MORROW

Interim report

FIRST QUARTER 2025

Profit up 43% YoY – Swedish banking license enabling higher return target, new products to drive growth

Solid operational performance

- Gross loans at NOK 15.4 billion, up 26% from NOK 12.2 billion in Q1 2024 (of which NOK 2.3 from loan portfolio acquisitions)
- Total income grew 16% year-on-year to NOK 344 million, with net interest margins improving end of quarter
- Stable cost base vs previous quarter – cost/income ratio at industry-leading 27.5% (24.4% ex Swedish banking licensing)

Increased profitability

- Loan loss ratio declined for the fifth quarter in a row to 4.3% (5.2% in Q1 2024) driven by a maturing loan book
- Profit before tax increased by 43% to NOK 83.1 million (NOK 58.2 million in Q1 2024)
- Return on equity (ROE) at 10.0% (7.4% in Q1 2024) and return on target equity (ROTE) of 10.7% in the quarter (8.4%)

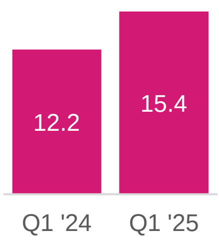
New products to drive accelerated growth from H2

- Following a stable Q1 after portfolio acquisitions in 2024, new product launches to accelerate organic growth from H2
- Continuing to pursue structural growth opportunities if value accretive
- Anticipating increased capital generation – policy to distribute capital not allocated to growth to shareholders

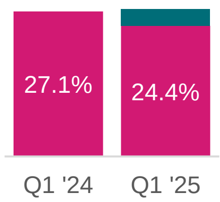
Higher returns as Swedish bank

- Swedish banking license granted – redomiciliation and listing transfer to Nasdaq Stockholm targeted around year-end
- Raising mid-term ROTE target from 12-14% to 15-17% by year-end 2026, reflecting Swedish capital requirements
- Targeting annualised organic loan growth of ~5% and cost/income ratio of 23% by year-end 2026
- Well positioned for accelerated growth, higher returns, increasing dividends and closing the valuation gap to peers

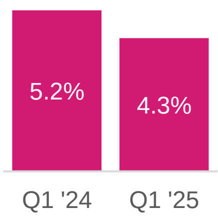
Growing gross loans (bNOK)



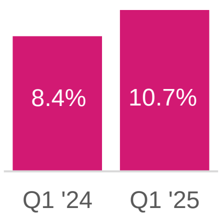
Industry-leading cost/income[1]



Improving loan loss ratio



Higher return on target equity



[1] 27.5% including one-offs related to Swedish banking license

Comment from the CEO, Øyvind Oanes:

“Morrow Bank will become a Swedish bank around year-end, following the granting of our banking license by the Swedish FSA on 1 April. This reflects the fact that most of our activities are outside of Norway, puts us on equal footing with peers and unlocks a significant return potential. As a result, we are lifting our mid-term return on target equity (ROTE) guidance from 12-14% to 15-17% by end-2026. Longer term, we expect ROTE to exceed 20% as the business develops and regulatory alignment is completed.

Q1 was a solid and stable quarter, as expected following the significant portfolio acquisitions completed in late 2024. Gross loans grew by 26% compared to a year ago, while growth from the previous quarter was stable ahead of new product launches aimed at accelerating organic growth from H2. Throughout the quarter we also saw net interest margin on performing loans improving driven by lower funding cost.

Based on a scalable platform we will launch a refinancing product in Norway and an upsell product in Sweden during Q2, enabling existing customers to increase loan limits through a simplified process. Further, we have encouraging results from more direct marketing and closer follow-up of clients to make them aware of their opportunities. This to support increased loan growth and reduce churn, while maintaining a strict focus on profitability and credit quality.

Importantly, we have held our cost base flat over the past year despite strong loan growth, achieving an industry-leading cost/income ratio of 25% adjusted for investments related to the Swedish banking license. We expect increased capital generation, enabling both dividend payments – as initiated in April – and disciplined deployment into further growth opportunities, including additional portfolio acquisitions.

With a strengthened regulatory position, strong cost efficiency and clear value drivers in place, Morrow Bank is well-positioned to deliver long-term, sustainable value creation for our shareholders."

About Morrow Bank

Morrow Bank 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 the credit line. 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.

Financials for Q1 2025

All figures are prepared and presented in accordance with IFRS Accounting Standards.

Gross loans to customers amounted to NOK 15.4 billion at the end of Q1 2025, an increase of 26% compared to the end of Q1 2024 driven by organic growth and two loan portfolio acquisitions. Split on product segments, loans increased by NOK 2,297 million and credit cards increased by NOK 193 million from Q1 2024 to Q1 2025. Adjusted for currency effects and NPL sales, total gross loans increased by 1.1%.

In Q1, growth was stable – impacted by seasonality and FX as NOK was strong compared to EUR in the quarter. The growth is expected to resume at targeted levels from H2 2025, driven primarily by new product launches.

Net interest income amounted to NOK 315.8 million in Q1 2025, up 10% compared to Q1 2024.

Net interest margin was 9.5% for performing consumer loans in the quarter (9.2% in Q1 2024). The margin was impacted by acquired Swedish portfolios, with more attractive risk-adjusted margin and adjusted reference rate in Finland from 1 January. This was mitigated through the quarter with significant decreases of deposit rates (EUR and SEK), with a yield on deposits of 3.0% (3.7%), leading to an overall margin expansion towards the end of Q1.

Net commissions and fees amounted to NOK 8.3 million in the quarter while net gains on certificates, bonds and currency were NOK 20 million (NOK 9 million) as a result of higher volume and a positive performance of market-based instruments.

