MOODY'S
INVESTORS SERVICE

CREDIT OPINION
12 January 2017

Update

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RATINGS

SpareBank 1 Nord-Norge

Domicile	Norway
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
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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SpareBank 1 Nord-Norge

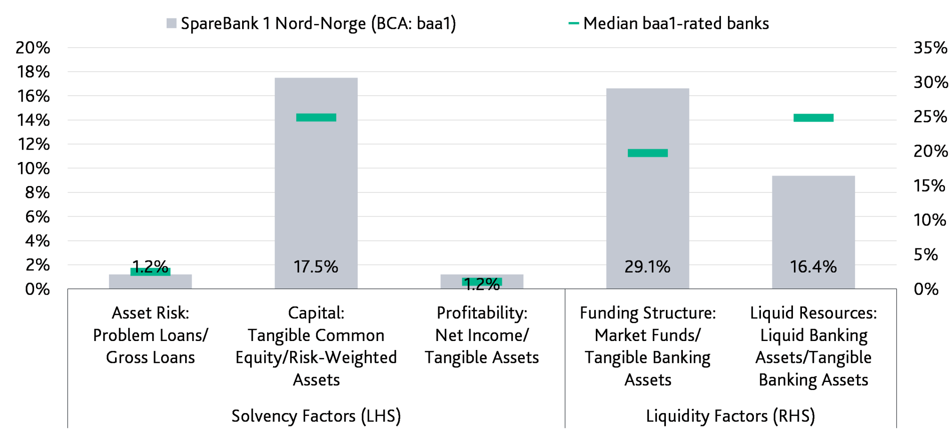
Semi - Annual Update

Summary Rating Rationale

Moody's assigns a baseline credit assessment (BCA) of baa1 to SpareBank 1 Nord-Norge, a long-term deposit rating of A1, a senior unsecured debt rating of A1, and a short-term rating of Prime-1. We also assign a Counterparty Risk Assessment (CR Assessment) of Aa3(cr) long term and Prime-1(cr) short term.

SpareBank 1 Nord-Norge's BCA of baa1 reflects the bank's strong regional position, retail focus combined with a solid deposit franchise, as well as its robust capital base and favourable asset quality with low level of non-performing loans (NPLs). The bank's BCA also takes into account its comfortable liquidity position and satisfactory profitability, benefiting from the more favourable economic conditions in Northern Norway where the bank operates compared to the country's overall economy. These positive rating drivers are to some degree counterbalanced by our view that the currently softening operating environment in Norway combined with the bank's real estate exposures in its loan book are likely to lead to a modest rise in problem loans, exerting some pressure on its credit profile and profitability. However, we expect such pressure to be limited, and unlikely to place the bank's BCA at risk over the next 12-18 months.

Exhibit 1
Rating Scorecard - Key Financial Ratios



Source: Moody's Financial Metrics

The bank's deposit and senior unsecured debt ratings incorporate our Loss Given Failure (LGF) analysis, taking into account the bank's volume of deposits and senior unsecured debt, and the stock of securities subordinated to them. SpareBank 1 Nord-Norge benefits from a large volume of deposits and substantial layers of subordination, resulting in very low loss given failure and two notches of rating uplift from the bank's BCA.

In addition, both the deposit and senior debt ratings of A1 also benefit from one notch of rating uplift due to government support, in view of the bank's systemic importance. However, the intention of the local authorities to introduce an official resolution regime in line with the EU's bank recovery and resolution directive (BRRD), could trigger a reassessment of our government support assumptions for all Norwegian savings banks, including SpareBank 1 Nord-Norge.

Credit Strengths

» SpareBank 1 Nord-Norges's BCA is supported by its Very Strong- Macro Profile

» Solid capital ratios provide a good loss absorption buffer

» Large volume of customer deposits underpin comfortable liquidity and result in deposit ratings benefiting from a very low loss-given-failure rate

» Moderate probability of government support resulting in one-notch rating uplift for debt and deposits

Credit Challenges

» Asset risk profile partly affected by some sector and borrower concentrations, although problem loans are very low

» Some reliance on market funding raises the bank's funding risk profile Margins affected by intense competition, albeit satisfactory profitability on the back of cost reduction

Rating Outlook

The stable outlooks on the bank's long-term senior debt and deposit ratings reflect our view that the bank's financial standing will remain broadly resilient to a modest slowdown in Norway's economic performance.

