

Q1
2014

financial report

1. quarter 2014



**Helgeland Sparebank,
Accounts 1th quarter, 2014**

General information

Helgeland Sparebank is a traditional bank- and finance institution. The bank has 15 offices in 13 municipalities in the Norwegian region of Helgeland. It is the 12th largest savings bank in Norway.

The HSB group includes Helgeland Sparebank and the consolidated subsidiaries Helgeland Boligkreditt AS, ANS Bankbygg Mo, AS Sparebankbygg, Helgeland Sparebank's Eiendomsselskap AS and Helgeland Utviklingsselskap AS. The bank owns 48% of Helgeland Invest AS, 43% of Storgata 73 AS and 34% of Eiendomsmegleren Helgeland AS. The results from the associated companies are incorporated into the HSB group's corporate results corresponding to the bank's share of ownership.

The accounts are conducted in line with IFRS, hereunder IAS 34 with regards to interim reporting. All numerical quantities are affiliated to the HSB group. The periodical accounts have not been audited. Numerical quantities in brackets apply to the corresponding period last year.

Main features 31.03.14 (HSB group)

Helgeland Sparebank Group has a profit before tax of 66 million. This is an improvement of NOK 15 million compared with the same period last year. Basic operation is strengthened by increased net interest income with 18 million.

Return on equity after tax was 9.9 (8.4)%. The Group manages the objectives of providing return on equity of 10%.
Earnings per equity certificate were NOK 1.90 (1.50).

Sale of stake in NETS will impact earnings in Q2 2014 of 16.8 million. This change has been incorporated in other comprehensive income.

Official rating from Moody's was awarded in Q1 2014. This will strengthen the bank's position in the capital market. Helgeland Sparebank got rating Baa2/P-2/Stabile Outlook, while Helgeland BoligKreditt its covered bond program received an Aaa rating.

Key figures 31.03.14:

(Comparison per 31.03.13)

- Net interest 1.75 (1.55) %
- Costs in % of income 44.5 (50.9) %
- Write-downs on lending 0.17 (0.10) %
- 3-month lending growth 0.2 (1.3) %
- 3-month deposit growth 0.2 (2.2) %
- CET1 capital ratio 12.2 (11.4) %
- Total capital ratio 15.9 (13.1) %

Net interest

The net interest and credit commission income was total of MNOK 113, compared with MNOK 95 for the first quarter last year. As a percentage of average assets it has increased from 1,55 % Q1 2013 to 1,75 in Q1 2014. The improvement on MNOK 18 is caused by falling borrowing costs and a margin increase on the running lending portfolio, both for corporate and retail customers.

Net commission earnings

Net commission income increased in NOK and as a percentage of average total assets and was 19 (17) million or 0.30 (0.28)%. The increase is primarily in insurance sales and payments.

Net value change and profit/loss on financial instruments

Net value change on financial instruments is posted as income with MNOK 6. Compared with 31.03.13 the income from financial investments has increased by MNOK 3. The increase is related to shareholdings in terms of gains in 2014, while it was recorded losses in 2013.

Changes in value that cannot be taken through the profit is recognized under other comprehensive income, cf. applicable accounting principles.

Operations costs

Total operating expenses increased by 3 million. Operating expenses as a percentage of average total assets are unchanged from the same period last year 0.96 (0.96)%, while costs measured against revenue was 44.5 (50.9)%.

The workforce of the Group and the Bank is 177 FTEs, unchanged from 2011. Sickness absence is at a low level, ending total of 4.3 (4.3)% in the quarter.

Write-downs posted as expenses on commitments

Write-downs on lending are posted with MNOK 11 (6). Of this, write-downs on groups of lending are MNOK 1,5 (0). In total, write-downs posted as expenses are still on a relatively low level and constitute 0.17 (0.10) % of gross lending. Net losses are slightly higher than the corresponding period last year, but on par with Q4 2013.

Extended result

Positive values increase on shares are recognized in equity and comprehensive income by 13 million. This is mainly due to increased valuation of the bank's stake in the Nets Holding AS. Settlement selling stake is expected in Q2 2014.

The Equity Certificate (EC) - HELG

The EC capital constitutes MNOK 935 and is distributed over 2,200 owners. Annotation 19 shows an overview of the 20 largest EC owners.

Sparebankstiftelsen Helgeland is the largest shareholder. They sold out 2.5 million ECC in 2013 and a further 1.0 million ECC in Q1 2014. Foundation now owns a total of 46.0% of the equity certificates in HELG.

REPORT OF THE BOARD OF DIRECTORS

There have been positive developments and greater turnover of the equity certificates. The price per 31.03.14 was NOK 49.10, an increase of NOK 1.90 per equity certificate from 31.12.13.

Balance development 31.03.14

The total assets have increased by MNOK 1,052 or 4.3 (7.5) % in the last 12 months, and now constitute NOK 25.8bn.

Commitments

Gross lending at the end of the quarter totaled MNOK 20,757. In the past 12 months, lending increased by MNOK 661, or 3.3 (9.0)%. 83.7 (83.3)% of the Group's loans are lent to customers in Helgeland.

Growth in the retail market over the past 12 months is slightly lower than the corresponding period last year and was 6.1 (11.7)%, growth remains at the national level. MNOK 13,602 or 65.5 (63.8)% is loaned to private customers. 20.6% of gross loans, or MNOK 4.278 is transferred to Helgeland Boligkreditt.

New and stricter capital requirements have increased the need for adaptation and capital efficient measures. In line with the bank's goal, the bank controls lower growth in the business market and 12-month growth in corporate lending was -1.6 (4.7) %.

Deposits from customers

The last 12 months have deposits increased by 1.647 billion, or 14.4 (8.0)%. The Group has a stable local deposit base, of which 91.9 (91.7)% deposits from customers at Helgeland. The overall deposit growth is maintained as a result of a number of initiatives with a strong focus on deposits and long-term savings. Deposit ratio is significantly improved and was 63.1 (57.0)% in the group and 80.7 (76.2)% in the parent bank.

Deposits under 2 million equals 7.7 billion, or 58.5% of total deposits volume

The growth in deposits from households was 6.3 (9.4)%. Of the total deposits of 13.1 billion, is 7.9 billion or 60.8 (65.5)% deposits from retail customers.

Deposit growth is greatest in the business market with 29.7 (5.5)%. This growth is particularly high as a result of a new great local business customer end of Q3 2013.

Loans from the capital market

In addition to customer deposits, it is the group's main source of funding. The deposits ratio is well above the target of 60%.

The group has a good and long term financing with amply diversified funding sources. The last part of the swap agreement through Norges Bank was repaid during the quarter and is at the forefront replaced through other funding sources.

At the end of the quarter share funding over one year 81.7 (78.6)%.

Helgeland Boligkreditt is an important source of funding and provision of mortgages approved for

transfer to the bank's residential mortgage has high priority.

