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Company presentation

MORROW BANK ASA – 17 JUNE 2024

Disclaimer

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Today's agenda



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- Highly scalable banking platform
- Strong value drivers in place
- Attractive value creation potential
- Summary and Q&A



CEO Øyvind Oanes



CFO Eirik Holtedahl

Morrow Bank
is a **scalable**
Nordic niche
player



Positioned for significant value creation

- Established in 2014 and listed on the Oslo Stock Exchange in 2017
- Providing financial flexibility to creditworthy Nordic consumers, a historically resilient BNOK ~600 market
- Developed a new and more scalable banking platform over the past two years, positioning the bank for significant value creation



Loan balance

BNOK 12.2

+13% y-o-y

LTM revenue

BNOK 1.1

+33% y-o-y

LTM pre-tax profit

MNOK 212

+114% y-o-y¹

Market cap

BNOK 1.1

Price/book (P/B) of 0.5x

1. Adjusted for a MNOK 91 write-down in Q4 2022.

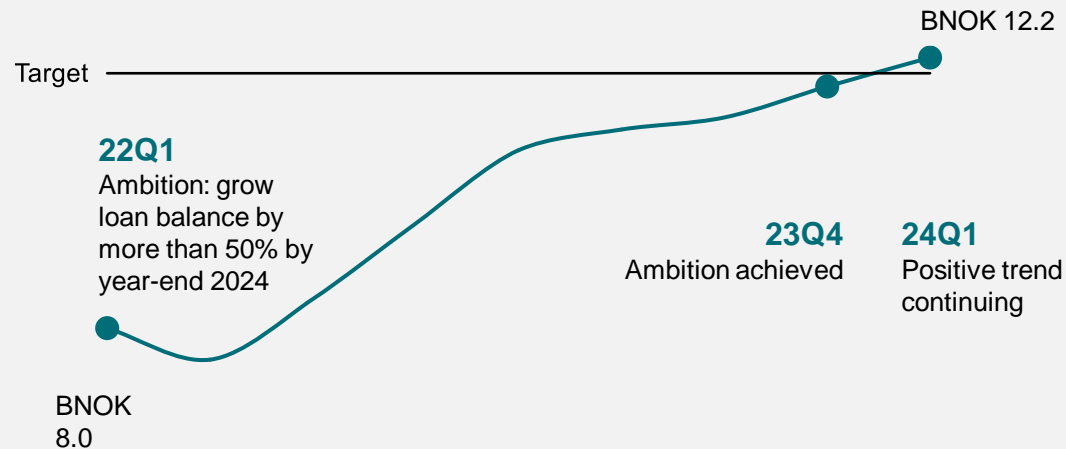


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Highly scalable banking platform

2024 targets exceeded following a successful turnaround

Target of >50% loan balance growth achieved



- ✓ Optimised product portfolio
- ✓ Enhanced credit scoring and pricing
- ✓ Simplified customer onboarding

Achieved cost/income ratio below 35% in Q1 '23



- ✓ Simplified IT platform
- ✓ Increased process automation
- ✓ Right-sized organization

Offering convenient consumer financing to creditworthy individuals in the Nordics



Flexible consumer loans

- NOK 10,000-500,000 without collateral
- Same day response to loan application
- Annuity loans, Credit Lines and Refinancing



No-fees credit cards

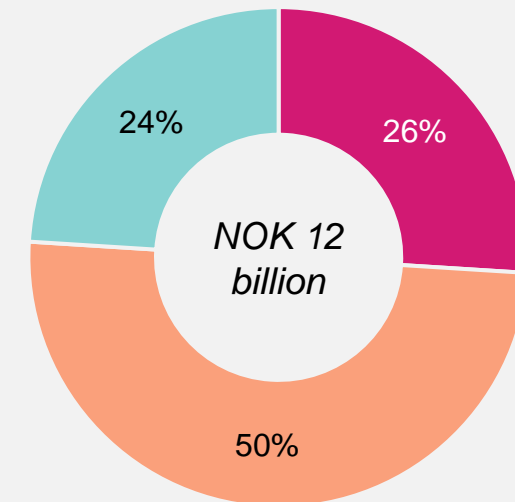
- 1-4% bonus on all transactions
- Apple, Google, Samsung and Garmin Pay
- No fees, and insurances included



Guaranteed deposit accounts

- Competitive interest rate
- Deposit guarantee up to NOK 2,000,000
- Unlimited withdrawals, free of charges

