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Q1 2025 results

Morrow Bank ASA

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Providing financial flexibility to Nordic consumers

Offering convenient consumer financing...



Flexible consumer loans



No-fees credit cards



Guaranteed savings accounts

...to creditworthy individuals...

NOK ~600k

customer average annual income

NOK ~160k

average loan amount

~60%

homeownership

- ✓ Zero payment remarks
- ✓ Permanent employment

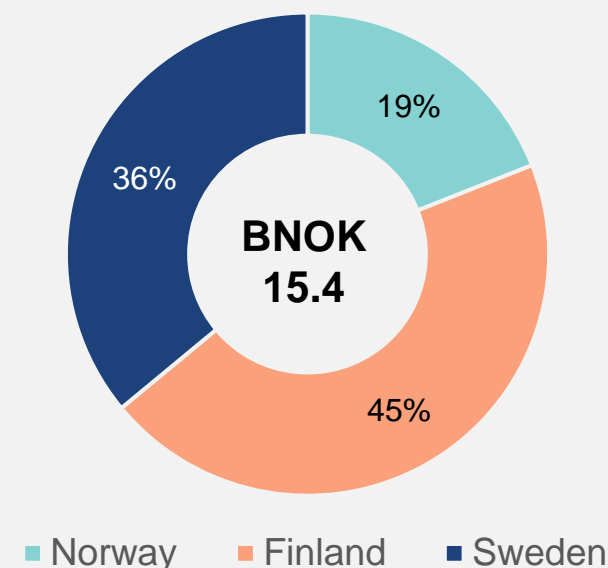
...across the Nordics



Scalable and efficient consumer banking platform

- Solid operational performance in Q1 2025
- Q1 profit before tax increased by 43% y-o-y to NOK 83 million
- ...enabling increased profitability
- New products to drive accelerated growth from H2
- Swedish banking license granted – supporting ROE expansion

Well-diversified Nordic loan book



Cost/income¹

24.4%

vs. 27% in Q1 2024

Loan loss ratio

4.3%

vs. 5.2% in Q1 2024

ROTE

10.7%

vs. 8.4% in Q1 2024

Dividend per share

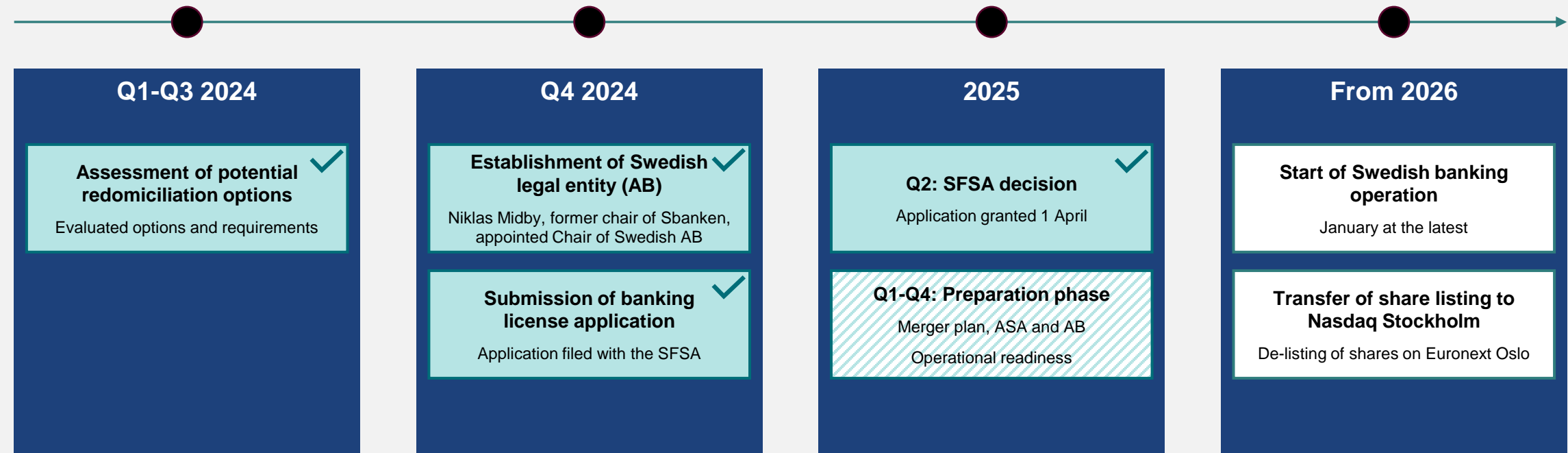
NOK 0.4

Based on 2024 result

Note: ROTE = Return on target equity.
1. 27.5% including one-offs related to Swedish banking license

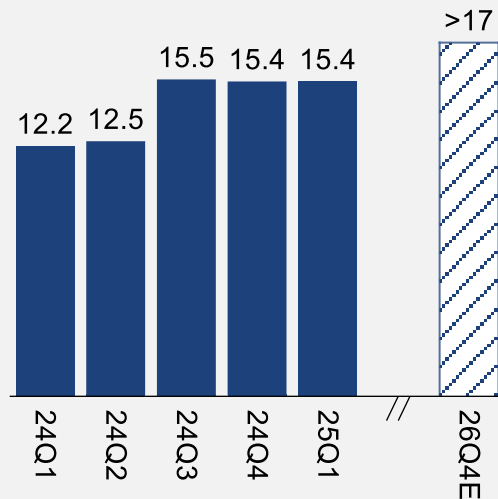
Morrow to become a Swedish bank around year-end

