

Q2²⁰₁₃

financial report
first half year and second quarter 2013



Helgeland Sparebank,

Accounts for first half of 2013 and second quarter

General information

Helgeland Sparebank is a traditional bank- and finance institution. The bank has 15 offices in 13 municipalities in the Norwegian region of Helgeland. It is the 13th largest savings bank in Norway.

The HSB group includes Helgeland Sparebank and the consolidated subsidiaries Helgeland Boligkreditt AS, ANS Bankbygg Mo, AS Sparabankbygg, Helgeland Sparebanks Eiendomsselskap AS and Helgeland Utviklingsselskap AS. The bank owns 48% of Helgeland Invest AS, 43% of Storgata 73 AS and 34% of Eiendomsmegleren Helgeland AS. The results from the associated companies are incorporated into the banks corporate results corresponding to the banks share of ownership.

The accounts are conducted in line with IFRS, hereunder IAS 34 with regards to interim reporting. All numerical quantities are affiliated to the HSB group. Numerical quantities in brackets apply to the corresponding period last year. The periodical accounts have not been audited.

Main features for the first half (HSB group)

- Gross profit MNOK 117 (73), improvement of MNOK 44.
- Increased net interest strengthens basic operations
- Good deposit growth and increased deposit ratio
- Decreased lending growth
- New MNOK 300 subordinated loan increases total capital ratio
- Group contribution from Helgeland Boligkreditt AS has increased the dividends basis in the parent bank with MNOK 30.

Return on equity at 30.06.2013 was significantly strengthened and was 9.2 (6.3) %, and the result per equity capital certificate (ECC) was NOK 3.30 (2.10).

The bank has determined a new goal to give a return on equity of 10% under normal market conditions.

Key figures for first half: (comparing to 30.06.2012)

- Net interest 1.65 (1.47) %
- Ordinary operations costs 0.95 (1.02) %
- Write-downs on lending 0.10 (0.13) %
- 6-month lending growth 3.3 (4.5) %
- 6-month deposit growth 8.8 (7.4) %
- Core capital ratio (CET1) was 11.29 (11.17) %
- Total capital ratio was 15.03 (13.02) %

The share of surplus is not incorporated into the capital ratios above.

Result for first half

The net interest

The net interest was strengthened throughout the whole of 2012 and has increased additionally from 1.55% in the first quarter of 2013 to 1.73% in the second quarter. The guarantee fund fee is then charged with 5bp in 2013.

Net interest and credit provision earnings were MNOK 204, compared with MNOK 169 in Q2 2012. This is an improvement of MNOK 35 and is due to decreasing loaning costs and increased margins on the lending portfolio, both for personal customers and business customers. The interest changes have had full effect from the month of May.

Net provision earnings

The bank has maintained the level on provision earnings in terms of NOK, and net provision earnings were MNOK 35 (34) for the first half.

Net value change and profit/loss on financial instruments

There are posted MNOK 6 as income from net value change on financial instruments. Compared with 30.06.12 the income from financial investments has increased with MNOK 7. The bank posted MNOK 7 as expenses in the first half of 2012 due to decreased values on shares and ECCs.

Operations costs

The HSB group has cost efficient and stable operations. Combined ordinary operations costs in NOK are at the same level as first half of 2012. Ordinary operations costs constitute 0.95% of average bank total assets, compared to 1.02% is the same period last year. The relative figures for ordinary operations costs measured in per cent of income is reduced and constituted 47.6 (57.1) %. The costs have been stable while income has increased.

The number of annual positions in the HSB group is 177, and is unchanged from 2011. Absence due to sickness is low, and ended at the combined level of 3.7 (3.3) % in the quarter.

Write-downs posted as expenses on commitments

Write-downs on lending is posted as expenses with MNOK 13 (15), hereof write-downs on groups of lending with MNOK 2 (2). In per cent of gross lending, posted write-downs constitute 0.13 (0.20) %.

Tax

The cost of tax in the HSB group is estimated to 28%.

Group contribution from the covered bond company (Helgeland Boligkreditt AS) has reduced the tax basis in the paternal bank with MNOK 30, which gives at tax reduction of MNOK 8.3.

The equity capital certificate - HELG

The equity capital constitutes MNOK 935 and is distributed on about 2,050 owners.

Note 19 shows an overview over the 20 largest ECC owners.

In February the bank gave a notice of a write-down of the ECCs face value. The ECC ownership capital is reduced by MNOK 748 from MNOK 935 to MNOK 187 by changing the ECCs face value from NOK 50 to NOK 10. The reduction amount will be used for allocation in the ECC premium account.

The ECC owners' combined capital will not be affected and remains unchanged. The write-down is done to increase the HSB group's flexibility on the equity side and will be conducted in Q3 2013.

The price of the ECC HELG was at 30.06.13 NOK 36.20, which is an increase of NOK 5.20 per ECC since the beginning of the year.

Q2 profit and loss

Gross profit was MNOK 66 in the quarter, this is an improvement MNOK 35 compared with Q2 2012. Compared with the corresponding period last year the net interest has increased by MNOK 24 and financial instruments have given a positive contribution with MNOK 9. In per cent of average management the net interest has increased from 1.48% in Q2 2012 to 1.73% in Q2 2013.

The HSB group can show to stable operations costs and good cost control. Ordinary operations costs were MNOK 59. In per cent of average bank total assets this constitutes 0.93% against 1.01% in Q2 last year.

Write-downs on lending and warranties are posted as expenses by MNOK 8 (9).

The lending growth in the last three months has been lower than the corresponding period last year, while the deposit growth is good and at a higher level than Q2 last year.

Q2 key figures:

- Gross profit MNOK 66 (31)
- Net interest 1.73 (1.48) %
- Ordinary operations costs 0.93 (1.01) %
- Write-downs on lending 0.11 (0.16) %
- 3-month lending growth 2.0 (2.9) %
- 3-month deposit growth 6.4 (5.6) %

Balance development

The last 12 months have seen a growth in bank total assets by MNOK 2,283, or 9.8%, which now constitute NOK 25.7 billion.

Commitments

Gross lending by the end of the quarter constituted MNOK 20,492. 83.1% of this is lent to customers in the Helgeland region. Included in the HSB group's lending volume are also MNOK 4,952 that are transferred to the covered bond company (Helgeland boligkreditt AS), which is a fully owned subsidiary.

In the last 12 months the lending has increased by MNOK 1,523, or 8.0 (10.2) %. The HSB group has a lending growth to business customers of 6.5 (8.7) %, and to personal customers of 8.9 (11.2) %. Combined lending growth is moderated somewhat in Q2. This is in line with the bank's goals.

