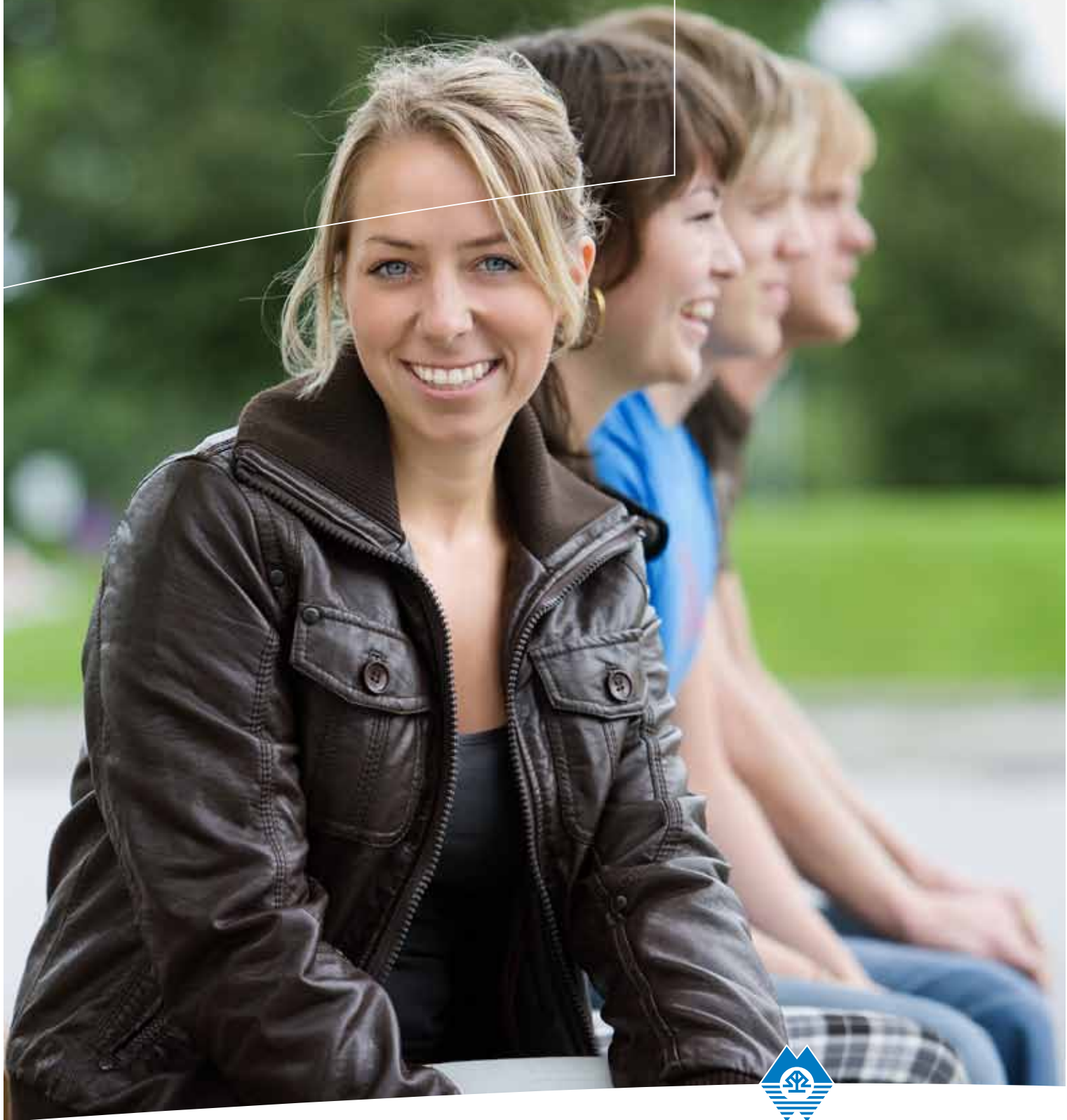



INTERIM REPORT 3 QUARTER
NOT AUDITED

11



SPAREBANKEN MØRE



Entrepreneurship and new establishments are important factors to create growth and development within the region. There is no doubt that training, in the form of student-enterprises and similar initiatives increasing the know-how in how to establish and manage a company, has a positive effect. In 2010 the number of new establishments in Møre og Romsdal increased with over 12%.

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Financial highlights - Group

| NOK million | 30.09.11 | 30.09.10 | 2010 | 2009 |
|--|----------|----------|--------|--------|
| Result | | | | |
| Result before losses | 424 | 497 | 643 | 550 |
| Result before losses 1) | 1.24 | 1.57 | 1.52 | 1.35 |
| Result before taxes | 411 | 462 | 612 | 468 |
| Result before taxes 1) | 1.20 | 1.46 | 1.45 | 1.15 |
| Result after taxes | 293 | 352 | 458 | 335 |
| Result after taxes 1) | 0.85 | 1.11 | 1.09 | 0.82 |
| Losses as a percentage of gross loans as at 01.01 | 0.05 | 0.13 | 0.08 | 0.23 |
| Return on equity, after tax 2) | 12.9 | 16.5 | 16.0 | 14.1 |
| Costs as a percentage of income | 49.1 | 44.3 | 44.8 | 46.7 |
| Balance sheet | | | | |
| Total assets | 48 823 | 43 247 | 44 441 | 41 391 |
| Average assets | 45 655 | 42 030 | 42 400 | 40 680 |
| Net lending to customers | 40 472 | 37 115 | 37 676 | 35 851 |
| Deposits from customers | 25 356 | 23 290 | 24 551 | 21 793 |
| EC (Numbers refer to the Parent Bank) | | | | |
| Profit per EC in NOK | 18.78 | 18.95 | 24.42 | 24.35 |
| Diluted earnings per EC (NOK) | 18.78 | 18.95 | 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) | 175.00 | 190.00 | 207.00 | 192.00 |
| Capital adequacy 3) | | | | |
| Capital adequacy ratio as a percentage | 12.60 | 12.85 | 13.72 | 13.35 |
| Core capital as a percentage | 11.10 | 11.05 | 12.03 | 11.55 |
| Core capital as a percentage (incl. 50 per cent of result) | 11.55 | 11.70 | 12.03 | 11.55 |
| Overall manning levels | | | | |
| Man-years | 413 | 408 | 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 73 million (-0.33 p.p). 4)
- :: Net interest- and credit commission income increased by NOK 44 million (-0.02 p.p). 4)
- :: Other (non-interest) income is reduced by NOK 99 million (-0.35 p.p). 4)
- :: Costs in relation to income is increased from 44.3 to 49.1
- :: Losses and write-downs are reduced by NOK 22 million
- :: Total assets increased by NOK 5 576 million (12.9 %)
- :: Net loans increased by NOK 3 358 million (9.0 %)
- :: Deposits increased by NOK 2 066 million (8.9 %)
- :: Capital adequacy ratio is reduced from 12.85 per cent to 12.60 per cent
- :: Core capital ratio increased from 11.05 per cent to 11.10 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.

OPERATING PROFIT

Sparebanken Møre's pre-tax profit for Q3 2011 was NOK 411 million, compared with NOK 462 million for the same period last year. Total income declined by NOK 55 million: other income was NOK 99 million lower (due, for example, to the gain of NOK 68 million from the sale of shares in Nordito AS in Q2 last year) and net interest income was NOK 44 million higher than last year. Costs increased by NOK 18 million, while write-downs for losses declined by NOK 22 million.

The cost income ratio amounted to 49.1 per cent (44.3 per cent). The Bank's target is less than 50 per cent.

