

Presentation

3rd quarter 2024

Trond Lars Nydal
CEO

John Arne Winsnes
CFO

Ålesund
24th October 2024

Today's review



Status as of the third quarter



Third quarter of 2024 - illustrated



News from our region and future prospects

Key figures per Q3 2024



Increased growth rate

Loans: 8.2 %
Deposits: 5.5 %
(Last 12 months)



Strong Net Interest Income

In NOK: 1,549 million
In per cent: 2.09



Recoveries on loan losses

In NOK: -1 million
In per cent: 0,00
(loans and guarantees)



Strong profitability

ROE: 14.0 %



Strong Efficiency

C/I: 39.7 %



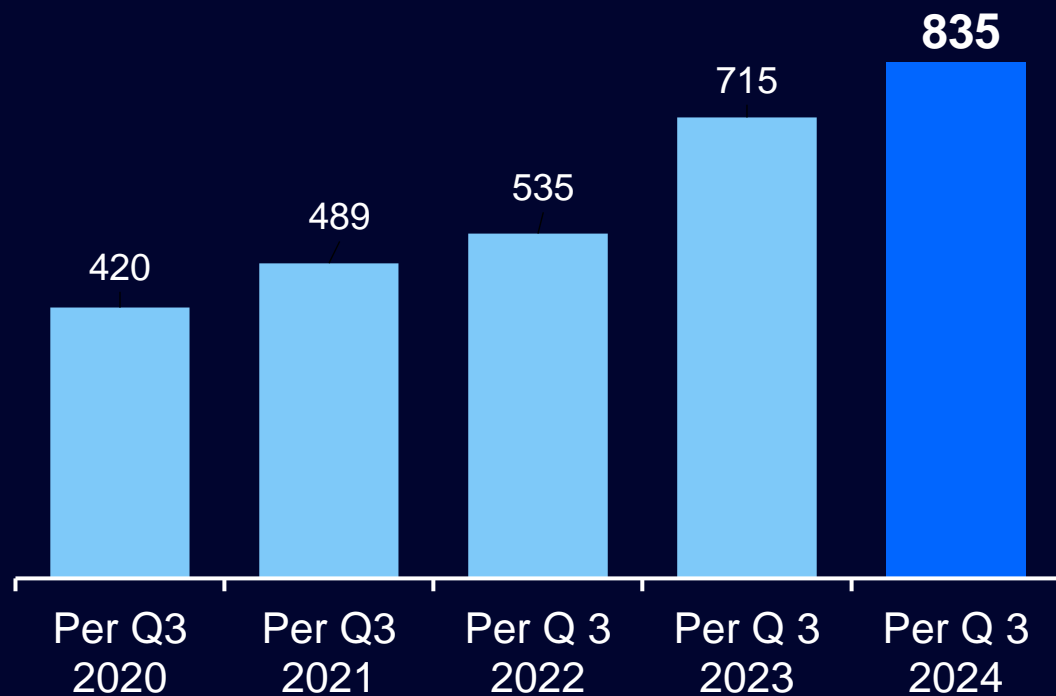
Strong liquidity and solidity

Deposit-to-loan ratio: 56.9%
LCR: 165
NSFR: 121
CET1: 17.3 %
Leverage Ratio: 7.3 %

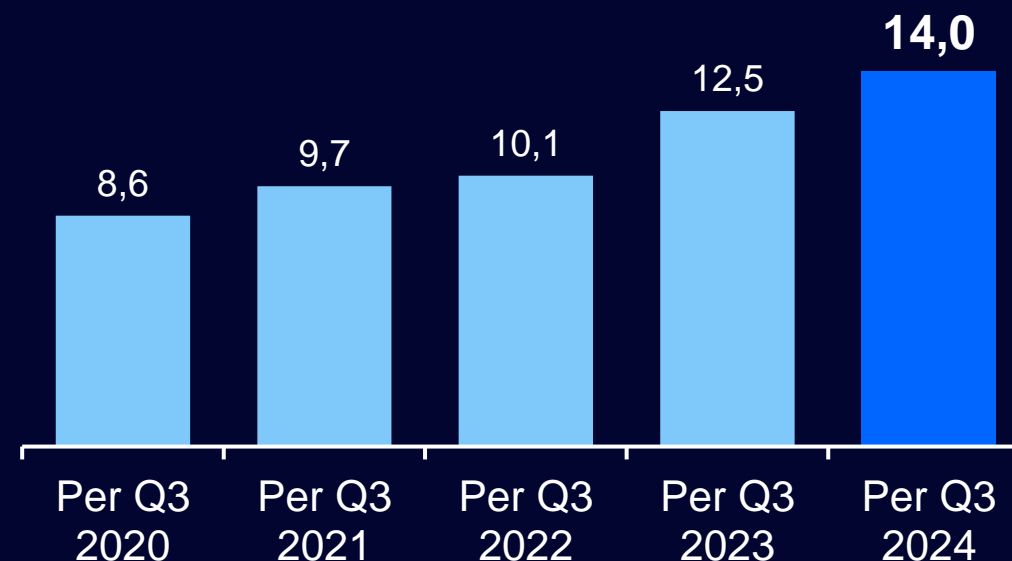
The bank delivers a solid result per Q3

Profit after taxes

- in MNOK



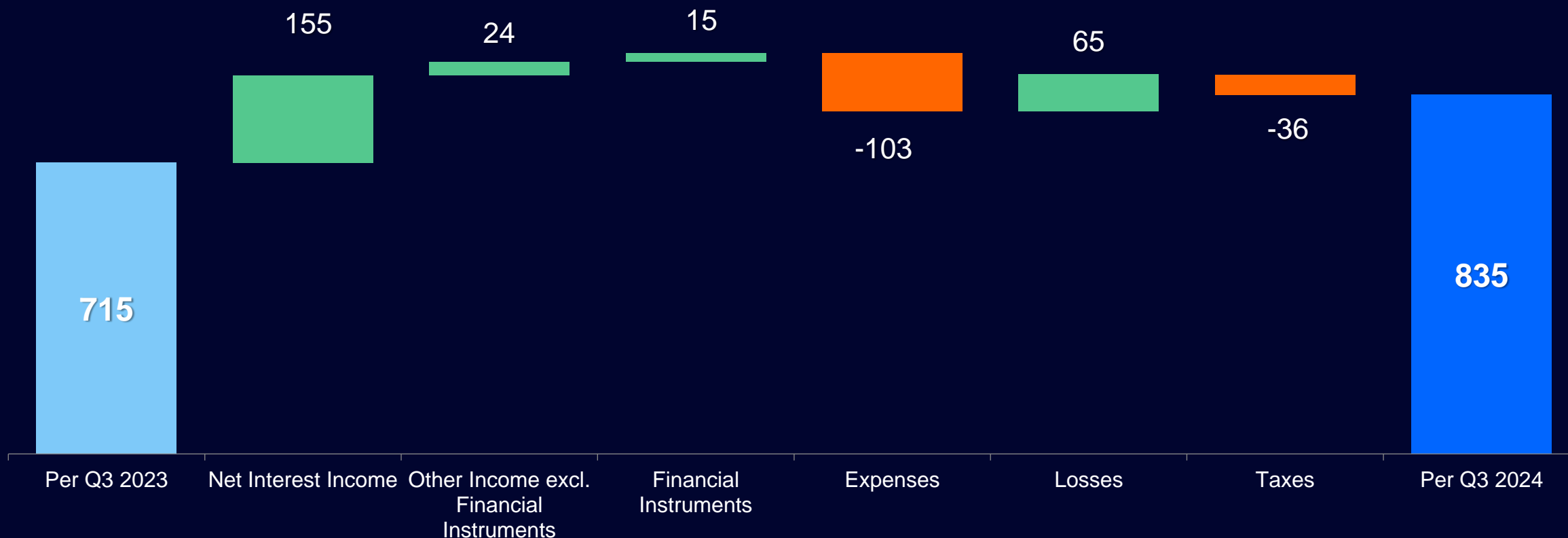
Return On Equity



Result per equity certificate per Q3 2024 is NOK 7.92 (Group) against NOK 6.84 (Group) per Q3 2023

