



Interim report

2024 Unaudited

3



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 to operate as a mortgage company, issuing 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. Figures in brackets refer to the corresponding period last year.

Results for Q3 2024

The financial statements of Møre Boligkreditt AS show a pre-tax profit of NOK 54 million in the third quarter of 2024 (NOK 20 million). Net interest income amounted to NOK 72 million (NOK 53 million), and costs ended at NOK 14 million (NOK 13 million). Net losses from financial instruments amount to NOK 5 million, compared with net losses of NOK 17 million in the third quarter of 2023.

NOK 1 million in return on losses on loans were added to the quarterly accounts (in third quarter 2023 the accounts were charged NOK 3 million). Profit after tax amounted to NOK 42 million (NOK 16 million).

Basis swap spreads are added to other comprehensive income (OCI) with NOK 1 million after tax, compared with charged to OCI with NOK 12 million in the third quarter of 2023.

Net loans to and receivables from customers increased with NOK 3,968 million in the third quarter of 2024. Net mortgage lending to customers amounted to NOK 35,943 million at third quarter end 2024 (NOK 33,717 million).

Møre Boligkreditt AS issued one EUR 500 million benchmark Covered Bond Premium transaction in the third quarter of 2024, no bond loan matured in the quarter. Møre Boligkreditt AS has 12 bond loans outstanding at 30 September 2024 with a total book value bond debt of NOK 35,673 million (NOK 28,832 million). Møre Boligkreditt AS reports Net Stable Funding Ratio (NSFR) of 105 per cent as at 30 September 2024.

Third quarter end results

By third quarter end 2024, the financial statements show a pre-tax profit of NOK 167 million (NOK 136 million). Net interest income amounts to NOK 216 million by third quarter end 2024 (NOK 180 million). Costs in the period ending 30 September 2024 amount to NOK 43 million (NOK 43 million). Net losses from financial instruments amount to NOK 12 million by third quarter end 2024, compared with no gain/losses from financial instruments by third quarter end 2023.

NOK 6 million in return on losses on loans were added to the accounts by third quarter end 2024 (by third quarter end 2023 the accounts were charged NOK 1 million).

Taxes amount to NOK 37 million in the first nine months of 2024 (NOK 30 million), and profit after tax amounts to NOK 130 million in the first nine months of 2024 (NOK 106 million).

Changes in value of basis swap spreads are charged to other comprehensive income (OCI) with NOK 8 million after tax by third quarter end 2024, compared with NOK 18 million being charged at third quarter end 2023.

Total assets at third quarter end 2024 amounted to NOK 42,418 million (NOK 35,857 million). The ECL calculation as at 30 September 2024 shows expected credit losses of NOK 5 million for Møre Boligkreditt AS (NOK 11 million).

At third quarter end 2024, the mortgages in the cover pool had an average loan-to-value ratio of 55.0 per

cent, calculated as mortgage amount relative to the value of the property used as collateral (53.6 per cent).

The company's substitute assets included in the cover pool amounted to NOK 3,469 million at end-September 2024 (NOK 757 million). Over-collateralisation, calculated as the nominal value of the cover pool relative to the nominal value of outstanding covered bond loan debt was 14.5 per cent as at 30 September 2024 (21.8 per cent).

Møre Boligkreditt AS' Liquidity Coverage Ratio (LCR) eligible assets amount to NOK 2,571 million as of 30 September 2024, reporting total LCR of 106 per cent by third quarter end 2024.

Rating

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

Moody's has assigned long-term and short-term issuer ratings of A1/Prime-1, and long-term and short-term Counterparty Risk Ratings of A1/Prime-1 to Møre Boligkreditt AS, aligned with ratings of the parent bank, Sparebanken Møre.

Capital strength

At the end of the third quarter, paid in equity and retained earnings amounted to NOK 1,759 million (NOK 1,654 million). Risk weighted assets amounted to NOK 8,667 million (NOK 8,624 million). Net equity and subordinated loan capital amounted to NOK 1,577 million at end-September 2024 (NOK 1,515 million). This corresponds to a Common Equity Tier 1 capital ratio of 18.2 per cent (17.6 per cent). The leverage ratio at end-September 2024 is 3.8 per cent (4.2 per cent). Møre Boligkreditt AS uses internal rating based (IRB) models to calculate capital requirements for credit risk.

