SpareBank 1 Boligkreditt AS - Mortgage Covered Bonds

Covered Bonds / Norway

Contacts
Rast, Martin - +44 (207) 772-8676 - Martin.Rast@moodys.com
Bhattacharya, Atri - +91 (806) 113-3560 - Atri.Bhattacharya@moodys.com

Monitoring
Client Service Desk
Monitor.CB@moodys.com
London: +44 20 7772-5454, callondon@moodys.com

Reporting as of: 31/12/2019
All amounts in NOK (unless otherwise specified)

For information on how to read this report, see the latest Moody’s Covered Bonds Sector Update

I. Programme Overview

Overview
Year of initial rating assignment: 2007
Total outstanding liabilities:
Total assets in the Cover Pool:
Issuer name / CR Assessment: Sparebank 1 Boligkreditt AS
Group or parent name / CR Assessment: Sparebank 1 Alliance / risk
Main collateral type: Residential

Ratings
Covered bonds rating: Aaa
Entity used in Moody’s EL & TPI analysis:
CB anchor: Sparebank 1 Boligkreditt AS
CR Assessment: A2(cr)
Issuer rating: A2
Unsecured claim used for Moody’s EL analysis: Yes

II. Value of the Cover Pool

Collateral quality
Collateral Score: 5.0%
Collateral Score excl. systemic risk: 2.6%

Cover Pool losses
Cover Pool (Collateral Score post-haircut): 3.4% 38%
Market Risk: 5.5% 62%
(100%)

III. Over-Collateralisation Levels (notes 2 & 3)

Over-Collateralisation (OC) figures presented below can include Eligible and Non-Eligible collateral. Over-Collateralisation levels are provided on nominal basis

Current situation
Committed OC (Nominal): 2.0%
Current OC: 7.0%
OC consistent with current rating (note 4): 2.5%

Sensitivity scenario CB anchor
OC consistent with current rating
Scenario 1: CB anchor is lowered by 1 notch: 5.0%

IV. Timely Payment Indicator & TPI Leeway

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

Extract from TPI table - CB anchor is CR Assessment + 1 notch

<table>
<thead>
<tr>
<th>CR Assessment</th>
<th>High</th>
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<th>Aa1</th>
<th>Aa2</th>
<th>Aa3</th>
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<th>Baa1</th>
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</thead>
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</table>

(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 interpreted by issuers. The data reporting template (which Issuers are requested to use) is available on request.

(note 2) 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 CR assessments of Aaa(cr) or Aa1(cr), where committee discretion is applied.

(note 3) 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 commitments are required.

(note 4) The OC consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating at its current level as of the pool as per the cut-off date. The sensitivity run is based on certain assumptions, including that the Covered Bonds rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore a simplification as it does not take into account certain assumptions that may change as an issuer is downgraded, and as a result the actual OC number consistent with the current rating may be higher than shown. The OC required may also differ from the model output in situations where counterparty discretion is applied. In such events, the OC amounts stated here are subject to change at any time at Moody’s discretion.

Chart 1: Rating history
Chart 2: Asset types in cover pool

13 May 2020
V. Asset Liability Profile

**Interest Rate & Duration Mismatch (note 5)**
- Fixed rate assets in the cover pool: 2.8%
- Fixed rate covered bonds outstanding: 77.0%
- WAL of outstanding covered bonds: 4.6 years
- WAL of the cover pool: 12.7 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: Yes
- Intra-group currency swap(s) provider(s): No

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(note 5) This assumes no prepayment.
(note 6) 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 7) Assumptions include swaps in place in Cover Pool, no prepayment and no further CB issuance.
VII. Cover Pool Information - Residential Assets

Overview

<table>
<thead>
<tr>
<th>Asset type: Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset balance: 39,003,282,692</td>
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<tr>
<td>Average loan balance: 1,443,129</td>
</tr>
<tr>
<td>Number of loans: 132,358</td>
</tr>
<tr>
<td>Number of borrowers: 128,810</td>
</tr>
<tr>
<td>Number of properties: 130,534</td>
</tr>
<tr>
<td>WA remaining term (in months): 264</td>
</tr>
<tr>
<td>WA seasoning (in months): 44</td>
</tr>
</tbody>
</table>

Specific Loan and Borrower characteristics

- Loans with an external guarantee in addition to a mortgage: 0.0%
- Loans for second homes/Vacation: 1.1%
- Buy to let loans/Non owner occupied properties: 0.0%
- Limited income verified: 0.0%
- Adverse credit characteristics: 0.0%
- Loans with Prior Ranks: 0.0%
- Junior ranks: 3.3%
- Loans to tenants of tenant-owned Housing Cooperatives: 0.0%
- Other type of Multi-Family loans (**) 0.0%

