

# MOODY'S

## INVESTORS SERVICE

### COMPANY PROFILE

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## Sparebanken Møre

Ålesund, Norway

### Company Overview

Sparebanken Møre is a regional savings bank that has been operating in the western Norway county of Møre and Romsdal for almost 170 years.

As of 15 February 2012, Sparebanken Møre reported a market share of approximately 36.5% of the county's retail market and around 33.4% of its corporate market. As of the same date, it was the sixth-largest bank in Norway. As of 30 June 2012, the bank reported a total consolidated asset base of NOK49.3 billion (€6.5 billion).

Sparebanken Møre provides retail and corporate banking and other financial services, including leasing and real estate brokerage. It also offers share trading and capital management advice and distributes insurance products.

Sparebanken Møre was established in April 1985 through the merger of 20 small savings banks in the county of Møre and Romsdal. Furthermore, it acquired Sandøy Sparebank in 1986, Sparebanken Romsdal in 1990 and Tingvoll Sparebank in 2009.

The bank's equity certificates (ECs) are traded on the Oslo Stock Exchange. As of 30 June 2012, Sparebankstiftelsen Tingvoll was the largest shareholder of the bank, with an approximate 10.4% share.

Note: Currency converted using exchange rate of NOK–€0.13253, as of 30 June 2012

Source: Company Reports (annual report Dec 2011, Dec 2009 and Dec 2008, investor presentation June 2012, Q1 report Mar 2012, Q2 report June 2012), Moody's research, [www.oanda.com](http://www.oanda.com)

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## Financial Highlights (as Reported)

*Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on Sparebanken Møre, please see [Sparebanken Møre page on moody.com](http://www.moody.com).*

FIGURE 1

### Latest Full-Year Results

Sparebanken Møre

(in NOK Million)	31-Dec-11	31-Dec-10	31-Dec-09	% Change 11/10	% Change 10/09
NOK/€, Period end	0.12872	0.12787	0.12008	-	-
Total Assets	48,406	44,441	41,391	8.92	7.37
Total Shareholders' Equity	3,417	3,253	2,942	5.04	10.57
Shareholders' Equity excluding Minority Interest	-	-	-	-	-
Net Capital	4,173	3,925	3,658	6.32	7.30
Tier 1 Ratio (%)	12.01	12.03	11.55	(3) bps	48 bps
Net Income	377	458	335	(17.69)	36.72
Net Income Attributable to Equity Holders	-	-	-	-	-

Note: 1) Consolidated figures are considered

2) "Shareholders' Equity excluding Minority Interest" and "Net Income Attributable to Equity Holders" are not applicable for the bank

Source: Company Reports (annual report Dec 2011 and Dec 2010), [www.oanda.com](http://www.oanda.com)

FIGURE 2

### Latest Second-Quarter Results

Sparebanken Møre

(in NOK Million)	30-June-12	30-June-11	% Change 12/11
NOK/€, Period end	0.13253	0.12838	-
Total Assets	49,332	46,825	5.35
Total Shareholders' Equity	3,474	3,255	6.73
Shareholders' Equity excluding Minority Interest	-	-	-
Net Capital	3,993	3,925	1.73
Tier 1 Ratio (%)	11.57	11.50	7 bps
Net Income	200	207	(3.38)
Net Income Attributable to Equity Holders	-	-	-

Note: 1) Consolidated figures are considered

2) "Shareholders' Equity excluding Minority Interest" and "Net Income Attributable to Equity Holders" are not applicable for the bank

Source: Company Report (Q2 report June 2012), [www.oanda.com](http://www.oanda.com)

## Business Activities

Sparebanken Møre provides retail and corporate banking and other financial services, including leasing products, real estate brokerage, financing, deposits, insurance, hedging, trade finance, payment transmission, financial information, financial advisory facilities and personal portfolio management services.

The bank reports its activities under the following business segments: Corporate; Retail; Real Estate Brokerage; Leasing; and Elimination/Investment/Other. For the financial year ended 31 December 2011 (2011), the largest contributor to the bank's total income was the Retail segment (46%).

**Corporate:** This segment provides deposits, loans, payments, savings and investment products and financial advisory services to corporate customers. Through this segment, the bank also offers financing services (loans secured by mortgages on commercial property) through its wholly owned subsidiary, Møre Boligkreditt AS. In 2011, the segment accounted for 46% of the bank's total income.

