Q4
2012

financial report

preliminary annual report 2012

helgeland boligkreditt

Helgeland Boligkreditt AS,

accounts year to date and fourth quarter 2012.

General information

Helgeland Boligkredit AS was established in November 2008 and is a fully owned subsidiary of Helgeland Sparebank. The company is localised at the bank's main office in Mo i Rana.
The company got a licence as a finance institution in February 2009 and can issue bonds where the investors get priority in covering the company's security mass. The security mass mainly consists of secured mortgages that have been issued by Helgeland Sparebank.

Helgeland Boligkreditt AS is quoted on the Oslo Stock Exchange as an issuer of bonds. The accounts are worked out in accordance with the international accounting rules (IFRS). The periodic accounts are not audited. Numerical quantities are given in thousands.

Income statement as per 31.12.12

The company can show a good income. Gross income was NOK 41.4 million, which is an improvement of 28.1 million compared with the same time in 2011.
The improvement in income is mainly due to increased volume on lending and reduced borrowing costs. This is as a result of a fall in the nibor interest and credit spread entry. Net interest- and commission earnings have therefore increased significantly and were NOK 54.4 million as per 31.12.12 against 23.4 million as per 31.12.11.

Higher lending volume also results in increased costs for lending management. Operations costs were NOK 13 million, which is an increase of NOK 2.9 million compared with the same time last year. Helgeland Boligkredit AS has no established losses and has conducted no individual write-downs on lending. Neither are there conducted write-downs on lending groups. The lending portfolio is considered good.

Net income as per 31.12.12 was NOK 29.8 million. This gives a return on equity of 12.8%.

Management of income

Net income for 2012 at NOK 29.8 million is meant as parent company contribution to the parental bank.

Balance development

Combined possessions constituted NOK 5,354.4 million by the end of the year. Helgeland Boligkreditt AS has, as per 31.12.12, taken over the combined sum of NOK 5,079.6 million in loans from Helgeland Sparebank.

The lending volume has increased with 1,349.1 million in the last 12 months, which gives an annual growth of 36.2%. The company has transferred a larger share of loans than the lending growth in the HSB group.
81.4% is lent out to customers in the Helgeland region.
The value of the cover pool is well above the borrowing volume and there is good confidence in the portfolio. The cover pool constitutes NOK 5,110 million, whereby qualified mortgages constitutes NOK 4,836 million, and bank deposits NOK 274 million.
The cover pool assembly was 119%.

Financing

There were issued bonds with priority for the total sum of NOK 4,310.9 million by the end of the quarter. Bonds with priority at the face value of NOK 900 million are owned by the paternal bank. Helgeland Boligkredit AS has no official ratings from international rating agencies, but shadow ratings by Norwegian broker houses. The most recent shadow rating was AAA from DNB and Nordea.

Risk conditions and capital adequacy

Laws and regulations for enterprises with licenses to issue covered bond interests call for a low risk level. The HSB group has established guidelines and frames for management and control of different risk types. Helgeland Boligkreditt AS, as part of the HSB group, follows these frames and guidelines. An issuers agreement between Helgeland Boligkredit and Helgeland Sparebank has been settled, which ensures frames, proxies, capital management and risk conditions.
The board of directors considers the company's risk as low.

Credit risk

The company's credit strategy is settled in the board of directors and determines frames for the risk profile and management goals. Lending in the security mass fulfils the requirements in the law for conduct in finance and is safeguarded with security in real estate within 75% of the justifiable market value. The credit risk is therefore considered low.
LTV as per 31.12.12.was 53.5%.

Liquidity risk

The company's strategy for the management of liquidity risk is decided by the board of directors and determines the company's combined risk tolerance with concrete frames and management parameters. The company's liquidity risk is considered low. Long-term (more than a year) financing constitute 90% as per 31.12.12. The company has unused withdrawal facilities at the paternal bank to the sum of NOK 2.4 billion.

