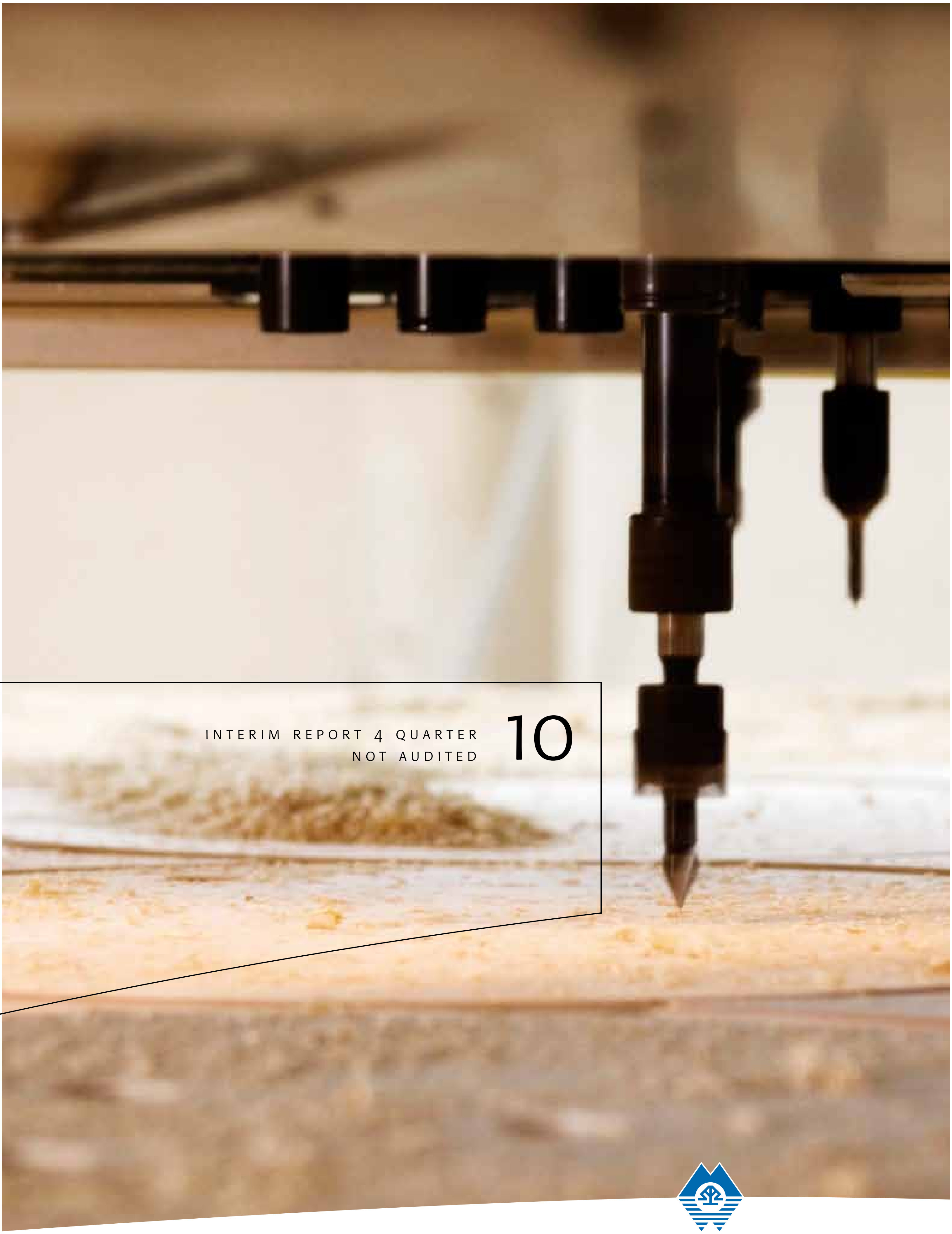

INTERIM REPORT 4 QUARTER 10
NOT AUDITED

SPAREBANKEN MØRE

Front page:

The county of Møre og Romsdal is known for its many furniture companies accounting for a large percentage of furniture production in Norway. These companies represent a modern industry which has proven to be adaptable, innovative, and with a taste for good design. The largest company is Ekornes, which among other things produces the world-famous Stressless recliner that was introduced to the market already in 1971.

Contents

Financial highlights - Group

NOK million	2010	2009	2008
Result			
Result before losses	643	550	545
Result before losses 1)	1.52	1.35	1.44
Result before taxes	612	468	480
Result before taxes 1)	1.45	1.15	1.27
Result after taxes	458	335	338
Result after taxes 1)	1.09	0.82	0.90
Losses as a percentage of gross loans as at 01.01	0.08	0.23	0.21
Return on equity, after tax 2)	16.0	14.1	12.8
Costs as a percentage of income	44.8	46.7	46.4
Balance sheet			
Total assets	44 441	41 391	40 796
Average assets	42 400	40 680	37 820
Net lending to customers	37 676	35 851	35 298
Deposits from customers	24 551	21 793	20 672
EC (Numbers refer to the Parent Bank)			
Profit per EC in NOK	24.42	24.35	21.66
Diluted earnings per EC (NOK)	24.42	24.35	21.66
EC fraction 01.01 as a percentage (average 2009)	46.0	43.8	43.2
Price at Oslo Stock Exchange (NOK)	207.00	192.00	133.00
Capital adequacy 3)			
Capital adequacy ratio as a percentage	13.57	13.35	10.81
Core capital as a percentage	11.88	11.55	9.12
Overall manning levels			
Man-years	401	412	405

