Sparebanken Møre

Annual report 2024

Our people make the difference

The world remains a turbulent place. The news are full of stories about uncertainty and instability in Europe and the Middle East throughout 2024. The change of president in the US at the start of 2025 has also complicated the picture and made headlines around the world.

The political outlook and prospects of a potential trade war have resulted in speculation and concerns about how the global economy will develop and how the market in Norway will be affected. No matter where crises in confidence arise, whether it's between great powers, ethnic groups, partners or individual people, finding a way out can be challenging. One important tool is knowledge and the ability to listen and talk to each other, even if the situation is complicated or difficult. This is universal.

Free and independent - but a partner to many

If we focus on Norway and banking, 2024 was a year of many changes. Sparebanken Møre is one of the few banks not part of an alliance. Last year more banks joined forces and more merger agreements were

"One important tool is knowledge and the ability to listen and talk to each other, even if the situation is complicated or difficult. This is universal.

signed. These changes have resulted in us moving up to sixth place on the list of Norway's largest savings banks. Although our strategy involves not joining an alliance but remaining independent, we have many partners with whom we collaborate on products and services. We balance our interests and find forms of collaboration that benefit our customers, owners and the local communities of which we are a part.

Relational banking

As a regional bank, Menon Economic's report from November 2024 was an interesting read. It confirms that savings banks play a crucial role in providing businesses with access to capital, especially outside cities. The report shows that savings banks provide slightly higher loans for companies than other banks, and also that this lending practice does not increase risk or result in poorer profitability for the bank.

Our closeness to local businesses and communities affords us valuable insights, and according to the report, this is one important reason why savings banks provide more credit in rural areas. "Close" is one of Sparebanken Møre's core values and herein lies part of the savings banks' DNA and the key to what Menon

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Economics calls relational banking. It is about understanding how the global economy affects regional business and seeing the ripple effects this has for local housing development and family income. Being close and having robust relationships allows more leeway for good discussions and finding solutions. In good times and in bad times.

Increased market share

In 2024, we passed the milestone of NOK 100 billion in total assets, and in the second quarter, lending growth in the retail market was close to NOK 1.5 billion. This is the highest quarterly growth in the bank's history. The investment in local branches and advisers close to the customers is producing good results, and in 2024 we increased our market share in the retail market to more than 26 per cent. 2023 was a record year for us in the corporate market in terms of the number of new and active customers. It is gratifying to see that we continued to see almost the same level in 2024. In the past 5 years, growth rates have been significantly higher than in previous years, and while an increasing number of customers are using our self-service digital solutions, our dedicated and knowledgeable advisers are our front line. The fact that customers voted us into first place in the banking industry's national Customer Service Award in 2024 for the sixth year in a row motivates us. We are building a strong team in Team Møre.

Close to the business sector in Nordvestlandet

Activity levels in the business sector in Nordvestlandet were high in 2024. Export-oriented companies and tourism, in particular, developed positively due to the weak Norwegian krone. The shipyard industry also saw a high level of activity, as did the offshore industry in which almost all vessels are on contracts with good rates. A report from Nofima shows that in 2023 Møre og Romsdal is leading the way in terms of value creation in the fisheries industry nationwide and is, according to the report, in a class of its own compared with the rest of the coast. The fisheries industry is a cyclical industry and, in 2024, quota reductions, higher costs and less access to personnel affected profitability. Throughout history, experienced, dynamic professionals in the business sector in Nordvestlandet have lived with fluctuations in the market, and they have the capacity and drive to adapt to them. The bank's expertise in industry has also been built up over a long period of time with specialists who have followed it closely and who contribute to partnerships that are valuable and predictable for all parties.

> *Throughout history, experienced, dynamic professionals in the business sector in Nordvestlandet have lived with fluctuations in the market, and they have the capacity and drive to adapt to them.*

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The sustainability engine

Today, sustainability is an engine of innovation and an integral element of what we do and the decisions we make. We are facing a changing world and any business that fails to adapt will eventually lose competitiveness. In this year's EPSI banking survey, customers voted us the best on sustainability for the fourth year in a row. According to EPSI, the bank retained its position because it manages to tailor its approach to the topic to the different customer segments. Many businesses find sustainability work challenging. As a financial institution, we want to ensure that our customers are aware of developments and prepared for the demands of the future so they can act accordingly. Nordvestlandet has one of the country's most energy-intensive business sectors, and if we are to successfully meet future needs, we need to take the right steps that will, for example, reduce both energy consumption and provide space for development. One project that gets people engaged is GrønnArena Møre, a 3-year programme that will result in more energy-efficient commercial buildings for participants. In 2025, the programme will be expanded to even more parts of our market area.

Expectations of interest rate cuts and greater purchasing power

According to Statistics Norway's (SSB) living conditions survey, Nordvestlandet is in good shape given the circumstances, and looking forward to 2025, the outlook for our region is positive. While large cities such as Oslo and Stavanger have seen high housing prices and increasing rents, figures from Statistics Norway show that residents of Møre og Romsdal have among the lowest living costs in the country. The fact that Møre og Romsdal's unemployment rate is lower than the national average is also positive for household finances. Given the expectations of a number of cuts to interest rates and real wage growth in 2025, household purchasing power should increase, including for households in Nordvestlandet.

Locally engaged

In 2024, NOK 376 million of our profit was allocated to gifts for the public good. Of this, NOK 150 million was transferred to the newly established savings banks foundation Sparebankstiftelsen Sparebanken Møre, and the rest was distributed as dividend funds for the local community. The bank has more than 300 collaboration agreements with teams and organisations. In 2024, we signed more than 50 new agreements that will provide predictability for marching bands across the county. In the autumn, the "Culture Venues" campaign also enabled more than 100 cultural venues, large and small, to realise technical and physical upgrades. We work with Newton Room, Forskerfabrikken, First Lego League, Young Entrepreneurship and in practical partnerships between business and academia to stimulate the interest of children, young people and students in science, innovation and entrepreneurship. One of the highlights of last year was "Dale Oen Inspire 2024" which brought together 11,000 children and teenagers at Europe's largest research and technology conference for young people. The message from the stage was that dreaming is important, making mistakes is natural and resilience is a product of numerous struggles. Good attitudes that we should apply to our own lives as well.

Agile digital solutions

In the future, banking will need to adapt to lower interest income, and we are focused on efficient operations and profitable growth. Our region is known for innovation and cost-effectiveness, and we will continue to use our flair for simplification and improvement. The engine behind this work is our people and their ability to innovate and take the initiative, as well as their commitment to continuous improvement. They are the most important resource when it comes to leveraging existing and new digital technologies, and using AI for practical everyday tasks. We are constantly hunting for agile solutions that provide value to customers every day, freeing up time to be good advisers. Satisfied customers provide the basis for growth, and that is how we will retain existing customers and win new ones.

And in the middle of all this are the ones who will make a difference – our people.

Trond Lars Nydal
CEO

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Sparebanken Møre – Annual report 2024

Part 1: Operations

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2024 – Highlights

Profit 2024

1086

NOK million

New employees

35

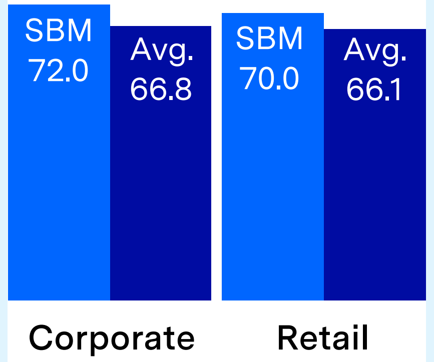
A total of 439 employees (Group)

The foundation Sparebank-stiftelsen Sparebanken Møre

Established in November 2024. Is a long-term and stable owner who helps to continue the savings bank traditions, and ensure their continuation and a well-rooted regional savings bank offering in Møre og Romsdal.

Customer satisfaction

Highly satisfied corporate and retail customers.*



*EPSI - Bank Survey 2024

Return on Equity

13.7 %

CET1 capital ratio

17.2 %

Market leader in Northwest Norway

Eco-Lighthouse

All our offices are certified

Miljøfyrtårn

Total assets have exceeded

100

NOK BN

Growth in lending above the national market growth

Growth in deposits: 4.5 %

Growth in lending: 6.5 %

Community engagement

376

NOK million

gifts for the public good

2500

Applications for support

300

Collaboration with teams and organisations

For the fourth year in a row, Sparebanken Møre tops EPSI Norway's sustainability index

'Maintains its position as the bank with the highest rating from customers, both in the private and corporate markets. This shows that the bank is able to meet customers' expectations and at the same time highlight its sustainability responsibility." *quotation EPSI*

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Key Figures Group

Income statement (Amounts in % of Average assets)

	2024		2023		2022		2021		2020	
	NOK million	%	NOK million	%	NOK million	%	NOK million	%	NOK million	%
Net interest income	2 071	2.08	1 900	2.02	1 517	1.78	1 266	1.57	1 227	1.57
Net commission and other operating income	287	0.29	250	0.26	246	0.29	218	0.27	206	0.27
Net return from financial investments	43	0.04	45	0.05	-7	-0.01	43	0.05	74	0.09
Total income	2 401	2.41	2 195	2.33	1 756	2.06	1 527	1.89	1 507	1.93
Total operating expenses	955	0.96	859	0.91	747	0.87	645	0.80	624	0.80
Profit before impairment on loans	1 446	1.45	1 336	1.42	1 009	1.19	882	1.09	883	1.13
Impairment on loans. guarantees etc.	20	0.02	-53	-0.06	-4	0.00	49	0.06	149	0.19
Pre-tax profit	1 426	1.43	1 389	1.48	1 013	1.19	833	1.03	734	0.94
Taxes	340	0.34	334	0.35	236	0.28	191	0.24	167	0.21
Profit after tax	1 086	1.09	1 055	1.13	777	0.91	642	0.79	567	0.73

Balance sheet

(NOK million)	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Total assets	102 335	96 735	89 501	82 797	79 486
Average assets	99 776	94 095	85 436	80 941	78 450
Loans to and receivables from customers	86 875	81 572	76 078	69 925	66 850
Gross loans to retail customers	57 872	53 795	50 818	47 557	45 592
Gross loans to corporate and public entities	29 255	28 039	25 575	22 697	21 534
Deposits from customers	49 550	47 410	43 881	41 853	39 023
Deposits from retail customers	30 149	29 226	26 344	24 667	23 366
Deposits from corporate and public entities	19 401	18 184	17 537	17 186	15 657
Lending growth as a percentage 3)	6.5	7.2	8.8	4.6	4.4
Deposit growth as a percentage 3)	4.5	8.0	4.8	7.3	6.0

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Key figures

	2024	2023	2022	2021	2020
Return on equity 1) 3)	13,7	14,0	10,9	9,5	8,6
Cost income ratio 3)	39,8	39,2	42,5	42,2	41,4
Losses as a percentage of loans as of 1.1. 3)	0,02	-0,07	-0,01	0,07	0,23
Gross credit-impaired commitments as a percentage of loans/guarantees	0,58	0,51	1,44	1,52	1,53
Net credit-impaired commitments as a percentage of loans/guarantees	0,45	0,39	1,19	1,16	1,22
Deposit-to-loan ratio 3)	56,9	57,9	57,4	59,6	58,1
Liquidity Coverage Ratio (LCR)	167	174	185	122	138
NSFR (Net Stable Funding Ratio)	122	124	123		
Capital adequacy ratio	21,1	22,2	22,1	20,9	20,8
Tier 1 capital ratio (T1)	19,0	20,0	19,7	18,9	18,7
Common Equity Tier 1 capital (CET1)	17,2	18,2	17,9	17,2	17,0
Leverage Ratio (LR)	7,4	7,5	7,6	7,7	7,7
Man-years	402	400	374	364	346
Equity Certificates (ECs):					
Profit per EC (Group) (NOK) 2)	9,95	10,12	7,50	31,10	27,10
Profit per EC (parent bank) (NOK) 2)	9,55	10,34	8,48	30,98	26,83
Dividend per EC (NOK) 4)	6,25	7,50	4,00	16,00	13,50
EC-fraction 1.1. as a percentage (parent bank)	49,1	49,7	49,7	49,7	49,6
Price at Oslo Stock Exchange (NOK)	97,0	84,0	84,4	444	296
Book value per EC, in NOK (Group figure, incl. proposed dividend)	81,5	80,7	74,8	350	332
Price/Book value (P/B) (Group) 3)	1,19	1,04	1,13	1,27	0,89

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

2) Calculated using the EC-holder's share of the period's profit to be allocated to equity owners

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

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

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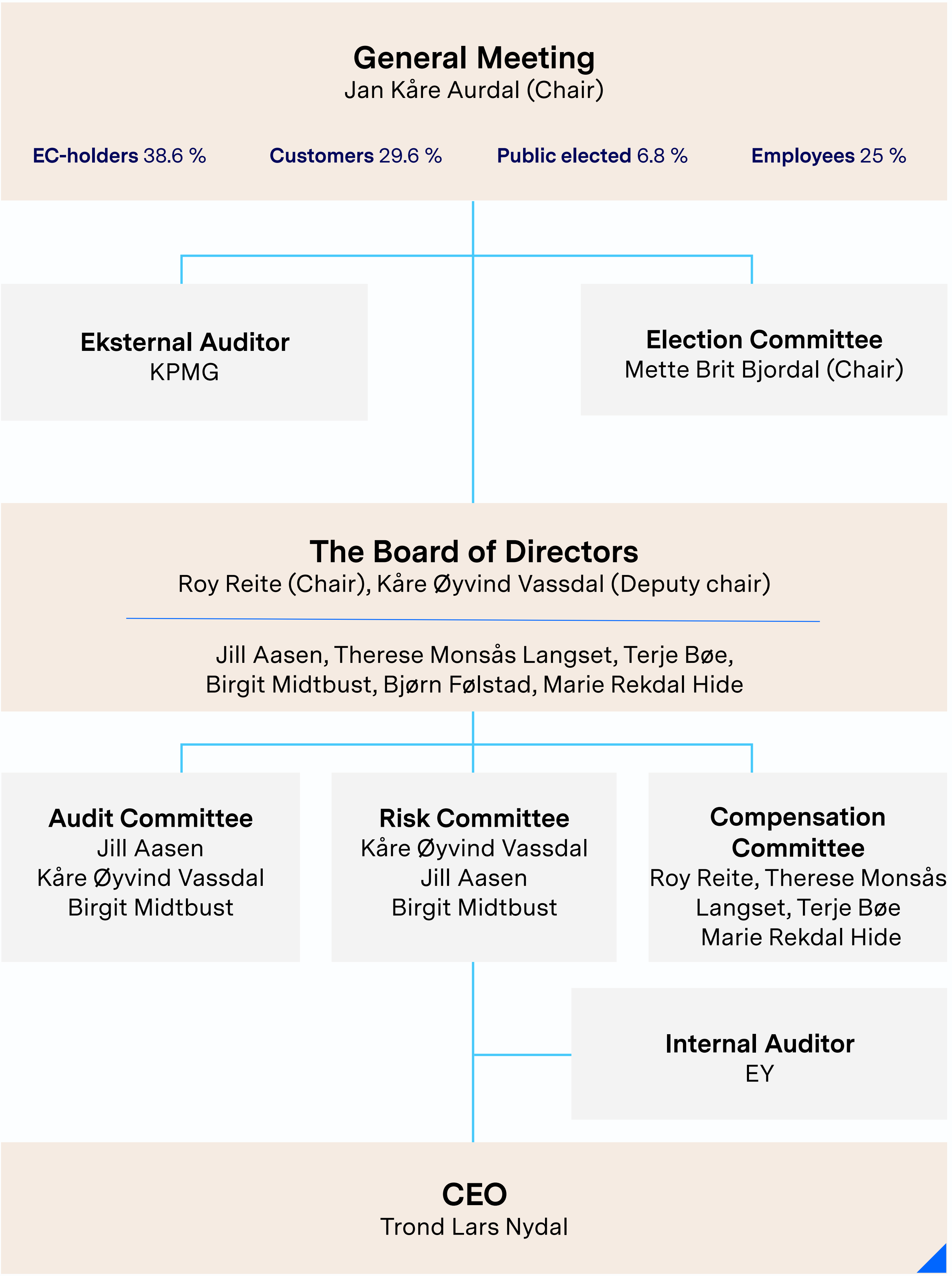
Organisation and management

Sparebanken Møre's General Meeting is the bank's supreme body. The General Meeting's main duties involve approving the financial statements, as well as electing members to the bank's Board of Directors.

The General Meeting has 44 members and 14 deputy members. It is composed of four groups with the following distribution:

- 13 members and four deputy members are elected by and from among the bank's customers
- 17 members and four deputy members shall be elected by the equity certificate holders.
- 11 members and four deputy members are elected by and from among the employees
- Three members and two deputy members are elected by the General Meeting to represent the social function

The Board of Directors in Sparebanken Møre consists of eight members and two deputy members. Two of the members and the two deputy members are elected from among the employees. See the organisation chart.



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The Board of Directors

Kåre Øyvind Vassdal, Marie Rekdal Hide, Therese Monsås Langset, Roy Reite, Birgit Midtbust, Bjørn Følstad, Jill Aasen and Terje Bøe

Roy Reite

Chair | ECs: 17 610

Roy Reite (1965) has experience as a CEO of SalMar Aker Ocean AS. He has also experience from the seafood company Fjordlaks AS from 2019-2022, and was for 20 years a key manager at Aker Yards AS and the CEO of what is now the shipyard group Vard Group AS. Reite graduated as a chartered engineer from the Norwegian University of Science and Technology (NTNU) in Trondheim. Reite took over the post of Chair of the Board at Sparebanken Møre in April 2023. He was the Deputy Chair of the Board of Sparebanken Møre from 2008-2019 and before that a board member for several years. Reite is also chair of the board of subsidiaries of the SalMar Aker Ocean Group and a board member of Gaia Salmon Holding AS. He lives in Ålesund Municipality and attended 11 out of 11 ordinary board meetings and 12 out of 12 extraordinary board meetings in 2024. Reite is independent of executive employees, significant business associates and the largest equity certificate holders.

Kåre Øyvind Vassdal

Deputy Chair | ECs: 0

Kåre Øyvind Vassdal (1981) is the CEO of Brunvoll. He has previous experience as the CFO of the same group and has also held various positions in the Vard Group. Vassdal graduated in business economics (Siviløkonom) from the Norwegian School of Management BI Sandvika and also holds a Master of Technology Management from the Norwegian University of Science and Technology (NTNU)/ Cambridge. He has board experience from Vard Promar SA and sits on the boards of a number of companies in the Brunvoll Group. Vassdal lives in Aukra Municipality and attended 11 out of 11 ordinary board meetings and 10 out of 12 extraordinary board meetings in 2024. Vassdal is independent of executive employees, significant business associates and the largest equity certificate holders.

Jill Aasen

Board member | ECs: 0

Jill Aasen (1971) is the CFO of Ulstein Marine Technology AS. She is a qualified accountant from Molde University College, and has previously worked as Finance Manager at Jets Vacuum AS, CFO/CFO at Havila AS, auditor at BDO in Ulsteinvik and as controller at Tussa Kraft AS. Aasen has board experience from Havila Shipping ASA, is a board member of Ervik & Sævik AS, and has several voluntary positions in sports and culture. She has been a deputy member of the Board of Sparebanken Møre since 2014 and a board member since 2018. Aasen lives in Herøy Municipality and attended 11 out of 11 ordinary board meetings and 11 out of 12 extraordinary board meetings in 2024. Aasen is independent of executive employees, significant business associates and the largest equity certificate holders.

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Therese Monsås Langset
Board member | ECs: 0

Therese Monsås Langset (1980) is Chief Our People and Operational Excellence Officer in Axess Group. Langset works on strategy and organisational development in Axess AS, and has board experience from, among others, Axess, Reser AS and iKuben. Langset holds a Master of Science in product development and production and has taken further courses in maintenance and risk management. She has been a board member of Sparebanken Møre since 2021. Langset lives in Molde Municipality and attended 11 out of 11 ordinary board meetings and 11 out of 12 extraordinary board meetings in 2024. Langset is independent of executive employees, significant business associates and the largest equity certificate holders.

Terje Bøe
Board member | EKB: 0

Terje Bøe (1969) is the CEO of A/S Spilka Industri. Bøe has experience as the CEO of Bomek AS from 2015-2020 and held various management positions in Saferoad AS from 2008-2015. Bøe graduated in mechanical engineering and business management. He has board experience from, among others, Spilka Building Solutions AS, H-Gruppen AS, several foreign subsidiaries of the Saferoad Group and NHO Møre og Romsdal and has been a board member of Sparebanken Møre since April 2023. Bøe lives in Ålesund Municipality and attended 11 out of 11 ordinary board meetings and 12 out of 12 extraordinary board meetings in 2024. Bøe is independent of executive employees, significant business associates and the largest equity certificate holders.

Birgit Midtbust
Board member | ECs: 0

Birgit Midtbust (1982) is a senior lawyer at the law firm Advokatfirmaet Schjødt AS. Midtbust works with mergers and acquisitions, capital markets and corporate law. She also has experience in loan financing, especially financing for vessels for both banks and shipping companies. Midtbust also has previous board experience from, among others, Otello Corporation ASA and has been a board member of Sparebanken Møre since April 2023. She is graduated from the Faculty of Law at the University of Bergen. Midtbust lives in Ålesund Municipality and attended 11 out of 11 ordinary board meetings and 12 out of 12 extraordinary board meetings in 2024. Midtbust is independent of executive employees, significant business associates and the largest equity certificate holders.

Marie Rekdal Hide
Board member | ECs: 3 822

Marie Rekdal Hide (1985) is the chief employee representative in Sparebanken Møre. She joined Sparebanken Møre in 2007 and has experience from both the Retail Banking Division and the Corporate Banking Division. Hide has a Master of Business Administration from Edinburgh Business School. She has been a board member of Sparebanken Møre since 2017 and lives in Sula Municipality. Hide attended 11 out of 11 ordinary board meetings and 12 out of 12 extraordinary board meetings in 2024.

Bjørn Følstad
Board member | ECs: 528

Bjørn Følstad (1960) works in Sparebanken Møre as an authorised financial adviser for the Retail Banking Division in Molde. He has qualifications in technical banking subjects and graduated from BI Norwegian Business School, Banking and Finance in 2006. Følstad has worked for Sparebanken Møre since 2005 and has long experience from the retail market. He is an employee representative and a safety representative. Følstad has been a board member of Sparebanken Møre since 2022 and lives in Molde Municipality. He attended 11 out of 11 ordinary board meetings and 11 out of 12 extraordinary board meetings in 2024.

Number of equity certificates (ECs) in Sparebanken Møre per 31.12.24, including ECs owned by immediate family and companies in which the person has decisive influence (cf. section 7-26 of the Norwegian Accounting Act)

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Executive Management

The Executive Management by 31 December 2024 had seven members: the CEO, CFO, EVP Corporate Banking Division, EVP Retail Banking Division and three heads of units. The EVP of the Wealth Management is not a member of the Executive Management but does report directly to the CEO like other heads of divisions and units.

The Retail Banking Division consists of 27 local departments of which 26 are located in Nordvestlandet and one in Oslo. The departments are headed by Senior Vice Presidents (SVPs) who report to the EVP of the division.

The Corporate Banking Division consists of the departments Corporate Banking Sunnmøre, Corporate Banking Romsdal, Corporate Banking Nordmøre and Corporate Banking Søre Sunnmøre. Corporate Banking Sunnmøre is in turn organised into five different industry groups (Real Estate and Developers, Trade and Service, Industry and Energy, Seafood and Maritime). The heads of these units report to the head of division.

Trond Lars Nydal
Born: 1970 | ECs: 43 163

CEO since 2017. Joined Sparebanken Møre in 1997. Nydal has held several senior positions in the bank and has been a member of the bank's executive management since 2003. He sites on the boards of Vipps Holding AS, BankID BankAxept AS and is a member of the Industry Board Bank and Capital Market (Finance Norway). Education: Business School Graduate from NHH.

CEO
Trond Lars Nydal

- **Finance** – John Arne Winsnes
- **Retail Banking Division** – Elisabeth Blomvik
- **Risk Management and Compliance** – Erik Røkke
- **Corporate Banking Division** – Terje Krøvel
- **Business Development** – Ove Skjeret
- **Wealt Management** – Trond Moldskred
- **Organisation and Group Support** – Kjetil Hauge

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Terje Krøvel

Born: 1959 | ECs: 30 250

EVP, Head of Corporate Banking Division since 2017. Joined Sparebanken Møre in 1983. He has had senior positions within various industry groups in the bank and has also been the regional bank manager, corporate banking, for the Ålesund and Sula region. He has been a member of the bank's executive management since 2001. Education: Economics and administration from Møre og Romsdal Distriktshøyskole (1983).

Erik Røkke

Born: 1969 | ECs: 36 608

EVP, Head of Risk Management and Compliance since 2017. Joined Sparebanken Møre in 2012. Former head of Credit and Legal in the bank, auditor at PWC (1994-2001) and bank manager in Ørskog Sparebank (2001-2012). Education: Business School Graduate from NHH (1994) and State Authorised Auditor.

Elisabeth Blomvik

Born: 1978 | ECs: 8 289

EVP, Head of Retail Banking Division since 2017. Joined Sparebanken Møre in 2017. She has previous experience from several management positions in Nordea (2001-2017), most recently as head of department of Nordea Ålesund. Education: Master in Management from BI Oslo and has participated and mentored in various management development programmes.

Number of equity certificates (ECs) in Sparebanken Møre per 31.12.24, including ECs owned by immediate family and companies in which the person has decisive influence (cf. section 7-26 of the Norwegian Accounting Act)

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John Arne Winsnes
Born: 1970 | ECs: 1 070

CFO since 2021. Joined Sparebanken Møre in 2021. He has previous experience as the CFO of Olympic Subsea ASA, the CEO of SpareBank 1 Søre Sunnmøre and various senior roles in Aker Yards ASA, ABB Financial Services and GE Capital. Education: He graduated in business economics from the University of Mannheim, Germany (1999).

Ove Skjeret
Born: 1971 | ECs: 3 795

EVP, Head of Business Development. Employed by Sparebanken Møre in 2002-2008 and again from 2012 onwards. He has previously been the head of Business Support, head of the Digital Customer Channels, head of Strategic Marketing and head of Marketing. Education: A Business School Graduate from NHH (1999) and Executive Master of Technology Management from NTNU, NHH and the University of Cambridge (2022).

Kjetil Hauge
Born: 1972 | ECs: 13 925

EVP, Head of Organisation and Group Support. Joined Sparebanken Møre in 1998. Former head of Organisational Development, head of Information and Compliance and regional bank manager, as well as the bank manager for Møre Academy and managing director of Møre Boligkreditt AS. Education: Business School Graduate from NHH (1995).

Number of equity certificates (ECs) in Sparebanken Møre per 31.12.24, including ECs owned by immediate family and companies in which the person has decisive influence (cf. section 7-26 of the Norwegian Accounting Act)

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Subsidaries

Sparebanken Møre Group consists of the parent bank and four wholly owned subsidiaries: Møre Boligkreditt AS, Møre Eiendomsmegling AS, Sparebankeiendom AS and Storgata 41-45 Molde AS. The latter two are real estate companies that owns and manages the bank's own commercial properties.

Møre Boligkreditt AS

A wholly owned subsidiary of Sparebanken Møre.

The company's purpose is to acquire mortgages from Sparebanken Møre and finance these through the issuing of covered bonds. Covered bonds are among the most actively traded private bonds on the Oslo Stock Exchange, and is, next to government bonds, considered to be one of the safest securities in the Norwegian market. Møre Boligkreditt AS is Sparebanken Møre's primary source of long-term funding, and the company has issued covered bonds in both NOK, as well as EUR. Covered bonds issued by Møre Boligkreditt AS are listed on Regulated Markets. Managing Director of Møre Boligkreditt AS is Ole Andre Kjerstad.

Key Figures 2024 – numbers in NOK million

35 746
Net loan to customers

169
Profit after tax

283
Net interest income

31 503
Debt Securities issued (covered bonds)

Møre Eiendomsmegling AS

The company was established in 1992 and acquired by Sparebanken Møre in 2005.

Møre Eiendomsmegling's market name is Møremegling.

The company provide real estate brokerage services in the purchase and sale of homes, leisure homes, project brokering and business brokering.

They are among the largest and most experienced broker communities in Møre and Romsdal and have 24 employees and offices in Ålesund, Ulsteinvik and Molde. The company traded 689 properties in 2024. Managing Director is Trine Ulla.

Key Figures 2024 – numbers in NOK million

48.5
Turnover

-0.43
Profit after tax

10.8
Equity

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Corporate governance

In the following, Sparebanken Møre provides an account of the institution's corporate governance principles and practices in relation to section 2-9 of the Norwegian Accounting Act and section 4.4 of Oslo Børs's Rule Book II.

1. Implementation and reporting on corporate governance

Sparebanken Møre complies with the Norwegian Code of Practice for Corporate Governance of 14 October 2021 ("Code of Practice") where this is applicable to savings banks that have issued equity certificates. The Code of Practice is available on www.nues.no.

The Code of Practice is primarily designed for companies with shares listed on a regulated market in Norway. It also applies, wherever appropriate, to savings banks with listed equity certificates. The Financial Institutions Act contains regulations for savings banks that have issued equity certificates. In some cases these deviate from the provisions of the Public Limited Liability Companies Act. This means that some sections of the Code of Practice are not completely appropriate. An account is provided below of how Sparebanken Møre has aligned itself in relation to each point in the Code of Practice. Where the Code of Practice has not been followed, the reason why is explained. Nevertheless, no material deviations between the Code of Practice and Sparebanken Møre's compliance with it exist.

As a financial institution, Sparebanken Møre is subject to a number of rules and recommendations designed to ensure good corporate governance, including the European Banking Authority's Guidelines on Internal Governance (GL 05/2021). An overview of the regulations is available from Module for internal governance (in Norwegian only) – Finanstilsynet.no. The bank's Board of Directors revises a number of policies on an annual basis to ensure good corporate governance, including policies for internal corporate governance.

Deviations from the Code of Practice: None

2. Business

Sparebanken Møre was formed on 1 April 1985 by the merger of a number of banks in Møre og Romsdal. In subsequent years more banks in Møre og Romsdal have joined Sparebanken Møre. The banking history of the merged savings banks can be traced back to 1843.

Sparebanken Møre's articles of association specify the types of business that may be conducted. The objective of Sparebanken Møre is to perform transactions and services that are normal or natural for a savings bank to perform, and that comply with the applicable legislative framework and licences that have been granted. This includes Sparebanken Møre performing investment services and associated services in accordance with the provisions of the Norwegian Securities Trading Act. The complete text of its articles of association can be found on Sparebanken Møre's website.

The Group is a full-service provider of financial products and services within the areas of financing, deposits and other forms of investments, payment transfers, financial advisory services, asset management, insurance, and real estate brokerage.

The Board of Sparebanken Møre ensures that the Group carries out a comprehensive strategy process every year that defines its objectives, strategies and risk profile. The current strategic plan, "Møre 2028", was approved by the Board in December 2024.

The Board has also adopted a series of different strategies and governing documents that are designed to provide a basis for good and effective internal risk management. The documents are based on risk exposure. They also provide guidelines for internal governance that includes general management and control of the risk areas to which Sparebanken Møre is exposed. ESG factors have been incorporated into the documents to ensure that sustainability considerations are closely integrated into the bank's operations and value creation.

The Board has adopted an overarching sustainability strategy for Sparebanken Møre that is intended to provide a basis for both strategic decisions and ongoing operational work. The Group also supports initiatives and principles that entail commitments to adapt the business strategy to the UN Sustainable

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Development Goals and Paris Agreement. Please refer to the dedicated chapter in the annual report for a further description of Sparebanken Møre's fulfilment of its corporate social responsibility.

The goals and strategies comply with the framework laid down by the business provision of Sparebanken Møre's articles of association.

The Board of Sparebanken Møre has adopted 'Guidelines for equality, diversity and anti-discrimination'. These guidelines apply to all employees and are designed to help the bank be proactive with respect to equality, diversity and anti-discrimination within its own operations, as well as in respect of customers, suppliers and partners. Sparebanken Møre has, for example, a target of having at least 40 per cent of each gender at all levels of the bank. The annual report includes a specific section containing information on the guidelines for equality, diversity and non-discrimination, the status of gender equality and the work for equality and against discrimination.

The composition of the Board satisfies the requirements of the Public Limited Liability Companies Act concerning the representation of both genders on the Board. Each gender is represented on the Board of Sparebanken Møre with 50 per cent. The articles of association stipulate that the Board shall be composed of a diverse group of people. Further information about the composition of the Board is provided in section 8 below.

Sparebanken Møre wants to be the first choice for retail customers in Nordvestlandet and an attractive bank for everyone across Norway. For corporate customers in Nordvestlandet, Sparebanken Møre wants to be the first choice for small and medium-sized enterprises, and an attractive partner for larger enterprises.

It will endeavour to maintain a healthy financial structure and financial strength and achieve good profitability.

Its financial performance targets are presented in Sparebanken Møre's annual report and Sparebanken Møre's Pillar 3 document, which are available from the bank's website. During the year, the market and other stakeholders receive information concerning the bank's strategic objectives and performance in relation to these objectives in stock exchange notices and accounts presentations.

Deviations from the Code of Practice: None

3. Equity and dividends

Sparebanken Møre's equity and its composition are based on the applicable regulatory requirements at any given time. The main factors for the bank will be the Group's size, operations and risk, Møre og Romsdal's internationally-oriented industry and commerce, a stable market for long-term funding when required, and the goals set out in the bank's long-term strategy document.

In its annual evaluation of its management and control systems, which includes capital adequacy assessments (known as ICAAP), the Board focuses heavily on ensuring that its primary capital is suited to the Group's goals, strategies, risk profiles and regulatory requirements. The bank's capital situation is continuously monitored throughout the year via internal calculations and reporting.

Sparebanken Møre has a long-term target for Common Equity Tier 1 capital (CET1), which as a minimum must amount to the sum of the Pillar 1 and Pillar 2 requirements plus the capital requirement margin.

Its capital adequacy at the end of 2024 exceeded the regulatory and internal minimum requirements for capital. Primary capital was 22.2 per cent, Tier 1 capital 20.0 per cent and CET1 18.2 per cent.

Sparebanken Møre's dividend policy has been published and made available on Sparebanken Møre's website. The dividend policy is as follows:

"The aim of Sparebanken Møre is to achieve financial results which provide a good and stable return on the bank's equity capital. The results should ensure that the owners of the equity receive a competitive long-term return in the form of cash dividends and capital appreciation on their equity.

Dividends consist of cash dividends for equity certificate holders and dividend funds for local communities. The proportion of profits allocated to dividends is in line with the bank's capital strength. Unless the bank's capital strength dictates otherwise, it is expected that about 50 per cent of the year's surplus can be distributed as dividends.

Sparebanken Møre's allocation of earnings shall ensure that all equity certificate holders are guaranteed equal treatment."

The General Meeting can authorise the Board to increase capital for specific purposes. On 3 April 2024, the General Meeting authorised the Board to increase equity certificate capital by up to NOK 98,869,500 if the situation warrants it. The authorisation is valid until the Annual General Meeting in 2025, although for no longer than 31 March 2025. The authorisation had not been exercised at the end of the year since there had been no need to do so.

Based on a board authorisation to acquire treasury equity certificates granted by the General Meeting on 3 April 2024, on 16 April 2024 Sparebanken Møre applied to the Financial Supervisory Authority for approval of the authorisation. In a response from the Financial Supervisory Authority dated 16 August 2024, Sparebanken Møre was granted permission to use the authorisation to acquire treasury equity certificates for a total amount of up to NOK 78,400,000. The authorisation was valid from 16 August 2024 to 31 December

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2024 and contributed to a 0.2-percentage point deduction in the bank's CET1 capital in the same period.

Based on a board authorisation from the general meeting on 21 November 2024 to acquire treasury equity certificates, on 7 January 2025 Sparebanken Møre applied to the Financial Supervisory Authority for approval of the authorisation. Sparebanken Møre received a response to this application on 25 February 2025. New permission to acquire own equity certificates has been granted for a total amount of up to NOK 42,041,931.

Deviations from the Code of Practice: None

4. Equal treatment of equity certificate holders

All equity certificate holders shall be treated equally and have the same opportunity to influence the bank.

All equity certificates have the same voting rights.

Equity certificate holders shall have preferential rights when the equity share capital is increased, unless special circumstances indicate that these should be waived. Such waivers must be justified, and the justification published as a stock exchange notice in connection with the capital increase.

In connection with the establishment of Sparebankstiftelsen Sparebanken Møre, the equity certificate capital stipulated in the articles of association was increased by NOK 7,215,000 on 4 December 2024 by converting primary capital to equity certificate capital. The subscription price per equity certificate was NOK 72.07, which corresponds to the book equity per equity certificate as at 31 December 2023, less funds proposed allocated to dividends and gifts. After a deduction for costs, NOK 18,315,813.50 was added to the share premium reserve. The equity certificates issued at the time of conversion were transferred to Sparebankstiftelsen Sparebanken Møre.

Based on Sparebanken Møre's practice related to the distribution of gifts, the Financial Supervisory Authority of Norway has instructed the bank to make a correction in connection with the annual report and financial statements for 2024. The effect of the instruction entails a transfer from profit for the year to primary capital of NOK 132.4 million. This results in an increase in CET1 capital of about 0.32 percentage points and a reduction in the ownership fraction of almost 0.9 percentage points.

On 3 April 2024, the General Meeting authorised the Board to increase equity certificate capital by up to NOK 98,869,500 if the situation warrants it. The authorisation is valid until the Annual General Meeting in 2025, although for no longer than 31 March 2025. The authorisation had not been exercised at the end of the year since there had been no need to do so. The authorisation contains a provision stating that the equity certificate holders' pre-emptive rights can be waived. Nevertheless, should it become relevant to exercise the authorisation, special grounds for waiving the pre-emptive rights must exist at the relevant time. The justification must be published as a stock exchange notice in connection with the capital increase.

Sparebanken Møre's transactions involving its own equity certificates take place via the stock exchange. Equity certificates are bought back at the current market price.

To ensure equity certificate holders greater influence in decisions concerning the equity certificate capital, the articles of association were amended to state that specified matters of significance for the equity certificate capital cannot be approved by the General Meeting without the agreement of a two-thirds majority of the votes of the general meeting members elected by equity certificate holders. An indication of which matters this concerns is provided in the articles of association, which are available on Sparebanken Møre's website.

Deviations from the Code of Practice: None

5. Equity certificates and negotiabilit

Sparebanken Møre's has issued equity certificates that are listed on the Oslo Børs with the ticker MORG. The equity certificates are freely negotiable. Sparebanken Møre's articles of association contain no restrictions on negotiability.

Upon acquisition of a qualifying holding in a financial institution (10 per cent or more of the capital), the special rules regarding authorisation from the Financial Supervisory Authority of Norway apply, ref. the Financial Institutions Act, chapter 6.

Deviations from the Code of Practice: None, with the exception of the special rules that follow from the Norwegian Financial Institutions Act regarding the acquisition of qualifying holdings in financial institutions.

6. General meeting

The equity in savings banks that have issued equity certificates consists of equity certificate capital and primary capital, which includes retained earnings in the two classes of capital. The primary capital is own funds. Therefore, other requirements apply with regard to the composition of the General Meeting than those that apply with regard to public limited companies. The requirements are set out in the Norwegian Financial Institutions Act, chapter 8. Sparebanken Møre complies with the statutory requirements. Therefore, point 6 of the Code of Practice does not fully apply to savings banks.

Sparebanken Møre's supreme body is the General Meeting. When composing the General Meeting, emphasis must be given to ensuring that the elected members in aggregate reflect the financial institution's customer structure and other stakeholder groups, as well as its societal role, ref. section 8-2(1) of the

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Financial Institutions Act. The equity certificate holders' right to representation us regulated by section 10-11 of the Financial Institutions Act.

Sparebanken Møre's General Meeting has 44 members and 14 deputy members, of which: 17 members and four deputy members are elected by equity certificate holders; 13 members and four deputy members are elected by and from amongst the bank's customers; 11 members and four deputy members are elected by and from amongst the employees; and three members and two deputy members are elected by the General Meeting to represent local communities. The requirements for the composition of the General Meeting are set out in Sparebanken Møre's articles of association. An overview of the elected members is available on Sparebanken Møre's website.

The members of the General Meeting are personally elected and cannot be represented by proxy. Elected deputy members attend in the event of absences.

Invitations to meetings of the General Meeting are sent out 21 days before the meeting in question. The invitation and supporting documents are published on Sparebanken Møre's website at the same time. The documents are also published on Newsweb Oslo Børs.

A member of the General Meeting can ask for the documents to be sent to them.

The supporting documents should be sufficiently accurate and comprehensive to enable members of the General Meeting to determine which matters should be considered.

The Chair of the Board, CEO and auditor have a duty to attend the General Meeting. Provisions have been included in the Instructions for the Board specifying that board members ought to attend the General Meeting. The members of the Nomination Committee are members of the general Meeting and attend meetings of the General Meeting.

The General Meeting shall elect a chair and deputy chair from among the members of the General Meeting not employed by Sparebanken Møre. General Meetings shall be chaired by the chair, or the deputy chair in the event of the chair's absence.

Elections of equity certificate holders as members of the General Meeting take place at an annual election meeting. All known equity certificate owners are invited to the meeting, and have the right to submit proposals, speak and vote. There is also an option to vote via a proxy.

Elections of the customers as members of the General Meeting take place at an annual election meeting. According to further provisions in the articles of association, customers who have, and have had for the last 6 months, deposits in the savings bank of at least NOK 2,500 can participate in the election.

Deviations from the Code of Practice: Point 6 of the Code of Practice does not fully apply to savings banks that have issued equity certificates.

7. Nomination committee

Sparebanken Møre's articles of association include provisions concerning nomination committees. The General Meeting has established instructions for the General Meeting's Nomination Committee.

The General Meeting's Nomination Committee is elected by the General Meeting. The Chair of the General Meeting's Nomination Committee is elected by the General Meeting in a specific election. The General Meeting determines the Nomination Committee's remuneration.

The General Meeting's Nomination Committee is in contact with the Chair of the Board, the board members and the CEO in its work on proposing candidates for the Board. The Nomination Committee receives the Board's evaluation of its own work.

The General Meeting's Nomination Committee consists of six members elected from among the members of the General Meeting. The Nomination Committee has representatives from all the interest groups represented at the General Meeting, and its composition reflects the composition of the General Meeting, see section 6 above. There is an extra emphasis on ensuring reasonable representation with respect to gender, background, geography and age.

The nomination committees are independent of the Board of Directors and Group Management. Neither board members nor members of group management are members of the committee. Members of nomination committees are elected for 2 years at a time, and no one may serve for more than 6 consecutive years.

The General Meeting's Nomination Committee shall make recommendations to the General Meeting concerning the election of the General Meeting's members and deputy members who will represent its societal role, the Chair and Deputy Chair of the General Meeting, the Chair, Deputy Chair and other members of the Board of Directors and the Chair and members of the General Meeting's Nomination Committee. The Nomination Committee also proposes remuneration rates for the aforementioned employee representatives, and for the chairs and other members of other nomination committees.

The reasons for the Nomination Committee's recommendations must be stated.

Equity certificate holders elect their own nomination committee, which is responsible for preparing the equity certificate holders' election of members of the General Meeting. This committee has three members. Customer-elected members of the General Meeting elect their own nomination committee, which is responsible for preparing the customers' elections of members of the General Meeting. This committee has four members.

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An overview of the members of the various nomination committees can be found on Sparebanken Møre's website.

Deviations from the Code of Practice: None

8. Board of directors: composition and independence

The Board of Directors consists of eight members. Six of the members are elected by the General Meeting. Two of the members, along with two deputy members, are elected from among the employees.

The Board of Directors shall be composed of a diverse group of people. When electing board members, an assessment must be made of the member's suitability for the position. The Board of Directors' overall competence must also be assessed. Factors assessed in suitability assessments include qualifications, capacity, independence, suitability/reputation, diversity and the Board's ability to function as a collegial body. The legislation sets requirements for the documentation of suitability assessments of board members of financial institutions. Suitability assessments are reported to the Financial Supervisory Authority of Norway. The composition of the Board satisfies the requirements of the Public Limited Liability Companies Act concerning the representation of both genders on the Board. Each gender is represented on the Board with 50 per cent.

The majority of board members must be independent of executive persons, important business associates and the largest owners of equity certificates. No executive persons are members of the Board.

The Chair and Deputy Chair of the Board are elected by the General Meeting through specific elections.

The articles of association stipulate that board members are elected for 2 years. Of the elected members, four come up for re-election in one year, and four members come up for re-election during the following year. Members who are up for election can be re-elected. The articles of association stipulate that an elected member of the Board cannot hold their position for a continuous period of more than 12 years, or for more than 20 years in total.

The annual report contains information about who the board members are, the competence of the board members, how many equity certificates each member owns, their participation in board meetings and other matters.

Deviations from the Code of Practice: None

9. The work of the board of directors

The Board bears overall responsibility for management of the institution and for supervising the day-to-day management team and the institution's activities.

The Board has established instructions for the Board and day-to-day management that clearly set out the internal division of responsibilities and duties.

The instructions for the Board contain rules concerning the Board's work and procedures, including which matters the Board should deal with, the CEO's duties and obligations with respect to the Board and rules for convening meetings and meeting procedures.

The Board prepares an annual plan for its work that covers duties stipulated in Acts, Regulations, government decisions, the articles of association and resolutions of the General Meeting.

The Board sets out Sparebanken Møre's overall long-term financial targets. These are set forth in the Group's strategy document. The document is revised annually in a joint process involving the Board and Group Management. In this way, the Board ensures Sparebanken Møre is managed in such a way that the overall agreed targets are met.

The Board stays informed of Sparebanken Møre's financial position and performance through its approval of quarterly and annual reports and monthly reviews of financial position and performance.

The Board must ensure that the activities are subject to satisfactory control and that the Group's capital situation is prudent given the scope of the activities and their associated risk.

The Board's responsibilities related to the reviewing and reporting of risk management and internal control are described in section 10 below.

The Norwegian Financial Institutions Acts established stricter rules regarding conflicts of interest than those that follow from the Public Limited Companies Act. The Board has in the instructions for the Board set guidelines concerning impartiality that are stricter in relation to some points than the statutory requirements.

The instructions for the Board state how the Board and the day-to-day management team shall treat agreements with close associates. The board members and Group Management are also subject to the institution's guidelines for identifying and handling conflicts of interest.

The Board ensures that board members and executive persons disclose to the bank of any material interests they may have in matters that will be considered by the Board.

The annual financial statements contain further information about transactions between close associates.

Should material transactions take place between Sparebanken Møre and equity certificates holders, board members, executive persons or close associates

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of these, the Board shall ensure that a valuation is obtained from an independent third party, except for matters that have been discussed and voted on by the General Meeting.

An independent valuation must also be obtained in the event of transactions between institutions in the same group where there are minority shareholders. Sparebanken Møre's subsidiaries were, as at 31 December 2024, all wholly owned by Sparebanken Møre.

When considering important matters in which the Chair of the Board is, or has been, actively engaged, the Board's consideration shall be chaired by the Board's Deputy Chair or another board member.

The Board elects an audit committee, a risk committee and a remuneration committee. The committees' members are elected by and from among the members of the Board. The Audit Committee and the Risk Committee have three members, all of which are independent of the institution. The Remuneration Committee has four members, one of which is an employee-elected member. All committee members are independent of executive persons.

The Board has adopted instructions for board committees describing the committees' duties and procedures.

The Remuneration Committee is discussed in more detail in point 12 below.

Each year, the Board evaluates its own work and professional competence to see if improvements can be made.

Deviations from the Code of Practice: None

10. Risk management and internal control

Sparebanken Møre uses a comprehensive risk management process as the basis for its internal control. In order to carry out comprehensive risk management within Sparebanken Møre, the global internal control standard COSO model is used.

The Board has adopted guidelines for internal governance. The document covers the principles, policies, roles, tools, methods and processes associated with approving goals, strategies and managing risks. For example, it specifies that, as a general rule, each manager in the Group must ensure that they possess adequate knowledge of all material risks within their area of responsibility, such that the risk can be managed in a financially and administratively prudent manner.

The "Instructions for the Board of Directors of Sparebank Møre" defines the Board's role and the importance, form, content and implementation of the Board's work. This also includes risk management via both its management function and its supervisory function. Separate instructions have also been prepared for the Group's Audit Committee and Risk Committee, along with separate instructions for the Remuneration Committee.

The Board shall ensure that risk management and internal control processes within Sparebanken Møre are adequate and systematic, and that these processes have been established in compliance with laws and regulations, articles of association, instructions and external and internal guidelines. The Board establishes principles and guidelines for risk management and internal control for the various levels of activity pursuant to the risk bearing capacity of the bank and the Group, and make sure that the strategies and guidelines are being communicated to the employees. The Board shall systematically and regularly assess strategies and guidelines for risk management. Furthermore, the Board shall monitor and periodically assess the effectiveness of the Group's overall management and control, including taking into account internal and external influencing factors. The latter point especially applies in the case of changes in economic cycles and macroeconomic general conditions.

To ensure that Sparebanken Møre's risk management and internal control processes are carried out satisfactorily, the Board receives various types of reports on an ongoing basis throughout the year from Sparebanken Møre's control bodies, including the risk management function and compliance function, as well as internal and external auditors. The Board actively participates in the annual ICAAP, Recovery Plan and Crisis Management Framework via the implementation of these in the long-term strategic plan. The Board revises and approves all the bank's general risk management documents at least once a year. Every year, the CEO reports on the structure and efficiency of the Group's internal control.

The bank is organised into three lines of defence that contribute to the management and control of the Group's activities and a satisfactory division of responsibilities between the institution's business areas. This is intended to prevent conflicts of interest and ensure compliance with the applicable recommendations for the organisation of financial institutions.

The lines of defence report directly to Group Management and/or the Board. Appropriate internal control procedures, mechanisms and processes must be designed, developed, maintained and evaluated within all three lines of defence.

Both the Board's annual report and the annual financial statements otherwise contain further information about Sparebanken Møre's risk management and internal control.

Deviations from the Code of Practice: None

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11. Remuneration of the board of directors

The remuneration of board members and the Board's committees shall be determined by the General Meeting based the recommendations of the Nomination Committee. In determining the remuneration, there must be an emphasis on ensuring that the remuneration reflects the Board's responsibilities, expertise, time spent and the complexity of the business.

The board members' remuneration is not performance-related. Options are not issued to board members.

Provisions have been included in the instructions for the Board that state that board members, or companies to which they are connected, should not undertake any tasks for Sparebanken Møre in addition to their position on the Board. However, if they do, the entire Board must be informed. Fees for such services must be approved by the Board.

If remuneration has been paid in addition to the ordinary board fee, such remuneration will be specified in notes in the annual report.

Deviations from the Code of Practice: None

12. Salary and other remuneration of executive persons

The Board revises the guidelines for the salaries and remuneration of executive persons every year. The guidelines are presented to General Meeting for approval in line with the provisions of the Norwegian Public Limited Companies Act.

The Board's report on executive pay is presented to the General Meeting each year for an advisory vote.

Special rules apply to remuneration schemes in financial institutions. These are set out in the Norwegian Financial Institutions Act's chapter 15.

The Board has elected a Remuneration Committee from amongst the board members.

Salaries and other remuneration in Sparebanken Møre should contribute to the Group achieving its targets and should encourage appropriate conduct. Furthermore, salaries and other remuneration should act as a means of good management and control in relation to the Group's risk, should discourage unwanted risk-taking and should contribute to the avoidance of conflicts of interest.

The implementation of the remuneration scheme must be reviewed at least once a year by the internal auditor, who will submit a report on the review to the Board.

Sparebanken Møre has no established annual bonus scheme, although in years with good results and good target achievement the bank's Board will consider giving a bonus to all of the bank's employees, including executive persons, with the exception of the CEO. In 2024, the bank's employees (with the exception of the CEO) were paid a bonus for the financial year 2023. This amounted to a fixed sum of NOK 30,000 plus 1.5 per cent of the individual's gross salary.

In addition, each employee can receive a lump-sum supplement as recognition of an extraordinary contribution. As a general requirement, lump-sum remuneration of executive persons, employees with duties of material importance to the bank's risk exposure, and employees who perform control duties must be based on a combination of an assessment of the person concerned, the person's business unit and the bank as a whole. The starting point for determining variable lump-sum remuneration shall be the risk-based result.

For those executive persons and others mentioned above who are not in positions that are directly linked to result-generating units, greater emphasis is placed on achievement of the goals of the individual's department/section in established managerial agreements, as regards results in relation to changes in working methods and the achievement of personal and case results. These assessments are based on the results achieved and, where possible, Sparebanken Møre's total return on equity capital in the past 2 years.

In the case of executive persons and others who work in result-generated units, the financial key figures defined in Sparebanken Møre's balanced scorecard and the fulfilment thereof over the previous 2 years is given greater emphasis than in the case of persons who do not work in directly result-generating units. Attainment of the goals laid down for the individual and the department/unit in established management agreements over and above the financial figures in the balanced scorecard shall also be used for assessing these persons. The balanced scorecard contains various indicators which are directly related to risk-related results.

Ceilings have been set for both types of variable remuneration.

At least half of the general bonus paid to all employees is given in the form of Sparebanken Møre's equity certificates. The allocation is given from Sparebanken Møre's holdings of its own equity certificates corresponding to the market value at the time of settlement. The employee may not sell the equity certificates any earlier than 1 year after allocation (see below concerning specific rules for executive persons, etc.).

Executive persons, etc. shall receive at least half of their general bonus in the form of equity certificates. These equity certificates cannot be sold by the individual any earlier than evenly distributed over a period of at least 4 years.

Executive persons and others who receive variable remuneration shall receive at least half of it in the form of equity certificates. In the case of variable remuneration that is not subject to deferral arrangements in accordance with section 15-4 of the Financial Institutions Regulations, ref. section 15-5, the awarded equity

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certificates cannot be disposed of at a pace faster than equal amounts evenly distributed over a period of at least 4 years.

In the event of a negative trend in Sparebanken Møre's results, or in the specific results of the business unit of the employee, all or parts of the approved variable remuneration may be reclaimed over the following 4 years after receipt of the variable remuneration. Conduct that provides reasonable grounds for dismissal may also result in all or parts of approved variable remuneration being reclaimed.

Variable remuneration shall only be paid out if it is prudent in relation to the institution's overall financial position.

Executive persons, etc. shall not have agreements or insurance policies that provide security against the loss of performance-based remuneration.

Deviations from the Code of Practice: None

13. Information and communications

Sparebanken Møre complies with the IR recommendations issued by Oslo Børs Exchange on 1 March 2021.

The Board has established guidelines for reporting of financial and other investor information. The guidelines emphasise that correct, clear, relevant and real-time information about the Group's performance and results should engender confidence and fulfil the requirement for equal treatment of stakeholders in the securities market. The guidelines also cover the Group's contact with equity certificate holders outside the General Meeting.

An annual plan regarding which stakeholders to contact, and when and how, is drawn up each year.

Through its annual and interim reports, the bank seeks to achieve the required transparency regarding the most important factors relating to its development. This is done in order that all market participants may be able to form as correct a picture as possible of the bank's situation. The Group Management gives special presentations in connection with the publication of Sparebanken Møre's annual and interim results. The reports and presentations are made available to the market via Sparebanken Møre's website, including webcast presentations, and by publication on Oslo Børs.

English language versions of annual and quarterly reports, as well as quarterly presentations of the accounts, are produced. The bank's banking connections and investors abroad are kept informed on a regular basis, partly through outreach in which Sparebanken Møre's financial statements and development are among the topics discussed.

Information about the bank's equity certificates, dividend policy and financial calendar can be found on Sparebanken Møre's website.

Deviations from the Code of Practice: None

14. Take-overs

The equity in savings banks that have issued equity certificates consists of equity certificate capital and primary capital, which includes retained earnings in the two classes of capital.

Primary capital is own funds that cannot be taken over by others in the event of acquisition.

The Norwegian Financial Institutions Act requires permission from the Financial Supervisory Authority of Norway for acquisitions of stakes that represent 10 per cent of more of a financial institution's capital. The Act also requires permission from the Ministry of Finance for the merger of financial institutions, splitting up of financial institutions and disposal of all or material parts of a financial institution's business.

Deviations from the Code of Practice: Point 14 of the Code of Practice does not apply to savings banks that have issued equity certificates.

15. Auditor

The Audit Committee ensures that the auditor draws up a plan for the execution of the auditing work each year and that the auditor presents this plan to the Audit Committee.

The Board and the Audit Committee summon the auditor to attend meetings at which the financial statements are considered.

At such meetings, the auditor reviews key aspects of the audit, including material situations about which the auditor and the management have disagreed. The auditor's views on the bank's risk areas, internal control routines and accounting policies are also discussed. Besides this, the auditor will make the board members aware of any areas which would benefit from an improvement in overall quality levels, and present proposed improvements where they are required.

The Board's annual plan includes an annual meeting with the auditor which the bank's Group Management does not attend.

The Board has adopted guidelines for the general management's access to use the auditor for non-audit services.

Deviations from the Code of Practice: None

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Sparebanken Møre – Annual report 2024

Part 2: Statement and results

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Board of Directors' Report

The financial statements have been prepared in accordance with IFRS® accounting standards. Unless otherwise specified, figures refer to the Group. Figures in brackets refer to the corresponding period in 2023.

NATURE OF THE BUSINESS

Sparebanken Møre is an independent, listed financial services group, which consists of the parent bank, the mortgage company Møre Boligkreditt AS, the estate agency Møre Eiendomsmegling AS, and the property companies Sparebankeiendom AS and Storgata 41-45 Molde AS.

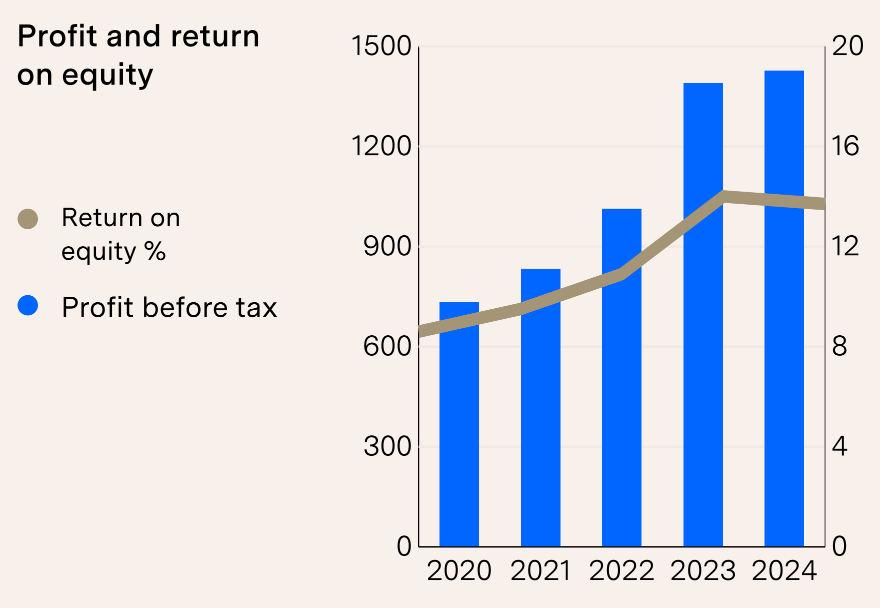
Sparebanken Møre was established in 1985 by the merger of a number of local savings banks. The oldest bank that was part of this merger was Herrøe og Røvde Sparebank, which was founded in 1843.

In the years since then, a strong local presence has been the very foundation of the bank's business, and today Sparebanken Møre is the leading financial services group in our market area, Nordvestlandet. At the end of 2024, the bank employed 402 full-time equivalents (FTEs) spread across 26 branches in Møre og Romsdal and one in Oslo. Its head office is in Ålesund.

Over many years, the bank has built up a large expert environment in relation to the retail and corporate markets, as well as the equity, interest rate and currency markets. Together with its subsidiary Møre Eiendomsmegling AS, Sparebanken Møre is a full-service bank for people, businesses and the public sector in Nordvestlandet.

Sparebanken Møre offers a full range of financial services within the following areas:

- Funding
- Deposits and other forms of investments
- Asset management
- Financial advisory services
- Money-transfer services
- Currency and interest rate business for customers
- Insurance
- Real estate brokerage



Key figures for 2024

Group's key figures

(Comparable figures for 2023 in brackets)

- Profit after tax: NOK 1,086 million (NOK 1,055 million)
- Return on equity after tax: 13.7 per cent (14.0 per cent)
- Lending growth in the past 12 months: 6.5 per cent (7.2 per cent)
- Deposit growth in the past 12 months: 4.5 per cent (8.0 per cent)
- Primary capital amounted to 21.1 per cent (22.2 per cent) and Tier 1 capital 19.0 per cent (20.0 per cent), of which CET1 capital amounted to 17.2 per cent (18.2 per cent).
- Earnings per equity certificate: NOK 9.95 (NOK 10.12)
- The Board of Directors recommends that the Annual General Meeting pays a cash dividend of NOK 6.25 per equity certificate and sets aside NOK 332 million for dividend funds for local communities.

Parent bank's key figures

- Profit after tax: NOK 1,045 million (NOK 1,077 million)
- Primary capital amounted to 23.3 per cent (24.5 per cent) and Tier 1 capital 21.0 per cent (22.0 per cent), of which CET1 capital amounted to 18.9 per cent (20.0 per cent).
- Earnings per equity certificate: NOK 9.55 (NOK 10.34)

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STRATEGY AND TARGETS

Vision and values

Sparebanken Møre's vision is to be the leading contributor to creative enthusiasm in Nordvestlandet. Every day.

Sparebanken Møre has strong ties to its local communities. The development of the bank depends on the sustainable development of Nordvestlandet, and the inhabitants and business sector depend on a financially strong, forward looking bank. The bank's vision reflects this interplay and means that we want to contribute to creating:

- good results and profit
- close relationships and positive customer experiences
- sustainable development
- new and relevant products
- forward-thinking collaboration
- strong teams on their way to the top
- commitment to and pride in Nordvestlandet

The Bank's core values are: close, committed and capable.

Business model

Sparebanken Møre shall be an independent bank and the preferred choice of retail customers and small and medium-sized enterprises in Nordvestlandet. The bank shall also be an attractive partner for larger companies and the public sector.

The savings bank model is based on a belief that communities are stronger than individuals. We share a common destiny with everyone who lives and runs a business here in Nordvestlandet, and our long-term goal is to strengthen future value creation and be a driving force behind the development of Nordvestlandet. The savings bank model allows the bank to contribute to regional development, including by awarding funds to good causes.

The Group's products and services shall, in total, be competitive, sustainable and profitable, and they shall contribute to value creation in the region. Sparebanken Møre bases its business on a contract banking model, which means that the Group can choose to operate and develop alone or together with partners/suppliers where appropriate. The Group wants to collaborate with the best partners.

Sparebanken Møre also wants to attract the best employees. Its corporate culture should be characterised by cooperation, learning, job enjoyment and motivation.Good attitudes and good professional banking should create value for both customers and the bank.

Through good interaction between the bank's branches, digital channels, specialist functions and customer service, the bank shall ensure that it provides a high-quality customer experience.

Financial objectives

Sparebanken Møres long-term financial targets for the strategy period 2025-2028 are a return on equity of more than 13 per cent and a cost income ratio of less than 40 per cent. The bank also aims to achieve a lower level of losses than the average for Norwegian banks.

Positive power for transition

As a regional savings bank, Sparebanken Møre has a unique opportunity to help ensure that our funds contribute to a sustainable transition for customers and the region of which we are a part. A number of measures were implemented in 2024 within the areas of the environment, social conditions and governance (ESG). These are described in more detail in the reporting on sustainability in the annual report.

KEY FRAMEWORK CONDITIONS

Lower interest rates and growth

International inflationary pressures continued to subside throughout 2024 and inflation rates approached their targets, which over time has allowed several of our trading partners to cut interest rates. Real wage growth and lower policy rates helped sustain trading partners' growth over the last year. Geopolitical uncertainty continues to colour the global economic outlook, where in addition to war, it is clear that the risk of more extensive trade barriers has increased after the US elections in November. Higher tariffs are likely to contribute to lower growth in both the exporting and importing countries. Despite this, global economic growth is expected to be slightly higher in 2025 than in 2024. The same is true for the prospects of growth in Norway.

A more detailed review of the framework conditions for the real economy is provided in the section "Future prospects" below.

Policy rate

Inflation in Norway remains somewhat above target, and Norges Bank chose to keep the policy rate unchanged at 4.50 per cent in its most recent monetary policy meeting on 18 December 2024. The interest rate has remained unchanged at this level since December 2023.

In connection with their interest rate decision, the governor of Norges Bank said: "The committee judges that a restrictive monetary policy is still needed to stabilise inflation around target, but that the time to begin easing monetary policy is soon approaching."

Norges Bank's prognosis presented in connection with its most recent monetary policy meeting in December 2024 indicates that the policy rate will be gradually reduced from the first quarter of this year. The central

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bank's interest rate path indicates a policy rate of 2.9 per cent by the end of 2027.

Financial markets performance

Deposits are the Group's most important source of funding. The deposit-to-loan ratio of 56.9 per cent as at 31 December 2024 is relatively high and helps both reduce Sparebanken Møre's dependence on the financial markets and protect net interest income during a period of changes in market rates. The deposit-to-loan ratio is within the bank's defined target corridor.

Norwegian banks have good access to market funding. Towards the end of 2023 and in early 2024, borrowing margins expanded slightly, while developments thereafter resulted in a new and quite marked contraction in margins, although this was more than reversed again in parts of the fourth quarter. The Group obtained funding from a range of sources in 2024. Møre Boligkreditt AS should be highlighted in particular. It convincingly issued its first Benchmark EUR 500 million premium covered bond in the third quarter, with significant and extensive investor interest.

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 comply at all times with a minimum requirement regarding the sum of its own funds and convertible debt (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, which applies from 1 January 2025, must be covered by own funds or debt instruments with a lower priority than ordinary, unsecured, non-prioritised debt (senior debt). 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 a letter dated 17 December 2024, the Financial Supervisory Authority set Sparebanken Møre's effective MREL requirement as at 1 January 2025 to 35.7 per cent and the minimum requirement for subordination at 28.7 per cent.

Sustainable finance

The EU's Sustainable Finance Action Plan consists of a number of regulations designed to divert the flow of capital to sustainable transition. The plan is an important piece of the puzzle in relation to the EU achieving its goal of limiting global warming to 1.5°C and achieving a zero-emission society, so-called "net zero", by 2050.

As part of the EU's action plan, a number of new directives and laws have been introduced, such as the EU Taxonomy, the EU Disclosure Regulation, the Corporate Sustainability Reporting Directive (CSRD), ESG requirements in capital adequacy regulations, assessments of ESG risk, the Norwegian Transparency Act and others.

Sparebanken Møre has initiated measures to adapt to these changes, and more information about the bank's work on sustainable finance can be found in the section on "Sustainability and corporate social responsibility" in the Board of Directors' Report.

RESULTS

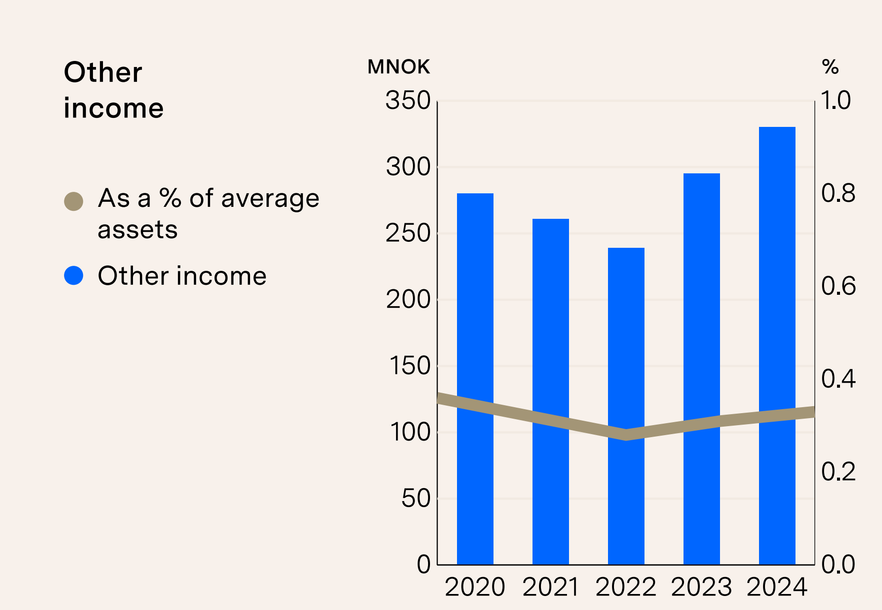
The annual financial statements have been prepared in accordance with the International Financial Reporting Standards, as established by the International Accounting Standards Board and approved by the EU as at 31 December 2024.

Net interest income

Net interest income totalled NOK 2,071 million (NOK 1,900 million) or 2.08 per cent (2.02 per cent) of average assets.

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

Other income



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Other income was NOK 330 million in 2024 (0.33 per cent of average assets). This is an increase of NOK 35 million compared with 2023.

