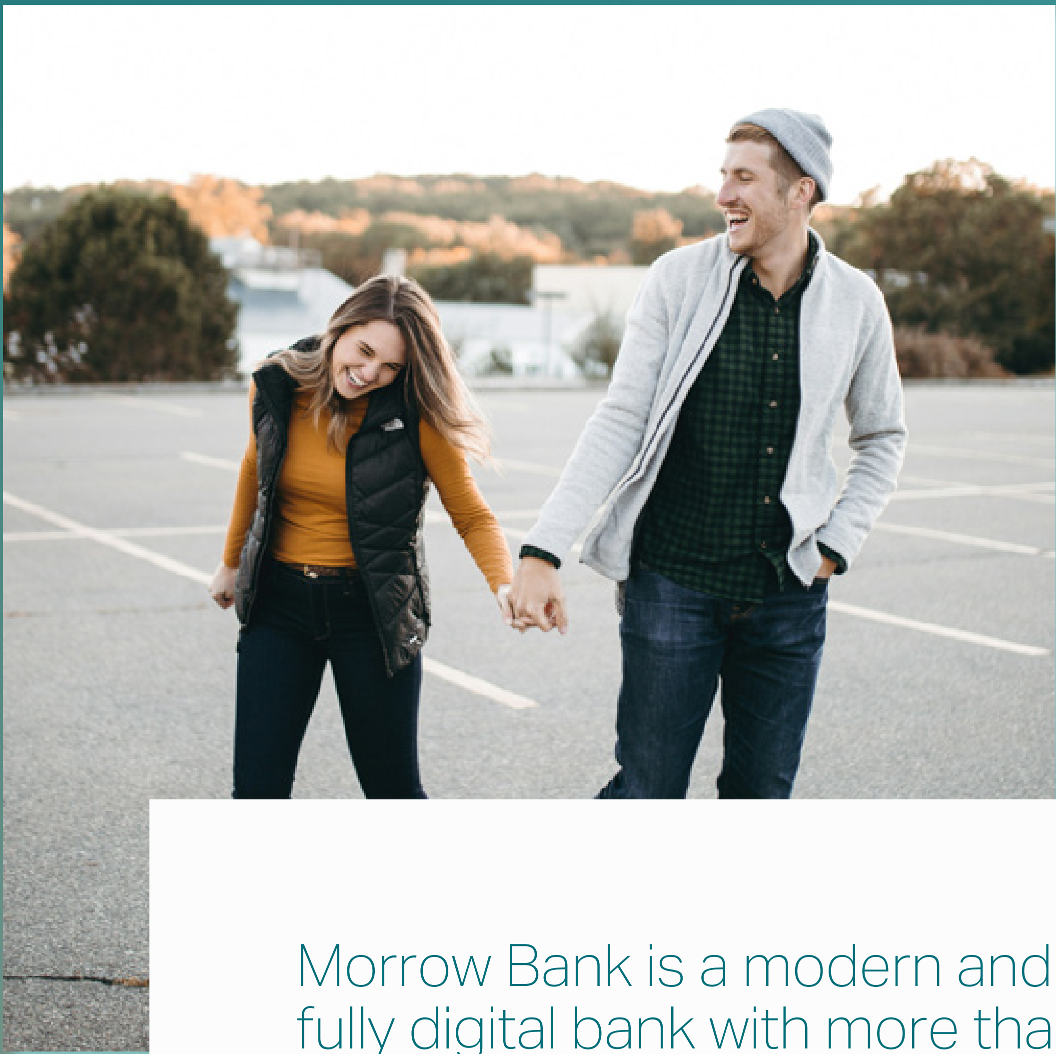
Annual Report 2024

MORROW

morrowbank.com



Morrow Bank is a modern and fully digital bank with more than 10 years of expertise in loans and credit. Today, we have customers in Sweden, Norway, and Finland, offering various loan products, credit cards, savings accounts, and insurance. Additionally, the Bank provides a savings account product through a single deposit platform in several European countries.

Content

About Morrow Bank

Morrow Bank ("the Bank") is a specialized consumer finance bank with an ambition to create long-term value by offering a variety of financing solutions primarily to consumers in the Nordic market. In an increasingly digital market, Morrow Bank focuses on creating customer value through flexible solutions and efficient and user-friendly processes. Morrow Bank follows a growth strategy based on product diversification and geographic expansion. The product portfolio includes consumer loans, credit cards, point-of-sales finance solutions, and high-yield deposit accounts.

Consumer loans	Credit cards	Deposit accounts
122 thousand customers	67 thousand customers	66 thousand customers
14,258 NOK million net loans	1,126 NOK million net loans	15,705 NOK million deposits

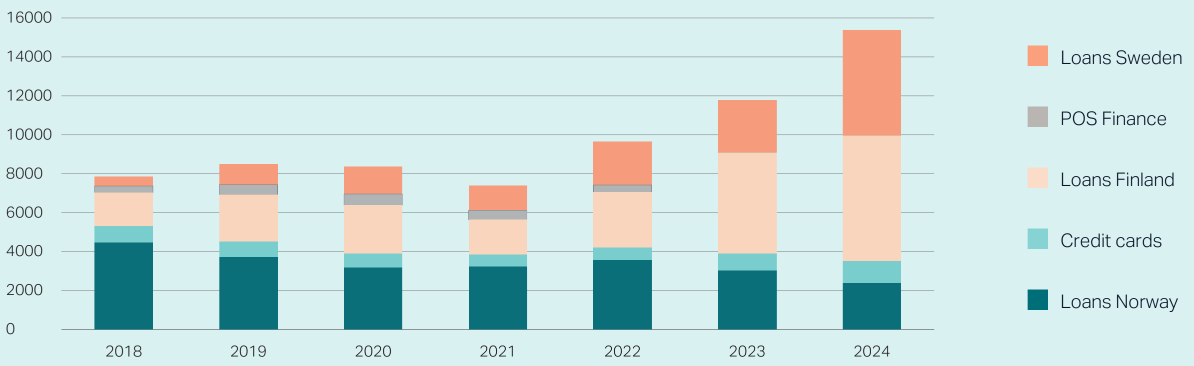
Digital and scalable organisation headquartered in Lysaker, outside Oslo

Morrow Bank's strategy is founded on a digital, scalable, efficient and low-cost operating model combined with strong risk control. This strategy is enabled by maintaining a centralised corporate structure and fully digital operations utilizing modern technology. Morrow Bank's consumer financing products are offered to customers in Norway, Sweden and Finland. In addition, the Bank offers high-yield deposits accounts in Norway, Sweden and several other European countries.

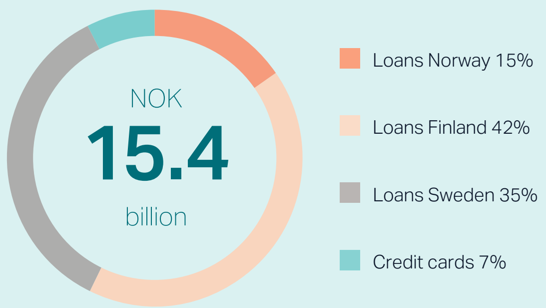
2024 in numbers

At the end of 2024, Morrow Bank had NOK 15.4 billion in gross loans and around 189 thousand lending customers spread across various products and markets. The Bank is well-capitalized with a common equity tier 1 capital ratio of 16.8% as of 31 December 2024.

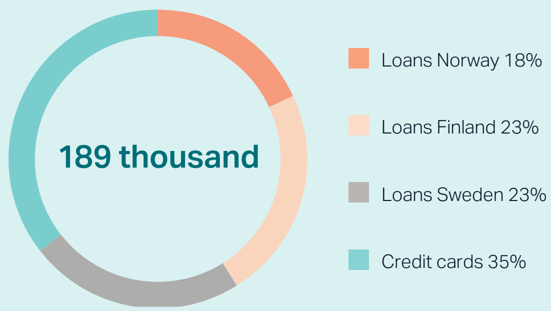
Gross loans (NOK million)



Gross loan distribution by product



Customer distribution by product

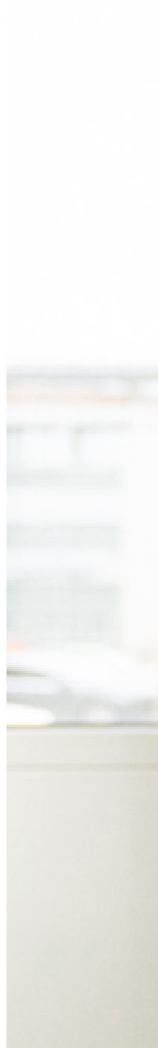


Gross loan growth	Gross loan (NOK billion)
28.9%	15.4
CET ratio	**Capital ratio**
16.8%	20.4%

Key figures

Figures in NOK million	2024	2023	2022	2021	2020
P&L items					
Net interest income	1,210	1,020	793	884	1,069
Total income	1,277	1,054	801	876	1,100
Operational expenses	-334	-321	-507	-415	- 388
Losses on loans	-661	-527	-292	-739	- 364
Profit after tax	209	152	1	-209	263
Earnings per share (NOK)	0.82	0.62	-0.07	-1.19	1.36
Balance sheet items					
Gross loan to customers	15,385	11,789	9,640	8,220	9,507
Net loans to customers	13,848	11,076	9,111	7,398	8,361
Deposits from customers	15,705	11,096	9,348	7,934	8,992
Total equity	2,469	2,279	1,953	1,964	2,304
Other key figures					
CET1 ratio	16.8%	20.0%	20.5%	20.7%	22.7%
Total capital ratio	20.4%	23.6%	23.6%	24.0%	26.3%
Cost/income ratio	26.2,%	30.4%	63.3%	47.4%	35.2%
Loan loss ratio	4.9%	4.3%	3.3%	9.4%	4.3%
Return on equity (ROE) adj	8.7%	7.0%	-0.8%	6.5%	14.7%
Price per share (NOK)	9.3	3.9	4.8	7.7	9.0
Number of shares (million	230	229	187	187	187
Market cap (NOK million)	2,144	895	900	1,447	1,680

Letter from the CEO



Unlocking Morrow Bank's full potential

With a scalable banking platform and strong value drivers in place, Morrow Bank is set to significantly increase profitability in 2025 and beyond.

2024 marked a defining year for Morrow Bank. With record-high income, further improved cost efficiency, and declining loan losses, we demonstrated the potential of our highly scalable banking platform.

The result: significant shareholder value creation, with a total shareholder return of approximately 140% for the year.

Three years ago, we set out to transform Morrow Bank by enhancing the customer journey, streamlining operations, and building a scalable technology platform.

Since 2022, we have successfully executed on this vision, establishing Morrow Bank as a high-growth, highly efficient Nordic niche bank:

- Total gross loans have grown from NOK 9.6 billion in Q4 2022 to NOK 15.4 billion in Q4 2024 (27% CAGR)
- Quarterly operating expenses have been reduced from NOK 133 million to NOK 92 million, enabled by increased automation
- Cost/income ratio now at industry-leading 25.9%
- Profitability has strengthened significantly, with pre-tax profit of NOK 84 million in Q4 2024

In Sweden and Finland, we benefit from lower capital requirements and we have prioritised growth in these two markets in the past years. The acquisition of two Swedish performing loan portfolios in 2024 further demonstrated the scalability of our platform, allowing us to expand without increasing operational expenses.

Our strong financial performance in 2024 allows us to take an important step towards delivering direct returns to shareholders. The Board has proposed a dividend of NOK 0.40 per share – representing 50% of 2024 distributable profits.

This marks our first dividend payment since launching the turnaround and underlines the financial strength and discipline we have built over the past three years.

"We have successfully completed the turnaround and are well positioned for further value creation going forward"

Looking ahead, there are strong value drivers in place. Nordic macro conditions are stabilising, with declining interest rates and resilient GDP development supporting stable to improving net interest margins, lower loan losses, and higher risk-adjusted returns across our geographical markets.

By Q4 2026, we are targeting annualized organic loan growth of ~5%, a cost/income ratio of 23% which will enable us to deliver a return on target equity (ROTE) of 12-14% organically – with an upside towards 20% given a successful Swedish redomiciliation.

Importantly, Morrow Bank is increasingly generating excess capital, enabling additional dividends and continued strategic expansion, including potential additional loan portfolio acquisitions.

Despite outperforming our competitors in loan growth over the past two years and achieving industry-leading efficiency, our stock still trades below 1x price/book and at a discount to what we view as our closest peers. Further, the potential redomiciliation to Sweden, where a decision expected from the Swedish FSA in Q2 2025, could level the playing field and contribute to significantly higher returns.

In our view, this presents a compelling value opportunity as we continue to execute on our growth and capital efficiency strategy.

With a highly scalable banking platform, a lean and efficient operating model, a dedicated team, and a value-driven approach to capital allocation, Morrow Bank is well-positioned to continue delivering attractive returns for shareholders.

Øyvind Oanes, CEO

Shareholder information

Morrow Bank strives for non-discriminatory sharing of information in all dealings with the financial market to develop and maintain trust. Furthermore, the Bank's intention is to ensure that shareholders, investors, and analysts have sufficient information to assess the correct pricing of the Bank's shares.

Investor information such as annual and interim reports, presentations, and financial calendars are made available on Morrow Bank's website simultaneously with their release to the market.

For further information about the company's stocks, please refer to Morrow Bank's website under Investor Relations: ir.morrow-bank.com.

The share

Morrow Bank is listed on the Oslo Stock Exchange under the ticker MOBA. As of 31 December 2024, a total of 230,004,294 shares with a nominal value of 1 krone had been issued. The increase of 640,162 shares in 2024 is related to redemptions under the Bank's stock option program.

The company's market value at the end of 2024 was NOK 2.1 billion, up from NOK 0.9 billion at the end of 2023. This corresponds to 0.9 times the Bank's book equity as of 31 December 2024.

The share price at year-end, December 31, 2024, was NOK 9.3, compared to NOK 3.9 at year-end 2023, representing a return of 140%. The highest share price in 2024 was NOK 9.5 in December, while the lowest price of NOK 3.7 was recorded in February 2024.

Shares in the company were traded on all 250 trading days of the Oslo Stock Exchange, with an average daily volume of 222,554 shares, totaling 56.5 million shares. This corresponds to a turnover rate of 25% of the total average number of issued shares.

Voting rights

Morrow Bank has one class of shares where all shareholders have equal rights, and the shares are freely transferable. Shareholders have the right to vote for the number of shares they own, as registered in the Central Securities Depository (VPS) at the time the general meeting is held.

Dividend Policy

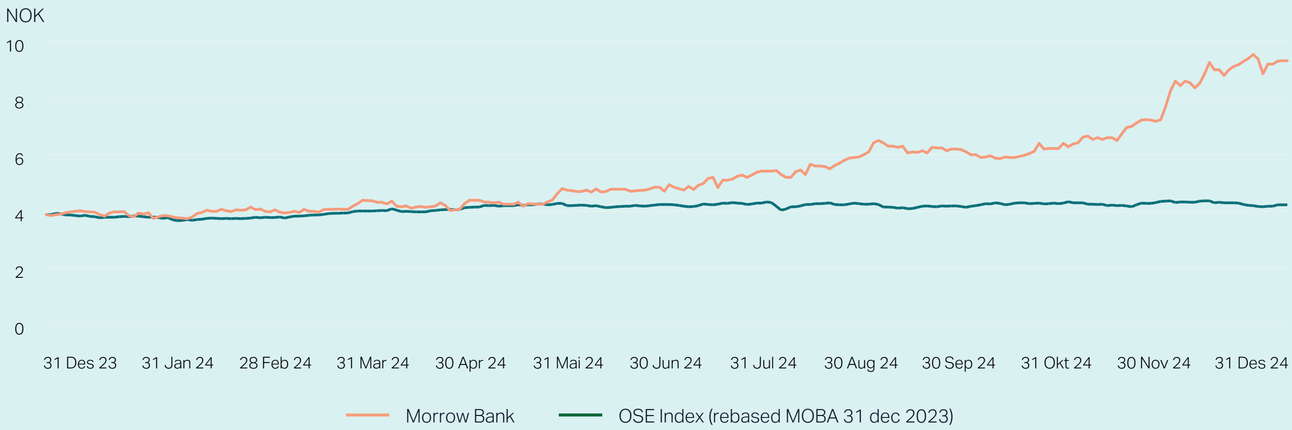
Morrow Bank's board has adopted a dividend policy to ensure that the Bank has sufficient capital to grow in selected markets according to the Bank's strategy. Available capital beyond this will be returned to shareholders in the form of dividends. Morrow Bank paid its first dividend in April 2021, equivalent to NOK 0.42 per share. The Board has proposed a dividend payment of NOK 0.40 per share for the 2024 financial year.

Shareholder Overview

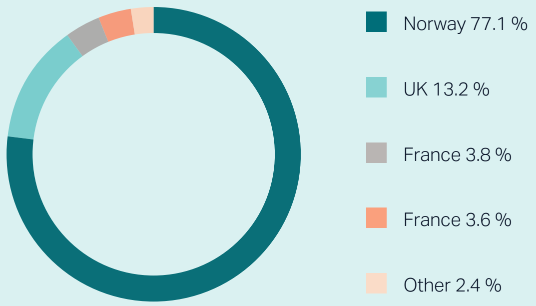
Morrow Bank had a total of 3,469 shareholders at the end of 2024, with the 10 largest shareholders owning 52% of the shares. The majority of the Bank's shares are held by Norwegian investors. As of year-end 2024, Norwegian investors owned 177.2 million shares (77.1%), while foreign investors held 52.8 million shares, representing a foreign ownership share of 22.9%.

Kistefos is the largest shareholder in Morrow Bank, holding 55.3 million shares, equivalent to 24.1% of the total issued shares at the end of 2024.

Relative share performance



Geographical distribution of shareholders as of 31 December 2024



Largest shareholders as of 31 December 2024

	Number of shares (thousands)	Ownership (%)
Kistefos AS	47,787	20.8 %
UBS AG	19,824	8.6 %
ALFAB Holding AS	10,357	4.5 %
The Bank of New York Mellon SA/NV	8,128	3.5 %
DNB Bank ASA -	7,504	3.3 %
Skandinaviska Enskilda Banken AB	6,000	2.6 %
The Bank of New York Mellon SA/NV	5,820	2.5 %
Norda ASA	5,818	2.5 %
AS Audley	4,346	1.9 %
OM Holding AS	4,209	1.8 %
Total	**119,795**	**52.1 %**

Analysts

Below is an overview of brokerage firms that cover Morrow Bank's stock, including the names of analysts and contact information. The brokerage firm that provides coverage on Morrow Bank's stock may vary over time. Therefore, please refer to the updated list on the Bank's website under Investor Relations: ir.morrowbank.com.

Company	Analyst	Phone	Email address
ABG Sundal Collier	Jan Erik Gjerland	+47 22 01 61 16	jan.gjerland@abgsc.no
Pareto Securities	Herman Zahl	+47 22 87 88 35	herman.zahl@paretosec.com

Board of Directors

Stig Eide Sivertsen

Chair of the board

Mr. Sivertsen has served as independent board member in Morrow Bank ASA since the general meeting of 2018. He was appointed Chair of the Board in August 2019. He has broad operational experience from technology, media and finance as well as extensive experience as a board member of listed companies. Sivertsen served as CFO in Schibsted and PGS, was the founder and CEO of Nettavisen and group CEO of Telenor Broadcast Holding AS, in addition to group CEO in Opplysningen (1881) AS. He holds a BA (Hons) Econ and an MSc. from University of Durham (UK) and supplementary Law degree from the University of Bergen.

Bodil Palma Hollingsæter

Vice chair of the board

Bodil Hollingsæter has been Vice Chair of the Bank since April 2015 and has served on the board since March 2014. Bodil holds several board positions, and has an extensive banking background on an executive level from positions such as Director at Innovation Norway, Regional General Manager at Sparebanken Møre and Bank Manager at Romsdals Fellesbank. She also has also prior board experience from companies including Eksportfinans, Kommunekreditt and Kommunalbanken. She holds an MSc. in Business and Economics and an AFA (CEFA equiv.) from the Norwegian School of Economics.

Kristian Huseby

Member of the board

Kristian Huseby is an Investment Director at Kistefos AS, where he has been working since 2014. He has broad experience within the financial sector working as an active owner representative and board member in a broad range of industries from banking & finance, to software, shipping and aquaculture. Prior to Kistefos he worked for Deloitte Financial Advisory. Huseby holds a Master of Science in Financial Economics from the Norwegian School of Economics and Business Administration and a Bachelor of Science in Economics and Business Administration from the Norwegian School of Economics and Business Administration.

Anna-Karin Østlie

Member of the board

Anna-Karin Østlie has extensive experience in both the finance and technology sectors. She is the CEO of the IT company Kantega AS, former CEO of Mastercard Payment Services Norway, and was part of the leadership team that sold parts of Nets to Mastercard in 2019. Her experience also includes leadership positions at DNB Wealth Management and EY in the Nordic countries and in London. She has board experience from IT companies such as Kantega, Probase, ZTL Payments, ShiftX, and Norsk Pensjon, and is a member of the nomination committee at NCE Finance Innovation. Anna-Karin holds a Master of Science degree in Industrial Engineering and Management from Linköping University in Sweden, as well as executive education from IMD in Lausanne, Switzerland, and Stanford University in Palo Alto, USA..

Niklas Midby

Member of the board

Niklas Midby has extensive and relevant board experience from Norwegian and Swedish banks, including chairman of the board of Norwegian Sbanken ASA in the period 2015-2022, chairman of Skandiabanken in Sweden 2011-2016 and deputy chairman of the Stockholm Stock Exchange, in addition to a number of current and previous board positions. He holds a graduate degree in Finance from the Stockholm School of Economics.

Iril Renshus

Member of the board

Employee elected board member since March 2020. Ms. Kyllönen has been employed in Morrow Bank ASA since November 2016 and currently holds the position as Operations Manager for Customer Service. She has broad experience from the banking sector in Finland and managing customer service operations. Before working in the Bank, Kyllönen worked with both individual investments and lending. Ms. Kyllönen holds an MBA from Kajaani University of Applied Sciences and a BBA from Jyväskylä University of Applied Sciences.

Henning Fagerbakke

Member of the board

Mr. Fagerbakke started at the Bank in 2017 as Finance Manager. From 2019 he was the CFO of the Bank and held that position until January 2022. Currently, he works as the Head of Finance and serve as employee elected board member. Prior to his tenure at the Bank, he worked several years as an auditor at KPMG, Finance manager within the Telenor group, and as a Business controller at Gresvig. He holds a Bachelor's degree in auditing and a Master's degree in accounting and auditing from NHH.