Factors that Could Lead to an Upgrade

Upward rating momentum could develop if SpareBank 1 Nord-Norge demonstrates (1) sustained good asset quality in its retail and corporate loan books, including in the more volatile segments; (2) continued good access to capital markets and improved liquidity; and/or (3) stronger earnings generation without compromising its risk profile.

Factors that Could Lead to a Downgrade

Future downward rating pressure would emerge if (1) SpareBank 1 Nord-Norge's problem loan ratio increases above our system wide expectation of approximately 2%; (2) financing conditions were to become more difficult; (3) its risk profile were to increase, for example as a result of increased exposure to more volatile sectors; and/or (4) macroeconomic environment were to deteriorate more than estimated, leading to adverse developments in the Norwegian real-estate market.

Key Indicators

Exhibit 2

SpareBank 1 Nord-Norge (Consolidated Financials) [1]

	9-16[2]	12-15[2]	12-14[2]	12-13[3]	12-12[3]	Avg.
Total Assets (NOK billion)	89.2	85.4	83.2	77.5	75.3	4.3[4]
Total Assets (EUR million)	9,932.4	8,882.1	9,169.3	9,273.0	10,266.8	-0.8[4]
Total Assets (USD million)	11,162.0	9,648.6	11,095.4	12,777.6	13,535.6	-4.7[4]
Tangible Common Equity (NOK billion)	10.6	9.8	9.3	8.4	6.8	11.8[4]
Tangible Common Equity (EUR million)	1,184.1	1,022.3	1,024.8	1,004.8	928.0	6.3[4]
Tangible Common Equity (USD million)	1,330.7	1,110.6	1,240.0	1,384.6	1,223.5	2.1[4]
Problem Loans / Gross Loans (%)	0.9	1.0	1.1	1.7	2.0	1.3[5]
Tangible Common Equity / Risk Weighted Assets (%)	17.5	17.5	15.0	14.5	12.4	16.7[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	5.7	6.3	6.9	10.9	15.2	9.0[5]
Net Interest Margin (%)	1.9	1.9	1.9	1.8	1.7	1.8[5]
PPI / Average RWA (%)	2.2	1.4	1.7	1.8	1.4	1.8[6]
Net Income / Tangible Assets (%)	1.4	1.0	1.2	1.2	0.8	1.1[5]
Cost / Income Ratio (%)	48.9	63.5	55.4	53.7	60.0	56.3[5]
Market Funds / Tangible Banking Assets (%)	24.6	29.1	30.8	27.6	28.6	28.1[5]
Liquid Banking Assets / Tangible Banking Assets (%)	15.1	16.4	17.4	14.9	16.1	16.0[5]
Gross loans / Due to customers (%)	128.5	133.2	134.1	127.5	125.2	129.7[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments [2] Basel III - fully-loaded or transitional phase-in; IFRS [3] Basel II; IFRS [4] Compound Annual Growth Rate based on IFRS reporting periods [5] IFRS reporting periods have been used for average calculation [6] Basel III - fully-loaded or transitional phase-in & IFRS reporting periods have been used for average calculation

Source: Moody's Financial Metrics

Detailed Rating Considerations

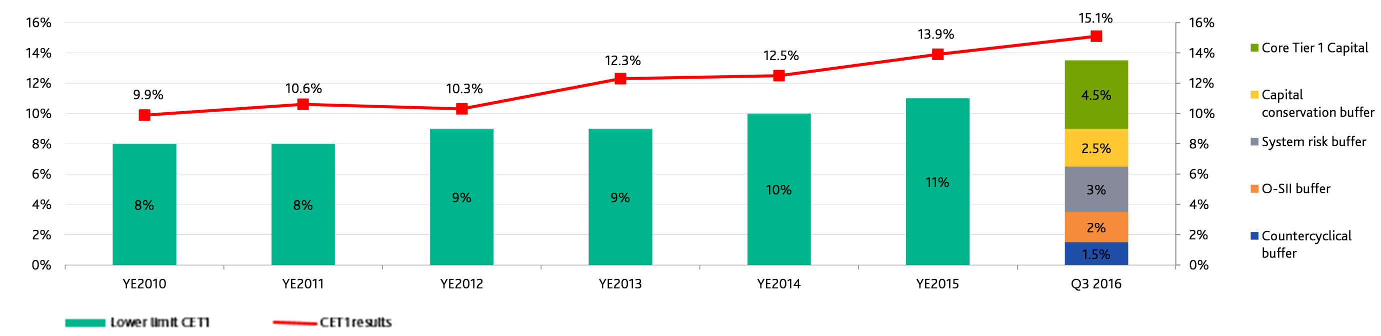
SpareBank Nord-Norge's BCA is Supported by its Very Strong - Macro Profile

As a domestically focused bank, SpareBank 1 Nord-Norge's operating environment is heavily influenced by Norway and its Macro Profile is thus aligned with that of Norway at Very Strong-. Norwegian banks benefit from operating in a wealthy and developed country with very high economic, institutional and government financial strength, as well as low susceptibility to event risk. The main risks to the system stem from a high level of household indebtedness and domestic banks' reliance on market funding. However, these risks are offset by the strength of households' ability to service debt, banks' adequate capitalisation and the relatively small size of the banking system compared with GDP.