Increased revenues and low losses contribute to good profit development

Profit after tax per 30.09.2024 compared with 30.09.2023



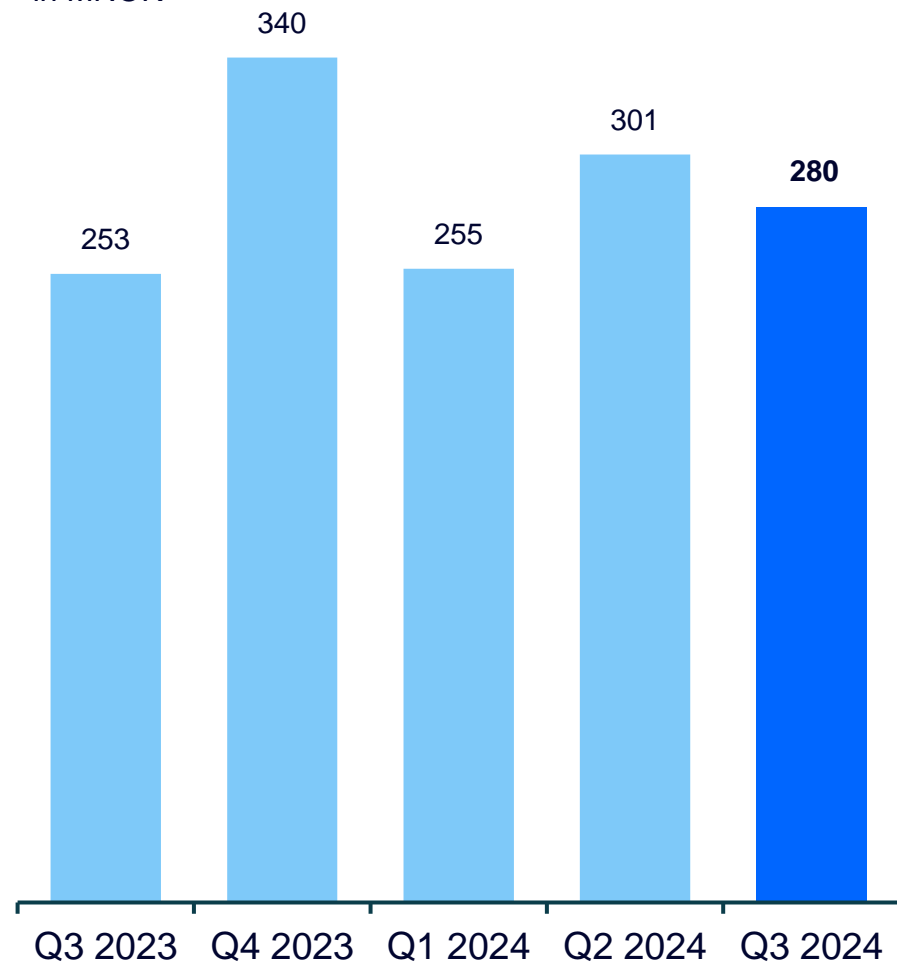


3rd quarter 2024

A solid quarterly result

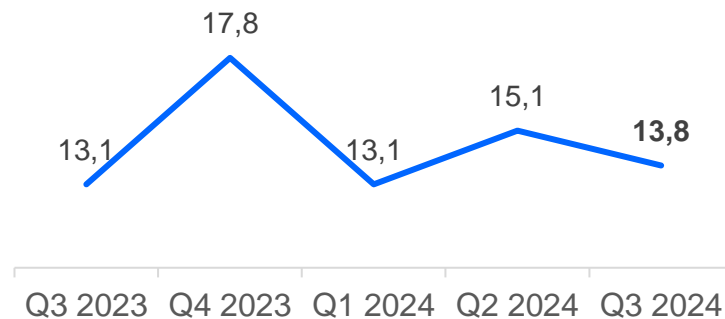
Profit after tax

- in MNOK



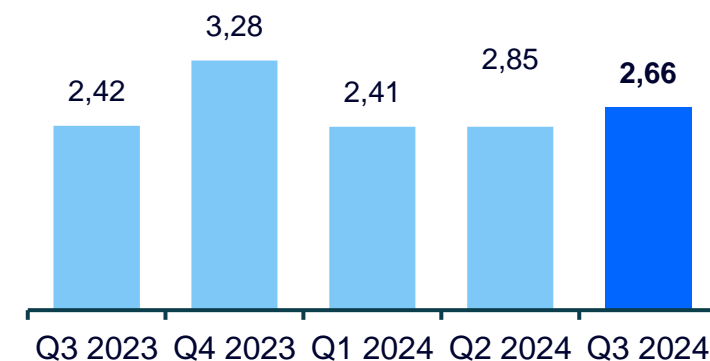
Return on Equity

- quarterly



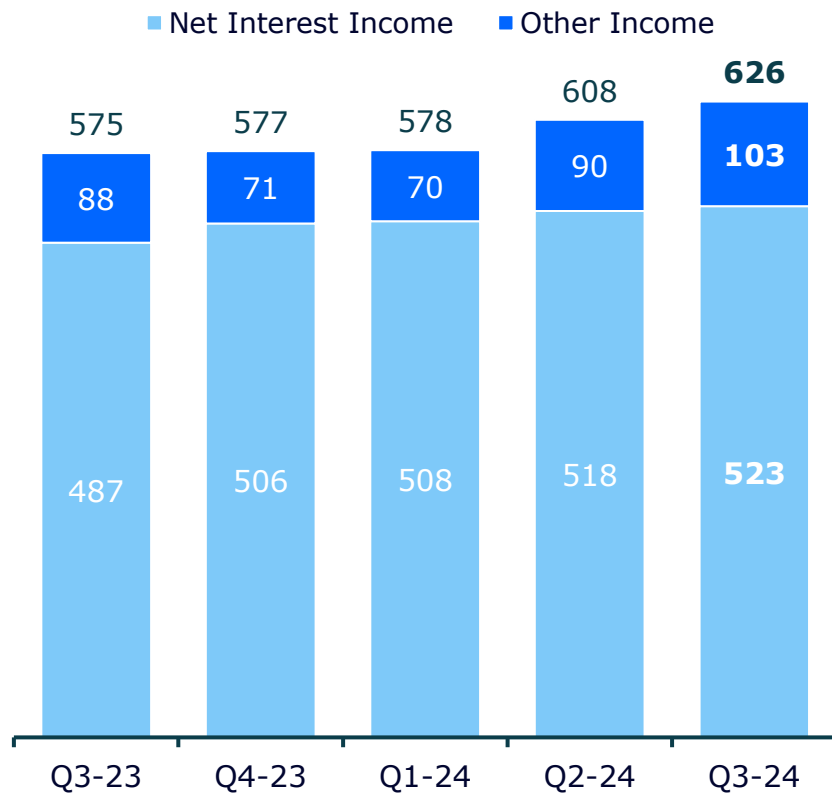
Profit per EC

- Group figures

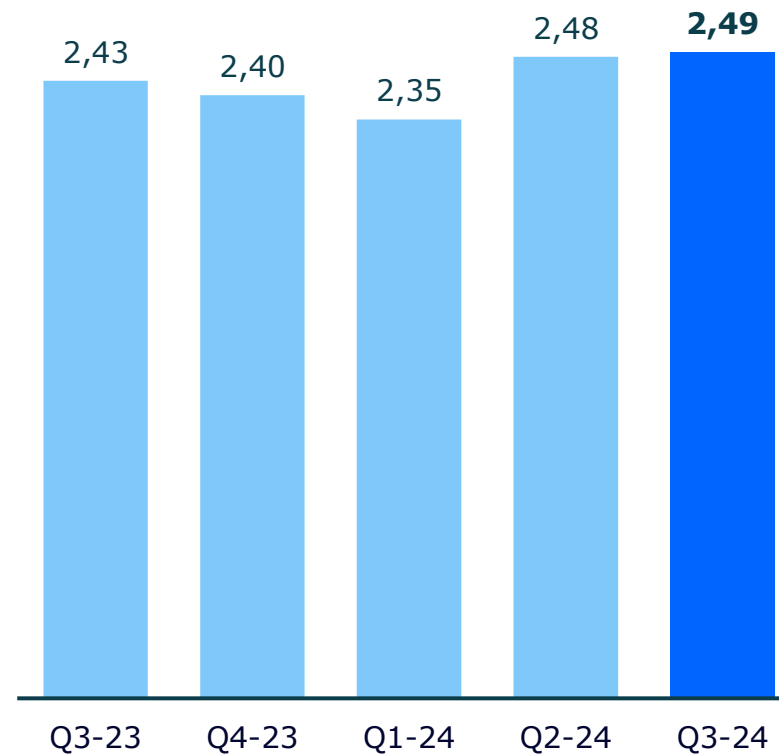


Total income

Total Income in the quarter
- NOK million



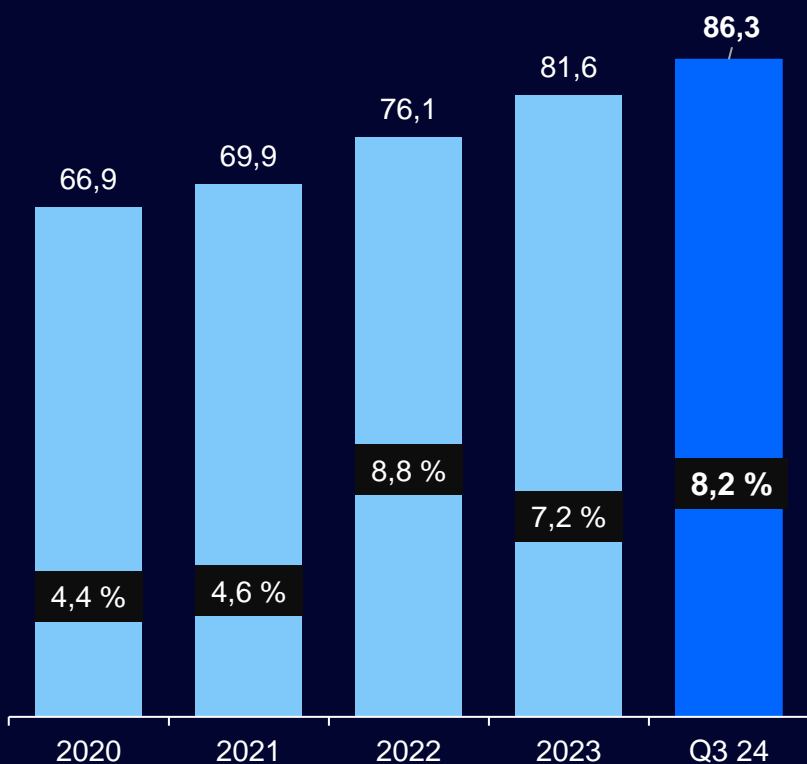
Total Income in the quarter
- in per cent of Average Assets



Lending growth

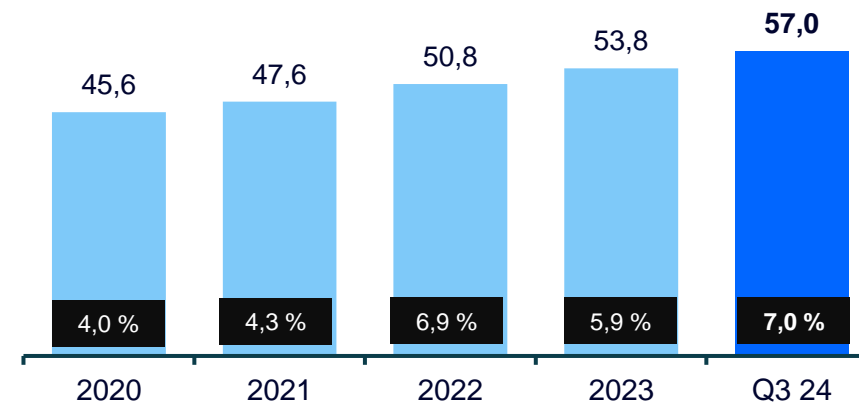
Loans

- MNOK 6,533 in lending growth last 12 months (net lending)



Lending growth retail market

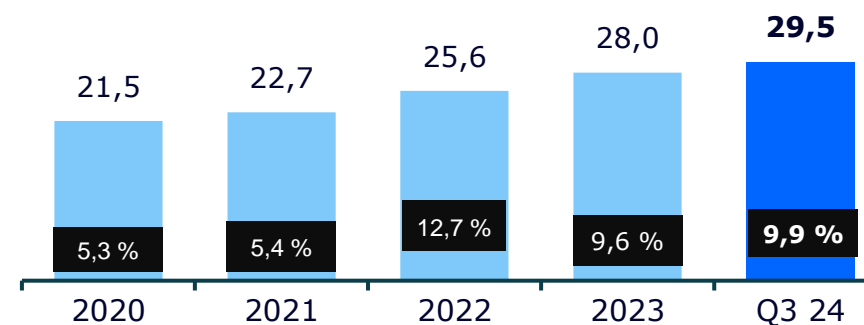
- NOK billion and annual growth



Lending growth in the last 12 months: MNOK 3,735

Lending growth corporate market

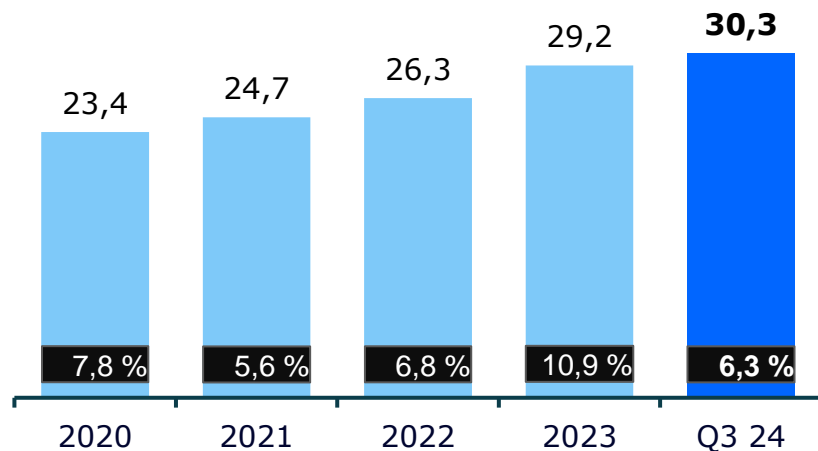
- NOK billion and annual growth



Lending growth in the last 12 months: MNOK 2,665

Deposits – retail market

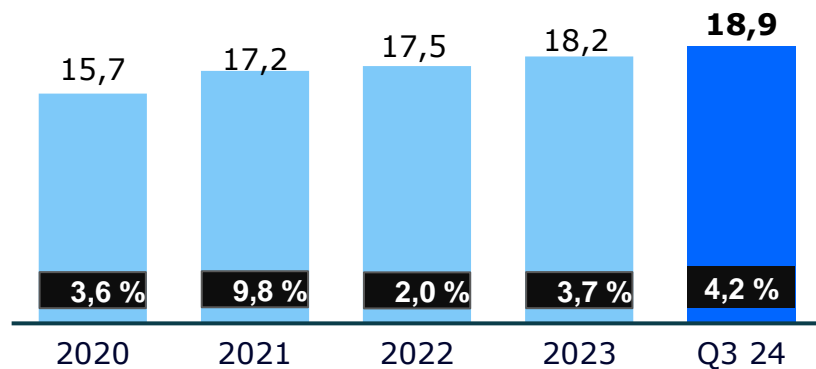
- NOK billion and annual growth



Deposit growth in the last 12 months: MNOK 1,788

Deposits – corporate market

- NOK billion and annual growth

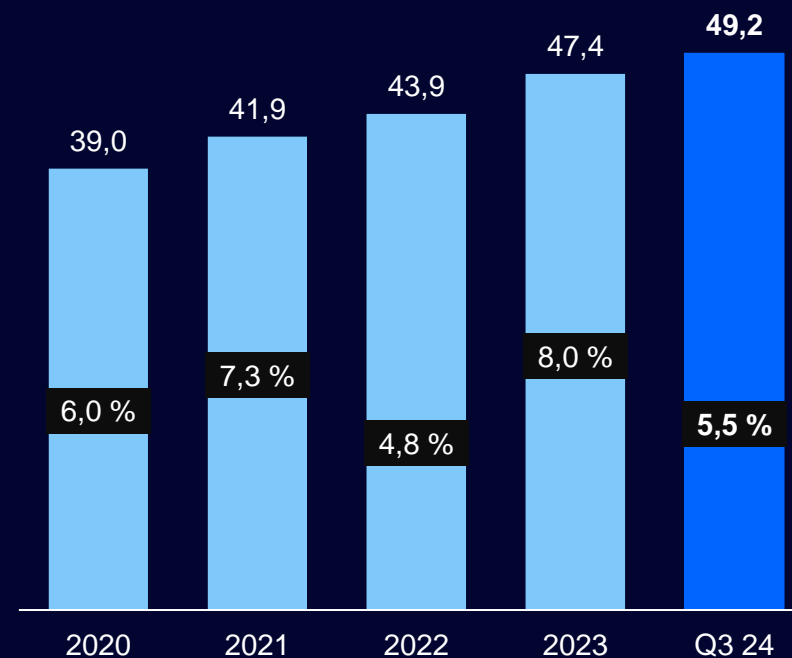


Increase in deposits in the last 12 months: MNOK 762

Deposits

Deposits

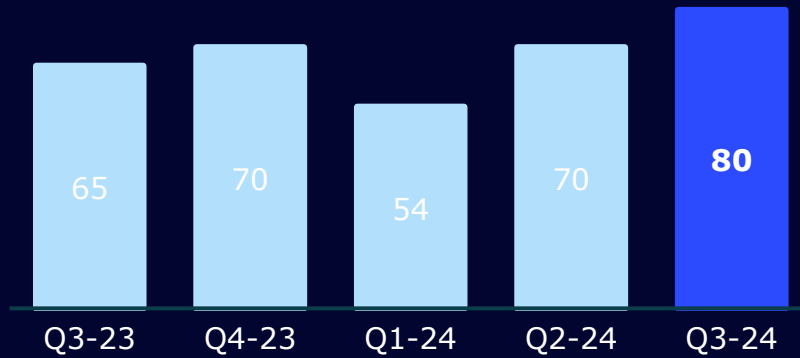
- Deposit growth in the last 12 months: MNOK 2,550