Management

Øyvind Oanes

Chief Executive Officer

Mr. Oanes joined Morrow Bank as CEO in October 2021. Prior to joining the Bank he was a partner at Exton Consulting, a strategy consulting firm specializing in banking. Mr. Oanes has extensive experience form the sector and has held the positions of Group CEO of 4finance, CEO of Swiss fintech company Numbrs and CEO of Raiffeisen's multi-country digital bank ZUNO. He was a Managing Director at Austria´s Bawag Group and spent several years working for GE Capital. In addition, he has broad experience from various board positions in Austria, Switzerland and Norway, including Monobank and BRAbank.

Eirik Holtedahl

Chief Financial Officer

Mr. Holtedahl was appointed Chief Financial Officer in February 2022. Mr. Holtedahl has more than 20 years of experience working with consumer finance, credit cards and financial services. Previous positions include Co-Founder, CFO and Deputy CEO in Advanzia Bank, Luxembourg, Co-Founder and VP of Treasury in Bankia Bank ASA and Deputy Director General in the Norwegian Ministry of Finance. Mr. Holtedahl holds a Bachelor of Commerce, Economics and Accountancy from Concordia University (Canada) and an MSc. studies in Economics from the University of Oslo.

Martin Valland

Chief Technology Officer (interim)

Mr. Valland was appointed interim Chief Technology Officer in March 2022. Mr. Valland has a comprehensive background in the financial services industry. Previous experience includes co-founder and CTO of Monobank/ BRAbank and Chief Software Architect at Skandiabanken/Sbanken. He holds an MSc in Computer Science from NTNU.

Wilhelm B. Thomassen

Chief Operating Officer

Mr. Thomassen served as Chief Compliance officer from May 2015 until May 2019, at which time he was made Director of Legal and HR. He also served as a board member from December 2012 to May 2015. Previous positions include Director Lean & Business Development at Statoil Fuel and Retail and Department Director of Cards at Santander Consumer Bank. Mr. Thomassen holds a master's degree in European Business from Royal Holloway University of London and an Executive MBA from the Norwegian School of Economics.

Annika Ramstedt

Chief Credit Risk Officer

Mrs. Ramstedt has been with Morrow Bank since early 2017. Before being appointed Chief Credit Risk Officer in June 2019, she worked for a period as Project Director followed by Director Loans Sweden & Finland. She has an extensive background in the Consumer Finance sector in roles such as Head of Personal Loans in Bluestep and Head of Credit Risk Sweden at EnterCard. She holds a BA in Statistics from the University of Stockholm.

Tony Rogne

Chief Commercial Officer

Mr. Rogne started in Morrow Bank in December 2023. Previous to this he was the Nordic Head of Consumer lending in Santander Consumer Bank.Mr. Rogne has over 18 years of experience working with consumer finance, and have an extensive background within the fields of Consumer loans, Credit cards, Sales Finance, Auto loans and deposits,. Mr. Rogne holds a Master of Marketing management degree from BI Norwegian Business School.

Corporate governance

Norwegian Code of Practice for Corporate Governance

1. Statement of corporate governance

Good corporate governance is a priority for the Board of Directors of Morrow Bank (the "Bank"). The Bank strives to maintain high standards of corporate governance, considering this an essential foundation for long-term value creation.

As a Norwegian public limited company listed on the Oslo Stock Exchange (ticker MOBA), Morrow Bank is subject to the requirements of the Accounting Act § 3-3b, as well as Oslo Stock Exchange's "Continuing Obligations for Listed Companies" regarding the annual statement on corporate governance principles and practices. The Bank adheres to the Norwegian Code of Practice for Corporate Governance (the "Code"), issued by the Norwegian Corporate Governance Board (NUES) on October 14, 2021. The application of the Code is based on the "comply or explain" principle, meaning that any deviations from the Code must be explained.

Morrow Bank's Board of Directors and management conduct an annual review of the Bank's corporate governance principles and practices. This report outlines Morrow Bank's corporate governance principles and how the Bank complies with the Code. There are no material deviations between the Code and Morrow Bank's practices.

2. Operations

Morrow Bank, within the framework of applicable legislation at any given time, may carry out all transactions and services that banks typically or naturally perform. This is stated in the Bank's articles of association, which are available at ir.morrowbank.com.

Morrow Bank is a Nordic niche bank primarily offering unsecured financing in the form of consumer loans and credit cards to consumers. The target group consists of creditworthy individuals with stable personal finances and no payment defaults, who, after a completed credit assessment, are deemed qualified for credit.

Morrow Bank follows a growth strategy based on geographic expansion in the Nordics and offers its credit products to private individuals in Norway, Finland, and Sweden. Credit cards are offered in Norway, Finland, and Sweden. Deposit accounts are offered to private customers in Norway, Sweden, and Germany.

The Board of Directors sets clear objectives, strategies, and risk frameworks for the Bank, aiming to maximize value creation for its stakeholders. The Bank's objectives, strategies, and value creation are reviewed annually by the Board and communicated to the market through annual and quarterly reports.

Morrow Bank has developed a range of policies and guidelines to guide the Board, management, and employees in their daily work, as well as to help build trust and credibility both internally and externally. This includes, but is not limited to, guidelines on ethics and anti-corruption, whistleblowing procedures, and policies related to anti-money laundering, IT, and data security.

The corporate governance of Morrow Bank is designed to support the Bank in achieving its strategic goals, in line with the principles described in the Bank's values and ethical guidelines. A clear organizational structure with well-defined responsibilities has been established to ensure comprehensive governance of the Bank.

The Bank's objectives, strategies, and risk profile are described in the 2024 annual report, along with an account of the Bank's work related to sustainability (ESG).

3. Share capital and dividends

The Board of Directors of Morrow Bank continuously assesses the Bank's capital situation in light of regulatory requirements, the Bank's objectives, strategy, and desired risk profile. Morrow Bank aims for a total capital adequacy ratio of 20.0%, including a Common Equity Tier 1 (CET1) ratio of 16.5%, to provide flexibility in achieving the Bank's financial goals.

As of December 31, 2024, Morrow Bank had equity of NOK 2,469.0 million. According to the established capital adequacy calculation rules for financial institutions, Morrow Bank's total capital adequacy ratio was 20.4%, while the CET1 ratio was 16.8%. The CET1 requirement is 12.1%, and the Board considers the Bank's capital position satisfactory.

Morrow Bank's Board has adopted a dividend policy to ensure that the Bank retains sufficient capital to grow in selected markets in accordance with its strategy. Any excess capital beyond this will be returned to shareholders in the form of dividends. In 2021, for the financial year 2020, Morrow Bank distributed a dividend of NOK 0.42 per share, totaling NOK 78.5 million. The Board of Morrow Bank proposes a dividend of NOK 0.40 per share for the financial year 2024.

Board authorisations
At the Annual General Meeting on April 18, 2024, four authorizations were granted to the Board of Directors for specific purposes. Each authorization was voted on separately:

- Authorization to increase the Bank's share capital by up to NOK 3 million in connection with the Bank's employee stock option program. The authorization remains valid until the Bank's Annual General Meeting in 2025, but no later than June 30, 2025. As of December 31, 2024, the authorization has been partially utilized.

- Authorization to issue subordinated capital approved as additional Tier 1 capital and/or subordinated loans approved as Tier 2 capital for up to NOK 200 million. The authorization remains valid until the Annual General Meeting in 2025. As of December 31, 2024, the authorization has not been utilized.

- Authorization to purchase own shares for up to NOK 10 million to optimize the Bank's financial structure. The authorization remains valid until the Bank's Annual General Meeting in 2025, but no later than June 30, 2025. As of December 31, 2024, the authorization has not been utilized.

- Authorization to increase the Bank's share capital by up to NOK 45,872,826, equivalent to approximately 20% of the Bank's share capital. The authorization remains valid until the Bank's Annual General Meeting in 2025, but no later than June 30, 2025. As of December 31, 2024, the authorization has not been utilized.

4. Equal treatment of shareholders and transactions with associat
The Board and management of Morrow Bank emphasize that all shares in the Bank shall be treated equally and have the same opportunity for influence. Morrow Bank has a single share class, and each share carries one vote.

The Bank's transactions involving its own shares are conducted on the stock exchange or through other means at market price. In the event of share capital increases, the Bank's existing shareholders have preemptive rights. Any deviation from this preemptive right principle will be justified in a stock exchange announcement related to the capital increase.

As a supplement to the Board's instructions, Morrow Bank has established guidelines for transactions with related parties. This includes ensuring that transactions with related parties are conducted on an arm's length basis and at market terms. For transactions of significant value between the Bank and related parties, an independent valuation must be obtained and disclosed to shareholders. As of 31 December 2024, Morrow Bank had no such agreements.

5. Shares and Transferability
Morrow Bank's shares are listed on the Oslo Stock Exchange under the ticker "MOBA" and are freely tradable. The Articles of Association contain no restrictions on owning, trading, or voting for the Bank's shares.

6. General Assembly
Through the General Meeting of Morrow Bank, shareholders exercise the highest authority in the Bank. According to the Articles of Association, the Annual General Meeting shall be held each year by the end of April.

The notice of General Meetings, along with the attendance form and proxy form, is made available on Morrow Bank's website (ir.morrowbank.com) and newsweb.no no later than 21 days before the General Meeting is held.

Shareholders who wish to participate in the General Meeting must submit the attendance form or proxy form as specified in the notice. The procedure for voting, including instructions on attending via proxy and shareholders' rights to propose alternatives to the Board's resolutions, shall be outlined in the notice.

According to Morrow Bank's Articles of Association, the Chair of the Board opens the General Meeting and facilitates the election of an independent meeting chair. The Board members and the auditor shall also attend the Annual General Meeting. Board members have the right to be present and express their views at the General Meeting. The Chair of the Board and the CEO are required to attend unless they have a valid reason for absence, in which case a substitute shall be appointed.

The General Meeting elects the shareholder-elected Board members as well as the members of the Nomination Committee. The General Meeting also elects the Bank's auditor. Separate voting is facilitated for Board members and Nomination Committee members up for election.

Decisions are made by a simple majority unless otherwise stipulated by law or the Articles of Association. In 2024, the Annual General Meeting was held on April 18, with 41.4% of the total outstanding shares and votes represented. Stig Eide Sivertsen was re-elected as Chair of the Board, and Anna-Karin Østlie was re-elected as a Board member, both for a two-year term. Additionally, Kristian Huseby was elected as a Board member for a one-year term.

7. Nomination committee

In accordance with its Articles of Association, the Bank has established a Nomination Committee consisting of three members. The members are elected by the General Meeting for a term of two years. As of 31 December 2024, the Nomination Committee consists of:

- Tom O. Collett (Chair, up for election in 2026)
- Espen Franzon Amundsen (up for election in 2026)

Both members are, in accordance with the Code of Practice (Chapter 7), considered independent of the Board and executive management. Board members, the CEO, and other members of the Bank's executive management cannot be elected as members of the Nomination Committee.

Specific guidelines have been established regarding the Nomination Committee's responsibilities, composition, and eligibility criteria.

The Nomination Committee's responsibilities include proposing candidates for election to the Board of Directors and recommending remuneration for Board members, its subcommittees, and the Nomination Committee. The Committee also reviews the Board's annual self-evaluation report. The Nomination Committee shall report on its work and present its reasoned recommendations to the General Meeting. The recommendations must include relevant information about the candidates and an assessment of their independence from the company's management and Board. In its work to propose Board candidates, the Nomination Committee should engage with shareholders, Board members, and the CEO and seek to align its recommendations with the Bank's largest shareholders. The Committee's reasoned recommendations to the General Meeting shall be made available at least 21 days before the meeting. The Nomination Committee's recommendations must comply with the requirements for Board composition as stipulated by applicable laws and regulations at all times.

8. Board of directors, composition and independence

According to the current Articles of Association, the Bank's Board of Directors shall consist of five members, all elected by the General Meeting, as well as two employee representatives elected by and among the Bank's employees. The Board as a whole must possess the necessary expertise to fulfill its responsibilities, considering the Bank's organization and operations. At least one Board member must have expertise in accounting or auditing.

In accordance with the current Articles of Association, two of the elected Board members must be employees of the Bank. For these members, two personal deputies shall be elected, each with the right to attend and speak at Board meetings.

The General Meeting elects the Chair and Deputy Chair of the Board. Board members are generally elected for a term of two years.

The majority of the shareholder-elected Board members are independent of executive management and significant business partners. Additionally, at least two of the shareholder-elected Board members are independent of the Bank's main shareholders.

In 2024, the Board held 13 meetings, while the Audit and Risk Committee held 8 meetings.

AS OF 31 DECEMBER 2024, THE BANK'S BOARD OF DIRECTORS CONSISTED OF THE FOLLOWING MEMBERS:

Name	Role	Considered independent of the largest shareholders.	First elected.	Up for election.	Participation in Board meetings 2024.	Number of shares in Morrow Bank (direct/ indirect).
Stig Eide Sivertsen [1]	Chair	Yes	2018	AGM 2026	13	500,000
Bodil Palma Hollingsæter [1]	Vice Chair	Yes	2014	AGM 2025	13	740,394
Anna Karin Østlie [1]	Board Member	Yes	2022	AGM 2026	13	90,909
Kristian Huseby [2]	Board Member	No	2024	AGM 2025	8	65,355
Niklas Midby [3]	Board Member	Yes	2024	AGM 2025	1	65,000
Henning Fagerbakke [2]	Employee elected	Yes	2024	2026	10	546,847
Iril Anne Renshus [2]	Employee elected	Yes	2024	2026	10	-

[1] Stig Eide Sivertsen owns 100 % of Theoline AS which holds 500,000 shares in Morrow Bank ASA, Bodil Palma Hollingsæther owns 50 % of To & Bo AS which holds 659,117 shares in Morrow Bank ASA, Anna Karin Østlie owns 50 % of Muzungu Invest AS which holds 90,909 shares in Morrow Bank ASA.

[2] Kristian Huseby, Henning Fagerbakke, and Iril Renshus were elected to the Board by the General Meeting at the Annual General Meeting held in April 2024.

[3] Niklas Midby was elected to the Board by the General Meeting at the Extraordinary General Meeting held in November 2024..

Information about the Board members' backgrounds and expertise is available on Morrow Bank's website.: ir.morrowbank.com/corporate-governance/board-of-directors/

9. The work of the Board of Director

The Board of Morrow Bank shall ensure the proper organization of the company's operations. The Board establishes plans and budgets, as well as guidelines and necessary authorizations for the Bank's activities, ensuring that the company has appropriate systems for risk management and internal control. The Board continuously monitors the company's financial position through the review and approval of quarterly and annual reports, as well as monthly reviews of Morrow Bank's financial status and developments.

The Board oversees and manages the Bank's overall risk. Furthermore, the Board shall regularly assess whether the Bank's governance and control arrangements are suited to the level of risk and scale of operations.

The Board has adopted an instruction that sets out detailed rules for the Board's responsibilities and tasks, including which matters require Board consideration, as well as rules for case handling. In accordance with Chapter 9 of the recommendation, the Board instruction includes a description of how the Board and executive management shall handle agreements with related parties. The Board should disclose such agreements in the annual report. The objective is to ensure that the company is aware of potential conflicts of interest and that such agreements are thoroughly reviewed to prevent the transfer of value from the company to related parties. An annual evaluation of the Board's work and competence is conducted and reported to the nomination committee. The Board also sets an annual plan for its work.

The Board has also established an instruction for the Bank's executive management. The Chief Executive Officer is responsible for ensuring that the Board's adopted goals, frameworks, guidelines, and authorizations for the Bank's risk management and internal control are upheld. This includes ensuring that senior management implements and documents the necessary internal control measures to identify, measure, monitor, and manage risks, as well as providing the Board with relevant and timely information critical to the Bank's risk management and internal control. The Chief Executive Officer is also responsible for ensuring compliance with the Bank's policies and guidelines, as well as the implementation of the Board's decisions.

The Bank has adopted specific procedures regarding whistleblowing and conflict of interest in cases where Board members and/or management have a personal or financial interest in transactions involving the Bank. Before any matter of particular significance to Board members, management, or their close associates is handled, those who are not entitled to participate in the discussion or decision-making process must disclose this and refrain from further involvement in the matter. The same principles are outlined in the Bank's code of ethics.

Board committees

The Board has established an Audit and Risk Committee consisting of three external board members, with the CEO and CFO participating from the administration. The committee conducts thorough assessments of the Bank's risk management and internal control, as well as its financial position, including financial reporting. The Audit and Risk Committee is also responsible for ensuring that the Bank has an independent and effective external and internal audit function and that its financial reporting complies with applicable laws and regulations. As of the end of 2024, the committee consisted of Bodil Palma Hollingsæter (Chair), Stig Eide Sivertsen, Kristian Huseby, and Niklas Midby. The Audit and Risk Committee held eight meetings in 2024.

The Board has also established a Compensation Committee consisting of up to two board members and one employee representative, who is independent of the company's management. The Compensation Committee is responsible for preparing and proposing Morrow Bank's remuneration scheme to the Board, ensuring that it promotes and incentivizes sound governance and risk control, discourages excessive risk-taking, and helps prevent conflicts of interest. The remuneration scheme is designed in accordance with the prevailing legal and regulatory requirements for financial institutions.

Pursuant to the Public Limited Liability Companies Act § 6-16a, the Board prepares a statement on the determination of salaries for the CEO and other senior executives. As of the end of 2024, the Compensation Committee consisted of Stig Eide Sivertsen (Chair), Anna Karin Østlie (Member), and Henning Fagerbakke (employee of Morrow Bank). A remuneration report is prepared in accordance with § 6-16b of the Public Limited Liability Companies Act and is published simultaneously with the annual report at ir.morrowbank.com.

10. Risk management and internal control

Risk management and internal control constitute a central part of Morrow Bank's strategy and operations. The Bank has implemented guidelines and procedures to ensure that risk management and internal control are appropriate and adequate in light of the risk level and scale of operations.

The Board of Morrow Bank is responsible for ensuring that the Bank maintains responsible capital levels in accordance with its approved risk profile and regulatory requirements. Risk management and internal control also play a key role in the Bank's assessment of capital needs in both the short and long term, taking into account the risks currently associated with the business as well as potential future risks.

The purpose of risk management and internal control in the Bank is to ensure the achievement of strategic objectives while maintaining strong financial stability. This goal is achieved through:

- A strong organizational culture characterized by a high awareness of risk.
- A solid understanding of revenue-generating risks, including the ability to manage them within the risk profile defined by the Board.
- Striving for optimal capital utilization within the approved business strategy.
- Avoiding unexpected events that could have a significant negative impact on the Bank's financial position or reputation.

As Morrow Bank primarily secures its earnings through credit exposure in the retail market for unsecured credit, its guidelines reflect a higher risk appetite for credit risk compared to liquidity, market, and operational risk.

Morrow Bank has established ethical guidelines applicable to all employees, as well as a risk management and internal control framework that includes policies on anti-corruption, handling of insider information, anti-money laundering, data security, and financial reporting.

Morrow Bank is subject to regulatory supervision in the countries where it operates licensed financial activities, including oversight by the Financial Supervisory Authority of Norway (Finanstilsynet). In addition, the Bank is monitored by its internal control bodies and external auditors.

Risk mangement and internal control
The responsibilities of the Board and the Chief Executive Officer (CEO) are defined in the Board's instructions and the CEO's instructions, respectively. Additionally, the Bank has a clear organizational structure with well-defined roles and responsibilities for risk management and internal control.

Risk assessment is an integral part of leadership responsibility within the Bank, where department heads are responsible for identifying, assessing, and managing risks within their respective areas that could impact the Bank's ability to achieve its objectives. These risks are regularly reported to the CEO.

The responsibility for the Bank's independent control functions in risk management and regulatory compliance lies with the Bank's Risk Control function and Compliance function, respectively. The Risk Control function ensures that all material risks within the company are identified, managed, and reported by the relevant units of Morrow Bank. It reports directly to the Board in cases where the Board does not receive necessary information through regular internal reporting or when identified risks could have a significant negative impact on the Bank.

The Compliance function is responsible for independent monitoring, advisory services, reporting, and follow-up to ensure the Bank's adherence to regulatory and internal requirements. It reports directly to the CEO and the Board.

Morrow Bank has established a Balance Committee, which exercises overall governance of the Bank's liquidity risk level. The committee prepares proposals for the Board regarding changes to the Bank's financial policy, decides on investment strategies and adjustments to deposit product terms, and oversees internal control and reporting. The committee is also responsible for preparing matters related to the Internal Capital and Liquidity Adequacy Assessment Process (ICAAP/ILAAP), including capital requirements and the Bank's liquidity contingency and recovery plans. The committee consists of the CEO, CFO, Chief Credit Officer, and Chief Commercial Officer, and is chaired by the CFO. The Head of Risk Management has the right to attend meetings but does not have voting rights.

The CEO, CFO, Chief Credit Officer, and Chief Commercial Officer also form the Bank's Credit Committee. The Heads of Compliance and Risk Management functions have the right to attend meetings but do not have voting rights. The committee is chaired by the Chief Credit Officer. The Credit Committee is responsible for proposing changes to the Bank's credit policy to the Board, deciding on the delegation of credit authorizations, and establishing or modifying credit procedures and processes. Furthermore, the committee monitors internal control and provides regular reports on the Bank's credit risk exposure and management.

In 2019, the Board established an internal audit function as part of efforts to ensure sound internal control and identify risks. EY was appointed as the independent internal auditor. The role of the internal audit is to ensure that the Bank is organized and operated in a responsible manner and in compliance with applicable business regulations. Any matters deemed unsatisfactory are reported to the Audit and Risk Committee and the CEO. The internal auditor conducts audits in accordance with an annual Board-approved audit plan and instructions set by the Board.

Financial reporting
Morrow Bank's Chief Financial Officer (CFO) is responsible for the finance department and must maintain a continuous overview of the Bank's financial position. The CFO is responsible for preparing financial statements and reports, including financial reporting to public authorities, as well as managing and overseeing the Bank's overall liquidity and financial risk.

