

Møre Boligkreditt AS

A company in the Sparebanken Møre Group

March 2024

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Sparebanken Møre

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

Sparebanken Møre was established in 1985 as a result of mergers between local savings banks in the county of Møre og Romsdal, of which the oldest was established in 1843.

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

Sparebanken Møre has been listed on Oslo Stock Exchange since 1989 with Equity Certificates (EC), offering good return for our EC holders.

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



Continued growth in 2023

27

BRANCH OFFICES

400

FULL TIME EMPLOYEE YEARS

96.7bn

NOK IN TOTAL ASSETS



The Norwegian economy

- The key policy rate is expected to remain at the current level through large parts of 2024, due to persistent core inflation and a weak currency (*Chart 1 and 2*)
- Economic growth is expected to be marginally positive in 2024, before gradually picking up from 2025 and onwards
- Unemployment is expected to stay on low levels both nationally and locally throughout 2026 (*Chart 3*)
- Housing market is holding up surprisingly well, considering the sharp increase in interest rates (*Chart 4*)

Chart 1: KPR and 3m Nibor

Forecast MPR 4/23 Norges Bank

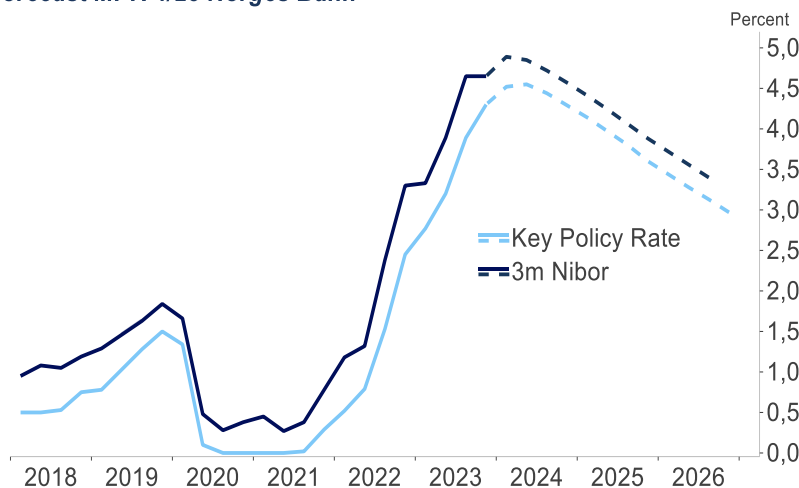


Chart 2: Norwegian inflation

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

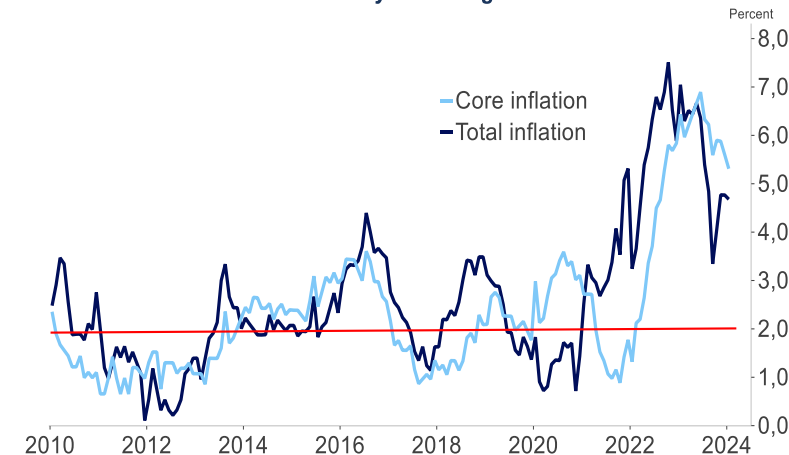


Chart 3: Unemployment rate in Norway and M&R

Registered unemployment. Percent of labor force.

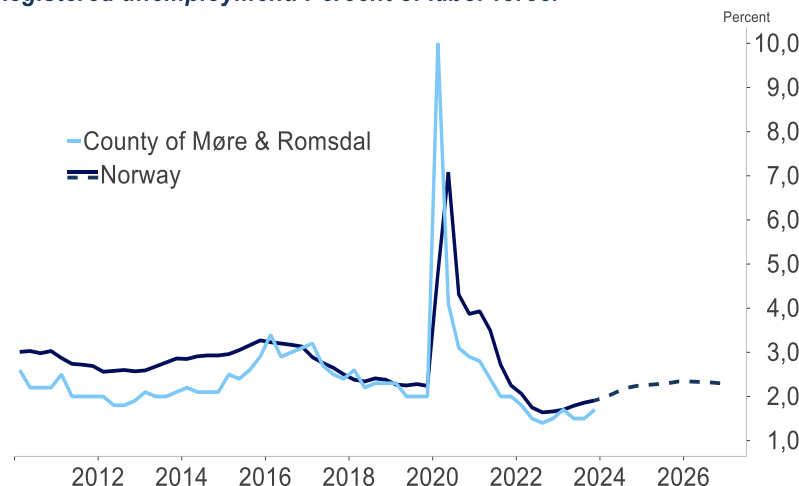
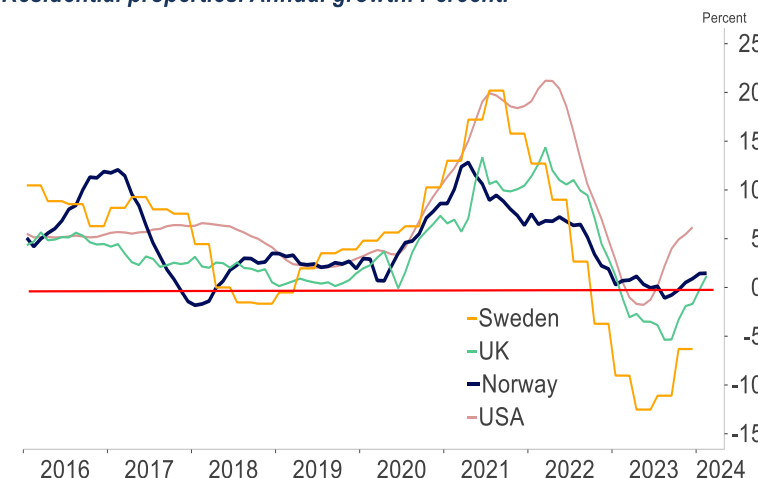


Chart 4: Annual growth in housing prices

Residential properties. Annual growth. Percent.



