

UNAUDITED INTERIM REPORT

4 QUARTER

2015



SPAREBANKEN MØRE

Financial highlights - Group

Income statement

	Q4 2015		Q4 2014		2015		2014	
	NOK million	%	NOK million	%	NOK million	%	NOK million	%
Net interest income	279	1.87	282	2.03	1 098	1.89	1 093	2.01
Net commission and other operating income	43	0.27	48	0.34	193	0.33	180	0.33
Net return from financial investments	-3	-0.02	-7	-0.05	12	0.02	135	0.25
Total income	319	2.12	323	2.32	1 303	2.24	1 408	2.59
Total operating costs	124	0.82	136	0.98	561	0.96	564	1.04
Profit before impairment on loans	195	1.30	187	1.34	742	1.28	844	1.55
Impairment on loans, guarantees etc.	25	0.17	7	0.05	50	0.09	22	0.04
Pre tax profit	170	1.13	180	1.29	692	1.19	822	1.51
Tax	48	0.31	53	0.38	189	0.32	199	0.36
Profit after tax	122	0.82	127	0.91	503	0.87	623	1.15

Statement of financial position

NOK million	31.12.2015	% change during last 12 months	31.12.2014
Total assets	60 120	6.8	56 305
Average assets	58 113	6.7	54 455
Loans to and receivables from customers	51 286	4.9	48 884
Deposits from customers	29 389	3.5	28 389

Key figures

	Q4 2015	Q4 2014	2015	2014
Return on equity (annualised)	10.3	11.0	10.7	14.0
Costs as a percentage of income	38.8	42.3	43.0	40.1
Core capital as a percentage 1) 2)	16.4	14.4	16.4	14.4
Core tier 1 capital as a percentage 1) 2)	14.2	12.0	14.2	12.0
Losses as a percentage of loans 1.1/start of the period	0.19	0.06	0.10	0.05
Problem loans as a percentage of loans (prior to impairment)	0.47	0.80	0.47	0.80
Problem loans as a percentage of loans (after impairment)	0.32	0.51	0.32	0.51

Deposits to lending ratio as a percentage	57.3	58.1	57.3	58.1
Man-years	388	383	388	383
Equity Certificates:				
Profit per EC (Group) (NOK)	6.20	6.40	25.25	31.20
Profit per EC (Parent Bank) (NOK)	5.20	4.00	25.70	29.10
EC fraction 1.1 as a percentage (Parent Bank)	49.6	49.6	49.6	49.6
Price at Oslo Stock Exchange (NOK)	188.00	216.00	188.00	216
Price/Book value (P/B) (Group)	0.74	0.89	0.74	0.89

1) Sparebanken Møre's capital requirements have been based on IRB-Foundation for corporate commitments from 30th June 2014 and IRB-Retail for retail commitments from 31st March 2015.

2) Incl. proposed allocations

Interim Report from the Board of Directors

All figures relate to the Group. Figures in brackets refer to the corresponding period last year. The financial statements have been prepared in accordance with IFRS and the interim report has been prepared in conformity with IAS 34 Interim Financial Reporting.

RESULTS FOR Q4 2015

The profit after tax for the fourth quarter of 2015 amounted to NOK 122 million, or 0.82 % of average total assets, compared to NOK 127 million, or 0.91 %, for the corresponding quarter last year. The return on equity in the fourth quarter of 2015 was 10.3 %, compared to 11.0 % last year.

The earnings per equity certificate amounted to NOK 6.20 (NOK 6.40) for the Group and NOK 4.20 (NOK 4.00) for the Parent Bank.

Net interest income

The net interest and credit commission income of NOK 279 million was NOK 3 million lower than in the corresponding quarter of last year. This represents 1.87 % of total assets, which is 0.16 percentage points lower than in the fourth quarter of 2014.

The generally low level of interest rates in the market, combined with strong competition for both loans and deposits, is affecting the development of net interest income.

Other operating income

Other operating income amounted to NOK 40 million, which is NOK 1 million lower than in the fourth quarter of last year. Other operating income amounted to 0.25 % of average total assets, 0.04 percentage points lower than in the corresponding period in 2014. The value of the bond portfolio fell by NOK 12 million over the period, while the value of financial derivatives was NOK 13 million higher than last year.

Costs

Operating costs in the quarter amounted to NOK 124 million; this is NOK 12 million lower than in the same quarter last year. Other operating costs increased by NOK 6 million and staff costs decreased by NOK 18 million compared with the same period last year and amount to NOK 61 million. The Bank's pension scheme has changed such that everyone under 57-years-old with a defined benefit scheme was transferred to a defined contribution scheme with effect from 31 December 2015. This resulted in a reduction in staff costs of NOK 24 million in the fourth quarter of 2015. The Group's total workforce has increased by 5 full time equivalents in the last 12 months to 388 full time equivalents.

The cost income ratio for the fourth quarter of 2015 was 38.8 %, which represents a decrease of 3.5 percentage points compared with the fourth quarter of 2014.

Losses

The quarter's financial statements were charged NOK 25 million in losses on loans and guarantees. This amounts to 0.17 % of average total assets on an annualised basis. The corresponding figures for the fourth quarter of 2014 were NOK 7 million (0.05 %). The losses on loans and guarantees in the fourth quarter of 2015 consist of a NOK 25 million increase in collective impairment, a NOK 1 million increase in losses in the corporate segment, and a NOK 1 million contraction in losses in the retail segment.

Lending and deposit growth

Total assets grew by 0.8 % in relation to the third quarter of 2015 to NOK 60 120 million. Lending decreased by 0.3 % to NOK 51 286 million and deposits increased by 0.4 % to NOK 29 389 million. For further comments concerning volume trends in the last 12 months, please see the comments on 2015 as a whole.

RESULTS FOR 2015

The profit before losses on loans and guarantees amounted to NOK 742 million, or 1.28 % of average total assets, a reduction of NOK 102 million in relation to 2014. The results for 2014 included NOK 94 million in profit from the sale of the shares in Nets AS. The profit after losses on loans and guarantees amounted to NOK 692 million (1.19 %) compared with NOK 822 million (1.51 %) in 2014. The profit after tax amounted to NOK 503 million, which corresponds to 0.87 % of average total assets in 2015, compared with NOK 623 million (1.15 %) last year.

