Q1 2015

financial report

first quarter 2015

helgeland boligkreditt

Helgeland Boligkreditt AS,
Accounts first quarter 2015.

General information

Helgeland Boligkreditt AS was established in 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 is licensed to operate as a mortgage company, issuing covered bonds. Helgeland Sparebank provides services such as following up customers, management of loans, as well as a number of administrative services.
The General Manager is employed in a 35 % position.

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.

Rating

Bonds issued by Helgeland Boligkreditt AS are rated 'Aaa' by Moody's.

Results 1st Quarter

Profit before tax was MNOK 13.6. This is a reduction of MNOK 5.6 compared to the same period last year. The reduction is almost fully related to the net interest. The interest income is reduced by MNOK 20.7 while a reduction of interest costs is slightly lesser by MNOK 15. The reduction in interest- and commission earnings is a combination of a decline in lending volume and the effect of interest rate changes on the lending portfolio. To meet the competition in the mortgage market the lending interest rate was lowered several times in 2014. The last rate change was implemented with effect from March 15th 2015. The reduction in 3-month NIBOR has given a lower borrowing cost and reduced rate costs. The net interest was 1.57 %, compared to 1.92 % at the same period last year.
Operating costs in NOK is almost unchanged and were MNOK 3.2, compared to MNOK 3.3 same period last year. Group write-downs are unchanged in 2015.

Net profit was MNOK 9.9. This gives a return on equity of 12.5%.

Key figures per 31.03.15 (31.03.14)

- Net profit MNOK 9.9 (14.0)
- Net interest MNOK 16.8 (22.6)
- Operations costs MNOK 3.2 (3.3)
- Return on equity 12.5 (18.9) %
- CET1 capital ratio 17.3 (16.8) %
- Cover pool ratio of fullness 20 (23) %
- Indexed LTV 52 (53) %

Balance development

Combined assets constituted MNOK 4,265.2. Of this, 95 % was lending to customers.

Cover pool

By the end of the quarter the mortgage company had 4,727 mortgages totalling MNOK 4,053.6 (4,278). 80.8 % of the mortgages are lent to customers in the Helgeland region.

All the mortgages have floating interest rates, and 20 (21) % of the lending volume are flexi loans.
The lending has been reduced by MNOK 224.5 the past 12 months. Lower growth in the parent bank in 2014 has also affected the growth in the mortgage company. Loans that qualify for the cover pool amounts to MNOK 3,982 (4,215). The lending portfolio is considered to be of good quality. When calculating the OC the company's substitute assets of MNOK 215(234) are included. This is entirely deposits in the parent bank.

Funding

The lending portfolio is funded by issuing covered bonds totalling MNOK 3,494.4 (3,619.6), as well as long term credit from Helgeland Sparebank. Covered bonds at the face value of MNOK 404 (504) are in the parent bank's ownership.
The company's debt in finance institutions amounts to MNOK 406 (513) by the end of first 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 was 20 (23) %.

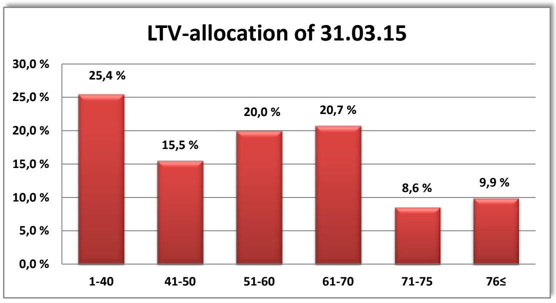
Risk conditions and capital ratio

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. Sum group write-downs on lending constitute MNOK 4.1, or 0.1% of gross lending.
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 effects 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 52 (53) % at the end of first quarter. 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 year the share of funding over 1 year was 83.5 (84.1) %. This is well above the target of 70 %. 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 31.03.15 was 17.3 (16.8) % and consists exclusively of a CET1 capital of MNOK 293.4. The standard formula is used to calculate the capital requirements, and the basic indicator approach is used to calculate operational risk.

Prospects ahead
The competition in the retail market remains strong. An increase in the norm rate improves the bank's competitiveness against Statens Pensjonskasse which has a significant market share in the Helgeland region. Helgeland Sparebank has effectuated a number of measures to take its share of the growth in the bank's market area, and the lending growth in 2015 is expected to be on level with the national average.

