

Sør Boligkreditt AS - Mortgage Covered Bonds

Covered Bonds / Norway



Contacts Faure, Alix - (+33) 1 5330-1038 - alix.faure@moodys.com

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

[Click here to download data into Excel & to see Glossary of terms used](#)

Reporting as of: 30/09/2013 All amounts in NOK (Norway) (unless otherwise specified)

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

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

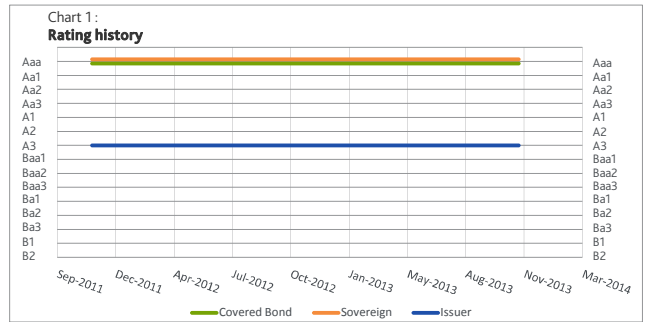
I. Programme Overview

Overview

Year of initial rating assignment :	2011	
Total outstanding liabilities :	NOK (Norway)	10,550,000,000
Total assets in the Cover Pool :	NOK (Norway)	12,382,653,220
Issuer name / rating :	Sør Boligkreditt AS / Unrated	
Group / parent name / rating :	Sparebanken Sør / A3 On review for Upgrade	
Main collateral type :	Residential	

Ratings

Covered bonds rating :	Aaa	
Issuer Rating - entity used for Moody's EL & TPI analysis :	Sparebanken Sør	
Issuer Rating used for Moody's EL & TPI analysis:	A3	
Adjusted BCA for entity used for Moody's EL & TPI analysis:	baa2	
Senior Unsecured claim used for Moody's EL analysis:	No	



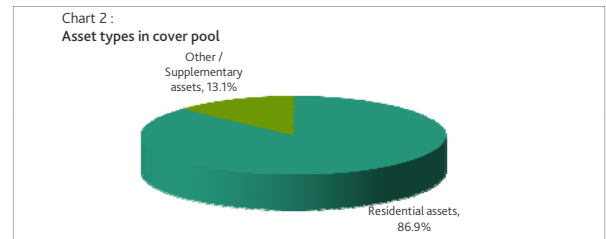
II. Value of the Cover Pool

Collateral quality

Collateral Score :	5.0%
Collateral Score excl. systemic risk :	4.5%

Cover Pool losses

Collateral Risk (Collateral Score post-haircut) :	3.3%	3.4%
Market Risk :	6.6%	6.6%
	10.0%	(100%)



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

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 :	11.5%
Current OC :	17.4%
OC consistent with current rating :	6.5%

Sensitivity scenario Issuer rating

	OC consistent with current rating	
Scenario 1 : Issuer is downgraded by	1 notch	n/a
Scenario 2 : Issuer is rated	A2	n/a

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI) :	High
TPI Leeway :	1 notch(es)

Extract from TPI table

Issuer Rating	High
Aa3	Aaa
A1	Aaa
A2	Aaa
A3	Aaa
Baa1	Aaa
Baa2	Aa1
Baa3	Aa2
Ba1	Aa3-A2

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.

