MOODY'S
INVESTORS SERVICE

PRE-SALE REPORT

Skandiabanken – Swedish Pool

Covered Bonds/ Sweden

Expected Closing Date

September 2013

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Provisional (P) Ratings

Series	Amount (million)	Coupon	Final Maturity Date	Rating
[●]	SEK [●]	[floating expected]	[●]	(P)Aaa

The ratings address the expected loss posed to investors. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

Transaction Summary

We have assigned a provisional (P) long-term rating of (P)Aaa to the covered bonds to be issued by Skandiabanken Aktiebolag (publ) (the issuer; A3 stable, C-/baa1 stable)[1]. The covered bonds will be governed by Swedish covered bond legislation. The cover pool backing the covered bonds will be one of two[2] established under the terms of the issuer's SEK40 billion covered bond programme. Each cover pool will back a separate covered bond issuance that will be allocated to that particular pool. The covered bonds described in this report are backed by a pool consisting of Swedish residential mortgage loans, and are expected to be denominated in Swedish Kroner.

The covered bond investors will benefit from:

1. The credit strength of Skandiabanken AB (A3 senior unsecured).
2. A cover pool consisting solely of residential mortgage loans backed by Swedish properties. The cover pool is ring-fenced under Swedish law from the issuer's other cover pool, which contains only Norwegian assets.
3. The strengths of the Swedish legal framework for covered bonds. Pursuant to the terms of the Swedish covered bond law, the issuer is regulated and supervised by the Swedish Financial Supervisory Authority; and
4. A certain amount of over-collateralisation. While the actual over-collateralisation will be dependent on the size of the first series, the minimum over-collateralisation that is consistent with a (P)Aaa rating is 8.5% (assuming a floating-rate issuance) on a nominal and net present value basis.

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of September 3, 2013. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The definitive ratings may differ from the provisional ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation

As is the case with other covered bonds, we consider the credit strength of the transaction to be linked to that of the issuer. Should such credit strength deteriorate, all other things being equal, the rating of the covered bonds may be expected to come under pressure.

If Skandiabanken's rating or the quality of the cover pool deteriorated, the issuer would have the ability, but not the obligation, to increase the over-collateralisation in the cover pool. Failure to do so could lead to negative rating actions.

We will monitor this transaction using our rating methodology for covered bond transactions.[3]

Opinion

Strengths of the Transaction

Issuer. The covered bonds are full recourse to Skandiabanken AB.

The Swedish legal framework. The covered bonds are governed by the Swedish covered bond legislation (*Lag* (2003:1223) *om utgivning av säkerställda obligationer (*the *Act*)). There are a number of strengths in this legislation, including:

- The issuer is regulated and supervised by the Swedish Financial Supervisory Authority (SFSA).
- Upon the issuer's insolvency, the claims of the covered bondholders will be secured by a pool of assets. Eligibility criteria for assets in the cover pool are set out in the Act. The ordinary cover pool assets can be residential, agricultural or commercial mortgage loans and public-sector debt. Covered bonds can only be issued against a maximum 75% loan-to-value ratio (LTV) for residential mortgages, 70% LTV for agricultural mortgages and 60% LTV for commercial mortgages.
- Commercial mortgages are limited to 10% of the cover pool.
- The value of the cover pool must at all times exceed the value of the covered bonds on both a nominal and a net present value basis. Loans which are more than 60 days delinquent may not be included in these and other matching tests.
- There is an external cover pool monitor who is responsible for ensuring the register is maintained in a correct manner in accordance with the provisions of the Act.

Credit quality of the cover pool.

- The holders of covered bonds will have the benefit of the support provided by the cover pool. The cover pool comprises Swedish residential mortgage loans and is fairly well distributed across the country according to the regional distribution of population. The overall blended collateral score for the pool is 5.9%.The cover pool contains only performing loans.
- *Income underwriting standards.* In respect of each loan in the cover pool, the debtor's income has been checked to assess the ability of the borrower to repay their debt by comparing the available income with a stressed interest cash flow. The calculation of the interest amount is subject to a stress of 5 percentage points; in addition to that stress, a minimum of 10% applies even if the stressed interest rate were below that number. Income is in all cases verified and this verification does not rely on debtors' self-certification (see Appendix 2 for further details).

