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Interim Report from the Board of Directors

About the company

Møre Boligkreditt AS is a wholly owned subsidiary of Sparebanken Møre. The company has a licence to operate as a mortgage company and issue covered bonds. Møre Boligkreditt AS is Sparebanken Møre's most important source of market funding and an important part of the bank's long-term funding strategy.

The accounts have been prepared in accordance with IFRS.

Profit and balance sheet performance

The financial statements of Møre Boligkreditt AS show a profit before tax of NOK 90 million by half year end 2013, compared with NOK 43 million for the corresponding period in 2012. Interest income amounted to NOK 249 million, compared with NOK 194 million for the same period last year, while interest expenses totalled NOK 146 million, compared with NOK 140 million for the same period last year. Costs amounted to NOK 13 million, compared with NOK 11 million for the corresponding period in 2012.

Møre Boligkreditt AS had no established losses and allocated no provisions for individual losses in Q2 2013. Nor has the company changed its provisions for collective write-downs in Q2 2013. The amount allocated for collective write-downs was NOK 1 million. Profit after tax amounted to NOK 65 million, compared with NOK 31 million for the same period last year. Tax amounted to NOK 25 million, compared with NOK 12 million for the same period last year. Total assets at the end of Q2 2013 amounted to NOK 13,041 million compared to NOK 9,367 million at the end of the same quar-

ter last year. Net lending amounted to NOK 12,667 million, compared with NOK 9,169 million for the same period last year. Bank deposits at Q2 2013 amounted to NOK 241 million, compared with NOK 106 million by same quarter 2012.

Møre Boligkreditt AS acquired mortgages from Sparebanken Møre in Q2 2013 and the company's net lending growth amounted to NOK 1,113 million. Møre Boligkreditt AS issued one new bond loan with nominal balance of NOK 1,000 million in Q2 2013. Møre Boligkreditt AS has a total of eleven bond loans. The total bond loan debt by end of second quarter 2013 was NOK 11,029 million.

Rating of the company's issues of covered bonds

The ratings agency Moody's has assigned Aaa-rating to all covered bonds issued by Møre Boligkreditt AS.

Capital strength

In second quarter 2013 Møre Boligkreditt AS has increased its equity capital by NOK 200 million through a private placement from the parent bank, Sparebanken Møre. Net equity and subordinated loan capital amounted to NOK 703 million at the end of Q2 2013, compared with NOK 503 million at the end of Q2 2012. This corresponds to a capital adequacy/core capital ratio of 14.46 per cent. The risk-weighted balance sheet amounted to NOK 4,861 million at the end of Q2 2013. The capital adequacy ratio has been calculated using the standard approach in the Basel II regulations.

The Board regards the company's interest bearing capacity as satisfactory.

Risks

Being licensed as a mortgage company means Møre Boligkreditt AS is subject to a number of acts, regulations, recommendations, and regulatory provisions. These regulations largely stipulate restrictions concerning the scope of the mortgage company's various risk exposures. The Board and CEO of Møre Boligkreditt AS are responsible for ensuring that proper risk management is established, and that this is adequate and complies with the acts and regulations. Operational risk management in the mortgage company is performed by Sparebanken Møre, based on an agreement between the mortgage company and Sparebanken Møre. The risk management emphasizes identifying, measuring and managing the mortgage company's risk elements in a manner that ensures Møre Boligkreditt AS complies with the professional credit regulations and keeps the various risks at a low level.

Credit Risk

Credit risk is defined as the risk of losses associated with customers or other counterparties being unable to fulfill their obligations at the agreed time and pursuant to written agreements, and the received collateral not covering outstanding claims. The credit risk strategy adopted by the mortgage company defines which loans can be acquired by the mortgage company. The strategy stipulates criteria for both borrowers and the collateral for the loans that can be acquired. At the end of Q2 2013 the average loan to value ratio was 52.0 per cent. The Board regards the quality of the loan portfolio as very good and the credit risk as low.

Market Risk

Market risk is the risk that will occur due to the mortgage company's holding or assuming positions in lending and financial instruments in which the values over time will be affected by changes in market prices. Møre Boligkreditt AS must by law have very low market risk and Board approved restrictions with regard to maximum exposure to market risk. The mortgage company utilizes financial derivatives to keep this type of risk at a low level. A specific market strategy has been adopted for Møre Boligkreditt AS, which establishes the limits for this type of risk.