The return on equity amounted to 10.7 % in 2015, compared with 14.0 % (12.0 % excl. profit from sale of Nets AS) in 2014. Sparebanken Møre's return on equity target is a minimum of 10 % after tax.

The earnings per equity certificate in 2015 amounted to NOK 25.25 compared with NOK 31.20 for 2014.

Net interest income

In total, net interest and credit commission income amounted to NOK 1 098 million (NOK 1 093 million). In relation to average total assets, net interest income was 1.89 % (2.01 %). Net interest income accounted for 84.3 % of total income in 2015.

Other operating income

Other operating income amounted to NOK 205 million (0.35 % of average total assets) in 2015. This is a decrease of NOK 110 million compared to 2014. The reduction is primarily attributable to the sale of shares in Nets AS, which produced a profit of NOK 94 million in 2014, as well as reduced mark to market value on the liquidity portfolio of NOK 51 million in 2015, compared with gains of NOK 10 million in 2014.

Costs

Total costs amounted to NOK 561 million, a reduction of NOK 3 million in relation to 2014.

The change in the Bank's pension scheme is the primary reason for the reduction in staff costs in 2015. Everyone under 57-years-old with a defined benefit scheme was transferred to a defined contribution scheme with effect from 31 December 2015. This resulted in a non-recurring effect that reduces staff costs by NOK 24 million in the fourth quarter of 2015. The Group's total workforce has increased by 5 full time equivalents in the last 12 months to 388 full time equivalents.

Staff costs decreased by NOK 15 million and other costs increased by NOK 12 million in relation to 2014. IT costs have increased by NOK 6 million and marketing costs were NOK 7 million lower compared with 2014. The total costs amounted to 0.96 % of average total assets in 2015, compared with 1.04 % in 2014.

The cost income ratio amounted to 43.0 % in 2015, compared with 40.1 % in 2014. Sparebanken Møre's target is to keep the cost income ratio below 45 %.

Losses and commitments in default

The profit and loss account was charged NOK 50 million for losses on loans and guarantees in 2015, while in 2014 it was charged NOK 22 million. This amounted to 0.09 % of average total assets in 2015, compared with 0.04 % in 2014. The losses on loans and guarantees were due to a NOK 96 million increase in collective impairment, a NOK 43 million reduction in losses in the cooperative segment, and a NOK 3 million reduction in losses in the retail market.

Total impairment for losses at year-end 2015 amounted to NOK 341 million (NOK 307 million), which amounts to 0.66 % of gross lending (0.63 %). NOK 14 million of the individual impairment involved commitments in default for more than 90 days (NOK 21 million), which amounts to 0.03 % of gross lending (0.04 %). NOK 65 million related to other commitments (NOK 120 million), which amounts to 0.13 % of gross lending (0.34 %). Collective impairment amounted to NOK 262 million (NOK 166 million) or 0.51 % of gross lending (0.34 %).

Net problem loans (loans which have been in default for more than 90 days and loans that are not in default but which have been subject to an individual impairment for losses) show a reduction of NOK 86 million over the last 12 months. Net problem loans amounted to NOK 163 million, or 0.32 % of gross lending: NOK 110 million in the cooperative segment and NOK 53 million in the retail segment. At year-end 2014, net problem loans amounted to NOK 249 million or 0.51 % of gross lending: the corporate market accounted for NOK 185 million and the retail market NOK 64 million.

Net commitments in default for more than 3 months at the end of 2015 amounted to NOK 58 million (NOK 65 million), which represents a reduction from 0.13 % by year-end 2014 to 0.11 % by year-end 2015.

The Visa-transaction

Sparebanken Møre is a member of Visa Norway FLI. Visa Norway FLI is a shareholder in Visa Europe Ltd. In November 2015 an agreement was signed for the sale of the shares in Visa Europe Ltd to Visa Inc. and the members of Visa Norway FLI are therefore expected to receive remuneration from the sale. The remuneration is expected to be in the form of both a cash settlement and preferred shares, as well as a possible performance-based contingent compensation. Sparebanken Møre has assessed our owner interest which gives right to compensation, as a financial asset and has estimated the value of this asset to NOK 42 million at year end. The transaction has not yet been approved by the EU competition authorities. There is also uncertainty regarding the size and value of some of the remuneration elements. The value adjustment is recorded in other comprehensive income in 2015. Upon completion, which is expected to be in Q2 2016, the gain will be reversed in ordinary profit in accordance with accounting rules.

BALANCE SHEET

Total assets increased by NOK 3 815 million, or 6.8 %, in 2015 to NOK 60 120 million as at 31 December 2015. The change in total assets was, in addition to the increase in lending, affected by the increase of holdings in Norges Bank during the year. There was no significant trading portfolio at year-end 2015.

Lending

Net lending increased by NOK 2 402 million, or 4.9 %, to NOK 51 286 million at year-end 2015. Lending to retail customers increased by 8.0 % and retail customers accounted for 67.5 % of gross lending at year-end 2015 (65.7 %). Corporate lending decreased by 0.7 % in the preceding 12 months, and this segment accounts for 32.5 % (34.3 %) of gross lending.

Deposits

Deposits from customers totalled NOK 29 389 million at year-end 2015, which represents growth of NOK 1 000 million or 3.5 %. Deposits from corporate customers increased by 0.1 %, while from retail customers they grew by 4.7 %. Deposits from public sector customers were 28.8 % higher than at year-end 2014. 36.4 % of deposits were from corporate customers, 60.6 % were from retail customers and 3.0 % were from the public sector.

The difference between the lending and deposit volumes, NOK 21 897 million, was funded via the Norwegian and international money and securities markets. Deposits in relation to loans amounted to 57.3 % (58.1 %) at year-end 2015.

CAPITAL ADEQUACY

The Group's Core Tier 1 capital ratio must comply with the announced regulatory plan for the escalation of capital. Sparebanken Møre has not been defined as a systemically important financial institution. Regardless of the level of the countercyclical buffer, the Group's Core Tier 1 capital shall amount to a minimum of 13.5 %.

Sparebanken Møre has been authorised to use the Foundation IRB method to calculate capital requirements for corporate commitments and the IRB method for mass market commitments. Sparebanken Møre had no capital requirements associated with the transitional scheme for the Basel I floor at year-end 2015.

The Group's capital adequacy at year-end 2015 was well above the regulatory capital requirements and also above the internally set minimum target for Core Tier 1 capital. Primary capital amounts to 18.3 % (15.8 %), Core capital 16.7 % (14.4 %), and Core Tier 1 capital amounts to 14.2 % (12.0 %).

