Unaudited

Sparebanken Møre

Interim report

1 quarter 2024

Financial highlights - Group

Income statement

(Amounts in percentage of average assets)

	Q1 2024		Q1 2023		2023	
	NOK million	%	NOK million	%	NOK million	%
Net interest income	508	2.07	445	1.98	1 900	2.02
Net commission and other operating income	54	0.22	55	0.24	250	0.26
Net result from financial instruments	16	0.06	0	0.00	45	0.05
Total income	578	2.35	500	2.22	2 195	2.33
Total operating expenses	228	0.93	198	0.88	859	0.91
Profit before impairment on loans	350	1.42	302	1.34	1 336	1.42
Impairment on loans, guarantees etc.	17	0.07	33	0.15	-53	-0.06
Pre-tax profit	333	1.35	269	1.19	1 389	1.48
Taxes	79	0.32	62	0.27	334	0.35
Profit after tax	254	1.03	207	0.92	1 055	1.13

Balance sheet

(NOK million)	31.03.2024	Change last three months (%)	31.12.2023	Change last 12 months (%)	31.03.2023
Total assets 4)	99 372	2.7	96 735	6.7	93 159
Average assets 4)	98 236	4.4	94 095	9.1	90 069
Loans to and receivables from customers	83 260	2.1	81 572	6.9	77 867
Gross loans to retail customers	54 513	1.3	53 795	5.2	51 805
Gross loans to corporate and public entities	29 028	3.5	28 039	9.9	26 413
Deposits from customers	48 191	1.6	47 410	9.0	44 225
Deposits from retail customers	29 729	1.7	29 226	10.6	26 880
Deposits from corporate and public entities	18 462	1.5	18 184	6.4	17 345

Key figures and Alternative Performance Measures (APMs)

	Q1 2024	Q1 2023	2023
Return on equity (annualised) 3) 4)	13.1	11.0	14.0
Cost/income ratio 4)	39.5	39.7	39.2
Losses as a percentage of loans and guarantees (annualised) 4)	0.08	0.17	-0.07
Gross credit-impaired commitments as a percentage of loans/guarantee liabilities	0.57	1.55	0.51
Net credit-impaired commitments as a percentage of loans/guarantee liabilities	0.44	1.28	0.39
Deposit-to-loan ratio 4)	57.7	56.5	57.9
Liquidity Coverage Ratio (LCR)	173	177	174
NSFR (Net Stable Funding Ratio)	124	121	124
Lending growth as a percentage 4)	6.9	10.6	7.2
Deposit growth as a percentage 4)	9.0	1.7	8.0
Capital adequacy ratio 1)	23.1	22.2	22.2
Tier 1 capital ratio 1)	20.8	19.5	20.0
Common Equity Tier 1 capital ratio (CET1) 1)	18.5	17.7	18.2
Leverage Ratio (LR) 1)	7.7	7.4	7.5
Man-years	416	387	400

Equity Certificates (ECs)

	31.03.2024	31.03.2023	2023	2022	2021	2020
Profit per EC (Group) (NOK) 2) 5)	2.41	1.96	10.12	7.50	31.10	27.10
Profit per EC (parent bank) (NOK) 2) 5)	3.32	3.10	10.34	8.48	30.98	26.83
Number of ECs 5)	49 434 770	49 434 770	49 434 770	49 434 770	9 886 954	9 886 954
Nominal value per EC (NOK) 5)	20.00	20.00	20.00	20.00	100.00	100.00
EC fraction 1.1 as a percentage (parent bank)	49.7	49.7	49.7	49.7	49.7	49.6
EC capital (NOK million)	988.70	988.70	988.70	988.70	988.70	988.70
Price at Oslo Stock Exchange (NOK)	91.2	77.75	84.00	84.41	444.00	296.00
Stock market value (NOK million)	4 509	3 844	4 153	4 173	4 390	2 927
Book value per EC (Group) (NOK) 4) 5)	83.1	72.9	80.7	74.8	350	332
Dividend per EC (NOK) 5)	0.00	0.00	7.50	4.00	16.00	13.50
Price/Earnings (Group, annualised)	9.4	9.9	8.3	11.3	14.3	10.9
Price/Book value (P/B) (Group) 2) 4)	1.10	1.07	1.04	1.13	1.27	0.89

1) Incl. 50 % of the comprehensive income after tax

2) Calculated using the EC-holders' share (49.7 %) of the period's profit to be allocated to equity owners

3) Calculated using the share of the profit to be allocated to equity owners

4) Defined as Alternative Performance Measure (APM), see www.sbm.no/IR

5) Our EC(MORG) was split 1:5 in April 2022

Interim report from the Board of Directors

All figures relate to the Group. Figures in brackets refer to the corresponding period last year. The financial statements have been prepared in accordance with IFRS and the interim report has been prepared in conformity with IAS 34 Interim Financial Reporting.

RESULTS FOR Q1 2024
Profit before losses amounted to NOK 350 million for the first quarter of 2024, or 1.42 per cent of average assets, compared with NOK 302 million, or 1.34 per cent, for the corresponding quarter last year.

Profit after tax amounted to NOK 254 million for the first quarter of 2024, or 1.03 per cent of average assets, compared with NOK 207 million, or 0.92 per cent, for the corresponding quarter last year.

Return on equity was 13.1 per cent for the first quarter of 2024, compared with 11.0 per cent for the first quarter of 2023, and the cost income ratio amounted to 39.5 per cent compared with 39.7 per cent for the first quarter of 2023.

Earnings per equity certificate were NOK 2.41 (NOK 1.96) for the Group and NOK 3.32 (NOK 3.10) for the parent bank.

Net interest income
Net interest income was NOK 508 million for the quarter, which is NOK 63 million, or 14.2 per cent, higher than in the corresponding quarter of last year. This represents 2.07 per cent of total assets, which is 0.09 percentage points higher than for the corresponding quarter last year.

In the retail market, both the interest margin for lending and the deposit margin contracted compared with the first quarter of 2023. In the corporate market, the interest rate margins for both lending and deposits were the same level as in the first quarter of 2023.

Other income
Other income was NOK 70 million in the quarter, which is NOK 15 million higher than in the first quarter of last year. The net result from financial instruments was NOK 16 million for the quarter, which is NOK 16 million higher than in the first quarter of 2023. Capital gains from bond holdings were NOK 5 million in the quarter, compared with capital losses of NOK 12 million in the corresponding quarter last year. Capital losses from equities amounted to NOK 4 million, compared with capital gains of NOK 5 million in the first quarter of 2023. The change in value for fixed-rate lending amounted to NOK 0 million, compared with a negative change in value of NOK 7 million in the same quarter last year. Income from foreign exchange and interest rate business for customers amounted to NOK 11 million in the quarter, NOK 1 million less than in the same quarter last year.

Other income excluding financial instruments amounted to NOK 1 million less than in the first quarter of 2023.

Expenses
Operating expenses amounted to NOK 228 million for the quarter, which is NOK 30 million higher than for the same quarter last year. Personnel expenses accounted for NOK 13 million of the rise in relation to the same period last year and totalled NOK 124 million. Other operating expenseshave increased by NOK 17 million from the same period last year.

Provisions for expected credit losses and credit-impaired commitments
Losses on loans and guarantees amounted to NOK 17 million in the quarter (NOK 33 million), corresponding to 0.07 per cent of average assets (0.15 per cent of average assets). In the corporate segment, losses increased by NOK 26 million in the quarter, while losses in the retail segment decreased by

NOK 9 million.

At the end of the first quarter of 2024, provisions for expected credit losses totalled NOK 284 million, equivalent to 0.33 per cent of gross loans and guarantee commitments (NOK 368 million and 0.47 per cent). Of the total provision for expected credit losses, NOK 26 million relates to credit-impaired commitments more than 90 days past due (NOK 16 million), which represents 0.03 per cent of gross loans and guarantee commitments (0.02 per cent), while NOK 92 million relates to other credit-impaired commitments (NOK 198 million), corresponding to 0.11 per cent of gross loans and guarantee commitments (0.25 per cent).

Net credit-impaired commitments (commitments more than 90 days past due and other credit-impaired commitments) have decreased by NOK 640 million in the past 12 months. At end of the first quarter of 2024, the corporate market accounted for NOK 221 million of net credit-impaired commitments and the retail market NOK 155 million. In total, this represents 0.44 per cent of gross loans and guarantee commitments (1.28 per cent).

Lending to customers
At the end of the first quarter of 2024, lending to customers amounted to NOK 83,260 million (NOK 77,867 million). In the past 12 months, customer lending has increased by a total of NOK 5,393 million, equivalent to 6.9 per cent. Retail lending has increased by 5.2 per cent and corporate lending has increased by 9.9 per cent in the past 12 months. Retail lending accounted for 65.3 per cent of total lending at the end of the quarter (66.2 per cent).

Deposits
Deposits from customers have increased by NOK 3,966 million, or 9.0 per cent, in the past 12 months. At the end of the first quarter of 2024, deposits amounted to NOK 48,191 million (NOK 44,225 million). Retail deposits have increased by 10.6 per cent in the past 12 months, while corporate deposits and public sector deposits have increased by 6.4 per cent. The retail market's relative share of deposits amounted to 61.7 per cent (60.8 per cent), while deposits from the corporate market accounted for 38.3 per cent (39.2 per cent).

The deposit-to-loan ratio was 57.7 per cent at the end of the first quarter (56.5 per cent).

LIQUIDITY AND FUNDING
The regulatory minimum LCR and NSFR requirements are both 100 per cent. The Group has established internal minimum targets that are above the regulatory requirements.

Sparebanken Møre's liquidity coverage ratio (LCR) was 173 for the Group and 160 for the parent bank at the end of the quarter. The EUR is a significant currency for the Group and Møre Boligkreditt AS. A currency is considered a 'significant currency' when liabilities denominated in that currency amount to 5 per cent of total liabilities. When the EUR and/or USD are significant currencies, a minimum requirement for NOK of 50 per cent applies.