Rating,

The importance of having an official rating has become increasingly important as new regulatory requirements for liquidity and equity are implemented. In light of this, it was important for the bank to put in place a rating from a recognized rating agency and bank got in the first quarter of 2014 in place rating of the parent bank and covered bond program in the mortgage company. This will help to ensure the Bank and the Group competitive conditions in the money market and strengthen its position as an autonomous and independent bank.

Risk- and capital management

The Group's overall risk is managed through mandates, objectives and limits approved by the Board. Total capital emerges in the Group's ICAAP.

Liquidity and funding

The Board has adopted a liquidity management strategy that specifies the purpose, management objectives and risk tolerance for liquidity risk management.

The Bank's liquidity situation is assessed as satisfactory, and, long-term funding is well above target. The group's cash reserves (cash, bank deposits and fixed income securities) account for 4.0 (3.9) billion or 15.6 (16.0)% of the Group's total assets. The total duration of the portfolio is 2.0 (2.0) years. Long-term financing in% of illiquid assets (liquidity indicator 1) was 110.1 (107.0)%.

Last known targets from reference banks were 31.12.13 by 106.8%

Credit risk

The Group's strategy for credit risk is derived from the overall strategy and provides guidelines for the allocation of lending between retail and corporate market exposure in industries (concentration risk) and geographical constraints.

The development in the bank's credit risk is monitored closely. Corporate customers are followed up closely on the individual level in addition to the monitoring of risk development based on the bank's scenario models per region and areas of responsibility, as well as significant industries. The bank is monitoring the development in relation to the determined steering goals for the portfolio.

Impairments losses were at 31.03.14 expensed with MNOK 11 (6), of which impairments on loans MNOK 1.5 (0). Net losses are slightly higher than the corresponding period last year, but still at a relatively low level.

Total net non-performing and doubtful loans is relatively stable and was MNOK 118 (120), equivalent to 0.57 (0.60) % of gross loans.

REPORT OF THE BOARD OF DIRECTORS

Solidity

The HSB group has strengthened its CET1 capital ratio to 12.2 (11.4) %, which is well above the current regulative minimum requirement of 9%, as well as the new minimum requirement of 10% from July 1 2014 and 11% from July 1 2015. The core capital ratio was 13.8 (13.0) %. The total capital was 15.9 (13.1) % per 31.03.14

The bank's Board of Directors has determined a capital plan for 2013 – 2017, where satisfaction of the new capital requirements in Norway caused by the CRD IV is central. The Board of Directors has determined new capital goals, where the aim is a CET1 capital ratio (HSB group) at least at 12.5% and a total capital ratio up toward 18% (given a counter cyclical capital buffer at 2.5%).

The group plans to continue to strengthen CET1 by building capital through operations. Furthermore, the total capital ratio could be further enhanced by the use of subordinated debt and hybrid capital in the period up to 2017. In line with the Bank's capital plan, the group recorded reduced lending growth and strengthening core operations.

The prospects ahead

Targeted work to the bank's strategy and capital plan will continue in 2014 . Priority is profitability and solvency.

The Bank expects that the core operations despite a slight decrease in net interest income as a result of increased competition and relief BM involvement. To meet the competition , it approved a reduction in

interest rates on home loans at 0.15 to 0.25 % , this will be covered by reducing deposit rates RM and CM up to 0.40 % . Official rating will strengthen its position in the capital market and lead to lower funding costs

The level of commission income is expected to be maintained with continued pressure on insurance sales

There is an increased focus on operational efficiency and cost control eg due to increased payroll taxes. Losses expected at the level of the industry.

Good deposit ratio as a managerial focus continued in 2014. Loaned side controls the bank for a loan growth of approx. 5-6 %.

The Bank expects continued stability and steady growth in the region. Nevertheless, it is necessary to pay attention to a potential slowdown in the Norwegian economy, regional development, and a possible risk of increased losses.

Growth is primarily ensured through major bn. NOK infrastructure investments, among them being: Modernization and expansion organized by HelgelandsKraft and Statkraft, field development of Aasta Hansteen by Statoil, development of Brønnøysundregistrene and the National Library by the government, upgrading of E6 throughout the region by the government, and the construction of a major airport outside Mo i Rana under review by the government.

Mo i Rana, 29 April 2014

Thore Michalsen
Chairman of the Board

Ove Brattbakk
Deputy Chairman of the Board

Gislaug Øygarden

Monica Skjellstad

Stein Andre Herigstad-Olsen

May Heimdal
Employee Representative

Jan Erik Furunes
Chief Executive Officer

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT (amounts in NOK million)

<i>Parent bank</i>			<i>Group</i>			
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
911	214	230	Interest receivable and similar income	272	252	1072
554	137	139	Interest payable and similar costs	159	157	633
357	77	91	Net interest- and credit commission income	113	95	439
87	19	22	Commissions receivable and income from banking services	22	19	87
10	2	2	Commissions payable and costs relating to banking services	2	2	10
77	17	19	Net commission income	19	17	77
37	1	5	Gains/losses on financial assets available for sale (note 3)	6	3	14
15	3	3	Other operating income	1	1	7
229	58	60	Operating costs (note 4)	62	59	239
28	6	11	Losses on loans, guarantees etc. (note 5)	11	6	32
229	34	47	Result before tax	66	51	266
54	9	13	Tax payable on ordinary result	18	14	73
175	25	34	Result from ordinary operations after tax	48	37	193
7,0	1,0	1,4	Yield per equity capital certificate (note 6)	1,9	1,5	7,8
7,0	1,0	1,4	Diluted result per ECC in Norwegian currency (note 6)	1,9	1,5	7,8
Extended Income Statement						
175	25	48	Result from ordinary operations after tax	48	37	193
<u>Items that are not subsequently reversed through profit or loss:</u>						
4	-24	0	Estimate variances, pensions will not be reversed over the income	0	-24	4
-1	7	0	Tax on extended profit	0	7	-1
3	-17	0	Net extended profit or loss items	0	-17	3
<u>Items that are not subsequently reversed through profit or loss:</u>						
46	12	14	Net change in fair value available-for-sale fin. assets	14	12	46
0	-1	-1	Tax on extended profit	-1	-1	0
46	11	13	Net extended profit or loss items	13	11	46
224	19	61	Total result for the period	61	31	242

BALANCE SHEET (amounts in NOK million)