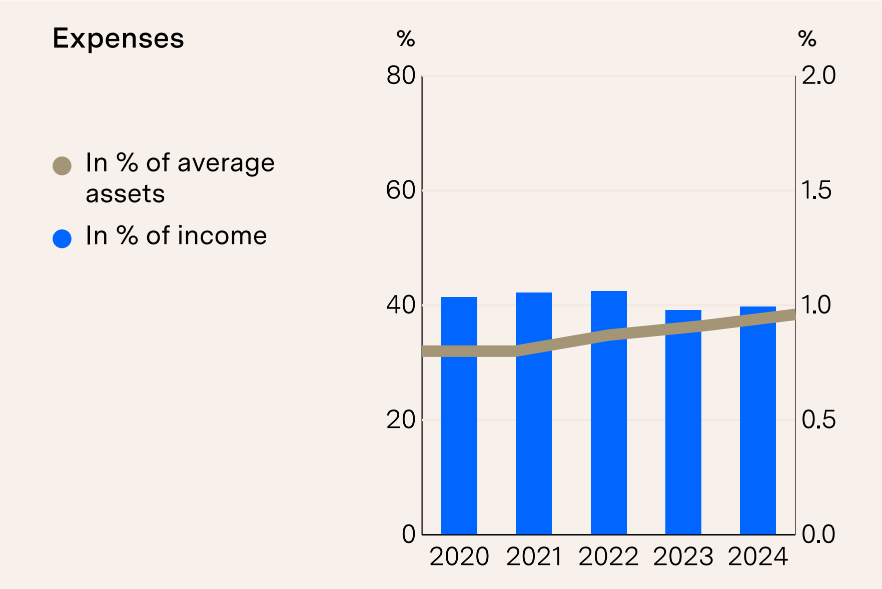
Dividends amounted to NOK 14 million, compared with NOK 1 million in 2023. Capital losses from bond holdings were NOK 8 million, compared with losses of NOK 2 million in 2023. Capital losses from equities amounted to NOK 9 million, compared with capital gains of NOK 10 million in 2023. Income from other financial instruments increased by NOK 10 million compared with 2023.

Other income, excluding financial instruments, increased by NOK 37 million compared with 2023.

See Note 16 for a specification of other income.

Expenses

Total expenses were NOK 955 million, which is NOK 96 million higher than in 2023. Personnel expenses increased by NOK 43 million compared with 2023 and were NOK 525 million. Staffing has increased by 2 FTEs in the past 12 months to 402 FTEs. Other operating expenses were NOK 53 million higher than in 2023. See Note 18 and Note 19 for a specification of expenses.



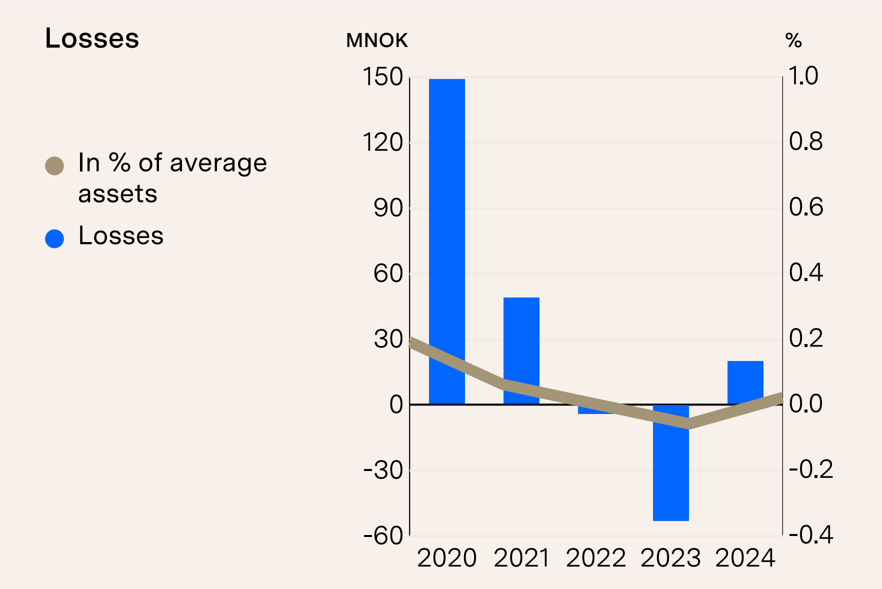
The cost income ratio for 2024 was 39.8 per cent, which represents an increase of 0.6 percentage points compared with 2023.

Provisions for expected credit losses and credit-impaired commitments

The accounts were charged NOK 20 million in losses on loans and guarantees in 2024, while the accounts for 2023 were credited with net receipts of NOK 53 million.

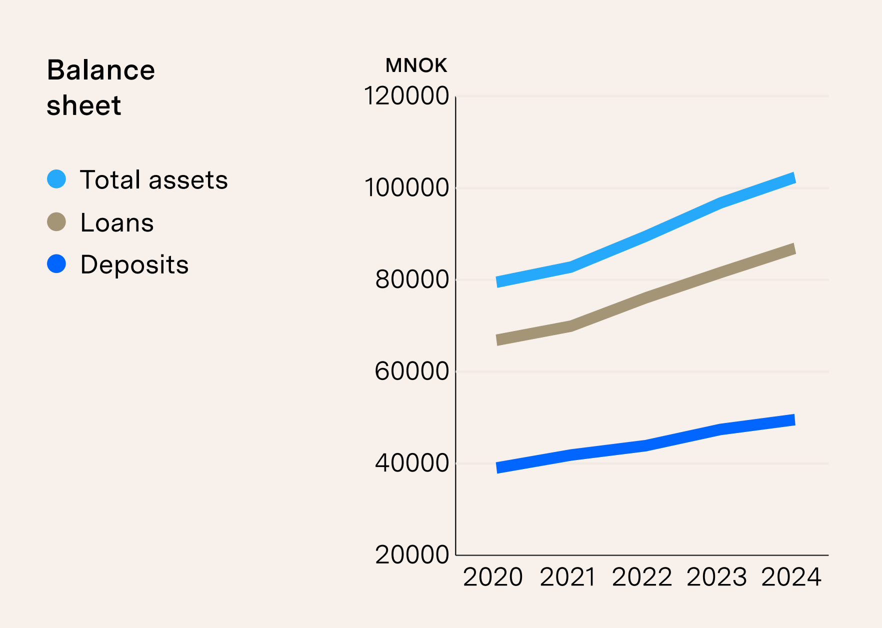
At the end of 2024, provisions for expected credit losses totalled NOK 263 million, equivalent to 0.30 per cent of gross loans and guarantee commitments (NOK 266 million and 0.32 per cent). Of the total provision for expected credit losses, NOK 40 million relates to credit-impaired commitments more than 90 days past due (NOK 26 million), which represents 0.05 per cent of gross loans and guarantee commitments (0.03 per cent), while NOK 76 million relates to other credit-impaired commitments (NOK 72 million), corresponding to 0.09 per cent of gross loans and guarantee commitments (0.09 per cent).

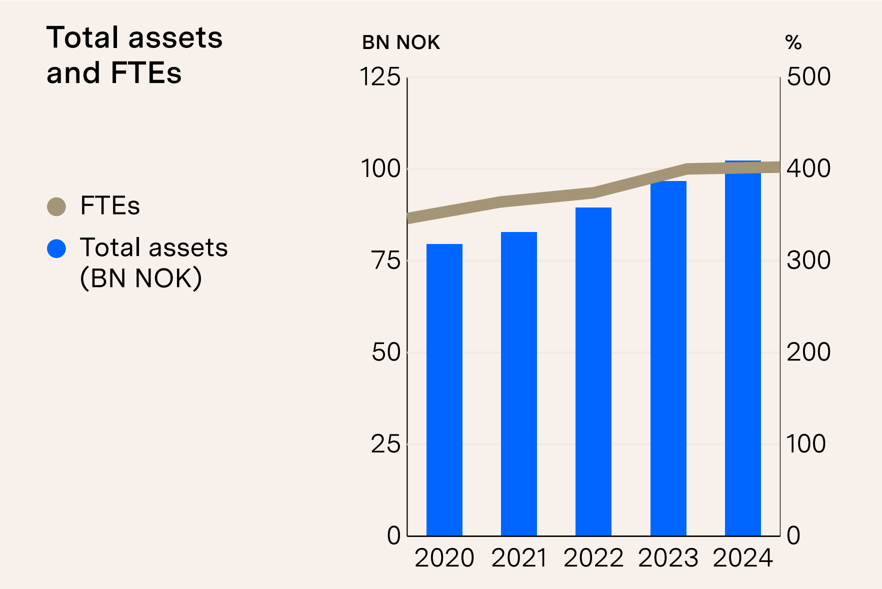
Net credit-impaired commitments (commitments more than 90 days past due and other credit-impaired commitments) have increased by NOK 68 million in the past 12 months. At year end 2024, the corporate market accounted for NOK 236 million of net credit-impaired commitments and the retail market NOK 159 million. In total, this represents 0.45 per cent of gross loans and guarantee commitments (0.39 per cent).



Total assets

At the end of 2024, total assets amounted to NOK 102,335 million. This represented a NOK 5,600 million or 5.8 per cent increase compared with last year. The change in total assets is primarily attributable to an increase in lending.





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Lending to customers

At the end of 2024, net lending to customers amounted to NOK 86,875 million (NOK 81,572 million). In the past 12 months, gross customer lending has increased by a total of NOK 5,294 million, equivalent to 6.5 per cent. Retail lending has increased by 7.6 per cent, while corporate lending has increased by 4.3 per cent in the last 12 months. Retail lending accounted for 66.4 per cent of lending at year end 2024 (65.7 per cent).

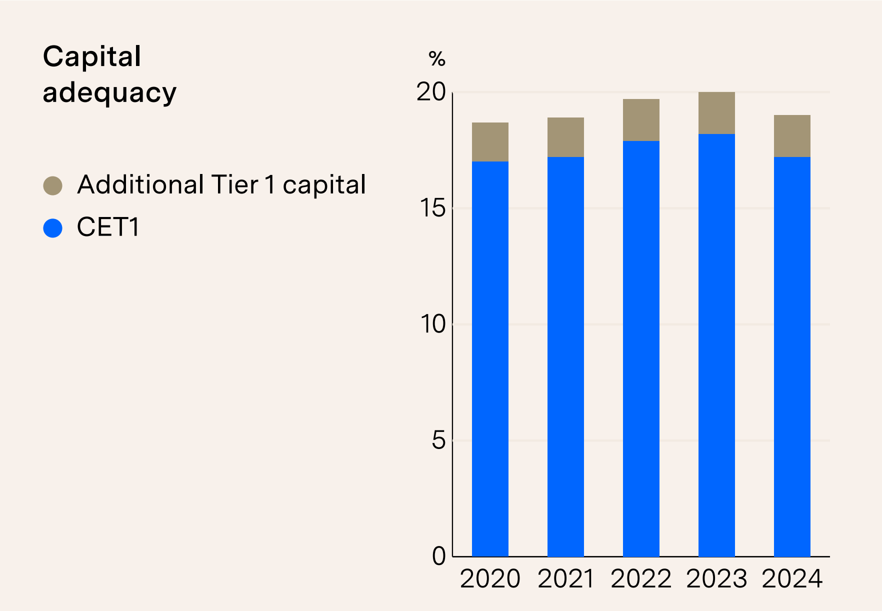
Customer deposits

Customer deposits have increased NOK 2,140 million, or 4.5 per cent, in the past 12 months. At year end 2024, deposits amounted to NOK 49,550 million (NOK 47,410 million). Retail deposits have increased by 3.2 per cent in the past 12 months, while corporate deposits and public sector deposits have increased by 6.7 per cent. The retail market's relative share of deposits amounted to 60.8 per cent (61.7 per cent), while deposits from the corporate market accounted for 39.2 per cent (38.3 per cent).

Capital adequacy

Sparebanken Møre is well capitalised. At the end of 2024, the CET1 capital ratio was 17.2 per cent (18.2 per cent). This is one 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. Primary capital was 21.1 per cent (22.2 per cent) and Tier 1 capital 19.0 per cent (20.0 per cent).

Sparebanken Møre has total target of a CET1 capital ratio of 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 Pilar 2 requirement for Sparebanken Møre has been set at 1.6 per cent, and the expected capital



adequacy margin (P2R) 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 CET1 capital (0.9 per cent), while a minimum of 75 per cent must be met with Tier 1 capital.

The leverage ratio (LR) at year end 2024 was 7.4 per cent (7.5 per cent). The regulatory minimum requirement (3 per cent) was met by a good margin.

Securities

Holdings of investments in securities (the LCR portfolio plus the surplus liquidity portfolio) at year end 2024 amounted to NOK 12,144 million compared with NOK 11,898 million at year end 2023. The volume of the portfolio is generally tailored to the LCR requirement, but also the bank's overall liquidity situation.

The bank had no trading portfolio at year end 2024.

The bank's Additional Tier 1 capital consist of two loans totalling NOK 750 million. Both loans are subject to variable rates.

PROPOSED ALLOCATION OF PROFIT FOR THE YEAR

Please see the provisions on the distribution of profits in the Financial Institutions Act, including section 10-17, and Sparebanken Møre's dividend policy. The plan is to propose that 72.2 per cent of the Group's profit after the correction (75.6 per cent in the parent bank) be distributed as cash dividends to equity certificate holders for cash dividends and dividend funds for local communities.

The Financial Supervisory Authority has ordered the bank to make a correction in connection with the annual report and accounts for 2024. In the opinion of the Financial Supervisory Authority, the structural fund and unpaid gifts that have not been approved must be included in primary capital when calculating the ownership fraction. The primary capital's share of the profit for allocation in the individual year is calculated using the above-mentioned updated ownership fraction. The sum of the difference between the actual allocations of profit to primary capital and the new calculated allocations for the period 2014-2023 has been added to primary capital before the profit for 2024 is allocated in the normal way. The bank has recalculated the ownership fraction based on what it would have been at the end of 2014-2023 and calculated the profit earmarked for distribution for each year. The effect of the instruction entails a transfer from profit for the year to primary capital of NOK 132.4 million. This results in an increase in CET1 capital of about 0.32 percentage points and a reduction in the ownership fraction of almost 0.9 percentage points.

Based on the accounting breakdown of equity in the parent bank between equity certificate capital and the primary capital fund, 48.41 per cent of the profit will be allocated to equity certificate holders and 51.59 per cent to the primary capital fund. The Group posted earnings per equity certificate of NOK 9.95 in 2024 (NOK 9.55 in the parent bank). The Board of Directors is also planning to propose to the Annual General Meeting that the cash dividend per equity certificate

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for the 2024 financial year be set at NOK 6.25, which will come to NOK 311 million in total. The corresponding provision for dividend funds for local communities will amount to NOK 332 million.

Proposed allocation of profit (figures in NOK millions)		
Profit for the year		1 045
Share allocated to AT 1 instrument holders		63
Order of correction to the primary capital fund		132
Dividend funds (75.6 per cent):		
To cash dividends	311	
To dividend funds for the local community	332	643
Strengthening of equity (24.4 per cent):		
To the dividend equalisation fund	100	
To the primary capital fund	107	207
Total allocations		**1 045**

EQUITY CERTIFICATES AND DIVIDENDS

At year end 2024, there were 7,424 holders of Sparebanken Møre's equity certificates. The proportion of equity certificates owned by foreign nationals and entities amounted to 5.7 per cent at the end of the year.

In connection with the establishment of the savings bank foundation Sparebankstiftelsen Sparebanken Møre, the equity certificate capital was increased by a nominal value of NOK 7,215,000 on 4 December 2024 by converting primary capital to equity certificate capital. The equity certificates issued at the time of conversion were transferred to the foundation. The number of issued equity certificates after the conversion is 49,795,520. Equity certificate capital at the end of the year accounts for 49.1 per cent of the bank's total equity.

Note 34 includes a list of the 20 largest holders of the bank's equity certificates.

Sparebanken Møre encourages all employees to own equity certificates in Sparebanken Møre and contributes to this via reward schemes. At the end of the year, employees held 1,058,413 equity certificates in Sparebanken Møre, which makes employees the tenth largest MORG owner overall.

As at 31 December 2024, the bank owned 259,658 of its own equity certificates. These were purchased on the Oslo Stock Exchange at market price.

The aim of Sparebanken Møre is to achieve financial results which provide a good and stable return on the bank's equity capital. The results should ensure that the owners of the equity receive a competitive long-term return in the form of cash dividends and capital appreciation on their equity.

Dividends consist of cash dividends for equity certificate holders and dividend funds for local communities. The proportion of profits allocated to dividends is in line with the bank's capital strength. Unless the bank's capital strength dictates otherwise, it is expected that about 50 per cent of this year's surplus can be distributed as dividends.

Sparebanken Møre's allocation of earnings should ensure that all EC holders are guaranteed equal treatment.

BUSINESS AREAS

Retail Banking Division

Sparebanken Møre is a market leader in Nordvestlandet and further strengthened its position as a market leader in 2024. The bank saw strong growth both in and outside Møre og Romsdal. In the county, our market share grew from 25.6 per cent at the start of the year to 26.2 per cent at the end of 2024 (source: Eiendomsverdi AS). During the year, the bank established a new branch in Hustadvika municipality, the county's fourth largest municipality and a natural focus area. The new branch was welcomed and is seeing strong growth after just three quarters. The Oslo branch also made a good contribution to the high growth seen in 2024.

Sparebanken Møre saw higher credit growth in the retail market than the rest of the market. We saw growth of NOK 4.1 billion, equivalent to 7.6 per cent. Total lending amounted to NOK 57.9 billion at the end of the year. Deposits have grown strongly in recent years, although this slowed at the end of 2024. The deposits increased by NOK 1 billion (3.2 per cent) and was NOK 30.1 billion for the retail market at the end of the year.

2024 was another record year within asset management with strong growth in the number of new high-net-worth customers. The bank is seeing increased interest in savings and investment in several customer segments. Younger customers in particular are demonstrating a great deal of interest in this area. At the start of the year, a new car financing product was launched. The associated sales have been well above budget. The growth was also strong in current business areas such as insurance, real estate brokerage and credit cards in 2024.

Availability and a strong expert environment were important for customers in yet another year of high inflation and relatively high interest rates. The bank is seeing strong growth in new customers in Nordvestlandet, Oslo and other major cities in Norway. This is good confirmation of the bank's business model and competitiveness.

Sparebanken Møre places great importance on availability, skills and good customer service. For the sixth year in a row, the bank was ranked as having Norway's best customer service in the category banking. Fast response times and good expertise are not going unnoticed by the general public and are appreciated by customers.

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The bank is seeing a significant increase in the number of loan applications in the fully digital mortgage system. At the end of the year, the figures show that about half of our customers apply for loans online. Customers who want to use digital solutions have a good, efficient customer experience, and this is an important supplement to the advice channel. Giving customers the option to make changes to existing loans themselves frees up time and resources in the bank that can be expended on the high demand for good advice. In our experience, most people manage their personal financial situation well and have reserves to draw upon when needed. However, some customers find that their personal finances are tighter and seek more advice. Only a few of the bank's customers experience challenges servicing their commitments, and the number of customers applying for instalment free periods remains stable and low.

Activity in the area is good, and unemployment is low. House prices rose by 8.3 per cent in the county over the course of the year. This is stronger growth than the national average of 6.4 per cent and confirms that Nordvestlandet is seeing good levels of economic activity.

Sparebanken Møre wants to be a driving force behind sustainable development. In the role of adviser for multiple retail customers, it is important to actively encourage customers to make sustainable choices. Higher energy costs and a generally higher prices mean that many customers must reduce their spending. Good advice that ensures the customers have healthy and sustainable personal finances is more important than ever. Having an adviser who knows you and who welcomes being contacted is therefore important for many customers.

Although the bank is finding that most customers can handle higher costs and interest rates, some potential new customers are contacting us through our Grep department. This department was established in autumn 2023 and specialises in helping customers facing financial challenges. The "Grep" concept, which is a service for mortgage customers who need closer follow-up and assistance in order to take action regarding their personal finances. The advisers in the department have specialist expertise and long experience in debt counselling in NAV (Norwegian Labour and Welfare Administration), combined with good banking expertise. They deal with both new and existing customers, and their mission is to help more people achieve a long-term, sustainable personal financial situation.

Expert advisers combined with products that are well-suited to meeting customers' needs made important contributions to creating good customer experiences. All employees who advise customers must complete their FinAut authorisation programmes. They must also undergo continuous refreshers in market developments, systems training and training in providing good customer advice.

The bank wants to have good, long-term relationships with its customers. Availability and expertise have been important focus areas for the bank for many years, and in 2024 this work produced results in the form of good feedback from existing customers, strong growth in new customers and good results in external surveys.

Corporate Banking Division

The Corporate Banking Division is consolidating its position as Nordvestlandet's largest financial corporate banking environment by strengthening resources both in Nordmøre and in industry groups in Sunnmøre. In total, we now have about 60 capable advisers across the county serving corporate customers.

In the last few years, growth has been very good with respect to both loans and deposits. Loans to the corporate market now amount to NOK 29.2 billion, equivalent to approximately 34 per cent of the bank's total loan portfolio. Deposits from corporate customers and the public sector totalled NOK 19.4 billion.

The largest individual industries measured in terms of lending were commercial real estate and fisheries. The volume of commercial real estate loans grew by 6.9 per cent in 2024 to a total of NOK 9.8 billion. The vacancy rate remains low, and large parts of the lending portfolio are interest-hedged at a significantly lower level than the current interest rate. 93 per cent of the volume of loans is categorised as low/medium risk. The fisheries portfolio was stable at NOK 5 billion in 2024. The quota situation for the whitefish sector is demanding due to significant quota reductions, although after several good years most are in a robust financial situation and have the liquid reserves necessary to cope with reduced quota volumes.

The quality of the overall lending portfolio for corporate customers remains good, and both the level of credit-impaired commitments and losses are low in most industries. The loss level in the corporate portfolio was moderate in 2024, corresponding to 0.2 per cent of the lending volume. Only a small proportion of this was demonstrated losses, and the bulk of new loss provisions were model-based.

After a record year for the number of active new customers in 2023, where the growth in customers was very positive and rising, the good influx of customers was almost at the same level in 2024. In 2024, a total of 634 new corporate customers chose to establish an active customer relationship with Sparebanken Møre. Growth rates over the past 5 years have been significantly higher than in previous years, and the bulk of new customers are businesses in the SME segment.

Activity levels in the business sector in Nordvestlandet were high in 2024, and the sector includes many industries. Export-oriented companies and tourism in particular saw positive growth as a result of the weak Norwegian krone. On the other hand, the activity in building and construction decreased significantly due to higher costs and interest rates than we have been used to in recent years. Within the wholesale and retail trade, there are also many who, for the same reason, are seeing lower earnings.

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Sparebanken Møre has a high market share in terms of the number of companies in Nordvestlandet, although it is, for historical reasons, highest in Sunnmøre. In order to strengthen our market work in Romsdalen and Nordmøre, a new business department was established in autumn 2023 in Kristiansund, in addition to the department in Molde. The aim of the initiative was to create a powerful environment to improve the bank's competitiveness. In 2024, we added additional resources to the environment in Kristiansund, customer influx was good, and the bank's market share in both Romsdal and Nordmøre grew well.

"Næringsbasen", which is part of Customer Service, ensures a complete service with leading expertise for all our corporate customers and has boosted service quality for both large and small enterprises. The customer-facing services are primarily aimed at smaller companies in all industries where the customer's overall need for financial services is met. The bank also offers assistance with setting up a new company, as well as invoicing and accounting software, through a collaboration agreement with a local company, Conta.

The bank has also established a solution for companies' statutory requirements for pension savings for their employees via Næringsbasen in 2024: mandatory occupational pensions.

In EPSI's national customer satisfaction survey for banks in the corporate market in autumn 2024, the bank again received confirmation that our customers are very satisfied. Sparebanken Møre again ended up in the top tier nationally with a score of 70 compared with the industry average of 66. The bank got the top score for image (80.3), where, according to our customers, we demonstrate sincere interest, fulfil our social responsibilities, are easy to relate to and are reliable. The feedback on our consulting and digital services is also excellent, and the survey reaffirms that competent advisers with expertise in industries and local market conditions are crucial for customer satisfaction.

Further developing employees' expertise is an important focus area, and professional days have been held focusing on industry knowledge, sustainability, AI, impartiality and insider rules, etc.

In terms of sustainability, Sparebanken Møre is ranked the highest of all banks in the EPSI survey by a good margin; a total of five points ahead of second place.

The bank has started a 3-year energy efficiency programme together with Energiråd AS, and 23 companies with commercial property are taking part in the programme, where the goal is to improve energy efficiency by 25 per cent. The programme involves in-person seminars throughout the year in which participants learn about energy management and energy efficiency measures.

In 2024, together with the UN Global Compact, the bank arranged a series of courses at four different locations in Møre og Romsdal. The competency steps programme provides companies with the tools they need to prioritise, implement, and initiate corporate sustainability measures. Five in-person workshops were conducted at each location covering four different topics: materiality assessments, business models, communication and reporting.

The Sustainability Portal at sbm.no provides customers with industry-specific advice on their sustainability work, and the bank has also established its own corporate sustainability committee with representation from all corporate units. The goals behind its establishment were to reinforce expertise, embed the work on sustainability and improve the advice for customers.

Sparebanken Møre has also introduced green loans for commercial real estate customers.

In order to offer customers the best possible financial solutions, the bank works closely with good partners, and has taken part in Innovation Norway's Growth Guarantee Scheme since 2019. The scheme is designed to strengthen access to capital for rapidly growing SMEs. We have just signed a new agreement with Innovation Norway on the Growth Guarantee Scheme from 2025, with an extended framework and more favourable terms and conditions for customers.

In 2024, the bank also signed a cooperation agreement with the Norwegian Export Credit Guarantee Agency on working capital guarantees. The scheme helps ensure access to operating credit for Norwegian export companies.

Næringsteft is Sparebanken Møre's entrepreneurial programme and is being arranged for the eighth time. The programme is a training journey and a competition, with a total prize pool of more than NOK 2 million. This year, the criteria have been broadened somewhat such that more companies from industry and established businesses can take part if they have a new idea for a new company.

Looking forward to 2025, our area expects to see continued good activity. In Norges Bank's regional network, Nordvestlandet is highlighted as an area with positive prospects. A continued weak Norwegian krone will help sustain the levels of activity in exports and tourism, and the anticipated reductions in interest rates could speed up housebuilding and improve market conditions for the building and construction sector. Real wage growth will also contribute to higher demand for goods and services.

Unemployment in our area is low, and the biggest challenge in 2025 will likely be access to qualified labour. Many industries are already finding this a challenge, and a sharp increase in the demand for labour in shipyards combined with a possible increase in activity in building and construction will result in further tightening. This challenge is being made harder by the fact that a weak Norwegian krone has made it less attractive for foreign labour to come to Norway.

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There is also some tension due to a possible trade war resulting from the announcement of potential higher tariffs on goods exported to the US following the change in president, and how this could affect the business sector in our area.

Capital Market

Sparebanken Møre's licensed investment activities are managed by the Finance and the Wealth Management units. In the the Finance unit, the Treasury department follows up funding and management related services for the Group, while the Markets department manages the customer-oriented services such as customer trading in currencies, fixed income and equities. The Wealth Management unit follows up the services related to the discretionary portfolio management.

Sparebanken Møre must aim for low to moderate overall risk in the activities of the bank and the Group. Earnings should be a result of customer-related activities, and not financial risk-taking, and the bank's market risk must be low.

The two units' customer-facing services generated income of approximately NOK 105 million in 2024. This represents about 32 per cent of the bank's other income in 2024, and this is on a par with the share in 2023. Currency and fixed income business for customers, as well as Discretionary Portfolio Management, are the most important income areas. After deducting costs, the income from the above services is allocated to the customer centres in the Corporate Banking Division and the Retail Banking Division.

SUBSIDIARIES

The aggregate profit of the bank's subsidiaries was NOK 172 million after tax in 2024 (NOK 130 million).

Møre Boligkreditt

Møre Boligkreditt AS was established as part of the Group's long-term funding strategy. The main purpose of the mortgage credit company is to issue covered bonds for sale to Norwegian and international investors. At the end of 2024, the company had nominal outstanding covered bonds of NOK 30.6 billion in the market. Around 40 per cent was issued in a currency other than NOK. At the end of the year, the parent bank held NOK 279 million in bonds issued by the company. Møre Boligkreditt AS contributed NOK 169 million to the Group's result in 2024 (NOK 128 million).

Møre Eiendomsmegling AS

Møre Eiendomsmegling AS provides real estate brokerage services to both retail and corporate customers. The company contributed NOK 0 million to the result in 2024 (NOK 0 million). At year end, the company employed 22 full-time equivalents.

Sparebankeiendom AS

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 3 million to the result in 2024 (NOK 2 million).
The companies have no staff.

ESTABLISHMENT OF FOUNDATIONS

At the start of 2024, the bank submitted an application to the Financial Supervisory Authority to establish the savings bank foundation Sparebankstiftelsen Sparebanken Møre. The approval necessary to establish this savings bank foundation was granted in November 2024. The savings bank foundation was established to ensure that we have a stable long-term owner helping to continue the savings bank tradition and to ensure that there is a good regionally anchored savings bank offer in Møre og Romsdal. The savings bank foundation can distribute donations to good causes, although this is mainly done using returns on capital. A savings bank foundation is subject to the Financial Supervisory Authority and the Norwegian Gambling and Foundation Authority and has its own board and general meeting.

Towards the end of 2024, the initiative was also taken to establish a non-profit foundation, Stiftelsen TEFT-Møre. This is a grant foundation regulated by the Norwegian Gambling and Foundation Authority and differs from the savings bank foundation in that it is not an owner of Sparebanken Møre. One of the reasons why the foundation was established was the need to accrue dividend funds without affecting the ownership fraction in the bank. A grant foundation will also be better able to manage self-initiated projects that run over several years and make it possible to award grants for good causes in the first quarter of the year as well.

In future annual settlement dispositions for profits allocated to the primary capital, the bank will have greater flexibility with respect to allocations. The profit can then be allocated to more recipients, and the bank can choose to: (i) distribute dividends to good causes; (ii) transfer funds to the savings bank foundation Sparebankstiftelsen Sparebanken Møre; (iii) transfer funds to the foundation Stiftelsen TEFT-Møre; or (iv) transfer funds to primary capital.

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RESEARCH AND DEVELOPMENT

The bank takes a systematic approach to various development projects where the purpose is to provide improved products and services for customers, or to help streamline and enhance the quality of internal work processes.

Some of the projects are being carried out in collaboration with partners such as TietoEvry, the Norwegian University of Science and Technology (NTNU) and TEFT-lab. TEFT-lab is a research collaboration with NTNU in Ålesund, focusing on interdisciplinary development projects in collaboration with business and the public sector. This will be done through a variety of initiatives such as research projects, work-relevant education, summer internships, student awards, symposiums, events and the “Næringsteft” programme.

The Group is also a committed contributor to R&D activities in Nordvestlandet via research environments, knowledge parks and industry clusters.

CORPORATE GOVERNANCE

Corporate Governance at Sparebanken Møre involves the aims, principles and practices in line with which the Group is managed and controlled for the purpose of safeguarding the interests of the equity certificate holders, customers and other stakeholders in the Group. Good corporate governance is a prerequisite for long-term, sustainable value creation.

As a financial institution, Sparebanken Møre is subject to a number of rules and recommendations designed to ensure good corporate governance. An overview of the regulations is provided in the Financial Supervisory Authority’s module for internal governance. The bank’s Board of Directors revises a number of policies on an annual basis to ensure good corporate governance, including policies for internal corporate governance.

Sparebanken Møre complies with the Norwegian Code of Practice for Corporate Governance of 14 October 2021 where this is applicable to savings banks that have issued equity certificates. Sparebanken Møre reports on our compliance with the recommendations in line with section 2-9 of the Accounting Act and section 4.4 of Oslo Børs’s Rule Book II. The report on corporate governance is available as a separate part of the annual report.

RISK AND CAPITAL MANAGEMENT

Taking risks is a fundamental element of banking operations. Risk management and risk control are two of the Board’s focus areas. The overall purpose of risk management and risk control is to ensure that set targets are attained, ensure effective operations, manage risks which may prevent the attainment of commercial targets, ensure high quality internal and external reporting, and ensure that the Group’s operations comply with all relevant laws, regulations and internal guidelines.

The stated goal of the Board of Sparebanken Møre is to ensure that the operations of the Group maintain a low to moderate risk profile. Earnings should be a product of customer-related activities, and not financial risk-taking. Sparebanken Møre constantly strives to maintain control of the risks that exist. In those cases where the risk is deemed to exceed an acceptable level, immediate steps will be taken to reduce this risk.

The overall framework and limits for Sparebanken Møre’s risk management are assessed annually by the Board as part of the preparation of the bank’s strategic plan. In December 2024, the Board approved a new strategic plan, “Møre 2028”. The Board also approves overall guidelines for the Group’s governance each year, and subsidiaries adopt individual risk strategies tailored to their activities. Separate guidelines have been approved for each significant risk area, including credit risk, sustainability risk, counterparty risk, market risk, concentration risk, operational risk and liquidity risk.

The various guidelines form the framework for the Group’s ICAAP. The Board actively participates in the annual process and establishes ownership of the assessments and calculations made, including through the ICAAP’s key role in long-term strategic planning. The ILAAP process, which is the bank’s assessment of liquidity and funding risk, is included as part of the ICAAP. Calculations performed in ICAAP indicate that the Group’s capital adequacy is sufficiently robust to tolerate an economic development that is significantly more negative than the development on which the basic scenario in the long-term strategic plan is based. This is supported by both economic calculations and simulations based on various stress tests.

Sparebanken Møre has established a monitoring and control structure that is intended to ensure compliance with the overall framework of the bank’s strategic plan. The Group’s risk exposure and risk development are followed up on an overall basis through periodic reports submitted to Group Management, Risk Committee and the Board of Directors. One of the Risk Committee’s primary purposes is to ensure that Sparebanken Møre’s risk management is addressed satisfactorily.

The Board is of the opinion that Sparebanken Møre’s aggregate risk exposure conform to the Group’s targeted risk profile. The Board considers the Group’s and Bank’s risk management to be satisfactory.

The EU capital requirements regulations have been enacted in Norway, and Sparebanken Møre reports, among other things, its capital adequacy requirements and liquidity requirements in accordance with these

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regulations. On 21 December 2021, Sparebanken Møre applied to the Financial Supervisory Authority 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 Financial Supervisory Authority has approved the proposed models for the corporate market. Sparebanken Møre incorporated the new models in the fourth quarter of 2023. In a letter dated 18 January 2024, the Financial Supervisory Authority rejected the bank's application to make changes to the retail market model. The bank is aiming to submit a new application for models for the retail market in the second quarter of 2025.

Changes to capital requirements (CRR3) will be implemented in the EU from 1 January 2025. CRR 3 will enter into force in the EEA Agreement after any constitutional reservations in Liechtenstein and Iceland have been resolved. The Ministry of Finance has decided to increase the risk-weighted floor for mortgages from 20 to 25 per cent with effect from 1 July 2025. It is estimated that this will reduce CET1 capital by around 1.1 percentage points for Sparebanken Møre, based on figures from the third quarter of 2024. At the same time, other changes will have positive capital effects for the bank.

Overall, the changes in capital requirements will have a positive effect of around 1.5 percentage points on CET1 capital for Sparebanken Møre.

Based on the capital adequacy regulations, the minimum requirement for capital adequacy consists of a Pillar 1 requirement and a Pillar 2 requirement. The Pillar 2 supplement applies to risks that are not covered or are only partly covered by Pillar 1.

Sparebanken Møre has an internal minimum target for the CET1 capital ratio of 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. Based on a SREP conducted in 2023, the Financial Supervisory Authority of Norway has set an individual Pilar 2 requirement for Sparebanken Møre of 1.6 per cent, as well as an expected capital adequacy margin of 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 CET1 capital (0.9 per cent), while 75 per cent must be met with Tier 1 capital. The Financial Supervisory Authority will conduct a new SREP in 2025.

Sparebanken Møre has an internal target for CET1 capital (CET1). As a minimum this must equal the sum of the Pillar 1 and Pillar 2 requirements plus the capital requirement margin.

Sparebanken Møre has authorisation from the Financial Supervisory Authority of Norway to use the IRB Foundation Approach for calculating capital requirements for credit commitments. Operational risk calculations are performed using the Basic Indicator Approach.

Sparebanken Møre's capital adequacy at year end 2024 was well above the regulatory capital requirements and the internally set minimum target for CET1 capital of 16.15 per cent. Primary capital amounted to 21.1 per cent (22.2 per cent) and Tier 1 capital 19.0 per cent (20.0 per cent), of which CET1 capital amounted to 17.2 per cent (18.2 per cent).

The minimum requirement for the Tier 1 leverage ratio has been set at 3 per cent. At the start of 2024, Sparebanken Møre's Tier 1 leverage ratio was 7.4 per cent (7.5 per cent), which represents a good margin with respect to the total requirement.

The Board continuously monitors capital adequacy, and the Group must have a level of capitalisation that corresponds with its accepted risk tolerance. The bank's recovery plan clarifies options that the bank can implement if the capital adequacy comes under stress. The options are listed in order of priority, with the measures described and their implementation specified should they become necessary.

Credit risk

Credit risk (or counterparty risk) is the risk of losses associated with customers or other counterparties being unable to fulfil their obligations at the agreed time pursuant to written agreements, and of received collateral not covering outstanding claims.

Credit risk also encompasses concentration risk, including risk linked to major commitments with the same customer, concentration within geographic areas or industries or with similar groups of customers.

Credit risk represents Sparebanken Møre's biggest risk area. The Group has a moderate risk profile for credit risk, as this risk is defined through the Group's credit risk strategy. The strategy provides, for example, limits for concentration in industrial sectors and the size of commitments, geographic exposure, growth targets and risk levels.

Compliance with the Board's resolutions within the area of credit is monitored by the bank's Risk Management and Compliance unit, which is independent of the customer divisions. The Board receives reports on credit risk trends throughout the year in a monthly risk report. In addition, periodic reviews of the credit area are carried out by the Audit Committee and the Risk Committee. The Board receives quarterly reports in line with the regulations for residential mortgages and the regulations for lending. Sparebanken Møre's internal guidelines conform to the Financial Supervisory Authority of Norway's guidelines for mortgage lending.

Sparebanken Møre has, as part of the IRB system, developed its own risk classification models for classifying customers:

- Probability of Default (PD) is used as an indicator of quality. Customers are classified in a risk class according to the probability of default.

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- Exposure at default (EAD) is a calculated amount which includes drawn commitments or lending, loan commitments, and a proportion of approved, undrawn facilities.
- Loss Given Default (LGD) indicates how much the Group would expect to lose if the customer defaulted on his obligations. The models take account of the collateral that the customer has pledged, future cash flows and other relevant factors.

These models make an important contribution to the in-house management of credit risk. The customers are scored on a monthly basis, and this provides the basis for ongoing monitoring of the development of Sparebanken Møre's credit risk. Specific application scoring models are used in the credit approval process.

Through the Group's reporting portal, each member of staff with customer responsibilities has access to reports which show the development of the credit risk in his or her portfolio. The portal has a hierarchical structure allowing managers in Sparebanken Møre to monitor performance within their respective area of responsibility. The reporting is used to analyse customers, portfolios and segments, among other things. The portal also provides customer account managers with an overview of the customers' positions and limits in relation to exposure in financial instruments.

The Special Commitments Department is part of the Risk Management and Compliance unit. The purpose of this department is to improve the efficiency of the processes associated with losses and commitments in default. This will improve the quality and professionalism in handling impaired commitments and ensures that case processing will be objective and independent. The department reports upwards in the management hierarchy independent of the line.

The Board finds that Sparebanken Møre's overall credit risk is within the Group's adopted risk appetite. Exposure to large commitments is well within the adopted limits and the follow-up and control of this area is good. The Board finds that Sparebanken Møre is well prepared to handle any increased credit risk in the lending portfolio, and that the Group has a good foundation for increasing its focus on solid lending projects in Sparebanken Møre's area of operation in the future.

Climate-related risk

Climate-related risk is the impact resulting from climate change. Climate-related risk will also impact the bank's credit risk. Therefore, it is vital that the bank understands how climate-related risk will impact business customers' business models and profitability. At the same time, the bank wants to be a driving force behind ensuring that customers do not have an adverse impact on the climate but rather choose a greener direction (low emission).

When assessing climate-related, two types of risk in particular must be assessed: physical risk and transitional risk.

- Physical climate-related risk arises as a result of more frequent and severe episodes of drought, flooding, precipitation, storms, landslides and avalanches, as well as rising sea levels.
- Transitional risk is the risk associated with changes to, and the escalation of, climate policies/regulations, the development of new technologies and changed customer preferences (consumers) and investor requirements that may result in sudden changes in the market value of financial assets and especially assets associated with carbon-intensive activities (high consumption of energy from fossil fuel: coal, oil, natural gas, oil shale and tar sands).

The bank reports climate-related risk in line with the Task Force on Climate-Related Financial Disclosures (TCFD). The report surveys and assesses the bank's climate-related threats and opportunities. In order to identify climate-related risks and opportunities, the bank has assessed how physical risk and transitional risk will affect the bank's work in the retail and corporate markets, with a particular emphasis on credit risk, as well as the bank's management of market, liquidity and operational risk/reputational risk. The TCFD report has been integrated into the bank's annual report in the "Sustainability Report"

In addition, an ESG score is being introduced for all corporate customers with an exposure above a specified threshold. The analysis assesses companies based on the three ESG dimensions: the environment, social conditions and governance, with a primary emphasis on the environment and climate-related risk. The analysis is conducted using a special ESG risk module, which returns a customer score of low, moderate or high ESG risk. The overall results of the analyses are reported to the Board of Directors in a quarterly risk report.

Climate-related risk is closely related to assessments of nature-related risk, and work has been started on assessing nature-related risk in line with the requirements in the new Corporate Sustainability Reporting Directive (CSRD).

In the opinion of the Board, the bank's operations are organised such that the climate-related risk is within the bank's risk tolerances.

Market risk

Sparebanken Møre's market risk is primarily a reflection of activities which are conducted in order to support the Group's daily operations. This relates to the Group's funding, the bond portfolio which is maintained in order to meet funding needs and safeguard access to loans from Norges Bank, as well as customer-generated interest rate and foreign exchange trading.

The Board stipulates limits for Group market risk in the market risk strategy. The limits are monitored by the Risk Management and Compliance unit. The limits are established based on analyses of negative market movements. Based on an evaluation of risk profile, management and control, it is assumed that the bank accepts low risk within the market risk area.

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The reporting on monthly activity is included in Sparebanken Møre's periodic risk report for Group Management, the Risk Committee and the Board. Monthly performance is reported in addition to the actual risk exposure within each portfolio, individually and aggregated. The limits for market risk are conservative, and on an overall basis, market risk represents a small part of the Group's aggregate risk.

The Board finds that the Group's risk exposure in the area of market risk is within the adopted risk tolerance limits.

Funding risk

The management of Sparebanken Møre's funding structure is incorporated into an overall funding strategy. The strategy reflects the moderate risk level that is accepted for this area of risk. It describes Sparebanken Møre's targets for maintaining its financial strength. Specific limits have been defined for different areas of the Group's liquidity management. Sparebanken Møre's recovery plan includes a description of how the funding situation should be handled in turbulent financial markets.

Two key quantitative requirements have been established for liquidity:

- Requirement for liquidity coverage under stress: Liquidity Coverage Ratio (LCR)
- Requirement for long-term stable funding: net stable funding ratio (NSFR)

LCR measures an institution's ability to survive a 30-day stress period. LCR increases the importance of high-quality liquid assets. NSFR measures the longevity of an institution's funding. NSFR means that institutions have to fund liquid assets with the aid of a greater proportion of stable and long-term funding.

The regulatory minimum LCR and NSFR requirements are both 100 per cent. The Group has established an internal minimum target for LCR of 110 and of 105 for NSFR: The reporting shows that Sparebanken Møre achieves both requirements by a good margin.

A stricter liquidity requirement generally entails a significant interest cost for the bank. It also makes the bank more vulnerable to changes in credit spreads.

To ensure that the Group's funding risk is kept at a low level, lending to customers must primarily be financed by customer deposits and issuing long-term debt securities. The Group's deposit-to-loan ratio at the end of 2024 amounts to 57 per cent and is within the bank's target corridor of 55-60 per cent.

Møre Boligkreditt AS's purpose is to acquire mortgages from Sparebanken Møre and finance these through the issuance of covered bonds and thus provide the Group with greater diversification in relation to funding sources. At the end of 2024, around 41 per cent of the Group's total lending had been transferred to the mortgage credit company. Sparebanken Møre will continue to transfer loans to Møre Boligkreditt AS in accordance with the plans set out in the funding strategy.

In order to gain access to new sources of funding and seek stable access to funding from external sources, securities issued by both Sparebanken Møre and Møre Boligkreditt AS are rated by the rating agency Moody's.

As far as the composition of the external funding is concerned, priority is given to ensuring that a relatively high proportion of funding has a term in excess of one year. Total market funding ended at net NOK 39.6 billion at year end; almost 82 per cent of this funding has a remaining term of more than 1 year. The parent bank's outstanding senior bonds, with a term of more than 1 year, had a weighted remaining term of 2.17 years at year end 2024, while covered bond funding correspondingly had a remaining term of 3.12 years.

Sparebanken Møre has started reporting on liquidity to the Board in line with the reporting structure in the Financial Supervisory Authority of Norway's module for liquidity risk.

The Board receives a monthly review of the bank's liquidity status and the actual costs of market loans, development of marginal costs and average borrowing costs, as well as prognoses regarding liquidity requirements and comments on refinancing in the coming period.

The Board also receives a monthly status update on the liquidity situation via the risk report, and immediately if any important events occur that could impact the bank's current or future liquidity situation. The reporting includes several different key figures related to the development of financial strength, balance sheet performance, earnings performance, credit-impaired commitments and the development of cost of funds. The reporting tries to identify the funding situation during normal operations, identify any early 'warning signs' and assess the bank's stress capacity.

The Board considers the bank's liquidity situation at year end to be good. The Board also considers the ongoing liquidity management of the Group to be good.

Operational risk

Operational risk is defined as the risk of losses due to inadequate or failing internal processes or systems, human error or external events. The definition also includes legal and reputational risk. Operational risk is comprehensive and is linked to multiple areas of risk such as third-party risk, cyber/information security, sustainability, behavioural risk, anti-money laundering and privacy.

The management and control of Sparebanken Møre's operational risk is set out in a strategy for operational risk that is evaluated and approved by the Board every year.

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The process for managing and controlling operational risk must ensure continuous improvements are made and that no single incident can seriously harm Sparebanken Møre's financial position. A good risk culture in the form of the organisation's risk awareness, actions and capacity for learning is a prerequisite for fulfilling the goals, risk appetite and tolerance for the area. The Board has approved internal guidelines for this area, and risk assessments are conducted on an ongoing basis. The Group employs a systematic process to identify and manage operational risks.

The bank's business model with subsidiaries, associated companies due to the outsourcing of several critical processes and increasing requirements for regulatory regulations will have consequences for operational risk. The risk picture for information and cybersecurity is one example of a risk area that is being closely monitored by the bank through relevant exercises and cooperation with NFCERT to ensure optimal resilience in case of adverse events. Geopolitical unrest is also contributing to changes in the risk picture, and overall this underscores the importance of managing operational risk and keeping it under control.

Suggested improvements and incidents are recorded and assessed systematically. There were no incidents with serious consequences in 2024.

The Board believes that the bank's overall risk exposure related to operational risk is prudent.

Compliance risk

Compliance risk is the ongoing and future risk with respect to earnings and capital related to any breach of, or failure to comply with, statutory or regulatory requirements, or requirements stipulated pursuant to acts and regulations, by the Group.

Compliance risk may result in public sanctions (loss of licence or fines), civil law compensation, and/or damages for losses in the event of breaches of contract. Compliance risk can also result in loss of reputation, limit business opportunities and reduce the potential for expansion.

Sparebanken Møre's overall goal for compliance is to ensure that the Group operates in accordance with acts and regulations. The Board has determined that the bank should have a low risk appetite with respect to compliance risk.

The main principle for compliance with the regulatory requirements to which Sparebanken Møre is exposed is the sharing of work and liability. This means that the various divisions, units, departments and business units have an independent responsibility to ensure compliance with acts and regulations in their day-to-day work.

All employees have an independent responsibility to comply with routines and guidelines established in accordance with acts and regulations, including providing feedback in the event of any discrepancies.

The Group's compliance function must ensure compliance with statutory or regulatory requirements and reports directly to the CEO and Board. The function is responsible for identifying, assessing, monitoring, reporting and advising on compliance risk.

The Board adopts annual compliance instructions and receives quarterly compliance reports. It is the Board's opinion that the bank's operations are aligned so that compliance risk is handled satisfactorily.

Internal control in connection with the financial reporting process

The purpose of internal control in connection with the financial reporting process is to ensure that the financial statements are prepared and presented free from material error. Moreover, internal control shall ensure that external accounting requirements are met, as well as safeguard that information disseminated to analysts, supervisory authorities, investors, customers and other stakeholders is complete and provides a true and fair view of the Group's financial situation.

Responsibility for the financial reporting process itself is assigned to the Finance unit.

Transactions are registered in the bank's core systems, and a reconciliation is performed between these systems and the accounting system (BGL) on a daily basis. Periodic management reports are produced for the accounting system and quality checked. Any deviations that are recorded are rectified on an ongoing basis. Various management reports are prepared every month, balanced scorecard, analyses, risk reports, etc., and accounting consolidation and the associated internal accounting takes place on both a monthly and a quarterly basis. Items in the income statement, statement of financial position and note disclosures are reconciled against the accounting system and previous reports.

Part of the internal control in connection with reporting the annual financial statements is the cooperation with the external auditor and their audit of the Group accounts.

The interim and annual financial statements are reviewed by the bank's management group and the Audit Committee prior to final consideration by the Board and General Meeting. The annual financial statements are also considered by the Annual General Meeting.

Internal control reporting

Internal control reporting at Sparebanken Møre is decentralised and the Risk Management unit is the coordinating unit. The internal control system is reviewed and verified every year in a process that involves all managers at levels 1, 2, 3 and 4.

The CEO has also submitted an annual report to

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the Board containing an overall assessment of the risk situation and an assessment of whether the established internal controls function satisfactorily.

In the opinion of the CEO, the bank's established internal controls are generally sufficient to ensure compliance with the bank's strategies and responsibly address the bank's identified risks. Where conditions are identified that ought to be improved, measures are taken.

The Board has received regular reports on the operations and risk situation throughout the year. Based on the reports received, the Board believes that internal control is being properly addressed at Sparebanken Møre.

EMPLOYEES AND WORKING ENVIRONMENT

Sparebanken Møre wants to be a highly attractive employer where employees thrive, develop and contribute to a good working environment for everyone. A good working environment must be achieved through, among other things, personnel policy measures, employee involvement and development, and well thought through feedback.

Employee satisfaction is measured every year and the working environment, engagement, management and communication, as well as the risk culture in Sparebanken Møre, are analysed. For 2024, the Working Environment Committee score was 8.1 on a scale from 1-10, which reflects a very good working environment. The survey, including all of the employees' comments, has been carefully analysed and systemised, and has resulted in a concrete action plan.

Sparebanken Møre wants to contribute to low work-related sick leave through systematic HSE work, good management and a good working environment. Sick leave has been low over time and in 2024 doctor certified sick leave was 3.5 per cent.

For more information about the bank's work on training, as well as working conditions, diversity and equality, see the bank's Sustainability Report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Sparebanken Møre has taken out directors' and officers' liability insurance with the insurance company AIG. Those covered are former, current and future board members, the CEO and members of equivalent governing bodies in the Group and subsidiaries. Continuity date 1 January 2008.

INTERNAL AUDITING

The internal auditing function's remit is to provide independent assessments of the quality and effectiveness of management and control, risk management and internal control, and compliance with relevant laws and regulations.

The Group's internal auditing was outsourced to EY in 2024. The internal auditing function reports to the Risk Committee and the Board. A plan has been prepared for the work of the internal auditor and approved by the Board. The Risk Committee and the Board received regular reports from the internal auditor in 2024 in accordance with this plan, and no material breaches of relevant laws or regulations were identified.

GOING CONCERN

In accordance with the requirements of Norwegian accounting legislation, the Board confirms that the prerequisites for the going concern assumption have been met, and that the annual financial statements have been prepared and presented on a going concern basis. This is based on the Group's long-term forecasts for the coming years.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date that materially affect the annual financial statements as presented.

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SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The regulatory landscape is changing. Sparebanken Møre will be subject to the CSRD for the 2025 financial year and the major work of preparing the organisation for reporting, but also for a business model and strategy where sustainability is to a far greater extent that before an integral part.

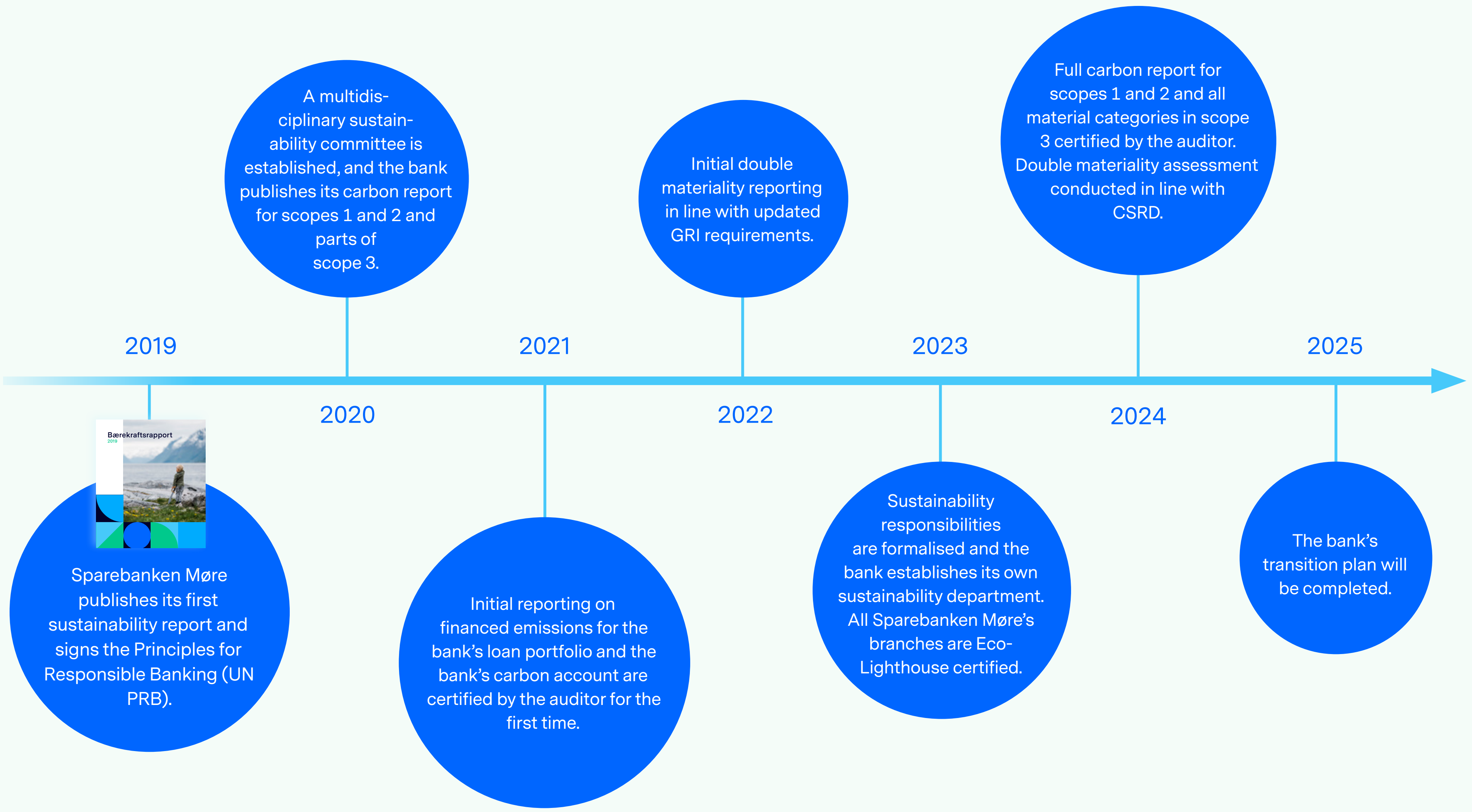
Closer integration of sustainability into strategy

The regulatory landscape is changing. Sparebanken Møre is subject to the CSRD (Corporate Sustainability Reporting Directive) for 2025 in line with applicable law. Regardless of the legislation on sustainability reporting, we find that the methodology and tools launched through the CSRD are valuable in our strategic sustainability work.

A thorough double materiality analysis was carried out in the spring of 2024 and the result of this can be read here in the sustainability assessment. It forms the foundation of the Group's overall strategy work, business model and ESG focus throughout the organisation.

This is a report in which we refer to the ESRS (European Sustainability Reporting Standards) but will not be fully compliant with the regulations and will not be certified by auditor for 2024. The bank continuously keeps up to date with changes in reporting requirements and builds good reporting procedures for both internal and external reporting.

Sparebanken Møre's timeline for sustainability reporting:



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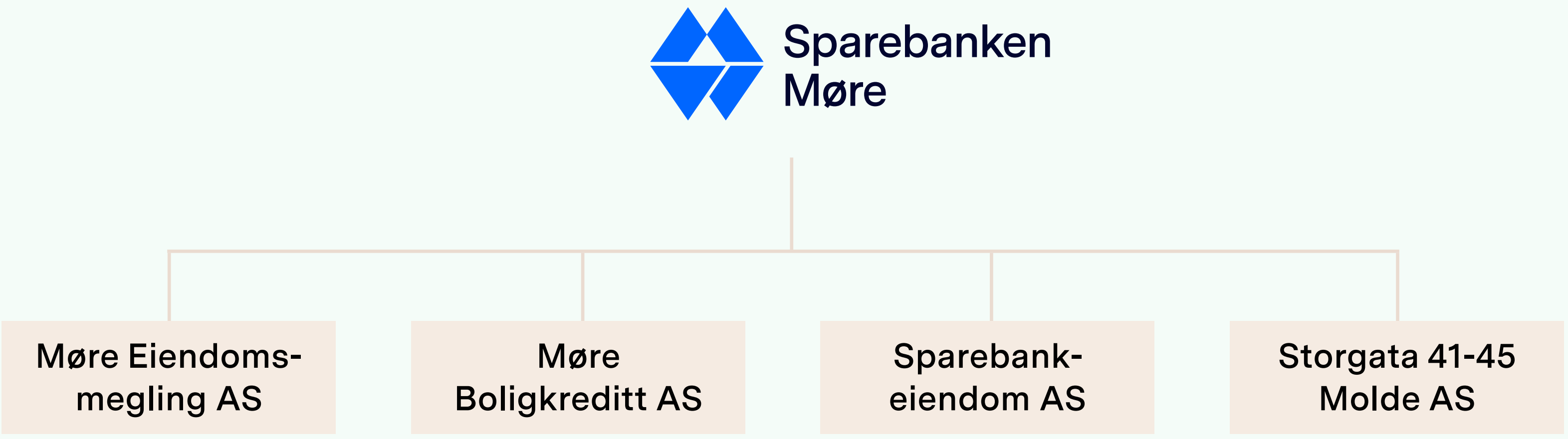
Basis for preparation of sustainability statement

Sparebanken Møre's sustainability statement is consolidated for the entire Group, including our subsidiaries. This consolidation is similar to the consolidation of the bank's financial statements.

A detailed description of the Sparebanken Møre Group is referred to the annual report's section on Operations as well as note 29 – Subsidiaries. The Group's value chain is taken into account in the double materiality analysis, as well as in sustainability reporting where considered significant.



Laws and reporting standards

Sparebanken Møre is subject to reporting obligations in accordance with the Norwegian Transparency Act and the activity and reporting duties (ARD) as defined in the Equality and Discrimination Act. Efforts have been made to integrate reports according to both pieces of legislation into the sustainability report and the index in the appendix indicates chapter references where legal requirements have been met. The ARD statement is integrated into the chapter S1 - Own Workforce" and the disclosures under the Transparency Act are mainly incorporated into the chapter "S2 - Workers in the value chain".

The EU Sustainability Reporting Directive (CSRD), with associated reporting standards (ESRS), came into force in Norwegian law from 1 November 2024. Sparebanken Møre is not subject to the directive until the 2025 financial year, with first reporting in 2026. The bank has conducted a double materiality analysis in line with the regulations and will report for FY 2024 inspired by ESRS and in line with the result of the double materiality analysis. The Group's greenhouse gas emissions are reported in accordance with the Greenhouse Gas Protocol Initiative (GHG protocol). Climate risk is reported in line with the Task Force on Climate-Related Financial Disclosures (TCFD).

The bank signed up to the UNEP FI Principles for Responsible Banking (PRB) in 2019 and reports its annual status within the six principles as part of its annual report. Please refer to the appendix for the PRB reporting form (PRB self-assessment).

Sparebanken Møre bases its sustainability work on additional framework conditions and voluntary endorsements than those listed here; for an exhaustive overview please refer to the bank's overall sustainability strategy.

Special conditions for reportingg

Data is obtained from the value chain where possible. It is generally challenging to obtain data beyond the nearest link in the chain, and we currently do not have a system to obtain all the desired data from the downstream value chain in particular. Work is underway to improve data quality and processing of ESG data.

Preparations for reporting in line with the reporting standards ESRS resulted in a change in the structure of the annual report compared to previous years. The Sustainability Report for 2024 is divided into four parts; General Sustainability Information, Climate and Environment (E), Social Conditions (S) and Business Conduct (G). The Sustainability Report is now included in the Board's annual report and is confirmed with the Board's signature in the same way as other information provided in Sparebanken Møre's annual report. For 2024, the Sustainability Report will not be certified by the auditor as a result of this being a mid-year, and we are first subject to mandatory reporting for FY 2025.

In 2024, a new double materiality analysis has been carried out, which results in a significant change. Information from the value chain used as a basis for assessments in the analysis is based on the competence of the bank's

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industry experts, published publications and publicly available information at the product or industry level.

Sparebanken Møre uses a mixture of actual data and estimates in calculating greenhouse gas emissions and in taxonomy reporting. Where estimates are used, this is described in respective chapters where data is presented. The bank is constantly working to increase the level of real data and minimise the use of estimates.

Sparebanken Møre has used time horizons in line with ESRS 1 in its materiality analysis and sustainability reporting. The short term is one financial year, the medium term is 2-5 years and the long term is 5-10 years or more.

Governance of sustainability work

The roles and organisation of the administrative, management and control bodies
A general description of the composition, roles, responsibilities and competencies of the Board, management and control committees is given in the annual report section "Operations", the chapter "Organisation and management structure", as well as items 8-10 in the "Corporate governance report".

As of 31.12.2024, the Board consists of 4 women and 4 men. None of Sparebanken Møre's senior management are on the Board. Two of the members and two deputy members are elected from among the employees.

The Board has the highest responsibility for the bank's sustainability work, laying down guidelines and strategy. Operational responsibility has been delegated to the administration and CEO. Management is responsible for implementing the strategy in its own division/section, through principles, goals and action plans.

Three committees have been established for the Board. The Board of Directors shall prepare the Board's handling of matters relating to the areas of the committees.

Audit Committee
The Audit Committee is appointed by and subject to the Board of Directors. The committee follows up Sparebanken Møre's reporting of sustainability and social responsibility related to mandatory accounting reporting

The committee receives regular updates throughout the year on all key areas of sustainability through dialogue with the Head of the Sustainability Department. The Audit Committee consists of three board members.

Risk Committee
The Risk Committee follows up tasks related to risk management processes at the bank. The Risk Committee receives a report on ESG risk exposure quarterly, monitors the bank's risk appetite in the field and ensures that the internal control system is functioning satisfactorily. The Risk Committee serves as the Board's ESG Committee and consists of three board members.

Remuneration Committee
The Remuneration Committee prepares a case for the Board's determination of guidelines and frameworks for remuneration schemes that shall apply to the entire company and subsidiaries. The guidelines shall provide incentives for good management and control of the company's risk, including ESG risk. The Remuneration Committee consists of four board members where one is a board member elected by and from employees.

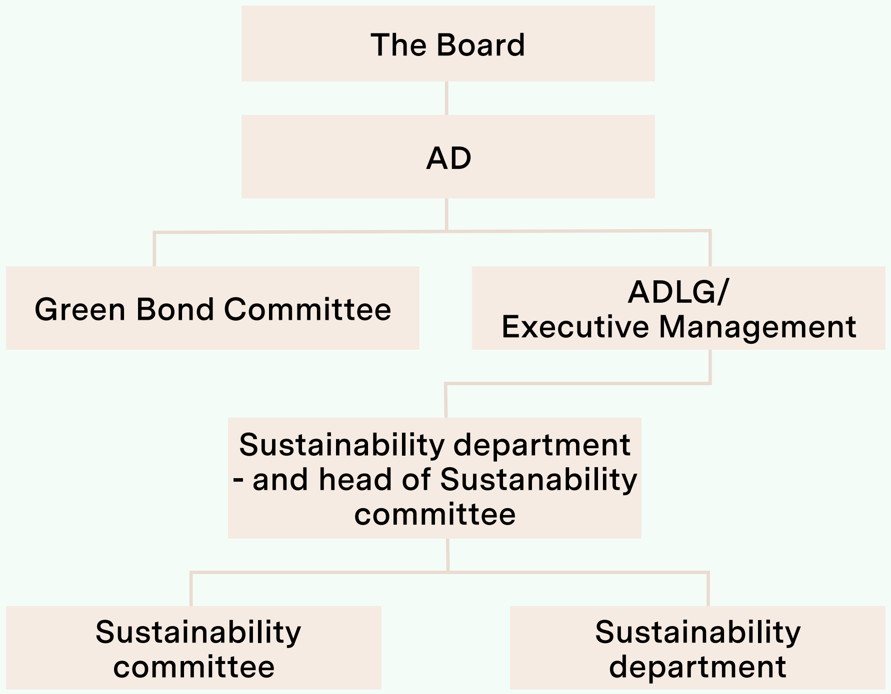
The CEO's management team shall systematically follow up work in line with the overall sustainability strategy in its own section/division, with measures and action plans to achieve strategic goals for ESG. The head of Organisation and Group Support has strategic overall responsibility for the bank's work on diversity, inclusion and non-discrimination, as well as the bank's competence unit Møre Academy. The Head of Risk Management and Compliance has overall responsibility for the bank's risk management system, including ESG risk. The Sustainability Department is organisationally located in the Risk Management and Compliance Section.

The Sustainability Department works in a coordinating and advisory capacity across the Group and has ongoing interactions with the Group's business units, sections and subsidiaries. The department is responsible for implementing the strategy as adopted by the Board, contributing to training measures internally and externally as well as contributing to the work on new sustainable concepts. The Head of the Sustainability Department is the Sustainability Coordinator and Chair of the Sustainability Committee.

The Sustainability Committee is interdisciplinary in order to represent areas where the bank has significant influence, risk and/or opportunities and ensures anchoring, progress and competence in the work on the bank's action plans.

Within the business division, there is a separate sustainability team as an extension of the sustainability committee, coordinating the bank's initiatives and action plans with initiatives focused on customers and receiving input from customers into the bank's sustainability work.

Sparebanken's Green Bond Committee ensures follow-up and compliance with the green framework related to the issuance of green bonds.



CONTENT

ESG Information flow

The bank's management of influence, risks and opportunities is regularly discussed by Group Management in connection with ongoing follow-up of the bank's strategy. Relevant governing documents and sustainability strategies are also discussed and considered by Group Management before being presented to the Board for final decision. See the table for internal reporting; reporting is carried out from the Sustainability Department to respective target groups as described in the table. Under "Target Group", the entity in bold writing is the decision-making body for review and approval.

The Sustainability Department reports at the overall level on the status of the area, in addition to professional bodies reporting specifically for matters they follow up and are responsible for. This applies to the department for Product and Service Development (PSD) which provides information about the follow-up of partners under the Transparency Act, Financial Crime on matters related to AML and fraud, HR in relation to matters related to own employees and the Department on ESG scores and climate risk in the business portfolio.

Description	Period	Target group
Status, goal achievement, strategic goals	Quarterly	**Executive Management** **Risk and Audit Committee** **The Board of Directors** All employees
Risk report, including ESG risk	Quarterly	Executive Management **Risk and Audit Committee** **The Board of Directors**
Sustainability training	Quarterly	**Executive Management** Employees
Regulatory matters – via the Compliance Re-port	Quarterly	Executive Management **The Board of Directors**
Supply chain due diligence	Biannually	**Executive Management** **The Board of Directors**
ESG factors form part of the basis for considering a number of individual matters	Monthly	**Executive Management** **The Board of Directors**
Goal achievement – sustainability action plan	Every 8 weeks	Sustainability Committee

Larger loans to business customers are assessed by the bank's credit committee, where the customer's ESG score and the purpose and effect of the transaction are assessed against the bank's impacts, risks and opportunities. Customers with high/red ESG risk scores and generally larger transactions above a set limit are considered by the Board of Directors.

The most comprehensive ESG-related case dealt with by the Board and management in 2024 was the bank's double materiality analysis, as well as the result of the preliminary project for the bank's restructuring plan.

