Unaudited

Sparebanken Møre

Interim report

2 quarter 2024

Financial highlights - Group

Income statement

(Amounts in percentage of average assets)

	Q2 2024		Q2 2023		30.06.2024		30.06.2023		2023	
	NOK million	%	NOK million	%	NOK million	%	NOK million	%	NOK million	%
Net interest income	518	2.12	462	1.94	1 026	2.09	907	1.96	1 900	2.02
Net commission and other operating income	70	0.28	60	0.25	124	0.25	115	0.25	250	0.26
Net result from financial instruments	20	0.08	21	0.09	36	0.08	21	0.04	45	0.05
Total income	608	2.48	543	2.28	1 186	2.42	1 043	2.25	2 195	2.33
Total operating expenses	249	1.02	211	0.89	477	0.97	409	0.88	859	0.91
Profit before impairment on loans	359	1.46	332	1.39	709	1.45	634	1.37	1 336	1.42
Impairment on loans, guarantees etc.	-35	-0.14	-3	-0.01	-18	-0.04	30	0.07	-53	-0.06
Pre-tax profit	394	1.60	335	1.40	727	1.49	604	1.30	1 389	1.48
Taxes	93	0.38	80	0.33	172	0.35	142	0.30	334	0.35
Profit after tax	301	1.22	255	1.07	555	1.14	462	1.00	1 055	1.13

Balance sheet

(NOK million)	30.06.2024	YTD-change 2024 (%)	31.12.2023	Change last 12 months (%)	30.06.2023
Total assets 4)	99 847	3.2	96 735	3.6	96 406
Average assets 4)	98 122	4.3	94 095	5.9	92 670
Loans to and receivables from customers	85 076	4.3	81 572	7.7	78 999
Gross loans to retail customers	55 972	4.0	53 795	6.2	52 700
Gross loans to corporate and public entities	29 340	4.6	28 039	10.1	26 645
Deposits from customers	49 240	3.9	47 410	6.3	46 339
Deposits from retail customers	30 920	5.8	29 226	9.4	28 258
Deposits from corporate and public entities	18 320	0.7	18 184	1.3	18 081

Key figures and Alternative Performance Measures (APMs)

	Q2 2024	Q2 2023	30.06.2024	30.06.2023	2023
Return on equity (annualised) 3) 4)	15.1	13.6	14.1	12.2	14.0
Cost/income ratio 4)	41.0	38.9	40.3	39.3	39.2
Losses as a percentage of loans and guarantees (annualised) 4)	-0.17	-0.02	-0.04	0.08	-0.07
Gross credit-impaired commitments as a percentage of loans/guarantee liabilities	0.51	1.07	0.51	1.07	0.51
Net credit-impaired commitments as a percentage of loans/guarantee liabilities	0.39	0.79	0.39	0.79	0.39
Deposit-to-loan ratio 4)	57.7	58.4	57.7	58.4	57.9
Liquidity Coverage Ratio (LCR)	156	183	156	183	174
NSFR (Net Stable Funding Ratio)	122	127	122	127	124
Lending growth as a percentage 4)	2.2	1.5	7.7	9.3	7.2
Deposit growth as a percentage 4)	2.2	4.8	6.3	3.1	8.0
Capital adequacy ratio 1)	23.4	22.0	23.4	22.0	22.2
Tier 1 capital ratio 1)	21.1	19.4	21.1	19.4	20.0
Common Equity Tier 1 capital ratio (CET1) 1)	19.1	17.6	19.1	17.6	18.2
Leverage Ratio (LR) 1)	7.7	7.4	7.7	7.4	7.5
Man-years	412	387	412	387	400

Equity Certificates (ECs)

	30.06.2024	30.06.2023	2023	2022	2021	2020
Profit per EC (Group) (NOK) 2) 5)	5.26	4.42	10.12	7.50	31.10	27.10
Profit per EC (parent bank) (NOK) 2) 5)	5.69	5.02	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)	84.5	77.2	84.0	84.4	444	296
Stock market value (NOK million)	4 177	3 816	4 153	4 173	4 390	2 927
Book value per EC (Group) (NOK) 4) 5)	78.4	75.3	80.7	74.8	350	332
Dividend per EC (NOK) 5)	7.50	4.00	7.50	4.00	16.00	13.50
Price/Earnings (Group, annualised)	8.0	8.7	8.3	11.3	14.3	10.9
Price/Book value (P/B) (Group) 2) 4)	1.08	1.03	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 H1 2024
Sparebanken Møre's profit before tax after the first half of 2024 was NOK 727 million, compared with NOK 604 million after the first half of 2023, an increase of 20.4 per cent.

Total income was NOK 143 million higher than for the same period in 2023. Net interest income rose by NOK 119 million and other income increased by NOK 24 million. Capital gains in the bond portfolio amounted to NOK 16 million, compared with capital losses of NOK 16 million in the first half of 2023. Capital losses from equities amounted to NOK 3 million compared with capital gains of NOK 6 million in the first half of 2023. Income from foreign exchange and interest rate business for customers amounted to NOK 19 million in the first half-year, NOK 4 million less than in the same period last year. Income from other financial instruments decreased from NOK 7 million in the first half of 2023 to NOK 0 million in the first half of 2024.

Costs amounted to NOK 477 million, NOK 68 million higher in the first half of 2024 than in the first half of 2023. Personnel costs were NOK 34 million higher than last year and other operating costs NOK 34 million higher.

Losses on loans and guarantees amounted to NOK -18 million and were NOK 48 million lower than in the same period last year.

The cost income ratio amounted to 40.3 per cent, which represents an increase of 1.0 percentage points compared with the first half of 2023.

Profit after tax amounted to NOK 555 million, compared with NOK 462 million for the same period last year.

The return on equity in the first half of 2024 amounted to 14.1 per cent, compared with 12.2 per cent after the first half of 2023.

Earnings per equity certificate were NOK 5.26 (NOK 4.42) for the Group and NOK 5.69 (NOK 5.02) for the parent bank.

RESULTS FOR Q2 2024
Profit before losses amounted to NOK 359 million for the second quarter of 2024, or 1.46 per cent of average assets, compared with NOK 332 million, or 1.39 per cent, for the corresponding quarter last year.

Profit after tax amounted to NOK 301 million for the second quarter of 2024, or 1.22 per cent of average assets, compared with NOK 255 million, or 1.07 per cent, for the corresponding quarter last year.

Return on equity was 15.1 per cent for the second quarter of 2024, compared with 13.6 per cent for the second quarter of 2023, and the cost income ratio amounted to 41.0 per cent compared with 38.9 per cent for the second quarter of 2023.

Earnings per equity certificate were NOK 2.85 (NOK 2.46) for the Group and NOK 2.37 (NOK 1.92) for the parent bank.

Net interest income
Net interest income was NOK 518 million for the quarter, which is NOK 56 million, or 12.1 per cent, higher

than in the corresponding quarter of last year. This represents 2.12 per cent of total assets, which is 0.16 percentage points higher than for the corresponding quarter last year.

