

Q3
2012

financial report
third quarter 2012



REPORT OF THE BOARD OF DIRECTORS

Helgeland Boligkreditt AS,

accounts year to date and third quarter 2012.

General information

Helgeland Boligkreditt AS was established in November 2008 and is a wholly-owned subsidiary of Helgeland Sparebank. The company is located in the same premises as the bank's head office in Mo i Rana. The company has a licence as a finance company and can issue bonds in which the investors have a preferential right to coverage in the company's security. The security consists mainly of secured mortgages that have been granted by Helgeland Sparebank, and fulfils those demands which the company has for loans which can enter the cover pool..

Helgeland Boligkreditt AS is listed on the Oslo Stock Exchange as an issuer of bonds. The accounts are prepared according to international accounting principles (IFRS). The account for the period has not been audited. The figures are presented in NOK thousands.

Profit and loss account as at 30.09.12

The company can show to good results during first three quarters of 2012. Profit before tax was 26 MNOK. This was an increase of 16 MNOK from the same period in 2011.

Net interest and commission income was 35.9 MNOK and has increased by 17.4 MNOK compared with the same period in 2011.

Higher lending volume leads to increased costs to lending managing. Operating costs was 9.9 MNOK, which is an increase of 2.6 MNOK compared to same period in 2011.

Profit after tax as at 30.09.12 was 18.7 MNOK. Calculated to a yearly basis, this gives a ROE of 11.6%.

Balance sheet development

Total assets was 4 486.3 MNOK. As at 30.09.12 a total of 4 553.3 MNOK loans are transferred from Helgeland Sparebank to Helgeland Boligkreditt. During the last 12 months, total lending volume has increased by 931.5 MNOK, which gives a one year growth at 25.7%. 81.5% of total lending is lending to customers within the region of Helgeland.

The loan portfolio is considered as good, and there are no individual write downs or defaulted loans on the loans within the company. Value of the cover pool lies well above funding volume and there is good collateral within the portfolio.

LTV (Loan to value) as at 30.09.12 was 52.8 % and utilization of the cover pool was 111 %.

Adjustment calculation for the quarter has resulted in an increase in LTV. This is in line with the LTV in comparable residential mortgage companies.

Financing

By the exit of the quarter a total of CB' s amounting 4 281.9 MNOK were issued. CB' s par value 900 MNOK is in the parent bank' s owning.

The cover pool amounts 4 758.4 MNOK whereas mortgage loans represents 4 485.7 MNOK of this.

Risk and capital adequacy

Laws and regulations for enterprises with licence to issue CBs is required a low risk level.

The Helgeland Sparebank group has established guidelines and frames for managing and control of the different types of risk. As a part of the group, Helgeland Boligkreditt AS operates within these regulations.

Because of its licence as a credit company, Helgeland Boligkreditt AS is subject to a number of laws, regulations, recommendations and rules.

A transfer and service agreement has been entered into with Helgeland Sparebank to ensure that the value of the security portfolio exceeds the value of the company's borrowing.

The board of directors considers the company's overall risk to be low.

Credit risk

The company's credit strategy has been adopted by the board of directors and a framework for risk profile and management goals has been determined.

Lending against security fulfils the requirements of the Finance Activities Act and is secured on property at no more than 75% of market value. The credit risk is therefore considered to be low.

Liquidity risk

The company's strategy for managing liquidity risk has been adopted by the board of directors and determines the company's overall risk tolerance with concrete ceilings and control parameters. The company's liquidity risk is considered to be low. As at 30.09.12 the percentage of long-term financing (more than one year) was 88 %.

Operational risk

A main agreement with underlying delivery agreements has been entered into between Helgeland Sparebank and Helgeland Boligkreditt AS to take care of operational risk. Among other things, the agreement covers administration, bank production and IT operations.

Capital adequacy

The capital adequacy as at 30.09.12 was 15.44 % and consists entirely of core capital. The company' s net capital base was 293.8 MNOK during the ending of third quarter 2012. The share capital has increased in the quarter by 100 MNOK. Helgeland Boligkreditt AS uses the standard method for calculating the capital requirement. Helgeland Sparebank is sole shareholder in the company.

