

Q2
2013

financial report

first half year and second quarter 2013



REPORT OF THE BOARD OF DIRECTORS

Helgeland Boligkreditt AS,

accounts second quarter 2013.

General information

Helgeland Boligkreditt AS was established in 2008 and is a fully owned subsidiary of Helgeland Sparebank. The company is located at the bank's head office in the town of Mo I Rana.

The company obtained a license as a finance institution in 2009 and can issue covered bonds (bonds where investors are secured collateral in property through mortgages issued by Helgeland Sparebank).

Helgeland Boligkreditt AS is listed as a covered bond issuer on the Oslo Stock Exchange.

Accounting standards

The accounts are conducted in line with international financial reporting standards (IFRS). All numerical quantities are given in thousands.

Income statement at 30.06.13

Gross profit was MNOK 33.1. This is an increase of MNOK 16.8 compared to the same period last year. Net interest- and provision earnings were MNOK 39.9 at 30.06.13 and this is an increase of MNOK 17.4 compared to the second quarter last year. This is due to decreasing loaning costs and interest changes in the lending portfolio. The lending to the personal market has increased by up to 30bps. The interest changes have had full effect from the month of May.

The operations costs were MNOK 6.8, which is an increase of MNOK 16.8 compared to the same period last year. A somewhat higher lending volume throughout the year results in increased costs to lending management.

Net profit at 30.06.13 was MNOK 23.8. Calculated in annual terms this would give a return on equity (ROE) of 15.0%.

The value of the covered bond asset pool is well above the volume of loans, and the portfolio is solid.

Balance development

Combined assets constituted MNOK 5,196.6. Of this, MNOK 4,952.3 was lending to customers. In the last 12 months lending to customers has increased by MNOK 637.2, or 14.7%. As much as 80.3% of the lending was to customers in the Helgeland region.

The lending portfolio is considered to be of good quality and there are no individual write-downs on lending in the company. There are no defaulted loans over 90 days.

Funding

The loaning portfolio is funded by issuing covered bonds at the value of MNOK 4,110.6, as well as long term credit from Helgeland Sparebank. At 30.06.12 there were issued covered bonds to the total sum of MNOK 3,876.4.

Covered bonds to the par value of MNOK 700 are owned by the parental bank. At 30.06.12 covered bonds to the par value of MNOK 900 were owned by the parental bank.

Helgeland Boligkreditt AS has no official rating from international rating agencies, but has shadow ratings by Norwegian broker houses. The last shadow ratings were AAA from both DNB and Nordea.

Risk conditions and capital ratio

Helgeland Boligkreditt AS is, with its concession as a finance institution, subjected to a number of legal frameworks, recommendations, laws and regulations.

The company has entered into a transfer- and service agreement with Helgeland Sparebank that i.a. secures that the value of the collateral is above the value of the company's loans.

Laws and regulations for companies with concessions to issue covered bonds instruct that the risk levels should be low. The HSB group has established guidelines and frameworks for the governing and control of the different risk classifications. As a part of the HSB group, Helgeland Boligkreditt AS has to operate in accordance with these. There is a corporate agreement between Helgeland Boligkreditt AS and Helgeland Sparebank that ensures and maintains frames, proxies, capital management and risk conditions.

The board of directors is considering the company's combined risk as low.

Credit risk

The company's credit strategy is approved by the board of directors and determines frames for the risk profile as well as goals. Lending as part of the company's covered bond asset pool fulfils the requirements of the law for conduct in finance, and is safeguarded with collateral in real estate within 75% of reasonable market value. The credit risk is considered to be low.

Loan to value (LTV) at 30.06.13 was 51.5% and the covered bond asset pool's ratio of fullness was 126.1%.

REPORT OF THE BOARD OF DIRECTORS

Liquidity risk

The company's strategy for liquidity risk is approved by the board of directors and determines the company's combined risk tolerance with concrete frameworks and guiding parameters. The company's liquidity risk is considered to be low. At 30.06.13 long term (more than 1 year) funding constitutes 85%.

Operation risk

The transfer- and service agreement between Helgeland Boligkreditt AS and Helgeland Sparebank ensures and maintains the operation risk. The agreement covers i.a. administration, bank production and IT-management.

