



SSB Boligkreditt AS

Investor Presentation

1Q 2014



Characteristics of the Cover Pool



Loans originated by	SSB Boligkreditt AS
Cover pool mortgages	MNOK 6,593
Substitute assets	MNOK 307
Total cover pool	MNOK 6,900
Number of loans	4,766
Average loan balance	MNOK 1,383
Type of loans	100% residential Norwegian mortgages
Type of mortgages	Flexible: 39,82 % Repayment: 60,18 %
Rate type	Float 94,4%, Fixed 5,6%
Geographic distribution	Across Norway with a concentration to Rogaland
Weighted average LTV	51 %
Weighted average seasoning	4,02 years



SSB Boligkreditt – Rating by Fitch



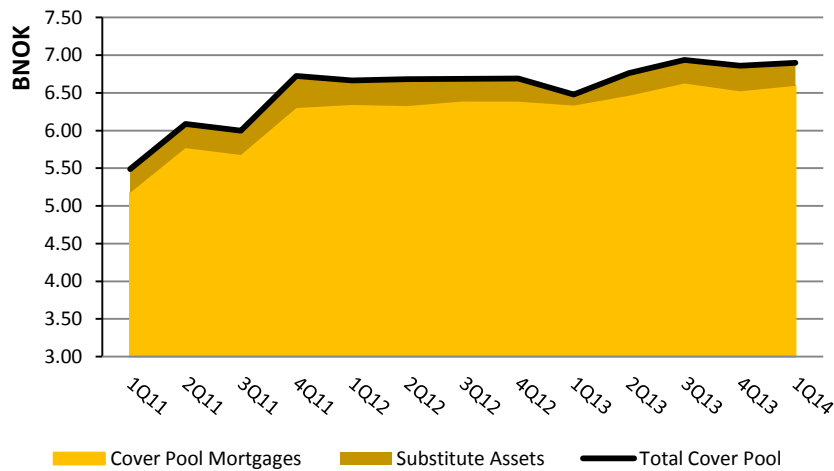
- Fitch has assigned the rating of the covered bond programme to AA
- SSB Boligkreditt has committed to an OC-level of 11 %



Pool notional

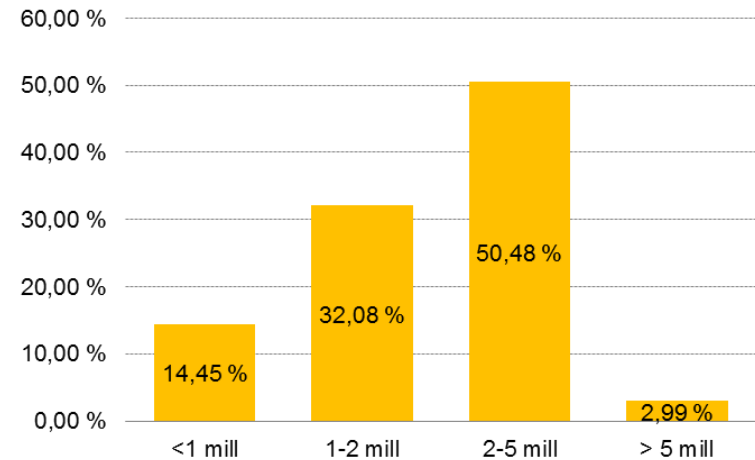


Volume



- Total cover pool size: MNOK 6,900
- Stable volumes due to implemented disposal limits in Sandnes Sparebank:
Maximum of:
 - 45 % of the Groups retail loans or
 - 30 % of the Groups total loan portfolio

