MOODY'S
INVESTORS SERVICE

CREDIT OPINION
25 July 2022

Update

Send Your Feedback

RATINGS

**Sparebanken More**

| | |
|---|---|
| Domicile | Norway |
| Long Term CRR | A1 |
| Type | LT Counterparty Risk Rating - Fgn Curr |
| Outlook | Not Assigned |
| Long Term Debt | Not Assigned |
| Long Term Deposit | A1 |
| Type | LT Bank Deposits - Fgn Curr |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


Contacts

Mattias Eric Frithiof +46.8.5179.1264
*AVP-Analyst*
mattias.frithiof@moodys.com

Emma Jonasson +46.8.5179.1283
*Associate Analyst*
emma.jonasson@moodys.com

Simon James Robin Ainsworth +44 207 772 5347
*Associate Managing Director*
simon.ainsworth@moodys.com

Sean Marion +44.20.7772.1056
*MD-Financial Institutions*
sean.marion@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077


# Sparebanken More

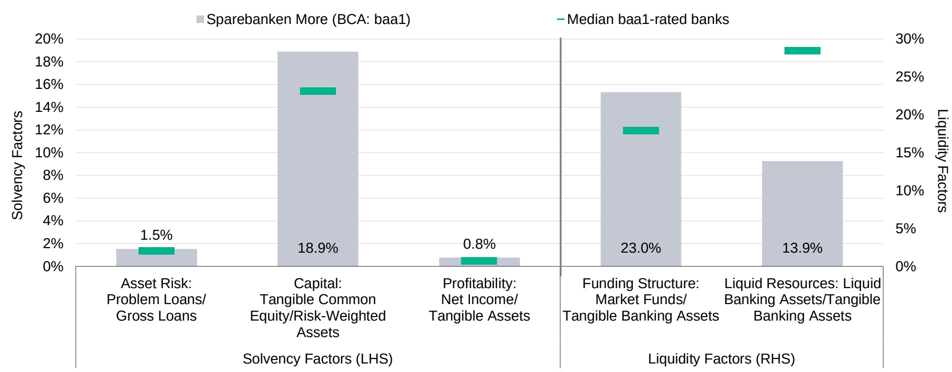
## Update to credit analysis

## Summary


Sparebanken More's A1 long-term issuer and deposit ratings, both carrying a stable outlook, are driven by the bank's baa1 Baseline Credit Assessment (BCA) and the application of our Advanced Loss Given Failure (LGF) analysis, which results in a three-notch rating uplift from its BCA. The uplift reflects the substantial protection offered to Sparebanken More's senior creditors by the volume of deposits and debt available to share losses, as well as by the volume of securities subordinated to them. Sparebanken More's A1 issuer and deposit ratings do not benefit from any government support.

Sparebanken More's BCA of baa1 takes into account its relatively strong financial fundamentals and the bank's solid capital buffers (Tangible Common Equity (TCE) ratio of 18.9% as of March 2022) provide a sizeable loss absorption buffer. Its sound asset-quality limits any material downside risks to its solvency. The BCA also takes into consideration Sparebanken More's track record of satisfactory pre-provision income limited earnings diversification. The bank's sizeable reliance on market funding, albeit somewhat lower than the average for Norwegian savings banks, also weighs on its BCA.


Exhibit 1
**Rating Scorecard - Key financial ratios**




These represent our Banks rating methodology scorecard ratios, whereby asset risk and profitability reflect the weaker of either the three-year average and the latest annual figure. The capital ratio is the latest reported figure. The funding structure and liquid resources ratios reflect the latest fiscal year-end figures.
*Source: Moody's Investors Service*

## Credit strengths

» Good capital buffers, which offer protection against unforeseen losses

» Sound asset quality metrics

» Large volume of deposits and debt, which results in a three-notch uplift of the deposit rating from the BCA

## Credit challenges

» Limited geographical diversification

» A limited earnings diversification

» Sizeable reliance on market funding, although lower than that of its Norwegian savings bank peers

## Outlook

The bank's deposit and issuer ratings carry a stable outlook reflecting Sparebanken More's robust positioning, when compared to local and international peers. The stable outlook also reflects the bank's solid capitalization, resilient core earnings, and asset quality through the cycle balanced against geographical and sector concentrations.

