

Møre Boligkreditt AS

A company in the Sparebanken Møre Group

September 2024

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www.sbm.no/mbk



Sparebanken Møre

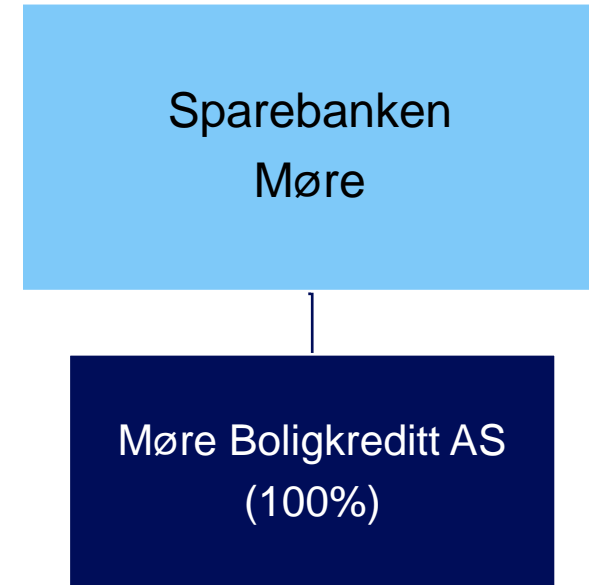
Sparebanken Møre is a wholly independent Norwegian savings bank with focus on traditional core banking, headquartered in the city of Ålesund.

Sparebanken Møre was established in 1985 as the result of mergers between local savings banks in the county of Møre og Romsdal.

Other savings banks in the county has merged with Sparebanken Møre since then, and the Bank is currently the eight largest Norwegian bank in terms of total assets.

Sparebanken Møre has been listed on Oslo Stock Exchange since 1989 with Equity Certificates (EC).

Møre Boligkreditt is Sparebanken Møre's wholly owned Mortgage Bank and Covered Bond issuing entity.



Sparebanken Møre

28

BRANCH OFFICES

412

FULL TIME EMPLOYEE YEARS

99.8 billion

NOK IN TOTAL ASSETS



RATED

A1

STABLE OUTLOOK
BY MOODY'S

LENDING
Y/Y

+7.7

PER CENT

DEPOSITS Y/Y

+6.3 PER

CENT

The Norwegian economy

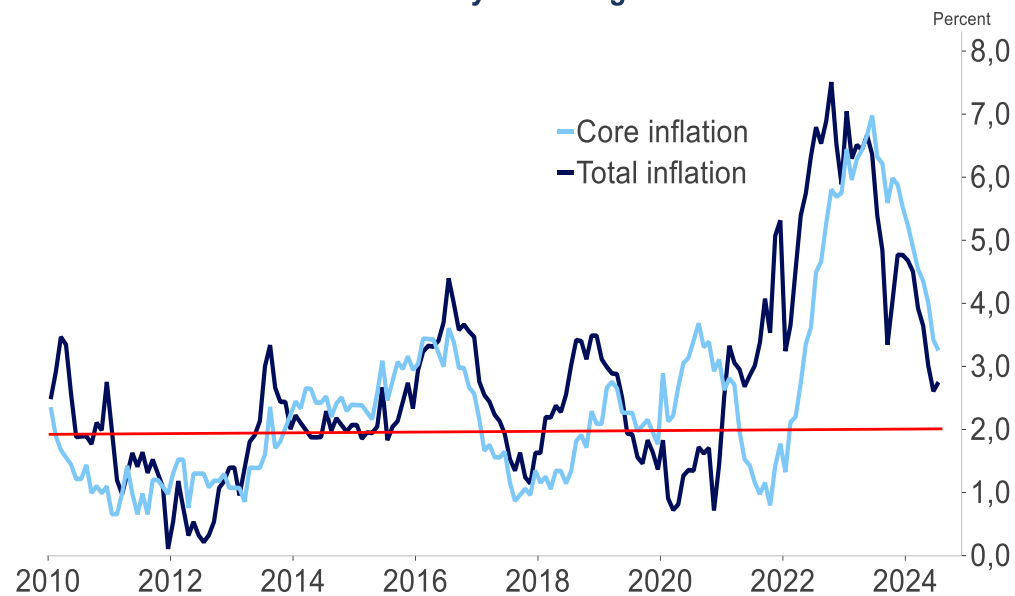


Inflation is still trending downwards, but remains well above target

- Price pressure is continuing to decline – July headline and core inflation at 2.8 and 3.3 percent, respectively
- There are signs that the activity level is gradually picking up, but growth prospects remain subdued
- High wage growth and low unemployment likely to support private consumption going forward

Norwegian inflation

Total and core inflation in Norway. Annual growth. Percent.



GDP growth in Mainland Norway

GDP Mainland Norway. Annualised growth. Percent.



NOK and interest rate expectations

- The NOK weakened over the course of the summer, but has gradually regained some strength
- Currently the import weighted exchange rate is about two percent weaker than forecasted by the central bank
- Norges Bank is expected to keep the key policy rate at the current level at least until December this year

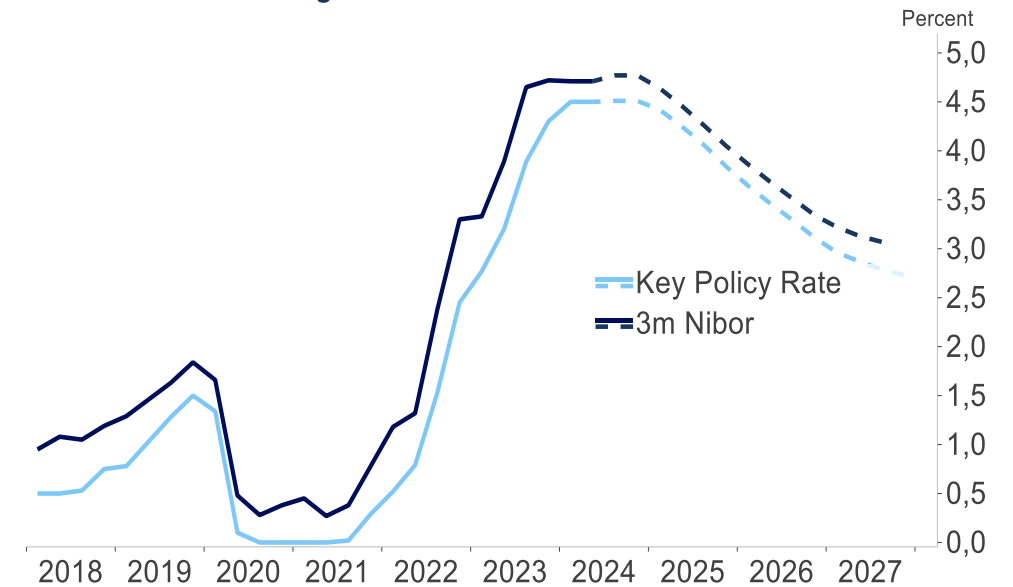
Key policy rate and 3mNibor

Import weighted NOK and Norges Bank forecast (MPR 2/24). Index.