The housing prices have historically been relatively stable compared with the larger cities. The prices for sold houses and flats have increased by respectively 5.78 % and 2.29 % compared with last year. A continued stable development in property prices is expected in the region and the activity in the housing market is expected to increase in second quarter.

The unemployment rate varies within the region, but the total unemployment rate is 2.7% per 31.03.15. This is a weak increase since year end. Helgeland has a stable and versatile labour market with a combination of solid export companies and major state enterprises, and the total unemployment is expected to remain at a low level, even if we see individual companies affected by reduced activity in the oil supply industry.
Summarized, the economic outlooks in Helgeland seem to be relatively good despite the weak cycles and low investments in the petroleum sector. This is due to a combination of high activity in the building and construction sector, good growth potential and willingness to invest in the export companies.

There is ongoing work to facilitate additional purchases of mortgages from the parent bank, as well as issuance of covered bonds. This is important in order to maintain the competitiveness in the Helgeland Sparebank group.

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Mo i Rana, April 27th 2015

Lisbeth Flågeng *Chairman of the Board*	Dan Hugo Heimstad *Deputy Chairman of the Board*	Helge Stanghelle
Ranveig Kråkstad		Brit Søfting *General Manager*

TABLE OF CONTENTS:

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	31.03.15	31.03.14	31.12.14
Interest receivable and similar income	3	39 213	49 532	185 411
Interest payable and similar costs	3	22 430	26 970	105 113
Net interest- and credit commission income		**16 783**	**22 562**	**80 298**
Commissions receivable and income from banking services		2	3	12
Commissions payable and costs relating to banking services		0	0	0
Net commission income		**2**	**3**	**12**
Operating costs	4	3 172	3 335	14 209
Impairment on loans and guarantees	5	0	0	0
Result from ordinary operations		**13 613**	**19 230**	**66 101**
Result before tax		**13 613**	**19 230**	**66 101**
Tax payable on ordinary result		3 675	5 193	17 953
Profit after tax		**9 938**	**14 037**	**48 148**
Result per share in NOK	17	34	48	166
Diluted result per share in NOK	17	34	48	166
Extended income				
Result after tax		**9 938**	**14 037**	**48 148**
Net change in value of financial assets over equity		0	0	0
Total result for the period		**9 938**	**14 037**	**48 148**

BALANCE SHEET

(amounts in NOK 1.000)	Notes	31.03.15	31.03.14	31.12.14
ASSETS				
Loans to and claims on credit institutions	11	215 307	234 410	223 626
Loans to and claims on customers	6,7,8,9,10	4 049 455	4 273 946	4 213 845
Other assets		417	315	417
Total assets		**4 265 179**	**4 508 671**	**4 437 888**
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	406 423	513 508	683 290
Borrowings through the issuance of securities	13,14	3 494 327	3 619 629	3 394 883
Other liabilities		60 658	67 664	17 734
Committed group contribution			0	
Total liabilities		**3 961 408**	**4 200 801**	**4 095 907**
Paid-in equity capital	15,16,17	290 010	290 010	290 010
Accrued equity capital/retained earnings	17	13 761	17 860	51 971
Net profit		**303 771**	**307 870**	**341 981**
Total equity capital		**4 265 179**	**4 508 671**	**4 437 888**

CHANGE IN EQUITY AND CASH FLOW STATEMENT

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.14	290 000	10	51 971	341 981
Issued new share capital				0
Paid out				0
Dividends transferred to debt			-48 148	-48 148
Result			9 938	9 938
Equity capital as at 30.09.14	**290 000**	**10**	**13 761**	**303 771**

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.13	290 000	10	33 596	323 606
Issued new share capital				0
Paid out				0
Dividends transferred to debt			-29 772	-29 772
Result			14 037	14 037
Equity capital as at 30.09.13	**290 000**	**10**	**17 861**	**307 871**

CASH FLOW STATEMENT

	31.03.15	31.03.14	31.12.14
Result of ordinary operations	13 612	19 230	66 101
+ Ordinary depreciations	0	0	
+ Impairment and gain/loss on assets	0	0	
+ Losses on loans, guarantees, etc	0	0	
- Tax expense	3 675	5 193	18 457
= Provided from the year's operations	**9 937**	**14 037**	**47 644**
Change miscellaneous debt: + increase/-decrease	11 415	399	-459
New loans customers	0	0	-50 698
Installment loans customers	164 390	525 840	637 880
Change in liabilities to credit institutions: + increase/-decrease	-276 867	-151 942	17 780
A Net liquidity change from operating activities	**-91 125**	**388 334**	**652 147**
Financing by issuance of securities	99 444	0	803 714
Financing on redemption of securities		-392 868	-1 421 086
- Group contribution		0	-50 094
B Liquidity change from financial activities	**99 444**	**-392 868**	**-667 466**
A+B Change in liquid assets	8 319	-4 534	-15 319
+ Liquid assets at the start of the period	223 627	238 945	238 945
= Liquid assets at the close of the period	215 307	234 411	223 627

