

Q3
2015

financial report

third quarter 2015



Helgeland Boligkreditt AS,
third 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 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. The bank provides services such as customer and loan management and 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 per 30.09.15

Profit before tax was MNOK 37.1. This is a reduction of MNOK 14.0 compared to the same period last year. The reduction is almost fully related to the net interest by MNOK 14.4. The interest income is reduced by MNOK 27.7 while a reduction of interest costs is slightly lesser by MNOK 13.3. The reduction in interest earnings is an effect of interest rate changes on the lending portfolio. To meet the competition in the retail market the lending interest rate was changed several times in 2015. The last rate change is approved for implementation on existing loans December 1st. The reduction in 3-month NIBOR has given a lower borrowing cost and therefore reduced rate costs.

Operating costs in NOK is on level with last year and were MNOK 10.7 compared to MNOK 11.1 third quarter 2014. There have not been individual or group write-downs on lending in 2015.

Net profit was MNOK 27.1. This gives a return on equity of 11.2 %.

Key figures per 30.09.15 (30.09.14)

- Net profit MNOK 27.1 (37.3)
- Net interest MNOK 47.8 (62.1)
- Operations costs MNOK 10.7 (11.1)
- Return on equity 11.2 (11.0) %
- CET1 capital ratio 16.2 (16.6) %
- Cover pool ratio of fullness 21 (33) %
- Indexed LTV 52 (53) %

Balance development

Combined assets constituted MNOK 4,515 per 30.09.15. Of this, 95.4 % of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had 4,791 mortgages totalling MNOK 4,312 (4,232). 81.1 (81.5) % of the mortgages are lent to customers in the Helgeland region.

All the mortgages have floating interest rates, and 24 (22) % of the lending volume are flexi loans. The lending has been increased by MNOK 80.3 the past 12 months. Loans that qualify for the cover pool amounts to MNOK 4,236 (4,179). The lending portfolio is considered to be of good quality. When calculating the OC the company's substitute assets of MNOK 207 (230) are included. This is entirely deposits in the parent bank.

Purchase of loans in the parent bank is controlled 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 3.673 (3,321), as well as long term credit from Helgeland Sparebank. Covered bonds at the face value of MNOK 295 (300) are in the parent bank's ownership. The company's debt in finance institutions amounts to MNOK 512 (786) by the end of third 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 21 (33) %.

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.

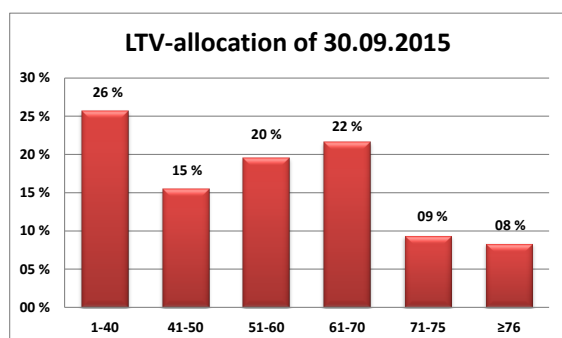
Lending in the cover pool fulfils the requirements of the financial services act, and is secured by collateral in real estate within 75% of prudent market value.

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 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 52 (53) % at the end of third quarter. The diagram below shows the distribution of the LTVs for the mortgages in the cover pool.



Change in the calculation of LTV

All Norwegian mortgage companies use Eiendomsverdi as a provider of valuation of collateral in the cover pool. Eiendomsverdi delivers two types of estimates; an expectation right estimate and an estimate revised downwards, where expectation right estimate has been revised downwards for the most unsafe objects.

There have been different practices among Norwegian mortgage companies when it comes to the use of expectation right estimate and estimate revised downwards for the calculation of LTV.

Helgeland Boligkreditt AS has used the estimate revised downwards. For Q3 2015 Helgeland Boligkreditt AS follows the recommendation from the council OMF to use expectation right estimate when calculating LTV.

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 79.4 (80.9) %. 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 30.09.15 was 16.15 (16.64) % and consists exclusively of a CET1 capital 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 competition in the retail market remains strong. 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 larger cities. National average price increase for flats per third quarter 2015 was 8.2 %. In Helgeland, the increase was slightly lesser with an increase of 6.3 % for the same period.

Villas had a national average price increase of 6.1 % first three quarters. In Helgeland, the price increase on houses was slightly stronger with an increase of 7.1 %. A continued stable development in property prices is expected in the region.

The unemployment rate is still low within the region. Total unemployment is on level with Nordland county 2.6 % per 30.09.15. This is a weak increase since year end. The national unemployment rate per 30.09.15 is 2.9 %.

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 relatively low level, even if we see individual companies affected by reduced activity in the oil supply industry.

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.

Summarized, the economic outlooks in Helgeland seem to be relatively good despite the weak cycles and low investments in the petroleum sector.