- Granted banking license 1 April and initiated transfer to Nasdaq Stockholm

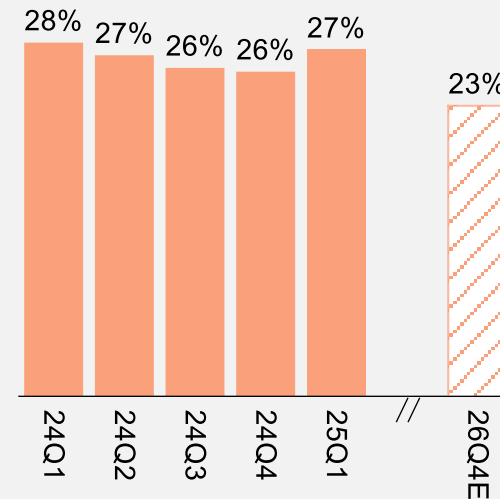


Redomiciliation enabling higher ROTE target

Loan balance
BNOK

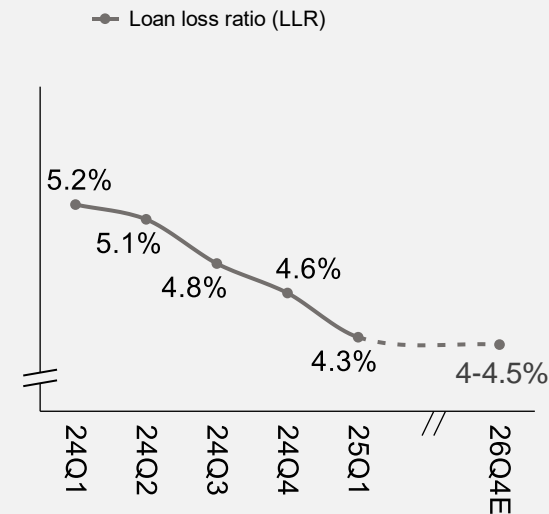


Cost/income ratio
%

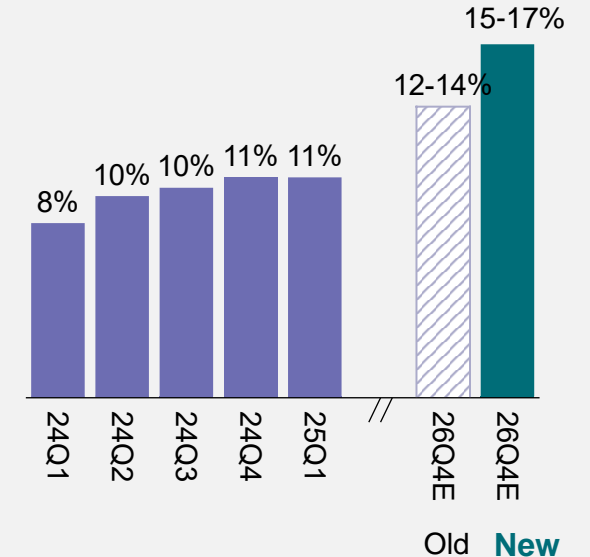


25Q1 at 24% w/o one-offs

Loan loss ratio
%



Return on target equity
%

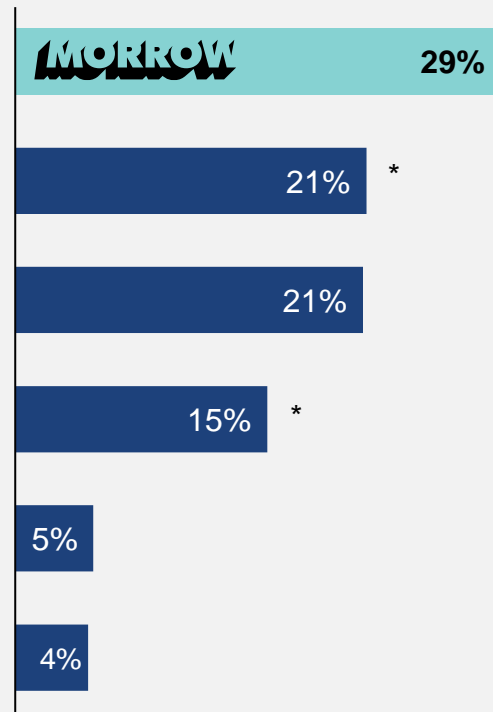


Raising mid-term ROTE target to 15-17% by year-end 2026, reflecting Swedish capital requirements

Outperforming peers on growth and efficiency

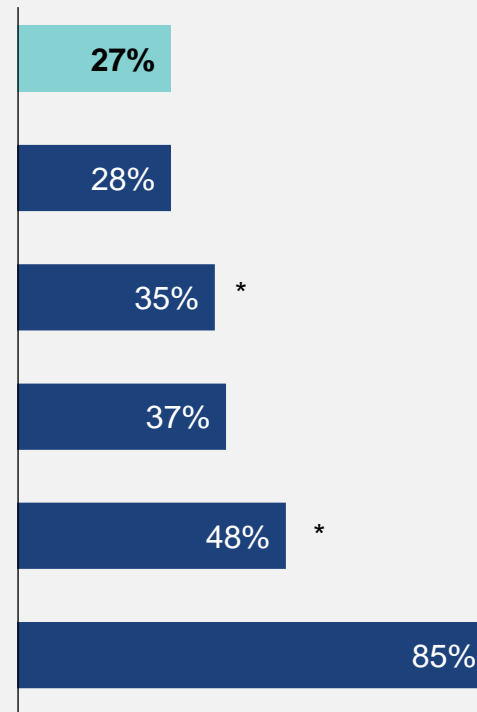
Growth last three years¹

Annualised per 25Q1



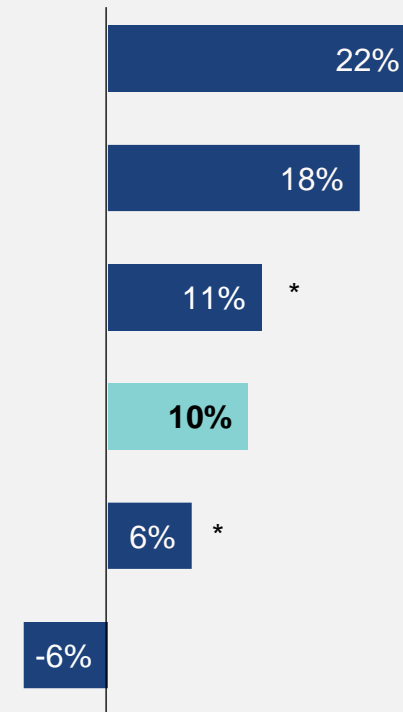
Cost/income ratio²

25Q1



Return on equity (ROE)

25Q1



 Morrow Bank

Price/book currently at ~1x vs 1.4x average for Swedish peers

* 24Q4 (25Q1 not yet disclosed)

