MOODY'S INVESTORS SERVICE

Sparebanken Oest Boligkreditt AS - Covered Bond

Covered Bonds / Norway

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Click on the icon to download data into Excel & to see Glossary of terms used
Click here to access the covered bond programme webpage on moodys.com

Reporting as of: 30/06/2016 — 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

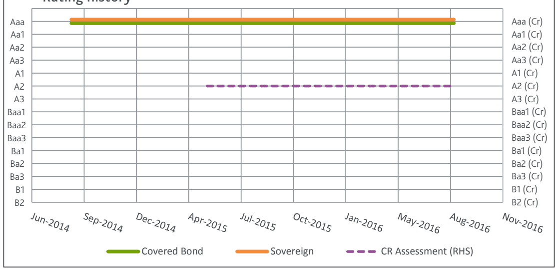
Overview

Year of initial rating assignment:		2011
Total outstanding liabilities:	NOK (Norway)	8,604,070,000
Total assets in the Cover Pool:	NOK (Norway)	10,463,082,895
Issuer name / CR Assessment:		Sparebanken Oest Boligkreditt AS / Unrated
Group or parent name / CR Assessment:		Sparebanken Oest / A2(cr)
Main collateral type:		Residential

Ratings

Covered bonds rating:	Aaa
Entity used in Moody's EL & TPI analysis:	Sparebanken Oest
CB anchor:	CR Assessment + 1 notch
CR Assessment:	A2(cr)
Adjusted BCA:	baa2
SUR:	n/a
Unsecured claim used for Moody's EL analysis:	No

Chart 1:
Rating history



II. Value of the Cover Pool

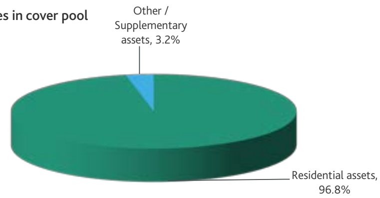
Collateral quality

Collateral Score:	5.0%
Collateral Score excl. systemic risk:	4.4%

Cover Pool losses

Collateral Risk (Collateral Score post-haircut):	3.4%	*34%*
Market Risk:	6.5%	*66%*
	9.8%	*(100%)*

Chart 2 :
Asset types in cover pool



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

Over-Collateralisation (OC) figures presented below include Eligible only collateral.
Over-collateralisation levels are provided on nominal basis.
NPV stress test where stressed: n/a

Current situation

Committed OC:	11.0%
Current OC:	21.6%
OC consistent with current rating (note 4):	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 CR Assessment + 1 notch

CR Assessment	High
Aa2(cr)	Aaa
Aa3(cr)	Aaa
A1(cr)	Aaa
A2(cr)	**Aaa**
A3(cr)	Aaa
Baa1(cr)	Aaa
Baa2(cr)	Aaa
Baa3(cr)	Aa1

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) 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 3) 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.
(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 on the basis 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 when committee discretion is applied. In any event, the OC amounts stated here are subject to change at any time at Moody's discretion.

V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 5)

Fixed rate assets in the cover pool:	0.0%
Fixed rate covered bonds outstanding:	15.7%
WAL of outstanding covered bonds:	3.9 years
WAL of the cover pool:	19.6 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

Chart 3 :
Stressed refinancing needs per quarter (% of liabilities)

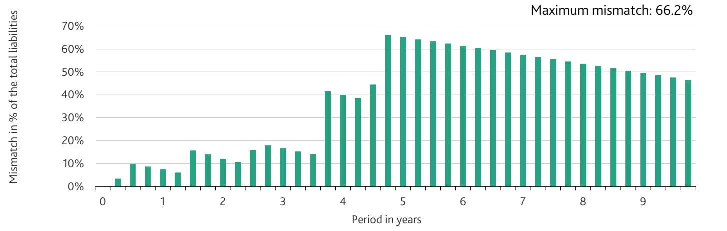


Chart 4:
Currency mix before swaps (3 Main Currencies)