Loan distribution



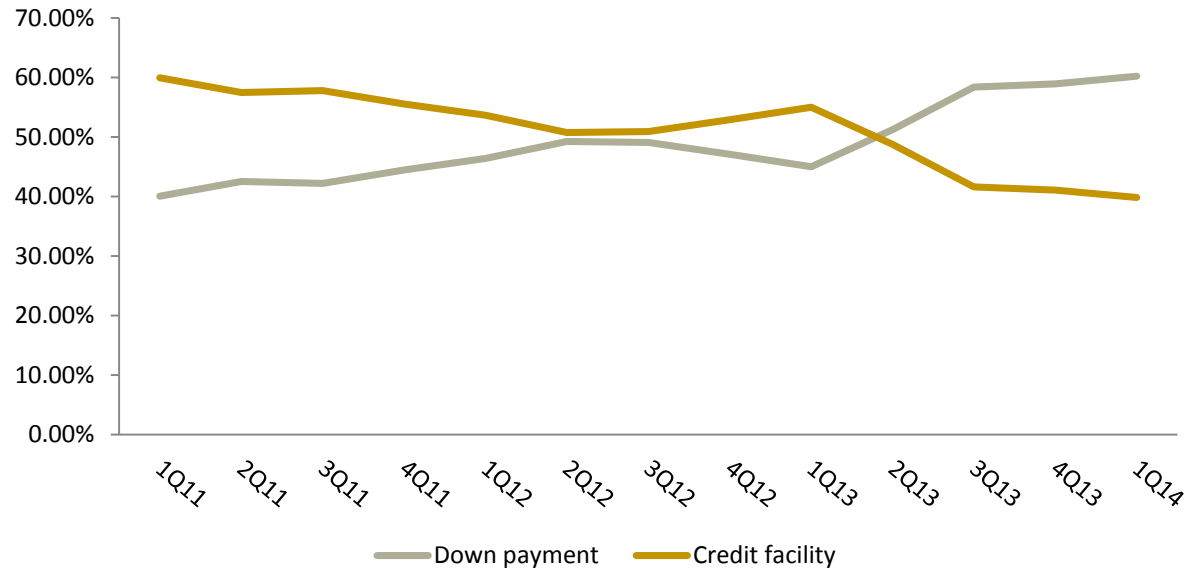
- 200 MNOK in bucket > 5 mNOK
- Slight increase compared to previous quarter, which was all time low
- In line with historic numbers