Integration of sustainability into the incentive scheme

Information about remuneration for the board members, as well as salary and other remuneration for senior positions at Sparebanken Møre can be found in Sections 11-12 of the "Corporate governance report". The levels of remuneration at Sparebanken Møre shall contribute to the Group achieving its targets and encourage appropriate conduct in line with the bank's strategy "Møre 20XX". The strategy also defines sustainability parameter targets, which will be part of the basis for assessing goal achievement and annual salary assessment for executive persons.

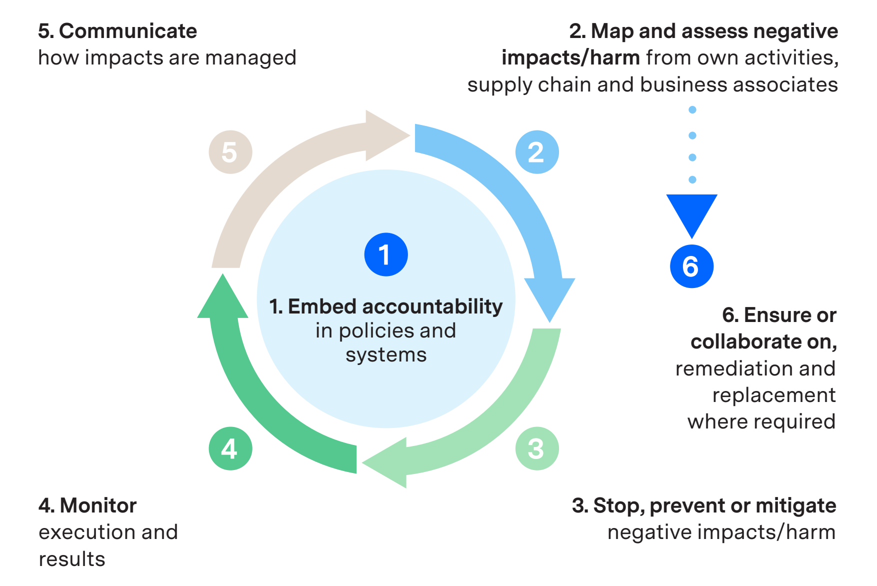
In 2025, the bank will review its remuneration policy for executive persons for potential clarification of incentives related to sustainability performance.

CONTENT

Due diligence assessments

A due diligence assessment is a process in which the bank maps, prevents, limits, repairs and accounts for how actual and potential negative consequences of the bank's activities and activities are handled.

Sparebanken Møre conducts due diligence assessments in line with the Norwegian Transparency Act and OECD guidelines on responsible business conduct.



The upcoming EU due diligence directive (CSDDD) may lead to changes and extension of the scope of the Transparency Act in Norway.

The principle of due diligence is relevant to sustainability work, and in the table below key elements are stated in the bank's due diligence assessments for impact on people and the environment and efforts have been made to explain these in the sustainability report.

Key elements of the diligence assessment
Incorporating due diligence into governance, strategy and the business model
Collaborating with affected stakeholders in all key steps of the due diligence assessment
Identifying and assessing negative impacts
Implementing measures to address negative impacts
Monitoring of the effectiveness of the measures and communication

Sparebanken Møre maps, assesses risk and monitors our suppliers in line with the Transparency Act, and more information about such work is provided in the chapter "S2 - Workers in the value chain".

The bank saw strong growth in lending volumes. The bank is highly conscious of the fact that strong volume growth should not come at the expense of credit quality and risk. Good credit ratings and good advice are top priorities and benefit both customers and the bank. Due diligence is also carried out for all new customer relationships in line with the applicable requirements for compliance with internal guidelines and the Act relating to Measures to Combat Money Laundering and Terrorist Financing (Anti-Money Laundering Act). Assessing money laundering risk is also an integral part of the bank's credit granting processes. The bank continues to have an extra focus on the effects of high interest rates, increased costs and unemployment in credit assessments.

Risk management and internal control

Sparebanken Møre's general process for risk management and internal control is described in item 10 of the "Corporate governance report". Reporting of internal control is described in the Board's annual report.

The routine for sustainability reporting will be prepared in 2025 and internal control with ESG data and reporting is under establishment.

In 2024, an internal audit was carried out on the management and control of the bank's sustainability work and the result of internal audits has been taken into account in updating the sustainability strategy and developing the management system for ESG at the bank.

The Sustainability Report for 2024 is checked and approved by the Audit Committee and signed by the Board members. The Board has been closely involved in the work on the double materiality analysis and has adopted an updated overall sustainability strategy and related strategic goals.

The Sustainability Report for 2025 will be certified with limited certainty, but the FY2024 report will not be subject to certification because this will not be appropriate when the sustainability report is subject to major changes, and the 2024 report will be a hybrid between the GRI-standard and ESRS reporting. The decision to wait for certification has been made in consultation with the external auditor.

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Strategy

Strategy, business model and supply chain inclusion

The Sparebanken Møre Group is a full-service provider of financial products and services within the areas of financing, deposits and other forms of investments, money transfers, financial advice services, asset management, arranging insurance and real estate brokerage. We also distribute dividend funds for local communities every year in line with our mandate as a savings bank. As a bank, we offer few physical products, although we are indirectly involved in what our customers do. This especially makes our downstream value chain diverse and complex.

Sparebanken Møre is an alliance-free, independent savings bank and free to choose the partners we want.

Our vision is to be the leading contributor to creative enthusiasm in Nordvestlandet. Every day.

Sparebanken Møre has 27 offices, made up of 26 branches and our head office and where the majority of the bank's FTEs are based in Møre og Romsdal, and one branch with 8 FTEs is located in Oslo and Viken.

The bank's main activity is funding, but we also provide financial advice and competence sharing through the expertise we have built up after many years as a strong player in the region. This is an integral part of our business model. The enhancement of employees competence is important to support customers in the future. To advise and support corporate and personal customers in the green shift, there is a need for competence development among our own employees.

The lending portfolio is the largest risk driver, and where Sparebanken Møre has the greatest impact. Sparebanken Møre has the highest exposure (EAD) in the retail market (mortgages), commercial real estate and fisheries, through, inter alia, energy consumption, greenhouse gas emissions, waste, pollution and loss of biodiversity.

The loss in value of underlying funded objects is the biggest identified financial risk.

Sparebanken Møre is a key supporter of the local community, both through community outreach and active engagement through financial advice and sharing expertise, and this also constitutes an opportunity for the bank. As a bank, we also have an important role in detecting and preventing financial crime and work on anti-money laundering, anti-corruption and fraud, including robust internal processes and systems are important areas of focus.

For detailed information on the sizing and financial breakdown of the bank's areas of operation, please refer to Note 4 – Operating segments and Note 5 – Lending by customer group.

The figure shows a simplified overview of Sparebanken Møre's value chain:

Upstream	Own activities	Downstream
Suppliers – suppliers of services and physical products	**Property** – we lease, own and operate premises for banking activities	**Business** – we lend to local businesses, both SMEs and larger companies
Business associates – cooperation where we provide products and services to our customers on behalf of external suppliers	**Employees** – we are a workplace for many people in our region	**Retail customers** – we provide private individuals with loans for homes and cars
Investors – we depend on funding from investors to offer our customers competitive terms	**Competence** – we want to be a driving force for development in our region and must have up-to-date skills to achieve our vision at all times.	**Local community** – sponsorship funds and community dividends that are distributed to initiatives in our region

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Strategic focus and goals

The result of the double materiality analysis was one of the inputs to the strategic process in 2024. The strategic process resulted in an updated business model and sustainability was incorporated as an integral part of the bank's corporate strategy rather than as an isolated strategic focus.

The bank has worked to set strategic goals for ESG. Targets and sub-targets for reducing greenhouse gas emissions will be set as part of the work on the bank's transition plan in 2025 and therefore only Net Zero 2050 is stated as a target in this area at the current time.

The targets set in the strategic score card are followed up systematically and reported to the management group.

Strategic score card for Sparebanken Møre

	Target description, KPI	Unit	Target	When
E	Greenhouse gas emissions reduction in own operations	%	net zero	2050
	Climate emissions reduction in the loan portfolio	%	net zero	2050
	Energy efficiency in residential and commercial buildings	%	0.16	2030
	New sales green/energy loans RM	Number per year	2000	2025-2028
	Green loans CM (total of green loans and sustainability-linked)	% of total amount	0.3	2028
	20% of new sales of funds shall be with a sustainability profile	%	20	2028
S	Minimum of each gender at each position level	%	>=40	2028
	Equal pay between the genders	%	>=95	2028
	High employee satisfaction - ESS		>=8.0	2028
	High employee loyalty - eNPS		>=40	2028
	Sick leave	%	<=4%	2028
	Goals for dividend funds for local communities		TBD*	TBD*
	Goals for customers' financial health - health report of engagement in GREP	%	90	2025
	Default below industry average		TBD*	2025
	Financial health - both parties invited to consultancy	% improvement	10	2025
G	Financial equality – reduced gap between proportion of savings between genders	% improvement	10	2025
	EPSI score - service quality corporate		60	2028
	EPSI score - sustainability index	Ranking	1st place	2025
	ESG score on corporate - EAD above NOK 8 million - proportion completed	%	100	2025
	Skills and development - courses tailored to roles/requirements	score	8.2	2025
	Completed AML courses tailored to roles	%	100	2025
	Satisfaction with skills programme (customer services)	Ranking	8/10	2025
	ESG data available to the organisation	level in PCAF	4	2025

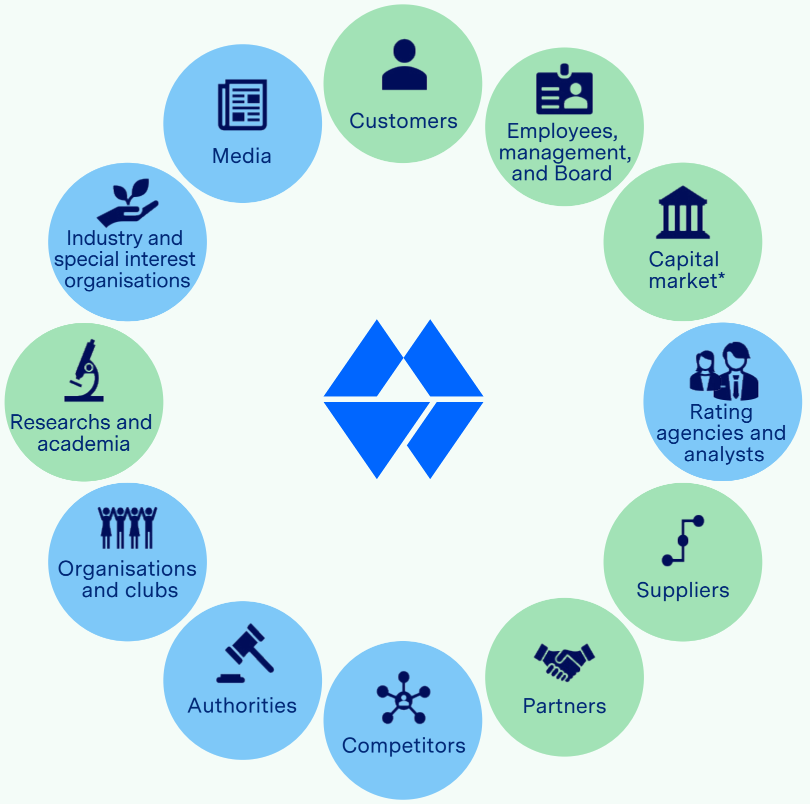
** TBD=To be decided*

CONTENT

Stakeholder and stakeholder dialogue

Sparebanken Møre has many stakeholders. When formulating directions and strategies for the bank's work, the bank wants to know what is important to our stakeholders. Engagement with stakeholder groups is a prerequisite for the public's trust in the bank.

Sparebanken Møre's key stakeholders are shown in the figure:



Those marked in green are stakeholders who have contributed input to the stakeholder analysis through interviews and surveys, blue stakeholders are included via a desktop survey.

The mapping of relevant stakeholders has been conducted to gather input on the identification of significant impacts, risks and opportunities. The collection of information has been conducted through interviews and surveys with external and internal stakeholders, as well as a desktop survey of publications, sustainability reports, and strategies to gather information on topics on which our stakeholders focus.

The table shows a summary of stakeholders, dialogue and results (bold font indicates input methodology to DMA):

Who	How	What are they con-cerned about	How the bank interacts with stake-holders
Customers	· Customer meetings with advisors and customer service · Social media · Events · **Survey**	· Climate, the environment, and the circular economy · Financial inclusion and financial health · Dividend funds for local communities · Business development · Fighting fraud	· Development of products and conditions that contribute to transition · System for preventing financial crime · Business talks, advice and local branches · Competence programme and competence sharing · Climate, the environment, the circular economy and customers and consumers are defined as significant topics for Sparebanken Møre's sustainability work and reporting.
Employees, the Board and management	· Performance reviews and inclusion in strategy process · **Interview and survey**	· Circular economy · Climate change and greenhouse gas emissions · Working conditions and terms · Work/leisure balance · Equal treatment and opportunities · Dividend funds for local communities	· Competence mapping, programme and competence platform for all employees · Employees are a strategic main focus · Climate accounts and climate emissions targets for own operations

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Who	How	What are they con-cerned about	How the bank interacts with stake-holders
Capital market, rating agencies and analysts	• General Meeting • Events • Rating processes • Stock exchange announcements and quarterly presentations • **Interview and desktop survey**	• Reporting and data quality • Continuous improvement • Transparent, ethical and financially competitive business operations	• Transparent and comprehensive sustainability and financial reporting • Audit processes • Risk reporting and management
Suppliers	• Regular follow-up meetings • Contract meetings • Events/webinars • **Survey**	• Circular economy • Climate change • Working conditions and terms, gender equality and diversity • Contribution to local communities • ICT security	• ESG assessment in product development and change • ESG requirements for suppliers and due diligence in the supply chain • Workers in the value chain is defined as a significant topic for Sparebanken Møre's sustainability work and reporting.
Industry and special interest organisations	• Project meetings • Events • **Desktop survey**	• Employment and local communities • Competence and networking • Transitions to a sustainable society • Circular economy • Digitalisation	• Competency sharing through programmes, conferences and lectures • Dividend funds for local communities and NæringsTEFT • Digital solutions and services • Effective operations as a strategic focus
Competitors	• Interdisciplinary reference groups	• Competence and transition • Sustainable business model • Sustainability reporting	• Participation in interdisciplinary collaborations across banks • Sharing experience and opportunities within sustainability • Cooperation on conferences, etc
Authorities	• Councils, committees and supervision	• Reporting, disclosures and audits	• Governance, control and reporting in line with requirements and expectations
Clubs and organisations	• Events, board meetings, follow-up on allocated funds • **Desktop survey**	• Dividend funds for local communities • Competence sharing	• Support for clubs and organisations • Allocation of scholarships to young talents • Support for environmental measures • Competence sharing
Research and academia	• Events • Board positions • Cooperation • **Desktop survey**	• Recruitment • Demographics • Climate change	• Competence sharing • Local branch and workplaces • Climate change is a significant topic in Sparebanken Møre's sustainability work and reporting.
Media	• Interview • Press releases • Ongoing engagement	• Responsible and transparent business operations • Competence and transition	• Accessible, accurate and relevant information • Quick response to enquiries • Press releases

CONTENT

Stakeholder input for the double materiality analysis was forwarded to the Board and management during the analysis process and taken into account in assessing significant topics for Sparebanken Møre's sustainability work and reporting.

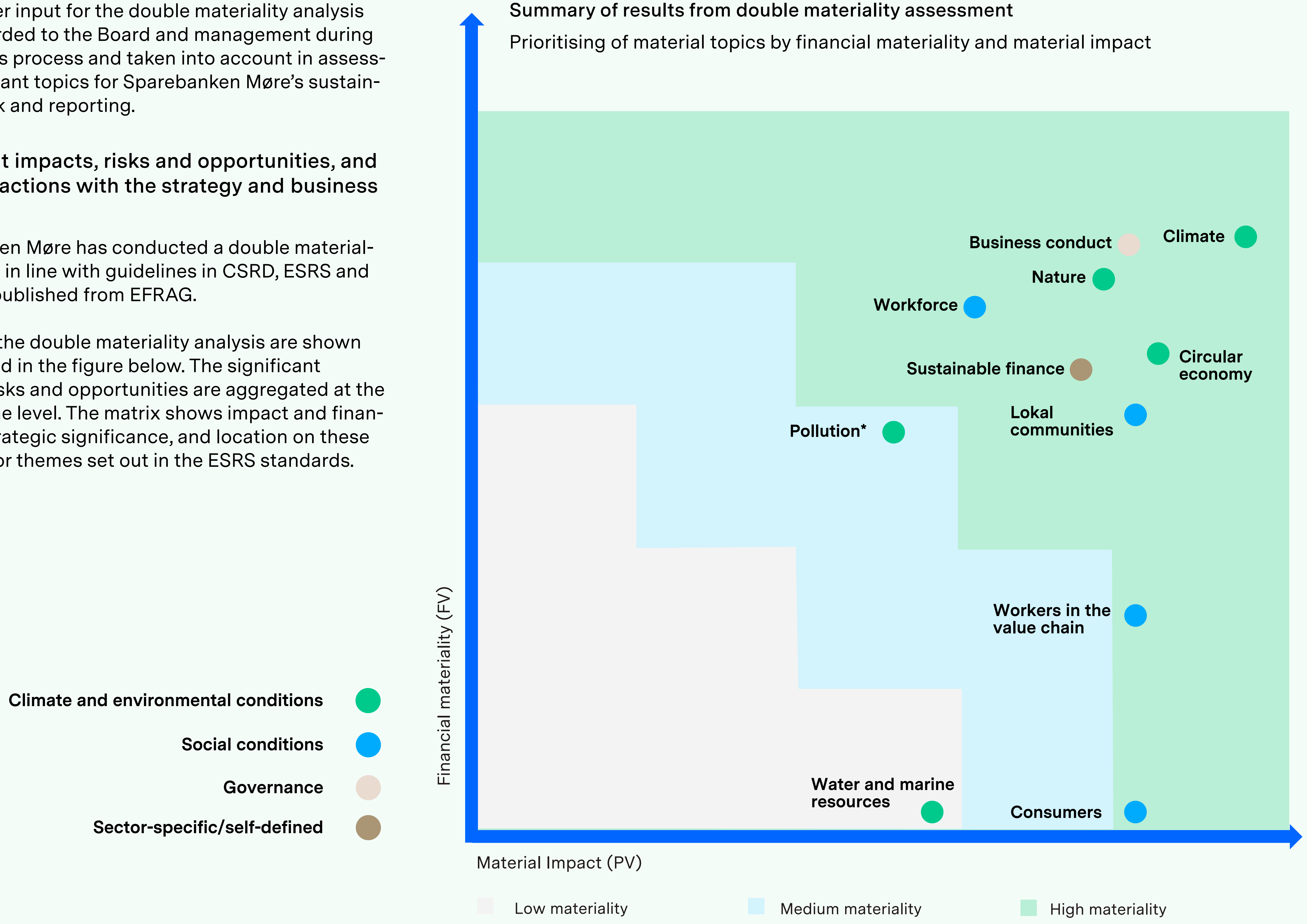
Significant impacts, risks and opportunities, and their interactions with the strategy and business model

Sparebanken Møre has conducted a double materiality analysis in line with guidelines in CSRD, ESRS and guidance published from EFRAG.

Results of the double materiality analysis are shown summarised in the figure below. The significant impacts, risks and opportunities are aggregated at the ESRS theme level. The matrix shows impact and financial and strategic significance, and location on these two axes for themes set out in the ESRS standards.

Summary of results from double materiality assessment

Prioritising of material topics by financial materiality and material impact



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Sparebanken Møre is a bank with a broad lending portfolio and thus also a wide range of identified significant topics. The bank's significant topics have been reviewed with the Board and management, and are part of the bank's basis for the strategic process. Sparebanken Møre's overall strategy and business model have been updated following the materiality analysis, so that sustainability that was previously a separate focus area is now integrated in all strategic priority areas and in the business model.

Sparebanken Møre's sustainability strategy has been updated on the basis of the double materiality analysis. In addition, the result of the materiality analysis is taken into account when updating the credit strategy and in the planned update and expansion of the ESG scoring system by the bank's corporate customers to be implemented in Q1 2025.

However, topics that are not defined as significant after the analysis are nevertheless important and carefully considered in the analysis, but the sum of scope, severity and probability was assessed as not being significant in this round. The double materiality analysis shall be updated annually, and revised at least every three years, and significant topics may change over time.

A more detailed overview of significant topics based on ESRS 1 AR 16 is provided at the beginning of each chapter for the major topics.

Sparebanken Møre's significant impacts, risks and opportunities (IRO) are mainly in the downstream value chain, through the lending portfolio. In the figure below, significant IRO is placed in the value chain, with a specified time horizon.

The table provides an overview of assessment and significance:

ESRS	Significant	Assessment
E1 Climate change	Yes	Impact on the climate through greenhouse gas emissions in own operations and through lending/investments has been assessed as high. Climate change poses a potential financial risk to Sparebanken Møre. Primarily through the lending portfolio.
E2 Pollution	No	Pollution is almost financially significant based on the fish farming, agriculture and industry industries, but after considering total exposure, the actual degree of pollution at the bank's largest customers in the sectors and the bank's possibility of influence, the topic was considered not significant.
E3 Water and marine resources	No	The Group does not have high water consumption in its own operations and is not particularly water-dependent. In the value chain, businesses rely on marine resources, but this is considered covered under E4 Biodiversity and ecosystems. E3 Water and marine resources are important, but based on the degree of impact and financial impact are not considered significant for Sparebanken Møre in this analysis.
E4 Biodiversity and ecosystems	Yes	Impact on loss of biodiversity through the lending portfolio, especially for construction, power and water supply, fisheries and maritime. Significant financial risk through inability to pay for loans to fisheries, through changes in the industrial basis, climatic conditions, spawning areas and water quality.
E5 Resource use and circular economy	Yes	Negative impact through waste and resource use from loans to construction, industry, maritime, retail, power and water supply and fisheries, as well as waste through own operations.
S1 Own workforce	Yes	Positive impact on own employees by preventing discrimination and harassment, good working conditions, health, diversity and competence building. Financial risk associated with this impact in the event of inadequate decisions due to lack of sustainability expertise.
S2 Workers in the value chain	Yes	Greatest significant impact in the supply chain (upstream) as this is associated with potential risk of human rights violations and downstream as some industries are exposed to HSE risk and possible violations of working terms.
S3 Affected communities	Yes	Positive impact on local communities through dividend funds for local communities and contributing to more jobs through funding of local businesses. Financial opportunity through local presence.
S4 Consumers and end-users	Yes	Positive impact on consumers through prevention, better personal finances, access to products, services and information, financial inclusion and protection of personal data.
G1 Business conduct	Yes	Actual positive impact through preventing financial crime. Sparebanken Møre can have a financial opportunity through a strengthened reputation by having sustainability expertise to assist customers in their transition and a risk related to lack of sustainability data and adaptability.
Sustainable finance	Yes	Sparebanken Møre has a major positive impact and financial opportunity through offering green products and services to its customers

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	Upstream	Own activities	Downstream
Climate and the environment (E)	K ● **Loss of biodiversity through purchasing** K ● **Energy consumption from data centres** K ● **GHG emissions from purchased goods and services (incl. capital goods)**	K ● **GHG emissions in own operations** K ● **Energy consumption from own operations** K ● **Waste generated from own operations** K ● **Resource utilisation (especially IT equipment)**	K ● **GHG emissions in the loan portfolio** K ● **Energy consumption in the loan portfolio** K ● **Loss of biodiversity through lending** K, M ● **Waste generated through the loan portfolio** L ▼ Loss in value of underlying funded objects associated with climate risk (stranded assets) L ▼ Climate and nature-related credit risk of mortgage customers and corporate customers L ▼ Credit risk from lending to fisheries due to the sector's dependence on nature L ▼ Credit risk from lending to manufacturing due to waste management and reduction regulations
Social conditions (S)	L ● Workers' working conditions and rights at suppliers of IT equipment, office supplies and office furniture	K ● **Prevention of discrimination and harassment among own employees** K ● **Diversity, equality and inclusion**	K ● Workers' working conditions and rights at organisations in the loan portfolio K ● **Workers' health and safety at organisations in the loan portfolio** K ● **Supporting local communities** K ● **Employment due to loans and support for local communities** K, M ▲ **Local presence**
Governance (G)		M ▼ Lack of advice, assessments and decisions due to lack of competence in sustainability M ▼ Lack of restructuring and innovation ability within the bank M ▼ Increased funding costs due to low green asset ratio (GAR) and low focus on sustainability M ▼ Incorrect credit/risk assessments due to lack of data and/or poor data quality K ▲ Strengthened reputation through demonstrating a high level of expertise in sustainability and being a driver for sustainable development L ▲ Better decisions using big data	K ● **Financial inclusion and financial health** K ● **Privacy and information security** K ● **Preventing financial crime** K ▲ Increased market share by providing green products and services

Bold font: actual impact

S (short) = 1 year
M (medium) = 1-5 years
L (long)= > 5 years

● Negative impact
● Positive impact
▼ Risk
▲ Opportunity

CONTENT

Managing impact, risks and opportunities

As a financial group in Nordvestlandet, Sparebanken Møre has the greatest opportunity to influence climate, the environment, nature and society through what the bank invests in and funds, the latter of which is where Sparebanken Møre has the greatest impact. Furthermore, through Sparebanken Møre's lending portfolio, the greatest financial risks and opportunities have also been identified and assessed as significant.

Methodology and estimates
In 2024, Sparebanken Møre conducted a stakeholder analysis, an impact analysis and a financial materiality analysis for the comprehensive identification of the bank's influences, risks and opportunities across the bank's value chain.

Identified impacts were then assessed based on severity, scope, recovery potential and probability. Severity indicates the degree of harm or improvement to people and the environment as a result of the impact. Scope provides a picture of the number of people, species or the geographical area that will be affected. Recovery opportunities indicate the extent to which it is possible to bring people, society, climate and the environment back to a situation similar to what it was before the impact occurred.

All the impacts were also placed on the expected time horizon for when the impact could have an effect. The time horizon used in the double materiality analysis is shown in the table below:

Time horizon	
Short	≤ 1 year
Medium	1-5 years
Long	≥ 5 years

Severity is weighted more than probability for impact involving possible or actual human rights violations.

Identified risks and opportunities are assessed against scale and probability, and across the bank's value chain. The scale range indicates the potential financial impact triggered by the risk or opportunity. Assessment of the scale of the financial effect is in line with assessment of financial effect in other risk assessments carried out in Sparebanken Møre. When assessing the scale of the credit risks, the bank's credit exposure to the specific sector has also been used as a basis.

Sources for identifying risks and opportunities are input from stakeholders, identified impacts as the basis for risk or opportunity, dependencies for Sparebanken Møre that entail a risk or opportunity, and other external factors such as megatrends that may have an effect on the bank's strategy and financial position.

The assessment of risks and opportunities has also been carried out for different time horizons, similar to that for impacts, and indicates when the bank expects a financial effect to materialise.

In addition, risks and opportunities are considered for two scenarios. The scenarios are based on the Network for Greening the Financial Systems (NGFS) two scenarios "Delayed Transition" and "Current Policies".

"Delayed Transition" results in a situation of sudden strict regulations and policy guidelines, requirements and fees.

"Current Policies" is an assumed situation in which political policies are at a similar level as today and we are experiencing a rise in temperature, climate change and the physical consequences it will have for the environment and society.

Threshold values have been set in consultation with the Board and management and has been added to a level that is considered significant for Sparebanken Møre's further strategy and reporting.

Actual and potential positive and negative impacts are assessed using a five interval scale based on four factors

Total impact* \ Likelihood	1	2	3	4	5
5	5*	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Severity	Limit value	
High	16-25	Material impacts (for strategy and reporting)
Medium	7-15	Materiality of risks and opportunities must be assessed further
Low	0-6	Not material for strategy work and reporting

** Due to the high degree of severity, some topics are set as material despite the fact that their total scores are lower than the set limit value, and when assessing impacts related to humans, severity will be weighted higher than likelihood*

Risks and opportunities are assessed based on a five interval scale based on two factors

Scale \ Likelihood	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

Severity	Limit value	Sparebanken Møre's risk framework		
High	16-25	Very high High	Critical loss Severe loss	Material risks and opportunities (for strategy work and reporting)
Medium	7-15	Medium	Moderae loss	Materiality is assessed further
Low	0-6	Low very low	Minor loss Immaterial loss	Not material for strategy and reporting

The result of scoring each impact, risk and opportunity

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determines which overall ESRS theme is significant for Sparebanken Møre.

Involvement and decision making

The double materiality analysis has been a comprehensive and thorough process. An expanded project team has been involved in various parts of the process to ensure involvement and anchoring from different parts of the organisation in the process of identifying and selecting impacts, risks and opportunities. The Sustainability Committee has also been involved in the process, and has been presented with and discussed impacts, risks and opportunities. Industry leaders in the bank's business environment have been involved in the process of safeguarding our understanding of impacts, risk and opportunities through the bank's broad exposure to business customers.

Sparebanken Møre's Board was involved in the process both through interviews with four board members, as well as presentation of the stakeholder analysis, impacts, risks and opportunities and final results and significant topics in three different board meetings. The Risk and Audit Committee has also received a review of the process, as well as participated in discussions on threshold values and significant topics. Group management has been involved through in-depth interviews with all members, as well as the Chief Information Officer and Head of Asset Management. Group management was informed throughout the process and received a corresponding presentation of the result of the double materiality analysis as that received by the bank's Board of Directors.

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The figure shows material topics and sub-topics for Sparebanken Møre based on the result of the double materiality analysis:

Environmental					Social				Governance	Sector-spesific
E1: Climate change	E2: Pollution*	E3: Water and marine resources	E4: Biodiversity and ecosystems	E5: Circular economy	S1: Own workforce	S2: Workers in the value chain	S3: Affected communities	S4: Consumers and end-users	G1: Business conduct	Sustainable finance
Actions for climate change mitigation	Air pollution	Water (fresh water)	Direct impact factors for biodiversity loss	Upstream resource utilisation including use	Working conditions	Working conditions	Society's financial, social and cultural rights	Information-related impacts for consumers/end-users	Corporate culture	
Climate adaptation	Water pollution	Marine resources (salt water)	Impact on the state of species	Downstream resource utilisation related to products and services	Equal treatment and opportunities for all	Equal treatment and opportunities for all	Society's civil and political rights	Personal safety for consumers and/or end-users	Protection of whistle-blowers	
Energy	Soil pollution		Impact on the scope and state of ecosystems	Waste	Other work-related rights	Other work-related rights	Rights of indigenous peoples	Social inclusion of consumers and/or end-users	Animal welfare	
	Contamination of living organisms and food resources		Impacts and dependencies on ecosystem services						Political engagement and lobbying	
	Substances of concern								Management of relations with suppliers incl. payment practices	
	Substances of very high concern								Corruption and bribery	
	Microplastics									

Material (green)

Not material (brown)

**The appendix contains an index where all information requirements that have been answered in line with requirements in the ESRS are listed with chapter references to relevant information, as well as an index for data points that originate from other legislation.*

CONTENT

Operations
Statement and results

Climate and the environment (E)

Sparebanken Møre has three material topics within climate and environment.

Climate change (ESRS E1)
Biodiversity and ecosystems (ESRS E4)
Resource use and circular economy (ESRS E5)

The topics are reported separately.

Sparebanken Møre's taxonomy report is placed last in the section on climate and environment.

The strategic goals Sparebanken Møre has set in the area of climate and environment are shown in extracts from the strategic score card:

	Target description, KPI	Unit	Target	When
E	Greenhouse gas emissions reduction in own operations	%	net zero	2050*
	Climate emissions reduction in the lending portfolio	%	net zero	2050*
	Energy efficiency in residential and commercial buildings	%	0.16	2030
	New sales green/energy loans Retail Market	Number per year	2000	2025-2028
	Green loans Corporate Market (total of green loans and sustainability-linked loans)	% of total amount	0.3	2028
	20% of new sales of funds shall be with a sustainability profile	%	20	2028

** Targets for reductions in greenhouse gas emissions in own operations and in the value chain will be part of Sparebanken Møre's transition plan, which will be prepared and published during 2025.*

The score card has been adopted in the strategic process and overall sustainability strategy and the first year of measurement of target achievement will be for the 2025 financial year.

CONTENT

E1 Climate change

The chapter contains information about our strategic work on greenhouse gas emissions and energy consumption. We describe our climate change management model, our policies, what actions we have taken in 2024 and planned actions for 2025. Finally, results and goals are presented, and information is provided about the bank's climate accounts and energy consumption.

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Greenhouse gas emissions in the loan portfolio	The bank contributes indirectly to greenhouse gas emissions through lending to households and businesses	S	VC	Neg	I
Greenhouse gas emissions in own operations	The bank has greenhouse gas emissions especially in the categories of business travel, procurement and employee commuting	S	OO	Neg	I
Energy consumption in the loan portfolio	The bank contributes indirectly to energy consumption through lending to households and businesses	S	VC	Neg	I
Sustainable products and services	As a bank, we can develop products and services, as well as stipulate conditions etc. on loans in such a way that the financing or investment contributes to a sustainable transition	L	VC	Pos	I
Loss in value of underlying funded objects associated with climate risk (stranded assets)	Funded objects may lose value due to changes in external framework conditions related to green transformation and changes in climate and nature.	L	VC		R
Credit risk for private clients with mortgages	Private mortgage customers are exposed to various types of risks that can have a negative financial impact on their ability to pay, such as electricity prices, increased insurance premiums in the event of physical risk and requirements for upgrading the energy efficiency of homes.	L	VC		R
Credit risk through lending to business	Climate risk can affect businesses' ability to pay through physical damage to assets, increased fees and charges, requirements for upgrading and other risk factors related to climate and energy use.	L	VC		R

**Time horizon is short, S (<1 year), medium, M (1-5 years) or long, L (>5 years). VC =value chain, OO = own operations, I=impact, R=risk, O=opportunity*

CONTENT

Identified operational risks and opportunities related to climate, among other things

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Increased funding costs due to low green asset ratio (GAR) and low focus on sustainability	Low focus on sustainability has consequences in the form of a small proportion of customers who want a green/sustainable profile in line with the EU taxonomy, hence low GAR. Low GAR has consequences for the funding costs of the bank.	M	OO		R
Incorrect credit/risk assessments due to lack of data and/or poor data quality	Assumes that ESG has been integrated into decision-making processes, but the data on which the decision is made is inaccurate/low quality and includes large margins of error – this can lead to incorrect credit and risk assessments, and loss provisions	M	OO		R
Increased market share by providing green products and services	There is great competition for customers and green products often have favourable conditions; in addition, the transition will mean that customers need incentives to get started with important work. By providing green products and services, which help customers to transition into a low-emission society, we will be able to increase our market share.	S	OO		R

Time horizon is short, S (<1 year), medium, M (1-5 years) or long, L (>5 years). VC =value chain, OO = own operations, I=impact, R=risk, O=opportunity

Transition Plan

Climate change represents one of the greatest challenges of our time and demands action from both global and local actors. As a savings bank headquartered in in the Northwest part of Norway, Sparebanken Møre has an important role to play in this transition. Global agreements such as the Paris Agreement and the UN Sustainable Development Goals set the direction, and Sparebanken Møre's strategy must be adapted to the development of society and future needs. To achieve the net-zero emissions goal by 2050, the transition plan will describe the way there, with an initial focus on the industries that have the largest greenhouse gas emissions, such as maritime, property and seafood, where it will be appropriate to set subgoals up to 2030.

Sparebanken Møre will implement and publish its transition plan for businesses, households and own operations during 2025. The progress plan, scope and budget for the transition plan have been approved and adopted by the bank's Board of Directors and management, and rooted in the parts of the organisation that will be involved in the work. A preliminary project has been completed in 2024 to prepare the bank for the work on the transition plan.

In the work on the transition plan, the bank will set science-based emissions reduction targets for both the loan portfolio and its own operations. Currently, there is a lack of a good knowledge basis for setting emissions targets and there are therefore no numerical emissions targets published in this year's sustainability report.

Since 2019, Sparebanken Møre has had, and continues to have, an ambition to continuously work towards reducing greenhouse gas emissions through decisions in its own operations and in cooperation with its customers.

CONTENT

Strategy and Governance

Strategy, business model and governance of significant climate-related conditions

The financial industry has been given a role as a driving force in the transition to a low-emission society, and this entails a transition risk for us as a bank if we fail to both adapt our business model to meet our expectations and requirements, and simultaneously also help our customers to transition.

The bank finances and manages using knowledge about and assessment of risks and opportunities in terms of climate and the environment. This is part of the bank's risk management process and specifies how the bank is managed with a view to minimising factors that negatively affect society and climate/the environment, and how we can contribute positively to transition.

Each year, the Board adopts the "General sustainability strategy for Sparebanken Møre", which will form the basis for both strategic decisions and ongoing operational work related to climate change, climate adaptation and energy consumption and efficiency.

Responsibility for the implementation of climate-related strategies, policies and measures is similar to that of other sustainability topics and is described in "General Information".

The bank has the greatest climate impact and risk in the loan portfolio. The most important management documents in the credit process are the credit risk strategy and the credit manual. The credit risk strategy is revised annually. The target frameworks in the strategy and status of credit risk must will be monitored, including through the bank's monthly risk reports. The credit manual is updated on an ongoing basis.

In assessing sustainability in terms of credit provision to business customers, ESG and climate risk form a central part. The bank's risk appetite in this area is moderate, similar to overall credit risk.

Climate in business strategy and guidelines:

A standard template has been prepared for what the sustainability part of the industry analyses should highlight for the different industries. These are:

- Description of which sustainability goals are most important to the industry
- ESG drivers in the industry
- Risk profile for the industry with regard to physical risk, transition risk and risk mitigation measures
- Social conditions that can constitute risks
- 5 important topics to discuss with industry stakeholders
- Reporting on the largest customers in the portfolio on specific questions about ESG risk score, transition risk, physical risk, ESG report, Climate accounts, transition capacity and certifications.

The industry analyses provide a good insight into the status of the industries and the risk profile associated with ESG.

Advisor Guide:

The purpose of the ESG advisor guide is to make the advisors more confident in the role as sparring partner for the customer.
The topics of the guide include:

- How the sustainability portal at sbm.no can be used as a tool in conversations with business customers. The sustainability portal is divided by industry and provides specific advice and recommendations to the companies.
- The ESG analysis, which is carried out in credit applications. Here we give some advice on how the advisor can carry out the most objective analysis possible.
- The Transparency Act is included with the purpose and who is covered by the law, and what is expected of the customers with regard to monitoring of the customer's value chain.

Identification and classification of climate risk

General process for the double materiality analysis and identification of impact, risks and opportunities is described in the "General Information" chapter.

Sparebanken Møre also assesses its climate-related risks through several processes. ESG risks in the business portfolio, including climate risk, are assessed for all industries and the bank's largest exposures within each industry annually in our industry analysis. All business credit matters undergo an assessment of physical and transitional risk at the case level, and customers with exposure >NOK 8 million are assessed annually in line with the bank's ESG scoring system. Customers classified with high ESG risk are closely monitored with a customised action plan.

All identified significant risks within climate for Sparebanken Møre are related to both physical and transitional risks. Households and businesses to which we have granted loans will be affected to a different extent by both types of risk and thus pose a risk to both customers' ability to pay and a risk of reduced value to the bank's mortgagee.

CONTENT

Operational risk is managed in accordance with the bank's risk management routine. Risks are reviewed annually and the effect of registered measures is assessed.

Climate Risk Reporting

ESG risk/climate-related risk is included in the bank's quarterly risk reports that are presented to the Board. Furthermore, the Board's Risk Committee receives status updates in presentations by the bank's Sustainability Coordinator. ESG factors are also included as part of the basis for considering a number of individual matters that are presented for consideration by the Board. Sustainability and climate risk are a fixed point in the structure and reporting of credit matters to the board. The Board's work on risk management and internal control is described in the "Corporate governance General information".

Climate risk is a risk driver within several of the bank's established risk areas; credit risk, market risk, liquidity risk and operational risk. ESG risk is included in the bank's annual ICAAP reporting and in the SREP assessment.

A description of the bank's climate impact and climate risk, as well as the management of these, are included in the bank's annual sustainability report. Climate accounts for own operations and the value chain are included in the sustainability report, see the section "GHG emissions".

Sparebanken Møre is Eco-Lighthouse certified and reports annually through the Eco-Lighthouse scheme. Energy efficiency measures implemented in own operations are part of this annual reporting, and the measures are part of Sparebanken Møre's environmental management system.

The Board considers the bank's overall risk picture for ESG risk drivers to be moderate and within acceptable risk tolerance levels.

Climate scenario

Climate-related risks identified during the double materiality analysis were assessed against two scenarios, as described in the Chapter statement.

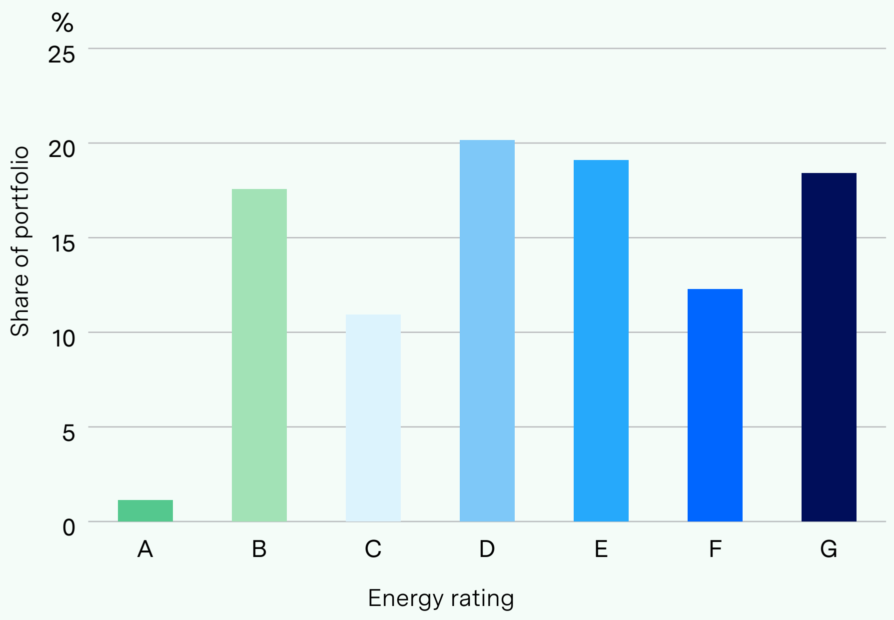
Sparebanken Møre considers that the bank's greatest risk lies in the bank's loan portfolio and in 2024 has used climate-related scenarios in stress tests of the loan portfolio for households and businesses as a basis for assessing the extent of climate risk. The bank considers that both physical and transitional risks in the short term are not of a significant scale, and that the climate risk profile mainly applies in the medium and long term.

Transitional risk

The bank has used actual and estimated energy ratings for private homes and actual energy ratings for commercial buildings as a factor in assessing transition risk. Risk is defined as through increasing regulatory requirements for building energy efficiency, and possible consequences for climate risk assessment are

1. reduced value of buildings with an energy rating lower than C
2. reduced ability to pay for customers in real estate that receive reduced rental income from their rental premises with low energy ratings.

The figure shows the distribution by energy rating* for housing in SBM's retail portfolio as of December 2024.



**Energy rating is based on data from Eiendomsverdi, and is the total of actual energy ratings from Enova as well as estimated energy grades from Simien's estimation model.*

It is more challenging to extract data for commercial buildings in the bank's portfolio, because a commercial building can consist of several matrices, as well as several registered energy ratings in the same building whose type of use in different parts of the building mass varies. Our estimate showed that we find an energy rating of 17% for commercial buildings in the portfolio, where the energy rating is distributed as follows:

Energy rating for commercial buildings	Proportion of buildings with known energy rating
A	1 %
B	4 %
C	4 %
D	2 %
E	2 %
F	2 %
G	2 %

CONTENT

Low coverage and limited estimates mean that no conclusion can be drawn on the energy rating status for commercial buildings, and there is an ongoing process and dialogue with the bank's commercial property customers to increase coverage.

The scenario used is based on the NGFS' "Current policies" and "Delayed transition", where "Current policies" are assessed as providing a moderate impact on value and payment ability, while "Delayed transition" drastically impacts value and ability to pay due to rapidly imposed stringent energy efficiency requirements.

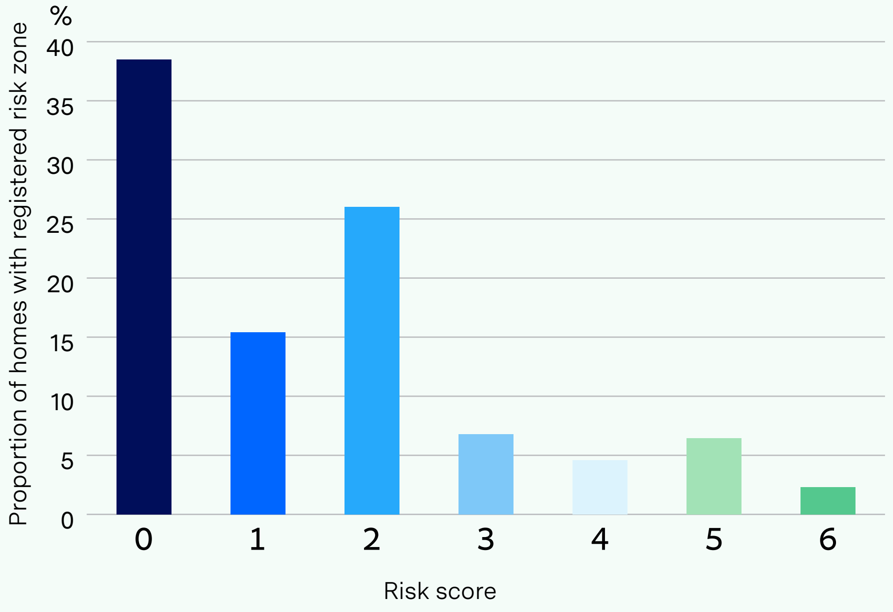
A stress test has been carried out using the same model as for the bank's estimated losses. Climate risk and its impact on credit risk is an area where the bank will continue to develop and in 2025, the guidelines in the recently published "Guidelines on the management of ESG risks" from the European Banking Authority (EBA) will be incorporated into the bank's risk management system.

The result of the stress test showed that climate risk in Sparebanken Møre's housing and property portfolio is not sensitive to transition risk with energy ratings as an isolated factor in any of the scenarios.

Physical risk
Physical climate risk is an indirect risk to the bank through customers whose assets or operations will be affected by physical climate events. The bank believes that primarily the costs of such events are covered by insurance, but considers that assets exposed to physical climate risk will, especially in the "Current policies" scenario with increased temperatures and increased probability of physical climate events, have their value reduced and customers will also experience increased insurance premiums or requirements for climate adaptation in order to retain their insurance, which may affect their ability to operate.

Sparebanken Møre has data on physical risk for properties for which it has loans. Physical risk has not been established as a factor in the bank's credit ratings for now, but will be included during 2025.

For private housing, physical risk scores from Eiendomsverdi will be used as a basis for assessment, and approximately 60% of the private housing portfolio has one or more registered physical risk factors. The proportion of homes with registered physical risk has increased by 32% compared to last year, and this is mainly due to the introduction of the risk category "stormwater". This risk category affects a large proportion of homes, but with a low risk score. The bank's mortgage customers are at the highest risk for the scenarios of landslides and increased sea levels/storm flooding.



Risk scores range from 0 to 6, with 6 being the highest risk. The score is based on what on the land plot will be affected by risk, where the main building has the highest severity and the probability of the risk scenario occurring.

Physical risk will be one of the credit risk factors that will be the basis for portfolio-level stress tests in 2025.

Measures and resources related to climate management

Climate risk is the impact resulting from climate change. Climate risk will also impact the bank's credit risk. Therefore, it is vital that the bank understands how climate-related risk will impact business customers' business models and profitability. At the same time, the bank shall be a driving force in ensuring that the customer does not adversely affect climate and that they it is transitioning into a more sustainable business. The corporate portfolio includes a wide range of customers within the trade/service industry, manufacturing/energy, seafood, real estate/developers and maritime sectors. Although the corporate portfolio only accounts for 30 per cent of the bank's total loan portfolio, the bank can have the greatest impact with respect to the environment and society through its corporate customers.

The bank can have an impact through customer requirements, competence sharing and dialogue. This is done, for example, by analysing customers' sustainability and climate-related risk when processing applications for loans and credit, as well as in the follow-up work with existing customers.

Sparebanken Møre's restructuring plan will form the basis for an action plan and measures related to the mitigation of climate change through emissions reduction. For those industries where there is high physical risk, adaptation to climate change will also be addressed.

CONTENT

Measures:	Time hori-zon	OO/VC*	Effect
Launch of energy efficiency products	2024	VC	Good conditions shall lead to better energy efficiency of properties and increased demand for energy efficient premises and homes.
Green Arena Møre	2024-2027	VC	Programme for support and expertise in the energy efficiency of commercial buildings with an estimated 25% improvement in energy efficiency for the participants' commercial buildings.
'Kompetansetrappa'	2024	VC	Competence programme for companies in Møre og Romsdal that dealt with ESG in materiality analyses, business models, communication and reporting
Entered into partnership with the Grønt Skipsfartsprogram	2025-	VC	A collaboration for efficient and environmentally friendly ship-ping
Sparebanken Møre's transition plan to a low-emission society.	2024-2025	OO and VC	Decarbonisation paths for own operations and the downstream supply chain, as well as measures to achieve goals.
Refurbishment of own head office	2025-2027	OO	Breeam Excellent standard and reduced energy requirements for headquarters after renovation.
Energy efficiency requirements for premises in Sparebanken Møre's lease contract portfolio, both for renegotiation and new agreements		OO	Work with the landlord to raise the energy class of office premises.
Launch of sustainability-linked loans for shipping, fish carriers and fisheries	2025-2026	VC	Performance on sustainability parameters will affect loan conditions and contribute to restructuring.
Auditing the bank's ESG scoring tool for business	2025	VC	More thorough assessment of customers' ESG work and possible risk to the bank.
Implement physical risk as part of the retail market credit rating process	2025	VC	Physical climate risk is taken into account in the credit process.

OO = own operations, VC = value chain

Internal Competency Enhancement Measures

In 2024, Sparebanken Møre has taken several initiatives to strengthen competence and offer better services to customers. Through the annual authorisations, which the advisors must complete in order to maintain their qualifications in the areas of savings, investment, credit and insurance, a special focus has been added this year for advice on the environment and climate. This includes training in energy labelling and energy reporting to ensure advisors are well equipped to help customers make good long-term choices.

All the bank's personal advisors have attended a joint information meeting on "Energy loans & green loans". Here, participants received extensive information about why we as a bank are an important social actor and are driving customers to choose energy-efficient solutions as well as information about the loan products Energy Action loans, Energy Building Loans and Green mortgage variants. Extensive information was also provided about what the bank has and recommends as useful tools in meetings with our customers. A selection of building loan specialists have participated in joint training in energy-efficient solutions for customers who will be taking up building and rehabilitation loans.

Sparebanken Møre has entered into an agreement with a digital competence platform where all employees have access to a number of different online courses. 21 courses are available under the theme Sustainability and Corporate Social Responsibility, several of which have been added to custom mandatory playlists for advisors and staff to contribute to an increase in competence enhancement for all disciplines in the bank. Examples of courses included in the business advisors' mandatory playlist are "Natural resources and your business" and "What does the circular economy mean for your business" with the goal of the competent provision of advice to the bank's customers in similar areas.

CONTENT

Climate-related objectives

An overview of Sparebanken Møre's strategic objectives related to climate and the environment is given in the introduction to the climate and the environment section of the sustainability report.

Energy consumption and energy mix

At the end of 2024, Sparebanken Møre has 27 offices where all office premises mainly use electricity as an energy source. The head office in Ålesund also uses district heating as a source of heat for the premises.

Electricity consumption overall in 2024 was reduced by 9.8% compared to 2023, and a 12.1% reduction compared to the 2019 base year.

Change in electricity consumption is due to changing premises, as well as the addition of a temperature control system and switching to LED lights in some premises. Through good control and monitoring of electricity consumption, it was also discovered in 2024 that in one case the bank was charged for the whole building's ventilation system meter where we are one of several tenants, and that in another building we had the entire building's overall power consumption on our meter. These two cases alone have resulted in a reduction in electricity consumption of 90 MWh in 2024 compared to 2023.

Sparebanken Møre's total energy consumption for scope 1 and 2 is shown in the table:

Key figures for energy consumption

	Category	Explanation	Unit	2019	2023	2024
Scope 1						
	Transport Total (diesel)		MWh	22.2	19.3	17.1
	Scope 1 total		MWh	22.2	19.3	17.1
Scope 2						
	Electricity		MWh	2,881.9	2,683.9	2,617.6
	District heating		MWh	504.8	619.1	502.7
	Scope 2 total		MWh	3,386.7	3,302.9	3,120.3
	Total energy consumption		MWh	3,408.9	3,322.2	3,137.4

The table below shows the proportion of renewable energy in Sparebanken Møre's energy consumption in 2024:

		2019	2023	2024
Scope 1 - Renewable energy	MWh	0%	17 %	19 %
Scope 1 - Proportion of renewable energy	%	0%	17 %	19 %
Scope 2 - Renewable energy (location based)	MWh	-	2,846.8	2,723.0
Scope 2 - Proportion of renewable energy (location based)	%	0%	86.2%	87.3%
Total - Renewable energy (location based)	MWh	-	2,850.1	2,726.2
Total - Proportion of renewable energy (location based)	%	0%	85.8%	86.9%
Scope 2 - Renewable energy (market based)	MWh	2,865.9	2,981.0	2,853.9
Scope 2 - Proportion of renewable energy (market based)	%	84.6%	90.3%	91.5%
Total - Renewable energy (market based)	MWh	2,865.9	2,984.3	2,857.1
Total - Proportion of renewable energy (market based)	%	84.1%	89.8%	91.1%

CONTENT

In scope 1, the bank's company car diesel consumption and the proportion of renewables is based on the share of biofuel in Norwegian diesel in line with Norwegian sales requirements.

The proportion of renewable energy in scope 2, electricity and district heating is based on actual geographical proportion of renewables in the electricity and district heating mix by location-based method. According to the Norwegian Water Resources and Energy Directorate (NVE), the Norwegian electricity mix consists of 95% renewable sources, and 5% non-renewable, of which about 2% is nuclear power.

The share of renewable energy is higher under the market-based method because Sparebanken Møre has a guarantee of origin that purchased electricity comes from renewable sources. None of the bank's premises are in buildings with self-produced energy.

Major renovation of the head office in Ålesund is planned for the period 2025-2027. During the period, employees will be divided into three temporary premises in the centre of Ålesund, as well as working from home offices. The aim is for the new head office to be Breeam Excellent certified and have a lower energy consumption than the current building, as well as a share of self-produced electricity. In 2024, the head office accounted for 25.9% of the bank's total electricity consumption and 100% of the bank's district heating consumption.

Climate accounts

As a bank, we have our largest greenhouse gas emissions indirectly through customers and activities we finance via lending. Sparebanken Møre has measured its greenhouse gas emissions in its own operations since 2019 and its financed emissions since 2022, and in 2025 will publish its transition plan with emissions reduction targets for both the loan portfolio and its own operations.

Table showing the bank's emissions for all categories, including scope 3-15, emissions in tonnes of CO_2 equivalents:

Climate accounts	2023 (tCO2e)	2024 (tCO2e)	Change
Scope 1 Total	4.5	3.9	-13.3
Scope 2 Total	52.2	41.9	-19.7
Scope 3 Total	960,092	924,456	-3.7
Total emissions	**960,149**	**924,502**	**-3.7**

Climate Accounts for Own Operations
Sparebanken Møre prepares energy and climate accounts based on the international standard 'A Corporate Accounting and Reporting Standard' developed by the Greenhouse Gas Protocol Initiative (GHG protocol). The climate accounts show tonnes of CO_2 that are direct and indirect emissions related to the group and include scopes 1, 2 and 3, except for category 15 "Financed emissions", which is discussed in a separate section.

Sparebanken Møre's climate accounts for scopes 1, 2 and 3 (categories 1-14)

Category	2019 (tCO_2e)	2023 (tCO_2e)	2024 (tCO_2e)	% change from 2023
Scope 1 Total	**5.2**	**4.5**	**3.9**	**-13%**
Scope 2 Total	**61.3**	**52.2**	**41.9**	**-20%**
Electricity location based	54.5	51	39.3	-23%
Electricity market-based	4.5*	-	-	-
District heating	6.9	1.2	2.7	125%
Scope 3 Total	**1,146**	**1,344**	**875**	**-35%**
Purchased goods and services	212	209	175	-16%
Capital goods	370	830	430	-48%
Emissions related to energy production	10	18.8	19.4	3%
Waste	15	6.3	5	-21%
Business travel	161	117	114	-3%
Employee commuting	379	162	132	-19%
End-of-life treatments of sold products	0.2	0.2	0.1	-50%

CONTENT

Changes in emissions is mainly due to a reduction in the supply of fixed assets and a reduction in the cost of cleaning services. Fixed assets is an item that fluctuates significantly from year to year and causes a major impact when comparing individual years. Any reduction in this category will first be shown over a longer time span than for which we have greenhouse gas emissions measurements so far. The reduction in the category "Purchased goods and services" is due, inter alia, to a reduction in the cost of cleaning services. As previously mentioned, Sparebanken Møre's head office is to be renovated over a two-year period from 2025-2027 and temporary premises and increased use of home working will affect the employee commuting for work for those affected. Therefore, no new survey has been carried out for means of transport and travel in 2024 and the next survey will not be carried out until the new head office is reopened. Therefore, the distribution of means of transport and travel from the 2023 survey and fuel distribution for petrol and diesel in Norway from Statistics Norway have been used in the calculation of employees' commuting for work, weighted for the number of FTEs as of 31.12.2024.

For details, see the table below and the detailed energy and climate accounts in our sustainability library [1].

Climate accounts for the bank's loan portfolio
Sparebanken Møre complies with the principle of reporting climate accounts for financed emissions (scope 3, category 15) emissions based on available data and data quality but recognises that this is an area where gathering reliable and consistent data remains challenging.

Data quality is a vital factor when it comes to calculating financed greenhouse gas emissions as accurately as possible and publishing comparable data. The data quality categories were taken from Finance Norway's guide[2], and correspond to the data quality hierarchy defined by the Partnership for Carbon Accounting Financials (PCAF).

1 https://www.sbm.no/samfunnsansvar/barekraft-og-samfunnsansvar/
2 https://www.finansnorge.no/dokumenter/maler-og-veiledere/veileder-for-beregning-av-finansierte-klimagassutslipp/

Retail market
Sparebanken Møres financed emissions through loans to private housing amounted to 5,361 tCO2e in 2024.

Total estimated energy consumption in the portfolio was 352 GWh in 2024.

Scenarios	CO_2-factor (gCO_2e/kWh)	Weighted portfolio emissions per year (tCO_2e)	Portfolio emissions intensity (kg CO_2e/kvm)	Methodology
NVE's climate declaration for physically delivered electricity (location based)	15	5,361	1.51	2024: Estimated energy consumption
	(2023: 19)	(2023: 8,500)	(2023: 4.5)	2023: TEK standard
NVE declaration of goods for electricity suppliers (market based)	599	177,594	89.1	2024: Estimated energy consumption
	(2023: 502)	(2023: 191,100)	(2023: 101)	2023: TEK standard

For the calculation of emissions in the private housing portfolio, from 2023 to 2024, the data source and calculation methodology have been switched. Changes in methodology mean that figures from 2024 are not directly comparable to last year's, and 2024 must be considered a new base year for financed emissions in the retail market loan portfolio.

Methodology
Sparebanken Møre uses data from Eiendomsverdi in its calculations of energy consumption and greenhouse gas emissions in the retail housing portfolio. Eiendomsverdi collaborates with Simien to combine data on Norwegian housing with Simien's estimation model[3]. Estimated energy consumption in the portfolio is based on the assumed use of the housing, normal maintenance and upgrading of housing based on average historical renovation, heating source, as well as other relevant information.

3 https://home.eiendomsverdi.no/assets/reports/Gr%C3%B8nn-bolig/gr%C3%B8nn-bolig-juni2024-v1.1.pdf

Energy consumption and greenhouse gas emissions published in 2023 were estimated on the basis of the housing TEK standard (building year) as well as area and standard use. Corresponding calculations for 2024 are based on the assumed use of the housing, as well as adjustments for climate zones and an assumed upgrade of housing based on the original construction year. Almost one third of the portfolio lacked information on the construction year in the data base for 2023, and in 2023 a more conservative estimate was made so that these houses were categorised as older houses with high standard energy consumption, while in 2024 we now have the construction year for all the houses in the portfolio.

In summary, methodology used in 2023 is more conservative and provides a higher estimated energy consumption per house than methodology used in 2024.

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Corporate

Sparebanken Møres' financed emissions through the loan portfolio to business accounted for a total of 918.22 thousand tCO2e in 2024, a reduction of 3% from 2023.

The calculations are based on Sparebanken Møre's proportion of the total lending by Norwegian banks and financial institutions to different industries. The categorisation is based on Statistics Norway's table 13932. This proportion is then multiplied by Statistics Norway's calculation of total emissions (CO2e) from the individual industry. These calculations show that the bank is most exposed to climate emissions from the industries 'Manufacturing', 'Ocean transport and transport via pipelines' and 'Other transport and storage'. The calculated greenhouse gas emissions from these three industries account for around 80% of the total emissions in Sparebanken Møre's corporate portfolio. The bank's lending to these industries accounts for around 19% of the bank's total lending to corporate customers.

According to Finans Norge's guidance, this calculation method is considered to have a quality score of 5 on the PCAF scale.

Næring	Total lending to industry in Norway (NOK millions)	Total emissions to air (tCO_2e thousands)	Emission intensity: tCO_2e per million NOK of lending	Corporate portfolio of SMEs – share of total lending in Norway	Corporate portfolio of SMEs – calculated emissions (tCO_2e thousands)
Agriculture and forestry	76617	4973	64.91	1.07 %	53.03
Aquaculture and fishing	120394	1048	8.7	4.38 %	45.87
Mining and extraction	16407	12916	787.22	0.01 %	1.57
Manufacturing	117615	6562	55.79	2.01 %	131.89
Electricity, gas, steam and hot water supply	63892	2620	41.01	2.17 %	56.88
Water supply, sewerage and waste management	13013	1876	144.16	0.41 %	7.78
Building and construction	220121	1902	8.64	0.62 %	11.86
Wholesale and retail trade, repair of motor vehicles	101105	968	9.57	0.61 %	5.88
Ocean transport and transport via pipelines	48484	16184	333.8	1.69 %	273.72
Other transport and storage	67546	8446	125.04	3.84 %	324.61
Accommodation and food service activities	23243	120	5.16	2.50 %	3
Real estate activities	846260	94	0.11	1.21 %	1.14
Other service activities	51573	414	8.03	0.27 %	1.10

The method used involves several assumptions and weaknesses, the most important of which are discussed here:

- The model is based on calculated total emissions for a given composition of a number of underlying industries within an industry class. The bank may be either underrepresented or overrepresented in some underlying categories of industries. The model does not take account of such variations.
- The method and data used are also encumbered with some uncertainty since the correlation between lending and greenhouse gas emissions can vary. If loans are used for specific emission reducing measures, the model does not take account of this. The model uses the total activities in the industry in its calculations.
- The source data may contain errors through individual customers being registered with an industry code that does not reflect their actual activity and therefore results in a misleading emissions factor.
- The Statistics Norway equivalents only take account of the industries' Scope 1 emissions

The reason for the change in emissions may be that some businesses have changed their industry code during the year. Emissions for each industry per year change with a change in activity or updating of emissions factors, and changes in activity may not be reflected in changed lending, so emissions per million loans increase or decrease with the changed activity.

Sparebanken Møre's share of lending to the various industries is almost the same in 2024 compared to 2023.

Sparebanken Møre has not yet purchased climate credits, but this is under consideration and will be one of the measures to be discussed in the work on the transition plan.

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E4 Biodiversity and ecosystems

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Loss of biodiversity and species through lending	The bank contributes indirectly to the loss of biodiversity and species through lending to fisheries and fish farming, the maritime sector, construction, small energy production and the shipbuilding industry.	S	VC	Neg	I
Loss of biodiversity and species through procurement	The bank has an impact on biodiversity through the purchase of office furniture and IT equipment	S	VC	Neg	I
Credit risk through lending to fisheries	Reduced access to fish stocks due to changes in nutrition, climatic conditions, less productive spawning areas and poorer water quality	L	VC		R

**Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VK =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity*

Strategy and Governance

Sparebanken Møre has both an impact and dependence on nature through the bank's loan portfolio. The bank finances activities that have a high dependence on nature and activities that have a major impact on nature. Indirectly, the bank thus has an impact on biodiversity and ecosystems, and our customers' impact and dependence on nature also entail a risk for us as a bank. Sparebanken Møre's role in preserving and restoring biodiversity is primarily knowledge sharing, as well as offering products, services and advice that promote biodiversity and ecosystem conservation. For us as a bank, it is important to build internal systems and expertise in order to see the connection between biodiversity loss drivers, nature-related risks and financial risks we may be exposed to, as well as establish measures to limit risk.

Sparebanken Møre's handling of biodiversity and ecosystems is managed in the bank's overall sustainability strategy. Nature-related risk in the corporate loan portfolio is mapped and followed up through regular screening and dialogue with customers when conducting the bank's ESG risk scoring.

Significant Impact and Risk

Construction

Sparebanken Møre has loans to the construction sector. Construction is a sector that has a high dependency on nature. Nature-related risk in construction projects involves and is distributed between several parties, where banks that fund the project and any investigations prior to the start of the project are an indirectly affected party, but which may still stipulate conditions on the funding and thus have a possible impact on the project's handling of potentially affected nature.

The construction sector affects nature through land use change, both where natural areas are degraded and replaced with, for example, real estate, but also area fragmentation, where roads and developed areas divide larger areas and thus change living conditions and ecosystems because species cannot, among other things, migrate over the same area as before, and the natural area cannot be used for recreation and outdoor experiences in the same way as before. Degrading nature also leads to increased greenhouse emissions and reduced storage capacity for CO_2. Buildings, roads and other infrastructure are subject to the physical changes in nature that will occur or increase in scope in the event of increased climate change. More extreme precipitation and associated events such as floods, avalanches and stormwater are examples of conditions that can cause damage to buildings and infrastructure.

Potential transition risk for the construction sector include changed access to land, stricter requirements for material and energy use, as well as requirements for material use and energy efficiency in rehabilitation of buildings and infrastructure, better waste management and more recycling.

Sparebanken Møre's exposure to construction and real estate projects is considered significant and the bank thus has a significant indirect impact on biodiversity and ecosystems. There are authorities that grant building permits and carry out impact assessments for the development of natural areas, but Sparebanken Møre as a financial actor can stipulate its own requirements and conditions for financing for the sector.

Fisheries and aquaculture

Norway is both one of the world's largest fishing nations, and the second largest exporter of seafood in the world measured in value of exports.

In basic terms, fishing consists of harvesting wild marine resources, aquaculture constitutes the production of aquatic organisms such as fish.

The fisheries sector is dependent on nature through stable fish stocks and a distribution that makes them available to the Norwegian fishing fleet. To achieve this, the fisheries industry depends on well-managed fish stocks, and on nature laying the foundation for good ecological conditions for the harvestable stocks. Risk to the fisheries industry is the introduction of foreign species and reduced populations of fish species that thrive in cold water, such as cod and haddock. The industry is also exposed to transitional risks. A number of political guidelines involve transitional risks for

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fisheries. Changes in quotas, rules for fishing methods and changes in the areas in which different types of fisheries are allowed are examples of possible risks.

Aquaculture (at sea) relies on good coastal environments to operate, and foreign species, warmer ocean waters and political regulations and requirements are relevant risks to the industry. Aquaculture affects nature through genetic impact on wild fish stocks when farmed fish escape, pollution of the seabed under the facility and use of land that was previously untouched.

Sparebanken Møre has an exposure of 17% to the fisheries and aquaculture sector and thus an indirect impact and dependence on nature. The bank must maintain its expertise in the area and adapt its advice and exposure so that the players in the industry are prepared for and aware of possible risks, and make decisions that lead to the least possible negative impact on biodiversity and diversity.

Power

Hydropower production is dependent on precipitation, both quantity and distribution throughout the seasons. The development of power plants uses land area and has an impact on nature. Sparebanken Møre has some exposure to river hydropower plants (EAD of approximately 4.5%). River power plants feed rivers into pipes and can thus lead to changing conditions for species and their livelihood in affected rivers and lakes. Reduced water flow and unnatural variations in water flow can prevent aquatic organisms from moving as usual and change their habitat and access to nutrients, and the result may be that the species does not survive or its population is reduced.

The possibility of stricter requirements for power plants on adaptation of river systems to minimise negative impact is a current transition risk, and adaptation of power plants with a system for fish movement etc. is costly.

