

Møre Boligkreditt AS

A company in the Sparebanken Møre Group

May 2023

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Sparebanken Møre

Sparebanken Møre is a wholly independent savings bank with focus on traditional core banking, headquartered in the City of Ålesund in the northern part of western Norway.

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

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

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

Møre Boligkreditt is Sparebanken Møre's wholly owned mortgage bank and covered bond issuing entity.



Sparebanken Møre

Strong presence

26

BRANCH OFFICES IN THE NORTERN PART
OF WESTERN NORWAY

387

FULL TIME EMPLOYEE YEARS

93.2bn

NOK IN TOTAL ASSETS



Sparebanken Møre is in the process of opening a new branch office in Oslo. Focus will be on providing advisory services, targeting both existing and new retail customers.

The Norwegian economy



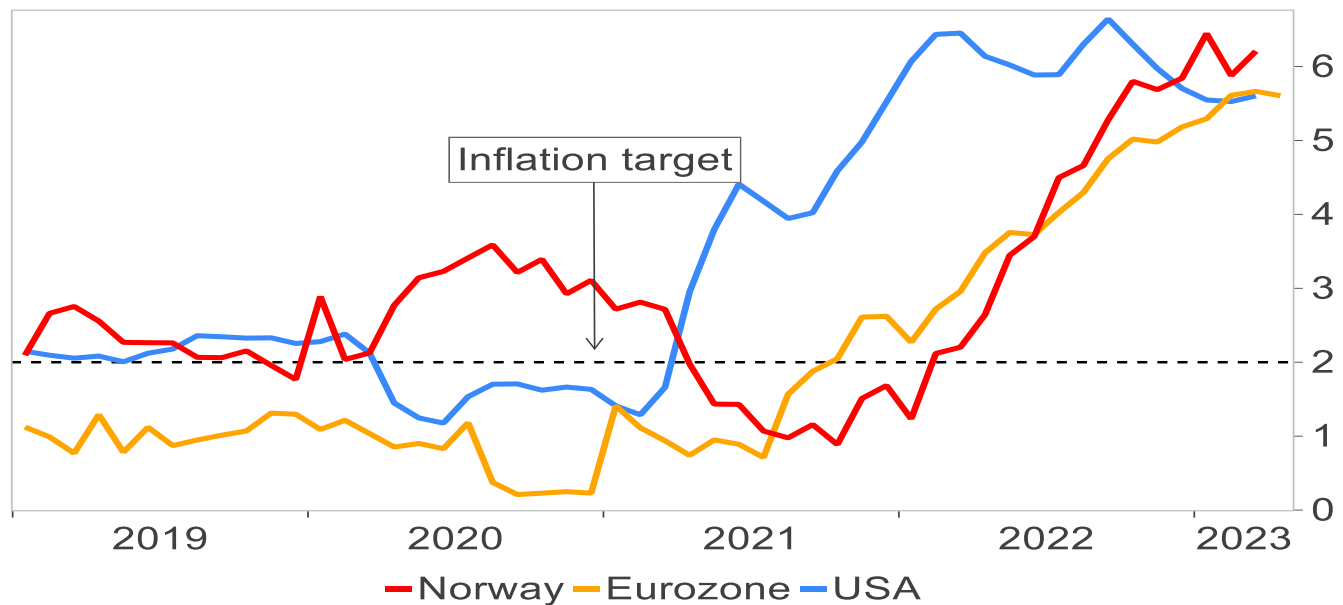
The Norwegian economy

The central bank of Norway will continue to increase the policy rate in their effort to stabilize and reduce the elevated inflation levels.

The central bank announced their decision to raise the key policy rate from 3.0% to 3.25% 4th of May.

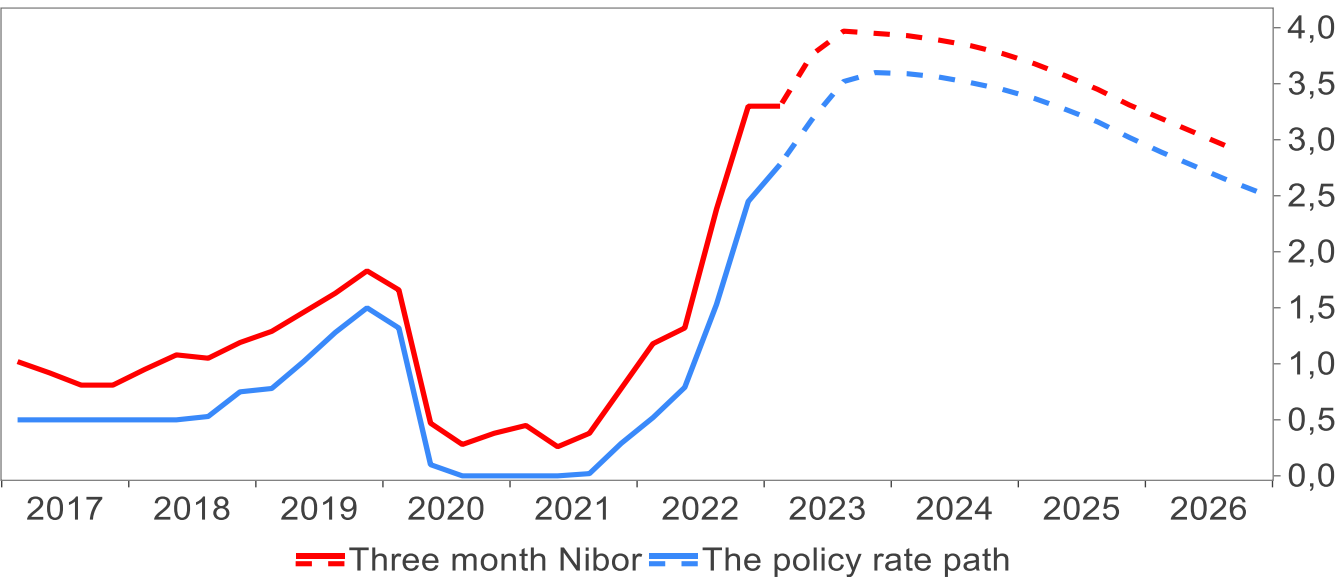
In addition to the elevated inflation, the weak NOK will contribute to further increase in the key policy rate to 3,75 – 4,0 % in 2023.

