

Q3
2015

financial report
third quarter 2015

helgeland

Helgeland Sparebank

Interim report third quarter 2015

General information

Helgeland Sparebank is a traditional bank- and finance institution. The bank has 14 offices in 13 municipalities in the Norwegian region of Helgeland and is the 12th largest saving bank in Norway.

The accounts are conducted in line with IFRS, hereunder IAS 34 with regards to interim reporting. More details about the accounting principles can be found in the annotations of the annual accounts. All numerical quantities are in reference to the HSB group if not otherwise stated. Numerical quantities in brackets apply to the corresponding period last year. The periodical accounts have not been audited.

Main features this year (group)

The HSB group has a result before tax of MNOK 188 (235). The main reason for change in profit is a combination of reduced net income from financial instruments and positive effect from lower losses in lending.

- Still good profitability in the bank's basis operation.
The net interest is maintained in both NOK and percent
Net commission income is on a stable level
Moderate losses in lending
- Profit decline in the HSB group is due to an increase in unrealized losses on interest-bearing securities as a result of significant credit spread widening. In 2014, the bank had a gain on sale of shares in NETS and higher income from associated companies.
- Increased lending growth to private customers
- Slightly lower deposit growth but still high deposit ratio
- Core tier one capital is strengthened and is well above regulatory requirements

The result gives an annual return on equity after tax of 8.6 (11.7) %. Profit per equity certificate was NOK 5.50 (7.30).

Result so far this year

Key figures:

(Comparison per 30.09.14)

- Net interest 1.76 (1.75) %
- Costs in percent of BTA 1.01 (0.95) %
- Write-downs on lending 0.10 (0.18) %
- 9-month lending growth 6.2 (1.3)
- 9-month deposit growth 2.7 (7.2)
- CET1 ratio 13.9 (12.5) %
- Capital ratio 17.3 (16.0) %

The net interest

Net interest and credit commission earnings are on the same level as this period last year both in NOK and percentage of total average assets.

In September, the Norwegian Bank lowered the key interest rate to a historically low level of 0.75 %.

Helgeland Sparebank has a goal of being competitive on the mortgage interest rates and followed the competitors and lowered the mortgage interest rate on existing loans from December 1st. The Deposit interest rate is adapted to the market and has strongly contributed to maintenance of net interest income.

It's been a long while since the credit spreads in the capital market has moved so much in so little time as it has done in September.

Both in the Senior and the Cover Bond segment the spread almost doubled. Helgeland Sparebank has covered its maturity and has not recorded new borrowings at this level.

Net commission earnings

Net commission earnings were MNOK 65 (63). In percent of average total assets the net commission was 0.33 (0.32) %.

The bank's ownership in product companies helps to complete the bank's service and product range. The bank owns 7.9 % of the insurance company Frende Holding AS. In the leasing company Brage Finans AS, Helgeland Sparebanks owner share is 10 %. The bank's income from collaborative product companies comes in as current commissions on sales. Commission from casualty insurance constitutes a significant portion of amounts per 30.09.15 MNOK 13 (11).

Net value change and profit/loss on financial instruments

Net income from financial instruments was MNOK -12 (46). So far this year, unrealized losses on interest-bearing securities are expensed with MNOK 13. Of which impact of credit spread widening last half of September with MNOK 11. The bank had gains from sale of shares in NETS and higher incomes from associated companies in 2014.

Operating costs

Combined operating costs were MNOK 196 (186). Operating costs in percent of average total assets were 1.01 (0.95) %, and costs compared with income were 48.5 (40.8) %.

Increased payroll tax takes full effect in 2015.

As a part of the bank's strategy process, a new cost target was decided with maximum cost growth of 1 %. The measures that in the long term is believed to have the greatest effect is future adjustments to the

banks distribution net as a result of changed distribution strategy and possible transition from a defined benefit to a defined contribution pension plan.

Absence due to sickness is on a low level with 3.5 (4.2) %.

Write-downs posted as expenses on commitments

The net effect of write-downs on lending per 30.09.15 is posted with MNOK 20 (35). Of this, write-downs on groups of lending are on MNOK 3 (1).

Equity certificate – HELG

The EC capital constitutes MNOK 935 and is distributed on 2,138 owners. Note 20 shows an overview over the 20 largest EC owners. Sparebankstiftelsen Helgeland is the largest owner with 35.3% of the ECs in HELG. The price per 30.09.15 was NOK 58.75, which is an increase of NOK 3.75 per EC since year end.

Result third quarter

Profit before tax was MNOK 59 (88) this quarter. Reduction from the same period last year is due to reduced income from financial investments. In total, value change of interest-bearing securities declined by MNOK -25 this quarter, MNOK -11 was expensed while MNOK -14 against equity and included in other comprehensive income.

Ordinary operating costs were MNOK 66 (63). In percent of average total assets, costs amounts to 1.00 (0.96) %.

Write-downs on lending and guarantees are expensed with MNOK 9 (6) this quarter.

The lending growth has also increased last quarter compared to the same period last year, especially in the retail market.

There was slightly lower deposit growth this quarter.

Key figures third quarter:

- Result before tax MNOK 59 (88).
- Net interest 1.77 (1.75) %
- Ordinary operating costs 1.0 (0.96) %
- 3-month lending growth 2.5 (0.7) %
- 3-month deposit growth -1.8 (1.4)

Balance development per 30.09.2015

The bank's total assets now constitute NOK 26.6bn. There has been growth in the lending last 12 months, whilst cash and securities are reduced.

Commitments

Gross lending by the end of the quarter constituted MNOK 22,119. Over the last 12 months the lending has increased with MNOK 1.141 (175) or 5.4 (0.8) %. 83.6 (83.8) % of the group's lending is to customers in the Helgeland region.

Of gross lending MNOK 14,932 or 67.5 (66.1) % constitute lending to retail customers, whereby MNOK 4,313 (19.5 %) are transferred to the banks fully owned housing credit company Helgeland Boligkreditt AS. Despite the macroeconomic uncertainty in Norway, growth in the retail market has been good and considerably higher than the corresponding period last year. The 12-month growth in the retail market was MNOK 1.056 (438) or 7.6 (3.3) %, which is higher than the national lending growth.

In line with the target the bank has been steering toward a low growth in the corporate market in 2014, and 12-month lending growth to corporate customers is therefore lower with 1.2 (-3.6) %.

Deposits from customers

Over the last 12 months the deposits have increased by MNOK 175 (1 366) or 1.3 (10.9) %. The HSB group has a local and stable depositor base, whereby 91.2 (91.6) % are deposits from customers in the Helgeland region.

The deposit ratio is good and were 63.7 (66.4) % in the HSB group and 80.1 (84.2) % in the parent bank.

The 12-month growth in the retail market was MNOK 458 (723) or 5.4 (9.3) %. Of total deposits of NOK 14.1bn, NOK 9.0bn. or 63.7 (61.2) % are deposits by retail customers.

12-month deposit growth in the corporate market is reduced by MNOK -283 (624) or -5.2 (13.5) %.

Funding

Customer deposits are an important source of funding and the banks deposit ratio is well above the target. Additional funding is long term with a good diversification of the different sources. By the end of the quarter the share of loans over 1 year were 81.4 (85.0) %.

The bank facilitates continuously adaption of approved mortgages for transferring to the fully owned mortgage company. Determined maximum limit for transferring mortgages is 30% of gross lending. 19,5% is transferred pr. 30.09.15.

Empowered mortgages will increase the transfer up to 25%.

