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COMPANY PROFILE

Sparebanken Møre

Ålesund, Norway

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Company Overview

Sparebanken Møre is a regional savings bank conducting banking business in western Norway in the county of Møre and Romsdal for almost 170 years. According to its reports, it holds a market share of almost 30% in retail lending and around 20% in corporate lending in the 23 municipalities in which it operates. It is also the seventh largest savings bank in Norway by assets and holds a national market share of around 1.4% in terms of deposits as of 31 December 2008. The bank reported a total consolidated asset base of around NOK40.7 billion (€4.8 billion) as of 30 September 2009.

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

As a Norwegian savings bank, Sparebanken Møre has a corresponding ownership structure as an independent foundation with equity certificate bearers rather than stockholders or traditional owners. The bank's equity certificates are traded on the Oslo Stock Exchange. As of 30 September 2009, no single entity holds more than 6% of total equity certificates.

Note: Currency converted using exchange rate of NOK-€ of 0.1173 as of 30 Sep 2009

Source: Company Reports (annual report Dec 08, interim report Sep 09), The Norwegian Financial Services Association (FNH), Moody's research, 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 moodys.com](#)>.

Latest Full-Year Results

Sparebanken Møre

NOK MILLION	31-DEC-08	31-DEC-07	31-DEC-06	% CHANGE 08/07	% CHANGE 07/06
NOK/€, Period end	0.1009	0.1255	0.1209		
Total Assets	40,796	35,615	31,757	14.55	12.15
Total Shareholders' Equity	2,625	2,403	2,192	9.24	9.63
Shareholders' Equity excluding Minority Interest	-	-	-	-	-
Net Capital	3,030	2,656	2,557	14.08	3.87
Tier 1 Ratio (%)	9.12	9.34	10.28	(22) bps	(94) bps
Net Income	338	333	272	1.50	22.43
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

3) "Net Capital" and "Tier 1 Ratio" for 2008 are calculated according to Basel II standard approach. The corresponding figures for 2006 and 2007 are calculated according to Basel I

Source: Company Report (annual report Dec 08)

Latest Nine-Month Results

Sparebanken Møre

NOK MILLION	30-SEP-09	30-SEP-08	% CHANGE 09/08
NOK/€, Period end	0.1173	0.1205	
Total Assets	40,696	38,790	4.91
Total Shareholders' Equity	2,723	2,570	5.95
Shareholders' Equity excluding Minority Interest	-	-	-
Net Capital	3,300	2,886	14.35
Tier 1 Ratio (%)	10.20	9.12	108 bps
Net Income	243	258	(5.81)
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

Source: Company Report (interim report Sep 09), www.oanda.com

Business Activities

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

The bank reports its activities under the following major business segments: Corporate, Retail, Real estate brokerage, Leasing and Elimination/Investment/Other. In 2008, the Retail segment was the largest contributor to the bank's total income (47.7%).

Corporate: This segment provides corporate deposits, loans, payments, savings and investment products and financial advisory services to corporate customers. In 2008, the segment contributed 37.6% of the bank's total income and reported consolidated assets of NOK14.4 billion (€1.5 billion) as of 31 December 2008.

Retail: This segment offers retail deposits, loans, payments, savings and investment products and financial advisory facilities to retail customers. In 2008, the segment contributed 47.7% of the bank's total income and reported consolidated assets of NOK22.2 billion (€2.2 billion) as of 31 December 2008.

