

Sparebanken Øst Boligkreditt AS



Investor presentation
30.09.2011

Sparebanken Øst Boligkreditt AS

- Established 14. April 2009
- Fully owned subsidiary of Sparebanken Øst
- Moody's assigns Aaa rating to Sparebanken Øst Boligkreditt's mortgage covered bonds March 1st 2011

– All figures in the following presentation are as at September 30th 2011 unless otherwise stated

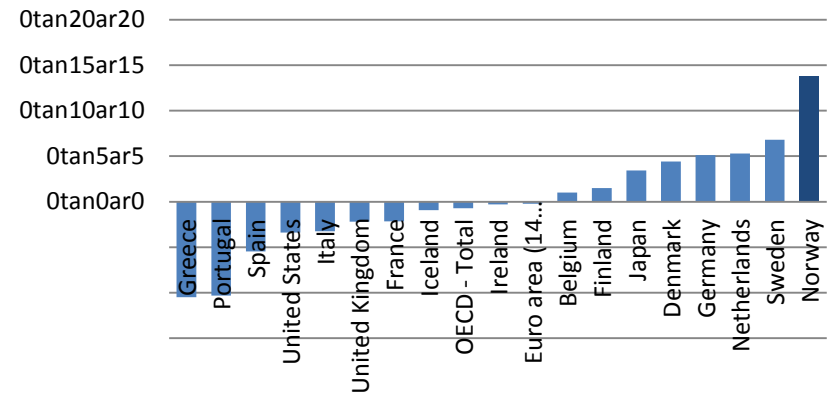
Norwegian economy



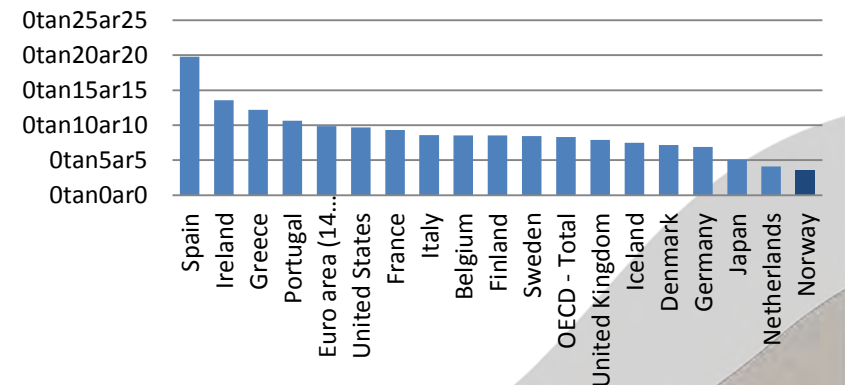
- Mixed economy with heavy state ownership in strategic areas
- One of the wealthiest countries in the world, low impact from financial crisis
- Oil, fishery and technology export
- Norway follows EU regulation under EEA
- High labour productivity, low unemployment rate
- Population 5 mill.



