



**FINANCIAL REPORT
THIRD 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 64.9 (50.8). This is MNOK 14.1 higher than the same period last year and is mainly related to increased net interest.

Net profit was MNOK 50.9 (39.6) which gives a return on equity of 11.5 (9.1) %.

The company is well capitalized with Core tier one Capital ratio of 17.3 (17.7) %.

Key figures per 30.09.20 (30.09.19)

- Net interest MNOK 71.7 (60.3)
- Operation costs MNOK 8.9 (9.1)
- Return on equity 11.5 (9.1) %
- CET1 capital ratio 17.3 (17.7) %
- Cover pool ratio of fullness 26 (17) %
- Indexed LTV 55 (55) %

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 8 173 as of 30.09.2020. This is an increase of MNOK 62 compared to the same period last year.

Cover pool

By the end of the quarter the mortgage company had mortgages of MNOK 7 659 (7 664). 76.5 (77.4) % of the mortgages are lent to customers in the Helgeland region.

The lending has been reduced (increased) by MNOK 5 (666) or -0.1 (8.7) % the past 12 months. All the mortgages have floating interest rates, and 11 (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 7 618 (7 593).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 383 as per 30.09.20 is fully included in the supplementary security.

Statutory bill of MNOK 50 and foreign national guaranteed security 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 6 361 (6 857), 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 1 197 (655) 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 26 (17) %.

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.

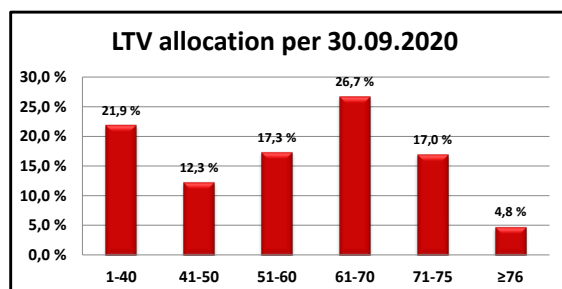
Lending in the cover pool fulfils the requirements of the financial services act, and is secured by collateral in real estate within 75% of prudent market value.

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 94.5 (95.4) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 2.9 (3.1) years. The target of 3-year duration has been removed as a consequence of the acquisition between HSB and Sparebank 1 NN in Q2 2021. 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 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 30.09.20 was 17.3 (17.7) % 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

Lots have happened over the three first quarters of 2020. The parent bank has initiated a bank cooperation with a future scope in Helgeland. The current pandemic and the challenges around that has affected large parts of the society.

The future aspects looks bright in Helgeland. Low unemployment, low infection spreading numbers, large public and private projects, rising housing prices and stable turnover numbers is factors that substantiates this. The stable price development and low unemployment is expected to maintain in 4th quarter and 2021.

The housing market in Helgeland, especially in Mosjøen and Mo I Rana, can be characterized as well functioning. The prices on sold housing in Helgeland is stable, with corresponding season variation which results in a strong price growth in 3rd quarter of 9.6 % on villas and 4.4 % on apartments.

The turnover speed is stable between 35-60 days. The prices are approximately on valuation. There is no indication that Covid-19 has had significant effect on the real estate market in Helgeland by the end of third quarter.

Unemployment has had a significant improvement against second quarter of 2020. For Helgeland, the unemployment is by the end of third quarter 2.2% against 3.7 % nationally. The unemployment rate is expected to maintain on a low level.

The parent bank's entries in the Sparebank 1 group will affect Helgeland Boligkreditt AS in the future, mainly in form of a gradual reduction of the balance. It is not yet decided if Helgeland Boligkreditt will continue to exist or discontinue, as Helgeland Sparebank gets access to long term funding through Sparebank 1 Boligkreditt.

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 in foreseeable future.