Mo i Rana, October 26th 2015

Lisbeth Flågeng
Chairman of the Board

Dan Hugo Heimstad
Deputy Chairman of the Board

Helge Stanghelle

Ranveig Kråkstad

Brit Sjøfting
General Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
Interest receivable and similar income	3	114 666	142 345	37 489	45 233	185 411
Interest payable and similar costs	3	66 860	80 200	21 946	26 720	105 113
Net interest- and credit commission income		47 806	62 145	15 543	18 513	80 298
Commissions receivable and income from banking services		6	9	2	3	12
Commissions payable and costs relating to banking services		0	0	0	0	0
Net commission income		6	9	2	3	12
Operating costs	4	10 722	11 079	3 760	3 094	14 209
Impairment on loans and guarantees	5	0	0	0	0	0
Result from ordinary operations		37 090	51 075	11 785	15 422	66 101
Result before tax		37 090	51 075	11 785	15 422	66 101
Tax payable on ordinary result		10 014	13 791	3 182	3 808	17 953
Profit after tax		27 076	37 284	8 603	11 614	48 148
Result per share in NOK	17	93	129			166
Diluted result per share in NOK	17	93	129			166
Extended income						
Result after tax		27 076	37 284	8 603	11 614	48 148
Net change in value of financial assets over equity		0	0	0	0	0
Total result for the period		27 076	37 284	8 603	11 614	48 148

BALANCE SHEET

BALANCE SHEET

(amounts in NOK 1.000)	Notes	30.09.15	30.09.14	31.12.14
ASSETS				
Loans to and claims on credit institutions	11	206 938	229 578	223 626
Loans to and claims on customers	6,7,8,9,10	4 308 360	4 228 052	4 213 845
Other assets		90	315	417
Total assets		4 515 388	4 457 945	4 437 888
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	511 666	785 917	683 290
Borrowings through the issuance of securities	13,14	3 672 624	3 320 620	3 394 883
Other liabilities		10 188	20 290	17 734
Committed group contribution		0	0	0
Total liabilities		4 194 478	4 126 827	4 095 907
Paid-in equity capital	15,16,17	290 010	290 010	290 010
Accrued equity capital/retained earnings	17	30 900	41 108	51 971
Net profit		320 910	331 118	341 981
Total equity capital		4 515 388	4 457 945	4 437 888

CHANGE IN EQUITY AND CASH FLOW STATEMENT

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.15	290 000	10	3 824	293 834
Issued new share capital				0
Paid out				0
Dividends transferred to debt				0
Result			27 076	27 076
Equity capital as at 30.09.15	290 000	10	30 900	320 910

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.14	290 000	10	3 824	293 834
Issued new share capital				0
Paid out				0
Dividends transferred to debt				0
Result			37 284	37 284
Equity capital as at 30.09.14	290 000	10	41 108	331 118

CASH FLOW STATEMENT

	30.09.15	30.09.14	31.12.14
Result of ordinary operations	37 090	51 075	66 101
+ Ordinary depreciations	0	0	0
+ Impairment and gain/loss on assets	0	0	0
+ Losses on loans, guarantees, etc	0	0	0
- Tax expense	10 014	13 791	18 457
= Provided from the year's operations	27 076	37 284	47 644
Change miscellaneous debt: + increase/-decrease	-8 528	2 030	-459
New loans customers	-246 101	0	-50 698
Installment loans customers	150 675	571 734	637 880
Endring i finansiering ved utstedelse av gjeld til kredittinstitusjoner	-171 578	120 474	17 780
A Net liquidity change from operating activities	-248 456	731 522	652 147
Financing by issuance of securities	599 444	720 824	803 714
Financing on redemption of securities	-319 529	-1 411 619	-1 421 086
- Group contribution	-48 148	-50 094	-50 094
B Liquidity change from financial activities	231 767	-740 889	-667 466
A+B Change in liquid assets	-16 689	-9 367	-15 319
+ Liquid assets at the start of the period	223 627	238 945	238 945
= Liquid assets at the close of the period	206 938	229 578	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 financial statements are reported in accordance to IFRS and are not audited. 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:

- Securities issued and subordinated loan capital
 - Securities issued at floating rates of interest

The company has p.t no fixed loans, fixed rate borrowings or derivatives.

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.

NOTES

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.

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. Fees related to interest bearing instruments are not accounted as commission, but is included in the calculation of effective interest and recognized equivalent.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits, other short-term highly liquid investments with maturities of three months or less and bank overdrafts.

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.

