

Q3²⁰₁₃

financial report

third quarter 2013



Helgeland Sparebank,

Accounts year to date of 2013 and third 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 12th 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 year to date (HSB group)

- Gross profit MNOK 193 (126), an improvement of MNOK 67.
- A still increasing net interest strengthens basic operations
- Low costs and losses
- Very good deposit growth, deposit ratio over 60%
- Reduced lending growth

The return on equity after tax is significantly strengthened and was 9.9 (7.2) %, and the result per ECC was NOK 5.50 (3.70).

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

Key figures so far this year:

(Compared with 30.09.2012)

- Net interest 1.70 (1.49) %
- Ordinary operations costs 0.94 (0.99) %
- Costs in percent of income 45.4 (53.9) %
- Write-downs on lending 0.11 (0.13) %
- 9-month lending growth 4.8 (6.8) %
- 9-month deposit growth 12 (6.5) %
- CET1 capital ratio 11.18 (10.94) %
- Total capital ratio 14.89 (12.77) %

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

Result so far this year

The HSB group has a net result of MNOK 193 (126). The positive development comes from good basic operations, with solid increase in net interest combined with efficiency improvement through good cost control.

The net interest

The HSB group strengthened the net interest throughout the whole of 2012 and first half of 2013. The net interest has also increased in the 3rd quarter with 9bp, from 1.73% in Q2 2013 to 1.82% in Q3. The guarantee fund fee has then been charged with 5bp in 2013.

Net interest- and credit commission earnings were MNOK 321, against MNOK 261 in the third quarter in 2012. This is an improvement of MNOK 60 and is caused by falling loaning costs and increased margins on the lending portfolio, both for business customers and personal customers.

There is continued effect of differentiated risk pricing on lending to business customers.

Net commission earnings

The bank has maintained the level of commission earnings. Net commission earnings were MNOK 57 (54), or 0.30 (0.31) % of average bank total assets (BTA).

Net value change and profit/loss on financial instruments

Net value change on financial instruments is posted as profit with MNOK 8. Compared with 30.09.12 the income from financial investments has increased with MNOK 6. The bank posted a reduced value on shares and ECCs of MNOK 9 as expenses at 30.09.12.

Operations costs

Combined ordinary operations costs in NOK have increased by MNOK 4, or 2.3% compared to 30.09.12. The HSB group has cost efficient operations and the positive trend continues. Ordinary operations costs constitute 0.94% in percent of average BTA, against 0.99% for the corresponding period last year. The relative numbers for ordinary costs measured in percent of income are also reduced and constituted 45.4 (53.9) %. The costs in NOK have been stable while the income has increased.

The number of full time positions in the bank and the HSB group is 177, and is unchanged from 2011. Absence due to sickness is on a historically low level, and ended at the combined number of 2.5 (3.6) % in the quarter.

Write-downs posted as expenses on commitments

Write-downs on lending is posted with MNOK 20 (22) as expenses, hereof write-downs on groups of lending with MNOK 5 (4).

Write-downs posted in the profit and loss statement were 0.11 (0.12) percent of gross lending.

Tax

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

Group contribution from the covered bond company has reduced the tax basis in the parental bank by MNOK 30, which gives a tax reduction of MNOK 8.3.

The equity capital certificate - HELG

The ECC capital constitutes MNOK 935 and is distributed over 2,190 owners.

Annotation 19 shows an overview of the 20 largest ECC owners.

The price of the bank's equity capital certificate HELG was at 30.09.13 NOK 38.00 which is an increase of NOK 7.00 per ECC since the turn of the year.

Result in the 3rd quarter

Gross profit was MNOK 76 in the quarter, which is MNOK 23 more than the third quarter last year. Increased net interest contributes with MNOK 25. In percent of average BTA, the net interest has increased from 1.53 % in the third quarter of 2012 to 1.82% in the third quarter of 2013.

The HSB group can show to efficient operations and good cost control. Ordinary operations costs were MNOK 59. In percent of average BTA, this constitutes 0.92% against 0.93% in the third quarter last year. Costs in percent of income constitute 41.5 (48.3) %.

Write-downs on lending and warranties are posted with MNOK 7 (7) as expenses. Write-downs on groups of lending have increased by MNOK 2.5 in the quarter.

The lending growth in the last 3 months is lower than that of the corresponding period last year, while the deposit growth is very good. A new large local customer has contributed to a 3-month growth for business customers with MNOK 538, or 12.7%.

Key numbers 3rd quarter:

- Gross result MNOK 76 (53)
- Net interest 1.82 (1.53)%
- Ordinary operations costs 0.92 (0.93)%
- Write-downs on lending 0.11 (0.12)%
- 3-month lending growth 1.5 (2.1)%
- 3-month deposit growth 2.9 (-0.8)%

Balance development

The bank total assets have increased by MNOK 1,776, or 7.3%, in the last 12 months, and now constitute NOK 26,0bn.

Commitments

Gross lending constituted MNOK 20,803 by the end of the quarter. 83.0% of this is lent to customer in the Helgeland region.

NOK 13.4bn, or 64.6%, of the lending is to personal customers, whereof MNOK 4,760 are loans transferred to Helgeland Boligkreditt AS.

In the last 12 months the lending has increased with MNOK 1,427, or 7.4 (8.6) %. The HSB group has a growth in lending to business customers of 6.4 (5.0) %, and a growth to personal customers of 7.9 (10.7) %.

So far this year the lending has increased with MNOK 961, or 4.8 (6.8) %. The HSB group has a growth in lending to business customers of 2.9 (4.4) %, and a growth to personal customers of 5.9 (8.1) %. The rate of growth is dampened in 2013 in line with the bank's targets. New and stricter capital requirements increase the need for adaption and capital efficiency improving measures.

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

Sum net defaulted and loss exposed commitments were MNOK 126 (96), equivalent to 0.6 (0.5) % of gross lending.

Deposits from customers

In the last 12 months the deposits have increased by MNOK 1,442, or 13.0 (7.1) %. The deposit growth was largest in the business market with 25.3 (4.8) %, while the deposit growth from personal customers was 6.6 (8.2) %.

So far this year the deposits have increased by MNOK 1,342, or 12.0 (6.5) %. The deposit growth in the business market was 23.0 (4.9) % and is especially high because by a new large local business customer. The deposit growth so far this year from personal customers was 6.1 (7.4) %. Of total deposits at NOK 12.6bn, NOK 7.8bn or 62.1% are deposits by personal customers. Deposits under MNOK 2 constitute NOK 7.6bn, or 60.3% of the combined deposit volume.

