

Q2²⁰₁₂

financial report
first half year and second quarter 2012



REPORT OF THE BOARD OF DIRECTORS

Helgeland Sparebank,

accounts first half year, and second quarter 2012

General information

Helgeland Sparebank operates as a traditional bank- and finance enterprise. The bank has 16 offices in 14 municipalities in Helgeland and is the 12th largest savings bank in Norway.

The Group consists of Helgeland Sparebank and the consolidated subsidiaries Helgeland Boligkreditt AS, ANS Bankbygg Mo, AS Sparebankbygg, Helgeland Sparebank Eiendomsselskap AS and Helgeland Utviklingsselskap AS.

The bank owns 48% of Helgeland Invest AS, 43% of Storgata 73, and 34% of Eiendomsmeqleren Helgeland AS. The results of associated companies will be recognised as income in the bank's consolidated accounts corresponding to the bank's stake.

The accounts have been reported in accordance with IFRS, including IAS 34 – interim reporting. All figures concern the Helgeland Sparebank Group. Figures in parenthesis are related to corresponding period last year.

The period accounting has not been audited.

Key features of the year to date (Group)

- Stable banking operation
- Increased net interest during the last two quarters
- Moderate losses
- Further strong sales of insurance products
- Increased tier one capital adequacy

The pre-tax profit amounted to NOK 73 million (NOK 75 million) during the first half year of 2012.

Profit development is stable and at the same level as in 2011. Return on equity as of 30.06.12 was 6.3% (6.5%), and earnings per equity certificate amounted to NOK 2.1 million (NOK 2.2 million).

Key figures as of 30.06.12:

(Comparison as of 30.06.11)

- Pre-tax profit of NOK 73 million (NOK 75 million)
- Net interest 1.47% (1.56%)
- Ordinary operating costs 1.02% (1.12%)
- Write-downs on lending 0.13% (0.13%)
- 12-month growth in lending 10.2% (8.5%)
- 12-month growth in deposits 7.3% (7.7%)
- Tier one capital adequacy 12.9% (11.5%)

Profit first half year

Net interest

Net income from interest and credit commission was NOK 169 million, compared with NOK 162 million for the first half year of 2011. As a percentage of average bank's total assets, net interest amounted to 1.47 %.

Net income from commission

Net income from commission was NOK 34 (28) million. The increase in income is the result of extremely good sales of insurance products.

Net change in value and gains/losses on financial instruments

Compared to the half-year report from last year net change in value on financial instruments reduced by NOK 11 million. This is due to lower share dividends in 2012 and reduced value on shares and equity certificates.

Operating costs

Total ordinary operating costs amounted to NOK 117 million, compared with NOK 115 million in 2011. As a percentage of average bank total assets, ordinary operating costs amounted to 1.02%, compared with 1.12% for the corresponding period last year. The relative figures for ordinary costs measured as a percentage of income amounted to 57.1% (56.7).

Expensed write-downs on commitments

It is charged expenses on moderate losses on loans, amounting NOK 15 million, whereas write-downs at groups of lending by NOK 2 million (2nd quarter). As a percentage of gross lending, recorded write-downs amount to 0.2% (0.2%) for the period.

Tax

Tax-cost is calculated to 28% of pre-tax profit.

Equity certificates - HELG

Equity certificate capital amounts to NOK 935 million and is divided between approximately 2,400 owners. Note 19 present an overview of the 20 largest owners of equity certificates. The largest owner is Sparebankstiftelsen Helgeland, with a stake of 64.7%. Due to the turbulence in the financial markets, Sparebankstiftelsen Helgeland has issued a notice to wait before selling down until the market conditions are considered to be more stable. The bank has not received any new signals from Sparebankstiftelsen Helgeland regarding selling down.

The stock exchange price of equity certificates is still generally low. The price of the bank's HELG equity certificates was NOK 29.30 as at 30.06.12, which represents a decrease of NOK 1.20 per equity certificate since the turn of the year.

REPORT OF THE BOARD OF DIRECTORS

Profit and loss second quarter

Pre-tax profit was NOK 31 million, which is NOK 3 million, lower than 2nd quarter last year.

The group has increased the net interest the last two quarters. The net interest increased by 4 points during first quarter, and further 2 points during second quarter up to 1.48%. The effect of the banks last change in interest rates and reduction in funding costs draws in a positive direction.

The group has succeeded well with its commission sale of insurance products after the transition to Frende, and relocation of the portfolio goes faster than expected. This reflects in a very positive development in the commission income of the group. Net change in value of financial instruments is recorded as expenses by NOK 6 million in the second quarter. This is mainly connected to reduction in the value of the banks shares and equity certificates.

The group presents stable operating costs and good cost control. Ordinary operating costs were NOK 58 million, in percent of average assets this amounts to 1.01% against 1.18% during the same period last year.

Write-downs on loans and guarantees were recorded as expenses by NOK 9 million (NOK 7 million).

Is has been good growth in deposits from customers during the quarter and the deposit-to-loan ratio increased by 1.5 points from last quarter.

Key-figures second quarter:

- Pre-tax profit NOK 31 million (NOK 34 million)
- Net interest 1.48% (1.55%)
- Ordinary operating costs 1.01% (1.08%)
- Write-downs on loans 0.16% (0.13%)
- 3mth growth lending 2.9% (2.1%)
- 3mth growth deposits 5.6% (3.7%)

Balance sheet developments

During the past 12 months, the bank' s total assets increased by NOK 1.992 million, or 9.3%. This balance sheet growth is linked to increased liquidity buffers and growth in lending.

Commitments

Gross lending at the end of the quarter amounted to NOK 18.970 million. The Group' s lending volume includes NOK 4.315 million, which has been transferred to Helgeland Boligkreditt AS, which is the bank' s wholly owned mortgage credit company.

During the past 12 months, lending increased by NOK 1.763 millions or 10.2 % (8.5 %). The Group has experienced growth in lending to business customers of 8.7 %, whilst that for private customers was 11.2 %. Higher growth in property prices compared with

elsewhere in the country generally, combined with a high level of activity in the property market, has resulted in stronger growth in the private market than the growth in credit to Norwegian households. Healthy activity in Helgeland has resulted in essentially corresponding growth in the business market.

The share of loans to private customers is NOK 12.1 billion, or 63.7% (63.2%). Of this amount, 82.7% is lent to customers in Helgeland.

Total net defaults and loss-exposed commitments amounted to NOK 127 million (NOK 174 million), corresponding to 0.7% (1.0%) of gross lending.

