

Sparebanken Møre Group

Presentation 4th quarter 2020

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EVP

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We belong here – The largest bank in the region, and with strong local presence

Our vision:

*Sparebanken Møre shall be the
leading contributor to creative
enthusiasm in Nordvestlandet.*

Every day.

The bank is expanding further
and strengthening its position as
market leader in our region
Nordvestlandet.



27

branch offices in our region
Nordvestlandet

346

man years

NOK 79,5

billion in total assets

Results and dividend

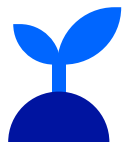
In a letter to Finanstilsynet (FSA) dated 20 January 2021, the Ministry of Finance expressed an expectation that Norwegian banks, which after a careful assessment and based on the ESRB's recommendations will find a basis for distributions, will hold total distributions within a maximum of 30 per cent of cumulative annual results for 2019 and 2020 until September 30, 2021.

Adaptation to regulatory authorities' expectations

- The bank's dividend policy implies a cash dividend for 2020 of NOK 13.50 per equity certificate. Based on the current extraordinary situation and the authorities' expectations, the Board has found it appropriate to propose to the General Meeting a cash dividend per equity certificate of NOK 4.50 for the financial year 2020. The corresponding provision for dividends to the local community will amount to NOK 45 million. The total dividend for 2019 and 2020 will thus amount to 30% of the cumulative annual result for the years 2019 and 2020
- The Board will also propose to the General Meeting that the Board is issued authorisation to make an additional payout up to NOK 9.00 per EC to be distributed as a cash dividend and up to NOK 91 million set aside as dividend funds for the local community for the financial year 2020. In the event of such a further distribution, the total dividend for the financial year 2020 will thus be in line with the bank's dividend policy
- Based on the accounting distribution of equity in the Parent Bank between equity certificate capital and the primary capital fund, 49.6 per cent of the profit will be allocated to equity certificate holders and 50.4 per cent to the primary capital fund. The earnings per equity certificate in the Group were NOK 27.10 in 2020

Q4 2020

- High activity and increasing growth rate gave a good end to the year
- Net interest income in NOK and in per cent of Average Assets increases compared with the previous quarter
- NOK 35 million was booked in losses in the quarter - mainly in oil related industry
- The bank is solid and has good liquidity



Balance growth

Lending growth was 4.4 per cent over the last 12 months. Growth in deposits was 6.0 per cent



Net Interest Income

In NOK: 314 million
In per cent: 1.58



Efficiency

Cost/Income ratio at 40.6 per cent in the quarter



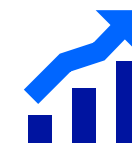
Losses

NOK 35 million in losses on loans and guarantees in Q4



Strong liquidity and solidity

Deposit to Loan ratio at 58.1 per cent, LCR at 138 and CET1 at 17.5 per cent. Leverage Ratio at 8.0 per cent



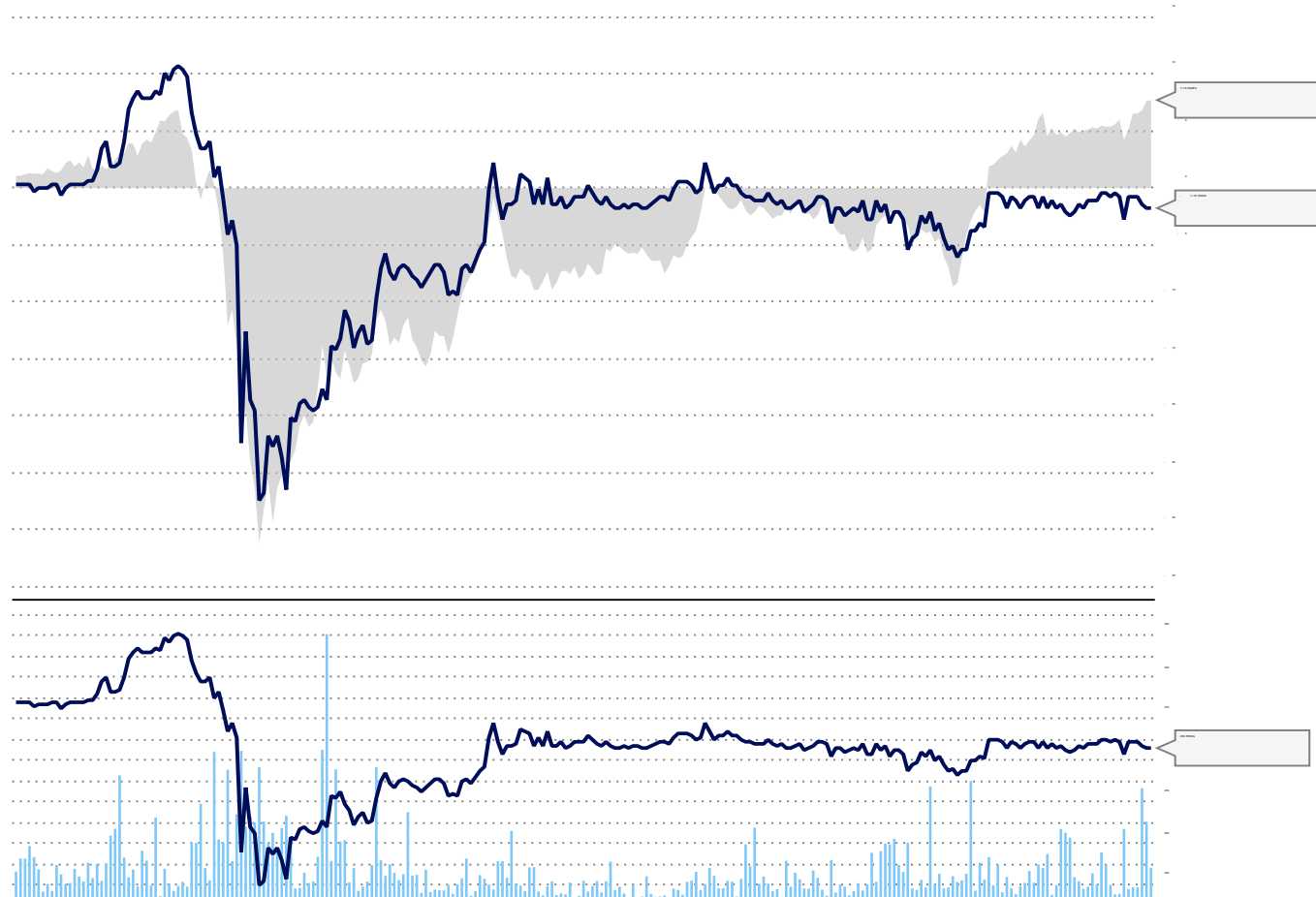
Return on Equity

Return on Equity ended at 9.1 per cent for the fourth quarter of 2020

MORG – price development

- With a MORG price of NOK 296 at the end 2020, the price to book ratio has been reduced to 0.89 from 0.99 as of 31.12.19
- As the figure shows, the MORG price has fallen by 1.76 per cent during 2020, more than the average growth (7.73 per cent) in the EC-market in the same period (Total Return for the EC-index (OSEEX))
- The CET1-ratio ended at 17.5 per cent by year end

Development at Oslo Stock Exchange YTD (MORG vs. EC-index)



Moody's upgrades Sparebanken Møre



Long term deposit and issuer rating at A1 with stable outlook
- local currency Baa 1 rating assigned our first SNP issue

Rating Action: Moody's upgrades Sparebanken More's deposits to A1; assigns Baa1 rating to senior non-preferred (SNP) bonds

Stockholm, January 20, 2021 -- Moody's Investors Service ("Moody's") has upgraded Sparebanken More's long-term bank deposit and long-term issuer ratings to A1 from A2, respectively, both carrying a stable outlook. The rating upgrades are driven by an affirmation of the bank's baa1 Baseline Credit Assessment (BCA) and an update to our Advanced Loss Given Failure (LGF) analysis to take into account the bank's funding plans, which results in a three-notch rating uplift from the BCA.

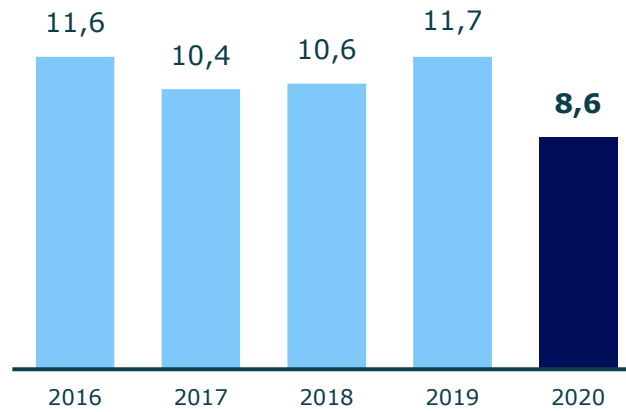
Furthermore, Moody's has today assigned a local currency Baa1 rating to the upcoming issuance of up to NOK750 million senior non-preferred notes by Sparebanken More. The senior non-preferred (SNP) notes, which are classed as "junior senior" unsecured notes by Moody's are ranked junior to other senior unsecured obligations, including senior unsecured debt, and senior to subordinated debt issuances of the bank.

In the upgrade, Moody's places special emphasis on the bank having received - and established a plan for phasing in - the MREL requirement:

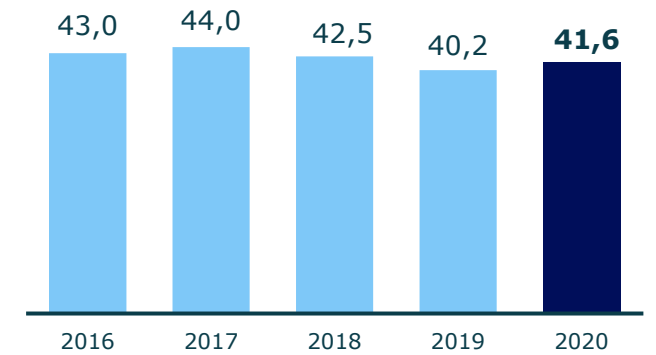
The rating agency's analysis indicates that following the expected issuance of the larger volume of more subordinated liabilities the depositors and other senior creditors of Sparebanken More are likely to face a very low severity of loss in the event of the bank's failure leading to a one notch upgrade in their ratings to A1.

Key figures

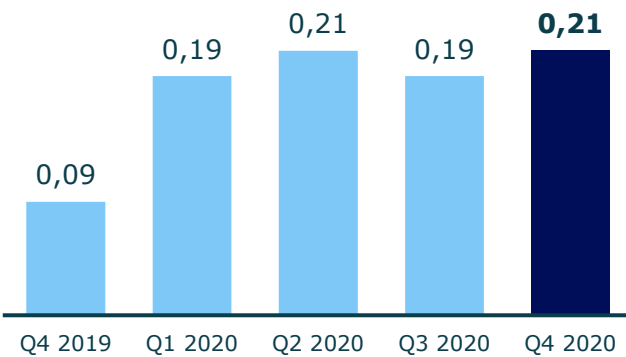
Return on Equity



Cost/Income



Losses on Loans and Guarantees In per cent of Average Assets



Common Equity Tier 1 Capital (CET1)



Balance sheet and key figures

	31.12.2020	31.12.2019	Changes	
Balance in NOK million	NOK	NOK	NOK	%
Total Assets	79,486	74,875	4,611	6.2
Loans to customers	66,850	64,029	2,821	4.4
Deposits from customers	39,023	36,803	2,220	6.0
Net Equity and Subordinated Loans	7,269	6,976	293	4.2

Key Figures	31.12.2020	31.12.2019	Changes p.p.	
Return on Equity	8.6	11.7	-3.1	
Cost/Income Ratio	41.6	40.2	1.4	
Total Capital	21.3	21.7	-0.4	
Tier 1 Capital	19.2	19.5	-0.3	
CET1	17.5	17.7	-0.2	
Leverage Ratio	8.0	8.1	-0.1	
Profit per EC (NOK, the Group)	27.10	34.50	-7.40	
Profit per EC (NOK, the Bank)	26.83	32.00	-5.17	