Rating

Helgeland Sparebank is rated by Moody's. The bank's rating is A3 with a 'stable outlook'. Bonds issued by Helgeland Boligkreditt AS are given 'Aaa' ratings by Moody's.

Subsidiaries and associated companies

The HSB group includes Helgeland Sparebank and the consolidated subsidiaries Helgeland Boligkreditt AS, ANS Bankbygg Mo, AS Sparebankbygg, Helgeland Sparebanks Eiendomsselskap AS, Helgeland Utviklingsselskap AS, and Storgata 73 AS.

The HSB group's associated companies are Helgeland Invest AS with 48% ownership and REDE Eiendomsmegling AS with an ownership of 40 %.

Risk- and capital management

The HSB group's combined risk is managed through proxies, goals and frames determined by the Board of Directors. The combined capital requirement is found in the bank'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 considered safe, and the share of long term funding is well above target. The group's combined liquidity reserves (cash, bank deposits and fixed income securities) constitute 3.8 (4.6) bn, or 14.3 (17.5) % of the group's total assets. The combined duration on the fixed income portfolio is 2.2 (1.9) years.

Credit risk

The Group's strategy for credit risk is derived from the overall strategy and provides guidelines for the distribution of lending between the retail and corporate markets, exposure to industries (concentration risk) and geographical constraints. Lending to retail customers consist of a high share of well secured mortgages that give low risk in the portfolio.

The development in the bank's credit risk is followed closely.

Corporate customers are followed up closely on the individual level in addition to monitoring 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.

Net non-performing and other impaired commitments is at a relatively stable level and was MNOK 122 (120), which is equivalent to 0.55 (0.57) % of gross lending.

Market risk

The HSB group's interest rate risk is managed within the limits adopted by the board of directors and are considered low.

The bank assumes credit spread risk, primarily through the management of interest-bearing securities in the bank's liquidity portfolio. The

portfolio consists mainly of securities issued by Norwegian banks, residential mortgage companies, municipalities, government and non-financial enterprises. Credit spread risk is within limits adopted.

Solidity

The group has strengthened its CET1 ratio to 13.9 (12.5) %, which is well above the legal minimum requirement of 11% from 1 July 2015. The core capital ratio was 15.3 (13.7) %, and the total capital ratio was 17.3 (16.0) %.

The financial statements are unaudited and share of profit is not included in the capital adequacy.

The bank's Board of Directors has determined a capital plan for 2015 – 2019, 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) of least 14.0 % and a total capital ratio up to 17.5 %.

Prospects ahead

Announced reduction in mortgage interest rates are financed through reduced deposit interest rates. Lower level in the NIBOR rate compensates some of the effect in credit spreads end in the debt capital market. In total, net interest is expected to maintain in the 4th quarter. Further interest rate reductions on mortgages will still be partly financed through the reduction of deposit interest rates.

The level of commission income is expected to maintain.

Active efforts are put in to reduce the bank's costs. A future-oriented distribution strategy fitting the bank's office net is an important element of this work.

Non-performing and other impaired commitments is relatively low compared to gross lending. Wright-downs in lending are expected to stay moderate and on level with the industry.

Growth in lending to the retail market is expected to be slightly affected by new requirements for lending secured in houses. Some flattening in the corporate market combined with significantly increased competition for good customers implies a somewhat slower growth in this segment. Low interest rates challenges deposit growth. There is increased interest for alternative forms of saving. This is expected to continue and could result in lower overall deposit growth.

There is still cautious optimism in the business sector in Helgeland. The improvement of the E6 is initiated and provides local spin-offs for several industries. There is a high level of activity in the construction sector with major investments both the private and public sector. Favourable exchange rate is positive for the region's export enterprises and

improved access to affordable renewable energy provides opportunities for green and forward-looking industry.

The development of the Aasta Hansteen field is well under way outside of the Helgeland coast. When the field opens in 2017, Helgeland will have three field centres in operation and will be the centre of gravity in the petroleum activity in Northern Norway. However, the supplier industry is experiencing large variations in activity. This affects individual companies and the number of employees in the sector.

Lower population growth in Helgeland than the rest of the country is challenging. This particularly concerns the age group 25-45 years. Increasing offers in studies and research environment at Campus Helgeland contributes greatly to creating

an academic environment. Good cooperation with Helgelands industrial companies gives interesting job opportunities for both in a relationship which will be essential to reverse the trend in this development.

Unemployment remains low all together in the region on level with Nordland County of 2.6% pr. 30.09.15 – unchanged since 30.06.15.

Activity in the housing market is stable and showed an average increase per 30.09.15 for villas of 7.1 %. Nationally, the price increase was 6.1 %. Corresponding figures for apartments shows an increase in prices of 6.3 % for Helgeland, but nationwide, an increase of 8.2 %. Activity in the housing market has been at a normal level in the third quarter, this has continued in the fourth quarter.

Mo i Rana, October 27th 2015

Ove Brattbakk
Chairman of the Board

Stein Andre Herigstad-Olsen
Deputy Chairman of the Board

Eva Monica Hestvik

Bjørn Audun Risøy

Inga Marie Lund

Nils Terje Furunes

May Heimdal
Employee Representative

Lisbeth Flågeng
CEO

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PROFIT AND LOSS ACCOUNT (amounts in NOK million)

<i>Parent bank</i>					<i>Group</i>					
31.12.14	Q3/14	Q3/15	30.09.14	30.09.15		30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
930	236	204	701	618	Interest receivable and similar income	714	822	235	274	1 089
549	138	101	418	320	Interest payable and similar costs	372	479	118	158	631
381	98	103	283	298	Net interest- and credit commission income	342	343	117	116	458
92	24	25	70	72	Commissions receivable and income from banking se	72	70	25	24	92
10	2	2	7	7	Commissions payable and costs relating to banking s	7	7	2	2	10
82	22	23	63	65	Net commission income	65	63	23	22	82
68	-3	-12	65	31	Gains/losses on financial assets available for sale (ni	-12	46	-11	17	44
13	3	7	9	14	Other operating income	9	4	6	2	7
252	62	64	180	190	Operating costs (note 4)	196	186	66	63	263
44	6	9	35	20	Losses on loans, guarantees etc. (note 5)	20	35	9	6	44
248	52	48	205	198	Result before tax	188	235	59	88	283
52	11	11	40	36	Tax payable on ordinary result	50	54	14	15	67
196	41	36	165	162	Result from ordinary operations after tax	138	181	45	73	216
7.9			6.6	6.5	Yield per equity capital certificate (note 6)	5.5	7.3			8.7
7.9			6.6	6.5	Diluted result per ECC in Norwegian currency (note 6)	5.5	7.3			8.7
Extended Income Statement										
196	41	36	165	162	Result from ordinary operations after tax	138	181	45	73	216
<i>Items that are not subsequently reversed through profit or loss:</i>										
-57	0	0	0	0	Estimate variances, pensions will not be reversed ovi	0	0	0	0	-57
15	0	0	0	0	Tax on extended profit	0	0	0	0	15
-42	0	0	0	0	Net extended profit or loss items	0	0	0	0	-42
<i>Items that are not subsequently reversed through profit or loss:</i>										
28	27	-17	35	-29	Net change in fair value available-for-sale fin. assets	-29	12	-17	2	7
2	0	3	-2	5	Tax on extended profit	5	-2	3	0	2
30	27	-14	33	-24	Net extended profit or loss items	-24	10	-14	2	9
184	68	22	198	138	Total result for the period	114	191	31	75	183