Outlook

From September 2023 to September 2024 the Norwegian Consumer Price Index (CPI) increased by 3.0 per cent, while the CPI adjusted for tax changes and excluding energy products (CPI-ATE) rose by 3.1 per cent, which is below Norges Bank's projections but still above the long-term inflation target of 2 per cent.

Unemployment levels in Norway remain low. In September 2024, the national level of registered unemployment was 2.0 per cent, compared to 1.6 per cent in the county of Møre og Romsdal.

Norges Bank has kept the policy rate unchanged so far this year, and the rate path from the central bank indicates that the policy rate will stay at 4.5 per cent for the remainder of 2024.

The twelve-month growth in household loan debt in Norway is reported at 3.5 per cent in August 2024. National housing prices increased by 0.4 per cent in September 2024, seasonally adjusted, and are up by 4.1 per cent over the last twelve months.

The Board expects to see a growth in household debt around current levels going forward. The effects of increased mortgage interest rate levels and the general increase in household costs are mitigated by wage increase above estimated inflation. Unemployment levels, both on a national level and in the county of Møre og Romsdal, are expected to increase somewhat in the coming quarters, but still stay at low levels. The Board expects further increase in the twelve-month housing price growth in 2024.

Ålesund, 30 September 2024
23 October 2024

THE BOARD OF DIRECTORS OF MØRE BOLIGKREDITT AS

KJETIL HAUGE, Chair

ELISABETH BLOMVIK

KRISTIAN TAFJORD

SANDRA MYHRE HELSETH

OLE ANDRE KJERSTAD, Managing Director

Statement of income

STATEMENT OF INCOME

(NOK million)	Note	Q3 2024	Q3 2023	30.09.2024	30.09.2023	2023
Interest income from assets assessed at amortised cost	<u>3</u>	443	403	1 339	1 068	1 514
Interest income from assets assessed at fair value	<u>3</u>	43	37	119	104	141
Interest expenses	<u>3</u>	414	387	1 242	992	1 418
Net interest income	<u>3</u> <u>7</u>	72	53	216	180	237
Net gains/losses from financial instruments		-5	-17	-12	0	-14
Total income		67	36	204	180	223
Wages, salaries and general administration expenses		1	1	2	2	2
Other operating expenses	<u>7</u>	13	12	41	41	56
Total operating expenses		14	13	43	43	58
Profit before impairment on loans		53	23	161	137	165
Impairment on loans	<u>4</u>	-1	3	-6	1	1
Pre-tax profit		54	20	167	136	164
Taxes		12	4	37	30	36
Profit after tax		42	16	130	106	128

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Q3 2024	Q3 2023	30.09.2024	30.09.2023	2023
Profit after tax	42	16	130	106	128
Items that may subsequently be reclassified to the income statement:					
Basis swap spreads - changes in value	1	-16	-10	-23	-37
Tax effect of basis swap spreads	0	4	2	5	8
Total comprehensive income for the period	43	4	122	88	99

Balance sheet

ASSETS - compressed

(NOK million)	Note	30.09.2024	30.09.2023	31.12.2023
Loans to and receivables from credit institutions 1)	<u>5.7</u>	2 180	1 313	1 384
Loans to and receivables from customers	<u>3.4.5</u>	35 943	33 717	32 357
Certificates and bonds	<u>5.6</u>	2 826	154	154
Financial derivatives	<u>5.6</u>	1 467	671	705
Other assets		2	2	0
Total assets		42 418	35 857	34 600

1) NOK 1,131 million out of total NOK 2,180 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)	Note	30.09.2024	30.09.2023	31.12.2023
Loans from credit institutions 2)	<u>5.7</u>	4 774	5 158	4 437
Debt securities issued	<u>5.6.7</u>	35 673	28 832	28 311
Financial derivatives	<u>5.6</u>	61	99	70
Tax payable		34	25	0
Incurring costs and prepaid income		1	1	1
Deferred tax		116	88	116
Total liabilities		40 659	34 203	32 935
Share capital		1 400	1 375	1 375
Share premium		250	175	175
Paid-in equity		1 650	1 550	1 550
Liability credit reserve		-13	16	-13
Retained earnings		122	88	128
Total equity	<u>2</u>	1 759	1 654	1 665
Total liabilities and equity		42 418	35 857	34 600

2) NOK 1,131 million out of total NOK 4,774 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

30.09.2024

(NOK million)	Total equity	Share capital	Share premium	Liability credit reserve	Retained earnings
Equity as at 31 December 2023	1 665	1 375	175	-13	128
Dividend paid	-128				-128
Share capital issue	100	25	75		
Total comprehensive income for the period	122				122
Equity as at 30 September 2024	1 759	1 400	250	-13	122

The share capital consists of 1 120 000 shares at NOK 1 250, a total of NOK 1 400 million. All shares are owned by Sparebanken Møre. The NOK 100 million capital increase was fully paid in 7 March 2024, and registered in the Norwegian Register of Business Enterprises on 8 March 2024.