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

General background
Helgeland Boligkreditt AS received its license as finance company February 2009. The company is a wholly-owned subsidiary of Helgeland Sparebank and was established to be the parent bank's enterprise for issuance of covered bonds. The company is headquartered in Mo i Rana, with address Jernbanegata 8601 Mo i Rana, Norway.

Presentation currency
All amounts are stated in NOK thousand unless otherwise specified. Presentation currency and functional currency are both NOK.

Basis of preparation of financial statements
The accounts have been prepared in accordance to Ministry of Finance's regulations on annual accounting for banks, etc., § 1-5 Simplified use of international accounting standards. The company is a part of the Helgeland Sparebank Group, who implemented IFRS in the consolidated accounts from 1 January 2005. The company uses the same principles of measurement, classification and presentation as the consolidated accounts for Helgeland Sparebank. The annual accounts have been prepared on a going concern basis.

Presentation in the balance sheet and profit and loss account

Loans
Loans are recognised in the balance sheet depending on the counterparty, either as loans to and deposits with credit institutions or as loans to customers, depending on the measurement principle.
Interest income on loans is included in the line for "net interest income".
Changes in value that can be linked to identify objective evidence of impairment on the balance-sheet date for loans carried at amortised cost and for the portfolios of loans at fixed interest rates that are carried at fair value are included in "write-downs of loans and guarantees".

Liabilities to credit institutions and deposits from customers
Liabilities to financial institutions are recognised as liabilities to credit institutions regardless of the measurement principle. Interest expense on the instruments is included in net interest income based on the internal rate of return method. Other changes in value are included in "net gains on financial instruments at fair value".

Segment reporting
The company's operations involve only one strategic business area, which is organised and managed on a total basis. The company's business area is the retail market. Lending to the corporate market is mortgages to sole proprietorships and represents a smaller share of total lending. The company does not report this as a separate segment.

Financial instruments
The company defines its financial assets and liabilities within the following classes:

- Financial derivatives
- Securities issued and subordinated loan capital
  - Securities issued at floating rates of interest
  - Securities issued, fixed-interest
  - Securities issued, hedges
- Loans to customers
  - Loans at floating rates of interest

Financial instruments are valued in accordance with IAS 39. All purchases and sales of financial instruments are recognised in the accounts at the transaction date.

Financial derivatives
The agreements entered into by the company are derivatives related to interest rates and exchange rates. Interest swaps are related to fixed-interest deposits and loans; currency swaps are related to syndicate borrowing in euro.
Derivatives are carried at fair value (clean value) and are together with accrued/earned interest value in the balance sheet (see also section on hedge accounting). The effect of change in fair value is recognized as "gain/loss on financial instruments".
Interest on derivatives hedging is a part of the net interest rate.

Fair value is equal to the market price for listed securities. For securities that are not listed and which there is no market for, uses the company valuation techniques to determine fair values. The derivatives are recognised in the profit and loss account as an asset when the fair value is positive, and as a liability when the fair value is negative

Securities issued

Securities issued are defined as securities which the company does not intend to trade and which were originally issued by the company. Buy-backs of own bonds in connection with debt reduction are netted against bond debt.
Liabilities at floating rates of interest are assessed at fair value when they are first included in the accounts and later at amortised cost through the use of the effective interest method. Any premium/discount is accrued over the term to maturity. The liabilities are shown in the balance sheet at amortised cost (including accrued interest). Changes in value for amortised cost are recognised in the profit and loss account and net interest.
Liabilities at fixed rates of interest are assessed at fair value. The liabilities are shown in the balance sheet at fair value (clean price) including accrued interest, less own portfolio. Changes in value are recognised in the profit and loss account as "gains/losses on financial instruments" and interest expense in the profit and loss account against net interest.
Appreciation at fair value over the result is expected to significantly reduce the result volatility that otherwise would have occurred when the company have signed interest rate derivatives to achieve efficient floating rate

Hedge accounting; the company evaluates and documents the hedge effectiveness, both at the initial classification and on an ongoing basis. At value hedging, both the hedging instrument and the hedged item are recognized at fair value, and changes in these values from the opening balance are recognized.
The company has no cash-flow hedges.

