



[morrowbank.com](https://morrowbank.com)

# Fourth quarter and full-year 2024 results

Morrow Bank ASA

# Significant value creation delivered in 2024

## Built a scalable banking platform

- Loan balance of BNOK 15.4, a growth of 38% vs. 2023
- Total income of MNOK 1,277 in 2024, up 21%
- Profit before tax of MNOK 281, up 36%

## Delivered on structural opportunities

- Acquired BNOK 2.3 loan portfolios, full P&L effect from Q4 2024
- Initiated re-domiciliation to Sweden

**Total shareholder return of ~140%**

**Proposed dividend of NOK 0.4 per share based on 2024 profits**

ROTE (Q4 2024)

**10.6%**

vs. 7.1% in Q4 2023

Cost/income (Q4 2024)

**25.9%**

vs 28.0% in Q4 2023

Loan loss ratio (Q4 2024)

**4.6%**

vs 5.4% in Q4 2023

Market cap

**BNOK 2.1**

Price/book (P/B) of 0.9x

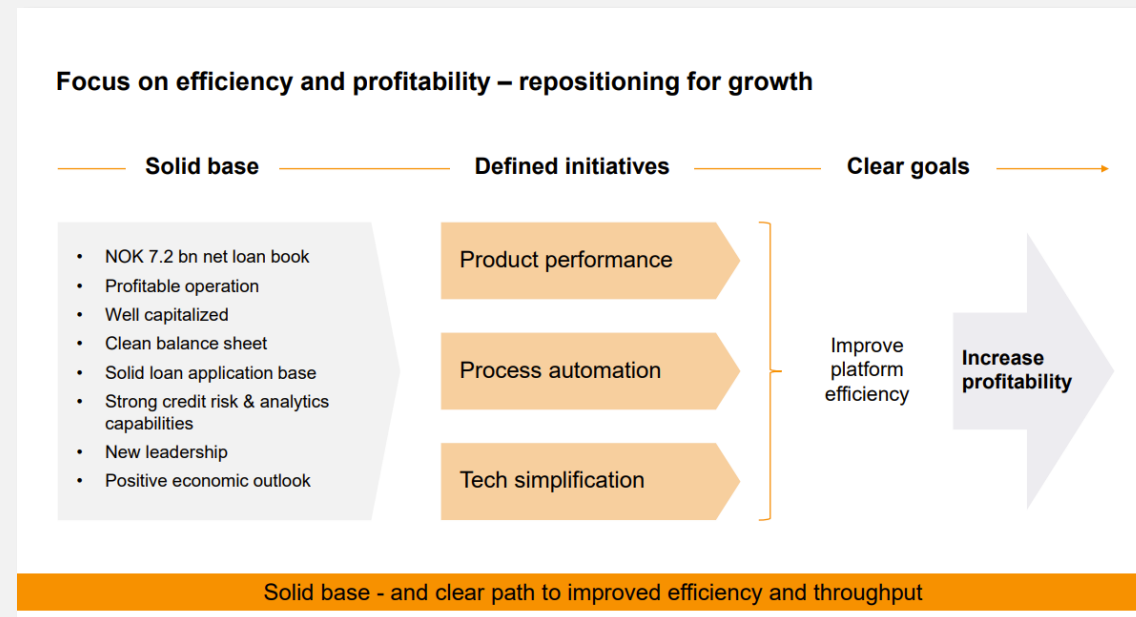


# Operational highlights and outlook



# 2022-2024: Built a scalable banking platform

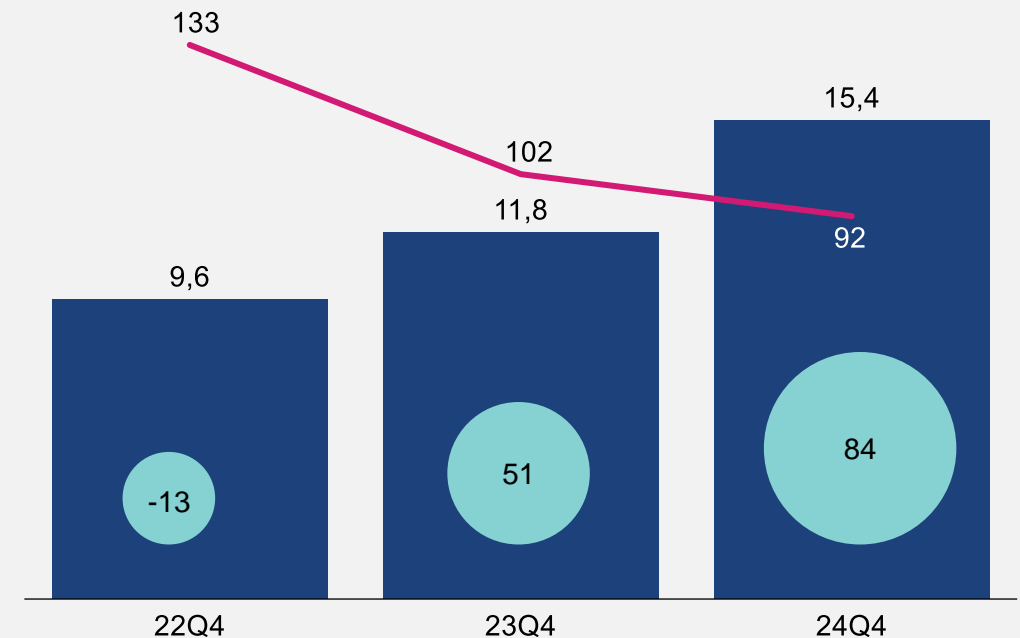
## Early 2022: Launched turnaround plan



From Q4-21 presentation

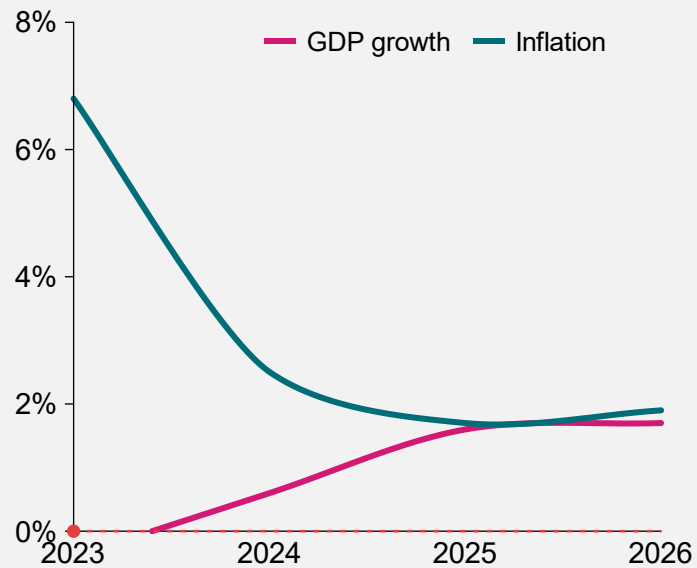
## Result: 27% loan balance CAGR and reduced costs

■ Total gross loans (BNOK) — Q4 OPEX (MNOK) ● Q4 profit before tax (MNOK)

