

INTERIM REPORT 1 QUARTER
NOT AUDITED

11



SPAREBANKEN MØRE

Front page:

Picture of the fishing boat Loran

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Financial highlights - Group

NOK million	31.03.11	31.03.10	2010	2009
Result				
Result before losses	132	138	643	550
Result before losses 1)	1.19	1.33	1.52	1.35
Result before taxes	127	126	612	468
Result before taxes 1)	1.15	1.22	1.45	1.15
Result after taxes	90	90	458	335
Result after taxes 1)	0.82	0.88	1.09	0.82
Losses as a percentage of gross loans as at 01.01	0.0	0.13	0.08	0.23
Return on equity, after tax 2)	12.0	13.0	16.0	14.1
Costs as a percentage of income	51.3	48.9	44.8	46.7
Balance sheet				
Total assets	46 021	41 467	44 441	41 391
Average assets	44 640	41 800	42 400	40 680
Net lending to customers	37 937	35 681	37 676	35 851
Deposits from customers	25 199	21 868	24 551	21 793
EC (Numbers refer to the Parent Bank)				
Profit per EC in NOK	8.03	4.68	24.42	24.35
Diluted earnings per EC (NOK)	8.03	4.68	24.42	24.35
EC fraction 01.01 as a percentage (average 2009)	46.0	46.0	46.0	43.8
Price at Oslo Stock Exchange (NOK)	199.50	198.00	207.00	192.00
Capital adequacy 3)				
Capital adequacy ratio as a percentage	13.60	13.52	13.72	13.35
Core capital as a percentage	11.90	11.68	12.03	11.55
Overall manning levels				
Man-years	400	403	401	412

1) As a percentage of average assets.

2) Result after tax as a percentage of average equity.

3) According to the Standardised Approach in Basel II.

Highlights Group

Increases and reductions refer to last years corresponding period:

- :: Result before credit losses is reduced by NOK 6 million (-0.14 p.p). 4)
- :: Net interest- and credit commission income increased by NOK 10 million (-0.04 p.p). 4)
- :: Other (non-interest) income is reduced by NOK 9 million (-0.12 p.p). 4)
- :: Costs in relation to income is increased from 48.9 per cent to 51.3 per cent
- :: Losses and write-downs are reduced by NOK 7 million
- :: Total assets increased by NOK 4 554 million (11.0 per cent)
- :: Net loans increased by NOK 2 256 million (6.3 per cent)
- :: Deposits increased by NOK 3 331 million (15.2 per cent)
- :: Capital adequacy ratio increased from 13.52 per cent to 13.60 per cent
- :: Core capital ratio increased from 11.68 per cent to 11.90 per cent

4) Numbers in brackets refer to changes in percentage points when measured towards the average of total assets.

Quarterly report from the Board of Directors

All figures relate to the Group. Amounts and percentages in brackets refer to the corresponding period last year.

The accounts have been prepared in accordance with IFRS.

Profit/loss before tax

Sparebanken Møre's pre-tax profit for the first quarter was NOK 127 million, compared with NOK 126 million for the first quarter last year. Total income rose by NOK 1 million, whereof the net interest income was NOK 10 million higher and other income was NOK 9 million lower than in the same period last year.

The profit after tax of NOK 90 million gives a return on equity of 12.0 per cent on an annual basis. The Bank's target is to achieve a return of minimum 6 percentage points above the long-term government bond rate.

The Board of Directors is pleased with the results for the first quarter of 2011.

Net interest income

The net interest and credit commission income of NOK 222 million was NOK 10 million higher than for the same period last year. This represents a reduction as a percentage of total assets in the preceding 12 months of 0.04 percentage points to 1.99 per cent of the average total assets.

Other operating income

Other operating income amounted to NOK 49 million, NOK 9 million lower than for the first three months of last year. This amounts to 0.44 per cent of average total assets; 0.12 percentage points less than the first quarter last year.

Costs

Operating costs rose by 5.3 per cent or NOK 7 million during the period. Costs were reduced as a percentage of average total assets by 0.02 percentage points to 1.24 per cent.

In relation to the same period in 2010, costs increased as a percentage of income by 2.4 percentage point to 51.3 per cent.

The workforce was reduced by three man-years during the period to 400 man-years.

A total of 150 employees are now licensed as financial advisors (AFR). Our goal is for all employees with direct contact with customers to be licensed by the end of 2011.

Losses and defaults

The financial statements were charged NOK 5 million due to write-downs from losses. This amounts to 0.04 per cent (0.11 per cent) of average total assets on an annual basis.

Gross commitments in default (over 1 month) declined by NOK 185 million during the period to NOK 388 million. Net commitments in default (over 1 month) at the end of the last quarter amounted to NOK 276 million, which represents 0.72 per cent of gross lending. At the end of last year the figures were NOK 259 million and 0.68 per cent of gross lending.

The loss and default situation is specified in note 2.

Lending and deposit growth

Total assets amounted to NOK 46 021 million at the end of the quarter. Growth in the preceding 12 months amounts to NOK 4 554 million or 11.0 per cent.

Net lending to customers amounted to NOK 37 937 million. This is an increase in the preceding 12 months of NOK 2 256 million or 6.3 per cent. Lending to retail customers increased by 7.2 per cent, which represents 62.2 per cent of gross lending. Lending to corporate customers increased by 4.3 per cent during the period and represents 37.7 per cent of gross lending.