Refinancing risk. The nature of the Swedish covered bond market gives the issuer some protections against refinancing risk. The relative size and depth of the market, its reliable domestic base to date and the central role of covered bonds in providing mortgage finance in Sweden may incentivize existing market participants to participate in any refinancing of a defaulted issuer. Further, an important strength of the assets found in Swedish cover pools is that interest rates charged to borrowers can be re-set frequently. Currently, all floating rate loans (99.7% of residential loans in the cover pool) have these flexible terms, and the rates can be re-set every three months.

Interest Rate and Currency Risk. Currently, there is no foreign-currency risk and only a very limited interest-rate mismatch is expected because the issuer is likely to take advantage of a natural hedge by issuing mainly floating-rate covered bonds. Furthermore, any remaining interest-rate mismatch is subject to the net present value test of the Swedish covered bond legislation.

Commingling risk. Commingling risk with respect to the issuer's own funds is mitigated by the terms of the Act which require that the issuer maintains separate accounts for cover pool asset-related cash-flows. However see below - *Weaknesses and Mitigants – Commingling risk* - for some further comments on commingling risk.

Weaknesses and Mitigants

Issuer. As with most covered bonds, until issuer default the issuer can materially change the nature of the programmes. For example, new assets may be added to the cover pool, new covered bonds issued with varying promises and new hedging arrangements entered into. These changes could impact both the credit quality of the cover pool and market risks. **Mitigants:** (1) the covered bondholders have a direct claim on the issuer and benefit from the support provided by Skandiabanken (rated A3); and (2) the requirements and controls imposed by the Act.

Credit quality of the cover pool.

» The loans comprised in the cover pool may become partly ineligible as a result of a decline in asset values. The Act provides that any loan is only eligible for inclusion in the cover pool up to a certain LTV threshold. In the event that the value of a property is materially reduced the previously eligible amount of the loan which now falls above the LTV threshold may no longer be available to the holders of the covered bonds. **Mitigants:** (1) while the issuer is performing, it may be assumed that any loan which has ceased to satisfy the eligibility criteria will be replaced, at least to the extent necessary to comply with the cover tests imposed by the Act; and (2) we understand that any asset that is part of the cover pool before the issuer's insolvency will continue to serve as security for the covered bondholders.[4]

» The current system assessing the borrowers' ability to repay the loans does not separately take into consideration principal repayment.

Refinancing risk.

» Following an issuer insolvency, to achieve timely payment on covered bonds the administrator may need to rely on proceeds being raised through the sale of, or borrowing against, assets in the cover pool. At that time, the market value of these assets may be subject to high volatility. **Mitigants:** (1) the rating of Skandiabanken (A3); (2) the issuer's ability to pass on refinancing risks to the underlying borrowers with a limited notice period; and (3) the stressed refinancing margins applied in our modelling.

» The covered bonds do not benefit from any designated liquidity support if the cash flows deriving from the cover pool are interrupted following an insolvency of the issuer. As a result, the issuer's ability to make interest or principal payments in respect of the covered bonds may be adversely affected. **Mitigants**: (1) the administrator's ability to enter into loan agreements or carry out asset sales to create liquidity; and (2) the matching tests required under the Act may improve the asset/liability profile of the programmes

Interest rate and currency risk.

» As with most European covered bonds, there is potential for exposure to changes in interest rates or currency fluctuations. For example, following issuer default, covered bondholders may be exposed to interest rate risk which could arise from the different payment promises made on, and durations of, the cover pool and the covered bonds respectively. **Mitigants**: (1) the Swedish covered bond legislation requires the issuer to maintain the coverage on a both nominal and net present value basis; (2) our modelling includes stresses for the change of market rates that the net present value test does not fully mitigate.