The interest rate margin for deposits in both the retail market and corporate market contracted compared with the second quarter of 2023, while the lending margin was stable compared with the same period in 2023.

Other income
Other income was NOK 70 million in the quarter, which is NOK 10 million higher than in the second quarter of last year. The net result from financial instruments of NOK 20 million for the quarter was NOK 1 million less than in the second quarter of 2023. Capital gains from bond holdings were NOK 11 million in the quarter, compared with capital losses of NOK 4 million in the corresponding quarter last year. Capital gains from equities amounted to NOK 1 million compared with capital gains of NOK 1 million in the second quarter of 2023. The change in value for fixed-rate lending amounted NOK -1 million, compared with a positive change in value of NOK 13 million in the same quarter last year. Income from foreign exchange and interest rate business for customers amounted to NOK 8 million in the quarter, NOK 3 million less than in the same quarter last year.

Other income excluding financial instruments increased by NOK 10 million compared with the second quarter of 2023. The increase was mainly attributable to income from Discretionary Portfolio management, real estate agency activities and sundry other income.

Expenses
Operating expenses amounted to NOK 249 million for the quarter, which is NOK 38 million higher than for the same quarter last year. Personnel expenses accounted for NOK 21 million of the rise in relation to the same period last year and totalled NOK 137 million. Other operating expenses have 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 -35 million in the quarter (NOK -3 million), corresponding to -0.14 per cent of average assets (-0.01 per cent of average assets). In the corporate segment, losses decreased by NOK 9 million in the quarter, while losses in the retail segment decreased by NOK 26 million.

At the end of the second quarter of 2024, provisions for expected credit losses totalled NOK 240 million, equivalent to 0.28 per cent of gross loans and guarantee commitments (NOK 365 million and 0.45 per cent). Of the total provision for expected credit losses, NOK 27 million relates to credit-impaired commitments more than 90 days past due (NOK 19 million), which represents 0.03 per cent of gross loans and guarantee commitments (0.02 per cent), while NOK 74 million relates to other credit-impaired commitments (NOK 210 million), corresponding to 0.09 per cent of gross loans and guarantee commitments (0.26 per cent).

Net credit-impaired commitments (commitments more than 90 days past due and other credit-impaired commitments) have decreased by NOK 296 million in the past 12 months. At end of the second quarter of 2024, the corporate market accounted for NOK 221 million of net credit-impaired commitments and the retail market NOK 130 million. In total, this represents 0.39 per cent of gross loans and guarantee commitments (0.79 per cent).

Lending to customers
At the end of the second quarter of 2024, lending to customers amounted to NOK 85,076 million (NOK 78,999 million). In the past 12 months, customer lending has increased by a total of NOK 6.077 million, equivalent to 7.7 per cent. Retail lending has increased by 6.2 per cent and corporate lending has also increased by 10.1 per cent in the last 12 months. Retail lending accounted for 65.8 per cent of total lending at the end of the quarter (66.4 per cent).

Customer deposits
Customer deposits have increased by NOK 2,901 million, or 6.3 per cent, in the past 12 months. At the end of the second quarter of 2024, deposits amounted to NOK 49,240 million (NOK 46,339 million). Retail

deposits have increased by 9.4 per cent in the past 12 months, while corporate deposits and public sector deposits have increased by 1.3 per cent. The retail market's relative share of deposits amounted to 62.8 per cent (61.0 per cent), while deposits from the corporate market accounted for 37.2 per cent (39.0 per cent).

LIQUIDITY AND FUNDING

Sparebanken Møre's liquidity and funding are managed based on frameworks for its liquidity coverage ratio (LCR), Net Stable Funding Ratio (NSFR) and the deposit-to-loan ratio. The regulatory minimum LCR and NSFR requirements are both 100 per cent. The Group has established minimum internal targets that exceed the regulatory requirements for LCR and NSFR as well as an internal target corridor for its deposit-to-loan ratio.

Sparebanken Møre's liquidity coverage ratio (LCR) was 156 (183) for the Group and 144 (171) for the parent bank at the end of the quarter.

The NSFR ended at 122 (127) at the end of the second quarter of 2024 (consolidated figure), while the bank's and Møre Boligkreditt AS's NSFR ended at 126 (125) and 106 (118), respectively.

Both LCR and NSFR meet both external and internal requirements by good margin.

Deposits from customers represent the bank's main source of funding. The deposit-to-loan ratio was 57.7 per cent (58.4 per cent) at the end of the second quarter, and this is within the established target corridor.

Total net market funding amounted to NOK 37.7 billion at the end of the first half-year. Senior bonds with a remaining term to maturity of more than 1 year have a weighted remaining term to maturity of 2.25 years, while covered bond funding through Møre Boligkreditt AS correspondingly has a weighted remaining term to maturity of 2.81 years – overall for market funding in the Group (inclusive of T2 and T3) the remaining term to maturity is 2.83 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 31,981 million at the end of the quarter, which corresponds to 37.5 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 second quarter of 2024, the Common Equity Tier 1 capital ratio (CET1) was 19.1 per cent (17.6 per cent), including 50 per cent of the result for the year to date. This is 2.95 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 23.4 per cent (22.0 per cent) and the Tier 1 capital ratio was 21.1 per cent (19.4 per cent).

Sparebanken Møre's total CET1 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 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 Pillar 2 requirement that resulted from the aforementioned SREP must be met CET1 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 second 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 43.2 per cent, while the level of subordination was 35.3 per cent of the risk-weighted assets.

Sparebanken Møre had issued NOK 3,750 million in Senior Non-Preferred debt at the end of second quarter of 2024.

SUBSIDIARIES

The aggregate profit of the bank's subsidiaries amounted to NOK 89 million after tax in the first half of 2024 (NOK 93 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 half of 2024, the company had nominal outstanding covered bonds of NOK 28.2 billion in the market. Around 29 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 88 million to the result in the first half of 2024 (NOK 90 million).

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company contributed NOK -1 million to the result in the first half of 2024 (NOK 1 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 2 million to the result in the first half of 2024 (NOK 2 million). The companies have no staff.

EQUITY CERTIFICATES

At the end of the second quarter of 2024, there were 7,009 holders of Sparebanken Møre's equity certificates. The proportion of equity certificates owned by foreign nationals and enterprises amounted to 2.5 per cent at the end of the second 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 the end of the second quarter of 2024, the bank owned 117,106 of its own equity certificates. These were purchased on the Oslo Stock Exchange at market price.

At the beginning of July, the bank received an advance notice of instructions from the Financial Supervisory Authority (FSA) concerning our current accounting practice of recognising unpaid gifts for non-profit purposes as other liabilities in the bank's accounts. Sparebanken Møre disagrees with the FSA's assessment, and in the period up to the response deadline to the FSA of 26 August, we will conduct a review and assessment of the factual and legal basis for the advance notice.

