



SSB Boligkreditt AS

Investor Presentation

4Q 2014



Characteristics of the Cover Pool



Loans originated by	SSB Boligkreditt AS
Cover pool mortgages	MNOK 6,730
Substitute assets	MNOK 317
Total cover pool	MNOK 7,047
Number of loans	4,678
Average loan balance	MNOK 1,439
Type of loans	100% residential Norwegian mortgages
Type of mortgages	Flexible: 35,7 % Repayment: 64,3 %
Rate type	Float: 94,9% Fixed: 5,1%
Geographic distribution	Mainly Rogaland, some across Norway
Weighted average LTV	50,5 %
Weighted average seasoning	4,11 years



SSB Boligkreditt – Rating by Fitch



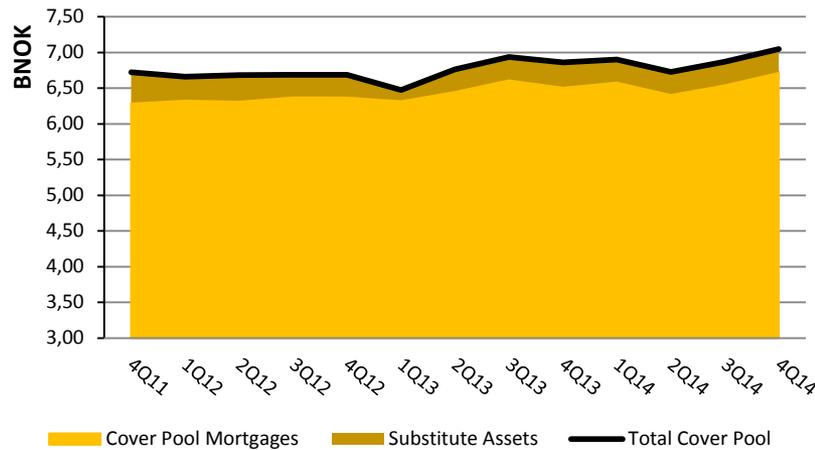
- Fitch has assigned the rating of the covered bond programme to AA
- The breakeven 'AA' OC for SSBB covered bonds' rating has decreased to 9.0% from 11.0% during the last 12 months.
- SSB Boligkreditt has committed to an OC-level of 11 %



Pool notional



Volume

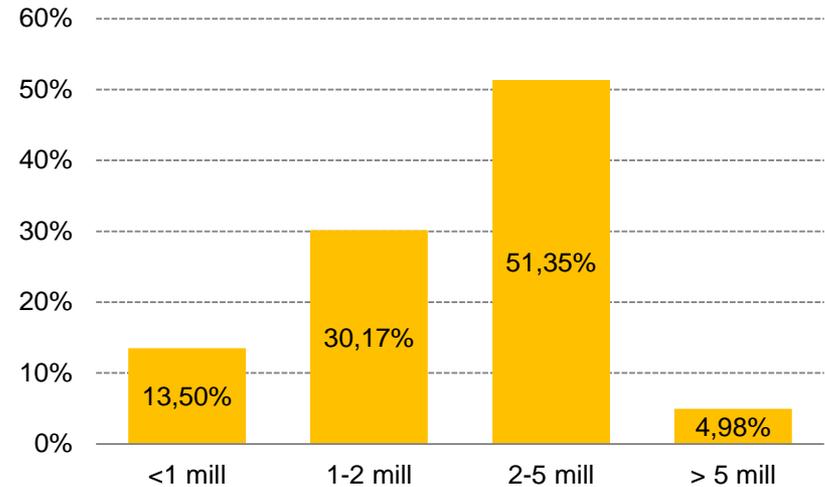


- Total cover pool size: MNOK 7.047
- Stable volumes due to implemented disposal limits in Sandnes Sparebank:

Maximum of:

- 45 % of the Groups retail loans or
- 30 % of the Groups total loan portfolio

Loan distribution



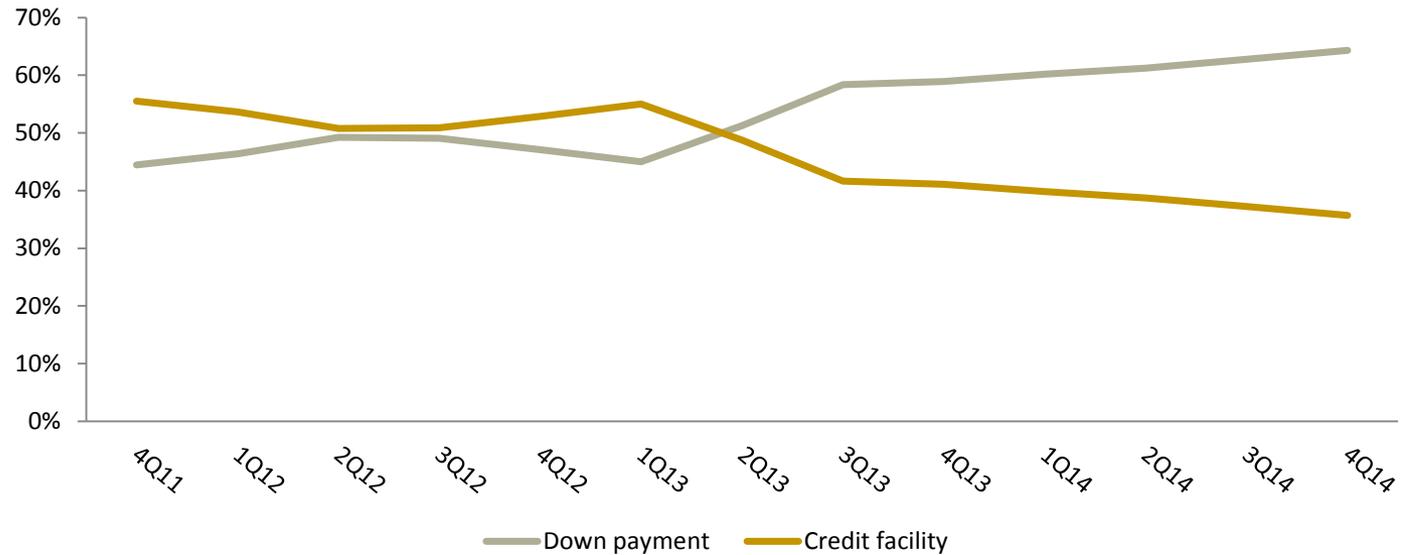
- 338 MNOK in bucket > 5 mNOK
- Slight increase compared to previous quarter



Type of mortgages



Portfolio by loantype



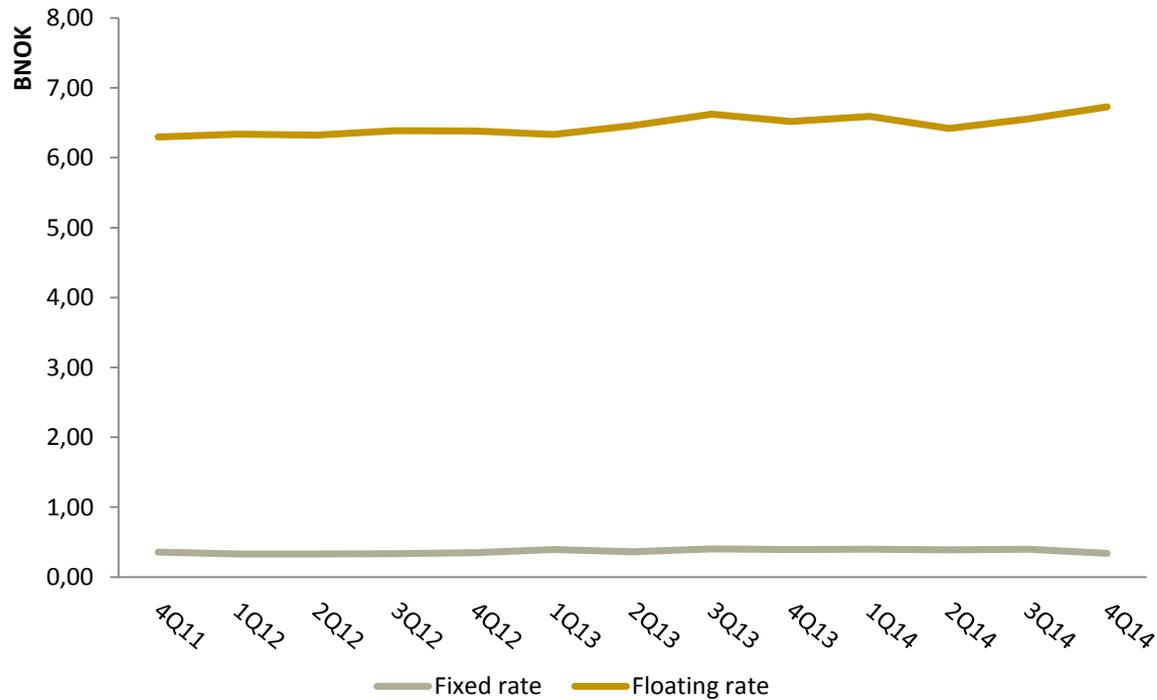
- Reduction of Credit Facilities due to:
 - Price differences between down payment loans and credit facilities.
 - Regulations from the Norwegian FSA say that banks only can grant Credit Facilities to customers with LTV within 70 %.
 - Capital intensive product.
- Slight reduction from previous quarter