The EU "banking package" was introduced in Norway from 1 June 2022. This entails, among other things, the introduction of a binding requirement that the net stable funding ratio (NSFR) must be more than 100 at all reporting levels. CRR2 sets new weights for asset and liability items, and for off-balance sheet items. The NSFR was 124 at the end of the first quarter of 2024 (Group), while the bank's and Møre Boligkreditt AS's NSFR was 125 and 112, respectively.

Total net market funding amounted to around NOK 37.8 billion at the end of the quarter. Senior bonds with a remaining term to maturity of more than 1 year have a weighted remaining term to maturity of 2.50 years, while covered bond funding through Møre Boligkreditt AS correspondingly has a weighted remaining term to maturity of 3.05 years – overall for market funding in the Group (inclusive of T2 and T3) the remaining term to maturity is 3.02 years.

Møre Boligkreditt AS issues bonds based on the transfer of loans from the parent bank. Gross retail lending transferred to Møre Boligkreditt AS amounted to NOK 31,970 million at the end of the quarter, which corresponds to 38.3 per cent of the bank's total lending.

RATING

In a Credit Opinion published on 9 January 2024, the rating agency Moody's confirmed Sparebanken Møre's counterparty, deposit and issuer ratings as A1 with a stable outlook. Møre Boligkreditt has the same issuer rating as the parent bank, while the mortgage credit company's issuances are rated Aaa.

CAPITAL ADEQUACY

Sparebanken Møre is well capitalised. At the end of the first quarter of 2024, the Common Equity Tier 1 capital ratio (CET1) was 18.5 per cent (17.7 per cent), including 50 per cent of the result for the year to date. This is 2.35 percentage points higher than the total minimum requirement and the Financial Supervisory Authority of Norway's expected capital adequacy margin (P2G) totalling 16.15 per cent. The capital adequacy ratio, including 50 per cent of the result for the year to date, was 23.1 per cent (22.2 per cent) and the Tier 1 capital ratio was 20.8 per cent (19.5 per cent).

On 15 June 2023, the Financial Supervisory Authority approved an application for the acquisition of equity certificates. The authorisation was granted on the condition that the buybacks do not reduce Common Equity Tier 1 capital by more than NOK 64.9 million. Sparebanken Møre deducted NOK 64.9 million from Common Equity Tier 1 capital from the date authorisation was granted until the authorisation expired on 12 March 2024. Thus, no deductions were made in relation to the limit as at 31 March 2024. A new application for the acquisition of equity certificates has been submitted to the Financial Supervisory Authority for approval.

The EU's 'banking package' was enacted in Norway on 1 June 2022 and resulted in several changes such as the expansion of the SME discount and the introduction of a minimum NSFR requirement. Sparebanken Møre has previously applied to the Financial Supervisory Authority of Norway for model and calibration changes. A letter from the Financial Supervisory Authority dated 22 June 2023 granted approval for the proposed models for the corporate market. Sparebanken Møre incorporated the new models in the fourth quarter of 2023. The model changes increased the CET1 capital ratio by 0.7 percentage points. In a letter dated 18 January 2024, the Financial Supervisory Authority rejected the bank's application concerning changes to the model for the retail market. The bank will submit a new application that takes account of the Financial Supervisory Authority's feedback.

Sparebanken Møre's total CET1capital ratio requirement is 16.15 per cent. The requirement consists of a minimum requirement of 4.5 per cent, a capital conservation buffer of 2.5 per cent, a systemic risk buffer of 4.5 per cent and a countercyclical buffer of 2.5 per cent. The Financial Supervisory Authority conducted a SREP in 2023. The individual Pilar 2 requirement for Sparebanken Møre has been set at 1.6 per cent, and the expected capital adequacy margin has been set at 1.25 per cent. At least 56.25 per cent of the new Pillar 2 requirement that resulted from the aforementioned SREP must be met with Common Equity Tier 1 capital (0.9 per cent), and a minimum of 75 per cent must be met with Tier 1 capital.

The leverage ratio (LR) at the end of the first quarter of 2024 was 7.7 per cent (7.4 per cent). The regulatory minimum requirement (3 per cent) was met by a good margin.

MREL

On 1 January 2024, the Financial Supervisory Authority of Norway set Sparebanken Møre's effective MREL requirement at 35.7 per cent of the risk-weighted assets at any given time. The minimum subordination requirement was set at 28.7 per cent. At the end of the quarter, Sparebanken Møre's actual MREL level was 40.5 per cent, while the level of subordination was 32.7 per cent of the risk-weighted assets.

Sparebanken Møre had issued NOK 3,000 million in Senior Non-Preferred debt at the end of first quarter of 2024.

SUBSIDIARIES

The aggregate profit of the bank's subsidiaries amounted to NOK 41 million after tax in the first quarter of 2024 (NOK 39 million).

Møre Boligkreditt AS was established as part of the Group's long-term funding strategy. The main purpose of the covered bond company is to issue covered bonds for sale to Norwegian and international investors. At the end of the first quarter of 2024, the company had nominal outstanding covered bonds of NOK 28.2 billion in the market. Around 28 per cent was issued in a currency other than NOK. At the end of the quarter, the parent bank held no bonds issued by the company. Møre Boligkreditt AS contributed NOK 41 million to the Group's result in the first quarter of 2024 (NOK 38 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company made a NOK -1 million contribution to the result in the first quarter of 2024 (NOK 0 million). At the end of the quarter, the company employed 24 FTEs.

The purpose of Sparebankeiendom AS and Storgata 41-45 Molde AS is to own and manage the bank's own commercial properties. The company contributed NOK 1 million to the result in the first quarter of 2024 (NOK 1 million). The companies have no staff.

EQUITY CERTIFICATES

At the end of the first quarter of 2024, there were 6,973 holders of Sparebanken Møre's equity certificates. The proportion of equity certificates owned by foreign nationals and enterprises amounted to 2.3 per cent at the end of the first quarter of 2024. 49,434,770 equity certificates have been issued. Equity certificate capital accounts for 49.7 per cent of the bank's total equity.

Note 14 includes a list of the 20 largest holders of the bank's equity certificates. As at 31 March 2024, the bank owned 117,106 of its own equity certificates. These were purchased on the Oslo Stock Exchange at market price.

FUTURE PROSPECTS

Global inflationary pressures continue to decline, albeit at a slightly slower pace than before. At the same time, the real economies of a number of western countries appear able to withstand current interest rates better than expected. This is especially true of the US, where growth remains good and the labour market is relatively tight.

In light of this situation, western central banks have continued to call for patience regarding the timing of the first interest rate cut. The fear of reducing interest rates prematurely, and thus helping inflation speed up again, is clear.

The conditions described above contributed to the market's interest rate expectations rising markedly throughout the first quarter. At the beginning of the year, six or seven interest rate cuts were expected from both the European and US central banks in 2024. This has been reduced to expectations of two to three interest rate cuts.

Furthermore, the geopolitical risks associated with the situations in Ukraine and the Middle East remain. There have been recent signs of escalation in the conflict in the Middle East, which has resulted in, among other things, oil prices being at their highest levels since autumn 2022.

The rise in US and European expectations concerning interest rates has also spread to Norwegian interest rates. At the same time, there are some domestic conditions that suggest that the policy rate may remain at its current level for some time to come.

Output in the Norwegian economy remains high and unemployment is low. However, there are big differences between the various sectors. Companies with exposure to the petroleum sector are seeing increasing activity as a result of high levels of investment on the Norwegian continental shelf. On the other hand, building and construction activity is expected to be subdued throughout 2024.

A weak Norwegian krone is making it more expensive to import goods and services, and thus harder to reduce inflation. Meanwhile, this is also contributing to higher wage growth thanks to the Norwegian front runner model. This year's wage settlement was 5.2 per cent and thus higher than Norges Bank's estimates. Seen in isolation, this is helping to delay the first interest rate cut.

Norges Bank's latest interest rate path assumes that there will be one interest rate cut this year, in the fourth quarter. The implicit expectations concerning market rates roughly align with this.

The rate of growth in lending to households and non-financial companies for Norway as a whole fell further during the first quarter of 2024. With a growth rate in household lending down at around 3 per cent at the end of February and a growth rate in loans to non-financial companies of 2.5 per cent, the 12-month growth in lending was the lowest measured in almost 30 years. At the end of February, the overall 12-month growth in lending to the public was around 3.5 per cent. Although the growth rate is still falling, a flattening of this trend is expected at around these levels.

Sparebanken Møre’s overall lending growth has remained good. The 12-month growth rate was 6.9 per cent at the end of the quarter, slightly below the level at the end of 2023 of 7.2 per cent. The year-on-year growth in lending to the retail market ended at 5.2 per cent at the end of the first quarter, while lending growth in the corporate market amounted to 9.9 per cent. Deposits have increased by 9.0 per cent in the past 12 months and the deposit-to-loan ratio remains high.

The bank has a solid capital base and good liquidity and will remain a strong and committed supporter of our customers also going forward. The focus will always be on good operations and profitability.

The bank's return on equity for the first quarter of 2024 was 13.1 per cent, while its cost income ratio was 39.5 per cent. Sparebanken Møre’s long-term strategic financial targets are a return on equity of above 12 per cent and a cost income ratio of under 40 per cent.