**Retail:** This segment offers deposits, loans, payments, savings and investment products and financial advisory facilities to retail customers. It also offers financing services (loans secured by mortgages on residential property) through Møre Boligkreditt AS. In 2011, the segment accounted for 46% of the bank's total income.

**Real Estate Brokerage:** The bank provides real estate brokerage services to retail and corporate customers through its wholly owned subsidiary Møre Eiendomsmegling AS. In 2011, the segment accounted for 2% of the bank's total income.

**Leasing:** The bank offers leasing and financing services to corporate customers through a wholly owned subsidiary, Møre Finans AS. In 2011, the segment accounted for 2% of the bank's total income.

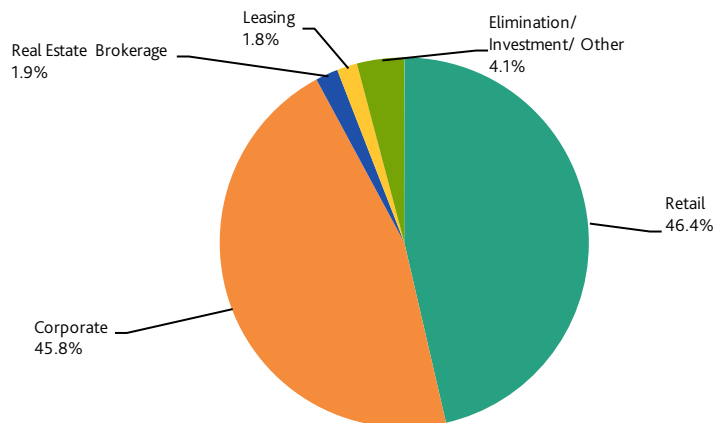
**Elimination/Investment/Other:** This segment primarily comprises ownership and management of real estate. In 2011, it accounted for 4% of the bank's total income.

Source: Company Reports (annual report Dec 2011 and Dec 2009, Q2 report June 2012)

FIGURE 3

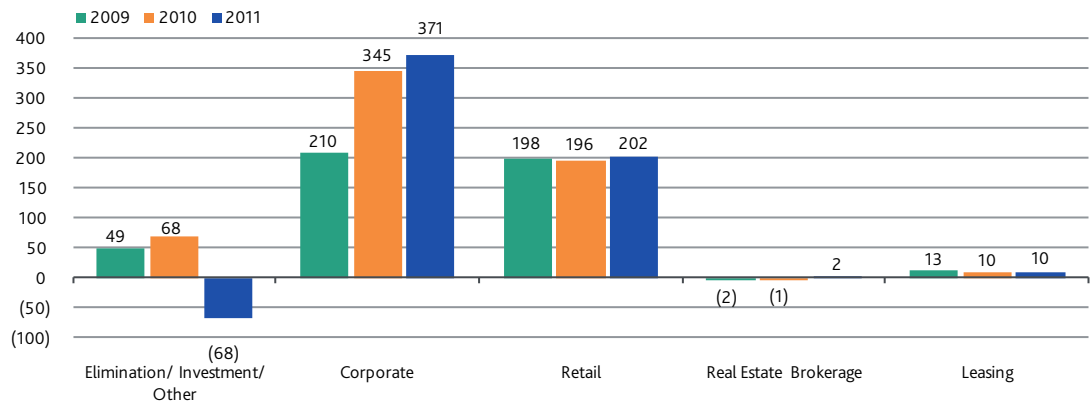
### Business Segment

(% of Total Income, consolidated, for 2011)



Source: Company Report (annual report Dec 2011, Pg: 80)

FIGURE 4  
**Profit/(Loss) Before Tax per Business Segment**  
 (consolidated, in NOK Million)



Note: For 2009, impairment of goodwill of NOK13 million related to Real Estate Brokerage is presented in Elimination/Investment/Other

Source: Company Reports (annual report Dec 2011, Pg: 80 and Dec 2010, Pg: 77)

## Distribution Capacity and Market Share

Sparebanken Møre is a regional savings bank with a well-established market position in the western Norway county of Møre and Romsdal. As of 15 February 2012, the bank provided its products and services through a network of 30 branches, and had 162,000 active retail and 10,000 corporate customers. It also provides its services through alternative distribution channels, including payment cards and internet, mobile and telephone banking.