Total income was NOK 344 million, an increase of 16% from the same quarter last year, mainly driven by successful loan portfolio acquisitions as well as organic demand.

Total operating expenses were NOK 94.5 million, up from NOK 80.1 million in Q1 2024, driven by a NOK 10.5 million in one-offs for additional advisory and personnel costs related to the Swedish banking license application and redomiciliation. The personnel expenses were NOK 33.1 million in the quarter (NOK 27.4 million). As the number of FTEs was 63 by the end of quarter compared to mid-seventies by the end of Q1 2025, the underlying cost base was reduced mainly enabled by increased automation.

General and administrative expenses including direct marketing expenses were NOK 35.8 million, at the same level as Q1 2024.

The cost/income ratio was 27.5%, at the same level as in Q1 2024, while the ratio adjusted for one-offs was 24.4%. The NOK ~2.3 billion loan portfolio acquisitions had full effect from Q4 2024 and highlights the scalability of Morrow Bank's platform, as gross loans has grown significantly without increasing operational expenses.

Losses on loans amounted to NOK 166.4 million, compared to NOK 157.5 million in Q1 2024. The loan loss ratio has declined from 5.2% to 4.3% as a result of loan growth stabilising, the recent acquisitions of mature loan portfolios with lower credit risk and the implementation of stricter credit policies in 2024. As growth is otherwise easing and with older loans entailing less credit risks than newer loans, this development has contributed to the loan loss ratio now declining five quarters in a row.

Additionally, the Bank has experienced positive results from its initiatives to improve collection processes and observed a generally positive macro development in the Nordics during the quarter.

Profit after tax increased to NOK 62.3 million compared to NOK 43.7 million in Q1 2024. The improvement of 43% was driven by an increase in total income lifted by higher gross loans amid stable costs.

Return on equity was 10.0% in Q1 (7.4%) and return on target equity (ROTE) was 10.7% (8.4%).

Total assets as at 31 March 2025 amounted to NOK 18,144 million (compared to NOK 14,501 million as at 31 March 2024). Net loans to customers ended at NOK 13,768 (NOK 11,373 million). Deposits from customers amounted to NOK 15,147 million (NOK 11,857 million). For a period the Bank has retained most of its defaulted loans in its loan books, and, as a consequence, the portion of defaulted loans increased to NOK 2,715 million (NOK 1,139 million). However, there are signs of increasing activity in this market as demonstrated by the Bank's sale of Finnish non-performing loans in Q2 2025.

Total equity was NOK 2,528 million as at 31 March 2025 (NOK 2,318 million as at 31 March 2024). The Bank had a total capital ratio of 20.4% at the end of the quarter (22.8%), and a common equity tier 1 (CET1) ratio of 16.8% (19.3%) driven by the 26% higher loan balance. On 19 December 2024, Finanstilsynet (the Norwegian Financial Services Authority – NFSA) informed Morrow Bank that the Bank's Pillar 2 requirement ("P2R") no longer needs to consist of 100% CET1 capital, as per the Bank's latest SREP letter (23 May 2024), but may consist of a minimum of 56.25% CET1 capital and 75% core capital. This change implies a relief of approximately 2.5% in the CET1 requirement, with headroom to the requirement of 5.4% as of Q1 2025. The total capital requirement remains unchanged.

Loans and deposits with credit institutions and certificates and bonds amounted to NOK 4,240 million (NOK 2,982 million) corresponding to 23.4% (20.6%) of total assets.

Outlook

Morrow Bank maintains a positive outlook for growth and increased returns in the medium term. The outlook is founded on the Bank having a well-diversified NOK 15.4 billion gross loan book, a continued strong inflow of loan applications, profitable operations, continuous improvements of operational efficiency and exposure to a growing Nordic consumer financing market that has demonstrated strong resilience historically.

To achieve increased throughput without accepting riskier client segments, the Bank has over the recent years deployed several strategic initiatives – focusing on product performance, process automation and tech simplification. The initiatives related to product performance and process automation have been successfully implemented. The transfer to a new IT platform, which is set to be completed in Q2 2025, is progressing well and will further reduce the cost of IT ownership. With this scalable platform in place with high degree of automation and self-service, the Bank expects to resume growth at annualised target levels of 5% or more. The primary driver is set to be the planned launch of a refinancing product in Norway, that will reduce churn, as well as an upsell product for Swedish customers. Additionally, Morrow Bank has seen encouraging early results from recent MarTech (marketing technology) deployments to improve the effectiveness of direct marketing as well as improvements in the CRM system aimed to reducing churn.

Despite ongoing geopolitical uncertainties, the Nordic region remains well positioned to navigate a changing environment, underpinned by robust economic policy frameworks and strong public finances. During Q1, GDP continued to grow across the Nordic countries and interest rates were lowered in Sweden and the Eurozone, including Finland and Germany, while unemployment levels were stable in all the countries Morrow Bank offers lending. For 2025 and 2026, GDP growth is set to support demand for consumer financing.

- In Sweden, GDP is estimated to grow by 1.8% in 2025 and 2.6% in 2026
- The Bank of Finland expects GDP growth to be 0.8% for 2025, rising to 1.8% in 2026
- Mainland Norway GDP is expected to grow by 1.2% in 2025 and 1.9% in 2026, according to Statistics Norway

At the same time, reduced inflation and stable unemployment rates alleviate credit risk. On the other hand, there is nevertheless increased uncertainty due to the geopolitical tensions arising from ongoing trade conflicts and wars, as well as the fact that in recent years we have seen both interest rates and inflation rise rapidly and then decline relatively quickly.

