Q3
2014

financial report

third quarter 2014

helgeland boligkreditt

Helgeland Boligkreditt AS,
Accounts third quarter 2014

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 the town of Mo I Rana.

The company obtained a license as a finance institution in 2009 and can issue covered bonds (bonds where investors are secured collateral in property through mortgages issued by Helgeland Sparebank). The bank delivers services such as following up customers, management of loans, as well as a number of administrative services.
The General Manager is employed with a 35 % position.

Accounting standards

The accounts are conducted in line with international financial reporting standards (IFRS). All numerical quantities are given in thousands if not otherwise stated. Helgeland Boligkreditt is listed on the Oslo Stock Exchange as a bond issuer.

Rating

Bonds issued by Helgeland Boligkredit AS are rated by Moody's, and are rated Aaa.

Result per 30.09.14

Gross profit was MNOK 51.5. This is an increase of MNOK 2.3 compared with the corresponding period last year. Net interest- and commission earnings are reduced by MNOK 1.3 and were MNOK 62.1. This is both due to reduced loaning costs caused by a lower money market interest, and earlier conducted interest changes on the lending portfolio. The operating costs in NOK have increased by MNOK 0.5 to MNOK 11.1.

Key figures per 30.06.14 (30.06.13)

- Net profit MNOK 37.2 (35.2)
- Net interest MNOK 62.1 (63.4)
- Operating costs MNOK 11.0 (10.6)
- Return on equity 11.0 (14.4)
- CET1 capital ratio 16.6 (15.5) %
- OC level 33 (24) %
- Indexed LTV 53.0 (51.0) %

Balance development

Combined assets constituted MNOK 4,457.9.
95% of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had 5,090 mortgages at the combined sum of MNOK 4,232.1 (4,760.1). 82 % of the lending is to customers in the Helgeland region. All loans have a floating interest rate and 22 (21) % of the lending volume are flex loans. The lending in the last 12 months is reduced by MNOK 527.9.

Loans that are qualified in the cover pool constitute MNOK 4,173.1. The lending portfolio is considered as good. When calculating the overcollateralization level, bank deposits (inkluding interest) of MNOK 229.6 (245.7) are included.

Funding

The lending portfolio is funded by the issuance of covered bonds at the combined sum of MNOK 3,320.6 (4,110.4), as well as credit facilities from Helgeland Sparebank. Covered bonds at the face value of MNOK 300 (700) are in the parent bank's ownership.
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 33 (26) %.

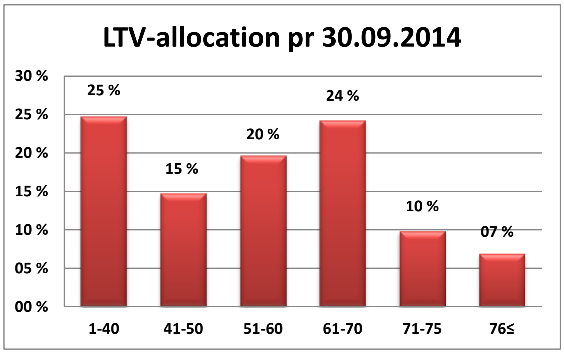
Risk conditions and capital ratio

Laws and regulations for companies with concessions 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 frames for steering goals and risk profile. Lending in the cover pool fulfils the requirements of the financial services act, and is safeguarded with collateral in real estate within 75% of prudent market value.
The company has had no individual write downs or established losses. Sum write-downs on groups of 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 conducted to calculate the effects of a potentially negative development in the housing prices. The Board of Directors considers the results of conducted stress tests as satisfactory. The credit risk in the lending portfolio is considered to be low.

LTV (Loan to value) was 53.0 (51.0) %. The diagram below shows a distribution of the LTVs for the mortgages that are in Helgeland Boligkreditt AS.



Liquidity risk
Liquidity risk is the risk that the company cannot meet 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 responsibility, 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.

Helgeland Boligkreditt AS has established committed credit lines with the parent bank that guarantees payment 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.

Operating 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 30.09.14 was 16.6 (15.5) % and consists exclusively of CET1 capital at the sum of MNOK 293.8. The standard formula is used to calculate the capital requirements, and the basic indicator approach is used to calculate operational risk.