BALANCE SHEET (amounts in NOK million)

<i>Parent bank</i>			<i>Group</i>			
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
ASSETS						
103	96	81	Cash and claims on central banks	81	96	103
1 358	1 265	888	Loans to and claims on credit institutions	380	484	675
16 577	16 711	17 765	Loans to and claims on customers (note 7,8,9,10)	22 012	20 873	20 731
161	268	119	Financial derivatives (note 16)	119	268	161
4 003	4 524	3 822	Certificates, bonds and shares available for sale	3 527	4 224	3 735
181	185	186	Investments in associated companies (note 12)	186	183	178
348	345	345	Investments in subsidiaries (note 12)			
25	11	25	Deferred tax benefit	25	53	30
76	74	81	Fixed assets (note 13)	188	183	177
6	17	40	Other assets	40	15	8
22 838	23 496	23 352	Total assets	26 558	26 379	25 798
LIABILITIES AND EQUITY CAPITAL						
0	0	0	Liabilities to credit institutions	3	0	2
13 971	14 164	14 318	Deposits from customers and liabilities to customers (note 17,18)	14 093	13 919	13 725
6 015	6 458	6 111	Borrowings through the issuance of securities (note 15)	9 489	9 479	9 143
60	52	62	Financial derivatives (note 16)	62	52	60
211	212	203	Other liabilities	217	270	227
519	519	519	Fundbonds and subordinated loan capital	519	519	519
20 776	21 405	21 213	Total liabilities	24 383	24 239	23 676
1 028	1 028	1 028	Paid-in equity capital (note 19,20)	1 028	1 028	1 029
1 034	898	949	Accrued equity capital/retained earnings (note 20)	1 005	927	1 089
	165	162	Result from ordinary operations after tax	138	181	
2 062	2 091	2 139	Total equity capital exclusive minority interest	2 171	2 136	2 118
			Non-controlling interest	4	4	4
2 062	2 091	2 139	Total equity capital	2 175	2 140	2 122
22 838	23 496	23 352	Total liabilities and equity capital	26 558	26 379	25 798

Conditional liabilities off balance sheet (note 11)

CHANGE IN EQUITY CAPITAL

Group

30.09.15

	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 01.01.15	187	845	-4	157	437	20	8	338	131	4	2 123
Result for the period									138		138
Extended profit or loss items				-24							-24
Sum total ext. profit or loss	0	0	0	-24	0	0	0	0	138	0	114
Gift fund						-14					-14
Transactions with owners											0
Dividend paid									-47		-47
Equity capital 30.09.15	187	845	-4	133	437	6	8	338	222	4	2 176
Paid-in/accrued equity capital/retained earnings			1 028							1 148	2 176

Group

30.09.14

	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	4	1 988
IAS19R*)									181		181
result for the period				12							12
Extended profit or loss items	0	0	0	12	0	0	0	0	181	0	193
Sum total ext. profit or loss						-4					-4
Gift fund											0
Dividend paid			-3						-34		-37
Equity capital 30.09.14	187	845	-4	165	413	14	5	267	244	4	2 140
Paid-in/accrued equity capital/retained earnings			1 028							1 112	2 140

Parent bank

30.09.15

	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 01.01.15		187	845	-4	184	437	20	8	338	47	2 062
Extended profit or loss items										162	162
Sum total ext. profit or loss					-24						-24
Totalresultat		0	0	0	-24	0	0	0	0	162	138
Gift fund							-14				-14
Transactions with owners											0
Impairment to par											0
Dividend paid									-47		-47
Equity capital 30.09.15		187	845	-4	160	437	6	8	338	162	2 301
Paid-in/accrued equity capital/retained earnings			1 028							1 111	2 139

Parent bank

30.09.14

	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal	Dividend 0	Total 0	
Equity capital as at 01.01.14		187	845	-1	162	414	23	0	273	31	1 934
IAS19R*)										165	165
result for the period				33							33
Extended profit or loss items		0	0	0	33	0	0	0	0	165	198
Sum total ext. profit or loss							-4				-4
Gift fund											0
Dividend paid				-3					-34		-37
Equity capital 30.09.14		187	845	-4	195	414	19	0	239	196	2 091
Paid-in/accrued equity capital/retained earnings			1 028							1 063	2 091

CASH FLOW STATEMENT

<i>Parent bank</i>			<i>Group</i>			
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
247	205	198	Result of ordinary operations	188	235	283
10	7	9	+ Ordinary depreciation/amortisation	14	13	17
44	35	20	+ Writedowns and gain/loss on fixed assets	20	35	44
-52	-40	-36	- Tax expense	-50	-53	-67
249	207	191	= Provided from the years operations	172	230	277
-1	17	-4	Change miscellaneous debt: + increase/-decrease	-3	19	2
45	34	-34	Change miscellaneous claims: - increase/+ decrease	-35	40	45
-700	-872	-1 226	Change loans to and balances with customers:- incr./+ decr.	-1 292	-280	-134
723	916	347	Change deposits from and liabilities to customers:+ incr/-decr.	368	930	736
0	0	0	Change liabilities to credit institutions : + increase	2	0	0
-647	-647	0	Change liabilities to credit institutions : + Decrease		-647	-647
-331	-345	-726	A Net liquidity change from operating activities	-788	292	279
-12	-6	-9	- Invested in tangible fixed assets	-11	-9	-15
0	0	5	+ Sale of tangible fixed assets	5	0	5
-2 383	-2 158	-1 553	- Investment in long-term securities	-1 225	-2 158	-2 622
3 154	2 479	1 751	+ Sale in long-term securities	1 451	1 879	2 648
759	315	194	B Liquidity change from investing activities	220	-288	16
-41	-41	-48	- Dividend paid on ECCs	-48	-41	-41
1 965	1 274	1 444	+ Issue debt securities	1 944	1 694	2 764
-2 262	-1 213	-1 356	- Redemption debt securities	-1 645	-1 783	-2 946
0	0	0	Change subordinated loan capital/primary capital + incr.- decr	0	0	0
-338	20	40	C Liquidity change from financing activities	251	-130	-223
90	-10	-492	A+B+C Sum total change liquid assets	-317	-126	72
1 371	1 371	1 461	+ Liquid assets at the start of the period	778	706	706
1 461	1 361	969	= Liquid assets at the close of the period	461	580	778

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 2014. The interim report for the second quarter is in compliance with IAS 34 and has not been audited. Wealth tax and hedge fund fees are accrued monthly as in previous years.

Clarification of accounting policies disclosed in the financial statement for 2014 for valuation principle fixed rate borrowings, fixed rate loans and fixed rate deposits.

Fixed rate borrowings

For securities issued with fixed interest rates, value hedging is normally used. The bank hedges interest rate risk on an individual level. Change in credit spread is not a part of hedged risk. Changes in value related to changes in NIBOR are recognized and adjusts the carrying value of the hedged fixed rate borrowings continuously.

Fixed rate borrowings that is not documented as hedging objects is considered fair value (FVO). The bank has per today no borrowings that are included in this category.

Fixed rate lending

Loans with fixed rate are valued to fair value (FVO). Fair value is calculated by down discounting future cash flows (interests and principal) on loans with return requirements derived from the yield curve at the balance date. Credit spread on lending is changed on an overall assessment based on observed changes in the market together with internal valuations. A change in credit spread will affect the return requirements as the supplement that is added on the interest rate changes.

