



## Press Release

Date: 25 April 2019

Results for Q1 2019:

### **Sparebanken Møre well prepared for further growth**

**Revenue growth and increased efficiency have given Sparebanken Møre a good start to 2019. A CET1 ratio of 15.9 per cent gives the Bank a good basis for further growth and development.**

Profit after tax was NOK 162 million after the first three months of the year, an increase above NOK 20 million compared to the same quarter last year. The return on equity was 11 per cent.

#### **Important source of capital**

"We have made a good start to the year. Good financial strength means we are well equipped for further planned growth. There is strong competition in the banking market, but in the first quarter we gained around 1,700 new customers. We have stepped up our efforts in some parts of our market area in recent months, and we are already seeing results," says Trond Lars Nydal, the CEO of Sparebanken Møre.

The Bank is the largest in the region Nordvestlandet, with 356 full-time equivalents and offices in 24 municipalities in the county of Møre og Romsdal. Lending growth over the last 12 months was 5.2 per cent, and at the end of the first quarter loans to customers totalled NOK 61.3 billion. Deposit growth is good and the deposit-to-loan ratio is high, especially in the corporate market.

"A high deposit-to-loan ratio, a high rating and total assets of NOK 71 billion make us an important and competitive source of capital in our region. The focus is constantly on good core banking operations and profitable growth. We are, and aim to be, a solid bank for our region," says Nydal.

#### **Clear financial strategy**

Net interest income remains at a good and stable level, reaching NOK 304 million at the end of the quarter. Other operating income was NOK 24 million higher than for the same period last year, mainly due to value changes in the bond portfolio and equities. Income from customer operations also shows a positive development.

The cost income ratio was 41.2 per cent in the quarter. This is a reduction of 2.4 percentage points compared to the same period last year. Losses remain low.

"We operate the bank profitably and efficiently, and have a clear target of achieving a return on equity exceeding 11 per cent and a cost income ratio of less than 40 per cent in the strategic period 2019-2022. We have made a good start to 2019, and we expect low losses and a good result also for the year as a whole," says Nydal.

#### **High pace of digital development**

Sparebanken Møre is one of the few banks that are independent and not part of an established alliance. The business model provides flexibility for the Bank when choosing whether to operate and develop services in-house or together with partners when this is considered to be the best option.

"We are constantly developing new services that both simplify everyday banking for customers and free up time for our employees for customer advisory work. We have a broad range of skills in-house, and

our business model makes it easy to react quickly. Just in the last quarter, we have launched a number of new digital solutions,” says Nydal.

#### **Supporter of our region, Nordvestlandet**

Sparebanken Møre is a major driver and contributor in creating an environment of high competence, local business development and attractive communities. Of the Bank's net profit for 2018, NOK 156 million has been set aside for culture, sports, the local environment, transportation, competence and business development.

“We have a clear ambition to create meeting places and stimulate activity that can add value to our region. We operate in a region known for its innovative culture. As a regional savings bank, we act as both driver and participant to this culture,” says Nydal.

In March, the Bank gathered close to 600 participants to the ‘Børs og Bacalao’ investors’ conference, where representatives from the Bank, together with Kongsberg Group, Yara International, Telenor and others, shared knowledge. During the conference, this year's winner of the Bank’s entrepreneur contest ‘Næringsteft’ was also announced.

#### **Key figures - Q1 2019**

- Profit before loss: NOK 224 million (NOK 193 million)
- Profit after tax: NOK 162 million (NOK 141 million)
- Return on equity: 11.0 per cent (10.1 per cent)
- Net interest income: MNOK 304 / 1.69 per cent (MNOK 289 / 1.73 per cent)
- Cost income ratio: 41.2 per cent (43.6 per cent)
- CET1: 15.9 per cent (15.1 per cent)
- Earnings per equity certificate (Group): NOK 7.95 (NOK 7.00)
- Lending growth over the last 12 months: 5.2 per cent (7.8 per cent)
- Deposit growth over the last 12 months: 4.6 per cent (2.7 per cent)

*Comparable figures for the first quarter of 2018 in brackets.*

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