

Sør Boligkreditt AS - Mortgage Covered Bonds (New)

Covered Bonds / Norway



| | | |
|----------------------------|--|--|
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Reporting as of: 30/06/2014 All amounts in NOK (Norway) (unless otherwise specified)

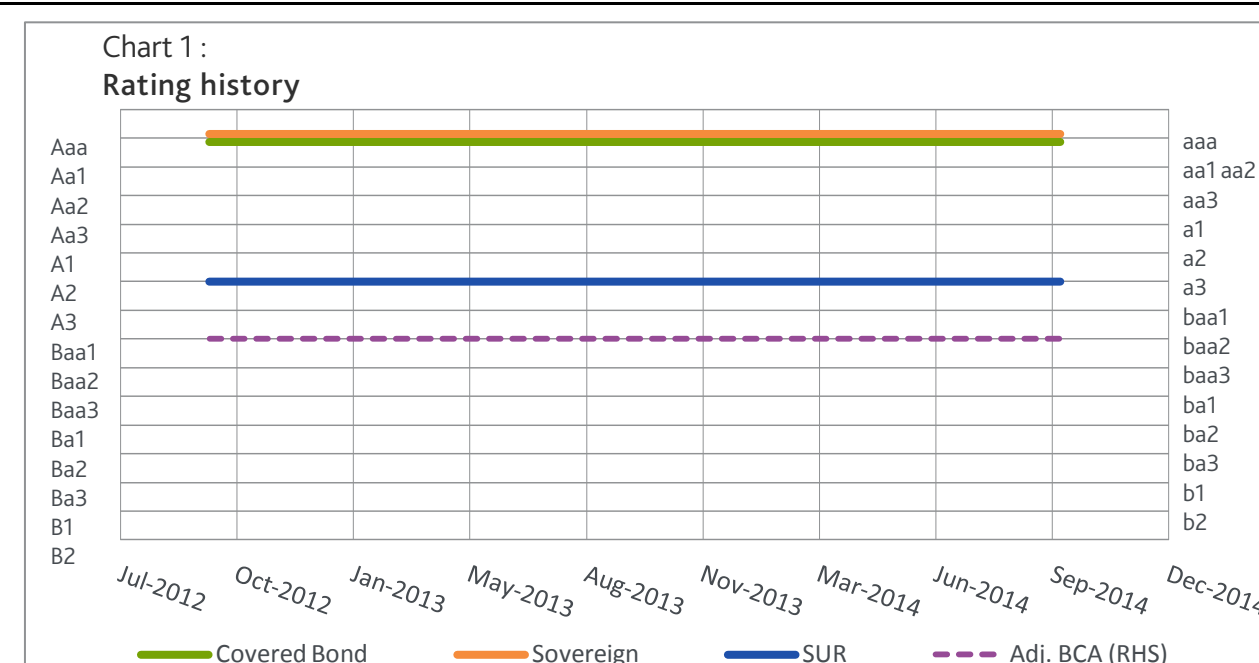
For information on how to read this report, see the latest Moody's Global Covered Bond Monitoring Overview

Data as provided to Moody's Investors Service (note 1)

I. Programme Overview

| Overview | | |
|--|--------------------------------------|----------------|
| Year of initial rating assignment : | | 2011 |
| Total outstanding liabilities : | NOK (Norway) | 18,205,000,000 |
| Total assets in the Cover Pool : | NOK (Norway) | 21,444,008,263 |
| Issuer name / LT Deposit Rating / Adjusted BCA : | Sør Boligkreditt AS / Unrated | |
| Group or parent name /LT Deposit Rating/ Adjusted BCA: | Sparebanken Sør / A2 Negative / baa1 | |
| Main collateral type : | Residential | |

| Ratings | | |
|--|-----------------|---------------|
| Covered bonds rating : | | Aaa |
| Entity used in Moody's EL & TPI analysis : | Sparebanken Sør | |
| SUR (note 2): | | A2 |
| Adjusted BCA: | | baa1 |
| CB Anchor (note 3): | | SUR + 1 notch |
| Debt Ratio: | | >10% |
| Senior unsecured claim used for Moody's EL analysis: | | No |

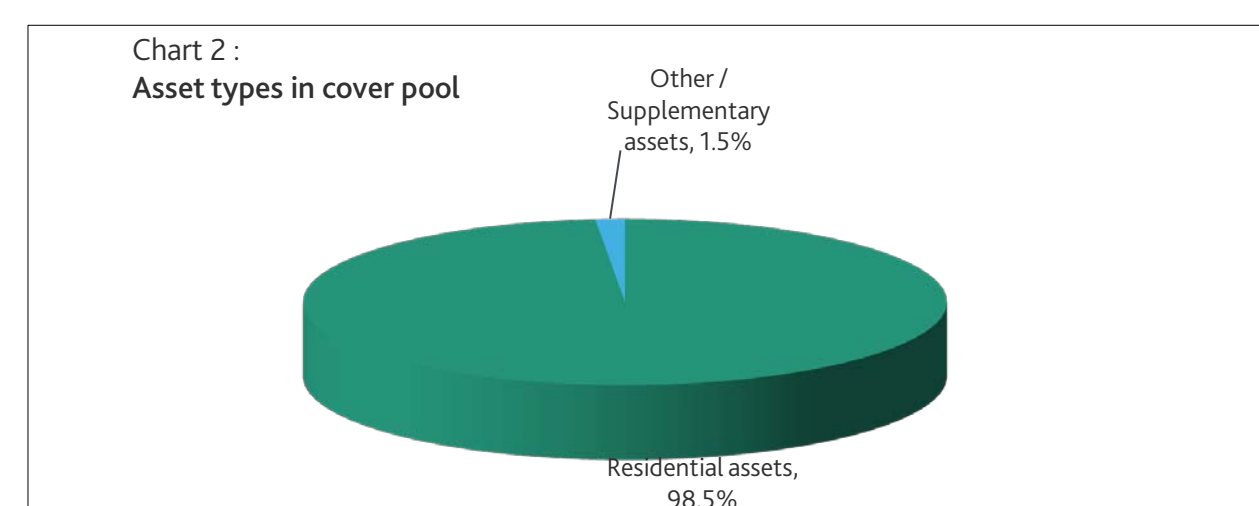


(* January 2014: merger of Sparebanken Pluss (A2) and Sparebanken Sør (A3), Sparebanken Pluss being the absorbing entity. The new merged entity has been renamed Sparebanken Sør.