Solid Capital Ratios Provide a Good Loss Absorption Buffer

SpareBank 1 Nord-Norge reported a consolidated Tangible Common Equity (TCE) over risk-weighted assets ratio of 17.5 % at end-September 2016 (including transitional floors), a significant improvement from 12.4% back in 2012, while the group's Common Equity Tier 1 (CET1) was 15.1% (see Exhibit 2). The bank received permission to apply the Advanced IRB approach to calculate regulatory charges against credit risk on corporate clients since the first quarter of 2015, compensating for the increase in the risk weights for residential mortgages by the Norwegian FSA.

Exhibit 3
SpareBank 1 Nord-Norge's capitalisation



Source: Company reports, Moody's Financial Metrics

SpareBank 1 Nord-Norge aims to have an internal capital buffer of at least 0.5% above the statutory minimum requirement and its long-term CET1 capital ratio target is currently 14.5%, which was also recommended by the FSA for all savings banks. We believe that such capital levels provide a good loss absorption buffer to the bank, and a good safety net to its creditors. In an effort to rationalise capital use, its joint venture BN Bank (not rated) an entity that is co-owned with the rest of the SpareBank 1 Alliance banks, has been working on phasing out its corporate loan portfolio. In addition to other significant strategic measures, Sparebank 1 Nord-Norge has also sold its share in Bank 1 Oslo Akershus to Sparebanken Hedmark.

SpareBank 1 Nord-Norge has announced that the adjustment of its dividend payout ratio towards 50% continues. Furthermore, its dividend policy, including maximum payout ratio, will be revaluated this year.

Our assigned Capital Score of aa2 reflects the bank's capital strength, as illustrated by its TCE/tangible banking assets ratio of 11.9% at end-September 2016 (without taking into account the mortgages used for covered bonds), which compares well with banks globally with a BCA of baa1. We also note the bank's increase in the capital metrics with the consolidated Tier 1 and total capital adequacy ratios rising to 15.6% and 17.7% respectively as of September 2016, from 14.2% and 16.3% in September 2015. Concurrently, the bank's leverage ratio was at 6.6% in September 2016, compared to 6.1% as of September 2015 and the 5% minimum announced on 20 December 2016 by the Norwegian Finance Ministry to come into force from 30 June 2017.

Asset risk profile partly affected by some sector and borrower concentrations, although problem loans are very low

SpareBank 1 Nord-Norge's loan book benefits from a substantial proportion of retail loans (around 73% of gross loans in September 2016 including loans transferred to covered bond companies), mostly in the form of mortgages. The bank's asset quality is strong with a problem loan ratio (impaired loans as a percentage of total loans) of 0.92% of on-balance-sheet loans at September 2016, down from 1.02% in September 2015. The bank's strong asset performance benefits from a favourable lending environment, including high unemployment benefits that support borrowers' ability to repay debt, a creditor-friendly legal framework, and the less affected macroeconomic conditions in the Northern part of Norway where the bank is based. Northern Norway had a relatively low and stable unemployment rate of around 2.4% as of September 2016.

Although Sparebank 1 Nord-Norge has some exposure to the oil sector accounting for around NOK 1.981 billion, or 2.1% of total loans as of September 2016 (including loans transferred to covered bond companies), the majority of these are supported by long-term contracts., Such contracts provide some level of stability to the bank's asset quality considering the significant deterioration in the sector during 2016. We note that NOK229.1 million from the bank's total oil-related exposure is in the form of non-performing or impaired loans, which corresponds to a high default rate of 11.6% within this sector compared to the less than 1% reported for the overall loan book. However, our assigned Asset Risk score indicates that overall, asset risk remains a relative strength for SpareBank 1 Nord-Norge. The bank operates mainly in northern Norway that has limited dependence on the petroleum sector and has benefited from the Norwegian currency depreciation in recent years through exporting industries such as farming, fishing and tourism.

