



SPAREBANKEN MØRE

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Press Release

Date: 25 January 2018

Strong results from Sparebanken Møre

Sparebanken Møre is reporting a strong result for both the fourth quarter and for 2017. The Bank has improved its operations, had very low losses and taken new market shares in both the retail and the corporate markets.

The Group ended last year with a strong fourth quarter. Profit after tax amounted to NOK 157 million in the quarter, an improvement of 38.9 % from the same quarter the year before. The return on equity in the quarter was 11.5 %, while the costs income ratio was 41.7 %.

"We have worked hard to enhance profitability, streamline operations and develop the organisation throughout the year. This is reflected in our results. Sparebanken Møre is a solid and well prepared bank which is positioned to grow further and offer our customers a broad, good and competitive range of services also in the future," says the CEO of Sparebanken Møre, Trond Lars Nydal.

Low losses

Preliminary figures show a net profit after tax of NOK 557 million. The return on equity in 2017 was 10.4 % and the Group now has total assets of NOK 66.5 billion.

"We increased revenues steadily through 2017, simultaneously we lowered our costs in percentage of total assets. Our losses are also very low, thanks to good credit work and particularly our close proximity to our customers and our market," says Nydal.

Losses on loans and guarantees amounted to NOK 13 million in 2017, or 0.02 % of average total assets.

Attractive bank

The Bank also gained many new customers in 2017. The total lending volume at the end of the year was NOK 56.9 billion, reflecting a growth of 7.9 % from the same time last year. Deposits from customers increased by 0.7 % to NOK 32.8 billion. The Group has high deposit to loan coverage (57.7 %).

"Our market share is increasing, and we find that we are the natural first choice when people are faced with a choice of banking services. We are seeing good deposit growth from retail customers, while the results from our Discretionary Asset Management department show that a lot of people are also choosing different investment options," says Nydal.

In 2017, the Discretionary Asset Management department at Sparebanken Møre had its best year since the start-up in 1999. Total assets grew by close to NOK 900 million and reached NOK 3.9 billion at the end of the year.

Increased innovation

In the course of last year, Sparebanken Møre undertook a series of measures to increase innovation and develop the Bank for the future. In addition to the organisational change and a targeted digital commitment, several exciting cooperation agreements have been established, including with NTNU in Ålesund. The Bank contributes both professionally and financially to research and development in areas at the intersection between technology and finance.

"This is a mutual beneficiary cooperation, and a good example of successful collaboration between academia and business. It contributes to the knowledge that businesses and industries need, it strengthens the academic environment in Møre og Romsdal – and it will undoubtedly contribute to exciting synergies, creating value for our region. We operate in an area with an innovative culture. The Bank acts as both facilitator and participant within this culture," says Nydal.

Sparebanken Møre has also established a special scholarship for entrepreneurs – ‘NæringsTEFT’, an entrepreneurial concept set up as a contest where the winner will receive NOK 1 mill. Close to 200 entrepreneurs in the Bank’s market area applied, of which 50 were chosen to join a journey of competence organised by the Bank and other innovation partners in the county. These 50 are now reduced to 10 semi-finalists, and the winner will be announced at Sparebanken Møre’s Investor Seminar ‘Børs og Bacalao’ on 8 March.

Solid banking operations provide good dividends

Good results benefit both the owners and the community, and the Board is recommending a cash dividend of NOK 14.00 per equity certificate for the 2017 financial year. The Board is also recommending allocation of NOK 141 million to various projects within culture, sports, local communities, infrastructure, competence and business development.

“Approximately 50 % of the profit benefits our local community. We have a broad range of engagements, supporting all kinds of local organisations as well as business training in schools and professional conferences. Sparebanken Møre aims to be a strong contributor to development, well-being and good living conditions also in the future,” says the CEO of Sparebanken Møre, Trond Lars Nydal.

Key figures – Q4 2017 *(Comparable figures for Q4 2016 in brackets)*

- Net interest income: NOK 290 million/1.76 % (NOK 273 million/1.79 %)
- Profit before losses: NOK 204 million (NOK 175 million)
- Profit after tax: NOK 157 million (NOK 113 million)
- Return on equity: 11.5 % (8.8 %)
- Costs income ratio: 41.7 % (45.1 %)

Key figures – 2017 accounts *(Comparable figures for 2016 in brackets)*

- Net interest income: NOK 1,100 million/1.72 % (NOK 1 082 million/1.79 %)
- Profit before losses: NOK 752 million (NOK 777 million)
- Profit after tax: NOK 557 million (NOK 574 million)
- Return on equity: 10.4 % (11.6 %)
- Costs income ratio: 44.0 % (43.0 %)
- Core Tier 1 capital ratio: 15.0 % (14.6 %)
- Lending growth in the last 12 months: 7.9 % (2.7 %)
- Deposit growth in the last 12 months: 0.7 % (10.8 %)
- Earnings per equity certificate (Group): NOK 27.70 (NOK 28.80)

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