



financial report

fourth 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 2019

Profit before tax was MNOK 63.6 (68.4). This is MNOK 4.8 lower than the same period last year. Net profit was MNOK 49.6 (52.7) which gives a return on equity of 8.3 (9.0) %.

The company is well capitalized with Core tier one Capital ratio of 17.5 (18.5) %.

Key figures per 31.12.19 (31.12.18)

- Net interest MNOK 81.6 (77.9)
- Operation costs MNOK 11.6 (10.3)
- Return on equity 8.3 (9.0) %
- CET1 capital ratio 17.5 (18.5) %
- Cover pool ratio of fullness 17 (19) %
- Indexed LTV 57 (56) %

Disposal of profit

The Board of Directors proposes that the profit for 2019 of MNOK 49.6 to be given in dividend to Helgeland Sparebank. The size of the dividend is considered justifiable based on the company's position.

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 8 047 as of 31.12.2019. Of this, 95 % of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had mortgages of MNOK 7 600 (7 384). 77.5 (78.2) % of the mortgages are lent to customers in the Helgeland region.

The lending has increased by MNOK 215 (751) or 29.1 (11.3) % the past 12 months. All the mortgages have floating interest rates, and 11 (11) % of the lending volume are flexi loans. The lending portfolio is considered to be of good quality.

Loans qualified for the cover pool amounts to MNOK 7 512 (6 325).

By the end of the quarter, Helgeland Boligkreditt AS had substitute assets of MNOK 399 as per 31.12.19 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 6 745 (6 498), 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 682 (709) 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 (19) %.

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.

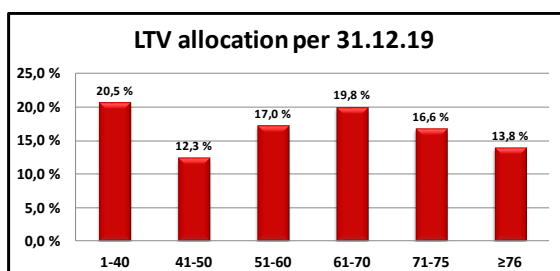
Lending in the cover pool fulfils the requirements of the financial services act, and is secured by collateral in real estate within 75% of prudent market value.

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 57 (56) %. The diagram below shows the distribution of the LTVs for the mortgages in the cover pool.



Liquidity risk

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

By the end of the quarter the share of funding over 1 year was 99.5 (95.5) %. This is well above the target of 70%. Average remaining maturity for covered bonds was 3.4 (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.

Operational risk

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

Capital ratio

The capital ratio per 31.12.19 was 17.5 (18.5) % and consists exclusively of a CET1 capital of MNOK 547.

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 in 2019 has increased the net interest in Helgeland Boligkreditt AS, but the funding interest rate has increased similarly and the effect has been neutral.

The market growth in the retail market in Helgeland continues to decrease and the main reason is high debt level in the households and uncertainty around future interest, together with a low population growth in the region. The growth in the banks market of 4.3 % the last 12 months is down from 5.5 % in the same period last year.

The banks 12-month credit growth in the retail market is on 0.7 %, which is significantly lower than the Helgeland growth. One of the reasons for this is the banks increased profit focus in a market where the margins are under pressure because of tough competition. We expect moderate market growth ahead and consequently also moderate and healthy credit growth to the retail market in 2020.

The turnover of housing in Helgeland has trough 2019 been on the same level as the "normal year" 2017. This is also the fact in Q4. When it comes to the price on sold housing, we find a price decrease in the 4th quarter; 2.7 % on apartments and 1.9 % on villas. The housing market in Helgeland, especially in Mosjøen and Mo I Rana, can be characterized as well functioning. The turnover speed has decreased some and is now between 35-60 days and the turnovers are approximately on value assessment. It is expected moderate price growth on housing in Helgeland in 2020.