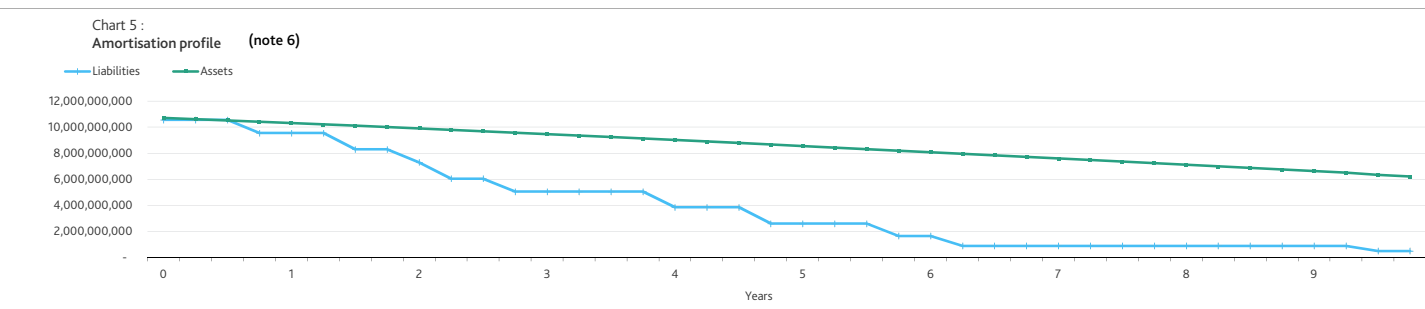
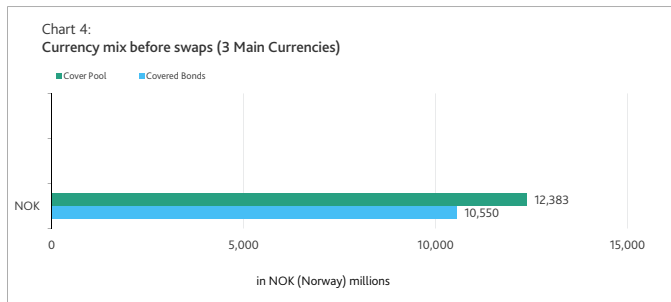
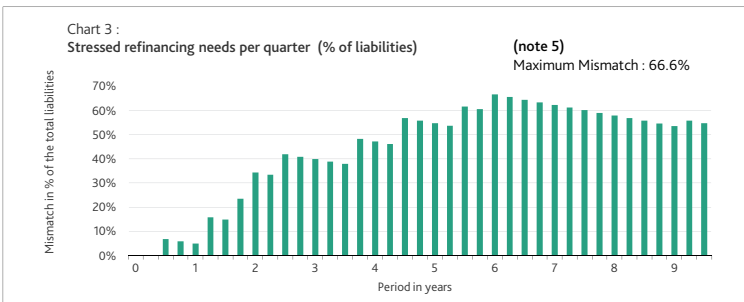
V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 4)

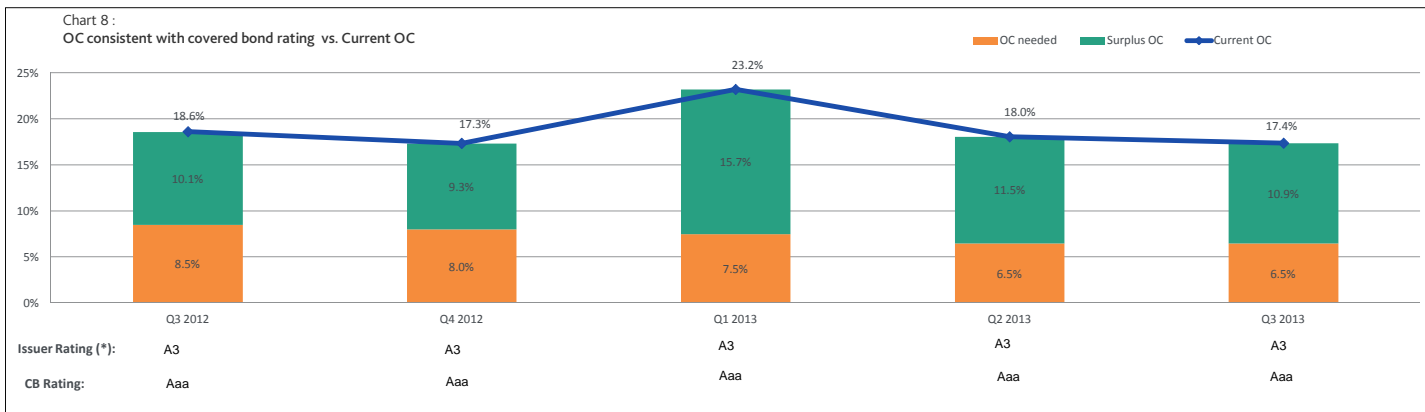