The negative adjustments that we incorporate on SpareBank 1 Nord-Norge's asset risk score are mainly driven by some concentrations in its loan book towards the real estate, development of building projects and construction sectors, which represent around 36% of the on-balance-sheet corporate loan portfolio or 10.7% of total loans as of September 2016. We also note risks related to individual borrower concentration, which could accelerate the extent and pace of any deterioration in asset quality, a characteristic common to many Nordic banks, although we view favourably the bank's exit from exposures to certain Russian entities.

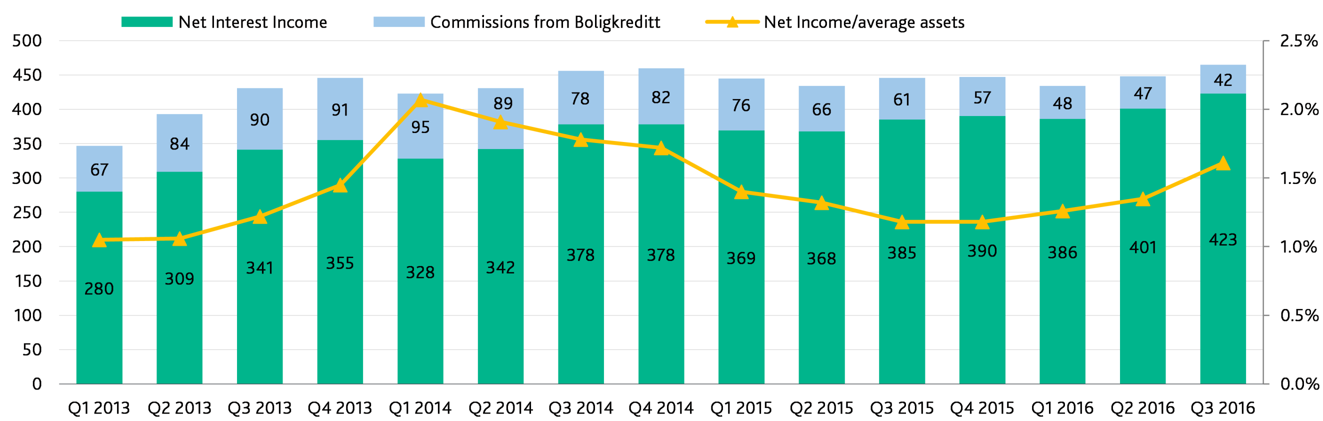
Looking ahead, we expect the bank's problem loan ratio to increase marginally due to the general softening of economic conditions in the country. Nonetheless, we do not expect any major asset quality deterioration over the next 12-18 months, which could trigger downward rating pressure for the bank, while the bank's more favourable exposure to non-oil exporting sectors such as fisheries is likely to alleviate any asset quality deterioration. We also note the bank's relatively high provisioning coverage for problem loans of approximately 76% in September 2016, which minimises the risks for any additional significant credit losses from the existing stock of non-performing loans.

Margins affected by intense competition, albeit satisfactory profitability on the back of cost reduction

SpareBank 1 Nord-Norge's earnings base also benefits from its resilient retail banking operations, which contributed to just over 46% of its pre-provision profit in 2015 and 41% in the third quarter 2016. Net interest income continued to constitute the largest proportion of income at almost 52% in September 2016 (compared with net fee and commission income of 28% and income from financial instruments of 19%). Income from the covered bond companies booked as commission income mainly originates from the bank's mortgage loans transferred to the residential mortgages vehicle Sparebanken 1 Boligkreditt (see Exhibit 3). The bank's net interest margin stood at 1.82% as of September 2016, mainly affected by intense competition for retail mortgages and retail deposits in the market on the back of low interest rates.

Exhibit 4

SpareBank 1 Nord-Norge's net interest income (NOK million)



Source: Company reports, Moody's Financial Metrics

The bank's cost-income ratio as calculated by Moody's improved to 44.3% at end-September 2016 from a relatively high 63.5% at end-December 2015. The bank's cost base decreased by 3.1% (excluding restructuring costs) year-on-year as a result of nearly 11% reduction in total personnel and general administration costs, which were mainly driven by its voluntary severance package offered to 150 employees completed in Q4 2015.

