

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	3
Support Rating Floor	BB+

Sovereign Risk

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

Outlooks

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

Financial Data

SpareBank 1 Nord-Norge

	30 Sep 16	31 Dec 15
Total assets (USDm)	11,082	9,695
Total assets (NOKm)	89,210	85,403
Total equity (NOKm)	10,711	9,961
Operating profit (NOKm)	1,129	1,033
Published net income (NOKm)	985	865
Comprehensive income (NOKm)	901	1,048
Operating ROAA (%)	1.7	1.2
Operating ROAE (%)	14.7	10.8
Internal capital generation (%)	12.3	6.7
Fitch Core Capital/weighted risks (%)	17.5	16.4
Common equity Tier 1 ratio (%)	15.1	13.9

Key Rating Drivers

Strong Franchise, Regional Concentration: SpareBank 1 Nord-Norge's (SNN) ratings reflect its strong regional franchise in northern Norway, healthy profitability, strong asset quality and strong 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.

Healthy Profitability: SNN benefits from good pre-impairment profitability, and its strong regional franchise supports stable revenue generation. Cost efficiency is acceptable. Loan impairment charges are low and will remain easily absorbable for the bank. Lending margins for retail mortgage loans are under pressure given increased competition, but the margin pressure could be dampened in 2017 after an announced price increase effective from mid-January 2017. SNN benefits from lower competition than in other parts of Norway.

Retail and SME Focus: Fitch expects SNN to maintain its conservative risk appetite and its focus on retail and SME customers. Concentration risks relating to larger corporates should continue to fall. SNN has a more retail-orientated business model than its Sparebanken peers.

Strong Asset Quality: Fitch expects the stock of impaired loans to remain low (0.9% of gross loans at end-September 2016), supported by a large retail loan book, a stable operating environment and conservative underwriting standards. A property price correction is a risk, but prices and growth in the region are lower than they are in other parts of the country.

Wholesale Funding Reliance: SNN has structural reliance on wholesale funding, although less than its rated, regional domestic peers due to its strong retail deposit base. Fitch expects SNN to maintain market access, in particular for covered bonds via its funding vehicle, SpareBank 1 Boligkreditt AS (A-/Stable), jointly owned with the other savings banks of the Sparebanken 1 Alliance, and to maintain strong liquidity to mitigate refinancing risks.

Strong Capital Position: SNN has strong risk-weighted capitalisation and leverage compared to peers. Leverage in particular is low in a European context.

Moderate Probability of Support: SNN's Support Rating and Support Rating Floor reflect Fitch's view that there is a moderate probability of support, if required, from the Norwegian authorities, given SNN's strong regional franchise. In addition, there is a possibility of institutional support from the Alliance members. However, Fitch understands that no legal obligation to financially support member banks arises from membership of the Alliance.

Rating Sensitivities

Upgrade Unlikely: An upgrade is unlikely due to the already high ratings in the context of the company profile, size and geographical concentration. An unmitigated weakening of access to capital markets would be negative for SNN's ratings.

Asset-Quality Deterioration: SNN's ratings are primarily sensitive to deteriorating asset quality, in particular as a result of possible deterioration in commercial real estate exposure or a significant house price correction, if the bank is unable to absorb losses via earnings. This scenario would probably be followed by difficulties in obtaining competitively priced funding.

Related Research

[SpareBank 1 Nord-Norge - Ratings Navigator \(November 2016\)](#)

[SpareBank 1 Boligkreditt AS \(December 2016\)](#)

