



financial report

third quarter 2019



Helgeland Boligkreditt AS,
Preliminary accounts as of third 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 so far in 2019

Profit before tax was MNOK 50.8 (51.1). This is MNOK 0.3 lower than the same period last year. Net profit was MNOK 39.6 (39.3) which gives a return on equity of 9.1 (9.0) %.

The company is well capitalized with Core tier one Capital ratio of 17.7 (19.7) %.

Key figures per 30.09.19 (30.09.18)

- Net interest MNOK 60.3 (58.7)
- Operation costs MNOK 9.1 (8.2)
- Return on equity 9.1 (9.0) %
- CET1 capital ratio 17.7 (19.7) %
- Cover pool ratio of fullness 17 (19) %
- Indexed LTV 55 (55) %

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 8 111. Of this, 94 % of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had mortgages of MNOK 7 662 (6 997). 77.4 (77.9) % of the mortgages are lent to customers in the Helgeland region.

The lending has increased by MNOK 666 (928) or 8.7 (13.3) % the past 12 months. All the mortgages

have floating interest rates, and 12 (12) % 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 7 593 (6 983).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 399 as per 30.09.19 is fully included in the supplementary security. Statutory bill of MNOK 50 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 6 856 (6 231), 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 655 (630) 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 17 (20) %.

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.

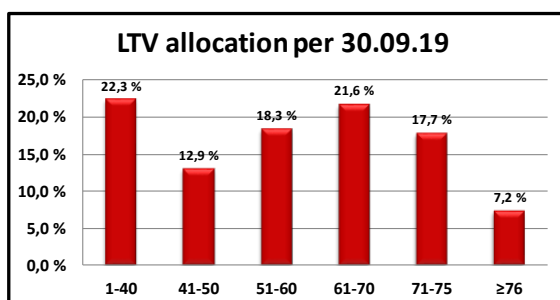
Credit risk

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 55 (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 95.4 (98.0) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 3.1 (3.2) 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 30.09.19 was 17.7 (19.7) % 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 interest rate changes in the parent bank implemented in May and August has increased the net interest in Helgeland Boligkreditt AS with a total of 50 bp. The funding interest rate has increased equally and the effect has for Helgeland Boligkreditt AS been neutral. The next interest rate change communicated from the bank is implemented November 21st. It is expected that this also will have a neutral effect for Helgeland Boligkreditt AS.

The turnover of housing in Helgeland has trough 2019 been on the same level as the "normal year" 2017, but the turnover time has increased some. The 12 -month credit growth in the retail market is reduced in Q3. The lending margins in the parent bank are under pressure as a consequence of tough competition. The bank expects a moderate market growth ahead and consequently also moderate and healthy growth to the retail market next quarter.

Unemployment remains low in Helgeland, with 1.5%. It is expected that the low level of unemployed will persist.

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, October 29th 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	30.09.19	30.09.18	Q3/19	Q3/18	31.12.18
Interest income fom assets measured at amortized cost	3	172 197	140 448	62 483	48 302	190 718
Interest income fom assets measured at real value	3			0	0	
Interest payable and similar costs	3	111 938	81 752	41 094	29 563	112 802
Net interest- and credit commission income		60 259	58 696	21 389	18 739	77 916
Commissions receivable and income from banking services		16	14	6	4	18
Commissions payable and costs relating to banking services				0	0	
Net commission income		16	14	6	4	18
Net value change gains/losses on financial assets		191	452	80	136	651
Operating costs	4	9 078	8 190	4 146	2 586	10 314
Impairment on loans and guarantees	5	618	-108	81	-21	-124
Profit from ordinary operations		50 770	51 080	17 329	16 314	68 395
Gross profit		50 770	51 080	17 248	16 314	68 395
Tax payable on ordinary result		11 171	11 784	3 735	3 679	15 726
Net profit		39 599	39 296	13 513	12 635	52 669
Result per share in NOK	17	73	73			98
Diluted result per share in NOK	17	73	73			98
Extended income						
Net profit		39 599	39 296	13 513	12 635	52 669
Net change in value of financial assets over equity		0	0	0	0	0
Total period for the period		39 599	39 296	13 513	12 635	52 669