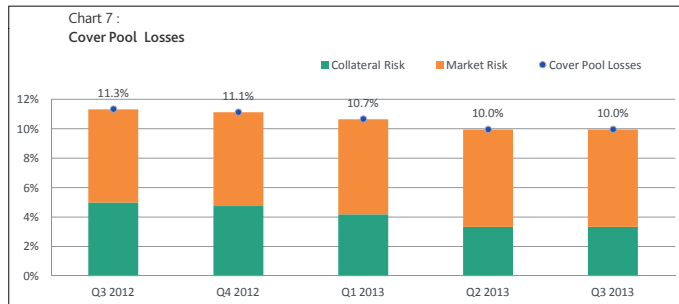
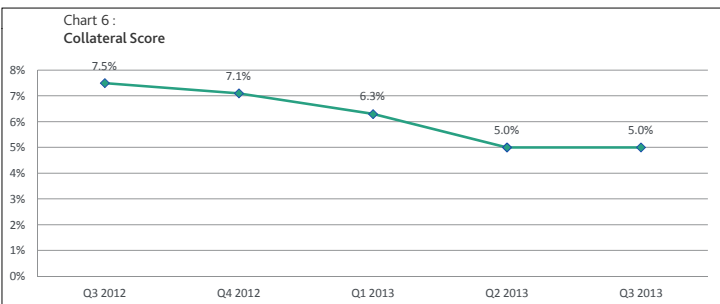
Fixed rate assets in the cover pool :	0.0%
Fixed rate covered bonds outstanding :	8.5%
WAL of outstanding covered bonds :	4.1 years
WAL of the cover pool :	11.7 years