## Factors that could lead to an upgrade

Upward rating pressure could develop if Sparebanken More demonstrates:

» Improved asset-quality metrics and contains sector and single-name concentration levels in its loan book

» Stronger earnings generation, without a deterioration in its risk profile

» Continued good access to capital markets and further issuance of covered bonds eligible as liquidity assets in the liquidity coverage ratio (LCR), which will further improve its funding and liquidity metrics

## Factors that could lead to a downgrade

Future downward rating pressure would emerge if:

» Sparebanken More's risk profile weakens materially as a result of increased risk appetite or the operating environment deteriorating more than currently expected

» The bank's recurring profitability weaken significantly from the current levels

» Financing conditions becomes more difficult or the bank issues a significantly lower volume than expected of junior senior securities.

## Key indicators

Exhibit 2
**Sparebanken More (Consolidated Financials) [1]**

| | 03-22[2] | 12-21[2] | 12-20[2] | 12-19[2] | 12-18[2] | CAGR/Avg.[3] |
|---|---|---|---|---|---|---|
| Total Assets (NOK Billion) | 83.8 | 82.8 | 79.5 | 74.9 | 71.0 | 5.2[4] |
| Tangible Common Equity (NOK Billion) | 6.8 | 6.9 | 6.6 | 6.3 | 6.0 | 4.0[4] |
| Problem Loans / Gross Loans (%) | 1.4 | 1.6 | 1.6 | 1.5 | 0.6 | 1.3[5] |
| Tangible Common Equity / Risk Weighted Assets (%) | 18.9 | 19.6 | 19.2 | 19.7 | 17.4 | 18.9[6] |
| Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%) | 14.4 | 15.1 | 15.4 | 14.8 | 6.1 | 13.2[5] |
| Net Interest Margin (%) | 1.6 | 1.5 | 1.5 | 1.8 | 1.7 | 1.6[5] |
| PPI / Average RWA (%) | 2.3 | 2.5 | 2.6 | 2.8 | 2.3 | 2.5[6] |
| Net Income / Tangible Assets (%) | 0.8 | 0.8 | 0.7 | 0.9 | 0.8 | 0.8[5] |
| Cost / Income Ratio (%) | 45.3 | 41.5 | 40.9 | 39.7 | 42.8 | 42.1[5] |
| Market Funds / Tangible Banking Assets (%) | 22.6 | 23.0 | 24.9 | 23.9 | 24.9 | 23.8[5] |
| Liquid Banking Assets / Tangible Banking Assets (%) | 14.3 | 13.9 | 12.9 | 12.2 | 12.8 | 13.2[5] |
| Gross Loans / Due to Customers (%) | 162.5 | 167.9 | 172.0 | 174.7 | 176.1 | 170.6[5] |

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
*Sources: Moody's Investors Service and company filings*

## Profile

Sparebanken Møre is a regional savings bank with a well-established market position in the county of Møre og Romsdal, Western Norway. Sparebanken Møre provides retail and corporate banking and other financial services, including real estate brokerage. It also offers share trading, capital management advice and Discretionary Portfolio Management, while it distributes insurance, leasing products and credit cards.

Sparebanken Møre was established in 1985, followed by the merger of a number of banks in the region. The bank's history of merged savings banks can be traced back to 1843. Sparebanken Møre's Equity Certificates (EC) are listed on the Oslo Stock Exchange (ticker: MORG).

As of 31 March 2022, the bank reported total consolidated assets of NOK83.8 billion (around €8.7 billion) and operated through a network of 27 branches. The bank's head office is located in Ålesund.