Please also see our stock exchange report dated 5 July 2024.

FUTURE PROSPECTS

The last few months have provided further confirmation that global inflationary pressures continue to ease. This is paving the way for interest rate cuts by several Western central banks. So far, the Swiss, Swedish, European and UK central banks have started to reduce interest rates from the contractionary levels that have been seen in recent years.

At the same time, there are signs that inflation is falling at a slower rate than before, and so far it appears that the economies of several countries are better able to withstand current interest rates than previously assumed. Unemployment remains at low levels and wage growth is high. This suggests that the expected decrease in interest rates will be gradual.

Major movements were seen in the international financial markets at the start of August. The turbulence was triggered by signs that the US economy is slowing down, after having performed better than expected for a long time. The signs were enough to make market players nervous that they had previously been too optimistic about economic developments. Stock indices around the world fell, and market rates decreased significantly.

The situation calmed down in the following days and parts of the falls in the stock and interest rate markets were rapidly reversed. Meanwhile, the market believes that interest rates will be reduced somewhat faster than was envisioned before the summer. However, given the prevailing mood in the financial markets, the possibility of major fluctuations in the future as well cannot be ruled out.

After a year of almost flat growth, there are signs that the level of activity in the Norwegian economy is starting to see a modest rise. Updated figures from Norges Bank's regional network survey indicate that the recovery is broadly based, although the situation in some industries remains challenging. An increasing proportion of companies report that access to labour is holding back output.

For Norwegian households, there is the prospect of wage growth exceeding inflation, both this year and in the coming years. Along with low unemployment, this has been a contributory factor to the housing market continuing to do well. Low levels of housebuilding in recent years will help to support prices in the used homes market going forward.

Given the backdrop described above, interest rates in Norway will probably remain at the current level for some time to come. In its latest forecasts, Norges Bank indicates that its policy rate will be cut at the start of next year. Market rates suggest that the first cut in interest rates is expected to come at the very end of the year.

The rate of growth in lending to households and non-financial companies for Norway as a whole saw a weak rise towards the end of the second quarter of 2024. With a growth rate in household lending of 3.3 per cent at the end of June and a growth rate in loans to non-financial companies of 2.3 per cent, the 12-month growth in lending was still lower than what we have seen in recent years. At the end of June, the overall 12-month growth in lending to the public was 3.6 per cent. The growth in total lending is now close to the level seen at the start of the year. This is due to the fact that municipalities' growth in debt, unlike that of households and non-financial companies, has increased markedly throughout the year.

Sparebanken Møre's overall lending growth has remained good and is still markedly above the market growth rate. The 12-month growth rate was 7.7 per cent at the end of the quarter, slightly above 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 6.2 per cent at the end of second quarter, while lending growth in the corporate market amounted to 10.1 per cent. Deposits have increased by 6.3 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 half of 2024 was 14.1 per cent, while its cost income ratio was 40.3 per cent. Sparebanken Møre's long-term strategic financial performance targets are a return on equity of above 12 per cent and a cost income ratio of under 40 per cent.

Ålesund, 30 June 2024
13 August 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	Q2 2024	Q2 2023	30.06.2024	30.06.2023	2023
Interest income from assets at amortised cost		1 271	989	2 520	1 877	4 221
Interest income from assets at fair value		205	163	413	307	695
Interest expenses		958	690	1 907	1 277	3 016
Net interest income	3	518	462	1 026	907	1 900
Commission income and revenues from banking services		64	61	120	118	258
Commission expenses and charges from banking services		10	9	20	19	42
Other operating income		16	8	24	16	34
Net commission and other operating income	7	70	60	124	115	250
Dividends		0	1	4	1	1
Net change in value of financial instruments		20	20	32	20	44
Net result from financial instruments	7	20	21	36	21	45
Total other income	7	90	81	160	136	295
Total income		608	543	1 186	1 043	2 195
Salaries, wages etc.		137	116	261	227	482
Depreciation and impairment of non-financial assets		13	12	26	24	49
Other operating expenses		99	83	190	158	328
Total operating expenses	8	249	211	477	409	859
Profit before impairment on loans		359	332	709	634	1 336
Impairment on loans, guarantees etc.	5	-35	-3	-18	30	-53
Pre-tax profit		394	335	727	604	1 389
Taxes		93	80	172	142	334
Profit after tax		301	255	555	462	1 055
Allocated to equity owners		282	244	523	440	1 007
Allocated to owners of Additional Tier 1 capital		19	11	32	22	48
Profit per EC (NOK) 1)		2.85	2.46	5.26	4.42	10.12
Diluted earnings per EC (NOK) 1)		2.85	2.46	5.26	4.42	10.12
Distributed dividend per EC (NOK)		7.50	4.00	7.50	4.00	4.00

STATEMENT OF COMPREHENSIVE INCOME - GROUP (COMPRESSED)

(NOK million)	Q2 2024	Q2 2023	30.06.2024	30.06.2023	2023
Profit after tax	301	255	555	462	1 055
Items that may subsequently be reclassified to the income statement:					
Basisswap spreads - changes in value	-5	-6	-11	-7	-37
Tax effect of changes in value on basisswap spreads	2	1	3	1	8
Items that will not be reclassified to the income statement:					
Pension estimate deviations	0	0		0	1
Tax effect of pension estimate deviations	0	0		0	0
Total comprehensive income after tax	298	250	547	456	1 027
Allocated to equity owners	279	239	515	434	979
Allocated to owners of Additional Tier 1 capital	19	11	32	22	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	30.06.2024	30.06.2023	31.12.2023
Cash and receivables from Norges Bank	9 10 13	482	627	266
Loans to and receivables from credit institutions	9 10 13	586	2 586	919
Loans to and receivables from customers	4 5 6 9 11 13	85 076	78 999	81 572
Certificates, bonds and other interest-bearing securities	9 11 13	11 538	11 798	11 898
Financial derivatives	9 11	1 405	1 641	1 336
Shares and other securities	9 11	201	210	217
Intangible assets		60	57	59
Fixed assets		204	211	206
Overfunded pension liability		68	53	59
Other assets		227	224	203
Total assets		99 847	96 406	96 735

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	Note	30.06.2024	30.06.2023	31.12.2023
Loans and deposits from credit institutions	9 10 13	1 902	1 567	1 727
Deposits from customers	4 9 10 13	49 240	46 339	47 410
Debt securities issued	9 10 12	37 168	37 586	36 170
Financial derivatives	9 11	542	643	603
Other provisions for incurred costs and prepaid income		109	88	98
Pension liabilities		28	26	28
Tax payable		246	111	270
Provisions for guarantee liabilities		4	19	4
Deferred tax liabilities		162	106	161
Other liabilities		1 036	787	727
Subordinated loan capital	9 10	857	991	857
Total liabilities		91 294	88 263	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		750	650	650

