Q3
2013

financial report

third quarter 2013

helgeland boligkreditt

REPORT OF THE BOARD OF DIRECTORS

Helgeland Boligkreditt AS,
Accounts for the 3rd quarter of 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 30.09.13
Gross profit was MNOK 48.8. This is an increase of MNOK 22.8 compared with the same period last year. Net interest- and commission earnings have increased by MNOK 27.6 so far this year and were MNOK 63.5. This is due to decreasing loaning costs and a general interest change on the lending portfolio that was conducted in the 2nd quarter.

Operations costs were MNOK 10.5, this is an increase of MNOK 0.6 compared with the same period last year. A somewhat higher average lending volume throughout the year results in increased costs for loan management.

It has in 2013 been worked with a group write down model for Helgeland Boligkreditt AS. This is concluded in the 3rd quarter and comes in as a one-time-effect of MNOK 4.1.

The net profit at 30.09.2013 was MNOK 35.2. Calculated on an annual basis this gives a return on equity of 14.4%.

Balance development
Combined assets constituted MNOK 5,001.7. 95% of this was lending to customers.

Lending to customers and other security
In addition to the mortgages, other collateral constitute MNOK 246. This is solely bank deposits. At 30.09.2013 gross lending constituted MNOK 4,755.9. Lending to customers has increased by MNOK 202.3 in the last 12 months, or 4.4%. 81.0% of the lending is to customers in the Helgeland region.

Loans that qualify for collateral constitute MNOK 4,711.1. The lending portfolio is considered to be good.

Funding
The lending portfolio is funded by issuance of covered bonds to the sum of MNOK 4,010.4, as well as long term credit from Helgeland Sparebank. At 30.09.2013 there were issued covered bonds to the sum of MNOK 3,876.4.

Covered bonds to the face value of MNOK 700 are in the ownership of the paternal company. Correspondingly there were covered bonds to the face value of MNOK 900 in ownership of the paternal bank at 30.09.2013.

The value of the cover pool is well above the volume of loans and there is good security in the portfolio. The ratio of fullness in the cover pool was 124.3%.

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.

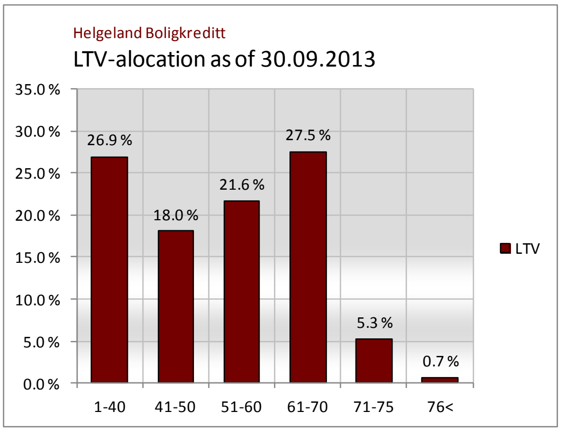
Risk conditions and capital ratio
Helgeland Boligkreditt AS is, with its concession as a finance institution, subjected to a number of legal frameworks, recommendations, laws and regulations.
The company has entered into a transfer- and service agreement with Helgeland Sparebank that i.a secures that 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 considers 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.

LTV (Loan to value) at 30.09.13 was 50.2%.

The diagram below shows weighted loan ratio for the loans that are in the covered bond company.



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 30.09.13 long term funding (duration > 1year) constitute 86.1%.

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 30.09.2013 was 15.52% and consists solely of CET1 capital. The company's net equity and subordinated loan capital was at 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 expects a stable and good result also for the rest of the year.
Low interest rates, low unemployment and stable housing prices in the Helgeland region contributes to keeping up the activity in the housing market. There is a significant turnover of houses, something that will most likely give a good lending growth in the personal marked for Helgeland Sparebank. This will also lay the foundation for further growth in Helgeland Boligkreditt AS in the years ahead and the company plans to take over additional loans from Helgeland Sparebank.

Mo i Rana, 28 October 2013

Jan Erik Furunes
Chairman of the Board

Lisbeth Flågeng
Deputy Chairman of the Board

Helge Stanghelle

Inger Lise Strøm

Brit Søfting
General Manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

	Notes	30.09.13	30.09.12	31.12.12
Interest receivable and similar income	3	153 597	137 487	187 105
Interest payable and similar costs	3	90 137	101 573	132 673
Net interest- and credit commission income		**63 460**	**35 914**	**54 432**
Commissions receivable and income from banking services		15	16	20
Commissions payable and costs relating to banking services		0	0	0
Net commission income		**15**	**16**	**20**
Gains/losses on financial instruments available for sale		0	0	0
Other operating income		0	0	0
Operating costs	4	10 555	9 921	13 047
Losses on loans guarantees etc	5	4 100	0	0
Result from ordinary operations		**48 820**	**26 009**	**41 405**
Result before tax		**48 820**	**26 009**	**41 405**
Tax payable on ordinary result		13 670	7 283	11 632
Profit after tax		**35 150**	**18 726**	**29 773**
Result per share in NOK	17	121	65	0
Diluted result per share in NOK	17	121	65	0
Extended income				
Result after tax		**35 150**	**18 726**	**29 773**
Net change in value of financial assets over equity		0	0	0
Total result for the period		**35 150**	**18 726**	**29 773**

