



financial report

first half year and 2 quarter 2018



Helgeland Boligkreditt AS,

Preliminary accounts 1st half year and 2nd quarter 2018.

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. New general manager is hired from Helgeland Sparebank from 01.07.18,

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 30.06.18

Profit before tax was MNOK 34.8 (27.8). This is MNOK 7.0 higher than the same period last year. This is mainly related to increased net interest. The company has higher lending volume and net interest on lending has increased by mnok 9.9, while interest expenses on funding has increased by MNOK 2.7.

Operating cost was MNOK 5.6 (4.9).

Expected write-downs on lending are expensed by MNOK 0.1.

Net profit was MNOK 26.8 (20.8). This gives a return on equity of 9.2 (10.1) %. New equity added in Q4 2017 has given lower ROE in 2018.

The company is well capitalized with Core tier one Capital ratio of 19.8 (16.3) %.

Key figures per 30.06.18 (30.06.17)

- Net interest MNOK 40.0 (32.7)
- Operation costs MNOK 5.6 (4.9)
- Return on equity 9.2 (10.1)%
- CET1 capital ratio 19.8 (16.3)%
- Cover pool ratio of fullness 20 (29)%
- Indexed LTV 54 (53)%

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 7 477 per 30.06.18. Of this, 93% of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had mortgages of MNOK 6 960 (5 897). 78.1 (79.1) % of the mortgages are lent to customers in the Helgeland region.

The lending has increased by MNOK 1 063 or 18.0 (20.3) % the past 12 months.

All the mortgages have floating interest rates, and 13 (15) % 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 6 912 (5 861).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 418 as per 30.06.18 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 6 127 (4 756), as well as long term credit from Helgeland Sparebank. Covered bonds at the face value of MNOK 100 (97) are in the parent bank's ownership.

The company's debt in finance institutions amounts to MNOK 763 (1 042) 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 20 (29) %.

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.

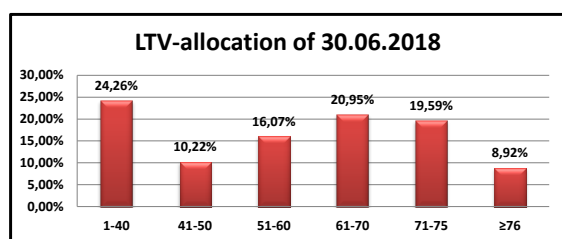
Lending in the cover pool fulfils the requirements of the financial services act, and is secured by collateral in real estate within 75% of prudent market value.

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 54 (53) %. 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 98.0 (88.3) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 3.3 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 30.06.18 is slightly higher than last year and was 19.8 (16.3) % and consists exclusively of a CET1 capital of MNOK 548.

The standard formula is used to calculate the capital requirements, and the basic indicator approach is used to calculate operational risk.

Macro and the prospects ahead

It has been good growth in Norwegian economy over the last year, and the unemployment rate continues to fall. The view for Norwegian economy suggests an interest rate increase during the autumn.

The unemployment rate remains low also within the region. Total unemployment rate in Helgeland by the end of the quarter was 1.5%. Nordland County had an unemployment rate of 1.7% and the national average was 2.2%.

Helgeland overall has a stable and versatile labor market with a combination of a solid export industry and larger government agencies, and the overall unemployment rate is still expected to remain at a relatively low level.

Average price increase for sold villas in the Helgeland region from Q1 to Q2 was -0.1% against the national average of 1.8%.

For sold apartments there was a price decrease of -4.4% in Helgeland. There was sold relatively more apartments in new cooperatives in Q1. In the same period, the prices in Oslo increased by 3.0 %.

Higher funding cost and strong competition regarding price on the mortgage interest are still pushing margins in Helgeland Boligkreditt AS. Costs and losses lie on a low level, and the board suggests that the company will have good earnings in the time ahead.

The growth in Helgeland Boligkreditt AS is determined by the parent bank's capital needs. There is ongoing work to facilitate further purchases of mortgages from the parent bank, as well as the issuance of covered bonds. This is necessary to maintain competitiveness in the Helgeland Sparebank Group.

STATEMENT UNDER THE SECURITIES TRADING ACT § 5-6

We declare that to the best of our knowledge the financial statements for the period January 1st to June 30th 2018 is prepared in accordance with the current accounting standards IAS 34 – interim reporting, and that the information in the financial statements give true and fair view of the company’s assets, liabilities, financial positions and result.