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 increased by NOK 93 million (0.17 p.p). 4)
- :: Net interest- and credit commission income increased by NOK 60 million (0.06 p.p). 4)
- :: Other (non-interest) income increased by NOK 48 million (0.09 p.p). 4)
- :: Costs in relation to income is reduced from 46.7 per cent to 44.8 per cent
- :: Losses and write-downs are reduced by NOK 51 million
- :: Total assets increased by NOK 3 050 million (7.4 per cent)
- :: Net loans increased by NOK 1 825 million (5.1 per cent)
- :: Deposits increased by NOK 2 758 million (12.7 per cent)
- :: Capital adequacy ratio increased from 13.35 per cent to 13.57 per cent
- :: Core capital ratio increased from 11.55 per cent to 11.88 per cent

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

Interim 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.

The profit after tax was NOK 458 million, NOK 123 million higher than in 2009.

The return on equity after tax was 16.0 %, compared with 14.1 % for 2009.

The Bank's lending volume grew by 5.1 % in 2010, while the volume of deposits was up 12.7 %

At year end, the capital adequacy ratio was 13.57 %, wereof 11.88 percentage points was core capital.

The Board of Directors is very pleased with the results for 2010.

The Board of Directors proposes to the Board of Trustees to pay a dividend of NOK 12 per equity certificate, to transfer NOK 97 million to the Dividend Equalisation Fund and to transfer NOK 113 million to the dividend funds for the local community.

PROFIT FOR 4TH QUARTER 2010

The profit after tax for the 4th quarter 2010 was NOK 106 million or 0.97 % of average total assets, an increase of NOK 14 million or 0.04 percentage points compared with the corresponding period last year.

RESULTS FOR 2010

The profit before losses was NOK 643 million or 1.52 % of average total assets, an increase of NOK 93 million or 0.17 percentage points compared with 2009. The profit after losses on loans and guarantees was NOK 612 million or 1.45 % of average total assets, an increase of NOK 144 million or 0.30 percentage points. The net profit of NOK 458 million represents 1.09 % of average total assets, compared with NOK 335 million or 0.82 % in 2009. The return on equity of 16.0 % for 2010 was above the bank's target return on equity of a minimum of 6 percentage points above the long-term risk-free interest rate (the ten-year yield on Norwegian government bonds was 3.52 % on average in 2010). The earnings per equity certificate was NOK 24.42, compared with NOK 24.35 in 2009.

Net interest income

Net interest and credit commission income was NOK 862 million in 2010 (NOK 802 million). The net interest income corresponds to 2.03 % (1.97 %) of average total assets. The increase in the net interest income is attributed primarily to the higher deposit ratio and favourable financing through Møre Boligkreditt AS. Net interest income accounted for 74 % of the total income in 2010 (76 %).

Other income

Income from gains, commissions and fees was NOK 304 million (NOK 256 million). The main reason for this increase is the gain on shares in Nordito AS of NOK 74 million. Otherwise the main items under other income are net income from payment transfers of NOK 53 million (NOK 60 million), dividends of NOK 23 million (NOK 8 million), gains on foreign exchange of NOK 21 million (NOK 28 million), guarantee commissions of NOK 20 million (NOK 14 million) and real estate brokerage of NOK 19 million (NOK 17 million). Other large items include gains on sale of buildings of NOK 10 million (NOK 4 million), gains on financial derivatives of NOK 8 million (NOK 19 million), gains on shares of NOK 7 million (NOK 5 million) and gains on bonds of NOK 1 million (NOK 43 million). Other items under other income totalled NOK 68 million (NOK 62 million).

Costs

Total costs were NOK 523 million (NOK 508 million). The cost growth of NOK 15 million or 3.0 % is attributed to NOK 17 million in higher personnel costs, while other costs were reduced by NOK 2 million. Total costs correspond to 1.23 % of the average total assets (1.25 %). The cost to income ratio for 2010 was 44.8 % (46.7 %) and the bank's target is a ratio of less than 50 %. In the 4th quarter costs of NOK 18 million associated with provisions for the old contractual early retirement scheme (AFP) were reversed, and costs of NOK 13 million for the write-down of goodwill were recognised in the 4th quarter.

Losses and defaults

Losses and loss write-downs of NOK 31 million were charged to the profit and loss account in 2010, while NOK 82 million was charged in 2009. NOK 39 million was charged to the profit and loss account for corporate customers and NOK 3 million was charged for retail customers, while loss provisions of NOK 1 million related to Exportfinans AS were reversed and group write-downs were reduced by NOK 10 million.

Aggregate accumulated loss provisions – specific loss provisions and group write-downs – amounted to NOK 419 million (NOK 447 million) or 1.10 % of gross lending (1.23 %). Of the specific loss provisions, NOK 39 million are related to commitments in default in excess of 90 days (NOK 52 million), which represents 0.10 % of gross lending (0.14 %). NOK 254 million refers to other commitments (NOK 258 million) or 0.67 % of gross lending (0.71 %). Group write-downs totalled NOK 126 million (NOK 137 million) or 0.33 % of gross lending (0.38 %).