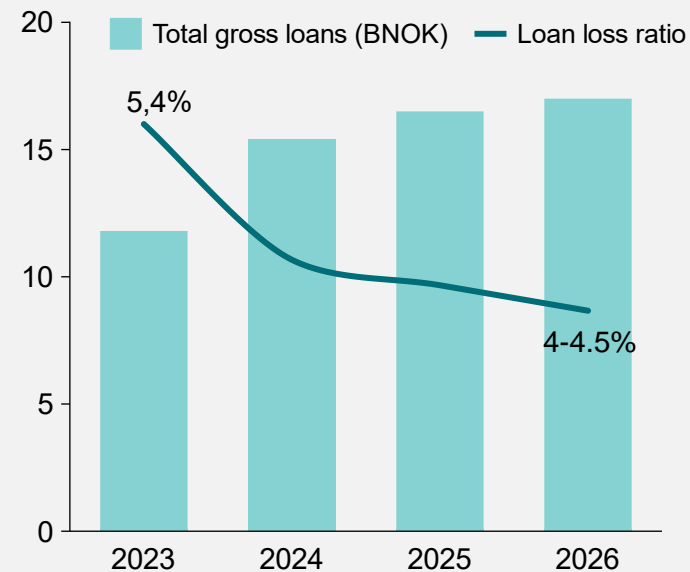


# 2025-2026: Strong value drivers in place

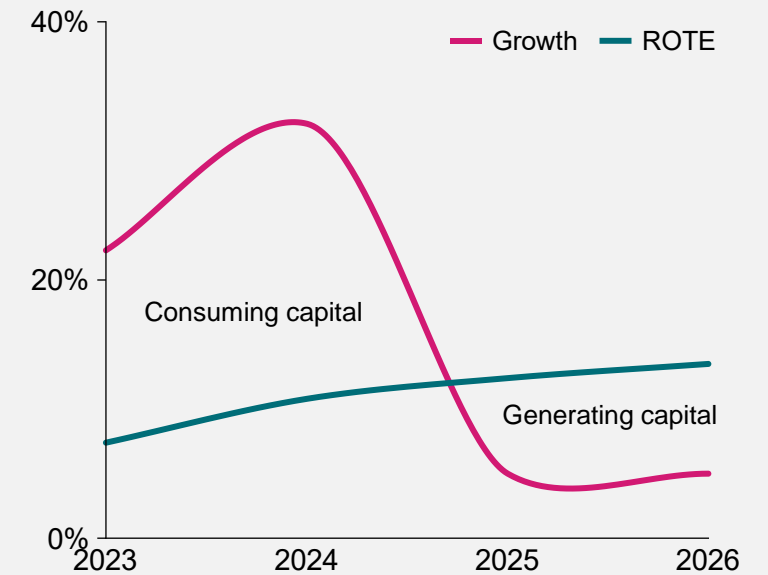
## Nordic macro improving



## Loan loss ratio declining



## Increasingly generating excess capital



**Continuing to pursue structural opportunities, including Swedish redomiciliation and potential M&A**

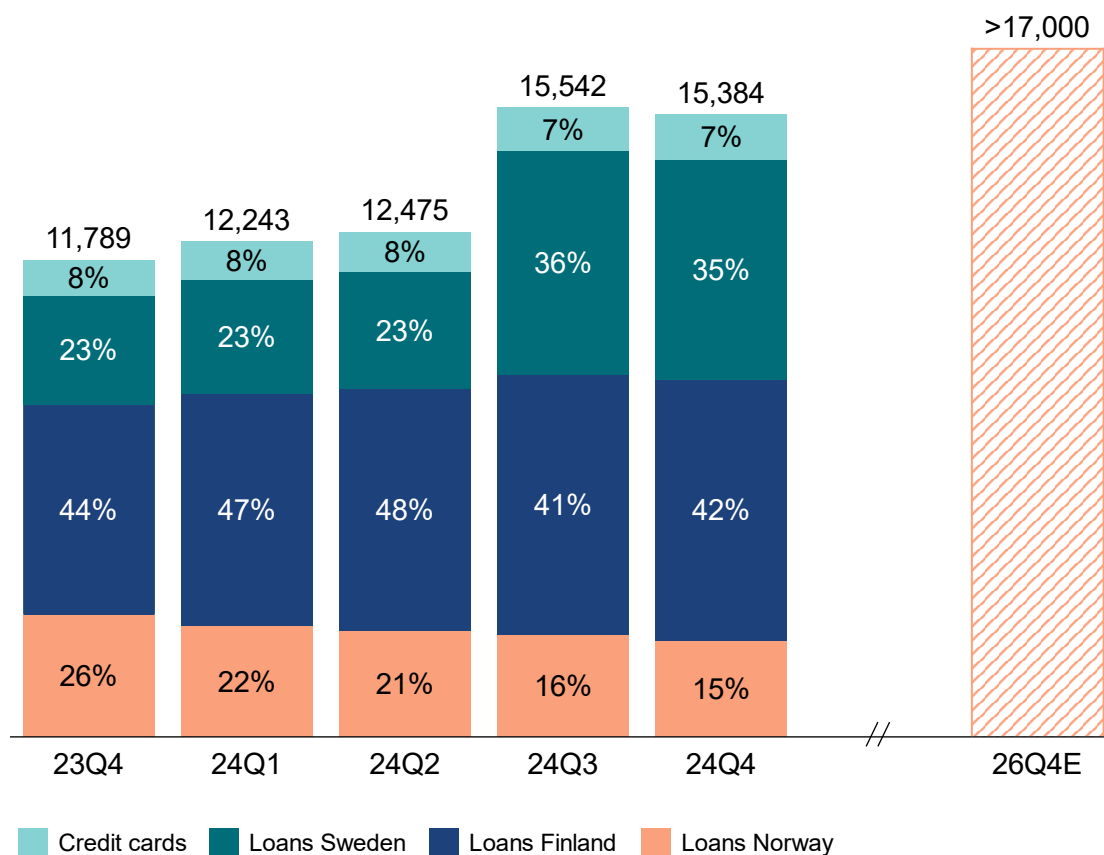


# Financial review



# Built scale by growing in the most profitable markets

## Total gross loans MNOK

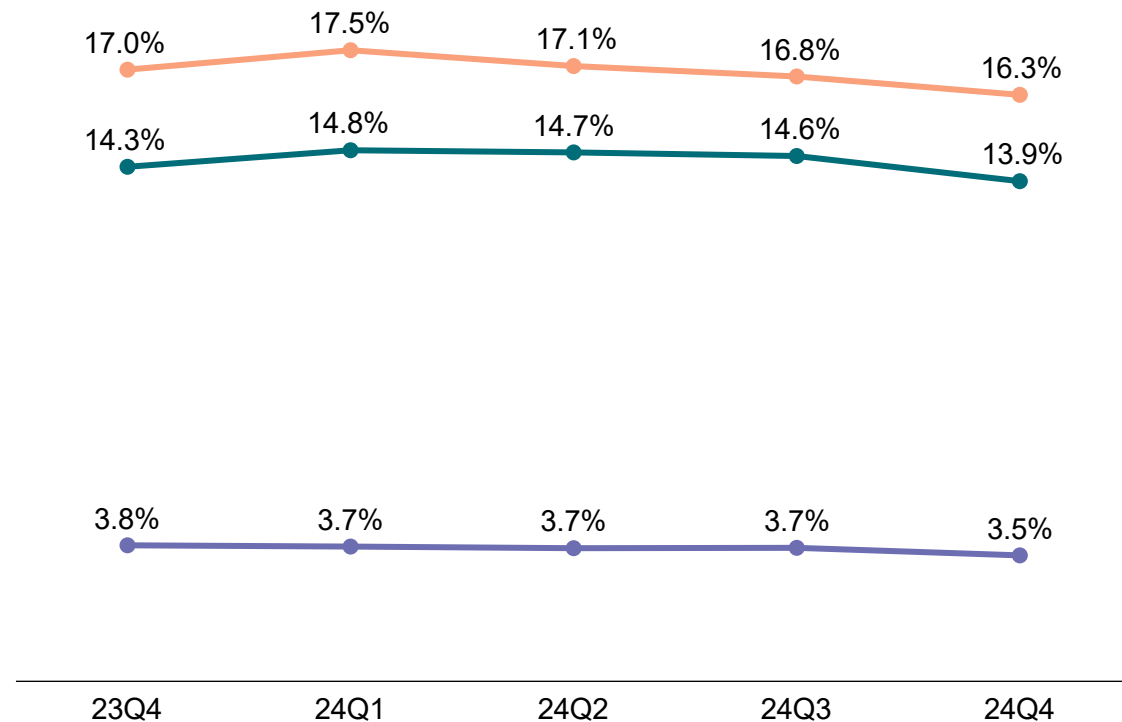


- Gross loan balance growth of 30.5% year-on-year
  - Acquired BNOK 2.3 of performing loans from Qliro and Lunar in H2 2024
  - Allocating capital to growth in the most attractive markets, Finland and Sweden
- Focus in Q4 on implementing acquired portfolios and further improving credit quality
  - Sale of Finnish NPL portfolio, MEUR 16
- Expect ~5% annual organic growth 2025-26; continuing to explore accretive opportunities