B A L A N C E S H E E T

BALANCE SHEET

	Notes	30.09.13	30.09.12	31.12.12
ASSETS				
Loans to and claims on credit institutions	11	245 762	272 615	274 427
Loans to and claims on customers	6,7,8,10	4 755 973	4 553 687	5 079 691
Other assets		0	0	287
Total assets		**5 001 735**	**4 826 302**	**5 354 405**
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	640 375	223 686	707 504
Borrowings through the issuance of securities	13,14	4 010 444	4 281 980	4 310 956
Other liabilities		21 932	8 076	12 339
Committed group contribution		0	0	0
Total liabilities		**4 672 751**	**4 513 742**	**5 030 799**
Paid-in equity capital	15,16,17	290 010	290 010	290 010
Accrued equity capital/retained earnings	17	3 824	3 824	3 824
Result after tax		35 150	18 726	29 772
Total equity capital		**328 984**	**312 560**	**323 606**
Total liabilities and equity capital		**5 001 735**	**4 826 302**	**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	290 000	10	33 596	323 606
Issued new share capital				0
Paid out			-29 773	-29 773
Dividends transferred to debt			0	0
Result			0	35 150
Equity capital as at 30.09.13	**290 000**	**10**	**3 823**	**328 985**

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.12	190 000	10	3 824	193 834
Issued new share capital	100 000			100 000
Paid out				0
Dividends transferred to debt				0
Result			18 726	18 726
Equity capital as at 30.09.12	**290 000**	**10**	**22 550**	**312 560**

CASH FLOW STATEMENT

	30.09.13	30.09.12	31.12.12
Result of ordinary operations	48.820	26.009	41.404
+ Losses on loans, guarantees, etc	4.100	0	0
- Tax expense	13.670	7.283	11.632
- Dividend paid	0	0	0
= Provided from the year's operations	**39.250**	**18.726**	**29.772**
Change miscellaneous debt: + increase/-decrease	9.593	4.315	7.510
Change miscellaneous claims: - increase/+ decrease	287	0	14
New loans customers	0	-823.192	-3.302.728
Installment loans customers	319.618	0	1.953.532
Change in deposits from and liabilities to customers: +increase/-decrease	0	-766	-777
Change in liabilities to credit institutions: + increase/-decrease	-67.129	-196.370	287.449
A Net liquidity change from operating activities	**301.619**	**-997.287**	**-1.025.228**
- 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	-9.314	-9.314
Liabilities securities in issue increase: +increase/- decrease	-300.512	997.610	1.027.363
New share capital: +increase/-decrease	0	100.000	100.000
C Liquidity change from financing activities	**-330.284**	**1.088.296**	**1.118.049**
A+B+C Sum total change liquid assets	-28.665	91.009	92.821
+ Liquid assets at the start of the period	274.428	181.606	181.607
= Liquid assets at the close of the period	245.762	272.615	274.428

N O T E S

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.

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.

N O T E S

Commission income and expenses

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

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:	30.09.13	30.09.12	31.12.12
Interest income of lending to and claims on credit institutions	5.977	4.614	6.764
Interest income of lending to and claims on customers	147.620	132.873	180.341
Total interest income	**153.597**	**137.487**	**187.105**
Interest expense on liabilities to credit institutions	10.297	13.936	16.576
Interest expense on issued securities	79.840	87.623	116.097
Other interest expenses	0	14	0
Total interest expenses	**90.137**	**101.573**	**132.673**
Net interest income	**63.460**	**35.914**	**54.432**

NOTE 4. OPERATING COSTS

Specification of costs:	30.09.13	30.09.12	31.12.12
Management fee and wage general manager	9 403	8 559	11 739
Other administration costs	44	41	41
Total wages and administration costs	**9 447**	**8 600**	**11 780**
Other operating costs	1 108	1 321	1 266
Total operating costs	**10 555**	**9 921**	**13 047**

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.09.13	30.09.12	31.12.12
Perodic change in individual write-downs	0	0	0
Periodic change in write-downs on groups of loans	4100	0	0
Total losses on loans and guarantees	**4100**	**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.	**4100**	**0**	**0**

It has in 2013 been worked with a group write down model for Helgeland Boligkreditt AS. This is concluded in the 3rd quarter and comes in as a one-time-effect of MNOK 4.1.