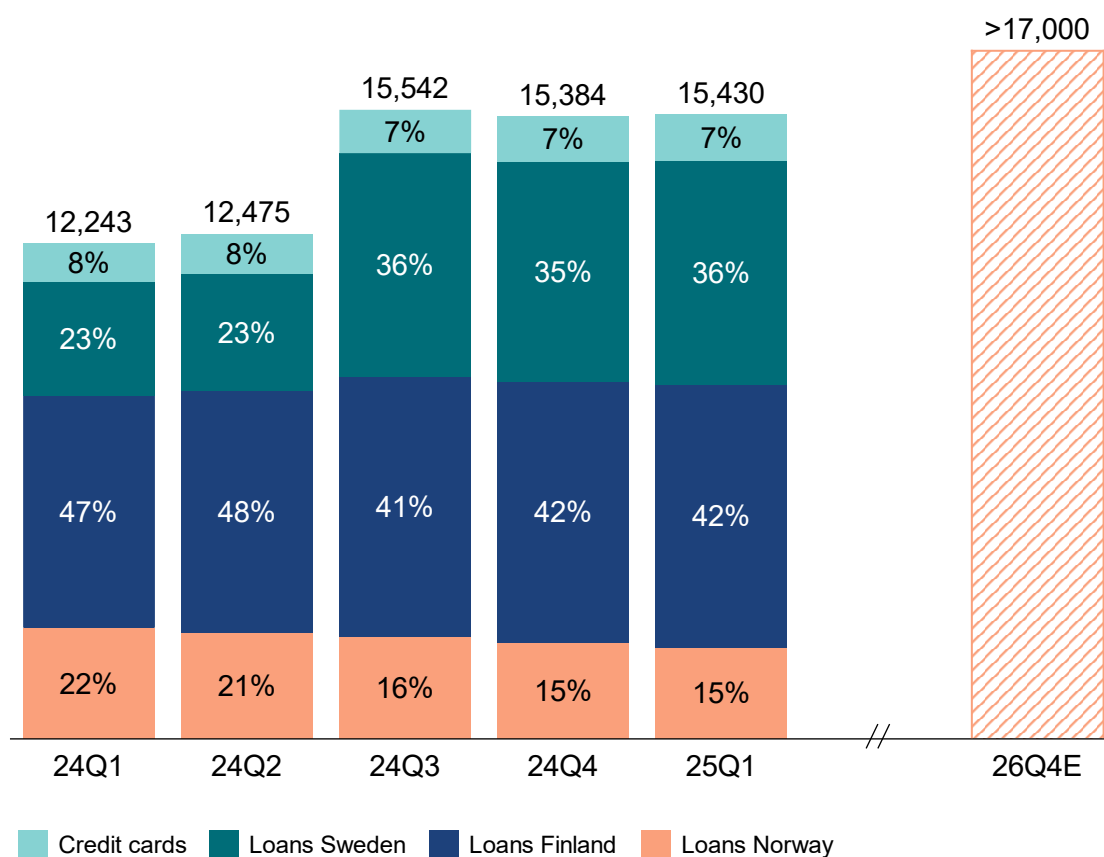
1. Gross loans. 2. Total operating expense / total income. Source: Company data, Bloomberg, Pitchbook. Peer group includes TF Bank, Resurs Bank, Norion Bank, Lea Bank and Instabank

Financial review



Building scale by growing in the most profitable markets

Total gross loans MNOK

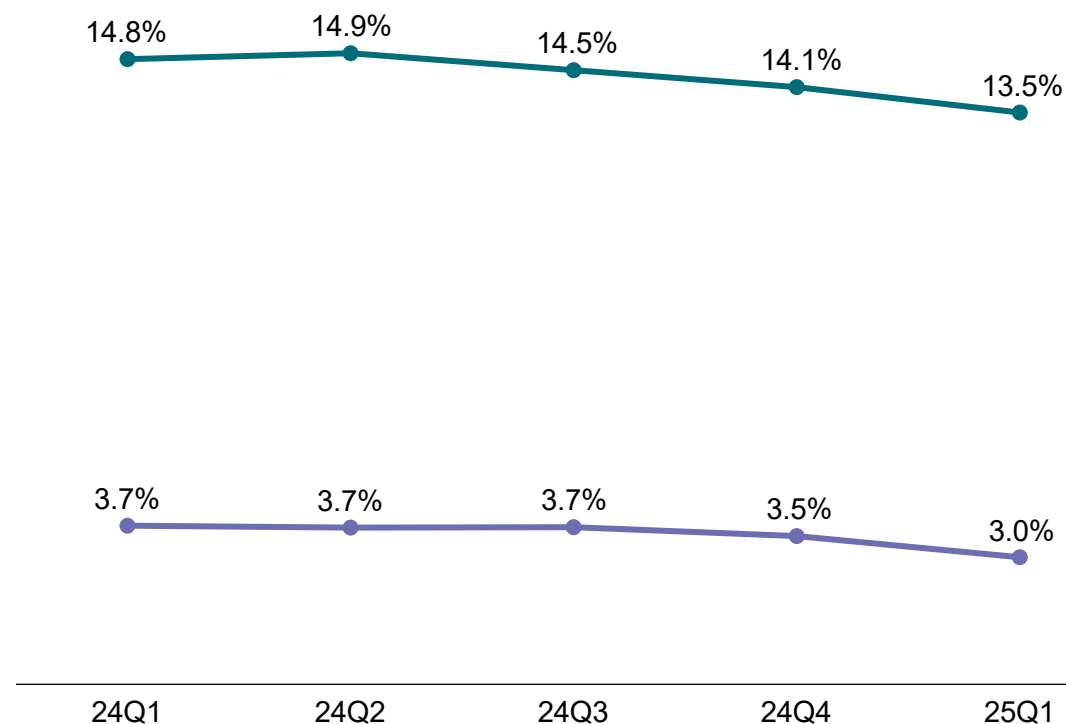


- Controlled growth in Q1 impacted by seasonality, product adjustments and FX effects (strong NOK)
 - Underlying growth of MNOK 274 in FI and SE
- Gross loan balance growth of 26% year-on-year
- Product launches aimed at accelerating growth starting in Q2
- Continuing to explore portfolio opportunities

Stable net interest margins – improving end of quarter

Yields, performing loans and deposits

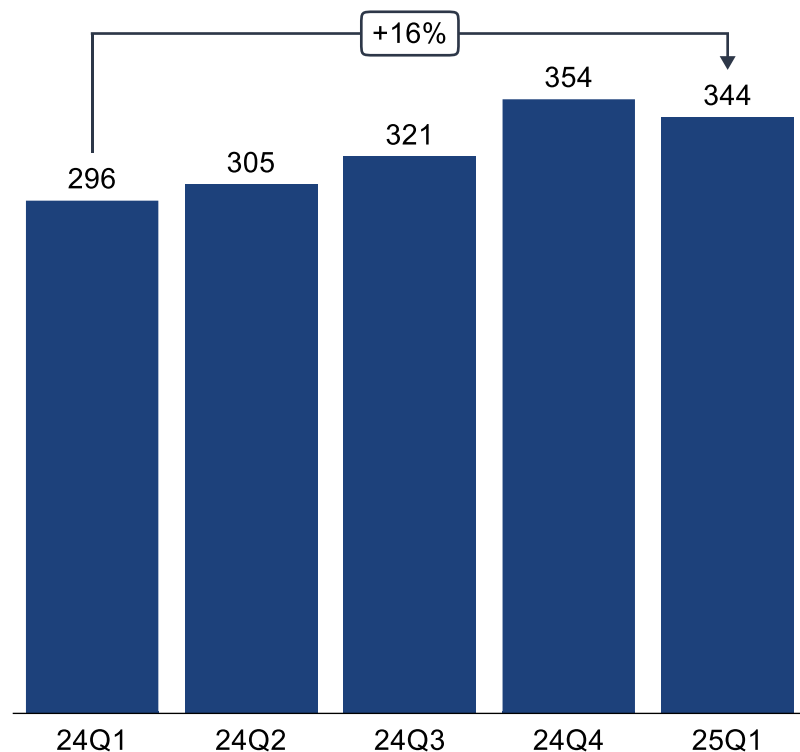
Deposits Loans and credit cards



- Net loan-deposit margin of 10.5% in Q1 (10.6% Q4)
 - Reference rate adjusted in Finland from 1 January impacting loan yield
 - Mitigated through the quarter with significant decreases of deposit rates (EUR and SEK)
- Margin expansion towards the end of the quarter
 - 2.7% weighted deposit rate end of quarter
- Stable to positive net margin outlook