Core inflation



MACROBOND

Central bank of Norways policy rate path (MPR 1/23)



MACROBOND

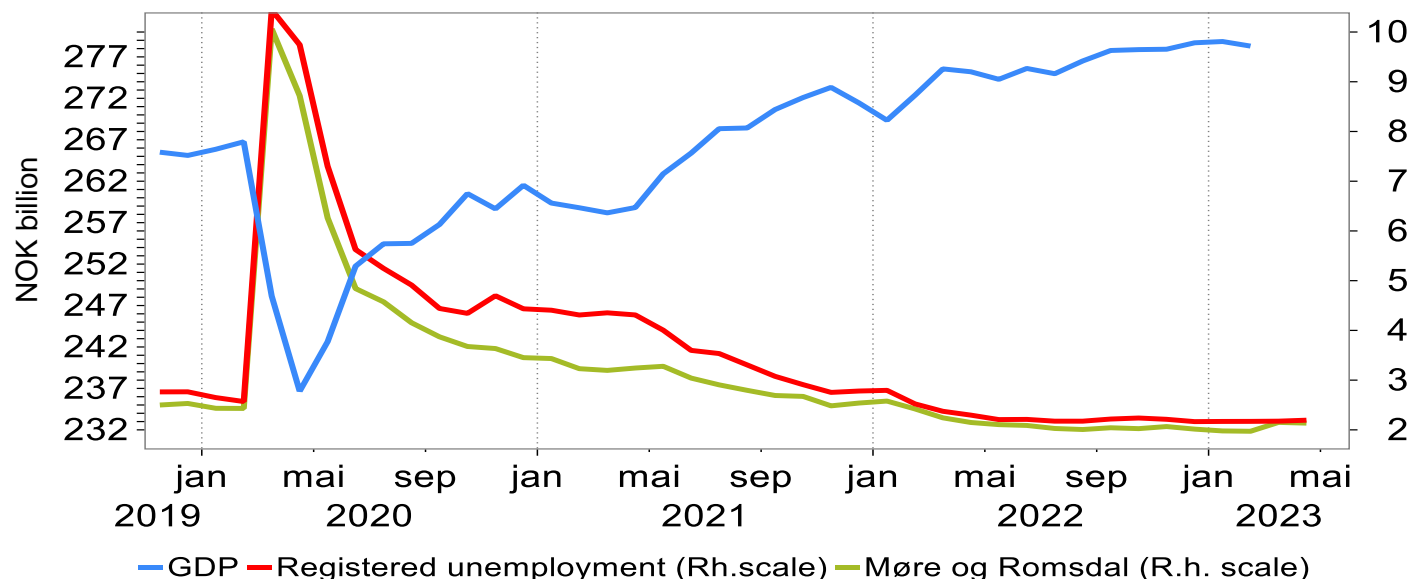
The Norwegian Economy

Unemployment, both national levels and in the county of Møre og Romsdal, is very low.

The production level and demand for goods and services are high. In the fourth quarter of 2022 the GDP growth in mainland Norway was 0,8%, and above expectations from the Central Bank of Norway.

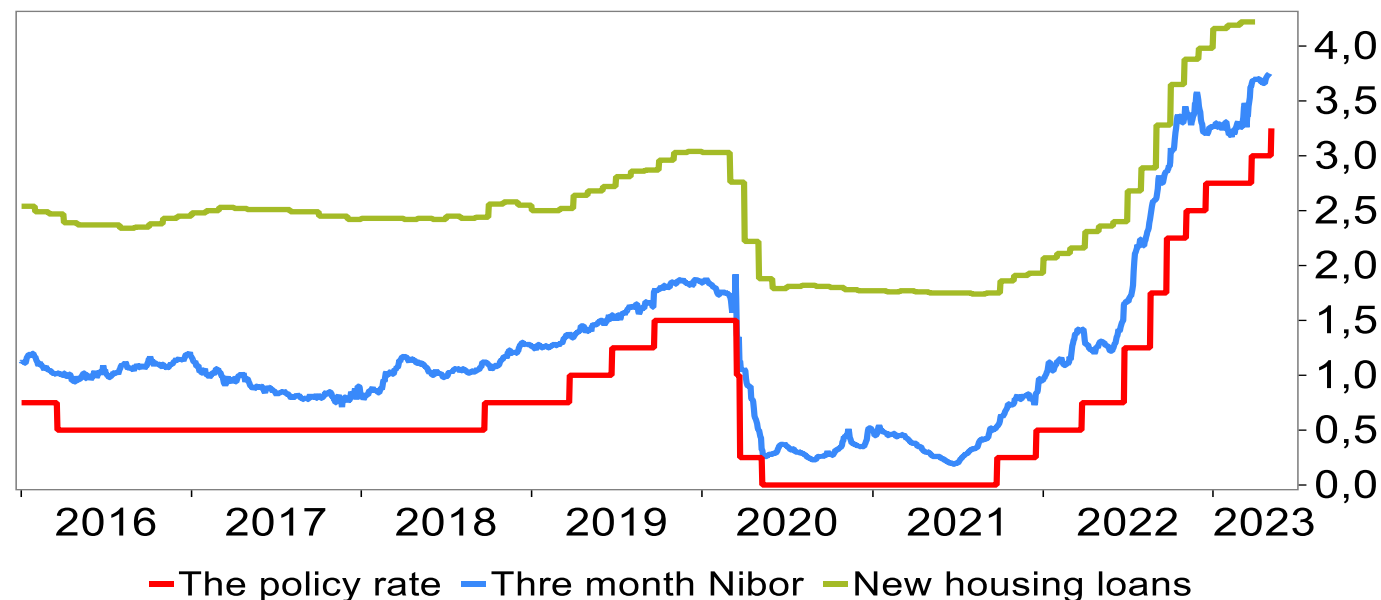
In their 1/2023 Monetary Policy Report the Central Bank of Norway expects house prices to fall by 2,9% in 2023 on the back of rising lending rates. House prices expected to pick up again in 2025 and 2026.

GDP in Mainland Norway and registered unemployment in per cent



MACROBOND

Norwegian interest rates



MACROBOND

Growth in House prices so far resilient to rising lending rates

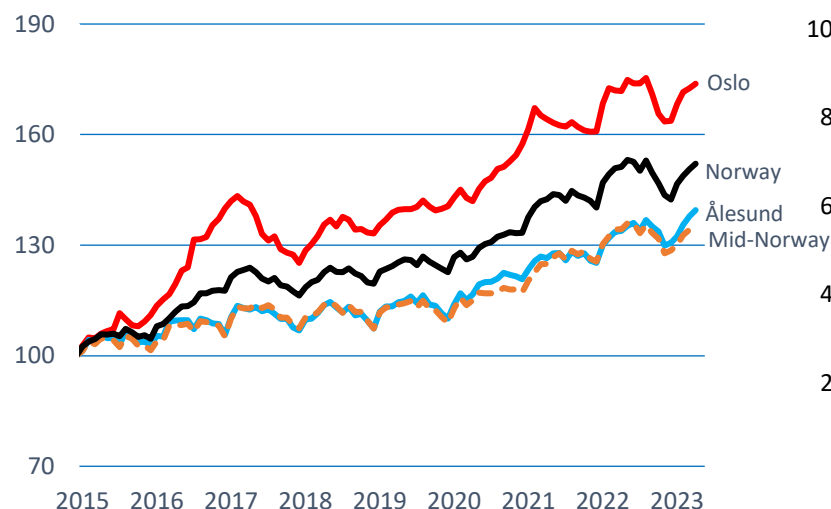
Based on pre-owned dwellings sold, Norwegian seasonal adjusted house prices increased by 0.7 per cent in April 2023.