Fixed rate customer deposits

Customer deposits with fixed rates are valued to fair value (FVO). The extent of such deposits is not significant for the financial statements. Measuring of fixed rate receivables and commitments to fair value gives a significant reduced volatility in

the income statement as the bank uses derivatives to control the interest rate risk that fixed rate arrangements and commitments means to the bank.

NOTE 2. SEGMENT

The Group has defined its geographical segment as a main area of Norway – Helgeland. The Group only has smaller exposure to credit risk in areas other than its geographically defined main area.

The group has split the bank into two segments, corporate and retail banking.

<i>Parent bank</i>				<i>Group</i>				
30.09.15				30.09.15				
Retail	Corp.	Not divided	Total	Segment information	Retail	Corp.	Not divided	Total
147	141	10	298	Net interest and credit commission i	206	157	-21	342
22	10	33	65	Net commission income	22	10	33	65
		45	45	Other operating income			-3	-3
64	23	103	190	Operating costs	71	24	101	196
-2	19	3	20	Losses on loans guaranteed	-2	19	3	20
107	109	-18	198	Result before tax	159	124	-95	188
10 729	7 139		17 868	Loans to and claims on customers	14 932	7 187		22 119
-5	-27		-32	Individual write-downs	-5	-27		-32
		-71	-71	Collective write-downs on loans			-75	-75
		5 587	5 587	Other assets			4 546	4 546
10 724	7 112	5 516	23 352	Total assts per segment	14 927	7 160	4 471	26 558
8 976	5 117		14 093	Deposits from customers and liabiliti	8 976	5 117		14 093
		9 259	9 259	Other liabilities and equity			12 465	12 465
8 976	5 117	9 259	23 352	Total liabilities and equity per €	8 976	5 117	12 465	26 558

<i>Parent bank</i>				<i>Group</i>				
30.09.14				30.09.14				
Retail	Corp.	Not divided	Total	Segment information	Retail	Corp.	Not divided	Total
148	153	-18	283	Net interest and credit commission i	226	156	-38	344
22	10	30	62	Net commission income	22	10	31	63
		75	75	Other operating income			50	50
63	22	95	180	Operating costs	69	22	96	187
5	28	2	35	Losses on loans guaranteed	5	28	2	35
102	113	-10	205	Result before tax	174	116	-55	235
9 738	7 074		16 812	Loans to and claims on customers	13 876	7 102		20 978
-5	-28		-33	Individual write-downs	-5	-28		-33
		-68	-68	Collective write-downs on loans			-72	-72
		6 785	6 785	Other assets			5 506	5 506
9 733	7 046	6 717	23 496	Total assts per segment	13 871	7 074	5 434	26 379
8 518	5 646		14 164	Deposits from customers and liabiliti	8 518	5 400		13 918
		9 332	9 332	Other liabilities and equity			12 461	12 461
8 518	5 646	9 332	23 496	Total liabilities and equity per €	8 518	5 400	12 461	26 379

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

<i>Parent bank</i>					<i>Group</i>					
31.12.14	Q3/14	Q3/15	30.09.14	30.09.15		30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
1	-1	-11	0	-13	Value change in interest-bearing securities	-13	0	-11	-1	1
5	2	0	3	2	Net gain/loss in interest-bearing securities	2	3	0	2	5
11	0	0	11	-19	Net gain/loss shares	-15	11	0	-2	16
5	0	0	5	15	Income AC	15	35	0	20	25
52	0	0	52	50	Share dividend	3	3	1	2	3
-6	-1	-2	-3	-4	Value change in value on lending	-4	-3	-2	-1	-6
0	-3	1	-3	0	Value change on funding and derivatives	0	-3	1	-3	0
68	-3	-12	65	31	Total value change financial instruments	-12	46	-11	17	44

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

<i>Parent bank</i>					<i>Group</i>					
31.12.14	Q3/14	Q3/15	30.09.14	30.09.15		30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
130	32	32	90	97	Wages, salaries and social costs	99	92	34	33	130
75	18	19	54	56	General administration costs	54	52	17	16	75
10	2	3	7	9	Depreciation etc of fixed- and intangible assets	14	13	5	6	17
37	10	10	29	29	Other operating costs	29	29	10	8	41
252	62	64	180	191	Total operating costs	196	186	66	63	263

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

<i>Parent bank</i>					<i>Group</i>					
31.12.14	Q3/14	Q3/15	30.09.14	30.09.15		30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
-21	-22	9	-7	8	+/- Period's change in individual write-downs	8	-7	9	-22	-21
1	-1	0	1	3	+ Period's change in collective write-downs	3	1	0	-1	1
46	14	1	22	4	+ Period's conf. Losses against which ind. write-downs were made	4	22	1	14	46
19	15	-1	20	8	+ Period's confirmed losses against which no ind. write-downs were made	8	20	-1	15	19
-1	0	0	-1	-3	- Period's recoveries from previous periods' conf.losses	-3	-1	0	0	-1
44	6	9	35	20	Total losses on loans, guarantees etc.	20	35	9	6	44

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

<i>Parent bank</i>			<i>Group</i>			
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
196	165	162	Profit	138	181	216
75.1 %	75.1 %	75.1 %	ECC percentage	75.1 %	75.1 %	75.1 %
7.9	6.6	6.5	Yield per equity capital certificate	5.5	7.3	8.7
7.9	6.6	6.5	Diluted result per ECC in Norwegian currency	5.5	7.3	8.7

NOTE 7. GEOGRAPHICAL EXPOSURE WITHIN THE LOAN PORTFOLIO

<i>Parent bank</i>					<i>Group</i>			
30.09.14	%	30.09.15	%		30.09.15	%	30.09.14	%
14 179	84.3	15 044	84.2	Helgeland	18 494	83.6	17 571	83.8
2 611	15.5	2 798	15.7	Areas other than Helgeland	3 590	16.2	3 379	16.1
22	0.1	26	0.1	International	35	0.2	28	0.1
16 812	100	17 868	100	Total	22 119	100	20 978	100

NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY

	30.09.15				30.09.14			
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	0	0.0 %	0	0	0	0.0 %	0	0
Insurance and finance	35	0.2 %	0	0	37	0.2 %	0	0
Agriculture and forestry	1 260	5.7 %	0	-1	1 344	6.4 %	3	3
Fisheries and aquaculture	748	3.4 %	18	18	708	3.4 %	0	1
Mining and industry	331	1.5 %	2	-2	536	2.6 %	15	13
Building and construction	898	4.1 %	4	2	839	4.0 %	1	1
Trade, hotel, restaurants.	647	2.9 %	4	2	671	3.2 %	6	7
Transport and services	350	1.6 %	-1	-1	264	1.3 %	1	1
Property, property development	2 918	13.2 %	1	1	2 703	12.9 %	3	3
Retail market	14 932	67.5 %	5	-2	13 876	66.1 %	6	5
Total	22 119	100 %	33	17	20 978	100 %	35	34
Change collective write-downs			75	3			72	1
Total			108	20			107	35
Of which gross loans Helgeland Boligkreditt AS	4 313	19.5 %			4 232	20.2 %		