Type of mortgages



Loan distribution by type



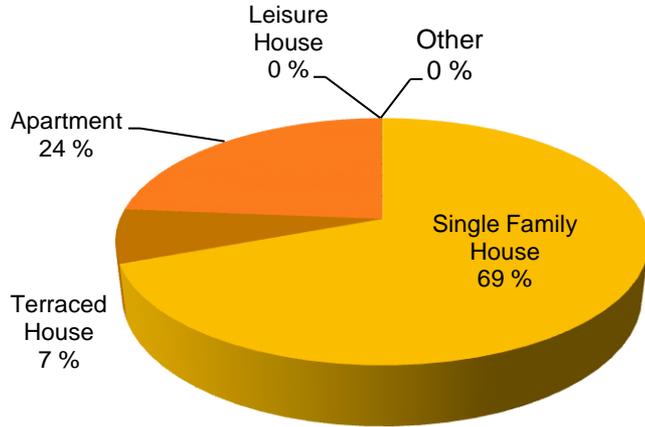
- Low level of fixed rate loans.
- Expect no significant change in level as fixed rate loans are perceived as relatively expensive compared to floating rate loans due to low market/swap rates the recent years.



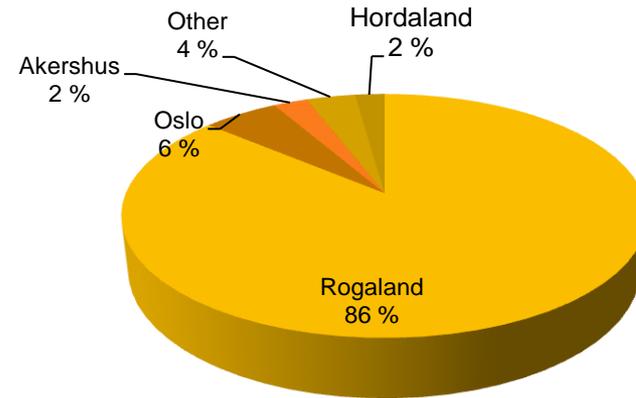
Distribution of the Cover Pool



By property type



By Geography

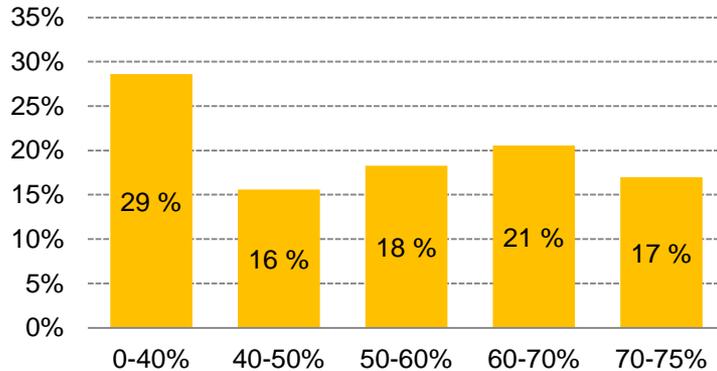




Conservative and High Quality Pool

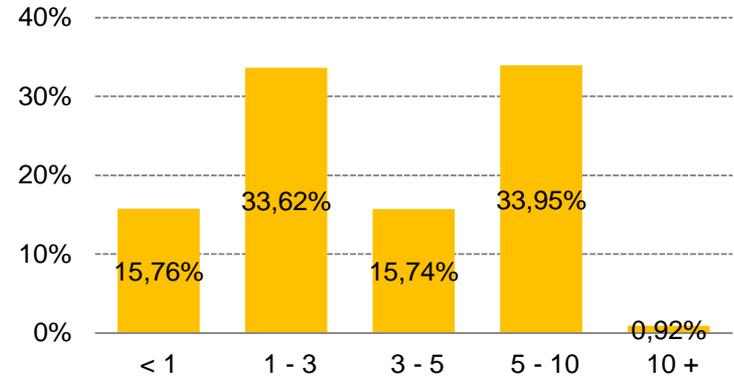


Current LTV (by Amounts)