The share of lending to personal customers has increased, and constitute NOK 13.2 billion, or 64.3 (63.7) %.

New and tighter capital requirements increase the need for adaptation and capital intensifying measures.

The HSB group has signalled reduced growth in 2013, i.a. also by unloading loans to the business market through concrete measures.

Sum net defaulted and loss exposed commitments were MNOK 128 (127), equivalent to 0.6 (0.7) % of gross lending.

Deposits from customers

In the last 12 months deposits have increased by MNOK 996, or 8.9 (7.3) %. The deposit growth was largest in the business market with 9.1 (5.3) %, while the deposit growth from personal customers was 8.8 (8.4) %.

Of total deposits at NOK 12.2 billion, NOK 7.9 billion, or 65.4%, are deposits by personal customers. Deposits under MNOK 2 constitute NOK 7.9 billion, which is 64.4% of the total deposit volume.

The bank has effectuated a number of measures to increase the deposit ratio through a stronger focus on deposits and long term saving.

The HSB group has a stable and local customer base, whereof 91.3 (91.8) % are customers from the Helgeland region. The deposit ratio at 30.06.13 was 59.5 (59.0) % in the HSB group and 79.8 (77.8) % in the paternal bank.

Loans from the capital market

The general interest levels are still low. The economic growth in China seems to be slowing and the Eurozone is still in a recession. The European central bank (ECB) decided to cut the interest rate by 0.25%.

For the USA the picture looks somewhat more positive. Increased employment, lower unemployment and a better housing market contributes in the right direction. However, this increases the likelihood for a less expansive monetary policy, which has resulted in higher long term interests.

At home we see a somewhat weaker growth picture, something that has caused a relatively big adjustment down on the Bank of Norway's interest prognoses. This has caused a fall in short interest rates as well as a much weaker rate on the Norwegian krone (NOK). The Bank of Norway has opened for an interest rate cut already this autumn.

Access to loans for banks in the market has been good with declining credit spreads throughout the quarter. The credit spreads now seem to have reached a temporary bottom.

In the last period the bank has mainly refinanced its loans from the market through senior loans. The price difference between senior loans and covered loans is still small.

The HSB group has a good and long term funding profile with good diversification between the different funding sources. By the end of the quarter the share of loans longer than one year was 86.9 (81.0) %, and long term funding in percent of liquid assets (liquidity indicator 1) was 109.9 (104.6) %. The covered bond company, Helgeland Boligkreditt AS, is an important source for funding, and transference of approved mortgages to the company has high priority.

The main weight of the HSB group's liquidity reserves in the form of interest bearing assets is placed in covered bonds, government-, municipality, finance-, and industrial bonds. Combined duration on the portfolio is 2.0 (2.0) years. The HSB groups combined liquidity reserves (cash, bank deposits and interest bearing assets) constitute NOK 4.5 (3.9) billion, or 17.4 (16.6) % of the groups bank total assets. The HSB group will gradually adapt to the new coming liquidity requirements in Basel III (LCR and NSFR) in line with the rate of implementation.

Risk conditions and capital ratio

The HSB group's combined risk is governed through proxies, goals and frames determined by the board of directors. The bank's liquidity

situation is considered reassuring, and the share of long term funding is well above target figures.

The development in the bank's credit risk is monitored closely; i.a. through the use of solvency analyses for all personal customers based on newly approved commitments per quarter and the development in the combined personal market portfolio. Business customers are followed up closely on the individual level in addition to the monitoring of risk development based on the bank's scenario models per region and areas of responsibility, as well as significant industries. The bank is monitoring the development in relation to the determined steering goals for the portfolio.

The HSB group has a CET1 capital ratio of 11.29 (11.17) %, which is well above the current minimum requirement of 9%, as well as above the new 10% requirement from 1st of July 2014. The T1 capital ratio constitute 12.89 (12.81) % and the total capital ratio constitute 15.03 (13.02) %. The total capital ratio is improved as a result of the successful issuance of a MNOK 300 subordinated loan in May.

The share of surplus so far this year has not been included into the numbers at 30.06.13. Note 20 shows the capital ratio including 70% of the profit.

The bank has determined a capital plan for 2013 - 2017, where satisfaction of the new capital requirements in Norway as a result of CRD IV is central. The board of directors has determined new capital goals, where the target is a CET1 capital ratio (HSB group) of at least 12.5% and a total capital ratio of up to 18% - given a countercyclical capital buffer of 2.5%.

The HSB group is planning to strengthen the CET1 capital by building capital over operations through strengthened basic operations, reduced lending volume, high focus on risk weighted balance and reduced dividend levels to 25-30% in the two coming years. The combined capital ratio will further be improved by the use of subordinated loans and T1 loans in the period towards 2017.

The HSB group's development so far this year shows a reduced lending volume and significant improvement of basic operations, which is in line with the bank's capital plan.

The prospects ahead

The developmental trends in Norwegian business and commerce and in the Helgeland region show an emerging dichotomy. The land based petroleum activity increases with new activity (Aker Solutions, Wasco and Momek), while the export oriented industries struggle with a strong Norwegian currency and difficult market conditions (Celsa and Alcoa) as was expected in the last

REPORT OF THE BOARD OF DIRECTORS

quarterly report from the bank. The aquaculture industry (Nova Sea and Marine Harvest) is the exception with good demand and high export prices.

The government is worried about the high credit growth in Norwegian households. The growth in housing prices in the Helgeland region is stronger than in many other parts of the country. The credit growth is also part of the explanation behind the increased capital ratio requirements in the banks. People are at the same time asked to save more of their income. A combination of increased insecurity in the international economy, a fall in the oil prices and reduced housing prices could also potentially hit the Helgeland region.

The bank's holiday survey showed that 70% of people from Helgeland planned to spend the holiday in Norway. About half of these spent their time in the Helgeland region. As much as 58% planned to spend their vacation money on other things than just travelling. 13% said they would save money and 11% would spend money on housing and construction projects. Only 1% prioritised car purchases. 56% are saving on a monthly basis.

Satisfaction of the new capital requirements will have a high priority in the time to come. The work to strengthen the bank's capital ratio will continue in line with the approved capital plan. The bank is

aiming toward a capital ratio at the same level as the systemically critical banks in Norway, and prepares to fulfil the bank's goal for CET1 capital by July 2014.

The bank's basic operations are significantly improved in the last quarter. The interest rate increase on the lending portfolio has been conducted with full effect from the month of May. On parts of the depositor portfolio the interest rate will be reduced with effect from 1st of August. This, together with increased profit on the lending portfolio, will give a gradually increasing net interest. A slightly increasing curve on the provision earnings is expected to continue. Sale of leasing- and insurance products is a success and, together with the bank's affiliated real estate agent company, strengthens the bank's position as a regional finance institution.