Set-off risk. As the issuer is a deposit-taking institution, there is potential for set off. On average, the borrowers in the pool have deposits at the issuer equivalent to 8% of the respective loan amounts. **Mitigant**: The deposit protection scheme largely mitigates set-off risk. We believe that only those parts of the deposits that exceed the cap of the deposit protection scheme are likely to be set-off. This leads to set-off risk of around 0.1%, which we included in our expected loss modelling.

Commingling risk. As with many covered bond programmes, the payments made by the borrowers are not redirected before the issuer's insolvency. **Mitigant**: the issuer rating of A3.

Time subordination. After issuer default, the Act does not contemplate the acceleration of the outstanding covered bonds. Principal cash collections may be used on a first-come, first-served basis, paying earlier-maturing covered bonds prior to later-maturing covered bonds. This could lead to over-collateralisation being eroded before any payments are made to later-paying covered bonds. **Mitigant:** The matching requirements under the Act should reduce the risk of time subordination and if the matching is not maintained the pool may be liquidated. However we note that matching requirements may not apply to over-collateralisation.

Structure Summary

Issuer:	Skandiabanken Aktiebolag (publ) (A3)
Structure Type:	Covered bonds
Issued under Covered Bonds Law:	Yes
Applicable Covered Bonds Law:	Sweden
Main Servicer:	Skandiabanken
Intra group Swap Provider	n/a
Monitoring of Cover Pool:	Independent inspector appointed by the SFSA
Trustee:	n/a
Timely Payment Indicator	Probable-High

Covered Bonds Summary

Total Covered bonds Outstanding	n/a (issuance pending)
Currency of Covered Bonds:	Expected to be Swedish Kroner
Principal Payment Type	Bullet
Interest Rate Type:	May be fixed or floating.

Collateral Summary (see Appendix 1 for further information)

Size of Cover Pool:	SEK 10.0bn
Main collateral type in Cover Pool:	Residential Mortgage Loans
Main Asset Location:	Sweden (100%)
Loans Count:	7,648
Currency:	Swedish Kroner (100%)
Concentration of 10 biggest borrowers:	0.7%
WA Current LTV:	62.2% on an unindexed basis, and 58.3% on an indexed basis
WA Seasoning:	53 months
WA Remaining Term:	399 months
Interest Rate Type:	Floating rate (99.7%) and fixed rate (0.3%)
Over-Collateralisation consistent with Aaa:	8.5% (assuming a floating rate issuance)
Collateral Score:	5.9%
Further details:	See Appendix 1
Pool Cut-off Date:	30 June 2013

Structure and Legal Aspects

The Issuer – Regulatory Framework

The issuer has been licensed to issue covered bonds under the Act.

The issuer, in its capacity as "credit market company" under the terms of the Banking and Financing Business Act 2004 is entitled to issue covered bonds. In this respect, on 30 April 2013 the issuer was granted a licence to issue covered bonds by the SFSA. The maintenance of such license is subject to the issuer satisfying on an ongoing basis several requirements in respect of procedures and risk control systems set out by the Act and other applicable regulations.

Multiple cover pools

The Swedish Ministry of Finance clarified in 2009[5] that it is permissible for Swedish covered bond issuers to set up multiple cover pools and issue series of covered bonds backed by a single, specified, ring-fenced, cover pool. Accordingly the Norwegian cover pool is expected to back only certain specified series of covered bonds and those covered bonds will not have recourse to any other cover pool established by the issuer. The cover pool is expected to comprise only Norwegian assets.

Insolvency scenarios

In the event of the insolvency of the issuer either of the two following scenarios may occur:

» *The cover pool continues to satisfy the assets/liability matching tests*. One or more administrator/s in bankruptcy – who will represent the collective interests of all the issuer's creditors – will a) keep the pool as a unit and b) attempt to liquidate the insolvency estate of the issuer.