Prospects ahead
The mortgage company can show to a good result so far in 2014, with stable earnings and low risk. We expect this to be the situation ahead as well. Helgeland Boligkreditt AS plans to take over additional loans from Helgeland Sparebank in 2014.

Mo i Rana, october 22 2014

Lisbeth Flågeng *Cairman*	Dag Hugo Heimstad *Deputy*	Helge Stanghelle
Ranveig Kråkstad		Brit Søfting *General manager*

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PROFIT AND LOSS ACCOUNT

	Notes	30.09.14	30.09.13	Q3/14	Q3/13	31.12.13
Interest receivable and similar income	3	142 345	153 597	45 233	52 875	206 077
Interest payable and similar costs	3	80 200	90 137	26 720	29 349	119 932
Net interest- and credit commission income		**62 145**	**63 460**	**18 513**	**23 526**	**86 145**
Commissions receivable and income from banking services		9	15	3	5	19
Commissions payable and costs relating to banking services		0	0	0	0	0
Net commission income		**9**	**15**	**3**	**5**	**19**
Operating costs	4	11 079	10 555	3 094	3 759	14 039
Impairment on loans and guarantees	5	0	4 100	0	4 100	4 100
Result from ordinary operations		**51 075**	**48 820**	**15 422**	**15 672**	**68 025**
Result before tax		51 075	48 820	15 422	15 672	68 025
Tax payable on ordinary result		13 791	13 670	3 808	4 390	17 930
Profit after tax		**37 284**	**35 150**	**11 614**	**11 282**	**50 094**
Result per share in NOK	17	129	121	0	0	173
Diluted result per share in NOK	17	129	121	0	0	173

B A L A N C E S H E E T

BALANCE SHEET

	Notes	30.09.14	30.09.13	31.12.13
ASSETS				
Loans to and claims on credit institutions	11	229 578	245 762	238 945
Loans to and claims on customers	6,7,8,9,10	4 228 052	4 755 973	4 799 786
Other assets		315	0	315
Total assets		**4 457 945**	**5 001 735**	**5 039 046**
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	785 917	640 375	665 443
Borrowings through the issuance of securities	13,14	3 320 620	4 010 444	4 011 414
Other liabilities		20 290	21 932	18 260
Committed group contribution		0	0	0
Total liabilities		**4 126 827**	**4 672 751**	**4 695 117**
Paid-in equity capital	15,16,17	290 010	290 010	290 010
Accrued equity capital/retained earnings	17	3 824	3 824	53 918
Net profit		37 284	35 150	0
Total equity capital		**331 118**	**328 984**	**343 928**
Total liabilities and equity capital		**4 457 945**	**5 001 735**	**5 039 046**

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	53 919	343 929
Issued new share capital				0
Paid out				0
Dividends transferred to debt			-50 094	-50 094
Result			37 283	37 283
Equity capital as at 30.09.14	**290 000**	**10**	**41 108**	**331 118**

	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			-29 773	-29 773
Result			0	35 150
Equity capital as at 30.09.13	**290 000**	**10**	**3 824**	**328 984**

CASH FLOW STATEMENT

	30.09.14	30.09.13	31.12.13
Result of ordinary operations	51 075	48 820	68 024
+ Ordinary depreciations	0	0	0
+ Impairment and gain/loss on assets	0	4 100	0
+ Losses on loans, guarantees, etc	0	0	4 100
- Tax expense	13 791	13 670	17 930
= Provided from the year's operations	**37 284**	**39 250**	**54 194**
Change miscellaneous debt: + increase/-decrease	2 030	9 880	5 921
New loans customers	0	0	-150 378
Installment loans customers	571 734	319 618	426 157
Change in deposits from and liabilities to customers: +increase/-decrease	120 474	0	0
Change in liabilities to credit institutions: + increase/-decrease	0	-67 129	-42 061
A Net liquidity change from operating activities	**731 522**	**301 619**	**293 833**
Financing by issuance of securities	720 824	0	500 804
Financing on redemption of securities	-1 411 619	-300 512	-800 347
- Group contribution	-50 094	-29 772	-29 772
Change in subordinated dept/equity certificates + increase/-decrease	0	0	0
B Liquidity change from financial activities	**-740 889**	**-330 284**	**-329 315**
A+B Change in liquid assets	-9 367	-28 665	-35 482
+ Liquid assets at the start of the period	238 945	274 427	274 427
= Liquid assets at the close of the period	229 578	245 762	238 945

N O T E S

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.