Last 12 months Norwegian house prices increased in average by 0.5 per cent.

The City of Ålesund and the mid-Norway region have over time experienced moderate growth in house prices compared to the national average, both indexed development and in price per square meter.

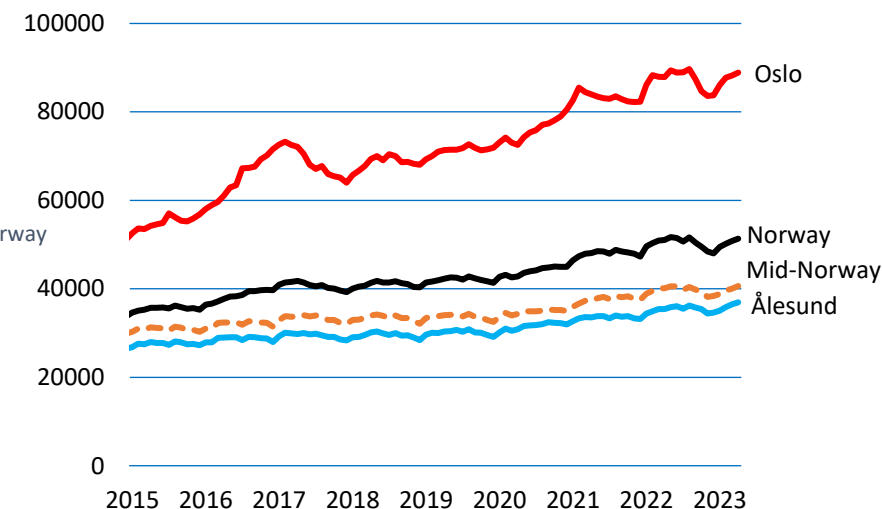
Indexed development

- January 2015 = 100



Price per square meter

- January 2015 – April 2023



Key information on pre-owned dwellings sold in April 2023

	Norway	Mid-Norway	Greater Ålesund	City of Oslo
Seasonal adj. development last month	+0.7 %	+1.2 %	+1.3 %	+1.0 %
Development last 12 months	+0.5 %	+1.3 %	+4.2 %	+1.2%
Development last 10 years	+56.0 %	+37.9 %	+39.5 %	+81.8 %
Per square meter (NOK)	51,305	40,645	36,950	88,862
Average number of days on market	40 days	45 days	54 days	23 days
Price median dwelling (NOK)	3,750,000	3,160,000	3,093,000	5,028,836

Sparebanken Møre

Group figures

31.03.2023

1 Interim report

2023 Unaudited



Sparebanken Møre Group

Q1-23 figures

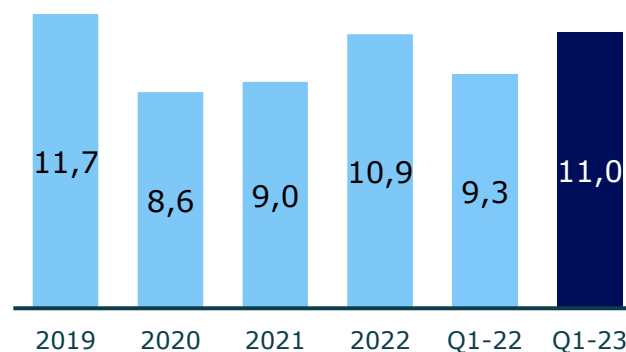
ROE on 11 % target

Cost income ratio below 40 % target

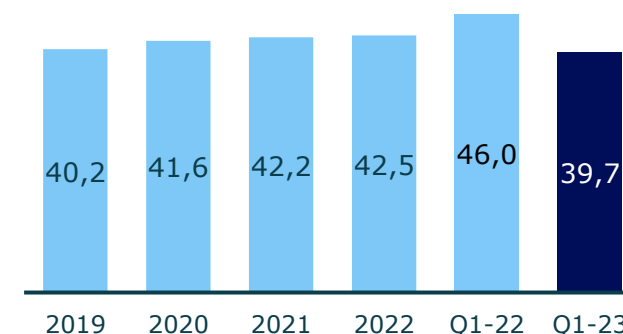
Net losses of NOK 33 mill. in Q1-23, of which NOK 14 mill. is model-based.

Healthy financial structure, well above both current and announced capital requirements.

Return on Equity

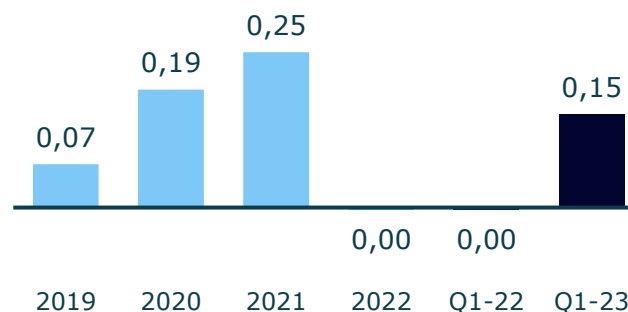


Cost/Income



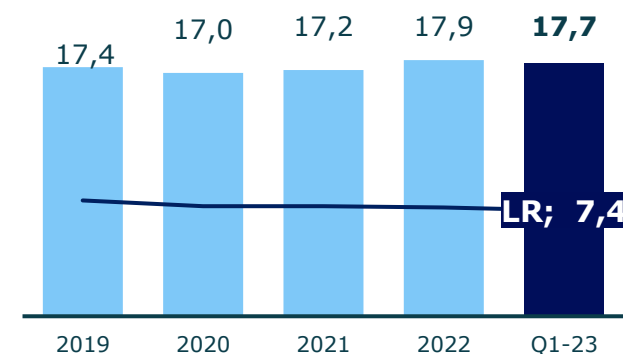
Losses on Loans and Guarantees

- In per cent of average assets



Common Equity Tier1 Capital (CET1)

- Leverage ratio (%)