<i>Parent bank</i>			<i>Group</i>			
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
ASSETS						
98	85	103	Cash and claims on central banks	103	85	99
1.273	672	1.113	Loans to and claims on credit institutions	601	303	607
15.863	15.317	16.431	Loans to and claims on customers (note 7,8,9,10)	20.640	20.004	20.597
213	185	221	Financial derivatives (note 16)	221	185	213
4.851	4.696	4.333	Certificates, bonds and shares available for sale	3.829	3.721	4.032
164	164	163	Investments in associated companies (note 12)	155	157	155
346	347	346	Investments in subsidiaries (note 12)	0	0	0
53	66	53	Deferred tax benefit	53	69	53
71	76	68	Fixed assets (note13)	173	182	176
53	33	13	Other assets	14	31	53
22.985	21.641	22.844	Total assets	25.789	24.737	25.985
LIABILITIES AND EQUITY CAPITAL						
647	828	0	Liabilities to credit institutions	0	828	647
13.248	11.747	13.350	Deposits from customers and liabilities to customers (note 17,18)	13.100	11.453	12.989
6.361	6.811	6.757	Borrowings through the issuance of securities (note 15)	9.873	10.146	9.553
41	41	41	Financial derivatives (note 16)	41	41	41
235	238	231	Other liabilities	242	241	248
519	219	519	Fundbonds and subordinated loan capital	519	219	519
21.051	19.884	20.898	Total liabilities	23.775	22.928	23.997
1.031	1.031	1.031	Paid-in equity capital (note 19,20)	1.031	1.031	1.031
903	701	881	Accrued equity capital/retained earnings (note 20)	933	739	955
0	25	34	Result from ordinary operations after tax	48	37	0
1.934	1.757	1.946	Total equity capital exclusive minority interest	2.012	1.807	1.986
			Non-controlling interest	2	2	2
1.934	1.757	1.946	Total equity capital	2.014	1.809	1.988
22.985	21.641	22.844	Total liabilities and equity capital	25.789	24.737	25.985

Conditional liabilities off balance sheet (note 11)

CHANGE IN EQUITY CAPITAL

Group

31.03.14

	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Min. Int.	Total
Equity capital as at 01.01.14	187	845	- 1	153	413	18	5	267	97	2	1 986
Result for the period									48		48
Extended profit or loss items				13							13
Sum total ext. profit or loss	187	845	- 1	13	0	0	0	0	48	0	61
Gift fund						- 1					- 1
Transactions with owners											0
Dividend paid									- 32		- 32
Equity capital 31.03.14	187	845	- 1	166	413	17	5	267	113	2	2 014
Paid-in/accrued equity capital/retained earnings				1 031						983	2 014

1) The introduction of IAS19R (Mnok 19), historical figures considered not significant and prior periods are not restated. System performance plan closed in 2012.

Parent bank

31.03.14

	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Total
Equity capital as at 01.01.13	187	845	- 1	162	414	23		273	31	1 934
Result for the period									35	35
Extended profit or loss items				13						13
Sum total ext. profit or loss	0	0	0	13	0	0	0	0	35	48
Gift fund						- 1				- 1
Transactions with owners										0
Dividend paid									- 34	- 34
Equity capital 31.03.13	187	845	- 1	175	414	22	0	239	66	1 947
Paid-in/accrued equity capital/retained earnings				1 031					916	1 947

Group

31.03.13

	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Total	
Equity capital as at 01.01.14	935	97	-1	137	382	17	5	170	66	2	1.810
IAS19R*)					5			14			19
result for the period									37		37
Extended profit or loss items				-6							-6
Sum total ext. profit or loss	935	97	-1	-6	0	0	0	37	0		31
Gift fund						-2					-2
Transactions with owners											0
Dividend paid									-49		-49
Equity capital 31.03.14	935	97	-1	131	387	15	5	184	54	2	1.809
Paid-in/accrued equity capital/retained earnings				1.031					778		1.809

Parent bank

31.03.13

	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Dividend	Total
Equity capital as at 01.01.13	935	97	- 1	116	382	17	5	170	24	1 745
IAS19R*)					5			14		19
result for the period									25	25
Extended profit or loss items				- 6						- 6
Sum total ext. profit or loss	0	0	0	- 6	0	0	0	0	25	1 783
Gift fund										0
Transactions with owners										0
Dividend paid						- 2			- 24	- 26
Equity capital 31.03.13	935	97	- 1	110	385	17	5	160	49	1 757
Paid-in/accrued equity capital/retained earnings				1 031					726	1 757

CASH FLOW STATEMENT

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
229	34	47	Result of ordinary operations	66	51	266
12	3	2	+ Ordinary depreciation/amortisation	4	5	21
29	6	11	+ Writedowns and gain/loss on fixed assets	11	6	32
- 53	- 9	- 13	- Tax expense	- 17	- 14	- 73
217	34	47	= Provided from the years operations	64	48	246
26	12	- 2	Change miscellaneous debt: + increase/-decrease	- 2	40	47
- 40	- 20	- 39	Change miscellaneous claims: - increase/+ decrease	- 39	13	- 40
-1 119	- 575	- 573	Change loans to and balances with customers:- incr./+ decr.	- 49	- 254	- 866
1 739	236	102	Change deposits from and liabilities to customers:+ incr/-decr.	111	242	1 778
0	0	0	Change liabilities to credit institutions : + increase	0	0	0
- 183	- 2	- 647	Change liabilities to credit institutions : + Decrease	- 647	- 2	- 183
640	- 315	-1 112	A Net liquidity change from operating activities	- 562	87	982
- 9	- 2	- 5	- Invested in tangible fixed assets	- 5	- 2	- 9
15	10	0	+ Sale of tangible fixed assets	0	10	15
-4 609	-1 221	- 703	- Investment in long-term securities	- 703	-1 221	-4 609
4 530	1 286	1 220	+ Sale in long-term securities	920	1 286	4 530
- 73	73	512	B Liquidity change from investing activities	212	73	- 73
- 24	0	0	- Dividend paid on ECCs	0	0	- 24
2 857	584	659	+ Issue debt securities	562	584	3 357
-3 406	- 662	- 214	- Redemption debt securities	- 214	- 726	-4 206
300	0	0	Change subordinated loan capital/primary capital + incr.- decr	0	0	300
- 273	- 78	445	C Liquidity change from financing activities	348	- 142	- 573
294	- 320	- 155	A+B+C Sum total change liquid assets	- 2	18	336
1 077	1 077	1 371	+ Liquid assets at the start of the period	706	370	370
1 371	757	1 216	= Liquid assets at the close of the period	704	388	706

NOTE 1. ACCOUNTING PRINCIPLES

Both the consolidated financial statements and the Parent Bank's separate financial statements have been prepared in compliance with IFRS, while the accounting policies applied in individual areas are described in the annual financial statements for 2013. The interim report for the second quarter is in compliance with IAS 34 and has not been audited.

NOTE 2. SEGMENT

The Group has defined its geographical segment as a main area of Norway – Helgeland. The Group's exposure to credit risk is mainly concentrated on this area. The Group only has smaller exposure to credit risk in areas other than its geographically defined main area. Helgeland is the home region of the Parent Bank who is the Group's operating company. The group has split the bank into two segments, corporate and retail banking.