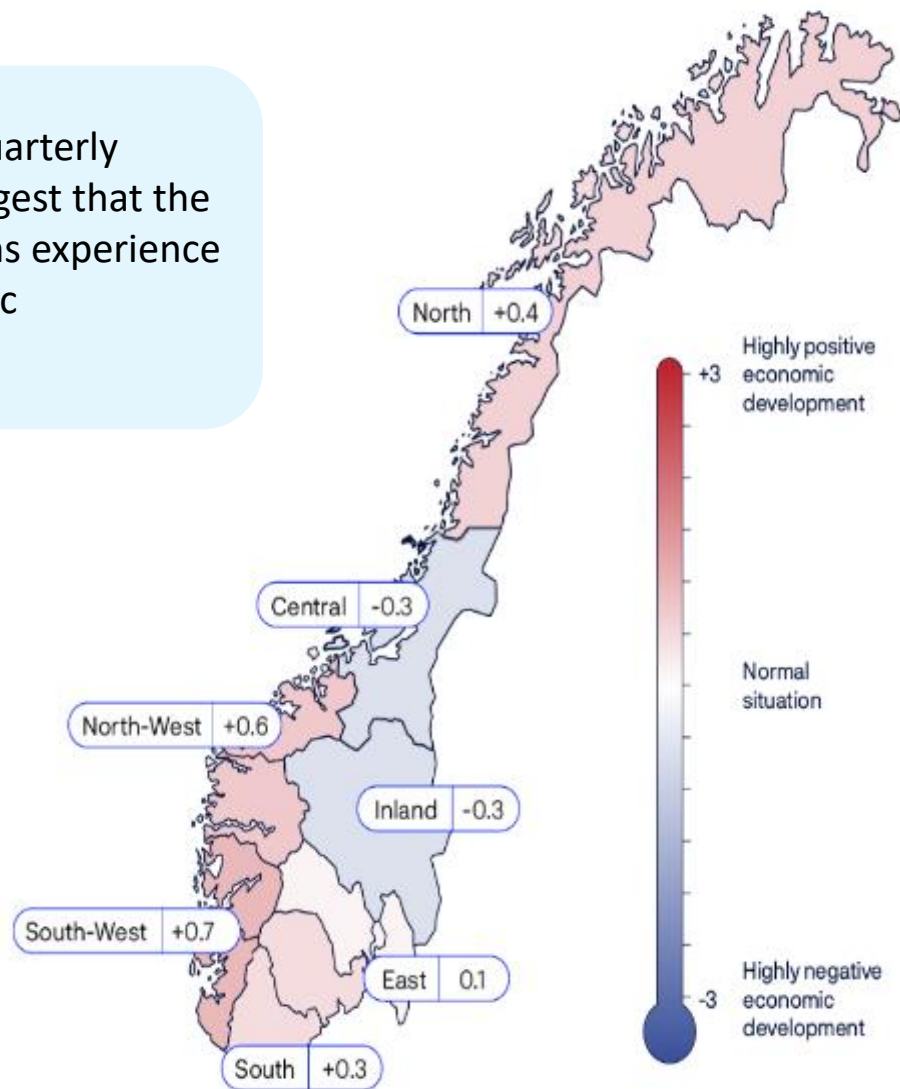
Key policy rate and 3mNibor

Forecast MPR 2/24 Norges Bank

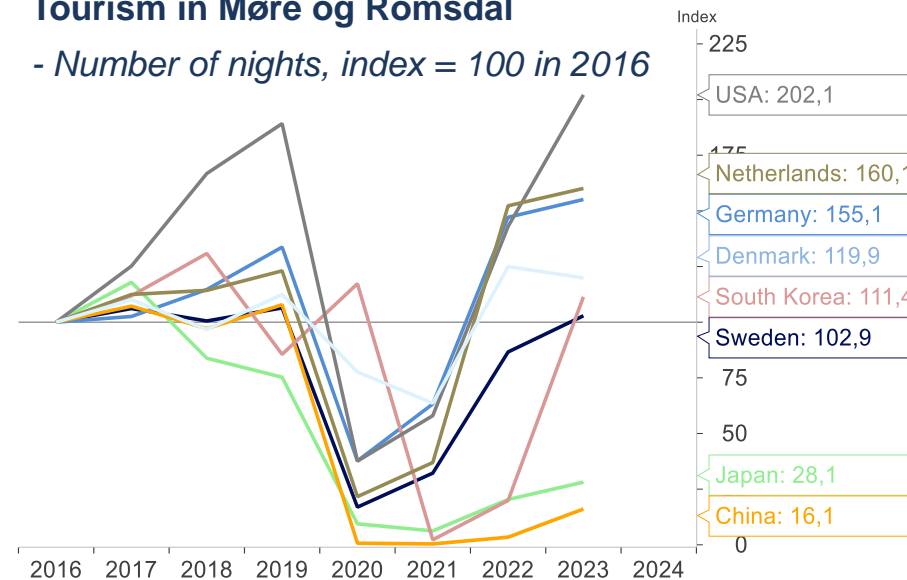


Growth and prospects

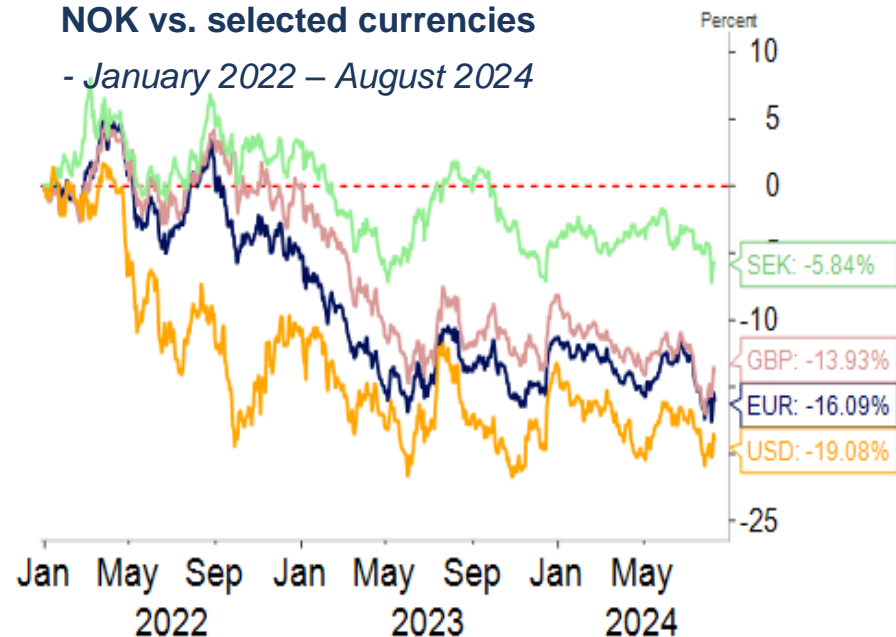
Norges Bank's latest quarterly regional indicators suggest that the export-intensive regions experience more positive economic development.



Tourism in Møre og Romsdal
- Number of nights, index = 100 in 2016



NOK vs. selected currencies
- January 2022 – August 2024

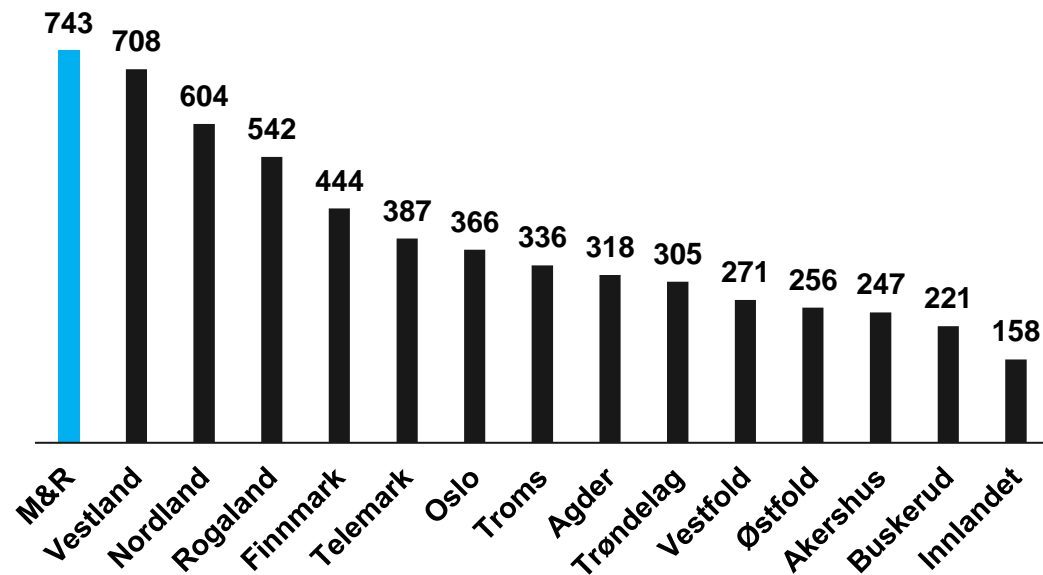


Growth and prospects

- The unemployment rate is still low, both nationally (2.0 percent) and in Møre & Romsdal (1.7 percent)
- The activity level in Møre & Romsdal remains supported by the weak exchange rate
- The unemployment rate is expected to increase gradually going forward, but keep at low levels

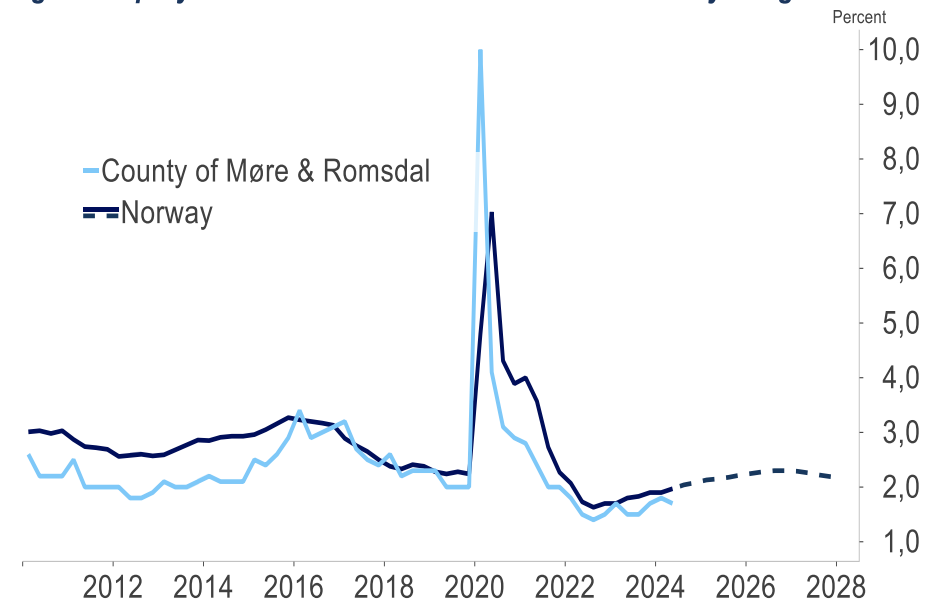
Export revenues per employed (ex. oil and gas). 2023.

NOK 1000



Unemployment rate in Norway and M&R

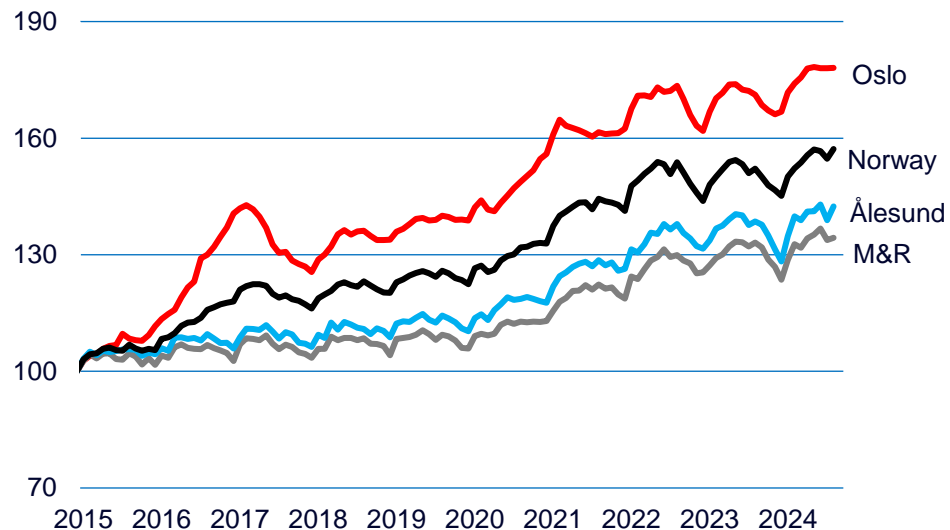
Reg. unemployment. Percent of labor force. Forecast by Norges Bank.