# Yields impacted by acquisitions, stable to positive outlook

## Yields, performing loans and deposits

Deposits Loans Credit cards

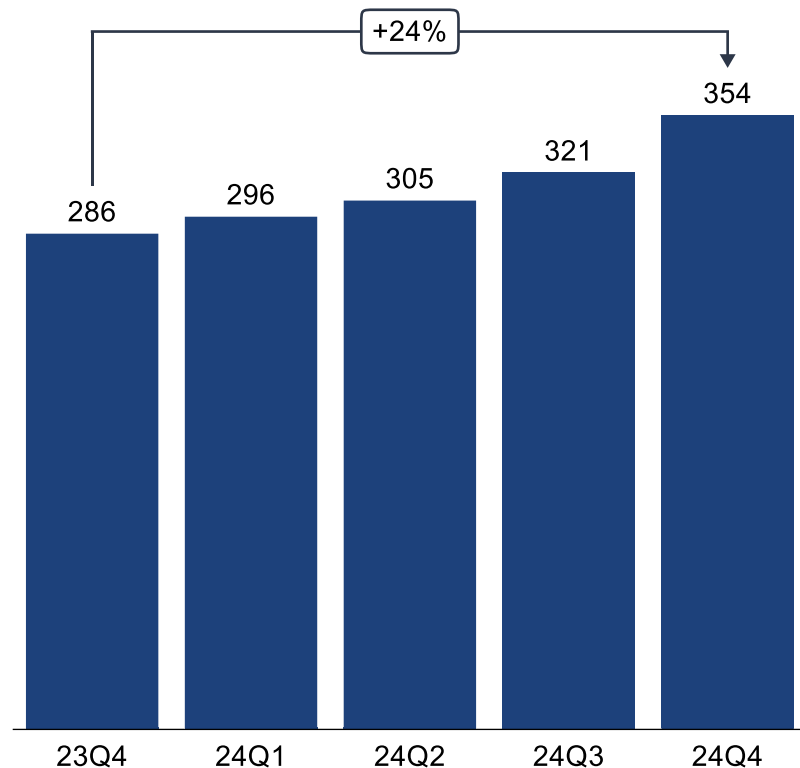


- Resilient underlying net yield in Q4
- Loan yields impacted by acquired Swedish portfolios, with more attractive risk-adjusted margin
- Credit card yield (7% of loan balance) impacted by Finland weighing more in at lower yield
- EUR and SEK market rates declining, multiple decreases being implemented to deposit rates
- Stable to positive net yield outlook driven by lower funding cost – further reductions in process



# Total income continues to grow – all-time-high

Total income (MNOK)

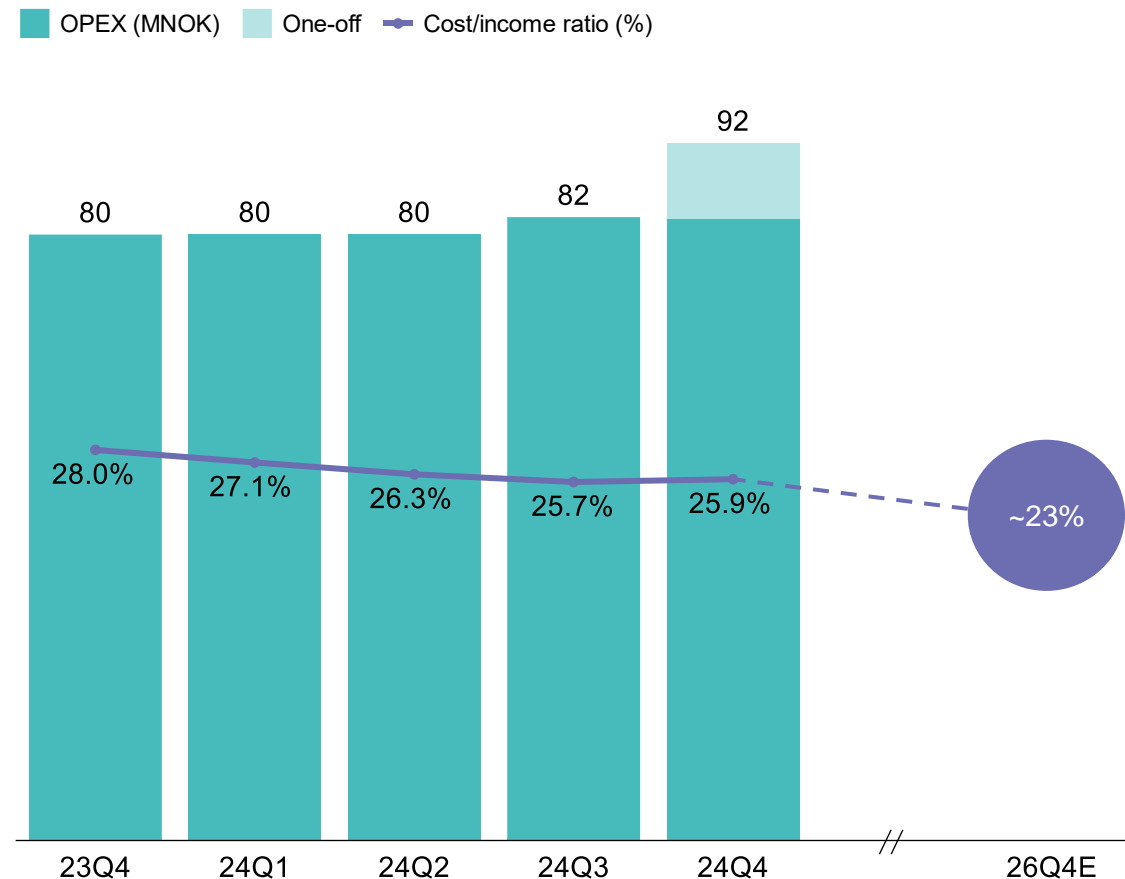


- Total income growth of 24% year-on-year
- Driven by organic growth and the acquisition of performing Swedish loan portfolios
  - Full P&L effect from Q4 2024
- Loan growth to continue to drive total income

Note: Excluding portfolio acquisitions, y-o-y income growth of 18.9% vs 16.3 % loan balance growth.

