

Results for Q4 2022/preliminary full year results for 2022:

High activity and increased growth have strengthened the bank's position

Sparebanken Møre ended 2022 well and delivered a strong fourth quarter result. The year saw a 21.1 per cent improvement in profit compared with 2021. The return on equity was 10.9 per cent.

“We have just ended a year of high activity and strong growth in lending. The bank has achieved new milestones and is ending the year with more than NOK 50 billion in loans to the retail market and also exceeding NOK 25 billion to the corporate market. Together with good growth in deposits, this confirms the bank's competitiveness and that our business model is sound,” says CEO Trond Lars Nydal in Sparebanken Møre.

The preliminary financial figures for 2022 show a profit after tax for the year of NOK 777 million, compared with NOK 642 million for 2021. The bank's financial strength is good with a Common Equity Tier 1 capital ratio of 17.9 per cent at the end of the year. Based on this, the Board of Directors will recommend a cash dividend of NOK 4 per equity certificate and NOK 200 million in dividend funds for local communities.

Total lending growth in 2022 amounted to 8.8 per cent, while total deposits increased by 4.8 per cent.

Many new customers and stronger market position

Good lending and deposit growth helped to increase fourth quarter net interest income by NOK 97 million compared with the same period last year. At the same time, we are experiencing very positive developments in customer-related other income, which has increased by more than 12 per cent in the past year.

The increases in guarantee-provisions and currency and interest rate hedging for customers underscore the good level of activity in the regional economy, while solid growth in insurance sales, investment advice, and real estate brokerage illustrate that the bank's focus on external activities is also producing good results.

“Developments within all customer related areas have been positive. Being a complete provider of financial services with strong regional roots, we offer our customer a good, wide-ranging offering that produces good results. It is very clear to us that being close to our customers, short decision-making paths, and local knowledge are helping us strengthen our market position,” says Nydal.

In 2022, the bank recruited many capable employees and increased staffing in order to cope with the strong growth and meet regulatory requirements. The cost income ratio for the year as a whole of 42.5 per cent therefore ended somewhat higher than in 2021. Meanwhile, this key figure improved steadily throughout 2022 and was on a par with the bank's target at the end of the year.

High availability

The proportion of customers experiencing payment difficulties is low and we saw net receipts of NOK 4 million on losses on loans and guarantees in 2022. We are prepared for many customers experiencing financial insecurity due to higher costs and the uncertain future prospects. Being close to and available for our customers is a key part of Sparebanken Møre's strategy.

“We are a local bank and take decisions locally. This puts us in a better position to exercise discretion and make individual assessments for our customers. Our advisers also have good professional expertise and authorisations in several areas. Close follow-up and acting early are top priorities at times like this and we are well-equipped to help,” says Nydal.

Contributing to sustainable development

At the beginning of 2022, the bank launched a sustainability portal that is available for free on the bank's website. The portal is designed to help companies establish their own sustainability strategy and the content has now been adapted for seven different sectors.

"The bank's advisers use the portal in meetings with customers and customers can also use it on their own. We saw a substantial increase in use of the portal in the last quarter of the year and are getting a lot of positive feedback on the service. We take that as a clear sign that we have hit the mark with our tool," says Nydal.

Sparebanken Møre was also Eco-Lighthouse certified ("Miljøfyrtårn"-certified) based on the head office model in December 2022 in line with the new banking and financial services criteria. During the certification process, the Eco-Lighthouse Foundation expressed that the bank's environmental and sustainability work is of a high standard.

Substantial contributions to local communities

Sparebanken Møre has two groups of owners: equity certificate holders and local communities. The bank's dividend policy states that the owners should be treated equally and therefore around half of the annual profit is distributed to good initiatives in Nordvestlandet. Based on the preliminary profit for the year, this will amount to NOK 200 million.

"As we end another year of profitable and efficient banking, our region will benefit through significant contributions for, among other things, culture, sport, and business development in Nordvestlandet," says Nydal.

The annual accounts for 2022 will be approved at the annual general meeting on 29 March 2023.

Key figures – Q4 2022

- Net interest income: NOK 432 million/1.95 per cent (NOK 335 million/1.62 per cent)
- Profit before losses: NOK 318 million (NOK 206 million)
- Profit after tax: NOK 242 million (NOK 153 million)
- Return on equity: 13.2 per cent (8.9 per cent)
- Cost income ratio: 40.3 per cent (45.9 per cent)
- Earnings per equity certificate (Group): NOK 2.33 (NOK 1.40)

Comparable figures for Q4 2021 in brackets.

Key figures as at the end of Q4 2022

- Net interest income: NOK 1,517 million/1.78 per cent (NOK 1,266 million/1.57 per cent)
- Profit before losses: NOK 1,009 million (NOK 882 million)
- Profit after tax: NOK 777 million (NOK 642 million)
- Return on equity: 10.9 per cent (9.5 per cent)
- Cost income ratio: 42.5 per cent (42.2 per cent)
- Earnings per equity certificate (Group): NOK 7.50 (NOK 6.22)
- Common Equity Tier 1 capital (CET1): 17.9 per cent (17.2 per cent)
- Lending growth in the past 12 months: 8.8 per cent (4.6 per cent)
- Deposit growth in the past 12 months: 4.8 per cent (7.3 per cent)

Comparable figures as at the end of Q4 2021 in brackets.

Contacts

- Trond Lars Nydal, CEO, Mobile: +47 951 79 977
- John Arne Winsnes, CFO, Mobile: +47 462 80 999
- Runar Sandanger, Senior Economist, Mobile: +47 950 43 660