Paid-in equity	2 096	1 996	1 994
Primary capital fund	3 476	3 335	3 475
Gift fund	125	125	125
Dividend equalisation fund	2 207	2 068	2 205
Liability credit reserve	-13	16	-13
Other equity	115	147	894
Comprehensive income for the period	547	456	-
Retained earnings	6 457	6 147	6 686
Total equity	8 553	8 143	8 680
Total liabilities and equity	99 847	96 406	96 735

Statement of changes in equity - Group

GROUP 30.06.2024	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	5	1	1		1		2		
Distributed dividends to the EC holders	-371								-371
Distributed dividends to the local community	-376								-376
Issued Additional Tier 1 capital	350			350					
Redemption of Additional Tier 1 capital	-250			-250					
Interests on issued Additional Tier 1 capital	-32								-32
Comprehensive income for the period	547								547
Equity as at 30 June 2024	8 553	986	360	750	3 476	125	2 207	-13	662

GROUP 30.06.2023	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	5	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	-22								-22
Comprehensive income for the period	456								456
Equity as at 30 June 2023	8 143	987	359	650	3 335	125	2 068	16	603

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)	30.06.2024	30.06.2023	31.12.2023
Cash flow from operating activities			
Interest, commission and fees received	2 824	2 119	4 775
Interest, commission and fees paid	-962	-663	-1 363
Interest received on certificates, bonds and other securities	264	197	439
Dividend and group contribution received	5	1	1
Operating expenses paid	-421	-365	-786
Income taxes paid	-193	-239	-210
Net change in loans to and claims on other financial institutions	333	-2 225	-559
Net change in repayment loans to customers	-2 716	-2 666	-4 753
Net change in utilised credit facilities	-763	-287	-688
Net change in deposits from customers	1 830	2 459	3 529
Proceeds from the sale of certificates, bonds and other securities	8 173	8 886	11 401
Purchases of certificates, bonds and other securities	-9 335	-9 661	-12 840
Net cash flow from operating activities	-961	-2 444	-1 054
Cash flow from investing activities			
Proceeds from the sale of fixed assets etc.	0	0	0
Purchase of fixed assets etc.	-16	-20	-41
Net change in other assets	86	-30	-159
Net cash flow from investing activities	70	-50	-200
Cash flow from financing activities			
Interest paid on debt securities and subordinated loan capital	-996	-728	-1 676
Net change in deposits from Norges Bank and other financial institutions	176	981	640
Proceeds from bond issues raised	3 811	5 994	8 392
Redemption of debt securities	-1 638	-3 761	-5 786
Dividend paid	-371	-198	-198
Net change in other debt	61	461	-198
Net change in Additional Tier 1 capital	98	0	0
Paid interest on Additional Tier 1 capital issued	-32	-22	-48
Net cash flow from financing activities	1 109	2 727	1 126
Net change in cash and cash equivalents	216	233	-128
Cash balance, OB	266	394	394
Cash balance, CB	482	627	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 30 June 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 30.06.2024. 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	30.06.2024	30.06.2023	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)	750	650	650
Primary capital fund	3 476	3 335	3 475
Gift fund	125	125	125
Dividend equalisation fund	2 207	2 068	2 205
Proposed dividend for EC holders	0	0	371
Proposed dividend for the local community	0	0	376
Liability credit reserve	-13	16	-13
Other equity	115	147	147
Comprehensive income for the period	547	456	-
Total equity	8 553	8 143	8 680

Tier 1 capital (T1)	30.06.2024	30.06.2023	31.12.2023
Goodwill, intangible assets and other deductions	-60	-57	-59
Value adjustments of financial instruments at fair value	-17	-18	-17
Deduction of overfunded pension liability	-51	-40	-48
Deduction of remaining permission for the acquisition of own equity certificates	0	-63	-61
Additional Tier 1 capital (AT1)	-750	-650	-650
Expected IRB-losses exceeding ECL calculated according to IFRS 9	-243	-417	-242
Deduction for proposed dividend	0	0	-371
Deduction for proposed dividend for the local community	0	0	-376
Deduction of comprehensive income for the period	-547	-456	-
Total Common Equity Tier 1 capital (CET1)	6 885	6 442	6 856
Additional Tier 1 capital - classified as equity	750	650	650
Additional Tier 1 capital - classified as debt	0	0	0
Total Tier 1 capital (T1)	7 635	7 092	7 506

Tier 2 capital (T2)	30.06.2024	30.06.2023	31.12.2023
Subordinated loan capital of limited duration	857	991	857
Total Tier 2 capital (T2)	857	991	857

Net equity and subordinated loan capital	8 493	8 083	8 363

Risk weighted assets (RWA) by exposure classes

Credit risk - standardised approach	**30.06.2024**	**30.06.2023**	**31.12.2023**
Central governments or central banks	0	0	0
Local and regional authorities	379	420	389
Public sector companies	25	215	207
Institutions	232	370	240
Covered bonds	540	558	550
Equity	348	348	347
Other items	561	780	547
Total credit risk - standardised approach	2 085	2 691	2 280

Credit risk - IRB Foundation	**30.06.2024**	**30.06.2023**	**31.12.2023**
Retail - Secured by real estate	12 389	11 839	11 995
Retail - Other	314	354	295
Corporate lending	19 066	19 733	19 444
Total credit risk - IRB-Foundation	31 769	31 926	31 734

Market risk (standardised approach)	167	120	161
Operational risk (basic indicator approach)	3 424	2 996	3 424
Risk weighted assets (RWA)	**37 445**	**37 733**	**37 599**

Minimum requirement Common Equity Tier 1 capital (4.5 %)	1 685	1 698	1 692

Buffer requirements	**30.06.2024**	**30.06.2023**	**31.12.2023**
Capital conservation buffer , 2.5 %	936	943	940
Systemic risk buffer, 4.5 % (3.0 % per 31.06.2023)	1 685	1 132	1 692
Countercyclical buffer, 2.5 %	936	943	940
Total buffer requirements for Common Equity Tier 1 capital	3 557	3 019	3 572
Available Common Equity Tier 1 capital after buffer requirements	1 643	1 725	1 592

Capital adequacy as a percentage of risk weighted assets (RWA)	**30.06.2024**	**30.06.2023**	**31.12.2023**
Capital adequacy ratio	22.7	21.4	22.2
Capital adequacy ratio incl. 50 % of the profit	23.4	22.0	-
Tier 1 capital ratio	20.4	18.8	20.0
Tier 1 capital ratio incl. 50 % of the profit	21.1	19.4	-
Common Equity Tier 1 capital ratio	18.4	17.1	18.2
Common Equity Tier 1 capital ratio incl. 50 % of the profit	19.1	17.6	-

Leverage Ratio (LR)	30.06.2024	30.06.2023	31.12.2023
Basis for calculation of leverage ratio	102 521	99 148	99 794
Leverage Ratio (LR)	7.4	7.2	7.5
Leverage Ratio (LR) incl. 50 % of the profit	7.7	7.4	-