Type of mortgages



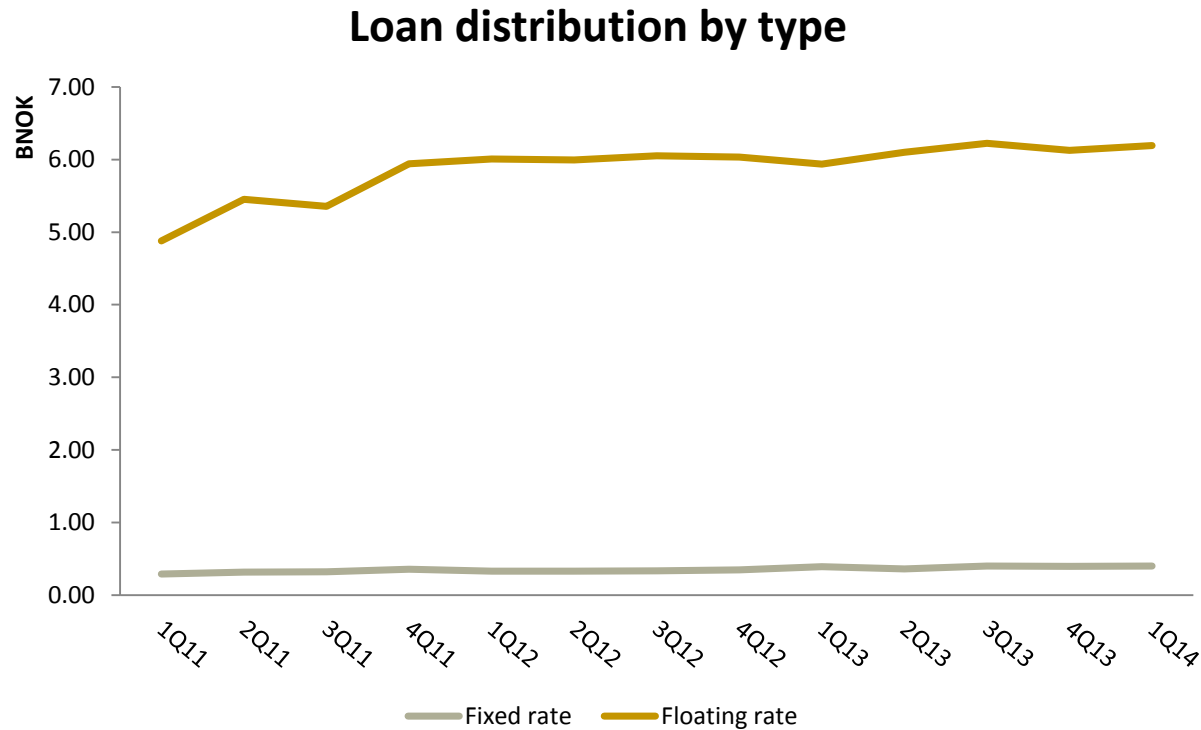
Portfolio by loantype



- Reduction of Credit Facilities due to:
 - More restrictive credit policy.
 - Price differences between down payment loans and credit facilities.
 - Regulations from the Norwegian FSA say that banks only can grant Credit Facilities to customers with LTV within 70 %.
 - Capital intensive product.



Type of mortgages



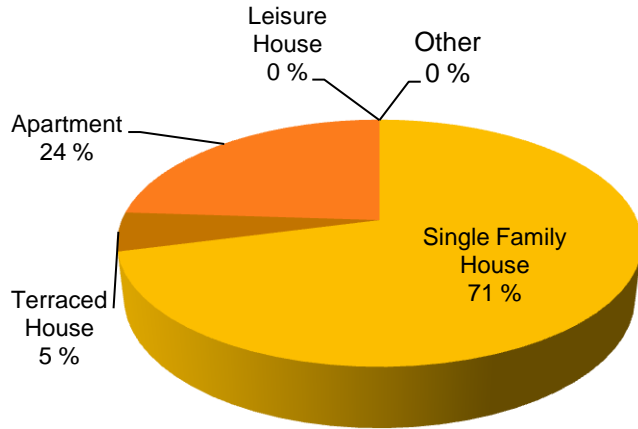
- Low level of fixed rate loans.
- Expect no significant change in level as fixed rate loans are perceived as relatively expensive compared to floating rate loans due to low market/swap rates the recent years.