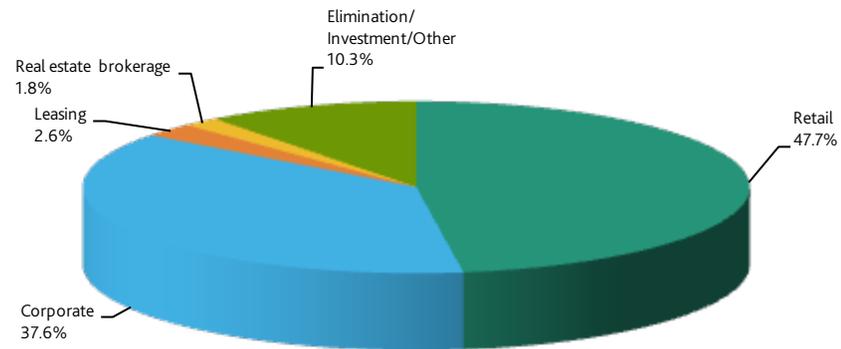
Real estate brokerage: The bank provides real estate brokerage services to retail and corporate customers through its wholly owned subsidiaries Møre Eiendomsmegling AS and Møre Naeringsmegling AS. In 2008, the segment contributed 1.8% of the bank's total income and reported consolidated assets of NOK12 million (€1.2 million) as of 31 December 2008.

Leasing: The bank offers leasing and financing services to corporate customers through a wholly owned subsidiary Møre Finans AS. In 2008, the segment contributed 2.6% of the bank's total income and reported consolidated assets of NOK659 million (€66.5 million) as of 31 December 2008.

Elimination/Investment/Other: This segment mainly comprises ownership and management of real estate through Sparebankeiendom AS, Møre Bankbygg AS and Storgata 41-45 Molde AS, as well as financing services (loans secured by mortgages on residential and commercial property) through Møre Boligkreditt AS. In 2008, the segment contributed 10.3% of the bank's total income and reported consolidated assets of NOK3.6 billion (€361.2 million) as of 31 December 2008.

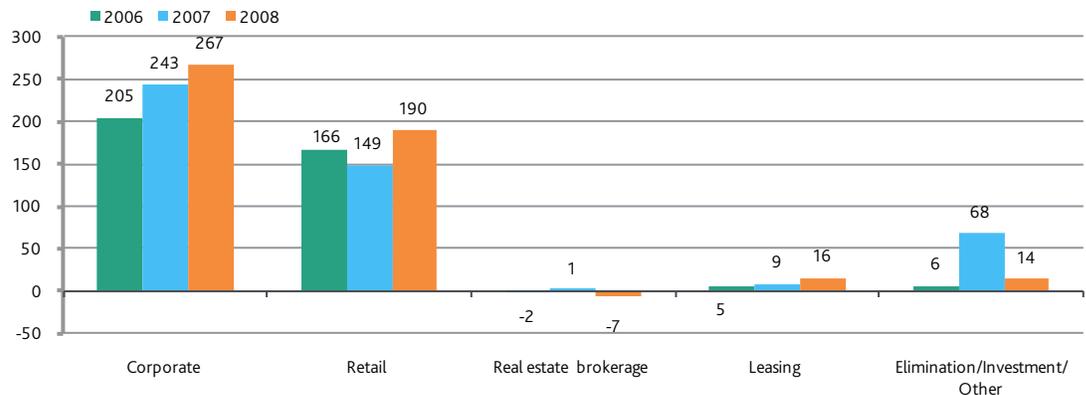
Source: Company Report (annual report Dec 08)

FIGURE 1

Business Segment (% of Total Income, consolidated, for FYE December 2008)

Source: Company Report (annual report Dec 08, Pg 80)

FIGURE 2

Profit before Tax per Business Segment (consolidated, in NOK million)

Source: Company Report (annual report Dec 08: Pg 80 and Pg 81)

Distribution Capacity and Market Share

Sparebanken Møre is a regional savings bank with a well-established market position in western Norway in the county of Møre and Romsdal, characterised by a high retail and corporate market share. As of 31 December 2008, the bank provided its products and services through a network of 31 branches in 23 municipalities within the county and had 115,000 active retail and 8,000 corporate customers. It also provides its services through alternative distribution channels including payment cards, internet and telephone banking.

According to its reports, Sparebanken Møre has a market share of almost 30% in retail lending and around 20% in corporate lending in the 23 municipalities in which it operates. It is the seventh largest savings bank in Norway by assets and holds a national market share of around 1.4% in terms of deposits and less than 1% based on lending as of 31 December 2008.