The Board's proposal concerning the allocation of profit for the year entails 55 % of the Group's profit being retained to build up the Group's financial strength.

With a Core Tier 1 capital of 14.2 % after the fourth quarter of 2015, 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 178 million after tax (NOK 189 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 15.7 billion in funding for the Group. The company has contributed NOK 176 million to the result in 2015 (NOK 191 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company made a profit of NOK 0.3 million (NOK -1 million) in 2015. At the end of the year, the company had 15 full time equivalents.

The object of Sparebankeiendom AS is to own and manage the Bank's own commercial properties. The company made a NOK 2 million contribution to the result in 2015 (NOK -1 million). The company has no staff.

EQUITY CERTIFICATES

The equity certificates were distributed between 5 852 owners by year-end 2015. 9 886 954 equity certificates have been issued and the EC capital accounts for 49.6 % of the Parent Bank's total equity. Note 10 provides an overview of the 20 largest owners of the Bank's equity certificates. At year-end 2015, the Bank owned 125 122 of its own equity certificates, which were purchased on the Oslo Stock Exchange at market prices.

The earnings per equity certificate in the Group amounted to NOK 25.25 in 2015 (NOK 31.20).

SPAREBANKEN MØRE'S DIVIDEND POLICY

Sparebanken Møre's dividend policy has remained unchanged for the last few years. The Group'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 ensures that all equity owners are guaranteed equal treatment.

PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR

In line with the rules for equity certificates and in accordance with Sparebanken Møre's dividend policy, it is proposed that 45 % of the Group's profit be allocated to cash dividends and dividend funds for the local community. Based on the accounting breakdown of equity between the EC capital and the primary capital fund, 49.6 % of the net result will be allocated to equity certificate holders and 50.4 % to the primary capital fund. Earnings per equity certificate amounted to NOK 25.25 in 2015. It is proposed to the general meeting that the cash dividend per equity certificate for the 2015 financial year be set at NOK 11.50.

Proposed allocation of the profit for the year:

Profit for the year		NOK 503 million
Dividend funds (45 %):		
• To cash dividends	NOK 114 million	
• Dividend for the local community	NOK 115 million	NOK 229 million
Strengthening of equity (55 %)		
• To the dividend equalisation fund	NOK 140 million	
• To the primary capital fund	NOK 142 million	
• To other funds	NOK -8 million	NOK 274 million
Total allocated		NOK 503 million

FUTURE PROSPECTS

The economic outlook for Møre og Romsdal has weakened slightly in the last few months. This is due to expectations of somewhat lower growth in the international economy in 2016 than previously assumed. Besides this, oil prices have continued to fall. This indicates an even stronger decrease in output within oil-related industries.

On the other hand, the weakening NOK exchange rate is helping to improve the competitiveness of our export industries and import-competing businesses. The drop in, and continued low level of, interest rates will improve purchasing power in the household sector and reduce interest costs for business. Fiscal policy for this year is expansionary. These factors could partly counteract the negative effects of the fall in the oil sector and oil-related activities.

Sparebanken Møre's level of losses is expected to remain relatively low.

Overall, unemployment in the county rose throughout 2015 and in December it was 2.9 %, compared with 3.0 % for the country as a whole. We assume that unemployment will rise further to some extent in the county this year.

We continue to experience strong competition in the market, both for lending and deposits, especially in the retail market, but the Bank is competitive and continues to register good lending growth in this market. Lending growth in the retail market is expected to slow somewhat during the year, while growth in the corporate market will increase. There is a constant focus on generating growth through good commitments with an acceptable level of risk.

Sparebanken Møre focuses strongly on cost-effectiveness. This has resulted in a highly satisfactory level of total costs in relation to income. This focus will continue, and the Group's cost-effectiveness will this year remain well within the internal maximum cost income ratio target of 45 %. Overall, a good result is expected for the year, with a return on equity above the target of 10 %.

Statement of income - Group

STATEMENT OF INCOME - GROUP

Amounts in NOK million	Note	Q4 2015	Q4 2014	2015	2014
Interest income		473	558	1 994	2 237
Interest costs		194	276	896	1 144
Net interest income	<u>9</u>	279	282	1 098	1 093
Commission income and revenues from banking services		45	44	196	178
Commission costs and expenditure from banking services		7	7	28	29
Other operating income		5	11	25	31
Net commission and other operating income		43	48	193	180
Dividends		1	0	2	7
Net gains/losses from financial instruments	<u>5</u>	-4	-7	10	128
Net return from financial instruments		-3	-7	12	135
Total income		319	323	1 303	1 408
Wages, salaries etc.		61	79	309	324
Administration costs		26	36	119	119
Depreciation and impairment		9	6	29	25
Other operating costs		28	15	104	96
Total operating costs		124	136	561	564
Profit before impairment on loans		195	187	742	844
Impairment on loans, guarantees etc.	<u>3</u>	25	7	50	22
Pre tax profit		170	180	692	822
Taxes		47	53	189	199
Profit after tax		123	127	503	623
Profit per EC (NOK)		6.20	6.40	25.25	31.20
Diluted earnings per EC (NOK)		6.20	6.40	25.25	31.20
Distributed dividend per EC (NOK)		0.00	0.00	13.50	8.00

STATEMENT OF COMPREHENSIVE INCOME - GROUP

Amounts in NOK million	Q4 2015	Q4 2014	2015	2014
Profit after tax	123	127	503	623
Other income/costs reversed in ordinary profit:				

Equities available for sale - changes in value	50	-5	48	-13
Other income/costs not reversed in ordinary profit:				
Pension estimate deviations	-9	-102	-9	-102
Tax effect of pension estimate deviations	-2	27	-2	27
Total comprehensive income after tax	162	47	540	535

Statement of financial position - Group

STATEMENT OF FINANCIAL POSITION - GROUP

Assets

Amounts in NOK million	Note	31.12.2015	31.12.2014
Cash and claims on Norges Bank	<u>5 6 9</u>	1 054	78
Loans to and receivables from credit institutions	<u>5 6 9</u>	1 205	1 161
Loans to and receivables from customers	<u>2 3 4 5 7 9</u>	51 286	48 884
Certificates, bonds and other interest-bearing securities	<u>5 7 9</u>	4 735	4 771
Financial derivatives	<u>5 7</u>	1 135	898
Shares and other securities	<u>5 7</u>	168	126
Deferred tax benefit		50	31
Intangible assets		48	32
Fixed assets		259	264
Other assets		180	60
Total assets		60 120	56 305