The general deposit growth is good and the result of a number of measures with a strong focus on deposits and long term saving. The HSB group has a stable and local mass of deposits, whereof

92.2 (91.8) % are deposits from customers in the Helgeland region.

The deposit ratio at 30.09.13 was 60.3 (57.3) % in the HSB group and 79.5 (76.6) % in the parental bank.

Loans from the capital market

The Eurozone has finally had a quarter with a small growth after a downturn lasting over several quarters. It also looks like the unemployment is about to touch the bottom. This contributes to a far better sentiment in the market.

The central bank in the USA has long been injecting liquidity into the market to speed up the economy. With a small upturn in the economy the market now expect the liquidity injection to gradually decline which has contributed to marked increase in long interest rates. This has also influenced Norwegian and European interest rates.

The picture for growth in the Norway now looks somewhat weaker. Lower consumption, less credit demand and a labour market that is a little weaker underpin this. Additionally the property prices seem to have reached the top.

Throughout the quarter we have seen at parts great movements in the Norwegian exchange rate (NOK). A weaker growth picture and a couple of months with high inflation figures are the main causes of the movements.

Short interest rates have been relatively unchanged, while the long interest rates have increased. The market now expects only a small increase in the short interest rates over the coming year.

The bank's loaning costs have, in addition to unchanged credit spreads, remained at relatively stable levels. The difference between senior loans and covered bond loans is also relatively unchanged and at low levels. In the last quarter the bank has made use of both senior and covered loans in the funding.

The HSB group has good and long term funding with good diversification between different sources of funding. At the end of the quarter the share of loans over 1 year was 78.6 (75.0) %, and long term funding in percent of illiquid assets (liquidity indicator 1) constituted 108.2 (106.7) %. Helgeland Boligkreditt AS is an important source of funding, and adaption of approved mortgages for transference to the bank's covered bond company is getting much attention. The bank's deposit ratio has increased to slightly over 60%.

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 interest portfolio is 1.7 (2.0) years. The HSB group's combined liquidity reserves (cash, bank deposits and interest bearing assets) constitute NOK 4.3 (4.2) bn, or 16.5 (17.2) % of the HSB groups bank total assets. The HSB group will gradually adapt to the coming new 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 to be 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 directional goals for the portfolio.

The HSB group has a CET1 capital ratio of 11.18 (10.94) %, which is well above the present minimum requirement at 9%, as well as above the new minimum requirement from 01.07.14 at 10%. The core capital ratio constitute 12.77 (12.54) % and the total capital ratio constitute 14.89 (12.77) %. The total capital is strengthened due to the successful issuance of a MNOK 300 subordinated loan in May.

The share of surplus so far this year has not been incorporated into the numbers at 30.06.13. Annotation 20 shows a capital ratio inclusive 70% of the result.

The bank's board of directors has determined a capital plan for 2013 – 2017, where satisfaction of the new capital requirements in Norway caused by the CRD IV is central. The board has determined new capital goals, where the aim is a CET1 capital ratio (HSB group) at least at 12.5% and a total capital ratio up toward 18% - given a counter cyclical capital buffer at 2.5%.

The HSB group plans to strengthen the CET1 capital by building capital over operations through strengthened basic operations, reduced lending

REPORT OF THE BOARD OF DIRECTORS

growth, high focus on risk weighted balance and reduced dividends to 25-30% in the coming two years. The combined capital ratio will further be

strengthened through the use of subordinated loans and T1 loans in the period toward 2017.

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

The prospects ahead

The proposed fiscal budget for 2014 gives a start signal for a large scale upgrade of the E6 through the Helgeland region. The project is estimated at NOK 5.1bn. NOK 4bn is covered by the government, while toll collection is estimated at 1.1bn.

The unemployment rate in the Helgeland region is weakly increasing. The export industry has met better international markets in the quarter. The salmon prices are still at a high level with a steady demand in the export markets.

Campus Helgeland was opened at the beginning of the academic term. The campus is a co-operation between universities and university colleges in the Nordland County and implies a lift in higher education. The bank has through the Helgelandsstiftelsen contributed with funding PhD scholarships and research activity.

The expansion in governmental enterprises and the petroleum industry has resulted in more jobs in services. This has helped young people to a greater degree to find interesting jobs in the region.

The bank's strong basic operations have continued in the third quarter. The increase in the net interest is in line with the expectations and is a result of low loaning costs, regulation on parts of the deposit portfolio with effect from 01.08.13, full effect of increased lending margins in the personal market as well as a strong continuing focus on risk pricing especially in the business market. A flatter development in the net interest is expected in the fourth quarter.

The bank's relatively high level of leasing- and insurance sales is expected to continue with a weakly increasing curve in commission earnings. Strong cost control with focus on efficient operations and automation of services will be continued.

The development in defaults is monitored closely and commitments with a negative development are followed up closely.

Maintaining a good deposit ratio will be prioritised through managerial focus and continued target oriented work throughout the whole organisation.

Mo i Rana, 29. Oktober 2013

Thore Michalsen
Chairman of the Board

Ove Brattbakk
Deputy Chairman of the Board

Gislaug Øygarden

Monica Skjellstad

Bjørn Audun Risøy

May Heimdal
Employee Representative

Jan Erik Furunes
Chief Executive Officer

CONTENTS

PROFIT AND LOSS ACCOUNT (amounts in NOK million).....	6
BALANCE SHEET (amounts in NOK million)	7
CHANGE IN EQUITY CAPITAL	8
NOTE 1. ACCOUNTING PRINCIPLES	9
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. REAL VALUE OF FINANCIAL INSTRUMENTS.....	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	20
OTHER KEY FIGURES.....	21

PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT (amounts in NOK million)