As of 15 February 2012, Sparebanken Møre reported market shares of 36.5% in Møre and Romsdal county's retail market and 33.4% in its corporate market. As of that date, it was the sixth-largest bank in Norway. As of 31 December 2011, we estimate it held a national market share of around 1% in terms of deposits and lending.

Source: Company Reports (annual report Dec 2011 and Dec 2009, investor presentation Mar 2012), Moody's research

## Ownership and Structure

As a Norwegian savings bank, Sparebanken Møre has a unique ownership structure; it is an independent foundation with holders of equity certificates (ECs), rather than shareholders or traditional owners. The main difference between ECs and shares is that ECs give ownership rights to specific parts of a bank's capital. In addition, the governing bodies of a savings bank have a broader representation than those of a commercial bank. However, in July 2009, amendments to the related legislation resulted in ECs becoming more like shares.

As of 30 June 2012, the bank had 7,841,116 ECs in issue. Since 1988, these have been listed on the Oslo Stock Exchange (Stock code: MORG), which is regulated by Finanstilsynet (The Financial Supervisory Authority of Norway).

The only shareholder that holds more than 10.0% of the total ECs is Sparebankstiftelsen Tingvoll. As of 30 June 2012, the 20 largest holders of ECs together accounted for 40.28% of the total holdings.

Source: Company Reports (annual report Dec 2011, Q2 report June 2012), Oslo Stock Exchange, [www.finanstilsynet.no](http://www.finanstilsynet.no)

## Ownership Structure

As of 30 June 2012, the top 10 EC holders in Sparebanken Møre were as follows:

FIGURE 5

### Sparebanken Møre

Top 10 EC Holders	Number of ECs	% Held
Sparebankstiftelsen Tingvoll	819,000	10.44
Pareto Aksje Norge	434,144	5.54
MP Pensjon	363,796	4.64
Wenaasgruppen AS	300,000	3.83
Pareto Aktiv	202,365	2.58
Beka Holding AS	133,462	1.70
Pareto Verdi VPF	113,429	1.45
Farstad Shipping ASA	112,909	1.44
FLPS – Prince All Sec Stock Sub	92,008	1.17
Stiftelsen Kjell Holm	88,671	1.13

Source: Company Report (Q2 report June 2012)

## Subsidiaries

As of 31 December 2011, the bank held interests in the following subsidiaries:

FIGURE 6

### Sparebanken Møre

Subsidiary	Home Country	Core Operation	% Held
Møre Eiendomsmegling AS	Norway	Real estate brokerage	100%
Møre Finans AS <sup>1</sup>	Norway	Leasing	100%
Sparebankeiendom AS <sup>2</sup>	Norway	Real estate management	100%
Møre Boligkreditt AS	Norway	Funding	100%

1. In March 2012, the Board of Directors of Sparebanken Møre proposed to its Board of Trustees the merger of its wholly owned subsidiary, Møre Finans AS, with the bank. Møre Finans AS will be merged with Sparebanken Møre beginning 1 September 2012 and will cease to be a separate company from this date.

2. The subsidiaries Sparebankeiendom AS, Møre Bankbygg AS and Storgata 41-45 Molde AS were merged in 2010. All companies were 100 % owned by Sparebanken Møre.

Source: Company Reports (annual report Dec 2011, Q2 report June 2012)

## Company Management

Company Directors	Current Title	Age
Olav Arne Fiskerstrand	Sparebanken Møre: Chief Executive Officer and President	55
Magnar Bolstad	Sparebanken Møre: Executive Vice President, Head of Staff Division	65
Perdy Lunde	Sparebanken Møre: Executive Vice President, Head of Business Development and Support Division	54
Runar Sandanger	Sparebanken Møre: Executive Vice President, Head of International Business and Treasury Division	54
Idar Vattøy	Sparebanken Møre: Executive Vice President, Head of Financial Control and Risk Management Division	52
Kjetil Hauge	Sparebanken Møre: Executive Vice President, Head of the Department of Information and Public Relations	39
Arild Sulebakk	Sparebanken Møre: Executive Vice President, Inner Region	48
Tim Solberg	Sparebanken Møre: Executive Vice President, Northern Region	57
Sigrid Gjendem Fjørtoft	Sparebanken Møre: Acting Executive Vice President, Romsdal og Nordmøre Region	53
Bernt Krøvel	Sparebanken Møre: Executive Vice President, Southern Region	53
Kjell Jan Brudevoll	Sparebanken Møre: Executive Vice President, Western Region	57
Terje Krøvel	Sparebanken Møre: Executive Vice President, Ålesund and Sula Region Corporate Banking	52
Trond Nydal	Sparebanken Møre: Executive Vice President, Ålesund and Sula Region Retail Banking	42

