

# 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 close to 170 years. The bank has a well-established market position in the county, where it held market shares of approximately 17% in terms of lending and over 30% in terms of deposits, as of 31 December 2013. As of 31 March 2014, the bank reported a total consolidated asset base of NOK54.3 billion (€6.6 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. Subsequently, it acquired Sandøy Sparebank in 1986, Sparebanken Romsdal in 1990 and Tingvoll Sparebank in 2009.

Sparebanken Møre's equity certificates (ECs) are traded on the Oslo Stock Exchange (Stock code: MORG). As of 31 March 2014, the largest shareholder of the bank was Sparebankstiftelsen Tingvoll, which held a share of 9.4%.

Note: Currency converted using exchange rate of NOK=€0.12098, as of 31 March 2014

Source: Company Reports (annual report Dec 2013, Dec 2011 and Dec 2008, quarterly report Mar 2014 and Sep 2009), Moody's research, Oslo Stock Exchange, [www.oanda.com](http://www.oanda.com)

## 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](#)>.

### EXHIBIT 1

#### Latest Full-Year Results

Sparebanken Møre

(in NOK Million)	31-Dec-13	31-Dec-12	31-Dec-11	% Change 13/12	% Change 12/11
NOK/€, Period end	0.11863	0.13543	0.12872	–	–
Total Assets	54,627	51,632	48,468	5.80	6.53
Total Shareholders' Equity	4,491	3,761	3,256	19.41	15.51
Net Capital	5,680	4,709	4,173	20.62	12.84
Tier 1 Ratio (%)	15.48	13.68	12.00	180 bps	168 bps
Net Income	450	530	379	(15.09)	39.84

Note: Consolidated figures are considered

Source: Company Reports (annual report Dec 2013 and Dec 2012), [www.oanda.com](#)

### EXHIBIT 2

#### Latest First-Quarter Results

Sparebanken Møre

(in NOK Million)	31-Mar-14	31-Mar-13	% Change 14/13
NOK/€, Period end	0.12098	0.13331	–
Total Assets	54,339	52,343	3.81
Total Shareholders' Equity	4,521	3,662	23.46
Shareholders' Equity excluding Minority Interest	–	–	–
Net Capital	5,668	4,927	15.04
Tier 1 Ratio (%)	15.51	13.30	221 bps
Net Income	132	84	57.14
Net Income Attributable to Equity Holders	–	–	–

Notes: 1) Unaudited 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 (quarterly report Mar 2014), [www.oanda.com](#)

## Business Activities

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

The bank reports its activities under the following four business segments: Corporate; Retail; Real Estate Brokerage; and Elimination/Other. For the financial year ended 31 December 2013 (2013), the largest contributor to the bank's total income was the Retail segment (53.9%).

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](#) for the most updated credit rating action information and rating history.

**Corporate:** This segment provides corporate customers with deposit-taking, loans, payment facilities, savings and investment products and financial advisory services. 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 2013, this segment accounted for 43.5% of the bank's total income.

**Retail:** This segment provides retail customers with deposit facilities, loans, payment facilities, savings and investment products and financial advisory services. Through Møre Boligkreditt AS, it also offers mortgage services (loans secured by mortgages on residential property). In 2013, this segment accounted for 53.9% 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 2013, this segment accounted for 1.8% of the bank's total income.

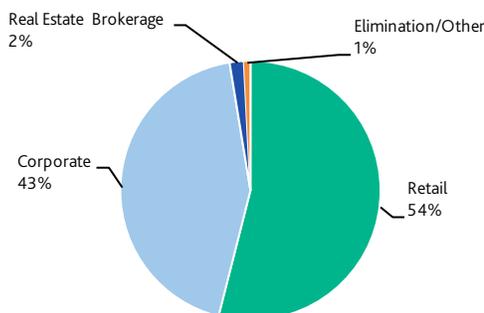
**Elimination/Other:** This segment primarily comprises ownership and management of properties owned by the bank. In 2013, it accounted for 0.8% of the bank's total income.