Note 3

Operating segments

Result - Q2 2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	518	1	89	203	225	0
Other operating income	90	-17	43	19	33	12
Total income	608	-16	132	222	258	12
Operating expenses	249	-17	81	41	132	12
Profit before impairment	359	1	51	181	126	0
Impairment on loans, guarantees etc.	-35	0	-1	-9	-25	0
Pre-tax profit	394	1	52	190	151	0
Taxes	93					
Profit after tax	301					

Result - 30.06.2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	1 026	1	184	397	443	1
Other operating income	160	-35	71	45	59	20
Total income	1 186	-34	255	442	502	21
Operating costs	477	-34	122	87	280	22
Profit before impairment	709	0	133	355	222	-1
Impairment on loans, guarantees etc.	-18	0	-1	17	-34	0
Pre-tax profit	727	0	134	338	256	-1
Taxes	172					
Profit after tax	555					

Key figures - 30.06.2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	85 312	-105	1 558	27 525	56 334	0
Expected credit loss on loans	-236	0	-1	-165	-70	0
Net loans to customers	85 076	-105	1 557	27 360	56 264	0
Deposits from customers 1)	49 240	-129	903	15 385	33 081	0
Guarantee liabilities	1 670	0	0	1 669	1	0
Expected credit loss on guarantee liabilities	4	0	0	4	0	0
The deposit-to-loan ratio	57.7	122.9	58.0	55.9	58.7	0.0
Man-years	412	0	154	60	174	24

Result - Q2 2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	462	1	47	186	228	0
Other operating income	81	-18	33	26	31	9
Total income	543	-17	80	212	259	9
Operating expenses	211	-17	75	32	113	8
Profit before impairment	332	0	5	180	146	1
Impairment on loans, guarantees etc.	-3	0	0	13	-16	0
Pre-tax profit	335	0	5	167	162	1
Taxes	80					
Profit after tax	255					

Result - 30.06.2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Net interest income	907	1	111	352	443	0
Other operating income	136	-33	45	49	58	17
Total income	1 043	-32	156	401	501	17
Operating costs	409	-32	108	74	243	16
Profit before impairment	634	0	48	327	258	1
Impairment on loans, guarantees etc.	30	0	0	41	-11	0
Pre-tax profit	604	0	48	286	269	1
Taxes	142					
Profit after tax	462					

Key figures - 30.06.2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	79 345	-109	1 111	25 396	52 947	0
Expected credit loss on loans	-346	0	0	-265	-81	0
Net loans to customers	78 999	-109	1 111	25 131	52 866	0
Deposits from customers 1)	46 339	-99	865	15 170	30 403	0
Guarantee liabilities	1 520	0	0	1 518	2	0
Expected credit loss on guarantee liabilities	19	0	0	19	0	0
The deposit-to-loan ratio	58.4	90.8	77.9	59.7	57.4	0.0
Man-years	387	0	150	55	164	18

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	**Q2 2024**	**Q2 2023**	**30.06.2024**	**30.06.2023**	**31.12.2023**
Net interest income	74	60	144	127	237
Other operating income	-3	22	-7	17	-14
Total income	71	82	137	144	223
Operating expenses	14	16	29	30	58
Profit before impairment on loans	57	66	108	114	165
Impairment on loans, guarantees etc.	-3	-2	-5	-2	1
Pre-tax profit	60	68	113	116	164
Taxes	13	16	25	26	36
Profit after tax	47	52	88	90	128

MØRE BOLIGKREDITT AS			
Balance sheet	**30.06.2024**	**31.06.2023**	**31.12.2023**
Loans to and receivables from customers	31 976	33 656	32 357
Total equity	1 716	1 650	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.

30.06.2024	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	717	0	-1	-8	40	748
Fisheries	5 420	-6	-30	0	2	5 386
Manufacturing	3 907	-6	-4	-22	6	3 881
Building and construction	1 372	-2	-4	-7	4	1 363
Wholesale and retail trade, hotels	1 336	-2	-3	-10	8	1 329
Supply/Oil services	1 242	-5	0	0	0	1 237
Property management	9 122	-10	-7	-6	104	9 203
Professional/financial services	1 485	-1	-2	-3	25	1 504
Transport and private/public services/abroad	4 499	-4	-5	-7	51	4 534
Total corporate/public entities	29 100	-36	-56	-63	240	29 185
Retail customers	52 905	-9	-27	-45	3 067	55 891
Total loans to and receivables from customers	82 005	-45	-83	-108	3 307	85 076

30.06.2023	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	652	0	-1	-3	40	688
Fisheries	4 406	-3	-5	0	2	4 400
Manufacturing	3 382	-8	-6	-5	7	3 370
Building and construction	1 168	-2	-4	-11	6	1 157
Wholesale and retail trade, hotels	1 298	-2	-6	-3	8	1 295
Supply/Oil services	1 568	-4	-5	-141	0	1 418
Property management	8 709	-8	-8	-7	277	8 963
Professional/financial services	923	-1	-3	-1	13	931
Transport and private/public services/abroad	4 153	-5	-7	-2	33	4 172
Total corporate/public entities	26 259	-33	-45	-173	386	26 394
Retail customers	49 662	-11	-40	-44	3 038	52 605
Total loans to and receivables from customers	75 921	-44	-85	-217	3 424	78 999

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	**30.06.2024**	**30.06.2023**	**31.12.2023**
Agriculture and forestry	374	317	278
Fisheries	1 543	1 738	1 556
Manufacturing	3 437	3 340	3 687
Building and construction	860	952	967
Wholesale and retail trade, hotels	1 074	1 017	1 098
Property management	2 466	2 235	2 502
Transport and private/public services	5 876	5 637	5 008
Public administration	331	713	657
Others	2 359	2 132	2 431
Total corporate/public entities	18 320	18 081	18 184
Retail customers	30 920	28 258	29 226
Total	49 240	46 339	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 20 March 2024, Norges Bank decided to keep the key policy rate unchanged at 4.5 per cent. The forecast in this report indicates a policy rate that will remain at 4.5 per cent for some time ahead. Economic growth is expected to pick up in the second half of 2024. Inflation is expected to slow and approach 2 per cent towards the end of 2027. Norges Bank estimates that the average mortgage rate will rise to 5.7 per cent this year before gradually declining. They also project annual mainland Norway GDP growth of 0.5 per cent in 2024 and expect growth to pick up gradually over the projection period, mainly as a result of higher private consumption. Higher public demand is also contributing to higher activity. The interest burden is expected to increase slightly further through 2024. Going forward, lower debt ratios and a reduction in the policy rate will contribute to a gradual reduction in the interest burden. The slowdown will occur both as a result of lower debt ratios and lower policy rates over time. Furthermore, Norges Bank expects weak growth in employment in the coming years to result in somewhat higher unemployment.

