

Presentation

2nd quarter 2024

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CEO

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CFO

Oslo
14th August 2024

Today's review



First half of 2024



Second quarter of 2024 - illustrated

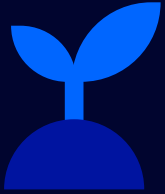


Notification of an order for correction from
Finanstilsynet



Future prospects

Key figures H1



Continuous good growth rate

Loans: 7.7 %
Deposits: 6.3 %
(Last 12 months)



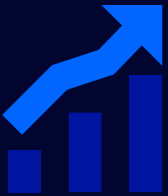
Strong Net Interest Income

In NOK: 1,026 million
In per cent: 2.09



Recoveries on loan losses

In NOK: -18 million
In per cent: -0,04
(loans and guarantees)



Strengthened profitability

ROE: 14.1 %



Strong Efficiency

C/I: 40.3 %



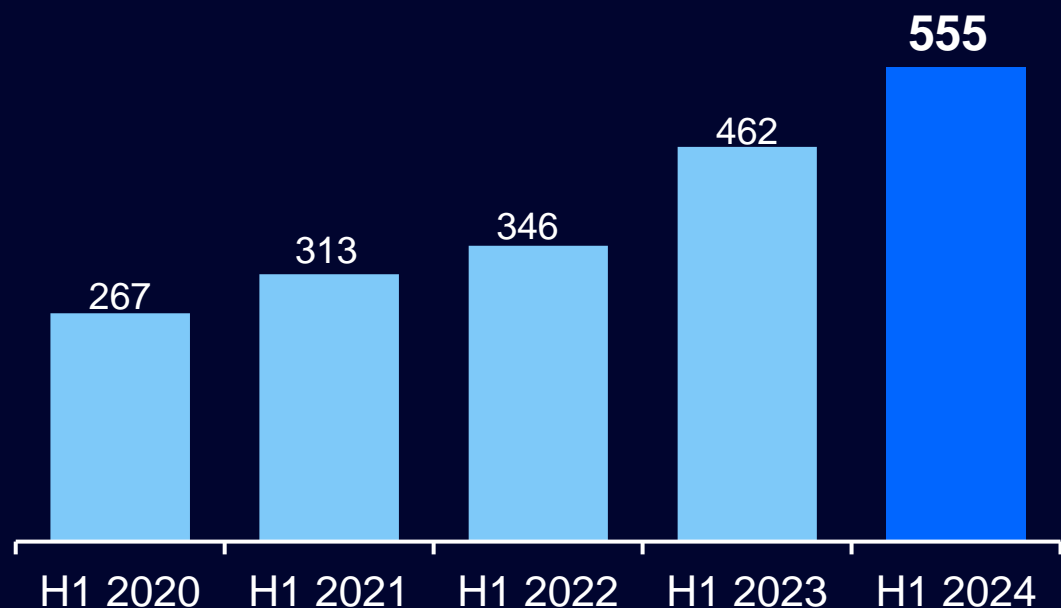
Strong liquidity and solidity

Deposit-to-loan ratio: 57.7%
LCR: 156
NSFR: 122
CET1: 19.1 %
Leverage Ratio: 7.7 %

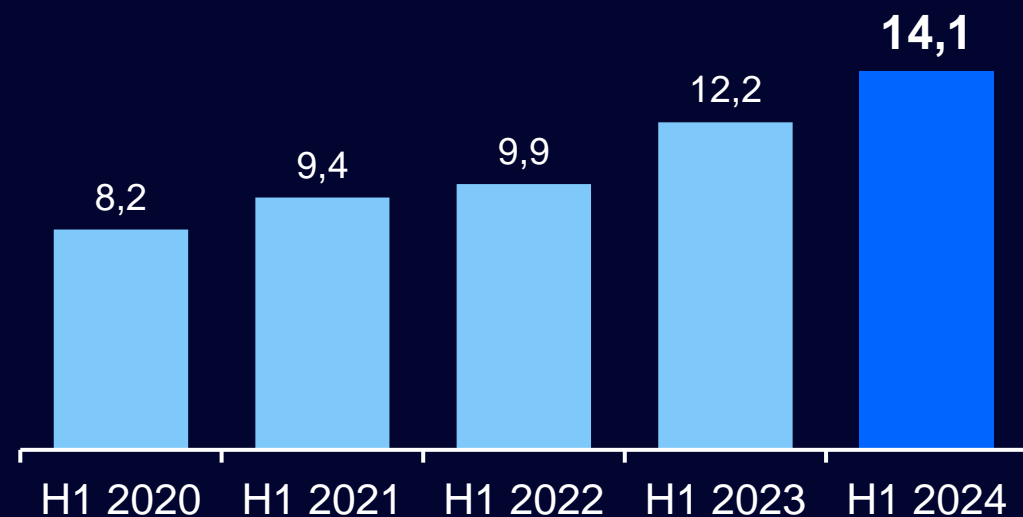
The bank delivers a solid half year result

Profit after taxes

- in MNOK



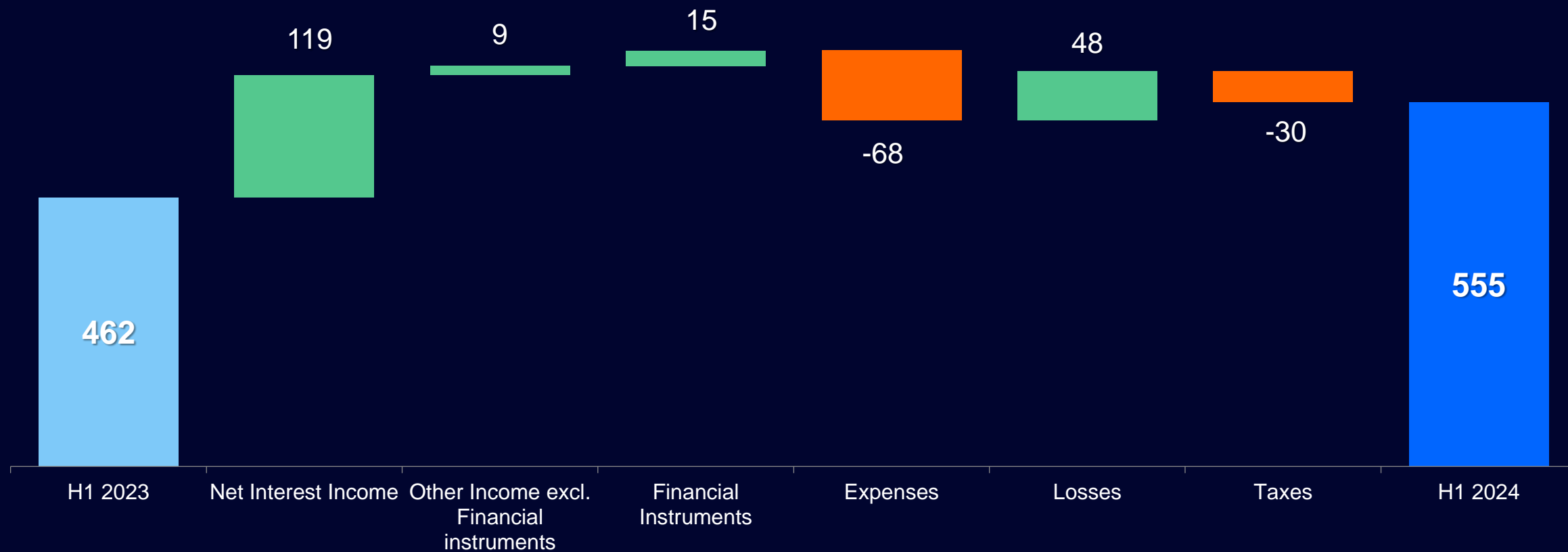
Return On Equity



Result per equity certificate in the 1H of 2024 is NOK 5.26 (Group) against NOK 4.42 (Group) in the 1H of 2023

The bank strengthens the results

Profit after tax in H1 2024 compared with H1 2023



Strong growth in the quarter



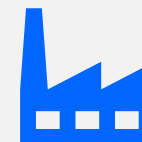
Strong customer growth
in our region,
Nordvestlandet, and
in Oslo



An efficient digital mortgage loan process
attracts new customers



New initiatives
Our initiatives in Oslo, Hustadvika and our strengthened corporate focus in the region have given increased growth