Gross defaults in excess of 90 days increased from NOK 213 million to NOK 242 million throughout the year. Corporate and retail commitments in default accounted for NOK 135 million (NOK 117 million) and NOK 107 million (NOK 96 million), respectively.

Net commitments in default were NOK 203 million (NOK 161 million), up from 0.44 % of gross lending at the end of 2009 to 0.53 % at the end of 2010.

Balance sheet

Total assets increased by NOK 3 050 million or 7.4 % to NOK 44 441 million as at 31 December 2010.

Lending

Net lending increased by NOK 1 825 million or 5.1 % to NOK 37 676 million in 2010. Of this amount, corporate lending accounted for 37.9 % following a 2.4 % increase in volume for the year. At year end, retail banking loans accounted for 62.1 % and the annual growth was 6.7 %.

Deposits

Deposits from customers totalled NOK 24 551 million at the end of 2010, an increase of NOK 2 758 million or 12.7 %. Deposits from corporate and retail customers increased by 29.6 % and 5.2 %, respectively, in 2010. Deposits from public sector clients were 7.2 % lower than at the previous year end. The difference between the lending and deposit volumes of NOK 13 125 million was funded through the Norwegian and international money and capital markets. Deposits as a percentage of lending was 65.8 % at year end.

Funding

The management of Sparebanken Møre's funding structure is incorporated into an overall funding strategy that is evaluated and approved by the Board of Directors at least once a year. The strategy reflects the moderate level of risk 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 group'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. Sparebanken Møre has also developed stress test models dealing 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 bonds. There has been a strong focus on increasing ordinary deposits in recent years.

Møre Boligkreditt AS has a license from the Financial Supervisory Authority of Norway to operate as a mortgage company. The company contributes to increased diversification for the group with regard to funding sources. Møre Boligkreditt AS issued covered bonds in 2010 as well. The bank has transferred portions of its mortgage portfolio to the mortgage company throughout the year. This has made it possible for the group to exploit funding opportunities, as was the intention with the establishment of Møre Boligkreditt AS.

In order to gain access to additional sources of funding and at the same time provide stable access to funding from external sources, Sparebanken Møre has been assigned an A2 (neg.) rating from the rating agency Moody`s. Securities issued by the mortgage company Møre Boligkreditt AS have been assigned the highest possible rating, Aaa.

Net lending increased by NOK 1 825 million or 5.1 % in 2010. Customer deposits increased by NOK 2 758 million or 12.7 % during the same period. Customer deposits covered 65.8 % of gross lending at year end.

As far as the composition of the external funding is concerned, priority is given to having a relatively large share of funding with maturities in excess of one year. Of the external funding of NOK 14 974 million (NOK 15 294 million), NOK 13 990 million (NOK 12 933 million) was covered by long-term funding and drawing rights with maturities longer than 12 months. The average remaining life of the long-term funding is 4.33 years (group). The remaining NOK 984 million (NOK 2 361 million) has a term to maturity of less than 12 months, and is not covered by long-term drawing rights.

The Board of Directors considers the bank's liquidity situation to be good at year end.

Allocation of profit for the year

Pursuant to the rules relating to equity certificates, etc. (Financial Institutions Act) and in accordance with Sparebanken Møre's dividend policy (see below), 50 % of the profit has been set aside for dividend funds (cash dividend and dividend funds for the local community). Based on the accounting breakdown of equity between equity capital and the Primary Capital Fund, 46.0 % of the net profit will be allocated to equity certificate holders and 54.0 % will be allocated to the primary capital fund. The earnings per equity certificate was NOK 24.42. As a result of this distribution a cash dividend of NOK 12.00 will be paid per equity certificate for the 2010 financial year.

Profit for the year (MNOK)		**458**
Dividend funds	207:	
To cash dividend	94	
To dividend funds for the local community	113	207
Strengthening of equity	251:	
To dividend equalisation fund	97	
To primary capital fund etc.	154	251
Total allocations		**458**

EQUITY AND RELATED CAPITAL

The target for the bank's capital composition is the maintenance of minimum equity and related capital of 12 % with a minimum core capital of 10 %. This target for capital structure has been fixed with several factors in mind, the most important of which are the bank's size, the international orientated business and industry in Møre og Romsdal, the need to be able to raise, in a stable manner, long-term external funding capital and core capital when required, and signalled limits in conection with Basel III. The financial strength requirement takes precedence over lending growth targets.

With 13.57 % equity and related capital and core capital of 11.88 % at the start of 2011, the bank is within its capital composition targets. The capital adequacy ratio has been calculated according to the standard method in the Basel II rules and regulations.

EQUITY CERTIFICATES

The equity certificate capital increased by NOK 130.7 million in the 1st quarter to NOK 784.1 million through a scrip issue with a par value of NOK 100 at the ratio of one new equity certificate per five old certificates. The issue was carried out by transferring NOK 130.7 million from the Dividend Equalisation Fund. The number of equity certificates increased accordingly by 20 % in 2010, from 6 534 254 certificates at the start of the year to 7 841 116 certificates at year end. Due to the bank's profit, the dividend per equity certificate remains nevertheless unchanged for the 2010 financial year compared with the 2009 financial year at NOK 12.00 per equity certificate.