Source: Macrobond



Sparebanken Møre

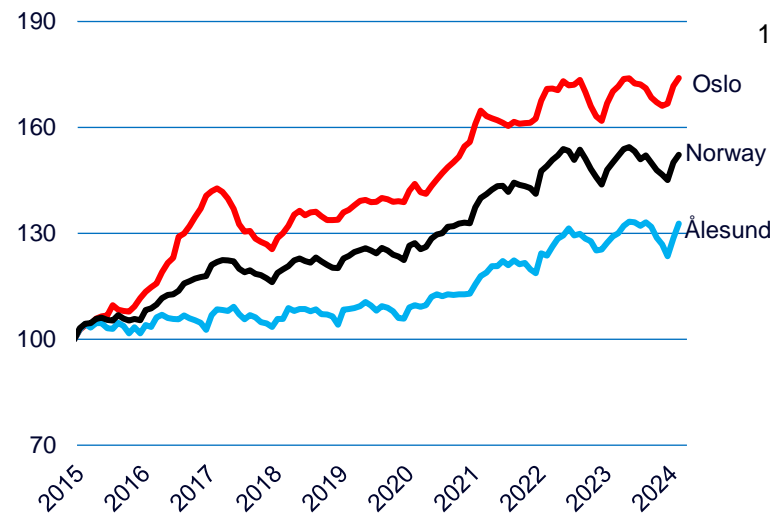
House price development

Based on pre-owned dwellings sold, Norwegian seasonal adjusted house prices increased by 0.7 per cent in February 2024.

Last 12 months Norwegian house prices increased in average by 1.5 per cent.

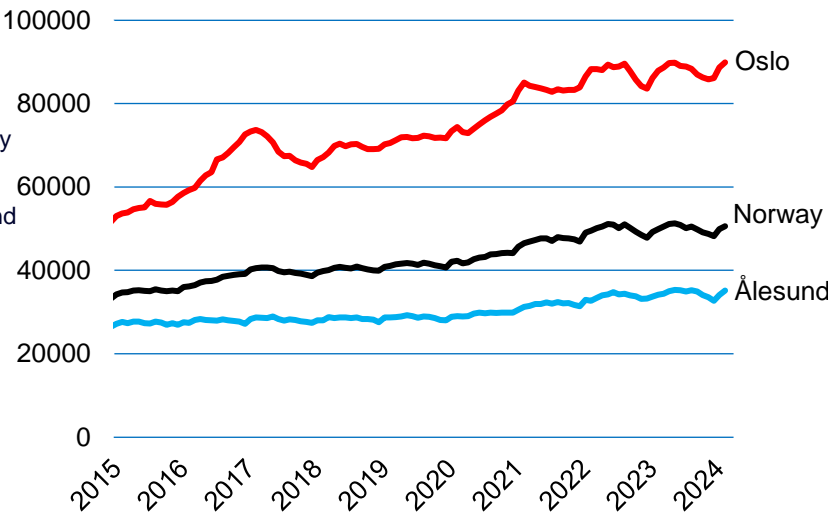
Indexed development

- January 2015 = 100



Price per square meter

- January 2015 – February 2024



Key information on pre-owned dwellings sold in February 2023			
	Norway	Ålesund	City of Oslo
Seasonal adj. development last month	+0.7 %	+2.8 %	0.2 %
Development last 12 months	+1.5 %	+2.3 %	+2.2 %
Development last 10 years	+59.4 %	+43.2 %	+91.9 %
Per square meter (NOK)	50,581	35,122	89,857
Average number of days on market	65 days	80 days	31 days
Price median dwelling (NOK)	3,750,000	3,120,000	5,125,000

Sparebanken Møre

Group figures

31.12.2023

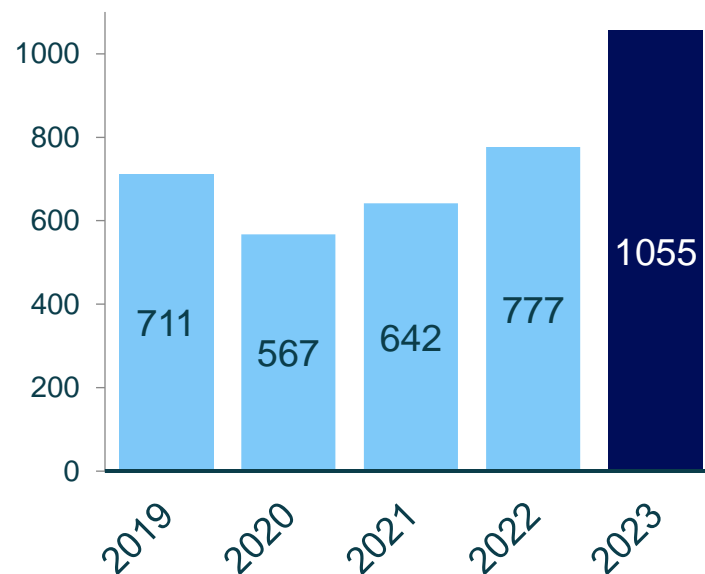


Strong results

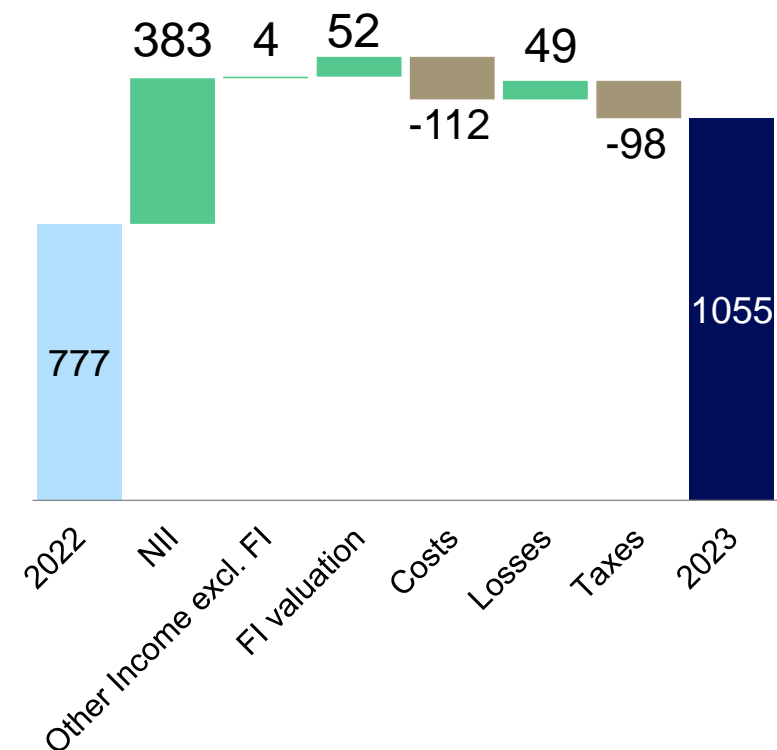
A solid annual profit for 2023 with strong NII development together with loan loss reversals contribute to the improvement in earnings

The cost increase is a result of investments in increased growth and activity to equip the bank for the future.

Profit after tax
- NOK million



Changes 2022 / 2023
- NOK million



NII = Net interest income

FI = Financial instruments

Sparebanken Møre Group

2023 figures

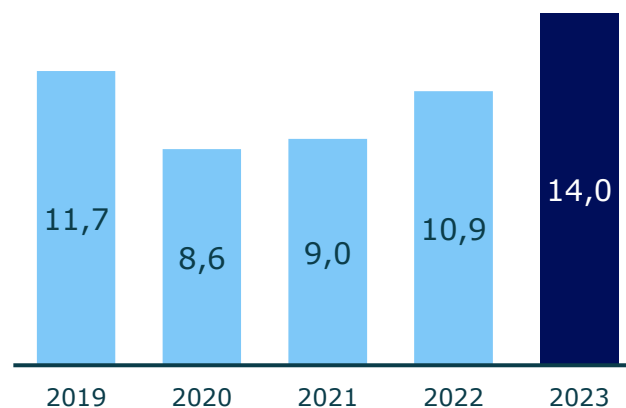
ROE of 14.0 % is well above 11 % target

Cost income ratio of 39.2 is within cost / income target of below 40 %.

