

**Møre Boligkreditt AS**

A company in the Sparebanken Møre Group

**2 quarter 2020**

Unaudited  
interim report



**Møre  
Boligkreditt**

# Interim report from the Board of Directors

## About the Company

Møre Boligkreditt AS is a wholly owned subsidiary of Sparebanken Møre. The company is licensed by the Norwegian FSA to operate as a mortgage company and issue covered bonds. Møre Boligkreditt AS is Sparebanken Møre's most important source of market funding and an important part of the parent bank's long-term funding strategy.

The accounts have been prepared in accordance with IFRS.

## Second quarter results

The financial statements of Møre Boligkreditt AS show a pre-tax profit of NOK 59 million in the second quarter of 2020, compared to NOK 63 million in the second quarter 2019. Net interest income amounts to NOK 69 million, compared to NOK 77 million in the same quarter last year. Tighter lending margins due to expedited reductions in lending rates following key policy rate decisions in March and May explains the decrease in net interest income. Funding costs was also reduced following the reduction in the 3 month NIBOR rate, but with delayed effect due to the 3 month interest fixing interval on outstanding covered bonds. Costs amounts to NOK 14 million in the second quarter of 2020, compared to NOK 13 million in the corresponding quarter in 2019.

Calculations of expected credit loss (ECL) for Møre Boligkreditt AS is unchanged in the second quarter 2020 compared to a reduction in ECL with NOK 1 million in the corresponding quarter in 2019.

Net change in value of debt securities in second quarter 2020 is positive with NOK 4 million, compared to negative with NOK 2 million in the corresponding quarter of 2019.

Møre Boligkreditt AS acquired mortgages in the amount of NOK 4,940 million from Sparebanken Møre in the second quarter of 2020. Net loans to and receivables from customers increased by NOK 2,856 million in the second quarter of 2020. No bond loans matured in the second quarter of 2020. One existing bond loan was increased with NOK 500 million in the second quarter of 2020, and one new 5.25-year bond loan of NOK 3.0 billion was placed in the market.

Profit after tax amounts to NOK 46 million in the second quarter of 2020, compared to NOK 50 million in the corresponding quarter 2019. Taxes amounts to NOK 13 million in the second quarter of 2020, the same amount as in the corresponding quarter in 2019.

## Half year end results

By half year end 2020 the financial statements show a pre-tax profit of NOK 120 million, compared to NOK 124 million by half year end 2019. Net interest income amounts to NOK 150 million by half year end 2020, compared to NOK 146 million by end of same period last year. Costs in the period ending 30 June 2020 amounts to NOK 26 million, compared with NOK 23 million for the corresponding period 2019.

Net losses in value of debt securities issued and related derivatives is NOK 1 million at half year end 2020, the same amount as at half year end 2019.

Profit after tax amounts to NOK 94 million in the first six months of 2020, compared to NOK 97 million in the corresponding period in 2019. Taxes amounts to NOK 26 million in the first six months of 2020 compared to NOK 27 million in the first six months of 2019.

Changes in value of basis swap spreads are charged to other comprehensive income (OCI) with NOK 0 million after tax by half year end 2020, compared to being added with NOK 1 million by half year end 2019.

## **Financial position**

Møre Boligkreditt AS has thirteen bond loans outstanding at 30 June 2020 with total debt securities issued of NOK 27,438 million, compared to twelve bond loans and NOK 22,371 million outstanding at 30 June 2019.

Total assets at half year end 2020 amounts to NOK 33,282 million compared to NOK 25,851 million at half year end 2019. Net lending amounts to NOK 28,736 million at half year end 2020, compared to NOK 24,993 million at half year end 2019. ECL model calculations as at 30 June 2020 shows expected credit loss of NOK 6.5 million for Møre Boligkreditt AS, compared with NOK 12.7 million as at 30 June 2019.

At half year end 2020, the mortgages in the cover pool has an average loan-to-value ratio of 57 per cent, calculated as mortgage amount relative to the value of the property used as collateral.

At half year end 2020, substitute assets and derivatives included in the cover pool amounts to NOK 3,585 million, compared to NOK 597 million at half year end 2019. Over-collateralisation, calculated as the value of the cover pool relative to the value of outstanding covered bond loan debt is 16.1 per cent as at 30 June 2020, compared to 13.2 per cent as at 30 June 2019.

Møre Boligkreditt AS' liquidity portfolio consisting of Liquidity Coverage Ratio (LCR) eligible assets amounts to NOK 106 million at 30 June 2020, reporting total LCR of 477 per cent by half year end 2020.

## **Rating**

The rating agency Moody's has assigned Aaa-rating to all covered bond loans issued by Møre Boligkreditt AS.

## **Capital strength**

Paid in equity and retained earnings amounts to NOK 2,144 million by end of half year 2020, compared to NOK 2,148 million by end of half year 2019. Risk weighted assets amounts to NOK 7,030 million by end of half year 2020. Net equity and subordinated loan capital amounts to NOK 2,001 million by end of half year 2020, compared to NOK 2,011 million by end of half year 2019. This corresponds to a Common Equity Tier 1 capital ratio of 28.5 per cent as at 30 June 2020. Møre Boligkreditt AS uses internal rating based (IRB) models to calculate capital requirements for credit risk.

## **Outlook**

The Norwegian economy contracted sharply as a consequence of the outbreak of the COVID-19 virus, causing great turmoil in capital markets. The extensive measures to combat the outbreak announced by the Norwegian government have slowly been lifted as the reports of new cases in Norway suggests that the spreading of Covid-19 virus have successfully been contained.

The steep increase in unemployment in March and April as a consequence of the measures taken to fight the virus is reversing. In June, national level of unemployment was reported at 4.8 per cent, and 4.1 per cent in the county of Møre og Romsdal. Central eastern parts of Norway report higher levels of unemployment, with 6.8 per cent in Oslo, due to higher concentration of services sectors combined with a more severe outbreak of Covid-19.