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	30.09.19	30.09.18	31.12.18
ASSETS				
Loans to and claims on credit institutions	11	398 920	418 294	414 457
Loans to and claims on customers	6,7,8,9,10	7 662 723	6 996 866	7 383 826
Certificates		49 698	49 928	24 957
Other assets				
Total assets		8 111 341	7 465 088	7 823 240
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	654 959	630 106	708 965
Borrowings through the issuance of securities	13,14	6 856 683	6 231 273	6 497 568
Other liabilities		12 060	16 235	15 979
Total liabilities		7 523 702	6 877 614	7 222 512
Paid-in equity capital	15,16,17	540 010	540 010	540 010
Accrued equity capital/retained earnings	17	47 629	47 464	60 718
Net profit		587 639	587 474	600 728
Total equity capital		8 111 341	7 465 088	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
Paid out			-52 689	-52 689
Profit			39 599	39 599
Equity capital as at 30.09.19	540 000	10	47 628	587 639

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	30.09.19	30.09.18	31.12.18
Change in lending to customers	-279 518	-363 744	-750 688
Interest income lending to customers	170 104	138 719	188 416
Change deposits from customers	-54 007	-394 283	-315 423
Interest cost deposit from customers	-11 057	-13 777	-17 108
Change certificates and bonds	-24 986	568	25 012
Interest income certificates and bonds	0	0	0
Comission income	16	11	11
Payments relating to operations	-9 078	-8 189	-10 313
Paid tax	-15 050	-11 608	-11 608
Other cutoffs	671	680	-3 039
A Net liquidity change from operating activities	-222 904	-651 623	-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	1 600 698	1 400 000	2 447 000
Repayments - issued securities	-1 241 874	-644 000	-1 424 000
Interest payments borrowing through issuance of securities	-100 881	-67 974	-95 694
New share capital		0	0
Dividend to share owners	-52 669	-48 871	-48 871
C Net liquidity change financing	205 274	639 155	878 435
A+B+C Net liquidity change in the period	-17 630	-12 468	-16 305
Liquid funds at the start of the period	414 457	430 762	430 762
Liquid funds at the end of the period	396 827	418 294	414 457
Liquid funds specified	-17 630	-12 468	-16 305
Balances with credit institutions without notice periods	398 920	418 294	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

	30.09.19	30.09.18	Q3/19	Q3/18	31.12.18
Interest income of lending to and claims on credit institutions	2 093	1 729	700	577	2 302
Interest income of lending to and claims on customers	170 104	138 719	61 783	47 725	188 416
Total interest income	172 197	140 448	62 483	48 302	190 718
Interest expense on liabilities to credit institutions	11 057	13 776	3 885	4 218	17 108
Interest expense on issued securities	100 881	67 976	37 209	25 345	95 694
Other interest expenses					
Total interest expenses	111 938	81 752	41 094	29 563	112 802
Net interest income	60 259	58 696	21 389	18 739	77 916

NOTE 4. OPERATING COSTS

	30.09.19	30.09.18	Q3/19	Q3/18	31.12.18
Management fee and wage general manager	6 153	5 605	2 107	1 932	7 548
Other administration costs	29	29	0	1	33
Total wages and administration costs	6 182	5 634	2 107	1 933	7 581
Other operating costs	2 896	2 556	2 038	653	2 733
Total operating costs	9 078	8 190	4 145	2 586	10 314

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.09.19	30.09.18	31.12.18
Periodens endring i nedskrivninger trinn 1-3	618	-108	-124
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.	618	-108	-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	30.09.19	%	30.09.18	%
Helgeland	5 933 372	77.4 %	5 448 020	77.9 %
Areas other than Helgeland	1 716 922	22.4 %	1 543 488	22.1 %
International ¹⁾	14 186	0.2 %	6 510	0.1 %
Total	7 664 480	100 %	6 998 018	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