## Detailed credit considerations

### Recent developments

Russia-Ukraine crisis injects new risks into global economic outlook. Russia's invasion of Ukraine (Caa3 NEG) and the economic sanctions that the US (Aaa stable), European governments and other allies have subsequently imposed on Russia have increased risks to the global economic outlook. In particular, further escalation of the Russia-Ukraine conflict would put Europe's economic recovery at risk. Heightened geopolitical risks are unambiguously negative for economic activity. The magnitude of the effects will depend on the length and severity of the crisis.

Norway's trade flows with Russia are very limited as they export the same type of goods with the production of oil and gas among the most significant to the Norwegian economy. As European countries are looking to reduce imports from Russia, Norway is likely to be positively affected by increased demand in Europe. There are also oil reserves that are planned to be left unexplored due to the Paris agreement, but that could change due to geopolitical concerns.

Norges Bank increased the reference rate by 50 bps in June 2022 resulting in the rate of 1.25%, while indicating that further rate hike should be expected. Norges Bank expects the reference rate to be around 3% by mid-year 2023.

The counter cyclical buffer (CCyB) requirement has been increased from 1% currently to 1.5% in end June 2022, 2.0% by the end of December 2022 and to 2.5% effective from 31 March 2023.

Our outlook for the Norwegian banking system outlook is positive. This reflects our expectation that Norway's post-pandemic economic recovery will continue over the next 12-18 months, as higher energy prices support revenues from oil and gas exports. At the same time, proactive interest rate increases by the central bank will partially offset inflationary pressure as a result of supply chain disruption and Russia's invasion of Ukraine. Increased government spending on the back of higher petroleum revenue will support the operating environment, counterbalancing any downturn in consumer spending. We expect Norwegian banks' profitability to improve, and that their asset quality and capitalization will hold steady.

### Norway's 'Very Strong-' Macro Profile remains supportive towards the bank's stand alone credit profile

Sparebanken More operates only in Norway and thus its operating environment is reflected through the 'Very Strong -' Macro Profile we assign for Norway. Norwegian banks benefit from operating in a wealthy and developed country with very high economic, institutional and government financial strength, as well as a low susceptibility to event risk. Norway has an increasingly diversified and growing economy, which demonstrated resilience to the last weakening in the oil sector in 2014-15 as well as in 2020.

The main risks to the banking system stem from the high level of household debt, elevated real estate prices and domestic banks' extensive use of market funding. However, these risks are mitigated by the strength of households' ability to service debt, banks' strong capitalisation and the relatively small size of the banking system compared with the total size of the economy.

Norway's economy is relatively resilient to the economic impact from the Russia-Ukraine military conflict compared to European peers because it is a large energy exporter, renewables account for a large share of the country's energy mix and it has a low trade exposure to Russia and Ukraine. As European countries are looking to reduce imports from Russia, Norway is likely to be positively affected by increased demand in Europe. We therefore continue to expect strong GDP growth in Norway both in 2022 and 2023 despite the impacts of the Russian invasion of Ukraine.

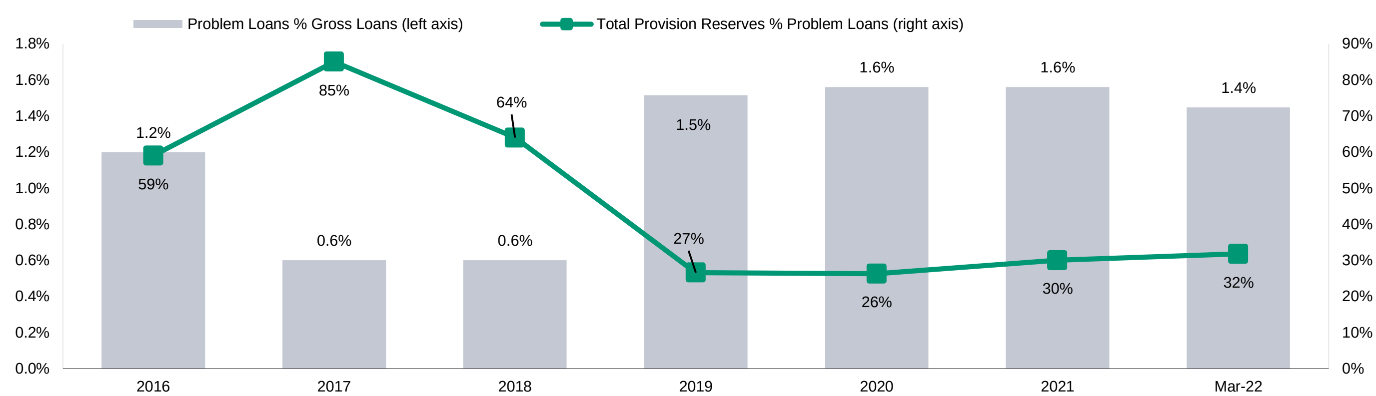
### Sound asset quality metrics, despite some deterioration

