

Investor presentation OBOS Boligkreditt AS

Green Covered Bonds
24 November 2021



About the OBOS group

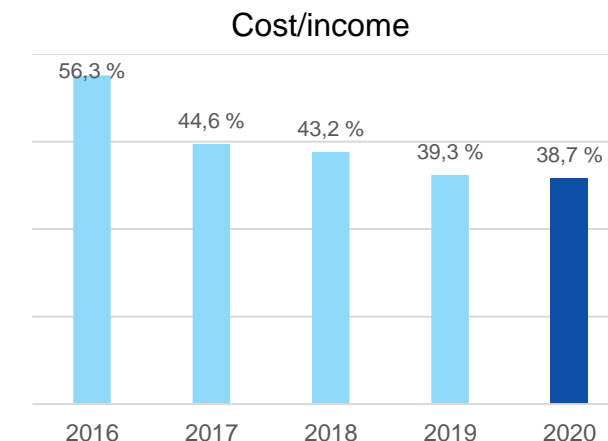
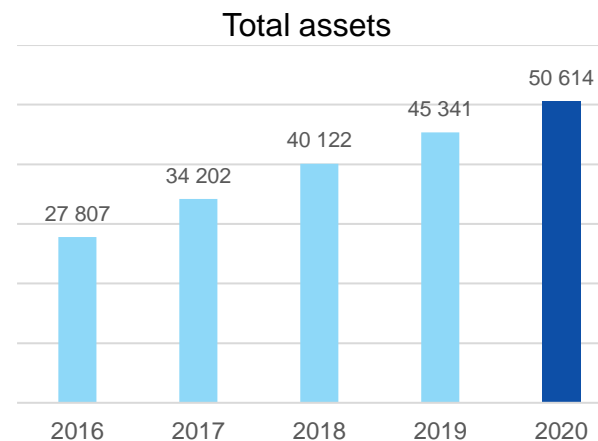
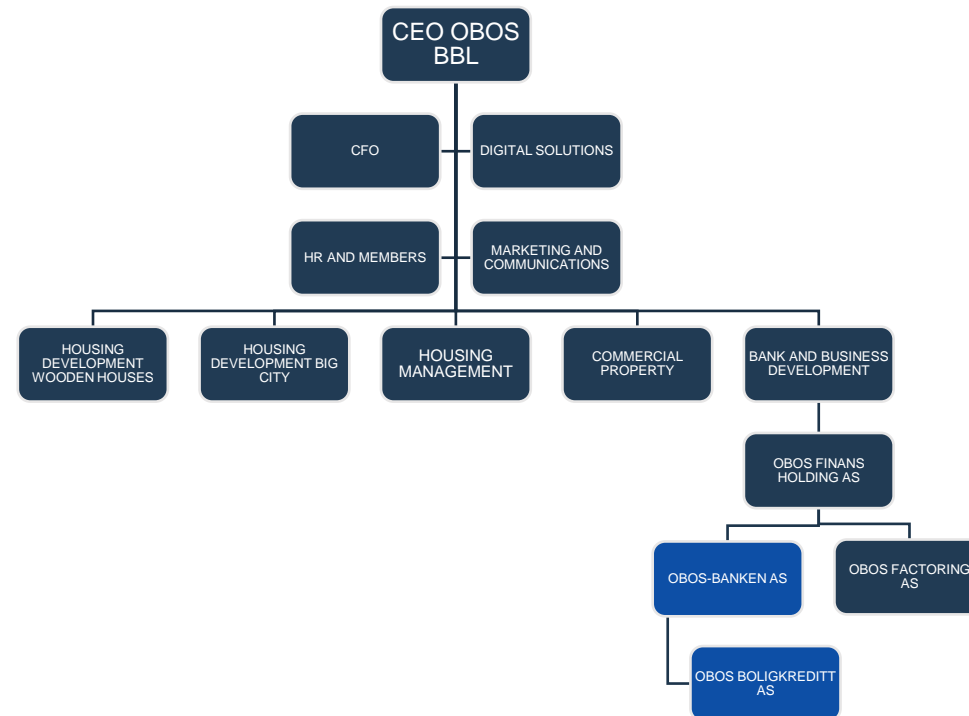
- The largest co-operative building and housing association in Norway
 - Founded 19th of August 1929
 - Owned by its 520 000 individual members
 - 1600 employees in Norway, 900 in Sweden (2020)
- Buys land, develops housing projects and sells the homes to our members. OBOS have sold around 4000 homes yearly the last five years.
- Manages affiliated housing co-ops according to management contracts and at competitive terms
- Offers a range of financial services to members and non-members
 - Retail (members and non-members) and housing companies (members and non-members)
- Pays no dividends to owners. All earnings are retained.
 - Pre-tax profit of NOK 3,2 bn in 2020
 - Value adjusted equity of NOK 49,6 bn as of 2020



About OBOS-banken

Total assets 54 bnok, loan book 47 as at 30.09.2021

- OBOS-banken is a Norwegian commercial bank, established in May 2013.
 - Established “on the grounds” of “OBOS Lån og Spar” (“OBOS Lending and Savings”), which conducted all lending and savings activities in OBOS – its history going back to 1929
 - 100 % owned by OBOS Finans Holding AS* which is owned 100 % by OBOS BBL.
- OBOS-banken provides loans to residential customers and housing companies.
- A digital bank which aims to offer simple and competitive products to its customers and OBOS members.
- OBOS-banken was officially rated for the first time in May 2016 and has currently A3 long term deposit and issuer rating from Moody’s.