Liabilities and equity

Amounts in NOK million	Note	31.12.2015	31.12.2014
Loans and deposits from credit institutions	<u>5 6 9</u>	1 058	548
Deposits from customers	<u>2 5 7 9</u>	29 389	28 389
Debt securities issued	<u>5 6</u>	21 918	19 872
Financial derivatives	<u>5 7</u>	592	713
Other liabilities		590	275
Incurred costs and prepaid income		75	77
Other provisions for incurred liabilities and costs		59	207
Perpetual Hybrid Tier 1 capital	<u>5 6</u>	826	878
Subordinated loan capital	<u>5 6</u>	501	501
Total liabilities		55 008	51 460
EC capital	<u>10</u>	989	989
ECs owned by the Bank		-13	-11
Share premium		354	353
Paid-in equity		1 330	1 331
Primary capital fund		2 183	2 048

Gift fund	125	125
Dividend equalisation fund	935	799
Value adjustment fund	82	34
Other equity	457	507
Retained earnings	3 782	3 514
Total equity	5 112	4 845
Total liabilities and equity	60 120	56 305
Guarantees	1 605	1 660

Statement of changes in equity - Group

GROUP 31.12.2015	Total equity	EC capital	Share premium	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Other equity
Equity as at 31 December 2014	4 845	978	353	2 048	125	799	34	507
Changes in own equity certificates	-2	-2	1	-2		1		
Distributed dividend to the EC holders	-133							-133
Distributed dividend to the local community	-136							-136
Equity before allocation of profit for the year	4 573	976	354	2 046	125	800	34	238
Allocated to the primary capital fund	142			142				
Allocated to the dividend equalisation fund	140					140		
Allocated to other equity	-9							-9
Proposed dividend allocated for the EC holders	114							114
Proposed dividend allocated for the local community	115							115
Distributed profit for the year	503	0	0	142	0	140	0	220
Equities available for sale - changes in value	48						48	
Pension estimate deviations	-9			-5		-4		
Tax effect of pension estimate deviations	-2			-1		-1		
Total other income and costs from comprehensive income	37	0	0	-6	0	-5	48	0
Total profit for the period	540	0	0	137	0	135	48	220
Equity as at 31 December 2015	5 112	976	354	2 183	125	935	82	457

GROUP 31.12.2014	Total equity	EC capital	Share premium	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Other equity
Equity as at 31 December 2013	4 491	985	353	1 935	125	684	47	362
Changes in own equity certificates	-14	-7		-6		-1		
Distributed dividend to the EC holders	-79							-79
Distributed dividend to the local community	-87							-87
Equity before allocation of profit for the year	4 311	978	353	1 929	125	683	47	196
Allocated to the primary capital fund	157			157				
Allocated to the dividend equalisation fund	154					154		
Allocated to other equity	42							42

Proposed dividend allocated for the EC holders	133							133
Proposed dividend allocated for the local community	136							136
Distributed profit for the year	623	0	0	157	0	154	0	311
Equities available for sale - changes in value	-13							-13
Pension estimate deviations	-102			-52		-51		
Tax effect of pension estimate deviations	27			14		13		
Total other income and costs from comprehensive income	-88	0	0	-38	0	-38	-13	0
Total profit for the period	535	0	0	119	0	116	-13	311
Equity as at 31 December 2014	4 845	978	353	2 048	125	799	34	507

Statement of cash flow - Group

Amounts in NOK million	31.12.2015	31.12.2014
Cash flow from operating activities		
Interest, commission and fees received	2 109	2 122
Interest, commission and fees paid	-524	-358
Dividend and group contribution received	2	7
Operating expenses paid	-532	-514
Income taxes paid	-202	-188
Changes relating to loans to and claims on other financial institutions	-35	-446
Changes relating to repayment of loans/leasing to customers	-2 931	-2 223
Changes in utilised credit facilities	485	-546
Net change in deposits from customers	1 028	332
Net cash flow from operating activities	-600	-1 814
Cash flow from investing activities		
Interest received on certificates, bonds and other securities	104	140
Proceeds from the sale of certificates, bonds and other securities	1 483	2 594
Purchases of certificates, bonds and other securities	-1 512	-2 137
Proceeds from the sale of fixed assets etc.	4	1
Purchase of fixed assets etc.	-43	-33
Changes in other assets	-283	-454
Net cash flow from investing activities	-247	111
Cash flow from financing activities		
Interest paid on debt securities	-455	-493
Net change in deposits from Norges Bank and other financial institutions	483	-559
Proceeds from bond issues raised	7 056	6 258
Redemption of debt securities	-5 107	-4 955
Dividend paid	-133	-79
Changes in other debt	-21	328
Net cash flow from financing activities	1 823	500
Net change in cash and cash equivalents	976	-1 203
Cash balance at 01.01	78	1 281

Cash balance at 31.12

1 054

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Note 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 2015. 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`s and subsidiaries` functional currency.

The interim report is prepared in accordance with accounting principles and methods applied in the 2014 financial statements. IFRIC 21 Levies was effective from 2015. This interpretation does not affect the accrual in the annual financial statements. Otherwise, there have been no changes or new standards coming into force in 2015.

Please see the Annual report 2014 for further description of accounting principles.

Note 2

LOANS AND DEPOSITS BROKEN DOWN ACCORDING TO SECTORS

GROUP	Loans	
	31.12.2015	31.12.2014
Broken down according to sectors		
Agriculture and forestry	369	463
Fisheries	3 313	3 279
Manufacturing	1 755	2 217
Building and construction	595	603
Wholesale and retail trade, hotels	507	577
Foreign shipping/supply	1 189	1 610
Property management	6 133	5 637
Professional/financial services	892	787
Transport and private/public services	1 639	1 311
Public entities	2	38
Activities abroad	132	135
Miscellaneous	180	160
Total corporate/public entities	16 706	16 817
Retail customers	34 822	32 245
Accrued interest income	99	129
Total loans	51 627	49 191
Individual impairment	-79	-141
Collective impairment	-262	-166
Loans to and receivables from customers	51 286	48 884
Loans with floating interest rate (amortised cost)	46 290	45 068
Loans with fixed interest rate (fair value)	5 337	4 123

GROUP	Deposits	
	31.12.2015	31.12.2014
Broken down according to sectors		
Agriculture and forestry	176	163
Fisheries	641	457
Manufacturing	1 122	1 138
Building and construction	470	484

Wholesale and retail trade, hotels	738	688
Foreign shipping/supply	503	311
Property management	1 370	1 597
Professional/financial services	1 557	1 370
Transport and private/public services	2 335	2 009
Public entities	898	697
Activities abroad	5	10
Miscellaneous	1 751	2 434
Total corporate/public entities	11 566	11 358
Retail customers	17 815	17 024
Accrued interest costs	8	7
Total deposits	29 389	28 389
Deposits with floating interest rate (amortised cost)	28 875	27 947
Deposits with fixed interest rate (fair value)	514	442

Note 3

LOSSES AND IMPAIRMENT ON LOANS AND GUARANTEES

Specification of losses on loans, guarantees etc.