15.45 % CET1 requirement

3 % Leverage Ratio requirement

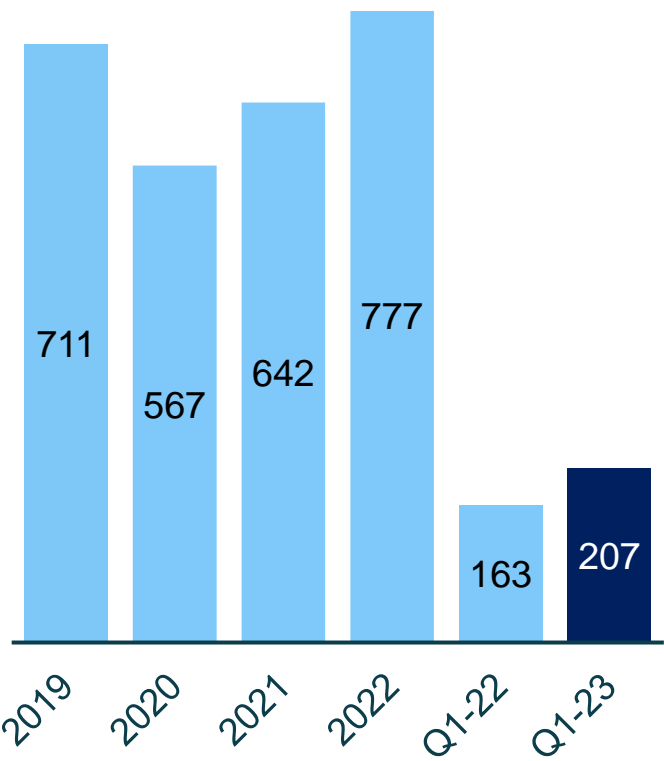
Profitability

The positive development in Net Interest Income (NII) continues

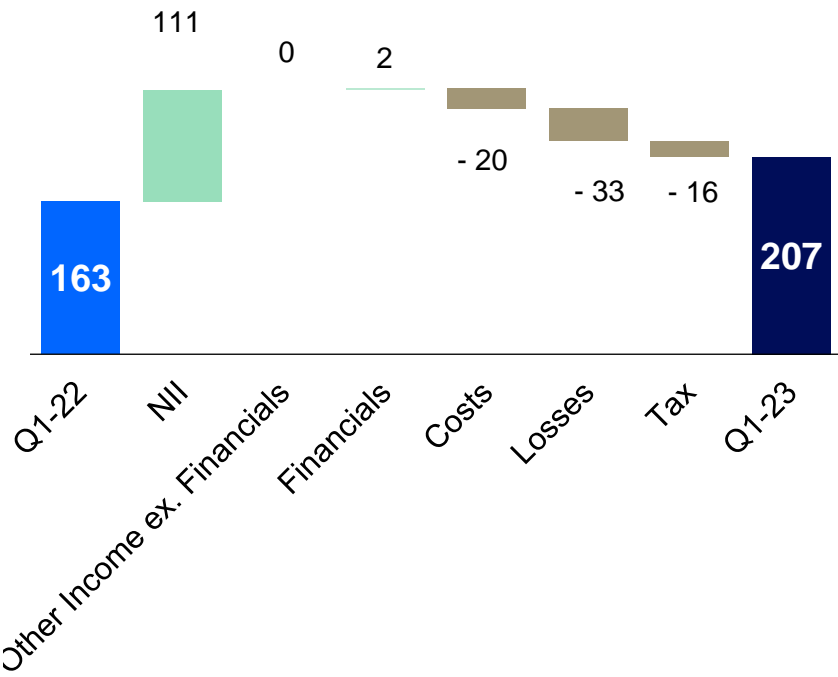
10 % increase in costs compared with last year