30.09.2023

(NOK million)	Total equity	Share capital	Share premium	Liability credit reserve	Retained earnings
Equity as at 31 December 2022	1 712	1 375	175	16	146
Dividend paid	-146				-146
Total comprehensive income for the period	88				88
Equity as at 30 September 2023	1 654	1 375	175	16	88

The share capital consists of 1 100 000 shares at NOK 1 250, a total of NOK 1 375 million. All shares are owned by Sparebanken Møre.

31.12.2023

(NOK million)	Total equity	Share capital	Share premium	Liability credit reserve	Retained earnings
Equity as at 31 December 2022	1 712	1 375	175	16	146
Dividend paid	-146				-146
Total comprehensive income for the period	99			-29	128
Equity as at 31 December 2023	1 665	1 375	175	-13	128

The share capital consists of 1 100 000 shares at NOK 1 250, a total of NOK 1 375 million. All shares are owned by Sparebanken Møre.

Proposed dividend as of 31 December 2023 amounted to NOK 128 million.

Statement of cash flow

(NOK million)	30.09.2024	30.09.2023	31.12.2023
Cash flow from operating activities			
Interest, commission and fees received	1 436	1 158	1 639
Interest, commission and fees paid	-128	-128	-184
Received interest, commission and fees related to certificates, bonds and other securities	21	15	17
Operating expenses paid	-43	-44	-58
Income taxes paid/received	0	-28	-28
Net cash inflow/outflow from loans to and receivables from other financial institutions	-571	0	-283
Payment for acquiring loans from the parent bank	-10 577	-10 705	-12 386
Payment related to installment loans and credit lines to customers	6 997	7 452	10 491
Proceeds from the sale and settlement of certificates, bonds and other securities	1 363	2 673	2 673
Purchases of certificates, bonds and other securities	-4 043	-2 706	-2 706
Changes in other assets	-15	-23	-50
Net cash flow from operating activities	-5 559	-2 336	-875
Cash flow from financing activities			
Paid interest, commission and fees related to issued bonds	-1 110	-866	-1 235
Net change in loans from credit institutions	337	1 064	655
Proceeds from issued covered bonds	8 909	3 996	3 996
Redemption of issued covered bonds	-2 358	-2 890	-2 890
Dividend paid	-128	-146	-146
Changes in other debt	35	519	-64
Increase/reduction of share capital and premium	100	0	0
Net cash flow from financing activities	5 785	1 677	316
Net change in cash and cash equivalents	226	-659	-559
Cash balance at 01.01	823	1 383	1 382
Cash balance at 30.09/31.12 1)	1 049	724	823

1) NOK 1,131 million of a total of NOK 2,180 million in Loans to and receivables from credit institutions is the margin call balance on financial derivatives paid in by counterparties according to CSA, and thus should not be included as cash balance at 30.09.2024 (NOK 589 million as at 30.09.2023 and NOK 561 million as at 31.12.2023).

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 September 2024. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounts are prepared using the same principles and with the same methodology as the annual accounts for 2023.

All amounts are stated in NOK million unless stated otherwise.

The interim financial statements are not audited.

Note 2

Equity and related capital

Tier 1 capital and supplementary capital	30.09.2024	30.09.2023	31.12.2023
Share capital and share premium	1 650	1 550	1 550
Liability credit reserve	-13	16	-13
Other equity	122	88	128
Total equity	1 759	1 654	1 665
Value adjustments of financial instruments at fair value	-7	-4	-3
Expected IRB-losses exceeding ECL	-53	-47	-45
Dividends	0	0	-128
Deductions for total comprehensive income for the period	-122	-88	0
Common Equity Tier 1 capital	1 577	1 515	1 489
Supplementary capital	0	0	0
Net equity and subordinated loan capital	1 577	1 515	1 489

