

INTERIM REPORT  
3 QUARTER  
UNAUDITED 14



SPAREBANKEN MØRE

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In 2013, 51 000 new enterprises were established in Norway. The number of new enterprises registered in the first quarter this year is 10.6 per cent higher than in the same period last year. Norway is among the countries with the highest number of enterprise start-ups per year. Entrepreneurship and start-ups are an important policy instrument for facing economic downturns and stimulating regional growth and development. Training in the form of youth enterprises, student enterprises and similar measures increase our knowledge of what it takes to establish and run a business.

Entrepreneurs Lars and Ante Giskeødegård are examples of people who have managed to make a living from their passion for culture. Among other things, they are the founders of the company Momentum, which has developed into a significant player in the Norwegian culture industry.

# Financial highlights - Group

## Income statement

(NOK million)	Q3 2014	%	Q3 2013	%	30.09 2014	%	30.09 2013	%	2013	%
Net interest income	274	2.02	267	2.04	811	2.00	761	1.96	1 042	2.00
Net commission and other operating income	45	0.79	47	0.36	132	0.33	131	0.34	174	0.34
Net return from financial investments	107	0.33	5	0.04	142	0.35	15	0.04	28	0.05
Total income	426	3.14	319	2.44	1 085	2.68	907	2.34	1 244	2.39
Operating costs	141	1.04	143	1.09	428	1.05	442	1.14	569	1.09
Profit before losses	285	2.10	176	1.35	657	1.63	465	1.20	675	1.30
Losses on loans, guarantees etc.	1	0.01	15	0.11	15	0.04	28	0.07	54	0.10
Pre tax profit	284	2.09	161	1.24	642	1.59	437	1.13	621	1.20
Taxes	51	0.38	42	0.33	146	0.36	117	0.30	171	0.33
Profit after tax	233	1.71	119	0.91	496	1.23	320	0.83	450	0.87

## Statement of financial position

(NOK million)	30.09.14	% change YTD 2014	30.09.13	% change during last 12 months	31.12.13
Total assets	55 379	1.4	53 188	4.1	54 627
Average assets	54 060	3.8	51 650	4.7	52 104
Loans to and receivables from customers	47 363	2.7	45 262	4.6	46 122
Deposits from customers	28 152	0.3	27 312	3.1	28 056

## Key figures

	Q3 2014	Q3 2013	30.09 2014	30.09 2013	2013
Return on equity (annualised)	20.8	11.8	15.0	11.5	11.6
Cost as a percentage of income	33.0	44.5	39.4	48.7	45.7
Losses as a percentage of loans 1.1/start of the period	0.01	0.13	0.04	0.08	0.12
Problem loans as a percentage of loans (prior to impairment)	1.08	1.31	1.08	1.31	1.16
Problem loans as a percentage of loans (after impairment)	0.74	0.93	0.74	0.93	0.80
Deposits to lending ratio as a percentage	59.4	60.3	59.4	60.3	60.8
Core capital as a percentage 1) 2)	14.65	15.30	14.65	15.30	15.48
Core tier 1 capital as a percentage 1) 2)	12.35	12.30	12.35	12.30	12.50
Man-years	386	398	386	398	391
EC (numbers refer to the Parent Bank):					
Profit per EC (Parent Bank) (NOK)	9.15	3.73	25.10	14.50	18.45
EC fraction 1.1 as a percentage (Parent Bank)/ average for 2013	49.6	47.8	49.6	47.8	47.7
Price at Oslo Stock Exchange (NOK)	216.50	185	216.50	185	198
Price/Book value (P/B) (Group) 3)	0.90	0.85	0.90	0.85	0.89

1) Standardized approach in Basel II for the mass market, IRB Foundation approach for the corporate market as of 30.06.14

2) Incl. 50 per cent of profit after tax

3) Incl. 100 per cent of profit after tax

# Interim Report of 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 the third quarter of 2014 was NOK 642 million, compared to NOK 437 million for the same period in 2013. Total income was NOK 178 million higher than for the same period in 2013. The increase in total income was due to net interest income increasing by NOK 50 million, income from financial instruments increasing by NOK 127 million (NOK 94 million of which came from the profit from the sale of shares in Nets AS) and other operating income increasing by NOK 1 million. Compared with the same period in 2013, costs were NOK 14 million lower and losses on loans and guarantees were NOK 13 million lower.

The cost/income ratio after the third quarter of 2014 was 39.4 %. This represents a decrease of 9.3 percentage points compared to the same period in 2013. The level of costs for the year-to-date is well within Sparebanken Møre's target of a maximum cost/income ratio of 50 %.

The profit after tax was NOK 496 million, NOK 176 million higher than after the third quarter of 2013. The year's result represents an annualised return on equity of 15.0 %. Corrected for the effect of the sale of shares in Nets AS, the return on equity is 12.3 %.

Sparebanken Møre's strategic return on equity target is a minimum of 10 % after tax.

The earnings per equity certificate after three quarters of 2014 amounted to NOK 24.90, compared to NOK 15.45 for the same period last year.

The Board of Directors is pleased with the result to date in 2014.

## RESULTS FOR Q3 2014

The profit after tax for the third quarter of 2014 amounted to NOK 233 million, or 1.71 % of average total assets, compared to NOK 119 million, or 0.91 %, for the corresponding quarter of last year. The return on equity in the third quarter of 2014 was 20.8 %, compared to 11.8 % for the third quarter of 2013. Corrected for the effect of the sale of shares in Nets AS, the return on equity for the third quarter of 2014 was 12.4 %.

## Net interest income

The net interest and credit commission income of NOK 274 million was NOK 7 million higher than in the corresponding quarter of last year. This represents 2.02 % of total assets, which is 0.02 percentage points lower than in the third quarter of 2013.

Net interest income has increased by 0.02 percentage points since the first 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 152 million, which is NOK 100 million higher than in the third quarter of last year. Other operating income amounted to 1.07 % of average total assets, 0.67 percentage points higher than in the corresponding period in 2013. This increase is primarily attributable to the profit from the sale of shares in Nets AS, which accounts for NOK 94 million or 0.69 % of the total assets in the third quarter of 2014, and the increased value of bond holdings, which represents capital gains of NOK 12 million compared to capital losses of NOK 17 million in the same period last year.