Additionally, the CFO is responsible for ensuring that accounting practices comply with applicable regulations, including IFRS. The Board receives periodic reports on the company's financial performance, as well as quarterly reports in connection with the Bank's financial results presentations. The auditor participates in meetings with the Audit and Risk Committee and in Board meetings related to the presentation of the preliminary annual financial statements.

The finance department is responsible for risk management related to market risk, liquidity risk, financial risk, and counterparty risk outside the lending business. It is also responsible for ensuring compliance with risk decisions outlined in the Bank's financial policy, which is approved by the Board of Morrow Bank. This policy defines the risk profile the Board considers acceptable and aims to facilitate appropriate risk management and internal control, ensuring regular reporting and monitoring.

Information on the Bank's key risk factors is detailed in the Board's annual report, as well as in notes 15, 16, and 17 of the financial statements.

11. Remuneration to the board

The remuneration of the Board is determined by the General Meeting based on recommendations from the Nomination Committee. Board remuneration is not performance-based and is not influenced by the market development of the Bank's shares.

No stock options are granted to Board members, and the shareholder-elected Board members do not have agreements regarding pension schemes or severance pay from the company. None of the shareholder-elected Board members have duties for the Bank beyond their Board role.

For details on Board remuneration, refer to Note 20 of the financial statements.

12. Remuneration to senior executive

The Bank has established guidelines for the remuneration of its senior executives and other employees whose work is of significant importance to the institution's risk exposure.

The purpose of these guidelines is to promote and incentivize sound governance and risk control, discourage excessive risk-taking, and help prevent conflicts of interest. Morrow Bank's remuneration guidelines for senior executives are detailed in Note 20 of the 2024 financial statements and are submitted annually for review by the General Meeting. The guidelines clearly specify which provisions are advisory for the Board and which are binding. The General Meeting votes separately on these two parts of the guidelines.

Remuneration for senior executives consists of fixed salary, variable compensation, and pension and insurance schemes. The remuneration structure is designed to motivate strong performance in line with long-term value creation and prudent risk-taking within the Bank.

The Board conducts an annual assessment of the maximum level of variable remuneration for senior executives. For 2024, the variable remuneration is capped at 50% of fixed salary. This remuneration is determined based on a comprehensive assessment, considering both quantitative and qualitative factors related to the individual's role and responsibilities, as well as the Bank's performance, risk profile, and long-term value creation. Morrow Bank's variable remuneration scheme is structured in accordance with current regulatory requirements for banks.

At the Ordinary General Meeting in April 2024, one of the Bank's senior executives was granted standalone subscription rights. The purpose of granting subscription rights is to attract and retain key personnel by offering competitive terms. These subscription rights are an integral part of the management team's fixed remuneration. They are not performance-based but are intended to ensure stability and long-term commitment. Specific rules for each subscription rights program will be developed and approved by the Board.

The Bank has also established a stock option program for its employees. This option program is based on the employee's base salary and other variable remuneration, with the possibility of receiving options equivalent to up to 33% of fixed salary. The stock options are granted at full market value at the time of allocation, based on the trading price determined using the Black-Scholes option pricing model. With respect to fixed salary, employees—within defined intervals based on their position in the Bank—can choose the proportion of their salary to be allocated in stock options. The stock option program is reviewed and evaluated annually by the Bank's Board..

13. Information and communication

Morrow Bank has adopted an Investor Relations (IR) Policy to ensure that the financial market and shareholders have sufficient information about Morrow Bank to assess its fair valuation. This policy is available on the Bank's website at www.ir.morrowbank.com. The Bank strives to ensure non-discriminatory information sharing when engaging with shareholders and analysts. Communication with shareholders, investors, and analysts is a priority for the Bank. Primarily, the CEO and CFO represent the Bank in communications with the capital markets.

Investor information, including annual and interim reports, public presentations, and the financial calendar, is made available on the Bank's website at the same time it is published to the market. Stock exchange announcements are published through Oslo Børs' official communication channel for listed companies, "Newsweb".

Additionally, the Board has established guidelines for the Bank's interactions with shareholders outside the General Meeting.

14. Company acquisition

Anyone seeking to acquire a qualifying ownership stake (10% or more) in a financial institution must notify the Financial Supervisory Authority of Norway (Finanstilsynet) in advance. Such an acquisition can only be completed with prior approval from Finanstilsynet.

The Bank has established guidelines for potential takeover offers, and the Board of Morrow Bank will handle any such offers in accordance with these guidelines.

15. Auditor

Morrow Bank's external auditor is PricewaterhouseCoopers AS (PwC), appointed by the General Meeting. The auditor presents an annual audit plan to the Board for the execution of the audit work. The auditor participates in Board meetings that review the annual financial statements and conducts an annual assessment of the company's internal control with the Board.

In accordance with established Board instructions, the Board holds at least one meeting per year with the auditor without the presence of the CEO or other members of executive management. The auditor provides an annual written independence confirmation and reports each year on any non-audit services provided to the company during the financial year. The Bank has established specific guidelines for non-audit services performed by its external auditor.

ESG/Sustainability/CSR report

(ESG – Environmental, Social and Governance)

Introduction

Morrow Bank's sustainability reporting is an integral part of the Bank's annual report. The sustainability report follows the Global Reporting Initiative Standards (GRI) and is limited to the Bank's material areas within sustainability, defined through materiality assessments.

The Bank is classified as a large enterprise and will therefore be subject to the EU's Corporate Sustainability Reporting Directive (CSRD) starting from 2025, with the first reporting due in 2026. During 2024, The Bank has conducted a dual materiality assessment in accordance with CSRD. The assessment evaluates both how the Bank impacts people and the environment (material impact) and how external factors affect the Bank's ability to create long-term value (financial materiality).

For Morrow Bank, sustainability is about conducting responsible operations in all relevant areas. The Bank's intention is to have as limited negative impact as possible.

The foundation of Morrow Bank's strategy is value creation for all stakeholders. This also guides the Bank's framework for environmental, social, and governance (ESG) factors, goals, and KPIs.

The Bank aims to offer creditworthy individuals simple and intuitive financing services. By providing financial flexibility, Morrow Bank empowers customers to take responsibility for their own situation, in their own way and when they want to.

By being a responsible lender and providing creditworthy individuals with economic flexibility, Morrow Bank contributes to economic activity and growth – something that creates value for society.

The organization and culture of the Bank are key drivers behind its ability to deliver value creation for stakeholders. Four core values describe the Bank's culture and guide the organization's choices when facing opportunities and challenges:

- Flexible
- Ambitious
- Competent
- Efficient

These values – being flexible and open to change, setting ambitious goals, performing competently and efficiently – are, in Morrow Bank's view, a prerequisite for driving continuous improvement, including in the ESG domain.

The board has the overall responsibility for the entirety of Morrow Bank's strategy, corporate social responsibility (CSR), and sustainability efforts. The responsibility for implementation is delegated to the management led by the CEO.

Morrow Bank has adopted ethical guidelines to guide employees in carrying out their assigned tasks. Below, it is explained how the Bank ensures that corporate social responsibility is an integral part of its operations and long-term value creation.

Key Sustainability Factors

Morrow Bank has developed a program related to the Bank's corporate social responsibility to enhance the framework for transparent reporting and communication. As stated above, a materiality analysis has previously been conducted to ensure that Morrow Bank prioritizes the issues most important to the Bank and its stakeholders. This analysis resulted from feedback from external and internal stakeholders regarding their expectations, as well as perceived risk factors and opportunities deemed important for the Bank's long-term value creation. Stakeholders included key partners, investors, employees, and management.

Morrow Bank has identified three focus areas for long-term value creation for all stakeholders:.

- Responsible lending practices
- Combating corruption and money laundering
- Data security and customer privacy

These focus areas align with those identified by the Sustainability Accounting Standards Board's Materiality Map (SASB Materiality Map®) as factors likely to impact the financial condition or operating results of companies in the financial sector. This is especially relevant for the consumer finance subsector, along with significant issues highlighted by MSCI ESG Ratings in their overview of the financial sector and the consumer finance subcategory.

Morrow Bank has defined objectives and corresponding key performance indicators (KPIs) for the selected focus areas to contribute

to long-term value creation. In 2024, the Bank has conduct a dual materiality analysis in line with the CSRD. This involved reporting on the impact Morrow Bank has on the environment and people around it, as well as how sustainability factors affect the Bank's ability to create long-term value.

Dual materiality assessment

To ensure comprehensive sustainability reporting, a dual materiality assessment has been conducted during 2024 in accordance with CSRD. Through the analysis and involvement of internal external stakeholders, the Bank has defined a number of significant themes, all of which underpin the Bank's role as a sustainable actor. The assessment has included; identification, assessment of identified topics, stakeholder dialogue, weighting and prioritization of material topics and lastly, decision.

The analysis has focused on the impact the Bank has on people and the environment, and the risks and opportunities that can affect long-term value creation. The results of the analysis have illustrated the Bank's influence, either directly through its operations or indirectly towards customers and partners.

Defined key indicators to measure the ESG results over time

Anti-corruption and money-laundering (AML) training	Responsible lending	Data security and customer privacy
Objective: No well-founded complaints from customers regarding inaccurate, missing, or unclear communication of terms and conditions.	Objective: Adequate competence at all levels to ensure satisfactory risk management.	Objective: Minimal data and GDPR breaches, and minimal improper sharing of personal information.

Reporting of Future Focus Areas

This report describes the Bank's approach, initiatives, and outcomes within the three previously mentioned focus areas. Other important ESG topics are also addressed in the report. To measure ESG results over time, the Bank has defined three main objectives,

each with several associated Key Performance Indicators (KPIs) to ensure goal attainment. The Bank has a zero-vision for certain goals, and as a result, has intensified efforts in these areas to achieve the goals moving forward.

Contribution to the UN Sustainable Development Goals

Morrow Bank aims to be a responsible provider of loans and other financial services and to be a fair, supportive, and non-discriminatory employer. The Bank supports the United Nations Sustainable Development Goals.

Below are described the goals considered to be the most significant for Morrow Bank and where the Bank can have the greatest impact.

In late 2022, the Bank applied to become a member of UN Global Compact Norway, which is the world's and Norway's largest corporate initiative for business and sustainability. The applica- tion was accepted in early 2023, and the Bank looks forward to

contributing to finding good solutions within sustainability alongside the organization's members. The Bank has successfully submitted its a Communication on Progress (CoP) in summer 2024.

Morrow Bank actively promotes equal opportunities and gender balance in the workplace and business environment. Diversity is a separate criterion in new hires. Women and men receive equal pay for equal work they perform (sub-goal 5.1). Morrow Bank promotes employees based on competence and personal qualities. Both men and women are encouraged to take parental leave (sub-goal 5.5). The company offers flexible work arrangements.

Morrow Bank offers secure and meaningful positions in accordance with international and national labor standards. In hiring, the Bank looks for individuals, skills, and personalities that complement any lacking qualities and support Morrow Bank's further development (sub-goal 8.8).

Morrow Bank provides equal pay for equal work and performance (sub-goal 8.5, cf. Sustainable Development Goal 5).

Morrow Bank is an innovation and technology-driven consumer bank with resources and expertise to combat money laundering and terrorist financing. The Bank has systems in place to identify and report potential cases of money laundering and provides regular training to employees and the board on anti-money laundering/counter-terrorism financing (sub-goals 16.5 and 16b).

Sustainable Business

Responsible Lending - Throughout the Credit Lifecycle

Morrow Bank is committed to responsible lending, defined as acting in the best interest of customers, ensuring affordable pricing, providing transparency in terms and conditions, and supporting borrowers experiencing repayment difficulties." The Bank considers responsible lending as a key factor.

The Board has adopted specific guidelines and procedures for lending activities to ensure these objectives are met. The Bank's internal procedures and processes comply with applicable laws, regulations, and other guidance standards. All customers undergo a credit assessment based on a comprehensive set of data relevant to assessing applicants' financial situations. Morrow Bank does not grant loans or issue credit cards to customers deemed unable to meet their loan obligations. Marketing of the Bank's products complies with legal and regulatory requirements, as well as the industry standard set by the "Financial Companies Association on the marketing of credit cards and consumer loans."

Morrow Bank has implemented the following measures to ensure responsible lending practices throughout the credit lifecycle:

1. Marketing

- Established internal guidelines for responsible sales practices and product labeling
- Ensured that messaging, channels, and the scope of marketing efforts are suitable for attracting creditworthy customers
- Ensured avoidance of misleading marketing
- Ensured that affiliated loan intermediaries adhere to Morrow Bank's sales and product labeling practices

Objective: No well-founded complaints from customers regarding incorrect, missing, or unclear communication of terms and conditions.

KPI: Number of lost cases in the Financial Complaints Board

Result: Three lost cases in the Financial Complaints Board in 2024, compared to two in 2023.

2. Process for Establishing Customer Relationships

- Developed processes and routines in accordance with the requirements of the Bank's credit policy to ensure credit is only extended to creditworthy individuals
- Thorough process for customer onboarding, including both automatic and manual evaluation of applicants' creditworthiness and repayment capacity
- Approximately 80% of all incoming applications were rejected based on the Bank's credit policies and scorecards in 2024. The remaining applicants received a conditional offer. 20% of customers who received a conditional offer were rejected after manual review of the information and documentation submitted by the applicants.
- The Bank has a refinancing product. A prerequisite for offering this solution is that it reduces the customer's overall loan costs

3. Customer Service

- Well-established internal processes, procedural descriptions, and annual training plans to ensure that the Bank's customers and applicants are handled properly.
- Morrow Bank's customer service is available via email and telephone. Customer service can also be contacted through "My Page," accessible to logged-in customers. Customer service teams are monitored on KPIs based on best practices regarding response and wait times, as well as quality measures.

Combatting corruption and money laundering

Exposure to corruption, money laundering, and terrorist financing is considered significant risks for Morrow Bank and its banking license. The Bank has established systems to identify and report potential transactions related to money laundering and terrorist financing, and provides employees and the board with regular training on combating money laundering/terrorist financing. These activities support Morrow Bank's efforts to achieve UN Sustainable Development Goals 16, sub-goals 16.5 and 16b.

Work and procedures related to combating money laundering and terrorist financing have the highest priority. The Bank has a Financial Crime Prevention" unit responsible for combating money laundering and terrorist financing, as well as fraud management. The department is responsible for customer onboarding and KYC processes (Know Your Customer), as well as ongoing due diligence and continuous monitoring and follow-up of suspicious customer behavior.

In addition to the frameworks for combating money laundering, the Bank has also established guidelines and procedures describing measures and business processes to ensure thorough customer onboarding and KYC processes. The Bank's KYC processes include preventive measures related to fraud, anti-money launde- ring, as well as credit evaluation to prevent actions such as variouscate- gories of fraud, identity theft, and corruption. All procedures are continuously updated and reviewed at least semi-annually.

Head of strategic legal is responsible for combating money laun- dering and terrorist financing (AML officer). The Bank's compliance department is responsible for among other things, secon- d-line controls in the area, and reporting to the board quarterly on activities and status related to combating money laundering and terrorist financing.

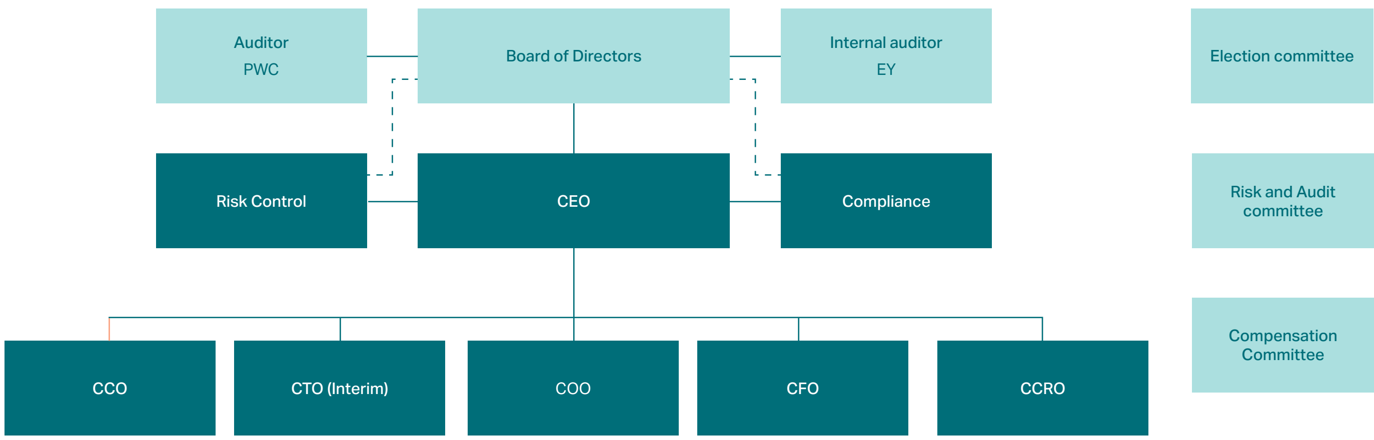
The Bank has developed and implemented a fraud detection tool, which helps identify potential fraudsters and identity theft.

The Bank places great emphasis on organizing training for the board, management, and employees to increase awareness and build competence in preventing financial crime. Regular training of all employees and the board in guidelines and procedures related to combating money laundering is a key element of the Bank's risk management system.

All employees at all levels, including the board, are required to undergo annual training related to combating money laundering. In 2024, 100% completed such training (also 100% in 2023).

Morrow Bank will continue to prioritize the development and impro- vement of frameworks to prevent money laundering and financial crime by maintaining and developing policies and guidelines in accordance with regulations and best practices, and by leveraging innovation and technology to monitor and report suspicious transa- ctions, such as through regular training of employees in combating money laundering.

Below is an overview of Morrow Bank's organization and responsi- bility structure.



Data security and customer privacy

In a digital world, there is an increasing risk of personal data being misplaced, stolen, or shared without consent. By intelligently using personal data in accordance with privacy regulations, Morrow Bank can gain a better understanding of customers and develop more relevant and customer-centric banking products and services. Therefore, Morrow Bank acknowledges that the Bank has a responsibility to handle the personal data collected and processed in a responsible manner and to ensure that the personal data is secure.

Morrow Bank is subject to laws and regulations that determine how personal data can be collected and processed. This mainly includes data protection legislation, including the fundamental principles and conditions for processing personal data, individual rights, obligations for the Bank as the data controller, data processors, and the transfer of personal data within and across borders. The Bank has appointed dedicated resources as Data Protection Officer and Security Officer.

The Bank has implemented guidelines and procedures to ensure compliance with GDPR regulations. This involves regular review and development of the Bank's internal control systems and risk management processes to continually improve and address existing and new data security and privacy threats.

Employees and consultants who collect, process, or have access to personal data on behalf of the Bank regularly undergo mandatory privacy training provided by the security officer and/or data protection officer. All managers are responsible for ensuring that employees with access to personal data have the necess- ary competence and qualifications to safeguard customers' rights related to personal data by following information security procedures.

Any breaches of data security and consumer privacy are reported and addressed immediately.

Whistleblower Procedures

Morrow Bank has established whistleblower procedures adopted by the board. Both internal and external reporting channels have been established to facilitate reporting of any irregularities. The procedure is designed to protect both the whistleblower and the individual(s) being reported on and is accessible to all bank employees in both Norwegian and English. Upon receipt of reports through the external reporting channel, information about the case is sent according to the established process to the Compliance Director, legal advisor, and head of the audit and risk committee of the board.

Ethical Business Conduct

Morrow Bank's Code of Conduct is intended to help the Bank's representatives perform their duties in an ethically responsible manner and in accordance with the standards set by the Bank. There have been no internal breaches of the guidelines in the Bank's Code of Conduct.

Morrow Bank's Code of Conduct supplements laws, regulations, instructions, and provisions applicable to the Bank's activities, setting out principles of conduct and actions in areas not covered by other regulations. The guidelines provide a framework for what the Bank considers responsible behavior but are not exhaustive. The current version of the guidelines was last revised and approved by the Bank's board in autumn 2024.

All new hires undergo training in the Code of Conduct during onboarding, and the Bank will implement Code of Conduct training for all employees during 2025.

Anyone representing Morrow Bank is always expected to exercise good judgment, caution, and care. Unethical actions or omissions contrary to human rights may pose a potential reputational risk. The Bank's guidelines and other procedures are in place to ensure that Morrow Bank is not involved in business transactions and other projects involving unethical actions or ending up in other undesirable situations.

Environmental Footprint

Morrow Bank's activities are focused on the Nordic consumer credit market, where the Bank has limited influence on how credit is used. The environmental impact of Morrow Bank's activities is mainly related to energy consumption and waste from premises, as well as some travel activity.

Morrow Bank is a digital bank, with products offered through the Bank's and agents' websites. Communication is mainly electronic, and the consumption of paper and the need for travel are limited. The Bank also issues digital credit cards, which over time can be expected to replace plastic cards. The Bank has not developed specific guidelines for the external environment but encourages employees to minimize consumption and waste associated with their daily activities, such as food waste in the cafeteria. To reduce business travel, employees are encouraged to use digital solutions, such as video conferencing, and to travel by public transport when travel is necessary.

For data storage, Morrow Bank primarily uses Microsoft Office 365 and Azure Storage, which are between 80% and 98% more energy efficient than traditional internal data centers.

The Bank provides data equipment for secure deletion and recycling to environmentally certified partners. These partners ensure that discarded equipment is recycled with minimal climate footprint. The partners provide reports showing the effect of recycling equipment that is replaced. In 2024, Morrow Bank delivered several units (screens, machines, and servers), most of which were used for reuse, and the rest were used for material recycling.

The Bank moved to newer and more suitable premises at Lysaker Torg in July 2023. The premises are well adapted to the Bank's organization and operations, covering approximately 2/3 of the size of the previous premises. The reduced size also results

in lower energy consumption. Expenses for this and other shared costs were reduced by approximately NOK 200/sqm through moving to new premises.

In connection with the move, all office desks were replaced. Approximately 70% of old office desks were donated to Movement AS for reuse, while the remaining desks and other office equipment not to be used in the new premises were recycled properly..

The Employees

Morrow Bank aims to be an attractive employer offering employees, the Bank's most important resource, a good working environment. Morrow Bank depends on motivated and engaged employees to achieve its business goals. Therefore, the Bank wants to provide employees with opportunities to develop, incre- ase their competence, and take on new and/or greater responsibi- lities. The Bank also needs individuals who complement each other and work well together to ensure value creation for all stakeholders. Morrow Bank's employment practices ensure compliance with internationally recognized human and labor rights

Diversity and Equal Opportunities

Morrow Bank believes that a diverse and inclusive workforce is essential for ensuring innovation and value creation over time. All employees should be treated equally, regardless of age, gender, disability, cultural background, religious belief, or sexual orientation, both in recruitment processes and throughout the employment relationship. We do not accept any form of discrimination or harassment. There were no reported breaches of the company's guidelines in 2024.