Operational risk

A transfer- and service agreement has been settled with Helgeland Sparebank that safeguards operational risk. The agreement covers i.a. administration, bank production and IT-management.

Capital adequacy

Helgeland Boligkredit uses the standard model when calculating capital requirements. The capital adequacy as per 31.12.12 was 16.27% and consists without exceptions of core tier one capital. Net responsible capital constitutes NOK 323.6 million. Helgeland Sparebank is the only shareholder in the company.

Future prospects

The housing prices in the Helgeland region are at a stable level and there is a considerable turnover of houses, as well as good activity in building new ones. The company is planning to take over additional loans from Helgeland Sparebank.

Helgeland Boligkreditt AS can show to a stable income and the risk in the company is low. We expect that this will also be the situation ahead.

Mo i Rana, 31 December 2012
Mo I Rana 11 February 2012

Jan Erik Furunes *Chairman of the Board*	Lisbeth Flågeng *Deputy chair*	Helge Stanghelle
Inger Lise Strøm		Brit Søfting *Manager*

TABLE OF CONTENTS:

PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

	Notes	31.12.12	31.12.11	Q4/12	Q4/11	31.12.10
Interest receivable and similar income	3	187 105	141 451	49 618	41 408	89 541
Interest payable and similar costs	3	132 673	118 102	31 100	35 474	69 432
Net interest- and credit commission income		**54 432**	**23 350**	**18 518**	**5 935**	**20 109**
Commissions receivable and income from banking services		20	23	4	4	18
Commissions payable and costs relating to banking services		0	0	0	0	0
Net commission income		**20**	**23**	**4**	**4**	**18**
Gains/losses on financial instruments available for sale		0	0	0	0	0
Other operating income		0	0	0	78	0
Operating costs	4	13 047	10 138	3 126	2 823	7 352
Losses on loans guarantees etc	5	0	0	0	0	0
Result from ordinary operations		**41 405**	**13 235**	**15 396**	**3 194**	**12 775**
Result before tax		**41 405**	**13 235**	**15 396**	**3 194**	**12 775**
Tax payable on ordinary result		11 632	3 920	4 349	1 108	3 643
Result after tax		**29 773**	**9 315**	**11 047**	**2 086**	**9 133**
Result per share in NOK	17	103	49	0	0	61
Diluted result per share in NOK	17	103	49	0	0	61
Extended income						
Result after tax		**29 773**	**9 315**	**11 047**	**2 086**	**9 133**
Net change in value of financial assets over equity		0	0	0	0	0
Total result for the period		**29 773**	**9 315**	**11 047**	**2 086**	**9 133**

BALANCE SHEET

BALANCE SHEET

	Notes	31.12.12	31.12.11	31.12.10
ASSETS				
Loans to and claims on credit institutions	11	274 427	181 908	151 271
Loans to and claims on customers	6,7,8,9,10	5 079 691	3 730 495	2 963 551
Deferred tax assets		287	0	0
Total assets		**5 354 405**	**3 912 403**	**3 114 822**
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	707 504	420 056	545 263
Borrowings through the issuance of securities	14	4 310 956	3 284 370	2 402 862
Other liabilities		12 339	4 829	3 731
Committed group contribution		0	0	0
Total liabilities		**5 030 799**	**3 709 255**	**2 951 856**
Paid-in equity capital	15,16	290 010	190 010	150 010
Accrued equity capital/retained earnings	15	3 824	3 823	3 823
Result after tax		29 772	9 315	9 133
Total equity capital		**323 606**	**203 148**	**162 966**
Total liabilities and equity capital		**5 354 405**	**3 912 403**	**3 114 822**

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Dividends	Total
Equity capital 01.01.12	190 000	10	3 824	9 314	203 148
Issued new share capital	100 000				100 000
Paid out					0
Dividends transferred to debt				-9 314	-9 314
Result			29 772		29 772
Equity capital as at 31.12.12	**290 000**	**10**	**33 596**	**0**	**323 606**