Sparebanken More has relatively sound asset-quality metrics, comparing well with its similarly-rated global peers. The bank's nonperforming loans (NPLs)/gross loans were around 1.45% as of March 2022, down from 1.6% reported as of December 2021. The decrease is mainly due to reversal of individual impairments on some corporate exposures related to the oil industry. Concurrently, the bank's overall provisioning coverage of NPLs was 31.8% in March 2022, slightly up from 26.3% in December 2020 (see Exhibit 3).

The bank reported total loan losses of NOK49 million in 2021, equivalent to just 0.07% of gross loans compared to NOK149m, equivalent to 0.22% of gross loans, in 2020. In the first quarter 2022 loan loss were zero reflecting strong performance in the corporate sector in general but also specifically the improved situation for the oil- offshore sector contributing to reversals.

Exhibit 3

**Problem loans increased and their total provisioning coverage declined in 2019**




*Source: Moody's Investors Service*

Similar to other Norwegian savings banks, Sparebanken More's loan book is focused on retail loans, predominantly in the form of mortgages, accounting for around 68% of the bank's total portfolio as of the end of March 2022. Sparebanken More's exposure to the oil-related offshore sector, which we consider highly volatile is around 1.8% of the loan book as of March 2022. The bank has also decreased its exposure to fishing-related industries, which stood at around 6.4% of total loans as of the same date, and has benefited from the sector's ongoing strong performance and exports, supported also from the weakening of the domestic currency. We note that the bank reported year-over-year growth rate of 4.1% in lending to the retail sector and 3.8% in the corporate lending book, as of end-March 2022.

Sparebanken More's loans to property management and real estate construction companies accounted for 12.6% of its loan book as of March 2022, which is lower than other Norwegian savings banks. However, when combined with its large mortgage portfolio these exposures make the bank vulnerable to a significant decline in real estate prices. In addition, the bank's relatively high single-borrower concentration makes its asset quality vulnerable to a potential default by one of these large customers.

However, house prices in the bank's home county of Møre og Romsdal have grown at a slower pace than the national level, which have increased rapidly since 2009, which together with the bank's relatively conservative LTV (97.0% of mortgages are below 85% in March 2022) limits the relevant downside risks. In addition, the bank has recently put in place maximum exposure limits relative to its capital base, which could help reduce some of its client and sector concentrations.

We expect the bank's asset quality to improve somewhat in 2022 and remain in line with other Baa1 rated banks, supporting its overall credit profile and ratings.

### Good capital buffers, which offer protection against unforeseen losses

In line with many Norwegian savings banks, Sparebanken More has increased its capital ratios in accordance with the higher regulatory capital requirements in recent years. At end of March 2022, Sparebanken More's TCE ratio was a strong 18.9% and the reported CET1 ratio was 17.2% (December 2021: 17.2%).