# Portfolio acquisitions demonstrating scalability

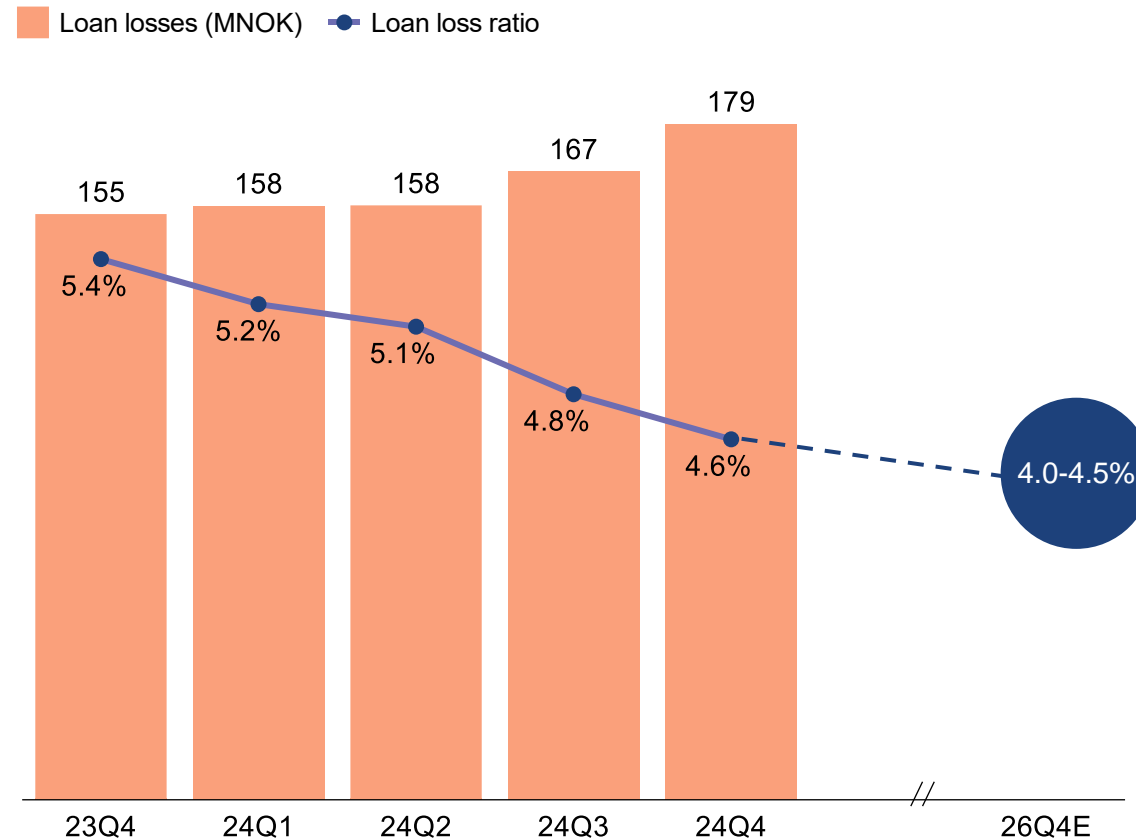
## Cost/income



- Cost/income ratio improved to 25.9% from 28.0% in Q4 2023
- MNOK 10 one-off in Q4 2024 related to Swedish banking license application
- Stable underlying OPEX despite continued loan growth, including portfolio acquisitions
- Costs related to redomiciliation and planned Stockholm listing expected in 2025
- Cost efficiency to continue to improve

# Loan loss ratio continuing to improve

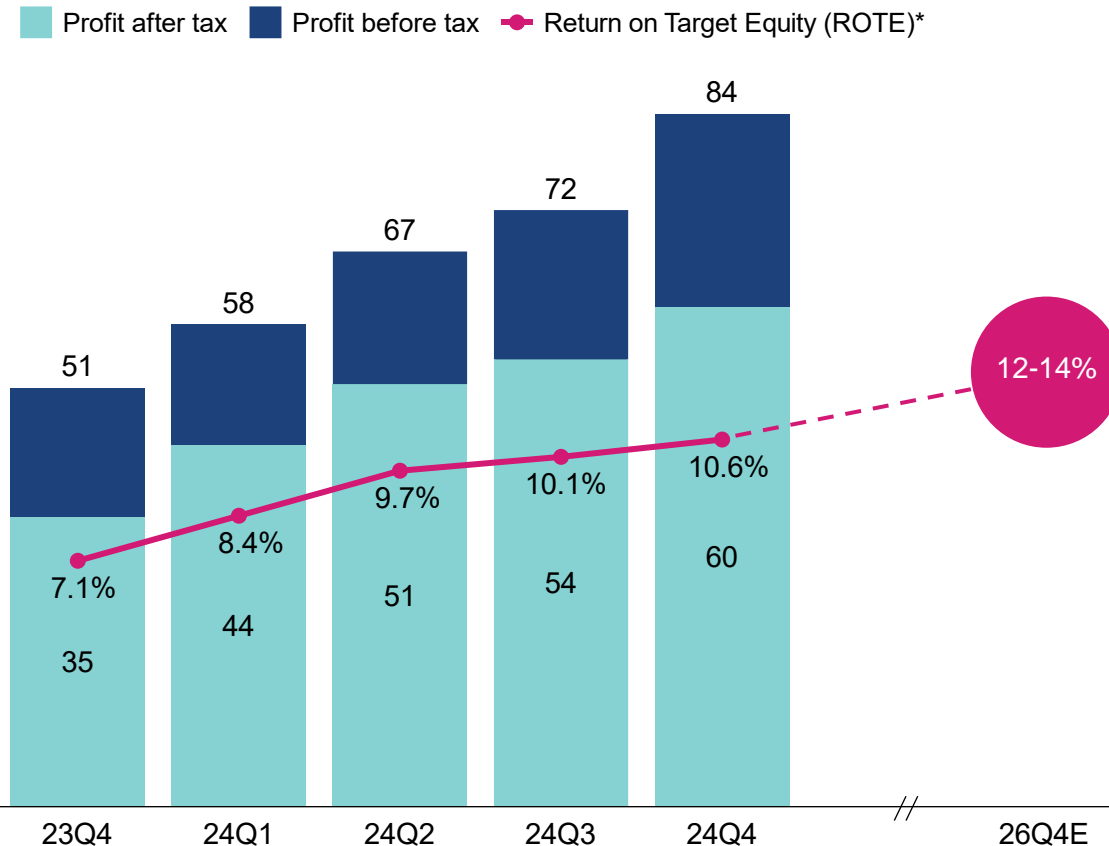
## Loan losses



- Increase in nominal losses driven by a larger loan balance, including portfolio acquisitions
- Overall loan loss ratio continued to decline in the quarter to 4.6% (Q4 2023: 5.4%)
- Trend expected to continue driven by tightened credit policies in 2023 and 2024, a maturing loan book and improving Nordic macro

# Profitability increasing – proposed dividend

## Profit (MNOK)



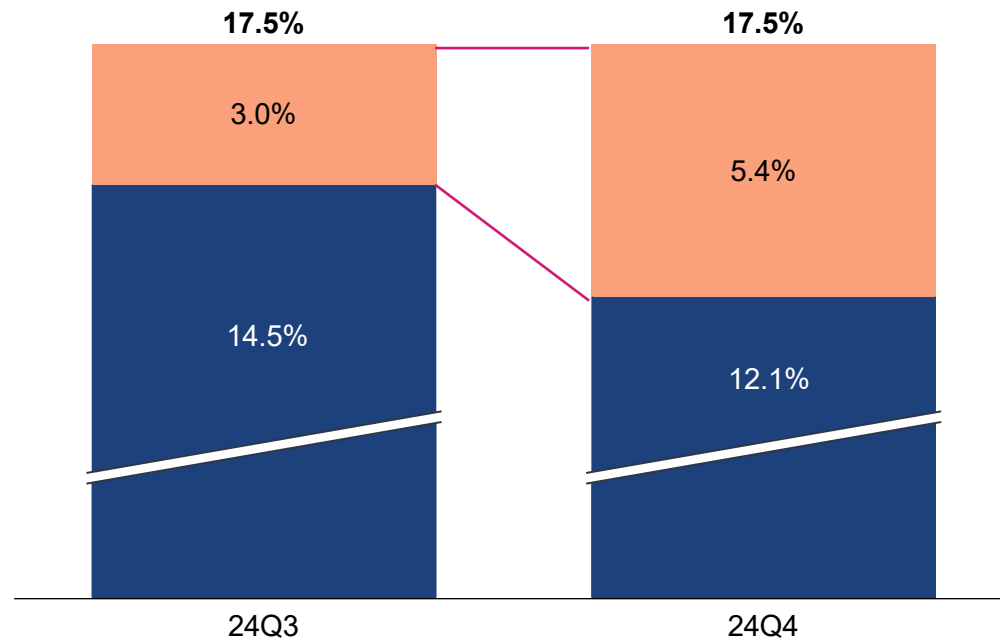
- Q4 2024 profit before tax up 65% year-on-year
- Driven by increase in total income at stable costs
- Return on target equity improved for five consecutive quarters, ending at 10.6%
- Board to propose dividend of up to 50% of 2024 profits available for distribution, NOK 0.4 per share
- Outlook for increased profitability driven by:
  - Continued loan balance growth
  - Stable cost base
  - Declining loan loss ratios and increasing risk-adjusted margins

\* The Bank defines target equity as the equity required to meet the regulatory requirements as well as buffer

# Improving capital situation provides ample room for both growth and dividends

## Capital adequacy - CET1

■ CET1 headroom ■ CET1 requirement



Please see Appendix for total capital situation

- Capital situation improved:
  - CET1 requirement reduced by c2.4%-points following NFSA Pillar 2 adjustment, total capital requirement unchanged
  - Q4 24 headroom to CET1 requirement/target NOK 700/445 million
- Once implemented in EEA, CRR3 to give further capital requirement relief with operational risk exposure reducing from NOK 1,566 to 570 million
- Dividend policy to distribute excess capital not allocated to growth to shareholders