Maritime sector

Shipping pollutes with, inter alia, emissions of SOx and NOx. NOx and SOx cause acid rain that is harmful to humans and animals. This affects the ecosystem, diversity and loss of biodiversity in the sea and on land. Pollution is related to nature since pollution is a direct impact factor for damage/loss of biodiversity. Gas tankers and passenger ships that account for the largest emissions to air and these are not the type of ships that Sparebanken Møre has in its portfolio. Oil-related operations for Sparebanken Møre are related to seismic, supply and anchor handling boats. These boats release ballast water that can adversely affect the marine ecosystem (foreign species, vulnerable corals, fish stocks and spawning areas). This could be a threat of loss of biodiversity in the ocean. Damage to the seabed environment and coral reefs may occur due to anchoring and dropping anchor chains, and therefore petroleum activities are obligated to map the seabed environment to avoid damage. Air pressure waves and seismic noise can damage fish larvae near seismic activity and spawning periods have to be avoided when using seismic methods.

All measures to reduce greenhouse gas emissions and reduce fossil fuel use pose a transition risk to all petroleum activities. Another risk is liability risk, where the industry can be held responsible for climate change and loss of biodiversity.

Emissions of NOx are regulated by an environmental agreement (the Gothenburg Protocol) and require adaptation of ships to clean and limit air pollution. This entails a cost, and a risk if one does not meet the agreed maximum emissions, but there is also a fund from which one can receive support to implement measures, so risk is limited.

Shipbuilding industry

Shipbuilding is challenging in terms of emissions, especially from mechanical surface treatment of ship hulls. There are also large amounts of hazardous waste that has to be stored according to regulations to avoid leakage to nearby soil and discharge to sea. The shipbuilding industry has an environmental and natural impact in its surrounding area, which typically constitutes beach zones and coast.

Procurement

Sparebanken Møre has major items on its procurement budget for office furniture and IT equipment. The production of office furniture often entails the extraction of wood and other natural resources. This leads to deforestation that is destructive to nature, species and ecosystems. Globally, 10 million hectares of forest disappear each year due to deforestation. Minerals and metals have to extracted in the production of IT equipment. The extraction of minerals entails an impact on nature both in connection with the identification of viable deposits, during the extraction itself and during rehabilitation for planned use after extraction (NOU 2024:2). This has a major negative impact on nature related to land consumption, but here Sparebanken Møre has low exposure. In addition, processing and assembling the products in the production phase can lead to pollution and release of chemicals. Sparebanken Møre reuses IT equipment and outdated PCs and mobile phones are returned to the supplier for secondary use or recycling. Office furniture is stored, reused and repaired as far as possible.

Measures and Objectives for Biodiversity and Ecosystems

The bank's handling and management of impacts and risks within nature is less mature than similar activities for climate change, and both competence enhancement in the field and adaptation of the bank's risk assessments are required. A course on natural resources and the role of business in finding solutions is one of the compulsory courses set up for our business advisors for joint competence enhancement in the field.

So far, Sparebanken Møre has not stipulated an action plan or objectives for its work on biodiversity and ecosystems. This is work that requires close cooperation with our customers, authorities and in the industry. The common purpose must be to set common standards and possible conditions for lending that will be achievable, and at the same time have an actual effect so that negative impact is limited and potential positive impact is implemented.

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E5 Resource use and circular ecnomy

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Waste generated through the loan portfolio	The bank contributes to waste generation through lending to the construction industry, industry and shipyards, retail, shipping and fisheries.	S	VC	Neg	I
Waste generated from own operations	The bank produces different types of waste through its own operations, maintenance of premises, etc.	S	OO	Neg	I
Resource usage (IT equipment)	The bank is a major consumer of IT equipment and IT equipment is the largest item in the bank's procurement budget	S	OO	Neg	I
Credit risk among customers in Manufacturing, Fish processing and Shipbuilding	Transitional risk related to waste management rules and requirements and waste quantity reduction.	L	VC		R

Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VC =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity

Strategy and Governance

Europe relies heavily on natural resources to source materials, food and fuel. This has major environmental and climate impacts. Norway is one of the countries with the highest consumption in Europe and a great improvement potential to reduce resource use and transition to a circular economy. The transition is embodied in the circular economy action plan, one of the most important parts of the EU's Green Deal. Establishing a circular economy and thereby reducing resource use and waste generation is a crucial part of the EU's efforts to address climate change, loss of biodiversity and pollution.

Significant Impact and Risk

Resource use and the circular economy are an important topic for Sparebanken Møre. As a financial operator, a bank helps to finance activities where resources are consumed, goods are produced and waste is generated, and in addition resources are used and waste is created in the bank's own operations.

The bank indirectly influences resource use and the production of goods and services, and can, through competence sharing, investments, requirements and loan terms, help to limit the use of raw materials and increase the degree of reuse, recycling and repair.

According to the Norwegian Environment Agency, only 37.3% of Norway's waste was prepared for reuse or recycled, while under the EEA Agreement we are committed to the EU's target of 55% by 2025 for household and commercial waste.

Construction
Construction is the largest single source of waste in Norway. Today, 70% of the waste from construction projects is required to be sorted and delivered to reception centres, reused or directly recycled. In 2023, a requirement was also enshrined in the engineering regulations for the documentation of reuse where the amount of waste exceeds 10 tonnes, or what is to be built is a residential block or commercial building over 100 sqm. Reuse challenges in the industry include the quality assurance of used materials, storage, technical dismantling capabilities, warranties on used materials and the possibility of sale and purchase of consumables. Sparebanken Møre finances businesses in the construction industry and can, through advice, competence sharing and stipulating conditions, affect the industry. At the same time, there are industry standards that need to be in place to find solutions to this challenge and the bank can contribute to collaborative arenas where the industry meets.

Industry, shipbuilding and shipping
Sparebanken Møre has loans to businesses in various industries, shipbuilding and shipping. Shipbuilding yards generate and handle large amounts of hazardous waste and must secure barriers are in place to protect nearby nature and sea. In 2023, the Norwegian Environment Agency carried out a check of 42 shipyards along the Norwegian coast, where the result showed that the shipyards do not have sufficient control over emissions, and several deviations related to the handling of waste were uncovered.

Shipping and fisheries are sources of marine debris. Plastic in the ocean is a problem for birds and marine animals, and findings off the coast of Norway show that this is both local and global debris that can move over large areas with the ocean currents.

Ships for scrapping/recovery are also a source of waste and must be treated at approved facilities and according to regulations depending on the size of the vessel.

With strict requirements for handling and reducing waste, there is also a risk if the business does not follow up on requirements and prepare for any tightening of standards or upcoming new requirements. There

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may be a risk of fines after supervision, liability risk if one is held accountable for waste that has not been handled properly and thus has created pollution that is difficult to remediate, and a reputation risk for companies that do not handled their waste properly and strive to reduce waste.

Retail
Retail is a link between manufacturer and consumer, contributing to waste generation as well as waste through packaging. Several types of legislation regulate retail handling of waste, returns, etc., and on new requirements for packaging are also on the way. Monitoring existing and upcoming requirements can be costly and require a change in products so that they can be repaired and reused to a greater extent, reducing waste.

Sparebanken Møre has loans to different types of retail trade and therefore has an indirect impact on the type of waste, the amount of waste produced and how the waste is handled.

Significant Impact and Risk
Sparebanken Møre does not produce physical products apart from bank cards. We are therefore not a major purchaser of raw materials, but with its 447[1] employees, the bank is a substantially sized workplace in our region. All bank employees are consumers of IT equipment such as mobile phones, PCs and accessories. This equipment is replaced at regular intervals and it is in the procurement process, length of use and exchange that the bank can control its impact and limit its negative impact.

We are our suppliers' customer and are able to influence how suppliers take responsibility for sustainable value creation. As a result, we require our suppliers and business associates to follow applicable legislation, guidelines, recognised standards and leading practice, as well as international conventions for work on sustainability. Specific requirements for our suppliers are set out in the supplier requirements included in the "Guidelines for sustainability in the supplier chain" available on our website sbm.no. Whoever makes a purchase or establishes a business relationship shall ensure that any entity that wishes to deliver goods or services to the bank complies with the supplier requirements.

Sparebanken Møre expects our suppliers to contribute to promoting respect for climate and the environment in their own operations and with subcontractors, including that the supplier:

- Actively works to reduce the environmental impact of its own activities, including operations, procurement and property management.
- Has a conscious relationship with and documents potential environmental risks in its own activities, sets ambitious environmental goals and can refer to goals and plans for achieving these.
- As far as possible, attempts to work with circular (reuse) solutions and products that are part of a circular value chain.

Measures related to the resource use and circular economy

Sparebanken Møre is Eco-Lighthouse certified and has waste procedures and sorting solutions in all its premises. The purpose of the instructions is to reduce the amount of waste produced by Sparebanken Møre and increase the bank's degree of reuse.

Waste from Sparebanken Møre's operations constitutes a significant part of the total greenhouse gas emissions in the bank's own operations and Sparebanken Møre therefore wants to increase awareness related to what we dispose of, where we dispose of the waste and what we can recover and reuse.

Sparebanken Møre leases its PCs and has an "End Of Life" scheme agreed with the supplier. This scheme involves the secure deletion of data, as well as the supplier scrubbing, cleaning and facilitating the reuse of the equipment submitted. Submitted equipment is graded and re-used based on the condition of the equipment. The Supplier makes a valuation, and if the equipment has no residual value at the reuse level, the Supplier ensures environmentally friendly recycling at the component level.

Mobile phones are sold back to the supplier, where they are properly cleaned and sold on the used market. In 2025, the bank will establish a scheme that gives the individual employee an incentive to extend the service life of their mobile phone. The aim of the measure is to reduce the need for new mobile phones to be purchased and reduce waste in line with the waste hierarchy.

Sparebanken Møre's printers are leased, and the bank has a comprehensive service agreement to extend the lifetime of its printers. The selected printer solution provider delivers printers with repair options and a high proportion of recycled materials.

PC monitors, keyboards and other accessories are owned by the bank itself. Repair is time consuming and difficult with the way the products are currently designed, and buying new is both cheaper and more efficient. Electronics are disposed of in accordance with electronic waste disposal regulations.

1 Number of employees (headcount) excluding employees on hourly wage contracts

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Targets related to the circular economy and resource use

Sparebanken Møre has not yet set specific goals related to the circular economy and resource use beyond following waste sorting and disposal requirements.

Resource inflow for own operations

IT equipment is a significant item on Sparebanken Møre's purchasing budget annually, and the tool the bank's employees use to carry out their work tasks. There are no goals or requirements for recycled or reclaimed components in purchased/leased equipment and we currently do not have data on the weight and share of components, only equipment in its entirety (see table).

Input resource	Type	Number of units	Total weight
IT and telephony products purchased in 2024	Laptops	455	619 kg
	Desktop PCs	57	78 kg
	Docking stations	460	345 kg
	iPhones	53	10 kg
Absolute weight of secondary, reused or reclaimed components used to manufacture the company's products (kg)	NA		
% proportion of secondary, reused or reclaimed components used to manufacture the company's products	NA		

Extraction of raw materials and production of electronics constitutes a major negative environmental impact. Mining and metalworking consume natural resources and at the same time there is a challenge with the discharge of metals to soil and water when the materials are processed into components [2]. PCs and mobile phones are material intensive and consist mainly of components made of metal and plastic. Many of the metals included in the components today have limited potential for recycling, and there is limited access to the materials globally, and increasing electrification in a short period of time may result in a lack of materials if the recycling rate is not increased.

2 Environmental considerations when purchasing IT equipment | Anskaffelser.no

Resource outflow from own operations

Sparebanken Møre has different types of waste from its own operations and has a direct impact on its own waste volume and degree of sorting. Sparebanken Møre has a procedure for waste and reuse for its office premises, as well as instructions on sorting types of waste and materials to be reused. Responsibility for sorting and waste management lies with the Head of Organisation and Group Support, where the bank's Department of Real Estate Operations is also included.

The bank has 27 offices, and sorting solutions have been introduced at all the bank's offices. Unfortunately, we do not have waste information from all offices, because waste management in larger commercial buildings where we are co-located have a shared waste management solution.

Sparebanken Møre's waste volumes and types in 2024:

Waste Category	Unit	Total	Burned with energy recovery	Material recycling
Cardboard	kg	3,680.0	-	3,680.0
Electronic waste	kg	1,060.0	-	1,060.0
Scrap metal	kg	3,220.0	-	3,220.0
Organic waste	kg	5,100.0	-	5,100.0
Paper waste	kg	6,462.0	-	6,462.0
Plastic	kg	190.0	-	190.0
Residual waste	kg	9,953.0	9,953.0	-
Sorted waste	kg	3,860.0	-	3,860.0
Wood	kg	80.0	80.0	-
Total amount		33,605.0	10,033.0	23,572.0
Proportion of sorted waste	%	70.4		
Proportion of total	%	100.0	29.9	70.1
Sum of non-hazardous waste		33,605.0	10,033.0	23,572.0
Percentage of non-hazardous waste	%	100.0		
Total amount of hazard-ous waste		-	-	-
Percentage of hazardous waste	%	-		
Total amount of radioactive waste		-	-	-
Percentage of radioactive waste	%	-		

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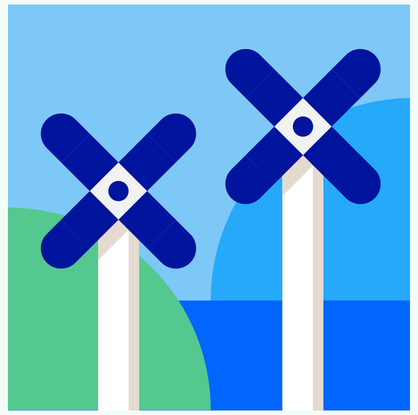
Taksonomy Report

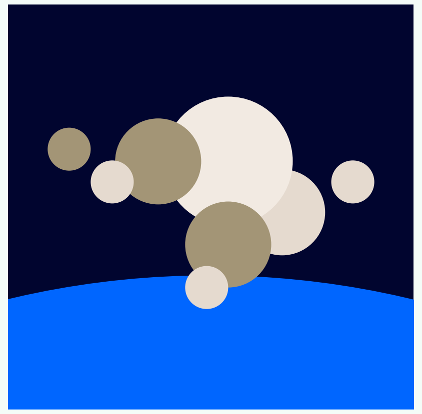
The EU Taxonomy Regulation (EU 2020/852) is a tool for the classification of sustainable economic activities. Taxonomy reporting shall show whether a company's activities are in line with long-term European climate and environmental targets, and for banks and investors to show what are sustainable investments.

In order for an activity to be considered sustainable, it must contribute significantly to the achievement of at least one of six climate and environmental goals:

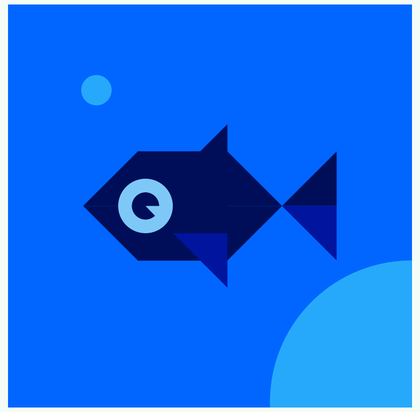
EU-taxonomies 6 environmental goals



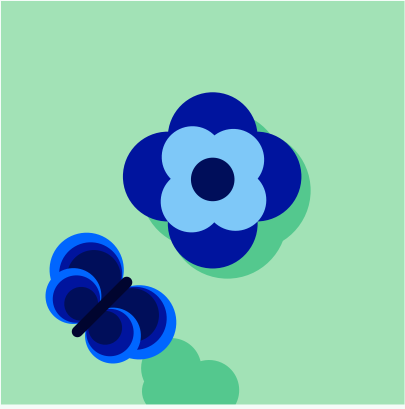
Reducing and preventing GHG emissions



Climate adaptation



Sustainable use and protection of water and marine resources



Transition to circular economy, waste prevention and recycling

Prevention and control of pollution

Protection and restoration of biodiversity and ecosystems

At the same time, the activity must not cause significant damage to the other five environmental targets (DNSH) and meet minimum social and governance requirements.

Prerequisites

Sparebanken Møre is subject to the Taxonomy Regulation for the 2025 financial year according to applicable legislation, and reports voluntarily for the 2024 financial year. Financial institutions report on taxonomy to show the extent to which they finance or invest in activities covered by, and activities consistent with, the taxonomy.

For the 2024 financial year, the same companies are covered by the CSRD – the EU Sustainability Directive covered by the taxonomy. For 2024, these are enterprises that are of public interest according to the Accounting Act Section 1(6), large enterprises according to the Accounting Act Section 1(5) and over 500 employees.

New for the 2024 financial year is that all activities shall be assessed against and reported for all six environmental targets and the bank is preparing to report for all six environmental targets for the 2025 financial year.

For credit institutions, reporting in line with the taxonomy shall be submitted on a proportionately consolidated basis in line with EU 575/2013. For 2024, this means that we at Sparebanken Møre include reported figures from our wholly-owned subsidiaries. For an overview of which companies this applies to, please refer to the annual report's note 29 – Subsidiaries.

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The table shows which categories have been assessed according to the taxonomy, are covered by and compatible with it, and where the data basis for the assessments has been obtained from.

Category of assets	Definition	Covered by taxonomy	Taxonomy compatible	Data capture
Can be included in GAR - nominator				
Financial enterprises	Loans to or assets in finan-cial enterprises	Not assessed for 2024	Not assessed	
Non-financial enterprises covered by the reporting obligation in the non-financial reporting directive	Companies that are covered by CSRD in line with the definition in the Accounting Act	The corporate portfolio consists mainly of SMBs. Only 30 companies in the portfolio are covered by non-financial reporting requirements. The taxonomy summary is assessed based on the NACE code and activity description.	Based on the bank's knowledge, the companies' activities are not taxonomy compatible. The companies' own taxonomy report for 2024 will form the basis for assessment in our next taxonomy reporting.	NACE code obtained from the Brønnøysund Register Centre. Data will be collected based on the customer's published self-reporting in the long term.
Household - private housing	Loans for private housing with a mortgage on the house.	Loans for private housing, excluding holiday homes, agriculture, personal enterprises and loans with mortgages other than on housing.	Before 2021: Energy label A + threshold value for 15% most energy efficient homes in Norway After 2021: NZEB – 10%. DNSH: physical risk mapping	Data for energy requirements and physical risk is derived from Property Value. Threshold value for top 15% houses in Norway is taken from Eiendomsverdi. NZEB limits – 10% is taken from government guidance.
Household - car loans	Loans to private customers with mortgages on cars.	Loans to private customers with mortgages on electric cars.	None	There is a lack of access to data on tyre pollution and the recycling rate for vehicles.
Local authorities	Acquired security or other funding.	Funding for local and regional governments.		
Excluded from GAR - nominator, included in GAR - denominator				
Non-financial enter-prises, not CSRD	Enterprises not currently covered by CSRD	The taxonomy summary is assessed based on the NACE code.	IA	NACE codes matched against activities in taxonomy, activity description taken from Taxonomy Compass.
Other assets	Derivatives, interbank call loans, cash and cash related assets	IA	IA	
Excluded from GAR - calculation				
Other assets	Government securities, exposures to central banks, trading portfolio.			
Off-balance sheet items – enterprises covered by the CSRD	Financial guarantees and assets under management			

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When assessing taxonomy compatibility for mortgages for households, energy requirements are estimated based on energy rating and energy demand limits for the different energy ratings. Only 37% of the homes in the portfolio have an actual energy label, and of these, 95% have simple self-registration of an energy label. Both of these parameters cause some uncertainty in data quality. We have therefore chosen to also include homes with an estimated energy label. For homes built before 2021, calculated energy needs are compared with threshold values for Norway's 15% most energy-efficient homes, published by Eiendomsverdi, used to define Sparebanken Møre's share of taxonomy-compliant loans to private homes.

For homes built in 2021 or later, the corrected "Guidelines for calculating primary energy needs in buildings and energy frameworks for nearly zero-energy buildings" have been used to calculate the taxonomy-compatible proportion.

When assessing "no significant harm" to the other environmental objectives, here physical climate risk in accordance with Appendix A of the taxonomy, homes with physical risk scores of 5 and 6, defined by Eiendomsverdi, are considered non-taxonomy compatible[1]. The risk score is set based on whether the main building or other parts of the site are in the risk zone, as well as the probability of the risk occurring. Unfortunately, we do not have a system for obtaining actual climate adaptation data for the homes in our portfolio, so it is possible that some of the non-compliant homes have taken measures for, for example, flood protection, but are still not included in Sparebanken Møre's taxonomy-compliant share of lending to households.

Key indicators for credit institutions

For the 2024 financial year, Sparebanken Møre is not obliged to report on key indicators in accordance with Commission Delegated Regulation (EU) 2021/2178. For the 2024 financial year, the bank voluntarily reports on the key indicator "Green asset ratio (GAR) stock".

Green asset ratios for flows, trading portfolio, financial guarantees, assets under management and fee and commission income will only be reported when the bank is required to report.

The bank's green asset ratio for stock is appr. 14 %, and the figures behind this calculation are presented in the taxonomy table below.

There is variation in whether banks include estimated energy labels in the housing stock that is considered taxonomy-compliant, and if Sparebanken Møre only bases its calculations on private homes with energy labels obtained from Enova and excludes homes with estimated energy labels, the bank's green asset ratio for holdings is 8.2%.

1 Eiendomsverdi's risk scoring only takes into account the most common risks that are assumed to be able to damage Norwegian homes. All climate-related hazards listed in Appendix A to the taxonomy have not been assessed because they are not considered relevant for private homes in Sparebanken Møre's portfolio.

CONTENT

ANNEX VI

TEMPLATE FOR THE KPIS OF CREDIT INSTITUTIONS

Template number	Name
0	Summary of KPIs
1	Assets for the calculation of GAR
2	GAR sector information
3	GAR – KPI stock
4	GAR – KPI flow
5	KPI off-balance sheet exposures
6	KPI on fees and commissions income from services other than lending and asset management
7	KPI Trading book portfolio

0. KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***
Main KPI	Green asset ratio (GAR) stock	13 881 042 055	0	0	13.99

		Total environmentally sustainable assets	KPI	KPI	% coverage (over total assets)
Additional KPIs	GAR (flow)	IA			
	Trading book*	IA			
	Financial guarantees	IA			
	Assets under management	IA			
	Fees and commissions income**	IA			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

** Fees and commissions income from services other than lending and AuM Institutions shall disclose forward looking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks' total assets

**** based on the Turnover KPI of the counterparty

***** based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: **Across the reporting templates: cell shaded in black should not be reported.**

Note 2: **Fees and commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.**

CONTENT

1 Assets for the calculation of GAR (NOK million)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
			Disclousure reference date T																Disclousure reference date T-1														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which adaptation	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional/ adaptation	Of which enabling	Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which adaptation	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional/ adaptation	Of which enabling
1	**GAR – Covered assets in both numerator and denominator**	99 211																															
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	59 104																															
3	**Financial corporations**	1 246	0	0																													
4	Credit institutions	28																															
5	Loans and advances	28																															
6	Debt securities, including UoP																																
7	Equity instruments																																
8	Other financial corporations	1 217																															
9	of which investments firms																																
10	Loans and advances																																
11	Debt securities, including UoP																																
12	Equity instruments																																
13	of which management companies	1 217																															
14	Loans and advances	1 217																															
15	Debt securities, including UoP																																
16	Equity instruments																																
17	of which insurance undertakings																																
18	Loans and advances																																
19	Dept securities , including UoP																																
20	Equity instruments																																
21	**Non-financial corporations**	-	0	0																													
22	NFCs subject to NFRD disclourе obligations																																
23	Loans and advances																																
24	Debt securities, including UoP																																
25	Equity instruments																																
26	**Households**	57 859	53 647	13 881																													
27	of which loans collateralised by residential immovable property	57 083	53 576	13 881																													
28	of which building renovation loans																																
29	of which motor vehicle loans	204	71																														
30	**Local governments financing**		0	0																													
31	Collateral obtained ba taking posessions: residential and commercial immovable properties	5																															
32	Other local government financing																																
33	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	40 102																															
34	**Non-financial corporations**	28 052																															
35	SMEs and NFCs (other than SMEs) not subjected to NFRD disclosure obligations	28 052																															
36	Loans and advances	28 052																															
37	of which loans collateralised by commercial immovable property	10 890																															
38	of which building renovation loans																																
39	Debt securities																																
40	Equity instruments																																
41	Non-EU country counterparties not subject to NFRD disclosure obligations																																
42	Loans and advances																																
43	Debt securities																																
44	Equity instruments																																
45	**Derivatives**	1 393																															
46	**On demand interbank loans**	673																															
47	**Cash and cash-related assets**	42																															
48	**Other assets (e.g. Goodwill, commodities etc.)**	9 941																															
49	**Total GAR assets**	99 211	53 647	13 881																													
50	**Other assets not covered for GAR calculation**	3 124																															
51	**Sovereigns**	2 719																															
52	**Central bank exposure**	405																															
53	**Trading book**	-																															
54	**Total ssets**	102 335																															
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																																	
55	Financial guarantees	2 197																															
56	Assets under management																																
57	Of which debt securities																																
58	Of which equity instruments																																

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates non-financial corporates (NFO, Including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only on local goverments/municipalities (house financing).

2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorly at fair value trough profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.

3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance ot these exposures fir those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effert basis, in the form of estimates and ranges, using proxies, and explaning the assumptions, credits and limitations.

4. For motor vehicle loans, institutions shall ony include those exposures generated after the date of application of the disclosure.

CONTENT

Social conditions (S)

Sparebanken Møre has four significant topics in social conditions.

- Own workforce (ESRS S1)
- Workers in the value chain (ESRS S2)
- Affected communities (ESRS S3)
- Consumers and end-users (ESRS S4)

The topics are reported separately.

Strategic goals Sparebanken Møre has set for the area social conditions are shown in extracts from the strategic target card:

	Target description, KPI	Unit	Target	When
S	Minimum of each gender at each position level	%	>=40	2028
	Equal pay between the genders	%	>=95	2028
	High employee satisfaction - ESS		>=8.0	2028
	High employee loyalty - eNPS		>=40	2028
	Sick leave	%	<=4%	2028
	Goals for dividend funds for local communities		TBD*	TBD*
	Goals for customers' financial health - health report of engagement in GREP	%	90	2025
	Default below industry average		TBD*	2025
	Financial health - both parties invited to consultancy	% improvement	10	2025
	Economic equality – reduced gap between proportion of savings between gen-ders	% improvement	10	2025

** Targets for these areas will be set during 2025.*

The target card has been adopted in the strategic process and overall sustainability strategy, and the first year of measurement of target achievement will be for the 2025 financial year.

CONTENT

S1 Own workforce[1]

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Equal treatment and opportunities for all	Prevention of discrimination and harassment among own employees	S	OO	Pos	I
Equal treatment and opportunities for all	Diversity, equality and inclusion among own employees	S	OO	Pos	I
Lack of advice, assessments and decisions due to lack of competence in sustainability.	The bank provides inadequate advice to customers on adaptation to a low-emission society, and chooses to be exposed to customers who will in the long term experience loss of value due to industry, product or inability to change.	M	OO		R

**Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VK =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity*

Strategies related to own workforce

Employees are Sparebanken Møre's most important resource and one of the pillars of Sparebanken Møre's strategy related to the bank's own workforce. Their expertise and efforts are critical to the success of the bank and create value for the customers, owners and communities we are part of. Together we play well with each other and contribute to well-being in the workplace. Employees should be involved, respected, and given the opportunity to influence and develop. Employee engagement pushes us forward – both as people and as a bank.

All of the bank's current and future employees shall feel that they are treated equally and have equal rights and opportunities. We value diversity among our employees and believe employees with diverse backgrounds, experiences, characteristics and perspectives provide even better solutions and experiences for our customers.

Sparebanken Møre has a number of guidelines that aim to ensure equal treatment among employees as well as prevent discrimination and harassment and promote diversity, equality and inclusion.

We strive for diversity, equality and inclusion, work against harassment and all forms of discrimination, including discrimination on the basis of gender, pregnancy, leave of absence for birth or adoption, care responsibilities, ethnicity, religion, beliefs, disability, sexual orientation, gender identity and expression, and combinations of these areas.

In Sparebanken Møre's 'Guidelines for Equality, Diversity and Non-Discrimination', we have committed to ensuring that we work proactively to promote diversity, equality and inclusion, and operate in accordance with the applicable regulations and legislation that address equality, diversity and non-discrimination. This includes recognised standards for corporate social responsibility and binding national and international agreements and conventions, including the UN Universal Declaration of Human Rights, ILO Conventions and the UN Sustainable Development Goals. It is expected that the bank and all its stakeholders have zero tolerance against all forms of discrimination, and that they are not involved in human trafficking, forced labour, child labour or any other involuntary labour under any circumstances.

The 'Code of Conduct and CSR Policies' provide guidance on how we should act and handle situations involving ethical considerations, human rights, labour rights, equality, social conditions, the external environment and combating money laundering and corruption.

Process for dialogue with own employees and their representatives regarding influence

Processes for dialogue with employees

Sparebanken Møre wants to facilitate an open culture of free speech. A good climate for free speech is important for the working environment, the well-being of individuals and in achieving the best possible operations.

All employees have the opportunity to provide input on the bank's strategy. Employees are also encouraged to provide ongoing improvement proposals, report adverse events via the bank's intranet, and report any objectionable circumstances in accordance with the bank's established notification procedures.

1 The section includes the bank's reporting in accordance with activity and reporting duties. With the exception of the table in Section S1-6, the reporting applies to Sparebanken Møre and not the bank's subsidiary.

CONTENT

The bank's annual employee survey maps various aspects of the working environment, including employee well-being, engagement, leadership and the physical working environment. The survey provides a concrete starting point for prioritising various improvement measures. For 2024, we scored 8.2 on a scale from 1-10 in the employee satisfaction survey (ESS), which indicates a very good working environment. We can also see that our employees are highly likely to recommend Sparebanken Møre as a place to work.

The question "I make suggestions for improvements for customers and the bank" has an average score of 8.4 in this year's working environment survey. The question "I feel that my suggestions for improvements/changes are seriously considered, followed up and feedback is given" has a score of 8.0, and the question "My opinions are listened to" has a score of 8.3. In the survey, 94% of the bank's employees also respond that they have had a performance review with their immediate manager during 2024.

Process for dialogue with employee representatives
Sparebanken Møre has a close cooperation with the bank's employee representatives, which consists of six elected representatives divided by region and business area, as well as a chief employee representative. The employee representatives shall, inter alia, exercise the employee representative function as described in the Main Agreement and the Central (S1-8), safeguard the interests of members, be active contributors in debates with management and negotiate with management in the cases where they have local bargaining rights. Two out of eight board members are employee representatives and thus make up 25% of the bank's Board of Directors. Fixed quarterly meetings are held between the Board's management, all elected representatives and the bank's safety representative.

Sparebanken Møre also has a number of internal committees that help to ensure diversity and equality and prevent discrimination against the bank's employees in relation to pay and working conditions.

The Remuneration Committee is elected by and from among the Board's members and is tasked with contributing to thorough and independent consideration of matters relating to the remuneration of personnel. The Hiring Committee deals with pay and working conditions upon recruitment and assesses employees' pay conditions on an annual basis. The Working Environment Committee is responsible for ensuring that the bank's working environment provides a healthy and meaningful work situation for employees, as well as for helping tailor the employment relationship to fit the individual employee's requirements and life situation. There are employee representatives on all the aforementioned committees as permanent members.

Whistleblowing channel(s) available to own

Sparebanken Møre focuses on making employees feel confident that addressing adverse situations is a natural element of an individual's responsibilities in the workplace. Any objectionable conditions shall be uncovered and followed up as early as possible.

Sparebanken Møre's whistleblowing procedures are designed to facilitate safe and secure whistleblowing. In addition to internal whistleblowing report recipients, an external whistleblowing reception centre has been established through an agreement with a law firm. In 2024, internal whistleblowing policies have been

CONTENT

revised, and the whistleblowing procedures have been made more easily accessible to employees via the bank's intranet. Employees have gone through whistle-blowing procedures by e-learning courses. A survey conducted among the bank's employees in 2024 shows that 86.8% respond that they feel confident in notifying if they discover misconduct in the workplace. (See also S1-17).

Measures related to significant impact and strategy to manage material risk

Below are the key actions taken in 2024 to promote gender equality, inclusion and diversity, and prevent discrimination and harassment.

Sparebanken Møre's goal is to achieve gender balance throughout the organisation, defined by having at least 40 per cent of each gender at all levels. At the end of the year, the goal had been achieved for most levels, with the exception of Level 2 and Level 5; where the bank had an average female proportion of 14% and 71%, respectively.

The bank's annual pay review process is intended to minimise the pay gap between women and men. In the last few years, dedicated funds have been set aside for equalising larger pay differences. The measure has contributed to a gradual positive trend. Women's fixed salary as a percentage of men's was between 89% (level 4) and 97% (level 2) as of 31.12.24. The goal is that by 2028, women's fixed salary as a percentage of men's will be at least 95% at all job levels.

Sparebanken Møre has designed and applies a recruitment process based on a DNV certified model. All interview candidates must be asked the same questions, which ensures the fairest and most objective possible assessment of candidates. Out of a total of 35 external hirings in 2024, 43% of those hired were women and 57% were men.

In job adverts, it has been a priority to emphasise that the bank wants to be a diverse enterprise, and that we are looking for employees with different backgrounds, experience, attributes and perspectives. However, relatively few applications are received from persons with minority backgrounds, and further efforts must be made to increase the percentage of underrepresented groups in our own workforce in 2025.

Competency and development opportunities are included as a regular part of the conversation with the immediate manager and all employees have the opportunity to conduct a confidential career review with the HR department. In 2024, seven applications were processed and granted for support for further education, including three women and four men.

As part of the risk mapping of critical competence, an annual review is conducted of substitutes and possible successors for roles that include key personnel risk. To ensure gender balance with respect to promotions, we work according to the principle that lists of successors and substitutes must include at least 40% of each gender. In 2024, 71 substitutes and possible successors were identified, of which 41% were women and 59% were men.

In 2025, a closer collaboration with the occupational health service is planned to implement measures related to the psychosocial and organisational work environment, with the purpose of promoting well-being and preventing future sick leave.

During the period 2025-2028, the Møre Academy will develop a plan for further competence development in sustainability for the bank's own employees to ensure that the bank is kept up to date and reduce the risk of decisions based on weak competence in sustainability.

Goals to reinforce positive impact and reduce risk

Sparebanken Møre has several goals the bank wants to achieve for its own workforce.

Working environment	High employee satisfaction (min. 8.0 in ESS) and loyalty (eNPS min. 40)
Gender balance	Min. 40% av hvert kjønn på alle organisasjonsnivå Min. 40% av hvert kjønn på lister for etterfølgere og stedfortredere
Sick leave	<4%
Pay and working conditions	A minimum of 95% equal pay between the genders at all position levels by 2028
Measures to prevent violence and harassment in the workplace	Establish a new framework for measures against violence and threats for all locations
Diversity	Increase the percentage of underrepresented groups in own workforce and senior management
Whistleblowing	All employees shall feel safe to report any misconduct
Training and competency development	Møre Academy has prepared a plan for further competence development in both the sustainability and technology areas. Competency and development index to increase from 8.0 to 8.2 by 2028.

CONTENT

Information about the company's employees

All Sparebanken Møres employees have their place of work in Norway. 8 employees have their place of work in Oslo, and the rest of the workforce have their place of work in Møre og Romsdal.

The table below shows the number of employees by contract type as of 31.12.24[1]

	Permanent full-time em-ployee		Permanent part-time em-ployee		Total perma-nent employ-ees		Temporary employees		Employees with hourly wages[2]	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Sparebanken Møre[3]	216	180	18	3	234	183	3	5	17	12
Møre Eiendomsmegling	6	15	1	0	7	15	0	2	0	0

Permanent employees includes employees who are on sick leave or other leave Mapping of part-time employees in 2020 and 2022 show that none of these are working part-time involuntarily.

In 2024, 29 people left the group. Of those, nine retired. This represents a total turnover of 7.1% in 2024.

1 The table shows the number of employees ("Head count"). For an overview of FTEs, see Note 18 Salaries.

2 Employees with hourly wages agree their working hours according to their employer's needs.

3 Sparebanken Møre (parent bank) includes the subsidiary Møre Boligkreditt, although as at 31.12.24 the company had no employees

Information about employees in our own business that are not employed

The bank has several subcontractors who perform various types of work for the bank. The assignments are mainly administrative tasks within IT, HR and finance, and make up a small proportion of the bank's tasks performed within a year. These are not tasks that are given to subcontractors on a fixed basis, but as required. The bank does not currently have an overview for reporting purposes of how many workers this entails.

Coverage of collective agreements and dialogue between the parties in the labour market

Sparebanken Møre is a member of the employer organisation Næringslivets Main Organization (NHO) and Finans Norge, and is thus covered by the Main Agreement (HA) and the Central Agreement (SA). The agreements apply between the Norwegian Business Administration (NHO) and Finance Norway on the one hand and the Finance Sector Union of Norway on the other (the main contracting parties).

The Main Agreement includes, together with the rules of the Labour Dispute Act, provisions on conflict and dispute resolution and labour struggles, local collective agreements (corporate agreements) and the rights and obligations of elected representatives.

The Central Agreement regulates conditions related to wage and working conditions, such as holidays, working hours, leave, co-determination, layoffs and more.

The Company Agreement sets out pay and working conditions that are not regulated in the Central Agreement or the Main Agreement, cf. Chapter 4. The Company Agreement is negotiated locally between the elected representatives and the management of the bank.

CONTENT

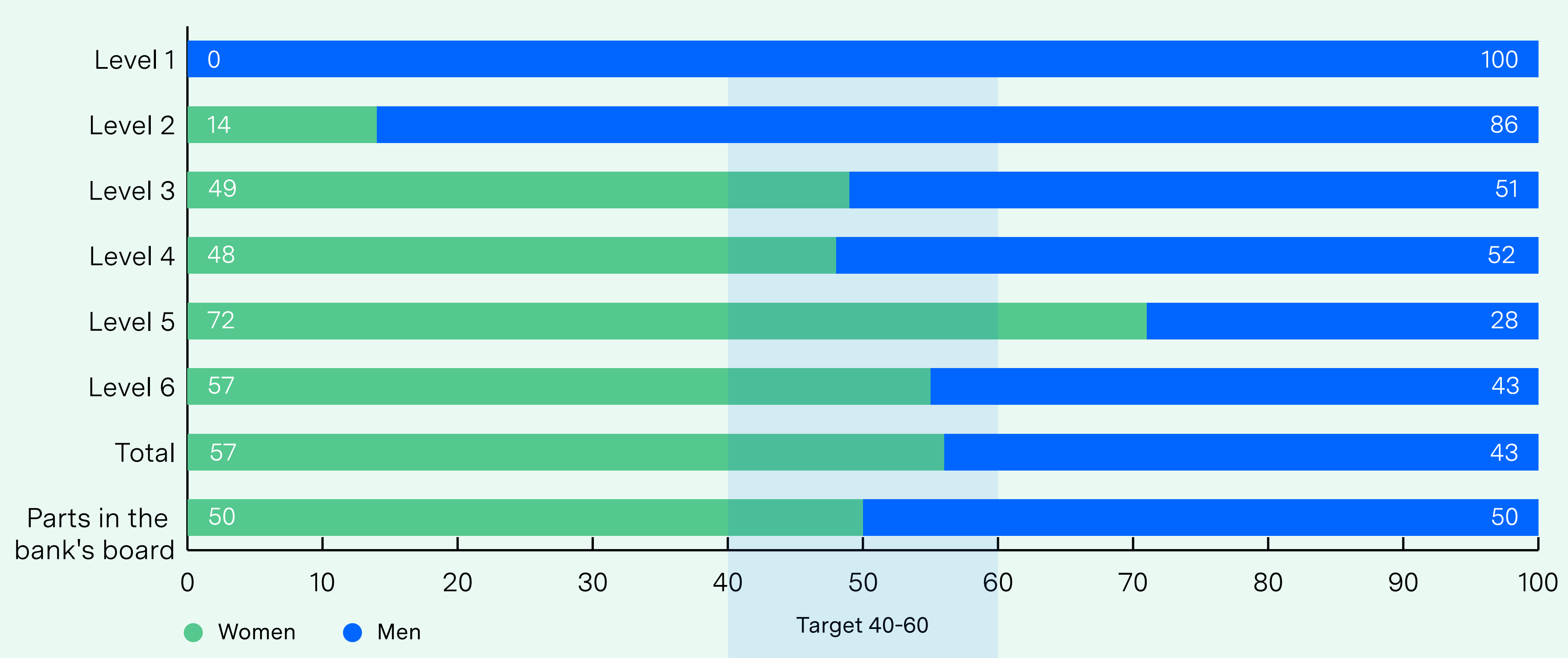
All employees of the bank are covered by the above collective agreements. Sparebanken Møre has seven employee representatives who together represent the bank's employees. The employee representatives are represented in working environment committees and employment committees.

The main tasks of the employee representatives are to:

- Protect members' interests, be active contributors in debates with management both locally and centrally.
- Inform about own operations that are connected to their own bank, industry or trade association centrally.
- Negotiate with management in cases where we have local bargaining rights.
- Exercise the elected function described by the Main Agreement and the Central Agreement.

Diversity

The table below shows the gender ratio per position level as at 31.12.24.



The table below shows age composition for permanent employees at the bank divided by position level as of 31.12.24

	Under 30	30-49	50 and above
Level 1	0.00%	0.00%	0.24%
Level 2	0.00%	0.24%	1.45%
Level 3	0.00%	6.99%	8.19%
Level 4	0.24%	15.42%	14.70%
Level 5	1.45%	16.63%	12.53%
Level 6	5.06%	15.90%	0.96%
Total	6.75%	55.18%	38.07%

Adekvat lønn

According to the bank's Company Agreement[1], permanent employees must not normally be placed at a salary level lower than salary level 40, which as of 01.05.24 amounts to NOK 504,120. As of 31.12.24, all permanent employees are placed at pay grade 40 or higher.

1 The subsidiary MøreMegling has its own commission-based wage system and is not covered by the company agreement referred to here.

CONTENT

Social schemes

The bank's employees are covered by a number of insurance and social schemes that go beyond statutory schemes. These shall insure against loss of income in the event of major life events such as illness, parental leave, pensions, work accidents and disability.

Other social benefits include company health services, psychological assistance, health/treatment insurance, employee loans, company sports teams, a support scheme for gym subscriptions, the potential for flexitime, working from home and company holiday homes/apartments that employees with families can use.

People with disabilities

Persons with disabilities are welcome as employees of Sparebanken Møre, and our premises and workplaces are largely adapted or can be adapted as needed.

Currently, the bank does not have data on the proportion of employees with disabilities.

Training, competence enhancement and development

Expertise and transition shall contribute to good corporate governance, high quality advice and the bank meeting changes in customer behaviour, regulatory changes, and changes in the competitive situation in a good, effective manner.

Sparebanken Møre has its own Møre Academy, with a dedicated responsibility for onboarding new employees and competence development for the group's employees, managers and directors. A central competence plan is prepared annually with its own competence budget, based on overall strategy and any new legal requirements that affect the competence area. Basic competence requirements have been prepared for all bank employees, and role competencies for various professional roles. Competency requirements are evaluated regularly, focusing on what will be important competencies going forward. Competency documentation is carried out each year in connection with performance reviews, and individual competency plans are laid to cover the ongoing skills gaps of the bank's employees. This helps each employee and manager take responsibility for their own and their team's skills development.

Onboarding new employees

Training of new hires is a priority, as lack of training may provide degraded quality of advice, with the effect that the bank does not maintain the standard required both in relation to customer expectations, legislation and necessary authorisations.

New employees are onboarded by signing a employment contract, and can access digital preboarding through our own onboarding portal, Møreporten. Here they get useful and simple information that makes them feel welcome from the first contact, and can also provide feedback in regular pulse checks. The onboarding program runs throughout the first year, with an induction day for new hires, an individual training plan and an offer to test personal preferences. They also participate in their own Employee Development Programme (EDP), where they gain insight into the bank's method for setting and evaluating their own goals and action plans, as well as authorisation courses for those who work with personal customers.

Client advisors in the Retail Banking Division, as well as others who are in a position that requires authorisation, are authorised in various disciplines defined by the Financial Industry Authorisation Scheme (FinAut) See status in table below:

Authorisation scheme	Number of persons authorised	Proportion (%) authorised by target group
Savings and investment	169	90 %
Credit	147	81 %
Non-life insurance	160	87 %
Personal insurance	150	85 %
Damage insurance Corporate	3	75 %
Personal insurance Corporate	3	75 %

The individual authorisation is maintained through annual competency updates in the 6 authorisation schemes, as well as ethics and good practice. This represents around 3,411 hours of updates in 2024. The competency updates contribute towards IDD requirements that regulate the distribution of insurance. 15 hours of annual further and continuing education is required for insurance advisors. This is automatically documented in each advisor's profile in FinAut.

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Competency development for all employees
All bank employees have access to a digital learning platform; Videocation. This contains over 300 video courses within a wide range of disciplines, which are suitable for the bank as an independent savings bank with many professional functions. The training is easily accessible and helps video courses to be conducted when appropriate and in the way that best suits. In order to ensure that the knowledge is applied, both mandatory and recommended playlists have been prepared with courses adapted to different audiences. Skills are developed through mixed learning, where employees acquire the knowledge on their own, and then are trained together with colleagues in morning meetings and in other arenas. This is, for example, a teaching method used to develop the bank's advice to financially vulnerable customers.

Sustainability expertise programs have been completed, AHV training using their own Competency app, and e-learning in internal policies such as information security, privacy, conflicts of interest, and HSE. Relevant subject topics are on the agenda in Møreteamen (morning meeting), which is carried out 1-2 times a month for the bank's employees, and in addition, professional classes are held in various systems 1-2 times a year for advisors in the retail market. The divisions in the retail market and corporate sectors have their own forums where advisors meet twice a year for professional refresher training.

The bank has had ongoing collaboration with NTNU to identify areas of expertise that may be relevant to offer continuing education and training within. Areas identified are digital transformation, AI and machine learning, data analytics and statistics, IT security and agile work processes. A course in practical project management has been completed for professionals in head office functions. The bank stimulates further and continuing education by providing financial support through its own study scheme. The bank has employees who participate in industry programmes for sustainability and technology, and in industry programmes for digital transformation in the financial industry. Both are programmes that have come as a result of grants in last year's state budget.

Since 2014, 38 employees have participated in a higher education course with support from the bank, and 9 study contracts have been entered into in 2024 and are still running. Several studies have been studies in sustainability and technology. The gender distribution among those who have taken further education is 61 % women and 39% men.

Each year, the bank has 3 young talents and their leadership mentors in the external network Talent Sunnmøre, and we also have 5 participants in U37 Sunnmøre. An internal network and forum have been established for employees under 37 years of age, called 'Unge lovende' ('Young and Promising') which has 2-3 meetings a year. Career reviews are offered to employees through a separate career portal, which is available on the bank's intranet.

New leadership development programme
In order to achieve results and develop employees, management is an important success factor. The bank has launched its own leadership development programme called #TetterePå The program is conducted intensively over one year, with meetings in cross-groups, topics in all management groups and a review of everyone's preferences in their own team. New managers participate on their own HR day where strategy, management and follow-up structure are on the agenda. Managers receive refresher training in the form of a quarterly newsletter, which is based on management as a field of expertise on the basis of the bank's management values.

A separate introductory course has been developed for new board members, which is also made available to existing board members and the bank's management through its own digital competence portal. The academic content of the course is evaluated each year and updated as necessary; etc. for new competence requirements for board members. Annual competence training in anti-money laundering regulations is also mandatory for the Group's board members.

Summary and follow-up of the competence work

The competence work is highlighted and measured using the Møre Academy's annual wheel. This is a practical monitoring tool for planning, implementing and documenting training measures. The skills work is also measured through authorisations achieved and completed skills updates, e-learning courses and other skills measures. Other mandatory courses are followed up by the Møre Academy, and reports are produced on the implementation of key competence measures.

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The table below lists the time spent on documented training in 2024. The average number of training hours per employee is 53. The table also highlights the target audience for the individual training activities. Most competence measures apply to all employees, and gender distribution among the bank's employees is 56% female and 44% male as of 19.12.2024.

Summary of time spent on training in 2024	Total time (h) 2024	Target group
AML Competency Training	1,362	All employees
TetterePå-management development	851	All managers
JTI team reviews	149	All departments
Videocation mandatory playlists	1,191	All employees
Diversity and equality e-learning	205	All employees
Practical project management	290	Offered employees in departments
Workshop EVU	40	Selected professionals participated
Advisor meetings RM	1729	All employees in RM Division
Justify activity	341	All employees in RM Division
Advice to customers with financial challenges	1,498	All employees in RM Division
CRM in cloud, teams meetings	276	All employees in RM Division and CB Division
Authorisations	1,700	Newly hired advisors in RM Division
Savings and investment for CB Division	56	Newly hired advisors in CB Division
Competency Update FinAut	3,412	All employees with active authorisation
Nanolearning - Junglemap	620	All employees
New employee training - course days including EDP and JTI	1,294	All new hires
Møreteamen - Morning meetings w/training	5,552	All employees
CB Forum	365	All employees of CB Division
CB Industry Day	309	All employees of CB Division
Insurance training - Eikaskolen (IDD)	1,355	All employees who sell insurance
Total hours	**22,595**	
Time in hours per employee, based on 429 permanent employees as of 16.12.2024	**53**	

In addition to the earning activities listed in the table above, Sparebanken Møre's employees take part in many voluntary courses, as well as external courses and conferences over the course of a year. The bank currently does not have a system for mapping and including these courses in the calculation of hours per employee used for training and competence development.

Working environment parameters

The monitoring and follow-up system for health, safety and the environment forms an integral part of the bank's other internal control procedures. Improvement measures within these areas are implemented whenever weaknesses are identified. All managers with personnel responsibility must complete required HSE courses. Each department must prepare its own risk and vulnerability analysis each year. This must identify dangers and problems, assess risks and draw up plans that reduce the risk factors. A few cases of threats against the bank's employees were reported in 2024. These were followed up immediately. With the exception of these events, no other similar incidents, work-related injury or accidents were registered or reported during 2024. In 2025, a new framework for the prevention of violence and threats will be implemented.

Sparebanken Møre is working to be an inclusive workplace for employees in all age groups and phases of life. The bank is affiliated with the "IW scheme" (Inclusive Workplace). As an IW company, the goal is to continuously work to improve the working environment, prevent and reduce absence due to illness and prevent exclusion and dropout from the labour market. Workstations and duties must be adapted when health or other causes dictate it.

Sparebanken Møre has an agreement with an occupational health service, which includes, for example, health checks, access to occupational medicine clinics and follow-up of/adaptations for employees who are on sick leave or who are at risk of ending up on such leave. The occupational health services provider submits annual proposals concerning any areas needing improvement with respect to the working situation/ergonomics. The 2024 report showed a high level of well-being at work. In 2024, total sickness-related absence at the bank was 4.1%.

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The bank does not currently have a system to map work-related accidents, work-related sick leave and any work-related deaths. This is something the bank will consider establishing in 2025.

Work-life balance

All employees have the right to take parental leave. For permanent employees who have salary above 6 G, the excess is covered by the bank.

The table below shows the use of parental leave during the reporting period, divided by gender.

	Parental leave
Men	2.46%
Women	3.30%
Total	2.93%

Remuneration

The table below shows women's pay as a percentage of men's pay at different position levels.

	Fixed salary	Cash benefits
Level 1	N/A	N/A
Level 2	97%	104%
Level 3	95%	93%
Level 4	89%	87%
Level 5	94%	92%
Level 6	96%	96%
Total	86%	84%

Cash benefits include fixed salary, paid bonuses, car scheme, equity certificate benefits and lump sum supplements.

The ratio of total annual compensation to the highest paid person/ median total annual compensation for all employees is 4.3.

Incidents, complaints and human rights violations

There have been no reports of incidents or complaints received related to discrimination due to gender, racial or ethnic origin, nationality, religion or belief, dis-ability, age, sexual orientation or other relevant forms of discrimination during the reporting period. There have been no reports of or identified cases of serious incidents related to human rights violations, such as forced labour, human trafficking or child labour.

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S2 Workers in the value chain

This chapter constitutes Sparebanken Møre's account in line with the Transparency Act in addition to information in line with ESRS S2. For a complete index overview see Appendix p 176.

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Employee Health and Safety	Work in fisheries, fish farming as well as building and construction is risky and accidents can result in serious injury or loss of life.	K, M	VC	Neg	I
Employee Working Conditions and Rights	Poor working conditions and human rights violations will have a significant impact on the quality of life of employees. Violations can include, for example, forced labour, child labour, inadequate wages, dangerous working environment and illegal overtime. Some sectors are more vulnerable; the Supply Chain for office furniture, office supplies and IT equipment, as well as down-stream employees in the building and construction industry.	M, L	VC	Neg	I

Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VK =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity

Sparebanken Møre's impact on workers in the value chain

Sparebanken Møre and the bank's subsidiaries have a common supply chain and the bank's report on the bank's influence on and management of suppliers covers the entire group.

Sparebanken Møre has an impact on employees in its value chain, both upstream employees in our supply chain and downstream employees at companies with loans from us. There are some sectors that have major challenges in health, safety, working conditions and safeguarding human rights and that Sparebanken Møre can influence through being a customer in a supply chain or through funding activities. Sparebanken Møre's impact is mainly potential, i.e. there are no specific violations or incidents found with the bank's customers or suppliers, except for an accident with a customer in fisheries and aquaculture. Potential impact is significant because some industries as a whole have a higher inherent risk of adverse impact on employees.

Employee working conditions and rights where raw material is extracted for the production of IT equipment, office furniture and office supplies are challenging. The Norwegian Agency for Public and Financial Management has carried out risk assessments for the production of various products and on a general basis finds a high risk of human rights and labour rights violations throughout the supply chain for the ICT and electronics industry, a high risk in the production of raw materials and component production of office furniture, but a medium risk in final production, and a high to very high risk for the entire product category of office supplies.

Through lending to building and construction, the bank also has a potential impact on working conditions and rights downstream. The industry has generally had major challenges with workplace crime and social dumping over time, and cases occur even after a great deal of focus and measures have been implemented.

Sparebanken Møre is exposed to industries that conduct risky activities in terms of health and safety. The incidence of work accidents and work-related deaths in fisheries, fish farming and construction is higher than for other industries.

The Transparency Act entered into force in Norway in 2022 and has led to a maturation in the bank's due diligence and work on human rights and working conditions in the supply chain. For the downstream supply chain, the work has been less established, but will be prioritised in order to have a good system of due diligence and action plans for employees throughout the bank's value chain.

Strategy and Governance

The Board has adopted an overarching sustainability strategy for Sparebanken Møre that is intended to provide a basis for both strategic decisions and ongoing operational work.

This period we have worked to further strengthen the integration of due diligence assessments into the bank's

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already well-established supplier monitoring. Good management systems are necessary for success and due diligence must be an integral part of daily operations.

We have adapted and amended the following governing documents:

- Partner strategy
- Procedure for follow-up of suppliers and associated agreements

The bank has a management system that meets the requirements of the Transparency Act through the following documents and guidelines:

- Criteria for selection and assessment of partners (Partner Strategy)
- Code of Conduct and CSR Policy
- Guidelines for equality, diversity and anti-discrimination
- Guidelines for Sustainability at the supplier level
- Procedure for Disclosure Requirement – Transparency Act
- ICT management system with supplier follow-up procedure

The documents are updated annually.

In addition, we have prepared a new self-reporting form for our suppliers that details ESG conditions, and where several of the questions are related to safeguarding human rights and decent working conditions.

The ESG scoring that the bank's business advisors perform annually, as well as annual industry analyses for all the industries the bank is exposed to, both contain some requirements for assessing social conditions both at the customer's location and whether the customer has made assessments of their own value chain. The industry analyses also address whether there are any significant social risk factors that the bank must assess within the industries. The industry analyses and results of ESG scoring are presented to the Board and management annually.

The bank has prepared a process for conducting due diligence on the supply chain based on OECD guidelines. The process shall be carried out both as part of the periodic supplier follow-up of individual suppliers in addition to conducting an assessment of selected parts of the supplier portfolio annually.

The process is illustrated as follows:

We assess overall risk based on criteria such as the nature of the business, geography and product type/service of the supplier and subcontractors[1].

We also include known cases of adverse impact (corruption, misconduct and social dumping), if they have disclosed strategies or policy documents related to the Transparency Act. If suppliers themselves are covered by the Transparency Act, we will examine their disclosures to see how they work on human rights and decent working conditions. This gives us an overall assessment of the risk of human rights violations at the various suppliers.

Based on the criteria, an assessment is made as to whether there is a risk of human rights violations and violations of decent working conditions. For low risk, the process is stopped after the first step and the assessments are documented.

In the event of risk, additional information is obtained through a questionnaire or direct contact with the supplier and a new risk assessment is performed based on the information collected and planned or implemented measures by the supplier.

The process follows annual wheels for suppliers in accordance with Procedure for follow-up of suppliers. For suppliers that provide a function, solution or service defined as critical or important in the "Partner and Supplier Overview", the Contract and Partner Manager shall assess the risk at least every three years in connection with other periodic assessment of the supplier. The analysis shall also be updated when the supplier makes major changes, such as changes in subcontractors or introduction of new products that may affect the risk profile.

For suppliers of deliveries that are not defined as critical or important, the content of the follow-up and frequency of the delivery shall be adapted to the nature, complexity and duration of the delivery.

1 Source of information is the Norwegian Agency for Public and Financial Management's high risk procurement list | Anskaffelser.no.

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Whistleblowing channel for workers in the value chain

Sparebanken Møre has established a channel for, and procedures for receiving, complaints and notifications from customers and other external stakeholders. A written description of the procedures is available on the bank's website. Enquiries are answered in a written document and include all questions received. Customers and other interested parties may submit their request in writing, via our websites or on paper to a physical branch, or by telephone to their contact person or customer service.

Anyone who has filed a complaint, claim or notification shall receive a response within 15 days. It is the bank's Compliance Officer, together with the bank's internal lawyer if applicable, who makes the first assessment of the complaint and further allocation of responsibilities and processing.

Incoming cases are reported quarterly to the bank's Board of Directors and management, as well as annually to the Financial Supervisory Authority of Norway. The bank itself has an annual review of incoming complaints, claims and notifications to uncover any systematic reasons that must be addressed internally within the bank.

Measures to limit negative impact on workers in the value chain

The bank finds that the Transparency Act has had a clear effect on how well suppliers document and disclose their work on basic human rights and decent working conditions. Information and governing documents are often easily accessible on websites and a large proportion of our suppliers are themselves subject to the Transparency Act and have thus published their account of Due Diligence Assessments. This has made the bank's work on the supplier portfolio easier and we have to a greater extent tried to familiarise ourselves with the work being done instead of mass mailing surveys.

We have focused on System and Service Providers in upstream supply chain this period:

- In total, the bank has approximately 90 suppliers within the System and Service category.
- We have conducted an overall assessment of 54 suppliers.
- 11 of these are considered at some risk. For 9 of the suppliers, this is because they have not publicly disclosed information about their work on basic human rights and decent working conditions. Many of these providers are small and are not covered by the Transparency Act. Based on our actual knowledge of the suppliers, we consider that the risk has been managed and we follow up on the work in periodic collaboration meetings.
- 2 suppliers are generally considered to be at some risk because they deliver products and/or services that are on DFØ's high risk list. These have explained their work on human rights well and we have conducted a separate meeting on the topic with the one supplier. Follow-up on this topic also takes place in periodic collaboration meetings in accordance with the procedure for supplier follow-up. We consider that the risk has been managed satisfactorily in this case.

If the risk was still present, we define actions in line with the supplier and the identified risk. The measures are carried out in the following order:

- Dialogue and follow-up meetings
- Site audit, if appropriate
- Amendments to agreements
- The last resort: termination of agreement

Our experience is that dialogue and follow-up meetings produce good results. It is important to have regular meetings and clear follow-up points with the suppliers.

Objectives

Sparebanken Møre has not yet set time-bound and result-oriented goals for its work on employees in the value chain.

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S3 Affected communities

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Supporting local communities	SBM supports local measures and initiatives with several hundred million NOK each year – the support goes towards activities for children and young people, with a strong focus on measures against exclusion. The distribution of dividend funds for local communities helps make art, culture and sports accessible to more people.	S	VC	Pos	I
Employment	More jobs through lending and community support. Local knowledge allows SBM to participate in projects that other banks would quickly reject, which helps create/retain local jobs. Assessment of real serviceability, etc. beyond what is presented on paper is key to the survival of local businesses that smaller communities depend on.	M, L	VC	Neg	I
Local presence	Local presence ensures that the bank knows the market and local conditions well, this allows one to make better assessments overall. In addition, there is the allocation of dividend funds for local communities adapted to local conditions, where knowledge can help to choose projects that provide great value locally. The result is that customers experience the bank as a close partner, they are loyal and the bank achieves a better reputation and overall a competitive advantage locally.	S, M, L			O

**Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VK =Value Chain, OB = Own Operations, I=Impact, R=Risk, O=Opportunity*

Strategy and Governance

In Sparebanken Møre, community engagement is rooted in vision and values, in overall strategies, guidelines and procedures. The bank's dividend policy provides guidelines for how the profit from the bank should be allocated, and the profit allocation should ensure that all equity owners are secured equal treatment. Unless the bank's financial strength dictates otherwise, it is expected that about 50 per cent of this year's profits can be distributed as dividends.

The CEO annually submits proposals for the allocation of this year's profits to the Board, and the Board again presents its recommendation to the general meeting, which makes a final decision. In 2024, NOK 376 million of profits was allocated to dividend funds for local communities. Of this, NOK 150 million was transferred to Sparebank Foundation Sparebanken Møre, and the rest is distributed for good causes in our region.

As a result, the bank is a significant contributor to good initiatives within humanitarian initiatives and health purposes (7%), sports, physical activity and outdoor activities (48%), climate, environment and nature conservation (1%), expertise and research (7%), arts and culture (19%), business development (15%) and other (3%) (2024 distribution in brackets). The bank has chosen to divide the dividend funds for local communities into the following concepts: TEFT funds, TEFT grants and Næringsteft.

Sparebanken Møre has 27 offices and the bank's business model is based on our presence and being close to our customers. This is also an opportunity because as a bank we can understand our customers' situation,

Winners of TEFT-funds 2024

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risks and opportunities in the local context. A report from Menon Economics that has assessed the contribution of savings banks to value creation supports our business model. Among other things, the report shows that it is 3% more likely for a company to be granted a loan by a savings bank that is present in the company's municipality, and the loan that the companies receive is larger at local savings banks. An important factor is also that these companies do not pose any increased risk to the banks or that the company achieves any poorer profitability. Maintaining the bank's close relationship with customers and communities is closely linked to the bank's business model and strategy going forward.

Organisation
The Organisation and Group Support Section of the Communication and Community Involvement Department is responsible for the strategy for, follow-up of and reporting on dividend funds for local communities, while the Business Development Section in the Market Department is responsible for following up the sustainability work of clubs and organisations with which we have a collaboration agreement. The Board receives reports on the work on dividend funds for local communities at least twice a year.

Sparebanken Møre's gift strategy was prepared for the first time in 2010, and has been followed up in guidelines and procedures used in the work on the allocation of the funds. In the work of managing dividend funds for local communities, the Communication and Community Involvement Department collaborates with all bank branches in the market area, and with the corporate division.

The bank's business model with many local bank branches and a decentralised structure provides ample opportunities to consider what initiatives should receive support for the benefit of the local community. Being close also helps to ensure that the funds are used for their intended purpose.

Styrende dokumenterGoverning documents

- Møre 2028 (corporate strategy)
- Guidelines for the use of dividend funds for local communities
- Guidelines for TEFT funds
- Code of Conduct and CSR Policy
- Guidelines for identifying and managing conflicts of interest
- Brand strategy
- Various procedures – including payment procedures, cooperation agreements, sponsorship work, etc.


Opening of Vardesenteret

Dialogue with affected communities

On behalf of Sparebankforeningen, Menon Economics investigated the socio-economic value of the savings bank industry's contribution to good causes. According to Menon (Publication 99/2024), in 2023 the savings bank industry distributed more than NOK 4 billion for good causes. Based on the collected data, they have calculated that NOK 1 allocated from the savings banking industry gives just over NOK 3 back to society. Sparebanken Møre is the largest contributor to good causes in Nordvestlandet, and such ripple effects therefore make a major and significant contribution to this part of the country.

The bank has two fixed application deadlines annually for those who want to apply for support for good causes, and information and application forms are available at sbm.no. In addition, separate application deadlines are set for individual projects. In 2024, an additional application deadline was introduced for the concept of Kulturscene. Applications are managed through a proprietary IT system, Gaveweb, a system that provides the ability to manage applications, and provides an overview of history.

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In 2024, the bank received around 2,500 applications for support for good causes in our region. Applications received are mainly processed by the nearest local bank branch. The bank's advisors often live in the communities they are part of, attend events and are committed participants in local teams and organisations. Larger-scale applications and applications for the benefit of the entire region are considered in a collaboration between local bank accounts and the Communication and community involvement department.

This shows that the bank is an important supporter when it comes to the development of sustainable local communities in line with Goal 11. In addition to this, many of the projects involve initiatives related to good health and quality of life, equal opportunities, good education, less inequality and exclusion. The applications cover a wide range of goals and include support for local outdoor measures such as building and improving hiking trails, constructing temporary forest shelters for hikers made of natural materials and other measures aimed at improving hiking destinations in the region. Sports clubs often apply for support for maintaining facilities or constructing new ones and buying equipment, as well as support for hosting events.

Cultural organisations generally apply for support to put on events and to purchase technical equipment, instruments, costumes and so on. The bank also supports organisations that are engaged in various forms of relief work within the county, and has formalised several such larger collaborations. We do this to help those who have been left behind and to support organisations who focus on physical health and exclusion.

To ensure predictability and accountability for its responsibility in sustainability , Sparebanken Møre has cooperation agreements with around 200 partners both large and small within sports and culture. All new cooperation agreements entered into in 2024 have been built around ESG related to the reduction of climate and environmental emissions (E), good financial management (G), measures for gender equality, diversity and inclusion (S). There are different levels of expertise and commitment related to the area of sustainability in the various organisations, but we are experiencing positive developments and increased focus.

The bank has collated relevant information for businesses in a Sustainability Portal in order to provide customers with advice on sustainability. Voluntary teams and organisations are very important for creating good growth conditions and for the development of local communities, and in 2023 the portal was further developed to also help teams and organisations in this important work.

Notification channel that people in affected communities can use

The bank's business model with many local bank branches and a decentralised structure provides ample opportunities to consider what purposes should receive support for the benefit of the local community. Such a structure helps to ensure that the funds are used for their intended purpose. The bank strives for as much equal treatment as possible between applicants with the same purpose, and established guidelines and procedures for allocation contribute to this work. The local bank branches are also close to local stakeholders and can capture feedback that applicants or community representatives may have.

In the annual EPSI survey, customers[1] provide feedback on how they perceive the bank's work on sustainable community development. In 2024, the bank performs very positively on the question "Does Sparebanken Møre take social responsibility" compared to the industry average, including the younger part of the customer group. Several respondents also responded without prompting that they connect the bank with local sustainability, youth work and that it is a supporter of local activity and engagement in sports and culture. According to the same survey, customers also believe that the bank's contribution to society through research, sponsorship of sports and culture, etc., is the most important are it should work on.

In 2024, the Brand Strategy was revised, and various workshops and surveys formed an important feedback channel to discover how society perceives the bank today. A key insight from this is that social responsibility, and being local and present are highlighted as important associations across the target groups.

The bank also has its own media contact policy to ensure a quick response, consistent messaging and high quality information that is communicated to editorial media.

Feedback channels and notifications can otherwise be made through the bank's branch network and large number of advisors, by telephone, website, chat, email or other direct contact with the desired department or employee.

In 2025, the bank will revise its policy on the use of dividend funds for local communities (donation strategy), which will be effective from 2026 onwards. The goal is for the bank to maintain its financial contribution to the local community through its dividend funds for local communities.

1 EPSI survey: Customer Satisfaction in the banking Industry

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S4 Consumers and end-users

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Personal finances	Sparebanken Møre is committed to ensuring that customers have a good overview of their own finances and control of their own consumption through several different measures and activities.	S	VC	Pos	I
Personal data	Sparebanken Møre has access to a large amount of personal data, and good and safe systems to protect it, as well as several information security guidelines that support requirements in laws and regulations such as the Personal Data Act, the Personal Data Regulations and the ICT Regulations. The bank's operations are subject to government control and regular supervision.	S	VC	Pos	I
Financial Inclusion	Access to basic banking is essential to being an active part of a community. The bank has physically accessible and adapted branches, banking services for non-digital customers and processes for customers with challenges related to standard credentials etc.	S	VC	Pos	I
Preventing economic problems	The bank contributes to training on private finances in secondary school and upper secondary school, as well as individual training and advice for customers.	S	VC	Pos	I

**Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VC =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity*

Strategy, Governance and Dialogue

Everyday finances are the key to long-term security. We take the time and ensure that the customer has a good overview of their own finances, consumption patterns and opportunities. By identifying and challenging, we can provide specific advice. We also ensure that our customers are well-protected against fraud and use our sustainability expertise to influence customers to make good choices for themselves, their finances and the society around us. A substantial branch network, authorised advisors, good digital solutions and other competence measures enable us to help reduce disparities and give more customers and companies an opportunity to take part in socio-economic growth and development.