Unemployment remains low in Helgeland, with 1.9%. 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, February 4th 2020

Hanne Nordgaard
Chairman

Dan Hugo Heimstad
Deputy Chairman

Håkon Stanghelle

Sverre Klausen

Lena Båtstrand
General Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	31.12.19	31.12.18	Q4/19	Q4/18
Interest income fom assets measured at amortized cost	3	238 646	190 718	66 449	50 270
Interest income fom assets measured at real value	3		0	0	0
Interest payable and similar costs	3	157 090	112 802	45 152	31 050
Net interest- and credit commission income		81 556	77 916	21 296	19 220
Commissions receivable and income from banking services		23	18	7	4
Commissions payable and costs relating to banking services		0	0	0	0
Net commission income		23	18	7	4
Net value change gains/losses on financial assets		-4 969	651	-5 160	199
Operating costs	4	11 644	10 314	2 566	2 124
Impairment on loans and guarantees	5	1 407	-124	789	-16
Profit from ordinary operations		63 559	68 395	12 789	17 315
Gross profit		63 559	68 395	12 789	17 315
Tax payable on ordinary result		13 949	15 726	2 778	3 942
Net profit		49 610	52 669	10 011	13 373
Result per share in NOK	17	92	98		
Diluted result per share in NOK	17	92	98		
Extended income					
Net profit		49 610	52 669	10 011	13 373
Net change in value of financial assets over equity		0	0	0	0
Total period for the period		49 610	52 669	10 011	13 373

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	31.12.19	31.12.18
ASSETS			
Loans to and claims on credit institutions	11	399 994	414 457
Loans to and claims on customers	6,7,8,9,10	7 597 523	7 383 826
Certificates		49 896	24 957
Other assets			
Total assets		8 047 413	7 823 240
LIABILITIES AND EQUITY CAPITAL			
Liabilities to credit institutions	12	682 159	708 965
Borrowings through the issuance of securities	13,14	6 744 816	6 497 568
Finansielle derivater		7 428	
Other liabilities		15 160	15 979
Total liabilities		7 449 563	7 222 512
Paid-in equity capital	15,16,17	540 010	540 010
Accrued equity capital/retained earnings	17	57 840	60 718
Net profit		597 850	600 728
Total equity capital		8 047 413	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
Allocated dividend			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
Fund unrealized gains			180	180
Paid out			-52 669	-52 669
Allocated dividend			49 610	49 610
Equity capital as at 31.12.19	540 000	10	57 840	597 850

CASH FLOW STATEMENT

CASH FLOW STATEMENT

	31.12.19	31.12.18
Change in lending to customers	-215 106	-750 688
Interest income lending to customers	253 854	188 416
Change deposits from customers	-26 806	-315 423
Interest cost deposit from customers	-15 751	-17 108
Change certificates and bonds	-25 000	25 012
Interest income certificates and bonds	0	0
Commission income	23	11
Payments relating to operations	-11 643	-10 313
Paid tax	-15 050	-11 608
Other cutoffs	4 142	-3 039
A Net liquidity change from operating activities	-51 337	-894 740
Long-term investments in shares	0	0
Income sale of long-term investments in shares	0	0
Dividend from long-term investments in shares	0	0
B Liquidity change from financial activities	0	0
New borrowing through issuance of securities	3 776 698	2 447 000
Repayments - issued securities	-3 546 874	-1 424 000
Interest payments borrowing through issuance of securities	-140 281	-95 694
New share capital	0	0
Dividend to share owners	-52 669	-48 871
C Net liquidity change financing	36 874	878 435
A+B+C Net liquidity change in the period	-14 463	-16 305
Liquid funds at the start of the period	414 457	430 762
Liquid funds at the end of the period	399 994	414 457
Liquid funds specified	-14 463	-16 305
Balances with credit institutions without notice periods	399 994	414 457