	30.09.15				30.09.14			
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	0	0.0 %	0	0	0	0.0 %	0	0
Insurance and finance	35	0.2 %	0	0	37	0.2 %	0	0
Agriculture and forestry	1 249	7.0 %	0	-1	1 341	8.0 %	3	3
Fisheries and aquaculture	747	4.2 %	18	18	705	4.2 %	1	1
Mining and industry	328	1.8 %	2	-2	533	3.2 %	13	13
Building and construction	874	4.9 %	4	2	816	4.9 %	2	1
Trade, hotel, restaurants.	641	3.6 %	4	2	651	3.9 %	6	7
Transport and services	305	1.7 %	-1	-1	264	1.6 %	1	1
Property, property development	2 960	16.6 %	1	1	2 727	16.2 %	3	3
Retail market	10 729	60.0 %	5	-2	9 738	57.9 %	6	5
Total	17 868	100 %	33	17	16 812	100 %	35	34
Change collective write-downs			71	3			68	1
Total			104	20			103	35

NOTE 9. BAD AND DOUBTFUL LOANS

<i>Parent bank</i>			<i>Group</i>			
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
85	113	98	Loans, guarantees etc. in default	98	113	85
14	14	13	Loss provisions for loans, guarantees etc. in default	13	14	14
71	99	85	Total net loans, guarantees etc. in default	85	99	71
43	27	56	Other bad and doubtful loans and guar., not in default	56	27	43
5	6	19	Loss provisions for other bad and doubtful loans, guarantees etc., not in default	19	6	5
38	21	37	Total net bad and doubtful commitments, not in default	37	21	38
109	120	122	Total bad and doubtful loans	122	120	109
0.65 %	0.71 %	0.68 %	In % of total loans	0.55 %	0.57 %	0.52 %

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

<i>Parent bank</i>			<i>Group</i>			
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
40	40	24	Individual write-downs to cover losses on loans and guarantees as at 01.01	24	40	40
-23	-22	-6	Period's conf. losses, against which indi. Write-down was previously made	-6	-22	-23
5	0	0	Period's increased individual write-downs, against which write-down was previously made	0	0	5
3	16	23	New individual write-downs during the period	23	16	3
-1	-1	-9	Reversal of individual write-downs during the period	-9	-1	-1
24	33	32	= Total individual write-downs on loans	32	33	24
24	33	32	*Of which individual write-downs on loans accounted for	33	33	24
0	0	1	* Of which ind. Write-downs on guar. accounted for	1	0	0
Collective write-downs:						
67	68	68	Collective write-downs to cover losses on loans at 01.01	72	71	71
1	1	3	+ /- Period's change in collective write-downs	3	1	1
68	69	71	Total collective write-downs	75	72	72

NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS

<i>Parent bank</i>			<i>Group</i>			
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
1 583	1 546	1 393	Unutilized drawing rights	1 801	1 905	1 912
467	467	541	Guarantee obligations	541	467	467
2 317	2 214	2 489	Unutilized credit Helgeland Boligkredditt			
4 367	4 227	4 423	Net guarantee and draw rights	2 342	2 372	2 379

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 AC

	Share capita	Number of sha	Equity stake	Parent bank	
				Accounted value	
				30.09.15	30.09.14
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 Utviklingsselskap AS	0.5	500	100 %	8	8
Storgata 73 AS	5.0	74	53 %	1	1
Total investment in AC				345	345

Investment in associated companies

	Location	Sector	Equity stake	Group	
				Accounted value	
				30.09.15	30.09.14
Helgeland Invest AS*	Mo i Rana	Investment	48 %	174	181
REDE Eiendomsmegling AS	Mo i Rana	Estate Agent	40 %	12	2
Total investment in AC				186	183

Investment in associated companies

	Location	Sector	Equity stake	Parent bank	
				Accounted value	
				30.09.15	30.09.14
Helgeland Invest AS*	Mo i Rana	Investment	48 %	174	181
REDE Eiendomsmegling AS	Mo i Rana	Estate Agent	40 %	12	4
Total investment in AC				186	185

* Equity method of accounting applies in parent bank in 30.09.14

* The banks ownership in Helgeland Invest is considered in relation to decisive influence. The owner post is not treated as a daughter company. The banks ownership is less than 50 % and additional owners have the possibility to organize a majority against the bank. The banks CEO is elected deputy member for the company.

The bank has therefore significant influence, but not control in Helgeland Invest AS.

NOTE 13. OPERATING FUNDS

Parent bank			Group		
31.12.14	30.09.14	30.09.15	30.09.15	30.09.14	31.12.14
76	74	81	188	183	177
76	74	81	188	183	177
Total operating funds					

* 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 related parties:

Helgeland Boligkreditt AS (share of ownership 100 %)

Transferred loans per 30.09.15 constitute totally MNOK 4,313. Covered bonds in the housing mortgage company constitute MNOK 3 673 where MNOK 295 (300) is owned by Helgeland Sparebank. Credit line of NOK 1.5bn is per 30.06.15 drawn with MNOK 551. The bank has additionally entered into agreements with Helgeland Boligkreditt AS concerning credit lines of NOK 1.5 bn (duration 1 year), which mainly should be used in the settlement of purchased loans and repayment of covered bonds in a 12 month rolling period, and is entirely unused. The agreements are entered according to the principle of an arm's length distance. The effects of the credit lines are eliminated in the consolidated accounts. HSB has received corporate contributions of MNOK 48 in 2015.

Ans Bankbygg (share of ownership 97 %)

The bank rents premises from ANS Bankbygg and has paid MNOK 4.1 in 2015.

NOTE 15. REAL VALUE OF FINANCIAL INSTRUMENTS

Measurement of fair value of financial instruments by level

The table shows financial instruments to fair value according to fair value measurement method (IFRS13). The changes demand presentation of fair value measurements per level with the following divisions into levels. The different levels are defined like this:

- Level 1 - Noted price in an active market for an identical asset or liability
- Level 2 – Valuation based on observable factors either direct (price) or indirect (derived from prices) other than noted priced (used in level 1) for the asset or liability
- Level 3 Valuation based on factors not obtained from observable markets (non-observable assumptions)

The fair value of financial instruments that are traded in an active market is based on the market price at the end of the reporting period. A market is considered active if the markets rates are simply and regularly available from a stock exchange, trader, broker, business group pricing service or regulatory authority, and these prices represent actual and regularly occurring arm's length market transactions. The market price used for financial assets is the current bid price, while for financial liabilities it is the current offer price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation methods. These valuation methods maximize the use of observable data where these are available, and are based as little as possible on the Group's own estimates. If all the significant data required to determine the fair value of an instrument are observable data, the instrument are included in level 2.

Unlisted equities and fixed-rate loans are classified under level 3. The fair value of shares where it's no active market, known market value or the last issue price is used. For papers without turnover, the value is set based on available financial information, etc. fixed rate loans are measured at fair value (see also description of the valuation note 1).

Assets and liabilities measured at fair value

<i>morbank</i>				<i>konsern</i>		
30.09.15				30.09.15		
Level 1	Level 2	Level 3	Assets and liabilities measured at fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit						
		1 368	- Loans to and claims on customers at fair value			1 368
Financial assets available for sale						
3 639		183	- Certificates, bonds and equities available for sale	3 344		183
	119		- Financial derivatives		119	
3 639	119	1 551	Total assets	3 344	119	1 551
LIABILITIES						
Financial liabilities at fair value through profit						
	2 820		- Debt issuance of securities		2 820	
	62		- Financial derivatives		62	
0	2 882	0	Total liabilities	0	2 882	0
Shares	Lending	Sum	Level 3	Shares	Lending	Sum
189	1044	1 233	Opening balance	189	1 044	1 233
	-247	-247	Installments and loans redeemed		-247	-247
	568	568	New loans		568	568
-6	3	-3	Value change	-6	3	-3
		0	Reclassification			0
183	1368	1 551	Financial instruments valued on Level 3	183	1 368	1 551

Principal fixed rate loans per 30.09.15 were MNOK 1.344 and MNOK 1.016 mill per 31.12.14. Net interest rate risk by a parallel interest rate shift of 1 %-point for fixed rate loans and derivatives, fixed rate loans was MNOK 3.0 per 30.09.15 and MNOK 0.8 per 31.12.14.