Parent bank

Group

31.12.12	Q3/12	Q3/13	30.09.12	30.09.13		30.09.13	30.09.12	Q3/13	Q3/12	31.12.12
876	218	234	660	675	Interest receivable and similar income	794	755	275	251	1009
571	140	140	434	415	Interest payable and similar costs	473	494	158	159	653
305	78	94	226	260	Net interest- and credit commission income	321	261	117	92	356
81	22	24	60	64	Commissions receivable and income from banking services	64	60	24	22	81
9	2	2	6	7	Commissions payable and costs relating to banking services	7	6	2	2	9
72	20	22	54	57	Net commission income	57	54	22	20	72
6	2	-1	10	36	Gains/losses on financial assets available for sale (note 3)	8	2	2	3	-3
3	0	0	1	1	Other operating income	4	4	1	1	7
215	51	55	160	163	Operating costs (note 4)	177	173	59	56	233
27	7	3	22	16	Losses on loans, guarantees etc. (note 5)	20	22	7	7	27
144	42	57	109	175	Result before tax	193	126	76	53	172
41	12	16	31	41	Tax payable on ordinary result	56	34	22	14	49
103	30	41	78	134	Result from ordinary operations after tax	137	92	54	39	123
4.1			3.1	5.4	Yield per equity capital certificate (note 6)	5.5	3.7			4.9
4.1			3.1	5.4	Diluted result per ECC in Norwegian currency (note 6)	5.5	3.7			4.9
Extended Income Statement										
103	30	41	78	134	Result from ordinary operations after tax	137	92	54	39	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	11	3	19	7	Net change in fair value available-for-sale fin. assets	7	19	3	11	26
-5	-3	-1	-4	-2	Tax on extended profit	-2	-4	-1	-3	-5
21	8	2	15	5	Net extended profit or loss items	5	15	2	8	21
124	38	43	93	158	Total result for the period	161	107	56	47	144
5.0			3.7	6.3	Yield per equity capital certificate	6.4	4.3			5.8
5.0			3.7	6.3	Diluted result per ECC in Norwegian currency	6.4	4.3			5.8

BALANCE SHEET

BALANCE SHEET (amounts in NOK million)

Parent bank			Group			
31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
			ASSETS			
92	105	87	Cash and claims on central banks	87	105	92
985	783	1 328	Loans to and claims on credit institutions	693	566	278
14 747	14 790	16 007	Loans to and claims on customers (note 7,8,9,10)	20 699	19 273	19 755
261	213	209	Financial derivatives (note 16)	209	213	261
4 753	4 656	4 732	Certificates, bonds and shares available for sale	3 912	3 681	3 778
163	163	164	Investments in associated companies (note 12)	155	154	153
347	346	347	Investments in subsidiaries (note 12)	0	0	0
66	49	66	Deferred tax benefit	69	51	69
90	91	73	Fixed assets (note13)	179	187	195
13	18	12	Other assets	20	17	13
21 517	21 214	23 025	Total assets	26 023	24 247	24 594
			LIABILITIES AND EQUITY CAPITAL			
830	828	644	Liabilities to credit institutions	644	828	830
11 511	11 404	12 809	Deposits from customers and liabilities to customers (note 17,18)	12 553	11 111	11 211
6 958	6 793	6 950	Borrowings through the issuance of securities (note 15)	10 140	10 100	10 294
45	48	43	Financial derivatives (note 16)	43	48	45
209	206	191	Other liabilities	214	206	215
219	218	518	Fundbonds and subordinated loan capital	518	218	219
19 772	19 497	21 155	Total liabilities	24 112	22 511	22 814
1 031	1 031	1 031	Paid-in equity capital (note 19,20)	1 031	1 031	1 031
714	608	705	Accrued equity capital/retained earnings (note 20)	741	611	747
0	78	134	Result from ordinary operations after tax	137	92	0
1 745	1 717	1 870	Total equity capital exclusive minority interest	1 909	1 734	1 778
			Minority interest	2	2	2
1 745	1 717	1 870	Total equity capital	1 911	1 736	1 780
21 517	21 214	23 025	Total liabilities and equity capital	26 023	24 247	24 594

CHANGE IN EQUITY CAPITAL

Group												
30.09.13												
	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											137	137
Extended profit or loss items				5								5
Sum total ext. profit or loss	935	97	- 1	112	387	17	5	184	66	2	137	1 941
Transactions with owners												0
Write down to nominal value	- 750	750										0
Dep. dividend equal.res.												0
Dep. Dividend												0
Dividend paid						- 4	- 5		- 21			- 30
Equity capital 30.09.13	185	847	- 1	112	387	13	0	184	45	2	137	1 911
Paid-in/accrued equity capital/retained earnings				1 031							880	1 911

Group													
30.09.12													
	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												92	92
Extended profit or loss items				15									15
Sum total ext. profit or loss	935	97	- 1	101	364	22	5	117	35	15	2	92	1 785
Transactions with owners													0
Dep. dividend equal.res.													0
Dep. Dividend													0
Dividend paid						- 5	- 5		- 38				- 48
Equity capital 30.09.12	935	97	- 1	101	364	17	0	117	- 3	15	2	92	1 737
Paid-in/accrued equity capital/retained earnings			1 031									705	1 736

Parent bank											
30.09.13											
	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	0	1 745
IAS19R*)					5			14			19
result for the period										134	134
Extended profit or loss items				5							5
Sum total ext. profit or loss	935	97	- 1	121	387	17	5	184	24	134	1 903
Transactions with owners											0
Write down to nominal value	- 750	750									0
Dep. dividend equal.res.											0
Dep. dividend											0
Dividend paid						- 4	- 5		- 24		- 33
Equity capital 30.09.13	185	847	- 1	121	387	13	0	184	0	134	1 870
Paid-in/accrued equity capital/retained earnings			1 031							839	1 870

Parent bank											
30.09.12											
	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
Equity capital as at 01.01.12	935	97	- 1	95	364	22	5	117	35		1 669
result for the period										78	78
Extended profit or loss items				15							15
Sum total ext. profit or loss	935	112	- 1	95	364	22	5	117	35	78	1 762
Transactions with owners											0
Dep. dividend equal.res.											0
Dep. dividend											0
Dividend paid							- 5	- 5	- 35		- 45
Equity capital 30.09.12	935	112	- 1	95	364	17	0	117	0	78	1 717
Paid-in/accrued equity capital/retained earnings				1 046						671	1 717

