

SpareBank 1 Nord-Norge

Update

Ratings

Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1

Viability Rating	a
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Support Rating	5
Support Rating Floor	NF

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

SpareBank 1 Nord-Norge

	30 Sep 17	31 Dec 16
Total assets (USDm)	11,733	10,499
Total assets (NOKm)	93,542	90,501
Total equity (NOKm)	11,272	11,011
Operating profit (NOKm)	1,254	1,474
Published net income (NOKm)	1,016	1,253
Comprehensive income (NOKm)	1,009	1,200
Operating profit/risk-weighted assets (%)	2.6	2.4
Operating ROAE (%)	15.3	14.1
Impaired loans/gross loans (%)	0.7	0.7
FCC/FCC-adjusted risk-weighted assets (%)	17.2	17.9
Common equity Tier 1 ratio (%)	15.4	15.0

Related Research

[The Major Sparebanken of the SpareBank 1 Alliance \(December 2017\)](#)

[SpareBank 1 Nord-Norge - Ratings Navigator \(November 2017\)](#)

[Fitch 2018 Outlook: Western European Banks \(December 2017\)](#)

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Key Rating Drivers

Strong Franchise, Regional Concentration: SpareBank 1 Nord-Norge's (SNN) ratings reflect its solid regional franchise in northern Norway, healthy profitability, and strong asset quality and capital position. They also factor in geographically concentrated lending and liquidity management in the context of some wholesale funding reliance. SNN's ratings are constrained by its size and geographical concentration compared with larger, more diversified peers.

Focus on Retail and SMEs: Fitch Ratings expects SNN to continue to implement its solid strategy based on a low-risk business model and a focus on retail and SME customers, while reducing concentration risk relating to large exposures. SNN is more retail-focused than the other rated Sparebanken.

Healthy Profitability: SNN benefits from good pre-impairment profitability and its strong local franchise supports stable revenue generation. Retail margins rebounded slightly in 2017 following a period of pressure and Fitch expects margins in both corporate and retail lending to be broadly stable in 2018. The bank benefits from lower competition than in other parts of Norway. Cost-efficiency is satisfactory. The bank can easily absorb the low loan impairment charges.

Strong Asset Quality: SNN's asset quality is strong, with an impaired loans-to-gross loans ratio of 0.7% at end-September 2017. Asset quality benefits from a large retail loan book and conservative underwriting standards. Impaired loans were fully covered by reserves at end-September 2017.

Less Exposed to Property Correction: SNN is less exposed than peers to the risk of a severe property price correction due to the lower prices in northern Norway than elsewhere in the country, and a large public-sector presence. SNN is also less exposed than local peers to oil-related lending, in particular to the offshore service vessel segment, which has seen some losses and restructurings in recent years.

Strong Capitalisation: SNN's risk-weighted capitalisation compares well with international peers, despite Norwegian floors on the computation of risk weights. SNN targets a minimum common equity Tier 1 ratio of 14.5%, compared with a reported ratio of 15.4% at end-September 2017. Leverage is low in a European context, with a Basel III reported ratio of 7.7%.

Wholesale Funding Reliance: The bank, like most Nordic peers, has a structural reliance on wholesale funding. Fitch expects SNN to maintain its market access, particularly for covered bond funding through SpareBank 1 Boligkreditt, a jointly owned vehicle with other savings banks of the Sparebanken 1 Alliance. We expect SNN to hold a significant liquidity buffer to mitigate refinancing risk.

Rating Sensitivities

Upgrade Unlikely: An upgrade is unlikely due to SNN's already high ratings in the context of its company profile, and its geographical and lending concentration.