Norges Bank reduced the key policy rate from 0.25 per cent to zero on May 7th, and published a policy rate path in June, indicating that the policy rate would rise from the second half of 2022. Norges Bank have continued introducing liquidity to the market through the offering of F-loans with maturities of up to 12 months.

Housing prices increased by 1.0 per cent seasonally adjusted in June 2020 and was up 3.5 per cent as a national average last 12 months. House prices are expected to increase further due to gradual lifting of Covid-19 restrictions, low mortgage interest rates and improving labour market. Should the strong housing price increase persist, together with a continued increase in the debt-to-income ratio, we might see a reversal of the easing of the mortgage loan regulations already in the third quarter this year.

We expect unemployment levels both on national levels and in the county of Møre og Romsdal to be further reduced. Most of the temporarily laid off are likely to come back to work as restrictions are eased, but we expect to see higher unemployment levels going forward than before Covid-19.

The long-term financial implications of the Covid-19 virus are still difficult to predict, but the Board believes that the efforts to minimise the potential negative consequences of the outbreak are taken, and that the financial implications for Møre Boligkreditt AS will not be significant.

Ålesund, 30 June 2020

12 August 2020

**THE BOARD OF DIRECTORS OF MØRE BOLIGKREDITT AS**

KJETIL HAUGE, Chairman

ELISABETH BLOMVIK

GEIR TORE HJELLE

SANDRA MYHRE HELSETH

OLE ANDRE KJERSTAD, Managing Director

# Statement of income

## STATEMENT OF INCOME - compressed

| (NOK million)   | Notes      | Q2<br>2020 | Q2<br>2019 | 30.06.2020 | 30.06.2019 | 2019 |
|---|------------|------------|------------|------------|------------|------|
| Interest income from assets assessed at amortised cost    | <u>2</u>   | 161        | 176        | 374        | 340        | 757  |
| Interest income from assets assessed at fair value        | <u>2</u>   | 8          | 5          | 10         | 6          | 7    |
| Interest expenses   | <u>2</u>   | 100        | 104        | 234        | 200        | 456  |
| Net interest income                                       | <u>2 6</u> | 69         | 77         | 150        | 146        | 308  |
| Commission income   |            | 0          | 0          | 0          | 0          | 1    |
| Net change in value of securities and related derivatives |            | 4          | -2         | -1         | -1         | -4   |
| Total income  |            | 73         | 75         | 149        | 145        | 305  |
| Wages, salaries and general administration costs          |            | 1          | 0          | 2          | 1          | 3    |
| Other operating costs                                     | <u>6</u>   | 13         | 13         | 24         | 22         | 42   |
| Total operating costs                                     |            | 14         | 13         | 26         | 23         | 45   |
| Profit before impairment on loans and taxes               |            | 59         | 62         | 123        | 122        | 260  |
| Impairment on loans                                       | <u>3</u>   | 0          | -1         | 3          | -2         | -11  |
| Pre-tax profit  |            | 59         | 63         | 120        | 124        | 271  |
| Taxes   |            | 13         | 13         | 26         | 27         | 49   |
| Profit after tax  |            | 46         | 50         | 94         | 97         | 222  |

## STATEMENT OF COMPREHENSIVE INCOME - compressed

| (NOK million)  | Q2<br>2020 | Q2<br>2019 | 30.06.2020 | 30.06.2019 | 2019 |
|--|------------|------------|------------|------------|------|
| Profit after tax   | 46         | 50         | 94         | 97         | 222  |
| Items that may subsequently be reclassified to the income statement: |            |            |            |            |      |
| Basis swap spreads - changes in value                                | -6         | 6          | 0          | 2          | 2    |
| Tax effect of basis swap spreads                                     | 1          | -2         | 0          | -1         | 0    |
| Total comprehensive income for the period                            | 42         | 54         | 94         | 98         | 224  |

# Statement of financial position

## ASSETS - compressed

| (NOK million)  | Notes        | 30.06.2020    | 30.06.2019    | 31.12.2019    |
|--|--------------|---------------|---------------|---------------|
| Loans to and receivables from credit institutions 1) | <u>4 6</u>   | 2 732         | 148           | 827           |
| Loans to and receivables from customers              | <u>2 3 4</u> | 28 736        | 24 993        | 25 655        |
| Certificates and bonds                               | <u>4 5</u>   | 106           | 80            | 678           |
| Financial derivatives                                | <u>4 5</u>   | 1 705         | 621           | 589           |
| Other assets   |              | 3             | 9             | 0             |
| <b>Total assets</b>                                  |              | <b>33 282</b> | <b>25 851</b> | <b>27 749</b> |

1) NOK 758 million out of total NOK 2,732 million in Loans to and receivables from credit institutions is the margin call balance on financial derivatives paid in by counterparties according to CSA

## LIABILITIES AND EQUITY - compressed

| (NOK million)                             | Notes        | 30.06.2020    | 30.06.2019    | 31.12.2019    |
|---|--------------|---------------|---------------|---------------|
| Loans from credit institutions 2)         | <u>4 6</u>   | 3 498         | 1 273         | 2 296         |
| Debt securities issued                    | <u>4 5 6</u> | 27 438        | 22 371        | 23 062        |
| Financial derivatives                     | <u>4 5</u>   | 101           | 29            | 45            |
| Tax payable                               |              | 39            | 30            | 10            |
| Incurring costs and prepaid income        |              | 0             | 0             | 0             |
| Deferred tax                              |              | 62            | 0             | 62            |
| <b>Total liabilities</b>                  |              | <b>31 138</b> | <b>23 703</b> | <b>25 475</b> |
| Share capital                             |              | 1 875         | 1 875         | 1 875         |
| Share premium                             |              | 175           | 175           | 175           |
| Paid-in equity                            |              | 2 050         | 2 050         | 2 050         |
| Other equity                              |              | 0             | 0             | 224           |
| Total comprehensive income for the period |              | 94            | 98            | 0             |
| Retained earnings                         |              | 94            | 98            | 224           |
| <b>Total equity</b>                       | <u>Z</u>     | <b>2 144</b>  | <b>2 148</b>  | <b>2 274</b>  |
| <b>Total liabilities and equity</b>       |              | <b>33 282</b> | <b>25 851</b> | <b>27 749</b> |