CASH FLOW STATEMENT

<i>Parent bank</i>				<i>Group</i>		
31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
144	109	175	Result of ordinary operations	193	126	172
14	11	9	+ Ordinary depreciation/amortisation	14	15	20
0	0	0	+ Writedowns and gain/loss on fixed assets	0	0	0
27	22	16	+ Losses on loans, guarantees, etc	20	22	27
- 41	- 31	- 41	- Tax expense	- 56	- 34	- 48
144	111	159	= Provided from the years operations	171	129	171
4	4	- 16	Change miscellaneous debt: + increase/-decrease	7	4	- 4
8	8	- 23	Change miscellaneous claims: - increase/+ decrease	- 7	- 1	17
- 347	- 417	- 1 273	Change loans to and balances with customers:- incr./+ decr.	- 1 016	- 1 296	- 1 692
856	749	1 298	Change deposits from and liabilities to customers:+ incr/-decr.	1 342	682	783
0	0	0	Change liabilities to credit institutions : + increase	0	0	0
- 407	- 409	- 187	Change liabilities to credit institutions : + Decrease	- 187	- 409	- 411
258	46	- 42	A Net liquidity change from operating activities	310	- 891	- 1 136
- 42	- 39	- 6	- Invested in tangible fixed assets	- 6	- 38	- 41
1	1	15	+ Sale of tangible fixed assets	15	1	1
- 5 721	- 4 295	- 3 328	- Investment in long-term securities	- 3 458	- 4 120	- 5 634
5 511	4 189	3 328	+ Sale in long-term securities	3 328	4 189	5 511
- 251	- 144	9	B Liquidity change from investing activities	- 121	32	- 163
- 35	- 35	- 24	- Dividend paid on ECCs	- 24	- 35	- 35
2 682	1 740	2 396	+ Issue debt securities	2 796	2 725	3 708
- 2 656	- 1 797	- 2 301	- Redemption debt securities	- 2 851	- 1 797	- 2 656
218	218	300	Change subordinated loan capital/primary capital + incr.- decr	300	218	218
209	126	371	C Liquidity change from financing activities	221	1 111	1 235
217	28	338	A+B+C Sum total change liquid assets	410	252	- 64
860	860	1 077	+ Liquid assets at the start of the period	370	434	434
1 077	888	1 415	= Liquid assets at the close of the period	780	686	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.

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>			
30.09.13					30.09.13			
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total
130	137	- 7	260	Net interest and credit commission income	197	139	- 15	321
22	9	26	57	Net commission income	22	9	26	57
0	0	37	37	Other operating income	0	0	12	12
56	18	89	163	Operating costs	67	19	91	177
0	16	0	16	Losses on loans guaranteed	0	16	4	20
96	112	- 33	175	Result before tax	152	113	- 72	193
8 809	7 297	0	16 106	Loans to and claims on customers	13 438	7 365	0	20 803
- 6	- 27	0	- 33	Individual write-downs	- 6	- 27	0	- 33
0	0	- 67	- 67	Collective write-downs on loans	0	0	- 71	- 71
0	0	7 019	7 019	Other assets	0	0	5 324	5 324
8 803	7 270	6 952	23 025	Total assts per segment	13 432	7 338	5 253	26 023
7 795	5 013	0	12 808	Deposits from customers and liabilities	7 795	4 758	0	12 553
0	0	10 217	10 217	Other liabilities and equity	0	0	13 470	13 470
7 795	5 013	10 217	23 025	Total liabilities and equity per segment	7 795	4 758	13 470	26 023

<i>Parent bank</i>					<i>Group</i>			
30.09.12					30.09.12			
Retail	Corp.	Not divided	Total	Segmentinformation	Retail	Corp.	Not divided	Total
114	97	15	226	Net interest and credit commission income	148	98	15	261
22	9	23	54	Net commission income	22	9	23	54
0	0	11	11	Other operating income	0	0	6	6
61	18	81	160	Operating costs	71	21	81	173
- 1	19	4	22	Losses on loans guaranteed	- 1	19	4	22
76	69	- 36	109	Result before tax	100	67	- 41	126
7 992	6 902	0	14 894	Loans to and claims on customers	12 453	6 923	0	19 376
- 5	- 34	0	- 39	Individual write-downs	- 6	- 34	0	- 40
0	0	- 64	- 64	Collective write-downs on loans	0	0	- 64	- 64
0	0	6 423	6 423	Other assets	0	0	4 975	4 975
7 987	6 868	6 359	21 214	Total assts per segment	12 447	6 889	4 911	24 247
7 314	4 090	0	11 404	Deposits from customers and liabilities	7 314	3 797	0	11 111
0	0	9 810	9 810	Other liabilities and equity	0	0	13 136	13 136
7 314	4 090	9 810	21 214	Total liabilities and equity per segment	7 314	3 797	13 136	24 247

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

Parent bank						Group					
31.12.12	Q3/12	Q3/13	30.09.12	30.09.13		30.09.13	30.09.12	Q3/13	Q3/12	31.12.12	
4	4	-1	4	-1	Value change in interest-bearing securities	-1	4	-1	4	4	
2	1	0	2	3	Net gain/loss in interest-bearing securities	3	2	0	1	2	
-14	-2	0	-9	-1	Net gain/loss shares	-1	-9	0	-2	-11	
2	0	1	2	6	Income AC	5	5	3	1	2	
13	0	0	13	31	Share dividend	4	2	1	0	1	
3	-1	-1	1	-1	Value change in value on lending	-1	1	-1	-1	3	
-4	0	0	-3	-1	Value change on funding and derivatives	-1	-3	0	0	-4	
6	2	-1	10	36	Total value change financial	8	2	2	3	-3	

NOTE 4. SPECIFICATION OF TOTAL OPERATING COSTS

Parent bank						Group					
31.12.12	Q3/12	Q3/13	30.09.12	30.09.13		30.09.13	30.09.12	Q3/13	Q3/12	31.12.12	
118	27	30	86	85	Wages, salaries and social costs	87	87	28	25	118	
51	13	13	39	41	General administration costs	48	46	14	17	63	
14	3	3	11	9	Depreciation etc of fixed- and intangible assets	14	15	8	5	19	
32	8	9	24	28	Other operating costs	28	25	9	9	33	
215	51	55	160	163	Total operating costs	177	173	59	56	233	

NOTE 5. LOSSES ON LOANS GUARANTEES, ETC

Parent bank						Group					
31.12.12	Q3/12	Q3/13	30.09.12	30.09.13		30.09.13	30.09.12	Q3/13	Q3/12	31.12.12	
-19	3	3	-10	12	+/- Period's change in individual write-downs	12	-10	3	3	-19	
6	2	-1	4	0.5	+ Period's change in collective write-downs	4.5	4	3	2	6	
33	2	1	28	2	+ Period's conf. Losses against which ind. write-downs were made in prev. Years	2	28	1	2	33	
9	0	0	1	2	+ Period's confirmed losses against which no individual write-downs were made in previous years	2	1	0	0	9	
-2	0	0	-1	-1	- Period's recoveries from previous periods' conf.losses	-1	-1	0	0	-2	
27	7	3	22	16	Total losses on loans, guarantees etc.	20	22	7	7	27	