Source: Company Report (annual report Dec 08), The Norwegian Financial Services Association (FNH), Moody's research

Ownership and Structure

As a Norwegian savings bank, Sparebanken Møre has a corresponding ownership structure as an independent foundation with equity certificates (the new name for primary capital certificates from 1 July 2009) bearers in place of stockholders and traditional owners.

As of 30 September 2009, the bank had 5,949,153 equity certificates in issue held by 6,296 investors. Since 1988, these have been listed on the Oslo Stock Exchange (Stock code: MORG), which is regulated by Finanstilsynet (the Banking, Insurance and Securities Commission). No single entity holds more than 6% of total equity certificates. As of 30 September 2009, the 20 largest equity certificate holders combined accounted for 29.51% of the total holdings, with the bank itself owning 66,711 (1.12%).

Ownership Structure

As of 30 September 2009, Sparebanken Møre's top 10 equity certificate holders were as follows:

Sparebanken Møre		
TOP 10 EQUITY CERTIFICATE HOLDERS	NUMBER	% HELD
Verdipapirfond Pareto Aksje Norge	338,931	5.70
MP Pensjon	282,330	4.75
Verdipapirfond Pareto Aktiv	174,046	2.93
Grunnfond Invest AS	115,824	1.95
Beka Holding AS	111,219	1.87
Farstad Shipping ASA	94,091	1.58
Brown Brothers Harriman & Co	76,674	1.29
Stiftelsen Kjell Holm	76,172	1.28
Odd Slyngstad	73,404	1.23
Sparebanken Møre	66,711	1.12

Subsidiaries

As of 31 December 2008, the bank held interests in the following subsidiaries:

Sparebanken Møre			
SUBSIDIARIES	HOME COUNTRY	CORE OPERATIONS	% HELD
Møre Eiendomsmegling AS ¹⁾	Norway	Real estate brokers	100%
Møre Naeringsmegling AS ²⁾	Norway	Real estate brokers	100%
Møre Finans AS	Norway	Leasing	100%
Sparebankeiendom AS	Norway	Real estate management	100%
Møre Bankbygg AS ³⁾	Norway	Real estate management	100%
Storgata 41-45 Molde AS ⁴⁾	Norway	Real estate management	100%
Møre Boligkreditt AS ⁵⁾	Norway	Funding	100%

Note: 1) Consolidated from 1 July 2005

2) Møre Naeringsmegling AS is a 100% owned subsidiary of Møre Eiendomsmegling AS

3) Møre Bankbygg AS was demerged from Sparebankeiendom AS on 1 January 2007

4) Consolidated from 15 September 2006, Storgata 41-45 Molde AS is a 100% owned subsidiary of Møre Bankbygg AS

5) Former Marine Capital Management AS

Government Support Programme

In October 2008, the Norwegian government introduced a package of banking support measures to improve the sector's access to funding. All banks eligible to subscribe to Norges Bank's fixed-rate lending facility (F-loans) are authorised to use the swap arrangement, comprising NOK350 billion in issued government bonds and maturities of up to five years. As of 30 September 2009, Sparebanken Møre had utilised the swap arrangement to the extent of NOK3 billion. Due to improved market conditions, this arrangement has been now phased out.

In February 2009, the government further announced a crisis relief package in which it proposed to establish two new funds including the Norwegian State Finance Fund to provide core capital to Norwegian banks and the Norwegian State Bond Fund to invest in fixed income securities issued by Norwegian banks and other corporates. The banks had until the end of September 2009 to apply for capital from the former: Sparebanken Møre did not apply for capital from the State Finance Fund.