Diversified Nordic loan portfolio¹



■ Norway ■ Finland ■ Sweden

Our typical customer is 40-50 years old, owns a home and earns above average

Male

63% of our loan customers are men

Above average annual income

NOK ~600k

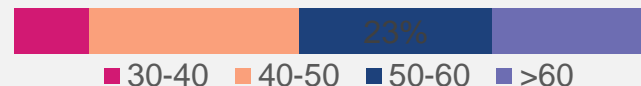
Homeowner

58% homeownership

Solid payer

- ✓ Zero payment remarks
- ✓ Permanent employment

Middle aged

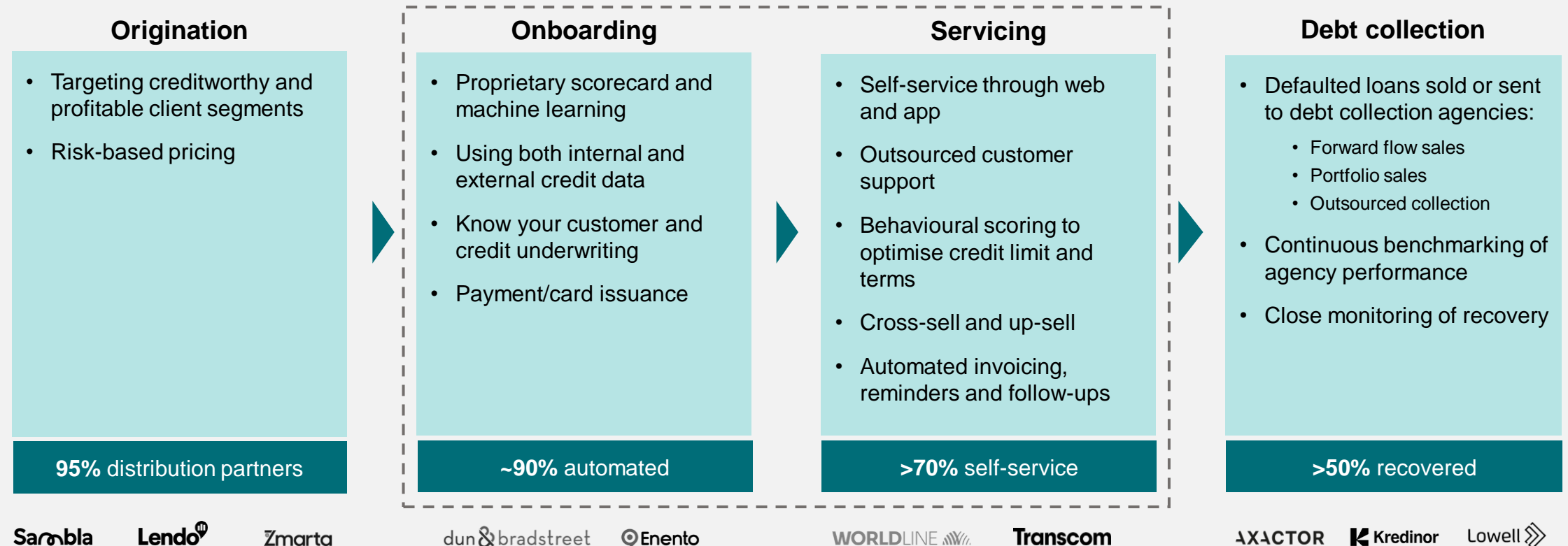


Average loan amount

NOK 167k

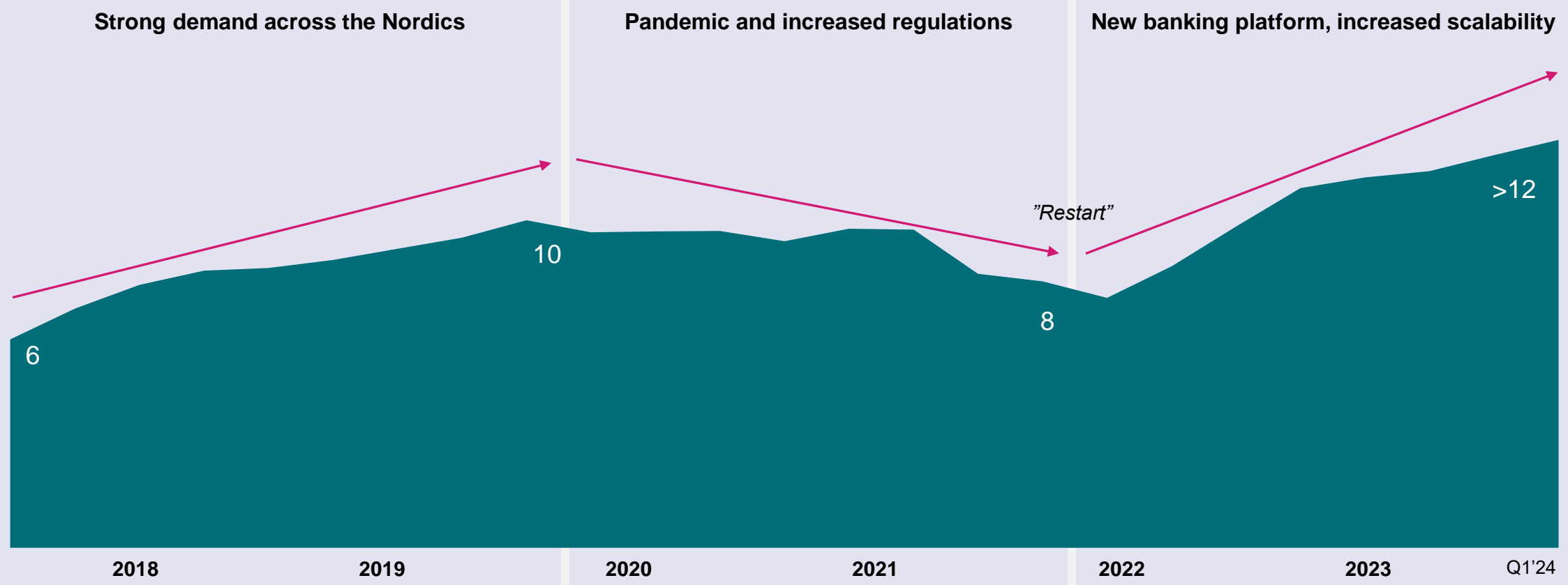


Optimising core banking processes and partnering with distribution, servicing and collection specialists



Increased scalability enabled accelerating growth

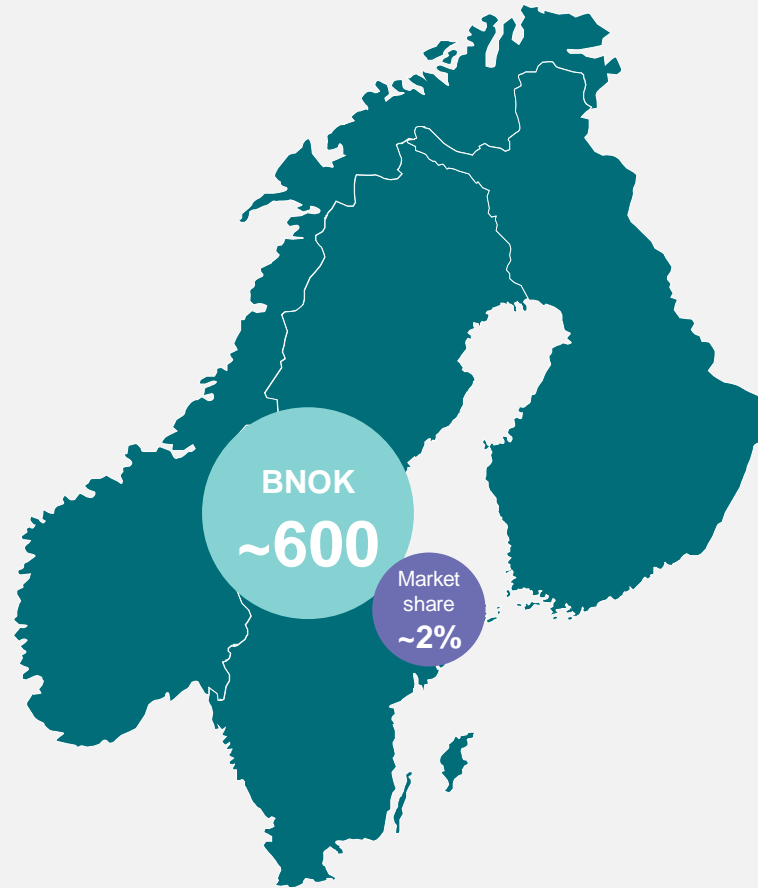
Gross loan balance, BNOK



Increased market share from ~1.3% in 2022 to ~2.0% in 2024

Strong value drivers in place

An attractive Nordic consumer financing market



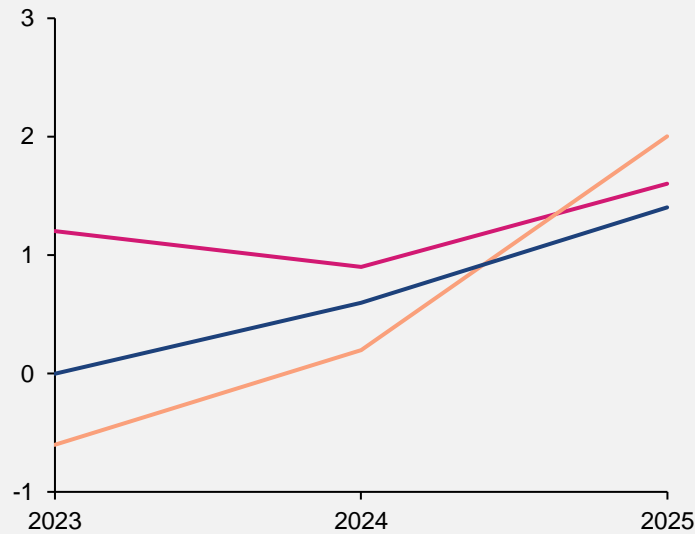
Consumer finance provides individuals with flexibility which in turn **contributes to economic activity** and growth for the society at large

With a limited cost base and an effective capital allocation, Morrow Bank is well-positioned to **capture further market shares**