NOTE 6. PROFIT PER PRIMARY CERTIFICATE

Parent bank				Group			
31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12	
103	78	134	Profit	137	92	123	
74.9 %	74.9 %	74.9 %	ECC percentage	74.9 %	74.9 %	74.9 %	
4.1	3.1	5.4	Yield per equity capital certificate	5.5	3.7	4.9	
4.1	3.1	5.4	Diluted result per ECC in Norwegian currency	5.5	3.7	4.9	

NOTE 7. GEOGRAPHICAL EXPOSURE

Geographical exposure within the loan portfolio was as follows:

<i>Parent bank</i>					<i>Group</i>			
30.09.12	%	30.09.13	%		30.09.13	%	30.09.12	%
12.546	84.2	13.483	83.7	Helgeland	17.261	83.0	16.185	83.5
2.329	15.6	2.605	16.2	Areas other than Helgeland	3.517	16.9	3.168	16.4
19	0.1	18	0.1	International	25	0.1	23	0.1
14.894	100	16.106	100.0	Total	20.803	100.0	19.376	100.0

NOTE 8. COMMITMENT AND LOSSES SPLIT BY SECTOR/INDUSTRY

	30.09.13				30.09.12			
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	0	0,0 %	0	0	0	0,0 %	0	0
Insurance and finance	35	0,2 %	0	0	46	0,2 %	0	0
Agriculture and forestry	1 337	6,4 %	1	0	1 265	6,5 %	1	-1
Fisheries and aquaculture	750	3,6 %	2	1	888	4,6 %	0	0
Mining and industry	615	3,0 %	8	8	585	3,0 %	26	19
Building and construction	923	4,4 %	8	4	809	4,2 %	2	1
Trade, hotel, restaurants.	388	1,9 %	5	1	385	2,0 %	4	-1
Transport and services	682	3,3 %	1	1	629	3,2 %	5	1
Property, property development	2 635	12,7 %	2	0	2 316	12,0 %	2	0
Retail market	13 438	64,6 %	6	0	12 453	64,3 %	0	-1
Total	20 803	100 %	33	15	19 376	100 %	40	18
Change collective write-downs				5				4
Total				20				22

	30.09.13				30.09.12			
	Gross loans	%-stake	Loss prov.	Defaults	Gross loans	%-stake	Loss prov.	Defaults
Municipalities and municipal enterp.	0	0,0 %	0	0	0	0,0 %	0	0
Insurance and finance	35	0,2 %	0	0	46	0,3 %	0	0
Agriculture and forestry	1 320	8,2 %	1	0	1 239	8,3 %	1	-1
Fisheries and aquaculture	744	4,6 %	2	1	884	5,9 %	0	0
Mining and industry	615	3,8 %	8	8	583	3,9 %	26	19
Building and construction	895	5,6 %	8	4	789	5,3 %	2	1
Trade, hotel, restaurants.	377	2,3 %	5	1	369	2,5 %	4	-1
Transport and services	628	3,9 %	1	1	614	4,1 %	5	1
Property, property development	2 683	16,7 %	2	0	2 378	16,0 %	2	0
Retail market	8 809	54,7 %	6	0	7 992	53,7 %	0	-1
Total	16 106	100 %	33	15	14 894	100 %	40	18
Change collective write-downs				1				4
Total				16				22

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

Parent bank

Group

31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
105	116	142	Loans, guarantees etc. in default	142	116	105
14	33	24	Loss provisions for loans, guarantees etc. in default	24	33	14
91	83	118	Total net loans, guarantees etc. in default	118	83	91
23	19	16	Other bad and doubtful loans and guar., not in default	16	19	23
7	6	8	Loss provisions for other bad and doubtful loans, guarantees etc., not in default	8	6	7
16	13	8	Total net bad and doubtful commitments, not in default	8	13	16
107	96	126	Total bad and doubtful loans	126	96	107

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

Parent bank

Group

31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
49	49	21	Individual write-downs to cover losses on loans and guarantees as at 01.01	21	49	49
-33	-28	2	Period's conf. losses, against which indi. Write-down was previously made	2	-28	-33
0	12	1	Period's increased individual write-downs, against which write-down was previously made	1	12	0
7	8	10	New individual write-downs during the period	10	8	7
-2	-1	-1	Reversal of individual write-downs during the period	-1	-1	-2
21	40	33	= Total individual write-downs on loans	33	40	21
21	40	33	*Of which individual write-downs on loans accounted for	33	40	21
0	0	0	* Of which ind. Write-downs on guar. Accounted for	0	0	0
Collective write-downs:						
60	60	66	Collective write-downs to cover losses on loans at 01.01	66	60	60
6	4	1	+ /- Period's change in collective write-downs	5	4	6
66	64	67	Total collective write-downs	71	64	66

NOTE 11. CONTINGENT OFF BALANCE SHEET COMMITMENTS

Parent bank

Group

31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
492	515	500	Guarantee obligations	500	515	492
0	0	0	Write-downs on guarantee	0	0	0
492	515	500	Net guarantee obligation	500	515	492

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		
				30.09.13	30.09.12	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		
				30.09.13	30.09.12	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		
				30.09.13	30.09.12	31.12.12
ANS Bankbygg Mo	49.0	5.591	97 %	45	45	45
Helgeland Boligkreditt AS	190.0	190.000	100 %	290	290	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	346	347

NOTE 13. OPERATING FUNDS

Parent Bank

	Group				Group		
	31.12.12	30.06.12	30.06.13		30.06.13	30.06.12	31.12.12
90	91	73	Operating funds*)	179	187	195	
90	91	73	Total operating funds	179	187	195	

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

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	30.09.13	30.09.12	31.12.12
Income Statement			
Income from interest and credit commissions received from subsidiaries	28	37	47
Interest on deposits to subsidiaries	6	5	8
Rent expense	6	5	7
Refund of operating expenses	9	6	12
Balance Sheet			
Lending to subsidiaries	706	294	778
Covered bonds	820	975	975
Deposits from subsidiaries	262	297	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 4.760 million as September 30. 2013. Covered bonds NOK 4.010 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 640 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 9.6 million 30.09.2013.

