

INTERIM REPORT  
2 QUARTER  
NOT AUDITED

13



SPAREBANKEN MØRE

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Ocean Ingredients Cluster, who works with marine development, is one of five projects that will receive financial and advisory support from the network program Arena. OIC consists of among other things 18 different companies along the coast from Sogn og Fjordane to Trøndelag, which make raw materials from fishing and aquaculture into valuable marine oils and proteins which among other things are used in food products, health food and pharmaceuticals. As much as 40% of the world's total production of omega-3 oils are produced in Møre and Romsdal.

# Financial highlights - Group

## Result

NOK MILLION	Q2 13	Q2 12	30.06.13	30.06.12	2012
Net interest and credit commission income	258	236	494	458	936
Net provisions and other income	46	43	84	82	180
Net return from financial investments	5	33	10	55	110
Total income	309	312	588	595	1 226
Total operating cost	145	150	300	298	605
Pension plan changes	-	-	-	-	-166
Result before credit losses	164	162	288	297	787
Losses on loans, guarantees etc.	6	9	13	19	47
Result before tax	158	153	275	278	740
Tax payable on ordinary result	42	43	74	78	210
Result from ordinary operations after tax	116	110	201	200	530

## Balance sheet

NOK MILLION	30.06.13	30.06.12	% CHANGE	31.12.12	% CHANGE 2013
Total assets	52 825	49 392	7.0	51 632	2.3
Average assets	51 360	47 560	8.0	48 530	5.8
Lending to customers	45 069	41 733	8.0	43 434	3.8
Deposits from customers	27 953	26 164	6.8	27 081	3.2

## Key Figures

	Q2 13	Q2 12	30.06.13	30.06.12	2012
Return on equity (annualised)	12.9	13.3	11.3	12.3	16.3
Return on equity (annualised) (adjusted for pension plan changes)	-	-	-	-	12.6
Cost as a percentage of income	46.9	47.9	50.9	49.8	35.4
Cost as a percentage of income (adjusted for pension plan changes)	-	-	-	-	48.8
Losses as a percentage of loans 1.1/start of the period	0.06	0.09	0.06	0.09	0.12
Problem loans as a percentage of loans (prior to loss provisions)	1.23	1.19	1.23	1.19	1.34
Problem loans as a percentage of loans (after loss provisions)	0.87	0.78	0.87	0.78	0.96
Deposit to lending ratio as a percentage	62.0	62.7	62.0	62.7	62.3
Core capital as a percentage 1) 2)	13.60	11.40	13.60	11.40	13.68
Pure core capital as a percentage 1) 2)	10.60	9.80	10.60	9.80	10.55
Man-years	400	419	400	419	410
EC (Numbers refer to the Parent Bank):					
Profit per EC (Parent Bank) (NOK)	4.75	5.10	13.10	11.10	27.75
EC fraction 1.1 as a percentage (Parent Bank)	46.0	46.0	46.0	46.0	46.0
Price at Oslo Stock Exchange (NOK)	185.00	152.50	185.00	152.50	160
Price/Book value (P/B)	0.84	0.79	0.73	0.94	1.10

1) According to the Standardised Approach in Basel II

2) Incl. 100 per cent of the result from ordinary operations after tax

# 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.

Financial statements are prepared in accordance with IFRS and the interim report has been prepared in conformity with IAS 34, "Interim Financial Reporting".

Sparebanken Møre's pre-tax profit for H1 2013 was NOK 275 million compared to NOK 278 million for H1 2012. Total income was down by NOK 7 million: net interest income was NOK 36 million higher, but the net return on financial instruments was NOK 44 million lower and other operating income was NOK 1 million higher relation to H1 2012. Costs increased by NOK 2 million, while loss provisions were reduced by NOK 6 million.

Costs as a percentage of income amounted to 50.9% in H1 2013 compared to 49.8% in H1 2012. The Bank's target is less than 50%.

The profit after tax of NOK 201 million represents a return on equity of 11.3% when translated to an annual basis. The Bank's goal is to lie a minimum of 6 percentage points above the long-term yield on government bonds, which has averaged 2.24% since New Year.

The earnings per equity certificate for H1 2013 amounted to NOK 13.10 compared to NOK 11.10 at the end of H1 2012.

The Board of Directors is pleased with the result for H1 2013.

## RESULTS FOR Q2 2013

The profit after tax for Q2 2013 was NOK 116 million, compared to NOK 110 million for the same quarter last year. The return on equity for Q2 2013 was 12.9% compared to 13.3% for the same period last year.

### Net interest income

The net interest income and credit commission income of NOK 258 million was NOK 22 million higher than in the same period last year. This corresponds to 2.00% of total assets, which is 0.02 percentage points higher than in Q2 2012. Net interest income increased by 0.15 percentage points in relation to Q1 2013.

The level of net interest income was affected by strong competition in the market for traditional deposit funds and significant competition in lending, especially in the retail market. The interest contribution from equity has been persistently low due to the general low level of interest rates in the market. The contribution to the Norwegian Banks Guarantee Fund was charged from 1 January 2013, equivalent to 0.05 percentage points, while there was no such charge in 2012.

### Other operating income

Other operating income amounted to NOK 51 million, which is NOK 25 million lower than in Q2 2012. Other operating income accounted for 0.40% of average total assets, 0.24 percentage points lower than the same period in 2012. The main reason for the changes is the reduction in value of the bond portfolio.

## Costs

Operating costs amounted to NOK 145 million in the quarter, NOK 5 million lower than the same quarter last year. Personnel costs were reduced by NOK 3 million, while other costs increased by NOK 2 million. Costs as a percentage of average total assets decreased to 1.13% (1.26%). The Group's total workforce was reduced by 19 full time equivalent positions to 400 full time equivalents.

In relation to the same period in 2012, costs as a percentage of income were reduced by 1.0 percentage points to 46.6%.

## Losses and defaults

The quarter's accounts were charged NOK 6 million in write-downs for losses (NOK 9 million). This amounts to 0.05% (0.08%) of average total assets on an annual basis.

Impaired commitments (loans that have been in default for more than 90 days and loans that are not in default but which have been subject to an individual write-down for losses) show an increase over the last 12 months of NOK 59 million to NOK 555 million before write-downs for losses. Net impaired commitments at the end of the quarter amounted to NOK 392 million or 0.87% of gross lending. At year-end 2012, the figures were NOK 415 million or 0.96% of gross lending.

The loss and default situation is specified in note 3.



## Lending and deposit growth

Total assets amounted to NOK 52,825 million at the end of the June 2013. Growth in the preceding 12 months amounted to NOK 3,433 million or 7.0%.

Net lending to customers amounted to NOK 45,069 million. This represents an increase in the preceding 12 months of NOK 3,336 million or 8.0%. Lending to retail customers increased by 10.9% and accounts for 64.2% of total gross lending. Lending to corporate customers increased by 3.0% in the period and accounts for a relative percentage of 35.8%.