A high focus on deposits from customers has given results both in breadth and in relation to larger depositors. This, together with new savings products, is expected to give a higher deposit ratio. The increase in deposits is in its totality from customers in the Helgeland region. The strength of the lending portfolio signifies a continued low level of write-downs on lending even if a slowdown in the economy in the long term would cause and increase in defaults. A low cost level mirrors efficient and rational operations.

Mo i Rana, 15. August 2013

Thore Michalsen
Chair man of the board

Ove Brattbakk
Deputy Chair

Gislaug Øygarden

Monica Skjellstad

Bjørn Audun Risøy

May Heimdal
Employee repr.

Jan Erik Furunes
CEO

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT (amounts in NOK million)

Parent bank

Group

31.12.12	Q2/12	Q2/13	30.06.12	30.06.13		30.06.13	30.06.12	Q2/13	Q2/12	31.12.12
876	217	227	442	441	Interest receivable and similar income	519	504	267	250	1009
571	144	138	294	275	Interest payable and similar costs	315	335	158	165	653
305	73	89	148	166	Net interest- and credit commission income	204	169	109	85	356
81	20	21	38	40	Commissions receivable and income from banking services	40	38	21	20	81
9	2	3	4	5	Commissions payable and costs relating to banking services	5	4	3	2	9
72	18	18	34	35	Net commission income	35	34	18	18	72
6	2	36	8	37	Gains/losses on financial assets available for sale (note 3)	6	-1	3	-6	-3
3	0	1	1	1	Other operating income	3	3	2	1	7
215	54	53	109	108	Operating costs (note 4)	118	117	59	58	233
27	9	7	15	13	Losses on loans, guarantees etc. (note 5)	13	15	7	9	27
144	30	84	67	118	Result before tax	117	73	66	31	172
41	9	16	19	25	Tax payable on ordinary result	34	20	20	8	49
103	21	68	48	93	Result from ordinary operations after tax	83	53	46	23	123
4,1			1,9	3,7	Yield per equity capital certificate (note 6)	3,3	2,1			4,9
4,1			1,9	3,7	Diluted result per ECC in Norwegian currency (note 6)	3,3	2,1			4,9
Extended Income Statement										
103	21	68	48	93	Result from ordinary operations after tax	83	53	46	23	123
<u>Items that are not subsequently reversed through profit or loss:</u>										
0	0	0	0	26	Estimate variances, pensions will not be reversed over the income	26	0	0	0	0
0	0	0	0	-7	Tax on extended profit	-7	0	0	0	0
0	0	0	0	19	Net extended profit or loss items	19	0	0	0	0
<u>Items that are not subsequently reversed through profit or loss:</u>										
26	0	0	8	4	Net change in fair value available-for-sale fin. assets	4	8	-8	0	26
-5	0	0	-1	-1	Tax on extended profit	-1	-1	0	0	-5
21	0	0	7	3	Net extended profit or loss items	3	7	-8	0	21
124	21	68	55	115	Total result for the period	105	60	38	23	144
5,0			2,2	4,6	Yield per equity capital certificate	4,2	2,4			5,8
5,0			2,2	4,6	Diluted result per ECC in Norwegian currency	4,2	2,4			5,8

BALANCE SHEET

BALANCE SHEET (amounts in NOK million)

<i>Parent bank</i>			<i>Group</i>			
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
ASSETS						
92	120	107	Cash and claims on central banks	107	120	92
985	762	1 550	Loans to and claims on credit institutions	804	367	278
14 747	14 574	15 516	Loans to and claims on customers (note 7,8,9,10)	20 395	18 818	19 755
261	141	213	Financial derivatives (note 16)	213	141	261
4 753	4 507	4 550	Certificates, bonds and shares available for sale	3 730	3 532	3 778
163	163	164	Investments in associated companies (note 12)	155	154	153
347	246	347	Investments in subsidiaries (note 12)	0	0	0
66	49	66	Deferred tax benefit	69	51	69
90	96	73	Fixed assets (note13)	178	190	195
13	14	12	Other assets	19	14	13
21 517	20 672	22 598	Total assets	25 670	23 387	24 594
LIABILITIES AND EQUITY CAPITAL						
830	831	647	Liabilities to credit institutions	647	831	830
11 511	11 395	12 461	Deposits from customers and liabilities to customers (note 17,18)	12 194	11 198	11 211
6 958	6 333	6 934	Borrowings through the issuance of securities (note 15)	10 225	9 234	10 294
45	33	41	Financial derivatives (note 16)	41	33	45
209	182	169	Other liabilities	186	180	215
219	218	518	Fundbonds and subordinated loan capital	518	218	219
19 772	18 992	20 770	Total liabilities	23 811	21 694	22 814
1 031	1 031	1 031	Paid-in equity capital (note 19,20)	1 031	1 031	1 031
714	601	704	Accrued equity capital/retained earnings (note 20)	743	607	747
0	48	93	Result from ordinary operations after tax	83	53	0
1 745	1 680	1 828	Total equity capital exclusive minority interest	1 857	1 691	1 778
			Minority interest	2	2	2
1 745	1 680	1 828	Total equity capital	1 859	1 693	1 780
21 517	20 672	22 598	Total liabilities and equity capital	25 670	23 387	24 594

NOTES

CHANGE IN EQUITY CAPITAL

	<i>Group</i>											
	30.06.13											
	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Min. Int.	Per. result	Total
Equity capital as at 01.01.13	935	97	- 1	107	382	17	5	170	66	2		1 780
IAS19R*)					5			14				19
Result for the period											83	83
Extended profit or loss items				3								3
Sum total ext. profit or loss	935	97	- 1	110	387	17	5	184	66	2	83	1 885
Transactions with owners												
Dep. dividend equal.res.												0
Dep. Dividend												0
Dividend paid						- 2	- 5		- 19			- 26
Equity capital 30.06.13	935	97	- 1	110	387	15	0	184	47	2	83	1 859
Paid-in/accrued equity capital/retained earnings			1 031								828	1 859

	<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.	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	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	53	1 693
Paid-in/accrued equity capital/retained earnings			1 031								662	1 693

	<i>Parent bank</i>											
	30.06.13											
	ECC capital	Premium fund	Own ECCs	Result for valuation variance	Savings bank's fund	Donation fund	Char. found.	Divid. Equal res.	Other Equ.cap.	Per. result	Total	
Equity capital as at 01.01.13	935	97	- 1	116	382	17	5	170	24			1 745
IAS19R*)					5			14				19
result for the period											93	93
Extended profit or loss items				3								3
Sum total ext. profit or loss	935	97	- 1	119	387	17	5	184	24	93		1 860
Transactions with owners												
Dep. dividend equal.res.												0
Dep. dividend												0
Dividend paid						- 2	- 5		- 24			- 31
Equity capital 30.06.13	935	97	- 1	119	387	15	0	184	0	93		1 829
Paid-in/accrued equity capital/retained earnings			1 031							798		1 829