The housing market seems resilient to the increases in interest rates

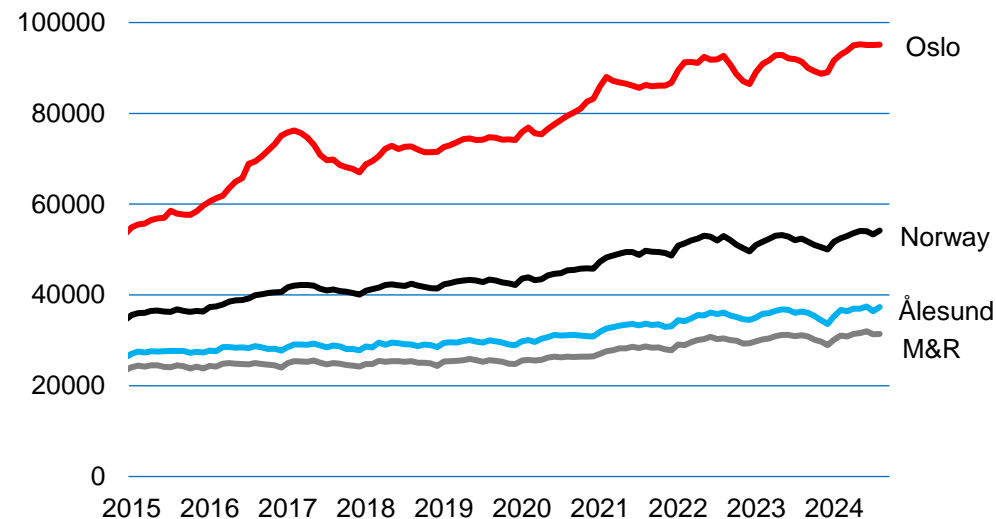
Indexed development

- January 2015 = 100



Price per square meter

- January 2015 – August 2024



Pre-owned dwellings - Sold in August 2024

	Norway	County of Møre & Romsdal	Greater Ålesund	City of Oslo
Seasonal adj. development last month	+0.5 %	-0.1 %	+1.6 %	+0.2 %
Development last 12 months	+3.3 %	+0.9 %	+2.8 %	+4.1 %
Development last 10 years	+57.8 %	+33.7 %	+41.7 %	+83.9 %
Per square meter (NOK)	54,174	31,434	37,313	95,107
Average number of days on market	46 days	63 days	48 days	26 days
Price median dwelling (NOK)	3,982,000	2,957,000	3,200,000	5,476,600

Sparebanken Møre

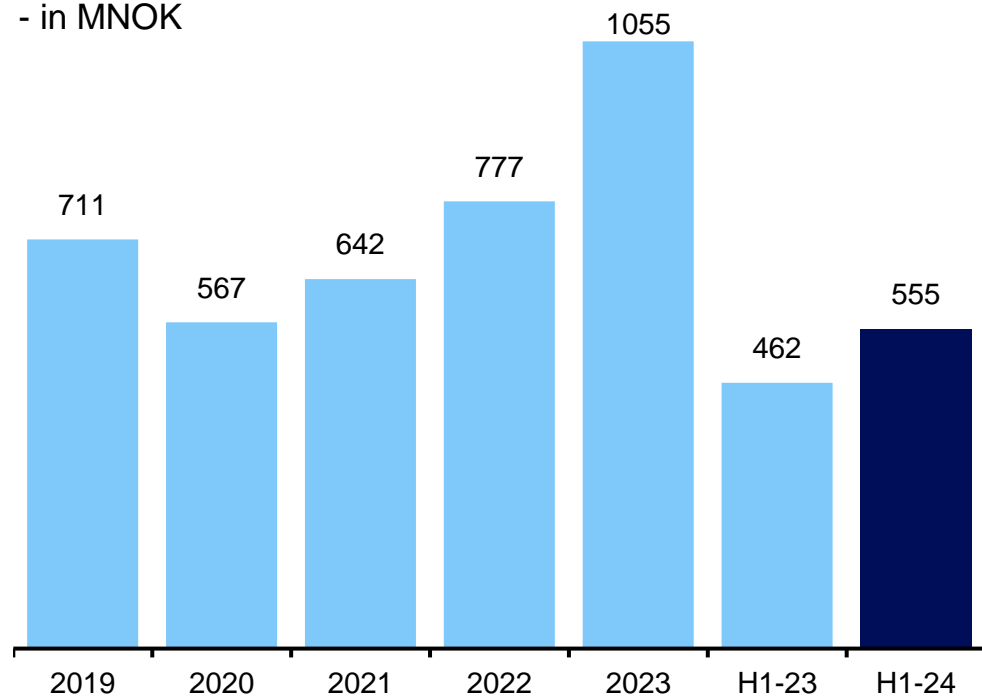
1H 2024

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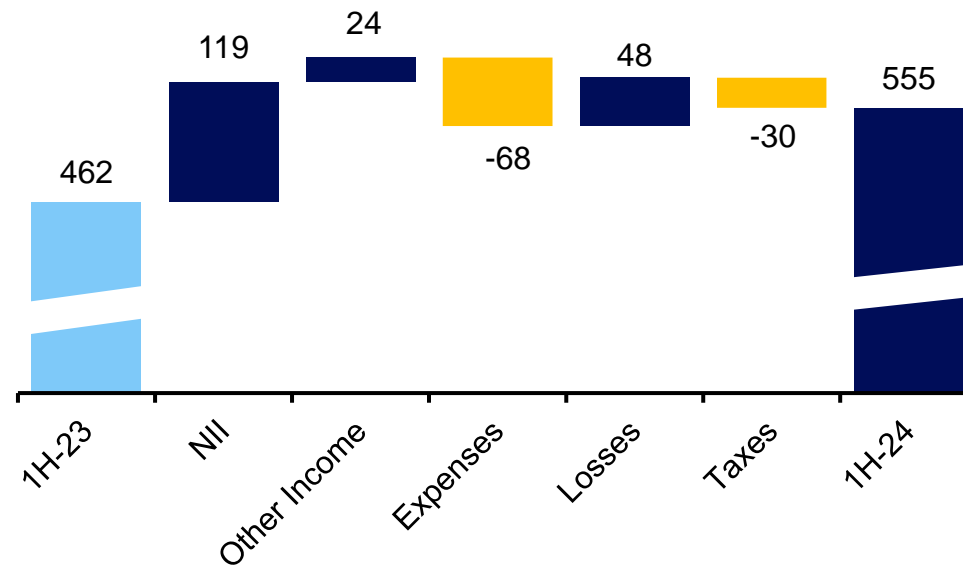


A solid half-yearly result

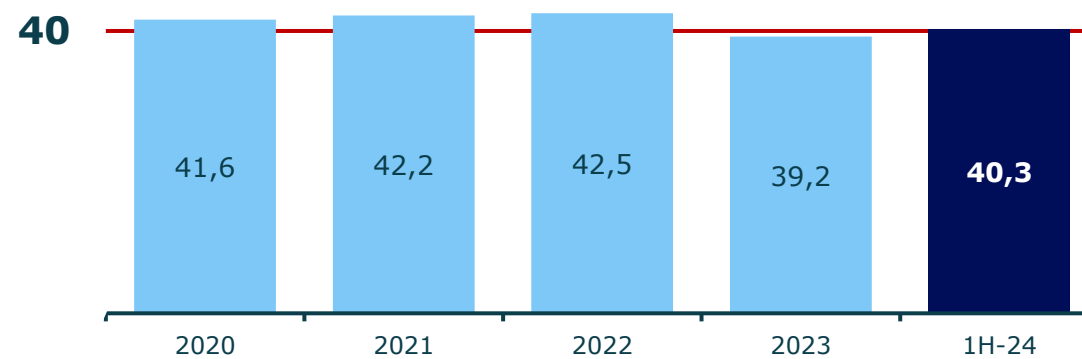
Profit after taxes
- in MNOK



Profit after tax 1H-24 vs 1H-23
- In MNOK

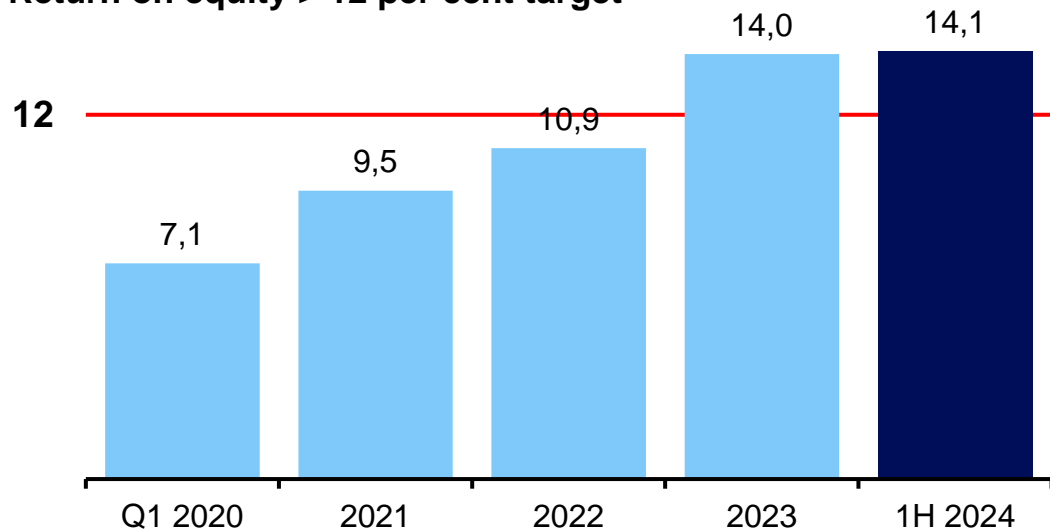


Cost/Income target < 40



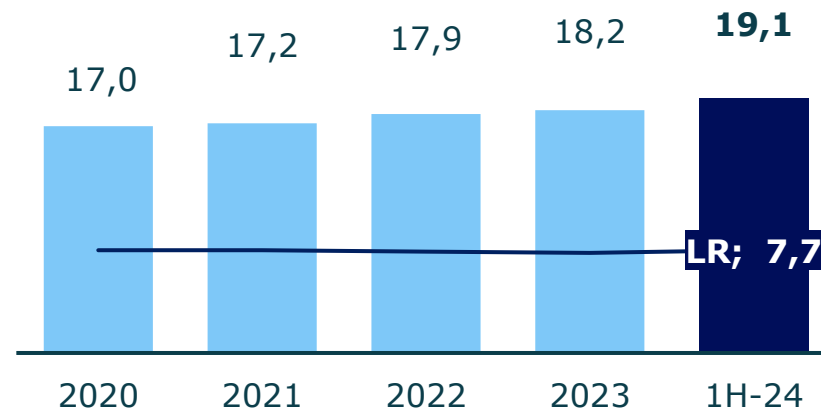
Solid result with strong capital

Return on equity > 12 per cent target

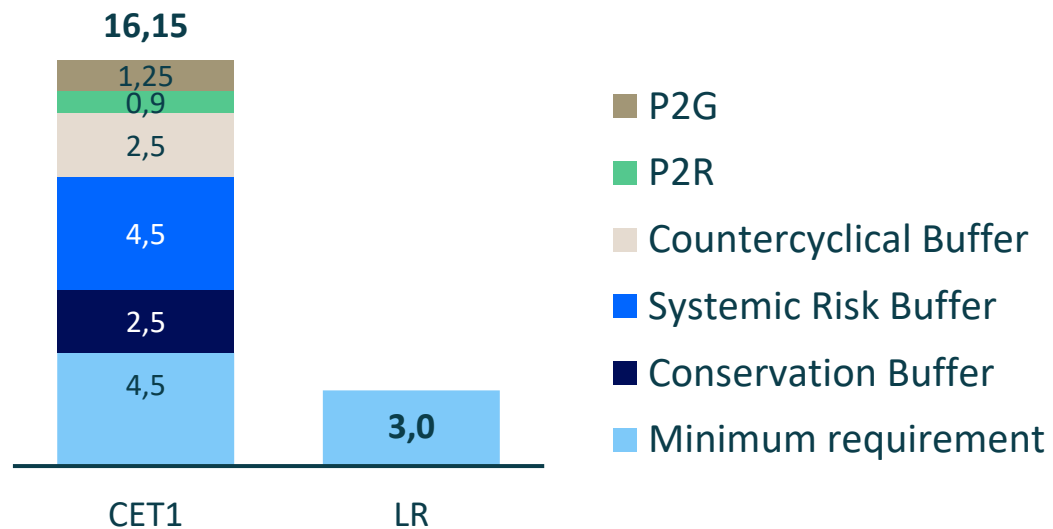


Common Equity Tier 1 (CET1)