REPORT OF THE BOARD OF DIRECTORS

Prospects

Helgeland Boligkreditt AS can show to increased earnings and stable low risk. We expect that this market situation will continue

The company plans to acquire additional loans from Helgeland Sparebank

Mo i Rana, 30 September 2012

Mo I Rana 29 October 2012

Jan Erik Furunes
Chairman of the Board

Lisbeth Flågeng
Deputy chairman of the Board

Helge Stanghelle

Inger Lise Strøm

Brit Søfting
General manager

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PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT

	Notes	30.09.12	30.09.11	Q3/12	Q3/11	31.12.11
Interest receivable and similar income	3	137.487	100.043	47.313	36.848	141.451
Interest payable and similar costs	3	101.573	82.628	33.909	31.381	118.102
Net interest- and credit commission income		35.914	17.415	13.404	5.467	23.350
Commissions receivable and income from banking services		16	19	4	6	23
Commissions payable and costs relating to banking services		0	0	0	0	0
Net commission income		16	19	4	6	23
Gains/losses on financial instruments available for sale		0	-78	0	97	0
Other operating income		0	0	0	0	0
Operating costs	4	9.921	7.315	3.722	2.816	10.138
Losses on loans guarantees etc	5	0	0	0	0	0
Result from ordinary operations		26.009	10.041	9.686	2.754	13.235
Result before tax		26.009	10.041	9.686	2.754	13.235
Tax payable on ordinary result		7.283	2.812	2.713	772	3.920
Result after tax		18.726	7.229	6.973	1.982	9.315
Result per share in NOK	17	65	48	46	13	49
Diluted result per share in NOK	17	65	48	46	13	49
Extended income						
Result after tax		18.726	7.229	6.973	1.982	9.315
Net change in value of financial assets over equity		0	0	0	0	0
Total result for the period		18.726	7.229	6.973	1.982	9.315

BALANCE SHEET

BALANCE SHEET

	Notes	30.09.12	30.09.11	31.12.11
ASSETS				
Loans to and claims on credit institutions	11	272.615	136.594	181.908
Loans to and claims on customers	6,7,8,9,10	4.553.687	3.622.235	3.730.495
Deferred tax assets		0	0	0
Total assets		4.826.302	3.758.829	3.912.403
LIABILITIES AND EQUITY CAPITAL				
Liabilities to credit institutions	12	223.686	569.802	420.056
Borrowings through the issuance of securities	14	4.281.980	3.022.587	3.284.370
Other liabilities		8.076	5.376	4.829
Committed group contribution		0	0	0
Total liabilities		4.513.742	3.597.765	3.709.255
Paid-in equity capital	15,16	290.010	150.010	190.010
Accrued equity capital/retained earnings	15	3.824	3.824	13.138
Result after tax		18.726	7.229	9.315
Total equity capital		312.560	161.063	212.463
Total liabilities and equity capital		4.826.302	3.758.828	3.921.718

CHANGE IN EQUITY AND CASH FLOW STATEMENT

CHANGE IN EQUITY

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.12	190.000	10	3.824	193.834
Issued new share capital				100.000
Paid out			0	0
Dividends transferred to debt				0
Result				18.726
Equity capital as at 30.09.12	290.000	10	22.550	312.560

	Share capital	Premium fund	Other equity capital	Total
Equity capital 01.01.11	150.000	10	3.824	153.834
Issued new share capital				0
Paid out				0
Dividends transferred to debt				0
Result				7.229
Equity capital as at 30.09.11	150.000	10	11.053	161.063

CASH FLOW STATEMENT

	30.09.12	30.09.11	31.12.11
Result of ordinary operations	26.009	10.041	13.235
+ Losses on loans, guarantees, etc	0	0	0
- Tax expense	7.283	2.812	3.920
- Dividend paid	0	0	0
= Provided from the year's operations	18.726	7.229	9.315
Change miscellaneous debt: + increase/-decrease	1.704	1.645	0
Change miscellaneous claims: - increase/+ decrease	0	0	0
Change in lendings to and claims on customers: -increase/+decrease	-823.192	-658.684	-766.944
Change in deposits from and liabilities to customers: +increase/-decrease	-766	0	796
Change in liabilities to credit institutions: + increase/-decrease	-196.370	24.539	-125.207
A Net liquidity change from operating activities	-999.898	-625.271	-882.040
- Invested in tangible fixed assets	0	0	0
Change in long-term securities: - increase/+ decrease	0	0	0
B Liquidity change from investing activities	0	0	0
- Dividend paid	0	-9.132	-9.133
Liabilities securities in issue increase: +increase/- decrease	997.610	619.725	881.508
New share capital: +increase/-decrease	100.000	0	40.000
C Liquidity change from financing activities	1.097.610	610.593	912.375
A+B+C Sum total change liquid assets	97.712	-14.678	30.335
+ Liquid assets at the start of the period	181.606	151.271	151.271
= Liquid assets at the close of the period	272.615	136.593	181.606