Risk-Weighted Assets (RWA) by exposure classes

Credit risk - standardised approach	30.09.2024	30.09.2023	31.12.2023
Regional governments or local authorities	0	0	0
Institutions (banks etc)	304	455	255
Covered bonds	201	7	8
Other items	2	43	0
Total credit risk - standardised approach	507	505	263

Credit risk - IRB Foundation

Retail - Secured by real estate	7 538	7 016	6 773
Retail - Other	11	0	0
Corporate lending 1)	8	208	4
Total credit risk - IRB-Foundation	7 557	7 224	6 777

Credit valuation adjustment risk (CVA) - market risk	94	310	91
Operational risk (Basic indicator Approach)	509	585	509
Risk weighted assets (RWA)	8 667	8 624	7 640

Minimum requirement Common Equity Tier 1 capital (4.5 %)	390	388	344
--	-----	-----	-----

Buffer Requirement	30.09.2024	30.09.2023	31.12.2023
Countercyclical buffer (2,5 %)	217	216	191
Capital conservation buffer (2.5 %)	217	216	191
Systemic risk buffer (4,5 %, 3% at 30.09.23)	390	259	344
Total buffer requirements	823	690	726
Available Common Equity Tier 1 capital after buffer requirements	363	437	419

Capital adequacy as a percentage of the weighted asset calculation basis	30.09.2024	30.09.2023	31.12.2023
Capital adequacy ratio	18.2 %	17.6 %	19.5 %
Tier 1 capital ratio	18.2 %	17.6 %	19.5 %
Common Equity Tier 1 capital ratio	18.2 %	17.6 %	19.5 %

Leverage ratio	30.09.2024	30.09.2023	31.12.2023
Leverage ratio	3.8 %	4.2 %	4.3 %

1) Corporate lending in MBK consists of lending to housing associations.

Møre Boligkreditt AS' capital requirements at 30 September 2024 are based on IRB-Foundation.

Note 3

Operating segments

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

Loans to and receivables from customers

30.09.2024	Gross loans measured at amortised cost	ECL Stage 1	ECL Stage 2	ECL Stage 3	Loans measured at fair value	Net loans to and receivables from customers
Loans to and receivables from customers	33 273	-1	-4	0	2 675	35 943

30.09.2023	Gross loans measured at amortised cost	ECL Stage 1	ECL Stage 2	ECL Stage 3	Loans measured at fair value	Net loans to and receivables from customers
Loans to and receivables from customers	31 352	-2	-9	0	2 376	33 717

31.12.2023	Gross loans measured at amortised cost	ECL Stage 1	ECL Stage 2	ECL Stage 3	Loans measured at fair value	Net loans to and receivables from customers
Loans to and receivables from customers	30 161	-2	-9	0	2 207	32 357

Net interest income

(NOK million)	30.09.2024	30.09.2023	31.12.2023
Interest income from:			
Loans to and receivables from credit institutions	47	30	42
Loans to and receivables from customers	1 390	1 127	1 596
Certificates, bonds and other interest-bearing securities	21	15	17
Interest income	1 458	1 172	1 655
Interest expenses in respect of:			
Loans from credit institutions	127	121	176
Debt securities issued	1 110	866	1 235
Other interest expenses	5	5	7
Interest expenses	1 242	992	1 418
Net interest income	216	180	237

Note 4

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 million)	Q3 2024	Q3 2023	30.09.2024	30.09.2023	2023
Changes in Expected Credit Loss (ECL) in stage 1	0	0	-1	0	0
Changes in Expected Credit Loss (ECL) in stage 2	-1	4	-5	1	1
Changes in Expected Credit Loss (ECL) in stage 3	0	-1	0	0	0
Total impairments on loans in the period	-1	3	-6	1	1

Changes in ECL in the period (NOK million) - 30.09.2024	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2023	2	9	0	11
New loans	0	1	0	1
Disposal of loans	-1	-2	0	-3
Changes in ECL in the period for loans which have not migrated	0	-2	0	-2
Migration to stage 1	0	-3	0	-3
Migration to stage 2	0	1	0	1
Migration to stage 3	0	0	0	0
Other changes	0	0	0	0
ECL 30.09.2024	1	4	0	5

Changes in ECL in the period (NOK million) - 30.09.2023	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2022	2	8	0	10
New loans	1	2	0	3
Disposal of loans	-1	-2	0	-3
Changes in ECL in the period for loans which have not migrated	0	1	0	1
Migration to stage 1	0	-1	0	-1
Migration to stage 2	0	1	0	1
Migration to stage 3	0	0	0	0
Other changes	0	0	0	0
ECL 30.09.2023	2	9	0	11