	Q4 2015	Q4 2014	31.12.2015	31.12.2014
Changes in individual impairment of loans and guarantees during the period	-14	-14	-66	-25
Changes in collective impairment during the period	25	17	96	26
Confirmed losses during the period where individual impairment had previously been made	3	1	13	20
Confirmed losses during the period where individual impairment had previously not been made	15	8	19	19
Recoveries	4	5	12	18
Losses on loans, guarantees etc.	25	7	50	22

Individual impairment on loans

	Q4 2015	Q4 2014	31.12.2015	31.12.2014
Individual impairment on loans as at 01.01/01.10	84	157	141	166
Confirmed losses during the period, where individual impairment had previously been made	3	1	13	20
Increase in individual impairment during the period	4	0	9	7
Individual impairment of new commitments during the period	2	1	22	29
Recoveries on individual impairment during the period	8	16	80	41
Individual impairment on loans at the end of the period	79	141	79	141

Collective impairment on loans

	Q4 2015	Q4 2014	31.12.2015	31.12.2014
Collective impairment of loans as at 01.01/01.10	237	149	166	140
Changes during the period	25	17	96	26
Collective impairment on loans at the end of the period	262	166	262	166

Individual impairment on guarantees

	Q4 2015	Q4 2014	31.12.2015	31.12.2014
Individual impairment as at 01.01/01.10	2	2	2	2

Individual impairment during the period	0	0	0	0
Recoveries on individual impairment during the period	2	0	2	0
Individual impairment at the end of the period	0	2	0	2

Note 4

DEFAULTED AND DOUBTFUL COMMITMENTS

Problem loans

(total of commitments in default above 3 months and commitments subject for individual impairment without being in default)

GROUP	31.12.2015			31.12.2014		
	Total	Retail	Corporate	Total	Retail	Corporate
Problem loans prior to individual impairment:						
Commitments in default above 3 months	72	37	35	86	47	39
Other bad and doubtful commitments subject to impairment	170	28	142	306	37	269
Total problem loans prior to individual impairment	242	65	177	392	84	308
Individual impairment on:						
Commitments in default above 3 months	14	2	12	21	8	13
Other bad and doubtful commitments subject to impairment	65	10	55	122	12	110
Total individual impairment	79	12	67	143	20	123
Problem loans after individual impairment:						
Commitments in default above 3 months	58	35	23	65	39	26
Other bad and doubtful commitments subject to impairment	105	18	87	184	25	159
Total problem loans less individual impairment	163	53	110	249	64	185
Total problem loans prior to individual impairment as a percentage of total loans	0.47	0.19	1.07	0.80	0.26	1.83
Total problem loans less individual impairment as a percentage of total loans	0.32	0.15	0.67	0.51	0.20	1.10

Note 5

CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the balance sheet at the date when the Group becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or the company transfers the financial asset in such a way that risk and profit potential of the financial asset is substantially transferred. Financial liabilities are derecognised from the date when the rights to the contractual provisions have been extinguished, cancelled or expired.

CLASSIFICATION

The Group's portfolio of financial instruments is at initial recognition classified in accordance with IAS 39. The bank's classes of financial instruments and the measurement basis for these are the following:

- Financial assets and derivatives held for trading purposes (trading portfolio)
- Financial assets and liabilities assessed at fair value, any changes in value being recognised in the profit and loss account
- Financial instruments assessed as held available for sale at fair value, any changes in value recognised in other comprehensive income
- Loans and receivables
- Financial assets and liabilities assessed at amortised cost

Financial assets and derivatives held for trading

The Group's criteria for the classification of the trading portfolio are the following:

- Positions in financial instruments held for the Group's own account for the purpose of selling on and/or financial instruments acquired by the Group in order to take advantage on a short-term basis of any actual and/or expected differences between purchase- and sale prices or any other price- and interest rate fluctuations.
- Positions held by the Group in order to hedge other parts of the trading portfolio
- Other commitments which are related to positions which form part of the trading portfolio

The Group's trading portfolio is defined within this group and is assessed at fair value through profit or loss.

Financial assets and liabilities assessed at fair value, any changes in value recognised through profit or loss

The Group's portfolio of fixed interest rate loans and -deposits, and the liquidity portfolio, are classified at fair value, with any changes in value being included in the profit and loss account, since these portfolios are managed based on fair value.

Losses and gains as a result of value changes of those assets and liabilities which are assessed at fair value, with any value changes being recognised in the profit and loss account, are included in the accounts during the period in which they occur.

Instruments held as available for sale, assessed at fair value, with any value changes shown in other comprehensive income

The Group's portfolio of shares, which are not classified as held for trading, are classified as available for sale, with any value changes shown in other comprehensive income. Realised gains and losses, as well as impairment, are recognised in the profit and loss account during the period in which they occur.

The Group's owner interest in Visa Norway FLI is classified as a financial asset in the category available for sale in level three in the valuation hierarchy. The change in value of this asset is recognized in other comprehensive income.

Loans and receivables

All loans and receivables, including leasing, but with the exception of fixed interest rate loans, are assessed at amortised cost, based on expected cash flows. The difference between the issue cost of the securities and the settlement amount at maturity, is amortised over the lifetime of the loan.

Financial liabilities assessed at amortised cost

Debt securities, including debt securities included in fair value hedging, loans and deposits from credit institutions and deposits from customers without agreed maturity, are valued at amortised cost based on expected cash flows. The portfolio of own bonds is shown in the accounts as a reduction of debt.