High deposit-to-loan ratio of 56.9 per cent

Other Income

Customer related other income
- MNOK



Financial Instruments
- MNOK

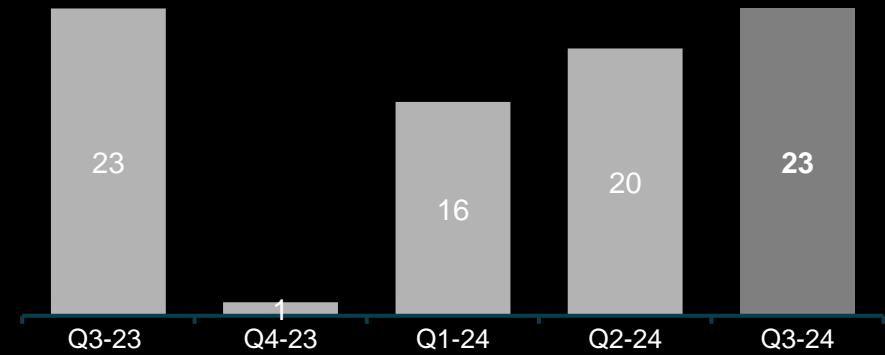


Photo: Markets, Sparebanken Møre

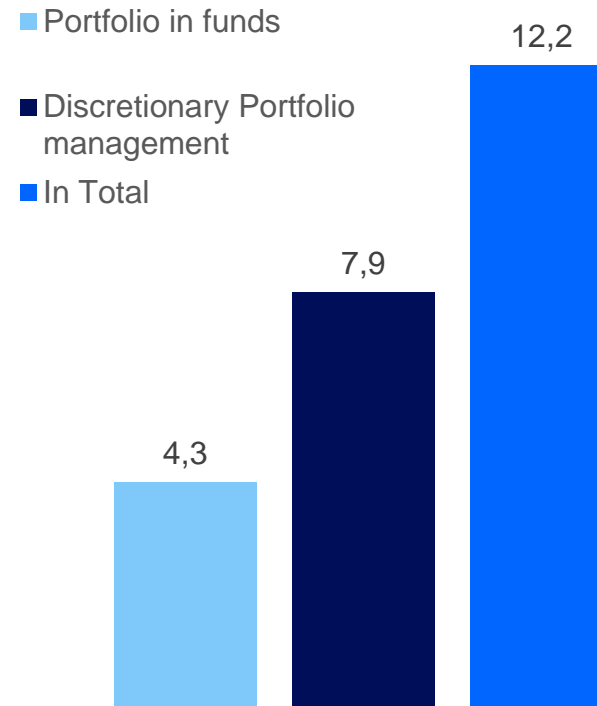


The largest asset management environment in the region

- Good return over time
- So far this year, the assets under management has increased by approx. NOK 1.2 billion

Strong growth in volume in recent years

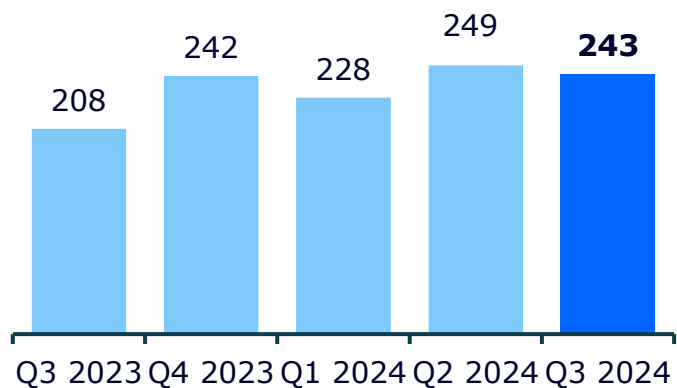
Status at the end of the 3rd quarter
(figures in NOK billion)



Expenses

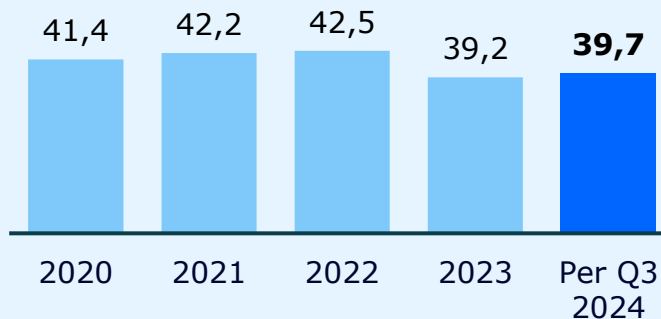
Operating expenses in the quarter

- NOK million

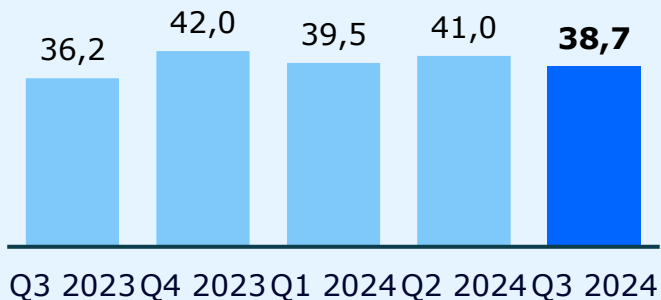


Cost/Income ratio

- Annually

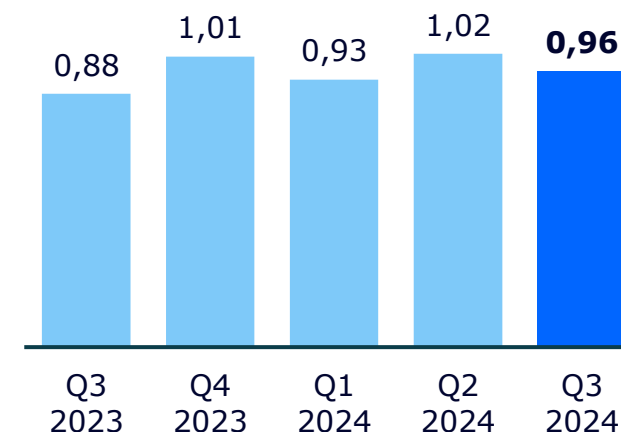


- Quarterly



Operating expenses in the quarter

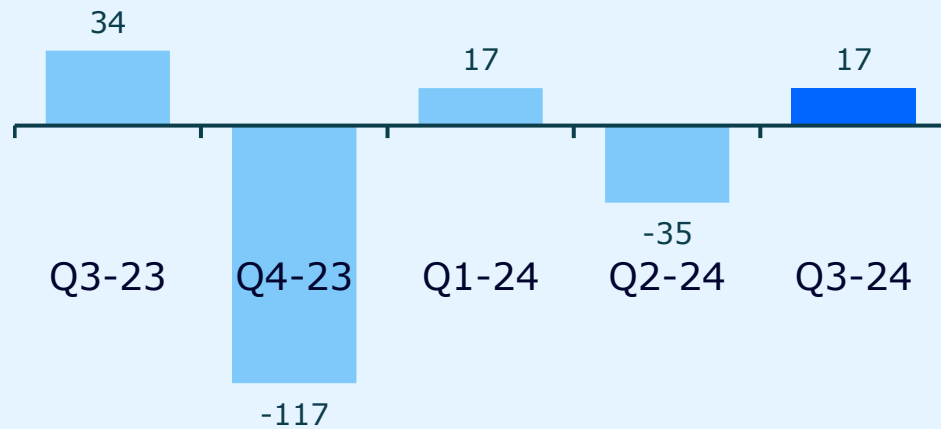
- in per cent of Average Assets



Losses and portfolio quality

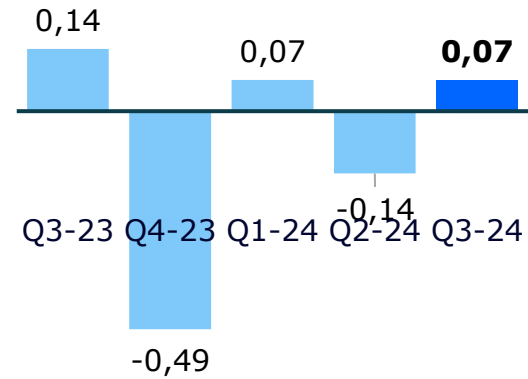
Losses on loans and guarantees

- NOK million



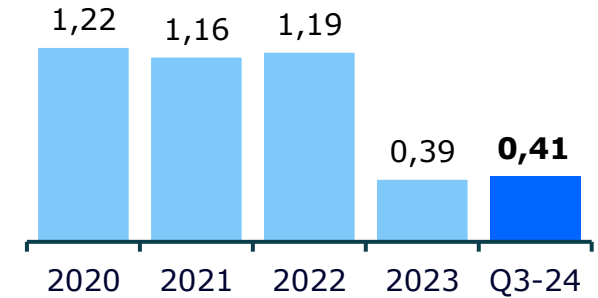
Losses on loans and guarantees

- in per cent of Average Assets



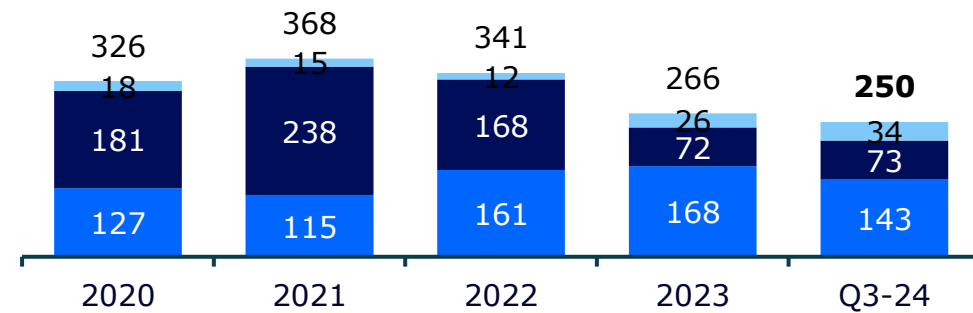
Credit-impaired commitments (net)

- in per cent of loans and guarantees



Reassuring Impairments

- NOK million

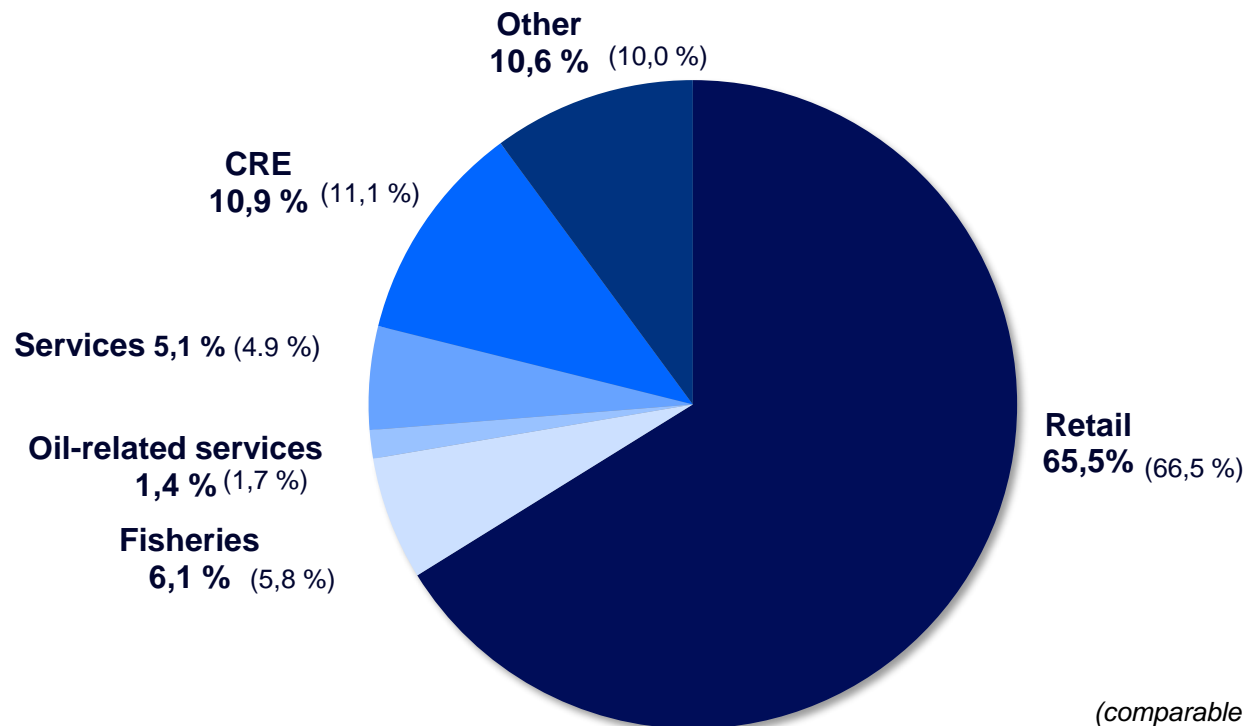


- Ind. impairments on comm. in default > 90 days
- Ind. impairments on other credit-impaired
- ECL on loans and guarantees

Corporate lending

- The bank has a stable share of exposure to the corporate sector
- There is good industry risk diversification
- Low level of risk in the portfolio
- Lending increased by NOK 200 million in the last quarter

Loans by sector



(comparable figures for Q3 2023 in brackets)

Other – 10,6 % (10,0 %) includes:

Financial services	1.7 % (0.7 %)	Retail/ wholesale trade	1.4 % (1.4 %)
Other Industry	2.8 % (3.0 %)	Agriculture	0.9 % (0.9 %)
Building and Construction	1.7 % (1.7 %)	Other	1.9 % (2.2 %)
Ship Yards	0.2 % (0.1 %)		