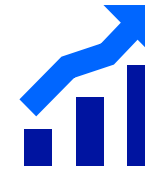
Outlook for the region and the bank

- Developments in the labour market in Møre og Romsdal indicate that total production of goods and services in the county stabilized during the fourth quarter of 2020. At the end of December, registered unemployment accounted for 2.9 per cent of the labour force according to NAV. In comparison, the unemployment rate for the country as a whole was 3.8 per cent
- However, as a result of activity-reducing infection control measures over a longer period, there is a risk that unemployment may rise somewhat and that the number of bankruptcies will increase. The economic situation is challenging for several industries. This is especially true for tourism-related industries such as the hotel and restaurant industry, personal services as well as maritime industries and their suppliers. Challenges will also remain in oil-related industries
- The bank has a solid capital base and good liquidity and will continue to be a strong and committed supporter for our customers. The focus is always on having good operations and profitability
- Although Sparebanken Møre's strategic financial target was not achieved in 2020 and activity-reducing measures as a result of the corona pandemic are expected to affect the market also in 2021, our targets for a return on equity exceeding 11 per cent and a cost share below 40 per cent remain unchanged. The bank has implemented measures to achieve these goals



Financial targets remain unchanged

- Sparebanken Møre's long-term targets of a Return on Equity exceeding 11 per cent and a Cost to Income ratio less than 40 per cent remain unchanged
- The Bank has implemented measures to meet its financial strategic targets



ROE > 11.0 per cent



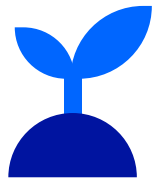
C/I < 40.0
per cent



Low level
of losses



CET1 > 15.2
per cent



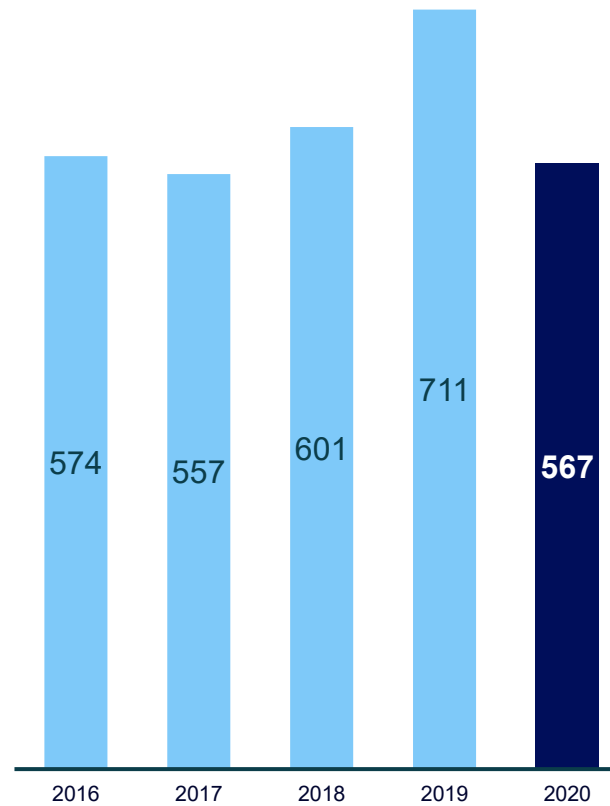
Healthy
financial
structure

Results

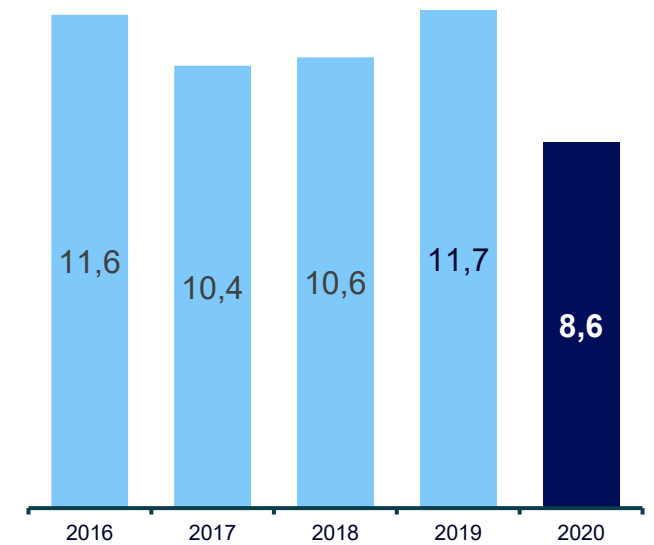
Results 2020

- Results after taxation ended at MNOK 567 in 2020
- Return on Equity was 8.6 per cent in 2020 compared to 11.7 per cent in 2019

Profit after tax
- NOK million



Return on Equity (ROE)
- in percent



Recovery in progress during 2020

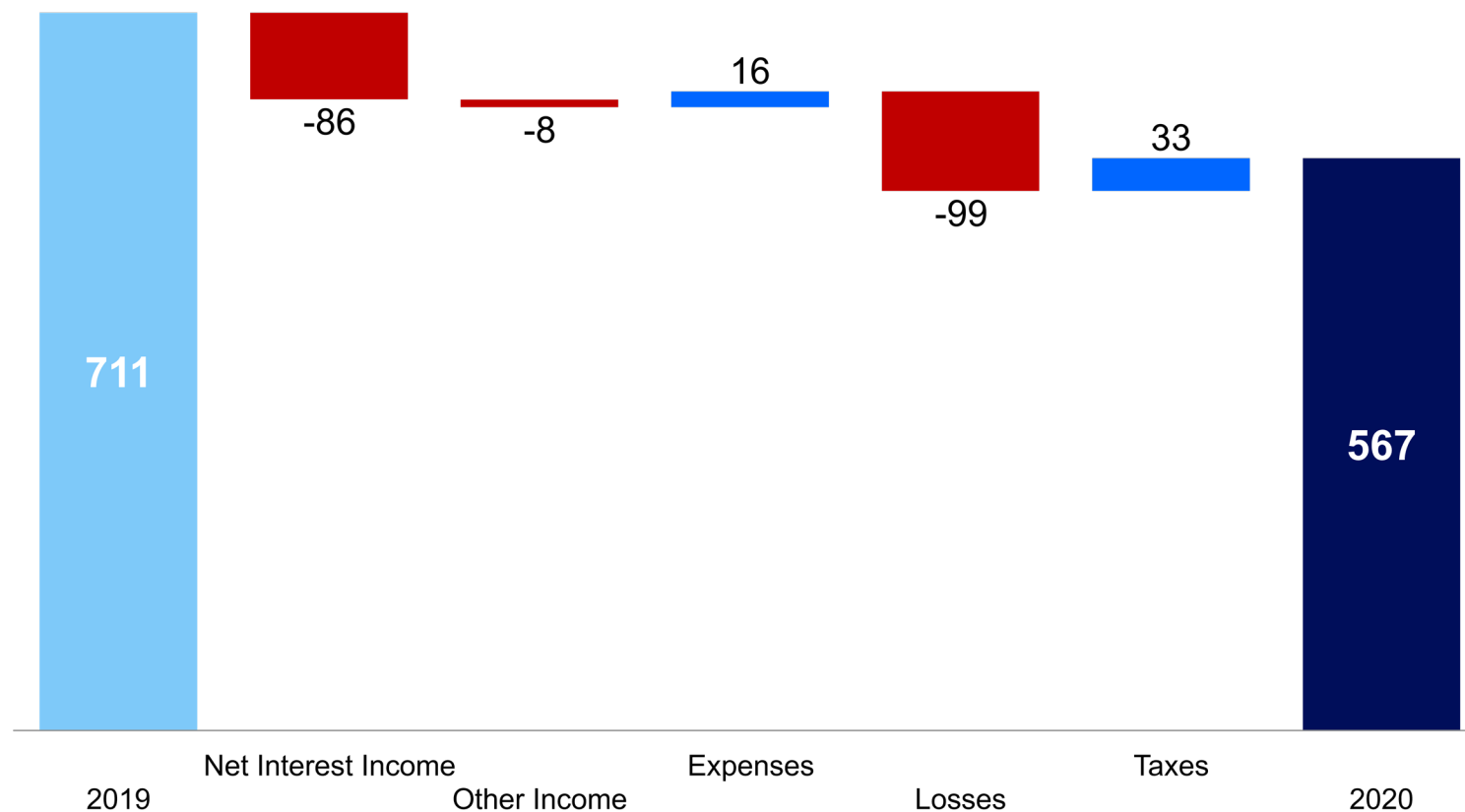
The bank's net interest income is markedly lower than last year.

Other income was sharply up in the second quarter due to changes in the value of the bond- and fixed income portfolios, more normal development for the remainder of 2020.

Costs are NOK 16 million lower than in 2019.

Losses have increased compared to last year.

Results 2020 vs. 2019



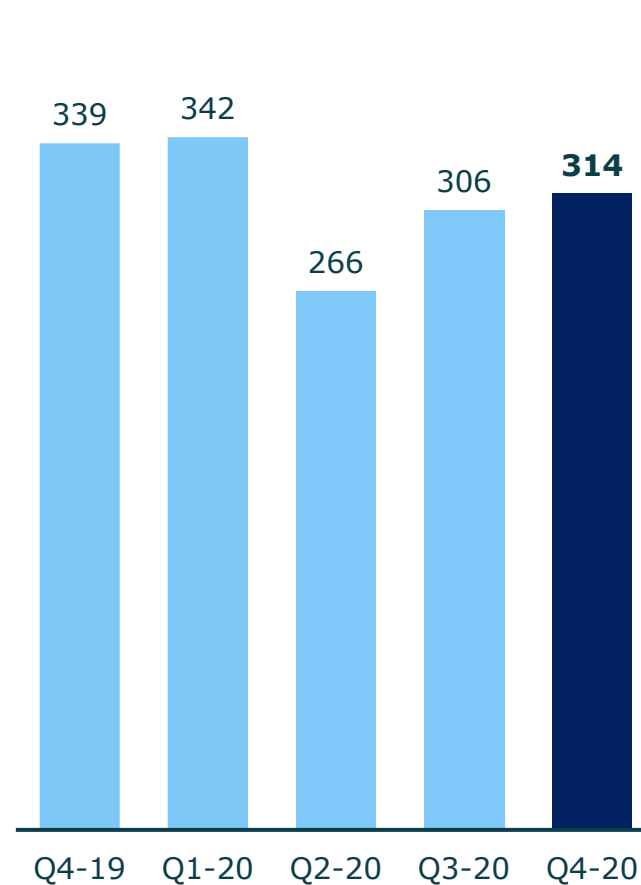
Results in details

Results (NOK million and %)	2020		2019		Changes	
	NOK	%	NOK	%	NOK	p.p.
Net Interest Income	1,228	1.57	1,314	1.79	-86	-0.22
Net Income Financial Investments	65	0.08	67	0.09	-2	-0.01
Gains/losses liquidity portfolio	-4	-0.01	-9	-0.01	5	0.00
Gains/losses on shares	13	0.02	16	0.02	-3	0.00
Other Income	211	0.28	219	0.30	-8	-0.02
Total Other Income	285	0.36	293	0.40	-8	-0.04
Total Income	1,513	1.93	1,607	2.19	-94	-0.26
Personnel costs	332	0.42	354	0.48	-22	-0.06
Other costs	298	0.38	292	0.40	6	-0.02
Total operating costs	630	0.80	646	0.88	-16	-0.08
Profit before losses	883	1.13	961	1.31	-78	-0.18
Losses on loans, guarantees etc	149	0.19	50	0.07	99	0.12
Pre tax profit	734	0.94	911	1.24	-176	-0.30
Taxes	167	0.21	200	0.27	-33	-0.06
Profit after tax	567	0.73	711	0.97	-144	-0.24

