

## CREDIT OPINION

20 August 2021

Update

✓ Rate this Research

### RATINGS

#### OBOS-banken AS

|                   |  |
|-------------------|--|
| Domicile          | Oslo, Norway                           |
| Long Term CRR     | A3                                     |
| Type              | LT Counterparty Risk Rating - Fgn Curr |
| Outlook           | Not Assigned                           |
| Long Term Debt    | Not Assigned                           |
| Long Term Deposit | A3                                     |
| Type              | LT Bank Deposits - Fgn Curr            |
| Outlook           | Stable                                 |

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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## OBOS-banken AS

Update following rating action, ratings affirmed

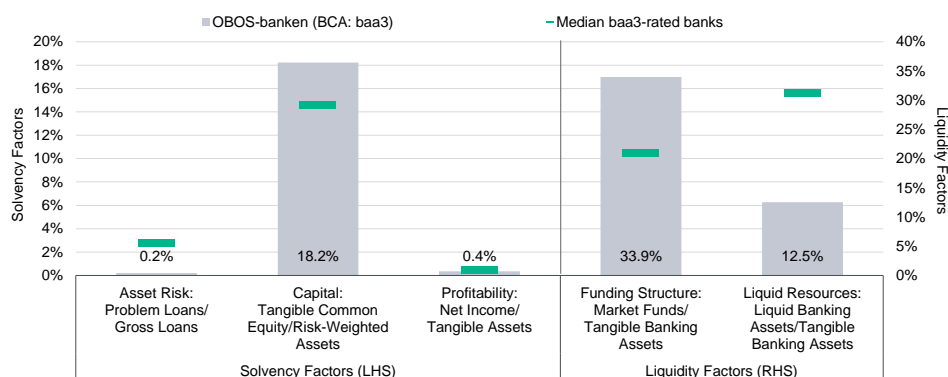
### Summary

[OBOS-banken AS'](#) (OBOS-banken) A3 long-term deposit and issuer ratings are derived from the bank's standalone creditworthiness, which is reflected in its baa3 Baseline Credit Assessment (BCA); and three notches of rating uplift from our forward-looking Advanced Loss Given Failure (LGF) analysis, which takes into account the risks faced by the different debt and deposit classes across the liability structure should the bank enter resolution.

The baa3 standalone BCA reflects the bank's (1) relatively strong asset quality, aided by its low-risk housing mortgage-lending focus; (2) strong capital metrics, supported by capital injections from the parent; (3) strong operating efficiency; and (4) comfortable liquidity. These strengths are balanced against OBOS-banken's (1) high geographical lending concentration in the high growth area of Oslo; (2) limited ability to raise capital outside the OBOS Group; (3) modest profitability and monoline business model, reliant on parent for new business generation; and (4) high reliance on wholesale funding.

Exhibit 1

### Rating Scorecard - Key financial ratios



These are our [Banks Methodology](#) scorecard ratios. Asset risk and profitability reflect the weaker of either the three-year average and latest figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.

Source: Moody's Investors Service

## Credit strengths

- » Low-risk lending focus
- » Adequate capital metrics, supported by capital injections from the parent and earnings retention
- » Extremely low loss given failure for deposits and senior unsecured debt

## Credit challenges

- » Modest profitability and monoline business model; reliant on its parent for new business
- » Concentration in the property market of Oslo and Viken, which pose risks in the downside
- » Reliance on wholesale funding, partially mitigated by sound liquidity

## Outlook

The stable outlook on OBOS-banken's long term deposit and issuer ratings reflects our view that the bank's credit metrics are unlikely to change significantly over the next 12-18 months.

## Factors that could lead to an upgrade

- » OBOS-banken's ratings may be upgraded as a result of (1) a sustainable improvement in profitability without an increase in its risk profile; (2) a sustainable improvement on the bank's capital metrics while maintaining a moderate level of credit growth and current levels of market funding reliance.

## Factors that could lead to a downgrade

- » Downward pressure would develop on OBOS-banken's BCA if (1) there were a significant deterioration in its asset-quality metrics or an increase in its risk appetite, such as a higher proportion of unsecured lending and/or higher credit growth than targeted; (2) a sustained weakening in capital; (3) a decrease on customer deposits leading to a higher use of market funds or (4) a decrease in the liquidity held on the bank's balance sheet.
- » The bank's deposit and issuer ratings could also be downgraded in case the bank issues a significantly lower volume than expected of more junior debt, or the amount of outstanding unsecured debt together with junior deposits does not grow in line with asset growth.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### OBOS-banken AS (Consolidated Financials) [1]