## Costs

Operating costs in the quarter amounted to NOK 141 million, which is NOK 2 million lower than in the same quarter of last year. The reduction was linked to changes in general operating costs. Personnel costs increased by NOK 1 million compared to the corresponding period last year and amounted to NOK 82 million. The Group's total workforce has been reduced by 12 full time equivalents in the last 12 months to 386 full time equivalents.

The cost/income ratio for the third quarter of 2014 was 33.0 %. The ratio is 42.5 % when corrected for the profit from the sale of Nets AS. This represents a decrease of 11.5 percentage points and 2.0 percentage points, respectively, compared to the third quarter of last year.

## Impaired commitments

The quarter's financial statements were

charged NOK 1 million in losses on loans and guarantees. This amounts to 0.01 % of average total assets on an annual basis. The corresponding figures for the third quarter of 2013 were NOK 15 million (0.11 %). The losses on loans and guarantees in the third quarter of 2014 were due to a NOK 5 million increase in collective impairment and a NOK 4 million reduction in the corporate segment.

At the end of the third quarter of 2014, total impairment for losses amounted to NOK 308 million, equivalent to 0.65 % of gross lending (NOK 306 million and 0.67 % of gross lending). NOK 20 million of the individual impairment involved commitments in default for more than 90 days (NOK 59 million), which represents 0.04 % of gross lending (0.13 %). NOK 137 million relates to other commitments (NOK 112 million), which is equivalent to 0.29 % of gross lending (0.24 %). Collective impairment amounted to NOK 149 million (NOK 135 million) or 0.31 % of gross lending (0.30 %).

Net impaired commitments (loans that have been in default for more than 90 days and loans that are not in default but which have been subject to an individual impairment for losses) have in the last 12 months decreased by NOK 70 million. At the end of the third quarter of 2014 the corporate market accounted for NOK 280 million of net impaired commitments, and the retail market NOK 72 million. In total this represents 0.74 % of gross lending (0.93 %).

Net commitments in default for more than 3 months at the end of the third quarter of 2014 amounted to NOK 67 million (NOK 156 million), a reduction from 0.34 % to 0.14 % in the last 12 months.

### Lending and deposit growth

At the end of the third quarter of 2014, net lending to customers amounted to NOK 47 363 million (NOK 45 262 million). Net customer lending has increased by a total of NOK 2 101 million, or 4.6 %, in the last 12 months. Retail lending has increased by 6.2 %, while corporate lending has increased by 1.7 % in the last 12 months. Retail lending accounted for 66.2 % of lending at the end of the third quarter of 2014 (66.4 %).

Customer deposits have increased by 3.1 % in the last 12 months. At the end of the third quarter of 2014, deposits amounted to NOK 28 152 million (NOK 27 953 million). Retail deposits have increased by 5.1 % in the last 12 months, while corporate deposits have increased by 0.2 % and public sector deposits have increased by 2.0 %. The retail sector's relative share of deposits amounted to 59.2 % (58.0 %), while deposits from corporate customers accounted for 38.2 % (69.4 %) and public sector customers 2.6 % (2.6 %).

Deposits as a percentage of loans amounted to 59.4 % at the end of the third quarter of 2014 (60.3 %).

### CAPITAL ADEQUACY

The Group's core tier 1 capital 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 12 %.

Sparebanken Møre has received permission from the Financial Supervisory Authority of Norway (the FSA) to use the IRB Foundation approach for calculating capital requirements for corporate commitments.

For the time being, the Group must use the Standardized approach for the mass market. The FSA stipulated new requirements for IRB models for home mortgages on 1 July 2014. Final approval for Sparebanken Møre to use the IRB method for the mass market will be considered once the FSA has assessed the Group's documentation showing that the internal models match the assumptions on which the new requirements for home mortgage models are based.

As at the end of the third quarter of 2014, the Group's capital adequacy is reported according to the Standardized approach in Basel II for mass market commitments and IRB Foundation approach for the corporate market. Sparebanken Møre had no capital requirements associated with the transitional scheme for the Basel I floor at the end of the third quarter of 2014.

The Group's capital adequacy at the end of the third quarter of 2014 was well above the regulatory capital requirements and also above the internally set minimum target for core tier 1 capital. Primary capital, including 50 % of retained earnings, in the year-to-date amounts to 15.85 % (16.90 %), core capital 14.65 % (15.30 %), of which core tier 1 capital amounts to 12.35 % (12.30 %). The bank repurchased part of a hybrid tier 1 capital issue with a face value of NOK 200 million in the third quarter, which was deducted in its entirety from primary capital and core capital.

### SUBSIDIARIES

The aggregate profit of the bank's three subsidiaries after the first three quarters of 2014 amounted to NOK 144 million after tax (NOK 95 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 14.6 billion in funding for the Group. The company has contributed NOK 144 million to the result in 2014 (NOK 95 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company has made no contribution to the overall result to date in 2014 (NOK 0 million). At the end of the quarter, the company employed 17 full time equivalents.

Sparebankeiendom AS's purpose is to own and manage the bank's business properties. The company has made no contribution to the overall result to date in 2014 (NOK 0 million). The company has no employees.

### EQUITY CERTIFICATES

At the end of the third quarter of 2014, there were 5 925 holders of Sparebanken Møre's equity certificates. 9 886 954 equity certificates have been issued. Equity certificate owners account for 49.6 % of the bank's total equity. Note 8 contains an over-

view of the 20 largest owners of the bank's equity certificates.

As at 30 September 2014, the bank owned 36 810 of its own equity certificates. These were purchased via the Oslo Stock Exchange at market price.