Deposits by customers

During the past 12 months, deposits have increased by NOK 761 million, or 7.3% (7.7%). Deposit growth from private customers increased by 8.4%, whilst deposits from business customers increased by 5.3%. The group has a stable deposit mass. 91.8% of the deposits are from customer within the region of Helgeland. The deposit-to-loan ratio as at 30.06.12 was 59% (60.7%) within the group, and 77.8% (76.7%) within the parent bank. The bank has had a stable deposit-to-loan ratio for some time. In order to maintain the deposit-to-loan ratio, the bank has placed a stronger focus on deposits and long-term saving.

Borrowing from the debt capital market

The credit market still show signs of instability around heavily-indebted countries in Europe. It has among other factors been published reports which show problems for several of the Spanish banks. These banks need relatively large supplies of capital if they are to comply with new capital requirements. Among these problems, rating agencies have come with several downgrades of European banks. In total this has contributed to increase the banks credit spreads again.

The Group has a healthy and long-term financing with a good level of diversification between various sources of financing. At the exit of the quarter, the share of borrowing in excess of one year was 81%. Helgeland Boligkreditt AS is an important source of financing and the bank has a strong focus on arranging approved mortgages for transfer to the bank' s mortgage enterprise.

The majority of the group' s liquidity reserves in terms of interest bearing securities are placed in state, municipalities, covered bonds and banks. The overall duration of the interest portfolio is 2.0 years. The group' s total liquidity reserves (cash, bank deposits, and interest bearing securities) amounts to NOK 3.9 BnNOK or 16.6% of the group' s total assets. The bank is implementing a cautious adaptation to new liquidity requirements (LCR and NSFR).

REPORT OF THE BOARD OF DIRECTORS

Risk and capital adequacy

The Group's collective risk is managed through authorisations, objectives and frameworks established by the Board.

The bank's liquidity situation is considered to be satisfactory, and the proportion of long-term financing is well above the target of 70%.

Good growth in deposits during the quarter has contributed to increased deposit-to-loan ratio.

The development in the bank's credit risk is being closely monitored, partly through the use of credit analyses of all private customers based on recently approved commitments per quarter and developments in the collective private market portfolio. Business customers are given close individual follow-up, in addition to monitoring of developments in risks based on the bank's score models.

Capital adequacy is calculated using the standard method in Basel II. The Helgeland Sparebank Group has a target total tier one capital adequacy of 12%.

The bank's tier one capital adequacy has increased over the quarter as a result of a fund bond of NOK 220 million in the first quarter. Equity on subordinated loan capital as at 30.06.12 was NOK 1.731 billion and total core capital was NOK 1.702 billion. On group-level the tier one capital adequacy has increased from 11.5% as at 30.06.11 to 12.8% as at 30.06.12. The total capital adequacy for the same period increased from 11.8% to 13.0%.

The parent bank has reduced the basis of calculation by transferring well secured mortgages to Helgeland Boligkreditt AS, and the capital adequacy in the parent bank is slightly higher than within the group.

The Group's total equity amounted to NOK 1.672 billion, or 7.2% of the balance sheet total.

Future prospects

Since 2007 Helgeland has increased in population and added value. The positive development reflects in the banks credit growth within the corporate and private market, which is higher than the average growth within the country (Statistics Norway). The region has not yet experienced the global financial crisis.

Low unemployment and increased house prices are some of the main factors causing the positive development. The export businesses within metals and fish have mainly avoided international markets that have experienced stagnation. Minerals are in a boom and the land-based activity increases according to the petroleum sector.

Attractive career opportunities and several service jobs within governmental enterprises, new companies and IT have resulted in newcomers with origin from Helgeland and other regions. Outdoor activities from the coastline to the mountains are also contributing to a positive development.

Infrastructural investments in energy, roads and tunnels are also contributing to increased activity. The airport plans, concerning a new airport located in Mo i Rana, are almost finished with recommendations from Avinor, but the financing of the build is not presence yet. It has been a heavy growth within the trade-business and new plans of hotels are to be carried out. Construction and building companies have many ongoing missions.

The challenges are still related to the demographic development with more elder, competition over competent and qualified labour, underlying cost growth with pressure on salaries and dependency of labour immigration.

Another important area is the development of University College supply within the region. Helgeland Kunnskapssenter is under construction and will co-locate several offers from Universities and Colleges in Mo i Rana. The bank has also controlled several funds of the gift-fund in this direction in order to be an active supporter.

Helgeland Sparebank's vision is to be a driving force for growth in Helgeland, and the bank's principal aim is to capture its share of the growth in the region and maintain its position as a leading and profitable bank with a market share in excess of 50%. The bank's main challenge remains to balance its objective of maintaining its market position against satisfactory earnings. Market research shows large customer loyalty and customer satisfactory.

The bank has a stable bank operation with steady growth and a satisfactory result during the first half year with increased net interest and increased commission income. The work with strengthening the net interest continues through changes in lending – and deposit interest rates and increased price differentiation towards customers.

The bank's sales of insurance products have been very successful and are expected to continue through a strong sales organisation. The bank is well positioned in the market with a broad distribution net consisting of 16 offices in 14 municipalities within Helgeland.

Financing of the bank will be secured through a stronger focus on deposits and the transfer of home mortgages to Helgeland Boligkreditt AS. The stable cost development and relatively low losses on lending are expected to continue.

Mo i Rana, 30 June 2012
Mo i Rana, 15 August 2012

Bjørn Johansen
Chair

Thore Michalsen
Deputy Chair

Gislaug Øygarden

Monica Skjellstad

Ove Brattbakk

May Heimdal
Staff's repr.

Jan Erik Furunes
CEO

CONTENTS

PROFIT AND LOSS ACCOUNT (amounts in NOK million)	6
BALANCE SHEET (amounts in NOK million).....	7
CHANGE IN EQUITY CAPITAL DURING THE QUARTER REVIEW	8
CASH FLOW STATEMENT	9
NOTE 1. ACCOUNTING PRINCIPLES	10
NOTE 2. SEGMENT	10
NOTE 3. SPECIFICATION OF NET CHANGE IN VALUE OF FINANCIAL INSTRUMENTS	11
NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS	11
NOTE 5. LOSSES ON LOANS GUARANTEES, ETC.....	11
NOTE 6. PROFIT PER PRIMARY CERTIFICATE	11
NOTE 7. GEOGRAPHICAL EXPOSURE	12
NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY.....	12
NOTE 9. BAD AND DOUBTFUL LOANS (incl. guarantees)	13
NOTE 10. INDIVIDUAL AND COLLECTIVE WRITE DOWNS OF LOANS AND GUARANTEES.....	13
NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS.....	13
NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES	14
NOTE 13. OPERATING FUNDS	14
NOTE 14. DISCLOSURES OF RELATED PARTIES	15
NOTE 15. SECURITIES DEBT AND SUBORDINATED LOAN CAPITAL	15
NOTE 16. FINANCIAL DERIVATIVES.....	16
NOTE 17. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS.....	16
NOTE 18. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY	16
NOTE 19. EQUITY CERTIFICATE CAPITAL HELG.....	17
NOTE 20. CAPITAL ADEQUACY	18
PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS.....	19
PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT	19
OTHER KEY FIGURES	20
STATEMENT UNDER THE SECURITIES TRADING ACT § 5-6.....	21

PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT (amounts in NOK million)

<i>Parent bank</i>					<i>Group</i>					
31.12.11	Q2/11	Q2/12	30.06.11	30.06.12		30.06.12	30.06.11	Q2/12	Q2/11	31.12.11
831	199	217	393	442	Interest receivable and similar income	504	429	250	217	913
532	124	144	244	294	Interest payable and similar costs	335	267	165	136	591
299	75	73	149	148	Net interest- and credit commission income	169	162	85	81	322
72	18	20	34	38	Commissions receivable and income from banking services	38	34	20	18	72
12	3	2	6	4	Commissions payable and costs relating to banking services	4	6	2	3	12
60	15	18	28	34	Net commission income	34	28	18	15	60
5	9	2	13	8	Gains/losses on financial assets available for sale (note 3)	-1	10	-6	0	-9
3	1	0	2	1	Other operating income	3	3	1	2	5
209	54	54	110	109	Operating costs (note 4)	117	115	58	57	218
27	7	9	13	15	Losses on loans, guarantees etc. (note 5)	15	13	9	7	27
132	39	30	69	67	Result before tax	73	75	31	34	133
37	11	9	19	19	Tax payable on ordinary result	20	21	8	10	40
95	28	21	50	48	Result from ordinary operations after tax	53	54	23	24	93
3.8			2.0	1.9	Yield per equity capital certificate (note 6)	2.1	2.2			3.7
3.8			2.0	1.9	Diluted result per ECC in Norwegian currency (note 6)	2.1	2.2			3.7
Extended Income Statement										
95	28	21	50	48	Result from ordinary operations after tax	53	54	23	24	93
2	-1	0	7	0	Net change in fair value available-for-sale fin. assets	0	0	0	0	-5
0	0	0	-1	0	Tax on extended profit	0	0	0	0	0
					Minority interest	0	0	0	0	0
2	-1	0	6	0	Net extended profit or loss items	0	0	0	0	-5
97	27	21	56	48	Total result for the period	53	54	23	24	88
3.9			2.2	1.9	Yield per equity capital certificate	2.1	2.2			3.5
3.9			2.2	1.9	Diluted result per ECC in Norwegian currency	2.1	2.2			3.5

BALANCE SHEET

BALANCE SHEET (amounts in NOK million)

<i>Parent bank</i>			<i>Group</i>			
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
			ASSETS			
118	737	120	Cash and claims on central banks	120	737	118
742	613	762	Loans to and claims on credit institutions	367	59	316
14 387	13 737	14 574	Loans to and claims on customers (note 7,8,9,10)	18 818	17 108	18 049
179	135	141	Financial derivatives (note 16)	141	135	179
4 655	3 908	4 507	Certificates, bonds and shares available for sale	3 532	3 008	3 756
163	163	163	Investments in associated companies (note 12)	154	165	154
246	204	246	Investments in subsidiaries (note 12)			
49	40	49	Deferred tax benefit	51	42	51
70	103	96	Fixed assets (note 13)	190	132	158
20	8	14	Other assets	14	9	21
20 630	19 648	20 672	Total assets	23 387	21 395	22 802
			LIABILITIES AND EQUITY CAPITAL			
1 237	1 236	831	Liabilities to credit institutions	831	1 237	1 241
10 655	10 612	11 395	Deposits from customers and liabilities to customers (note 17,18)	11 198	10 437	10 429
6 843	5 974	6 333	Borrowings through the issuance of securities (note 15)	9 234	7 877	9 227
25	16	33	Financial derivatives (note 16)	33	16	25
200	166	182	Other liabilities	180	171	202
0	0	218	Fundbonds	218	0	0
18 961	18 004	18 992	Total liabilities	21 694	19 738	21 124
1 031	1 031	1 031	Paid-in equity capital (note 19,20)	1 031	1 031	1 031
638	563	601	Accrued equity capital/retained earnings (note 20)	607	570	645
	50	48	Result from ordinary operations after tax	53	54	0
1 669	1 644	1 680	Total equity capital exclusive minority interest	1 691	1 655	1 676
			Minority interest	2	2	2
1 669	1 644	1 680	Total equity capital	1 693	1 657	1 678
20 630	19 648	20 672	Total liabilities and equity capital	23 387	21 395	22 802

CHANGE IN EQUITY

CHANGE IN EQUITY CAPITAL DURING THE QUARTER REVIEW

	<i>Group</i>												
	30.06.12												
	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Dividend	Other Equ.cap.	Min. Int.	Per. result	Total
Equity capital as at 01.01.12	935	97	-1	86	364	22	5	117	35	15	2		1 678
Result for the period												53	53
Extended profit or loss items				7									7
Sum total ext. profit or loss	935	97	-1	93	364	22	5	117	35	15	2	53	1 738
Transactions with owners													
Dep. dividend equal.res.													0
Dep. Dividend													0
Dividend paid						-3	-5		-35	-2			-45
Equity capital 30.06.12	935	97	-1	93	364	19	0	117	0	13	2	53	1 693
Paid-in/accrued equity capital/retained earnings			1 031									662	1 693

	<i>Parent bank</i>												
	30.06.12												
	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Dividend	Per. result	Total		Total
Equity capital as at 01.01.12		935	97	-1	95	364	22	5	117	35			1 689
result for the period												48	48
Extended profit or loss items				7									7
Sum total ext. profit or loss		935	97	-1	102	364	22	5	117	35	48		1 724
Transactions with owners													
Dep. dividend equal.res.													0
Dep. dividend													0
Dividend paid						-3	-5		-35				-43
Equity capital 30.06.12		935	97	-1	102	364	19	0	117	0	48		1 681
Paid-in/accrued equity capital/retained earnings				1 031							650		1 681