*OBOS Finans Holding and OBOS-banken have applied for merger where OBOS-banken is the overtaking entity

About OBOS Boligkreditt

Total assets 25 bnok – Floating retail mortgage loans and housing co-operative loans

Overview

- OBOS Boligkreditt AS was established in May 2016 and is a wholly owned subsidiary of OBOS-banken AS
- Cover pool consists of retail mortgage loans and co-operative housing mortgage loans
- Day to day operations in OBOS Boligkreditt handled by employees from OBOS-banken, regulated through TSA- and SLA-agreements

Roles

Board of Directors

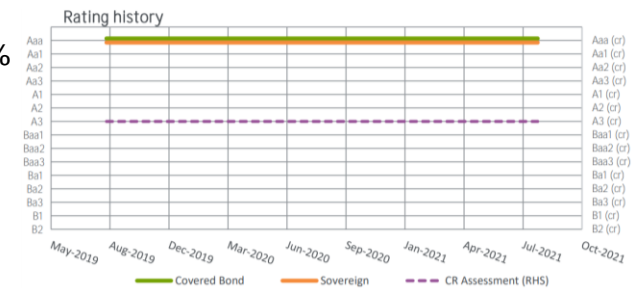
- Øistein Gamst Sandlie (Chairman), CEO, OBOS-banken
- Joachim Heide, VP Finance, OBOS BBL
- Morten Dick, VP Housing Companies OBOS-banken AS
- Eva Marianne Aalby, CFO Attivo
- CEO Tore Weldingh

Auditor and independent investigator

- PwC, Anne Lene Steensholdt, Partner

Rated Aaa by Moody's

- TPI leeway of 2 notches
- OC consistent with current rating 7 %
- Current OC 116 %



Agreements with OBOS-banken

- Revolving credit facility agreement
 - Cover payment obligations under Covered Bonds for a rolling 12-month period
- Overdraft facility agreement (NOK 3 bn)
 - Payment of purchased loans
 - Funding other working capital needs
- Transfer and servicing agreement (TSA)
- Service level agreements (SLA)

Sustainability is an integral part of our business and strategy

- OBOS Boligkreditt shall exercise social and green responsibility and contribute to a more sustainable society
- We capitalize on the solid ESG competencies within the OBOS group
- A dedicated resource follows up sustainability and reports to the management team and OBOS' ESG director
- Sustainability work will be reported annually following guidelines in the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), and Miljøfyrtårn



We structure our ESG work around four material topics

OBOS Boligkreditt should



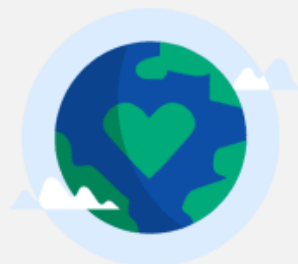
Give back to the community



- Help make housing accessible to more people
- Make community contributions as part of the OBOS group



Contribute to the green transition



- Manage climate risk
- Sustainable loans and investments
- Reduce emissions related to lending and own operations



Be an attractive employer



- Ensure well-being and development for employees
- Promoting equality and diversity



Prevent economic crime



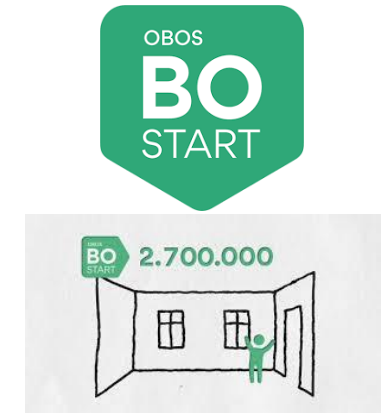
- Uncover and prevent corruption, money laundering and terrorist financing



OBOS takes social responsibility

1. Make housing accessible

- The urban housing market has become increasingly difficult to access
- As a response, OBOS has developed new purchasing models such as *OBOS Deleie* and *OBOS Bostart* – ambition to grow
- OBOS-banken actively contributes to the group's goals by financing homes purchased with alternative purchasing models

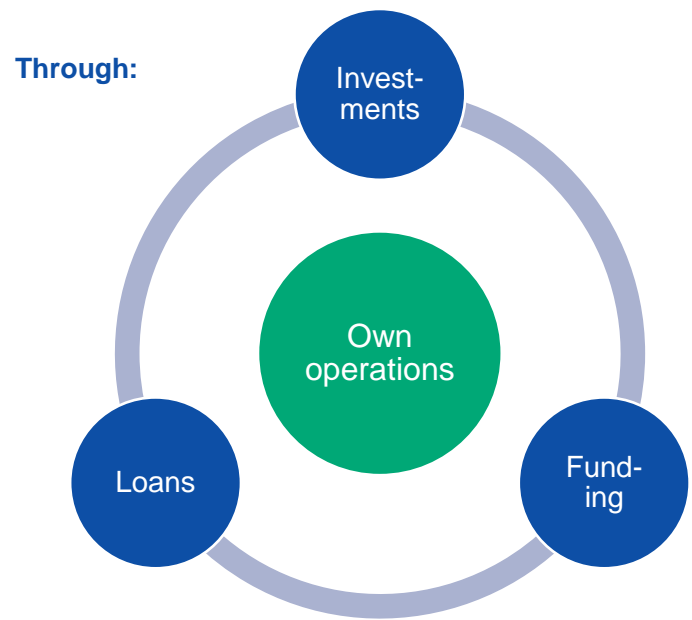



2. Community contributions


- OBOS Boligkreditt is part of the OBOS group where profits are used to fulfil the primary purpose, which is to provide housing for members
- 10 per cent of the previous year's profit can go to socially beneficial purposes such as culture, sports and environmental measures
- These funds are distributed through *OBOS Gir tilbake* (125 mill. kr. in 2021)





We are actively working to reduce climate change




- 

Certified Miljøfyrtårn (environmental management system)
- 

Climate-neutral office operations since 2018 – ambition to reduce emissions by 7 % annually (in line with Paris agreement)
- 

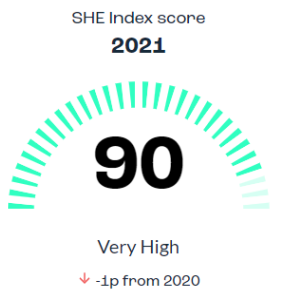
Provider of green loans to private individuals and housing companies
- 

Annual reporting of climate risk in line with the TCFD recommendations. Ongoing project to include ESG-risk in credit assessment
- 

Green bond framework and second opinion by Cicero – 20 % of the portfolio in line with green criteria in the banking group

An attractive employer focusing on diversity and equality

- New Strategy on diversity and equality 2021-2026
- Partner in Equality Check
- High ratings on She Index, Universum and YPAI ranking
- Annually employee interviews and frequently monitoring employee satisfaction
- Committed to respecting internationally recognized human rights (universal declaration of human rights, UN conventions, ILO)



Systematically working to combat financial crime









- We follow the OBOS group's general guidelines but has also established guidelines for the banking business, specifically
- Dedicated employees with special responsibility for uncovering and reporting on money laundering, fraud, corruption and terrorist financing
- In case of suspicious transactions, Økokrim is notified
- We strive for a high ethical standard and has a set of ethical guidelines that employees are obliged to follow
- The company has notification routines to ensure that employees can notify with confidence that the notification is handled in a responsible manner



