

INTERIM REPORT
2 QUARTER
UNAUDITED

15



MØRE BOLIGKREDITT

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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 is licensed to operate as a mortgage company, issuing covered bonds. Møre Boligkreditt AS is Sparebanken Møre's most important source of market funding and an important part of the parent bank's long-term funding strategy.

The accounts have been prepared in accordance with IFRS.

Second quarter results

The financial statements of Møre Boligkreditt AS show a profit before tax of NOK 55 million in second quarter 2015, compared to NOK 65 million in second quarter 2014. Net interest income amounted to NOK 67 million, compared to NOK 73 million for the same period last year. Costs amounted to NOK 9 million in second quarter 2015, compared with NOK 8 million in the corresponding quarter in 2014.

Møre Boligkreditt AS has not established losses or impairment for individual losses in second quarter 2015, but has increased the collective impairment with NOK 2 million. Tax amounted to NOK 14 million in the second quarter of 2015, compared to NOK 18 million in second quarter 2014. Profit after tax amounted to NOK 41 million in second quarter 2015, compared to NOK 47 million in the corresponding quarter 2014.

Møre Boligkreditt AS acquired mortgages from Sparebanken Møre, and the company's net lending growth amounted to NOK 262 million in second quarter 2015. Møre Boligkreditt AS drew a total of NOK 750 mil-

lion on two existing floating rate bond loans in second quarter 2015. One bond loan matured and was fully repaid with NOK 950 million in second quarter of 2015.

Half year end results

By half year end 2015 the financial statements show a profit before tax of NOK 131 million, compared to NOK 130 million by half year end 2014. Net interest income amounted to NOK 142 million by half year end 2015, compared to NOK 149 million by end of same period last year. Costs in the period ending 30 June 2015 amounted to NOK 16 million, compared with NOK 15 million for the corresponding period 2014.

The amount allocated for collective impairment was NOK 4 million at half year end 2015 compared to NOK 2 million at half year end 2014. Profit after tax amounted to NOK 96 million by half year end 2015, compared to NOK 95 million by half year end 2014. Tax amounted to NOK 35 million in the first six months of 2015, compared to NOK 35 million the first six months of 2014.

Total assets at half year end 2015 amounted to NOK 16 803 million compared to NOK 15 687 million at half year end 2014. Net lending amounted to NOK 16 030 million at half year end 2015, compared with NOK 15 146 million at half year end 2014. At half year end 2015, the company's substitute assets included in the cover pool amounted to NOK 429 million, including receivables from credit institutions of NOK 222 million, compared to NOK 301 million at half year end 2014. Møre Boligkreditt AS had thirteen bond loans outstanding at 30

June 2015 with a total bond loan debt of NOK 14 137 million compared to fourteen bond loans with NOK 12 579 million outstanding at 30 June 2014.

Rating

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

Capital strength

Paid-in equity and other equity amounted to NOK 1 153 million by end of second quarter 2015, compared to NOK 1 053 million by end of second quarter 2014. This corresponds to a capital adequacy/core capital ratio of 15.92 per cent. Risk-weighted assets amounted to NOK 7 036 million by end of second quarter 2015. The Financial Supervisory Authority of Norway has approved Sparebanken Møre Group for the use of internal rating based (IRB) models to calculate capital requirements for credit risk. The Board regards the company's interest bearing capacity as satisfactory.

Risks

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 company's various risk exposures. The Board and the managing director of Møre Boligkreditt AS are responsible for ensuring that proper risk management is established, and that such risk management is adequate and complies with current laws and regulations. Operational risk management in Møre Boligkreditt AS is maintained by Sparebanken Møre according to a service agreement concluded between Møre

Boligkreditt AS and Sparebanken Møre. Risk management emphasizes identifying, measuring and managing the company's risk elements in a manner that ensures that 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 that the received collateral is not covering outstanding claims. The credit risk strategy adopted by the company defines which loans that can be acquired by the company. The strategy stipulates criteria for both borrowers and the collateral for the loans that can be acquired. At end of second quarter 2015, the mortgages in the cover pool had an average loan-to-value ratio of 53 per cent, calculated as mortgage amount relative to the value of the property used as collateral. 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 arise 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, pursuant to the Financial Institution Act, have very low market risk and Board approved restrictions concerning its maximum exposure to market risk. The 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 positions in fixed interest and foreign currencies are hedged with financial derivatives. The Board considers the overall market risk as low.