Current account balance % GDP 2010



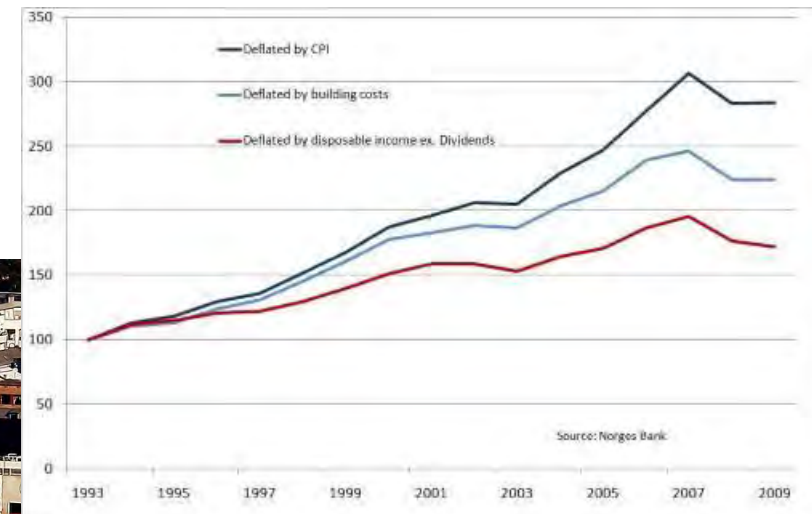
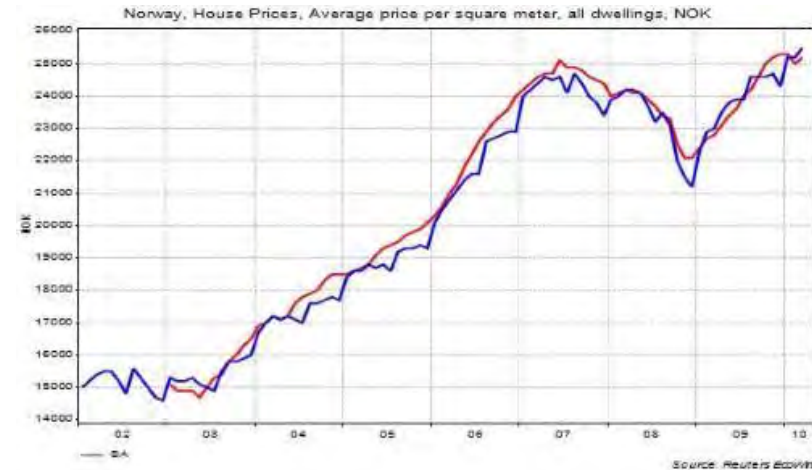
Unemployment rate 2010



Residential property market



- Nearly 80% of households own their dwellings
- Real house prices growth 131% 1985-09, but only 17% deflated by growth in disposable income
- Strong tax incentive for housing investment: All interest paid on mortgages is tax deductible, real estate tax very low, tax free gains after one-year occupation by owner