The company's fixed income and foreign currency positions are hedged by financial derivatives, and the Board considers the overall market risk to be low.

Liquidity Risk

Liquidity risk is the risk that the mortgage company will be unable to fulfill its obligations without substantial extra costs being incurred in the form of price falls for assets that must be realized or more expensive funding. The mortgage company has adopted a liquidity risk strategy and established limits for long-term funding and short-term liquidity risk limits. The bond loans issued by Møre Boligkreditt AS have a soft bullet structure and the mortgage company has an option of extending the term of its borrowing by up to 12 months. The

Board also regards the mortgage company's liquidity risk as low.

Operational Risk

Liquidity risk is the risk that the mortgage company will be unable to fulfill its obligations without substantial extra costs being incurred in the form of price falls for assets that must be realized or more expensive funding. The mortgage company has adopted a liquidity risk strategy and established limits for long-term funding and short-term liquidity risk limits. The bond loans issued by Møre Boligkreditt AS have a soft bullet structure and the mortgage company has an option of extending the term of its borrowing by up to 12 months. The Board also regards the mortgage company's liquidity risk as low.

Outlook

The Norwegian economy is still solid, but with somewhat slower growth than previous quarters, the trends in our county also reflect this. A strong household sector, due to factors such as low interest rates and low unemployment, and a solid public sector will contribute to good levels of activity in several sectors. Should the Norwegian economy be hit harder than expected, monetary and financial policy could quickly be moved in a more expansive direction. The development of house prices and growth in debt are probably the most important

risk factors for Norwegian households. The European debt crisis and weak economic development of our trade partners are sources of uncertainty in the local export industry. Other important risk factors going forward are the development of oil prices and the NOK exchange rate.

Recent analyzes show that the activity in Møre og Romsdal county will remain high in second half of 2013 and 2014 as well, particularly in the public and private services and oil-related activities. As a result of the poor performance of our export markets, and the prospect of somewhat slower growth in the Norwegian economy, it is likely that unemployment will increase slightly both nationally and in Møre og Romsdal.

In June, the registered unemployment rate in Norway was 2.5 per cent, registered unemployment rate in Møre og Romsdal was 2.0 percent.

The Board believes that the good trend for business and industry in the county, combined with low interest rates and increase in household income, will contribute to further loan growth in Sparebanken Møre. This will position Møre Boligkreditt AS to acquire more of the parent bank's mortgage loan portfolio, and we will see a further growth in outstanding bond loans also in the second half of 2013.

Ålesund, 7 August 2013
The Board of Directors of Møre Boligkreditt AS

Kjetil Hauge
CHAIRMAN

Britt Iren Tøsse Aandal

Trond Nydal

Ole Kjerstad
CEO

Geir Tore Hjelle

Sandra Myhre Helseth

STATEMENT OF INCOME

MØRE BOLIGKREDITT AS						
(MNOK)	Notes	30.06.13	30.06.12	Q2 13	Q2 12	2012
Interest income	2	249	194	131	97	405
Interest costs	2	146	140	74	66	275
Net interest and credit commission income	2, 8	103	54	57	31	130
Net change in value of debt securities and related derivatives		0	0	0	-1	0
Wages, salaries and general administration costs		1	2	1	1	3
Other operating costs	8	12	9	6	5	18
Total operating costs		13	11	7	6	21
Result before credit losses		90	43	50	24	109
Losses on loans, guarantees etc.	3	0	0	0	0	0
Result from ordinary operations before tax		90	43	50	24	109
Tax payable on ordinary result		25	12	14	7	31
Result from ordinary operations after tax		65	31	36	17	78
Result pr. share (NOK)		91.71	62.60	48.57	35.04	155.78
Diluted earnings pr. share (NOK)		91.71	62.60	48.57	35.04	155.78

STATEMENT OF COMPREHENSIVE INCOME

MØRE BOLIGKREDITT AS					
(MNOK)	30.06.13	30.06.12	Q2 13	Q2 12	2012
Result from ordinary operations after tax	65	31	36	17	78
Total comprehensive income from ordinary operations after tax	65	31	36	17	78

