



Investor presentation **Q4 2024**

A company in the Sparebanken Sør Group



SPAREBANKEN SØR
BOLIGKREDITT AS

Sparebanken Sør Boligkreditt AS

Mother company 100% owner	A dedicated and integrated covered bond company wholly owned by Sparebanken Sør
Full recourse	Norwegian law is fully compliant with dual recourse requirement. CB investors and derivative CPs have an exclusive, equal and preferential claim on the assets in the cover pool. Claims not covered by cover pool assets are unsecured claims ranking pari passu with all other unsecured unsubordinated claims against the issuer
Transfer of loans	Loans are originated by the bank and transferred to the CB company
Credit & overdraft facilities	Sparebanken Sør Boligkreditt AS has established an overdraft facility with Sparebanken Sør in order to handle operations on a daily basis.
Norwegian residential	The cover pool consists of prime Norwegian residential assets (93 percent) and substitute assets (LCR-compliant interest bearing securities). Cover pool exposure towards Southern Norway where price development is rather stable
No non-performing assets	No non-performing assets in the cover pool
Rating	Covered bonds issued by Sparebanken Sør Boligkreditt AS in NOK and EUR have been given an Aaa rating by Moody's. Sparebanken Sør Boligkreditt AS has since June 2023 been assigned an A1/Prime-1 issuer rating by Moody's, in line with ratings assigned by Moody's on the parent bank

Sparebanken Sør

Business

Sparebanken Sør is an independent financial group with activities within banking, securities and real estate brokerage

Balance

The fifth largest Norwegian bank with total assets of NOK 176 billions

Employees

558 employees in branches across the counties of Agder, Rogaland, Vestfold and Telemark

Products and services

General banking products and services, supplemented by real-estate brokerage, life and non-life insurance, stock brokerage and leasing through wholly and partially owned subsidiaries and companies

Summary

As one of the largest regional banks in Norway, Sparebanken Sør is committed to further sustainable growth and development in the region



SPAREBANKEN SØR

Sparebanken Sør - a leading financial institution in Southern Norway



Established in 1824,
558 employees



185 000 retail
customers



Financial group with
banking, securities and
real estate brokerage



23 000 corporate
customers



Publicly traded and
Community-owned



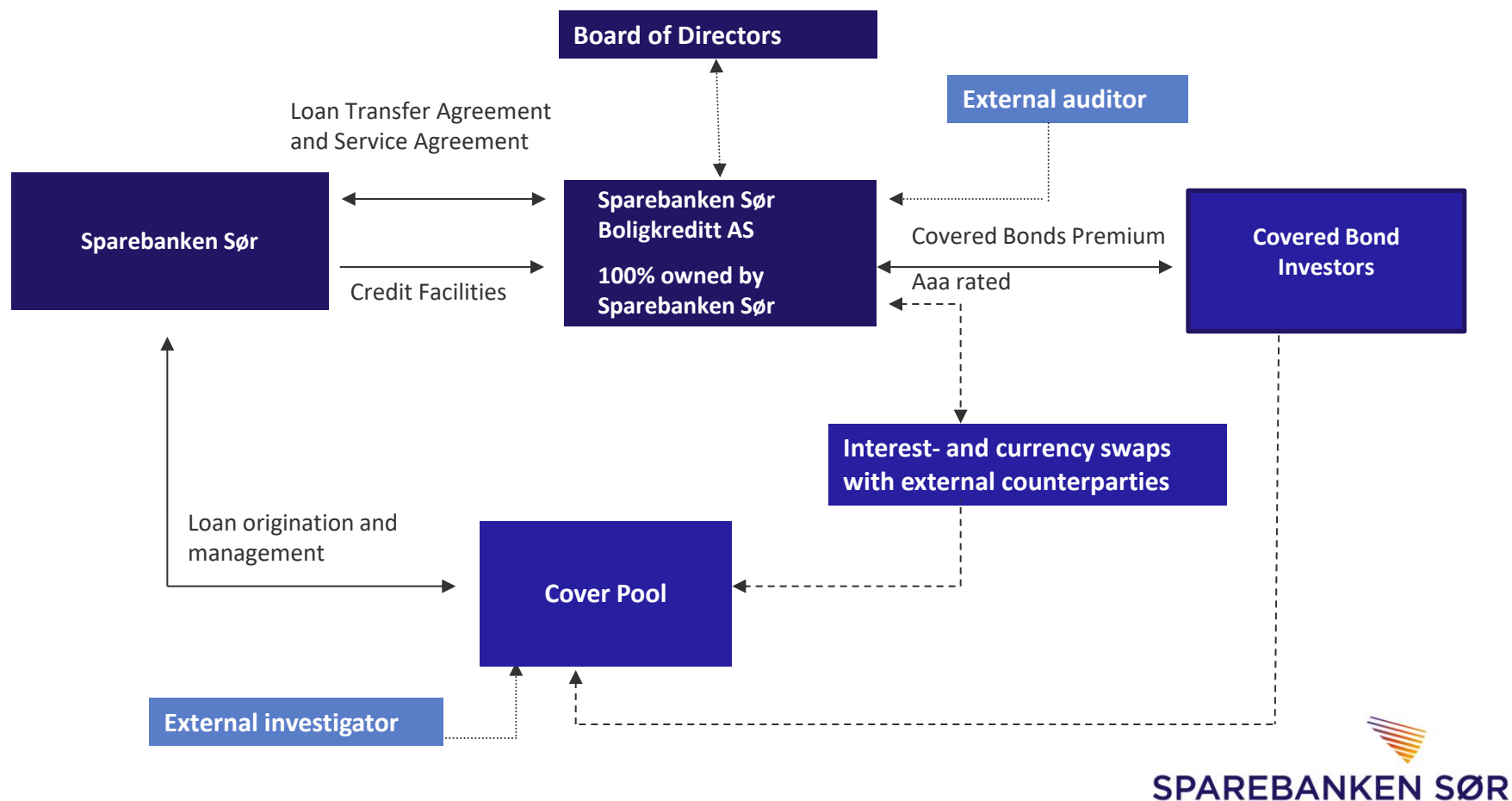
Regional Branches
& nationwide
online services