NOTES

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:	30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
Interest income of lending to and claims on credit institutions	2 686	4 744	822	1 470	5 987
Interest income of lending to and claims on customers	111 980	137 601	36 667	43 763	179 424
Total interest income	114 666	142 345	37 489	45 233	185 411
Interest expense on liabilities to credit institutions	12 820	14 184	4 462	5 680	18 642
Interest expense on issued securities	54 040	66 016	17 484	21 040	86 471
Other interest expenses	0	0	0	0	0
Total interest expenses	66 860	80 200	21 946	26 720	105 113
Net interest income	47 806	62 145	15 543	18 513	80 298

NOTE 4. OPERATING COSTS

Specification of costs:	30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
Management fee and wage general manager	8 525	8 689	2 914	2 885	11 428
Other administration costs	52	45	7	4	46
Total wages and administration costs	8 577	8 734	2 921	2 889	11 474
Other operating costs	2 145	2 345	839	205	2 735
Total operating costs	10 722	11 079	3 760	3 094	14 209

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.09.15	30.09.14	31.12.14
Periodic 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	30.09.15	%	30.09.14	%	31.12.14	%
Helgeland	3 498 775	81.1 %	3 449 204	81.5 %	3 436 832	81.5 %
Areas other than Helgeland	804 206	18.6 %	778 716	18.4 %	770 247	18.3 %
International ¹⁾	9 479	0.2 %	4 232	0.1 %	10 866	0.3 %
Total	4 312 460	100 %	4 232 152	100 %	4 217 945	100 %

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

NOTES

NOTE 7. LENDING

Lending	30.09.15	30.09.14	31.12.14
Lending to customers	4 307 382	4 225 621	4 211 392
Accrued interests	5 078	6 531	6 553
Gross lending to customers	4 312 460	4 232 152	4 217 945
Individual write-downs	0	0	0
Lending to customers after individual write-downs	4 312 460	4 232 152	4 217 945
Group write-downs	-4 100	-4 100	-4 100
Lending to and claims on customers, to amortized cost	4 308 360	4 228 052	4 213 845

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	30.09.15	30.09.14	31.12.14
Unutilised credit	407 659	338 568	316 777
Guarantees	0	0	0
Total conditional liabilities	407 659	338 568	316 777

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.09.15	30.09.14	31.12.14
Gross defaulted commitments over 90 days	0	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	0	0	0

NOTE 10. WRITE DOWNS ON LENDING

Write-downs	30.09.15	30.09.14	31.12.14
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 down	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	4 100	0	4 100
Periodic change group write-downs	0	4 100	0
Total group write-downs	4 100	4 100	4 100

NOTES

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.15	30.09.14	31.12.14
Liabilities to credit institutions without agreed maturity	206 938	229 578	223 626
Total lending to and claims on credit institutions	206 938	229 578	223 626
Total exposure at Helgeland in %	100 %	100 %	100 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.15	30.09.14	31.12.14
Without agreed maturity	511 666	785 917	683 223
Total liabilities to credit institutions	511 666	785 917	683 223

The debt is entirely related to the parent bank Helgeland Sparebank

The Company has a credit facility (maturing > one year) of 1.500 million. As of 30/09/15 the idle frame was 988 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	30.09.15	
NO0010628431	NOK	300 000		Flytende	3mnd. Nibor+0,80	2011	2015	2016	306 904
NO0010686710	NOK	500 000		Flytende	3mnd. Nibor+0,50	2013	2019	2020	508 997
NO0010709355	NOK	500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	507 136
NO0010592553	NOK	500 000	45 000	Flytende	3mnd. Nibor+0,58	2010	2016	2017	508 262
NO0010623978	NOK	300 000	170 000	Flytende	3mnd. Nibor+0,67	2011	2017	2018	308 950
NO0010645963	NOK	500 000		Flytende	3mnd. Nibor+1,00	2012	2017	2018	514 691
NO0010660640	NOK	300 000	15 000	Flytende	3mnd. Nibor+0,85	2012	2018	2019	310 120
NO0010740673	NOK	200 000		Flytende	3mnd. Nibor+0,40	2015	1920	1921	205 738
NO0010724065	NOK	500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	501 826
Total listed covered bonds									3 672 624

Issue NO0010628431 MNOK 145, NO0010686710 MNOK 50 and NO0010724065 MNOK 100,

Total MNOK 295. All loans have soft call one year before maturity.