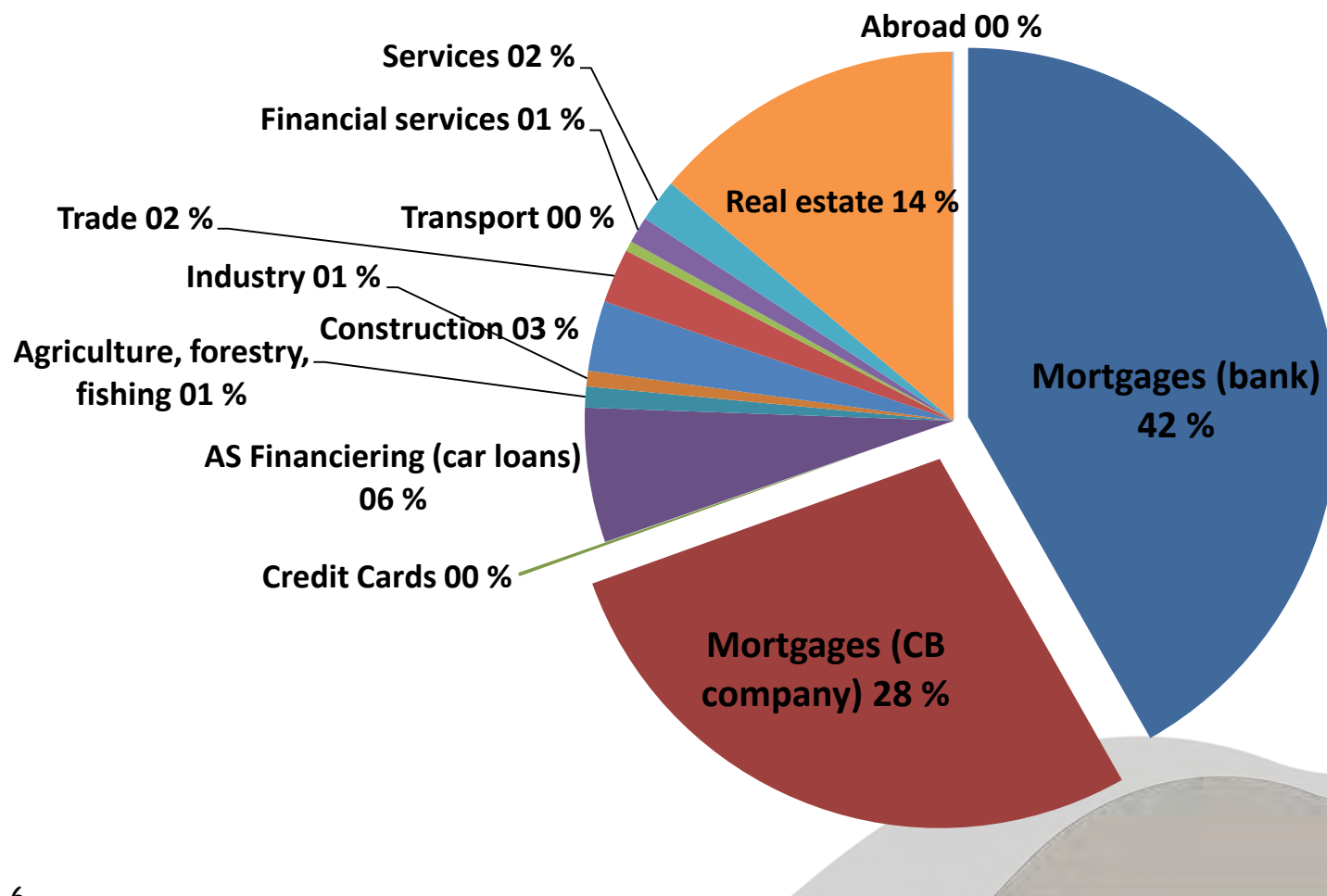
Sparebanken Øst group



- Savings bank established 1843
- Head office in Drammen, 22 branches
- Total assets 27.5 bn. NOK (\approx €3.5 bn.)
- Moody's rating bank: A3/P-2 stable
- Equity instrument «SPOG» Oslo Stock Exchange
- Q3 2011
 - After tax ROE 10.3%
 - CAR / Tier 1 15.5% / 13.8%



Consolidated loan book



Summary Q3 2011

Sparebanken Øst Boligkreditt AS



- Market value non-recourse sale of loans from bank to covered bond company
- All loans in cover pool first priority Norwegian residential mortgages
- Collateral property valued by independent specialist Eiendomsverdi AS (AVM)
- FSA-appointed independent inspector Ernst & Young
- Cover pool NOK 6.0 billion, issued CB's NOK 4.75 billion: OC 27 %
- Average LTV 45.3%, average seasoning 1.85 yrs.
- Revolving credit facility from Sparebanken Øst secures payment to cover pool pledge
- Covered bonds rated Aaa by Moody's,
 - collateral score of 6.3%
 - committed OC of 11%

