

Norwegian Transparency Template

Covered Bond Label Template for Norwegian Issuers

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Cover Pool and Covered Bond Data

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Cover Pool and Covered Bond Data (Footnotes numbers refer to key concept's explanations tab)

Date of reporting data:

2016-06-30

General Cover Pool and Covered Bond information

Nominal + Net present value (NPV) Cover Pool Size

Nominal	110 750 495 226
NPV	112 806 077 369

Nominal + Net present value (NPV) Covered Bonds outstanding

Nominal	92 083 445 759
NPV	94 346 717 613

 Overcollateralisation, both of eligible asset and including non eligible asset.¹⁾

Current overcollateralisation ratio (eligible assets)	20,3%
By law	> 0
Contractual	N/A
Committed to rating agencies/others (provide lowest ratio)	None
Current overcollateralisation ratio (including non eligible asset)	21,7%

Are construction loans part of the eligible asset?

No

 Are ABS allowed in the Cover pool (Yes/No)?⁸⁾

Yes

% ABS

0%

 % substitute asset⁹⁾

0%

 Weighted LTV¹⁰⁾ unindexed

51,8%

Weighted LTV indexed

51,6%

WAL of cover pool (Months)

119,04

WAL of outstanding cover bond (Months)

36,26

Maturity structure cover pool/cover bond

 Assets: Legal maturity¹²⁾

0-1 year	5 289 135 757	5%
1-2 year	6 002 324 335	5%
2-3 year	5 091 510 869	5%
3-4 year	5 867 572 999	5%
4-5 year	7 870 904 397	7%
5-10 year	38 750 177 329	35%
10 year or longer	41 878 869 541	38%

Covered Bond: Legal maturity

0-1 year	0	0%
1-2 year	19 621 875 000	21%
2-3 year	16 029 545 000	17%
3-4 year	21 093 500 000	23%
4-5 year	11 540 525 759	13%
5-10 year	23 298 000 000	25%
10 year or longer	500 000 000	1%

 Assets: Expected maturity¹³⁾

0-1 year	15 835 604 162	14%
1-2 year	12 637 889 431	11%
2-3 year	10 522 290 783	10%
3-4 year	9 901 086 829	9%
4-5 year	10 056 100 666	9%
5-10 year	34 144 347 818	31%
10 year or longer	17 653 175 537	16%

Covered Bond: Expected maturity

0-1 year	19 621 875 000	21%
1-2 year	16 029 545 000	17%
2-3 year	21 093 500 000	23%
3-4 year	11 540 525 759	13%
4-5 year	17 738 000 000	19%
5-10 year	5 560 000 000	6%
10 year or longer	500 000 000	1%

Interest rate and currency risk

There is no **FX risk**. All fx exposure is hedged with cross currency swaps into 3 month nibar exposure. **Interest rate risk** is kept within prudent limits set by the board. Interest rate risk is neutralized through matching between assets and liabilities or through the use of interest rate swaps. The remaining interest rate risk consists of small amounts of unmatched maturities and fixing risk which can fluctuate somewhat throughout the year.

Composition of the mortgage cover pool

Data specific to commercial and residential mortgages

%age Split between residential and commercial mortgages in the cover pool ²⁾	100% residential
% of non first lien mortgages in the cover pool	5,3%
% of insured mortgages in the cover pool ³⁾	0%
% of guaranteed loans ⁴⁾	0%

Loan distribution by property type (see glossary for property type definition):

Single-family housing	81 073 205 705	73%
Multi-family housing	0	0%
Apartments / Flats	26 435 029 592	24%
Summer houses	3 242 259 929	3%
Commercial	0	0%

Geographical distribution of loans in the cover pool:

Akerhus	17 952 955 282	16%
Aust-Agder	1 943 839 564	2%
Buskerud	4 169 315 366	4%
Finnmark	617 237 363	1%
Hedmark	2 065 757 999	2%
Hordland	13 483 996 793	12%
Møre og Romsdal	9 064 517 504	8%
Nordland	2 310 106 972	2%
Nord-Trøndelag	308 592 183	0%
Oppland	3 995 765 735	4%
Oslo	23 015 265 078	21%
Rogaland	5 424 690 413	5%
Sogn og Fjordane	1 249 028 364	1%
Svalbard	0	0%
Sør-Trøndelag	3 794 751 212	3%
Telemark	1 341 871 095	1%
Troms	2 578 573 299	2%
Vest-Agder	4 860 329 636	4%
Vestfold	4 758 624 511	4%
Østfold	7 815 276 857	7%

%age and Sum of loans in the cover pool of the 5 and 10 biggest borrowers

5 biggest borrowers Sum	67 002 212
10 biggest borrowers Sum	118 839 975
5 biggest borrowers %	0,06%
10 biggest borrowers %	0,11%

Do the mortgage covered bonds contain a soft or hard bullet structures ⁷⁾

Soft bullet

If yes, how long are the extension periods

1 year

Are derivatives included in the cover pool ¹¹⁾

Yes

%age of ECB eligible assets in the cover pool

N/A

Describe the effect of a 15% drop in house prices to the current OC

15,83% -4,4 p.p.