The profit after tax of NOK 293 million gives a return on equity of 12.9 per cent on an annual basis. The Bank's target is to stay at least 6 percentage points above the long-term risk-free interest rate. The level of the 10-year government bond was 3.35 per cent on average for the first 9 months of 2011.

The earnings per equity certificate at the end of Q3 2011 amounted to NOK 18.78, compared with NOK 18.95 at the end of the same quarter last year (Parent Bank).

The Board of Directors is pleased with the results after the first three quarters of the year.

Net interest income

The net interest and credit commission income of NOK 678 million was NOK 44 million higher than the same period last year. As a percentage of average total assets this represents an increase in the preceding 12 months of 0.02 percentage points to 1.98 per cent.

Net interest income is stable and amounted to NOK 235 million or 2.02 per cent in Q3.

The level of net interest income has been impacted by competition in the market, which is particularly strong for traditional deposits. In addition, the enduring low interest rate levels in the market have made the interest contribution from the bank's equity correspondingly low.

Other operating income

Other operating income amounted to NOK 160 million, NOK 99 million lower than the first nine months of last year. This is attributed primarily to the capital gain on the sale of shares in Nordito AS in Q2 last year. Other income accounted for 0.47 per cent of average total assets, 0.35 percentage points lower than the same period last year.

The greatest changes in other operating income were capital gains on shares (NOK -82 million), capital gains on financial derivatives (NOK -18 million), reversal of capital gains on FVO

debt (NOK -6 million), dividends (NOK -6 million), capital gains on foreign exchange (NOK +5 million) and guarantee commissions (NOK +4 million).

Other operating income was NOK 37 million or 0.32 per cent for Q3 2011.

Costs

Operating costs rose by 4.5 per cent or NOK 18 million during the period. Personnel costs increased by NOK 16 million and other costs increased by NOK 2 million. Costs as a percentage of average total assets increased by 0.04 percentage points to 1.21 per cent.

Costs totalled NOK 136 million or 1.17 per cent in Q3.

In relation to the same period in 2010, costs increased as a percentage of income by 4.8 percentage points to 49.1 per cent.

The total workforce has increased by five full time equivalent positions in the preceding 12 months to 413 full time equivalents. This figure includes 12 full time equivalents in the form of trainee positions, which were included as of 1 August 2011.

Losses and defaults

Write-downs for losses of NOK 13 million were charged to the accounts after the first three quarters. This represents 0.04 per cent of the average total assets. Write-downs for losses for the same period last year amounted to NOK 35 million or 0.11 per cent.

The write-downs for losses amounted to NOK 14 million or 0.12 per cent in Q3 2011.

Gross commitments in default (over 1 month) declined by NOK 43 million, from NOK 402 million as at 30 September 2010 to NOK 359 million as at 30 September 2011. Net commitments in default at the end of Q3 amounted to NOK 233 million or 0.57 per cent of gross lending. One year ago the figures were NOK 334 million or 0.89 per cent of gross lending.

The loss and default situation is specified in note 2.

BALANCE SHEET

Total assets amounted to NOK 48 823 million at the end of Q3. Growth in the preceding 12 months was NOK 5 576 million or 12.9 per cent.

Net lending to customers amounted to NOK 40 472 million. This is an increase in the preceding 12 months of NOK 3 358 million or 9.0 per cent. Lending to retail customers increased by 6.5 per cent, and the percentage of total gross lending was 60.8 per cent. Lending to corporate customers increased by 12.6 per cent during the period and accounts for a relative percentage of 39.2 per cent.

Deposits at the end of the period were NOK 2 066 million higher than at the end of the corresponding period last year, which represents annual growth of 8.9 per cent. Of the total deposits of NOK 25 356 million, deposits from retail customers accounted for 55.3 per cent following growth of 7.1 per cent in the pre-

ceding 12 months. The percentage for corporate customers was 37.5 per cent, an increase of 10.3 per cent on an annual basis. Public sector deposits increased by 16.3 per cent in the preceding 12 months, which gives a relative percentage of 7.2 per cent.

The deposit to net lending ratio amounted to 62.7 per cent at the end of Q3.

CAPITAL ADEQUACY

Sparebanken Møre's target capital adequacy is a minimum of 11 per cent. The capital adequacy ratio is calculated in accordance with the standard approach in Basel II.

The core (tier 1) capital ratio was 11.10 per cent (11.05 per cent). Included 50 per cent of the year-to-date profit, the core (tier 1) capital ratio was 11.55 per cent. The Group's total risk-weighted assets was NOK 31 050 million, which represents an increase of NOK 2 435 million since New Year.

Sparebanken Møre will apply to the Financial Supervisory Authority of Norway to use IRB basic methods pursuant to the requirements in the Capital Requirements Regulations. Work on this process is well under way, and the application will be submitted before the end of the year.

RISK MANAGEMENT

Risk-taking is a fundamental element of banking operations. Risk management and control is one of the Board of Directors' most important focus areas. The overall purpose of risk management and control is to ensure efficient operations, handle risk that may prevent the Bank meeting its commercial targets, ensure high quality internal and external reporting, and ensure that the Group's operations comply with all relevant laws, regulations and internal guidelines.

The goal of Sparebanken Møre's Board is to ensure the Group's operations maintain a low to moderate risk profile. Earnings should be a product of customer-related activities, and not be based on financial risk taking. Sparebanken Møre constantly strives to maintain control of the risks that exist. In those cases where the risk is deemed to exceed an acceptable level, immediate steps will be taken to reduce this risk.

The overall framework and limits for Sparebanken Møre's risk management are assessed annually by the Board in connection with the preparation of the Bank's strategic plan. The Board approves overall guidelines for management and control in the Group each year, and the Parent Bank and subsidiaries also adopt individual risk policies tailored to their activities. Separate policies have been approved for each significant risk area, including credit risk, counterparty risk, market risk and liquidity risk. The risk strategies are approved by the Board and revised at least once a year, or when particular circumstances make such necessary. The various policies form the framework for the Group's ICAAP. The Board actively participates in the annual process and establishes ownership to the assessments and calculations made, through, for example, the key role of the ICAAP in long-term strategic planning.

Sparebanken Møre has established a follow-up and control structure that is intended to ensure compliance with the overall

framework of the Bank's strategic plan. The Group's risk exposure and risk development are followed up on an overall basis through periodic reports submitted to the CEO and the Board of Directors. One of the main duties of Sparebanken Møre's Audit Committee is to ensure that Sparebanken Møre's risk is managed in a satisfactory manner.

The Board is of the opinion that Sparebanken Møre's aggregate risk exposures are within the Group's targeted risk profile. The Board considers the Group's and Bank's risk management to be satisfactory.

Credit risk

Credit risk is the risk of losses associated with customers or other counterparties being unable to fulfil their obligations at the agreed time and pursuant to written agreements and the received collateral not covering outstanding claims. Counterparty risk and concentration risk are included in this risk area.

Credit risk represents Sparebanken Møre's biggest risk area. The Group has a moderate risk profile as far as credit risk is concerned, as this risk is defined through the Group's credit risk strategy. The strategy provides, for example, limits for concentration in industrial sectors and the size of commitments, geographic exposure, growth targets and risk levels. Compliance with the Board of Directors' resolutions within the credit area is monitored by the Bank's risk management department, which is independent of the customer units. The Board receives monthly reports on the development of the credit risk.

