

Results for Q3 2019:

Best quarter this year for Sparebanken Møre

A strong third quarter contributes to a 12 per cent improvement in earnings for the first three quarters this year compared to the corresponding period last year.

Profit after tax amounted to NOK 180 million in the third quarter, compared with NOK 149 million for the same quarter last year. The return on equity was 11.8 per cent in the quarter and the Group's total assets are by end of September NOK 73 billion.

"As far as results are concerned, this has been our best quarter in 2019. We are growing and steadily gaining new customers. Our costs are well under control and at the same time we are investing in skills and services that will provide even better customer experiences," says CEO Trond Lars Nydal.

Strengthening our position as market leader in Nordvestlandet

The Group has seen lending increase by 6.7 per cent in the last 12 months, while deposits from customers have grown by 4.2 per cent in the same period.

"The Bank is competitive and enjoyed a high, albeit moderately slower, pace of growth in lending to households compared with the end of the second quarter. The growth rate in the corporate market remains good. The Bank is also seeing good growth in deposits and a high deposit-to-loan ratio," says Nydal.

He adds that the growth is as planned and that lending growth in both the retail market and the corporate market will be above market growth in 2019.

Cost-effective operations contributing to increased profitability

Sparebanken Møre increases earnings through good growth in both net interest income and other operating income in the third quarter, while the growth in costs was moderate and linked to, among other things, investments in new technology and systems development. Cost-efficiency is increasing and already close to the cost income target below 40 per cent.

"Efficient operations have been a top priority in Sparebanken Møre for years, and an important factor in the continued development of the Bank. We have also worked meticulously and systematically to keep losses and defaults at a low level. We use our professional expertise and local knowledge for the benefit of both the customers and the Bank, and are pleased to confirm that this formula has produced results in the third quarter as well," says Nydal.

Launching MasterCard

Sparebanken Møre is a full-service provider of financial services to customers in Nordvestlandet, and will in the middle of November launch its new MasterCard product for customers. The card has been developed in partnership with SpareBank 1 Kredittkort and is a pure credit card with additional services.

"Today, almost 90 per cent of the adult population has a credit card and our customers also want a product like this. Since the credit card is not directly linked to your bank account, it provides, if used in the right way, a security when, for example, you are travelling or shopping online. We are always

hunting for ways to improve the customer experience and are confident that MasterCard is a good complement to our range of services,” says Nydal.

Sustainable banking

Sparebanken Møre also recently signed up to the UN Principles for Responsible Banking. The principles are intended to guide the Bank's work on sustainability and help achieve society's overall goals for sustainable development and the Paris Climate Agreement.

“As a regional savings bank, we have a lot of influence, both through traditional banking and through the projects we get involved in. It is very important that we are conscious of how our products and services create value for our customers and owners, and, not least, society as a whole. We have defined a number of internal measures and also applaud good initiatives that help to make Nordvestlandet an even more sustainable region,” says Trond Lars Nydal, CEO of Sparebanken Møre.

Key figures for Q3 2019

- Profit before losses: NOK 253 million (NOK 199 million)
- Profit after tax: NOK 180 million (NOK 149 million)
- Return on equity: 11.8 per cent (10.3 per cent)
- Net interest income: NOK 351 million/1.91 per cent (NOK 290 million/1.63 per cent)
- Cost income ratio: 39.0 per cent (43.4 per cent)
- Earnings per equity certificate (Group): NOK 8.80 (NOK 7.35)

Comparable figures for the third quarter of 2018 in brackets.

Key figures to 30.09.2019

- Profit before losses: NOK 715 million (NOK 611 million)
- Profit after tax: NOK 521 million (NOK 464 million)
- Return on equity: 11.6 per cent (10.9 per cent)
- Net interest income: NOK 975 million/1.78 per cent (NOK 870 million/1.68 per cent)
- Cost income ratio: 40.1 per cent (42.5 per cent)
- Common Equity Tier 1 capital (CET1): 15.4 per cent (15.8 per cent)
- Earnings per equity certificate (Group): NOK 25.60 (NOK 22.85)
- Lending growth in the last 12 months: 6.7 per cent (5.5 per cent)
- Deposit growth in the last 12 months: 4.2 per cent (4.8 per cent)

Comparable figures for 30.09.2018 in brackets.

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