2) NOK 758 million out of total NOK 3,498 million in Loans from credit institutions is the margin call balance on financial derivatives paid in by counterparties according to CSA

# Statement of changes in equity

30.06.2020

| (NOK million)                             | Total equity | Share capital | Share premium | Retained earnings |
|---|--------------|---------------|---------------|-------------------|
| Equity as at 31 December 2019             | 2 274        | 1 875         | 175           | 224               |
| Total comprehensive income for the period | 94           |               |               | 94                |
| Dividends                                 | -224         |               |               | -224              |
| Equity as at 30 June 2020                 | 2 144        | 1 875         | 175           | 94                |

The share capital consists of 1 500 000 shares at NOK 1 250, a total of NOK 1 875 million. All shares are owned by Sparebanken Møre.

30.06.2019

| (NOK million)                             | Total equity | Share capital | Share premium | Retained earnings |
|---|--------------|---------------|---------------|-------------------|
| Equity as at 31 December 2018             | 1 767        | 1 425         | 175           | 167               |
| Total comprehensive income for the period | 98           |               |               | 98                |
| Issue of share capital                    | 450          | 450           |               |                   |
| Dividends                                 | -167         |               |               | -167              |
| Equity as at 30 June 2019                 | 2 148        | 1 875         | 175           | 98                |

The share capital consisted of 1 500 000 shares at NOK 1 250, a total of NOK 1 875 million. All shares were owned by Sparebanken Møre.

31.12.2019

| (NOK million)                             | Total equity | Share capital | Share premium | Retained earnings |
|---|--------------|---------------|---------------|-------------------|
| Equity as at 31 December 2018             | 1 767        | 1 425         | 175           | 167               |
| Total comprehensive income for the period | 224          |               |               | 224               |
| Issue of share capital                    | 450          | 450           |               |                   |
| Dividends                                 | -167         |               |               | -167              |
| Equity as at 31 December 2019             | 2 274        | 1 875         | 175           | 224               |

The share capital consists of 1 500 000 shares at NOK 1 250, a total of NOK 1 875 million. All shares are owned by Sparebanken Møre.

Proposed dividend as of 31 December 2019 amounted to NOK 224 million.

# Statement of cash flow

| (NOK million)  | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|------------|------------|------------|
| <b>Cash flow from operating activities</b>   |            |            |            |
| Interest, commission and fees received   | 381        | 341        | 758        |
| Interest, commission and fees paid   | -22        | -6         | -9         |
| Operating expenses paid  | -25        | -23        | -45        |
| Income taxes paid  | -11        | -51        | -22        |
| Payment for acquiring loans from the Parent Bank   | -6 742     | -4 785     | -9 088     |
| Payment related to instalment loans and credit lines to customers                          | 3 658      | 3 203      | 6 854      |
| Net cash flow from operating activities  | -2 761     | -1 321     | -1 552     |
| <b>Cash flow from investing activities</b>   |            |            |            |
| Received interest, commission and fees related to certificates, bonds and other securities | 3          | 6          | 7          |
| Proceeds from the sale of certificates, bonds and other securities                         | 600        | 1 716      | 1 746      |
| Purchases of certificates, bonds and other securities                                      | 0          | -1 284     | -1 911     |
| Changes in other assets  | -30        | 0          | -3         |
| Net cash flow from investing activities  | 573        | 438        | -161       |
| <b>Cash flow from financing activities</b>   |            |            |            |
| Paid interest, commission and fees related to issued bonds                                 | -219       | -192       | -435       |
| Net change in loans from credit institutions   | 1 202      | -58        | 965        |
| Proceeds from bonds issued   | 3 496      | 2 497      | 5 536      |
| Redemption of issued covered bonds   | -230       | -2 504     | -4 784     |
| Dividend paid  | -224       | -167       | -167       |
| Changes in other debt  | 68         | 3          | -27        |
| Issue of share capital and premium   | 0          | 450        | 450        |
| Net cash flow from financing activities  | 4 093      | 29         | 1 538      |
| Net change in cash and cash equivalents  | 1 905      | -854       | -175       |
| Cash balance at 01.01  | 827        | 1 002      | 1 002      |
| Cash balance at 30.06 / 31.12  | 2 732      | 148        | 827        |



# Note 1

## Accounting principles

Møre Boligkreditt AS' interim accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU as of 30 June 2020. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting (compressed). The accounts are prepared using the same principles and with the same methodology as the annual accounts for 2019.

All amounts are stated in NOK million unless stated otherwise.

The interim financial statements are not audited.

# Note 2

## Operating segments

Møre Boligkreditt AS' business mainly comprises operations within the retail banking market. Møre Boligkreditt AS has only one operating segment.

### Loans

| (NOK million)                           | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|---|------------|------------|------------|
| Loans, nominal amount                   | 28 742     | 25 006     | 25 658     |
| Expected credit loss (ECL) - stage 1    | -1         | -3         | 0          |
| Expected credit loss (ECL) - stage 2    | -5         | -10        | -3         |
| Expected credit loss (ECL) - stage 3    | 0          | 0          | 0          |
| Loans to and receivables from customers | 28 736     | 24 993     | 25 655     |

### Net interest income

| (NOK million)   | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|---|------------|------------|------------|
| Interest income from:                                     |            |            |            |
| Loans to and receivables from credit institutions         | 4          | 9          | 18         |
| Loans to and receivables from customers                   | 377        | 332        | 739        |
| Certificates, bonds and other interest-bearing securities | 3          | 5          | 7          |
| Interest income   | 384        | 346        | 764        |
| Interest expenses in respect of:                          |            |            |            |
| Loans from credit institutions                            | 13         | 8          | 17         |
| Debt securities issued                                    | 219        | 192        | 435        |
| Other interest expenses                                   | 2          | 0          | 4          |
| Interest expenses   | 234        | 200        | 456        |
| Net interest income                                       | 150        | 146        | 308        |

# Note 3

## Impairment, losses and non-performance

Møre Boligkreditt AS applies a three-stage approach when assessing ECL on loans to customers 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 and there's evidence of loss, the commitment is transferred to stage 3.

