

INTERIM REPORT
4 QUARTER
UNAUDITED

13



SPAREBANKEN MØRE

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As the main sponsor of AaFK, MFK and Hødd, Sparebanken Møre's logo has been highly visible in Norwegian football during the recent years. Since 2009, our partnerships with these clubs have resulted in four cup championships, two league championships and a number of seasons in the Europa League. The last cup championship came in 2013 with MFK under the management of Ole Gunnar Solskjær. The players are good role models who encourage and create favourable conditions for healthy leisure activities for children and young adults.

However, Sparebanken Møre is not only sponsoring premier league football in Møre og Romsdal. The Bank is the main sponsor of around 150 different local cultural and sports institutions that all help to make Møre og Romsdal a great county to grow up in.

Financial highlights - Group

Income statement

(NOK million)	Q4 2013	%	Q4 2012	%	2013	%	2012	%
Net interest income	281	2.10	238	1.90	1 042	2.00	936	1.93
Net commission and other income	43	0.32	55	0.43	174	0.34	180	0.37
Net return from financial investments	13	0.10	25	0.21	28	0.05	110	0.23
Total income	337	2.52	318	2.54	1 244	2.39	1 226	2.53
Total operating costs	127	0.95	159	1.26	569	1.09	605	1.24
Pension plan changes	0	0.00	-166	-1.32	0	0.00	-166	-0.34
Profit before losses	210	1.57	325	2.60	675	1.30	787	1.63
Losses on loans, guarantees etc.	26	0.19	11	0.09	54	0.10	47	0.10
Profit before tax	184	1.38	314	2.51	621	1.20	740	1.53
Tax payable on ordinary profit	53	0.40	92	0.72	171	0.33	210	0.43
Profit for the period	131	0.98	222	1.79	450	0.87	530	1.10

Statement of financial position

(NOK million)	31.12.13	Change in Q4 2013 %	31.12.12	Change in 2013 %
Total assets	54 627	2.7	51 632	5.8
Average assets	52 104	0.9	48 530	7.4
Net loans to and receivables from customers	46 122	1.9	43 434	6.2
Deposits from and liabilities to customers	28 056	2.7	27 081	3.6

Key figures

	Q4 2013	Q4 2012	2013	2012
Return on equity (annualised)	12.7	27.0	11.6	16.3
Return on equity (annualised) (adjusted for pension plan changes)	12.7	12.5	11.6	12.6
Costs as a percentage of income	37.7	-2.2	45.7	35.4
Costs as a percentage of income (adjusted for pension plan changes)	37.7	49.7	45.7	48.8
Losses as a percentage of loans 1.1/start of the period	0.23	0.10	0.12	0.12
Problem loans as a percentage of loans (prior to write-downs)	1.16	1.34	1.16	1.34
Problem loans as a percentage of loans (after write-downs)	0.80	0.96	0.80	0.96
Deposits to lending ratio as a percentage	60.8	62.3	60.8	62.3
Core capital as a percentage 1) 2)	15.55	13.68	15.55	13.68
Pure core capital as a percentage 1) 2)	12.55	10.55	12.55	10.55
Man-years	391	410	391	410
EC (numbers refer to the Parent Bank):				
Profit per EC (Parent Bank) (NOK)	3.95	13.15	18.45	27.75
EC fraction 1.1 as a percentage (Parent Bank)/average 2013	47.7	46.0	47.7	46.0
Price at Oslo Stock Exchange (NOK)	198	160	198	160
Price/Book value (P/B) (Group)	0.89	1.10	0.89	1.10

1) According to the Standardised Approach in Basel II

2) Incl. proposed allocations

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 after Q4 2013 was NOK 621 million, compared to NOK 740 million after Q4 2012. The corresponding quarter in 2012 included a NOK 166 million cost reduction linked to pension plan changes. The return on equity after tax amounted to 11.6 %, compared to 16.3 % in 2012 (12.6 % corrected for pension plan changes). The lending volume increased by 6.2 % and the deposit volume increased by 3.6 % in the preceding 12 months. At year-end 2013, the capital adequacy ratio was 17.05 %, with core tier 1 capital accounting for 12.55 %. The Board of Directors is satisfied with the results after Q4 2013.

The Board of Directors recommends that the Board of Trustees pays a cash dividend of NOK 8.00 per equity certificate and set aside NOK 87 million for dividend funds for the local community. In total this represents 37 % of the total group profit for 2013.

RESULTS FOR Q4 2013

The profit after tax for Q4 2013 amounted to NOK 131 million, or 0.98 % of average

total assets, compared to NOK 222 million, or 1.79 %, for the corresponding quarter last year. The pension plan changes implemented in Q4 2012 entailed a cost reduction in the quarter of NOK 166 million. The return on equity in Q4 2013 was 12.7 %, compared to 12.5 % (corrected for pension plan changes) last year.

Net interest income

The net interest and credit commission income of NOK 281 million was NOK 43 million higher than in the corresponding quarter last year. This represents 2.10 % of total assets, which is 0.20 percentage points higher than in Q4 2012.

Net interest income rose throughout the year, from a level of 1.85 % at the end of Q1 to 2.10 % at the year-end 2013. Net interest income is still being affected by strong competition in the area of deposits and the fact that the interest contribution from equity remains low due to the generally low interest rates in the market. In 2013, unlike in 2012, net interest income was also charged with a charge for the Norwegian Banks Guarantee Fund of 0.05 percentage points.

Other operating income

Other operating income amounted to NOK 56 million, which is NOK 24 million lower than in Q4 last year. Other operating income accounted for 0.42 % of average

total assets, 0.22 percentage points lower than the corresponding period in 2012. The change is mainly attributable to a reduction in the value of bond holdings.