Residential mortgages:

% of buy-to-let	N/A
% of non owner occupied	N/A
% of second home	2,9%
% of interest only loans	37,7%
% of self certified loans	N/A
% of limited certification loans ¹⁵⁾	N/A

Repayment type

repayment	69 033 628 412	62%
interest-only	41 716 866 814	38%

Residential Cover Pool Pivot table (amounts)

Unindexed LTV buckets

0-40	28 384 982 912	26%
40-50	16 927 055 373	15%
50-60	22 271 239 685	20%
60-70	24 201 271 899	22%
70-80	18 965 945 357	17%
80-85	0	0%
85-90	0	0%
90-95	0	0%
95-100	0	0%
100-105	0	0%
105-115	0	0%
115-+	0	0%

Indexed LTV buckets

0-40	28 577 811 383	26%
40-50	17 093 836 707	15%
50-60	22 513 116 886	20%
60-70	23 946 632 695	22%
70-80	18 619 097 556	17%
80-85	0	0%
85-90	0	0%
90-95	0	0%
95-100	0	0%
100-105	0	0%
105-115	0	0%
115-+	0	0%

Eligible assets, non eligible assets on issuer balance sheet

	Eligible	110 750 495 226	99%
	Non-eligible	1 307 651 195	1%
Seasoning:			
	< 12 months	14 872 262 035	13%
	12-24 months	23 643 943 410	21%
	24-36 months	19 138 257 030	17%
	36-60 months	24 155 664 494	22%
	>60 months	28 940 368 257	26%
Interest rate type:			
	Floating not capped	108 119 837 883	98%
	floating capped ⁶⁾		0%
	Fixed or reset < 2 year	1 494 595 012	1%
	Fixed or reset 2-5 year	870 646 859	1%
	Fixed or reset > 5 year	265 415 473	0%
Performing:			
	Performing Loans	110 648 768 166	100%
	Delinquent loans ¹⁴⁾	101 727 060	0%
	NPL ⁵⁾	0	0%
Remaining legal maturity:			
	< 12 months	2 326 868 410	2%
	1-5 years	13 518 428 951	12%
	Over 5 years	94 905 197 865	86%
Loan size buckets: private individuals			
	≤ 1,000,000	26 591 862 682	24%
	> 1,000,000 ≤ 2,000,000	42 442 625 446	38%
	> 2,000,000 ≤ 3,000,000	23 968 582 295	22%
	> 3,000,000 ≤ 4,000,000	10 162 543 239	9%
	> 4,000,000 ≤ 5,000,000	4 101 972 379	4%
	> 5,000,000	3 482 909 185	3%
Loan size buckets: housing cooperatives			
	≤ 1,000,000	0	N/A
	> 1,000,000 ≤ 2,000,000	0	N/A
	> 2,000,000 ≤ 3,000,000	0	N/A
	> 3,000,000 ≤ 4,000,000	0	N/A
	> 4,000,000 ≤ 5,000,000	0	N/A
	> 5,000,000	0	N/A

Commercial real estate:

by sector distribution (presented according to issuer template)	N/A
Commercial Cover Pool Pivot table (amounts)	N/A
Unindexed LTV buckets: 0-40, 40-50, 50-60, 60-70, 70-80, 80-85, 85-90, 90-95, 95-100, 100-105, 105-115, 115-	N/A
Indexed LTV buckets: 0-40, 40-50, 50-60, 60-70, 70-80, 80-85, 85-90, 90-95, 95-100, 100-105, 105-115, 115-	N/A
Seasoning: < 12 months, 12-24 months, 24-36 months, 36-60 months, >60 months	N/A
Interest rate type: Floating not capped, Floating capped, Fixed or reset < 2 year, Fixed or reset 2-5 year, Fixed or reset > 5 year	N/A
Performing: Performing Loans, Delinquent loans ¹⁴⁾ , NPL ⁵⁾	N/A
Remaining legal maturity (< 12 months, 1-5 years, over 5 years)	N/A