The green bond framework - Four pillars



Use of proceeds: Eligible Assets

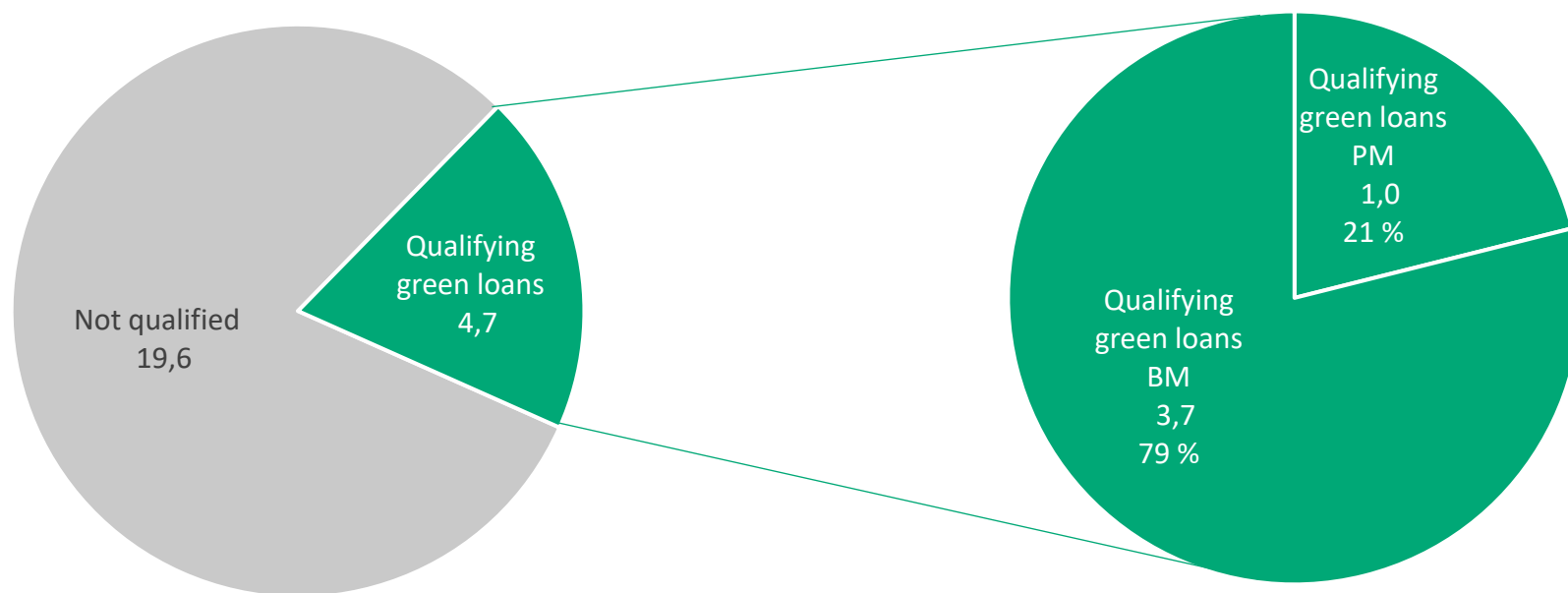
Category	Criteria	UN SDG ²
Green buildings	<p>Loans to private consumers or building associations (boligselskaper) that meet at least one of the following criteria:</p> <p>For buildings built after 2019:</p> <ul style="list-style-type: none"> - BREEAM (Very Good), Svanen Ecolable or Miljöbyggnad Silver or better (for Sweden only) - Buildings with Energy Performance Certificate (EPC) labels A or B and built in accordance with the Norwegian building code TEK17 or later¹ <p>For buildings in Norway built between 2012 and 2019:</p> <ul style="list-style-type: none"> - New or existing apartment buildings built after 2012 that comply with the Norwegian building codes of 2010 (TEK10) or 2017 (TEK17). - New or existing other residential dwellings built after 2012 that comply with TEK10 or TEK17. <p>For buildings in Norway built before 2012</p> <ul style="list-style-type: none"> - Existing buildings built under older building codes than TEK10 for apartment buildings with EPC-labels A or B <p>Larger renovations</p> <ul style="list-style-type: none"> - Renovations with a minimum improvement of two levels in EPC-label compared to the baseline for the year of construction - Renovations with at least a 30% improvement in energy efficiency measured in specific energy, kWh/m², compared to the baseline for the year of construction - Larger renovation projects to improve drainage in and around the building associations to prevent erosion and flooding 	 7. Ensure access to affordable, reliable, sustainable and modern energy for all  11. Make cities and human settlements inclusive, safe, resilient and sustainable  12. Ensure sustainable consumption and production patterns  13. Take urgent action to combat climate change and its impacts
Renewable energy	<p>Loans to private consumers and building societies for:</p> <ul style="list-style-type: none"> - Solar energy systems - Small scale geothermal energy - Local energy solutions (e.g. excess heat but excluding from fossil fuel-based sources) 	 7. Ensure access to affordable, reliable, sustainable and modern energy for all  13. Take urgent action to combat climate change and its impacts
Clean transportation	<p>Loans to private consumers and/or building societies for:</p> <ul style="list-style-type: none"> - Charging stations for Electric Vehicles - Electrical bike pools - Electrical car pools 	 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation  11. Make cities and human settlements inclusive, safe, resilient and sustainable

Not relevant for OBOS Boligkreditt

¹ Over time, as a result of OBOS's Environmental Strategy, the company expects the share of properties in its portfolio with EPC labels A and B to increase ²SDN: Sustainable Development Goal