NOTES

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.

NOTE 3. NET INTEREST INCOME

Specifications of income:	30.09.14	30.09.13	Q4/13	Q4/12	31.12.13
Interest income of lending to and claims on credit institutions	4 744	5 977	1 470	1 850	7 743
Interest income of lending to and claims on customers	137 601	147 620	43 763	51 025	198 334
Total interest income	**142 345**	**153 597**	**45 233**	**52 875**	**206 077**
Interest expense on liabilities to credit institutions	14 184	10 297	5 680	3 982	14 506
Interest expense on issued securities	66 016	79 840	21 040	25 367	105 426
Other interest expenses	0	0	0	0	0
Total interest expenses	**80 200**	**90 137**	**26 720**	**29 349**	**119 932**
Net interest income	**62 145**	**63 460**	**18 513**	**23 526**	**86 145**

NOTE 4. OPERATING COSTS

Specification of costs:	30.09.14	30.09.13	Q3/14	Q3/13	31.12.13
Management fee and wage general manager	8 689	9 403	2 885	3 148	12 547
Other administration costs	45	44	4	2	46
Total wages and administration costs	**8 734**	**9 447**	**2 889**	**3 150**	**12 593**
Other operating costs	2 345	1 108	205	609	1 446
Total operating costs	**11 079**	**10 555**	**3 094**	**3 759**	**14 039**

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.09.14	30.09.13	Q3/14	Q3/13	31.12.13
Perodic change in individual write-downs	0	0	0	0	0
Periodic change in write-downs on groups of loans	0	4100	0	4100	4 100
Total losses on loans and guarantees	**0**	**4100**	**0**	**4100**	**4 100**
Periodic losses on loans covered by previous write-(	0	0	0	0	0
Periodic losses on loans not covered by previous wr	0	0	0	0	0
Periodic entrance of former confirmed losses	0	0	0	0	0
Write-downs on commitments etc.	**0**	**4100**	**0**	**0**	**4 100**

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	30.09.14	%	30.09.13	%	31.12.13	%
Helgeland	3 449 204	81.5 %	3 850 899	80.9 %	3 901 185	81.2 %
Areas other than Helgeland	778 716	18.4 %	899 653	18.9 %	893 872	18.6 %
International1)	4 232	0.1 %	9 520	0.2 %	8 829	0.2 %
Total	**4 232 152**	**100 %**	**4 760 072**	**100 %**	**4 803 886**	**100 %**

1) Customers residing abroad Helgeland Boligkreditt mortgage on property in Norway on these.

NOTE 7. LENDING

Lending	30.09.14	30.09.13	31.12.13
Lending to customers	4 225 621	4 744 703	4 796 222
Accureds interests	6 531	7 169	7 664
Gross lending to customers	**4 232 152**	**4 751 872**	**4 803 886**
Individual write-downs	0	0	0
Lending to customers after individual write-downs	4 232 152	4 751 872	4 803 886
Group write-downs	-4 100	4 100	-4 100
Lending to and claims on customers, to amortized cost	**4 228 052**	**4 755 972**	**4 799 786**

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	30.09.14	30.09.13	31.12.13
Unutilised credit	338 568	317 551	336 206
Guarantees	0	0	0
Total contingent liabilities	**338 568**	**317 551**	**336 206**

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.09.14	30.09.13	31.12.13
Gross defaulted commitments over 90 days	0	586	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	0	586	0

NOTE 10. WRITE DOWNS ON LENDING

Write-downs	30.09.14	30.09.13	31.12.13
Individual write-downs to cover losses on commitments 01.01	0	0	0
Net write-offs, which was previously written down	0	0	0
Increased individual write-downs in the period, which was previously written dc	0	0	0
New individual write-downs in the period	0	0	0
Reversal of individual write-downs in the period	0	0	0
Total individual write-downs on loans	**0**	**0**	**0**
Group write-downs			
Group write-downs to cover losses on loans and commitments 01.01	0	0	0
Periodic change group write-downs	0	4 100	4 100
Total group write-downs	**0**	**4 100**	**4 100**

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.14	30.09.13	31.12.13
Liabilities to credit institutions without agreed maturity	229 578	245 762	238 945
Total lending to and claims on credit institutions	**229 578**	**245 762**	**238 945**
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.14	30.09.13	31.12.13
Without agreed maturity	785 917	640 370	665 443
Total liabilities to credit institutions	**785 917**	**640 370**	**665 443**

The Company has a credit facility (maturing> one year) of 1.500 million As of 09/30/14 was idle frame 714 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.