|  | 03-21 <sup>2</sup> | 12-20 <sup>2</sup> | 12-19 <sup>2</sup> | 12-18 <sup>2</sup> | 12-17 <sup>2</sup> | CAGR/Avg. <sup>3</sup> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Total Assets (NOK Billion)                                       | 54.8               | 53.3               | 48.7               | 44.6               | 39.9               | 10.3 <sup>4</sup>      |
| Total Assets (USD Million)                                       | 6,425.1            | 6,219.8            | 5,547.2            | 5,144.9            | 4,877.9            | 8.8 <sup>4</sup>       |
| Tangible Common Equity (NOK Billion)                             | 3.6                | 3.4                | 3.1                | 2.7                | 2.2                | 15.8 <sup>4</sup>      |
| Tangible Common Equity (USD Million)                             | 421.7              | 391.6              | 358.4              | 309.1              | 273.5              | 14.2 <sup>4</sup>      |
| Problem Loans / Gross Loans (%)                                  | 0.2                | 0.2                | 0.2                | 0.2                | 0.2                | 0.2 <sup>5</sup>       |
| Tangible Common Equity / Risk Weighted Assets (%)                | 18.2               | 16.6               | 17.4               | 16.0               | 16.3               | 16.9 <sup>6</sup>      |
| Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%) | 2.1                | 3.1                | 2.8                | 2.4                | 3.8                | 2.9 <sup>5</sup>       |
| Net Interest Margin (%)  | 0.8                | 0.8                | 0.8                | 0.8                | 0.9                | 0.8 <sup>5</sup>       |
| PPI / Average RWA (%)  | 1.2                | 1.5                | 1.3                | 1.3                | 1.5                | 1.4 <sup>6</sup>       |
| Net Income / Tangible Assets (%)                                 | 0.4                | 0.4                | 0.4                | 0.3                | 0.4                | 0.4 <sup>5</sup>       |
| Cost / Income Ratio (%)  | 44.9               | 37.6               | 40.0               | 42.8               | 41.8               | 41.4 <sup>5</sup>      |
| Market Funds / Tangible Banking Assets (%)                       | 31.8               | 33.9               | 34.1               | 33.3               | 34.1               | 33.5 <sup>5</sup>      |
| Liquid Banking Assets / Tangible Banking Assets (%)              | 15.4               | 12.5               | 10.3               | 10.7               | 13.2               | 12.4 <sup>5</sup>      |
| Gross Loans / Due to Customers (%)                               | 219.1              | 229.5              | 243.3              | 230.4              | 225.0              | 229.5 <sup>5</sup>     |

[<sup>-</sup>] Further to the publication of our revised methodology in July 2021, for issuers that have "high trigger" additional Tier 1 instruments outstanding, not all ratios included in this report reflect the change in treatment of these instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS.

[3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

## Profile

OBOS-banken is a Norwegian commercial bank mainly focused on retail mortgages and lending to housing companies (or cooperatives) in Norway. The bank reported total assets of NOK52.3 billion (equivalent to around €5.2 billion) as of March 2021, including loans transferred to Eika Boligkreditt.

OBOS-banken is part of the OBOS Group, one of the largest property developers in the Nordics. The bank is fully owned by OBOS Finans Holding AS, which, in turn, is fully owned by OBOS BBL. Most of the bank's retail clients are either members or employees of the OBOS Group, while most of the customers in its wholesale business are housing companies managed by the OBOS Group.

The OBOS Group's lending activities date back to 1929; however, OBOS-banken received its full banking license in 2013.

## Recent developments

We [expect](#) real GDP in all G-20 countries to grow compared with last year, but some countries will take longer than others to return to full capacity. Fiscal and monetary policy response, as well as pandemic management, will continue to play a key role.

Downside risks to our forecasts for advanced economies have receded but timing and pace of expansion is closely tied to policy support and continued progress with vaccinations. Progress of vaccinations in Norway, broadly in line with the EU, appears close to breaking the cycle of infections, notwithstanding risks of new variants. We expect the Norwegian mainland economy (excluding any oil-related activity) to rebound by 3.5% in 2021 after contracting by 2.5% in 2020. Unemployment, which peaked in March 2020 at 10.6% according to the Norwegian Labour and Welfare Administration, has declined to 3.5% as of June 2021.

In April we changed our [outlook](#) on the Norwegian banking system to stable from negative. This reflects our expectation that the Norwegian economy will recover strongly in 2021 after a coronavirus-induced downturn last year, exacerbated by a fall in oil prices. Norwegian banks will maintain good asset quality, as well as strong capitalisation and solid profitability. Their dependence on market funding will remain high, although offset by ample liquidity.