Use of proceeds: Green bond capacity at OBOS Boligkreditt as of Q3 2021

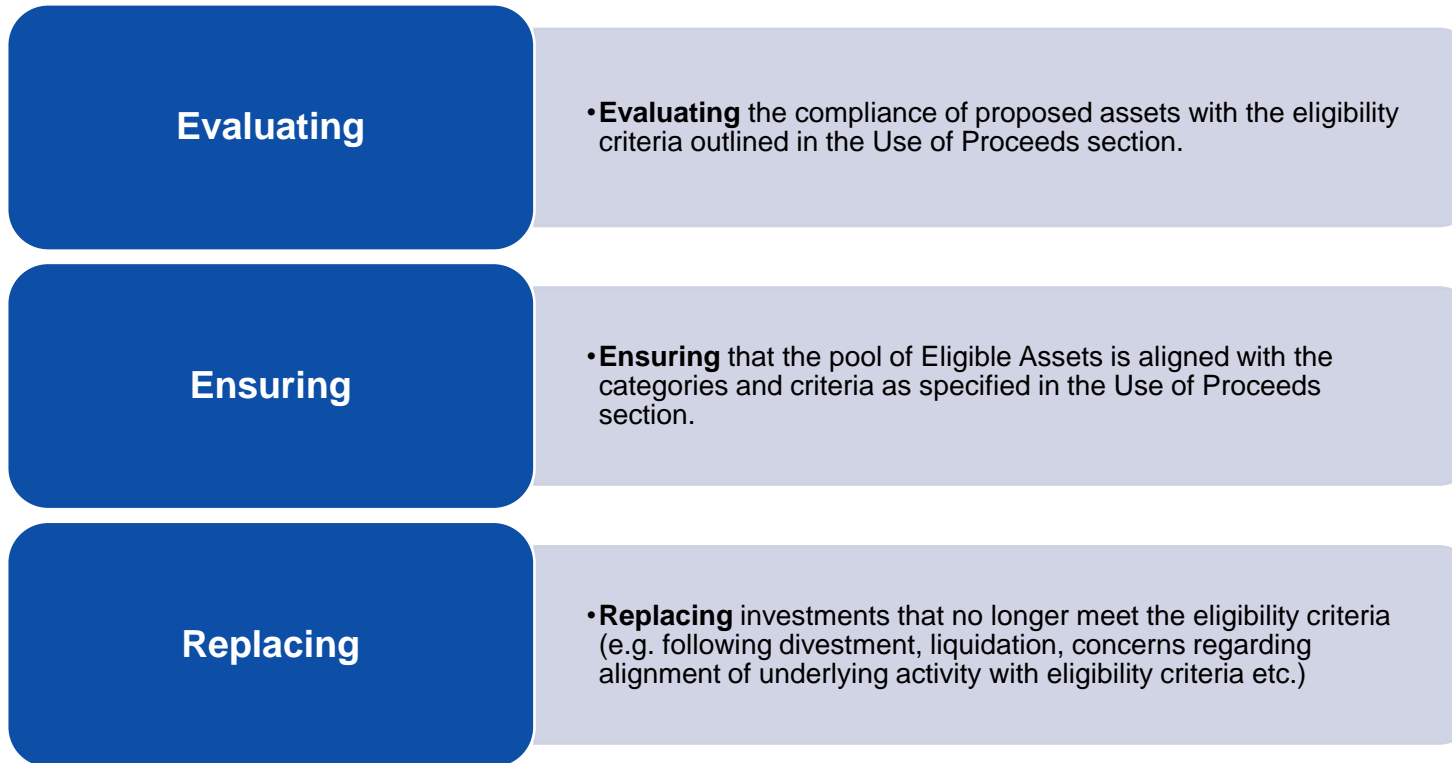
A screening of the portfolio has been carried out in accordance with criteria in the green bond framework* .
Figures in NOK bn.



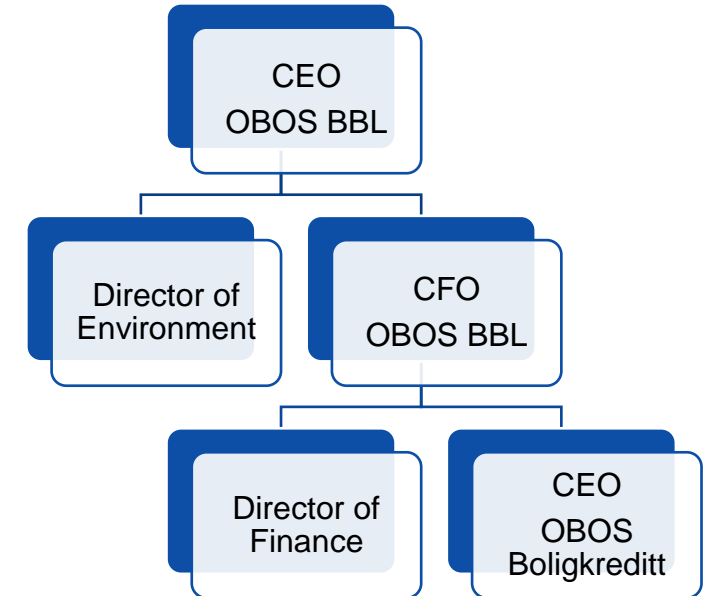
*Assuming 70% of the TEK 17 has energy label A or B.

Process for project evaluation and selection

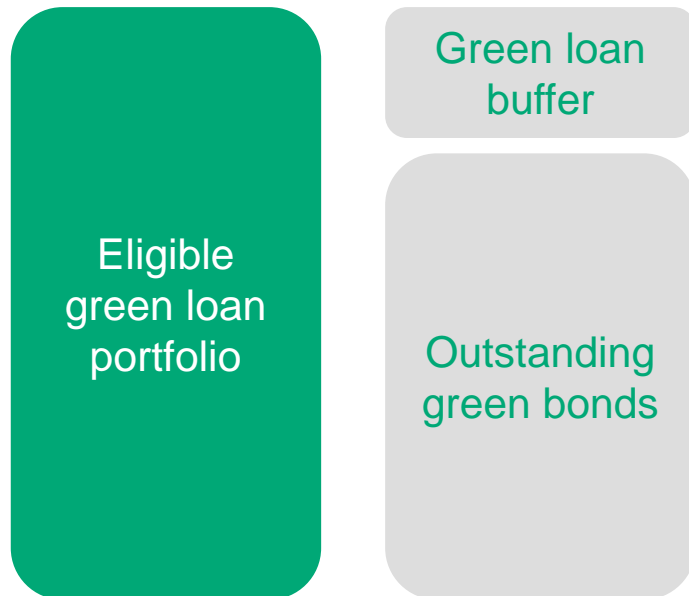
The green bond committee is responsible for:



The green bond committee:



Management of proceeds, reporting and impact



- OBOS Boligkreditt will establish a green bond register, with the purpose to monitor eligible assets financed by the green bonds to be issued. The value of the eligible assets in the green bond register will at least equal the aggregate net proceeds of all outstanding green bonds.
- During the life of the green bonds, if an asset ceases to fulfil the eligibility criteria, OBOS Boligkreditt will remove the asset from the registry and replace it when necessary for the balance as soon as reasonably practicable.
- There may be periods when the total outstanding net proceeds of green bonds exceed the value of the eligible assets in the respective green bond registries. Proceeds yet to be allocated towards eligible assets will be held in accordance with the liquidity management policies. Unallocated proceeds will, on a best effort basis, be invested in eligible green, social or sustainable bonds. Any excess proceeds will be managed according to the overall liquidity management policies respectively.
- Reporting will include a list of assets financed by Green Bonds, including closer descriptions of specific buildings, certifications and impact metrics.
- Reporting also includes a summary of other related activities undertaken during the year

External review: Second opinion by Cicero

Key strengths:

- Sustainability is an important strategic area to OBOS, and the issuer continues to integrate environmental considerations into its business model. Most prominently, OBOS' "working towards a more sustainable society" strategy targets a 45% reduction in CO2 from its new buildings by 2026.
- OBOS's increased focus on circular processes is also a strength, whereby it ensures that no buildings are demolished before considering possible use and re-use (in whole or part), ensures that all new buildings are designed for re-use, and increases its use of recycled or re-used materials.
- OBOS aims to facilitate a more sustainable lifestyle for its members.
- OBOS' systematic work with sustainable transportation systems.
- Moreover, OBOS Finans Holding, OBOS-banken and OBOS Boligkreditt may use proceeds of any green bonds they issue to finance loans in respect of residential buildings built between 2012 and 2019 built in accordance with TEK10 and without additional energy efficiency threshold. Such buildings may have EPC ratings lower than level B i.e. lower than required in current Norwegian regulations. The energy efficiency criteria of 30 percent improvements for renovation projects are in line with the EIA recommendations for energy efficiency and represents a higher level of ambition than the thresholds for new and existing buildings.



OBOS Boligkreditt

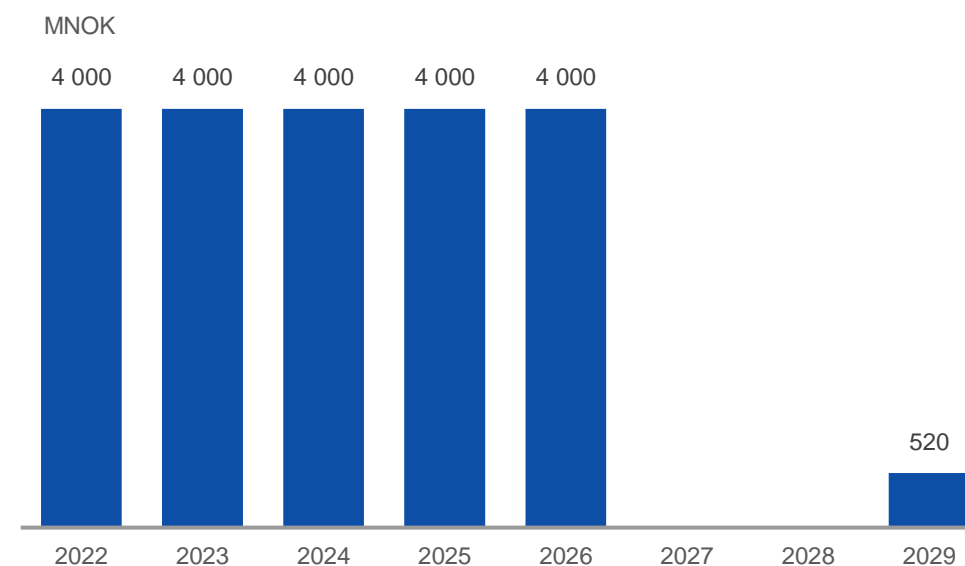
Issued covered bonds as of 30.09.2021

Issued covered bonds

ISIN	ISSUE	Ticker	Instrument type	Interest margin (bps)	Market	Volume (MNOK)
NO0010786494	OBOS Boligkreditt AS 17/22 FRN COVD	OBBK03 PRO	FRN – Soft bullet	60	Nordic ABM	4.000
NO0010795487	OBOS Boligkreditt AS 17/23 FRN COVD	OBBK04 PRO	FRN – Soft bullet	52	Nordic ABM	4.000
NO0010841232	OBOS Boligkreditt AS 19/24 FRN C CO	OBBK06 PRO	FRN – Soft bullet	40,5	Nordic ABM	4.000
NO0010872757	OBOS Boligkreditt AS 20/25 FRN C CO	OBBK07 PRO	FRN – Soft bullet	33,7	Nordic ABM	4.000
NO0010922842	OBOS Boligkreditt AS 21/26 FRN C CO	OBBK08 PRO	FRN – Soft bullet	22	Nordic ABM	4.000
NO0010851645	OBOS Boligkreditt AS 19/29 ADJ C CO		Fixed	46		520

Debt maturity profile

■ Covered Bonds



Contacts

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Appendix Cover Pool Details



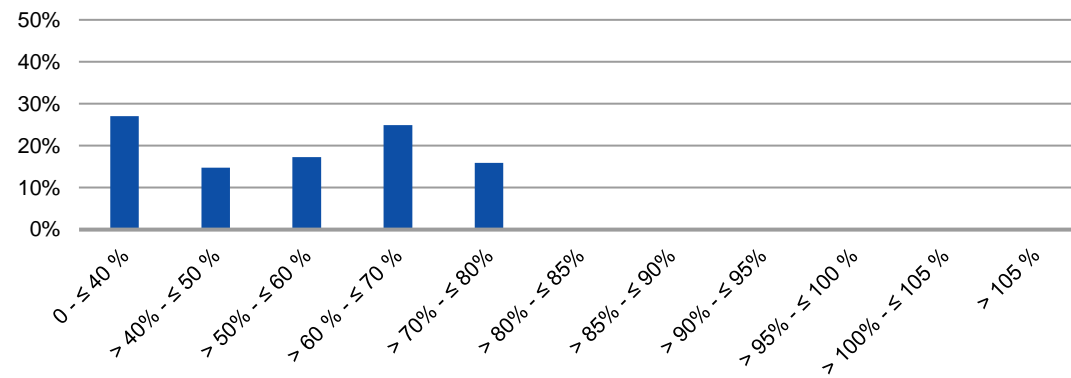
Cover Pool - Eligibility criteria and details as at 30.09.2021