Morrow Bank actively works to ensure diversity and equal opportunities. The Bank is represented by 9 different nationalities and has a balanced gender distribution across departments and management levels. At the end of 2024, the Bank employed 64 people, equivalent to 62,6 full-time equivalents. Women accounted for 42.2% of all employees and 16.7% of management. One

of the Bank's objectives is to have both genders represented in all management bodies. At the end of the year, 43% of Morrow Bank's board members were women, while one out of six members of the management team were women.

Women and men receive equal pay for equal work, and employees are promoted based on merit. Morrow Bank encourages a good work-life balance for all employees. Out of 64 employees, two are employed part-time (one woman and one man) because they choose to do so (primarily due to studies).

Both men and women are encouraged to take parental leave. Morrow Bank offers permanent employees paid parental leave equivalent to 100% of base salary, which exceeds the statutory requirements in Norway. In 2024, 10 of the Bank's employees took parental leave, seven of whom were men. On average, women had parental leave for 16,7 weeks during the calendar year, while men had parental leave on average for 7,9 weeks.

Description of level	Women	Men	Total	The percentage of women
Level 1 (management)	1	5	6	16.7 %
Level 2 (Middle managers)	9	14	23	39.1 %
Level 3 (Personnel management and specialists)	8	14	22	36.4 %
Level 4 (other emploeyees)	9	5	14	64.3 %
Total [1]	27	38	64	42.2 %

[1] Interim CTO included in the management number, but not in the gross total

Salary mapping

Morrow Bank has assessed and categorized the organization into job categories based on the level within the organization and type of position. This means that several job categories may be at the same organizational level, but a distinction is made, for example, between being a manager or a specialist. The assessment initially shows that women's salaries constitute 86,8% of men's salaries for the company as a whole. If we exclude the management group, women's salaries account for 88,7% of men's salaries. The main reason for the wage differences is attributed to age and work experience. The company covers 100% of salaries, regardless of salary level, during sick leave and parental leave.

The company offers employees a group life insurance policy, which, along with extended occupational accident insurance, aims to provide the employee and their dependents with a certain financial safety net in case of an accident. The company has also established health insurance for employees. Furthermore, the company has a scheme where telephone and broadband expenses are covered. The scheme is primarily dependent on the position. Additionally, the Bank offers favorable conditions for pension accrual.

Description of level	Women's salaries as a percentage of men's salaries
Level 1 (Management) [1]	103.9%
Level 2 (Middle managers)	86.6%
Level 3 (Personnel management and specialists)	96.1%
Level 4 (other emploeyees)	101.4%
Total [2]	88.7%

[2] Excludes administrative directors' salaries.

Employment conditions

Morrow Bank is committed to ensuring good working conditions that promote health and flexibility to maintain a motivated workforce.

The Bank conducts an annual employee survey that measures satisfaction, engagement, and workplace well-being. The survey is a feedback method based on the job demands-resources model, which shows the Bank's ability to develop a work environment where there is a balance between demands and resources.

During 2024 the Bank conducted one main survey and two follow up surveys. The results of the surveys, along with a follow-up pulse check approximately 6 months after the main survey, provide important feedback on the measures implemented and the development of the work environment. The review for 2024 shows that the Bank's employees are generally satisfied with their jobs and consider

the work environment to be good. The employee survey is an integral part of the Bank's internal control and provides a basis for implementing improvement measures when needed.

The sick leave in 2024 was 4,6%, up from 3.3% in 2023. The increase is attributable to an increase in long term sick leaves, while self-reported sick leave remained unchanged. The Bank has implemented various activities and welfare measures, such as opportunities for activities like running and squash, to promote an active social environment and well-being in the workplace. In the Bank's new premises, there is a dedicated gym where employees can exercise, and on Mondays, there is an opportunity to exercise with a personal trainer. The Bank's HR department systematically works to reduce sick leave through preventive occupational health measures and close follow-up and dialogue with employees about absenteeism.

The Bank has established a work environment committee, which is a collaborative body whose main function is to contribute to a fully satisfactory work environment in the Bank. The committee

consists of two employee representatives and two employees. The committee participates in planning safety and environmental work and monitors developments in matters concerning employees' safety, health, and welfare. The committee held 4 meetings in 2024.

Additionally, the company has organized social activities such as "After work", "Kahoot", etc

Professional and personal development

Competition is increasing due to the constantly evolving digitalization of the Banking industry, while customers and authorities are setting new demands. The ability to innovate and adapt quickly is crucial to keep pace with changes and new expectations. Therefore, Morrow Bank cultivates innovation through efficient resource utilization and encourages open exchange of ideas. Collaboration across departments and responsibilities enables improvement, and nurturing a good feedback culture is therefore

a priority. Learning and development at work are important for Morrow Bank, and as a result, competence and knowledge sharing are considered important parts of the Bank's corporate culture. The Bank also has a strong focus on leadership development of its employees and recruits internally as far as possible.

Morrow Bank has established a stock option program for employees to ensure that the interests of the Bank's employees align with those of the company and shareholders. The Bank also considers that the stock option program promotes increased engagement, motivation, and understanding of the business. By the end of 2024, 48.3% of the Bank's employees had shares/stock options in the company.

Partners

Sustainable development is becoming increasingly important for businesses, and expectations from customers, partners, and authorities are increasing over time.

Morrow Bank aims to contribute to an ethically responsible and sustainable development and expects all our partners to share the same vision and thus base their own business and value chain on it. The Bank requires that partners establish high ethical standards, good business practices, and do not act in violation of applicable laws and regulations.

Board of Directors' Report

Overview

Morrow Bank ASA is a Nordic niche bank offering consumer loans, credit cards and deposit accounts to consumers. The target group is creditworthy individuals with stable personal finances and no payment remarks. Credit risk is managed largely by automated processes for credit assessment and underwriting. The Bank has a diversified and balanced distribution model utilizing both public and proprietary channels. Operational efficiency and low cost are a foundation for Morrow Bank, enabled by centralized operations, modern systems and digital set-up.

The Bank's main products are consumer loans, comprising Morrow Bank's annuity loans as well as a flexible loan product with functionality that gives the customer more flexibility in the use of their credit lines. In addition, the Bank offers "Morrow Bank Mastercard", a credit card with product features tailored for online shopping and travelling. The Bank offers these products in Norway, Sweden and Finland. Moreover, Morrow Bank offers deposit products with highly attractive interest rates in Norway, Sweden, Germany, and as of 2024 Austria, Ireland, the Netherlands, France and Spain. As a member of the Norwegian Banks' Guarantee Fund, customer deposits are guaranteed up to NOK 2 million in Norway, and EUR 100,000 in other EU/EEA countries, per customer.

The Bank follows a strategic roadmap based on geographical and product-wise diversification and expansion. The Bank is pursuing a strategy of building a digital, scalable and efficient operating model combined with strong risk control. In the near- to medium-term, lending operations will be focused on the Nordic region.

The Bank operates on a cross-border basis from Lysaker, outside of Oslo. The Norwegian banking license provides for passporting of the Morrow Bank's offering throughout the entire European Economic Area (EEA). The Bank's shares are listed on Euronext Oslo Børs.

Strategy and medium-term ambitions

2024 marked another year with healthy growth and improved efficiency. The results were in line with the ambitions for increased throughput and improved cost efficiency established in early 2022 and subsequently accelerated. In the period, Morrow Bank's management successfully implemented several initiatives designed to drive product performance, process automation and tech simplification.

Following these initiatives, the Bank has substantially grown the loan book while reducing operating expenses. As a result, 2024 ended with a highly competitive cost/income ratio below 26% and a profitability level that generated excess capital. On that basis, the Board will propose a dividend of approximately 50% of 2024 profits available for distribution to the AGM (10 April 2025), of NOK 0.4 per share.

Going forward, the Bank aims to leverage its scalable IT platform to continue growing the loan book while keeping costs stable. Measures to reduce risk, including stricter credit policies implemented in 2023, amid a backdrop of improving Nordic macro, are expected to continue to reduce loan losses and improve risk-adjusted margin. Combined, this is expected to drive profitability in the coming years.

Towards Q4 2026, the Bank's organic ambitions are:
- 5% annualized gross loan balance growth
- Cost/income ratio of ~23%
- Loan loss ratio of 4.0-4.5%
- Return on equity of 12-14%, with further upside towards 20% should the Bank achieve similar capital requirements as Swedish peers

With an organic business plan that is set to deliver a return on equity (ROE) higher than the growth, Morrow Bank is expected to increasingly generate excess capital from 2025 onwards. When allocating excess capital, the Bank has three main options (or a combination thereof):
- Increase organic growth
- Execute additional loan portfolio acquisitions
- Return profits to shareholders through dividends or share buybacks

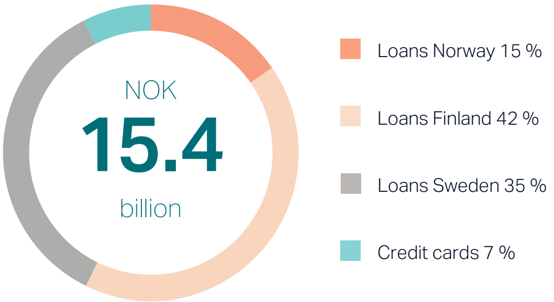
While the relative attractivity of these options can vary over time, the Bank is committed to continuously allocate capital where it can generate the highest long-term shareholder return.

Operational review

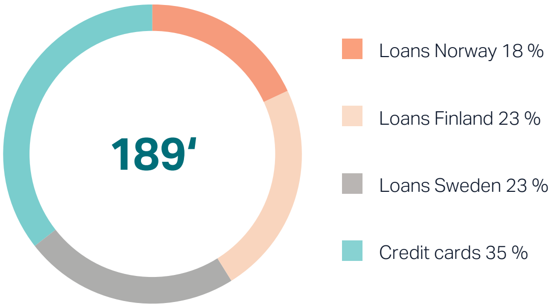
Loan growth and product development

Morrow Bank follows a diversified multichannel marketing and distribution strategy. A continued strong inflow of loan applications, profitable operations, continuous improvements of operational

Gross loan distribution by product



Customer distribution by product



efficiency and strong distribution capacity towards a growing and resilient Nordic consumer financing market contribute to the Bank's favourable market position.

During 2024, gross loans to customers increased to NOK 15.4 billion at the end of the year from NOK 11.8 billion at the end of 2023, representing 31% growth. The increase was driven by two loan portfolio acquisitions as well as organic growth.

Morrow Bank continued growing in the markets that offered the most attractive risk-adjusted returns during 2024. In Sweden and Finland, the Bank increased its consumer loan portfolio by NOK 2,727 and 1,264 million, respectively. In Norway, the consumer loan portfolio decreased by NOK 636 million, primarily driven by customers refinancing their loans. Split on product segments, loans increased by NOK 3,354 million and credit cards increased by NOK 242 million in the period.

In 2024, customer deposits increased by 42% to NOK 15,705 million. The deposit products do not have a fixed term.

The Bank increased the average deposit rate in Norway from 3.9% at the beginning of the year to 4.1% in December. The average deposit rate in Sweden was decreased from 4.0% to 3.9%. In Germany, the rate was decreased from 3.6% to 3.2%, including partner commission.

TABLE 1: NET LENDING BY PRODUCT

NOK million	2024	2023	Endring
Consumer loan	14,258	10,240	3,360
Credit card	1,126	836	242
Deposit	15,705	11,096	4,609

Operational efficiency
Operational efficiency is a priority for Morrow Bank, enabled by centralised operations and modern digital systems.

At the beginning of 2022, the Bank launched a new strategic roadmap which included a series of initiatives to drive growth and efficiency. The roadmap included a detailed plan to improve product performance, simplify the IT platform, and automate processes. With these initiatives largely implemented by the end of 2023, efficiency improvements in 2024 were mainly driven by increased scale on a stable cost-base and continuous data-driven improvements across the lending cycle.

Organisational development
By the end of 2024, the number of full-time employees (FTEs) was 63, compared to mid-seventies by the end of 2023. The reduction in number of employees was driven by the continued focus on improving operational efficiency, enabled by a simplified IT platform and increased automation.

Review of the annual accounts

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

In the 2024 annual report, Morrow Bank has identified cost-to-income ratio, loan loss ratio, and return on equity (ROE) as alternative performance measures in addition to the financial information prepared in accordance with IFRS as adopted by the EU. For further details, please refer to note 22. Quarterly reports contain additional Alternative Performance Measures (APMs) described on the Bank's website (ir.morrowbank.com)

2023 financial highlights

- Total income: NOK 1,277 million
- Pre-tax profit: NOK 281 million
- Gross loans: NOK 15,385 million as at 31 December 2024
- Net loans: NOK 13,848 million as at 31 December 2024
- Cost-income ratio: 26.2%
- Loan loss ratio: 4.9%
- Return on equity (ROE): 8.7%

Profit and Loss

Income

Morrow Bank's total income was NOK 1,277 million in 2024, an increase of NOK 223 million (21%) compared to 2023. The growth was primarily driven by a 38% increase in the loan balance, particularly in the most profitable markets, Sweden and Finland. The Bank also acquired NOK 2.3 billion in performing loans from Qliro and Lunar, contributing to income growth.

During 2024, the Bank continued its focus on credit quality improvements and portfolio optimization. As part of this strategy, it sold a Finnish non-performing loan (NPL) portfolio of EUR 16 million while further strengthening risk-adjusted margins.

Throughout 2024, the effective interest rate on was kept relatively stable at 16% to 17% for credit cards and around 14% for loans. Loan yields were slightly lower at the end of the year than at the beginning, mainly due to lower yields on acquired Swedish loan portfolios which also had a lower risk profile.

Commission and income fees increased to NOK 69 million in 2024 from NOK 63 million in 2023.

TABLE 2: INCOME

NOK million	2024	2023	Endring
Interest income	1,763	1,380	383
Interest expense	-552	-360	-192
Net interest income	**1,210**	**1,020**	**190**
Net commission and fees	8	5	3
Other	59	29	30
Sum inntekter	**1,277**	**1,054**	**223**

Operating expenses

Operating expenses, including depreciation, increased slightly to NOK 334 million in 2024, up from NOK 321 million in 2023. The increase was primarily driven by one-off costs of NOK 10 million related to the Swedish banking license application, while the underlying cost base remained stable despite significant loan growth.

Personnel expenses rose to NOK 118 million due to general salary adjustments and costs related to strategic initiatives. General and administrative expenses totaled NOK 132 million, reflecting continued cost discipline.

TABLE 3: OPERATING EXPENSES

NOK million	2024	2023	Endring
Personnel expenses	118	102	16
General and administrative expenses, which of:	132	135	-3
Direct marketing expenses	22	23	-1
Depreciation	44	36	8
Other expenses	40	48	-8
Total operating expenses	**334**	**321**	**13**

The cost/income ratio improved to 26.2%, down from 30.4% in 2023, driven by strong revenue growth and operational efficiencies. Morrow Bank remains committed to further improving cost efficiency as it scales.

Losses on loans

Loan losses amounted to NOK 661 million in 2024, up from NOK 527 million in 2023, primarily driven by a larger loan balance, including portfolio acquisitions. The loan loss ratio in 2024 remained at just below 5%, the same level as in 2023, however declining throughout the year as Q4 2024 marked the fourth quarter in a row with a lowering loan loss ratio ending at 4.6%. The improving loan loss ratio reflected tighter credit policies, a maturing loan portfolio and strengthened collection processes.

As these measures continue to take effect and macro conditions improve, the Bank expects the loan loss ratio to stabilize around 4.0–4.5% over time.

Profits and taxes

The pre-tax profit was NOK 281 million in 2024, up 36% from NOK 206 million in 2023. The improvement was driven by strong loan growth, generating a higher income, amid a stable cost base.

The tax expense for the year was NOK 73 million, compared to NOK 54 million in 2023.

Cash flow

In 2024, cash flow from operating activities was NOK 477 million, slightly up from NOK 473 million in 2023. Profits contributed NOK 281 million.

The cash flow from investing activities was NOK -41 million, compared to NOK -53 million in 2023, reflecting moderate investment levels.

The cash flow from financing activities amounted to NOK 70 million, primarily driven by balance sheet optimization, compared to NOK 260 million in 2023.

As a result, net cash flow for the period was NOK 506 million, bringing total cash and cash equivalents to NOK 2,084 million at year-end, up from NOK 1,503 million in 2023. NOK 48 million of the increase was related to currency effects.

TABLE 4: CASH FLOW

NOK million	2024	2023
Cash flow from operations	477	473
Cash flow from investments	-41	-52
Cash flow from financing	70	260
Net cash flow	*506*	*681*
Currency effects	48	41
Cash at the end of the period	**2,084**	**1,530**

Financial position

As of 31 December 2024, the Bank had total assets of NOK 18,617 million, up from NOK 13,665 million at the end of 2023. The increase was primarily driven by continued loan portfolio growth.

At year-end 2024, net loans to customers amounted to NOK 13,847 million, up from NOK 11,076 million in 2023.

Customer deposits increased to NOK 15,705 million in 2024, compared to NOK 11,096 million at the end of 2023.

The Bank's liquid assets, consisting of bank deposits and liquid securities, amounted to NOK 4,673 million, equivalent to 32% of total assets at year-end 2024, up from NOK 2,456 million (18% of total assets) in 2023.

The total equity stood at NOK 2,469 million at the end of 2024, up from NOK 2,279 million in 2023, reflecting profitability improvements and capital generation. The equity ratio was 13% at year-end 2024, down from 17% in 2023, primarily due to strong loan growth.

TABLE 5: BALANCE SHEET

NOK million	2024	2023	Endring
Total assets	**18,617**	**13,665**	**4,952**
Total liabilities	16,148	11386	4,762
Total equity	2,469	2,279	190
Total equity & liabilities	**18,617**	**13,665**	**4,952**

Capital adequacy

At year-end 2024, Morrow Bank had a total equity of NOK 2,469 million, up from NOK 2,279 million in 2023. The total capital ratio was 20.4 %, down from 23.6% in 2023, while the common equity tier 1 (CET1) ratio stood at 16.8%, compared to 20.0% the previous year. The decrease was primarily driven by loan portfolio acquisitions and proposed dividend of NOK 0.4 per share.

During Q4 2024, the Bank's CET1 ratio requirement decreased to 12.1% from 14.5% in Q3 2024, reflecting changes in the geographical composition of the loan balance and adjustments to the Pillar 2 requirement. On 19 December 2024, the Norwegian Financial Supervisory Authority (NFSA) informed the Bank that its Pillar 2 requirement (P2R) no longer needs to consist of 100% CET1 capital but may now consist of at least 56.25% CET1 and 75% core capital. This change resulted in a relief of approximately 2.4 percentage points in the CET1 requirement, increasing headroom to the CET1 requirement to 5.4% at year-end, up from 3.0% in Q3 2024. The total capital requirement remained unchanged.

With a CET1 ratio target of 14.1% and a total capital target of 20.0%, the Bank maintains a strong capital position, supporting further growth. At year-end, the headroom to the CET1 requirement was NOK 700 million, and the headroom to the CET1 target was NOK 445 million.

For additional details on capital adequacy, please refer to Note 14.

Allocation of profit for the year

Morrow Bank's dividend policy is to distribute excess capital not allocated to growth to its shareholders and as per applicable regulations.

Morrow Bank reported a profit after tax of NOK 209 million for the fiscal year 2024, up from NOK 152 million in 2023. In line with its capital allocation strategy, the Bank has proposed a dividend of NOK 0.4 per share based on 2024 profits, marking its first dividend distribution since the turnaround began in 2022.

The remaining profit is proposed to be transferred to other equity.

Outlook

Morrow Bank remains well positioned for continued growth and improved profitability, supported by a diversified NOK 15.4 billion loan portfolio, a strong inflow of loan applications, and operational efficiencies. The Nordic consumer finance market remains resilient, providing a solid foundation for sustainable expansion.

With loan growth, cost discipline, and process automation driving efficiency, the cost/income ratio improved to below 26% in 2024, and profitability levels now generate excess capital. The transition to a new IT platform, expected to be completed in Q2 2025, is set to further enhance scalability and reduce IT ownership costs.

The macroeconomic outlook is stabilising, with a resilient GDP development, declining inflation and interest rates falling in key markets. Stable unemployment and rising disposable income are expected to support loan demand while limiting credit risk. Loan losses are also set to decline, reflecting tighter credit policies, enhanced collection processes, and a maturing loan book. The geo-political situation remains more uncertain, however, given the ongoing war in Uraine and potential trade wars looming.

Morrow Bank will continue to optimize pricing and adjust risk-based margins to maintain profitability and capital efficiency. The Bank's organic targets for Q4 2026 remain:

- ~5% annualized loan growth
- Cost/income ratio of ~23%
- Loan loss ratio of 4.0–4.5%
- Return on equity of 12–14%, with further upside towards 20% if capital requirements are aligned with Swedish peers

Beyond organic growth, Morrow Bank is exploring structural opportunities, including loan portfolio acquisitions and a potential redomiciliation to Sweden. A Swedish banking license application was submitted in Q3 2024, with a decision expected in Q2 2025. If approved, operations could transition to Sweden in late 2025 or early 2026, potentially unlocking better access to capital and talent.

With the business set to generate excess capital from 2025 onward, the Bank remains focused on deploying capital where returns are maximized, balancing organic growth, acquisitions, and shareholder distributions.

Risk and uncertainties

Morrow Bank's operations and results are subject to a range of risks and uncertainties.

Credit risk

The Board has adopted a credit policy that defines guidelines for credit assessments, risk limits, monitoring, and reporting. The Board is regularly updated on key credit risk indicators and developments.

Morrow Bank grants loans exclusively to private individuals, following a credit assessment that evaluates both willingness and ability to pay. Loan decisions are based on a combination of application scores and specific credit rules, ensuring a structured and risk-based pricing approach.

The Bank continuously enhances its invoicing and collection processes to maintain credit quality. Loan losses in 2024 amounted to NOK 661 million, and the loan loss ratio remained stable at 4.9%.