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 30.06.2024 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	Q2 2024	Q2 2023	30.06.2024	30.06.2023	2023
Changes in ECL - stage 1 (model-based)	1	1	-1	8	9
Changes in ECL - stage 2 (model-based)	-35	-20	-36	-14	16
Changes in ECL - stage 3 (model-based)	-6	1	-3	2	13
Changes in individually assessed losses	-8	16	10	30	-114
Confirmed losses covered by previous individual impairment	21	0	21	0	23
Confirmed losses, not previously impaired	0	0	0	7	6
Recoveries	-7	-1	-9	-3	-6
Total impairments on loans and guarantees	-35	-3	-18	30	-53

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

GROUP - 30.06.2024	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2023	48	120	98	266
New commitments	16	2	1	19
Disposal of commitments and transfer to stage 3 (individually assessed)	-10	-15	-4	-29
Changes in ECL in the period for commitments which have not migrated	-10	-3	-2	-15
Migration to stage 1	5	-25	-6	-26
Migration to stage 2	-2	9	-3	4
Migration to stage 3	0	-4	11	7
Changes stage 3 (individually assessed)	-	-	14	14
ECL 30.06.2024	47	84	109	240
- of which expected losses on loans to retail customers	9	27	45	81
- of which expected losses on loans to corporate customers	36	56	63	155
- of which expected losses on guarantee liabilities	2	1	1	4

GROUP - 30.06.2023	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2022	39	104	198	341
New commitments	16	13	1	30
Disposal of commitments and transfer to stage 3 (individually assessed)	-5	-13	-5	-23
Changes in ECL in the period for commitments which have not migrated	-4	-8	0	-12
Migration to stage 1	4	-21	-1	-18
Migration to stage 2	-3	17	-1	13
Migration to stage 3	0	-2	10	8
Changes stage 3 (individually assessed)	-	-	26	26
ECL 30.06.2023	47	90	228	365
- of which expected losses on loans to retail customers	11	40	44	95
- of which expected losses on loans to corporate customers	33	45	173	251
- of which expected losses on guarantee liabilities	3	5	11	19

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 - 30.06.2024	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	68 347	664	-	69 011
Medium risk (0.5 % - < 3 %)	13 567	5 899	-	19 466
High risk (3 % - <100 %)	1 958	2 829	-	4 787
PD = 100 %	-	-	465	465
Total commitments before ECL	83 872	9 392	465	93 729
- ECL	-47	-84	-109	-240
Total net commitments *)	83 825	9 308	356	93 489

Gross commitments with overridden migration	0	0	0	0

GROUP - 30.06.2023	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	58 942	2 544	-	61 486
Medium risk (0.5 % - < 3 %)	9 860	6 753	-	16 613
High risk (3 % - <100 %)	1 213	2 299	-	3 512
PD = 100 %	5		861	866
Total commitments before ECL	70 020	11 596	861	82 477
- ECL	-47	-90	-228	-365
Total net commitments *)	69 973	11 506	633	82 112

Gross commitments with overridden migration	778	-773	-5	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.

	30.06.2024			30.06.2023			31.12.2023		
GROUP	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments in default for more than 90 days	90	47	43	94	49	45	96	56	40
Gross other credit-impaired commitments	352	125	227	772	163	609	329	166	163
Gross credit-impaired commitments	442	172	270	866	212	654	425	222	203
ECL on commitments in default for more than 90 days	27	14	13	19	11	8	26	14	12
ECL on other credit-impaired commitments	74	28	46	210	33	177	72	33	39
ECL on credit-impaired commitments	101	42	59	229	44	185	98	47	51
Net commitments in default for more than 90 days	63	33	30	75	38	37	70	42	28
Net other credit-impaired commitments	278	97	181	562	130	432	257	133	124
Net credit-impaired commitments	341	130	211	637	168	469	327	175	152
Total gross loans to customers - Group	85 312	55 972	29 340	79 345	52 700	26 645	81 834	53 795	28 039
Guarantees - Group	1 670	1	1 669	1 520	2	1 518	1 249	2	1 247
Gross credit-impaired commitments in % of loans/guarantee liabilities	0.51%	0.31%	0.87%	1.07%	0.40%	2.32%	0.51%	0.41%	0.69%
Net credit-impaired commitments in % loans/guarantee liabilities	0.39%	0.23%	0.68%	0.79%	0.32%	1.67%	0.39%	0.33%	0.52%

Commitments with probation period	30.06.2024			30.06.2023			31.12.2023		
GROUP	Total	Retail	Corporate	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments with probation period	37	35	3	68	60	8	111	72	39
Gross commitments with probation period in % of gross credit-impaired commitments	8%	20%	1%	8%	28%	1%	26%	32%	19%

Note 7

Other income

(NOK million)	30.06.2024	30.06.2023	2023
Guarantee commission	12	13	27
Income from the sale of insurance services (non-life/personal)	15	14	29
Income from the sale of shares in unit trusts/securities	7	8	17
Income from Discretionary Portfolio Management	27	23	47
Income from payment transfers	45	43	95
Other fees and commission income	14	17	43
Commission income and income from banking services	120	118	258
Commission expenses and expenses from banking services	-20	-19	-42
Income from real estate brokerage	19	16	33
Other operating income	5	0	1
Total other operating income	24	16	34
Net commission and other operating income	124	115	250
Interest hedging (for customers)	3	5	16
Currency hedging (for customers)	16	18	31
Dividend received	4	1	1
Net gains/losses on shares	-3	6	10
Net gains/losses on bonds	16	-16	-2
Change in value of fixed-rate loans	-11	-53	17
Derivates related to fixed-rate lending	10	59	-26
Change in value of issued bonds	-58	-1 119	-1 172
Derivates related to issued bonds	60	1 122	1 173
Net gains/losses related to buy back of outstanding bonds	-1	-2	-3
Net result from financial instruments	36	21	45
Total other income	160	136	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 - 30.06.2024	**Group**	**Other**	**Corporate**	**Retail**	**Real estate brokerage**
Guarantee commission	12	0	12	0	0
Income from the sale of insurance services	15	-1	2	14	0
Income from the sale of shares in unit trusts/securities	7	1	0	6	0
Income from Discretionary Portfolio Management	27	1	13	13	0
Income from payment transfers	45	4	11	30	0
Other fees and commission income	14	6	3	5	0
Commission income and income from banking services	120	11	41	68	0
Commission expenses and expenses from banking services	-20	-8	-1	-11	0
Income from real estate brokerage	19	0	0	0	19
Other operating income	5	1	0	4	0
Total other operating income	24	1	0	4	19
Net commision and other operating income	124	4	40	61	19

Net commission and other operating income - 30.06.2023	**Group**	**Other**	**Corporate**	**Retail**	**Real estate brokerage**
Guarantee commission	13	0	13	0	0
Income from the sale of insurance services	14	-1	2	13	0
Income from the sale of shares in unit trusts/securities	8	1	0	7	0
Income from Discretionary Portfolio Management	23	9	7	7	0
Income from payment transfers	43	4	10	29	0
Other fees and commission income	17	2	6	9	0
Commission income and income from banking services	118	15	38	65	0
Commission expenses and expenses from banking services	-19	-6	-1	-12	0
Income from real estate brokerage	16	0	0	0	16
Other operating income	0	0	0	0	0
Total other operating income	16	0	0	0	16
Net commision and other operating income	115	9	37	53	16