<i>Parent bank</i>					<i>Group</i>				
31.03.14					31.03.14				
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total	
47	47	- 3	91	Net interest and credit commission income	75	49	- 12	112	
6	3	10	19	Net commission income	6	3	10	19	
0	0	8	9	Other operating income	0	0	7	7	
20	7	33	60	Operating costs	22	8	32	62	
2	8	1	11	Losses on loans guaranteed	2	8	1	11	
31	35	- 19	47	Result before tax	57	36	- 28	65	
9 435	7 109	0	16 544	Loans to and claims on customers	13 602	7 155	0	20 757	
- 8	- 37	0	- 45	Individual write-downs	- 8	- 37	0	- 45	
0	0	- 68	- 68	Collective write-downs on loans	0	0	- 68	- 68	
0	0	6 413	6 413	Other assets	0	0	5 145	5 145	
9 427	7 072	6 345	22 844	Total assets per segment	13 594	7 118	5 077	25 789	
7 973	5 377	0	13 350	Deposits from customers and liabilities	7 969	5 131	0	13 100	
0	0	9 494	9 494	Other liabilities and equity	0	0	12 689	12 689	
7 973	5 377	9 494	22 844	Total liabilities and equity per segment	7 969	5 131	12 689	25 789	

<i>Parent bank</i>					<i>Group</i>				
31.03.13					31.03.13				
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total	
40	37	0	77	Net interest and credit commission income	58	38	- 1	95	
7	3	7	17	Net commission income	7	3	7	17	
0	0	4	4	Other operating income	0	0	4	4	
19	6	33	58	Operating costs	22	6	31	59	
- 1	7	0	6	Losses on loans guaranteed	- 1	7	0	6	
29	27	- 22	34	Result before tax	44	28	- 21	51	
8 189	7 219	0	15 408	Loans to and claims on customers	12 823	7 273	0	20 096	
- 5	- 20	0	- 25	Individual write-downs	- 5	- 20	0	- 25	
0	0	- 66	- 66	Collective write-downs on loans	0	- 66	0	- 66	
0	0	6 324	6 324	Other assets	0	0	4 732	4 732	
8 184	7 199	6 258	21 641	Total assets per segment	12 818	7 187	4 732	24 737	
7 498	4 248	0	11 746	Deposits from customers and liabilities	7 498	3 954	0	11 452	
0	0	9 895	9 895	Other liabilities and equity	0	0	13 285	13 285	
7 498	4 248	9 895	21 641	Total liabilities and equity per segment	7 498	3 954	13 285	24 737	

NOTE 3. SPECIFICATION OF NET CHANGE IN VALUE OF FINANCIAL INSTRUMENTS

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
5	2	0	Value change in interest-bearing securities	0	2	5
-2	0	1	Net gain/loss in interest-bearing securities	1	0	-2
-2	-2	4	Net gain/loss shares	4	-2	3
2	1	1	Income AC	2	3	5
37	0	1	Share dividend	1	0	6
-2	0	0	Value change in value on lending	0	0	-2
-1	0	-2	Value change on funding and derivatives	-2	0	-1
37	1	5	Total value change financial	6	3	14

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
115	28	29	Wages, salaries and social costs	31	30	116
66	16	18	General administration costs	17	14	65
12	3	3	Depreciation etc of fixed- and intangible assets	4	4	21
36	11	10	Other operating costs	10	11	37
229	58	60	Total operating costs	62	59	239

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
18	4	5	+/- Period's change in individual write-downs	5	4	18
1	0	2	+ Period's change in collective write-downs	2	0	5
9	3	3	+ Period's conf. Losses against which ind. write-downs were made in prev. Years	3	3	9
1	0	2	+ Period's confirmed losses against which no ind. write-downs, made in previous year	2	0	1
-1	-1	-1	- Period's recoveries from previous periods' conf. losses	-1	-1	-1
28	6	11	Total losses on loans, guarantees etc.	11	6	32

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
175	25	34	Profit	48	37	193
75,1 %	75,1 %	75,1 %	ECC percentage	75,1 %	75,1 %	75,1 %
7,0	1,0	1,4	Yield per equity capital certificate	1,9	1,5	7,8
7,0	1,0	1,4	Diluted result per ECC in Norwegian currency	1,9	1,5	7,8

NOTE 7. GEOGRAPHICAL EXPOSURE

Geographical exposure within the loan portfolio was as follows:

<i>Parent bank</i>				<i>Group</i>				
31.03.13	%	31.03.14	%	31.03.14	%	31.03.13	%	
12 968	84 %	13 972	84 %	Helgeland	17 379	84 %	16 736	83 %
2 419	16 %	2 556	15 %	Areas other than Helgeland	3 351	16 %	3 336	17 %
21	0 %	16	0 %	International	27	0 %	24	0 %
15 408	100 %	16 544	100 %	Total	20 757	100 %	20 096	100 %

NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY

	31.03.14				31.03.13			
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	1	0,0 %	0	0	1	0,0 %	0	0
Insurance and finance	12	0,1 %	0	0	16	0,1 %	0	0
Agriculture and forestry	1 341	6,5 %	2	1	1 279	6,4 %	1	0
Fisheries and aquaculture	730	3,5 %	1	0	865	4,3 %	0	0
Mining and industry	589	2,8 %	5	1	616	3,1 %	4	4
Building and construction	877	4,2 %	16	3	902	4,5 %	6	1
Trade, hotel, restaurants.	360	1,7 %	5	1	395	2,0 %	0	0
Transport and services	651	3,1 %	-1	1	675	3,4 %	6	0
Property, property development	2 594	12,5 %	8	0	2 524	12,6 %	2	1
Retail market	13 602	65,5 %	9	2	12 823	63,8 %	6	0
Total	20 757	100,0 %	45	9	20 096	100,0 %	25	6
Change collective write-downs				2				0
Total				11				6
Of which gross loans Helgeland Boligkreditt AS	4 278	20,6 %						

	31.03.14				31.03.13			
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	1	0,0 %	0	0	1	0,0 %	0	0
Insurance and finance	12	0,1 %	0	0	16	0,1 %	0	0
Agriculture and forestry	1 329	8,0 %	2	1	1 264	8,2 %	1	0
Fisheries and aquaculture	727	4,4 %	1	0	862	5,6 %	0	0
Mining and industry	585	3,5 %	5	1	614	4,0 %	4	4
Building and construction	844	5,1 %	16	3	877	5,7 %	6	1
Trade, hotel, restaurants.	352	2,1 %	5	1	382	2,5 %	0	0
Transport and services	609	3,7 %	-1	1	624	4,0 %	6	0
Property, property development	2 650	16,0 %	8	0	2 579	16,7 %	2	1
Retail market	9 435	57,0 %	9	2	8 189	53,1 %	6	0
Total	16 544	100,0 %	45	9	15 408	100,0 %	25	6
Change collective write-downs				2				0
Total				11				6

NOTE 9. BAD AND DOUBTFUL LOANS (incl. guarantees)

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
152	123	154	Loans, guarantees etc. in default	154	123	152
32	13	41	Loss provisions for loans, guarantees etc. in default	41	13	32
120	110	113	Total net loans, guarantees etc. in default	113	110	120
17	22	9	Other bad and doubtful loans and guar., not in default	9	22	17
8	12	4	Loss provisions for other bad and doubtful loans, guarantees etc., not in default	4	12	-8
9	10	5	Total net bad and doubtful commitments, not in default	5	10	9
129	120	118	Total bad and doubtful loans	118	120	129
0,8 %	0,7 %	0,7 %	In % of total loans	0,6 %	0,6 %	0,6 %