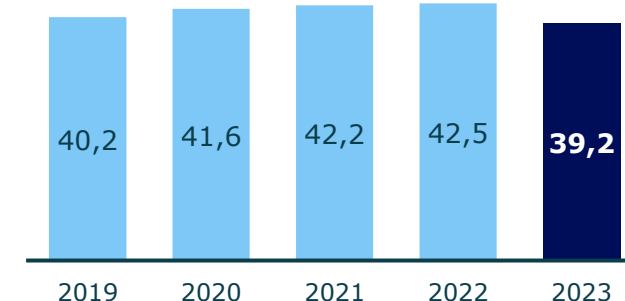
Net loan loss-reversal of NOK 53 mill. in 2023

Healthy financial structure, well above current capital requirements.

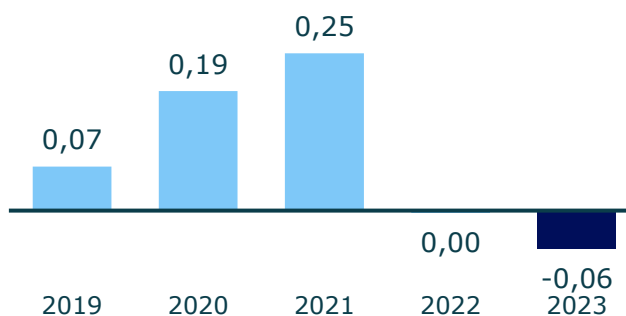
Return on Equity



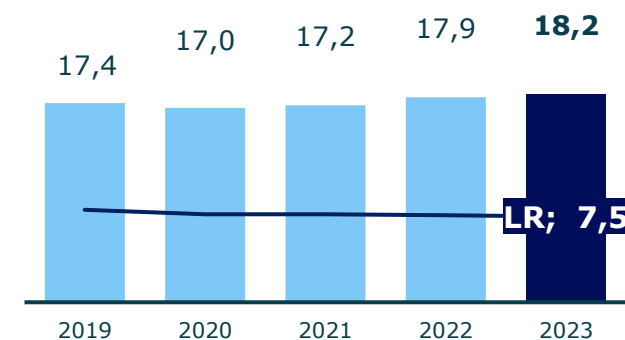
Cost/Income



Losses on Loans and Guarantees - In per cent of average assets



Common Equity Tier1 Capital (CET1) -Leverage ratio (%)