Cost inflation has affected personnel costs somewhat throughout 2023 and 2024, but the impact of inflation on overall costs is still expected to be moderate in the near to medium term. Going forward, costs are expected to stabilise around current levels and continued loan growth is set to further drive cost efficiency. Also, customer salary increases appear to be catching up with the cost inflation and interest rate levels, with positive impact on their loan servicing capacity. This, in combination with a declining funding cost driven by lower interest rates, should provide a favourable backdrop for higher risk-adjusted margins going forward.

To maintain and, potentially, improve net interest margins, pricing optimisations are set to continue. In addition, reduced loan losses – reflecting a stricter credit policy implemented in H2 2023, improved collection processes and a maturing loan book – are expected to contribute positively to risk-adjusted margins.

Following the two successful loan acquisitions in 2024, the Bank will continue to pursue structural opportunities that can further accelerate shareholder returns.

A redomiciliation to Sweden, which represents the leading cluster for consumer finance in the Nordic region, provides additional upside to the Bank's outlook for long-term value creation. On 1 April 2025, the Bank's Swedish subsidiary (to be renamed, Morrow Bank AB) received notice from the Swedish Financial Supervisory Authority (SFSA) that a banking license has been granted in accordance with the Banking and Financing Business Act of Sweden.

Subject to application approval and subsequent corporate actions, Morrow Bank could start operations as a Swedish bank at the latest by January 2026 and transfer the listing of its shares to Nasdaq Stockholm. Such a move could improve the Bank's access to talent and institutional capital and reflect the fact that 80% of the loan book is outside of Norway.

The new capital requirements regulations (CRR3) came into force in the EU on 1 January 2025, and came into effect on 1 April 2025 in the EEA. For Morrow Bank, this implies a reduction in the operational risk charge from NOK 1,566 to 570 million (as at 31 December 2024).

With a CET1 ratio target of 14.1% and a total capital target at 20.0%, the Bank's capital level provides headroom and support for further growth. In NOK, after implementation of the new capital requirements regulations mentioned above, the headroom to the CET1 requirement and CET1 target was NOK 700 and 470 million, respectively.

Based on the current market outlook and the identified potential for additional improvements, Morrow Bank targets an annual organic loan balance growth of ~5% and a cost/income ratio of ~23%. Return on target equity has been increased from the range of 12-14% to 15-17% by Q4 2026 to reflect new regulatory capital requirements once the redomiciliation process is completed.

With an organic business plan that is set to deliver a return on equity 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 loan portfolio acquisitions have provided the most attractive returns over the past year as this market has become more active, the relative attractivity of these options can vary over time. Morrow Bank is committed to continuously allocate capital where it can generate the highest long-term shareholder return.

Risks and uncertainties

Morrow Bank's operations and results are subject to a range of risks and uncertainties. The Bank's framework for managing financial risks is described in the Annual report 2024. Below is a description of selected major risk factors that may affect Morrow Bank, including macroeconomic, reputation, and regulatory risks.

While the war in Ukraine and increased geopolitical tensions and uncertainty have not directly impacted Morrow Bank's business so far, it has contributed to increased macroeconomic uncertainty. This is also the case for the recent uncertainties related to tariffs on international trade. Reduced economic growth, increasing unemployment and diminishing savings rates could reduce demand for consumer financing from creditworthy individuals, reduce existing customers' ability to service their loans and limit the Bank's access to capital. Implemented mitigating actions include Morrow Bank's geographical diversification, strengthening of the refinancing offering, and continuous surveillance of risk development in the loan portfolio.

Although rising unemployment rates historically have had the largest negative impact on the consumer finance market, an increased rate of inflation and ensuing higher interest rates may lead to an increased part of Morrow Bank's outstanding loans going into default. While no material impact has been experienced so far, the Bank is continuing to monitor this situation closely.

Damage to the Bank's reputation could reduce access to customers, capital and liquidity. Actions undertaken to minimise such risk include the implementation of a strong corporate governance framework and regular training of all employees in anti-money laundering and terrorist financing.

Regulatory tightening could reduce the Bank's ability to grow its profitability and increase the cost of capital. In addition to the geographical and product-wise diversification, Morrow Bank has implemented processes to continuously strengthen the Bank's agile culture and adaptability.

Please refer to the Annual Report 2024 for a thorough review of the Bank's corporate governance practices including policies, guidelines and routines related to managing credit risk, operational risk, liquidity risk and market risk. The Bank's Annual Report 2024 is available at ir.morrowbank.com.

Dividend policy

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

Significant events after the balance sheet date

On 1 April 2025, a Swedish subsidiary (to be renamed, Morrow Bank AB) received notice from the Swedish Financial Supervisory Authority (SFSA) that a banking license has been granted in accordance with the Banking and Financing Business Act of Sweden.

The banking license has been granted subject to the following key conditions:

- The license must be activated within 12 months
- A minimum equity of EUR 5 million must be paid in before banking activities commence

Morrow Bank intends to complete a redomiciliation to Sweden through a cross-border merger between Morrow Bank ASA and Morrow Bank AB, with Morrow Bank AB being the surviving entity. Following the merger, the combined entity is intended to be listed on Nasdaq Stockholm. Morrow Bank expects to be operational in Sweden at the latest by January 2026.

The Bank will in due course convene an extraordinary general meeting in Morrow Bank ASA to seek shareholder approval for the proposed merger. Subject to the necessary approvals by the board of directors and the general meeting, the Bank will seek final merger approvals from the Swedish and Norwegian Financial Supervisory Authorities.