Deposits at the end of the quarter were NOK 3 331 million higher than at the end of the corresponding period last year, which represents growth of 15.2 per cent for the period. Of the total deposits of NOK 25 199 million, deposits from retail customers accounted for 52.8 per cent following a growth of 5.2 per cent in the preceding 12 months. The proportion from corporate customers was 38.7 per cent, an increase of 29.0 per cent on an annual basis. Public sector deposits increased by 28.7 per cent in the preceding 12 months, which gives a relative proportion of 8.5 per cent.

Capital adequacy

Sparebanken Møre's target capital adequacy is a minimum of 12 per cent and its target core (tier 1) capital ratio is a minimum of 10 per cent.

The preliminary calculation of capital adequacy was carried out in accordance with the standard approach in Basel II and was 13.60 per cent as at 31 March 2011 (13.52 per cent). The core (tier 1) capital ratio was 11.90 per cent (11.68 per cent). The year-to-date earnings for 2011 are not included in the capital adequacy ratio at the end of the quarter. The Group's total risk-weighted balance sheet was NOK 28 860 million, an increase of NOK 245 million since New Year.

Subsidiaries

The aggregate earnings of the Bank's four subsidiaries amounted to NOK 10 million after tax (NOK 11 million).

Møre Finans AS sells leasing products, direct to some extent, but mostly through the Bank's distribution network. The company has built up a diversified portfolio, amounting to around NOK 590 million, with customers from all parts of Møre og Romsdal. Møre Finans AS made a NOK 2 million (NOK 2 million) contribution to the Group's earnings in the first quarter of 2011. At the end of the quarter the company employed seven man-years.

Møre Eiendomsmegling AS provides services within the real estate brokerage area both to retail and corporate customers. The company has not made any contribution to earnings to date in 2011 (NOK -1 million). At the end of the quarter, the company employed 13 man-years.

The object of Sparebankeiendom AS is to own and manage the Bank's own commercial properties. The company has not made any contribution to earnings to date in 2011. The company has no staff.

Møre Boligkreditt AS was established as part of Sparebanken Møre's long-term funding strategy. The mortgage company's main purpose is to issue covered bonds for sale to Norwegian and international investors. So far the company has raised NOK 6.2 billion in funding for the Bank. The company has made a NOK 9 million contribution to earnings to date in 2011 (NOK 8 million). The company employs two man-years.

Sparebanken Møre's Equity Certificates

Page 17 contains an overview of the 20 largest owners of the Bank's Equity Certificates.

Future prospects

The Board of Directors expects a continued good demand for the Group's services in the future due to the continued positive development of the local business and industry and good employment in Møre og Romsdal. This, combined with the significant boost in the competence of our employees throughout 2010 and 2011, the Board of Directors is expecting a good net profit for Sparebanken Møre in 2011 as well.

Ålesund, 27 April 2011
The Board of Directors of Sparebanken Møre

Helge Aarseth
CHAIRMAN

Roy Reite
DEPUTY CHAIRMAN

Toril Hovdenak

Ingvild Vartdal

Elisabeth Maråk Støle

Helge Karsten Knudsen

Stig Remøy

Olav Arne Fiskerstrand
CEO

Profit and Loss Account IFRS

Group			Amounts in NOK million	Notes	Parent Bank		
2010	1. q. 10	1. q. 11			1. q. 11	1. q. 10	2010
2 027	443	528	Interest and similar income		489	425	1 925
1 165	231	306	Interest and similar costs		286	229	1 132
862	212	222	Net interest and credit commission income	6	203	196	793
23	1	0	Dividends and other income from securities with variable yields	6	71	1	23
165	37	40	Commission income and revenues from banking services		40	37	164
30	8	8	Commission costs and expenditure in respect of banking services		8	8	30
111	21	12	Net gains/losses from securities and foreign exchange	3	12	21	103
35	7	5	Other operating income	6	2	1	8
304	58	49	Total other operating income		117	52	268
293	72	76	Wages, salaries etc.		72	68	273
116	27	36	Administration costs		36	27	116
36	5	5	Depreciation, write-downs and changes in value in non-financial assets		4	3	14
77	28	22	Other operating costs	6	20	27	79
523	132	139	Total operating costs		131	125	482
643	138	132	Result before credit losses		189	123	579
31	12	5	Losses on loans, guarantees etc.	2	5	11	28
612	126	127	Result from ordinary operations before tax		184	112	551
154	36	37	Tax payable on ordinary result		47	33	136
458	90	90	Result from ordinary operations after tax		137	79	415
26.90	5.26	5.27	Result per EC (NOK)		8.03	4.68	24.42
26.90	5.26	5.27	Diluted earnings per EC (NOK)		8.03	4.68	24.42
12	-	-	Distributed dividend per EC (NOK)		-	-	12

Extended accounts according to IAS 1

Group			Amounts in NOK million	Parent Bank		
2010	1. q. 10	1. q. 11		1. q. 11	1. q. 10	2010
458	90	90	Result from ordinary operations after tax	137	79	415
7	3	1	Equities available for sale - changes in value	1	3	7
465	93	91	Total result from ordinary operations after tax	138	82	422

