

Results for Q3 2023:

Strengthening our position as a market leader in our region, Nordvestlandet

Good activity and growth contributed to a good quarterly result for Sparebanken Møre and strengthened the bank's position as a market leader in the region.

The bank has seen solid growth in both the retail market and the corporate market throughout 2023. In the past 12 months, the bank has seen total lending growth of 8.2 per cent and deposit growth of 4.4 per cent. Low losses in combination with this growth contributed to a profit for the quarter of NOK 253 million after tax, which represents a return on equity of 13.1 per cent. The cost income ratio continued to fall, ending at 36.2 per cent in the third quarter. The bank is financially solid with a CET1 ratio of 18.1 per cent.

Close to our customers

The bank also performed well in the national EPSI bank survey and received good feedback from customers. In this year's survey, the bank ranked among the highest in the country with respect to customer satisfaction, loyalty and reputation.

While the bank survey shows an increase in the number of customers considering switching banks, the proportion for Sparebanken Møre customers is low and lower than in 2022.

- *"The competition is tough, but the bank survey shows that we are competitive and that our personal contact, proximity and local knowledge are valued by our customers. This is further confirmed by our good customer growth," says Trond Lars Nydal, CEO of Sparebanken Møre.*

The same survey ranked the bank as no. 1 nationwide when it comes to sustainability, for the third time in a row.

- *"The fact that it is our customers who are voting for us makes us proud. Especially since they point out that we help them with tips and advice on how they can take an active and concrete approach to sustainability," says Nydal, referring to the statement from EPSI Norway.*

Outlook in uncertain times

Although many are feeling the financial uncertainty and rising costs, the bank is still seeing few customers who are experiencing problems paying their bills. Defaults remain low and the proportion of customers seeking interest-only arrangements is moderate.

- *"We understand that many people feel worried about their personal finances, and we want the threshold for contacting us to be low. With more than 200 advisers in 27 branches, we are close to our customers, which increases our chances of identifying challenges and taking action early, together," says Nydal.*

Interest rate hikes, lower rental income and reduced property values have increased risk in the commercial real estate sector nationwide. Sparebanken Møre's portfolio is stable, and the risk is well-diversified. Around 48 per cent of the portfolio is hedged with respect to interest rates, with an average remaining hedging period of more than 5 years, which provides security and predictability for both parties.

Furthermore, the bank sees improvements in the market for Supply/Offshore, which give prospects for possible reversals of losses related to certain commitments during the fourth and the first quarter.

Initiatives in and outside the county

The bank's Oslo branch will officially open in full in November, although after just a few weeks of start-up operations it is already seeing a lot of activity. In the northern part of our county, we have a new initiative in Hustadvika being on track, and we have also established a new corporate business unit in Kristiansund.

- *"We have been monitoring the activity in the northern part of our county, Nordmøre, and we want to play a greater part in this development. Our goal is to create a powerful banking environment that can draw on our specialists within various industry and disciplines," says Nydal.*

Key figures – Q3 2023

- Net interest income: NOK 487 million/2.05 per cent (NOK 398 million/1.87 per cent)
- Profit before loss: NOK 367 million (NOK 254 million)
- Profit after tax: NOK 253 million (NOK 189 million)
- Return on equity: 13.1 per cent (10.5 per cent)
- Cost/income ratio: 36.2 per cent (41.4 per cent)
- Earnings per equity certificate (Group): NOK 2.42 (NOK 1.82)

Comparable figures for Q3 2022 in brackets.

Key figures as at the end of Q3 2023

- Net interest income: NOK 1,394 million/1.99 per cent (NOK 1,085 million/1.72 per cent)
- Profit before loss: NOK 1,001 million (NOK 691 million)
- Profit after tax: NOK 715 million (NOK 535 million)
- Return on equity: 12.5 per cent (10.1 per cent)
- Cost/income ratio: 38.1 per cent (43.5 per cent)
- Earnings per equity certificate (Group): NOK 6.84 (NOK 5.17)
- Common Equity Tier 1 capital ratio: 18.1 per cent (18.2 per cent)
- Lending growth in the past 12 months: 8.2 per cent (6.1 per cent)
- Deposit growth in the past 12 months: 4.4 per cent (9.6 per cent)

Comparable figures as at the end of Q3 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