BALANCE SHEET

- STATEMENT OF FINANCIAL POSITION AS AT THE END OF THE PERIOD

(MNOK)	Notes	MØRE BOLIGKREDITT AS		
		30.06.13	31.12.12	30.06.12
Assets				
Loans to and deposits with credit institutions, on a call basis	2, 4, 5, 8	241	225	106
Net loans to and claims on customers	2, 3, 4, 5	12 667	11 330	9 169
Financial derivatives	4, 5, 6	88	71	53
Prepayments and accrued income		45	23	39
Total assets	9	13 041	11 649	9 367
Liabilities and equity capital				
Liabilities to credit institutions, on a call basis	4, 5, 8	1 164	987	868
Borrowings raised through the issue of securities	4, 5, 7, 8	11 029	10 006	7 898
Financial derivatives	4, 5, 6	0	6	0
Other liabilities		24	31	12
Accrued liabilities and deferred income		56	38	54
Total liabilities		12 273	11 068	8 833
Share capital		700	500	500
Other paid-in equity capital		0	0	0
Paid-in equity capital		700	500	500
Other equity capital		3	81	3
Result from ordinary operations after tax		65	-	31
Equity capital accumulated through retained earnings		68	81	34
Total equity capital		768	581	534
Total liabilities and equity capital	9	13 041	11 649	9 367

STATEMENT OF CHANGES IN EQUITY

30.06.13

Amounts in MNOK	Equity capital	Share capital	Other paid-in equity capital	Other equity capital
Equity capital as at 31.12.12	581	500	0	81
Capital increase	200	200	0	0
Distributed dividend	-78	0	0	-78
Total comprehensive income from ordinary operations after tax	65	0	0	65
Equity capital as at 30.06.13	768	700	0	68

The share capital is distributed over 700 000 shares at NOK 1 000, a total of NOK 700 million. All shares are owned by Sparebanken Møre.

30.06.12

Amounts in MNOK	Equity capital	Share capital	Other paid-in equity capital	Other equity capital
Equity capital as at 31.12.11	531	500	0	31
Distributed dividend	-28	0	0	-28
Total comprehensive income from ordinary operations after tax	31	0	0	31
Equity capital as at 30.06.12	534	500	0	34

31.12.12

Amounts in MNOK	Equity capital	Share capital	Other paid-in equity capital	Other equity capital
Equity capital as at 31.12.11	531	500	0	31
Distributed dividend	-28	0	0	-28
Equity capital before allocations	503	500	0	3
Total comprehensive income from ordinary operations after tax	78	0	0	78
Equity capital as at 31.12.12	581	500	0	81

CASH FLOW STATEMENT

(MNOK)	MØRE BOLIGKREDITT AS		
	30.06.13	30.06.12	2012
Cash flow from operational activities			
Interest, commission and fees received	260	206	402
Interest, commission and fees paid	-156	-156	-276
Paid operating expenses	-13	-10	-22
Payment of tax	-11	-11	-11
Payment for transferred loans from the Parent Bank	-179	-2 737	-6 649
Payments from customers related to installment loans and credit lines	-934	1 716	3 467
Net cash flow from operational activities	-1 033	-992	-3 089
Cash flow from investment activities	0	0	0
Net cash flow from investment activities	0	0	0
Cash flow from funding activities			
Changes relating to deposits from financial institutions	-97	274	393
Payments received in respect of proceeds from bond issues raised	992	1 550	3 642
Payment on redemption of debt securities	0	-801	-801
Payment of dividend and group contribution	-78	-28	-28
Changes of other debt	32	-7	-2
Changes of equity due to capital increase	200	0	0
Net cash flow from funding activities	1 049	988	3 204
Net changes on cash holdings	16	-4	115
Holdings of cash 01.01	225	110	110
Holdings of cash 30.06/31.12	241	106	225

Notes Amounts in NOK million

1 ACCOUNTING PRINCIPLES

Møre Boligkreditt AS' interim report is prepared in accordance with IAS 34 Interim Financial Reporting (compressed).

The accounts are prepared using the same princi-

ples, and with the same methodology as the annual accounts for 2012. The principles are outlined in the annual report for 2012. There have been no changes in standards that affect the financial statements of Møre Boligkreditt AS from 31 December 2012.

The interim financial statement is not audited.

All amounts are stated in NOK million unless stated otherwise.