» *The cover pool fails the assets liabilities matching test*. One or more administrator/s in bankruptcy – who will represent the collective interests of all the issuer's creditors – will a) separate the cover pool from the insolvency estate of the issuer and b) attempt to liquidate the insolvency estate of the issuer and the cover pool. We understand from industry and legal advisors that in the event of the insolvency of the issuer, only the costs related to the management of the cover pool and covered bonds may be paid in priority to the amounts payable to the covered bond holders, the eligible swap counterparties and any liquidity loan providers. We also note that according to law the administrators would – eventually - be able to use cover pool assets to pay the issuer's unsecured payment obligations, should they believe that the cover bond holders' rights are not adversely affected.

The Cover Pool

Composition and monitoring

The issuer will manage the cover pool and the cover pool register under the supervision of the cover pool monitor. The management of the cover pool will include, among other things, performing the asset/liability matching tests. Under the Act these tests have to be carried out on both a par value and a net present value basis.

Over-collateralisation

The Act does not require the issuer to over-collateralise the covered bonds. The rating of (P)Aaa relies on over-collateralisation in excess of 8.5% (on both a nominal and net present value basis). If the issuer's credit strength deteriorates, the issuer has the option, but not the obligation, to increase the over-collateralisation to a level consistent with the maximum achievable rating.

In the event that the issuer rating falls below a certain threshold and no over-collateralisation is formally committed, we expect to limit in our rating analysis the benefit of any over-collateralisation posted on a non-contractual basis.

The Covered Bonds

The covered bonds will be backed by a priority right over the assets in the cover pool. The covered bonds will also constitute senior direct and unconditional obligations of the issuer. The structure of the programmes allows for the issuance of covered bonds with different terms and/or interest yielding mechanisms.

Moody's Rating Methodology

Our methodology report[6] details the methodology we use for rating covered bond transactions. The impact of the credit strength of the issuer/parent bank, quality of the collateral, refinancing risk and interest rate and currency mismatches are considered below.

Credit Strength of the Issuer

We rate Skandiabanken AB A3 stable, C-/baa1 stable. The C- BFSR reflects the bank's very strong asset quality, low-risk retail mortgage-oriented business model and its strategic role as the banking arm of the Skandia Group (Skandia Insurance Company Ltd, financial strength A2 stable, SICL). The rating also reflects more negative factors such as its limited standalone franchise strength, low profitability and low efficiency.

For more information on our credit analysis in relation to Skandiabanken please see our latest credit opinion (see "Related Research").

The Credit Quality of the Cover Pool

The loans in the cover pool are secured against residential property located in Sweden.

From a credit perspective we view the following pool characteristics as credit positive:

» Weighted-average LTVs are at around 58% (on an indexed basis.

» All loans in the cover pool are currently performing.

» The loans have an average seasoning of 53 months.

» The income of the borrower has been independently verified, and income restricts the amount that can be lent.

» The stress of 5 percentage points on interest rates (and a minimum stressed interest rate of 10%) when determining the borrower's ability to repay the loan.

» The pool is geographically relatively well diversified.

From a credit perspective, we regard the following characteristics of the residential mortgage loans as credit negative:

» Property valuations may be performed using statistical valuation methods rather than physical inspection by an independent valuer. However, this is in line with market practice.

» The borrower's age does not necessarily constrain whether and how much they can borrow. This is assessed on a case by case basis.

» A material proportion of the loans in the cover pool provide for bullet repayment rather than amortization. This may increase default risk at maturity.

» The system assessing the borrowers' ability to repay their debt does currently not separately account for principal payments.

For further information on income underwriting and valuation please refer to Appendix 2.

We use a scoring model based on the above pool characteristics in order to assess the loan credit quality measured by the collateral score. The collateral score for the cover pool is 5.9%.