Sustainability is the engine of innovation

New terminal for Tyrholm & Farstad

- Approx. **25,000** containers per year
- Handles e.g. salted and dried codfish, frozen fish and ship equipment
- Area of 82,000 square meters



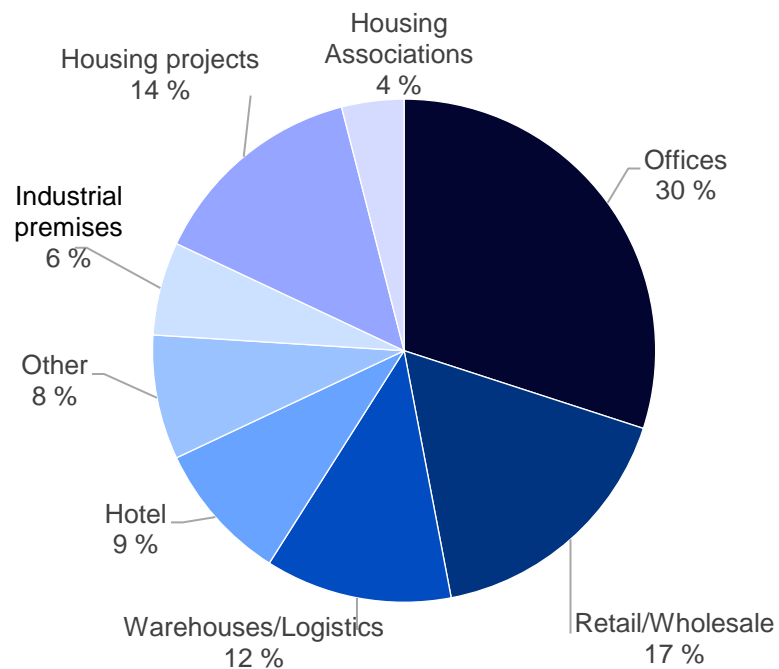
8.000 square meter solar panel

Annual consumption for approx. 75 households

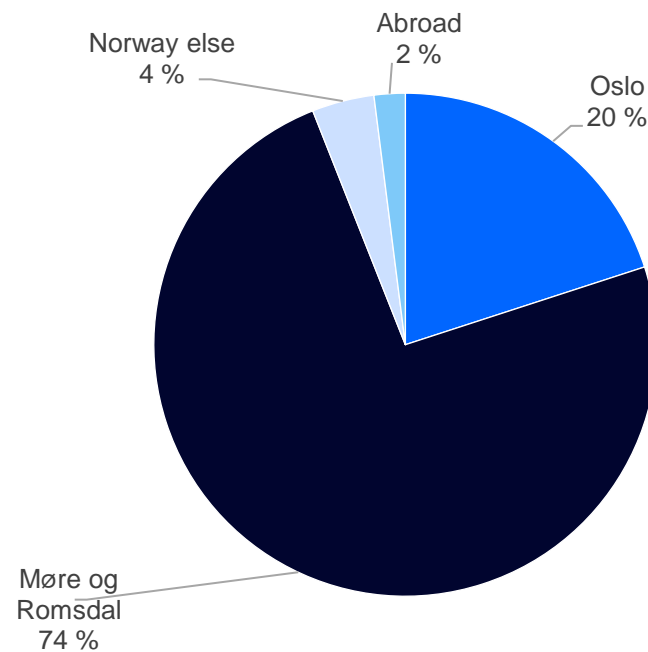
Exposure towards CRE

- Stable and well-diversified property portfolio
- 74 per cent of the portfolio within our county Møre and Romsdal, offices and hotel properties in Oslo make up 20 per cent
- 95 per cent of the portfolio is in the low and medium risk category

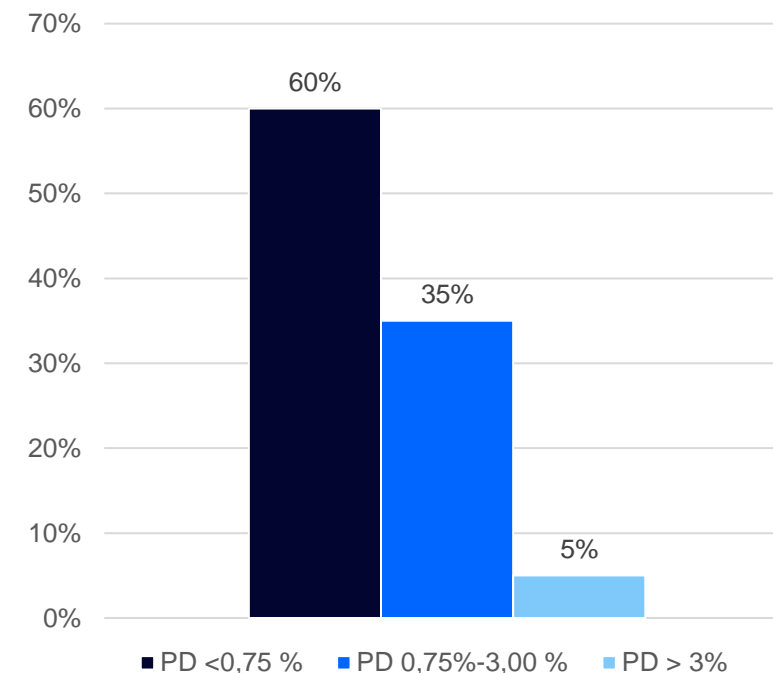
Sub-segments



Geographical distribution



Risk classification

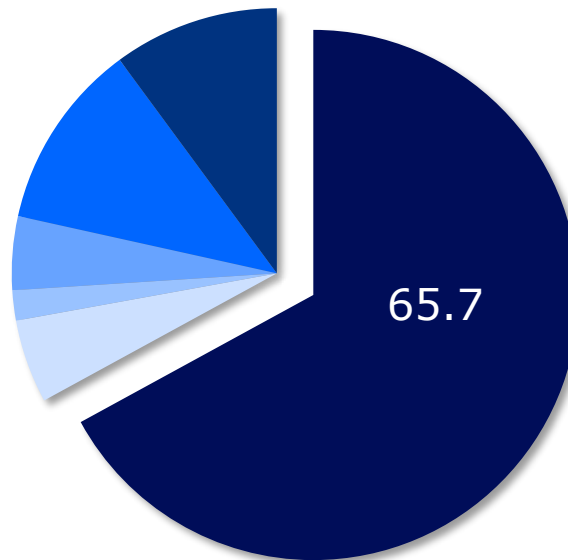


Good quality in our retail portfolio

- 95 per cent of the loans within 85 per cent LTV
- Good growth both in Møre og Romsdal and in Oslo
- Lending in Oslo has passed NOK 1 billion
- More than half of the loan applications are digital

Loans to retail customers

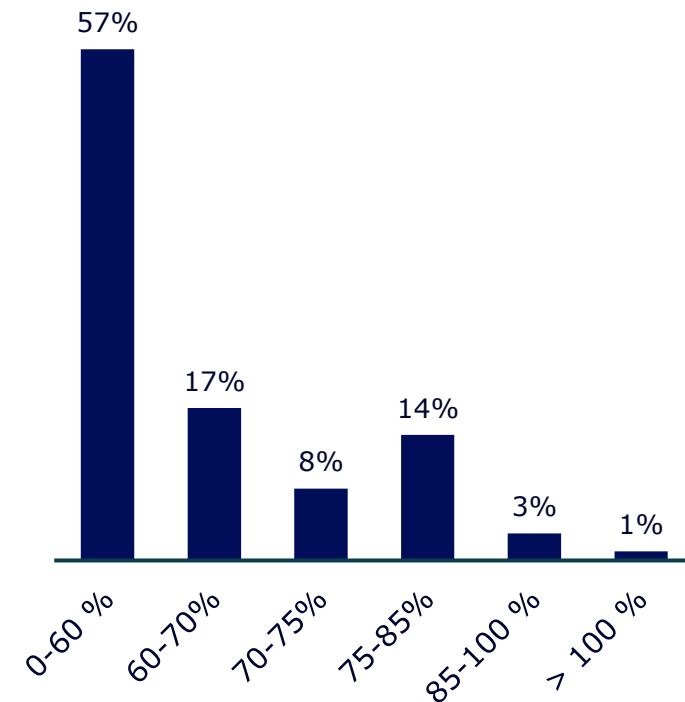
- In per cent of total loans



- Deviation from The Lending Regulation reported in Q3-2024:
 - 8.7 % outside Oslo (flexibility quota 10 %)
 - 3.8 % in Oslo (flexibility quota 8 %)

Loan-to-Value – retail loans (LTV)

(LTV)



- 96 % of mortgages are within 85 % of LTV

House price development

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

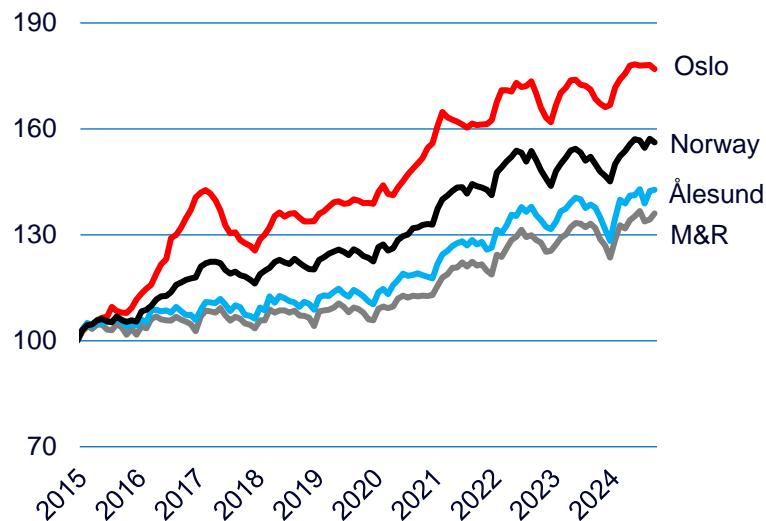
Last 12 months Norwegian house prices increased in average by 4.1 per cent.

House prices in the county of Møre og Romsdal (M&R) and in the city of Ålesund increased with respectively 3.2 and 3.7 per cent.

We expect stronger percentage growth in house prices for the full year 2024.

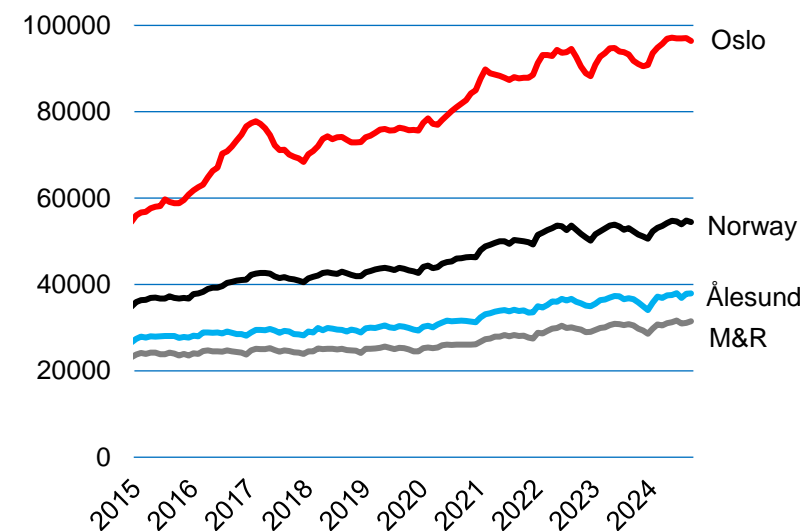
Indexed development

- January 2015 = 100



Price per square meter

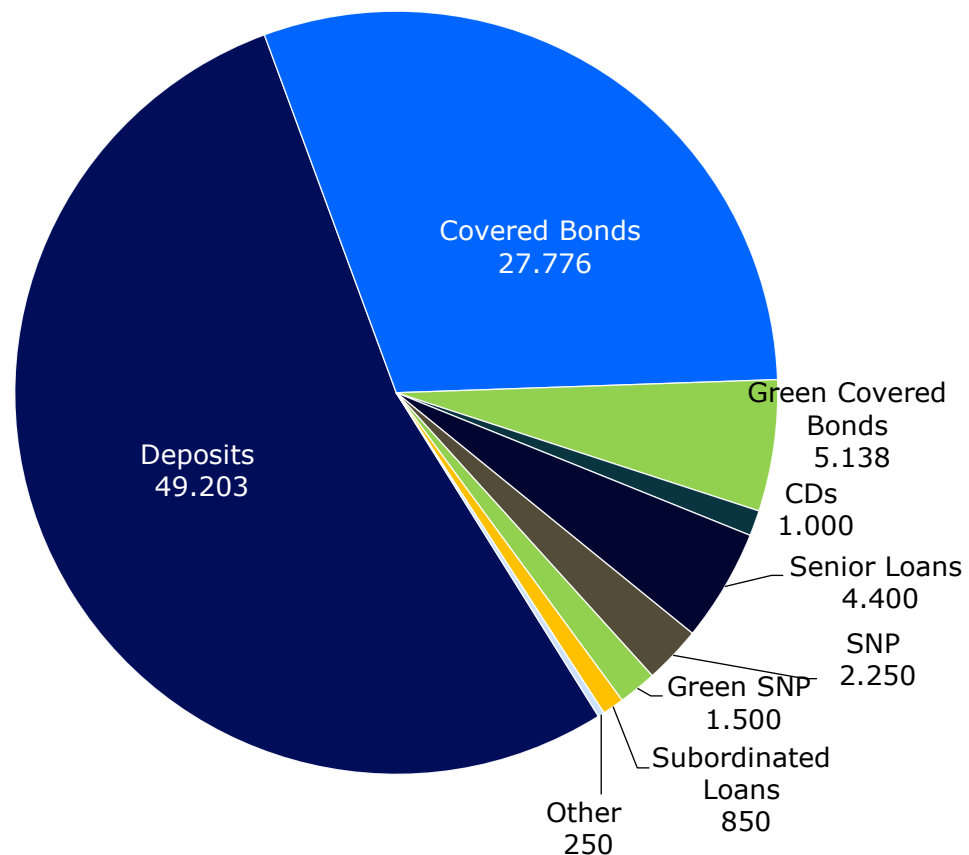
- January 2015 – September 2024



Key information on pre-owned dwellings sold in September 2024

	Norway	Møre og Romsdal	Ålesund	City of Oslo
Seasonal adj. development last month	+0.4 %	+2.0 %	+1.1 %	+0.3 %
Development last 12 months	+4.1 %	+3.2 %	+3.7 %	+5.0 %
Development last 10 years	+56.6 %	+36.9 %	+42.9 %	+81.6 %
Per square meter (NOK)	54,461	31,498	37,941	96,410
Average number of days on market	46 days	61 days	62 days	25 days
Price median dwelling (NOK)	3,990,000	2,990,000	3,200,000	5,501,891

Good market access and financing



Strong rating and long-term financing

56,9 %

- Deposit to loan ratio

A1

- Moody's rating
- Stable outlook

43,2 bln.