High activity
in many industries in
Nordvestlandet

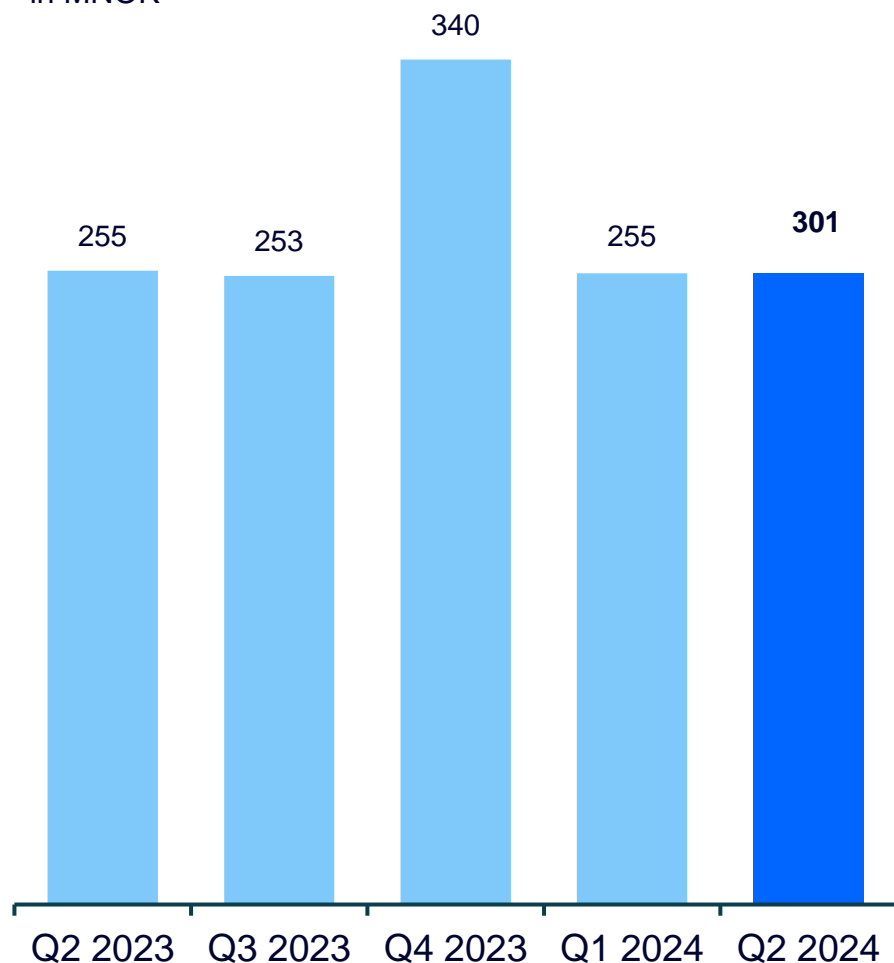


2nd quarter 2024

A solid quarterly result

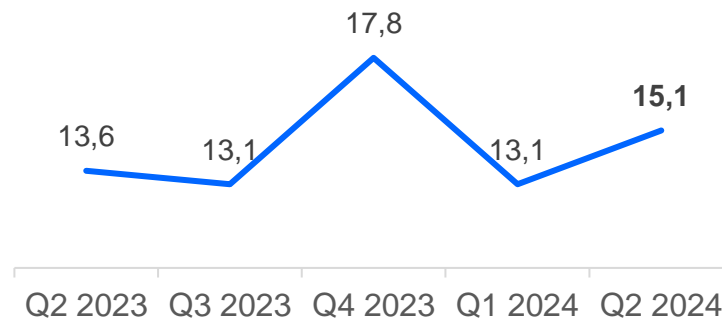
Profit after tax

- in MNOK



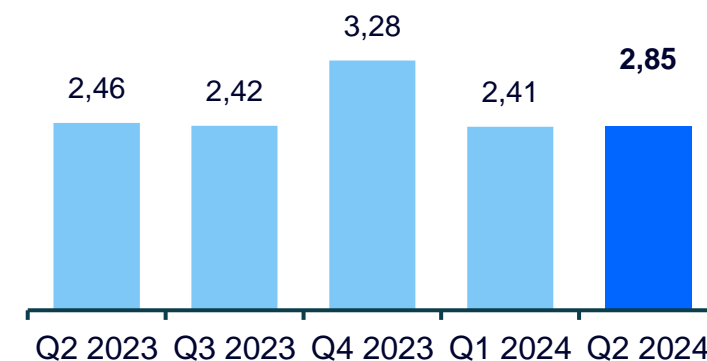
Return on Equity

- quarterly



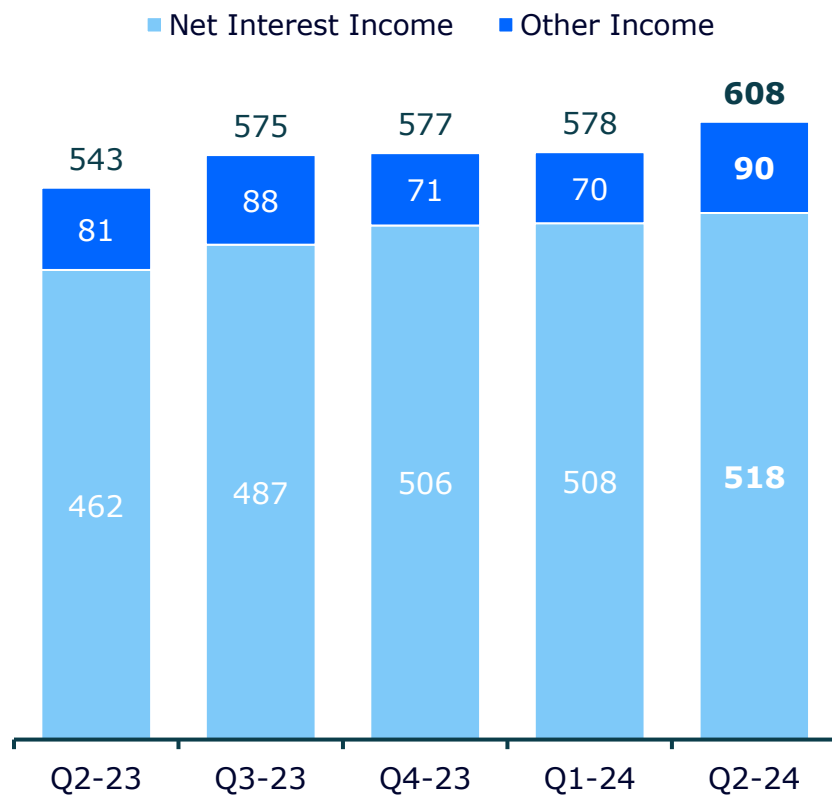
Profit per EC

- Group figures

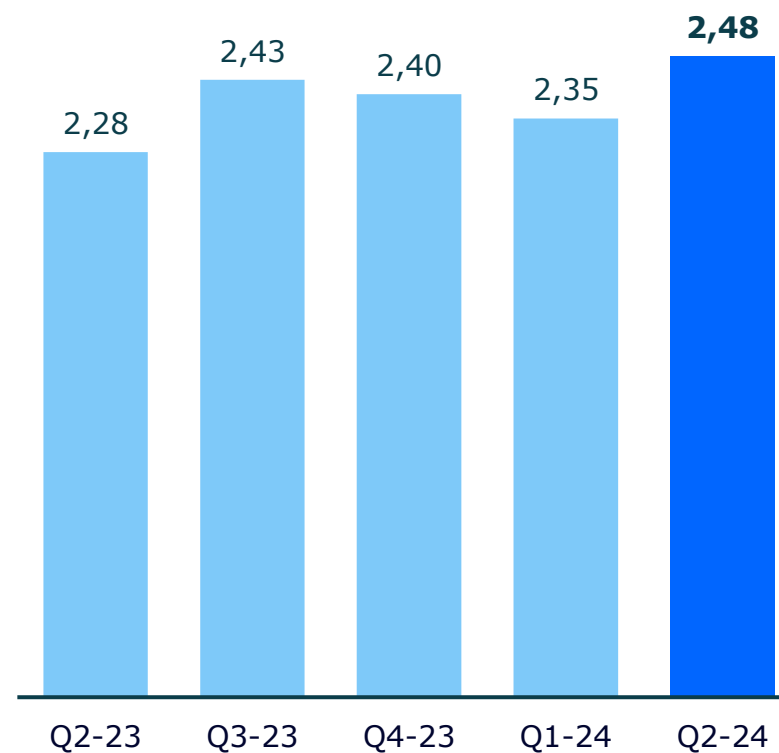


Total income

Total Income in the quarter
- NOK million



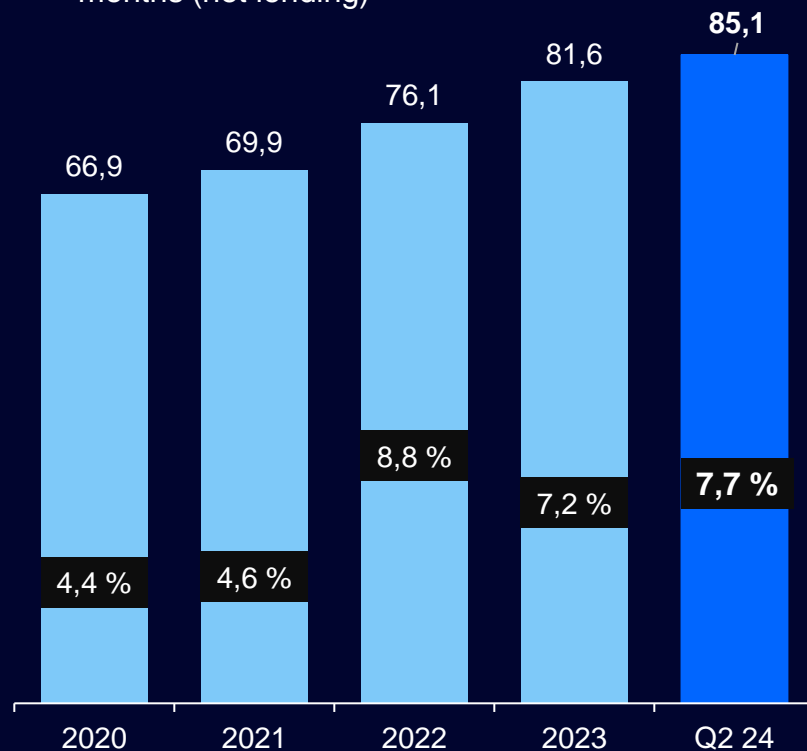
Total Income in the quarter
- in per cent of Average Assets



Lending growth

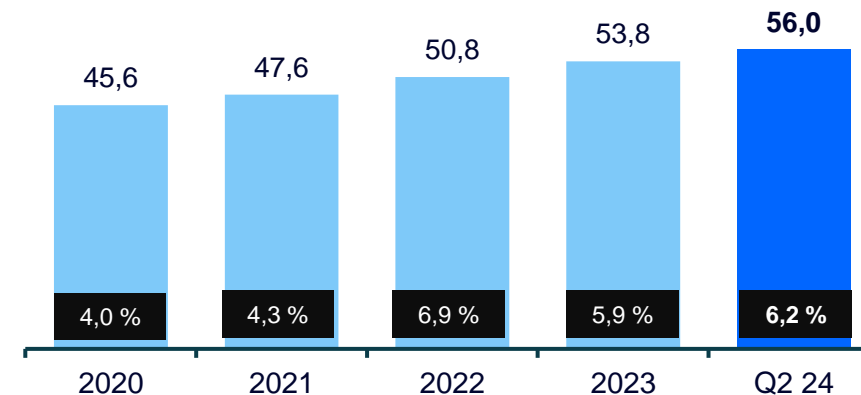
Loans

- MNOK 6,077 in lending growth last 12 months (net lending)



Lending growth retail market

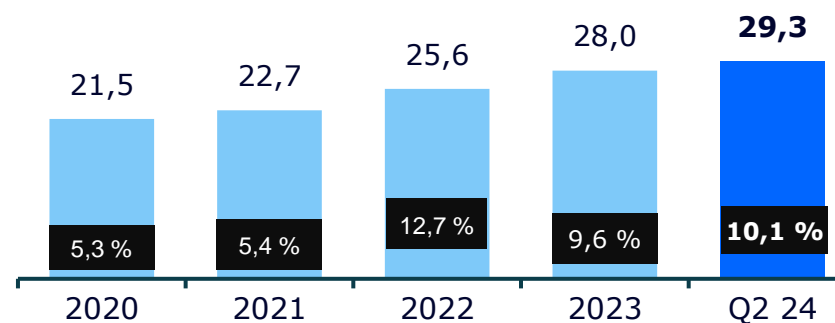
- NOK billion and annual growth



Lending growth in the last 12 months: MNOK 3,272

Lending growth corporate market

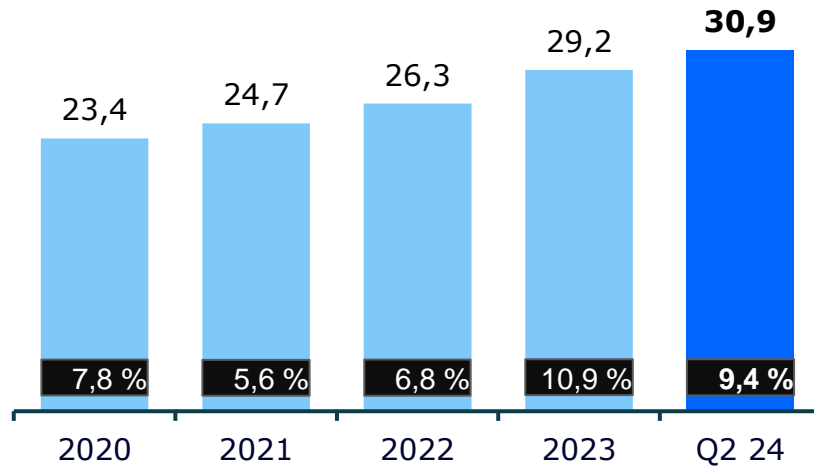
- NOK billion and annual growth



Lending growth in the last 12 months: MNOK 2,695

Deposits – retail market

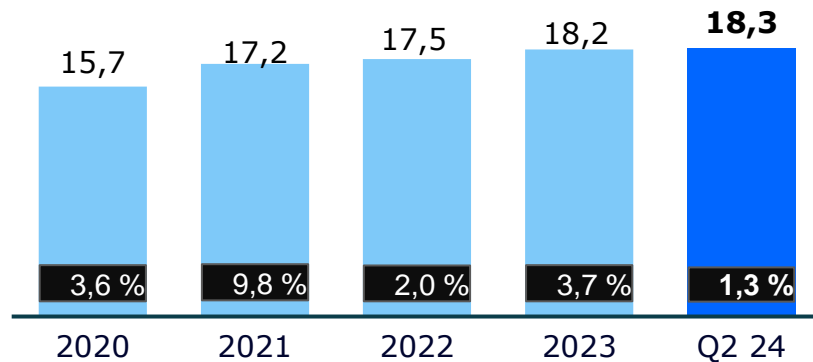
- NOK billion and annual growth



Deposit growth in the last 12 months: MNOK 2,662

Deposits – corporate market

- NOK billion and annual growth

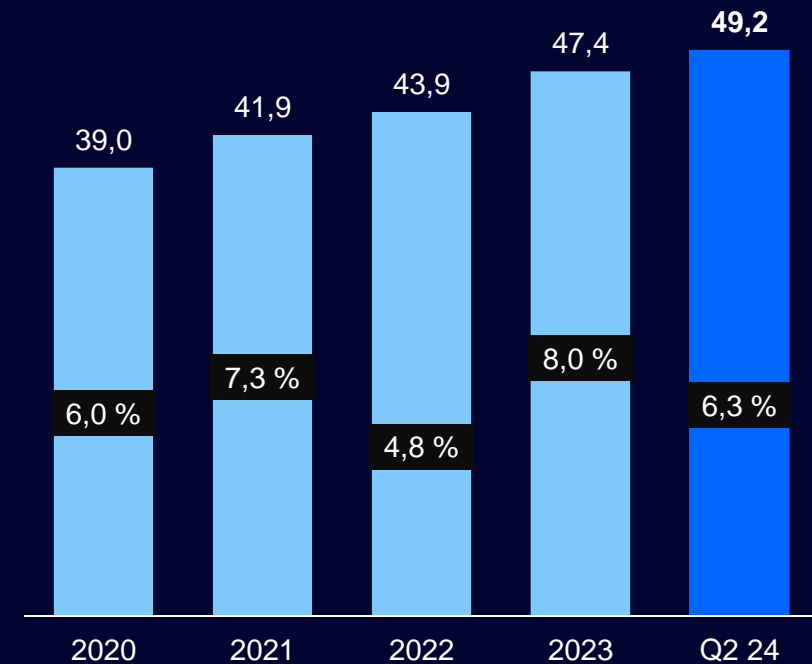


Increase in deposits in the last 12 months: MNOK 239

Deposits

Deposits

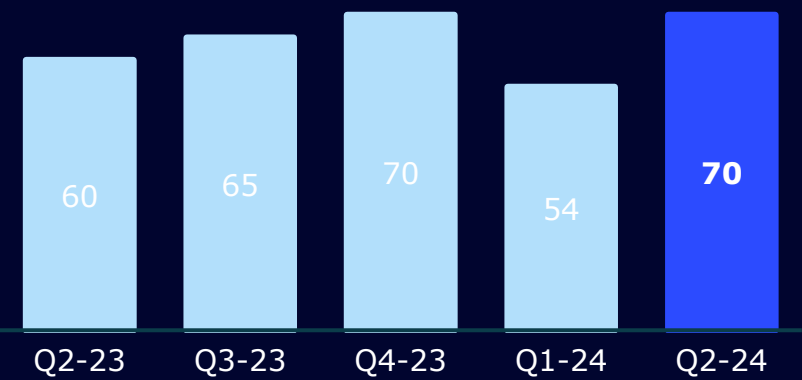
- Deposit growth in the last 12 months: MNOK 2,901



