be little or moderate for the company.

The turnover of housing in Helgeland has in the first quarter been on the same level as the "normal year" 2017. When it comes to the price on sold housing, these are quite stable with corresponding season variations. The housing market in Helgeland, especially in Mosjøen and Mo I Rana, can be characterized as well functioning. The turnover speed has decreased some and is now between 35-60 days. The prices are approximately on tariff/valuation. Covid-19 is not expected to result in significant changes in price development in Helgeland, but the price growth will probably slow down.

Unemployment is proportionately low in Helgeland, with 7.3% against 10.7 % nationally. Helgeland has several projects in the public sector that could contribute to a faster conversion when the society reopens.

The Board considers the company to have a solid cover pool and that Helgeland Boligkreditt AS still will deliver stable results and be a good source for long term funding.

Mo I Rana, April 28th 2020

Hanne Nordgaard
Chairman

Dan Hugo Heimstad
Deputy Chairman

Håkon Stanghelle

Sverre Klausen

Sten Ove Lisø
General Manager

TABLE OF CONTENTS:

PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET.....	6
CHANGE IN EQUITY	7
CASH FLOW STATEMENT.....	8
NOTE 1. ACCOUNTING PRINCIPLES	9
NOTE 2. SEGMENT	9
NOTE 3. NET INTEREST INCOME.....	9
NOTE 4. OPERATING COSTS.....	9
NOTE 5. WRITE DOWNS ON LENDING.....	9
NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO.....	10
NOTE 7. LENDING.....	10
NOTE 8. GUARANTEES AND COMMITMENTS	13
NOTE 9. DOUBTFUL LOANS AND COMMITMENTS.....	13
NOTE 10. LENDING AND EXPECTED LOSS DIVIDED ON INDUSTRY.....	13
NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS	14
NOTE 13. DERIVATIVES.....	14
NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES	15
NOTE 15. CAPITAL ADEQUACY	16
NOTE 16. SHARE CAPITAL	16
NOTE 18. TRANSACTIONS WITH RELATED PARTIES	17
NOTE 19. KEY FIGURES	17

PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	31.03.20	31.03.19	31.12.19
Interest income fom assets measured at amortized cost	3	66 856	52 846	238 646
Interest income fom assets measured at real value	3			
Interest payable and similar costs	3	44 004	33 755	157 090
Net interest- and credit commission income		22 852	19 091	81 556
Commissions receivable and income from banking services		7	5	23
Net commission income		7	5	23
Net value change gains/losses on financial assets		-193	52	-4 969
Operating costs	4	2 769	2 596	11 644
Impairment on loans and guarantees	5	-308	272	1 407
Profit from ordinary operations		20 205	16 280	63 559
Gross profit		20 205	16 280	63 559
Tax payable on ordinary result		4 487	3 648	13 949
Net profit		15 718	12 632	49 610
Profit per share in NOK	17	29	23	92
Diluted profit per share in NOK	17	29	23	92
Extended income				
Net profit		15 718	12 632	49 610
Total period for the period		15 718	12 632	49 610

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	31.03.20	31.03.19	31.12.19
ASSETS				
Loans to and claims on credit institutions	11	343 368	407 033	399 994
Loans to and claims on customers	6,7,8,9,10	7 750 622	7 492 541	7 597 523
Certificates		99 922	24 943	49 896
Financial derivatives		20 654		
Total assets		8 214 566	7 924 517	8 047 413
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	864 493	516 113	682 159
Borrowings through the issuance of securities	13,14	6 772 869	6 835 740	6 744 816
Financial derivatives				7 428
Other liabilities		12 982	11 976	15 160
Total liabilities		7 650 344	7 363 829	7 449 563
Paid-in equity capital	15,16,17	540 010	540 010	540 010
Accrued equity capital/retained earnings	17	24 212	20 678	57 840
Accrued equity capital/retained earnings		564 222	560 688	597 850
Total equity capital		8 214 566	7 924 517	8 047 413

CHANGE IN EQUITY

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity	Total
Equity 01.01.19	540 000	10	60 718	600 728
Fund unrealized gains			180	180
Paid out			-52 669	-52 669
Allocated dividend			49 610	49 610
Equity as at 31.12.19	540 000	10	57 840	597 850

	Share capital	Premium fund	Other equity	Total
Equity 01.01.20	540 000	10	57 840	597 850
Fund unrealized gains			264	264
Paid out			-49 610	-49 610
Profit of the year			15 718	15 718
Equity as at 31.03.20	540 000	10	24 212	564 222