In December 2020 the board of OBOS-banken AS has decided that a structural change or merger with OBOS Finans Holding AS (the bank's parent company) will be considered. The consideration stems from Finanstilsynet's decision to direct the requirements for the MREL issuance to OBOS Finans Holding AS to external investors. Following the decision, OBOS-banken AS will issue corresponding MREL-eligible debt to OBOS Finans Holding AS. The process will assess whether OBOS Finans Holding AS will be merged into OBOS-

banken AS so that OBOS-banken AS becomes the new group leader. A possible change in the structure will simplify the company structure in the financial group. Any change in the structure requires approval from Finanstilsynet.

## Detailed credit considerations

### Low-risk lending focus, partly offset by concentration in the property market of Oslo and Viken

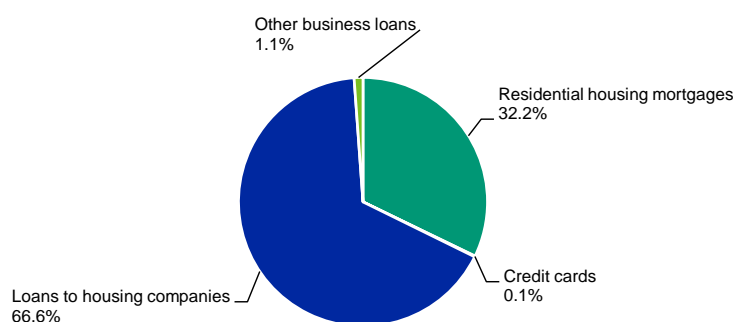
Our assessment of OBOS-banken's asset risk takes into account the bank's relatively low-risk housing mortgage-lending focus within Norway's generally supportive environment, but also its high concentration in the high growth areas of Oslo and Viken and the Norwegian property market, which may expose the bank to greater risk of a property price correction, and its limited track record through a number of economic cycles. The bank is also highly dependent on its parent's activities in terms of the growth and composition of its loan book. However, we do recognize that OBOS-banken's level of problem loans has remained consistently low at 0.2% over the years despite challenges in Norway's operating environment during both the coronavirus outbreak and the volatile oil prices and the oil crisis during 2015-2016. Furthermore, we view positively the bank's lower credit growth in the past 18 months following a change in strategy in 2019. We expect OBOS-banken's asset quality metrics to remain broadly unchanged in the coming quarters as support measures to businesses and households relating to the coronavirus pandemic are gradually lifted.

OBOS-banken focuses on lower-risk secured retail and wholesale (housing companies) mortgages. The majority of the bank's on-balance-sheet lending portfolio was to housing companies, 67%, as of year-end 2020 (see Exhibit 3), while direct residential mortgages made up most of the remaining loans at 32%. The majority of lending is to members or employees of the OBOS Group or to companies managed by the group. Based on the legal framework that governs housing cooperatives in Norway, members contribute a proportionate share of operating expenses, including debt servicing of the housing company, thereby reducing the risk for the bank. However, the bank is exposed to the tail risk of a large property price decrease, a common feature among its local peers. This is because its sizeable mortgage exposure leads to a high concentration in Norway's property market, particularly in the Oslo and Viken areas, where most of the bank's lending originates and where property prices had increased rapidly in previous years.

The bank entered the credit card sector in 2017 by offering its own credit cards to its members, as a way to further leverage its customer base and expand its product offering. Although we consider unsecured consumer lending risky, the relative size of this business remains low for OBOS-banken at just 0.1% of loans as of year-end 2020.

Exhibit 3

### OBOS-banken lends predominantly to housing companies and directly to individuals for residential mortgages On-balance-sheet loan book breakdown as of the end of 2020



Note: OBOS-banken also transferred NOK2.6 billion of loans to housing companies to Eika Boligkreditt AS as of the end of 2020