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

Parent bank				Group				
30.09.12		30.09.13		30.09.13		30.09.12		
Real value	Balance sheet value	Real value	Balance sheet value		Balance sheet value	Real value	Balance sheet value	Real value
ASSETS								
105	105	87	87	Cash and receivables from central banks	87	87	105	105
753	753	1 328	1 328	Loans and receivables to credit institutions	693	693	566	566
754	754	1 124	1 124	Loans to customers at fair value	1 124	1 124	754	754
14 036	14 036	14 883	14 883	Loans to customers at amortized cost	19 575	19 575	18 519	18 519
213	213	209	209	Derivates	209	209	213	213
5 165	5 165	5 243	5 243	Certificates,bonds and shares available for sale	4 067	4 067	3 835	3 835
21 026	21 026	22 874	22 874	Total	25 755	25 755	23 992	23 992
Liabilities								
828	828	644	644	Liabilities to credit institutions amortized cost	644	644	828	828
64	64	12	12	Deposits at fair value	12	12	64	64
11 340	11 340	12 797	12 797	Deposits from and liabilities at amortized cost	12 541	12 541	11 047	11 047
2 252	2 252	2 157	2 157	Debt securities at fair value	2 157	2 157	2 252	2 252
4 541	4 541	4 793	4 793	Debt securities hedging	7 983	7 983	7 848	7 848
218	218	518	518	Fundbonds and subordinated loan capital	518	518	218	218
48	48	43	43	Derivates	43	43	48	48
19 291	19 291	20 964	20 964	Total	23 898	23 898	22 305	22 305

NOTE 16. FINANCIAL DERIVATIVES

<i>Parent bank</i>				<i>Group</i>			
30.09.13				30.09.13			
Nominal value		Market value		Nominal value		Market value	
Total	Assets	Commitments		Total	Assets	Commitments	
1 010		43	Interest rate swaps- fixed interest rate loans	1 010		43	
			Interest rate swaps- bank deposits with share Yield				
1 010		43	Total financial derivatives	1 010		43	
2 100	209		Interest rate swaps – fixed interest rate with hedging	2 100	209		0
2 100	209	0	Total financial derivatives with hedging	2 100	209	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	
711		28	Interest rate swaps- fixed interest rate loans	711		28	
0	0		Interest rate swaps- bank deposits with share Yield		0		
711	0	28	Total financial derivatives	711	0	28	
2 550	213	20	Interest rate swaps – fixed interest rate with hedging	2 550	213	20	
2 550	213	20	Total financial derivatives with hedging	2 550	213	20	

NOTE 17. GEOGRAPHICAL EXPOSURE DEPOSITS FROM AND LIABILITIES TO CUSTOMERS

Parent bank						Group		
%	30.09.12	%	30.09.13		30.09.13	%	30.09.12	%
92.0 %	10 490	92.1 %	11 801	Helgeland	11 547	92.0 %	10 197	91.8 %
7.3 %	828	7.1 %	904	Areas other than Helgeland	904	7.2 %	828	7.5 %
0.8 %	86	0.8 %	102	International	102	0.8 %	86	0.8 %
100.0 %	11 404	100.0 %	12 807	Total	12 553	100.0 %	11 111	100.0 %

NOTE 18. DEPOSITS FROM CUSTOMERS SPLIT BY SECTOR/INDUSTRY

Parent bank								Group	
%	30.09.12	%	30.09.13		30.09.13	%	30.09.12	%	
4.7 %	538	4.5 %	574	Financial institutions	320	2.5 %	270	2.4 %	
8.6 %	981	13.0 %	1 663	Municipalities and municipal enterp.	1 663	13.2 %	981	8.8 %	
2.6 %	294	2.3 %	298	Agriculture and forestry	298	2.4 %	294	2.6 %	
1.5 %	169	1.2 %	154	Fisheries and aquaculture	154	1.2 %	169	1.5 %	
1.5 %	169	1.5 %	196	Mining and industry	196	1.6 %	169	1.5 %	
3.5 %	397	3.7 %	475	Building and construction	475	3.8 %	397	3.6 %	
2.9 %	327	3.0 %	380	Trade, hotel, restaurants.	380	3.0 %	327	2.9 %	
5.9 %	675	6.0 %	766	Transport and services	766	6.1 %	675	6.1 %	
4.7 %	540	4.0 %	506	Property, property development	506	4.0 %	515	4.6 %	
64.1 %	7 314	60.9 %	7 795	Retail market	7 795	62.1 %	7 314	65.8 %	
100.0 %	11 404	100.0 %	12 807	Total	12 553	100.0 %	11 111	100.0 %	

NOTE 19. EQUITY CERTIFICATE CAPITAL HELG

			<i>Parent bank</i>		
Per 30.09.13	Numbers	% share		Numbers	% share
Sparebankstiftelsen Helgeland	12.099.598	64,7 %	Pareto AS	170.000	0,9 %
MP Pensjon	800.000	4,3 %	Citibank, N.A S/A National fin	136.147	0,7 %
Sparebank 1 SMN VPS	649.047	3,5 %	Nervik, Steffen	110.000	0,6 %
Helgelandskraft AS	340.494	1,8 %	Melum Mølle AS	100.000	0,5 %
Sparebankstiftelsen DnB NOR	329.124	1,8 %	Hartviksen, Harald	94.498	0,5 %
Bergen Kommunale pensj.	300.000	1,6 %	Brage Invest AS Eika kapital	82.287	0,4 %
Sparebanken Vest	200.000	1,1 %	Tromstrygd	75.000	0,4 %
Verdipapirfondet EIK	199.316	1,1 %	Institutt for sammenligning	62.300	0,3 %
Skagen Vekst	185.809	1,0 %	Storkleiven AS	60.000	0,3 %
Johs. Haugerudsvei AS	176.402	0,9 %	Sniptind Holding AS	57.465	0,3 %
Total 10 biggest owners	15 279 790	81,7 %	Total 20 biggest owners	16 227 487	86,8 %

The bank has issued a total of 18 700 000 primary certificates value of NOK 10,-

The bank has in the quarter conducted the notified write down of the face value of the equity capital certificates (ECC). The ECC ownership capital is reduced by MNOK 748, from MNOK 935 to MNOK 187, by change of the ECC's face value from NOK 50 to NOK 10. The reduction amount is used for appropriation to the ECC premium account. The ECC owner's combined capital is not affected and is unchanged.