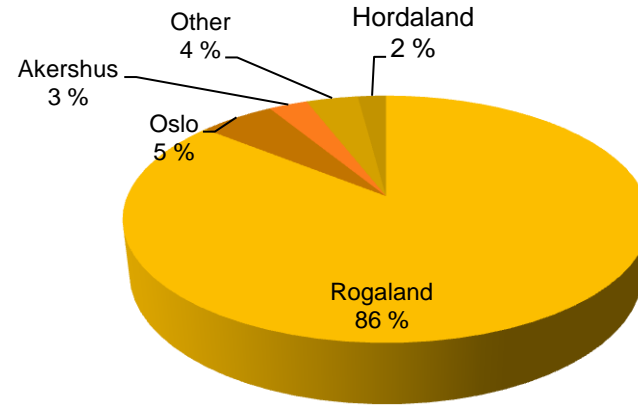
Distribution of the Cover Pool



By property type



By Geography

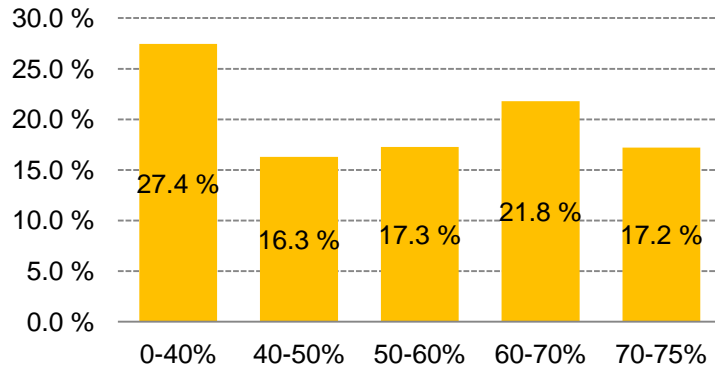




Conservative and High Quality Pool

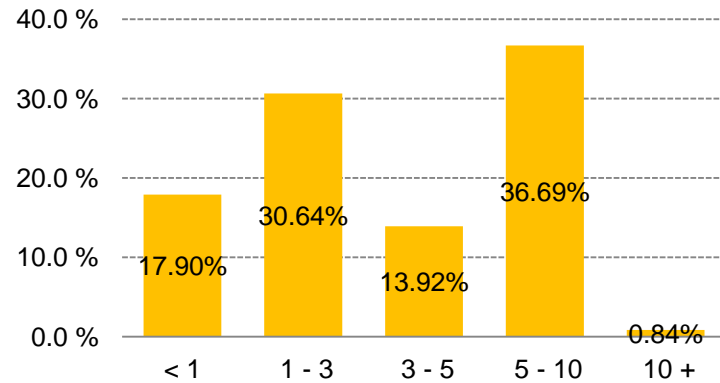


Current LTV (by Amounts)



- Weighted average LTV: 51%
- Approx 61% of the cover pool has an LTV < 60%

Seasoning



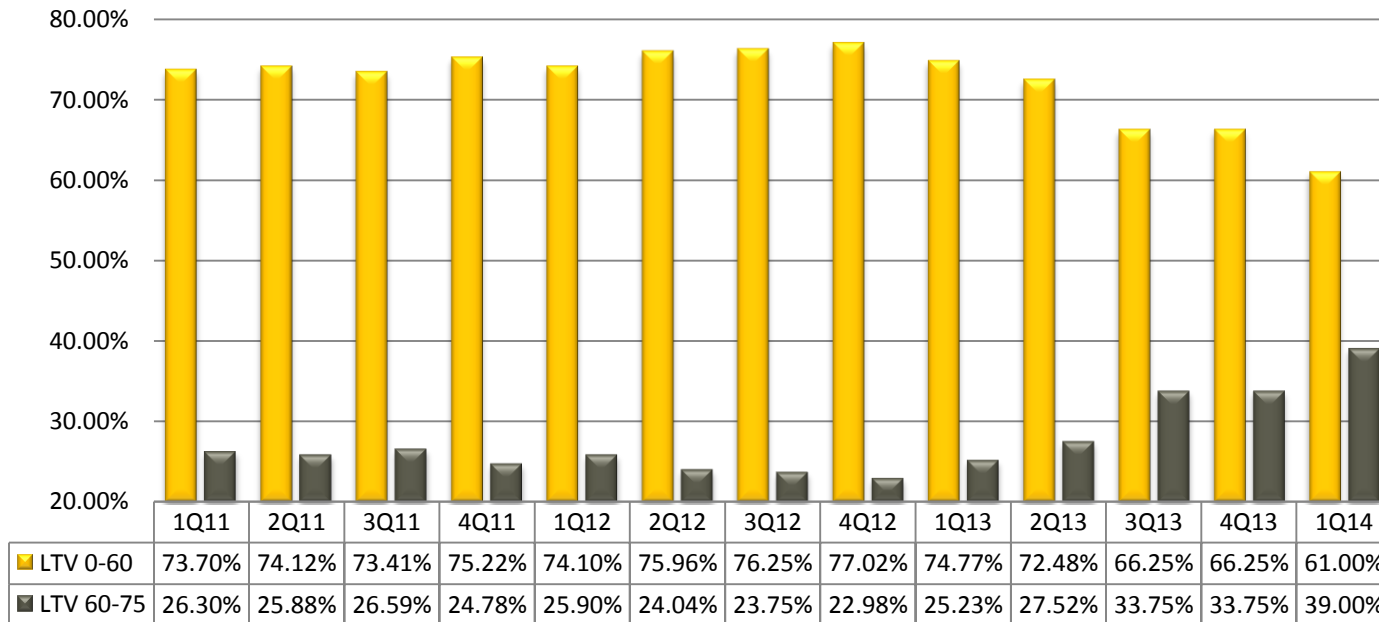
- Weighted average seasoning: 4,02 years
- Approx 51,5 % of the cover pool is > 3 year seasoned