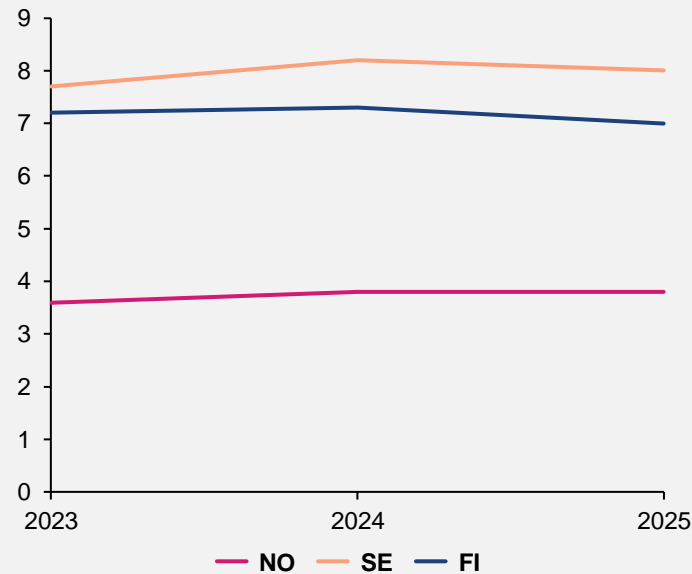
Market: BNOK ~300 in Sweden, BNOK ~150 in Finland and Norway

Positive macro-outlook across the Nordics

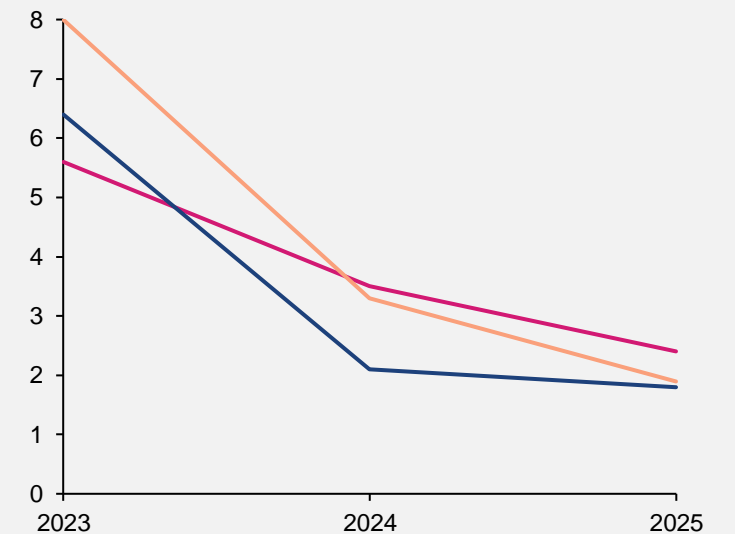
GDP growth (%)



Unemployment (%)



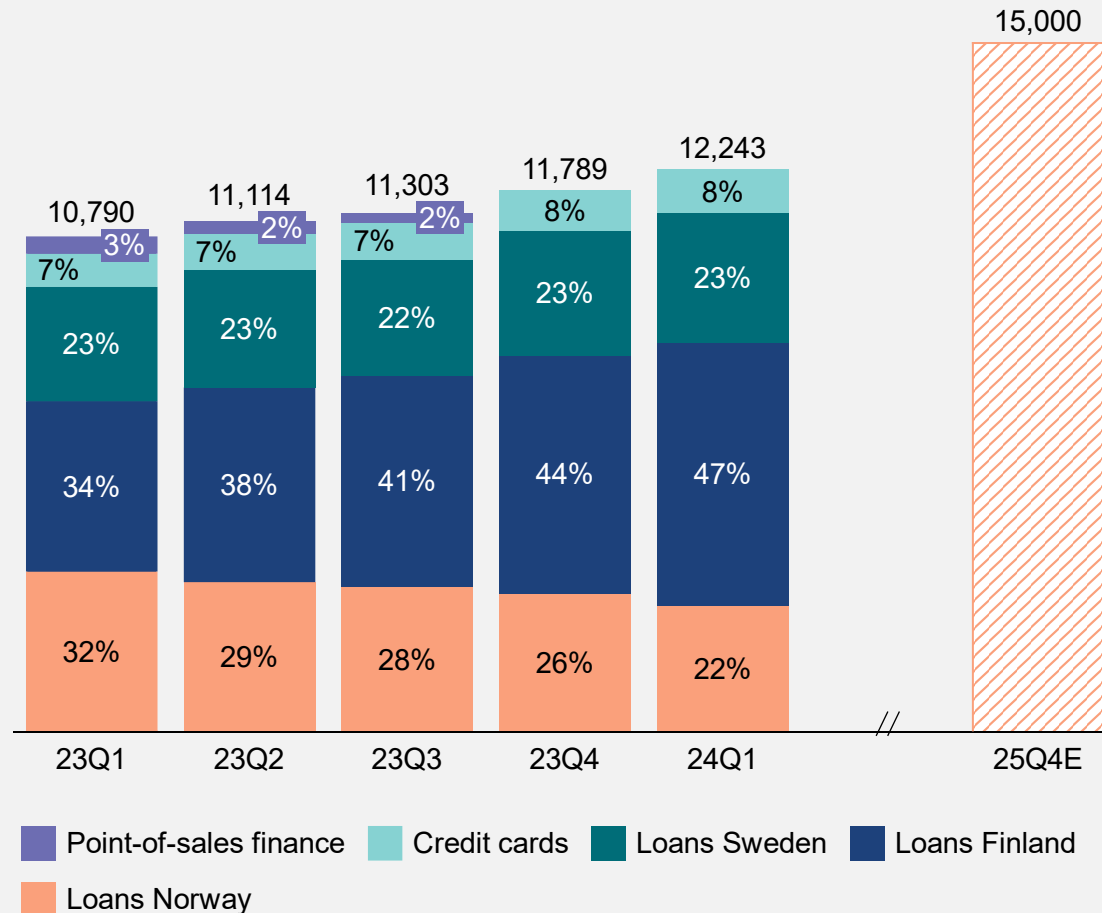
Inflation (%)