Costs

Operating costs in the quarter amounted to NOK 127 million, which is NOK 134 million higher than in the same quarter last year. The increase in costs is mainly attributable to a NOK 166 million cost reduction that was recognised in Q4 2012. Corrected for the pension plan changes, costs were reduced by NOK 32 million in Q4 2013 in relation to the corresponding quarter in 2012.

Personnel costs, excluding the pension plan changes, were reduced by NOK 23 million in relation to Q4 2012. Other costs were simultaneously reduced by NOK 9 million in relation to the corresponding quarter last year. The Group's total workforce was reduced by 19 full time equivalent positions in the period to 391 full time equivalents.

The costs/income ratio for Q4 2013 was 37.7 %. This represents a reduction of 12.0 percentage points compared to Q4 last year when corrected for pension plan changes.

Losses and defaults

The quarter's accounts were charged NOK 26 million in losses on loans and guarantees. This amounts to 0.19 % of average

total assets on an annual basis. The corresponding figures for Q4 2012 were NOK 11 million (0.09 %).

Lending and deposit growth

Total assets grew by 2.7 % in relation to Q3 2013 to NOK 54 627 million. Net lending to customers increased by 1.9 % in relation to Q3 2013 to NOK 46 122 million, while deposits increased to NOK 28 056, which represents an increase of 2.7 %. For further comments concerning volume trends in the last 12 months, please see the comments on 2013 as a whole below.

RESULTS FOR 2013

The profit before losses on loans and guarantees amounted to NOK 675 million, or 1.30 % of average total assets, a reduction of NOK 112 million in relation to 2012. Last year's results included a NOK 166 million cost reduction linked to pension plan changes. The profit after losses on loans and guarantees amounted to NOK 621 million (1.20 %) compared to NOK 740 million (1.53 %) in 2012. The profit after tax amounted to NOK 450 million, which corresponds to 0.87 % of average total assets in 2013, compared to NOK 530 million (1.10 %) last year.

The return on equity amounted to 11.6 % in 2013, compared to 12.6 % in 2012 corrected for pension plan changes. Sparebanken Møre's target for its return on equity

is that it should be at least 6 percentage points above the long-term risk free interest rate (the ten-year yield on Norwegian Treasury Bonds averaged 2.58 % in 2013).

Earnings per equity certificate (parent bank) in 2013 amounted to NOK 18.45 compared to NOK 27.75 for 2012. The earnings per equity certificate calculation in 2013 includes the new equity certificates from the issues in Q3 2013.

Net interest income

In total, net interest and credit commission income amounted to NOK 1 042 million (NOK 936 million). In relation to average total assets, net interest income was 2.00 % (1.93 %). Net interest income accounted for 84.1 % of total income in 2013.

Other operating income

Other operating income amounted to NOK 202 million (0.39 % of average total assets) in 2013. This is a decrease of NOK 88 million compared to 2012. The reduction in other operating income was primarily due to the development of the value of bond holdings, as well as the fact that the 2012 financial statements included the proceeds from the sale of buildings the Group previously owned.

Costs

Total costs amounted to NOK 569 million, an increase of NOK 130 million in relation

to 2012. Last year's results included a NOK 166 million cost reduction linked to pension plan changes. Corrected for this, costs for the year were NOK 36 million lower than in 2012. Personnel costs were reduced by NOK 30 million and other costs were reduced by NOK 6 million in relation to 2012. The total costs amounted to 1.09 % of average total assets in 2012, compared to 1.24 % in 2012 corrected for pension plan changes. The costs ratio in relation to income was 45.7 % in 2013, compared to 48.8 % corrected for pension plan changes in 2012. Sparebanken Møre's goal is to keep the costs/income ratio below 50 %.

Losses and defaults

The profit and loss account was charged NOK 54 million for losses on loans and guarantees in 2013, while in 2012 it was charged NOK 47 million. This amounted to 0.10 % of average total assets in 2013, which is on a par with 2012. The corporate market was charged NOK 53 million and the retail market NOK 1 million, while general write-downs were unchanged.

Total write-downs for losses at year-end 2013 amounted to NOK 308 million (NOK 306 million), which amounts to 0.66 % of gross lending (0.70 %). NOK 35 million of the specific write-downs involved commitments in default for more than 90 days (NOK 71 million), which amounts to 0.08 % of gross lending (0.16 %). NOK

133 million related to other commitments (NOK 95 million), which amounts to 0.29 % of gross lending (0.22 %). General write-downs amounted to NOK 140 million (NOK 140 million) or 0.30 % of gross lending (0.32 %).

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 a specific write-down for losses) show a decrease over the last 12 months of NOK 44 million after write-downs for losses. The corporate market accounted for NOK 287 million of impaired commitments and the retail market NOK 84 million. Net impaired commitments at year-end 2013 therefore amounted to NOK 371 million or 0.80 % of gross lending. At year-end 2012, total impaired commitments amounted to NOK 415 million or 0.96 % of gross lending: the corporate market accounted for NOK 325 million and the retail market NOK 90 million.

Net commitments in default for more than 3 months at year-end 2013 amounted to NOK 115 million (NOK 186 million), a reduction from 0.43 % of gross lending at year-end 2012 to 0.25 % at year-end 2013.

Balance sheet

Total assets increased by NOK 2 995 million or 5.8 % to NOK 54 627 million as per 31.12.2013.

Lending and deposit growth

Net lending to customers amounted to NOK 46 122 at year-end 2013. This is an increase in the preceding 12 months of NOK 2 688 million or 6.2 %. Lending to

retail customers increased by 10.1 % and retail customers accounted for 65.6 % of total gross lending at year-end 2013. Corporate lending decreased by 0.8 % in the preceding 12 months, and this segment accounts for 34.4 % of gross lending.