### FUTURE PROSPECTS

The general macroeconomic conditions for Møre og Romsdal remain satisfactory. There are no indications that these will materially change before the end of the year, although the economic outlook for the county for the next 1-2 years marginally worsened during the third quarter. Output and demand in the county are expected to remain high and the unemployment rate will remain at a stable, low level. Registered unemployment in the county was 2.1 % in September. Sparebanken Møre's losses are expected to remain low in the last quarter of the year.

The competitive situation in the banks market area is intensified.

Overall lending growth for 2014 is expected to be good and in line with our plans for both for the corporate market and for the

retail market. There is a constant focus on generating growth through good commitments with an acceptable level of risk.

The Group is enjoying good access to long-term, stable funding in the Norwegian and international funding markets. This is due to the Group's prolonged good, stable results and good financial strength. Funding margins in the long-term capital market have fallen markedly both for the bank and Møre Boligkreditt AS, and the Group will continue to make use of this market going forward. This is expected to make a positive contribution to the Group's total net interest income.

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 for the year will be well within the internal target of a maximum cost/income ratio of 50 %, even when adjusted for the non-recurring income from the sale of Nets AS. Overall the year's result is expected to be good.

Ålesund, 30 September 2014

22 October 2014

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

Leif-Arne Langøy  
CHAIRMAN

Roy Reite  
DEPUTY CHAIRMAN

Ragna Brenne Bjerkeset

Henning Sundet

Rita Christina Sævik

Ann Magritt Bjåstad Vikebakk

Helge Karsten Knudsen

Olav Arne Fiskerstrand  
CEO

## STATEMENT OF INCOME - GROUP

Amounts in NOK million	Notes	Q3 14	Q3 13	30.09.14	30.09.13	2013
Interest income		558	577	1 679	1 726	2 221
Interest costs		284	310	868	965	1 179
Net interest income	7	274	267	811	761	1 042
Commission income and revenues from banking services		47	48	134	132	174
Commission costs and expenditure from banking services		8	8	22	21	28
Other operating income		6	7	20	20	28
Net commission and other operating income		45	47	132	131	174
Dividends		2	0	7	9	10
Net gains/losses from financial instruments	4	105	5	135	6	18
Net return from financial instruments		107	5	142	15	28
Total income		426	319	1 085	907	1 244
Wages, salaries etc.		82	81	245	242	313
Administration costs		24	28	83	99	133
Depreciation, impairment and changes in value of non-financial assets		6	7	19	23	28
Other operating costs		29	27	81	78	95
Total operating costs		141	143	428	442	569
Profit before impairment on loans		285	176	657	465	675
Impairment on loans, guarantees etc.	3	1	15	15	28	54
Pre tax profit		284	161	642	437	621
Taxes		51	42	146	117	171
Profit after tax		233	119	496	320	450
Profit per EC (NOK)		11.65	5.80	24.90	15.45	21.65
Diluted earnings per EC (NOK)		11.65	5.80	24.90	15.45	21.65
Distributed dividend per EC (NOK)		0	0	8	12	12

## STATEMENT OF COMPREHENSIVE INCOME - GROUP

Amounts in NOK million	Q3 14	Q3 13	30.09.14	30.09.13	2013
Profit after tax	233	119	496	320	450
Other income/costs reversed in ordinary profit:					
Equities available for sale - changes in value	-87	2	-8	9	7
Other income/costs not reversed in ordinary profit:					
Pension estimate deviations	0	0	0	0	-36
Tax effect of pension estimate deviations	0	0	0	0	9
Total comprehensive income after tax	146	121	488	329	431

## STATEMENT OF FINANCIAL POSITION - GROUP

Amounts in NOK million	Notes	30.09.14	30.09.13	31.12.13
<b>Assets</b>				
Cash and claims on Norges Bank		699	937	1 281
Loans to and receivables from credit institutions	7	605	584	715
Net loans to and receivables from customers	2, 3, 7	47 363	45 262	46 122
Certificates	5	0	15	31
Bonds	5, 7	5 330	4 999	5 042
Financial derivatives		480	402	404
Shares and other securities	5	135	212	215
Intangible assets		29	19	21
Fixed assets		264	279	268
Other assets		134	158	173
Prepayments and accrued income		340	321	355
<b>Total assets</b>		<b>55 379</b>	<b>53 188</b>	<b>54 627</b>
<b>Liabilities and equity</b>				
Loans and deposits from credit institutions	7	583	1 729	1 107
Deposits from customers	2, 7	28 152	27 312	28 056
Debt securities issued		18 891	16 733	18 334
Financial derivatives		452	339	354
Other liabilities		426	402	493
Incurring costs and prepaid income		676	715	262
Other provisions for incurred liabilities and costs		33	73	32
Perpetual Hybrid Tier 1 capital		854	998	999
Subordinated loan capital		499	499	499
<b>Total liabilities</b>		<b>50 566</b>	<b>48 800</b>	<b>50 136</b>
EC capital	8	989	989	989
ECs owned by the Bank		-4	-6	-4
Share premium		353	355	353
<b>Paid-in equity</b>		<b>1 338</b>	<b>1 338</b>	<b>1 338</b>
Primary capital fund		1 935	1 835	1 935
Gift fund		125	125	125
Dividend equalisation fund		684	592	684
Value adjustment fund		47	40	47
Fund for unrealised gains		0	1	0
Other equity		196	128	362
<b>Total comprehensive income after tax</b>		<b>488</b>	<b>329</b>	<b>-</b>
Retained earnings		3 475	3 050	3 153
<b>Total equity</b>		<b>4 813</b>	<b>4 388</b>	<b>4 491</b>
<b>Total liabilities and equity</b>		<b>55 379</b>	<b>53 188</b>	<b>54 627</b>
<b>Off-balance sheet items:</b>				
Guarantees		1 546	1 510	1 433



## STATEMENT OF EQUITY - GROUP

30.09.2014	Total equity	EC capital	Share premium	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Fund for unrealised gains	Other equity
Equity as at 31.12.13	4 491	985	353	1 935	125	684	47	0	362
Changes in own equity certificates	0								
Distributed dividend to the EC holders	-79								-79
Distributed dividend to the local community	-87								-87
Total comprehensive income after tax	488								488
Equity as at 30.09.14	4 813	985	353	1 935	125	684	47	0	684