Short overview

Norwegian CB Legislation

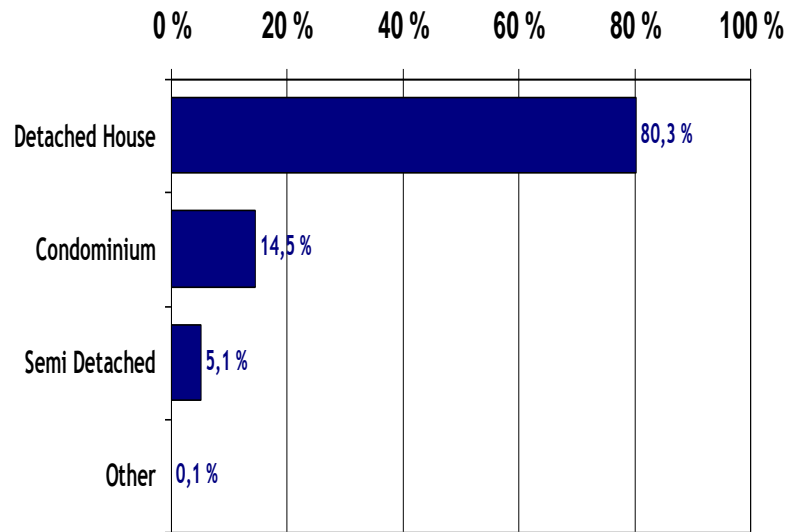


- Proportional preferential claim on cover pool by covered bonds holders and derivative counterparts
- Individual assessment of prudent value of Cover Pool properties by competent and independent third party
- Residential property <75% LTV upon inclusion in cover pool
- Value of cover pool to exceed value of covered bonds at all times, max exposure to single collateral/borrower 5%
- Excess LTV or non-performing loans in cover pool, but not included in asset coverage calculation
- Derivatives only allowed for securing asset coverage requirement
- Independent inspector appointed by and reporting to FSA
- Very high degree of floating rate loans, six weeks notice for rate change from banks