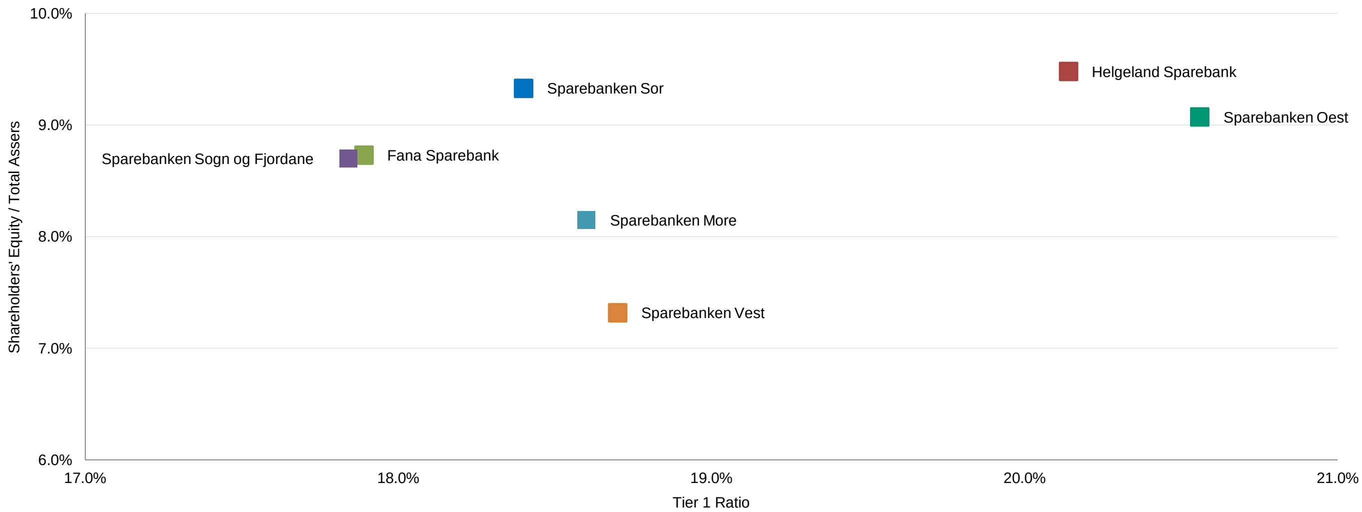
Sparebanken More's capital ratios are well above the regulatory minimum. As of March 2022 the CET1 requirement was 12.7% (including an individual Pillar II requirement of 1.7%[1]). While capital requirements were eased during the pandemic they will increase considerably in the coming 9 months. The counter cyclical buffer (CCyB) requirement was increased from 1% to 1.5% in end June 2022, and will increase to 2.0% by the end of December 2022 and to 2.5% effective from 31 March 2023. At year end 2022 the systemic risk buffer requirement will also increase by 1.5%-point to 4.5% bringing the CET1 requirement to 15.7% in Q1 2023.

However as part of the implementation of CRR2 in June 2022 the bank's risk weighted assets will decrease due to an increase of the SME-discount which will increase the CET1 ratio with approximately 1.3%-points. Thus Moody's expects that the bank will maintain a comfortable capital buffer above the capital requirements.

Sparebanken More reported a leverage ratio of 7.7% as of March 2022 above the 3% regulatory requirement, which also points to the bank's good loss absorption capital buffers.

Exhibit 4

**Good capital buffers offering protection against unforeseen losses compared with local peers**




Based on the latest available Moody's annual adjusted data.
*Source: Moody's Investors Service*

Our Capital score for the bank also takes into account its equity certificate (EC) capital structure, a common feature among Norwegian savings banks, with the EC holders owning around 49.7% of the bank's capital. We believe that this structure could prove challenging in case the bank needed to raise significant amount of new capital, especially during periods of stress in the market, although its long track record of a non-dilutive dividend policy could alleviate this challenge.

### Risk of volatility in the bank's earnings, combined with limited earnings diversification

Our profitability score for the bank, reflects both the bank's limited earnings diversification and the volatility in earnings generation.