Capital ratio

The capital ratio at 30.06.13 was 15.07% and consists exclusively of tier 1 capital. Net liable capital was by the end of the quarter MNOK 293.8. Helgeland Boligkreditt AS uses the standard method when calculating capital requirements.

The prospects ahead

The company can show to a good result so far in 2013. The board of directors is expecting a good result also for the rest of the year. Low interests, low unemployment and stable housing prices in the Helgeland region contributes to holding up the activity in the housing market. There is a significant turnover in the housing market as well as a high level of construction. The company plans to take over additional loans from Helgeland Sparebank.

Mo I Rana 15. August 2013

Jan Erik Furunes
Chairman of the Board

Lisbeth Flågeng
Deputy chair

Helge Stanghelle

Inger Lise Strøm

Brit Søfting
Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

	Notes	30.06.13	30.06.12	31.12.12
Interest receivable and similar income	3	100.722	90.174	187.105
Interest payable and similar costs	3	60.788	67.664	132.673
Net interest- and credit commission income		39.935	22.510	54.432
Commissions receivable and income from banking services		10	12	20
Commissions payable and costs relating to banking services		0	0	0
Net commission income		10	12	20
Gains/losses on financial instruments available for sale		0	0	0
Other operating income		0	0	0
Operating costs	4	6.797	6.199	13.047
Losses on loans guarantees etc	5	0	0	0
Result from ordinary operations		33.148	16.323	41.405
Result before tax		33.148	16.323	41.405
Tax payable on ordinary result		9.281	4.570	11.632
Profit after tax		23.866	11.753	29.773
Result per share in NOK	17	126	78	0
Diluted result per share in NOK	17	126	78	0
Extended income				
Result after tax		23.866	11.753	29.773
Net change in value of financial assets over equity		0	0	0
Total result for the period		23.866	11.753	29.773

BALANCE SHEET

BALANCE SHEET

	Notes	30.06.13	30.06.12	31.12.12
ASSETS				
Loans to and claims on credit institutions	11	244.195	171.217	274.427
Loans to and claims on customers	6,7,8,10	4.952.306	4.315.094	5.079.691
Other assets		154	1	287
Total assets		5.196.655	4.486.312	5.354.405
		0	0	0
LIABILITIES AND EQUITY CAPITAL				
		0	0	0
Liabilities to credit institutions	12	750.929	399.457	707.504
Borrowings through the issuance of securities	13,14	4.110.558	3.876.393	4.310.956
Other liabilities		17.465	4.876	12.339
Committed group contribution		0	0	0
Total liabilities		4.878.952	4.280.726	5.030.799
Paid-in equity capital	15,16,17	290.010	190.010	290.010
Accrued equity capital/retained earnings	17	3.824	3.823	3.824
Result after tax		23.869	11.753	29.772
Total equity capital		317.703	205.586	323.606
Total liabilities and equity capital		5.196.655	4.486.312	5.354.405

CHANGE IN EQUITY AND CASH FLOW STATEMENT

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.13	190.000	10	13.138	203.148
Issued new share capital	0	0	100.000	100.000
Paid out	0	0	-9.315	-9.315
Dividends transferred to debt	0	0	0	0
Result	0	0	0	23.866
Equity capital as at 30.06.13	190.000	10	103.823	317.701

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.12	190.000	10	13.138	203.148
Issued new share capital	0	0	0	0
Paid out	0	0	-9.315	-9.315
Dividends transferred to debt	0	0	0	0
Result	0	0	0	5.247
Equity capital as at 30.06.12	190.000	10	3.823	199.080

CASH FLOW STATEMENT

	30.06.13	30.06.12	31.12.12
Result of ordinary operations	33.148	16.323	41.404
+ Losses on loans, guarantees, etc	0	0	0
- Tax expense	9.281	4.570	4.349
- Dividend paid	0	0	0
= Provided from the year's operations	23.867	11.753	37.055
Change miscellaneous debt: + increase/-decrease	4.892	47	7.510
Change miscellaneous claims: - increase/+ decrease	134	0	14
New loans customers	0	-584.599	-3.302.728
Installment loans customers	127.387	0	1.953.532
Change in deposits from and liabilities to customers: +increase/-decrease	0	0	-777
Change in liabilities to credit institutions: + increase/-decrease	43.658	-20.599	287.449
A Net liquidity change from operating activities	199.938	-593.398	-1.017.945
- Invested in tangible fixed assets	0	0	0
Change in long-term securities: - increase/+ decrease	0	0	0
B Liquidity change from investing activities	0	0	0
- Dividend paid	-29.772	-9.014	-9.314
Liabilities securities in issue increase: +increase/- decrease	-200.398	592.023	1.027.363
New share capital: +increase/-decrease	0	0	100.000
C Liquidity change from financing activities	-230.170	583.009	1.118.049
A+B+C Sum total change liquid assets	-30.232	-10.389	100.104
+ Liquid assets at the start of the period	274.427	181.606	181.607
= Liquid assets at the close of the period	244.195	171.217	274.427