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

General background

Helgeland Boligkreditt AS received its license as finance company February 2009. The company is a wholly-owned subsidiary of Helgeland Sparebank and was established to be the parent bank's enterprise for issuance of covered bonds. The company is headquartered in Mo i Rana, with address Jernbanegata 8601 Mo i Rana, Norway.

Presentation currency

All amounts are stated in NOK thousand unless otherwise specified. Presentation currency and functional currency are both NOK.

Basis of preparation of financial statements

The accounts have been prepared in accordance to Ministry of Finance's regulations on annual accounting for banks, etc., § 1-5 Simplified use of international accounting standards. The company is a part of the Helgeland Sparebank Group, who implemented IFRS in the consolidated accounts from 1 January 2005. The company uses the same principles of measurement, classification and presentation as the consolidated accounts for Helgeland Sparebank. The annual accounts have been prepared on a going concern basis.

Presentation in the balance sheet and profit and loss account

Loans

Loans are recognised in the balance sheet depending on the counterparty, either as loans to and deposits with credit institutions or as loans to customers, depending on the measurement principle.

Interest income on loans is included in the line for "net interest income".

Changes in value that can be linked to identify objective evidence of impairment on the balance-sheet date for loans carried at amortised cost and for the portfolios of loans at fixed interest rates that are carried at fair value are included in "write-downs of loans and guarantees".

Liabilities to credit institutions and deposits from customers

Liabilities to financial institutions are recognised as liabilities to credit institutions regardless of the measurement principle.

Interest expense on the instruments is included in net interest income based on the internal rate of return method. Other changes in value are included in "net gains on financial instruments at fair value".

Segment reporting

The company's operations involve only one strategic business area, which is organised and managed on a total basis. The company's business area is the retail market. Lending to the corporate market is mortgages to sole proprietorships and represents a smaller share of total lending. The company does not report this as a separate segment.

Financial instruments

The company defines its financial assets and liabilities within the following classes:

- Financial derivatives
 - Securities issued and subordinated loan capital
 - Securities issued at floating rates of interest
 - Securities issued, fixed-interest
 - Securities issued, hedges
- Loans to customers
 - Loans at floating rates of interest

Financial instruments are valued in accordance with IAS 39. All purchases and sales of financial instruments are recognised in the accounts at the transaction date.

Financial derivatives

The agreements entered into by the company are derivatives related to interest rates and exchange rates. Interest swaps are related to fixed-interest deposits and loans; currency swaps are related to syndicate borrowing in euro.

Derivatives are carried at fair value (clean value) and are together with accrued/earned interest value in the balance sheet (see also section on hedge accounting). The effect of change in fair value is recognized as "gain/loss on financial instruments".

Interest on derivatives hedging is a part of the net interest rate.

NOTES

Fair value is equal to the market price for listed securities. For securities that are not listed and which there is no market for, uses the company valuation techniques to determine fair values. The derivatives are recognised in the profit and loss account as an asset when the fair value is positive, and as a liability when the fair value is negative

Securities issued

Securities issued are defined as securities which the company does not intend to trade and which were originally issued by the company. Buy-backs of own bonds in connection with debt reduction are netted against bond debt.

Liabilities at floating rates of interest are assessed at fair value when they are first included in the accounts and later at amortised cost through the use of the effective interest method. Any premium/discount is accrued over the term to maturity. The liabilities are shown in the balance sheet at amortised cost (including accrued interest). Changes in value for amortised cost are recognised in the profit and loss account and net interest.

Liabilities at fixed rates of interest are assessed at fair value. The liabilities are shown in the balance sheet at fair value (clean price) including accrued interest, less own portfolio. Changes in value are recognised in the profit and loss account as "gains/losses on financial instruments" and interest expense in the profit and loss account against net interest.