Norges Bank increased the reference rate by 50 bps in June 2022, resulting in a reference rate of 1.25% as of end-June 2022, while indicated that further rate hikes will occur in the second half of 2022 and that it expects the reference rate to reach 3.0% by the summer of 2023. The interest rate hikes will offer support to profitability going forward, however, continued competition among Norwegian banks will likely limit Sparebanken More's expansion of net interest margin and profitability metrics.

In 2021 net income improved 13.2% relative to 2020 mostly drive by lower impairments. Net interest income and fee income did also improve while other income was lower and personnel related costs higher. The bank's return on assets (Moody's adjusted ratio) was 0.78% in 2021, compared to 0.71% in 2020.

The bank has reported net income of NOK163 million for the first quarter of 2022, which is 4.1% lower compared to the same period in the previous year. While net interest income and lower impairments contributed positively negative valuation effects and higher costs weighted n the result. The bank's return on assets (Moody's adjusted ratio) was 0.76% in the first quarter of 2022, compared to 0.82% during the same period in 2021.

Net interest income remains Sparebanken More's main source of revenue and accounted for 86% of the bank's total income in Q1 2022, (higher than 79% during the same period in 2021). The high reliance on net interest income leaves room for the bank to further improve its earnings diversification through higher contribution from fees and commissions.

Sparebanken More's cost efficiency generally supports its profitability, its cost-to-income ratio (Moody's adjusted) was 45.3% in Q1 2022, up from 41.5% in 2021. This level still compares well with its similarly rated global peers, but is above the bank's target ratio of 40%. Operating costs increased by around 13% in Q1 2022 compared to Q1 2021, mainly as a result of increased personnel cost.

### Sparebanken More has sizeable reliance on market funding, although lower than its Norwegian peers

Sparebanken More's primary funding source is deposits, which accounted for 57% of non-equity funding and 61.5% of gross loans as of the end of March 2022, a level we expect to remain broadly stable. However, the bank has a sizeable, but lower than its domestic peers, reliance on confidence-sensitive market funding, which we view as a credit weakness. The market funds to tangible banking assets ratio was 23% at the end of March 2022.

The bulk of Sparebanken More's market funds (around 77% as of March 2022) were in the form of covered bonds issued through its subsidiary company More Boligkreditt. The funding diversification is viewed as positive, because typically, the longer maturity of these funding instruments proves the bank with a wider and more diversified investor base. We also note that more than 80% of the total outstanding covered bonds are eligible as liquid assets under the Basel III liquidity coverage ratio (LCR) rules.

Sparebanken More maintains good liquidity buffers of high quality, which are broadly in line with those of its local peers, with the bank's liquid assets to tangible banking assets ratio at around 14.3% as of March 2022 (YE2021: 13.9%) and a comfortable LCR of 143%. Besides cash and dues from other banks, the bank's liquidity buffers include a securities portfolio, which mainly comprises domestic and European covered bonds, government and supranational bonds, with minor holdings of senior and corporate bonds, as well as minor shareholdings. Euro-denominated issues are hedged in Norwegian krone, and fixed-rate bonds are swapped to floating interest rates (mainly three months floating).

### Source of facts and figures cited in this report

Unless noted otherwise, the bank specific figures originate from bank's reports and Moody's Banking Financial Metrics. All figures are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 9 August 2018.

## Environmental, social and governance considerations

In line with our general view on the banking sector, Sparebanken More has relatively low exposure to Environmental risks and moderate exposure to Social risks. See our Environmental and Social risk heat maps for further information.

Generally we believe banks' face moderate social risks. Otherwise the most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which are partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct are further social risks. Social trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services increasing information technology cost, ageing population concerns in several countries affecting demand for financial services or socially driven policy agendas translating into regulations that affect banks' revenue base.

Governance is highly relevant for Sparebanken More, as it is to all entities in the banking industry. Corporate governance weaknesses can lead to a deterioration in a bank's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven. For Sparebanken More, we do not have any particular governance concerns. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

## Support and structural considerations

### Loss Given Failure (LGF) analysis

In 2019 Norway transposed the European Union Bank Resolution and Recovery Directive (BRRD) into local legislation and BRRD2 was implemented into Norwegian law 1 June 2022, but the current requirements already reflect the new regulation. We consider the country an operational resolution regime. In accordance with our rating methodology, we apply our Advanced LGF analysis, taking into consideration the risks faced by different debt and deposit classes across the liability structure should the bank enter resolution.