Deposits at the end of June 2013 were NOK 1,789 million higher than at the corresponding time last year, which represents growth of 6.8% for the period. Total deposits amounted to NOK 27,953 million, of which deposits from retail customers accounted for 58.6% following growth of 6.5% in the preceding 12 months. The percentage for corporate customers was 38.4%, an increase of 3.1% on an annual basis. Public sector deposits decreased by 19.0% in the preceding 12 months, which represents a relative percentage of 3.0%.

Deposits as a percentage of loans amounted to 62.0% at the end of June 2013.

## CAPITAL ADEQUACY

The Board of Directors in Sparebanken Møre has, through the "Møre 2017" strategy process, adopted a new long-term minimum target for the Group's capital adequacy ratio. Core tier 1 capital will follow the announced regulatory capital escalation plan.

Preliminary calculation using the standard method in Basel II as of 30th of June 2013 shows a core capital ratio of 13.60% (11.40%), if 50% of the year-to-date earnings for 2013 are included in the capital adequacy ratio at the end of the quarter. The corresponding figures for core tier 1 capital are 10.60% (9.80%).

In June, Sparebanken Møre carried out a private placement with major existing EC holders and new investors. The placement ended on 13th of June and NOK 275 million worth of new Equity Certificates were subscribed to. In August, a repair offering with gross proceeds of up to NOK 100 million and an employee offering with gross proceeds of up to NOK 10 million will also be carried out. The subscription price has been set at NOK 185 per Equity Certificate. The issues were approved by the Board of Trustees on 4th of July 2013.

At the 4th of July meeting, the Board of Trustees also approved the reallocation of NOK 125 million of the Bank's previous years' allocations to dividend funds for the community to a Gift fund, and this Gift fund can thus be included in the Group's core tier 1 capital. This will simultaneously reduce the dilution effect the issues will have on the Bank's primary capital fund and further strengthen the Group's capital adequacy.

The result of the issues and reallocation of NOK 125 million to the Gift fund approved by the Board of Trustees will first be apparent in the accounting and capital adequacy figures for Q3 2013. See Note 10 for pro forma figures.

## SUBSIDIARIES

The total result in the parent bank's three subsidiaries for H1 2013 was 60 million after tax (NOK 40 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company's contribution to the overall result in H1 2013 amounted to NOK 1 million (NOK 2 million). At the end of the first half of the year the company had 17 full time equivalents.

The object of Sparebankeiendom AS is to own and manage Sparebanken Møre's own commercial properties. The company has made no contribution to the overall result so far in 2013 (NOK 4 million). The company has no employees.

Møre Boligkreditt AS was established as part of the Group's long-term funding strategy. The mortgage company's main purpose is to issue covered bonds for sale to Norwegian and international investors. So far the company has obtained NOK 11 billion in funding for the Group. The company's contribution to the overall result in H1 2013 amounted to NOK 65 million (NOK 31 million).

## EQUITY CERTIFICATES

The equity capital at the end of June 2013 amounted to NOK 784.1 million and was made up of 7.841 million Equity Certificates, each with a nominal value of NOK 100. Note 8 lists the 20 largest owners of the Bank's Equity Certificates. The earnings per Equity Certificate at the end of Q2 2013 amounted to NOK 13.10 (NOK 11.10).

The issuing of new equity capital is described in the "Capital Adequacy" section. The private placement will involve the issuing of 1.486 million new Equity Certificates. If both the repair offering and the employee offering are fully subscribed, a further 0.595 million new Equity Certificates will be issued. The new equity capital would thus amount to NOK 992.2 million. After completion of the private placement, and the reallocation of NOK 125 million to the bank's gift fund, the ownership ratio increased from 46.0 per cent to 48.4 per cent. Upon completion of the repair offering and the employee offering, the ownership ratio will increase from 48.4 per cent to a maximum of 49.8 per cent.

## FUTURE PROSPECTS

It appears that the business sector in Møre og Romsdal is largely coping with the challenges presented by parts of the export market. The challenges are greatest in those

markets in Europe where there is little stimulus for growth. The companies' adaptations include rationalising production processes, adjusting prices and increasing activities aimed at accessing new markets. The level of activity in the maritime sector in Møre og Romsdal remains good. The shipyards have orders on hand for the coming year and offshore shipping companies are still enjoying good demand for their services from the oil and gas industry. This is producing positive ripple effects for large parts of the rest of local business and industry. The county's unemployment rate remains low, but is expected to rise due to the prolonged international challenges and more subdued growth in the Norwegian economy going forward.

The main purpose of the Equity Certificate private placement initiated in June was to help Sparebanken Møre strengthen its position as a commercial bank in Møre og

Romsdal. The substantial increase in the Bank's equity capital will facilitate favourable conditions for this. Sparebanken Møre will now have a capital base in place that supports the Bank's goal of helping to finance the good projects that the corporate sectors in Møre og Romsdal will want to implement in the future. It is also important for the Bank that the general conditions for local corporate sectors are conducive to further growth, a good employment rate and good economic growth. Sparebanken Møre will be there so it can contribute what it does best, namely support its customers and the level of activity Møre og Romsdal's companies expect to enjoy.

Given the organisational, cost-related and new equity capital raising adaptations carried out by Sparebanken Møre in H1 2013, the Board of Directors expects to achieve the earnings and solvency targets for 2013.