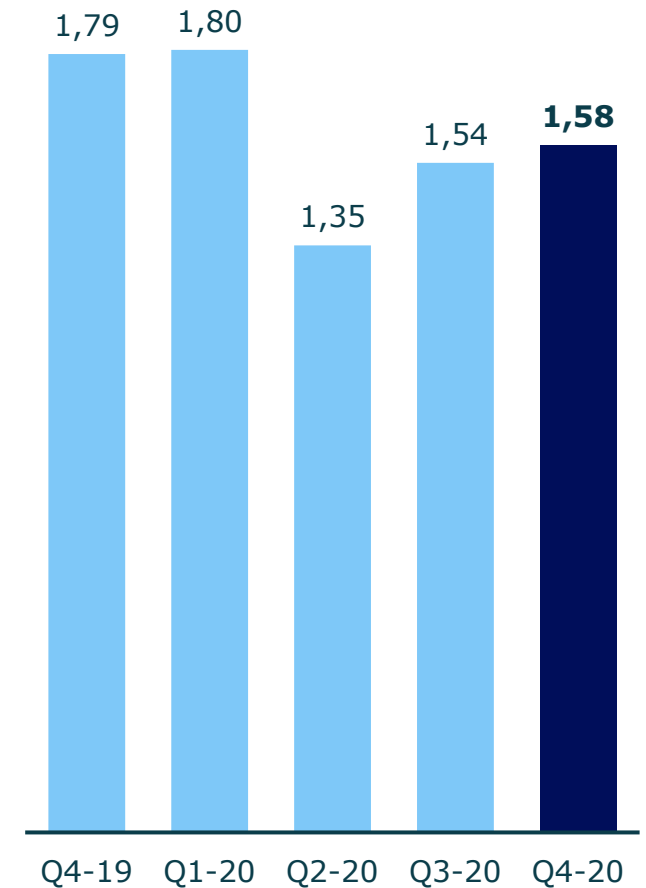
Net Interest Income rebounds

- The Net Interest Income has strengthened in 2H compared with the second quarter
- During Q4, we have had an increasing growth rate and we are experiencing good growth from new customers in both the retail and corporate markets
- Although Net Interest Income has increased, the figure is influenced by the over all low interest rate level
 - ✓ High deposit to loan ratio
 - ✓ High Leverage ratio
 - ✓ Competition
 - ✓ Growth
 - ✓ Strong liquidity

Net Interest Income
- NOK million



Net Interest Income
- % of Average Assets

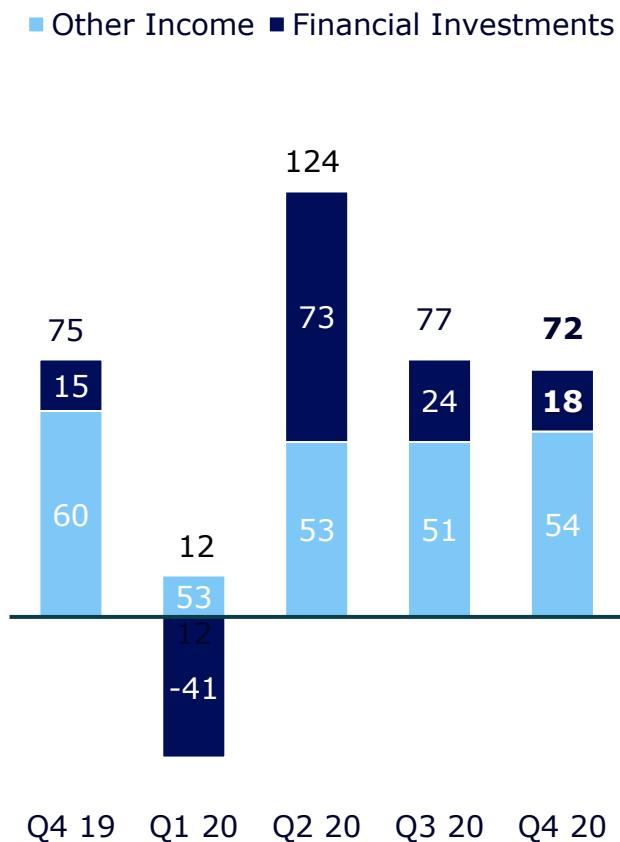


Quarterly development in Other Income

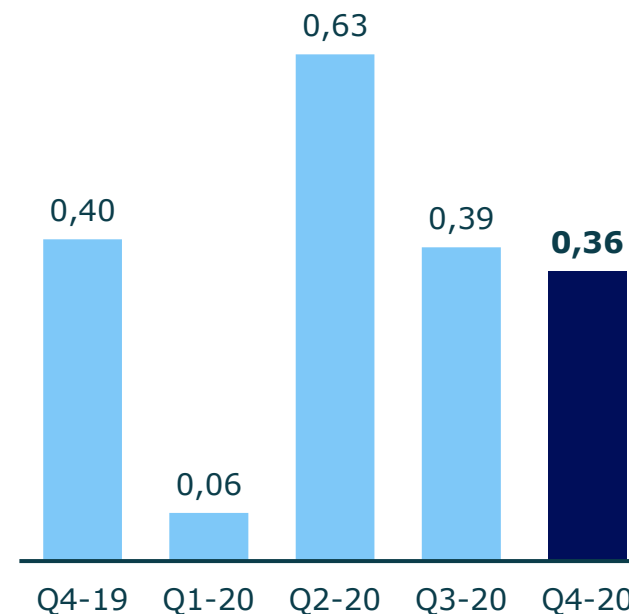
Other Income is more normalized in Q3 and Q4 compared with Q1 and Q2

- Positive development in income from the Markets - and Guarantee areas
- Lower income from payment services

Other Income
- NOK million



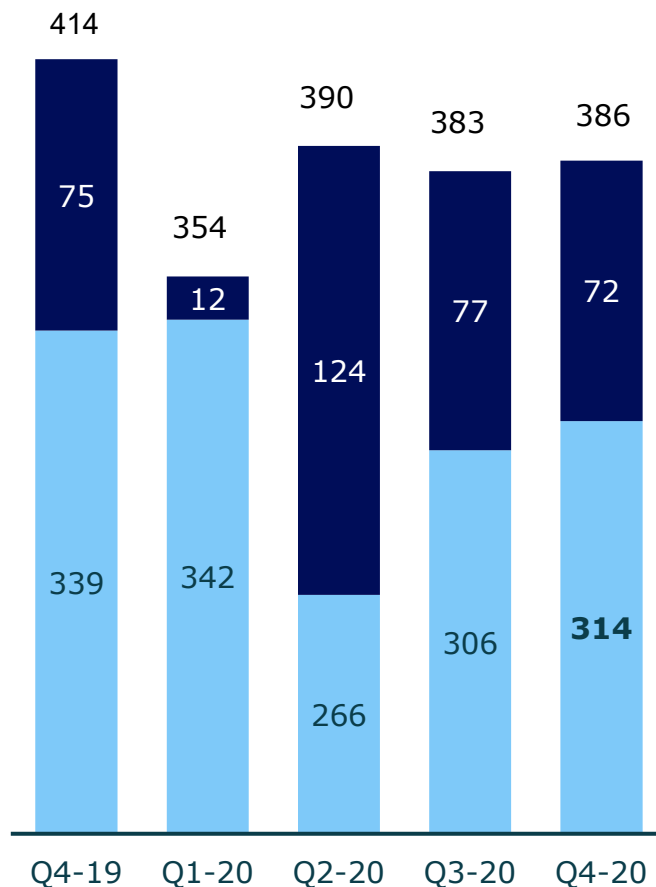
Other Income
- % of Average Assets



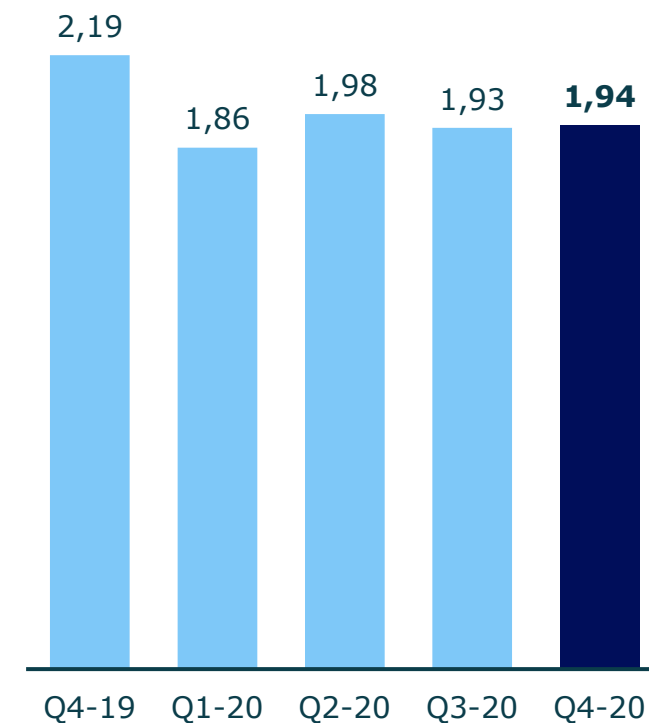
Total Income

- Total revenues were NOK 386 million in the fourth quarter
- Net interest income has risen throughout the quarter
- Other income somewhat lower than the same period last year
- There has been good activity in the bank throughout the quarter and we have good demand from existing and new customers

Total income
- NOK million



Total income
- % Average Assets



Costs

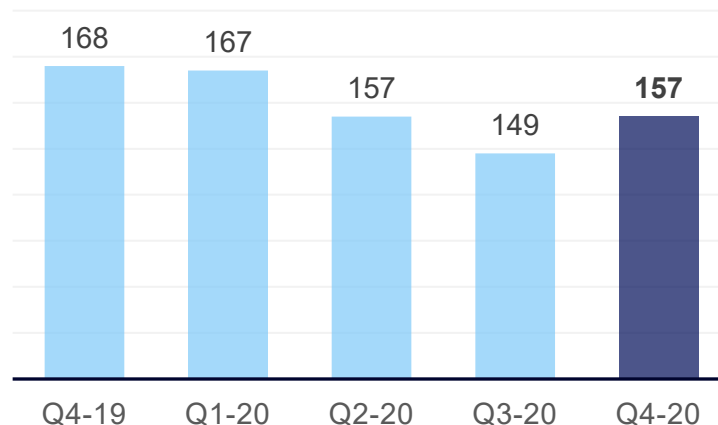
The costs continue to decline and ended 2.5 per cent lower than in 2019.

Total costs in the quarter were MNOK 157, that is MNOK 11 lower than in the same quarter last year.

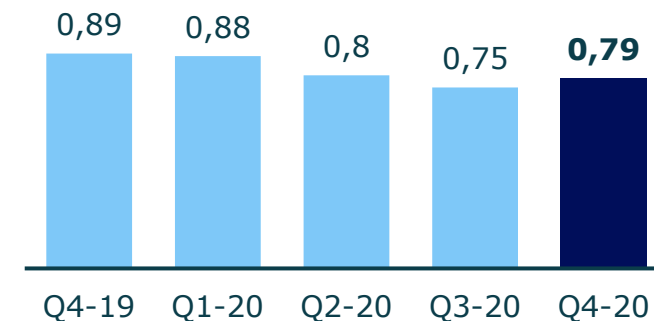
At the same time, we have hired 19 new employees, which testifies to good turnover in the organization.

The cost/income ratio was 40.6 in Q4.

