

## SpareBank 1 Nord-Norge restructure their physical presence

Changed customer behavior, tougher competition and demographic changes for the region, leads to the closure of 16 of the 31 local branches held by the group.

– Digitalization is gathering pace. We see that our customers prefer to bank digitally, a trend that has escalated during the corona crisis. A traditional bank office invites customers to go to an office to get a problem solved. Nowadays very few customers will do just that - they solve the task themselves helped by an app or a computer, says CEO Liv Ulriksen.

SpareBank 1 Nord-Norge is now closing 16 of the smaller branches, while the 15 remaining branches will provide new and redesigned services.

– We will offer our entire product range at every branch, including real estate-, leasing-, and accounting services. In addition, the branches will provide an arena for knowledge sharing such as seminars, lectures and courses, says CEO Liv Ulriksen.

### **Cost reduction focus**

Cost reduction plays a significant role in the assessment of the branch restructuring.

– We will continue to be a strong and independent bank, with headquarters in northern Norway, and we will continue to deliver great results. This means we must adapt to the changes in the market and cut costs, at the same time invest in digital solutions that answers to our customers expectations and needs. We believe in local and in-depth knowledge of northern Norwegian business and industry, therefore, we will continue to be present throughout the region with far more offices than our largest competitors combined, says CEO Liv Ulriksen.

In 2019, the group launched a profitability program with ambitions to increase earnings by 200 million NOK annually. A significant part of this will be retrieved through cost reductions. The closures will result in an annual saving of approximately 40 million NOK, and the group expects to be in line with the profitability program by the end of 2021.

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