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

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

NOTE 2. SEGMENT

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

NOTE 3. NET INTEREST INCOME

	31.12.19	31.12.18	Q4/19	Q4/18
Interest income of lending to and claims on credit institutions	2 792	2 302	699	573
Interest income of lending to and claims on customers	235 854	188 416	65 750	49 697
Total interest income	238 646	190 718	66 449	50 270
Interest expense on liabilities to credit institutions	15 751	17 108	4 694	3 332
Interest expense on issued securities	141 339	95 694	40 458	27 718
Other interest expenses				
Total interest expenses	157 090	112 802	45 152	31 050
Net interest income	81 556	77 916	21 296	19 220

NOTE 4. OPERATING COSTS

	31.12.19	31.12.18	Q4/19	Q4/18
Management fee and wage general manager	8 199	7 548	2 046	1 943
Other administration costs	33	33	4	4
Total wages and administration costs	8 232	7 581	2 050	1 947
Other operating costs	3 411	2 733	515	177
Total operating costs	11 643	10 314	2 565	2 124

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	31.12.19	31.12.18
Periodens endring i nedskrivninger trinn 1-3	1 407	-124
Periodic losses on loans covered by previous write-downs	0	0
Periodic losses on loans not covered by previous write-downs	0	0
Periodic entrance of former confirmed losses	0	0
Write-downs on commitments etc.	1 407	-124

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

NOTES

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	31.12.19	%	31.12.18	%
Helgeland	5 887 560	77.5 %	5 775 821	78.2 %
Areas other than Helgeland	1 700 385	22.4 %	1 590 532	21.5 %
International ¹⁾	12 123	0.1 %	18 609	0.3 %
Total	7 600 068	100.0 %	7 384 962	100 %

NOTE 7. LENDING

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

Expected losses for all accounts are calculated. All account commitments are entered into one of the three “steps” in the loss model, based on their risk change since granting (change in credit risk). For a description of the individual “steps”, see explanations below. All commitments that do not already have objective evidence of loss at the time of recognition are placed at the time of recognition in step 1, and are later moved to step 2; in cases where there has been a significant increase in credit risk, or step 3; in cases where there is objective evidence of loss.

Step 1: 12 months expected loss

This includes most cases of financial assets that are covered by the general loss model. Financial instruments that have similar credit risk (or better) to what it was at initial recognition, and which are therefore not classified under steps 2 and 3, are included in this step. The estimated expected loss attributable to the accounts corresponds to expected losses from default in the next 12 months.

Step 2: Expected loss of life.

In step 2, financial assets that have had a significant increase in credit risk are placed since initial recognition. If an account commitment is significantly worsened or not, it is defined as a function of probability of default (PD) at the time of calculation and the time of grant. The bank has chosen to define that assets with low credit risk (operationalized as assets with PD not exceeding 0.75%) remain in step 1. Expected loss for assets in step 2 is calculated over the residual maturity of the asset. The following events are always considered to have resulted in a significant increase in credit risk:

- Commitment where there is a 30 day cover. This applies to coverings from the first crown, but older than 30 days.
- Commitment where there is greater cover. This applies to overdrafts from the first day, where the balance is considerably larger than the grant.
- Commitment with changed payment obligations or refinancing (forbearance).

Step 3: Expected loss of life

In step 3 of the loss model, assets that have had significant increase in credit risk since initial recognition and where there is objective evidence of loss at the reporting date. Expected loss for assets in step 3 is calculated over the remaining maturity of the asset. Interest income is calculated on the assets’ net book value.

The same model is used for the group, parent bank and wholly-owned mortgage companies, but with different data definition when it comes to initial recognition. For the group and the parent bank, the account’s grant date must be used, while for the mortgage company the score is used at the transfer date.