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	31.03.20	31.03.19	31.12.19
Change in lending to customers	-152 790	-108 992	-215 106
Interest income lending to customers	66 168	52 149	253 854
Change deposits from customers	182 334	-192 853	-26 806
Interest cost deposit from customers	-4 207	-3 477	-15 751
Change certificates and bonds	-50 000	0	-25 000
Interest income certificates and bonds	0	0	0
Comission income	7	4	23
Payments relating to operations	-2 769	-2 596	-11 643
Paid tax	-13 847	-15 050	-15 050
Other cutoffs	7 584	7 465	4 142
A Net liquidity change from operating activities	32 480	-263 350	-51 337
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	0	701 353	3 776 698
Repayments - issued securities	0	-362 479	-3 546 874
Interest payments borrowing through issuance of securities	-39 496	-30 279	-140 281
Dividend to share owners	-49 610	-52 669	-52 669
C Net liquidity change financing	-89 106	255 926	36 874
A+B+C Net liquidity change in the period	-56 626	-7 424	-14 463
Liquid funds at the start of the period	399 994	414 457	414 457
Liquid funds at the end of the period	343 368	407 033	399 994
Liquid funds specified	-56 626	-7 424	-14 463
Balances with credit institutions without notice periods	343 368	407 033	399 994

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 2019. 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

	31.03.20	31.03.19	31.12.19
Interest income of lending to and claims on credit institutions	688	696	2 792
Interest income of lending to and claims on customers	66 168	52 150	235 854
Total interest income	66 856	52 846	238 646
Interest expense on liabilities to credit institutions	4 208	3 477	15 751
Interest expense on issued securities	39 796	30 278	141 339
Other interest expenses			
Total interest expenses	44 004	33 755	157 090
Net interest income	22 852	19 091	81 556

NOTE 4. OPERATING COSTS

	31.03.20	31.03.19	31.12.19
Management fee and wage general manager	2 041	2 000	8 199
Other administration costs			33
Total wages and administration costs	2 041	2 000	8 232
Other operating costs	728	596	3 411
Total operating costs	2 769	2 596	11 643

NOTE 5. WRITE DOWNS ON LENDING

	31.03.20	31.03.19	31.12.19
Losses on loans			
Periodic changes in write-downs step 1-3	-308	272	1.407
Periodic losses on loans covered by previous write-downs	0	0	0
Periodic losses on loans not covered by previous write-downs	0	0	0
Periodic entrance of former confirmed losses	0	0	0
Write-downs on commitments etc.	-308	272	1.407

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	31.03.20	%	31.03.19	%
Helgeland	5 969 749	77.0 %	5 853 811	78.1 %
Areas other than Helgeland	1 768 804	22.8 %	1 622 875	21.7 %
International ¹⁾	14 305	0.2 %	17 268	0.2 %
Total	7 752 858	100 %	7 493 954	100 %

NOTE 7. LENDING

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.

As a consequence of the corona pandemic, the company has made changes related to the loss model. The changes have mainly been related to an increase in PD in the model calculations. Helgeland Boligkreditt has security in real estate, and the real estate prices is expected to be relatively stable in Helgeland. This means that the effects of the corona pandemic has little effect on the write-downs in lending.

NOTES

31.03.20	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. 01.01.20	7 085 168	514 900	0	0	7 600 068
New loans / credits / guarantees	737 964	23 978	0	0	761 943
Transfers from step 1 to step 2	-344 737	342 333	0	0	-2 404
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	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	144 499	-146 194	0	0	-1 695
Reduced portfolio	-465 909	-71 122	0	0	-537 031
	0	0	0	0	0
Other adjustments	-66 721	-1 300	0	0	-68 022
Gross lending pr. 31.03.20	7 090 264	662 594	0	0	7 752 858
Unused drafts, guarantees etc.	513 506	4 679	-	-	518 185

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

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	-	-	477 888

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

NOTES

31.03.20	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. 01.01.20	389	2 156	0	0	2 545
New loans / credits / guarantees	35	-3	0	0	33
Transfers from step 1 to step 2	-43	875	0	0	832
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	36	-791	0	0	-755
Reduced portfolio	-31	-439	0	0	-470
Other adjustments	217	-165	0	0	52
Loss deduction pr. 31.03.20	603	1 633	0	0	2 236

31.03.19	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	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

Lending	31.03.20	31.03.19	31.12.19
Lending to customers	7 741 959	7 484 424	7 589 135
Accrued interests	10 899	9 530	10 933
Gross lending to customers	7 752 858	7 493 954	7 600 068
Individual write-downs	0	0	0
Lending to customers after individual write-downs	7 752 858	7 493 954	7 600 068
Write down	-2 236	-1 413	-2 545
Lending to and claims on customers, to amortized cost	7 750 622	7 492 541	7 597 523

