

Strong result for Sparebanken Møre

Sparebanken Møre reported a very good result for the second quarter, with a 12 per cent return on equity.

For the second quarter in isolation, the profit after tax was NOK 179 million, up from NOK 174 million for the same quarter last year. The return on equity was 12.0 per cent for the quarter and 11.5 per cent for the first half-year. A CET1 ratio of 15.1 per cent confirms the Bank's good capital situation and is markedly higher than the regulatory requirement. The Leverage Ratio ended at strong 7.9 per cent.

The Bank's income increased by NOK 68 million in the first half-year compared to the same period last year. Costs were NOK 18 million higher, while the cost income ratio dropped by 1.4 percentage points to 40.7 per cent. Losses remain low.

"A strong focus on profitability and efficiency has produced results. Efficient core operations enabled us to strengthen both net interest income and other operating income during the period. The result of this is that, as at the end of June, we are ahead of our own financial objectives and are well positioned for the road ahead," says Nydal.

Good growth

Sparebanken Møre can point to good growth for both lending and deposits at the end of the first half of 2019. Lending to retail customers and corporate customers has increased by 6.2 per cent in the last 12 months, while deposits have grown by 9 per cent in the same period.

"We operate in an area of high economic activity and find that many people appreciate our broad local expertise. Lending growth was good in both the retail and the corporate market. Deposits also grew very well and the Bank has a high deposit-to-loan ratio," says Nydal.

High customer satisfaction

Sparebanken Møre has recently conducted a survey showing that customer satisfaction has never been higher. The bank's proximity to customers is highlighted as one of the most important drivers.

Following a strong third place last year, Sparebanken Møre achieved top position in this year's prestigious customer service award in the bank category. The award was presented during this year's Call Centre Days in Oslo.

"We work very hard to offer customers quick and good help and services, whether they are visiting our branches or using the Bank's digital services. We have a clear goal of delivering a high quality customer experience to everyone with whom we are in contact. We are delighted with the good feedback and motivated by a desire to develop further going forward," says Nydal.

New profile

The Bank launched its new vision in June. This states that Sparebanken Møre shall be the leading contributor to creative enthusiasm in Nordvestlandet. The vision is supported by a new visual expression and logo.

“We are proud of the commitment, courage and endurance to be found in our region. This is reflected in our profile, at the same time as it is designed for both today’s channels and the Bank anno 2019. We are now well prepared for the future in this area as well,” says Nydal.

Positive outlook for the region

Sparebanken Møre monitors the global, national and regional economies closely, and an updated analysis concludes that the outlook for our region Nordvestlandet is good.

“It looks like there will be a moderate upturn in output and demand in our region going forward. Interest rates are still low, the exchange rate remains weak, and the upturn in oil investments has positive ripple effects for a large part of the rest of the business sector. According to NAV, registered unemployment at job centres in Møre og Romsdal amounted to 2.0 per cent of the workforce at the end of June. This is lower than the national rate. Unemployment is likely to stabilise around the current level for the rest of 2019,” says Trond Lars Nydal, the CEO of Sparebanken Møre.

Key figures for Q2 2019

- Net interest income: NOK 320 million/1.75 per cent (NOK 291 million/1.68 per cent)
- Profit before losses: NOK 238 million (NOK 219 million)
- Profit after tax: NOK 179 million (NOK 174 million)
- Return on equity: 12.0 per cent (12.3 per cent)
- Cost income ratio: 40.0 per cent (40.6 per cent)
- Earnings per equity certificate (Group): NOK 8.85 (NOK 8.50)

Comparable figures for the second quarter of 2018 in brackets.

Key figures for H1 2019

- Net interest income: NOK 624 million/1.72 per cent (NOK 580 million/1.71 per cent)
- Profit before losses: NOK 462 million (NOK 412 million)
- Profit after tax: NOK 341 million (NOK 315 million)
- Return on equity: 11.5 per cent (11.2 per cent)
- Cost income ratio: 40.7 per cent (42.1 per cent)
- Earnings per equity certificate (Group): NOK 16.80 (NOK 15.45)
- Common Equity Tier 1 capital (CET1): 15.1 per cent (15.5 per cent)
- Lending growth in the last 12 months: 6.2 per cent (5.0 per cent)
- Deposit growth in the last 12 months: 9.0 per cent (2.2 per cent)

Comparable figures for the first half of 2018 in brackets.

For more information, please contact:

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