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)	30.06.2024	30.06.2023	2023
Wages	187	163	343
Pension expenses	15	13	25
Employers' social security contribution and Financial activity tax	40	36	82
Other personnel expenses	19	15	32
Wages, salaries, etc.	261	227	482
Depreciations	26	24	49
Operating expenses own and rented premises	10	10	19
Maintenance of fixed assets	3	4	8
IT-expenses	113	81	168
Marketing expenses	21	22	47
Purchase of external services	16	16	32
Expenses related to postage, telephone and newspapers etc.	4	4	9
Travel expenses	3	3	6
Capital tax	5	5	12
Other operating expenses	15	13	27
Total other operating expenses	190	158	328
Total operating expenses	477	409	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 - 30.06.2024	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total book value
Cash and receivables from Norges Bank		482	482
Loans to and receivables from credit institutions		586	586
Loans to and receivables from customers	3 307	81 769	85 076
Certificates and bonds	11 538		11 538
Shares and other securities	201		201
Financial derivatives	1 405		1 405
Total financial assets	16 451	82 837	99 288
Loans and deposits from credit institutions		1 902	1 902
Deposits from and liabilities to customers	153	49 087	49 240
Financial derivatives	542		542
Debt securities		37 168	37 168
Subordinated loan capital		857	857
Total financial liabilities	695	89 014	89 709

GROUP - 30.06.2023	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total book value
Cash and receivables from Norges Bank		627	627
Loans to and receivables from credit institutions		2 586	2 586
Loans to and receivables from customers	3 424	75 575	78 999
Certificates and bonds	11 798		11 798
Shares and other securities	210		210
Financial derivatives	1 641		1 641
Total financial assets	17 073	78 788	95 861
Loans and deposits from credit institutions		1 567	1 567
Deposits from and liabilities to customers	80	46 259	46 339
Financial derivatives	643		643
Debt securities		37 586	37 586
Subordinated loan capital		991	991
Total financial liabilities	723	86 403	87 126

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	30.06.2024		30.06.2023		31.12.2023	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Cash and receivebles from Norges Bank	482	482	627	627	266	266
Loans to and receivables from credit institutions	586	586	2 586	2 586	919	919
Loans to and receivables from customers	81 769	81 769	75 575	75 575	78 289	78 289
Total financial assets	82 837	82 837	78 788	78 788	79 474	79 474
Loans and deposits from credit institutions	1 902	1 902	1 567	1 567	1 727	1 727
Deposits from and liabilities to customers	49 087	49 087	46 259	46 259	47 272	47 272
Debt securities issued	37 293	37 168	37 458	37 586	36 276	36 170
Subordinated loan capital	864	857	954	991	857	857
Total financial liabilities	89 146	89 014	86 238	86 403	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 11.5 million on loans with fixed interest rate.

GROUP - 30.06.2024	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			3 307	3 307
Certificates and bonds	8 354	3 184		11 538
Shares and other securities	5		196	201
Financial derivatives		1 405		1 405
Total financial assets	8 359	4 589	3 503	16 451
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			153	153
Debt securities				-
Subordinated loan capital				-
Financial derivatives		542		542
Total financial liabilities	-	542	153	695

GROUP - 30.06.2023	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			3 424	3 424
Certificates and bonds	8 302	3 496		11 798
Shares and other securities	9		201	210
Financial derivatives		1 641		1 641
Total financial assets	8 311	5 137	3 625	17 073
Loans and deposits from credit institutions				-
Deposits from and liabilities to customers			80	80
Debt securities				-
Subordinated loan capital				-
Financial derivatives		643		643
Total financial liabilities	-	643	80	723

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	270	0	16
Sales/reduction	-235	-13	0
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses in the period	-11	-3	-1
Book value as at 30.06.2024	3 307	196	153

GROUP	Loans to and receivables from customers	Shares	Deposits from customers
Book value as at 31.12.2022	3 415	207	48
Purchases/additions	337	0	32
Sales/reduction	-318	-18	0
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses in the period	-10	21	0
Book value as at 30.06.2023	3 424	210	80

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 30.06.2024	Interest	Issued	Maturity	Book value 30.06.2024	Book value 30.06.2023	Book value 31.12.2023
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 082	1 079	1 066
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	291	294	289
NO0010819543	NOK	-	3M Nibor + 0.42 %	2018	2024	-	3 004	2 351
NO0010836489	NOK	1 000	fixed NOK 2.75 %	2018	2028	952	932	956
NO0010853096	NOK	3 000	3M Nibor + 0.37 %	2019	2025	3 015	3 012	3 015
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024	2 821	2 784	2 734
NO0010884950	NOK	3 000	3M Nibor + 0.42 %	2020	2025	3 005	3 005	3 006
XS2233150890	EUR	30	3M Euribor + 0.75 %	2020	2027	349	360	345
NO0010951544	NOK	6 000	3M Nibor + 0.75 %	2021	2026	6 073	5 085	5 074
XS2389402905	EUR	250	fixed EUR 0.01 %	2021	2026	2 661	2 619	2 625
XS2556223233	EUR	250	fixed EUR 3.125 %	2022	2027	2 920	2 961	2 823
NO0012908617	NOK	6 000	3M Nibor + 0.54 %	2023	2028	6 044	4 022	4 027
Total covered bonds issued by Møre Boligkreditt AS (incl. accrued interests)						29 213	29 157	28 311

As at 30.06.2024, 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 30.06.2024 (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	30.06.2024	30.06.2023	31.12.2023
Statement of income			
Net interest and credit commission income from subsidiaries	61	55	146
Received dividend from subsidiaries	132	152	152
Administration fee received from Møre Boligkreditt AS	24	24	49
Rent paid to Sparebankeiendom AS and Storgata 41-45 Molde AS	8	7	15
Balance sheet			
Claims on subsidiaries	3 275	4 648	3 983
Covered bonds	0	0	0
Liabilities to subsidiaries	2 092	1 653	1 484
Intragroup right-of-use of properties in Sparebankeiendom AS and Storgata 41-45 Molde AS	66	74	70
Intragroup hedging	410	522	306
Accumulated loan portfolio transferred to Møre Boligkreditt AS	31 982	33 664	32 369

Note 14

EC capital

The 20 largest EC holders in Sparebanken Møre as at 30.06.2024	Number of ECs	Percentage share of EC capital
Sparebankstiftelsen Tingvoll	4 880 476	9.87
Verdipapirfondet Eika egenkapital	2 447 968	4.95
Spesialfondet Borea utbytte	2 337 046	4.73
Wenaasgruppen AS	2 100 000	4.25
Verdipapirfond Pareto Aksje Norge	2 012 332	4.07
MP Pensjon	1 798 905	3.64
Kommunal Landspensjonskasse	1 642 107	3.32
Verdipapirfond Nordea Norge Verdi	1 505 120	3.04
Wenaas EFTF AS	1 100 000	2.23
VPF Fondsfinans utbytte	800 000	1.62
Beka Holding AS	750 500	1.52
Lapas AS	627 000	1.27
BKK Pensjonskasse	470 888	0.95
Forsvarets personellservice	459 000	0.93
Hjellegjerde Invest AS	300 000	0.61
Stiftelsen Kjell Holm	258 643	0.52
Kveval AS	253 124	0.51
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	24 424 576	49.41
Total number of ECs	49 434 770	100.00

The proportion of equity certificates held by foreign nationals was 2.5 per cent at the end of the 2nd quarter of 2024.