Refinancing Risk

Where the "natural" amortisation of the cover pool assets alone cannot be relied upon to repay principal, we assume that funds must be raised against the cover pool at a discount if covered bondholders are to receive timely payment. After an issuer default, the market value of these assets may be subject to high volatility. Examples of the stressed refinancing margins we use for different types of residential and commercial mortgage loans are published in our covered bonds rating methodology.[7]

Aspects of the transaction that are positive with respect to refinancing risk include:

» The ability of the issuer to reset the interest rate charged on floating-rate loans to the underlying borrowers every three months. This right will also apply to any bankruptcy administrator in charge of the cover pool after an issuer default.

» The Act and Swedish law permits sales of cover pool assets and/or raising of liquidity loans post issuer insolvency to create liquidity.

Aspects of the transaction that are negative with respect to refinancing risk include:

» A material share of the loans in the cover pool are bullet loans.

» The covered bonds have bullet maturities and do not benefit from any structural source of alternative liquidity such as a pre-maturity test or possibility to extend the maturity date on the covered bonds.

Interest Rate and Currency Mismatches

For this programme, there is currently no currency risk, as the covered bonds are expected to be denominated in SEK.

With the majority of covered bonds expected to be floating rate, the transaction will benefit from a natural hedge. In addition, the Swedish covered bond framework requires the issuer to maintain coverage on a net present value basis, which increases the protection from losses for the covered bondholders.

As with the majority of covered bonds, there is potential for interest rate and currency mismatches. For example, following the default of the issuer, investors may be exposed to interest rate or currency risks which may arise from the different payment promises, and different durations, of the cover pool assets and the covered bonds.

The covered bond law allows Swedish issuers the use of swaps in order to hedge market risks in the transactions. We note that coverage tests take into account hedging arrangements, so if the issuer decides to add swaps to the programme at a later stage, there may be a negative impact if these were terminated. We anticipate that the issuer does not plan the use of swaps for the time being.

Following issuer default, our covered bond model looks separately at the impact of increasing and decreasing interest rates on the expected loss of the covered bonds, taking the path of the rates that leads to the worse result. The interest-rate and currency stressed rates used over different time horizons are published in our rating methodology.

Aspects of the programmes that are positive with respect to interest rate and currency risk include:

» Interest rate risk is limited by the variable nature (and the issuer's ability to vary the margins every three months) of the assets in the cover pool.

» There is no currency risk.

» The requirements of the Act with respect to stressing the cover pool against interest rate and currency movements.

Aspects of the programmes that are negative with respect to interest rate and currency risk include:

» A certain share of covered bonds might be issued as fixed rate. This could lead to interest-rate risk. **Mitigant**: the net present value tests.

» There is a limited amount of basis risk resulting from the mismatch between the reference rates on the assets and liabilities.

Linkage

All covered bonds are linked to the underlying issuer rating. The covered bonds will come under negative rating pressure if the credit strength of the issuer, as measured by its rating, deteriorates. Reasons for this could include:

» Refinancing risk: following issuer default, if principal receipts from the cover pool are insufficient to meet the principal payment on a covered bond, funds may need to be raised against the cover pool. However the issuer's default may negatively affect the ability to raise funds against the cover pool.

» Exposure to decisions made at the discretion of the issuer in its role as manager of the covered bond programmes. For example, prior to an issuer default, the issuer may add new assets to the cover pool, issue further bonds and enter into new hedging arrangements. Such actions could negatively affect the value of the cover pool.

» More generally, the incorporation of the credit strength of the issuer in our rating methodology.

As a result of this linkage, the probability of default on the covered bonds may be higher than expected for senior unsecured debt with the same rating. However, our primary rating target is the expected loss, which also takes severity of loss into account, and in this case that is consistent with the covered bond rating.

Our Timely Payment Indicators (TPIs) assess the likelihood that a timely payment will be made to covered bondholders following issuer default, and thus determine the maximum rating a covered bond can achieve with its current structure while allowing for the addition of a reasonable amount of over-collateralisation.

Aspects specific to this transaction that are TPI positive include:

» The LTV threshold on mortgages, against which covered bonds can be issued under the Act.