Liquidity risk

The increasing market unrest this year has had an impact on the funding market. We observe that the margins in the senior market (loans in the market where the Bank is the borrower) have increased significantly in recent months. The funding margins have also increased somewhat in the covered bond market, but far less so than the senior market. In the Norwegian market the margin difference between five-year loans in the senior and covered bond markets is now around 1.00 percentage point. Sparebanken Møre has not tapped the senior market for general funding of the Bank to any great extent since late in 2008, and the Bank has transferred less than 20 per cent of its consolidated lending volume to Møre Boligkreditt AS. The Bank's planned long-term borrowing for 2011 is in place at the end of Q3. A significant portion of the Bank's refinancing needs for next year can be met by issuing covered bonds.

The management of Sparebanken Møre's funding structure is incorporated into an overall funding strategy, which is evaluated and approved by the Board at least once a year. The strategy reflects the moderate risk level that is accepted for this risk area. Sparebanken Møre's targets for maintaining its financial strength are described in this context, and specific limits have been defined for different areas of the bank's funding management. Sparebanken Møre's contingency plan for funding management includes a description of how the funding situation should be handled in turbulent financial markets. Stress test models have also been developed that deal with various scenarios other than a normal situation. The purpose of these models is to quantify

the probability of obtaining funding from different sources within certain defined periods.

In order to ensure that the group's liquidity risk is kept at a low level, lending to customers must be financed primarily by customer deposits and the issuance of long-term debt securities. Efforts to increase ordinary deposits have had and still have high priority at Sparebanken Møre.

Sparebanken Møre's wholly owned subsidiary Møre Boligkreditt AS has a concession from the Financial Supervisory Authority of Norway to operate as a mortgage company. The company makes a major contribution to increasing the Group's diversification with regard to funding sources through the issuance of covered bonds that are offered to investors in Norway and abroad.

Sparebanken Møre's funding sources are primarily in the Norwegian funding market. As a measure to reduce the concentration risk in the Norwegian market, the Group has issued a bond quoted in Swedish kronor through Møre Boligkreditt AS. In addition, Møre Boligkreditt AS has established a EUR 2 BN Euro Medium Term Covered Note Programme (EMTCN), which will facilitate access to funding outside Norway. The prospectus has been approved by the UK Listing Authority and is registered with the London Stock Exchange.

In order to gain expanded access to new sources of funding and more stable access to funding from external sources, securities issued by both Sparebanken Møre and Møre Boligkreditt AS are rated by the rating agency Moody's. The bank is rated A2 (neg.), while securities issued by Møre Boligkreditt AS have been assigned the highest possible rating, Aaa.

The Board considers the Bank's liquidity situation at the end of Q3 to be good.

SUBSIDIARIES

The aggregate profit of the Bank's four subsidiaries amounted to NOK 30 million after tax (NOK 27 million).

Møre Finans AS sells leasing products, partly direct, but mostly through the Bank's distribution network. The company has built

up a diversified portfolio of NOK 577 million with customers from all parts of Møre og Romsdal. Møre Finans AS has made a NOK 6 million (NOK 4 million) contribution to the Group's profit in the first three quarters of 2011. At the end of the quarter the company employed seven full time equivalents.

Møre Eiendomsmegling AS provides services within the real estate brokerage area both to retail and corporate customers. The company has made a NOK 2 million (NOK -1 million) contribution to the Group's profit to date in 2011. At the end of the quarter, the company employed 14 full time equivalents.

The object of Sparebankeiendom AS is to own and manage the Bank's own commercial properties. The company has not made any contribution to the Group's profit 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. To date the company has raised NOK 6.9 billion in funding for the Group. The company has made a NOK 23 million contribution to the Group profit to date in 2011 (NOK 16 million). The company employees two full time equivalents.

EQUITY CAPITAL CERTIFICATES

As at 30 September 2011, there were 6 172 equity certificate owners and the total capital amounted to NOK 784.1 million. Note 8 contains a list of the 20 largest owners of the Bank's equity certificates.

FUTURE PROSPECTS

The turbulent economic situation in many parts of Europe and the US is creating uncertainty in the international market. With continued uncertainty, in time this will also affect economic activity in Norway. Local businesses in Møre og Romsdal has so far been little affected.

Since the Bank's business is based on activity generated by local customers, Sparebanken Møre will also deliver good results for 2011.

Ålesund, 18 October 2011
The Board of Directors of Sparebanken Møre

Leif Arne Langøy
CHAIRMAN

Roy Reite
DEPUTY CHAIRMAN

Ragna Brenne Bjerkeset

Ingvild Vartdal

Elisabeth Maråk Støle

Helge Karsten Knudsen

Stig Remøy

Olav Arne Fiskerstrand
CEO

Statement of income

| Group | | | | | | Parent Bank | | | | | |
|-------|----------|----------|----------|----------|--|-------------|----------|----------|----------|----------|-------|
| 2010 | 3. q. 10 | 3. q. 11 | 30.09.10 | 30.09.11 | Amounts in NOK million | Notes | 30.09.11 | 30.09.10 | 3. q. 11 | 3. q. 10 | 2010 |
| 2 027 | 590 | 576 | 1 491 | 1 642 | Interest and similar income | | 1 508 | 1 428 | 527 | 566 | 1 925 |
| 1 165 | 378 | 341 | 857 | 964 | Interest and similar costs | | 884 | 843 | 310 | 370 | 1 132 |
| 862 | 212 | 235 | 634 | 678 | Net interest and credit commission income | 7 | 624 | 585 | 217 | 196 | 793 |
| 23 | 5 | 0 | 23 | 17 | Dividends and other income from securities with variable yields | 7 | 88 | 23 | 0 | 5 | 23 |
| 165 | 42 | 44 | 122 | 128 | Commission income and revenues from banking services | | 127 | 121 | 43 | 42 | 164 |
| 30 | 8 | 8 | 23 | 25 | Commission costs and expenditure in respect of banking services | | 25 | 23 | 8 | 8 | 30 |
| 111 | 21 | -5 | 117 | 20 | Net gains/losses from securities and foreign exchange | 4 | 22 | 117 | -3 | 21 | 103 |
| 35 | 7 | 6 | 20 | 20 | Other operating income | 7 | 7 | 5 | 2 | 2 | 8 |
| 304 | 67 | 37 | 259 | 160 | Total other operating income | | 219 | 243 | 34 | 62 | 268 |
| 293 | 73 | 81 | 221 | 237 | Wages, salaries etc. | | 223 | 208 | 76 | 70 | 273 |
| 116 | 25 | 25 | 84 | 92 | Administration costs | | 92 | 84 | 25 | 25 | 116 |
| 36 | 5 | 6 | 15 | 17 | Depreciation, write-downs and changes in value in non-financial assets | | 11 | 10 | 4 | 3 | 14 |
| 77 | 27 | 24 | 76 | 68 | Other operating costs | 7 | 65 | 71 | 23 | 26 | 79 |
| 523 | 130 | 136 | 396 | 414 | Total operating costs | | 391 | 373 | 128 | 124 | 482 |
| 643 | 149 | 136 | 497 | 424 | Result before credit losses | | 452 | 455 | 123 | 134 | 579 |
| 31 | 8 | 14 | 35 | 13 | Losses on loans, guarantees etc. | 3 | 12 | 32 | 13 | 7 | 28 |
| 612 | 141 | 122 | 462 | 411 | Result from ordinary operations before tax | | 440 | 423 | 110 | 127 | 551 |
| 154 | 37 | 35 | 110 | 118 | Tax payable on ordinary result | | 120 | 100 | 32 | 34 | 136 |
| 458 | 104 | 87 | 352 | 293 | Result from ordinary operations after tax | | 320 | 323 | 78 | 93 | 415 |
| 26.90 | 6.10 | 5.10 | 20.65 | 17.47 | Result per EC (NOK) | | 18.78 | 18.95 | 4.58 | 5.45 | 24.42 |
| 26.90 | 6.10 | 5.10 | 20.65 | 17.47 | Diluted earnings per EC (NOK) | | 18.78 | 18.95 | 4.58 | 5.45 | 24.42 |
| 12 | - | - | 12 | 12 | Distributed dividend per EC (NOK) | | 12 | 12 | - | - | 12 |