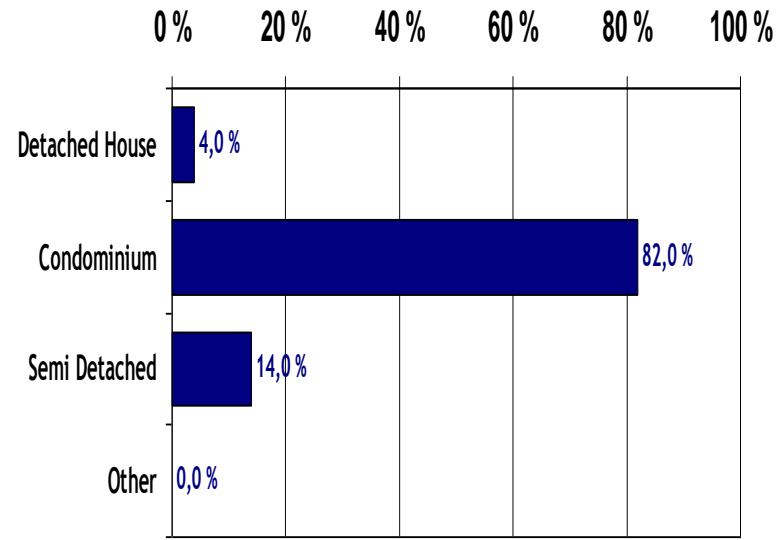
Property type



Private ownership 86,9 %

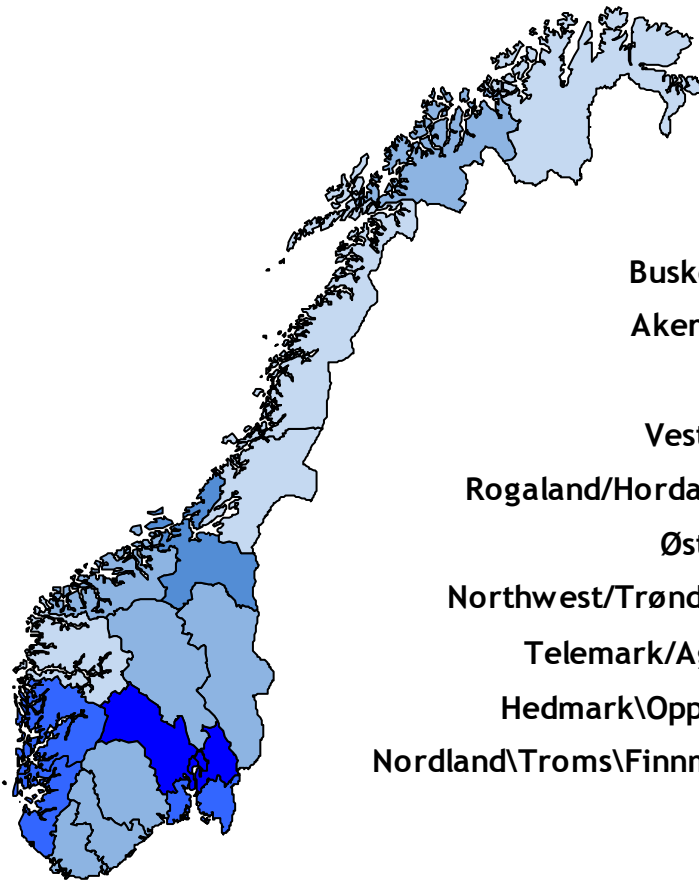


Share in housing association 13,1 %

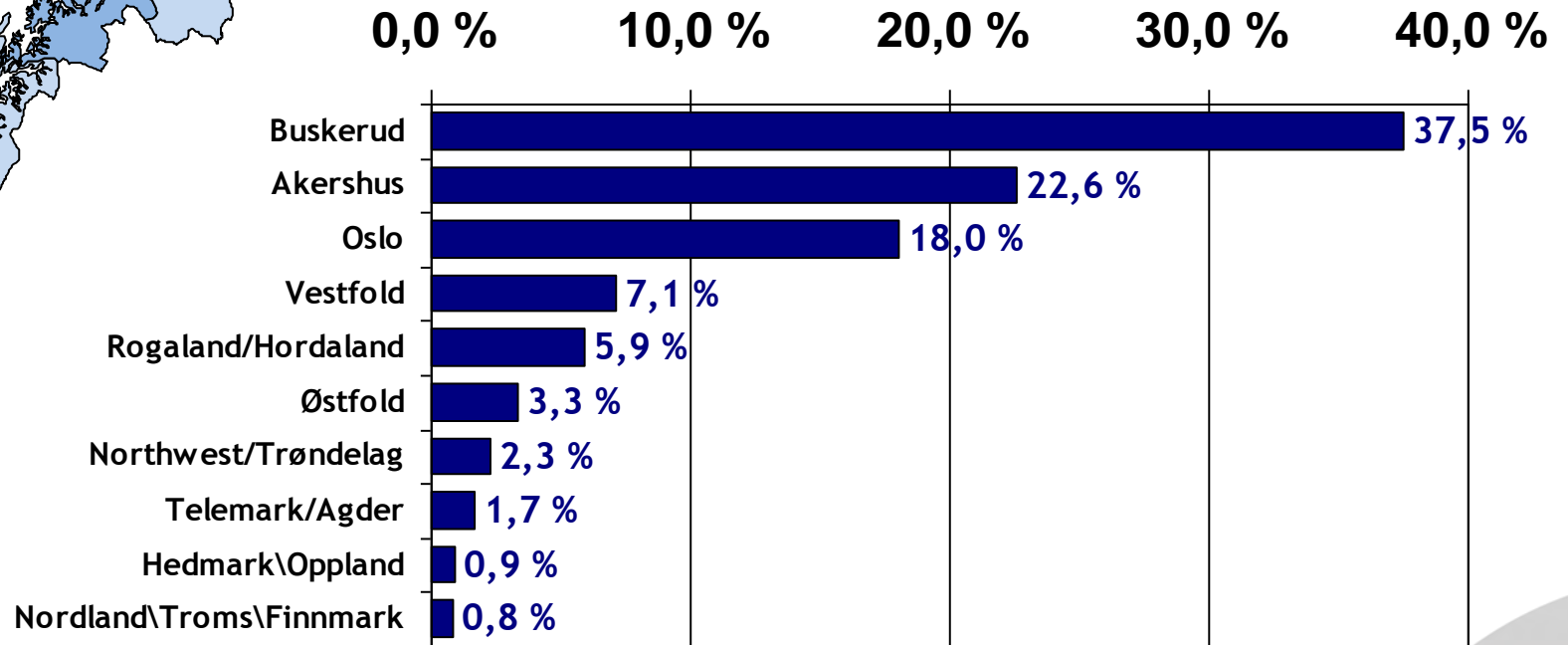


- Total cover pool size: MNOK 6 041
- Loans are 100% 1.-priority Norwegian residential mortgages
- Loan type: 100% adjustable rate mortgages