30.09.2013	Total equity	EC capital	Share premium	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Fund for unrealised gains	Other equity
Equity as at 31.12.12	3 761	775	186	1 835	0	592	40	1	332
Changes in own equity certificates	6	3	3						
Distributed dividend to the EC holders	-94								-94
Distributed dividend to the local community	-110								-110
Issues	371	205	166						
Gift fund *)	125				125				
Total comprehensive income after tax	329								329
Equity as at 30.09.13	4 388	983	355	1 835	125	592	40	1	457

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

## STATEMENT OF EQUITY - GROUP

31.12.2013	Total equity	EC capital	Share premium	Primary capital fund	Gift fund	Dividend equalisation fund	Value adjustment fund	Fund for unrealised gains	Other equity
Equity as at 31.12.12	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
Proposed dividend allocated for the EC holders	79								79
Proposed dividend allocated for 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 comprehensive income after tax	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 CASH FLOW - GROUP

	30.09.14	30.09.13	31.12.13
<b>Cash flow from operating activities</b>			
Interest, commission and fees received	2 247	2 304	2 395
Interest, commission and fees paid	-891	-959	-1 239
Dividend and group contribution received	7	9	10
Operating expenses paid	-273	-413	-554
Income taxes paid	-189	-169	-158
Changes relating to loans to and claims on other financial institutions	110	-296	-428
Changes relating to repayment of loans/leasing to customers	-947	-1 301	-2 176
Changes in utilised credit facilities	-298	-524	-511
Net cash flow from operating activities	-234	-1 349	-2 661
<b>Cash flow from investing activities</b>			
Proceeds from the sale of certificates, bonds and other securities	1 405	4 921	4 927
Purchases of certificates, bonds and other securities	-1 654	-3 791	-4 486
Proceeds from the sale of fixed assets etc.	1	12	16
Purchase of fixed assets etc.	-24	-13	-13
Changes in other assets	36	-356	274
Net cash flow from investing activities	-236	773	718
<b>Cash flow from financing activities</b>			
Net change in deposits from customers	95	230	975
Net change in deposits from Norges Bank and other financial institutions	-523	-790	-1 412
Proceeds from bond issues raised	3 551	3 570	7 227
Redemption of debt securities	-3 160	-2 796	-4 219
Dividend paid	-79	-94	-94
Changes in other debt	4	353	-291
Issues	0	371	369
Net cash flow from financing activities	-112	844	2 555
Net change in cash and cash equivalents	-582	268	612
Cash balance at 01.01	1 281	669	669
Cash balance at 30.09/31.12	699	937	1 281

# Notes to the Accounts

## 1 ACCOUNTING PRINCIPLES

### General

The Group's interim accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), implemented by the EU as at 30 September 2014. 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 2013 financial statements, taking into account the changes and new standards which came into force in 2014.

As of 1 January 2014 the Group applies IAS 27 Separate Financial Statements, IAS 32 Financial Instruments - Presentation, IAS 39 Financial Instruments -

classification and measurement, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, as well as IFRS 12 Disclosure of Interests in Other Entities. The implementation of these new standards has not had a significant effect for the Group, including the Bank's or the Groups's financial position or profit.

Please see the Annual report 2013 for further description of accounting principles.

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

	LOANS			DEPOSITS		
	30.09.14	30.09.13	31.12.13	30.09.14	30.09.13	31.12.13
<b>Broken down according to sectors</b>						
Agriculture and forestry	465	476	488	189	166	152
Fisheries	3 339	2 940	2 965	345	248	380
Manufacturing	1 676	1 440	1 353	1 130	1 261	1 194
Building and construction	644	834	797	502	600	667
Wholesale and retail trade, hotels	632	608	581	641	609	669
Foreign shipping/supply	1 094	1 540	1 568	565	1 057	923
Property management	5 533	5 610	5 597	1 360	1 335	1 437
Professional/financial services	606	691	707	1 765	1 607	1 463
Transport and private/public services	1 835	1 424	1 603	1 868	1 846	1 855
Public entities	36	39	32	722	708	853
Activities abroad	125	158	162	8	7	5
Miscellaneous	137	100	121	2 402	2 014	2 459
Total corporate/public entities	16 122	15 860	15 974	11 497	11 458	12 057
Retail customers	31 547	29 706	30 454	16 655	15 854	15 999
Total loans/deposits	47 669	45 566	46 428	28 152	27 312	28 056
Individual impairment	-157	-169	-166			
Collective impairment	-149	-135	-140			
Loans to and receivables from customers	47 363	45 262	46 122			

### 3 LOSSES ON LOANS AND GUARANTEES/PROBLEM LOANS

	Q3 14	Q3 13	30.09.14	30.09.13	31.12.13
<b>Losses on loans and guarantees</b>					
Changes in individual impairment of loans and guarantees during the period	-3	7	-11	3	1
Changes in collective impairment during the period	5	0	9	-5	0
Confirmed losses during the period, previously impaired individually	4	3	19	17	40
Confirmed losses during the period, previously impaired on a general basis	4	7	11	19	24
Recoveries	9	2	13	6	11
Losses on loans, guarantees etc.	1	15	15	28	54
<b>Individual impairment of loans</b>					
Individual impairment of loans at 01.01	162	156	166	166	166
Confirmed losses during the period, previously impaired individually	4	3	19	17	40
Changes in individual impairment during the period	1	6	7	20	37
Individual impairment of new commitments during the period	8	13	28	29	38
Recoveries on individual impairment during the period	10	3	25	29	35
Individual impairment of loans at the end of the period	157	169	157	169	166
<b>Collective impairment of loans</b>					
Collective impairment of loans as at 01.01	144	135	140	140	140
Changes during the period	5	0	9	-5	0
Collective impairment of loans at the end of the period	149	135	149	135	140
<b>Individual provisions in respect of guarantees</b>					
Individual provisions as at 01.01	2	2	2	2	2
Individual provisions during the period	0	0	0	0	0
Recovered on individual provisions during the period	0	0	0	0	0
Individual provisions at the end of the period	2	2	2	2	2