Ålesund, 30 June 2013

7 August 2013

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

Leif-Arne Langøy  
CHAIRMAN

Roy Reite  
DEPUTY CHAIRMAN

Ragna Brenne Bjerkeset

Henning Sundet

Elisabeth Maråk Støle

Ingvild Vartdal

Turid Håndlykken Sylte

Olav Arne Fiskerstrand  
CEO

## STATEMENT OF INCOME

GROUP					PARENT BANK						
2012	30.06 2012	30.06 2013	Q2 12	Q2 13	Amounts in NOK million	Notes	Q2 13	Q2 12	30.06 2013	30.06 2012	2012
2 246	1 130	1 149	562	588	Interest and similar income		476	479	941	977	1 921
1 310	672	655	326	330	Interest and similar costs		274	276	548	579	1 121
936	458	494	236	258	Net interest and credit commission income	7	202	203	393	398	800
162	77	84	39	44	Commission income and revenues from banking services		43	39	84	77	161
29	14	13	6	5	Commission costs and expenditure in respect of banking services		5	6	13	14	29
47	19	13	11	7	Other operating income		4	4	10	7	16
180	82	84	44	46	Net commission and other operating income		42	37	81	70	148
7	6	9	6	9	Dividends		9	6	96	34	35
103	49	1	26	-4	Net gains/losses from financial instruments	4	-4	26	1	48	104
110	55	10	32	5	Net return from financial instruments		5	32	97	82	139
1 226	595	588	312	309	Net income		249	272	571	550	1 087
343	166	161	84	81	Wages, salaries etc.		77	79	154	157	323
-166	-	-	-	-	Pension plan changes		-	-	-	-	-166
139	71	71	34	28	Administration costs		28	35	71	71	139
31	16	16	9	8	Depreciation, write-downs and changes in value in non-financial assets		6	6	12	10	22
92	45	52	23	28	Other operating costs		23	23	49	46	87
439	298	300	150	145	Total operating costs		134	143	286	284	404
787	297	288	162	164	Results before credit losses		115	129	285	266	682
47	19	13	9	6	Losses on loans, guarantees etc.	3	6	8	13	17	42
740	278	275	153	158	Results from ordinary operations before tax		109	121	272	249	640
210	78	74	43	42	Tax payable on ordinary result		28	34	49	62	174
530	200	201	110	116	Result from ordinary operations after tax		81	87	223	187	466
31.05	11.88	11.80	6.45	6.80	Results per EC (NOK)		4.75	5.10	13.10	11.10	27.75
31.05	11.88	11.80	6.45	6.80	Diluted earnings per EC (NOK)		4.75	5.10	13.10	11.10	27.75
8	8	12	8	12	Distributed dividend per EC (NOK)		12	8	12	8	8

## STATEMENT OF COMPREHENSIVE INCOME

GROUP						PARENT BANK				
2012	30.06 2012	30.06 2013	Q2 12	Q2 13	Amounts in NOK million	Q2 13	Q2 12	30.06 2013	30.06 2012	2012
530	200	201	110	116	Result from ordinary operations after tax	81	87	223	187	466
Other income/costs reverted to ordinary results										
8	-4	7	-6	3	Equities available for sale - changes in value	3	-6	7	-4	8
Other income/costs not reverted to ordinary results										
160	-	-	-	-	Pension estimate discrepancies included in the profit and loss accounts	-	-	-	-	160
-45	-	-	-	-	Tax effect of pension estimate discrepancies included in the profit and loss accounts	-	-	-	-	-45
653	196	208	104	119	Total comprehensive income from ordinary operations after tax	84	81	230	183	589

## BALANCE SHEET

GROUP			PARENT BANK				
30.06.12	31.12.12	30.06.13	Amounts in NOK million	Notes	30.06.13	31.12.12	30.06.12
<b>Assets</b>							
777	669	588	Cash and claims on Norges Bank		588	669	777
410	288	763	Loans to and deposits with credit institutions	7	1 927	1 275	1 688
41 733	43 434	45 069	Net loans to and claims on customers	2, 3, 7	32 562	32 267	32 225
4 826	5 542	4 941	Certificates and bonds	5, 7	6 217	7 319	7 127
505	575	444	Financial derivatives		356	504	451
198	206	208	Shares and other securities with a variable yield	5	208	206	198
-	-	-	Equity stakes in Group companies		721	521	646
74	-	-	Deferred tax benefit		-	-	77
19	23	21	Other intangible assets		20	22	19
318	302	279	Fixed assets		68	87	55
144	300	291	Other assets		287	299	144
388	294	221	Prepayments and accrued income		179	268	339
49 392	51 632	52 825	Total assets		43 133	43 437	43 746
<b>Liabilities and equity capital</b>							
3 839	2 519	1 784	Liabilities to credit institutions	7	2 026	2 744	3 946
26 164	27 081	27 953	Deposits from and liabilities to customers	2, 7	27 968	27 106	26 193
13 697	15 608	16 254	Borrowings raised through the issue of securities		6 502	7 378	8 100
322	434	407	Financial derivatives		407	428	322
402	567	482	Other liabilities		452	529	366
581	289	593	Incurred costs and prepaid income		544	258	538
278	72	78	Other provisioning in respect of liabilities and costs		66	60	278
497	1 002	1 000	Perpetual Hybrid Tier 1 Capital		1 000	1 002	497
299	299	500	Subordinated loan capital		500	299	299
46 079	47 871	49 051	Total liabilities		39 465	39 804	40 539
784	784	784	EC capital	8	784	784	784
-4	-9	-5	ECs owned by the Bank		-5	-9	-4
186	186	189	Proceeds from EC issue, priced at a premium over par		189	186	186
966	961	968	Paid-in equity capital		968	961	966
1 611	1 835	1 836	Primary Capital Fund		1 836	1 835	1 611
407	592	593	Dividend Equalisation Fund		593	593	407
28	40	40	Value Adjustment Fund		40	40	28
8	1	1	Fund for Unrealised Gains		1	1	8
93	332	128	Other equity capital		0	204	0
200	-	208	Result from ordinary operations after tax		230	-	187
2 347	2 800	2 806	Equity capital accumulated through retained earnings		2 700	2 672	2 241
3 313	3 761	3 774	Total equity capital		3 668	3 633	3 207
49 392	51 632	52 825	Total liabilities and equity capital		43 133	43 437	43 746
<b>Transactions of an off-balance sheet nature:</b>							
1 663	1 634	1 694	Guarantee liabilities		1 694	1 634	1 663



## STATEMENT OF CHANGES IN EQUITY – GROUP

**30.06.13**

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 01.01.13	3 761	775	186	1 835	592	40	1	332
Changes in own Equity Certificates	9	4	3	1	1			
Distributed dividend funds to the EC holders	-94							-94
Distributed dividend funds to the local community	-110							-110
Total result from ordinary operations after tax	208							208
Equity capital as at 30.06.13	3 774	779	189	1 836	593	40	1	336

**30.06.12**

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 01.01.13	3 256	782	186	1 611	408	32	8	229
Changes in own Equity Certificates	-3	-2			-1			
Distributed dividend funds to the EC holders	-63							-63
Distributed dividend funds to the local community	-74							-74
Total result from ordinary operations after tax	196					-4		200
Equity capital as at 30.06.13	3 313	780	186	1 611	407	28	8	292

**2012**

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 01.01.12	3 256	782	186	1 611	408	32	8	229
Changes in own Equity Certificates	-11	-7		1	-5			
Distributed dividend funds to the EC holders	-63							-63
Distributed dividend funds to the local community	-74							-74
Merger Møre Finans 1.9.2012	0			15	13			-28
Equity capital before allocation of profit for the year	3 108	775	186	1 627	416	32	8	64
Change in credit spread FVO	-7						-7	
Transferred to the Primary Capital Fund	146			146				
Transferred to the Dividend Equalisation Fund	124				124			
Transferred to other equity capital	64							64
Set aside dividend funds for the EC holders	94							94
Set aside dividend funds for the local community	110							110
Distributed result	530			146	124		-7	268
Equities available for sale - changes in value	8					8		
Pension estimate discrepancies included in the profit and loss accounts	160			86	74			
Tax effect of pension estimate discrepancies included in the profit and loss accounts	-45			-24	-21			
Total other income and costs from comprehensive income	123			62	53	8		
Total result from ordinary operations after tax	653			208	177	8	-7	268
Equity capital as at 31.12.12	3 761	775	186	1 835	592	40	1	332