Mo I Rana, October 26th 2020

Hanne Nordgaard
Chairman

Dan Hugo Heimstad
Deputy Chairman

Håkon Stanghelle

Sverre Klausen

Sten Ove Lisø
General Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	30.09.20	30.09.19	Q3/20	Q3/19	31.12.19
Interest income fom assets measured at amortized cost	3	166 861	172 197	45 057	62 483	238 646
Interest income fom assets measured at fair value	3	0	0	0	0	0
Interest payable and similar costs	3	95 159	111 938	17 650	41 094	157 090
Net interest- and credit commission income		71 702	60 259	27 407	21 389	81 556
Commissions receivable and income from banking services		16	16	3	6	23
Net commission income		16	16	3	6	23
Net value change gains/losses on financial assets		1 307	191	417	80	-4 969
Operating costs	4	8 910	9 078	2 217	4 146	11 644
Impairment on loans and guarantees	5	-765	618	44	81	1 407
Profit from ordinary operations		64 880	50 770	25 566	17 248	63 559
Gross profit		64 880	50 770	25 566	17 248	63 559
Tax payable on ordinary result		13 986	11 171	5 117	3 735	13 949
Net profit		50 894	39 599	20 449	13 513	49 610
Result per share in NOK	17	94	73			92
Diluted result per share in NOK	17	94	73			92

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	30.09.20	30.09.19	31.12.19
ASSETS				
Loans to and claims on credit institutions	11	383 028	398 920	399 994
Loans to and claims on customers	6,7,8,9,10	7 657 694	7 662 723	7 597 523
Certificates and bonds		100 903	49 698	49 896
Financial derivatives		30 333		
Other assets		1 200		
Total assets		8 173 158	8 111 341	8 047 413
LIABILITIES AND EQUITY				
Liabilities to credit institutions	12	1 196 614	654 959	682 159
Borrowings through the issuance of securities	13,14	6 361 162	6 856 683	6 744 816
Financial derivatives				7 428
Other liabilities		16 443	12 059	15 160
Total liabilities		7 574 219	7 523 701	7 449 563
Paid-in equity	15,16,17	540 010	540 010	540 010
Accrued equity/retained earnings	17	58 929	47 630	57 840
Total equity		598 939	587 640	597 850
Total liabilities and equity		8 173 158	8 111 341	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
Unrealized gains fund			180	180
Dividend			-52 669	-52 669
Profit			49 610	49 610
Equity 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
Unrealized gains fund			-195	-195
Dividend			-49 610	-49 610
Profit			50 894	50 894
Equity 30.09.20	540 000	10	58 929	598 939

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	30.09.20	30.09.19	31.12.19
Change in lending to customers	-59 407	-279 518	-215 106
Interest income lending to customers	165 209	170 104	253 854
Change deposits from customers	514 454	-54 007	-26 806
Interest cost deposit from customers	-10 352	-11 057	-15 751
Change certificates and bonds	-50 000	-24 986	-25 000
Comission income	16	16	23
Payments relating to operations	-8 910	-9 078	-11 643
Paid tax	-13 847	-15 050	-15 050
Other cutoffs	-9 591	2 764	4 142
A Net liquidity change from operating activities	527 572	-220 811	-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	20 000	1 600 698	3 776 698
Repayments - issued securities	-431 000	-1 241 874	-3 546 874
Interest payments borrowing through issuance of securities	-83 928	-100 881	-140 281
Dividend to share owners	-49 610	-52 669	-52 669
C Net liquidity change financing	-544 538	205 274	36 874
A+B+C Net liquidity change in the period	-16 966	-15 537	-14 463
Liquid funds at the start of the period	399 994	414 457	414 457
Liquid funds at the end of the period	383 028	398 920	399 994
Liquid funds specified	-16 966	-15 537	-14 463
Balances with credit institutions without notice periods	383 028	398 920	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