	Retail / residential	Co-operative housing
Type of properties	<ul style="list-style-type: none"> Residential property in Norway, including detached houses, terraced houses, apartments, cooperative housing units. The mortgaged property shall not be «buy-to-let». No holiday homes. 	<ul style="list-style-type: none"> Housing co-operative mortgage loans only, qualifying as mortgage loans according to the capital adequacy regulations (35 % weighted using the standardised approach)
Collateral	<ul style="list-style-type: none"> Maximum LTV 75 % Quarterly valuation from Eiendomsverdi. 	<ul style="list-style-type: none"> Maximum LTV 60 % (internal policy) Quarterly valuation from Eiendomsverdi.
Credit criteria	<ul style="list-style-type: none"> No adverse credit history the previous year in any part of the banking group. 	<ul style="list-style-type: none"> No adverse credit history the previous year in any part of the banking group.
Type of products	<ul style="list-style-type: none"> Amortising and non-amortising loans No fixed rate loans. No flexi-loans 	<ul style="list-style-type: none"> Amortising and non-amortising loans No fixed rate loans No flexi-loans
Loan volume	<ul style="list-style-type: none"> Maximum loan volume per customer NOK 10 million. 	<ul style="list-style-type: none"> Max loan volume per client or group of connected clients 20 % of own funds net of collateral, 4 % of total cover pool. Max loan volume per collateral 4 % of total cover pool.
Assets / Status	<ul style="list-style-type: none"> 99,96 % performing loans 	<ul style="list-style-type: none"> 100,00 % performing loans
Cover Pool	<ul style="list-style-type: none"> 7,9 bn NOK 	<ul style="list-style-type: none"> 16,4 bn NOK
Average Loan Balance	<ul style="list-style-type: none"> 1.515.408 NOK 	<ul style="list-style-type: none"> 13.690.352 NOK
Weighted indexed average LTV	<ul style="list-style-type: none"> 45 % 	<ul style="list-style-type: none"> 20 %
Weighted average remaining term	<ul style="list-style-type: none"> 286 months 	<ul style="list-style-type: none"> 330 months
Principal payment frequency	<ul style="list-style-type: none"> 99,999 % monthly, 0,001 % Quarterly 	<ul style="list-style-type: none"> 92,5 % monthly, 7,5 % quarterly
Rate type	<ul style="list-style-type: none"> 100 % floating 	<ul style="list-style-type: none"> 100 % floating
OC-level (eligible)	<ul style="list-style-type: none"> 13,2 % 	

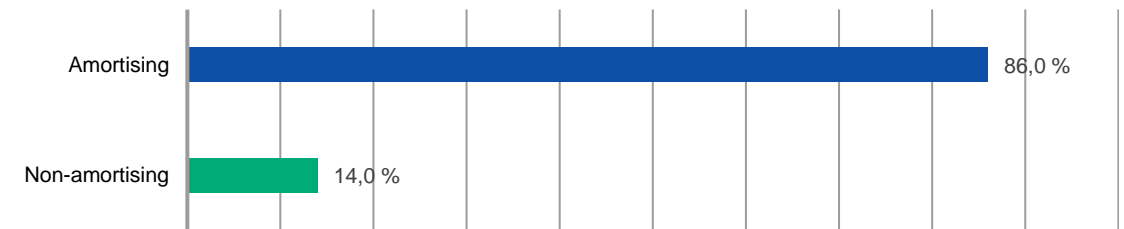
OBOS Boligkreditt

Cover Pool – Retail (PM)

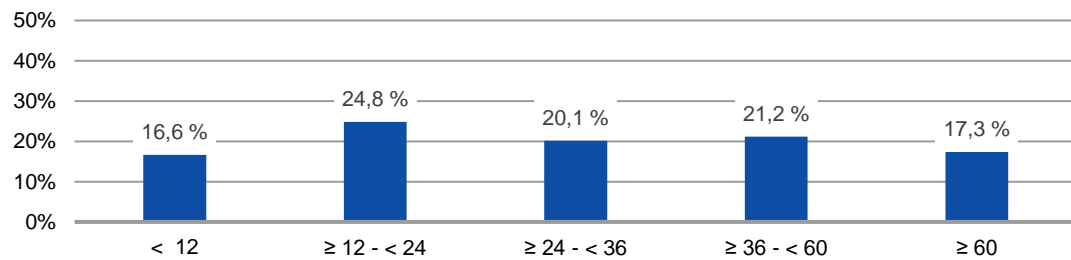
LTV (Unindexed)



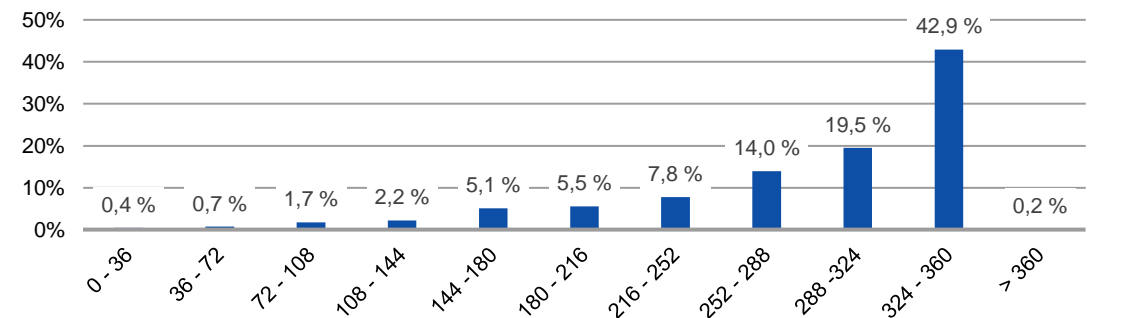
Repayment type



Seasoning



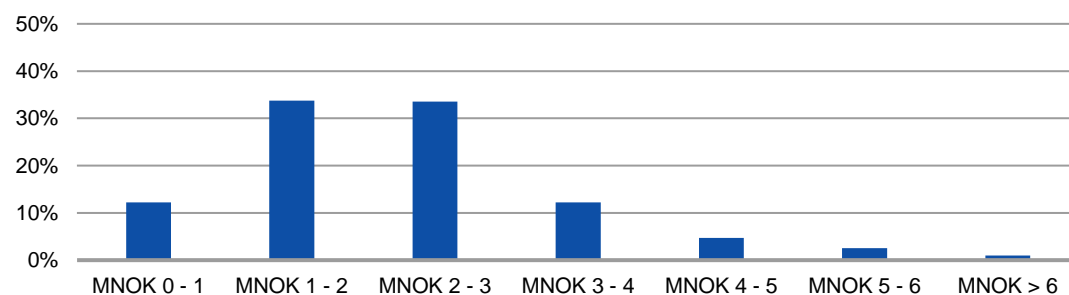
Remaining term of loan (number of months)