II. Value of the Cover Pool

| Collateral quality | | |
|--|--|------|
| Collateral Score : | | 5.0% |
| Collateral Score excl. systemic risk : | | 4.8% |

| Cover Pool losses | | |
|---|------|--------|
| Collateral Risk (Collateral Score post-haircut) : | 3.4% | 40% |
| Market Risk : | 5.0% | 60% |
| | 8.4% | (100%) |



III. Over-Collateralisation Levels (notes 4 & 5)

Over-Collateralisation (OC) figures presented below include Eligible only collateral. The exception to this is current OC which may include ineligible collateral.

Over-collateralisation levels are provided on nominal basis.

NPV stress test where stressed : n/a

| Current situation | |
|-------------------------------------|-------|
| Committed OC : | 0.0% |
| Current OC : | 17.8% |
| OC consistent with current rating : | 4.5% |

Sensitivity scenario CB Anchor

| | | |
|--------------------------------------|---------|------|
| OC consistent with current rating | | |
| Scenario 1 : CB Anchor is lowered by | 1 notch | 5.5% |

IV. Timely Payment Indicator & TPI Leeway

| | |
|----------------------------------|------|
| Timely Payment Indicator (TPI) : | High |
| TPI Leeway : | 3 |

Extract from TPI table - CB anchor is SUR + 1 notch

| | |
|-----------|------------|
| SUR | High |
| Aa2 | Aaa |
| Aa3 | Aaa |
| A1 | Aaa |
| A2 | Aaa |
| A3 | Aaa |
| Baa1 | Aaa |
| Baa2 | Aaa |

Legal framework

| | |
|---|--------|
| Does a specific covered bond law apply for this programme : | Yes |
| Main country in which collateral is based : | Norway |
| Country in which issuer is based : | Norway |

Timely payment

| | |
|--|-----|
| Refinancing period for principal payments of 6 months or greater : | Yes |
| Liquidity reserve to support timely payments on all Issuances : | No |

(note 1) The data reported in this PO is based on information provided by the issuer and may include certain assumptions made by Moody's. Moody's accepts no responsibility for the information provided to it and, whilst it believes the assumptions it has made are reasonable, cannot guarantee that they are or will remain accurate. Although Moody's encourages all issuers to provide reporting data in a consistent manner, there may be differences in the way that certain data is categorised by issuers. The data reporting template (which issuers are requested to use) is available on request.

(note 2) We may use a senior unsecured rating or a deposit rating, depending on a case-by-case analysis of the most appropriate reference rating for the CB anchor.

(note 3) Where the SUR already incorporates material levels of government support, the CB anchor may be positioned at SUR+0 regardless of the debt ratio. We will determine, on a case-by-case basis, the relevant level of support that would trigger the exception, but the level may apply to senior unsecured ratings that incorporate more than three notches of government support.

(note 4) This assumes the Covered Bonds rating is not constrained by the TPI. Also to the extent rating assumptions change following a downgrade or an upgrade of the Issuer, the necessary OC stated here may also change. This is especially significant in the case of Issuers currently rated A2 or A3, as the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here as market risks are considered more critically by Moody's at this time. In any event, the necessary OC amounts stated here are subject to change at anytime at Moody's discretion.

(note 5) This is the minimum OC calculated to be consistent with the current rating under Moody's expected loss model. However, the level of OC consistent with a given rating level may differ from this amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.