Total income continues to grow

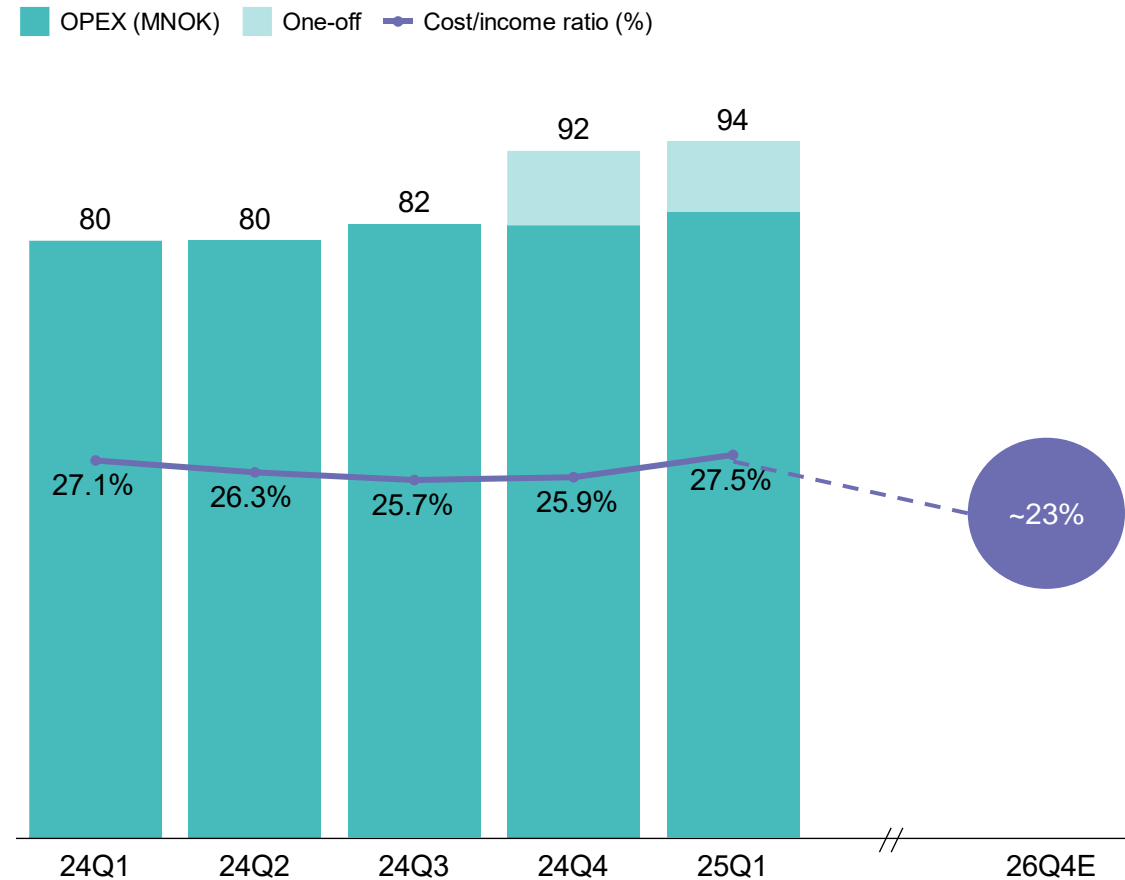
Total income (MNOK)



- Total income growth of 16% year-on-year
 - Driven by organic growth and acquisition of performing Swedish loan portfolios
- Q1 impacted by reduced reference rate in FI and lower interest income on liquidity – partially offset by one-offs in commission income
- Higher net interest margin expected – lower deposit rates towards the end of Q1 to have full effect in Q2
- Following a stable Q1 after portfolio acquisitions in 2024, new product launches to accelerate organic growth from H2

Stable underlying cost base

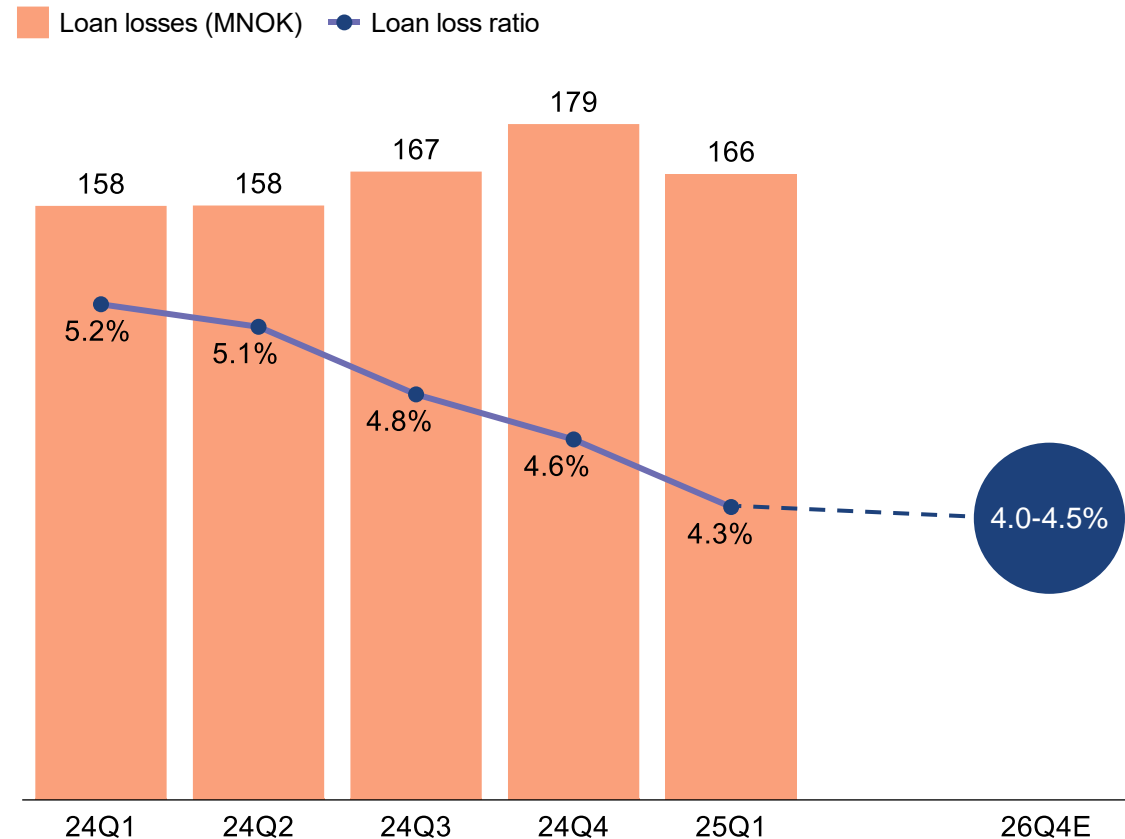
Cost/income



- Stable underlying OPEX despite continued loan growth, including portfolio acquisitions.
- Cost/income ratio at 27.5%
 - MNOK 10 in redomiciliation related one-offs
 - C/I of 24.4% excl. one-offs
- Further costs related to redomiciliation and Stockholm listing expected in 2025
- Underlying cost efficiency to continue to improve