	30.09.20	30.09.19	Q3/20	Q3/19	31.12.19
Interest income of lending to and claims on credit institutions	1 588	2 093	231	700	2 792
Interest income of lending to and claims on customers	165 209	170 104	44 762	61 783	235 854
Other interest income	64	0	64	0	0
Total interest income	166 861	172 197	45 057	62 483	238 646
Interest expense on liabilities to credit institutions	10 352	11 057	3 246	3 885	15 751
Interest expense on issued securities	83 928	100 881	13 525	37 209	141 339
Other interest expenses	879	0	879	0	0
Total interest expenses	95 159	111 938	17 650	41 094	157 090
Net interest income	71 702	60 260	27 407	21 389	81 556

NOTE 4. OPERATING COSTS

	30.09.20	30.09.19	Q3/20	Q3/19	31.12.19
Management fee and wage general manager	6 189	6 153	2 092	2 107	8 199
Other administration costs	28	29	3	0	33
Total wages and administration costs	6 217	6 182	2 095	2 107	8 232
Other operating costs	2 693	2 896	122	2 038	3 411
Total operating costs	8 910	9 078	2 217	4 145	11 643

NOTE 5. WRITE DOWNS ON LENDING

	30.09.20	30.09.19	31.12.19
Losses on loans			
Periodic change in write-downs step 1-3	-765	618	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.	-765	618	1 407

NOTES

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	30.09.20	%	30.09.19	%
Helgeland	5 857 077	76.5 %	5 933 372	77.4 %
Areas other than Helgeland	1 786 895	23.3 %	1 716 922	22.4 %
International ¹⁾	15 503	0.2 %	14 186	0.2 %
Total	7 659 475	100 %	7 664 480	100 %

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

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

30.09.20	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	1 914 456	102 052	0	0	2 016 509
Transfers from step 1 to step 2	-278 372	275 607	0	0	-2 764
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	152 080	-154 246	0	0	-2 166
Reduced portfolio	-1 610 222	-163 460	0	0	-1 773 683
Other adjustments	0	0	0	0	0
Other adjustments	-174 703	-3 785	0	0	-178 488
Gross lending pr. 30.09.20	7 088 408	571 068	0	0	7 659 475
Unused drafts, guarantees etc.	493 498	3 300	-	-	496 798

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

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.	506 350	4 000	-	-	510 350

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

NOTES

	Step 1	Step 2	Step 3		
30.09.20					
Loss deduction	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	105	162	0	0	267
Transfers from step 1 to step 2	-31	585	0	0	553
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	24	-585	0	0	-561
Reduced portfolio	-103	-907	0	0	-1 010
Other adjustments	84	-98	0	0	-13
Loss deduction pr. 30.09.20	468	1 313	0	0	1 781

0 0 0

	Expected loss over 12 months	Expected loss over the instruments life	Expected loss over the instruments life	Expected loss over the instruments life	
30.09.19					
Loss deduction					Total
Loss deduction pr. 01.01.19	421	715	0	0	1 136
New loans / credits / guarantees	310	263	0	0	574
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	579	1 179	0	0	1 758

Lending	30.09.20	30.09.19	31.12.19
Lending to customers	7 652 570	7 654 205	7 589 135
Accrued interests	6 905	10 276	10 933
Gross lending to customers	7 659 475	7 664 480	7 600 068
Individual write-downs	0	0	0
Lending to customers after individual write-downs	7 659 475	7 664 480	7 600 068
Write down	-1 781	-1 758	-2 545
Lending to and claims on customers, to amortized cost	7 657 694	7 662 723	7 597 523

NOTES

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	30.09.20	30.09.19	31.12.19
Unutilised credit	496 798	510 350	515 312
Guarantees	0	0	0
Total conditional liabilities	496 798	510 350	515 312

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.09.20	30.09.19	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