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.14
NO0010628431	NOK	300 000		Floating	3mnd. Nibor+0,80	2011	2016	2015	302 665
NO0010686710	NOK	500 000	100 000	Floating	3mnd. Nibor+0,50	2013	2019	2018	502 377
NO0010709355	NOK	500 000	200 000	Floating	3mnd. Nibor+0,40	2014	2020	2019	499 302
NO0010592553	NOK	500 000		Floating	3mnd. Nibor+0,58	2010	2017	2016	499 338
NO0010623978	NOK	300 000	170 000	Floating	3mnd. Nibor+0,67	2011	2017	2016	130 002
NO0010635253	NOK	200 000	100 500	Floating	3mnd. Nibor+0,75	2012	2016	2015	99 940
NO0010645963	NOK	500 000		Floating	3mnd. Nibor+1,00	2012	2017	2016	500 866
NO0010660640	NOK	300 000	15 000	Floating	3mnd. Nibor+0,85	2012	2019	2018	284 490
NO0010571573	NOK	500 000		Floating	3mnd. Nibor+0,65	2010	2016	2015	501 641
Total listed covered bonds									**3 320 620**

Issue NO0010686710 and NO0010709355 nominal MNOK 300 are entirely bought by Helgeland Sparebank

All loans have soft call one year before maturity.

NOTES

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.13
NO0010628431	NOK	300 000		Floating	3mnd. Nibor+0,80	2011	2016	2015	300 952
NO0010515489	NOK	450 000	100 000	Floating	3mnd. Nibor+0,50	2009	2016	2015	350 370
NO0010515497	NOK	450 000	100 000	Floating	3mnd. Nibor+0,59	2009	2017	2016	350 280
NO0010592553	NOK	500 000		Floating	3mnd. Nibor+0,65	2010	2017	2016	500 066
NO0010623978	NOK	300 000	170 000	Floating	3mnd. Nibor+0,67	2011	2018	2017	130 076
NO0010635253	NOK	200 000	10 000	Floating	3mnd. Nibor+0,75	2012	2016	2015	190 843
NO0010645963	NOK	500 000		Floating	3mnd. Nibor+0,65	2010	2016	2015	502 089
NO0010660640	NOK	300 000	15 000	Floating	3mnd. Nibor+0,85	2012	2019	2018	284 702
NO0010686710	NOK	500 000	100 000	Floating	3mnd. Nibor+0,73	2013	2019	2018	400 445
NO0010566839	NOK	500 000		Floating	3mnd. Nibor+0,65	2010	2015	2014	500 414
NO0010571573	NOK	500 000		Floating	3mnd. Nibor+0,65	2010	2016	2015	500 207
Total listed covered bonds									**4 010 444**

Issue No0010515489 og No0010515497 nominal MNOK 100 are entirely bought by Helgeland Sparebank

All loans have soft cal one year before maturity.

	30.09.14	30.09.13	31.12.13
Total listed bonds	**3 320 620**	**4 010 444**	**4 011 414**
Loans secured by property	4 178 840	4 744 953	4 698 007
Claims that constitutes cover pool	229 578	245 762	238 945
Total cover pool	**4 408 418**	**4 990 715**	**4 936 952**
Cover pool capacity utilization	1 087 798	980 271	925 538
Cover pool capacity utilization %	33 %	24 %	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

	30.09.14	30.09.13	31.12.13
Total paid-in capital	290 010	290 010	290 010
Total accrued equity capital/retained earnings	3 823	3 823	53 918
Additional	0	0	0
Deduction	0	0	50 409
Total core capital	**293 833**	**293 833**	**293 519**
Total net supplementary capital	0	0	0
Total net equity and related capital	**293 833**	**293 833**	**293 519**
Weighted asset calculation basis	1 765 500	1 893 025	1 942 050
Capital adequacy ratio	16.64 %	15.52 %	15.11 %
Of which core capital accounted for	16.64 %	15.52 %	15.11 %

The note shows calculation basis and capital adequacy after Basel II (standardmethod credit risk). Comparative figures are not restated and the other periods are according to Basel II.