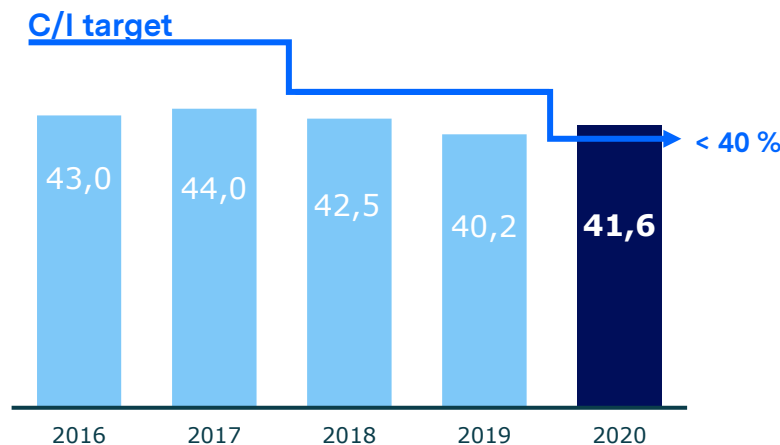
Operating Costs - NOK million



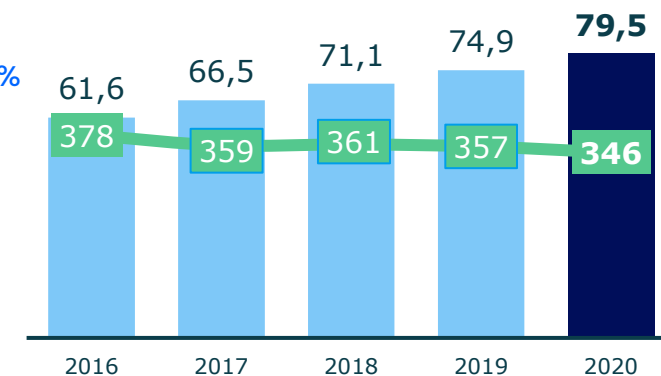
Operating Costs - % of Average Assets



Cost/Income ratio



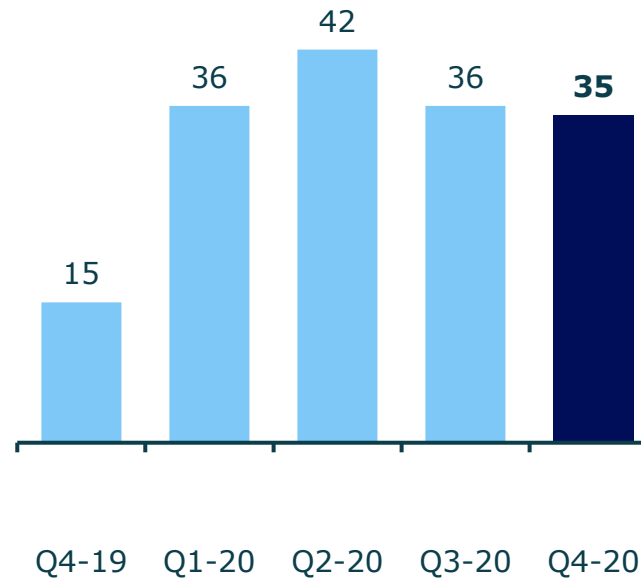
Total Assets and Man Years - Total Assets in NOK billion



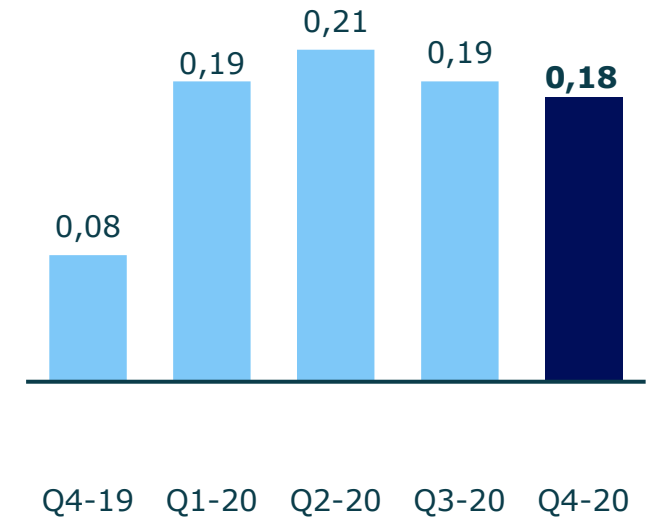
Losses

- Losses on Loans and Guarantees were NOK 35 million in the quarter
- Total impairments were reduced from NOK 375 million at the end of 2019 to NOK 326 million at the end of the quarter
- Despite the macroeconomic conditions improving and low level of default, the Covid-19 situation and the consequences of the fall in oil prices still reigns. Changes in these conditions could impact the Group's losses

Losses on loans and guarantees
- NOK million

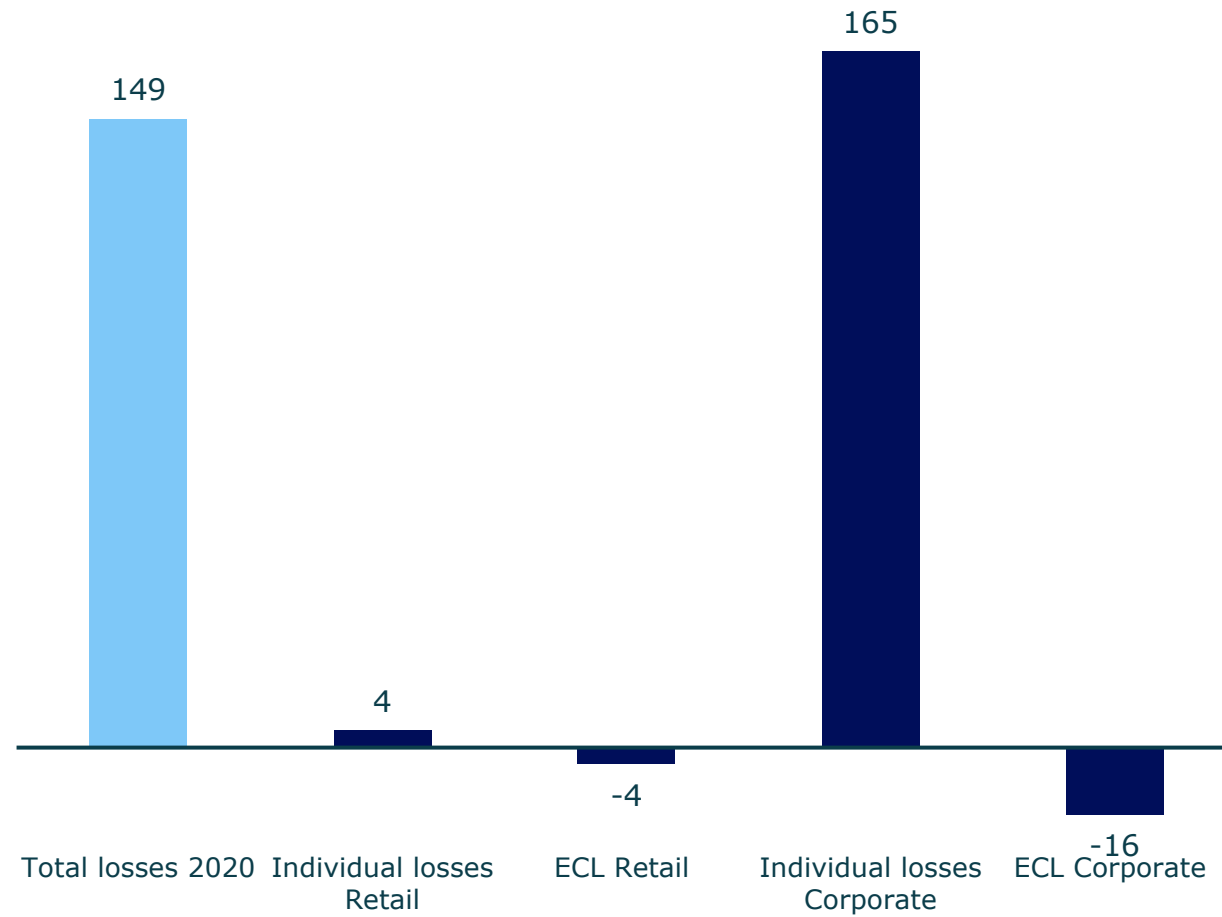


Losses on loans and guarantees
- % of Average Assets



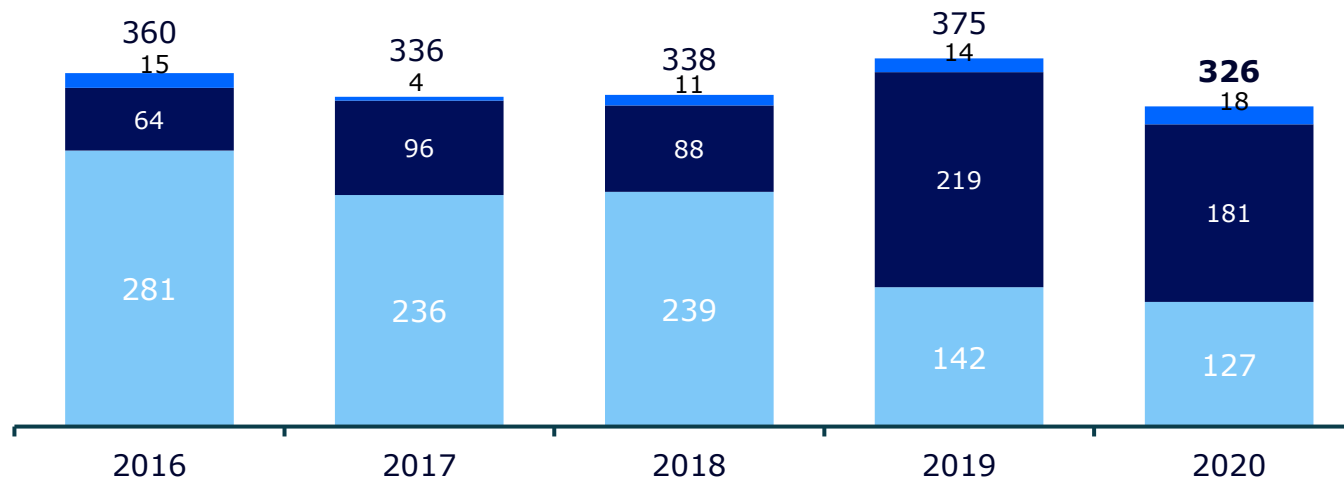
Losses by sector

Losses on loans and guarantees - NOK million



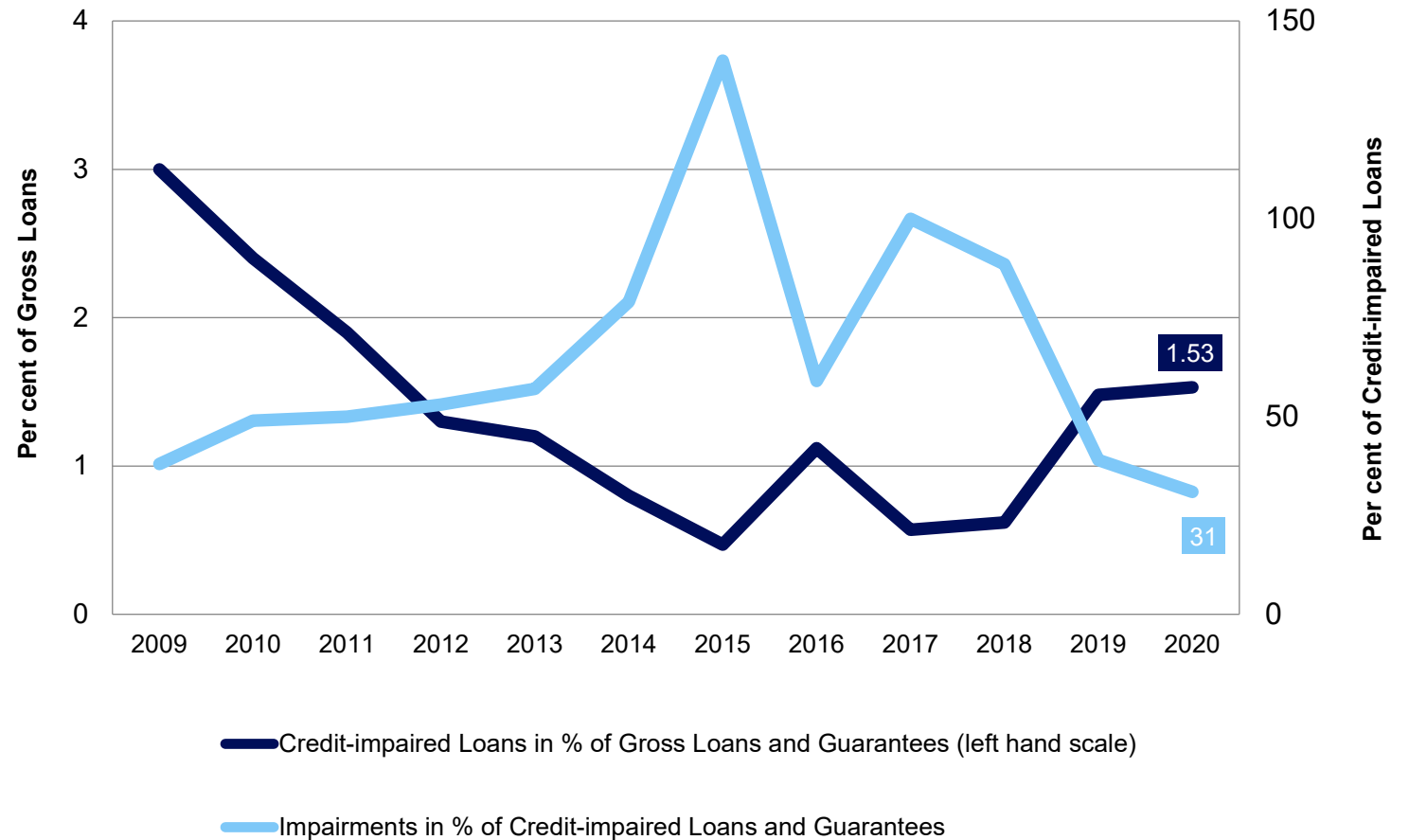
Impairments at comfortable levels

Impairments
- NOK million



- Individual impairments on commitments above 90 days
- Individual impairments on other credit-impaired commitments
- ECL-impairments on loans and guarantees