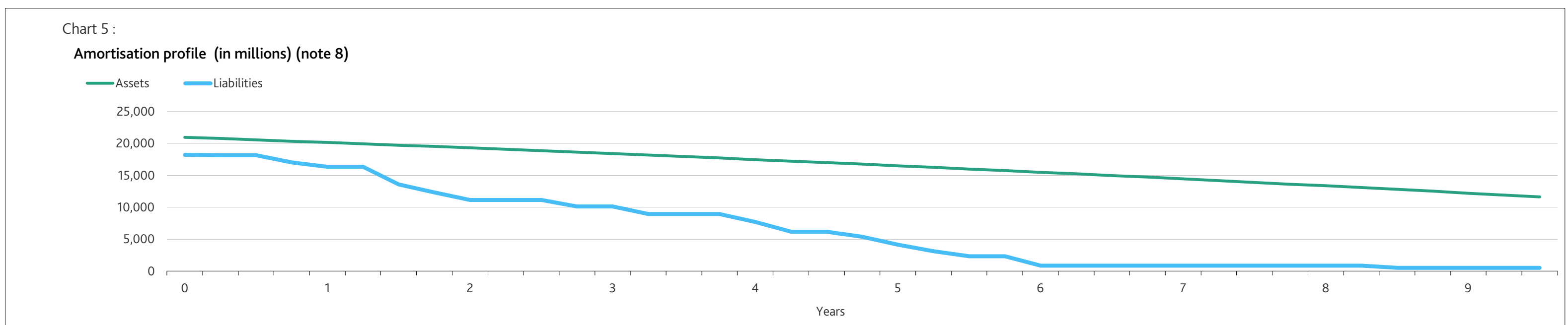
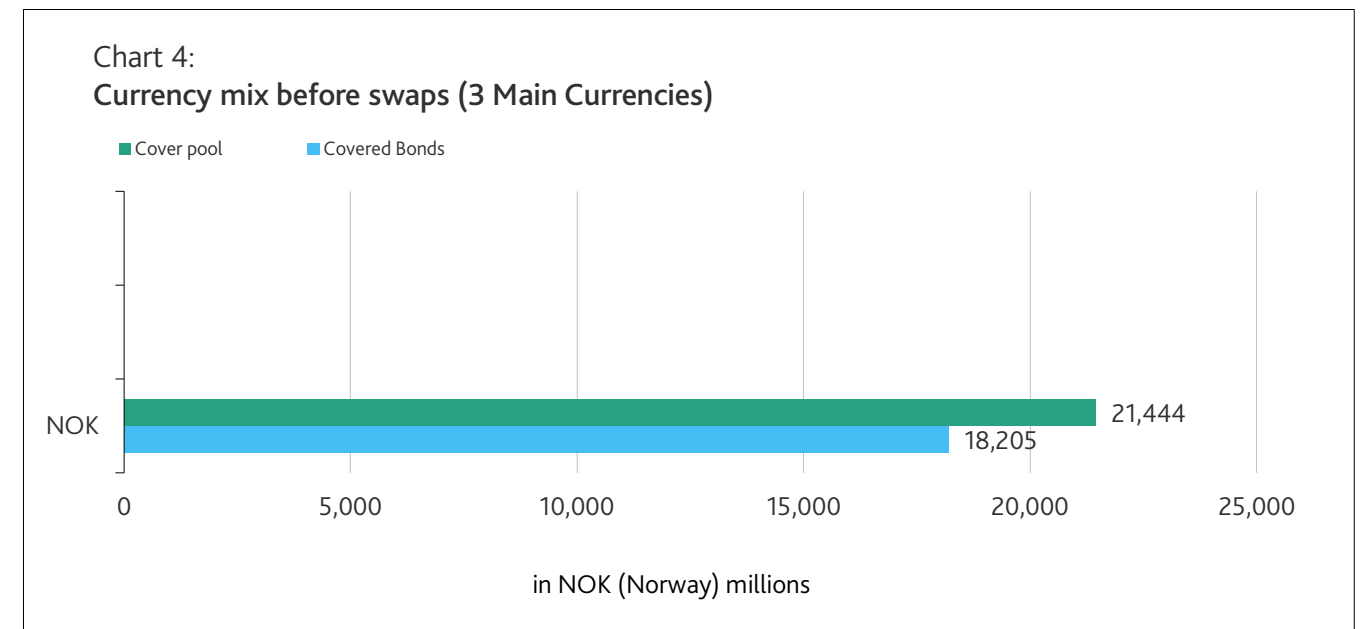
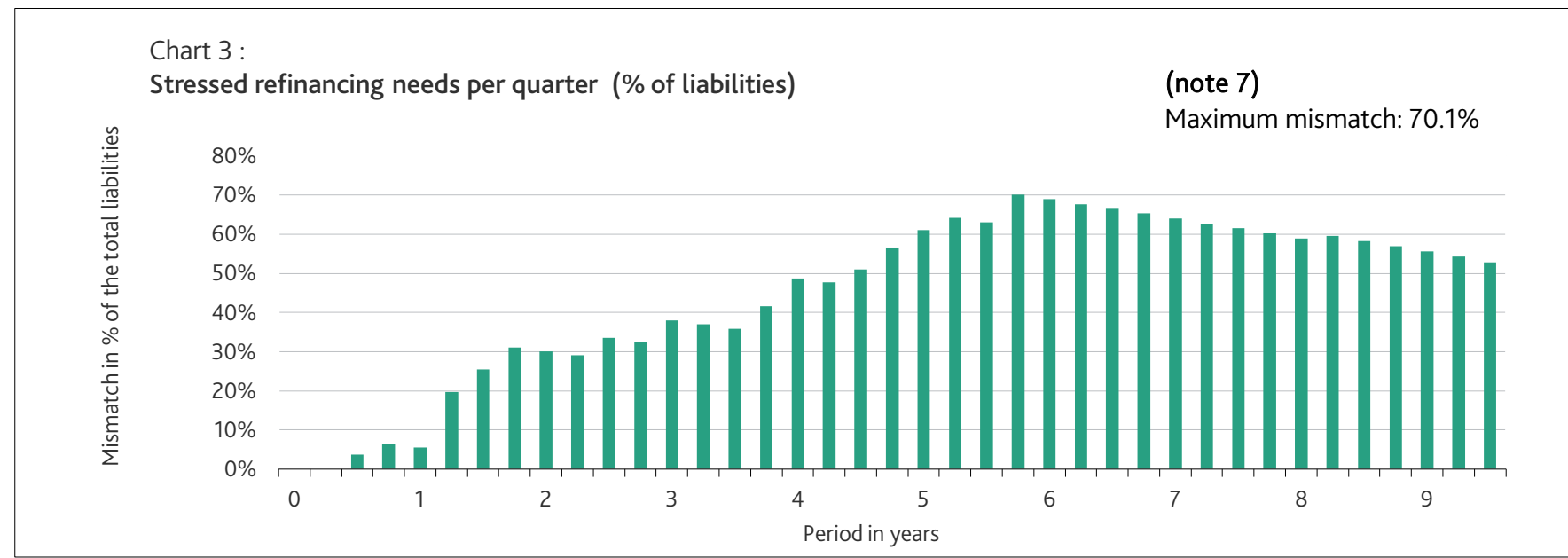
V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 6)