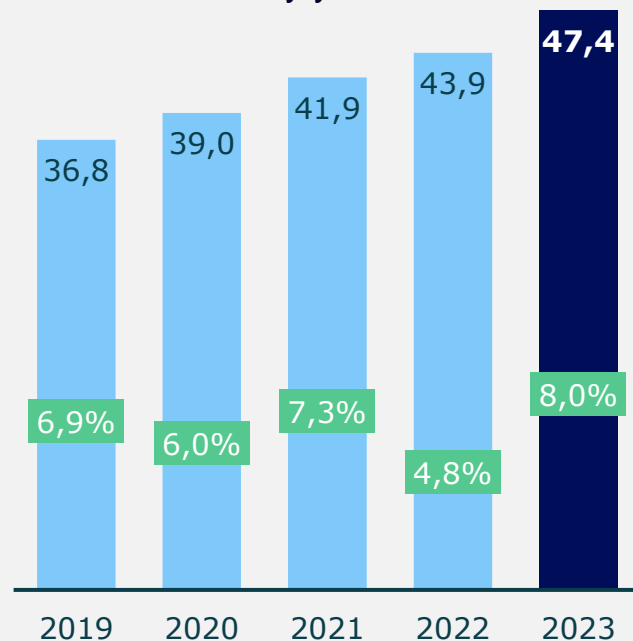


16.25 % CET1 requirement

3 % Leverage Ratio requirement

Strong deposits growth

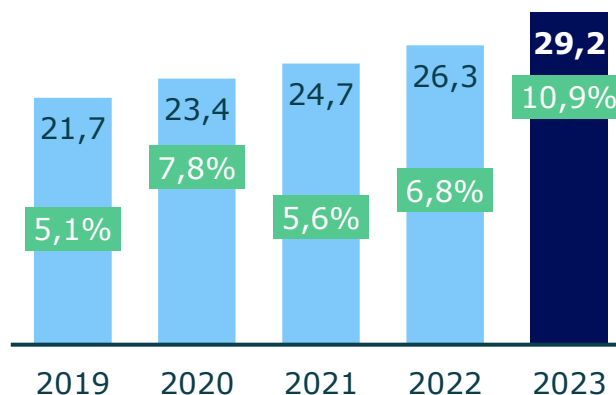
NOK billion and y/y



Growth of 8 % in 2023

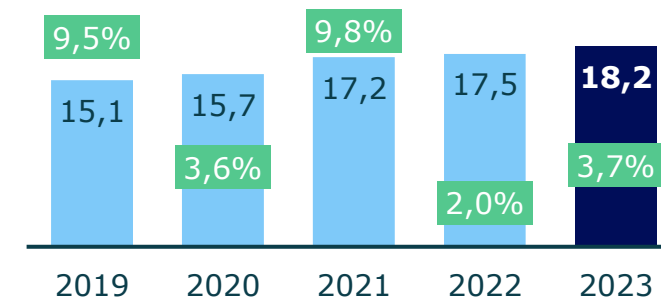
Deposit to loan ratio of 57.9 %

Retail deposits
NOK billion and y/y



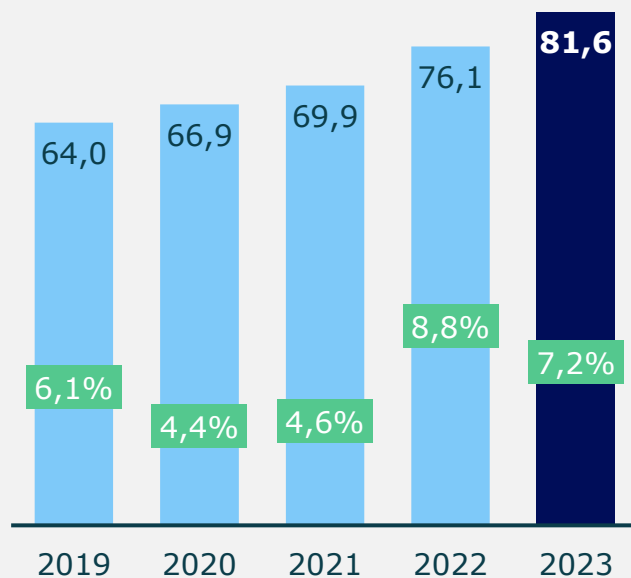
61.6 % retail deposits

Corporate and public
NOK billion and y/y



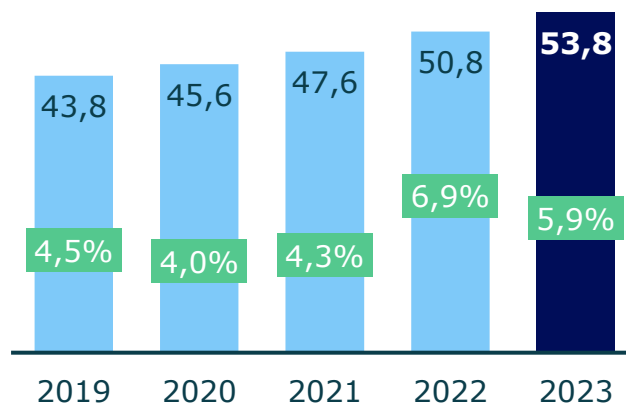
Strong lending growth

NOK billion and y/y



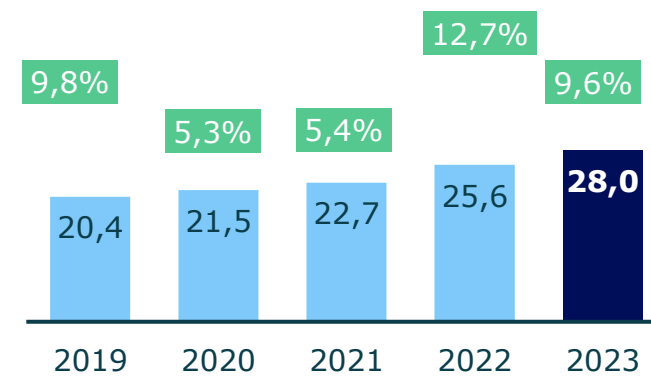
7.2 % lending growth in 2023

Retail lending
NOK billion and y/y



65.7 % retail lending

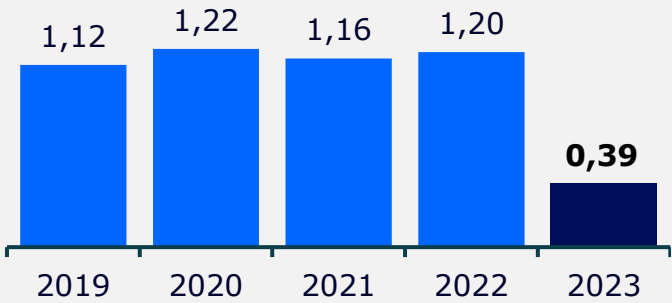
SME / Corporate lending
NOK billion and y/y



Diversified loan book

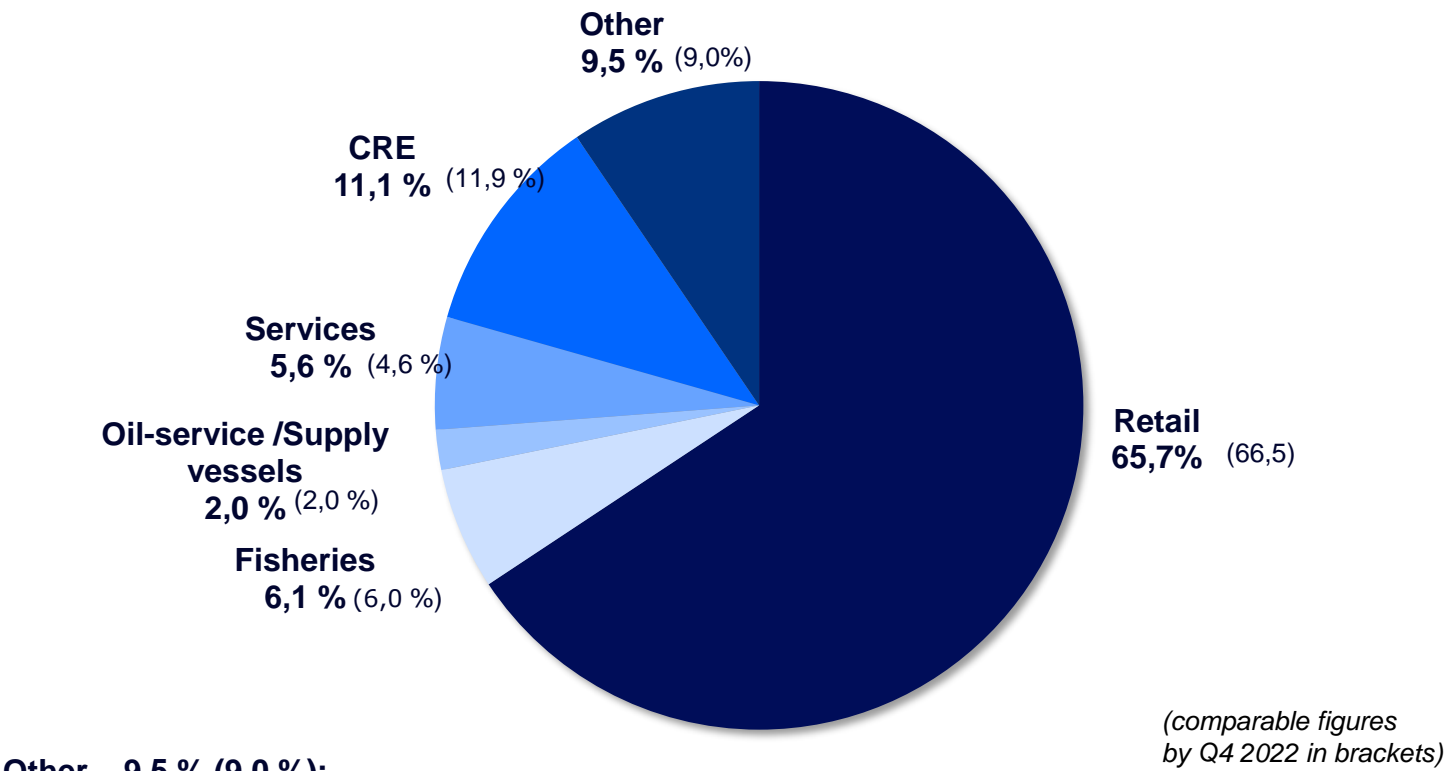
The bank has a stable share of exposure to the corporate sector

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



Development in the Oil service /Supply sector has improved the overall credit quality

Loans by sector



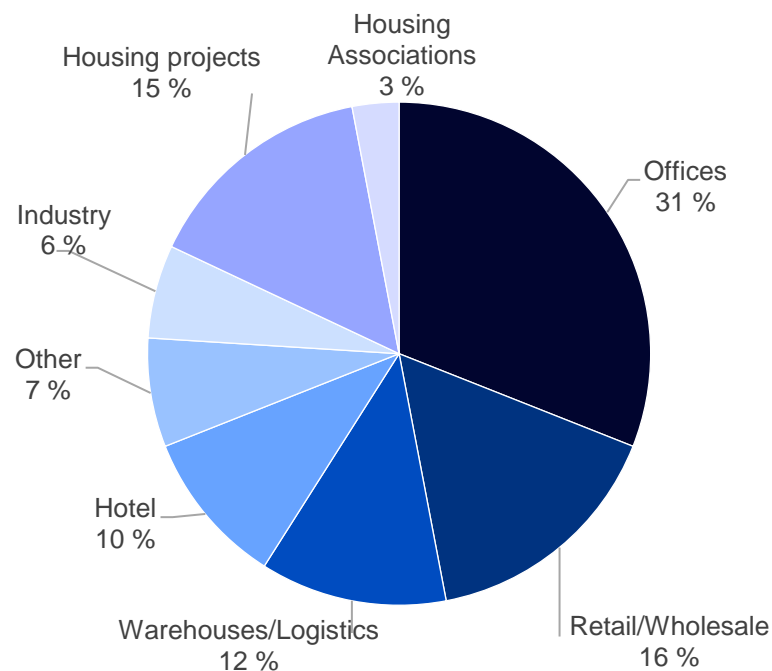
Other – 9.5 % (9,0 %):