Appreciation at fair value over the result is expected to significantly reduce the result volatility that otherwise would have occurred when the company have signed interest rate derivatives to achieve efficient floating rate

Hedge accounting; the company evaluates and documents the hedge effectiveness, both at the initial classification and on an ongoing basis. At value hedging, both the hedging instrument and the hedged item are recognized at fair value, and changes in these values from the opening balance are recognized.

The company has no cash-flow hedges.

The fair value is calculated by discounting the cash flow. Credit spreads on interest-bearing securities are changed on the basis of an all-round assessment in which observed trades in the market, credit margin reports from various securities houses, and internal assessments are included as a basis for the overall assessment. A change in credit spreads will influence the required rate of return, as the supplement added to the zero coupon curve is changed. In the case of purchase of own securities, liabilities are reduced, and the difference between book value and the payment made (premium or discount) is recognised in the profit and loss account as a gain or loss relating to securities issued.

Loans to customers

The company has defined its market area (Helgeland) as one segment.

Loans at floating rates of interest are measured at amortised cost in compliance with IAS 39. The amortised cost is the purchase cost less repayments on capital, plus or minus cumulative amortisation resulting from an effective interest method, less any amount for impairment. Loans at amortised cost, including accrued interest, reflect the value in the balance sheet. Interest income on loans to customers is recognised as income under net interest. When loans are first recognised in the balance sheet, they are valued at fair value.

Write-downs on loans

A loan or a group of loans is written down when there is objective evidence of impairment of value as a result of loss events which can be reliably estimated, and which are important for the expected future cash flows from the loan or group of loans.

Loans are written down individually when there is objective evidence of the loan's impairment of value. The amount of the write-down is calculated as the difference between the book and present value of future cash flows calculated according to the expected life of the loan in question. The discounting is done through the use of the effective interest method. Calculated loss is shown on a gross basis in the balance sheet as an individual write-down on loans and is recognised in the profit and loss account as a loss cost. Loans which have been written down individually are not included in the basis for collective write-downs.

Loans are written down collectively when there is objective evidence suggesting impairment of a group of loans. Customers are classified in risk groups on the basis of different parameters such as financial strength, revenue generation, liquidity and funding, business sector, geographical location and behavioural score. These factors provide indications of debtors' ability to service their loans, and are relevant for the calculation of future cash flows from the different risk groups. Each individual risk group is assessed collectively with regard to the need for write-downs.

Interest income and interest cost

Interest income and interest costs relating to assets and liabilities measured at amortised cost are recognised in the profit and loss account on an ongoing basis through the use of the effective interest method.

Interest income on loans which have been written down is calculated by using the same effective rate of interest as the one applied when discounting the original cash flow. Interest income on fixed-interest loans is recognised at fair value. Changes in the fair value of fixed-interest loans are recognised in the profit and loss account as a change in the value of financial instruments.

Commission income and expenses

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

NOTES

Cash and cash equivalents

In the cash flow statement, cash and cash equivalents are defined as cash, deposits with Norges Bank and other banks, certificates, bonds and loans and credits provided for other banks. Cash equivalents are short-term liquid funds, which can be converted into cash within 3 months

Provisions

Provisions are included in the accounts when the company has a currently valid obligation (legal or assumed) as a result of events, which have occurred, and when it is more likely than not that a financial settlement as a result of the obligation will take place, and when the size of the amount involved can be reliably estimated.

Provisions are reviewed on each balance sheet date in question, the level reflecting the best estimate of the obligation. When the effect of time is insignificant, the provisions will be equal to the amount of the cost required in order to be free of the obligation. When the effect of time is significant, the provisions will be equal to the present value of the future cash payments needed to meet the obligation.

In cases where there are several obligations of the same kind, the likelihood of the obligation resulting in a settlement is determined by assessing the group as a whole. Provisions for the company are included in the accounts even if the likelihood of a settlement relating to the company's individual elements may be low.

Tax

Deferred tax is calculated on all temporary differences between accounts-related and tax-related balance sheet values according to the currently applicable tax rate at the end of the period (the liabilities method). Tax-increasing temporary differences include a deferred tax liability, and tax-reducing, temporary differences, together with any loss to be carried forward, include a possible deferred tax benefit. Deferred tax benefit is shown in the balance sheet when it is likely that in the future there will be taxable income against which the deferred tax benefit can be used.