- Net market financing

Aaa

- Covered Bonds

6,6 bln

- Green fiunding

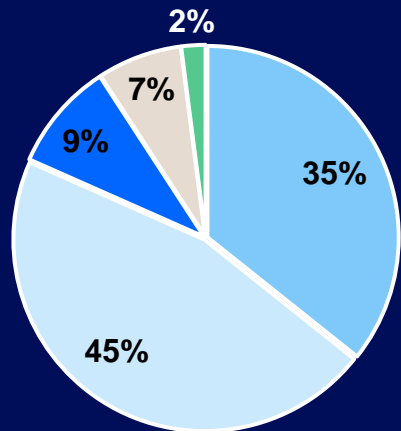
3,38 year

- Remaining duration Covered Bonds

Møre Boligkreditt AS

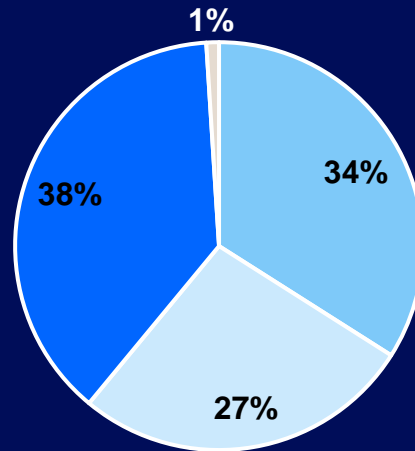
- Møre Boligkreditt AS successfully came to the market with its inaugural EUR 500 million Benchmark Covered Bond Premium transaction in the third quarter, attracting new investor groups

Geography



- Germany/Austria
- Europe other
- UK
- Nordics
- BeNeLux

Investors



- Banks etc
- Central Banks and Publ. Inst.
- Funds Managers
- Insurance
- Nordics



Interim report

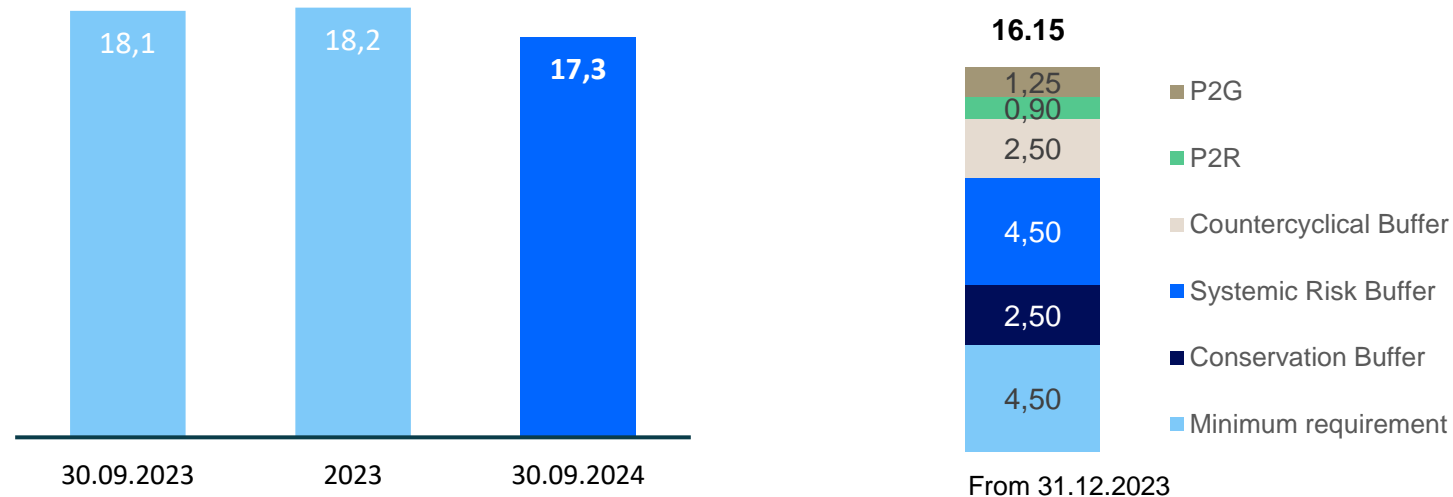
2024 Unaudited

3

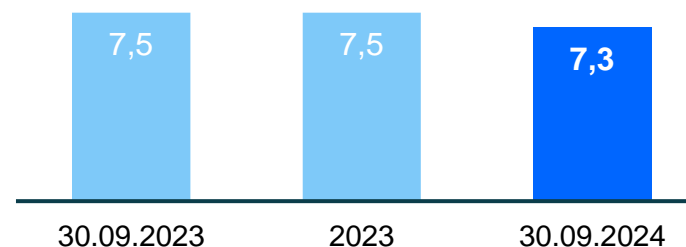
Robust capital and good prospects

- The bank has a long-term target for CET1 capital which must at least be the sum of Pillar 1, Pillar 2 (P2R) and P2G
- Regulatory capital requirements have largely fallen into place in recent years, while adjustment in calibration of IRB Model for corporates have affected - and the implementation of CRR3 (planned from the turn of the year) will affect the bank`s RWA
- We expect an increase in the CET1 ratio following the introduction of CRR3. This is mainly due to the reduction of regulatory LGD for corporates where risk-weighted assets are calculated according to the basic IRB method. This, together with the elimination of the scaling factor, will more than offset the effect of the proposed mortgage floor
- The buffer to the regulatory CET1 requirement at the end of the quarter is 1.15 p.p. (2.40 p.p. excl. P2G), which gives the bank a robust capital position

CET1- status and requirements (per cent)