Financial services	1.0 % (1.2 %)	Retail/ wholesale trade	1.5 % (1.7 %)
Other Industry	3.0 % (2.2 %)	Agriculture	0.9 % (0.9 %)
Fishing Industry	1.2 % (0.6 %)	Other	0.4 % (0.6 %)
Ship Yards	0.1 % (0.4 %)		
Building and Construction	1.4 % (1.4 %)		

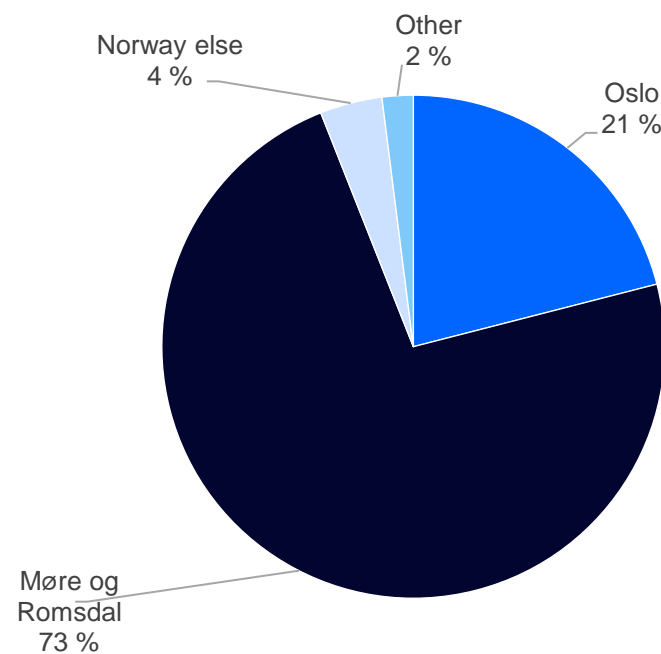
Exposure to Commercial Real Estate (CRE)

- Stable and well-diversified property portfolio
- 73 per cent of the portfolio within our county Møre and Romsdal
- Office- and hotel properties in Oslo make up 21 per cent
- 94 per cent of the portfolio is in the low and medium risk category

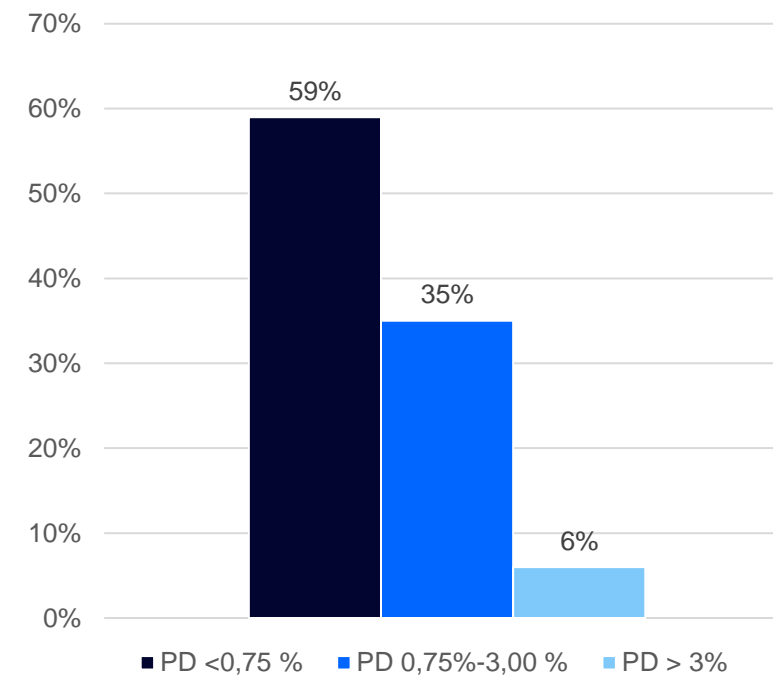
Sub-segments



Geographical distribution



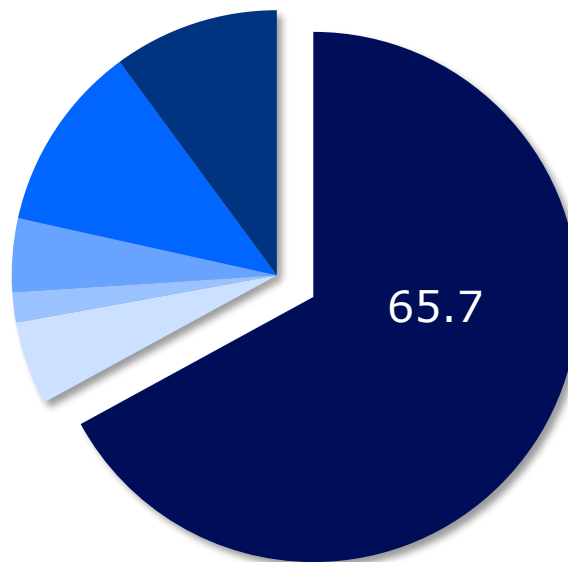
Risk classification



Good quality in our retail portfolio

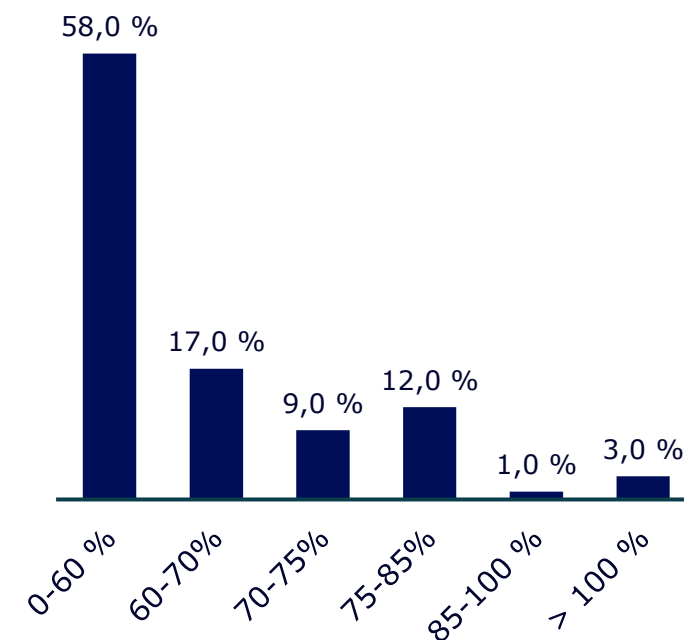
- Risk is low, with 96 per cent of the loans to retail customers within 85 per cent LTV