Liquidity risk

Liquidity risk is the risk that Møre Boligkreditt AS will be unable to fulfill its obligations without substantial extra costs being incurred in the form of decline in asset values, forced sales or more expensive funding. The company has adopted a liquidity risk strategy and established limits for long-term funding and short-term liquidity risk limits. A 12 months rolling revolving credit facility guarantee from Sparebanken Møre ensures timely payments to derivative counterparties and owners of bonds issued by Møre Boligkreditt AS. Furthermore the bonds have a soft bullet structure in which the company has the opportunity to extend the term of its borrowing by up to 12 months. The Board regards the company's liquidity risk as low.

Operational risk

Operational risk is the risk of losses due to inadequate or failing internal processes, human error, system failures or external events. Møre Boligkreditt AS has entered into a management agreement with Sparebanken Møre. The services covered by this agreement include administration, production, IT operations, and financial and risk management. Although the operational risk of Møre Boligkreditt AS is dependent of Sparebanken Møre's ability to manage this type of risk, Møre Boligkreditt AS independently bear risk associated with errors

in the deliveries and services provided by Sparebanken Møre. The evaluation of the management and control of operational risk is also afforded considerable space in the Group's annual ICAAP. The operational and established yearly internal control report, both within Sparebanken Møre and by the managing director of Møre Boligkreditt AS, is an important tool for reducing operational risk. The internal control reports will help identifying any operational risk, and enable action to be taken. The Board regards the company's operational risk as low.

Outlook

The Norwegian economy remains strong, but will probably experience relatively low growth in the coming quarters. The slowdown in growth is mainly due to the low oil price together with the decline in petroleum investments. A strong household sector due to low interest rates and low unemployment, together with a solid public sector will however keep the production levels high in several sectors. The weakening of the NOK following the fall in oil price is however positive for the competitiveness of the export industry and for tourism.

Should the Norwegian economy be hit harder than expected, monetary and financial policy could quickly be moved in an even more expansive direction. The development of house prices, together with growth in debt, is probably the most important risk factors to Norwegian households. Important risk factors going forward are also the oil price, economic growth in export markets and development of the NOK exchange rate.

The economic outlook in the county of Møre og Romsdal has not changed significantly in second quarter 2015. There will probably be a further slight growth in unemployment the next quarters, both in Norway as well as in Møre og Romsdal, due to the slowdown of the economy especially in oil related sectors. The registered unemployment rate in Norway was 2.8 per cent

in June, compared to 2.4 per cent in the county of Møre og Romsdal. The unemployment rate in the county is expected to remain below national levels also going forward.

The Board believes that the still relatively good economic outlook in Norway, and in the county of Møre og Romsdal, com-

bined with low interest rates and increase in disposable household income, will contribute to further mortgage loan growth in Sparebanken Møre. This mortgage growth will position Møre Boligkreditt AS to acquire further mortgage loan portfolios from the parent bank, and further increase the volume of outstanding bond loans from Møre Boligkreditt AS.

Ålesund, 30 June 2015
5 August 2015

The Board of Directors of Møre Boligkreditt AS

Kjetil Hauge
CHAIRMAN

Britt Iren Tøsse Aandal

Trond Nydal

Geir Tore Hjelle

Sandra Myhre Helseth

Ole Kjerstad
MANAGING DIRECTOR

STATEMENT OF INCOME

MØRE BOLIGKREDITT AS						
(MNOK)	Notes	Q2 2015	Q2 2014	30.06.15	30.06.14	2014
Interest income	2	139	150	286	307	616
Interest expenses	2	72	77	144	158	318
Net interest income	2, 6	67	73	142	149	298
Commission income		0	0	0	0	1
Net change in value of debt securities issued and related derivatives		-1	1	7	-3	-8
Wages, salaries and general administration costs		0	1	1	1	2
Other operating costs	6	9	7	15	14	27
Total operating costs		9	8	16	15	29
Profit before impairment on loans and taxes		57	66	133	131	262
Impairment on loans	3	2	1	2	1	1
Pre tax profit		55	65	131	130	261
Taxes		14	18	35	35	70
Profit after tax		41	47	96	95	191