Changes in ECL in the period (NOK million) - 31.12.2023	Stage 1	Stage 2	Stage 3	Total
ECL 31.12.2022	2	8	0	10
New loans	1	2	0	3
Disposal of loans	0	-2	0	-2
Changes in ECL in the period for loans which have not migrated	0	0	0	0
Migration to stage 1	0	-2	0	-2
Migration to stage 2	0	2	0	2
Migration to stage 3	0	0	0	0
Other changes	0	0	0	0
ECL 31.12.2023	2	9	0	11

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

30.09.2024	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	35 045	103	0	35 148
Medium risk (0.5 % - < 3 %)	929	1 448	0	2 377
High risk (3 % - <100 %)	36	415	0	451
PD = 100 %	-	-	6	6
Total commitments before ECL	36 010	1 966	6	37 982
- ECL	-1	-4	0	-5
Loans to and receivables from customers 30.09.2024 *)	36 009	1 962	6	37 977

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

30.09.2023	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	28 505	1 971	0	30 476
Medium risk (0.5 % - < 3 %)	273	2 151	0	2 424
High risk (3 % - <100 %)	-	371	1	372
PD = 100 %	-	-	3	3
Total commitments before ECL	28 778	4 493	4	33 275
- ECL	-2	-9	0	-11
Loans to and receivables from customers 30.06.2023 *)	28 776	4 484	4	33 264

31.12.2023	Stage 1	Stage 2	Stage 3	Total
Low risk (0 % - < 0.5 %)	27 888	1 480	0	29 367
Medium risk (0.5 % - < 3 %)	161	1 858	0	2 019
High risk (3 % - <100 %)	4	426	0	431
PD=100 %	-	-	9	9
Total commitments before ECL	28 054	3 763	9	31 826
- ECL	-2	-9	0	-11
Loans to and receivables from customers 31.12.2023 *)	28 052	3 754	9	31 815

*) The tables above show exposures (incl. undrawn credit facilities) and are not including fixed rate loans assessed at fair value. The figures are thus not reconcilable against balances in the statement of financial position.

Note 5

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 measured at amortised cost

The classification of the financial assets assumes that the following requirements are met:

- The asset is acquired to receive contractual cash flows
- The contractual cash flows consist solely of principal and interest

With the exception of fixed 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 measured at amortised cost

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

Financial instruments measured 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 measured 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.

Changes in basis swaps effects for swaps included in fair value hedging are recognised in OCI.

Losses and gains as a result of value changes on assets and liabilities measured 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 5.9 million on the valuation of the fixed rate loans as at 30.09.2024.

Classification of financial instruments	Financial instruments at fair value through profit or loss			Financial instruments carried at amortised cost		
	30.09.2024	30.09.2023	31.12.2023	30.09.2024	30.09.2023	31.12.2023
Loans to and receivables from credit institutions				2 180	1 313	1 384
Loans to and receivables from customers	2 675	2 376	2 207	33 268	31 341	30 150
Certificates and bonds	2 826	154	154			
Financial derivatives	1 467	671	705			
Total financial assets	6 968	3 201	3 066	35 448	32 654	31 534
Loans from credit institutions				4 774	5 158	4 437
Debt securities issued				35 673	28 832	28 311
Financial derivatives	61	99	70			
Total financial liabilities	61	99	70	40 447	33 990	32 748

Fair value of financial instruments at amortised cost	30.09.2024		30.09.2023		31.12.2023	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Loans to and receivables from credit institutions	2 180	2 180	1 313	1 313	1 384	1 384
Loans to and receivables from customers	33 268	33 268	31 341	31 341	30 150	30 150
Total financial assets	35 448	35 448	32 654	32 654	31 534	31 534
Loans from credit institutions	4 774	4 774	5 158	5 158	4 437	4 437
Debt securities issued	35 759	35 673	28 911	28 832	28 406	28 311
Total financial liabilities	40 533	40 447	34 069	33 990	32 843	32 748

Financial instruments at fair value - 30.09.2024	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
Loans to and receivables from customers			2 675	2 675
Certificates and bonds	2 269	557		2 826
Financial derivatives		1 467		1 467
Total financial assets	2 269	2 024	2 675	6 968
Financial derivatives		61		61
Total financial liabilities	-	61	-	61