Sparebanken More's s long-term deposit rating, senior unsecured debt rating and junior senior debt rating, our LGF analysis considers the combination of the bank's junior deposits, its outstanding debt volume and the amount of debt subordinated to this. This reflects our expectation that the bank will issue non-preferred senior debt both to comply with the MREL requirement but also considers the bank's need for a buffer above the requirement itself.

For junior securities issued by More, our LGF analysis confirms a high level loss-given-failure, given the small volume of debt and limited protection from more subordinated instruments and residual equity. We also continue to include additional downward notching from the BCA reflecting coupon suspension risk ahead of a potential failure.

### Government support considerations

Sparebanken More is a regional savings bank with a robust market position in the county of Møre og Romsdal in Western Norway, where it had a market share of around 25% (including banks and mortgage companies) of loans and 32% of deposits as of December 2021. However, its national market share is limited at around 1.2% of loans and 1.3% on deposits as of March 2022. Accordingly, and in conjunction with the implementation of the BRRD law in Norway from 1 January 2019, we expect a low probability of government support for deposits, resulting in no rating uplift.

### Counterparty Risk (CR) Assessment

**Sparebanken More's CR Assessment is positioned at A1(cr)/P-1(cr)**

Sparebanken More’s CR Assessment is positioned three notches above its Adjusted BCA of baa1, based on the buffer against default provided by junior deposits, senior unsecured, subordinated debts and preference shares. The bank’s CR Assessment does not benefit from any government support, in line with the deposit rating.

### Counterparty Risk Ratings (CRRs)

**Sparebanken More's CRR is positioned at A1/P-1**

The bank's CRR is three notches above its Adjusted BCA of baa1 and at the same level as the CR Assessment, reflecting the buffer against default provided by more junior instruments to CRR liabilities.

## Methodology and scorecard

### About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

## Rating methodology and scorecard factors

Exhibit 5

**Sparebanken More**

| **Macro Factors** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Weighted Macro Profile** | **Very Strong -** | **100%** | | | | | |
| | | | | | | | |
| **Factor** | | **Historic Ratio** | **Initial Score** | **Expected Trend** | **Assigned Score** | **Key driver #1** | **Key driver #2** |
| Solvency | | | | | | | |
| Asset Risk | | | | | | | |
| Problem Loans / Gross Loans | | 1,5% | aa3 | ↑ | baa2 | Geographical concentration | Single name concentration |
| Capital | | | | | | | |
| Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in) | | 18,9% | aa1 | ↔ | aa2 | Access to capital | |
| Profitability | | | | | | | |
| Net Income / Tangible Assets | | 0,8% | baa1 | ↓ | baa2 | Earnings quality | |
| Combined Solvency Score | | | aa3 | | a3 | | |
| Liquidity | | | | | | | |
| Funding Structure | | | | | | | |
| Market Funds / Tangible Banking Assets | | 23,0% | baa1 | ↔ | baa2 | Extent of market funding reliance | |
| Liquid Resources | | | | | | | |
| Liquid Banking Assets / Tangible Banking Assets | | 13,9% | baa3 | ↔ | baa3 | | |
| Combined Liquidity Score | | | baa2 | | baa2 | | |
| Financial Profile | | | | | baa1 | | |
| Qualitative Adjustments | | | | | Adjustment | | |
| Business Diversification | | | | | 0 | | |
| Opacity and Complexity | | | | | 0 | | |
| Corporate Behavior | | | | | 0 | | |
| Total Qualitative Adjustments | | | | | 0 | | |
| Sovereign or Affiliate constraint | | | | | Aaa | | |
| BCA Scorecard-indicated Outcome - Range | | | | | a3 - baa2 | | |
| Assigned BCA | | | | | baa1 | | |
| Affiliate Support notching | | | | | 0 | | |
| Adjusted BCA | | | | | baa1 | | |