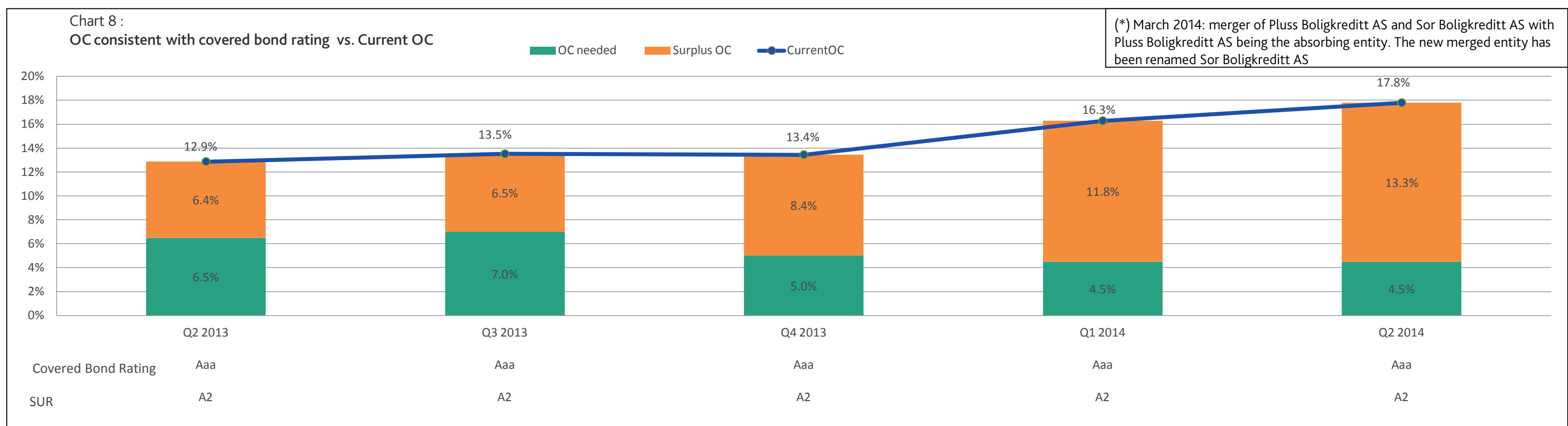
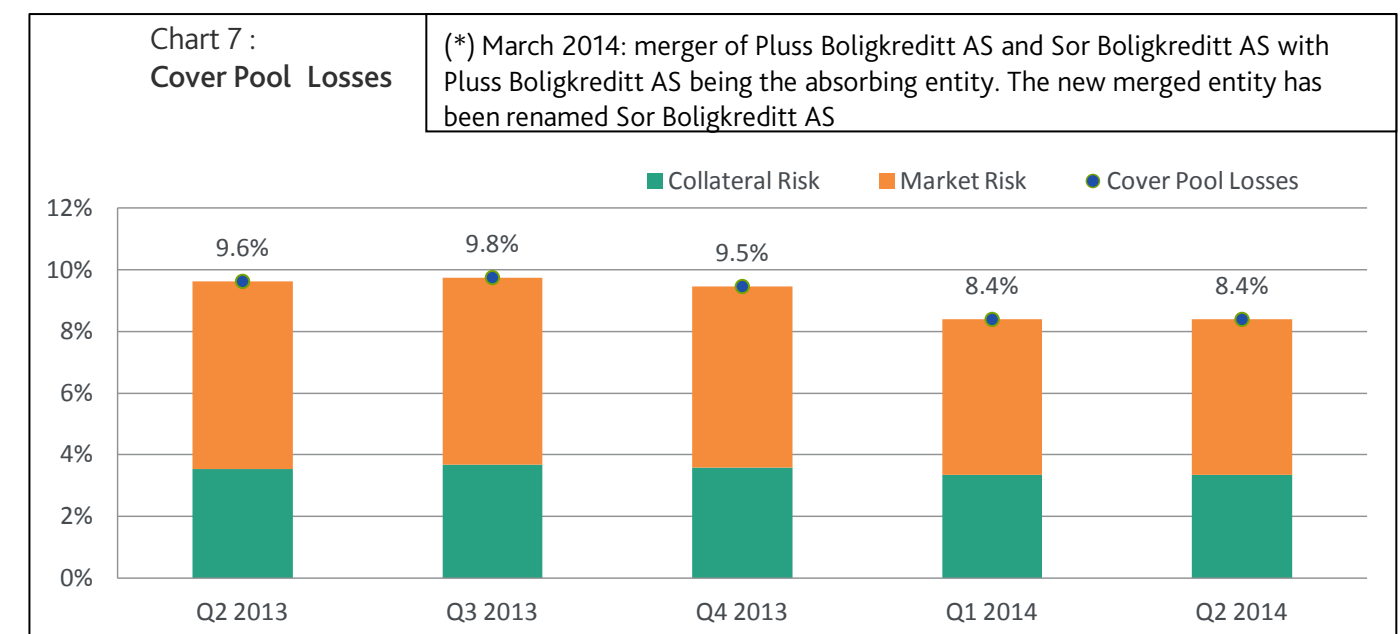
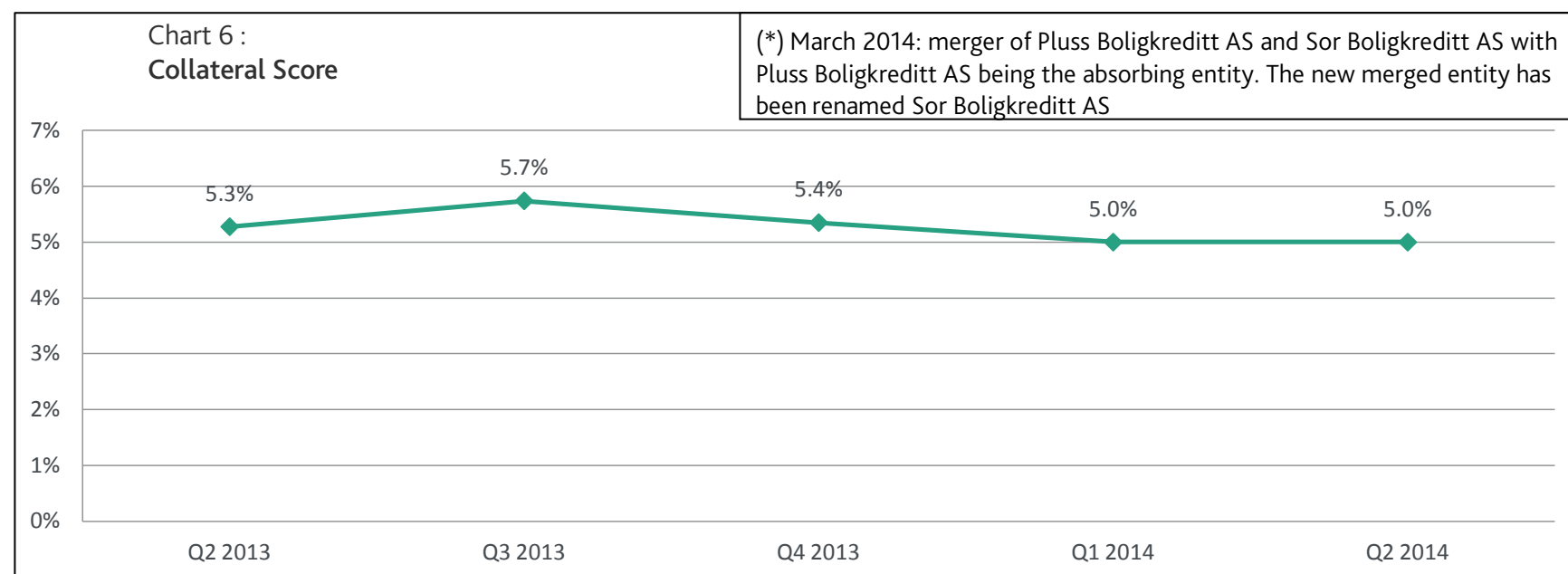
| | |
|--|------------|
| Fixed rate assets in the cover pool : | 0.0% |
| Fixed rate covered bonds outstanding : | 4.7% |
| WAL of outstanding covered bonds : | 3.6 years |
| WAL of the cover pool : | 18.4 years |

Swap Arrangements

| | |
|---|-----|
| Interest rate swap(s) in the Cover Pool : | Yes |
| Intra-group interest rate swap(s) provider(s) : | No |
| Currency swap(s) in the Cover Pool : | No |
| Intra-group currency swap(s) provider(s) : | No |



VI. Performance Evolution



This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

(note 6) This assumes no prepayment.

(note 7) Based on principal flows only. Assumptions include no prepayments, principal collections limited to the portion of assets that make up the amount of the liabilities plus committed OC, no further CB issuance and no further assets added to the cover pool.

(note 8) Assumptions include no prepayment, no swap in place in Cover Pool, and no further CB issuance.