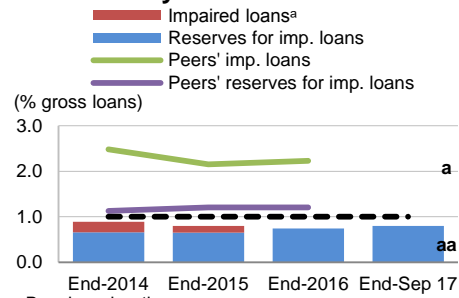
Asset-Quality Deterioration: SNN's ratings are primarily sensitive to deteriorating asset quality, particularly if the bank is unable to absorb higher credit losses via earnings. This scenario would probably be followed by difficulties in obtaining competitively priced funding, which would also be rating negative.

Peer average includes SNN, Sandnes Sparebank (Viability Rating: bbb), SpareBank 1 SMN (a-), SpareBank 1 SR-Bank (a-), Principality Building Society (bbb+), Credit du Nord (bbb+), Leeds Building Society (a-) and de Volksbank N.V. (a-)

Peer data not fully available for end-September 2017 and hence omitted.

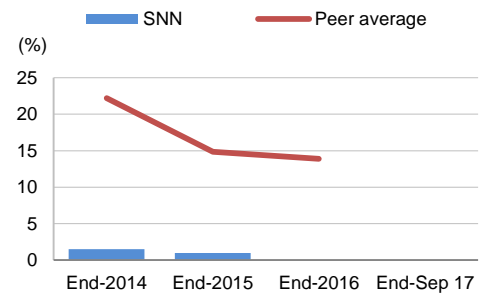
Black dashed lines in charts represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category

Asset Quality



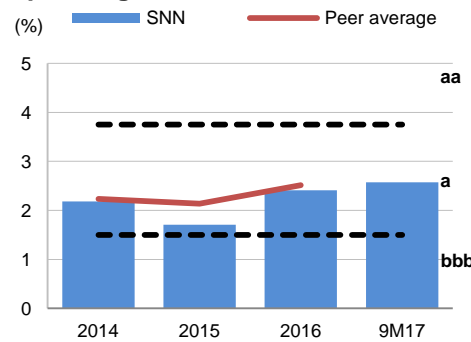
^a Benchmark ratio
Note: Impaired loans fully covered by reserves at end-2016 and end-Sep 17
Source: Banks, Fitch

Net Impaired Loans/Fitch Core Capital



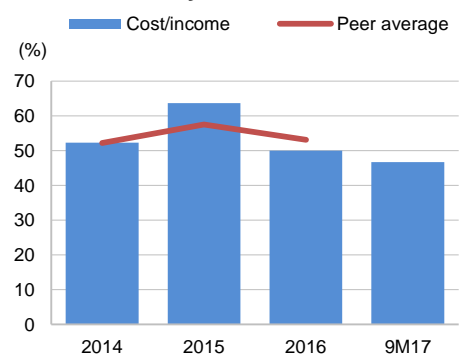
Note: Impaired loans fully covered by reserves at end-2016 and end-Sep 17
Source: Banks, Fitch