Source: Company reports

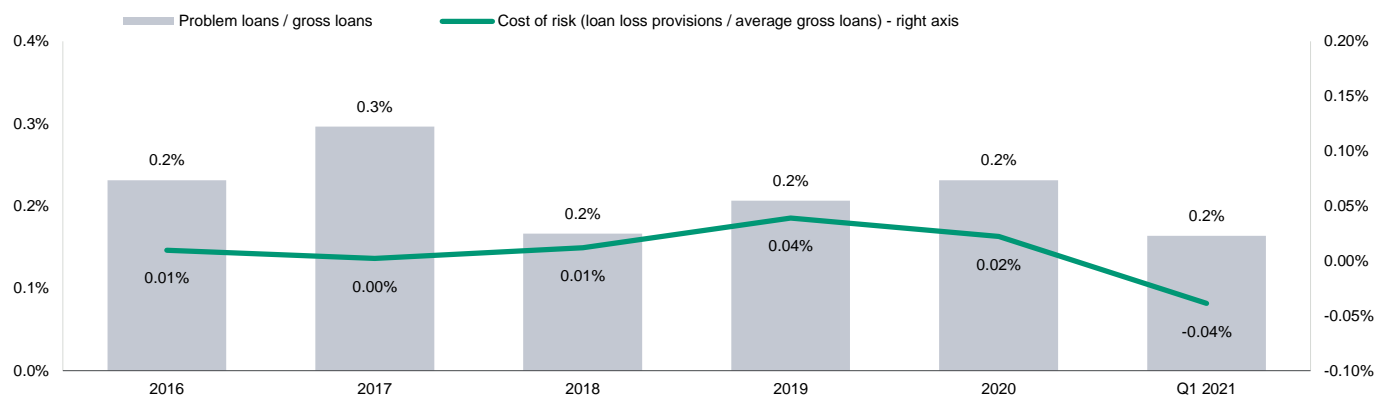
The bank's problem loans ratio (IFRS 9 stage 3 loans as a percentage of total loans) remained low at 0.2% as of the end of March 2021 (see Exhibit 4) and loan losses have been particularly low since the bank's inception. Furthermore, the bank's portfolio has seen very

limited risk migration as stage 1 loans constitute 97.3% of total loans at end 2020 (98.7% in 2019). Credit costs were -0.04% in the first three months of 2021, lower than the 0.02% as of year-end 2020.

Exhibit 4

### OBOS-banken maintains very low credit costs, thanks to a low problem loan ratio

#### Asset-quality metrics evolution

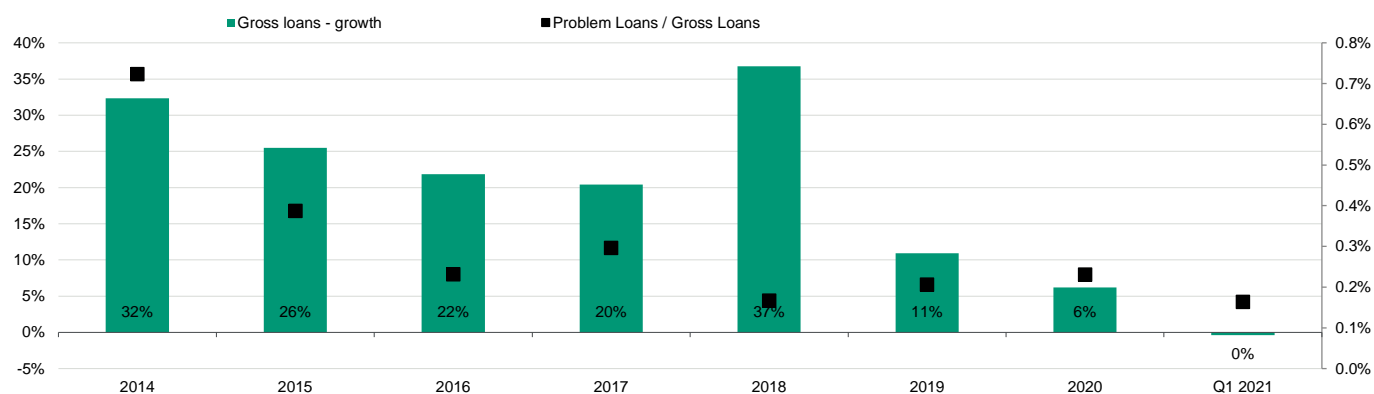


Source: Moody's Investors Service

Our assessment also takes into account the bank's loan growth moderation, in line with the Norwegian market following a change in strategy during 2019. OBOS-banken grew its loan book by approximately 6% during 2020 (11% in 2019) and 2.1% year over year in the first three months of 2021 compared to an average annual growth rate of 26% during 2016-2018.

Exhibit 5

### OBOS-banken's loan growth and problem loans ratio



Source: Moody's Investors Service

### Adequate capital metrics, supported by capital injections from the parent and earnings retention

OBOS-banken's capital position is strong, with the bank maintaining a prudent margin above the regulatory capital requirements. However, its stronger than peers, rate of lending growth is reliant on regular capital injections by the OBOS Group, alongside with full earnings retention.