Analysts

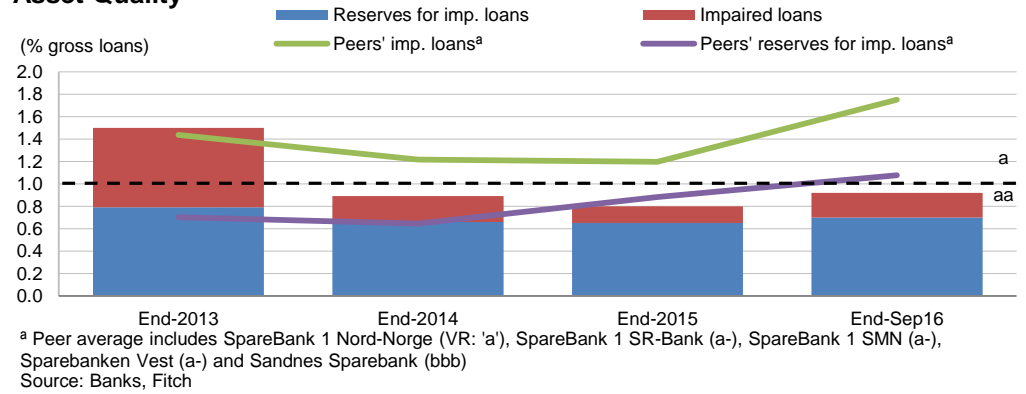
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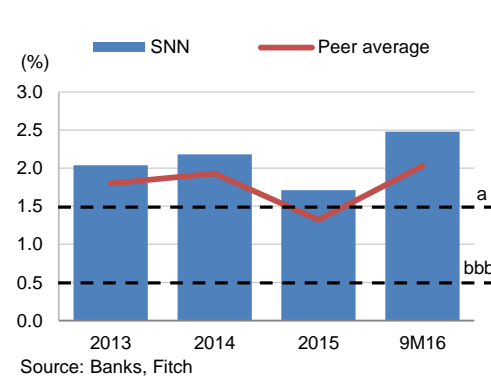
Note on Charts

Black dashed lines in the *Asset Quality* chart and further in the report 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.

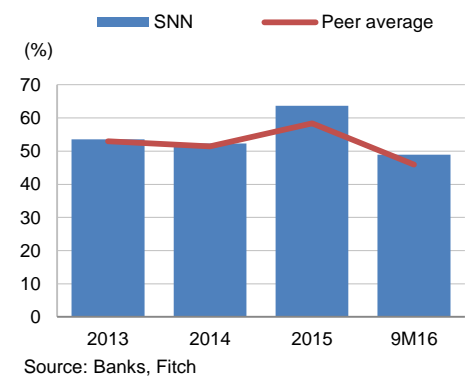
Asset Quality



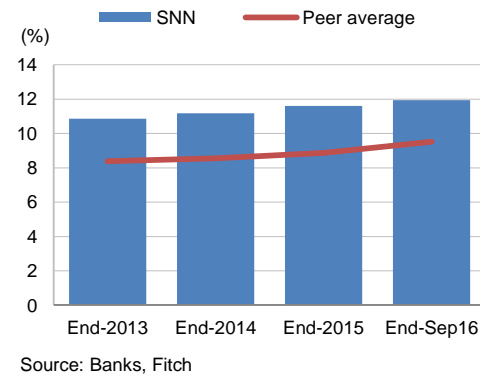
Operating Profit/ RWAs



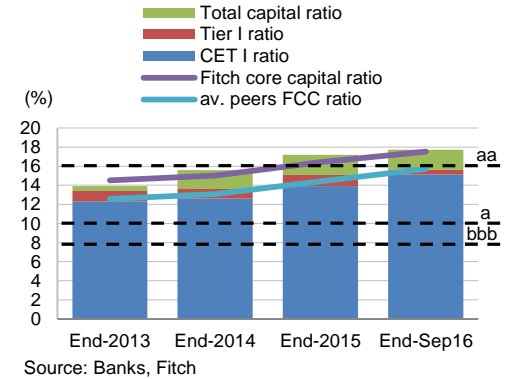
Cost Efficiency



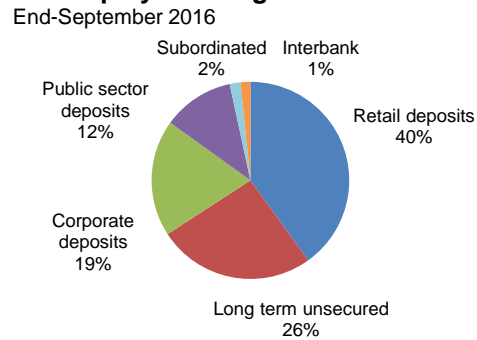
Tangible Leverage



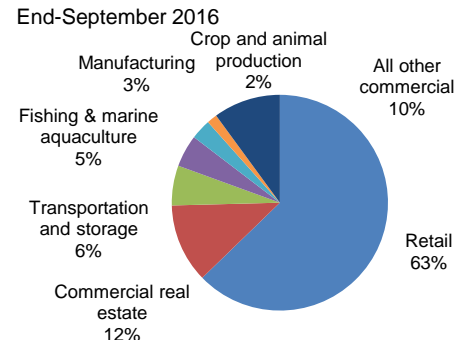
Risk-Weighted Capital Ratios



Non-Equity Funding Mix



Loan Book



Related Criteria

[Global Bank Rating Criteria \(November 2016\)](#)