30.09.20	Lending to amortized cost and fair value (OCI)							
	Gross lending		Expected loss			Individual write downs	Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value (FVOCI)	Fair value (FVOCI)	Total	
Total corporate market	157 140	-30	-108					157 002
Total retail market	7 502 335	-438	-1 205					7 500 692
Total	7 659 475	-468	-1 313	0	0	0	0	7 657 694
Expected loss off balance RM		8	-2	0	0	0		
Expected loss off balance CM		-1	0	0	0	0		

30.09.19	Lending to amortized cost and fair value (OCI)							
	Gross lending		Expected loss			Individual write downs	Gross lending	Net lending
	Amortized cost	Step 1	Step 2	Step 3	Fair value (FVOCI)	Fair value (FVOCI)	Total	
Total corporate market	169 390	-30	-160	0	0	0	0	169 200
Total retail market	7 495 090	-549	-1 019	0	0	0	0	7 493 523
Total	7 664 480	-579	-1 179	0	0	0	0	7 662 723
Expected loss off balance RM		-8	-1	0	0	0		
Expected loss off balance CM		-1	0	0	0	0		

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.20	30.09.19	31.12.19
Liabilities to credit institutions without agreed maturity	383 028	398 920	399 994
Total lending to and claims on credit institutions	383 028	398 920	399 994
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTES

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.20	30.09.19	31.12.19
Without agreed maturity	1 196 614	654 959	682 159
Total liabilities to credit institutions	1 196 614	654 959	682 159

The Company has a credit facility (maturing > one year) of 1 500 million. As of 30/09/20 the idle frame was 303 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

	30.09.20		
	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	30 333	0
Total financial derivatives with hedging	300 000	30 333	0

	30.09.19		
	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	30.09.20
NO0010724065 NOK	500 000		25 000	Flytende	3 mnd. Nibor+0,30	2014	2021	2022	476 776
NO0010740673 NOK	26 000			Flytende	3 mnd. Nibor+0,49	2015	2020	2021	27 997
NO0010764897 NOK	500 000		276 000	Flytende	3 mnd. Nibor+0,86	2016	2021	2022	226 069
NO0010769920 NOK	500 000			Flytende	3 mnd. Nibor+0,78	2016	2021	2022	502 175
NO0010782774 NOK	205 000		100 000	Flytende	3 mnd. Nibor+0,52	2017	2022	2023	107 040
NO0010785843 NOK	500 000			Flytende	3 mnd. Nibor+0,64	2017	2022	2023	502 269
NO0010804008 NOK	500 000			Flytende	3 mnd. Nibor+0,45	2017	2021	2022	501 843
NO0010810278 NOK	500 000			Flytende	3 mnd. Nibor+0,41	2017	2021	2022	501 966
NO0010819568 NOK	500 000			Flytende	3 mnd. Nibor+0,40	2018	2022	2023	501 670
NO0010826415 NOK	500 000			Flytende	3 mnd. Nibor+0,47	2018	2022	2023	501 665
NO0010831290 NOK	500 000			Flytende	3 mnd. Nibor+0,42	2018	2023	2024	501 088
NO0010839434 NOK	500 000			Flytende	3 mnd. Nibor+0,55	2018	2023	2024	501 926
NO0010847080 NOK	500 000			Flytende	3 mnd. Nibor+0,48	2019	2024	2025	502 361
NO0010859986 NOK	500 000			Flytende	3 mnd. Nibor+0,40	2019	2025	2026	502 040
NO0010865652 NOK	200 000			Flytende	3 mnd. Nibor+0,43	2019	2025	2026	201 908
NO0010867864 NOK	300 000			Fast	0.0222	2019	2029	2030	302 369
Total listed covered bonds									6 361 162

Issue no: NO0010859986 MNOK 80

All loans have soft call one year before maturity.

ISIN code	Current	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.19
NO0010709355 NOK	500 000		305 000	Flytende	3 mnd. Nibor+0,40	2014	2020	2021	195 207
NO0010724065 NOK	500 000			Flytende	3 mnd. 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
NO0010859986 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.