CASH FLOW STATEMENT

CASH FLOW STATEMENT

<i>Parent bank</i>			<i>Group</i>			
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
132	69	67	Result of ordinary operations	73	75	133
16	8	8	+ Ordinary depreciation/amortisation	10	9	19
0	0	0	+ Writedowns and gain/loss on fixed assets		0	0
27	13	15	+ Losses on loans, guarantees, etc	15	13	27
-37	-19	-19	- Tax expense	-20	-21	-40
138	71	71	= Provided from the years operations	78	76	139
16	-12	-18	Change miscellaneous debt: + increase/-decrease	-18	-14	24
15	66	5	Change miscellaneous claims: - increase/+ decrease	7	42	30
-812	-170	-130	Change loans to and balances with customers:- incr./+ decr.	-724	-577	-1 519
580	537	740	Change deposits from and liabilities to customers:+ incr/-decr.	769	554	547
0	0	0	Change liabilities to credit institutions : + increase	0	0	4
0	-7	-400	Change liabilities to credit institutions : + Decrease	-400	-7	0
-63	485	268	A Net liquidity change from operating activities	-288	74	-776
-8	-24	-36	- Invested in tangible fixed assets	-40	-24	-98
1	0	1	+ Sale of tangible fixed assets	1	0	0
-4 860	-2 059	-1 719	- Investment in long-term securities	-1 719	-2 059	-4 820
3 800	1 806	1 820	+ Sale in long-term securities	1 820	1 806	3 800
-1 067	-277	66	B Liquidity change from investing activities	62	-277	-1 118
-51	-51	-35	- Dividend paid on ECCs	-35	-51	-51
4 416	1 990	947	+ Issue debt securities	1 538	2 391	5 297
-3 283	-1 705	-1 442	- Redemption debt securities	-1 442	-1 705	-3 283
	0	218	Change subordinated loan capital/primary capital + incr.- decr	218	0	
1 082	234	-312	C Liquidity change from financing activities	279	635	1 963
-48	442	22	A+B+C Sum total change liquid assets	53	432	70
908	908	860	+ Liquid assets at the start of the period	434	364	364
860	1 350	882	= Liquid assets at the close of the period	487	796	434

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

Both the consolidated financial statements and the Parent Bank's separate financial statements have been prepared in compliance with IFRS, while the accounting policies applied in individual areas are described in the annual financial statements for 2011. The interim report for the second quarter is in compliance with IAS 34 and has not been audited.

NOTE 2. SEGMENT

The Group has defined its geographical segment as a main area of Norway – Helgeland. The Group's exposure to credit risk is mainly concentrated on this area. The Group only has smaller exposure to credit risk in areas other than its geographically defined main area. Helgeland is the home region of the Parent Bank who is the Group's operating company.

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

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

<i>Parent bank</i>					<i>Group</i>				
					30.06.12				
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total	
77	62	9	148	Net interest and credit commission income	96	62	11	169	
13	6	15	34	Net commission income	13	6	15	34	
		9	9	Other operating income			2	2	
44	12	53	109	Operating costs	52	12	53	117	
	13	2	15	Losses on loans guaranteed	0	13	2	15	
46	43	-22	67	Result before tax	57	43	-27	73	
7 896	6 759	0	14 655	Loans to and claims on customers	12 089	6 881	0	18 970	
-6	-13	0	-19	Individual write-downs	-6	-13	0	-19	
0	0	-62	-62	Collective write-downs on loans	0	0	-62	-62	
0	0	6 098	6 098	Other assets	0	0	4 498	4 498	
7 890	6 746	6 036	20 672	Total assts per segment	12 083	6 868	4 436	23 387	
7 331	4 064	0	11 395	Deposits from customers and liabilities	7 331	3 867	0	11 198	
0	0	9 277	9 277	Other liabilities and equity	0	0	12 189	12 189	
7 331	4 064	9 277	20 672	Total liabilities and equity per segment	7 331	3 867	12 189	23 387	

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

<i>Parent bank</i>					<i>Group</i>				
					30.06.11				
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total	
75	64	10	149	Net interest and credit commission income	86	65	10	162	
11	5	12	28	Net commission income	11	5	12	28	
		15	15	Other operating income			13	13	
43	13	54	110	Operating costs	48	13	54	115	
3	8	2	13	Losses on loans guaranteed	3	8	2	13	
40	48	-19	69	Result before tax	46	49	-21	75	
7 599	6 236		13 835	Loans to and claims on customers	10 876	6 330		17 206	
-7	-31		-38	Individual write-downs	-7	-31		-38	
		-60	-60	Collective write-downs on loans			-60	-60	
		5 911	5 911	Other assets			4 287	4 287	
7 592	6 205	5 851	19 648	Total assts per segment	10 869	6 299	4 227	21 395	
6 766	3 845		10 611	Deposits from customers and liabilities	6 766	3 671		10 437	
		9 037	9 037	Other liabilities and equity			10 958	10 958	
6 766	3 845	9 037	19 648	Total liabilities and equity per segment	6 766	3 671	10 958	21 395	

NOTES

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

<i>Parent bank</i>						<i>Group</i>				
31.12.11	Q2/11	Q2/12	30.06.11	30.06.12		30.06.12	30.06.11	Q2/12	Q2/11	31.12.11
-5	-1	-2	0	0	Value change in interest-bearing securities	0	0	-2	-1	-7
10	2	0	4	1	Net gain/loss in interest-bearing securities	1	4	0	2	10
-16	-2	-7	-3	-7	Net gain/loss shares	-7	-3	-7	-2	-16
5	1	0	1	2	Income AC	4	7	3	0	4
11	13	13	15	13	Share dividend	2	6	2	5	0
-3	-2	0	0	2	Value change in value on lending	2	0	0	-2	-3
3	-2	-2	-4	-3	Value change on funding and derivatives	-3	-4	-2	-2	3
5	9	2	13	8	Total value change financial instruments	-1	10	-6	0	-9

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

<i>Parent bank</i>						<i>Group</i>				
31.12.11	Q2/11	Q2/12	30.06.11	30.06.12		30.06.12	30.06.11	Q2/12	Q2/11	31.12.11
112	29	29	59	59	Wages, salaries and social costs	62	62	31	31	113
52	13	13	27	26	General administration costs	29	29	15	14	61
16	4	4	8	8	Depreciation etc of fixed- and intangible assets	10	9	5	4	19
29	8	8	16	16	Other operating costs	16	15	7	8	25
209	54	54	110	109	Total operating costs	117	115	58	57	218