The interim report shows after our best conviction a true:

- overview over important events during the accounting period and their influence on the interim report.
- specifications of the most central risk- and uncertain factors the company faces during the next accounting period.
- specification of intimate’s considerable transactions.

Mo i Rana, August 14th 2018

Hanne J. Nordgaard
Chairman

Dan Hugo Heimstad
Deputy Chairman

Håkon Stanghelle

Ranveig Kråkstad

Lena Båtstrand
General Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	30.06.18	30.06.17	Q2/18	Q2/17	31.12.17
Interest income fom assets measured at amortized cost	3	92 146	82 197	46 659	42 206	170 182
Interest income fom assets measured at real value	3	0	0	0		
Interest payable and similar costs	3	52 189	49 518	27 805	24 580	95 860
Net interest- and credit commission income		39 957	32 679	18 854	17 626	74 322
Commissions receivable and income from banking services		10	7	5	4	14
Commissions payable and costs relating to banking services		0	106	0	0	0
Net commission income		10	-99	5	4	14
Net value change gains/losses on financial assets		316	152	87	152	152
Operating costs	4	5 604	4 941	3 130	2 809	9 301
Impairment on loans and guarantees	5	-87	0	47	0	900
Profit from ordinary operations		34 766	27 791	15 816	14 973	64 287
Gross profit		34 766	27 791	15 769	14 973	64 287
Tax payable on ordinary result		7 996	6 979	3 679	3 749	15 416
Net profit		26 770	20 812	12 090	11 224	48 871
Result per share in NOK	17	50	53			91
Diluted result per share in NOK	17	50	53			91
Extended income						
Net profit		26 770	20 812	12 090	11 224	48 871
Net change in value of financial assets over equity		0	0	0	0	0
Total period for the period		26 770	20 812	12 090	11 224	48 871

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	30.06.18	30.06.17	31.12.17
ASSETS				
Loans to and claims on credit institutions	11	418 370	280 086	430 762
Loans to and claims on customers	6,7,8,9,10	6 959 184	5 892 064	6 628 775
Certificates		99 776	49 635	49 968
Other assets			-4	
Total assets		7 477 330	6 221 781	7 109 505
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	763 023	1 042 420	1 024 389
Borrowings through the issuance of securities	13,14	6 126 849	4 756 363	5 476 143
Other liabilities		12 526	8 489	16 071
Total liabilities		6 902 398	5 807 272	6 516 603
Paid-in equity capital	15,16,17	540 010	390 010	540 010
Accrued equity capital/retained earnings	17	34 922	24 499	52 892
Net profit		574 932	414 509	592 902
Total equity capital		7 477 330	6 221 781	7 109 505

CHANGE IN EQUITY

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.17	390 000	10	36 991	427 001
Issued new share capital	150 000			150 000
Paid out			-32 970	-32 970
Group contribution deduction			48 871	48 871
Equity capital as at 31.12.17	540 000	10	52 892	592 902

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.18	540 000	10	52 892	592 902
Issued new share capital				0
Implementing IFRS 9			4 226	4 226
Paid out			-48 966	-48 966
Profit			26 770	26 770
Equity capital as at 30.06.18	540 000	10	34 922	574 932

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	30.06.18	30.06.17	31.12.17
Change in lending to customers	-326 086	-267 541	-1 005 251
Interest income lending to customers	90 995	81 421	170 180
Change deposits from customers	-261 366	62 307	44 277
Interest cost deposit from customers	-9 558	-9 359	-17 663
Change certificates and bonds	-49 432	-24 994	-24 994
Interest income certificates and bonds		0	1
Comission income	11	-99	14
Payments relating to operations	-5 604	-4 941	-9 301
Paid tax	-11 608	-12 700	-12 700
Other cutoffs	758	2 400	3 645
A Net liquidity change from operating activities	-571 890	-173 506	-851 792
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	1 100 000	1 334 535	3 195 000
Repayments - issued securities	-449 000	-1 100 535	-2 244 000
Interest payments borrowing through issuance of securities	-42 631	-40 159	-78 197
New share capital	0	0	150 000
Dividend to share owners	-48 871	-33 102	-33 102
C Net liquidity change financing	559 498	160 739	989 701
A+B+C Net liquidity change in the period	-12 392	-12 767	137 909
Liquid funds at the start of the period	430 762	292 853	292 853
Liquid funds at the end of the period	418 370	280 086	430 762
Liquid funds specified	-12 392	-12 767	137 909
Balances with credit institutions without notice periods	418 370	280 085	430 762