High deposit-to-loan ratio of 57.7 per cent

Other Income

Customer related other income
- MNOK



Financial Instruments
- MNOK

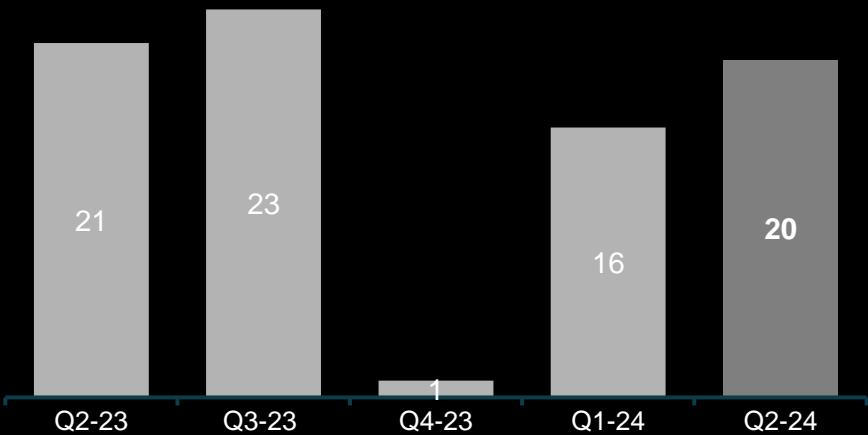
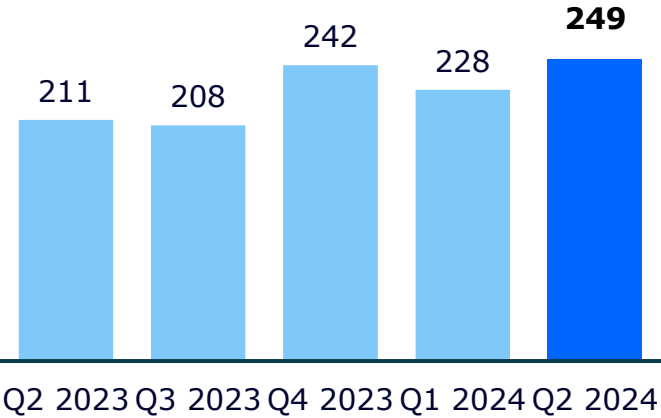


Photo: Asset management, Sparebanken Møre

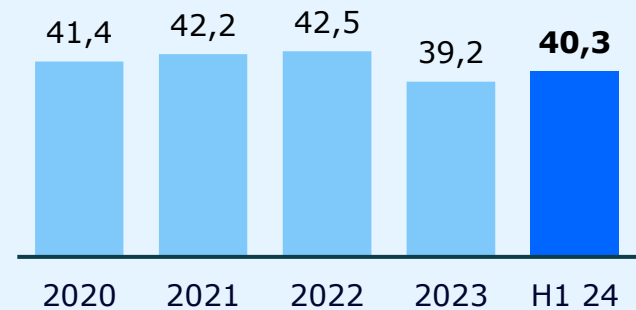


Expenses

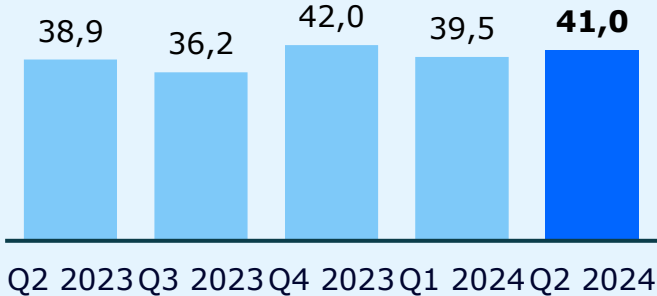
Operating expenses in the quarter
- NOK million



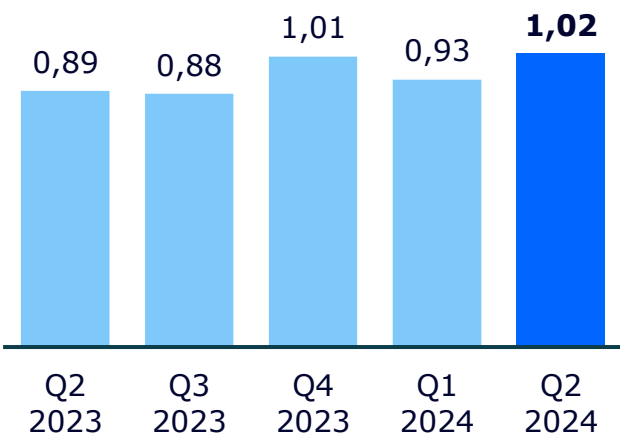
Cost/Income ratio
- Annually



- Quarterly



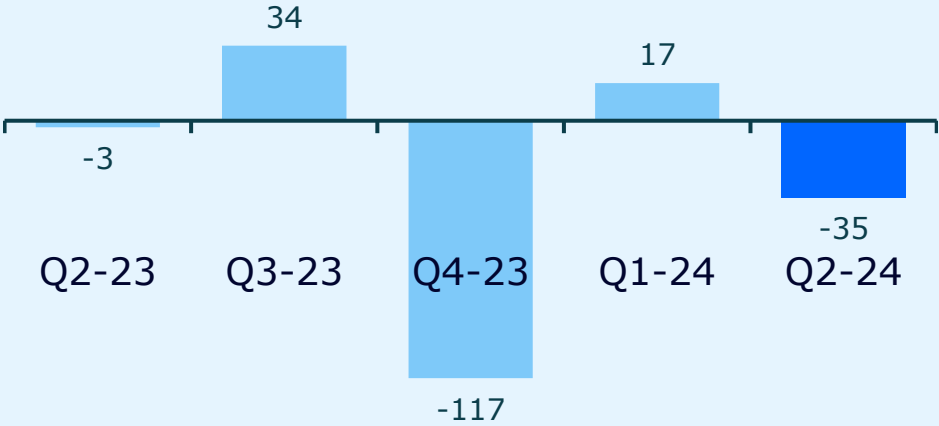
Operating expenses in the quarter
- in per cent of Average Assets



Losses and portfolio quality

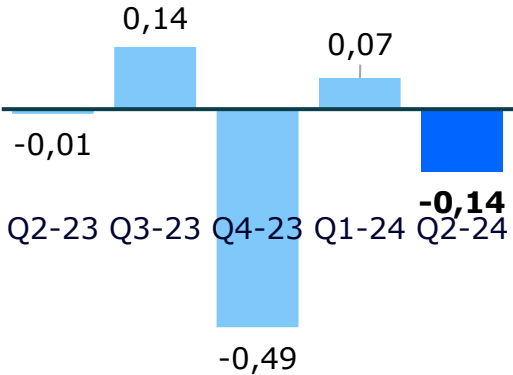
Losses on loans and guarantees

- NOK million



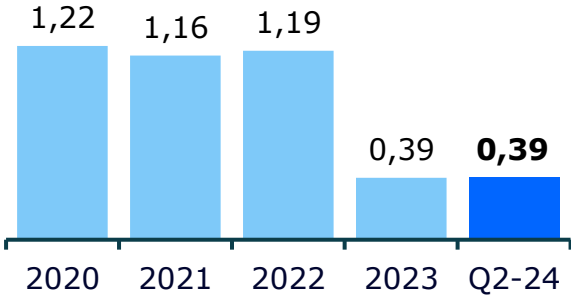
Losses on loans and guarantees

- in per cent of Average Assets



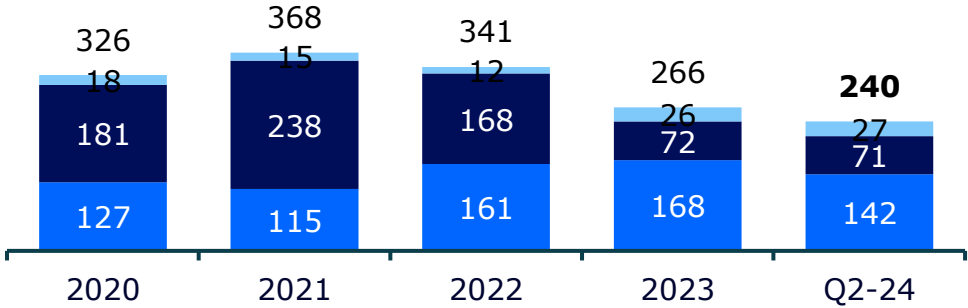
Credit-impaired commitments (net)

- in per cent of loans and guarantees



Impairments

- NOK million

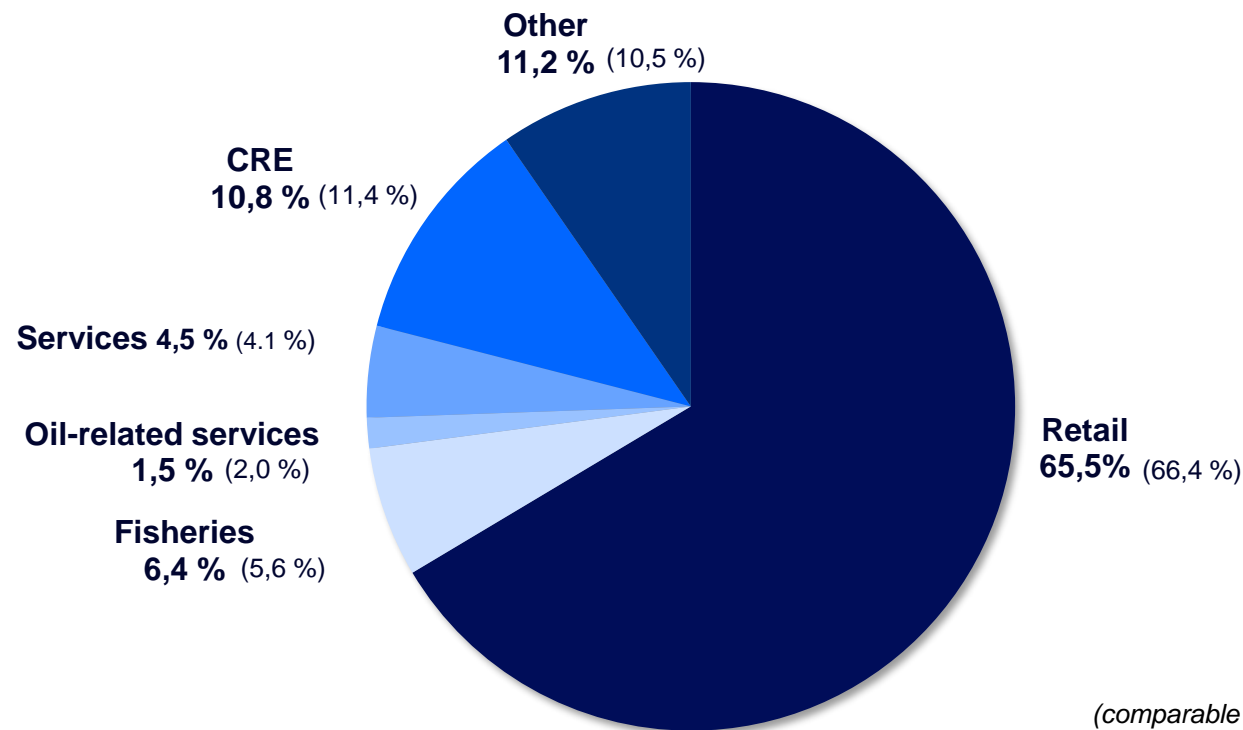


- Ind. impairments on comm. in default > 90 days
- Ind. impairments on other credit-impaired
- ECL on loans and guarantees

Corporate lending

- The bank has a stable share of exposure to the corporate sector
- There is good industry risk diversification
- Low level of risk in the portfolio
- Lending increased by NOK 300 million in the last quarter

Loans by sector



(comparable figures for Q2 2023 in brackets)

Other – 11,2 % (10,5%) includes:

Financial services	1.8 % (1.2 %)	Retail/ wholesale trade	1.6 % (1.6 %)
Other Industry	2.9 % (3.0 %)	Agriculture	0.9 % (0.9 %)
Fishing Industry	1.2 % (1.2 %)	Other	1.0 % (0.8 %)
Ship Yards	0.2 % (0.1 %)		
Building and Construction	1.6 % (1.5 %)		