Balance IFRS

Group					Parent Bank		
31.03.10	31.12.2010	31.03.11	Amounts in NOK million	Notes	31.03.11	31.12.10	31.03.10
			Assets				
796	634	890	Cash and claims on central banks		890	634	796
59	167	143	Loans to and claims on credit institutions	6	961	816	487
35 681	37 676	37 937	Net loans to and claims on customers	1, 2, 6	30 686	31 734	31 347
3 546	4 496	5 500	Certificates, bonds and other interest-bearing securities assessed at market value through the profit and loss account	4, 6	8 323	7 314	6 587
134	207	210	Shares and other securities with a variable yield	4	210	207	134
-	-	-	Equity stakes in Group companies		544	544	551
19	10	10	Deferred tax benefit		13	13	17
28	15	19	Goodwill and other intangible assets		19	15	15
229	261	266	Fixed assets		31	35	39
378	344	269	Financial derivatives		269	344	378
189	161	234	Other assets		234	161	188
408	470	543	Prepayments and accrued income		514	458	397
41 467	44 441	46 021	Total assets		42 694	42 275	40 936
			Liabilities and equity capital				
5 629	4 976	5 485	Debt owed to credit institutions	6	5 687	5 226	5 860
21 868	24 551	25 199	Deposits from and liabilities to customers	1, 6	25 210	24 576	21 922
8 930	9 697	9 971	Borrowings raised through the issue of securities		6 570	7 434	8 221
208	188	164	Financial derivatives		132	172	208
467	415	576	Other liabilities		553	363	446
450	329	466	Incurred costs and prepaid income		445	329	441
92	71	69	Other provisioning in respect of liabilities and costs	2	69	71	92
481	482	477	Perpetual Hybrid Tier 1 Capital		477	482	481
479	479	479	Subordinated loan capital		479	479	479
38 604	41 188	42 887	Total liabilities		39 622	39 132	38 150
784	784	784	EC capital	7	784	784	784
-9	0	-1	ECs owned by the Bank	7	-1	0	-9
187	186	186	Proceeds from EC issue, priced at a premium over par		186	186	187
962	970	969	Paid-in equity capital		969	970	962
1 442	1 560	1 559	Primary Capital Fund		1 559	1 560	1 442
263	362	362	Dividend Equalisation Fund		362	362	263
28	33	34	Value Adjustment Fund		34	33	28
12	11	11	Fund for Unrealised Gains		11	11	12
67	317	109	Other equity capital		0	207	0
90	-	90	Result from ordinary operations after tax		137	-	79
1 901	2 283	2 165	Equity capital accumulated through retained earnings		2 103	2 173	1 824
2 863	3 253	3 134	Total equity capital		3 072	3 143	2 786
41 467	44 441	46 021	Total liabilities and equity capital		42 694	42 275	40 936
			Transactions of an off-balance sheet nature:				
1 209	1 323	1 389	Guarantee liabilities		1 389	1 323	1 209

Equity capital - Group IFRS

31.03.11								
Amounts in NOK million	Equity capital	EC capital	Proceeds from EC issue, priced at a premium over par	Primary Capital Fund	Dividend Equalisation Fund	Value Adjustment Fund	Fund for Unrealised Gains	Other equity capital
Equity capital 31.12.10	3 253	784	186	1 560	362	33	11	317
Changes in own Equity Certificates	-2	-1		-1				
Distributed dividend funds to the EC holders	-94							-94
Distributed dividend funds to the local community	-113							-113
Total result from ordinary operations after tax	91					1		90
Equity capital 31.03.11	3 134	783	186	1 559	362	34	11	199

31.03.10								
Amounts in NOK million	Equity capital	EC capital	Proceeds from EC issue, priced at a premium over par	Primary Capital Fund	Dividend Equalisation Fund	Value Adjustment Fund	Fund for Unrealised Gains	Other equity capital
Equity capital 31.12.09	2 942	648	187	1 443	393	25	12	234
Changes in own Equity Certificates	-4	-4		-1	1			
Scrip issue	0	131			-131			
Distributed dividend funds to the EC holders	-72							-72
Distributed dividend funds to the local community	-94							-94
Total result from ordinary operations after tax	93					3		90
Equity capital 31.03.10	2 863	775	187	1 442	263	28	12	156

2010								
Amounts in NOK million	Equity capital	EC capital	Proceeds from EC issue, priced at a premium over par	Primary Capital Fund	Dividend Equalisation Fund	Value Adjustment Fund	Fund for Unrealised Gains	Other equity capital
Equity capital 31.12.09	2 942	648	187	1 443	393	25	12	234
Changes in own Equity Certificates	13	5		5	3			
Scrip issue	-1	131	-1		-131			
Distributed dividend funds to the EC holders	-72							-72
Distributed dividend funds to the local community	-94							-94
Equity capital before allocation of profit for the year	2 788	784	186	1 448	265	25	12	68
Change in credit spread FVO	-1						-1	
Transferred to the Primary Capital Fund	112			112				
Transferred to the Dividend Equalisation Fund	97				97			
Transferred to other equity capital	42							42
Set aside dividend funds for the EC holders	94							94
Set aside dividend funds for the local community	113							113
Equities available for sale - changes in value	7					7		
Total result from ordinary operations after tax	465			112	97	7	-1	249
Equity capital 31.12.10	3 253	784	186	1 560	362	33	11	317

Equity capital - Parent Bank IFRS

31.03.11								
Amounts in NOK million	Equity capital	EC capital	Proceeds from EC issue, priced at a premium over par	Primary Capital Fund	Dividend Equalisation Fund	Value Adjustment Fund	Fund for Unrealised Gains	Other equity capital
Equity capital 31.12.10	3 143	784	186	1 560	362	33	11	207
Changes in own Equity Certificates	-2	-1		-1				
Distributed dividend funds to the EC holders	-94							-94
Distributed dividend funds to the local community	-113							-113
Total result from ordinary operations after tax	138					1		137
Equity capital 31.03.11	3 072	783	186	1 559	362	34	11	137