Ålesund, 31 March 2024
24 April 2024

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

ROY REITE, Chair of the Board
KÅRE ØYVIND VASSDAL, Deputy Chair
JILL AASEN
THERESE MONSÅS LANGSET
TERJE BØE
BIRGIT MIDTBUST
MARIE REKDAL HIDE
BJØRN FØLSTAD

TROND LARS NYDAL, CEO

Statement of income - Group

STATEMENT OF INCOME - GROUP (COMPRESSED)

(NOK million)	Note	Q1 2024	Q1 2023	2023
Interest income from assets at amortised cost		1 249	888	4 221
Interest income from assets at fair value		208	144	695
Interest expenses		949	587	3 016
Net interest income	3	508	445	1 900
Commission income and revenues from banking services		56	57	258
Commission expenses and charges from banking services		10	10	42
Other operating income		8	8	34
Net commission and other operating income	7	54	55	250
Dividends		4	0	1
Net change in value of financial instruments		12	0	44
Net result from financial instruments	7	16	0	45
Total other income	7	70	55	295
Total income		578	500	2 195
Salaries, wages etc.		124	111	482
Depreciation and impairment of non-financial assets		13	12	49
Other operating expenses		91	75	328
Total operating expenses	8	228	198	859
Profit before impairment on loans		350	302	1 336
Impairment on loans, guarantees etc.	5	17	33	-53
Pre-tax profit		333	269	1 389
Taxes		79	62	334
Profit after tax		254	207	1 055
Allocated to equity owners		241	196	1 007
Allocated to owners of Additional Tier 1 capital		13	11	48
Profit per EC (NOK) 1)		2.41	1.96	10.12
Diluted earnings per EC (NOK) 1)		2.41	1.96	10.12
Distributed dividend per EC (NOK)		0.00	0.00	4.00

STATEMENT OF COMPREHENSIVE INCOME - GROUP (COMPRESSED)

(NOK million)	Q1 2024	Q1 2023	2023
Profit after tax	254	207	1 055
Items that may subsequently be reclassified to the income statement:			
Basisswap spreads - changes in value	-6	-1	-37
Tax effect of changes in value on basisswap spreads	1	0	8
Items that will not be reclassified to the income statement:			
Pension estimate deviations	0	0	1
Tax effect of pension estimate deviations	0	0	0
Total comprehensive income after tax	249	206	1 027
Allocated to equity owners	236	195	979
Allocated to owners of Additional Tier 1 capital	13	11	48

1) Calculated using the EC-holders' share (49.7 %) of the period's profit to be allocated to equity owners.

Balance sheet - Group

ASSETS (COMPRESSED)

(NOK million)	Note	31.03.2024	31.03.2023	31.12.2023
Cash and receivables from Norges Bank	9 10 13	599	651	266
Loans to and receivables from credit institutions	9 10 13	1 030	603	919
Loans to and receivables from customers	4 5 6 9 11 13	83 260	77 867	81 572
Certificates, bonds and other interest-bearing securities	9 11 13	12 094	11 585	11 898
Financial derivatives	9 11	1 595	1 619	1 336
Shares and other securities	9 11	200	218	217
Intangible assets		63	57	59
Fixed assets		208	200	206
Overfunded pension liability		68	53	59
Other assets		255	306	203
Total assets		99 372	93 159	96 735

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	Note	31.03.2024	31.03.2023	31.12.2023
Loans and deposits from credit institutions	9 10 13	2 065	1 417	1 727
Deposits from customers	4 9 10 13	48 191	44 225	47 410
Debt securities issued	9 10 12	37 227	36 715	36 170
Financial derivatives	9 11	628	500	603
Other provisions for incurred costs and prepaid income		102	83	98
Pension liabilities		28	26	28
Tax payable		251	140	270
Provisions for guarantee liabilities		3	18	4
Deferred tax liabilities		162	106	161
Other liabilities		685	1 036	727
Subordinated loan capital	9 10	857	990	857
Total liabilities		90 199	85 256	88 055
EC capital	14	989	989	989
ECs owned by the bank		-3	-2	-4
Share premium		360	359	359
Additional Tier 1 capital		903	650	650

Paid-in equity	2 249	1 996	1 994
Primary capital fund	3 476	3 335	3 475
Gift fund	125	125	125
Dividend equalisation fund	2 206	2 067	2 205
Liability credit reserve	-13	16	-13
Other equity	881	158	894
Comprehensive income for the period	249	206	-
Retained earnings	6 924	5 907	6 686
Total equity	9 173	7 903	8 680
Total liabilities and equity	99 372	93 159	96 735

Statement of changes in equity - Group

GROUP 31.03.2024	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Liability credit reserve	Other equity
Equity as of 31.12.2023	8 680	985	359	650	3 475	125	2 205	-13	894
Changes in own equity certificates	4	1	1		1		1		
Distributed dividends to the EC holders	0								0
Distributed dividends to the local community	0								0
Issued Additional Tier 1 capital	350			350					
Redemption of Additional Tier 1 capital	-97			-97					
Interests on issued Additional Tier 1 capital	-13								-13
Comprehensive income for the period	249								249
Equity as at 31 March 2024	9 173	986	360	903	3 476	125	2 206	-13	1 130

GROUP 31.03.2023	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Liability credit reserve	Other equity
Equity as of 31.12.2022	8 102	986	358	650	3 334	125	2 066	16	567
Changes in own equity certificates	4	1	1		1		1		
Distributed dividends to the EC holders	-198								-198
Distributed dividends to the local community	-200								-200
Interests on issued Additional Tier 1 capital	-11								-11
Comprehensive income for the period	206								206
Equity as at 31 March 2023	7 903	987	359	650	3 335	125	2 067	16	364

GROUP 31.12.2023	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Liability credit reserve	Other equity
Equity as of 31.12.2022	8 102	986	358	650	3 334	125	2 066	16	567
Changes in own equity certificates	-3	-1	1		-1		-2		
Distributed dividends to the EC holders	-198								-198
Distributed dividends to the local community	-200								-200
Interests on issued Additional Tier 1 capital	-48								-48
Equity before allocation of profit for the year	7 653	985	359	650	3 333	125	2 064	16	121
Allocated to the primary capital fund	142				142				
Allocated to the dividend equalisation fund	140						140		
Allocated to owners of Additional Tier 1 capital	48								48
Allocated to other equity	-22								-22
Proposed dividend allocated for the EC holders	371								371
Proposed dividend allocated for the local community	376								376
Profit for the year	1 055	0	0	0	142	0	140	0	773
Changes in value - basis swaps	-37							-37	
Tax effect of changes in value - basis swaps	8							8	
Pension estimate deviations	1						1		
Tax effect of pension estimate deviations	0								
Total other income and costs from comprehensive income	-28	0	0	0	0	0	1	-29	0
Total profit for the year	1 027	0	0	0	142	0	141	-29	773
Equity as at 31 December 2023	8 680	985	359	650	3 475	125	2 205	-13	894

Statement of cash flow - Group

(NOK million)	31.03.2024	31.03.2023	31.12.2023
Cash flow from operating activities			
Interest, commission and fees received	1 395	999	4 775
Interest, commission and fees paid	-541	-408	-1 363
Interest received on certificates, bonds and other securities	132	91	439
Dividend and group contribution received	4	0	1
Operating expenses paid	-204	-183	-786
Income taxes paid	-97	-133	-210
Net change in loans to and claims on other financial institutions	-111	-242	-559
Net change in repayment loans to customers	-1 238	-1 356	-4 753
Net change in utilised credit facilities	-469	-468	-688
Net change in deposits from customers	780	345	3 529
Proceeds from the sale of certificates, bonds and other securities	4 868	1 089	11 401
Purchases of certificates, bonds and other securities	-6 540	-1 606	-12 840
Net cash flow from operating activities	-2 021	-1 872	-1 054
Cash flow from investing activities			
Proceeds from the sale of fixed assets etc.	0	0	0
Purchase of fixed assets etc.	-11	-8	-41
Net change in other assets	31	-112	-159
Net cash flow from investing activities	20	-120	-200
Cash flow from financing activities			
Interest paid on debt securities and subordinated loan capital	-502	-331	-1 676
Net change in deposits from Norges Bank and other financial institutions	338	830	640
Proceeds from bond issues raised	3 045	1 998	8 392
Redemption of debt securities	-435	-368	-5 786
Dividend paid	0	0	-198
Net change in other debt	-348	131	-198
Net change in Additional Tier 1 capital	251	0	0
Paid interest on Additional Tier 1 capital issued	-15	-11	-48
Net cash flow from financing activities	2 334	2 249	1 126
Net change in cash and cash equivalents	333	257	-128
Cash balance, OB	266	394	394
Cash balance, CB	599	651	266

Note 1

Accounting principles

The Group`s interim accounts have been prepared in accordance with adopted International Financial Reporting Standards (IFRS), approved by the EU as at 31 March 2024. The interim report has been prepared in compliance with IAS 34 Interim Reporting and in accordance with accounting principles and methods applied in the 2023 Financial statements.

The accounts are presented in Norwegian kroner (NOK), which is also the parent bank`s and subsidiaries` functional currency. All amounts are stated in NOK million unless stated otherwise.

Note 2

Capital adequacy

Sparebanken Møre calculates and reports capital adequacy in compliance with the EU's capital requirements regulation and directive (CRD/CRR). Sparebanken Møre is granted permission from the Financial Supervisory Authority of Norway (FSA) to use internal rating methods, IRB Foundation for credit risk. Calculations regarding market risk are performed using the standardised approach and for operational risk the basic indicator approach is used. The use of IRB places extensive demands on the bank's organisation, expertise, risk models and risk management systems.

On 21 December 2021, Sparebanken Møre applied to the FSA to make changes to the bank's IRB models and calibration framework. The bank received a response to the application on 22 June 2023 in which the FSA approved the proposed models for the corporate market. The model changes resulted in an improved Common Equity Tier 1 capital ratio of about 0.7 percentage points. Sparebanken Møre incorporated the new models in the 4th quarter of 2023. In a letter dated 18 January 2024, the FSA rejected the bank's application of model changes for the retail market, and the bank will send a new application taking into account the feedback from the FSA.

Sparebanken Møre's total Common Equity Tier 1 capital ratio requirement is 16.15 per cent. The requirement consists of a minimum requirement of 4.5 per cent, a capital conservation buffer of 2.5 per cent, a systemic risk buffer of 4.5 per cent and a countercyclical buffer of 2.5 per cent. The Financial Supervisory Authority conducted a SREP in 2023. The individual Pillar 2 requirement for Sparebanken Møre has been set at 1.6 per cent, and the expected capital adequacy margin has been set at 1.25 per cent. At least 56.25 per cent of the new Pillar 2 requirement that resulted from the aforementioned SREP must be met with Common Equity Tier 1 capital (0.9 per cent), and minimum 75 per cent must be met with Tier 1 capital.