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

General background

Helgeland Boligkreditt AS received its license as finance company February 2009. The company is a wholly-owned subsidiary of Helgeland Sparebank and was established to be the parent bank's enterprise for issuance of covered bonds. The company is headquartered in Mo i Rana, with address Jernbanegata 8601 Mo i Rana, Norway.

Presentation currency

All amounts are stated in NOK thousand unless otherwise specified. Presentation currency and functional currency are both NOK.

Basis of preparation of financial statements

The accounts have been prepared in accordance to Ministry of Finance's regulations on annual accounting for banks, etc., § 1-5 Simplified use of international accounting standards. The company is a part of the Helgeland Sparebank Group, who implemented IFRS in the consolidated accounts from 1 January 2005. The company uses the same principles of measurement, classification and presentation as the consolidated accounts for Helgeland Sparebank. The annual accounts have been prepared on a going concern basis.

Presentation in the balance sheet and profit and loss account

Loans

Loans are recognised in the balance sheet depending on the counterparty, either as loans to and deposits with credit institutions or as loans to customers, depending on the measurement principle.

Interest income on loans is included in the line for "net interest income".

Changes in value that can be linked to identify objective evidence of impairment on the balance-sheet date for loans carried at amortised cost and for the portfolios of loans at fixed interest rates that are carried at fair value are included in "write-downs of loans and guarantees".

Liabilities to credit institutions and deposits from customers

Liabilities to financial institutions are recognised as liabilities to credit institutions regardless of the measurement principle.

Interest expense on the instruments is included in net interest income based on the internal rate of return method. Other changes in value are included in "net gains on financial instruments at fair value".

Segment reporting

The company's operations involve only one strategic business area, which is organised and managed on a total basis. The company's business area is the retail market. Lending to the corporate market is mortgages to sole proprietorships and represents a smaller share of total lending. The company does not report this as a separate segment.

Financial instruments

The company defines its financial assets and liabilities within the following classes:

- Financial derivatives
 - Securities issued and subordinated loan capital
 - Securities issued at floating rates of interest
 - Securities issued, fixed-interest
 - Securities issued, hedges
- Loans to customers
 - Loans at floating rates of interest

Financial instruments are valued in accordance with IAS 39. All purchases and sales of financial instruments are recognised in the accounts at the transaction date.

Financial derivatives

The agreements entered into by the company are derivatives related to interest rates and exchange rates. Interest swaps are related to fixed-interest deposits and loans; currency swaps are related to syndicate borrowing in euro.

Derivatives are carried at fair value (clean value) and are together with accrued/earned interest value in the balance sheet (see also section on hedge accounting). The effect of change in fair value is recognized as "gain/loss on financial instruments".

Interest on derivatives hedging is a part of the net interest rate.

NOTES

Fair value is equal to the market price for listed securities. For securities that are not listed and which there is no market for, uses the company valuation techniques to determine fair values. The derivatives are recognised in the profit and loss account as an asset when the fair value is positive, and as a liability when the fair value is negative

Securities issued

Securities issued are defined as securities which the company does not intend to trade and which were originally issued by the company. Buy-backs of own bonds in connection with debt reduction are netted against bond debt.

Liabilities at floating rates of interest are assessed at fair value when they are first included in the accounts and later at amortised cost through the use of the effective interest method. Any premium/discount is accrued over the term to maturity. The liabilities are shown in the balance sheet at amortised cost (including accrued interest). Changes in value for amortised cost are recognised in the profit and loss account and net interest.