31.03.10								
Amounts in NOK million	Equity capital	EC capital	Proceeds from EC issue, priced at a premium over par	Primary Capital Fund	Dividend Equalisation Fund	Value Adjustment Fund	Fund for Unrealised Gains	Other equity capital
Equity capital 31.12.09	2 874	648	187	1 443	393	25	12	166
Changes in own Equity Certificates	-4	-4		-1	1			
Scrip issue	0	131			-131			
Distributed dividend funds to the EC holders	-72							-72
Distributed dividend funds to the local community	-94							-94
Total result from ordinary operations after tax	82					3		79
Equity capital 31.03.10	2 786	775	187	1 442	263	28	12	79

2010								
Amounts in NOK million	Equity capital	EC capital	Proceeds from EC issue, priced at a premium over par	Primary Capital Fund	Dividend Equalisation Fund	Value Adjustment Fund	Fund for Unrealised Gains	Other equity capital
Equity capital 31.12.09	2 874	648	187	1 443	393	25	12	166
Changes in own Equity Certificates	13	5		5	3			
Scrip issue	-1	131	-1		-131			
Distributed dividend funds to the EC holders	-72							-72
Distributed dividend funds to the local community	-94							-94
Equity capital before allocation of profit for the year	2 720	784	186	1 448	265	25	12	0
Change in credit spread FVO	-1						-1	
Transferred to the Primary Capital Fund	112			112				
Transferred to the Dividend Equalisation Fund	97				97			
Set aside dividend funds for the EC holders	94							94
Set aside dividend funds for the local community	113							113
Equities available for sale - changes in value	7					7		
Total result from ordinary operations after tax	422			112	97	7	-1	207
Equity capital 31.12.10	3 143	784	186	1 560	362	33	11	207

Cash Flow Statement IFRS

Group			Amounts in NOK million	Parent Bank		
2010	31.03.10	31.03.11		31.03.11	31.03.10	2010
			Cash flow from operational activities			
2 210	590	710	Interest, commission and fees received	648	559	2 080
-1 189	-154	-395	Interest, commission and fees paid	-355	-155	-1 159
23	1	0	Dividend	71	1	23
-376	-106	-121	Outgoings relating to operations	-116	-101	-364
-127	-67	-62	Payment of tax	-57	-64	-119
-83	25	26	Changes relating to loans to and claims on other financial institutions	-145	190	-139
-1 606	29	-143	Changes relating to repayment loans/leasing to customers	911	260	-191
-226	116	-101	Changes in respect of utilised credit facilities	156	226	309
-1 374	434	-86	Net cashflow from operational activities	1 113	916	440
			Cash flow from investment activities			
			Changes in respect of investment in other securities with short maturities			
-68	0	-2		-2	0	-68
-1 115	-166	-1 004	Changes in respect of sale of certificates and bonds	-1 009	-165	-893
-41	6	-14	Changes in respect of additions of fixed assets	-3	-2	-10
-20	-99	-2	Changes of various assets etc.	-1	-99	-13
-1 244	-259	-1 022	Net cash flow from investment activities	-1 015	-266	-984
			Cash flow from funding activities			
			Changes relating to deposits from customers			
2 757	74	648		635	101	2 755
-687	-34	509	Changes relating to deposits from Norges Bank and other financial institutions	460	-38	-671
612	-155	274	Payments received in respect of proceeds from bond issues raised	-863	-654	-1 442
-73	0	0	Payment of dividend	0	0	-73
-38	54	-67	Changes of other debt	-74	55	-72
-1	-	0	Changes in equity due to scrip issue	-	-	-1
2 570	-61	1 364	Net cash flow from funding activities	158	-536	496
			Net changes on cash holdings			
-48	114	256		256	114	-48
682	682	634	Holdings of cash 01.01	634	682	682
			Holdings of cash 31.03/31.12			
634	796	890		890	796	634

Accounting Principles Group/Parent Bank

General

The Group's interim accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), implemented by the EU as at 31.03.2011. The interim report has been prepared in compliance with IAS 34 Interim Reporting.

The Group presents its accounts in Norwegian kroner (NOK), which is also the Group's functional currency.

Please see the Annual report 2010 for further description of accounting principles. This interim report has been produced in accordance with the accounting principles applied to the annual accounts.

Consolidation

There have been no changes in consolidation principles resulting from compliance with IFRS. All transactions and intra-group balances involving companies which form part of the Group have been netted when consolidating the Group accounts. In the accounts of the Parent Bank, investments in subsidiaries are valued at cost.

Balance

Assets and liabilities are entered into the Group's accounts at the time when the Group obtains actual control of the rights to the asset or undertake an actual commitment. Loans being transferred to other institutions, but still guaranteed by the Bank, are booked in the Group's accounts.

Financial instruments

The Group's portfolio of financial instruments is classified, when first included in the accounts according to IAS 39, in one of the following categories, dependent upon the purpose of the investment:

- Financial assets held for trading purposes (trading portfolio)
- Other financial assets and liabilities assessed at market value, any value changes to be included in the profit and loss account
- Financial instruments which are held as available for sale assessed at market value, any value changes to be adjusted against the equity capital
- Loans and claims carried in the balance sheet at amortised cost

Financial assets in the trading portfolio

The Group's trading portfolio is assessed at market value through the profit and loss account. Please see the Annual Report 2010 for the Group's definition of a trading portfolio.