- Total assets of NOK 170 bn
- Profit after tax amounted to NOK 1 991 million in 2024
- Cost/income ratio of 35.3 percent



Business concept



Eligibility criteria for cover pool mortgages

Type of properties	<ul style="list-style-type: none">•Residential Norwegian properties•Minor volumes of buy to let
Type of products	<ul style="list-style-type: none">•Mortgages with floating or fixed interest rates•Serial, annuity or non-amortising loans
Credit criteria	<ul style="list-style-type: none">•No arrears•Borrowers probability of default $\leq 3\%$
Collateral	<ul style="list-style-type: none">•LTV limit of 80 % for residential mortgages according to the Norwegian Financial Institutions Act•Quarterly valuation from an independent third party (Eiendomsverdi)
Loan volume	<ul style="list-style-type: none">•Maximum loan per borrower of 20 MNOK (Euro 2 mill)

The Norwegian Residential Mortgage Market

Appr. 80 % of Norwegians own their home

- Few mortgages are buy-to-let

Norway is primarily a floating interest rate market

- The large majority of mortgages originated by Sparebanken Sør are floating rate
- Rates on floating rate mortgages can be reset at any time at the bank's own discretion, by giving debtors 8 weeks' notice

Loans are normally underwritten with a term of 15-25 years

In Norway, all borrowing costs are deductible from taxable income at the current rate of 22 %

- Households are therefore better able to withstand an increase in interest rates

Mortgage lending regulation

Max 5x gross income

Max 90 % LTV

Debt servicing capacity

- Stress test of 3 percentage points interest rate increase above current level, stress test floor 7 percent

Amortization requirement for loans with LTV above 60 %

- 2.5 % of approved loan or principal payment as for 30 year annuity

Flexibility quota

- Banks can deviate in 8 % of mortgage applications each quarter in Oslo
- Banks can deviate in 10 % of mortgage applications each quarter outside Oslo

Risk management

Liquidity risk

- Payment flow from the cover pool is to meet the payment obligations to the covered bond holders and derivative counterparties
- Credit facilities in place with the parent bank
- Soft bullet structure on all covered bonds issued

Interest rate risk

- Interest rate risk measured on a 2 basis points parallel shift in the interest rate curve, and include the effects of non parallel shifts
- Limited to NOK 160 mill. in net exposure

Market risk

- FX risk is hedged
- Long term FX funding is swapped into NOK
- Derivative contracts with external counterparties
- Highly liquid liquidity portfolio