## STATEMENT OF CHANGES IN EQUITY – PARENT BANK

### 30.06.13

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 01.01.13	3 633	775	186	1 835	593	40	1	204
Changes in own Equity Certificates	9	4	3	1				
Distributed dividend funds to the EC holders	-94							-94
Distributed dividend funds to the local community	-110							-110
Total result from ordinary operations after tax	230							230
Equity capital as at 30.06.13	3 668	779	189	1 836	593	40	1	230

### 30.06.12

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 01.01.12	3 164	782	186	1 611	408	32	8	137
Changes in own Equity Certificates	-3	-2			-1			
Distributed dividend funds to the EC holders	-63							-63
Distributed dividend funds to the local community	-74							-74
Total result from ordinary operations after tax	183					-4		187
Equity capital as at 30.06.12	3 207	780	186	1 611	407	28	8	187

### 2012

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 01.01.12	3 164	782	186	1 611	408	32	8	137
Changes in own Equity Certificates	-11	-7		1	-5			
Distributed dividend funds to the EC holders	-63							-63
Distributed dividend funds to the local community	-74							-74
Merger Møre Finans 1.9.2012	28			15	13			
Equity capital before allocation of profit for the year	3 044	775	186	1 627	416	32	8	
Change in credit spread FVO	-7						-7	
Transferred to the Primary Capital Fund	146			146				
Transferred to the Dividend Equalisation Fund	124				124			
Set aside dividend funds for the EC holders	94							94
Set aside dividend funds for the local community	110							110
Distributed result	466			146	124		-7	204
Equities available for sale - changes in value	8					8		
Pension estimate discrepancies included in the profit and loss accounts	160			86	74			
Tax effect of pension estimate discrepancies included in the profit and loss accounts	-45			-24	-21			
Total other income and costs from comprehensive income	123			62	53	8		
Total result from ordinary operations after tax	589			208	177	8	-7	204
Equity capital as at 31.12.12	3 633	775	186	1 835	593	40	1	204

## CASH FLOW STATEMENT

GROUP			PARENT BANK			
2012	30.06.12	30.06.13		30.06.13	30.06.12	2012
Cash flow from operational activities						
2 426	1 490	1 550	Interest, commission and fees received	1 322	1 308	2 066
-1 323	-737	-612	Interest, commission and fees paid	-486	-617	-1 210
7	6	9	Dividend and group contribution received	96	34	35
-466	-233	-285	Paid operating expenses	-274	-225	-440
-154	-162	-169	Payment of tax	-138	-146	-138
276	154	-476	Changes relating to loans to and claims on other financial institutions	-652	-121	293
-1 998	-535	-1 125	Changes relating to repayment loans/leasing to customers	-51	349	-18
-1 033	-809	-495	Changes in respect of utilised credit facilities	-229	-693	-358
-2 265	-826	-1 601	Net cash flow from operational activities	-412	-111	230
Cash flow from investment activities						
5 837	3 820	3 299	Payments from sale of certificates, bonds and other securities	3 804	3 820	6 366
-6 682	-3 415	-2 646	Purchases of certificates, bonds and other securities	-2 646	-3 415	-6 682
35	11	11	Payments from sale of fixed assets etc.	11	0	0
-57	-31	-6	Payments for purchase of fixed assets etc.	-5	-15	-63
345	-64	109	Changes of various assets etc.	-79	-64	451
-522	321	767	Net cash flow from investment activities	1 085	326	72
Cash flow from funding activities						
1 757	839	871	Changes relating to deposits from customers	861	856	1 769
-2 209	-902	-734	Changes relating to deposits from Norges Bank and other financial institutions	-718	-905	-2 107
7 260	3 083	2 169	Payments received in respect of proceeds from bond issues raised	1 170	1 533	3 616
-4 288	-2 386	-1 781	Payment on redemption of debt securities	-1 781	-1 585	-3 487
-63	-63	-94	Payment of dividend	-94	-63	-63
198	-103	322	Changes of other debt	-192	-88	-175
2 642	468	753	Net cash flow from funding activities	-754	-252	-447
-145	-37	-81	Net changes on cash holdings	-81	-37	-145
814	814	669	Holdings of cash 1.1	669	814	814
669	777	588	Holdings of cash 31.12/30.06	588	777	669

# Disclosures

## 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 June 2013. The interim report has been prepared in compliance with IAS 34 Interim Reporting.

The accounts are presented in Norwegian kroner (NOK), which also is the parent bank and subsidiaries functional currency.

The interim report is prepared in accordance with accounting principles and methods applied in the 2012 financial statements taking into account the changes and new standards which came into force in 2013 that was not early adopted in 2012. Furthermore, changes adopted in IAS 34 financial statements have resulted in some additional disclosures.

As of January 1, 2013 the Group applies IFRS 13 Fair Value Measurement. The implementation of IFRS 13 does not change the fair value calculation method and therefore have no impact on the Group's financial

position and results. IFRS 13 requires nonetheless the company to provide detailed information about the fair value measurements. The Group also use amendments to the IFRS 7 Financial Instruments: Disclosures to the effect of netting agreements on the Group's financial position. The amendments have no significant effect on the Group's financial position.

Please see the Annual report 2012 for further description of accounting principles.

## 2 LOANS AND DEPOSITS TO CUSTOMERS BY SECTOR AND INDUSTRY

GROUP	LOANS			DEPOSITS		
Broken down according to sectors	30.06.13	30.06.12	2012	30.06.13	30.06.12	2012
Agriculture and forestry	467	468	496	174	184	156
Fisheries	2 984	2 944	3 241	404	480	544
Industry	1 447	1 214	1 220	1 258	1 311	1 272
Building and construction	838	745	716	531	385	486
Wholesale and retail trade, hotel industry	629	729	654	610	662	735
Foreign shipping/supply	1 594	1 700	1 609	1 032	570	806
Property management	5 714	5 673	5 689	1 286	1 172	1 356
Professional/financial service	636	592	687	1 634	1 537	2 087
Transport and private/public service industry	1 673	1 612	1 515	1 914	1 857	1 884
Public entities	2	11	20	822	1 016	704
Non-Norwegian lending	144	7	100	2	5	3
Miscellaneous	126	85	143	2 021	1 720	1 827
Total Corporate/Public entities	16 245	15 780	16 090	11 700	10 899	11 860
Retail customers	29 115	26 264	27 650	16 253	15 265	15 221
Total Loans/Deposits	45 360	42 044	43 740	27 953	26 164	27 081
Specific loss provisions	-156	-171	-166			
Non-specific loss provisions	-135	-140	-140			
Loans to and deposits to customers	45 069	41 733	43 434			