Sparebanken Møre has an internal target for the CET1 ratio to minimum equal the sum of Pillar 1, Pillar 2 and the Pillar 2 Guidance.

On 15 June 2023, the FSA approved an application for the acquisition of equity certificates. The authorisation has been granted on the condition that the buybacks do not reduce Common Equity Tier 1 capital by more than NOK 64.9 million. Sparebanken Møre has made deductions in the Common Equity Tier 1 capital of NOK 64.9 million from the date the authorisation was granted and for the duration of the authorisation until 12 March 2024. No deductions have therefore been made as at 31.03.2024. A new application for acquisition of own equity certificates has been submitted to the Norwegian Financial Supervisory Authority for approval.

MREL

One key element of the BRRD II (Bank Recovery and Resolution Directive) is that capital instruments and debt can be written down and/or converted to equity (bail-in). The Financial Institutions Act, therefore, requires the bank to meet a minimum requirement regarding the sum of its own funds and convertible debt at all times (MREL – minimum requirement for own funds and eligible liabilities) such that the bank has sufficient primary capital and convertible debt to cope with a crisis without the use of public funds.

The MREL requirement must be covered by own funds or debt instruments with a lower priority than ordinary, unsecured, non-prioritised debt (senior debt). The subordination requirement (lower priority) must be met in full by no later than 1 January 2024. Until then, senior debt with a remaining term to maturity of more than one year can be used to help meet the subordination requirement. The overall subordination requirement must as a minimum be phased in linearly. From 1 January 2022, the effective subordination requirement is 20 per cent of the adjusted risk-weighted assets.

In its letter dated 10th November 2023, the FSA set Sparebanken Møre's effective MREL-requirement as of 01.01.2024 at 35.7 per cent and the minimum subordination requirement at 28.7 per cent.

Equity	31.03.2024	31.03.2023	31.12.2023
EC capital	989	989	989
- ECs owned by the bank	-3	-2	-4
Share premium	360	359	359
Additional Tier 1 capital (AT1)	903	650	650
Primary capital fund	3 476	3 335	3 475
Gift fund	125	125	125
Dividend equalisation fund	2 206	2 067	2 205
Proposed dividend for EC holders	371	0	371
Proposed dividend for the local community	376	0	376
Liability credit reserve	-13	16	-13
Other equity	134	158	147
Comprehensive income for the period	249	206	-
Total equity	9 173	7 903	8 680

Tier 1 capital (T1)	31.03.2024	31.03.2023	31.12.2023
Goodwill, intangible assets and other deductions	-63	-57	-59
Value adjustments of financial instruments at fair value	-18	-17	-17
Deduction of overfunded pension liability	-51	-40	-48
Deduction of remaining permission for the acquisition of own equity certificates	0	-650	-61
Additional Tier 1 capital (AT1)	-903	-553	-650
Expected IRB-losses exceeding ECL calculated according to IFRS 9	-226	0	-242
Deduction for proposed dividend	-371	0	-371
Deduction for proposed dividend for the local community	-376	-206	-376
Deduction of comprehensive income for the period	-249		
Total Common Equity Tier 1 capital (CET1)	6 916	6 380	6 856
Additional Tier 1 capital - classified as equity	903	650	650
Additional Tier 1 capital - classified as debt	0	0	0
Total Tier 1 capital (T1)	7 819	7 030	7 506

Tier 2 capital (T2)	31.03.2024	31.03.2023	31.12.2023
Subordinated loan capital of limited duration	857	990	857
Total Tier 2 capital (T2)	857	990	857

Net equity and subordinated loan capital	8 676	8 020	8 363

Risk weighted assets (RWA) by exposure classes

Credit risk - standardised approach	**31.03.2024**	**31.03.2023**	**31.12.2023**
Central governments or central banks	0	0	0
Local and regional authorities	411	374	389
Public sector companies	207	210	207
Institutions	355	7	240
Covered bonds	560	553	550
Equity	348	198	347
Other items	591	914	547
Total credit risk - standardised approach	2 472	2 256	2 280

Credit risk - IRB Foundation	**31.03.2024**	**31.03.2023**	**31.12.2023**
Retail - Secured by real estate	12 093	11 575	11 995
Retail - Other	307	327	295
Corporate lending	19 604	19 275	19 444
Total credit risk - IRB-Foundation	32 004	31 177	31 734

Market risk (standardised approach)	183	84	161
Operational risk (basic indicator approach)	3 424	2 996	3 424
Risk weighted assets (RWA)	**38 083**	**36 513**	**37 599**

Minimum requirement Common Equity Tier 1 capital (4.5 %)	1 714	1 643	1 692

Buffer requirements	**31.03.2024**	**31.03.2023**	**31.12.2023**
Capital conservation buffer , 2.5 %	952	913	940
Systemic risk buffer, 4.5 % (3.0 % per 31.12.2022)	1 714	1 095	1 692
Countercyclical buffer, 2.5 % (2.0 % per 31.12.2022)	952	913	940
Total buffer requirements for Common Equity Tier 1 capital	3 618	2 921	3 572
Available Common Equity Tier 1 capital after buffer requirements	1 584	1 816	1 592

Capital adequacy as a percentage of risk weighted assets (RWA)	**31.03.2024**	**31.03.2023**	**31.12.2023**
Capital adequacy ratio	22.8	22.0	22.2
Capital adequacy ratio incl. 50 % of the profit	23.1	22.2	-
Tier 1 capital ratio	20.5	19.3	20.0
Tier 1 capital ratio incl. 50 % of the profit	20.8	19.5	-
Common Equity Tier 1 capital ratio	18.2	17.0	18.2
Common Equity Tier 1 capital ratio incl. 50 % of the profit	18.5	17.7	-

Leverage Ratio (LR)	**31.03.2024**	**31.03.2023**	**31.12.2023**
Basis for calculation of leverage ratio	102 706	96 531	99 794
Leverage Ratio (LR)	7.6	7.3	7.5
Leverage Ratio (LR) incl. 50 % of the profit	7.7	7.4	-

Note 3

Operating segments

Result - Q1 2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	508	0	95	194	218	1
Other operating income	70	-18	28	26	26	8
Total income	578	-18	123	220	244	9
Operating expenses	228	-17	41	46	148	10
Profit before impairment	350	-1	82	174	96	-1
Impairment on loans, guarantees etc.	17	0	0	26	-9	0
Pre-tax profit	333	-1	82	148	105	-1
Taxes	79					
Profit after tax	254					

Key figures - 31.03.2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	83 541	-106	1 616	27 483	54 548	0
Expected credit loss on loans	-281	0	-1	-186	-94	0
Net loans to customers	83 260	-106	1 615	27 297	54 454	0
Deposits from customers 1)	48 191	-90	873	15 295	32 113	0
Guarantee liabilities	1 648	0	0	1 646	2	0
Expected credit loss on guarantee liabilities	3	0	0	3	0	0
The deposit-to-loan ratio	57.7	84.9	54.0	55.7	58.9	0.0
Man-years	416	0	156	62	174	24

Result - Q1 2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	445	0	64	166	215	0
Other operating income	55	-16	13	23	27	8
Total income	500	-16	77	189	242	8
Operating expenses	198	16	2	42	130	8
Profit before impairment	302	-32	75	147	112	0
Impairment on loans, guarantees etc.	33	0	0	28	5	0
Pre-tax profit	269	-32	75	119	107	0
Taxes	62					
Profit after tax	207					

Key figures - 31.03.2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	78 217	-109	1 269	25 232	51 825	0
Expected credit loss on loans	-350	0	0	-255	-95	0
Net loans to customers	77 867	-109	1 269	24 977	51 730	0
Deposits from customers 1)	44 225	-67	812	14 408	29 072	0
Guarantee liabilities	1 305	0	0	1 302	3	0
Expected credit loss on guarantee liabilities	18	0	0	18	0	0
The deposit-to-loan ratio	56.5	61.5	64.0	57.1	56.1	0.0
Man-years	387	0	145	40	182	20

Result - 31.12.2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	1 900	1	256	745	898	0
Other operating income	295	-68	93	114	122	34
Total income	2 195	-67	349	859	1 020	34
Operating costs	859	-64	209	164	516	34
Profit before impairment	1 336	-3	140	695	504	0
Impairment on loans, guarantees etc.	-53	0	0	-62	9	0
Pre-tax profit	1 389	-3	140	757	495	0
Taxes	334					
Profit after tax	1 055					

Key figures - 31.12.2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	81 834	-107	1 485	26 524	53 932	0
Expected credit loss on loans	-262	0	-1	-159	-102	0
Net loans to customers	81 572	-107	1 484	26 365	53 830	0
Deposits from customers 1)	47 410	-100	873	15 254	31 383	0
Guarantee liabilities	1 249	0	0	1 247	2	0
Expected credit loss on guarantee liabilities	4	0	0	4	0	0
The deposit-to-loan ratio	57.9	93.5	58.8	57.5	58.2	0.0
Man-years	400	0	148	59	170	23

1) The subsidiary, Møre Boligkreditt AS, is part of the bank’s retail segment. The mortgage company's main objective is to issue covered bonds for both national and international investors, and the company is part of Sparebanken Møre's long-term financing strategy. Key figures for Møre Boligkreditt AS are displayed in a separate table.

2) Consists of head office activities not allocated to reporting segments, customer commitments towards employees as well as the subsidiaries Sparebankeiendom AS and Storgata 41-45 Molde AS, managing the buildings owned by the Group.