Cover pool composition and OC as at 31.12.2024

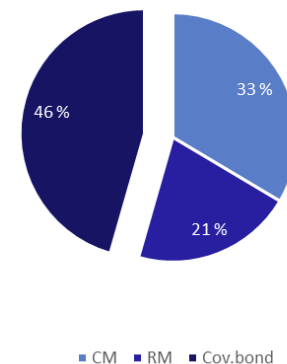
Nominal value	NOK Thousand
Loans secured by mortgages on residential properties	60 527 118
Deduction on ineligible loans	-173 278
Pool of eligible loans	60 353 840
Certificates and bonds	4 500 000
Total cover pool	64 853 840
Debt incurred due to issuance of securities	56 346 750
Total liabilities	56 346 750
Collateralisation ratio (OC)	15.1 %

Collateralisation ratio (OC) including ineligible	15.4 %
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Additional cover pool details as at 31.12.2024

Average loan balance	NOK 1 576 508
No. of loans	38 398
WA seasoning (in months)	46.0
WA remaining term (in months)	197
No. of borrowers	32 641
No. of properties	35 481
WA Indexed LTV (Loan balance/indexed valuation)	53.5 %
WA LTV (Loan balance/original valuation)	60.6 %
Total non-performing loans	0.2 %
Committed Over Collateralisation (OC)	5.0 %

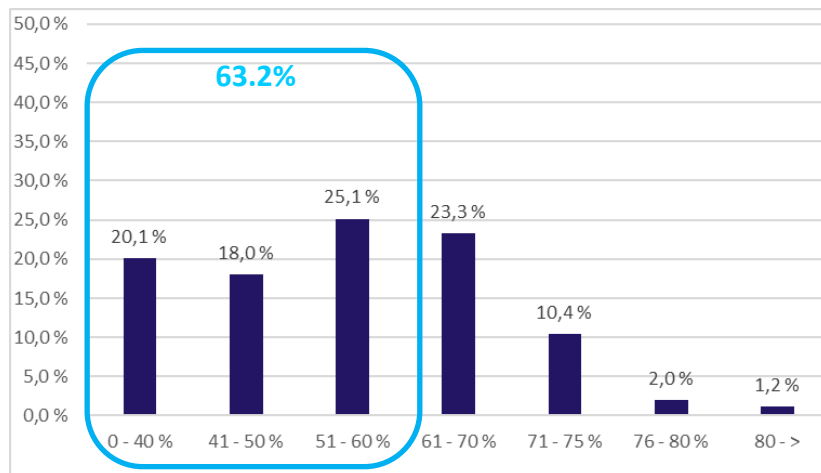
Sparebanken Sør (Group) total loan portfolio



Loans transferred to Sparebanken Sør Boligkreditt AS account for 46 % of Sparebanken Sør's total loan portfolio

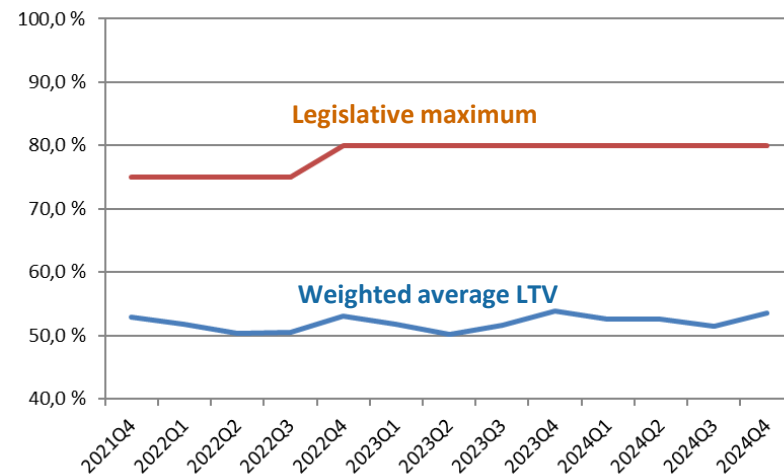
Cover pool characteristics

Current indexed LTV distribution



- 63.2 % of the cover pool consists of loans with LTV below 60%
- The weighted average LTV is 53.5 % on an indexed basis

Historical development. Weighted average indexed LTV



- The weighted average LTV is well below the legislative maximum for residential mortgages. A change in legislative maximum was introduced in 2022 (an increase from 75 to 80 %) and implemented in the company as from Q4 2022.