Statement of comprehensive income

| Group | | | | | | Parent Bank | | | | |
|-------|----------|----------|----------|----------|---|-------------|----------|----------|----------|------|
| 2010 | 3. q. 10 | 3. q. 11 | 30.09.10 | 30.09.11 | Amounts in NOK million | 30.09.11 | 30.09.10 | 3. q. 11 | 3. q. 10 | 2010 |
| 458 | 104 | 87 | 352 | 293 | Result from ordinary operations after tax | 320 | 323 | 78 | 93 | 415 |
| 7 | -10 | -4 | -11 | 4 | Equities available for sale - changes in value | 4 | -11 | -4 | -10 | 7 |
| 465 | 94 | 83 | 341 | 297 | Total comprehensive income from ordinary operations after tax | 324 | 312 | 74 | 83 | 422 |

Balance sheet

- Statement of financial position as at the end of the period

| Group | | | Amounts in NOK million | Notes | Parent Bank | | |
|----------|----------|----------|--|---------|-------------|----------|----------|
| 30.09.10 | 31.12.10 | 30.09.11 | | | 30.09.11 | 31.12.10 | 30.09.10 |
| | | | Assets | | | | |
| 868 | 634 | 1 792 | Cash and claims on central banks | | 1 792 | 634 | 868 |
| 91 | 167 | 252 | Loans to and deposits with credit institutions | 7 | 1 226 | 816 | 1 187 |
| 37 115 | 37 676 | 40 472 | Net loans to and claims on customers | 2, 3, 7 | 32 356 | 31 734 | 31 368 |
| 3 607 | 4 496 | 4 635 | Certificates, bonds and other interest-bearing securities assessed at market value through the profit and loss account | 5, 7 | 6 931 | 7 314 | 6 432 |
| 187 | 207 | 209 | Shares and other securities with a variable yield | 5 | 209 | 207 | 187 |
| - | - | - | Equity stakes in Group companies | | 544 | 544 | 551 |
| 19 | 10 | 10 | Deferred tax benefit | | 13 | 13 | 17 |
| 32 | 15 | 21 | Goodwill and other intangible assets | | 20 | 15 | 19 |
| 237 | 261 | 288 | Fixed assets | | 32 | 35 | 33 |
| 389 | 344 | 441 | Financial derivatives | | 404 | 344 | 389 |
| 189 | 161 | 202 | Other assets | | 215 | 161 | 189 |
| 513 | 470 | 501 | Prepayments and accrued income | | 481 | 458 | 477 |
| 43 247 | 44 441 | 48 823 | Total assets | | 44 223 | 42 275 | 41 717 |
| | | | Liabilities and equity capital | | | | |
| 5 234 | 4 976 | 5 014 | Liabilities to credit institutions | 7 | 5 116 | 5 226 | 5 334 |
| 23 290 | 24 551 | 25 356 | Deposits from and liabilities to customers | 2, 7 | 25 373 | 24 576 | 23 307 |
| 8 959 | 9 697 | 12 649 | Borrowings raised through the issue of securities | | 8 084 | 7 434 | 7 436 |
| 214 | 188 | 289 | Financial derivatives | | 267 | 172 | 214 |
| 746 | 415 | 492 | Other liabilities | | 458 | 363 | 725 |
| 660 | 329 | 668 | Incurred costs and prepaid income | | 653 | 329 | 654 |
| 65 | 71 | 47 | Other provisioning in respect of liabilities and costs | 3 | 47 | 71 | 65 |
| 488 | 482 | 494 | Perpetual Hybrid Tier 1 Capital | | 494 | 482 | 488 |
| 479 | 479 | 479 | Subordinated loan capital | | 479 | 479 | 479 |
| 40 135 | 41 188 | 45 488 | Total liabilities | | 40 970 | 39 132 | 38 702 |
| 784 | 784 | 784 | EC capital | 8 | 784 | 784 | 784 |
| -9 | 0 | -4 | ECs owned by the Bank | 8 | -4 | 0 | -9 |
| 186 | 186 | 186 | Proceeds from EC issue, priced at a premium over par | | 186 | 186 | 186 |
| 961 | 970 | 966 | Paid-in equity capital | | 966 | 970 | 961 |
| 1 442 | 1 560 | 1 557 | Primary Capital Fund | | 1 557 | 1 560 | 1 442 |
| 263 | 362 | 362 | Dividend Equalisation Fund | | 362 | 362 | 263 |
| 14 | 33 | 37 | Value Adjustment Fund | | 37 | 33 | 14 |
| 12 | 11 | 11 | Fund for Unrealised Gains | | 11 | 11 | 12 |
| 68 | 317 | 109 | Other equity capital | | 0 | 207 | 0 |
| 352 | - | 293 | Result from ordinary operations after tax | | 320 | - | 323 |
| 2 151 | 2 283 | 2 369 | Equity capital accumulated through retained earnings | | 2 287 | 2 173 | 2 054 |
| 3 112 | 3 253 | 3 335 | Total equity capital | | 3 253 | 3 143 | 3 015 |
| 43 247 | 44 441 | 48 823 | Total liabilities and equity capital | | 44 223 | 42 275 | 41 717 |
| | | | Transactions of an off-balance sheet nature: | | | | |
| 1 363 | 1 323 | 1 402 | Guarantee liabilities | | 1 402 | 1 323 | 1 363 |

Statement of changes in equity – Group

| 30.09.11 | | | | | | | | |
|---|----------------|------------|--|----------------------|----------------------------|-----------------------|---------------------------|----------------------|
| 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 as at 31.12.10 | 3 253 | 784 | 186 | 1 560 | 362 | 33 | 11 | 317 |
| Changes in own Equity Certificates | -7 | -4 | | -3 | | | | |
| 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 | 297 | | | | | 4 | | 293 |
| Equity capital as at 30.09.11 | 3 335 | 780 | 186 | 1 557 | 362 | 37 | 11 | 402 |

| 30.09.10 | | | | | | | | |
|---|----------------|------------|--|----------------------|----------------------------|-----------------------|---------------------------|----------------------|
| 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 as at 31.12.09 | 2 942 | 648 | 187 | 1 443 | 393 | 25 | 12 | 234 |
| Changes in own Equity Certificates | -4 | -4 | | -1 | 1 | | | |
| Scrip issue | -1 | 131 | -1 | | -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 | 341 | | | | | -11 | | 352 |
| Equity capital as at 30.09.10 | 3 112 | 775 | 186 | 1 442 | 263 | 14 | 12 | 420 |

| 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 as at 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 as at 31.12.10 | 3 253 | 784 | 186 | 1 560 | 362 | 33 | 11 | 317 |

Statement of changes in equity - Parent Bank

| 30.09.11 | | | | | | | | |
|---|----------------|------------|--|----------------------|----------------------------|-----------------------|---------------------------|----------------------|
| 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 as at 31.12.10 | 3 143 | 784 | 186 | 1 560 | 362 | 33 | 11 | 207 |
| Changes in own Equity Certificates | -7 | -4 | | -3 | | | | |
| 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 | 324 | | | | | 4 | | 320 |
| Equity capital as at 30.09.11 | 3 253 | 780 | 186 | 1 557 | 362 | 37 | 11 | 320 |

| 30.09.10 | | | | | | | | |
|---|----------------|------------|--|----------------------|----------------------------|-----------------------|---------------------------|----------------------|
| 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 as at 31.12.09 | 2 874 | 648 | 187 | 1 443 | 393 | 25 | 12 | 166 |
| Changes in own Equity Certificates | -4 | -4 | | -1 | 1 | | | |
| Scrip issue | -1 | 131 | -1 | | -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 | 312 | | | | | -11 | | 323 |
| Equity capital as at 30.09.10 | 3 015 | 775 | 186 | 1 442 | 263 | 14 | 12 | 323 |

| 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 as at 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 as at 31.12.10 | 3 143 | 784 | 186 | 1 560 | 362 | 33 | 11 | 207 |