PARENT BANK	LOANS			DEPOSITS		
	30.06.13	30.06.12	2012	30.06.13	30.06.12	2012
Broken down according to sectors						
Agriculture and forestry	464	429	494	174	184	156
Fisheries	2 984	2 930	3 240	404	480	544
Industry	1 432	1 015	1 217	1 258	1 311	1 272
Building and construction	819	620	699	531	385	486
Wholesale and retail trade, hotel industry	624	678	649	610	662	735
Foreign shipping/supply	1 594	1 677	1 609	1 032	570	806
Property management	5 684	5 709	5 737	1 295	1 197	1 371
Professional/financial service	625	571	677	1 634	1 537	2 087
Transport and private/public service industry	1 650	1 533	1 495	1 920	1 861	1 895
Public entities	2	2	20	822	1 016	704
Non-Norwegian lending	144	7	100	2	5	3
Miscellaneous	126	85	144	2 021	1 720	1 826
Total Corporate/Public entities	16 148	15 256	16 081	11 715	10 928	11 885
Retail customers	16 704	17 277	16 491	16 253	15 265	15 221
Total Loans/Deposits	32 852	32 533	32 572	27 968	26 193	27 106
Specific loss provisions	-156	-169	-166			
Non-specific loss provisions	-134	-139	-139			
Loans to and deposits to customers	32 562	32 225	32 267			



### 3 LOSSES ON LOANS AND GUARANTEES/COMMITMENTS IN DEFAULT/ OTHER BAD AND DOUBTFUL COMMITMENTS

GROUP					PARENT BANK					
2012	30.06.12	30.06.13	Q2 12	Q2 13	Losses on loans and guarantees	Q2 13	Q2 12	30.06.13	30.06.12	2012
-112	-97	-4	-11	1	Changes in specific loss provisioning and guarantees during the period	1	-12	-4	-94	-116
9	9	-5	9	-5	Changes in non-specific loss provisioning during the period	-5	9	-5	9	9
132	112	15	17	9	Confirmed losses during the period, where specific provisioning had previously been made	10	16	15	107	132
34	8	11	4	4	Confirmed losses during the period, where specific provisioning had previously not been made	3	5	11	8	34
16	13	4	10	3	Recoveries	3	10	4	13	17
47	19	13	9	6	Losses on loans, guarantees etc.	6	8	13	17	42
Specific provisions in respect of loans										
265	265	166	184	156	Specific loss provisions on loans at 1.1	156	182	166	259	259
132	112	14	17	9	Confirmed losses during the period, where specific provisioning had previously been made	9	16	14	107	132
14	16	14	4	12	Changes in specific provisioning during the period	12	4	14	16	14
75	36	16	30	14	New specific provisioning during the period	14	30	16	36	75
56	34	26	30	17	Recoveries on specific provisioning during the period	17	31	26	35	50
166	171	156	171	156	Specific provisions against losses on loans at the end of the period	156	169	156	169	166
Non-specific provisions on loans										
131	131	140	131	140	Non-specific provision on loans as at 1.1	139	130	139	130	130
9	9	-5	9	-5	Changes during the period	-5	9	-5	9	9
140	140	135	140	135	Non-specific provision on loans at the end of the period	134	139	134	139	139
Specific provisions in respect of guarantees										
14	14	2	11	7	Specific provisioning as at 1.1	7	11	2	14	14
2	2	5	0	0	Specific provisioning during the period	0	0	5	2	2
14	5	0	0	0	Recoveries on specific provisioning during the period	0	0	0	5	14
2	11	7	11	7	Specific provisions at the end of the period	7	11	7	11	2

GROUP	30.06.13			30.06.12			2012		
	Total	Retail	Corpo- rate	Total	Retail	Corporate	Total	Retail	Corporate
Problem loans									
Problem loans prior to specific provisions:									
Commitments in default above 3 months	207	72	135	210	74	136	257	68	189
Other bad and doubtful commitments with loss provisions	348	43	305	286	50	236	324	45	279
Total problem loans prior to specific provisions	555	115	440	496	124	372	581	113	468
Specific provisions on:									
Commitments in default above 3 months	64	9	55	79	11	68	71	8	63
Other bad and doubtful commitments with loss provisions	99	15	84	92	16	76	95	15	80
Total specific provisions	163	24	139	171	27	144	166	23	143
Problem loans after specific provisions:									
Commitments in default above 3 months	143	63	80	131	63	68	186	60	126
Other bad and doubtful commitments with loss provisions	249	28	221	194	34	160	229	30	199
Total problem loans after specific provisions	392	91	301	325	97	228	415	90	325
Total problem loans prior to specific provisions as a percentage of total loans	1.23	0.40	2.73	1.19	0.47	2.36	1.34	0.41	2.91
Total problem loans after specific provisions as a percentage of total loans	0.87	0.31	1.87	0.78	0.37	1.44	0.96	0.33	2.02

PARENT BANK	30.06.13			30.06.12			2012		
	Total	Retail	Corpo- rate	Total	Retail	Corporate	Total	Retail	Corporate
Problem loans									
Problem loans prior to specific provisions:									
Commitments in default above 3 months	207	72	135	210	74	136	257	68	189
Other bad and doubtful commitments with loss provisions	348	43	305	286	50	236	324	45	279
Total problem loans prior to specific provisions	555	115	440	496	124	372	581	113	468
Specific provisions on:									
Commitments in default above 3 months	64	9	55	79	11	68	71	8	63
Other bad and doubtful commitments with loss provisions	99	15	84	90	16	74	95	15	80
Total specific provisions	163	24	139	169	27	142	166	23	143
Problem loans after specific provisions:									
Commitments in default above 3 months	143	63	80	131	63	68	186	60	126
Other bad and doubtful commitments with loss provisions	249	28	221	196	34	162	229	30	199
Total problem loans after specific provisions	392	91	301	327	97	230	415	90	325
Total problem loans prior to specific provisions as a percentage of total loans	1.71	0.69	2.76	1.54	0.72	2.45	1.81	0.69	2.93
Total problem loans after specific provisions as a percentage of total loans	1.21	0.54	1.89	1.01	0.56	1.52	1.29	0.55	2.03

## 4 NET GAINS/LOSSES FROM SECURITIES AND FOREIGN EXCHANGE

GROUP						PARENT BANK				
2012	30.06.12	30.06.13	Q2 12	Q2 13		Q2 13	Q2 12	30.06.13	30.06.12	2012
69	34	-14	13	-10	Certificates and bonds	-10	13	-14	34	69
-3	0	-6	0	-6	Securities	-6	0	-6	0	-3
26	13	15	6	8	Foreign exchange trading (for customers)	8	6	15	13	26
25	10	13	5	10	Fixed income trading (for customers)	10	5	13	10	25
-10	-5	-1	-1	-1	Change in credit spread FVO - securities-based debt	-1	-1	-1	-5	-10
-4	-4	-6	3	-6	Financial derivatives	-6	-3	-6	-4	-3
103	49	1	26	-4	Net gains/losses from securities and financial instruments	-4	26	1	48	104

## 5 FINANCIAL ASSETS AND LIABILITIES

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 instru-

ments that are not traded on an active exchange, own valuations are used which are based on current market conditions or alternatively other valuations from

another market player. There have been no transfers of financial instruments between the three levels of valuation groups.