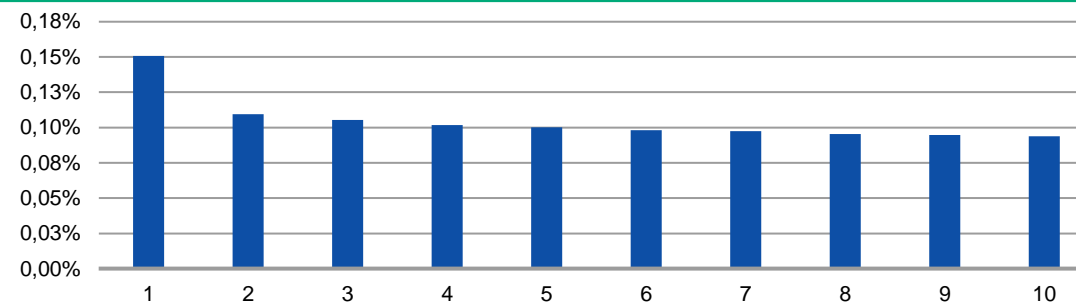
OBOS Boligkreditt

Cover Pool – Retail (PM)

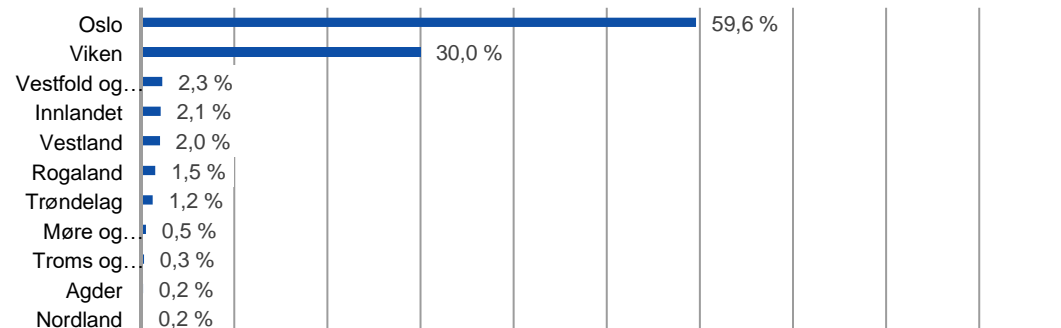
Pool notional



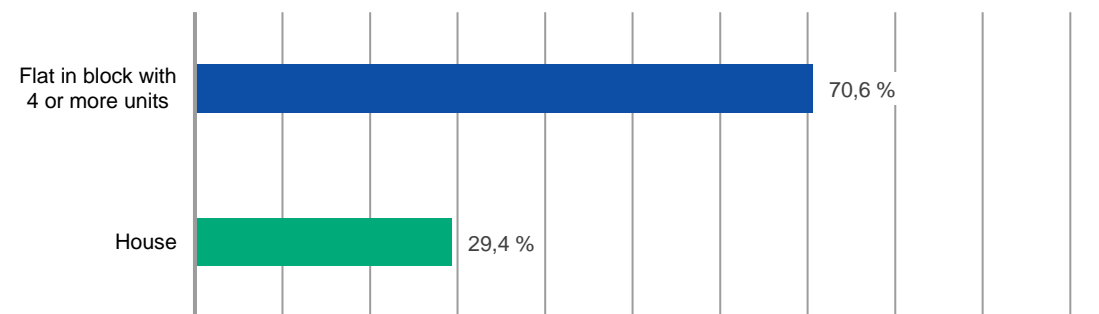
10 largest borrowers % of cover pool*



Regions



Property type

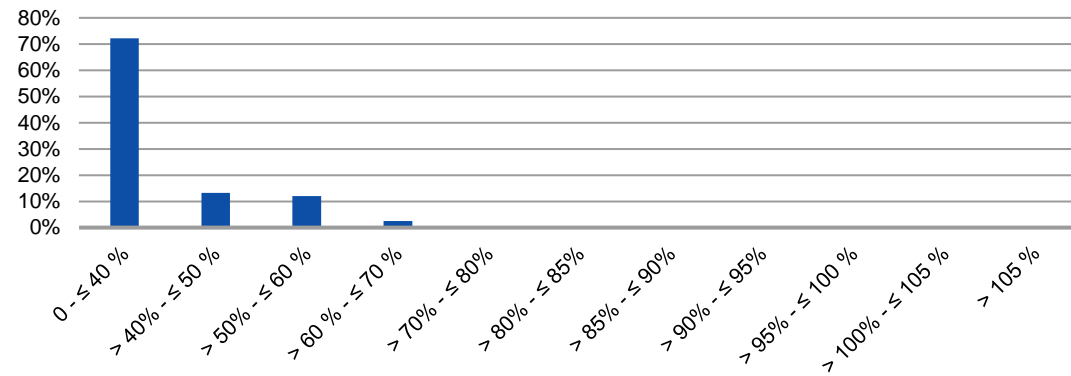


* Of total cover pool, retail/PM and co-operatives

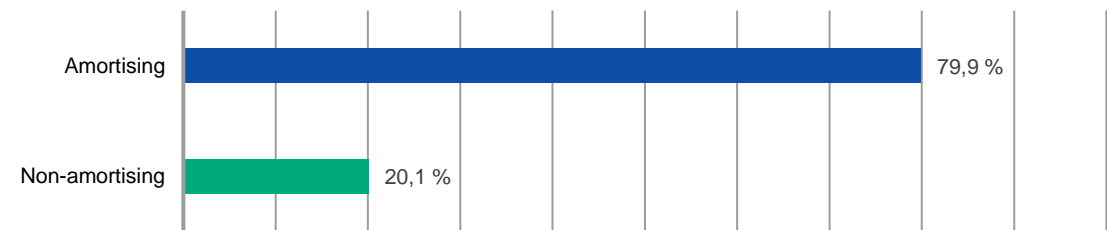
OBOS Boligkreditt

Cover Pool – Housing co-operatives

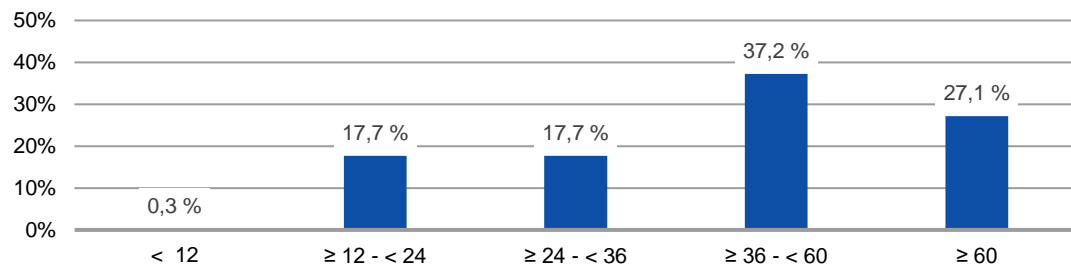