Sparebanken Møre's division handles the bank's direct contact with consumers of the bank's products and services to private individuals. The bank's positive impact on private customers is rooted in its overall strategy. Sparebanken Møre's core values are that we are close, committed and proactive, and we work to establish close relationships and positive customer experiences. The bank's Code of Conduct and CSR Policy states that the Group shall contribute to a sustainable social community and that Sparebanken Møre shall promote financial inclusion and good financial health for various socio-economic groups.

Sparebanken Møre's strategic plan Møre 2028 provides the overall guidelines for the bank's credit risk. The bank's Credit Risk Strategy is also closely linked to the bank's overall sustainability strategy and defines the bank's lending policy.

The Norwegian Financial Contracts Act provides provisions within the duty of guidance, duty of explanation and duty of rejection, and assessments regarding these obligations must be carefully documented through the bank's credit assessments. The credit risk strategy also defines some frameworks for the concept of Grep, which is intended to address commitments with increased risk, where the customer experiences a loss of control over their own finances.

The financial industry's authorisation scheme covers the bank's advisors and has established an industry standard for good practice, which is intended to ensure that customers' interests and needs are safeguarded in the best possible way. The bank follows industry norms and has developed methodology to comply with legislation and safeguard the customer's rights while maintaining customer meetings as an arena for good financial advice.

The bank also has an ICT strategy that is closely linked to the bank's overall strategy document and in line with the ICT strategy, advanced data analysis, data insights

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and AI shall be implemented to understand customers' unique needs and thus offer more personalised and tailored advice.

The bank shall promote financial inclusion by enabling everyone to have access to basic banking services that are accessible and reasonably priced. Through our product portfolio, we facilitate home purchases, insurance, savings and investment in phases of life where finances are considered to be challenging.

Sparebanken Møre has 26 branches spread throughout Møre og Romsdal, as well as an office in Oslo. The bank has dedicated, permanent advisors for approximately 58,000 personal customers, who are largely followed up on an annual basis. Direct contact with customers is important for the bank in order to provide the best possible advice and guidance. Customers also contact us via the bank's customer service. Sparebanken Møre's customer service is easily available via both phone and chat, and in 2024 won the Best Customer Service award in the banking sector for the sixth year running.

In addition to direct contact with the bank's customers, an annual EPSI survey is conducted for the banking sector. The results of the EPSI survey 2024 showed that Sparebanken Møre performed well, with a customer satisfaction rate of 72.0 – significantly above the industry average of 66.8. This reflects our efforts to provide proximity, expertise and user-friendly digital solutions.

Notification channel for consumers and end-users

Section 3-53 of the Norwegian Financial Contracts Act requires banks to have procedures in place for handling complaints and claims from customers and Sparebanken Møre has effective procedures for handling complaints and claims from customers. A written description of the procedures is available to customers. Enquiries are answered in a written document and include all customer questions. Customers and other affected parties may submit their request in writing, via our website or on paper to a physical branch, or by telephone to an advisor or customer service.

Anyone who has filed a complaint, claim or notification shall receive a response within 15 days. It is the bank's Compliance Officer, with the bank's internal lawyer if applicable, who makes the first assessment of the complaint and further allocation of responsibilities and processing.

Incoming cases are reported quarterly to the bank's Board of Directors and management, as well as annually to the Financial Supervisory Authority of Norway. The bank itself has an annual review of incoming complaints, claims and notifications to uncover any systematic reasons that must be addressed internally within the bank.

In 2024, Sparebanken Møre received a total of 31 complaint cases in the internal complaint scheme. The complaints were divided into the following categories: Payment Services (6), Deposits (9), Mortgages (1), Other Loans (1), Credit and Debit Cards (1), Other Services (13).

In 2024, Sparebanken Møre had 21 new complaints before the Norwegian Financial Services Complaints Board. The complaints concerned a number of different circumstances.

Grep

Grep is a separate department that helps people with financial challenges. The advisors have expertise in gaining an overview and finding solutions so that the customer regains control of their finances.

The Grep concept is available to everyone regardless of banking relationship and where you live in the country.

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Measures related to consumers and end-users

The bank can have a sustainable and inclusive impact through several different arenas, services and products. The table lists groups of customers and topics with various challenges where we as a bank can encourage movement in a sustainable direction in order to help mitigate social inequalities, ensure equal access to resources and services or offer products that promote sustainable transitions.

Topic	Description	Product/measure
Digital exclusion	Anyone who feels uncomfortable when it comes to using all or parts of digital solutions	Local branches throughout the county
Refugees/asylum seekers and migrant workers	Bank customers who have recently arrived in Norway in need of banking services	Approved ID alternatives Option of interpreter/additional person present during advice Customer declaration form in Norwegian and English Provision of basic banking services
Capital gap	Nationally and globally, women are less financially independent and invest and save less than men	Personal advice Public theme meetings
Physical barriers	Those who do not have full access to ordinary banking ser-vices/products due to physical limitations	Wheelchair accessible premises Universal design of digital surfaces Braille bank cards for the visually impaired (launched in 2024)
Old age/severe physical or mental illness/disability	Where old age, illness or other circumstances make personal finances and banking services challenging to keep up to date or source of income changes	Additional account user Future power of attorney (digital legal services quality assured by a lawyer) Advice for next of kin Retirement savings and guidance Disability benefit and other permanent social security benefits are equated with fixed income from work when calculating loan servicing capacity
Children, adolescents and young adults	Banking services and advice for those younger than 18 and par-ents, as well as young adults who need personalised product pricing	Training in personal finances in schools Age-appropriate banking services Micro-saving, "Småspar" Insurance and housing mortgages for young people, and first time buyer mortgages
Loss of financial control	Circumstances that cause you to lose control of your personal finances	Personal advisor Grep – an advice concept for customers experiencing a loss of financial control Special commitments – special follow-up of risk-exposed commitments
General competence enhancement and advice	Skills refresher courses are offered to the bank's customers and others who want information. The goal is to ensure people have good financial health.	Tailored personal advice Useful! - News articles on healthy finances and other banking related topics. Open theme meetings, information about banking, personal finances, savings and investments, etc. Personalised advice from a personal advisor Emails for customers with tips and tricks, as well as pop-ups in online bank and mobile bank, tailored to customer's commitments.
Sustainable transition	Products that make it easier for customers to make environmentally sustainable choices when borrowing for homes and cars, or investing	Green home mortgages for energy ratings 'A' and 'B' Green car loans for zero-emission vehicles Energy loans for home upgrades

CONTENT

The bank's personal advisors have participated in an internal, joint meeting on the topic "Customers with financial challenges". The Møre Standard for follow-up and advice to customers in this category was presented In this work, the bank has emphasised that a good assessment of needs and being able to see early signs that our customers may be in a challenging financial situation in the future are important. The aim is to ensure that customers get a thorough understanding of their financial situation and banking conditions when meeting our advisors. Following the joint meeting, physical department meetings were held in all departments. The Møre standard is a governing document for the bank's advice prepared following input from the Thematic Supervision that the Financial Supervisory Authority of Norway has conducted in other banks, where it was pointed out that banks must document good advice given to mortgage customers with financial challenges.

The joint meetings on Teams are available both live and as recordings, ensuring broad participation.

Another important initiative is the new Grep department, a department that helps customers with major financial challenges. The concept was established in 2023 and expanded in 2024 to also include customers outside the bank. Grep offers the necessary expertise and experience to assist customers in regaining control of their finances. This measure also strengthens the bank's ability to handle demanding macroeconomic conditions.

The bank has also met the requirements of the Financial Contracts Act by offering customers written explanations of credit products adapted to their prior knowledge. Before signing loan documents, customers receive both explanatory documents and an explanatory video, which contributes to increased understanding and competence about credit.

We have continued our involvement in schools through the programmes **Economics and Career Choice** and **ØkonoMIN** in collaboration with Young Entrepreneurship. To spread knowledge, we have also published a number of articles on our website, with topics such as sustainable finance, housing search and safe online shopping.

Plans for 2025

In 2025, we will continue to strengthen our advice and lending practices through a number of measures:

- Competence replenishment through authorisations and regular joint meetings, where at least two of these will focus on responsible advice.
- Follow-up on the implementation rate and quality of meetings with customers with financial challenges. Evaluation and development of the Møre Standard to see if our tools and measures are effective
- Increased focus on our strategy of being proactive towards all our customers and taking the initiative for planned customer meetings with both parties in the family. Focus on everyday finances and assisting with our expertise so that all our customers have a good future economy.
- Continued teaching of personal finance in schools through Young Entrepreneurship.
- Further integration of sustainable assessments in the credit process, including physical risk.

Objectives

Strategic objectives for social conditions are listed in the table at the beginning. For customers and end-users, objectives have been set for customers' financial health through both measuring customer relationships where both parties in a relationship are invited for advice and customer relationships that lead to financial "health reports" through the Grep program. Objectives for financial equality have been set because the bank wants to be a contributor to the proportion of savings for men and women becoming equal.

Default below the industry average is a goal the bank is working to achieve and it is a proposed aim that Sparebanken Møre's business model with proximity to customers and good advice contributes to the bank's customers having good financial control.

CONTENT

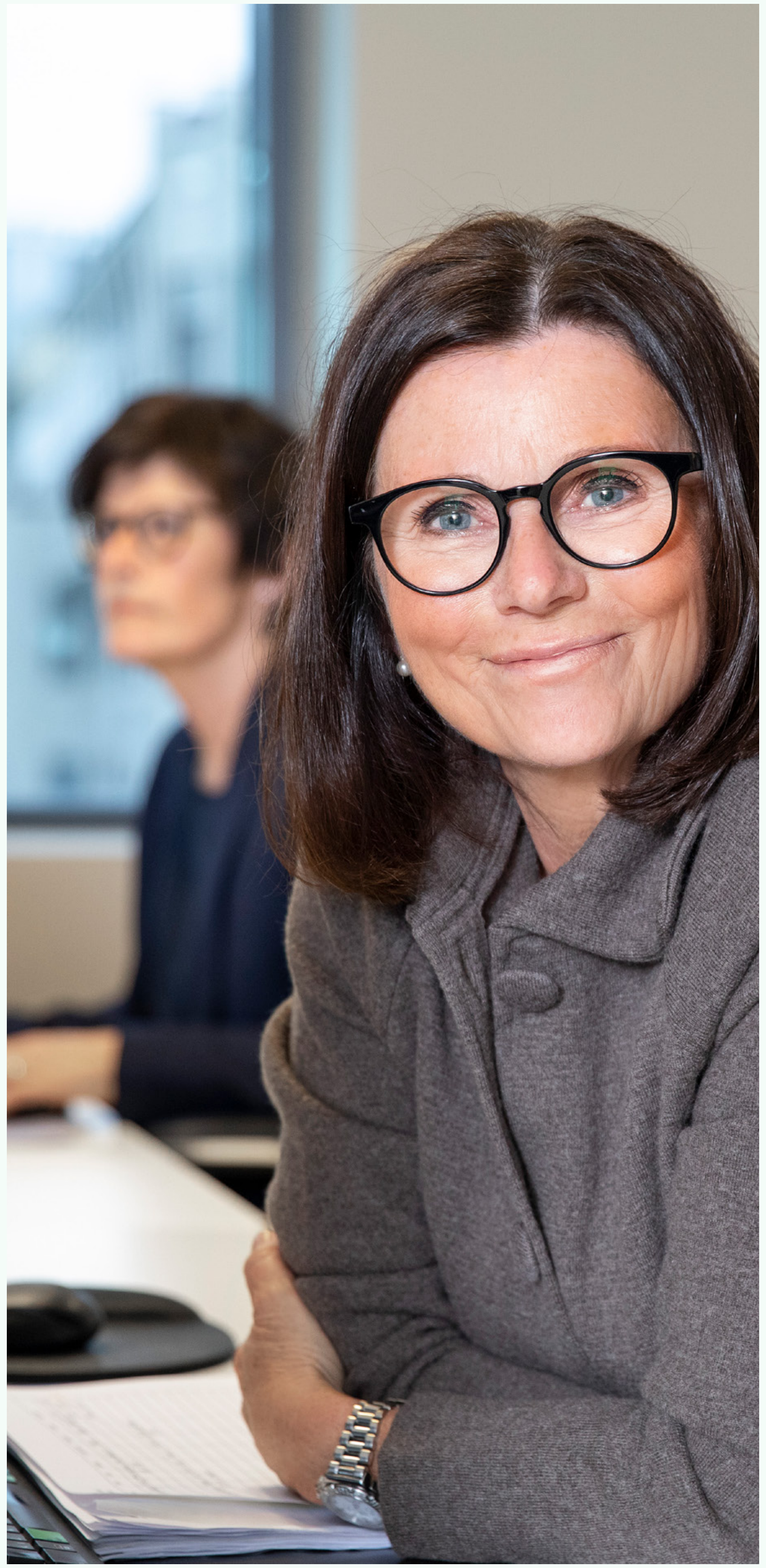
Business Conduct (G)

Business conduct is an important topic for Sparebanken Møre.

The strategic goals that Sparebanken Møre has set in the area of social conditions are shown in extracts from the strategic target card:

	Target description, KPI	Unit	Target	When
G	EPSI-score -service quality corporate market		60	2028
	EPSI-score - sustainability index	place	1st	2025
	ESG-score on business - EAD over 8 NOK million	%	99	2025
	Competence - completed course adapted to role/competence requirements	%	100	2025
	Completed course on AHV adapted to role	%	100	2025

The score card has been adopted in the strategic process and overall sustainability strategy, and the first year of measurement of target achievement will be for the 2025 financial year.



CONTENT

Table of our significant IRO

Topic	Description	Time horizon	VC/OO	N/P	I, R, O
Corruption and bribery	Preventing financial crime (e.g., fraud, cyber-attacks, hacking, corruption and money laundering)	S	VC	Pos	I

**Time horizon is short, S (<1 year), Medium, M (1-5 years) or Long, L (>5 years). VC =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity*

Strategies for Business Conduct and Corporate Culture

The bank's Code of Conduct highlights which actions are in line with the Sparebanken Møre Group's values, clarifying ethical norms for good business practice, responsible business operations, personal conduct and the bank's social responsibility.

The Group seeks trust from customers, authorities, equity certificate holders and the society of which we are a part. In order to achieve and maintain trust, we rely on professionalism, talent and high ethical standards at all levels. This applies to both the Group's business operations and the conduct of each individual. All employees and employee representatives must act with due diligence, integrity and objectivity, and must refrain from actions that could diminish trust in the Group. Managers and employee representatives have a particular responsibility and must act as good role models for others.

Our corporate social responsibility is related to issues such as climate and the environment, social conditions including equality and diversity, human rights, labour rights and the prevention of financial crime and corruption as well as governance issues.

The Board of Directors has the overall responsibility for the establishment of the Code of Conduct and the CEO shall ensure that the guidelines are operationalised and due diligence assessments are carried out. Managers and employees shall familiarise themselves with the guidelines for ethics and social responsibility, and share knowledge with employees.

It is important for the Group and for the community we serve that we submit a report if we become aware of matters that we believe contravene laws and regulations applicable to the Group's activities or other relevant legislation. Internal whistleblowing channels and procedures shall be used by the bank's employees. The prudent reporting of such matters shall not result in any negative consequences for individual employees.

If external stakeholders experience violations or potential violations of our Code of Conduct or other relevant laws and guidelines, they can contact us via the complaints function on our website, sbm.no.

Clear violation of the Code of Conduct and Corporate Social Responsibility may result in employment law consequences for the employee in question, depending on the matter and severity. Further information can be found in the Employee Manual. For elected representatives, violations may result in sanctions that the manager of the body or relevant body has at their disposable or deems appropriate based on a specific assessment.

For more information about the bank's internal whistleblowing system and the status of whistleblowing in 2024, see the chapter "Own workforce".

CONTENT

System for preventing and detecting corruption and bribery

Financial crime, which includes workplace crime, terrorist financing, money laundering and fraud, is a growing and serious social problem and a threat to the welfare society. Combating financial crime is an important and demanding task, and we work on prevention to reduce financial losses for society, our customers and the bank. This is also to maintain confidence in the bank's products and services.

Sparebanken Møre sees it as an important part of our social responsibility to prevent the bank and society from being misused for financial crime, and as a financial institution we are subject to a number of laws and requirements related to combating corruption and other types of economic crime, such as laundering of proceeds from criminal activities and financing of terrorist activities.

Sparebanken Møre's obligations related to financial crime are regulated by the Anti-Money Laundering Act, the regulations on sanctions and associated regulations and the Financial Contracts Act. The area has also been a high priority in Sparebanken Møre in 2024, and continuous work is being done to strengthen compliance with the anti-money laundering regulations. This means, inter alia, that the bank adapts to new changes and handling of the risk of money laundering. The rapid digitalisation of society poses an increasing threat to financial institutions in that criminals can also quickly develop new forms of fraud, among other things.

Sparebanken Møre must conduct itself in accordance with high ethical standards and shall not be associated with activities, customers or industries of dubious repute.

To ensure that the bank's work to combat financial crime is effective and that it is carried out using a risk-based approach, an overall business-oriented risk assessment is prepared annually within money laundering, terrorist financing, sanctions and fraud against the bank's customers. The risk assessment is dynamic and is updated continuously if the risk to the bank changes. In the business-oriented risk assessment, inherent risks are presented and necessary measures are defined to handle the identified risk. The risk profile is constantly changing and methods for committing financial crime are evolving. As a necessary measure to handle identified risks presented in the business-oriented risk assessment, a major investment was made in 2024 in system solutions for AML work in the bank. The new system solutions are being implemented and will be in place during the first half of 2025.

A business-oriented risk assessment forms the basis for the bank's content in the current framework in the AML area. The framework consists of policies, procedures and work processes, and is designed to ensure that the bank prevents, detects and reports instances of financial crime. The framework also ensures that processes around customer follow-up and customer measures that are an important part of ensuring sufficient quality and risk-based approach to the anti-money laundering work at Sparebanken Møre are in place. Regular internal monitoring of compliance with the framework is conducted.

Training

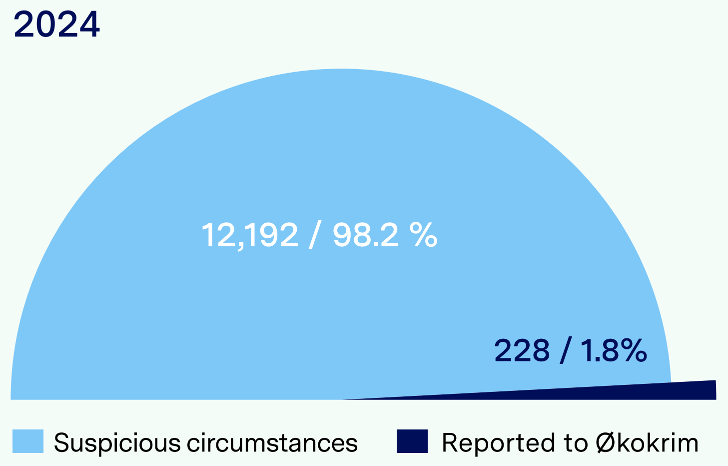
Proper and adequate competence is of central importance to succeed in detecting financial crime. All employees of Sparebanken Møre and directors annually undertake basic training in anti-money laundering, terrorist financing, sanctions and fraud. In addition, further training and updating of knowledge is carried out for those who have specialist roles in the work on financial crime. The bank's specialists in this area have access to specialist training materials. All of our stakeholders must feel confident that we have a high level of expertise, that we can prevent, identify and manage risks in the area of financial crime, and that our services are safe to use.

Artificial Intelligence (AI)

In an increasingly digitalized society, artificial intelligence is a topic gaining more and more attention. Artificial intelligence (AI) represents a risk of criminals quickly reaching out to many people, and enables the use of more sophisticated and compelling practices in carrying out fraud, among other things. For example, AI can clone websites in seconds and customize them based on the original, to give the user the impression that they are genuine. On the other hand, AI can provide the bank with significant opportunities to streamline monitoring. It can help identify suspicious transactions and patterns so that the bank has opportunities to detect and prevent money laundering, terrorist financing and fraud through the development of systems using AI. In 2025, Sparebanken Møre will work to use even more AI to streamline monitoring of suspicious conditions.

Numbers and Statistics

In 2024, a total of 12,192 situations were investigated based on suspicion of money laundering, terrorist financing and the circumvention of sanctions. In the same period, 228 cases were reported to the Financial Intelligence Unit of the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime.

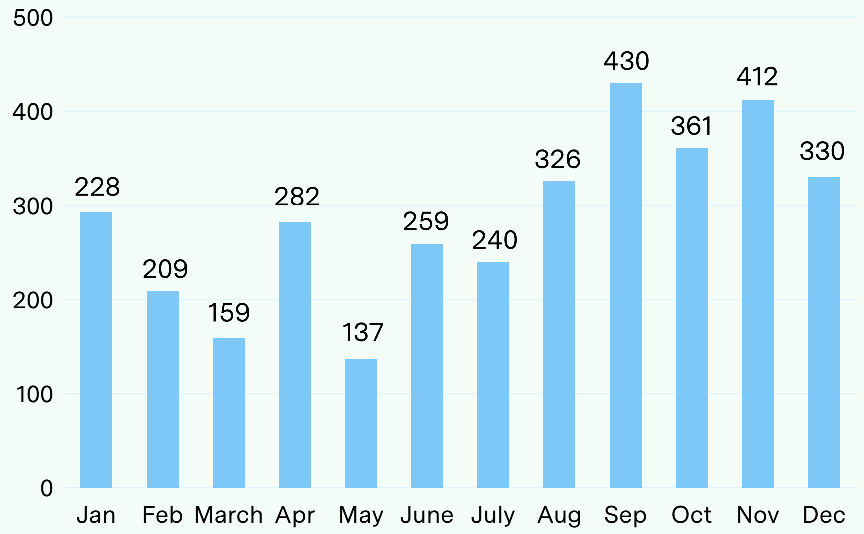


CONTENT

Around 3,438 instances of external fraud were recorded in 2024 Compared to 2023, we thus see a 45% increase in the number of cases of attempted fraud directed at the bank's customers. Through systems and information to customers that have enabled them to stop in time, Sparebanken Møre has stopped approximately 80% of cases of attempted fraud directed at the bank's customers. In 2024, account fraud valued at NOK 8,750,000 has been stopped through a system solution that has had a good effect.

Effective cooperation between banks and governments is key to stopping fraudsters. Sparebanken Møre therefore works closely with both the financial industry, the Police and other government agencies to secure customers from fraud.

Number of inquiries regarding possible fraud

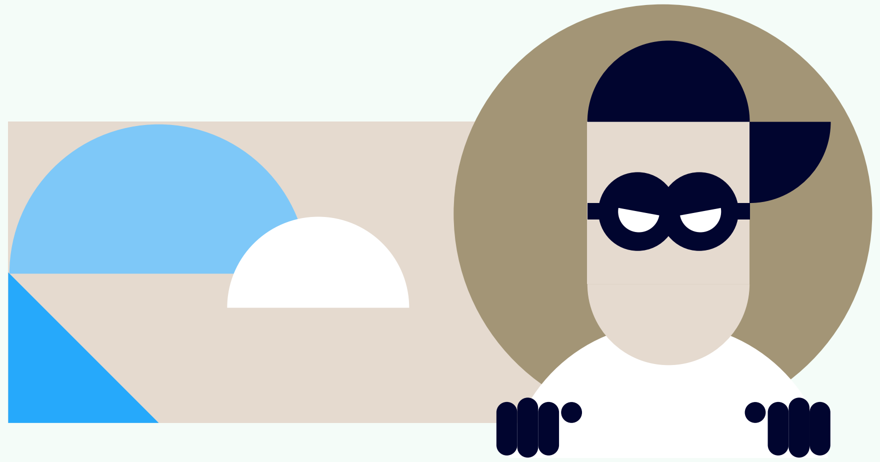


Evaluation and reporting
The work is monitored closely and reported on by employees in the first and second lines of defence, the bank's Group Management and internal and external auditors. The Anti-Money Laundering Officer reports developments in this area monthly to the CEO and the bank's Board of Directors.

Annual internal evaluations are conducted when revising policies and procedures, and periodic independent evaluations of compliance in the area is conducted by auditors or supervisory authorities.

Further work
Prevention of financial crime will also continue in full force in 2025. Major investments have been made in new system solutions that will make it easier to prevent and detect financial crime, as this is seen as a necessary measure for handling identified risks in business-oriented risk assessment. Further work in 2025 will be to implement and optimise the new system solutions. We will also continue our work to further develop and strengthen electronic monitoring and ensure sufficient quality and a risk-based approach to anti-money laundering work. There are also ongoing assessments of adopting new technology that can improve and simplify the work of preventing and combating financial crime. This is for the best of customers and society.

Raising awareness and enhancing competence among our customers is also important from a societal perspective. Sparebanken Møre contributes to this by providing information in the bank's customer channels and social media. The bank is quick to provide information and recommendations in local newspapers and radio, and we are proactive and advise our customers on how to protect themselves against fraud.



CONTENT

Sustainable finance – sector-specific

Tabell med våre vesentlige IRO

Topic	Description	Time horizon*	VC/OO	IRO
Lack of restructuring and innovation ability within the bank	Lack of understanding of sustainability slows down the restructuring of own operations, which can lead to declining market share, reduced innovation ability and reputation.	M	OO	R
Financial losses due to weak processes and systems related to cyber/information security	Weak internal systems and processes (policies and procedures) result in data loss, downtime, fines resulting from weak information security. This could also result in a significant reputational loss	M	OO	R
Strengthened reputation through demonstrating a high level of expertise in sustainability and being a driver for sustainable development	Sustainability is perceived as demanding for customers and the combination of products, advice and the bank's strategic choices could contribute to strengthening the bank's reputation overall. A strengthened reputation could have a financial impact by increasing our market share.	S-L	OO	O

** Time horizon is short, S (<1 year), medium, M (1-5 years) or long, L (>5 years). VC =Value Chain, OO = Own Operations, I=Impact, R=Risk, O=Opportunity*

Strategy and Governance

The table shows a number of operational risks and an opportunity that are specific to Sparebanken Møre in light of the role that financial actors have been given by, among others, the EU, as a driver for sustainable transformation.

Strategy and governance for these risks and opportunities are described in the previous sections of the sustainability report. Strategy, governance and management of climate and nature are described in the section “Climate and the environment”. How the bank works on competence development for its own employees is described in “Own employees” under the section on “Social conditions”.

Operational risks such as those listed in the table above are handled in the bank’s operational risk system. The risk status is updated at least annually, and measures and changes are logged. Operational risks are monitored by the Operational Risk unit in the Risk Management Department.

Information security is an important issue for a bank. Incidents where the bank loses access to data or is exposed to a cyberattack could have major consequences both for the continued operation of the bank and can be a financial risk for its own operations, but can also lead to customers losing access to their own funds in the short or longer term. Information security is therefore discussed as a separate sector-specific issue in this year’s report.

In the chapter “General sustainability information”, the process of double materiality and inclusion of material topics in the strategy and business model is described. The strategy process following the double materiality analysis resulted in the integration of sustainability in all parts of the group’s overall strategy. Anchoring in strategy is a key to implementing innovation that contributes to Sparebanken Møre gaining power for its own transition, and also working effectively within sustainability.

Information security

Our guidelines for the area of information security support the requirements of Acts and Regulations such as the Personal Data Act, Personal Data Regulation and ICT Regulation.

The bank has established an information security management system for the area of ICT based on ISO 27002, which ensures compliance with the ICT Regulation. Work on preparing for DORA is ongoing.

The bank has invested significantly in the area of security in recent years, for example by entering into an Enterprise and license agreement with Microsoft at the highest level, E5.

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After renegotiation, new agreements with Tietoevry Fintech and Tietoevry Tech Services became effective from 1.7.2024. These agreements give the bank predictability and development power in the most central product, service and ICT areas.

In the transition to a new agreement with Tech Services, a major boost has been made to security based on the Zero Trust principle, where the bank, in addition to establishing new SOC and IRT services, has implemented several Microsoft services; within email, collaboration and device protection, we have implemented Defender for Office 365 to protect email and collaboration tools against phishing, malware and spam. Defender for Endpoint secures devices such as PCs and mobile phones against advanced threats. Within the area of identity security and access management, Defender for Identity, Entra Identity Protection, Privileged Identity Management (PIM) and Access Reviews have been implemented.

Surveillance and control systems have to grow with the security solutions and services to which we have access. It is important that our partners and suppliers are able to keep up with the expansions in our services that we are introducing. This requires close and constructive dialogue with, and follow-up of, our partners and suppliers.

The bank's most important resource is our employees. We are always trying to increase the information security awareness of every employee. The ICT area contributes technological solutions that make it easier for employees to avoid making mistakes. A major nano-learning campaign, Information Security Awareness, is carried out annually between April to September. The MailRisk solution tests and challenges the employee's vigilance via phishing campaigns. The solution generates a risk score (human cyber risk) that is monitored and reported on monthly.

The bank requires resilience and must be able to withstand attacks. It must also be able to restore operations quickly. Resilience is built up through testing and training in disaster plans, alone and together with partners and suppliers, such as Nordic Financial CERT.

A driving force in the transition

Sparebanken Møre has many skilled employees who are passionate about contributing to the region's development in a sustainable direction. The bank shares its expertise, both through customer advice, competence programs, lectures at conferences and through information on its website. The work on the bank's significant themes as described in this sustainability report has contributed to the further strengthening of the strategic anchoring of the bank's sustainability work, and through systematic work on competence enhancement and dissemination, product and service development and expert advice, Sparebanken Møre has a solid foundation for being a driving force in the transition.

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FUTURE PROSPECTS

In autumn, the financial markets were worried that there would be a marked slowdown in the US economy. At the time, the market assumed that the US Federal Bank would reduce interest rates relatively quickly. The decrease in expectations concerning US interest rates also spread to European interest rates.

In the past few months, a more robust picture of the US economy has emerged. This has reduced fears of a marked slowdown and caused interest rate expectations to rise again. Expectations that the policies of the Trump administration will be inflationary are also causing expectations concerning interest rates to rise. A lot of uncertainty remains about the specific policy measures that will be implemented, although they are expected to include higher import duties and lower corporate taxes.

While interest rate expectations among our trading partners have risen, a number of central banks have continued to reduce their policy rates. This is because international inflationary pressures continue to decrease. The US, European and Swedish central banks have reduced their policy rates by a total of one percentage point from their peak.

The uncertainty surrounding the future performance of the global economy remains relatively high. The fluctuations in interest rate expectations are, therefore, also significant. Any surprises linked to US policy news can result in fluctuations in the international financial markets in the coming months.

The Norwegian economy has yet to exhibit any particular signs of weakness in the overall picture. Growth has slightly exceeded Norges Bank's estimates in recent quarters. At the same time, the fiscal policy for 2025 appears to be somewhat more expansive than expected, which is helping to boost growth prospects. A gradual lowering of interest rates and expectations of increased household purchasing power pull in the same direction. Norges Bank estimates that the Norwegian mainland economy will grow by 1.4 per cent in 2025, up from 0.9 per cent in 2024.

The unemployment rate remains low and is not expected to rise much. Nordvestlandet is also seeing higher levels of activity than a number of other areas of the country. This is in part due to the weak Norwegian krone exchange rate, which has boosted activity in export industries.

With a Norwegian economy that is holding up well, it appears that the decrease in interest rates will be gradual. Overall, Norges Bank is expecting three interest rate cuts in 2025, with the first in March. This is also in line with the implicit expectations concerning market rates.

The financial industry has an important role to play in the transition to a sustainable society. Climate change, and how society adapts to it, can at the same time produce new vulnerabilities in the financial system. The bank is working on its transition plan, an important element of the long-term work towards net zero emissions in 2050. There is some uncertainty about reporting requirements going forward, although regardless of the reporting requirements, it is important to understand ESG risks and opportunities, both for the bank and for our customers.

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.

Sparebanken Møre's long-term strategic financial performance targets are a return on equity of above 13 per cent and a cost income ratio of under 40 per cent. The bank's return on equity for 2024 ended at 13.7 per cent, while its cost income ratio was 39.8 per cent.

THANK YOU

The Board of Directors would like to thank all of the Group's employees and elected representatives for their good contributions in 2024. The Board of Directors would also like to thank Sparebanken Møre's customers, investors and other associates for our good partnership throughout the year.

Ålesund, 12 March 2025
THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

Roy Reite Chair	Kåre Øyvind Vassdal Deputy chair	Jill Aasen	Therese Monsås Langset	Bjørn Følstad	Marie Rekdal Hide	Terje Bøe	Birgit Midtbust	Trond Lars Nydal CEO

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Annual accounts

Statement of income

GROUP				PARENT BANK	
2023	**2024**	**(NOK million)**	**Note**	**2024**	**2023**
4 916	5 968	Interest income		4 226	3 492
3 016	3 897	Interest expenses		2 434	1 825
1 900	2 071	Net interest income	15	1 792	1 667
258	271	Commission income and income from banking services		271	257
42	40	Commission expenses and expenses from banking services		39	41
34	56	Other operating income		58	50
250	287	Net commission and other income	16	290	266
45	43	Net gains/losses from financial instruments	17	198	197
295	330	Total other income		488	463
2 195	2 401	Total income	4	2 280	2 130
482	525	Wages, salaries etc.	18 20	494	458
49	55	Depreciation and impairment of non-financial assets	30 31 32	65	59
328	375	Other operating expenses	19 29 30 35	347	308
859	955	Total operating expenses		906	825
1 336	1 446	Profit before impairment on loans		1 374	1 305
-53	20	Impairment on loans, guarantees etc.	9 10	37	-68
1 389	1 426	Pre-tax profit	4	1 337	1 373
334	340	Taxes	21	292	296
1 055	1 086	Profit after tax		1 045	1 077
1 007	1 023	Allocated to equity owners		982	1 029
48	63	Allocated to owners of Additional Tier 1 capital		63	48
10,12	9,95	Result per EC (NOK) 1)	34	9,55	10,34
10,12	9,95	Diluted earnings per EC (NOK) 1)	34	9,55	10,34

1) Calculated using the EC-holders share (48.4 %) of the period's profit to be allocated to equity owners

Statement of comprehensive income

GROUP				PARENT BANK	
2023	**2024**	**(NOK million)**	**Note**	**2024**	**2023**
1 055	1 086	Profit after tax		1 045	1 077
		Other income/expenses reversed in ordinary profit:			
-37	-38	Change in value on basis swap spreads		0	0
8	8	Tax effect of change in value on basis swap spreads	21	0	0
		Other income/expenses not reversed in ordinary profit:			
1	9	Pension estimate deviations	20	9	1
0	-2	Tax effect of deviations on pension estimates	21	-2	0
1 027	1 063	Total comprehensive income after tax		1 052	1 078
979	1 000	Allocated to equity owners		989	1 030
48	63	Allocated to owners of Additional Tier 1 capital		63	48

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Balance sheet

Assets

GROUP				PARENT BANK	
31.12.2023	**31.12.2024**	**(NOK million)**	**Note**	**31.12.2024**	**31.12.2023**
266	447	Cash and receivables from Norges Bank		447	266
386	673	Loans to and receivables from credit institutions, on a call basis		673	387
533	29	Loans to and receivables from credit institutions, with a fixed maturity		4 438	4 409
919	702	Total loans to and receivables from credit institutions	29	5 111	4 796
81 572	86 875	Net loans to and receivables from customers	4 5 6 7 8 9 10 18 29	51 232	49 321
11 898	12 144	Certificates, bonds and other interest-bearing securities	22 24	12 217	11 744
1 336	1 393	Financial derivatives	25	985	937
217	199	Shares and other securities	22 24	199	217
0	0	Equity stakes in financial institutions (subsidiaries)		1 650	1 550
0	0	Equity stakes in other Group companies		21	21
0	0	Total equity stakes in Group companies	29	1 671	1 571
0	0	Deferred tax asset	21	8	0
59	61	Intangible assets	32	59	58
16	15	Machinery, equipment, fixtures and fittings and vehicles	31	15	16
190	205	Buildings and other real estate	30 31	143	137
206	220	Total fixed assets		158	153
59	80	Overfunded pension liability		80	59
203	214	Other assets	33	205	203
96 735	102 335	Total assets	11 12 13 14 22 23 24	72 372	69 325

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Liabilities and equity

GROUP				PARENT BANK	
31.12.2023	31.12.2024	(NOK million)	Note	31.12.2024	31.12.2023
926	1 243	Loans and deposits from credit institutions, on a call basis		2 365	1 749
801	751	Loans and deposits from credit institutions, with a fixed maturity		751	801
1 727	1 994	Total loans and deposits from credit institutions	29	3 116	2 550
32 788	36 310	Deposits from customers, on a call basis		36 460	32 801
14 622	13 240	Deposits from customers, with a fixed maturity		13 239	14 709
47 410	49 550	Total deposits from customers	4 6 18 28 29	49 699	47 510
36 170	38 906	Bonds issued	22 23 24 26	7 683	7 859
603	719	Financial derivatives	25	1 080	840
98	101	Incurred costs and prepaid income		96	93
28	23	Pension liabilities	20	23	28
270	349	Tax payable	21	347	268
4	11	Provisions against guarantee liabilities	9	11	4
161	148	Deferred tax liability	21	0	45
727	651	Other liabilities	30	579	725
1 288	1 283	Total provisions and other liabilities		1 056	1 163
857	857	Subordinated loan capital	23 27	857	857
88 055	93 309	Total liabilities	11 12 13 14 22 23 24 26	63 491	60 779
989	996	EC capital	34	996	989
-4	-5	ECs owned by the bank	34	-5	-4
359	379	Share premium		379	359
650	750	Additional Tier 1 capital	27	750	650
1 994	2 120	Total paid-in equity		2 120	1 994
3 475	3 687	Primary capital fund		3 687	3 475
125	125	Gift fund		125	125
2 205	2 306	Dividend equalisation fund		2 306	2 205
-13	-43	Liability credit reserve		0	0
894	831	Other equity		643	747
6 686	6 906	Total retained earnings		6 761	6 552
8 680	9 026	Total equity	3	8 881	8 546
96 735	102 335	Total liabilities and equity		72 372	69 325

Ålesund, 12 March 2025
THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

Roy Reite
Chair

Kåre Øyvind Vassdal
Deputy chair

Jill Aasen

Therese Monsås Langset

Bjørn Følstad

Marie Rekdal Hide

Terje Bøe

Birgit Midtbust

Trond Lars Nydal
CEO

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Statement of changes in equity

GROUP 31.12.2024	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fun	Gift fund	Dividend equalisation fun	Liability credit reserve	Other equity
Equity as at 31.12.2023 (notes 3 and 34)	8 680	985	359	650	3 475	125	2 205	-13	894
Changes in own equity certificates	-7	-1	1		-5		-2		
Distributed dividend to the EC holders	-371								-371
Distributed dividend to the local community	-376								-376
Issued Additional Tier 1 capital	350			350					
Redemption of Additional Tier 1 capital	-250			-250					
Interest paid on issued Additional Tier 1 capital	-63								-63
Convertion of ECs to Sparebankstiftelsen Sparebanken Møre	0	7	19		-26				
Equity before allocation of profit for the year	7 963	991	379	750	3 444	125	2 203	-13	84
Order of corretion to the primary capital fund	132				132				
Allocated to the primary capital fund	107				107				
Allocated to the dividend equalisation fund	100						100		
Allocated to the owners of Additional Tier 1 capital	63								63
Allocated to other equity	41								41
Proposed dividend allocated to the EC holders	311								311
Proposed dividend allocated to the local community	332								332
Profit for the year	1 086	0	0	0	239	0	100	0	747
Change in value on basis swap spreads	-38							-38	
Tax effect of change in value on basis swap spreads	8							8	
Pension estimate deviations	9				5		4		
Tax effect of pension estimate deviations	-2				-1		-1		
Total other income and expenses from comprehensive income	-23	0	0	0	4	0	3	-30	0
Total profit for the period	1 063	0	0	0	243	0	103	-30	747
Equity as at 31 December 2024 (notes 3 and 34)	9 026	991	379	750	3 687	125	2 306	-43	831

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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 at 31.12.2022 (notes 3 and 34)	8 102	986	358	650	3 334	125	2 066	16	567
Changes in own equity certificates	-3	-1	1		-1		-2		
Distributed dividend to the EC holders	-198								-198
Distributed dividend to the local community	-200								-200
Issued Additional Tier 1 capital	0								
Redemption of Additional Tier 1 capital	0								
Interest paid 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 the owners of Additional Tier 1 capital	48								48
Allocated to other equity	-22								-22
Proposed dividend allocated to the EC holders	371								371
Proposed dividend allocated to the local community	376								376
Profit for the year	1 055	0	0	0	142	0	140	0	773
Change in value on basis swap spreads	-37							-37	
Tax effect of change in value on basis swap spreads	8							8	
Pension estimate deviations	1						1		
Tax effect of pension estimate deviations	0								
Total other income and expenses from comprehensive income	-28	0	0	0	0	0	1	-29	0
Total profit for the period	1 027	0	0	0	142	0	141	-29	773
Equity as at 31 December 2023 (notes 3 and 34)	8 680	985	359	650	3 475	125	2 205	-13	894

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PARENT BANK 31.12.2024	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Other equity
Equity as at 31.12.2023 (notes 3 and 34)	8 546	985	359	650	3 475	125	2 205	747
Changes in own equity certificates	-7	-1	1		-5		-2	
Distributed dividend to the EC holders	-371							-371
Distributed dividend to the local community	-376							-376
Issued Additional Tier 1 capital	350			350				
Redemption of Additional Tier 1 capital	-250			-250				
Interest paid on issued Additional Tier 1 capital	-63							-63
Convertion of ECs to Sparebankstiftelsen Sparebanken Møre	0	7	19		-26			
Equity before allocation of profit for the year	7 829	991	379	750	3 444	125	2 203	-63
Order of corretion to the primary capital fund	132				132			
Allocated to the primary capital fund	107				107			
Allocated to the dividend equalisation fund	100						100	
Allocated to the owners of Additional Tier 1 capital	63							63
Proposed dividend allocated to the EC holders	311							311
Proposed dividend allocated to the local community	332							332
Profit for the year	1 045	0	0	0	239	0	100	706
Change in value on basis swap spreads	0							
Tax effect of change in value on basis swap spreads	0							
Pension estimate deviations	9				5		4	
Tax effect of pension estimate deviations	-2				-1		-1	
Total other income and expenses from comprehensive income	7	0	0	0	4	0	3	0
Total profit for the period	1 052	0	0	0	243	0	103	706
Equity as at 31 December 2024 (notes 3 and 34)	8 881	991	379	750	3 687	125	2 306	643

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PARENT BANK 31.12.2023	Total equity	EC capital	Share premium	Additional Tier 1 capital	Primary capital fund	Gift fund	Dividend equalisation fund	Other equity
Equity as at 31.12.2022 (notes 3 and 34)	7 917	986	358	650	3 334	125	2 066	398
Changes in own equity certificates	-3	-1	1		-1		-2	
Distributed dividend to the EC holders	-198							-198
Distributed dividend to the local community	-200							-200
Issued Additional Tier 1 capital	0							
Redemption of Additional Tier 1 capital	0							
Interest paid on issued Additional Tier 1 capital	-48							-48
Equity before allocation of profit for the year	7 468	985	359	650	3 333	125	2 064	-48
Allocated to the primary capital fund	142				142			
Allocated to the dividend equalisation fund	140						140	
Allocated to the owners of Additional Tier 1 capital	48							48
Proposed dividend allocated to the EC holders	371							371
Proposed dividend allocated to the local community	376							376
Profit for the year	1 077	0	0	0	142	0	140	795
Change in value on basis swap spreads	0							
Tax effect of change in value on basis swap spreads	0							
Pension estimate deviations	1						1	
Tax effect of pension estimate deviations	0							
Total other income and expenses from comprehensive income	1	0	0	0	0	0	1	0
Total profit for the period	1 078	0	0	0	142	0	141	795
Equity as at 31 December 2023 (notes 3 and 34)	8 546	985	359	650	3 475	125	2 205	747

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Statement of cash flow

GROUP				PARENT BANK	
2023	**2024**	(NOK million)	**Note**	**2024**	**2023**
		Cash flow from operating activities			
4 775	5 758	Interest, commission and fees from customers received	15 16	4 029	3 376
-1 363	-1 943	Interest, commission and fees to customers paid	15 16	-2 012	-1 399
439	542	Interest received on certificates, bonds and other securities		530	429
-1 676	-2 038	Interest paid on issued bonds and subordinated loan capital	15	-523	-447
1	14	Dividend and group contribution received	17	146	154
-786	-883	Operating expenses paid	18 19 20 30	-746	-677
-210	-269	Income taxes paid	21	-268	-180
-709	245	Receipts/payments(-) on loans to and receivables from other financial institutions		-288	-1 081
-4 753	-4 810	Receipts/payments(-) on loans/leasing to customers		-1 691	-3 408
-688	-484	Receipts/payments(-) on customers utilised credit facilities		-202	-148
3 529	2 140	Receipts/payments(-) on deposits from customers		2 189	3 543
11 401	18 640	Proceeds from the sale of certificates, bonds and other securities		16 120	9 391
-12 918	-19 221	Purchases of certificates, bonds and other securities		-16 574	-10 214
0	0	Receipts of other assets	33	0	0
-63	-7	Payments of other assets	33	1	-63
-3 021	-2 316	Net cash flow from operating activities		711	-724
		Cash flow from investing activities			
0	0	Proceeds from the sale of fixed assets and intangible assets	31 32	0	0
-57	-71	Purchase of fixed assets and intangible assets	31 32	-72	-65
0	0	Receipts/payments(-) on investment i subsidiaries	29	-100	0
-57	-71	Net cash flow from investing activities		-172	-65
		Cash flow from financing activities			
1 140	268	Receipts/payments(-) on deposits from Norges Bank and other financial institutions		566	580
-5 786	-7 819	Redemption of debt securities	26	-1 959	-3 558
8 392	10 675	Proceeds from bonds issued	26	1 766	4 396
0	-250	Redemption of Additional Tier 1 capital	27	-250	0
0	348	Proceeds from Additional Tier 1 capital issued	27	348	0
-48	-63	Interest paid on issued Additional Tier 1 capital	27	-63	-48
-198	-371	Payment of cash dividends to EC owners	34	-371	-198
-143	-515	Payment of dividend funds	30	-515	-143
6	9	Payment upon sale of own equity certificates	34	9	6
-8	-15	Payment upon purchase of own equity certificates	34	-15	-8
-555	330	Receipts/payments(-) of other debt		156	-516
2 800	2 597	Net cash flow from financing activities		-328	511
-278	210	Net change in cash and cash equivalents		210	-278
631	353	Cash balance as at 01.01		353	631
353	563	Cash balance as at 31.12		563	353

*) NOK 557 millon of NOK 673 million from "Loans to and receivables from credit institutions, on a call basis" in the balance sheet is related to CSA agreements and should therefore not be counted as cash in the cash balance as at 31.12 (As at 31.12.2023, the CSA agreements amounted to NOK 299 million).

The cash flow statement shows cash receipts and disbursements. The statement is prepared according to the direct method. The cash flows are classified as operating activities, investing activities or financing activities. Cash is defined as cash-in-hand and receivables from Norges Bank, as well as loans to and receivables from credit institutions without an agreed maturity(with the exception of CSA agreements).

Cash flows from operating activities are defined as current interests, fees and commissions related to lending, borrowing and deposits, interest related to cash and cash equivalents, disbursed operating expenses and taxes paid, as well as receipts and disbursements of securities. Investment activities are defined as cash flows from investments in fixed assets as well as inflows and disbursements from other assets. Cash flows related to borrowing, issuance and repayment of subordinated loans and bond debt, as well as equity, are defined as financing activities.

There has been som changes to the cash flow statement. The figures for the financial year 2023 have therefore been restated. See note 1 for a specification of the changes. Reference is made to notes 26 and 27 for spesification of the financing activities in the Group.

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Notes

1 Accounting principles

1.1 GENERAL INFORMATION
Sparebanken Møre, which is the parent company of the Group, is a savings bank registered in Norway. The bank's Equity Certificates (ECs) are listed on the Oslo Stock Exchange.

The Group consists of Sparebanken Møre (the parent bank) and its subsidiaries Møre Boligkreditt AS, Møre Eiendomsmegling AS, Sparebankeiendom AS and Storgata 41-45 Molde AS.

The Sparebanken Møre Group provides banking services for retail and corporate customers and real estate brokerage through a large network of branches in Nordvestlandet, which is the region defined as the bank's geographic home market, in addition to an office in Oslo.

The company's Head Office is located at Kipervikgata 6, 6003 Ålesund, Norway.

Figures are presented in MNOK unless otherwise stated.

The final annual accounts were approved by the Board of Directors on 12 March 2025 and are scheduled for consideration by the annual General Meeting on 9 April 2025.

The Group's operations are described in note 4.

1.2 ACCOUNTING PRINCIPLES
The Group's and the parent bank's annual accounts have been prepared in accordance with the IFRS®Accounting Standards, which have been stipulated by the International Accounting Standards Board, and implemented by the EU as at 31 December 2024.

How to read the accounting principles:
Sparebanken Møre describes the accounting principles in conjunction with each note. See the table below for an overview of the various principles and the notes in which they are described, as well as reference to relevant and important IFRS standards.

Accounting principle	Note	IFRS-standard
Impairments	Note 9 Losses on loans and guarantees	IFRS 9, IFRS 7
Financial derivatives	Note 25 Financial derivatives	IFRS 9, IFRS 7, IFRS 13
Hedging	Note 26 Debt securities	IFRS 9, IFRS 7
Classification of financial instruments	Note 22 Classification of financial instruments	IFRS 9, IFRS 7
Amortised cost	Note 23 Financial instruments at amortised cost	IFRS 9, IFRS 7
Fair value	Note 24 Financial instruments at fair value	IFRS 9, IFRS 13, IFRS 7
Operating segments	Note 4 Operating segments	IFRS 8
Revenue recognition	Note 16 Net commission and other income	IFRS 15, IFRS 9
Leases	Note 30 Other liabilities	IFRS 16
Pensions	Note 20 Pensions	IAS 19
Fixed assets	Note 31 Fixed assets	IAS 16, IAS 36
Intangible assets	Note 32 Intangible assets	IAS 38, IAS 36
Taxes	Note 21 Taxes	IAS 12
Equity	Note 34 ECs and ownership structure	IAS 1
Events after the reporting date	Note 36 Events after the reporting date	IAS 10

Calculation basis
The calculation basis for preparing the financial statements is historical cost, with the exception of the following items (AC = Amortised Cost, FVPL= Fair Value through Profit and Loss):

ASSETS	Category
Cash and receivables from Norges Bank	AC
Loans to and receivables from credit institutions	AC
Loans to and receivables from customers	AC/FVPL
Certificates, bonds and other interest-bearing securities	FVPL
Financial derivatives	FVPL
Shares and other securities	FVPL

LIABILITIES	Category
Loans and deposits from credit institutions	AC
Deposits from customers	AC/FVPL
Bonds issued	AC
Financial derivatives	FVPL
Subordinated loan capital	AC

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Consolidation
The consolidated financial statements comprise Sparebanken Møre and all companies in which Sparebanken Møre has control.

In the parent bank's accounts, investments in subsidiaries are valued at cost.

Changes to accounting policies and presentation
There were no material changes to the accounting policies for 2024.

Some changes were made to the cash flow statement. The figures apply to the Group. The figures in brackets are as at 31.12.2023.

- The liquidity holding in the cash flow statement was changed from including just the line "Cash and receivables from Norges Bank" to also including "Loans to and receivables from credit institutions, on a call basis", with the exception of cash collateral for derivatives (CSA agreements), see the cash flow statement and balance sheet for the effects in numbers.

  Furthermore, interest payments are now classified as part of operating activities in line with the requirements of IAS 7. This has resulted in a reclassification of interest payments totalling NOK 2,038 million (NOK 1,676 million) from financing activities to operating activities. Interest paid (yields) on issued Additional Tier 1 capital is still classified as part of financing activities since it is regarded as dividends for equity that the bank has chosen to show as part of financing activities, together with dividends for equity certificate holders and disbursements of gift funds that are now shown on their own line.
- Parts of the receipts and payments related to other assets have been moved to receipts/payments on the sale/purchase of certificates, bonds and other securities, as well as to payments for additions of business assets and intangible assets. These amount to NOK 59 million (NOK 78 million) and NOK 33 million (NOK 16 million), respectively. Purchases/sales of equity certificates have been moved to their own lines and have been reclassified from investing activities to financing activities. This amounts to a net NOK 6 million (NOK 2 million). Cash flows related to investments in subsidiaries are now presented on their own line under investing activities. The remaining receipts and payments related to other assets are now shown gross and have been reclassified from investing activities to operating activities to better classify the content of the activity.
- Receipts and payments of other liabilities have been changed in that disbursements of gift funds (dividends) are presented on their own line. This entails a change to receipts/payments of other liabilities of NOK 515 million (NOK 143 million).

Future standards
The standards and interpretations that have been adopted by the date for presenting the consolidated financial statements, but that will enter into force on a future date, are specified below. The Group intends to implement the relevant amendments at the time they enter into force, provided that the EU approves the amendments prior to the presentation of the consolidated financial statements.

IFRS 18
IFRS 18 is the new standard for the presentation of financial statements and will apply from 2027. The standard aims to improve communication in financial statements and provide a better basis for analysing and comparing companies. The standard will result in new presentation requirements for the income statement, management-defined performance goals, the location of disclosures and aggregation and disaggregation.

Annual improvement project
IASB has in its annual improvement projects adopted minor changes to a number of standards. None of these changes are regarded as being of material significance for the financial position or profit of the Sparebanken Møre Group.

1.3 FOREIGN EXCHANGE
The Group presents its accounts in Norwegian kroner (NOK). The functional currency for the parent bank and its subsidiaries is NOK.

Credit risk reserve
Currency swaps (basis swaps) are used in connection with long-term loans in foreign currencies where the currency is converted to Norwegian kroner. Changes in the value of currency swaps during hedge accounting due to changes to the basis spreads are recognised in other comprehensive income (OCI) and in equity in accordance with IFRS9.

1.4 USE OF ESTIMATES AND JUDGMENT IN THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS
Certain accounting principles are regarded as particularly important in order to illustrate the Group's financial position due to the fact that the management is required to make difficult or subjective assessments, applying estimates which mainly relate to matters which are initially uncertain.

In the opinion of the management, the most important areas which involve critical estimates and assumptions are as follows:

Expected credit loss (ECL) on loans
Measurement of ECL according to IFRS 9 requires an assessment when it comes to significant increase in credit risk and determining the level of impairment, particularly with regards to estimates of amounts and timing of future cash flows and collateral. These estimates are driven by various factors, where changes can result in different levels of provisions.

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Assessmets:
Credit risk assessment: A key assessment involves judging whether there has been a material increase in credit risk, triggering the measurement of financial assets at a lifetime ECL rather than a 12-month ECL. This assessment is based on the Group's internal credit rating model, which assigns probabilities of default (PD).

Development of the ECL model: Assessments are made in the development of the ECL model, including the selection of formulas and variable inputs, as well as the determination of relationships between macroeconomic scenarios and economic indicators (e.g. unemployment rates, values of collateral) and their impact on PD, exposure to default (EAD), and loss due to default (LGD).

Estimates:
Future cash flows and values of collateral: There is estimate uncertainty when predicting the amount and timing of future cash flows and valuation of collateral, influenced by changes in macroeconomic factors.

Macroeconomic scenarios: The selection of forward-looking macroeconomic scenarios and the assignment of probability weightings involves estimate uncertainty due to the inherent unpredictability of economic conditions and their impact on PD, LGD, and EAD.

Sparebanken Møre's ECL model is based on the group's internal ranking-based (IRB) parameters and incorporates complex models with numerous underlying assumptions about variable input data and their interdependencies. The elements of the ECL model that are considered accounting assessments and estimates include the internal credit rating model, criteria for significant increases in credit risk, model development, and the linking of macroeconomic scenarios to financial inputs that affect credit risk parameters.

The Group continually evaluates these assessments and estimates based on available historical data and forward-looking information and recognises that actual results may vary, leading to potential adjustments in future periods.

Further information on the ECL model, loss calculations and associated sensitivities is presented in note 9.

Fair value of financial instruments – including derivatives
For financial instruments which are not traded in active markets, various evaluation methods are applied in order to ascertain fair value. Further information and a description of the techniques used may be found in note 24. Reference is also made to notes 11-14 and 22-27, dealing with financial instruments.

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2 Risk management

Strategy
Sparebanken Møre's long-term strategic development and target achievement are supported by high quality risk- and capital management. The overall purpose of risk management and -control is to ensure that goals are achieved, to ensure effective operations and the handling of risks which can prevent the achievement of business-related goals, to ensure internal and external reporting of high quality, and to make sure that the Group operates in accordance with relevant laws, rules, regulations and internal guidelines. Risk-taking is a fundamental aspect of banking operations, which is why risk management is a central area in the day-to-day operations and in the Board of Directors' ongoing focus.

Sparebanken Møre's Board of Directors has agreed overall guidelines for management and control throughout the Group. The Group shall have a low to moderate risk profile and revenue generation shall be a product of customer-related activities, not financial risk taking. In addition, the bank has introduced separate policies for each significant risk area: credit risk, counterparty risk, market risk, funding risk and operational risk. The risk strategies are agreed by the Board of Directors and revised at least once a year, or when special circumstances should warrant it. The Group has established a follow-up and control structure, which shall ensure that the overall framework of the strategic plan is adhered to.

Corporate culture, organisation and responsibility
The risk management process is based on the bank's and the Group's corporate culture. This includes management philosophy, management style and the people in the organisation. The staff's integrity, value basis and ethical attitudes represent fundamental elements in a well-functioning corporate culture. Well-developed control and management measures cannot compensate for poor corporate culture. Against this background, Sparebanken Møre has established clear ethical guidelines and a clear value basis, which have been communicated well throughout the organisation.

Sparebanken Møre is organised in three lines of defence.
1. All business/operational and support entities except the Risk Management and Compliance unit are considered the first line of defence.
2. The second line of defence for managing risk in the Group is addressed by the Risk Management and Compliance unit.
3. The third line of defence is the internal auditor that is independent of the Group Management.

Organising the Group in this way is designed to contribute to the management and control of its activities and ensure that responsibilities are adequately divided between the institution's business areas, thereby preventing conflicts of interest.

Ensuring the high quality of the institution's three lines of defence is essential for effective management and control. Weaknesses in the lines of defence increase the risk of serious vulnerabilities not being identified. To ensure that the three lines of defence function as intended, the functions of the second and third lines of defence must be independent of the areas and units they control.

The lines of defence report directly to the Group Management and/or the Board. Appropriate internal control procedures, mechanisms and processes must be designed, developed, maintained and evaluated within all three lines of defence.

Sparebanken Møre attaches a great deal of importance to independence in the risk management. The responsibility for, and execution of risk management and control is therefore shared between the Board of Directors, the management and the operative units.

The Board of Directors of Sparebanken Møre bears the overall responsibility for ensuring that the bank and the Group have adequate primary capital based on the desired levels of risk and the Group's activities, and for ensuring that Sparebanken Møre is adequately capitalized based on regulatory requirements. The Board shall also ensure that risk management and internal control is adequate and systematic, and that this is established in compliance with laws and regulations, articles of association, instructions, and external and internal guidelines. The Board also sets out the principles and guidelines for risk management and internal control for the various levels of activity.

The Audit and Risk Committees are elected by and amongst the members of the Board of Directors. The committees are sub-committees of the Board. Their purpose is to carry out more thorough assessments of designated areas and report the results to the Board. The Audit and Risk Committees shall ensure that the institution has independent and effective external and internal auditors, and satisfactory financial statement reporting and risk management routines, complying with pertinent laws and regulations.

The CEO is responsible for ensuring the establishment of appropriate risk management and internal control based on assessments, agreed principles and guidelines introduced by the Board. The CEO is responsible for ensuring that good control environments are established in all levels of the bank and shall continuously monitor changes to the bank's risks and ensure that these are properly addressed in accordance with the Board's guidelines. The CEO shall ensure that the bank's risk management and internal control is documented according to current laws, rules, regulations and statutes, and shall, at least once a year, prepare an overall assessment of the risk situation, which shall be presented to the Board for their consideration.

The Risk Management department is responsible for preparing and designing systems, guidelines and procedures for identifying, measuring, reporting and following up the bank's most important inherent risks. The department is responsible for ensuring that the total risk exposure of Sparebanken Møre, including results of conducted stress tests, is reported to the CEO and the Board of Directors. Further, the department bears the primary responsibility for the IRB process in the Group. It is also a key setter of conditions and adviser in the strategy process concerning risk assessments, risk tolerance and operationalisation of the bank's overall goals regarding risks. The department is also responsible for working with the ICAAP, the Recovery Plan and the bank's crisis manageability. The department forms part of the Risk management and Compliance unit, reporting directly to the CEO.

Pursuant to the requirements in the Financial Institutions Act, Sparebanken Møre has an own compliance function. Each year, the Board of Directors of Sparebanken Møre approves compliance instructions, and an annual work- and action plan is prepared for the function. The department is responsible for coordinating annual internal control confirmations from the operational managers. The head of Compliance reports to the CEO in Sparebanken Møre but is organisationally subordinate to the EVP of the Risk management and Compliance unit.

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The Financial Reporting and Accounting department is responsible for the Group's total financial management/ reporting and accounting and is part of the Finance unit.

Sparebanken Møre`s operative managers of significant business areas shall actively engage in the process assessing whether established risk management and internal control are carried out as required. It is assumed that all managers at every level of the organisation are monitoring the approved control measures within their area of responsibility.

Sparebanken Møre`s Credit Committee deals with larger commitments and matters of a special nature and shall provide an independent proposal to the person holding the power of attorney. The Credit Committee attaches special importance to the identification of risk in connection with each credit application and makes its own assessment regarding credit risk. In addition, consideration is made whether commitments are in accordance with the Group's credit risk strategy, credit policy, credit-granting rules and regulations and credit handling routines.

The internal auditing is a monitoring function which, independent of the rest of the bank's administration, deals with systematic risk assessments, controls and examination of the Group's internal control in order to ascertain whether it appears appropriate and satisfactory. The bank`s Board approves the resources and annual plans of the internal auditing. The internal auditor shall also discuss the plan and scope of the audit work with the Audit and Risk Committee. The internal audit in Sparebanken Møre is outsourced to EY.

Capital structure

Sparebanken Møre's equity and related capital is composed with regards to several considerations. The most important considerations are the Group's size, the internationally orientated industry and commerce in Nordvestlandet and a stable market for long-term funding. Furthermore, the Group's long-term strategic plan, and its' impact, is a significant provider of conditions in relation to which capital structure Sparebanken Møre should adopt.

Assessments of risk profile, capital requirements and profitability are always based on the Group's long-term strategic plan. The Group's capital requirements are calculated at least in the annual ICAAP. Sparebanken Møre's total capital shall comply with the Group`s accepted risk tolerance. The ICAAP clarifies all the alternatives the Group can implement if the Group's capital adequacy is subject to stress. The alternatives are listed in a prioritized order, with description of measures and indication of planned implementation if necessary.

Sparebanken Møre's aim is to achieve financial results which provide a good and stable return on equity. The results shall ensure that all equity owners receive a competitive long-term return in the form of dividends and capital appreciation on the equity. The equity owners' share of the annual profits set aside as dividend funds, shall be adjusted to the equity situation. Sparebanken Møre's allocation of earnings shall ensure that all equity owners are guaranteed equal treatment.

Capital adequacy rules and regulations

The capital adequacy regulations aim to strengthen the stability in the financial system through more risk-sensitive capital requirements, better risk management and control, more stringent supervision and more information provided for the market.

The capital adequacy directive is based on three pillars:

- Pillar I – Minimum requirement for equity and related capital
- Pillar II – Assessment of aggregate capital requirements and regulatory follow-up (ICAAP)
- Pillar III – Publication of information

Sparebanken Møre`s capital adequacy is calculated according to the IRB Foundation Approach for credit risk. Calculations related to market risk are based on the Standardised Approach and operational risk on the Basic Indicator Approach. Sparebanken Møre's Board of Directors insists that the Group must be well capitalised, both during economic downturns and periods of strong economic expansion. Capital assessments (ICAAP) are conducted every year, and the Group's capital strategy is based on the risk in the Group's operations, taking into account different stress scenarios.

Reference is also made to note 3 concerning "Capital adequacy" for further descriptions, as well as comments related to changes in the regulations.

Risk exposure and strategic risk management

Sparebanken Møre is exposed to several different types of risk. The most important risk areas are:

- Credit risk: This is the Group's biggest area of risk. Credit risk is defined as the risk of loss due to customers or other counterparties being unable to meet their obligations at the agreed time, and in accordance with written agreements, and due to the collateral security held not covering the outstanding claims. Counterparty risk and concentration risk are also included in this area of risk.
- Market risk: The risk of loss involving market values relating to portfolios of financial instruments as a result of fluctuations in share prices, foreign exchange rates and interest rates.
- Funding risk: The risk of the Group being unable to meet its obligations and/or fund increases in assets without incurring significant extra costs in the form of fall in prices of assets which have to be sold, or in the form of particularly expensive funding. The level of the institution`s capital is a key condition to attract necessary funding at any time.
- Operational risk: The risk of loss due to insufficient or failing internal processes and systems, or due to human error or external events.

Sparebanken Møre tries to take account of the interaction between the various risk areas when setting desired levels of exposure. Overall, it is the internal conditions, general conditions, customer base, etc. within the Group which form the basis for setting the desired overall risk exposure.

Based on an evaluation of the risk profile, management and control, Sparebanken Møre has set the following overall levels of risk exposure for the various risk areas:

- Credit risk: A moderate level of risk is accepted
- Market risk: A low level of risk is accepted
- Funding risk: A moderate level of risk is accepted
- Operational risk: A low to moderate level of risk is accepted

Credit risk

Credit risk represents Sparebanken Møre's biggest risk area. This risk area also includes counterparty risk and concentration risk. The Group is exposed to this type of risk through its lending products for the retail market

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and corporate customers, and through the activities of Sparebanken Møre's Finance unit.

The credit risk strategy focuses on risk sensitive limits, which have been designed in such a way that they manage the Group's risk profile within the credit area in the most appropriate and effective manner. Furthermore, limits, guidelines, and power of attorney regulations have been established, which underpin and support Sparebanken Møre's credit risk strategy and long-term strategic plan.

The core values of Sparebanken Møre are "Close, Committed and Capable". These values are to be reflected in all contact with the market, create added value for the customers and contribute to creating a positive view of Sparebanken Møre. The credit policy is intended to promote a credit culture in which creditworthiness is viewed in a long-term perspective, where general and industry economic fluctuations are taken into account. Sparebanken Møre shall have a high ethical standard, and shall not be associated with activities, customers or industries of dubious reputation. The Group is open to all types of customers within defined market areas, and discrimination based on the customer`s age, gender, nationality, religion or marital status shall not occur.

Sparebanken Møre's geographic core region is Nordvestlandet. However, it is allowed to financially support investments/businesses outside its core region when, from an ownership perspective, they are linked to individuals or companies in/from Møre og Romsdal. Commitments outside the Group's market area will also be considered as part of the deliberate diversification of the portfolio in terms of segment and geographical exposure. In such cases the Group's strategy sets clear limits for the maximum risk level for an individual commitment.

The Risk Management department has established monthly portfolio management reports which ensure that any discrepancies from the strategic targets incorporated in the credit risk strategy are identified. The EVPs of the Corporate Banking Division and the Retail Banking Division respectively, have independent responsibility for the ongoing monitoring of the position, in order to identify discrepancies in relation to the same strategic targets, and in order to implement measures in the case of any deviations.

The Board of Directors is responsible for the Group's granting of loans and credits. Within certain limits, power of attorney is delegated to the bank's CEO for the operational responsibility for decisions in credit matters. Within his powers of attorney, the CEO may further delegate powers of attorney. The grant authorisations are personal and graded after criteria like the size of grant, the limit of the commitment (corporate customers), the customers total debt (retail customers), and class of risk. The power of attorney is also related to the employee`s job level.

Sparebanken Møre actively uses internal reports in order to monitor the level and development of the Group's credit portfolio. Each member of staff with customer responsibility has access to reports which show the position and development in the credit risk in his or her portfolio. The reports are prepared on a hierarchical basis, enabling the bank's management to monitor the development within their own area of responsibility. The reports are also used to analyse customers, portfolios and different sectors.

The Group has prepared separate risk models for the corporate and retail markets, which are used in monthly measuring and reporting of credit risk. The Group has also developed application score models for the two customer segments, which are being used in the credit granting process. The bank has been approved to use internal models for its' risk management and capital calculations (IRB) and was in 2015 granted permission to use internal rating methods, IRB Foundation for credit risk.

There are mainly three central parameters within credit risk for which models are applied:

1. Probability of default (PD): PD is calculated per customer and states the probability of the customer defaulting on his or her outstanding commitment during the next 12 months. A separate PD is calculated for each customer, based on statistical models using variables of both external and bank-internal information, in the form of both financial key figures and non-financial criteria.

2. Degree of loss in the case of default (LGD): LGD indicates the proportion of the commitment that is expected to be lost in the case of default. The assessments take into consideration the values of the collateral provided by the customer, and the costs that will arise when collecting defaulted commitments.