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 :	No
Intra-group currency swap(s) provider(s) :	No



VI. Performance Evolution



(* Issuer Rating used for Moody's EL & TPI analysis)

(note 4) This assumes no prepayment.

(note 5) 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 6) 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 :	10,765,187,309
Average loan balance :	986,546
Number of loans :	10,912
Number of borrowers :	10,364
Number of properties :	n/d
WA remaining term (in months) :	236
WA seasoning (in months) :	35

Details on LTV

WA Whole unindexed LTV (*) :	62.6%
WA Whole indexed LTV (**) :	59.8%
Valuation type :	Market Value
LTV threshold :	75.0%
Junior ranks (***) :	6.1%
Prior ranks :	5.7%

n/d : information not disclosed by Issuer

n/a : information not applicable

Specific Loan and Borrower characteristics

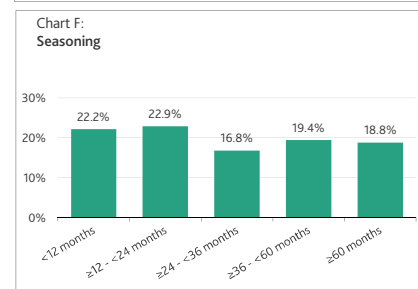
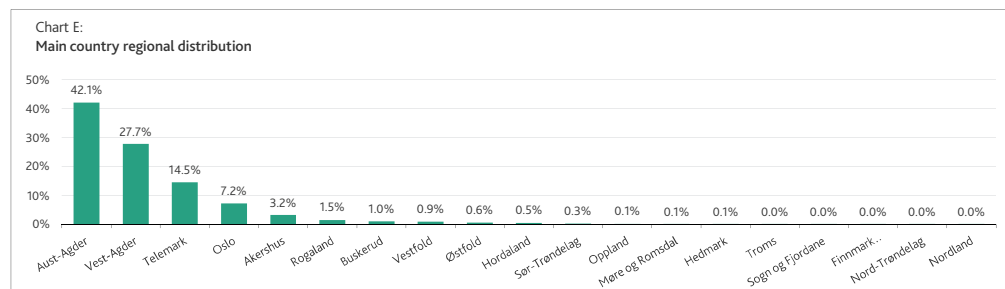
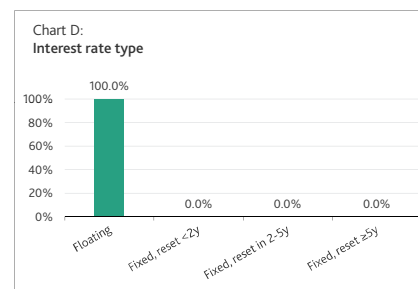
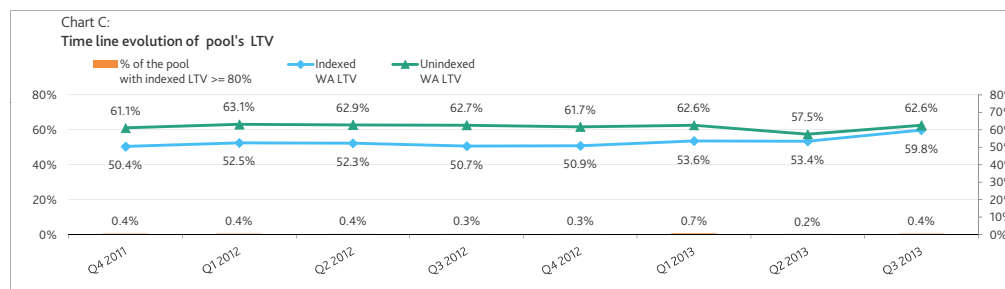
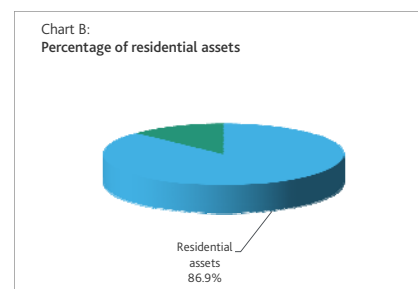
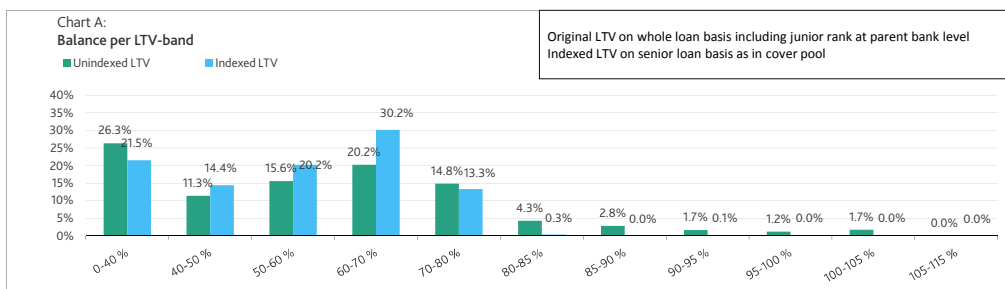
Loans with an external guarantee in addition to a mortgage :	0.0%
Interest only Loans (***) :	0.0%
Loans for second homes / Vacation :	0.0%
Buy to let loans / Non owner occupied properties :	0.0%
Limited income verified :	0.0%
Adverse credit characteristics (****) :	0.0%

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 :	n/a
Other type of Multi-Family loans (*****) :	n/a



(note *) may be based on property value at time of origination or further advance or borrower refinancing.
 (note **) WA indexed LTV on a senior loan basis is 53.42%.
 (note ***) Internal junior ranks (delta between whole loan Indexed WA LTV incl. Internal junior ranks and Indexed WA LTV excl. Internal junior ranks)
 (note ****) Flexi Loans 31.8%
 (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 :	1,617,465,911
WA remaining Term (in months) :	n/a
Number of assets	1
Number of borrowers	1
Average assets size	1,617,465,911
Average exposure to borrowers:	1,617,465,911