	30.09.14	30.09.13	31.12.13
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	3 673	3 923	3 823
Enterprises	0	4 245	205
Mass market loans	7 877	8 001	9 255
Loans secured by real property	116 182	128 691	133 534
Loans overdue	0	0	0
Covered bonds	0	0	0
Units in securities funds	0	0	0
Other loans and commitments	6 566	1 356	3 649
Capital requirement credit risk	**134 298**	**146 216**	**150 466**
Capital requirement operational risk 1)	6 614	4 898	4 898
Deduction from capital requirement	-328	-328	0
Total capital requirement	**141 240**	**151 442**	**155 364**

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

	30.09.14	30.09.13	31.12.13
Result so far this year	37 284	35 150	50 094
Number of shares	290 000	290 000	290 000
Result per share in NOK	129	121	173
Diluted result per share in NOK	129	121	173

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	**30.09.14**	**30.09.13**	**31.12.13**
Profit and loss account			
Interest income and similar income	4 744	5 977	7 742
Interest expense and similar expense	14 184	10 296	33 406
Management fee	8 689	9 403	12 547
Balance sheet			
Lending and claims on credit institutions	229 578	245 762	238 945
Liabilities to credit institutions	785 893	640 375	665 443
Liabilities from issue of securities	300 000	700 000	700 000

NOTE 19. KEY FIGURES

	30.09.14	30.09.13	31.12.13
Profit & Loss Account			
Gros profit (NOK 1.000)	37 284	35 150	50 094
Net interest as a % of average assets	1.81 %	1.69 %	1.69 %
Operation cost as a % of income	17.8 %	16.6 %	21.1 %
Result after tax as a % of average assets	1.09 %	0.94 %	0.94 %
Balance sheet			
Gross lending (NOK 1.000)	4 232 152	4 760 072	4 803 886
Collective write-downs as a % of lending	0.1 %	0.1 %	0.1 %
12 months growth in customer lending	-11.1 %	4.4 %	-5.4 %
Total assets (NOK 1.000 kr)	4 457 945	5 001 735	5 039 046
Average total assets	4 593 502	5 008 852	4 987 846
Solidity			
Rate of return on equity capital	11.0 %	14.4 %	15.4 %
Core tier one Capital (NOK 1.000)	293 833	293 833	293 519
Core tier one Capital ratio	16.6 %	15.5 %	15.1 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	1 087 798	974 293	931 952
Surplus value of cover pool (%)	33 %	24 %	23 %
Indexed LTV	53 %	51 %	52 %
Propotion of variable-rate loans	100 %	100 %	100 %
Propotion of flexible mortgages*)	22 %	21 %	21 %
Average loan value (NOK 1.000)	825	802	796
Number of loans	5 090	5 932	6 035
Remaining maturity - weighted average (year)	16.5	15.1	16.4
Seasoning - weighted average (year)	3.5	3.4	3.5

*) Calculated from the drawn amount

Elected representatives and senior management in Helgeland Boligkreditt AS

The General Assembly:
Helgeland Sparebank v/ Acting CEO Lisbeth Flågeng.

Representatives:
Thore Michalsen, Mo i Rana, Chairman.
Geir Sætran, Mo i Rana Deputy Chairman.
Dag Hugo Heimstad, Mosjøen
Ann Karin Krogli, Mo i Rana
Halvor Braaten, Mo i Rana
Fredrik Hagen, Mosjøen

Members of the Board of Directors:
Lisbeth Flågeng, Acting CEO Helgeland Sparebank, Chairman
Dag Hugo Heimstad, Chief Executive, Region South Helgeland Sparebank
Ranveig Kråkstad, Acting Chief Financial Officer Helgeland Sparebank
Helge Stanghelle, CEO Fesil Rana Metall

Members of the Control Comittee:
Heidi Dahl, Jurist Statens Innkrevningssentral - Chairman
Kåre Åsli, self-employed
Frank Høyen, General Manager ProLink International

Contact information

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Helgeland Boligkreditt AS
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Tore Stamnes, Head of Treasury, telephone +47 75 11 90 91

Other sources:

Annual reports
Helgeland Boligkreditt AS is a 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