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of lending portfolio	30.09.13	%	30.09.12	%	31.12.12	%
Helgeland	3 850 665	81,0 %	3 710 637	81,5 %	4 137 407	81,4 %
Areas other than Helgeland	897 875	18,9 %	839 441	18,4 %	939 003	18,5 %
International1)	7 433	0,2 %	3 609	0,1 %	3 281	0,1 %
Total	**4 755 973**	**100,0 %**	**4 553 687**	**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	30.09.13	30.09.12	31.12.12
Gross lending to customers	**4 760 073**	**4 545 964**	**5 072 169**
Individual write-downs on lending	0	0	0
Lending to customers after individual write-downs	**4 760 073**	**4 545 964**	**5 072 169**
Accrued interest	0	7 723	7 522
Group write/downs	4 100	0	0
Lending to and claims on customers, to amortized cost	**4 755 973**	**4 553 687**	**5 079 691**

NOTE 8. GUARANTEES AND COMMITMENTS

The company has no such commitments

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.09.13	30.09.12	31.12.12
Gross defaulted commitments over 90 days	586	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	586	0	0

NOTE 10. WRITE DOWNS ON LENDING

Write-downs	30.09.13	30.09.12	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**
Group write-downs			
Group write-downs to cover losses on loans and commitments 01.01	0	0	0
Periodic change group write-downs	0	0	0
Total group write-downs	**0**	**0**	**0**

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.13	30.09.12	31.12.12
Liabilities to credit institutions without agreed maturity	245 762	272 615	274 427
Total lending to and claims on credit institutions	**245 762**	**272 615**	**274 427**

Geographic areas	30.09.13	%	30.09.12	%
Total Helgeland	245 762	100,0 %	272 615	100,0 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.13	30.09.12	31.12.12
Without agreed maturity	640 370	223 346	707 504
Total liabilities to credit institutions	640 370	223 346	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 3.1 BnNOK which mainly is to be used for reducing liquidity risk. The Company had as of 30.09.13 unutilized credit facilities at the parent bank totaling 2.5 BnNOK.

NOTE 13. DERIVATIVES

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

NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

Liabilities through issuance of securities are valued at amortized cost.

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.13
NO0010628431	NOK	300 000	-	Floating	3mnd. Nibor+0,80	2011	2016	2015	300 952
NO0010515489	NOK	450 000	100 000	Floating	3mnd. Nibor+0,50	2009	2016	2015	350 370
NO0010515497	NOK	450 000	100 000	Floating	3mnd. Nibor+0,59	2009	2016	2015	350 280
NO0010592553	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2017	2016	500 066
NO0010623978	NOK	300 000	170 000	Floating	3mnd. Nibor+0,67	2011	2018	2017	130 076
NO0010635253	NOK	200 000	10 000	Floating	3mnd. Nibor+0,75	2012	2016	2015	190 843
NO0010645963	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2016	2015	502 089
NO0010660640	NOK	300 000	15 000	Floating	3mnd. Nibor+0,85	2012	2019	2018	284 702
NO0010686710	NOK	500 000	100 000	Floating	3mnd. Nibor+0,73	2013	2019	2018	400 445
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	500 207
Total listed covered bonds									4 010 444

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	30.09.12
NO0010515489	NOK	450 000	-	Floating	3mnd. Nibor+0,50	2009	2015	2014	450 400
NO0010515497	NOK	450 000	-	Floating	3mnd. Nibor+0,60	2009	2016	2015	450 400
NO0010561798	NOK	500 000	-	Floating	3mnd. Nibor+0,40	2009	2014	2013	500 480
NO0010566839	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2015	2014	500 490
NO0010571573	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2016	2015	500 256
NO0010592553	NOK	500 000	-	Floating	3mnd. Nibor+0,58	2010	2017	2016	500 471
NO0010623978	NOK	300 000	170 000	Floating	3mnd. Nibor+0,67	2011	2018	2017	130 070
NO0010628431	NOK	300 000	-	Floating	3mnd. Nibor+0,80	2011	2016	2015	300 985
NO0010635253	NOK	200 000	10 000	Floating	3mnd. Nibor+0,75	2012	2016	2014	190 895
NO0010645963	NOK	550 000	50 000	Floating	3mnd. Nibor+1,00*	2012	2018	2017	502 320
NO0010660640	NOK	300 000	45 000		3mnd. Nibor+0,85*	2012	2019	2018	255 213
Total listed covered bonds									4 281 980