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

<i>Parent bank</i>						<i>Group</i>				
31.12.11	Q2/11	Q2/12	30.06.11	30.06.12		30.06.12	30.06.11	Q2/12	Q2/11	31.12.11
-4	-18	-14	-13	-13	+/- Period's change in individual write-downs	-13	-13	-14	-18	-4
2	2	2	2	2	+ Period's change in collective write-downs	2	2	2	2	2
22	24	16	22	22	+ Period's conf. Losses against which ind. write-downs were made in prev. Years	22	22	16	24	22
9	1	5	5	5	+ Period's confirmed losses against which no individual write-downs were made in previous years	5	5	5	1	9
-2	-2	0	-3	-1	- Period's recoveries from previous periods' conf.losses	-1	-3	0	-2	-2
27	7	9	13	15	Total losses on loans, guarantees etc.	15	13	9	7	27

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
95	50	48	Profit	53	54	93
74.9 %	74.9 %	74.9 %	ECC percentage	74.9 %	74.9 %	74.9 %
3.8	2.0	1.9	Yield per equity capital certificate	2.1	2.2	3.7
3.8	2.0	1.9	Diluted result per ECC in Norwegian currency	2.1	2.2	3.7

NOTES

NOTE 7. GEOGRAPHICAL EXPOSURE

Geographical exposure within the loan portfolio was as follows:

<i>Parent bank</i>				<i>Group</i>				
30.06.11	%	30.06.12	%	30.06.12	%	30.06.11	%	
11 724	84.7	12 130	82.8	Helgeland	15 679	82.7	14 434	83.9
2 097	15.2	2 506	17.1	Areas other than Helgeland	3 269	17.2	2 758	16.0
14	0.1	19	0.1	International	22	0.1	15	0.1
13 835	100	14 655	100	Total	18 970	100	17 207	100

NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY

	<i>Group</i>				<i>Group</i>			
	30.06.12		30.06.11		30.06.12		30.06.11	
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	1	0.0 %	0	0	1	0.0 %	0	0
Insurance and finance	25	0.1 %	0	0	3	0.0 %	0	0
Agriculture and forestry	1 211	6.4 %	2	0	1 109	6.4 %	1	0
Fisheries and aquaculture	825	4.3 %	1	0	664	3.9 %	2	3
Mining and industry	527	2.8 %	2	11	494	2.9 %	1	2
Building and construction	765	4.0 %	2	0	771	4.5 %	1	0
Trade, hotel, restaurants.	390	2.1 %	2	0	317	1.8 %	2	0
Transport and services	809	4.3 %	2	1	712	4.1 %	2	0
Property, property development	2 328	12.3 %	1	0	2 260	13.1 %	23	4
Retail market	12 089	63.7 %	6	0	10 876	63.2 %	7	2
Total	18 970	100 %	18	13	17 207	100 %	39	11
Change collective write-downs				2				2
Total				15				13

	<i>Parent bank</i>				<i>Parent bank</i>			
	30.06.12		30.06.11		30.06.12		30.06.11	
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	1	0.0 %	0	0	1	0.0 %	0	0
Insurance and finance	25	0.2 %	0	0	3	0.0 %	0	0
Agriculture and forestry	1 184	8.1 %	2	0	1 109	8.0 %	1	0
Fisheries and aquaculture	821	5.6 %	1	0	664	4.8 %	2	3
Mining and industry	525	3.6 %	2	11	494	3.6 %	1	2
Building and construction	748	5.1 %	2	0	771	5.6 %	1	0
Trade, hotel, restaurants.	376	2.6 %	2	0	317	2.3 %	2	0
Transport and services	756	5.2 %	2	1	712	5.1 %	2	0
Property, property development	2 323	15.9 %	1	0	2 165	15.6 %	23	4
Retail market	7 896	53.9 %	6	0	7 599	54.9 %	7	2
Total	14 655	100 %	18	13	13 835	100 %	39	11
Change collective write-downs				2				2
Total				15				13

NOTES

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

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
168	189	141	Loans, guarantees etc. in default	141	189	168
37	32	26	Loss provisions for loans, guarantees etc. in default	26	32	37
131	157	115	Total net loans, guarantees etc. in default	115	157	131
62	24	22	Other bad and doubtful loans and guar., not in default	22	24	62
13	7	10	Loss provisions for other bad and doubtful loans, guarantees etc., not in default	10	7	13
49	17	12	Total net bad and doubtful commitments, not in default	12	17	49
180	174	127	Total bad and doubtful loans	127	174	180

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

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
53	53	49	Individual write-downs to cover losses on loans and guarantees as at 01.01	49	53	53
-22	-22	-22	Period's conf. losses, against which indi. Write-down was previously made	-22	-22	-22
6	5	7	Period's increased individual write-downs, against which write-down was previously made	7	5	6
14	4	2	New individual write-downs during the period	2	4	14
-2	-1	0	Reversal of individual write-downs during the period	0	-1	-2
49	39	36	= Total individual write-downs on loans	36	39	49
39	38	19	*Of which individual write-downs on loans accounted for	19	38	39
10	1	17	* Of which ind. Write-downs on guar. Accounted for	17	1	10
			Collective write-downs:			
58	58	60	Collective write-downs to cover losses on loans at 01.01	60	58	58
2	2	2	+ /- Period's change in collective write-downs	2	2	2
60	60	62	Total collective write-downs	62	60	60

NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
591	608	597	Guarantee obligations	597	608	591
-10	-1	-17	Write-downs on guarantee	-17	-1	-10
581	607	580	Net guarantee obligation	580	607	581

NOTES

NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES

The Parent Bank's accounts have been presented and prepared in accordance with the requirements laid down by law and regulation governing savings banks in Norway. Subsidiaries where the ownership stake is more than 50 % are consolidated and substantial ownership interests have been included in the accounts using the equity method.

Investment in associated companies

	Location	Sector	Equity stake	<i>Group</i>		
				Market value		
				30.06.12	30.06.11	31.12.11
Helgeland Invest AS*	Sandnessjøen	Investment	48 %	151	104	151
Eiendomsmegler Helgeland AS	Mo i Rana	Estate Agent	34 %	1	1	1
Helgeland Vekst AS					58	
Storgt. 73 AS	Mosjøen	Real Estate	43 %	2	2	2
Total investment in AC				154	165	154

Investment in associated companies

	Location	Sector	Equity stake	<i>Parent bank</i>		
				Market value		
				30.06.12	30.06.11	31.12.11
Helgeland Invest AS*	Sandnessjøen	Investment	48 %	159	104	159
Eiendomsmegler Helgeland AS	Mo i Rana	Estate Agent	34 %	4	4	4
Helgeland Vekst AS					55	
Storgt. 73 AS	Mosjøen	Real Estate	43 %	0.1	0.1	0.1
Total investment in AC				163.1	163.1	163.1