Credit-impaired loans



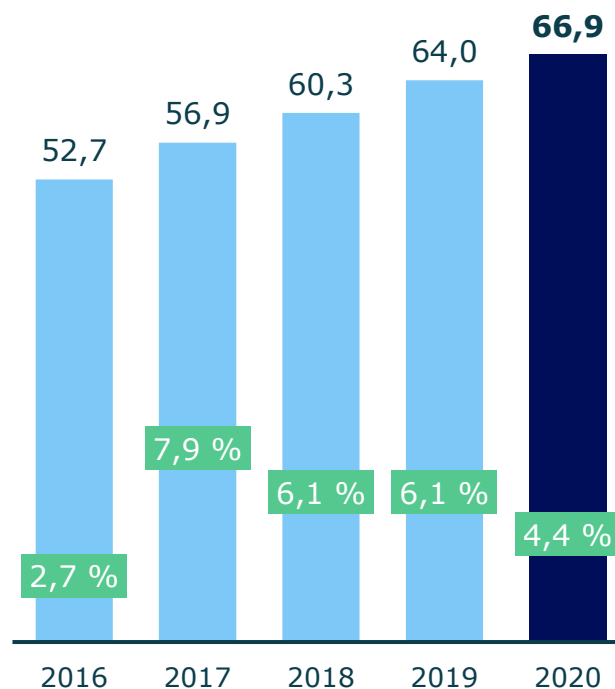
Credit-impaired Loans are loans and guarantees more than 90 days over due and performing loans with individually assessed impairments.

Balance sheet

Continued growth

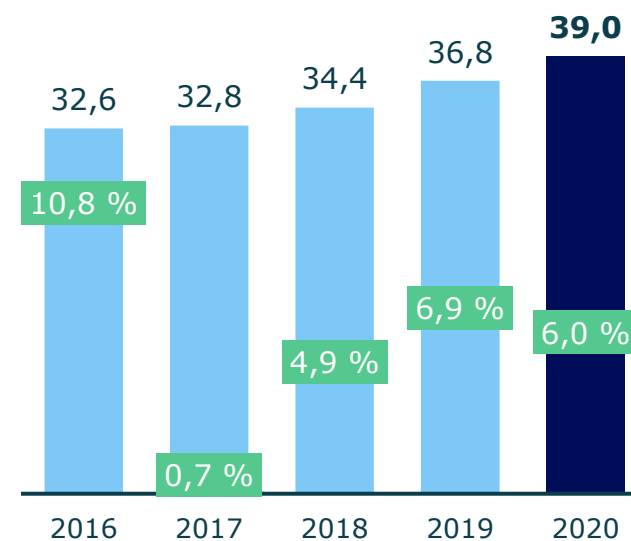
- Annual growth in lending ended at 4.4 per cent by year end
- Deposit growth over the last 12 months ended at 6.0 per cent
- Growth has been particularly strong in priority market areas with a good increase in new customers and increasing business volume
- Experience has clearly shown that the importance of a close and local bank and its own personal adviser has strengthened over the past year
- Availability and competence are high priority areas and are valued by customers

Loans - NOK billion and per cent (y/y)



Customer lending has increased by 4.4 % over the last 12 months.

Deposits - NOK billion and per cent (y/y)



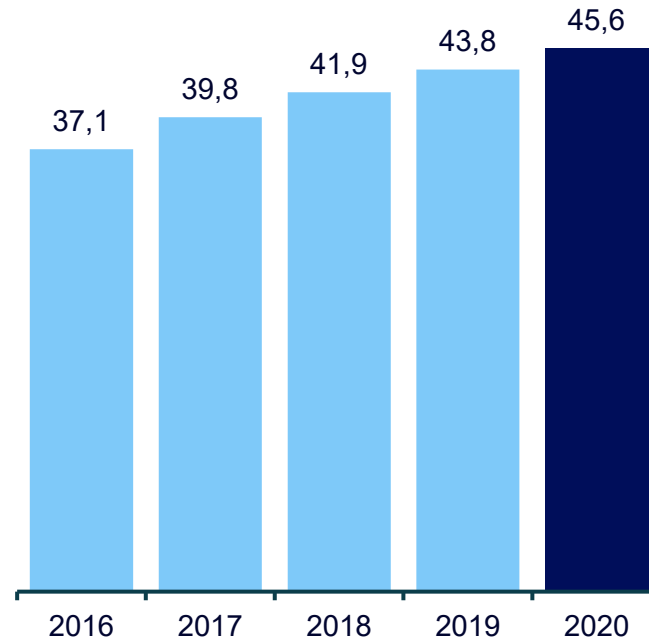
Deposit growth of 6.0 % over the last 12 months.

High deposit-to-loan ratio of 58.1 %

Lending

- Activity in the region is high and the growth of new customers is increasing in both the retail and corporate markets
- Lending growth picked up well in the fourth quarter and contributed to increasing annual growth
- We have good momentum into the year 2021 and expect lending growth to pick up somewhat
- Deposit growth is expected to remain high

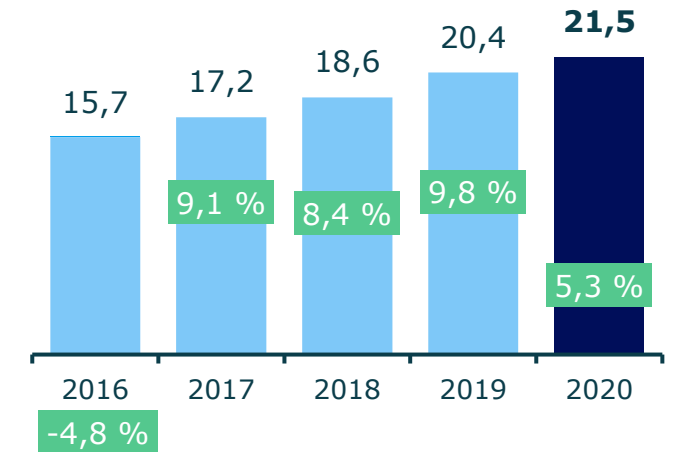
Retail market
- NOK billion and per cent y/y



Retail lending has increased by 4.0 % over the last 12 months

Loans to the retail market amount to 68.2 % of total loans

Corporate market
- NOK billion and per cent y/y



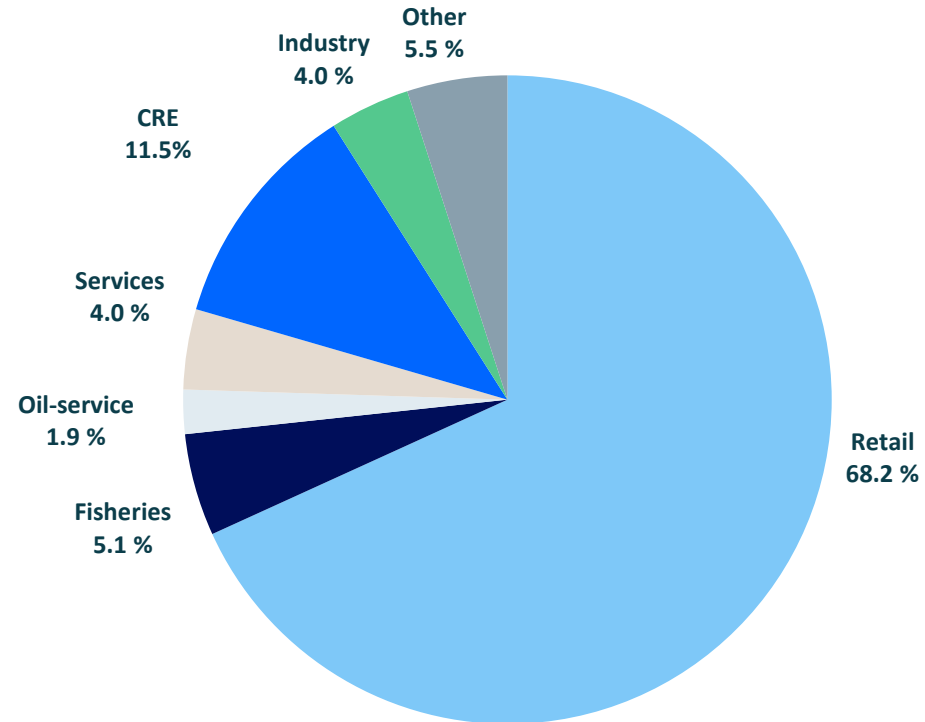
Corporate lending has increased by 5.3 % over the last 12 months

Loans to the corporate market amount to 31.8 % of total loans

Diversified loan book

- The bank is diversified with high credit quality in the portfolio
- We are close to our customers and enter into early dialogue
- The influx of customers with liquidity problems and the need for assistance has gradually diminished and bankruptcy figures remain low

Loans by sector



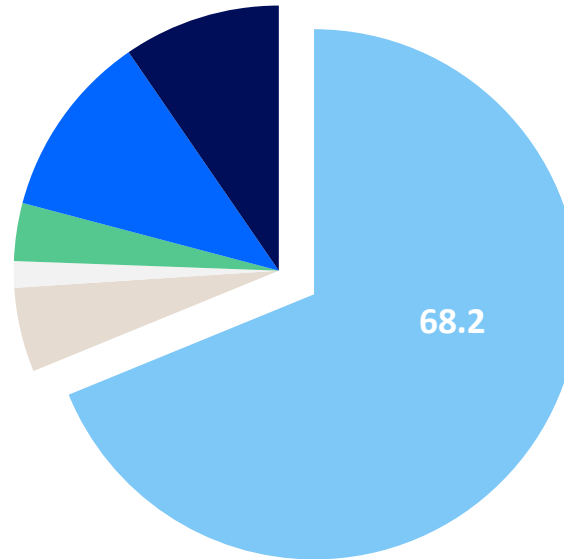
Other;

Financial services	1.4 %
Building and Construction	1.4 %
Retail/wholesale trade	1.0 %
Agriculture	0.9 %
Other	0.8 %

Good quality in our retail portfolio

- High portion of secured loans and low level of loans in default
- We are close to the customers and enter into dialogue early

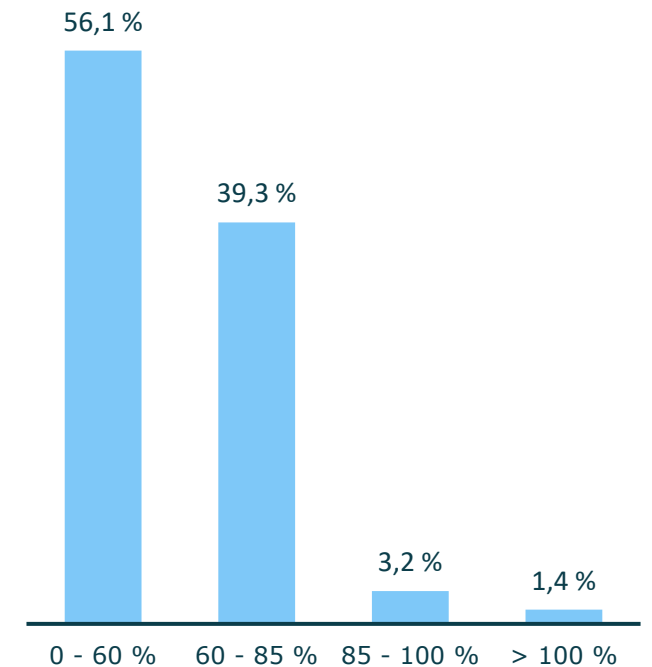
Loans to retail customers - % of total loans



The Bank complies with the lending regulations (Boliglånsforskriften)

Deviation from Boliglånsforskriften reported in the fourth quarter of 2020 were 9.9 % outside Oslo, and 8.0 % in Oslo

Loan to Value – retail loans



95.4 % of mortgages are within 85 % of LTV

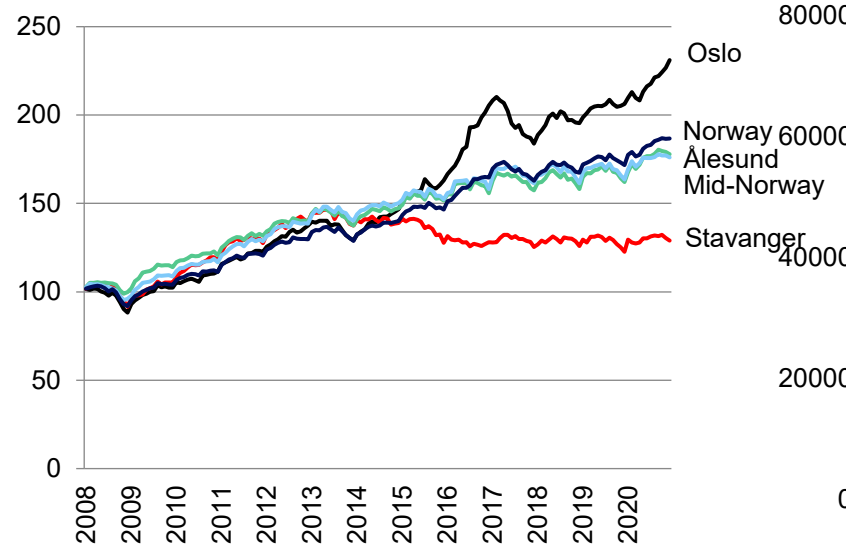
Housing prices

Based on pre-owned dwellings sold in December 2020, Norwegian seasonal adjusted housing prices increased by 0.8 per cent in December 2020.