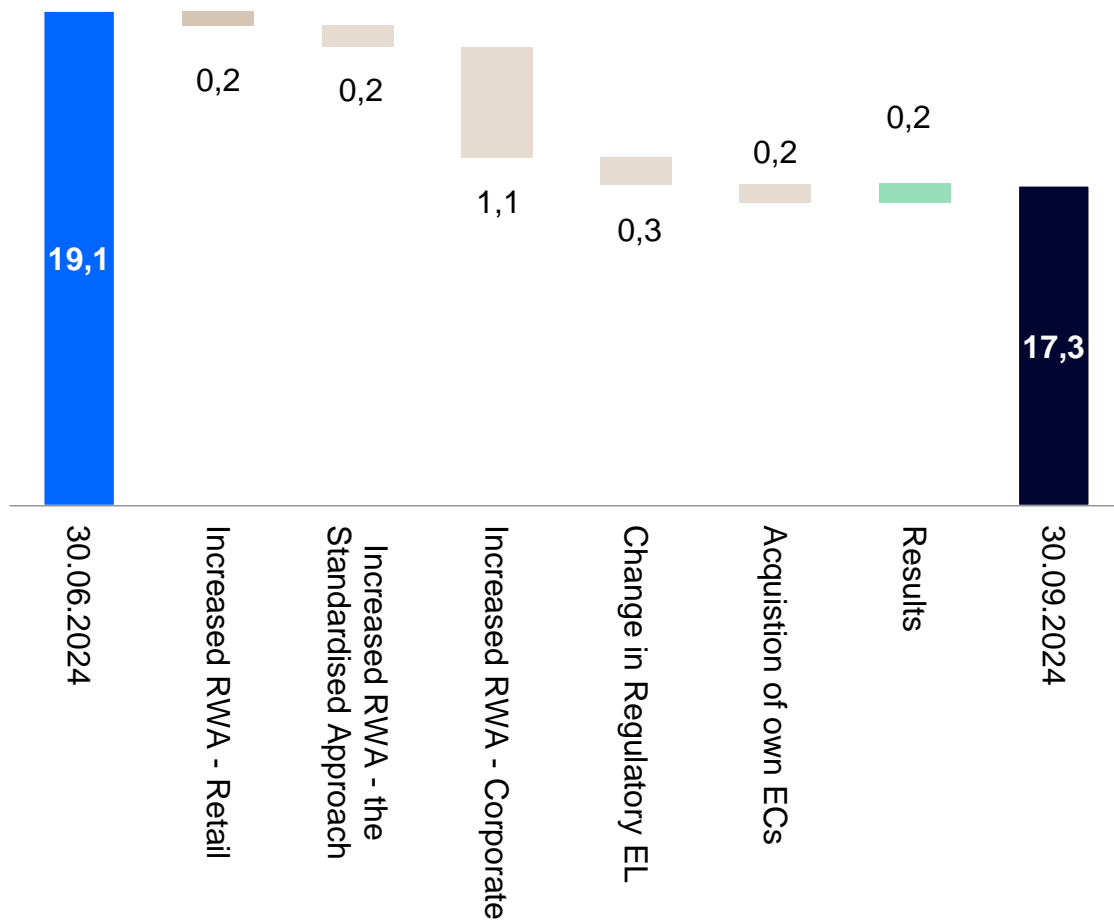


Leverage Ratio

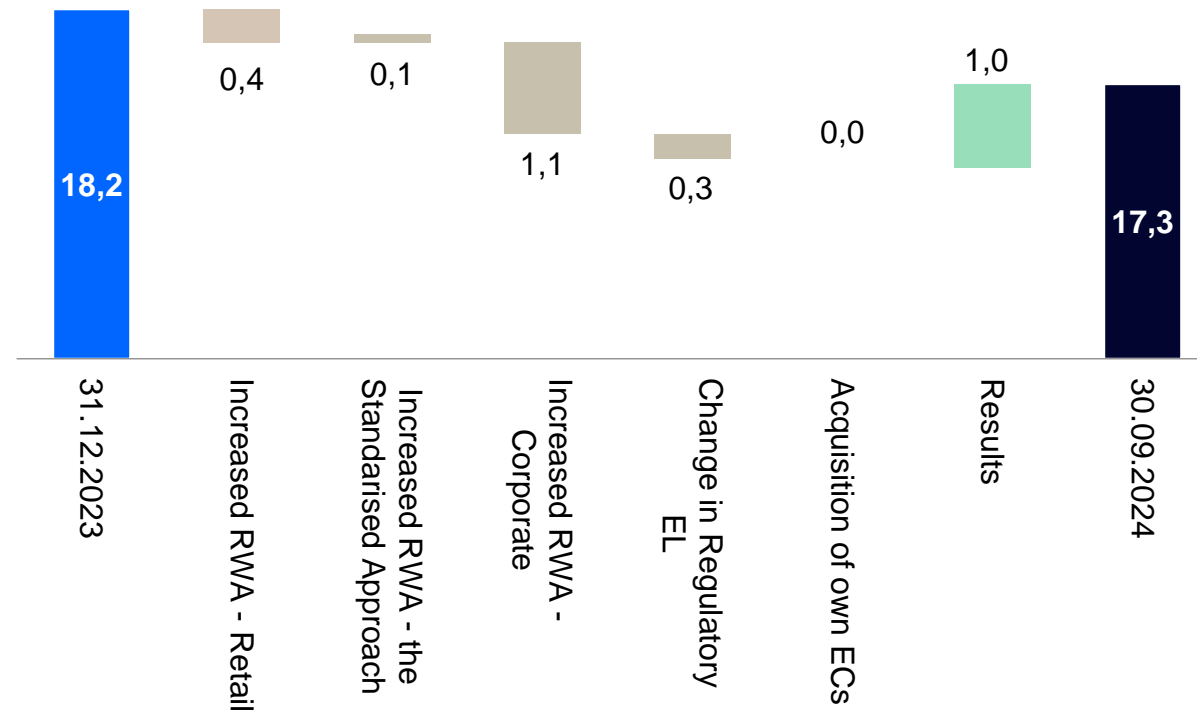


Changes in CET1 capital

3rd quarter isolated



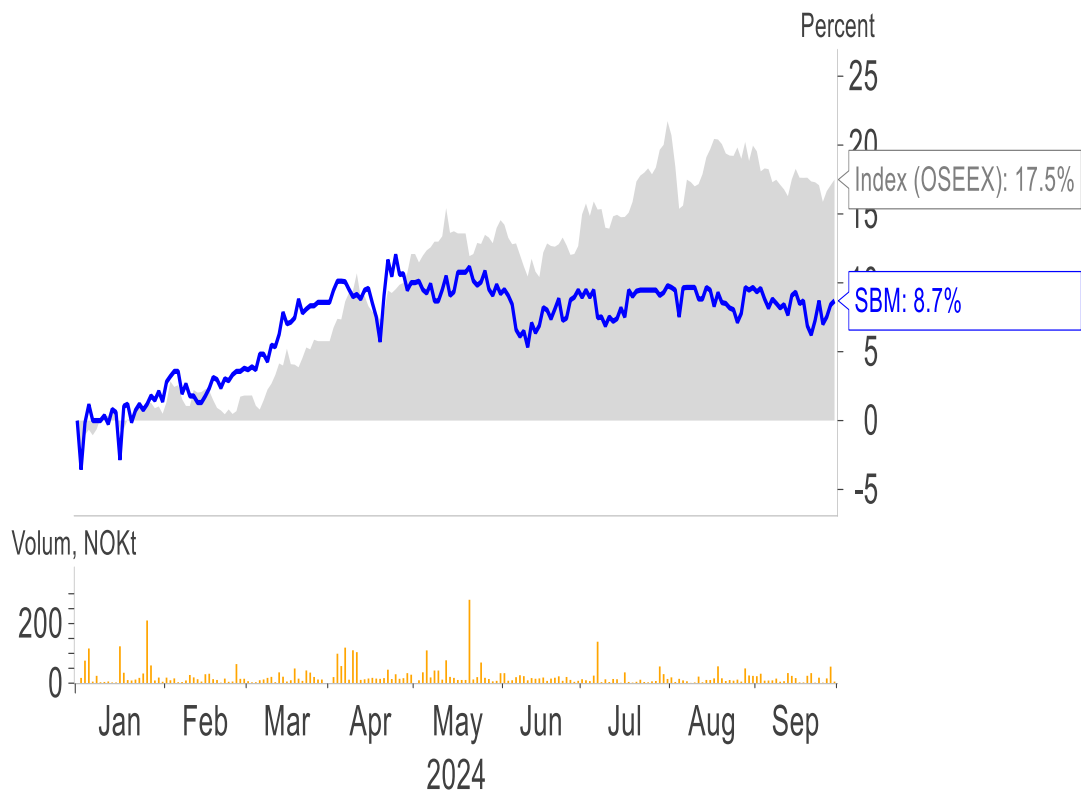
Per 3rd quarter



MORG pricing

Total Return weaker than the EC index after Q1

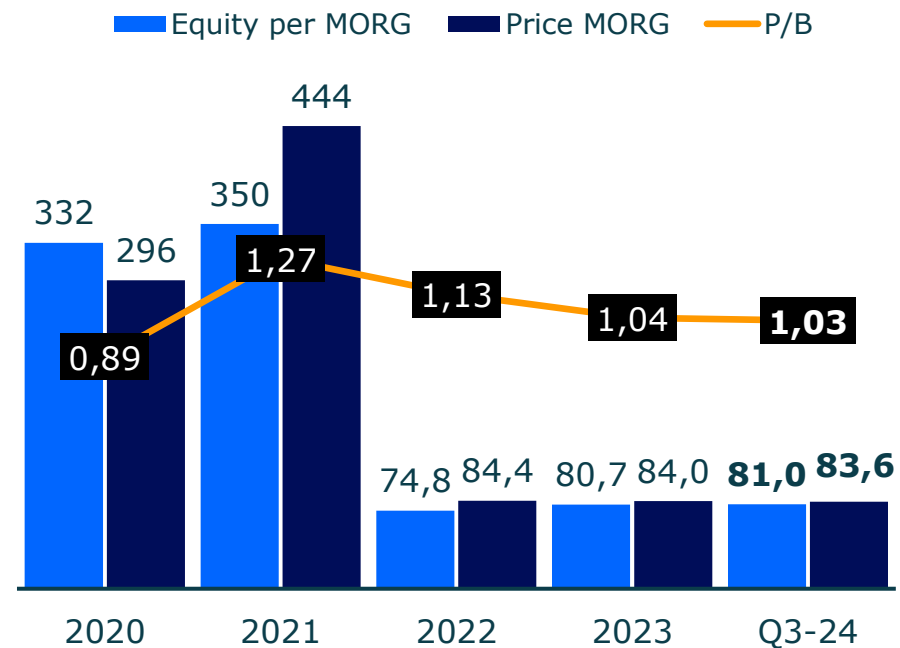
SBM vs. index YTD. Total return YTD Q3. Percent.



Source: Macrobond

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

- Equity, price and P/B



*Equity per MORG is calculated on Group figures.

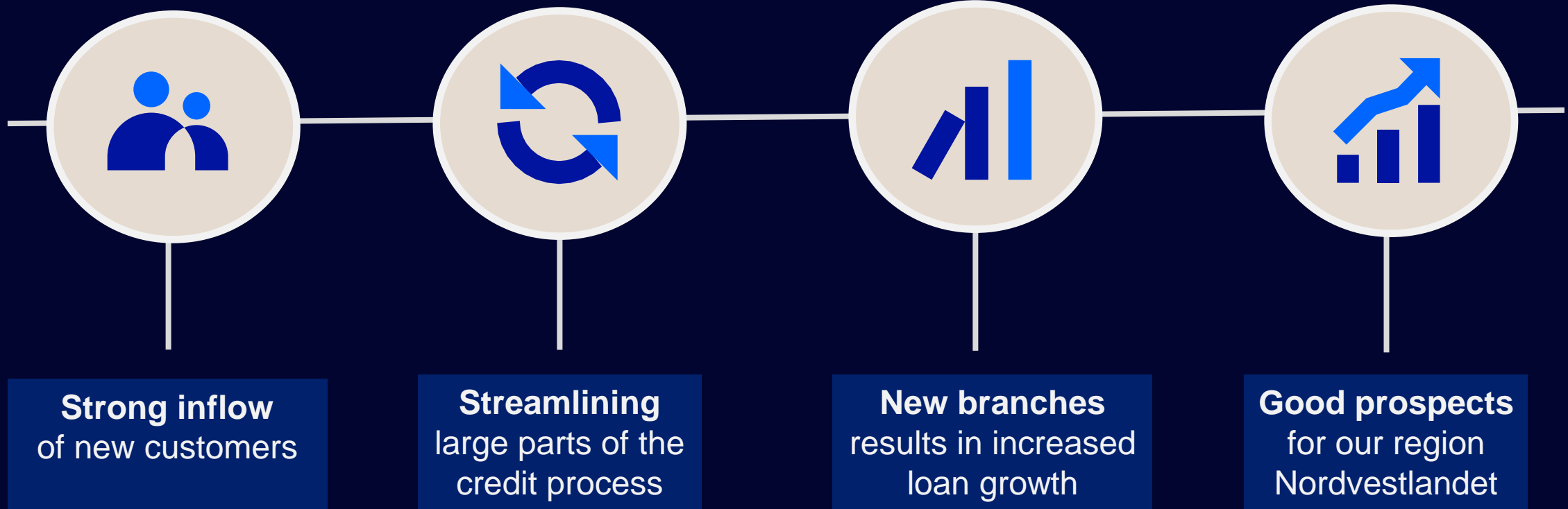
Figures for 2020-2021 stated before the split in 2022.

An active region

Optimism and positive prospects
for our region Nordvestlandet

Source: Norges Banks regional network

Our investments and efforts contribute to growth



The bank contributes to creating growth and development

• Financing

- Available capital in the districts for corporates and retail customers
- The importance of the role of local and regional banks in local communities has been confirmed in many surveys in recent years

• The social role

- In 2023, the savings bank industry distributed more than NOK 4 billion to public/socially beneficial purposes*
- NOK 1 granted gives just over NOK 3 back to society*
- Is one of Norway's largest private contributors to sport, culture and volunteering

• Skilled workplaces

- Adds knowledge and migration to the districts



The customers have spoken



The fact that Sparebanken Møre scores highly among both private and corporate customers also underlines the bank's ability to adapt its sustainability work to different customer segments.

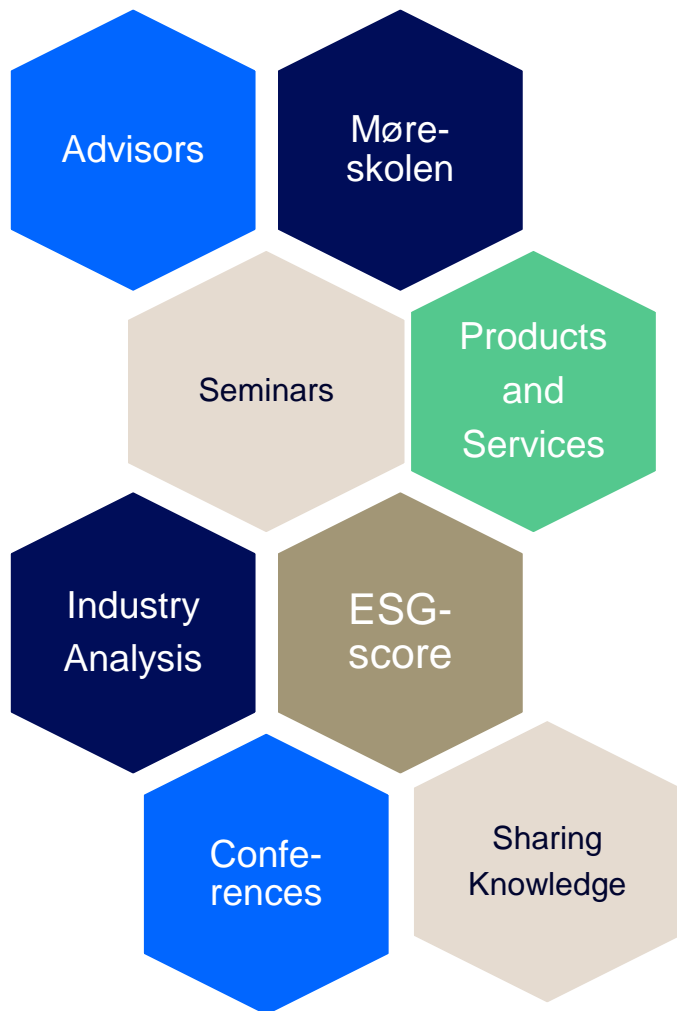
This is a key factor in achieving long-term success in an economy where sustainability awareness is becoming increasingly important

Fredrik Høst, EPSI rating Norway

13 % increase among corporate customers who state that they have received information about sustainability from the bank. The banking industry average has an increase of 3 %



Targeted measures for conversion


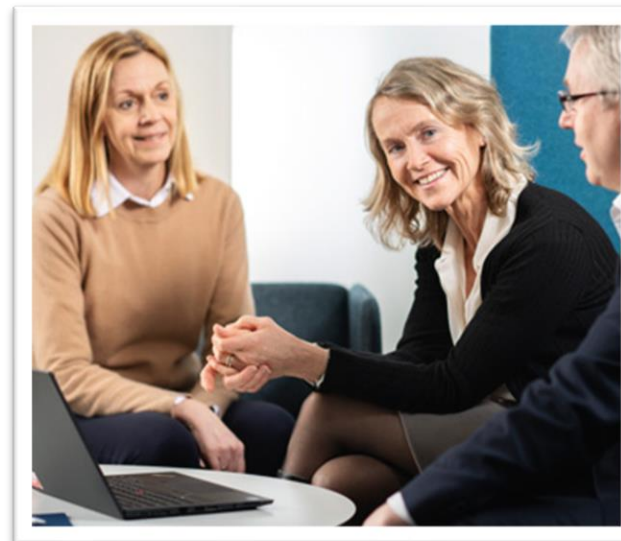


Bærekraftige bedrifter

Møt oss på PIR i Ålesund eller via stream

Fra ord til handling

[Link til opptak av årets konferanse](#)











Bærekraftportalen

Sparebanken Møre ønsker å spille på lag med våre næringslivskunder og være en sparringspartner, slik at vi sammen kan bygge en bærekraftig region.

Med mål om å vellede deg gjennom en jungle av bærekraftsinformasjon, har vi samlet relevant informasjon for bedrifter og foreninger i denne portalen.

[Hvorfor bry seg om bærekraft?](#)

ESG har blitt et viktig begrep når vi snakker om bærekraft. Forkortelsen står for miljø (Environmental), sosialt (Social) og økonomisk (Economic). Både næringslivsbedrifter og myndigheter har et sosialt ansvar overfor samfunnet og sine interessenter. Derfor er det behov for åretthet og risikovurdering for å legge til rette for bærekraftig forretningsdrift.