Financial instruments at fair value - 30.09.2023	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
Loans to and receivables from customers			2 376	2 376
Certificates and bonds	154			154
Financial derivatives		671		671
Total financial assets	154	671	2 376	3 201
Financial derivatives		99		99
Total financial liabilities	-	99	-	99

Financial instruments at fair value - 31.12.2023	Based on prices in an active market	Observable market information	Other than observable market information	Total
	Level 1	Level 2	Level 3	
Loans to and receivables from customers			2 207	2 207
Certificates and bonds	154			154
Financial derivatives		705		705
Total financial assets	154	705	2 207	3 066
Financial derivatives		70		70
Total financial liabilities	-	70	-	70

Reconciliation of movements in Level 3 during the period	Loans to and receivables from customers
Book value as at 31.12.2023	2 207
Purchase/increase	830
Sales/reduction	-335
Transferred to Level 3	0
Transferred out of Level 3	0
Gains/losses during the period	-27
Book value as at 30.09.2024	2 675

Reconciliation of movements in Level 3 during the period	Loans to and receivables from customers
Book value as at 31.12.2022	2 446
Purchase/increase	179
Sales/reduction	-209
Transferred to Level 3	0
Transferred out of Level 3	0
Gains/losses during the period	-40
Book value as at 30.09.2023	2 376

Reconciliation of movements in Level 3 during the period	Loans to and receivables from customers
Book value as at 31.12.2022	2 446
Purchase/increase	232
Sales/reduction	-487
Transferred to Level 3	0
Transferred out of Level 3	0
Gains/losses during the period	16
Book value as at 31.12.2023	2 207

Note 6

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 recognized in profit and loss.

Covered bonds (NOK million)

ISIN code	Curr.	Nominal value 30.09.2024	Interest	Issued	Maturity	30.09.2024	30.09.2023	31.12.2023
NO0010588072	NOK	1 050	fixed NOK 4.75 %	2010	2025	1 049	1 040	1 066
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028	301	275	289
NO0010819543	NOK	-	3M Nibor + 0.42 %	2018	2024	-	3 005	2 351
NO0010836489	NOK	1 000	fixed NOK 2.75 %	2018	2028	976	935	956
NO0010853096	NOK	3 000	3M Nibor + 0.37 %	2019	2025	3 015	3 015	3 015
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024	2 940	2 703	2 734
NO0010884950	NOK	3 000	3M Nibor + 0.42 %	2020	2025	3 006	3 006	3 006
XS2233150890	EUR	30	3M Euribor +0.75 %	2020	2027	359	346	345
NO0010951544	NOK	6 000	3M Nibor + 0.75 %	2021	2026	6 069	5 079	5 074
XS2389402905	EUR	250	fixed EUR 0.01 %	2021	2026	2 813	2 540	2 625
XS2556223233	EUR	250	fixed EUR 3.125 %	2022	2027	3 102	2 860	2 823
NO0012908617	NOK	6 000	3M Nibor + 0.54 %	2023	2028	6 045	4 028	4 027
XS2907263284	EUR	500	fixed EUR 2,63 %	2024	2029	5 998	-	-
Total borrowings raised through the issue of securities (incl. accrued interest)						35 673	28 832	28 311

Cover pool (NOK million)

	30.09.2024	30.09.2023	31.12.2023
Eligible mortgages (nominal)	35 590	33 599	32 162
Substitute assets	3 469	757	854
Total collateralised assets	39 059	34 356	33 016

Covered bonds issued (NOK million)

	30.09.2024	30.09.2023	31.12.2023
Covered bonds (nominal) 1)	34 101	28 207	27 554
-of which own holding (covered bonds)	0	0	0

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

Over-collateralisation (in %) (Nominal calculation)	30.09.2024	30.09.2023	31.12.2023
(Eligible mortgages + Substitute assets-Covered bonds) / Covered bonds	14.5	21.8	19.8

Liquidity Coverage Ratio (LCR)	30.09.2024	30.09.2023	31.12.2023
Liquid Assets	2 571	147	147
Net liquidity outflow next 30 days	2 421	32	30
LCR ratio -Total	106%	456%	493%
LCR ratio - NOK	106%	456%	493%
LCR ratio - EUR	N/A	N/A	N/A

Net Stable Funding Ratio (NSFR)	30.09.2024	30.09.2023	31.12.2023
Available amount of stable funding	32 911	31 913	30 030
Required amount of stable funding	31 464	28 498	27 615
NSFR ratio	105%	112%	109%

Note 7

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.