The number of equity certificate holders remains stable – 6 315 at the start of 2010 to 6 255 at year end. A total of 58.5 % of the equity certificate holders are domiciled in Møre og Romsdal county, and their share of the equity certificate capital is 46.8 %. The 20 largest equity certificate holders represented 39.2 % of the bank's equity certificate capital at year end. Seven of these investors are domiciled in Møre og Romsdal county.

At year end the bank owned 3 744 of its own equity capital certificates, corresponding to a nominal amount of NOK 0.4 million. The equity certificates were purchased on the Oslo Stock Exchange at market prices.

The equity certificates are freely negotiable in the market.

Subsidiaries

The bank's four subsidiaries' aggregate profit after tax was NOK 47 million (NOK 28 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 about NOK 600 million with customers from all parts of Møre og Romsdal. Møre Finans AS reported a profit of NOK 7 million (NOK 9 million) for 2010. At year end the company employed seven man-years.

Møre Eiendomsmegling AS provides services in the real estate brokerage area, both to retail and corporate customers. The company reported a loss of NOK 1 million in 2010 (NOK -1 million). At year end the company employed 16 man-years.

The object of Sparebankeiendom AS is to own and manage the bank's own commercial properties. The company reported a profit of NOK 10 million for 2010 (0). The profit improvement compared with last year is attributed to the sale of buildings. There are no employees in the company. The two subsidiaries Møre Bankbygg AS and Storgata 41-45 Molde AS were merged into Sparebankeiendom AS effective 1 January 2010.

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. The company reported earnings of NOK 31 million for 2010 (NOK 20 million). The company employed two man-years.

FUTURE PROSPECTS

The Board of Directors expects a positive and stable development for most of the businesses in Møre og Romsdal county in the coming years. There is a good demand for the most important goods and services that are manufactured in the county. A significant improvement in the order situation has been observed in the maritime sector, and the demand for both wild and farmed fish is very good. The demand for manpower is also increasing, and this ensures thus a good employment situation in Møre og Romsdal county.

Sparebanken Møre has always been committed to help local business and industry develop in pace with the demands of the market, and at the same time to facilitate the efforts of the county of Møre og Romsdal to become even more attractive to live in and move to. The good financial results achieved by the bank and the financial strength this creates give the bank a greater opportunity to contribute increasing the attractiveness of the region. The Board of Directors would like to point out that the bank's various contributions to create prosperity and a good local community to live in is a very important element in the bank's long-term strategy to ensure good general conditions for the local business community.

Ålesund, 2 February 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						Parent Bank			
4. q. 09	4. q. 10	2009	2010	Amounts in NOK million	Notes	2010	2009	4. q. 10	4. q. 09
425	536	1 954	2 027	Interest and similar income		1 925	1 914	497	410
206	308	1 152	1 165	Interest and similar costs		1 132	1 159	289	206
219	228	802	862	Net interest and credit commission income	5	793	755	208	204
7	0	8	23	Dividends and other income from securities with variable yields	5	23	18	0	7
40	43	155	165	Commission income and revenues from banking services		164	154	43	40
8	7	29	30	Commission costs and expenditure in respect of banking services		30	29	7	8
10	-6	94	111	Net gains/losses from securities and foreign exchange	3	103	94	-14	10
7	15	28	35	Other operating income	5	8	4	3	2
56	45	256	304	Total other operating income		268	241	25	51
65	72	276	293	Wages, salaries etc.		273	259	65	59
41	32	128	116	Administration costs		116	128	32	41
9	21	23	36	Depreciation, write-downs and changes in value in non-financial assets		14	13	4	4
16	1	81	77	Other operating costs	5	79	81	8	14
131	127	508	523	Total operating costs		482	481	109	118
144	146	550	643	Result before credit losses		579	515	124	137
20	-4	82	31	Losses on loans, guarantees etc.	2	28	80	-4	20
124	150	468	612	Result from ordinary operations before tax		551	435	128	117
32	44	133	154	Tax payable on ordinary result		136	122	36	29
92	106	335	458	Result from ordinary operations after tax		415	313	92	88
6.35	6.22	25.95	26.90	Result per EC (NOK)		24.42	24.35	5.40	6.08
6.35	6.22	25.95	26.90	Diluted earnings per EC (NOK)		24.42	24.35	5.40	6.08
-	-	20	12	Distributed dividend per EC (NOK)		12	20	-	-

Extended accounts according to IAS 1

Group					Parent Bank			
4. q. 09	4. q. 10	2009	2010	Amounts in NOK million	2010	2009	4. q. 10	4. q. 09
92	102	335	458	Result from ordinary operations after tax	415	313	88	88
5	10	13	7	Equities available for sale - changes in value	7	13	10	5
97	112	348	465	Total result from ordinary operations after tax	422	326	98	93