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	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
935	935	187	ECC-capital	187	935	935
97	97	845	Premium Fund	845	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	387	Savings Bank's fund	387	364	381
117	110	122	Reserve for vauluation variances	113	102	108
25	17	13	Donations Fund	13	17	25
170	117	183	Dividend equalisation reserve	183	117	170
24	0	0	Cash dividend	0	0	24
0	0	0	Other equity capital	44	17	44
717	608	705	Total accrued equity capital	740	617	752
			Additional:			
218	218	219	Fundbonds	219	218	218
			Deduction:			
- 117	- 110	- 122	Not realized profits	- 113	- 102	- 108
- 32	0	0	Cash dividend /gifts employee	0	0	- 32
- 101	- 58	- 115	Intangible asstes	- 118	- 60	- 104
1 716	1 689	1 718	Total core capital	1 759	1 704	1 757
0	0	300	Subordinatet dept	300	0	0
9	33	- 4	Net nor realized profits	- 7	30	5
9	33	296	Total net supplementary capital	293	30	5
1 725	1 722	2 014	Total net equity and related capital	2 052	1 734	1 762
12 546	12 725	12 921	Weight assets calculation basis *)	13 778	13 584	13 401
11,94 %	11,56 %	11,60 %	Core tier one Capital ratio	11,18 %	10,94 %	11,48 %
13,68 %	13,27 %	13,30 %	Core capital ratio	12,77 %	12,54 %	13,11 %
13,75 %	13,53 %	15,59 %	Capital ratio	14,89 %	12,77 %	13,15 %
			<u>Included 50% of the result</u>			
	11,99 %	12,33 %	Core tier one Capital ratio	11,87 %	11,41 %	
	13,70 %	14,02 %	Core capital ratio	13,46 %	13,02 %	
	13,96 %	16,31 %	Capital ratio	15,59 %	13,24 %	

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	30.09.12	30.09.13			30.09.13	30.09.12	31.12.12
0	0	0	States and central banks		0	0	0
7	8	11	Local and regional authorities (including municipalities)		11	8	7
0	11	0	Publicly owned enterprises		0	11	0
0	0	7	International organisations		7	0	0
108	105	104	Institutions		58	62	61
287	275	243	Enterprises		243	275	287
176	201	157	Mass market loans		156	196	172
322	308	411	Loans secured by real property		547	440	472
10	15	12	Loans overdue		12	15	10
16	15	14	Covered bonds		7	7	9
0	0	0	Units in securities funds		0	0	0
38	36	38	Other loans and commitments		20	30	12
965	975	997	Capital requirement credit risk		1 062	1 043	1 030
56	55	56	Capital requirement operational risk 1)		60	55	60
- 17	- 12	- 19	Deducted from capital requirement		- 19	- 11	- 16
1 004	1 018	1 034	Total capital requirement		1 102	1 087	1 073

PROFIT AND LOSS ACCOUNT ITEMS AS A PERCENTAGE OF AVERAGE ASSETS

Parent bank						Group					
31.12.12	Q3/12	Q3/13	30.09.12	30.09.13		30.09.13	30.09.12	Q3/13	Q3/12	31.12.12	
4.18	4.11	4.13	4.24	4.07	Interest receivable and similar income	4.21	4.32	4.27	4.18	4.27	
2.72	2.64	2.47	2.79	2.50	Interest payable and similar costs	2.51	2.82	2.45	2.65	2.76	
1.45	1.47	1.66	1.45	1.57	Net interest- and credit commission income	1.70	1.49	1.82	1.53	1.51	
0.39	0.41	0.42	0.39	0.39	Commissions receivable and income from banking services	0.34	0.34	0.37	0.37	0.34	
0.04	0.04	0.04	0.04	0.04	Commissions payable and costs relating to banking services	0.04	0.03	0.03	0.03	0.04	
0.34	0.38	0.39	0.35	0.34	Net commission income	0.30	0.31	0.34	0.33	0.30	
0.03	0.04	-0.02	0.06	0.22	Gains/losses on financial assets available for sale	0.04	0.01	0.03	0.05	0.00	
0.01	0.00	0.00	0.01	0.01	Other operating income	0.02	0.02	0.02	0.02	0.03	
1.03	0.96	0.97	1.03	0.98	Operating costs	0.94	0.99	0.92	0.93	0.96	
0.13	0.13	0.05	0.14	0.10	Losses on loans, guarantees etc. and fixed assets	0.11	0.13	0.11	0.12	0.11	
0.69	0.79	1.01	0.70	1.06	Result before tax	1.02	0.72	1.18	0.88	0.77	
0.20	0.23	0.28	0.20	0.25	Tax payable on ordinary result	0.30	0.19	0.34	0.23	0.22	
0.49	0.57	0.72	0.50	0.81	Result from ordinary operations after tax	0.73	0.53	0.84	0.65	0.55	

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
218	216	214	227	234	Interest receivable and similar income	275	267	252	254	251
140	137	137	138	140	Interest payable and similar costs	158	158	157	159	159
78	79	77	89	94	Net interest- and credit commission income	117	109	95	95	92
22	21	19	21	24	Commissions receivable and income from banking services	24	21	19	21	22
2	3	2	3	2	Commissions payable and costs relating to banking services	2	3	2	3	2
20	18	17	18	22	Net commission income	22	18	17	18	20
2	-4	1	36	-1	Gains/losses on financial assets available for sale	2	3	3	-5	3
0	2	0	1	0	Other operating income	1	2	1	3	1
51	55	55	53	55	Operating costs	59	59	59	60	56
7	5	6	7	3	Losses on loans, guarantees etc.	7	7	6	5	7
42	35	34	84	57	Result before tax	76	66	51	46	53
12	10	9	16	16	Tax payable on ordinary result	22	20	14	15	14
30	25	25	68	41	Result from ordinary operations after tax	54	46	37	31	39

Parent bank					Profit and loss account items as a percentage of average assets	Group				
Q2/12	Q3/12	Q4/12	Q2/13	Q2/13		Q2/13	Q1/13	Q4/12	Q3/12	Q2/12
4.11	4.00	3.99	4.10	4.13	Interest receivable and similar income	4.27	4.24	4.11	4.12	4.18
2.64	2.54	2.55	2.49	2.47	Interest payable and similar costs	2.45	2.51	2.56	2.58	2.65
1.47	1.46	1.43	1.61	1.66	Net interest- and credit commission income	1.82	1.73	1.55	1.54	1.53
0.41	0.39	0.35	0.38	0.42	Commissions receivable and income from banking services	0.37	0.33	0.31	0.34	0.37
0.04	0.06	0.04	0.05	0.04	Commissions payable and costs relating to banking services	0.03	0.05	0.03	0.05	0.03
0.38	0.33	0.32	0.33	0.39	Net commission income	0.34	0.29	0.28	0.29	0.33
0.04	-0.07	0.02	0.65	-0.02	Gains/losses on financial assets available for sale	0.03	0.05	0.05	-0.08	0.05
0.00	0.04	0.00	0.02	0.00	Other operating income	0.02	0.03	0.02	0.05	0.02
0.96	1.02	1.02	0.96	0.97	Operating costs	0.92	0.94	0.96	0.97	0.93
0.13	0.09	0.11	0.13	0.05	Losses on loans, guarantees etc.	0.11	0.11	0.10	0.08	0.12
0.79	0.65	0.63	1.52	1.01	Result before tax	1.18	1.05	0.83	0.75	0.88
0.23	0.19	0.17	0.29	0.28	Tax payable on ordinary result	0.34	0.32	0.23	0.24	0.23
0.57	0.46	0.47	1.23	0.72	Result from ordinary operations after tax	0.84	0.73	0.60	0.50	0.65