Staging is performed at account level and implies that two or more accounts held by the same customer can be placed in different stages.

| Specification of credit loss expense (NOK thousand) | Q2 2020 | Q2 2019 | 30.06.2020 | 30.06.2019 | 2019    |
|---|---------|---------|------------|------------|---------|
| Changes in Expected Credit Loss (ECL) in stage 1    | 99      | 159     | 336        | 105        | -2 284  |
| Changes in Expected Credit Loss (ECL) in stage 2    | -338    | -1 684  | 2 744      | -2 006     | -8 938  |
| Changes in Expected Credit Loss (ECL) in stage 3    | 0       | 0       | 0          | -237       | -237    |
| Total impairment on loans in the period             | -239    | -1 525  | 3 080      | -2 138     | -11 459 |

| Changes in ECL in the period (NOK thousand) - 30.06.2020       | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------|---------|---------|-------|
| ECL 31.12.2019   | 541     | 2 849   | 0       | 3 390 |
| New loans  | 109     | 372     | 0       | 481   |
| Disposal of loans  | -76     | -243    | 0       | -319  |
| Changes in ECL in the period for loans which have not migrated | 277     | 1 079   | 0       | 1 356 |
| Migration to stage 1   | 94      | -627    | 0       | -533  |
| Migration to stage 2   | -66     | 2 183   | 0       | 2 117 |
| Migration to stage 3   | 0       | 0       | 0       | 0     |
| Other changes  | -3      | -20     | 0       | -23   |
| ECL 30.06.2020   | 876     | 5 593   | 0       | 6 469 |

| <b>Changes in ECL in the period (NOK thousand) - 30.06.2019</b> | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| ECL 31.12.2018  | 2 825          | 11 787         | 237            | 14 849       |
| New loans   | 231            | 638            | 0              | 869          |
| Disposal of loans   | -472           | -820           | 0              | -1 292       |
| Changes in ECL in the period for loans which have not migrated  | 41             | -264           | 0              | -223         |
| Migration to stage 1  | 463            | -6 224         | -237           | -5 999       |
| Migration to stage 2  | -158           | 4 665          | 0              | 4 506        |
| Migration to stage 3  | 0              | 0              | 0              | 0            |
| Other changes   | -              | -              | 0              | 0            |
| ECL 30.06.2019  | 2 930          | 9 781          | 0              | 12 711       |

| <b>Changes in ECL in the period (NOK thousand) - 31.12.2019</b> | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| ECL 31.12.2018  | 2 825          | 11 787         | 237            | 14 849       |
| New loans   | 109            | 234            | 0              | 343          |
| Disposal of loans   | -573           | -2 859         | 0              | -3 432       |
| Changes in ECL in the period for loans which have not migrated  | -1 418         | -1 951         | 0              | -3 369       |
| Migration to stage 1  | 28             | -5 204         | 0              | -5 176       |
| Migration to stage 2  | -147           | 1 167          | -122           | 898          |
| Migration to stage 3  | 0              | 0              | 0              | 0            |
| Other changes   | -284           | -325           | -115           | -724         |
| ECL 31.12.2019  | 540            | 2 849          | 0              | 3 389        |

**Commitments (exposure) divided into risk groups based on probability of default (NOK million)**

| <b>30.06.2020</b>                                     | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| Low risk (0 % - < 0.5 %)                              | 26 628         | 0              | 0              | 26 628       |
| Medium risk (0.5 % - < 3 %)                           | 789            | 407            | 0              | 1 196        |
| High risk (3 % - <100 %)                              | 94             | 157            | 0              | 251          |
| Total commitments before ECL                          | 27 511         | 564            | 0              | 28 075       |
| - ECL   | -1             | -5             | 0              | -6           |
| Loans to and receivables from customers 30.06.2020 *) | 27 510         | 559            | 0              | 28 069       |

| <b>30.06.2019</b>                                  | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
|--|----------------|----------------|----------------|--------------|
| Low risk (0 % - < 0.5 %)                           | 24 990         | 161            | 0              | 25 151       |
| Medium risk (0.5 % - < 3 %)                        | 639            | 326            | 0              | 965          |
| High risk (3 % - <100 %)                           | 94             | 79             | 0              | 173          |
| Total commitments before ECL                       | 25 723         | 566            | 0              | 26 289       |
| - ECL  | -3             | -10            | 0              | -13          |
| Loans and receivables from customers 30.06.2019 *) | 25 720         | 556            | 0              | 26 277       |

| <b>31.12.2019</b>                                     | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| Low risk (0 % - < 0.5 %)                              | 25 410         | 1              | 0              | 25 411       |
| Medium risk (0.5 % - < 3 %)                           | 930            | 444            | 0              | 1 374        |
| High risk (3 % - <100 %)                              | 115            | 137            | 0              | 252          |
| Total commitments before ECL                          | 26 455         | 582            | 0              | 27 037       |
| - ECL   | 0              | -3             | 0              | -3           |
| Loans to and receivables from customers 31.12.2019 *) | 26 455         | 579            | 0              | 27 034       |

\*) The tables above show exposures (incl. undrawn credit facilities) and can therefore not be reconciled against carrying amount.

# Note 4

## Financial instruments

### CLASSIFICATION AND MEASUREMENT

The company'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 any changes in value 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 assessed 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 rate loans, all lending and receivables are recorded in the accounts at amortised cost, based on expected cash flows. The difference between the issue cost and the settlement amount at maturity, is amortised over the lifetime of the loan.