Liquidity risk

The Board has adopted a financial policy that defines liquidity risk management, monitoring, and reporting procedures. The policy is reviewed annually, and the Board receives regular updates on liquidity developments.

The Bank aims to maintain a low liquidity risk, ensuring that funding sources remain stable and diversified. Liquidity is managed through customer deposits, retained earnings, and subordinated bonds, and investments are made in liquid, low-risk instruments.

As of 31 December 2024, the liquidity coverage ratio (LCR) was 687%, well above the 100% regulatory requirement.

Market risk

The Board's finance policy also outlines guidelines for managing market risk, including interest rate and currency risk. These guidelines are reviewed annually, and the Board is updated on market risk exposure.

Morrow Bank's objective is to maintain low market risk. Investments are focused on liquid assets with low counterparty risk.

The Bank operates across Norway, Sweden, and Finland, offering loans in EUR and SEK. Deposits are sourced from Norwegian, Swedish, and German customers, and currency risk is managed through a multi-currency facility.

As of 31 December 2024:

- Gross loans in Finland and Sweden totaled EUR 584.1 million and SEK 5,402.2 million, respectively.
- The Bank's open net currency exposure was EUR -0.1 million and SEK 21.7 million.

Morrow Bank does not offer fixed-term interest rates on loans.

Organisation, environment and social responsibility

At the beginning of 2024, Morrow Bank had 74 employees, and at year-end, the number was 63. The Bank remains committed to fostering a healthy and inclusive work environment, implementing welfare initiatives and activities to promote employee well-being and engagement. A working environment committee continues to monitor conditions and ensure a satisfactory workplace.

The sickness absence rate in 2024 was 4.6%, compared to 3.4% in 2023.

Morrow Bank upholds strong principles and guidelines for responsible business conduct, covering human rights, labour rights, gender equality, non-discrimination, social conditions, environmental responsibility, and anti-corruption. The Bank actively integrates these principles into its operations and governance frameworks.

As a Norwegian financial institution, Morrow Bank is subject to the Transparency Act (Act on Transparency of Undertakings and Work on Fundamental Human Rights and Decent Working Conditions). The Bank conducts due diligence assessments in line with the Act and publishes an annual Transparency Statement on its website.

For more details on the Bank's sustainability initiatives, please refer to the Sustainability Report included in this Annual Report.

Corporate governance

Morrow Bank upholds high corporate governance standards, recognizing them as essential for long-term value creation. The Bank adheres to Norwegian law and follows the Norwegian Code of Practice for Corporate Governance, as issued by the Norwegian Committee for Corporate Governance (NUES) on 14 October 2021.

A detailed report on the Bank's corporate governance principles and practices is included in a separate section of this annual report. There are no significant deviations between Morrow Bank's governance practices and the NUES recommendations.

The Bank maintains director and officer liability insurance (D&O) with Risk Point AS. This coverage provides financial protection for the Board, CEO, and management against claims arising from decisions and actions taken in their official capacities.

Other information

The Board confirms that the Bank satisfies the going concern assumption. The Board is not aware of events after the balance sheet date that are of material importance to the annual financial statements.

Bærum, 11 March 2025 – Board of Directors of Morrow Bank ASA

Stig Eide Sivertsen Chair of the board	Bodil Palma Hollingsæter Vice Chair of the board	Kristian Fredrik K. Huseby Member of the board
Anna Karin Veronica Gunberg Østlie Member of the board	Lars Niklas Midby Member of the board	Iril Anne Renshus Member of the board
Henning Fagerbakke Member of the board	Øyvind Oanes Chief Executive Officer	

Confirmation of Annual Report and Board of Directors’ Report

We confirm that, to the best of our knowledge, the Annual report for the period from 1 January 2024 to 31 December 2024 has been prepared in accordance with the applicable accounting standards with such additional information as required by the Accounting Act and gives a true and fair view of the Bank’s assets, liabilities, financial position and results of operations, and that the Board of Directors’ report provides a true and fair view of the development and performance of the business and the position of the Bank, together with a description of the key risks and uncertainty factors that the Bank is facing.

Bærum, 11 March 2025 – Board of Directors of Morrow Bank ASA

Stig Eide Sivertsen
Chair of the board

Bodil Palma Hollingsæter
Vice Chair of the board

Kristian Fredrik K. Huseby
Member of the board

Anna Karin Veronica Gunberg Østlie
Member of the board

Lars Niklas Midby
Member of the board

Iril Anne Renshus
Member of the board

Henning Fagerbakke
Member of the board

Øyvind Oanes
Chief Executive Officer

Financial statements

Comprehensive income statement

Amounts in NOK million	Note	2024	2023
Interest income	2, 4	1,762.7	1,380.0
Interest expenses	2, 4, 12	-552.2	-359.8
Net interest income		**1,210.5**	**1,020.2**
Commission income and fees	2, 4	68.8	62.7
Commission expenses and fees	2, 4	-61.2	-57.6
Net commissions and fees		**7.6**	**5.1**
Net gains/(losses) on certificates, bonds and currency	4	58.7	28.6
Total income		**1,276.7**	**1,053.9**
Personnel expenses	5, 6, 20	-118.1	-102.3
General and administrative expenses	5	-132.0	-135.3
Other expenses	5	-40.2	-47.6
Depreciation and write-offs	11	-44.0	-35.7
Total operating expenses before losses on loans		**-334.4**	**-320.9**
Losses on loans	2, 3	-661.0	-526.7
Profit/(loss) before tax		**281.4**	**206.4**
Tax expenses	7	-72.7	-54.5
Profit/(loss) after tax		**208.7**	**151.9**
Attributable to:			
Shareholders		189.3	133.7
Additional Tier 1 capital investors		19.4	18.2
Profit/(loss) after tax		**208.7**	**151.9**
Earnings per share (NOK)	18	0.82	0.62
Diluted earnings per share (NOK)	18	0.81	0.61

Comprehensive income

Amounts in NOK million	2024	2023
Profit/(loss) after tax	208.7	151.9
Other comprehensive income	-	-
Comprehensive income for the period	**208.7**	**151.9**

Balance sheet

Amounts in NOK million	Note	31 December 2024	31 December 2023
Loans and deposits with credit institutions	8, 9, 17	2,084.0	1,530.0
Loans to customers	2, 3, 8, 17	13,847.5	11,076.0
Certificates and bonds	8, 10, 17	2,589.4	926.1
Other receivables	8, 17	9.8	14.7
Deferred tax asset	7	-	29.5
Fixed assets	11	18.3	22.0
Intangible assets	11	68.0	66.9
Total assets		**18,616.9**	**13,665.2**
Deposits from customers	8, 13, 17	15,704.6	11,096.0
Other debt	8, 12, 13, 17	141.6	125.3
Tax payable	7	31.3	-
Deferred tax payable	7	5.4	-
Subordinated loans (Tier 2)	8, 13, 17	265.0	165.0
Total liabilities		**16,147.8**	**11,386.3**
Additional Tier 1 capital		199.6	199.6
Share capital	19	230.0	229.4
Share premium		936.9	936.9
Other paid-in capital		56.6	56.5
Retained earnings		1,046.0	856.7
Total equity		**2,469.0**	**2,278.9**
Total liabilities and equity		**18,616.9**	**13,665.2**

Bærum, 11 March 2025 – Board of Directors of Morrow Bank ASA

Stig Eide Sivertsen
Chair of the board

Bodil Palma Hollingsæter
Vice Chair of the board

Kristian Fredrik K. Huseby
Member of the board

Anna Karin Veronica Gunberg Østlie
Member of the board

Lars Niklas Midby
Member of the board

Iril Anne Renshus
Member of the board

Henning Fagerbakke
Member of the board

Øyvind Oanes
Chief Executive Officer

Statement of changes in equity

Amounts in NOK million	Additional Tier 1 capital	Share capital	Share premium	Other paid-in capital	Retained earnings	**Total equity**
Equity as at 1 January 2023	**199.6**	**187.6**	**786.7**	**56.4**	**723.0**	**1,953.3**
Profit/(loss) after tax	18.2	-	-	-	133.7	151.9
Share capital increases due to exercised share options	-	40.4	150.2	-	-	190.6
Changes in equity due to share option programs	-	1.4	-	-	-	1.4
Net interest paid to additional Tier 1 capital investors	-18.2	-	-	-	-	-18.2
Equity as at 31 December 2023	**199.6**	**229.4**	**936.9**	**56.5**	**856.7**	**2,278.9**
Profit/(loss) after tax	19.4	-	-	-	189.3	208.7
Share capital increases due to exercised share options	-	0.6	-	-	-	0.6
Changes in equity due to share option programs	-	-	-	0.2	-	0.2
Net interest paid to additional Tier 1 capital investors	-19.4	-	-	-	-	-19.4
Equity as at 31 December 2024	**199.6**	**230.0**	**936.9**	**56.6**	**1,046.0**	**2,469.0**

Cash flow statement

Amounts in NOK million	2024	2023
Profit/(loss) before tax	281.4	206.4
Taxes paid	0.0	-
Depreciation and write-offs	44.0	35.7
Change in impairments on loans to customers	824.9	183.1
Change in gross loans to customers	-3,596.4	-2,148.4
Effects of currency on loans to customers	362.8	334.0
Change in deposits from customers	4,608.6	1,748.4
Effects of currency on deposits from customers	-372.5	-440.6
Net purchase and sale of certificates and bonds	-1,572.7	527.4
Change in accruals and other adjustments	-103.4	30.9
Net cash flow from operating activities	**476.7**	**473.0**
Payments for investments in fixed assets	-	-3.9
Payments for investments in intangible assets	-41.3	-52.2
Net cash flow from investing activities	**-41.3**	**-53.1**
Paid-in equity	-	190.6
Repayment to AT1 capital investors	-	-
Payment of interest to AT1 capital investors	-25.9	-24.3
Net receipts from AT2 capital	100.0	98.0
Lease payments	-3.9	-4.3
Dividend payment	-	-
Net cash flow from financing activities	**70.2**	**260.0**
Net cash flow	**505.6**	**680.8**
Cash and cash equivalents at the start of the period	1,530.0	807.8
Effects of currency on loans and deposits with credit institutions	48.4	41.4
Cash and cash equivalents at the end of the period	**2,084.0**	**1,530.0**
Of which:		
Loans and deposits with credit institutions	2,084.0	1,530.0

Notes to the financial statements

Note 1 Accounting principles

Morrow Banks ASA ("the Bank") offers consumer loans and credit cards to individuals in Norway ("NO"), Sweden ("SE"), and Finland ("FI"), as well as deposit products in Norway, Sweden, Finland, and other European countries. The Bank's headquarter is in Lysaker Torg 35, 1366 Lysaker, in Norway.

The financial statements for 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union.

Unless otherwise directly indicated in the notes, amounts are stated in NOK millions.

1. Income recognition

Interest income is recognized using the effective interest rate method. This involves the continuous recognition of interest along with the amortization of origination fees. The effective interest rate is the rate that discounts the contractual cash flows of the loan (interest, principal, and fees) over the expected life of the loan to the amortized cost of the loan at the origination date.

Revenue recognition of interest using the effective interest rate method is applied to balance sheet items valued at amortized cost. For assets that are not credit-impaired, the effective interest rate is calculated on the asset's carrying amount (amortized cost). For interest-bearing balance sheet items valued at fair value through profit or loss, changes in value are recognized as "Net Gain/(Loss) on Securities and Foreign Exchange" in the income statement.

Fees and commissions are recognized as revenue as the services are provided. Fees for establishing loan agreements are included in the cash flows when calculating the amortized cost and are recognized as part of net interest income using the effective interest rate method. The same applies to the payment of fees to intermediaries for consumer loans and credit cards.

2. Financial instruments

Financial assets and liabilities mainly consist of loans to and deposits with credit institutions, loans to customers, certificates and bonds, deposits from customers and subordinated loans. Financial instruments are recognised in the balance sheet on the date the Bank will become party to the instrument's contractual terms. Loans to customers are recognised in the financial position at the time when the loan is paid out to the customer. Financial assets are derecognised when the Bank's rights to receive cash flows from the asset cease. Financial liabilities are derecognized from the date the rights to the contractual terms are fulfilled, expired, or cancelled.

2a. Financial liablities

Financial liabilities, which include customer deposits, subordinated loan capital, and portions of other short-term debts, are recognized at fair value minus any transaction costs incurred in their establishment. In subsequent periods, these obligations are measured at amortized cost using the effective interest rate (internal rate of return).

2b. Financial assets

Financial assets are classified at initial recognition into one of the categories specified in the table below, depending on the Bank's business model for managing the asset and the characteristics of the asset's contractually specified cash flows.

Category according to IFRS 9	Key financial assets	Criteria for classification in the category and accounting treatment for such assets
At fair value through profit or loss	*Certificates and bonds*	The category primarily applies to financial assets classified as held for trading. The instrument may be classified as held for trading when acquired or incurred with the intention of short-term sale. The portfolio of certificates and bonds is classified in this category as they are managed and assessed based on fair value in accordance with the Bank's established guidelines for investments in certificates and bonds. At initial recognition, the assets are measured at fair value. In subsequent periods, they are measured at fair value, with any changes in value recognized in "Net gain/(loss) on securities and currencies" in the income statement. Financial instruments at fair value are placed in the various levels below based on the quality of market data for each type of instrument. The levels reflect the hierarchy in IFRS for measuring fair value. If Level 1 input is available, it should be used over Levels 2 and 3. Level 3 is at the bottom of the hierarchy. See Note 8 for further information.
Financial assets measured at amortised cost	*Loans and deposits with credit institutions* *Loans to customers* *Other receivables*	Financial assets which are held in a business model whose objective is to hold the assets in order to collect contractual regulated cash flows; and the contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, shall be measured at amortised cost unless internal decisions lead to the use of measurement at fair value through profit and loss. Loans to customers, which mostly consist of framework loans and credit card receivables are measured at amortised cost. At initial recognition, the asset's fair value is the amortised cost (normally the acquisition cost), plus transaction costs which are directly attributable to the acquisition or issuing of the financial asset. In subsequent periods, the amortised cost is the value upon initial recognition with the inclusion of capitalised interest net of received cash flows, with the addition or subtraction for changes in the net present value of expected contractual cash flows and net of recorded losses on loans. Effective interest rate is the rate that exactly discounts estimated future cash flow (interest, repayments and fees) through the expected lifetime of the loan to the amortised cost at the time of the establishment. For assets that are not credit impaired, the effective interest is calculated at the asset's book value before provisions for loan losses. For credit impaired assets, the effective interest rate is computed on the asset's book value (amortised cost). The Bank considers that a loan or a claim on a client is credit impaired when the loan is more than 90 days past due on the balance sheet date, has been transferred to a debt collection agency (DCA) for recovery, the client is deceased or there is suspicion of fraud. Such exposures are categorised as loans in stage 3. The Bank will derecognise a loan from its balance sheet when the rights to the cash flows have expired, normally as a consequence of the client paying principal and interest, but also as a sale to a third party. The Bank will also remove a loan (or a part thereof) with the according loan loss provisions from the balance sheet when the Bank does not have a reasonable expectation to recover the loan (or part thereof). The Bank categorises such a removal from the balance sheet as a realised loss. The Bank will, upon bankruptcy or a legal judgement, record a credit loss as a realised loss. This also applies to those cases where the Bank has ended recovery activities or relinquished parts or the entire exposure. Realised loan losses are derecognised in the Bank's accounts. Loans that have been sold as a consequence of portfolio sales are derecognised in the accounts, and differences originating from settlements that are lower than the gross amount leads to the Bank recognising a realised loss.

Category according to IFRS 9	Key financial assets	Criteria for classification in the category and accounting treatment for such assets
		The Bank will make provisions for losses on assets that are measured at amortised cost. For assets not having exhibited a significant increase in credit risk (loans in stage 1), the Bank will make provisions for expected losses from default which may arise in the lesser of the asset's expected lifetime or 12 months from balance sheet date. For other assets (stage 2 and stage 3), the Bank will make provisions for expected losses over the asset's expected remaining lifetime. The Bank has defined lifetime as the expected time horizon for default or full repayment of principal and interest, whichever occurs first. Delinquent loans include, among other things, loans that are overdue by more than 90 days according to the agreed payment plan. These loans continue to be assessed as delinquent regardless of future payment status. Delinquent loans also encompass other loans to customers with other indicators of inability to pay. The Bank examines changes in the risk of delinquency since initial recognition to determine whether an asset has experienced a significant increase in credit risk. The Bank considers an exposure to be delinquent when the loan is more than 90 days overdue, the customer has been transferred to a debt collection agency for collection of the claim, there is a death, and cases where fraud is suspected. The model the Bank uses to calculate impairment losses will include, among other things, the probability of default (PD), discount rate, exposure at default (EAD), and loss given default (LGD). The Bank uses various indicators to assess whether an asset has experienced a significant increase in the risk of delinquency. This information is based on the actual behaviour of customers, where the Bank has established a set of rules identified as triggers for a significant increase in credit risk. Examples of such rules include a high drawdown rate for customers in combination with being in arrears, new customers who do not pay the first invoice, and customers who historically have had loans overdue by more than 30 days and are once again in arrears. In all cases where customers are more than 30 days overdue, it is defined as a significant increase in credit risk compared to initial recognition. **Transitions among stages 1, 2 and 3:** If a customer has exceeded a 90-day payment deadline, they are referred to a debt collection agency. Customers sent to collections will not have any opportunity for subsequent transfer to stages 2 or 1, meaning such engagements will be classified in stage 3 until the asset is written off. Customers who have exceeded a 90-day payment deadline and make a payment equal to or exceeding the minimum amount before the transfer to the debt collection agency will have the possibility of subsequent transfer to stages 2 or 1. Engagements that have previously been at least 30 days overdue according to the agreed payment plan and remain in arrears will be placed in quarantine in stage 2 for three months. The quarantine does not limit the possibility of transferring such customers to stage 3 during the quarantine period. **Description of the model for calculating expected credit losses and the Bank's calculation of PD, EAD and LGD:** The Probability of Default (PD) is estimated by the Bank using historical data based on the actual defaults of its own customers, and behavior of its own customer characteristics to estimate a forward looking PD. The Bank has categorized customer engagements into segments that share the same risk profile, and each of these segments is monitored using monthly snapshots, with each individual customer being monitored within the segment's defined lifetime. For stage 1, the lifetime is limited to 12 months, while the lifetime can extend beyond this for customers in stage 2, as the Bank uses the probability of default for the entire lifetime. During the monitoring period, it is determined whether the customer has defaulted or not, and this is incorporated into the Bank's probability calculation. The Bank has decided to use up to 24 data points in its assessment of the probability of default. The Bank updates its parameters for the probability of default at least once a quarter. For new products or products with missing data points, the Bank relies on already existing products with comparable characteristics to extrapolate missing data points. The representativeness of the data for the future is continuously assessed by the Bank's management.

Category according to IFRS 9	Key financial assets	Criteria for classification in the category and accounting treatment for such assets
		The Bank estimates Loss Given Default (LGD) based on expected cash flows resulting from payments on defaulted loans. These expected cash flows are based on the Bank's own history as long as the data is available, as well as estimates from third parties with experience from similar portfolios. The Bank has chosen to base expected payments on a 15-year period from the default date. Due to the Bank's relatively short lifespan and limited experience data, there is some degree of uncertainty associated with estimating these cash flows. The present value of the cash flows is calculated by discounting them with the effective interest rate of the engagements. The loss is then calculated as the difference between the book value of the asset at the default date and the discounted value of estimated future cash flows. The Bank has agreements for the ongoing transfer of defaulted loans (so-called "forward flow agreements"). The Bank's forward flow agreements are defined as financial derivatives. The Bank has concluded that the value of the financial derivative is not significant, and the agreements are thus not recognized on the balance sheet. This assessment is based on the fact that the agreements are entered into on market terms, in addition to a comparison of the LGD rates realized by the Bank with forward flow agreements compared to the LGD rates observed in the market for comparable banks with comparable products. For the calculation of expected losses in stage 1 and stage 2, the Bank discounts the value of the expected loss to the balance sheet date using the effective interest rate on the engagements as the discount rate. The Bank considers the timing of the expected default to determine the period for discounting. The Bank's exposure at the time of default is limited to apply to customers who are not in arrears. The Bank automatically closes unused credit if a customer falls into arrears. The Bank estimates expected drawdown based on historical data related to customers not in arrears. This applies to all bank products where the customer has the option of drawing on unused credit. In the Bank's loss model, forward-looking factors are also used. The total level of losses is adjusted by looking at several macro variables. The loss level is adjusted at the portfolio level and is based on the expected economic development in the various countries where the Bank offers loans. Macro variables are not used to transfer customers between different stages. The Bank uses three key figures from the OECD for each country in its loss model: 1) expected development in the country's unemployment, 2) growth in gross domestic product, and 3) short-term interest rates. The Bank applies three scenarios in the macro adjustment assessment: positive future scenario, neutral future scenario, and negative future scenario. These scenarios are weighted by probability and consequence based on the Bank's assessment of the macroeconomic situation. The Bank's macro adjustment is associated with uncertainty as it is forward-looking. The Bank considers that the macroeconomic situation at the end of 2024 is somewhat more favorable compared to the end of 2023, as a result of positive changes in key figures that the Bank believes are relevant to its lending. On this basis, an adjustment has been made to the losses corresponding to a factor of 107% at the end of 2024 (2023: 107%) in Norway. For the Swedish and Finnish markets, an adjustment has been made by a factor of 105% (2023: 109% in Finland and 107% in Sweden.. The Bank has developed and implemented internal controls that contribute to validating the input used in the impairment model. The Bank does not make use of the simplification rules provided by the framework of IFRS 9 for impairment, meaning that the Bank does not use the exception for low credit risk or simplifications related to the 12-month PD (Probability of Default).

Category according to IFRS 9	Key financial assets	Criteria for classification in the category and accounting treatment for such assets
		Losses on loans in income statement: In the income statement, the accounting line "Losses on loans" consists of realized losses, the difference between the book value of loans and consideration received from sales (portfolio sales), payments received on loans that were previously recognized as losses, and changes in the impairment/provision for loan losses. **The effect of IFRS 9 on capital adequacy:** The impact resulting from the transition from IAS 39 to IFRS 9 at the implementation date of January 1, 2018, was an increase in impairment losses of NOK 157.8 million. After tax effects, this led to a reduction in equity of NOK 118.4 million. The Bank is utilizing the transitional rules published by the EU, which allow for a gradual phasing-in of the effects that IFRS 9 will have on the Bank's capital adequacy. In line with the original transitional rules and the "quick fix" rules that came into effect from 1 June 2022, the Bank phases in the implementation impact from 2018 to 2025. From 1 January 2025, the transitional rules will be fully phased in.