VII. Cover Pool Information - Residential Assets

Overview

| | |
|---------------------------------|----------------|
| Asset type : | Residential |
| Asset balance : | 21,126,208,590 |
| Average loan balance : | 985,226 |
| Number of loans : | 21,443 |
| Number of borrowers : | 19,985 |
| Number of properties : | 21,493 |
| WA remaining term (in months) : | 211 |
| WA seasoning (in months) : | 38 |

Details on LTV

| | |
|--|---------------|
| WA unindexed LTV: Whole loan / Senior loan (*) : | 63.4% / 57.9% |
| WA indexed LTV: Whole loan / Senior loan | 63.3% / 56.6% |
| Valuation type : | Market Value |
| LTV threshold : | 75.0% |
| Junior ranks (**): | 5.5% |
| Prior ranks : | 4.2% |

n/d : information not disclosed by issuer
n/a : information not applicable

Specific Loan and Borrower characteristics

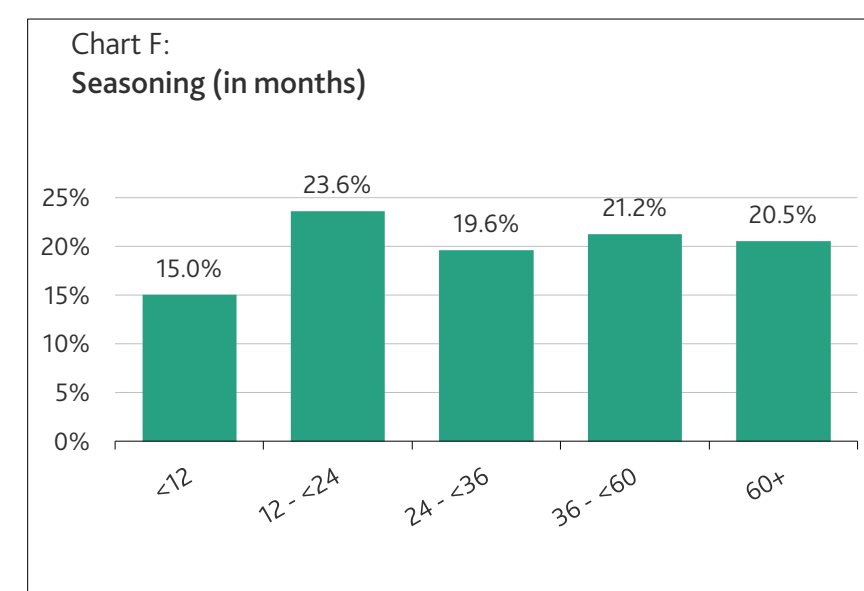
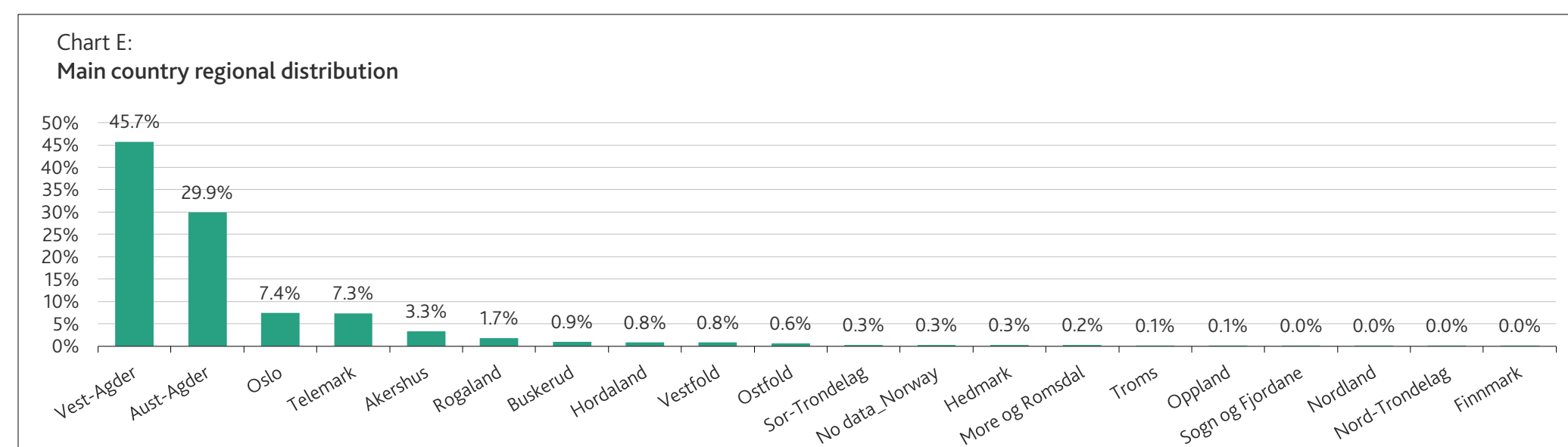
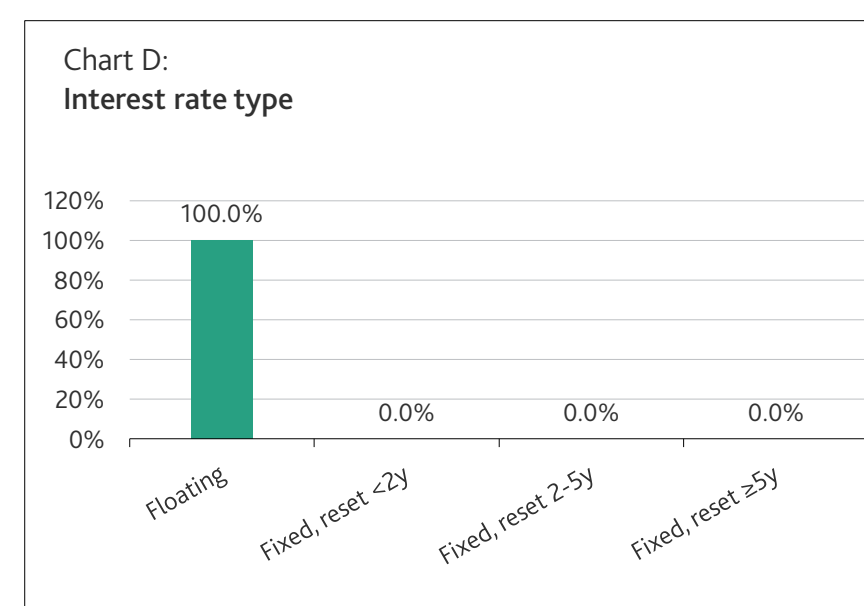
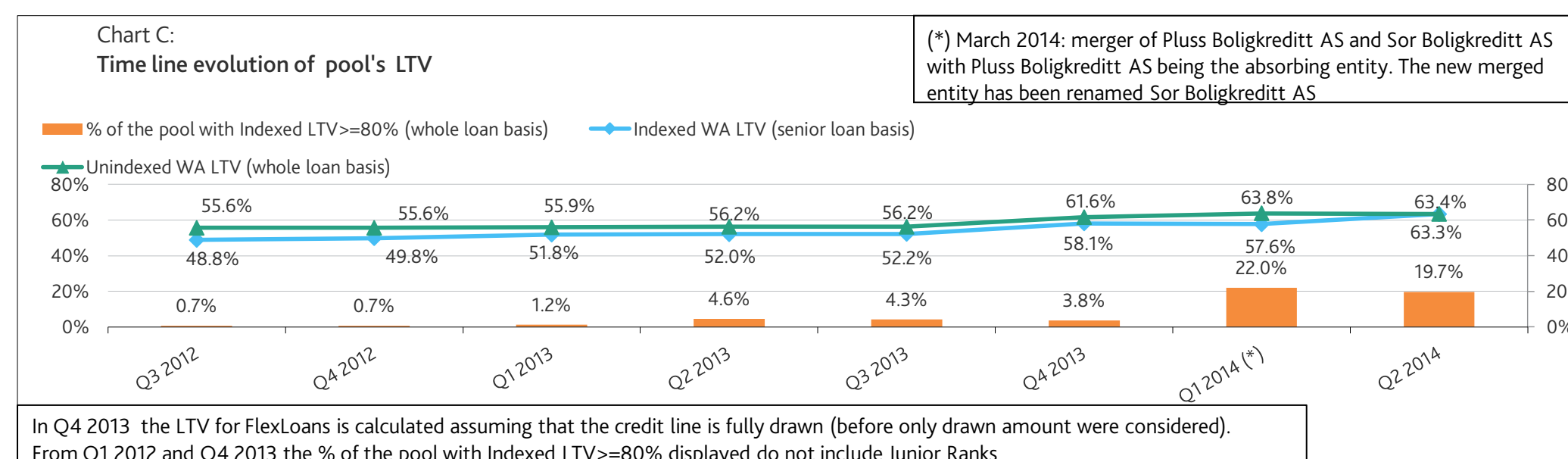
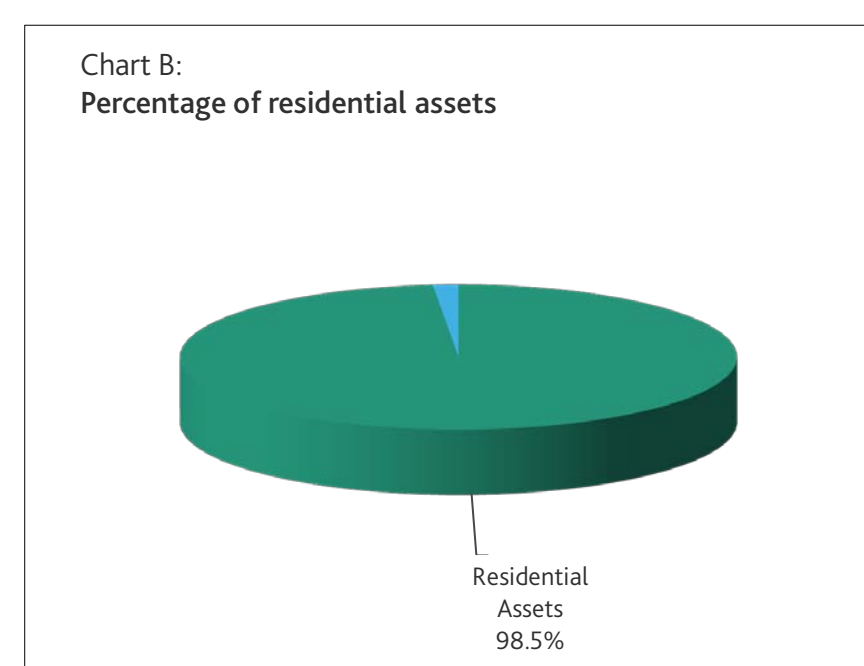
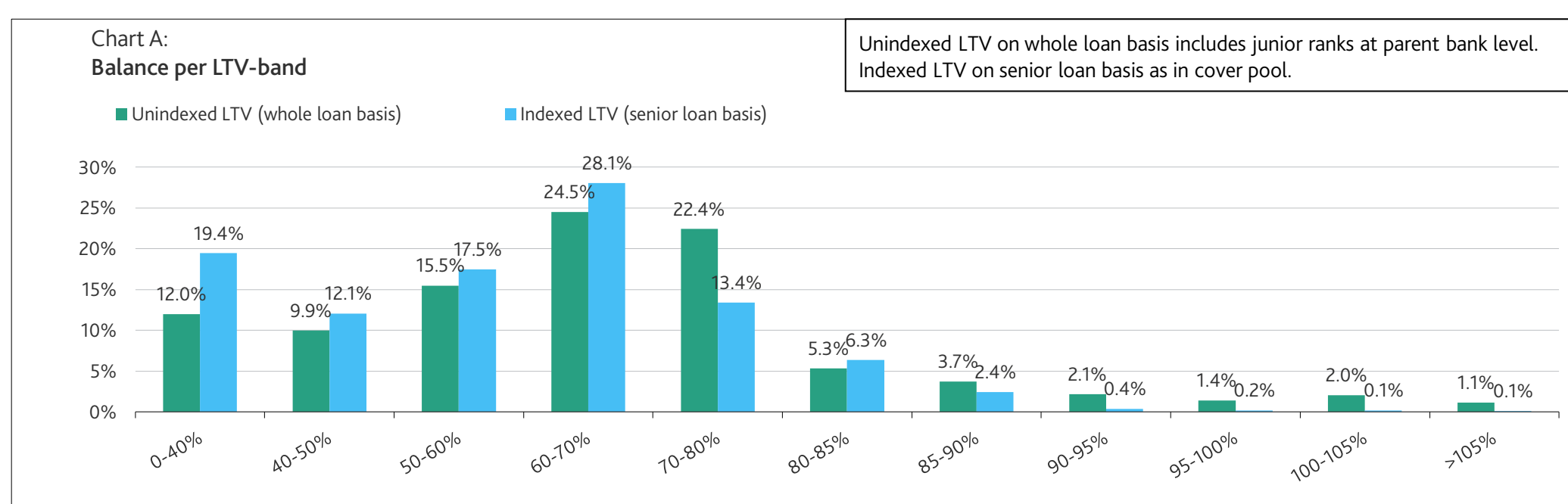
| | |
|--|--------------|
| Loans with an external guarantee in addition to a mortgage : | 0.0% |
| Interest only Loans / FlexLoans (***) : | 0.0% / 38.3% |
| Loans for second homes / Vacation : | 0.0% |
| Buy to let loans / Non owner occupied properties : | 2.2% |
| Limited income verified : | 0.0% |
| Adverse credit characteristics (****): | 0.0% |