NOTES

	30.09.20	30.09.19
Total listed bonds	6 361 162	6 856 683
Loans secured by property	7 618 533	7 593 465
Claims that constitutes cover pool (inc. Interests)	383 028	398 920
Total cover pool	8 001 561	7 992 385
Cover pool capacity utilization	1 640 399	1 135 702
Cover pool capacity utilization %	26 %	17 %
Cover pool capacity utilization %, own share covered bonds deducted	19 %	0 %

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

	30.09.20	30.09.19	31.12.19
Total paid-in capital	540 010	540 010	540 010
Total accrued equity capital/retained earnings	60 783	49 107	57 839
Additional	0	0	0
Deduction	-52 748	-41 095	-50 469
Total core capital	548 045	548 022	547 380
Total net supplementary capital	0	0	0
Total net equity and related capital	548 045	548 022	547 380
Weighted asset calculation basis	3 161 041	3 093 574	3 129 578
Capital adequacy ratio	17.34 %	17.71 %	17.49 %
Of which core capital accounted for	17.34 %	17.71 %	17.49 %

	30.09.20	30.09.19	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	81 544	79 784	79 999
Enterprises	0	0	0
Mass market loans	0	0	0
Loans secured by real property	2 869 940	2 829 380	2 829 548
Loans overdue	58 964	54 006	73 232
Other loans and commitments	1 200	0	0
Capital requirement credit risk	3 011 648	2 963 170	2 982 779
Capital requirement operational risk	143 534	130 404	143 534
Other deductions/additions to capital requirement	5 859	0	3 265
Total capital requirement	3 161 041	3 093 574	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

	30.09.20	30.09.19	31.12.19
Result so far this year	50 894	39 599	49 610
Number of shares	540 000	540 000	540 000
Result per share in NOK	94	73	92
Diluted result per share in NOK	94	73	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	30.09.20	30.09.19	31.12.19
Profit and loss account			
Interest income and similar income	1 588	2 093	2 792
Interest expense and similar expense	10 352	11 057	15 751
Management fee	6 189	6 153	8 199
Balance sheet			
Lending and claims on credit institutions	383 028	398 920	399 994
Liabilities to credit institutions	1 196 614	654 959	682 159
Liabilities from issue of securities	80 000	0	80 000

NOTE 19. KEY FIGURES

	30.09.20	30.09.19	31.12.19
Profit & Loss Account			
Net profit (NOK 1.000)	50 894	39 599	49 610
Net interest as a % of average assets	1.17 %	1.01 %	1.01 %
Operation cost as a % of income	12.4 %	15.1 %	14.3 %
Net profit as a % of average assets	0.83 %	0.66 %	0.62 %
Balance sheet			
Gross lending (NOK 1.000)	7 659 475	7 664 480	7 600 068
Collective write-downs as a % of lending	0.0 %	0.0 %	0.0 %
12 months growth in customer lending	-0.1 %	9.5 %	2.9 %
Total assets (NOK 1.000 kr)	8 173 158	8 111 341	8 047 413
Average total assets	8 139 868	8 015 553	8 037 543
Solidity			
Rate of return on equity capital	11.5 %	9.1 %	8.3 %
Core tier one Capital (NOK 1.000)	548 045	548 022	547 380
Core tier one Capital ratio	17.3 %	17.7 %	17.5 %
LR (Leverage Ratio)	6.5 %	6.5 %	6.6 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	1 640 399	1 135 702	1 167 028
Surplus value of cover pool (%)	26 %	17 %	17 %
Indexed LTV	55 %	55 %	57 %
Proportion of variable-rate loans	100 %	100 %	100 %
Proportion of flexible mortgages*)	11 %	12 %	11 %
Average loan value (NOK 1.000)	1 173	1 122	1 133
Number of loans	6 518	6 810	6 687
Remaining maturity - weighted average (year)	20.6	20.4	20.5
Seasoning - weighted average (year)	2.9	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 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

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