- Leverage Ratio (LR) in percent of average assets

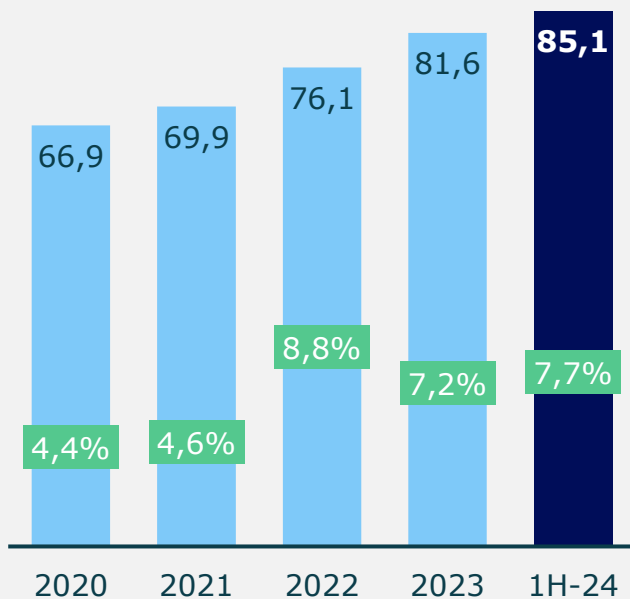


Sparebanken Møres CET1 and Leverage Ratio (LR) requirements



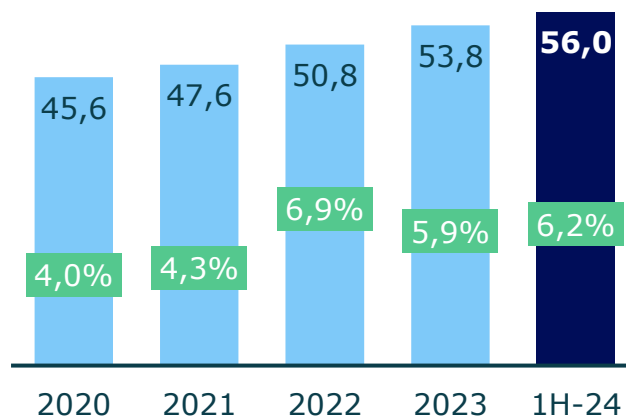
Strong lending growth

NOK billion and y/y



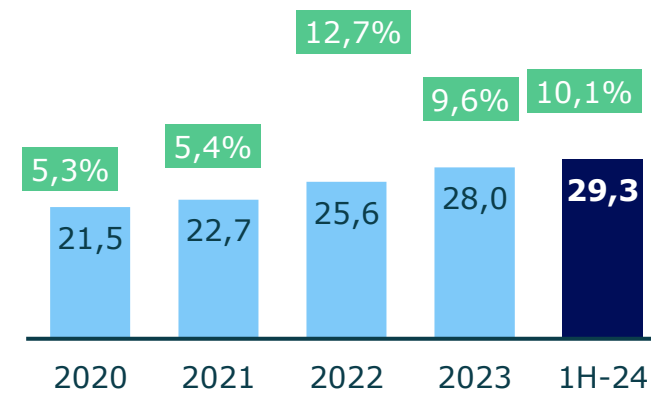
3.6 % total national lending growth reported by Statistics Norway y/y in June.

Retail lending
NOK billion and y/y



3.3 % y/y national lending growth reported to households

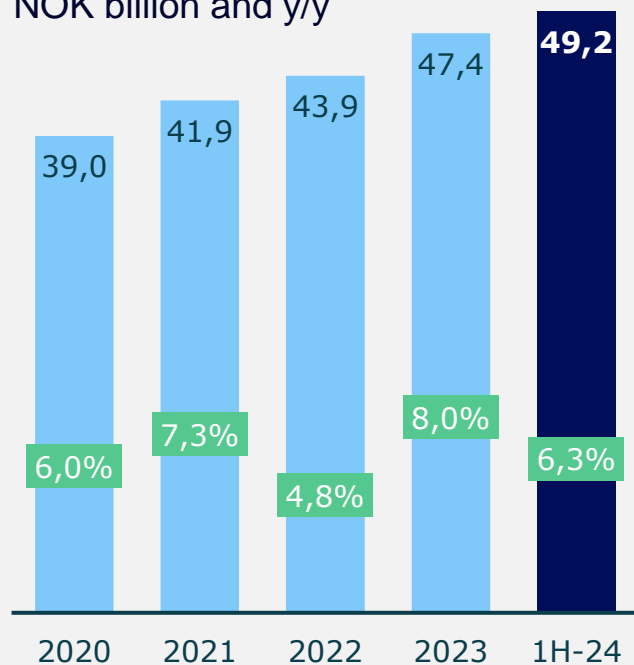
SME / Corporate lending
NOK billion and y/y



2.3 % y/y national lending growth reported to non-financial corporations

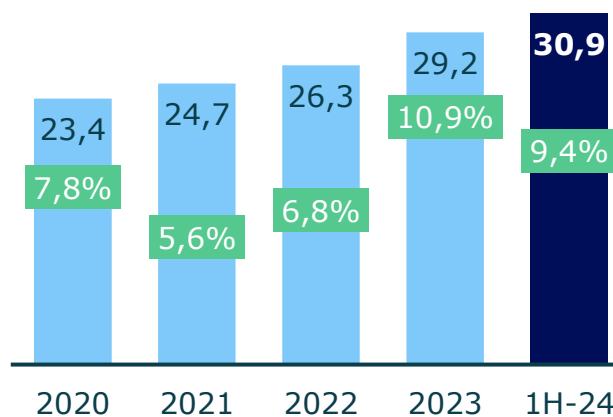
Strong growth in deposits

NOK billion and y/y



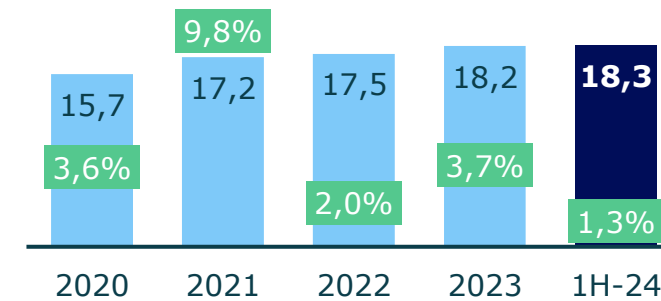
Deposit to loan ratio of 57.7 %

Retail deposits
NOK billion and y/y



62.8 % retail deposits

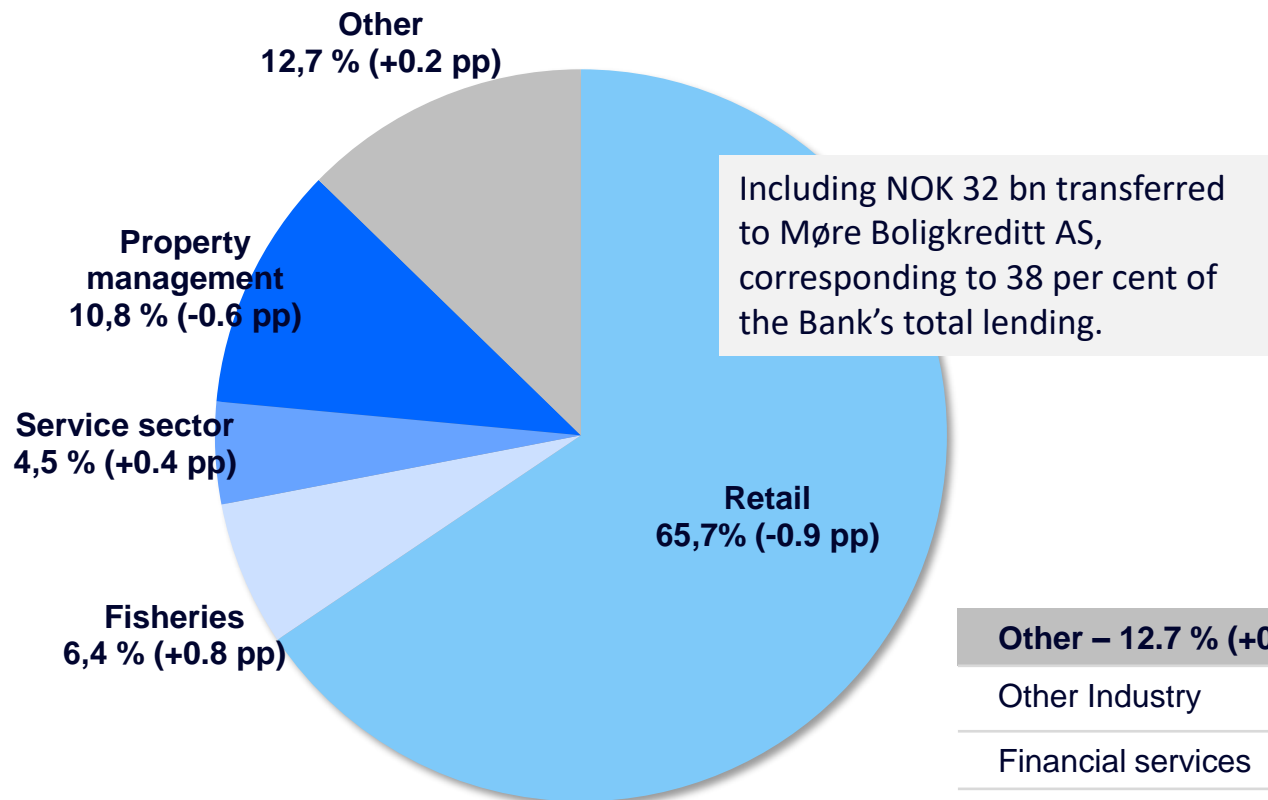
Corporate and public
NOK billion and y/y



