

Results for Q2 2023:

## Many new customers

**After the first six months of the year, Sparebanken Møre can report good growth and good results. Lending growth for the past 12-month period was 9.3 per cent, and at the end of the first half-year, loans to customers totalled NOK 79 billion. Return on equity was 12.2 per cent for the first half-year and 13.6 per cent for the second quarter.**

Sparebanken Møre's delivered a pre-tax profit of NOK 462 million for the first half-year 2023, compared with NOK 346 million for the same period last year. For the second quarter isolated, profit after tax was NOK 255 million, up from NOK 183 million for the same quarter last year. A Common Equity Tier 1 capital ratio of 17.6 per cent confirms that the bank's capital situation is solid.

Good growth, rising interest rates and the composition of the bank's balance sheet are helping to strengthen net interest income. The cost/income ratio for the first six months of the year was 39.3 per cent.

"The second quarter was another good quarter for Sparebanken Møre and we have delivered a strong profit for the first half-year. We are developing positively and experiencing solid growth, increased income and low losses," says Trond Lars Nydal, CEO of Sparebanken Møre.

### Good growth

"We are pleased with the good growth. It confirms that we are an attractive and competitive bank for both retail customers and businesses in our region. In a highly competitive market, more than 2,700 new customers have chosen Sparebanken Møre as their bank since the beginning of the year. This is a result of the wholehearted efforts our employees put into creating good customer experiences," says Nydal.

Retail lending increased by 7.9 per cent in the past 12-month period, while the bank saw 12.0 per cent growth in the corporate market. In the same period, deposits grew by 3.1 per cent and the deposit-to-loan ratio is high.

In recent years, the bank has clarified its focus on wealthy customers with skilled, local investment advisers, and in 2022 the bank launched its Private Banking concept.

"This initiative has already yielded good results. We expect this trend to continue in the coming years. A combination of strong interdisciplinary cooperation in the bank, proximity to customers and local expertise in asset management has proven to be a combination that many wealthy customers value. More than 50 new customers so far in 2023 and an almost NOK 600 million increase in gross volume in the first half-year confirm this," says Nydal.

The activity in the local business sector is good and the housing market has held up well in the region.

"We are based in an active and adaptable region. A high deposit-to-loan ratio, good rating and total assets of NOK 96.4 billion make us an important and competitive source of capital. We always focus on good advice and profitable growth. The bank is solid and has good liquidity and will continue to be a strong and committed supporter of our customers and our region," says Trond Lars Nydal.

### **Proximity and competence**

“Good financial strength means that we are well equipped for further planned growth. We have increased our staffing and set ourselves ambitious growth targets. From the autumn we will be physically present with a branch offering advice to new and existing customers in Oslo and Viken,” says Nydal.

With 387 FTEs, authorised customer advisers, a number of specialist functions and branches in 19 municipalities, the bank has a large professional environment with local presence. This makes the bank the largest financial group in our region.

"We find that many customers especially appreciate having a permanent adviser who is available and close by. The bank is gaining market shares in the retail market, and we are also growing well in the corporate market where we have emphasised being good sparring partners with leading expertise related to both industries and future prospects," says Nydal.

### **Close dialogue with customers**

Higher interest rates combined with higher living costs are resulting in greater demand for advice.

“Our proximity to customers, availability and local knowledge are clear advantages for our customers. We are close by and provide good advice early on. All of our advisers are available to assist both individuals and businesses experiencing a difficult financial situation. We encourage our customers to take action concerning their financial position. Close follow-up is a high priority for us at the bank,” says Nydal.

### **Key figures – Q2 2023**

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- Net interest income: NOK 462 million/1.94 per cent (NOK 353 million/1.65 per cent)
- Profit before loss: NOK 332 million (NOK 228 million)
- Profit after tax: NOK 255 million (NOK 183 million)
- Return on equity: 13.6 per cent (10.4 per cent)
- Cost/income ratio: 38.9 per cent (43.3 per cent)
- Earnings per equity certificate (Group): NOK 2.46 (NOK 1.78)

*Comparable figures for Q2 2022 in brackets.*

### **Key figures – H1 2023**

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- Net interest income: NOK 907 million/1.96 per cent (NOK 687 million/1.64 per cent)
- Profit before loss: NOK 634 million (NOK 437 million)
- Profit after tax: NOK 462 million (NOK 346 million)
- Return on equity: 12.2 per cent (9.9 per cent)
- Cost/income ratio: 39.3 per cent (44.7 per cent)
- Earnings per equity certificate (Group): NOK 4.42 (NOK 3.35)
- Common Equity Tier 1 capital ratio: 17.6 per cent (18.1 per cent)
- Lending growth in the past 12 months: 9.3 per cent (4.6 per cent)
- Deposit growth in the past 12 months: 3.1 per cent (8.3 per cent)

*Comparable figures for the first half of 2022 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