During the 2nd quarter of 2024, Sparebanken Møre has not acquired own ECs.

Note 15

Events after the reporting date

No events have occurred after the reporting period that will materially affect the figures presented as of 30 June 2024.

Statement of income - Parent bank

STATEMENT OF INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q2 2024	Q2 2023	30.06.2024	30.06.2023	2023
Interest income from assets at amortised cost	881	694	1 748	1 311	2 932
Interest income from assets at fair value	170	122	338	239	560
Interest expenses	605	413	1 203	768	1 825
Net interest income	446	403	883	782	1 667
Commission income and revenues from banking services	64	61	120	118	257
Commission expenses and expenditure from banking services	10	9	20	19	41
Other operating income	16	13	29	24	50
Net commission and other operating income	70	65	129	123	266
Dividends	0	1	136	153	154
Net change in value of financial instruments	30	1	47	1	43
Net result from financial instruments	30	2	183	154	197
Total other income	100	67	312	277	463
Total income	546	470	1 195	1 059	2 130
Salaries, wages etc.	128	112	246	217	458
Depreciation and impairment of non-financial assets	17	15	32	29	59
Other operating expenses	92	76	177	147	308
Total operating expenses	237	203	455	393	825
Profit before impairment on loans	309	267	740	666	1 305
Impairment on loans, guarantees etc.	-24	1	-4	29	-68
Pre-tax profit	333	266	744	637	1 373
Taxes	79	64	146	115	296
Profit after tax	254	202	598	522	1 077
Allocated to equity owners	235	191	566	500	1 029
Allocated to owners of Additional Tier 1 capital	19	11	32	22	48
Profit per EC (NOK) 1) *	2.37	1.92	5.69	5.02	10.34
Diluted earnings per EC (NOK) 1) *	2.37	1.92	5.69	5.02	10.34
Distributed dividend per EC (NOK)	7.50	4.00	7.50	4.00	4.00

STATEMENT OF COMPREHENSIVE INCOME - PARENT BANK (COMPRESSED)

(NOK million)	Q2 2024	Q2 2023	30.06.2024	30.06.2023	2023
Profit after tax	254	202	598	522	1 077
Items that may subsequently be reclassified to the income statement:					
Basisswap spreads - changes in value	0	0	0	0	0
Tax effect of changes in value on basisswap spreads	0	0	0	0	0
Items that will not be reclassified to the income statement:					
Pension estimate deviations	0	0	0	0	1
Tax effect of pension estimate deviations	0	0	0	0	0
Total comprehensive income after tax	254	202	598	522	1 078
Allocated to equity owners	235	191	566	500	1 030
Allocated to owners of Additional Tier 1 capital	19	11	32	22	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)	30.06.2024	30.06.2023	31.12.2023
Cash and receivables from Norges Bank	482	627	266
Loans to and receivables from credit institutions	3 757	7 125	4 796
Loans to and receivables from customers	53 205	45 451	49 321
Certificates, bonds and other interest-bearing securities	11 380	11 676	11 744
Financial derivatives	860	1 143	937
Shares and other securities	201	210	217
Equity stakes in Group companies	1 671	1 571	1 571
Intangible assets	59	56	58
Fixed assets	147	160	153
Overfunded pension liability	68	53	59
Other assets	221	221	203
Total assets	72 051	68 293	69 325

LIABILITIES AND EQUITY (COMPRESSED)

(NOK million)	30.06.2024	30.06.2023	31.12.2023
Loans and deposits from credit institutions	3 134	2 299	2 550
Deposits from customers	49 369	46 438	47 510
Debt securities issued	7 955	8 429	7 859
Financial derivatives	867	1 091	840
Incurred costs and prepaid income	105	85	93
Pension liabilities	28	26	28
Tax payable	223	86	268
Provisions for guarantee liabilities	4	19	4
Deferred tax liabilities	45	17	45
Other liabilites	994	788	725
Subordinated loan capital	857	991	857
Total liabilities	63 581	60 269	60 779

EC capital	989	989	989
ECs owned by the bank	-3	-2	-4
Share premium	360	359	359
Additional Tier 1 capital	750	650	650
Paid-in equity	2 096	1 996	1 994
Primary capital fund	3 476	3 335	3 475
Gift fund	125	125	125
Dividend equalisation fund	2 207	2 068	2 205
Other equity	-32	-22	747
Comprehensive income for the period	598	522	-
Retained earnings	6 374	6 028	6 552
Total equity	8 470	8 024	8 546
Total liabilities and equity	72 051	68 293	69 325

Profit performance - Group

QUARTERLY PROFIT

(NOK million)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net interest income	518	508	506	487	462
Other operating income	90	70	71	88	81
Total operating costs	249	228	242	208	211
Profit before impairment on loans	359	350	335	367	332
Impairment on loans, guarantees etc.	-35	17	-117	34	-3
Pre-tax profit	394	333	452	333	335
Taxes	93	79	112	80	80
Profit after tax	301	254	340	253	255
As a percentage of average assets					
Net interest income	2.12	2.07	2.11	2.05	1.94
Other operating income	0.36	0.28	0.29	0.38	0.34
Total operating costs	1.02	0.93	1.01	0.88	0.89
Profit before impairment on loans	1.46	1.42	1.39	1.55	1.39
Impairment on loans, guarantees etc.	-0.14	0.07	-0.49	0.14	-0.01
Pre-tax profit	1.60	1.35	1.88	1.41	1.40
Taxes	0.38	0.32	0.46	0.34	0.33
Profit after tax	1.22	1.03	1.42	1.07	1.07

Statement pursuant to section 5-6 of the Securities Trading Act

We hereby confirm that the half-yearly financial statements for the Group and the bank for the period 1 January to 30 June 2024 to the best of our knowledge, have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and provide a true and fair view of the Group's and the bank's assets, liabilities, financial position and results as a whole.

To the best of our knowledge, the half-yearly report provides a true and fair

- overview of important events that occurred during the accounting period and their impact on the half-yearly financial statements
- description of the principal risks and uncertainties facing the Group and the bank over the next accounting period
- description of major transactions with related parties

Ålesund, 30 June 2024
13 August 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

Sparebanken
Møre