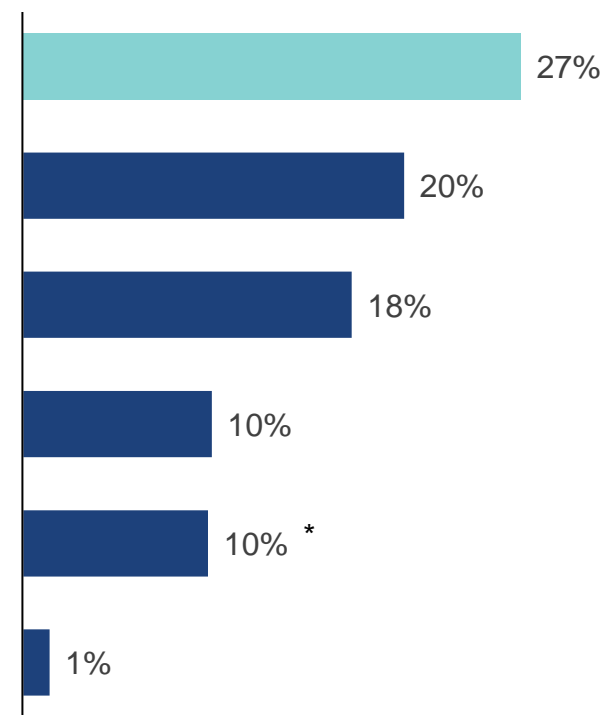
# The investment case



# Outperforming peers on growth and efficiency – redomiciliation enabling mid-term ROE of 20%

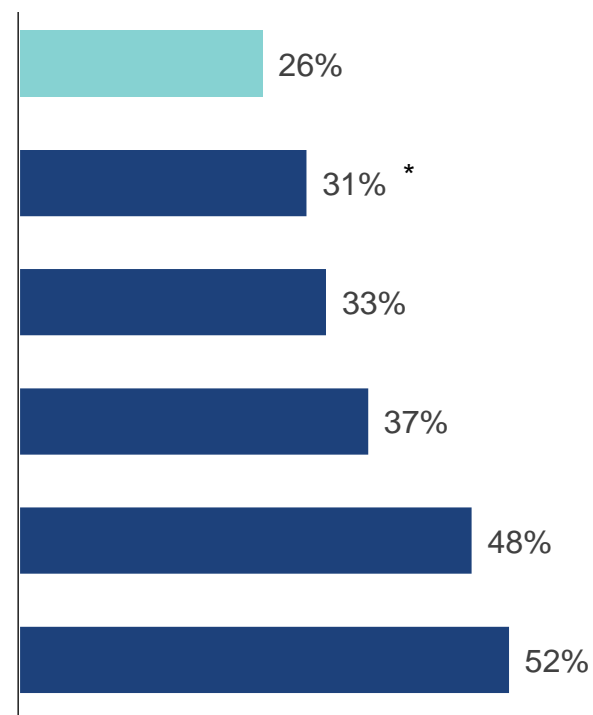
## Growth last two years<sup>1</sup>

Annualised per 24Q4



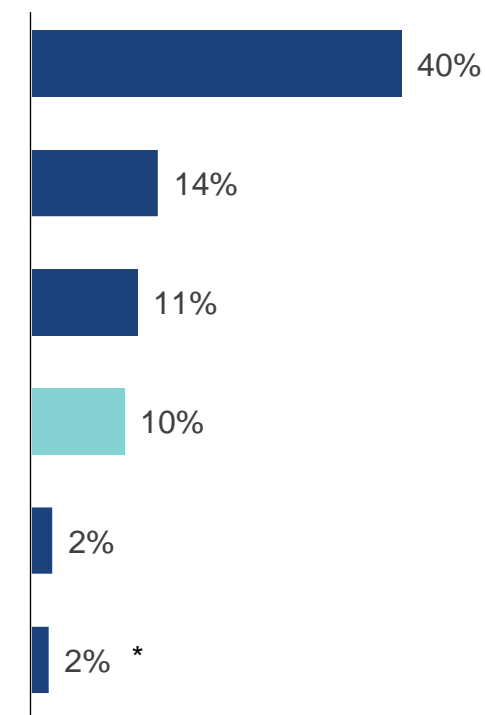
## Cost/income ratio<sup>2</sup>

24Q4



## ROE<sup>3</sup>

24Q4



\* 24Q3 (24Q4 not yet disclosed)

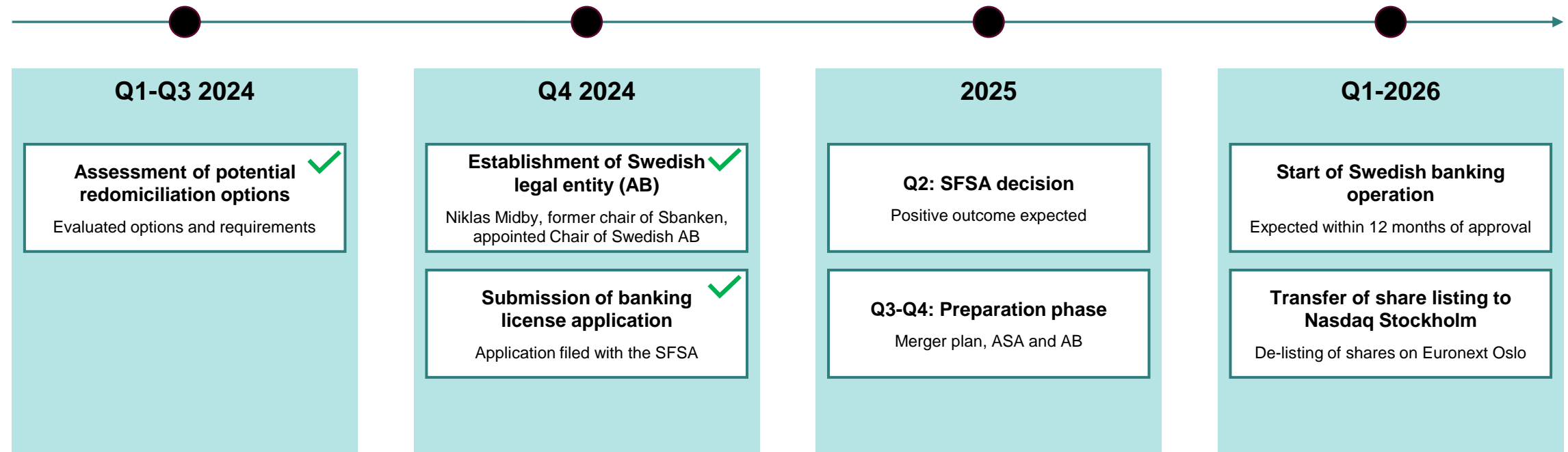
1. Gross loans. 2. Total operating expense / total income

Source: Company data, Bloomberg, Pitchbook. Peer group includes TF Bank, Resurs Bank, Norion Bank, Lea Bank and Instabank

 Morrow Bank

# Key milestones of Swedish redomiciliation

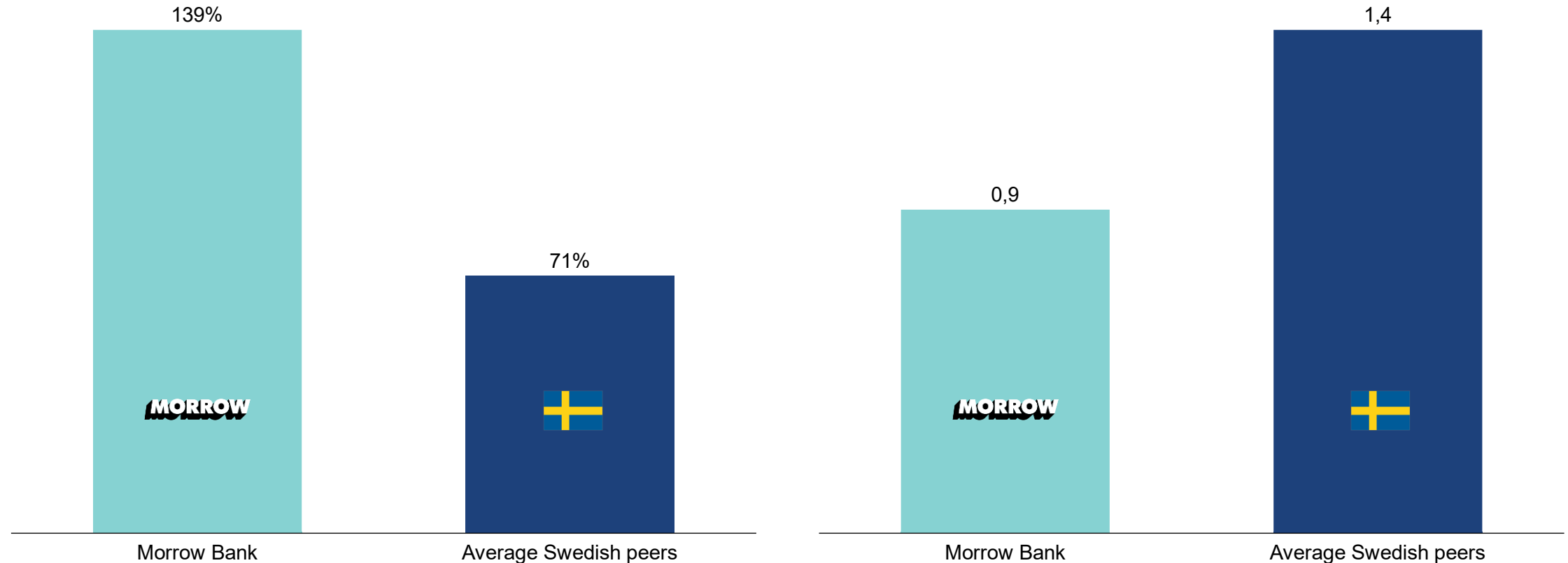
- Application process progressing according to plan