The tax cost in the profit and loss account comprises both the period's payable tax and any change in deferred tax. The change in deferred tax reflects future payable taxes which are incurred as a result of the operations during the year.

Cash flow statement

The cash flow statement shows cash flows classified by sources and fields of application.

Share capital

Provision for dividends and group contributions are classified as equity capital in the period until the dividend is decided by the company's supervisory board. Provisions are not included in the calculation of capital adequacy. When the dividend or group contribution is decided by the General Assembly, it will be removed from the equity capital and classified as short-term liability until payment is made.

NOTE 2. SEGMENT

The company's operations include only one strategic area of business, which is organised and managed. The company's business area is personal customer retail market. Lending to corporate retail market is represented by mortgaged loans to sole proprietorships and is a small share of total lending. Geographical segment is the region of Helgeland.

NOTE 3. NET INTEREST INCOME

Specifications of income:	30.09.12	30.09.11	Q3/12	Q3/11	31.12.11
Interest income of lending to and claims on credit institutions	4.614	3.309	1.584	1.134	4.775
Interest income of lending to and claims on customers	132.873	96.734	45.729	35.714	136.676
Total interest income	137.487	100.043	47.313	36.848	141.451
Interest expense on liabilities to credit institutions	13.936	16.844	4.944	6.795	23.011
Interest expense on issued securities	87.623	65.784	28.951	24.586	95.090
Other interest expenses	14	0	14	0	1
Total interest expenses	101.573	82.628	33.909	31.381	118.102
Net interest income	35.914	17.415	13.404	5.467	23.350

NOTES

NOTE 4. OPERATING COSTS

Specification of costs:	30.09.12	30.09.11	Q3/12	Q3/11	31.12.11
Management fee and wage general manager	8.559	6.727	2.995	2.411	9.340
Other administration costs	41	44	41	44	34
Total wages and administration costs	8.600	6.771	3.036	2.455	9.374
Other operating costs	1.321	543	686	360	764
Total operating costs	9.921	7.315	3.722	2.816	10.138

NOTE 5. WRITE DOWNS ON LENDING

Losses on loans	30.09.12	30.09.11	31.12.11
Periodic change in individual write-downs	0	0	0
Periodic change in write-downs on groups of loans	0	0	0
Total losses on loans and guarantees	0	0	0
Periodic losses on loans covered by previous write-downs	0	0	0
Periodic losses on loans not covered by previous write-downs	0	0	0
Periodic entrance of former confirmed losses	0	0	0
Write-downs on commitments etc.	0	0	0

NOTE 6. GEOGRAPHICAL EXPOSURE OF LENDING PORTFOLIO

Geographical exposure of the lending portfolio	30.09.12	%	30.09.11	%	31.12.11	%
Helgeland	3.710.637	81,5 %	2.943.333	81,3 %	3.045.014	81,6 %
Areas other than Helgeland	839.441	18,4 %	676.448	18,7 %	683.063	18,3 %
International ¹⁾	3.609	0,1 %	2.454	0,1 %	2.418	0,1 %
Total	4.553.687	100,0 %	3.622.235	100,0 %	3.730.495	100,0 %

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

NOTE 7. LENDING

Lending	30.09.12	30.09.11	31.12.11
Gross lending to customers	4.545.964	3.616.587	3.723.962
Individual write-downs on lending	0	0	0
Lending to customers after individual write-downs	4.545.964	3.616.587	3.723.962
Accrued interest	7.723	5.648	6.533
Group write/downs	0	0	0
Lending to and claims on customers, to amortized cost	4.553.687	3.622.235	3.730.495

NOTES

NOTE 8. GUARANTEES AND COMMITMENTS

The company has no such commitments

NOTE 9. DOUBTFUL LOANS AND COMMITMENTS

Defaulted commitments	30.09.12	30.09.11	31.12.11
Gross defaulted commitments over 90 days	0	0	0
Individual write-downs of defaulted loans	0	0	0
Net defaulted commitments	0	0	0