	<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.	Other Equ.cap.	Per. result	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

NOTES

CASH FLOW STATEMENT

<i>Parent bank</i>			<i>Group</i>			
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
144	67	118	Result of ordinary operations	117	73	172
14	8	6	+ Ordinary depreciation/amortisation	9	10	20
0	0	0	+ Writedowns and gain/loss on fixed assets	0	0	0
27	15	13	+ Losses on loans, guarantees, etc	13	15	27
- 41	- 19	- 25	- Tax expense	- 34	- 20	- 48
144	71	112	= Provided from the years operations	105	78	171
4	- 18	- 40	Change miscellaneous debt: + increase/-decrease	- 31	- 18	- 4
8	5	30	Change miscellaneous claims: - increase/+ decrease	26	7	17
- 347	- 130	- 780	Change loans to and balances with customers:- incr./+ decr.	- 651	- 724	-1 692
856	740	950	Change deposits from and liabilities to customers:+ incr/-decr.	980	769	783
0	0	0	Change liabilities to credit institutions : + increase	0	0	0
- 407	- 400	- 183	Change liabilities to credit institutions : + Decrease	- 180	- 400	- 411
258	268	89	A Net liquidity change from operating activities	249	- 288	-1 136
- 42	- 36	- 4	- Invested in tangible fixed assets	- 4	- 40	- 41
1	1	16	+ Sale of tangible fixed assets	16	1	1
-5 721	-1 719	-1 854	- Investment in long-term securities	-1 854	-1 719	-5 634
5 511	1 820	2 038	+ Sale in long-term securities	1 838	1 820	5 511
- 251	66	196	B Liquidity change from investing activities	- 4	62	- 163
- 35	- 35	- 24	- Dividend paid on ECCs	- 24	- 35	- 35
2 682	947	1 531	+ Issue debt securities	1 531	1 538	3 708
-2 656	-1 442	-1 512	- Redemption debt securities	-1 512	-1 442	-2 656
218	218	300	Change subordinated loan capital/primary capital + incr.- decr	300	218	218
209	- 312	295	C Liquidity change from financing activities	295	279	1 235
217	22	580	A+B+C Sum total change liquid assets	540	53	- 64
860	860	1 077	+ Liquid assets at the start of the period	370	434	434
1 077	882	1 657	= Liquid assets at the close of the period	910	487	370

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 2012. The interim report for the second quarter is in compliance with IAS 34 and has not been audited.

NOTES

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.

<i>Parent bank</i>					<i>Group</i>				
30.06.13					30.06.13				
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total	
87	82	- 3	166	Net interest and credit commission income	127	84	- 7	204	
13	6	16	35	Net commission income	13	6	16	35	
0	0	39	39	Other operating income	0	0	9	9	
37	12	60	109	Operating costs	44	13	61	118	
0	11	2	13	Losses on loans guaranteed	0	11	2	13	
63	65	- 10	118	Result before tax	96	66	- 45	117	
8 345	7 270	0	15 615	Loans to and claims on customers	13 169	7 326	0	20 495	
- 6	- 23	0	- 29	Individual write-downs	- 6	- 23	0	- 29	
0	0	- 68	- 68	Collective write-downs on loans	0	0	- 68	- 68	
0	0	7 080	7 080	Other assets	0	0	5 272	5 272	
8 339	7 247	7 012	22 598	Total assets per segment	13 163	7 303	5 204	25 670	
7 974	4 486	0	12 460	Deposits from customers and liabilities	7 974	4 220	0	12 194	
0	0	10 138	10 138	Other liabilities and equity	0	0	13 476	13 476	
7 974	4 486	10 138	22 598	Total liabilities and equity per segment	7 974	4 220	13 476	25 670	

<i>Parent bank</i>					<i>Group</i>				
30.06.13					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	
0	0	9	9	Other operating income	0	0	2	2	
44	12	53	109	Operating costs	52	12	53	117	
0	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 assets 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	

NOTES

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

<i>Parent bank</i>						<i>Group</i>					
31.12.12	Q2/12	Q2/13	30.06.12	30.06.13		30.06.13	30.06.12	Q2/13	Q2/12	31.12.12	
4	-2	-2	0	0	Value change in interest-bearing securities	0	0	-2	-2	4	
2	0	3	1	3	Net gain/loss in interest-bearing securities	3	1	3	0	2	
-14	-7	1	-7	-1	Net gain/loss shares	-1	-7	1	-7	-11	
2	0	4	2	5	Income AC	2	4	-1	3	2	
13	13	31	13	31	Share dividend	3	2	3	2	1	
3	0	0	2	0	Value change in value on lending	0	2	0	0	3	
-4	-2	-1	-3	-1	Value change on funding and derivatives	-1	-3	-1	-2	-4	
6	2	36	8	37	Total value change financial	6	-1	3	-6	-3	

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

<i>Parent bank</i>						<i>Group</i>					
31.12.12	Q2/12	Q2/13	30.06.12	30.06.13		30.06.13	30.06.12	Q2/13	Q2/12	31.12.12	
118	29	27	59	55	Wages, salaries and social costs	59	62	29	31	118	
51	13	15	26	28	General administration costs	34	29	20	15	63	
14	4	3	8	6	Depreciation etc of fixed- and intangible assets	6	10	2	5	19	
32	8	8	16	19	Other operating costs	19	16	8	7	33	
215	54	53	109	108	Total operating costs	118	117	59	58	233	

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

<i>Parent bank</i>						<i>Group</i>					
31.12.12	Q2/12	Q2/13	30.06.12	30.06.13		30.06.13	30.06.12	Q2/13	Q2/12		
-19	-14	5	-13	9	+/- Period's change in individual write-downs	9	-13	4	-14		
6	2	2	2	2	+ Period's change in collective write-downs	2	2	2	2		
33	16	-2	22	1	+ Period's conf. Losses against which ind. write-downs were made in prev. Years	1	22	3	16		
9	5	2	5	2	+ Period's confirmed losses against which no individual write-downs were made in previous year	2	5	-2	5		
-2	0	0	-1	-1	- Period's recoveries from previous periods' conf.losses	-1	-1	0	0		
27	9	7	15	13	Total losses on loans, guarantees etc.	13	15	7	9		