The fair value is calculated by discounting the cash flow. Credit spreads on interest-bearing securities are changed on the basis of an all-round assessment in which observed trades in the market, credit margin reports from various securities houses, and internal assessments are included as a basis for the overall assessment. A change in credit spreads will influence the required rate of return, as the supplement added to the zero coupon curve is changed. In the case of purchase of own securities, liabilities are reduced, and the difference between book value and the payment made (premium or discount) is recognised in the profit and loss account as a gain or loss relating to securities issued.

Loans to customers

The company has defined its market area (Helgeland) as one segment.
Loans at floating rates of interest are measured at amortised cost in compliance with IAS 39. The amortised cost is the purchase cost less repayments on capital, plus or minus cumulative amortisation resulting from an effective interest method, less any amount for impairment. Loans at amortised cost, including accrued interest, reflect the value in the balance sheet. Interest income on loans to customers is recognised as income under net interest. When loans are first recognised in the balance sheet, they are valued at fair value.

Write-downs on loans

A loan or a group of loans is written down when there is objective evidence of impairment of value as a result of loss events which can be reliably estimated, and which are important for the expected future cash flows from the loan or group of loans.

Loans are written down individually when there is objective evidence of the loan's impairment of value. The amount of the write-down is calculated as the difference between the book and present value of future cash flows calculated according to the expected life of the loan in question. The discounting is done through the use of the effective interest method. Calculated loss is shown on a gross basis in the balance sheet as an individual write-down on loans and is recognised in the profit and loss account as a loss cost. Loans which have been written down individually are not included in the basis for collective write-downs.
Loans are written down collectively when there is objective evidence suggesting impairment of a group of loans. Customers are classified in risk groups on the basis of different parameters such as financial strength, revenue generation, liquidity and funding, business sector, geographical location and behavioural score. These factors provide indications of debtors' ability to service their loans, and are relevant for the calculation of future cash flows from the different risk groups. Each individual risk group is assessed collectively with regard to the need for write-downs.

Interest income and interest cost

Interest income and interest costs relating to assets and liabilities measured at amortised cost are recognised in the profit and loss account on an ongoing basis through the use of the effective interest method.
Interest income on loans which have been written down is calculated by using the same effective rate of interest as the one applied when discounting the original cash flow. Interest income on fixed-interest loans is recognised at fair value. Changes in the fair value of fixed-interest loans are recognised in the profit and loss account as a change in the value of financial instruments.

Commission income and expenses
In general, commission income and expenses are accrued as a service is provided.

Cash and cash equivalents
In the cash flow statement, cash and cash equivalents are defined as cash, deposits with Norges Bank and other banks, certificates, bonds and loans and credits provided for other banks. Cash equivalents are short-term liquid funds, which can be converted into cash within 3 months

Provisions
Provisions are included in the accounts when the company has a currently valid obligation (legal or assumed) as a result of events, which have occurred, and when it is more likely than not that a financial settlement as a result of the obligation will take place, and when the size of the amount involved can be reliably estimated.
Provisions are reviewed on each balance sheet date in question, the level reflecting the best estimate of the obligation. When the effect of time is insignificant, the provisions will be equal to the amount of the cost required in order to be free of the obligation. When the effect of time is significant, the provisions will be equal to the present value of the future cash payments needed to meet the obligation.
In cases where there are several obligations of the same kind, the likelihood of the obligation resulting in a settlement is determined by assessing the group as a whole. Provisions for the company are included in the accounts even if the likelihood of a settlement relating to the company's individual elements may be low.

Tax
Deferred tax is calculated on all temporary differences between accounts-related and tax-related balance sheet values according to the currently applicable tax rate at the end of the period (the liabilities method). Tax-increasing temporary differences include a deferred tax liability, and tax-reducing, temporary differences, together with any loss to be carried forward, include a possible deferred tax benefit. Deferred tax benefit is shown in the balance sheet when it is likely that in the future there will be taxable income against which the deferred tax benefit can be used.
The tax cost in the profit and loss account comprises both the period's payable tax and any change in deferred tax. The change in deferred tax reflects future payable taxes which are incurred as a result of the operations during the year.