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Cover pool characteristics

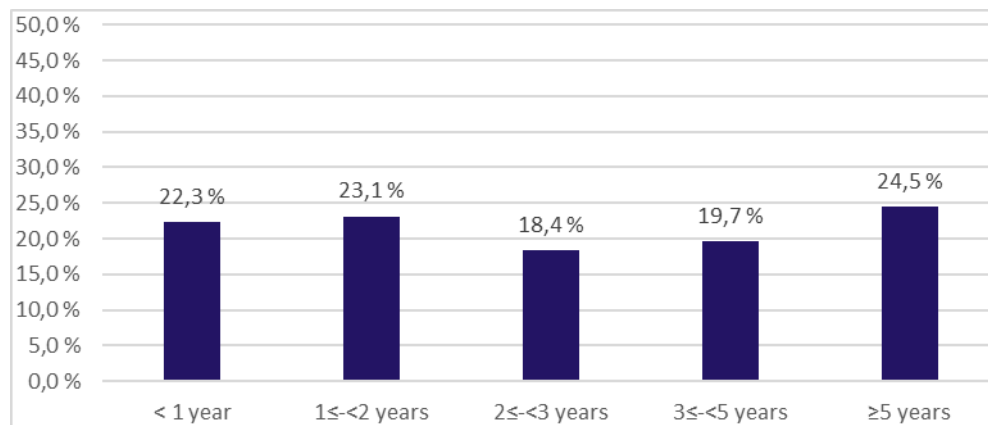
Cover pool broken down by counties

Agder	63,4 %
Telemark	10,5 %
Oslo	9,7 %
Akershus	5,1 %
Rogaland	4,0 %
Vestfold	2,4 %
Other	5,0 %
Total	100,0 %



- The cover pool is primarily exposed towards Agder and secondly to Telemark and Oslo.

Seasoning of mortgages in the cover pool (in % of total loan balance)



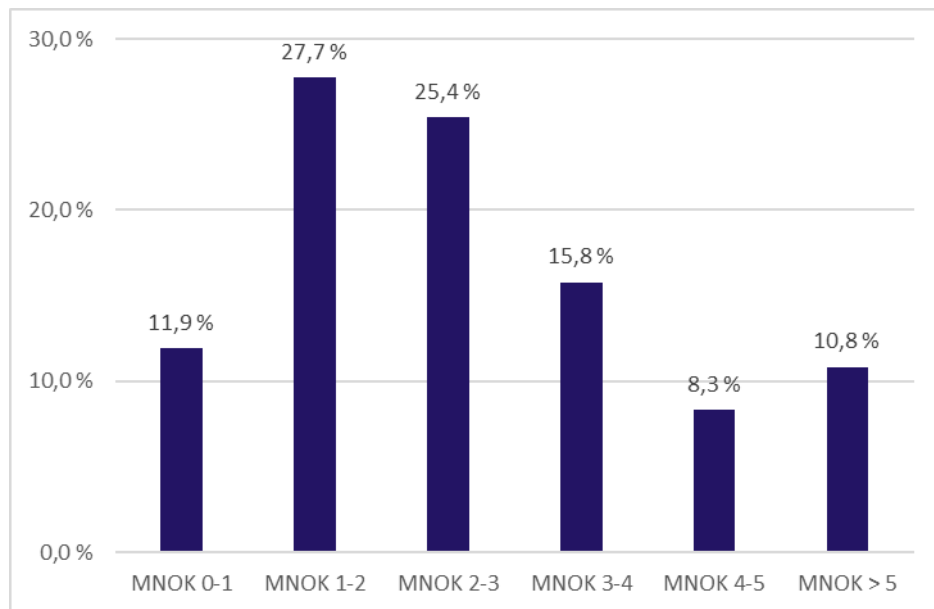
- Weighted average seasoning is 3.7 years
- The cover pool is stable, as 86 % of mortgages has been included in the cover pool for at least 1 year



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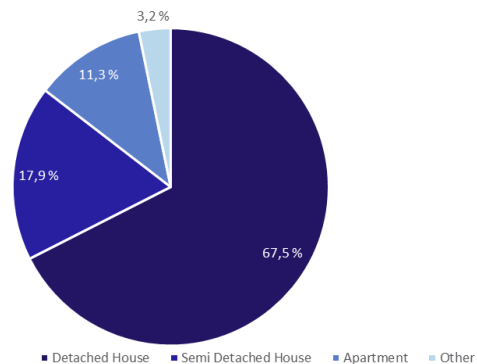
Cover pool characteristics