Source: Company Reports (annual report Dec 2013 and Dec 2009)

EXHIBIT 3

**Business Segment**

(% of Total Income, consolidated, for 2013)

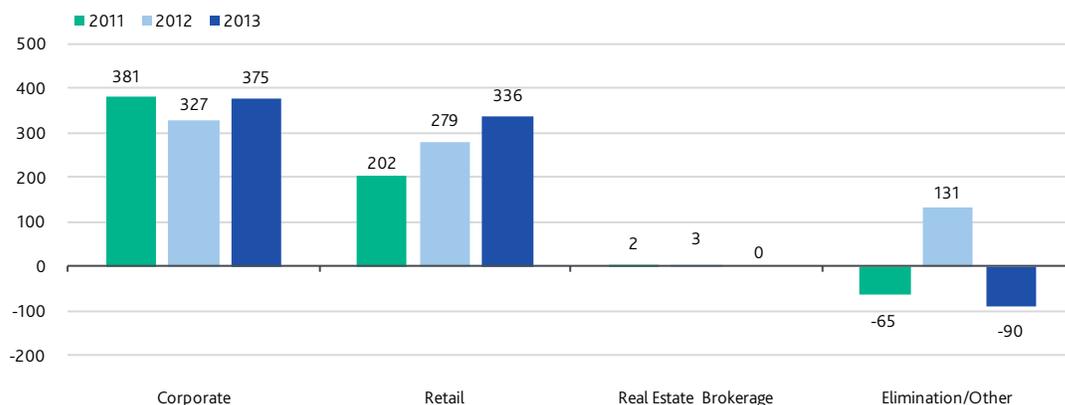


Source: Company Report (annual report Dec 2013, Pg: 79)

EXHIBIT 4

**Profit/(Loss) Before Tax per Business Segment**

(consolidated, in NOK Million)



Source: Company Reports (annual report Dec 2013, Pg: 79 and Dec 2012, Pg: 72)

## Distribution Capacity and Market Share

Sparebanken Møre has a well-established market position in the western Norway county of Møre and Romsdal, where it held market shares of approximately 17% in terms of lending and over 30% in terms of deposits, as of 31 December 2013. As of 31 March 2014, the bank provided its products and services through a network of 30 branches, and had 160,500 active retail customers and 9,500 corporate customers. It also provides its services through alternative distribution channels, including payment cards and internet, mobile and telephone banking.

As of 31 December 2013, its shares of the entire Norwegian market were estimated to be over 1% in terms of lending and 1.5% in terms of deposits.

Source: Company Reports (annual report Dec 2013 and Dec 2009, company presentation Mar 2014), 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 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 savings banks have a broader representation than those of commercial banks. However, in July 2009, amendments to the related legislation resulted in ECs becoming more like shares.

As of 31 March 2014, the bank had 9,886,954 ECs in issue. Since 1988, they have been listed on the Oslo Stock Exchange, which is regulated by Finanstilsynet (The Financial Supervisory Authority of Norway; Stock code: MORG).

The largest shareholder was Sparebankstiftelsen Tingvoll, which held 9.4% of the total ECs as of 31 March 2014. The 20 largest holders of ECs together accounted for 44.4% of the total holdings.

During the third quarter of 2013, Sparebanken Møre completed the issue of new ECs through a private placement, with total proceeds of up to NOK275 million (€33.9 million). This was followed by a repair offering of NOK100 million (€12.3 million) and an employee issue of NOK3.5 million (€0.4 million) in the third quarter of 2013.