### Financial liabilities assessed at amortised cost

Debt securities, including debt securities included in fair value hedging and loans and deposits from credit institutions, are assessed at amortised cost based on expected cash flows.

### Financial instruments assessed at fair value, any changes in value recognised through the income statement

The company's portfolio of bonds in the liquidity portfolio is classified at fair value with any value changes through the income statement, based on the business model of the company.

The portfolio of fixed interest rate loans is assessed at fair value to avoid accounting mismatch in relation to the underlying interest rate swaps.

Financial derivatives are instruments used to mitigate any interest- or currency risk incurred by the company. Financial derivatives are recorded at fair value, with any changes in value through the income statement, and recognised gross per contract, as either asset or debt.

Losses and gains as a result of value changes on assets and liabilities assessed at fair value with any value changes being recognised in the income statement, are included in the accounts during the period in which they occur.

### LEVELS IN THE VALUATION HIERARCHY

Financial instruments at fair value 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 bonds and certificates in LCR-level 1, traded in active markets.

## 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 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. Loans to customers are included in this category.

A change of 10 basis points in the discount rate will have an effect of approximately NOK 5 million on the valuation of the fixed rate loans as at 30.06.2020.

| Classification of financial instruments           | Financial instruments at fair value through profit or loss |            |              | Financial instruments carried at amortised cost |               |               |
|---|--|------------|--------------|---|---------------|---------------|
|   | 30.06.2020   | 30.06.2019 | 31.12.2019   | 30.06.2020                                      | 30.06.2019    | 31.12.2019    |
| Loans to and receivables from credit institutions |  |            |              | 2 732   | 148           | 827           |
| Loans to and receivables from customers           | 2 289  |            |              | 26 447  | 24 993        | 25 655        |
| Certificates and bonds                            | 106  | 80         | 678          |   |               |               |
| Financial derivatives                             | 1 705  | 621        | 589          |   |               |               |
| <b>Total financial assets</b>                     | <b>4 100</b>   | <b>701</b> | <b>1 267</b> | <b>29 179</b>                                   | <b>25 141</b> | <b>26 482</b> |
| Loans from credit institutions                    |  |            |              | 3 498   | 1 273         | 2 296         |
| Debt securities issued                            |  |            |              | 27 438  | 22 371        | 23 062        |
| Financial derivatives                             | 101  | 29         | 45           |   |               |               |
| <b>Total financial liabilities</b>                | <b>101</b>   | <b>29</b>  | <b>45</b>    | <b>30 936</b>                                   | <b>23 644</b> | <b>25 358</b> |

| Fair value of financial instruments at amortised cost | 30.06.2020    |               | 30.06.2019    |               | 31.12.2019    |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Fair value    | Book value    | Fair value    | Book value    | Fair value    | Book value    |
| Loans to and receivables from credit institutions     | 2 732         | 2 732         | 148           | 148           | 827           | 827           |
| Loans to and receivables from customers               | 26 447        | 26 447        | 24 993        | 24 993        | 25 655        | 25 655        |
| <b>Total financial assets</b>                         | <b>29 179</b> | <b>29 179</b> | <b>25 141</b> | <b>25 141</b> | <b>26 482</b> | <b>26 482</b> |
| Loans from credit institutions                        | 3 498         | 3 498         | 1 273         | 1 273         | 2 296         | 2 296         |
| Debt securities issued                                | 27 512        | 27 438        | 22 454        | 22 371        | 23 138        | 23 062        |
| <b>Total financial liabilities</b>                    | <b>31 010</b> | <b>30 936</b> | <b>23 727</b> | <b>23 644</b> | <b>25 434</b> | <b>25 358</b> |

| Financial instruments at fair value - 30.06.2020 | Based on prices<br>in an active<br>market | Observable<br>market<br>information | Other than observable<br>market information | Total |
|--|---|-------------------------------------|---|-------|
|  | Level 1                                   | Level 2                             | Level 3                                     |       |
| Loans to and receivables from customers          |   |                                     | 2 289                                       | 2 289 |
| Certificates and bonds                           | 76  | 30                                  |   | 106   |
| Financial derivatives                            |   | 1 705                               |   | 1 705 |
| Total financial assets                           | 76  | 1 735                               | 2 289                                       | 4 100 |
| Financial derivatives                            |   | 101                                 |   | 101   |
| Total financial liabilities                      | -   | 101                                 | -   | 101   |

| Financial instruments at fair value - 30.06.2019 | Based on prices<br>in an active<br>market | Observable<br>market<br>information | Other than observable<br>market information | Total |
|--|---|-------------------------------------|---|-------|
|  | Level 1                                   | Level 2                             | Level 3                                     |       |
| Certificates and bonds                           |   | 80                                  |   | 80    |
| Financial derivatives                            |   | 621                                 |   | 621   |
| Total financial assets                           | -   | 701                                 | -   | 701   |
| Financial derivatives                            |   | 29                                  |   | 29    |
| Total financial liabilities                      | -   | 29                                  | -   | 29    |

| Financial instruments at fair value - 31.12.2019 | Based on prices<br>in an active<br>market | Observable<br>market<br>information | Other than observable<br>market information | Total |
|--|---|-------------------------------------|---|-------|
|  | Level 1                                   | Level 2                             | Level 3                                     |       |
| Certificates and bonds                           | 678                                       |                                     |   | 678   |
| Financial derivatives                            |   | 589                                 |   | 589   |
| Total financial assets                           | 678                                       | 589                                 | -   | 1 267 |
| Financial derivatives                            |   | 45                                  |   | 45    |
| Total financial liabilities                      | -   | 45                                  | -   | 45    |



| Reconciliation of movements in Level 3 during the period | Loans to and receivables from customers |
|--|---|
| Booked value as at 31.12.2019                            | 0                                       |
| Purchase/increase  | 2 550                                   |
| Sales/reduction  | -261                                    |
| Transferred to Level 3                                   | 0                                       |
| Transferred out of Level 3                               | 0                                       |
| Gains/losses during the period                           | 0                                       |
| Booked value as at 30.06.2020                            | 2 289                                   |