Defaulted commitments 0-90 are MNOK 1.3 as of 30.09.12

NOTE 10. WRITE DOWNS ON LENDING

Write-downs	30.09.12	30.09.11	31.12.11
Individual write-downs to cover losses on commitments 01.01	0	0	0
Net write-offs, which was previously written down	0	0	0
Increased individual write-downs in the period, which was previously written down	0	0	0
New individual write-downs in the period	0	0	0
Reversal of individual write-downs in the period	0	0	0
Total individual write-downs on loans	0	0	0

Group write-downs

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

NOTE 11. LOANS TO AND CLAIMS ON CREDIT INSTITUTIONS

	30.09.12	30.09.11	31.12.11
Liabilities to credit institutions without agreed maturity	181.908	136.594	181.908
Total lending to and claims on credit institutions	181.908	136.594	181.908

Geographic areas	30.09.12	%	30.09.11	%
Total Helgeland	181.908	100,0 %	136.594	100,0 %

NOTE 12. LIABILITIES TO CREDIT INSTITUTIONS

	30.09.12	30.09.11	31.12.11
Without agreed maturity	223.346	569.802	420.056
Total liabilities to credit institutions	223.346	569.802	420.056

The liabilities are wholly related to the parent bank, Helgeland Sparebank.

The company has signed agreements with Helgeland Sparebank on credit facilities totalling 1 BnNOK which mainly is to be used for payment for purchased loans and repayment of covered bonds. The agreement is entered after principles of arm's length principle. The credit is extended with 0.2 BnNOK as at 30.09.12

NOTE 13. DERIVATIVES

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

NOTES

NOTE 14. LIABILITIES THROUGH ISSUE OF SECURITIES

Liabilities through issuance of securities are valued at amortized cost.

ISIN code	Currency	Par value	Own hold.	Interest	Admission	Maturity	Soft call	30.09.12
No0010515489	NOK	450.000	0	Floating 3mth. Nibor+0.49	2009	2015	2014	450.400
No0010515497	NOK	450.000	0	Floating 3mth. Nibor+0.49	2009	2016	2015	450.400
No0010561798	NOK	500.000	0	Floating 3mth. Nibor+0.59	2009	2014	2013	500.480
No0010566839	NOK	500.000	0	Floating 3mth. Nibor+0.40	2010	2015	2014	500.490
No0010571573	NOK	500.000	0	Floating 3mth. Nibor+0.65	2010	2016	2015	500.256
No0010592553	NOK	500.000	0	Floating 3mth. Nibor+0.65	2010	2017	2016	500.471
No0010623978	NOK	300.000	170.000	Floating 3mth. Nibor+0.65	2011	2018	2017	130.070
No0010628431	NOK	300.000	0	Floating 3mth. Nibor+0.67	2011	2016	2015	300.985
No0010635253	NOK	200.000	10.000	Floating 3mth. Nibor+0.80	2012	2016	2014	190.895
No0010645963	NOK	550.000	50.000	Floating 3mth. Nibor+0.75	2012	2018	2017	502.320
No0010660640	NOK	300.000	45.000	Floating 3mnd. Nibor+0,85*	2012	2019	2018	255.213
Total listed covered bonds								4.281.980

ISIN code	Currency	Par value	Own hold.	Interest	Admission	Maturity	Soft call	30.09.11
No0010515489	NOK	450.000	0	Floating 3mth. Nibor+0.49	2009	2015	2014	450.000
No0010515497	NOK	450.000	0	Floating 3mth. Nibor+0.59	2009	2016	2015	449.684
No0010561798	NOK	500.000	0	Floating 3mth. Nibor+0.40	2009	2014	2013	500.044
No0010566839	NOK	450.000	0	Floating 3mth. Nibor+0.65	2010	2015	2014	500.100
No0010571573	NOK	500.000	0	Floating 3mth. Nibor+0.65	2010	2016	2015	499.668
No0010592553	NOK	500.000	0	Floating 3mth. Nibor+0.65	2010/11	2017	2016	499.061
No0010623978	NOK	300.000	0	Floating 3mth. Nibor+0.67	2011	2018	2017	119.843
Interest								4.187
Total listed covered bonds								3.022.587

Emission No0010515489 and No0010515497 is wholly bought by Helgeland Sparebank, and is utilized by the parent bank as a guarantee for participation in the Government Swap Agreement. All loans has soft call one year before falling due.