On 10 April 2025, the Annual General Meeting of Morrow Bank ASA was held. All proposals on the agenda were adopted in accordance with the proposals in the notice dated 20 March 2025. Mr Niklas Midby was elected as chairman of the board for a period of two years, Ms Bodil Hollingsæter re-elected as deputy chairman of the board for a period of two years. Mr Kristian F.K. Huseby re-elected as a board member for a period of two years. Ms Anna-Karin Celsing elected as a new board member for one year. Mr Carl-Åke Nilson elected as a new Board Member for a period of two years. Mr. Midby has served as an ordinary member of the bank's Board of Directors since November 2024 and is also chairman of the board of Morrow Bank ASA's Swedish subsidiary which is expected to become the surviving entity following the planned redomiciliation to Sweden. He 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, former deputy chairman of the board of Stockholmsbörsen in addition to a number of current and previous board positions in finance/PE/investment companies.

On 11 April 2025, the shares in Morrow Bank were traded ex dividend NOK 0.40. The dividend payment date was 24 April 2025.

On 22 April 2025, Morrow Bank entered into an agreement to sell a portfolio of Finnish non-performing credit card loans (NPL) to the debt collection agency Kredinor, representing a gross book value of approximately EUR 9 million. The transaction will reduce the Bank's NPL exposures, improve capital ratios and will not impact the bank's profit, confirming the valuation of the NPLs. The transaction is expected to close in Q2 2025.

On 29 April 2025, The Boards of Directors of Morrow Bank and its wholly owned subsidiary Morgon Finans AB (to be renamed Morrow Bank AB) approved a plan for the merger of Morgon Finans AB (as the surviving entity) and Morrow Bank ASA. At completion of the merger, Morgon Finans AB will acquire all assets and rights, and assume all obligations of Morrow Bank ASA, and at the same time, Morrow Bank ASA will be dissolved as a legal entity. Operations in Norway are foreseen to continue in a new Norwegian branch of Morgon Finans AB, to be established. The completion of the merger is conditional upon, inter alia, necessary permissions and approvals from the General Meeting in Morrow Bank ASA, the Swedish Financial Supervisory Authority and the Norwegian Financial Supervisory Authority, as well as approval from Nasdaq Stockholm for listing of shares on Nasdaq Main Market. Morgon Finans AB has started the application process for a listing on Nasdaq Stockholm. The plan is to de-list Morrow Bank ASA from the Euronext Oslo Børs at the time of the merger, and to list Morgon Finans AB on Nasdaq as soon as possible thereafter. The shareholders of Morrow Bank ASA shall receive one (1) new share in Morgon Finans AB for each share they own in Morrow Bank ASA. This means that there will be an exchange ratio of 1:1. An extraordinary general meeting in Morrow Bank ASA for approval of the merger plan and adoption of the necessary resolutions in connection with the merger is expected to be held in early June 2025. Notice to the extraordinary general meeting will be distributed in due course. The Boards of Directors also intend to propose renaming Morgon Finans AB to Morrow Bank AB in connection with the merger.

Related parties

There have not been any transactions with related parties in Q1 2025 that significantly impacted Morrow Bank's financial position or results for the period.

COMPREHENSIVE INCOME STATEMENT

Amounts in NOK million	Note	Q1 2025	Q1 2024	2024
Interest income	2, 6	450.1	408.6	1,762.7
Interest expenses	2, 6	-134.4	-122.1	-552.2
Net interest income		**315.8**	**286.4**	**1,210.5**
Commission income and fees	2, 6	25.8	13.9	68.8
Commission expenses and fees	2, 6	-17.5	-13.5	-61.2
Net commissions and fees		**8.3**	**0.4**	**7.6**
Net gains/(losses) on certificates, bonds and currency		20.0	9.1	58.7
Total income		**344.0**	**295.9**	**1,276.7**
Personnel expenses		-33.1	-27.4	-118.1
General and administrative expenses	7	-35.8	-35.6	-132.0
Other expenses	7	-14.3	-7.4	-40.2
Depreciation		-11.4	-9.8	-44.0
Total operating expenses		**-94.5**	**-80.1**	**-334.4**
Losses on loans	2	-166.4	-157.5	-661.0
Profit/(loss) before tax		**83.1**	**58.2**	**281.4**
Tax expenses		-20.8	-14.6	-72.7
Profit/(loss) after tax		**62.3**	**43.7**	**208.7**
Attributable to				
Shareholders		57.6	38.9	189.3
Additional Tier 1 capital investors		4.7	4.8	19.4
Profit/(loss) after tax		**62.3**	**43.7**	**208.7**
Earnings per share (NOK)		0.25	0.17	0.82
Diluted earnings per share (NOK)		0.25	0.17	0.81

BALANCE SHEET

Amounts in NOK million	Note	31 March 2025	31 March 2024	31 Dec. 2024
Loans and deposits with credit institutions		1,791.4	2,037.6	2,084.0
Net loans to customers	2	13,768.4	11,373.1	13,847.5
Certificates and bonds		2,448.8	944.2	2,589.4
Other receivables		49.5	68.3	9.8
Deferred tax asset		-	16.5	-
Fixed assets		17.4	20.5	18.3
Intangible assets		68.5	41.1	68.0
Total assets		**18,144.1**	**14,501.3**	**18,616.9**
Deposits from and debt to customers		15,147.2	11,856.7	15,704.6
Other debt		148.5	161.7	141.6
Tax payable		31.3	-	31.3
Deferred tax payable		24.6	-	5.4
Subordinated loans (Tier 2)	5	265.0	165.0	265.0
Total liabilities		**15,616.6**	**12,183.5**	**16,147.8**
Additional Tier 1 capital		199.6	199.6	199.6
Share capital		230.9	229.4	230.0
Share premium		936.9	936.9	936.9
Other paid-in capital		56.6	56.5	56.6
Retained earnings		1,103.6	895.6	1,046.0
Total equity		**2,527.6**	**2,317.9**	**2,469.0**
Total liabilities and equity		**18,144.1**	**14,501.3**	**18,616.9**