Improving macro driving growth and reducing credit risk

Growing in the most profitable markets

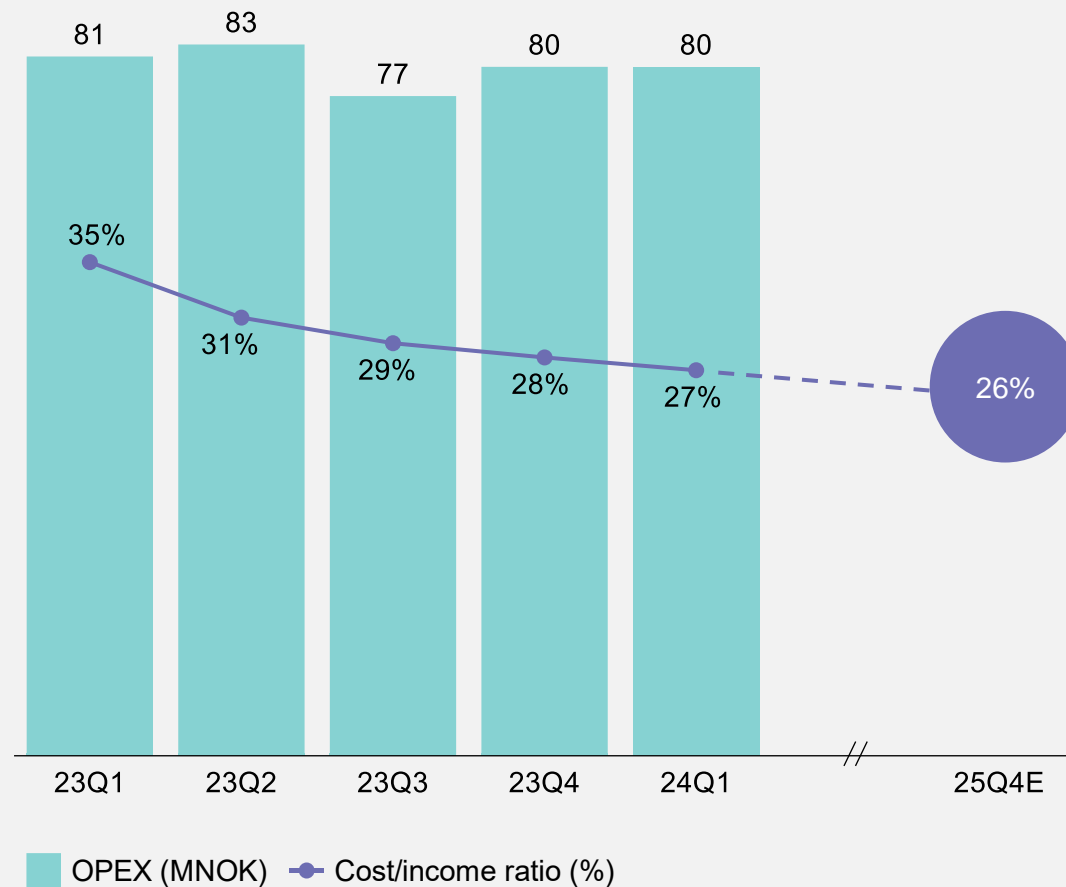
Total gross loans
MNOK



- Continued strong demand for consumer financing
- Capital position supports >10% annual growth
- Active capital allocation: higher margins and lower capital requirements in Finland

Improved cost efficiency demonstrating scalability

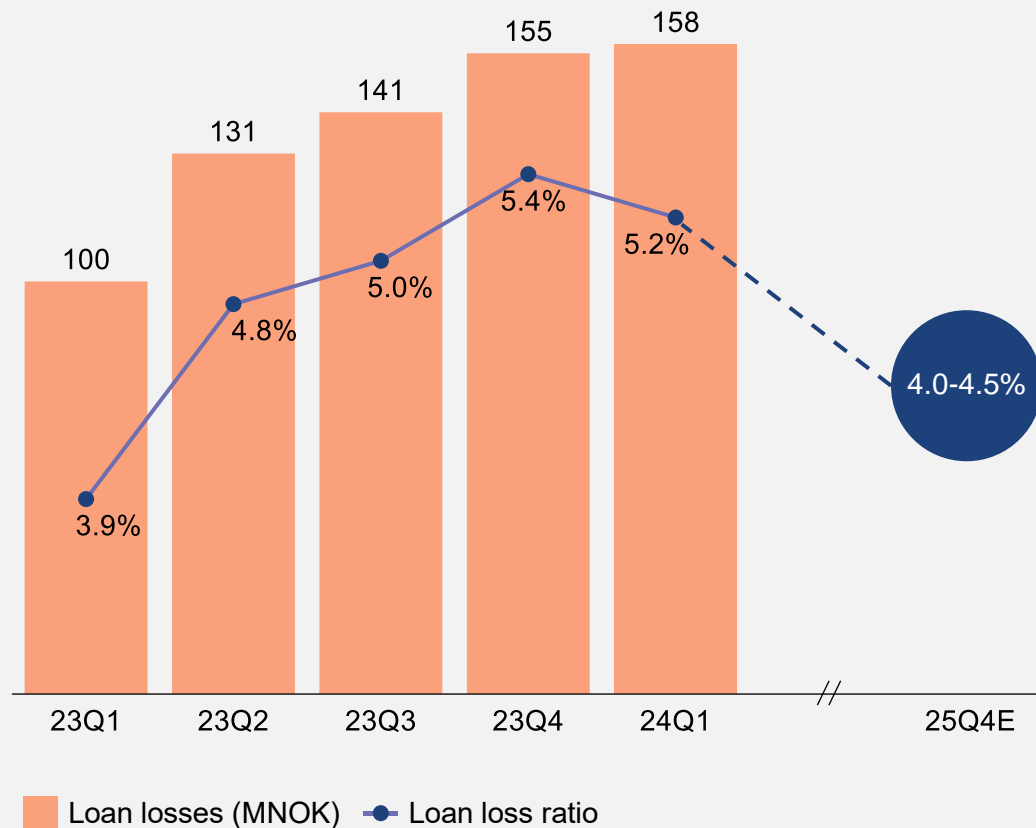
Cost/income



- Increased process automation and scalability
- Growth to be main driver of further cost/income improvement
- Well on track for end-2025 target

On track for lower loan loss ratio

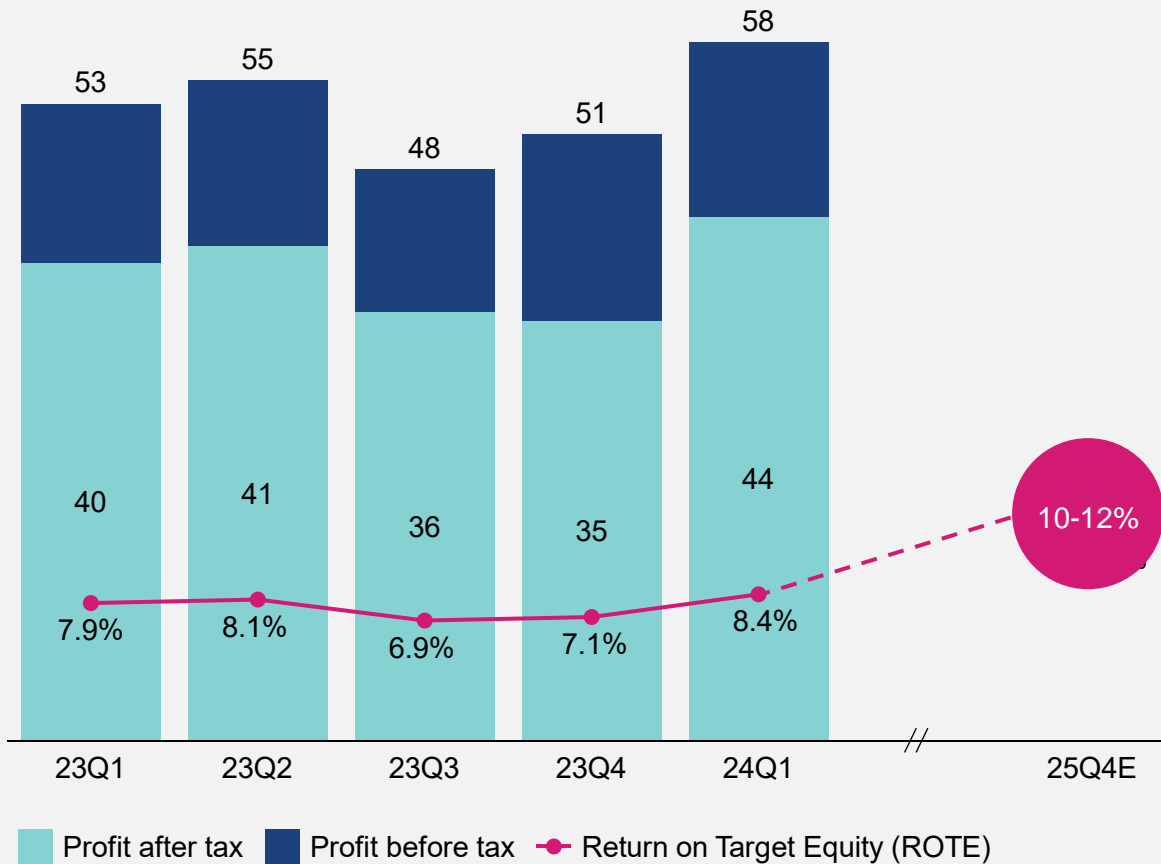
Loan losses



- Stabilising loan growth improves loan loss provision levels
- Tightened credit policies and strengthened collection processes
- Reduced loan loss ratio to drive risk-adjusted margins