Note: Currency converted using exchange rate of NOK–€0.12341, as of 30 September 2013

Source: Company Reports (annual report Dec 2013, quarterly report March 2014), Oslo Stock Exchange, Moody's research, [www.finanstilsynet.no](http://www.finanstilsynet.no), [www.oanda.com](http://www.oanda.com)

## Ownership Structure

As of 31 March 2014, the top 10 EC holders in Sparebanken Møre were as follows:

EXHIBIT 5

### Sparebanken Møre

Top 10 EC Holders	Number of ECs	% Held
Sparebankstiftelsen Tingvoll	925,315	9.36
Verdipapirfond Pareto Aksje Norge	533,388	5.39
MP Pensjon	478,282	4.84

## EXHIBIT 5

**Sparebanken Møre**

Top 10 EC Holders	Number of ECs	% Held
VPF Nordea Norge Verdi	251,973	2.55
Wenaasgruppen AS	250,000	2.53
Pareto AS	229,189	2.32
Verdipapirfond Pareto Aktiv	225,341	2.28
FLPS - Princ All Sec	196,992	1.99
VPF Fondsfinans Spar	170,000	1.72
Beka Holding AS	150,100	1.52

Source: Company Report (quarterly report Mar 2014)

**Subsidiaries**

As of 31 December 2013, the bank held interests in the following subsidiaries:

## EXHIBIT 6

**Sparebanken Møre**

Subsidiary	Home Country	Core Operation	% Held
Møre Eiendomsmegling AS	Norway	Real estate broking	100
Sparebankeiendom AS	Norway	Real estate management	100
Møre Boligkreditt AS	Norway	Funding	100

Source: Company Report (annual report Dec 2013)

**Company Management**

Company Management	Current Title	Age
Olav Arne Fiskerstrand	Sparebanken Møre: Chief Executive Officer	57
Terje Krøvel	Sparebanken Møre: Executive Vice President, Head of Corporate Division-Sunnmøre	54
Kjell Jan Brudevoll	Sparebanken Møre: Executive Vice President, Head of Corporate Division-Søre Sunnmøre	59
Trond Lars Nydal	Sparebanken Møre: Executive Vice President, Head of Retail Banking Division	44
Idar Vattøy	Sparebanken Møre: Executive Vice President, Head of Financial Control, Risk Management and Human Resources Division	54
Perdy Karin Lunde	Sparebanken Møre: Executive Vice President, Head of Business Development and Support Division	56
Runar Sandanger	Sparebanken Møre: Executive Vice President, Head of Treasury and Market Division	55
Kjetil Hauge	Sparebanken Møre: Executive Vice President, Head of Information and Compliance Division	41
Kolbjørn Heggdal	Sparebanken Møre: Executive Vice President, Head of Romsdal & Nordmøre Corporate Banking Division	49
Erik Røkke	Sparebanken Møre: Executive Vice President, Head of Credit Control and Legal Division	44