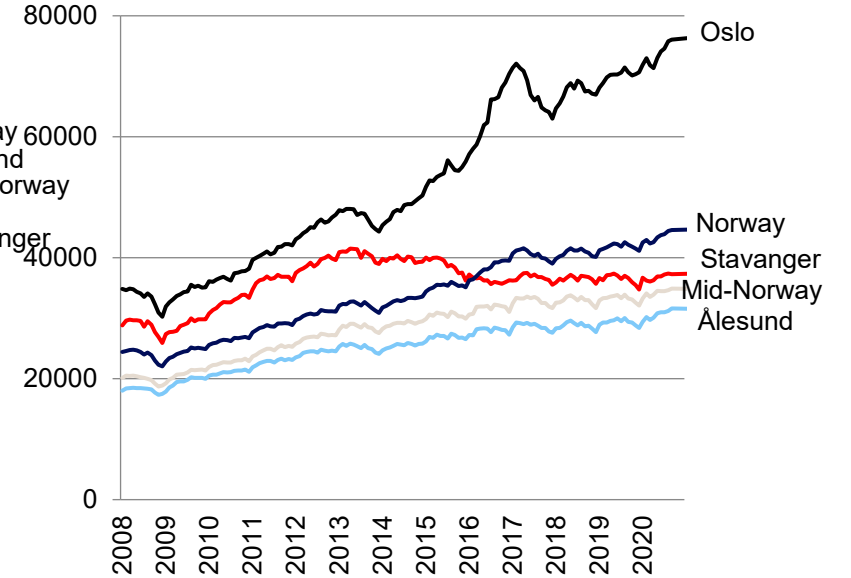
Last twelve months Norwegian housing prices have increased in average by 8.7 per cent.

The City of Ålesund and the Mid-Norway region has over time experienced around national average indexed development in housing prices, but below average real housing price per square meter.

Indexed development
- January 2008 = 100



Price per square meter
- January 2008 – December 2020



Key information

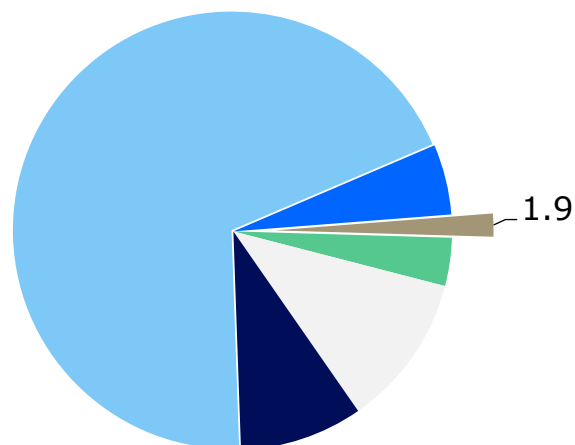
(Sold pre-owned dwellings in December 2020)

	Norway	Mid-Norway	Greater Ålesund	Greater Stavanger	City of Oslo
Seasonal adj. development month	+0.8 %	+0.7 %	+0.7 %	+0.6 %	+1.7 %
Development 12 months	+8.7 %	+7.6 %	+9.7 %	+5.2 %	+12.0 %
Per square meter (NOK)	44,736	34,536	31,151	36,527	79,178
Average days on market	60 days	84 days	65 days	67 days	22 days
Price median dwelling (NOK)	3,360,910	2,789,529	2,731,500	3,286,500	4,519,273

Low exposure towards Oil Service

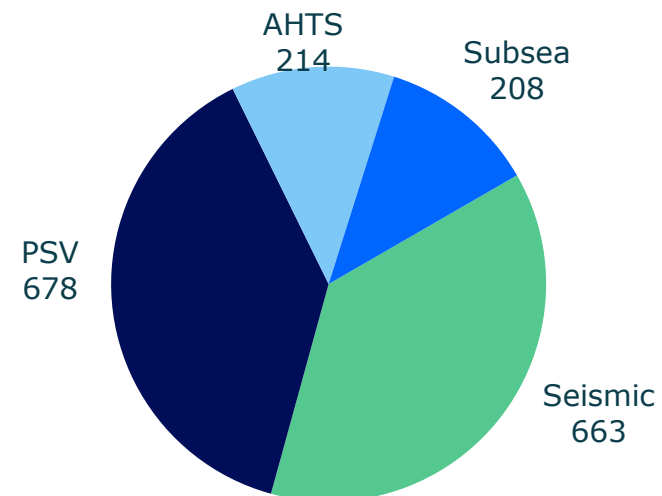
Loans to Oil Service

- In per cent of total loans



EAD* by types of vessels

- In NOK million



(EAD in NOK million)

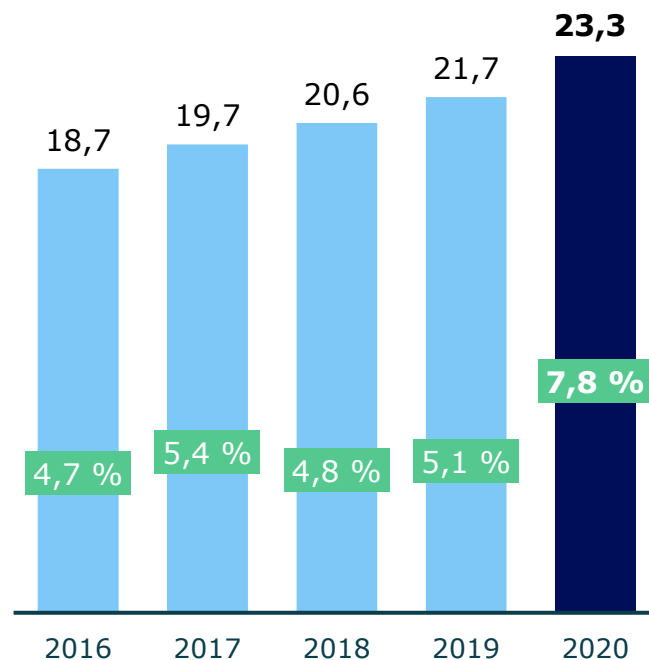
	Loans	Guarantees	Total EAD*	Expected Credit Losses			Per cent of EAD
				Individually assessed impairments	ECL-IFRS 9	Total	
Low Risk (Risk Class A-C)	175	107	282	0	3	3	1.1 %
Medium Risk (Risk Class D-G)	322	86	86	0	15	15	3.7 %
High Risk (Risk Class H-M)	0	184	184	0	4	4	2.1 %
Loans and guarantees with individually assessed impairments	754	136	890	165	-	165	18.5 %
Total	1,252	512	1,764	165	22	187	10.6%

* Sparebanken Møre's total EAD ended at MNOK 72,816 by year end

Deposits

- Deposit growth for both the retail market and the corporate market is good and is above previous years' trends
- We experience good access and growth from both retail customers and companies
- Deposit growth is expected to remain high

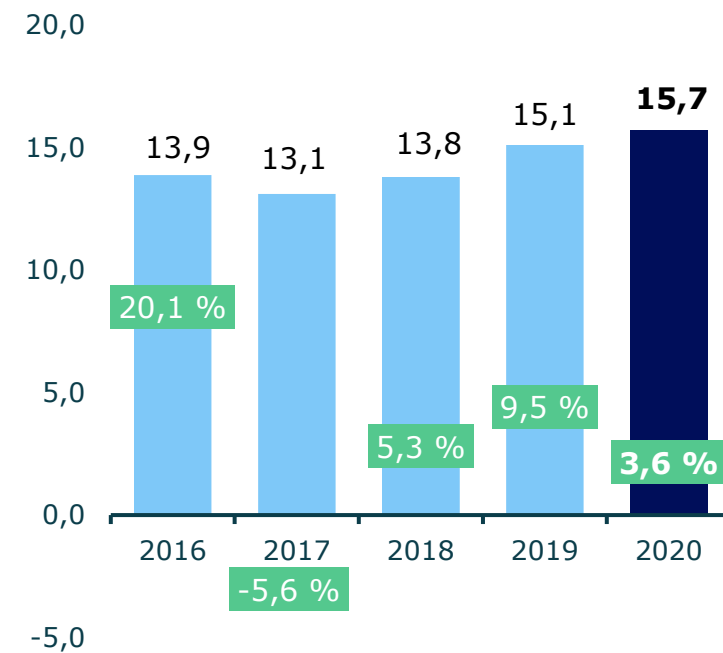
Retail market - NOK billion and per cent y/y



Retail deposits have increased by 7.8 % over the last 12 months

Deposits from the retail market amount to 59.9 % of total deposits

Corporate and public - NOK billion and per cent y/y

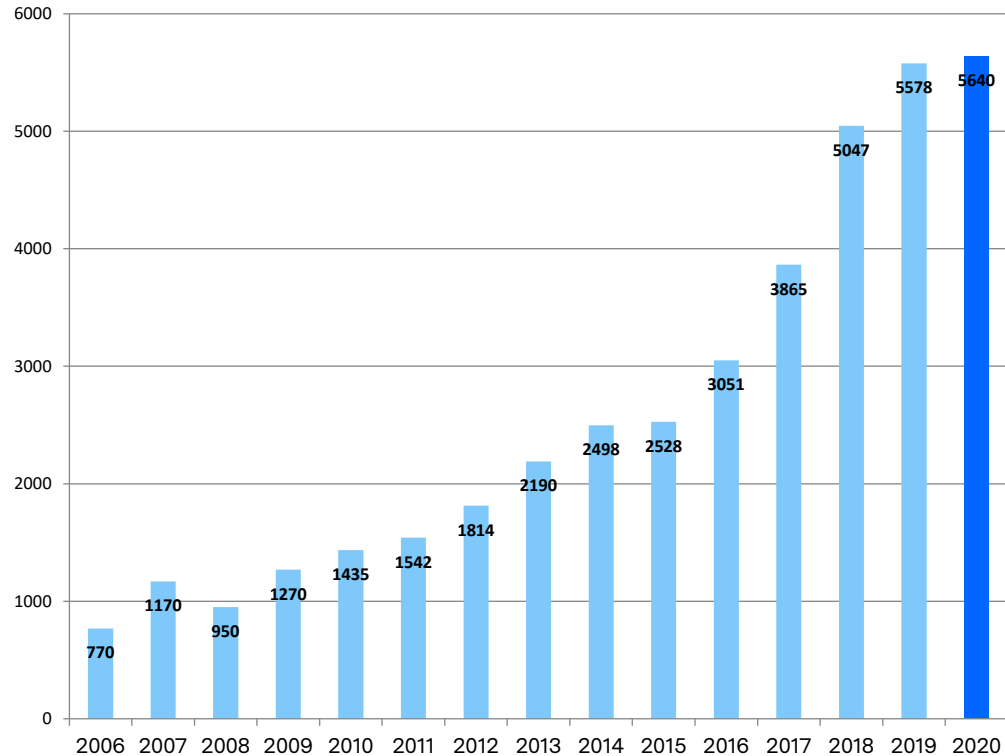


Deposits from corporate and public customers have increased by 3.6 % the last 12 months