Cash Flow Statement

| Group | | | Amounts in NOK million | Parent Bank | | |
|--------|----------|----------|--|-------------|----------|--------|
| 2010 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 2010 |
| | | | | | | |
| | | | Cash flow from operational activities | | | |
| 2 210 | 1 947 | 2 131 | Interest, commission and fees received | 1 967 | 1 861 | 2 080 |
| -1 189 | -924 | -1 025 | Interest, commission and fees paid | -945 | -885 | -1 159 |
| 23 | 23 | 17 | Dividend received | 88 | 23 | 23 |
| -376 | -264 | -376 | Paid operating expenses | -358 | -245 | -364 |
| -127 | -136 | -154 | Payment of tax | -146 | -128 | -119 |
| -83 | -8 | -82 | Changes relating to loans to and claims on other financial institutions | -411 | -510 | -139 |
| -1 606 | -1 054 | -1 922 | Changes relating to repayment loans/leasing to customers | -175 | 272 | -191 |
| -226 | -255 | -852 | Changes in respect of utilised credit facilities | -421 | 174 | 309 |
| -1 374 | -671 | -2 263 | Net cashflow from operational activities | -401 | 562 | 440 |
| | | | Cash flow from investment activities | | | |
| -68 | -67 | 1 | Changes in respect of investment in other securities with short maturities | 1 | -67 | -68 |
| -1 115 | -226 | -139 | Changes in respect of sale of certificates and bonds | 383 | -11 | -893 |
| -41 | -16 | -51 | Changes in respect of additions of fixed assets | -13 | -7 | -10 |
| -20 | -110 | -158 | Changes of various assets etc. | -120 | -110 | -13 |
| -1 244 | -419 | -347 | Net cash flow from investment activities | 251 | -195 | -984 |
| | | | Cash flow from funding activities | | | |
| 2 757 | 1 496 | 805 | Changes relating to deposits from customers | 798 | 1 486 | 2 755 |
| -687 | -428 | 39 | Changes relating to deposits from Norges Bank and other financial institutions | -110 | -563 | -671 |
| 612 | -126 | 2 952 | Payments received in respect of proceeds from bond issues raised | 650 | -1 440 | -1 442 |
| -73 | -73 | -94 | Payment of dividend | -94 | -73 | -73 |
| -38 | 407 | 66 | Changes of other debt | 64 | 409 | -72 |
| -1 | 0 | 0 | Changes in equity due to scrip issue | 0 | 0 | -1 |
| 2 570 | 1 276 | 3 768 | Net cash flow from funding activities | 1 308 | -181 | 496 |
| -48 | 186 | 1 158 | Net changes on cash holdings | 1 158 | 186 | -48 |
| 682 | 682 | 634 | Holdings of cash 01.01 | 634 | 682 | 682 |
| 634 | 868 | 1 792 | Holdings of cash 30.09/31.12 | 1 792 | 868 | 634 |

1 - Accounting principles

General

The Group's interim accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), implemented by the EU as at 30.09.2011. 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 30.09.2011, 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 benefits-related pension schemes for the Bank's CEO and other employees.

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

| Group | Gross loans | | | Deposits | | |
|---|-------------|----------|--------|----------|----------|--------|
| | 30.09.11 | 30.09.10 | 2010 | 30.09.11 | 30.09.10 | 2010 |
| Broken down according to sectors | | | | | | |
| Agriculture and forestry | 470 | 478 | 484 | 167 | 168 | 155 |
| Fisheries | 3 546 | 3 005 | 3 192 | 348 | 324 | 390 |
| Industry and mining | 1 685 | 1 284 | 1 238 | 1 286 | 1 234 | 1 515 |
| Building and construction | 749 | 751 | 678 | 341 | 319 | 364 |
| Wholesale and retail trade, hotel industry | 821 | 783 | 770 | 738 | 589 | 693 |
| Foreign shipping/supply | 1 794 | 1 929 | 1 981 | 420 | 589 | 582 |
| Property management | 4 769 | 3 969 | 3 966 | 1 106 | 1 019 | 1 094 |
| Professional/financial service | 674 | 578 | 698 | 1 682 | 1 253 | 1 402 |
| Transport and private/public service industry | 1 371 | 1 336 | 1 362 | 1 717 | 1 472 | 1 644 |
| Public entities | 60 | 60 | 12 | 1 827 | 1 571 | 1 531 |
| Non-Norwegian lending | 9 | 12 | 11 | 3 | 1 | 2 |
| Miscellaneous | 82 | 58 | 44 | 1 709 | 1 662 | 1 906 |
| Total Corporate/Public entities | 16 030 | 14 243 | 14 436 | 11 344 | 10 201 | 11 277 |
| Retail customers | 24 823 | 23 317 | 23 647 | 14 012 | 13 089 | 13 274 |
| Total Gross loans/Deposits | 40 853 | 37 560 | 38 083 | 25 356 | 23 290 | 24 551 |
| Specific loss provisions | -255 | -308 | -281 | | | |
| Non-specific loss provisions | -126 | -137 | -126 | | | |
| Net loans | 40 472 | 37 115 | 37 676 | | | |

| Parent Bank | Gross loans | | | Deposits | | |
|---|-------------|----------|--------|----------|----------|--------|
| | 30.09.11 | 30.09.10 | 2010 | 30.09.11 | 30.09.10 | 2010 |
| Broken down according to sectors | | | | | | |
| Agriculture and forestry | 433 | 441 | 448 | 167 | 168 | 155 |
| Fisheries | 3 527 | 2 983 | 3 170 | 348 | 324 | 390 |
| Industry and mining | 1 470 | 1 117 | 1 030 | 1 286 | 1 234 | 1 515 |
| Building and construction | 627 | 615 | 551 | 341 | 319 | 364 |
| Wholesale and retail trade, hotel industry | 766 | 735 | 709 | 738 | 589 | 693 |
| Foreign shipping/supply | 1 769 | 1 904 | 1 956 | 420 | 589 | 582 |
| Property management | 4 768 | 4 000 | 4 011 | 1 115 | 1 031 | 1 112 |
| Professional/financial service | 654 | 570 | 675 | 1 682 | 1 253 | 1 402 |
| Transport and private/public service industry | 1 300 | 1 246 | 1 291 | 1 725 | 1 477 | 1 650 |
| Public entities | 52 | 52 | 4 | 1 827 | 1 571 | 1 531 |
| Non-Norwegian lending | 9 | 12 | 11 | 3 | 1 | 2 |
| Miscellaneous | 82 | 58 | 41 | 1 709 | 1 662 | 1 906 |
| Total Corporate/Public entities | 15 457 | 13 733 | 13 897 | 11 361 | 10 218 | 11 302 |
| Retail customers | 17 275 | 18 074 | 18 239 | 14 012 | 13 089 | 13 274 |
| Total Gross loans/Deposits | 32 732 | 31 807 | 32 136 | 25 373 | 23 307 | 24 576 |
| Specific loss provisions | -250 | -303 | -276 | | | |
| Non-specific loss provisions | -126 | -136 | -126 | | | |
| Net loans | 32 356 | 31 368 | 31 734 | | | |