Deposits from customers amounted to NOK 28 056 million at year-end 2013. Deposits grew by NOK 975 million in 2013, which amounts to 3.6 %. The volume from corporate customers grew by 0.5 % in 2013, while the volume from retail customers grew by 5.1 %. Deposits from public sector customers were 21.0 % higher than at year-end 2012. 39.9 % of deposits were from corporate customers, 57.0 % were from retail customers and 3.1 % were from the public sector.

The difference between the lending and deposit volumes, NOK 18 066 million, was funded via the Norwegian and international money and securities markets. Deposits in relation to loans amounted to 60.8 % at year-end 2013.

CAPITAL ADEQUACY

The Board of Sparebanken Møre adopted a new long-term minimum target for the Group's capital adequacy in this year's strategy process, "Møre 2017". The core tier 1 capital ratio must comply with the announced regulatory plan for the escalation of capital.

A process involving a total of three issues of new equity certificate capital was completed during Q3 2013. A private placement with gross proceeds of up to NOK 275 million was oversubscribed. A repair issue with gross

proceeds of NOK 100 million was also fully subscribed, while an employee issue with gross proceeds of NOK 3.5 million was also carried out. On 4 July 2013, the Board of Trustees approved the reallocation of NOK 125 million of the Bank's previous years' allocations to dividend funds for the local community to a gift fund, and this gift fund is included in the Group's core tier 1 capital.

Calculations made using the standard method in Basel II at year-end 2013 show a core capital ratio of 15.55 % (13.68 %). The corresponding figures for core tier 1 capital are 12.55 % (10.55 %). The capital adequacy figures include the year's result. The Board's proposal concerning the allocation of profit for the year entails 63% of the Group's profit being retained to further build up the Group's financial strength.

With core tier 1 capital of 12.55 % after Q4 2013, the regulatory requirements concerning capital adequacy and Sparebanken Møre's internal capital target have been met.

SUBSIDIARIES

The aggregate profit of the Bank's three subsidiaries amounted to NOK 151 million after tax (NOK 88 million).

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. To date the company has raised NOK 13.7 billion in funding for the Group. The company contributed NOK 151 million to the Group's profit in 2013 (NOK 78 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company contributed NOK 0 million to the result in 2013 (NOK 2 million). At the end of the year the company had 16 full time equivalents.

The object of Sparebankeiendom AS is to own and manage the Bank's own commercial properties. The company contributed NOK 0 million to the result in 2013 (NOK 8 million). The company has no staff.

EQUITY CERTIFICATES

Due to the three issues that were completed in Q3 2013, the number of equity certificates, each with a nominal value of NOK 100, increased by 2 045 838 equity certificates from 7 841 116 equity certificates prior to the issues to 9 886 954 after the issues. The registered equity capital thus amounts to NOK 988.7 million as per the end of Q4 2013. The issues process increased the Share Premium fund by NOK 164 million and this amounted to NOK 350 million after the issues.

The breakdown between equity capital and primary fund capital after Q4 2013 is 49.6 % and 50.4 % respectively, while at year-end 2012 it was 46 % and 54 % respectively.

The equity certificates were distributed between 6 114 owners at year-end 2013. Note 8 contains an overview of the 20 largest owners of the Bank's equity certificates. At year-end 2013, the Bank owned 41 678 of its own equity certificates. These equity certificates were purchased on the Oslo Stock Exchange at market prices.

Earnings per equity certificate (parent bank) in 2013 amounted to NOK 18.45 (NOK 27.75), including the new equity certificates after the issues.

Sparebanken Møre's dividend policy

Sparebanken Møre's dividend policy has remained unchanged for the last few years. The Bank's aim is to achieve financial results which provide a good, stable return on the Bank's equity. The results shall ensure that the owners of the equity receive a competitive long-term return in the form of cash dividends and capital appreciation on the equity. The equity owners' share of the annual profits set aside as dividend funds must correspond to the Bank's equity situation. Sparebanken Møre must ensure that all equity owners are guaranteed equal treatment.

Proposed allocation of the profit for the year

In line with the rules for equity certificates, etc., and in accordance with Sparebanken Møre's dividend policy, it is proposed that 37 % of the Group's profit be allocated to dividend funds (cash dividends and dividend funds for the local community). Based on the accounting distribution of equity between equity capital and the primary capital fund, and including the effects the issues conducted in 2013 have had on this distribution throughout the year, 47.7 % of the net profit will be allocated to owners of equity certificates and 52.3 % to the primary capital fund. Earnings per equity certificate amounted to 18.45 in 2013. It will be proposed to the Board of Trustees that the cash dividend per equity

certificate for the 2013 financial year be set at NOK 8.00.

Overview of proposed allocation of the profit:

Profit for the year NOK 450 million

Dividend funds (37 %):

• Cash dividends	NOK 79 million
• Dividends to the local community	NOK 87 million
Total	NOK 166 million

Strengthening of equity (63 %):

• Dividend equalisation fund	NOK 104 million
• Primary capital fund, etc.	NOK 113 million
• Other funds	NOK 67 million
Total	284 million
Total allocated	NOK 450 million

FUTURE PROSPECTS

Increasing growth was observed internationally in Q4 2013, which is positive for Norway and the internationally oriented business sector in our region. Our most important trading partners' key economic figures have generally been slightly stronger than expected. In particular, production and demand in the euro zone appear to have stabilised. The Norwegian krone has also weakened in the last few months, which improves Norwegian competitiveness and is thus positive for exports and import competing industries in Møre og Romsdal.

Norges Bank kept the key interest rate unchanged at the last interest rate meeting and indications have been given that interest rates will remain low for some time. This in itself is a sign that economic prospects

are moderate going forward. Norwegian economic growth has so far been weaker than expected. Pessimism has increased among households and segments of the business sector. At the same time, we have seen house prices fall nationwide in the last three months. If house prices continue to fall, this could result in reduced consumer demand and lower constructing activity.