Liabilities at fixed rates of interest are assessed at fair value. The liabilities are shown in the balance sheet at fair value (clean price) including accrued interest, less own portfolio. Changes in value are recognised in the profit and loss account as "gains/losses on financial instruments" and interest expense in the profit and loss account against net interest.

Appreciation at fair value over the result is expected to significantly reduce the result volatility that otherwise would have occurred when the company have signed interest rate derivatives to achieve efficient floating rate

Hedge accounting; the company evaluates and documents the hedge effectiveness, both at the initial classification and on an ongoing basis. At value hedging, both the hedging instrument and the hedged item are recognized at fair value, and changes in these values from the opening balance are recognized.

The company has no cash-flow hedges.

The fair value is calculated by discounting the cash flow. Credit spreads on interest-bearing securities are changed on the basis of an all-round assessment in which observed trades in the market, credit margin reports from various securities houses, and internal assessments are included as a basis for the overall assessment. A change in credit spreads will influence the required rate of return, as the supplement added to the zero coupon curve is changed. In the case of purchase of own securities, liabilities are reduced, and the difference between book value and the payment made (premium or discount) is recognised in the profit and loss account as a gain or loss relating to securities issued.

Loans to customers

The company has defined its market area (Helgeland) as one segment.

Loans at floating rates of interest are measured at amortised cost in compliance with IAS 39. The amortised cost is the purchase cost less repayments on capital, plus or minus cumulative amortisation resulting from an effective interest method, less any amount for impairment. Loans at amortised cost, including accrued interest, reflect the value in the balance sheet. Interest income on loans to customers is recognised as income under net interest. When loans are first recognised in the balance sheet, they are valued at fair value.

Write-downs on loans

A loan or a group of loans is written down when there is objective evidence of impairment of value as a result of loss events which can be reliably estimated, and which are important for the expected future cash flows from the loan or group of loans.

Loans are written down individually when there is objective evidence of the loan's impairment of value. The amount of the write-down is calculated as the difference between the book and present value of future cash flows calculated according to the expected life of the loan in question. The discounting is done through the use of the effective interest method. Calculated loss is shown on a gross basis in the balance sheet as an individual write-down on loans and is recognised in the profit and loss account as a loss cost. Loans which have been written down individually are not included in the basis for collective write-downs.

Loans are written down collectively when there is objective evidence suggesting impairment of a group of loans. Customers are classified in risk groups on the basis of different parameters such as financial strength, revenue generation, liquidity and funding, business sector, geographical location and behavioural score. These factors provide indications of debtors' ability to service their loans, and are relevant for the calculation of future cash flows from the different risk groups. Each individual risk group is assessed collectively with regard to the need for write-downs.

Interest income and interest cost

Interest income and interest costs relating to assets and liabilities measured at amortised cost are recognised in the profit and loss account on an ongoing basis through the use of the effective interest method.

Interest income on loans which have been written down is calculated by using the same effective rate of interest as the one applied when discounting the original cash flow. Interest income on fixed-interest loans is recognised at fair value. Changes in the fair value of fixed-interest loans are recognised in the profit and loss account as a change in the value of financial instruments.

Commission income and expenses

In general, commission income and expenses are accrued as a service is provided.

NOTES

Cash and cash equivalents

In the cash flow statement, cash and cash equivalents are defined as cash, deposits with Norges Bank and other banks, certificates, bonds and loans and credits provided for other banks. Cash equivalents are short-term liquid funds, which can be converted into cash within 3 months

Provisions

Provisions are included in the accounts when the company has a currently valid obligation (legal or assumed) as a result of events, which have occurred, and when it is more likely than not that a financial settlement as a result of the obligation will take place, and when the size of the amount involved can be reliably estimated.

Provisions are reviewed on each balance sheet date in question, the level reflecting the best estimate of the obligation. When the effect of time is insignificant, the provisions will be equal to the amount of the cost required in order to be free of the obligation. When the effect of time is significant, the provisions will be equal to the present value of the future cash payments needed to meet the obligation.

In cases where there are several obligations of the same kind, the likelihood of the obligation resulting in a settlement is determined by assessing the group as a whole. Provisions for the company are included in the accounts even if the likelihood of a settlement relating to the company's individual elements may be low.