NOTES

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	31.03.20	31.03.19	31.12.19
Unutilised credit	518 185	474 562	515 312
Guarantees	0	0	0
Total conditional liabilities	518 185	474 562	515 312

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.03.20	31.03.19	31.12.19
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

31.03.20 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	165 472	-37	-57	0	0		165 377
Total retail market	7 587 386	-566	-1 575	0	0	0	7 585 245
Total	7 752 858	-603	-1 633	0	0	0	7 750 622
Expected loss off balance RM		-9	-4				
Expected loss off balance CM		-1					

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	147 032
Total retail market	7 348 144	-375	-846	0	0	0	7 346 922
Total	7 495 366	-401	-1 011	0	0	0	7 493 954
Expected loss off balance RM		-8	0		0		
Expected loss off balance CM		-1	0		0		

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	31.03.20	31.03.19	31.12.19
Liabilities to credit institutions without agreed maturity	343 368	407 033	399 994
Total lending to and claims on credit institutions	343 368	407 033	399 994
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTES

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	31.03.20	31.03.19	31.12.19
Without agreed maturity	864 493	516 113	682 159
Total liabilities to credit institutions	864 493	516 113	682 159

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 31/03/20 the idle frame was 636 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

	31.03.20		
	Nominal value	Market value	
	Total	Assets	Commitments
Interest rate swaps- fixed interest rate loans			
Interest rate swaps- bank deposits with share Yield			
Total financial derivatives	0	0	0
Interest rate swaps – fixed interest rate with hedging	300 000	20 654	0
Total financial derivatives with hedging	300 000	20 654	0

	31.03.19		
	Nominal value	Market value	
	Total	Assets	Commitments
Interest rate swaps- fixed interest rate loans			
Interest rate swaps- bank deposits with share Yield			
Total financial derivatives	0	0	0
Interest rate swaps – fixed interest rate with hedging	0	0	0
Total financial derivatives with hedging	0	0	0

NOTES

NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

Liabilities through issuance of securities are valued at amortized cost.

Covered bonds:

ISIN code	Current	Par value	Own hold.		Interest	Admission	Maturity	Soft call	31.03.20
NO0010709355 NOK	30 000		20 000	Floating	3mnd. Nibor+0,40	2014	2020	2021	19 001
NO0010724065 NOK	500 000			Floating	3mnd. Nibor+0,30	2014	2021	2022	501 679
NO0010740673 NOK	26 000			Floating	3 mnd.Nibor+0,49	2015	2020	2021	27 987
NO0010764897 NOK	500 000			Floating	3 mnd.Nibor+0,86	2016	2021	2022	502 116
NO0010769920 NOK	500 000			Floating	3 mnd.Nibor+0,78	2016	2021	2022	502 226
NO0010782774 NOK	205 000			Floating	3 mnd.Nibor+0,52	2017	2022	2023	207 102
NO0010785843 NOK	500 000			Floating	3 mnd.Nibor+0,64	2017	2022	2023	502 323
NO0010804008 NOK	500 000			Floating	3 mnd.Nibor+0,45	2017	2021	2022	501 802
NO0010810278 NOK	500 000			Floating	3 mnd.Nibor+0,41	2017	2021	2022	501 954
NO0010819568 NOK	500 000			Floating	3 mnd.Nibor+0,40	2018	2022	2023	501 610
NO0010826415 NOK	500 000			Floating	3 mnd.Nibor+0,47	2018	2022	2023	500 900
NO0010831290 NOK	500 000			Floating	3 mnd.Nibor+0,42	2018	2023	2024	500 002
NO0010839434 NOK	500 000			Floating	3 mnd.Nibor+0,55	2018	2023	2024	500 916
NO0010847080 NOK	500 000			Floating	3 mnd.Nibor+0,48	2019	2024	2025	501 823
NO0010859986 NOK	500 000			Floating	3 mnd.Nibor+0,40	2019	2025	2026	501 044
NO0010865652 NOK	200 000			Floating	3 mnd.Nibor+0,43	2019	2025	2026	200 898
NO0010867864 NOK	300 000			Fixed	0.0222	2019	2029	2030	299 486
Total listed covered bonds									6 772 869

All loans have soft call one year before maturity.