Composition of the public cover pool

%age and Sum of loans in the cover pool of the 5 and 10 biggest borrowers	N/A
Public Cover Pool Pivot table	N/A
Country Exposure (provide names of 10 biggest borrowers)	N/A
Type of claim: State, Regional authorities, Local authorities, enterprise with implicit guarantee, enterprise with explicit guarantee, other debtors	N/A
Proportion of bonds and loans	N/A
Interest rate type: Floating not capped, Floating capped, Fixed or reset < 2 year, Fixed or reset 2-5 year, Fixed or reset > 5 year	N/A
Performing: Performing Loans, Delinquent loans ¹⁴⁾ , NPL ⁵⁾	N/A
Geographical and type of distribution of loans within public sector cover pool	N/A
By county and within a country by State, Region, City, Municipality, PS company, etc	N/A
Do the public covered bonds contain a soft or hard bullet structures ⁷⁾	N/A
If yes, how long are the extension periods	N/A
Are derivatives included in the cover pool ¹¹⁾	N/A
%age of ECB eligible assets in cover pool	N/A
Loan size, buckets	N/A

Covered Bonds

Outstanding Covered Bonds

Ticker	Currency	ISIN	Opening	Maturity	Outstanding amount	Coupon
NOKR45	NOK	NO0010583941	2010-08-19	2017-06-21	4 018 000 000	4,05%
NOKR51	NOK	NO0010636574	2012-02-21	2017-06-21	10 000 000 000	Nibor 3m+0,78%
	GBP	XS1108787703	2014-09-11	2017-09-11	5 133 545 000	Libor 3m+0,19%
NOKR54	NOK	NO0010674971	2013-04-19	2018-06-20	10 896 000 000	Nibor 3m+0,4%
NOKR53	NOK	NO0010647241	2012-05-29	2019-06-19	12 195 000 000	Nibor 3m+0,68%
NOKR55	NOK	NO0010692767	2013-11-05	2019-06-19	2 380 000 000	3,05%
NOKR56	NOK	NO0010703531	2014-02-14	2020-06-17	9 015 000 000	Nibor 3m+0,38%
NOKR46	NOK	NO0010584345	2010-09-02	2021-06-16	9 383 000 000	4,25%
NOKR47	NOK	NO0010593064	2010-12-22	2025-06-18	550 000 000	4,80%
	USD	XS0681797345 / US65558AAC09	2011-09-22	2016-09-22	5 603 875 000	2,125%
NOKR57	NOK	NO0010729817	2015-01-26	2021-06-16	8 355 000 000	Nibor 3m+0,2%
	GBP	XS1210746134	2015-03-30	2020-03-30	1 525 525 759	Libor 3m+0,25%

Key Concepts' Explanations

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Key Concept's explanations

Further explanation if deemed necessary (Link)