SpareBank 1 Nord-Norge
Income Statement

	30 Sep 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013	
	9 Months - 3rd Quarter		As % of Earning Assets	Year End NOKm	As % of Earning Assets	Year End NOKm	As % of Earning Assets	Year End NOKm	As % of Earning Assets
	USDm	NOKm							
1. Interest Income on Loans	n.a.	n.a.	-	2,498.0	2.98	2,740.0	3.37	2,685.0	3.58
2. Other Interest Income	235.4	1,895.0	2.90	204.0	0.24	258.0	0.32	305.0	0.41
3. Dividend Income	0.4	3.0	0.00	8.0	0.01	16.0	0.02	27.0	0.04
4. Gross Interest and Dividend Income	235.8	1,898.0	2.90	2,710.0	3.23	3,014.0	3.71	3,017.0	4.02
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	617.0	0.74	919.0	1.13	1,058.0	1.41
6. Other Interest Expense	85.1	685.0	1.05	573.0	0.68	653.0	0.80	647.0	0.86
7. Total Interest Expense	85.1	685.0	1.05	1,190.0	1.42	1,572.0	1.94	1,705.0	2.27
8. Net Interest Income	150.7	1,213.0	1.85	1,520.0	1.81	1,442.0	1.78	1,312.0	1.75
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	(83.0)	(0.10)	(60.0)	(0.07)	13.0	0.02
10. Net Gains (Losses) on Other Securities	3.7	30.0	0.05	n.a.	-	n.a.	-	1.0	0.00
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	(75.0)	(0.09)	193.0	0.24	10.0	0.01
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	73.9	595.0	0.91	833.0	0.99	866.0	1.07	817.0	1.09
14. Other Operating Income	11.8	95.0	0.15	100.0	0.12	100.0	0.12	106.0	0.14
15. Total Non-Interest Operating Income	89.4	720.0	1.10	775.0	0.92	1,099.0	1.35	947.0	1.26
16. Personnel Expenses	61.4	494.0	0.76	850.0	1.01	704.0	0.87	638.0	0.85
17. Other Operating Expenses	56.0	451.0	0.69	611.0	0.73	624.0	0.77	571.0	0.76
18. Total Non-Interest Expenses	117.4	945.0	1.44	1,461.0	1.74	1,328.0	1.63	1,209.0	1.61
19. Equity-accounted Profit/ Loss - Operating	36.0	290.0	0.44	399.0	0.48	453.0	0.56	303.0	0.40
20. Pre-impairment Operating Profit	158.8	1,278.0	1.95	1,233.0	1.47	1,666.0	2.05	1,353.0	1.80
21. Loan Impairment Charge	18.5	149.0	0.23	200.0	0.24	321.0	0.40	172.0	0.23
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	140.2	1,129.0	1.73	1,033.0	1.23	1,345.0	1.66	1,181.0	1.57
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	8.7	70.0	0.11	n.a.	-	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	148.9	1,199.0	1.83	1,033.0	1.23	1,345.0	1.66	1,181.0	1.57
30. Tax expense	26.6	214.0	0.33	163.0	0.19	223.0	0.27	214.0	0.29
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	(5.0)	(0.01)	(27.0)	(0.03)	n.a.	-
32. Net Income	122.4	985.0	1.51	865.0	1.03	1,095.0	1.35	967.0	1.29
33. Change in Value of AFS Investments	(7.5)	(60.0)	(0.09)	80.0	0.10	4.0	0.00	6.0	0.01
34. Revaluation of Fixed Assets	0.0	0.0	0.00	(10.0)	(0.01)	n.a.	-	n.a.	-
35. Currency Translation Differences	0.0	0.0	0.00	n.a.	-	(35.0)	(0.04)	1.0	0.00
36. Remaining OCI Gains/(losses)	(3.0)	(24.0)	(0.04)	113.0	0.13	(67.0)	(0.08)	4.0	0.01
37. Fitch Comprehensive Income	111.9	901.0	1.38	1,048.0	1.25	997.0	1.23	978.0	1.30
38. Memo: Profit Allocation to Non-controlling Interests	0.0	0.0	0.00	(7.0)	(0.01)	(1.0)	(0.00)	1.0	0.00
39. Memo: Net Income after Allocation to Non-controlling Interests	122.4	985.0	1.51	872.0	1.04	1,096.0	1.35	966.0	1.29
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	201.0	0.24	191.0	0.24	110.0	0.15
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NOK8.05