Assets and liabilities measured at fair value

<i>morbank</i>				<i>konsern</i>		
30.12.14				30.12.14		
Level 1	Level 2	Level 3	Assets and liabilities measured at fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit						
0	0	1 044	- Loans to and claims on customers at fair value	0	0	1 044
Financial assets available for sale						
3 814	0	189	- Certificates, bonds and equities available for sale	3 546	0	189
0	161	0	- Financial derivatives	0	161	0
3 814	161	1 233	Total assets	3 546	161	1 233
LIABILITIES						
Financial liabilities at fair value through profit						
0	2 631	0	- Debt issuance of securities	0	2 631	0
0	60	0	- Financial derivatives	0	60	0
0	2 691	0	Total liabilities	0	2 691	0
Shares	Lending	31.12.14	Level 3	Shares	Lending	31.12.14
209	1 149	1 358	Opening balance	209	1 149	1 358
-28	-257	-285	Payments	-28	-257	-285
	172	172	New loans		172	172
8	-20	-12	Value change	8	-20	-12
		0	Reclassification			0
189	1 044	1 233	Financial instruments valued on Level 3	189	1 044	1 233

NOTE 16. FINANCIAL DERIVATIVES

<i>Parent bank</i>				<i>Group</i>		
30.09.15				30.09.15		
Nominal value		Market value		Nominal value		Market value
Total	Assets	Commitments		Total	Assets	Commitment
1 561		62	Interest rate swaps- fixed interest rate loans	1 561		62
			Interest rate swaps- bank deposits with share Yield			
1 561	0	62	Total financial derivatives	1 561	0	62
2 700	119		Interest rate swaps – fixed interest rate with hedging	2 700	119	
2 700	119	0	Total financial derivatives with hedging	2 700	119	0

<i>Parent bank</i>				<i>Group</i>		
30.09.14				30.09.14		
Nominal value		Market value		Nominal value		Market value
Total	Assets	Commitments		Total	Assets	Commitment
1 010		52	Interest rate swaps- fixed interest rate loans	1 010		52
			Interest rate swaps- bank deposits with share Yield			
1 010	0	52	Total financial derivatives	1 010	0	52
2 500	268		Interest rate swaps – fixed interest rate with hedging	2 500	268	
2 500	268	0	Total financial derivatives with hedging	2 500	268	0

<i>Parent bank and group</i>					
30.09.15					
	Gross financial assets	Financial assets that are recognized net in the balance sheet	Net financial assets	Financial instruments	Net
Derivaives carried as assets	119	0	119	62	57
Derivaives carried as liabilities			62	-62	0

<i>Parent bank and group</i>					
30.09.14					
	Gross financial assets	Financial assets that are recognized net in the balance sheet	Net financial assets	Financial instruments	Net
Derivaives carried as assets	268	0	268	52	216
Derivaives carried as liabilities	52	0	52	-52	0

Relevant instruments for interest rate risk management 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 turnover in interest-related products in the market. If the bank has the same counterparty derivatives on both the asset side and the liability side, these are offset.

NOTE 17. SECURITIES

<i>Parent bank</i>				<i>Group</i>		
31.12.14	30.09.14	30.09.15 (MNOK)		30.09.15	30.09.14	31.12.14
5 844	6 178	5 986	Bonds, nominal value	9 361	9 192	8 966
106	218	68	Value adjustments	68	218	106
65	62	57	Accrued interest	60	69	71
6 015	6 458	6 111	Total securities	9 489	9 479	9 143

Change in securities issued					<i>Group</i>
	30.09.15	Issued	Matured/redeemed	Other change	31.12.14
Bonds, nominal value	9 362	1 700	-1 400	95	8 966
Value adjustments	68			-38	106
Accrued interest	59			-12	71
Total	9 489	1 700	-1 400	-50	9 143

Change in subordinated debt and hybrid capital					<i>0 Group/parent bank</i>
	30.09.15	Issued	Matured/redeemed	Other change	31.12.14
Subordinated bonds, nominal value	220				220
equity and related capital, nominal value	300				300
Value adjustments	-2				-2
Accrued interest	1				1
Total	519	0	0	0	519

Change in securities issued					<i>Parent bank</i>
	30.09.15	Issued	Matured/redeemed	Other change	31.12.14
Bonds, nominal value	5 986	850	-700	-8	5 844
Value adjustments	68			-38	106
Accrued interest	57			-8	65
Total	6 111	850	-700	-54	6 015

Accounted value		<i>Group</i>	
		30.09.15	30.09.14
Bonds, amortized cost		6 669	6 512
Bonds, hedging		2 820	2 631
Total debt securities		9 489	9 143

Accounted value		<i>Parent bank</i>	
		30.09.15	30.09.14
Bonds, amortized cost		3 291	3 354
Bonds, hedging		2 820	2 661
Total debt securities		6 111	6 015

NOTE 18. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>						<i>Group</i>			
%	30.09.14	%	30.09.15		30.09.15	%	30.09.14	%	
91.8 %	13 001	91.3 %	13 074	Helgeland	12 849	91.2 %	12 756	91.6 %	
7.4 %	1 053	7.9 %	1 136	Areas other than Helgeland	1 136	8.1 %	1 053	7.6 %	
0.8 %	110	0.8 %	108	International	108	0.8 %	110	0.8 %	
100 %	14 164	100 %	14 318	Total	14 093	100 %	13 919	100 %	

NOTE 19. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

<i>Parent bank</i>						<i>Group</i>			
%	30.09.14	%	30.09.15		30.09.15	%	30.09.14	%	
3.5 %	497	2.8 %	407	Financial institutions	200	1.4 %	296	2.1 %	
11.3 %	1 594	9.5 %	1 358	Municipalities and municipal ente	1 358	9.6 %	1 549	11.1 %	
2.3 %	328	2.3 %	324	Agriculture and forestry	324	2.3 %	328	2.4 %	
2.2 %	308	3.1 %	440	Fisheries and aquaculture	440	3.1 %	308	2.2 %	
1.6 %	231	1.3 %	180	Mining and industry	180	1.3 %	231	1.7 %	
6.9 %	971	5.1 %	734	Building and construction	734	5.2 %	971	7.0 %	
2.7 %	379	3.3 %	478	Trade, hotel, restaurants.	478	3.4 %	379	2.7 %	
6.0 %	847	6.2 %	882	Transport and services	882	6.3 %	847	6.1 %	
3.5 %	491	3.8 %	539	Property, property development	521	3.7 %	491	3.5 %	
60.1 %	8 518	62.7 %	8 976	Retail market	8 976	63.7 %	8 518	61.2 %	
100.0 %	14 164	100 %	14 318	Total	14 093	100.0 %	13 918	100 %	