Profitability increasing

Profit
MNOK



- Continued growth with stable cost base
- Lower loan losses to improve risk-adjusted margins
- Potential for somewhat lower Norwegian capital requirements from 2025

Note: The Bank defines target equity as the equity required to meet the regulatory requirements plus a buffer.



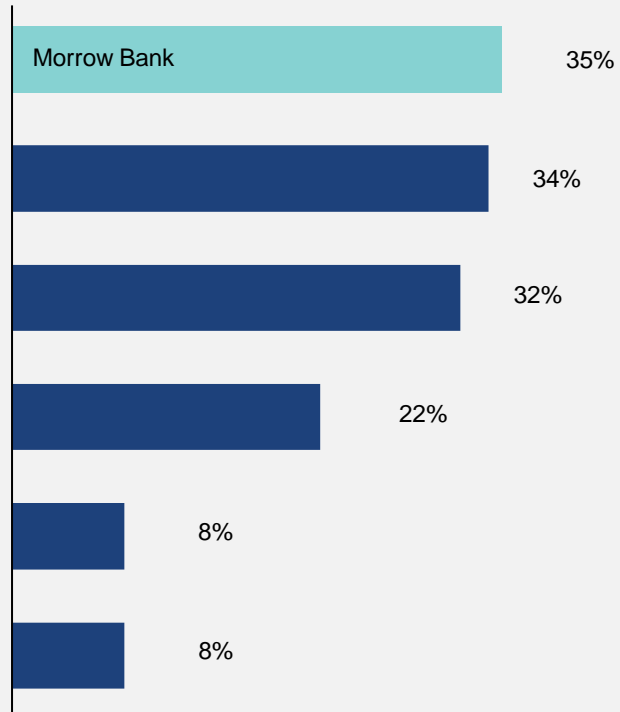
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Attractive value creation potential