Slightly stronger growth is expected on a national basis in 2014 than in 2013. How-

ever, this growth is dependent on the positive development of domestic demand. Low interest rates will contribute to this, together with a higher level of activity in the public sector. Important segments of our business sector are enjoying positive prospects. Based on this the county's unemployment rate is expected to remain low.

The regulatory changes in the banking industry were clarified further during last quarter. Sparebanken Møre implemented

some important organisational measures during 2013 in order to satisfy the new requirements to which the Banks are subject. The effects have materialised in the financial statements, including through reduced costs and greater financial strength. The Board expects the effects of these measures to continue to manifest themselves in 2014. Our main focus will remain on stable costs development and a good return on equity, which includes keeping the level of losses and defaults moderate.

Ålesund, 31 December 2013

29 January 2014

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

Amounts in NOK million	Notes	Q4 2013	Q4 2012	2013	2012
Interest income		495	559	2 221	2 246
Interest costs		214	321	1 179	1 310
Net interest income	7	281	238	1 042	936
Commission income and revenues from banking services		42	44	174	162
Commission costs and expenditure from banking services		7	8	28	29
Other operating income		8	19	28	47
Net commission and other operating income		43	55	174	180
Dividends		1	0	10	7
Net gains/losses from financial instruments	4	12	25	18	103
Net return from financial instruments		13	25	28	110
Net income		337	318	1 244	1 226
Wages, salaries etc.		71	95	313	343
Pension plan changes		0	-166	0	-166
Administration costs		34	41	133	139
Depreciation, write-downs and changes in value in non-financial assets		5	9	28	31
Other operating costs		17	14	95	92
Total operating costs		127	-7	569	439
Profit before credit losses		210	325	675	787
Losses on loans, guarantees etc.	3	26	11	54	47
Profit from ordinary operations before tax		184	314	621	740
Tax payable on ordinary result		53	92	171	210
Profit for the period		131	222	450	530
Profit per EC (NOK)		6.50	12.97	21.65	31.05
Diluted earnings per EC (NOK)		6.50	12.97	21.65	31.05
Distributed dividend per EC (NOK)		0	0	12	8

STATEMENT OF COMPREHENSIVE INCOME - GROUP

Amounts in NOK million	Q4 2013	Q4 2012	2013	2012
Profit for the period	131	222	450	530
Other income/costs reversed in ordinary profit:				
Equities available for sale - changes in value	-2	18	7	8
Other income/costs not reversed in ordinary profit:				
Pension estimate deviations included in the income statement	-36	160	-36	160
Tax effect of pension estimate deviations included in the income statement	9	-45	9	- 45
Total comprehensive income for the period	102	355	431	653

STATEMENT OF FINANCIAL POSITION - GROUP

Amounts in NOK million	Notes	31.12.13	31.12.12
Assets			
Cash and claims on Norges Bank		1 281	669
Loans to and receivables from credit institutions	7	715	288
Net loans to and receivables from customers	2, 3, 7	46 122	43 434
Certificates and bonds	5, 7	5 073	5 542
Financial derivatives		404	575
Shares and other securities etc.	5	215	206
Intangible assets		41	23
Fixed assets		268	302
Other assets		153	300
Prepayments and accrued income		355	294
Total assets		54 627	51 632
Liabilities and equity			
Liabilities to credit institutions	7	1 107	2 519
Deposits from and liabilities to customers	2, 7	28 056	27 081
Debt securities		18 334	15 608
Financial derivatives		354	434
Other liabilities		493	567
Accrued liabilities and deferred income		262	289
Other provisions for incurred liabilities and costs		32	72
Perpetual Hybrid Tier 1 capital		999	1 002
Subordinated loan capital		499	299
Total liabilities		50 136	47 871
EC capital	8	989	784
ECs owned by the Bank		-4	-9
Share premium fund		353	186
Paid-in equity		1 338	961
Primary capital fund		1 935	1 835
Gift fund		125	0
Dividend equalisation fund		684	592
Value adjustment fund		47	40
Fund for unrealised gains		0	1
Other equity		362	332
Retained earnings		3 153	2 800
Total equity		4 491	3 761
Total liabilities and equity		54 627	51 632
Off-balance sheet items:			
Guarantees		1 433	1 634

STATEMENT OF EQUITY - GROUP

2013	Total equity	EC capital	Share premium fund	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Fund for unrealised gains	Other equity
Equity as at 01.01.13	3 761	775	186	1 835	0	592	40	1	332
Changes in own equity certificates	10	5	3	1		1			
Distributed dividend to the EC holders	-94								-94
Distributed dividend to the local community	-110								-110
Issues	369	205	164						
Gift fund *)	125				125				
Equity before allocation of profit for the year	4 061	985	353	1 836	125	593	40	1	128
Change in value of debt securities through the income statement	-1							-1	
Allocated to the primary capital fund	113			113					
Allocated to the dividend equalisation fund	104					104			
Allocated to other equity	68								68
Dividend allocated to the EC holders	79								79
Dividend allocated to the local community	87								87
Distributed profit for the year	450			113		104		-1	234
Equities available for sale - changes in value	7						7		
Pension estimate deviations	-36			-19		-17			
Tax effect of pension estimate deviations	9			5		4			
Total other income and costs from comprehensive income	-20			-14		-13	7		
Total profit for the period	431			99		91	7	-1	234
Equity as at 31.12.13	4 491	985	353	1 935	125	684	47	0	362

*) According to resolution by the Board of Trustees on 4 July 2013.