# Note 5

## Issued covered bonds

Securities issued at floating interest rates are measured at amortised cost. Fair value hedge accounting is used for the company's securities issued at fixed rate terms, and changes in fair value (due to the hedged risk) are recognised in profit and loss.

| Covered bonds (NOK million)                             |          |                             |                     |        |          |            |            |            |
|---|----------|-----------------------------|---------------------|--------|----------|------------|------------|------------|
| ISIN code   | Currency | Nominal value<br>30.06.2020 | Interest            | Issued | Maturity | 30.06.2020 | 30.06.2019 | 31.12.2019 |
| NO0010588072  | NOK      | 1 050                       | fixed NOK 4.75 %    | 2010   | 2025     | 1 278      | 1 238      | 1 187      |
| XS0968459361  | EUR      | 25                          | fixed EUR 2.81 %    | 2013   | 2028     | 350        | 310        | 308        |
| XS0984191873  | EUR      | 30                          | 6M Euribor + 0.20 % | 2013   | 2020     | 327        | 291        | 296        |
| NO0010696990  | NOK      | -                           | 3M Nibor + 0.45 %   | 2013   | 2020     | -          | 2 509      | 231        |
| NO0010720204  | NOK      | 3 000                       | 3M Nibor + 0.24 %   | 2014   | 2020     | 3 000      | 3 000      | 3 001      |
| NO0010730187  | NOK      | 1 000                       | fixed NOK 1.50 %    | 2015   | 2022     | 1 018      | 993        | 999        |
| NO0010777584  | NOK      | 3 000                       | 3M Nibor + 0.58 %   | 2016   | 2021     | 3 006      | 3 011      | 3 013      |
| XS1626109968  | EUR      | 250                         | fixed EUR 0.125 %   | 2017   | 2022     | 2 757      | 2 463      | 2 490      |
| NO0010819543  | NOK      | 3 000                       | 3M Nibor + 0.42 %   | 2018   | 2024     | 3 002      | 2 500      | 3 004      |
| XS1839386577  | EUR      | 250                         | fixed EUR 0.375 %   | 2018   | 2023     | 2 793      | 2 496      | 2 522      |
| NO0010836489  | NOK      | 1 000                       | fixed NOK 2.75 %    | 2018   | 2028     | 1 134      | 1 058      | 1 024      |
| NO0010853096  | NOK      | 3 000                       | 3M Nibor + 0.37 %   | 2019   | 2025     | 2 998      | 2 502      | 2 503      |
| XS2063496546  | EUR      | 250                         | fixed EUR 0.01 %    | 2019   | 2024     | 2 777      | -          | 2 484      |
| NO0010884950  | NOK      | 3 000                       | 3M Nibor + 0.42 %   | 2020   | 2025     | 2 998      | -          | -          |
| Total borrowings raised through the issue of securities |          |                             |                     |        |          | 27 438     | 22 371     | 23 062     |

| Cover pool (NOK million)                                       | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|------------|------------|------------|
| Pool of eligible loans 1)                                      | 28 261     | 24 719     | 25 182     |
| Substitute assets  | 1 981      | 5          | 988        |
| Financial derivatives to hedge issued securities (assets)      | 1 705      | 621        | 589        |
| Financial derivatives to hedge issued securities (liabilities) | -101       | -29        | -45        |
| Total collateralised assets                                    | 31 846     | 25 316     | 26 714     |

1) NOK 481 million of total gross loans are not eligible for the cover pool as at 30.06.2020 (NOK 274 million as at 30.06.2019)

| <b>Covered bonds issued (NOK million)</b> | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|---|-------------------|-------------------|-------------------|
| Covered bonds (nominal) 2)                | 25 731            | 21 930            | 22 720            |
| Premium/discount                          | 1 707             | 441               | 342               |
| <b>Total covered bonds</b>                | <b>27 438</b>     | <b>22 371</b>     | <b>23 062</b>     |
| Own holding (covered bonds)               | -                 | -                 | -                 |
| <b>Debt securities issued</b>             | <b>27 438</b>     | <b>22 371</b>     | <b>23 062</b>     |

2) Swap exchange rates are applied for outstanding debt in currencies other than NOK

| <b>Collateralisation (in %)</b>                              | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|--|-------------------|-------------------|-------------------|
| <b>Total collateralised assets / debt securitised issued</b> | <b>116.1</b>      | <b>113.2</b>      | <b>115.8</b>      |

# Note 6

## Transactions with related parties

Møre Boligkreditt AS purchases services from Sparebanken Møre. There are also transactions between the parties related to the acquisition of loan portfolio and the fact that Sparebanken Møre provides loans and credits to the mortgage company.

Loans from Sparebanken Møre are transferred at market value. If the purchased mortgage loans have fixed interest rates, the purchase price is adjusted according to the value above/below par. Sparebanken Møre is responsible for ensuring that the loans to be transferred to Møre Boligkreditt AS are properly established and in accordance with the requirements specified in the agreement between the mortgage company and the Parent Bank. In case of a violation of these requirements, the Parent 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 the settlement of interest for transaction days from date of transfer of loan portfolio to date of settlement of the consideration.

If Møre Boligkreditt AS should have difficulties obtaining financing, a revolving guarantee from Sparebanken Møre is established with the purpose of ensuring timely payments to owners of bonds and derivative counterparties.

The pricing of the services provided by Sparebanken Møre to Møre Boligkreditt AS distinguishes between fixed and variable costs for the mortgage company. Fixed costs are defined as costs the mortgage company must bear regardless of the activity related to the issuance of covered bonds, the 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 employees to deliver satisfactory services given the number of customers in the portfolio.