Conservative and High Quality Pool



Loan to Value



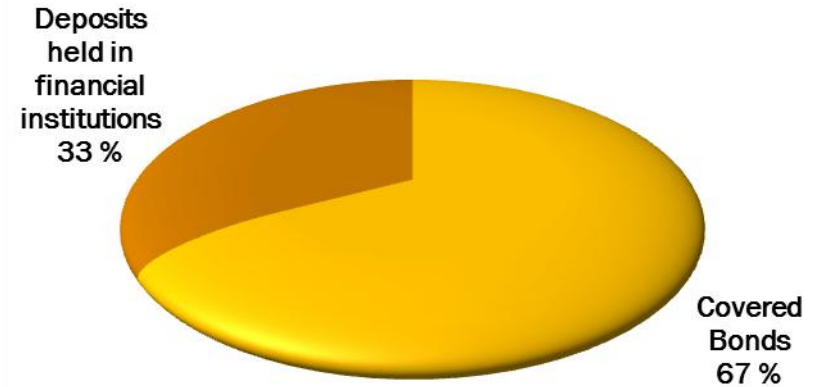
- Expect LTV to be stable due to:
 - After three quarters with decreasing housing prices, the prices have increased again the last quarter.
 - The increase in housing prices is lower in the local market than the national market.
 - Increased turnover in local housing market.
- There has been a slight increase in the unemployment rate, but it is still low, and lower than national figures.



Conservative and High Quality Pool

- Committed OC-level: 11%
- Substitute assets can consist of the following exposures to financial institutions:
 - Deposits with a maturity of less than 100 days and a minimum rating of A-.
 - Other investments with a minimum rating of AA-.

Substitute Assets



Cover Pool	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Residential Mortgages	6.339.477	6.324.690	6.385.670	6.383.638	6.331.393	6.462.241	6.624.387	6.520.624	6.593.261
Substitute Assets	323.883	357.698	300.616	305.592	145.412	302.733	311.710	341.698	306.937
Bank Deposit	323.883	357.698	300.616	305.592	-	-	100.000	100.000	100.000
Bonds & Certificates	-	-	-	-	145.412	302.733	211.710	241.698	206.937
Sum	6.663.360	6.682.388	6.686.286	6.689.230	6.476.805	6.764.973	6.936.097	6.862.323	6.900.198
Overcollateralization	11,04 %	11,30 %	11,32 %	26,90 %	25,91 %	59,86 %	40,10 %	60,41 %	63,07 %

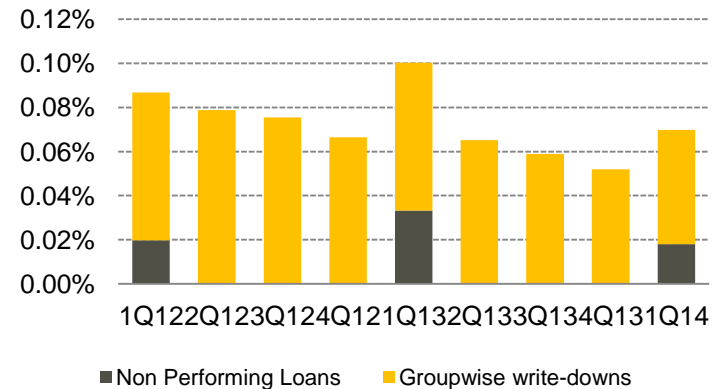


Conservative and High Quality Pool



- Very low level of impaired loans in the mortgage portfolio
- Agreement towards Sandnes Sparebank was modified in 2012.
 - Non performing loans will be transferred back to Sandnes Sparebank
 - A loan is regarded as non-performing or in default when the customer has failed to pay an installment within 90 days of the due date, or when an overdraft of a credit of line has not been covered within 90 days after being overdrawn.
 - The non-performing loan will be subject to individual valuation at the time of transfer.
 - Non-performing loans per 31.03.2014 is 1,2 mNOK.

