Q4 2015

financial report

interim report fourth quarter 2015

helgeland boligkreditt

Helgeland Boligkreditt AS,
fourth 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 31.12.15

Profit before tax was MNOK 50.8. This is a reduction of MNOK 15.8 compared to the same period last year. The reduction is fully related to the net interest by MNOK 16.9. The interest income is reduced by MNOK 36.0 while a reduction of interest costs is slightly lesser by MNOK 19.0. 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 was 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 lower than last year and were MNOK 12.5 compared to MNOK 14.2 fourth quarter 2014. There have not been individual or group write-downs on lending in 2015.

Net profit was MNOK 38.1. This gives a return on equity of 11.8 %.

Key figures per 31.12.15 (31.12.14)

- Net profit MNOK 38.1 (48.1)
- Net interest MNOK 63.3 (80.3)
- Operations costs MNOK 12.5 (14.2)
- Return on equity 11.8 (14.5) %
- CET1 capital ratio 15.6 (16.7) %
- Cover pool ratio of fullness 21 (29) %
- Indexed LTV 53 (52) %

Allocation of profit

The board suggests that the result for 2015 of MNOK 38.1 is given as a group contribution to Helgeland Sparebank. The group contribution's size is considered to justifiable since the parent bank will increase the company's equity when needed.

Balance development

Combined assets in Helgeland Boligkreditt AS constituted MNOK 4,514 per 31.12.15. Of this, 95.4 % of the assets are mortgages.

Cover pool

By the end of the quarter the mortgage company had 4,886 mortgages totalling MNOK 4,311 (4,218). 81.9 (81.5) % of the mortgages are lent to customers in the Helgeland region.

All the mortgages have floating interest rates, and 22 (21) % of the lending volume are flexi loans. The lending has been increased by MNOK 93.3 the past 12 months. Loans that qualify for the cover pool amounts to MNOK 4,235 (4,150). The lending portfolio is considered to be of good quality. When calculating the OC the company's substitute assets of MNOK 207 (224) 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 (3.395), as well as long term credit from Helgeland Sparebank. Covered bonds at the face value of MNOK 181 (267) are in the parent bank's ownership.
The company's debt in finance institutions amounts to MNOK 497 (683) by the end of fourth 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 (29) %.

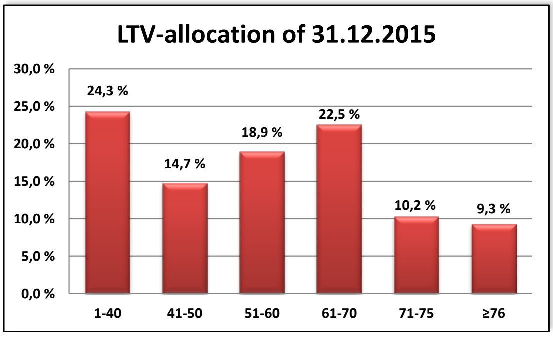
Risk conditions and capital ratio

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 53(52) % at the end of third 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 quarter the share of funding over 1 year was 87.9 (80.1) %. 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 31.12.15 is slightly lower than last year and was 15.58 (16.70) % 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

Declining margins gives lower profits than the same period in 2014. It is expected that interest rates in the will remain low, and this will result in lower average margins that we have seen in previous years. Costs and losses in Helgeland Boligkreditt AS are however at a low level, and the board believes that the company will remain highly profitable in the future.

Growth in Helgeland Boligkreditt AS is adapted to the parent banks capital needs. There is ongoing work to facilitate further purchases of mortgages from the parent bank, as well as the issuance of bonds. This is important to maintain competitiveness in the Helgeland Sparebank group.

Competition in the retail market in Helgeland remains strong. Activity in the housing market was slightly weaker than normal in the fourth quarter, but has picked up again first quarter 2016.
However, we expect greater differences in in activity in the region than we have seen previously. Low interest rates and continued normal activity in the housing market in most of the region still offers an expectation of growth in 2016, all though lower than the growth in 2015.
House price developments are stable and showed an average increase in 2015 for villas at 2.3 % - nationally at 4.4 %. Corresponding figures for apartments show a price increase of 3.9 % in Helgeland – 8.6 % nationally. It is expected a continued stable development in the housing prices in the region as a whole.