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

<i>Parent bank</i>				<i>Group</i>			
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12	
103	48	93	Profit	83	53	123	
74,9 %	74,9 %	74,9 %	ECC percentage	74,9 %	74,9 %	74,9 %	
4,1	1,9	3,7	Yield per equity capital certificate	3,3	2,1	4,9	
4,1	1,9	3,7	Diluted result per ECC in Norwegian currency	3,3	2,1	4,9	

NOTES

NOTE 7. GEOGRAPHICAL EXPOSURE

Geographical exposure within the loan portfolio was as follows:

<i>Parent bank</i>						<i>Group</i>			
30.06.12	%	30.06.13	%		30.06.13	%	30.06.12	%	
12.130	82,8	13.132	84,1	Helgeland	17.037	83,1	15.679	82,7	
2.506	17,1	2.466	15,8	Areas other than Helgeland	3.431	16,7	3.269	17,2	
19	0,1	15	0,1	International	24	0,1	22	0,1	
14.655	100	15.613	100,0	Total	20.492	100,0	18.970	100,0	

NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY

	30.06.13				30.06.12			
	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	16	0,1 %	0	0	25	0,1 %	0	0
Agriculture and forestry	1 291	6,3 %	1	0	1 211	6,4 %	2	0
Fisheries and aquaculture	777	3,8 %	0	0	825	4,3 %	1	0
Mining and industry	649	3,2 %	5	5	527	2,8 %	2	11
Building and construction	921	4,5 %	8	4	765	4,0 %	2	0
Trade, hotel, restaurants.	395	1,9 %	3	1	390	2,1 %	2	0
Transport and services	713	3,5 %	7	0	809	4,3 %	2	1
Property, property development	2 560	12,5 %	0	1	2 328	12,3 %	2	0
Retail market	13 169	64,3 %	5	0	12 089	63,7 %	6	0
Total	20 492	100 %	29	11	18 970	100 %	19	13
Change collective write-downs				2				2
Total				13				15

	30.06.13				30.06.12			
	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	16	0,1 %	0	0	25	0,2 %	0	0
Agriculture and forestry	1 273	8,2 %	1	0	1 184	8,1 %	2	0
Fisheries and aquaculture	771	4,9 %	0	0	821	5,6 %	1	0
Mining and industry	647	4,1 %	5	5	525	3,6 %	2	11
Building and construction	893	5,7 %	8	4	748	5,1 %	2	0
Trade, hotel, restaurants.	383	2,5 %	3	1	376	2,6 %	2	0
Transport and services	658	4,2 %	7	0	768	5,2 %	2	0
Property, property development	2 625	16,8 %	0	1	2 323	15,9 %	2	1
Retail market	8 346	53,5 %	5	0	7 884	53,8 %	6	0
Total	15 613	100 %	29	11	14 655	100 %	19	13
Change collective write-downs				2				2
Total				13				15

NOTES

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

<i>Parent bank</i>				<i>Group</i>		
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
105	141	138	Loans, guarantees etc. in default	138	141	105
14	26	29	Loss provisions for loans, guarantees etc. in default	29	26	14
91	115	109	Total net loans, guarantees etc. in default	109	115	91
23	22	19	Other bad and doubtful loans and guar., not in default	19	22	23
7	10	0	Loss provisions for other bad and doubtful loans, guarantees etc., not in default	0	10	7
16	12	19	Total net bad and doubtful commitments, not in default	19	12	16
107	127	128	Total bad and doubtful loans	128	127	107

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

<i>Parent bank</i>				<i>Group</i>		
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
49	49	20	Individual write-downs to cover losses on loans and guarantees as at 01.01	20	49	49
-33	-22	0	Period's conf. losses, against which indi. Write-down was previously made	0	-22	-33
0	7	0	Period's increased individual write-downs, against which write-down was previously made	0	7	0
7	2	10	New individual write-downs during the period	10	2	7
-2	0	-1	Reversal of individual write-downs during the period	-1	0	-2
21	36	29	= Total individual write-downs on loans	29	36	21
21	19	29	*Of which individual write-downs on loans accounted for	29	19	21
0	17	0	* Of which ind. Write-downs on guar. Accounted for	0	17	0
			Collective write-downs:			
60	60	66	Collective write-downs to cover losses on loans at 01.01	66	60	60
6	2	2	+ /- Period's change in collective write-downs	2	2	6
66	62	68	Total collective write-downs	68	62	66

NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS

<i>Parent bank</i>				<i>Group</i>		
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
492	597	508	Guarantee obligations	508	597	492
0	-17	0	Write-downs on gurantee	0	-17	0
492	580	508	Net guarantee obligation	508	580	492

NOTES

NOTE 12. SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries with a stake greater than 50 % are consolidated and substantial interests are included under the equity method. Preliminary quarterly data from subsidiaries have applied in the consolidated financial statements.

Investment in associated companies

	Location	Sector	Equity stake	Group		
				Market value		
				30.06.13	30.06.12	31.12.12
Helgeland Invest AS*	Sandnessjøen	Investment	48 %	152	151	150
Eiendomsmegler Helgeland AS	Mo i Rana	Estate Agent	34 %	1	1	1
Storgt. 73 AS	Mosjøen	Real Estate	43 %	2	2	2
Total investment in AC				155	154	153

Investment in associated companies

	Location	Sector	Equity stake	Parent bank		
				Market value		
				30.06.13	30.06.12	31.12.12
Helgeland Invest AS*	Sandnessjøen	Investment	48 %	160	159	159
Eiendomsmegler Helgeland AS	Mo i Rana	Estate Agent	34 %	4	4	4
Storgt. 73 AS	Mosjøen	Real Estate	43 %	0,1	0,1	0,1
Total investment in AC				164	163	163

Subsidiaries

	Share capital	Number of shares	Equity stake	Parent bank		
				Market value		
				30.06.13	30.06.12	31.12.12
ANS Bankbygg Mo	49,0	5.591	97 %	45	45	45
Helgeland Boligkreditt AS	190,0	190.000	100 %	290	190	290
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 %	11	10	11
Total investment in AC				347	246	347

NOTE 13. OPERATING FUNDS

Parent Bank

	Parent Bank				Group		
	31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
	90	96	73	Operating funds*)	178	190	195
	90	96	73	Total operating funds	178	190	195

*Properties that have been taken over are included both into the business assets of the parental bank and the banks fully owned subsidiary

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	30.06.13	30.06.12	31.12.12
Income Statement			
Income from interest and credit commissions received from subsidiaries	17	15	47
Interest on deposits to subsidiaries	4	3	8
Rent expense	4	4	7
Refund of operating expenses	6	6	12
Balance Sheet			
Lending to subsidiaries	818	471	778
Covered bonds	820	975	975
Deposits from subsidiaries	271	199	299
Accounts receivable, group contribution	0	0	30

Helgeland Boligkreditt

Helgeland Boligkreditt is a wholly owned subsidiary of Helgeland Sparebank.