Loan loss ratio continuing to improve

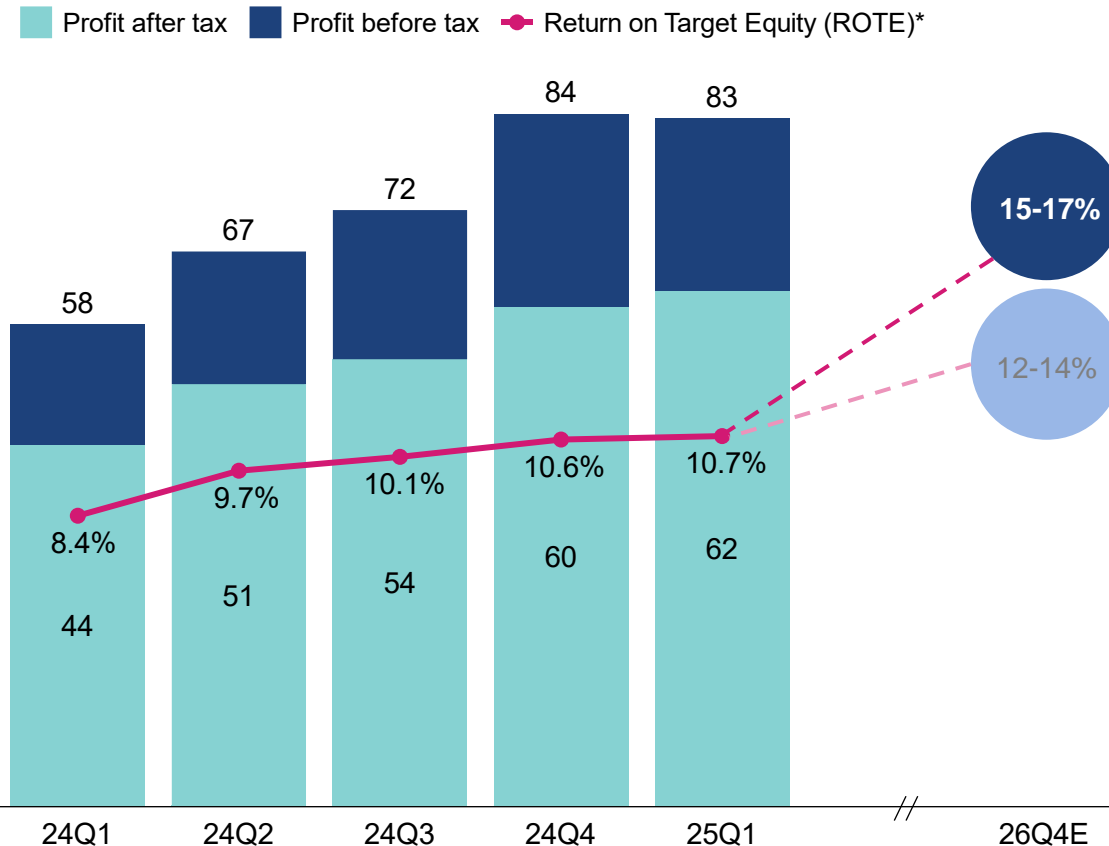
Loan losses



- Decrease in nominal losses driven by stable balance and improving credit quality
- Overall loan loss ratio continued to decline in the quarter to 4.3% (Q1 2024: 5.2%)
- Current level expected to continue, with some fluctuations from quarter to quarter

Profitability increasing – higher ROTE target

Profit (MNOK)



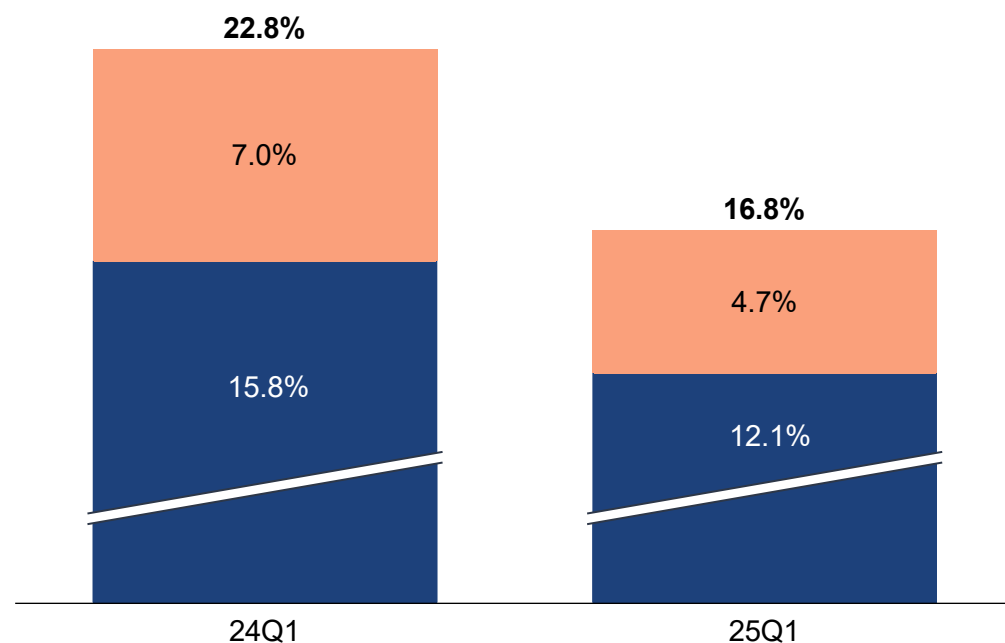
- Q1 2025 profit before tax up 43% year-on-year
- NOK 0.4 per share in dividend for 2024 paid in April; 50% of 2024 profits
- Return on target equity (ROTE) at 10.7% – improved for six consecutive quarters
- Increased ROTE target from 12-14 % to 15-17% enabled by Swedish banking license
- Outlook for increased profitability driven by:
 - Continued loan balance growth at stable cost base
 - Stable/increasing risk-adjusted margins