NOTES

31.12.19	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	2 228 683	150 475	0	0	2 379 158
Transfers from step 1 to step 2	-294 186	286 109	0	0	-8 077
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
	0	0	0	0	
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	94 395	-98 176	0	0	-3 782
Reduced portfolio	-1 819 675	-108 299	0	0	-1 927 973
	0	0	0	0	0
Other adjustments	-222 188	-2 031	0	0	-224 220
Gross lending pr. 31.12.19	7 085 168	514 900	0	0	7 600 068
Unused drafts, guarantees etc.	510 825	4 494	-	-	515 319

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

31.12.18	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	6 390 501	242 278	1 497	0	6 634 275
New loans / credits / guarantees	2 959 408	76 848	0	0	3 036 256
Transfers from step 1 to step 2	-153 397	148 700	0	0	-4 697
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
	0	0	0	0	
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	94 040	-101 519	0	0	-7 479
Reduced portfolio	-1 983 267	-77 935	-1 497	0	-2 062 699
	0	0	0	0	0
Other adjustments	-209 145	-1 550	0	0	-210 695
Gross lending pr. 31.12.18	7 098 140	286 822	0	0	7 384 962
Unused drafts, guarantees etc.	471 326	6 562	-	-	477 888

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

NOTES

	Step 1	Step 2	Step 3		
31.12.19					
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	82	782	-197	0	666
Transfers from step 1 to step 2	-36	1 004	0	0	968
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	-243	0	0	-230
Reduced portfolio	271	-265	0	0	6
Other adjustments	-39	38	0	0	-1
Loss deduction pr. 31.12.19	712	2 031	-197	0	2 545

0 0 0

31.12.18					
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	456	762	82	0	1 300
New loans / credits / guarantees	170	225	0	0	395
Transfers from step 1 to step 2	-16	278	0	0	262
Transfers from step 1 to step 3	0	0	0	0	0
Transfers from step 2 to step 3	0	0	0	0	0
Transfers from step 3 to step 2	0	0	0	0	0
Transfers from step 3 to step 3	0	0	0	0	0
Transfers from step 2 to step 1	9	-240	0	0	-232
Reduced portfolio	-173	-194	-82	0	-450
Other adjustments	-24	-115	0	0	-139
Loss deduction pr. 31.12.18	421	716	0	0	1 136

Lending	31.12.19	31.12.18
Lending to customers	7 589 135	7 376 628
Accureds interests	10 933	8 334
Gross lending to customers	7 600 068	7 384 962
Individual write-downs	0	0
Lending to customers after individual write-downs	7 600 068	7 384 962
Write down	-2 545	-1 136
Lending to and claims on customers, to amortized cost	7 597 523	7 383 826

NOTES

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	31.12.19	31.12.18
Unutilised credit	515 312	477 888
Guarantees	0	0
Total conditional liabilities	515 312	477 888

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.12.19	31.12.18
Gross defaulted commitments over 90 days	0	0
Individual write-downs of defaulted loans	0	0
Net defaulted commitments	0	0

NOTE 10. LENDING AND EXPECTED LOSS DIVIDED ON INDUSTRY

31.12.19	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	163 719	0	-31	-254	0	0		163 434
Total retail market	7 436 349	0	-358	-1 902	0	0		7 434 089
Total	7 600 068	0	-389	-2 156	0	0		7 597 523
Expected loss off balance RM		-8	-3	0	0			
Expected loss off balance CM		-1	0	0	0			

31.12.18	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	140 517	-27	-110	0	0	0		140 380
Total retail market	7 244 447	-392	-607	0	0	0		7 243 447
Total	7 384 962	-419	-716	0			0	7 383 826
Expected loss off balance RM		-8	-5	-				
Expected loss off balance CM		-1	0	-				

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	31.12.19	31.12.18
Liabilities to credit institutions without agreed maturity	399 994	414 457
Total lending to and claims on credit institutions	399 994	414 457
Total exposure at Helgeland in %	100 %	100 %

NOTES

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	31.12.19	31.12.18
Without agreed maturity	682 159	708 965
Total liabilities to credit institutions	682 159	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 31/12/19 the idle frame was 817 million.

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

NOTE 13. DERIVATIVES

	31.12.19		
	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	300 000	0	7 428
Total financial derivatives with hedging	300 000	0	7 428

	31.12.18		
	Nominal value	Market value	
	Total	Assets	Commitments
Interest rate swaps- fixed interest rate loans			
Interest rate swaps- bank deposits with share Yield			
Total financial derivatives	0	0	0

Interest rate swaps – fixed interest rate with hedging	0	0	0
Total financial derivatives with hedging	0	0	0

NOTES

NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

Liabilities through issuance of securities are valued at amortized cost.