Discretionary Portfolio Management

Sparebanken Møre - Aktiv Forvaltning

- Portfolio in NOK million



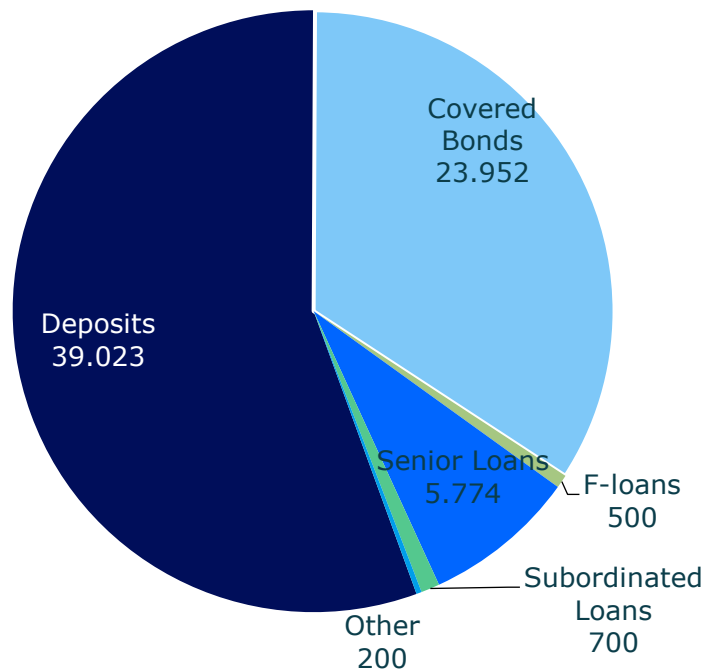
- In addition to deposits, increasingly more of Sparebanken Møre's customers also ask for other investments
- Despite market turmoil, the number of new customers has grown very well
- Sparebanken Møre Aktiv Forvaltning (Discretionary Portfolio Management) offers the Bank's clients professional management services
- Local Asset Managers continuously monitor our customers portfolios:
 - 5 municipalities
 - 10 foundations
 - 1 pension fund
 - 2 insurance companies
 - 190 investment companies
 - 244 wealthy private individuals



Liquidity and Capital

Deposits from customers and market funding – strong rating

Deposits are the Group's most important source of funding



Sparebanken Møre with good access to the market – diversifying the investor base

- Our deposit-to-loan ratio stood at 58.1 per cent by year end
- Total net market funding ended at NOK 30.6 billion by end of the quarter – more than 90 per cent with remaining maturity of more than one year
- Senior Bonds: Weighted average maturity of 3.21 years (FSA defined key figures)
- Covered Bonds issued through Møre Boligkreditt AS have a weighted average maturity of 3.66 years (FSA defined key figures)
- By quarter end Møre Boligkreditt AS had issued seven loans qualifying for Level 2A liquidity in LCR. October 2019, the mortgage company placed its third successful semi-benchmark Public Issue of EUR 250 million in the European market
- Sparebanken Møre has utilized Norges Bank's F-loan scheme with two loans totaling NOK 1,000 million, NOK 500 million with a 6-month and NOK 500 million with a 12-month maturity. The first loan matured in September. The liquidity from the loans has been used to strengthen the bank's LCR liquidity portfolio
- January 2021, Moody's upgraded the banks rating from A2- 34 stable to A1 with stable outlook. Issuances from Møre Boligkreditt AS are rated Aaa

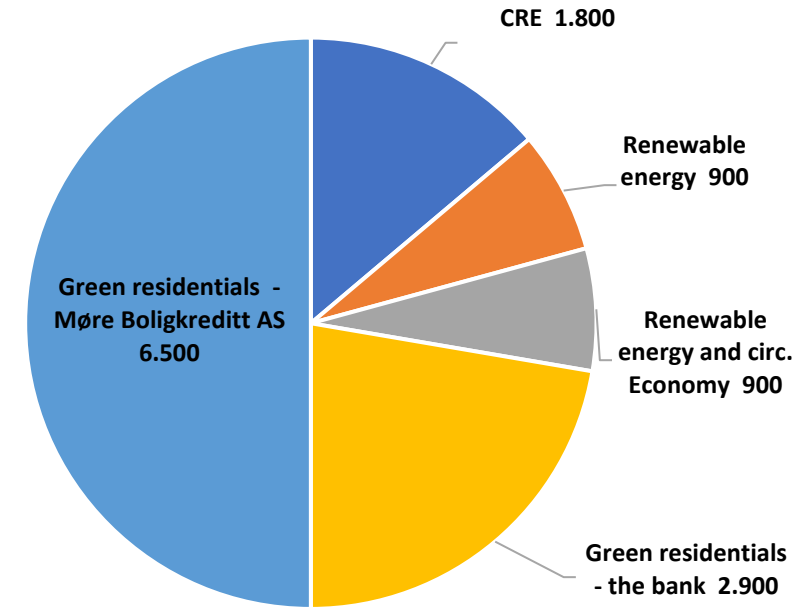
Sustainability at Sparebanken Møre

Green Bond Framework established November 2020



- Sparebanken Møre shall be a driving force for sustainable development in our region
- Sustainability is an integrated part of our strategy and is embedded in our culture and ordinary course of business
- The framework comprises both Sparebanken Møre and Møre Boligkreditt AS
- Use of Proceeds categories includes:
 - ✓ Green Residential buildings
 - ✓ Green Commercial buildings
 - ✓ Renewable Energy
 - ✓ Eco-efficient and circular economy adapted products, services and processes

Eligible portfolio NOK 13,0 billion.



Sparebanken Møre meets full MREL

- In December 2020 Finanstilsynet (NFSA) set Sparebanken Møre's MREL requirement at 31.4 per cent of risk weighted assets
- Sparebanken Møre and the other banks with MREL requirements shall, by 31 March 2021, submit to NFSA a plan for phasing in the requirement for subordination – minimum 1/3 of estimated SNP-volume per 1.1. 2024 in the period 2021-2023
- We base this phasing in on the following:
 - ✓ 2021: 35-40 % of estimated volume
 - ✓ 2022: 35-40 % of estimated volume
 - ✓ 2023: 20-30 % of estimated volume - residual determined

Positive for large depositors and debt investors
- first SNP issue very successful and rated Baa 1



Sparebanken Møre NOK 750mio 6NC5 Inaugural Senior Non-Preferred

Time line (CET)



Allocations split by Investor Type



Key terms at pricing

Issuer	Sparebanken Møre
ISIN	N00010917933
Issuer Rating	A2 (stable) by Moody's
Type of Issue	FRN, 6NC5
Status	Senior Non-Preferred
Issued Amount	NOK 750,000,000
Coupon	3mN + 67 bps
Calls:	First time on 20 Jan 2026, quarterly thereafter @ 100%
Issue Price:	100%
Trade Date	13-Jan-2021
Settlement Date	20-Jan-2021
Maturity Date	20-Jan-2027
Listing	Application for Nordic ABM
Bookrunners	Nordea & SEB

Highlights

- The transaction was Sparebanken Møre's inaugural Senior Non-Preferred (SNP) transaction, and was the **tightest ever** SNP transaction in the NOK market!
- Following an extremely strong NOK market and overall positive market sentiment in Macro, Møre decided to capitalize on the high investor demand and enter the market. The NOK 750mio issue amounts ~18% of the bank's current need for convertible debt.
- The transaction received good demand which allowed Sparebanken Møre to upsize the deal. The total orders surpassed NOK 900mio. The order book was diverse and robust, capturing the majority of the key institutional investors in the NOK market. The solid books and positive market sentiment made it possible to upsize the transaction while printing at all time low SNP spread, 3mN +67.
- The strong outcome both in terms of price, size, and investor diversification, highlight that Sparebanken Møre has a significant position within the Norwegian investor community with a long term commitment towards the Norwegian institutional investors.

Tightest SNP print ever in the NOK market

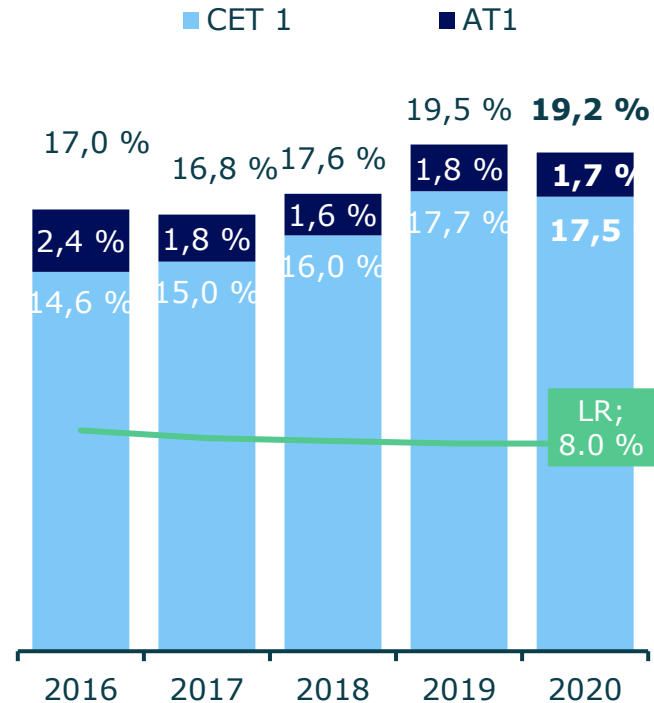
Books above NOK 900mio

1) Orders good at final price

Equity and related capital

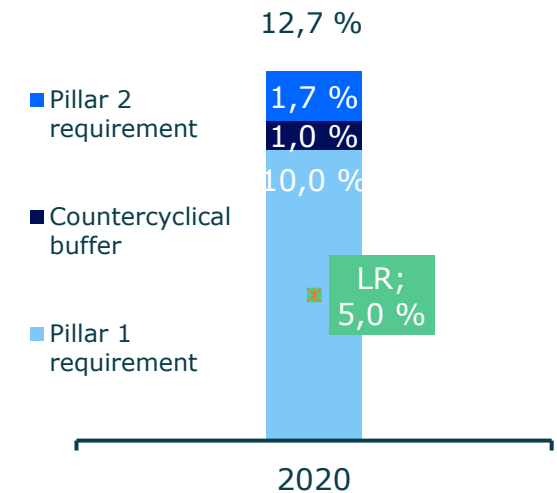
- We work continuously to maintain and strengthen Sparebanken Møre's good capital position
- CET1 and Leverage Ratio (LR) ends by quarter end well above current regulatory requirements
- The uncertain situation will persist, but the bank is equipped to withstand increasing defaults and losses and at the same time have the capacity for lending growth

Tier 1 capital in Sparebanken Møre - % of risk weighted assets



- By quarter end our Common Equity Tier 1 capital stood at 17.5 %, Tier 1 capital at 19.2 % and Total Capital at 21.3 %.
- Sparebanken Møre's capital targets are:
 - Total Capital: Minimum 18.7 %
 - Tier 1 capital: Minimum 16.7 %
 - CET1: Minimum 15.2 %