STATEMENT OF CHANGES IN EQUITY - GROUP

2012	Total equity	EC capital	Share premium fund	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Fund for unrealised gains	Other equity
Equity as at 01.01.12	3 256	782	186	1 611	0	408	32	8	229
Changes in own equity certificates	-11	-7		1		-5			
Distributed dividend to the EC holders	-63								-63
Distributed dividend to the local community	-74								-74
Merger Møre Finans 1.9.2012	0			15		13			-28
Equity before allocation of profit for the year	3 108	775	186	1 627	0	416	32	8	64
Change in value of debt securities through the income statement	-7							-7	
Allocated to the primary capital fund	146			146					
Allocated to the dividend equalisation fund	124					124			
Allocated to other equity	64								64
Dividend allocated to the EC holders	94								94
Dividend allocated to the local community	110								110
Distributed profit for the year	530			146		124		-7	268
Equities available for sale - changes in value	8						8		
Pension estimate deviations	160			86		74			
Tax effect of pension estimate deviations	-45			-24		-21			
Total other income and costs from comprehensive income	123			62		53	8		
Total profit for the period	653			208		177	8	-7	268
Equity as at 31.12.12	3 761	775	186	1 835	0	592	40	1	332

CASH FLOW STATEMENT - GROUP

	2013	2012
Cash flow from operating activities		
Interest, commission and fees received	2 395	2 426
Interest, commission and fees paid	-1 239	-1 323
Dividend and group contribution received	10	7
Operating expenses paid	-554	-466
Income taxes paid	-158	-154
Changes relating to loans to and claims on other financial institutions	-428	276
Changes relating to repayment of loans/leasing to customers	-2 176	-1 998
Changes in utilised credit facilities	-511	-1 033
Net cash flow from operating activities	-2 661	-2 265
Cash flow from investing activities		
Proceeds from the sale of certificates, bonds and other securities	4 927	5 837
Purchases of certificates, bonds and other securities	-4 486	-6 682
Proceeds from the sale of fixed assets etc.	16	35
Purchase of fixed assets etc.	-13	-57
Changes in other assets	274	345
Net cash flow from investing activities	718	-522
Cash flow from financing activities		
Net change in deposits from customers	975	1 757
Net change in deposits from Norges Bank and other financial institutions	-1 412	-2 209
Proceeds from bond issues raised	7 227	7 260
Redemption of debt securities	-4 219	-4 288
Dividend paid	-94	-63
Changes in other debt	-291	198
Issues	369	0
Net cash flow from financing activities	2 555	2 642
Net change in cash and cash equivalents	612	-145
Cash balance at 01.01	669	814
Cash balance at 31.12	1 281	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 31 December 2013. The interim report has been prepared in compliance with IAS 34 Interim Reporting.

The accounts are presented in Norwegian kroner (NOK), which is also 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 and that were 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 has no impact on the Group's financial position and results. IFRS 13 nonetheless requires the company to provide detailed information about the fair value measurements. The Group also applies 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

	LOANS		DEPOSITS	
	2013	2012	2013	2012
Broken down according to sectors				
Agriculture and forestry	487	496	152	156
Fisheries	2 965	3 241	380	544
Manufacturing	1 352	1 220	1 194	1 272
Building and construction	798	716	667	486
Wholesale and retail trade, hotels	583	654	669	735
Foreign shipping/supply	1 569	1 609	923	806
Property management	5 595	5 689	1 437	1 356
Professional/financial services	708	687	1 463	2 087
Transport and private/public services	1 603	1 515	1 855	1 884
Public entities	27	20	853	704
Activities abroad	162	100	5	3
Miscellaneous	125	143	2 462	1 827
Total corporate/public entities	15 974	16 090	12 060	11 860
Retail customers	30 454	27 650	15 996	15 221
Total Loans/Deposits	46 428	43 740	28 056	27 081
Specific write-downs	-166	-166		
General write-downs	-140	-140		
Loans to and receivables from customers	46 122	43 434		

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

	Q4 2013	Q4 2012	2013	2012
Losses on loans and guarantees				
Changes in specific write-downs and guarantees during the period	-2	-10	1	-112
Changes in general write-downs during the period	5	-10	0	9
Actual losses during the period, previously written down individually	23	17	18	132
Actual losses during the period, previously written down on a general basis	5	18	24	34
Recovered on actual losses	5	4	11	16
Losses on loans, guarantees etc.	26	11	54	47
Specific write-downs of loans				
Specific write-downs on loans at 1.1	169	173	166	265
Actual losses during the period, previously written down individually	23	17	40	132
Changes in specific write-downs during the period	17	-15	37	14
New specific write-downs during the period	9	31	38	75
Recovered on specific write-downs during the period	6	6	35	56
Specific write-downs of loans at the end of the period	166	166	166	166
General write-downs on loans				
General write-downs on loans as at 1.1	135	150	140	131
Changes during the period	5	-10	0	9
General write-downs on loans at the end of the period	140	140	140	140
Specific provisions in respect of guarantees				
Specific provisioning as at 1.1	2	4	2	14
Specific provisioning during the period	0	0	0	2
Recovered on specific provisioning during the period	0	2	0	14
Specific provisions at the end of the period	2	2	2	2

PROBLEM LOANS	2013			2012		
	Total	Retail	Corporate	Total	Retail	Corporate
Problem loans prior to specific write-downs:						
Commitments in default in excess of 3 months	150	66	84	257	68	189
Other bad and doubtful commitments with write-downs	387	38	349	324	45	279
Total problem loans prior to specific write-downs	537	104	433	581	113	468
Specific write-downs on:						
Commitments in default in excess of 3 months	35	6	29	71	8	63
Other bad and doubtful commitments with write-downs	131	14	117	95	15	80
Total specific write-downs	166	20	146	166	23	143
Problem loans after specific write-downs:						
Commitments in default in excess of 3 months	115	60	55	186	60	126
Other bad and doubtful commitments with write-downs	256	24	232	229	30	199
Total problem loans after specific write-downs	371	84	287	415	90	325
Total problem loans prior to specific write-downs as a percentage of total loans	1.16	0.34	2.73	1.34	0.41	2.91
Total problem loans after specific write-downs as a percentage of total loans	0.80	0.28	1.81	0.96	0.33	2.02