Cash flow statement
The cash flow statement shows cash flows classified by sources and fields of application.

Share capital
Provision for dividends and group contributions are classified as equity capital in the period until the dividend is decided by the company's supervisory board. Provisions are not included in the calculation of capital adequacy. When the dividend or group contribution is decided by the General Assembly, it will be removed from the equity capital and classified as short-term liability until payment is made.

NOTE 2. SEGMENT

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

NOTES

NOTE 3. NET INTEREST INCOME

Specifications of income:	**31.03.15**	**31.03.14**	**31.12.14**
Interest income of lending to and claims on credit institutions	997	1 738	5 987
Interest income of lending to and claims on customers	38 216	47 794	179 424
Total interest income	**39 213**	**49 532**	**185 411**
Interest expense on liabilities to credit institutions	3 924	3 391	18 642
Interest expense on issued securities	18 506	23 579	86 471
Other interest expenses	0	0	0
Total interest expenses	**22 430**	**26 970**	**105 113**
Net interest income	**16 783**	**22 562**	**80 298**

NOTE 4. OPERATING COSTS

Specification of costs:	**31.03.15**	**31.03.14**	**31.12.14**
Management fee and wage general manager	2 736	2 921	11 428
Other administration costs			46
Total wages and administration costs	**2 736**	**2 921**	**11 474**
Other operating costs	436	414	2 735
Total operating costs	**3 172**	**3 335**	**14 209**

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	**31.03.15**	**31.03.14**	**31.12.14**
Perodic change in individual write-downs	0	0	0
Periodic change in write-downs on groups of loans	0	0	0
Total losses on loans and guarantees	**0**	**0**	**0**
Periodic losses on loans covered by previous write-downs	0	0	0
Periodic losses on loans not covered by previous write-downs	0	0	0
Periodic entrance of former confirmed losses	0	0	0
Write-downs on commitments etc.	**0**	**0**	**0**

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	**31.03.15**	**%**	**31.03.14**	**%**
Helgeland	3 274 510	80.8 %	3 462 190	80.9 %
Areas other than Helgeland	768 335	19.0 %	805 445	18.8 %
International1)	10 710	0.3 %	10 411	0.2 %
Total	**4 053 555**	**100 %**	**4 278 046**	**100 %**

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

NOTE 7. LENDING

Lending	31.03.15	31.03.14
Lending to customers	4 047 764	4 270 800
Accureds interests	5 791	7 246
Gross lending to customers	**4 053 555**	**4 278 046**
Individual write-downs	0	0
Lending to customers after individual write-downs	4 053 555	4 278 046
Group write-downs	-4 100	-4 100
Lending to and claims on customers, to amortized cost	**4 049 455**	**4 273 946**

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	31.03.15	31.03.14
Unutilised credit	326 803	317 551
Guarantees	0	0
Total conditional liabilities	**326 803**	**317 551**

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.03.15	31.03.14
Gross defaulted commitments over 90 days	0	0
Individual write-downs of defaulted loans	0	0
Net defaulted commitments	**0**	**0**

NOTE 10. WRITE DOWNS ON LENDING

Write-downs	31.03.15	31.03.14
Individual write-downs to cover losses on commitments 01.01	0	0
Net write-offs, which was previously written down	0	0
Increased individual write-downs in the period, which was previously written down	0	0
New individual write-downs in the period	0	0
Reversal of individual write-downs in the period	0	0
Total individual write-downs on loans	**0**	**0**
Group write-downs		
Group write-downs to cover losses on loans and commitments 01.01	4 100	4100
Periodic change group write-downs	0	0
Total group write-downs	**4 100**	**4 100**

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	31.03.15	31.03.14
Liabilities to credit institutions without agreed maturity	215 307	234 410
Total lending to and claims on credit institutions	**215 307**	**234 410**
Total exposure at Helgeland in %	100 %	100 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	31.03.15	31.03.14
Without agreed maturity	406 423	513 508
Total liabilities to credit institutions	406 423	513 508

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 03/31/14 was idle frame 986 million
In addition, the Company has a revolving credit facility of 1,500 million (with maturities> one year) given by Helgeland Sparebank. The credit facility is intended to cover payment obligations in the cover for a rolling 12 month period, and is entirely unused