Several industries benefit from a weaker NOK

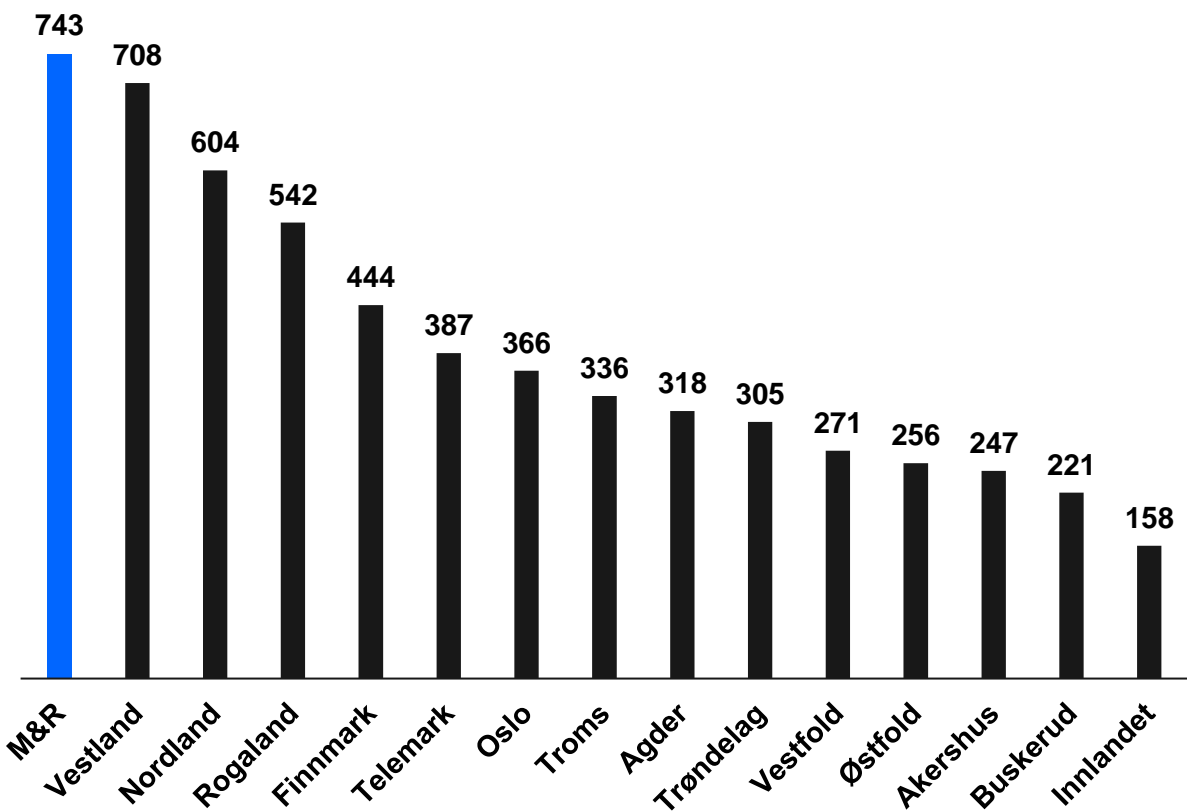
NOK vs. selected currencies

- Performance Jan'22 – Aug'24



Export earnings per employee, excl oil and gas. 2023.

- TNOK



Travel and tourism

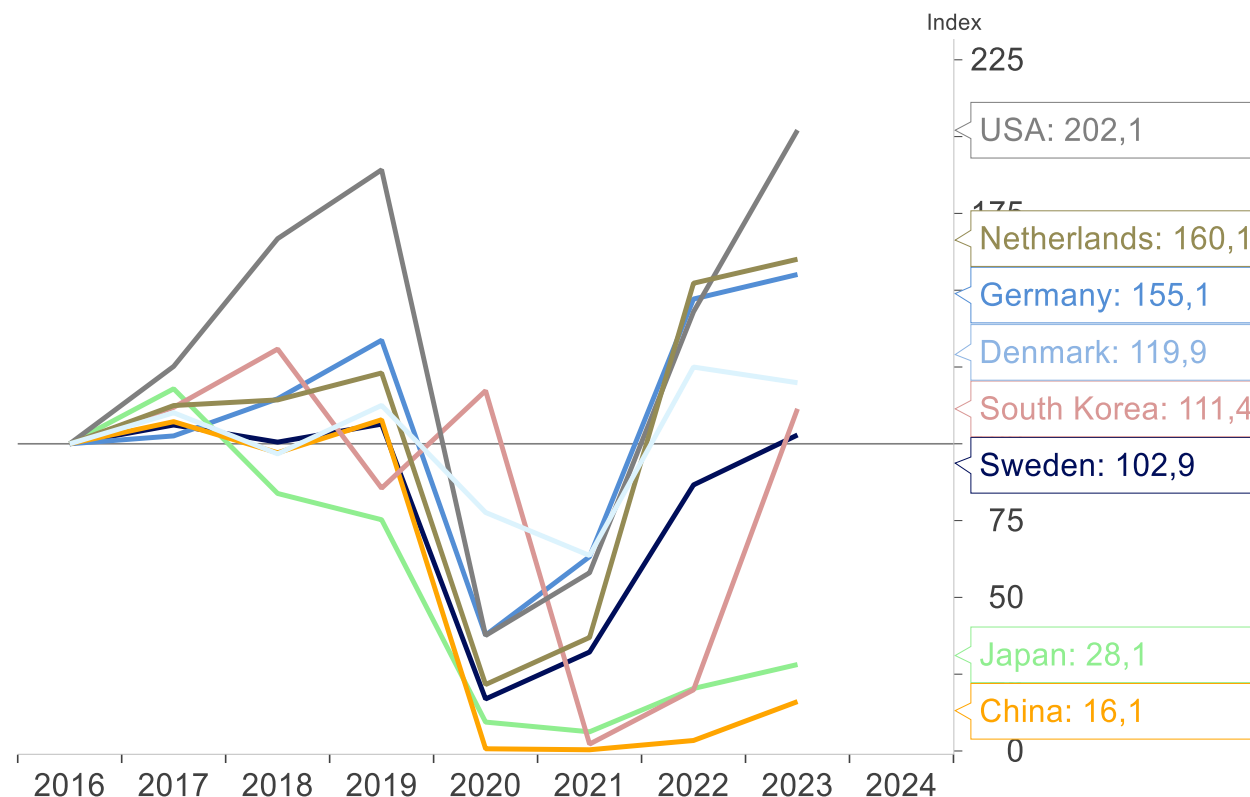


Travel and tourism

- A weak Norwegian krone has given Norwegian travel and tourism industry a boost
- In particular Northern Norway and Western Norway have experienced increased demand in recent years
- Figures from NHO's (Norwegian Confederation of Business and Industry) member survey indicate that there has been a good start to 2024
- In Møre og Romsdal, 67 percent of the companies report a better booking level than in 2023

Country of origin for tourists in Møre og Romsdal

- Number of nights. Index = 100 in 2016.

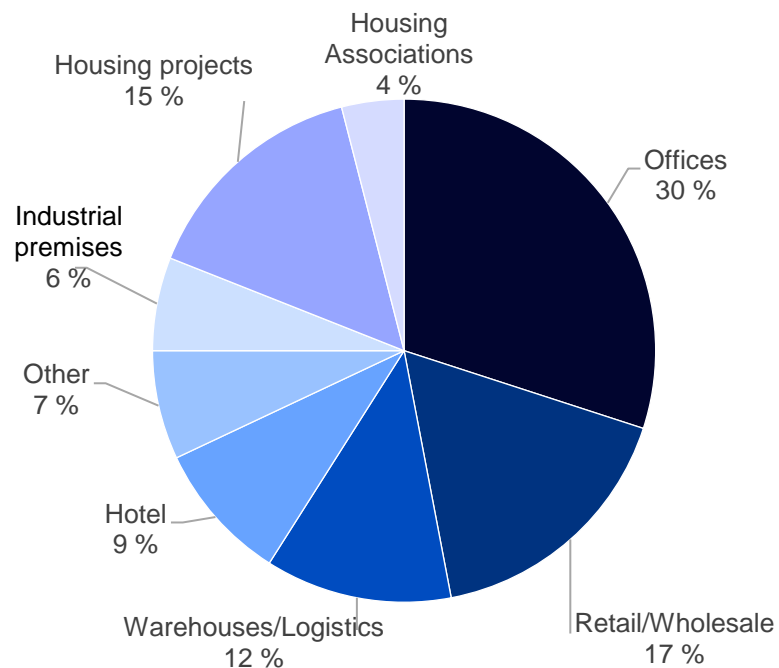


Kilder: NHO

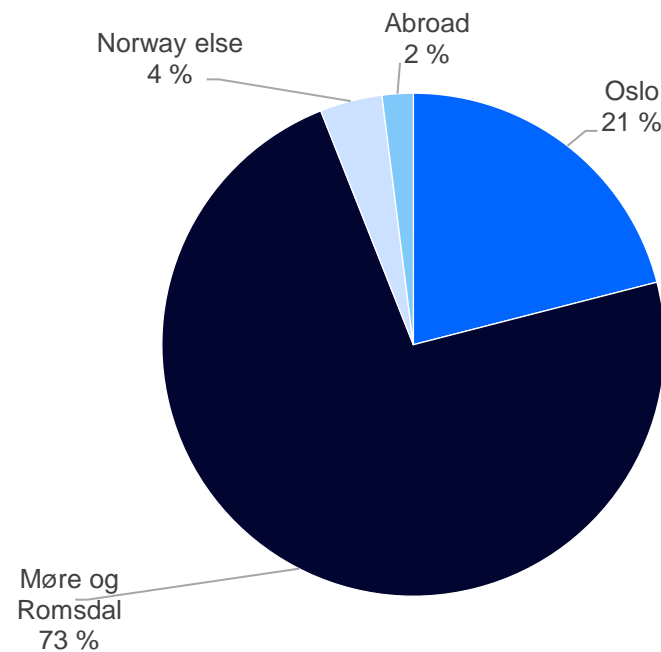
Stable and well-diversified property portfolio

- 73 per cent of the portfolio within our county Møre and Romsdal, offices and hotel properties in Oslo make up 21 per cent
- 96 per cent of the portfolio is in the low and medium risk category