 Eiendom	 Entreprenør	 Fiskeri	 Reiseliv
 Industri	 Landbruk	 Varehandel	 Lag og organisasjoner



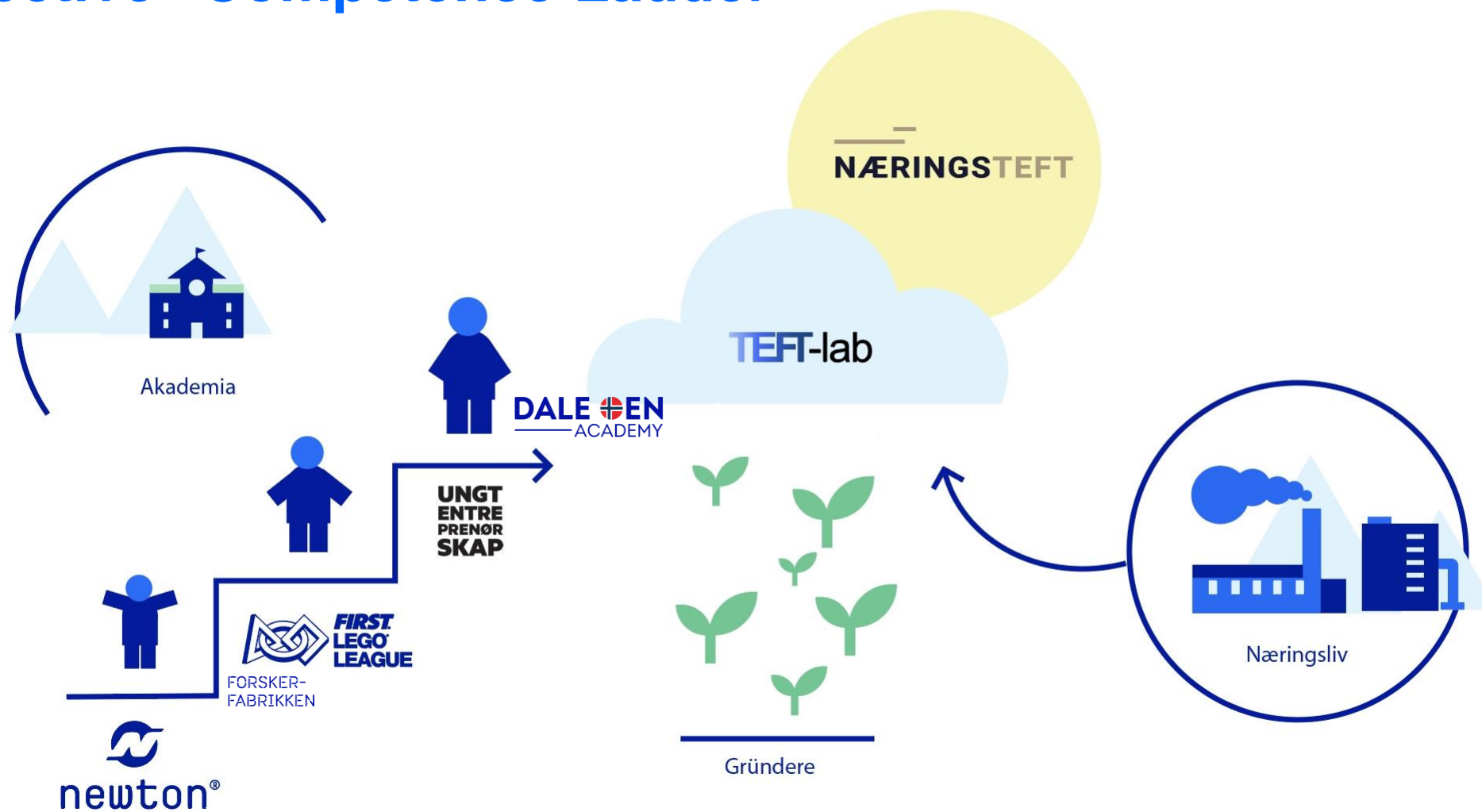
Good conditions for further growth and development

Renovation of the head office

- All the bank's sites are certified as an environmental lighthouse
- In 2023 we started planning the renovation of the head office
- The current state of the building cannot be adapted to modern banking without significant intervention
- Decision on potential start-up of the project will be made at the end of 2024



Innovation, science and entrepreneurship in a life-cycle perspective "Competence Ladder"



Dale Oen Inspire 2024

11,000 youths

Europe's largest
research and
technology conference
for young people



Future prospects

International development and growth prospects



Lower price pressure

- Internationally, price pressure continues to decrease
- At the same time, the economy in several countries is showing signs of slowing down



Declining interest rates

- The development has led market participants to believe in a faster interest rate decline
- The central banks of several of our trading partners are well underway with interest rate cuts



Persistent uncertainty

- There is still uncertainty related to further economic development
- Interest rate expectations fluctuate widely from week to week and month to month
- At the same time, the geopolitical picture poses a persistent risk



Future prospects

Norway and our market area Nordvestlandet

- The decline in international interest rates has resulted in lower interest rate expectations
 - However, a weak Norwegian krone limits the room for interest rate cuts
 - The first cut is expected in the first quarter of next year
-
- There is still a large gap between developments in the various industries
 - This also creates regional differences in our country
 - Overall, no major signs of weakness in the Norwegian economy
-
- The level of activity in Møre and Romsdal is still relatively high
 - Unemployment in the county fell to 1.6 per cent in September
 - Parts of the business and industries are struggling with access to qualified labour

Long term financial targets



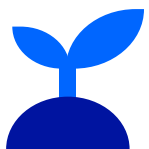
Return on Equity
(ROE)
> 12,0%



C/I < 40 %



Low losses



Healthy financial
structure



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

Dividend policy

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



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Attachments

Results in Q3

Key figures for Q3-24 and Q3-23

Results (NOK million and %)	In Q3 2024		In Q3 2023		Changes		
	MNOK	%	MNOK	%	MNOK	p.p.	%
Net Interest Income	523	2.08	487	2.05	36	0.03	7.4
Gains/losses liquidity portfolio	3	0.01	15	0.07	-12	-0.06	-800
Gains/losses on shares	0	0.00	0	0.00	0	0.00	00
Net income Financial Instruments	20	0.08	8	0.03	12	0.05	150.0
Other Income	80	0.32	65	0.28	15	0.04	23.1
Total Other Income	103	0.41	88	0.38	15	0.03	15.9
Total Income	626	2.49	575	2.43	51	0.06	8.7
Salaries and wages	133	0.53	120	0.51	13	0.02	10.8
Other expenses	110	0.43	88	0.37	22	0.06	23.9
Total operating expenses	243	0.96	208	0.88	35	0.08	16.3
Profit before losses	383	1.53	367	1.55	16	-0.02	4.4
Losses on loans and guarantees	17	0.07	34	0.14	-17	-0.07	-50.0
Pre-tax profit	366	1.46	333	1.41	33	0.05	9.9
Taxes	86	0.35	80	0.34	6	0.01	7.5
Profit after tax	280	1.11	253	1.07	27	0.04	10.7
Return on equity (ROE) %	13.8		13.1			0.7	
Cost/Income ratio	38.7		36.2			2.5	
Profit per EC (NOK)	2.66		2.42			0.24	

Results per Q3

Key figures in per Q3 2024 and 2023

Results (NOK million and %)	Per Q3 2024		Per Q3 2023		Changes		
	MNOK	%	MNOK	%	MNOK	p.p.	%
Net Interest Income	1 549	2.09	1 394	1.99	155	0.10	11.1
Gains/losses liquidity portfolio	19	0.03	-1	0.00	20	0.03	-
Gains/losses on shares	2	0.00	6	0.01	-4	-0.01	-66.7
Net Income Financial Instruments	38	0.05	39	0.05	-1	0.00	-2.6
Other Income	204	0.27	180	0.26	24	0.01	13.3
Total Other Income	263	0.35	224	0.32	39	0.03	17.4
Total Income	1 812	2.44	1 618	2.31	194	0.13	12.0
Salaries and wages	394	0.53	347	0.50	47	0.03	13.5
Other expenses	326	0.44	270	0.38	56	0.06	20.7
Total operating expenses	720	0.97	617	0.88	103	0.09	16.7
Profit before losses	1 092	1.47	1 001	1.43	91	0.04	9.1
Losses on loans and guarantees	-1	0.00	64	0.09	-65	-0.09	-101.6
Pre-tax profit	1 093	1.47	937	1.34	156	0.13	16.6
Taxes	258	0.35	222	0.32	36	0.03	16.2
Profit after tax	835	1.12	715	1.02	120	0.10	16.8
Return on equity (ROE) %	14.0		12.5			1.5	
Cost/Income ratio	39.7		38.1			1.6	
Profit per EC (NOK)	7.92		6.84			1.08	

Balance sheet and key figures

Key figures per Q3 2024 and Q3 2023

	30.09.24	30.09.23	Changes	
Balance in NOK million			MNOK	%
Total Assets	106 889	94 675	12 214	12.9
Loans to customers	86 272	79 739	6 533	8.2
Deposits from customers	49 203	46 653	2 550	5.5
Net Equity and Subordinated Loans	8 286	8 119	167	2.1

Key Figures	30.09.24	30.09.23	Changes p.p.	
Return on Equity	14.0	12.5	1.5	
Cost/Income Ratio	39.7	38.1	1.6	
Capital Adequacy Ratio	21.3	22.5	-1.2	
Tier 1 Capital	19.2	19.9	-0.7	
CET1	17.3	18.1	-0.8	
Leverage Ratio	7.3	7.5	-0.2	
Profit per EC (NOK, the Group)	7.92	6.84	1.08	
Profit per EC (NOK, the bank)	7.90	7.27	0.63	

Specification of other income

Per Q3 2024 and Q3 2023

(NOK million)	Per Q3 2024	Per Q3 2023	Changes y/y
Guarantee commission	19	20	-1
Income from the sale of insurance services (non-life/personal)	22	20	2
Income from the sale of shares in unit trusts/securities	11	12	-1
Income from Discretionary Portfolio Management	41	35	6
Income from payment transfers	73	70	3
Other fees and commission income	29	29	0
Commission income and income from banking services	195	186	9
Commission expenses and expenses from banking services	30	31	-1
Income from real estate brokerage	34	25	9
Other operating income	5	0	5
Total other operating income	39	25	14
Net commission and other operating income	204	180	24
Interest rate hedging (for customers)	13	12	1
Currency hedging (for customers)	23	22	1
Dividend received	7	1	6
Net gains/losses on shares	-5	6	-11
Net gains/losses on bonds	15	-1	16
Change in value of fixed-rate loans	2	4	-2
Change in value of issued bonds	5	0	5
Net gains/losses related to buy back of outstanding bonds	-1	0	-1
Net result from financial instruments	59	44	15
Total other income	263	224	39

Specification of expenses

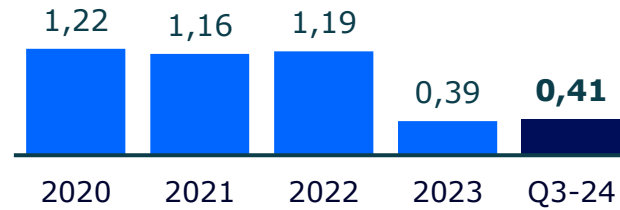
Per Q3 2024 and Q3 2023

(NOK million)	Q3 2024	Q3 2023	Changes y/y
Wages	283	251	32
Pension expenses	23	20	3
Employers' social security contribution and Financial activity tax	63	57	6
Other personnel expenses	25	19	6
Wages. salaries. etc.	394	347	47
Depreciations	40	37	3
Operating expenses own and rented premises	13	14	-1
Maintenance of fixed assets	5	6	-1
IT-expenses	170	123	47
Marketing expenses	32	32	0
Purchase of external services	24	21	3
Expenses related to postage. telephone. newspapers etc.	6	7	-1
Travel expenses	4	4	0
Capital tax	8	8	0
Other operating expenses	24	18	6
Total other operating expenses	286	233	53
Total operating expenses	720	617	103

Low level of credit-impaired commitments

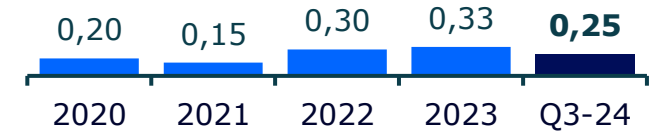
Group figures

- in % of total commitments



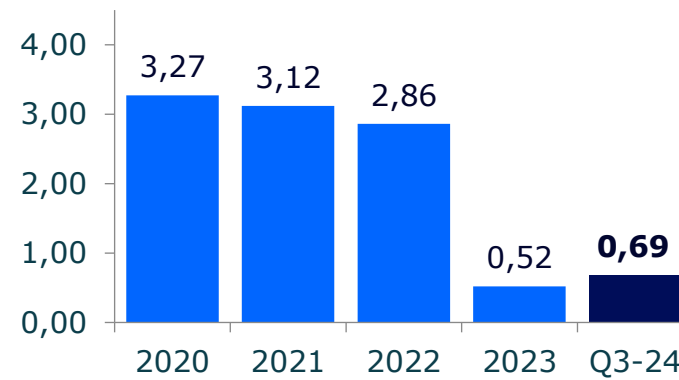
Retail market

- in % of retail commitments



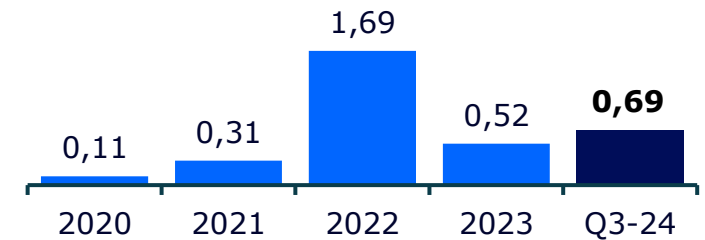
Corporate market

- in % of corporate commitments



Corporate market (excl. Oil services/supply)