Tax

Deferred tax is calculated on all temporary differences between accounts-related and tax-related balance sheet values according to the currently applicable tax rate at the end of the period (the liabilities method). Tax-increasing temporary differences include a deferred tax liability, and tax-reducing, temporary differences, together with any loss to be carried forward, include a possible deferred tax benefit. Deferred tax benefit is shown in the balance sheet when it is likely that in the future there will be taxable income against which the deferred tax benefit can be used.

The tax cost in the profit and loss account comprises both the period's payable tax and any change in deferred tax. The change in deferred tax reflects future payable taxes which are incurred as a result of the operations during the year.

Cash flow statement

The cash flow statement shows cash flows classified by sources and fields of application.

Share capital

Provision for dividends and group contributions are classified as equity capital in the period until the dividend is decided by the company's supervisory board. Provisions are not included in the calculation of capital adequacy. When the dividend or group contribution is decided by the General Assembly, it will be removed from the equity capital and classified as short-term liability until payment is made.

NOTE 2. SEGMENT

The company's operations include only one strategic area of business, which is organised and managed. The company's business area is personal customer retail market. Lending to corporate retail market is represented by mortgaged loans to sole proprietorships and is a small share of total lending. Geographical segment is the region of Helgeland.

NOTE 3. NET INTEREST INCOME

Specifications of income:	30.06.13	30.06.12	31.12.12
Interest income of lending to and claims on credit institutions	4.127	9.090	6.764
Interest income of lending to and claims on customers	96.595	87.144	180.341
Total interest income	100.722	96.234	187.105
Interest expense on liabilities to credit institutions	6.315	8.992	16.576
Interest expense on issued securities	54.471	58.672	116.097
Other interest expenses	0	0	0
Total interest expenses	60.787	67.664	132.673
Net interest income	39.935	28.570	54.432

NOTES

NOTE 4. OPERATING COSTS

Specification of costs:	30.06.13	30.06.12	31.12.12
Management fee and wage general manager	6.256	5.564	11.739
Other administration costs	42	0	41
Total wages and administration costs	6.298	5.564	11.780
Other operating costs	499	635	1.266
Total operating costs	6.797	6.199	13.047

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.06.13	30.06.12	31.12.12
Periodic change in individual write-downs	0	0	0
Periodic change in write-downs on groups of loans	0	0	0
Total losses on loans and guarantees	0	0	0
Periodic losses on loans covered by previous write-downs	0	0	0
Periodic losses on loans not covered by previous write-downs	0	0	0
Periodic entrance of former confirmed losses	0	0	0
Write-downs on commitments etc.	0	0	0

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	30.06.13	%	30.06.12	%	31.12.12	%
Helgeland	3.978.346	80,3 %	3.548.217	82,2 %	4.137.407	81,4 %
Areas other than Helgeland	965.289	19,5 %	763.639	17,7 %	939.003	18,5 %
International ¹⁾	8.671	0,2 %	3.238	0,1 %	3.281	0,1 %
Total	4.952.306	100,0 %	4.315.094	100,0 %	5.079.691	100,0 %

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

NOTE 7. LENDING

Lending	30.06.13	30.06.12	31.12.12
Gross lending to customers	4.944.092	4.308.049	5.072.169
Individual write-downs on lending	0	0	0
Lending to customers after individual write-downs	4.944.092	4.308.049	5.072.169
Accrued interest	8.214	7.045	7.522
Group write/downs	0	0	0
Lending to and claims on customers, to amortized cost	4.952.306	4.315.094	5.079.691

NOTE 8. GUARANTEES AND COMMITMENTS

The company has no such commitments

NOTES

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.03.13	31.03.12	31.12.12
Gross defaulted commitments over 90 days	0	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	0	0	0

NOTE 10. WRITE DOWNS ON LENDING

Write-downs	30.06.13	30.06.12	31.12.12
Individual write-downs to cover losses on commitments 01.01	0	0	0
Net write-offs, which was previously written down	0	0	0
Increased individual write-downs in the period, which was previously written dc	0	0	0
New individual write-downs in the period	0	0	0
Reversal of individual write-downs in the period	0	0	0
Total individual write-downs on loans	0	0	0

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.06.13	30.06.12	31.12.12
Utlån til og fordringer på kredittinstitusjoner uten avtalt løpetid	244.195	171.217	274.427
Sum utlån til og fordringer på kredittinstitusjoner	244.195	171.217	274.427

Geografiske områder	30.06.13	% 30.06.12	%
Sum Helgeland	244.195	100,0 %	171.217 100,0 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.06.13	30.06.12	31.12.12
Uten avtalt løpetid	750.929	399.457	707.504
Sum gjeld kredittinstitusjoner	750.929	399.457	707.504

The liabilities are wholly related to the parent bank, Helgeland Sparebank.

