



# SSB Boligkreditt AS

Investor Presentation

1Q 2013



# Characteristics of the Cover Pool



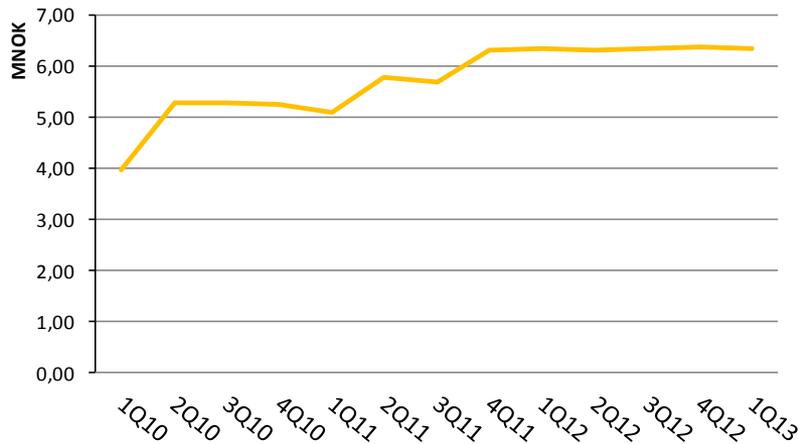
<b>Loans originated by</b>	SSB Boligkreditt AS
<b>Pool notional</b>	MNOK 6,331
<b>Substitute assets</b>	MNOK 145
<b>Number of loans</b>	4,946
<b>Average loan balance</b>	MNOK 1,280
<b>Type of loans</b>	100% residential Norwegian mortgages
<b>Type of mortgages</b>	Flexible: 55 % Repayment: 45 %
<b>Rate type</b>	Float 94%, Fixed 6%
<b>Geographic distribution</b>	Across Norway with a concentration to Rogaland
<b>Weighted average LTV</b>	45 %
<b>Weighted average seasoning</b>	4,52 years



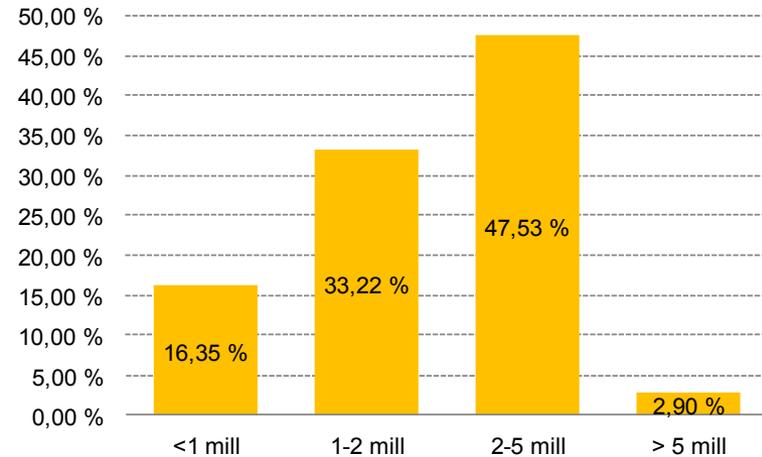
# Pool notional



### Volume



### Loan distribution



- Total cover pool size: MNOK 6,331
- 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