3. Expected exposure in the case of default (EAD): EAD indicates the level of exposure which is expected on a commitment if and when it defaults.

The abovementioned parameters form the basis for calculation of expected loss (EL) and are included in the computation of economic capital. By classifying customers according to probability of default, and by estimating the level of loss and the requirement for economic capital at customer level, the Group obtains information about the level and development of the aggregate credit risk in the total portfolio. In-house migration analyses show the development of the number of customers and EAD between different risk classes during different periods.

A commitment is defined to be in default or credit-impaired (non-performing) according to the capital adequacy regulations if a claim is more than 90 days overdue and the overdue amount exceeds the highest of 1 per cent of the exposure (loans and undrawn credits) and NOK 1,000 for the retail market and NOK 2,000 for the corporate market. Breaches of covenants can also trigger defaults. The definition of default is similar to the one used to calculate expected credit losses according to IFRS 9.

Treasury risk

Treasury risk is part of Sparebanken Møre's total credit risk. Board-adopted limits for the Group's credit exposure in this area have been defined.

Credit exposure is linked to bonds and certificates in the Group's liquidity portfolio, short-term lending to other banks, including accounts held in foreign banks, and exposure in connection with financial derivatives which are signed to neutralise already present interest- and currency risk which the bank has assumed. The portfolio consists of reputable domestic and foreign relationships. Credit quality is considered high, mainly due to exposures towards issuers with high ratings and low capital weight. See note 7 for an overview of the credit quality of the Group's liquidity portfolio.

Sparebanken Møre's policy is that, especially in relation to placements in international banks and other debtors outside Norway, the Group shall use assessments carried out by the official ratings agencies. The credit risk shall be at a minimum, and if a counterparty's status is changed to a negative outlook or their rating falls, Sparebanken Møre carries out a new internal assessment of existing lines of credit. If necessary, the line of credit, and any exposure, is reduced or eliminated.

Treasury risk is also viewed in connection with the funding indicators LCR and NSFR. The LCR regulations entail a movement towards lower risk weighted counterparties, including state- and state guaranteed papers and covered bonds.

The pre-classification process emphasises considering

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banks with which Sparebanken Møre has a mutual (reciprocity) and long business relationship. It is also necessary to have sufficient competition in products and instruments that are traded, as well as diversification in market and geography for the Group.

If changes occur in general conditions, the market, economic trends or Sparebanken Møre's activities which have a material effect on the Group's risk positions, limits must be assessed and possibly set for investment opportunities. This involves, for example, not investing in some countries, groups of countries, individual counterparties, counterparties with certain attributes, etc.

Sparebanken Møre and Møre Boligkreditt AS require the signing of CSA (Credit Support Annex) agreements before trading of derivatives against any counterparties. CSA agreements are part of an ISDA agreement and help to regulate the counterparty risk associated with changes in market conditions. This provides Sparebanken Møre with collateral for any given exposure. The agreements with counterparties define when the collateral shall be transferred between the parties. Sparebanken Møre practices cash collateral in relation to its counterparties. The market value of all derivatives signed between Sparebanken Møre and the counterparty is settled according to the different CSA-agreements and the counterparty risk will then largely be eliminated. EMIR - European Market Infrastructure Regulation –will ensure regulation and control of the market for derivatives traded outside regulated markets by requiring reporting of transactions to transaction records, and requirements for settlement (clearing) through central counterparties (CCPs). Sparebanken Møre has entered into an agreement with SEB as a clearing broker and clears derivatives through the London Clearing House.

Market risk

Sparebanken Møre’s market risk is managed through defined position limits for each risk area. Management of market risk is set out in Sparebanken Møre’s market risk strategy. The strategy is adopted by the Board of Directors and provides the overall guidelines for the Group’s activities in the capital market, including the framework for Sparebanken Møre’s total exposures within currency, interest rate and shares.

The Group’s market risk can be divided into the following areas:

- Interest rate risk: Consists of market risk associated with positions in interest-bearing financial instruments, including derivatives with underlying interest instruments. Interest rate risk related to the liquidity portfolio, as well as hedging transactions related to it, are considered separately and will have its own set of risk parameters. See note 12 for the Group's interest rate risk.
- Equity risk: Consists of market risk on positions in equity instruments. Shares in subsidiaries are not included. Sparebanken Møre has no trading portfolios. The financial risk of Sparebanken Møre is considered to be low.
- Currency risk: Consists of the risk of losses when exchange rates change. All financial instruments and other positions with currency risk are included in the assessment. Currency risk on the banking book, that is, foreign exchange risk arising as a result of hedging customer trading, including lending/deposits, is considered separately and has its own set of risk parameters.

Sparebanken Møre`s exposure to currency risk is a result of mismatch between the underlying business and hedging transactions, as well as the necessary reserves of the Group's bank accounts in foreign banks. Changes in exchange prices in the market cause changes in the value of Sparebanken Møre`s currency position. The currency position also includes Sparebanken Møre`s cash holdings of notes denominated in foreign currencies. Sparebanken Møre has no trading portfolio of FX contracts. Sparebanken Møre`s currency risk is low and well within the limits specified in the regulations. See note 13 for the Group's currency risk.

- Spread risk: Defined as the risk of changes in market value of bonds and commitments as a result of general changes in credit spreads.
- Total market risk: The overall risk assessment is obtained by comparing the assessments of areas of interest rates, equities and foreign exchange. The Financial Supervisory Authority of Norway`s (FSA) methodology in this area form the basis for assessing the overall market risk. Assessments are based on three risk factors:
- Exposure
- Risk spreading
- Market liquidity

Any diversification effects between asset classes are not taken into account.

The Board of Directors annually approves a total limit for the market risk of Sparebanken Møre. The framework is adapted to the Group's activity level and risk tolerance. If required, the overall framework may be changed more frequently than the annual review.

Total limit for market risk is defined as the maximum loss on a stress scenario where the FSA`s methodology is applied. The approved overall market risk limit is delegated to the CEO. The EVP of Finance is responsible for the administration of the limits within the various sub-portfolios being in compliance at all times.

The Finance unit has an independent responsibility for ongoing monitoring of positions within the various portfolios and daily follow up, or with the frequency required in relation to the level of activity. The Risk Management department has the primary responsibility for monitoring, reporting and control of the market risk area. If activities exceed limits or strategy, written reporting instructions are to be followed. Back Office is responsible for transaction control and processing of payment transactions.

SimCorp Dimension (SCD) is the principal risk management system in Sparebanken Møre within the market risk area. The system provides current status of market development. All financial instruments are recorded in the system and monitored continuously. The Risk Management department is responsible for good quality in the valuation of financial instruments.

Reporting of the market activity is part of Sparebanken Møre`s periodic "Risk Report" to management, Risk Committee and Board of Directors. Monthly earnings performance reports are prepared, as well as actual risk exposure within each portfolio, both individually and aggregated. The reports are compared against maximum activity frame and overall market risk limit (stress frame). The Board is also given a quarterly record of any violation of the framework, the strategy or laws and regulations.

There is no performance-based compensation to any person working in the market risk area beyond what is included in Sparebanken Møre`s general bonus scheme which deals with, and is equal to, all employees of the Group.

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Funding risk

Liquidity may be defined as the Group's ability to fund increases in assets and to meet its obligations as funding requirements occur. Sparebanken Møre is liquid when it is able to repay its debt as it falls due.

Management of the Group's funding risk is based on the overall financing strategy, which is evaluated and approved by the Board of Directors at least once a year. The strategy reflects the moderate risk level accepted for this risk area.

The Group's funding risk requires special monitoring. This is due to the Group's special position as a manager of deposits for small and non-professional participants, as well as the central role the Group plays in payment systems. The banks' duty to accept deposits from a non-specific base of depositors and the fact that these deposits are normally available on the same day, means that they face considerably greater risk than other financial institutions. The authorities' loan schemes and safety net for banks are based on these precise factors. The costs of reducing funding risk must be viewed in the context of the advantages lower funding risk provides. One fundamental prerequisite for maintaining the trust of depositors and other lenders is that the institutions always have sufficient liquidity to cover current liabilities.

LCR measures the bank's ability to survive a 30-day stress period. LCR has increased the importance of high-quality liquid assets. NSFR measures the longevity of the bank's funding and has resulted in a greater proportion of stable and long-term funding. In this context, deposits are not regarded as an equally stable source of funding, which means that the quality of the deposits will increase in importance. This also means that the bank to a greater extent, fund themselves through bond issues with a higher maturity.

The Group also regularly reports on the trends for liquidity indicators to the supervisory authorities in line with the disclosure requirements.

The Group's long-term strategic plan sets out a liquidity strategy protecting the structure and volume of the LCR and NSFR requirements. The internal targets set by Sparebanken Møre are an LCR of 110 per cent and NSFR of 105 per cent. The Authority's requirements for LCR and NSFR amount to 100 per cent.

At year-end 2024, the LCR indicator for the Group was 167 per cent and NSFR 122 per cent. In the composition of the external funding, priority is given to having a relatively high share of maturities above one year.

The liquidity management of Sparebanken Møre is organised within the Finance unit. The unit controls the funding on a day-to-day basis, and has the responsibility to meet the funding requirements in Sparebanken Møre, including utilization of the mortgage company Møre Boligkreditt AS.

Liquidity control management is maintained by both the Finance unit and by the Risk Management department. In this respect, there is a distinction between the overall and the daily operational cash management and control. The daily operational management responsibility is handled by the Finance unit, while the overall risk management, including strategies and framework controls, are handled by the Risk Management department.

Upon the occurrence of abnormal situations regarding liquidity, either in the market or within Sparebanken Møre, the bank's emergency task group comes together. The group consists of the following persons:

- CEO
- EVP Finance
- EVP Communications and Group Support
- EVP Risk Management and Compliance
- Head of Risk Management

The Board receives monthly reports on the liquidity situation, including several key figures. In addition, early warning signals are reported by viewing the development of financial strength, balance sheet- and income statement-development, losses/defaults and the development of cost of funds.

The funding risk is attempted reduced by spreading funding on different markets, sources, instruments and maturities. In order to ensure the Group's funding risk is kept at a low level, lending to customers must primarily be financed by customer deposits and long-term securities issued. There is a major focus on efforts to increase ordinary deposits in all customer-related activities throughout the bank. The deposit-to-loan ratio in Sparebanken Møre was 56.9 per cent at year-end.

The Board shall be informed of the bank's liquidity situation on a monthly basis, and immediately of any important events which may affect the bank's current or future liquidity situation. The reporting tries to identify the funding situation during normal operations, identify any "early warning" signs and assess the bank's stress capacity.

Møre Boligkreditt AS has a license from the FSA to operate as a mortgage company, and the company provides the Group with increased diversification of its funding sources.

Operational risk

Defined as the risk of loss due to inadequate or failing internal processes, failure of people and systems or external events. Operational risk includes all the potential sources of losses related to Sparebanken Møre's current operations. Operational risk is categorised into the following loss events:

- Internal fraud
- External fraud
- Employment conditions and safety at work
- Customers, products and business conduct
- Damage to assets
- Interruptions to operations and/or systems
- Settlements, delivery or other transaction processing

The Board of Directors of Sparebanken Møre has decided that a low to moderate risk profile is accepted related to operational risk. An overall strategy for this risk area is established, and there are several documents which support the Group's risk management. These documents include the ICT-area, contingency plans for personnel and property, security handbooks, authorisation structures, ethical guidelines and insurance strategies.

For the Compliance department, board-adopted instructions, work schedules and action plans have been established.

Operational responsibility for managing and controlling operational risk, and thus also the quality of Sparebanken Møre's operations, is borne by each manager involved. This responsibility follows from job descriptions and various guidelines and routines. All managers annually confirm to the CEO the quality of and compliance with internal controls within the risk areas stipulated in this document. They also suggest areas for improvement which are incorporated into special action plans. The CEO presents the report to the Risk Committee and the Board of Directors. The annual ICAAP also involves a review of the Group's material risk areas, including operational risk.

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The Group's established internal control routines are an important tool for reducing operational risk, both for detection and follow-up.

Climate risk

ESG risk has been integrated into the previously established risk classes and is not treated as a separate risk in the bank. ESG risk is nevertheless referred to as a separate area here because it is a relatively new type of risk and there is a need to elaborate on what this risk entails for the bank. ESG risk indirectly impacts the bank via the lending portfolio and directly via the operation and management of its own operations.

Sustainability risk is defined as the risk of the bank incurring losses as a result of exposure to our counterparties (customers, partners or suppliers) that are adversely impacted by ESG factors. These may be environmental (E), including physical climate and natural changes, transitioning to a zero-emission society and the assignment of responsibilities in the event of environmental incidents. Social risk (S) entails losses resulting from counterparties being adversely impacted by social factors such as labour rights, human rights, indigenous peoples, etc., while governance risk (G) entails the counterparty being adversely impacted as a result of poor management and control.

ESG risk in our own activities comes under operational risk, compliance risk and liquidity risk and is treated in a similar manner. ESG risk is indirectly managed as credit risk, reputational risk and market risk.

Climate risk is the impact resulting from climate change. Climate risk will also affect the bank's credit risk, market risk and reputational risk. It is therefore crucial that the bank understands how climate risk will affect the business model and profitability of corporate customers. At the same time, the bank wants to be a driving force behind ensuring that customers do not have a negative impact on the climate but rather choose a greener direction (low emission).

When assessing climate risk, two types of risks in particular must be assessed: physical risk and transitional risk:

- Physical climate risk arises as a result of more frequent and severe episodes of drought, flooding, precipitation, storms, landslides and avalanches, as well as rising sea levels.
- Transitional risk is the risk associated with changes to, and escalation of, climate policy/regulations, the development of new technologies and changed customer preferences (consumers) and investor requirements that may result in sudden changes in the market value of financial assets and in especially assets associated with carbon-intensive activities.

Sustainability risk is followed up via the bank's established internal control system. The reporting complies with the bank's procedure for regular risk reporting and internal control reporting as described below. Sustainability risk is also discussed in the bank's annual reporting for the various business areas. Reference is also made to the Group`s report on Sustainability and social responsibility.

Internal control

Internal control shall be designed to provide reasonable assurance regarding goal attainment in the areas of strategic development, targeted and efficient operations, reliable reporting and compliance with laws and regulations, including compliance with intercompany guidelines and policies. Furthermore, a well-functioning internal control shall ensure that the Group's risk exposure is kept within the adopted risk profile.

The internal control in Sparebanken Møre is organised in a decentralized manner with Risk Management and Compliance as the coordinating unit and responsible for the annual reporting to the Risk Committee and the Board of Directors. The Compliance department monitors how the Group operationalises relevant laws and regulations in operational context, and how the Group's staff adhere to relevant rules and regulations, laws, licenses, agreements, standards for different industrial and commercial sectors, internal instructions etc. in the day-to-day operations. The Risk Management department is responsible for developing systems, guidelines and procedures in order to identify, measure, report and follow up on the Group's most important inherent risks.

Reports on the Group's operations and risk situations throughout the year are submitted to the Risk Committee and the Board of Directors on an ongoing basis. The bank's CEO annually submits an overall assessment to the Board regarding the risk situation and whether the established internal control features function in a satisfactory manner. This report is based on confirmations received from managers at different levels throughout Sparebanken Møre.

Sparebanken Møre's Internal Auditor reports on a regularly basis to the Risk Committee and the Board of Directors on the Group's internal control.

Discretionary Portfolio Management

The Group provides portfolio management for investment clients. The portfolio management is performed on behalf of clients, and related assets belong to the clients and not the Group. Discretionary Portfolio Management is organised under the Wealth Management unit.

Financial derivatives

Sparebanken Møre utilizes financial derivatives in order to handle risk incurred as a result of the bank's ordinary operations. In the case of customer transactions, these shall as a main principle immediately be covered by an opposite transaction in the market.

The following derivatives are in use in Sparebanken Møre:

• Forward exchange contracts

An agreement to buy or sell a certain amount in a foreign currency, against a certain amount in another currency, at a rate agreed in advance, with payment at a certain time later than two working days after the agreement was entered into.

• Swaps

A transaction in which two parties agree to swap cash flows for an agreed amount over a certain period of time. In an interest rate swap, only the interest rate involved is swapped. In the case of an interest rate and currency swap, both the interest rate and currency conditions are swapped.

The risk relating to these financial instruments involves the credit risk of covering counterparties which are given prior credit clearance by the Board of Directors as well as operational risk.

These instruments are primarily utilized to provide the bank's customers with reliable cash flows and a desired risk position in the various markets. Limits for financial instruments involving customers are established by the staff responsible for the customers in question. The limits shall fix a maximum amount for the bank's exposure against each individual customer in relation to the customer's business volume in financial instruments and the market-related development in these. Each member of staff responsible for the customer in question, is responsible

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for the establishment of the limit and must make sure that such a limit has been subject to the necessary formal credit-handling procedures, and that a sufficient level of collateral and/or other security has been established to cover the limit. Furthermore, the member of staff responsible for the customer in question, together with the dealer involved, are both responsible for making sure that the credit risk as a result of the customer's exposure to financial instruments is at all times within the limits which have been agreed. For all customers trading in financial instruments, a set-off agreement must be obtained. The purpose of this agreement is to reduce the bank's credit exposure to the customer by having all contracts netted so that the bank ends up with just a net exposure towards the customer. It is the member of staff responsible for the customer in question who is responsible for establishing a set-off agreement with the customer, making sure that all customers using this type of financial instrument are made aware of the bank's usual business terms and conditions.

The Risk Management department is responsible for follow-up and for all internal reporting and reporting to the relevant authorities relating to the bank's exposure to different counterparties as a result of trading in financial instruments.

Reporting
Sparebanken Møre focuses on correct, complete and timely reporting of the risk and capital situation. Based on this, a number of different types of periodic reporting have been established, which are intended for the Group's management and Board, as well as reporting intended for the individual segments and departments, including customer account managers. The most important reports during the year are as follows:

ICAAP is carried out and reported at least once a year. The Board actively participates in the review and establishes ownership of the process, including through ICAAP's key role in the long-term strategic planning. Specific guidelines have been prepared for ICAAP in Sparebanken Møre. ICAAP is reviewed by the bank's management team, the Risk Committee and the Board of Directors.

A balanced scorecard report is prepared every month. This illustrates the status and performance of the most important factors for Sparebanken Møre's target attainment. The report is being submitted to bank managers and the bank`s management team, and it is an integral part of the financial reporting to the Board of Directors.

A risk report is prepared every month. This is a key element of Sparebanken Møre's continuous monitoring of its risk situation. At the end of the quarter the risk report will also be expanded with supplementary comments from various disciplines within the Group. The report is dealt with by the bank`s management team, the Risk Committee and the Board of Directors.

Internal control reports are prepared annually. In this, an assessment is made of whether the internal control is adequate in relation to the risk tolerance. This includes an assessment of and comments on own work on internal control, a review of all important risk areas, an assessment of own compliance with external and internal regulations, and suggestions for and planned improvement measures. The internal control reports are dealt with by the bank`s management team, the Risk Committee and the Board of Directors.

Compliance reports are prepared regularly and contain elements linked to an assessment of compliance risk and control, testing of compliance and the results of these tests, reassessments and plans for implementing guidelines, the follow-up of observations from external and internal auditors, the follow-up of observations from the FSA, deviation management in internal control, etc. The compliance reports are dealt with by the bank`s management team, the Risk Committee and the Board of Directors.

Reports from external and internal auditors are dealt with by the bank`s management team, the Audit and Risk Committees and the Board of Directors. Both internal and external auditors have regular meetings with the committees.

A reporting portal has been established in Sparebanken Møre, in which each member of staff with customer responsibility has access to reports which show the position and development of credit risk in his or her portfolio. The portal has a hierarchical structure, allowing managers in Sparebanken Møre to monitor performance within their area of responsibility. In addition, these reports are used to analyse customers, portfolios and industries. The portal also gives information to the members of the staff with customer responsibility of the customers positions and limits related to exposure in financial instruments.

Financial reports are prepared monthly, including deviations against budgets and forecasts. These reports are reviewed by the bank`s management team, the Audit Committee and the Board of Directors.

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3 Capital adequacy

Capital adequacy is calculated and reported in line with the EU capital requirements for banks and investment firms – CRD /CRR. Sparebanken Møre has authorisation from the Financial Supervisory Authority of Norway to use internal rating methods, the IRB Foundation Approach, for credit risk. Market risk calculations are based on the Standardised Approach (TSA) and for operational risk, the Basic Indicator Approach is used. The use of IRB involves comprehensive requirements for the bank's organisation, expertise, risk models and risk management systems.

The EU capital requirements regulations have been enacted in Norway, and Sparebanken Møre reports, among other things, its capital adequacy requirements and liquidity requirements in accordance with these regulations.

Bank Package IV came into effect in the EU on 1 January 2025 with the implementation of the Capital Requirements Regulation (CRR III) and the Capital Requirements Directive (CRD VI). However, CRR III cannot enter into force in Norway until CRR III has been incorporated into, and is in effect in, the EEA Agreement. CRR III will enter into force in the EEA Agreement after any constitutional reservations in Liechtenstein and Iceland have been resolved.

The Ministry of Finance has decided to increase the risk-weighted floor for mortgages from 20 to 25 per cent with effect from 1 July 2025. It is estimated that this will result in a reduction in Common Equity Tier 1 capital of around 1.1 percentage points for Sparebanken Møre, based on figures from the third quarter of 2024. At the same time, other changes in CRR III will have positive capital effects for the bank. Overall, the changes in capital requirements will have a positive effect of around 1.5 percentage points on Common Equity Tier 1 capital for Sparebanken Møre.

On 21 December 2021, Sparebanken Møre applied to the Financial Supervisory Authority 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 Financial Supervisory Authority approved the proposed models for the corporate market. On 18 January 2024, the bank received a response to its application concerning models for the retail market. The Financial Supervisory Authority believes that the models applied to the retail market do not meet the criteria for proper level calibration, ref. the Capital Requirements Regulation Articles 179-182. The Financial Supervisory Authority therefore found no basis for permitting the applied for amendments. The bank is aiming to submit new models and complete the processing of the model changes for lending to the retail customer market in the second quarter of 2025.

Sparebanken Møre's capital adequacy (Group) at year end 2024 was well above the regulatory capital requirements and also above the internally set minimum target for the Common Equity Tier 1 capital. Primary capital amounted to 21.1 per cent (22.2 per cent) and Tier 1 capital 19.0 per cent (20.0 per cent), of which Common Equity Tier 1 capital amounted to 17.2 per cent (18.2 per cent). Sparebanken Møre's leverage ratio was 7.4 per cent (7.5 per cent). Figures in brackets are as at 31.12.2023.

Sparebanken Møre's internal minimum 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 Pilar 2 requirement for Sparebanken Møre has been set at 1.6 per cent, and the expected capital adequacy margin (P2R) 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), while a minimum of 75 per cent must be met with Tier 1 capital.

Sparebanken Møre has an internal target for Common Equity Tier 1 capital (CET1). As a minimum this must equal the sum of the Pillar 1 and Pillar 2 requirements plus the capital requirement margin (P2R).

The Group's Pillar 3 document, which is available on Sparebanken Møre's website, provides further information.

On 16 August 2024, the Financial Supervisory Authority approved a new application to acquire own equity certificates. Authorisation was approved subject to the condition that the buybacks do not reduce Common Equity Tier 1 capital by more than NOK 78.4 million. Sparebanken Møre deducted NOK 78.4 million from Common Equity Tier 1 capital between the date authorisation was granted and the date authorisation expired on 31 December 2024. In January 2025, a new application was submitted for the acquisition of equity certificates. Sparebanken Møre received a response to this application on 25 February 2025. New permission to acquire own equity certificates has been approved for a total amount of up to NOK 42 million.

MREL

One key element of the crisis management rules 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 handle 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 requirements for risk-weighted and unweighted MREL are set out in sections 20-4, first paragraph, 20-5 and 20-6 of the Financial Institutions Regulations. Both requirements must be met at all times, cf. section 20-4, first paragraph of the Financial Institutions Regulations. The requirement that results in the highest amount is binding.

In a letter dated 17 December 2024, the Financial Supervisory Authority set Sparebanken Møre's effective MREL requirement as at 1 January 2025 to 35.7 per cent and the minimum requirement for subordination at 28.7 per cent.

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GROUP			PARENT BANK	
31.12.2023	**31.12.2024**		**31.12.2024**	**31.12.2023**
989	996	EC capital	996	989
-4	-5	- ECs owned by the bank	-5	-4
359	379	Share premium	379	359
650	750	Additional Tier 1 capital (AT1)	750	650
2 205	2 306	Dividend equalisation fund	2 306	2 205
125	125	Gift fund	125	125
3 475	3 687	Primary capital fund	3 687	3 475
371	311	Proposed dividend	311	371
376	332	Proposed dividend for the local community	332	376
-13	-43	Liability credit risk	0	0
147	188	Other equity	0	0
8 680	9 026	Total equity	8 881	8 546
Tier 1 capital (T1)				
-107	-123	Goodwill, intangible assets, other deductions	-122	-106
-17	-19	Value adjustments of financial instruments at fair value	-26	-24
-61	-73	Deduction for remaining permission for acquistion of own equity certificates	-73	-61
-650	-750	Additional Tier 1 capital (AT1)	-750	-650
-242	-376	Expected IRB-losses exceeding ECL acc. to IFRS 9	-323	-201
-371	-311	Deduction for proposed dividend	-311	-371
-376	-332	Deduction for proposed dividend for the local community	-332	-376
6 856	7 042	Total Common Equity Tier 1 capital (CET1)	6 944	6 757
650	750	Additional Tier 1 capital - classified as equity	750	650
0	0	Additonal Tier 1 capital - classified as debt	0	0
7 506	7 792	Total Tier 1 capital (T1)	7 694	7 407
Tier 2 capital (T2)				
857	857	Subordinated loan capital of limited duration	857	857
857	857	Total Tier 2 capital (T2)	857	857
8 363	8 649	Net equity and subordinated loan capital	8 551	8 264

RISK WEIGHTED ASSETS (RWA) by exposure classes

GROUP			PARENT BANK	
31.12.2023	**31.12.2024**		**31.12.2024**	**31.12.2023**
Credit risk - The Standardised Approach (TSA)				
389	370	Regional governments or local authorities	370	389
207	0	Public sector companies	0	207
240	270	Institutions (banks etc)	1 091	989
0	0	Companies (corporate customers)	103	107
550	607	Covered bonds	627	542
347	348	Equity	348	348
547	515	Other commitments	2 114	2 063
2 280	2 109	Total credit risk - TSA	4 653	4 645
Credit risk - IRB Foundation				
11 995	12 910	Retail - Secured by real estate	6 277	5 946
295	256	Retail - Other	253	295
19 444	21 630	Corporate lending	21 623	19 439
31 734	34 797	Total credit risk - IRB Foundation	28 153	25 680
161	135	Credit value adjustment risk (CVA) - market risk	46	85
3 424	3 962	Operational risk (the Basic Indicator Approach)	3 862	3 329
37 599	41 003	Risk weighted assets (RWA)	36 714	33 739
1 692	1 845	Minimum requirement Common Equity Tier 1 capital (4.5 %)	1 652	1 518
Buffer Requirements				
940	1 025	Capital conservation buffer, 2.5 %	918	843
1 692	1 845	Systemic risk buffer, 4.5 %	1 652	1 518
940	1 025	Countercyclical buffer, 2.5 %	918	843
3 572	3 895	Total buffer requirements	3 488	3 205
1 592	1 301	Available Common Equity Tier 1 capital after buffer requirements	1 804	2 034
Capital adequacy as a percentage of the risk weighted assets (RWA)				
22.2	21.1	Capital adequacy ratio	23.3	24.5
20.0	19.0	Tier 1 capital ratio	21.0	22.0
18.2	17.2	Common Equity Tier 1 capital ratio	18.9	20.0
Leverage ratio (LR)				
99 794	105 407	Basis for calculation of leverage ratio	74 772	71 971
7.5	7.4	Leverage Ratio	10.3	10.3

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4 Operating segments

The operations in the Group are divided into three strategic business areas/segments, according to type of services, customers and products involved, also being reporting segments according to IFRS 8. The classification corresponds to the structure in the ongoing reporting to the CEO and the Board of Directors, defined as the primary decision makers. The different operating segments partly sell different products, have a somewhat different risk profile, but target many of the same groups of customers.

The classification into different operating segments and financial information relating to segments are presented in the table below. Most of the income and operating expenses involved apply to the bank's different operating segments according to actual usage or according to activity-based distribution formulae. Key distribution keys are FTEs, working capital, lending, deposits, number of customers and customer transactions, which are used for example for charging the units' costs.

The column "Other" consists of head office activities not allocated to reporting segments, including effects on the equity and treasury activities. Customer commitments towards employees as well as the subsidiaries Sparebankeiendom AS and Storgata 41-45 Molde AS, are also reported in the column "Other".

Customer income which is generated by the segments (e.g. currency gains, interest rate hedging income, income from Discretionary Portfolio Management, etc.) is first recognised as income at head office ("other") and then distributed (less associated expenses) to the segments based on customer affiliation. The segment income is presented under "Other income").

The Group does not carry out trading on its own account, meaning that all income is a result of external customer transactions. Dividends from securities, changes in the value of shares, bonds and financial derivatives are not allocated to the customer segments and are in the table presented in the column named "other".

Segment profit is presented before taxes. Taxes are not allocated to the segments.

Transactions between different operating segments are based on market values/prices, similar to transactions with subsidiaries. Please see note 29 for additional information on terms.

The Group is divided into following three reporting segments:

Reporting segments	Company name	Product/Operations
Corporate	Sparebanken Møre	Financing, payment transmissions, saving/placement, advisory services etc.
Retail	Sparebanken Møre	Financing, payment transmissions, saving/placement, advisory services etc.
	Møre Boligkreditt AS	Financing (mortgage loans)
Real estate brokerage	Møre Eiendomsmegling AS	Real estate brokerage services

Geographical segments

The Group's operations are mainly limited to Nordvestlandet which is defined as the Group's home market. In view of this, the balance sheet and income statement figures are not split into geographical segments. Activities outside Nordvestlandet are no different from the Group's other activities in terms of risk or return. Please see note 2 and note 6 for further information.

Result - 2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Interest income	5 968	1	2 450	1 456	2 061	0
Interest expenses	3 897	0	2 095	643	1 159	0
Net interest income	2 071	1	355	813	902	0
Total other income	330	-70	101	113	138	48
Total income	2 401	-69	456	926	1 040	48
Depreciation and impairment of non-financial assets	55	-15	43	3	24	0
Other operating expenses	900	-54	160	180	564	50
Total operating expenses	955	-69	203	183	588	50
Profit before impairment on loans	1 446	0	253	743	452	-2
Impairment on loans, guarantees etc.	20	0	0	59	-39	0
Pre-tax profit	1 426	0	253	684	491	-2
Taxes	340					
Profit after tax	1 086					

Key figures - 31.12.2024	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Gross loans to customers 1)	87 127	-103	1 553	27 423	58 254	0
Expected credit loss on loans	-252	0	0	-188	-64	0
Net loans to customers	86 875	-103	1 553	27 235	58 190	0
Deposits from customers 1)	49 550	-150	1 234	16 104	32 362	0
Guarantee liabilities	2 208	0	0	2 207	1	0
Expected credit loss on guarantee liabilities	11	0	0	11	0	0
Deposit-to-loan ratio	56.9	145.6	79.5	58.7	55.6	0.0
Man-years	402	0	155	59	166	22

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Result - 2023	Group	Eliminations	Other 2)	Corporate	Retail 1)	Real estate brokerage
Interest income	4 917	1	1 943	1 270	1 703	0
Interest expenses	3 017	0	1 687	525	805	0
Net interest income	1 900	1	256	745	898	0
Total other income	295	-68	93	114	122	34
Total income	2 195	-67	349	859	1 020	34
Depreciation and impairment of non-financial assets	49	-14	38	3	22	0
Other operating expenses	810	-50	171	161	494	34
Total operating expenses	859	-64	209	164	516	34
Profit before impairment on loans	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
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	2024	2023
Net interest income	283	237
Other operating income	-12	-14
Total income	271	223
Operating expenses	60	58
Profit before impairment on loans	211	165
Impairment on loans, guarantees etc.	-6	1
Pre tax profit	217	164
Taxes	48	36
Profit after taxes	169	128

Balance sheet	31.12.2024	31.12.2023
Loans to and receivables from customers	35 746	32 357
Equity	1 776	1 665

Country-by-country reporting

GROUP (NOK million)	31.12.2024	31.12.2023
Name of the company	Sparebanken Møre	Sparebanken Møre
Area of operation	Norge	Norge
Geografical location	Norge	Norge
Revenue/total income	2 401	2 195
Man-years	402	400
Pre tax profit	1 426	1 389
Taxes	340	334
Government grants/ subsidies received	None received	None received

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5 Loans broken down according to sectors

In the financial statements, the loan portfolio with agreed floating interest rate is measured at amortised cost, while the loan portfolio with fixed-interest rate is measured at fair value. For more information about classification and measurement, see note 22.

2024	GROUP						PARENT BANK					
Sector/industry	**Gross loans assessed at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans assessed at fair value**	**Net loans**	**Gross loans assessed at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans assessed at fair value**	**Net loans**
Agriculture and forestry	769	0	0	-12	49	806	713	0	0	-12	49	750
Fisheries	4 993	-6	-39	0	2	4 950	4 975	-6	-39	0	2	4 932
Manufacturing	3 650	-4	-19	-9	6	3 624	3 629	-4	-18	-10	6	3 603
Building and construction	1 371	-2	-3	-9	4	1 361	1 263	-2	-3	-8	4	1 254
Wholesale and retail trade, hotels	1 458	-1	-5	-5	18	1 465	1 130	-1	-5	-4	18	1 138
Supply/offshore	1 277	-2	-8	0	0	1 267	1 277	-2	-8	0	0	1 267
Property management	9 588	-8	-5	-5	106	9 676	9 678	-8	-5	-5	106	9 766
Professional/financial services	1 241	-1	-7	-3	35	1 265	1 186	-1	-7	-3	35	1 210
Transport and private/public services/abroad	4 627	-3	-14	-6	61	4 665	4 595	-3	-14	-7	61	4 632
Total corporate customers	28 974	-27	-100	-49	281	29 079	28 446	-27	-99	-49	281	28 552
Retail customers	53 602	-6	-16	-54	4 270	57 796	12 264	-2	-9	-47	10 474	22 680
Loans to and receivables from customers	82 576	-33	-116	-103	4 551	86 875	40 710	-29	-108	-96	10 755	51 232

2023	GROUP						PARENT BANK					
Sector/industry	**Gross loans assessed at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans assessed at fair value**	**Net loans**	**Gross loans assessed at amortised cost**	**ECL Stage 1**	**ECL Stage 2**	**ECL Stage 3**	**Loans assessed at fair value**	**Net loans**
Agriculture and forestry	711	0	-3	-8	41	741	626	0	-2	-8	63	679
Fisheries	4 998	-1	-26	0	2	4 973	4 970	-1	-25	0	9	4 953
Manufacturing	3 526	-5	-9	-4	6	3 514	3 491	-5	-9	-4	17	3 490
Building and construction	1 160	-2	-6	-21	6	1 137	1 031	-2	-6	-21	19	1 021
Wholesale and retail trade, hotels	1 200	-1	-4	-3	9	1 201	1 072	-1	-4	-3	54	1 118
Supply/offshore	1 600	-9	0	0	0	1 591	1 600	-9	0	0	0	1 591
Property management	8 957	-11	-7	-8	97	9 028	8 959	-11	-7	-7	182	9 116
Professional/financial services	797	-1	-1	-2	25	818	722	-1	-1	-2	25	743
Transport and private/public services/abroad	4 865	-6	-7	-5	39	4 886	4 388	-5	-8	-6	141	4 510
Total corporate customers	27 814	-36	-63	-51	225	27 889	26 860	-35	-62	-51	509	27 221
Retail customers	50 737	-11	-54	-47	3 058	53 683	13 398	-6	-23	-47	8 778	22 100
Loans to and receivables from customers	78 551	-47	-117	-98	3 283	81 572	40 258	-41	-85	-98	9 287	49 321

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6 Commitments broken down into geographical areas

	Møre og Romsdal		Remaining parts of Norway		Foreign countries		Total	
GROUP as at 31.12.	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Gross loans	64 547	61 838	22 147	18 931	433	1 065	87 127	81 834
In percentage	74.1	75.6	25.4	23.1	0.5	1.3	100.0	100.0
Deposits	40 183	37 600	8 482	9 013	885	797	49 550	47 410
In percentage	81.1	79.3	17.1	19.0	1.8	1.7	100.0	100.0

	Møre og Romsdal		Remaining parts of Norway		Foreign countries		Total	
PARENT BANK as at 31.12.	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Gross loans	42 819	41 566	8 246	6 964	400	1 016	51 465	49 546
In percentage	83.2	83.9	16.0	14.1	0.8	2.0	100.0	100.0
Deposits	40 332	37 700	8 482	9 013	885	797	49 699	47 510
In percentage	81.1	79.4	17.1	18.9	1.8	1.7	100.0	100.0

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7 Commitments broken down into risk classes

Commitments (EAD) broken down into risk classes (PD):

GROUP 2024	0-0.5 %	0.5-2.5 %	2.5-5 %	5-99.9 %	Credit-impaired commitments	Provision for expected credit losses	Total
Retail customers	58 063	4 162	810	709	210	-76	63 878
Corporate customers	12 582	11 871	3 699	1 783	301	-187	30 049
Total commitments*	70 645	16 033	4 509	2 492	511	-263	93 927

GROUP 2023	0-0.5 %	0.5-2.5 %	2.5-5 %	5-99.9 %	Credit-impaired commitments	Provision for expected credit losses	Total
Retail customers	53 611	4 027	798	594	222	-112	59 140
Corporate customers	12 071	12 794	3 423	858	203	-154	29 195
Total commitments*	65 682	16 821	4 221	1 452	425	-266	88 335

PARENT BANK 2024	0-0.5 %	0.5-2.5 %	2.5-5 %	5-99.9 %	Credit-impaired commitments	Provision for expected credit losses	Total
Retail customers	23 250	2 008	434	471	206	-58	26 311
Corporate customers	12 374	11 796	3 698	1 783	301	-186	29 766
Total commitments*	35 624	13 804	4 132	2 254	507	-244	56 077

PARENT BANK 2023	0-0.5 %	0.5-2.5 %	2.5-5 %	5-99.9 %	Credit-impaired commitments	Provision for expected credit losses	Total
Retail customers	22 130	2 099	424	400	213	-76	25 190
Corporate customers	11 851	12 687	3 418	858	203	-152	28 865
Total commitments*	33 981	14 786	3 842	1 258	416	-228	54 055

*) *The tables above are based on loans to amortised cost and fair value (incl. undrawn credit facilities and guarantees with conversion factors according to EAD (exposures at default)) at the reporting date. The figures are thus not reconcilable against "Net loans to and receivables from customers" in the balance sheet, or to exposure in note 9 Losses on loans and guarantees*

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Credit quality on certificates, bonds and other interest-bearing securities

GROUP 2024	AAA	AA+	AA	AA-	A-	Total
Public sectors	766	666	1 287			2 719
Credit institutions	6 708	633		74	126	7 541
Other financial companies	1 883					1 883
Certificates, bonds and other interest-bearing securities	9 357	1 299	1 287	74	126	12 144

GROUP 2023	AAA	AA+	AA	AA-	A-	Total
Public sectors	694	815	1 492			3 001
Credit institutions	6 206	605		124		6 935
Other financial companies	1 911	-		51		1 962
Certificates, bonds and other interest-bearing securities	8 811	1 420	1 492	175	-	11 898

PARENT BANK 2024	AAA	AA+	AA	AA-	A-	Total
Public sectors	766	666	1 287			2 719
Credit institutions	6 907	507		74	126	7 615
Other financial companies	1 883					1 883
Certificates, bonds and other interest-bearing securities	9 556	1 174	1 287	74	126	12 217

PARENT BANK 2023	AAA	AA+	AA	AA-	A-	Total
Public sectors	694	815	1 492			3 001
Credit institutions	6 129	528		124		6 781
Other financial companies	1 911			51		1 962
Certificates, bonds and other interest-bearing securities	8 734	1 343	1 492	175	-	11 744

Total credit risk

GROUP			PARENT BANK	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
213	405	Cash and receivables from Norges Bank	405	213
919	702	Loans to and receivables from credit institutions	5 111	4 796
81 572	86 875	Loans to and receivables from customers*	51 232	49 321
11 898	12 144	Certificates, bonds and other interest-bearing securities	12 217	11 744
1 336	1 393	Financial derivatives	985	937
95 938	101 519	Credit risk on balance sheet items	69 950	67 011
1 245	2 197	Guarantee liabilities to customers*	2 197	1 245
5 919	6 003	Undrawn credit facilities	4 621	5 291
7 164	8 200	Total guarantee liabilities and undrawn credit facilities	6 818	6 536
103 102	109 719	Total credit risk	76 768	73 547

*The figures are net of expected credit loss (ECL)

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8 Commitments broken down into level of security

Collateral and other risk reducing measures
In addition to the assessment of debt servicing level, the Group accepts different kinds of collateral in order to reduce risk depending upon the market and type of transaction involved.

The main principle for value assessment of collateral is based on the realisation value of the asset in question, and what that value is deemed to be when the bank needs the security. Except of commitments where individual loss assessment has been made in stage 3, the value of the collateral is calculated on the assumption of a going concern. When assessing the value of collateral, estimated sales expenses are taken into consideration.

In this year's calculation of expected credit loss on loans, the bank's valuation of the security objects is considered. The bank uses the IRB-system as a proxy to develop the model calculating expected credit loss (the ECL-model) according to IFRS 9. The model takes into account the internal and external expenses related to follow-up of non-performing commitments and expenses related to realization of collateral (LGD model). This implies, that even though a commitment is fully secured, all customers have an expected credit loss calculation.

Additional information is presented in note 9.

The main types of collateral used: mortgage on property (residential and commercial), guarantees, sureties, registered moveable property (chattels), charge on goods (stocks), operating equipment and licenses or set-off agreements. Guarantees represent a minor part of the bank's risk exposure; guarantors relating to private persons (consumer guarantees), companies (professional), guarantee institutes and banks are accepted.

Collateral and other security is updated at least once every year or, in the case of the retail customers, when a new credit proposal is dealt with. In the case of corporate customers, the security involved is updated either when a new credit proposal is dealt with or when certain commitments are followed up. Value assessment is part of the credit decision.

When calculating capital requirement for credit risk, the bank does not apply set-off relating to exposure on, or off, the balance sheet.

In addition to an assessment of debt servicing level and future realisation value of collateral, the financial commitment terms (covenants) are included in most credit agreements for large corporate customers. These conditions are a supplement to reduce risks and to ensure proper monitoring and control of commitments.

Information regarding repossessed assets is presented in note 33.

The table below shows the percentage distribution of gross loans with different levels of security. For example, the line "0 %-60 %" implies that loans are less than 60 per cent of the value of the security object. "Above 100 %" implies that the loan amount exceeds the value of the security object. The bank's guidelines for valuation of collateral objects are utilized. This means that the security objects have been carefully considered in relation to the market value.

Level of security

GROUP - 31.12.2024	**Retail customers**		**Corporate**		**Total**	
	NOK million	As a percentage	NOK million	As a percentage	NOK million	As a percentage
0 % - 60 %	26 015	44.95	14 689	50.21	40 704	46.72
60 % - 70 %	10 301	17.80	4 098	14.01	14 399	16.53
70 % - 80 %	9 783	16.90	2 529	8.64	12 312	14.13
80 % - 90 %	7 727	13.35	2 964	10.13	10 691	12.27
90 % - 100 %	1 705	2.95	1 174	4.01	2 879	3.30
Above 100 %	2 176	3.76	3 701	12.65	5 877	6.75
Not secured	165	0.29	100	0.34	265	0.30
Total (gross loans)	57 872	100.00	29 255	100.00	87 127	100.00

PARENT BANK - 31.12.2023	**Retail customers**		**Corporate**		**Total**	
	NOK million	As a percentage	NOK million	As a percentage	NOK million	As a percentage
0 % - 60 %	26 042	48.41	15 946	56.87	41 988	51.31
60 % - 70 %	11 408	21.21	2 169	7.74	13 577	16.59
70 % - 80 %	10 128	18.83	2 161	7.71	12 289	15.02
80 % - 90 %	3 152	5.86	2 384	8.50	5 536	6.76
90 % - 100 %	1 171	2.18	1 475	5.26	2 646	3.23
Above 100 %	1 707	3.17	3 759	13.41	5 466	6.68
Not secured	187	0.35	145	0.52	332	0.41
Total (gross loans)	53 795	100.00	28 039	100.00	81 834	100.00

Collateralisation is a variable that indicates the level of over-collateralisation in relation to the volume of outstanding covered bonds.

	31.12.2024	**31.12.2023**
Cover pool related to covered bonds issued by Møre Boligkreditt AS		
Pool of eligible loans	35 428	32 162
Supplementary assets	1 147	854
Total collateralised assets	36 575	33 016
Covered bonds		
Covered bonds (nominal value)	30 603	27 554
Over-collateralisation in % (nominal value)		
Over-collateralisation in %	19.5	19.8

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9 Losses on loans and guarantees

Methodology for measuring expected credit loss (ECL) according to IFRS 9
Sparebanken Møre has developed an ECL-model based on the IRB-parameters in the Group. dividing the commitments into three stages when calculating expected credit loss (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 or defaulted. The definition of default is similar to the one used in the capital adequacy regulations (risk classes M, N and K). As opposed to stage 1 and 2, the 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 the customer has one account in stage 3 (risk class M and N), all of the customer`s accounts will migrate to stage 3.

A customer who recovers from risk class M or N, will be placed in risk class K and have to go through a probationary period of 3 or 12 months.

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 present value of future cash flow after realisation of collateral are prepared. Based on the scenarios, weighted loss provision is calculated. 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.

The calculation of expected credit losses is based on the following principles:

- The loss provision for commitments which are not individually assessed is calculated as the present value of EAD multiplied by the probability of default (PD) multiplied by loss given default (LGD). PD, LGD and EAD use the IRB framework as a starting point("proxy"), but are converted into being point-in-time and forward-looking as opposed to through the cycle and conservative.
- Past, present and forward-looking information is used to estimate ECL. The bank's data warehouse has a history of observed PD and LGD on the loan portfolio. This forms the basis for creating estimates of future values for PD. For this purpose, Sparebanken Møre's loan portfolio is divided into 4 segments (the retail portfolio and 3 industry specific corporate portfolios). All customers within a segment are exposed to the same risk drivers. Loans to the retail segment are mainly secured with collateral in real estate and the volume of unsecured loans is marginal.

The model used for calculating ECL follows four steps: Segmentation, staging, determination of macro adjustments, migration and calculation of ECL.

Segmentation and macro adjustments
The assessment of significant increase in credit risk and the calculation of ECL incorporates past, present and forward-looking information. Each segment is subject to separate macro adjustments.

Regression analysis of changes in the default rate on changes in relevant macro time series have been performed. Regression analyses are statistical analysis methods to describe the relationship between one or more independent variables and a dependent variable (default). It is based on the established subpopulations in the ECL model and the macro-time series used at present. The regression analyses are based on the bank's customer data base and historical observations of PD and selected macroeconomic factors published by Statistics Norway and Norges Bank.

The following macroeconomic sizes have been used to develop macro factors for retail and corporate customers respectively:

Retail customers:

- Unemployment rate
- Consumer price index
- Household interest rate burden

Corporate customers:

- Money market rate
- Euro exchange rate
- Export market indicator
- Gross investment in dwellings
- Unemployment rate

Three scenarios have been developed: Base (table 1), Best (table 2) and Worst (table 3). For each of the scenarios, expected values of different parameters are given for each of the next four years.

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Base case scenario 2024-2028 (Table 1)

Year	Unemployment rate	CPI	Households interest rate burden	Export market indicator	NOK per EUR	Money market rate	Gross investment in dwellings (households)
0 (2024)	4.06	3.09	9.02	1.98	11.60	4.72	2.16
1 (2025)	4.10	2.57	8.33	2.10	11.74	4.22	3.70
2 (2026)	4.10	2.77	7.55	2.30	11.74	3.50	5.80
3 (2027)	4.00	2.45	7.13	3.40	11.74	3.17	6.60
4 (2028)	3.90	2.20	6.50	5.00	11.74	3.10	6.60

Best case-scenario 2024-2028 (Table 2)

Year	Unemployment rate	CPI	Households interest rate burden	Export market indicator	NOK per EUR	Money market rate	Gross investment in dwellings (households)
0 (2024)	4.06	3.09	9.02	1.98	11.60	4.72	6.30
1 (2025)	3.70	2.50	8.00	3.00	13.00	3.75	10.20
2 (2026)	3.60	2.30	7.00	5.00	13.00	3.20	8.00
3 (2027)	3.60	2.00	6.00	6.00	12.00	2.80	7.30
4 (2028)	3.60	1.80	5.50	5.00	13.00	2.50	6.90

Worst case-scenario 2024-2028 (Table 3)

Year	Unemployment rate	CPI	Households interest rate burden	Export market indicator	NOK per EUR	Money market rate	Gross investment in dwellings (households)
0 (2024)	4.06	3.09	9.02	1.98	11.60	4.72	2.16
1 (2025)	4.50	5.42	12.00	-7.00	10.00	6.50	0.20
2 (2026)	5.00	5.00	11.50	-3.00	10.00	6.50	3.40
3 (2027)	5.00	4.00	11.00	-1.50	10.00	5.50	5.00
4 (2028)	4.50	3.00	10.50	0.00	10.00	5.00	5.80

Probability of default (PD)
Sparebanken Møre applies several different models to determine a customer's PD. The choice of model depends on whether it is a retail or corporate customer. PD models are key components both in calculating the ECL and in assessing whether a significant increase in credit risk has occurred since initial recognition. These models fulfil the IFRS 9 requirement to provide an unbiased estimate of ECL. Sparebanken Møre has been granted permission to use internal rating-based approach (IRB) models for determining PD in capital adequacy calculations. In order to apply these PDs for IFRS 9 purposes, calibrations have been made to allow that the PDs used for IFRS 9 reflect management's current view of cyclical changes.

Loss given default (LGD)
LGD represents the percentage of exposure which the Group expects to lose if the customer defaults, taking the collateral provided by the customer, future cash flows and other relevant factors into consideration.

As for PD, Sparebanken Møre uses IRB LGDs for capital adequacy calculations for the mass market portfolio. For the corporate portfolio, a LGD template is used for capital adequacy calculations. The bank has an internal LGD for the corporate portfolio being downturn projected and used for internal corporate governance.

Since IRB LGD includes the downward adjustment and safety margins, IFRS LGD has been reduced to ensure an unbiased estimate.

Default
The definition of default under IFRS 9 is similar to that used in the capital adequacy legislation. See Note 2 under "Credit risk".

To assess the best estimate for loss calculation in line with IFRS 9, there may be a need to override commitments in default in line with the capital adequacy regulations. The proportion of overridden commitments will be stated in note 9, part 5.

A commitment will be deemed an anticipated default if it is likely that the borrower's debt servicing capacity will not cover its total liabilities through ordinary operations (unlikeliness to pay).

It may not be possible to identify a single individual incident, rather the overall impact of multiple incidents may have caused the financial assets to become credit-impaired.

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Provisions will be made for guarantee liabilities if the liability is likely to be settled and the liability can be reliably estimated. The best estimate is used when estimating the provision. Recourse claims related to a guarantee where a provision has been made are capitalised as an asset with a maximum value equal to the provision.

A commitment is subject to forbearance (payment relief due to payment difficulties) if the bank grants changes to the commitment terms as a result of the debtor having difficulty fulfilling its payment obligations. A performing (not in default) forbearance will be in stage 2, while a non-performing (in default) forbearance will be in stage 3.

Exposure
Exposure is the share of the approved credit that is expected to be drawn at the time of any future default.

The exposure is adjusted to reflect contractual payments of principal and interest. Instalment loans with a repayment plan are also adjusted in line with the expected early repayment.

The proportion of undrawn commitments expected to have been drawn at the time of default is reflected in the credit conversion factor.

Significant increase in credit risk
The assessment of a significant increase in credit risk is based on a combination of quantitative and qualitative indicators. A significant increase in credit risk has occurred when one or more of the criteria below are met:

Quantitative criteria
A significant increase in credit risk is determined by comparing the PD at the reporting date with the 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 % 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 macro-adjusted PD in year 1 compared with the PD at initial recognition is used to determine whether the 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 considered to have increased significantly if the customer has been granted forbearance measures, even if this does not result in an individual loss assessment in stage 3.

Positive migration in credit risk
An account 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.

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

Scenarios
The expected default is calculated for each of the scenarios: base, best, and worst. The expected probability of each of the three scenarios occurring is also specified. From and including the fifth year, the scenarios are expected to converge towards a long-term stable level.

a) The base scenario assumes that the Norwegian economy will develop in line with the forecasts of Statistics Norway in its 'Economic Trends 2024/4' and of Norges Bank in its 'Monetary Policy Report 4/24'.

At its meeting on 18 December 2024, Norges Bank decided to keep its policy rate unchanged at 4.50 per cent. The forecast in this report indicates that the policy rate will be gradually reduced from March 2025. It is estimated that inflation will be just above 2 per cent by the end of 2027.

Growth in the Norwegian economy is expected to be somewhat lower in the next 6 months than it was in the third quarter. Good growth in purchasing power is expected to boost consumption and coupled with high public sector demand this will contribute to greater economic activity. Low housing investments will likely curb activity next year as well. Norges Bank expects activity levels in the mainland economy in 2025 to be higher than projected in the previous report, including as a result of more expansive fiscal policies, higher household consumption and higher petroleum investments than previously assumed.

It is estimated that growth in the mainland economy will increase from 0.9 per cent this year to 1.4 per cent next year and that growth will remain at around this level in 2026 and 2027. Over the next few years, Norges Bank expects unemployment to rise slightly and thereafter remain stable.

They estimate that overall consumption will pick up further going forward. Over time, a lower policy rate will also help boost consumption. High debt coupled with most households having floating rate loans means that interest costs will decrease slightly when the policy rate comes down. Along with the prospect of continued real wage growth, this will result in an increase in disposable real income. Consumption is expected to grow somewhat less, such that the savings rate will rise slightly. It is also estimated that the improvement in purchasing power and the decrease in interest rates will also result in a rise in housing investments.

The bank's expected probability of default (future PD) is shown in Table 4. The bank's expected credit loss (ECL) under this scenario (100 per cent weighting) is estimated to be NOK 173.6 million.

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Sparebanken Møres expected level of credit-impaired commitments(rate) for the base scenario (Table 4)

Year	0 (2024)	1 (2025)	2 (2026)	3 (2027)	4 (2028)
Reatail banking	0.33 %	0.26 %	0.17 %	0.14 %	0.11 %
Real estate industry	1.72 %	1.66 %	1.53 %	1.40 %	1.32 %
Manufactouring	2.03 %	1.87 %	1.66 %	1.48 %	1.46 %
Other sectors	2.25 %	2.31 %	2.31 %	2.17 %	2.05 %

b) The bank's best case scenario assumes that the Norwegian economy is performing significantly better than in the base scenario. This means that market interest rates and household interest rates are decreasing. Unemployment is generally expected to remain at a somewhat lower level than in the base scenario.

Overall, the bank's probability of default (future PD) is expected to decrease slightly over the course of the forecast period, ref. Table 5. The bank's expected credit loss (ECL) under this scenario (100 per cent weighting) is estimated to be NOK 147.3 million.

Sparebanken Møres expected level of credit-impaired commitments(rate) for best case-scenario (Table 5)

Year	0 (2024)	1 (2025)	2 (2026)	3 (2027)	4 (2028)
Reatail banking	0.33 %	0.19 %	0.12 %	0.08 %	0.06 %
Real estate industry	1.72 %	1.02 %	1.04 %	1.07 %	1.09 %
Manufactouring	2.03 %	1.63 %	1.34 %	1.20 %	1.21 %
Other sectors	2.25 %	1.82 %	1.71 %	1.71 %	1.71 %

c) The bank's worst case scenario is based on the Financial Supervisory Authority's stress test of Norwegian banks described in "Financial outlook June 2024" (also assessed and adjusted by the chief economist of the bank). This assumes that there will be a significant weakening in growth in the real economy, and additional inflationary pressures both in Norway and internationally in relation to the base case. This results in even higher market rates than in the base case and also increased risk premiums and repricing in the finance and real estate markets. In this stress scenario, higher interest rates, greater uncertainty among investors and turbulence in the financial markets results in falls in the prices of shares, securities and real estate. Policy and market rates remain high throughout the forecast period because it is assumed that inflation will remain far above central bank inflation targets. The household interest burden increases to 12 per cent in 2025. This is somewhat lower than the Financial Supervisory Authority predicts in the stress test. The interest rate burden remains high, although it drops over the projection period. Lower activity, higher prices and high interest rates result in a decline in real household disposable income. The growth in household credit slows and private consumption falls. The Norwegian economy enters a recession with declines in mainland GDP and growth in unemployment. Investment activity in the petroleum sector increases somewhat due to stronger developments in oil prices compared with the base scenario. Growth in the real economy improves towards the end of the period.

The level of credit-impaired commitments (future PD) in the bank is expected to rise markedly in the first few years, both in the retail market and the corporate market, before subsequently decreasing towards the end of the period, ref. Table 6. The bank's expected credit loss (ECL) under this scenario (100 per cent weighting) is estimated to be NOK 305 million.

Sparebanken Møres expected level of credit-impaired commitments(rate) for worst case-scenario (Table 6)

Year	0 (2024)	1 (2025)	2 (2026)	3 (2027)	4 (2028)
Reatail banking	0.33 %	1.15 %	1.13 %	1.01 %	0.76 %
Real estate industry	1.72 %	2.41 %	2.88 %	2.71 %	1.95 %
Manufactouring	2.03 %	4.38 %	3.29 %	2.82 %	2.41 %
Other sectors	2.25 %	2.93 %	3.93 %	3.93 %	2.93 %

Macro factors and scenario weights are important input factors for the bank's loss model that can contribute to significant changes in the loss estimate and require a high degree of judgement. A framework has been developed for determining macro factors and scenarios in the ECL model in order to satisfy the requirement for expected and forward-looking estimates. Changes in PD resulting from the scenarios can also affect assignment to stages.

Measuring ECL for each stage requires both information about previous events and current conditions, as well as expected events and future financial conditions. Estimating and using forward-looking information requires a great deal of judgement. Every macroeconomic scenario used includes a projection for a 4-year period.

The bank's ECL model has a weakness in that LGD levels are not impacted by the scenarios. ECL management meetings enable the bank to override long-term PD and LGD levels in the ECL model. For example, if it is considered that a large and long-term decline in prices for residential and commercial real estate is likely (and that the ECL model has not taken into account), the bank can use more conservative LGD estimates for commercial real estate and the retail market. This could ensure an unbiased estimate, although there would be a linear increase in all scenarios and not an increase in the variation in the loss estimate between scenarios. More conservative LGD estimates were not being used as at 31 December 2024.

Steps have been taken to ensure that LGD levels in the ECL model are affected by the scenarios. This will apply to future reports and had not been implemented as at 31 December 2024.

Scenario weights
The scenarios are weighted based on our best estimates of probability for the various outcomes represented. The estimates are updated quarterly and were at those levels in the assessments as at 31 December 2024. Both the best case and worst case are deemed to occur every 25 years. Here, "best" and "worst" mean the strongest and weakest cyclical developments.

The ECL as at 31 December 2024 is based on a scenario weight of 70 per cent for the base scenario (normal development), 20 per cent weight for the worst case scenario and 10 per cent weight for the best case scenario.

Given the war between Ukraine and Russia and the uncertainty this entails, the weights for the best case was changed from 20 per cent to 10 per cent and for the worst case from 10 per cent to 20 per cent, from the first quarter of 2022.

The geopolitical situation, both in Europe and elsewhere, is a persistent risk factor. Uncertainty surrounding the global economy's growth prospects also remains. The prospect of higher tariffs and a trade war may result in volatility in the financial markets and, in the long term, also lower growth in the global economy.

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The backdrop is that inflation continues to fall and is approaching its 2 percent target in several Western countries. This has allowed several of our trading partners to cut interest rates. Sweden, the eurozone, the US and the UK have started cutting interest rates from their recent contractive level. More interest rate cuts are expected in the coming months.

A weak Norwegian krone exchange rate has contributed to Norges Bank being somewhat slower to act. However, the fact that the overall activity in the Norwegian economy has remained higher than expected is also a key factor. The message from the governor of the central bank is that we are approaching the time for reducing the policy rate here in Norway as well. The latest interest rate path indicates that the first interest rate cut is due in March 2025, followed by an additional two or three interest rate cuts before the end of the year.

To sum up, there remains great uncertainty about how the economy will perform going forward, both in Norway and globally. Following an overall assessment, the bank's chief economist therefore believes that the weights should be kept unchanged.

The bank's expected credit loss (ECL) excluding individually assessed losses under the weighted scenario is estimated at NOK 195 million.

Management override
Quarterly ECL quality assurance meetings are held to review the basis for recognising ECL. If there are material events or other weaknesses in the model that will affect an expected loss and that are not taken account of in the model, the relevant variables in the ECL model will be overridden.

In 2024, the overrides in the ECL model amount to an increase in model-calculated losses of NOK 31 million. Customer specific overrides were implemented to take account of information not taken account of in the model.

Validation
The Group continuously develops and reviews the risk management system and the credit granting process to ensure high quality over time.

An independent quantitative and qualitative validation of the Group's IRB-model and the ECL-model is carried out. The quantitative validation shall ensure that the estimates used for measuring probability of default, exposure at default and loss given default maintain a sufficiently good quality. Analyses are carried out, assessing the models' ability to rank the customers according to risk (discrimination capability), and the ability to set the correct level on the risk parameters. In addition, the stability of the estimates in the models and the cyclical sensitivity of the models are analysed. The quantitative validations will in some cases be supplemented by more qualitative assessments. This is especially true if the capture of statistical data is limited.

The results of the validation processes are included in the further development of the ECL-model.

Individual assessment in stage 3
If there is an indication that a loan is credit-impaired, an individual assessment in stage 3 is made.

In case of individual assessment in stage 3, the impairment amount is calculated as the difference between the carrying amount (principal + accrued interest at the valuation date) and the present value of future cash flows, discounted at the effective interest method over the commitments` expected lifetime. Three scenarios (best, base and worst) are used.

When losses are expected to be less than NOK 500,000, the ECL-model is used to calculate expected losses in stage 3. Individually assessed loss provisions in stage 3 amount to MNOK 69 as at 31.12.2024. Model-based loss provisions amount to MNOK 35 as at 31.12.24.

The discounting rate for loans with floating interest rates is equal to the effective rate of interest at the time of default. For loans with fixed interest rates, the discounting rate is equal to the original, effective interest rate. For commitments which have altered interest rates as a result of debtors' financial problems, the effective rate of interest ruling before the commitment's interest rate was altered is applied. When estimating future cash flows, a possible takeover and sale of related collateral is taken into consideration, also including costs relating to the takeover and sale. When evaluating security coverage there should be a qualified assessment of the collateral`s nature and market value, taking into account the costs of the acquisition and sale. Realisation values for different collateral in a realizable situation are determined by the use of best judgment. Timing for liquidation of loans with impairment is based on judgment and experiences from other liquidation engagements and bankruptcies.

Impairment of commitments is recognised in the income statement as losses on loans. Reversal of impairment will result in reversal of amortised cost and is recognised as a correction of losses.

Write-off
When all collateralized assets have been realised and it is undoubtedly that the bank will receive more payments on the commitment, the loss is confirmed. However, the claim against the customer will continue to exist and will be followed up, unless the bank has agreed to debt forgiveness for the customer or the customer has gone bankrupt and the estate is settled.

Loans and debt securities are also written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in "Impairment on loans, guarantees etc." in the Statement of income. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Climate-related risk and calculation of ECL
The bank is in the process of enhancing the ECL model to simulate ECL resulting from climate-related risk in various scenarios.

In 2024, the ECL model was used to simulate the financial consequences of climate-related risk for commercial property. Commitments in excess of a certain size related to the rental of commercial property were stress tested. In the stress tests, PD (capacity to service debt) and LGD (collateral) were stressed in the various scenarios.

The bank has continued to identify and map climate-related risk in the loan portfolio and various industries. In 2025, transition plans will be established that ensure the bank's loan portfolios are emission-free by 2050. Climate-related risk has been integrated into the Sustainability Report/CSRD reporting.

The ECL model must be unbiased and the bank is of the opinion that qualitative climate-related risk analyses currently involve a high degree of uncertainty, and these are thus not taken account of when assessing ECL, although the model is used for stress testing climate-related risk. The bank will strive to find good methods for implementing climate-related risk in the ECL model for the corporate portfolio.