Mortgages with fixed interest rates constitutes 8 per cent of total mortgage volume and are hedged by interest rate swap agreements with the parent bank. The company can also hedge fixed rate, and/or borrowing in other currency than NOK, against the parent bank, using ISDA/CSA swap agreements. By end of Q3-2024, a covered bond loan volume of EUR 500 million was hedged against the parent bank.

The pricing of the services provided by Sparebanken Møre to Møre Boligkreditt AS distinguishes between fixed and variable expenses for the mortgage company. Fixed expenses are defined as expenses the mortgage company must bear regardless of the activity related to the issuance of covered bonds, the acquisition of portfolio, etc. Variable expenses are defined as expenses 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 expenses 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 expenses, including social security contribution, pension expense and other social expenses. 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)	30.09.2024	30.09.2023	31.12.2023
Statement of income:			
Interest and credit commission income from Sparebanken Møre related to deposits	47	30	42
Interest and credit commission paid to Sparebanken Møre related to loan/credit facility	127	121	176
Interest paid to Sparebanken Møre related to bonded debt	6	1	6
Management fee paid to Sparebanken Møre	36	36	49
Balance sheet:			
Deposits in Sparebanken Møre 1)	2 180	1 313	1 384
Covered bonds held by Sparebanken Møre as assets	1 190	389	0
Loan/credit facility in Sparebanken Møre	3 643	4 569	3 876
Intragroup hedging	612	401	306
Accumulated transferred loan portfolio from Sparebanken Møre	35 948	33 728	32 368

1) NOK 1,131 million out of total NOK 2,180 million of deposits in Sparebanken Møre is the margin call balance on financial derivatives paid in by counterparties according to CSA as at 30.09.2024

Note 8

Events after the reporting date

No events of material significance for the financial statements for Q3-2024 have occurred after the reporting date. The company is not involved in any legal proceedings.

Profit performance

QUARTERLY PROFIT (NOK million)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net interest income	72	74	70	57	53
Other operating income	-5	-3	-4	-14	-17
Total operating expenses	14	14	15	15	13
Profit before impairment on loans	53	57	51	28	23
Impairment on loans	-1	-3	-2	0	3
Pre-tax profit	54	60	53	28	20
Taxes	12	13	12	6	4
Profit after tax	42	47	41	22	16

As a percentage of average assets:

Net interest income	0.82	0.86	0.79	0.64	0.62
Other operating income	-0.05	-0.04	-0.05	-0.15	-0.20
Total operating expenses	0.15	0.17	0.17	0.17	0.16
Profit before impairment on loans	0.62	0.65	0.57	0.32	0.26
Impairment on loans	0.00	-0.04	-0.02	0.00	0.02
Pre-tax profit	0.62	0.69	0.59	0.32	0.24
Taxes	0.14	0.15	0.13	0.07	0.06
Profit after tax	0.48	0.54	0.46	0.25	0.18

Average total assets (NOK million)	34 771	34 258	35 808	35 468	34 663
------------------------------------	--------	--------	--------	--------	--------

ACCUMULATED PROFIT FOR THE YEAR (NOK million)	30.09.2024	30.09.2023	31.12.2023
Net interest income	216	180	237
Other operating income	-12	0	-14
Total operating expenses	43	43	58
Profit before impairment on loans	161	137	165
Impairment on loans	-6	1	1
Pre-tax profit	167	136	164
Taxes	37	30	36
Profit after tax	130	106	128

As a percentage of average assets:

Net interest income	0.83	0.70	0.69
Other operating income	-0.05	0.00	-0.04
Total operating expenses	0.16	0.17	0.17
Profit before impairment on loans	0.62	0.53	0.48
Impairment on loans	-0.02	0.00	0.00
Pre-tax profit	0.64	0.53	0.48
Taxes	0.14	0.12	0.11
Profit after tax	0.50	0.41	0.37

Average total assets (NOK million)	34 946	34 210	34 524
------------------------------------	--------	--------	--------

Møre Boligkreditt AS

A company in the Sparebanken Møre Group

P.O.Box 121

NO-6001 Ålesund

Visiting address:

Kipervikgata 6, 6003 Ålesund

www.sbm.no/mbk