STATEMENT OF COMPREHENSIVE INCOME

MØRE BOLIGKREDITT AS						
(MNOK)	Notes	Q2 2015	Q2 2014	30.06.15	30.06.14	2014
Profit after tax		41	47	96	95	191
Other comprehensive income		0	0	0	0	0
Total comprehensive income after tax		41	47	96	95	191

STATEMENT OF FINANCIAL POSITION

MØRE BOLIGKREDITT AS				
(MNOK)	Notes	30.06.15	30.06.14	31.12.14
Assets				
Loans to and receivables from credit institutions	2, 4, 5, 6	222	94	104
Loans to and receivables from customers	2, 3, 4	16 030	15 146	15 544
Certificates and bonds	4, 5	207	207	208
Financial derivatives	4, 5	343	239	395
Deferred tax asset		1	1	1
Total assets	7	16 803	15 687	16 252
Liabilities and equity				
Loans from credit institutions	4, 6	1 263	1 849	915
Debt securities issued	4, 5, 6	14 205	12 652	14 023
Financial derivatives	4, 5	51	2	0
Tax payable		35	36	70
Total liabilities		15 554	14 539	15 008
Share capital		975	875	875
Share premium		175	175	175
Other paid-in equity		0	0	0
Paid-in equity		1 150	1 050	1 050
Other equity		3	3	194
Profit for the period		96	95	0
Retained earnings		99	98	194
Total equity		1 249	1 148	1 244
Total liabilities and equity	7	16 803	15 687	16 252

STATEMENT OF CHANGES IN EQUITY

30.06.2015

Amounts in MNOK	Total equity	Share capital	Share premium	Other equity
Equity as at 31 December 2014	1 244	875	175	194
Total comprehensive income for the period	96			96
Issue of share capital	100	100		
Dividends	-191			-191
Equity as at 30 June 2015	1 249	975	175	99

The share capital consists of 780 000 shares at NOK 1 250, a total of NOK 975 million. All shares are owned by Sparebanken Møre. The issue of share capital of NOK 100 million was approved by the Financial Supervisory Authority of Norway 19 March 2015, and updated certificate of registration and articles of association were registered 30 March 2015.

30.06.2014

Amounts in MNOK	Total equity	Share capital	Share premium	Other equity
Equity as at 31 December 2013	855	700	0	155
Total comprehensive income for the period	95			95
Issue of share capital and premium	350	175	175	
Dividends	-152			-152
Equity as at 30 June 2014	1 148	875	175	98

The share capital consists of 700 000 shares at NOK 1 250, a total of NOK 875 million. All shares are owned by Sparebanken Møre.

2014

Amounts in MNOK	Total equity	Share capital	Share premium	Other equity
Equity as at 31 December 2013	855	700	0	155
Total comprehensive income for the period	191			191
Issue of share capital and premium	350	175	175	
Dividends	-152			-152
Equity as at 31 December 2014	1 244	875	175	194

The share capital consists of 700 000 shares at NOK 1 250, a total of NOK 875 million. All shares are owned by Sparebanken Møre. Proposed dividend as of 31 December amounts to NOK 191 million.

CASH FLOW STATEMENT

	MØRE BOLIGKREDITT AS		
(MNOK)	30.06.15	30.06.14	2014
Cash flow from operating activities			
Interest, commission and fees received	286	336	572
Interest, commission and fees paid	-146	-188	-285
Operating expenses paid	-16	-15	-29
Income taxes paid	-71	-60	-60
Payment for acquiring loans from the Parent Bank	-3 498	-2 389	-5 043
Payment related to instalment loans and credit lines to customers	3 009	2 127	4 362
Net cash flow from operating activities	-436	-189	-483
Cash flow from investing activities			
Proceeds from the sale of certificates, bonds and other securities	0	199	245
Purchases of certificates, bonds and other securities	0	-199	-244
Changes in other assets	8	-4	-10
Net cash flow from investing activities	8	-4	-9
Cash flow from financing activities			
Net change in loans from credit institutions	349	718	-217
Proceeds from bond issues	2 258	0	2 509
Redemption of debt securities	-1 958	-1 166	-2 460
Dividend and group contribution paid	-191	-152	-152
Changes in other debt	-12	6	35
Issue of share capital and premium	100	350	350
Net cash flow from financing activities	546	-244	65
Net change in cash and cash equivalents	118	-437	-427
Cash balance at 01.01	104	531	531
Cash balance at 30.06/31.12	222	94	104