» As per SFSA regulations, the issuer will not take into account delinquent loans (60 days past due) when performing all matching requirement tests.

» The issuer's interest rate-setting flexibility in relation to the residential mortgage loans and the strong underwriting and credit quality of the residential mortgage loans generally.

Aspects of this transaction that are TPI negative include:

» The maturity of the covered bonds is expected to be shorter than the duration of the assets. This might require a sale of assets, if the issuer defaults, in order to redeem the covered bonds at their respective maturity.

» The lack of any specific provisions for liquidity. Covered bonds do not benefit from any structural source of alternative liquidity such as a pre-maturity test or possibility to extend the maturity date on the covered bonds.

We have assigned a TPI of Probable-High to this transaction.

The number of notches by which Skandiabanken's rating may be downgraded before the issuer's covered bonds are downgraded under the TPI framework is measured by the TPI leeway. Based on the current TPI the TPI leeway for the programmes is zero notches, meaning if the issuer were downgraded to Baa1 the issuer's covered bonds would be downgraded, all other things being equal.

Monitoring

The issuer is expected to deliver certain performance data to us on an ongoing basis. If this data is not made available to us, our ability to monitor the ratings may be impaired. This could negatively impact the ratings or, in some cases, our ability to continue to rate the covered bonds.

Appendix 1: Cover Pool Information

Overview	
Asset Type	Swedish Residential Mortgage Loans
Asset balance:	10,003,383,776
Average loan balance:	1,307,974
Number of loans:	7,648
Number of borrowers:	7,007
Number of properties:	7,135
WA Remaining Term (in months):	399
WA Seasoning (in months):	53

Details on LTV	
WA current LTV (*):	62.2%
WA Indexed LTV:	58.3%
Valuation type:	Market
LTV threshold:	75%
Junior ranks:	n/d
Prior ranks:	2.9%

Specific Loan and Borrower characteristics	
Loans benefiting from a guarantee:	0.0%
Interest Only Loans:	72.3%
Loans for second homes / Vacation:	1.4%
Buy to Let loans / Non owner occupied properties:	0.0%
Limited income verified	0.0%
Adverse Credit Characteristics(**):	0.0%

Performance	
Loans in arrears (≥ 2months - < 6months):	0.0%
Loans in arrears (≥ 6months - < 12months):	0.0%
Loans in arrears (> 12months):	0.0%
Loans in a foreclosure procedure:	0.0%

Multi-Family Properties	
Loans to tenants of tenant-owned Housing Cooperatives:	0.0%
Other type of Multi-Family loans (***)	0.0%

(*) Based on original property valuation

(**) Refers to Borrowers with previous missed payments. Borrowers with a previous personal bankruptcy or Borrowers with record of court claims against them at time of origination

(***) This "other" type refers to loans directly to Housing Cooperatives and to Professional Landlords