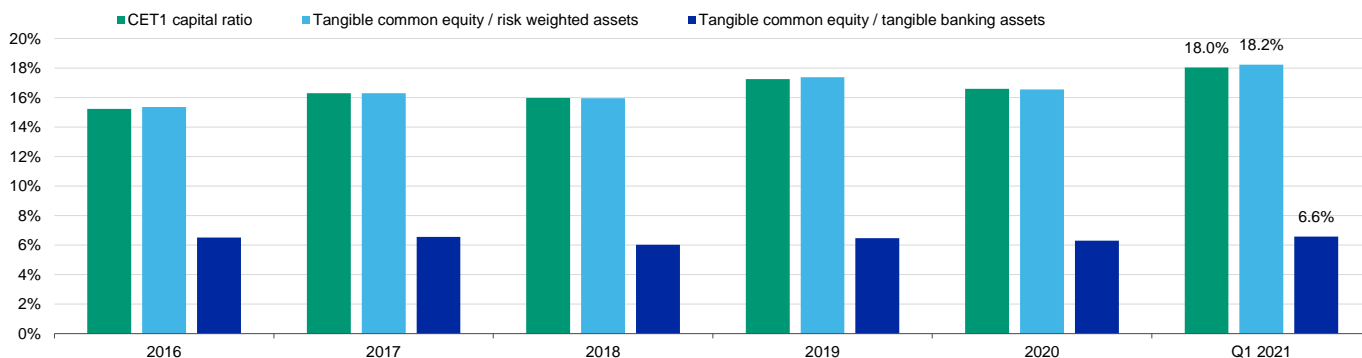
OBOS-banken reported a Common Equity Tier 1 (CET1) capital ratio of 18.0% (see Exhibit 6) and a total capital ratio of 21.6% as of the end of March 2021. The increase compared to year end 2020 is due to an equity issue of NOK200 in the first quarter of 2021. These metrics were well above the 13.4% CET1 regulatory requirement and the 16.9% total capital ratio requirement, which applied for that period and included a 3% systemic risk buffer, a 1% countercyclical capital buffer, and a 2.4% pillar 2 requirement that is specific to OBOS-banken. Our capital measure, tangible common equity/risk-weighted assets, was 18.2% as of end-March 2021. The systemic risk buffer for the bank will increase to 4.5% at end-2022 and the countercyclical capital buffer will increase to 1.5% from June 2022, but

we expect the bank to continue to meet its overall regulatory requirements with a substantial buffer and for it to maintain an internal 110 basis points minimum buffer above these requirements.

Exhibit 6

### OBOS-banken's capital metrics remain adequate and substantially above its regulatory requirements

#### Capital metrics evolution



Source: Moody's Investors Service

The bank's assigned capital score of a2 reflects the bank's modest profitability with an average return on of 5.9% during 2016-2020, which is limiting its internal capital generation capacity. Therefore, the bank has relied on capital injections from its parent to support its ambitious growth plans. We consider OBOS-banken central to the OBOS Group's strategy and therefore we expect the group to continue to support the bank in its plans. However, we also take into account the fact that, given its sole ownership by the OBOS Group, OBOS-banken has fewer options to raise capital externally, in case of need, compared with peers.

### Modest profitability to be broadly stable in the coming months and monoline business model

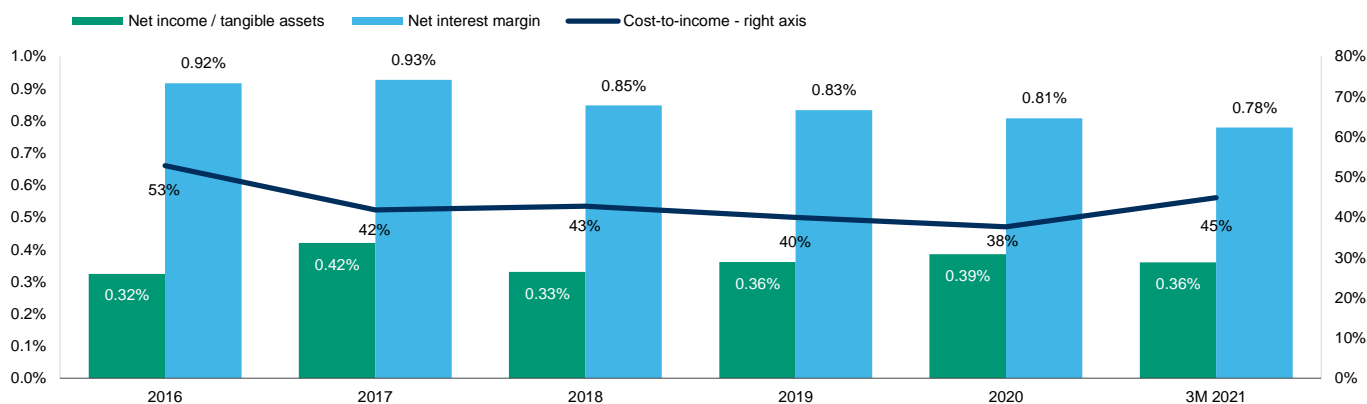
OBOS-banken's profitability is relatively modest and over the next 12-18 months we expect the bank's profitability to remain broadly unchanged as we expect the central bank to start increasing interest rates gradually from September 2021 which should lift off some of the margin pressure that has been evident in the past 18 months. In addition we expect the bank to realize greater economies of scale and continue its focus on cost control.