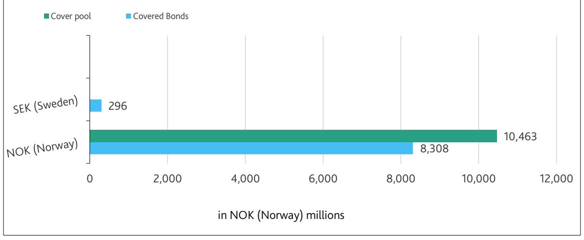
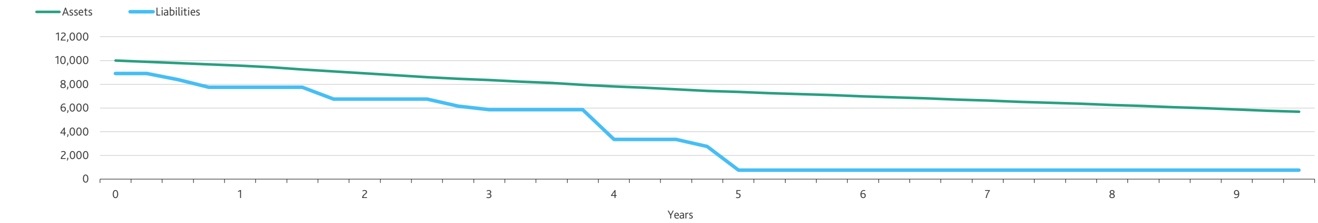


Chart 5 :
Amortisation profile (in millions) (note 7)



VI. Performance Evolution

Chart 6 :
Collateral Score

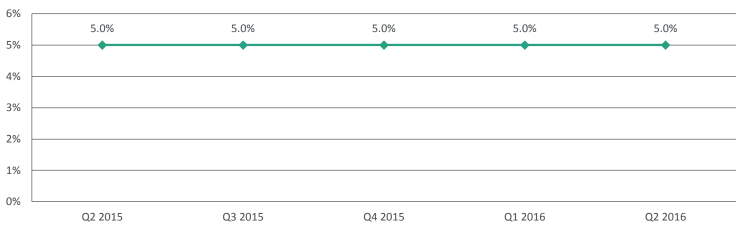


Chart 7 :
Cover Pool Losses

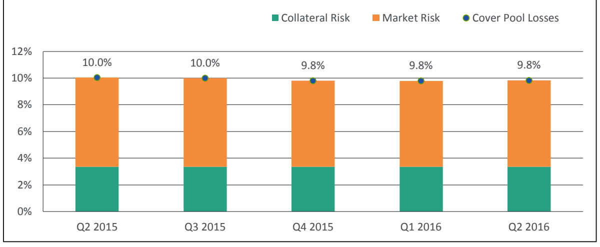
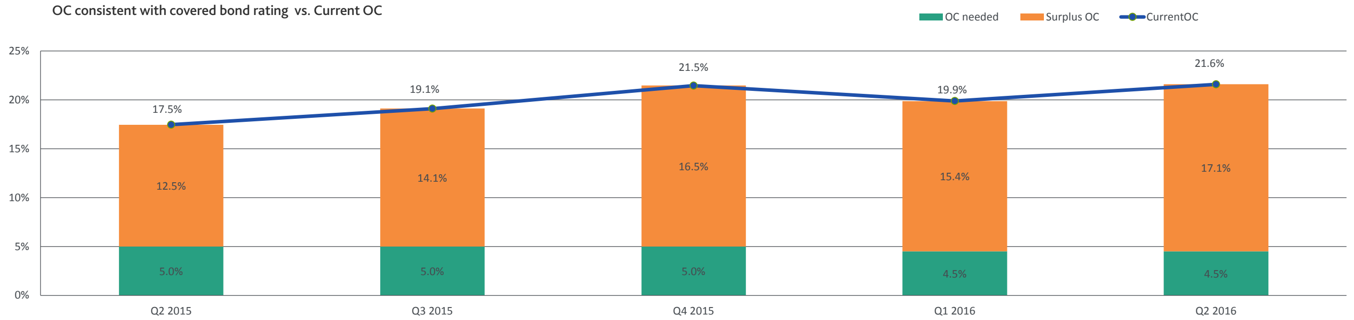


Chart 8 :
OC consistent with covered bond rating vs. Current OC



	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Covered Bond Rating	Aaa	Aaa	Aaa	Aaa	Aaa
CR Assessment	A2(cr)	A2(cr)	A2(cr)	A2(cr)	A2(cr)

(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

Asset type:	Residential
Asset balance:	10,133,403,888
Average loan balance:	1,392,334
Number of loans:	7,278
Number of borrowers:	7,155
Number of properties:	7,269
WA remaining term (in months):	236
WA seasoning (in months):	44