Increase in model-based losses

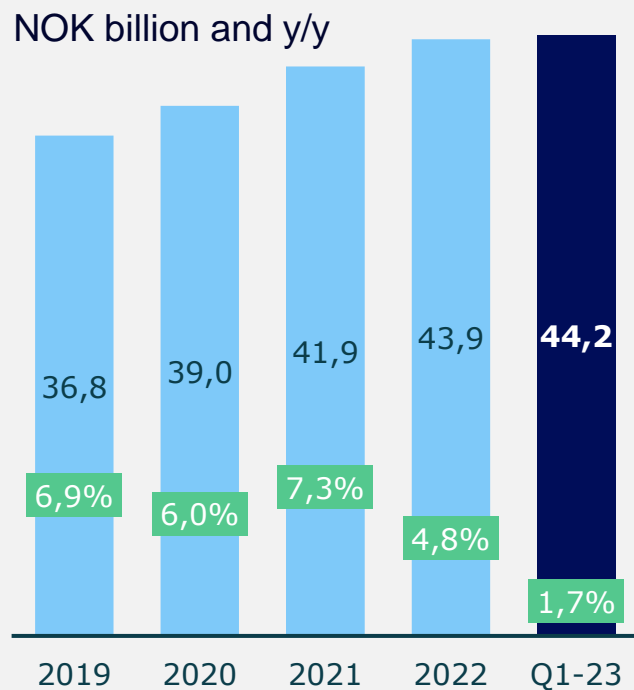
Profit after tax
- NOK million



Changes Q1-22 / Q1-23
- NOK million



Lower deposits growth

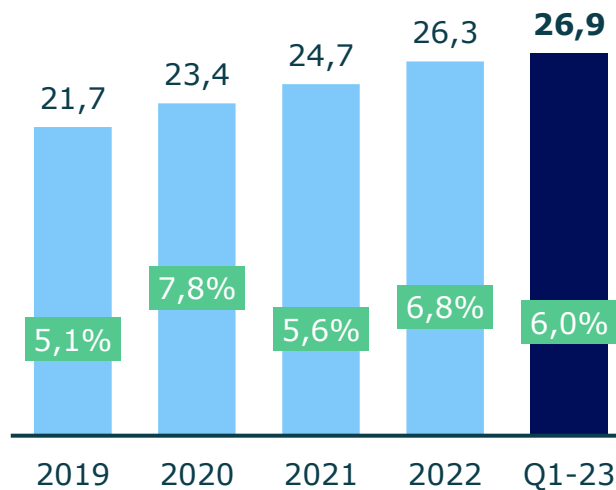


Growth of 1.7 % last 12 months

Deposit to loan ratio of 56.5 %

Retail deposits

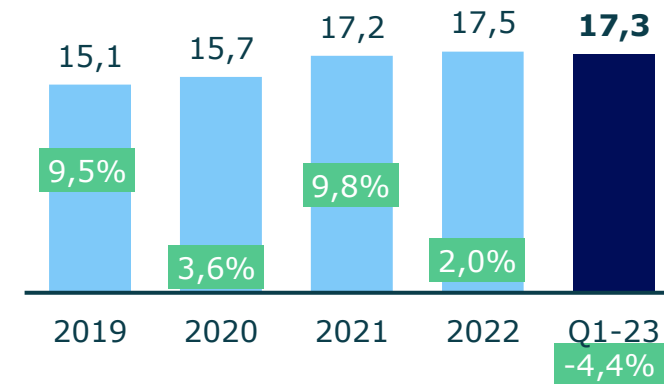
NOK billion and y/y



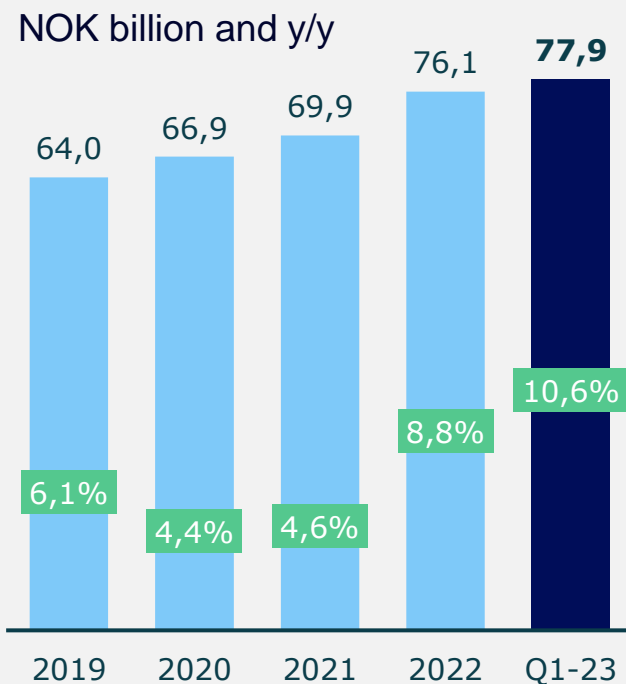
60.8 % retail deposits

Corporate and public

NOK billion and y/y



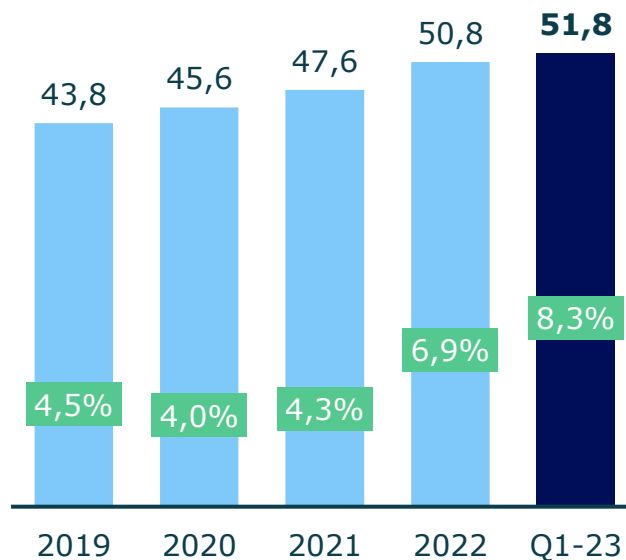
Strong lending growth



10.6 % lending growth last 12 months

Retail lending

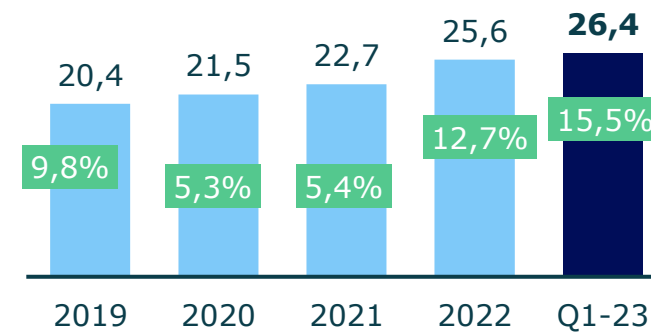
NOK billion and y/y



66.2 % retail lending

SME / Corporate lending

NOK billion and y/y



Lending growth rate to corporate customers expected to normalize around 2020/2021 levels this year

Diversified loan book

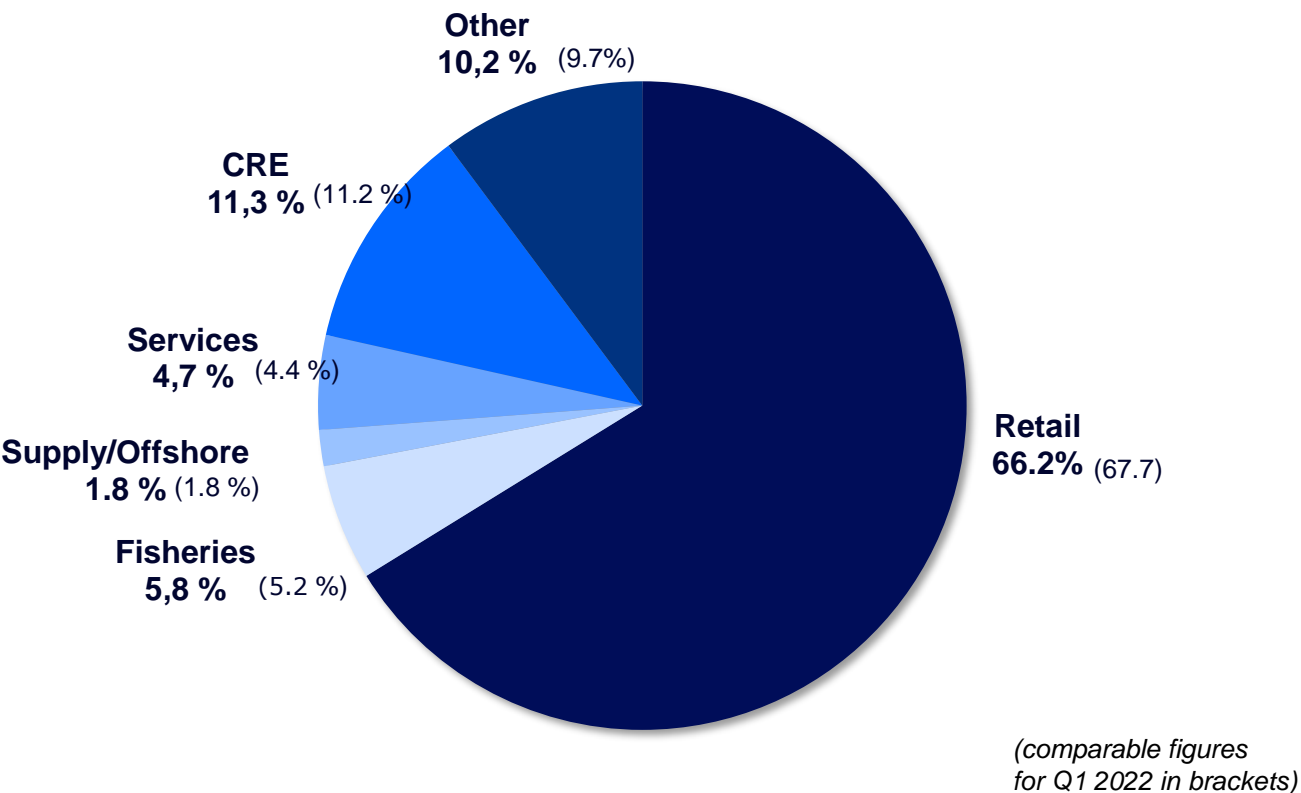
2/3 of loan book is retail lending

96.4 % of mortgages in the retail portfolio below 85 per cent loan-to-value ratio

Low exposure to commercial real estate (CRE)

Growth in corporate lending is mainly to the fisheries sectors

Loans by sector



Other – 10.2% (9.7 %):