Diversified loan book

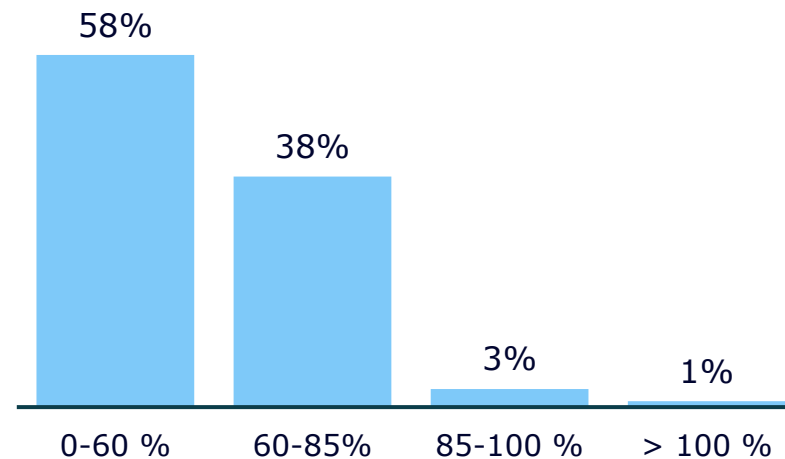
Loans by sector

- In per cent of total lending (in per cent of change y/y)



Loan-to-Value – mortgages

- In per cent of total retail lending

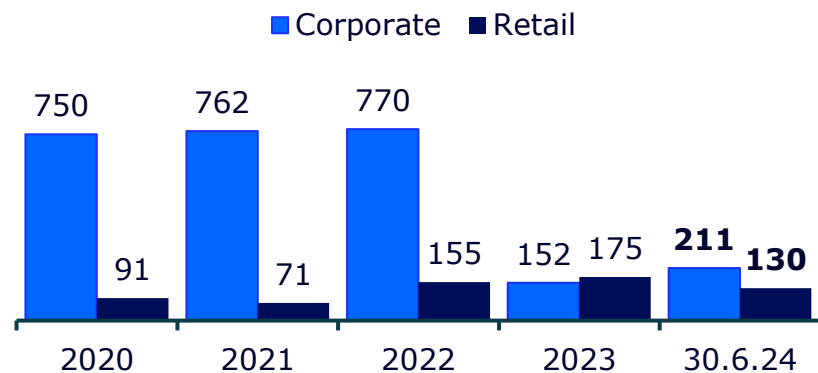


Other – 12.7 % (+0.2 pp) include:

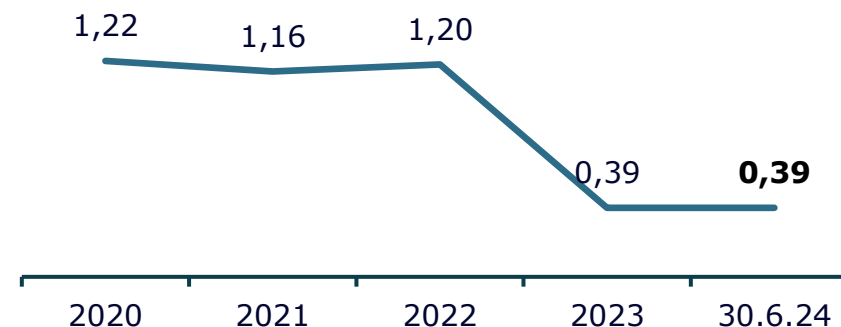
Other Industry	2.9 % (-0.1 pp)	Fishing Industry	1.2 % (-)
Financial services	1.8 % (+0.6 pp)	Agriculture	0.9 % (-)
Retail/ wholesale trade	1.6 % (-)	Ship Yards	0.2 % (+0.1 pp)
Building and Construction	1.6 % (+0.1 pp)		
Oil service vessels	1,5 % (-0,5 pp)	Other	1.0 % (+0.2 pp)

Low level of credit impaired commitments

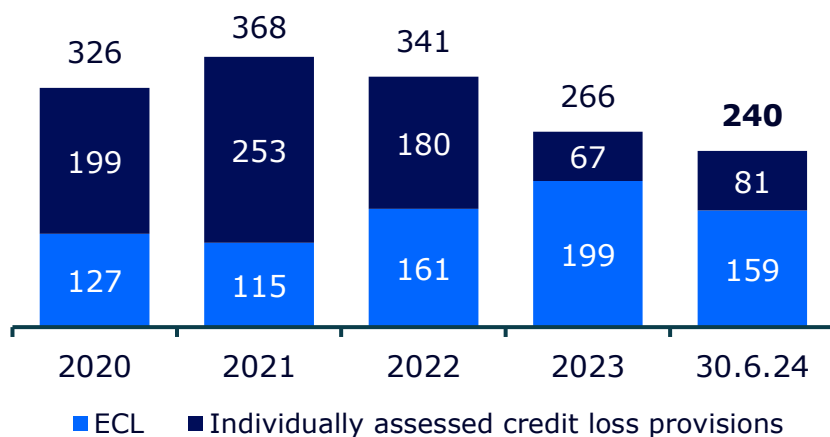
Credit-impaired commitments
- NOK million



Credit-impaired commitments (net)
- in per cent of loans and guarantees



Provisions for expected credit losses (ECL)
- NOK million



Credit impaired commitments consists of commitments more than 90 days overdue, and other credit-impaired commitments (< 90 days)

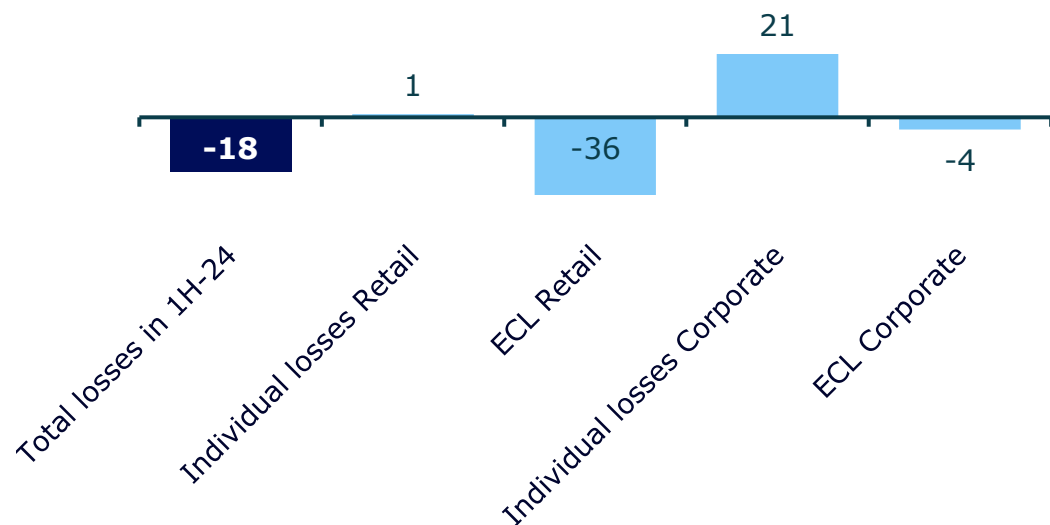
Customers previous in default must go through a probation period at least three months before they are scored as not credit-impaired.