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	Curren	Par value	Own hold.	Interest	0	Admission	Maturity	Soft call	31.03.15
NO0010628431	NOK	300.000		Flytende	3mnd. Nibor+0,80	2011	2015	2016	250.000
NO0010686710	NOK	500.000		Flytende	3mnd. Nibor+0,50	2013	2019	2020	450.000
NO0010709355	NOK	500.000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	450.000
NO0010592553	NOK	500.000		Flytende	3mnd. Nibor+0,58	2010	2016	2017	450.000
NO0010623978	NOK	300.000	170.000	Flytende	3mnd. Nibor+0,67	2011	2017	2018	260.000
NO0010645963	NOK	500.000		Flytende	3mnd. Nibor+1,00	2012	2017	2018	480.000
NO0010660640	NOK	300.000	15.000	Flytende	3mnd. Nibor+0,85	2012	2018	2019	250.000
NO0010571573	NOK	500.000	225.000	Flytende	3mnd. Nibor+0,65	2010	2015	2016	450.000
NO0010724065	NOK	500.000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	454.327
Total listed covered bonds									**3.494.327**

Issue NO0010628431 MNOK 45, NO0010686710 MNOK 100, NO10709355 MNOK 100, NO0010724065 MNOK 100 and NO0010571573 MNOK 59, Total MNOK 404.All loans have soft call one year before maturity.

ISIN code	Curren	Par value	Own hold.	0	Interest	Admission	Maturity	Soft call	31.03.14
NO0010628431	NOK	300.000		Flytende	3mnd. Nibor+0,80	2011	2015	2016	303.098
NO0010515489	NOK	450.000	250.000	Flytende	3mnd. Nibor+0,50	2009	2014	2015	186.477
NO0010515497	NOK	450.000	250.000	Flytende	3mnd. Nibor+0,59	2009	2014	2015	186.598
NO0010592553	NOK	500.000		Flytende	3mnd. Nibor+0,65	2010	2016	2017	504.126
NO0010623978	NOK	300.000	170.000	Flytende	3mnd. Nibor+0,67	2011	2017	2018	132.250
NO0010635253	NOK	200.000	100.500	Flytende	3mnd. Nibor+0,75	2012	2015	2016	101.729
NO0010645963	NOK	500.000		Flytende	3mnd. Nibor+0,65	2012	2017	2018	505.238
NO0010660640	NOK	300.000	15.000	Flytende	3mnd. Nibor+0,85	2012	2018	2019	287.542
NO0010686710	NOK	500.000	100.000	Flytende	3mnd. Nibor+0,73	2013	2019	2020	404.758
NO0010566839	NOK	500.000		Flytende	3mnd. Nibor+0,65	2010	2014	2015	504.389
NO0010571573	NOK	500.000		Flytende	3mnd. Nibor+0,65	2010	2015	2016	503.424
Total listed covered bonds									**3.619.629**

Issue No0010515489 MNOK 200, No0010515497 MNOK 200 and NO0010566839 MNOK 104, total 504.

All loans have soft cal one year before maturity.

	31.03.15	31.03.14
Total listed bonds	**3 494 327**	**3 619 629**
Loans secured by property	3 981 845	4 214 887
Claims that constitutes cover pool	215 306	234 411
Total cover pool	**4 197 151**	**4 449 298**
Cover pool capacity utilization	702 824	829 669
Cover pool capacity utilization %	20 %	23 %

Collateral assembly is defined in the Financial Institutions Act § 2.28.

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

NOTE 15. CAPITAL ADEQUACY

	Basel III	Basel II
	31.03.15	**31.03.14**
Total paid-in capital	290.010	290.010
Total accrued equity capital/retained earnings	3.824	3.824
Additional	0	0
Deduction	-418	0
Total core capital	**293.416**	**293.834**
Total net supplementary capital	0	0
Total net equity and related capital	**293.416**	**293.834**
Weighted asset calculation basis	1.698.372	1.753.101
Capital adequacy ratio	17,28 %	16,76 %
Of which core capital accounted for	17,28 %	16,76 %

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

	31.03.15	31.03.14
States and central banks	0	0
Local and regional authorities (including municipalities)	0	0
Publicly owned enterprises	0	0
Institutions	42 323	46 888
Enterprises	0	1 975
Mass market loans	75 264	88 200
Loans secured by real property	1 437 037	1 498 700
Loans overdue	0	0
Other loans and commitments	5 669	34 663
Capital requirement credit risk	**1 560 293**	**1 670 426**
Capital requirement operational risk 1)	138 079	82 675
Deduction from capital requirement	0	0
Total capital requirement	**1 698 372**	**1 753 101**

NOTE 16. SHARE CAPITAL

The share capital is 290 MNOK. The shares has a face value of 1 000 NOK, and Helgeland Sparebank owns all the shares.