PROBLEM LOANS	30.09.14			30.09.13			31.12.13		
	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
<b>Problem loans prior to individual impairment:</b>									
Commitments in default in excess of 3 months	88	57	31	215	51	164	152	66	86
Other problem loans subject to impairment	423	33	390	377	40	337	382	38	344
Total problem loans prior to individual impairment	511	90	421	592	91	501	534	104	430
<b>Individual impairment on:</b>									
Commitments in default in excess of 3 months	21	8	13	59	6	53	35	6	29
Other problem loans subject to impairment	136	10	126	111	14	97	131	14	117
Total individual impairment	157	18	139	169	20	150	166	20	146
<b>Problem loans after individual impairment:</b>									
Commitments in default in excess of 3 months	67	49	18	156	45	111	117	60	57
Other problem loans subject to impairment	287	23	264	266	26	240	251	24	227
Total problem loans less individual impairment	354	72	282	422	71	351	368	84	284
Total problem loans prior to individual impairment as a percentage of loans	1.08	0.29	2.63	1.31	0.31	3.16	1.16	0.34	2.71
Total problem loans less individual impairment as a percentage of loans	0.74	0.23	1.75	0.93	0.24	2.21	0.80	0.28	1.79

## 4 NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS

	Q3 14	Q3 13	30.09.14	30.09.13	31.12.13
Certificates and bonds	3	-3	12	-17	-24
Securities	94	0	93	-6	4
Foreign exchange trading (for customers)	6	6	18	22	26
Fixed income trading (for customers)	2	0	5	13	16
Change in credit spread FVO - securities-based debt	0	0	0	-1	-1
Financial derivatives	0	1	7	-5	-3
Net change in value and gains/losses from financial instruments	105	5	135	6	18

## 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	30.09.14		30.09.13		31.12.13	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
<b>Financial assets at fair value through profit or loss:</b>						
Loans to and receivables from customers	4 189	4 189	4 454	4 454	4 438	4 438
Certificates	0	0	15	15	31	31
Bonds	5 330	5 330	4 999	4 999	5 042	5 042
Shares and other securities	2	2	2	2	2	2
Financial derivatives	480	480	402	402	404	404
<b>Loans and receivables at amortised cost:</b>						
Cash and claims on Norges Bank	699	699	937	937	1 281	1 281
Loans to and receivables from credit institutions	605	605	584	584	715	715
Loans to and receivables from customers	43 174	43 174	40 808	40 808	41 684	41 684
Bonds	0	0	0	0	0	0
<b>Financial assets available for sale:</b>						
Shares and other securities	133	133	210	210	213	213

  

FINANCIAL LIABILITIES	30.09.14		30.09.13		31.12.13	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
<b>Financial liabilities at fair value through profit or loss:</b>						
Certificates issued	0	0	0	0	0	0
Bonds issued	0	0	411	411	408	408
Deposits from and liabilities to customers	427	427	630	630	526	526
Financial derivatives	452	452	339	339	354	354
<b>Financial liabilities at amortised cost subject to hedge accounting:</b>						
Bonds issued	3 246	3 188	3 481	3 467	3 110	3 092
Perpetual Hybrid Tier 1 capital	368	304	353	298	355	299
<b>Financial liabilities at amortised cost:</b>						
Loans and deposits from credit institutions	583	583	1 729	1 729	1 107	1 107
Deposits from and liabilities to customers	27 725	27 725	26 682	26 682	27 530	27 530
Certificates issued	1 351	1 350	1 771	1 770	1 870	1 870
Bonds issued	14 479	14 354	11 171	11 085	13 047	12 964
Subordinated loan capital	520	499	514	499	514	499
Perpetual Hybrid Tier 1 capital	577	550	715	700	716	700
Swap arrangement for securities	0	0	1 184	1 184	634	634

30.09.2014	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss:</b>				
Loans to and receivables from customers	0	0	4 189	4 189
Certificates	0	0	0	0
Bonds	1 679	3 651	0	5 330
Financial derivatives	0	480	0	480
Shares and other securities	2	0	0	2
<b>Loans and receivables at amortised cost:</b>				
Cash and claims on Norges Bank	699	0	0	699
Loans to and receivables from credit institutions	0	605	0	605
Loans to and receivables from customers	0	0	43 174	43 174
<b>Financial assets available for sale:</b>				
Shares and other securities	13	0	120	133
Total financial assets	2 393	4 736	47 483	54 612
<b>Financial liabilities at fair value through profit or loss:</b>				
Deposits from and liabilities to customers	0	0	427	427
Bonds issued	0	0	0	0
Financial derivatives	0	452	0	452
<b>Financial liabilities at amortised cost subject to hedge accounting:</b>				
Bonds issued	0	3 188	0	3 188
Perpetual Hybrid Tier 1 capital	0	304	0	304
<b>Financial liabilities at amortised cost:</b>				
Loans and deposits from credit institutions	0	583	0	583
Deposits from and liabilities to customers	0	0	27 725	27 725
Certificates issued	0	1 350	0	1 350
Bonds issued	0	14 354	0	14 354
Subordinated loan capital	0	499	0	499
Perpetual Hybrid Tier 1 capital	0	550	0	550
Swap arrangement for securities	0	0	0	0
Total financial liabilities	0	21 280	28 152	49 432

A change in the discount rate of 10 basis points will give an impact of about NOK 11.2 million on fixed rate loans and about NOK 0.3 million on fixed rate deposits.

RECONCILIATION OF CHANGES IN LEVEL 3	Loans to and receivables from customers	Shares and other securities	Deposits from and liabilities to customers
Recorded value as at 31.12.2013	4 438	194	526
Additions/purchases/new volume	253	1	89
Sales/amortisation	526	166	188
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses recorded in the period	24	104	0
Recorded value as at 30.09.2014	4 189	133	427

Some items in Level 3 might be included in interest rate and currency hedging in accordance with the Bank's risk management framework. Any related hedging contracts are located in Level 2.