Balance IFRS

Group				Parent Bank	
31.12.2009	31.12.10	Amounts in NOK million	Notes	31.12.10	31.12.09
		Assets			
682	634	Cash and claims on central banks		634	682
83	167	Loans to and claims on credit institutions	5	816	677
35 851	37 676	Net loans to and claims on customers	1, 2, 5	31 734	31 858
3 381	4 496	Certificates, bonds and other interest-bearing securities assessed at market value through the profit and loss account	5	7 314	6 421
131	207	Shares and other securities with a variable yield		207	131
-	-	Equity stakes in Group companies		544	551
19	15	Deferred tax benefit		13	17
26	15	Goodwill and other intangible assets		15	13
242	258	Fixed assets		35	42
313	344	Financial derivatives		344	313
159	161	Other assets		161	155
504	468	Prepayments and accrued income		458	490
41 391	44 441	Total assets		42 275	41 350
		Liabilities and equity capital			
5 662	4 976	Debt owed to credit institutions	5	5 226	5 897
21 793	24 551	Deposits from and liabilities to customers	1, 5	24 576	21 820
9 086	9 697	Borrowings raised through the issue of securities		7 434	8 876
163	188	Financial derivatives		172	163
332	415	Other liabilities		363	308
347	329	Incurred costs and prepaid income		329	346
111	71	Other provisioning in respect of liabilities and costs	2	71	111
476	482	Perpetual Hybrid Tier 1 Capital		482	476
479	479	Subordinated loan capital		479	479
38 449	41 188	Total liabilities		39 132	38 476
653	784	EC capital	6	784	653
-5	0	ECs owned by the Bank	6	0	-5
187	186	Proceeds from EC issue, priced at a premium over par		186	187
835	970	Paid-in equity capital		970	835
1 443	1 560	Primary Capital Fund		1 560	1 443
393	362	Dividend Equalisation Fund		362	393
25	33	Value Adjustment Fund		33	25
12	11	Fund for Unrealised Gains		11	12
234	317	Other equity capital		207	166
2 107	2 283	Equity capital accumulated through retained earnings		2 173	2 039
2 942	3 253	Total equity capital		3 143	2 874
41 391	44 441	Total liabilities and equity capital		42 275	41 350
		Transactions of an off-balance sheet nature:			
1 385	1 323	Guarantee liabilities		1 323	1 385

Equity capital - Group IFRS

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	-72							-72
Distributed dividend funds for 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 for dividend	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

2009

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 31.12.08	2 625	587	123	1 347	317	11	35	204
Changes in own Equity Certificates	4	2		1	1			
Distributed dividend	-119							-119
Distributed dividend funds for the local community	-39							-39
Equity increase due to the acquisition of Tingvoll Sparebank	123	59	64					
Equity capital before allocation of profit for the year	2 594	648	187	1 348	318	11	35	46
Change in credit spread FVO	-23						-23	
Transferred to the Primary Capital Fund	95			95				
Transferred to the Dividend Equalisation Fund	75				75			
Transferred to other equity capital	22							22
Set aside for dividend	72							72
Set aside dividend funds for the local community	94							94
Equities available for sale - changes in value	13					13		
Total result from ordinary operations after tax	348			95	75	13	-23	188
Equity capital 31.12.09	2 942	648	187	1 443	393	25	12	234

Equity capital - Parent Bank IFRS

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	-72							-72
Distributed dividend funds for 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 for dividend	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

2009

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 31.12.08	2 578	587	123	1 347	317	11	35	158
Changes in own Equity Certificates	4	2		1	1			
Distributed dividend	-119							-119
Distributed dividend funds for the local community	-39							-39
Equity increase due to the acquisition of Tingvoll Sparebank	123	59	64					
Equity capital before allocation of profit for the year	2 547	648	187	1 348	318	11	35	0
Change in credit spread FVO	-23						-23	
Transferred to the Primary Capital Fund	95			95				
Transferred to the Dividend Equalisation Fund	75				75			
Set aside for dividend	72							72
Set aside dividend funds for the local community	94							94
Equities available for sale - changes in value	13					13		
Total result from ordinary operations after tax	326			95	75	13	-23	166
Equity capital 31.12.09	2 874	648	187	1 443	393	25	12	166

Cash Flow Statement IFRS

Group			Parent Bank	
2009	2010	Amounts in NOK million	2010	2009
		Cash flow from operational activities		
2 139	2 210	Interest, commission and fees received	2 080	2 072
-1 096	-1 189	Interest, commission and fees paid	-1 159	-1 112
8	23	Dividend	23	18
-391	-376	Outgoings relating to operations	-364	-374
-131	-127	Payment of tax	-119	-123
14	-83	Changes relating to loans to and claims on other financial institutions	-139	-89
-752	-1 606	Changes relating to repayment loans/leasing to customers	-191	2 024
160	-226	Changes in respect of utilised credit facilities	309	933
-49	-1 374	Net cashflow from operational activities	440	3 349
		Cash flow from investment activities		
-11	-68	Changes in respect of investment in other securities with short maturities	-68	-11
-1 193	-1 115	Changes in respect of sale of certificates and bonds	-893	-4 234
-26	-41	Changes in respect of additions of fixed assets	-10	-22
291	-20	Changes of various assets etc.	-13	77
-939	-1 244	Net cash flow from investment activities	-984	-4 190
		Cash flow from funding activities		
1 121	2 757	Changes relating to deposits from customers	2 755	1 140
2 346	-687	Changes relating to deposits from Norges Bank and other financial institutions	-671	2 403
-3 341	612	Payments received in respect of proceeds from bond issues raised	-1 442	-3 551
-119	-73	Payments made in connection with the repayment of outstanding bond borrowings	-73	-119
160	-38	Changes of other debt	-72	147
122	-1	Changes in equity due to the acquisition of Tingvoll Sparebank	-1	122
289	2 570	Net cash flow from funding activities	496	142
-699	-48	Net changes on cash holdings	-48	-699
1 378	682	Holdings of cash 01.01	682	1 378
3	-	Increase of cash due to the acquisition of Tingvoll Sparebank	-	3
682	634	Holdings of cash 31.12	634	682

Accounting Principles Group/Parent Bank

General

The Group`s interim accounts have been prepared in accordance with International accounting standards, IFRS, implemented by the EU as at 31 December 2010. 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 2009 for further description of accounting principles. This interim report has been produced in accordance with the accounting princples 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 transfered 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 2009 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 write-downs 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 2009 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 25 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 31.12.2010, 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 2009 for description of benefitsrelated pension schemes for the Bank`s CEO and other employees.