2. Fixed assets

Fixed assets are recognised at historical cost less accumulated depreciation and any impairments. The cost includes the purchase price of the asset and other directly attributable costs, such as shipping expenses and non-refundable taxes and purchase fees. Ordinary depreciation charges operating expenses and appears on a separate line in the income statement, together with depreciation of intangible assets. Depreciation is based on the cost minus the expected residual value and allocated on a straigth line basis over the expected useful life of the asset. The value of fixed assets is derecognised in the balance sheet on disposal or when no further future economic benefits are expected from using the asset or on disposal.

In cases where there are indications of an impairment of non-current assets, the Bank will measure the non-current asset's recoverable amount. The recoverable amount is the higher of the net sales value and the value in use. If the recoverable amount is lower than the carrying amount, the non-current asset is written down to the recoverable amount. The impairment is reversed in cases where the criteria for recognising an impairment are no longer present. In no circumstances can the reversal lead to the asset's value exceeding the original cost price or the amount that would have been recognised in the balance sheet if the asset had followed the original depreciation plan. Where the depreciation plan is changed, the effect is allocated over the remaining depreciation period. The Bank's fixed assets are depreciated from 3-5 years.

4. Intangible assets

Intangible assets are recognized on the balance sheet to the extent that it is probable that economic benefits will accrue to the Bank in the future, and these costs can be reliably measured. Intangible assets are recognized at the acquisition cost minus accumulated depreciation and any impairments. The acquisition cost is the amount paid in cash or cash equivalents at the time of acquisition or production. Expenses related to the maintenance of software, systems, etc., are expensed as incurred. Assets with a limited lifespan are depreciated linearly over the expected economic life from the time when the asset is available for use. For intangible assets with a limited lifespan where there are indications of impairment, the Bank measures the recoverable amount of the asset. The recoverable amount is the higher of net selling price and value in use. If the recoverable amount is lower than the carrying amount, the intangible asset is written down to the recoverable amount. Disposal of intangible assets occurs upon disposal or when no further future economic benefits from the use or disposal of the asset are expected. The Bank's intangible assets are depreciated over 3-5 years.

Expenditures for internal development are capitalized to the extent that a future economic benefit associated with the development of an identifiable intangible asset can be identified, and the expenses can be reliably measured. Otherwise, such expenses are expensed as incurred.

5. Tax

5a. Deferred tax liabilities/deferred tax assets

Deferred tax/deferred tax assets are calculated at the nominal rate based on temporary differences existing between the accounting and tax values at the end of the accounting period. Temporary differences that increase and decrease taxes and reverse or could reverse in the same period are offset and netted in the balance sheet. The current tax rate of 25 percent is used for calculating deferred tax/deferred tax assets. Deferred tax assets are recognized to the extent it is probable that the benefit will be realized at a future date.

5b. Tax expense

In the income statement, both changes in deferred tax and the current period's payable tax are included in the tax expense line. The tax expense also encompasses cases where in previous periods, a payable tax was set aside, and there is a deviation from the final tax settlement.

5c. Tax payable

The payable tax for the current and prior periods, to the extent it is not paid at the reporting date, is recognized as a liability. Payable tax represents the tax calculated on the year's taxable income. The applicable tax rate used in the calculation of payable tax is 25%. This tax rate is industry-specific. The tax on interest payments from perpetual bond issues is directly recorded against equity and results in a reduction in payable tax.

6. Pensions

The Bank is subject to the Mandatory Occupational Pension Act and has a scheme that complies with legal requirements. The Bank has a contribution-based plan that applies to all employees and is paid on an ongoing basis. The Bank does not have any additional obligations beyond this.

7. Currency

The Bank uses NOK (Norwegian Krone) as its presentation and functional currency. Balance sheet items in foreign currencies are translated into NOK using the exchange rate on the balance sheet date. Items in foreign currencies included in the income statement are translated into NOK using the average exchange rate. Throughout the year, the Bank has not had significant revenues in currencies other than NOK, SEK (Swedish Krona), and EUR (Euro). Similarly, the Bank has not incurred significant costs in currencies other than NOK, SEK, and EUR.

8. Estimates

Estimates of valuation items and discretionary assessments are based on the Bank's experiences and a probability-weighted expectation related to future events. The Bank considers impairments for losses, as described in paragraph 1, as a central valuation item, where discretionary assessments are among the factors considered. Expected Credit Loss (ECL) is calculated using credit risk models for Probability of Default (PD) and Loss Given Default (LGD), updated with the latest available macro information. Additionally, a selection of scenarios covering a base, optimistic, and pessimistic scenario is chosen, providing probability weighting of the outcomes. The Bank evaluates whether the estimated model calculations represent the best estimate and whether there is any missing information in the model assumptions, macro, or other factors.

9. Business areas

The business scope is related to unsecured consumer and leisure financing and, as of 31 December 2024, consists of two lending products (credit cards, loans) for Norwegian, Swedish, and Finnish customers. In addision we have deposit in Norway, Sweden and selected countries in EU, mainly in Germany and the Netherlands. Bank categorizes the lending portfolio into four segments, with each loan product for each geography included, along with one segment for credit cards and another for purchase financing. These four segments represent the Bank's focus and are included in reporting to management and the board. In 2024, all significant activities have been directed towards the Norwegian, Swedish, Finnish, and EU markets. There is no significant differentiation in ongoing monitoring, management, and control within the various business segments.

10. Statement of cash flow

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of bank deposits (loans to and receivables from credit institutions).

11. Share-based remuneration

Options value for the granted options are established based on the full market value calculated using observed trading prices at the grant date and Black & Scholes's option pricing model. Risk-free interest, using 5-year government bonds, is used as a prerequisite in the calculation. The fixed price for exercising the positions is NOK 1,00 for all outstanding options. There is also a variable price for exercising the positions, which is equivalent to the employer's contribution at the date of exercise. The value of vested options is recognised in other paid-in equity.

12. Lease agreements

When entering into a contract, the Bank assesses whether the contract contains a lease agreement. The contracts contain a lease agreement if the contract transfers the right to control the use of an identified asset for a period in exchange for a consideration.

IFRS 16 contains the option to not recognise the right-of-use asset and the lease liability for a lease agreement if the lease agreement is short-term (less than 12 months) or the underlying asset has a low value. The Bank uses this exception. For these leases, the expense is recognised on a straight-line basis over the lease term.

For other leases, the Bank recognises a right-of-use asset and a lease liability at commencement date. At initial recognition, the lease liability is measured as the present value of future lease payments at commencement date. The discount rate used is the Bank's marginal borrowing rate. In subsequent measurements, the lease liability is measured at amortised cost using the effective interest method. The lease liability is re-measured when there is a change in future lease payments, which arises as a result of a change in an index or if the Bank changes its assessment of whether it will exercise extension or termination options. When the lease liability is remeasured, a corresponding adjustment of the right-of-use asset is recognised, or the effect is taken over the result if the book value of right-of-use asset is reduced to zero. Upon initial recognition in the balance sheet, the right-of-use asset is recognised at acquisition cost, i.e. the lease liability (present value of future lease payments) plus advance lease payments and any other direct acquisition costs. The right-of-use asset is depreciated over the lease term. The right-of-use asset is presented as part of fixed assets, while the lease liability is presented as part of other debt.

Note 2 Products and markets

Information about product and market distribution

The presentation below are based on internal financial reporting as it is followed up by the Bank's management team.

2024

Amounts in NOK million	Consumer loans Norway	Consumer loans Finland	Consumer loans Sweden	Cards NO / FI / SE	POS Finance NO / SE	Not allocated	Total
Interest income	363.6	753.5	400.2	155.8	-	89.6	1,762.7
Interest expenses	-107.1	-248.1	-155.4	-41.6	-	-0.1	-552.2
Net interest income	**256.5**	**505.5**	**244.9**	**114.1**	**-**	**89.5**	**1,210.5**
Commission income and fees	8.7	12.2	13.0	23.4	-	11.6	68.8
Commission expenses and fees	-0.0	-0.1	-	-40.4	-	-20.7	-61.2
Net commissions and fees	**8.7**	**12.0**	**13.0**	**-17.0**	**-**	**-9.1**	**7.6**
Losses on loans	-85.6	-388.9	-104.4	-83.8	-	-	-661.0
Total income reduced by losses on loans	**179.6**	**128.6**	**153.4**	**13.3**	**-**	**80.4**	**557.1**
Gross loans to customers	2,383.4	6,450.0	5,425.3	1,126.2	-	-	15,384.9
Impairment of loans	-167.9	-695.6	-591.0	83.3	-	-	-1,537.4
Net loans to customers	**2,215.6**	**5,754.4**	**4,834.3**	**1,042.8**	**-**	**-**	**13,847.5**
Of which;							
Purchased or originated credit-impaired (POCI);							
Gross loans to customers	-	-	206.7	-	-	-	206.7
Impairment of loans	-	-	-154.3	-	-	-	-154.3
Net loans to customers	**-**	**-**	**52.4**	**-**	**-**	**-**	**52.4**

2023

Amounts in NOK million	Consumer loans Norway	Consumer loans Finland	Consumer loans Sweden	Cards NO / FI / SE	POS Finance NO / SE	Not allocated	Total
Interest income	361.0	540.2	269.4	129.9	35.6	44.1	1,380.0
Interest expenses	-95.2	-129.2	-74.9	-23.3	-6.5	-30.7	-359.8
Net interest income	**265.8**	**410.9**	**194.4**	**106.5**	**29.0**	**13.4**	**1,020.2**
Commission income and fees	11.2	9.6	7.7	30.4	1.2	2.6	62.7
Commission expenses and fees	0.0	-3.7	-	-47.0	-	-6.9	-57.6
Net commissions and fees	**11.2**	**5.9**	**7.7**	**-16.7**	**1.2**	**-4.3**	**5.1**
Losses on loans	-20.4	-317.8	-151.2	-35.4	2.4	-4.4	-526.7
Total income reduced by losses on loans	**256.7**	**99.1**	**50.9**	**54.4**	**32.7**	**4.8**	**498.6**
Gross loans to customers	3,018.7	5,184.7	2,700.3	884.7	-	-	11,788.5
Impairment of loans	-102.1	-366.7	-195.0	-48.7	-	-	-712.5
Net loans to customers	**2,916.6**	**4,818.0**	**2,505.3**	**836.0**	**-**	**-**	**11,076.0**

Note 3 Loans to customers and impairments

LOANS TO CUSTOMERS

Amounts in NOK million	31 Dec. 2024	31 Dec. 2023
Gross loans to customers	15,384.9	11,788.5
Impairment of loans	-1,537.4	-712.5
Net loans to customers	**13,847.5**	**11,076.0**
Of which;		
Purchased or originated credit-impaired (POCI);		
Gross loans to customers	206.7	-
Impairment of loans	-154.3	-
Net loans to customers	**52.4**	**-**

The Bank has only loans to individuals and has not issued any guarantees, neither as at 31 December 2024 nor as at 31 December 2023.

DEFAULTED LOANS TO CUSTOMERS

Amounts in NOK million	31 Dec. 2024	31 Dec. 2023
Gross defaulted loans to customers [1)]	2,185.2	754.2
Impairment of loans to customers (stage 3)	-991.2	-317.6
Net defaulted loans to customers	**1,194.1**	**436.6**
Of which;		
Purchased or originated credit-impaired (POCI);		
Gross loans to customers	206.7	-
Impairment of loans	-154.3	-
Net loans to customers	**52.4**	**-**

[1] Defaulted loans are comprised, amongst other, of loans which are overdue by over 90 days according to agreed payment schedule. Defaulted loans sent to debt collection continue will be considered defaulted regardless of future payment status. Defaulted loans also comprise of loans with other indications of unlikeness to pay.

LOSSES ON LOANS (RESULT)

Amounts in NOK million	2024	2023
Losses stage 1, movement	-10.6	24.9
Losses stage 2, movement	105.3	42.4
Losses stage 3, movement	499.2	130.8
Other effects (NPL,sales parameter updates etc.)	67.1	328.5
Losses on loans	661.0	526.7

See note 2 for information about losses on loans (result) per segment.

In 2024, the Bank had forward flow agreements for ongoing transfers of non-performing Norwegian consumer loans in the first quarter and Norwegian credit cards all year round. In connection with the liquidation of POS Finance, the bank carried out a one-off sale of non-performing loans in 2023 for portfolio. Total gross lending sold was NOK 743.4 million in 2023.

RECONCILIATION OF GROSS LOANS TO CUSTOMERS

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as at 1 January 2024	**10,079.6**	**954.7**	**754.2**	**11,788.5**
Transfer from stage 1 to stage 2	-2,482.3	2,482.3	-	-
Transfer from stage 1 to stage 3	-487.9	-	487.9	-
Transfer from stage 2 to stage 3	-	-1,256.0	1,256.0	-
Transfer from stage 3 to stage 2	-	202.0	-202.0	-
Transfer from stage 2 to stage 1	1,031.8	-1,031.8	-	-
Transfer from stage 3 to stage 1	82.2	-	-82.2	-
New loans to customers	7,101.6	296.0	338.3	7,735.9
Loans to customers derecognized	-3,603.6	-156.0	-380.6	-4,140.1
Gross loans to customers as at 31 December 2024	**11,721.5**	**1,491.2**	**2,171.7**	**15,384.3**
Gross loans to customers as at 1 January 2023	**8,491.2**	**719.2**	**429.7**	**9,640.1**
Transfer from stage 1 to stage 2	-1,529.8	1,529.8	-	-
Transfer from stage 1 to stage 3	-555.3	-	555.3	-
Transfer from stage 2 to stage 3	-	-601.0	601.0	-
Transfer from stage 3 to stage 2	-	176.6	-176.6	-
Transfer from stage 2 to stage 1	655.0	-655.0	-	-
Transfer from stage 3 to stage 1	44.2	-	-44.2	-
New loans to customers	6,126.2	268.2	-258.2	6,136.1
Loans to customers derecognized	-3,151.8	-483.2	-352.8	-3,987.7
Gross loans to customers as at 31 December 2023	**10,079.6**	**954.7**	**754.2**	**11,788.5**

Movement from step 3 to step 1 and step 2 applies to loans that were previously classified as non-performing but had not been transferred to debt collection.

Loans with granted special conditions was NOK 9.4 million as at 31 December 2024 and NOK 28.0 million as at 31 December 2023.

RECONCILIATION OF IMPAIRMENTS OF LOANS TO CUSTOMERS

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Impairments of loans as at 1 January 2024	**230.9**	**164.0**	**317.6**	**712.5**
Transfer from stage 1 to stage 2	-65.3	65.3	-	-
Transfer from stage 1 to stage 3	-12.0	-	12.0	-
Transfer from stage 2 to stage 3	-	-252.7	252.7	-
Transfer from stage 3 to stage 2	-	43.7	-43.7	-
Transfer from stage 2 to stage 1	155.7	-155.7	-	-
Transfer from stage 3 to stage 1	11.4	-	-11.4	-
New financial assets originated	175.0	27.4	186.2	388.6
Increased expected credit loss	45.4	396.6	484.2	926.2
Financial assets derecognized	-14.4	-14.3	-141.0	-169.7
Decreased expected credit loss	-179.0	-36.3	-52.4	-267.7
Exchange rate movements	-78.2	36.3	-29.4	-71.3
Macroeconomic model changes	-6.2	-5.0	-1.9	-13.1
Other changes	7.9	5.5	18.4	31.8
Impairments of loans as at 31 December 2024	**271.3**	**275.0**	**991.2**	**1,537.4**
Impairments of loans as at 1 January 2023	**205.5**	**128.9**	**195.0**	**529.4**
Transfer from stage 1 to stage 2	-48.8	48.8	-	-
Transfer from stage 1 to stage 3	-85.8	-	85.7	-
Transfer from stage 2 to stage 3	-	-125.2	125.2	-
Transfer from stage 3 to stage 2	-	39.0	-39.0	-
Transfer from stage 2 to stage 1	106.8	-106.8	-	-
Transfer from stage 3 to stage 1	9.9	-	-9.9	-
New financial assets originated	229.6	40.4	9.3	279.4
Increased expected credit loss	51.3	266.8	216.4	534.5
Financial assets derecognized	-67.4	-84.8	-248.1	-400.4
Decreased expected credit loss	-162.5	-30.8	-22.2	-215.6
Exchange rate movements	-10.4	-14.4	-0.6	-25.5
Macroeconomic model changes	2.0	1.4	0.6	3.9
Other changes	0.7	0.7	5.3	6.8
Impairments of loans as at 31 December 2023	**230.9**	**164.0**	**317.6**	**712.5**

Other changes in 2024 and 2023 mainly consist of parameter update of PD and LGD.

GROSS LOANS TO CUSTOMERS BY SEGMENT

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Consumer loans Norway	2,002.3	118.0	288.2	2,408.4
Consumer loans Finland	4,563.4	726.2	1,112.8	6,402.4
Consumer loans Sweden	4,307.3	494.1	652.7	5,454.1
Credit cards	848.5	152.9	117.9	1,119.4
Gross loans to customers as at 31 December 2024	**11,721.5**	**1,491.2**	**2,171.7**	**15,384.3**

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Consumer loans Norway	2,581.1	244.5	193.1	3,018.7
Consumer loans Finland	4,433.2	419.9	331.7	5,184.7
Consumer loans Sweden	2,308.8	218.7	172.8	2,700.3
Credit cards	756.5	71.6	56.6	884.7
Gross loans to customers as at 31 December 2023	**10,079.6**	**954.7**	**754.2**	**11,788.5**

IMPAIRMENTS OF LOANS TO CUSTOMERS BY SEGMENT

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Consumer loans Norway	31.0	15.6	120.8	167.4
Consumer loans Finland	111.7	125.9	458.0	695.6
Consumer loans Sweden	120.1	110.5	360.4	591.0
Credit cards	8.5	22.8	52.0	83.3
Impairments of loans as at 31 December 2024	**271.3**	**274.9**	**991.2**	**1,537.4**

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Consumer loans Norway	32.4	19.1	50.6	102.1
Consumer loans Finland	123.5	79.7	163.5	366.7
Consumer loans Sweden	68.6	51.3	75.1	195.0
Credit cards	6.4	13.8	28.4	48.6
Impairments of loans as at 31 December 2023	**230.9**	**164.0**	**317.6**	**712.5**

Note 4 Income

Amounts in NOK million	2024	2023
Interest income from loans to customers	1,667.8	1,335.9
of which sales commissions to agents	-181.2	-186.0
Interest income from loans and deposits with credit institutions	94.9	44.1
Total interest income calculated using the effective interest rate method	**1,762.7**	**1,380.0**
Other interest income and similar income	-	-
Total other interest income	**-**	**-**
Total interest income	**1,762.7**	**1,380.0**
Interest expense from deposit customers	-457.4	-288.5
Interest expense from subordinated loans and senior unsecured bond	-22.1	-14.2
Other interest expenses and similar expenses	-72.7	-57.1
Total interest expenses	**-552.2**	**-359.8**
Net interest income	**1,210.5**	**1,020.2**
Insurance services	45.9	40.6
Other commission income and fees	22.9	22.1
Total commission income and fees	**68.8**	**62.7**
Provisions to other bank connections	-5.6	-5.8
Other commission expenses and fees	-55.6	-51.8
Commission expenses and fees	**-61.2**	**-57.6**
Net commissions and fees	**7.6**	**5.1**
Net gain/(loss) on certificates and bonds	60.4	30.7
Net currency gain/(loss)	-1.7	-2.1
Net gains/(losses) on certificates, bonds and currency	**58.7**	**28.6**
Total income	**1,276.7**	**1,053.9**

Note 5 Operating expenses

Amounts in NOK million	2024	2023
Salaries	-89.5	-73.6
Social security tax and finance tax	-20.0	-17.7
Pension expenses	-5.6	-6.3
Other personnel expenses	-3.1	-4.6
Total personnel expenses	**-118.1**	**-102.3**

The Bank has not given guarantees to any employees, board members or their related parties in 2024 or 2023. All employees, board members and their related parties that have consumer loans, credit card and deposit products in the Bank have them to the ordinary terms and conditions.

All employees, in total 64 persons (62,6 FTEs) as at 31 December 2024 and 70 as at 31 December 2023, are covered by the Bank's pension plan. The plan is a defined-contributed plan. The Bank is obliged to have an occupational pension plan in accordance with the Compulsory Occupational Pension Plan Act, and the Bank's plan satisfies the requirements of the Act.

See note 20 for remuneration to the management team and note 6 for information about variable remuneration.

Amounts in NOK million	2024	2023
Direct marketing expenses	-21.8	-22.6
IT-expenses	-52.6	-49.7
Other general administrative expenses	-57.6	-63.0
Total general and administrative expenses	**-132.0**	**-135.3**
Insurance	-0.9	-1.8
External audit and related services	-2.7	-3.0
Other consultants	-28.3	-30.0
Other operating expenses	-8.3	-12.7
Total other expenses	**-40.2**	**-47.6**

Specification of auditor fees. Amounts in NOK million	2024	2023
Statutory audit	1.5	1.4
Other assurance services	0.5	0.5
Total auditor fees incl. VAT	**2.0**	**1.9**

Note 6 Share option programs

The Bank has share option programmes for employees related to fixed and variable remuneration.

OVERVIEW OF CHANGES IN OPTIONS	2024		2023	
	Quantity	WASP [1]	Quantity	WASP [1]
Outstanding options as at 1 January	2,418,124	1.0	3,844,594	1.0
+ granted	1,556,712	1.0	116,906	1.0
- exercised	-480,056	1.0	-1,365,604	1.0
- terminated	-	1.0	-17,666	1.0
- expired	-25,740	-	-	-
Outstanding options as at 31 December	**3,469,040**	**1.0**	**2,578,230**	**1.0**
Vested options as at 31 December	1,672,833	1.0	2,054,359	1.0

WASP [1]	Outstanding options		Exercisable options
	Quantity	Remaining vesting period (years)	Quantity
OPTIONS AS AT 31 DECEMBER 2024			
1.0	1,912,328	0.9	1,672,833
9.12	1,556,712	2.0	-
Total	**3,469,040**		**1,672,833**
OPTIONS AS AT 31 DECEMBER 2023			
1.0	2,418,124	1.7	2,054,359
Total	**2,418,124**		**2,054,359**

[1] Weighted average strike price (WASP)

The Board is eligible to extend the exercise period for previously granted options.