Unemployment (completely unemployed) remains low and the total unemployment in the region by the end of 2015 is 2.4 % - this is a decline since last year when the unemployment rate was 2.6 %.
Unemployment is also lower than in Nordland

County which has an unemployment rate of 2.7 %. Unemployment in Norway is per 31.12.2015 of 3.0 %.
The oil related supplier industry experience large variations in the activity, and this affects individual companies and the number of employed in the sector. Although Helgeland relatively speaking is not very dependent on the oil sector, parts of the region is at risk. In the Alstahaug area, this is expected to among others result in a higher unemployment rate and lower housing prices. Low oil prices and low exchange rate is however also positive for Helgeland which has a strong aquaculture industry. Salmon prices are at a high level and allow the companies in the sector to deliver very good results. Favourable exchange rates and low electricity prices is in addition positive for large parts of the region's industrial companies. The industry is however affected by international economic conditions, providing a more uncertain picture in the long term. Favourable exchange rates are also expected to have a positive impact of the tourism in 2016. The construction of E6 Helgeland, together with approves public construction projects contributes to that the construction industry maintains high activity.

Helgeland has overall a stable and versatile labour market with a combination of solid export companies and larger public companies, and the overall unemployment rate is expected to maintain in a relatively low level.

The prospects in Norway is more uncertain and unpredictable than they have been for a long time, and even if Helgeland so far seems to have come out better than many other regions in the country, there is reason to emphasize that there is uncertainty around the future prospects.

Mo i Rana, February 9th 2016

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

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PROFIT AND LOSS ACCOUNT

(amounts in NOK 1.000)	Notes	31.12.15	31.12.14	Q4/15	Q4/14
Interest receivable and similar income	3	149 402	185 411	34 736	43 066
Interest payable and similar costs	3	86 096	105 113	19 236	24 913
Net interest- and credit commission income		**63 306**	**80 298**	**15 500**	**18 153**
Commissions receivable and income from banking services		8	12	2	3
Commissions payable and costs relating to banking services		0	0	0	0
Net commission income		**8**	**12**	**2**	**3**
Operating costs	4	12 511	14 209	1 789	3 130
Impairment on loans and guarantees	5	0	0	0	0
Result from ordinary operations		**50 803**	**66 101**	**13 713**	**15 026**
Result before tax		**50 803**	**66 101**	**13 713**	**15 026**
Tax payable on ordinary result		12 674	17 953	2 660	4 162
Profit after tax		**38 129**	**48 148**	**11 053**	**10 864**
Result per share in NOK	17	131	166		
Diluted result per share in NOK	17	131	166		
Extended income					
Result after tax		**38 129**	**48 148**	**11 053**	**10 864**
Net change in value of financial assets over equity		0	0	0	0
Total result for the period		**38 129**	**48 148**	**11 053**	**10 864**

BALANCE SHEET

(amounts in NOK 1.000)	Notes	31.12.15	31.12.14
ASSETS			
Loans to and claims on credit institutions	11	206 909	223 626
Loans to and claims on customers	6,7,8,9,10	4 307 118	4 213 845
Other assets		90	417
Total assets		**4 514 117**	**4 437 889**
LIABILITIES AND EQUITY CAPITAL			
Liabilities to credit institutions	12	497 027	683 290
Borrowings through the issuance of securities	13,14	3 672 610	3 394 883
Other liabilities		12 518	17 734
Committed group contribution		0	0
Total liabilities		**4 182 155**	**4 095 907**
Paid-in equity capital	15,16,17	290 010	290 010
Accrued equity capital/retained earnings	17	41 952	51 971
Total equity capital		**331 962**	**341 981**
Total liabilities and equity capital		**4 514 117**	**4 437 888**

C H A N G E I N E Q U I T Y A N D C A S H F L O W S T A T E M E N T

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.15	290 000	10	3 823	293 833
Issued new share capital				0
Paid out				0
Dividends transferred to debt				0
Result			38 129	38 129
Equity capital as at 31.12.15	**290 000**	**10**	**41 952**	**331 962**

	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			48 148	48 148
Equity capital as at 31.12.14	**290 000**	**10**	**51 972**	**341 982**

CASH FLOW STATEMENT

	30.12.15	31.12.14
Result of ordinary operations	50 803	66 101
+ Ordinary depreciations	0	0
+ Impairment and gain/loss on assets	0	0
+ Losses on loans, guarantees, etc	0	0
- Tax expense	12 674	18 457
= Provided from the year's operations	**38 129**	**47 644**
Change miscellaneous debt: + increase/-decrease	-5 893	-457
New loans customers	-256 358	-50 698
Installment loans customers	162 232	637 880
Endring i finansiering ved utstedelse av gjeld til kredittinstitusjoner	-186 210	17 780
A Net liquidity change from operating activities	**-248 100**	**652 149**
Financing by issuance of securities	1 280 275	803 714
Financing on redemption of securities	-1 000 745	-1 421 086
- Group contribution	-48 148	-50 094
B Liquidity change from financial activities	**231 382**	**-667 466**
A+B Change in liquid assets	-16 718	-15 317
+ Liquid assets at the start of the period	223 627	238 945
= Liquid assets at the close of the period	206 909	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 derivates.

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.

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.

All loans are p.t FRN.

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 are 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.