Subsidiaries

	Share capital	Number of shares	Equity stake	<i>Parent bank</i>		
				Market value		
				30.06.12	30.06.11	31.12.11
ANS Bankbygg Mo	49.0	5 591	97 %	45	45	45
Helgeland Boligkreditt AS	190.0	190 000	100 %	190	150	190
AS Sparebankbygg	0.1	100.0	100 %	0.1	0.1	0.1
Helgeland Spb.eiend.selskap AS	0.1	100.0	100 %	0.4	0.4	0.4
Helgeland Utviklingsselskap AS	0.5	500.0	100 %	10.0	8.0	10.0
Total investment in AC				246	204	246

NOTE 13. OPERATING FUNDS

Parent Bank

	<i>Parent Bank</i>			<i>Group</i>		
	31.12.11	30.06.11	30.06.12	30.06.12	30.06.11	31.12.11
70	103	96	Operating funds*)	190	132	158
70	103	96	Total operating funds	190	132	158

NOTES

NOTE 14. DISCLOSURES OF RELATED PARTIES

The information have been prepared in accordance to IAS 24 for “ disclosures of related parties”

Transaction against bank's senior management and bank's elected representatives are showed in note from annual report. Helgeland Sparebank defines its subsidiaries and associated companies as related parties in relation to this accounting standard.

Transactions between the Parent Bank, group companies and associated companies are made in accordance with normal commercial principles and on normal commercial terms.

Intercompany transactions	30.06.12	30.06.11	31.12.11
Income Statement			
Income from interest and credit commissions received from subsidiaries	15	15	39
Interest on deposits to subsidiaries	3	3	4
Rent expense	4	4	5
Refund of operating expenses	6	4	7
Balance Sheet			
Lending to subsidiaries	471	561	584
Covered bonds	900	900	900
Deposits from subsidiaries	199	176	175
Accounts receivable, group contribution	0	0	9

Helgeland Boligkreditt

Helgeland Boligkreditt is a wholly owned subsidiary of Helgeland Sparebank.

There has been transferred gross lending to customers amounting to NOK 585 million and transferred loans as of 30. June 2012 totalled NOK 4.351 billion, NOK 900 million of the covered bonds were purchased by Helgeland Sparebank.

Helgeland Boligkreditt AS has a long term credit in Helgeland Sparebank amounting to NOK 1 billion. The credit has been utilized by NOK 400 million.

Miscellaneous

Helgeland Sparebank owns about 9% of the shares in Frende Holding AS and in 2012 received commission for the distribution of life insurance products for a total of NOK 2 million, the bank has also received commission for distribution of general insurance for a total of NOK 5 million in 2012.

The Bank has also participated in the establishment of the securities firm Norne Securities AS with an ownership interest of 6.5% and of a new leasing company, Brage Finans AS, with an ownership interest of 10 %

NOTE 15. SECURITIES DEBT AND SUBORDINATED LOAN CAPITAL

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
400	410	0	F-loans Norges Bank	0	410	400
826	826	826	Loans from Norges Bank	826	826	826
11	0	5	Other loans	5	0	15
1 237	1 236	831	Total loans from Norges Bank	831	1 236	1 241
454	306	461	Certificate debt	461	306	454
6 389	5 668	5 872	Bond debt	5 872	5 667	6 389
0	0	0	Covered bonds	2 901	1 904	2 384
6 843	5 974	6 333	Total securities debt	9 234	7 877	9 227
0	0	218	Fundbonds	218	0	0
0	0	218	Total fundbonds	218	0	0

NOTES

NOTE 16. FINANCIAL DERIVATIVES

<i>Parent bank</i>				<i>Group</i>			
30.06.12				30.06.12			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
631	0	33	Interest rate swaps- fixed interest rate loans	631	0	33	
25	1	0	Interest rate swaps- bank deposits with share Yield	0	1	0	
656	1	33	Total financial derivatives	631	1	33	
1 573	140	0	Interest rate swaps – fixed interest rate with hedging	1 573	140	0	
1 573	140	0	Total financial derivatives with hedging	1 573	140	0	

<i>Parent bank</i>				<i>Group</i>			
31.03.11				31.03.11			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
381	0	16	Interest rate swaps- fixed interest rate loans	381	0	16	
500	17	0	Interest rate swaps- bank deposits with share Yield	500	17	0	
881	17	16	Total financial derivatives	881	17	16	
1 350	118	0	Interest rate swaps – fixed interest rate with hedging	1 350	118	0	
1 350	118	0	Total financial derivatives with hedging	1 350	118	0	

NOTE 17. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>				<i>Group</i>				
%	30.06.11	%	30.06.12	30.06.12	%	30.06.11	%	
92.6 %	9 828	91.9 %	10 473	Helgeland	10 276	91.8 %	9 653	92.5 %
6.7 %	706	7.3 %	837	Areas other than Helgeland	837	7.5 %	706	6.8 %
0.7 %	78	0.7 %	85	International	85	0.8 %	78	0.7 %
100.0 %	10 612	100.0 %	11 395	Total	11 198	100.0 %	10 437	100.0 %

NOTE 18. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

<i>Parent bank</i>				<i>Group</i>				
%	30.06.11	%	30.06.12	30.06.12	%	30.06.11	%	
2.1 %	227	3.8 %	432	Financial institutions	264	2.4 %	87	0.8 %
9.2 %	971	8.9 %	1 019	Municipalities and municipal enterp.	1 019	9.1 %	971	9.3 %
2.8 %	302	3.0 %	337	Agriculture and forestry	337	3.0 %	302	2.9 %
2.7 %	287	1.5 %	174	Fisheries and aquaculture	174	1.6 %	287	2.7 %
1.3 %	133	1.2 %	141	Mining and industry	141	1.3 %	133	1.3 %
3.8 %	408	4.1 %	471	Building and construction	471	4.2 %	408	3.9 %
2.9 %	305	2.8 %	319	Trade, hotel, restaurants.	319	2.8 %	305	2.9 %
6.5 %	691	5.9 %	672	Transport and services	672	6.0 %	691	6.6 %
4.9 %	522	4.4 %	499	Property, property development	470	4.2 %	487	4.7 %
63.8 %	6 766	64.3 %	7 331	Retail market	7 331	65.5 %	6 766	64.8 %
100.0 %	10 612	100.0 %	11 395	Total	11 198	100.0 %	10 437	100.0 %