2 SEGMENTS

Møre Boligkreditt AS has only one segment in its business and here the customers derive mainly from the

retail banking market. The following tables contain details of loans to customers by sector, business acti-

vity and geographical area.

(MNOK)	GROSS LOANS		
Sectors	30.06.13	30.06.12	2012
Agriculture and forestry	2	2	2
Fisheries	1	1	1
Industry and mining	5	1	3
Building and construction	19	12	17
Wholesale and retail trade, hotel industry	5	3	5
Property management	191	143	114
Transport and private service industry	34	24	30
Public entities	0	0	0
Non-Norwegian lending	0	0	0
Miscellaneous	0	0	0
Total Corporate/Public entities	257	186	172
Retail customers	12 411	8 984	11 159
Total gross loans	12 668	9 170	11 331
Non-specific loss provisions	-1	-1	-1
Net loans	12 667	9 169	11 330

(MNOK)	30.06.13	30.06.12	2012
Net interest income			
Interest and similar income from:			
Loans to and deposits with credit institutions	2	1	1
Loans to and other lendings to customers	247	193	404
Other interest income	0	0	0
Interest and similar income	249	194	405
Interest and similar costs in respect of:			
Debt owed to credit institutions	17	10	20
Securities issued for borrowing purposes	129	130	255
Interest and similar cost	146	140	275
Net interest and credit commission income	103	54	130

3 WRITE-DOWNS, LOSSES AND NON-PERFORMANCE

Møre Boligkreditt AS reviews its loan portfolio every quarter. All commitments that must be assessed individually are tested to see whether or not objective evidence exists that a loss event has occurred and that the loss event reduces the loan's future cash flows. Examples of such objective evidence are material financial problems at the debtor, payment defaults, material breaches of contract, agreed changes to the interest rate or other agreement terms due to financial problems at the debtor, bankruptcy, etc.

If objective evidence of impairment exists, the loss on the loan is estimated as the difference between the carrying amount (balance + accrued interest on the date of assessment) and the present value of future cash flows. Estimates of future cash flows also take into account takeovers and sales of associated collateral, included expenses associated with such takeovers and sales.

When a future cash flow is estimated according to best judgement and this is registered, the system will

calculate the new value of the loan (amortised cost) and the difference compared to the carrying amount will equal the write-down amount.

When all collateral has been realised and there is no doubt the mortgage company will not receive further payments relating to the commitment, the loss writedown will be reversed and the actual loss will be booked. Nonetheless, the claim against the customer will remain and be followed up, unless a debt forgiveness agreement is reached with the customer.

Collective write-downs for impaired value are calculated for subgroups of loans concerning which objective events indicate that future cash flows that would be used to service the commitments have weakened, where it is not possible to examine all commitments on an individual basis, or where information is not identifiable at a commitment level. Commitments against which individual writedowns for losses have been registered are not included in the basis for collective write-downs.

The Sparebanken Møre Group has developed its own collective writedown model and calculations are conducted each month based on input from the risk classification system, data warehouse, and assessments of macroeconomic factors. Changes to risk classification, negative developments in collateral values, and registered macroeconomic events that affect future estimated cash flows are taken into account in the model. The group's model for collective writedowns is tailored to Møre Boligkreditt AS' assumptions and operations.

No exposures in the company's lending portfolio were identified on the balance sheet date as needing individual write-downs. Nor do the lending statistics on the balance sheet show any registered nonperformance in the mortgage company's portfolio. Write-down of group of loans amounts to NOK 1 million as at 30.06.2013.

4 CLASSIFICATION OF FINANCIAL INSTRUMENTS

All lending and receivables are stated at amortised cost based on expected cash flows. Amortised cost is used for securities issued on variable rate terms. The difference between the borrowing costs and settlement amount upon maturity is amortised over the loan's term.

Fair value hedging with value changes through the profit and loss account is used for the company's securities issued on fixed rate terms, see note 5 and 7.

Financial derivatives related to the company's debt securities are carried at fair value through profit or loss, and recognised gross per contract, as either asset or debt, see note 5 and 6.