3 - Losses on loans and guarantees/commitments in default/other bad and doubtful commitments

Losses on loans and guarantees

| Group | | | | Parent Bank | | |
|-------|----------|----------|--|-------------|----------|------|
| 2010 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 2010 |
| -10 | 17 | -27 | Changes in specific loss provisioning and guarantees during the period | -26 | 14 | -13 |
| -10 | 0 | 0 | Changes in non-specific loss provisioning during the period | 0 | 0 | -10 |
| 43 | 14 | 36 | Confirmed losses during the period, where specific provisioning had previously been made | 36 | 14 | 43 |
| 14 | 9 | 7 | Confirmed losses during the period, where specific provisioning had previously not been made | 7 | 9 | 14 |
| 6 | 5 | 4 | Recoveries | 4 | 5 | 6 |
| 31 | 35 | 12 | Losses on loans, guarantees etc. | 13 | 32 | 28 |

Specific provisions in respect of loans

| Group | | | | Parent Bank | | |
|-------|----------|----------|--|-------------|----------|------|
| 2010 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 2010 |
| 264 | 264 | 281 | Specific loss provisions on loans at 01.01 | 276 | 260 | 260 |
| 43 | 14 | 36 | Confirmed losses during the period, where specific provisioning had previously been made | 36 | 14 | 43 |
| 20 | 28 | 57 | Changes in specific provisioning during the period | 57 | 27 | 20 |
| 149 | 99 | 23 | New specific provisioning during the period | 23 | 99 | 148 |
| 109 | 69 | 70 | Recoveries on specific provisioning during the period | 70 | 69 | 109 |
| 281 | 308 | 255 | Specific provisions against losses on loans at the end of the period | 250 | 303 | 276 |

Non-specific provisions on loans

| Group | | | | Parent Bank | | |
|-------|----------|----------|--|-------------|----------|------|
| 2010 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 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 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 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 | 33 | 2 | Recoveries on specific provisioning during the period | 2 | 33 | 34 |
| 12 | 13 | 10 | Specific provisions at the end of the period | 10 | 13 | 12 |

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

| Group | 30.09.11 | | | 30.09.10 | | | 2010 | | |
|------------------------|----------|--------|-----------|----------|--------|-----------|-------|--------|-----------|
| | Total | Retail | Corporate | Total | Retail | Corporate | Total | Retail | Corporate |
| Intervals | | | | | | | | | |
| 1-3 months | 65 | 39 | 26 | 149 | 58 | 91 | 67 | 52 | 15 |
| 3-6 months | 131 | 10 | 121 | 103 | 44 | 59 | 82 | 36 | 46 |
| 6-12 months | 81 | 41 | 40 | 70 | 26 | 44 | 71 | 35 | 36 |
| Above 12 months | 82 | 48 | 34 | 80 | 39 | 41 | 92 | 36 | 56 |
| Gross loans in default | 359 | 138 | 221 | 402 | 167 | 235 | 312 | 159 | 153 |
| Specific provisions | 126 | 16 | 110 | 68 | 16 | 52 | 53 | 19 | 34 |
| Net loans in default | 233 | 122 | 111 | 334 | 151 | 183 | 259 | 140 | 119 |

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

| Parent Bank | 30.09.11 | | | 30.09.10 | | | 2010 | | |
|------------------------|----------|--------|-----------|----------|--------|-----------|-------|--------|-----------|
| | Total | Retail | Corporate | Total | Retail | Corporate | Total | Retail | Corporate |
| Intervals | | | | | | | | | |
| 1-3 months | 65 | 39 | 26 | 149 | 58 | 91 | 67 | 52 | 15 |
| 3-6 months | 131 | 10 | 121 | 103 | 44 | 59 | 79 | 36 | 43 |
| 6-12 months | 81 | 41 | 40 | 70 | 26 | 44 | 71 | 35 | 36 |
| Above 12 months | 82 | 48 | 34 | 80 | 39 | 41 | 92 | 36 | 56 |
| Gross loans in default | 359 | 138 | 221 | 402 | 167 | 235 | 309 | 159 | 150 |
| Specific provisions | 126 | 16 | 110 | 68 | 16 | 52 | 52 | 19 | 33 |
| Net loans in default | 233 | 122 | 111 | 334 | 151 | 183 | 257 | 140 | 117 |

Other bad and doubtful commitments (with specific provisions)

| Group | 30.09.11 | | | 30.09.10 | | | 2010 | | |
|----------------------|----------|--------|-----------|----------|--------|-----------|-------|--------|-----------|
| | Total | Retail | Corporate | Total | Retail | Corporate | Total | Retail | Corporate |
| Intervals | | | | | | | | | |
| Gross lending volume | 473 | 65 | 408 | 682 | 86 | 596 | 674 | 93 | 581 |
| Specific provisions | 124 | 19 | 105 | 241 | 20 | 221 | 227 | 22 | 205 |
| Net lending volume | 349 | 46 | 303 | 441 | 66 | 375 | 447 | 71 | 376 |

Other bad and doubtful commitments (with specific provisions)

| Parent Bank | 30.09.11 | | | 30.09.10 | | | 2010 | | |
|----------------------|----------|--------|-----------|----------|--------|-----------|-------|--------|-----------|
| | Total | Retail | Corporate | Total | Retail | Corporate | Total | Retail | Corporate |
| Intervals | | | | | | | | | |
| Gross lending volume | 473 | 65 | 408 | 682 | 86 | 596 | 667 | 93 | 574 |
| Specific provisions | 124 | 19 | 105 | 236 | 20 | 216 | 224 | 22 | 202 |
| Net lending volume | 349 | 46 | 303 | 446 | 66 | 380 | 443 | 71 | 372 |

4 - Net gains/losses from securities and foreign exchange

| Group | | | | Parent Bank | | |
|-------|----------|----------|---|-------------|----------|------|
| 2010 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 2010 |
| 1 | -4 | -4 | Certificates and bonds | -4 | -4 | 1 |
| 81 | 81 | -1 | Securities | -1 | 81 | 73 |
| 21 | 15 | 20 | Foreign exchange trading (for customers) | 20 | 15 | 21 |
| -1 | 0 | -6 | Charge in credit spread FVO - securities-based debt | -6 | 0 | -1 |
| 9 | 25 | 11 | Financial derivatives | 13 | 25 | 9 |
| 111 | 117 | 20 | Net gains/losses from securities and foreign exchange | 22 | 117 | 103 |

5 - 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 | | |
|--|--------------|----------|-------|
| | 30.09.11 | 30.09.10 | 2010 |
| Based on prices in an active market | 873 | 818 | 1 332 |
| Observed market information | 6 060 | 5 616 | 5 985 |
| Other than observed market information | 0 | 0 | 0 |
| Total financial instruments at actual value | 6 933 | 6 434 | 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 | | |
|---|--------------|----------|------|
| | 30.09.11 | 30.09.10 | 2010 |
| Based on prices in an active market | 19 | 23 | 26 |
| Observed market information | 0 | 0 | 0 |
| Other than observed market information 1) | 188 | 162 | 178 |
| Total financial instruments available for sale | 207 | 185 | 204 |

| 1) Changes through the year | 30.09.11 | | | 30.09.10 | | | 2010 | | |
|--|----------|--|--|----------|--|--|------|--|--|
| | | | | | | | | | |
| Balance 01.01 | 178 | | | 109 | | | 109 | | |
| Purchased | 2 | | | 1 | | | 76 | | |
| Sale, including previously recognised changes in value | 0 | | | 9 | | | 19 | | |
| Increase in value | 8 | | | 61 | | | 12 | | |
| Written down | 0 | | | 0 | | | 0 | | |
| Balance 31.12 | 188 | | | 162 | | | 178 | | |