NOTES

NOTE 19. EQUITY CERTIFICATE CAPITAL HELG

Per 31.03.12			<i>Parent bank</i>	
	Numbers	% share	Numbers	% share
Sparebankstiftelsen Helgeland	12 099 598	64.7 %	Sparebanken Vest	200 000 1.1 %
Sparebank 1 Midt-Norge	660 000	3.5 %	Nervik, Steffen	105 000 0.6 %
MP Pensjon	658 147	3.5 %	Hartviksen, Harald	94 498 0.5 %
Skagen Vekst	407 400	2.2 %	Tromstrygd	75 000 0.4 %
Sparebanken Øst	386 994	2.1 %	Coop Norge SA	63 047 0.3 %
Helgelandskraft AS	340 494	1.8 %	Institutt for sammenligning	62 300 0.3 %
Sparebankstiftelsen DnB NOR	329 124	1.8 %	Arnesen, Dag Fredrik Jebsen	60 000 0.3 %
Nordea Bank	262 453	1.4 %	Sivesind Invest AS	52 541 0.3 %
Haslum Industri AS	217 230	1.2 %	Brage invest AS	48 433 0.3 %
Terra utbytte	201 006	1.1 %	Argo Securities AS	36 070 0.2 %
Total 10 biggest owners	15 562 446	83.2 %	Total 20 biggest owners	16 359 335 87.5 %

The bank has issued a total of 18 700 000 equity certificates value of NOK 50,-.

NOTES

NOTE 20. CAPITAL ADEQUACY

The first part of the note shows the calculation base and capital adequacy under Basel II

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
935	935	935	ECC-capital	935	935	935
97	97	97	Premium Fund	97	97	97
-1	-1	-1	Own ECCs	-1	-1	-1
1.031	1.031	1.031	Total paid-in capital	1.031	1.031	1.031
364	352	364	Savings Bank's fund	364	352	364
95	99	95	Reserve for valuation variances	79	91	86
27	29	15	Donations Fund	15	29	27
117	82	117	Dividend equalisation reserve	117	82	117
36	0	0	Cash dividend	0	0	36
0	0	0	Other equity capital	17	19	17
639	562	591	Total accrued equity capital	592	573	647
			Additional:			
0	0	218	Fundbonds	218	0	0
			Deduction:			
-95	-99	-95	Not realized profits	-79	-91	-86
-41	-10	0	Cash dividend /gifts employee	0	-10	-41
-49	-40	-59	Intangible asstes	-60	-42	-51
1.485	1.444	1.686	Total core capital	1.702	1.461	1.500
40	41	33	Net nor realized profits	29	37	37
40	41	33	Total net supplementary capital	29	37	37
1.525	1.485	1.719	Total net equity and related capital	1.731	1.498	1.537
11.846	11.816	12.522	Weight assets calculation basis *)	13.290	12.718	12.960
12,87 %	12,57 %	13,72 %	Capital adequacy ratio i %	13,02 %	11,78 %	11,86 %
12,54 %	12,22 %	13,46 %	Of which core capital accounted for %	12,81 %	11,49 %	11,57 %

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

<i>Parent bank</i>				<i>Group</i>		
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
0	0	0	States and central banks	0	0	0
13	4	7	Local and regional authorities (including municipalities)	7	4	13
0	0	6	Publicly owned enterprises	6	0	0
67	63	98	Institutions	56	50	60
272	331	279	Enterprises	279	333	272
200	210	210	Mass market loans	195	210	200
297	228	299	Loans secured by real property	424	325	405
13	17	8	Loans overdue	8	17	13
15	14	15	Covered bonds	8	7	8
0	0	0	Units in securities funds	0	0	0
25	29	36	Other loans and commitments	34	23	17
902	896	957	Capital requirement credit risk	1.016	967	988
55	58	55	Capital requirement operational risk 1)	58	59	58
-9	-9	-11	Deducted from capital requirement	-11	-9	-9
948	945	1.002	Total capital requirement	1.063	1.017	1.037

NOTES

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

<i>Parent bank</i>					<i>Group</i>					
31.12.11	Q2/11	Q2/12	30.06.11	30.06.12		30.06.12	30.06.11	Q2/12	Q2/11	31.12.11
4.21	4.11	4.23	4.10	4.31	Interest receivable and similar income	4.38	4.16	4.35	4.15	4.26
2.70	2.56	2.81	2.54	2.86	Interest payable and similar costs	2.91	2.59	2.87	2.61	2.76
1.52	1.56	1.42	1.56	1.44	Net interest- and credit commission income	1.47	1.56	1.48	1.55	1.50
0.36	0.39	0.39	0.36	0.37	Commissions receivable and income from banking services	0.33	0.33	0.35	0.36	0.34
0.06	0.06	0.04	0.06	0.04	Commissions payable and costs relating to banking services	0.03	0.06	0.03	0.05	0.06
0.30	0.33	0.35	0.30	0.33	Net commission income	0.30	0.28	0.31	0.30	0.28
0.03	0.18	0.04	0.15	0.08	Gains/losses on financial assets available for sale	-0.01	0.10	-0.10	0.00	-0.04
0.02	0.01	0.00	0.02	0.01	Other operating income	0.03	0.03	0.02	0.02	0.02
1.06	1.12	1.05	1.15	1.06	Operating costs	1.02	1.12	1.01	1.08	1.02
0.13	0.14	0.18	0.14	0.15	Losses on loans, guarantees etc. and fixed assets	0.13	0.13	0.16	0.13	0.13
0.67	0.81	0.58	0.72	0.65	Result before tax	0.64	0.73	0.54	0.66	0.62
0.19	0.23	0.18	0.20	0.19	Tax payable on ordinary result	0.17	0.20	0.14	0.22	0.19
0.48	0.58	0.41	0.52	0.47	Result from ordinary operations after tax	0.46	0.52	0.40	0.44	0.43

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

<i>Parent bank</i>					<i>Group</i>					
Q2/11	Q3/11	Q4/11	Q1/12	Q2/12		Q2/12	Q1/12	Q4/11	Q3/11	Q2/11
199	212	226	225	217	Interest receivable and similar income	250	254	251	233	217
124	137	151	150	144	Interest payable and similar costs	165	170	171	153	136
75	75	75	75	73	Net interest- and credit commission income	85	84	80	80	81
18	20	18	18	20	Commissions receivable and income from banking services	20	18	18	20	18
3	3	3	2	2	Commissions payable and costs relating to banking services	2	2	3	3	3
15	17	15	16	18	Net commission income	18	16	15	17	15
9	-1	-7	6	2	Gains/losses on financial assets available for sale	-6	5	-17	-2	0
1	0	1	1	0	Other operating income	1	2	2	0	2
54	55	44	55	54	Operating costs	58	59	46	57	57
7	7	7	6	9	Losses on loans, guarantees etc.	9	6	7	7	7
39	29	33	37	30	Result before tax	31	42	27	31	34
11	9	10	10	9	Tax payable on ordinary result	8	12	10	9	10
28	20	23	27	21	Result from ordinary operations after tax	23	30	17	22	24