Financial assets and liabilities assessed at market value, with any value changes being included in the profit and loss account

The Group's portfolio of interest-bearing securities, fixed interest rate loans and -deposits are classified at market value, with any value changes being included in the profit and loss account.

Financial derivatives are shown in the balance sheet at market value, on a per contract basis, as assets or liabilities respectively.

Fixed interest rate loans are assessed at market value based on contract related cash flows discounted at the market rate of interest at the balance sheet date. Financial liabilities are classified as securities-related debt. Any securities-related debt incurred before 31.12.2006 is assessed at market value through the profit and loss account. In the case of the Bank's securities-related debt incurred after 31.12.2006, actual value-related hedging is applied, with any value changes being included in the profit and loss account. The difference between the initial cost and the settlement amount at maturity is amortised over the life of the loan. The portfolio of own bonds is shown as a reduction of debt.

Instruments held as available for sale, assessed at market value, with any value changes shown against equity capital

The Group's portfolio of shares, which are considered to be long-term investments, is classified as available for sale, with any value changes shown against equity capital. Realised gains and losses as well as writedowns are included in the profit and loss account during the period in which they occur.

Loans and claims carried in the balance sheet at amortised costs

All loans, including leasing, but with the exception of fixed interest rate loans, are assessed at amortised cost, based on expected cash flows. Write-down for credit losses is made when there are objective indications of a loan or a group of loans having been subject to impairment in value as a result of impaired creditworthiness. The write-down is calculated as the difference between the value as shown in the balance sheet and the present value of estimated future cash flows (including collateral), discounted at the original effective rate of interest for the loan in question (amortised cost).

Loans which have not been subject to specific assessment of impairment in value are assessed on a grouped basis.

The calculation of required write-down is made for customer groups with largely similar risk- and value characteristics and is based on risk classification and credit loss experience for the customer groups involved. Losses on loans are assessed in accordance with Norwegian regulations regarding loans and guarantees within credit institutions.

Pension commitments

The largest portion of the Group's pension scheme is defined-benefit, which entitles employees to agreed future pension benefits. This scheme was closed to new members beginning on 1 January 2010. (From 2010 new employees enter into the Group's defined contribution scheme). Otherwise see the Annual Report 2010 for a detailed description of the Group's pension schemes.

Fixed assets

The Group mainly owns its own buildings, and the main purpose of these buildings is to be used in connection with the operations of the Bank. These buildings are thus defined as fixed assets and not investment properties in the Group's accounts. The buildings are evaluated at historical cost price, less accumulated depreciation and write-downs. Other fixed assets are evaluated at historical cost price and depreciated according to their expected lifetime.

In case of indications of booked value being higher than retainable amount, fixed assets are assessed for write downs. Retainable amount is the larger of the assets utility value and the assets market value, less costs of sale.

Tax

Taxation cost throughout the year is being periodised in line with the estimate of the Group's yearly taxation cost. Estimated taxation cost for the Group is amounted to 29 per cent of pre-tax result.

Equity and capital adequacy ratio

Dividend and donations confirmed after the balance sheet date are shown as equity capital until approved by the Board of Trustees. The amounts are thereafter shown as debt in the balance sheet until being distributed. Amounts set aside for dividend and donations are not included in the calculation of the capital adequacy ratio. Capital adequacy calculations are carried out according to the Standardised Approach in Basel II.

Staff benefits

All wages, salaries and other remuneration to employees in the Group and other appropriate parties have been charged to the profit and loss account as costs and have been paid at the end of the accounting period. As at 31.03.2011, the Bank had no liabilities relating to the Bank's CEO, members of the Board of Directors or other employees involving special compensation on termination of employment or changes in employment or the jobs and positions in question. Furthermore, there are no arrangements or accounts-related liabilities relating to bonuses, profit sharing, options, subscription rights or similar for the abovementioned persons. Reference is made to the Annual Report 2010 for description of benefitsrelated pension schemes for the Bank's CEO and other employees.

1 - Gross loans and deposits to customers by sector and industry

Group	Gross loans			Deposits		
	31.03.11	31.03.10	2010	31.03.11	31.03.10	2010
Broken down according to sectors						
Agriculture and forestry	460	447	484	182	163	155
Fisheries	3 297	2 865	3 192	378	355	390
Industry and mining	1 215	1 336	1 238	1 413	1 114	1 515
Building and construction	735	733	678	329	312	364
Wholesale and retail trade, hotel industry	829	751	770	646	604	693
Foreign shipping/supply	1 849	2 071	1 981	582	476	582
Property management	3 982	3 663	3 966	1 063	960	1 094
Professional/financial service	701	559	698	1 544	1 139	1 402
Transport and private/public service industry	1 350	1 361	1 362	1 760	1 706	1 644
Public entities	35	15	12	2 150	1 671	1 531
Non-Norwegian lending	11	21	11	1	2	2
Miscellaneous	16	46	44	1 845	720	1 906
Total Corporate/Public entities	14 480	13 868	14 436	11 893	9 222	11 277
Retail customers	23 844	22 238	23 647	13 306	12 646	13 274
Total Gross loans/Deposits	38 324	36 106	38 083	25 199	21 868	24 551
Specific loss provisions	-261	-288	-281			
Non-specific loss provisions	-126	-136	-126			
Net loans	37 937	35 681	37 676			