Source: Company Reports (annual report Dec 08, interim report Sep 09), Oslo Stock Exchange, www.finanstilsynet.no, Moody's research

Company Management

Sparebanken Møre

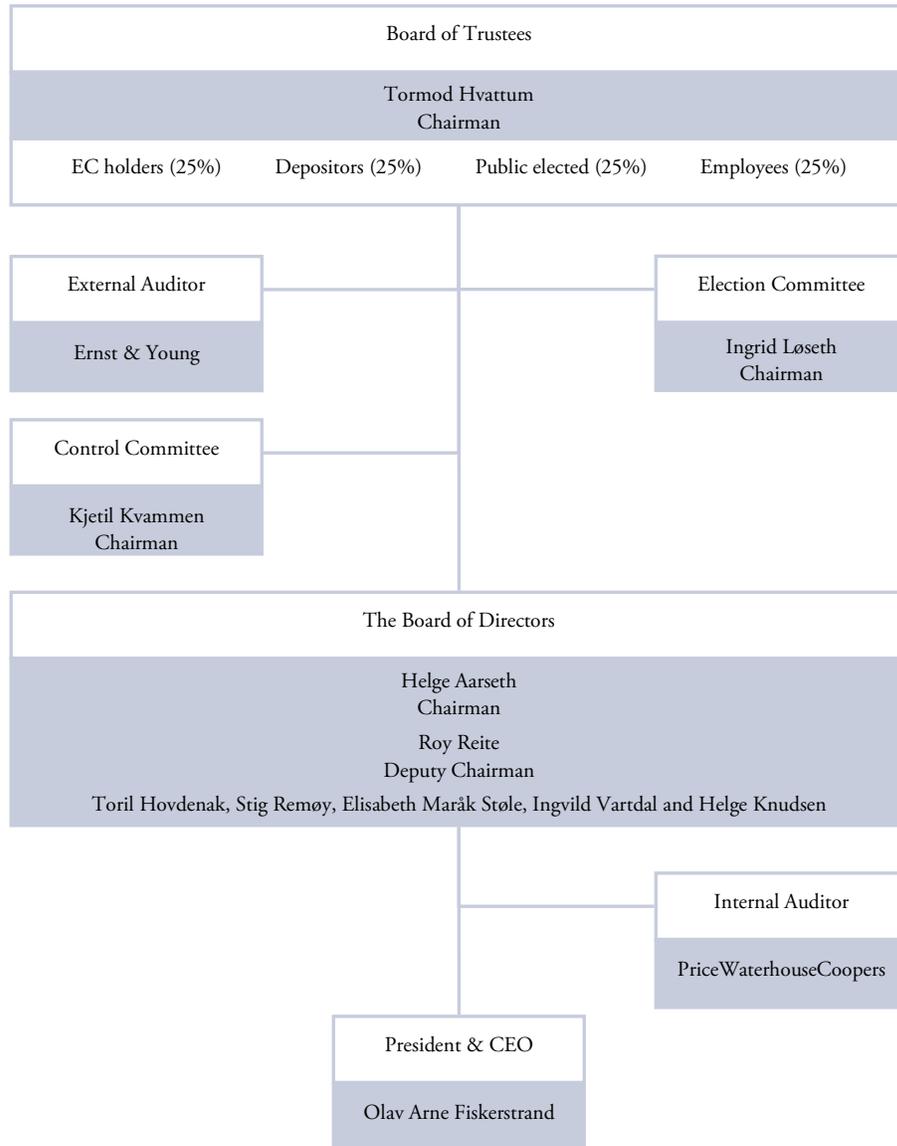
COMPANY DIRECTORS	CURRENT TITLE	AGE	TENURE	COMMITTEES
Olav Arne Fiskerstrand	Chief Executive Officer/ Managing Director	53	12	N/A
Arild Sulebakk	Executive Vice President, Inner Region	46	2	N/A
Tim Solberg	Executive Vice President, Northern Region	55	17	N/A
Bodil Hollingsæter	Executive Vice President, Romsdal og Nordmøre Region	51	3	N/A
Terje Krogset	Executive Vice President, Western Region	64	6	N/A
Terje Krøvel	Executive Vice President, Ålesund and Sula Region Corporate Banking	50	8	N/A
Trond Nydal	Executive Vice President, Ålesund and Sula Region Retail Banking	40	1	N/A
Magnar Bolstad	Executive Vice President, Head of Staff Section	63	17	N/A
Idar Vattøy	Executive Vice President, Head of Financial Control and Risk Management Division	50	2	N/A
Runar Sandanger	Executive Vice President, Head of International Business and Treasury Division	52	8	N/A
Perdy Lunde	Executive Vice President, Head of Business Development and Support Division	52	7	N/A
Bernt Krøvel	Executive Vice President, Southern Region	51	2	N/A