USD1 = NOK8.809

USD1 = NOK7.43

USD1 = NOK6.08

SpareBank 1 Nord-Norge
Balance Sheet

	30 Sep 2016		31 Dec 2015		31 Dec 2014		31 Dec 2013		
	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	5,370.4	43,232.0	48.46	39,373.0	46.10	36,095.0	43.39	33,374.0	43.05
4. Corporate & Commercial Loans	3,189.2	25,673.0	28.78	24,680.0	28.90	25,289.0	30.40	23,908.0	30.84
5. Other Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Less: Reserves for Impaired Loans	60.0	483.0	0.54	416.0	0.49	407.0	0.49	453.0	0.58
7. Net Loans	8,499.6	68,422.0	76.70	63,637.0	74.51	60,977.0	73.30	56,829.0	73.31
8. Gross Loans	8,559.6	68,905.0	77.24	64,053.0	75.00	61,384.0	73.79	57,282.0	73.89
9. Memo: Impaired Loans included above	79.1	637.0	0.71	515.0	0.60	547.0	0.66	859.0	1.11
10. Memo: Loans at Fair Value included above	895.2	7,206.0	8.08	7,610.0	8.91	6,304.0	7.58	7,740.0	9.98
B. Other Earning Assets									
1. Loans and Advances to Banks	233.3	1,878.0	2.11	2,124.0	2.49	3,720.0	4.47	1,392.0	1.80
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.	-	11,495.0	13.46	10,049.0	12.08	9,497.0	12.25
4. Derivatives	191.8	1,544.0	1.73	1,946.0	2.28	2,121.0	2.55	1,303.0	1.68
5. Available for Sale Securities	n.a.	n.a.	-	89.0	0.10	7.0	0.01	7.0	0.01
6. Held to Maturity Securities	0.0	0.0	0.00	87.0	0.10	109.0	0.13	112.0	0.14
7. Equity Investments in Associates	555.2	4,469.0	5.01	4,424.0	5.18	4,187.0	5.03	3,564.0	4.60
8. Other Securities	1,370.4	11,032.0	12.37	76.0	0.09	28.0	0.03	2,303.0	2.97
9. Total Securities	2,117.4	17,045.0	19.11	18,117.0	21.21	16,501.0	19.84	16,786.0	21.65
10. Memo: Government Securities included Above	n.a.	n.a.	-	3,998.0	4.68	3,021.0	3.63	3,318.0	4.28
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	3.5	28.0	0.03	28.0	0.03	35.0	0.04	n.a.	-
15. Total Earning Assets	10,853.8	87,373.0	97.94	83,906.0	98.25	81,233.0	97.65	75,007.0	96.76
C. Non-Earning Assets									
1. Cash and Due From Banks	64.6	520.0	0.58	274.0	0.32	685.0	0.82	655.0	0.84
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	60.6	488.0	0.55	553.0	0.65	594.0	0.71	595.0	0.77
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	7.0	56.0	0.06	51.0	0.06	61.0	0.07	81.0	0.10
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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	96.0	773.0	0.87	619.0	0.72	615.0	0.74	1,182.0	1.52
11. Total Assets	11,082.0	89,210.0	100.00	85,403.0	100.00	83,188.0	100.00	77,520.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	6,663.0	53,637.0	60.12	45,059.0	52.76	41,140.0	49.45	38,534.0	49.71
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	3,028.0	3.55	4,623.0	5.56	6,406.0	8.26
4. Total Customer Deposits	6,663.0	53,637.0	60.12	48,087.0	56.31	45,763.0	55.01	44,940.0	57.97
5. Deposits from Banks	148.8	1,198.0	1.34	1,816.0	2.13	2,758.0	3.32	4,284.0	5.53
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.	-	4,664.0	5.46	3,691.0	4.44	1,582.0	2.04
8. Total Money Market and Short-term Funding	6,811.8	54,835.0	61.47	54,567.0	63.89	52,212.0	62.76	50,806.0	65.54
9. Senior Unsecured Debt (original maturity > 1 year)	2,420.7	19,487.0	21.84	16,806.0	19.68	17,623.0	21.18	14,754.0	19.03
10. Subordinated Borrowing	105.6	850.0	0.95	850.0	1.00	850.0	1.02	950.0	1.23
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)	2,526.3	20,337.0	22.80	17,656.0	20.67	18,473.0	22.21	15,704.0	20.26
14. Derivatives	151.4	1,219.0	1.37	1,525.0	1.79	1,493.0	1.79	722.0	0.93
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	9,489.6	76,391.0	85.63	73,748.0	86.35	72,178.0	86.76	67,232.0	86.73
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	1.6	13.0	0.01	n.a.	-	13.0	0.02	50.0	0.06
4. Current Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	29.2	235.0	0.26	238.0	0.28	253.0	0.30	228.0	0.29
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	168.9	1,360.0	1.52	956.0	1.12	901.0	1.08	1,008.0	1.30
10. Total Liabilities	9,689.3	77,999.0	87.43	74,942.0	87.75	73,345.0	88.17	68,518.0	88.39
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	62.1	500.0	0.56	500.0	0.59	500.0	0.60	500.0	0.64
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	1,328.1	10,691.0	11.98	9,881.0	11.57	9,358.0	11.25	8,479.0	10.94
2. Non-controlling Interest	0.0	0.0	0.00	0.0	0.00	15.0	0.02	23.0	0.03
3. Securities Revaluation Reserves	2.5	20.0	0.02	80.0	0.09	(30.0)	(0.04)	n.a.	-
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	1,330.6	10,711.0	12.01	9,961.0	11.66	9,343.0	11.23	8,502.0	10.97
7. Total Liabilities and Equity	11,082.0	89,210.0	100.00	85,403.0	100.00	83,188.0	100.00	77,520.0	100.00
8. Memo: Fitch Core Capital	1,323.6	10,655.0	11.94	9,910.0	11.60	9,282.0	11.16	8,421.0	10.86