30.06.13

(MNOK)	Hedged financial liabilities	Financial derivatives used as hedging instruments	Financial assets and liabilities stated at amortised cost	Financial derivatives stated at fair value	Total
Loans to and deposits with credit institutions	0	0	241	0	241
Loans to and claims on customers	0	0	12 668	0	12 668
Financial derivatives	0	60	0	28	88
Total financial assets	0	60	12 909	28	12 997
Liabilities to credit institutions	0	0	1 164	0	1 164
Financial derivatives	0	0	0	0	0
Borrowings raised through the issue of securities	761	0	10 268	0	11 029
Total financial debt	761	0	11 432	0	12 193

30.06.12

(MNOK)	Hedged financial liabilities	Financial derivatives used as hedging instruments	Financial assets and liabilities stated at amortised cost	Financial derivatives stated at fair value	Total
Loans to and deposits with credit institutions	0	0	106	0	106
Loans to and claims on customers	0	0	9 170	0	9 170
Financial derivatives	0	50	0	3	53
Total financial assets	0	50	9 276	3	9 329
Liabilities to credit institutions	0	0	868	0	868
Financial derivatives	0	0	0	0	0
Borrowings raised through the issue of securities	750	0	7 148	0	7 898
Total financial debt	750	0	8 016	17	8 766

31.12.12

(MNOK)	Hedged financial liabilities	Financial derivatives used as hedging instruments	Financial assets and liabilities stated at amortised cost	Financial derivatives stated at fair value	Total
Loans to and deposits with credit institutions	0	0	225	0	225
Loans to and claims on customers	0	0	11 331	0	11 331
Financial derivatives	0	69	0	2	71
Total financial assets	0	69	11 556	2	11 627
Liabilities to credit institutions	0	0	987	0	987
Financial derivatives	0	0	0	6	6
Borrowings raised through the issue of securities	769	0	9 237	0	10 006
Total financial debt	769	0	10 224	6	10 999

5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Debt securities issued with floating interest rate are measured at amortised cost. Differences between admission cost and settlement amount at maturity is amortised over the life of the loan using the effective interest method.

The company's debt securities with fixed interest rates are assessed by using fair value hedging with changes in value shown over the profit and loss account. Losses and gains, resulting from changes in value due to changes in market interest, of debt securities with fixed interest are recognised through profit or loss in the period they arise.

Market prices are used to price lending to and receivables from financial institutions and lending to customers. The prices set include a mark-up for the relevant credit risk. Fair value is estimated as the carrying amount of the lending and receivables stated at amortised cost.

(MNOK)	Booked value	Fair value	Booked value	Fair value	Booked value	Fair value
	30.06.2013	30.06.2013	30.06.2012	30.06.2012	31.12.2012	31.12.2012
Loans to and deposits with credit institutions	241	241	106	106	225	225
Loans to and claims on customers	12 667	12 667	9 169	9 169	11 330	11 330
Financial derivatives	88	88	53	53	71	71
Total financial assets	12 996	12 996	9 328	9 328	11 626	11 626
Liabilities to credit institutions	1 164	1 164	868	868	987	987
Financial liabilities measured at amortised cost	10 268	10 349	7 148	7 158	9 237	9 318
Hedged financial liabilities with changes in value, due to changes in market interest rates, recognised in the income statement	761	765	750	737	769	770
Financial derivatives	0	0	0	0	6	6
Total financial liabilities	12 193	12 278	8 766	8 763	10 999	11 081

There are no major differences between the book value and the fair value of loans to credit institutions and customers, and liabilities to credit institutions

agreed at variable rates and entered at amortised cost. It is assumed that the book values provide the best approximation to the fair value. Fair value

of securities is calculated allowing for change in the market interest rates and change in the credit margin.

6 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instruments not traded in an active market are valued based on own value judgments on the basis of current market conditions, or valuation from other market players.

30.06.13

(MNOK)	Valuation based on prices in an active market Level 1	Valuation based on observed market information Level 2	Valuation based on other than observed market information Level 3
Assets			
Financial derivatives	-	88	-
Debt			
Financial derivatives	-	-	-

The company's securities issued on fixed rate terms, or that are denominated in foreign currency, have a shortfall of NOK 88 million, and financial deriva-

tives (interest rate and currency swaps) have an excess value of NOK 88 million as per 30.06.13. The net change in value of debt securities and related

derivatives was NOK 0 million as per 30.06.13.