Møre Boligkreditt AS is billed for costs related to the lease of premises at Sparebanken Møre. It is assumed that regardless of operations, a certain area of the bank attributable to the mortgage company is utilised during the year. Regardless of the extent of the activity and the loan portfolio acquired by Møre Boligkreditt AS, charges related to accounting, financial reporting, risk management, cash management, financing, governance and general legal services will incur.

Sparebanken Møre bills the mortgage company based on actual salary costs, including social security contribution, pension costs and other social costs. Parts of the mortgage company's expenses related to services provided by Sparebanken Møre relates to the size of the portfolio acquired from Sparebanken Møre. Management fee is calculated and billed monthly, in which the month's average portfolio size forms the basis of billing.

The interest rate of the mortgage company's deposit and credit limit in Sparebanken Møre is based on 3 months NIBOR + a Premium.

The most important transactions are as follows:

| (NOK million)  | 30.06.2020 | 30.06.2019 | 31.12.2019 |
|--|------------|------------|------------|
| <b>Statement of income:</b>  |            |            |            |
| Interest and credit commission income from Sparebanken Møre related to deposits                | 4          | 9          | 18         |
| Interest and credit commission income paid to Sparebanken Møre related to loan/credit facility | 13         | 8          | 17         |
| Interest paid to Sparebanken Møre related to bonded debt                                       | 4          | 5          | 9          |
| Management fee paid to Sparebanken Møre  | 20         | 17         | 36         |
| <b>Statement of financial position:</b>  |            |            |            |
| Deposits in Sparebanken Møre   | 2 732      | 148        | 827        |
| Covered bonds held by Sparebanken Møre as assets   | 2 137      | 0          | 0          |
| Loan/credit facility in Sparebanken Møre   | 2 747      | 1 130      | 2 171      |
| Accumulated transferred loan portfolio from Sparebanken Møre                                   | 28 742     | 25 006     | 25 658     |

# Note 7

## Equity and related capital

| <b>Tier 1 capital and supplementary capital</b>          | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|--|-------------------|-------------------|-------------------|
| Share capital and share premium                          | 2 050             | 2 050             | 2 050             |
| Retained earnings  | 94                | 98                | 224               |
| <b>Total equity</b>                                      | <b>2 144</b>      | <b>2 148</b>      | <b>2 274</b>      |
| Value adjustments of financial instruments at fair value | -4                | -1                | -1                |
| Expected IRB-losses exceeding ECL                        | -45               | -38               | -44               |
| Dividends  | 0                 | 0                 | -224              |
| Deductions for total comprehensive income for the period | -94               | -98               | -                 |
| <b>Common Equity Tier 1 capital</b>                      | <b>2 001</b>      | <b>2 011</b>      | <b>2 005</b>      |
| Supplementary capital                                    | 0                 | 0                 | 0                 |
| <b>Net equity and subordinated loan capital</b>          | <b>2 001</b>      | <b>2 011</b>      | <b>2 005</b>      |

| <b>Risk-Weighted Assets (RWA) - calculation basis for capital adequacy ratio</b> | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|--|-------------------|-------------------|-------------------|
| Credit risk loans and receivables (Standardised Approach)                        | 762               | 313               | 429               |
| Credit risk loans and receivables (Internal Ratings Based Approach)              | 5 221             | 4 888             | 4 671             |
| Operational Risk (Basic indicator Approach)                                      | 516               | 477               | 516               |
| Total risk exposure amount for credit valuation adjustment (CVA) (SA)            | 531               | 468               | 452               |
| <b>Risk-weighted assets</b>  | <b>7 030</b>      | <b>6 146</b>      | <b>6 068</b>      |
| Additional RWA from transitional rules 1)  | -                 | 4 281             | 0                 |
| <b>Total risk-weighted assets</b>  | <b>7 030</b>      | <b>10 427</b>     | <b>6 068</b>      |
| Minimum requirement Common Equity Tier 1 capital (4.5%)                          | 316               | 469               | 273               |

1) Transitional rules require that RWA can not be less than 80 per cent of the corresponding Basel I requirement. This rule is no longer applicable as of 31.12.2019.

| <b>Buffer Requirement</b>   | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|---|-------------------|-------------------|-------------------|
| Countercyclical buffer (1.0 % at 30.06.20, 2.0 % at 30.06.19 and 2.5 % at 31.12.19) | 70                | 209               | 152               |
| Capital conservation buffer (2.5%)  | 176               | 261               | 152               |
| Systemic risk buffer (3.0%)   | 211               | 313               | 182               |
| <b>Total buffer requirements</b>  | <b>457</b>        | <b>782</b>        | <b>485</b>        |
| <b>Available Common Equity Tier 1 capital after buffer requirements</b>             | <b>1 228</b>      | <b>760</b>        | <b>1 247</b>      |

| <b>Capital adequacy as a percentage of the weighted asset calculation basis</b> | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|---|-------------------|-------------------|-------------------|
| Capital adequacy ratio  | 28.5 %            | 19.3 %            | 33.0 %            |
| Tier 1 capital ratio  | 28.5 %            | 19.3 %            | 33.0 %            |
| Common Equity Tier 1 capital ratio  | 28.5 %            | 19.3 %            | 33.0 %            |

  

| <b>Leverage ratio</b> | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|-----------------------|-------------------|-------------------|-------------------|
| Leverage ratio        | 6.1 %             | 7.6 %             | 7.0 %             |

  

| <b>Liquidity Coverage Ratio</b>  | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|----------------------------------|-------------------|-------------------|-------------------|
| Liquidity Coverage Ratio - Total | 477%              | 397%              | 117%              |
| Liquidity Coverage Ratio - NOK   | 477%              | 397%              | 117%              |
| Liquidity Coverage Ratio - EUR   | -                 | -                 | -                 |

Møre Boligkreditt AS' capital requirements at 31 March 2020 are based on IRB-Foundation for commercial commitments and IRB-Retail for retail commitments.

## **Note 8**

### **Events after the reporting date**

No events of material significance for the financial statements for Q2-2020 have occurred after the reporting date. The company is not involved in any legal proceedings.