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

Strong balance sheet – room for growth and dividends

Capital adequacy - CET1

■ CET1 headroom ■ CET1 requirement



Please see Appendix for total capital situation

- CRR3 effective 1 April 2025:
Capital requirement relief – operational risk exposure reduced from MNOK 1,566 to MNOK 570
- Capital situation improved:
Headroom to CET1 requirement/target of MNOK 700/470 as of 1 April 2025
- Dividend policy:
Distribute excess capital not allocated to growth to shareholders

Summary and outlook



Growth drivers



Scalable platform

Automation and self-service



New products

Launching in Norway and Sweden in Q2



Direct marketing

Encouraging initial results driven by MarTech



Close follow-up of clients

CRM for activation, upsell and lower churn



Portfolio acquisitions

Growth opportunities if value accretive

Growing while maintaining a strict focus on profitability and credit quality

Attractive value-creation potential

Today

A scalable banking platform

- Proved scalability and industry leading cost-efficiency
- Generating excess capital; paid first dividend since turnaround



Towards end-2026

Excess capital growing

- Level playing field with Swedish peers to increase value creation
- Organic improvements driving increased growth and profitability
- Exploiting in-organic opportunities



Longer-term

Driving returns

- Allocate capital to where it creates the highest long-term shareholder returns

Q1 performance

Gross loans
BNOK 15.4

ROTE
11%

Year-end 2026 targets and medium-term outlook as a Swedish bank

Gross loans
BNOK >17

ROTE
15-17%

**Further growth,
dividends and
M&A**

ROTE
>20%

Q & A

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

MORROW

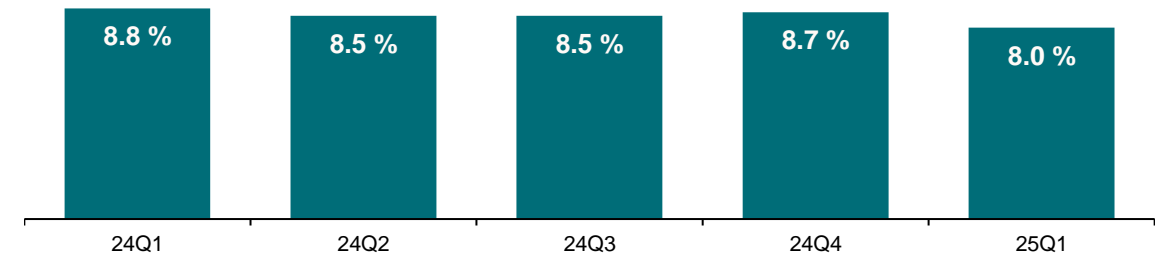
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APPENDIX

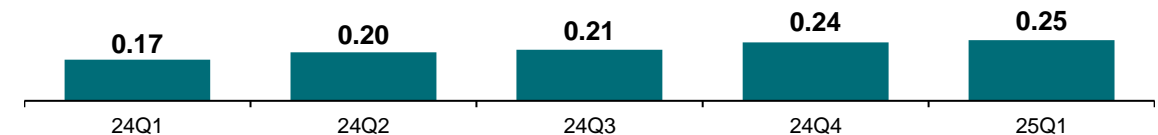
Profit and loss

Amounts in MNOK	Q1 2025	Q4 2024	2024	2023
Interest income	450.1	493.8	1,762.7	1,380.0
Interest expenses	-134.4	-159.2	-552.2	-359.8
Net interest income	315.8	334.7	1,210.5	1,020.2
Commission income and fees	25.8	17.8	68.8	62.7
Commission expenses and fees	-17.5	-17.8	-61.2	-57.6
Net commissions and fees	8.3	0.0	7.6	5.1
Net gains / losses (-) on certificates and bonds, and currency	20.0	19.7	58.7	28.6
Total income	344.0	354.4	1,276.7	1,053.9
Personnel expenses	-33.1	-31.0	-118.1	-102.3
General and administrative expenses	-35.8	-33.6	-132.0	-135.3
Other expenses	-14.3	-14.9	-40.3	-47.6
Depreciation	-11.4	-12.2	-44.0	-35.7
Total operating expenses	-94.5	-91.7	-334.4	-320.9
Losses on loans	-166.4	-179.2	-661.0	-526.7
Profit/(loss) before tax	83.1	83.6	281.4	206.4
Tax expenses	-20.8	-23.2	-72.7	-54.5
Profit/(loss) after tax	62.3	60.4	208.7	151.9
Earnings per share (NOK)	0.25	0.24	0.82	0.62

Net interest margin* (%)



Earnings per share (NOK)

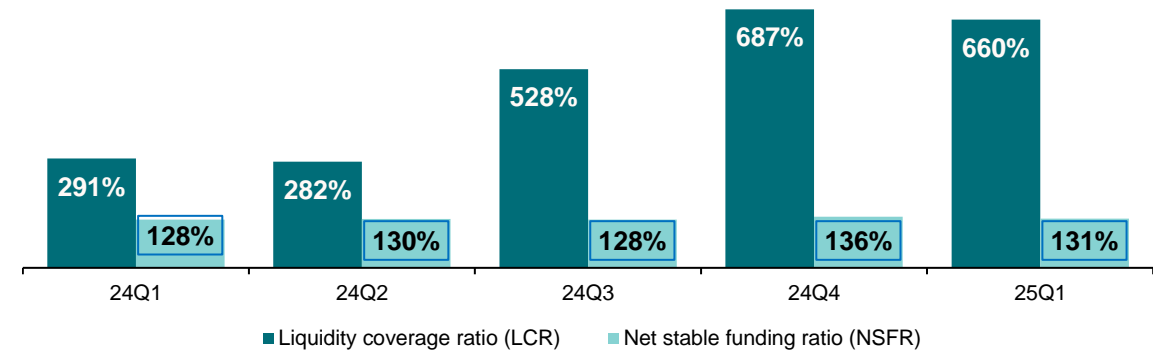


* Net interest margin (NIM) = 4 * (Net interest income / Average interest-bearing assets excl. certificates and bonds).