OBOS-banken's net income/tangible assets (including off-balance sheet lending) was 0.37% for the first three months of 2021, broadly stable compared to 0.39% in 2020 (see Exhibit 6). The net interest margin declined to 0.78% in the first three months of March 2021, lower than 0.81% in 2020. However, cost-efficiency is strong as the bank's cost-to-income ratio stood at 45% in the first three months of 2021 somewhat higher than the 38% reported at end 2020 due to increased headcount and purchases of and IT costs.

Exhibit 7

### Profitability is relatively weak, although the bank is cost efficient

#### OBOS-banken's profitability and efficiency metrics



Source: Moody's Investors Service

Similarly to other rated entities that are focused on one activity, we apply a one-notch negative adjustment to OBOS-banken's financial profile for lack of business diversification. This reflects the fact that the bank's revenues are almost exclusively derived from its mortgage lending activities (from both individuals and the interrelated housing companies).

### High reliance on wholesale funding, partially mitigated by sound liquidity

OBOS-banken has relatively high reliance on capital market funding, which would render it vulnerable to fluctuations in investor sentiment. As of the end of March 2021, market funds accounted for 32% of tangible banking assets (including off-balance-sheet covered bonds and assets) improved from 34% at year-end 2020 due to the bank's updated strategy of more moderate credit growth (6% during 2020 and 11% in 2019 from 26% annual growth during 2016-2018) and strong deposits growth (12.6% in 2020 and 16.4% at end 2021 from 5% in 2019).

Market funding has been primarily in the form of covered bonds and senior debt. The bank has a well-spread maturity profile, however, and it has been issuing covered bonds directly through its subsidiary OBOS Boligkreditt since the end of 2016. We expect the bank to issue growing volumes of senior non-preferred debt (SNP) to meet its regulatory minimum requirement for own funds and eligible liabilities (MREL), predominantly refinancing senior unsecured debt as it matures through to the end of 2023.

The bank's assigned funding score of ba3 incorporates our expectation that deposit growth will normalize as consumer spending increases and deposit competition intensifies resulting in higher levels of market funds. Furthermore, the bank's funding profile also takes into consideration OBOS-banken's relatively small size which has somewhat limited its ability to undertake regular large benchmark issuances.

The high reliance on market funding is mitigated by its sound liquidity, with liquid assets at 12.5% of TBAs (including assets transferred to Eika Boligkreditt) at end 2020, which has improved further at 15.4% at end March 2021 (LCR of 244%) as the bank witnessed strong growth in deposits in the first quarter of the year (+16.4% yoy in 1Q21 vs 12.6% in 2020 and 5% in 2019). Furthermore, the bank reported a liquidity coverage ratio of 244%, well above the 100% regulatory requirement. The liquidity portfolio was primarily invested in covered bonds and other investment-grade rated bonds. However, the covered bond holdings increase the interconnectedness between local banks and the domestic property market, a common feature among the banks in Norway that we rate. We expect that as economic activity resumes, the bank's liquidity position will normalize to approximately 13%.

### Source of facts and figures cited in this report's

Unless noted otherwise, the bank-specific figures originate from the bank's reports and are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document [Financial Statement Adjustments in the Analysis of Financial Institutions](#), published on 9 August 2018. The bank's figures are also adjusted to include loans transferred to [Eika Boligkreditt AS](#) (issuer rating Baa1 stable) that are not consolidated in OBOS-banken's financials, similar to our approach for other Norwegian banks that transfer mortgages to jointly owned, but not consolidated specialised companies.

### ESG considerations

In line with our general view on the banking sector, OBOS-banken has a low exposure to environmental risks. See our [Environmental risks heat map](#) for further information.

Although we believe OBOS-banken and banks generally face moderate social risks, we regard the recent coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. Otherwise the most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which are partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct are further social risks. Social trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services increasing information technology cost, ageing population concerns in several countries affecting demand for financial services or socially driven policy agendas translating into regulations that affect banks' revenue base. See our [Social risks heat map](#) for further information.

Governance is highly relevant for OBOS-banken, as it is to all entities in the banking industry. Corporate governance weaknesses can lead to a deterioration in a bank's credit quality, while governance strengths can benefit its credit profile. Governance risks are

largely internal rather than externally driven. Therefore, corporate governance remains a key credit consideration and requires ongoing monitoring, although we currently do not have particular governance concerns for OBOS-banken.