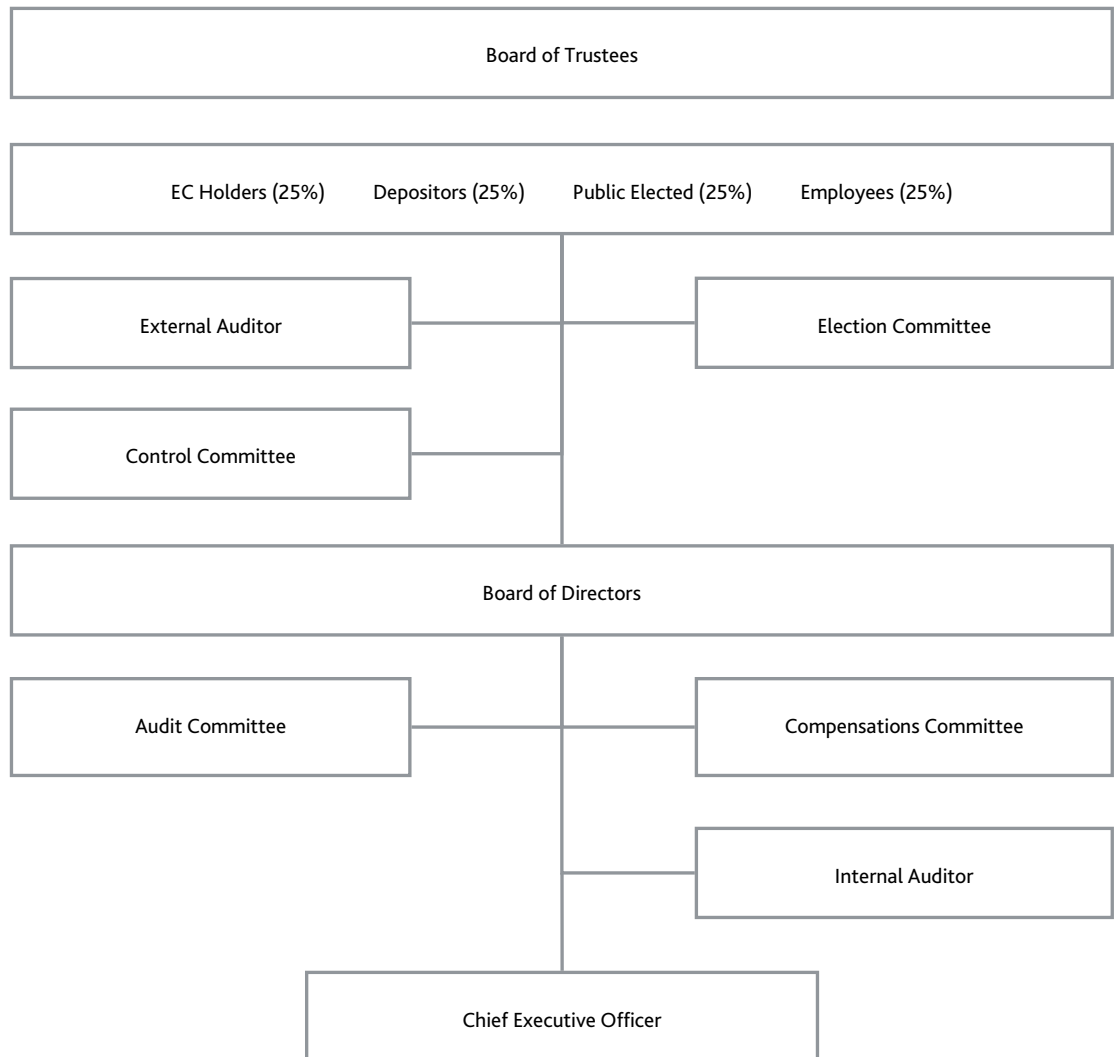
As of 15 Feb 2012

Board of Directors	Affiliations
Leif Arne Langøy	Sparebanken Møre: Chairman; Lapas AS: Owner and General Manager
Roy Reite	Sparebanken Møre: Deputy Chairman; STX OSV Holdings Limited: Chief Executive Officer
Ragna Brenne Bjerkeset	Sparebanken Møre: Board Member; Tine Rådgiving: Marketing Manager
Ingvild Vartdal	Sparebanken Møre: Board Member; Law Committee for Tax Law: Member; I.P. Huse AS: Board Member; Vartdal Holding AS and Vartdal Plastindustri AS: Chairman of the Board of Directors; Schjødt DA: Partner
Elisabeth Maråk Støle	Sparebanken Møre: Board Member; NHO Møre og Romsdal, OFV and Sunnmørsposten: Board Member; Saferoad: Director of Group Management, Responsible for Corporate Development
Helge Karsten Knudsen	Sparebanken Møre: Board Member and Senior Employee Representative
Stig Remøy	Sparebanken Møre: Board Member; Norwegian Shipowners Association: Vice President; Several Olympic companies: Chairman; Olympic Shipping AS: Chief Executive Officer and main shareholder

As of 25 Apr 2012

Source: Company Reports (annual report Dec 2011, investor presentation Mar 2012)

FIGURE 7

**Organisation Chart as of 1 March 2012**

*Source: Company Report (annual report Dec 2011)*

## Company History

Sparebanken Møre was established in April 1985 through the merger of 20 savings banks in the western Norway county of Møre and Romsdal. Most of these banks had a single office and operated in a single municipality. In 1986, Sparebanken Møre acquired Sandøy Sparebank, and in 1990, Sparebanken Romsdal.

In 2005, Sparebanken Møre acquired two real estate brokerage companies, Krogsveen og Raknes AS and Paulsen og Bakke AS, to create a new company, Møre Eiendomsmegling AS. In 2006, the bank acquired Storgata 41-45 Molde AS. In 2007, Sparebanken Møre established Møre Bankbygg AS by demerging Sparebankeiendom AS.