# ~140% shareholder return in 2024 – still trading at a discount to Swedish peers

Significantly outperformed Swedish peers' TSR in 2024...

...but trading at ~35% discount to Swedish peers' P/B



# Scalable banking platform in place, positioned for continued growth and value creation

## Highly scalable banking platform

- Grew loan balance by BNOK 3.6 in 2024 with no impact on cost levels
- Delivering industry leading cost-efficiency
- 2024 profit before tax of MNOK 281, up 36% year-on-year

## Strong value drivers in place

- Improving risk-adjusted margins and returns
- Proposed first dividend since turnaround started; excess capital set to grow
- Platform enables further M&A and structural opportunities

## Attractive value creation potential

- Targeting 5% annualized organic growth and ~12-14% ROTE by year-end 2026
- Redomiciliation to Sweden could bring ROTE to ~20%
- Currently trading at a P/B of ~0.9x, ~35% discount to average Swedish peers



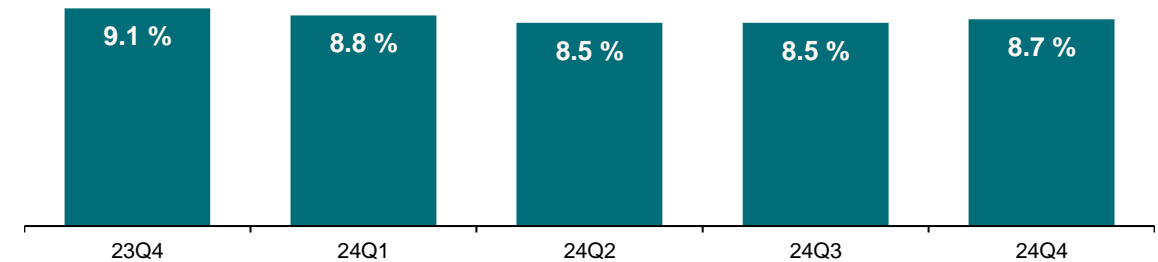
## Q&A

# APPENDIX

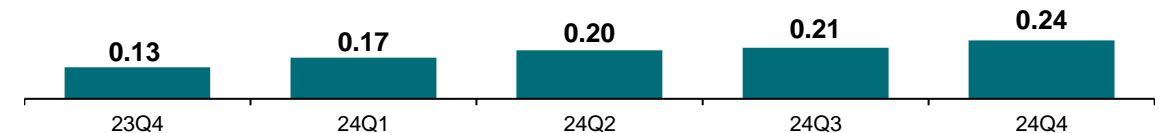
# Profit and loss

<i>Amounts in MNOK</i>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>2024</b>	<b>2023</b>
Interest income	493.8	449.5	1,762.7	1,380.0
Interest expenses	-159.2	-147.5	-552.2	-359.8
<b>Net interest income</b>	<b>334.7</b>	<b>301.9</b>	<b>1,210.5</b>	<b>1,020.2</b>
Commission income and fees	17.8	15.1	68.8	62.7
Commission expenses and fees	-17.8	-15.1	-61.2	-57.6
<b>Net commissions and fees</b>	<b>0.0</b>	<b>0.0</b>	<b>7.6</b>	<b>5.1</b>
Net gains / losses (-) on certificates and bonds, and currency	19.7	19.2	58.7	28.6
<b>Total income</b>	<b>354.4</b>	<b>321.2</b>	<b>1,276.7</b>	<b>1,053.9</b>
Personnel expenses	-31.0	-32.2	-118.1	-102.3
General and administrative expenses	-33.6	-28.9	-132.0	-135.3
Other expenses	-14.9	-9.9	-40.3	-47.6
Depreciation	-12.2	-11.3	-44.0	-35.7
<b>Total operating expenses</b>	<b>-91.7</b>	<b>-82.4</b>	<b>-334.4</b>	<b>-320.9</b>
Losses on loans	-179.2	-166.6	-661.0	-526.7
<b>Profit/(loss) before tax</b>	<b>83.6</b>	<b>72.1</b>	<b>281.4</b>	<b>206.4</b>
Tax expenses	-23.2	-18.0	-72.7	-54.5
<b>Profit/(loss) after tax</b>	<b>60.4</b>	<b>54.1</b>	<b>208.7</b>	<b>151.9</b>
<b>Earnings per share (NOK)</b>	<b>0.24</b>	<b>0.21</b>	<b>0.82</b>	<b>0.62</b>

## Net interest margin\* (%)



## Earnings per share (NOK)

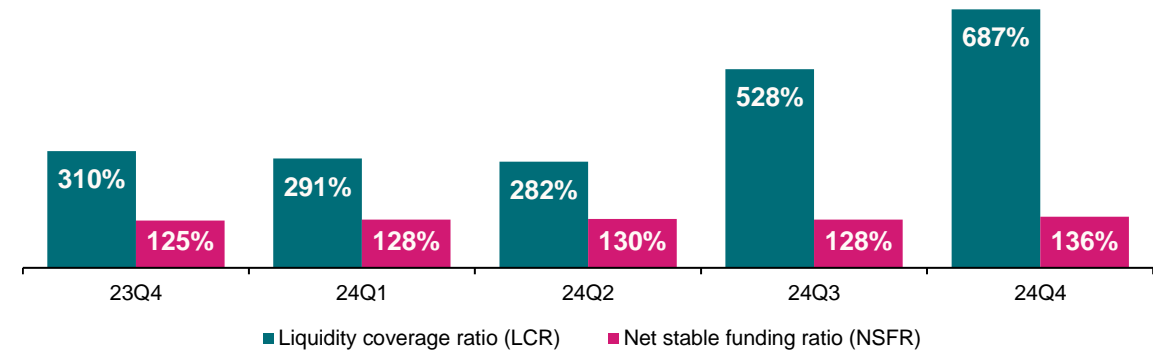


\* Net interest margin (NIM) = 4 \* (Net interest income / Average interest-bearing assets excl. certificates and bonds).