30.09.19	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	1 899 226	104 218	0	0	2 003 444
Transfers from step 1 to step 2	-228 736	221 001	0	0	-7 735
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	103 189	-105 651	0	0	-2 462
Reduced portfolio	-1 453 958	-79 709	0	0	-1 533 666
Other adjustments	0	0	0	0	0
Other adjustments	-177 357	-2 706	0	0	-180 063
Gross lending pr. 30.09.19	7 240 504	423 976	0	0	7 664 480
Unused drafts, guarantees etc.	506 725 000	3 631 000	-	-	510 356 000

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

30.09.18	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	2 123 047	55 189	0	0	2 178 235
Transfers from step 1 to step 2	-157 012	155 096	0	0	-1 916
Transfers from step 1 to step 3	-1 413	0	61	1 312	-40
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	85 071	-91 352	0	0	-6 281
Reduced portfolio	-1 571 478	-61 272	-1 497	0	-1 634 247
Other adjustments	0	0	0	0	0
Other adjustments	-170 399	-1 610	0	0	-172 009
Gross lending pr. 30.09.18	6 698 291	298 351	64	1 312	6 998 018
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

	Step 1	Step 2	Step 3		
30.09.19					
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	507	263	-197	0	573
Transfers from step 1 to step 2	-29	613	0	0	584
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	13	-217	0	0	-204
Reduced portfolio	-98	-186	0	0	-284
Other adjustments	-38	-10	0	0	-48
Loss deduction pr. 30.09.19	775	1 179	-197	0	1 757

0 0 0

30.09.18					
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. 01.01.18	400	900	100	0	1 400
New loans / credits / guarantees	88	93	0	0	181
Transfers from step 1 to step 2	-15	299	0	0	284
Transfers from step 1 to step 3	0	0	2	0	1
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	7	-170	0	0	-163
Reduced portfolio	-212	-164	-82	0	-458
Other adjustments	-17	-75	0	0	-93
Loss deduction pr. 30.09.18	250	882	19	0	1 152

Lending	30.09.19	30.09.18	31.12.18
Lending to customers	7 654 204	6 990 276	7 376 628
Accrued interests	10 276	7 742	8 334
Gross lending to customers	7 664 480	6 998 018	7 384 962
Individual write-downs	0	0	0
Lending to customers after individual write-downs	7 664 480	6 998 018	7 384 962
Write down	-1 757	-1 152	-1 136
Lending to and claims on customers, to amortized cost	7 662 723	6 996 866	7 383 826

NOTES

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	30.09.19	30.09.18	31.12.18
Unutilised credit	510 350	461 490	477 888
Guarantees	0	0	0
Total conditional liabilities	510 350	461 490	477 888

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.09.19	30.09.18	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

30.09.19	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	
Sum næring	169 390	-30	-160	0	0	0	0	169 200
Total retail market	7 495 090	-392	-1 165	0	0	0	0	7 493 533
Total	7 664 480	-422	-1 325	0	0	0	0	7 662 733
Expected loss off balance RM		-8	-1	0	0	0		
Expected loss off balance CM		-1	0	0	0	0		

30.09.18	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	169 219	-29	-160	0	0	0	0	169 030
Total retail market	6 829 951	-390	-573	0	0	0	0	6 828 988
Total	6 999 170	-419	-733	0	0	0	0	6 998 018
Expected loss off balance RM		-8	-2	0	0	0		
Expected loss off balance CM		-1	0	0	0	0		

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.19	30.09.18	31.12.18
Liabilities to credit institutions without agreed maturity	398 920	418 294	414 457
Total lending to and claims on credit institutions	398 920	418 294	414 457
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTES

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.19	30.09.18	31.12.18
Without agreed maturity	679 803	630 106	708 965
Total liabilities to credit institutions	679 803	630 106	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 30/09/19 the idle frame was 820 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.