Financial instruments assessed at actual value, changes shown through the Result

GROUP	30.06.13	30.06.12	2012
<b>Assets</b>			
Level 1 - Based on prices in an active market	1 324	1 138	1 628
Level 2 - Observed market information	4 063	4 195	4 491
Level 3 - Other than observed market information	4 420	2 966	3 807
Total financial instruments at actual value	9 807	8 299	9 926
<b>Liabilities</b>			
Level 1 - Based on prices in an active market	0	0	0
Level 2 - Observed market information	820	1 267	851
Level 3 - Other than observed market information	732	1 105	952
Total financial instruments at actual value	1 552	2 372	1 803
<b>PARENT BANK</b>	<b>30.06.13</b>	<b>30.06.12</b>	<b>2012</b>
<b>Assets</b>			
Level 1 - Based on prices in an active market	1 324	1 138	1 628
Level 2 - Observed market information	3 975	4 141	4 420
Level 3 - Other than observed market information	4 420	2 966	3 807
Total financial instruments at actual value	9 719	8 245	9 855
<b>Liabilities</b>			
Level 1 - Based on prices in an active market	0	0	0
Level 2 - Observed market information	820	1 213	845
Level 3 - Other than observed market information	732	1 105	952
Total financial instruments at actual value	1 552	2 318	1 797

Financial instruments available for sale, changes in value shown through comprehensive income

GROUP AND PARENT BANK	30.06.13	30.06.12	2012
Level 1 - Based on prices in an active market	18	20	20
Level 2 - Observed market information	0	0	0
Level 3 - Other than observed market information	188	176	184
Total financial instruments available for sale	206	196	204

GROUP	30.06.13		30.06.12		31.12.12	
	Market value	Book value	Market value	Book value	Market value	Book value
Financial assets						
<b>Financial instruments assessed at actual value:</b>						
Net loans to and claims on customers	4 420	4 420	2 966	2 966	3 807	3 807
Certificates	34	34	210	210	330	330
Bonds	4 907	4 907	4 616	4 616	5 212	5 212
Shares	2	2	2	2	2	2
Financial derivatives	444	444	505	505	575	575
<b>Financial instruments assessed at amortised cost:</b>						
Cash and claims on Norges Bank	588	588	777	777	669	669
Loans to and deposits with credit institutions	763	763	410	410	288	288
Net loans to and claims on customers	40 649	40 649	38 767	38 767	39 627	39 627
Bonds	-	-	-	-	-	-
<b>Financial instruments available for sale:</b>						
Shares	206	206	196	196	204	204

PARENT BANK	30.06.13		30.06.12		31.12.12	
	Market value	Book value	Market value	Book value	Market value	Book value
Financial assets						
<b>Financial instruments assessed at actual value:</b>						
Net loans to and claims on customers	4 420	4 420	2 966	2 966	3 807	3 807
Certificates	34	34	210	210	330	330
Bonds	4 904	4 907	4 616	4 616	5 212	5 212
Shares	2	2	2	2	2	2
Financial derivatives	356	356	451	451	504	504
<b>Financial instruments assessed at amortised cost:</b>						
Cash and claims on Norges Bank	588	588	777	777	669	669
Loans to and deposits with credit institutions	1 927	1 927	1 688	1 688	1 275	1 275
Net loans to and claims on customers	28 142	28 142	29 259	29 259	28 460	28 460
Bonds	1 282	1 276	2 305	2 302	1 789	1 777
<b>Financial instruments available for sale:</b>						
Shares	206	206	196	196	204	204

GROUP	30.06.13		30.06.12		31.12.12	
	Market value	Book value	Market value	Book value	Market value	Book value
Financial liabilities						
<b>Securitised debt assessed at fair value through the profit and loss account:</b>						
Sertificates	-	-	-	-	-	-
Bonds	413	413	762	762	417	417
Deposits from and liabilities to customers	732	732	1 105	1 105	952	952
Financial derivatives	407	407	505	505	434	434
<b>Securitised debt at amortised cost subject to hedge accounting:</b>						
Issued bonds assessed at amortised cost	3 497	3 481	4 327	4 353	4 256	4 251
Issued perpetual hybrid tier 1 capital assessed at amortised cost	356	300	340	297	335	302
<b>Securitised debt assessed at amortised cost:</b>						
Liabilities to credit institutions	1 784	1 784	3 839	3 839	2 519	2 519
Deposits from and liabilities to customers	27 221	27 221	25 059	25 059	26 129	26 129
Sertificates	1 771	1 770	2 457	2 455	1 883	1 880
Bonds	10 680	10 590	6 139	6 127	9 150	9 060
Subordinated loan capital	512	500	299	299	300	299
Perpetual Hybrid Tier 1 capital	710	700	184	200	691	700
The swap arrangement for securities	1 184	1 184	2 176	2 176	1 681	1 681

PARENT BANK	30.06.13		30.06.12		31.12.12	
	Market value	Book value	Market value	Book value	Market value	Book value
Financial liabilities						
<b>Securitised debt assessed at fair value through the profit and loss account:</b>						
Sertificates	-	-	-	-	-	-
Bonds	413	413	762	762	417	417
Deposits from and liabilities to customers	732	732	1 105	1 105	952	952
Financial derivatives	407	407	451	451	428	428
<b>Securitised debt at amortised cost subject to hedge accounting:</b>						
Issued bonds assessed at amortised cost	2 732	2 720	3 590	3 603	3 486	3 482
Issued perpetual hybrid tier 1 capital assessed at amortised cost	356	300	340	297	335	302
<b>Securitised debt assessed at amortised cost:</b>						
Liabilities to credit institutions	2 026	2 026	3 946	3 946	2 743	2 743
Deposits from and liabilities to customers	27 236	27 236	25 088	25 088	26 154	26 154
Sertificates	1 771	1 770	2 457	2 455	1 883	1 880
Bonds	1 613	1 599	1 286	1 280	1 608	1 599
Subordinated loan capital	512	500	299	299	300	299
Perpetual Hybrid Tier 1 capital	710	700	184	200	691	700
The swap arrangement for securities	1 184	1 184	2 176	2 176	1 681	1 681



