



## Rating Action: Moody's assigns A1 issuer ratings to Sparebanken SOR Boligkreditt AS

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22 Jun 2023

Stockholm, June 22, 2023 -- Moody's Investors Service (Moody's) today assigned A1 long-term issuer ratings and Counterparty Risk Ratings to Sparebanken SOR Boligkreditt AS (SSB). Concurrently, Moody's assigned short-term Counterparty Risk Ratings of P-1. Moody's has also assigned a long-term A1(cr) and a short-term P-1(cr) Counterparty Risk Assessment. All ratings are in line with those of its parent savings bank in Norway, Sparebanken Sor (Sor).

The outlook on the long-term issuer ratings is positive, also in line with the outlook on the parent bank's issuer ratings.

### RATINGS RATIONALE

The ratings of SSB reflect Moody's view that the creditworthiness of the fully owned mortgage subsidiary is similar with that of Sor. In the rating agency's opinion, SSB is highly integrated with its parent Sor, and financially indistinguishable from it. Moody's does not expect that the obligations of SSB would be treated differently to those of Sor, should the parent bank face any financial difficulty, and therefore the rating agency aligned the ratings of the two entities.

SSB represented approximately 43% of Sor's total loans and around 29% of its capital base as of March 2023. All services to the covered bond company are provided through SSB's distribution network, while the vast majority of SSB's operations, including management and reporting, are also outsourced to its parent bank through a transfer and servicing agreement. SSB is directly regulated by the Norwegian Financial Stability Authority and must fulfill its own capital requirements as well as comply with the 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 SSB could be upgraded if the parent bank's ratings and assessments are upgraded.

The ratings and assessments of SSB could be downgraded if i) the parent entity's ratings and assessments are downgraded, or ii) if there was any loosening as to the degree of integration between Sor and SSB.

### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in July 2021 and available at <https://ratings.moodys.com/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,

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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](https://ratings.moodys.com/documents/PBC_1288235).

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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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