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	30.09.19	
NO0010709355 NOK		500 000	305 000	Flytende	3mnd. Nibor+0,40	2014	2020	2021	195 207
NO0010724065 NOK		500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	500 581
NO0010748601 NOK		500 000	380 000	Flytende	3 mnd.Nibor+0,78	2015	2019	2020	120 728
NO0010740673 NOK		500 000	249 000	Flytende	3 mnd.Nibor+0,49	2015	2020	2021	250 442
NO0010764897 NOK		500 000		Flytende	3 mnd.Nibor+0,86	2016	2021	2022	501 164
NO0010769920 NOK		500 000		Flytende	3 mnd.Nibor+0,78	2016	2021	2022	501 276
NO0010782774 NOK		500 000	215 000	Flytende	3 mnd.Nibor+0,52	2017	2022	2023	285 024
NO0010804008 NOK		500 000		Flytende	3 mnd.Nibor+0,45	2017	2021	2022	500 762
NO0010785843 NOK		500 000		Flytende	3 mnd.Nibor+0,64	2017	2022	2023	501 377
NO0010810278 NOK		500 000		Flytende	3 mnd.Nibor+0,41	2017	2021	2022	500 941
NO0010819568 NOK		500 000		Flytende	3 mnd.Nibor+0,40	2018	2022	2023	499 833
NO0010826415 NOK		500 000		Flytende	3 mnd.Nibor+0,47	2018	2022	2023	499 564
NO0010831290 NOK		500 000		Flytende	3 mnd.Nibor+0,42	2018	2023	2024	498 917
NO0010839434 NOK		500 000		Flytende	3 mnd.Nibor+0,55	2018	2023	2024	499 906
NO0010847080 NOK		500 000		Flytende	3 mnd.Nibor+0,48	2019	2024	2025	500 911
NO0010859998 NOK		500 000		Flytende	3 mnd.Nibor+0,40	2019	2025	2026	500 050
Total listed covered bonds									6 856 683

All loans have soft call one year before maturity.

ISIN code	Current	Par value	Own hold.	Interest	Admission	Maturity	Soft call	30.09.18	
NO0010686710 NOK		500 000	379 000	Flytende	3mnd. Nibor+0,50	2013	2019	2020	121 045
NO0010709355 NOK		500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	500 090
NO0010724065 NOK		500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	500 600
NO0010748601 NOK		500 000	95 000	Flytende	3 mnd.Nibor+0,78	2015	2019	2020	406 092
NO0010740673 NOK		500 000		Flytende	3 mnd.Nibor+0,49	2015	2020	2021	500 105
NO0010764897 NOK		500 000		Flytende	3 mnd.Nibor+0,86	2016	2021	2022	500 053
NO0010769920NOK		500 000		Flytende	3 mnd.Nibor+0,78	2016	2021	2022	500 304
NO0010782774NOK		500 000		Flytende	3 mnd.Nibor+0,52	2017	2022	2023	501 143
NO0010804008NOK		500 000		Flytende	3 mnd.Nibor+0,45	2017	2021	2022	500 144
NO0010785843NOK		500 000		Flytende	3 mnd.Nibor+0,64	2017	2022	2023	500 042
NO0010810278 NOK		500 000		Flytende	3 mnd.Nibor+0,41	2017	2021	2022	501 264
NO0010819568 NOK		500 000		Flytende	3 mnd.Nibor+0,42	2018	2022	2023	500 158
NO0010826415 NOK		500 000		Flytende	3 mnd.Nibor+0,47	2018	2023	2024	500 119
NO0010831290 NOK		300 000	100 000	Flytende	3 mnd.Nibor+0,42	2018	2024	2025	200 114
Total listed covered bonds									6 231 273

Issue NO0010660640 MNOK 97.

NOTES

All loans have soft call one year before final maturity.