	Share capital	Premium fund	Other equity capital	Dividends	Total
Equity capital 01.01.11	150 000	10	3 823	9 133	162 966
Issued new share capital	40 000				40 000
Paid out					0
Dividends transferred to debt				-9 133	-9 133
Result			9 315		9 315
Equity capital as at 31.11.11	**190 000**	**10**	**13 138**	**0**	**203 148**

CASH FLOW STATEMENT

	31.12.12	31.12.11	31.12.10
Result of ordinary operations	41 404	13 235	12 775
+ Losses on loans, guarantees, etc	0	0	0
- Tax expense	11 632	3 920	3 643
- Dividend paid	0	0	0
= Provided from the year's operations	**29 772**	**9 315**	**9 133**
Change miscellaneous debt: + increase/-decrease	7 510	0	2 089
Change miscellaneous claims: - increase/+ decrease	14	0	9
New Loans	-3 302 728	-2 016 944	-1 575 962
Installments Loans	1 953 532	1 250 000	0
Change in deposits from and liabilities to customers: +increase/-decrease	-777	796	0
Change in liabilities to credit institutions: + increase/-decrease	287 449	-125 207	263 279
A Net liquidity change from operating activities	**-1 025 228**	**-882 040**	**-1 301 453**
- 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	-9 314	-9 133	0
Liabilities securities in issue increase: +increase/- decrease	1 027 363	881 508	1 302 079
New share capital: +increase/-decrease	100 000	40 000	100 000
C Liquidity change from financing activities	**1 118 049**	**912 375**	**1 402 079**
A+B+C Sum total change liquid assets	92 821	30 335	100 627
+ Liquid assets at the start of the period	181 607	151 271	50 645
= Liquid assets at the close of the period	274 427	181 606	151 272

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.

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:	**31.12.12**	**31.12.11**	**Q4/12**	**Q4/11**	**31.12.10**
Interest income of lending to and claims on credit institutions	6 764	4 775	2 150	1 466	3 273
Interest income of lending to and claims on customers	180 341	136 676	47 468	39 942	86 268
Total interest income	**187 105**	**141 451**	**49 618**	**41 408**	**89 541**
Interest expense on liabilities to credit institutions	16 576	23 011	2 640	6 167	16 938
Interest expense on issued securities	116 097	95 090	28 474	29 306	52 458
Other interest expenses	0	1	-14	0	35
Total interest expenses	**132 673**	**118 101**	**31 100**	**35 473**	**69 431**
Net interest income	**54 432**	**23 350**	**18 518**	**5 935**	**20 110**

NOTE 4. OPERATING COSTS

NOTES

Specification of costs:	31.12.12	31.12.11	Q4/12	Q4/11	31.12.10
Management fee and wage general manager	11 739	9 337	3 180	2 610	6 326
Other administration costs	41	37	0	-7	53
Total wages and administration costs	**11 780**	**9 374**	**3 180**	**2 603**	**6 379**
Other operating costs	1 266	764	-55	221	973
Total operating costs	**13 047**	**10 138**	**3 126**	**2 824**	**7 352**

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	31.12.12	31.12.11	Q4/12	Q4/11	31.12.10
Perodic change in individual write-downs	0	0	0	0	0
Periodic change in write-downs on groups of loans	0	0	0	0	0
Total losses on loans and guarantees	**0**	**0**	**0**	**0**	**0**
Periodic losses on loans covered by previous write-downs	0	0	0	0	0
Periodic losses on loans not covered by previous write-downs	0	0	0	0	0
Periodic entrance of former confirmed losses	0	0	0	0	0
Write-downs on commitments etc.	**0**	**0**	**0**	**0**	**0**

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of the lending portfolio	31.12.12	%	31.12.11	%	31.12.10	%
Helgeland	4 137 407	81,4 %	3 045 014	81,6 %	2 390 505	80,7 %
Areas other than Helgeland	939 003	18,5 %	683 063	18,3 %	572 476	19,3 %
International1)	3 281	0,1 %	2 418	0,1 %	570	0,0 %
Total	**5 079 691**	**100,0 %**	**3 730 495**	**100,0 %**	**2 963 551**	**100,0 %**