Lysaker, 7 May 2025

Board of Directors and CEO, Morrow Bank ASA

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 2024	**199.6**	**229.4**	**936.9**	**56.5**	**856.7**	**2,278.9**
Profit after tax	19.4	-	-	-	189.3	208.7
Share capital increases due to share issue	-	-	0.0	-	-	0.0
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**
Equity as at 1 January 2025	**199.6**	**230.0**	**936.9**	**56.6**	**1,046.0**	**2,469.0**
Profit after tax	4.7	-	-	-	57.6	62.3
Share capital increases due to share issue	-	-	-	-	-	-
Share capital increases due to exercised share options	-	0.9	-	-	-	0.9
Changes in equity due to share option programs	-	-	-			-
Net interest paid to additional Tier 1 capital investors	-4.7	-	-	-	-	-4.7
Equity as at 31 March 2025	**199.6**	**230.9**	**936.9**	**56.6**	**1,103.6**	**2,527.6**

CASH FLOW STATEMENT

Amounts in NOK million	YTD 2025	YTD 2024	2024
Profit/(loss) before tax	83.1	58.2	281.4
Depreciation	11.4	9.8	44.0
Change in impairments on loans to customers	123.2	157.3	824.9
Change in gross loans to customers	-44.1	-454.4	-3,596.4
Effects of currency on loans to customers	-92.2	208.5	362.8
Change in deposits from and debt to customers	-557.4	760.8	4,608.6
Effects of currency on deposits from and debt to customers	144.4	-232.0	-372.5
Change in certificates and bonds	-140.6	-	-1,572.7
Change in accruals and other adjustments	201.8	-1.1	-103.4
Net cash flow from operating activities	**-270.3**	**507.1**	**476.7**
Payments for investments in fixed assets	-	-	-
Payments for investments in intangible assets	-11.0	-10.2	-41.3
Net cash flow from investing activities	**-11.0**	**-10.2**	**-41.3**
Payment to AT1 capital investors	-6.3	-6.4	-25.9
Net receipts from AT2 capital	-	-	100.0
Lease payments	-1.1	-0.6	-3.9
Net cash flow from financing activities	**-7.4**	**-7.0**	**70.2**
Net cash flow for the period	**-288.8**	**489.9**	**505.6**
Cash and cash equivalents at the start of the period	2,084.0	1,530.0	1,530.0
Effects of currency on loans and deposits with credit institutions in the period	-3.9	17.7	48.4
Cash and cash equivalents at the end of the period	**1,791.4**	**2,037.6**	**2,084.0**
Of which:			
Loans and deposits with credit institutions	1,791.4	2,037.6	2,084.0

Note 1 – General accounting principles

The condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

Alternative Performance Measures (APM) included in this report are published in quarterly datasheets on ir.morrowbank.com.

All numbers in this report are in NOK 1,000,000 unless otherwise specified.

Note 2 – Loans to customers

The Bank is applying forward looking elements for its credit loss model, please see the Annual Report 2024 for more information regarding the credit loss model.

There are uncertainties related to the estimates as they are forward looking. As at 31 March 2025, the total loan loss provision related to macroeconomic factors amounted to NOK 27.9 million (31 December 2024: NOK 31.0 million).

Loans to customers

Amounts in NOK million	**31 March 2025**	**31 March 2024**	**31 Dec. 2024**
Gross loans to customers	15,429.0	12,242.9	15,384.9
Impairment of loans	-1,660.6	-869.8	-1,537.4
Net loans to customers	**13,768.4**	**11,373.1**	**13,847.5**
Of which;			
Purchased or originated credit-impaired (POCI);			
Gross loans to customers	184.5	-	206.7
Impairment of loans	-125.1	-	-154.3
Net loans to customers	**59.5**	**-**	**52.4**

Defaulted loans

Amounts in NOK million	**31 March 2025**	**31 March 2024**	**31 Dec. 2024**
Gross defaulted loans to customers *	2,714.9	1,139.0	2,185.2
Impairment of loans (stage 3)	-1,194.4	-475.8	-991.2
Net defaulted loans to customers	**1,520.5**	**663.2**	**1,194.1**
Of which;			
Purchased or originated credit-impaired (POCI);			
Gross loans to customers	184.5	-	206.7
Impairment of loans	-125.1	-	-154.3
Net loans to customers	**59.5**	**-**	**52.4**

* Defaulted loans comprise loans that are 91 days or more overdue according to agreed payment schedule, and loans with other indications of unlikelihood to pay. Such loans continue to be considered defaulted regardless of future payment status. As at 31 March 2025, the gross closing balances of customers remaining behind their repayment schedule for three or more consecutive months, but less than 90 days past due) amounted to NOK 447.4 million, with corresponding impairment amounted to NOK 97.2 million (31 December 2025: NOK 360.2 million and NOK 78.5 million). These loans are included in "Gross defaulted loans to customers".