Loans to retail customers - In per cent of total loans



- Deviation from FSA lending regulation (Boliglånsforskriften):
 - 7.5 % outside Oslo (flexibility quota 10 %)
 - 5.1 % in Oslo (flexibility quota 8 %)

Loan-to-Value – retail loans (LTV)



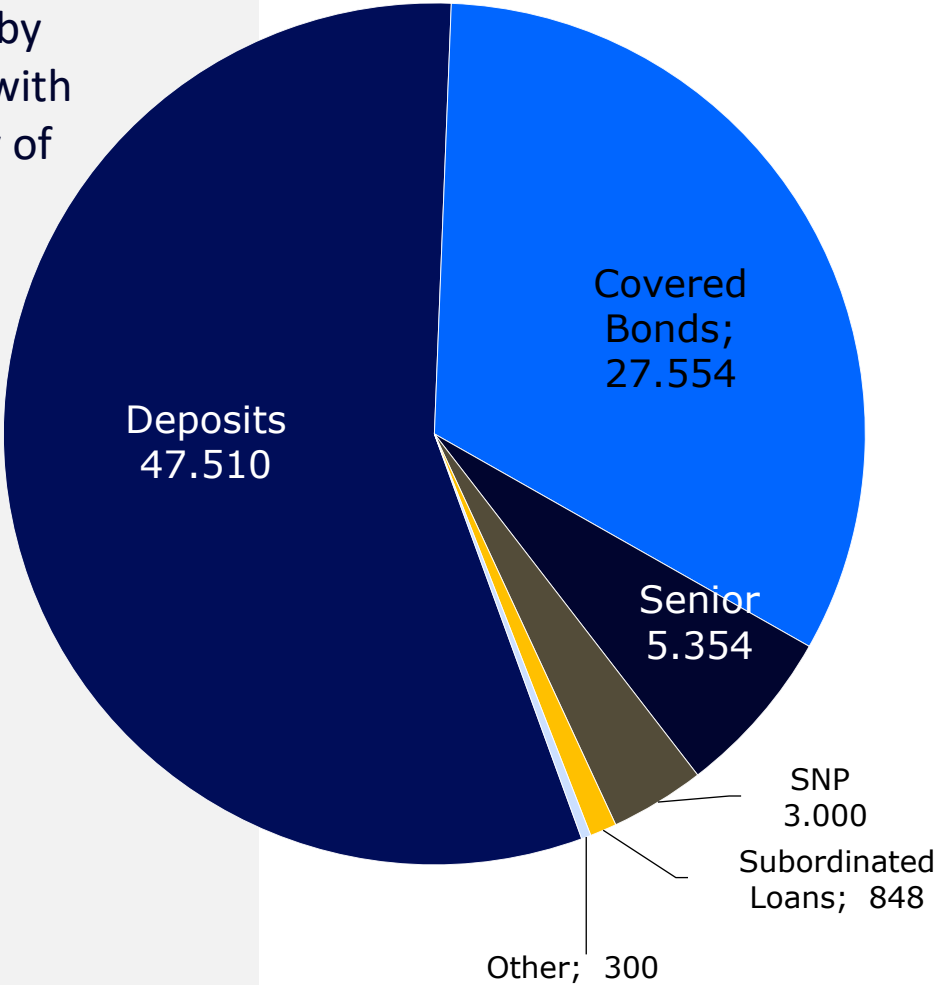
- 96 % of mortgages are within 85 % of LTV

Deposits are the most important source of funding

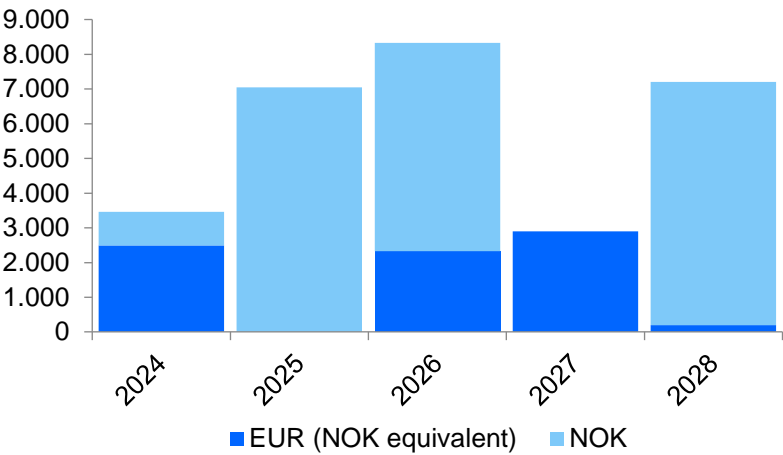
Good access to the market

Total net market funding ended at NOK 37.7 billion by end 2023 – of which 84 % with remaining time to maturity of more than 12 months.

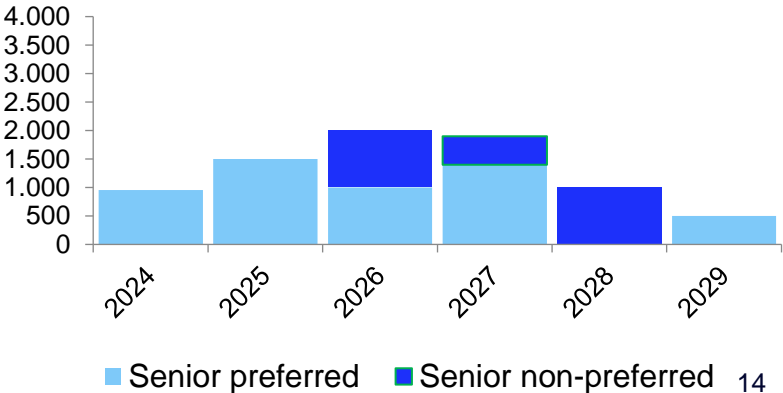
Deposits and market funding 31.12.2023
in NOK million



Covered bond redemption profile
- NOK million (updated)



Senior bonds redemption profile
- NOK million (updated)



Sustainability in Sparebanken Møre

Net zero by 2050

55 per cent reduction of own 2019 emissions by 2030

Sustainability is an integral part of the bank's strategy, is rooted in, and part of the bank's operations.

www.sbm.no/esg



ESG score

Sparebanken Møre

Regional Banks Norway OSL:MORG

ESG Risk Rating

21.1

Last Full Update Oct 11, 2023

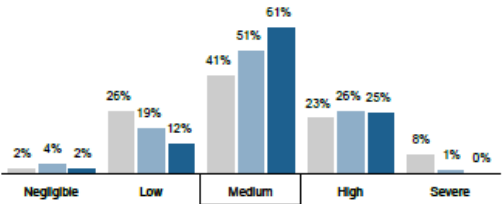
+1.8

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = Top Score)
Global Universe	4961/15651	32nd
Banks INDUSTRY	254/1009	26th
Regional Banks SUBINDUSTRY	72/457	16th

from Moody's Investors Service

ESG CREDIT IMPACT SCORE (CIS) ⓘ

CIS-2

Neutral-to-Low

24 OCT 2022



Transparency and reports in Sparebanken Møre's sustainability library www.sbm.no/esg