Cover pool broken down by intervals of loan balance

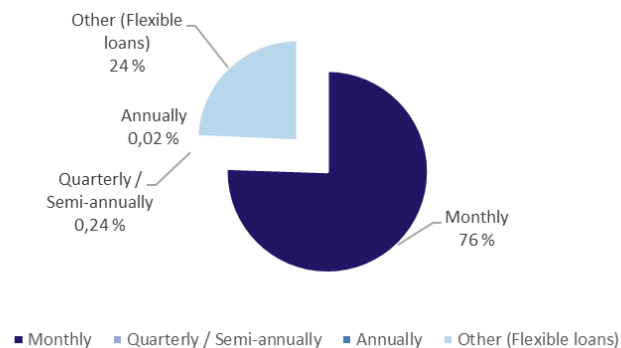


- Average loan value of NOK 1.6 million

Property type



Principal payment frequency

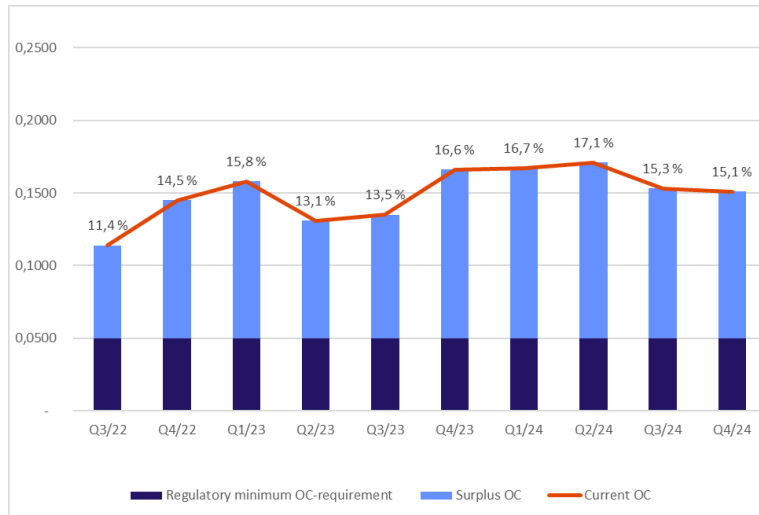


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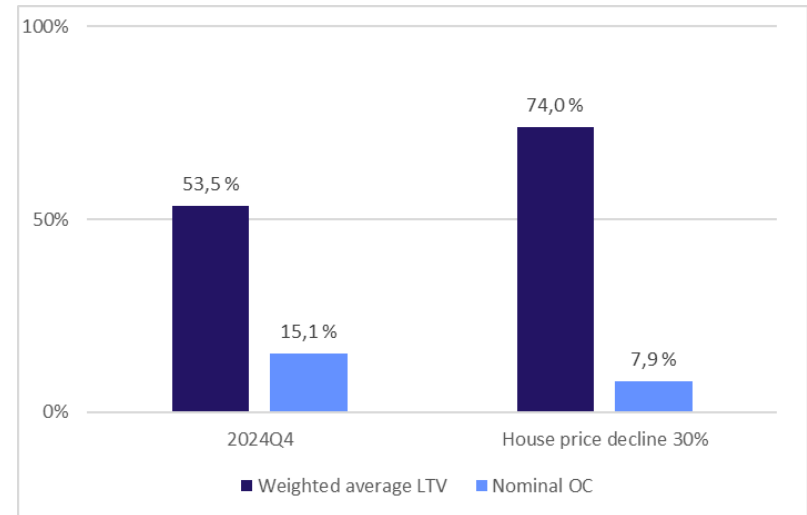
Cover pool characteristics