Operating Profit/RWAs



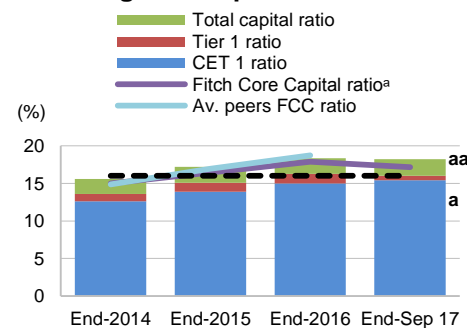
Source: Banks, Fitch

Cost Efficiency



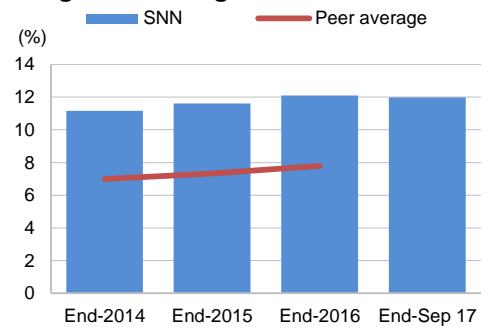
Source: Banks, Fitch

Risk-Weighted Capital Ratios



^a Benchmark ratio
Source: Banks, Fitch

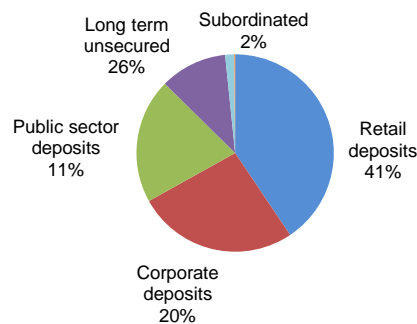
Tangible Leverage^a



^a Tangible common equity/tangible assets
Source: Banks, Fitch

Non-Equity Funding Mix

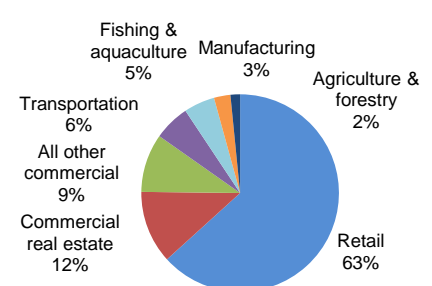
End-September 2017



Source: Bank data, adjusted by Fitch

Loan Book

End-September 2017



Source: Bank data, adjusted by Fitch

Related Criteria

Global Banks Rating Criteria (November 2016)

SpareBank 1 Nord-Norge
Income Statement

	30 Sep 2017		As % of Earning Assets	31 Dec 2016		31 Dec 2015		31 Dec 2014	
	9 Months - 3rd Quarter			Year End NOKm Audited - Unqualified	As % of Earning Assets	Year End NOKm Audited - Unqualified	As % of Earning Assets	Year End NOKm Audited - Unqualified	As % of Earning Assets
	USDm Unaudited	NOKm Unaudited							
1. Interest Income on Loans	n.a.	n.a.	-	2,371.0	2.68	2,497.0	2.98	2,740.0	3.37
2. Other Interest Income	242.8	1,936.0	2.83	177.0	0.20	205.0	0.24	258.0	0.32
3. Dividend Income	0.5	4.0	0.01	4.0	0.00	8.0	0.01	16.0	0.02
4. Gross Interest and Dividend Income	243.3	1,940.0	2.83	2,552.0	2.89	2,710.0	3.23	3,014.0	3.71
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	393.0	0.44	616.0	0.73	919.0	1.13
6. Other Interest Expense	78.6	627.0	0.91	511.0	0.58	574.0	0.68	653.0	0.80
7. Total Interest Expense	78.6	627.0	0.91	904.0	1.02	1,190.0	1.42	1,572.0	1.94
8. Net Interest Income	164.7	1,313.0	1.92	1,648.0	1.86	1,520.0	1.81	1,442.0	1.78
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	76.0	0.09	(83.0)	(0.10)	(60.0)	(0.07)
10. Net Gains (Losses) on Other Securities	10.9	87.0	0.13	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	(7.0)	(0.01)	(75.0)	(0.09)	193.0	0.24
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	79.3	632.0	0.92	786.0	0.89	833.0	0.99	866.0	1.07