6 - Segments

| Result Q3 | 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 | 235 | 212 | 11 | 2 | 111 | 103 | 108 | 103 | 0 | 0 | 5 | 4 |
| Other operating income | 37 | 67 | -17 | 20 | 25 | 17 | 23 | 24 | 6 | 5 | 0 | 1 |
| Total income | 272 | 279 | -6 | 22 | 136 | 120 | 131 | 127 | 6 | 5 | 5 | 5 |
| Operating costs | 136 | 130 | 25 | 24 | 27 | 26 | 77 | 75 | 5 | 4 | 2 | 1 |
| Result before losses | 136 | 149 | -31 | -2 | 109 | 94 | 54 | 52 | 1 | 1 | 3 | 4 |
| Losses on loans, guarantees etc. | 14 | 8 | 4 | -3 | 7 | 10 | 2 | 0 | 0 | 0 | 1 | 1 |
| Result before tax | 122 | 141 | -35 | 1 | 102 | 84 | 52 | 52 | 1 | 1 | 2 | 3 |
| Tax payable on ordinary result | 36 | 37 | | | | | | | | | | |
| Result from ordinary operations after tax | 86 | 104 | | | | | | | | | | |

| Result 30.09 | 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 | 678 | 634 | 31 | 12 | 319 | 304 | 315 | 306 | 0 | 0 | 13 | 12 |
| Other operating income | 160 | 259 | 12 | 125 | 61 | 50 | 70 | 68 | 15 | 14 | 2 | 2 |
| Total income | 838 | 893 | 43 | 137 | 380 | 354 | 385 | 374 | 15 | 14 | 15 | 14 |
| Operating costs | 414 | 396 | 79 | 71 | 82 | 78 | 235 | 229 | 13 | 14 | 5 | 4 |
| Result before losses | 424 | 497 | -36 | 66 | 298 | 276 | 150 | 145 | 2 | 0 | 10 | 10 |
| Losses on loans, guarantees etc. | 13 | 35 | -1 | 0 | 12 | 32 | 1 | 0 | 0 | 0 | 1 | 3 |
| Result before tax | 411 | 462 | -35 | 66 | 286 | 244 | 149 | 145 | 2 | 0 | 9 | 7 |
| Tax payable on ordinary result | 118 | 110 | | | | | | | | | | |
| Result from ordinary operations after tax | 293 | 352 | | | | | | | | | | |

| Balance sheet | Group | | Elimin./ Inv./ Other | | Corporate | | Retail | | Real estate brokerage | | Leasing | |
|---------------------------|----------|----------|----------------------|----------|-----------|----------|----------|----------|-----------------------|----------|----------|----------|
| | 30.09.11 | 30.09.10 | 30.09.11 | 30.09.10 | 30.09.11 | 30.09.10 | 30.09.11 | 30.09.10 | 30.09.11 | 30.09.10 | 30.09.11 | 30.09.10 |
| Loans to customers | 40 272 | 37 115 | 668 | 560 | 14 977 | 13 188 | 24 250 | 22 805 | - | - | 577 | 561 |
| Deposits from customers | 25 356 | 23 290 | 238 | 212 | 10 188 | 9 083 | 14 930 | 13 995 | - | - | - | - |
| Guarantee liabilities | 1 402 | 1 363 | 100 | 100 | 1 291 | 1 252 | 11 | 11 | - | - | - | - |
| The deposit-to-loan ratio | 62.7 | 62.8 | 35.6 | 37.9 | 68.0 | 68.9 | 61.6 | 61.4 | - | - | - | - |
| Man-years | 413 | 408 | 161 | 148 | 61 | 58 | 170 | 180 | 14 | 15 | 7 | 7 |

7 - 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 | 30.09.11 | 30.09.10 | 2010 |
|--|----------|----------|-------|
| Result | | | |
| Interest and credit commission income from subsidiaries | 88 | 80 | 107 |
| Received dividend and group contribution from subsidiaries | 71 | 0 | 0 |
| Rent paid to Sparebankeiendom AS | 10 | 13 | 16 |
| Leasing rental paid to Møre Finans AS | 4 | 4 | 6 |
| Administration fee received from Møre Boligkreditt AS | 7 | 5 | 7 |
| Balance sheet | | | |
| Claims on subsidiaries | 1 177 | 1 274 | 835 |
| Covered bonds | 2 296 | 2 825 | 2 818 |
| Liabilities to subsidiaries | 118 | 116 | 275 |
| Transferred loan portfolio to Møre Boligkreditt AS during the period | 4 114 | 3 862 | 3 861 |

8 - EC-capital

The 20 largest EC-holders in Sparebanken Møre as at 30.09.11

| | Number of ECs | Percentage share of EC capital |
|----------------------------------|---------------|--------------------------------|
| Sparebankstiftelsen Tingvoll | 800 000 | 10.20 |
| Pareto Aksje Norge | 438 515 | 5.59 |
| MP Pensjon | 338 796 | 4.32 |
| Wenaasgruppen AS | 300 000 | 3.83 |
| Pareto Aktiv | 205 375 | 2.62 |
| Beka Holding AS | 133 462 | 1.70 |
| Farstad Shipping ASA | 112 909 | 1.44 |
| Pareto Verdi VPF | 101 941 | 1.30 |
| Fidelity Low-Priced | 92 008 | 1.17 |
| Stiftelsen Kjell Holm | 90 438 | 1.15 |
| Odd Slyngstad | 83 703 | 1.07 |
| Tonsenhagen Forretningsentrum AS | 52 050 | 0.66 |
| Leif Arne Langøy | 50 000 | 0.64 |
| Nordea Bank Norge AS | 48 876 | 0.62 |
| U Aandals Eff AS | 48 000 | 0.61 |
| Forsvarets Personellservice | 40 760 | 0.52 |
| Sparebanken Møre | 40 356 | 0.51 |
| Terra utbytte VPF | 37 863 | 0.48 |
| J E Devold AS | 37 558 | 0.48 |
| Sparebankstiftelsen DnB NOR | 37 392 | 0.48 |
| Total 20 largest | 3 090 002 | 39.41 |
| Total | 7 841 116 | 100.00 |