Sparebanken Møre

BOARD OF DIRECTORS	AFFILIATIONS	AGE	TENURE	COMMITTEES
Helge Aarseth	Sparebanken Møre: Chairman; Larhammer & Aarseth: Lawyer and Partner Domstoladministrasjonen: Deputy Chairman; Helse Nordmøre og Romsdal: Chairman; Havila Shipping: Member of the Board of Directors; Den Norske Advokat-forening: representative in the international legal organisations CCBE and IBA	N/A	1	N/A
Roy Reite	Sparebanken Møre: Deputy Chairman; STX Norway Offshore AS: Managing Director STX Group: Chairman of several companies in Norway, Romania, Brazil and Singapore	N/A	5	N/A
Toril Hovdenak	Sparebanken Møre: Board Member; Municipality of Molde: Deputy Chairman; Istad AS, Bussbygg AS and Harøysund Naeringspark AS: Member of the Board of Directors; Molde Municipality's Pension Fund: Chairman	N/A	2	N/A
Stig Remøy	Sparebanken Møre: Board Member; Herøy Næringsforum, 8 different Olympic companies: Chairman; Norges Rederiforbund: Member of the Board of Directors; Olympic Shipping AS: Shipowner and main shareholder	N/A	6	N/A
Elisabeth Maråk Støle	Sparebanken Møre: Board Member; Saferoad's group management: Communications Director	N/A	1	N/A
Ingvild Vartdal	Sparebanken Møre: Board Member; Law Committee for tax law: Member; Hexagon Composites ASA, Sydvestor Vekst AS and I.P. Huse AS: Board Member; Vartdal Holding AS, Vartdal Plastindustri AS: Chairman of the Board of Directors; Schjødt DA: Lawyer	N/A	1	N/A
Helge Karsten Knudsen	Sparebanken Møre: Board Member and Senior Employee Representative	N/A	8	N/A

Note: Tenure represents years in current position

FIGURE 3
Organisation Chart



Source: Company Report (annual report Dec 08)

Company History

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

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, Sparebanken Møre, through Sparebankeiendom AS, acquired 100% of the shares in Storgata 41-45 Molde AS (formerly Ludvig Sættem Eiendom AS), in order to become the owner of property located at Storgata 41-45 in Molde.

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 was renamed Møre Boligkreditt AS. The company's purpose is to provide loans secured by mortgages on residential and commercial property.

In September 2009, Sparebanken Møre acquired Tingvoll Sparebank, announcing plans to convert the bank into a foundation, Sparebankstiftelsen Tingvoll, to promote savings bank activities in the region. The acquisition was completed in November 2009.

Source: Company Reports (annual report Dec 08 and Dec 07)

Peer Group

- » Aktia Bank p.l.c.
- » Länsförsäkringar Bank AB (publ)
- » Ringkjøbing Landbobank A/s
- » SpareBank 1 SR-Bank
- » SpareBank 1 SMN
- » SpareBank 1 Nord-Norge
- » Sparebanken Vest
- » Sparebanken Øst
- » 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
- » the regulator's website: www.finanstilsynet.no
- » the central bank's website: www.norges-bank.no

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Moody's Related Research

Credit Opinion:

- » [Sparebanken Møre](#)

Banking System Outlook:

- » [Norway, December 2009 \(121542\)](#)

Banking Statistical Supplement:

- » [Norway, June 2009](#)

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.

 Report Number: 122377

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