Low level of losses

- Reversal of model-based losses

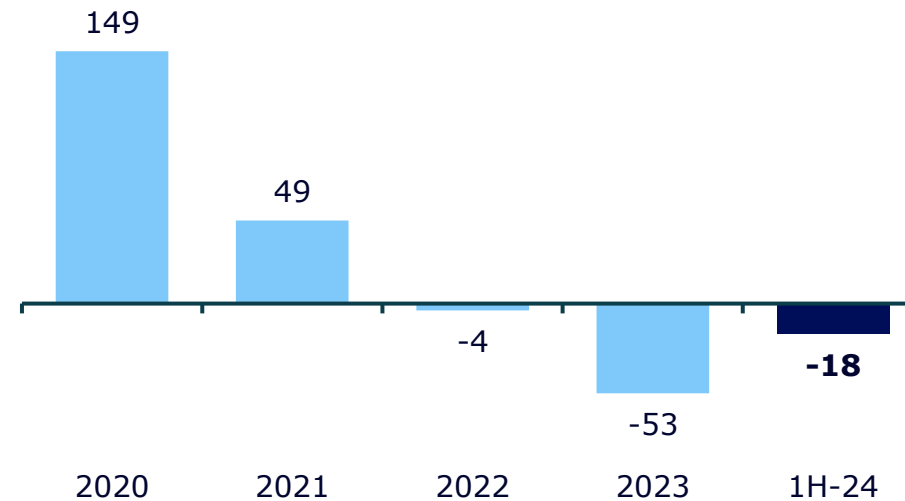
Losses by sector in 1H-24

- NOK million



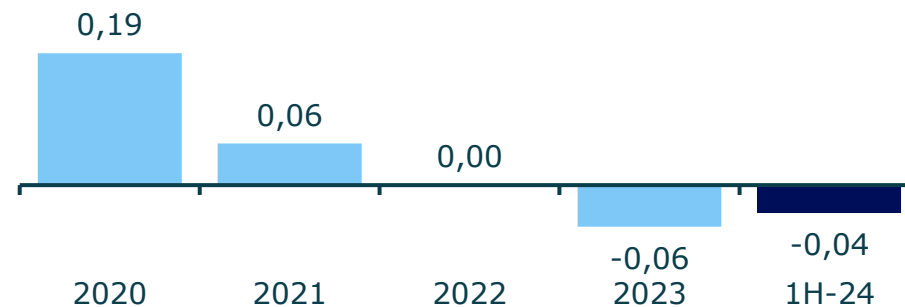
Losses on loans and guarantees

- NOK million



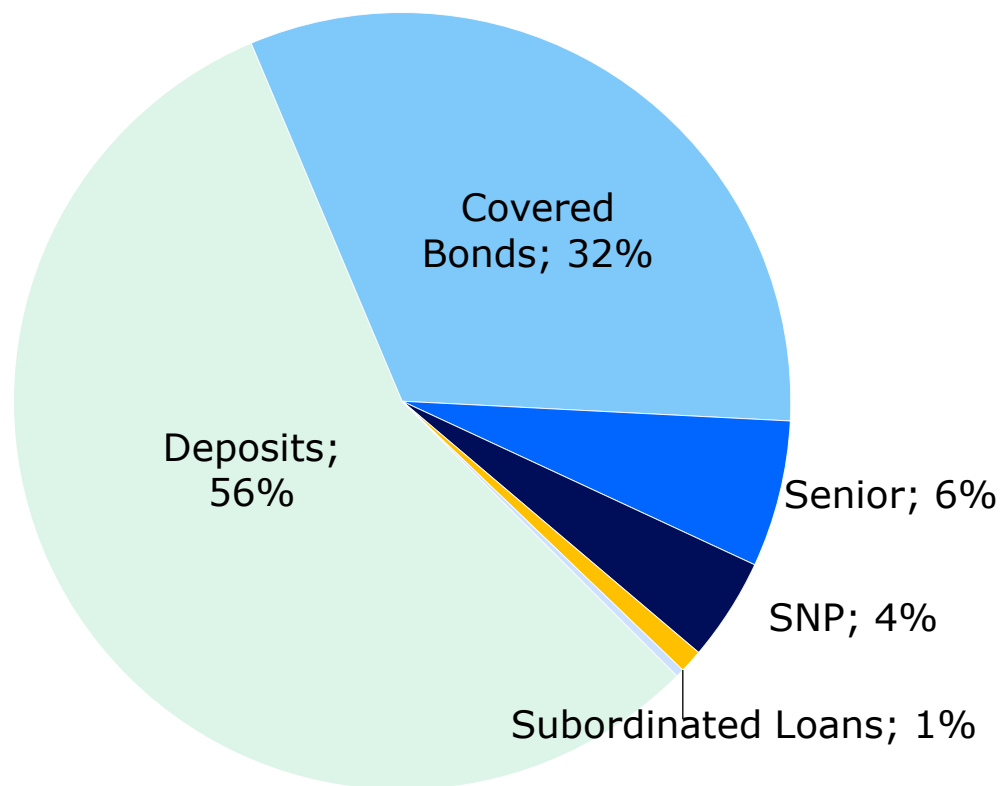
Losses on loans and guarantees

- in per cent of average assets



Sound funding profile

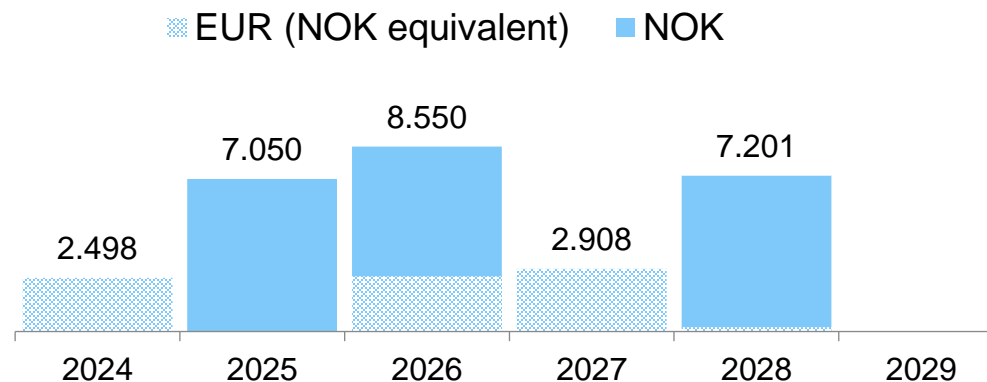
Total funding by source
- in per cent of total funding



✓ Consolidated NSFR Sparebanken Møre at Q2-end: **122**

Covered bond redemption profile

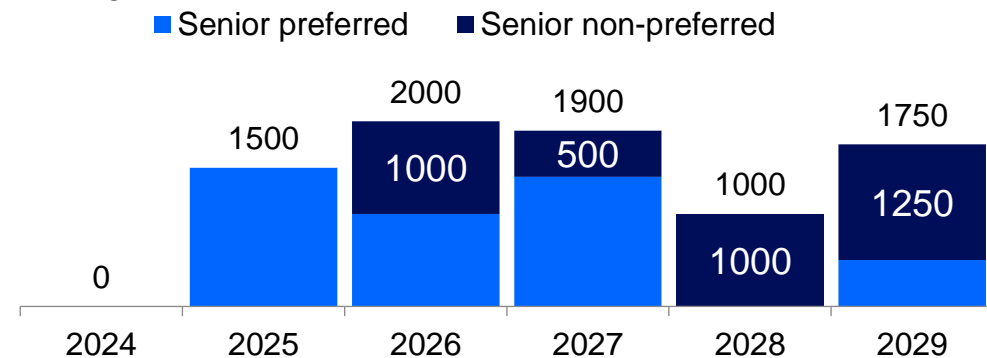
- NOK million equivalent



✓ NSFR Møre Boligkreditt AS at Q2-end: **106**

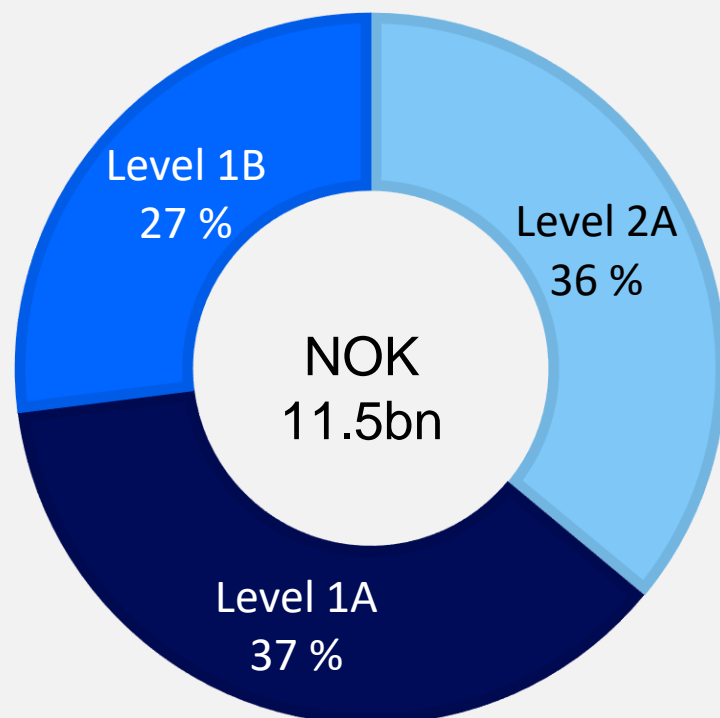
Senior bonds redemption profile

- NOK million



Conservative liquidity portfolio

Liquidity portfolio composition
- 30/6-24:



- Liquidity is held solely for LCR compliance and is traded to optimize returns within policy requirements
- NOK 11.5bn. in consolidated portfolio at second quarter end
- FRNs or swapped, no currency or interest rate risk
- The Group's portfolio of bonds in the liquidity portfolio is measured at fair value, any changes in value recognized through the income statement
- Total LCR-ratio at Q2-end:
 - ✓ Sparebanken Møre: 156
 - ✓ Møre Boligkreditt AS: 464

Sustainability in Sparebanken Møre

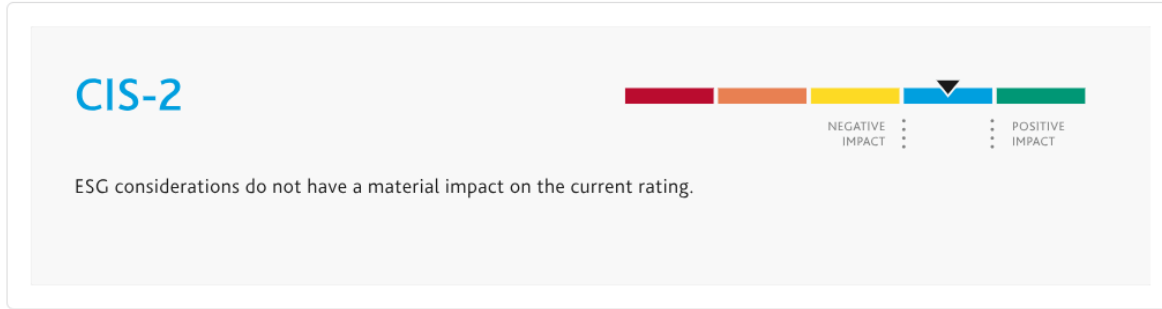
- ✓ Net zero by 2050
- ✓ Transition plan for customer portfolios in place by 2024-2025
- ✓ 55% reduction of own emissions by 2030

A driving force for sustainable transition





ESG credit impact score



Source: Moody's Investors Service

“Sparebanken More’s CIS-2 indicates that ESG considerations have no material impact on the current rating.”



Sparebanken More

Structured Finance - Financial Institutions | Retail & Consumer Banks | Norway

ESG Ratings

	ESG Rating ^a	Score	Analysis Type
Entity	3	61	Full Entity
Instrument	2	73	Integrated Debt
Framework	2	81	Green

^a ESG Rating of 1-5, where 1 is the strongest. Date ESG Rating and score assigned: 1 September 2023.
 Note: For Framework, analysis types can be green, social, sustainability, sustainability-linked, conventional, or other.



Sparebanken Møre

Industry Group: Banks

Country/Region: Norway

Identifier: OSL:MORG

Sparebanken Møre is a Norway-based banking corporation. It engaged in providing retail and commercial banking services to its customers. Products and services provided by the company include deposits, saving accounts, asset management, financial advisory services, payment transfers, foreign exchange and interest trading, insurance, and...
 + Show More

Full time employees: 412

ESG Risk Rating COMPREHENSIVE ?