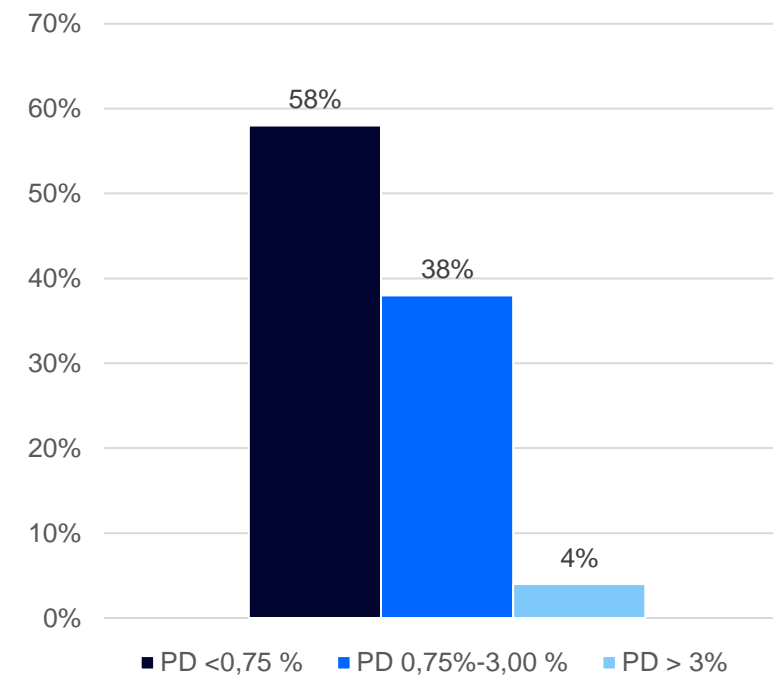
Sub-segments



Geographical distribution



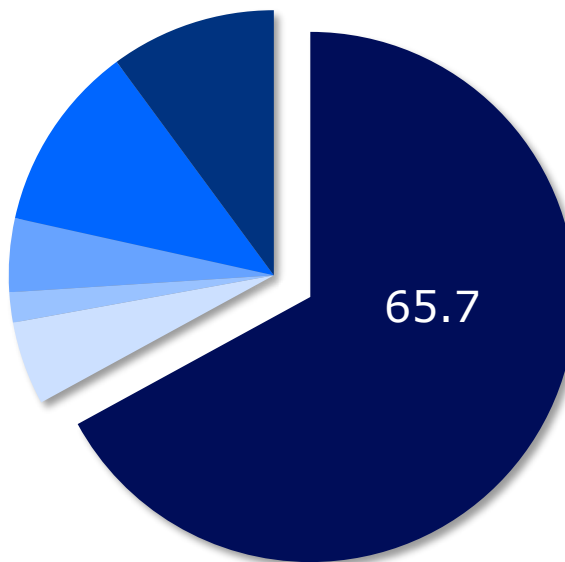
Risk classification



Good quality in our retail portfolio

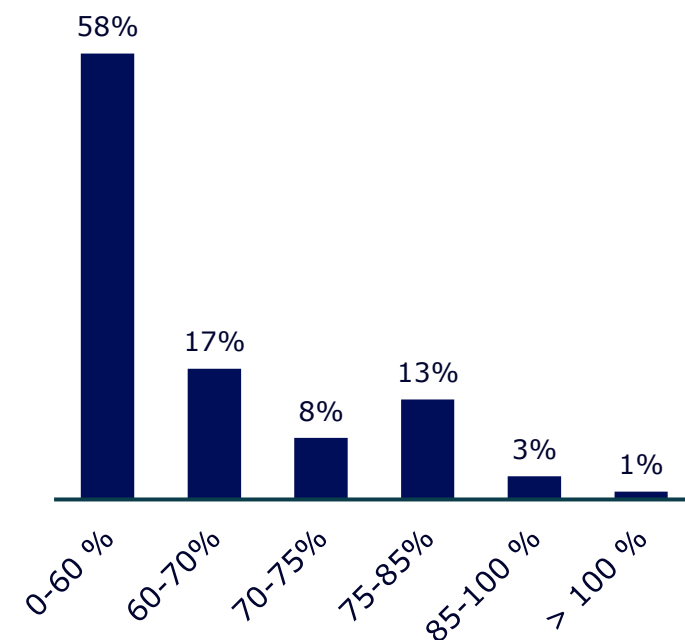
- 96 per cent of the loans within 85 per cent LTV
- The level of default is lower than in the industry in general
- The number of payment holidays are still at a low level
- The number of loans with deviation from The Lending Regulation is well within the flexibility quota

Loans to retail customers - In per cent of total loans



- Deviation from The Lending Regulation reported in Q2-2024:
 - 6.9 % outside Oslo (flexibility quota 10 %)
 - 6.2 % in Oslo (flexibility quota 8 %)

Loan-to-Value – retail loans (LTV)



- 96 % of mortgages are within 85 % of LTV

House price development

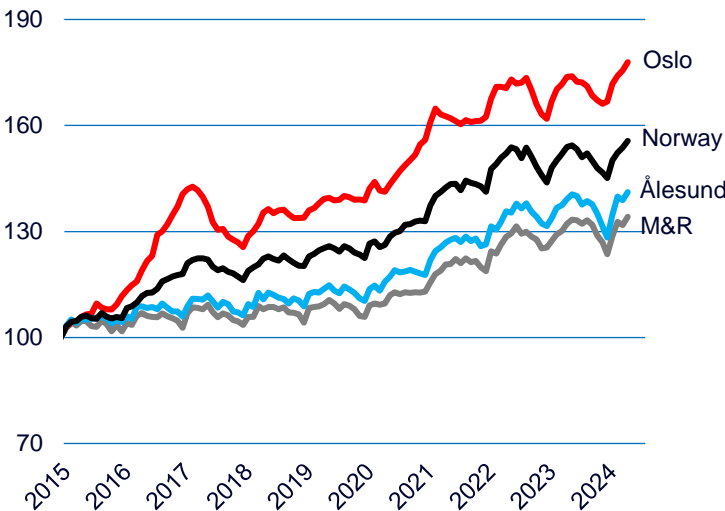
Based on pre-owned dwellings sold, Norwegian seasonal adjusted house prices increased by 0.4 per cent in June 2024.

Last 12 months Norwegian house prices increased in average by 2.2 per cent.

House prices in the county of Møre og Romsdal (M&R) and in the city of Ålesund increased with respectively 2.7 and 2.0 per cent.

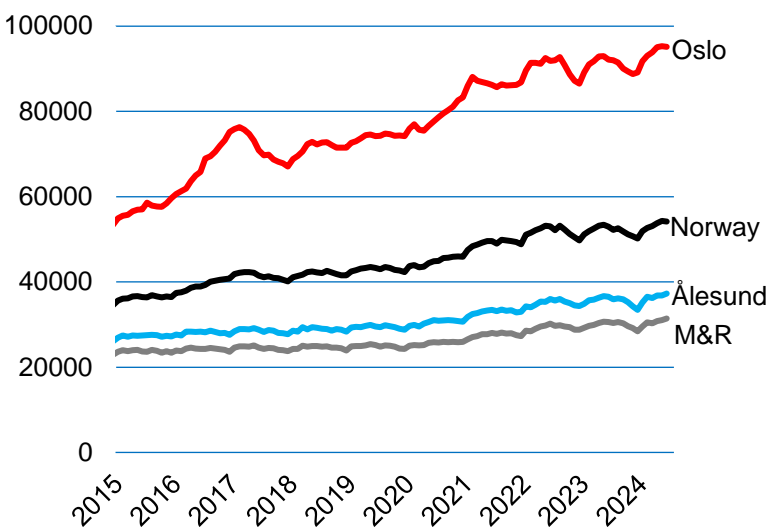
Indexed development

- January 2015 = 100



Price per square meter

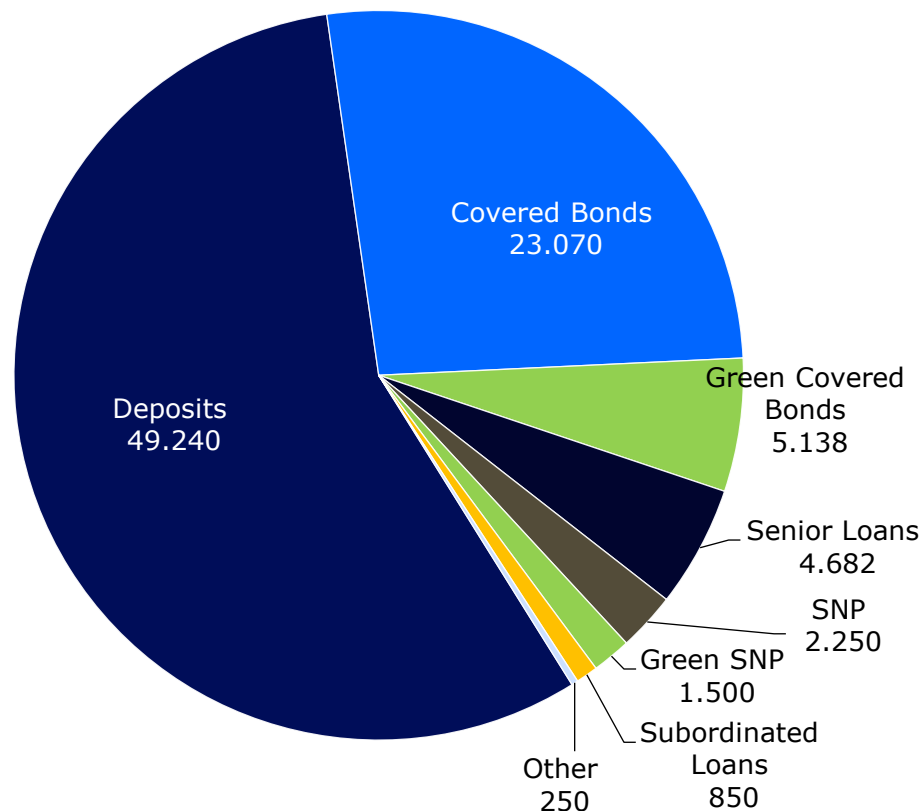
- January 2015 – June 2024



Key information on pre-owned dwellings sold in June 2024

	Norway	Møre og Romsdal	Ålesund	City of Oslo
Seasonal adj. development last month	+0.4 %	+1.2 %	+1.5 %	+0.3 %
Development last 12 months	+2.2 %	+2.7 %	+2.0 %	+3.2 %
Development last 10 years	+59.4 %	+36.1 %	+43.0 %	+88.0 %
Per square meter (NOK)	54,174	31,434	37,313	95,107
Average number of days on market	41 days	53 days	48 days	22 days
Price median dwelling (NOK)	3,983,000	2,950,000	3,200,000	5,456,600

Good market access



Strong rating and long-term financing

57.7 %

- Deposit to loan ratio

A1

- Moody's rating
- Stable outlook

37.7 bln.

- Net market financing

Aaa

- Covered Bonds

6,6 bln

- Green fiunding

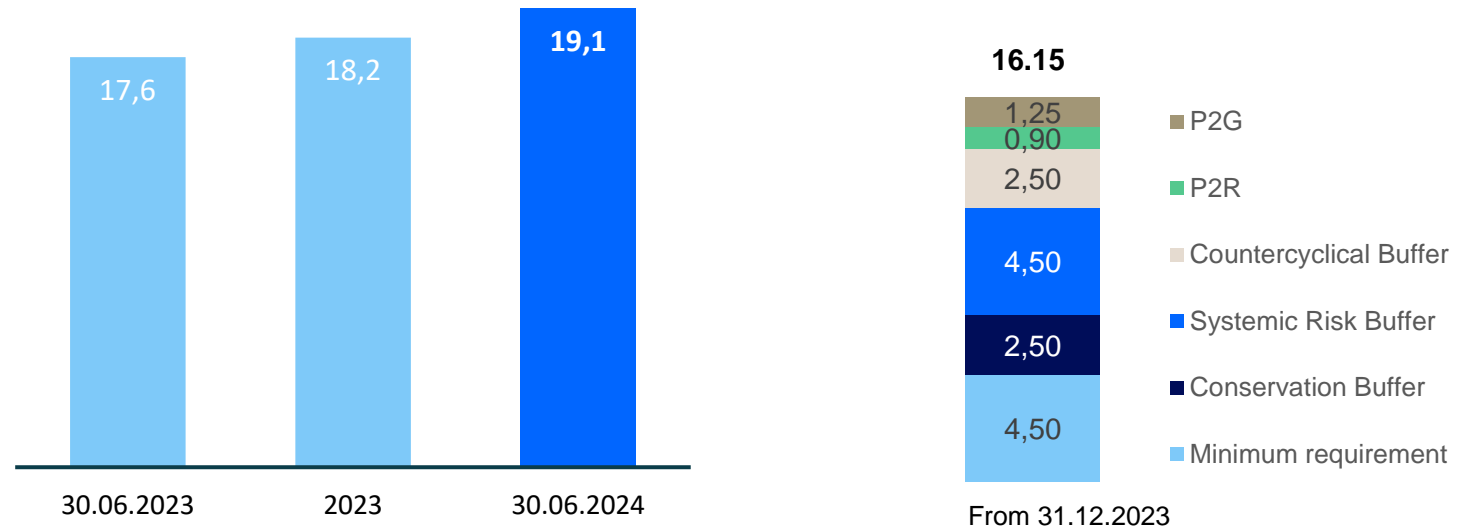
2.81 year

- Remaining duration Covered Bonds

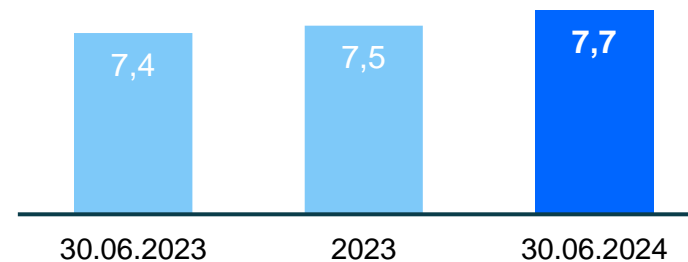
Strong capital

- The bank has a long-term target for CET1 capital which must at least be the sum of Pillar 1, Pillar 2 (P2R) and P2G
- Regulatory capital requirements have largely fallen into place in recent years, while the implementation of CRR3 (planned from the turn of the year) will affect the bank's RWA
- Preliminary calculations based on Finanstilsynet's (Norwegian FSA) CRR3 proposal show a positive effect on the bank's CET1 capital
- The bank has solid buffers against capital requirements and capital targets
- The buffer to the regulatory requirement for CET1 capital is 2.95 p.p. (4.20 p.p. excl. P2G)

CET1- status and requirements (per cent)