30.09.2013	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss:</b>				
Loans to and receivables from customers	0	0	4 454	4 454
Certificates	0	15	0	15
Bonds	1 349	3 650	0	4 999
Financial derivatives	0	402	0	402
Shares and other securities	2	0	0	2
<b>Loans and receivables at amortised cost:</b>				
Cash and claims on Norges Bank	937	0	0	937
Loans to and receivables from credit institutions	0	584	0	584
Loans to and receivables from customers	0	0	40 808	40 808
<b>Financial assets available for sale:</b>				
Shares and other securities	20	0	190	210
Total financial assets	2 308	4 651	45 452	52 411
<b>Financial liabilities at fair value through profit or loss:</b>				
Deposits from and liabilities to customers	0	0	630	630
Bonds issued	0	0	0	0
Financial derivatives	0	339	0	339
<b>Financial liabilities at amortised cost subject to hedge accounting:</b>				
Bonds issued	0	3 467	0	3 467
Perpetual Hybrid Tier 1 capital	0	298	0	298
<b>Financial liabilities at amortised cost:</b>				
Loans and deposits from credit institutions	0	1 729	0	1 729
Deposits from and liabilities to customers	0	0	26 682	26 682
Certificates issued	0	1 770	0	1 770
Bonds issued	0	11 085	0	11 085
Subordinated loan capital	0	499	0	499
Perpetual Hybrid Tier 1 capital	0	700	0	700
Swap arrangement for securities	0	1 184	0	1 184
Total financial liabilities	0	21 071	27 312	48 383

RECONCILIATION OF CHANGES IN LEVEL 3	Loans to and receivables from customers	Shares and other securities	Deposits from and liabilities to customers
Recorded value as at 31.12.2012	3 807	184	952
Additions/purchases/new volume	892	2	171
Sales/amortisation	215	0	496
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses recorded in the period	-30	4	3
Recorded value as at 30.09.2013	4 454	190	630

Some items in Level 3 might be included in interest rate and currency hedging in accordance with the Bank's risk management framework. Any related hedging contracts are located in Level 2.

31.12.2013	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss:</b>				
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 and other securities	2	0	0	2
<b>Loans and receivables at amortised cost:</b>				
Cash and claims on Norges Bank	1 281	0	0	1 281
Loans to and receivables from credit institutions	0	715	0	715
Loans to and receivables from customers	0	0	41 684	41 684
<b>Financial assets available for sale:</b>				
Shares and other securities	19	0	194	213
Total financial assets	2 862	4 632	46 316	53 810
<b>Financial liabilities at fair value through profit or loss:</b>				
Deposits from and liabilities to customers	0	0	526	526
Bonds issued	0	408	0	408
Financial derivatives	0	354	0	354
<b>Financial liabilities at amortised cost subject to hedge accounting:</b>				
Bonds issued	0	3 092	0	3 092
Perpetual Hybrid Tier 1 capital	0	299	0	299
<b>Financial liabilities at amortised cost:</b>				
Loans and deposits from credit institutions	0	1 107	0	1 107
Deposits from and liabilities to customers	0	0	27 530	27 530
Certificates issued	0	1 870	0	1 870
Bonds issued	0	12 964	0	12 964
Subordinated loan capital	0	499	0	499
Perpetual Hybrid Tier 1 capital	0	700	0	700
Swap arrangement for securities	0	634	0	634
Total financial liabilities	0	21 927	28 056	49 983

RECONCILIATION OF CHANGES IN LEVEL 3	Loans to and receivables from customers	Shares and other securities	Deposits from and liabilities to customers
Recorded value as at 31.12.2012	3 807	184	952
Additions/purchases/new volume	942	2	178
Sales/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 in Level 3 might be included in interest rate and currency hedging in accordance with the Bank's risk management framework. Any related hedging contracts are located in Level 2.

## 6 OPERATING SEGMENTS

PROFIT Q3	Group		Eliminations/other		Corporate		Retail 1)		Real estate brokerage	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net interest income	274	267	5	-5	118	119	151	153	0	0
Other operating income	152	52	103	4	18	18	26	24	5	6
Total income	426	319	108	-1	136	137	177	177	5	6
Operating costs	141	143	7	16	33	32	96	89	5	5
Profit before impairment	285	176	101	-17	103	105	81	88	0	1
Impairment on loans, guarantees etc.	1	15	5	0	-1	14	-3	1	0	0
Pre tax profit	284	161	96	-17	104	91	84	87	0	1
Taxes	51	42								
Profit after tax	233	119								

PROFIT 30.09	Group		Eliminations/other		Corporate		Retail 1)		Real estate brokerage	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net interest income	811	761	11	4	350	340	450	417	0	0
Other operating income	274	146	135	-5	53	61	70	74	16	16
Total income	1 085	907	146	-1	403	401	520	491	16	16
Operating costs	428	442	78	97	82	82	252	248	16	15
Profit before impairment	657	465	68	-98	321	319	268	243	0	1
Impairment on loans, guarantees etc.	15	28	9	-5	11	33	-5	0	0	0
Pre tax profit	642	437	59	-93	310	286	273	243	0	1
Taxes	146	117								
Profit after tax	496	320								

STATEMENT OF FINANCIAL POSITION	Group		Eliminations/other		Corporate		Retail 1)		Real estate brokerage	
	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13	30.09.14	30.09.13
Loans to customers	47 363	45 262	912	865	15 623	15 318	30 828	29 079	0	0
Deposits from customers	28 152	27 312	375	671	10 009	9 738	17 768	16 903	0	0
Guarantee liabilities	1 546	1 510	0	0	1 538	1 500	8	10	0	0
The deposit-to-loan ratio	59.4	60.3	41.1	77.6	64.1	63.6	57.6	58.1	0	0
Man-years	386	398	151	148	54	60	164	172	17	18

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.