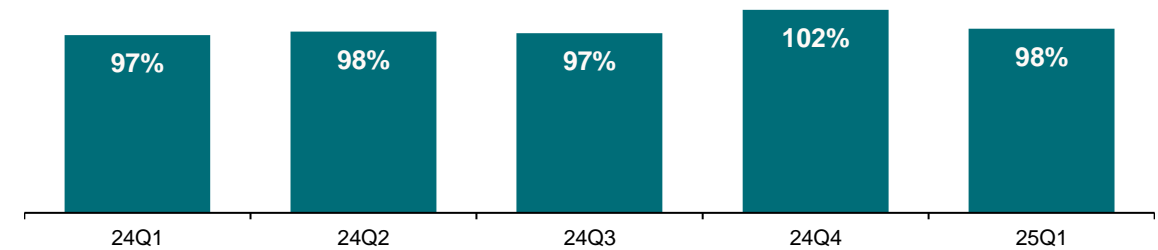
Balance sheet

<i>Amounts in MNOK</i>	31 Mar. 2025	31 Dec. 2024	31 Dec. 2023	31 Dec. 2022
Assets				
Loans and deposits with credit institutions	1,791.4	2,084.0	1,530.0	807.8
Net loans to customers	13,768.4	13,847.5	11,076.0	9,110.7
Certificates and bonds	2,448.8	2,589.4	926.1	1,453.5
Other intangible assets	68.5	68.0	66.9	45.3
Deferred tax assets	-	-	29.5	77.9
Fixed assets	17.4	18.3	22.0	3.5
Other receivables	49.5	9.8	14.7	29.2
Total assets	18,144.1	18,616.9	13,665.2	11,528.0
Equity and liabilities				
Deposits from and debt to customers	15,147.2	15,704.6	11,096.0	9,347.6
Other debt	148.5	141.6	125.3	162.1
Subordinated loans (Tier 2)	265.0	265.0	165.0	65.0
Deferred tax	24.6	5.4	-	-
Tax payable	31.3	31.3	-	-
Total liabilities	15,616.6	16,147.8	11,386.3	9,574.8
Share capital	230.9	230.0	229.4	187.6
Share premium reserve	936.9	936.9	936.9	786.7
Other paid-in equity	56.6	56.6	56.5	56.4
Retained earnings	1,103.6	1,046.0	856.7	723.0
Additional Tier 1 capital	199.6	199.6	199.6	199.6
Total equity	2,527.6	2,469.0	2,278.9	1,953.3
Total equity and liabilities	18,144.1	18,616.9	13,655.2	11,528.0

Liquidity and funding



Deposit coverage* (%)



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

Shareholder overview

Largest 20 shareholders

#	Shareholder	Shares (thousand)	%
1	Kistefos AS	47,787	20.7%
2	UBS AG	19,807	8.6%
3	Alfab Holding AS	10,257	4.4%
4	Kvantia AS	8,350	3.6%
5	Dnb Bank ASA	7,551	3.3%
6	Norda ASA	6,557	2.8%
7	The Bank Of New York Mellon SA/NV	6,076	2.6%
8	Hvaler Invest AS	5,753	2.5%
9	AS Audley	4,346	1.9%
10	Om Holding AS	4,209	1.8%
11	Hans Eiendom AS	4,000	1.7%
12	Stiftelsen Kistefos	4,000	1.7%
13	Directmarketing Invest AS	3,715	1.6%
14	Melesio Invest AS	3,212	1.4%
15	Christiania Skibs AS	3,101	1.3%
16	Belair AS	2,642	1.1%
17	Obligasjon 2 AS	2,540	1.1%
18	Hjellegjerde Invest AS	2,157	0.9%
19	Khaya AS	2,134	0.9%
20	Hjellegjerde Invest AS	2,157	0.9%
Total top 20		148,983	64.3%

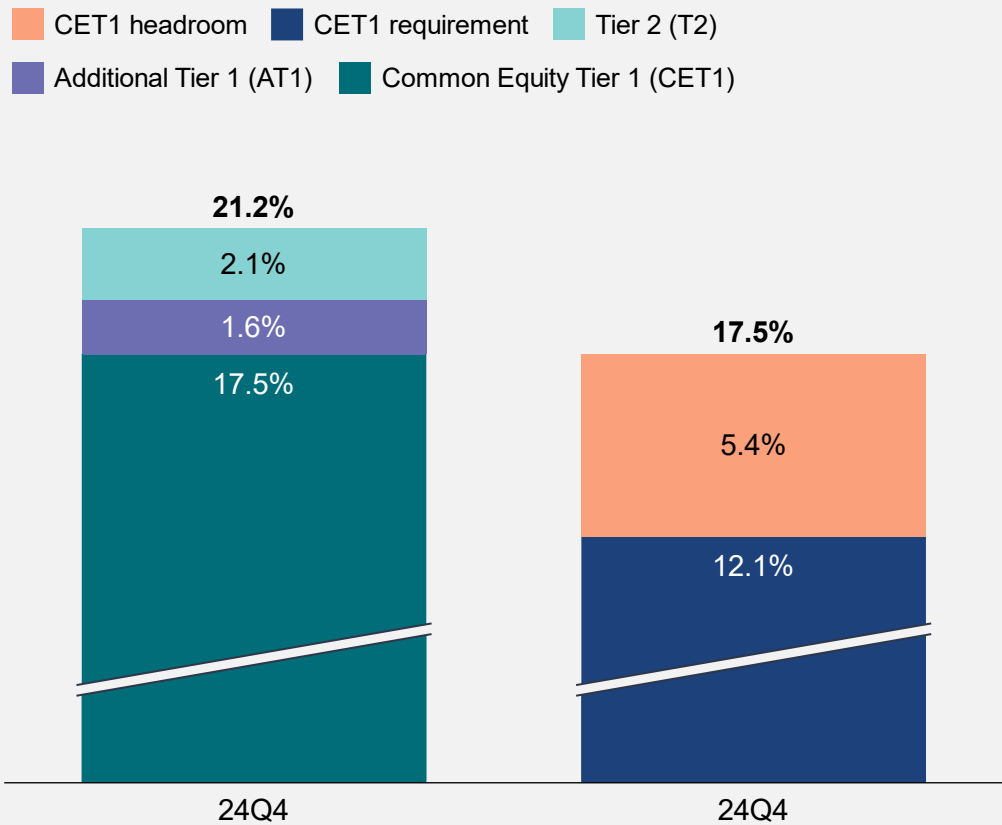
Management and members of the Board of Directors

Role	Name	Shares (thousand)	Share options* (thousand)	Warrants (thousand)
CFO	Eirik Holtedahl	2,642	287	800
COO	Wilhelm B. Thomassen	2,108	499	800
CEO	Øyvind Oanes	453	463	1,250
CCRO	Annika Ramstedt	225	548	800
CCO	Tony Rogne	-	231	800
CTO (interim)	Martin Valland	186	-	800
Members of the Board of Directors		1,468	15	-
Total		7,082	2,044	5,250