- Weighted average LTV: 50,5%
- Approx 62,5% of the cover pool has an LTV < 60%

Seasoning



- Weighted average seasoning: 4,11 years
- Approx 49,4 % of the cover pool is > 3 year seasoned



Unemployment and Housing prices

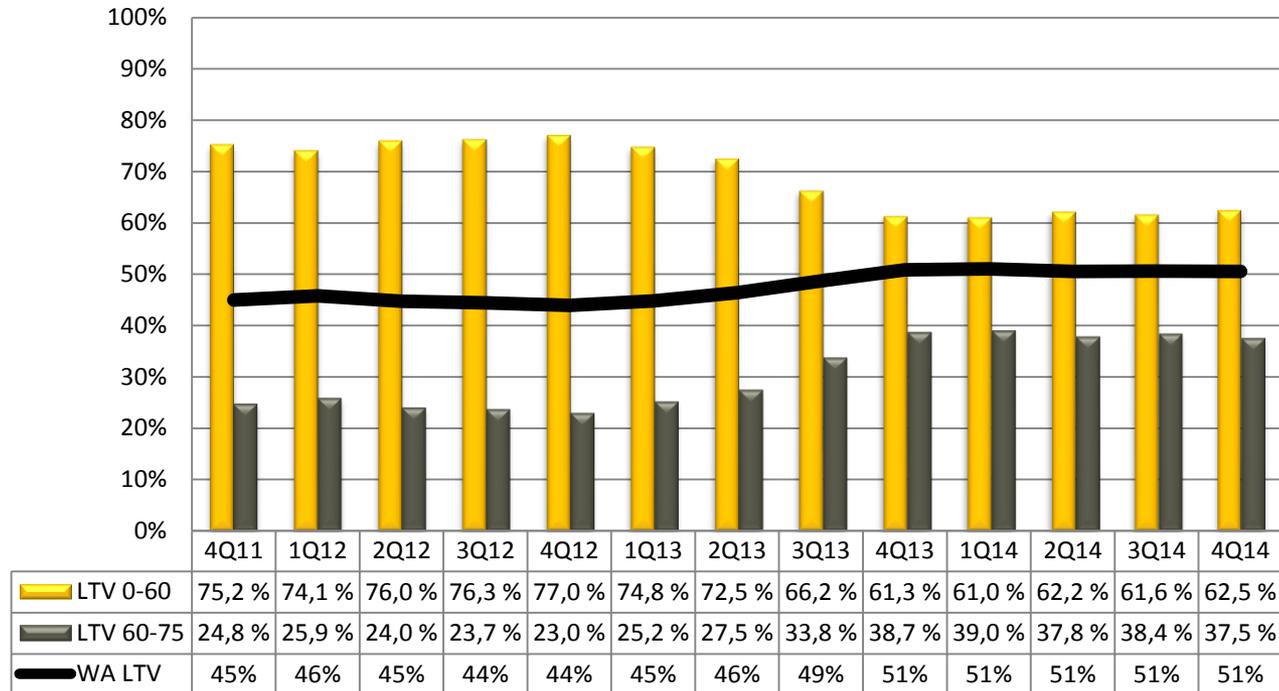
- Unemployment:
 - Unemployment rate in Rogaland had a slight increase the last quarter, from 2.3% by the end of Q3 2014 to 2.4% by the end of Q4 2014.
 - Unemployment rate in Norway is stable at 2.7%.
 - The unemployment rate in Rogaland is lower than for all of Norway, but is the region with the highest increase the last year with 0.4% compared to Norway with 0.1%.
 - Unemployment is still at very low levels.
- Housing prices:
 - Housing prices in Norway were stable the last quarter. For Rogaland the number is -1.0%, Stavanger -1,2% and Sandnes -1.0%.
 - The number of days it takes to sell a house in Norway has gone from 36 days by end of Q3 2014 to 48 days by end of Q4 2014. For Rogaland the numbers are 43 days to 55 days.
 - After a small downturn in the housing prices the second half of 2013, the prices now seem to stabilize, though uncertainty regarding further development.