14. Other Operating Income	11.9	95.0	0.14	138.0	0.16	100.0	0.12	100.0	0.12
15. Total Non-Interest Operating Income	102.1	814.0	1.19	993.0	1.12	775.0	0.92	1,099.0	1.35
16. Personnel Expenses	65.9	525.0	0.77	689.0	0.78	850.0	1.01	704.0	0.87
17. Other Operating Expenses	58.7	468.0	0.68	631.0	0.71	611.0	0.73	624.0	0.77
18. Total Non-Interest Expenses	124.6	993.0	1.45	1,320.0	1.49	1,461.0	1.74	1,328.0	1.63
19. Equity-accounted Profit/ Loss - Operating	33.5	267.0	0.39	366.0	0.41	399.0	0.48	453.0	0.56
20. Pre-Impairment Operating Profit	175.7	1,401.0	2.04	1,687.0	1.91	1,233.0	1.47	1,666.0	2.05
21. Loan Impairment Charge	18.4	147.0	0.21	192.0	0.22	200.0	0.24	321.0	0.40
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	21.0	0.02	n.a.	-	n.a.	-
23. Operating Profit	157.3	1,254.0	1.83	1,474.0	1.67	1,033.0	1.23	1,345.0	1.66
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	70.0	0.08	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	157.3	1,254.0	1.83	1,544.0	1.75	1,033.0	1.23	1,345.0	1.66
30. Tax expense	29.9	238.0	0.35	291.0	0.33	163.0	0.19	223.0	0.27
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	(5.0)	(0.01)	(27.0)	(0.03)
32. Net Income	127.4	1,016.0	1.48	1,253.0	1.42	865.0	1.03	1,095.0	1.35
33. Change in Value of AFS Investments	0.0	0.0	0.00	(60.0)	(0.07)	80.0	0.10	4.0	0.00
34. Revaluation of Fixed Assets	0.0	0.0	0.00	0.0	0.00	(10.0)	(0.01)	n.a.	-
35. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	n.a.	-	(35.0)	(0.04)
36. Remaining OCI Gains/(losses)	(0.9)	(7.0)	(0.01)	7.0	0.01	113.0	0.13	(67.0)	(0.08)
37. Fitch Comprehensive Income	126.6	1,009.0	1.47	1,200.0	1.36	1,048.0	1.25	997.0	1.23
38. Memo: Profit Allocation to Non-controlling Interests	0.0	0.0	0.00	0.0	0.00	(7.0)	(0.01)	(1.0)	(0.00)
39. Memo: Net Income after Allocation to Non-controlling Interest:	127.4	1,016.0	1.48	1,253.0	1.42	872.0	1.04	1,096.0	1.35
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	346.0	0.39	201.0	0.24	191.0	0.24
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NOK7.9726