NOTE 17. RESULT PER SHARE

	31.03.15	31.03.14
Result so far this year	9 938	14 037
Number of shares	290 000	290 000
Result per share in NOK	34	48
Diluted result per share in NOK	34	48

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

The information is provided regarding to IAS 24 concerning the disclosure of related parties. Helgeland Boligkreditt AS is a wholly owned subsidiary of Helgeland Sparebank and is defined as a related party regarding the accounting standard. Transactions between the company and the parent bank are made in accordance with regular business conditions and principles. Office support and management of the loans are mainly bought services from Helgeland Sparebank. It has been agreed upon an operation agreement between the companies.

Intragroup transactions	**31.03.15**	**31.03.14**
Profit and loss account		
Interest income and similar income	996	1 738
Interest expense and similar expense	3 924	3 391
Management fee	2 737	2 921
Balance sheet		
Lending and claims on credit institutions	215 307	234 410
Liabilities to credit institutions	406 423	513 508
Liabilities from issue of securities	404 000	504 000

NOTE 19. KEY FIGURES

	31.03.15	31.12.14	31.12.13
Profit & Loss Account			
Gros profit (NOK 1.000)	9 937	48 148	50 094
Net interest as a % of average assets	1.57 %	1.77 %	1.69 %
Operation cost as a % of income	18.4 %	17.7 %	21.1 %
Result after tax as a % of average assets	0.93 %	1.07 %	0.94 %
Balance sheet			
Gross lending (NOK 1.000)	4 053 555	4 217 945	4 803 886
Collective write-downs as a % of lending	0.1 %	0.1 %	0.1 %
12 months growth in customer lending	-5.2 %	-12.1 %	-5.4 %
Total assets (NOK 1.000 kr)	4 265 179	4 437 889	5 039 046
Average total assets	4 328 082	4 527 668	4 987 846
Solidity			
Rate of return on equity capital	12.5 %	14.5 %	15.4 %
Core tier one Capital (NOK 1.000)	293 416	293 518	293 833
Core tier one Capital ratio	17.3 %	16.7 %	15.1 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	702 824	979 162	925 538
Surplus value of cover pool (%)	20 %	29 %	23 %
Indexed LTV	52 %	52 %	52 %
Propotion of variable-rate loans	100 %	100 %	100 %
Propotion of flexible mortgages*)	20 %	21 %	21 %
Average loan value (NOK 1.000)	857	854	796
Number of loans	4 727	4 934	6 035
Remaining maturity - weighted average (year)	16.8	16.8	16.4
Seasoning - weighted average (year)	3.4	3.4	3.5

*) Calculated from the drawn amount

Elected representatives and senior management in Helgeland Boligkreditt AS

The General Meeting:
Helgeland Sparebank v/CEO Lisbeth Flågeng.

Supervisory Board:
Thore Michalsen, Mo i Rana, Chairman.
Geir Sætran, Mo i Rana Deputy Chairman.
Øyvind Karlsen, Mo i Rana
Ann Karin Krogli, Mo i Rana
Kenneth L. Nilsson, Korgen
Svein Hansen, Mosjøen

Board of Directors:
Lisbeth Flågeng, CEO Helgeland Sparebank, Chairman
Dag Hugo Heimstad, Director of Retail Market Helgeland Sparebank, Deputy Chairman
Ranveig Kråkstad, Chief Accounting Officer, Helgeland Sparebank
Helge Stanghelle, CEO Fesil Rana Metall

General Manager
Brit Søfting, admin.assistant, Helgeland Sparebank

Control Committee:
Frank Høyen, General Manager ProLink International - Chairman
Nina Lundel, Lawyer Statens Innkrevningssentral (National Collection Agency)
Kåre J. Åsli, self-employed

Contact information

Helgeland Sparebank
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Organization no.: 937 904 029
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Helgeland Boligkreditt AS
Organization no.: 993 359 696
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Sverre Klausen, CFO, telephone +47 75 12 82 22
Tore Stamnes, Head of Treasury, telephone +47 75 11 90 91

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