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 principles,

and with the same methodology as the annual accounts for 2014. The principles are outlined in the annual report for 2014. There have been no changes in standards that affect the financial statements of Møre Boligkreditt AS from 31 December 2014.

The interim financial statements are not audited.

All amounts are stated in NOK million unless stated otherwise.

2 OPERATING 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 activity and geographical area.

(MNOK)	LOANS		
	30.06.15	30.06.14	2014
Sectors			
Agriculture and forestry	3	2	3
Fisheries	0	1	1
Manufacturing	7	7	7
Building and construction	26	22	26
Wholesale and retail trade, hotels	7	9	9
Property management	247	264	264
Transport and private/public services	55	36	55
Public entities	0	0	0
Activities abroad	0	0	0
Miscellaneous	0	0	0
Total corporate/public entities	345	341	365
Retail customers	15 668	14 786	15 160
Accrued interest income	21	21	21
Loans, nominal amount	16 034	15 148	15 546
Collective impairment	-4	-2	-2
Loans to and receivables from customers	16 030	15 146	15 544

(MNOK)	NET INTEREST INCOME		
	30.06.15	30.06.14	2014
Interest income from:			
Loans to and receivables from credit institutions	2	3	5
Loans to and receivables from customers	284	304	611
Interest income	286	307	616
Interest expenses in respect of:			
Loans from credit institutions	11	15	29
Debt securities issued	133	143	289
Interest expenses	144	158	318
Net interest income	142	149	298

3 IMPAIRMENT, LOSSES AND NON-PERFORMANCE

Møre Boligkreditt AS reviews its loan portfolio every quarter. Commitments 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 impairment 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 all collateral has been liquidated and there is no doubt that the mortgage company will not receive further payments relating to the commitment, the impairment 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 cancellation agreement is reached with the customer.

Collective impairments are calculated for subgroups of loans when 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 for which individual impairments have been registered are not included in the basis for collective impairment.

The Sparebanken Møre Group has developed its own collective impairment 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 impairment is tailored to Møre Boligkreditt AS' assumptions and operations.

No exposures in the company's lending portfolio were identified on the date of the financial position needing individual impairments. Nor do the lending statistics on this date show any registered non-performance in the mortgage company's portfolio. Total impairment amounts to NOK 4 million as at 30 June 2015.

4 FINANCIAL INSTRUMENTS

All lending and receivables are recorded at amortised cost. Amortised cost is also used for floating rate securities issued.

The company's debt securities issued with fixed interest rates are accounted for using fair value hedging. Losses and gains, resulting from changes in value due to changes in market interest, of debt securities with fixed interest are recognised in the income statement 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 after deducting impairment.

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 recognised at amortised cost. Fair value of debt securities is calculated allowing for change in the market interest rates and change in the credit margin.

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS	Financial instruments at fair value through profit and loss		Financial assets and liabilities carried at amortised cost	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Loans to and receivables from credit institutions	0	0	222	94
Loans to and receivables from customers	0	0	16 030	15 146
Certificates and bonds	207	207	0	0
Financial derivatives	343	239	0	0
Total assets	550	446	16 252	15 240
Loans from credit institutions	0	0	1 263	1 849
Debt securities issued	0	0	14 205	12 652
Financial derivatives	51	2	0	0
Total liability	51	2	15 468	14 501

FAIR VALUE OF FINANCIAL INSTRUMENTS AT AMORTISED COST	30.06.2015		30.06.2014	
	Fair value	Book value	Fair value	Book value
Loans to and receivables from credit institutions	222	222	94	94
Loans to and receivables from customers	16 030	16 030	15 146	15 146
Total assets	16 252	16 252	15 240	15 240
Loans from credit institutions	1 263	1 263	1 849	1 849
Debt securities issued	14 289	14 205	12 777	12 652
Total liability	15 552	15 468	14 626	14 501