	30.09.12	30.09.11	31.12.11
Loans secured by property*	0	0	0
Claims that constitutes cover pool	41.182	40.816	40.908
Total cover pool	4.485.747	3.611.723	3.704.578

* 68 mill. kr. of total loans on customers bare not qualified for the eligible cover pool

Cover pool capacity utilization	111 %	124 %	118 %
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The cover pool assembly is defined in the Financial Institutions Act § 2.28

LTV (loan to value) as at 30.09.12 was 52,8%.

NOTE 15. CAPITAL ADEQUACY

	30.09.12	30.09.11	31.12.11
Total paid-in capital	290.010	150.010	190.010
Total accrued equity capital/retained earnings	3.824	3.824	13.138
Additional	0	0	0
Deduction	0	0	9.315
Total core capital	293.834	153.834	193.833
Total net supplementary capital	0	0	0
Total net equity and related capital	293.834	153.834	193.833
Weighted asset calculation basis	1.903.213	1.419.325	1.510.085
Capital adequacy ratio	15,44 %	10,84 %	12,84 %
Of which core capital accounted for	15,44 %	10,84 %	12,84 %

NOTES

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

	30.09.12	30.09.11	31.12.11
States and central banks	0	0	0
Local and regional authorities (including municipalities)	0	0	0
Publicly owned enterprises	0	0	0
Institutions	4.362	2.186	2.912
Enterprises	23	149	91
Mass market loans	0	0	0
Loans secured by real property	131.275	104.722	109.642
Loans overdue	0	0	0
Covered bonds	0	0	0
Units in securities funds	0	0	0
Other loans and commitments	14.028	4.385	6.058
Capital requirement credit risk	149.688	111.442	118.703
Capital requirement operational risk 1)	2.569	2.104	2.104
Deduction from capital requirement	0	0	0
Total capital requirement	152.257	113.546	120.807

NOTE 16. SHARE CAPITAL

The share capital is 290 MNOK. The shares has a face value of 1 000 NOK, and Helgeland Sparebank owns all the shares.

NOTE 17. RESULT PER SHARE

	30.09.12	30.09.11	31.12.11
Result so far this year	18.726	7.229	9.315
Number of shares	290.000	150.000	190.000
Result per share in NOK	65	48	49
Diluted result per share in NOK	65	48	49

NOTE 18. TRANSACTIONS WITH RELATED PARTIES

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

NOTE 19. TRANSACTIONS WITH RELATED PARTIES

Intragroup transactions	30.09.12	30.09.11	31.12.11
Profit and loss account			
Interest income and similar income	4.614	3.309	4.775
Interest expense and similar expense	13.936	16.844	23.011
Management fee	8.559	6.727	9.340
Balance sheet			
Lending and claims on credit institutions	272.615	136.594	181.908
Liabilities to credit institutions	223.686	569.802	420.056
Liabilities from issuance of securities	900.800	901.145	900.000

Elected representatives and senior management in Helgeland Boligkreditt AS

The General Assembly:

Helgeland Sparebank v/ CEO Jan Erik Furunes.

Representatives:

Thore Michalsen, Mo i Rana, Chairman.
Geir Sætran, Mo i Rana Deputy Chairman.
Dag Hugo Heimstad, Mosjøen
Ann Karin Krogli, Mo i Rana
Halvor Braaten, Mo i Rana
Fredrik Hagen, Mosjøen

Members of the Board of Directors:

Jan Erik Furunes, CEO Helgeland Sparebank, Chairman
Lisbeth Flågeng, DCEO Helgeland Sparebank
Inger Lise Strøm, General Manager Corporate Staff Helgeland Sparebank
Helge Stanghelle, Fesil

Members of the Control Committee:

Heidi Dahl, Jurist Statens Innkrevningsentral - Chairman
Kåre Åsli, self-employed
Frank Høyen, General Manager ProLink International

Contact information

Helgeland Sparebank

Postadresse: Postboks 68, 8601 Mo i Rana
Organisasjonsnummer: 937 904 029
www.hsb.no

Helgeland Boligkreditt AS

Organisasjonsnummer: 993 359 696
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Investor Relations

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Other sources:

Annual reports

Helgeland Boligkreditt AS is a part of the Helgeland Sparebank group. Annual reports are available under investor relations information at www.hsb.no

Interim reports

Quarterly reports are available at www.hsb.no