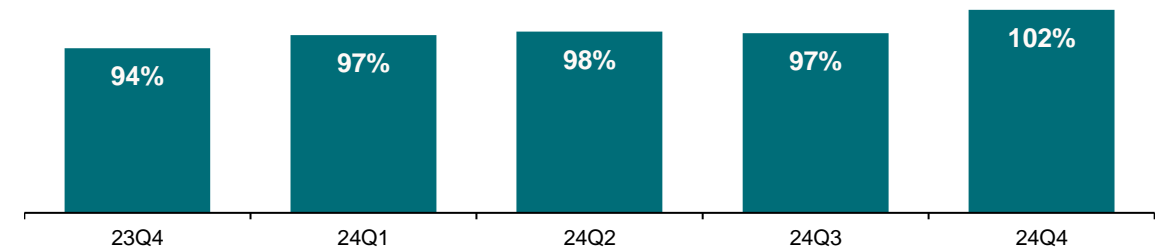
# Balance sheet

<i>Amounts in MNOK</i>	<b>31 Dec. 2024</b>	<b>30 Sept. 2024</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
<b>Assets</b>				
Loans and deposits with credit institutions	2,084.0	671.2	1,530.0	807.8
Net loans to customers	13,847.5	14,066.4	11,076.0	9,110.7
Certificates and bonds	2,589.4	3,071.8	926.1	1,453.5
Other intangible assets	68.0	67.1	66.9	45.3
Deferred tax assets	-	-	29.5	77.9
Fixed assets	18.3	18.6	22.0	3.5
Other receivables	9.8	52.7	14.7	29.2
<b>Total assets</b>	<b>18,616.9</b>	<b>17,947.8</b>	<b>13,665.2</b>	<b>11,528.0</b>
<b>Equity and liabilities</b>				
Deposits from and debt to customers	15,704.6	15,120.0	11,096.0	9,347.6
Other debt	141.6	134.3	125.3	162.1
Subordinated loans (Tier 2)	265.0	265.0	165.0	65.0
Deferred tax	5.4	15.1	-	-
Tax payable	31.3	-	-	-
<b>Total liabilities</b>	<b>16,147.8</b>	<b>15,534.4</b>	<b>11,386.3</b>	<b>9,574.8</b>
Share capital	230.0	230.0	229.4	187.6
Share premium reserve	936.9	936.9	936.9	786.7
Other paid-in equity	56.6	56.4	56.5	56.4
Retained earnings	1,046.0	990.5	856.7	723.0
Additional Tier 1 capital	199.6	199.6	199.6	199.6
<b>Total equity</b>	<b>2,469.0</b>	<b>2,413.3</b>	<b>2,278.9</b>	<b>1,953.3</b>
<b>Total equity and liabilities</b>	<b>18,616.9</b>	<b>17,947.8</b>	<b>13,655.2</b>	<b>11,528.0</b>

## Liquidity and funding



## Deposit coverage\* (%)



\* Deposit coverage = Deposits from and debt to customers / gross loans to customers

# Shareholder overview

## Largest 20 shareholders

#	Shareholder	Shares (thousand)	%
1	Kistefos AS	47,787	20.8 %
2	UBS AG	25,667	11.2 %
3	Alfab Holding AS	10,257	4.5 %
4	Dnb Bank Asa (Meglerkonto Innland)	7,504	3.3 %
5	Norda ASA	6,439	2.8 %
6	The Bank Of New York Mellon SA/NV	6,354	2.8 %
7	Kvantia AS	6,000	2.6 %
8	Hvaler Invest AS	5,294	2.3 %
9	AS Audley	4,346	1.9 %
10	Om Holding AS	4,209	1.8 %
11	Hans Eiendom AS	4,000	1.7 %
12	Stiftelsen Kistefos-Museets Driftsfond	4,000	1.7 %
13	Directmarketing Invest AS	3,715	1.6 %
14	Melesio Invest AS	3,412	1.5 %
15	Christiania Skibs AS	3,101	1.3 %
16	Belair AS	2,642	1.1 %
17	Obligasjon 2 AS	2,540	1.1 %
18	The Bank Of New York Mellon SA/NV	2,260	1.0 %
19	Hjellegjerde Invest AS	2,157	0.9 %
20	Khaya AS	2,134	0.9 %
<b>Total top 20</b>		<b>153,818</b>	<b>66.8 %</b>

## Management and members of the Board of Directors

Role	Name	Shares (thousand)	Share options* (thousand)	Warrants (thousand)
CFO	Eirik Holtedahl	2,642	287	800
COO	Wilhelm B. Thomassen	2,108	499	800
CEO	Øyvind Oanes	453	463	1,250
CCRO	Annika Ramstedt	171	602	800
CCO	Tony Rogne	-	231	800
CTO (interim)	Martin Valland	186	-	800
Members of the Board of Directors		1,994	15	-
<b>Total</b>		<b>7,554</b>	<b>2,098</b>	<b>5,250</b>

\* Total outstanding granted share options



# Offering convenient consumer financing to creditworthy individuals in the Nordics



## Flexible consumer loans

- NOK 10,000-500,000 without collateral
- Same day response to loan application
- Annuity loans, Credit Lines and Refinancing



## No-fees credit cards

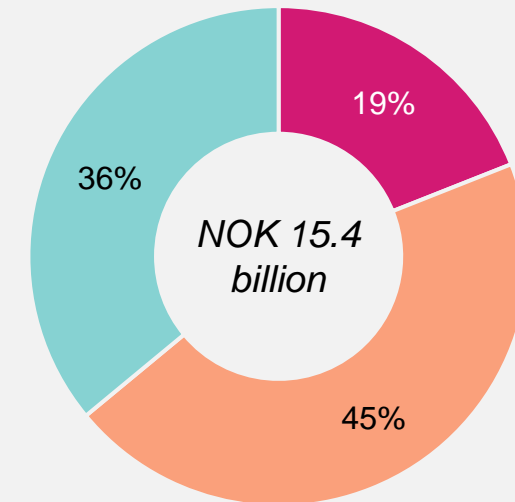
- 1-4% bonus on all transactions
- Apple, Google, Samsung and Garmin Pay
- No fees, and insurances included



## Guaranteed deposit accounts

- Competitive interest rate
- Deposit guarantee up to NOK 2,000,000 / EUR 100,000 (EU)
- Unlimited withdrawals, free of charges

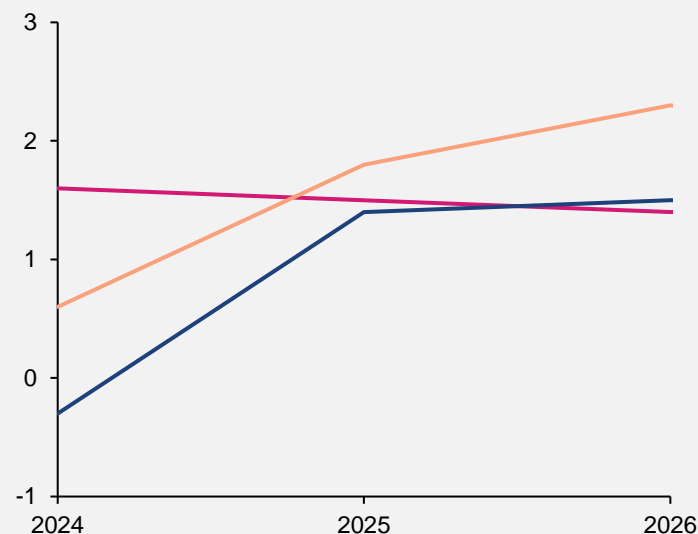
## Diversified Nordic loan portfolio<sup>1</sup>



■ Norway ■ Finland ■ Sweden

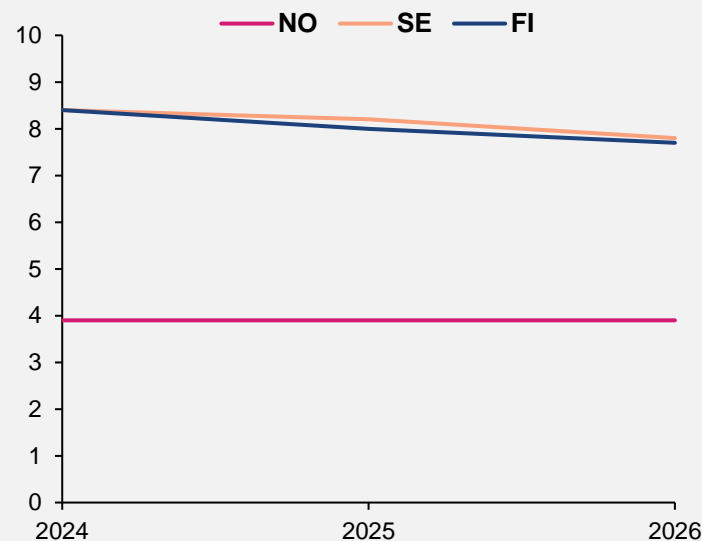
# Improving macro driving growth and reducing credit risk