Regional distribution of Cover Pool

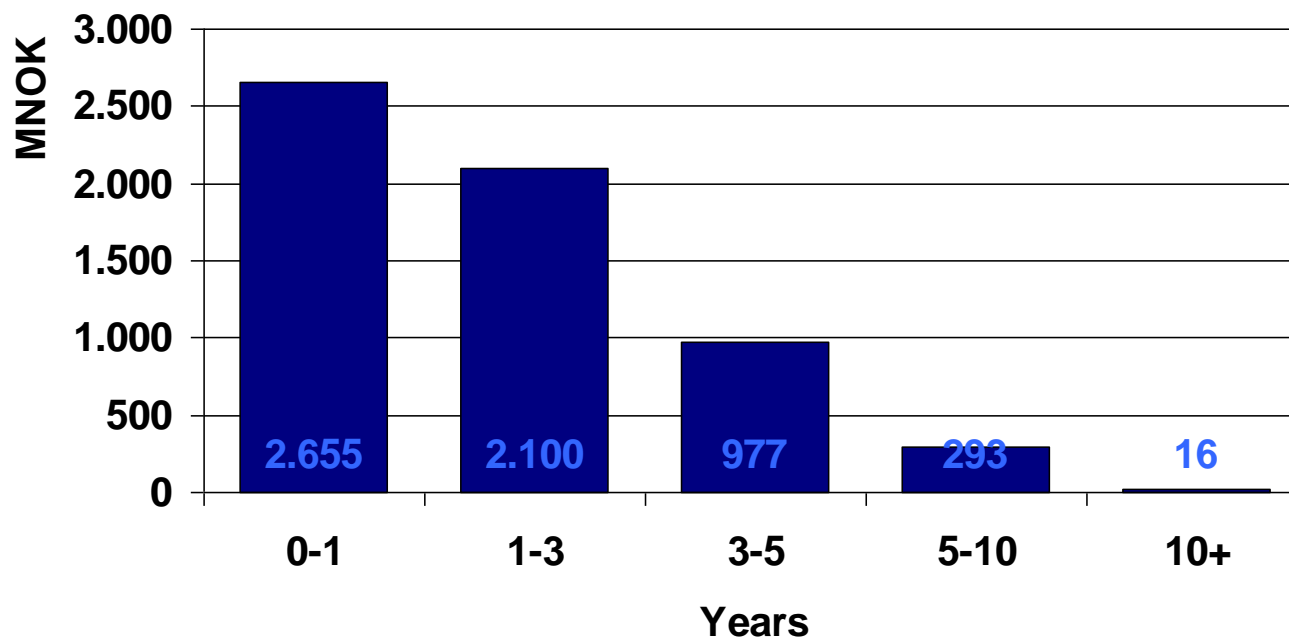


SHARE OF LOAN BALANCE



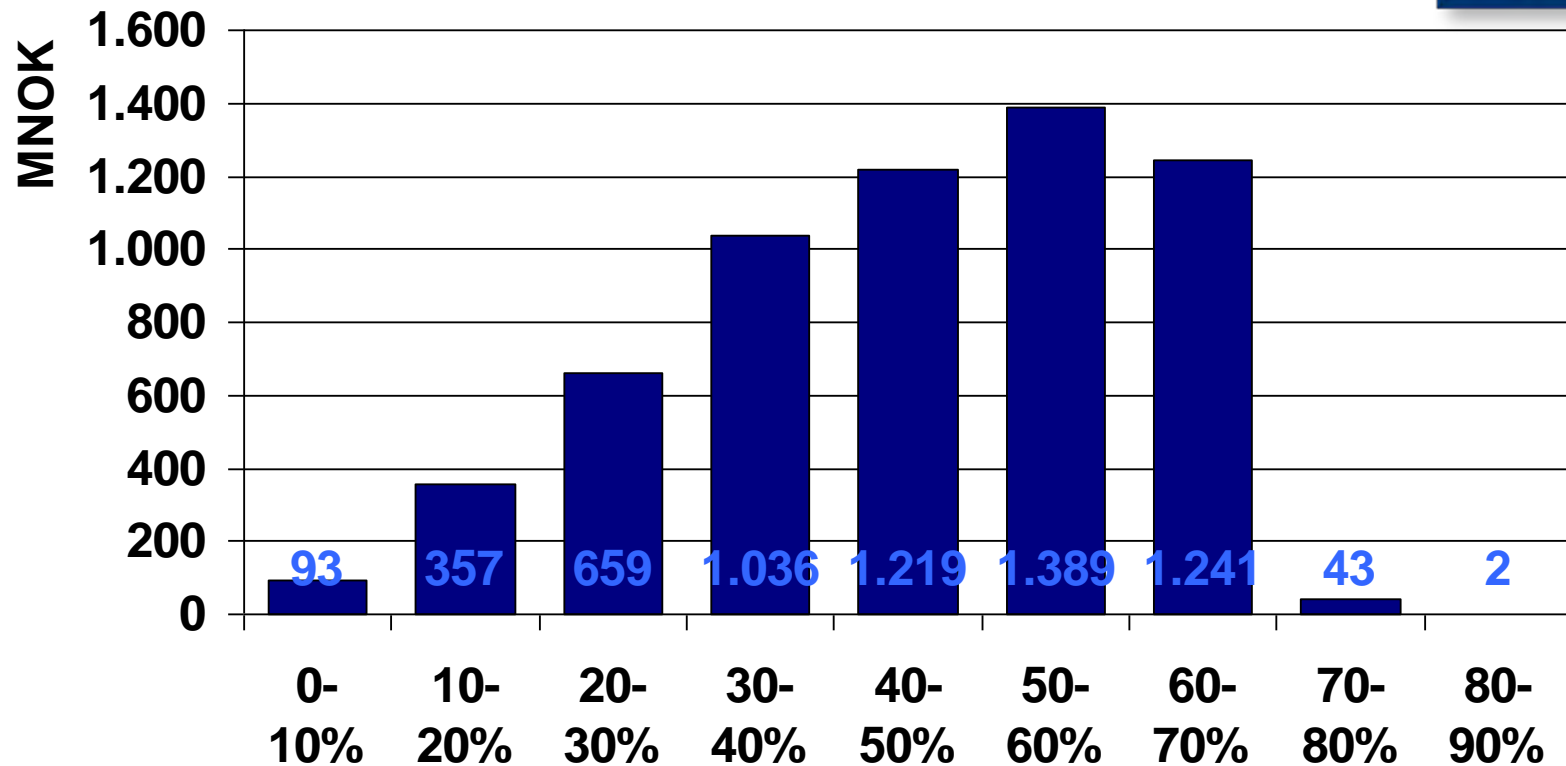
- Distribution concentrated in central eastern Norway
- Number of loans: 6 303
- Average loan balance: 958 374

Seasoning



- Weighted average seasoning: 1.85 years
- Approx. 21% of the cover pool is >3 years seasoned

Loan to Value



- Weighted average LTV = 45.3%
- Approx. 79% of the cover pool has an LTV < 60%
- There are none non-performing or impaired loans in the mortgage portfolio

Issued Covered Bonds



ISIN	TICKER	INT.	ISSUED	MATURITY	CURR.	AMOUNT Mill. NOK	COUPON
NO0010520372	-	FRN	15.06.09	15.09.14*	NOK	1 250	NIB3+45
NO0010572464	SPOBK01PRO	FRN	21.05.10	21.05.15*	NOK	1 000	NIB3+65
NO0010589955	SPOBK02PRO	FRN	18.10.10	18.10.16*	NOK	1 000	NIB3+57
NO0010604879	SPOBK03PRO	FRN	16.03.11	15.03.17*	NOK	1 000	NIB3+60
NO0010623986	SPOBK04PRO	FRN	22.08.11	22.02.18*	NOK	500	NIB3+55
NO0010625858	SPOBK05PRO	FIXD	03.10.11	03.03.16*	NOK	150	3,60 %
NO0010625908	SPOBK06PRO	FIXD	05.10.11	05.10.26*	NOK	750	4,55 %

*Extended maturity 12 months («soft bullet»)

Overcollateralization



	RESIDENTIAL MORTGAGES	COVERED BONDS	OVER- COLLATERALIZATION
1Q10	2.270.788	1.250.000	82 %
2Q10	2.316.204	1.750.000	32 %
3Q10	2.510.242	1.950.000	29 %
4Q10	2.830.329	2.450.000	16 %
1Q11	4.015.341	3.450.000	16 %
2Q11	4.893.175	4.250.000	15 %
3Q11	6.040.633	4.750.000	27 %

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