PROFIT Q3	Møre Boligkreditt AS	
	2014	2013
Net interest income	72	64
Other operating income	1	-1
Total income	73	63
Operating costs	6	6
Profit before impairment on loans	67	57
Impairment on loans, guarantees etc.	0	0
Pre tax profit	67	57
Taxes	18	16
Profit after tax	49	41

PROFIT 30.09	Møre Boligkreditt AS	
	2014	2013
Net interest income	221	167
Other operating income	-2	-1
Total income	219	166
Operating costs	21	19
Profit before impairment on loans	198	147
Impairment on loans, guarantees etc.	1	0
Pre tax profit	197	147
Taxes	53	41
Profit after tax	144	106

STATEMENT OF FINANCIAL POSITION	Møre Boligkreditt AS	
	30.09.14	30.09.13
Loans to and receivables from customers	16 120	13 472

## 7 TRANSACTIONS WITH RELATED PARTIES

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

	30.09.14	30.09.13	31.12.13
<b>Statement of income</b>			
Interest and credit commission income from subsidiaries	27	51	64
Received dividend and group contribution from subsidiaries	152	87	87
Rent paid to Sparebankeiendom AS	13	12	17
Administration fee received from Møre Boligkreditt AS	17	13	19
<b>Statement of financial position</b>			
Claims on subsidiaries	1 052	1 261	1 292
Covered bonds	1 083	1 252	673
Liabilities to subsidiaries	222	333	550
Accumulated loan portfolio transferred to Møre Boligkreditt AS	16 122	13 473	14 864

## 8 EC CAPITAL

THE 20 LARGEST EC HOLDERS IN SPAREBANKEN MØRE AS AT 30.09.14	NUMBER OF ECS	PERCENTAGE SHARE OF EC CAPITAL
Sparebankstiftelsen Tingvoll	935 715	9.46
Verdipapirfond Pareto Aksje Norge	543 784	5.50
MP Pensjon	478 282	4.84
VPF Nordea Norge Verdi	327 073	3.31
Wenaasgruppen AS	250 000	2.53
FLPS - Princ All Sec	243 234	2.46
Pareto AS	229 189	2.32
Verdipapirfond Pareto Aktiv	218 741	2.21
VPF Fondsfinans Spar	175 000	1.77
Beka Holding AS	150 100	1.52
Bergen Kommunale Pensjonskasse	150 000	1.52
Farstad Shipping ASA	126 909	1.28
Pareto Verdi Verdipapirfond	110 377	1.12
Lapas AS (Leif-Arne Langøy)	105 500	1.07
Atlantis Vest AS	104 744	1.06
Odd Slyngstad	84 773	0.86
Sparebankstiftelsen Helgeland	80 000	0.81
Andvord AS	68 750	0.70
Verdipapirfondet Eika utbytte	62 231	0.63
Stiftelsen Kjell Holm	60 474	0.61
Total 20 largest	4 504 876	45.56
Total	9 886 954	100.00

## 9 CAPITAL ADEQUACY

	30.09.14	30.09.13	31.12.13
EC capital	989	989	989
- ECs owned by the Bank	-4	-6	-4
Share premium	353	355	353
Dividend equalisation fund	684	593	684
Gift fund	125	125	125
Primary capital fund	1 935	1 836	1 935
Value adjustment fund	47	40	47
Fund for unrealised gains	0	1	0
Proposed dividend for the EC holders	0	0	79
Proposed dividend for the local community	0	0	87
Other equity/accumulated profit for the period	684	457	196
<b>Total equity</b>	<b>4 813</b>	<b>4 388</b>	<b>4 491</b>
Deferred tax, goodwill and intangible assets	-29	-20	-41
Value adjustment fund	-47	-40	-47
Fund for unrealised gains	0	-1	0
50 % deduction for equity in other financial institutions	-14	-10	-10
50 % of adjusted expected losses on the IRB portfolio of corporate customers	-89	-	-
Perpetual Hybrid Tier 1 capital	804	998	999
Surplus financing of pension	-70	-83	-55
Proposed dividend for the EC holders	0	0	-79
Proposed dividend for the local community	0	0	-87
Accumulated profit for the period	-488	-329	0
<b>Total core capital</b>	<b>4 880</b>	<b>4 903</b>	<b>5 171</b>
<b>Supplementary capital:</b>			
Subordinated loan capital of limited duration	499	499	499
45 % addition for net unrealised gains on shares, unit trust certificates and ECs available for sale	20	18	20
50 % of adjusted expected losses on the IRB portfolio of corporate customers	-89	-	-
50 % deduction for equity in other financial institutions	-14	-10	-10
<b>Total supplementary capital</b>	<b>416</b>	<b>507</b>	<b>509</b>
<b>Net equity and subordinated loan capital</b>	<b>5 296</b>	<b>5 410</b>	<b>5 680</b>
<b>Capital adequacy as a percentage of the weighted asset calculation basis:</b>			
Capital adequacy ratio	15.15	16.40	17.02
Capital adequacy ratio incl. 50 per cent of the profit for the period	15.85	16.90	-
Core capital ratio	13.95	14.85	15.48
Core capital ratio incl. 50 per cent of the profit for the period	14.65	15.30	-
Core tier 1 capital	11.65	11.80	12.50
Core tier 1 capital incl. 50 per cent of the profit for the period	12.35	12.30	-
<b>Risk-weighted assets (calculation basis for capital adequacy ratio)</b>	<b>34 950</b>	<b>33 010</b>	<b>33 410</b>

The Group has received approval from the Financial Supervisory Authority of Norway to use the IRB Foundation approach for calculating capital requirements for corporate commitments. For the time being, the Group must use the standardized approach for the mass market. As at the end of the third quarter of 2014, the Group's capital adequacy is reported according to the standardized approach in Basel II for the mass market and IRB Foundation for the corporate market.

The capital requirements related to the transitional rules concerning the Basel I "floor" have no effect for Sparebanken Møre at the end of Q3 2014.