Notes IFRS Amounts in NOK million

1 - Gross loans and deposits

Group	Gross loans		Deposits	
Broken down according to sectors	2010	2009	2010	2009
Agriculture and forestry	484	477	155	140
Fisheries	3 192	2 844	390	353
Industry and mining	1 238	1 454	1 515	1 082
Building and construction	678	698	364	369
Wholesale and retail trade, hotel industry	770	765	693	697
Foreign shipping/supply	1 981	2 097	582	375
Property management	3 966	3 756	1 093	1 015
Professional/financial service	698	613	1 402	1 411
Transport and private/public service industry	1 362	1 336	1 644	1 434
Public entities	12	14	1 531	1 650
Non-Norwegian lending	11	22	2	2
Miscellaneous	44	21	1 906	645
Total Corporate/Public entities	14 436	14 097	11 277	9 173
Retail customers	23 647	22 155	13 274	12 620
Total Gross loans/Deposits	38 083	36 252	24 551	21 793
Specific loss provisions	-281	-264		
Non-specific loss provisions	-126	-137		
Net loans	37 676	35 851		

Parent Bank	Gross loans		Deposits	
Broken down according to sectors	2010	2009	2010	2009
Agriculture and forestry	448	439	155	140
Fisheries	3 170	2 815	390	353
Industry and mining	1 031	1 268	1 515	1 082
Building and construction	551	558	364	369
Wholesale and retail trade, hotel industry	708	711	693	697
Foreign shipping/supply	1 955	2 070	582	375
Property management	4 011	3 801	1 112	1 037
Professional/financial service	675	613	1 402	1 411
Transport and private/public service industry	1 292	1 250	1 650	1 439
Public entities	4	6	1 531	1 650
Non-Norwegian lending	11	22	2	2
Miscellaneous	41	21	1 906	645
Total Corporate/Public entities	13 897	13 574	11 302	9 200
Retail customers	18 239	18 680	13 274	12 620
Total Gross loans/Deposits	32 136	32 254	24 576	21 820
Specific loss provisions	-276	-260		
Non-specific loss provisions	-126	-136		
Net loans	31 734	31 858		

Notes IFRS Amounts in NOK million

2 - Losses on loans and guarantees

Losses on loans and guarantees

Group			Parent Bank	
2009	2010		2010	2009
46	-9	Changes in specific loss provisioning and guarantees during the period	-13	44
-8	-11	Changes in non-specific loss provisioning during the period	-10	-8
31	38	Confirmed losses during the period, where specific provisioning had previously been made	38	31
20	19	Confirmed losses during the period, where specific provisioning had previously not been made	19	20
7	6	Recoveries	6	7
82	31	Losses on loans, guarantees etc.	28	80

Specific provisions in respect of loans

Group			Parent Bank	
2009	2010		2010	2009
217	264	Specific loss provisions on loans at 01.01	260	215
31	38	Confirmed losses during the period, where specific provisioning had previously been made	38	31
29	20	Changes in specific provisioning during the period	20	27
109	144	New specific provisioning during the period	143	109
1	-	Specific provision from acquisition	-	1
61	109	Recoveries on specific provisioning during the period	109	61
264	281	Specific provisions against losses on loans at the end of the period	276	260

Non-specific provisions on loans

Group			Parent Bank	
2009	2010		2010	2009
145	137	Non-specific provision on loans as at 01.01	136	144
1	-	Non-specific provision from acquisition	-	1
-9	-11	Changes during the period	-10	-9
137	126	Non-specific provision on loans at the end of the period	126	136

Specific provisions in respect of guarantees

Group			Parent Bank	
2009	2010		2010	2009
46	46	Specific provisioning as at 01.01	46	46
23	0	Specific provisioning during the period	0	23
23	34	Recoveries on specific provisioning during the period	34	23
46	12	Specific provisions at the end of the period	12	46

Notes IFRS Amounts in NOK million

Commitments in default (total of all of a customer`s outstanding commitments) in excess of 3 months

Group	2010			2009		
Intervals	Total	Retail	Corporate	Total	Retail	Corporate
3-6 months	79	36	43	101	43	58
6-12 months	71	35	36	56	15	41
Over 12 months	92	36	56	56	38	18
Gross loans in default	242	107	135	213	96	117
Specific provisions	39	19	20	52	13	39
Net loans in default	203	88	115	161	83	78

Commitments in default (total of all of a customer`s outstanding commitments) in excess of 3 months

Parent Bank	2010			2009		
Intervals	Total	Retail	Corporate	Total	Retail	Corporate
3-6 months	79	36	43	93	43	50
6-12 months	71	35	36	56	15	41
Over 12 months	92	36	56	56	38	18
Gross loans in default	242	107	135	205	96	109
Specific provisions	39	19	20	52	13	39
Net loans in default	203	88	115	153	83	70