In November 2008, Sparebanken Møre was granted the necessary licence to conduct mortgage business through its wholly owned subsidiary, Marine Capital Management AS. In December 2008, Marine Capital Management AS was converted into a mortgage company and renamed Møre Boligkreditt AS, which issues covered bonds and provides loans secured by mortgages on residential and commercial property.

In November 2009, Sparebanken Møre acquired Tingvoll Sparebank and converted the bank into a foundation, Sparebankstiftelsen Tingvoll, to promote savings bank activities in the region.

In March 2012, the Board of Directors of Sparebanken Møre proposed to its Board of Trustees the merger of its wholly owned subsidiary, Møre Finans AS, with the bank. The merger was completed in August 2012.

*Source: Company Reports (annual report Dec 2011, Dec 2008 and Dec 2006, Q2 report June 2012, interim report Sep 2009)*

## Peer Group

- » Aktia Bank Plc
- » Länsförsäkringar Bank AB (publ)
- » Ringkjøbing Landbobank A/S
- » Sparebanken Hedmark
- » SpareBank 1 SR-Bank
- » SpareBank 1 SMN
- » SpareBank 1 Nord-Norge
- » Sparebanken Vest
- » Sparebanken Øst
- » Sparebanken Pluss
- » Sparebanken Sogn og Fjordane
- » Sparebanken Sor
- » Spar Nord Bank A/S
- » Storebrand Bank
- » Sydbank A/S



## Related Websites and Information Sources

For additional information, please see:

- » the company's website: [www.sbm.no](http://www.sbm.no)
- » the regulator's website: [www.finanstilsynet.no](http://www.finanstilsynet.no)
- » the central bank's website: [www.norges-bank.no](http://www.norges-bank.no)

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## Moody's Related Research

### Credit Opinion:

- » [Sparebanken Møre, September 2012](#)

### Banking System Outlook:

- » [Norway, November 2011 \(137158\)](#)

### Banking System Profile:

- » [Norway, May 2012 \(141857\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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