

The Annual General Meeting's adoption of the Annual Accounts and the Annual Report for 2019 for Sparebanken Møre, including dividend distribution

On 16 March 2020 the Financial Supervisory Authority of Norway (the FSA) sent similar letters to the Board of Directors of Norwegian banks and holding companies in bank-dominated financial groups regarding allocation of profits for 2019. Based on this letter and the market situation in general, the Board of Directors of Sparebanken Møre held an extraordinary board meeting on 23 March 2020, where the proposal of allocation of profits for 2019 was subject to reconsideration.

On this basis, the Board modified its recommendation to the General Meeting, reducing dividend from initial proposed NOK 17.50 per EC to NOK 14.00 per EC.

The Board's new proposal for allocation of the annual result for 2019 does not imply a requirement to change the annual accounts nor the Board's annual report submitted on 26 February 2020. In accordance with IFRS dividend proposals are presented as part of equity in the balance sheet, and thus the IFRS accounts do not offset the outcome of the resolution in the Annual General Meeting.

On 16 April 2020, the Annual General Meeting determined that the presented annual accounts with supplementary information be adopted as the Bank's annual accounts for 2019.

The Annual General Meeting decided on profits being allocated as follows:

Cash dividends for EC holders (NOK 14.00 per EC)	NOK 138 million
Distributed to the dividend equalisation fund	NOK 179 million
Dividend to the local community	NOK 141 million
Distributed to the primary capital fund	NOK 181 million

The Annual General Meeting's resolution thus entails the following changes in relation to the presented annual accounts for 2019:

- Total cash dividend for the EC holders are reduced by NOK 35 million, from NOK 173 million to NOK 138 million. Distribution to the dividend equalisation fund increases accordingly.
- In accordance with the Bank's dividend policy, including the consideration of equal treatment, distribution of dividend to the local community is subject to a proportionally reduction, from NOK 176 million to NOK 141 million. Distribution to the primary capital fund increases accordingly.
- Originally proposed dividend is deducted in calculation of Common equity Tier 1 capital (CET1) in the Bank's annual accounts for 2019. Thus, the final approved dividend implies a strengthening of the Group's CET1 as at 31.12.2019 from 17.4 % to 17.7 %.