GROUP - 31.12.2015	Financial instruments at fair value through profit and loss account		Financial instruments assessed at amortised cost	Financial instruments held available for sale
	Trading	At fair value		
Cash and claims on Norges Bank			1 054	
Loans to and receivables from credit institutions			1 205	
Loans to and receivables from customers		5 337	45 949	
Certificates and bonds		4 735		
Shares and other securities	2			166
Financial derivatives	1 135			
Total financial assets	1 137	10 072	48 208	166
Loans and deposits from credit institutions			1 058	
Deposits from and liabilities to customers		514	28 875	
Financial derivatives	592			
Debt securities		1 107	20 810	
Subordinated loan capital and Perpetual Hybrid Tier 1 capital			1 327	
Total financial liabilities	592	1 621	52 070	-

GROUP - 31.12.2014	Financial instruments at fair value through profit and loss account		Financial instruments assessed at amortised cost	Financial instruments held available for sale
	Trading	At fair value		
Cash and claims on Norges Bank			78	
Loans to and receivables from credit institutions			1 161	
Loans to and receivables from customers		4 123	44 761	
Certificates and bonds		4 771		
Shares and other securities	3			123
Financial derivatives	898			
Total financial assets	901	8 894	46 000	123
Loans and deposits from credit institutions			548	
Deposits from and liabilities to customers		442	27 947	

Financial derivatives	713			
Debt securities			19 872	
Subordinated loan capital and Perpetual Hybrid Tier 1 capital			1 379	
Total financial liabilities	713	442	49 746	-

Net gains/losses on financial instruments

	Q4 2015	Q4 2014	31.12.2015	31.12.2014
Certificates and bonds	-10	-2	-51	10
Securities	-2	-1	-2	92
Foreign exchange trading (for customers)	9	9	33	27
Fixed income trading (for customers)	3	3	26	8
Financial derivatives	-3	-16	6	-9
Net change in value and gains/losses from financial instruments	-3	-7	12	128

Note 6

FINANCIAL INSTRUMENTS AT AMORTISED COST

GROUP	31.12.2015		31.12.2014	
	Fair value	Book value	Fair value	Book value
Cash and claims on Norges Bank	1 054	1 054	78	78
Loans to and receivables from credit institutions	1 205	1 205	1 161	1 161
Loans to and receivables from customers	45 949	45 949	44 761	44 761
Total financial assets	48 208	48 208	46 000	46 000
Loans and deposits from credit institutions	1 058	1 058	548	548
Deposits from and liabilities to customers	28 875	28 875	27 947	27 947
Debt securities	20 676	20 810	20 033	19 872
Subordinated loan capital and Perpetual Hybrid Tier 1 capital	1 369	1 327	1 475	1 379
Total financial liabilities	51 978	52 070	50 003	49 746

GROUP - 31.12.2015	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Cash and claims on Norges Bank	1 054			1 054
Loans to and receivables from credit institutions		1 205		1 205
Loans to and receivables from customers			45 949	45 949
Total financial assets	1 054	1 205	45 949	48 208
Loans and deposits from credit institutions		1 058		1 058
Deposits from and liabilities to customers			28 875	28 875
Debt securities		20 676		20 676
Subordinated loan capital and Perpetual Hybrid Tier 1 capital		1 369		1 369
Total financial liabilities	-	23 103	28 875	51 978

GROUP - 31.12.2014	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Cash and claims on Norges Bank	78			78
Loans to and receivables from credit institutions		1 161		1 161
Loans to and receivables from customers			44 761	44 761

Total financial assets	78	1 161	44 761	46 000
Loans and deposits from credit institutions		548		548
Deposits from and liabilities to customers			27 947	27 947
Debt securities		20 033		20 033
Subordinated loan capital and Perpetual Hybrid Tier 1 capital		1 475		1 475
Total financial liabilities	-	22 056	27 947	50 003

Note 7

FINANCIAL INSTRUMENTS AT FAIR VALUE

GROUP - 31.12.2015	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Cash and claims on Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			5 337	5 337
Certificates and bonds	1 739	2 996		4 735
Shares and other securities	7		161	168
Financial derivatives		1 135		1 135
Total financial assets	1 746	4 131	5 498	11 375
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			514	514
Debt securities		1 107		1 107
Subordinated loan capital and Perpetual Hybrid Tier 1 capital				-
Financial derivatives		592		592
Total financial liabilities	-	1 699	514	2 213

GROUP - 31.12.2014	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Cash and claims on Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			4 123	4 123
Certificates and bonds	1 660	3 111		4 771
Shares and other securities	12		114	126
Financial derivatives		898		898
Total financial assets	1 672	4 009	4 237	9 918
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			442	442
Debt securities				-
Subordinated loan capital and Perpetual Hybrid Tier				-

1 capital

Financial derivatives		713		713
Total financial liabilities	-	713	442	1 155

GROUP	Loans to and receivables from customers	Shares and other securities	Deposits from and liabilities to customers
Recorded value as at 31.12.14	4 123	114	442
Purchases/additions	2 505	-	335
Sales/reduction	1 291	4	263
Transferred to Level 3	-	-	-
Transferred from Level 3	-	-	-
Net gains/losses in the period	-	51	-
Recorded value as at 31.12.15	5 337	161	514

GROUP	Loans to and receivables from customers	Shares and other securities	Deposits from and liabilities to customers
Recorded value as at 31.12.13	4 438	194	526
Purchases/additions	375	1	115
Sales/reduction	734	166	200
Transferred to Level 3	-	-	-
Transferred from Level 3	-	-	-
Net gains/losses in the period	44	85	1
Recorded value as at 31.12.14	4 123	114	442

Note 8

OPERATING SEGMENTS

Result - Q4 2015	Group	Eliminations/ other	Corporate	Retail 1)	Real estate brokerage
Net interest income	279	-12	117	174	0
Other operating income	40	-8	21	23	4
Total income	319	-20	138	197	4
Operating costs	124	3	32	83	6
Profit before impairment	195	-23	106	114	-2
Impairment on loans, guarantees etc.	25	24	2	-1	0
Pre tax profit	170	-47	104	115	-2
Taxes	48				
Profit after tax	122				