	MØRE BOLIGKREDITT AS		
Statement of income	**Q1 2024**	**Q1 2023**	**31.12.2023**
Net interest income	70	67	237
Other operating income	-4	-5	-14
Total income	66	62	223
Operating expenses	15	14	58
Profit before impairment on loans	51	48	165
Impairment on loans, guarantees etc.	-2	0	1
Pre-tax profit	53	48	164
Taxes	12	10	36
Profit after tax	41	38	128

MØRE BOLIGKREDITT AS

Balance sheet	31.03.2024	31.03.2023	31.12.2023
Loans to and receivables from customers	31 960	32 240	32 357
Total equity	1 674	1 603	1 665

Note 4

Loans and deposits broken down according to sectors

The loan portfolio with agreed floating interest is measured at amortised cost, while the loan portfolio with fixed interest rates is measured at fair value.

31.03.2024	**GROUP**					
Sector/industry	**Gross loans at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans at fair value**	**Net loans**
Agriculture and forestry	702	0	-1	-8	37	730
Fisheries	5 475	-2	-38	0	2	5 437
Manufacturing	3 916	-6	-7	-22	6	3 887
Building and construction	1 220	-2	-6	-21	4	1 195
Wholesale and retail trade, hotels	1 284	-2	-5	-2	9	1 284
Supply/Oil services	1 689	-5	0	0	0	1 684
Property management	8 889	-11	-8	-8	101	8 963
Professional/financial services	934	-1	-1	-2	23	953
Transport and private/public services/abroad	4 698	-7	-6	-5	39	4 719
Total corporate/public entities	28 807	-36	-72	-68	221	28 852
Retail customers	51 407	-10	-46	-49	3 106	54 408
Total loans to and receivables from customers	80 214	-46	-118	-117	3 327	83 260

31.03.2023	**GROUP**					
Sector/industry	**Gross loans at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans at fair value**	**Net loans**
Agriculture and forestry	633	0	-1	-3	41	670
Fisheries	4 489	-3	-4	0	2	4 484
Manufacturing	3 542	-7	-11	-4	7	3 527
Building and construction	1 084	-2	-6	-4	6	1 078
Wholesale and retail trade, hotels	1 316	-2	-4	-3	8	1 315
Supply/Oil services	1 433	-3	-5	-139	0	1 286
Property management	8 587	-8	-8	-5	259	8 825
Professional/financial services	1 112	-1	-3	-1	16	1 123
Transport and private/public services/abroad	3 840	-7	-5	-2	38	3 864
Total corporate/public entities	26 036	-33	-47	-161	377	26 172
Retail customers	48 831	-12	-56	-41	2 974	51 696
Total loans to and receivables from customers	74 867	-45	-103	-202	3 351	77 868

31.12.2023	GROUP					
Sector/industry	**Gross loans at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans at fair value**	**Net loans**
Agriculture and forestry	711	0	-3	-8	41	741
Fisheries	4 998	-1	-26	-	2	4 973
Manufacturing	3 526	-5	-9	-4	6	3 514
Building and construction	1 160	-2	-6	-21	6	1 137
Wholesale and retail trade, hotels	1 200	-1	-4	-3	9	1 201
Supply/Oil services	2 138	-9	0	-	0	2 129
Property management	8 957	-11	-7	-8	97	9 028
Professional/financial services	797	-1	-1	-2	25	818
Transport and private/public services/abroad	4 327	-6	-7	-5	39	4 348
Total corporate/public entities	27 814	-36	-63	-51	225	27 889
Retail customers	50 737	-11	-54	-47	3 058	53 683
Total loans to and receivables from customers	78 551	-47	-117	-98	3 283	81 572

Deposits with agreed floating interest rates are measured at amortised cost, fixed-interest rate deposits with maturities less than one year are measured at amortised cost and fixed-interest rate deposits with maturities in excess of one year are classified at fair value and secured by interest rate swaps.

DEPOSITS FROM CUSTOMERS	GROUP		
Sector/industry	**31.03.2024**	**31.03.2023**	**31.12.2023**
Agriculture and forestry	380	334	278
Fisheries	1 577	1 603	1 556
Manufacturing	3 660	3 454	3 687
Building and construction	812	832	967
Wholesale and retail trade, hotels	1 042	993	1 098
Property management	2 594	2 284	2 502
Transport and private/public services	5 767	5 118	5 008
Public administration	288	647	657
Others	2 342	2 080	2 431
Total corporate/public entities	18 462	17 345	18 184
Retail customers	29 729	26 880	29 226
Total	48 191	44 225	47 410

Note 5

Losses and impairment on loans and guarantees

Methodology for measuring expected credit losses (ECL) according to IFRS 9

For a detailed description of the bank's loss model, please see note 9 in the annual report for 2023.

Sparebanken Møre has developed an ECL model based on the Group's IRB parameters and applies a three-stage approach when assessing ECL on loans to customers and financial guarantees in accordance with IFRS 9.

Stage 1: At initial recognition and if there's no significant increase in credit risk, the commitment is classified in stage 1 with 12-months ECL.

Stage 2: If a significant increase in credit risk since initial recognition is identified, but without evidence of loss, the commitment is transferred to stage 2 with lifetime ECL measurement.

Stage 3: If the credit risk increases further, including evidence of loss, the commitment is transferred to stage 3 with lifetime ECL measurement. The commitment is considered to be credit-impaired. As opposed to stage 1 and 2, effective interest rate in stage 3 is calculated on net impaired commitment (total commitment less expected credit loss) instead of gross commitment.

Staging is performed at account level and implies that two or more accounts held by the same customer can be placed in different stages. If a customer has one account in stage 3 (risk classes K, M or N), all of the customer's accounts will migrate to stage 3.

Customers in risk class N have been subject to individual loss assessment with impairment. In connection with individual loss assessment, 3 scenarios based on calculation of the weighted present value of future cash flow after realisation of collateral are prepared. If the weighted present value of cash flow after realisation of collateral is positive, model-based loss provisions according to the ECL model is used.

An increase in credit risk reflects both customer-specific circumstances and development in relevant macro factors for the particular customer segment. The assessment of what is considered to be a significant increase in credit risk is based on a combination of quantitative and qualitative indicators.

Quantitative criteria

A significant increase in credit risk is determined by comparing the PD at the reporting date with PD at initial recognition. If the actual PD is higher than initial PD, an assessment is made of whether the increase is significant.

Significant increase in credit risk since initial recognition is considered to have occurred when either

- PD has increased by 100 per cent or more and the increase in PD is more than 0.5 percentage points, or
- PD has increased by more than 2,0 percentage points
- The customer's agreed payments are overdue by more than 30 days

The weighted, macro adjusted PD in year 1 is used for comparison with PD on initial recognition to determine whether the credit risk has increased significantly.

Qualitative criteria

In addition to the quantitative assessment of changes in the PD, a qualitative assessment is made to determine whether there has been a significant increase in credit risk, for example, if the commitment is subject to special monitoring.

Credit risk is always considered to have increased significantly if the customer has been granted forbearance measures, though it is not severe enough to be individually assessed in stage 3.

Positive migration in credit risk
A customer migrates from stage 2 to stage 1 if:

- The criteria for migration from stage 1 to stage 2 is no longer present, **and**
- this is satisfied for at least one subsequent month (total 2 months)

A customer migrates from stage 3 to stage 1 or stage 2 if the customer no longer meets the conditions for migration to stage 3:

- The customer migrates to stage 2 if more than 30 days in default.
- Otherwise, the customer migrates to stage 1.

Accounts that are not subject to the migration rules above are not expected to have significant change in credit risk and retain the stage from the previous month.

Customers who are going through a probation period after default (at least 3 or 12 months), are initially held in stage 3. The customers canbe overridden to stage 2 if that is considered to give the best estimate of expected credit loss.

Scenarios
Three scenarios are developed: Best, Basis and Worst. For each of the scenarios, expected values of different parameters are given, for each of the next five years. The possibility for each of the scenarios to occur is also estimated. After five years, the scenarios are expected to converge to a long-term stable level.

Changes to PD as a result of scenarios, may also affect the staging.

Definition of default, credit-impaired and forbearance
The definition of default is similar to that used in the capital adequacy regulation.

A commitment is defined to be subject to forbearance (payment relief due to payment difficulties) if the bank agrees to changes in the terms and conditions as a result of the debtor having problems meeting payment obligations. Performing forbearance (not in default) is placed in stage 2 whereas non-performing (defaulted) forbearance is placed in stage 3.

Management override
Quarterly review meetings evaluate the basis for the accounting of ECL losses. If there are significant events that will affect an estimated loss which the model has not taken into account, relevant factors in the ECL model will be overridden. An assessment is made of the level of long-term PD and LGD in stage 2 and stage 3 under different scenarios, as well as an assessment of macro factors and weighting of scenarios.

Consequences of increased macroeconomic uncertainty and measurement of expected credit loss (ECL) for loans and guarantees
The bank's loss provisions reflect expected credit loss (ECL) pursuant to IFRS 9. When assessing ECL, the relevant conditions at the time of reporting and expected economic developments are taken into account.

At its meeting on 13 December 2023, Norges Bank decided to raise the key policy rate from 4.25 to 4.5 per cent. Based on their current assessment of the outlook and risk profile, the key policy rate will probably be kept at this level for some time ahead. Growth in the Norwegian economy is low. After growth slowed in the first half of 2023, mainland Norway GDP was approximately unchanged from the second to the third quarter. Household consumption as a whole has fallen so far this year and has been slightly lower than expected in the last report from Norges Bank.

Norges Bank estimates that the average mortgage rate will rise to about 5.7 per cent next year. Higher interest rates and high inflation have curbed demand in the Norwegian economy, and household consumption and housing investments are expected to show weak developments this year and next. On the other hand, the depreciation of the krone has improved cost competitiveness for Norwegian enterprises. This points to increased exports. High activity in petroleum-related industries will boost activity both this year and next.