| **Balance Sheet** | **in-scope (NOK Million)** | **% in-scope** | **at-failure (NOK Million)** | **% at-failure** |
|---|---|---|---|---|
| Other liabilities | 30 624 | 36,6% | 35 061 | 41,9% |
| Deposits | 43 501 | 51,9% | 39 064 | 46,6% |
| Preferred deposits | 32 191 | 38,4% | 30 581 | 36,5% |
| Junior deposits | 11 310 | 13,5% | 8 483 | 10,1% |
| Senior unsecured bank debt | 3 818 | 4,6% | 3 818 | 4,6% |
| Junior senior unsecured bank debt | 2 000 | 2,4% | 2 000 | 2,4% |
| Dated subordinated bank debt | 700 | 0,8% | 700 | 0,8% |
| Preference shares (bank) | 600 | 0,7% | 600 | 0,7% |
| Equity | 2 513 | 3,0% | 2 513 | 3,0% |
| Total Tangible Banking Assets | 83 756 | 100,0% | 83 756 | 100,0% |

| Debt Class | De Jure waterfall | | De Facto waterfall | | Notching | | LGF Notching Guidance vs. Adjusted BCA | Assigned LGF notching | Additional Notching | Preliminary Rating Assessment |
|---|---|---|---|---|---|---|---|---|---|---|
| | Instrument volume + subordination | Sub-ordination | Instrument volume + subordination | Sub-ordination | De Jure | De Facto | | | | |
| Counterparty Risk Rating | 21,6% | 21,6% | 21,6% | 21,6% | 3 | 3 | 3 | 3 | 0 | a1 |
| Counterparty Risk Assessment | 21,6% | 21,6% | 21,6% | 21,6% | 3 | 3 | 3 | 3 | 0 | a1 (cr) |
| Deposits | 21,6% | 6,9% | 21,6% | 11,5% | 2 | 3 | 2 | 3 | 0 | a1 |
| Senior unsecured bank debt | 21,6% | 6,9% | 11,5% | 6,9% | 2 | 1 | 2 | 3 | 0 | a1 |
| Junior senior unsecured bank debt | 6,9% | 4,6% | 6,9% | 4,6% | 0 | 0 | 0 | 0 | 0 | baa1 |

| Instrument Class | Loss Given Failure notching | Additional notching | Preliminary Rating Assessment | Government Support notching | Local Currency Rating | Foreign Currency Rating |
|---|---|---|---|---|---|---|
| Counterparty Risk Rating | 3 | 0 | a1 | 0 | A1 | A1 |
| Counterparty Risk Assessment | 3 | 0 | a1 (cr) | 0 | A1(cr) | |
| Deposits | 3 | 0 | a1 | 0 | A1 | A1 |
| Senior unsecured bank debt | 3 | 0 | a1 | 0 | A1 | A1 |
| Junior senior unsecured bank debt | 0 | 0 | baa1 | 0 | Baa1 | |

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
*Source: Moody's Investors Service*

## Ratings

Exhibit 6

| Category | Moody's Rating |
|---|---|
| **SPAREBANKEN MORE** | |
| Outlook | Stable |
| Counterparty Risk Rating | A1/P-1 |
| Bank Deposits | A1/P-1 |
| Baseline Credit Assessment | baa1 |
| Adjusted Baseline Credit Assessment | baa1 |
| Counterparty Risk Assessment | A1(cr)/P-1(cr) |
| Issuer Rating | A1 |
| Junior Senior Unsecured -Dom Curr | Baa1 |

*Source: Moody's Investors Service*

## Endnotes

1 The Pillar 2 requirement was updated by the Norwegian FSA in April 2022 and the FSA has set the Pillar 2 Guidance to 1.25%

REPORT NUMBER 1331849

## CLIENT SERVICES

| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |

MOODY'S INVESTORS SERVICE