USD1 = NOK8.62

USD1 = NOK8.809

USD1 = NOK7.43

**SpareBank 1 Nord-Norge
Balance Sheet**

	30 Sep 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	5,856.8	46,694.0	49.92	44,123.0	48.75	39,617.0	46.39	36,095.0	43.39
4. Corporate & Commercial Loans	3,400.3	27,109.0	28.98	26,505.0	29.29	24,180.0	28.31	24,930.0	29.97
5. Other Loans	12.4	99.0	0.11	135.0	0.15	256.0	0.30	359.0	0.43
6. Less: Reserves for Impaired Loans	74.0	590.0	0.63	527.0	0.58	416.0	0.49	407.0	0.49
7. Net Loans	9,195.5	73,312.0	78.37	70,236.0	77.61	63,637.0	74.51	60,977.0	73.30
8. Gross Loans	9,269.5	73,902.0	79.00	70,763.0	78.19	64,053.0	75.00	61,384.0	73.79
9. Memo: Impaired Loans included above	60.0	478.0	0.51	512.0	0.57	515.0	0.60	547.0	0.66
10. Memo: Loans at Fair Value included above	890.4	7,099.0	7.59	7,593.0	8.39	7,738.0	9.06	6,304.0	7.58
B. Other Earning Assets									
1. Loans and Advances to Banks	201.1	1,603.0	1.71	1,946.0	2.15	2,124.0	2.49	3,720.0	4.47
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	10,394.0	11.48	11,495.0	13.46	10,049.0	12.08
4. Derivatives	157.3	1,254.0	1.34	1,390.0	1.54	1,946.0	2.28	2,121.0	2.55
5. Available for Sale Securities	n.a.	n.a.	-	30.0	0.03	89.0	0.10	7.0	0.01
6. Held to Maturity Securities	0.0	0.0	0.00	0.0	0.00	87.0	0.10	109.0	0.13
7. Equity Investments in Associates	545.9	4,352.0	4.65	4,370.0	4.83	4,424.0	5.18	4,187.0	5.03
8. Other Securities	1,392.1	11,099.0	11.87	46.0	0.05	76.0	0.09	28.0	0.03
9. Total Securities	2,095.3	16,705.0	17.86	16,230.0	17.93	18,117.0	21.21	16,501.0	19.84
10. Memo: Government Securities included Above	n.a.	n.a.	-	3,553.0	3.93	3,998.0	4.68	3,021.0	3.63
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	35.0	0.04
15. Total Earning Assets	11,491.9	91,620.0	97.95	88,412.0	97.69	83,878.0	98.21	81,233.0	97.65
C. Non-Earning Assets									
1. Cash and Due From Banks	78.4	625.0	0.67	775.0	0.86	274.0	0.32	685.0	0.82
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	62.3	497.0	0.53	501.0	0.55	553.0	0.65	594.0	0.71
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	8.4	67.0	0.07	63.0	0.07	51.0	0.06	61.0	0.07
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	3.8	30.0	0.03	30.0	0.03	28.0	0.03	n.a.	-
10. Other Assets	88.2	703.0	0.75	720.0	0.80	619.0	0.72	615.0	0.74
11. Total Assets	11,732.9	93,542.0	100.00	90,501.0	100.00	85,403.0	100.00	83,188.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	7,169.9	57,163.0	61.11	49,938.0	55.18	45,059.0	52.76	41,140.0	49.45
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	3,932.0	4.34	3,028.0	3.55	4,623.0	5.56
4. Total Customer Deposits	7,169.9	57,163.0	61.11	53,870.0	59.52	48,087.0	56.31	45,763.0	55.01
5. Deposits from Banks	16.7	133.0	0.14	818.0	0.90	1,816.0	2.13	2,758.0	3.32
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
8. Total Money Market and Short-term Funding	7,186.6	57,296.0	61.25	54,688.0	60.43	49,903.0	58.43	48,521.0	58.33
9. Senior Unsecured Debt (original maturity > 1 year)	2,620.0	20,888.0	22.33	21,165.0	23.39	21,470.0	25.14	21,314.0	25.62
10. Subordinated Borrowing	113.3	903.0	0.97	850.0	0.94	850.0	1.00	850.0	1.02
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total LT Funding (original maturity > 1 year)	2,733.2	21,791.0	23.30	22,015.0	24.33	22,320.0	26.13	22,164.0	26.64
14. Derivatives	108.0	861.0	0.92	985.0	1.09	1,525.0	1.79	1,493.0	1.79
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	10,027.8	79,948.0	85.47	77,688.0	85.84	73,748.0	86.35	72,178.0	86.76
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	3.1	25.0	0.03	32.0	0.04	42.0	0.05	57.0	0.07
4. Current Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	23.6	188.0	0.20	174.0	0.19	238.0	0.28	253.0	0.30
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	188.4	1,502.0	1.61	1,096.0	1.21	914.0	1.07	857.0	1.03
10. Total Liabilities	10,243.0	81,663.0	87.30	78,990.0	87.28	74,942.0	87.75	73,345.0	88.17
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	32.2	257.0	0.27	500.0	0.55	500.0	0.59	500.0	0.60
2. Pref. Shares and Hybrid Capital accounted for as Equity	43.9	350.0	0.37	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	1,411.3	11,252.0	12.03	10,991.0	12.14	9,881.0	11.57	9,358.0	11.25
2. Non-controlling Interest	0.0	0.0	0.00	0.0	0.00	0.0	0.00	15.0	0.02
3. Securities Revaluation Reserves	2.5	20.0	0.02	20.0	0.02	80.0	0.09	(30.0)	(0.04)
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	1,413.8	11,272.0	12.05	11,011.0	12.17	9,961.0	11.66	9,343.0	11.23
7. Total Liabilities and Equity	11,732.9	93,542.0	100.00	90,501.0	100.00	85,403.0	100.00	83,188.0	100.00
8. Memo: Fitch Core Capital	1,405.4	11,205.0	11.98	10,948.0	12.10	9,910.0	11.60	9,282.0	11.16