There has been transferred gross lending to customers amounting to NOK 4.952 million as June 30. 2013. Covered bonds NOK 4.110 million, NOK 700 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 751 million.

The Bank has signed agreements with Helgeland Boligkreditt AS on credit facilities of NOK 2,1 billion, which should primarily be used for settlement of purchased loans and repayment of bonds. The agreements entered into after arm's length of principle.

The consolidated financial statements are the effects of the facilities eliminated.

Miscellaneous

Helgeland Sparebank owns about 9% of the shares in Frende Holding AS and in the second quarter of 2013 received commission for the distribution of life insurance products for a total of NOK 1.8 million, the bank has also received commission for distribution of general insurance for a total of NOK 6.3 million 30.06.2013.

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. REAL VALUE OF FINANCIAL INSTRUMENTS

<i>Parent bank</i>				<i>Group</i>			
30.06.12		30.06.13		30.06.13		30.06.12	
Real value	Balance sheet value	Real value	Balance sheet value	Balance sheet value	Real value	Balance sheet value	Real value
ASSETS							
120	120	107	107	107	107	120	120
				Cash and receivables from central banks			
762	762	1 550	1 550	803	803	367	367
				Loans and receivables to credit institutions			
707	707	1 062	1 062	1 062	1 062	707	707
				Loans to customers at fair value			
13 949	13 949	14 454	14 454	19 430	19 430	18 111	18 111
				Loans to customers at amortized cost			
141	141	213	213	213	213	141	141
				Derivates			
4 507	4 507	4 551	4 551	3 731	3 731	3 532	3 532
				Certificates, bonds and shares available for sale			
20 186	20 186	21 937	21 937	25 346	25 346	22 978	22 978
Liabilities							
831	831	647	647	950	950	831	831
				Liabilities to credit institutions amortized cost			
65	65	23	23	23	23	65	65
				Deposits at fair value			
11 330	11 330	12 438	12 438	12 168	12 168	11 133	11 133
				Deposits from and liabilities at amortized cost			
461	461	0	0	0	0	461	461
				Debt securities at fair value			
1 707	1 707	2 117	2 117	2 117	2 117	1 707	1 707
				Debt securities hedging			
4 164	4 164	4 817	4 817	7 808	7 808	7 066	7 066
				Borrowing through the issuance of securities			
218	218	518	518	518	518	218	218
				Fundbonds and subordinated loan capital			
33	33	41	41	41	41	33	33
				Derivates			
18 809	18 809	20 601	20 601	23 625	23 625	21 514	21 514
				Total			

NOTES

NOTE 16. FINANCIAL DERIVATIVES

<i>Parent bank</i>				<i>Group</i>			
30.06.13				30.06.13			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
916		41	Interest rate swaps- fixed interest rate loans	916		41	
			Interest rate swaps- bank deposits with share Yield				
916		41	Total financial derivatives	916		41	
1 950	213		Interest rate swaps – fixed interest rate with hedging	1 950	140		0
1 950	213	0	Total financial derivatives with hedging	1 950	140	0	

<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		33	Interest rate swaps- fixed interest rate loans	631		33	
25	1		Interest rate swaps- bank deposits with share Yield		1		
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	

NOTE 17. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

<i>Parent bank</i>				<i>Group</i>				
%	30.06.12	%	30.06.13	30.06.13	%	30.06.12	%	
91,9 %	10 473	91,5 %	11 404	Helgeland	11 137	91,3 %	10 276	91,8 %
7,3 %	837	7,7 %	962	Areas other than Helgeland	962	7,9 %	837	7,5 %
0,7 %	85	0,8 %	95	International	95	0,8 %	85	0,8 %
100,0 %	11 395	100,0 %	12 461	Total	12 194	100,0 %	11 198	100,0 %

NOTE 18. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

<i>Parent bank</i>				<i>Group</i>				
%	30.06.12	%	30.06.13	30.06.13	%	30.06.12	%	
3,8 %	432	4,6 %	576	Financial institutions	334	2,7 %	264	2,4 %
8,9 %	1 019	8,3 %	1 039	Municipalities and municipal enterp.	1 039	8,5 %	1 019	9,1 %
3,0 %	337	2,6 %	326	Agriculture and forestry	326	2,7 %	337	3,0 %
1,5 %	174	1,9 %	240	Fisheries and aquaculture	240	2,0 %	174	1,6 %
1,2 %	141	1,6 %	197	Mining and industry	197	1,6 %	141	1,3 %
4,1 %	471	4,7 %	582	Building and construction	582	4,8 %	471	4,2 %
2,8 %	319	2,7 %	337	Trade, hotel, restaurants.	337	2,8 %	319	2,8 %
5,9 %	672	5,8 %	718	Transport and services	718	5,9 %	672	6,0 %
4,4 %	499	3,8 %	472	Property, property development	447	3,7 %	480	4,3 %
64,3 %	7 331	64,0 %	7 974	Retail market	7 974	65,4 %	7 321	65,4 %
100,0 %	11 395	100,0 %	12 461	Total	12 194	100,0 %	11 198	100,0 %

NOTES

NOTE 19. EQUITY CERTIFICATE CAPITAL HELG

Per 30.06.13			<i>Parent bank</i>		
	Numbers	% share	Numbers	% share	
Sparebankstiftelsen Helgeland	12 099 598	64,7 %	Citibank, N.a S/A	135 647	0,7 %
MP Pensjon	800 000	4,3 %	Nervik, Steffen	110 000	0,6 %
Sparebank 1 Midt-Norge	649 047	3,5 %	Melum Mølle AS	100 000	0,5 %
Helgelandskraft AS	340 494	1,8 %	Hartviksen, Harald	94 498	0,5 %
Sparebankstiftelsen DnB NOR	329 124	1,8 %	Brage Invest AS Eika kapital	82 287	0,4 %
Sparebanken Vest	200 000	1,1 %	Tveteraas Eiendomsmesse	75 000	0,4 %
Bergen Kommunale pensj.	200 000	1,1 %	Tromstrygd	75 000	0,4 %
Terra utbytte	199 316	1,1 %	Swedbank AS	69 270	0,4 %
Skagen Vekst	185 809	1,0 %	Institutt for sammenligning	62 300	0,3 %
Johs. Haugerudsvei AS	182 230	1,0 %	Storkleiven AS	60 000	0,3 %
Total 10 biggest owners	15 185 618	81,2 %	Total 20 biggest owners	16 049 620	85,8 %