Prospects of rising public demand throughout the projection period also point to increased activity. Through 2025 and 2026, Norges Bank expects economic activity to pick up gradually, primarily as a result of higher private consumption. The interest burden is expected to increase slightly further through 2024 before gradually decreasing later in the projection period. The slowdown will occur both as a result of a lower debt burden and a lower key policy rate over time. As a result of weak growth in employment in the next few years, Norges Bank expects unemployment to edge up.

So far, no significant increase in arrears and forbearance has been observed as a result of increased interest costs and higher inflation.

The ECL as of 31.03.2024 is based on a scenario weighting with 70 per cent weight on the baseline scenario (normal development), 20 per cent weight on the worstcase scenario and 10 per cent weight on the best-case scenario. The weightings have been kept unchanged from the first quarter of 2022 when the weighting for the worst-case scenario was increased from 10 per cent to 20 per cent while the weighting for the best-case scenario was reduced from 20 per cent to 10 per cent as a result of the war in Ukraine, sharp increase in energy and commodity prices and prospects of persistently higher inflation and interest rates.

Climate risk and calculation of expected credit losses
The bank is in the process of mapping and highlighting climate risk in the bank's lending portfolio and in the various industries. The assessments are so far a qualitative analysis, lack of data and experience make the quantitative and objective assessment challenging. Climate risk is reported in line with the TCDF (Task Force on Climate related Financial Disclosure) in a separate section of the 2023 annual report.

The ECL-model is intended to be expectations-oriented, and the bank has so far assessed that the qualitative climate risk analyses are fraught with a high degree of uncertainty and thus not taken into account when assessing expected credit losses. The bank will seek to find a good methodology for implementing climate risk in the ECL-model for the corporate portfolio.

Specification of credit loss in the income statement

GROUP	Q1 2024	Q1 2023	2023
Changes in ECL - stage 1 (model-based)	-2	7	9
Changes in ECL - stage 2 (model-based)	-1	6	16
Changes in ECL - stage 3 (model-based)	3	1	13
Changes in individually assessed losses	18	14	-114
Confirmed losses covered by previous individual impairment	0	0	23
Confirmed losses, not previously impaired	0	7	6
Recoveries	-2	-2	-6
Total impairments on loans and guarantees	17	33	-53

Changes in the loss provisions/ECL recognised in the balance sheet in the period

GROUP - 31.03.2024	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2023	48	120	98	266
New commitments	10	12	2	24
Disposal of commitments and transfer to stage 3 (individually assessed)	-9	-6	-2	-17
Changes in ECL in the period for commitments which have not migrated	-4	1	0	-3
Migration to stage 1	4	-13	-2	-11
Migration to stage 2	-2	10	-6	2
Migration to stage 3	0	-5	11	6
Changes stage 3 (individually assessed)	-	-	17	17
ECL 31.03.2024	47	119	118	284
- of which expected losses on loans to retail customers	10	46	49	105
- of which expected losses on loans to corporate customers	36	72	68	176
- of which expected losses on guarantee liabilities	1	1	1	3

GROUP - 31.303.2023	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2022	39	104	198	341
New commitments	9	5	0	14
Disposal of commitments and transfer to stage 3 (individually assessed)	-3	-3	-1	-7
Changes in ECL in the period for commitments which have not migrated	1	2	1	4
Migration to stage 1	3	-12	0	-9
Migration to stage 2	-3	15	-1	11
Migration to stage 3	0	-1	4	3
Changes stage 3 (individually assessed)	-	-	11	11
ECL 31.03.2023	46	110	212	368
- of which expected losses on loans to retail customers	12	56	41	109
- of which expected losses on loans to corporate customers	33	47	161	241
- of which expected losses on guarantee liabilities	1	7	10	18

GROUP - 31.12.2023	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2022	39	104	198	341
New commitments	19	31	2	52
Disposal of commitments and transfer to stage 3 (individually assessed)	-9	-25	-8	-42
Changes in ECL in the period for commitments which have not migrated	-3	1	1	-1
Migration to stage 1	8	-30	0	-22
Migration to stage 2	-6	43	-2	35
Migration to stage 3	0	-4	20	16
Changes stage 3 (individually assessed)	-	-	-113	-113
ECL 31.12.2023	48	120	98	266
- of which expected losses on loans to retail customers	11	54	47	112
- of which expected losses on loans to corporate customers	36	63	51	150
- of which expected losses on guarantee liabilities	1	3	0	4

Commitments (exposure) divided into risk groups based on probability of default

GROUP - 31.03.2024	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	62 169	1 473	-	63 642
Medium risk (0.5 % - < 3 %)	11 173	7 569	-	18 742
High risk (3 % - <100 %)	935	3 272	-	4 207
PD = 100 %	-	-	494	494
Total commitments before ECL	74 277	12 314	494	87 085
- ECL	-47	-119	-118	-284
Total net commitments *)	74 230	12 195	376	86 801

Gross commitments with overridden migration	203	-203	-	0

GROUP - 31.03.2023	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	57 059	5 215	-	62 274
Medium risk (0.5 % - < 3 %)	7 778	5 653	212	13 643
High risk (3 % - <100 %)	1 703	2 250	-	3 953
PD = 100 %	-	459	723	1 182
Total commitments before ECL	66 540	13 577	935	81 052
- ECL	-46	-110	-212	-368
Total net commitments *)	66 494	13 467	723	80 684

Gross commitments with overridden migration	778	-527	-251	0

GROUP - 31.12.2023	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	59 308	3 032	-	62 340
Medium risk (0.5 % - < 3 %)	10 109	7 709	-	17 818
High risk (3 % - <100 %)	1 648	3 008	-	4 656
PD = 100 %	-	-	425	425
Total commitments before ECL	71 065	13 749	425	85 239
- ECL	-48	-120	-98	-266
Total net commitments *)	71 017	13 629	327	84 973
Gross commitments with overridden migration	416	-416	0	0

*) The tables above are based on exposure (incl. undrawn credit facilities and guarantee liabilities) and are not including fixed rate loans assessed at fair value. The figures are thus not reconcilable against the balance sheet.

Note 6

Credit-impaired commitments

The table shows total commitments in default for more than 90 days and other credit-impaired commitments (less than 90 days). Customers who have been in default must go through a probation period with 100 per cent PD for at least three months before they are scored as non-defaulted. These customers are included in gross credit-impaired commitments.

	31.03.2024			31.03.2023			31.12.2023		
GROUP	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments in default for more than 90 days	85	46	39	85	40	45	96	56	40
Gross other credit-impaired commitments	409	158	251	1 145	149	996	329	166	163
Gross credit-impaired commitments	494	204	290	1 230	189	1 041	425	222	203
ECL on commitments in default for more than 90 days	26	12	14	16	9	7	26	14	12
ECL on other credit-impaired commitments	92	37	55	198	31	167	72	33	39
ECL on credit-impaired commitments	118	49	69	214	40	174	98	47	51
Net commitments in default for more than 90 days	59	34	25	69	31	38	70	42	28
Net other credit-impaired commitments	317	121	196	947	118	829	257	133	124
Net credit-impaired commitments	376	155	221	1 016	149	867	327	175	152
Total gross loans to customers - Group	83 541	54 513	29 028	78 218	51 805	26 413	81 834	53 795	28 039
Guarantees - Group	1 648	2	1 646	1 305	3	1 302	1 249	2	1 247
Gross credit-impaired commitments in % of loans/guarantee liabilities	0.57%	0.36%	0.95%	1.55%	0.37%	3.76%	0.51%	0.41%	0.69%
Net credit-impaired commitments in % loans/guarantee liabilities	0.44%	0.27%	0.72%	1.28%	0.29%	3.13%	0.39%	0.33%	0.52%

Commitments with probation period	31.12.2023			31.03.2023			31.12.2023		
GROUP	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments with probation period	88	62	26	508	43	465	111	72	39
Gross commitments with probation period in % of gross credit-impaired commitments	18%	30%	9%	41%	23%	45%	26%	32%	19%

Note 7

Other income

(NOK million)	Q1 2024	Q1 2023	2023
Guarantee commission	7	7	27
Income from the sale of insurance services (non-life/personal)	7	7	29
Income from the sale of shares in unit trusts/securities	2	3	17
Income from Discretionary Portfolio Management	13	11	47
Income from payment transfers	21	21	95
Other fees and commission income	6	8	43
Commission income and income from banking services	56	57	258
Commission expenses and expenses from banking services	-10	-10	-42
Income from real estate brokerage	8	8	33
Other operating income	0	0	1
Total other operating income	8	8	34
Net commission and other operating income	54	55	250
Interest hedging (for customers)	2	2	16
Currency hedging (for customers)	10	10	31
Dividend received	4	0	1
Net gains/losses on shares	-4	5	10
Net gains/losses on bonds	5	-12	-2
Change in value of fixed-rate loans	-18	2	17
Derivates related to fixed-rate lending	18	-9	-26
Change in value of issued bonds	-254	-928	-1 172
Derivates related to issued bonds	254	932	1 173
Net gains/losses related to buy back of outstanding bonds	-1	-2	-3
Net result from financial instruments	16	0	45
Total other income	70	55	295

The following table lists commission income and expenses covered by IFRS 15 broken down by the largest main items and allocated per segment.