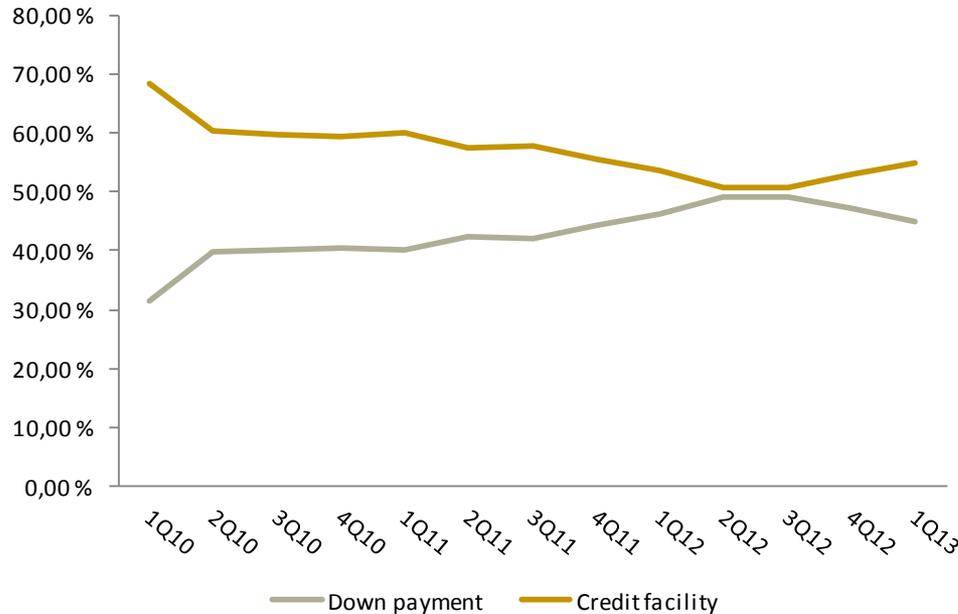
- 184 MNOK in largest bucket
- Expect that loans above 5 MNOK will increase slightly as property prices continue to rise.



# Type of mortgages



**Portfolio by loantype**



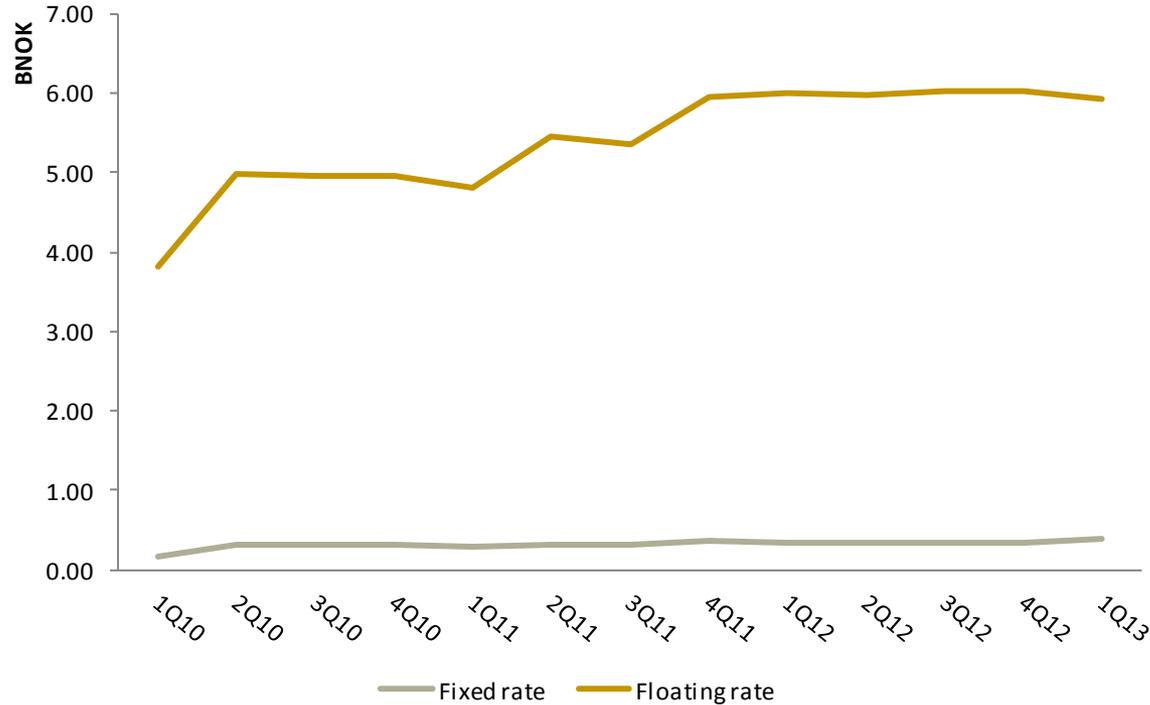
- High concentration of Credit Facilities due to volume focus in period 2003-2008.
- Low volumes in granted Credit Facilities since 2009 due to:
  - More restrictive credit policy.
  - Implementation of price differences between down payment loans and credit facilities (min 15 bp)
  - New regulations from the Norwegian FSA say that banks only can grant Credit Facilities to customers with LTV within 70 %.