Parent Bank	Gross loans			Deposits		
	31.03.11	31.03.10	2010	31.03.11	31.03.10	2010
Broken down according to sectors						
Agriculture and forestry	423	411	448	182	163	155
Fisheries	3 276	2 837	3 170	378	355	390
Industry and mining	1 008	1 159	1 030	1 413	1 114	1 515
Building and construction	610	593	551	329	312	364
Wholesale and retail trade, hotel industry	771	697	709	646	604	693
Foreign shipping/supply	1 833	2 046	1 956	582	476	582
Property management	3 971	3 712	4 011	1 067	1 008	1 112
Professional/financial service	677	555	675	1 544	1 139	1 402
Transport and private/public service industry	1 266	1 282	1 291	1 767	1 713	1 650
Public entities	11	8	4	2 150	1 671	1 531
Non-Norwegian lending	28	20	11	1	2	2
Miscellaneous	16	46	41	1 845	719	1 906
Total Corporate/Public entities	13 890	13 366	13 897	11 904	9 276	11 302
Retail customers	17 179	18 401	18 239	13 306	12 646	13 274
Total Gross loans/Deposits	31 069	31 767	32 136	25 210	21 922	24 576
Specific loss provisions	-257	-284	-276			
Non-specific loss provisions	-126	-136	-126			
Net loans	30 686	31 347	31 734			

2 - Losses on loans and guarantees

Losses on loans and guarantees

Group				Parent Bank		
2010	31.03.10	31.03.11		31.03.11	31.03.10	2010
-9	10	-21	Changes in specific loss provisioning and guarantees during the period	-21	9	-13
-11	0	0	Changes in non-specific loss provisioning during the period	0	0	-10
38	3	25	Confirmed losses during the period, where specific provisioning had previously been made	25	3	38
19	0	2	Confirmed losses during the period, where specific provisioning had previously not been made	2	0	19
6	1	1	Recoveries	1	1	6
31	12	5	Losses on loans, guarantees etc.	5	11	28

Specific provisions in respect of loans

Group				Parent Bank		
2010	31.03.10	31.03.11		31.03.11	31.03.10	2010
264	264	281	Specific loss provisions on loans at 01.01	276	260	260
38	3	25	Confirmed losses during the period, where specific provisioning had previously been made	25	3	38
20	11	25	Changes in specific provisioning during the period	25	11	20
144	26	10	New specific provisioning during the period	10	26	143
109	10	30	Recoveries on specific provisioning during the period	29	10	109
281	288	261	Specific provisions against losses on loans at the end of the period	257	284	276

Non-specific provisions on loans

Group				Parent Bank		
2010	31.03.10	31.03.11		31.03.11	31.03.10	2010
137	137	126	Non-specific provision on loans as at 01.01	126	136	136
-11	0	0	Changes during the period	0	0	-10
126	137	126	Non-specific provision on loans at the end of the period	126	136	126

Specific provisions in respect of guarantees

Group				Parent Bank		
2010	31.03.10	31.03.11		31.03.11	31.03.10	2010
46	46	12	Specific provisioning as at 01.01	12	46	46
0	0	0	Specific provisioning during the period	0	0	0
34	19	2	Recoveries on specific provisioning during the period	2	19	34
12	27	10	Specific provisions at the end of the period	10	27	12

Commitments in default (total of all of a customer's outstanding commitments) in excess of 1 month

Group	31.03.11			31.03.10			2010		
	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Intervals									
1-3 months	207	71	136	365	221	144	67	52	15
3-6 months	37	21	16	47	35	12	82	36	46
6-12 months	60	27	33	100	29	71	71	35	36
Over 12 months	84	44	40	61	35	26	92	36	56
Gross loans in default	388	163	225	573	320	245	312	159	153
Specific provisions	112	15	97	71	17	54	53	19	34
Net loans in default	276	148	128	502	303	191	259	140	119

Commitments in default (total of all of a customer's outstanding commitments) in excess of 1 month

Parent Bank	31.03.11			31.03.10			2010		
	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Intervals									
1-3 months	207	71	136	365	221	144	67	52	15
3-6 months	37	21	16	39	35	4	79	36	43
6-12 months	60	27	33	100	29	71	71	35	36
Over 12 months	84	44	40	61	35	26	92	36	56
Gross loans in default	388	163	225	565	320	245	309	159	150
Specific provisions	107	15	92	71	17	54	52	19	33
Net loans in default	281	148	133	494	303	191	257	140	117

Other bad and doubtful commitments (with specific provisions)

Group	31.03.11			31.03.10			2010		
	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Intervals									
Gross lending volume	508	76	432	640	94	546	667	93	574
Specific provisions	150	21	129	255	22	233	224	22	202
Net lending volume	358	55	303	385	72	313	443	71	372

Other bad and doubtful commitments (with specific provisions)

Parent Bank	31.03.11			31.03.10			2010		
	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Intervals									
Gross lending volume	508	76	432	640	94	546	667	93	574
Specific provisions	150	21	129	255	22	233	224	22	202
Net lending volume	358	55	303	385	72	313	443	71	372

3 - Net gains/losses from securities and foreign exchange

Group				Parent Bank		
2010	31.03.10	31.03.11		31.03.11	31.03.10	2010
1	5	5	Certificates and bonds	5	5	1
81	5	0	Securities	0	5	73
21	5	6	Foreign exchange trading (for customers)	6	5	21
-1	0	0	Charge in credit spread FVO - securities-based debt	0	0	-1
9	6	1	Financial derivatives trading	1	6	9
111	21	12	Net gains/losses from securities and foreign exchange	12	21	103

4 - Financial assets

The market value of the instruments traded on an active exchange are based on traded price on the balance sheet date. In the case of the financial instruments that are not traded on an active exchange, own valuations are used which are based on current market condi-

tions or alternatively other valuations from another market player. In the case of unlisted equities where one cannot adequately reliably measure fair value, the acquisition cost or written-down book value shall be used.