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

The financial statements are reported in accordance to IFRS and are not audited. The accounting principles are presented in the consolidated accounts for 2017. Effect from implementing IFRS 9 is described in note 1 and 9 in the annual report. Note 9 shows classification and measurement of financial instruments per 31.12.17 in accordance to IAS 39 and per 01.01.18 in accordance to IFRS 9. In addition, the note shows reconciliation of loss deductions IAS 39 and IFRS 9, together with effect on the equity by implementation. The company has chosen not to restate comparison numbers for 2017. For Helgeland Boligkreditt IFRS 9 have had consequences for the calculation of write-downs and also for accounting of value change on securities that has been classified as held available for sale in accordance to IAS 39. The value changes was earlier recognized in the OCI statement, but from 01.01.18 such value changes is recognized in the ordinary profit and loss statement.

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 personal 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

	30.06.18	30.06.17	Q2/18	Q2/17	31.12.17
Renteinntekter av utlån til og fordringer på kredittinstitusjoner	1 152	775	573	384	1 639
Renteinntekter av utlån til og fordringer på kunder	90 994	81 422	46 086	41 822	168 543
Sum renteinntekter	92 146	82 197	46 659	42 206	170 182
Renteutgifter på gjeld til kredittinstitusjoner	9 558	9 359	4 700	5 210	17 663
Renteutgifter på utstedte verdipapirer	42 631	40 159	23 105	19 370	78 197
Renteutgifter øvrige	0	0		0	0
Sum renteutgifter	52 189	49 518	27 805	24 580	95 860
Netto rente- og kredittprovisjonsinntekter	39 957	32 679	18 854	17 626	74 322

NOTE 4. OPERATING COSTS

	30.06.18	30.06.17	Q2/18	Q2/17	31.12.17
Management fee and wage general manager	3 673	3 208	1 858	1 627	6 676
Other administration costs	28	22	28	22	0
Total wages and administration costs	3 701	3 230	1 886	1 649	6 676
Other operating costs	1 903	1 711	1 244	1 160	2 625
Total operating costs	5 604	4 941	3 130	2 809	9 301

NOTES

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.06.18	30.06.17	31.12.17
Periodic change in individual write-downs		0	0
Periodic change in write-downs on groups of loans		0	900
Periodens endring i nedskrivninger trinn 1-3	-87	0	0
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.	-87	0	900

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. Numbers for corresponding period last year and 31.12.17 is stated in accordance to IAS 39 and will not be directly comparable with 2018.

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	30.06.18	%	30.06.17	%
Helgeland	5 433 036	78.1 %	4 666 664	79.1 %
Areas other than Helgeland	1 513 334	21.7 %	1 221 237	20.7 %
International ¹⁾	13 991	0.2 %	8 763	0.1 %
Total	6 960 361	100 %	5 896 664	100 %

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

NOTE 7. LENDING

Lending	30.06.18	30.06.17	31.12.17
Lending to customers	6 953 045	5 890 929	6 626 264
Accrued interests	7 316	5 735	8 011
Gross lending to customers	6 960 361	5 896 664	6 634 275
Individual write-downs	0	0	0
Lending to customers after individual write-downs	6 960 361	5 896 664	6 634 275
Group write-downs	-1 177	-4 600	-5 500
Lending to and claims on customers, to amortized cost	6 959 184	5 892 064	6 628 775

NOTES

Loss deduction in the balance

Change in balance posts from 01.01.18 to 30.06.18 in accordance to IFRS 9. The table shows write-downs both for balance posts (directed to the asset side) and unutilized credit and guarantees (directed to the debt side in the balance).

Note 9 in the annual report shows reconciliation of loss deduction IAS 39 and IFRS 9 by implementing 01.01.18. Effect by implementing against equity is also shown in note 9 in the annual report.