As of 31 Dec 2013

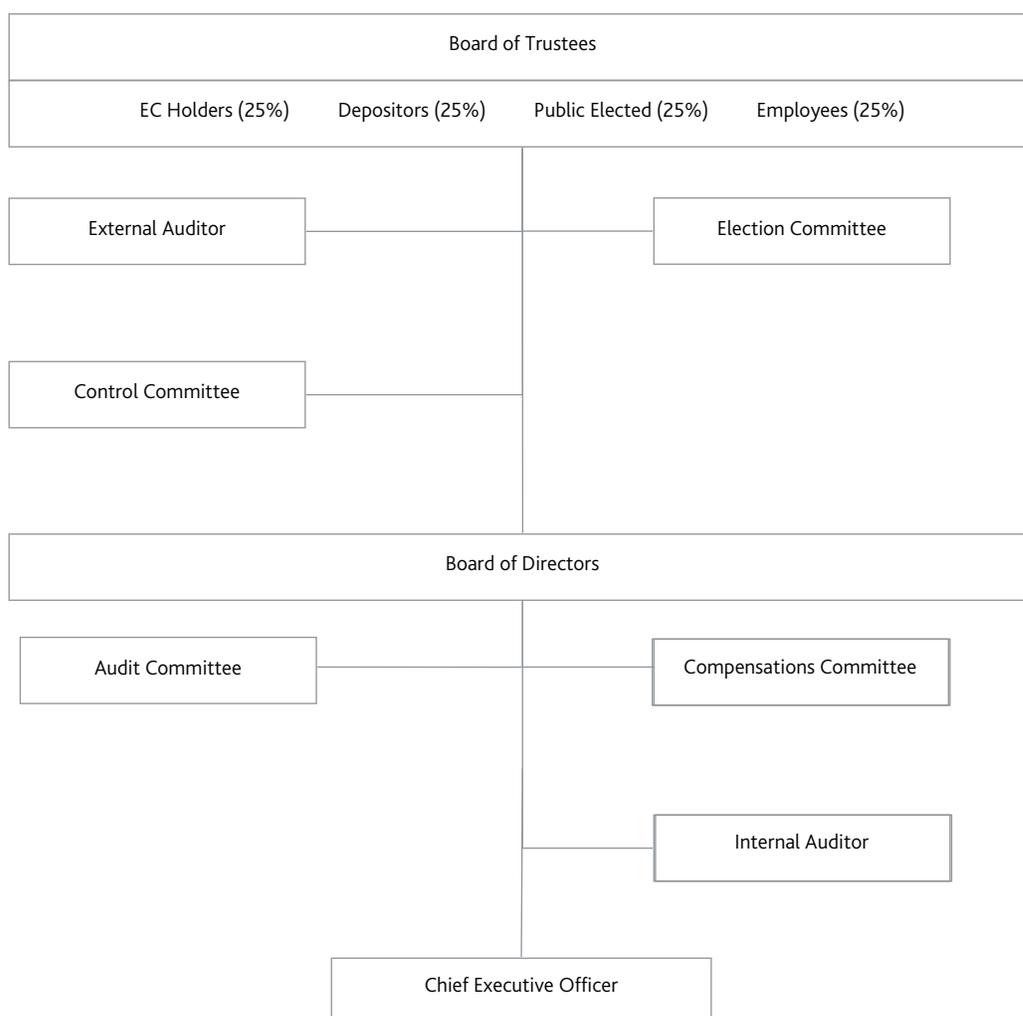
Board of Directors	Affiliations	Committee
Leif Arne Langøy	Sparebanken Møre: Chairman of the Board of Directors; Lapas AS: Owner and General Manager; Kværner ASA and DNV-GL AS: Chairman	Compensations Committee
Roy Reite	Sparebanken Møre: Deputy Chairman of the Board of Directors; Vard Holdings Limited: Chief Executive Officer	Compensations Committee
Ragna Brenne Bjerkeset	Sparebanken Møre: Member of the Board of Directors; TIBE PR: Senior Advisor	Compensations Committee
Ann Magritt Bjastad Vikebakk	Sparebanken Møre: Member of the Board of Directors	
Rita Saevik	Sparebanken Møre: Member of the Board of Directors	
Helge Knudsen	Sparebanken Møre: Member of the Board of Directors	Employee Representative

As of 6 May 2014

Source: Company Reports (annual report Dec 2013, quarterly report Mar 2014)

EXHIBIT 7

### Organisational Chart as of 31 December 2013



Source: Company Report (annual report Dec 2013)

## Company History

Sparebanken Møre was established in April 1985 through the merger of 20 small 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. Sparebanken Møre 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 the 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 2010, the bank's subsidiaries Møre Bankbygg AS and Storgata 41-45 Molde AS were merged with its wholly owned subsidiary Sparebankeiendom AS.

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

*Source: Company Reports (annual report Dec 2012, Dec 2011, Dec 2008 and Dec 2006, quarterly report Mar 2012 and Sep 2009), Moody's research*

## Peer Group

- » Aktia Bank Plc
- » Fana Sparebank
- » Jyske bank A/S
- » 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 Sogn og Fjordane
- » Sparebanken Sor
- » 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, May 2014](#)

Banking System Outlook:

- » [Norway, December 2013 \(161441\)](#)

Banking System Profile:

- » [Norway, March 2014 \(166001\)](#)

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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