NOTE 10. INDIVIDUAL AND COLLECTIVE WRITE DOWNS OF LOANS AND GUARANTEES

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
21	20	40	Individual write-downs to cover losses on loans and guarantees as at 01.01	40	20	21
-3	0	1	Period's conf. losses, against which indi. Write-down was previously made	1	0	-3
1	0	3	Period's increased individual write-downs, against which write-down was previously made	3	0	1
22	6	2	New individual write-downs during the period	2	6	22
-1	-1	-1	Reversal of individual write-downs during the period	-1	-1	-1
40	25	45	= Total individual write-downs on loans	45	25	40
40	25	45	*Of which individual write-downs on loans accounted for	45	25	40
0	0	0	* Of which ind. Write-downs on guar. Accounted for	0	0	0
			Collective write-downs:			
60	66	66	Collective write-downs to cover losses on loans at 01.01	70	66	66
6	0	2	+/- Period's change in collective write-downs	2	0	5
66	66	68	Total collective write-downs	72	66	71

NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
1 623	1 370	1 557	Unutilized drawing rights	1 874	1 672	1 959
488	492	484	Guarantee obligations	484	492	488
0	0	0	Write-downs on gurantee	0	0	0
2 111	1 862	2 041	Net guarantee and draw rights	2 358	2 164	2 447

NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries with a stake greater than 50 % are consolidated and substantial interests are included under the equity method. Preliminary quarterly data from subsidiaries have applied in the consolidated financial statements.

Subsidiaries

	Share capital	Number of shares	Equity stake	Parent bank	
				Market value	
				31.03.14	31.03.13
ANS Bankbygg Mo	49,0	5 591	97 %	45	45
Helgeland Boligkreditt AS	190,0	190 000	100 %	290	290
AS Sparebankbygg	0,1	100	100 %	0,1	0,1
Helgeland Spb.eiend.selskap AS	0,1	100	100 %	0,4	0,4
Helgeland Utviklingselskap AS	0,5	500	100 %	10	11
Total investment in AC				346	347

Investment in associated companies

	Location	Sector	Equity stake	Group	
				Market value	
				31.03.14	31.03.13
Helgeland Invest AS*	Sandnessjøen	Investment	48 %	152	152
Eiendomsmegler Helgeland AS	Mo i Rana	Estate Agent	34 %	1	1
Storgt. 73 AS	Mosjøen	Real Estate	43 %	2	2
Total investment in AC				155	155

Investment in associated companies

	Location	Sector	Equity stake	Parent bank	
				Market value	
				31.03.14	31.03.13
Helgeland Invest AS*	Sandnessjøen	Investment	48 %	160	159
Eiendomsmegler Helgeland AS	Mo i Rana	Estate Agent	34 %	4	4
Storgt. 73 AS	Mosjøen	Real Estate	43 %	0,1	0,1
Total investment in AC				164	163

NOTE 13. OPERATING FUNDS

Parent Bank

Parent Bank			Group		
31.12.13	31.03.13	31.03.14	31.03.14	31.03.13	31.12.13
71	76	68	173	182	176
71	76	68	173	182	176

* Repossessed properties are included in both assets in the parent bank and the bank's wholly owned subsidiary.

NOTE 14. DISCLOSURES OF RELATED PARTIES

The information is given in line with IAS 24 for "Information regarding close parties" (Transactions toward leading employees and representatives comes forth in a note in the annual accounts). Helgeland Sparebank defines its subsidiaries and associated companies as close parties in relation to this accounting standard. The transactions between the parent bank, affiliated companies and associated companies are conducted in line with regular commercial terms and principles.

Significant transactions with close parties per 31.03.14:

Helgeland Boligkreditt AS (share of ownership 100 %)

Helgeland Sparebank has received group contributions from the housing mortgage company of MNOK 29.8 in 2013. Transferred loans per 31.03.14 constitute totally MNOK 4,278. Covered bonds in the housing mortgage company constitute MNOK 3,618 where MNOK 400 (900) is owned by Helgeland Sparebank. Of the credit line of NOK 1.5bn, MNOK 514 is per 31.03.14 used. The bank has additionally entered into agreements with Helgeland Boligkreditt AS concerning credit lines of NOK 1.5bn, which mainly should be used in the settlement of purchased loans and repayment of covered bonds. The agreements are entered according to the principle of an arm's lengths distance. The effects of the credit lines are eliminated in the consolidated accounts.

Ans Bankbygg (share of ownership 97 %)

The bank rents premises from ANS Bankbygg and has paid MNOK 2.0 in 2014.

Frende Holding AS (share of ownership 8 %)

Helgeland Sparebank has received commission for distribution of life insurance of MNOK 1.3 and commission sales general insurance of MNOK 3.8 in 2014

NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS

<i>Parent bank</i>				<i>Group</i>				
31.03.13		31.03.14		31.03.14		31.03.13		
Real value	Balance sheet value	Real value	Balance sheet value	Balance sheet value	Real value	Balance sheet value	Real value	
ASSETS								
85	85	103	103	Cash and receivables from central banks	103	103	85	85
672	672	1 113	1 113	Loans and receivables to credit institutions	601	601	303	303
1 081	1 081	1 094	1 094	Loans to customers at fair value	1 094	1 094	1 081	1 081
14 236	14 236	15 337	15 337	Loans to customers at amortized cost	19 546	19 546	18 923	18 923
185	185	221	221	Derivates	221	221	185	185
4 696	4 696	4 333	4 333	Certificates, bonds and shares available for sale	3 829	3 829	3 721	3 721
20 955	20 955	22 201	22 201	Total	25 394	25 394	24 298	24 298
Liabilities								
828	828	0	0	Liabilities to credit institutions amortized cost	0	0	828	828
30	30	10	10	Deposits at fair value	10	10	30	30
11 717	11 717	13 340	13 340	Deposits from and liabilities at amortized cost	13 090	13 090	11 423	11 423
1 883	1 883	2 719	2 719	Debt securities at fair value	2 719	2 719	1 883	1 883
4 928	4 928	4 038	4 038	Debt securities hedging	7 154	7 154	8 263	8 263
219	219	519	519	Fundbonds and subordinated loan capital	519	519	219	219
41	41	41	41	Derivates	41	41	41	41
19 646	19 646	20 667	20 667	Total	23 533	23 533	22 687	22 687