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Losses on loans and guarantees

GROUP			PARENT BANK	
2023	**2024**	**Specification of losses on loans. guarantees etc.**	**2024**	**2023**
9	-14	Changes in ECL - stage 1	-12	8
16	5	Changes in ECL - stage 2	29	1
13	5	Changes in ECL - stage 3	-4	14
-114	3	Changes in individually assessed impairments	3	-114
23	30	Confirmed losses, previously impaired	30	23
6	4	Confirmed losses, not previously impaired	4	6
-6	-13	Recoveries	-13	-6
-53	20	Total impairment on loans and guarantees	37	-68

Changes in ECL in the period

GROUP 2024	Stage 1	Stage 2	Stage 3	Total
ECL 01.01.2024	48	120	98	266
New commitments	14	40	3	57
Disposal of commitments and transfer to stage 3 (individually assessed)	-15	-28	-10	-53
Changes in ECL in the period for commitments which have not migrated	-14	26	1	13
Migration to stage 1	4	-46	-6	-48
Migration to stage 2	-3	16	-7	6
Migration to stage 3	0	-3	23	20
Changes stage 3 (individually assessed)	-	-	2	2
ECL 31.12.2024	34	125	104	263
- of which expected losses on loans to retail customers	6	16	54	76
- of which expected losses on loans to corporate customers	27	100	49	176
- of which expected losses on guarantees	1	9	1	11

PARENT BANK 2024	Stage 1	Stage 2	Stage 3	Total
ECL 01.01.2024	42	88	98	228
New commitments	12	38	4	54
Disposal of commitments and transfer to stage 3 (individually assessed)	-13	-20	-16	-49
Changes in ECL in the period for commitments which have not migrated	-11	31	1	21
Migration to stage 1	3	-33	-2	-32
Migration to stage 2	-3	15	-5	7
Migration to stage 3	0	-2	15	13
Changes stage 3 (individually assessed)	-	-	2	2
ECL 31.12.2024	30	117	97	244
- of which expected losses on loans to retail customers	2	9	47	58
- of which expected losses on loans to corporate customers	27	99	49	175
- of which expected losses on guarantees	1	9	1	11

GROUP 2023	Stage 1	Stage 2	Stage 3	Total
ECL 01.01.2023	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 guarantees	1	3	0	4

PARENT BANK 2023	Stage 1	Stage 2	Stage 3	Total
ECL 01.01.2023	34	87	197	318
New commitments	15	22	2	39
Disposal of commitments and transfer to stage 3 (individually assessed)	-9	-31	0	-40
Changes in ECL in the period for commitments which have not migrated	-1	-2	0	-3
Migration to stage 1	8	-23	0	-15
Migration to stage 2	-5	38	-1	32
Migration to stage 3	0	-3	13	10
Changes stage 3 (individually assessed)	-	-	-113	-113
ECL 31.12.2023	42	88	98	228
- of which expected losses on loans to retail customers	6	23	47	76
- of which expected losses on loans to corporate customers	35	62	51	148
- of which expected losses on guarantees	1	3	0	4

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Changes in ECL in the period divided into Retail and Corporate

GROUP 2024	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
ECL 01.01.2024	11	37	54	66	47	51	266
New commitments	3	11	3	37	2	2	58
Disposal of commitments and transfer to stage 3 (individually assessed)	-4	-11	-16	-14	-6	-4	-55
Changes in ECL in the period for commitments which have not migrated	-5	-9	-10	36	1	-1	12
Migration to stage 1	1	3	-17	-28	-6	-1	-48
Migration to stage 2	0	-3	4	13	-3	-3	8
Migration to stage 3	0	0	-2	-1	16	7	20
Changes stage 3 (individually assessed)	-	-	-	-	3	-1	2
ECL 31.12.2024	6	28	16	109	54	50	263

PARENT BANK 2024	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
ECL 01.01.2024	6	36	23	65	47	51	228
New commitments	1	11	1	37	3	2	55
Disposal of commitments and transfer to stage 3 (individually assessed)	-2	-11	-10	-19	-4	-4	-50
Changes in ECL in the period for commitments which have not migrated	-3	-8	4	36	-7	-1	21
Migration to stage 1	0	3	-10	-23	-2	0	-32
Migration to stage 2	0	-3	3	13	-2	-3	8
Migration to stage 3	0	0	-2	-1	9	6	12
Changes stage 3 (individually assessed)	-	-	-	-	3	-1	2
ECL 31.12.2024	2	28	9	108	47	50	244

GROUP 2023	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
ECL 01.01.2023	11	28	56	48	26	172	341
New commitments	6	14	15	16	1	-	52
Disposal of commitments and transfer to stage 3 (individually assessed)	-3	-6	-17	-10	-5	-3	-44
Changes in ECL in the period for commitments which have not migrated	-3	-1	3	-3	1	-	-3
Migration to stage 1	1	7	-14	-14	0	0	-20
Migration to stage 2	-1	-5	12	31	-2	0	35
Migration to stage 3	0	0	-1	-2	14	6	17
Changes stage 3 (individually assessed)	-	-	-	-	12	-124	-112
ECL 31.12.2023	11	37	54	66	47	51	266

PARENT BANK 2023	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
ECL 01.01.2023	7	27	40	47	25	172	318
New commitments	2	14	7	15	2	1	41
Disposal of commitments and transfer to stage 3 (individually assessed)	-3	-7	-14	-10	-5	-3	-42
Changes in ECL in the period for commitments which have not migrated	-1	-	-7	-2	7	-1	-4
Migration to stage 1	1	7	-9	-14	0	0	-15
Migration to stage 2	0	-5	7	31	-1	0	32
Migration to stage 3	0	0	-1	-2	7	6	10
Changes stage 3 (individually assessed)	-	-	-	-	12	-124	-112
ECL 31.12.2023	6	36	23	65	47	51	228

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Changes in exposure during the period

GROUP 2024	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
Commitments at 01.01.2024	46 918	24 147	7 046	6 703	222	203	85 239
New commitments	16 731	9 024	418	1 709	81	110	28 073
Disposal of commitments	-145	-14	-37	-3	-1	0	-200
Migration to stage 1	3 185	2388	-3 142	-2 461	-40	-1	-71
Migration to stage 2	-1 075	-1 386	1 087	1 804	-17	69	482
Migration to stage 3	-18	-51	-64	-151	80	103	-101
Overridden migration commitments	0	0	0	91	0	-91	0
Other changes	-12 054	-5 995	-1 758	-1 728	-115	-183	-21 833
Commitments at 31.12.2024*	53 542	28 113	3 550	5 964	210	210	91 589

PARENT BANK 2024	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
Commitments at 01.01.2024	11 288	23 128	1 958	6 453	213	203	43 243
New commitments	3 660	8 587	93	1 679	75	110	14 204
Disposal of commitments	-377	-14	-45	-2	-1	0	-439
Migration to stage 1	803	2 313	-803	-2 384	-15	1	-85
Migration to stage 2	-251	-1 372	259	1 790	-9	90	507
Migration to stage 3	-9	-51	-35	-147	43	-22	-221
Overridden migration commitments	0	0	0	91	0	-91	0
Other changes	-3 136	-5 732	-511	-1 627	-100	-81	-11 187
Commitments at 31.12.2024*	11 978	26 859	916	5 853	206	210	46 022

GROUP 2023	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
Commitments at 01.01.2023	43 225	21 556	9 330	4 787	113	781	79 792
New commitments	15 411	8 982	1 652	1 486	6	0	27 537
Disposal of commitments	-10 302	-4 834	-2 307	-1 030	-93	-795	-19 361
Migration to stage 1	3 088	1123	-3 188	-897	-6	-418	-298
Migration to stage 2	-2 297	-3 201	2 269	2 974	-20	0	-275
Migration to stage 3	-21	-7	-59	-45	79	47	-6
Overridden migration commitments	0	416	0	-416	0	0	0
Other changes	-2 186	112	-651	-156	143	588	-2 150
Commitments at 31.12.2023*	46 918	24 147	7 046	6 703	222	203	85 239

PARENT BANK 2023	Stage 1		Stage 2		Stage 3		
	Retail	Corporate	Retail	Corporate	Retail	Corporate	Total
Commitments at 01.01.2023	13 149	20 810	3 055	5 021	95	781	42 911
New commitments	2 916	8 603	350	1 444	9	0	13 322
Disposal of commitments	-3 720	-4 714	-817	-1 001	-82	-795	-11 129
Migration to stage 1	950	1 035	-988	-807	-5	-418	-233
Migration to stage 2	-669	-3 141	661	2 915	-13	0	-247
Migration to stage 3	-12	-7	-21	-42	32	-45	-95
Overridden migration commitments	0	416	0	-416	0	0	0
Other changes	-1 326	126	-282	-661	177	680	-1 286
Commitments at 31.12.2023*	11 288	23 128	1 958	6 453	213	203	43 243

*) The tables above are based on loans to amortised cost (incl. undrawn credit facilities and guarantees) at the reporting date. The figures are thus not reconcilable against "Net loans to and receivables from customers" in the balance sheet, or to exposures in note 7 Commitments broken down into risk classes.

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

GROUP 2024	Stage 1	Stage 2	Stage 3	Total 31.12.2024
Low risk (0 % - < 0.5 %)	66 507	379	-	66 886
Medium risk (0.5 % - < 3 %)	13 886	5 597	-	19 483
High risk (3 % - <100 %)	1 262	3 447	-	4 709
PD=100 %	-	91	420	511
Gross commitments before ECL	81 655	9 514	420	91 589
- ECL	-34	-125	-104	-263
Net commitments *)	81 621	9 389	316	91 326
Gross commitments with overridden migration	0	91	-91	0

PARENT BANK 2024	Stage 1	Stage 2	Stage 3	Total 31.12.2024
Low risk (0 % - < 0.5 %)	25 188	137	-	25 325
Medium risk (0.5 % - < 3 %)	12 502	3 904	-	16 406
High risk (3 % - <100 %)	1 147	2 637	-	3 784
PD=100 %	-	91	416	507
Gross commitments before ECL	38 837	6 769	416	46 022
- ECL	-30	-117	-97	-244
Net commitments *)	38 807	6 652	319	45 778
Gross commitments with overridden migration	0	91	-91	0

GROUP 2023	Stage 1	Stage 2	Stage 3	Total 31.12.2023
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
Gross commitments before ECL	71 065	13 749	425	85 239
- ECL	-48	-120	-98	-266
Net commitments *)	71 017	13 629	327	84 973
Gross commitments with overridden migration	416	-416	0	0

PARENT BANK 2023	Stage 1	Stage 2	Stage 3	Total 31.12.2023
Low risk (0 % - < 0.5 %)	23 077	1 101	-	24 178
Medium risk (0.5 % - < 3 %)	9 732	5 083	-	14 815
High risk (3 % - <100 %)	1 607	2 227	-	3 834
PD=100 %	-	-	416	416
Gross commitments before ECL	34 416	8 411	416	43 243
- ECL	-42	-88	-98	-228
Net commitments *)	34 374	8 323	318	43 015
Gross commitments with overridden migration	416	-416	0	0

*) The tables above are based on loans to amortised cost (incl. undrawn credit facilities and guarantees) at the reporting date. The figures are thus not reconcilable against "Net loans to and receivables from customers" in the balance sheet, or to exposures in note 7 Commitments broken down into risk classes.

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Sensitivity analysis – model-based loss provisions

GROUP - 2024	Scenario weights			Retail	Corporate	Total
	Worst	Basis	Best	ECL	ECL	ECL
Normal development	20 %	70 %	10 %	52	143	195
Negative development	70 %	20 %	10 %	81	180	261
Positive development	10 %	20 %	70 %	45	122	167
100 % weighting base scenario	0 %	100 %	0 %	43	131	174
100 % weighting worst case scenario	100 %	0 %	0 %	99	206	305
100 % weighting best case scenario	0 %	0 %	100 %	39	108	147

GROUP - 2023	Scenario weights			Retail	Corporate	Total
	Worst	Basis	Best	ECL	ECL	ECL
Normal development	20 %	70 %	10 %	94	105	199
Negative development	70 %	20 %	10 %	118	155	273
Positive development	10 %	20 %	70 %	52	76	128
100 % weighting base scenario	0 %	100 %	0 %	90	87	177
100 % weighting worst case scenario	100 %	0 %	0 %	140	196	336
100 % weighting best case scenario	0 %	0 %	100 %	33	62	95

Forbearance split into ECL stages

GROUP/PARENT BANK 2024	Stage 1	Stage 2	Stage 3	Total
Forbearance Retail	0	269	33	302
Forbearance Corporate	0	554	7	561
Total forbearance 31.12.2024	0	823	40	863

GROUP/PARENT BANK 2023	Stage 1	Stage 2	Stage 3	Total
Forbearance Retail	0	328	37	365
Forbearance Corporate	0	308	23	331
Total forbearance 31.12.2023	0	636	60	696

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10 Credit-impaired commitments

The accounting policies regarding assessments of loans are disclosed in note 9. Overdue commitments and overdrafts are continuously monitored. Commitments where a probable deterioration of customer solvency is identified are considered credit-impaired and transferred to stage 3 with lifetime ECL measurement.

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.

GROUP	31.12.2024			31.12.2023		
	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments in default for more than 90 days	159	81	78	96	56	40
Gross other credit-impaired commitments	352	129	223	329	166	163
Gross credit-impaired commitments	511	210	301	425	222	203
ECL on commitments in default for more than 90 days	40	20	20	26	14	12
ECL on other credit-impaired commitments	76	31	45	72	33	39
ECL on credit-impaired commitments	116	51	65	98	47	51
Net commitments in default for more than 90 days	119	61	58	70	42	28
Net other credit-impaired commitments	276	98	178	257	133	124
Net credit-impaired commitments	395	159	236	327	175	152
Total gross loans to customers - Group	87 127	57 872	29 255	81 834	53 795	28 039
Guarantees - Group	2 208	1	2 207	1 249	2	1 247
Gross credit-impaired commitments as a percentage of loans/guarantees	0.58 %	0.36 %	0.97 %	0.51 %	0.41 %	0.69 %
Net credit-impaired commitments as a percentage of loans/guarantees	0.45 %	0.27 %	0.77 %	0.39 %	0.33 %	0.52 %

GROUP	31.12.2024			31.12.2023		
Commitments with probation period	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments with probation period	147	44	103	111	72	39
Gross commitments with probation period in percentage of gross credit-impaired commitments	29 %	21 %	34 %	26 %	32 %	19 %

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PARENT BANK	31.12.2024			31.12.2023		
	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments in default for more than 90 days	155	77	78	96	56	40
Gross other credit-impaired commitments	352	129	223	320	157	163
Gross credit-impaired commitments	507	206	301	416	213	203
ECL on commitments in default for more than 90 days	40	20	20	26	14	12
ECL on other credit-impaired commitments	76	31	45	72	33	39
ECL on credit-impaired commitments	116	51	65	98	47	51
Net commitments in default for more than 90 days	115	57	58	70	42	28
Net other credit-impaired commitments	276	98	178	248	125	124
Net credit-impaired commitments	391	155	236	318	167	152
Total gross loans - Parent bank	51 465	22 738	28 727	49 545	22 152	27 393
Guarantees - Parent bank	2 208	1	2 207	1 249	2	1 247
Gross credit-impaired commitments as a percentage of loans/guarantees	0.96 %	0.91 %	0.99 %	0.82 %	0.96 %	0.71 %
Net credit-impaired commitments as a percentage of loans/guarantees	0.74 %	0.69 %	0.78 %	0.63 %	0.75 %	0.53 %

PARENT BANK	31.12.2024			31.12.2023		
Commitments with probation period	Total	Retail	Corporate	Total	Retail	Corporate
Gross commitments with probation period	147	44	103	111	72	39
Gross commitments with probation period in percentage of gross credit-impaired commitments	29 %	21 %	34 %	27 %	34 %	19 %

Quantitative information on collateral and other credit enhancements on credit-impaired commitments

GROUP 2024	Credit-impaired commitments	Provision for expected credit losses	Assessed value of collateral
Retail	210	-51	152
Corporate	301	-65	353
Total	511	-116	505

GROUP 2023	Credit-impaired commitments	Provision for expected credit losses	Assessed value of collateral
Retail	222	-47	175
Corporate	203	-51	236
Total	425	-98	411

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11 Market risk

The bank's Board of Directors stipulates the long-term targets with regards to the bank`s risk profile. These targets are made operational through powers of attorney and limits delegated within the organisation. Sparebanken Møre manages market risk and handles powers of attorney, limits and guidelines relating to financial instruments based on board adopted strategy documents. The strategy documents are subject to periodical reviews and are revised/adopted once every year by the bank's Board of Directors. In addition, the documents shall be passed on to, approved and understood by the operative units, the bank's control functions and administration. In order to ensure the necessary quality and independence, the development of risk management tools and the execution of the risk reporting are organised in a separate unit, independent of the operative units.

Market risk in the Group is measured and monitored based on conservative limits, renewed and approved by the Board at least annually.

Interest rate risk is presented in note 12, foreign exchange risk in note 13 and financial derivatives in note 25.

12 Interest rate risk

Interest rate risk occurs due to the fact that the Group may have different interest rate periods on its assets and liabilities. Sparebanken Møre measures interest rate risk through analyses, showing the impact on the overall result of a 1 percentage point parallel shift in the yield curve. In this way, it is possible to quantify the risk incurred by the bank and the effect it has on the result there being changes in the interest rates in the market. The analysis shows effective maturity for the interest-bearing part of the balance sheet. The longer funds are fixed in the case of a placement, the greater is the potential loss or gain following an increase or a fall in the interest rates in the market. The Group has a short interest-fixing period overall and the interest rate risk is deemed to be low. The table below shows the potential impact on the overall result of changes in value of financial assets and liabilities for the Group by an increase in interest rates of one percentage point. The calculation is based on the current positions and market interest rates at 31 December and confirms the bank's low risk tolerance for changes in value due to interest rate developments.

A change was made to the methodology for calculating interest rate risk in 2024(now calculated in accordance with the "EBA Guidelines on IRRBB and CSRBB(EBA/GL/2022/14)"). The figures for 2023 have thus been restated and calculated according to the same method as the figures for 2024.

INTEREST RATE RISK

GROUP			PARENT BANK	
31.12.2023	**31.12.2024**	**Maturity buckets**	**31.12.2024**	**31.12.2023**
8	11	Up to 1 month	-4	-6
-61	-51	1 - 3 months	-32	-40
33	22	3 - 12 months	21	29
86	93	1 - 5 years	95	89
147	154	Above 5 years	155	147
213	229	Total	234	219
-17	-14	Certificates, bonds and other interest-bearing securities	-14	-17
-14	-19	Loans to and receivables from customers, with fixed interest rate	-12	-8
-90	-86	Other loans	-32	-41
279	283	Deposits from customers	282	277
54	64	Bonds issued	9	7
1	1	Other balance sheet items	1	1
213	229	Total	234	219

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13 Foreign exchange risk

Sparebanken Møre measures foreign exchange risk on the basis of its net positions in the different currencies. It is a main principle that all transactions involving customers must be hedged immediately by doing opposite transactions in the market so that the bank's foreign exchange risk is reduced to a minimum. The bank does not trade on its own account as far as foreign currency instruments are concerned. All balance sheet items in foreign currencies are converted into Norwegian kroner based on traded price on the balance sheet date. Current income and costs are converted into Norwegian kroner at the prices ruling on transaction date. Net realised and unrealised gains or losses are included in the income statement. Throughout the year, unintentional foreign exchange risk has been at a minimum level.

GROUP - 2024	Total	NOK	Currency	Of which: USD	EUR	DKK	CHF	Other
Cash and receivables from Norges Bank	447	447	0					
Loans to and receivables from credit institutions	702	586	116	36	40	7	13	20
Loans to and receivables from customers	86 875	82 965	3 910	2 060	836	401	318	295
Certificates and bonds	12 144	11 466	678		604			74
Other assets	2 167	2 117	50	19	16	5	1	9
Total assets	102 335	97 581	4 754	2 115	1 496	413	332	398
Loans and deposits from credit institutions	1 994	1 983	11	10				1
Deposits from customers	49 550	48 612	938	224	695	6		13
Debt securities issued	38 906	26 351	12 555		12 555			0
Other liabilities	2 002	1 967	35	28				7
Subordinated loan capital	857	857	0					0
Equity	9 026	9 026	0					0
Total liabilities and equity	102 335	88 796	13 539	262	13 250	6	0	21
Forward exchange contracts			8 782	-1 873	11 759	-401	-331	-372
Net exposure foreign exchange			-3	-20	5	6	1	5
Effect of a 10 per cent exchange rate change	0							

GROUP - 2023	Total	NOK	Currency	Of which: USD	EUR	DKK	CHF	Other
Cash and receivables from Norges Bank	266	266	0					
Loans to and receivables from credit institutions	919	832	87	45	0	2	14	26
Loans to and receivables from customers	81 572	77 928	3 644	2 004	622	357	400	261
Certificates and bonds	11 898	11 003	895		759			136
Other assets	2 080	2 026	54	33	8	3	6	4
Total assets	96 735	92 055	4 680	2 082	1 389	362	420	427
Loans and deposits from credit institutions	1 727	1 703	24	9	13		0	2
Deposits from customers	47 410	46 683	727	255	434		12	26
Debt securities issued	36 170	27 320	8 850		8 850			
Other liabilities	1 891	1 825	66	55	11			0
Subordinated loan capital	857	857	0					
Equity	8 680	8 680	0					
Total liabilities and equity	96 735	87 068	9 667	319	9 308	0	12	28
Forward exchange contracts			4 992	-1 770	7 920	-359	-400	-399
Net exposure foreign exchange			5	-7	1	3	8	0
Effect of a 10 per cent exchange rate change	1							

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PARENT BANK - 2024	Total	NOK	Currency	Of which: USD	EUR	DKK	CHF	Other
Cash and receivables from Norges Bank	447	447	0					
Loans to and receivables from credit institutions	5 111	4 995	116	36	40	7	13	20
Loans to and receivables from customers	51 232	47 322	3 910	2 060	836	401	318	295
Certificates and bonds	12 217	11 539	678		604			74
Other assets	3 365	3 315	50	19	16	5	1	9
Total assets	72 372	67 618	4 754	2 115	1 496	413	332	398
Loans and deposits from credit institutions	3 116	3 105	11	10				1
Deposits from customers	49 699	48 761	938	224	695	6		13
Debt securities issued	7 683	7 683	0					0
Other liabilities	2 136	2 101	35	28				7
Subordinated loan capital	857	857	0					0
Equity	8 881	8 881	0					0
Total liabilities and equity	72 372	71 388	984	262	695	6	0	21
Forward exchange contracts			-3 773	-1 873	-796	-401	-331	-372
Net exposure foreign exchange			-3	-20	5	6	1	5
Effect of a 10 per cent exchange rate change	0							

PARENT BANK - 2023	Total	NOK	Currency	Of which: USD	EUR	DKK	CHF	Other
Cash and receivables from Norges Bank	266	266	0					
Loans to and receivables from credit institutions	4 796	4 709	87	45	0	2	14	26
Loans to and receivables from customers	49 321	45 677	3 644	2 004	622	357	400	261
Certificates and bonds	11 744	10 849	895		759			136
Other assets	3 198	3 144	54	33	8	3	6	4
Total assets	69 325	64 645	4 680	2 082	1 389	362	420	427
Loans and deposits from credit institutions	2 550	2 526	24	9	13		0	2
Deposits from customers	47 510	46 783	727	255	434		12	26
Debt securities issued	7 859	7 859	0					0
Other liabilities	2 003	1 937	66	55	11			0
Subordinated loan capital	857	857	0					0
Equity	8 546	8 546	0					0
Total liabilities and equity	69 325	68 508	817	319	458	0	12	28
Forward exchange contracts			-3 858	-1 770	-930	-359	-400	-399
Net exposure foreign exchange			5	-7	1	3	8	0
Effect of a 10 per cent exchange rate change	1							

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14 Liquidity risk

The management of Sparebanken Møre's funding structure is defined in an overall financing strategy which is evaluated and agreed by the Board of Directors at least once every year. In this strategy document, the bank's targets relating to the maintenance of its financial strength are described, and actual limits for the bank's liquidity management within different areas are defined. Liquidity management also includes stress tests according to which the liquidity effect of different scenarios is simulated by quantifying the probability of refinancing from the various sources of funding involved. Part of the bank's strategy is to apply diversification to its funding with regards to sources, markets, financial instruments and maturities, the object being to reduce the overall risk.

To ensure the Group's liquidity risk being kept at a low level, lending to customers should primarily be funded by customer deposits and long-term debt securities. Liquidity risk is managed through both short-term limits that restrict net refinancing needs, and a long-term management target.

The Group`s deposit-to-loan ratio, calculated including transferred mortgages to Møre Boligkreditt AS, amounted to 56.9 per cent at the end of 2024, opposed to 57.9 per cent at the end of 2023.

The average residual maturity of the portfolio of senior bonds and covered bonds were respectively 2.19 years and 3.15 years at the end of 2024, compared with 2.74 years and 2.95 years one year earlier.

The bank also has holdings of securities, which are included as part of the ongoing liquidity management. See additional information in note 22 and 24.

In the table, deposits, including interest, are placed in the earliest maturity bucket for disbursement. Undrawn credits, loan commitments and guarantees are also placed in the maturity bucket "Up to 1 month". Payment of principal and interest on loans is placed in the respective maturity buckets, and the deducted part of credits is placed in the maturity bucket in which the credit matures.

The figures for 2023 with regard to «Loans to and receivables from customers» have been restated as the figures in the annual report for 2023 did not include interest.

Liquidity risk 31.12.2024

GROUP	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	No specified maturity	Total
Assets							
Cash and receivables from Norges Bank	447						447
Loans to and receivables from credit institutions	702						702
Loans to and receivables from customers	607	1 201	6 053	37 858	76 575	9 897	132 191
Certificates and bonds	432	1 016	1 738	10 425	241		13 852
Total assets	2 188	2 217	7 791	48 283	76 816	9 897	147 192
Liabilities							
Loans and deposits from credit institutions	1 994						1 994
Deposits from customers	40 925	571	8 439	4			49 939
Debt securities issued	28	2 289	6 758	34 781			43 856
Subordinated loan capital	6	8	41	974			1 029
Loan commitments, guarantees and undrawn credits	8 905						8 905
Total liabilities	51 858	2 868	15 238	35 759	0	0	105 723
Financial derivatives							
Cash inflow	65	276	1 854	4 507	399		7 101
Cash outflow	59	450	2 071	5 131	383		8 094
Total financial derivatives	6	-174	-217	-624	16	0	-993

Liquidity risk 31.12.2023

GROUP	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	No specified maturity	Total
Assets							
Cash and receivables from Norges Bank	266						266
Loans to and receivables from credit institutions	919						919
Loans to and receivables from customers	644	1 890	6 748	35 555	69 899	9 396	124 132
Certificates and bonds	122	990	1 950	9 701	483		13 246
Total assets	1 951	2 880	8 698	45 256	70 382	9 396	138 563
Liabilities							
Loans and deposits from credit institutions	1 727						1 727
Deposits from customers	37 018	33	9 997	35			47 083
Debt securities issued	41	2 624	4 803	32 457	1 035		40 960
Subordinated loan capital	6	8	42	1 029			1 085
Loan commitments, guarantees and undrawn credits	8 302						8 302
Total liabilities	47 094	2 665	14 842	33 521	1 035	0	99 157
Financial derivatives							
Cash inflow	54	198	1 088	3 708	563		5 611
Cash outflow	77	300	1 265	4 064	538		6 244
Total financial derivatives	-23	-102	-177	-356	25	0	-633

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Liquidity risk 31.12.2024

PARENT BANK	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	No specified maturity	Total
Assets							
Cash and receivables from Norges Bank	447						447
Loans to and receivables from credit institutions	5 111						5 111
Loans to and receivables from customers	399	785	4 156	27 730	35 362	4 718	73 150
Certificates and bonds	305	1 016	1 735	10 339	241		13 636
Total assets	6 262	1 801	5 891	38 069	35 603	4 718	92 344
Liabilities							
Loans and deposits from credit institutions	3 116						3 116
Deposits from customers	40 925	571	8 439	4			49 939
Debt securities issued	28	59	1 803	7 325			9 215
Subordinated loan capital	6	8	41	974			1 029
Loan commitments, guarantees and undrawn credits	7 674						7 674
Total liabilities	51 749	638	10 283	8 303	0	0	70 973
Financial derivatives							
Cash inflow	65	240	1 428	3 398	378		5 509
Cash outflow	59	257	1 495	3 271	371		5 453
Total financial derivatives	6	-17	-67	127	7	0	56

Liquidity risk 31.12.2023

PARENT BANK	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	No specified maturity	Total
Assets							
Cash and receivables from Norges Bank	266						266
Loans to and receivables from credit institutions	4 796						4 796
Loans to and receivables from customers	444	1 468	4 914	26 280	34 007	4 500	71 613
Certificates and bonds	121	953	1 945	9 579	483		13 081
Total assets	5 627	2 421	6 859	35 859	34 490	4 500	89 756
Liabilities							
Loans and deposits from credit institutions	2 550						2 550
Deposits from customers	37 118	33	9 997	35			47 183
Debt securities issued	41	41	1 220	7 248	1 035		9 585
Subordinated loan capital	6	8	42	1 029			1 085
Loan commitments, guarantees and undrawn credits	7 674						7 674
Total liabilities	47 389	82	11 259	8 312	1 035	0	68 077
Financial derivatives							
Cash inflow	54	167	828	3 040	525		4 614
Cash outflow	44	187	823	2 990	523		4 567
Total financial derivatives	10	-20	5	50	2	0	47

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15 Net interest income

Interest income is recognised as income using the effective interest rate method. This implies interest income being recognised when received plus amortisation of establishment fees. The effective interest rate is set by discounting contractual cash flows within the expected term.

Recognition of interest income using the effective interest rate method is used both for balance sheet items valued at amortised cost, and balance sheet items valued at fair value through the income statement, with the exception of establishment fees on loans at fair value which are recognised as income when earned. Changes in value related to balance sheet items that are valued at fair value through profit or loss are included in "Net gains/losses from financial instruments" in the income statement. Interest income on impaired loans is calculated as the effective interest rate on the impaired value. Interest income on financial instruments is included in the line item "Net interest income".

Net interest income

GROUP 2024				PARENT BANK 2024		
Measured at fair value	Measured at amortised cost	Total		Total	Measured at amortised cost	Measured at fair value
			Interest income:			
	43	43	Loans to and receivables from credit institutions	210	210	
220	5 072	5 292	Loans to and receivables from customers	3 395	3 314	81
633		633	Certificates, bonds and other interest-bearing securities	621		621
853	5 115	5 968	Total interest income	4 226	3 524	702
			Interest expenses:			
	75	75	Liabilities to credit institutions	132	132	
7	1 725	1 732	Deposits from and liabilities to customers	1 733	1 726	7
	1 983	1 983	Debt securities issued	468	468	
	56	56	Subordinated loan capital	56	56	
	51	51	Other interest expenses	45	45	
7	3 890	3 897	Total interest expenses	2 434	2 427	7
846	1 225	2 071	Net interest income	1 792	1 097	695

GROUP 2023				PARENT BANK 2023		
Measured at fair value	Measured at amortised cost	Total		Total	Measured at amortised cost	Measured at fair value
			Interest income:			
	66	66	Loans to and receivables from credit institutions	241	241	
178	4 155	4 333	Loans to and receivables from customers	2 744	2 691	53
517		517	Certificates, bonds and other interest-bearing securities	507		507
695	4 221	4 916	Total interest income	3 492	2 932	560
			Interest expenses:			
	35	35	Liabilities to credit institutions	77	77	
4	1 249	1 253	Deposits from and liabilities to customers	1 253	1 249	4
	1 622	1 622	Debt securities issued	394	394	
	54	54	Subordinated loan capital	54	54	
	52	52	Other interest expenses	47	47	
4	3 012	3 016	Total interest expenses	1 825	1 821	4
691	1 209	1 900	Net interest income	1 667	1 111	556

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16 Net commision and other income

Guarantee commissions are recognised as they occur, equal to interest income.

All fees related to payment transactions are recognised as income when the transaction occurs. Fees and charges from sales or brokerage of equities, equity funds, insurance, property or other investment objects that do not generate balance sheet items in the bank's accounts, are recognised as income when the income generating activity is completed. Customer trades involving financial instruments will generate income in the form of margins and broker's commissions, which are recognised as income when the trade has been executed. Dividends on equities are recognised as income when the dividend is finally approved.

GROUP			PARENT BANK	
2023	**2024**		**2024**	**2023**
27	27	Guarantee commission	27	27
29	33	Income from the sale of insurance products (non-life/personal)	33	29
17	15	Income from the sale of shares in unit trusts/securities	15	17
47	55	Income from Discretionary Portfolio Management	56	47
95	99	Income from payment transfers	99	95
43	42	Other fees and commission income	42	42
258	271	Commission income and income from banking services	271	257
-42	-40	Commission expenses and expenses from banking services	-39	-41
33	47	Income from real estate brokerage	0	0
1	9	Other operating income	58	50
34	56	Total other operating income	58	50
250	287	Net commision and other income	290	266

The following tables list commission income and costs covered by IFRS 15 broken down by the largest main items and allocated per segment.

Net commission and other income

2024	Group	Other	Corporate	Retail	Real estate brokerage
Guarantee commission	27	1	26	0	0
Income from the sale of insurance products (non-life/personal)	33	3	3	27	0
Income from the sale of shares in unit trusts/securities	15	2	1	12	0
Income from Discretionary Portfolio Management	55	3	27	25	0
Income from payment transfers	99	7	23	68	0
Other fees and commission income	42	3	21	18	0
Commission income and income from banking services	271	19	101	151	0
Commission expenses and expenses from banking services	-40	-16	-2	-22	0
Income from real estate brokerage	47	0	0	0	47
Other operating income	9	5	0	4	0
Total other operating income	56	5	0	4	47
Net commision and other income	287	8	99	133	47

2023	Group	Other	Corporate	Retail	Real estate brokerage
Guarantee commission	27	0	27	0	0
Income from the sale of insurance products (non-life/personal)	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 income	250	5	93	119	33

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17 Net gains and losses from financial instruments

GROUP				PARENT BANK	
2023	2024		Note	2024	2023
16	17	Interest hedging (for customers)		20	17
31	31	Currency hedging (for customers)		31	31
1	14	Dividend received	29	146	154
10	-9	Net gains/losses on equities		-9	10
-2	-8	Net gains/losses on bonds		-6	0
17	-6	Change in value of fixed-rate loans	24	-11	6
-26	-1	Derivatives related to fixed-rate loans		-4	-18
-1 172	-252	Change in value of issued bonds		14	-55
1 173	259	Derivatives related to issued bonds		6	69
-3	-2	Net gains/losses related to buy back of issued bonds		0	-3
0	0	Other change in value		11	-14
45	43	Net gains/losses from financial instruments		198	197

Changes in value of financial instruments in fair value hedging recognised in the income statement

GROUP			PARENT BANK	
2023	2024		2024	2023
-382	-122	Value secured debt securities with changes in value recognised in the income statement	14	-55
383	120	Financial derivatives applied in hedge accounting	-12	55
1	-2	Total	2	0

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18 Salaries

As at 31.12.2024, the bank had no obligations in relation to its Chief Executive Officer (CEO), the members of the Board of Directors or other employees regarding any special payment on termination or change of employment or positions, except a 6-month severance pay for the CEO. Furthermore, there are no accounting-related obligations relating to bonuses, profit sharing, options or similar for any of the abovementioned persons. Regarding the bonus schemes in the Group, see the discussion in the NUES document paragraph 12, in addition to a discussion in the bank's remuneration report. The CEO's contract includes a 6-month period of notice. Reference is also made to note 20, containing a description of pension schemes. All salaries and other remuneration for the Group's employees and related parties are charged to the income statement at the end of the accounting year. Pension costs are an accounting-related expense for the bank, including the payment of premiums relating to the various pension schemes.

GROUP – Wages, salaries, other remuneration, pensions

Salaries to the CEO amounted to NOK 3,297,650 in 2024 (2023: NOK 3,050,358). The estimated value of benefits in kind totalled NOK 369,743 (2023: NOK 529,384). In addition, NOK 157,523 has been charged to the income statement related to the CEO's pension agreement (2023: NOK 165,044) (note 20). The CEO has a retirement age of 65 and during the period from 65 to 67 years, it will be paid an annual pension corresponding to 70 per cent of the final salary. The CEO is also included in the bank's ordinary defined contribution pension scheme.

GROUP			PARENT BANK	
2023	2024	(NOK million)	2024	2023
320	354	Wages, salary, holiday pay and other cash-based benefits	329	300
3	3	Fees paid to members of the Board of Directors	3	3
20	22	Bonus/profit sharing 1)	22	20
25	24	Pension expenses (note 20)	23	25
82	88	Employers' social security contribution and Financial activity tax	84	79
32	34	Other personnel expenses	33	31
482	525	Total wages and salary expenses	494	458

2023	2024	Manning levels:	2024	2023
400	402	Number of man-years as at 31.12	380	377
387	401	Number of man-years employed in the financial year	379	367

1) Part of the bonus (approximately 50 %) for 2024 and 2023 was given in the form of equity certificates (MORG). The equity certificates (ECs) were purchased in the market at market price, a total of 91.376 in 2024 and 56.549 ECs in 2023.

Remuneration to the Board of Directors

GROUP (NOK thousand)	2024	2023
Styret	2 078	2 105

Loans, deposits and guarantees

GROUP (NOK million)	31.12.2024		31.12.2023	
	Loans	Deposits	Loans	Deposits
Board of Directors	29	2	27	2
Employees	1 543	161	1 462	176

Ordinary customer terms and conditions have been applied to loans and other commercial services provided for members of the Board of Directors.

No guarantees have been issued to any of the members of the Board of Directors or employees.

Interest rate subsidy of loans to the employees

The total benefit in kind relating to loans provided at a rate of interest lower than the interest rate (average 5.2 per cent in 2024) which triggers a basis for taxing such benefits in kind to the employees has been estimated at NOK 24,110,739 (2023: NOK 15,680,160).

Interest income and interest expenses related to the Board of Directors

(NOK thousand)	2024	2023
Interest income	1 353	838
Interest expenses	76	87

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Wages, salaries and other remuneration

PARENT BANK (NOK thousand)	**Wages/salaries**		**Other remuneration**	
	2024	**2023**	**2024**	**2023**
Board of Directors				
Roy Reite, Chair of the Board	455	373		
Kåre Øyvind Vassdal, Deputy Chair	301	290		
Birgit Midtbust	251	175		
Terje Bøe	209	151		
Jill Aasen	261	265		
Therese Monsås Langset	212	203		
Marie Rekdal Hide, employee representative	204	196		
Bjørn Følstad, employee representative	185	190		
Former members of the Board:				
Leif-Arne Langøy, Chair of the Board	-	124		
Henrik Grung, Deputy Chair	-	59		
Signy Starheim	-	64		
Ann Magritt Bjåstad Vikebakk	-	15		
Total remuneration to the Board of Directors	2 078	2 105		
CEO				
Trond Lars Nydal	3 298	3 050	370	529
Executive Management				
EVP, Corporate Banking Division, Terje Krøvel	1 915	1 810	417	373
EVP, Retail Banking Division, Elisabeth Blomvik	1 552	1 457	483	409
EVP, Finance, John Arne Winsnes 1)	2 122	2 071	147	121
EVP, Risk Management and Compliance, Erik Røkke 1)	1 422	1 366	374	306
EVP, Organizational Development, Kjetil Hauge	1 426	1 352	383	311
EVP, Business Support, Ove Skjeret	1 522	1 344	199	134
Total remuneration to the Executive Management	9 959	9 400	2 003	1 654
Other employess with tasks of significant importance for the bank's risk exposure				
Managing Director Møre Boligkreditt AS, Ole Kjerstad	1 078	1 009	358	308
Head of Treasury, Ove Ness	1 123	1 051	307	267
Head of Credit, Signe Lade Sølvik	1 167	899	287	297
Former other employees with controller responsibilities:				
Head of Operational Risk, Laila Hurlen	1 000	1 028	56	74
Head of Risk Management, Leif Kylling	-	988	-	287

1) Employees with tasks of significant importance for the bank's risk exposure

Loans

(NOK thousand)	**Loans**	
	31.12.2024	**31.12.2023**
Board of Directors		
Roy Reite, Chair of the Board	-	-
Kåre Øyvind Vassdal, Deputy Chair	3 564	3 793
Birgit Midtbust	5 430	2 768
Terje Bøe	10 193	10 579
Jill Aasen	-	-
Therese Monsås Langset	5 249	5 822
Marie Rekdal Hide, employee representative	4 679	4 133
Bjørn Følstad, employee representative	-	-
CEO		
Trond Lars Nydal	3 117	3 300
Employees	1 542 526	1 462 172

Loans and other commercial services to members of the Board of Directors are subject to ordinary customer terms.

No guarantees have been issued to the members of the Board of Directors, CEO or employees.

Loans to the CEO and employee representatives are granted on employee terms.

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19 Operating expenses excl. personnel expenses

The table gives an overview of key cost items:

GROUP			PARENT BANK	
2023	**2024**	(NOK million)	**2024**	**2023**
19	17	Operating expenses own and rented premises	15	17
8	7	Maintenance of fixed assets	7	8
168	209	IT-expenses	204	164
47	44	Marketing expenses	44	47
32	37	Purchase of external services (incl.fees to external auditor)	30	27
9	9	Expenses related to postage, telephone and newspapers etc.	9	9
6	6	Travel expenses	5	5
12	13	Capital tax	13	12
26	33	Other operating expenses	20	19
328	375	Total other operating expenses	347	308

Specification of fees paid to External Auditor (including value added tax)

GROUP			PARENT BANK	
2023	**2024**	(NOK thousand)	**2024**	**2023**
2 510	2 481	Fees for statutory audit	1 842	1 805
311	671	Fees for other attestation services	468	76
0	0	Fees regarding tax consulting	0	0
833	927	Fees for other non-audit services	728	604
3 654	4 079	Fees to External Auditor (including value added tax)	3 038	2 485

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20 Pension

The Group has two pension plans, a defined benefit plan and a defined contribution plan. The Group also participates in the statutory early retirement pension (SERP) scheme.

The Group`s pension plans meet the requirements in the regulations regarding pensions.

Defined benefit pension scheme in own pension fund
The existing benefit-based pension plan was closed to new members as at 31 December 2009. With effect from 31.12.2015, the benefit-based scheme was further closed by transferring all employees born in 1959 or later from the defined benefit scheme to the defined contribution scheme.

The discount rate is based on the interest rate on corporate bonds with high credit ratings.

The portion of the Group’s pension scheme which is defined benefit, entitles employees to agreed future pension benefits equal to the difference between 70 per cent of final salary at vesting age of 67 years and estimated benefits from the Norwegian National Insurance Scheme, assuming full vesting (30 years). This liability comprises 8 (2023: 18) active members and 285 (2023: 285) pensioners at the end of 2024.

Contribution based pension scheme
The Group`s contribution-based pension schemes are delivered by DNB and a percentage of income is paid into the scheme, depending on the individual's level of income, and the payments are expensed as they occur. The contribution-based pension scheme has contribution rates of 7 per cent of salary in the range up to 7.1 times the national insurance basic amount (G) and 15 per cent of salary in the range from 7.1 to 12 G. Pension payments are expensed as they occur and are recognised in Wages, salaries etc. in the income statement.

The bank's subsidiary Møre Eiendomsmegling AS has a contribution-based pension scheme for its employees. The contribution represents 3 per cent of the employee's salary.

The Group`s costs related to the contribution-based pension schemes amounted to NOK 25 million in 2024 (NOK 22 million in 2023).

Pension agreement for the bank`s CEO
The CEO has a retirement age of 65 years and during the period between 65 to 67 years, it will be paid an annual pension amounting to 70 per cent of final salary. The CEO is also included in the bank’s ordinary defined contribution pension scheme.

Statutory early retirement pension (SERP)
The SERP scheme is not an early retirement scheme, but a scheme that provides a lifelong addition to the ordinary pension. Employees covered by the scheme, and who meets the requirements, can choose to join the SERP scheme from the age of 62, including in parallel with staying in work, and by working until 67 years old it provides additional earnings. The SERP scheme is a defined benefit based multi-enterprise pension scheme and is funded through premiums which are determined as a percentage of pay. The premium for 2024 was set at 2.6 per cent of total payments between 1 G (G = the national insurance basic amount) and 7.1 G to the company`s employees between 13 and 61 years old. For 2025 the premium is set at 2.7 per cent. The scheme does not involve the building up of a fund and the level of premiums is expected to increase in the coming years. At the moment, there is no reliable measurement and allocation of the liabilities and funds in the scheme. The scheme is treated in the financial statements as a contribution-based pension scheme in which premium payments are expensed on an ongoing basis and no provisions are made in the financial statements. Premium payments amount to NOK 4 million in 2024 (NOK 4 million in 2023).

The figures in the table below are equal for the parent bank and the Group.

Financial and actuarial assumptions	Liabilities		Expenses	
	31.12.2024	31.12.2023	2024	2023
Discount rate/expected return on pension resources	4.10	4.20	4.20	3.75
Wages and salary adjustment	3.30	3.75	3.75	3.75
Pension adjustment	0	0	0	0
Adjustment of the National Insurance`s basic amount	3.25	3.50	3.50	3.50
Employers` social security contribution	19.10	19.10	19.10	19.10
Table for mortality rate, etc	K 2013BE	K 2013BE	K 2013BE	K 2013BE
Disability tariff	IR02	IR02	IR02	IR02

Pension expenses in ordinary result	2024	2023
Present value of pension accruals during the year, including administration expenses	1	1
Interest expenses of incurred pension liabilities	10	9
Expected return on pension resources	-11	-11
Net pension expenses for the pension fund	0	-1
Change in present value of pension accruals relating to other pension schemes	-6	-1
Pension expenses charged to the profit and loss, incl. payments to the defined-benefit- and the SERP-schemes	31	25
Total pension expenses	25	23

Specification of estimate deviations in comprehensive income	2024	2023
Change in discount rate	-3	13
Change in other financial assumptions	12	-12
Estimate deviations on pension funds	0	0
Total estimate deviations (positive figure is income, negative figure is expense)	9	1

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Total pension liabilities/-funds	31.12.2024	31.12.2023
Pension liabilities	240	242
Value of pension resources	-320	-301
Net pension liabilities/-funds relating to the pension fund	-80	-59
Net pension liabilities relating to members of the bank's executive management/bank managers	23	28
Total net pension liabilities/-funds	-57	-31
-Of which presended under assets: "Overfunded pension liability"	-80	-59
-Of which presented under liabilities: "Pension liabilities"	23	28

Sensitivity analysis	Change in the discount rate in %	Effect on the liability in % as at 31.12.2024	Effect on the pension expenses in % in 2024
The funded plan (Pension Fund)	0.5	-4.9	-4.3
The funded plan (Pension Fund)	-0.5	5.3	4.7
Unfunded schemes (Other schemes)	0.5	-4.7	-4.1
Unfunded schemes (Other schemes)	-0.5	5.1	4.3

The sensitivity analysis above is based on a change in the discount rate, given that all other factors remain constant.

Sensitivity calculations are performed using the same method as the actuarial calculation for the calculation of the pension liability in the balance sheet.

Investment profile - pension resources	31.12.2024		31.12.2023	
	Fair value	%	Fair value	%
Shares	133	19.6	127	19.3
Fund shares	114	16.8	98	14.9
Bonds/certificates	400	58.9	406	61.7
Bank deposits	32	4.7	27	4.1
Total pension resources	679	100.0	658	100.0

NOK 320 million (NOK 301 million) of the total pension resources of NOK 679 million (NOK658 million) are related to the defined benefit scheme in Sparebanken Møre. The remaining pension resources (excluding the paid-in equity of NOK 139 million in the Pension Fund) are related to issued paid-up policies, administered by Sparebanken Møre's Pension Fund.

Management of the Pension Fund`s resources

Sparebanken Møre has its own pension fund managing payments of the pension benefits at a vesting age of 67 years.

The capital shall be managed in consideration of security, the diversification of risk, return and liquidity. The Pension Fund shall manage the assets in such a way that the correct compliance with the insurance liabilities involved is secured and safeguarded. In particular, the management of the Pension Fund shall ensure security over time against the background of the Pension Fund's long-term liabilities.

The Pension Fund has invested in 16,469 (22,347) ECs issued by Sparebanken Møre. Beyond this, the Pension Fund has not invested in financial instruments issued by Sparebanken Møre or in properties owned or used by the bank.

The Pension Fund has a deposit of NOK 15 million in Sparebanken Møre in 2024 (NOK 14 million).

Return on pension resources in %	31.12.2024	31.12.2023
Total pension resources	6.91	9.14

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21 Taxes

Tax expense consists of income tax payable and changes in deferred tax.

Sparebanken Møre is subject to financial tax and has therefore a tax rate of 25 per cent both for 2024 and 2023. The subsidiaries, however, have a tax rate of 22 per cent both for 2024 and 2023. For the parent bank this means that both tax payable and deferred taxes are calculated at a tax rate of 25 per cent for all the years, while the tax rate applied for the subsidiaries is 22 per cent.

The entire tax expense is related to Norway.

Tax expense recognised in the income statement

GROUP			PARENT BANK	
2023	**2024**		**2024**	**2023**
270	349	Tax payable on profit for the period	347	268
64	-9	Changes in deferred taxes in the income statement	-55	28
0	0	Changes in estimates related to prior years	0	0
334	340	Tax expense	292	296
24.0	23.8	Effective tax rate (tax expense as a percentage of pre tax profit)	21.9	21.6

Tax expense recognised in the comprehensive income

GROUP			PARENT BANK	
2023	**2024**		**2024**	**2023**
0	2	Changes in deferred taxes due to pension estimate deviations	2	0
-8	-8	Tax effect on tax payable related to changes in value on basis spreads	0	0
-8	-6	Tax expense in comprehensive income	2	0

Specification of the difference between the pre-tax profit and the income subject to tax

GROUP			PARENT BANK	
2023	**2024**		**2024**	**2023**
1 389	1 426	Pre tax profit	1 336	1 373
-11	-5	Non-taxable income and non-deductable expenses related to shares	-137	-164
-49	-63	Deductable interests on Additional Tier 1 capital treated as equity	-63	-49
24	28	Other non-taxable income and non-deductable expenses	28	25
-387	44	Changes in temporary differences	221	-111
966	1 430	Taxable income	1 386	1 074
270	349	Tax payable on ordinary profit (25 % for the parent bank and 22 % for the subsidiaries)	347	268
0	0	Tax payable on comprehensive income (25 % for the parent bank and 22 % for the subsidiaries)	0	0
270	349	Tax payable	347	268

Specification of temporary differences and the computation of deferred tax

GROUP			PARENT BANK	
31.12.2023	**31.12.2024**		**31.12.2024**	**31.12.2023**
		Temporary differences relating to:		
-13	-10	Fixed assets	-11	-14
256	273	Pension liabilities	273	256
837	628	Other temporary differences	-82	159
1 080	891	Net negative (-) / positive differences recognised in the income statement	180	401
-225	-216	Share of net pension liability recognised in other comprehensive income	-216	-225
5	5	Limited partnerships	5	5
860	680	Total negative (-) / positive differences	-31	181
-152	-5	Loss carried forward	0	0
161	148	Deferred tax asset (-) or liability (25 % for the parent bank and 22 % for the subsidiaries)	-8	45

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Reconciliation of tax expense and pre-tax profit

GROUP			PARENT BANK	
2023	**2024**		**2024**	**2023**
343	350	25 % of pre-tax profit (22 % for the subsidiaries)	334	343
-3	-1	Equities 25 % (22 %)	-34	-41
-6	-9	Other non-taxable income and non-deductable expenses 25 % (22 %)	-9	-6
0	0	Changes in estimates related to prior years	0	0
334	340	Total tax expense	292	296

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22 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 fulfilled, 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

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

LOANS AND RECEIVABLES

All loans and receivables are measured in the balance sheet at fair value at first assessment, with the addition of directly attributable transaction costs for instruments which are not measured at fair value with value changes recognised in the income statement. Fair value when first assessed is normally the same as the transaction price. When determining the loan's value at the time of transaction (transaction price), direct transaction costs are deducted and subject to accrual accounting over the lifetime of the loan as part of the loan's effective interest rate. Loans are subsequently measured at amortised cost by applying the effective interest rate method. The effective rate of interest is the rate at the signing time which exactly discounts estimated, future cash flows over the loan's expected lifetime, to the net book value of the loan. By conducting this calculation, all cash flows are estimated, and all contractual terms and conditions of the loan are taken into consideration.

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 (with a maturity of less than one year), 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 with any value changes through the income statement. The portfolio is held solely for liquidity management and is traded to optimize returns within current quality requirements of the liquidity portfolio.

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

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

Financial derivatives are contracts signed to mitigate an existing interest rate or currency risk incurred by the bank. Financial derivatives are recognised at fair value, with any changes in value through the income statement and recognised gross per contract, as either asset or liability.

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

Losses and gains resulting from changes in value of the assets and liabilities measured at fair value, with changes in value recognised in the income statement, are accounted for in the period in which they occur.

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GROUP - 31.12.2024	Fair value through profit or loss	Hedge accounting	Amortised cost	Total book value
Cash and receivables from Norges Bank			447	447
Loans to and receivables from credit institutions			702	702
Loans to and receivables from customers	4 551		82 324	86 875
Certificates and bonds	12 144			12 144
Shares and other securities	199			199
Financial derivatives	573	820		1 393
Total financial assets	17 467	820	83 473	101 760
Loans and deposits from credit institutions			1 994	1 994
Deposits from customers	131		49 419	49 550
Financial derivatives	516	203		719
Debt securities issued			38 906	38 906
Subordinated loan capital			857	857
Total financial liabilities	647	203	91 176	92 026

PARENT BANK - 31.12.2024	Fair value through profit or loss	Hedge accounting	Amortised cost	Total book value
Cash and receivables from Norges Bank			477	477
Loans to and receivables from credit institutions			5 111	5 111
Loans to and receivables from customers	10 755		40 477	51 232
Certificates and bonds	12 217			12 217
Shares and other securities	199			199
Financial derivatives	950	35		985
Total financial assets	24 121	35	46 065	70 221
Loans and deposits from credit institutions			3 116	3 116
Deposits from customers	131		49 568	49 699
Financial derivatives	1 021	59		1 080
Debt securities issued			7 683	7 683
Subordinated loan capital			857	857
Total financial liabilities	1 152	59	61 224	62 435

GROUP - 31.12.2023	Fair value through profit or loss	Hedge accounting	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	917	419		1 336
Total financial assets	16 315	419	79 474	96 208
Loans and deposits from credit institutions			1 727	1 727
Deposits from customers	138		47 272	47 410
Financial derivatives	434	169		603
Debt securities issued			36 170	36 170
Subordinated loan capital			857	857
Total financial liabilities	572	169	86 026	86 767

PARENT BANK - 31.12.2023	Fair value through profit or loss	Hedge accounting	Amortised cost	Total book value
Cash and receivables from Norges Bank			266	266
Loans to and receivables from credit institutions			4 796	4 796
Loans to and receivables from customers	9 287		40 034	49 321
Certificates and bonds	11 744			11 744
Shares and other securities	217			217
Financial derivatives	897	40		937
Total financial assets	22 145	40	45 096	67 281
Loans and deposits from credit institutions			2 550	2 550
Deposits from customers	138		47 372	47 510
Financial derivatives	741	99		840
Debt securities issued			7 859	7 859
Subordinated loan capital			857	857
Total financial liabilities	879	99	58 638	59 616

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23 Financial instruments at amortised cost

Fair value of the instruments traded in active markets is based on traded price on the balance sheet date. For those financial instruments not traded in an active market, own valuations based on current market conditions are applied, alternatively valuations from another market player.

GROUP	31.12.2024		31.12.2023	
	Fair value	Book value	Fair value	Book value
Cash and receivables from Norges Bank	447	447	266	266
Loans to and receivables from credit institutions	702	702	919	919
Loans to and receivables from customers	82 324	82 324	78 289	78 289
Total financial assets	83 473	83 473	79 474	79 474
Loans and deposits from credit institutions	1 994	1 994	1 727	1 727
Deposits from customers	49 419	49 419	47 272	47 272
Debt securities issued	39 197	38 906	36 276	36 170
Subordinated loan capital and Additional Tier 1 capital	866	857	857	857
Total financial liabilities	91 476	91 176	86 132	86 026

PARENT BANK	31.12.2024		31.12.2023	
	Fair value	Book value	Fair value	Book value
Cash and receivables from Norges Bank	447	447	266	266
Loans to and receivables from credit institutions	5 111	5 111	4 796	4 796
Loans to and receivables from customers	40 477	40 477	40 034	40 034
Total financial assets	46 035	46 035	45 096	45 096
Loans and deposits from credit institutions	3 116	3 116	2 550	2 550
Deposits from customers	49 568	49 568	47 372	47 372
Debt securities issued	7 731	7 683	7 869	7 859
Subordinated loan capital and Additional Tier 1 capital	866	857	857	857
Total financial liabilities	61 281	61 224	58 648	58 638

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24 Financial instruments at amortised cost

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 and mutual funds, as well as bonds and certificates in LCR-level 1.

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 mainly includes debt securities issued, derivatives and 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 mainly includes loans to customers, as well as shares.

Approach to the valuation of financial instruments in level 3 of the fair value hierarchy:

Fixed rate loans
There have been no significant changes to the approach to valuing fixed-rate loans in 2024. Fair value is calculated based on contractual cash flows discounted at a market interest rate matching the rates applicable to the corresponding fixed-rate loans at the balance sheet date. In the income statement, the change in value is presented under Net gains/losses from financial instruments. A change in the discount rate of 10 basis points would result in a change of approximately NOK 10.2 million on fixed rate loans.

Shares
Shares presented in level 3 of the valuation hierarchy are primarily the bank's investment in Vipps AS (NOK 99 million) and the bank's ownership interest in Eksportfinans ASA (NOK 66 million).

The tables below show financial instruments at fair value.

GROUP - 31.12.2024	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			4 551	4 551
Certificates and bonds	9 096	3 048		12 144
Shares	6		193	199
Financial derivatives		1 393		1 393
Total financial assets	9 102	4 441	4 744	18 287
Loans and deposits from credit institutions				-
Deposits from customers			131	131
Debt securities issued				-
Subordinated loan capital and Additional Tier 1 capital				-
Financial derivatives		719		719
Total financial liabilities	-	719	131	850

GROUP - 31.12.2023	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	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 customers			138	138
Debt securities issued				-
Subordinated loan capital and Additional Tier 1 capital				-
Financial derivatives		603		603
Total financial liabilities	-	603	138	741

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PARENT BANK - 31.12.2024	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			10 755	10 755
Certificates and bonds	8 888	3 329		12 217
Shares	6		193	199
Financial derivatives		985		985
Total financial assets	8 894	4 314	10 948	24 156
Loans and deposits from credit institutions				-
Deposits from customers			131	131
Debt securities issued				-
Subordinated loan capital and Additional Tier 1 capital				-
Financial derivatives		1 080		1 080
Total financial liabilities	-	1 080	131	1 211

PARENT BANK - 31.12.2023	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			9 287	9 287
Certificates and bonds	8 418	3 326		11 744
Shares	5		212	217
Financial derivatives		937		937
Total financial assets	8 423	4 263	9 499	22 185
Loans and deposits from credit institutions				-
Deposits from customers			138	138
Debt securities issued				-
Subordinated loan capital and Additional Tier 1 capital				-
Financial derivatives		840		840
Total financial liabilities	-	840	138	978

GROUP - Level 3 reconciliation	Loans to and receivables from customers	Shares	Deposits from customers
Book value as at 31.12.2023	3 283	212	138
Purchases/additions	1 869	4	0
Sales/reduction	-595	-13	-6
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses in the period	-6	-10	-1
Book value as at 31.12.2024	4 551	193	131

PARENT BANK - Level 3 reconciliation	Loans to and receivables from customers	Shares	Deposits from customers
Book value as at 31.12.2023	9 287	212	138
Purchases/additions	1 635	4	0
Sales/reduction	-164	-13	-6
Transferred to Level 3	0	0	0
Transferred from Level 3	0	0	0
Net gains/losses in the period	-3	-10	-1
Book value as at 31.12.2024	10 755	193	131

Shares, equity certificates and other securities

GROUP/PARENT BANK 2024	Stake	Number of shares	Acquistion cost	Book value/ market value
Vipps Holding AS	1.16 %	18 987	50	99
Eksportfinans ASA	1.35 %	3 551	33	66
Novela Kapital I AS	15.00 %		11	9
VN Norge AS	1.55 %		-	5
Sparebank 1 Nordmøre	0.42 %	37 756	4	5
Other			24	15
Total			122	199

GROUP/PARENT BANK 2023	Stake	Number of shares	Acquistion cost	Book value/ market value
Vipps Holding AS	1.00 %	18 987	50	99
Eksportfinans ASA	1.35 %	3 551	46	82
Novela Kapital I AS	15.00 %		11	7
VN Norge AS	1.55 %		-	12
Sparebank 1 Nordmøre	0.42 %	37 756	4	5
Other			20	12
Total			131	217

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Certificates and bonds

GROUP			PARENT BANK	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
		Public sectors		
2 995	2 717	Acquistion cost	2 717	2 995
3 001	2 719	Book value	2 719	3 001
		Credit institutions		
6 880	7 440	Acquistion cost	7 515	6 728
6 935	7 541	Book value	7 615	6 781
		Other financial companies		
1 995	1 909	Acquistion cost	1 909	1 995
1 962	1 884	Book value	1 883	1 962
		Total certificates and bonds		
11 870	12 066	Acquistion cost	12 141	11 718
11 898	12 144	Book value	12 217	11 744

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25 Financial derivatives

Financial derivatives are contracts entered into in order to hedge an already existing interest- or foreign exchange risk incurred by the bank. Financial derivatives are recognised at fair value. with value changes recognised in the income statement. and are capitalized on a gross basis per contract as assets or liabilities respectively.

Changes in value of basis swaps in hedge accounting which is caused by changes in basis spreads are recognised in other comprehensive income as a cost of hedging. This means that value changes in basis spreads do not affect ordinary profit but are recognised separately under equity. This is done to provide a more representative picture of the financial effect of the hedging. When basis swaps are liquidated or expire. any accumulated effect in other comprehensive income will be reclassified to the income statement. depending on the underlying transaction. The estimated fair value of financial OTC derivatives is adjusted for counterparty credit risk (CVA) or for the Group's own credit risk (DVA).

The calculation of fair value of financial derivatives is based on valuation models in which the price of underlying. interest and currency. are obtained in the market.

The table shows the financial derivatives' nominal values and their market values. In the accounts. financial derivatives are presented as an asset or as a liability. depending on whether the derivative has a positive or a negative value.

The table shows the value of derivative contracts. covered by set-off agreements or secured by cash under the Credit Support Annex (CSA). For customer transactions. limits are established based on necessary formal credit-handling procedures where sufficient security is demanded for the limit. For banking counterparties. the counterparty risk associated with changes in market conditions is regulated through CSA agreements. Sparebanken Møre requires the signing of CSA agreements before trading of derivatives against any interbank counterparty. This provides Sparebanken Møre with collateral for any given exposure. The agreements with counterparties define when the collateral shall be transferred between the parties. Sparebanken Møre practices cash collateral against their counterparties. The market value of all derivatives signed between Sparebanken Møre and the counterparty is settled according to the different CSA-agreements. As at 31.12.2024. Sparebanken Møre had provided cash collateral for both non-cleared and cleared derivatives of NOK 533 million (NOK 462 million) and received cash collateral of NOK 380 million (459 million). The subsidiary Møre Boligkreditt AS had received a cash collateral of NOK 789 million (NOK 561 million).

GROUP	2024			2023		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Interest rate instruments						
Interest rate swaps	18 705	381	233	14 907	375	216
Total interest rate instruments	18 705	381	233	14 907	375	216
Foreign exchange instruments						
Foreign exchange swaps	6 561	454	184	5 399	271	152
FX Forward exchange contracts	9 864	151	140	13 390	271	66
Total foreign exchange instruments	16 425	605	324	18 789	542	218
Hedging instruments						
Interest rate swaps	5 100	44	125	4 850	55	150
Foreign exchange swaps	5 939	363	37	5 574	364	19
Total hedging instruments	11 039	407	162	10 424	419	169
Total financial derivatives	46 169	1 393	719	44 120	1 336	603

PARENT BANK	2024			2023		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Interest rate instruments						
Interest rate swaps	21 446	381	326	17 193	375	309
Total interest rate instruments	21 446	381	326	17 193	375	309
Foreign exchange instruments						
Foreign exchange swaps	11 935	418	555	8 097	250	366
FX Forward exchange contracts	9 864	151	140	13 390	271	66
Total foreign exchange instruments	21 799	569	695	21 487	521	432
Hedging instruments						
Interest rate swaps	3 050	35	59	2 800	41	99
Foreign exchange swaps	-	-	-	-	-	-
Total hedging instruments	3 050	35	59	2 800	41	99
Total financial derivatives	46 295	985	1 080	41 480	937	840

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As at 31.12.2024. the following swaps were used in fair value hedging of interest rate risk. Nominal value is quoted in respective currencies as indicated in the table. The swaps are also included in the table "Maturity of financial derivatives. nominal value".

GROUP - 2024	Currency	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Nominal amount	NOK			2 550	2 550	
Average fixed interest rate				2.71 %	4.41 %	
Nominal amount	EUR				1 555	
Average fixed interest rate					2.40 %	

GROUP - 2023	Currency	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Nominal amount	NOK				4 850	500
Average fixed interest rate					3.29 %	5.59 %
Nominal amount	EUR			250	805	
Average fixed interest rate				0.01 %	2.21 %	

PARENT BANK - 2024	Currency	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Nominal amount	NOK			1 500	1 550	
Average fixed interest rate				1.28 %	5.49 %	
Nominal amount	EUR				500	
Average fixed interest rate					2.88 %	

PARENT BANK - 2023	Currency	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years
Nominal amount	NOK				2 800	500
Average fixed interest rate					2.23 %	5.59 %
Nominal amount	EUR				250	
Average fixed interest rate					3.13 %	

Maturity of financial derivatives, nominal value

GROUP	2024		2023	
Maturity	Interest rate and foreign exchange swaps	Forward exchange contracts	Interest rate and foreign exchange swaps	Forward exchange contracts
2024			4 047	13 086
2025	4 877	8 346	4 898	249
2026	5 533	1 412	5 384	33
2027	9 132	99	6 802	11
2028	2 736	5	3 323	7
2029	8 745	2	1 629	4
2030	1 214		1 239	
2031	1 376		1 410	
2032	751		765	
2033	1 452		6 051	
2034	323			
2037	166		166	
	36 305	9 864	35 714	13 390

PARENT BANK	2024		2023	
Maturity	Interest rate and foreign exchange swaps	Forward exchange contracts	Interest rate and foreign exchange swaps	Forward exchange contracts
2024			1 394	13 086
2025	3 827	8 346	3 848	249
2026	2 787	1 412	2 705	33
2027	11 560	99	8 759	11
2028	1 488	5	2 082	7
2029	8 745	2	1 629	4
2030	1 214		1 239	
2031	1 376		1 410	
2032	751		765	
2033	1 452		3 765	
2034	3 065			
2037	166		166	
	36 431	9 864	27 762	13 390

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26 Debt securities

The debt securities in the parent bank consist of bonds quoted in Norwegian kroner. Møre Boligkreditt AS has issued covered bonds quoted in NOK and EUR.

The bank's loans at floating interest rates are measured at amortised cost. Loans at fixed interest rates are measured by using fair value hedging for changes in fair value due to changes in market rates, with value changes recognised in the income statement. The bank hedges the value of interest rate and FX-risk on an individual basis. There is a clear, direct and documented connection between value changes relating to the hedging instrument and the hedged object. The connection is documented through a test of the hedging effectiveness when entering into the transaction and through the period of the hedging. Hedging gains and losses result in an adjustment of the book value of hedged loans. The hedging adjustments are amortised over the remaining period of the hedging by adjusting the loans' effective interest rate if the hedging no longer is effective, if hedging is discontinued or by other termination of hedging. By applying this principle, a correct accounting presentation is established, in accordance with the bank's interest rate and FX management and the actual financial development.

Changes in debt securities

GROUP	Balance at 31.12.23	Issued	Overdue/ redeemed	Other changes	Balance at 31.12.24
Bonds and certificates, nominal value	33 928	10 644	-7 799	-	36 773
Accrued interests	154	-	-	66	220
Value adjustments	2 088	31	-20	-186	1 913
Total debt securities	36 170	10 675	-7 819	-120	38 906

PARENT BANK	Balance at 31.12.23	Issued	Overdue/ redeemed	Other changes	Balance at 31.12.24
Bonds and certificates, nominal value	7 854	1 750	-1 954	-	7 650
Accrued interests	55	-	-	18	73
Value adjustments	-50	16	-5	-1	-40
Total debt securities	7 859	1 766	-1 959	17	7 683

Maturity of securities-based debt, nominal value

GROUP				PARENT BANK		
NOK	Currency	Total	Maturity	NOK	Currency	Total
7 271	-	7 271	2025	1 500	-	1 500
8 000	2 550	10 550	2026	2 000	-	2 000
1 900	2 908	4 808	2027	1 900	-	1 900
8 000	201	8 201	2028	1 000	-	1 000
1 250	5 894	7 144	2029	1 250	-	1 250
26 421	11 553	37 974	Total	7 650	-	7 650

An overview of contractual non-discounted cash flows is presented in note 14.

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27 Subordinated loan capital and Additional Tier 1 capital

GROUP AND PARENT BANK

ISIN	Currency	Issue	Maturity	Terms	31.12.2024
NO0012847815	NOK	22.02.2023	2028	3 mnth NIBOR + 1.75	503
NO0012490012	NOK	06.04.2022	2027	3 mnth NIBOR + 1.60	354
Subordinated loan capital					857

ISIN	Currency	Issue	Maturity	Terms	31.12.2024
NO0012526286	NOK	19.05.2022	2027	3 mnth NIBOR + 3.50	400
NO0013177931	NOK	12.03.2024	2029	3 mnth NIBOR + 3.10	350
Additional Tier 1 capital					750

Additional Tier 1 capital NO0012526286 and NO0013177931 are classified as equity in the balance sheet and are included in the Tier 1 capital. Based on the fact that the bank has a unilateral right not to pay interest or principal to investors, they do not qualify as debt according to IAS 32. The interest expense is not presented in the income statement, rather as a reduction of retained earnings. The expense is recognised by payment. Interests totalling NOK 63 million has been paid in 2024(NOK 48 million). NOK 63 million (NOK 48 million) of the profit after tax in 2024 are allocated to the owners of Additional Tier 1 capital.

There is no option to convert the subordinated loan capital/Additional Tier 1 capital to equity certificate capital. The Group had no investments in subordinated loan capital in other enterprises (including credit institutions) at the end of 2024. Securities documents and loan agreements are made available on the bank's website.

Changes in subordinated loan capital

GROUP AND PARENT BANK	Book value 31.12.23	Issued	Matured/ redeemed	Other changes	Book value 31.12.24
Subordinated loan capital, nominal value	850	-	-	-	850
Accrued interest	7	-	-	-	7
Value adjustments	-	-	-	-	-
Total subordinated loan capital	857	-	-	-	857

Changes in Additional Tier 1 capital (classified as equity)

GROUP AND PARENT BANK	Book value 31.12.23	Issued	Matured/ redeemed	Other changes	Book value 31.12.24
Additional Tier 1 capital, nominal value	650	350	-250	-	750
Accrued interest	-	-	-	-	-
Value adjustments	-	-	-	-	-
Total Additional Tier 1 capital (classified as equity)	650	350	-250	-	750

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28 Deposits from customers

Deposits with agreed floating interest rate are measured at amortised cost, deposits with fixed-interest rate and maturity of less than one year are measured at amortised cost and fixed-interest rate deposits with maturity in excess of one year are measured at fair value and hedged by interest rate swaps. For more information about classification and measurement, see note 22.

GROUP		Deposits from customers	PARENT BANK	
31.12.2023	**31.12.2024**	**Sector/industry**	**31.12.2024**	**31.12.2023**
278	332	Agriculture and forestry	332	278
1 556	1 727	Fisheries	1 727	1 556
3 387	3 820	Manufacturing	3 820	3 387
967	861	Building and construction	861	967
1 098	1 196	Wholesale and retail trade, hotels	1 196	1 098
2 502	2 690	Property management	2 840	2 602
5 308	6 111	Transport and private/public services	6 111	5 308
657	251	Public entities	251	657
2 431	2 413	Other	2 412	2 431
18 184	19 401	Total corporate/public entities	19 550	18 284
29 226	30 149	Retail customers	30 149	29 226
47 410	49 550	Total deposits from customers	49 699	47 510

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29 Subsidiaries

Transactions involving subsidiaries

These are transactions between the parent bank and wholly owned subsidiaries made at arm's length and at agreed prices.

Settlement of financing costs and -income between the different segments is done on an ongoing basis using the parent bank's funding cost. The internal rate of interest for this is defined as the effective 3-month NIBOR + a funding supplement for long-term financing (5.62 per cent in 2024 and 5.02 per cent in 2023).

Rent is allocated according to the floor space used for each segment, based on the same principles and the same prices as those applicable to the parent bank, at market rent.

Other services (office supplies, IT-equipment etc.) are bought by the segment involved from the parent bank at the same price as the parent bank obtains from external suppliers.

