



**SPAREBANKEN MØRE**

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## Press Release

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Results for 3rd quarter 2018:

### **Good quarter for Sparebanken Møre**

**Sparebanken Møre can point to revenue growth, stable costs and low losses in the third quarter.**

For the third quarter, profit after tax was NOK 149 million, NOK 10 million higher than the same quarter last year. The return on equity is 10.3 per cent, and the Group now has total assets of NOK 69.9 billion. The development in the third quarter underpins the Bank's good performance, contributing to a return on equity of 10.9 per cent in the first three quarters of this year.

"We have delivered another strong quarter and can confirm that the Bank is growing well in several areas. We are investing in skills and technology, and making constant changes and process improvements to provide great customer experiences and increase efficiency. At the same time we have good control of our costs," says the CEO of Sparebanken Møre, Trond Lars Nydal.

#### **Strengthening the market position**

Sparebanken Møre is the largest bank in Møre og Romsdal, with total assets of NOK 69.9 billion. The Bank is continuously gaining market shares and can point to a lending growth of 5.5 per cent over the last 12 months. Although growth is slower than at the same time last year, the trend is in line with our plans. Customer deposits have increased by 4.8 per cent in the last 12 months, and the deposit-to-loan ratio ended the quarter at 58.2 per cent.

"Recent surveys show that our customers are more satisfied than ever. We are continuously receiving confirmation that our customers appreciate what we see as our lifeblood: skilled advisors with local knowledge, short decision paths and smart digital solutions," says Nydal.

#### **Efficient operations**

Sparebanken Møre has seen positive revenue development in the third quarter, with increased net interest income in NOK and growth in earnings from investment advisory, insurance and real estate brokerage services. Costs are stable and efficiency is increasing. In the third quarter, the cost income ratio stood at 43.4 per cent, a reduction of 0.8 percentage points compared to the same quarter last year.

"Efficient operation of the Bank is a priority for us. We are constantly striving to develop solutions that benefit our customers – as well as enabling our staff spending more time on good advisory work and active marketing. It is pleasing to see that our work is producing results," says Nydal.

Losses and commitments in default remain at a low level. Losses on loans and guarantees amounted to NOK 7 million in the third quarter, or 0.04 per cent of average total assets.

#### **Helping local businesses to grow**

Recently, Sparebanken Møre was chosen as a pilot bank for Innovation Norway's 'Growth Guarantee' scheme. In total six banks are chosen to participate in this scheme, involving risk relief for banks that provide loans to innovative or fast-growing companies. Innovation Norway guarantees 75 per cent of any loss to the Bank on individual commitments up to NOK 4,000,000 per company, subject to approval by the Growth Guarantee scheme.

"We need to both know and play an active part in the community that our customers live and work in. That is why we are constantly working on initiatives that can contribute to growth and value creation. The Growth Guarantee scheme enables the Bank to offer financing to companies that are considered creditworthy but lacking adequate security for financing," says Nydal.

**Key figures Q3 2018**

- Profit before losses: NOK 199 million (NOK 191 million)
- Profit after tax: NOK 149 million (NOK 139 million)
- Return on equity: 10.3 % (10.5 %)
- Net interest income: NOK 290 million/1.63 % (NOK 281 million/1.72 %)
- Cost income ratio: 43.4 % (44.2 %)
- Earnings per equity certificate (Group): NOK 7.35 (NOK 6.95)

*Comparable figures for the third quarter of 2017 in brackets.*

**Key figures 30.09.2018**

- Profit before losses: NOK 611 million (NOK 548 million)
- Profit after tax: NOK 464 million (NOK 400 million)
- Return on equity: 10.9 % (10.2 %)
- Net interest income: NOK 870 million/1.68 % (NOK 810 million/1.70 %)
- Cost income ratio: 42.5 % (44.9 %)
- Common Equity Tier 1 capital ratio: 15.8 % (14.5 %)
- Earnings per equity certificate (Group): NOK 22.85 (NOK 20.10)
- Lending growth in the last 12 months: 5.5 % (9.1 %)
- Deposit growth in the last 12 months: 4.8 % (2.3 %)

*Comparable figures for 30.09.2017 in brackets.*

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