Performance

| | |
|---|------|
| Loans in arrears (≥ 2months - < 6months) : | 0.0% |
| Loans in arrears (≥ 6months - < 12months) : | 0.0% |
| Loans in arrears (≥ 12months) : | 0.0% |
| Loans in a foreclosure procedure : | 0.0% |

Multi-Family Properties

| | |
|---|------|
| Loans to tenants of tenant-owned Housing Cooperatives : | 0.0% |
| Other type of Multi-Family loans (****): | 0.0% |



(note *) May be based on property value at time of origination or further advance or borrower refinancing.
 (note **) Internal junior ranks (delta between Unindexed whole loan WA LTV incl. Internal junior ranks and unindexed WA LTV excl. Internal junior ranks)
 (note ***) Flexloans have an amortisation profile and can be re-drawn by the customer up to a certain limit.
 (note ****) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination.
 (note *****) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let).

IX. Cover Pool Information - Supplementary Assets

Overview

| | |
|---------------------------------|----------------------|
| Asset type : | Supplementary Assets |
| Asset balance : | 317,799,673 |
| WA remaining Term (in months) : | - |
| Number of assets | 1 |
| Number of borrowers | 1 |
| Average assets size | 317,799,673 |
| Average exposure to borrowers: | 317,799,673 |

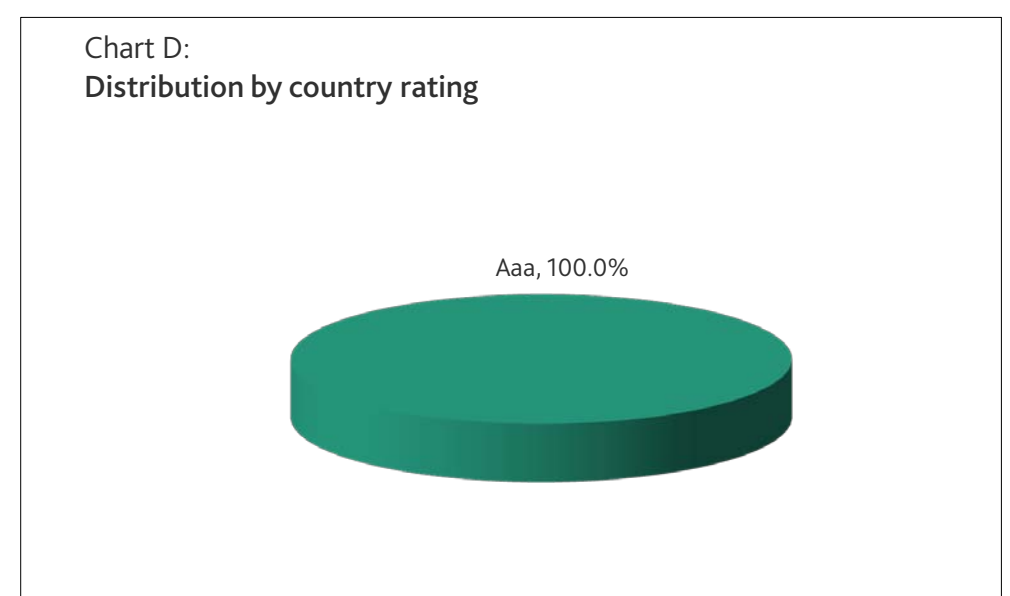
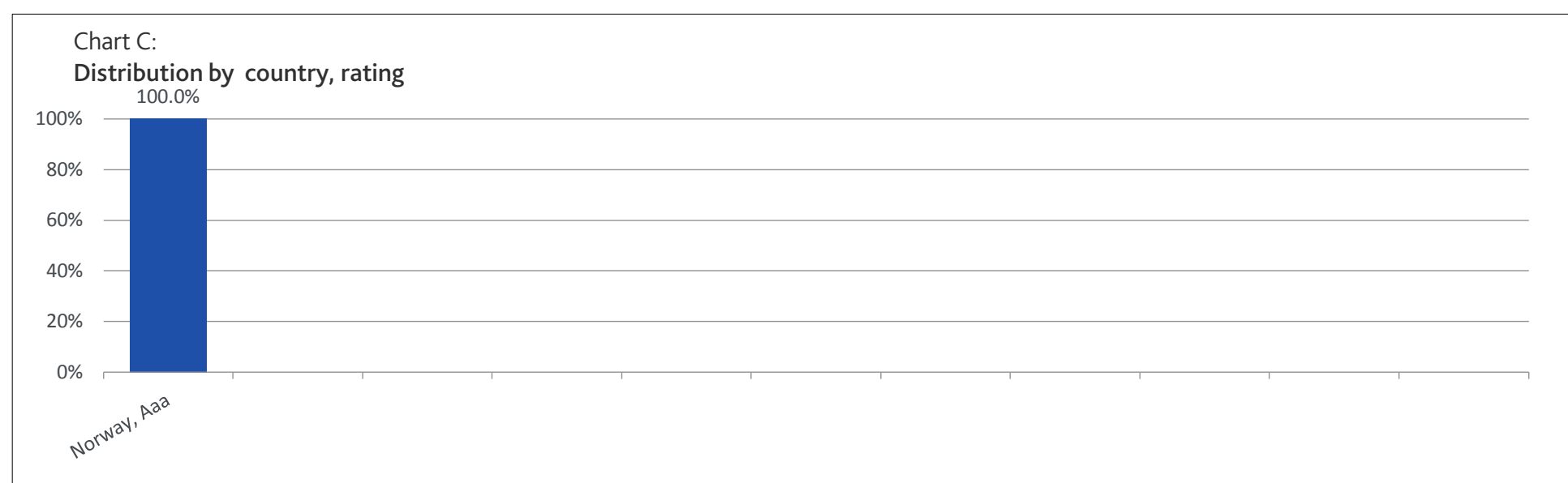
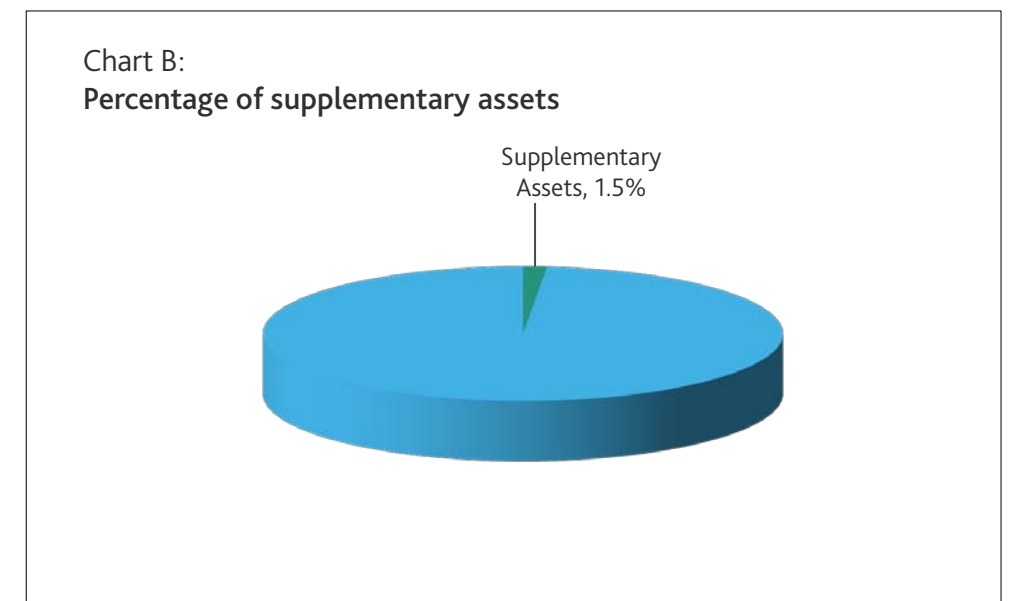
n/d : information not disclosed by issuer
 n/a : information not applicable