Covered bonds:

ISIN code	Current	Par value	Own hold.	Interest	Admission	Maturity	Soft call	31.12.19
NO0010709355 NOK	30 000	20 000	Flytende	3mnd. Nibor+0,40	2014	2020	2021	15 003
NO0010724065 NOK	500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	499 680
NO0010740673 NOK	26 000		Flytende	3 mnd.Nibor+0,49	2015	2020	2021	26 020
NO0010764897 NOK	500 000		Flytende	3 mnd.Nibor+0,86	2016	2021	2022	500 160
NO0010769920 NOK	500 000		Flytende	3 mnd.Nibor+0,78	2016	2021	2022	500 271
NO0010782774 NOK	205 000		Flytende	3 mnd.Nibor+0,52	2017	2022	2023	205 154
NO0010785843 NOK	500 000		Flytende	3 mnd.Nibor+0,64	2017	2022	2023	500 371
NO0010804008 NOK	500 000		Flytende	3 mnd.Nibor+0,45	2017	2021	2022	499 803
NO0010810278 NOK	500 000		Flytende	3 mnd.Nibor+0,41	2017	2021	2022	499 967
NO0010819568 NOK	500 000		Flytende	3 mnd.Nibor+0,40	2018	2022	2023	499 601
NO0010826415 NOK	500 000		Flytende	3 mnd.Nibor+0,47	2018	2022	2023	499 609
NO0010831290 NOK	500 000		Flytende	3 mnd.Nibor+0,42	2018	2023	2024	498 980
NO0010839434 NOK	500 000		Flytende	3 mnd.Nibor+0,55	2018	2023	2024	499 920
NO0010847080 NOK	500 000		Flytende	3 mnd.Nibor+0,48	2019	2024	2025	500 866
NO0010859986 NOK	500 000		Flytende	3 mnd.Nibor+0,40	2019	2025	2026	500 047
NO0010865652 NOK	200 000		Flytende	3 mnd.Nibor+0,43	2019	2025	2026	199 894
NO0010867864 NOK	300 000		Fast	2.22 %	2019	2029	2030	299 470
Total listed covered bonds								6 744 816

All loans have soft call one year before maturity.

Issue no: NO0010859986 MNOK 80

ISIN code	Current	Par value	Own hold.	Interest	Admission	Maturity	Soft call	31.12.18
NO0010686710 NOK	53 000		Flytende	3mnd. Nibor+0,50	2013	2019	2020	53 048
NO0010709355 NOK	500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	500 467
NO0010724065 NOK	500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	500 162
NO0010748601 NOK	500 000	260 000	Flytende	3 mnd.Nibor+0,78	2015	2019	2020	240 656
NO0010740673 NOK	500 000		Flytende	3 mnd.Nibor+0,49	2015	2020	2021	500 657
NO0010764897 NOK	500 000		Flytende	3 mnd.Nibor+0,86	2016	2021	2022	500 632
NO0010769920NOK	500 000		Flytende	3 mnd.Nibor+0,78	2016	2021	2022	501 686
NO0010782774NOK	500 000		Flytende	3 mnd.Nibor+0,52	2017	2022	2023	500 228
NO0010804008NOK	500 000		Flytende	3 mnd.Nibor+0,45	2017	2021	2022	500 444
NO0010785843NOK	500 000		Flytende	3 mnd.Nibor+0,64	2017	2022	2023	500 443
NO0010810278 NOK	500 000		Flytende	3 mnd.Nibor+0,41	2017	2021	2022	500 486
NO0010819568 NOK	500 000		Flytende	3 mnd.Nibor+0,40	2018	2022	2023	498 468
NO0010826415 NOK	500 000		Flytende	3 mnd.Nibor+0,47	2018	2022	2023	500 746
NO0010831290 NOK	500 000		Flytende	3 mnd.Nibor+0,42	2018	2023	2024	500 414
NO0010839434 NOK	300 000	100 000	Flytende	3 mnd.Nibor+0,55	2018	2023	2024	199 030
Total listed covered bonds								6 497 567

All loans have soft call one year before final maturity.