CHART A

Balance per LTV-band

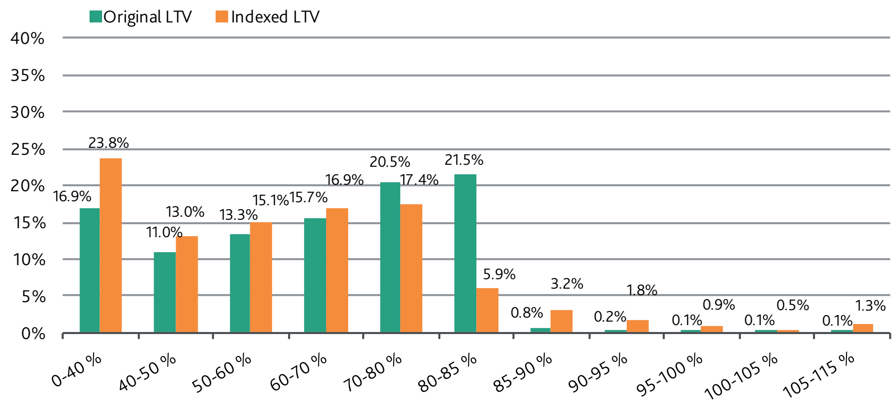


CHART B

Cover Pool Composition

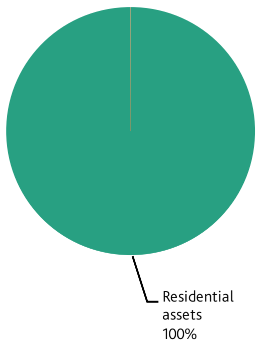


CHART C

Seasoning

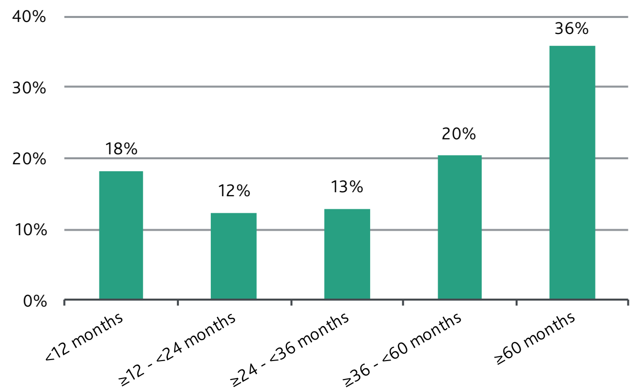


CHART D

Interest Rate Type

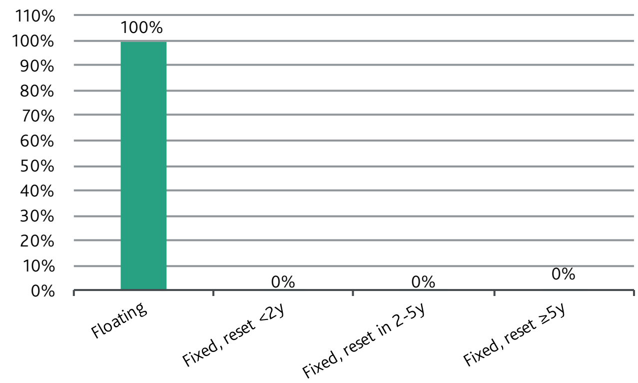
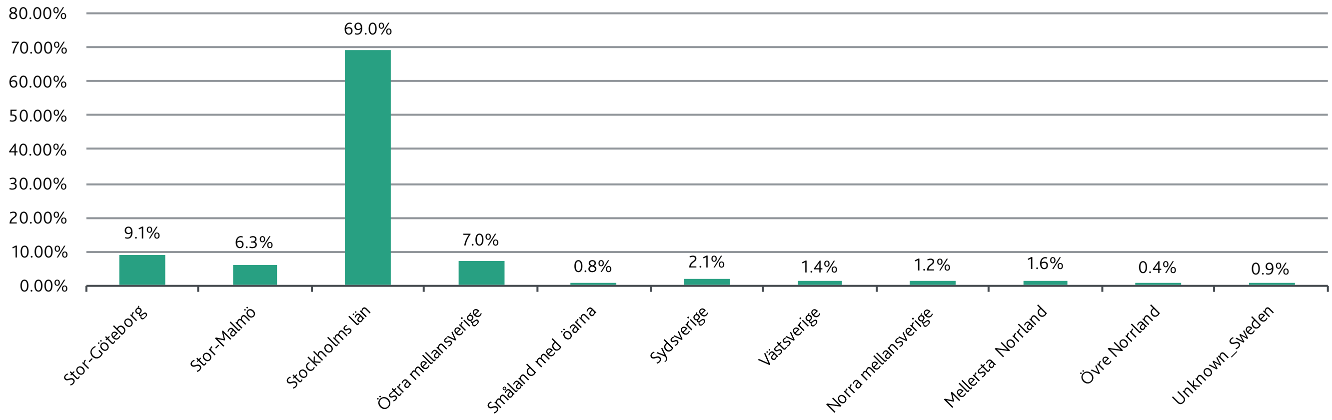


CHART E

Regional Distribution



Appendix 2: Income Underwriting and Valuation

Below is a description of income underwriting and property valuation procedures provided by the issuer.