Net commission and other operating income - Q1-2024	Group	Other	Corporate	Retail	Real estate brokerage
Guarantee commission	7	0	7	0	0
Income from the sale of insurance services	7	-3	2	8	0
Income from the sale of shares in unit trusts/securities	2	1	0	1	0
Income from Discretionary Portfolio Management	13	0	7	6	0
Income from payment transfers	21	2	5	14	0
Other fees and commission income	6	2	1	3	0
Commission income and income from banking services	56	2	22	32	0
Commission expenses and expenses from banking services	-10	-3	-1	-6	0
Income from real estate brokerage	8	0	0	0	8
Other operating income	0	0	0	0	0
Total other operating income	8	0	0	0	8
Net commision and other operating income	54	-1	21	26	8

Net commission and other operating income - Q1 - 2023	Group	Other	Corporate	Retail	Real estate brokerage
Guarantee commission	7	1	6	0	0
Income from the sale of insurance services	7	-1	1	7	0
Income from the sale of shares in unit trusts/securities	3	0	0	3	0
Income from Discretionary Portfolio Management	11	0	6	5	0
Income from payment transfers	21	2	5	14	0
Other fees and commission income	8	2	2	4	0
Commission income and income from banking services	57	4	20	33	0
Commission expenses and expenses from banking services	-10	-2	-1	-7	0
Income from real estate brokerage	8	0	0	0	8
Other operating income	0	0	0	0	0
Total other operating income	8	0	0	0	8
Net commision and other operating income	55	2	19	26	8

Net commission and other operating income - 31.12.2023	Group	Other	Corporate	Retail	Real estate brokerage
Guarantee commission	27	0	27	0	0
Income from the sale of insurance services	29	2	3	24	0
Income from the sale of shares in unit trusts/securities	17	3	0	14	0
Income from Discretionary Portfolio Management	47	3	23	21	0
Income from payment transfers	95	9	20	66	0
Other fees and commission income	43	3	22	18	0
Commission income and income from banking services	258	20	95	143	0
Commission expenses and expenses from banking services	-42	-16	-2	-24	0
Income from real estate brokerage	33	0	0	0	33
Other operating income	1	1	0	0	0
Total other operating income	34	1	0	0	33
Net commision and other operating income	250	5	93	119	33

Note 8

Operating expenses

(NOK million)	Q1 2024	Q1 2023	2023
Wages	91	81	343
Pension expenses	8	6	25
Employers' social security contribution and Financial activity tax	19	18	82
Other personnel expenses	6	6	32
Wages, salaries, etc.	124	111	482
Depreciations	13	12	49
Operating expenses own and rented premises	5	5	19
Maintenance of fixed assets	2	2	8
IT-expenses	54	38	168
Marketing expenses	10	9	47
Purchase of external services	8	7	32
Expenses related to postage, telephone and newspapers etc.	2	3	9
Travel expenses	1	1	6
Capital tax	3	2	12
Other operating expenses	6	8	27
Total other operating expenses	91	75	328
Total operating expenses	228	198	859

Note 9

Classification of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet at the date when the Group becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or the company transfers the financial asset in such a way that risk and profit potential of the financial asset is substantially transferred. Financial liabilities are derecognised from the date when the rights to the contractual provisions have been extinguished, cancelled or expired.

CLASSIFICATION AND MEASUREMENT

The Group’s portfolio of financial instruments is at initial recognition classified in accordance with IFRS 9. Financial assets are classified in one of the following categories:

- Amortised cost
- Fair value with value changes through the income statement

The classification of the financial assets depends on two factors:

- The purpose of the acquisition of the financial instrument
- The contractual cash flows from the financial assets

Financial assets measured at amortised cost

The classification of the financial assets assumes that the following requirements are met:

- The asset is acquired to receive contractual cash flows
- The contractual cash flows consist solely of principal and interest

All lending and receivables, except fixed interest rate loans, are recorded in the group accounts at amortised cost, based on expected cash flows. The difference between the issue cost and the settlement amount at maturity, is amortised over the lifetime of the loan.

Financial liabilities measured at amortised cost

Debt securities, including debt securities included in fair value hedging, loans and deposits from credit institutions and deposits from customers, are valued at amortised cost based on expected cash flows. The portfolio of own bonds is shown in the accounts as a reduction of the debt.

Financial instruments measured at fair value, any changes in value recognised through the income statement

The Group's portfolio of bonds in the liquidity portfolio is classified at fair value through the income statement. The portfolio is held solely for liquidity management and is traded to optimize returns within current quality requirements for the liquidity portfolio.

The Group’s portfolio of fixed interest rate loans is measured at fair value to avoid accounting mismatch in relation to the underlying interest rate swaps.

Fixed interest rate deposits from customers with maturities in excess of one year are classified at fair value and secured by interest rate swaps.

Financial derivatives are contracts signed to mitigate an existing interest rate or currency risk incurred by the Group. Financial derivatives are recognised at fair value through the income statement and recognised gross per contract as an asset or a liability.

The Group’s portfolio of shares is measured at fair value with any value changes through the income statement.

Losses and gains as a result of value changes on assets and liabilities measured at fair value, with any value changes being recognised in the income statement, are included in the accounts during the period in which they occur.

LEVELS IN THE VALUATION HIERARCHY

Financial instruments are classified into different levels based on the quality of market data for each type of instrument.

Level 1 – Valuation based on prices in an active market

Level 1 comprises financial instruments valued by using quoted prices in active markets for identical assets or liabilities. This category includes listed shares, as well as bonds and certificates in LCR-level 1, traded in active markets.

Level 2 – Valuation based on observable market data

Level 2 comprises financial instruments valued by using information which is not quoted prices, but where prices are directly or indirectly observable for assets or liabilities, including quoted prices in inactive markets for identical assets or liabilities. This category includes derivatives, as well as bonds which are not included in level 1.

Level 3 – Valuation based on other than observable market data

Level 3 comprises financial instruments which cannot be valued based on directly or indirectly observable prices. This category includes loans to customers, as well as shares.

GROUP - 31.03.2024	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total book value
Cash and receivables from Norges Bank		599	599
Loans to and receivables from credit institutions		1 030	1 030
Loans to and receivables from customers	3 327	79 933	83 260
Certificates and bonds	12 094		12 094
Shares and other securities	200		200
Financial derivatives	1 595		1 595
Total financial assets	17 216	81 562	98 778
Loans and deposits from credit institutions		2 065	2 065
Deposits from and liabilities to customers	145	48 046	48 191
Financial derivatives	628		628
Debt securities		37 227	37 227
Subordinated loan capital		857	857
Total financial liabilities	773	88 195	88 968

GROUP - 31.03.2023	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total book value
Cash and receivables from Norges Bank		651	651
Loans to and receivables from credit institutions		603	603
Loans to and receivables from customers	3 351	74 516	77 867
Certificates and bonds	11 585		11 585
Shares and other securities	218		218
Financial derivatives	1 619		1 619
Total financial assets	16 773	75 770	92 543
Loans and deposits from credit institutions		1 417	1 417
Deposits from and liabilities to customers	74	44 151	44 225
Financial derivatives	500		500
Debt securities		36 715	36 715
Subordinated loan capital		990	990
Total financial liabilities	574	83 273	83 847

GROUP - 31.12.2023	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total book value
Cash and receivables from Norges Bank		266	266
Loans to and receivables from credit institutions		919	919
Loans to and receivables from customers	3 283	78 289	81 572
Certificates and bonds	11 898		11 898
Shares and other securities	217		217
Financial derivatives	1 336		1 336
Total financial assets	16 734	79 474	96 208
Loans and deposits from credit institutions		1 727	1 727
Deposits from and liabilities to customers	138	47 272	47 410
Financial derivatives	603		603
Debt securities		36 170	36 170
Subordinated loan capital		857	857
Total financial liabilities	741	86 026	86 767

Note 10

Financial instruments at amortised cost

GROUP	31.03.2024		31.03.2023		31.12.2023	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Cash and receivebles from Norges Bank	599	599	651	651	266	266
Loans to and receivables from credit institutions	1 030	1 030	603	603	919	919
Loans to and receivables from customers	79 933	79 933	74 516	74 516	78 289	78 289
Total financial assets	81 562	81 562	75 770	75 770	79 474	79 474
Loans and deposits from credit institutions	2 065	2 065	1 417	1 417	1 727	1 727
Deposits from and liabilities to customers	48 046	48 046	44 151	44 151	47 272	47 272
Debt securities issued	37 313	37 227	36 641	36 715	36 276	36 170
Subordinated loan capital	854	857	966	990	857	857
Total financial liabilities	88 278	88 195	83 175	83 273	86 132	86 026

Note 11

Financial instruments at fair value

A change in the discount rate of 10 basis points will have an impact of about NOK 7.4 million on loans with fixed interest rate.

GROUP - 31.03.2024	Based on prices in an active market Level 1	Observable market information Level 2	Other than observable market information Level 3	Total
Cash and receivables from Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			3 327	3 327
Certificates and bonds	8 499	3 595		12 094
Shares and other securities	5		195	200
Financial derivatives		1 595		1 595
Total financial assets	8 504	5 190	3 522	17 216
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			145	145
Debt securities				-
Subordinated loan capital				-
Financial derivatives		628		628
Total financial liabilities	-	628	145	773

GROUP - 31.03.2023	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Cash and receivables from Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			3 351	3 351
Certificates and bonds	8 330	3 255		11 585
Shares and other securities	11		207	218
Financial derivatives		1 619		1 619
Total financial assets	8 341	4 874	3 558	16 773
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			74	74
Debt securities				-
Subordinated loan capital				-
Financial derivatives		500		500
Total financial liabilities	-	500	74	574

GROUP - 31.12.2023	Based on prices in an active market	Observable market information	Other than observable market information	
	Level 1	Level 2	Level 3	Total
Cash and receivables from Norges Bank				-
Loans to and receivables from credit institutions				-
Loans to and receivables from customers			3 283	3 283
Certificates and bonds	8 572	3 326		11 898
Shares and other securities	5		212	217
Financial derivatives		1 336		1 336
Total financial assets	8 577	4 662	3 495	16 734
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			138	138
Debt securities				-
Subordinated loan capital				-
Financial derivatives		603		603
Total financial liabilities	-	603	138	741

Reconciliation of movements in level 3 during the period

GROUP	Loans to and receivables from customers	Shares	Deposits from customers
Book value as at 31.12.2023	3 283	212	138
Purchases/additions	161	0	8
Sales/reduction	-99	-13	0
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses in the period	-18	-4	-1
Book value as at 31.03.2024	3 327	195	145

GROUP	Loans to and receivables from customers	Shares	Deposits from customers
Book value as at 31.12.2022	3 415	207	48
Purchases/additions	122	0	26
Sales/reduction	-187	0	0
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses in the period	1	0	0
Book value as at 31.03.2023	3 351	207	74

GROUP	Loans to and receivables from customers	Shares	Deposits from customers
Book value as at 31.12.2022	3 415	207	48
Purchases/additions	597	10	89
Sales/reduction	-746	0	0
Transferred to Level 3	0	0	0
Transferred from Level 3	0	-8	0
Net gains/losses in the period	17	3	1
Book value as at 31.12.2023	3 283	212	138

Note 12

Issued covered bonds

The debt securities of the Group consist of covered bonds quoted in Norwegian kroner (NOK) and Euro (EUR) issued by Møre Boligkreditt AS, in addition to certificates and bonds quoted in NOK issued by Sparebanken Møre. The table below provides an overview of the Group's issued covered bonds.