In addition, the increased digitalization and changes in customer behaviour have triggered a reorganization at the bank to improve efficiency. SpareBank 1 Nord-Norge has taken several initiatives in 2015 to optimise its operations. The bank announced plans to dispose of less profitable businesses, starting with the write-down of the majority of its Russian exposure earlier in the year. This was followed by plans to reorganise the business in response to increased digitalisation and changes in customer behaviour. The bank's reorganisation plan envisaged a net reduction of the full-time employees of the parent bank by up to 15%, closure of 21 branches and concentration on 16 financial centres during 2015-2016, which will provide additional support to the bank's profitability going forward.

SpareBank 1 Nord-Norge aims to no operating cost increases, excluding restructuring costs and possible business expansions. However, looking ahead we expect some cost increase as a result of the proposed financial tax for all Norwegian banks. Although the introduction and potential alignment of the proposed financial tax has not been finalised yet, an assessment by the bank linked to a preliminary central government budget indicates that there will be a total annual increase in group costs of around NOK30 million compared to NOK1.26 billion annualised operating costs as of September 2016.

Loan loss provisions increased to 0.37% of average gross loans at end September 2016, up from 0.32% in 2015 and 0.28% in 2014, although in absolute terms credit costs for the first nine months in 2016 increased year-on-year by 38%. This was mainly driven by increased collective write-downs and provisions the bank had to take for its subsidiary SpareBank 1 Finans Nord-Norge, with individual write-downs for corporate clients reducing significantly. We note that the bank's commitment associated with its banking activities in Russia has been wound up, although it still has a residual exposure of around NOK44 million, while we expect the adoption of IFRS 9 with new principles for write-downs from 2018 to result in higher loss provisions.

SpareBank 1 Nord-Norge reported net income at NOK985 million for the nine months ending in September 2016 compared to NOK739 million for the same period a year earlier at group level. Net income as a proportion of average assets was a satisfactory 1.48% in September 2016, up from 1.18% in September 2015, while return on equity improved to 12.8% in September 2016 from 10.4% the year. We expect the bank to post satisfactory results for the full year 2016, while looking ahead into 2017 the bank's results are likely to be challenged by margin pressure and the risk of potential loan losses from export-oriented clients in case the domestic currency (Krone) appreciates. The weakening currency so far has been beneficial to export industries, especially fisheries.

Some reliance on market funding raises the bank's funding risk profile, although liquidity is comfortable on the back of large volume of customer deposits

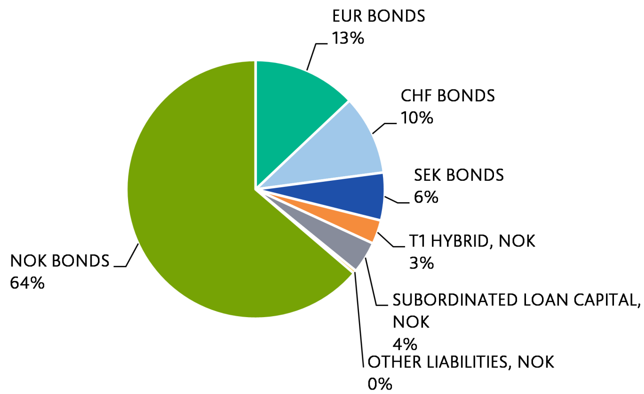
SpareBank 1 Nord-Norge's on-balance sheet funding consisted by almost 68% of customer deposits at end-September 2016, which has proven resilient over many years. As of end-September 2016 , the bank's deposits were up by almost 12% year-on-year, driven mainly by retail deposits that constituted around 57% of total deposits, although the bank's gross loans-to-deposits ratio (excluding securitized loans) was around 129%.

SpareBank 1 Nord-Norge has increasingly used covered bond funding, which is done off-balance-sheet through specialised companies it jointly owns together with other members of the SpareBank 1 Alliance (SpareBank 1 Boligkreditt for residential mortgages and SpareBank 1 Næringskreditt for commercial mortgages). At end-September 2016 the bank had transferred retail mortgages worth NOK25 billion to these vehicles (i.e., around 26.6% of its gross loan book). While we view positively the diversification benefit of covered bond funding, its extensive use increases the amount of pledged assets unavailable for unsecured bondholders, including depositors in liquidation.

We globally reflect the relative stability of covered bonds compared with unsecured market funding through a standard adjustment in our scorecard accounting around half of such covered bonds as deposit-like funding. Our Funding Structure score reflects our view that SpareBank 1 Nord-Norge's usage of market funding (see Exhibit 4) is of sufficient scale (market funds comprised around 25% of tangible banking assets in September 2016) to represent a source of vulnerability because, in times of market stress, market funding can become more expensive or/and restricted. We also note that the bank has a generally good maturities diversification of its capital markets funding (excluding covered bonds) until 2024, although the highest repayment amount of almost NOK5.5 billion is due within 2017.