Regulatory minimum OC-requirement: 5.0 % - Current OC: 15.1 %

Historical development Over Collateralisation



Stress test of the cover pool

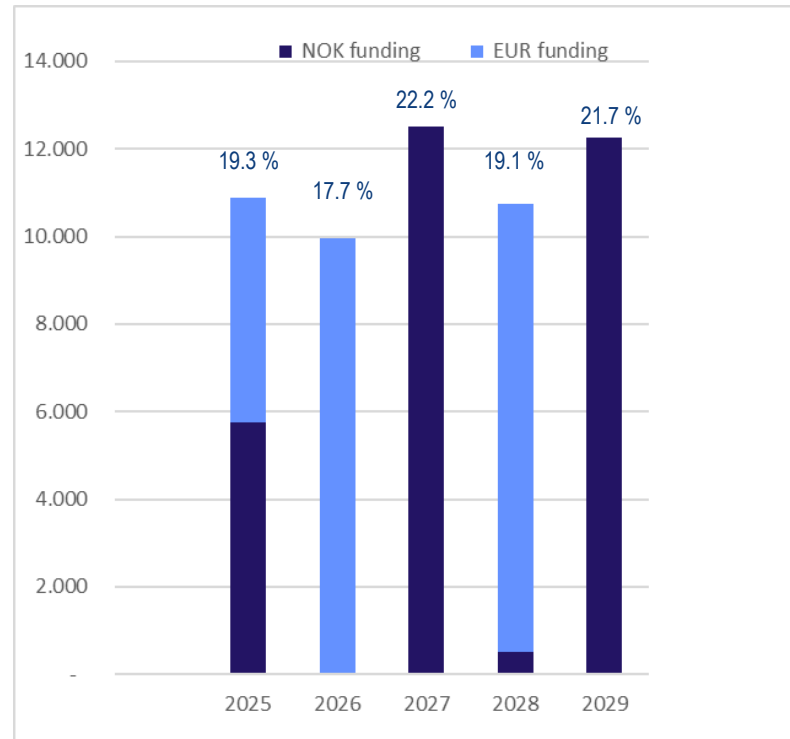


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Funding as at 31.12.2024

- Total funding amounts to NOK 59.6 bn in issued covered bonds premium
- The company has a diversified maturity profile
- Funding > 12 months totalled 81 %

Annual expected maturity of wholesale funding



SPAREBANKEN SØR

A well established International CB Issuer

Debt securities issued as at 31.12.2024

ISIN	TICKER	CURRENCY	NOM . VALUE	INTEREST		DUE DATE	BOOK VALUE	FAIR VALUE
NO0010832637	SORB28	NOK	5 750 000	Floating	3M Nibor	24.09.2025	5 755 938	5 765 865
XS2555209381		EUR	500 000	Fixed	0,313 %	14.11.2025	5 955 998	5 957 441
XS1947550403		EUR	500 000	Fixed	0,50 %	06.02.2026	5 797 765	5 806 188
XS2069304033		EUR	500 000	Fixed	0,01 %	26.10.2026	5 658 671	5 659 013
NO0012535824	SORB32	NOK	5 500 000	Floating	3M Nibor	31.05.2027	5 522 494	5 556 392
NO0011002529	SORB31	NOK	7 000 000	Floating	3M Nibor	20.09.2027	7 101 330	7 090 655
NO0010670409	SORB08	NOK	500 000	Fixed	4,00 %	24.01.2028	507 725	509 926
XS2291901994		EUR	500 000	Fixed	0,01 %	28.01.2028	5 521 974	5 472 989
XS2389362687		EUR	500 000	Fixed	0,01 %	25.09.2028	5 430 492	5 374 940
NO0013214841	SORB33	NOK	6 000 000	Floating	3M Nibor	23.05.2029	6 026 696	6 043 066
NO0013388454	SORB34	NOK	6 250 000	Floating	3M Nibor	06.11.2029	6 293 862	6 287 818
TOTAL							59 572 945	59 524 292

SPAREBANKEN SØR BOLIGKREDITT AS

(Incorporated with limited liability in Norway)

€8,000,000,000

Euro Medium Term Covered Note Programme



With reference to Article 10(1)(f) of the LCR-regulation, Sparebanken Sør Boligkreditt AS (SSBK) confirms the following:

- SSBK gives the information required in Article 129(7) of CRR to its investors
- Covered bonds issued by SSBK are assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 129(4) of CRR, and the equivalent credit quality step in the event of short term credit assessment
- The cover pool does at all times meet an asset coverage requirement of at least 5 % in excess of the amount required to meet the claims attaching to the covered bonds issued by SSBK
- Covered bonds issued by Sparebanken Sør Boligkredit after 8 July 2022 are "covered bonds", as defined in point (1) of Article 3 of Directive (EU) 2019/2162, and are entitled to use the label "European Covered Bond (Premium)". Covered bonds issued by Sparebanken Sør Boligkredit before 8 July 2022 fulfill the requirements set out in Article 52(4) of Directive 2009/65/EC and are eligible for preferential treatment under CRR article 129(4) and (5) until their maturity, cf. article 129(7)

