

The General Meeting's approval of the annual financial statements and Board of Directors' Report for 2020, including distribution of dividends and the granting of special board authorisation to decide on additional dividends

On 19 March 2021, the Board of Directors of Sparebanken Møre decided to recommend to the General Meeting an amendment to the proposed resolution on the matter concerning "Approval of the annual financial statements and Board of Directors' Report for 2020, including the distribution of dividends and the granting of special board authorisation to decide on additional dividends", originally submitted to the General Meeting on 2 March 2021.

The new proposal entails no changes to the originally proposed distribution rate.

The amended proposal entails the funds that can be distributed in accordance with the special board authorisation being transferred to other equity pending any distribution rather than being transferred to the dividend equalisation fund and primary capital fund as originally proposed.

The correction is based on a dialogue between Sparebanken Møre's auditor and the Financial Supervisory Authority of Norway following the stock exchange report from Sparebanken Sør on 9 March 2021 which stated, among other things, that Sparebanken Sør's application for distribution from the dividend equalisation fund was rejected by the Financial Supervisory Authority of Norway and that "...the Financial Supervisory Authority of Norway is generally reluctant to permit distribution from the dividend equalisation fund, cf. consultation paper on bonus issues in savings banks with equity certificates."

In line with the Board's recommendation, the General Meeting approved the following allocation of the profit:

Cash dividend for equity certificates (NOK 4.50 per equity certificate)	NOK 44 million
Transferred to the dividend equalisation fund	NOK 132 million
Dividends for local communities	NOK 45 million
Transferred to the primary capital fund	NOK 134 million
Transferred to other equity	NOK 179 million

The Board was granted special authorisation to decide on a further distribution of dividends based on the Bank's annual financial statements for 2020 of up to NOK 9.00 per equity certificate and up to NOK 91 million in dividends for the local communities. The special authorisation is valid until the ordinary General Meeting in 2022. The Board must assess the prudence of approving and carrying out the distribution of dividends in accordance with section 10-6, paragraph one, of the Financial Institutions Act.

Changes in the allocation of the profit for the year for 2020 do not entail a requirement to change the annual financial statements and the Board of Directors' Report published on 18 February 2021. The proposal regarding the dividend is still presented in line with IFRS as part of the equity on the balance sheet.

The General Meeting's resolution entails the following changes in relation to the annual financial statements presented for 2020:

- The transfer to the dividend equalisation fund being reduced from NOK 221 million to NOK 132 million

- The transfer to the primary capital fund being reduced from NOK 224 million to NOK 134 million
- The transfer to other equity being increased from NOK 0 million to NOK 179 million
- The funds transferred to other equity will not be included in the calculation of Common Equity Tier 1 capital, which entails a reduction in the Common Equity Tier 1 capital ratio, as at 31 December 2020, from 17.5 per cent to 17.0 per cent. Cf. section 5-15 of the EU's capital requirements regulation and directive (CRR/CRD IV).