Result - 31.12.2015	Group	Eliminations/ other	Corporate	Retail 1)	Real estate brokerage
Net interest income	1 098	-22	468	652	0
Other operating income	205	-10	90	105	20
Total income	1 303	-32	558	757	20
Operating costs	561	78	117	346	20
Profit before impairment	742	-110	441	411	0
Impairment on loans, guarantees etc.	50	96	-42	-4	0
Pre tax profit	692	-206	483	415	0
Taxes	189				
Profit after tax	503				

Statement of financial position - 31.12.2015	Group	Eliminations/ other	Corporate	Retail 1)	Real estate brokerage
Loans to customers 1)	51 286	1 007	16 245	34 034	0
Deposits from customers 1)	29 389	731	9 673	18 985	0
Guarantee liabilities	1 605	0	1 595	10	0
The deposit-to-loan ratio	57.3	72.6	59.5	55.8	0

Man-years	388	155	58	160	15
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Result - Q4 2014	Group	Eliminations/ other	Corporate	Retail 1)	Real estate brokerage
Net interest income	282	5	119	158	0
Other operating income	41	-8	19	24	6
Total income	323	-3	138	182	6
Operating costs	136	12	29	88	7
Profit before impairment	187	-15	109	94	-1
Impairment on loans, guarantees etc.	7	17	-10	0	0
Pre tax profit	180	-32	119	94	-1
Taxes	53				
Profit after tax	127				

Result - 31.12.2014	Group	Eliminations/ other	Corporate	Retail 1)	Real estate brokerage
Net interest income	1 093	16	469	608	0
Other operating income	315	127	72	94	22
Total income	1 408	143	541	702	22
Operating costs	564	90	111	340	23
Profit before impairment	844	53	430	362	-1
Impairment on loans, guarantees etc.	22	26	1	-5	0
Pre tax profit	822	27	429	367	-1
Taxes	199				
Profit after tax	623				

Statement of financial position - 31.12.2014	Group	Eliminations/ other	Corporate	Retail 1)	Real estate brokerage
Loans to customers 1)	48 884	1 066	16 315	31 503	0
Deposits from customers 1)	28 389	480	9 606	18 303	0
Guarantee liabilities	1 660	0	1 652	8	0
The deposit-to-loan ratio	58.1	45.0	58.9	58.1	0
Man-years	383	152	53	162	16

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 the company is part of Sparebanken Møre's long-term financing strategy. Key figures for Møre Boligkreditt AS are displayed in a separate table.

MØRE BOLIGKREDITT AS		
Statement of income	Q4 2015	Q4 2014
Net interest income	65	77
Other operating income	-2	-5
Total income	63	72
Operating costs	8	8
Profit before impairment on loans	55	64
Impairment on loans, guarantees etc.	1	0
Pre tax profit	54	64
Taxes	15	17
Profit after tax	39	47

MØRE BOLIGKREDITT AS		
Statement of income	31.12.2015	31.12.2014
Net interest income	273	298
Other operating income	2	-7
Total income	275	291
Operating costs	31	29
Profit before impairment on loans	244	262
Impairment on loans, guarantees etc.	3	1
Pre tax profit	241	261
Taxes	65	70
Profit after tax	176	191

Statement of financial position	31.12.2015	31.12.2014
Loans to and receivables from customers	16 907	15 544

Note 9

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	31.12.2015	31.12.2014
Statement of income		
Interest and credit commission income from subsidiaries	19	34
Received dividend and group contribution from subsidiaries	191	152
Rent paid to Sparebankeiendom AS	18	17
Administration fee received from Møre Boligkreditt AS	24	22
Statement of financial position		
Claims on subsidiaries	1 121	1 069
Covered bonds	0	25
Liabilities to subsidiaries	307	122
Accumulated loan portfolio transferred to Møre Boligkreditt AS	16 911	15 546

Note 10

EC CAPITAL

The 20 largest EC holders in Sparebanken Møre as at 31.12.2015	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	981 000	9.92
Verdipapirfond Pareto Aksje Norge	511 958	5.18
MP Pensjon	430 282	4.35
Wenaasgruppen AS	380 000	3.84
VPF Nordea Norge Verdi	327 073	3.31
Pareto AS	305 189	3.09
FLPS - Princ All Sec	227 634	2.30
Bergen Kommunale Pensjonskasse	210 000	2.12
VPF Fondsinans Norge	154 000	1.56
Beka Holding AS	150 100	1.52
Farstad Shipping ASA	126 909	1.28
Sparebanken Møre	125 122	1.27
Lapas AS (Leif-Arne Langøy)	105 500	1.07
Verdipapirfondet Eika utbytte	103 385	1.05
Odd Slyngstad	80 528	0.81
Andvord AS	71 400	0.72
PIBCO AS	62 000	0.63
Stiftelsen Kjell Holm	61 069	0.62
Forsvarets Personellservice	59 660	0.60
Verdipapirfondet Landkreditt utbytte	54 000	0.55
Total 20 largest	4 526 809	45.79
Total	9 886 954	100.00

Note 11

CAPITAL ADEQUACY

	31.12.2015	31.12.2014
EC capital	989	989
- ECs owned by the Bank	-13	-11
Share premium	354	353
Dividend equalisation fund	935	799
Gift fund	125	125
Primary capital fund	2 183	2 048
Value adjustment fund	82	34
Proposed dividend for the EC holders	114	133
Proposed dividend for the local community	115	136
Other equity	228	238
Total equity	5 112	4 844
Deferred tax, goodwill and intangible assets	-47	-20
Value adjustments of financial instruments at fair value	-12	-12
Value adjustment fund	-82	-34
50 % deduction for equity in other financial institutions	0	0
Perpetual Hybrid Tier 1 capital	808	860
Deduction for overfunded pension liability	0	0
Expected losses exceeding actual losses, IRB portfolios corporate	-173	-193
Proposed dividend for the EC holders	-114	-133
Proposed dividend for the local community	-115	-136
Total core capital	5 377	5 176
Common equity Tier 1 Capital	4 569	4 316
Supplementary capital		
Subordinated loan capital of limited duration	501	501
36 % addition for net unrealised gains on shares available for sale	0	12
50 % deduction for equity in other financial institutions	0	0
Total supplementary capital	501	513
Net equity and subordinated loan capital	5 878	5 689

Capital requirement by exposure classes

Exposure classes SA - credit risk

Central governments or central banks	0	0
Regional governments or local authorities	6	4
Public sector companies	20	21
Institutions (banks etc)	52	51
Companies (corporate customers)	5	33
Mass marked (retail banking customers)	0	26
Secured by mortgage on immovable property	0	976
Exposures in default	0	3
Covered bonds	16	13
Equity	8	6
Other items	91	81
Total capital requirements - credit risk, The Standardised Approach	198	1 214