SpareBank 1 Nord-Norge Summary Analytics

	30 Sep 2017 9 Months - 3rd Quarter	31 Dec 2016 Year End	31 Dec 2015 Year End	31 Dec 2014 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	n.a.	3.52	3.98	4.64
2. Interest Expense on Customer Deposits/ Average Customer Depc	n.a.	0.75	1.29	2.03
3. Interest Income/ Average Earning Assets	2.85	2.92	3.29	3.87
4. Interest Expense/ Average Interest-bearing Liabilities	1.05	1.18	1.64	2.28
5. Net Interest Income/ Average Earning Assets	1.93	1.89	1.85	1.85
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.71	1.67	1.60	1.44
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning A	1.93	1.89	1.85	1.85
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	38.27	37.60	33.77	43.25
2. Non-Interest Expense/ Gross Revenues	46.69	49.98	63.66	52.26
3. Non-Interest Expense/ Average Assets	1.43	1.48	1.74	1.66
4. Pre-impairment Op. Profit/ Average Equity	17.11	16.19	12.91	18.53
5. Pre-impairment Op. Profit/ Average Total Assets	2.01	1.89	1.47	2.08
6. Loans and securities impairment charges/ Pre-impairment Op. Pr	10.49	12.63	16.22	19.27
7. Operating Profit/ Average Equity	15.31	14.14	10.81	14.96
8. Operating Profit/ Average Total Assets	1.80	1.65	1.23	1.68
9. Operating Profit / Risk Weighted Assets	2.57	2.41	1.71	2.18
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	12.41	12.02	9.05	12.18
2. Net Income/ Average Total Assets	1.46	1.41	1.03	1.37
3. Fitch Comprehensive Income/ Average Total Equity	12.32	11.51	10.97	11.09
4. Fitch Comprehensive Income/ Average Total Assets	1.45	1.35	1.25	1.24
5. Taxes/ Pre-tax Profit	18.98	18.85	15.78	16.58
6. Net Income/ Risk Weighted Assets	2.08	2.05	1.43	1.77
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	17.15	17.91	16.43	15.01
2. Tangible Common Equity/ Tangible Assets	11.99	12.11	11.61	11.17
3. Tier 1 Regulatory Capital Ratio	16.04	16.28	15.10	13.60
4. Total Regulatory Capital Ratio	18.25	18.37	17.20	15.60
5. Common Equity Tier 1 Capital Ratio	15.44	14.98	13.90	12.60
6. Equity/ Total Assets	12.05	12.17	11.66	11.23
7. Cash Dividends Paid & Declared/ Net Income	n.a.	27.61	23.24	17.44
8. Internal Capital Generation	12.05	8.24	6.67	9.68
E. Loan Quality				
1. Growth of Total Assets	3.36	5.97	2.66	7.31
2. Growth of Gross Loans	4.44	10.48	4.35	7.16
3. Impaired Loans/ Gross Loans	0.65	0.72	0.80	0.89
4. Reserves for Impaired Loans/ Gross Loans	0.80	0.74	0.65	0.66
5. Reserves for Impaired Loans/ Impaired Loans	123.43	102.93	80.78	74.41
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Cap	(1.00)	(0.14)	1.00	1.51
7. Impaired Loans less Reserves for Impaired Loans/ Equity	(0.99)	(0.14)	0.99	1.50
8. Loan Impairment Charges/ Average Gross Loans	0.27	0.28	0.32	0.54
9. Net Charge-offs/ Average Gross Loans	0.12	0.00	0.00	0.00
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosec	0.65	0.72	0.80	0.89
F. Funding and Liquidity				
1. Loans/ Customer Deposits	129.28	131.36	133.20	134.13
2. Interbank Assets/ Interbank Liabilities	1,205.26	237.90	116.96	134.88
3. Customer Deposits/ Total Funding (excluding derivatives)	71.73	69.78	66.12	64.29
4. Liquidity Coverage Ratio	120.00	121.00	95.00	5.90
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.