## Support and structural considerations

### Loss Given Failure (LGF) analysis

Norway transposed the EU Bank Recovery and Resolution Directive (BRRD) into local legislation in January 2019 and, as such, we consider the country an operational resolution regime. In accordance with our methodology, we therefore apply our Advanced LGF analysis, considering the risks faced by the different debt and deposit classes across the liability structure should the bank enter resolution.

In our Advanced LGF analysis for OBOS-banken, we use our standard assumptions and assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets. We also assume a 25% run-off of "junior" wholesale deposits and a 5% run-off in preferred deposits. Moreover, we assign a 25% probability to junior deposits being preferred to senior unsecured debt. We also assume the proportion of deposits considered junior at 10% for OBOS-banken, relative to our standard assumption of 26%, because of the bank's largely retail-oriented deposit base.

Under these assumptions and for a forward-looking horizon until the of 2023, our Advanced LGF analysis indicates that OBOS-banken's junior deposits and senior unsecured debt are likely to face extremely low loss given failure. This results in a three-notch rating uplift from the bank's BCA for both the deposit and issuer ratings.

The Assigned LGF uplift for the long-term deposits and issuer rating is positioned one notch higher than the correspondent LGF notching guidance. This reflects our expectation that OBOS-banken will issue substantial volumes of SNP debt (referred to as junior senior by Moody's) in response to regulatory requirements that will provide addition uplift for the more senior classes of liabilities.

In December 2020, the bank and its holding company were assigned an MREL of 32.8% of adjusted risk-weighted assets by the Norwegian FSA that needs to be met this year. Banks in Norway can use senior unsecured debt with a remaining maturity of more than year to partly meet their requirement for eligible liabilities until the end of 2023. However, from 1 January 2024, MREL must be met only with capital, hybrid and subordinated debt and senior non-preferred debt, the subordination requirement. Assuming that the systemic risk buffer will increase to 4.5% in 2022 and the countercyclical buffer will increase to 1.5% from June 2022, we expect that OBOS-banken will likely issue SNP debt of around NOK3 billion by the end of 2023, in at least linear fashion.

We currently consider that the upcoming revisions to the Bank Recovery and Resolution Directive (BRRD2) will not significantly lower the level of SNP needs for Norwegian banks, for example from the implementation of subordination ceilings. However, a substantially lower expected amount of SNP debt in the future may give rise to negative rating pressure.

### Government support

Because of the relatively small size of its operations, there is a low probability of government support for OBOS-banken's deposits and senior unsecured debt, resulting in no rating uplift.

### Counterparty Risk (CR) Assessment

#### OBOS-banken's CR Assessment is A3(cr)/Prime-2(cr)

For OBOS-banken, the CR Assessment is three notches above the bank's baa3 Adjusted BCA based on the substantial buffer against default provided to the senior obligations represented by the CR Assessment by more subordinated instruments, including junior deposits and junior senior debt. To determine the CR Assessment, we focus purely on subordination, taking no account of the volume of the instrument class.

### Counterparty Risk Rating

#### OBOS-banken's CRR's are A3/Prime-2

The CRR's are three notches above the Adjusted BCA of baa3, reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities.



## Methodology and scorecard

### About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

## Rating methodology and scorecard factors

Exhibit 8

### OBOS-banken AS

#### Macro Factors

**Weighted Macro Profile**                      **Very Strong -**                      **100%**

| Factor  | Historic Ratio | Initial Score | Expected Trend | Assigned Score | Key driver #1                     | Key driver #2    |
|---|----------------|---------------|----------------|----------------|-----------------------------------|------------------|
| Solvency  |                |               |                |                |                                   |                  |
| Asset Risk  |                |               |                |                |                                   |                  |
| Problem Loans / Gross Loans   | 0.2%           | aa1           | ↔              | a2             | Geographical concentration        |                  |
| Capital   |                |               |                |                |                                   |                  |
| Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in) | 18.2%          | aa1           | ↓              | a2             | Access to capital                 |                  |
| Profitability   |                |               |                |                |                                   |                  |
| Net Income / Tangible Assets  | 0.4%           | ba2           | ↔              | ba2            | Expected trend                    | Earnings quality |
| Combined Solvency Score   |                | aa3           |                | a3             |                                   |                  |
| Liquidity   |                |               |                |                |                                   |                  |
| Funding Structure   |                |               |                |                |                                   |                  |
| Market Funds / Tangible Banking Assets  | 33.9%          | baa3          | ↔              | ba3            | Extent of market funding reliance |                  |
| Liquid Resources  |                |               |                |                |                                   |                  |
| Liquid Banking Assets / Tangible Banking Assets                                   | 12.5%          | baa3          | ↔              | baa3           | Stock of liquid assets            |                  |
| Combined Liquidity Score  |                | baa3          |                | ba2            |                                   |                  |
| Financial Profile   |                |               |                |                |                                   |                  |
| Qualitative Adjustments   |                |               |                | Adjustment     |                                   |                  |
| Business Diversification  |                |               |                | -1             |                                   |                  |
| Opacity and Complexity  |                |               |                | 0              |                                   |                  |
| Corporate Behavior  |                |               |                | 0              |                                   |                  |
| Total Qualitative Adjustments   |                |               |                | -1             |                                   |                  |
| Sovereign or Affiliate constraint   |                |               |                | Aaa            |                                   |                  |
| BCA Scorecard-indicated Outcome - Range   |                |               |                | baa2 - ba1     |                                   |                  |
| Assigned BCA  |                |               |                | baa3           |                                   |                  |
| Affiliate Support notching  |                |               |                | 0              |                                   |                  |
| Adjusted BCA  |                |               |                | baa3           |                                   |                  |