Sparebanken More

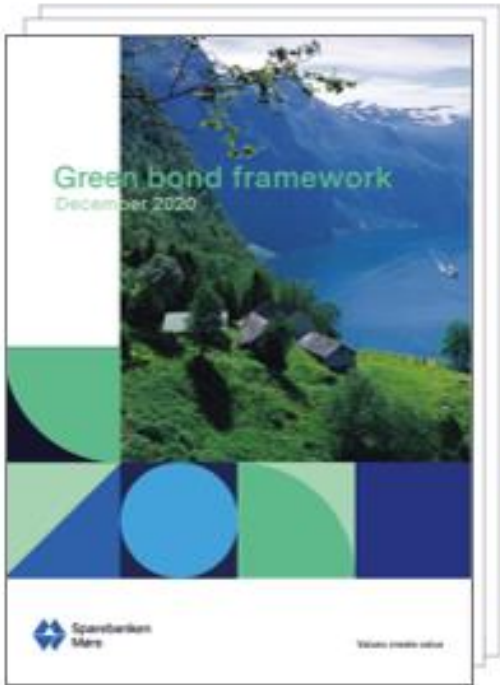
Structured Finance - Financial Institutions | Retail & Consumer Banks | Norway

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.

Green bond framework



 Sparebanken Møre
December 2020




October 16, 2020

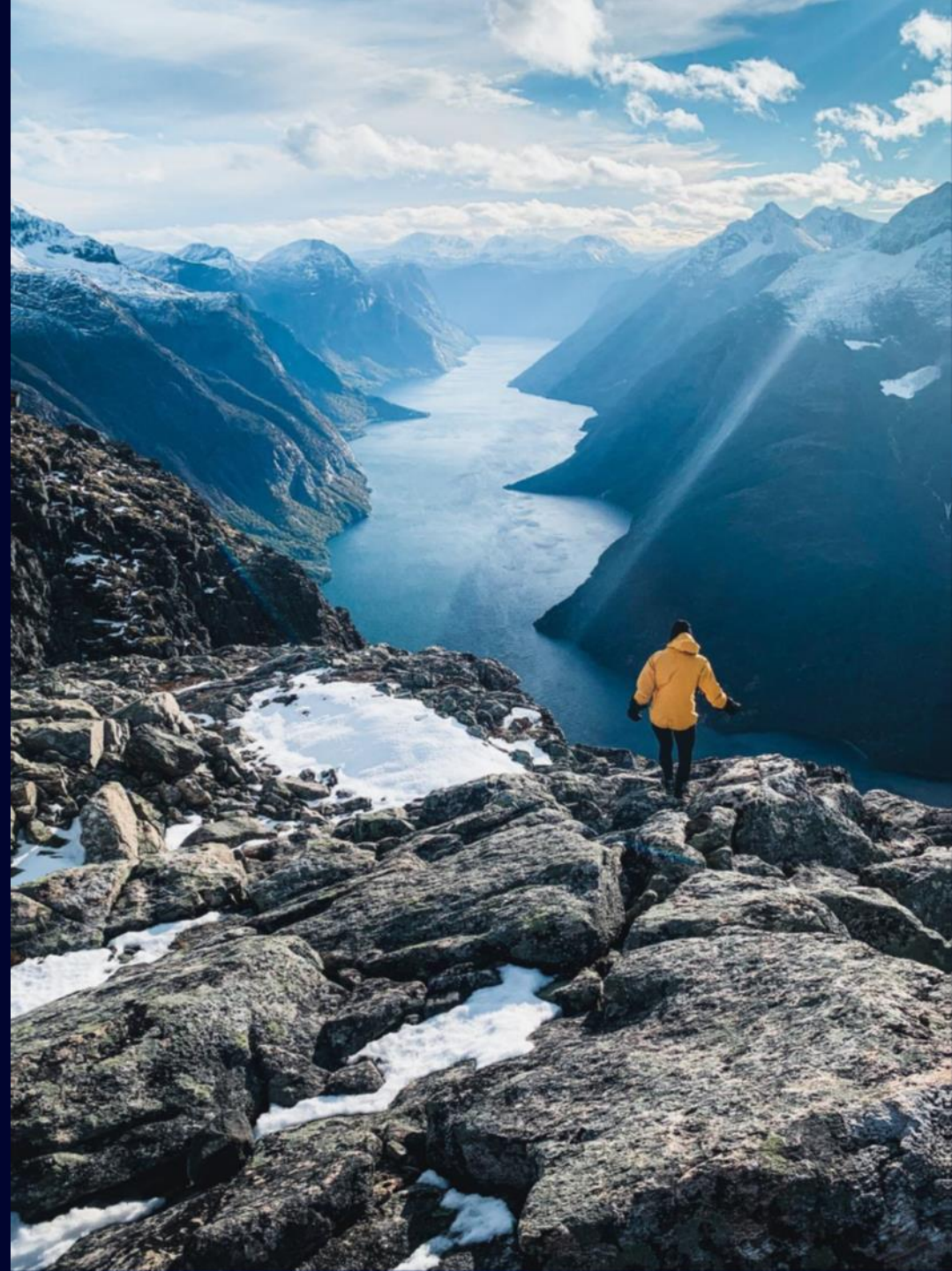


 SUSTAINALYTICS
December 1, 2020

Compliant with ICMA´s Green Bond Principles



Møre Boligkreditt AS



Cover pool eligibility criteria

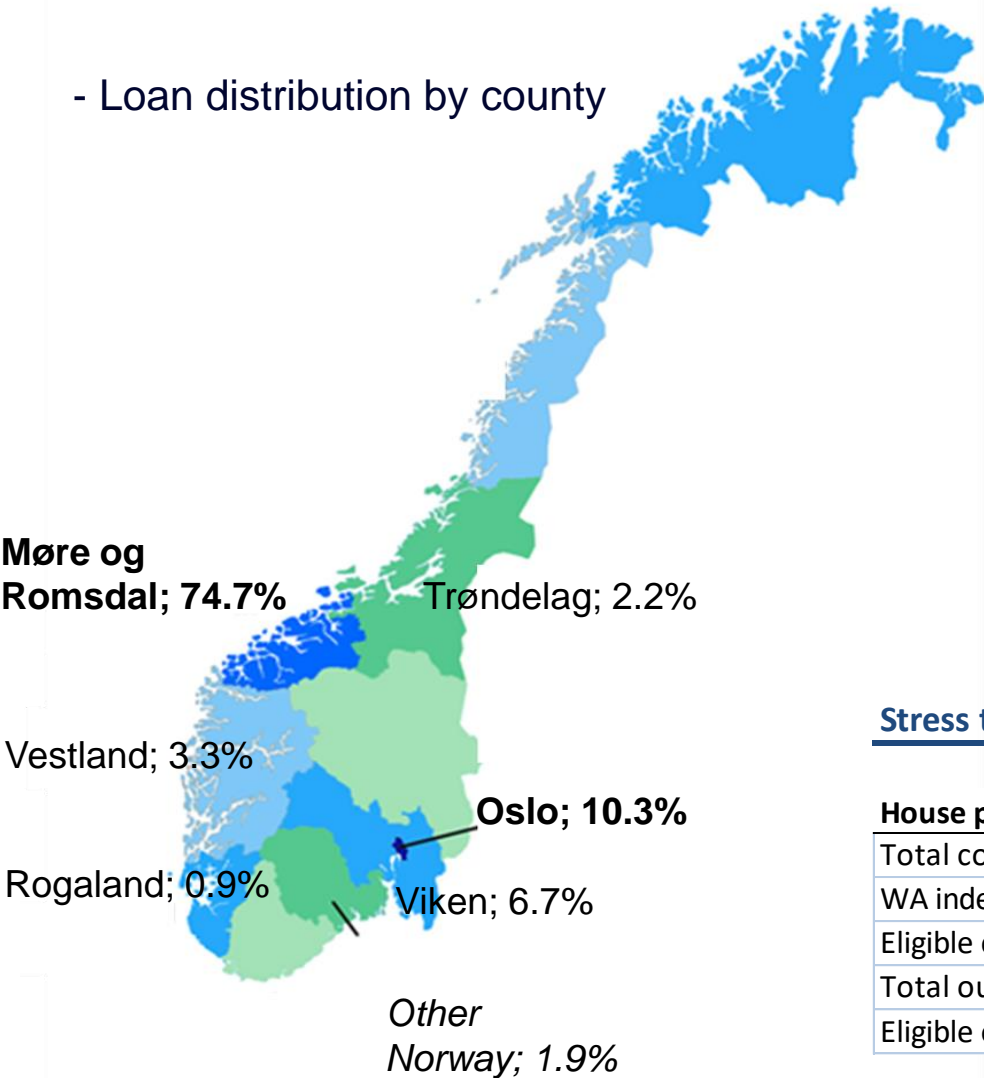
Origination	<ul style="list-style-type: none">• Mortgage loans solely originated by Sparebanken Møre• Loan-by-loan origination (loans are individually qualified for the cover pool)
Customer criteria	<ul style="list-style-type: none">• Norwegian residents (Retail and self-employed individuals)• Cooperative 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 31.12.2023

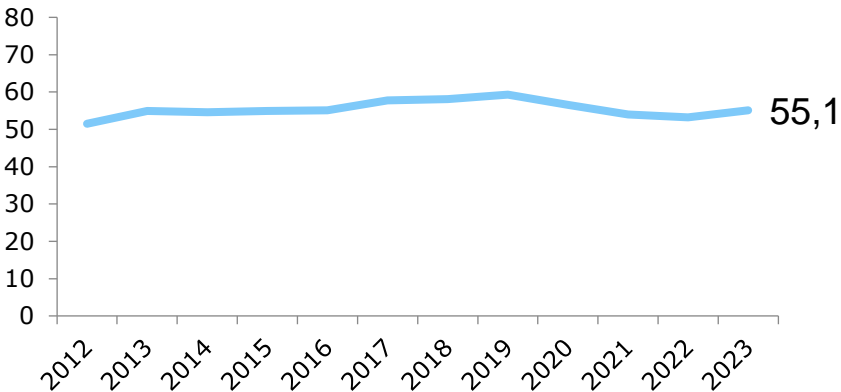
Type of collateral	Norwegian residential properties	
Number of loans	19,045	
Types of mortgages (based on loan balance)	85 % Repayment Loans 15 % Revolving credits with loan limit (Flexi-loans)	
Fixed and variable rate mortgages	7 % fixed rate mortgages 93% variable rate mortgages	
Average loan balance (NOK 1,000)	1,700	
WA indexed LTV	55.1 %	(Based on Loan-balance)
	55.7 %	(Based on Loan-limit)
WA remaining terms (months)	237	
WA seasoning (months)	45	
Loans in default (90 days past due)	0% in default or with individual write-downs	
Eligible value of the loan-portfolio (mNOK)	32,162	
Supplementary assets (mNOK)	854	
Cover pool (mNOK)	33,016	
Covered bonds (mNOK)	27,554	
Over-Collateralisation (%)	19.8%	(reported)
	0.5%	(Moody's Aaa-target)
	5.0%	(Legislation / Committed)

Møre Boligkreditt - cover pool cut 31.12.23

- Loan distribution by county