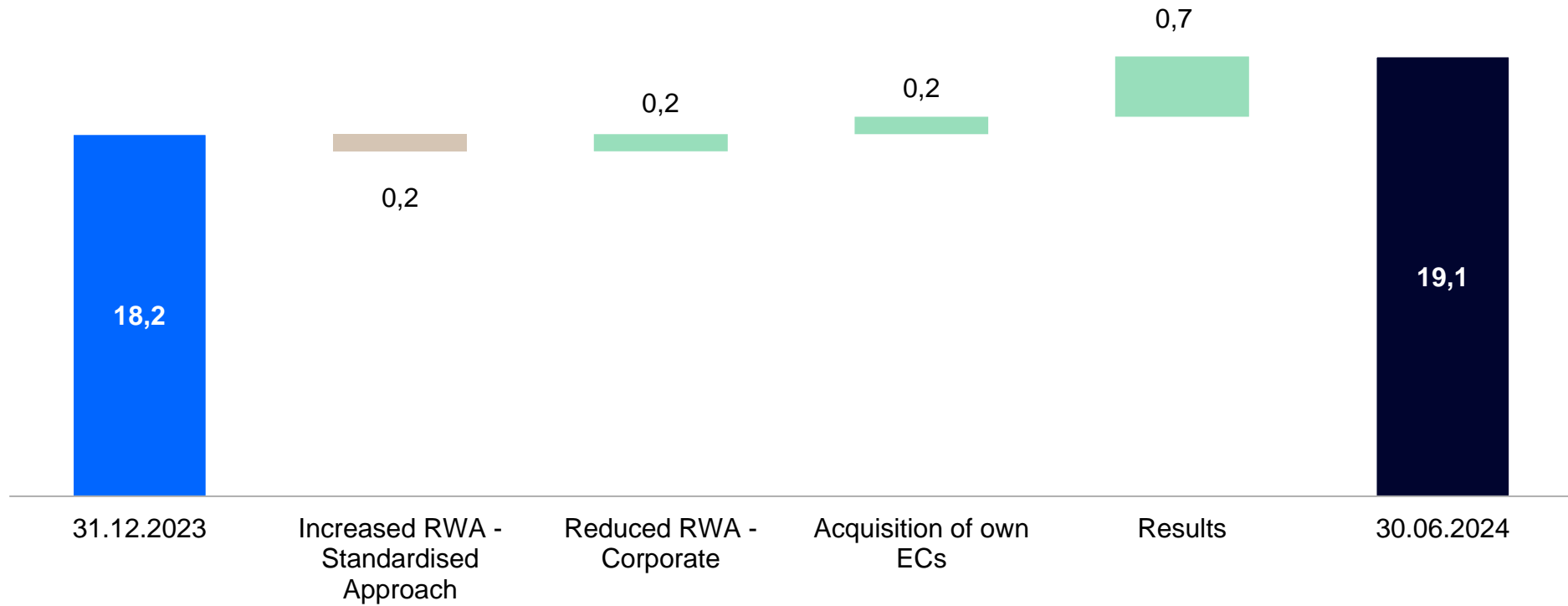


Leverage Ratio



Changes in CET1 capital

from 31.12.2023



MORG pricing

Total Return weaker than the index in Q2

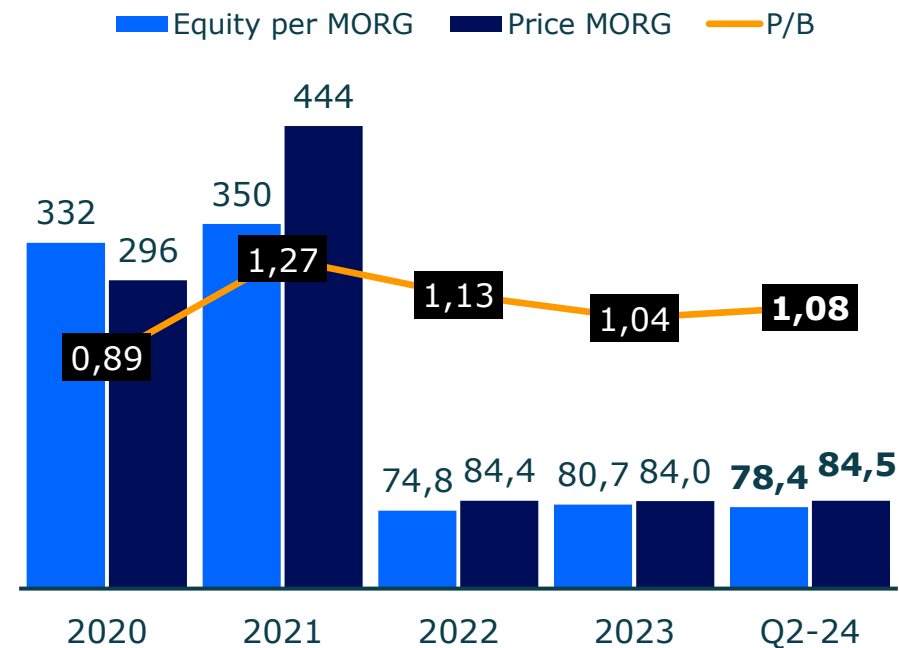
SBM vs. index YTD. Total return H1'24. Percent.



Source: Macrobond

MORG – price and Price/Book (P/B) value*

- Equity, price and P/B



*Equity per MORG is calculated on Group figures.

Figures for 2020-2021 stated before the split in 2022.

Notification of an order for correction from the Norwegian Financial Supervisory Authority (FSA)

Notice with a response deadline of 26 August 2024

- In a letter from the FSA dated 4 July this year, the bank received an advance order for correction relating to the accounting practice of unpaid gifts for non-profit purposes as other liabilities in the bank's accounts - compare the bank's stock exchange announcement of 5 July this year
- Sparebanken Møre interprets the notification so that the FSA is of the opinion that the funds which the General Meeting has decided to set aside for gifts, but which at the turn of the year, not yet have been decided distributed to gift recipients, must be transferred to the Gift Fund instead of booked as other liabilities. The bank's practice has, according to the FSA's advance notification, resulted in that the equity capital's share over time have received a too large part of the year's profit
- Sparebanken Møre disagrees with the FSA's assessments and is now carrying out a review and assessment of the factual and legal basis for the advance notice, including the calculation of FSA's proposed correction
- It is also stated in the notification that the FSA aims to process the application for permission to establish the savings bank foundation Sparebanken Møre (compare stock market announcements from the bank on 31 January and 28 February this year), only after the case concerning gift funds has been concluded

The nature and role of the savings banks

«By the community - for the community»

- Financing
 - Available capital in the districts for both corporate and retail customers
 - The importance of the role of local and regional banks in local communities has been confirmed in many surveys in recent years (Menon publication no. 69/2017))
- For the community
 - In 2022, the savings bank sector distributed more than NOK 3 billion for public/community-beneficial purposes*
 - Is one of Norway's largest private contributors to sport, culture and volunteering
- Skilled workplaces
 - Adds migration and knowledge to the districts



International development and growth prospects



Interest rate cuts in the pipeline

Global inflationary pressure continues to ease, paving the way for interest rate cuts from several western central banks.



High volatility in the market

High volatility in the international finance markets lately, must be seen in light of signals of a slowdown in the US economy.

The growth prospects in the short term are dampened in most western countries.



Persistent uncertainty

The uncertainty regarding the economic development going forward is significant. Among other things, the political and geopolitical picture constitutes a persistent risk and potential source for fluctuations in the financial markets.



Future prospects

Norway and Nordvestlandet

The price growth continues to fall and we see prospects of a pick up in the activity going forward. Lower interest rates among our trading partners will eventually open up for interest rate cuts from Norges Bank also.

There are still big discrepancies between the development in the different industries. There are, however, signs that the bottom is reached also within the hardest hit industries in recent years.

The level of unemployment in Møre og Romsdal is lower than the national average rate, with 1,9 per cent registered unemployed by July.

A persistently weak NOK is helping the export oriented businesses in our region.

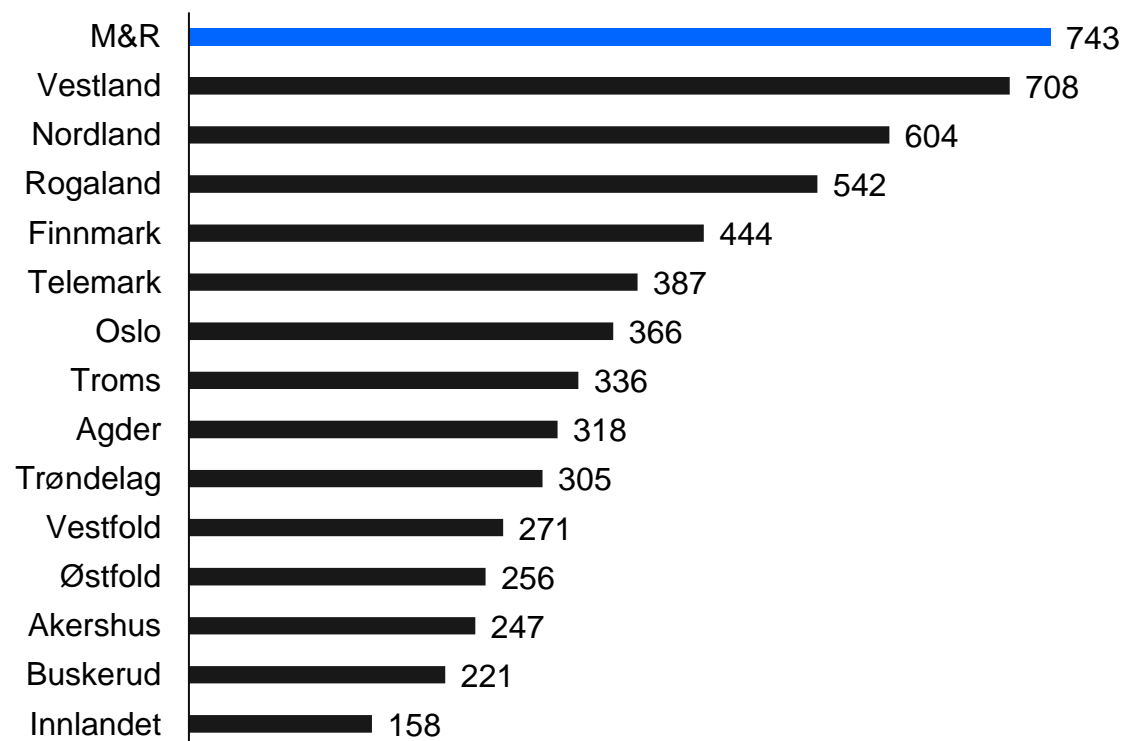
The fall in interest rates internationally has also affected Norwegian interest rates. The first interest rate cut is expected to come towards the end of the year, followed by further four interest rate cuts during 2025.

Future prospects

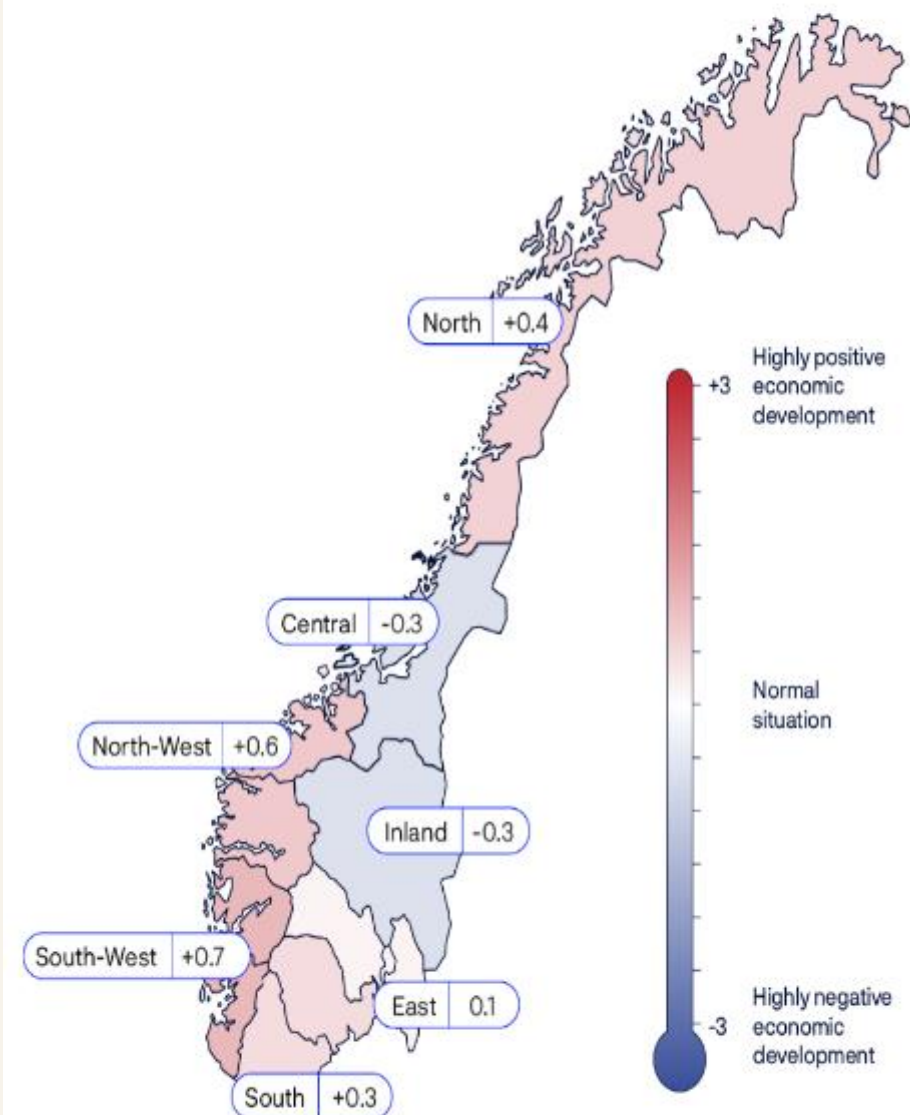
The export-intensive regions are doing best

Export earnings per employee excl oil and gas in 2023

- TNOK



Regional indicators



Competitive strenght

CUSTOMER-SATISFACTION

Good confirmations again on our business model in the EPSI-surveys



HIGH ACTIVITY

Børs & Bacalao and several valueable customer seminars
We are attending more than **200** events



Strong market-position



GROWTH

We gain market shares and strenghtens our position



GROWTH

Good contributions from our new offices in Oslo and Hustadvika



GROWTH

The strenghtening of our corporate initiative returns results

GROWTH

Asset management, Real Estate broker, «næringsbasen», insurance, digital mortgage loan process a.o.