| Balance Sheet                 | in-scope (NOK Million) | % in-scope | at-failure (NOK Million) | % at-failure |
|-------------------------------|------------------------|------------|--------------------------|--------------|
| Other liabilities             | 25,999                 | 47.4%      | 27,475                   | 50.1%        |
| Deposits                      | 21,085                 | 38.5%      | 19,609                   | 35.8%        |
| Preferred deposits            | 18,976                 | 34.6%      | 18,028                   | 32.9%        |
| Junior deposits               | 2,108                  | 3.8%       | 1,581                    | 2.9%         |
| Senior unsecured bank debt    | 5,367                  | 9.8%       | 5,367                    | 9.8%         |
| Dated subordinated bank debt  | 400                    | 0.7%       | 400                      | 0.7%         |
| Preference shares (bank)      | 300                    | 0.5%       | 300                      | 0.5%         |
| Equity                        | 1,644                  | 3.0%       | 1,644                    | 3.0%         |
| Total Tangible Banking Assets | 54,795                 | 100.0%     | 54,795                   | 100.0%       |

| Debt Class                   | De Jure waterfall                 |                | De Facto waterfall                |                | Notching |          | LGF Notching Guidance vs. Adjusted BCA | Assigned LGF notching | Additional Notching | Preliminary Rating Assessment |
|------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|----------|----------|--|-----------------------|---------------------|-------------------------------|
|                              | Instrument volume + subordination | Sub-ordination | Instrument volume + subordination | Sub-ordination | De Jure  | De Facto |  |                       |                     |                               |
| Counterparty Risk Rating     | 17.0%                             | 17.0%          | 17.0%                             | 17.0%          | 3        | 3        | 3                                      | 3                     | 0                   | a3                            |
| Counterparty Risk Assessment | 17.0%                             | 17.0%          | 17.0%                             | 17.0%          | 3        | 3        | 3                                      | 3                     | 0                   | a3 (cr)                       |
| Deposits                     | 17.0%                             | 4.3%           | 17.0%                             | 14.1%          | 2        | 3        | 2                                      | 3                     | 0                   | a3                            |
| Senior unsecured bank debt   | 17.0%                             | 4.3%           | 14.1%                             | 4.3%           | 2        | 2        | 2                                      | 3                     | 0                   | a3                            |

| Instrument Class             | Loss Given Failure notching | Additional notching | Preliminary Rating Assessment | Government Support notching | Local Currency Rating | Foreign Currency Rating |
|------------------------------|-----------------------------|---------------------|-------------------------------|-----------------------------|-----------------------|-------------------------|
| Counterparty Risk Rating     | 3                           | 0                   | a3                            | 0                           | A3                    | A3                      |
| Counterparty Risk Assessment | 3                           | 0                   | a3 (cr)                       | 0                           | A3(cr)                |                         |
| Deposits                     | 3                           | 0                   | a3                            | 0                           | A3                    | A3                      |
| Senior unsecured bank debt   | 3                           | 0                   | a3                            | 0                           | A3                    | A3                      |

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Investors Service

## Ratings

Exhibit 9

| Category                            | Moody's Rating |
|-------------------------------------|----------------|
| <b>OBOS-BANKEN AS</b>               |                |
| Outlook                             | Stable         |
| Counterparty Risk Rating            | A3/P-2         |
| Bank Deposits                       | A3/P-2         |
| Baseline Credit Assessment          | baa3           |
| Adjusted Baseline Credit Assessment | baa3           |
| Counterparty Risk Assessment        | A3(cr)/P-2(cr) |
| Issuer Rating                       | A3             |
| ST Issuer Rating                    | P-2            |

Source: Moody's Investors Service

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