	31.12.19	31.12.18
Total listed bonds	6 744 816	6 497 567
Loans secured by property	7 511 850	7 325 150
Claims that constitutes cover pool (inc. Interests)	399 994	414 457
Total cover pool	7 911 844	7 739 607

Cover pool capacity utilization	1 167 028	1 242 040
Cover pool capacity utilization %	17 %	19 %
Cover pool capacity utilization %, own share covered bonds added	17 %	13 %

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

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

NOTES

NOTE 15. CAPITAL ADEQUACY

	31.12.19	31.12.18
Total paid-in capital	540 010	540 010
Total accrued equity capital/retained earnings	57 839	60 719
Additional	0	0
Deduction	-50 469	-52 667
Total core capital	547 380	548 062
Total net supplementary capital	0	0
Total net equity and related capital	547 380	548 062
Weighted asset calculation basis	3 129 578	2 954 987
Capital adequacy ratio	17.49 %	18.55 %
Of which core capital accounted for	17.49 %	18.55 %

	31.12.19	31.12.18
States and central banks	0	0
Local and regional authorities (including municipalities)	0	0
Publicly owned enterprises	0	0
Institutions	79 999	82 891
Enterprises	0	0
Mass market loans	0	0
Loans secured by real property	2 829 548	2 726 072
Loans overdue	73 232	15 387
Other loans and commitments	0	233
Capital requirement credit risk	2 982 779	2 824 583
Capital requirement operational risk	143 534	130 404
Deduction/addition from capital requirement	3 265	0
Total capital requirement	3 129 578	2 954 987

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. RESULT PER SHARE

	31.12.19	31.12.18
Profit	49 610	52 669
Number of shares	540 000	540 000
Result per share in NOK	92	98
Diluted result per share in NOK	92	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.

	31.12.19	31.12.18
Intragroup transactions		
Profit and loss account		
Interest income and similar income	2 792	2 302
Interest expense and similar expense	15 751	17 108
Management fee	8 199	7 548
Balance sheet		
Lending and claims on credit institutions	399 994	414 457
Liabilities to credit institutions	682 159	708 965
Liabilities from issue of securities	80 000	0

NOTE 19. KEY FIGURES

	31.12.19	31.12.18
Profit & Loss Account		
Gross profit (NOK 1.000)	49 610	52 669
Net interest as a % of average assets	1.01 %	1.05 %
Operation cost as a % of income	14.3 %	13.2 %
Net profit as a % of average assets	0.62 %	0.71 %
Balance sheet		
Gross lending (NOK 1.000)	7 600 068	7 384 962
Collective write-downs as a % of lending	0.0 %	0.0 %
12 months growth in customer lending	2.9 %	11.3 %
Total assets (NOK 1.000 kr)	8 047 413	7 823 240
Average total assets	8 037 543	7 434 347
Solidity		
Rate of return on equity capital	8.3 %	9.0 %
Core tier one Capital (NOK 1.000)	547 380	548 062
Core tier one Capital ratio	17.5 %	18.5 %
LR (Leverage Ratio)	6.6 %	6.8 %
Information on lending portfolio		
Surplus value of cover pool (NOK 1.000)	1 167 028	1 242 039
Surplus value of cover pool (%)	17 %	19 %
Indexed LTV	57 %	56 %
Proportion of variable-rate loans	100 %	100 %
Proportion of flexible mortgages*)	11 %	11 %
Average loan value (NOK 1.000)	1 133	1 138
Number of loans	6 687	6 486
Remaining maturity - weighted average (year)	20.5	22.3
Seasoning - weighted average (year)	2.8	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

Sverre Klausen, CFO, telephone +47 916 88 286

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

Other sources:

Annual reports:

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

Interim reports

Quarterly reports are available at www.hsb.no