~50% discount to peers despite highly competitive margins and cost efficiency

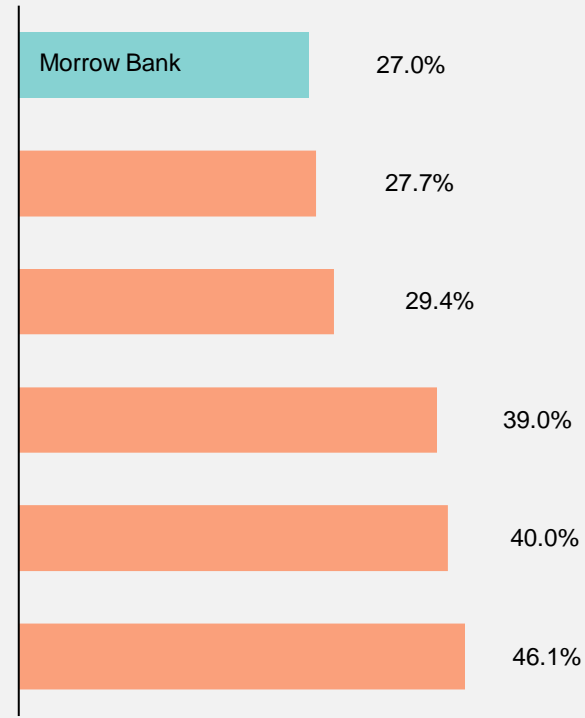
Growth last two years

Annualised per 24Q1



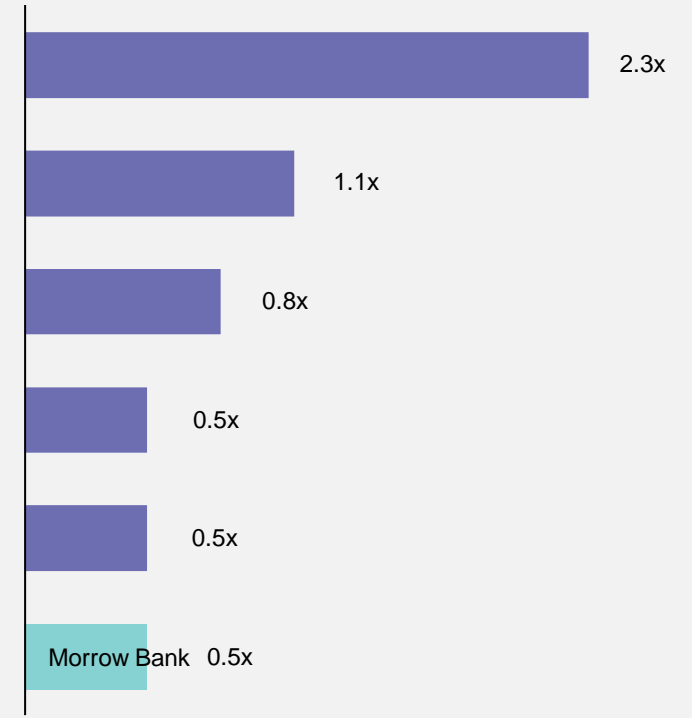
Cost/income ratio¹

24Q1



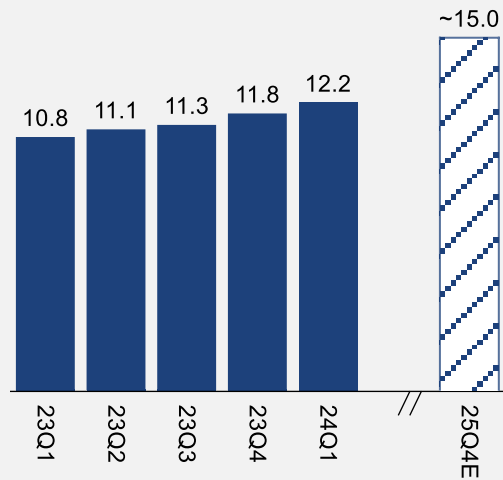
Price/book

2024E, per 11 June 2024

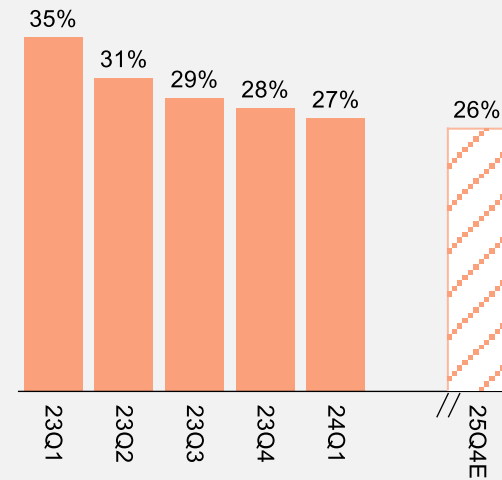


On track for 2025 growth and value creation targets

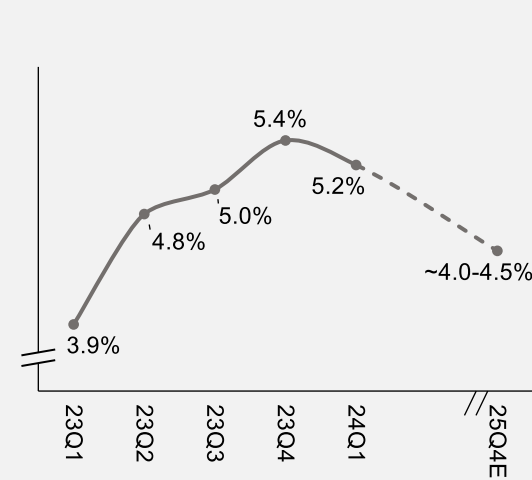
Stable gross loan balance growth
BNOK



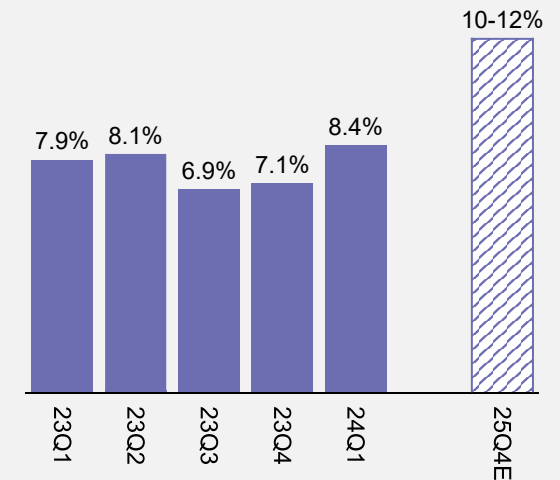
Cost/income ratio improving
%



Loan loss ratio starting to decline
%

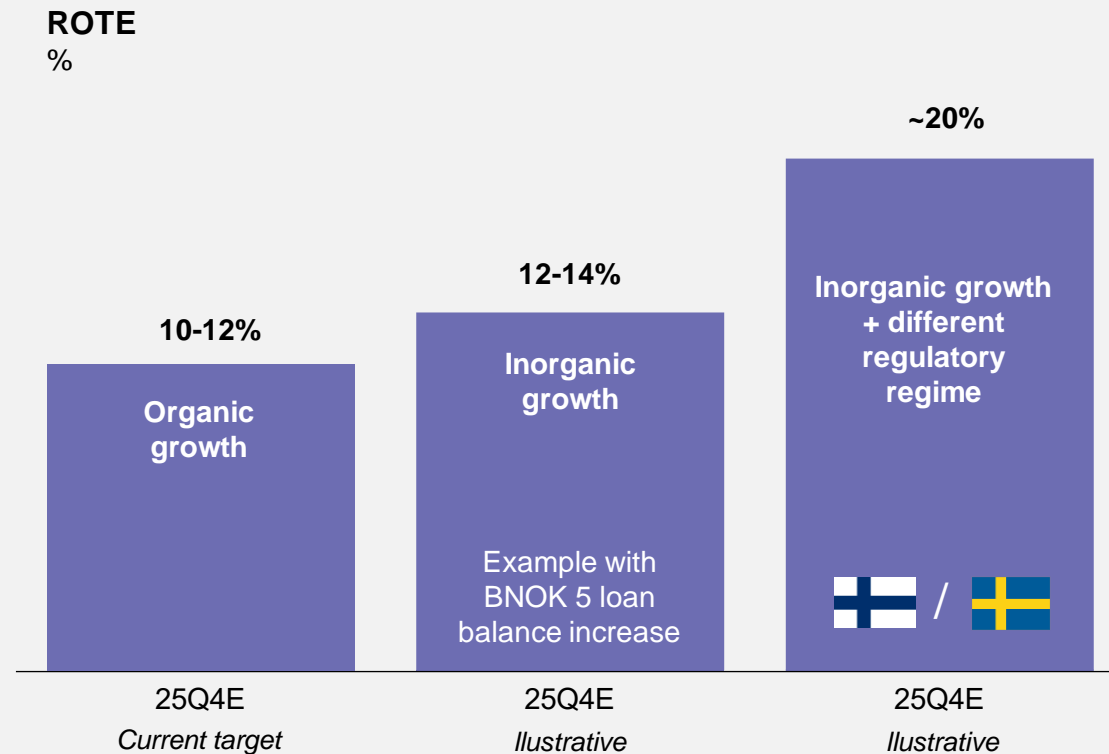


ROTE improving
%



Targeting ~10% annual balance growth and >50% profitability increase vs 4Q23

Further value upside in structural opportunities



Efficient operations and scalability enables inorganic loan balance growth

- Portfolio purchases
- Merger with a Norwegian bank

75% of current exposure and all growth in Finland and Sweden opening for opportunities

- Merger/reverse takeover with a Swedish or Finnish bank
- Re-domiciliation to Sweden or Finland

A scalable Nordic niche bank positioned for growth and value creation

Highly scalable banking platform

- 2024 targets exceeded following a successful turnaround
- Offering convenient consumer financing to creditworthy individuals in the Nordics
- Our typical customer is 40-50 years old, owns a home and earns above average
- Optimising core banking processes and partnering with specialists
- Increased scalability enabled accelerating growth

Strong value drivers in place

- An attractive BNOK 600 Nordic consumer financing market
- Positive macro-outlook across the Nordics
- Growing in the most profitable markets
- Improving cost efficiency demonstrating scalability
- On track for lower loan loss ratio – profitability increasing

Attractive value creation potential

- ~50% discount to peers despite highly competitive margins and cost efficiency
- On track for 2025 growth and value creation targets
- Further value upside in structural opportunities

