

25 January 2024

Results for Q4 2023/preliminary full year results for 2023:

Solid annual result benefits the region

Sparebanken Møre enjoyed a year of profitable and efficient operations, growth and reversal of losses. The preliminary financial figures for 2023 show a profit after tax for the year of NOK 1,055 million. The return on equity was 14.0 per cent and the bank is financially solid with a CET1 capital ratio of 18.2 per cent.

The Board of Directors is therefore planning to propose to the general meeting a cash dividend of NOK 7.50 per equity certificate for the 2023 financial year, as well as a provision of NOK 376 million of dividend funds for good initiatives within culture, sports, local communities, infrastructure, skills and business development.

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 half of the annual profit goes to good initiatives in our region, Nordvestlandet.

- *"In 2023, we received around 2,000 funding applications for various initiatives and took part in more than 200 events. We are a strong supporter of our local communities and in 2024 we will continue to contribute to entrepreneurial zeal and activities that make it attractive to live and work here," says CEO Trond Lars Nydal of Sparebanken Møre.*

Good end to the year

The bank reported a profit after tax of NOK 340 million for the fourth quarter, which corresponds to a return on equity of 17.8 per cent. Reversals of loss provisions in December contributed to the good result.

- *"We have posted a solid profit, which will benefit our customers, our equity certificate holders and society as a whole. We have had a good, active year during which we took steps to create growth, improve the quality of the customer experience and equip the bank for the future. In 2023, we were in the top tier regarding customer satisfaction nationally, and we are pleased that so many choose to bank with us. This shows that we are competitive," says Nydal.*

Long-term perspective

The bank continues to gain market shares and the overall volume of lending at year end was NOK 81.6 billion. Lending growth in the past 12 months amounted to 7.2 per cent and the bank also posted good deposit growth of 8.0 per cent. The focus on more activity and growth is yielding results. In November, the bank opened a new office in Oslo, the office in Hustadvika is on track and the bank also strengthened its focus in the corporate market in Nordmøre and in Romsdal last year.

- *"We are taking a long-term perspective and have built a solid partnership with our customers by being close when the markets both rise and fall. Our customers appreciate our industry expertise and specialist environments combined with local knowledge, providing predictability for both parties," says Nydal.*

Future prospects

Despite high inflation and interest rate rises, activity in the region remains good. At the end of December, the national unemployment rate was 1.9 per cent, while in Møre og Romsdal it was 1.7 per cent. Unemployment is expected to rise slightly in 2024, although remain low by historical standards. Many believe that interest rates have peaked, both in Norway and among our closest trading partners. Over the course of 2024, interest rates are expected to gradually fall back to some extent.

The bank monitors industry developments closely, and sectors vary widely in how they are developing. An upturn in offshore activity is driving higher demand for vessels for use across this

sector and offshore wind. Fewer available vessels means higher market rates and better earnings. The situation is more challenging for the retail trade and the construction industry, although greater confidence that interest rates have peaked may contribute to a pick-up in activity in 2024.

Key figures – Q4 2023

- Net interest income: NOK 506 million/2.11 per cent (NOK 432 million/1.95 per cent)
- Profit before loss: NOK 335 million (NOK 318 million)
- Profit after tax: NOK 340 million (NOK 242 million)
- Return on equity: 17.8 per cent (13.2 per cent)
- Cost income ratio: 42.0 per cent (40.3 per cent)
- Earnings per equity certificate (Group): NOK 3.28 (NOK 2.33)

Comparable figures for Q4 2022 in brackets.

Key figures – 2023 accounts *(comparable figures for 2022 in brackets)*

- Net interest income: NOK 1,900 million/2.02 per cent (NOK 1,517 million/1.78 per cent)
- Profit before loss: NOK 1,336 million (NOK 1,009 million)
- Profit after tax: NOK 1,055 million (NOK 777 million)
- Return on equity: 14.0 per cent (10.9 per cent)
- Cost income ratio: 39.2 per cent (42.5 per cent)
- Common Equity Tier 1 capital ratio: 18.2 per cent (17.9 per cent)
- Lending growth in the past 12 months: 7.2 per cent (8.8 per cent)
- Deposit growth in the past 12 months: 8.0 per cent (4.8 per cent)
- Earnings per equity certificate (Group): NOK 10.12 (NOK 7.50)

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