FINANCIAL INSTRUMENTS AT AMORTISED COST	Based on prices in an active market		Observable market information		Other than observable market information		Total	
	Level 1		Level 2		Level 3			
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Loans to and receivables from credit institutions	0	0	222	94	0	0	222	94
Loans to and receivables from customers	0	0	0	0	16 030	15 146	16 030	15 146
Total assets	0	0	222	94	16 030	15 146	16 252	15 240
Loans from credit institutions	0	0	1 263	1 849	0	0	1 263	1 849
Debt securities issued	0	0	14 205	12 652	0	0	14 205	12 652
Total liability	0	0	15 468	14 501	0	0	15 468	14 501

FINANCIAL INSTRUMENTS AT FAIR VALUE	Based on prices in an active market		Observable market information		Other than observable market information		Total	
	Level 1		Level 2		Level 3			
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Certificates and bonds	0	0	207	207	0	0	207	207
Financial derivatives	0	0	343	239	0	0	343	239
Total assets	0	0	550	446	0	0	550	446
Financial derivatives	0	0	51	2	0	0	51	2
Total liability	0	0	51	2	0	0	51	2

5 ISSUED COVERED BONDS

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

COVERED BONDS (MNOK)

ISIN code	Currency	Nominal value 30.06.2015	Interest	Issue	Maturity	30.06.2015	30.06.2014	31.12.2014
NO0010499833	NOK	0	3M Nibor + 0.45 %	2009	2014	0	0	0
NO0010499841	NOK	828	3M Nibor + 0.50 %	2009	2016	828	828	828
NO0010564982	NOK	1 008	3M Nibor + 0.40 %	2010	2015	0	1 249	1 008
NO0010575079	NOK	1 500	3M Nibor + 0.55 %	2010	2017	1 496	1 495	1 495
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 211	1 180	1 266
NO0010625833	NOK	0	3M Nibor + 0.40 %	2011	2014	0	850	0
XS0685790585	SEK	450	3M Stibor + 0.75 %	2011	2015	428	413	432
NO0010635873	NOK	950	3M Nibor + 0.49 %	2012	2015	0	1 151	950
NO0010657232	NOK	2 000	3M Nibor + 0.65 %	2012	2018	2 009	1 502	2 010
XS0828616457	SEK	700	3M Stibor + 0.70 %	2012	2017	669	645	675
NO0010676018	NOK	2 000	3M Nibor + 0.47 %	2013	2019	2 007	1 249	1 249
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	236	218	252
XS0984191873	EUR	30	6M Euribor + 0.20 %	2013	2020	263	251	270
NO0010696990	NOK	800	3M Nibor + 0.45 %	2013	2020	799	799	799
NO0010699028	NOK	750	3M Nibor + 0.37 %	2013	2017	750	749	750
NO0010720204	NOK	2 500	3M Nibor + 0.24 %	2014	2020	2 497	0	1 999
NO0010730187	NOK	1 000	fixed NOK 1.50 %	2015	2022	944	0	0
Total securities issued						14 137	12 579	13 983
Accrued interest						68	73	40
Financial derivatives to hedge securities (liabilities)						51	2	0
Financial derivatives to hedge securities (assets)						-343	-239	-395
Total borrowings raised through the issue of securities						13 913	12 415	13 628

COVER POOL (MNOK)

	30.06.2015	30.06.2014	31.12.2014
Pool of eligible loans 1)	15 612	14 812	15 110
Supplementary assets	429	301	312
Total collateralised assets	16 041	15 113	15 422
Collateralisation	115.3 %	121.7 %	113.2 %

1) NOK 418 million of total gross loans are not eligible for the cover pool as at 30.06.15