Specific Loan and Borrower characteristics

| | |
|-----------------------------------|------|
| Repo eligible assets : | 0.0% |
| Percentage of fixed rate assets : | 0.0% |
| Percentage of bullet assets : | 0.0% |
| Assets in non-domestic currency : | 0.0% |

Performance

| | |
|---|------|
| Assets in arrears (≥ 2months - < 6months) : | 0.0% |
| Assets in arrears (≥ 6months - < 12months) : | 0.0% |
| Assets in arrears (> 12months) : | 0.0% |
| Assets in a enforcement procedure : | 0.0% |



Appendix 1: Liabilities Information: Last 50 Issuances

| ISIN | Series Number | Currency | Outstanding Amount | Issuance Date | Expected Maturity | Legal Final Maturity | Interest Rate Type | Coupon | Principal Payment |
|--------------|---------------|----------|--------------------|---------------|-------------------|----------------------|--------------------|----------------------|-------------------|
| NO0010714058 | n/d | NOK | 1,500,000,000 | 24/06/2014 | 24/06/2020 | 24/06/2021 | Floating rate | Nibor 3 mnd + 30 bps | BULLET |
| NO0010699341 | SORB 23 | NOK | 800,000,000 | 13/12/2013 | 13/03/2019 | 13/03/2020 | Floating rate | Nibor 3 mnd + 45 bps | BULLET |
| NO0010671597 | SORB09 | NOK | 350,000,000 | 18/09/2013 | 13/02/2023 | 13/02/2023 | Fixed rate | 3.850% | BULLET |
| NO0010689680 | SORB 22 | NOK | 1,000,000,000 | 18/09/2013 | 18/09/2019 | 18/09/2020 | Floating rate | Nibor 3 mnd + 46 bps | BULLET |
| NO0010679806 | SORB10 | NOK | 1,250,000,000 | 22/05/2013 | 22/05/2019 | 22/05/2020 | Floating rate | Nibor 3 mnd + 44 bps | BULLET |
| NO0010673296 | SORB21 | NOK | 1,500,000,000 | 14/03/2013 | 14/09/2018 | 14/09/2019 | Floating rate | Nibor 3 mnd + 46 bps | BULLET |
| NO0010670409 | SORB08 | NOK | 500,000,000 | 24/01/2013 | 24/01/2028 | 24/01/2028 | Fixed rate | 4.000% | BULLET |
| NO0010664659 | SORB07 | NOK | 800,000,000 | 27/11/2012 | 27/11/2019 | 27/11/2020 | Floating rate | Nibor 3 mnd + 54 bps | BULLET |
| NO0010649056 | SORB06 | NOK | 1,250,000,000 | 07/06/2012 | 20/06/2018 | 20/06/2019 | Floating rate | Nibor 3 mnd + 72 bps | BULLET |
| NO0010641624 | SORB20 | NOK | 1,000,000,000 | 28/03/2012 | 28/03/2017 | 28/03/2018 | Floating rate | Nibor 3 mnd + 65 bps | BULLET |
| NO0010633415 | SORB05 | NOK | 1,130,000,000 | 22/12/2011 | 23/03/2015 | 23/03/2016 | Floating rate | Nibor 3 mnd + 44 bps | BULLET |
| NO0010625841 | SORB03 | NOK | 1,200,000,000 | 05/10/2011 | 05/10/2015 | 05/10/2016 | Floating rate | Nibor 3 mnd + 53 bps | BULLET |
| NO0010623945 | SORB02 | NOK | 1,200,000,000 | 28/08/2011 | 24/08/2017 | 24/08/2018 | Floating rate | Nibor 3 mnd + 53 bps | BULLET |
| NO0010614688 | SORB01 | NOK | 1,200,000,000 | 29/06/2011 | 29/06/2016 | 29/06/2017 | Floating rate | Nibor 3 mnd + 50 bps | BULLET |
| NO0010605801 | SORB19 | NOK | 1,000,000,000 | 30/03/2011 | 30/03/2016 | 30/03/2017 | Floating rate | Nibor 3 mnd + 55 bps | BULLET |
| NO0010593437 | SORB13 | NOK | 1,000,000,000 | 14/12/2010 | 14/12/2015 | 14/12/2016 | Floating rate | Nibor 3 mnd + 53 bps | BULLET |
| NO0010575210 | SORB12 | NOK | 500,000,000 | 28/05/2010 | 26/11/2015 | 26/11/2016 | Floating rate | Nibor 3 mnd + 62 bps | BULLET |
| NO0010572118 | SORB11 | NOK | 697,000,000 | 23/04/2010 | 23/04/2015 | 23/04/2016 | Floating rate | Nibor 3 mnd + 55 bps | BULLET |
| NO0010520406 | SORB14 | NOK | 11,000,000 | 10/06/2009 | 16/03/2015 | 16/03/2016 | Floating rate | Nibor 3 mnd + 60 bps | BULLET |
| NO0010515406 | SORB16 | NOK | 249,000,000 | 25/05/2009 | 16/03/2016 | 16/03/2017 | Floating rate | Nibor 3 mnd + 65 bps | BULLET |
| NO0010512502 | SORB17 | NOK | 31,500,000 | 12/05/2009 | 14/12/2015 | 14/12/2016 | Floating rate | Nibor 3 mnd + 60 bps | BULLET |
| NO0010503428 | SORB15 | NOK | 30,000,000 | 26/03/2009 | 26/09/2014 | 26/09/2015 | Floating rate | Nibor 3 mnd + 45 bps | BULLET |
| NO0010503410 | SORB18 | NOK | 6,500,000 | 26/03/2009 | 28/09/2015 | 28/09/2016 | Floating rate | Nibor 3 mnd + 50 bps | BULLET |

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