1 Overcollateralisation		
How is the overcollateralisation ratio calculated in the program? What assets are included and which not?	Only eligible assets are included in the OC ratio. OC including non eligible assets may be given as supplementary information.	
2 Residential versus commercial mortgages		
Description of the difference made between residential and commercial properties	Residential mortgages are secured on permanent dwellings, leisure homes, and housing co-operatives, provided the dwelling is not let with a commercial purpose.	
Describe when you classify a property as commercial?	Commercial mortgages may be secured on block of flats, office buildings, other buildings or any other real estate.	
Is working capital included in the valuation for commercial property?		
3 Insured mortgages (if part of the the cover pool)		
How are the loans insured?	N.a.	
Please provide details of insurers	N.a.	
4 Guaranteed loans (if part of the cover pool)		
How are the loans guaranteed?	No common definition.	
Please provide details of guarantors	N.a.	
5 NPL		
Describe how you define NPLs	Non performing loans over 90 days after due date.	
Explain how you distinguish between performing and nonperforming loans in the cover pool?		
Are NPLs part of eligible assets in cover pool? Are NPL part of non eligible assets in cover pool?	NPLs are not part of eligible assets, but may be part of non eligible assets.	
Are loans in foreclosure procedure part of eligible assets in cover pool?	No, loans in foreclosure are non performing.	
If NPL and/or loans in foreclosure procedure part of the covered pool which provisions are made in respect of the value of these loans in the cover pool?	N.a.	
6 Capped floating rate loans		
Describe the types of caps for the loans	N.a. for most issuers.	
7 Soft Bullets (Extendable maturity)		
Describe the soft bullet structure(s)	E.g.: 5 years + 1 year extendable, then exp. mat. 5 years, legal mat. 6 years.	
Explain under which circumstances soft bullet could be used		
8 ABS		
What are the limitations on ABS in the cover pool, if allowed?	May be part of substitute assets. May be securitised mortgages, issued in a country in the EEA Area. Must qualify for credit quality step 1 (AA-/Aa3). Maximum 20 % of covered bonds (nominal value).	
Are there any further regulations (legal or contractual) for ABS in the pool?	No	
Are only self issued ABS in the pool are others as well?	N.a.	
9 Substitute Asset		
Provide details on eligibility criteria of the types of assets that can be considered as substitute asset?	Up to 20 % of cover pool, max 30 % with supervisor's consent. Particularly liquid and secure assets. Market value.	
Provide a list assets eligible are allowed by law? Which asset classes are currently in the cover pool?	Claims on public sector that qualify for c.q.s 1. Claims on public sector that qualify for c.q.s 2 (A-/A3), up to 20 % of covered bonds (nominal value). Covered bonds issued in a country in the EEA-Area ABS, ref. above. Claims on credit institutions that qualify for c.q.s. 1, or similar short term claims (100 days) that qualify for c.q.s. 2 up to 15 % of covered bonds outstanding. Cash deriving from the management of the cover pool.	
10 Loan-to-Value		
Describe the method on which your LTV calculation is based	$LTV = \frac{LO + HP}{V}$ LO = Loan balance or facility HP = Higher priority pledge V = Value of the property	
Frequency of real estate valuation for the purpose of calculating the LTV	N.a.	
Frequency of real estate valuation for the purpose of calculating index CLTV	Every 3 month.	
Describe your valuation techniques	The covered bond issuers in Norway perform a complete revaluation of every individual property in the cover pool on a quarterly basis. The revaluation is done using recognized statistical methods in accordance with the covered bond regulation. The model assigns every valuation a confidence level. For origination purposes the value is applied a hair-cut depending on the confidence level. For the purpose of valuing the properties already in the cover pool, market practice is to use the most probable (unbiased) valuation, regardless of the confidence level.	www.ev.no
Only once at inception or frequent re-evaluation which also will have an effect on accounting treatment of the loan/collateral	Residential mortgages: At inception: appraisal, transaction value or indexed value Re-evaluation: indexed value	
Both for residential and commercial asset	Commercial mortgages: At inception: appraisal or transaction value Re-evaluation: appraisal	
Date of the last valuation of the property		
11 Derivatives		
Is interest risk fully hedged (if not please give comment on open position)	A mortgage credit institution shall not assume greater risk than is prudent at any and all times. A mortgage credit institution is obliged to establish a limit on the interest rate risk which shall be fixed in relation to the institution's own funds and potential losses resulting from a parallel shift of 1 percentage point in all interest rate curves and resulting from distortion of the interest rate curves. The interest rate curves shall be divided into time intervals, and value changes for each time interval shall be limited to a prudent portion of the overall limit on interest rate risk that is set for the institution.	
Is duration risk fully hedged (if not please give comment on open position)		
Is currency risk fully hedged (if not please give comment on open position)	A mortgage credit institution shall not assume greater foreign exchange risk than is prudent at any and all times. A mortgage credit institution is obliged to establish limits on foreign exchange risk.	
Further information regarding derivatives you would like to disclose		
Are swap counterparties internal or external		
12 Legal maturity		
How is legal maturity for asset in cover pool and cover bond defined?	Legal maturity: Cover pool: contract maturity Covered bonds: contract maturity (incl. soft bullet)	
13 Expected maturity		
How is expected maturity for asset in cover pool and cover bond defined?	Cover pool: Supplementary information Covered bonds: Maturity excl. soft bullet	
14 Delinquent loans		
Describe how you define a loan that is delinquent	Loans in arrears 30 days after due date.	

15 Limited certification

Please give further information on this process

N.a. (The lender has a duty to assess a retail client's creditworthiness upon due diligence of client's information. Moreover, the lender shall dissuade a retail client from borrowing if the client's economic means or other circumstances so require, ref The Financial contracts Act, sec. 46b) and 47.)

Additional Information

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Additional comments

Ratings information

Current ratings and recent rating history (for the past three years)	
Senior unsecured ratings by Moody's, S&P, Fitch	
Senior secured (covered bond) ratings by Moody's, S&P, Fitch	Aaa
Financial strength ratings by Moody's and Fitch	
Sovereign ratings by Moody's, S&P, Fitch	

Additional comments

Glossary

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Glossary

Property type		
Single family housing	Detached houses, semidetached houses and row houses.	
Apartments / Flats	Apartments in apartment buildings regardless of legal ownership type and number of units in the building.	
Vacation home / Summer house	Vacation homes.	
Multi-family housing	Building with more than one dwelling. I.e. lending to a housing cooperative itself.	