Information on the cover pool

Sparebanken Sør Boligkreditt AS has implemented the common Harmonised Transparency Template of the European Covered Bond Council

Information about the cover pool of SSBK may be accessed via <https://www.sor.no/felles/om-sparebanken-sor/sparebanken-sor-boligkreditt/cover-pool-information//>

Sparebanken Sør Boligkreditt AS is a member of the ECBC Covered Bond Label initiative
<https://www.coveredbondlabel.com/issuer/122-sparebanken-sor-boligkreditt-as>



SPAREBANKEN SØR

Green & Sustainability Bond Framework 2024

Update from the 2019 and 2022 framework (for new issues):

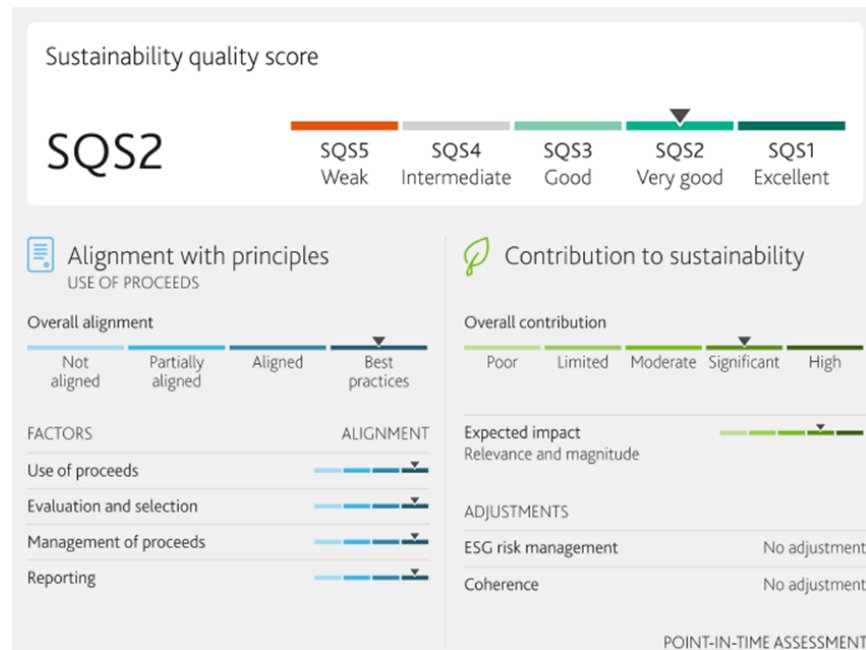
- Tightening of green criteria, in line with best market practice
- EU Taxonomy alignment
- Well established Green framework

Positive Second Party Opinion from Moodys

“The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (including the June 2022 Appendix 1).

The company has also incorporated all Moody's Ratings identified best practices for all four components. The framework demonstrates a significant contribution to sustainability“

<https://www.sor.no/felles/om-sparebanken-sor/about/investor-relations/green-and-sustainability-bond-framework/>



Future prospects

Macro

Growth in the Norwegian economy picked up in 2024. Unemployment is low, with expectations of a further positive development going forward. Consumer demand and house prices will most probably develop positively, following lower interest rates and a positive real wage growth.

Capital requirements

Sparebanken Sør Boligkreditt AS has a common equity tier 1 capital ratio of 22.1 percent and leverage ratio of 7.8 percent. Along with a positive profit from ordinary operations, the opportunities for further loan growth are positive.

Funding and liquidity

Sparebanken Sør Boligkreditt AS has ample access to wholesale funding both from the domestic as well as from the bond market abroad. Still the political picture constitutes a potential risk for negative market fluctuations. The company is well positioned to establish long-term funding from the Norwegian and the international financial market.

Merger between Sparebanken Sør Boligkreditt and Sparebanken Vest Boligkreditt

In August 2024 the board of directors of Sparebanken Sør and Sparebanken Vest had approved of a merger between the two banks. According to plan the merger will take place as from May 2025, and following the completion of the bank merger it is proposed that Sparebanken Sør Boligkreditt AS will merge with Sparebanken Vest Boligkreditt AS. The new boligkreditt company will be rebranded to Sparebanken Norge AS, which will assume all rights and liabilities from Sparebanken Sør Boligkreditt AS.



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