	30.09.2013	30.09.2012	31.12.2012
Total listed bonds	**4.010.444**	**4.281.950**	**4.310.956**
Loans secured by property	4.744.953	4.485.764	4.836.038
Claims that constitutes cover pool	239.785	272.614	274.427
Total cover pool	**4.984.738**	**4.758.378**	**5.110.465**

*Loans are capped with loans in default and loans which during the periode has been given a loan to value ratio in excess of 75 %
(these loans are reset after the periods ending)

Cover pool capacity utilization	124 %	111 %	119 %

NOTE 15. CAPITAL ADEQUACY

	30.09.13	30.09.12	31.12.12
Total paid-in capital	290 010	290 010	290 010
Total accrued equity capital/retained earnings	3 823	3 823	33 597
Additional	0	0	0
Deduction	0	0	29 772
Total core capital	293 833	293 833	293 835
Total net supplementary capital	0	0	0
Total net equity and related capital	**293 833**	**293 833**	**293 835**
Weighted asset calculation basis	1 893 025	1 903 213	1 989 200
Capital adequacy ratio	15,52 %	15,44 %	14,77 %
Of which core capital accounted for	15,52 %	15,44 %	14,77 %

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

	30.09.13	30.09.12	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	3 923	4 362	4 391
Enterprises	4 245	5 493	3 643
Mass market loans	0	0	0
Loans secured by real property	136 692	125 805	146 063
Loans overdue	0	0	0
Covered bonds	0	0	0
Units in securities funds	0	0	0
Other loans and commitments	1 356	14 028	142
Capital requirement credit risk	**146 216**	**149 688**	**154 239**
Capital requirement operational risk 1)	4 898	2 569	4 898
Deduction from capital requirement	-328	0	0
Total capital requirement	**151 442**	**152 257**	**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

	30.09.13	30.09.12	31.12.12
Result so far this year	35 150	18 726	29 773
Number of shares	290 000	290 000	290 000
Result per share in NOK	121	65	103
Diluted result per share in NOK	121	65	103

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

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

Intragroup transactions	30.09.13	30.09.12	31.12.12
Profit and loss account			
Interest income and similar income	5 977	4 614	6 764
Interest expense and similar expense	10 296	13 936	53 454
Management fee	9 403	8 559	11 739
Balance sheet			
Lending and claims on credit institutions	245 762	272 615	274 427
Liabilities to credit institutions	640 375	223 686	707 504
Liabilities from issue of securities	700 000	900 800	900 000

NOTE 19. KEY FIGURES

	30.09.13	30.09.12	31.12.12
Profit & Loss Account			
Gros profit (NOK 1.000)	35.150	18.726	29.773
Net interest as a % of average assets	1,69 %	1,07 %	1,07 %
Operation cost as a % of income	16,6 %	27,6 %	24,0 %
Result after tax as a % of average assets	0,94 %	0,56 %	0,59 %
Balance sheet			
Gross lending (NOK 1.000)	4.755.973	4.553.687	5.079.691
Collective write-downs as a % of lending	0,09 %	0,00 %	0,00 %
12 months growth in customer lending	4,40 %	25,70 %	36,20 %
Total assets (NOK 1.000 kr)	5.001.735	4.826.302	5.354.405
Average total assets	5.008.852	4.465.137	4.593.787
Solidity			
Rate of return on equity capital	14,4 %	11,6 %	12,8 %
Core tier one Capital (NOK 1.000)	293.833	293.833	293.835
Core tier one Capital ratio	15,5 %	15,4 %	14,8 %
Information on lending portfolio			
Surplus value of cover pool (NOK 1.000)	974.293	476.382	799.527
Surplus value of cover pool (%)	24,3 %	11,0 %	19,0 %
Indexed LTV	50,2 %	52,8 %	53,5 %
Propotion of variable-rate loans	100 %	100 %	100 %
Propotion of flexible mortgages*)	21,1 %	20,4 %	20,4 %
Average loan value (NOK 1.000)	802	801	853
Number of loans	5.932	5.683	5.956
Remaining maturity - weighted average (year)	15,1	15,0	15,3
Seasoning - weighted average (year)	3,4	3,0	3,0

*) Calculated from the drawn amount

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, Deputy CEO and Chief Executive, Region North Helgeland Sparebank
Inger Lise Strøm, Chief Financial Officer Helgeland Sparebank
Helge Stanghelle, CEO Fesil Rana Metall

Members of the Control Comittee:
Heidi Dahl, Jurist Statens Innkrevningssentral - Chairman
Kåre Åsli, self-employed
Frank Høyen, General Manager ProLink International

Contact information

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Tore Stamnes, Head of Treasury, telephone +47 75 11 90 91

Other sources:

Annual reports
Helgeland Boligkreditt AS is 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