Exchange rate

USD1 = NOK8.05

USD1 = NOK8.809

USD1 = NOK7.43

USD1 = NOK6.08

SpareBank 1 Nord-Norge Summary Analytics

	30 Sep 2016 9 Months - 3rd Quarter	31 Dec 2015 Year End	31 Dec 2014 Year End	31 Dec 2013 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	n.a.	3.98	4.64	4.86
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	1.29	2.03	2.39
3. Interest Income/ Average Earning Assets	2.91	3.29	3.87	4.09
4. Interest Expense/ Average Interest-bearing Liabilities	1.19	1.64	2.28	2.57
5. Net Interest Income/ Average Earning Assets	1.86	1.85	1.85	1.78
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.63	1.60	1.44	1.55
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.86	1.85	1.85	1.78
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	37.25	33.77	43.25	41.92
2. Non-Interest Expense/ Gross Revenues	48.89	63.66	52.26	53.52
3. Non-Interest Expense/ Average Assets	1.42	1.74	1.66	1.59
4. Pre-impairment Op. Profit/ Average Equity	16.61	12.91	18.53	18.26
5. Pre-impairment Op. Profit/ Average Total Assets	1.92	1.47	2.08	1.78
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	11.66	16.22	19.27	12.71
7. Operating Profit/ Average Equity	14.68	10.81	14.96	15.94
8. Operating Profit/ Average Total Assets	1.70	1.23	1.68	1.55
9. Operating Profit / Risk Weighted Assets	2.48	1.71	2.18	2.04
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	12.80	9.05	12.18	13.05
2. Net Income/ Average Total Assets	1.48	1.03	1.37	1.27
3. Fitch Comprehensive Income/ Average Total Equity	11.71	10.97	11.09	13.20
4. Fitch Comprehensive Income/ Average Total Assets	1.35	1.25	1.24	1.29
5. Taxes/ Pre-tax Profit	17.85	15.78	16.58	18.12
6. Net Income/ Risk Weighted Assets	2.16	1.43	1.77	1.67
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	17.53	16.43	15.01	14.52
2. Tangible Common Equity/ Tangible Assets	11.95	11.61	11.17	10.87
3. Tier 1 Regulatory Capital Ratio	15.63	15.10	13.60	13.42
4. Total Regulatory Capital Ratio	17.74	17.20	15.60	13.91
5. Common Equity Tier 1 Capital Ratio	15.12	13.90	12.60	12.30
6. Equity/ Total Assets	12.01	11.66	11.23	10.97
7. Cash Dividends Paid & Declared/ Net Income	n.a.	23.24	17.44	11.38
8. Internal Capital Generation	12.28	6.67	9.68	10.08
E. Loan Quality				
1. Growth of Total Assets	4.46	2.66	7.31	2.91
2. Growth of Gross Loans	7.57	4.35	7.16	5.01
3. Impaired Loans/ Gross Loans	0.92	0.80	0.89	1.50
4. Reserves for Impaired Loans/ Gross Loans	0.70	0.65	0.66	0.79
5. Reserves for Impaired Loans/ Impaired Loans	75.82	80.78	74.41	52.74
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	1.45	1.00	1.51	4.82
7. Impaired Loans less Reserves for Impaired Loans/ Equity	1.44	0.99	1.50	4.78
8. Loan Impairment Charges/ Average Gross Loans	0.30	0.32	0.54	0.31
9. Net Charge-offs/ Average Gross Loans	0.15	0.16	0.08	n.a.
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.92	0.80	0.89	1.50
F. Funding and Liquidity				
1. Loans/ Customer Deposits	128.47	133.20	134.13	127.46
2. Interbank Assets/ Interbank Liabilities	156.76	116.96	134.88	32.49
3. Customer Deposits/ Total Funding (excluding derivatives)	70.88	66.12	64.29	67.06
4. Liquidity Coverage Ratio	96.00	95.00	n.a.	n.a.