Continues to deliver good service and advice

Best in test for the 6th year in a row!

- Best in the category Customer Service
- Best in the category Services across all industries



Local presence

Skilled local advisers
with local knowledge
and relations are a
competitive advantage



Sparebanken Møre

Industry and local knowledge

The largest business environment in Nordvestlandet

Industry knowledge, specialist environment with local knowledge and local decisions are experienced to be valuable.

This provides predictability for all parties.





Long term financial targets



Return on Equity
(ROE)
> 12,0%



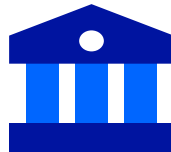
C/I < 40 %



Low losses



Healthy financial
structure



Long-term target for Common
Equity Tier 1 capital (CET1)
which minimum must be the sum
of pillar 1, pillar 2 (P2R) and
P2G

Dividend policy

- Sparebanken Møre aims to achieve financial results providing a good and stable return on the bank's equity capital
- Sparebanken Møre's profit allocation must ensure that all equity owners are guaranteed equal treatment
- If the solvency ratio does not indicate otherwise, the aim is that around 50 per cent of the year's profit overall can be distributed as dividends



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Attachments

Results in Q2

Key figures for Q2-24 and Q2-23

Results (NOK million and %)	In Q2 2024		In Q2 2023		Changes		
	MNOK	%	MNOK	%	MNOK	p.p.	%
Net Interest Income	518	2,12	462	1,94	56	0,18	12,1
Gains/losses liquidity portfolio	11	0,04	-4	-0,02	15	0,06	-
Gains/losses on shares	1	0,01	1	0,01	0	0,00	0,0
Net income Financial Instruments	8	0,03	24	0,10	-16	-0,07	-66,7
Other Income	70	0,28	60	0,25	10	0,03	16,7
Total Other Income	90	0,36	81	0,34	9	0,02	11,1
Total Income	608	2,48	543	2,28	65	0,20	12,0
Salaries and wages	137	0,56	116	0,49	21	0,07	18,1
Other expenses	112	0,46	95	0,40	17	0,06	17,9
Total operating expenses	249	1,02	211	0,89	38	0,13	18,0
Profit before losses	359	1,46	332	1,39	27	0,07	8,1
Losses on loans and guarantees	-35	-0,14	-3	-0,01	32	0,13	-
Pre-tax profit	394	1,60	335	1,40	59	0,20	17,6
Taxes	93	0,38	80	0,33	13	0,05	16,3
Profit after tax	301	1,22	255	1,07	46	0,15	18,0
Return on equity (ROE) %	15,1		13,6			1,5	
Cost/Income ratio	41,0		38,9			2,1	
Profit per EC (NOK)	2,85		2,46			0,39	



Results per Q2

Key figures in H1 2024 and H1 2023

Results (NOK million and %)	H1 2024		H1 2023		Changes		
	MNOK	%	MNOK	%	MNOK	p.p.	%
Net Interest Income	1 026	2,09	907	1,96	119	0,13	13,1
Gains/losses liquidity portfolio	16	0,04	-16	-0,04	32	0,08	-
Gains/losses on shares	-3	-0,01	6	0,01	-9	-0,02	-150,0
Net Income Financial Instruments	23	0,05	31	0,07	-8	-0,02	-25,8
Other Income	124	0,25	115	0,25	9	0,00	7,8
Total Other Income	160	0,33	136	0,29	24	0,04	17,6
Total Income	1 186	2,42	1 043	2,25	143	0,17	13,7
Salaries and wages	261	0,53	227	0,49	34	0,04	15,0
Other expenses	216	0,44	182	0,39	34	0,05	18,7
Total operating expenses	477	0,97	409	0,88	68	0,09	16,6
Profit before losses	709	1,45	634	1,37	75	0,08	11,8
Losses on loans and guarantees	-18	-0,04	30	0,07	-48	-0,11	-
Pre-tax profit	727	1,49	604	1,30	123	0,19	20,4
Taxes	172	0,35	142	0,30	30	0,05	21,1
Profit after tax	555	1,14	462	1,00	93	0,14	20,1
Return on equity (ROE) %	14,1		12,2			1,9	
Cost/Income ratio	40,3		39,3			1,0	
Profit per EC (NOK)	5,26		4,42			0,84	

Balance sheet and key figures

Key figures per H1 2024 and H1 2023

	30.06.24	30.06.23	Changes	
Balance in NOK million			MNOK	%
Total Assets	99 847	96 406	3 441	3,6
Loans to customers	85 076	78 999	6 077	7,7
Deposits from customers	49 240	46 339	2 901	6,3
Net Equity and Subordinated Loans	8 493	8 083	410	5,1

Key Figures	30.06.24	30.06.23	Changes p.p.
Return on Equity	14,1	12,2	1,9
Cost/Income Ratio	40,3	39,3	1,0
Capital Adequacy Ratio	23,4	22,0	1,4
Tier 1 Capital	21,1	19,4	1,7
CET1	19,1	17,6	1,5
Leverage Ratio	7,7	7,4	0,3
Profit per EC (NOK, the Group)	5,26	4,42	0,84
Profit per EC (NOK, the bank)	5,69	5,02	0,67

Specification of other income

Q2 2024 and Q2 2023

(NOK million)	Q2 2024	Q2 2023	Changes y/y
Guarantee commission	12	13	-1
Income from the sale of insurance services (non-life/personal)	15	14	1
Income from the sale of shares in unit trusts/securities	7	8	-1
Income from Discretionary Portfolio Management	27	23	4
Income from payment transfers	45	43	2
Other fees and commission income	14	17	-3
Commission income and income from banking services	120	118	2
Commission expenses and expenses from banking services	-20	-19	-1
Income from real estate brokerage	19	16	3
Other operating income	5	0	5
Total other operating income	24	16	8
Net commission and other operating income	124	115	9
Interest rate hedging (for customers)	3	5	-2
Currency hedging (for customers)	16	18	-2
Dividend received	4	1	3
Net gains/losses on shares	-3	6	-9
Net gains/losses on bonds	16	-16	32
Change in value of fixed-rate loans	-1	5	-6
Change in value of issued bonds	2	4	-2
Net gains/losses related to buy back of outstanding bonds	-1	-2	1
Net result from financial instruments	36	21	15
Total other income	160	136	24

Specification of expenses

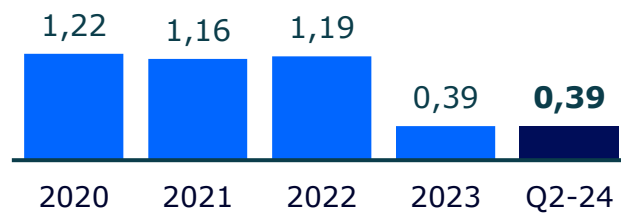
Q2 2024 and Q2 2023

(NOK million)	Q2 2024	Q2 2023	Changes y/y
Wages	187	163	24
Pension expenses	15	13	2
Employers' social security contribution and Financial activity tax	40	36	4
Other personnel expenses	19	15	4
Wages. salaries. etc.	261	227	34
Depreciations	26	24	2
Operating expenses own and rented premises	10	10	0
Maintenance of fixed assets	3	4	-1
IT-expenses	113	81	32
Marketing expenses	21	22	-1
Purchase of external services	16	16	0
Expenses related to postage. telephone. newspapers etc.	4	4	0
Travel expenses	3	3	0
Capital tax	5	5	0
Other operating expenses	15	13	2
Total other operating expenses	190	158	32
Total operating expenses	477	409	68

Low level of credit-impaired commitments

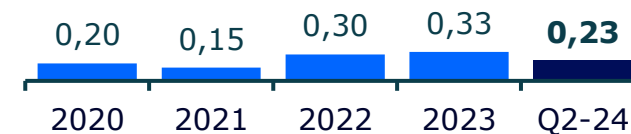
Group figures

- in % of total commitments



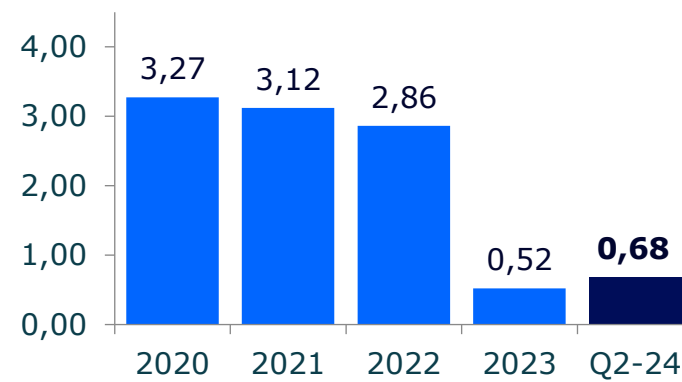
Retail market

- in % of retail commitments



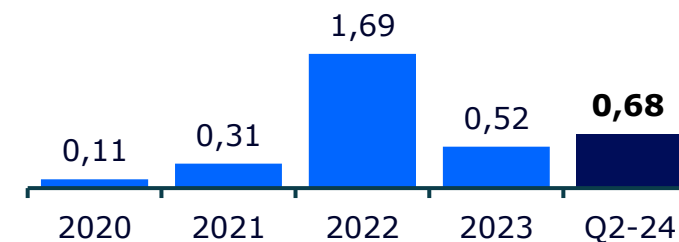
Corporate market

- in % of corporate commitments



Corporate market (excl. Oil services/supply)

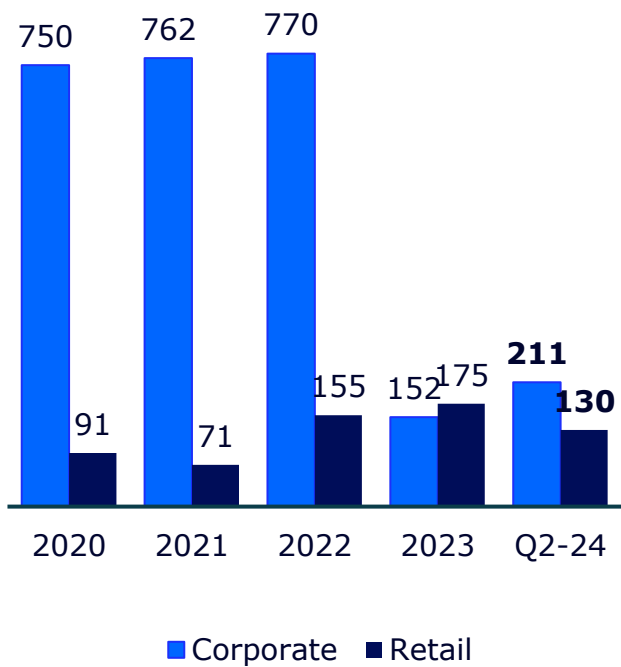
- in % of corporate commitments



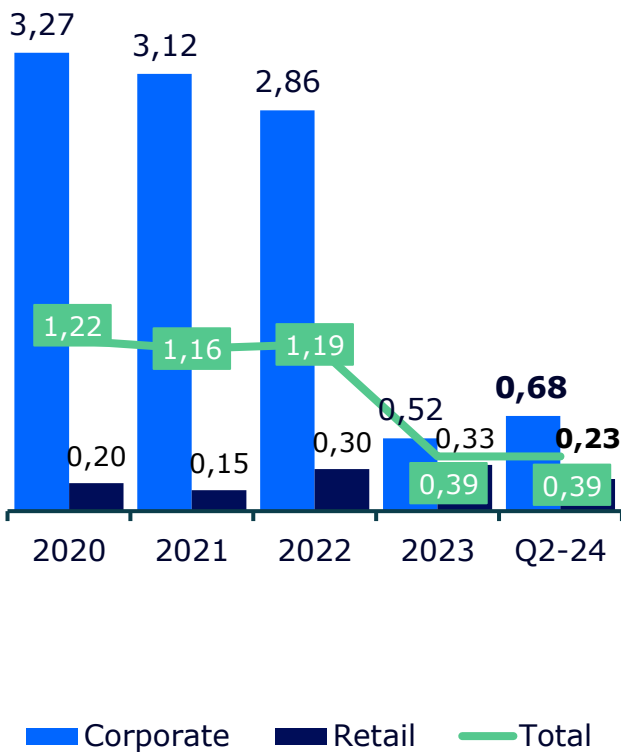
Credit-impaired commitments

- The overview shows non-performing commitments in default above 90 days and other credit-impaired commitments