Average fair value of granted options in 2024 was NOK 5.06 (2023: NOK 4.75), in total NOK 4.3 million (2023: NOK 0.6 million).

For calculation of fair value of granted options, Black & Scholes's option pricing model is used. The value of vested options is recognized against other paid-in equity.

The following assumptions are used in the calculation of granted share options:
- **Share price** at the time of the grant: The share price equals the listed price at Oslo Børs at the time of the grant, weighted average in 2024 was NOK 9.12 (2023: NOK 4.77)
- **Volatility**: Historical volatility is expected to be an indication of future volatility. Expected volatility is therefore equal to historic volatility and was 35% in 2024 (2023: 47%)
- **Expiration of the option**: The option's expected maturity time was 2.0 years in 2024 (2023: 3.8 years)
- **Risk-free rate**: Risk-free rate equals the interest rate on 5 year government bonds, i.e. average 3.83% in 2023 (2023: 3.46%).

Note 7 Tax expenses

Amounts in NOK million	2024	2023
This year's tax expenses is related to:		
Income tax payable	-37.8	-
Adjustment to last year's accrued income tax payable	-	-
Change in deferred tax/deferred tax assets	-34.9	-54.5
Total tax expenses	**-72.7**	**-54.5**
Reconciliation of effective income tax rate		
Profit/(loss) before tax expenses	281.4	206.4
Expected tax expense with nominal tax rate of 25%	**-70.3**	**-51.6**
25% of permanent differences	6.5	9.4
25% of interest expenses on AT1 capital	-6.5	-6.1
25% of temporary differences not impacting income tax payable	-2.4	-6.2
Correction last year's accrued income tax payable	-	-
Total tax expenses	**-72.7**	**-54.5**
Effective tax rate	-26%	-26%
Deferred tax (+)/ deferred tax asset (-) in the balance sheet is related to the following temporary differences:		
Fixed assets	-0.7	-0.4
Leasing agreements	-1.9	-2.3
Certificates and bonds	26.0	16.6
Other receivables	-	-
Accruals	-0.7	-0.3
Tax losses carried forward	-	-130.7
Tax credit carried forward	-1.2	-0.9
Total temporary differences	**21.5**	**-117.9**
Tax rate	25%	25%
Deferred tax (+)/ deferred tax asset (-) in the balance sheet	**5.4**	**-29.5**

Loss carryforward is related to the Bank's negative result in 2021 and was fully utilized in 2024.

Note 8 Financial instruments

CLASSIFICATION OF FINANCIAL INSTRUMENTS

	31 Dec 2024			31 Dec 2023		
Amounts in NOK million	Fair value through profit or loss	Amortised cost	Total	Fair value through profit or loss	Amortised cost	Total
Loans and deposits with credit institutions	-	2,084.0	2,084.0	-	1,530.0	1,530.0
Loans to customers	-	13,847.5	13,847.5	-	11,076.0	11,076.0
Certifcates and bonds	2,589.4	-	2,589.4	926.1	-	926.1
Other receivables	-	7.1	7.1	-	9.2	9.2
Total financial assets	**2,589.4**	**15,938.6**	**18,528.0**	**926.1**	**12,615.2**	**13,541.3**
Deposit from customers	-	15,704.6	15,704.6	-	11,096.0	11,096.0
Other debt	-	44.5	42.6	-	42.6	42.6
Subordinated loans	-	265.0	265.0	-	165.0	165.0
Total financial liabilities	**-**	**16,014.1**	**16,012.1**	**-**	**11,303.5**	**11,303.5**

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES ASSESSED AT AMORTISED COST

Loans and deposits with credit institutions
Fair value is estimated to correspond to amortised cost.

Loans to customers
Loans to customers are highly exposed to market competition so any additional values in the loan balance will not be able to be maintained over time. At the same time, an impairment is recognised if observable events occur that indicate a fall in value. The impairments are based on an assessment of the future cash flow, discounted by the effective rate of interest. The fair value is therefore considered to correspond with amortised cost.

Other receivables
Fair value is estimated to correspond to amortised cost.

Deposits from customers
Fair value is estimated to correspond to amortised cost.

Other debt
Fair value is estimated to correspond to amortised cost.

Subordinated loans
The Bank's subordinated loans are listed, but the instrument is traded at a relatively low frequency. As a substitute for the observable prices, it is considered that amortised cost can be used as an approximation of fair value.

FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value are placed in the different levels below based on the quality of market data for the individual type of instrument.

Level 1: Valuation based on listed prices in an active market
Level 1 includes financial instruments that are valued using listed prices in active markets for identical assets or liabilities. This category includes certificates and government bonds that are traded in active markets.

Level 2: Valuation based on observable market data
In level 2, valuation is based on (1) directly or indirectly observable prices for identical assets or liabilities in a market that is not active, (2) models that use prices and variables from observable markets or transactions and (3) pricing in an active market of a similar, but not identical asset or liability.

Level 3: Valuation based on non-observable market data
If a valuation cannot be established in levels 1 or 2, valuation methods are used that are based on non-observable market data.

	31 December 2024				31 December 2023			
Amounts in NOK million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Certificates and bonds	-	2,589.4	-	2,589.4	-	926.1	-	926.1
Total financial assets	**-**	**2,589.4**	**-**	**2,589.4**	**-**	**926.1**	**-**	**926.1**

Certificates and bonds are valued to listed prices when available.

Note 9 Loans and deposits with credit institutions

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Loans and deposits with credit institutions	**2,084.0**	**1,530.0**
of which restricted loans and deposits:		
Tax withholding funds	5.3	4.2
Other restricted funds	42.4	27.7

There was not any need for impairments, neither as at 31 December 2024 nor as at 31 December 2023.

Note 10 Certificates and bonds

The Banks certificates and bonds are allocated as follows:

Amounts in NOK million	Risk weight	31 Dec 2024	31 Dec 2023
Government certificates	0%	231.4	235.7
Funds with investments in government certificates	0%	1,943.9	220.8
Covered bonds	10%	285.6	204.1
Market based certificates and bonds	20%	128.5	265.5
Total certificates and bonds		**2,589.4**	**926.1**

Certificates and bonds are measured at fair value.

Note 11 Fixed and intangible assets

Amounts in NOK million	intangible assets	Right-of-use assets	Refitting of office premisses	Fixtures and office equipment	Other	Total
Cost as at 1 January 2023	458.6	20.2	1.0	4.0	0.2	484.0
Additions	52.2	20.3	0.1	3.3	-	75.9
Disposals	-	-20.2	-	-	-	-20.2
Disposals earlier years	-363.9	0.0	-0.1	-4.0	-	-368.0
Cost as at 31 December 2023	**147.0**	**20.2**	**1.0**	**3.3**	**0.2**	**205.1**
Accumulated depreciation and write-offs as at 1 January 2023	-413.3	-17.6	-0.7	-3.5	-	-435.2
Depreciation	-30.6	-3.9	-0.3	-0.9	-	-35.7
Write-offs	-	20.2	-	-	-	20.2
Write-offs earlier years	363.9	-0.1	0.1	4.0	-	367.9
Accumulated depreciation and write-offs as at 31 December 2023	**-110.2**	**-1.3**	**-0.9**	**-3.7**	**-**	**-116.1**
Book value as at 31 December 2023	**66.9**	**18.9**	**0.1**	**2.8**	**0.2**	**88.9**
Cost as at 1 January 2024	147.0	20.2	1.0	3.3	0.2	171.7
Additions	41.3	-	-	-	-	41.3
Disposals	-28.1	-	-0.9	-	-	-29.0
Cost as at 31 December 2024	**160.3**	**20.2**	**0.1**	**3.3**	**0.2**	**184.1**
Accumulated depreciation and write-offs as at 1 January 2024	-80.1	-1.3	-0.9	-0.5	-	-82.8
Depreciation	-40.3	-2.6	-0.0	-1.1	-	-44.0
Write-offs	-	-	-	-	-	-
Disposals	28.1	-	0.9	-	-	29.1
Accumulated depreciation and write-offs as at 31 December 2023	**-92.3**	**-4.0**	**-0.1**	**-1.5**	**-**	**-97.9**
Book value as at 31 December 2024	**68.0**	**16.3**	**0.0**	**1.7**	**0.2**	**86.2**
Depreciation period	3 years	See below	See below	3 year	No depr.	

We have reviewed previous impairments and adjusted for acquisition cost and accumulated depreciation. These adjustments have been reflected in the 2023 figures with reference to prior years.

Intangible assets and fixed assets are depreciated on a straight-line basis over their useful life.

Intangible assets primarily consist of acquired and internally developed IT systems and rights.

Usage rights and office renovations are related to the Bank's lease agreements and are depreciated over the lease period. See Note 12 for information on lease agreements.

Throughout 2023 and 2024, the Bank has maintained a strong focus on streamlining and improving operational processes through the launch of a new IT platform. In addition, the Bank has introduced new digital customer interfaces to strengthen its position in a competitive market. Customer engagements have been consolidated into a unified ledger system, except for EUR deposits, and the Bank has phased out several solutions where different setups were previously used for various products and markets. The operation and management of the Bank's branch network have been outsourced, and the Bank has also established a new internal reporting platform during the year. The Bank is experiencing positive effects from these changes, including improved process efficiency, lower operating costs, and reduced operational risk, while also being well-positioned for growth in both new and existing products and markets.

Note 12 Lease agreements

The Bank has entered into an agreement for lease of new office premises from July 2023. The lease term is until January 2031 and annual rent for the new office premises is NOK 3.9 million.

The Bank leases office premise in Vollsveien 2A and 2B in Lysaker has expired in December 2023.

See also note 12 for further information regarding the right-of-use assets.

The Bank has no short-term leases nor leases of low-value assets.

Amounts in NOK million	2024	2023
Interest expenses for lease liabilities	1.5	1.1
Total outgoing cash flows for lease agreements	28.8	25.1
Lease liabilities in the balance sheet	18.8	21.2

OUTGOING CASH FLOWS FOR LEASING AGREEMENTS:

Amounts in NOK million	2024	2023
Within 1 year	5.4	3.6
Within 2-4 year	14.9	10.7
Within 5-7 year	8.5	10.7
Total	**28.8**	**25.1**

Note 13 Other debt

The Bank's debt consist of the following:

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Accounts payable	44.5	42.6
Social and other indirect taxes	10.4	10.4
Other short-term debt	86.7	72.3
Total other debt	**141.6**	**125.3**
Subordinated loan (ISIN: NO0010941131)	65,0	65,0
Subordinated loan (ISIN: NO0012909235)	100,0	100,0
Subordinated loan (ISIN: NO0013333401)	100,0	-
Total subordinated loan	**265,0**	**165,0**

RECONCILIATION OF SUBORDINATED LOANS:

Amounts in NOK million	2024	2023
Opening balance as at 1 January	165.0	65.0
New Subordinated loan	100.0	100.0
Amortisation of transaction costs/change interest rate	-	-
Closing balance as at 31 December	**265.0**	**165.0**

Expiration date for the loan, NO0010941131, is 3 March 2031 with the option to call for first time as at 3 March 2026, and thereafter each quarter on every interest payment date.

Expiration date for the loan, NO0012909235, is 11 May 2033 with the option to call for first time as at 11 May 2028, and thereafter each quarter on every interest payment date.

Expiration date for the loan, NO0013333401, is 19 September 2034 with the option to call for first time as at 19 September 2028, and thereafter each quarter on every interest payment date.

All deposits from the Bank's customers are from individuals in Norway, Sweden and other European countries. Interest rates for deposits are not fixed.

The Bank's average (weighted) offered interest rate for 2024 has been 3.8% for Norwegian deposit customers (2023: 3.2%) and 3.5% for Swedish deposit customers (2023: 3.1%) and 3.7% for deposit customers elsewhere in Europe (2023: 2.7%) and . The calculation is based on actual interest costs and average deposit balance, both measured in local currency.

The Bank did not have any unused bank credit limits or other limit facilities as at 31 December 2024 nor 31 December 2023.

Note 14 Capital adequacy

CAPITAL

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Capital		
Booked equity	2,469.0	2,278.9
Additional Tier 1 capital	-199.6	-199.6
Additions:		-
Phase-in effect of IFRS 9	43.2	84.8
Deductions:		-
Additional value adjustment (AVA)	-2.6	-0.9
Other equity not included in core capital (foreseeable dividends)	-92.4	-15.1
Deferred tax assets and other intangible assets and deductions	-68.0	-96.4
Common equity Tier 1 including phase-in effect of IFRS 9	**2,149.8**	**2,051.7**
Additional Tier 1 capital	199.6	199.6
Core capital including phase-in effect of IFRS 9	**2,349.3**	**2,251.2**
Subordinated loans (Tier 2)	265.0	165.0
Total capital including phase-in effect of IFRS 9	**2,614.3**	**2,416.2**

CAPITAL EXCLUDING PHASE-IN EFFECTS OF IFRS 9

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Common equity Tier 1 excluding phase-in effect of IFRS 9	2,106.6	1,966.9
Core capital excluding phase-in effect of IFRS 9	2,306.1	2,166.4
Total capital excluding phase-in effect of IFRS 9	2,571.1	2,331.4

CALCULATION BASIS

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Loans and deposits with credit institutions	416.8	306.0
Loans to retail customers and phase-in effect IFRS 9	10,723.5	8,489.2
Covered bonds	54.4	40.8
Other assets	28.0	36.7
Calculation basis credit risk including phase-in effect of IFRS 9	**11,222.7**	**8,872.6**
Calculation basis operational risk (standardised approach)	1,565.8	1,365.6
Total calculation basis including phase-in effect of IFRS 9	**12,788.5**	**10,238.2**
Total calculation basis excluding phase-in effect of IFRS 9	**12,749.1**	**10,165.2**

CAPITAL RATIOS INCLUDING PHASE-IN EFFECT OF IFRS 9	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1)	16.8 %	20.0 %
Core capital	18.4 %	22.0 %
Total capital	20.4 %	23.6 %

CAPITAL RATIOS EXCLUDING PHASE-IN EFFECT OF IFRS 9	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1)	16.5 %	19.3 %
Core capital	18.1 %	21.3 %
Total capital	20.2 %	22.9 %

As at 31 December 2024, the Bank had a Liquidity Coverage Ratio (LCR) of 687% (31 December 2023: 310%) and a Net Stable Funding Ratio (NSFR) of 136% (31 December 2023: 125%). The Bank's internal objective is to have LCR og NSFR of minimum 125% and 110 % respectively.

The Bank's leverage ratio as at 31 December 2024 was 11.5% (31 December 2023: 13.9%)..

The Bank's regulatory Pillar 1 and Pillar 2 minimum as at 31 December 2024 were capital adequancy 12.1% (31 December 2023: 16.1%), core capital 14.7% (31 December 2023: 17.6%) and total capital 18.0% (31 December 2023: 19.6%). These capital requirements inclu-des a Pillar 2 requirement of 5.4 % (31 December 2023: 6.5 %) and a counter cyclical requirement of 2.1% (31 December 2023: 1.2%). The Bank's regulatory minimum for leverage ratio equals 5.0% (31 January 2023: 5.0%).

Morrow Bank aims to have a total capital adequacy ratio of 20.0% (31 December 2023: 20.6%), including a Common Equity Tier 1 capital adequacy ratio of 14.1% (31 December 2023: 17.1%) to provide room for manoeuvre to achieve the Bank's long-term financial strategies.y.

Note 15 Risk management

General

The Board has established various policies for management and control of key risks. The policies, which are updated regularly, cover both quantitative risk limits and relevant qualitative guidelines.

The Board receives compliance and risk control reports relating to the established policies, from the administration regularly and asrequired.

The Bank is exposed to different types of business risk. Operational risk and credit risk are two key risks described in more detail below.".

Operational risk

The Bank's strategy for operational risk is defined in the Bank's policy for operational risk. According to the Bank's general principles, there shall be procedures for identifying and reporting operational risk. Operational risk shall be measured and managed based on systematic assessments of operational risk factors and operational risk assessments. This shall be included as an integral part of the decision-making process in the Bank. The measurement methods applied shall fulfil the measurement methods for main categories of risk.

Credit risk

The Bank's general strategy for credit risk is defined in the Bank's credit policy. The general principles stipulate, among other things, the following:

- The Bank's loans shall only be to private individuals.
- The Bank's loans shall be well diversified.
- All customers shall be subject to a credit assessment.
- In addition to credit score rules, the customer must also be accepted in accordance with the Bank's policy rules and the Bank's requirements for ability and willingness to pay.

The Banks management of the Credit assessment is monitored on a regular basis. The Credit Policy contains trigger levels of PD and Net loss rate. If the trigger levels are reached, evaluation is conducted and/or action to mitigate reached levels are implemented. All our policy rules are reviewed monthly including the performance on our loss estimates, PD (scorecards).

Note 16 Credit risk

MAXIMUM EXPOSURE LOANS TO CUSTOMERS AS AT 31 DECEMBER 2024

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Time horizon	Probability of default
Consumer loans Norway - risk class A	2,661.5	-	-	12 months	4.1 %
Consumer loans Norway - risk class B	-	125.9	-	Lifetime	28.3 %
Consumer loans Norway - risk class C	-	20.0	-	Lifetime	62.8 %
Consumer loans Norway - risk class D	-	-	330.8	Lifetime	100.0 %
Consumer loans Finland - risk class A	5,086.6	-	-	12 months	5.7 %
Consumer loans Finland - risk class B	-	635.3	-	Lifetime	37.5 %
Consumer loans Finland - risk class C	-	77.2	-	Lifetime	66.3 %
Consumer loans Finland - risk class D	-	-	1,078.3	Lifetime	100.0 %
Consumer loans Sweden - risk class A	4,595.4	-	-	12 months	5.7 %
Consumer loans Sweden - risk class B	-	429.9	-	Lifetime	44.6 %
Consumer loans Sweden - risk class C	-	51.5	-	Lifetime	66.1 %
Consumer loans Sweden - risk class D	-	-	615.3	Lifetime	100.0 %
Credit cards - risk class A	1,969.3	-	-	12 months	1.7 % - 4.0 %
Credit cards - risk class B	-	141.7	-	Lifetime	17.4 % - 46.4 %
Credit cards - risk class C	-	13.8	-	Lifetime	58.1 % - 64.4 %
Credit cards - risk class D	-	-	119.4	Lifetime	100.0 %
Total maximum exposure loans to customers	**14,313.1**	**1,495.3**	**2,143.8**		

MAXIMUM EXPOSURE LOANS TO CUSTOMERS AS AT 31 DECEMBER 2023

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Time horizon	Probability of default
Consumer loans Norway - risk class A	3,345.5	-	-	12 months	3,3 % - 3,5 %
Consumer loans Norway - risk class B	-	201.0	-	Lifetime	25.1 %
Consumer loans Norway - risk class C	-	26.3	-	Lifetime	56.4 %
Consumer loans Norway - risk class D	-	-	155.8	Lifetime	100.0 %
Consumer loans Finland - risk class A	4,674.0	-	-	12 months	6.2 %
Consumer loans Finland - risk class B	-	390.4	-	Lifetime	38.0 %
Consumer loans Finland - risk class C	-	47.7	-	Lifetime	65.2 %
Consumer loans Finland - risk class D	-	-	392.0	Lifetime	100.0 %
Consumer loans Sweden - risk class A	2,533.7	-	-	12 months	5.7 %
Consumer loans Sweden - risk class B	-	206.1	-	Lifetime	44.2 %
Consumer loans Sweden - risk class C	-	21.9	-	Lifetime	71.4 %
Consumer loans Sweden - risk class D	-	-	142.8	Lifetime	100.0 %
Credit cards - risk class A	1,696.4	-	-	12 months	13,5 % - 41,5 %
Credit cards - risk class B	-	93.5	-	Lifetime	13.47 % - 41,5 %
Credit cards - risk class C	-	8.5	-	Lifetime	55,0 % - 55,5 %
Credit cards - risk class D	-	-	63.6	Lifetime	100.0 %
Total maximum exposre loans to customers	**12,250.0**	**995.5**	**754.2**		

Maximum exposures of loans to customers includes both drawn and undrawn credit facilities.

Classification; A = loans in stage 1; B = inactive customers and overdue between 30-60 days; C = loans overdue between 60-90 days; D = loans in stage 3

For additional information, see also note 3 regarding loan losses and impairments on loans.

SENSITIVITY AS AT 31 DECEMBER 2024:

	Consumer loans			Credit cards	POS	
Amounts in NOK million	Norway	Finland	Sweden	NO/FI/SE	NO/SE	Total
Sensitivity by changing loss given default (LGD)						
Profit or loss effect at 1% change	3.4	14.8	9.8	1.8	-	29.8
Profit or loss effect at 2% change	6.8	29.6	19.7	3.6	-	59.6
Profit or loss effect at 5% change	17.0	73.9	49.1	9.1	-	149.1
Sensitivity by changing probability of default (PD)						
Profit or loss effect at 1% change	8.4	24.8	23.4	6.1	-	62.7
Profit or loss effect at 2% change	16.7	49.6	46.8	12.2	-	125.4
Profit or loss effect at 5% change	41.9	124.1	117.0	30.6	-	313.5
Sensitivity by changing macroeconomic adjustments						
Profit or loss effect at 1% change	0.5	2.7	2.4	0.3	-	5.9
Profit or loss effect at 2% change	1.1	5.5	4.7	0.6	-	11.9
Profit or loss effect at 5% change	2.7	13.7	11.8	1.6	-	29.7

SENSITIVITY AS AT 31 DECEMBER 2023:

	Consumer loans			Credit cards	POS	
Amounts in NOK million	Norway	Finland	Sweden	NO/FI/SE	NO/SE	Total
Sensitivity by changing loss given default (LGD)						
Profit or loss effect at 1% change	2.2	7.5	3.4	1.0	-	14.2
Profit or loss effect at 2% change	4.4	15.0	6.8	2.1	-	28.3
Profit or loss effect at 5% change	11.0	37.5	17.1	5.2	-	70.8
Sensitivity by changing probability of default (PD)						
Profit or loss effect at 1% change	10.6	23.2	13.6	5.2	-	52.6
Profit or loss effect at 2% change	21.1	46.4	27.2	10.4	-	105.2
Profit or loss effect at 5% change	52.8	116.0	68.1	26.0	-	262.9
Sensitivity by changing macroeconomic adjustments						
Profit or loss effect at 1% change	0.6	2.2	1.3	0.2	-	4.2
Profit or loss effect at 2% change	1.1	4.4	2.5	0.4	-	8.4
Profit or loss effect at 5% change	2.8	11.0	6.3	1.0	-	21.0

Note 17 Liquidity and interest rate risk

The Board of Directors has established guidelines that sets the limit for maximum interest rate risk. Monitoring and reporting of liquidity and interest rate risk happens continuously according to provided instructions.