Financial instruments assessed at actual value, changes shown through the Result	Market value		
	31.03.11	31.03.10	2010
Based on prices in an active market	2 836	935	1 332
Observed market information	5 490	5 654	5 985
Other than observed market information	0	0	0
Total financial instruments at actual value	8 326	6 589	7 317

There have been no movements of financial instruments between the three levels of valuation groups.

Financial instruments available for sale, changes in value shown through the Total result	Market value		
	31.03.11	31.03.10	2010
Based on prices in an active market	27	23	26
Observed market information	0	0	0
Other than observed market information 1)	180	109	178
Total financial instruments available for sale	208	132	204

1) Changes through the year	31.03.11			31.03.10			2010		
Balance 01.01	178			109			109		
Purchased	2			0			76		
Sale, including previously recognised changes in value	0			0			19		
Increase in value	0			0			12		
Written down	0			0			0		
Balance 31.12	180			109			178		

5 - Segments

Result Q1	Group		Elimin./ Inv./ Other		Corporate		Retail		Real estate brokerage		Leasing	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest and credit commission income	222	212	14	6	102	99	102	103	0	0	4	4
Other operating income	49	58	4	18	17	15	23	20	4	4	1	1
Total income	271	270	18	24	119	114	125	123	4	4	5	5
Operating costs	139	132	28	22	27	27	78	76	4	5	2	2
Result before losses	132	138	-10	2	92	87	47	47	0	-1	3	3
Losses on loans, guarantees etc.	5	12	-1	-1	7	12	-1	0	0	0	0	1
Result before tax	127	126	-9	3	85	75	48	47	0	-1	3	2
Tax payable on ordinary result	37	36										
Result from ordinary operations after tax	90	90										

Balance sheet	Group		Elimin./ Inv./ Other		Corporate		Retail		Real estate brokerage		Leasing	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Loans to customers	37 937	35 681	558	510	13 512	12 830	23 282	21 768	-	-	585	573
Deposits from customers	25 199	21 868	762	252	10 210	8 103	14 227	13 512	-	-	-	-
Guarantee liabilities	1 389	1 209	100	100	1 278	1 098	11	11	-	-	-	-
The deposit-to-loan ratio	66.4	61.3	-	49.4	75.6	63.2	61.1	62.1	-	-	-	-
Man-years	400	403	125	129	60	57	195	194	13	15	7	8

6 - Transactions with close parties

These are transactions between the Parent Bank and wholly-owned subsidiaries which have been done at arm's length and at arm's length's prices.

The most important transactions which have been done and netted out in the Group accounts are as follows:

Parent Bank	31.03.11	31.03.10	2010
Result			
Interest and credit commission income from subsidiaries	28	25	107
Received dividend and group contribution from subsidiaries	71	0	0
Rent paid to Sparebankeiendom AS	3	5	16
Leasing rental paid to Møre Finans AS	2	2	6
Administration fee received from Møre Boligkreditt AS	2	1	7
Balance sheet			
Claims on subsidiaries	1 001	612	835
Covered bonds	2 823	3 040	2 818
Liabilities to subsidiaries	213	285	275

7 - EC-capital

The 20 largest EC-holders in Sparebanken Møre as at 31.03.11

	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	800 000	10.20
Pareto Aksje Norge	437 777	5.58
MP Pensjon	338 796	4.32
Wenaasgruppen AS	279 519	3.56
Pareto Aktiv	199 675	2.55
Beka Holding AS	133 462	1.70
Farstad Shipping ASA	112 909	1.44
Pareto Verdi VPF	99 027	1.26
Stiftelsen Kjell Holm	90 678	1.16
Odd Slyngstad	83 703	1.07
Bank of New York	60 000	0.77
Tonsenhagen Forretningssentrum AS	52 050	0.66
Leif Arne Langøy	50 000	0.64
U Aandals Eftf AS	48 000	0.61
Forsvarets Personellservice	40 560	0.52
Nordisk Finans Invest	40 000	0.51
J E Devold AS	37 558	0.48
Sparebankstiftelsen DnB NOR	37 392	0.48
Terra utbytte VPF	36 536	0.47
Sparebanken Hedmark	29 999	0.38
Total 20 largest	3 007 641	38.36
Total	7 841 116	100.00