## GDP growth (%)



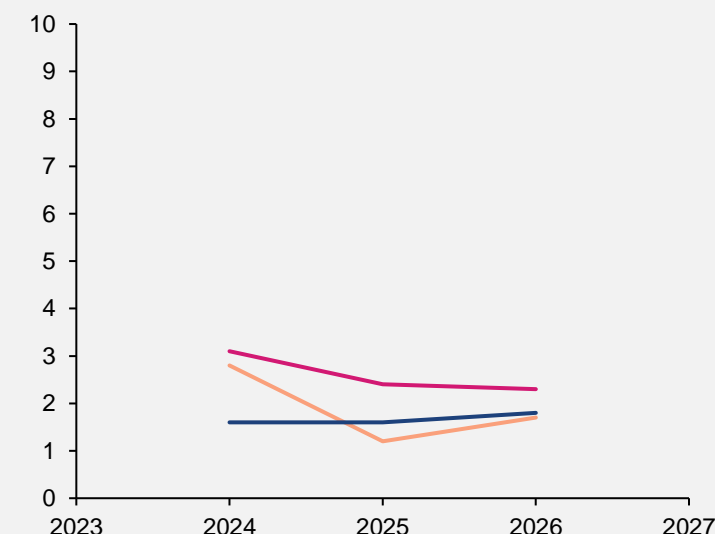
- Continued growth set to drive consumption and demand for consumer loans

## Unemployment (%)



- Unemployment outlook remains stable, limiting credit risk

## Inflation (%)

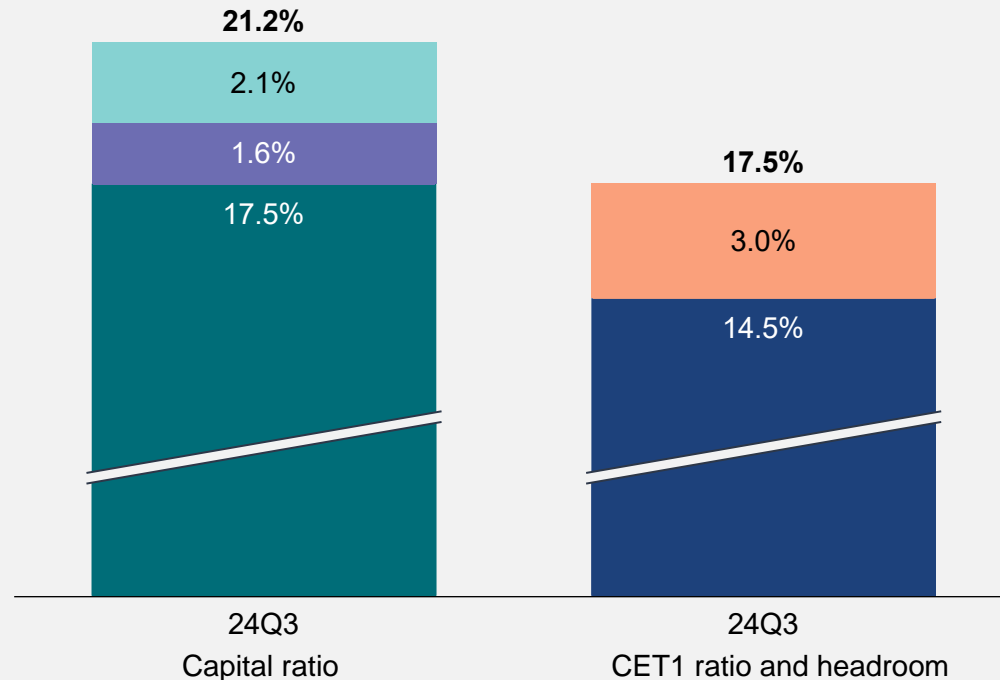


- Inflation levels normalising, driving interest rates down, reducing funding cost and improving customer disposable income

# Increased headroom to capital requirements

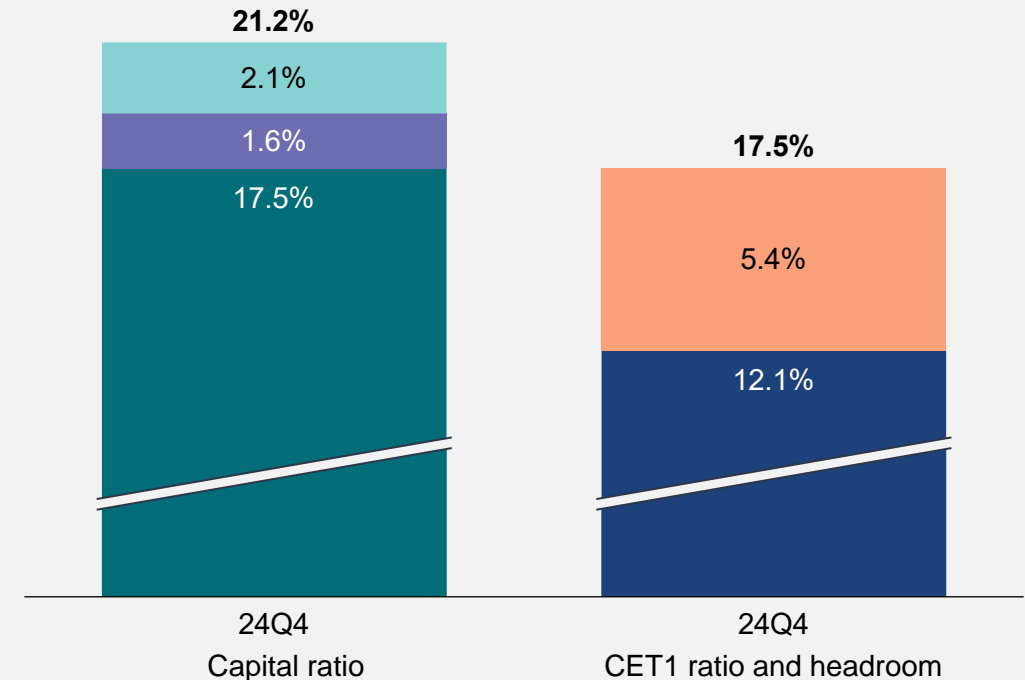
## 24Q3 capital adequacy

■ CET1 headroom   
 ■ CET1 requirement   
 ■ Tier 2 (T2)   
 ■ Additional Tier 1 (AT1)   
 ■ Common Equity Tier 1 (CET1)



## 24Q4 capital adequacy

■ CET1 headroom   
 ■ CET1 requirement   
 ■ Tier 2 (T2)   
 ■ Additional Tier 1 (AT1)   
 ■ Common Equity Tier 1 (CET1)



# Our typical customer is 30-50 years old, owns a home and earns above average

## Male

**69%** of our loan customers are men

## Above average annual income

**NOK ~600k**

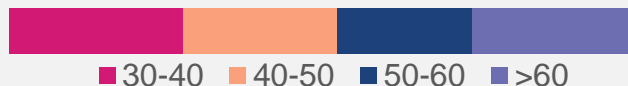
## Homeowner

**59%** homeownership

## Solid payer

- ✓ Zero payment remarks
- ✓ Permanent employment

## Middle aged



## Average loan amount

**NOK ~160k**



# Responsible lending throughout the credit lifecycle

## Marketing

### Attracting creditworthy customers

- Guidelines for responsible sales practices and product labeling
- Messaging, channels and marketing suitable for attracting creditworthy customers
- Making sure affiliated loan intermediaries adhere to Morrow Bank's practices

## Onboarding

### Screening of applicants

- Evaluation of creditworthiness and repayment capacity
- ~80% of applications rejected based on credit policies and scorecards; 20% who received a conditional offer rejected after manual review<sup>1</sup>
- Refinancing must reduce overall loan costs

## Customer service

### Available and supporting lender

- Ensuring that the bank's customers and applicants are handled properly
- Customer service available via email, telephone and «My Page»
- Service teams are monitored on best practices; response, wait times and quality measures

1. Figures for 2023





The logo for MORROW features the word "MORROW" in a bold, blue, sans-serif font. The letters are slightly shadowed, giving them a three-dimensional appearance. Below the word, there is a white, stylized wave-like graphic that spans the width of the text.

**MORROW**

**[morrowbank.com](http://morrowbank.com)**