Information on products and geographical distribution

NO = Norway, FI = Finland, SE = Sweden

Amounts in NOK million

Q1 2025	Consumer loans NO	FI	SE	Cards NO/FI/SE	Not allocated	Total
Interest income	79.1	185.0	146.7	39.4	-	450.1
Interest expenses	-20.1	-56.7	-47.8	-9.7	-	-134.4
Net interest income	**59.0**	**128.2**	**98.9**	**29.7**	**-**	**315.8**
Commission income and fees	2.0	3.2	8.0	12.6	-	25.8
Commission expenses and fees	-1.6	-2.9	-1.9	-11.0	-	-17.5
Net commissions and fees	**0.4**	**0.3**	**6.0**	**1.6**	**-**	**8.3**
Losses on loans	-5.5	-87.9	-48.5	-24.5	-	-166.4
Total income incl. loan losses	**54.0**	**40.6**	**56.4**	**6.8**	**-**	**157.7**
Gross loans to customers	2,263.1	6,476.9	5,550.5	1,138.6	-	15,429.0
Impairment of loans	-172.5	-757.7	-631.4	-99.0	-	-1,660.6
Net loans to customers	**2,090.6**	**5,719.2**	**4,919.1**	**1,039.6**	**-**	**13,768.4**
Of which;						
Purchased or originated credit-impaired (POCI);						
Gross loans to customers	-	-	184.5	-	-	184.5
Impairment of loans	-	-	-125.1	-	-	-125.1
Net loans to customers	**-**	**-**	**59.5**	**-**	**-**	**59.5**

Amounts in NOK million

Q1 2024	Consumer loans NO	FI	SE	Cards NO/FI/SE	Not allocated	Total
Interest income	93.8	179.3	80.9	38.0	16.6	408.6
Interest expenses	-28.6	-56.2	-28.0	-9.3	-0.0	-122.1
Net interest income	**65.2**	**123.1**	**52.9**	**28.7**	**16.5**	**286.4**
Commission income and fees	2.4	3.1	2.1	6.3	-	13.9
Commission expenses and fees	0.0	-0.5	-	-10.7	-2.3	-13.5
Net commissions and fees	**2.4**	**2.6**	**2.1**	**-4.4**	**-2.3**	**0.4**
Losses on loans	-19.0	-109.7	-13.8	-15.1	0.0	-157.5
Total income incl. loan losses	**48.7**	**16.0**	**41.2**	**9.2**	**14.2**	**129.3**
Gross loans to customers	2,742.7	5,737.1	2,817.6	945.5	0.0	12,242.9
Impairment of loans	-107.2	-491.0	-211.5	-60.0	0.0	-869.8
Net loans to customers	**2,635.5**	**5,246.1**	**2,606.1**	**885.5**	**0.0**	**11,373.1**

Amounts in NOK million

2024	Consumer loans NO	Consumer loans FI	Consumer loans SE	Cards NO/FI/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 net of 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	-	-1,537.8
Net loans to customers	**2,215.6**	**5,754.4**	**4,834.3**	**1,042.8**	**-**	**13,847.1**
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**

Reconciliation of gross loans to customers

Q1 2025

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance	**11,711.4**	**1,488.3**	**2,185.2**	**15,384.9**
Transfer from stage 1 to stage 2	-597.7	597.7	-	-
Transfer from stage 1 to stage 3	-184.2	-	184.2	-
Transfer from stage 2 to stage 3	-	-506.5	506.5	-
Transfer from stage 3 to stage 2	-	46.4	-46.4	-
Transfer from stage 2 to stage 1	342.5	-342.5	-	-
Transfer from stage 3 to stage 1	37.0	-	-37.0	-
New assets	1,185.5	61.5	8.6	1,255.6
Assets derecognized	-1,057.4	-67.9	-86.2	-1,211.5
Closing balance	**11,437.1**	**1,277.0**	**2,714.9**	**15,429.0**
Of which;				
Purchased or originated credit-impaired (POCI);	-	-	184.5	184.5
Closing balance	**-**	**-**	**184.5**	**184.5**

Q1 2024

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance	**10,079.6**	**954.7**	**754.2**	**11,788.5**
Transfer from stage 1 to stage 2	-502.2	502.2	-	-
Transfer from stage 1 to stage 3	-141.5	-	141.5	-
Transfer from stage 2 to stage 3	-	-306.3	306.3	-
Transfer from stage 3 to stage 2	-	51.1	-51.1	-
Transfer from stage 2 to stage 1	189.9	-189.9	-	-
Transfer from stage 3 to stage 1	9.3	-	-9.3	-
New assets	1,188.4	58.1	67.2	1,313.7
Assets derecognized	-745.9	-43.6	-69.8	-859.3
Closing balance	**10,077.6**	**1,026.3**	**1,139.0**	**12,242.9**

2024

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance	**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 assets	7,101.6	227.9	338.3	7,391.3
Assets derecognized	-3,548.5	-156.0	-367.0	-3,794.8
Closing balance	**11,776.6**	**1,423.1**	**2,185.3**	**15,384.9**
Of which;				
Purchased or originated credit-impaired (POCI);	-	-	206.7	206.7
Closing balance	**-**	**-**	**206.7**	**206.7**