30.06.12

(MNOK)	Valuation based on prices in an active market Level 1	Valuation based on observed market information Level 2	Valuation based on other than observed market information Level 3
Assets			
Financial derivatives	-	53	-
Debt			
Financial derivatives	-	-	-

31.12.12

(MNOK)	Valuation based on prices in an active market Level 1	Valuation based on observed market information Level 2	Valuation based on other than observed market information Level 3
Assets			
Financial derivatives	-	71	-
Debt			
Financial derivatives	-	6	-

7 ISSUED COVERED BONDS

Securities issued on variable rate terms are stated at amortised cost. Fair value hedging with value changes through the profit and loss account is used for the company's securities issued on fixed rate terms (NO0010588072).

Covered bonds (MNOK)

ISIN code	Currency	Nominal value 30.06.13	Interest	Issue	Maturity	30.06.2013	30.06.2012	31.12.2012
NO0010499833	NOK	1 000	3M Nibor + 0,45 %	2009	2014	1 000	1 000	1 000
NO0010499841	NOK	1 500	3M Nibor + 0,50 %	2009	2016	1 500	1 500	1 500
NO0010564982	NOK	1 250	3M Nibor + 0,40 %	2010	2015	1 249	1 248	1 248
NO0010575079	NOK	1 500	3M Nibor + 0,55 %	2010	2017	1 493	1 492	1 493
NO0010588072	NOK	700	fixed 4,75 %	2010	2025	761	750	769
NO0010625833	NOK	850	3M Nibor + 0,40 %	2011	2014	850	850	850
XS0685790585	SEK	450	3M Stibor + 0,75 %	2011	2015	405	258	386
NO0010635873	NOK	1 150	3M Nibor + 0,49 %	2012	2015	1 152	800	1 152
NO0010657232	NOK	1 350	3M Nibor + 0,65 %	2012	2018	1 351	-	1 351
XS0828616457	SEK	300	3M Stibor + 0,70 %	2012	2017	269	-	257
NO0010676018	NOK	1 000	3M Nibor + 0,47 %	2013	2019	999	-	-
Total borrowings raised through the issue of securities						11 029	7 898	10 006

Cover pool (MNOK)	30.06.2013	30.06.2012	31.12.2012
Pool of eligible loans 1)	12 429	9 000	11 084
Supplementary assets	241	106	225
Total collateralised assets	12 670	9 106	11 309
Over-collateralisation	114.9 %	115.3 %	113.0 %

1) NOK 238 million of total gross loans are not eligible for the cover pool as at 30.06.13.

8 TRANSACTIONS WITH RELATED PARTIES

In order to exercise normal operations, Møre Boligkreditt AS purchase services from Sparebanken Møre. There will also be transactions between the parties related to the mortgage company's acquisition of loan portfolio, and the fact that Sparebanken Møre provides loans and credits to the mortgage company.

The economic conditions for the transfer of loans from Sparebanken Møre are market value. If the purchased mortgage loans have fixed interest rates the price is adjusted for the value above / below par. Sparebanken Møre is responsible for ensuring that the loans to be transferred to Møre Boligkreditt AS are properly established and in accordance with the requirements specified in the agreement between the mortgage company and the Parent Bank. In case of violation of these requirements, the Parent Bank will be liable for any losses that the mortgage company would experience as a result of the error. Sparebanken Møre and Møre Boligkreditt AS have formalised the settlement of interest for transaction days from date of transfer of loan portfolio to date of

settlement of the consideration.

If Møre Boligkreditt AS should have difficulty obtaining financing, there is established a revolving guarantee from Sparebanken Møre whose purpose is to ensure timely payments to owners of bonds and derivative counterparties.

The pricing of the services provided to Møre Boligkreditt AS by Sparebanken Møre distinguish between fixed and variable costs for the mortgage company. Fixed costs are defined as costs the mortgage company must bear regardless of the activity related to the issuance of covered bonds, the acquisition of portfolio, etc. Variable costs are defined as costs related to the size of the portfolio acquired from Sparebanken Møre and the work that must be exercised by the Bank's employees to deliver satisfactory services given the number of customers in the portfolio.

Møre Boligkreditt AS is billed for costs related to lease of premises at Sparebanken Møre. It is assumed that

regardless of the operation a certain area of the Bank that is attributable to the mortgage company is seized during the year. Regardless of the size of the activity and the loan portfolio acquired by Møre Boligkreditt AS, charges related to accounting, financial reporting, risk management, cash management, financing, governance and general legal services will incur.

