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Results for Q2 2022:

Solid growth for Sparebanken Møre

Sparebanken Møre is continuing to grow in Nordvestlandet, and in the past 12 months has increased its lending by more than NOK 3 billion. This represents lending growth of 4.6 per cent.

“Competition for customers is fierce, while at the same time we are in a period of higher interest rates and general price increases for goods and services. However, given that we can point to lending growth of more than NOK 3 billion in the past year, we take this as confirmation that our overall offering is both attractive and competitive. As we approach autumn, we have a clear ambition of capturing further market shares,” says CEO Trond Lars Nydal of Sparebanken Møre.

In the past 12 months, the bank has increased its lending by NOK 1.9 billion in the retail market and NOK 1.3 billion in the corporate market. Total deposits have increased by almost NOK 3.5 billion in the same period, equivalent to growth of 8.3 per cent.

A stronger total offering

Profit after tax for the second quarter amounted to NOK 183 million, compared with NOK 143 million for the same period last year. Net interest income increased by NOK 46 million, due among other things to growth in lending and deposit customers. Customer related other income increased by NOK 7 million, corresponding to a growth of 13.5 per cent. However, as a result of changes in value of financial instruments, total other income ended NOK 15 million lower than in the second quarter of last year.

“In the past year, we have further strengthened our total offering, including through investments in digital customer solutions, launching our Private Banking concept, developing local branches and strengthening the bank’s real estate brokerage company. The figures for the second quarter show that this focus has boosted customer related income, and we expect further growth going forward,” says Nydal.

As a consequence of the stronger focus, operating costs were slightly higher than in the same quarter last year and the cost income ratio ended the period at 43.3 per cent.

High rate of development

In the first half of the year, Sparebanken Møre carried out several digitalisation projects that strengthened the offering for customers while also freeing up advisers’ time for customer follow-up. Services launched in the second quarter include new self-service solutions for mortgages, wealth management and opening children’s accounts.

“To be a relevant and attractive actor, we must succeed in meeting the customers’ needs and finding a balance between self-service and in-person contact. We are fully committed to good interaction between our contact channels, which customer feedback suggests is very welcome,” says Nydal.

In April, Sparebanken Møre won the 'Best in test' customer service award in the banking category – for the fourth year in a row.

Close dialogue with customers

The quarterly results show net recoveries on losses of NOK 8 million and a positive development in credit-impaired commitments. The bank has a small proportion of customers who are facing difficulties paying their bills and receives few enquiries concerning interest-only periods.

The output of goods and services in Mainland Norway was almost 3 per cent higher in May than before the pandemic. As a consequence of the rise in demand, unemployment has continued to fall, and at the end of June, the number of people who were completely unemployed in Møre og Romsdal represented 1.5 per cent of the labour force. This is the lowest unemployment rate since 2008.

"The activity in the local business sector is good and it is also clear that the housing market has held up well in our region. Nevertheless, cost increases for both commodities and energy, combined with rising interest rates, are helping to make us very aware of the need for a close dialogue with our customers. Strong professional environments, local knowledge and good relationships help to ensure that we can both monitor developments closely and provide good advice early on," says Nydal.

Key figures – Q2 2022

- Net interest income: NOK 353 million/1.65 per cent (NOK 307 million/1.53 per cent)
- Profit before losses: NOK 228 million (NOK 213 million)
- Profit after tax: NOK 183 million (NOK 143 million)
- Return on equity: 10.4 per cent (8.5 per cent)
- Cost income ratio: 43.3 per cent (42.9 per cent)
- Earnings per equity certificate (Group): NOK 1.78 (NOK 1.37)

Comparable figures for Q2 2021 in brackets.

Key figures – H1 2022

- Net interest income: NOK 687 million/1.64 per cent (NOK 611 million/1.53 per cent)
- Profit before losses: NOK 437 million (NOK 445 million)
- Profit after tax: NOK 346 million (NOK 313 million)
- Return on equity: 9.9 per cent (9.4 per cent)
- Cost income ratio: 44.7 per cent (41.3 per cent)
- Earnings per equity certificate (Group): NOK 3.35 (NOK 3.02)
- Common Equity Tier 1 capital (CET1): 18.1 per cent (16.9 per cent)
- Lending growth in the past 12 months: 4.6 per cent (6.2 per cent)
- Deposit growth in the past 12 months: 8.3 per cent (6.2 per cent)

Comparable figures for the first half of 2021 in brackets.

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