8 - Capital adequacy

Group				Parent Bank		
31.12.10	31.03.10	31.03.11		31.03.11	31.03.10	31.12.10
784	784	784	EC capital	784	784	784
0	-9	-1	- ECs owned by the Bank	-1	-9	0
186	187	186	Premium Fund	186	187	186
362	263	362	Dividend Equalisation Fund	362	263	362
1 560	1 442	1 559	Primary Capital Fund	1 559	1 442	1 560
33	28	34	Value Adjustment Fund	34	28	33
11	12	11	Fund for Unrealised Gains	11	12	11
94	0	0	Set aside for dividend for the EC holders	0	0	94
113	0	0	Set aside for dividend funds for the local community	0	0	113
110	156	199	Other equity capital	137	79	0
3 253	2 863	3 134	Total equity	3 072	2 786	3 143
-31	-34	-31	Deferred tax, goodwill and intangible assets, other	-31	-32	-29
-33	-28	-34	Value Adjustment Fund	-34	-28	-33
-11	-12	-11	Fund for Unrealised Gains	-11	-12	-11
-11	-10	-11	50 % deduction for equity capital in other financial institutions	-12	-10	-10
482	481	477	Capital bonds	477	481	482
0	-17	0	Deduction bonds (beyond 15 per cent of core capital)	0	-17	0
-94	0	0	Set aside for dividend for the EC holders	0	0	-94
-113	0	0	Set aside for dividend funds for the local community	0	0	-113
-	-90	-90	Result from ordinary operations after tax	-137	-79	-
3 442	3 153	3 434	Total core capital	3 324	3 089	3 335
			Supplementary capital:			
479	479	479	Subordinated loan capital of limited duration	479	479	479
0	17	0	Addition bonds (beyond 15 per cent of core capital)	0	17	0
14	11	14	45 % addition for net unrealised gains on shares, unit trust certificates and ECs available for sale	15	11	14
-10	-10	-10	50 % deduction for equity capital in other financial institutions	-10	-10	-10
483	497	483	Total supplementary capital	484	497	483
3 925	3 650	3 917	Net equity and subordinated loan capital	3 808	3 586	3 818
1 636	1 454	1 608	Discrepancy relating to net equity and related capital - minimum requirement 8 %	1 615	1 507	1 646
			Capital adequacy as a percentage of the weighted asset calculation basis:			
13.72	13.52	13.60	Capital adequacy ratio	13.90	13.84	14.07
12.03	11.68	11.90	Core capital ratio	12.13	11.92	12.28
28 615	27 005	28 860	Risk-weighted assets (calculation basis for capital adequacy ratio)	27 400	25 915	27 140
			Minimum equity and related capital requirement according to Basel II calculated in accordance with the Standard Approach:			
2 289	2 196	2 309	Total minimum requirement (8 %) for equity and related capital	2 193	2 079	2 172
0	0	0	Commitments involving states and central banks	0	0	0
3	4	3	Commitments involving local and regional authorities	3	4	3
15	10	15	Commitments involving public sector companies	15	10	15
52	49	55	Commitments involving institutions (banks etc.)	45	38	41
783	755	803	Commitments involving companies (corporate customers)	773	724	752
320	315	310	Commitments involving mass market (retail banking customers)	310	314	319
575	577	573	Commitments involving mortgage on commercial property	436	453	451
279	264	267	Commitments involving mortgage on commercial property	267	264	279
22	14	8	Commitments due for payment	8	14	22
0	2	0	Commitments involving high risk (investment funds)	0	2	0
7	5	9	Commitments involving covered bonds	32	27	29
97	82	108	Other commitments	152	108	123
2 153	2 077	2 155	Capital requirement – credit-/counterpart- and impairment risk	2 041	1 958	2 034
0	0	0	Debt	0	0	0
0	0	0	Equity	0	0	0
0	3	5	Foreign exchange	5	3	0
0	0	0	Goods	0	0	0
0	3	5	Capital requirement – position-/foreign exchange- and commercial risk	5	3	0
150	130	162	Operational risk (basis method)	160	132	151
-13	-14	-13	Deductions from the capital requirement	-13	-14	-13

Highlights - Development - Group IFRS

Quarterly results

NOK million	1. q. 2011	4. q. 2010	3. q. 2010	2. q. 2010	1. q. 2010
Net interest and credit commission income	222	228	212	210	212
Total other operating income	49	45	67	134	58
Total operating costs	139	127	130	134	132
Result before losses	132	146	149	210	138
Losses on loans, guarantees etc.	5	-4	8	15	12
Result before tax	127	150	141	195	126
Tax payable on ordinary result	37	44	37	38	36
Result from ordinary operations after tax	90	106	104	157	90

As a percentage of average assets	1. q. 2011	4. q. 2010	3. q. 2010	2. q. 2010	1. q. 2010
Net interest and credit commission income	1.99	2.10	2.01	1.99	2.03
Total other operating income	0.44	0.41	0.64	1.27	0.56
Total operating costs	1.24	1.17	1.23	1.27	1.26
Result before losses	1.19	1.34	1.42	1.99	1.33
Losses on loans, guarantees etc.	0.04	-0.04	0.08	0.14	0.11
Result before tax	1.15	1.38	1.34	1.85	1.22
Tax payable on ordinary result	0.33	0.41	0.35	0.35	0.34
Result from ordinary operations after tax	0.82	0.97	0.99	1.50	0.88

Result

NOK million	31.03.11	31.03.10	2010
Net interest and credit commission income	222	212	862
Total other operating income	49	58	304
Total operating costs	139	132	523
Result before losses	132	138	643
Losses on loans, guarantees etc.	5	12	31
Result before tax	127	126	612
Tax payable on ordinary result	37	36	154
Result from ordinary operations after tax	90	90	458

As a percentage of average assets	31.03.11	31.03.10	2010
Net interest and credit commission income	1.99	2.03	2.03
Total other operating income	0.44	0.56	0.72
Total operating costs	1.24	1.26	1.23
Result before losses	1.19	1.33	1.52
Losses on loans, guarantees etc.	0.04	0.11	0.07
Result before tax	1.15	1.22	1.45
Tax payable on ordinary result	0.33	0.34	0.36
Result from ordinary operations after tax	0.82	0.88	1.09



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