The company has signed agreements with Helgeland Sparebank on credit facilities totalling 1 BnNOK which mainly is to be used for payment for purchased loans and repayment of covered bonds. The agreement is entered after principles of arm's length principle. The credit is extended with 0.2 BnNOK as at 31.12.12

NOTE 13. DERIVATIVES

All funding is FRN and it has not been agreed any derivative agreements within the company.

NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

NOTES

Liabilities through issuance of securities are valued at amortized cost.

ISIN code	Currency	Par value	Own hold.	Interest	Admission	Maturity	Soft call	31.03.13	
NO0010628431	NOK	300.000		Floating	3mnd. Nibor+0,80	2011	2016	2015	300.911
NO0010561798	NOK	500.000		Floating	3mnd. Nibor+0,40	2009	2014	2013	500.427
NO0010515489	NOK	450.000	100.000	Floating	3mnd. Nibor+0,50	2009	2016	2015	350.514
NO0010515497	NOK	450.000	100.000	Floating	3mnd. Nibor+0,59	2009	2016	2015	350.514
NO0010592553	NOK	500.000		Floating	3mnd. Nibor+0,65	2010	2017	2016	500.048
NO0010623978	NOK	300.000	170.000	Floating	3mnd. Nibor+0,67	2011	2018	2017	130.069
NO0010635253	NOK	200.000	10.000	Floating	3mnd. Nibor+0,75	2012	2016	2014	190.813
NO0010645963	NOK	500.000	15.000	Floating	3mnd. Nibor+0,65	2010	2016	2015	502.062
NO0010660640	NOK	300.000		Floating	3mnd. Nibor+0,85	2012	2019	2018	284.588
NO0010566839	NOK	500.000		Floating	3mnd. Nibor+0,65	2010	2015	2014	500.414
NO0010571573	NOK	500.000		Floating	3mnd. Nibor+0,65	2010	2016	2015	500.199
Total listed covered bonds								4.110.558	

ISIN code	Currency	Par value	Own hold.	Interest	Admission	Maturity	Soft call	31.03.12	
No0010515489	NOK	450.000		Floating	3mnd. Nibor+0,49	2009	2015	2014	450.461
No0010515497	NOK	450.000		Floating	3mnd. Nibor+0,59	2009	2016	2015	450.461
No0010561798	NOK	500.000		Floating	3mnd. Nibor+0,40	2009	2014	2013	500.508
No0010566839	NOK	500.000		Floating	3mnd. Nibor+0,65	2010	2015	2014	500.561
No0010571573	NOK	500.000		Floating	3mnd. Nibor+0,65	2010	2016	2015	500.292
No0010592553	NOK	500.000		Floating	3mnd. Nibor+0,65	2010	2017	2016	500.471
No0010623978	NOK	300.000	170.000	Floating	3mnd. Nibor+0,67	2011	2018	2017	130.195
No0010628431	NOK	300.000		Floating	3mnd. Nibor+0,80	2011	2016	2015	301.250
No0010635253	NOK	200.000	10.000	Floating	3mnd. Nibor+0,75	2012	2016	2014	191.106
No0010645963	NOK	400.000	50.000	Floating	3mnd. Nibor+1,00	2012	2018	2017	351.088
Total listed covered bonds								3.876.393	

	30.06.2013	30.06.2012	31.12.2012
Sum børsnoterte obligasjoner med fortrinnsrett	4.110.558	3.876.393	4.310.956
Utlån sikrete med pant i bolig*	4.943.494	4.302.579	4.836.038
Fordring som utgjør sikkerhetsmasse	244.195	171.217	274.427
Sum sikkerhetsmasse	5.187.689	4.473.796	5.110.465
Sikkerhetsmassens fyllingsgrad	126 %	115 %	119 %