Reconciliation of impairment of loans

Q1 2025

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance at quartal	**271.3**	**275.0**	**991.2**	**1,537.4**
Transfer from stage 1 to stage 2	-14.3	14.3	-	-
Transfer from stage 1 to stage 3	-4.9	-	4.9	-
Transfer from stage 2 to stage 3	-	-113.0	113.0	-
Transfer from stage 3 to stage 2	-	10.5	-10.5	-
Transfer from stage 2 to stage 1	56.0	-56.0	-	-
Transfer from stage 3 to stage 1	6.1	-	-6.1	-
New financial assets originated	19.2	5.2	0.4	24.8
Increased expected credit loss	6.1	108.4	190.9	305.4
Assets derecognized	-3.7	-3.3	-31.1	-38.1
Decreased expected credit loss	-70.1	-8.5	-21.0	-99.6
Exchange rate movements	-30.3	1.8	-28.3	-56.8
Macroeconomic model changes	0.0	0.0	0.0	0.0
Other changes	-1.4	-2.2	-9.0	-12.6
Closing balance	**233.9**	**232.3**	**1,194.4**	**1,660.6**
Of which;				
Purchased or originated credit-impaired (POCI);	-	-	-125.1	-125.1
Closing balance	**-**	**-**	**-125.1**	**-125.1**

Q1 2024

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance at quartal	**230.9**	**164.0**	**317.6**	**712.5**
Transfer from stage 1 to stage 2	-12.2	12.2	-	-
Transfer from stage 1 to stage 3	-3.6	-	3.6	-
Transfer from stage 2 to stage 3	-	-63.4	63.4	-
Transfer from stage 3 to stage 2	-	11.5	-11.5	-
Transfer from stage 2 to stage 1	29.6	-29.6	-	-
Transfer from stage 3 to stage 1	1.3	-	-1.3	-
New financial assets originated	19.8	5.3	0.1	25.2
Increased expected credit loss	15.8	93.2	90.6	199.7
Assets derecognized	-3.7	-4.9	-13.1	-21.7
Decreased expected credit loss	-33.6	-36.9	-77.5	-66.4
Exchange rate movements	-10.0	-9.5	-6.2	-25.6
Macroeconomic model changes	-	-	-0.0	-0.0
Other changes	5.3	3.7	9.3	18.2
Closing balance	**239.8**	**145.5**	**375.0**	**841.9**

Q1 2024

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance at quartal	**223.7**	**160.1**	**354.3**	**738.1**
Transfer from stage 1 to stage 2	-12.2	12.2	-	-
Transfer from stage 1 to stage 3	-3.6	-	3.6	-
Transfer from stage 2 to stage 3	-	-63.4	63.4	-
Transfer from stage 3 to stage 2	-	11.5	-11.5	-
Transfer from stage 2 to stage 1	29.6	-29.6	-	-
Transfer from stage 3 to stage 1	1.3	-	-1.3	-
New financial assets originated	19.8	5.3	0.1	25.2
Increased expected credit loss	15.8	93.2	90.6	199.7
Assets derecognized	-3.7	-4.9	-13.1	-21.7
Decreased expected credit loss	-40.8	-9.9	-13.4	-64.1
Exchange rate movements	-10.0	-9.5	-6.2	-25.6
Macroeconomic model changes	-	-	-0.0	-0.0
Other changes	5.3	3.7	9.3	18.2
Closing balance	**225.3**	**168.7**	**475.8**	**869.8**

2024

Amounts in NOK million	Stage 1	Stage 2	Stage 3	Total
Opening balance at year	**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
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
Closing balance	**271.3**	**275.0**	**991.2**	**1,537.4**
Of which;				
Purchased or originated credit-impaired (POCI);	-	-	-154.3	-154.3
Closing balance	**-**	**-**	**-154.3**	**-154.3**

Losses on loans

Amounts in NOK million	Q1 2025	Q1 2024	2024
+/- Losses stage 1 and stage 2, movement	-62.1	9.3	94.7
+/- Losses stage 3, movement	226.4	154.3	499.2
Other effects (NPL,sales parameter updates etc.)	2.0	-6.0	67.2
Losses on loans	**166.4**	**157.6**	**661.0**

Note 3 – Capital adequacy

Total capital

Amounts in NOK million	**31 March 2025**	**31 Dec. 2024**
Book equity	2,527.6	2,469.0
Additional Tier 1 capital	-199.6	-199.6
Additions:		
Phase-in effect of IFRS 9	-	43.2
Deductions:		
Additional value adjustment (AVA)	-2.4	-2.6
Other equity not included in core capital (Foreseeable dividends)	-118.8	-92.4
Deferred tax assets and other intangible assets and deductions	-68.5	-68.0
Common equity Tier 1	**2,138.2**	**2,149.8**
Additional Tier 1 capital	199.6	199.6
Core capital	**2,337.8**	**2,349.3**
Subordinated loans (Tier 2)	265.0	265.0
Total capital	**2,602.8**	**2,614.3**

Capital excluding phase-in effects of IFRS 9

Amounts in NOK million	**31 March 2025**	**31 Dec. 2024**
Common equity Tier 1 excluding phase-in effect of IFRS 9	2,138.2	2,106.6
Core capital excluding phase-in effect of IFRS 9	2,337.8	2,306.1
Total capital excluding phase-in effect of IFRS 9	2,602.8	2,571.1

Calculation basis

Amounts in NOK million	**31 March 2025**	**31 Dec. 2024**
Loans and deposits with credit institutions	358.3	416.8
Loans to retail customers and IFRS 9 phase-in effect	10,706.4	10,723.5
Covered bonds	53.4	54.3
Other assets	66.9	28.0
Calculation basis credit risk	**11,185.0**	**11,222.6**
Calculation basis operational risk (standardized approach)	1,565.8	1,565.8
Total calculation basis	**12,750.8**	**12,788.4**
Total calculation basis excluding phase-in effect of IFRS 9	**12,750.8**	**12,749.1**

Capital ratios	**31 March 2025**	**31 Dec. 2024**
Common equity tier 1 (%)	16.8 %	16.8 %
Core capital (%)	18.3 %	18.4 %
Total capital (%)	20.4 %	20.4 %
Capital ratios excluding phase-in effect of IFRS 9		
Common equity tier 1 (%)	16.8 %	16.5 %
Core capital (%)	18.3 %	18.1 %
Total capital (%)	20.4 %	20.2 %

IFRS 9 implementation is fully phased in from 1 January 2025.