Details on LTV

- WA unindexed LTV: Whole Loan / Senior Loan (*): 63.0% / 59.7%
- WA Indexed LTV: Whole Loan / Senior Loan: 57.0% / 54.0%
- Valuation type: Market Value
- LTV threshold: 70.0%
- Junior ranks: 3.3%
- Loans with Prior Ranks: 0.0%
- Junior ranks are equal to the delta between unindexed whole loan LTV (excluding internal junior ranks) and unindexed senior loan LTV (excluding internal junior ranks).
- Unindexed LTV on whole loan basis includes junior ranks at parent bank level. Indexed LTV on senior loan basis as in cover pool.

Chart A: Balance per LTV-band

- Unindexed LTV (Whole loan basis)
- Indexed LTV (Senior loan basis)

Chart B: Percentage of residential assets

- Residential Assets 100.0%

Chart C: LTV

- % of the pool with Indexed LTV>80% (Senior loan basis)
- Indexed WA LTV (Senior loan basis)
- Unindexed WA LTV (Whole loan basis)

Chart D: Interest rate type

- Floating 100.0%
- Fixed 0.0%

Chart E: Main country regional distribution

- Ireland 23.3%
- Finland 18.5%
- Denmark 15.0%
- Netherlands 10.1%
- Norway 8.3%
- Sweden 7.3%
- Austria 5.4%
- Belgium 2.4%
- Switzerland 1.2%
- Other 0.9%

Chart F: Seasoning (in months)

- 0.0% 0.0%
- 1.0% 0.0%
- 2.0% 0.0%
- 3.0% 0.0%
- 4.0% 0.0%

Details on interest only loans and Flex loans:

- Interest only loans: 0.0%
- Flex loans: 22.2%

Other Notes:

- WA remaining term is defined as the initial interest only period before they start amortisation.
- Residential LTV includes a pre-launch period.
- Junior ranks are included in the calculation of LTV.
- LTV on whole loan basis includes junior ranks at parent bank level. Indexed LTV on senior loan basis as in cover pool.

- Junior ranks are equal to the delta between unindexed whole loan LTV (including internal junior ranks) and unindexed senior loan LTV (excluding internal junior ranks).
- Loans with Prior Ranks: 0.0%
- Junior ranks are equal to the delta between unindexed whole loan LTV (including internal junior ranks) and unindexed senior loan LTV (excluding internal junior ranks).
- Loans in a foreclosure procedure: 0.0%
- Loans to tenants of tenant-owned Housing Cooperatives: 0.0%
- Other type of Multi-Family loans: 0.0%

Performance

- Loans in arrears (1-2 months): 0.0%
- Loans in arrears (3-6 months): 0.0%
- Loans in arrears (7-12 months): 0.0%
- Loans in arrears (13+ months): 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%
VIII. Cover Pool Information - Supplementary Assets

Overview

- Asset Type: Supplementary Assets
- Asset balance: 25,113,433,762
- WA remaining Term (in months): 20
- Number of assets: 96
- Number of borrowers: 86
- Average assets size: 295,408,268
- Average exposure to borrowers: 292,016,672
- Percentage of fixed rate assets: 33.5%
- Percentage of bullet assets: 100.0%
- Percentage of fixed rate assets excluding short term certificates with maturity <12 months: 2.57%

Specific Loan and Borrower characteristics

- Repo eligible assets: 94.1%
- Percentage of fixed rate assets: 33.5%
- Percentage of bullet assets: 100.0%
- Assets in non-domestic currency: 31.8%

Performance

- Assets in arrears (1 + months - 6 months): 0.0%
- Assets in arrears (1 + months - <10 months): 0.0%
- Assets in arrears (>10 months): 0.0%
- Assets in a enforcement procedure: 0.0%

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Chart A: Interest rate type

- Floating rate (no Caps): 4.0%
- Fixed rate with reset <2 years: 33.6%
- Fixed rate with reset 2-5 years: 19.9%
- Fixed rate with reset >5 years: 1.9%

Chart B: Percentage of supplementary assets

- Aaa: 96.8%
- Aa1: 3.2%

Chart C: Distribution by country rating

- Norway: 40.7%
- Denmark: 31.6%
- Sweden: 12.3%
- Germany: 1.9%
- Switzerland: 0.7%
- Other: 0.2%

Chart D: Distribution by country
X. Liabilities Information: Last 50 issuances

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<thead>
<tr>
<th>ISIN</th>
<th>Series Number</th>
<th>Currency</th>
<th>Outstanding Amount</th>
<th>Issue Date</th>
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