19.4 Low Risk



Ranking

Industry Group (1st = lowest risk)

Banks **255** out of 1037

Universe

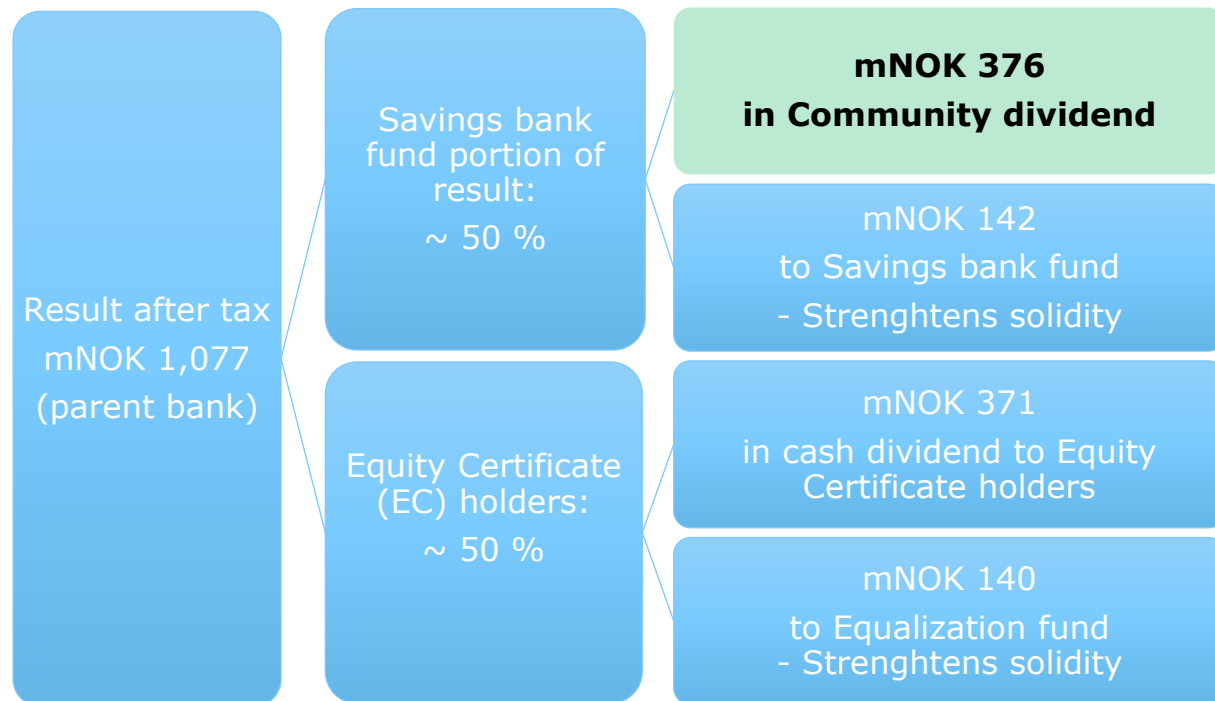
Global Universe **4445** out of 16009

Last Full Update: Oct 11, 2023 ?

Last Update: May 23, 2024 ?

Profit-sharing model in Sparebanken Møre

- Long history with strong local presence and involvement



Community dividend from Sparebanken Møre supports sustainability projects, community initiatives, education, culture, sports, infrastructure and help develop local businesses.



Material topics, strategic goals and KPIs

Material topic	Strategic goals	KPI	PRB	UN SDGs
Greenhouse gas emissions	Net zero by 2050, and 55 per cent reduction in own greenhouse gas emissions by 2030 compared to the baseline year 2019	Reduction of >7 per cent per year for Scopes 1, 2 and 3 (categories 1-14)	1,2,5,6	13
	Sustainability is an integral part of all innovation and development processes	All new products, product changes and signing up of new suppliers and partners must undergo an ESG assessment.		
Impact on business development	We are a driving force behind sustainable development in the local business sector.	Improved ESG Risk Score for the business sector by 0.5 points per year. Average score 2021: 5.43 Average score 2022: 5.45	1,2,3,4	8,9,12
Impact on local communities	We take the initiative regarding, and support, sustainability projects in Nordvestlandet.	Increase in the number of students completing projects such as Medvind, Dale Oen Academy and VågAlt.	1,2,3,4	1,5, 11
	We offer retail customers a range of sustainable products.	40 per cent increase in the number of retail customers granted green mortgages 40 per cent of the car loan portfolio in Retail Market must be green loans		
	We contribute to equal opportunities	Increased proportion of female customers investing/saving		
		40 per cent of both genders at all levels of the bank		

- ✓ All corporate/SME lending > NOK 3 million are subject for evaluation relating to physical- and transition risks
- ✓ In addition, corporate/SME lending > NOK 8 million are subject to ESG scoring – updated on a yearly basis

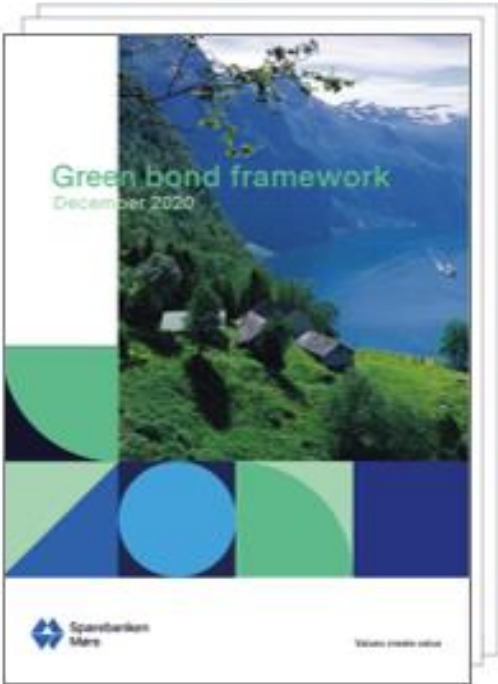
Material topics, strategic goals and KPIs

Material topic	Strategic goals	KPI	PRB	UN SDGs
ESG competence and sharing competence with customers	Employees have the competence necessary to advise customers on sustainable options that contribute to new opportunities.	Number of visitors to the Sustainability Portal at sbm.no – more than 1,500. Improved experienced service quality among our customers, measured in EPSI results.	3,4,5	11,13
Responsible lending and advice	We help our customers make responsible choices.	All personal advisers conduct a minimum of five scheduled customer meetings each week. 10 green commercial building loans granted per year	2,3,6	10,12
Climate-related risk*	We are a driving force behind sustainable development in the local business sector.	Ratio of visitors to the Sustainability Portal at sbm.no to the number of registered companies in our region. Improved ESG Rating score for the business sector over time.		
Change in demand for loans*	We are contributing to the green transition with personalised loan products for corporate and retail customers.	Annual increase in number of customers taking out green loans.		
Stricter regulatory requirements for participants in the banking and financial services industry*	We have adapted our organisation to meet rapid changes.	Improved ranking in ESG-100 on stock exchange. Improved ranking for ESG risk score.		

*The topic is material in relation to the financial and strategic impacts on the bank, is not reported in accordance with GRI and is not linked to the UN Sustainable Development Goals (SDGs) and Principles for Responsible Banking (PRB).

- ✓ Favorable customer terms on green- and sustainability linked lending

Green bond framework



Compliant with ICMA's Green Bond Principles



Sparebanken Møre Green Portfolio Allocation Reporting 2024

Portfolio date: June 30 2024

Eligible Project Category	Signed Amount	Green bond outstanding	Issued amount
a/	b/	c/	d/
Møre Boligkreditt (Covered bonds)	NOK		NOK
Green residential buildings in Norway	7.554.916.385	mEUR 250 Green Covered Bond September 2026 (XS2389402905)	2.550.000.000
		mEUR 250 Green Covered Bond November 2027 (XS2556223233)	2.587.500.000
Sparebanken Møre (Senior bonds)	NOK		NOK
Green residential buildings in Norway	4.284.330.029		-
Green commercial buildings in Norway	1.726.268.893	mNOK 1,000 Green Senior Non Preferred, January 2028 (NO0012422916)	1.000.000.000
		mNOK 500 Green Senior Non Preferred, May 2029 (NO0013241133)	500.000.000
Renewable energy	867.233.861		-
Renewable energy Eco-efficiency and/or circular economy within aquaculture	855.168.937		-
Total	15.287.918.105	Total	6.137.500.000

Portfolio based green bond report according to the Harmonized Framework for Impact Reporting

a/ Eligible category

b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing

c/ Outstanding bond issued under the green bond programme

d/ The issued amount in NOK represents the hedged amount in NOK, 100% is hedged until maturity

Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding: **40,1%** (usage)

Percentage of net proceeds of Green Bond allocated to Eligible Green Project Portfolio: **100,0%**