4 NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS

	Q4 2013	Q4 2012	2013	2012
Certificates and bonds	-7	19	-24	69
Securities	10	-3	4	-3
Foreign exchange trading (for customers)	6	6	28	26
Fixed income trading (for customers)	1	9	14	25
Change in credit spread FVO - securities-based debt	0	-2	-1	-10
Financial derivatives	2	-4	-3	-4
Net value change and gains/losses from financial instruments	12	25	18	103

5 FINANCIAL ASSETS AND LIABILITIES

The market value of the instruments traded in an active market is based on the traded price on the balance sheet date. For financial instruments not

traded in an active market, separate valuations are used based on current market conditions or alternatively, other valuations from other market

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

FINANCIAL ASSETS	31.12.13		31.12.12	
	Fair value	Book value	Fair value	Book value
Financial assets assessed at fair value:				
Net loans to and receivables from customers	4 438	4 438	3 807	3 807
Certificates	31	31	330	330
Bonds	5 042	5 042	5 212	5 212
Shares	2	2	2	2
Financial derivatives	404	404	575	575
Financial instruments assessed at amortised cost:				
Cash and claims on Norges Bank	1 281	1 281	669	669
Loans to and receivables from credit institutions	715	715	288	288
Net loans to and receivables from customers	41 684	41 684	39 627	39 627
Bonds	0	0	0	0
Financial assets available for sale:				
Shares	213	213	204	204

FINANCIAL LIABILITIES	31.12.13		31.12.12	
	Fair value	Book value	Fair value	Book value
Debt securities assessed at fair value through the profit and loss account:				
Certificates	0	0	0	0
Bonds	408	408	417	417
Deposits from and liabilities to customers	526	526	952	952
Financial derivatives	354	354	434	434
Debt securities at amortised cost subject to hedge accounting:				
Bonds	3 110	3 092	4 256	4 251
Perpetual Hybrid Tier 1 capital	355	299	335	302
Debt securities assessed at amortised cost:				
Liabilities to credit institutions	1 107	1 107	2 519	2 519
Deposits from and liabilities to customers	27 530	27 530	26 129	26 129
Certificates	1 870	1 870	1 883	1 880
Bonds	13 047	12 964	9 150	9 060
Subordinated loan capital	514	499	300	299
Perpetual Hybrid Tier 1 capital	716	700	691	700
Swap arrangement for securities	634	634	1 681	1 681

31.12.2013	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Assets				
Net loans to and receivables from customers	0	0	4 438	4 438
Certificates	0	31	0	31
Bonds	1 560	3 482	0	5 042
Financial derivatives	0	404	0	404
Shares	2	0	0	2
Total financial assets assessed at fair value, changes taken over the income statement	1 562	3 917	4 438	9 917
Shares	19	0	194	213
Total financial assets available for sale, changes in value taken over comprehensive income	19	0	194	213
Liabilities				
Deposits from and liabilities to customers	0	0	526	526
Debt securities	0	408	0	408
Financial derivatives	0	354	0	354
Total financial liabilities assessed at fair value	0	762	526	1 288

31.12.2012	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Assets				
Net loans to and receivables from customers	0	0	3 807	3 807
Certificates	305	25	0	330
Bonds	1 321	3 891	0	5 212
Financial derivatives	0	575	0	575
Shares	2	0	0	2
Total financial assets assessed at fair value, changes taken over the income statement	1 628	4 491	3 807	9 926
Shares	20	0	184	204
Total financial assets available for sale, changes in value taken over comprehensive income	20	0	184	204
Liabilities				
Deposits from and liabilities to customers	0	0	952	952
Debt securities	0	417	0	417
Financial derivatives	0	434	0	434
Total financial liabilities assessed at fair value	0	851	952	1 803

FINANCIAL INSTRUMENTS AT FAIR VALUE, LEVEL 3	Net loans to and receivables from customers	Shares	Deposits from and liabilities to customers
Recorded value as at 31.12.2012	3 807	184	952
Additions/purchases	0	2	0
Sales	0	0	0
New volume	942	0	178
Amortisation	180	0	608
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses recorded in the period	-131	8	4
Recorded value as at 31.12.2013	4 438	194	526

Some items on Level 3 are subject to hedging in line with the bank's risk policy. The corresponding hedging instruments are assessed at Level 2.

6 OPERATING SEGMENTS

RESULT Q4	Group		Elimin./other		Corporate		Retail 1)		Real estate brokerage	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net interest income	281	238	1	11	122	98	158	130	0	0
Other operating income	56	80	10	22	18	25	22	27	6	6
Total income	337	318	11	33	140	123	180	157	6	6
Operating costs	127	-7	3	-126	31	30	86	83	7	6
Profit before losses	210	325	8	159	109	92	94	74	-1	0
Losses on loans, guarantees etc.	26	11	5	-14	20	25	1	0	0	0
Profit before tax	184	314	3	173	89	67	93	74	-1	0
Tax payable on ordinary profit	53	92								
Profit for the period	131	222								

RESULT AS AT 31.12	Group		Elimin./other		Corporate		Retail 1)		Real estate brokerage	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net interest income	1 042	936	5	10	462	419	575	507	0	0
Other operating income	202	290	5	81	79	87	96	98	22	24
Total income	1 244	1 226	10	91	541	506	671	605	22	24
Operating costs	569	439	100	-32	113	121	334	329	22	21
Profit before losses	675	787	-90	124	428	385	337	276	0	3
Losses on loans, guarantees etc.	54	47	0	-8	53	58	1	-3	0	1
Profit before tax	621	740	-90	132	375	327	336	279	0	2
Tax payable on ordinary profit	171	210								
Profit for the period	450	530								

STATEMENT OF FINANCIAL POSITION	Group		Elimin./other		Corporate		Retail 1)		Real estate brokerage	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Net loans to and receivables from customers	46 122	43 434	885	813	15 552	15 548	29 685	27 073	0	0
Deposits from and liabilities to customers	28 056	27 081	691	228	10 338	10 610	17 027	16 243	0	0
Guarantees	1 433	1 634	0	100	1 424	1 525	9	11	0	0
The deposit-to-loan ratio	60.8	62.3	76.4	28.0	66.5	68.2	57.4	60.0	0	0
Man-years	391	410	146	158	58	59	171	179	16	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 for both national and international investors, and is part of Sparebanken Møre's long-term financing strategy. Key figures for Møre Boligkreditt AS are displayed in a separate table.