There are transactions between Sparebanken Møre and Møre Boligkreditt AS related to the transfer of loan portfolios to Møre Boligkreditt AS, interest rate and currency hedging agreements entered into under the ISDA regulations and associated margining agreements, as well as Sparebanken Møre providing credits to the mortgage company. The economic conditions for the transfer of loans from Sparebanken Møre are market value. If mortgages with fixed interest rates are purchased, the price will be adjusted for premium/discount.

Sparebanken Møre is responsible for ensuring that loans transferred to Møre Boligkreditt AS are properly established and in accordance with the requirements set forth in the agreement between the mortgage company and the parent bank. In case of violation of these requirements, the bank will be liable for any losses that the mortgage company would experience as a result of the error. Sparebanken Møre and Møre Boligkreditt AS have formalised settlement of interest for transaction days from the date of transfer of the portfolio of loans to the date of settlement of the consideration.

In addition to paid-in equity in the form of cash deposits from Sparebanken Møre of NOK 1.65 billion pr 31.12.2024, Møre Boligkreditt AS has a credit facility in Sparebanken Møre with an allocated limit of NOK 5 billion.

The pricing of services provided to Møre Boligkreditt AS from Sparebanken Møre distinguishes between fixed and variable costs for the mortgage company. Fixed costs are defined as costs which the mortgage company must bear, regardless of the activity related to the issuance of covered bonds, acquisition of portfolio etc. Variable costs are defined as costs related to the size of the portfolio acquired from Sparebanken Møre, and the work that must be exercised by the bank`s staff to provide adequate services given the number of customers in the portfolio.

GROUP STRUCTURE

Parent bank	Home country	Core operations
Sparebanken Møre	Norway	Banking

Ownerhship in credit institutions

Company	Home country	Core operations	Ownership share	Voting share	Book value 2024	Book value 2023
Møre Boligkreditt AS	Norway	Funding	100 %	100 %	1 650	1 550

Ownership in other subsidiaries

Company	Home country_	Core operations	Ownership share	Voting share	Book value 2024	Book value 2023
Møre Eiendomsmegling AS	Norway	Real estate brokerage	100 %	100 %	9	9
Sparebankeiendom AS	Norway	Real estate management	100 %	100 %	9	9
Storgata 41-45 Molde AS	Norway	Real estate management	100 %	100 %	3	3
		Total ownership in other subsidiaries			21	21
		Total ownerhip in subsidiaries			1 671	1 571

1) Storgata 41-45 Molde AS was demerged from Sparebankeiendom AS with effect from 1 January 2022

The most important transactions that have been eliminated in the Group accounts are as follows:

PARENT BANK	2024	2023
Statement of income		
Net interest and credit commission income from subsidiaries	131	146
Received dividend from subsidiaries	132	152
Administration fee received from Møre Boligkreditt AS	50	49
Rent paid to Sparebankeiendom AS and Storgata 41-45 Molde AS	15	15
Balance sheet as at 31.12.		
Claims on subsidiaries	4 513	3 983
Covered bonds	281	0
Liabilities to subsidiaries	2 061	1 484
Intragroup right-of-use of properties in Sparebankeiendom AS and Storgata 41-45 Molde AS	59	70
Intragroup hedging	465	306
Accumulated loan portfolio transferred to Møre Boligkreditt AS	35 751	32 369

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30 Other liabilities

GROUP			PARENT BANK	
31.12.2023	31.12.2024		31.12.2024	31.12.2023
337	373	Gift funds (concluded, not paid)	373	337
175	-	Structural fund	-	175
47	63	Lease liability	124	119
92	150	Accounts payable	18	19
76	65	Other liabilities	64	75
727	651	Total other liabilities	579	725

Rental of business premises
The bank rents 26 of its business premises from external lessors, as well as 2 from the bank's wholly owned real estate management companies, Sparebankeiendom AS and Storgata 41-45 Molde AS. Please see note 31 for further information about the business premises.

PARENT BANK	2024	2023
Rent paid to:		
Sparebankeiendom AS and Storgata 41-45 Molde AS	18	17
Other external lessors	16	13

Duration of rental agreements
Rental agreements with external lessors are mainly of 5-years duration (some of 1 year) with a mutual 12 months' notice period and at market prices. Rental agreements with the subsidiaries Sparebankeiendom AS and Storgata 41-45 Molde AS have a 5-year duration. Rent is at market price.

Rental agreements according to IFRS 16
The Group implemented IFRS 16 Leases in 2019. The standard requires lessees to recognise assets and liabilities for most leases. The standard affects the Group's accounting for lease of property.

The Group has taken advantage of the opportunity not to capitalise leases related to low-value assets and/or short-term assets (less than 1 year). These include, for example, office machines and coffee makers. The discount rate used is equivalent to the bank's marginal loan rate. Right-of-use assets are recorded under "Fixed assets" in the balance sheet, while the related lease liabilities are recorded under "Other liabilities".

Right-of-use assets according to IFRS 16

GROUP			PARENT BANK	
2023	2024		2024	2023
44	46	Right-of-use assets OB	116	120
9	7	Adjustments	11	15
7	28	Additions	28	9
0	3	Disposals	3	0
14	17	Depreciations	32	28
46	61	Right-of-use assets CB	120	116

Lease liability according to IFRS 16

GROUP			PARENT BANK	
2023	2024		2024	2023
44	47	Lease liability OB	119	123
10	8	Adjustments	11	15
7	28	Additions	28	9
0	3	Disposals	3	0
15	18	Lease payments	34	30
1	2	Interests	3	3
47	63	Lease liabilities CB	124	119

Maturity analysis, undiscounted cash flow

PARENT BANK	2024	2023
Less than 1 year	37	31
1-2 years	34	29
2-3 years	27	26
3-4 years	23	24
4-5 years	5	20
More than 5 years	8	2
Total undiscounted cash flow	134	132

Other significant agreements
The Group has outsourced most of the operations within the IT-area. Sparebanken Møre has an agreement with TietoEVRY, for delivery of the bank`s IT services. Sparebanken Møre continues the cooperation of a complete range of banking solutions and operating services from TietoEVRY.

TietoEVRY delivers solutions that support key banking services such as deposits, financing, card and payment processing, accounting and reporting, message distribution and customer interaction services, self-service channels and solutions for branch offices. In addition, TietoEVRY delivers operation of all banking systems and infrastructure.

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31 Fixed assets

Fixed assets are valued at historical cost, including direct attributable cost, less accumulated depreciation and impairment.

Depreciation is calculated by applying the straight-line method over the following time profile:

Fixed assets	Time profile depreciation
Building plots and sites	No depreciaton
Holiday properties	No depreciaton
Buildings	50 years
Technical installations	10 years
Fixtures and fittings	8-10 years
Cars	5 years
Office machines	5 years
IT-equipment	3-5 years

Buildings and plots are fully owned by the bank's two subsidiaries, Sparebankeiendom AS and Storgata 41-45 Molde AS. The buildings are intended for own use relating to the operations of the bank and are therefore not defined as investment properties. The buildings are also including holiday properties used by the employees. The buildings related to the operations of the bank are located in the Group's geographical home market, Nordvestlandet. The aggregate floor space is about 7.800 square meters. Only smaller parts of the premises are vacant, and there are only commercial premises in the buildings. The buildings are recognised in the accounts at historical cost less accumulated depreciation and impairment. There is no evidence of impairment of the Group's buildings.

GROUP 31.12.2024	Total	Buildings, incl. tech.install. , building plots/ holiday cabin	Cars/IT/ office machines	Fixtures and fittings
Acquisition cost as at 01.01	415	303	38	74
Additions	12	8	2	2
Disposals	-1	0	-1	0
Acquisition cost as at 31.12	427	311	41	76
Accumulated depreciation and impairment as at 01.01	256	159	30	64
Depreciation during the year	13	7	2	3
Impairment during the year	0	0	0	0
Disposals	1	0	1	0
Accumulated depreciation and impairment as at 31.12	267	167	33	68
Carrying amount as at 31.12	160	144	8	8
Straight-line depreciation period (years)		10-50	3-5	8-10
Fully depreciated fixed assets in use (acquisition cost)	138	52	27	58

GROUP 31.12.2023	Total	Buildings, incl. tech.install. , building plots/ holiday cabin	Cars/IT/ office machines	Fixtures and fittings
Acquisition cost as at 01.01	400	297	35	68
Additions	15	6	3	6
Disposals	0	0	0	0
Acquisition cost as at 31.12	415	303	38	74
Accumulated depreciation and impairment as at 01.01	244	151	29	62
Depreciation during the year	12	8	2	2
Impairment during the year	0	0	0	0
Disposals	0	0	0	0
Accumulated depreciation and impairment as at 31.12	256	159	30	64
Carrying amount as at 31.12	161	144	8	9
Straight-line depreciation period (years)		10-50	3-5	8-10
Fully depreciated fixed assets in use (acquisition cost)	137	52	27	58

PARENT BANK 31.12.2024	Total	Buildings, incl. tech.install. , building plots/ holiday cabin	Cars/IT/ office machines	Fixtures and fittings
Acquisition cost as at 01.01	164	53	38	73
Additions	10	7	2	2
Disposals	-1	0	-1	0
Acquisition cost as at 31.12	175	60	40	74
Accumulated depreciation and impairment as at 01.01	126	32	31	63
Depreciation during the year	9	4	2	3
Impairment during the year	0	0	0	0
Disposals	1	0	1	0
Accumulated depreciation and impairment as at 31.12	136	36	32	65
Carrying amount as at 31.12	39	24	7	8
Straight-line depreciation period (years)		10-50	3-5	8-10
Fully depreciated fixed assets in use (acquisition cost)	95	10	27	57

PARENT BANK 31.12.2023	Total	Buildings, incl. tech.install. , building plots/ holiday cabin	Cars/IT/ office machines	Fixtures and fittings
Acquisition cost as at 01.01	149	47	35	67
Additions	15	6	3	6
Disposals	0	0	0	0
Acquisition cost as at 31.12	164	53	38	73
Accumulated depreciation and impairment as at 01.01	118	28	29	61
Depreciation during the year	8	4	2	2
Impairment during the year	0	0	0	0
Disposals	0	0	0	0
Accumulated depreciation and impairment as at 31.12	126	32	31	63
Carrying amount as at 31.12	37	21	7	9
Straight-line depreciation period (years)		10-50	3-5	8-10
Fully depreciated fixed assets in use (acquisition cost)	93	10	26	57

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32 Intangible assets

Intangible assets consist of capitalised costs relating to the acquisition of software, licenses etc.

Capitalised intangible assets are carried at cost, reduced by any depreciation and impairment. Intangible assets are depreciated on a straight-line basis over estimated useful life. Estimated useful life is normally 5 years.

Purchased software is capitalised at acquisition cost plus the costs incurred in order to prepare the software for use. Impairment assessments are conducted annually. Expenses relating to the maintenance of software and IT-systems are expensed on an ongoing basis.

GROUP			PARENT BANK	
2023	**2024**	(NOK million)	**2024**	**2023**
229	255	Acquisition cost as at 01.01	253	227
26	26	Additions	26	26
0	0	Disposals	0	0
255	281	Acquisition cost as at 31.12	279	253
173	196	Accumulated depreciation and impairment as at 01.01	195	172
23	25	Depreciations	25	23
0	0	Impairments	0	0
0	0	Disposals	0	0
196	221	Accumulated depreciation and impairment as at 31.12	220	195
56	59	Carrying amount as at 01.01	58	55
59	61	Carrying amount as at 31.12	60	58
20	20	Straight-line depreciation rates in per cent	20	20
5	5	Economic life – number of years	5	5

33 Other assets

In connection with the legal recovery of non-performing loans and guarantees, the bank in some cases repossesses assets which have been provided as security for such commitments. Such assets are assessed at their estimated realisation value at the time of repossession. Any deviation from the carrying amount of the non-performing or impaired commitment at the time of acquisition, is classified as impairment on loans.

Repossessed assets amount to NOK 5 million (NOK 5 million in 2023). This consists of properties of NOK 1 million (NOK 1 million) and plots of NOK 4 million (NOK 4 million). These properties have mainly been acquired/repossessed as part of the bank's realisation of collateral security. Sparebanken Møre does not wish to remain the owner of repossessed properties. If an acceptable price is not obtained, effort is made to rent out the properties.

Capital contributions to Sparebanken Møre's Pension Fund are not included as part of the pension funds in the defined benefit scheme. This is equity that Sparebanken Møre as a sponsor has provided to satisfy the Pension Fund's financial strength requirements.

GROUP			PARENT BANK	
31.12.2023	**31.12.2024**		**31.12.2024**	**31.12.2023**
5	5	Repossessed assets	5	5
139	139	Paid-in equity in Sparebanken Møre`s Pension Fund	139	139
59	70	Other receivables	61	59
203	214	Total other assets	205	203

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34 ECs and ownership structure

The earnings per equity certificate (EC) is calculated as the ratio between the year's profit attributable to the owners of equity certificates according to the EC fraction in the parent company, and the number of issued ECs at year-end, adjusted for any issues that do not entitle to full dividend. The diluted earnings per EC is no different to the earnings per EC.

GROUP	2024	2023
Earnings per EC (NOK) 1)	9,95	10,12
Diluted earnings per EC (NOK)	9,95	10,12
EC-holders' share of the profit:		
Profit	1 023	1 007
EC-holders' share of the profit according to the EC-fraction 2)	495	500
Weighted number of ECs - the bank's own portfolio	223 112	168 746
Number of own ECs as at 31.12	259 658	186 565
Number of own ECs as at 01.01	186 565	150 927
Nominal value per equity certificate (NOK)	20	20
Weighted average of outstanding ECs	49 392 034	49 266 024
Number of outstanding ECs as at 31.12 *)	49 535 862	49 248 205
Number of outstanding ECs as at 01.01	49 248 205	49 283 843
Weighted average number of ECs issued	49 615 145	49 434 770
Number of ECs as at 31.12 *)	49 795 520	49 434 770
Number of ECs as at 01.01	49 434 770	49 434 770

*) After the convertion of equity certificates to the foundation Sparebankstiftelsen Sparebanken Møre, the number of equity certificates increased from 49,434,770 to 49,795,520

1) Earnings per Equity Certificate (EC) is calculated as the EC holders' proportion of the result divided by the number of issued ECs at year-end, adjusted for any issues that are not entitled to full dividend.

2) The EC ratio has been computed based on figures for the parent bank which provide the basis for allocation of profit to the EC holders. The ratio is calculated as the sum of the EC capital, the share premium fund and the dividend equalisation fund, divided by the parent bank's total equity excluding Additional Tier 1 capital and proposed dividend- and gift funds (other equity). The EC ratio was 49.1 per cent at the end of the year (49.7 per cent).

Equity Certificates (ECs)
At the end of 2024, Sparebanken Møre's EC capital totalled NOK 996 million, consisting of 49,795,520 equity certificates, each with a nominal value of NOK 20. In addition to this, the EC holders' capital consists of the dividend equalisation fund, amounting to NOK 2,306 million and the share premium fund, totalling NOK 379 million. According to the bank's by-laws, there are no limitations with regards to voting rights. Furthermore, no rights/options exist that may result in the issuance of new ECs.

After the conversion of equity certificates to the foundation Sparebankstiftelsen Sparebanken Møre, the number of equity certificates increased from 49,434,770 to 49,795,520.

Own Equity Certificates
Nominal value of own ECs is shown in the balance sheet separately, as a reduction to issued ECs. Purchase price in excess of nominal value is posted against the primary capital fund and the dividend equalisation fund in accordance with historically adopted distribution. Losses and gains from transactions involving own ECs are posted directly against the primary capital fund and the dividend equalisation fund according to their mutual relationship.

Costs relating to equity transactions
Transaction costs relating to an equity transaction are posted directly against equity.

Dividend policy
Sparebanken Møre aims to achieve financial results providing a good and stable return on the bank's equity. The results shall ensure that the owners of the equity receive a competitive long-term return in the form of dividends and capital appreciation on their equity.

Dividends consist of cash dividends to equity certificate holders and dividend funds for the local community. The share of profits allocated to dividends is adapted to the bank's capital strength. Unless solvency indicates otherwise, the aim is that about 50 per cent of the year's profit can be distributed as dividends.

Sparebanken Møres allocation of earnings shall ensure that all equity owners are guaranteed equal treatment.

There are no special agreements between the bank and its owners. The Board of Directors cannot refuse purchase or sale of ECs unless this is covered by the stipulations contained in the Companies Act.

Information about own equity certificates

Date	Purchase	Sale	Price	Own portfolio	Share of EC capital	Remarks
01.01.2024				186,565	0.38%	Opening balance (of which 50,000 ECs allocated to market maker agreement)
05.02.2024		91,376	86.00	95,189	0.19%	Transferred to employees in connection with the remuneration scheme
12.02.2024 - 29.02.2024	27,273		85.99	122,462	0.25%	Buyback program 1-2024, to the remuneration scheme
04.03.2024		4,731	87.20	117,731	0.24%	Bonuses for senior executives
11.03.2024		625	88.00	117,106	0.24%	Bonus to the CEO
20.08.2024 - 17.09.2024	54,552		84.08	171,658	0.35%	Buyback program 2-2024, to the remuneration scheme
29.10.2024 - 21.11.2024	88,000		91.35	259,658	0.53%	Buyback program 3-2024, to the remuneration scheme
31.12.2024				259,658	0.53%	Closing balance (of which 50,000 ECs allocated to market maker agreement)

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Classification of dividends
Dividends on ECs and dividend funds for the local community are classified as other equity until the Board of Directors' proposal has been agreed by the bank's annual General Meeting.

EC holders' share of the profit
Earnings per equity certificate (EC) is calculated as the EC holders' proportion of the profit divided by the number of issued ECs at year-end, adjusted for any issues during the year, not entitled to full dividend. The EC holders' proportion of the profit corresponds to the EC capital's, the dividend equalisation fund's and the share premium fund's proportion of the bank's total equity, excluding Additional Tier 1 capital and proposed dividend- and gift funds (other equity), at the beginning of the year. If the EC capital is expanded during the year in the form of an offering, a time-weighted proportion of the increase is included from and including the payment date.

EC capital
Sparebanken Møre's EC capital totals NOK 995,910,400, consisting of 49,795,520 certificates, each with nominal value of NOK 20.

The EC capital was raised through the following transactions:

Year	Issue	Changes in EC capital	Total EC capital	Number of ECs
1988	Public issue	100.0	100.0	1 000 000
1993	Public issue	100.0	200.0	2 000 000
1994	Public issue	150.0	350.0	3 500 000
1996	Public issue	100.0	450.0	4 500 000
1996	Issue, the bank's staff	1.7	451.7	4 516 604
1998	Public issue	100.0	551.7	5 516 604
1998	Issue, the bank's staff	0.9	552.6	5 526 154
2008	Dividend issue	42.3	594.9	5 949 153
2009	Rights issue	58.5	653.4	6 534 264
2010	Scrip issue	130.7	784.1	7 841 116
2013	Rights issue	148.6	932.7	9 327 603
2013	Repair issue	54.1	986.8	9 868 144
2013	Issue, the bank's staff	1.9	988.7	9 886 954
2022	Split *)	0.0	988.7	49 434 770
2024	Conversion of ECs to the foundation Sparebankstiftelsen Sparebanken Møre	7.2	995.9	49 795 520

*) After the split (1:5) dated 1 April 2022, the number of equity certificates increased from 9,886,954 to 49,434,770.

Order of correction
The Financial Supervisory Authority has ordered the bank to make a correction in connection with the annual report and accounts for 2024. In the opinion of the Financial Supervisory Authority, the structural fund and unpaid gifts that have not been approved must be included in primary capital when calculating the ownership fraction. The primary capital's share of the profit for allocation in the individual year is calculated using the above-mentioned updated ownership fraction. The sum of the difference between the actual allocations of profit to primary capital and the new calculated allocations for the period 2014-2023 has been added to primary capital before the profit for 2024 is allocated in the normal way. The bank has recalculated the ownership fraction based on what it would have been at the end of 2014-2023 and calculated the profit earmarked for distribution for each year. The effect of the instruction entails a transfer from profit for the year to primary capital of NOK 132.4 million.

The 20 largest EC holders in Sparebanken Møre as at 31.12.24 (grouped)	Number of ECs	Share of EC capital in %
Sparebankstiftelsen Tingvoll	4 837 394	9.71
Verdipapirfondet Eika egenkapital	2 447 968	4.92
Wenaasgruppen AS	2 200 000	4.42
Spesialfondet Borea utbytte	2 064 668	4.15
Verdipapirfond Pareto Aksje Norge	1 829 227	3.67
MP Pensjon	1 798 905	3.61
Kommunal Landspensjonskasse	1 692 107	3.40
J.P. Morgan SE (nominee)	1 687 199	3.39
Wenaas EFTF AS	1 100 000	2.21
VPF Fondsfinans utbytte	800 000	1.61
Beka Holding AS	750 500	1.51
Lapas AS	627 000	1.26
BKK Pensjonskasse	470 888	0.95
Forsvarets personellservice	461 000	0.93
Sparebankstiftelsen Sparebanken Møre	360 750	0.72
Hjellegjerde Invest AS	300 000	0.60
Sparebanken Møre	259 658	0.52
U Aandahls Eftf AS	250 000	0.50
PIBCO AS	229 500	0.46
Kveval AS	218 124	0.44
Total 20 largest EC holders	24 384 888	48.97
Total	49 795 520	100.00

The share of equity certificates held by foreign nationals was 5.7 per cent at the end of 2024.

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Key financial figures (Parent bank)	2024	2023	2022	2021	2020
Price at OSE	97.00	84.00	84.41	444.00	296.00
Number of ECs issued *)	49 795 520	49 434 770	49 434 770	9 886 954	9 886 954
EC capital (NOK mill.)	995.90	988.70	988.70	988.70	988.70
EC percentage (annual average)	48.4	49.7	49.7	49.7	49.6
EC percentage 31.12	49.1	49.7	49.7	49.7	49.6
Dividend per EC, in NOK *)	6.25	7.50	4.00	16.00	13.50
Dividend per EC, in NOK as a % of price at OSE 31.12	6.4	8.9	4.7	3.6	4.6
Effective return (%) 2)	24.4	4.3	-1.3	54.6	-2.2
Dividend in % of EC-owners share of profit	75.6	72.6	47.2	51.6	50.2
Profit per EC, in NOK *)	9.55	10.34	8.48	30.98	26.83
Book value per EC, in NOK 1) *)	81.5	80.7	74.8	350	332
P/E 3)	9.8	8.3	11.3	14.3	10.9
P/BV 1)	1.19	1.04	1.13	1.27	0.89

*) The figures for 2022 are calculated based on the split(1:5) dated 1 April 2022, where the number of equity certificates increased from 9,886,954 to 49,434,770.

1) Group figures, incl. proposed dividend

2) Calculated as the total of this year's change in stock price and dividend paid this year, divided by the stock price at the end of previous year.

3) Calculated based on the Group's profit

Distributed and proposed dividend	Total amount (NOK thousand)
Dividend paid on ECs	
NOK 14.00 per EC in 2020	138 417
NOK 13.50 per EC in 2021	133 474
NOK 16.00 per EC in 2022	158 191
NOK 4.00 per EC in 2023	197 739
NOK 7.50 per EC in 2024	370 761
Proposed dividend	
NOK 13.50 per EC in 2020	133 474
NOK 16.00 per EC in 2021	158 191
NOK 4.00 per EC in 2022*)	197 739
NOK 7.50 per EC in 2023	370 761
NOK 6.25 per EC in 2024	311 222

*) After the split dated 1 April 2022, the number of equity certificates (ECs) increased from 9,886,954 to 49,434,770, i.e. 1 EC before the split equals 5 ECs after the split.

	Number of ECs		EC capital		Share premium	
	2024	2023	2024	2023	2024	2023
Change in ECs and share premium:						
Ordinary ECs as at 01.01.	49 434 770	49 434 770	989	989	359	358
Changes	360 750	0	7	0	20	1
Ordinary ECs as at 31.12 *)	49 795 520	49 434 770	996	989	379	359
Bank's own ECs:						
Own ECs as at 01.01	186 565	150 927	4	3		
Changes	73 093	35 368	1	1		
Own ECs as at 31.12 *)	259 658	186 565	5	4		

*) After the conversion of equity certificates to the foundation Sparebankstiftelsen Sparebanken Møre, the number of equity certificates increased from 49,434,770 to 49,795,520

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35 Transactions with related parties

Sparebanken Møre has not paid remuneration for work other than the directorship to Board members in 2024.

Board member Birgit Midtbust is employed as a senior lawyer in the law firm Schjødt AS, branch Ålesund. The law firm Schjødt AS has invoiced Sparebanken Møre for legal services in 2024, totalling NOK 2,919,187 (of this, NOK 1,974,343 has been recharged to customers who, according to loan agreements, must cover costs of legal assistance in preparing loan documentation). The transactions were entered into on ordinary market terms as if they had been carried out between independent parties.

For further information on transactions between the parent bank and subsidiaries, see note 29. For information on remuneration to executive management and elected representatives, see note 18.

36 Events after the reporting period

No events have occurred after the reporting date that will materially affect the figures presented as at 31 December 2024.

Statement pursuant to section 5-5 of the securities trading act

We hereby confirm that the Group's and the bank's annual financial statements for the period 1 January to 31 December 2024, to the best of our knowledge, have been prepared in accordance with applicable accounting standards and that the information in the financial statements provides a true and fair view of the Group's and the bank's assets, liabilities, financial position and results as a whole.

We also hereby declare that the annual report provides a true and fair view of the financial performance and position of the Group and the bank, as well as a description of the principal risks and uncertainties facing the Group and the bank.

Ålesund, 12 March 2025

THE BOARD OF DIRECTORS OF SPAREBANKEN MØRE

Roy Reite *CHAIR*	**Kåre Øyvind Vassdal** *DEPUTY CHAIR*	**Jill Aasen**	**Therese Monsås Langset**
Marie Rekdal Hide	**Bjørn Følstad**	**Terje Bøe**	**Birgit Midtbust**

Trond Lars Nydal
CEO

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Appendices

Transparency Act index

Disclosure	Chapter reference	Section
General description of the business	"General sustainability infor-mation"	Not specified
Information on actual neg-ative consequences	"S1 Own workforce" "S2 Workers in the value chain"	S1: "Incidents, complaints and violations of human rights" S2: "Measures to limit negative impacts on workers in the value chain"
Information on the risk of negative consequences	"S1 Own workforce" and "S2 Workers in the value chain"	Not specified
Measures and results	"S1 Own workforce" and "S2 Workers in the value chain"	S1: "Measures related to signifi-cant impacts and strategy for managing significant risks" S2: "Measures to limit negative impacts on workers in the value chain"

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TCFD Index

Area	Description	Cross-reference information's location in the report
Governance		
a)	Describe the Board's oversight of climate-related risks and op-portunities.	"Ownership and corporate governance" "Board of Directors' Report", Note 2 "Risk management" Sustainability and corporate social responsibility: "General information – Management and control of sustainability work" "E1 Climate change – Strategy and governance"
b)	Describe management's role in assessing and governing risks and opportunities.	Sustainability and corporate social responsibility: "General information – Management and control of sustainability work" "E1 Climate change – Strategy and governance"
Strategy		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Ownership and corporate governance" "Sustainability and corporate social responsibility", "E1 Climate change - table"
b)	Describe the impact of climate-related risks and opportunities on the organisation's operations, strategy, and financial planning.	Sustainability and Corporate Social Responsibility - "E1 Climate Change - Strategy and governance" And "E1 – Climate scenario"
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Sustainability and corporate social responsibility", E1 - sections "Climate risk" and "Climate scenario"
Risk management		
a)	Describe the organisation's pro-cesses for identifying and as-sessing climate-related risks.	"Board of Directors' Report", Note 2 "Risk management" "Sustainability and corporate social responsibility", "General information"
b)	Describe the organisation's pro-cesses for managing climate-related risks.	"Board of Directors' Report", Note 2 "Risk management" "Sustainability and corporate social responsibility", "E1 – Climate change"
c)	Describe how processes for identifying, assessing, and man-aging climate-related risks are integrated into the organisation's overall risk management.	"Board of Directors' Report", Note 2 "Risk management" Sustainability and corporate social responsibility - "E1 Climate change -Strategy and governance"
Mål og metode		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	"Sustainability and corporate social responsibility", "E1 – Climate change"
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 green-house gas (GHG) emissions, and the related risks.	"Sustainability and corporate social responsibility", "E1 - Climate change" in the section "Climate accounts"
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	"Sustainability and corporate social responsibility", "E1 – Climate change" in the section "Climate-related objectives"

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ESRS Index

ESRS	DR	Other legislation	Topic	Comment	Chapter reference
ESRS 2	BP-1, BP-2 GOV 1-5 IRO 1-2 SME 1-3		General requirements	See also reference to information provided in the Chapter Operations, Section “Organization and management structure”, as well as Sections 8-10 of the “Corporate governance report”.	General information
ESRS E1	E1 GOV 1 E1-1, 3-7, 9		Climate change	Expected financial consequences have only been partially reported for 2024.	E1 Climate change
ESRS E4	E4 IRO 1 E4-1-4		Biodiversity and ecosystems	New significant topics in 2024, under development and not fully reported for 2024	E4 Biodiversity and ecosystems
ESRS E5	E5 IRO 1 E5-1-5		Resource use and the circular economy	New significant topics in 2024, under development and not fully reported for 2024	E5 Resource use and circular economy
ESRS S1	S1 SBM-3 S1-1-17	ARP	Own employees		S1 Own workforce
ESRS S2	S2 SBM-3 S2-1-5	Transparency Act	Employees in the value chain		S2 Workers in the value chain
ESRS S3	S3 SBM-3 S3-1-5		Affected communities	Measures and targets are being prepared, not fully reported for 2024	S3 Affected communities
ESRS S4	S4 SBM-3 S4-1-5		Consumers and end-users	Measures and targets are being prepared, not fully reported for 2024	S4 Consumers and end-users
ESRS G1	G1 GOV 1 G1-1,3		Business conduct		G1 Business conduct
Sector-specific topics			ICT security Sustainable finance		Sustainable finance

CONTENT

PRB - Reporting and Self-Assesment for Sparebanken Møre 2024

Principles for Responsible Banking (PRB)

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

BUSINESS MODEL

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

	Links and references
Sparebanken Møre is an independent, listed financial services group, which consists of the Parent Bank, the mortgage company Møre Boligkreditt AS, the estate agency Møre Eiendomsmegling AS, and the property company Sparebankeiendom AS. Today Sparebanken Møre is the leading financial services group in Nordvestlandet with 26 branches in Møre og Romsdal and one in Oslo. The head office is in Ålesund. Over many years, the Bank has built up a large expert environment in relation to the retail and corporate markets, as well as the equity, interest rate and currency markets. Together with its subsidiary Møre Eiendomsmegling AS, Sparebanken Møre is a full-service bank for retail customers, businesses and the public sector in Nordvestlandet. Sparebanken Møre offers a full range of financial services within the following areas: Financing, Deposits and investments, Wealth management, Financial advice, Money-transfer services, Currency and interest rate trading, Insurance and Estate agency. Sparebanken Møre has a lending portfolio which is distributed approx. 70 per cent to retail customers and 30 per cent to the corporate customers. The business portfolio is broadly differentiated within the trade/service, industry, marine, property and offshore/supply industries. Although the corporate portfolio only makes up 30 per cent of the bank's total lending portfolio, it is towards the corporate customers that the bank will have the greatest influence regarding environment and society.	Annual Report 2024 – Board of Directors' Report – section 'Areas of operations and markets' Section "Strategy and Goals" Annual Report – Corporate governance – section 'Operations' Annual Report For details about our business areas see Annual Report - Board of Directors Report – section "Business areas"

STRATEGY ALIGNMENT

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- ☒ *Yes*
- ☐ *No*

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☒ *UN Guiding Principles on Business and Human Rights*
- ☒ International Labour Organization fundamental conventions
- ☐ UN Global Compact
- ☒ UN Declaration on the Rights of Indigenous Peoples
- ☒Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: The Bank is subject to the requirements of section 3-3(c) of the Accounting Act, which requires it to disclose information to the extent necessary to understand the Bank's development, performance and financial position, as well as the consequences of the Bank's activities in relation to the environment, social conditions, working environment, compliance with human rights and combating corruption and bribery.

Furthermore, we report climate risk in line with Task Force of Climate related Financial Disclosures -TCFD.

- ☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: the Norwegian Transparency Act (Åpenhetsloven), which entered into force in June 2022, requires the Bank to carry out due diligence assessments in line with the OECD Guidelines for Multinational Enterprises and to publish an statement on the work by the end of June each year.
- ☐ None of the above

CONTENT

Sustainability is now an integrated part of the strategic objectives in Sparebanken Møre long term strategy Møre 2028. The overarching objective for our sustainability work is "Sparebanken Møre will be a driving force for sustainable transition". The objective has been firmed up through action plans and measures in all the Bank's sections/ divisions. *Our strategic goals in the area are linked to the UN SDG and our PRB commitment to be part of the solution in reaching the Paris Climate agreement and working with the principles for responsible banking. Through our double materiality analysis in accordance with CSRD our material topics are:* • *Climate change* • *Biodiversity and ecosystems* • *Circular economy and resources* • *Own workforce* • *Workers in the value chain* • *Affected communities* • *Consumers and end-users* • *Business ethics* • *Sustainable finance* *For an overview on how we implement sustainability into our business operations, please see our policies available in our sustainability library on our website.*	**Links and references** Annual Report – Sustainability statement – "Our commitments" and Strategic targets" Our policy and guidelines are available from our website sbm.no/ESG

CONTENT

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 IMPACT ANALYSIS (KEY STEP 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly[1] and fulfil the following requirements/elements (a-d)[2]:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Sparebanken Møre operates in Norway with our primary market area in Nordvestlandet and our newly opened office in Oslo.

In line with PRB requirements, Sparebanken Møre has carried out an impact analysis on data as of 31/12/2022 using UNEP FI's "Portfolio Impact Analysis Tool" version 3 to uncover its positive and negative impacts. The analysis showed that Sparebanken Møre can have positive and negative effects in the following areas:

- *Equal access to financial products and services (financial inclusion)*
- *Circularity*
- *Climate stability*
- *Biodiversity and ecosystems*
- *Equalization of socio-economic differences*

The result is in line with the impact revealed in other analyses the bank has carried out and will be incorporated into the bank's further strategy work on sustainability. Climate and financial inclusion are considered to be areas where the bank has significant influence and will be mentioned in particular in the impact analysis, as these are two of the priority areas for target setting in accordance with PRB requirements.

We consider that our lending activity is where the bank has the greatest influence and is where we can influence the most in a positive direction. Lending activity to the consumer market and corporate market is therefore included in the impact analysis.

Investments and other smaller items in the balance sheet are not included in the analysis. Investments in the liquidity portfolio are strictly regulated, and the bank has little opportunity to manage the effects. The remaining investment portfolio and other balance sheet items make up a small part of the business volume and are therefore excluded from the impact analysis. Based on assets, 85.4% of the business volume is included in the analysis, and based on the bank's total gross income, 91.3% is included in the analysis.

This is in line with the material topics determined in the work with our DMA in accordance with CSRD/ ESRS, this was carried out in 2024.

Links and references

Impact report – available at sbm.no/berekraft

«PRB impact analysis»

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries [3] for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

1 That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.
2 Further guidance can be found in the Interactive Guidance on impact analysis and target setting.
3 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

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Sparebanken Møre has a lending portfolio which is distributed approx. 70 per cent to consumer customers and 30 per cent to the corporate market. The corporate portfolio is broadly differentiated within trade/service, industry, seafood, property and maritime industries. *Although the business portfolio only makes up 30 per cent of the bank's total lending portfolio, it is towards the corporate customers that the bank will have the greatest influence regarding environment and social impact. This is also the biggest contributor to the bank's income.* *We consider that our lending activity is where the bank has the greatest influence and is where we can influence the most in a positive direction in terms of environmental and social impact. Lending activity to the consumer market and corporate market is therefore included in the analysis.* *Investments and other smaller items in the balance sheet are not included in the analysis. Investments in the liquidity portfolio are strictly regulated, and the bank has little opportunity to manage the effects. The remaining investment portfolio and other balance sheet items make up a small part of the business volume and are therefore excluded from the impact analysis. Based on assets, 85.4% of the business volume is included in the analysis, and based on the bank's total gross income, 91.3% is included in the analysis.*	Annual Report – Sustainability report – "Section on climate" and "Impact report – available in our sustainability library on sbm.no/ESG Please see details on our corporate portfolio
c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? [4] Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis. This step aims to put your bank's portfolio impacts into the context of society's needs.	
The PRB impact analysis showed that Sparebanken Møre can have positive and negative effects in the following areas: • *Equal access to financial products and services (financial inclusion)* • *Circularity* • *Climate stability* • *Biodiversity and ecosystems* • *Equalization of socio-economic differences* *These findings concure with findings through our double materiality analysis, our chosen SDG's and long-term strategy, Our most material topics are* • *Climate change* • *Biodiversity and ecosystems* • *Circular economy and resources* • *Own workforce* • *Workers in the value chain* • *Affected communities* • *Consumers and end-users* • *Business ethics* • *Sustainable finance* *Sparebanken Møre engage with a number of stakeholders. The bank is concerned with what is important to our stakeholders when the strategy and direction for the bank's work is to be designed, and dialogue with the stakeholder groups is fundamental to the bank's trust in society. See more information on our dialogue with our stakeholder in the overview presented in the annual report..*	PRB impact analysis Annual Report – Sustainability report – "Section general information" Annual report - Stakeholder analysis – page 121 Overall sustainability strategy version 5.0 – see sbm.no/ESG Annual report - Stakeholder analysis
Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)[5]? Please disclose.	

4 Global priorities might alternatively be considered for banks with highly diversified and international portfolios.
5 TTo prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

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Based on the PRB impact analysis we have identified the following impact areas

Consumer banking	
Positive impact	**Negative impact**
Equal availability and quality of resources and services (Equal access)	Equal availability and quality of resources and services (Equal access)
Equalization of socio-economic differences	Climate stability
	Circularity

Corporate banking	
Positive impact	**Negative impact**
Equal availability and quality of resources and services (Equal access)	Circularity
Circularity	Climate stability
Climate stability	Biodiversity and ecosystems

The result from the impact analysis was used as one of several tools to understand Sparebanken Møre's existing impact and opportunities for further impact in a positive direction. The areas of influence in the analysis were ranked based on which areas we have a real influence on and where we can adjust our influence was prioritized.

We prioritize target setting strategy for the two areas: 1. Financial inclusion and financial health
2. Climate

Links and references

PRB impact analysis – section «Assessment of Sparebanken Møre's impact analysis»

d) For these (min. two prioritized impact areas): **Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.
In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Our two prioritized PRB topics are "Financial inclusion and financial health" and "Climate" and they are relevant for both consumer and corporate customers.

For our consumer customers there is a low number of housings with updated energy labeling, thus making the calculation of climate emissions uncertain. However, we have planned measures in order to increase energy labeling on domestic homes, expecting the number to increase in following years.

For our corporate customers with commercial buildings there is also a low number of buildings with energy label. Numerous efforts have been made in 2024 to increase the number of commercial buildings above 1000 sq.m with energy label, but it has proven to be more difficult than first anticipated. In order to improve the capabilities and energy label we started the Green Arena Møre program in 2024, which is aimed to increase energy efficiency of commercial buildings with 25% over the next three years .So far we have 21 participants with large commercial buildings The program has been a success in terms of increasing knowledge and motivating for change, and will as a consequence be expanded to include several commercial buildings in 2025. .

With the Energy Performance of Buildings Directive (EPBD) this area will get increased attention, and the number of domestic homes and commercial buildings with energy labeling is expected to increase rapidly in coming years.

The three most carbon-intensive industries from our corporate customers accounts for 85% of the climate emissions in the business portfolio, and 23% of the bank's total lending to business customers. Commercial property and construction make up a larger part of the lending portfolio but have a lower carbon intensity. Thus, prioritized measures are made towards these clients.

We also have an overarching ambition on becoming net zero by 2050, and a medium-term goal of 55% reduced emission on our own emissions by 2030, compared to baseyear 2019.

In our annual report we present the ESG scorecard – that showcase link between our material topics, our strategic sustainability goals and KPIs.

The current analysis is done on aggregated level, and we will go deeper into the sector/ industries and type of customers when we do our transition plan, this work was started in 2024, and will be completed by end 2025.

As most of our customers are small and medium size business, there is a lack of data, and the quality of data is limited at this point. We expect this to improve in the coming years as more businesses are obliged to report in line with CSRD/ ESRS requirements. So far we are working to improve our estimates using big data for our portfolio.

Links and references

Please see our Climaterisk section in our annual report for more information on scenario and carbon emissions.

For more detailed information see Annex

CONTENT

SELF-ASSESSMENT SUMMARY:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts[6]?

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☒ Yes	☐ In progress	☐ No
Performance measurement:	☐ Yes	☒ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

The most significant impact areas identified through the impact analysis for Sparebanken Møre are

1. Financial inclusion and financial health
2. Climate

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication
☒ Up to 12 months prior to publication
☐ Up to 18 months prior to publication
☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

2.2 TARGET SETTING (KEY STEP 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with [7] have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. You can build upon the context items under 2.1.

6 *You can respond «Yes» to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.*

7 Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

CONTENT

Our two targets are Financial inclusion and financial health and Climate. In addition to these two targets, we also have our material topics, giving a total view of our strategic targets on sustainability. For our targets – with regards to PRB impact analysis - the following KPIs are ***Financial inclusion and financial health*** • *Measures of customers' financial health - health report of engagement in GREP – goal 90%* • *Default below industry average – reference industry average* • *Financial health - both parties invited to counseling – 10% increase in 2025* • *Economic equality - reduced gap between gender savings share – 10% increase in 2025.* ***Climate*** • *Overarching ambition to become net zero by 2050 and reduce own emissions by 55% by 2030 aligned to base year 2019.* • *Conduct ESG score for corporate customers EAD above 8 MNOK – goal of 100% in 2025 due to new questionnaire* • *Energy efficiency in residential and commercial buildings – to be reduced by 16% by 2030 (measured though energy labels)* • *New sale green/energy loans consumer market – 2000 loans per year – annually to 2028* • *Green loans corporate division (total green loans and sustainability related) – goal of 30% by 2028.* • *20% of new fund sales must have a sustainability profile – goal by 2028* *In addition to the KPIs mentioned here, Sparebanken Møre has implemented several competence-raising measures both internally for employees and externally for customers.* *A series of workshops on sustainability in cooperation with UN global compact conducted from April – October 2024. A total of 60 business participated in four different locations in Møre og Romsdal increasing the number of participants and reducing the travel distance and co2 emissions for each attending business.* Partnership with *Energiråd to establish Green Energyarena Møre, a partnership that will contribute to uncovering and improving energy efficiency measures in local companies, where they will, among other things, get help to uncover opportunities and assistance on application to support schemes at Enova (owned by the Ministry of Climate and Environment, and contributes to a faster transition to a low-emission society.) A mitigating measure that helps to reduce electricity consumption, thus making more electrici*ty available in the region. *The targets are aligned with Finance Norway's roadmap, UN SDGs, the goals of the Paris Agreement, and the UNEP FI PRB impact analysis national framework. The UN SDGs provide the framework for our sustainability strategy, and we have identified seven SDGs that are relevant for the bank and our operations. They are in areas where the bank has significant risk and opportunity to have a positive impact. The SDGs are integrated into the overall strategy for the bank.* *Other commitment that drives alignment towards the SDGs and international climate goals are our commitment to Eco Lighth House. Furthermore, our climate targets are in line with the goals set in the Paris Agreement and national goal of 55% lower emissions by 2030 compared to 1990 levels, and an ambition to become net zero by 2050.*	**Links and references**

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate	...	
change	...	
mitigation	...	

Impact area	Indicator code	Response
Financial	...	
health &	...	
inclusion	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Baseline for these indicators are as follows: ***Financial inclusion and financial health*** • *Measures of customers' financial health - health report of engagement in GREP – goal 90% - baseline year 2024* • *Default below industry average – reference industry average – baseline year 2024* • *Financial health - both parties invited to counseling – 10% increase in 2025, baseline year 2024* • *Economic equality - reduced gap between gender savings share – 10% increase in 2025, baseline year 2024*	*Please also see annex for some indicators.*

CONTENT

Climate • *Overarching ambition to become net zero by 2050 and reduce own emissions by 55% by 2030 aligned to base year 2019.* • *Conduct ESG score for corporate customers EAD above 8 MNOK – goal of 100% in 2025 due to new questionnaire* • *Energy efficiency in residential and commercial buildings – to be reduced by 16% by 2030 (measured though energy labels) - baseline year 2024 (combination of real and estimated energy label)* • *New sale green/energy loans consumer market – 2000 loans per year – annually to 2028, baseline year 2024* • *Green loans corporate division (total green loans and sustainability related) – goal of 30% by 2028, baseline year 2024.* • *20% of new fund sales must have a sustainability profile – goal by 2028, baseline year 2024*	
c) **SMART targets** (incl. key performance indicators (KPIs) [8]**):** Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.	
Our PRB prioritized targets are incorporated into our material topics and strategic goals. Please see our scorecard in our sustainability report, or in our sustainability strategy v5.0 on sbm.no	**Links and references** *Please see our Overall sustainability strategy version 5.0*
d) **Action plan:** which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.	
An important task in 2025 will be to complete our first version of a transition plan based on a science-based method, and with this as a backdrop, we assume that we will develop several new measures. We will also continue our work to increase customer knowledge, so that we can contribute to the transformation ahead. Therefore, information about our various loan products related to energy efficiency and transformation will be in focus. We have identified the following areas where the bank might have high negative impact, for each area, some of the mitigating measures are presented below ***Climate emission | Circular economies | Responsible creditpolicy*** - Mitigation efforts are o ESG scoring of corporate clients o ESG topics part of the advisory conversation with customers o Conferences to address the topics and increase awareness o Sustainability portal on sbm.no o Sustainability and ESG risk as an integrated part in the credit process with corporate customers ***Climate emission in retail portfolio*** - Mitigation efforts are o mortgage with favourable terms for houses with low energy consumption o ESG topics part of the advisory conversation with customers o Planned event for 2025 – continue customer seminar on f. instance energy efficiency measures, climate accounting ***Competence sharing with customers*** - Mitigation measures are o Articles on ESG topics via our online platform Nyttig o good advice via our website sbm.no – for instance on legal topics such as wills, power of attorney, advice for those in financial trouble, energy efficiency efforts in domestic homes and corporate buildings o Sustainability portal on sbm.no for corporate customers	**Links and references** Please also see section “sustainability report” in our annual report

8 Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

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SELF-ASSESSMENT SUMMARY

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your…

	… first area of most significant impact: ***Financial inclusion and financial health***	*… second area of most significant impact:* ***Climate***	*(If you are setting targets in more impact areas) …your third (and subsequent) area(s) of impact: … (please name it)*
Alignment	☒ Yes ■ In progress ■ No	☒ Yes ■ In progress ■ No	■ Yes ☒ In progress ■ No
Baseline	☒ Yes ■ In progress ■ No	☒ Yes ■ In progress ■ No	■ Yes ☒ In progress ■ No
SMART targets	☒ Yes ■ In progress ■ No	☒ Yes ■ In progress ■ No	■ Yes ☒ In progress ■ No
Action plan	■ Yes ☒ In progress ■ No	■ Yes ☒ In progress ■ No	■ Yes ☒ In progress ■ No

2.3 TARGET IMPLEMENTATION AND MONITORING (KEY STEP 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

The below summary shows our progress throughout 2024 (since our last reporting in 2023), when we had the following targets

- Reduce our own climate emissions (co2) by 55 per cent by 2030, with an average reduction of 7% annually.
  Result: scope 1 is reduced by 13%, scope 2 by 20% and scope 3 (category 1-14) by 35%. For more detailed information please see our chapter on climate accounting.
- Sustainability is an integral part of all innovation and development processes.
  Result: Sustainability is included in most policy document and work instructions, and this is followed up quarterly. The follow up resulted in updated routines in order ensure even closer integration.
- Sparebanken Møre has a long-term ambition of at least 40% of each gender at all levels in the bank.
  Result: All levels apart from c-suite (level 2) are in line with our target, as this is a long-term goal, measures to increase awareness are put in place, and every C-suite must make their own plans for their section/division in order to reach the target in the long term.
- Increase in the number of students through projects such as Medvind, Dale Oen Academy and VågAlt
  Results; not sufficient data available
- Improved the ESG Risk score for business by 0.5 points per year.
  Result: Small increase in average score in 2023 5.54, compared to 5.45 in 2022.
- 40% increase in the number of consumer customers who are granted green loans for housing
  Results: Goal of at least 654 new loans, and the total number became 1076 new green loan for housing.
- 40% of consumer car loan portfolio must be green loans
  Results: goal not meet, the total number of green car loans increased from 30% to 34%.
- Increased proportion of female customers who invest/save
  Results: goal not meet, the number of female customer who save have dropped in the last year
- Number of visits to the Sustainability Portal on sbm.no - higher than 1,500
  Results: 1620 visits, an increase from last year 1523

Links and references

See annual report – section "sustainability report"

CONTENT

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 CLIENT ENGAGEMENT

Does your bank have a policy or engagement process with clients and customers [9] in place to encourage sustainable practices?

☒ Yes ■ *In progress* ■ *No*

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

■ Yes ☒ *In progress* ■ *No*

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities [10]). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

We have worked with our clients and customers to encourage sustainable practices by - Includes sustainability as a topic on the agenda in advisory meetings, with both consumer and corporate customers - ESG score a selection of corporate clients every year - Developed a sustainability portal for corporate clients, available for both customers and non-customers on our website sbm.no. The portal has a general part on sustainability, a part on strategy and a specific part divided into 7 different branches and teams and organizations – making it as relevant and concrete as possible. - We have been engaged in conferences and courses to increase knowledge on sustainable matters - We have invited customers to seminars and courses for both our retail and corporate customers - In addition, we constantly work to increase knowledge for our advisors, making them better partners for our customers. This work will be further developed through 2026, as also mentioned in section 2.2	**Links and references** Annual report Sustainability report – "general section Underlying results can be found in section for our material topics.

3.2 BUSINESS OPPORTUNITIES

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response The business opportunities we have been and are working on are; • *Green loan for corporate and consumer customers* • *Product with social profile for retail customers* • *Issued green bonds* • *Sustainable savings – both in terms of product offerings and increasing women share of savings* • *Increased knowledge for employees and customers – eg. Through our Sustainability portal, and relevant courses and seminars* • *Personal advisors for consumer and corporate customers* • *Established GREP, a department specializing on helping those who have come in financial disability.* • *For the smaller corporate customers we have established Næringsbasen, their own customer service with highly experienced advisors* *The SDG we are working to have an positive impact and reducing negative impacts are SDG 8, SDG 9, SDG 10, SDG 11, SDG 12, SDG 13 and SDG 17*	**Links and references** Annual report Sustainability report – "general section" Underlying results can be found in section for material topics Sustainability report – "general section"

9 *A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.*
10 Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

CONTENT

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 STAKEHOLDER IDENTIFICATION AND CONSULTATION

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups [11]) you have identified as relevant in relation to the impact analysis and target setting process?

☒ *Yes* ■ *In progress* ■ *No*

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

We conduct and consult with stakeholders on a regular basis as described in our stakeholder dialoge in our annal report – section on sustainability. *The stakeholders we have engaged with in 2024 are* • Customers • Employees • Capital market • rating agencies and analysts • Suppliers • Collaborations partners • Competition • Government • Voluntary teams and organisations • Research and academia • Trade and interest organisations • Media *This description in our annual report includes the different stakeholders, issues addressed and how we meet the topics addressed.*	**Links and references** Annual report - Sustainability report – "Section stakeholder dialogue"

11 *Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations*

CONTENT

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 GOVERNANCE STRUCTURE FOR IMPLEMENTATION OF THE PRINCIPLES

Does your bank have a governance system in place that incorporates the PRB?

☒ *Yes* ■ *In progress* ■ *No*

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

	Links and references
Our commitment to PRB is included in our overall sustainability work and is lead by the Sustainability department that involves the Sustainability committee, The sustainability department propose and monitor targets and reports to the bank management and board of directors, at a minimum once quarterly and in detail annually. It is the banks CEO which is the owner of the strategy. The sustainability department works closely with the sustainability committee and C-suites to ensure the anchoring in the organization, and the follow up of our measures.. As from 2024 each division/ section leader (C-suites) wich forms the bank management group have sustainability goals and KPI incorporated as part of their job description and management agreement with our CEO.	Annual report Sustainability report – "general section"

5.2 PROMOTING A CULTURE OF RESPONSIBLE BANKING:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Sustainability is now an integrated part of the strategic focus area in the banks overall strategy, thus making this a high priority for all employees and departments/ divisions. To foster a culture of responsible banking, Sparebanken Møre is building internal sustainability competence and expertise through several different measures, this is important both to manage and mitigate risk and to seize opportunities. The measures are;

- Courses and problem solving for the group management and the board,
- 20+ sustainability courses for consumer advisors, corporate advisors and specialists in the banks sections,
- monthly news series on sustainability for all employees,
- workshops on specific topics,
- workgroups on ESG data
- multidisciplinary sustainability committee
- further develop the chatbot used internally to assist advisors with information on our sustainability products/ loans
- quarterly internal updates on the banks sustainability work
- quarterly updates on development on goals and KPI to our CEO, C-suite management group and board of directors
- bank management group have sustainability goals and KPI incorporated as part of their job description and management agreement with our CEO.
- CEO addresses sustainability in most external presentation

For more detailed information see our section "competence" in our Annual report – chapter on Sustainability.

CONTENT

5.3 POLICIES AND DUE DILIGENCE PROCESSES

Does your bank have policies in place that address environmental and social risks within your portfolio? [12] Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

The due diligence of our portfolio is taken care of through the early ESG risk score in the credit prosess, ESG scoring of customers with engagement over 8 MNOK

The ESG scoring is carried out in a separate analysis tool which consists of a number of assessment questions within the three ESG dimensions, environment, social and governance. Results from the analysis give a score that indicates low, moderate or high risk. The assessment must be carried out in close dialogue with the customers. Although all dimensions are included, the main weight of the assessments is directed against climate and environment. Analyzes and assessments must be documented and included in the decision-making basis for approval or annual commitment reviews of credit commitments. This means that customers are scored at least annually. The scores are followed up and reported at portfolio level in the bank's portfolio management system.

In addition to the above, in connection with the credit case, an analysis must be carried out with regard to climate risk (including physical and transition risk). Here, it must be assessed how the customer/industry is affected by physical and transitional risk and how this in turn can have an impact on the customer's costs and income (and the customer's ability to service debt) as well as on the value of objects on which the bank has a loan (for example properties and operating assets). Furthermore, it must be discussed how the customer affects the environment, compared to the customer's operation and business model. For example, pollution of land, water, air and the use of non-degradable materials/packaging A part of the assessment is related to the owners/board on sustainability topics such as AML, compliance, transparency, equality, diversity, circular economy, ethical policy etc.

From 2024 the ESG section of our annual branch analysis on corporate customers was increased and include ESG risk, mitigating efforts and so on. This has also been further developed in relation to our updated double materiality analysis in line with preparing to CSRD/ ESRS reporting.

For information on due diligence in our value chain – please see annual report – section on "workers in the value chain".

For further information on our climate risk we refer do our TCFD report, which has been improved through 2024 as we have progressed on our scenario analysis and stress testing. The work related to improving both data availability and data quality continues. ESG risk are reported on quarterly to board of directors.

Links and references

Annual report -

Sustainability report

SELF-ASSESSMENT SUMMARY

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ *Yes* ■ *No*

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/ milestones are not achieved or unexpected neg. impacts are detected)?

☒ *Yes* ■ *No*

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ *Yes* ■ *In progress* ■ *No*

12 Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

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Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 ASSURANCE

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

■ *Yes* ■ *In progress* ☒ *No*

If applicable, please include the link or description of the assurance statement.

Response	Links and references
The report has been assured every year since we signed in 2019. However, the 2024 report represents a gap year, as the sustainability report is undergoing a major change as we prepare our report to be in line with CSRD as of FY2025, therefore the 2024 report will not be assured.	

6.2 REPORTING ON OTHER FRAMEWORKS

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

■ *GRI* ■ *SASB* ■ *CDP* ■ *IFRS Sustainability Disclosure Standards (to be published)*

☒ *TCFD* ☒ *Other: CSRD/ ESRS, Miljøfyrtårn (Eco lighthouse)*

Response	Links and references
Our sustainability report is built on the ticked frameworks.	*Annual report – Sustainability and corporate responsibility*

6.3 OUTLOOK

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis [13], target setting [14] and governance structure for implementing the PRB)? Please describe briefly.

	Links and references
The work related to data gathering, quality and portfolio analysis will continue in 2025 as work with our transition plan progresses. *The PRB impact analysis will be an integral part of the work. Furthermore, a lot of efforts will be made to ensure that we are CSRD compliant for FY2025.*	

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- ■ *Embedding PRB oversight into governance*
- ■ *Gaining or maintaining momentum in the bank*
- ■ *Getting started: where to start and what to focus on in the beginning*
- ■ *Conducting an impact analysis*
- ■ *Assessing negative environmental and social impacts*
- ■ *Choosing the right performance measurement methodology/ies*
- ☒ *Customer engagement*
- ■ *Stakeholder engagement*
- ☒ *Data availability*
- ☒ *Data quality*
- ■ *Setting targets*
- ■ *Other: …*
- ■ *Access to resources*
- ■ *Reporting*
- ■ *Assurance*
- ■ *Prioritizing actions internally*

If desired, you can elaborate on challenges and how you are tackling these:

13 For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement
14 For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

CONTENT

Impact area	Practice [1] (pathway to impact)									Impact[2]		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	**Climate strategy:** Does your bank have a climate strategy in place?	In progress	A.2.1	**Client engagement process:** Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	In progress for our clients in the oil and gas sector, shipping sector and fishery. We are part of syndicat sustainability linked loan, but strive to establish own SLL for our customers.	A.3.1	**Financial volume of green assets/ low-carbon technologies:** How much does your bank lend to/ invest in green assets / loans and low-carbon activities and technologies?	We are in process to define our Green Assets Ratio, but the final % of portfolio will be presented in our yearly report in march 25.	A.4.1	**Reduction of GHG emissions:** how much have the GHG emissions financed been reduced?	No reduction measured so far, we are working to increase our data quality for emission data in our portfolio. Our portfolio consists of SMEs not required to publish emission data.
	A.1.2	**Paris alignment target:** Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	In progress Targets will be finalized in 2025 as work with our transition plan v. 1 is finished. Stated ambition to become net zero by 2050, furthermore to reduce own emissions by 55%	A.2.2	**Absolute financed emissions:** What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/ or investment portfolio?	Total GHG emissions or CO2e is 923.581 tCO2e for our lending portfolio. Our investment portfolio is not included.	A.3.2	**Financial volume lent to / invested in carbon intensive sectors and activities and transition finance:**	19 % of our lending portfolio is to our three most carbon intensive sectors (Industry, Transport and Shipping). They represent 80 % of emissions in our portfolio.	A.4.2	**Portfolio alignment: How much of your** bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	Mapping is in progress
	A.1.3	**Policy and process for client relationships:** has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes, we perform yearly ESG-screening of our corporate lending portfolio	A.2.3	**Sector-specific emission intensity** (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please see the chapters called Climate risk and Climate emissions in our yearly report for 2024 available at our website sbm.no.						

1 Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices
2 Impact: the actual impact of the bank's portfolio

CONTENT

Impact area	Practice [1] (pathway to impact)									Impact[2]		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.4	**Portfolio analysis:** Has your bank analyzed (parts of) its lending and/ or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes, we calculate and publish our financed emissions in our lending portfolio in our yearly report.	A.2.4	**Proportion of financed emissions covered by a decar-bonization target:** What proportion of your bank's financed emissions is covered by a decar-bonization target, i.e. stem from clients with a transition plan in place?	In progress. Demand for a transition plan in newly set for clients in the oil and gas sector and the clients have 12 months after set requirement to deliver a transition plan.						
	A.1.5	**Business opportunities and financial products:** Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes. Green loans for emission free cars: 30 % of our car loan portfolio Green loans for private homes with EPC A or B: 4 % of our house loan portfolio. Several green/ energy loans to improve energy efficiency. Green loans for corporate buildings with EPC A or B, or Breeam excellent or outstanding certification. Loans to energy efficiency and Green bond framework and information is available at our website sbm.no									

CONTENT

Impact area	Practice [1] (pathway to impact)									Impact[2]		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B. Financial health	B.1.1*	# of products and services in the portfolio with a focus on financial health	We have 13 different saving and/or investment products, and we also offer an investment calculator where anyone can enter their investment amount and their time frame for saving and get fund recommendations We offer saving accounts with high yield, savings where you save a small amount everytime you use your debit card, saving accounts for children, pension savings account and more.	B.2.1*	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Please see our yearly report where we list competence initiatives towards our customers. Please see chapter "own workforce"	B.3.1*	% of individuals with a good and/or very good level of financial skills	In the yearly EPSI survey Sparebanken Møres consumer customers rated the bank with a score of 77,7 of 85 on the question "To what extent do the bank's products and services make it easy to get an overview of your finances?". The best rated bank had a score of 85,0 and the average was 75,5.	B.4.1	% of customers with a high level of financial health	Not available, we have not performed a survey on the topic.
B. Financial health	B.1.2*	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Our advisors are certified and trained in different areas of banking: Savings and investment: 169 Credit and lending: 147 Non-life insurance 160 Personal insurance: 150 Damage insurance corporate and consumer: 6 All areas include training in customer onboarding, customer training and financial planning with the customer. We also have a group of advisors specially trained to handle consumer customers who is experience lack of financial control.	B.2.2*	% of customers actively using the online/mobile banking platform/ tools	90-95 % of our active consumer customers has used their digital banking platform during January 2025, which is representative for average throughout the year. This is unchanged from last year	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	We do not have a system to measure the exact % of customers with a defined action plan. We perform customer meetings yearly where each customer is followed up on personal economy, product updates and saving plans and more. We have a concept for customers that starts to lose control over their economy and define an action plan to help them back on track (both corporate and consumer customers).	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Data not available, we have not performed a survey to map this among our customers.

CONTENT

Impact area	Practice [1] (pathway to impact)									Impact[2]		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B. Financial health	B.1.3	# of partnerships active to achieve financial health and inclusion targets	We partner with Youth Entrepreneurs on a program where youths in school aged 13-19 get an introduction to personal finance. Other partnerships is described in the chapter "consumer/ end user" in our yearly report 2024.				B.3.3	% of customers using overdraft regularly	In progress	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Data not available, survey not conducted.
							B.3.4	% of customers with a non-performing loan	In progress	B.4.4	% of customers with products connected to long-term saving and investment plans	In progress
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	We are in progress, considering if this is a relevant target to measure	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Data not available, survey not conducted.

CONTENT

Impact area	Practice[1] (pathway to impact)									Impact[2]		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C. Financial Inclusion	C.1.1*	# of products and services in the portfolio with a focus on financial inclusion	We have all our basic bank services available offline. Deposits, invoices, withdrawal, transfers etc. We also have three types of lending products for first-home buyers, students and young people under the age of 34 which is customer groups with less income in average than older customers.	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	In progress	C.3.1*	% of individuals with a good and/or very good level of financial skills	No data available, measurement not defined yet.	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	In progress
	C.1.2*	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Our advisors are certified and trained in different areas of banking: Savings and investment: Savings and investment: 169 Credit and lending: 147 Non-life insurance 160 Personal insurance: 150 Damage insurance corporate and consumer: 6 All areas include training in customer onboarding, customer training and financial planning with the customer. We also have a group of advisors specially trained to handle consumer customers who is experience lack of financial control.	C.2.2	% of customers with effective access to a basic banking product	In progress, will be reported 2024	C.3.2	% of customers supported with dedicated customer journey/ advisory services	In progress, will be reported 2024			
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	One partnership for reaching the target to increase the % females with fund savings	C.2.3	# of new customers per month	375 new consumer customers in average each month, a total of 4500 by year end 2024.	C.3.3*	% of customers actively using the online/mobile banking platform/ tools	90-95% of customers			

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To the General Meeting of Sparebanken Møre

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sparebanken Møre which comprise:

- the financial statements of the parent company Sparebanken Møre (the Company), which comprise the balance sheet as at 31 December 2024, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Sparebanken Møre and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit

Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders on 21 March 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Expected credit loss on lending and guarantees within the business operating segment

   Reference is made to Note 2 regarding risk management, Notes 5 to 10 concerning credit risk, and the board's annual report, section credit risk.

Description of audit matter	Our audit approach
The groups total expected credit loss on loans and guarantees within the business operating segment, that are not credit-impaired amounts to MNOK 137 as of 31/12/2024. Expected credit loss on loans and guarantees that are credit-impaired in the business operating segment amounts to MNOK 50 as of 31/12/2024. For lending and guarantees, IFRS 9 requires the group to calculate expected credit loss for the next 12 months for loans that do not have a large increase in credit risk (step 1), and expected credit loss over the entire term of the loan for loans that have significantly increased credit risk (step 2). The group uses models for calculating expected credit losses in step 1 and 2. The modeling is complex and includes large amounts of data. At the same time calculation uses and the management exercises discretion, especially related to the following parameters; ○ Probability of Default (PD), ○ Loss given default (LGD), ○ Exposure at default (EAD), ○ Definition of significant increase in credit risk ○ Weighting of different forward-looking scenarios As an IRB bank, Sparebanken Møre has developed its own models for determining PD, LGD and EAD. Based on these IRB models, approved by Finanstilsynet, the group has developed a separate model for calculating expected credit loss (ECL). For loans and guarantees where there is a significant increase in credit risk and where there are indications that the commitment is credit impaired (step 3), the group makes an individual assessment of the expected credit loss over the entire term of the commitment. Determining the expect credit loss involves a large degree of discretion on the part	We have formed an understanding of the group's definitions, methods and control activities for recognition and measurement of expected credit losses and checked whether they are in line with the standard's requirements. We have, among other things ○ Assessed whether the group's validation of IRB models and ECL models has been carried out in a professionally sound manner, ○ Assessed and tested whether the group's documentation of the model for calculating expected losses is in accordance with IFRS 9, ○ Assessed whether the ECL model's results are a good prediction of the expected losses that the group ultimately notes, ○ Tested the completeness and accuracy of the data base in the ECL Model, ○ Assessed weighting of different scenarios and the sensitivity of different weightings, ○ Rechecked the ECL model's mathematical accuracy. In our work with assessment of validations and model documentation related to ECL step 1 and 2, we have used our specialist. In order to challenge the management's discretionary assessments based on the calculations of expected credit loss for step 1 and 2, we have, among other things ○ Assessed and tested the management's control with the model's calculations, ○ Carried out analyzes of key key figures,

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of management. Key point in management's assessments are: ○ Identification of credit-impaired engagements, ○ Prerequisites for the determination of expected cash flows, including the valuation of collateral. ○ inkludert verdsettelse av sikkerheter. Based on the size of gross lending, inherent credit risk, the size of writedowns and the estimates that form the basis of management's assessments, we consider expected credit loss to be a central aspect of the audit.	○ Assessed model-calculated expected credit losses against comparable banks, We have formed an understanding of how the group identifies and follows up engagements that are credit impaired (Step 3) For a selection of credit-impaired engagements, we have recalculated the expected loss, as well as assessed the management's assumptions for expected cash flows against external valuations. In order to challenge the bank on whether there should have been other engagements under individual loss assessment, we have, based on publicly available information, formed our own view as to whether there are indications that engagements in the business portfolio are credit impaired. We assessed whether note information relating to IFRS 9 and ECL was sufficient according to the requirements of IFRS 7.

2. IT-systems and application controls

Reference is made to Note 30 Other liabilities and Directors Report, section Other significant agreements.

Description of audit matter	Our Audit Approach
Sparebanken Møre is dependent on the bank's IT infrastructure working as intended. The bank uses a standard core system delivered and operated by an external service provider. Good management and control of the IT systems is of essential importance to ensure accurate, complete and reliable financial reporting. Furthermore, the IT systems support regulatory compliance with reporting to the authorities, which is central to the bank as a licensed business. Among other things, the system calculates interest on borrowing and lending (so-called application controls) and the bank's internal control systems are based on system-generated reports Based on the IT system's importance to the bank's operation, we have identified this area as a central aspect of our audit.	In connection with our audit, we have gained an understanding of the control environment ant tested that selected general IT controls function as intended and support important application controls. In our controls, we have mainly focused on access management. An independent auditor at the service provider has assessed and tested internal controls relating to the IT systems at the external service provider. We have obtained an attestation statement (ISAE 3402) from an independent auditor auditor to assess whether the service provider has satisfactory internal control in areas of significant importance to Sparebanken Møre. We have assessed the auditor's competence and objectivity, and we reviewed the reports to assess possible deviations and consequences for our audit. We have asked the service provider's independent auditor to test a selection of standard reports and key functionalities in the core system to assess: ○ Whether selected standard reports from the system contain all relevant data, and ○ Whether the key functionalities, including controls relating to interest

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	calculations, annuities and fees work as expected. We have asked the management about their evaluation and follow-up of the independent auditor's report at the service providers to ensure that any findings are appropriately followed up. In our work to understand the control environment, test controls and review the reports, we have used our IT audit specialists.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Sparebanken Møre we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file «5967007LIEEXZX5PU005-2024-12-31-0-no», have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and

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regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 12. mars 2025
KPMG AS

Svein Arthur Lyngroth
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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