# Statement

## Statement pursuant to section 5-6 of the Securities Trading Act

We hereby confirm that the company's financial statements for the period 1 January to 30 June 2020 to the best of our knowledge, have been prepared in accordance with IAS 34 - Interim Financial Reporting, and provides a true and fair view of the company's assets, liabilities, financial position and results as a whole.

We also hereby declare that the interim report provides a true and fair view of the financial performance and position of the company, as well as a description of the principal risks and uncertainties facing the Company.

Ålesund, 30 June 2020

12 August 2020

### **THE BOARD OF DIRECTORS OF MØRE BOLIGKREDITT AS**

KJETIL HAUGE, Chairman

ELISABETH BLOMVIK

GEIR TORE HJELLE

SANDRA MYHRE HELSETH

OLE ANDRE KJERSTAD, Managing Director

# Profit performance

| QUARTERLY PROFIT (NOK million)     | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 |
|------------------------------------|---------|---------|---------|---------|---------|
| Net interest income                | 69      | 81      | 82      | 80      | 77      |
| Other operating income             | 4       | -5      | -4      | 2       | -2      |
| Total operating costs              | 14      | 12      | 12      | 10      | 13      |
| Profit before impairment on loans  | 59      | 64      | 66      | 72      | 62      |
| Impairment on loans                | 0       | 3       | 1       | -10     | -1      |
| Pre tax profit                     | 59      | 61      | 65      | 82      | 63      |
| Tax                                | 13      | 13      | 4       | 18      | 13      |
| Profit after tax                   | 46      | 48      | 61      | 64      | 50      |
| As a percentage of average assets: |         |         |         |         |         |
| Net interest income                | 0.93    | 1.24    | 1.21    | 1.28    | 1.21    |
| Other operating income             | 0.05    | -0.07   | -0.07   | 0.03    | -0.03   |
| Total operating costs              | 0.18    | 0.18    | 0.17    | 0.16    | 0.20    |
| Profit before impairment on loans  | 0.80    | 0.99    | 0.97    | 1.15    | 0.98    |
| Impairment on loans                | 0.00    | 0.05    | 0.01    | -0.16   | -0.02   |
| Pre tax profit                     | 0.80    | 0.94    | 0.96    | 1.31    | 1.00    |
| Tax                                | 0.17    | 0.20    | 0.06    | 0.29    | 0.22    |
| Profit after tax                   | 0.63    | 0.74    | 0.90    | 1.02    | 0.78    |
| Average total assets (NOK million) | 29 473  | 26 293  | 25 223  | 25 142  | 24 582  |

| <b>ACCUMULATED PROFIT FOR THE YEAR (NOK million)</b> | <b>30.06.2020</b> | <b>30.06.2019</b> | <b>31.12.2019</b> |
|--|-------------------|-------------------|-------------------|
| Net interest income                                  | 150               | 146               | 308               |
| Other operating income                               | -1                | -1                | -3                |
| Total operating costs                                | 26                | 23                | 45                |
| Profit before impairment on loans                    | 123               | 122               | 260               |
| Impairment on loans                                  | 3                 | -2                | -11               |
| Pre tax profit                                       | 120               | 124               | 271               |
| Tax  | 26                | 27                | 49                |
| Profit after tax                                     | 94                | 97                | 222               |

As a percentage of average assets:

|                                   |       |       |       |
|-----------------------------------|-------|-------|-------|
| Net interest income               | 1.07  | 1.17  | 1.21  |
| Other operating income            | -0.01 | -0.01 | -0.01 |
| Total operating costs             | 0.18  | 0.19  | 0.18  |
| Profit before impairment on loans | 0.88  | 0.97  | 1.02  |
| Impairment on loans               | 0.02  | -0.02 | -0.04 |
| Pre tax profit                    | 0.86  | 0.99  | 1.06  |
| Tax                               | 0.19  | 0.22  | 0.19  |
| Profit after tax                  | 0.67  | 0.77  | 0.87  |

|                                    |        |        |        |
|------------------------------------|--------|--------|--------|
| Average total assets (NOK million) | 27 883 | 24 862 | 25 460 |
|------------------------------------|--------|--------|--------|

## Alternative performance measures

|                               |                      |  |
|-------------------------------|----------------------|--|
| <b>Average assets</b>         | <b>Definition</b>    | The average sum of total assets for the year, calculated as a daily average.   |
|                               | <b>Justification</b> | This key figure is used in the calculation of percentage ratios for the performance items.   |
|                               | <b>Calculation</b>   | Average sum of total assets*   |
| <b>LTV (Loan to value)</b>    | <b>Definition</b>    | A customer's loan amount as a percentage of market value** of the collateral.  |
|                               | <b>Justification</b> | This key figure provides information about the asset ratio in the lending portfolio and is relevant for evaluating the risk of loss.                             |
|                               | <b>Calculation</b>   | Weighted average LTV is calculated by weighting each LTV by the respective loan amount, and then dividing the sum of the weighted LTVs by the total loan amount. |
| <b>Over-collateralisation</b> | <b>Definition</b>    | Over-collateralisation, calculated as the value of the cover pool relative to the value of outstanding covered bond loan debt.                                   |
|                               | <b>Justification</b> | This key figure provides information about the ratio between outstanding bond loans and the underlying collateralised assets.                                    |
|                               | <b>Calculation</b>   | $\frac{\text{Total collateralised assets}}{\text{Debt securitites issued}}$  |
|                               | <b>Figures</b>       | 30.06.2020: $31,846 / 27,438 = 116.1 \%$<br>30.06.2019: $25,316 / 22,371 = 113.2 \%$<br>31.12.2019: $26,714 / 23,062 = 115.8 \%$                                 |

\*This figure is based on daily calculations in the accounting system, and is not directly reconcilable against the Statement of financial position.

\*\*Market value is obtained from external AVM company (Eiendomsverdi AS).

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