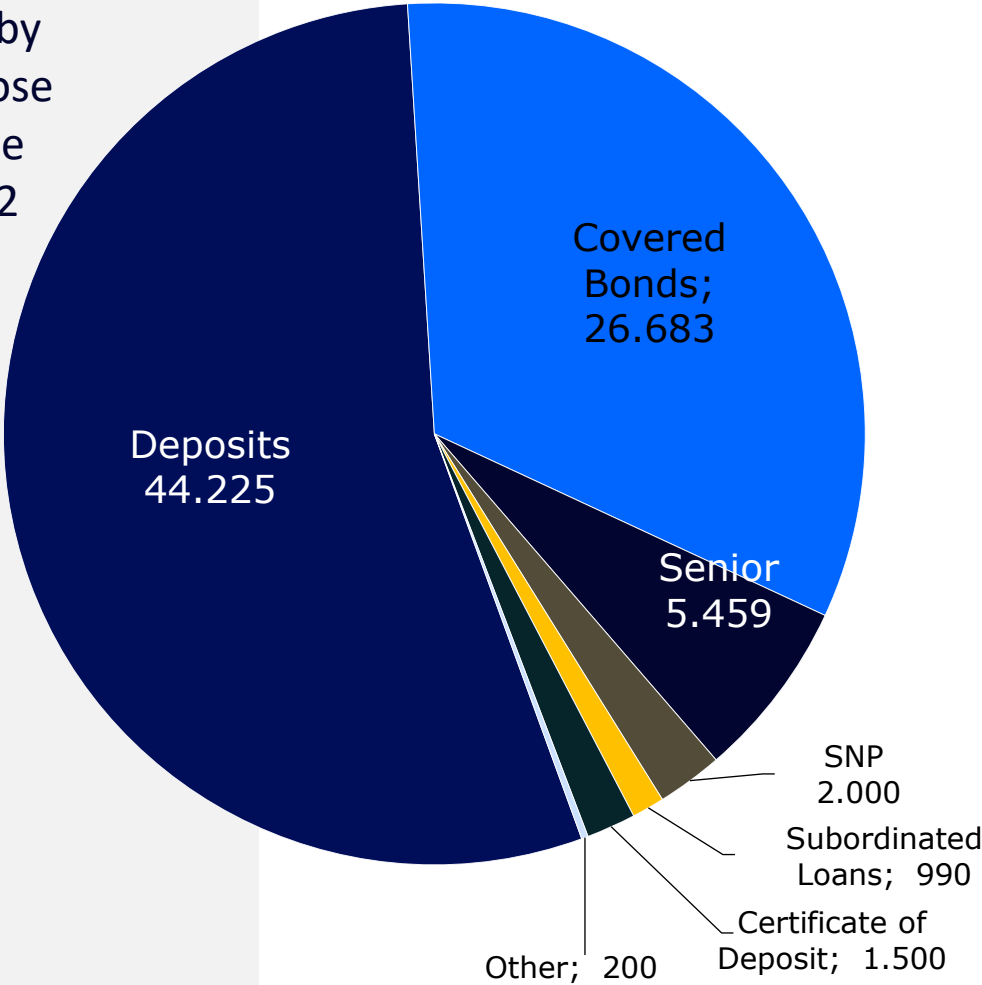
Financial services	1.4 % (1.1 %)	Retail/ wholesale trade	1.7 % (1.6 %)
Other Industry	2.6 % (2.3 %)	Agriculture	0.9 % (0.9 %)
Fishing Industry	0.7 % (1.2 %)	Other	1.0 % (0.8 %)
Ship Yards	0.5 % (0.4 %)		
Building and Construction	1.4 % (1.4 %)		

Deposits are the most important source of funding

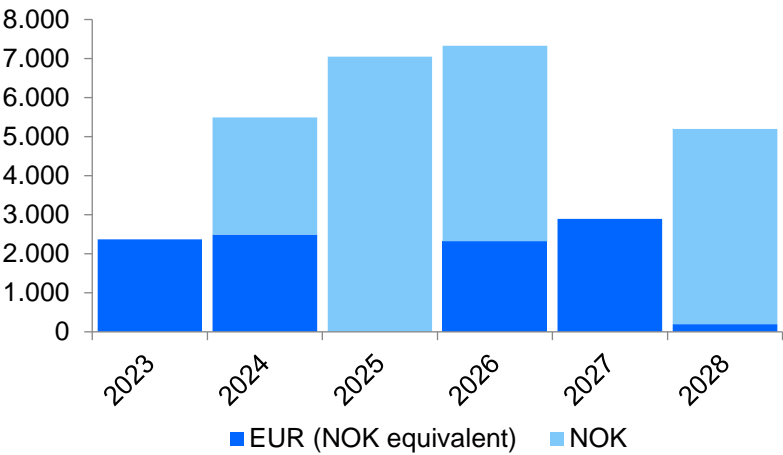
Good access to the market

Total net market funding ended at NOK 36.8 billion by end of Q1-23 – of which close to 80 % with remaining time to maturity of more than 12 months.

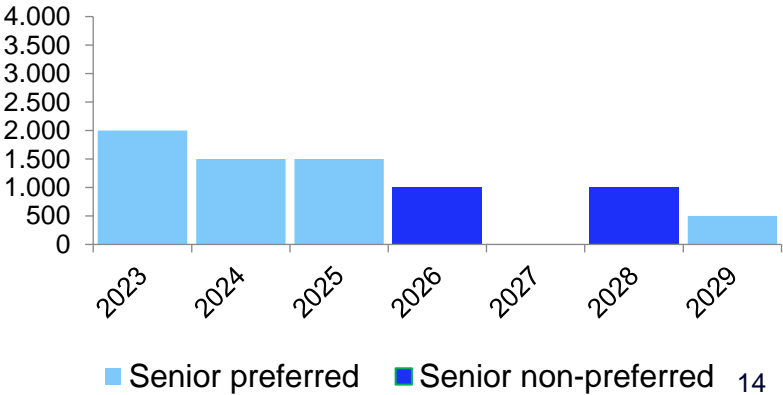
Deposits and market funding 31.03.2023
in NOK million



Covered bond redemption profile
- In NOK million (updated)

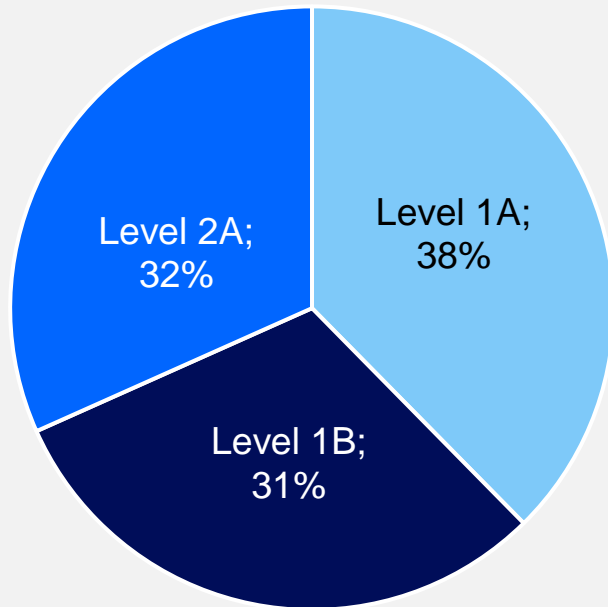


Senior bonds redemption profile
- In NOK million



Liquidity management

Liquidity portfolio:



- NOK 11 billion in the portfolio
- No currency risk - all bonds are FRNs or swapped
- Total LCR-ratio of 177 at first quarter end
- The Group's portfolio of bonds in the liquidity portfolio is measured at fair value, any changes in value recognised through the income statement
- The liquidity portfolio is held solely for LCR compliance and is traded to optimize returns within current quality requirements for the liquidity portfolio

Sustainability in Sparebanken Møre

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



Sparebanken Møre ESG score

Sparebanken Møre

Regional Banks Norway OSL:MORG

ESG Risk Rating

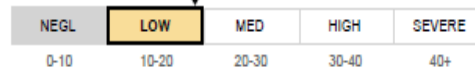
19.2

Updated Jul 17, 2022

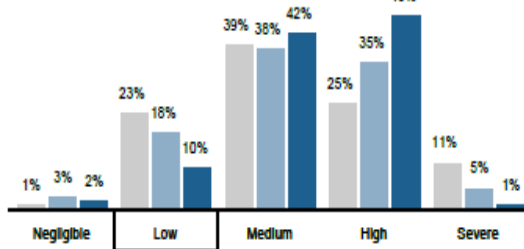
-1.4

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	3193/14392	23rd
Banks INDUSTRY	192/971	20th
Regional Banks SUBINDUSTRY	37/364	11th



We will continue our work to improve the ESG risk rating score, providing transparency and reports in Sparebanken Møre's sustainability library

www.sbm.no/esg

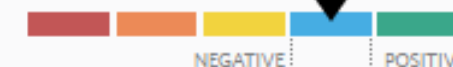
from Moody's Investors Service

ESG CREDIT IMPACT SCORE (CIS)

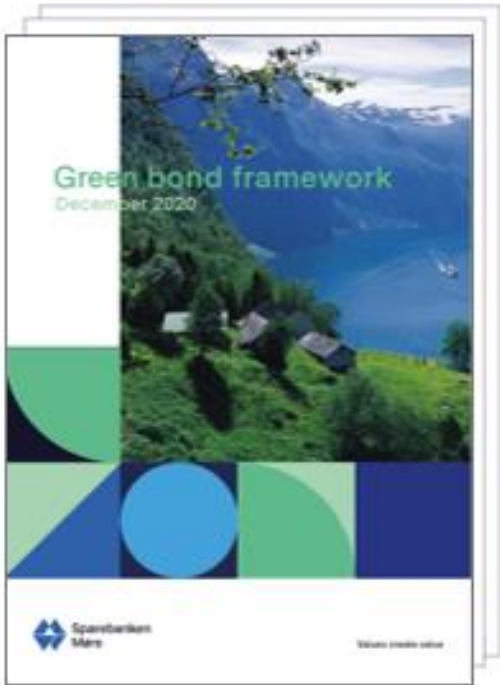
CIS-2

Neutral-to-Low

24 OCT 2022



Green bond framework



 Sparebanken Møre
December 2020




October 16, 2020



 SUSTAINALYTICS
December 1, 2020

Compliant with ICMA´s Green Bond Principles



Møre Boligkreditt AS

31.03.2023



1 Interim report

2023 Unaudited

Cover pool eligibility criteria

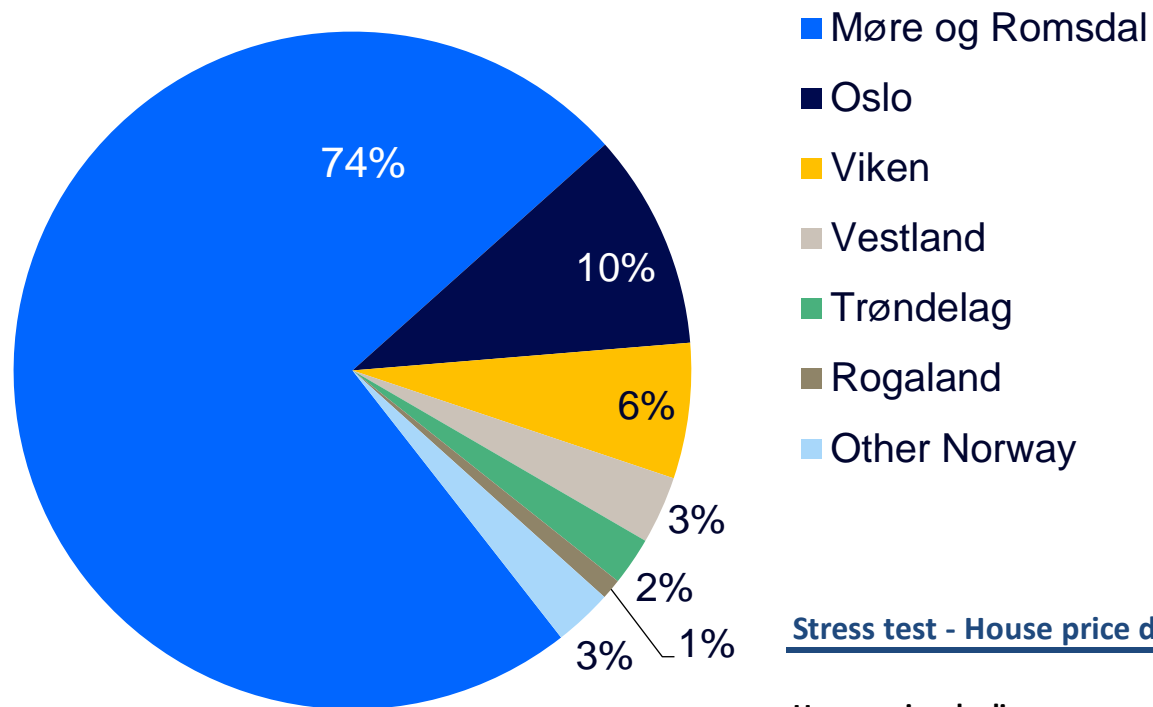
Origination	<ul style="list-style-type: none">• Mortgage loans solely originated by Sparebanken Møre• Loan-by-loan origination (loans are individually qualified for the cover pool)
Customer criteria	<ul style="list-style-type: none">• Norwegian residents (Retail and self-employed individuals)• Cooperative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