9 - Capital adequacy

| Group | | | | Parent Bank | | |
|---------------|---------------|---------------|---|---------------|---------------|---------------|
| 31.12.10 | 30.09.10 | 30.09.11 | | 30.09.11 | 30.09.10 | 31.12.10 |
| 784 | 784 | 784 | EC capital | 784 | 784 | 784 |
| 0 | -9 | -4 | - ECs owned by the Bank | -4 | -9 | 0 |
| 186 | 186 | 186 | Premium Fund | 186 | 186 | 186 |
| 362 | 263 | 362 | Dividend Equalisation Fund | 362 | 263 | 362 |
| 1 560 | 1 442 | 1 557 | Primary Capital Fund | 1 557 | 1 442 | 1 560 |
| 33 | 14 | 37 | Value Adjustment Fund | 37 | 14 | 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 | 68 | 109 | Other equity capital | 0 | 0 | 0 |
| - | 352 | 293 | Result from ordinary operations after tax | 320 | 323 | - |
| 3 253 | 3 112 | 3 335 | Total equity | 3 253 | 3 015 | 3 143 |
| -31 | -60 | -31 | Deferred tax, goodwill and intangible assets, other | -33 | -33 | -29 |
| -33 | -14 | -37 | Value Adjustment Fund | -37 | -14 | -33 |
| -11 | -12 | -11 | Fund for Unrealised Gains | -11 | -12 | -11 |
| -11 | -10 | -11 | 50 % deduction for equity capital in other financial institutions | -11 | -10 | -10 |
| 482 | 487 | 494 | Capital bonds | 494 | 487 | 482 |
| 0 | -23 | 0 | Deduction bonds (beyond 15 per cent of core capital) | 0 | -23 | 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 |
| - | -352 | -293 | Result from ordinary operations after tax | -320 | -323 | - |
| 3 442 | 3 128 | 3 446 | Total core capital | 3 335 | 3 087 | 3 335 |
| | | | Supplementary capital: | | | |
| 479 | 479 | 479 | Subordinated loan capital of limited duration | 479 | 479 | 479 |
| 0 | 23 | 0 | Addition bonds (beyond 15 per cent of core capital) | 0 | 23 | 0 |
| 14 | 11 | 17 | 45 % addition for net unrealised gains on shares, unit trust certificates and ECs available for sale | 17 | 11 | 14 |
| -10 | -10 | -11 | 50 % deduction for equity capital in other financial institutions | -11 | -10 | -10 |
| 483 | 503 | 485 | Total supplementary capital | 485 | 503 | 483 |
| 3 925 | 3 631 | 3 931 | Net equity and subordinated loan capital | 3 820 | 3 590 | 3 818 |
| 1 636 | 1 386 | 1 447 | Discrepancy relating to net equity and related capital - minimum requirement 8 per cent | 1 452 | 1 447 | 1 646 |
| | | | Capital adequacy as a percentage of the weighted asset calculation basis: | | | |
| 13.72 | 12.85 | 12.60 | Capital adequacy ratio | 12.90 | 13.30 | 14.07 |
| 12.03 | 11.05 | 11.10 | Core capital ratio | 11.25 | 11.45 | 12.28 |
| 12.03 | 11.70 | 11.55 | Core capital ratio incl. 50 per cent of ordinary result after tax | 11.80 | 12.05 | 12.28 |
| 28 615 | 28 270 | 31 050 | Risk-weighted assets (calculation basis for capital adequacy ratio) | 29 620 | 26 990 | 27 140 |
| | | | Minimum equity and related capital requirement according to Basel II calculated in accordance with the Standard Approach: | | | |
| 2 289 | 2 245 | 2 484 | Total minimum requirement (8 %) for equity and related capital | 2 368 | 2 143 | 2 172 |
| 0 | 0 | 0 | Commitments involving states and central banks | 0 | 0 | 0 |
| 3 | 4 | 2 | Commitments involving local and regional authorities | 2 | 4 | 3 |
| 15 | 12 | 15 | Commitments involving public sector companies | 15 | 12 | 15 |
| 52 | 33 | 64 | Commitments involving institutions (banks etc.) | 102 | 44 | 41 |
| 783 | 793 | 872 | Commitments involving companies (corporate customers) | 843 | 761 | 752 |
| 320 | 316 | 315 | Commitments involving mass market (retail banking customers) | 298 | 316 | 319 |
| 575 | 582 | 612 | Commitments involving mortgage on residential property | 445 | 447 | 451 |
| 279 | 265 | 308 | Commitments involving mortgage on commercial property | 308 | 265 | 279 |
| 22 | 20 | 19 | Commitments due for payment | 19 | 20 | 22 |
| 0 | 2 | 0 | Commitments involving high risk (investment funds) | 0 | 2 | 0 |
| 7 | 5 | 12 | Commitments involving covered bonds | 30 | 29 | 29 |
| 97 | 79 | 108 | Other commitments | 152 | 108 | 123 |
| 2 153 | 2 111 | 2 328 | Capital requirement – credit/counterpart- and impairment risk | 2 214 | 2 008 | 2 034 |
| 0 | 0 | 0 | Debt | 0 | 0 | 0 |
| 0 | 0 | 0 | Equity | 0 | 0 | 0 |
| 0 | 0 | 7 | Foreign exchange | 7 | 0 | 0 |
| 0 | 0 | 0 | Goods | 0 | 0 | 0 |
| 0 | 0 | 7 | Capital requirement – position/foreign exchange- and commercial risk | 7 | 0 | 0 |
| 150 | 150 | 160 | Operational risk (basis method) | 160 | 151 | 151 |
| -13 | -16 | -13 | Deductions from the capital requirement | -13 | -16 | -13 |

Highlights - Development - Group

Quarterly results

| NOK million | 3. q. 2011 | 2. q. 2011 | 1. q. 2011 | 4. q. 2010 | 3. q. 2010 |
|---|------------|------------|------------|------------|------------|
| Net interest and credit commission income | 235 | 221 | 222 | 228 | 212 |
| Total other operating income | 37 | 74 | 49 | 45 | 67 |
| Total operating costs | 136 | 139 | 139 | 127 | 130 |
| Result before losses | 136 | 156 | 132 | 146 | 149 |
| Losses on loans, guarantees etc. | 14 | -6 | 5 | -4 | 8 |
| Result before tax | 122 | 162 | 127 | 150 | 141 |
| Tax payable on ordinary result | 35 | 45 | 37 | 44 | 37 |
| Result from ordinary operations after tax | 87 | 117 | 90 | 106 | 104 |

| As a percentage of average assets | 3. q. 2011 | 2. q. 2011 | 1. q. 2011 | 4. q. 2010 | 3. q. 2010 |
|---|------------|------------|------------|------------|------------|
| Net interest and credit commission income | 2.02 | 1.93 | 1.99 | 2.10 | 2.01 |
| Total other operating income | 0.32 | 0.65 | 0.44 | 0.41 | 0.64 |
| Total operating costs | 1.17 | 1.22 | 1.24 | 1.17 | 1.23 |
| Result before losses | 1.17 | 1.36 | 1.19 | 1.34 | 1.42 |
| Losses on loans, guarantees etc. | 0.12 | -0.05 | 0.04 | -0.04 | 0.08 |
| Result before tax | 1.05 | 1.41 | 1.15 | 1.38 | 1.34 |
| Tax payable on ordinary result | 0.30 | 0.40 | 0.33 | 0.41 | 0.35 |
| Result from ordinary operations after tax | 0.75 | 1.01 | 0.82 | 0.97 | 0.99 |

Result

| NOK million | 30.09.11 | 30.09.10 | 2010 |
|---|----------|----------|------|
| Net interest and credit commission income | 678 | 634 | 862 |
| Total other operating income | 160 | 259 | 304 |
| Total operating costs | 414 | 396 | 523 |
| Result before losses | 424 | 497 | 643 |
| Losses on loans, guarantees etc. | 13 | 35 | 31 |
| Result before tax | 411 | 462 | 612 |
| Tax payable on ordinary result | 118 | 110 | 154 |
| Result from ordinary operations after tax | 293 | 352 | 458 |

| As a percentage of average assets | 30.09.11 | 30.09.10 | 2010 |
|---|----------|----------|------|
| Net interest and credit commission income | 1.98 | 2.00 | 2.03 |
| Total other operating income | 0.47 | 0.82 | 0.72 |
| Total operating costs | 1.21 | 1.25 | 1.23 |
| Result before losses | 1.24 | 1.57 | 1.52 |
| Losses on loans, guarantees etc. | 0.04 | 0.11 | 0.07 |
| Result before tax | 1.20 | 1.46 | 1.45 |
| Tax payable on ordinary result | 0.35 | 0.35 | 0.36 |
| Result from ordinary operations after tax | 0.85 | 1.11 | 1.09 |

Design: Havnevik as
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