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Results for Q2 2021:

Sparebanken Møre strengthening its market leader position

Sparebanken Møre continues to strengthen its market share in our market area Nordvestlandet. In the past 12 months, the bank has increased its lending by approximately NOK 4 billion, which represents lending growth of 6.2 per cent.

“One of our clear objectives is growth in priority markets. It is, therefore, pleasing to note that a clear strategy, a goal-oriented focus and an impressive effort by the organisation have further consolidated our already solid market leader role,” says CEO Trond Lars Nydal of Sparebanken Møre.

The bank has also good deposit growth of 6.2 per cent, as well as a high and stable deposit-to-loan ratio.

Stronger net interest income

Profit after tax for the second quarter amounted to NOK 143 million, compared with NOK 150 million for the same period last year. Net interest income increased by NOK 41 million, while other operating income was NOK 58 million lower than in the second quarter last year, mainly due to changes in the value of financial instruments. Excluding this, other operating income increased by NOK 3 million in the quarter compared with the same period last year.

“In a market with low interest rates and strong competition, I am pleased that we are increasing net interest income through lending and deposit growth. We also have good income from portfolio management and real estate brokerage, where we have strengthened our efforts in recent months. We have a clear ambition of further income growth from these areas going forward,” says Nydal.

Operating costs increased by NOK 3 million in the quarter compared with the same quarter last year and amounted to NOK 160 million. The cost income ratio was 42.9 per cent.

Good activity

The quarterly results were charged NOK 28 million in losses on loans and guarantees, a reduction of NOK 14 million compared with the same period last year. The losses were mainly related to oil services and changes in model-calculated expected credit losses (ECL). Otherwise, the proportion of credit-impaired commitments was low.

“Our proximity to our customers and knowledge of local conditions are key management tools that ensure we remain both well-informed and able to act early in relation to any measures. Our customer portfolio is solid and well-diversified, and we have also seen the level of activity in the county hold up well this spring despite periodic lockdowns in parts of the service sector,” says Nydal.

According to NAV, the unemployment rate in Møre og Romsdal was 2.4 per cent at the end of June, compared with 2.9 per cent nationally.

On 23 March 2021, the General Meeting made a decision to authorise the Board of Directors to decide on further distribution of dividends of up to NOK 9.00 per equity certificate. Such distribution will be processed and communicated in connection with the presentation of the bank's accounts for the 3rd quarter of this year.

High recruitment activity

Sparebanken Møre is the largest financial services group in Nordvestlandet and at the end of the second quarter had 343 FTEs in branches across the county. Even though the number of FTEs has fallen compared with the same period last year, the Group gained many new employees in the first half-year.

"We have many employees leaving the bank due to retirement. We are gearing up for growth and further development by replenishing expertise, and so far this year, our recruitment activities have been at an all-time high. We have advertised 17 positions externally and the response confirms that a large number of skilled people want to work for Sparebanken Møre," says Nydal.

In June, the bank announced that John Arne Winsnes had been appointed Head of Finance (CFO). He is joining us from his current position as CFO of Olympic Subsea ASA and will take up his new post 1 November.

First in the world to measure its sustainability

Sparebanken Møre is also continuing to intensify its focus on sustainability, both inside and outside the bank. Green car loans and green mortgages were recently launched to encourage customers to make sustainable choices. The bank has previously established a green framework for issuing bonds and in May it received an ESG rating of 20.6 from the analysis company Sustainalytics. The rating gives the bank's external capital investors better information for making investment decisions and may contribute to Sparebanken Møre being included in new investment mandates.

The bank has also expressed its intention to be a driving force behind sustainable development in Nordvestlandet. Møre og Romsdal County Authority recently published a report showing how the county is doing in relation to the UN Sustainable Development Goals. Møre og Romsdal is the first region in the world to have measured its sustainability under the auspices of the UN, and Sparebanken Møre played an important role in this groundbreaking work.

"We were never in doubt about contributing both funding and resources to this project. All of the county's municipalities were surveyed and the project has contributed to specific information about what the county scores well on and what should be improved. Sustainability is a wide-ranging area, and we need facts to be able to take a systematic approach to sustainable societal development. The report is an important contribution to the future work," says CEO Trond Lars Nydal of Sparebanken Møre.

Key figures for Q2 2021

- Net interest income: NOK 307 million/1.53 per cent (NOK 266 million/1.35 per cent)
- Profit before losses: NOK 213 million (NOK 233 million)
- Profit after tax: NOK 143 million (NOK 150 million)
- Return on equity: 8.5 per cent (9.2 per cent)

- Cost income ratio: 42.9 per cent (40.3 per cent)
- Earnings per equity certificate (Group): NOK 6.85 (NOK 7.16)

Comparable figures for the second quarter of 2020 in brackets.

Key figures for H1 2021

- Net interest income: NOK 612 million/1.53 per cent (NOK 608 million/1.57 per cent)
- Profit before losses: NOK 445 million (NOK 420 million)
- Profit after tax: NOK 313 million (NOK 267 million)
- Return on equity: 9.4 per cent (8.2 per cent)
- Cost income ratio: 41.7 per cent (43.5 per cent)
- Earnings per equity certificate (Group): NOK 15.11 (NOK 12.62)
- Common Equity Tier 1 capital (CET1): 16.9 per cent (17.3 per cent)
- Lending growth in the past 12 months: 6.2 per cent (4.1 per cent)
- Deposit growth in the past 12 months: 6.2 per cent (4.6 per cent)

Comparable figures for the first half of 2020 in brackets.

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