Møre Boligkreditt - cover pool cut 31.03.2023

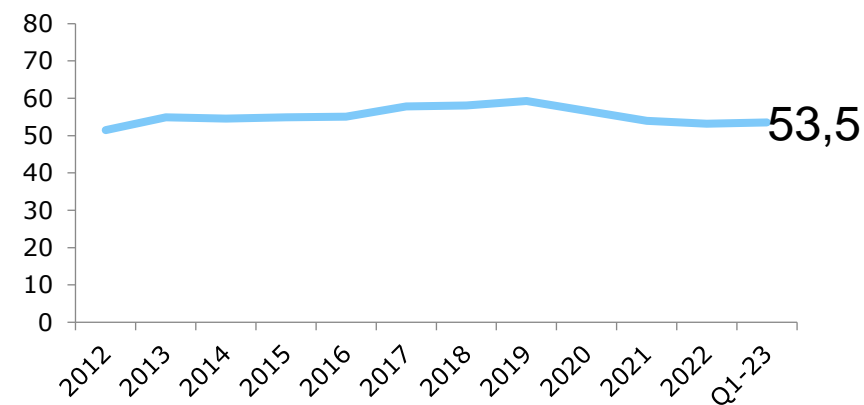
Type of collateral	Norwegian residential properties
Number of loans	19,240
Types of mortgages (based on loan balance)	86 % Repayment Loans 14 % Revolving credits with loan limit (Flexi-loans)
Fixed and variable rate mortgages	6 % fixed rate mortgages 94 % variable rate mortgages
Average loan balance (NOK 1,000)	1,666
WA indexed LTV	53.6 % (Based on Loan-balance) 54.0 % (Based on Loan-limit)
WA remaining terms (months)	239
WA seasoning (months)	44
Loans in default (90 days past due)	0% in default or with individual write-downs
Eligible value of the loan-portfolio (mNOK)	31,984
Supplementary assets (mNOK)	891
Cover pool (mNOK)	32,875
Covered bonds (mNOK)	26,582
Over-Collateralisation (%)	23.7% (reported) 2.5% (Moody's Aaa-target) 5.0% (Legislation / Committed)

Møre Boligkreditt - cover pool cut 31.03.2023

- Loan distribution by county



- Development in weighted average LTV



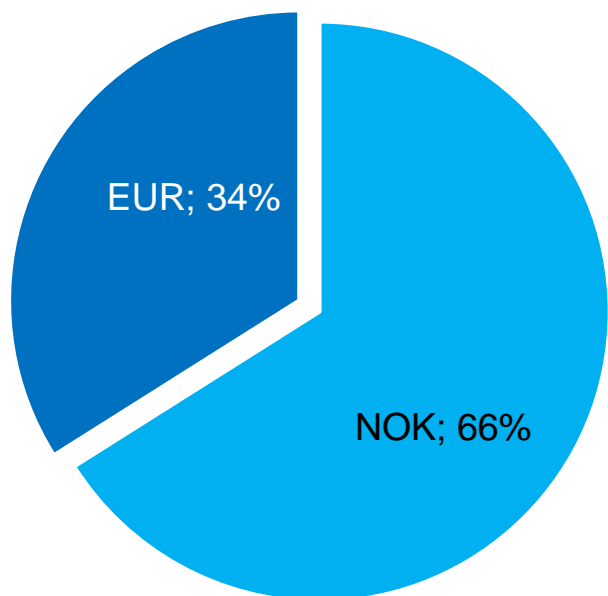
Stress test - House price decline

House price decline	Current	10 %	20 %	30 %
Total cover pool balance (nominal, NOKbn)	33.182	33.182	33.182	33.182
WA indexed LTV (%)	53,5 %	59,5 %	66,9 %	76,4 %
Eligible cover pool balance (nominal, NOKbn)	32.875	32.682	31.791	30.111
Total outstanding covered bonds (nominal, NOKbn)	26.582	26.582	26.582	26.582
Eligible overcollateralization	23,7 %	22,9 %	19,6 %	13,3 %

Covered bonds outstanding

- 09.05.2023

EUR/NOK distribution



Covered bonds (NOK million)

ISIN code	Currency	Nominal value	Interest	Issued	Maturity
NO0010588072	NOK	1.050	fixed NOK 4.75 %	2010	2025
XS0968459361	EUR	25	fixed EUR 2.81 %	2013	2028
NO0010819543	NOK	3.000	3M Nibor + 0.42 %	2018	2024
XS1839386577	EUR	250	fixed EUR 0.375 %	2018	2023
NO0010836489	NOK	1.000	fixed NOK 2.75 %	2018	2028
NO0010853096	NOK	3.000	3M Nibor + 0.37 %	2019	2025
XS2063496546	EUR	250	fixed EUR 0.01 %	2019	2024
NO0010884950	NOK	3.000	3M Nibor + 0.42 %	2020	2025
XS2233150890	EUR	30	3M Euribor +0.75 %	2020	2027
NO0010951544	NOK	5.000	3M Nibor + 0.75 %	2021	2026
XS2389402905	EUR	250	fixed EUR 0.01 %	2021	2026
XS2556223233	EUR	250	fixed EUR 3.125 %	2022	2027
NO0012908617	NOK	4.000	3M Nibor +0.54 %	2023	2028

In compliance with the Capital Requirements Directive

MØRE BOLIGKREDITT AS

(incorporated with limited liability in Norway)

€4,000,000,000

Euro Medium Term Covered Note Programme

EU Regulation 575/2013 CRR Article 129

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

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

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

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

Strong and stable ratings

Moody's Investors Service

Sparebanken Møre

A1

Latest published Credit Opinion:

25 July 2022

- *Outlook:*

Stable

- *Baseline Credit Assessment (BCA):*

baa1

- *Counterparty Risk Assessment:*

A1

- *Bank Deposits:*

A1/P-1

- *ESG Credit Impact Score*

CIS-2 (Neutral-to-low)

Møre Boligkreditt AS Covered Bond Programme

Aaa

Latest published Performance Overview:

11 April 2023

- *Timely Payment Indicator (TPI):*

High

- *TPI Leeway:*

4 notch(es)

- *OC level consistent with current rating:*

2.5 %

- *Collateral Score:*

5.0 %



SPAREBANKEN MØRE

- 9th largest Norwegian bank - Total assets NOK 93.2bn - 66% retail lending
- Strong capitalization, CET1 ratio of 17.7% and leverage ratio of 7.4%
- Rating A1 (stable outlook) confirmed by Moody's in July 2022
- Low Risk ESG Risk Rating of 19.2 by Sustainalytics in July 2022

MØRE BOLIGKREDITT

- NOK 30.5bn outstanding Covered Bonds – o.w. 34% EUR denominated
- Cover Pool consists of Norwegian prime residential mortgages
- EMTCN programme listed on Euronext Dublin and Oslo Stock Exchange
- All Covered Bonds rated Aaa by Moody's

MØRE OG ROMSDAL COUNTY

- Population of 268,365 by January 1st 2023
- Service sectors dominant - fisheries, tourism, and maritime industries important
- Accounts for 1/3 of Norwegian food export, mainly fish and fishery products
- Registered unemployment in October 2022 of 1.7%

NORWAY

- 6.5 % CPI growth y/y in March 2023 / CPI ATE y/y growth 6.2 %
- 0.5% y/y growth in housing prices by end of April 2023
- Registered unemployment in April 2023 of 1.8%
- Policy rate expected to be hiked further by 25bp to 3.5 % in June meeting



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