Other bad and doubtful commitments (with specific provisions)

Group	2010			2009		
Intervals	Total	Retail	Corporate	Total	Retail	Corporate
Gross lending volume	667	93	574	857	106	751
Specific provisions	224	22	202	258	25	233
Net lending volume	443	71	372	599	81	518

Other bad and doubtful commitments (with specific provisions)

Parent Bank	2010			2009		
Intervals	Total	Retail	Corporate	Total	Retail	Corporate
Gross lending volume	667	93	574	857	106	751
Specific provisions	224	22	202	254	25	229
Net lending volume	443	71	372	603	81	522

3 - Net gains/losses from securities and foreign exchange

Group			Parent Bank	
2009	2010		2010	2009
43	1	Sertificates and bonds	1	43
5	81	Securities	73	5
28	21	Foreign exchange trading (for customers)	21	28
-33	-1	Change in credit spread FVO - securities-based debt	-1	-33
51	9	Financial derivatives trading	9	51
94	111	Net gains/losses from securities and foreign exchange	103	94

Notes IFRS Amounts in NOK million

4 - Segments

Result Q4	Group		Elimin./ Inv./ Other		Corporate		Retail		Real estate brokerage		Leasing	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest and credit commission income	228	219	3	9	111	96	109	110	0	0	5	4
Other operating income	45	56	-4	13	22	17	21	20	5	5	1	1
Total income	273	275	-1	22	133	113	130	130	5	5	6	5
Operating costs	127	131	15	16	28	29	75	78	6	6	3	2
Result before losses	146	144	-16	6	105	84	55	52	-1	-1	3	3
Losses on loans, guarantees etc.	-4	20	-12	-10	4	28	4	2	0	0	0	0
Result before tax	150	124	-4	16	101	56	51	50	-1	-1	3	3
Tax payable on ordinary result	44	32										
Result from ordinary operations after tax	106	92										

Result 31.12	Group		Elimin./ Inv./ Other		Corporate		Retail		Real estate brokerage		Leasing	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net interest and credit commission income	862	802	15	24	415	347	415	410	0	0	17	21
Other operating income	304	256	121	76	72	67	89	94	19	17	3	2
Total income	1 166	1 058	136	100	487	414	504	504	19	17	20	23
Operating costs	523	508	86	79	106	105	304	298	20	19	7	7
Result before losses	643	550	50	21	381	309	200	206	-1	-2	13	16
Losses on loans, guarantees etc.	31	82	-12	-28	36	99	4	8	0	0	3	3
Result before tax	612	468	62	49	345	210	196	198	-1	-2	10	13
Tax payable on ordinary result	154	133										
Result from ordinary operations after tax	458	335										

Balance sheet	Group		Elimin./ Inv./ Other		Corporate		Retail		Real estate brokerage		Leasing	
	31.12.10	31.12.09	31.12.10	31.12.09	31.12.10	31.12.09	31.12.10	31.12.09	31.12.10	31.12.09	31.12.10	31.12.09
Loans to customers	37 676	35 851	583	483	13 414	13 115	23 082	21 662	-	-	597	591
Deposits from customers	24 551	21 793	298	285	10 087	8 062	14 166	13 446	-	-	-	-
Guarantee liabilities	1 323	1 385	100	100	1 211	1 275	12	10	-	-	-	-
The deposit-to-loan ratio	65.2	60.8	51.1	59.0	75.2	61.5	61.4	62.1	-	-	-	-
Man-years	403	412	129	128	57	59	196	203	14	15	7	7

Notes IFRS Amounts in NOK million

5 - 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	2010	2009
Result		
Interest and credit commission income from subsidiaries	107	84
Received dividend from Møre Finans AS	0	10
Rent paid to Sparebankeiendom AS	16	19
Leasing rental paid to Møre Finans AS	6	6
Administration fee received from Møre Boligkreditt AS	7	4
Balance sheet		
Claims on subsidiaries	835	786
Covered bonds	2 818	3 040
Liabilities to subsidiaries	275	262

6 - EC-capital

The 20 largest EC-holders in Sparebanken Møre as at 31.12.10

	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	796 400	10.16
Pareto Aksje Norge	445 427	5.68
MP Pensjon	338 796	4.32
Protector eiendom AS	303 864	3.88
Pareto Aktiv	200 975	2.56
Beka Holding AS	133 462	1.70
Farstad Shipping ASA	112 909	1.44
Brown Brothers Harriman & Co	92 008	1.17
Pareto Verdi VPF	88 467	1.13
Stiftelsen Kjell Holm	88 018	1.12
Odd Slyngstad	84 703	1.08
Tonsenhagen Forretningssentrum AS	52 050	0.66
Nordea Bank Norge AS	51 000	0.65
Leif Arne Langøy	50 000	0.64
U Aandals Eftf AS	48 000	0.61
Forsvarets Personellservice	40 560	0.52
Terra utbytte VPF	38 782	0.49
J E Devold AS	37 558	0.48
Sparebankstiftelsen DnB NOR	37 392	0.48
Sparebanken Hedmark	29 999	0.38
Total 20 largest	3 070 370	39.16
Total	7 841 116	100.00