Issue no: NO0010859986 MNOK 80

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

NOTES

	31.03.20	31.03.19
Total listed bonds	6 772 869	6 835 656
Loans secured by property	7 677 226	7 418 535
Claims that constitutes cover pool (inc. Interests)	343 368	407 033
Total cover pool	8 020 594	7 825 568
Cover pool capacity utilization	1 247 725	989 912
Cover pool capacity utilization %	18 %	15 %
Cover pool capacity utilization %, own share covered bonds deducted	18 %	9 %

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

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

NOTE 15. CAPITAL ADEQUACY

	31.03.20	31.03.19	31.12.19
Total paid-in capital	540 010	540 010	540 010
Total accrued equity capital/retained earnings	24 210	23 349	57 839
Additional	0	0	0
Deduction	-15 837	-15 327	-50 469
Total core capital	548 383	548 032	547 380
Total net supplementary capital	0	0	0
Total net equity and related capital	548 383	548 032	547 380
Weighted asset calculation basis	3 163 633	3 025 364	3 129 578
Capital adequacy ratio	17.33 %	18.11 %	17.49 %
Of which core capital accounted for	17.33 %	18.11 %	17.49 %

	31.03.20	31.03.19	31.12.19
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	72 472	81 407	79 999
Enterprises	0	0	0
Mass market loans	0	52 718	0
Loans secured by real property	2 874 218	2 760 836	2 829 548
Loans overdue	68 710	0	73 232
Other loans and commitments	0	0	0
Capital requirement credit risk	3 015 400	2 894 960	2 982 779
Capital requirement operational risk	143 534	130 404	143 534
Other deductions/additions to capital requirement	4 698	0	3 265
Total capital requirement	3 163 633	3 025 364	3 129 578

NOTE 16. SHARE CAPITAL

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

NOTE 17. PROFIT PER SHARE

	31.03.20	31.03.19	31.12.19
Result so far this year	15 718	12 632	49 610
Number of shares	540 000	540 000	540 000
Result per share in NOK	29	23	92
Diluted result per share in NOK	29	23	92

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	31.03.20	31.03.19	31.12.19
Profit and loss account			
Interest income and similar income	688	697	2 792
Interest expense and similar expense	4 208	3 477	15 751
Management fee	2 041	2 000	8 199
Balance sheet			
Lending and claims on credit institutions	343 368	407 033	399 994
Liabilities to credit institutions	864 493	516 113	682 159
Liabilities from issue of securities	80 000	0	80 000

NOTE 19. HENDELSER ETTER BALANSEDAGEN

The corona pandemic continues also in second quarter, and is expected to gain effects throughout the year. Upon submission of the quarterly report, there is little infection in Helgeland, but the measures still affect the market. Helgeland Boligkreditt has good security in the shape of mortgage in real estate, and there are no indications on significant value decline in real estate as a consequence of the pandemic and related measures.

NOTE 20. KEY FIGURES

	31.03.20	31.03.19	31.12.19
Profit & Loss Account			
Gross profit (NOK 1.000)	15 718	12 632	49 610
Net interest as a % of average assets	1.14 %	0.99 %	1.01 %
Operation cost as a % of income	12.1 %	13.6 %	14.3 %
Net profit as a % of average assets	0.79 %	0.65 %	0.62 %
Balance sheet			
Gross lending (NOK 1.000)	7 752 858	7 493 954	7 600 068
Collective write-downs as a % of lending	0.0 %	0.0 %	0.0 %
12 months growth in customer lending	3.5 %	10.3 %	2.9 %
Total assets (NOK 1.000 kr)	8 214 566	7 924 517	8 047 413
Average total assets	8 016 865	7 849 327	8 037 543
Solidity			
Rate of return on equity capital	10.5 %	9.3 %	8.3 %
Core tier one Capital (NOK 1.000)	548 383	548 032	547 380
Core tier one Capital ratio	17.3 %	18.1 %	17.5 %
LR (Leverage Ratio)	6.4 %	6.7 %	6.6 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	1 247 725	989 828	1 167 028
Surplus value of cover pool (%)	18 %	15 %	17 %
Indexed LTV	56 %	56 %	57 %
Proportion of variable-rate loans	100 %	100 %	100 %
Proportion of flexible mortgages*)	11 %	11 %	11 %
Average loan value (NOK 1.000)	1 144	1 138	1 133
Number of loans	6 748	6 576	6 687
Remaining maturity - weighted average (year)	20.7	20.4	20.5
Seasoning - weighted average (year)	2.8	2.6	2.8

*) Calculated from the drawn amount

Elected representatives and senior management in Helgeland Boligkreditt AS

The General Meeting:

Helgeland Sparebank v/CEO Hanne Nordgaard

Board of Directors:

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

Contact information

Helgeland Sparebank

Address: PO Box 68, N-8601 Mo i Rana
Organization no.: 937 904 029
www.hsb.no

Helgeland Boligkreditt AS

Address: PO Box 68, N-8601 Mo i Rana
Organization no.: 993 359 696
www.hsb.no

Investor Relations

Sverre Klausen, CFO, telephone +47 916 88 286
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