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:	31.12.15	31.12.14	Q4/15	Q4/14
Interest income of lending to and claims on credit institutions	3 505	5 987	819	1 243
Interest income of lending to and claims on customers	145 897	179 424	33 917	41 823
Total interest income	**149 402**	**185 411**	**34 736**	**43 066**
Interest expense on liabilities to credit institutions	15 466	18 642	2 646	4 458
Interest expense on issued securities	70 630	86 471	16 590	20 455
Other interest expenses	0	0	0	0
Total interest expenses	**86 096**	**105 113**	**19 236**	**24 913**
Net interest income	**63 306**	**80 298**	**15 500**	**18 153**

NOTE 4. OPERATING COSTS

Specification of costs:	31.12.15	31.12.14	Q4/15	Q4/14
Management fee and wage general manager	9 783	11 428	1 258	2 739
Other administration costs	51	46	-1	1
Total wages and administration costs	**9 834**	**11 474**	**1 257**	**2 740**
Other operating costs	2 677	2 735	532	390
Total operating costs	**12 511**	**14 209**	**1 789**	**3 130**

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	31.12.15	31.12.14
Perodic change in individual write-downs	0	0
Periodic change in write-downs on groups of loans	0	0
Total losses on loans and guarantees	**0**	**0**
Periodic losses on loans covered by previous write-downs	0	0
Periodic losses on loans not covered by previous write-downs	0	0
Periodic entrance of former confirmed losses	0	0
Write-downs on commitments etc.	**0**	**0**

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	31.12.15	%	31.12.14	%
Helgeland	3 532 044	81.9 %	3 436 832	81.5 %
Areas other than Helgeland	769 983	17.9 %	770 247	18.3 %
International1)	9 191	0.2 %	10 866	0.3 %
Total	**4 311 218**	**100 %**	**4 217 945**	**100 %**

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

NOTE 7. LENDING

Lending	31.12.15	31.12.14
Lending to customers	4 306 211	4 211 392
Accureds interests	5 007	6 553
Gross lending to customers	**4 311 218**	**4 217 945**
Individual write-downs	0	0
Lending to customers after individual write-downs	4 311 218	4 217 945
Group write-downs	-4 100	-4 100
Lending to and claims on customers, to amortized cost	**4 307 118**	**4 213 845**

NOTE 8. GUARANTEES AND COMMITMENTS

Unutilised credit and guarantees	31.12.15	31.12.14
Unutilised credit	402 425	316 777
Guarantees	0	0
Total conditional liabilities	**402 425**	**316 777**

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.12.15	31.12.14
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	31.12.15	31.12.14
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	4 100
Periodic change group write-downs	0	0
Total group write-downs	**4 100**	**4 100**

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	31.12.15	31.12.14
Liabilities to credit institutions without agreed maturity	206 909	223 626
Total lending to and claims on credit institutions	**206 909**	**223 626**
Total exposure at Helgeland in %	100 %	100 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	31.12.15	31.12.14
Without agreed maturity	497 013	683 223
Total liabilities to credit institutions	497 013	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 31/12/15 the idle frame was 1 003 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	Admission	Maturity	Soft call	31.12.15
NO0010686710	NOK	500 000		Flytende	3mnd. Nibor+0,50	2013	2019	2020	500 847
NO0010709355	NOK	500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	500 860
NO0010592553	NOK	500 000	45 000	Flytende	3mnd. Nibor+0,58	2010	2016	2017	454 138
NO0010623978	NOK	300 000	170 000	Flytende	3mnd. Nibor+0,67	2011	2017	2018	130 774
NO0010645963	NOK	500 000		Flytende	3mnd. Nibor+1,00	2012	2017	2018	500 890
NO0010660640	NOK	300 000	15 000	Flytende	3mnd. Nibor+0,85	2012	2018	2019	285 430
NO0010740673	NOK	500 000		Flytende	3mnd. Nibor+0,40	2015	1920	1921	499 191
NO0010724065	NOK	500 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	499 720
NO0010748601	NOK	300 000		Flytende	3mnd. Nibor+0,70	2015	2019	2020	300 760
Total listed covered bonds									**3 672 610**

Issue NO0010592553 MNOK 31, NO0010686710 MNOK 50 and NO0010724065 MNOK 100,

Total MNOK 181.All loans have soft call one year before maturity.

