



Rating Action: Moody's assigns an A1 issuer rating to SR-Boligkreditt AS

12 Dec 2022

Stockholm, December 12, 2022 -- Moody's Investors Service ("Moody's") today assigned an A1 long-term Issuer Rating and Counterparty Risk Ratings to SR-Boligkreditt AS (SR-Boligkreditt). Concurrently, Moody's has also assigned a long-term A1(cr) Counterparty Risk Assessment. All ratings are in line with those of its parent, SpareBank 1 SR-Bank ASA (SR-Bank).

The outlook on the long-term Issuer Rating is positive, in line with the outlook on the parent.

A full list of affected ratings can be found at the end of this press release.

RATINGS RATIONALE

The ratings of SR-Boligkreditt AS, which are in line with those of its parent, reflects Moody's view that the creditworthiness of the fully owned mortgage subsidiary is largely in line with that of SR-Bank. In our opinion, SR-Boligkreditt is highly integrated with its parent, SR-Bank and economically indistinguishable from it. We do not expect that the obligations of SR-Boligkreditt would be treated differently to those of SR-Bank should the parent face financial difficulty, therefore, we align the rating of the two entities.

SR-Boligkreditt represent approximately 43% of the SR-Bank's loans and 27% of its capital. Services are provided through the SR-Bank group's distribution network, while the vast majority of its operations are also outsourced to its parent through a service agreement. SR-Boligkreditt is directly regulated by the Norwegian FSA and has to abide by capital requirements as well as regulation on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

The ratings and assessments of SR-Boligkreditt could be upgraded if the parent entity's ratings were upgraded.

The ratings and assessments of SR-Boligkreditt could be downgraded if i) the parent entity's ratings were downgraded or ii) if there was a decrease as to the degree of integration between SpareBank 1 SR-Bank ASA and SR-Boligkreditt.

LIST OF AFFECTED RATINGS

Issuer: SR-Boligkreditt AS

..Assignments:

....Long-term Counterparty Risk Ratings, assigned A1

....Short-term Counterparty Risk Ratings, assigned P-1

....Long-term Counterparty Risk Assessment, assigned A1(cr)

....Short-term Counterparty Risk Assessment, assigned P-1(cr)

....Long-term Issuer Rating, assigned A1, outlook assigned Positive

..Outlook Action:

....Outlook assigned Positive

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in July 2021 and available at <https://ratings.moodys.com/api/rmc-documents/71997>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/ deal page for the respective issuer on <https://ratings.moodys.com>.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable,

the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1288235.

At least one ESG consideration was material to the credit rating action(s) announced and described above.

The Global Scale Credit Rating on this Credit Rating Announcement was issued by one of Moody's affiliates outside the UK and is endorsed by Moody's Investors Service Limited, One Canada Square, Canary Wharf, London E14 5FA under the law applicable to credit rating agencies in the UK. Further information on the UK endorsement status and on the Moody's office that issued the credit rating is available on <https://ratings.moodys.com>.

Please see <https://ratings.moodys.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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