Details on LTV

WA unindexed LTV: Whole loan / Senior loan (*):	58.1% / 53.1%
WA indexed LTV: Whole loan / Senior loan	51.7% / 47.5%
Valuation type:	Market Value
LTV threshold:	75.0%
Junior ranks (**):	5.0%
Prior ranks:	0.0%

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

Specific Loan and Borrower characteristics

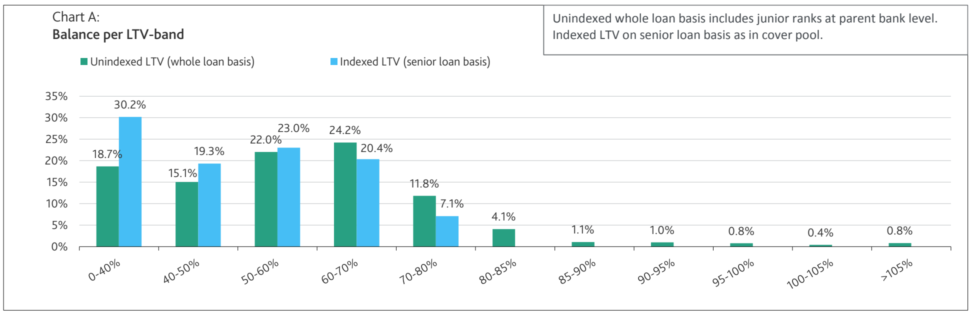
Loans with an external guarantee in addition to a mortgage:	0.0%
Interest only Loans(***) / FlexLoans(****):	21.1% / 10.3%
Loans for second homes / Vacation:	0.0%
Buy to let loans / Non owner occupied properties:	1.7%
Limited income verified:	0.0%
Adverse credit characteristics (*****):	0.0%

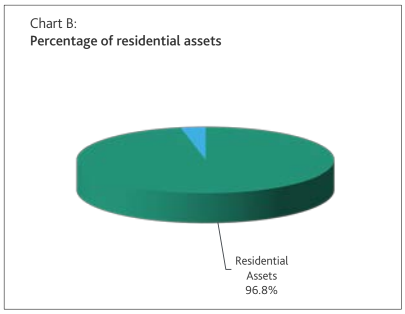
Performance

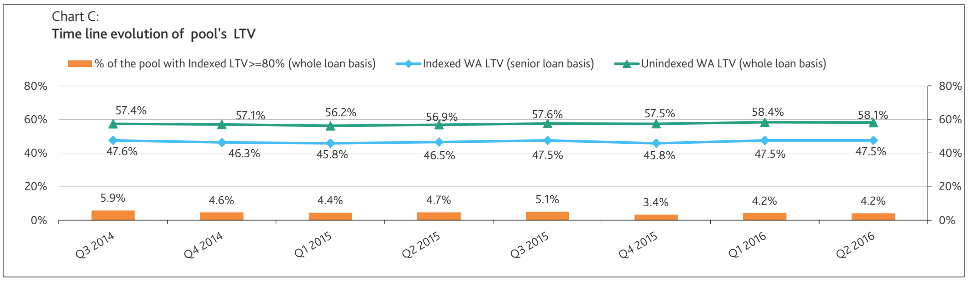
Loans in arrears (≥ 2months - < 6months):	0.0%
Loans in arrears (≥ 6months - < 12months):	0.0%
Loans in arrears (≥ 12months):	0.0%
Loans in a foreclosure procedure:	0.0%

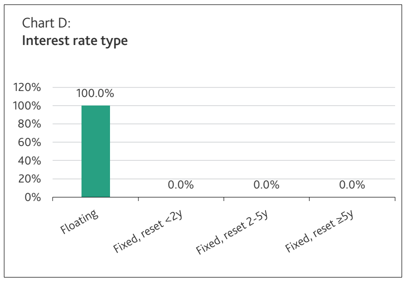
Multi-Family Properties

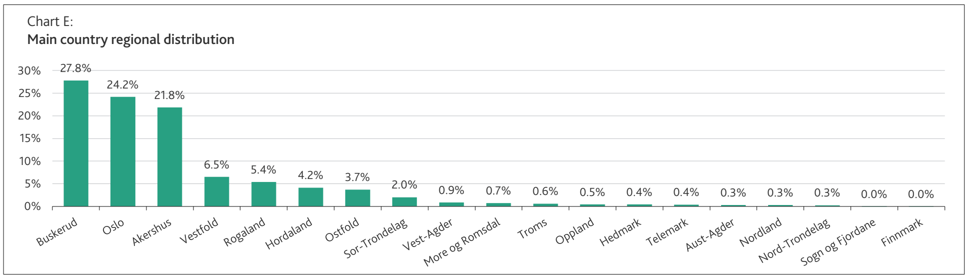
Loans to tenants of tenant-owned Housing Cooperatives:	0.0%
Other type of Multi-Family loans (******):	0.0%