N O T E S

ISIN code	Curren	Par value	Own hold.		Interest	Admission	Maturity	Soft call	31.12.2014
NO0010628431	NOK	300 000		Flytende	3mnd. Nibor+0,80	2011	2015	2016	301 790
NO0010686710	NOK	500 000		Flytende	3mnd. Nibor+0,50	2013	2019	2020	502 500
NO0010709355	NOK	500 000		Flytende	3mnd. Nibor+0,40	2014	2020	2021	500 450
NO0010592553	NOK	500 000		Flytende	3mnd. Nibor+0,58	2010	2016	2017	500 387
NO0010623978	NOK	300 000	170 000	Flytende	3mnd. Nibor+0,67	2011	2017	2018	130 257
NO0010635253	NOK	200 000	100 500	Flytende	3mnd. Nibor+0,75	2012	2015	2016	99 940
NO0010645963	NOK	500 000		Flytende	3mnd. Nibor+1,00	2012	2017	2018	500 806
NO0010660640	NOK	300 000	15 000	Flytende	3mnd. Nibor+0,85	2012	2018	2019	284 562
NO0010571573	NOK	500 000	225 000	Flytende	3mnd. Nibor+0,65	2010	2015	2016	274 656
NO0010724065	NOK	300 000		Flytende	3mnd. Nibor+0,30	2014	2021	2022	299 535
Total listed covered bonds									**3 394 883**

Issue NO; NO0010628431 MNOK 30, NO0010686710 MNOK 100, NO10709355 MNOK 100,
NO0010635253 MNOK 17 and NO0010571573 MNOK 20, totalt MNOK 267.

	31.12.15	31.12.14
Total listed bonds	**3 672 610**	**3 394 883**
Loans secured by property	4 235 172	4 150 418
Claims that constitutes cover pool	206 909	223 626
Total cover pool	**4 442 081**	**4 374 044**
Cover pool capacity utilization	769 471	979 161
Cover pool capacity utilization %	21 %	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	Basel II
	31.12.15	31.12.14
Total paid-in capital	290 010	290 010
Total accrued equity capital/retained earnings	41 953	51 971
Total balance Equity capital	331 963	341 981
Additional		0
Deduction	-38 129	-48 463
Total core capital	**293 834**	**293 518**
Total net supplementary capital		0
Total net equity and related capital	**293 834**	**293 518**
Weighted asset calculation basis	1 885 712	1 757 385
Capital adequacy ratio	15.58 %	16.70 %
Of which core capital accounted for	15.58 %	16.70 %

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

	31.12.15	31.12.14
States and central banks	0	0
Local and regional authorities (including municipalities)	0	0
Publicly owned enterprises	0	0
Institutions	41 382	44 725
Enterprises	0	0
Mass market loans	70 219	78 571
Loans secured by real property	1 546 333	1 495 410
Loans overdue	0	0
Other loans and commitments	86 035	600
Capital requirement credit risk	**1 743 969**	**1 619 306**
Capital requirement operational risk 1)	141 743	138 079
Deduction from capital requirement		0
Total capital requirement	**1 885 712**	**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

	31.12.15	31.12.14
Result so far this year	38 129	48 148
Number of shares	290 000	290 000
Result per share in NOK	131	166
Diluted result per share in NOK	131	166

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	**31.12.15**	**31.12.14**
Profit and loss account		
Interest income and similar income	3 505	5 987
Interest expense and similar expense	15 466	23 051
Management fee	9 783	11 428
Balance sheet		
Lending and claims on credit institutions	206 909	223 627
Liabilities to credit institutions	497 013	683 223
Liabilities from issue of securities	181 000	267 000

NOTE 19. KEY FIGURES

	31.12.15	31.12.14
Profit & Loss Account		
Gros profit (NOK 1.000)	38 129	48 148
Net interest as a % of average assets	1.42 %	1.77 %
Operation cost as a % of income	19.80 %	17.70 %
Result after tax as a % of average assets	0.86 %	1.07 %
Balance sheet		
Gross lending (NOK 1.000)	4 311 218	4 217 945
Collective write-downs as a % of lending	0.1 %	0.1 %
12 months growth in customer lending	2.2 %	-12.1 %
Total assets (NOK 1.000 kr)	4 514 117	4 437 889
Average total assets	4 455 209	4 527 668
Solidity		
Rate of return on equity capital	11.8 %	14.5 %
Core tier one Capital (NOK 1.000)	293 834	293 518
Core tier one Capital ratio	15.58 %	16.70 %
Information on lending portfolio		
Surplus value of cover pool (NOK 1.000)	769 471	979 161
Surplus value of cover pool (%)	21 %	29 %
Indexed LTV	53 %	52 %
Propotion of variable-rate loans	100 %	100 %
Propotion of flexible mortgages*)	22 %	21 %
Average loan value (NOK 1.000)	872	854
Number of loans	4 886	4 934
Remaining maturity - weighted average (year)	16.3	16.8
Seasoning - weighted average (year)	3.8	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 Søfting, admin.assistant, Helgeland Sparebank

Control Committee:
Frank Høyen, General Manager ProLink International
Kåre J. Åsli, self-employed
Nina Lundel, Lawyer Advokathuset Just

Contact information

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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