# Type of mortgages



## Loan distribution by type



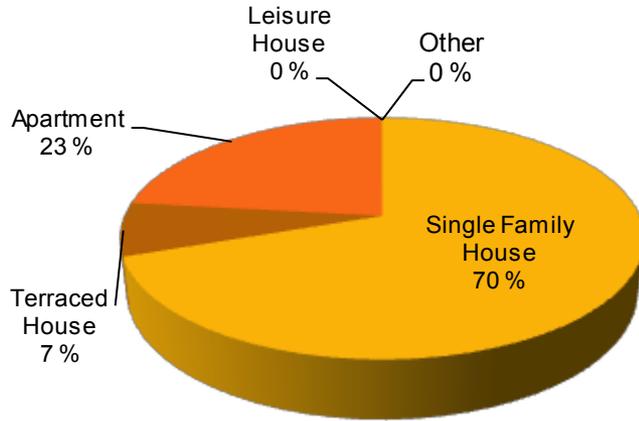
- Low level of fixed rate loans.
- Expect a slight increase, but from low level, in fixed rate loans as swaps on historic low levels.



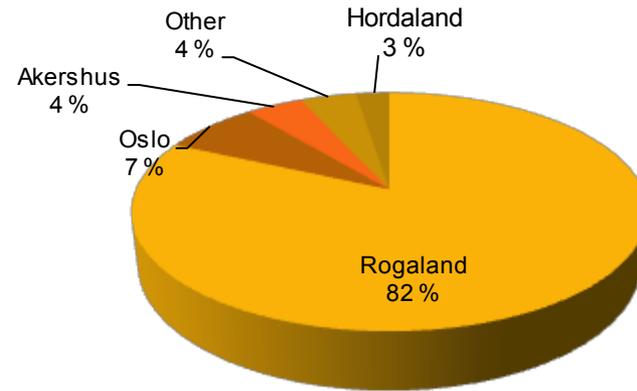
# Distribution of the Cover Pool



### By property type



### By Geography

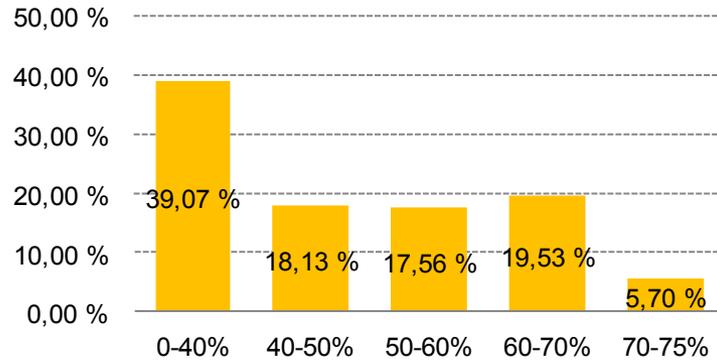




# Conservative and High Quality Pool

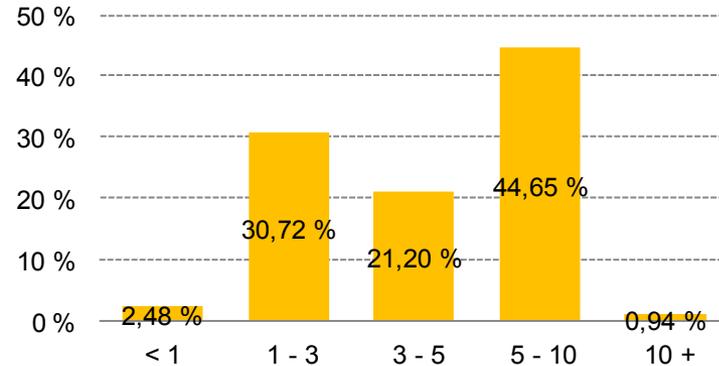


**Current LTV (by Amounts)**



- Weighted average LTV: 45%
- Approx 75% of the cover pool has an LTV < 60%

**Seasoning**



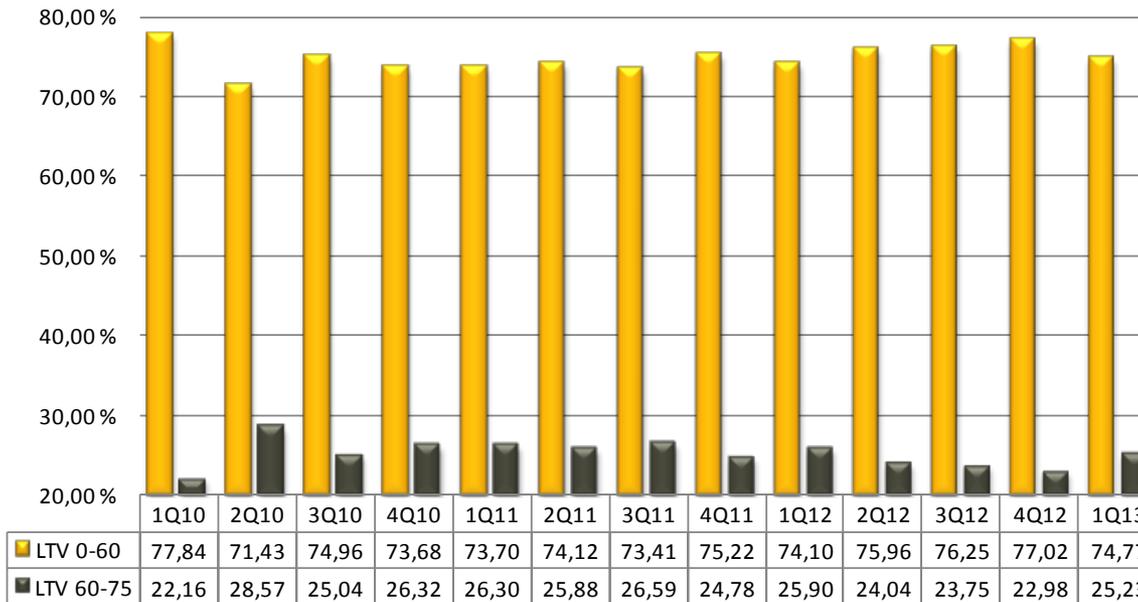
- Weighted average seasoning: 4,52 years
- Approx 67 % of the cover pool is > 3 year seasoned



# Conservative and High Quality Pool



### Loan to Value



- Stable trend in development of LTV.
- Expect the stable trend to continue due to:
  - Population growth
  - Local investments and labor market
  - Residential property market
  - Payment moral

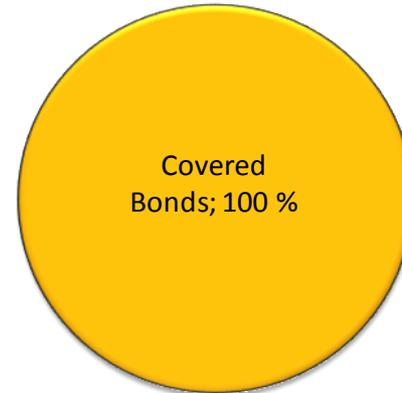


# Conservative and High Quality Pool



- OC level is set to minimum 10 % by the Board of Directors
- 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	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13
Residential Mortgages	5.171.826	5.767.540	5.675.533	6.298.888	6.339.477	6.324.690	6.385.670	6.383.638	6.331.393
Substitute Assets	317.269	322.027	323.795	425.954	323.883	357.698	300.616	305.592	145.412
Bank Deposit	317.269	322.027	323.795	425.954	323.883	357.698	300.616	305.592	-
Bonds & Certificates	-	-	-	-	-	-	-	-	145.412
Sum	5.489.095	6.089.567	5.999.328	6.724.842	6.663.360	6.682.388	6.686.286	6.689.230	6.476.805
Overcollateralization	9,11 %	20,72 %	18,93 %	22,67 %	11,04 %	11,30 %	11,32 %	26,90 %	25,91 %