<i>Parent bank</i>			<i>Group</i>			
31.03.14			31.03.14			
Level 1	Level 2	Level 3	ASSETS	Level 1	Level 2	Level 3
			Financial assets at fair value through profit			
	1 094		- Loans and receivables to customers at fair value		1 094	
			Financial instruments available for sale			
4 124	14	195	- Certificate, bonds and equities available for sale	3 620	14	195
	221		- Financial derivatives		221	
4 124	1 329	195	Total assets	3 620	1 329	195
			LIABILITIES			
			Financial obligations at fair value through profit			
2 719			- Debt issue of securities	2 719		
	41		- Financial derivatives		41	
2719	41	0	Total liabilities	2719	41	0

31.03.14		Changes in instruments classified in level 3		31.03.14	
	195		Opening balance		195
	0		Net purchase / sale of shares at fair value through profit		0
			Reclassification		
	0		Revaluation of shares available for sale		0
195			Financial instruments valued on Level 3		195

<i>Parent bank</i>			<i>Group</i>			
31.03.13			31.03.13			
Level 1	Level 2	Level 3	ASSETS	Level 1	Level 2	Level 3
			Financial assets at fair value through profit			
	1 081		- Loans and receivables to customers at fair value		1 081	
			Financial instruments available for sale			
4 505	44	147	- Certificate, bonds and equities available for sale	3 530	44	147
	185		- Financial derivatives		185	
4 505	1 310	147	Total assets	3 530	1 310	147
			LIABILITIES			
			Financial obligations at fair value through profit			
1 883			- Debt issue of securities	1 883		
	41		- Financial derivatives		41	
1883	41	0	Total liabilities	1883	41	0

31.03.13		Changes in instruments classified in level 3		31.03.13	
	142		Opening balance		142
	5		Net purchase / sale of shares at fair value through profit		5
			Reclassification		
	0		Revaluation of shares available for sale		0
147			Financial instruments valued on Level 3		147

NOTE 16. FINANCIAL DERIVATIVES

<i>Parent bank</i>				<i>Group</i>		
31.03.14				31.03.14		
Nominal value	Market value			Nominal value	Market value	
	Total	Assets			Commitments	Total
1 046		41	Interest rate swaps- fixed interest rate loans	1 046		41
			Interest rate swaps- bank deposits with share Yield			
1 046		41	Total financial derivatives	1 046		41
2 500	221		Interest rate swaps – fixed interest rate with hedging	2 500	221	0
2 500	221	0	Total financial derivatives with hedging	2 500	221	0

<i>Parent bank</i>				<i>Group</i>		
31.03.13				31.03.13		
Nominal value	Market value			Nominal value	Market value	
	Total	Assets			Commitments	Total
931		41	Interest rate swaps- fixed interest rate loans	991		41
			Interest rate swaps- bank deposits with share Yield			
931	0	41	Total financial derivatives	991	0	41
1 700	185	0	Interest rate swaps – fixed interest rate with hedging	1 700	185	0
1 700	185	0	Total financial derivatives with hedging	1 700	185	0

<i>Parent bank and Group</i>						
31.03.2014						
	Gross financial assets	Financial assets that are recognized	Net financial assets in the balance sheet		Financial instruments	Net
Derivaives carried as asse	221		0	221	41	180
Derivaives carried as liabili	41		0	41	-41	0

<i>Parent bank and Group</i>						
31.03.2013						
	Gross financial assets	Financial assets that are recognized	Net financial assets in the balance sheet		Financial instruments	Net
Derivaives carried as asse	185		0	185	41	144
Derivaives carried as liabili	41		0	41	-41	0

Relevant instruments for managing interest rate risk will be primarily interest rate swaps. Trading in derivatives can be made with various counterparties. To differentiate counterparty structure used a selection of the major banks / brokerages that account for the bulk of revenue in interest-related products in the market. If the bank has the same counterparty derivatives both on the asset side and the liability side, these can be offset

NOTE 17. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>					<i>Group</i>				
%	31.03.13	%	31.03.14		31.03.14	%	31.03.13	%	
91,9 %	10 791	92,1 %	12 290	Helgeland	12 044	91,9 %	10 497	91,7 %	
7,4 %	866	7,1 %	954	Areas other than Helgeland	950	7,3 %	866	7,6 %	
0,8 %	90	0,8 %	106	International	106	0,8 %	90	0,8 %	
100 %	11 747	100 %	13 350	Total	13 100	100 %	11 453	100 %	

NOTE 18. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

<i>Parent bank</i>					<i>Group</i>				
%	31.03.13	%	31.03.14		31.03.14	%	31.03.13	%	
4,4 %	516	3,8 %	511	Financial institutions	266	2,0 %	246	2,1 %	
7,9 %	927	11,4 %	1 528	Municipalities and municipal enterp.	1 528	11,7 %	927	8,1 %	
2,7 %	323	2,5 %	331	Agriculture and forestry	331	2,5 %	323	2,8 %	
2,2 %	258	2,7 %	361	Fisheries and aquaculture	361	2,8 %	258	2,3 %	
1,5 %	171	1,3 %	169	Mining and industry	169	1,3 %	171	1,5 %	
4,8 %	566	5,6 %	745	Building and construction	745	5,7 %	566	4,9 %	
2,8 %	325	2,7 %	366	Trade, hotel, restaurants.	366	2,8 %	325	2,8 %	
5,7 %	674	6,6 %	879	Transport and services	879	6,7 %	674	5,9 %	
4,2 %	489	3,6 %	486	Property, property development	486	3,7 %	465	4,1 %	
63,8 %	7 498	59,7 %	7 974	Retail market	7 969	60,8 %	7 498	65,5 %	
100 %	11 747	100 %	13 350	Total	13 100	100 %	11 453	100 %	

NOTE 19. EQUITY CERTIFICATE CAPITAL HELG

<i>Parent bank</i>					
Per 31.03.14	Numbers	% share		Numbers	% share
Sparebankstiftelsen Helgeland	8 599 598	46,0 %	Verdipapirfondet Eika utbytte	262 884	1,4 %
USB AG, London Branc A/C	1 000 000	5,3 %	Sniptind Holding AS	201 801	1,1 %
MP Pensjon PK	902 203	4,8 %	Holberg Norge Verdipapirfond	168 600	0,9 %
Bergen kommunale pensjonskaf	482 000	2,6 %	Johs. Haugerudsvei AS	145 992	0,8 %
AS Atlantis Vest	448 481	2,4 %	Mellem Nes Invest	118 200	0,6 %
Sparebankstiftelsen DNB	442 724	2,4 %	Ruth S Alsing	111 926	0,6 %
Pareto AS	420 000	2,2 %	Melum Mølle AS	110 240	0,6 %
Citibank, N.A.	391 138	2,1 %	Steffen Nervik	110 000	0,6 %
VPF Nordea Norge	377 750	2,0 %	Utbyttekapital AS	107 163	0,6 %
Helgelandskraft As	340 494	1,8 %	Andvord AS	102 203	0,5 %
Total 10 biggest owners	13 404 388	71,7 %	Total 20 biggest owners	14 843 397	79,4 %

The bank has issued a total of 18 700 000 primary certificates value of NOK 10,-.