ISIN code	Curren/Par value	Own hold.		Interest	Admission	Maturity	Soft call		30.09.14
NO0010628431 NOK	300 000		Flytende	3mnd. Nibor+0,80	2011	2016		2015	302 665
NO0010686710 NOK	500 000	100 000	Flytende	3mnd. Nibor+0,50	2013	2019		2018	502 377
NO0010709355 NOK	500 000	200 000	Flytende	3mnd. Nibor+0,40	2014	2020		2019	499 302
NO0010592553 NOK	500 000		Flytende	3mnd. Nibor+0,58	2010	2017		2016	499 338
NO0010623978 NOK	300 000	170 000	Flytende	3mnd. Nibor+0,67	2011	2017		2016	130 002
NO0010635253 NOK	200 000	100 500	Flytende	3mnd. Nibor+0,75	2012	2016		2015	99 940
NO0010645963 NOK	500 000		Flytende	3mnd. Nibor+1,00*	2012	2017		2016	500 866
NO0010660640 NOK	300 000	15 000	Flytende	3mnd. Nibor+0,85*	2012	2019		2018	284 489
NO0010571573 NOK	500 000		Flytende	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

	30.09.15	30.09.14	31.12.14
Total listed bonds	3 672 624	3 320 620	3 394 883
Loans secured by property	4 236 414	4 178 840	4 150 418
Claims that constitutes cover pool	206 938	229 578	223 626
Total cover pool	4 443 352	4 408 418	4 374 044
Cover pool capacity utilization	770 728	1 087 798	979 161
Cover pool capacity utilization %	21 %	33 %	29 %

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 30.09.15	Basel II 30.09.14	Basel II 31.12.14
Total paid-in capital	290 010	290 010	290 010
Total accrued equity capital/retained earnings	30 899	41 107	51 971
Total balance Equity capital	320 909	331 117	341 981
Additional	0	0	0
Deduction	-27 076	-37 284	-48 463
Total core capital	293 833	293 833	293 518
Total net supplementary capital		0	0
Total net equity and related capital	293 833	293 833	293 518
Weighted asset calculation basis	1 819 343	1 765 500	1 757 385
Capital adequacy ratio	16.15 %	16.64 %	16.70 %
Of which core capital accounted for	16.15 %	16.64 %	16.70 %

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

	30.09.15	30.09.14	31.12.14
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	41 388	45 912	44 725
Enterprises	764	0	0
Mass market loans	88 590	98 463	78 571
Loans secured by real property	1 530 185	1 452 275	1 495 410
Loans overdue	0	0	0
Other loans and commitments	20 337	82 075	600
Capital requirement credit risk	1 681 264	1 678 725	1 619 306
Capital requirement operational risk 1)	138 079	82 675	138 079
Deduction from capital requirement		-4 100	0
Total capital requirement	1 819 343	1 765 500	1 757 385

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

	30.09.15	30.09.14	31.12.14
Result so far this year	27 076	37 284	48 148
Number of shares	290 000	290 000	290 000
Result per share in NOK	93	129	166
Diluted result per share in NOK	93	129	166

NOTES

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

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

Intragroup transactions	30.09.15	30.09.14	31.12.14
Profit and loss account			
Interest income and similar income	2 686	4 744	5 987
Interest expense and similar expense	12 820	14 184	23 051
Management fee	8 525	8 689	11 428
Balance sheet			
Lending and claims on credit institutions	206 938	229 578	223 627
Liabilities to credit institutions	511 645	785 893	683 223
Liabilities from issue of securities	295 000	300 000	267 000

NOTES

NOTE 19. KEY FIGURES

	30.09.15	30.09.14	31.12.14
Profit & Loss Account			
Gros profit (NOK 1.000)	27 076	37 284	48 148
Net interest as a % of average assets	1.44 %	1.81 %	1.77 %
Operation cost as a % of income	22.40 %	17.80 %	17.7 %
Result after tax as a % of average assets	0.81 %	1.09 %	1.07 %
Balance sheet			
Gross lending (NOK 1.000)	4 312 460	4 232 152	4 217 945
Collective write-downs as a % of lending	0.1 %	0.1 %	0.1 %
12 months growth in customer lending	1.9 %	-11.1 %	-12.1 %
Total assets (NOK 1.000 kr)	4 515 388	4 457 945	4 437 889
Average total assets	4 444 576	4 593 502	4 527 668
Solidity			
Rate of return on equity capital	11.2 %	11.0 %	14.5 %
Core tier one Capital (NOK 1.000)	293 833	293 833	293 518
Core tier one Capital ratio	16.15 %	16.60 %	16.70 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	770 729	1 087 798	979 161
Surplus value of cover pool (%)	21 %	33 %	29 %
Indexed LTV	52 %	53 %	52 %
Propotion of variable-rate loans	100 %	100 %	100 %
Propotion of flexible mortgages*)	24 %	22 %	21 %
Average loan value (NOK 1.000)	893	825	854
Number of loans	4 791	5 090	4 934
Remaining maturity - weighted average (year)	16.4	16.1	16.8
Seasoning - weighted average (year)	3.5	3.5	3.4

*) 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 Sjøfting, admin.assistant, Helgeland Sparebank

Control Committee:

Frank Høyen, General Manager ProLink International

Kåre J. Åsli, self-employed

Nina Lundel, Lawyer Advokathuset Just

Contact information

Helgeland Sparebank

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Organization no.: 937 904 029

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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 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