SpareBank 1 Nord-Norge
Reference Data

	30 Sep 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	1,265.0	1.40	1,893.0	2.22	2,290.0	2.75
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	5,581.0	6.71
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
Average Loans	9,075.8	72,357.5	77.35	67,387.8	74.46	62,735.4	73.46	59,091.6	71.03
Average Earning Assets	11,410.1	90,967.8	97.25	87,365.8	96.54	82,279.2	96.34	77,915.0	93.66
Average Assets	11,675.7	93,085.3	99.51	89,168.0	98.53	84,039.0	98.40	80,190.8	96.40
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	10,021.5	79,897.8	85.41	76,871.8	84.94	72,723.2	85.15	69,087.8	83.05
Average Common equity	1,370.6	10,927.5	11.68	10,378.8	11.47	9,546.0	11.18	8,981.2	10.80
Average Equity	1,373.1	10,947.5	11.70	10,422.8	11.52	9,553.2	11.19	8,991.2	10.81
Average Customer Deposits	7,021.8	55,982.0	59.85	52,356.6	57.85	47,698.0	55.85	45,334.6	54.50
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	10,705.0	11.83	9,566.0	11.20	9,981.0	12.00
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	3,414.0	3.77	2,698.0	3.16	2,236.0	2.69
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	9,987.0	11.04	10,400.0	12.18	11,939.0	14.35
Loans & Advances > 5 years	n.a.	n.a.	-	46,657.0	51.55	40,729.0	47.69	36,686.0	44.10
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	14.0	0.02	1,562.0	1.83	2,824.0	3.39
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	354.0	0.39	550.0	0.64	34.0	0.04
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	830.0	0.92	12.0	0.01	850.0	1.02
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	748.0	0.83	0.0	0.00	12.0	0.01
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	52,359.0	57.85	46,801.0	54.80	45,763.0	55.01
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	1,511.0	1.67	1,286.0	1.51	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	258.0	0.29	1,735.0	2.03	1,866.0	2.24
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	11.0	0.01	0.0	0.00	800.0	0.96
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	234.0	0.26	81.0	0.09	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	315.0	0.35	0.0	0.00	92.0	0.11
Senior Debt Maturing < 3 months	n.a.	n.a.	-	284.0	0.31	878.0	1.03	1,570.0	1.89
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	3,608.0	3.99	3,786.0	4.43	2,121.0	2.55
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	13,573.0	15.00	15,118.0	17.70	14,634.0	17.59
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	3,700.0	4.09	1,688.0	1.98	2,989.0	3.59
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	21,165.0	23.39	21,470.0	25.14	21,314.0	25.62
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1 - 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	113.3	903.0	0.97	850.0	0.94	850.0	1.00	850.0	1.02
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	8,196.9	65,351.0	69.86	61,120.0	67.54	60,327.0	70.64	61,838.0	74.34
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	8,196.9	65,351.0	69.86	61,120.0	67.54	60,327.0	70.64	61,838.0	74.34
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	8,196.9	65,351.0	69.86	61,120.0	67.54	60,327.0	70.64	61,838.0	74.34
E. Equity Reconciliation									
1. Equity	1,413.8	11,272.0	12.05	11,011.0	12.17	9,961.0	11.66	9,343.0	11.23
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	43.9	350.0	0.37	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	1,457.7	11,622.0	12.42	11,011.0	12.17	9,961.0	11.66	9,343.0	11.23
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	1,413.8	11,272.0	12.05	11,011.0	12.17	9,961.0	11.66	9,343.0	11.23
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	8.4	67.0	0.07	63.0	0.07	51.0	0.06	61.0	0.07
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	1,405.4	11,205.0	11.98	10,948.0	12.10	9,910.0	11.60	9,282.0	11.16

Exchange Rate

USD1 = NOK7.9726

USD1 = NOK8.62

USD1 = NOK8.809

USD1 = NOK7.43

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