Exposure classes IRB - credit risk

Retail - Secured by real estate	563	-
Retail - Other	46	-
SME	773	854
Specialised lending	512	440
Other corporate lending	252	174
IRB-F capital requirements	2 146	1 468
Total capital requirements - credit risk	2 344	2 682

Exposure classes SA - market risk

Debt	0	0
Equity	0	0
Foreign exchange	0	0
Credit value adjustment risk (CVA)	40	21
Total capital requirements - market risk	40	21
Operational Risk (Basic Indicator Approach)	190	180
Deductions from the capital requirement	0	0
Total capital requirement less transitional rules	2 574	2 883
Additional capital requirements from transitional rules 1)	0	0
Total capital requirements	2 574	2 883

Risk-weighted assets (calculation basis for capital adequacy ratio)

Risk-weighted assets less transitional rules	32 170	36 036
Additional RWA from transitional rules 1)	0	0
Total risk-weighted assets	32 170	36 036
Minimum requirement common equity Tier 1 capital (4.5 %)	1 448	1 622

1) Transitional rules require that RWA can not be less than 80 per cent of the corresponding Basel I requirement.

Buffer Requirement

Capital conservation buffer (2.5 %)	804	900
Systemic risk buffer (3.0 %)	965	1 081
Total buffer requirements	1 769	1 981
Available common equity Tier 1 capital after buffer requirements	1 352	713

Capital adequacy as a percentage of the weighted asset calculation basis incl. transitional rules

Capital adequacy ratio	18.3	15.8
Core capital ratio	16.7	14.4
Core Tier 1 capital ratio	14.2	12.0

Sparebanken Møre's capital requirements at 31st December 2015 are based on IRB-Foundation for corporate commitments and IRB-Retail for retail commitments.

Leverage Ratio (LR)

Leverage Ratio (LR)	8.2	7.9
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Statement of income - Parent Bank

STATEMENT OF INCOME - PARENT BANK

Amounts in NOK million	Q4 2015	Q4 2014	2015	2014
Interest income	348	409	1 473	1 664
Interest costs	134	202	645	864
Net interest income	214	207	828	800
Commission income and revenues from banking services	46	44	197	179
Commission costs and expenditure from banking services	7	7	28	29
Other operating income	8	8	27	27
Net commission and other operating income	47	45	196	177
Dividends	1	1	193	159
Net gains/losses from financial instruments	-2	-2	9	136
Net return from financial instruments	-1	-1	202	295
Total income	260	251	1 226	1 272
Wages, salaries etc.	57	74	295	308
Administration costs	26	36	119	119
Depreciation and impairment	6	5	23	21
Other operating costs	30	12	105	92
Total operating costs	119	127	542	540
Profit before impairment on loans	141	124	684	732
Impairment on loans, guarantees etc.	25	8	47	22
Pre tax profit	116	116	637	710
Taxes	33	36	125	129
Profit after tax	83	80	512	581
Profit per EC (NOK)	4.20	4.00	25.70	29.10
Diluted earnings per EC (NOK)	4.20	4.00	25.70	29.10
Distributed dividend per EC (NOK)	0.00	0.00	13.50	8.00

STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK

Amounts in NOK million	Q4 2015	Q4 2014	2015	2014
Profit after tax	83	80	512	581
Other income/costs reversed in ordinary profit:				

Equities available for sale - changes in value	50	-5	48	-13
Other income/costs not reversed in ordinary profit:				
Pension estimate deviations	-9	-102	-9	-102
Tax effect of pension estimate deviations	-2	27	-2	27
Total comprehensive income after tax	122	0	549	493

Statement of financial position - Parent Bank

STATEMENT OF FINANCIAL POSITION - PARENT BANK

Assets

Amounts in NOK million	31.12.2015	31.12.2014
Cash and claims on Norges Bank	1 054	78
Loans to and receivables from credit institutions	2 174	2 076
Loans to and receivables from customers	34 530	33 495
Certificates, bonds and other interest-bearing securities	4 333	4 588
Financial derivatives	650	503
Shares and other securities	168	126
Equity stakes in Group companies	1 171	1 071
Deferred tax benefit	60	40
Intangible assets	47	31
Fixed assets	50	54
Other assets	174	53
Total assets	44 411	42 115

Liabilities and equity

Amounts in NOK million	31.12.2015	31.12.2014
Loans and deposits from credit institutions	1 343	651
Deposits from customers	29 410	28 407
Debt securities issued	6 206	5 874
Financial derivatives	586	713
Other liabilities	521	204
Incurred costs and prepaid income	75	77
Other provisions for incurred liabilities and costs	59	202
Perpetual Hybrid Tier 1 capital	826	878
Subordinated loan capital	501	501
Total liabilities	39 527	37 507
EC capital	989	989
ECs owned by the Bank	-13	-11
Share premium	354	353

Paid-in equity	1 330	1 331
Primary capital fund	2 183	2 048
Gift fund	125	125
Dividend equalisation fund	935	799
Value adjustment fund	82	34
Other equity	229	269
Retained earnings	3 554	3 276
Total equity	4 884	4 608
Total liabilities and equity	44 411	42 115
Guarantees	1 605	1 660

Profit performance - Group

QUARTERLY PROFIT

Amounts in NOK million	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Net interest income	279	277	269	273	282
Other operating income	40	33	65	67	41
Total operating costs	124	146	144	147	136
Profit before impairment on loans	195	164	190	193	187
Impairment on loans, guarantees etc.	25	10	7	8	7
Pre tax profit	170	154	183	185	180
Tax	48	43	49	50	53
Profit after tax	122	111	134	135	127

As a percentage of average assets

Net interest income	1.87	1.90	1.89	1.93	2.03
Other operating income	0.25	0.22	0.46	0.47	0.29
Total operating costs	0.82	1.00	1.01	1.04	0.98
Profit before impairment on loans	1.30	1.12	1.34	1.36	1.34
Impairment on loans, guarantees etc.	0.17	0.07	0.05	0.06	0.05
Pre tax profit	1.13	1.05	1.29	1.30	1.29
Tax	0.31	0.29	0.34	0.35	0.38
Profit after tax	0.82	0.76	0.95	0.95	0.91