## 6 SEGMENTS

RESULT Q2	Group		Elimin./ Inv./Other		Corporate		Retail 1)		Real estate brokerage	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net interest and credit commission income	258	236	0	5	117	108	141	123	0	0
Other operating income	51	76	-8	27	25	21	28	22	6	6
Total income	309	312	-8	32	142	129	169	145	6	6
Operating costs	145	150	42	32	23	29	75	85	5	4
Result before losses	164	162	-50	0	119	100	94	60	1	2
Losses on loans, guarantees etc.	6	9	-5	9	12	1	-1	-1	0	0
Result before tax	158	153	-45	-9	107	99	95	61	1	2
Tax payable on ordinary result	42	43								
Result from ordinary operations after tax	116	110								

RESULT AS AT 30.06	Group		Elimin./ Inv./Other		Corporate		Retail 1)		Real estate brokerage	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net interest and credit commission income	494	458	9	5	221	211	264	242	0	0
Other operating income	94	137	-9	39	43	41	50	45	10	11
Total income	588	595	0	44	264	253	314	287	10	11
Operating costs	300	298	81	63	50	60	159	166	10	9
Result before losses	288	297	-81	-19	214	193	155	121	0	2
Losses on loans, guarantees etc.	13	19	-5	3	19	19	-1	-3	0	0
Result before tax	275	278	-76	-22	195	174	156	124	0	2
Tax payable on ordinary result	74	78								
Result from ordinary operations after tax	201	200								

BALANCE SHEET	Group		Elimin./ Inv./Other		Corporate		Retail 1)		Real estate brokerage	
	30.06.13	30.06.12	30.06.13	30.06.12	30.06.13	30.06.12	30.06.13	30.06.12	30.06.13	30.06.12
Loans to customers	45 069	41 733	865	722	15 710	15 345	28 487	25 666	-	-
Deposits from customers	27 953	26 164	682	283	9 903	9 545	17 368	16 336	-	-
Guarantee liabilities	1 694	1 663	0	100	1 684	1 551	10	12	-	-
The deposit-to-loan ratio	62,0	62,7	-	39,2	63,0	62,2	61,0	63,6	-	-
Man-years	400	419	147	164	58	66	176	175	17	14

1) The subsidiary, Møre Boligkreditt AS, is part of the bank's Retail segment. The mortgage company's main objective is to issue covered bonds both national and international, and is part of Sparebanken Møre's long-term financing strategy. Accounts for Møre Boligkreditt AS are displayed in a separate table.

## RESULT Q2

Møre Boligkreditt AS

	2013	2012
Net interest and credit commission income	57	30
Other operating income	0	1
Total income	57	31
Operating costs	8	6
Result before losses	49	25
Losses on loans, guarantees etc.	0	0
Result before tax	49	25
Tax payable on ordinary result	14	8
Result from ordinary operations after tax	35	17

## RESULT AS AT 30.06

Møre Boligkreditt AS

	2013	2012
Net interest and credit commission income	103	54
Other operating income	0	1
Total income	103	55
Operating costs	13	11
Result before losses	90	44
Losses on loans, guarantees etc.	0	0
Result before tax	90	44
Tax payable on ordinary result	25	13
Result from ordinary operations after tax	65	31

## BALANCE SHEET

Møre Boligkreditt AS

	30.06.13	30.06.12
Loans to customers	12 667	9 169

## 7 TRANSACTIONS WITH RELATED 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	30.06.13	30.06.12	2012
<b>Result</b>			
Interest and credit commission income from subsidiaries	42	55	96
Received dividend and group contribution from subsidiaries	87	28	28
Rent paid to Sparebankeiendom AS	7	9	19
Leasing rental paid to Møre Finans AS	0	3	4
Administration fee received from Møre Boligkreditt AS	9	7	14
<b>Balance sheet</b>			
Claims on subsidiaries	1 331	1 487	1 140
Covered bonds	1 276	2 302	1 776
Liabilities to subsidiaries	256	136	249
Accumulated loan portfolio transferred to Møre Boligkreditt AS	12 667	9 170	11 330

## 8 EC CAPITAL

THE 20 LARGEST EC HOLDERS IN SPAREBANKEN MØRE AS AT 30.06.13	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	806 576	10.29
Pareto Aksje Norge	451 015	5.75
MP Pensjon	363 796	4.64
Wenaas-Gruppen As	250 000	3.19
Pareto Aktiv	190 776	2.43
Beka Holding As	133 462	1.70
Farstad Shipping ASA	112 909	1.44
Pareto Verdi VPF	102 427	1.31
Stiftelsen Kjell Holm	90 779	1.16
Odd Slyngstad	80 323	1.02
Leif-Arne Langøy	80 000	1.02
Bergen Kommunale Pensjonskasse	80 000	1.02
FLPS - Princ All Sec Stock Sub	80 000	1.02
Tonsenhagen Forretningssentrum AS	52 050	0.66
Aka As	50 000	0.64
U Aandals Eftf As	50 000	0.64
Sparebanken Møre	46 891	0.60
Tveteraas Finans A/S	42 728	0.54
Forsvarets Personellservice	40 760	0.52
Pareto AS	40 000	0.51
Total 20 largest	3 144 492	40.10
Total	7 841 116	100.00