RESULT Q4	Møre Boligkreditt AS	
	2013	2012
Net interest income	73	43
Other operating income	-2	-1
Total income	71	42
Operating costs	7	6
Profit before losses	64	36
Losses on loans, guarantees etc.	0	0
Profit before tax	64	36
Tax payable on ordinary profit	18	10
Profit for the period	46	26

RESULT AS AT 31.12	Møre Boligkreditt AS	
	2013	2012
Net interest income	240	130
Other operating income	-3	0
Total income	237	130
Operating costs	26	21
Profit before losses	211	109
Losses on loans, guarantees etc.	0	0
Profit before tax	211	109
Tax payable on ordinary profit	59	31
Profit for the period	152	78

STATEMENT OF FINANCIAL POSITION	Møre Boligkreditt AS	
	31.12.13	31.12.12
Net loans to and receivables from customers	14 863	11 330

7 TRANSACTIONS WITH RELATED PARTIES

These are transactions between the Parent Bank and wholly-owned subsidiaries at arm's length and at arm's length's prices. The most important transactions eliminated in the Group accounts are as follows:

	2013	2012
Income statement		
Interest and credit commission income from subsidiaries	64	96
Received dividend and group contribution from subsidiaries	87	28
Rent paid to Sparebankeiendom AS	17	19
Leasing rental paid to Møre Finans AS	0	4
Administration fee received from Møre Boligkreditt AS	19	14
Statement of financial position		
Claims on subsidiaries	1 292	1 140
Covered bonds	673	1 776
Liabilities to subsidiaries	550	249
Accumulated loan portfolio transferred to Møre Boligkreditt AS	14 864	11 331

8 EC CAPITAL

THE 20 LARGEST EC HOLDERS IN SPAREBANKEN MØRE AS AT 31.12.13	NUMBER OF ECS	PERCENTAGE SHARE OF EC CAPITAL
Sparebankstiftelsen Tingvoll	908 779	9.19
Verdipapirfond Pareto Aksje Norge	540 015	5.46
MP Pensjon	478 282	4.84
Wenaasgruppen AS	382 500	3.87
Pareto AS	229 189	2.32
Verdipapirfond Pareto Aktiv	227 560	2.30
FLPS - Princ All Sec	200 034	2.02
Beka Holding AS	150 100	1.52
VPF Fondsfinans Spar	150 000	1.52
Farstad Shipping ASA	126 909	1.28
Bergen Kommunale Pensjonskasse	120 000	1.21
Pareto Verdi Verdipapirfond	106 277	1.07
Lapas AS (Leif-Arne Langøy)	105 500	1.07
Stiftelsen Kjell Holm	92 268	0.93
VPF Nordea Norge Verdi	91 892	0.93
Odd Slyngstad	84 773	0.86
Sparebankstiftelsen Helgeland	80 000	0.80
Forsvarets Personellservice	59 160	0.60
Atlantis Vest AS	57 744	0.58
Awilco Invest AS	52 000	0.53
Total 20 largest	4 242 982	42.91
Total	9 886 954	100.00

9 CAPITAL ADEQUACY

	2013	2012
EC capital	989	784
- ECs owned by the Bank	-4	-9
Premium fund	353	186
Dividend equalisation fund	684	592
Gift fund	125	0
Primary capital fund	1 935	1 835
Value adjustment fund	47	40
Fund for unrealised gains	0	1
Allocated dividend for the EC holders	79	94
Allocated dividend funds for the local community	87	110
Other equity capital/accumulated profit for the year	196	128
Total equity in the statement of financial position	4 491	3 761
Deferred tax, goodwill and intangible assets, other	-20	-23
Value adjustment fund	-47	-40
Fund for unrealised gains	0	-1
50 % deduction for subordinated capital in other financial institutions	-10	-10
Capital bonds	999	1 002
Less surplus financing of pension	-54	-83
Less allocated dividend for the EC holders	-79	-94
Less allocated dividend funds for the local community	-87	-110
Total core capital	5 193	4 402
Supplementary capital:		
Subordinated loan capital of limited duration	499	299
45 % addition for net unrealised gains on shares, unit trust certificates and ECs available for sale	18	18
50 % deduction for subordinated capital in other financial institutions	-10	-10
Total supplementary capital	507	307
Net equity and subordinated loan capital	5 700	4 709
Capital adequacy as a percentage of the weighted asset calculation basis:		
Capital adequacy ratio	17.05	14.63
Core capital ratio	15.55	13.68
Pure core capital ratio	12.55	10.55
Risk-weighted assets (calculation basis for capital adequacy ratio)	33 450	32 225

Minimum equity and related capital requirement according to Basel II calculated in accordance with the Standard Approach:	2013	2012
Minimum (9 %) pure core capital ratio	3 010	2 898
Deviation pure core capital ratio	1 184	502
Capital requirement – credit, counterpart and impairment risk	2013	2012
Commitments involving states and central banks	0	0
Commitments involving local and regional authorities	6	4
Commitments involving public sector companies	22	21
Commitments involving institutions (banks etc.)	37	36
Commitments involving companies (corporate customers)	832	840
Commitments involving mass market (retail banking customers)	272	266
Commitments involving mortgage on properties	1 222	1 118
Commitments due for payment	13	21
Commitments involving covered bonds	15	15
Other commitments	91	93
Capital requirement – credit, counterpart and impairment risk	2 510	2 414
Debt	0	0
Equity	0	0
Foreign exchange	0	4
Goods	0	0
Capital requirement – position, foreign exchange and commercial risk	0	4
Operational risk (basis method)	176	170
Deductions from the capital requirement	-10	-10