SpareBank 1 Nord-Norge Reference Data

	30 Sep 2016		31 Dec 2015		31 Dec 2014		31 Dec 2013		As % of Assets
	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	
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.	-	1,893.0	2.22	2,290.0	2.75	2,121.0	2.74
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.	-	5,581.0	6.71	6,218.0	8.02
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
Average Loans	8,266.3	66,544.0	74.59	62,735.4	73.46	59,091.6	71.03	55,288.0	71.32
Average Earning Assets	10,821.3	87,111.3	97.65	82,284.8	96.35	77,915.0	93.66	73,764.6	95.16
Average Assets	11,035.4	88,834.8	99.58	84,039.0	98.40	80,190.8	96.40	75,952.4	97.98
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	9,524.0	76,667.8	85.94	72,723.2	85.15	69,087.8	83.05	66,384.4	85.64
Average Common equity	1,270.3	10,225.8	11.46	9,546.0	11.18	8,981.2	10.80	7,387.0	9.53
Average Equity	1,276.5	10,275.8	11.52	9,553.2	11.19	8,991.2	10.81	7,408.6	9.56
Average Customer Deposits	6,456.9	51,978.3	58.27	47,698.0	55.85	45,334.6	54.50	44,340.8	57.20
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	9,566.0	11.20	9,981.0	12.00	9,010.0	11.62
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	2,698.0	3.16	2,236.0	2.69	2,309.0	2.98
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	10,400.0	12.18	11,939.0	14.35	8,117.0	10.47
Loans & Advances > 5 years	n.a.	n.a.	-	40,729.0	47.69	36,686.0	44.10	37,846.0	48.82
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.	-	1,562.0	1.83	2,824.0	3.39	1,049.0	1.35
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	550.0	0.64	34.0	0.04	74.0	0.10
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	12.0	0.01	850.0	1.02	256.0	0.33
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	12.0	0.01	13.0	0.02
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	46,801.0	54.80	45,763.0	55.01	44,525.0	57.44
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	1,286.0	1.51	n.a.	-	415.0	0.54
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	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.	-	1,735.0	2.03	1,866.0	2.24	3,381.0	4.36
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	800.0	0.96	800.0	1.03
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	81.0	0.09	n.a.	-	103.0	0.13
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	92.0	0.11	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	878.0	1.03	1,570.0	1.89	644.0	0.83
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	3,786.0	4.43	2,121.0	2.55	938.0	1.21
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	15,118.0	17.70	14,634.0	17.59	12,954.0	16.71
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	1,688.0	1.98	2,989.0	3.59	1,800.0	2.32
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	21,470.0	25.14	21,314.0	25.62	16,336.0	21.07
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	105.6	850.0	0.95	850.0	1.00	850.0	1.02	950.0	1.23
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	7,552.5	60,798.0	68.15	60,327.0	70.64	61,838.0	74.34	57,989.0	74.81
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	7,552.5	60,798.0	68.15	60,327.0	70.64	61,838.0	74.34	57,989.0	74.81
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	7,552.5	60,798.0	68.15	60,327.0	70.64	61,838.0	74.34	57,989.0	74.81
E. Equity Reconciliation									
1. Equity	1,330.6	10,711.0	12.01	9,961.0	11.66	9,343.0	11.23	8,502.0	10.97
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	1,330.6	10,711.0	12.01	9,961.0	11.66	9,343.0	11.23	8,502.0	10.97
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	7.0	56.0	0.06	51.0	0.06	61.0	0.07	81.0	0.10
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	1,323.6	10,655.0	11.94	9,910.0	11.60	9,282.0	11.16	8,421.0	10.86

Exchange Rate

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USD1 = NOK8.809

USD1 = NOK7.43

USD1 = NOK6.08

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