n/d : information not disclosed by issuer

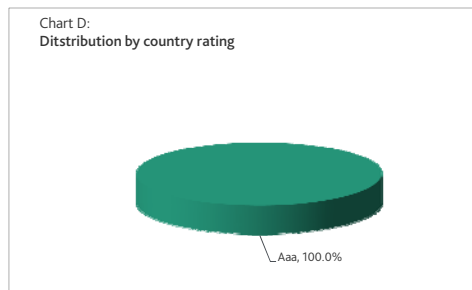
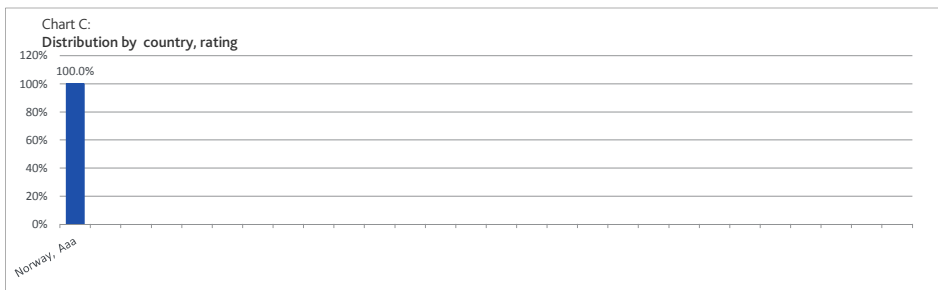
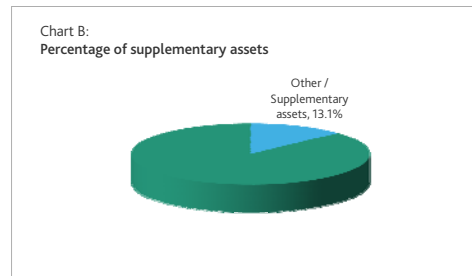
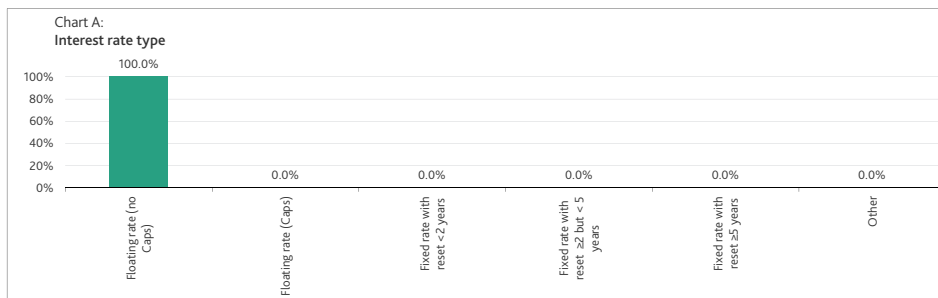
n/a : information not applicable

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
NO0010679806	n/d	NOK (Norway)	950,000,000	22/05/2013	22/05/2019	22/05/2020	Floating rate	act/360 + 44 bps	BULLET
NO0010671597	n/d	NOK (Norway)	400,000,000	13/02/2013	13/02/2023	13/02/2024	Fixed rate	3.850%	BULLET
NO0010670409	n/d	NOK (Norway)	500,000,000	24/01/2013	24/01/2028	24/01/2029	Fixed rate	4.000%	BULLET
NO0010664659	n/d	NOK (Norway)	750,000,000	27/11/2012	27/11/2019	27/11/2020	Floating rate	act/360 + 54 bps	BULLET
NO0010649056	n/d	NOK (Norway)	1,250,000,000	07/06/2012	20/06/2018	20/06/2019	Floating rate	act/360 + 72 bps	BULLET
NO0010633415	n/d	NOK (Norway)	1,250,000,000	22/12/2011	23/03/2015	23/03/2016	Floating rate	act/360 + 44 bps	BULLET
NO0010625841	n/d	NOK (Norway)	1,250,000,000	05/10/2011	05/10/2015	05/10/2016	Floating rate	act/360 + 53 bps	BULLET
NO0010623945	n/d	NOK (Norway)	1,200,000,000	24/08/2011	24/08/2017	24/08/2018	Floating rate	act/360 + 53 bps	BULLET
NO0010614688	n/d	NOK (Norway)	1,000,000,000	29/06/2011	29/06/2016	29/06/2017	Floating rate	act/360 + 50 bps	BULLET
NO0010518129	n/d	NOK (Norway)	1,000,000,000	09/06/2009	02/07/2015	04/07/2016	Floating rate	act/360 + 55 bps	BULLET
NO0010508443	n/d	NOK (Norway)	1,000,000,000	24/04/2009	08/04/2014	08/04/2015	Floating rate	act/360 + 50 bps	BULLET

© 2013 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy." For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 398 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