NOTE 20. EQUITY CERTIFICATE CAPITAL HELG

<i>Per 30.09.15</i>			<i>Parent bank</i>		
	Numbers	% share	Numbers	% share	
Sparebankstiftelsen Helgeland	6 599 598	35.3 %	Helgeland Kraft AS	340 494	1.8 %
Pareto AS	1 570 836	8.4 %	Verdipapirfondet Pareto	269 000	1.4 %
UBS AG, London Branc A/C	1 148 900	6.1 %	Citibank	219 847	1.2 %
Merrill Lynch Prof.	926 015	5.0 %	Sniptind Holding AS	201 801	1.1 %
MP Pensjon PK	882 203	4.7 %	Catilina Invest AS	170 000	0.9 %
VPF Nordea Norge	570 365	3.1 %	Johs. Haugerudsvei AS	137 731	0.7 %
Eika Utbytte	517 670	2.8 %	Nordenfjeldske Bykreditt	134 194	0.7 %
BNY Mellon	488 894	2.6 %	Melum Mølle AS	124 000	0.7 %
Bergen Kommunale pensj.	400 000	2.1 %	Steffen Nervik	110 000	0.6 %
Lamholmen AS	398 788	2.1 %	Melesio AS	100 000	0.5 %
Total 10 biggest owners	13 503 269	72.2 %	Total 20 biggest owners	15 310 336	81.9 %

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

NOTE 21. CAPITAL ADEQUACY

The capital ratio is worked out according to CRD IV/Basel III regulations (standard method credit risk) for the current period, and 30.12.14. Comparative figures have not been restated and 30.09.14 is according to Basel II. (Transition rules for no significant shares in finance institutions, involve full implementation from 01.01.19).

Parent bank				Group		
Basel II	Basel II	Basel III	Capital	Basel III	Basel II	Basel III
31.12.14	30.09.14	30.09.15		30.09.15	30.09.14	31.12.14
187	187	187	ECC-capital	187	187	187
845	845	845	Premium Fund	845	845	845
-4	-4	-4	Own ECCs	-4	-4	-4
1 028	1 028	1 028	Total paid-in capital	1 028	1 028	1 028
438	415	438	Savings Bank's fund	438	415	438
183	194	159	Reserve for unrealized gains	135	164	158
28	19	14	Donations Fund	14	19	28
338	269	338	Dividend equalisation reserve	338	269	338
47	0	0	Cash dividend	0	0	47
0	0	0	Other equity capital	85	60	85
1 034	897	949	Total accrued equity capital	1 010	927	1 094
2 062	1 925	1 977	Total equity capital	2 038	1 955	2 122
-183	-194	0	Reserve for unrealized gains	0	-164	-158
-25	-11	-28	Deferred tax assets	-25	-11	-31
-40	-59	-29	Shares in financial institutions	-27	-57	-38
32	47	18	Transition Rule; share net of non significant assets	16	47	30
-55	-5	0	Cash dividend /gifts employee	0	-5	-59
1 791	1 703	1 938	Total core tier one	2 002	1 765	1 866
-14	-26	-9	Shares in financial institutions	-8	-25	-13
-16	-23	-9	Transition Rule; share net of non significant assets	-8	-24	-15
219	219	219	Hybrid capital	219	219	219
1 980	1 873	2 139	Total core capital	2 205	1 935	2 057
300	300	300	Subordinatet dept	300	300	300
66	70	0	Weight assets calculation basis *)	0	59	57
-8	-15	-6	Shares in financial institutions	-5	-15	-7
-16	-23	-9	Transition Rule; share net of non significant assets	-8	-23	-15
0	-1	0	Additional	0	-1	0
342	331	285	Total net supplementary capital	287	320	335
2 322	2 204	2 424	Total net equity and related capital	2 492	2 255	2 392
12 790	13 019	13 304	Weight assets calculation basis	14 405	14 096	13 929
14.00 %	13.08 %	14.57 %	Core tier one Capital ratio	13.91 %	12.52 %	13.40 %
15.48 %	14.39 %	16.08 %	Core capital ratio	15.32 %	13.73 %	14.77 %
18.15 %	16.93 %	18.22 %	Capital ratio	17.31 %	16.00 %	17.17 %

31.12.14	30.09.14	30.09.15	Capital requirement	30.09.15	30.09.14	31.12.14
0	0	0	States and central banks	0	0	0
92	147	89	Local and regional authorities (including municipalities)	89	147	92
1 136	1 145	923	Institutions	343	474	673
2 787	2 779	3 221	Enterprises	3 222	2 775	2 787
1 728	2 358	1 815	Mass market loans	1 858	2 358	1 773
5 415	5 010	5 587	Loans secured by real property	7 118	6 624	6 954
149	229	151	Loans overdue	151	229	149
160	173	172	Covered bonds	137	143	134
0	0	0	Units in securities funds	0	0	0
414	423	436	Other loans and commitments	548	510	428
11 881	12 263	12 395	Capital requirement credit risk	13 466	13 259	12 990
909	756	909	Capital requirement operational risk	938	838	938
0	0	0	Deducted from capital requirement	0	0	0
12 790	13 019	13 304	Total capital requirement	14 405	14 096	13 929

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

<i>Parent bank</i>						<i>Group</i>				
31.12.14	Q3/14	Q3/15	30.09.14	30.09.15		30.09.15	30.09.14	Q3/15	Q3/14	31.12.14
4.01	4.00	3.48	4.04	3.59	Interest receivable and similar income	3.68	4.21	3.55	4.14	4.17
2.36	2.34	1.72	2.41	1.86	Interest payable and similar costs	1.92	2.45	1.78	2.39	2.41
1.64	1.66	1.76	1.63	1.73	Net interest- and credit commission income	1.76	1.75	1.77	1.75	1.76
0.40	0.41	0.43	0.40	0.42	Commissions receivable and income from banking services	0.37	0.36	0.38	0.36	0.35
0.05	0.03	0.03	0.04	0.04	Commissions payable and costs relating to banking services	0.04	0.04	0.03	0.03	0.04
0.35	0.37	0.39	0.36	0.38	Net commission income	0.33	0.32	0.35	0.33	0.31
0.29	-0.05	-0.21	0.37	0.18	Gains/losses on financial assets available for sale	-0.06	0.24	-0.16	0.26	0.17
0.06	0.05	0.12	0.05	0.08	Other operating income	0.05	0.02	0.09	0.03	0.03
1.09	1.05	1.09	1.04	1.10	Operating costs	1.01	0.95	1.00	0.95	1.01
0.19	0.10	0.15	0.20	0.12	Losses on loans, guarantees etc. and fixed assets	0.10	0.18	0.14	0.09	0.17
1.07	0.88	0.82	1.18	1.15	Result before tax	0.97	1.20	0.90	1.33	1.09
0.22	0.19	0.19	0.23	0.21	Tax payable on ordinary result	0.26	0.28	0.21	0.23	0.26
0.84	0.70	0.62	0.95	0.94	Result from ordinary operations after tax	0.71	0.92	0.69	1.10	0.83

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Parent bank					Group					
Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	
236	229	211	203	204	Interest receivable and similar income	235	235	244	267	274
138	131	115	104	101	Interest payable and similar costs	118	122	132	152	158
98	98	96	99	103	Net interest- and credit commission income	117	113	112	115	116
24	22	24	23	25	Commissions receivable and income from banking serv	25	23	24	22	24
2	3	2	3	2	Commissions payable and costs relating to banking ser	2	3	2	3	2
22	19	22	20	23	Net commission income	23	20	22	19	22
-3	3	2	41	-12	Gains/losses on financial assets available for sale	-11	-4	3	-2	17
3	4	3	4	7	Other operating income	6	1	2	3	2
62	72	64	62	64	Operating costs	66	63	67	77	63
6	9	0	11	9	Losses on loans, guarantees etc.	9	11	0	9	6
52	43	59	91	48	Result before tax	59	56	72	49	88
11	12	15	10	11	Tax payable on ordinary result	14	18	18	13	15
41	31	44	81	36	Result from ordinary operations after tax	45	38	54	36	73

Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	
4.07	3.90	3.76	3.57	3.48	Interest receivable and similar income	3.55	3.67	3.85	4.05	4.14
2.38	2.23	2.05	1.83	1.72	Interest payable and similar costs	1.78	1.90	2.09	2.30	2.39
1.69	1.67	1.71	1.74	1.76	Net interest- and credit commission income	1.77	1.77	1.76	1.74	1.75
0.41	0.37	0.42	0.40	0.43	Commissions receivable and income from banking serv	0.38	0.36	0.37	0.33	0.37
0.03	0.05	0.04	0.05	0.03	Commissions payable and costs relating to banking ser	0.03	0.05	0.04	0.05	0.03
0.38	0.32	0.38	0.35	0.39	Net commission income	0.35	0.31	0.33	0.28	0.34
-0.05	0.05	0.04	0.73	-0.21	Gains/losses on financial assets available for sale	-0.16	-0.06	0.05	-0.03	0.26
0.05	0.07	0.05	0.07	0.12	Other operating income	0.09	0.02	0.03	0.05	0.03
1.07	1.23	1.14	1.09	1.09	Operating costs	1.00	0.98	1.05	1.17	0.96
0.10	0.15	0.00	0.19	0.15	Losses on loans, guarantees etc.	0.14	0.17	0.00	0.14	0.09
0.90	0.73	1.04	1.60	0.82	Result before tax	0.90	0.89	1.12	0.73	1.33
0.19	0.20	0.27	0.17	0.19	Tax payable on ordinary result	0.21	0.27	0.28	0.20	0.23
0.71	0.53	0.77	1.43	0.62	Result from ordinary operations after tax	0.69	0.62	0.84	0.53	1.10

Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	
ASSETS										
96	103	102	102	81	Cash and claims on central banks	81	102	102	103	96
1 265	1 358	915	1 521	888	Loans to and claims on credit institutions	380	638	510	675	484
16 711	16 577	16 958	17 128	17 765	Loans to and claims on customers	22 012	21 490	20 948	20 731	20 873
268	101	114	78	119	Financial derivatives	119	78	114	101	268
4 524	4 003	3 869	3 781	3 822	Certificates, bonds and shares available for sale	3 527	3 436	3 465	3 735	4 224
185	182	175	185	186	Investments in associated companies	186	185	172	178	183
345	347	346	345	345	Investments in subsidiaries					
10	25	25	28	25	Deferred tax benefit	25	30	30	30	53
74	76	80	81	81	Fixed assets	188	183	181	177	183
18	6	17	11	40	Other assets	40	11	16	8	15
23 496	22 778	22 601	23 260	23 352	Total assets	26 558	26 153	25 538	25 738	26 379
LIABILITIES AND EQUITY CAPITAL										
0	0	0	0	0	Liabilities to credit institutions	3	2	2	2	0
14 164	13 971	14 189	14 572	14 318	Deposits from customers and liabilities to customers	14 093	14 350	13 952	13 725	13 919
6 458	6 015	5 602	5 832	6 111	Borrowings through the issuance of securities	9 489	8 907	8 692	9 143	9 479
264	211	244	219	265	Other liabilities	279	229	255	227	322
519	519	519	519	519	Fund bonds	519	520	519	519	519
21 405	20 716	20 554	21 142	21 213	Total liabilities	24 383	24 008	23 420	23 616	24 239
1 028	1 028	1 028	1 028	1 028	Paid-in equity capital	1 028	1 028	1 028	1 029	1 028
898	1 034	976	964	949	Accrued equity capital/retained earnings	1 005	1 019	1 033	1 089	927
165	0	43	126	162	Profit after taxes	138	94	53	0	181
					Minority interest	4	4	4	4	4
2 091	2 062	2 047	2 118	2 139	Total equity capital	2 175	2 145	2 118	2 122	2 140
23 496	22 778	22 601	23 260	23 352	Total liabilities and equity capital	26 558	26 153	25 538	25 738	26 379

OTHER KEY FIGURES

Parent bank			Group			
31.12.14	30.09.14	30.09.15	30.09.15	30.09.14	31.12.14	
BALANCE SHEET						
Utvikling siste 9 mnd						
	2.4	2.3	Total assets	2.9	1.5	
	5.3	7.2	Gross lending	6.2	1.3	
	6.9	2.5	Deposit	2.7	7.2	
Development in the last 12 months						
-0.5	2.2	2.3	Total assets	0.7	1.4	-0.6
4.4	4.4	6.3	Gross lending	5.4	0.8	0.6
5.5	10.6	1.1	Deposit	1.3	10.9	5.7
83.8	84.2	80.1	Deposit coverage as a percentage of gross loans	63.7	66.4	65.9
59.2	57.9	60.0	Lending to retail customers	67.5	66.1	67.1
23 219	23 191	22 991	Average assets	25 946	26 118	26 146
16 669	16 812	17 868	Gross loans	22 119	20 978	20 828
-24	-33	-32	Individual write-downs	-33	-33	-24
-68	-68	-71	Period's change in collective write downs	-75	-72	-72
0	0	-1	Individual write-downs on guarantees	-1	0	0
SOLIDITY						
14.0	13.1	14.6	Core tier one Capital ratio	13.9	12.5	13.4
15.5	14.4	16.1	Core capital ratio as percentage	15.3	13.7	14.8
18.2	16.9	18.2	Capital adequacy ratio as percentage	17.3	16.0	17.2
9.0	8.9	9.2	Equity capital ratio	9.2	8.1	8.2
9.8	11.2	10.3	Rate of return on equity capital	8.6	11.7	10.5
0.8	1.0	0.9	Return on assets	0.7	0.9	0.8
KEY FIGURES PCC						
7.9	6.6	6.5	Yield per primary certificate	5.5	7.3	8.7
7.9	6.6	6.5	Diluted result per ECC, in Norwegian currency	5.5	7.3	8.7
75.1	75.1	75.1	ECCs split as of 31.12	75.1	75.1	75.1
80.9	84.0	85.9	Equity capital per ECC	87.2	85.9	83.2
55.0	55.5	58.8	PCC price quoted on the stock exchange	58.8	55.5	55.0
7.0	6.3	6.8	P/E (price as at 30.09 divided by profit per ECC)	7.9	5.7	6.3
0.7	0.7	0.7	P/B (price as ar 30.09. divided by book value of equity capital)	0.7	0.6	0.7
46.3	42.9	52.9	Costs as a percentage of income	48.5	40.8	44.6
1.1	1.0	1.1	Cost in percent of average total assets	1.0	1.0	1.0
168	170	165	Number of man-years	165	170	168
LOSSES ON LOANS AND GROSS DEFAULTS						
28.2	29.2	33.7	Specified loan provision in % of gross default on loan	34.7	29.2	28.2
As a percentage of gross lending:						
0.5	0.7	0.5	Gross defaults over 90 days	0.4	0.5	0.4
0.4	0.6	0.5	Net defaults over 90 days	0.4	0.5	0.3
0.6	0.6	0.6	Total loan loss provision	0.5	0.5	0.5
0.3	0.2	0.1	Losses on lending	0.1	0.2	0.2

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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