LTV (Unindexed)



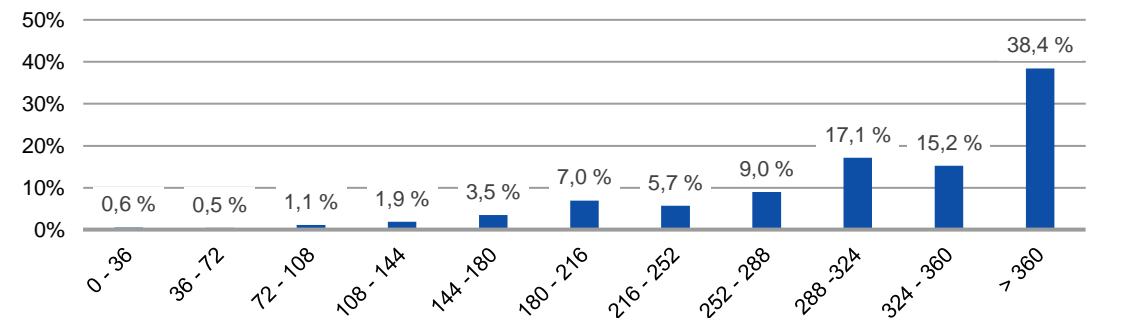
Repayment type



Seasoning



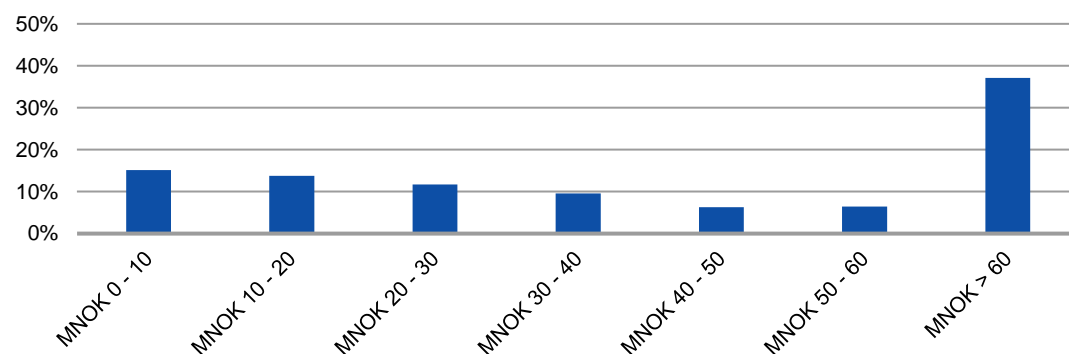
Remaining term of loan (number of months)



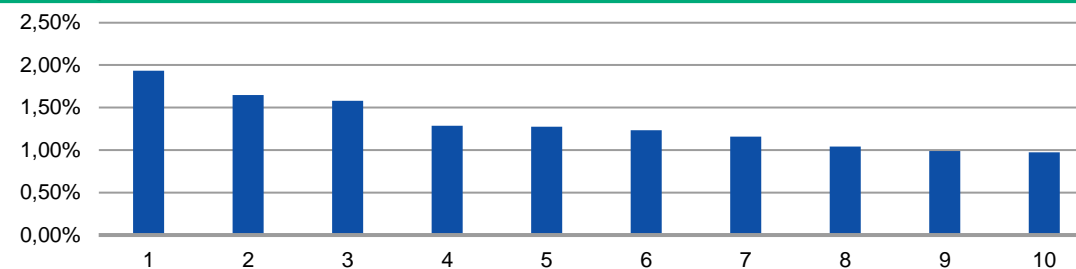
OBOS Boligkreditt

Cover Pool – Housing co-operatives

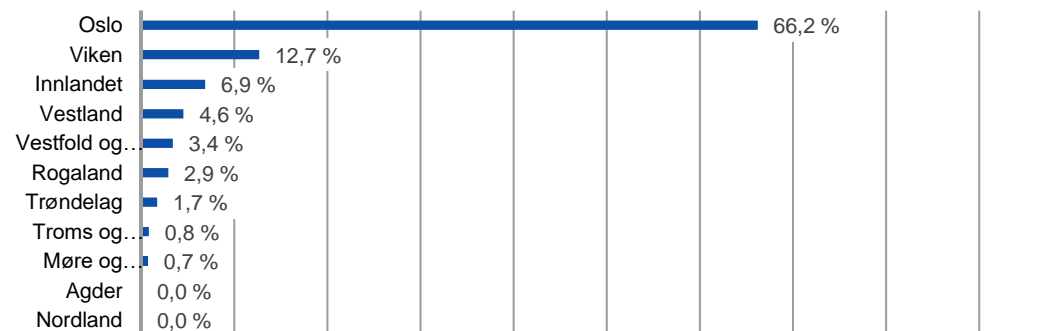
Pool notional



10 largest borrowers % of cover pool*



Regions



Property type



* Of total cover pool, retail/PM and co-operatives