1. Income Underwriting	
1.1 Is income always checked?	Yes
1.2 Does this check ever rely on income stated by borrower ("limited income verification") income stated by the borrower?	No
1.3 Percentage of loans in Cover Pool that have limited income verification	None
1.4 If limited income verification loans are in the Cover Pool, describe what requirements lender has in place for these loans.	Not applicable
1.5 Does income in all cases constrain the amount lent (for example through some form of Income Sufficiency Test ("IST").	Yes
1.6 If not, what percentage of cases are exceptions.	n/a
For the purposes of any IST	
1.7 Is it confirmed income after tax is sufficient to cover both interest and principal.	No. Interest payment is always taken into consideration. Principal payment is only taken into account for unsecured loans.
1.8 If so over what period is it assumed principal will be paid (typically on an annuity basis)? Any exceptions?	n/a
1.9 Does the age of the borrower constrain the period over which principal can be amortised?	No
1.10 Are any stresses made to interest rates when carrying out the IST? If so when and for what type of products?	Yes, stresses are made for all loan applications, regardless of mortgage product
1.11 Are all other debts of the borrower taken into account at point loan made?	Yes
1.12 How are living expenses of the borrower calculated? And what is the stated maximum percentage of income (or income multiple if relevant) that will be relied on to cover debt payments. (specify if income is pre or post tax)	Expenses are based on standard indices prepared by SIFO, and are published on each providers' website. Positive value required when subtracting tax, running costs, operating expenses, property tax and all debt payments from the monthly gross income.
Other comments	
2. Valuation	
2.1 Are valuations based on market or lending values?	Market values
2.2 Are all or the majority of valuations carried out by external (with no direct ownership link to any company in the Sponsor Bank group) valuers?	Yes
2.3 How are valuations carried out where external valuer not used?	Not applicable
2.4 What qualifications for external valuers require?	External valuations are provided by recognized external valuation companies (Ljunqvist Information AB) or authorized real estate brokers or authorized appraisers.
2.5 What qualifications do internal valuers require?	Not applicable
2.6 Do all external valuations include an internal inspection of a property?	No
2.7 What exceptions if any?	Not applicable
2.8 Do all internal valuations include an internal inspection of a property?	Not applicable
2.9 What exceptions if any?	Not applicable
Other comments	

Source: Skandiabanken

Moody's Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Rating Methodologies:

- Moody's Approach to Rating Covered Bonds, July 2012 (SF291041)
- Assessing Swaps as Hedges in the Covered Bond Market, September 2008 (SF142765)

Special Reports:

- Sweden – Legal Framework for Covered Bonds, October 2012 (SF299367)
- European Covered Bond Legal Frameworks: Moody's Legal Checklist, December 2005 (SF66418)
- Moody's EMEA Covered Bond Monitoring Overview: Q1 2013, July 2013 (334418)
- Global Covered Bonds: 2013 Outlook, December 2012 (SF310827)

Credit Opinion:

- Skandiabanken AB

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

1 The ratings shown are the deposit rating, standalone bank financial strength rating/baseline credit assessment and the corresponding rating outlooks.
2 One of the two pools solely consists of Norwegian residential mortgage loans, the other one solely of Swedish residential mortgage loans.
3 As described in the rating methodology reports "Moody's Approach to Rating Covered Bonds" published in July 2012, and "Assessing Swaps as Hedges in the Covered Bond Market", published in September 2008. All can be found at www.moodys.com in the Credit Policy & Methodologies directory, within the Ratings Methodologies sub-directory. Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Credit Policy & Methodologies directory.
4 Irrespective of any market value reduction occurring after insolvency.
5 Government Bill 2009/10:132
6 See note 3 above.
7 See note 3 above.

» contacts continued from page 1

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