The LCR (Liquidity Coverage Ratio) was 660% and the NSFR (Net Stable Funding Ratio) was 131% as at 31 March 2025. As at 31 December 2024 the LCR was 687% and the NSFR was 136%.

Note 4 - Financial instruments

Financial instruments at fair value

Amounts in NOK million	31 March 2025	31 March 2024	31 Dec. 2024
Certificates and bonds - level 1	-	-	-
Certificates and bonds - level 2	2,448.8	944.2	2,589.4
Total financial instruments at fair value	**2,448.8**	**944.2**	**2,589.4**

Level 1: Valuation based on listed prices in an active market. 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.

For further description of the financial instruments and levels, see Annual Report 2024.

Financial instruments at amortised cost

Amounts in NOK million	31 March 2025	31 March 2024	31 Dec. 2024
Loans and deposits with credit institutions	1,791.4	2,037.6	2,084.0
Net loans to customers	13,768.4	11,373.1	13,847.5
Other receivables	7.8	8.0	7.1
Total financial assets measured at amortised cost	**15,567.7**	**13,418.6**	**15,938.6**
Deposits from and debt to customers	15,147.2	11,856.7	15,704.6
Other debt	57.1	53.3	44.8
Subordinated loans (Tier 2)	265.0	165.0	265.0
Total financial liabilities measured at amortised cost	**15,469.3**	**12,075.0**	**16,014.3**

Note 5 - Subordinated loans

Amounts in NOK million	Issue date	Maturity date	31 March 2025	31 March 2024	31 Dec. 2024
Subordinated loan (ISIN NO0010941131)	3 March.2021	4 March.2031	65.0	65.0	65.0
Subordinated loan (ISIN NO0012909235)	11 May 2023	11 May 2033	100.0	100.0	100.0
Subordinated loan (ISIN NO0013333401)	19 Sept 2024	19 Sept 2034	100.0	-	100.0
Total subordinated loans			**265.0**	**165.0**	**265.0**

For further description of the subordinated loan, see https://ir.morrowbank.com/funding

Note 6 - Net interest income and net commissions and fees

Amounts in NOK million	Q1 2025	Q1 2024	2024
Interest income from loans to customers	435.2	390.1	1,667.8
of which sales commisions to agents	*-44.5*	-50.5	*-181.2*
Interest income from loans and deposits with credit institutions	14.9	18.4	94.9
Total interest income calculated using the effective interest rate method	**450.1**	**408.6**	**1,762.7**
Other interest income	-	-	-
Total interest income	**450.1**	**408.6**	**1,762.7**
Interest expense from deposit customers	-108.8	-103.7	-457.4
Interest expense from subordinated loan (Tier 2)	-7.4	-4.7	-22.1
Other interest expenses and similar expenses	-18.1	-13.8	-72.7
Total interest expenses	**-134.4**	**-122.1**	**-552.2**
Net interest income	**315.8**	**286.4**	**1,210.5**
Insurance services	17.5	10.5	45.9
Other fees and commissions and bank services income	8.3	3.5	22.9
Total income commissions and fees	**25.8**	**13.9**	**68.8**
Provisions to other bank connections	-1.4	-1.3	-5.6
Other expenses comissions and fees	-16.1	-12.2	-55.6
Total expenses commissions and fees	**-17.5**	**-13.5**	**-61.2**
Net commissions and fees	**8.3**	**0.4**	**7.6**

Note 7 – General administrative expenses and other expenses

Amounts in NOK million	Q1 2025	Q1 2024	2024
Direct marketing expenses	-9.1	-6.7	-21.8
IT-expenses	-12.3	-14.8	-52.6
Insurance	-0.3	-0.3	-0.9
External audit and related services	-0.6	-0.7	-2.7
Other consultants	-14.7	-5.0	-28.3
Other expenses	-13.0	-15.5	-65.9
Total general administration and other expenses	**-50.1**	**-43.0**	**-172.2**

Note 8 – Subsequent events

On 1 April 2025, a Swedish subsidiary (to be renamed, Morrow Bank AB) received notice from the Swedish Financial Supervisory Authority (SFSA) that a banking license has been granted in accordance with the Banking and Financing Business Act of Sweden.

On 29 April 2025, The Boards of Directors of Morrow Bank and its wholly owned subsidiary Morgon Finans AB (to be renamed Morrow Bank AB) approved a plan for the merger of Morgon Finans AB (as the surviving entity) and Morrow Bank ASA.

On 22 April 2025, Morrow Bank entered into an agreement to sell a portfolio of Finnish non-performing credit card loans (NPL) to the debt collection agency Kredinor, representing a gross book value of approximately EUR 9 million. The transaction is expected to close in Q2 2025.

To the Shareholders of Morrow Bank ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed balance sheet of Morrow Bank ASA as at 31 March 2025, and the related condensed income statement, the statement of changes in equity and the cash flow statement for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Oslo, 7 May 2025
PricewaterhouseCoopers AS

Erik Andersen
State Authorised Public Accountant
(This document is signed electronically)