## 9 CAPITAL ADEQUACY

GROUP			PARENT BANK		
30.06.12	31.12.12	30.06.13	30.06.13	31.12.12	30.06.12
784	784	<b>784</b>	<b>784</b>	784	784
-4	-9	<b>-5</b>	<b>-5</b>	-9	-4
186	186	<b>189</b>	<b>189</b>	186	186
407	592	<b>593</b>	<b>593</b>	592	407
1 611	1 835	<b>1 836</b>	<b>1 836</b>	1 835	1 611
28	40	<b>40</b>	<b>40</b>	40	28
8	1	<b>1</b>	<b>1</b>	1	8
0	94	<b>0</b>	<b>0</b>	94	0
0	110	<b>0</b>	<b>0</b>	110	0
293	128	<b>336</b>	<b>230</b>	-	187
3 313	3 761	<b>3 774</b>	<b>3 668</b>	3 633	3 207
-32	-23	<b>-22</b>	<b>-21</b>	-22	-34
-28	-40	<b>-40</b>	<b>-40</b>	-40	-28
-8	-1	<b>-1</b>	<b>-1</b>	-1	-8
-10	-10	<b>-10</b>	<b>-11</b>	-10	-10
496	1 002	<b>1 000</b>	<b>1 000</b>	1 002	496
0	-83	<b>-83</b>	<b>-83</b>	-83	0
0	-94	<b>0</b>	<b>0</b>	-94	0
0	-110	<b>0</b>	<b>0</b>	-110	0
-200	-	<b>-208</b>	<b>-223</b>	-	-187
3 531	4 402	<b>4 410</b>	<b>4 283</b>	4 275	3 436
<b>Supplementary capital:</b>					
299	299	<b>500</b>	<b>500</b>	300	299
12	18	<b>17</b>	<b>17</b>	18	12
-10	-10	<b>-10</b>	<b>-10</b>	-10	-10
301	307	<b>507</b>	<b>507</b>	307	301
3 832	4 709	<b>4 918</b>	<b>4 790</b>	4 582	3 737
<b>Capital adequacy as a percentage of the weighted asset calculation basis:</b>					
12.00	14.63	<b>14.83</b>	<b>15.22</b>	14.93	12.30
12.30	-	<b>15.10</b>	<b>15.57</b>		12.60
11.06	13.68	<b>13.30</b>	<b>13.60</b>	13.93	11.30
11.38	-	<b>13.60</b>	<b>13.96</b>		11.62
9.50	10.55	<b>10.28</b>	<b>10.43</b>	10.66	9.68
9.82	-	<b>10.60</b>	<b>10.78</b>		10.00
31 920	32 225	<b>33 160</b>	<b>31 475</b>	30 700	30 375
<b>Minimum equity and related capital requirement according to Basel II calculated in accordance with the Standard Approach:</b>					
2 873	2 898	<b>2 984</b>	<b>2 833</b>	2 763	2 734
166	502	<b>426</b>	<b>450</b>	510	206

GROUP			PARENT BANK		
30.06.12	31.12.12	30.06.13	30.06.13	31.12.12	30.06.12
0	0	0	0	0	0
3	4	6	6	4	3
19	21	19	19	21	19
36	36	37	232	212	183
844	840	859	869	853	819
329	310	272	272	310	318
1 046	1 074	1 175	799	737	776
14	21	17	17	21	14
14	15	15	25	29	32
95	93	92	128	116	121
2 400	2 414	2 492	2 367	2 303	2 285
0	0	0	0	0	0
0	0	0	0	0	0
0	4	0	0	4	0
0	0	0	0	0	0
0	4	0	0	4	0
167	170	176	164	163	159
-14	-10	-14	-14	-10	-14

## 10 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

4 July the Board of Trustees approved a private placement of NOK 275 million, fully subscribed in June. A repair offering of NOK 100 million and

an employee offering of NOK 10 million was also approved by the Board of Trustees. In addition, the Bank transferred NOK 125 million of previous pro-

visions from a structural fund (donation reserve) to the savings bank fund. Impact on capital adequacy as of 30 June 2013 is shown in the table below.

GROUP			PARENT BANK		
30.06.12	31.12.12	30.06.13	30.06.13	31.12.12	30.06.12
12.00	14.63	14.83	15.22	14.93	12.30
12.30	14.63	15.10	15.57	14.93	12.60
12.30	14.63	16.65	17.15	14.93	12.60
11.06	13.68	13.30	13.60	13.93	11.30
11.40	13.68	13.60	13.96	13.93	11.62
11.40	13.68	15.10	15.55	13.93	11.62
9.50	10.55	10.28	10.43	10.66	9.68
9.80	10.55	10.60	10.78	10.66	10.00
9.80	10.55	12.10	12.37	10.66	10.00

Sparebanken Møre has entered into an agreement with EVRY on the delivery of IT services for its banking operation. The contract has a value of approximately NOK 240 million and will last until 30 June 2017.

Sparebanken Møre continues the cooperation with EVRY on a complete range of banking solutions and operating services. EVRY delivers solutions that support key banking services such as deposits, lending, payment services, accounting and reporting, distribu-

tion of messages and customer interaction services, self-service channels, and solutions for branch offices. Together with providing solutions, EVRY also provide service to the banking solutions and the bank's infrastructure.



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

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

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

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

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

– a description of major related parties transactions.

Ålesund, 30 June 2013

7 August 2013

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

Leif-Arne Langøy  
CHAIRMAN

Roy Reite  
DEPUTY CHAIRMAN

Ragna Brenne Bjerkeset

Henning Sundet

Elisabeth Maråk Støle

Ingvild Vartdal

Turid Sylte

Olav Arne Fiskerstrand  
CEO

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Sparebanken Møre

### INTRODUCTION

We have reviewed the accompanying balance sheet of Sparebanken Møre as of 30 June 2013 and the related statements of income, comprehensive income, changes in equity and cash flows for the period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards on interim financial reporting, as approved by EU (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain

assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards on interim financial reporting, as approved by EU (IAS 34).

Oslo, 7 August 2013  
ERNST & YOUNG AS

Einar Hersvik  
State Authorized Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

# Highlights development - Group

## QUARTERLY RESULTS

NOK million	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net interest and credit commission income	258	236	238	240	236
Total other operating income	51	43	80	73	76
Pension plan changes	-	-	-166	-	-
Total operating costs	145	155	159	148	150
Result before losses	164	124	325	165	162
Losses on loans, guarantees etc.	6	7	11	17	9
Result before tax	158	117	314	148	153
Tax payable on ordinary result	42	33	92	40	43
Result from ordinary operations after tax	116	84	222	108	110

### As a percentage of average assets

Net interest and credit commission income	2.00	1.85	1.90	1.96	1.98
Total other operating income	0.40	0.34	0.64	0.60	0.64
Pension plan changes	-	-	-1.33	-	-
Total operating costs	1.13	1.21	1.27	1.21	1.26
Result before losses	1.27	0.98	2.60	1.35	1.37
Losses on loans, guarantees etc.	0.05	0.05	0.09	0.14	0.08
Result before tax	1.22	0.93	2.51	1.21	1.29
Tax payable on ordinary result	0.32	0.25	0.77	0.33	0.36
Result from ordinary operations after tax	0.90	0.68	1.77	0.88	0.93

## RESULT

NOK million	Q2 2013	Q2 2012	2012
Net interest and credit commission income	494	458	936
Total other operating income	94	137	290
Pension plan changes	-	-	-166
Total operating costs	300	298	605
Result before losses	288	297	787
Losses on loans, guarantees etc.	13	19	47
Result before tax	275	278	740
Tax payable on ordinary result	74	78	210
Result from ordinary operations after tax	201	200	530

### As a percentage of average assets

Net interest and credit commission income	1.93	1.93	1.93
Total other operating income	0.38	0.58	0.60
Pension plan changes	-	-	-0.34
Total operating costs	1.17	1.25	1.24
Result before losses	1.14	1.26	1.63
Losses on loans, guarantees etc.	0.05	0.08	0.10
Result before tax	1.09	1.18	1.53
Tax payable on ordinary result	0.29	0.33	0.43
Result from ordinary operations after tax	0.80	0.85	1.10



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