<i>Parent bank</i>					<i>Group</i>					
30.06.11	30.09.11	31.12.11	31.03.12	30.06.12		30.06.12	31.03.12	31.12.11	30.09.11	30.06.11
ASSETS										
737	712	118	109	120	Cash and claims on central banks	120	110	118	712	737
613	745	742	865	762	Loans to and claims on credit institutions	367	360	316	172	59
13 737	14 130	14 387	14 342	14 574	Loans to and claims on customers	18 818	18 332	18 049	17 738	17 108
135	158	179	141	141	Financial derivatives	141	141	179	158	135
3 908	3 808	4 655	4 569	4 507	Certificates, bonds and shares available for sale	3 532	3 668	3 756	2 908	3 008
163	163	163	163	163	Investments in associated companies	154	154	154	165	165
204	204	246	246	246	Investments in subsidiaries					
40	40	49	49	49	Deferred tax benefit	51	51	51	42	42
103	136	70	65	96	Fixed assets	190	155	158	169	132
8	10	20	26	14	Other assets	14	27	21	11	9
19 648	20 106	20 629	20 575	20 672	Total assets	23 387	22 998	22 802	22 075	21 395
LIABILITIES AND EQUITY CAPITAL										
1 236	1 231	1 237	829	831	Liabilities to credit institutions	831	828	1 241	1 225	1 237
10 612	10 550	10 655	10 819	11 395	Deposits from customers and liabilities to customers	11 198	10 603	10 429	10 379	10 436
5 974	6 479	6 843	6 783	6 333	Borrowings through the issuance of securities	9 234	9 409	9 227	8 602	7 877
16	20	25	40	33	Financial derivatives	33	40	25	21	16
166	183	200	219	182	Other liabilities	180	228	202	188	171
0	0	0	218	218		218	218	0	0	0
18 004	18 463	18 960	18 908	18 992	Total liabilities	21 694	21 326	21 124	20 415	19 737
1 031	1 031	1 031	1 031	1 031	Paid-in equity capital	1 031	1 031	1 031	1 031	1 031
563	541	638	609	601	Accrued equity capital/retained earnings	607	609	645	550	571
50	71	0	27	48	Profit after taxes	53	30	0	77	55
					Minority interest	2	2	2	2	2
1 644	1 643	1 669	1 667	1 680	Total equity capital	1 693	1 672	1 678	1 680	1 657
19 648	20 106	20 629	20 575	20 672	Total liabilities and equity capital	23 387	22 998	22 802	22 075	21 395

NOTES

OTHER KEY FIGURES

<i>Parent bank</i>			<i>Group</i>			
31.12.11	30.06.11	30.06.12		30.06.12	30.06.11	31.12.11
BALANCE SHEET						
Development in the last 3 months						
	4,4	0,2	Total assets	2,6	6,1	
	1,2	1,2	Gross lending	4,5	3,5	
	5,3	6,9	Deposit	7,4	5,6	
Development in the last 12 months						
9,6	3,9	5,2	Total assets	9,3	9,1	13,1
5,9	1,6	5,9	Gross lending	10,2	8,5	9,1
5,8	8,0	7,4	Deposit	7,3	7,7	5,5
73,5	76,7	77,8	Deposit coverage as a percentage of gross loans	59,0	60,7	57,5
54,4	54,9	53,9	Lending to retail customers	63,7	63,2	63,5
19.733	19.302	20.644	Average assets	23.118	20.761	21.425
14.487	13.835	14.655	Gross loans	18.970	17.207	18.149
-39	-38	-19	Individual write-downs	-19	-39	-39
-60	-60	-62	Period's change in collective write downs	-62	-60	-60
-10	-1	-17	Individual write-downs on guarantees	-17	-1	-10
SOLIDITY						
12,9	12,6	13,7	Capital adequacy ratio as percentage	13,0	11,8	11,9
12,5	12,2	13,5	Core capital ratio as percentage	12,8	11,5	11,6
8,1	8,4	8,1	Equity capital ratio	7,2	7,7	7,4
5,7	6,1	5,8	Rate of return on equity capital	6,3	6,5	5,6
0,5	0,5	0,5	Return on assets	0,5	0,5	0,4
KEY FIGURES PCC						
3,8	2,0	1,9	Yield per primary certificate	2,1	2,2	3,7
3,8	2,0	1,9	Diluted result per ECC, in Norwegian currency	2,1	2,2	3,7
61,4	59,5	61,4	Equity capital per ECC 2)	61,4	59,5	61,4
30,5	40,0	29,3	PCC price quoted on the stock exchange	29,3	40,0	30,5
8,0	9,9	7,6	P/E (price as at 30.09 divided by profit per ECC)	6,9	9,2	8,2
0,5	0,7	0,5	P/B (price as ar 30.09. divided by book value of equity capital	0,5	0,7	0,5
57,1 %	57,3 %	57,1 %	Costs as a percentage of income	57,1 %	56,7 %	57,7 %
1,1	1,1	1,1	Cost in percent of average total assets	1,0	1,1	1,0
177	177	177	Number of man-years	177	177	177
LOSSES ON LOANS AND GROSS DEFAULTS						
29,2	20,6	25,5	Specified loan provision in % of gross default on loan <i>As a percentage of gross lending</i>	25,5	21,2	29,2
1,2	1,4	1,0	Gross defaults over 90 days	0,7	1,1	0,9
0,9	1,1	0,8	Net defaults over 90 days	0,6	0,9	0,7
0,7	0,7	0,6	Total loan loss provision	0,4	0,6	0,5
0,2	0,2	0,2	Losses on lending	0,2	0,2	0,1

1) Splitt og fondsemisjon av bankens egenkapitalbevis er innarbeidet i sammenligningstall for tidligere perioder

2) Egenkapitalbeviskapital + overkursfond + utjevningsfond, dividert på antall egenkapitalbevis

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 2012 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, 30 June 2011

Mo i Rana, 15 August 2012

Jan Erik Furunes
Chairman of the Board

Lisbeth Flågeng
Deputy Chairman of the Board

Helge Stanghelle

Inger Lise Strøm

Brit Søvting
General Manager

Information concerning Helgeland Sparebank

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Organisation number	937904029

Board of Directors of Helgeland sparebank

Bjørn Johansen, Chair
Thore Michalsen, Deputy Chair
Gislaug Øygarden
Ove Brattbakk
Monica Skjellstad
May Heimdal

Investor Relations

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Other sources of information

Annual reports

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

Quarterly publications

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