NOTE 20. CAPITAL ADEQUACY

<i>Parent bank</i>			<i>Group</i>			
31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
187	935	187	ECC-capital	187	935	187
845	97	845	Premium Fund	845	97	845
- 1	- 1	- 1	Own ECCs	- 1	- 1	- 1
1 031	1 031	1 031	Total paid-in capital	1 031	1 031	1 031
415	387	415	Savings Bank's fund	415	387	415
162	110	175	Reserve for valuation variances	167	104	154
23	20	22	Donations Fund	22	20	23
269	184	269	Dividend equalisation reserve	269	184	269
34	0	0	Cash dividend	0	0	34
0	0	0	Other equity capital	60	44	62
903	701	881	Total accrued equity capital	933	739	957
- 162	- 110	- 175	Reserve for valuation variances	- 167	- 104	- 154
- 53	- 66	- 53	Deferred tax assets	- 53	- 69	- 53
- 69	- 42	- 71	Shares in financial institutions	- 71	- 42	- 69
- 39	- 5	- 5	Cash dividend /gifts employee	- 5	- 5	- 39
1 611	1 509	1 608	Total core tier one	1 668	1 550	1 673
218	219	219	Hybrid capital	219	219	218
1 829	1 728	1 827	Total core capital	1 887	1 769	1 891
300	0	300	Subordinated debt	300	0	300
65	48	69	Weight assets calculation basis *)	65	45	61
- 69	- 42	- 70	Shares in financial institutions	- 70	- 42	- 69
0	0	0	Additional	0	0	0
296	6	299	Total net supplementary capital	295	3	292
2 125	1 734	2 126	Total net equity and related capital	2 182	1 772	2 183
12 715	12 468	12 711	<u>Weight assets calculation basis *)</u>	13 709	13 568	13 640
12,67 %	12,10 %	12,65 %	Core tier one Capital ratio	12,17 %	11,42 %	12,26 %
14,38 %	13,86 %	14,37 %	Core capital ratio	13,76 %	13,04 %	13,86 %
16,71 %	13,91 %	16,73 %	Capital ratio	15,92 %	13,06 %	16,00 %
			<u>Included 70% of result</u>			
		12,84 %	Core tier one Capital ratio	12,41 %		
		14,56 %	Core capital ratio	14,01 %		
		16,91 %	Capital ratio	16,16 %		

The note shows the calculation basis and capital adequacy according to Basel II (standard method credit risk).

31.12.13	31.03.13	31.03.14		31.03.14	31.03.13	31.12.13
0	0	0	States and central banks	0	0	0
61	65	71	Local and regional authorities (including municipalities)	71	65	61
1 428	957	1 143	Institutions	793	577	851
2 729	3 689	2 820	Enterprises	2 822	3 689	2 731
2 172	2 067	2 227	Mass market loans	2 264	1 999	2 238
5 062	4 384	5 165	Loans secured by real property	6 664	6 117	6 729
161	137	132	Loans overdue	132	137	161
198	205	168	Covered bonds	118	205	116
0	0	0	Units in securities funds	0	0	0
511	494	541	Other loans and commitments	322	253	307
12 321	11 999	12 268	Capital requirement credit risk	13 187	13 043	13 195
696	697	756	Capital requirement operational risk 1)	834	748	748
- 303	- 228	- 313	Deducted from capital requirement	- 313	- 224	- 302
12 715	12 468	12 711	Total capital requirement	13 709	13 568	13 640

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

<i>Parent bank</i>				<i>Group</i>		
31.12.13	31.12.13	31.03.14		31.03.14	31.12.13	31.12.13
4,07	3,99	4,03	Interest receivable and similar income	4,22	4,11	4,25
2,47	2,55	2,44	Interest payable and similar costs	2,47	2,56	2,51
1,59	1,43	1,60	Net interest- and credit commission income	1,75	1,55	1,74
0,39	0,35	0,38	Commissions receivable and income from banking services	0,34	0,31	0,35
0,04	0,04	0,04	Commissions payable and costs relating to banking services	0,04	0,03	0,04
0,34	0,32	0,34	Net commission income	0,30	0,28	0,31
0,17	0,02	0,09	Gains/losses on financial assets available for sale	0,09	0,05	0,06
0,07	0,06	0,05	Other operating income	0,02	0,02	0,03
1,04	1,08	1,05	Operating costs	0,96	0,96	0,95
0,12	0,11	0,19	Losses on loans, guarantees etc. and fixed assets	0,17	0,10	0,13
1,02	0,63	0,83	Result before tax	1,03	0,83	1,05
0,24	0,17	0,23	Tax payable on ordinary result	0,28	0,23	0,29
0,78	0,47	0,60	Result from ordinary operations after tax	0,75	0,60	0,77

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Parent bank					Group					
Q1/13	Q2/13	Q3/13	Q4/13	Q1/14		Q1/14	Q4/13	Q3/13	Q2/13	Q1/13
214	227	234	236	230	Interest receivable and similar income	272	278	275	267	252
137	138	140	139	139	Interest payable and similar costs	159	160	158	158	157
77	89	94	97	91	Net interest- and credit commission income	113	118	117	109	95
19	21	24	23	22	Commissions receivable and income from banking services	22	23	24	21	19
2	3	2	3	2	Commissions payable and costs relating to banking services	2	3	2	3	2
17	18	22	20	19	Net commission income	19	20	22	18	17
1	36	-1	1	5	Gains/losses on financial assets available for sale	6	6	2	3	3
3	4	3	5	3	Other operating income	1	3	1	2	1
58	56	58	57	60	Operating costs	62	62	59	59	59
6	7	3	12	11	Losses on loans, guarantees etc.	11	12	7	7	6
34	84	57	54	47	Result before tax	66	73	76	66	51
9	16	16	13	13	Tax payable on ordinary result	18	17	22	20	14
25	68	41	41	34	Result from ordinary operations after tax	48	56	54	46	37

Parent bank					Group					
Q1/13	Q2/13	Q3/13	Q4/13	Q1/14		Q1/14	Q4/13	Q3/13	Q2/13	Q1/13
3,99	4,10	4,13	4,05	4,03	Interest receivable and similar income	4,22	4,22	4,27	4,24	4,11
2,55	2,49	2,47	2,38	2,44	Interest payable and similar costs	2,47	2,43	2,45	2,51	2,56
1,45	1,61	1,66	1,66	1,60	Net interest- and credit commission income	1,75	1,79	1,82	1,73	1,55
0,35	0,38	0,42	0,39	0,38	Commissions receivable and income from banking services	0,34	0,35	0,37	0,33	0,31
0,04	0,05	0,04	0,05	0,04	Commissions payable and costs relating to banking services	0,04	0,05	0,03	0,05	0,03
0,32	0,33	0,39	0,34	0,34	Net commission income	0,30	0,30	0,34	0,29	0,28
0,02	0,65	-0,02	0,02	0,09	Gains/losses on financial assets available for sale	0,09	0,09	0,03	0,05	0,05
0,06	0,08	0,06	0,07	0,05	Other operating income	0,02	0,05	0,02	0,03	0,02
1,08	1,04	1,05	0,99	1,05	Operating costs	0,96	0,94	0,92	0,94	0,96
0,11	0,13	0,05	0,21	0,19	Losses on loans, guarantees etc.	0,17	0,18	0,11	0,11	0,10
0,65	1,52	1,01	0,93	0,83	Result before tax	1,03	1,11	1,18	1,05	0,84
0,17	0,29	0,28	0,22	0,23	Tax payable on ordinary result	0,28	0,26	0,34	0,32	0,23
0,49	1,23	0,72	0,70	0,60	Result from ordinary operations after tax	0,75	0,85	0,84	0,73	0,61