Sparebanken Møre bills the mortgage company based on actual salary costs, including employers' social security contribution, pension costs and other social costs. Parts of the mortgage company's expenses related to services provided by Sparebanken Møre relates to the size of the portfolio acquired from Sparebanken Møre. Management fee is calculated and billed monthly, in which the month's average portfolio size form the basis of billing.

The interest rate of the mortgage company's deposit and credit limit in Sparebanken Møre is based on 3 months NIBOR + a premium.

The most important transactions are as follows:

(MNOK)	30.06.13	30.06.12	2012
Result			
Interest and credit commission income from Sparebanken Møre related to deposits	2	1	1
Interest and credit commission income paid to Sparebanken Møre related to loan/credit facility	17	10	20
Interest paid to Sparebanken Møre related to securitised debt	20	36	63
Management fee paid to Sparebanken Møre	9	7	14
Balance sheet			
Deposits in Sparebanken Møre	241	106	225
Covered bonds	1 276	2 302	1 776
Loan/credit facility in Sparebanken Møre	1 164	868	987
Accumulated transferred loan portfolio from Sparebanken Møre	12 668	9 170	11 331

9 EQUITY AND RELATED CAPITAL

(MNOK)	Møre Boligkreditt AS		
Standard method (Basel II)	30.06.13	30.06.12	2012
Core capital	703	503	503
Supplementary capital	0	0	0
Net equity and subordinated loan capital	703	503	503
Risk-weighted assets (calculation basis for capital adequacy ratio)	4 861	3 553	4 359
Capital adequacy ratio	14.46	14.15	11.54
Core capital ratio	14.46	14.15	11.54

STATEMENT PURSUANT TO SECTION 5-6 OF THE SECURITIES TRADING ACT

We confirm, to the best of our knowledge, that the financial statement for the company for the period 1 January to 30 June 2012 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and give a true and fair view of the company's assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes:

– a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statement

– a description of the principal risks and uncertainties for the remaining six months of the financial year

– a description of major related parties transactions.

Ålesund, 30 June 2013

7 August 2013

THE BOARD OF DIRECTORS OF MØRE BOLIGKREDITT AS

Kjetil Hauge
CHAIRMAN

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CEO

Highlights

QUARTERLY RESULTS

(MNOK)	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest and credit commission income	57	46	43	33	31
Total other operating income	0	0	-1	1	-1
Total operating costs	7	6	6	4	6
Result before losses	50	40	36	30	24
Losses on loans, guarantees etc.	0	0	0	0	0
Result before tax	50	40	36	30	24
Tax payable on ordinary result	14	11	10	9	7
Result from ordinary operations after tax	36	29	26	21	17

As a percentage of average assets	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest and credit commission income	1.86	1.59	1.62	1.40	1.38
Total other operating income	0.00	0.00	-0.05	0.03	0.00
Total operating costs	0.25	0.19	0.20	0.21	0.26
Result before losses	1.61	1.39	1.37	1.22	1.12
Losses on loans, guarantees etc.	0.00	0.00	0.00	0.00	0.00
Result before tax	1.61	1.39	1.37	1.22	1.12
Tax payable on ordinary result	0.45	0.38	0.37	0.34	0.32
Result from ordinary operations after tax	1.16	1.01	1.00	0.88	0.80

RESULT

(MNOK)	30.06.13	30.06.12	2012
Net interest and credit commission income	103	54	130
Total other operating income	0	0	0
Total operating costs	13	11	21
Result before losses	90	43	109
Losses on loans, guarantees etc.	0	0	0
Result before tax	90	43	109
Tax payable on ordinary result	25	12	31
Result from ordinary operations after tax	65	31	78

As a percentage of average assets	30.06.13	30.06.12	2012
Net interest and credit commission income	1.73	1.26	1.40
Total other operating income	-0.01	0.01	0.00
Total operating costs	0.22	0.25	0.23
Result before losses	1.50	1.02	1.17
Losses on loans, guarantees etc.	0.00	0.00	0.00
Result before tax	1.50	1.02	1.17
Tax payable on ordinary result	0.42	0.29	0.33
Result from ordinary operations after tax	1.08	0.73	0.84

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