Issued covered bonds in the Group (NOK million)

ISIN code	Curr.	Nominal value in currency 31.03.2024	Interest	Issued	Maturity	Book value 31.03.2024	Book value 31.03.2023	Book value 31.12.2023
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 071	1 094	1 066
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	298	286	289
NO0010819543	NOK	-	3M Nibor + 0.42 %	2018	2024	-	3 004	2 351
XS1839386577	EUR	-	fixed EUR 0.375 %	2018	2023	-	2 837	-
NO0010836489	NOK	1 000	fixed NOK 2.75 %	2018	2028	946	964	956
NO0010853096	NOK	3 000	3M Nibor + 0.37 %	2019	2025	3 014	3 009	3 015
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024	2 859	2 700	2 734
NO0010884950	NOK	3 000	3M Nibor + 0.42 %	2020	2025	3 006	3 004	3 006
XS2233150890	EUR	30	3M Euribor + 0.75 %	2020	2027	358	351	345
NO0010951544	NOK	6 000	3M Nibor + 0.75 %	2021	2026	6 079	5 089	5 074
XS2389402905	EUR	250	fixed EUR 0.01 %	2021	2026	2 714	2 552	2 625
XS2556223233	EUR	250	fixed EUR 3.125 %	2022	2027	2 987	2 882	2 823
NO0012908617	NOK	6 000	3M Nibor + 0.54 %	2023	2028	6 043	-	4 027
Total covered bonds issued by Møre Boligkreditt AS (incl. accrued interests)						29 375	27 772	28 311

As at 31.03.2024, Sparebanken Møre held NOK 0 million in covered bonds issued by Møre Boligkreditt AS (NOK 0 million). Møre Boligkreditt AS held no own covered bonds as at 31.03.2024 (NOK 0 million).

Note 13

Transactions with related parties

These are transactions between the parent bank and wholly-owned subsidiaries based on arm's length principles.

The most important transactions eliminated in the Group accounts:

PARENT BANK	31.03.2024	31.03.2023	31.12.2023
Statement of income			
Net interest and credit commission income from subsidiaries	37	15	146
Received dividend from subsidiaries	132	152	152
Administration fee received from Møre Boligkreditt AS	12	11	49
Rent paid to Sparebankeiendom AS and Storgata 41-45 Molde AS	4	4	15
Balance sheet			
Claims on subsidiaries	3 484	5 045	3 983
Covered bonds	0	0	0
Liabilities to subsidiaries	2 333	1 845	1 484
Intragroup right-of-use of properties in Sparebankeiendom AS and Storgata 41-45 Molde AS	70	78	70
Intragroup hedging	483	366	306
Accumulated loan portfolio transferred to Møre Boligkreditt AS	31 970	32 250	32 369

Note 14

EC capital

The 20 largest EC holders in Sparebanken Møre as at 31.03.2024	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	4 883 133	9.88
Spesialfondet Borea utbytte	2 659 226	5.38
Verdipapirfondet Eika egenkapital	2 312 962	4.68
Wenaasgruppen AS	2 100 000	4.25
Verdipapirfond Pareto Aksje Norge	1 957 822	3.96
MP Pensjon	1 798 905	3.64
Kommunal Landspensjonskasse	1 548 104	3.13
Verdipapirfond Nordea Norge Verdi	1 505 120	3.04
Wenaas EFTF AS	1 100 000	2.23
Beka Holding AS	750 500	1.52
Lapas AS	635 000	1.28
Forsvarets personellservice	459 000	0.93
BKK Pensjonskasse	422 600	0.85
Stiftelsen Kjell Holm	419 750	0.85
VPF Fondsfinans utbytte	400 000	0.81
Kveval AS	343 995	0.70
Hjellegjerde Invest AS	300 000	0.61
U Aandahls Eftf AS	250 000	0.51
PIBCO AS	229 500	0.46
Borghild Hanna Møller	201 967	0.41
Total 20 largest EC holders	24 277 584	49.11
Total number of ECs	49 434 770	100.00

The proportion of equity certificates held by foreign nationals was 2.3 per cent at the end of the 1st quarter of 2024.

During the 1st quarter of 2024, Sparebanken Møre has acquired 27,273 of its own ECs.

Note 15

Events after the reporting period

No events have occurred after the reporting period that will materially affect the figures presented as of 31 March 2024.

Statement of income - Parent bank

STATEMENT OF INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q1 2024	Q1 2023	2023
Interest income from assets at amortised cost	867	617	2 932
Interest income from assets at fair value	168	117	560
Interest expenses	598	355	1 825
Net interest income	437	379	1 667
Commission income and revenues from banking services	56	57	257
Commission expenses and expenditure from banking services	10	10	41
Other operating income	13	11	50
Net commission and other operating income	59	58	266
Dividends	136	152	154
Net change in value of financial instruments	17	0	43
Net result from financial instruments	153	152	197
Total other income	212	210	463
Total income	649	589	2 130
Salaries, wages etc.	118	105	458
Depreciation and impairment of non-financial assets	15	14	59
Other operating expenses	85	71	308
Total operating expenses	218	190	825
Profit before impairment on loans	431	399	1 305
Impairment on loans, guarantees etc.	20	28	-68
Pre-tax profit	411	371	1 373
Taxes	67	51	296
Profit after tax	344	320	1 077
Allocated to equity owners	331	309	1 029
Allocated to owners of Additional Tier 1 capital	13	11	48
Profit per EC (NOK) 1) *	3.32	3.10	10.34
Diluted earnings per EC (NOK) 1) *	3.32	3.10	10.34
Distributed dividend per EC (NOK)	0.00	0.00	4.00

STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q1 2024	Q1 2023	2023
Profit after tax	344	320	1 077
Items that may subsequently be reclassified to the income statement:			
Basisswap spreads - changes in value	0	0	0
Tax effect of changes in value on basisswap spreads	0	0	0
Items that will not be reclassified to the income statement:			
Pension estimate deviations	0	0	1
Tax effect of pension estimate deviations	0	0	0
Total comprehensive income after tax	344	320	1 078
Allocated to equity owners	331	309	1 030
Allocated to owners of Additional Tier 1 capital	13	11	48

1) Calculated using the EC-holders' share (49.7 %) of the period's profit to be allocated to equity owners.

Balance sheet - Parent bank

ASSETS (COMPRESSED)

(NOK million)	31.03.2024	31.03.2023	31.12.2023
Cash and receivables from Norges Bank	599	651	266
Loans to and receivables from credit institutions	4 409	5 539	4 796
Loans to and receivables from customers	51 406	45 735	49 321
Certificates, bonds and other interest-bearing securities	11 937	11 463	11 744
Financial derivatives	956	805	937
Shares and other securities	200	218	217
Equity stakes in Group companies	1 671	1 571	1 571
Intangible assets	62	56	58
Fixed assets	155	151	153
Overfunded pension liability	68	53	59
Other assets	248	262	203
Total assets	71 711	66 504	69 325

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	31.03.2024	31.03.2023	31.12.2023
Loans and deposits from credit institutions	3 461	2 281	2 550
Deposits from customers	48 281	44 292	47 510
Debt securities issued	7 852	8 943	7 859
Financial derivatives	1 026	824	840
Incurred costs and prepaid income	97	80	93
Pension liabilities	28	26	28
Tax payable	240	127	268
Provisions for guarantee liabilities	3	18	4
Deferred tax liabilities	45	17	45
Other liabilites	688	1 074	725
Subordinated loan capital	857	990	857
Total liabilities	62 578	58 672	60 779

EC capital	989	989	989
ECs owned by the bank	-3	-2	-4
Share premium	360	359	359
Additional Tier 1 capital	903	650	650
Paid-in equity	2 249	1 996	1 994
Primary capital fund	3 476	3 335	3 475
Gift fund	125	125	125
Dividend equalisation fund	2 206	2 067	2 205
Other equity	733	-11	747
Comprehensive income for the period	344	320	-
Retained earnings	6 884	5 836	6 552
Total equity	9 133	7 832	8 546
Total liabilities and equity	71 711	66 504	69 325

Profit performance - Group

QUARTERLY PROFIT

(NOK million)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	508	506	487	462	445
Other operating income	70	71	88	81	55
Total operating costs	228	242	208	211	198
Profit before impairment on loans	350	335	367	332	302
Impairment on loans, guarantees etc.	17	-117	34	-3	33
Pre-tax profit	333	452	333	335	269
Taxes	79	112	80	80	62
Profit after tax	254	340	253	255	207

As a percentage of average assets					
Net interest income	2.07	2.11	2.05	1.94	1.98
Other operating income	0.28	0.29	0.38	0.34	0.24
Total operating costs	0.93	1.01	0.88	0.89	0.88
Profit before impairment on loans	1.42	1.39	1.55	1.39	1.34
Impairment on loans, guarantees etc.	0.07	-0.49	0.14	-0.01	0.15
Pre-tax profit	1.35	1.88	1.41	1.40	1.19
Taxes	0.32	0.46	0.34	0.33	0.27
Profit after tax	1.03	1.42	1.07	1.07	0.92

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