	30.09.19	30.09.18
Total listed bonds	6 856 683	6 231 273
Loans secured by property	7 593 465	6 982 750
Claims that constitutes cover pool (inc. Interests)	398 920	418 294
Total cover pool	7 992 385	7 401 044
Cover pool capacity utilization	1 135 702	1 169 771
Cover pool capacity utilization %	17 %	19 %
Cover pool capacity utilization %, own share covered bonds added	0 %	9 %

A significant part of own holdings is related to covered bonds which will be redeemed in Q4 2019. 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

	30.09.19	30.09.18	31.12.18
Total paid-in capital	540 010	540 010	540 010
Total accrued equity capital/retained earnings	49 107	47 464	60 719
Additional		0	0
Deduction	-41 095	-39 296	-52 667
Total core capital	548 022	548 178	548 062
Total net supplementary capital	0	0	0
Total net equity and related capital	548 022	548 178	548 062
Weighted asset calculation basis	3 093 574	2 787 566	2 970 374
Capital adequacy ratio	17.71 %	19.67 %	18.45 %
Of which core capital accounted for	17.71 %	19.67 %	18.45 %

	30.09.19	30.09.18	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	79 784	83 659	82 891
Enterprises	0	0	0
Mass market loans	0	0	15 387
Loans secured by real property	2 829 380	2 580 949	2 741 459
Loans overdue	54 006	0	0
Other loans and commitments	0	2 081	233
Capital requirement credit risk	2 963 170	2 666 689	2 839 970
Capital requirement operational risk	130 404	120 877	130 404
Deduction from capital requirement	0	0	0
Total capital requirement	3 093 574	2 787 566	2 970 374

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

	30.09.19	30.09.18	31.12.18
Result so far this year	39 599	39 296	52 668
Number of shares	540 000	540 000	540 000
Result per share in NOK	73	73	98
Diluted result per share in NOK	73	73	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	30.09.19	30.09.18	31.12.18
Profit and loss account			
Interest income and similar income	2 093	1 729	2 302
Interest expense and similar expense	11 057	13 776	17 108
Management fee	6 153	5 605	7 548
Balance sheet			
Lending and claims on credit institutions	398 920	418 294	414 457
Liabilities to credit institutions	654 959	630 106	708 965
Liabilities from issue of securities	0	0	0

NOTE 19. KEY FIGURES

	30.09.19	30.09.18	31.12.18
Profit & Loss Account			
Gross profit (NOK 1.000)	39 599	39 296	52 669
Net interest as a % of average assets	1.01 %	1.06 %	1.05 %
Operation cost as a % of income	15.1 %	13.9 %	12.2 %
Net profit as a % of average assets	0.66 %	0.71 %	0.71 %
Balance sheet			
Gross lending (NOK 1.000)	7 664 480	6 998 018	7 384 962
Collective write-downs as a % of lending	0.0 %	0.0 %	0.0 %
12 months growth in customer lending	9.5 %	15.2 %	11.3 %
Total assets (NOK 1.000 kr)	8 136 185	7 465 088	7 823 240
Average total assets	8 015 553	7 390 591	7 434 347
Solidity			
Rate of return on equity capital	9.1 %	9.0 %	9.0 %
Core tier one Capital (NOK 1.000)	548 022	548 178	548 062
Core tier one Capital ratio	17.7 %	19.7 %	18.5 %
LR (Leverage Ratio)	6.5 %	7.1 %	6.8 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	1 135 702	1 169 771	1 242 039
Surplus value of cover pool (%)	17 %	19 %	19 %
Indexed LTV	55 %	55 %	56 %
Proportion of variable-rate loans	100 %	100 %	100 %
Proportion of flexible mortgages*)	12 %	12 %	11 %
Average loan value (NOK 1.000)	1 122	1 106	1 138
Number of loans	6 810	6 323	6 486
Remaining maturity - weighted average (year)	20.4	20.1	22.3
Seasoning - weighted average (year)	2.8	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

Helgeland Sparebank

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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