STATEMENT OF INCOME - PARENT BANK

Amounts in NOK million	Q4 2013	Q4 2012	2013	2012
Interest income	361	468	1 768	1 921
Interest costs	151	270	961	1 121
Net interest income	210	198	807	800
Commission income and revenues from banking services	43	44	175	161
Commission costs and expenditure from banking services	8	8	29	29
Other operating income	7	6	23	16
Net commission and other operating income	42	42	169	148
Dividends	0	0	96	35
Net gains/losses from financial instruments	15	25	22	104
Net return from financial instruments	15	25	118	139
Net income	267	265	1 094	1 087
Wages, salaries etc.	66	88	297	323
Pension plan changes	0	-166	0	-166
Administration costs	34	41	133	139
Depreciation, write-downs and changes in value in non-financial assets	7	6	24	22
Other operating costs	16	10	92	87
Total operating costs	123	-21	546	404
Profit before credit losses	144	286	548	682
Losses on loans, guarantees etc.	26	11	54	42
Profit from ordinary operations before tax	118	275	494	640
Tax payable on ordinary result	36	81	112	174
Profit for the period	82	194	382	466
Profit per EC (NOK)	3.95	11.45	18.45	27.75
Diluted earnings per EC (NOK)	3.95	11.45	18.45	27.75
Distributed dividend per EC (NOK)	0	0	12	8

STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK

Amounts in NOK million	Q4 2013	Q4 2012	2013	2012
Profit for the period	82	194	382	466
Other income/costs reversed in ordinary profit:				
Equities available for sale - changes in value	-2	18	7	8
Other income/costs not reversed in ordinary profit:				
Pension estimate deviations included in the income statement	-36	160	-36	160
Tax effect of pension estimate deviations included in the income statement	9	-45	9	- 45
Total comprehensive income for the period	53	327	362	589

STATEMENT OF FINANCIAL POSITION - PARENT BANK

Amounts in NOK million	31.12.13	31.12.12
Assets		
Cash and claims on Norges Bank	1 281	669
Loans to and receivables from credit institutions	1 846	1 275
Net loans to and receivables from customers	31 416	32 267
Certificates and bonds	5 540	7 319
Financial derivatives	246	504
Shares and other securities etc.	215	206
Equity stakes in Group companies	721	521
Intangible assets	51	22
Fixed assets	56	87
Other assets	153	299
Prepayments and accrued income	318	268
Total assets	41 843	43 437
Liabilities and equity		
Liabilities to credit institutions	1 637	2 744
Deposits from and liabilities to customers	28 076	27 106
Debt securities	5 309	7 378
Financial derivatives	351	428
Other liabilities	426	529
Accrued liabilities and deferred income	219	258
Other provisions for incurred liabilities and costs	32	60
Perpetual Hybrid Tier 1 capital	999	1 002
Subordinated loan capital	499	299
Total liabilities	37 548	39 804
EC capital	989	784
ECs owned by the Bank	-4	-9
Share premium fund	353	186
Paid-in equity	1 338	961
Primary capital fund	1 935	1 835
Gift fund	125	0
Dividend equalisation fund	684	592
Value adjustment fund	47	40
Fund for unrealised gains	0	1
Other equity	166	204
Retained earnings	2 957	2 672
Total equity	4 295	3 633
Total liabilities and equity	41 843	43 437
Off-balance sheet items:		
Guarantees	1 433	1 634

Profit performance - Group

QUARTERLY RESULTS

NOK million	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net interest income	281	267	258	236	238
Total other operating income	56	52	51	43	80
Pension plan changes	0	0	0	0	-166
Total operating costs	127	143	145	155	159
Profit before losses	210	176	164	124	325
Losses on loans, guarantees etc.	26	15	6	7	11
Profit before tax	184	161	158	117	314
Tax payable on ordinary profit	53	42	42	33	92
Profit for the period	131	119	116	84	222

As a percentage of average assets

Net interest income	2.10	2.04	2.00	1.85	1.90
Total other operating income	0.42	0.40	0.40	0.34	0.64
Pension plan changes	0.00	0.00	0.00	0.00	-1.32
Total operating costs	0.95	1.09	1.13	1.21	1.26
Profit before losses	1.57	1.35	1.27	0.98	2.60
Losses on loans, guarantees etc.	0.19	0.11	0.05	0.05	0.09
Profit before tax	1.38	1.24	1.22	0.93	2.51
Tax payable on ordinary profit	0.40	0.33	0.32	0.25	0.72
Profit for the period	0.98	0.91	0.90	0.68	1.79

ACCUMULATED RESULTS FOR THE YEAR

NOK million	2013	2012
Net interest income	1 042	936
Total other operating income	202	290
Pension plan changes	0	-166
Total operating costs	569	605
Profit before losses	675	787
Losses on loans, guarantees etc.	54	47
Profit before tax	621	740
Tax payable on ordinary profit	171	210
Profit for the period	450	530

As a percentage of average assets

Net interest income	2.00	1.93
Total other operating income	0.39	0.60
Pension plan changes	0.00	-0.34
Total operating costs	1.09	1.24
Profit before losses	1.30	1.63
Losses on loans, guarantees etc.	0.10	0.10
Profit before tax	1.20	1.53
Tax payable on ordinary profit	0.33	0.43
Profit for the period	0.87	1.10



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