Conservative and High Quality Pool



Loan to Value



- The general increase in the LTV 60-75 bucket the last year is due to:
 - Decrease in the housing prices in local market.
 - Reduced share of Credit Facilities, which in general has a lower LTV than downpayment loans.
 - Change of value applied from Eiendomsverdi, from market value to adjusted value (Q2 2013).

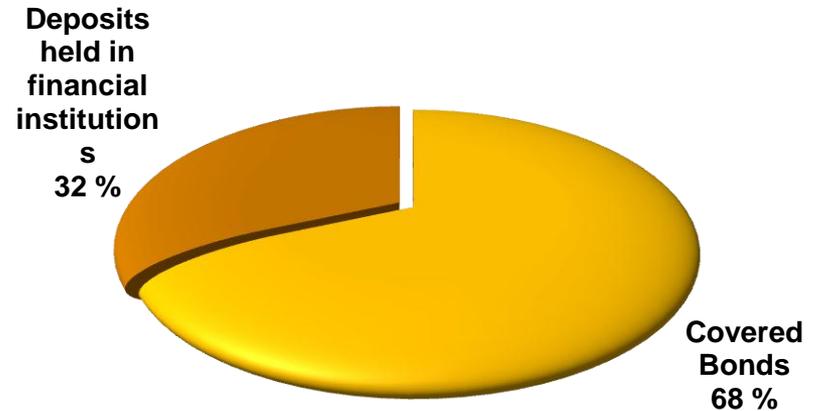


Conservative and High Quality Pool



- 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	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Residential Mortgages	6,383,638	6,331,393	6,462,241	6,624,387	6,520,624	6,593,261	6,419,256	6,555,061	6,729,751
Substitute Assets	305,592	145,412	302,733	311,710	341,698	306,937	307,186	317,083	316,762
Bank Deposit	305,592	-	-	100,000	100,000	100,000	100,000	100,000	100,000
Bonds & Certificates	-	145,412	302,733	211,710	241,698	206,937	207,186	217,083	216,762
Sum	6,689,230	6,476,805	6,764,973	6,936,097	6,862,323	6,900,198	6,726,442	6,872,144	7,046,512
Overcollateralization	26.90 %	25.91 %	59.86 %	40.10 %	60.41 %	63.07 %	41.80 %	52.69 %	45.05 %

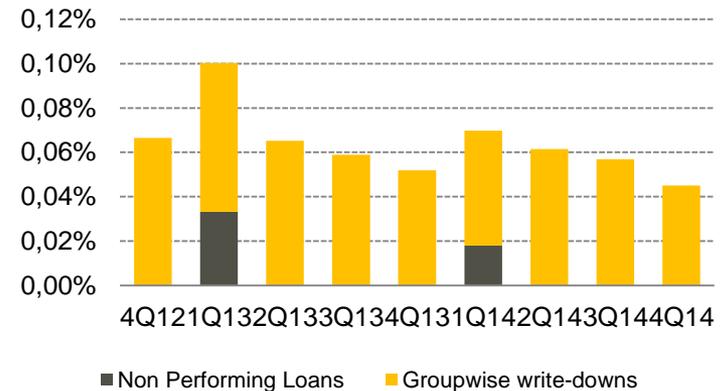


Conservative and High Quality Pool



- 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.
 - No Non-performing loans per 31.12.2014

Non-Performing Loans and Loan Losses





Issued Bonds



Issuer	SSB Boligkreditt								
ISIN	NO0010492473	NO0010577166	NO0010588874	NO0010601099	NO0010636335	NO0010689664	NO0010697691	NO0010704232	NO0010718331
Ticker	SSBB01	SSBB02	SSBB04	SSBB05	SSBB06	SSBB07	SSBB08	SSBB09	SSBB10
Nominal	MNOK 100	MNOK 700	MNOK 525	MNOK 50	MNOK 500	MNOK 1.000	MNOK 900	MNOK 800	MNOK 1.000
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	03.09.2014
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	03.09.2020
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	03.09.2021
Coupon	Nibor + 50bp	Nibor + 65bp	4.15 %	Nibor + 60bp	Nibor + 102bp	Nibor + 50bp	Nibor + 48bp	3.10 %	Nibor + 29bp

- SSB Boligkreditt has issued NOK 5,575 bn in Covered Bonds.
- Tap issue of SSBB08 with 300 mNOK in November and December
- Tap issue of SSBB09 with 200 mNOK in November and December.
- Tap issue of SSBB10 with 450 mNOK in November.

- 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 lien.▪ 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.