Liquidity risk

The liquidity risk of the Bank arises from or results from the maturity profile of the Bank's assets and liabilities. Below follows an overview of different time intervals as to when the Bank's assets and liabilities mature.

DISTRIBUTION OF TERMS AS AT 31 DECEMBER 2024

Amounts in NOK million	No defined term	< 3 months	3 months < 1 year	1 year < 5 years	Over 5 years	Total
Loans and deposits with credit institutions	2,084.0	-	-	-	-	2,084.0
Loans to customers	10,229.4	0.6	15.5	6,052.0	-	16,297.5
Certificates and bonds	2,589.4	-	-	-	-	2,589.4
Other receivables	96.0	-	-	-	-	96.0
Total assets	**14,607.9**	**0.6**	**15.5**	**6,052.0**	**-**	**21,066.9**
Deposits from customers	15,694.1	-	10.5	-	-	15,704.6
Other debt	102.4	44.5	31.3	-	-	178.3
Subordinated loans	-	13.6	40.9	392.7	363.9	811.1
Total liabilities	**15,796.5**	**58.1**	**82.7**	**392.7**	**363.9**	**16,694.0**

DISTRIBUTION OF TERMS AS AT 31 DECEMBER 2023

Amounts in NOK million	No defined term	< 3 months	3 months < 1 year	1 year < 5 years	Over 5 years	Total
Loans and deposits with credit institutions	1,530.0	-	-	-	-	1 530.0
Loans to customers	9,810.6	1.6	8.9	2,884.2	-	12,705.4
Certificates and bonds	926.1	-	-	-	-	926.1
Other receivables	123.9	9.2	-	-	-	133.1
Total assets	**12,390.6**	**10.8**	**8.9**	**2,884.2**	**-**	**15,294.6**
Deposits from customers	11,085.5	-	10.5	-	-	11,096.0
Other debt	82.7	42.6	-	-	-	125.3
Subordinated loans	-	2.5	7.4	39.3	218.6	267.7
Total liabilities	**11,168.2**	**45.1**	**17.9**	**39.3**	**218.6**	**11,489.0**

Loans to customers and deposits from customers with a term period, and subordinated loans, include expected interests in the overview above.

The Bank had no financial instruments that were not recognised as at 31 December 2024 nor as at 31 December 2023. See also the Report from the Board of Directors for further information and discussion of the Bank's liquidity risk.

Interest rate risk

Different fixed-rate periods for assets and liabilities will give rise to interest rate risk for the Bank. Provided below is a summary of the remaining periods of agreed interest rate adjustments for the assets and liabilities.

INTEREST RATE RISK AS AT 31 DECEMBER 2024

Amounts in NOK million	0 month < 3 months	No interest	Total
Loans and deposits with credit institutions	2,084.0	-	2,084.0
Loans to customers	13,847.5	-	13,847.5
Certificates and bonds	2,589.4	-	2,589.4
Other receivables	-	96.0	96.0
Total assets	**18,520.9**	**96.0**	**18,616.9**
Deposits from customers	15,704.6	-	15,704.6
Other debt	-	178.3	178.3
Subordinated loans	265.0	-	265.0
Total liabilities	**15,969.6**	**178.3**	**16,147.8**

INTEREST RATE RISK AS AT 31 DECEMBER 2023

Amounts in NOK million	0 month < 3 months	No interest	Total
Loans and deposits with credit institutions	1,530.0	-	1,530.0
Loans to customers	11,076.0	-	11,076.0
Certificates and bonds	926.1	-	926.1
Other receivables	-	9.2	9.2
Total assets	**13 532.1**	**9.2**	**13,541.3**
Deposits from customers	11,096.0	-	11,096.0
Other debt	-	42.6	42.6
Subordinated loans	165.0	-	165.0
Total liabilities	**11,261.0**	**42.6**	**11,303.5**

INTEREST RATE RISK - SENSITIVITY OF 1% POINT CHANGE IN THE YIELD CURVE

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Loans and deposits with credit institutions	1.0	0.6
Loans to customers	22.9	18.5
Certificates and bonds	6.6	4.5
Other receivables	-	-
Total assets	**30.5**	**23.5**
Deposits from customers	-26.4	-18.5
Other debt	-	-
Subordinated loans	-0.5	-0.3
Total liabilities	**-26.9**	**-18.8**
Total net interest rate risk	**3.6**	**4.7**

CURRENCY RISK - SENSITIVITY OF CHANGING EXCHANGE RATES END OF THE YEAR

Amounts in NOK million	31 Dec 2024	31 Dec 2023
Effect in profit or loss by changing 1%	0.2	0.4
Effect in profit or loss by changing 2%	0.4	0.7
Effect in profit or loss by changing 5%	1.1	1.8

The Bank’s currency exposure as of 31 December, 2024, amounted to EUR -0.1 million (31 December 2023: EUR 1.9 million) and SEK -21.7 million (31 December 2023: SEK -14.9 million).

Note 18 Earnings per share

	2024	2023
Number of shares as at 1 January	229,364,132	187,594,488
Issued shares	640,162	41,769,644
Number of shares as at 31 December	**230,004,294**	**229,364,132**
Average number of shares	229,709,285	214,792,891
Average number of diluted shares	233,178,325	218,004,303

Amounts in NOK million	2024	2023
Profit/(loss) after tax	208.7	151.9
Paid interest on Tier 1 capital after tax	-19.4	-18.2
Adjusted profit/(loss) after tax	**189.3**	**133.7**
Earnings per share (NOK)	0.82	0.62
Diluted earnings per share (NOK)	0.81	0.61

Earnings per shares shall show the result for the Bank's ordinary shareholders. Profit/(loss) after tax is therefore reduced with paid interest on Common Tier 1 capital after tax.

Note 19 Shareholders

The face value of the Bank's shares is NOK 1.00. All shares has the same share class and voting rights.

Overview of the 20 largest shareholders as at 31 December 2024:	Number of shares	Ownership in %	Shareholder structure
Kistefos AS	47,787,000	20.8 %	
UBS AG	19,824,482	8.6 %	NOM
Alfab Holding AS	10,357,445	4.5 %	
The Bank Of New York Mellon SA/NV	8,128,251	3.5 %	NOM
DNB Bank ASA	7,504,491	3.3 %	
Skandinaviska Enskilda Banken AB	6,000,000	2.6 %	NOM
The Bank Of New York Mellon SA/NV	5,820,113	2.5 %	NOM
Norda ASA	5,818,047	2.5 %	
AS Audley	4,345,750	1.9 %	
OM Holding AS	4,209,465	1.8 %	
Hans Eiendom AS	4,000,000	1.7 %	
Stiftelsen Kistefos	4,000,000	1.7 %	
Directmarketing Invest AS	3,715,043	1.6 %	
Melesio Invest AS	3,611,815	1.6 %	
The Bank Of New York Mellon SA/NV	3,186,305	1.4 %	NOM
Christiania Skibs AS	3,100,897	1.3 %	
Hvaler Invest AS	2,933,901	1.3 %	
Belair AS	2,642,107	1.1 %	
Obligasjon 2 AS	2,539,660	1.1 %	
Hjellegjerde Invest AS	2,157,426	0.9 %	
Total 20 largest shareholders	**151,682,198**	**65.9 %**	
Other shareholders	78,322,096	34.1 %	
Total	**230,004,294**	**100.0 %**	

Overview of the 20 largest shareholders as at 31 December 2023:	Number of shares	Ownership in %	Shareholder structure
Kistefos AS	44,927,000	19.5 %	
UBS AG	19,715,552	8.6 %	NOM
Alfab Holding AS	11,072,048	4.8 %	
DNB Bank ASA	10,225,969	4.4 %	
The Bank Of New York Mellon SA/NV	9,075,558	3.9 %	NOM
Skandinaviska Enskilda Banken AB	7,800,000	3.4 %	NOM
The Bank Of New York Mellon SA/NV	5,842,738	2.5 %	NOM
Melesio Invest AS	4,607,102	2.0 %	
AS Audley	4,345,750	1.9 %	
Om Holding AS	4,209,465	1.8 %	
Stiftelsen Kistefos	4,000,000	1.7 %	
Directmarketing Invest AS	3,715,043	1.6 %	
Christiania Skibs AS	3,100,897	1.3 %	
The Bank Of New York Mellon SA/NV	3,059,767	1.3 %	
Caceis Investor Services Bank S.A.	2,784,444	1.2 %	NOM
Obligasjon 2 AS	2,539,660	1.1 %	NOM
Hans Eiendom AS	2,500,000	1.1 %	
Belair AS	2,463,538	1.1 %	
Khaya AS	2,290,658	1.0 %	
Hjellegjerde Invest AS	2,157,426	0.9 %	
Total 20 largest shareholders	**150,432,615**	**65.4 %**	
Other shareholders	78,931,517	34.3 %	
Total	**229,364,132**	**100.0 %**	

Note 20 Remuneration etc.

Seperate reports for guidelines remuneration to key personnel and report of salary and other remunerations paid to management employees is published at the Bank's website, see ir.morrowbank.com.

Fees paid to the Board of Directors:

Amounts in NOK million	2024	2023
Stig Eide Sivertsen (Chairman of the Board)	0.9	0.9
Bodil Palma Hollingsæter (Vice Chair)	0.7	0.6
Anna-Karin Østlie (board member)	0.5	0.4
Thomas Bjørnstad (board member to 25.11.2024)	0.5	0.4
Nicolai Lunde (board member until 18.04.2024)	0.3	0.3
Nishant Fafalia (board member until 13.04.2023)		0.2
Henning Fagerbakke (employee-elected board member from 18.04.2024)	0.1	-
Iril Renshus (employee-elected board member from 18.04.2024)	0.1	
Jonna Kyllönen (employee-elected board member until 18.04.2024)	0.1	0.1
Per Olav Mikaelsen (employee-elected board member until 18.04.2024, deputy employee-eleced board member after)	0.1	0.1
Ine Grindstad (deputy employee-elected board member from 18.04.2024)	0.0	-
Angelica Rehnlund (deputy employee-elected board member until 18.04.2024)	0.0	0.0
Ulrik Graff Bakkevold (deputy employee-elected board member until 18.04.2024)	0.0	0.0
Stina Åslund (deputy employee-elected board member until January 2023)	-	0.0
Total fees paid to the Board of Directors	**3.2**	**3.1**

Salaries and remuneration to key personell 2024

Amounts in NOK million		Fixed salary: Salary	Fixed salary: Value of share options [1]	Other remuneration: Variable salary [2]	Other remuneration: Other rem.	Other remuneration: Pension	Total
Chief Executive Officer (CEO)	Øyvind Oanes	4.2	-	2.0	0.0	0.2	6.3
Chief Financial Officer (CFO), and Deputy CEO	Eirik Holtedahl	2.5	-	1.2	0.0	0.2	3.8
Chief Credit Risk Officer (CCRO)	Annika Ramstedt	2.5	-	1.1	0.0	0.2	3.8
Chief Technology Officer (CTO)	Martin Valland [3)]	-	-	-	-	-	-
Chief Operations Officer (COO)	Wilhelm B. Thomassen	2.5	-	1.2	0.0	0.2	3.9
Chief Commercial Officer (CCO)	Tony Rogne	1.9	-	0.6	0.0	0.2	2.7
Total		**13.5**	**-**	**6.0**	**0.1**	**0.9**	**20.5**

[1] The value is based on market value at the grant date.

[2] Variable salary relates to value of granted bonus options based on the previous year's work efforts. Only part of the amount applies to vested options.

[3] Martin Valland has been hired as a consultant. Invoiced fee in 2024 was NOK 4.9 million including VAT.

Salaries and remuneration to key personell 2023

Amounts in NOK million		Fixed salary: Salary	Fixed salary: Value of share options [1]	Other remuneration: Variable salary [2]	Other remuneration: Other rem.	Other remuneration: Pension	Total
Chief Executive Officer (CEO)	Øyvind Oanes	4.1	-	-	0.0	0.1	4.2
Chief Financial Officer (CFO), and Deputy CEO	Eirik Holtedahl	2.2	-	0.4	0.0	0.1	2.8
Chief Commercial Officer (CCO) to 30 September 2023	Enok S. Hanssen	1.4	-	0.4	0.0	0.1	1.9
Chief Credit Risk Officer (CCRO)	Annika Ramstedt	2.2	-	0.4	0.0	0.1	2.8
Chief Technology Officer (CTO)	Martin Valland 3)	-	-	-	-	-	-
Chief Operations Officer (COO)	Wilhelm B. Thomassen	2.3	-	0.5	0.0	0.1	3.0
Chief Commercial Officer (CCO), from 1 December 2023	Tony Rogne	0.2		-	0.0	0.0	0.2
Total		**12.5**	**-**	**1.7**	**0.0**	**0.7**	**14.9**

[1] The value is based on market value at the grant date.

[2] Variable salary relates to value of granted bonus options based on the previous year's work efforts. Only part of the amount applies to vested options.

[3] Martin Valland has been hired as a consultant. Invoiced fee in 2023 was NOK 4.7 million including VAT.

SHARES OWNED BY THE MANAGAMENE TEAM AND THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2024

Role	Name	Number of shares (in thousand)
Chief Executive Officer (CEO)	Øyvind Oanes	453
Chief Financial Officer (CFO)	Eirik Holtedahl	2,642
Chief Operations Officer (COO)	Wilhelm B. Thomassen	2,108
Chief Credit Risk Officer (CCRO)	Annika Ramstedt	171
Chief Commercial Officer (CCO)	Tony Rogne	-
Chief Technology Officer (CTO)	Martin Valland	136
Members of the Board of Directors		2,059
Total		**7,569**

SHARES OWNED BY THE MANAGAMENE TEAM AND THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2023

Title	Name	Number of shares (in thousand)
Chief Executive Officer (CEO)	Øyvind Oanes	403
Chief Financial Officer (CFO)	Eirik Holtedahl	2,464
Chief Operations Officer (COO)	Wilhelm B. Thomassen	2,108
Chief Credit Risk Officer (CCRO)	Annika Ramstedt	148
Chief Commercial Officer (CCO)	Enok S. Hanssen	136
Chief Commercial Officer (CCO)	Tony Rogne	-
Members of the Board of Directors		1,365
Total		**6,624**

The shares above are either owned directly or through ownership of a legal company, including shares owned indirectly through companies were the person in questions controls the majority of shares.

Note 21 Related parties

There have not been any material transactions with related parties in the period.

Note 22 Alternative performance measures

Alternative performance measures (APMs) are often used by investors, financial analysts and others for decision-making purposes by providing a deeper insight into the Bank's operational and financial aspects. APMs can provide reinforcing information about Bank's historical and present situation, and the company's future prospects.

The following APMs are used by the Bank:

RETURN ON EQUITY (ROE)

Return on equity (ROE) is defined as the annual profit/average quarterly equity (reduced by interest on additional tier 1 capital) expressed as a percentage. This is one of the Bank's most important target figures and provides information on the Bank's ability to generate a surplus from the shareholders' investments.

Amounts in NOK million	2024	2023
Profit/(loss) after tax	208.7	151.9
Interest after tax on additional Tier 1 capital	-19.4	-18.2
Average equity	2,174.4	1,916.6

ROE 2024: (208.7-19.4)/2,174 = 8,7%
ROE 2023: (151,9-18,2)/1,917 = 7.0%

COST / INCOME RATIO (C/I)

The cost percentage is defined as total operating expenses excluding losses on loans/net interest income and net commissions and fees. The target figure is presented to give investors, financial analysts and others an insight into how the costs correlate to revenues, and to give users of the financial reporting information regarding the development of the Bank's operational efficiency or regarding the development of operational efficiency in the Bank.

Amounts in NOK million	2024	2023
Total operating expenses	334.4	320.9
Total income	1,276.7	1,053.9
Marketing expenses	21.8	22.6

Cost / Income 2024: 334.4 / 1,276,7 = 26.2 %
Cost / Income 2023: 320.9 / 1,056.9,9 = 30.4 %

Cost / Income ex. marketing 2024: (334.4 - 21.8) / 1,276.7 = 24.5 %
Cost / Income ex. marketing 2023: (320.9 - 22.6) / 1,053.9 = 28.3 %

LOSS PERCENTAGE/LOSS RATIO

Adjusted return on equity (ROE adjusted) is defined as adjusted profit after tax diveded by average yearly adjusted equity (excl. Common Tier 1 capital). The adjusted one-offs relate to non-recurring losses on loans. ROE is presented as a percentage. Losses on loans is among the most significant elements in the profit and loss statement. This is one of the company's most important target figures and provides information on the Bank's ability to generate a surplus from the shareholders' investments.

Amounts in NOK million	2024	2023
Losses on loans	661.0	526.7
Average loans to customer	10,714.3	10,714.3

Loss percentage 2024: 661.0 / 13,586.7 = 4.9 %
Loss percentage 2023: 526.7 / 10,714.3 = 4.9 %

Note 23 Off-balance-sheet items

Unused limits and credit facilities as at 31 December 2024 was NOK 5,197.1 million (31 December 2023: NOK 5,072.6 million). Approved and offered loans not yet paid out as at 31 December 2024 amounted NOK 98.7 million (31 desember 2023: NOK 418.4 million).

The tax authorities in Norway disagreed with the Bank's treatment of reverse charge for certain services after their control of the period January 2017 to April 2018. The Bank received a decision in August 2021 which concluded missing reverse charge amounted to NOK 2.2 million and extra tax and interest of NOK 0.6 million. The Bank disagrees with the tax authorities' decision and has appealed to the Tax Appeals Board in Norway. The date for processing the complaint has not been set. The Bank has not made any provision for this as at 31 December 2024.

Note 24 Other significant events

In the third quarter of 2024, the Bank purchased loan portfolios from Qliro and Lunar, consisting of NOK 2.3 billion in consumer loans.

The Bank issued a subordinated loan in September 2024 totaling NOK 100 million. The purpose of the transaction is to optimize the Bank's capital structure.

At the end of October 2024, the Board of Directors of Morrow Bank ASA submitted an application for a Swedish banking license, and a final response from Finansinspektionen is expected in the second quarter of 2025.

The Board proposes a dividend based on the 2024 annual results of NOK 0.40 per share, corresponding to NOK 92.4 million.

Note 25 Subsequent events

The Board is not aware of other events after the balance sheet datethat are of significant importance to the annual financial statements.

To the General Meeting of Morrow Bank ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Morrow Bank ASA (the Company), which comprise the balance sheet as at 31 December 2024, comprehensive income statement, comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Morrow Bank ASA for 12 years from the election by the general meeting of the shareholders on 10 October 2012 for the accounting year 2013.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company's business activities are mainly unchanged compared to last year. We have not identified regulatory changes, transactions or other events that qualified as new Key audit matters for our audit. The area The value of loans to customers has the same characteristics and risks as last year and has therefore been an important area of focus in our audit also in 2024.

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Key Audit Matters	How our audit addressed the Key Audit Matter
The value of loans to customers	
Loans to customers represents a considerable part of the Company's total assets. The assessment of loan loss provisions is a model-based framework which includes assessments with elements of management judgment. The framework, is complex, includes considerable volumes of data and judgmental parameters, which is the basis for a risk classification of loans. The framework and the use of management judgment affect the profit for the period. In line with IFRS 9, credit losses should be based on forward-looking information, so that it reflects expected losses. The use of models to determine expected credit losses entails judgement. In our audit we have focused on: • Managements process for identification of loans which represent a significant increase in credit risk. • Assumptions and judgments made by management of the underlying parameters such as the probability of default (PD) and loss given default (LGD) and calculations made. • How the loans are classified into different stages. The Company's business is concentrated on consumer loans, credit cards and point of sales. Its internal models are designed to take into account the specific characteristics of each of its products and enable the Company to estimate loan loss impairment provisions for each of these products. See notes 1.2, 3 and 16 for the description of the Company's models and processes to estimate loan-loss impairment provisions based on IFRS 9.	We have evaluated and tested the design and effectiveness of controls related to the loan loss provision models. Testing of these controls, focusing on the classification of the loans in correct stages, were performed to verify the models' input parameters, to verify that the model made mathematically accurate calculations. We found that we could base our audit on these controls. We checked the accuracy of the data used in the calculation of the loan loss provision by tracing data back to registration in the systems on a sample basis. The impact of the pandemic, including the impact on the loan loss model, was discussed with management. We also tested whether the models made mathematically accurate calculations, for the portfolio of loans for which our testing was not based on test of controls. To assess whether the setting of parameters related to the probability of default were appropriate, we interviewed management and challenged the relevance and the methods applied. The test results showed that management had used appropriate assumptions in their evaluation of parameters. We obtained a detailed understanding of the processes and tested the controls associated with: • the calculation and methodologies used; • whether the models used were in accordance with the applicable framework and worked as intended, and • the reliability and accuracy of the data used for calculation purposes in the models. Our testing of internal controls did not indicate material errors in the modelling or deviations from IFRS 9. We tested whether the models classified loans in the correct stage and whether the loans were subject to significant increased credit risk by sample size testing of loans against due date and payment history registered in the Company's system. Our work also included tests of the Company's financial reporting systems relevant to financial reporting. The Company uses external service

organizations for support with their IT systems. The audit team performed detailed substantive testing of relevant reports, automated controls and IT general controls for the external service organization and the company itself. This allowed us to satisfy ourselves with regard to the completeness and accuracy of data in the IT and payment systems relevant to financial reporting.

Our testing included, among other things, whether the key calculations made by the core systems were performed in line with expectations, including interest rate calculations. Further, we performed tests on the access controls to the IT systems and segregation of duties where it was relevant for our audit.

We read the relevant notes and found them to be adequate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Morrow Bank ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name morr-2024-12-31-no.xhtml, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 11 March 2025
PricewaterhouseCoopers AS

Erik Andersen
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.

Design og produksjon: Artbox AS