	Step 1	Step 2	Step 3	
	Expected loss over 12 months	Expected loss over the instruments life time	Expected loss over the instruments life time	Total
Loss deduction pr. 01.01.18	372	820	82	1 274
Transfers to step 1	214	-214	0	0
Transfers to step 2	-20	20	0	0
Transfers to step 3	-1	0	1	0
Net change	-240	317	47	124
New losses	86	47	0	133
Expected loss	-56	-215	-82	-353
Confirmed loss	0	0	0	0
Earlier confirmed loss	0	0	0	0
Change in risk model/parameters	0	0	0	0
Other adjustments	0	-1	0	-1
Loss deduction pr. 30.06.18	355	774	48	1 177
Gross lending	6 674 120	285 433	808	6 960 361

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	30.06.18	30.06.17	31.12.17
Unutilised credit	463 166	435 491	449 481
Guarantees	0	0	0
Total conditional liabilities	463 166	435 491	449 481

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.06.18	30.06.17	31.12.17
Gross defaulted commitments over 90 days	0	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	0	0	0

NOTES

NOTE 10. LENDING AND EXPECTED LOSS DIVIDED ON INDUSTRY

Lending to amortized cost and fair value (OCI)						
	Gross lending	Loss deductions			Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value (FVOCI)	Total
Total corporate market	125 426	-26	-95	-	-	125 305
Retail market	6 834 934	-329	-679	-48	-	6 833 878
Total	6 960 360	-355	-774	-48	-	6 959 183
Expected loss off balance RM		-8	-0	-		
Expected loss off balance CM		-0	-0	-		

Step 1: Classification at first time balance and healthy loans.

Step 2: Significant increase in credit risk since first time balance.

Step 3: Significant increase in credit risk since first time balance and objective proof (default etc)

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.06.18	30.06.17	31.12.17
Liabilities to credit institutions without agreed maturity	418 370	280 086	430 762
Total lending to and claims on credit institutions	418 370	280 086	430 762
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.06.18	30.06.17	31.12.17
Without agreed maturity	763 023	1 042 420	1 024 389
Total liabilities to credit institutions	763 023	1 042 420	1 024 389

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 30/06/18 the idle frame was 737 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.

Covered bonds:

ISIN code	Curren	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.06.18
NO0010686710 NOK		500 000	379 000	Flytende	3mnd. Nibor+0,50	2013	2019	2020	121 414
NO0010709355 NOK		500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	500 124
NO0010724065 NOK		500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	500 606
NO0010748601 NOK		500 000		Flytende	3 mnd. Nibor+0,78	2015	2019	2020	500 918
NO0010740673 NOK		500 000		Flytende	3 mnd. Nibor+0,49	2015	2020	2021	500 125
NO0010764897 NOK		500 000		Flytende	3 mnd. Nibor+0,86	2016	2021	2022	500 103
NO0010769920NOK		500 000		Flytende	3 mnd. Nibor+0,78	2016	2021	2022	500 334
NO0010782774NOK		500 000		Flytende	3 mnd. Nibor+0,52	2017	2022	2023	500 843
NO0010804008NOK		500 000		Flytende	3 mnd. Nibor+0,45	2017	2021	2022	500 544
NO0010785843NOK		500 000		Flytende	3 mnd. Nibor+0,64	2017	2022	2023	500 457
NO0010810278 NOK		500 000		Flytende	3 mnd. Nibor+0,41	2017	2021	2022	501 164
NO0010819568 NOK		500 000		Flytende	3 mnd. Nibor+0,42	2018	2022	2023	500 148
NO0010826415 NOK		500 000		Flytende	3 mnd. Nibor+0,47	2018	2023	2024	500 069
Total listed covered bonds									6 126 849

All loans have soft call one year before maturity.

ISIN code	Curren	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.06.17
NO0010623978 NOK		300 000	247 000	Flytende	3mnd. Nibor+0,67	2011	2017	2018	53 588
NO0010660640 NOK		500 000		Flytende	3mnd. Nibor+0,85	2012	2018	2019	501 761
NO0010686710 NOK		500 000		Flytende	3mnd. Nibor+0,50	2013	2019	2020	500 900
NO0010748601 NOK		500 000		Flytende	3 mnd. Nibor+0,78	2015	2019	2020	499 081
NO0010709355 NOK		500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	501 345
NO0010740673 NOK		500 000		Flytende	3 mnd. Nibor+0,49	2015	2020	2021	498 464
NO0010724065 NOK		500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	499 684
NO0010764897 NOK		500 000		Flytende	3mnd. Nibor+0,86	2016	2021	2022	499 921
NO0010782774 NOK		300 000		Flytende	3mnd. Nibor+0,52	2017	2021	2022	300 570
NO0010769920 NOK		500 000		Flytende	3mnd. Nibor+0,78	2016	2022	2023	499 951
NO0010785843 NOK		400 000		Flytende	3mnd. Nibor+0,64	2017	2023	2024	401 098
Total listed covered bonds									4 756 363

Issue NO0010724065 MNOK 97.