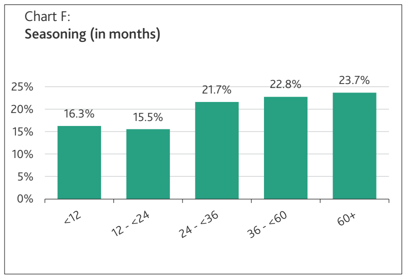












*(note *) May be based on property value at time of origination or further advance or borrower refinancing.*
*(note **) Internal junior ranks (delta between Unindexed whole loan WA LTV incl. Internal junior ranks and unindexed WA LTV exl. Internal junior ranks)*
*(note ***) This category includes loans which currently are in an initial interest only period before they start amortising.*
*(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).*

VIII. Cover Pool Information - Supplementary Assets

Overview

Asset type:	Supplementary Assets (*)
Asset balance:	329,679,007
WA remaining Term (in months):	n/a
Number of assets:	2
Number of borrowers:	2
Average assets size:	164,839,503
Average exposure to borrowers:	164,839,503

n/d: information not disclosed by Issuer
n/a: information not applicable
(*) 85% of Substitute Assets are constituted by registered cash.

Specific Loan and Borrower characteristics

Repo eligible assets:	0.0%
Percentage of fixed rate assets:	0.0%
Percentage of bullet assets:	100.0%
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%

Chart A:
Interest rate type

Chart B:
Percentage of supplementary assets

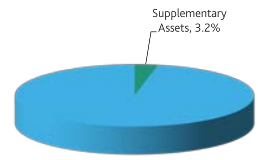


Chart C:
Distribution by country, rating

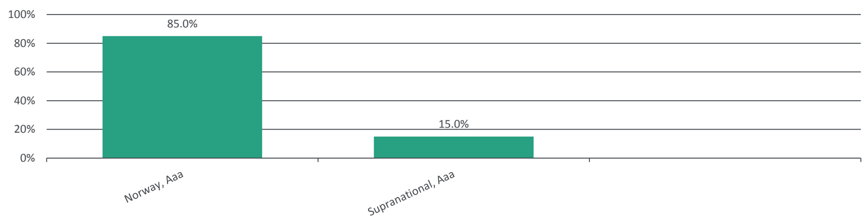
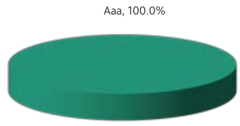


Chart D:
Distribution by country rating



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
NO0010758519	n/a	SEK	300,000,000	25/02/2016	25/02/2019	25/02/2020	Floating rate	Stibor 3m + 80 bps	BULLET
NO0010755085	n/a	NOK	2,000,000,000	12/01/2016	16/06/2021	16/06/2022	Floating rate	Nibor 3m + 77 bps	BULLET
NO0010709124	n/a	NOK	2,500,000,000	03/04/2014	03/04/2020	03/04/2021	Floating rate	Nibor 3m + 37 bps	BULLET
NO0010703051	n/a	NOK	600,000,000	05/02/2014	05/02/2021	07/02/2022	Fixed rate	3.050%	BULLET
NO0010682099	n/a	NOK	300,000,000	10/06/2013	11/06/2019	11/06/2020	Floating rate	Nibor 3m + 42 bps	BULLET
NO0010625908	n/a	NOK	750,000,000	05/10/2011	05/10/2026	05/10/2027	Fixed rate	4.550%	BULLET
NO0010623986	n/a	NOK	1,000,000,000	22/08/2011	22/02/2018	22/02/2019	Floating rate	Nibor 3m + 55 bps	BULLET
NO0010604879	n/a	NOK	650,000,000	16/03/2011	15/03/2017	21/03/2018	Floating rate	Nibor 3m + 60 bps	BULLET
NO0010589955	n/a	NOK	508,000,000	18/10/2010	18/10/2016	18/10/2017	Floating rate	Nibor 3m + 57 bps	BULLET

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