

Press Release

29 April 2021

Results for Q1 2021:

Sparebanken Møre with improved profits

Sparebanken Møre ended the first quarter with increased profitability and cost-effectiveness. The bank has also strengthened its focus within several income areas.

“We have started the new year with good momentum and a high level of activity, and the financial key figures show a clear improvement compared with the same period last year. With solid financials, a strong and broad expert environment, and a forward-leaning region, we have clear ambitions to further strengthen our market position in our region, Nordvestlandet,” says CEO Trond Lars Nydal of Sparebanken Møre.

Profit after tax was NOK 170 million after the first three months of the year, which represents an increase of NOK 53 million compared with the same quarter last year. Losses of NOK 14 million were recognised in the first quarter, which is the lowest level since before the pandemic. The return on equity was 10.4 per cent, while the cost/income ratio was 40.5 per cent.

Local presence and industry knowledge

The bank continues to grow and its total lending growth in the past 12 months was 3.9 per cent. The growth in deposits remained high and stable, ending the first quarter at 7.7 per cent.

“We have seen strong growth in priority market areas and have found that many customers greatly appreciate having a permanent adviser who is accessible and nearby given the times we are in. We are also growing well in the corporate market where we have emphasised being a good sparring partner and supporter with expertise in industries, prospects and relevant governmental support schemes,” says Nydal.

The bank has built up a large expert environment in relation to the retail and corporate markets, as well as the equity, interest rate and currency markets. With more than 200 authorised advisers and a number of specialist functions based locally, the bank represents the largest financial environment in Nordvestlandet.

Increased focus on asset management and real estate brokerage

The bank's net interest income has been affected by persistent low interest rates, while other income improved during the quarter. This was mainly due to changes in value in the bond portfolio, but also increased contributions from, among others, our real estate brokerage company, Møremegling.

“We have increased staff numbers and set ambitious goals for our brokerage company, precisely because we can see that the potential is great and that our organisation is well-equipped. Being close to customers, understanding local conditions and belonging to Nordvestlandet's largest bank are clear advantages for both home sellers and buyers,” says Nydal.

The bank is also strengthening its focus on affluent customers by bringing together and cultivating asset management services in a single unit. This will include the Discretionary Portfolio Management department, which has seen strong growth in both customer numbers and assets under management in recent years.

“We already represent the largest expert environment for wealth management in Nordvestlandet. By bringing together and expanding our range of services, we can further strengthen our offering for wealthy private individuals, investment firms, corporates and public sector entities with surplus liquidity. We have a clear goal of development and growth in this area going forward,” says CEO Trond Lars Nydal.

Strong means supporting an adaptable region

Developments in the labour market in Møre og Romsdal indicate that the trends in output and employment in the county were stable during the first quarter. Unemployment has fallen since the start of the year and, according to NAV, 2.8 per cent of the workforce was registered as unemployed at the end of March. In comparison, the national unemployment rate was 4.2 per cent.

In the longer term, the economic outlook has improved as a result of comprehensive infection control measures, vaccine rollout and sustained financial support measures. Nonetheless, a number of industries are facing serious economic situations.

“We are present for people, businesses and local communities in these uncertain times and still fully focused on helping Nordvestlandet to be a strong, active and attractive region, including also after the pandemic. With our high degree of expertise, strong local presence and substantial funds for good initiatives in the region, we have strong means available to us for this work,” says CEO Trond Lars Nydal of Sparebanken Møre.

**

Key figures for Q1 2021

- Profit before losses: NOK 232 million (NOK 187 million)
- Profit after tax: NOK 170 million (NOK 117 million)
- Return on equity: 10.4 per cent (7.1 per cent)
- Net interest income: NOK 305 million/1.51 per cent (NOK 342 million/1.80 per cent)
- Cost/income ratio: 40.5 per cent (47.2 per cent)
- Common Equity Tier 1 capital (CET1): 16.9 per cent (16.9 per cent)
- Earnings per equity certificate (Group): NOK 8.26 (NOK 5.46)
- Lending growth in the past 12 months: 3.9 per cent (6.3 per cent)
- Deposit growth in the past 12 months: 7.7 per cent (6.7 per cent)

Comparable figures for the first quarter of 2020 in brackets.

Contacts

- Trond Lars Nydal, CEO, Mobile: +47 951 79 977
- Runar Sandanger, Acting EVP Finance, Mobile +47 950 43 660
- Tone S. Gjerdsbakk, Chief Information Officer, Mobile: +47 990 44 346