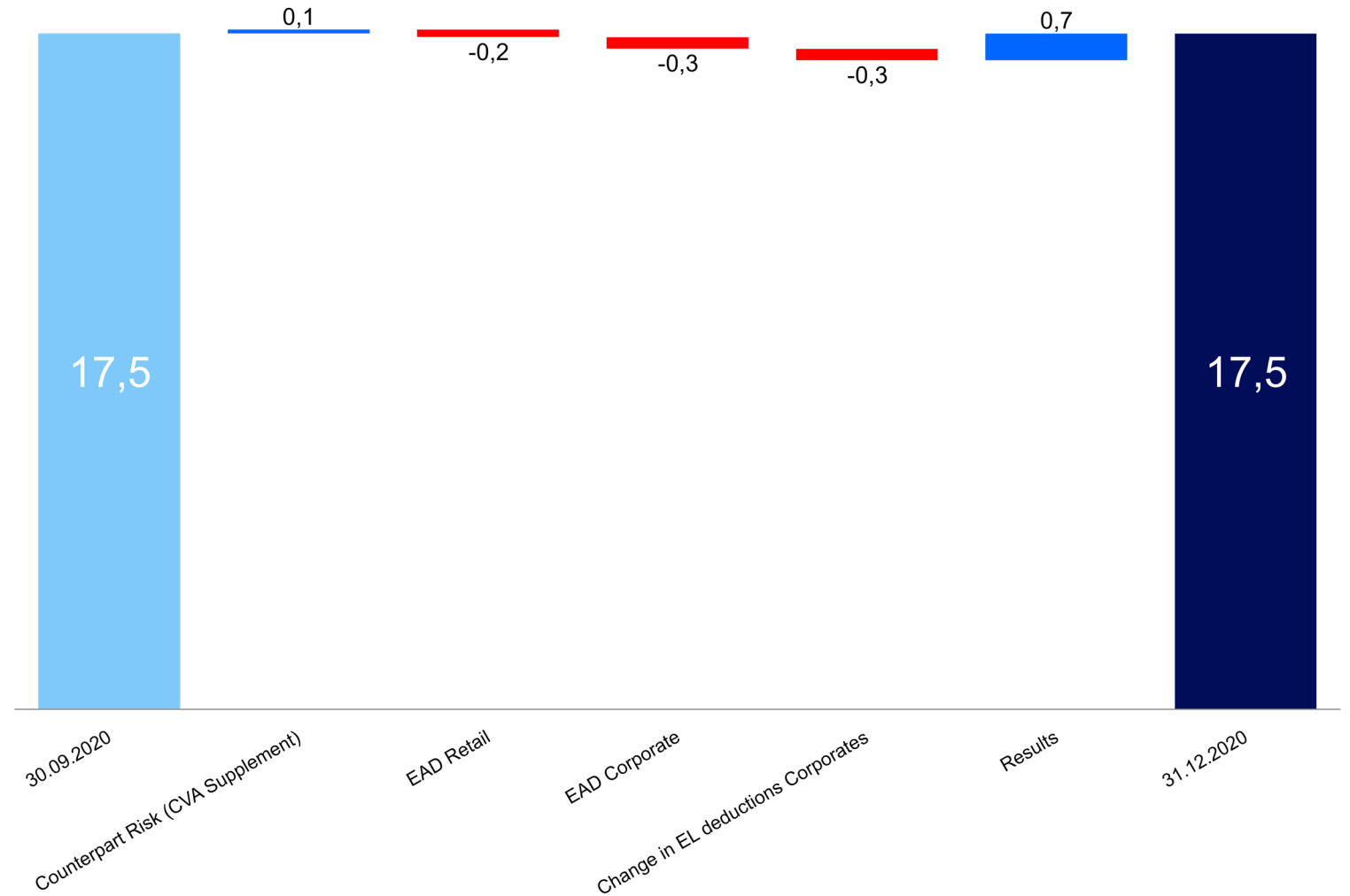
CET1 requirement for Sparebanken Møre - % of risk weighted assets and excl. Management Buffer



- The Group's capital adequacy ratio is well above the regulatory capital requirements
- Our capital is calculated according to the IRB Foundation Approach for corporate commitments, IRB Approach for the retail market and the Standardised Approach for other B/S items

Development in CET1

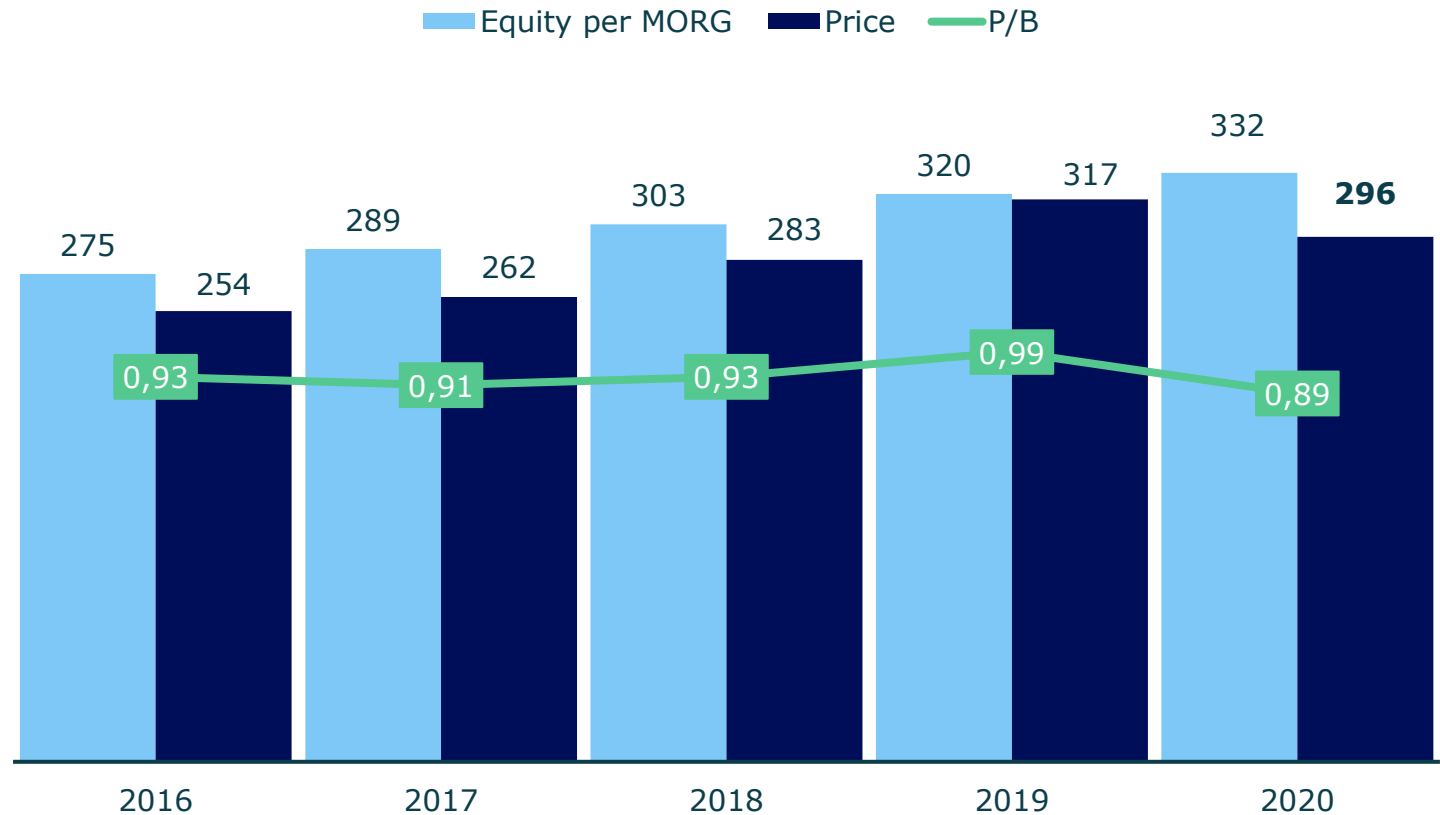
Changes in Q4



Dividend policy

- Sparebanken Møre aims to achieve financial results providing a good and stable return on the Bank's equity capital
- Sparebanken Møre's results should ensure that the owners of the equity receive a competitive long-term return in the form of cash dividends and capital appreciation on their equity
- Unless the capital strength dictates otherwise, about 50 % of the profit for the year will be distributed as dividends
- Sparebanken Møre's allocation of earnings shall ensure that all equity owners are guaranteed equal treatment

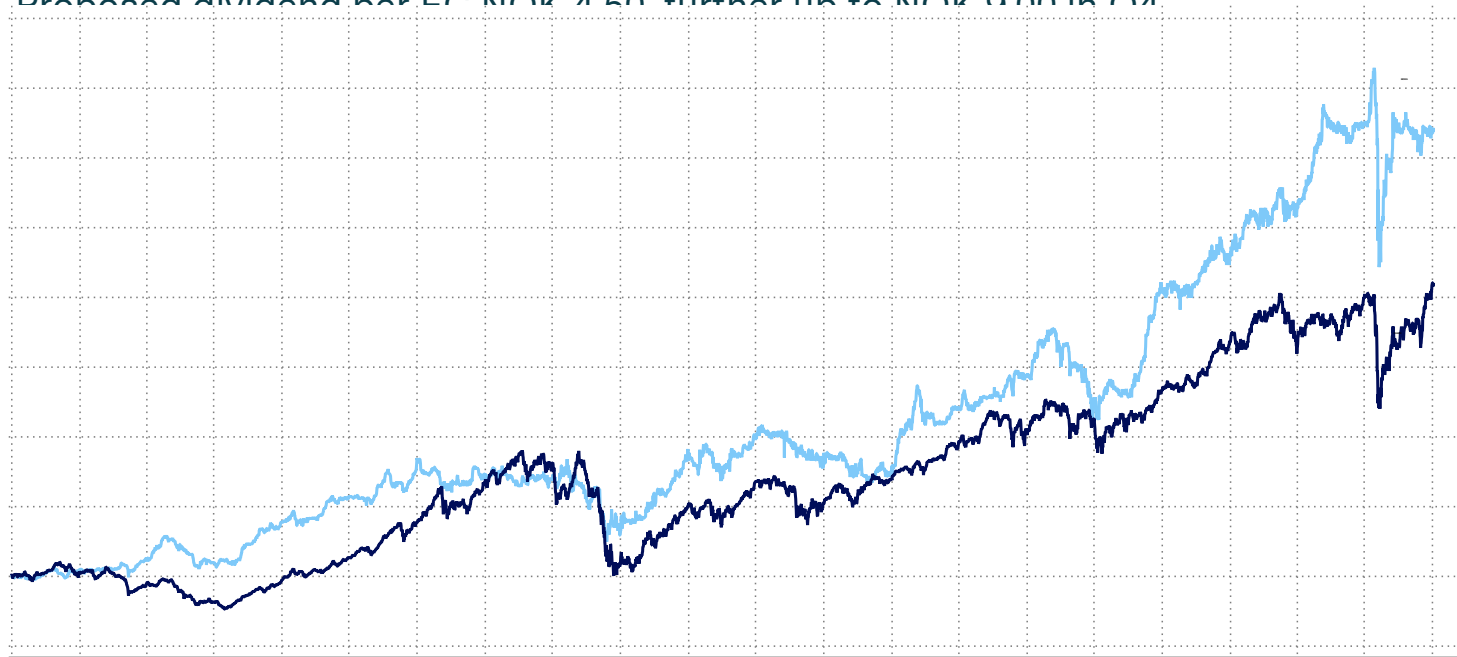
MORG – price and Price/Book (P/B) value



Equity per MORG is calculated on Group figures

Equity Capital in Sparebanken Møre

- The PCCs/ECs of Sparebanken Møre (MORG) have been listed at Oslo Stock Exchange since 1989. Sparebanken Møre was the first Norwegian savings bank to be listed at OSE
- Total EC capital NOK 989 million by December 2020
- Good Total Return over many years
- Proposed dividend per EC NOK 4.50, further up to NOK 9.00 in Q4



Annual dividend per EC (NOK)

1990	10	2005	20
1991	0	2006	20
1992	0	2007	23
1993	13	2008	20
1994	12	2009	12
1995	13	2010	12
1996	13	2011	8
1997	13	2012	12
1998	15	2013	8
1999	16	2014	13.50
2000	17	2015	11.50
2001	17	2016	14.00
2002	15	2017	14.00
2003	16	2018	15.50
2004	18	2019	14.00

Equity Capital in Sparebanken Møre

About equity certificates

- Equity certificates are a special kind of equity instrument first introduced by savings banks in 1988. A total of 32 banks have now issued such certificates, and 19 of them are listed on the stock exchange
- Equity certificates are an important part of savings banks' capital base and confer ownership of between 14 % and 97 % of the individual bank
- A savings bank that has issued equity certificates has two types of equity. One is its primary capital, or “ownerless” equity, consisting of retained earnings built up by the bank over the years. The other is the certificate-holders' equity, consisting of equity certificate capital and related reserves (equalization reserve and premium account)
- Equity certificates have clear similarities to shares. The main difference is the owners' rights to the bank's assets and influence over the bank's governing bodies. The key principle is that profits are distributed proportionally on the basis of ownership share and the bank's other capital
- In a limited company, losses hit shareholders' equity directly. In a savings bank, losses are first absorbed by the primary capital and the equalization reserve before hitting the equity certificate capital

Source: The Norwegian Savings Bank Association <https://www.sparebankforeningen.no/en/egenkapitalbevis/about-equity-certificates/>

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