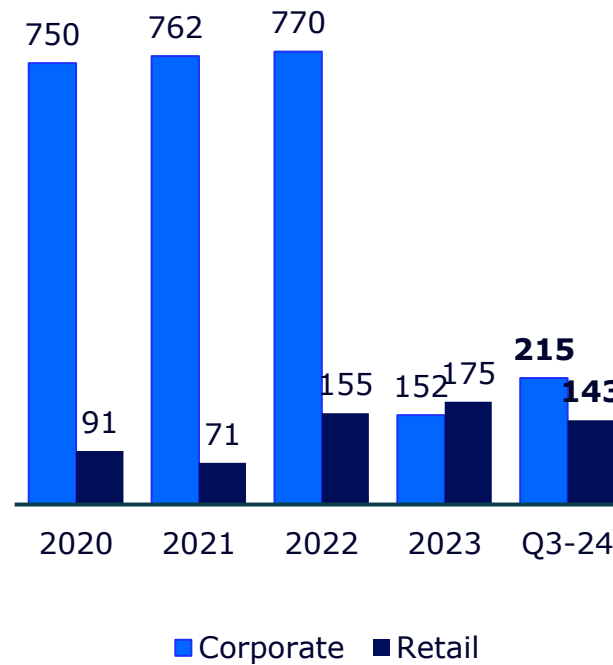
- in % of corporate commitments



Credit-impaired commitments

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

Total credit-impaired commitments
- in NOK million

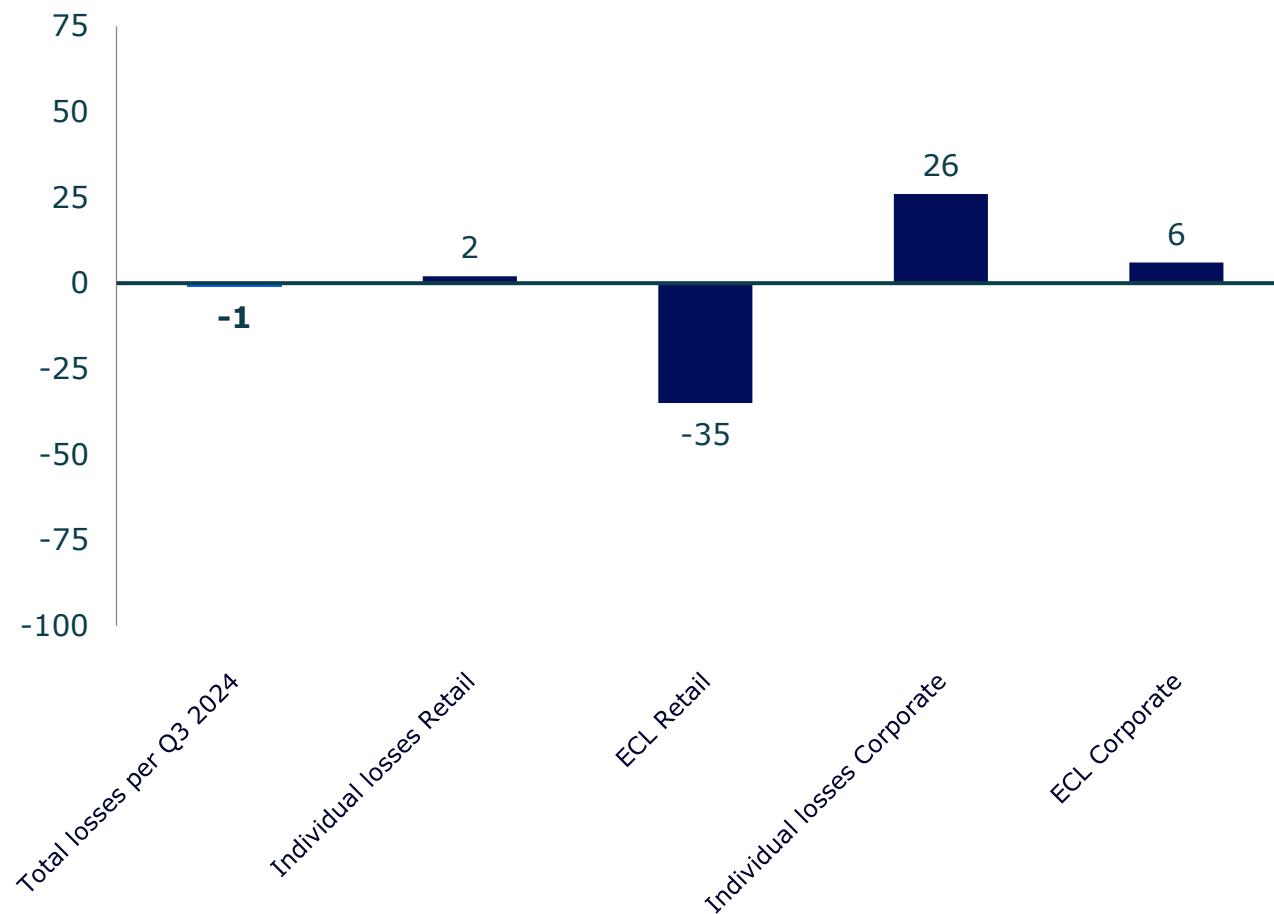


Total credit-impaired commitments
- in % of commitments



Losses by sector

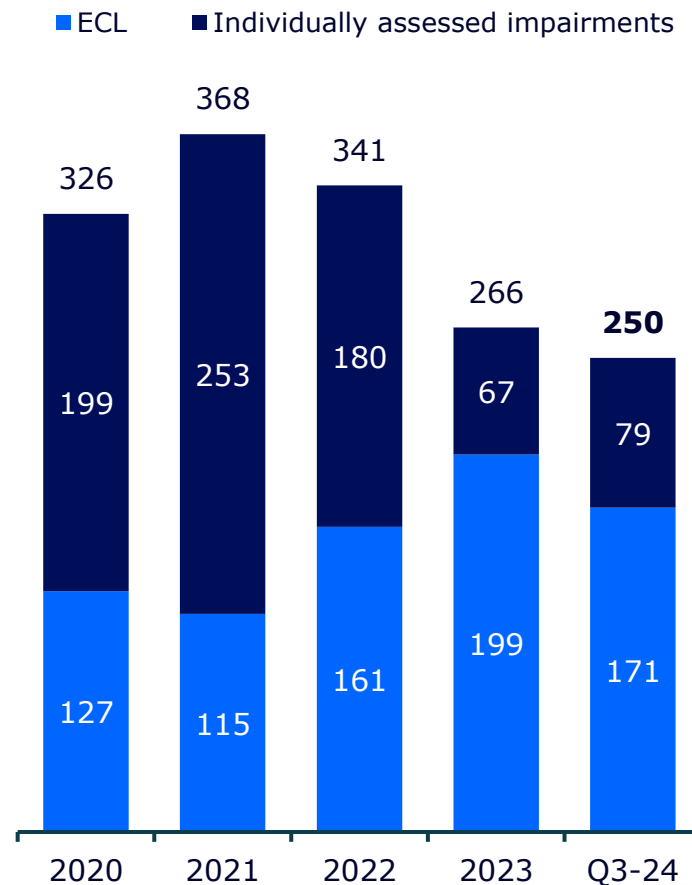
Losses on loans and guarantees - NOK million



Expected credit losses

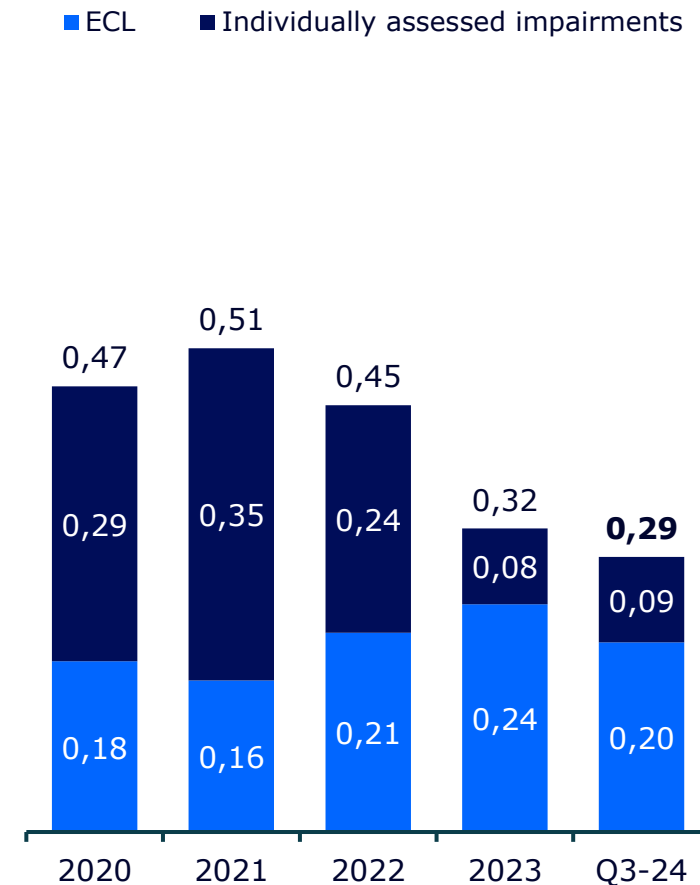
Expected credit losses

- in NOK million



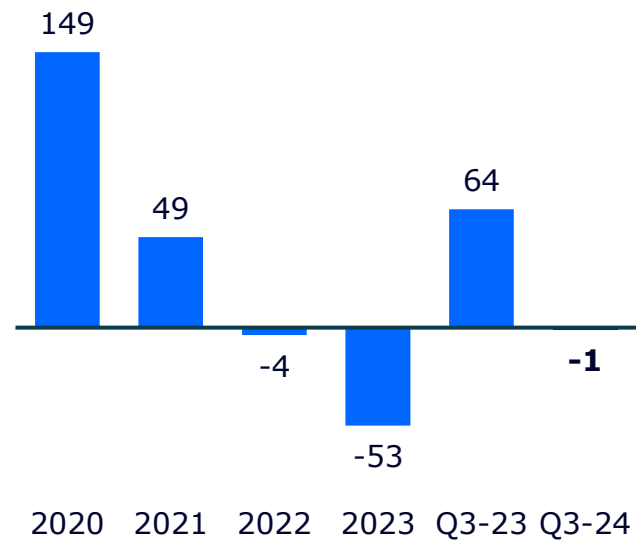
Expected credit losses

- in % of commitments

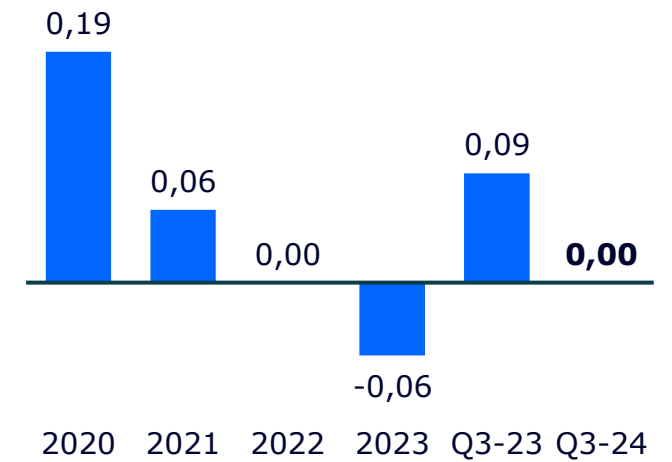


Recognized losses

Losses on loans and guarantees
- NOK million



Losses on loans and guarantees
- In % of Average Assets



EC capital in Sparebanken Møre

The largest owners (1-10) of
EC capital

EC holder	Number of ECs	
	30.09.24	30.06.24
Sparebankstiftelsen Tingvoll	4,830,361	4,880,476
Verdipapirfondet Eika egenkapital	2,447,968	2,447,968
Spesialfondet Borea Utbytte	2,336,633	2,337,046
Wenaasgruppen	2,200,000	2,100,000
Pareto Aksje Norge	2,011,332	2,012,332
MP Pensjon	1,798,905	1,798,905
J. P. Morgan SE (nominee)	1,691,257	0
Kommunal Landspensjonskasse	1,642,107	1,642,107
Wenaas EFTF AS	1,100,000	1,100,000
Fondsfinans utbytte	800,000	800,000
Total 10 largest	20,858,563	19,118,834
Of which Møre og Romsdal	8,130,361	8,080,476
Of which Møre og Romsdal in per cent	39.0	42.3

EC capital in Sparebanken Møre

The largest owners (11-20) of
EC capital

EC-holder	Number of ECs	
	30.09.24	30.06.24
Beka Holding AS	750,500	750,500
Lapas AS	627,000	627,000
BKK Pensjonskasse	470,888	470,888
Forsvarets personellservice	459,000	459,000
Hjellegjerde Invest AS	300,000	300,000
U Aandahls EFT AS	250,000	250,000
PIBCO AS	229,500	229,500
Kveval AS	218,124	253,124
Borghild Hanna Møller	201,834	201,967
Caceis Bank (nominee)	157,437	0
Total 20 largest	24,522,846	22,660,813
Of which Møre og Romsdal	9,738,695	9,668,810
Of which Møre og Romsdal in %	39.7	42.7