Parent bank					Balance sheet (Amounts in NOK million)	Group				
30.09.12	31.12.12	31.03.13	30.06.13	30.09.13		30.09.13	30.06.13	31.03.13	31.12.12	30.09.12
					ASSETS					
105	92	85	107	87	Cash and claims on central banks	87	107	85	92	105
783	985	672	1 550	1 328	Loans to and claims on credit institutions	693	804	303	278	566
14 790	14 747	15 317	15 516	16 007	Loans to and claims on customers	20 699	20 395	20 004	19 755	19 273
213	261	185	213	209	Financial derivatives	209	213	185	261	213
4 656	4 753	4 696	4 550	4 732	Certificates, bonds and shares available for sale	3 912	3 730	3 721	3 778	3 681
163	163	164	164	164	Investments in associated companies	155	155	157	153	154
346	347	347	347	347	Investments in subsidiaries	0	0	0	0	0
49	66	66	66	66	Deferred tax benefit	69	69	69	69	51
91	90	76	73	73	Fixed assets	179	178	182	195	187
18	13	33	12	12	Other assets	20	19	31	13	17
21 214	21 517	21 641	22 598	23 025	Total assets	26 023	25 670	24 737	24 594	24 247
					LIABILITIES AND EQUITY CAPITAL					
828	830	828	647	644	Liabilities to credit institutions	644	647	828	830	828
11 404	11 511	11 747	12 461	12 809	Deposits from customers and liabilities to customers	12 553	12 194	11 453	11 211	11 111
6 793	6 958	6 811	6 934	6 950	Borrowings through the issuance of securities	10 140	10 225	10 146	10 294	10 100
48	45	41	41	43	Financial derivatives	43	41	41	45	48
206	209	221	169	191	Other liabilities	214	186	254	215	206
218	219	219	518	518	Fund bonds	518	518	219	219	218
19 497	19 772	19 867	20 770	21 155	Total liabilities	24 112	23 811	22 941	22 814	22 511
1 031	1 031	1 031	1 031	1 031	Paid-in equity capital	1 031	1 031	1 031	1 031	1 031
608	714	718	704	705	Accrued equity capital/retained earnings	741	743	726	747	611
78	0	25	93	134	Profit after taxes	137	83	37	0	92
					Minority interest	2	2	2	2	2
1 717	1 745	1 774	1 828	1 870	Total equity capital	1 911	1 859	1 796	1 780	1 736
21 214	21 517	21 641	22 598	23 025	Total liabilities and equity capital	26 023	25 670	24 737	24 594	24 247

OTHER KEY FIGURES

Parent bank

Group

31.12.12	30.09.12	30.09.13		30.09.13	30.09.12	31.12.12
BALANCE SHEET						
Development in the last 9 months						
	2,8	7,0	Total assets	5,8	6,3	
	2,8	8,6	Gross lending	4,8	6,8	
	7,0	11,3	Deposit	12,0	6,5	
Development in the last 12 months						
4,2	5,5	8,5	Total assets	7,3	9,8	7,9
2,4	4,7	8,1	Gross lending	7,4	8,6	9,3
8,0	8,1	12,3	Deposit	13,0	7,1	7,5
77,6	76,6	79,5	Deposit coverage as a percentage of gross loans	60,3	57,3	56,5
52,2	53,7	54,7	Lending to retail customers	64,6	64,3	63,9
20.963	20.795	22.159	Average assets	25.217	23.368	23.553
14.833	14.894	16.106	Gross loans	20.803	19.376	19.842
-21,0	-40,0	-33,0	Individual write-downs	-33,0	-40,0	-21,0
-66,0	-64,0	-66,5	Period's change in collective write downs	-70,5	-64,0	-66,0
0,0	0,0	0,0	Individual write-downs on guarantees	0,0	0,0	0,0
SOLIDITY						
13,8	13,5	15,6	Capital adequacy ratio as percentage	14,9	12,8	13,2
13,7	13,3	13,3	Core capital ratio as percentage	12,8	12,5	13,1
11,9	11,6	11,6	Core tier one Capital ratio	11,2	10,9	11,5
8,1	8,1	8,1	Equity capital ratio	7,3	7,2	7,2
6,1	6,2	9,9	Rate of return on equity capital	9,9	7,2	7,2
0,5	0,5	0,8	Return on assets	0,7	0,5	0,5
KEY FIGURES PCC						
4,1	3,1	5,4	Yield per primary certificate	5,5	3,7	4,9
4,1	3,1	5,4	Diluted result per ECC, in Norwegian currency	5,5	3,7	4,9
64,3	61,4	64,3	Equity capital per ECC 2)	64,3	61,4	64,3
31,0	29,7	36,2	PCC price quoted on the stock exchange	38,0	29,7	31,0
7,5	7,1	5,0	P/E (price as at 30.09 divided by profit per ECC)	5,2	6,0	6,3
0,5	0,5	0,6	P/B (price as at 30.09. divided by book value of equity capital	0,6	0,5	0,5
55,7 %	55,0 %	46,0 %	Costs as a percentage of income	45,4 %	53,9 %	53,9 %
1,0	1,0	1,0	Cost in percent of average total assets	0,9	1,0	1,0
177,0	177,0	177,0	Number of man-years	177,0	177,0	177,0
LOSSES ON LOANS AND GROSS DEFAULTS						
20,0	33,6	23,2	Specified loan provision in % of gross default on loan	23,2	33,6	20,0
<i>As a percentage of gross lending</i>						
0,7	0,8	0,9	Gross defaults over 90 days	0,7	0,6	0,5
0,6	0,6	0,7	Net defaults over 90 days	0,6	0,4	0,5
0,6	0,7	0,6	Total loan loss provision	0,5	0,5	0,4
0,2	0,2	0,1	Losses on lending	0,1	0,2	0,1

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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