

27 January 2022

Preliminary annual results for 2021:

Strong position at the start of 2022

Sparebanken Møre ended 2021 strongly and delivered one of its best fourth quarter results ever. The full year saw a 13.2 per cent improvement in profit compared with 2020.

The preliminary financial figures for 2021 show a profit after tax for the year of NOK 642 million, compared with NOK 567 million for 2020. The bank's capital adequacy was also solid, with a Common Equity Tier 1 capital ratio of 17.2 per cent at the end of the year. Given this, the Board of Directors is planning to propose a cash dividend of NOK 16 per equity certificate and NOK 160 million in dividend funds for local communities.

"Despite the impact the pandemic had on society also in 2021, we can look back on a fast-paced year of considerable contributions from adaptable employees and many positive confirmations that validate our business model. We saw good profit improvement throughout the year and the experience we gained shows that the savings bank model stands stronger than ever," says CEO Trond Lars Nydal of Sparebanken Møre.

Record numbers of new customers

The bank increased its lending to customers by 4.6 per cent in 2021, while in the same period deposits grew by 7.3 per cent. The bank has never gained as many new customers as it did last year, neither in the retail market nor in the corporate market.

"The figures show that Sparebanken Møre is the preferred choice of an ever growing number of customers, and we are both proud of, and humbled by, this. The feedback we are getting is that they appreciate our accessibility and our broad expertise, and that having a permanent adviser they can reach either in a local branch or calling directly is both reassuring and efficient," says Nydal.

The retail market growth was particularly strong in priority market areas. Most of the almost 650 new customers in the corporate market were small and medium-sized enterprises. The bank has increased its focus on this target group in recent years through, for example, greater activity, the Næringsteft skills programme and the Næringsbasen customer centre for businesses.

Greater demand for advice

Net interest income increased by NOK 39 million compared with last year, while other operating income, excluding financial instruments, increased by NOK 12 million during the period. The bank is experiencing good growth within insurance, real estate brokerage, saving in funds and asset management.

Costs were NOK 21 million higher in 2021 than last year. The change was largely attributable to increased personnel and IT costs due to a stronger focus on several areas. Recognised losses for 2021 amounted to NOK 49 million, a marked decrease compared with 2020.

"We are developing well in several earnings areas, and our losses are low. At the same time, we are systematically working on measures that will help to streamline operations, including the clever use of technology. This is contributing to greater accessibility and better services for customers, while allowing us to spend more time and resources on advice, which we are experiencing great demand for," says Nydal.

Launching sustainability portal for enterprises

One very popular advice topic is sustainability, and the bank is in the process of launching a completely new sustainability portal for business on its website. The goal is to provide practical information designed to help enterprises integrate environmental considerations into their value creation.

“There is a jungle of information about the subject out there and both navigating your way through it and setting priorities can be challenging. We have collated information about, for example, regulations, certification schemes and reporting in the new portal and categorised it by the various sectors in order to make the information as relevant as possible,” says Nydal.

The bank has a clear ambition of being a driving force behind sustainable development in Nordvestlandet and is expending significant resources on this work through, among other things, enhancing its expertise, partnerships and support for sustainable projects. Sparebanken Møre was named best bank for sustainability and corporate social responsibility in both the retail and the corporate market in EPSI’s customer satisfaction survey in the latter half of last year.

Substantial sum for local communities

Sparebanken Møre has two groups of owners: equity certificate holders and local communities. The bank’s dividend strategy states that the owners should be treated equally and therefore around half of the annual profit is distributed to good purposes in our market area, Nordvestlandet. Based on the preliminary profit for the year, this will amount to NOK 160 million.

“The savings bank model stands out in that part of the profit goes to the local communities. As we end another year of profitable and efficient banking, our region will benefit through significant support for, among other things, culture, sports and business development in Nordvestlandet,” says Nydal.

The annual accounts for 2021 will be approved at the annual general meeting on 30 March 2022.

Key figures – Q4 2021 *(comparable figures for Q4 2020 in brackets)*

- Net interest income: NOK 335 million/1.62 per cent (NOK 314 million/1.59 per cent)
- Profit before losses: NOK 206 million (NOK 229 million)
- Profit after tax: NOK 153 million (NOK 147 million)
- Return on equity: 9.0 per cent (9.1 per cent)
- Cost income ratio: 45.7 per cent (40.2 per cent)
- Earnings per equity certificate (Group): NOK 7.00 (NOK 7.10)

Key figures – preliminary 2021 accounts *(comparable figures for 2020 in brackets)*

- Net interest income: NOK 1,266 million/1.56 per cent (NOK 1,227 million/1.57 per cent)
- Profit before losses: NOK 882 million (NOK 883 million)
- Profit after tax: NOK 642 million (NOK 567 million)
- Return on equity: 9.5 per cent (8.6 per cent)
- Cost income ratio: 42.2 per cent (41.4 per cent)
- Earnings per equity certificate (Group): NOK 31.10 (NOK 27.10)
- Common Equity Tier 1 capital (CET1): 17.2 per cent (17.0 per cent)
- Lending growth in the past 12 months: 4.6 per cent (4.4 per cent)
- Deposit growth in the past 12 months: 7.3 per cent (6.0 per cent)

Contacts

- Trond Lars Nydal, CEO, Mobile: +47 951 79 977
- John Arne Winsnes, CFO, Mobile: +47 462 80 999
- Tone S. Gjerdshakk, Chief Information Officer, Mobile: +47 990 44 346