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>		
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
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
381	364	386	Savings Bank's fund	386	364	381
117	95	119	Reserve for valuation variances	111	79	108
25	15	14	Donations Fund	14	15	25
170	117	184	Dividend equalisation reserve	184	117	170
24	0	0	Cash dividend	0	0	24
0	0	0	Other equity capital	48	17	44
717	591	703	Total accrued equity capital	743	592	752
0	0	0	Additional:	0	0	0
218	218	219	Fundbonds	219	218	218
0	0	0	Deduction:	0	0	0
- 117	- 95	- 119	Not realized profits	- 111	- 79	- 108
- 32	0	0	Cash dividend /gifts employee	0	0	- 32
- 101	- 59	- 114	Intangible asstes	- 121	- 60	- 104
1 716	1 686	1 720	Total core capital	1 761	1 702	1 757
0	0	300	Subordinatet dept	300	0	0
9	33	- 4	Net nor realized profits	- 7	29	5
9	33	296	Total net supplementary capital	293	29	5
1 725	1 719	2 016	Total net equity and related capital	2 054	1 731	1 762
12 546	12 522	12 728	Weight assets calculation basis *)	13 663	13 290	13 401
11,94 %	11,72 %	11,79 %	Core tier one Capital ratio	11,29 %	11,17 %	11,48 %
13,68 %	13,46 %	13,51 %	Core capital ratio	12,89 %	12,81 %	13,11 %
13,75 %	13,73 %	15,84 %	Capital ratio	15,03 %	13,02 %	13,15 %
			<u>Included 50% of the result</u>			
	11,99 %	12,30 %	Core tier one Capital ratio	11,71 %	11,45 %	
	13,73 %	14,03 %	Core capital ratio	13,31 %	13,09 %	
	14,00 %	16,35 %	Capital ratio	15,46 %	13,30 %	

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>		
31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
0	0	0	States and central banks	0	0	0
7	7	7	Local and regional authorities (including municipalities)	7	7	7
0	6	9	Publicly owned enterprises	13	6	0
108	98	97	Institutions	47	56	61
287	279	287	Enterprises	287	279	287
176	210	151	Mass market loans	147	195	172
322	299	362	Loans secured by real property	509	424	472
10	8	14	Loans overdue	14	8	10
16	15	15	Covered bonds	8	8	9
0	0	0	Units in securities funds	0	0	0
38	36	38	Other loans and commitments	20	34	12
965	957	982	Capital requirement credit risk	1 052	1 016	1 030
56	55	56	Capital requirement operational risk 1)	60	58	60
- 17	- 11	- 19	Deducted from capital requirement	- 19	- 11	- 16
1 004	1 002	1 018	Total capital requirement	1 093	1 063	1 073

NOTES

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

<i>Parent bank</i>					<i>Group</i>					
31.12.12	Q2/12	Q2/13	30.06.12	30.06.13		30.06.13	30.06.12	Q2/13	Q2/12	31.12.12
4,18	4,23	4,10	4,31	4,04	Interest receivable and similar income	4,19	4,38	4,24	4,35	4,27
2,72	2,81	2,49	2,86	2,52	Interest payable and similar costs	2,54	2,91	2,51	2,87	2,76
1,45	1,42	1,61	1,44	1,52	Net interest- and credit commission income	1,65	1,47	1,73	1,48	1,51
0,39	0,39	0,38	0,37	0,37	Commissions receivable and income from banking services	0,32	0,33	0,33	0,35	0,34
0,04	0,04	0,05	0,04	0,05	Commissions payable and costs relating to banking services	0,04	0,03	0,05	0,03	0,04
0,34	0,35	0,33	0,33	0,32	Net commission income	0,28	0,30	0,29	0,32	0,30
0,03	0,04	0,65	0,08	0,34	Gains/losses on financial assets available for sale	0,05	-0,01	0,05	-0,10	0,00
0,01	0,00	0,02	0,01	0,01	Other operating income	0,02	0,03	0,03	0,02	0,03
1,03	1,05	0,96	1,06	0,99	Operating costs	0,95	1,02	0,94	1,01	0,96
0,13	0,18	0,13	0,15	0,12	Losses on loans, guarantees etc. and fixed assets	0,10	0,13	0,11	0,16	0,11
0,69	0,58	1,52	0,65	1,08	Result before tax	0,94	0,64	1,05	0,55	0,77
0,20	0,18	0,29	0,19	0,23	Tax payable on ordinary result	0,27	0,17	0,32	0,14	0,22
0,49	0,41	1,23	0,47	0,85	Result from ordinary operations after tax	0,67	0,46	0,73	0,41	0,55

NOTES

PROFIT & LOSS ACCOUNT AND BALANCE SHEET DEVELOPMENT

Parent bank					Group					
Q2/12	Q3/12	Q4/12	Q2/13	Q2/13		Q2/13	Q1/13	Q4/12	Q3/12	Q2/12
217	218	216	214	227	Interest receivable and similar income	267	252	254	251	250
144	140	137	137	138	Interest payable and similar costs	158	157	159	159	165
73	78	79	77	89	Net interest- and credit commission income	109	95	95	92	85
20	22	21	19	21	Commissions receivable and income from banking services	21	19	21	22	20
2	2	3	2	3	Commissions payable and costs relating to banking services	3	2	3	2	2
18	20	18	17	18	Net commission income	18	17	18	20	18
2	2	-4	1	36	Gains/losses on financial assets available for sale	3	3	-5	3	-6
0	0	2	0	1	Other operating income	2	1	3	1	1
54	51	55	55	53	Operating costs	59	59	60	56	58
9	7	5	6	7	Losses on loans, guarantees etc.	7	6	5	7	9
30	42	35	34	84	Result before tax	66	51	46	53	31
9	12	10	9	16	Tax payable on ordinary result	20	14	15	14	8
21	30	25	25	68	Result from ordinary operations after tax	46	37	31	39	23