Total credit-impaired commitments
- in NOK million

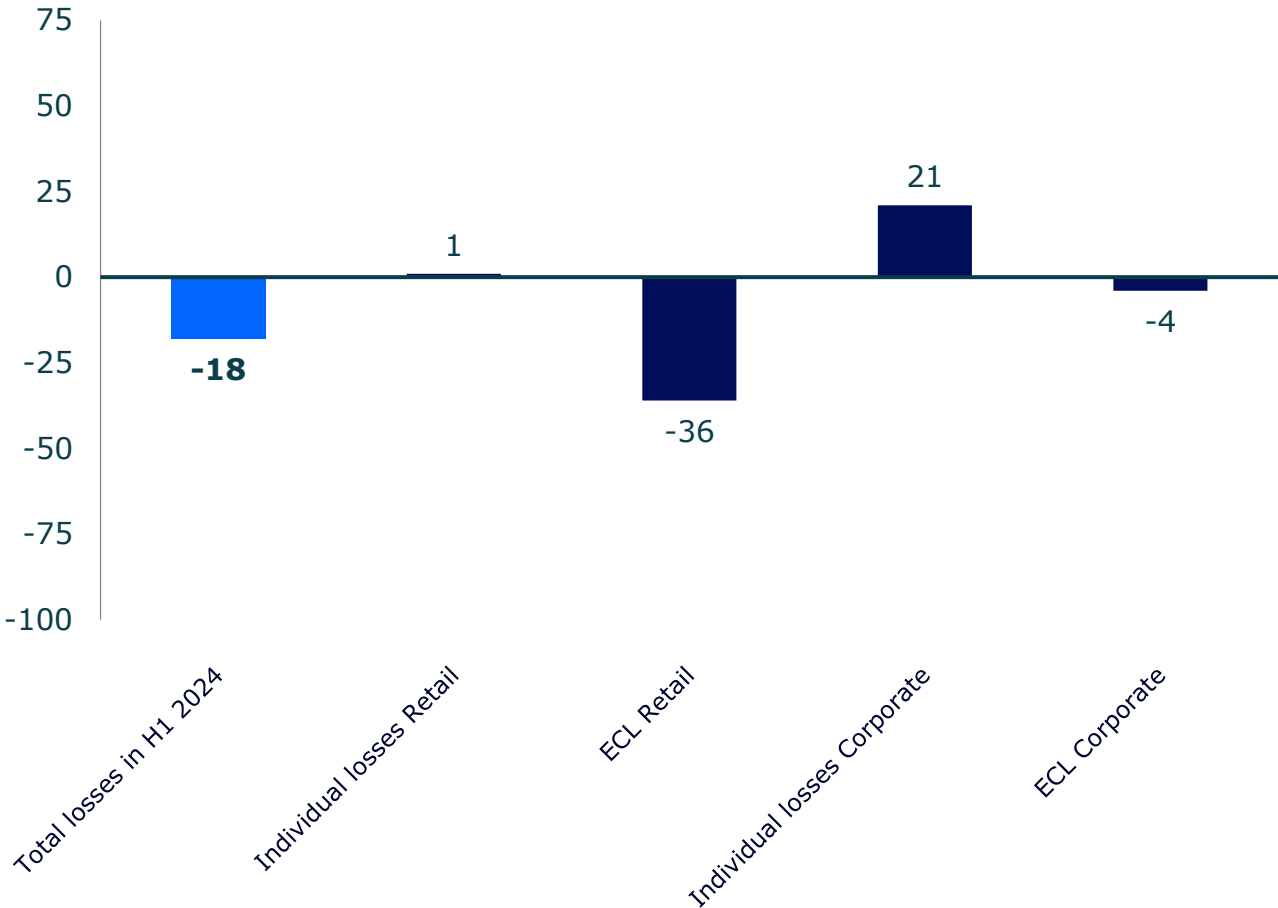


Total credit-impaired commitments
- in % of commitments



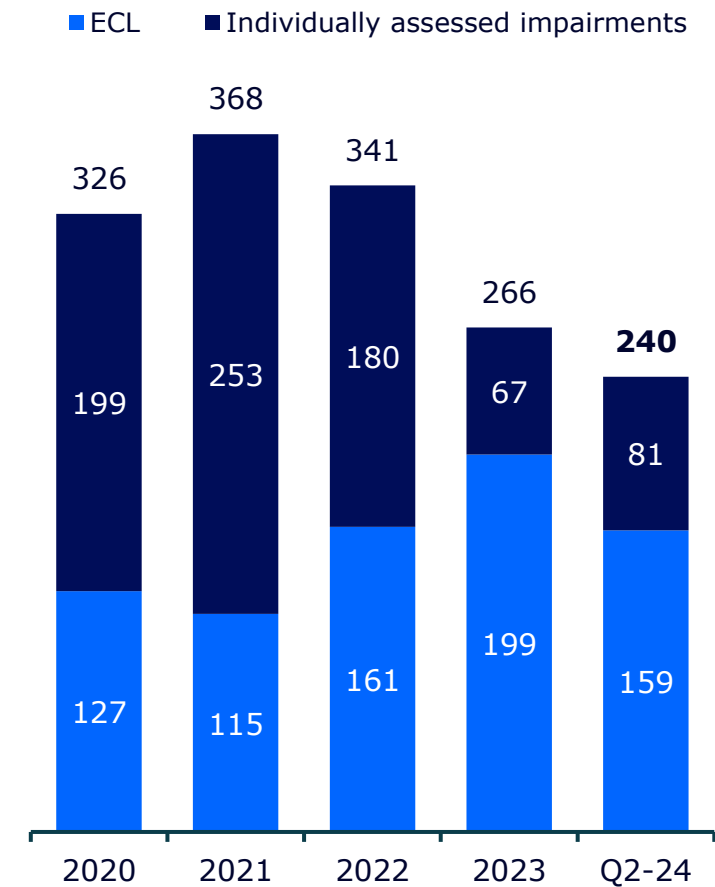
Losses by sector

Losses on loans and guarantees - NOK million

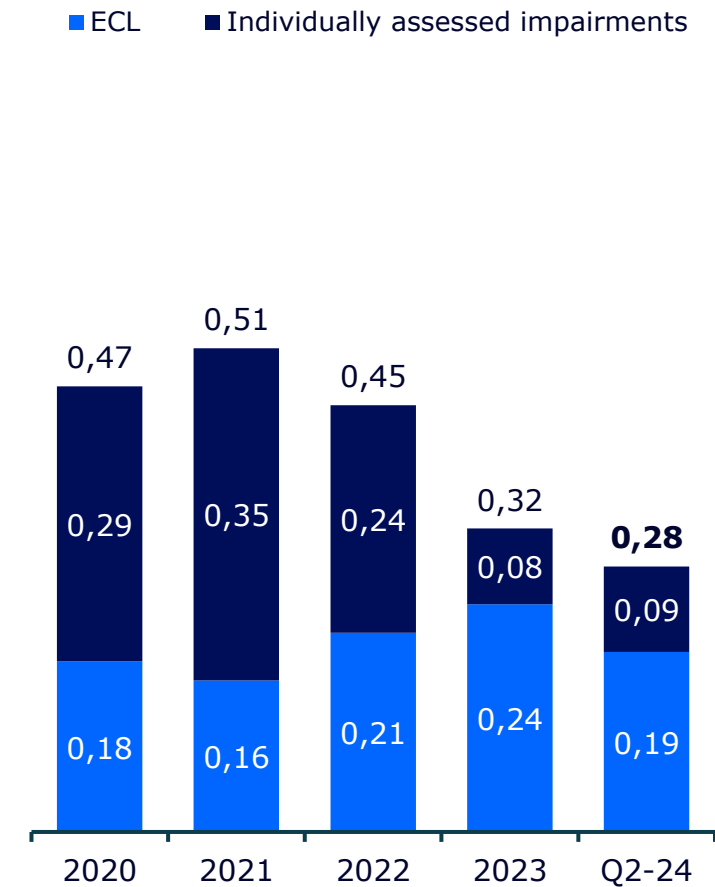


Expected credit losses

Expected credit losses
- in NOK million

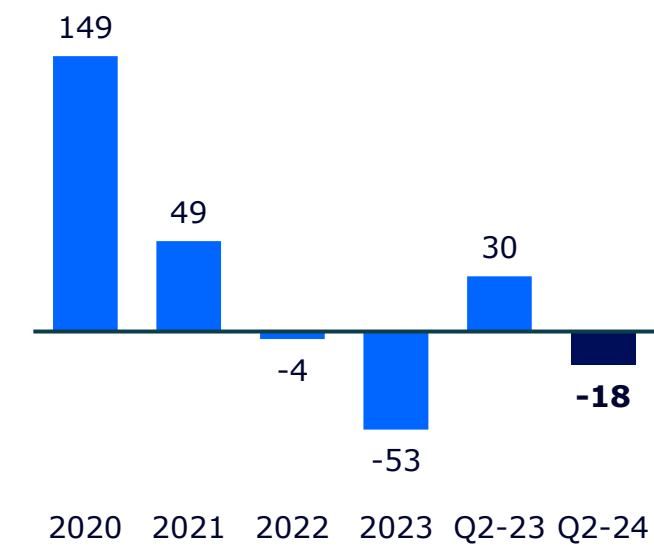


Expected credit losses
- in % of commitments

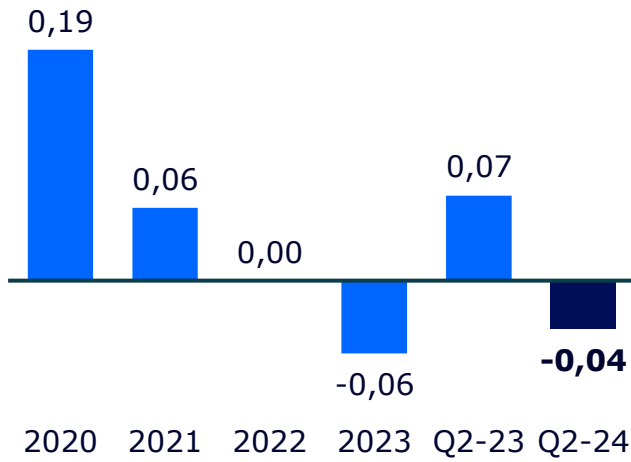


Recognized losses

Losses on loans and guarantees
- NOK million



Losses on loans and guarantees
- In % of Average Assets



EC capital in Sparebanken Møre

The largest owners (1-10) of EC capital

EC holder	Number of ECs	
	30.06.24	31.03.24
Sparebankstiftelsen Tingvoll	4.880.476	4.888.133
Verdipapirfondet Eika egenkapital	2.447.968	2.312.962
Spesialfondet Borea Utbytte	2.337.046	2.659.226
Wenaasgruppen	2.100.000	2.100.000
Pareto Aksje Norge	2.012.332	1.957.822
MP Pensjon	1.798.905	1.798.905
Kommunal Landspensjonskasse	1.642.107	1.548.104
Verdipapirfond Nordea Norge Verdi	1.505.120	1.505.120
Wenaas EFTF AS	1.100.000	1.100.000
Fondsfinans utbytte	800.000	400.000
Total 10 largest	20.623.954	20.615.772
Of which Møre og Romsdal	8.080.476	8.083.133
Of which Møre og Romsdal in per cent	39,2	39,2

EC capital in Sparebanken Møre

The largest owners (11-20) of
EC capital

EC-holder	Number of ECs	
	30.06.24	31.03.24
Beka Holding AS	750.500	750.500
Lapas AS	627.000	635.000
BKK Pensjonskasse	470.888	422.600
Forsvarets personellservice	459.000	459.000
Hjellegjerde Invest AS	300.000	300.000
Stiftelsen Kjell Holm	258.643	419.750
Kveval AS	253.124	343.995
U Aandahls EFT AS	250.000	250.000
PIBCO AS	229.500	229.500
Borghild Hanna Møller	201.967	201.967
Total 20 largest	24.424.576	24.277.584
Of which Møre og Romsdal	9.947.586	10.119.350
Of which Møre og Romsdal in %	40,7	41,8