All loans have soft call one year before maturity.

	30.06.18	30.06.17
Total listed bonds	6 126 849	4 756 363
Loans secured by property	6 912 881	5 861 311
Claims that constitutes cover pool (inc. Interests)	418 370	280 086
Total cover pool	7 331 251	6 141 397
Cover pool capacity utilization	1 204 402	1 385 034
Cover pool capacity utilization %	20 %	29 %
Cover pool capacity utilization %, own share covered bonds deducted	13 %	24 %

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

	30.06.18	30.06.17	31.12.17
Total paid-in capital	540 010	390 010	540 010
Total accrued equity capital/retained earnings	34 856	24 636	52 695
Additional		0	
Deduction	-26 870	-20 812	-48 921
Total core capital	547 996	393 834	543 784
Total net supplementary capital	0	0	0
Total net equity and related capital	547 996	393 834	543 784
Weighted asset calculation basis	2 768 762	2 418 016	2 736 285
Capital adequacy ratio	19.79 %	16.29 %	19.87 %
Of which core capital accounted for	19.79 %	16.29 %	19.87 %

The note shows calculation basis and capital adequacy after Basel III/II (standard method credit risk)

	30.06.18	30.06.17	31.12.17
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	83 636	55 996	86 152
Enterprises	0	0	
Mass market loans	74 185	186 171	225 058
Loans secured by real property	2 490 007	2 051 333	2 304 056
Loans overdue	0	0	0
Other loans and commitments	56	0	142
Capital requirement credit risk	2 647 885	2 293 500	2 615 408
Capital requirement operational risk	120 877	124 516	120 877
Deduction from capital requirement	0	0	0
Total capital requirement	2 768 762	2 418 016	2 736 285

NOTE 16. SHARE CAPITAL

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

NOTE 17. RESULT PER SHARE

	30.06.18	30.06.17	31.12.17
Result so far this year	26 770	20 812	48 871
Number of shares	540 000	390 000	540 000
Result per share in NOK	50	53	91
Diluted result per share in NOK	50	53	91

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	30.06.18	30.06.17	31.12.17
Profit and loss account			
Interest income and similar income	1 152	775	0
Interest expense and similar expense	9 558	9 359	0
Management fee	3 673	3 208	6 646
Balance sheet			
Lending and claims on credit institutions	418 370	280 086	430 762
Liabilities to credit institutions	763 023	1 042 420	1 024 389
Liabilities from issue of securities	100 000	97 000	0

NOTE 19. KEY FIGURES

	30.06.18	30.06.17	31.12.17
Profit & Loss Account			
Gross profit (NOK 1.000)	26 770	20 812	48 871
Net interest as a % of average assets	1.11 %	1.07 %	1.16 %
Operation cost as a % of income	14.0 %	15.0 %	12.5 %
Net profit as a % of average assets	0.74 %	0.68 %	0.77 %
Balance sheet			
Gross lending (NOK 1.000)	6 960 361	5 896 665	6 634 275
Collective write-downs as a % of lending	0.0 %	0.1 %	0.1 %
12 months growth in customer lending	18.0 %	20.3 %	17.9 %
Total assets (NOK 1.000 kr)	7 477 330	6 221 781	7 109 505
Average total assets	7 269 437	6 174 590	6 381 718
Solidity			
Rate of return on equity capital	9.2 %	10.1 %	11.1 %
Core tier one Capital (NOK 1.000)	547 996	393 834	543 784
Core tier one Capital ratio	19.8 %	16.3 %	19.9 %
LR (Leverage Ratio)	7.1 %	6.1 %	7.4 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	1 204 402	1 385 034	1 535 542
Surplus value of cover pool (%)	20 %	29 %	28 %
Indexed LTV	54 %	53 %	52 %
Proportion of variable-rate loans	100 %	100 %	100 %
Proportion of flexible mortgages*)	13 %	15 %	14 %
Average loan value (NOK 1.000)	1 073	1 006	1 032
Number of loans	6 471	5 851	6 421
Remaining maturity - weighted average (year)	19.8	19.0	19.1
Seasoning - weighted average (year)	2.7	2.8	2.8

*) 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 J. Nordgaard, Chairman
Dag Hugo Heimstad, Deputy Chairman
Ranveig Kråkstad
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