Profit and loss account items as a percentage of average assets

Parent bank					Group					
Q2/12	Q3/12	Q4/12	Q2/13	Q2/13		Q2/13	Q1/13	Q4/12	Q3/12	Q2/12
4,23	4,11	4,00	3,99	4,10	Interest receivable and similar income	4,24	4,11	4,12	4,18	4,35
2,81	2,64	2,54	2,55	2,49	Interest payable and similar costs	2,51	2,56	2,58	2,65	2,87
1,42	1,47	1,46	1,43	1,61	Net interest- and credit commission income	1,73	1,55	1,54	1,53	1,48
0,39	0,41	0,39	0,35	0,38	Commissions receivable and income from banking services	0,33	0,31	0,34	0,37	0,35
0,04	0,04	0,06	0,04	0,05	Commissions payable and costs relating to banking services	0,05	0,03	0,05	0,03	0,03
0,35	0,38	0,33	0,32	0,33	Net commission income	0,29	0,28	0,29	0,33	0,32
0,04	0,04	-0,07	0,02	0,65	Gains/losses on financial assets available for sale	0,05	0,05	-0,08	0,05	-0,10
0,00	0,00	0,04	0,00	0,02	Other operating income	0,03	0,02	0,05	0,02	0,02
1,05	0,96	1,02	1,02	0,96	Operating costs	0,94	0,96	0,97	0,93	1,01
0,18	0,13	0,09	0,11	0,13	Losses on loans, guarantees etc.	0,11	0,10	0,08	0,12	0,16
0,58	0,79	0,65	0,63	1,52	Result before tax	1,05	0,83	0,75	0,88	0,55
0,18	0,23	0,19	0,17	0,29	Tax payable on ordinary result	0,32	0,23	0,24	0,23	0,14
0,41	0,57	0,46	0,47	1,23	Result from ordinary operations after tax	0,73	0,60	0,50	0,65	0,41

Parent bank					Balance sheet (Amounts in NOK million)					Group				
30.06.12	30.09.12	31.12.12	31.03.13	30.06.13		30.06.13	31.03.12	31.12.12	30.09.12	30.06.12				
ASSETS														
120	105	92	85	107	Cash and claims on central banks	107	85	92	105	120				
762	783	985	672	1 550	Loans to and claims on credit institutions	804	303	278	566	367				
14 574	14 790	14 747	15 317	15 516	Loans to and claims on customers	20 395	20 004	19 755	19 273	18 818				
141	213	261	185	213	Financial derivatives	213	185	261	213	141				
4 507	4 656	4 753	4 696	4 550	Certificates, bonds and shares available for sale	3 730	3 721	3 778	3 681	3 532				
163	163	163	164	164	Investments in associated companies	155	157	153	154	154				
246	346	347	347	347	Investments in subsidiaries	0	0	0	0	0				
49	49	66	66	66	Deferred tax benefit	69	69	69	51	51				
96	91	90	76	73	Fixed assets	178	182	195	187	190				
14	18	13	33	12	Other assets	19	31	13	17	14				
20 672	21 214	21 517	21 641	22 598	Total assets	25 670	24 737	24 594	24 247	23 387				
LIABILITIES AND EQUITY CAPITAL														
831	828	830	828	647	Liabilities to credit institutions	647	828	830	828	831				
11 395	11 404	11 511	11 747	12 461	Deposits from customers and liabilities to customers	12 194	11 453	11 211	11 111	11 198				
6 333	6 793	6 958	6 811	6 934	Borrowings through the issuance of securities	10 225	10 146	10 294	10 100	9 234				
33	48	45	41	41	Financial derivatives	41	41	45	48	33				
182	206	209	221	169	Other liabilities	186	254	215	206	180				
218	218	219	219	518	Fund bonds	518	219	219	218	218				
18 992	19 497	19 772	19 867	20 770	Total liabilities	23 811	22 941	22 814	22 511	21 694				
1 031	1 031	1 031	1 031	1 031	Paid-in equity capital	1 031	1 031	1 031	1 031	1 031				
601	608	714	718	704	Accrued equity capital/retained earnings	743	726	747	611	607				
48	78	0	25	93	Profit after taxes	83	37	0	92	53				
					Minority interest	2	2	2	2	2				
1 680	1 717	1 745	1 774	1 828	Total equity capital	1 859	1 796	1 780	1 736	1 693				
20 672	21 214	21 517	21 641	22 598	Total liabilities and equity capital	25 670	24 737	24 594	24 247	23 387				

NOTES

OTHER KEY FIGURES

<i>Parent bank</i>			<i>Group</i>		
31.12.12	30.06.12	30.06.13	30.06.13	30.06.12	31.12.12
BALANCE SHEET					
Development in the last 6 months					
	0,2	5,0	4,4	2,6	
	1,2	5,3	3,3	4,5	
	6,9	8,3	8,8	7,4	
Development in the last 12 months					
4,2	5,2	9,4	9,8	9,3	7,9
2,4	5,9	6,5	8,0	10,2	9,3
8,0	7,4	9,4	8,9	7,3	7,5
77,6	77,8	79,8	59,5	59,0	56,5
52,2	53,9	53,5	64,3	63,7	63,9
20 963	20 644	21 989	24 988	23 118	23 553
14 833	14 655	15 613	20 492	18 970	19 842
-21,0	-19,0	-29	-29	-19,0	-21,0
-66,0	-62,0	-68	-68	-62,0	-66,0
0,0	-17,0	0	0	-17,0	0,0
SOLIDITY					
13,8	13,7	15,8	15,0	13,0	13,2
13,7	13,5	13,5	12,9	12,8	13,1
11,9	11,7	11,8	11,3	11,2	11,5
8,1	8,1	8,1	7,2	7,2	7,2
6,1	5,8	10,5	9,2	6,3	7,2
0,5	0,5	0,9	0,7	0,5	0,5
KEY FIGURES PCC					
4,1	1,9	3,7	3,3	2,1	4,9
4,1	1,9	3,7	3,3	2,1	4,9
64,3	61,4	64,3	64,3	61,4	64,3
31,0	29,3	36,2	36,2	29,3	31,0
7,5	7,6	4,8	5,4	6,9	6,3
0,5	0,5	0,6	0,6	0,5	0,5
55,7 %	57,1 %	45,2 %	47,6 %	57,1 %	53,9 %
1,0	1,1	1,0	1,0	1,0	1,0
177,0	177,0	177	177	177,0	177,0
LOSSES ON LOANS AND GROSS DEFAULTS					
20,0	25,5	21,0	21,0	25,5	20,0
<i>As a percentage of gross lending</i>					
0,7	1,0	0,9	0,7	0,7	0,5
0,6	0,8	0,7	0,5	0,6	0,5
0,6	0,6	0,6	0,5	0,4	0,4
0,2	0,2	0,2	0,1	0,2	0,1

NOTES

STATEMENT UNDER THE SECURITIES TRADING ACT § 5-6

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

The interim report shows after our best conviction a true:

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

Mo i Rana, 15 August 2013

Thore Michalsen
Chairman of the Board

Ove Brattbakk
Deputy Chairman of the Board

Gislaug Øygarden

Monica Skjellstad

Finn Audun Risøy

May Heimdal
Staff's repr.

Jan Erik Furunes
General Manager

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Thore Michalsen, Deputy Chair
Gislaug Øygarden
Ove Brattbakk
Monica Skjellstad
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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