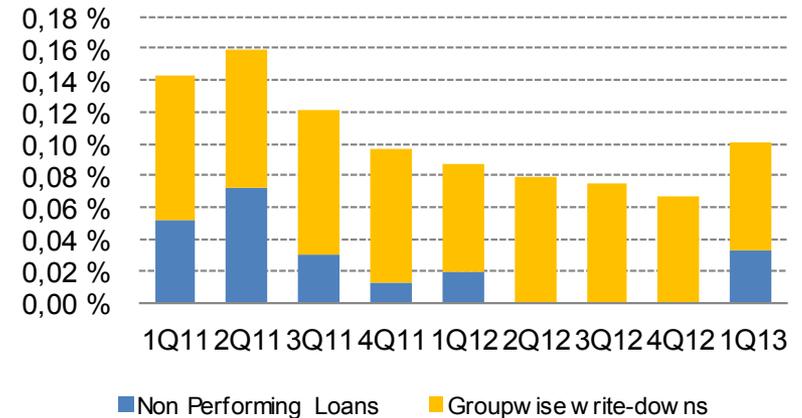


# Conservative and High Quality Pool



- 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 31.03.2013 consist of one loan. This loan has been valuated and transferred back to the bank.

## Non-Performing Loans and Loan Losses





# Issued Bonds



<b>Issuer</b>	SSB Boligkreditt					
<b>ISIN</b>	NO0010492473	NO0010580806	NO0010577166	NO0010588874	NO0010601099	NO0010636335
<b>Nominal</b>	MNOK 2,452	MNOK 300	MNOK 700	MNOK 525	MNOK 775	MNOK 500
<b>Disb. Date</b>	31.03.2009	29.06.2010	15.06.2010	29.09.2010	25.02.2011	08.02.2012
<b>Maturity</b>	22.06.2015	16.12.2013	15.04.2016	29.09.2015	25.02.2015	08.02.2017
<b>Ext. Maturity</b>	22.06.2016	16.12.2014	15.04.2017	29.09.2016	25.02.2016	08.02.2018
<b>Coupon</b>	Nibor + 50bp	Nibor + 62bp	Nibor + 65bp	4,15%	Nibor + 60bp	Nibor + 100bp

- SSB Boligkreditt has issued NOK 5,3 bn in Covered Bonds.
- To date, 2.0 billion has been used in the government bond swap facility and 3.3 billion has been sold in the market.
- 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, internationally



# Policies and limits

## - Cover pool



<b>Loan to value (LTV)</b>	<ul style="list-style-type: none"><li>▪ LTV below 75 % based on a valuation not more than 3 months old. LTV for flexible loans is measured towards granted limit.</li></ul>
<b>Substitute assets</b>	<ul style="list-style-type: none"><li>▪ Maximum 20 %.</li></ul>
<b>Overcollaterization</b>	<ul style="list-style-type: none"><li>▪ Minimum 10 %</li></ul>
<b>Type of loans</b>	<ul style="list-style-type: none"><li>▪ Only residential mortgages</li><li>▪ Only NOK</li><li>▪ No loans in default</li><li>▪ No loans with identified losses</li><li>▪ Flexible or repayment loans</li><li>▪ Fixed or floating interest rates</li><li>▪ Detached houses, row houses, housing cooperatives, apartments, recreational property.</li></ul>
<b>Security</b>	<ul style="list-style-type: none"><li>▪ 1st priority.</li><li>▪ Multiple securities allowed (mainly single securities).</li></ul>
<b>Object</b>	<ul style="list-style-type: none"><li>▪ Norwegian residential properties</li><li>▪ Valuation from Eiendomsverdi (input from broker and valuator)</li><li>▪ Quarterly valuations</li></ul>



# Liquidity



- SSBB has defined a limit for how long the company is able to operate without supply of additional liquidity in a defined stress-scenario. This limit is set to 6 months, which is applied in the stress-scenarios.
- Substitute Assets in SSBB 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