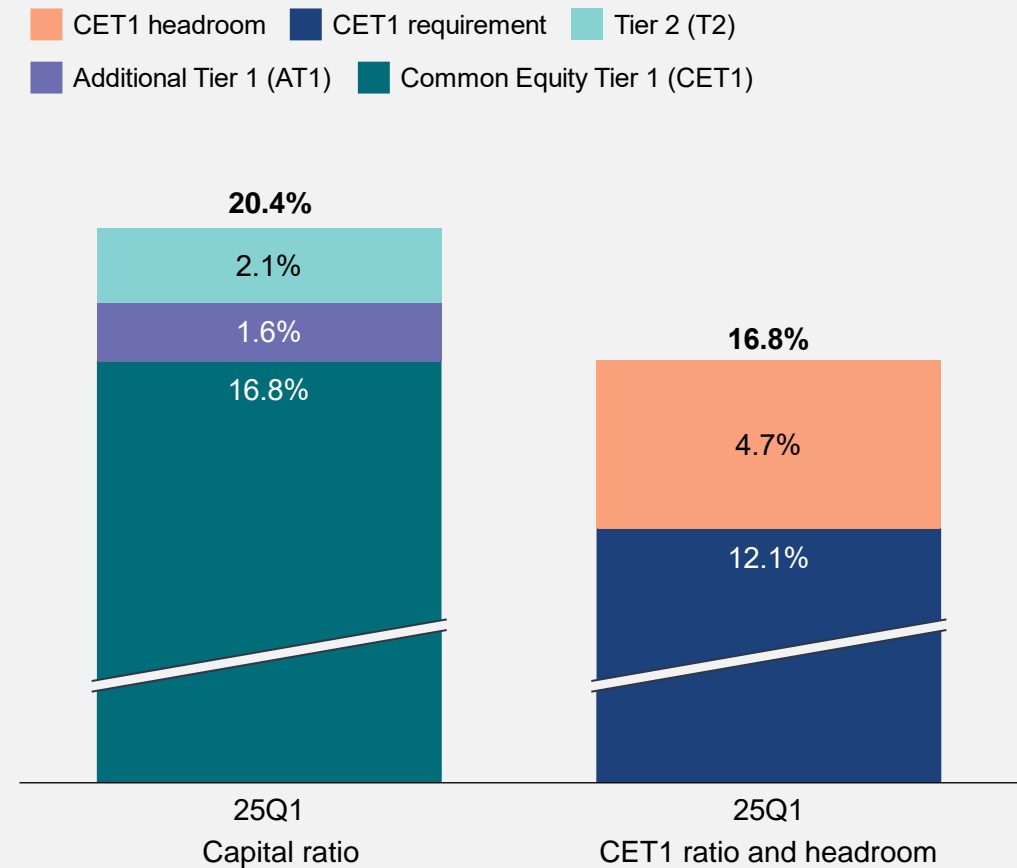
* Total outstanding granted share options

Headroom to capital requirements

24Q4 capital adequacy

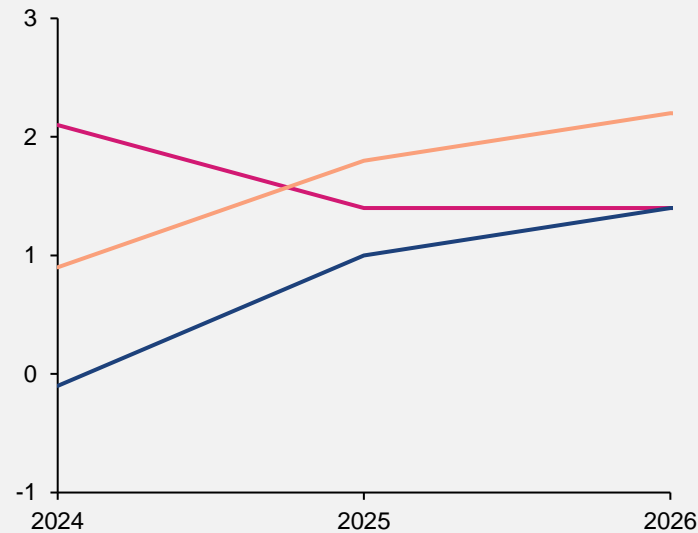


25Q1 capital adequacy



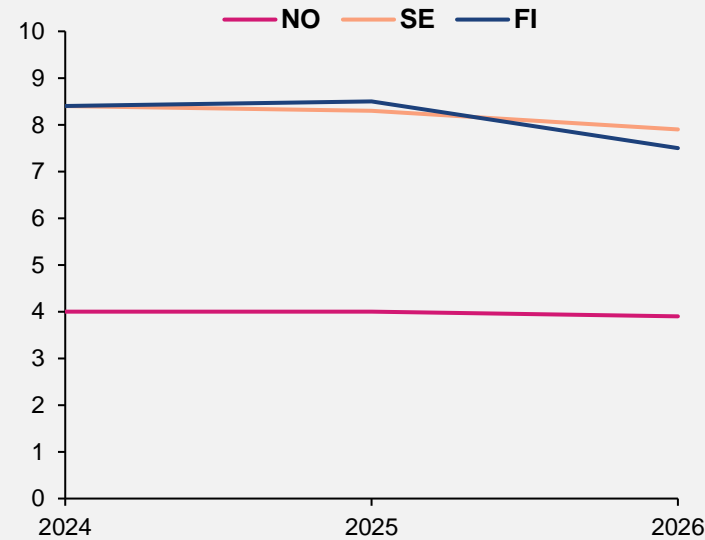
Nordic region remains well positioned

GDP growth (%)



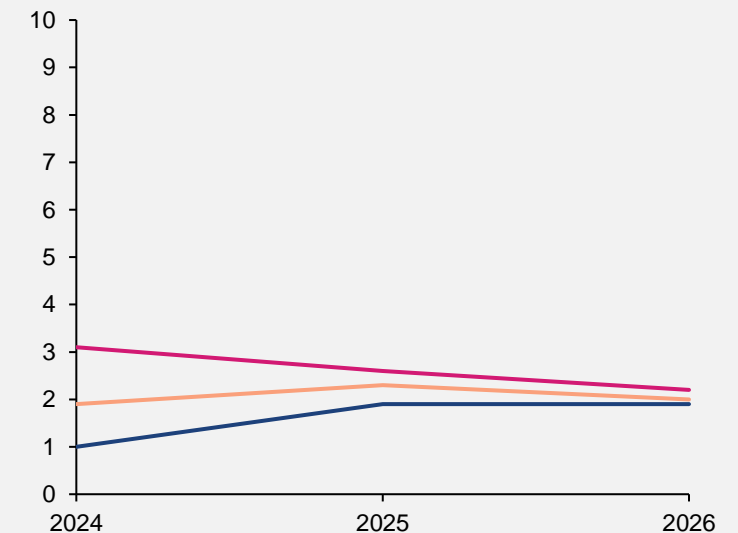
- GDP growth to support demand for consumer loans

Unemployment (%)



- Unemployment outlook remains stable, limiting credit risk

Inflation (%)



- Inflation levels normalising, lower interest rates reduces funding cost and improves customer disposable income

Underpinned by robust economic policy frameworks and strong public finances