6 TRANSACTIONS WITH RELATED PARTIES

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

Loans from Sparebanken Møre are transferred at 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 a 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 in obtaining financing, there is established a revolving guarantee from Sparebanken Møre where the 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 distinguishes 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 the lease of premises at Sparebanken Møre. It is assumed that regardless of operations, a certain area of the bank attributable to the mortgage company is utilised during the year. Regardless

of the extent 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 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)	30.06.2015	30.06.2014	31.12.2014
Income statement			
Interest and credit commission income from Sparebanken Møre related to deposits	2	3	5
Interest and credit commission income paid to Sparebanken Møre related to loan/credit facility	11	15	28
Interest paid to Sparebanken Møre related to bonded debt	1	3	6
Management fee paid to Sparebanken Møre	12	11	22
Statement of financial position			
Deposits in Sparebanken Møre	222	94	104
Covered bonds	75	0	25
Loan/credit facility in Sparebanken Møre	1 263	1 849	915
Accumulated transferred loan portfolio from Sparebanken Møre	16 034	15 148	15 546

7 EQUITY AND RELATED CAPITAL

(MNOK)	MØRE BOLIGKREDITT AS		
	30.06.2015	30.06.2014	31.12.2014
IRB approach (Basel II)			
Core capital	1 120	1 052	1 052
Supplementary capital	0	0	0
Net equity and subordinated loan capital	1 120	1 052	1 052
Risk-weighted assets (calculation basis for capital adequacy ratio)	7 036	6 627	6 817
Capital adequacy ratio	15.92	15.87	15.43
Core capital ratio	15.92	15.87	15.43

Internal rating based (IRB) models have been used to calculate capital adequacy in the retail portfolio from 31.03.2015, and in the corporate portfolio from 30.06.2014.

Statement pursuant to section 5-6 of the Securities Trading Act

We hereby confirm that the company's financial statement for the period 1 January 2015 to 30 June 2015, has been, to the best of our knowledge, prepared in accordance with IAS 34 - Interim Financial Reporting, and that the information in the financial statements provides a true and fair view of the company's assets, liabilities, financial position, and results as a whole.

We also hereby declare that the interim report provides:

- a true and fair view 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 2015
5 August 2015

The Board of Directors of Møre Boligkreditt AS

Kjetil Hauge
CHAIRMAN

Britt Iren Tøsse Aandal

Trond Nydal

Geir Tore Hjelle

Sandra Myhre Helseth

Ole Kjerstad
MANAGING DIRECTOR

Profit performance

QUARTERLY PROFIT

(MNOK)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net interest income	67	75	77	72	73
Total other operating income	-1	8	-5	1	1
Total operating costs	9	7	8	6	8
Profit before impairment on loans and taxes	57	76	64	67	66
Impairment on loans	2	0	0	0	1
Pre tax profit	55	76	64	67	65
Taxes	14	21	17	18	18
Profit after tax	41	55	47	49	47
AS A PERCENTAGE OF AVERAGE ASSETS	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net interest income	1.61	1.84	1.90	1.90	1.99
Total other operating income	-0.01	0.20	-0.13	0.03	0.02
Total operating costs	0.20	0.18	0.18	0.17	0.22
Profit before impairment on loans and taxes	1.40	1.86	1.59	1.76	1.79
Impairment on loans	0.06	0.00	0.00	0.00	0.02
Pre tax profit	1.34	1.86	1.59	1.76	1.77
Taxes	0.36	0.50	0.43	0.47	0.48
Profit after tax	0.98	1.36	1.16	1.29	1.29
Average total assets (MNOK)	16 578	16 312	16 138	15 144	14 820

ACCUMULATED PROFIT FOR THE YEAR

(MNOK)	30.06.2015	30.06.2014	31.12.2014
Net interest income	142	149	298
Total other operating income	7	-3	-7
Total operating costs	16	15	29
Profit before impairment on loans and taxes	133	131	262
Impairment on loans	2	1	1
Pre tax profit	131	130	261
Taxes	35	35	70
Profit after tax	96	95	191
AS A PERCENTAGE OF AVERAGE ASSETS	30.06.2015	30.06.2014	31.12.2014
Net interest income	1.72	1.96	1.93
Total other operating income	0.09	-0.04	-0.05
Total operating costs	0.19	0.20	0.19
Profit before impairment on loans and taxes	1.62	1.72	1.69
Impairment on loans	0.03	0.01	0.00
Pre tax profit	1.59	1.71	1.69
Taxes	0.43	0.46	0.46
Profit after tax	1.16	1.25	1.23
Average total assets (MNOK)	16 445	15 250	15 445

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