<b>Capital requirement</b>	<b>30.09.14</b>	<b>30.09.13</b>	<b>31.12.13</b>
Standard approach:			
Commitments involving states and central banks	0	0	0
Commitments involving local and regional authorities	6	6	6
Commitments involving public sector companies	23	19	22
Commitments involving institutions	51	36	37
Commitments involving companies (corporate customers)	34	837	832
Commitments involving mass market (retail customers)	1 064	1 458	1 494
Commitments due for payment	13	15	13
Commitments involving covered bonds	13	15	15
Other commitments	58	93	92
Capital requirement – credit-/counterpart- and impairment risk	1 262	2 479	2 511
IRB Foundation approach for the corporate portfolio:			
Commitments secured by real estate	414	-	-
Other commitments	941	-	-
Capital requirement credit-/counterparty- and deterioration risk corporate portfolio	1 355	-	-
Debt	0	0	0
Equity	0	0	0
Foreign exchange	7	0	0
Goods	0	0	0
Capital requirement – position-/foreign exchange- and commercial risk	7	0	0
Operational risk (basis approach)	180	176	176
Deductions from the capital requirement	-14	-14	-14

## STATEMENT OF INCOME - PARENT BANK

Amounts in NOK million	Q3 2014	Q3 2013	30.09.14	30.09.13	2013
Interest income	418	466	1 255	1 407	1 768
Interest costs	214	262	662	810	961
Net interest income	204	204	593	597	807
Commission income and revenues from banking services	48	48	135	132	175
Commission costs and expenditure from banking services	8	8	22	21	29
Other operating income	5	6	19	16	23
Net commission and other operating income	45	46	132	127	169
Dividends	1	0	158	96	96
Net gains/losses from financial instruments	105	6	138	7	22
Net return from financial instruments	106	6	296	103	118
Total income	355	256	1 021	827	1 094
Wages, salaries etc.	79	77	234	231	297
Administration costs	24	28	83	99	133
Depreciation, impairment and changes in value of non-financial assets	6	5	16	17	24
Other operating costs	29	27	80	76	92
Total operating costs	138	137	413	423	546
Profit before impairment on loans	217	119	608	404	548
Impairment on loans, guarantees etc.	1	15	14	28	54
Pre tax profit	216	104	594	376	494
Taxes	34	27	93	76	112
Profit after tax	182	77	501	300	382
Profit per EC (NOK)	9.15	3.73	25.10	14.50	18.45
Diluted earnings per EC (NOK)	9.15	3.73	25.10	14.50	18.45
Distributed dividend per EC (NOK)	0	0	8	12	12

## STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK

Amounts in NOK million	Q3 2014	Q3 2013	30.09.14	30.09.13	2013
Profit after tax	182	77	501	300	382
Other income/costs reversed in ordinary profit:					
Equities available for sale - changes in value	-87	2	-8	9	7
Other income/costs not reversed in ordinary profit:					
Pension estimate deviations	0	0	0	0	-36
Tax effect of pension estimate deviations	0	0	0	0	9
Total comprehensive income after tax	95	79	493	309	362



## STATEMENT OF FINANCIAL POSITION - PARENT BANK

Amounts in NOK million	30.09.14	30.09.13	31.12.13
<b>Assets</b>			
Cash and claims on Norges Bank	699	937	1 281
Loans to and receivables from credit institutions	1 502	1 681	1 846
Net loans to and receivables from customers	31 398	31 949	31 416
Certificates	0	15	31
Bonds	6 206	6 251	5 509
Financial derivatives	291	271	246
Shares and other securities	135	212	215
Equity stakes in group companies	1 071	721	721
Intangible assets	36	18	27
Fixed assets	49	69	56
Other assets	134	158	177
Prepayments and accrued income	315	298	318
<b>Total assets</b>	<b>41 836</b>	<b>42 580</b>	<b>41 843</b>
<b>Liabilities and equity</b>			
Loans and deposits from credit institutions	791	2 044	1 637
Deposits from customers	28 165	27 329	28 076
Debt securities issued	5 419	6 035	5 309
Financial derivatives	439	331	351
Other liabilities	369	354	426
Incurred costs and prepaid income	647	689	219
Other provisions for incurred liabilities and costs	30	61	32
Perpetual Hybrid Tier 1 capital	854	998	999
Subordinated loan capital	499	499	499
<b>Total liabilities</b>	<b>37 213</b>	<b>38 340</b>	<b>37 548</b>
EC capital	989	989	989
ECs owned by the Bank	-4	-6	-4
Share premium	353	355	353
Paid-in equity	1 338	1 338	1 338
Primary capital fund	1 935	1 835	1 935
Gift fund	125	125	125
Dividend equalisation fund	684	592	684
Value adjustment fund	47	40	47
Fund for unrealised gains	0	1	0
Other equity	0	0	166
Total comprehensive income after tax	493	309	-
Retained earnings	3 285	2 902	2 957
<b>Total equity</b>	<b>4 623</b>	<b>4 240</b>	<b>4 295</b>
<b>Total liabilities and equity</b>	<b>41 836</b>	<b>42 580</b>	<b>41 843</b>
<b>Off-balance sheet items:</b>			
Guarantees	1 546	1 510	1 433

# Profit performance - Group

## QUARTERLY PROFIT

Amounts in NOK million	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
Net interest income	274	268	269	281	267
Other operating income	152	62	60	56	52
Total operating costs	141	144	143	127	143
Profit before impairment on loans	285	186	186	210	176
Impairment on loans, guarantees etc.	1	8	6	26	15
Pre tax profit	284	178	180	184	161
Taxes	51	47	48	53	42
Profit after tax	233	131	132	131	119

### As a percentage of average assets

Net interest income	2.02	2.01	1.98	2.10	2.04
Other operating income	1.12	0.46	0.44	0.42	0.40
Total operating costs	1.04	1.08	1.05	0.95	1.09
Profit before impairment on loans	2.10	1.39	1.37	1.57	1.35
Impairment on loans, guarantees etc.	0.01	0.06	0.04	0.19	0.11
Pre tax profit	2.09	1.33	1.33	1.38	1.24
Taxes	0.38	0.34	0.35	0.40	0.33
Profit after tax	1.71	0.99	0.98	0.98	0.91



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