Summary and Q&A

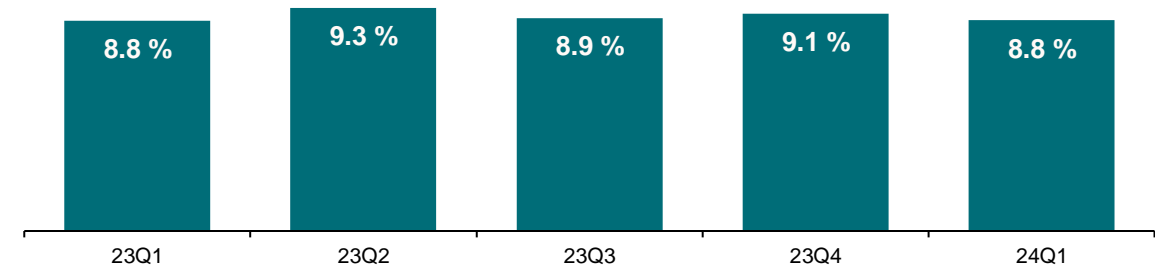
Q&A

Appendix

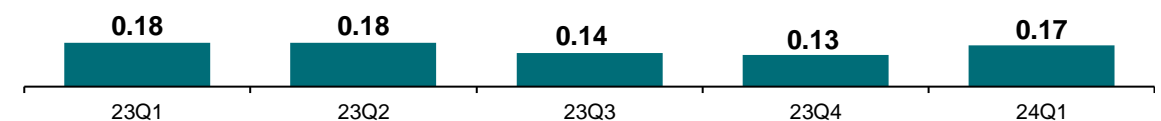
Profit and loss

<i>Amounts in MNOK</i>	Q1 2024	Q4 2023	2023	2022
Interest income	408.6	398.2	1,380.0	907.0
Interest expenses	-122.1	-120.1	-359.8	-113.7
Net interest income	286.4	278.1	1,020.2	793.3
Commission income and fees	13.9	13.5	62.7	53.0
Commission expenses and fees	-13.5	-16.9	-57.6	-43.3
Net commissions and fees	0.4	-3.4	5.1	9.8
Net gains / losses (-) on certificates and bonds, and currency	9.1	11.4	28.6	-2.1
Total income	295.9	286.1	1,053.9	800.9
Personnel expenses	-27.4	-26.9	-102.3	-133.4
General and administrative expenses	-35.6	-34.1	-135.3	-159.0
Other expenses	-7.4	-9.1	-47.6	-43.1
Depreciation	-9.8	-10.0	-35.7	-171.8
Total operating expenses	-80.1	-80.1	-320.9	-507.3
Losses on loans	-157.5	-155.3	-526.7	-292.1
Profit/(loss) before tax	58.2	50.6	206.4	1.6
Tax expenses	-14.6	-15.6	-54.5	-0.6
Profit/(loss) after tax	43.7	35.1	151.9	0.9
Earnings per share (NOK)	0.17	0.13	0.62	-0.07

Net interest margin* (%)



Earnings per share (NOK)

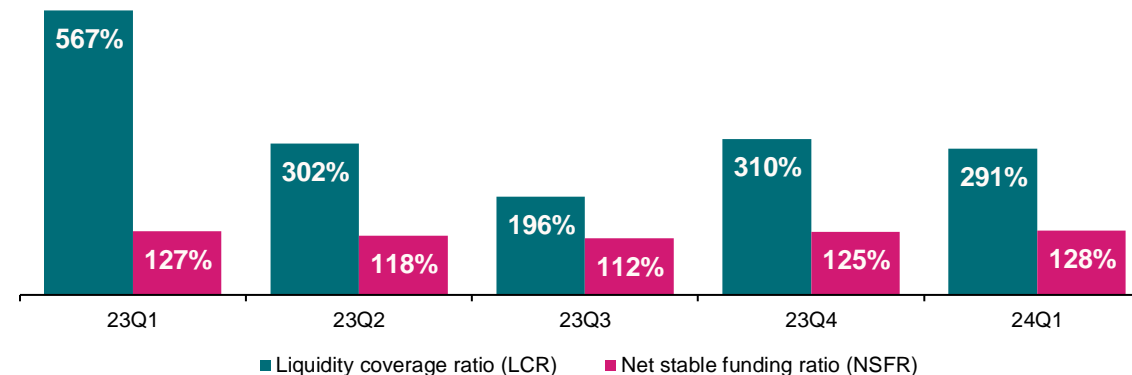


* Net interest margin (NIM) = 4 * (Net interest income / Average interest-bearing assets excl. certificates and bonds).

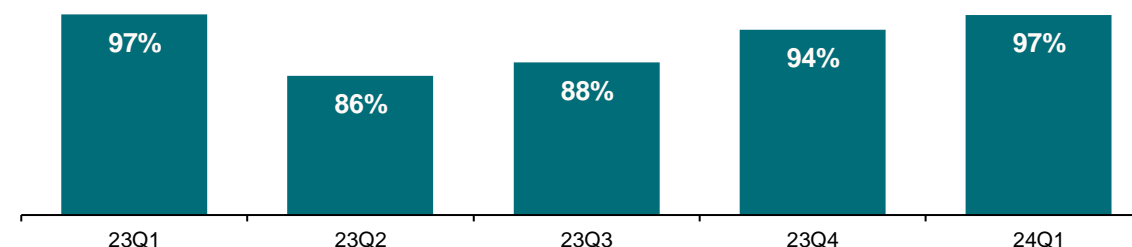
Balance sheet

<i>Amounts in MNOK</i>	31 Mar 2024	31 Dec. 2023	31 Dec 2022
Assets			
Loans and deposits with credit institutions	2,037.6	1,530.0	807.8
Net loans to customers	11,373.1	11,076.0	9,110.7
Certificates and bonds	944.2	926.1	1,453.5
Other intangible assets	68.3	66.9	45.3
Deferred tax assets	16.5	29.5	77.9
Fixed assets	20.5	22.0	3.5
Other receivables	41.1	14.7	29.2
Total assets	14,501.3	13,665.2	11,528.0
Equity and liabilities			
Deposits from and debt to customers	11,856.7	11,096.0	9,347.6
Other debt	161.8	125.3	162.1
Subordinated loans (Tier 2)	165.0	165.0	65.0
Total liabilities	12,183.5	11,386.3	9,574.8
Share capital	229.4	229.4	187.6
Share premium reserve	936.9	936.9	786.7
Other paid-in equity	56.5	56.5	56.4
Retained earnings	895.6	856.7	723.0
Additional Tier 1 capital	199.6	199.6	199.6
Total equity	2,317.9	2,278.9	1,953.3
Total equity and liabilities	14,501.3	13,665.2	11,528.0

Liquidity and funding



Deposit coverage* (%)



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

Management team – in place since 1Q22

Øyvind Oanes | CEO



Mr. Oanes joined Morrow Bank as CEO in October 2021. Prior to joining the bank he was a partner at Exton Consulting, a strategy consulting firm specializing in banking. Mr. Oanes has held the positions of Group CEO of 4finance, CEO of Swiss fintech company Numbrs and CEO of Raiffeisen's multi-country digital bank ZUNO. He was a Managing Director at Austria's Bawag Group and spent several years working for GE Capital. In addition, he has experience from various board positions in Austria, Switzerland and Norway, including Monobank and BRABank. Mr. Oanes holds a bachelor degree in business administration from BI Norwegian Business School and a master degree in marketing from the University of Paisley (UK).

Eirik Holtedahl | CFO



Mr. Holtedahl holds the position as CFO and Deputy CEO. Previous to this, he held the position as Director of Credit Cards. From June 2021 until Mr. Øyvind Oanes took over in October 2021, Mr. Holtedahl also held the position as the interim CEO. Previous positions include Co-Founder, CFO and Deputy CEO in Advanzia Bank, Luxembourg, Co-Founder and VP of Treasury in Bankia Bank ASA and Deputy Director General in the Norwegian Ministry of Finance. Mr. Holtedahl holds a Bachelor of Commerce, Economics and Accountancy from Concordia University (Canada) and an MSc. studies in Economics from the University of Oslo.

Martin Valland | CTO



Mr. Valland was appointed interim Chief Technology Officer in March 2022. Mr. Valland has a comprehensive background in the financial services industry. Previous experience includes co-founder and CTO of Monobank/BRABank and Chief Software Architect at Skandiabanken/Sbanken. He holds an MSc in Computer Science from NTNU.

Wilhelm Thomassen | COO



Mr. Thomassen served as Chief Compliance officer from May 2015 until May 2019, at which time he was made Director of Legal and HR. He also served as a board member from December 2012 to May 2015. Previous positions include Director Lean & Business Development at Statoil Fuel and Retail and Department Director of Cards at Santander Consumer Bank. Mr. Thomassen holds a master's degree in European Business from Royal Holloway University of London and an Executive MBA from the Norwegian School of Economics.