Parent bank					Balance sheet (Amounts in NOK million)					Group				
31.03.13	30.06.13	30.09.13	31.12.13	31.03.14		31.03.14	31.12.13	30.09.13	30.06.13	31.03.13				
ASSETS														
85	107	87	98	103	Cash and claims on central banks	103	99	87	107	85				
672	1 550	1 328	1 273	1 113	Loans to and claims on credit institutions	601	607	693	804	303				
15 317	15 516	16 007	15 863	16 431	Loans to and claims on customers	20 640	20 597	20 699	20 395	20 004				
185	213	209	213	221	Financial derivatives	221	213	209	213	185				
4 696	4 550	4 732	4 851	4 333	Certificates, bonds and shares available for sale	3 829	4 032	3 912	3 730	3 721				
164	164	164	164	163	Investments in associated companies	155	155	155	155	157				
347	347	347	346	346	Investments in subsidiaries	0	0	0	0	0				
66	66	66	53	53	Deferred tax benefit	53	53	69	69	69				
76	73	73	71	68	Fixed assets	173	176	179	178	182				
33	12	12	53	13	Other assets	14	53	20	19	31				
21 641	22 598	23 025	22 985	22 844	Total assets	25 789	25 985	26 023	25 670	24 737				
LIABILITIES AND EQUITY CAPITAL														
828	647	644	647	0	Liabilities to credit institutions	0	647	644	647	828				
11 747	12 461	12 809	13 248	13 350	Deposits from customers and liabilities to customers	13 100	12 989	12 553	12 194	11 453				
6 811	6 934	6 950	6 361	6 757	Borrowings through the issuance of securities	9 873	9 553	10 140	10 225	10 146				
41	41	43	41	41	Financial derivatives	41	41	43	41	41				
238	169	191	235	231	Other liabilities	242	248	214	186	241				
219	518	518	519	519	Fund bonds	519	519	518	518	219				
19 884	20 770	21 155	21 051	20 898	Total liabilities	23 775	23 997	24 112	23 811	22 928				
1 031	1 031	1 031	1 031	1 031	Paid-in equity capital	1 031	1 031	1 031	1 031	1 031				
701	704	705	903	881	Accrued equity capital/retained earnings	933	955	741	743	739				
25	93	134	0	34	Profit after taxes	48	0	137	83	37				
					Minority interest	2	2	2	2	2				
1 757	1 828	1 870	1 934	1 946	Total equity capital	2 014	1 988	1 911	1 859	1 809				
21 641	22 598	23 025	22 985	22 844	Total liabilities and equity capital	25 789	25 985	26 023	25 670	24 737				

OTHER KEY FIGURES

Parent bank			Group		
31.12.13	31.03.13	31.03.14	31.03.14	31.03.13	31.12.13
BALANCE SHEET					
Development in the last 3 months					
	0,6	-0,7	Total assets	-0,8	0,6
	3,9	3,6	Gross lending	0,2	1,3
	2,1	0,8	Deposit	0,9	2,2
Development in the last 3 months					
6,8	5,1	5,2	Total assets	4,3	7,5 5,7
7,7	6,7	7,4	Gross lending	3,3	9,0 4,4
15,1	8,6	13,6	Deposit	14,4	8,0 15,9
83,0	76,2	80,7	Deposit coverage as a percentage of gross loans	63,1	57,0 62,7
55,8	53,3	57,0	Lending to retail customers	65,5	63,8 65,6
22.407	21.776	23.120	Average assets	26.140	24.844 25.290
15.970	15.408	16.544	Gross loans	20.757	20.096 20.708
-40	-25	-45	Individual write-downs	-45	-25 -40
-67	-66	-68	Period's change in collective write downs	-72	-66 -71
0	0	0	Individual write-downs on guarantees	0	0 0
SOLIDITY					
12,7	12,1	12,7	Capital adequacy ratio as percentage	12,2	11,4 12,3
14,4	13,9	14,4	Core capital ratio as percentage	13,8	13,0 13,9
16,7	13,9	16,7	Core tier one Capital ratio	15,9	13,1 16,0
8,4	8,2	8,5	Equity capital ratio	7,8	7,3 7,7
9,5	5,8	7,1	Rate of return on equity capital	9,9	8,4 10,4
0,8	0,5	0,6	Return on assets	0,7	0,6 0,8
KEY FIGURES PCC					
7,0	1,0	1,4	Yield per primary certificate	1,9	1,5 7,8
7,0	1,0	1,4	Diluted result per ECC, in Norwegian currency	1,9	1,5 7,8
75,1	75,1	75,1	ECCs split as of 31.12	75,1	75,1 75,1
76,3	70,6	78,2	Equity capital per ECC 1)	80,9	72,7 78,5
47,2	40,5	49,1	PCC price quoted on the stock exchange	49,1	40,5 47,2
6,7	9,9	8,6	P/E (price as at 30.09 divided by profit per ECC)	6,4	6,7 6,1
0,6	0,6	0,6	P/B (price as ar 30.09. divided by book value of equity capital)	0,6	0,6 0,6
45,8	57,9	50,8	Costs as a percentage of income	44,5	50,9 44,5
1,0	1,0	1,1	Cost in percent of average total assets	1,0	1,0 0,9
177,0	177,0	177,0	Number of man-years	177,0	177,0 177,0
LOSSES ON LOANS AND GROSS DEFAULTS					
26,3	20,3	29,2	Specified loan provision in % of gross default on loan	29,2	20,3 26,3
As a percentage of gross lending:					
1,0	0,8	0,9	Gross defaults over 90 days	0,7	0,6 0,7
0,8	0,7	0,7	Net defaults over 90 days	0,5	0,5 0,6
0,7	0,6	0,7	Total loan loss provision	0,6	0,5 0,5
0,2	0,2	0,1	Losses on lending	0,1	0,1 0,2

1) equity certificate holders their share of total equity in the balance sheet. Calculation have been changed as of 12/31/13, comparative figures have been restated. Earlier calculation; equity certificate capital + share premium account + equalization fund, divided by numbers of Ecs.

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Other sources of information

Annual reports

The annual report for Helgeland Sparebank is available at www.hsb.no

Quarterly publications

Quarterly reports and presentations are available at www.hsb.no