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

NOTE 7. LENDING

Lending	31.12.12	31.12.11	31.12.10
Gross lending to customers	**5 072 169**	**3 723 962**	**2 959 012**
Individual write-downs on lending	0	0	0
Lending to customers after individual write-downs	**5 072 169**	**3 723 962**	**2 959 012**
Accrued interest	7 522	6 533	4 539
Group write/downs	0	0	0
Lending to and claims on customers, to amortized cost	**5 079 691**	**3 730 495**	**2 963 551**

NOTE 8. GUARANTEES AND COMMITMENTS

The company has no such commitments

NOTE 9. COMMITMENT BY RISK-CLASS

31.12.12	Gross lending	Guarantees	Potential exposure	Total exposure	Share
	Behavior score				
Low risk	4 379 614		312 242	4 691 856	87 %
Medium risk	596 200		4 023	600 223	11 %
High risk	97 621		1 415	99 036	2 %
Defaulted >30 days	0		0	0	0 %
Not classified	6 255		307	6 562	0 %
Total	**5 079 690**	**0**	**317 987**	**5 397 677**	**100,0 %**

31.12.11	Gross lending	Guarantees	Potential exposure	Total exposure	Share
	Behavior score				
Low risk	3 306 476		213 651	3 520 127	89 %
Medium risk	333 670		6 492	340 162	9 %
High risk	82 527		1 946	84 473	2 %
Defaulted >30 days	0		0	0	0 %
Not classified	7 822		0	7 822	0 %
Total	**3 730 495**	**0**	**222 089**	**3 952 584**	**100,0 %**

NOTE 10. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	31.12.12	31.12.11	31.12.10
Gross defaulted commitments over 90 days	0	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	**0**	**0**	**0**

Defaulted commitments 0-90 are MNOK 5.0 as of 31.12.12

NOTE 11. WRITE DOWNS ON LENDING

Write-downs	31.12.12	31.12.11	31.12.10
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 down	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 12. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	31.12.12	31.12.11	31.12.10
Liabilities to credit institutions without agreed maturity	274 427	181 908	151 271
Total lending to and claims on credit institutions	**274 427**	**181 908**	**151 271**

Geographic areas	31.12.12	%	31.12.11	%
Total Helgeland	**274 427**	**100 %**	**151 571**	**100 %**

NOTE 13. LIABILITIES TO CREDIT INSTITUTIONS

	31.12.12	31.12.11	31.12.10
Without agreed maturity	707 504	420 056	545 263
Total liabilities to credit institutions	**707 504**	**420 056**	**545 263**

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 14. DERIVATIVES

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

NOTE 15. 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	31.12.12
No0010515489	NOK	450 000	-	Floating	3mnd. Nibor+0,50	2009	2015	2014	450 411
No0010515497	NOK	450 000	-	Floating	3mnd. Nibor+0,60	2009	2016	2015	450 429
No0010561798	NOK	500 000	-	Floating	3mnd. Nibor+0,40	2009	2014	2013	500 494
No0010566839	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2015	2014	500 499
No0010571573	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2016	2015	500 271
No0010592553	NOK	500 000	-	Floating	3mnd. Nibor+0,58	2010	2017	2016	500 099
No0010623978	NOK	300 000	170 000	Floating	3mnd. Nibor+0,67	2011	2018	2017	130 078
No0010628431	NOK	300 000	-	Floating	3mnd. Nibor+0,80	2011	2016	2015	300 982
No0010635253	NOK	200 000	10 000	Floating	3mnd. Nibor+0,75	2012	2016	2014	190 881
No0010645963	NOK	500 000	-	Floating	3mnd. Nibor+1,00*	2012	2018	2017	502 244
No0010660640	NOK	300 000	15 000	Floating	3mnd. Nibor+0,85*	2012	2019	2018	284 568
Total listed covered bonds									**4 310 956**