Sparebanken Møre

Møre Boligkreditt AS

Cover pool cut 30/6-24



Cover pool eligibility criteria

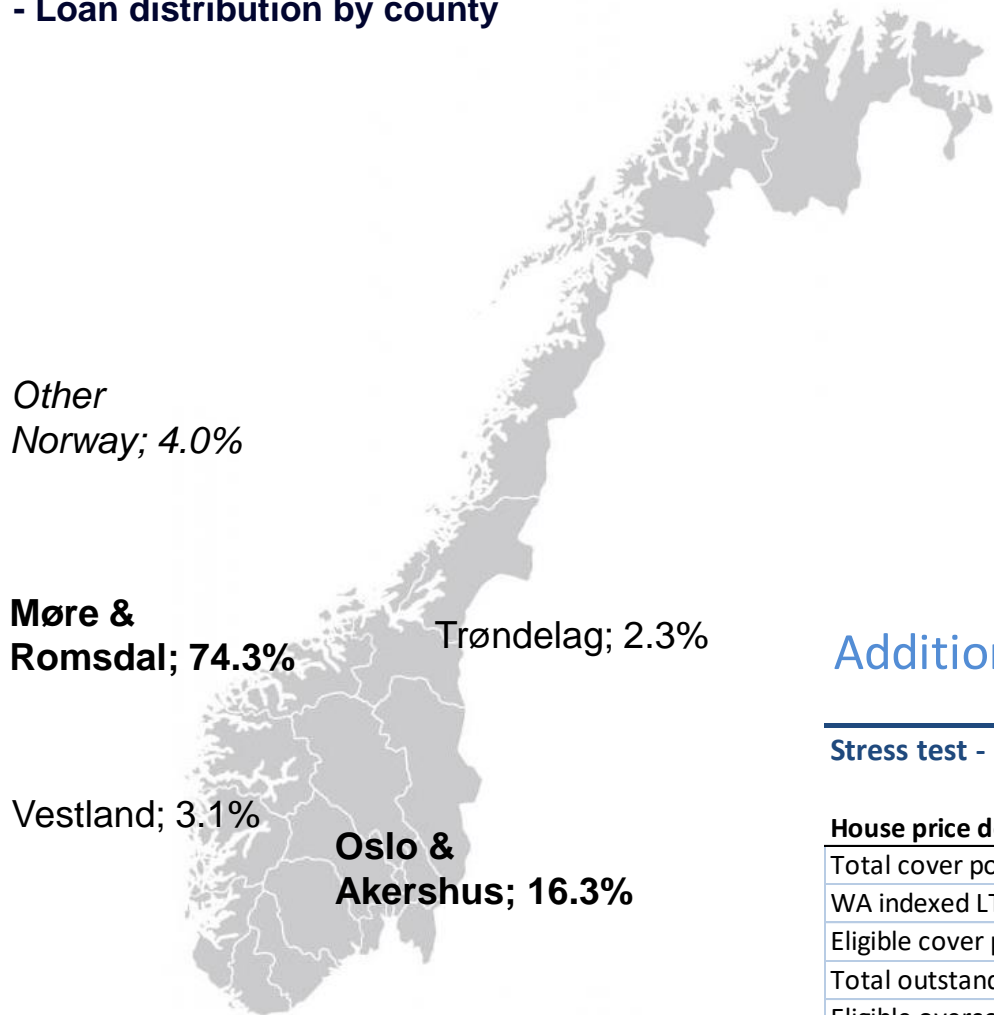
Origination	<ul style="list-style-type: none">• Mortgage loans solely originated by Sparebanken Møre• Loan-by-loan origination (loans are individually qualified for the cover pool)
Customer criteria	<ul style="list-style-type: none">• Norwegian residents (Retail and self-employed individuals)• Cooperative housing associations
Credit criteria	<ul style="list-style-type: none">• Not in forbearance (Payment ease)• Not in arrears• No customers with write downs
Collateral criteria	<ul style="list-style-type: none">• Residential properties (No holiday homes or agriculture properties)• Recent valuation, within 6 months from time of transfer• Quarterly valuation by independent AVM provider Eiendomsverdi, documented
Property type	<ul style="list-style-type: none">• Residential mortgages• Cooperative housing residential mortgages
Types of products	<ul style="list-style-type: none">• Principal repayment mortgages• Revolving credit with loan limit (10 year bullet loan with no amortization)• Fixed- and variable interest rate mortgages

Møre Boligkreditt - cover pool cut 30.06.24

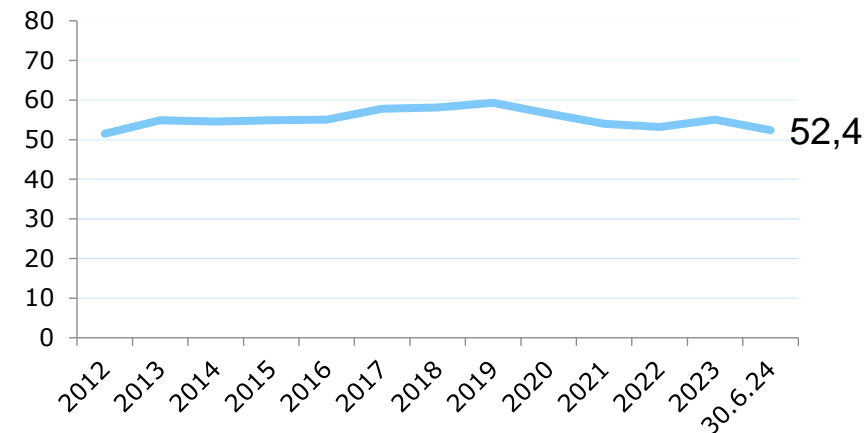
Type of collateral	Norwegian residential properties
Number of loans	18,791
Types of mortgages (based on loan balance)	84 % Repayment Loans 16 % Revolving credits with loan limit (Flexi-loans)
Fixed and variable rate mortgages	7 % fixed rate mortgages 93% variable rate mortgages
Average loan balance (NOK 1,000)	1,694
WA indexed LTV	52.4 % (Based on Loan-balance)
WA remaining terms (months)	234
WA seasoning (months)	47
Loans in default (90 days past due)	0 % in default or with individual write-downs
Eligible value of the loan-portfolio (mNOK)	31,838
Eligible supplementary assets (mNOK)	1,264
Cover pool (mNOK)	33,102
Covered bonds (mNOK)	28,207
Over-Collateralisation (%)	17.4% (Reported) 0.5% (Moody's Aaa-target) 5.0% (Legislation / Committed)

Møre Boligkreditt - Cover pool cut 30.06.24

- Loan distribution by county



-Development in weighted average LTV



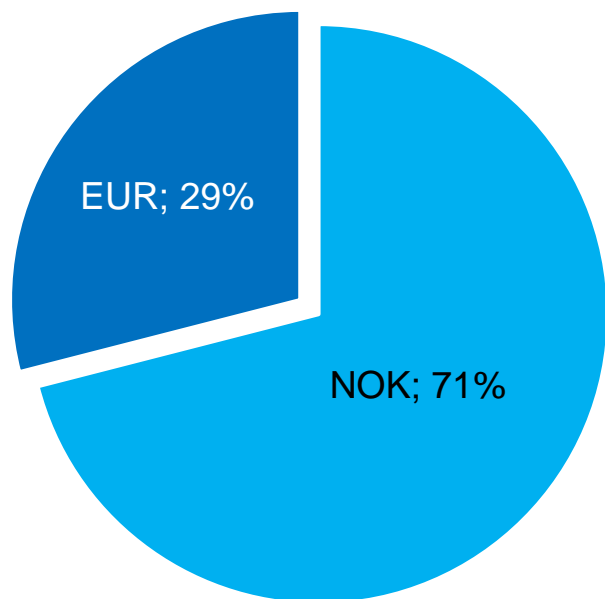
Additional information from Norwegian issuers using the HTT

Stress test - House price decline

House price decline	Current	10 %	20 %	30 %
Total cover pool balance (nominal, NOKbn)	33.380	33.380	33.380	33.380
WA indexed LTV (%)	52,4 %	58,2 %	65,5 %	74,8 %
Eligible cover pool balance (nominal, NOKbn)	33.102	32.897	32.121	30.614
Total outstanding covered bonds (nominal, NOKbn)	28.207	28.207	28.207	28.207
Eligible overcollateralization	17,4 %	16,6 %	13,9 %	8,5 %

Covered bonds outstanding

EUR/NOK distribution



Covered bonds (million)

ISIN code	Currency	Nominal value	Interest	Issued	Maturity
NO0010588072	NOK	1.050	fixed NOK 4.75 %	2010	2025
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028
NO0010836489	NOK	1.000	fixed NOK 2.75 %	2018	2028
NO0010853096	NOK	3.000	3M Nibor + 0.37 %	2019	2025
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024
NO0010884950	NOK	3.000	3M Nibor + 0.42 %	2020	2025
XS2233150890	EUR	30	3M Euribor +0.75 %	2020	2027
NO0010951544	NOK	6.000	3M Nibor + 0.75 %	2021	2026
XS2389402905	EUR	250	fixed EUR 0.01 %	2021	2026
XS2556223233	EUR	250	fixed EUR 3.125 %	2022	2027
NO0012908617	NOK	6.000	3M Nibor +0.54 %	2023	2028

In compliance with the Capital Requirements Directive

MØRE BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€4,000,000,000

Euro Medium Term Covered Note Programme

EU Regulation 575/2013 CRR Article 129

Møre Boligkreditt AS confirms that covered bonds issued by Møre Boligkreditt AS are compliant with the CRD requirement set forth in the Eurosystem guidelines.

Møre Boligkreditt AS confirms that information required in Regulation (EU) No 575/2013 (CRR) Article 129 (7) is made available to investors in accordance with Article 129 (7b).

Covered bonds issued by Møre Boligkreditt AS are eligible for preferential treatment set out in CRR Article 129 (4).

Covered bonds issued before 8 July 2022 that comply with the requirements laid down in this regulation as applicable at the date of their issue shall not be subject to the requirements laid down in paragraphs 3a and 3b. They shall be eligible for preferential treatment under paragraphs 4 and 5 until their maturity.

Strong and stable ratings

Moody's Investors Service

“Sparebanken More's BCA of baa1 reflects its strong financial fundamentals including sound asset quality and strong capital buffers.”

Sparebanken Møre

A1

Latest published Credit Opinion:

9 January 2024

- *Outlook:*

Stable

- *Baseline Credit Assessment (BCA):*

baa1

- *Counterparty Risk Assessment:*

A1

- *Bank Deposits:*

A1/P-1

- *ESG Credit Impact Score*

CIS-2 (Neutral-to-low)

Møre Boligkreditt AS Covered Bond Programme

Aaa

Latest published Performance Overview:

23 April 2024

- *CB anchor Møre Boligkreditt AS*

Aa3

- *Timely Payment Indicator (TPI):*

Probable-High

- *TPI Leeway:*

3 notch(es)

- *OC level consistent with current rating:*

0.5 %

- *Collateral Score:*

4.6 %

SPAREBANKEN MØRE

- 8th largest Norwegian bank - Total assets NOK 99.8bn - 66% retail lending
- 14.1 per cent return on equity in first half of 2024
- Strong capitalization, CET1 ratio of 19.1% and leverage ratio of 7.7%
- Rating A1 (stable outlook) confirmed by Moody's in January 2024

MØRE BOLIGKREDITT

- NOK 28.2bn outstanding Covered Bonds – o.w. 29% EUR denominated
- Cover Pool consists of Norwegian prime residential mortgages
- EMTCN programme listed on Euronext Dublin and Oslo Stock Exchange
- All Covered Bonds rated Aaa by Moody's

MØRE OG ROMSDAL COUNTY

- Population of 270,624 by January 1st 2024
- Service sectors dominant - fisheries, tourism, and maritime industries important
- Accounts for 1/3 of Norwegian food export, mainly fish and fishery products
- Registered unemployment in August 2024 of 1.7 %

NORWAY

- 2.8 % CPI growth y/y in July 2024 / CPI ATE 3.3 % - above target but coming down
- 3.3 % y/y increase in housing prices by end of August 2024
- Registered unemployment in August 2024 of 2.0%
- Policy rate expected to remain at 4.50 % until towards the end of 2024

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