- Development in weighted average LTV

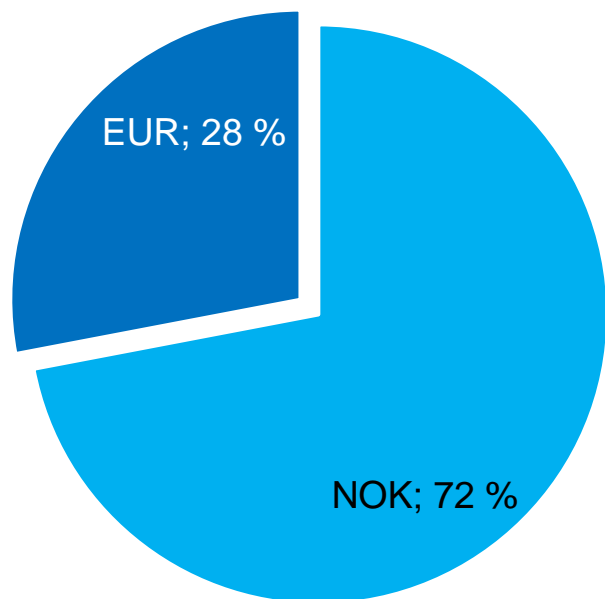


Stress test - House price decline

House price decline	Current	10 %	20 %	30 %
Total cover pool balance (nominal, NOKbn)	33.225	33.225	33.225	33.225
WA indexed LTV (%)	53,6 %	59,5 %	66,9 %	76,4 %
Eligible cover pool balance (nominal, NOKbn)	33.016	32.637	31.604	29.863
Total outstanding covered bonds (nominal, NOKbn)	27.554	27.554	27.554	27.554
Eligible overcollateralization	19,8 %	18,4 %	14,7 %	8,4 %

Covered bonds outstanding (updated)

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
NO0010819543	NOK	961	3M Nibor + 0.42 %_	2018	2024
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 Møre

A1

Latest published Credit Opinion:

5 October 2023

- *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:

24 January 2024

- *CB anchor Møre Boligkreditt AS*

Aa3

- *Timely Payment Indicator (TPI):*

High

- *TPI Leeway:*

3 notch(es)

- *OC level consistent with current rating:*

0.5 %

- *Collateral Score:*

5.0 %



SPAREBANKEN MØRE

- 8th largest Norwegian bank - Total assets NOK 96.7bn - 66% retail lending
- Strong capitalization, CET1 ratio of 18.2% and leverage ratio of 7.5%
- Rating A1 (stable outlook) confirmed by Moody's in October 2023
- Risk ESG Risk Rating of 20.1 by Sustainalytics in September 2023

MØRE BOLIGKREDITT

- NOK 29.1bn outstanding Covered Bonds – o.w. 28% 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 February 2024 of 1.9 %

NORWAY

- 4.5 % CPI growth y/y in February 2024 / CPI ATE 4.9 % - both above target
- 1.5 % y/y increase in housing prices by end of February 2024
- Registered unemployment in February 2024 of 2.0%
- Policy rate expected to remain at 4.50 % in March meeting



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