ISIN code	Currency	Par value	Own hold.		Interest	Admission	Maturity	Soft call	31.12.11
No0010515489	NOK	450 000	-	Floating	3mnd. Nibor+0,49	2009	2015	2014	450 000
No0010515497	NOK	450 000	-	Floating	3mnd. Nibor+0,59	2009	2016	2015	449 982
No0010561798	NOK	500 000	-	Floating	3mnd. Nibor+0,40	2009	2014	2013	500 044
No0010566839	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2009	2015	2014	500 091
No0010571573	NOK	500 000	-	Floating	3mnd. Nibor+0,65	2010	2016	2015	499 697
No0010592553	NOK	500 000	-	Floating	3mnd. Nibor+0,58	2010/2011	2017	2016	499 097
No0010623978	NOK	300 000	170 000	Floating	3mnd. Nibor+0,67	2011	2018	2017	129 759
No0010628431	NOK	300 000	50 000	Floating	3mnd. Nibor+0,68	2011	2016	2015	249 754
Interest									5 946
Total listed covered bonds									**3 284 370**

	31.12.12	31.12.11	31.12.10
Total Listed Bonds	**4 310 956**	**3 284 370**	**2 402 862**
Loans secured by property*	4 836 038	3 704 578	2 963 550
Claims that constitutes cover pool	274 427	181 908	151 271
Total cover pool	**5 110 465**	**3 886 486**	**3 114 821**

* qualified for the eligible cover pool

Cover pool capacity utilization	119 %	118 %	130 %

The cover pool assembly is defined in the Financial Institurions Act § 2.28

LTV (Loan To Value) as of 31.12.12 was 53,5 %

NOTE 16. CAPITAL ADEQUACY

	31.12.12	31.12.11	31.12.10
Total paid-in capital	290.010	190.010	150.010
Total accrued equity capital/retained earnings	33.597	13.138	12.955
Additional	0	0	0
Deduction	29.772	9.315	9.133
Total core capital	**293.835**	**193.833**	**153.832**
Total net supplementary capital	0	0	0
Total net equity and related capital	**293.835**	**193.833**	**153.832**
Weighted asset calculation basis	1.989.200	1.515.504	1.272.012
Capital adequacy ratio	14,77 %	12,79 %	12,09 %
Of which core capital accounted for	14,77 %	12,79 %	12,09 %

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

	31.12.12	31.12.11	31.12.10
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	4 391	2 912	2 420
Enterprises	20	91	720
Mass market loans	0	0	0
Loans secured by real property	149 686	109 642	85 527
Loans overdue	0	0	0
Covered bonds	0	0	0
Units in securities funds	0	0	0
Other loans and commitments	142	6 058	10 985
Capital requirement credit risk	**154 239**	**118 703**	**99 652**
Capital requirement operational risk 1)	4 898	2 570	2 108
Deduction from capital requirement	0	0	0
Total capital requirement	**159 137**	**121 273**	**101 760**

NOTE 17. 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 18. RESULT PER SHARE

	31.12.12	31.12.11	31.12.10
Result year to date	29 773	9 315	9 133
Number of shares	290 000	190 000	150 000
Result per share in NOK	103	49	61
Diluted result per share in NOK	103	49	61

NOTE 19. TRANSACTIONS WITH RELATED PARTIES

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

Intragroup transactions	31.12.12	31.12.11	31.12.10
Profit and loss account			
Interest income and similar income	6 764	4 775	2 150
Interest expense and similar expense	16 576	23 011	2 640
Management fee	11 739	9 337	3 180
Balance sheet			
Lending and claims on credit institutions	274 427	181 908	151 271
Liabilities to credit institutions	707 504	420 056	545 263
Liabilities from issuance of securities	900 800	900 000	900 000

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, Fesil

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

Contact information

Helgeland Sparebank
Postadresse: Postboks 68, 8601 Mo i Rana
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