Non-Performing Loans and Loan Losses





Issued Bonds



Issuer	SSB Boligkreditt	SSB Boligkreditt	SSB Boligkreditt	SSB Boligkreditt	SSB Boligkreditt	SSB Boligkreditt	SSB Boligkreditt	SSB Boligkreditt
ISIN	NO0010492473	NO0010577166	NO0010588874	NO0010601099	NO0010636335	NO0010636336	NO0010697691	NO0010704232
Nominal	MNOK 350	MNOK 700	MNOK 525	MNOK 525	MNOK 500	MNOK 1000	MNOK 1000	MNOK 300
Disb. Date	31.03.2009	15.06.2010	29.09.2010	25.02.2011	08.02.2012	20.09.2013	04.12.2013	25.02.2014
Maturity	22.06.2015	15.04.2016	29.09.2015	25.02.2015	08.02.2017	20.09.2018	04.12.2019	25.02.2021
Ext. Maturity	22.06.2016	15.04.2017	29.09.2016	25.02.2016	08.02.2018	20.09.2019	04.12.2020	25.02.2022
Coupon	Nibor + 50bp	Nibor + 65bp	4,15 %	Nibor + 60bp	Nibor + 102bp	Nibor + 50bp	Nibor + 48bp	3,10 %

- SSB Boligkreditt has issued NOK 4,2 bn in Covered Bonds.
- SSB Boligkreditt ended the swap agreement with Norges Bank with the maturity of the last agreement March 19th 2014.
- NO0010492473 has been repaid by 350 mNOK.
- SSB Boligkreditt has issued a 7 years fixed rate covered bond nominal 300 mNOK in February
- Mainly looking to issue bonds with long maturities (5 years or more).
- Future financing will be secured by issuing covered bonds in Norway and in a longer perspective, consider internationally.
- Covered bonds issued by SSB Boligkreditt are assigned a rating of AA by Fitch.



Policies and limits

- Cover pool



Loan to value (LTV)	<ul style="list-style-type: none">▪ LTV below 75 % based on a valuation not more than 3 months old. LTV for flexible loans is measured towards granted limit before transferred. Within the pool LTV is measured by drawn amount.
Substitute assets	<ul style="list-style-type: none">▪ Maximum 20 %.
Overcollateralization	<ul style="list-style-type: none">▪ Minimum 11 %
Type of loans	<ul style="list-style-type: none">▪ Only residential mortgages▪ Only NOK▪ No loans in default▪ No loans with identified losses▪ No flexible loans without maturity date▪ Flexible or repayment loans▪ Fixed or floating interest rates▪ Detached houses, row houses, housing cooperatives, apartments.
Security	<ul style="list-style-type: none">▪ 1st priority.▪ Multiple securities allowed (mainly single securities).
Object	<ul style="list-style-type: none">▪ Norwegian residential properties▪ Valuation from Eiendomsverdi (input from broker and valuator)▪ Quarterly valuations



Liquidity

- The cover pool consists of residential mortgages and substitute liquid assets.
- Substitute Assets included in the cover pool can consist of:
 - Deposits held in other financial institutions:
 - Minimum rating of A-
 - Time to maturity < 100 days
 - Certificates or Bonds:
 - Minimum rating of AA-
 - Time to maturity < 10 years
- SSBB has defined a limit for how long the company is able to operate without supply of additional liquidity to the cover pool in a defined stress-scenario. This limit is set to 6 months, which is applied in the stress-scenarios.
- In addition, substitute assets shall cover at least covered bond interest payments over the next three months, plus a buffer to cover senior expenses and potential interest-rate movements.