Annika Ramstedt | CCRO

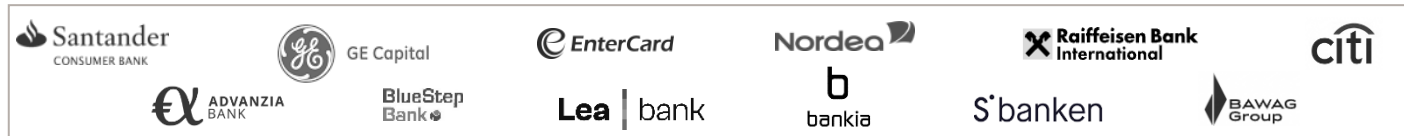


Ms. Ramstedt has been with Komplet Bank since early 2017. Before being appointed Director Credit Risk and Collections in June 2019, she worked for a period as Project Director followed by Director Loans Sweden & Finland. Ms. Ramstedt has an extensive background in the Consumer Finance sector in roles such as Head of Personal Loans in Bluestep and Head of Credit Risk Sweden at EnterCard. She holds a BA in Statistics from the University of Stockholm.

Tony Rogne | CCO



Mr. Rogne started in Morrow Bank in December 2023. Previous to this he was the Nordic Head of Consumer lending in Santander Consumer Bank. Mr. Rogne has an extensive background within the fields of Consumer loans, Credit cards, Sales Finance, Auto loans and deposits, as well as Sales and Marketing. Roles held in Santander Consumer bank includes, Sales & Marketing Director for Norway, Head of Product management and other commercial positions within Sales management. Mr. Rogne holds a Master of Marketing management from BI Norwegian Business School.



Board of Directors



Stig Eide Sivertsen | Chair of the board

Mr. Sivertsen has served as independent board member in Morrow Bank ASA since the general meeting of 2018. He was appointed Chair of the Board in August 2019. He has broad operational experience from technology, media and finance as well as extensive experience as a board member of listed companies. Sivertsen served as CFO in Schibsted and PGS, was the founder and CEO of Nettavisen and group CEO of Telenor Broadcast Holding AS, in addition to group CEO in Opplysningen (1881) AS. He holds a BA (Hons) Econ and an MSc. from University of Durham (UK) and supplementary Law degree from the University of Bergen.



Bodil Palma Hollingsæter | Vice chair of the board

Ms. Hollingsæter has been Vice Chair of the Bank since April 2015 and has served on the board since March 2014. Bodil holds several board positions, and has an extensive banking background on an executive level from positions such as Director at Innovation Norway, Regional General Manager at Sparebanken Møre and Bank Manager at Romsdals Fellesbank. She also has also prior board experience from companies including Eksportfinans, Kommunekreditt and Kommunalbanken. She holds an MSc. in Business and Economics and an AFA (CEFA equiv.) from the Norwegian School of Economics.



Anna-Karin Østlie | Board member

Ms. Østlie has broad experience from both the financial and the technology sector. She has served as CEO of Mastercard Payment Services Norway and was part of the management team that sold Nets account to account business to Mastercard in 2019. Her experience includes executive positions in DNB Wealth Management and EY in the Nordics and in London. She has boardroom experience from IT companies Kantega, ShiftX and Norsk Pensjon as well as Advisory Board positions with NCE Finance Innovation and Askeladden & Co. Anna-Karin holds a Master of Science degree in Industrial Engineering and Management from the University of Linköping in Sweden and supplementary executive education from IMD in Lausanne, Switzerland and Stanford University in Palo Alto, United States.



Thomas Bjørnstad | Board member

Board member since April 2022. Thomas is CFO in Aera, the payments and ID technology firm founded by tier 1 retailers Coop and NorgesGruppen. Thomas has worked within the financial services, technology, and payment industries for two decades both as a trusted advisor to many companies as managing partner and partner in PA Consulting Group and in executive positions in Nets. Thomas holds a MSc. (Siviløkonom) from the Norwegian School of Economics (NHH).



Kristian Huseby | Board member

Mr. Huseby is an Investment Director at Kistefos AS, where he has been working since 2014. He has broad experience as an active owner representative and board member in industries from banking & finance, to software, shipping and aquaculture. Prior to Kistefos, he worked for Deloitte Financial Advisory. Mr. Huseby holds a Master of Science in Financial Economics from the Norwegian School of Economics and Business Administration and a Bachelor of Science in Economics and Business Administration from the Norwegian School of Economics.



Henning Fagerbakke | Board member

Mr. Fagerbakke started at the Bank in 2017 as Finance Manager. From 2019 he was the CFO of the Bank and held that position until January 2022. Currently, he works as the Head of Finance and serve as employee elected board member. Prior to his tenure at the Bank, he worked several years as an auditor at KPMG, Finance manager within the Telenor group, and as a Business controller at Gresvig. He holds a Master in Accounting and Auditing from NHH.



Iril Renshus | Board member

Employee elected board member since April 2024. Ms. Renshus has been employed in Morrow Bank since September 2023 as Technical Product Manager. She has an extensive background within product management in software development. Before joining the bank, Ms. Renshus worked as a product manager for purchase to pay products in the Mercell Group. She holds an MSc in Computer Science from NTNU.

Shareholder overview

Largest 20 shareholders

#	Shareholder	Shares (thousand)	%
1	Kistefos AS	47,787	31.97
2	UBS AG	19,716	13.19
3	Alfab Holding AS	11,045	7.39
4	The Bank of New York Mellon SA/NV	7,933	5.31
5	Skandinaviska Enskilda Banken AB	7,800	5.22
6	DNB Bank ASA	7,611	5.09
7	The Bank of New York Mellon SA/NV	5,800	3.88
8	Melesio Invest AS	4,762	3.19
9	As Audley	4,346	2.91
10	OM Holding AS	4,209	2.82
11	Stiftelsen Kistefos	4,000	2.68
12	Directmarketing Invest AS	3,715	2.49
13	Hans Eiendom AS	3,175	2.12
14	The Bank of New York Mellon SA/NV	3,146	2.10
15	Christiania Skibs AS	3,101	2.07
16	Obligasjon 2 AS	2,540	1.70
17	Belair AS	2,464	1.65
18	Khaya AS	2,174	1.45
19	Hjellegjerde invest AS	2,157	1.44
20	Skandinaviska Enskilda Banken AB	2,000	1.34
Sum top 20		149,480	

Management and members of the Board of Directors

Role	Name	Shares (thousand)	Share options (thousand)	Warrants (thousand)
CFO	Eirik Holtedahl	2,463	44	800
COO	Wilhelm B. Thomassen	2,108	227	800
CEO	Øyvind Oanes	403	-	1,250
CCRO	Annika Ramstedt	171	284	800
CCO	Tony Rogne	-	-	800
CTO (interim)	Martin Valland	136	-	800
Members of the Board of Directors		1,891	45	-
Total		7,173	600	5,250

Updated as of 14 June 2024.

The logo for MORROW is rendered in a bold, white, sans-serif font. The letters are thick and blocky, with a slight shadow effect that makes them appear to float above a dark blue background. The word 'MORROW' is written in all caps. The background of the entire image is a smooth gradient, transitioning from a bright yellow at the top to a deep blue at the bottom.

MORROW

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