Notes IFRS Amounts in NOK million

7 - Capital adequacy

Group			Parent Bank	
31.12.09	31.12.10		31.12.10	31.12.09
653	784	EC capital	784	653
-5	0	- ECs owned by the Bank	0	-5
187	186	Premium Fund	186	187
393	362	Dividend Equalisation Fund	362	393
1 443	1 560	Primary Capital Fund	1 560	1 443
25	33	Value Adjustment Fund	33	25
12	11	Fund for Unrealised Gains	11	12
72	94	Set aside for dividend	94	72
94	113	Set aside for dividend funds for the local community	113	94
68	110	Other equity capital	0	0
2 942	**3 253**	**Total equity**	**3 143**	**2 874**
-27	-73	Deferred tax, goodwill and intangible assets, other	-29	-27
-25	-33	Value Adjustment Fund	-33	-25
-12	-11	Fund for Unrealised Gains	-11	-12
-10	-10	50 % deduction for equity capital in other financial institutions	-10	-10
476	482	Capital bonds	482	476
-10	0	Deduction bonds (beyond 15 per cent of core capital)	0	-10
-72	-94	Set aside for dividend	-94	-72
-94	-113	Set aside for dividend funds for the local community	-113	-94
3 168	**3 400**	**Total core capital**	**3 335**	**3 100**
		Supplementary capital:		
479	479	Subordinated loan capital of limited duration	479	479
10	0	Addition bonds (beyond 15 per cent of core capital)	0	10
11	14	45 % addition for net unrealised gains on shares, unit trust certificates and ECs available for sale	14	11
-10	-10	50 % deduction for equity capital in other financial institutions	-10	-10
490	483	Total supplementary capital	483	490
3 658	**3 883**	**Net equity and subordinated loan capital**	**3 818**	**3 590**
1 466	1 593	Discrepancy relating to net equity and realted capital - minimum requirement 8 %	1 646	1 482
		Capital adequacy as a percentage of the weighted asset calculation basis:		
13.35	13.57	Capital adequacy ratio	14.07	13.62
11.56	11.88	Core capital ratio	12.28	11.76
27 400	**28 615**	**Risk-weighted assets (calculation basis for capital adequacy ratio)**	**27 140**	**26 355**
2 192	2 290	Minimum equity and related capital requirement according to Basel II calculated in accordance with the Standard Approach: Total minimum requirement (8 %) for equity and related capital	2 172	2 108
0	0	Commitments involving states and central banks	0	0
4	3	Commitments involving local and regional authorities	3	4
9	15	Commitments involving public sector companies	15	9
34	52	Commitments involving institutions (banks etc.)	41	41
769	783	Commitments involving companies (corporate customers)	752	737
314	320	Commitments involving mass market (retail banking customers)	319	314
561	575	Commitments involving mortgage on residential property	451	460
265	297	Commitments involving mortgage on commercial property	279	265
17	22	Commitments due for payment	22	17
2	0	Commitments involving high risk (investment funds)	0	2
2	7	Commitments involving preference bonds	29	26
88	97	Other commitments	123	112
2 065	**2 153**	**Capital requirement – credit-/counterpart- and impairment risk**	**2 034**	**1 987**
0	0	Debt	0	0
0	0	Equity	0	0
4	0	Foreign exchange	0	4
0	0	Goods	0	0
4	**0**	**Capital requirement – position-/foreign exchange- and commercial risk**	**0**	**4**
137	**150**	**Operational risk (basis method)**	**151**	**131**
-14	-13	Deductions from the capital requirement	-13	-14

Highlights - Development - Group IFRS

Quarterly results

NOK million	4. q. 2010	3. q. 2010	2. q. 2010	1. q. 2010	4. q. 2009
Net interest and credit commission income	228	212	210	212	219
Total other operating income	45	67	134	58	56
Total operating costs	127	130	134	132	131
Result before losses	146	149	210	138	144
Losses on loans, guarantees etc.	-4	8	15	12	20
Result before tax	150	141	195	126	124
Tax payable on ordinary result	44	37	38	36	32
Result from ordinary operations after tax	106	104	157	90	92

As a percentage of average assets	4. q. 2010	3. q. 2010	2. q. 2010	1. q. 2010	4. q. 2009
Net interest and credit commission income	2.10	2.01	1.99	2.03	2.11
Total other operating income	0.41	0.64	1.27	0.56	0.54
Total operating costs	1.17	1.23	1.27	1.26	1.26
Result before losses	1.34	1.42	1.99	1.33	1.39
Losses on loans, guarantees etc.	-0.04	0.08	0.14	0.11	0.19
Result before tax	1.38	1.34	1.85	1.22	1.20
Tax payable on ordinary result	0.41	0.35	0.35	0.34	0.31
Result from ordinary operations after tax	0.97	0.99	1.50	0.88	0.89

Result

NOK million	2010	2009
Net interest and credit commission income	862	802
Total other operating income	304	256
Total operating costs	523	508
Result before losses	643	550
Losses on loans, guarantees etc.	31	82
Result before tax	612	468
Tax payable on ordinary result	154	133
Result from ordinary operations after tax	458	335

As a percentage of average assets	2010	2009
Net interest and credit commission income	2.03	1.97
Total other operating income	0.72	0.63
Total operating costs	1.23	1.25
Result before losses	1.52	1.35
Losses on loans, guarantees etc.	0.07	0.20
Result before tax	1.45	1.15
Tax payable on ordinary result	0.36	0.33
Result from ordinary operations after tax	1.09	0.82

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