NOTE 15. CAPITAL ADEQUACY

	30.06.13	30.06.12	31.12.12
Total paid-in capital	290.010	190.100	290.010
Total accrued equity capital/retained earnings	3.824	3.823	33.597
Additional	0	0	0
Deduction	0	0	29.772
Total core capital	293.834	193.923	293.835
Total net supplementary capital	0	0	0
Total net equity and related capital	293.834	193.923	293.835
Weighted asset calculation basis	1.949.688	1.759.263	1.989.200
Capital adequacy ratio	15,07 %	11,02 %	14,77 %
Of which core capital accounted for	15,07 %	11,02 %	14,77 %

The note shows calculation basis and capital adequacy after Basel II (standardmethod credit risk)
Capital requirement Basel II

NOTES

	30.06.13	30.06.12	31.12.12
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	3.841	2.739	4.391
Enterprises	70	65	20
Mass market loans	0	0	0
Loans secured by real property	146.336	124.540	149.686
Loans overdue	0	0	0
Covered bonds	0	0	0
Units in securities funds	0	0	0
Other loans and commitments	830	10.827	142
Capital requirement credit risk	151.077	138.171	154.239
Capital requirement operational risk 1)	4.898	2.570	4.898
Deduction from capital requirement	0	0	0
Total capital requirement	155.975	140.741	159.137

NOTE 16. SHARE CAPITAL

The share capital is 290 MNOK. The shares has a face value of 1 000 NOK, and Helgeland Sparebank owns all the shares.

NOTE 17. RESULT PER SHARE

	30.06.13	30.06.12	31.12.12
Result so far this year	23.866	11.753	29.773
Number of shares	190.000	150.000	190.000
Result per share in NOK	126	78	157
Diluted result per share in NOK	126	78	157

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

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

Konserninterne transaksjoner	30.06.13	30.06.12	31.12.12
Resultatregnskap			
Renteinntekter og lignende inntekter	4.127	3.031	6.764
Renteutgifter og lignende utgifter	17.031	15.000	53.454
Forvaltningshonorar og lønn daglig leder	6.256	5.564	11.739
Balanse			
Utlån og fordringer på kredittinstitusjoner	244.195	171.217	274.427
Gjeld til kredittinstitusjoner	750.929	399.457	707.504
Gjeld ved utstedelse av verdipapirer	700.000	900.000	900.000

NOTES

STATEMENT UNDER THE SECURITIES TRADING ACT § 5-6

We declare that to the best of our knowledge the financial statements for the period 1 January to 30 June 2013 is prepared in accordance with the current accounting standards IAS 34 – interim reporting, and that the information in the financial statements give true and fair view of the company's assets, liabilities, financial positions and result.

The interim report shows after our best conviction a true:

- overview over important events during the accounting period and their influence on the interim report.
- specifications of the most central risk- and uncertain factors the company faces during the next accounting period.
- specification of intimate's considerable transactions.

Mo i Rana, 15 August 2013

Jan Erik Furunes
Chairman of the Board

Lisbeth Flågeng
Deputy Chairman of the Board

Helge Stanghelle

Inger Lise Strøm

Brit Søvting
General Manager

Elected representatives and senior management in Helgeland Boligkreditt AS

The General Assembly:

Helgeland Sparebank v/ CEO Jan Erik Furunes.

Representatives:

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

Members of the Board of Directors:

Jan Erik Furunes, CEO Helgeland Sparebank, Chairman
Lisbeth Flågeng, DCEO Helgeland Sparebank
Inger Lise Strøm, General Manager Corporate Staff Helgeland Sparebank
Helge Stanghelle, CEO Fesil Rana Metall

Members of the Control Committee:

Heidi Dahl, Jurist Statens Innkrevningsentral - Chairman
Kåre Åsli, self-employed
Frank Høyen, General Manager ProLink International

Contact information

Helgeland Sparebank

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Organisasjonsnummer: 937 904 029
www.hsb.no

Helgeland Boligkreditt AS

Organisasjonsnummer: 993 359 696
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Investor Relations

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Tore Stamnes, General Manager Finance, telephone +47 75 11 90 91

Other sources:

Annual reports

Helgeland Boligkreditt AS is a part of the Helgeland Sparebank group. Annual reports are available under investor relations information at www.hsb.no

Interim reports

Quarterly reports are available at www.hsb.no