Exhibit 5

SpareBank 1 Nord-Norge's Market Funding Distribution as of End-September 2016



Source: Company presentations and reports

SpareBank 1 Nord-Norge's liquid assets accounted for approximately 15% of total assets at end-September 2016. This liquidity reserve primarily consists of Norwegian T-bills, sovereign bonds, rated covered bonds as well as bonds issued by domestic or international financial institutions and domestic corporate bonds. The bank's LCR ratio under Basel III stood at a comfortable 96% as of September 2016, compared to the 70% requirement for 2016, while the NSFR was 132% although this ratio has yet to come into effect. We generally believe that the bank will continue to have a relatively conservative liquidity profile, maintaining excess liquidity and minimizing any refinancing risk.

Notching Considerations

Loss Given Failure and Additional Notching

We expect that Norway will look to introduce legislation to implement the EU's Bank Resolution and Recovery Directive (BRRD). In our LGF analysis we assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits, a 5% run-off in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. These are in line with our standard assumptions.

For SpareBank 1 Nord-Norge's long term deposit rating and senior unsecured debt rating, we take into consideration the likely impact of loss given failure (LGF) of the combination of their own volume and the amount of debt subordinated to them. According to our LGF model, this results in a Preliminary Rating Assessment (PRA) of two notches above the bank's BCA of baa1 for both deposits and senior debt, reflecting very low loss given failure.

For junior securities issued by SpareBank 1 Nord-Norge, our LGF analysis confirms a high level loss given failure, given the small volume of debt and limited protection from more subordinated instruments and residual equity, positioning them below the bank's BCA. We also incorporate additional notching for junior subordinated and preference share instruments reflecting the coupon features.

Government Support

SpareBank 1 Nord-Norge has a solid, defensible footprint in northern Norway with 38 branches across the region as of end-September 2016. Moody's estimates that the bank commands market shares of around 32% in deposits and 16% in terms of loans in the three most northerly counties of Norway, although its national market share is limited, at around 2.3% in terms of deposits and 3.4% in terms of loans (based on total lending in the bank's counties of operation and in the whole country according to Statistics Norway as of year-end 2015). Accordingly, we assume a moderate probability of government support for debt and deposits, resulting in one notch of rating uplift above their PRA, positioning them at A1.

However, the intention of the local authorities to introduce an official resolution regime in line with the EU's bank recovery and resolution directive (BRRD), could trigger a reassessment of our government support assumptions for all Norwegian savings banks, including Sparebank 1 Nord-Norge.

For other junior securities, we continue to believe that potential government support is low and these ratings do not include any related uplift. Junior securities also include additional downward notching from the BCA, reflecting coupon suspension risk ahead of a potential failure.

Counterparty Risk Assessment

We assign a Aa3(cr) long-term and P-1(cr) short-term CR Assessment to SpareBank 1 Nord-Norge.

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than the likelihood of default and the expected financial loss suffered in the event of default and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities.

Rating Methodology and Scorecard Factors

Exhibit 6
SpareBank 1 Nord-Norge

Macro Factors						
Weighted Macro Profile	**Very Strong -**	**100%**				
Financial Profile						
Factor	**Historic Ratio**	**Macro Adjusted Score**	**Credit Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.2%	aa2	↓	a3	Single name concentration	Geographical concentration
Capital						
TCE / RWA	17.5%	aa2	←→	aa2	Risk-weighted capitalisation	
Profitability						
Net Income / Tangible Assets	1.2%	a2	←→	a2	Expected trend	
Combined Solvency Score		aa3		a1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	29.1%	baa2	←→	ba1	Market funding quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	16.4%	baa2	←→	baa2	Stock of liquid assets	
Combined Liquidity Score		baa2		baa3		
Financial Profile				a3		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint:				Aaa		
Scorecard Calculated BCA range				a2-baa1		
Assigned BCA				baa1		
Affiliate Support notching				0		
Adjusted BCA				baa1		

Balance Sheet	**in-scope (NOK million)**	**% in-scope**	**at-failure (NOK million)**	**% at-failure**
Other liabilities	12,005	13.5%	17,476	19.6%
Deposits	53,637	60.2%	48,166	54.0%
Preferred deposits	39,691	44.5%	37,707	42.3%
Junior Deposits	13,946	15.6%	10,459	11.7%
Senior unsecured bank debt	19,487	21.9%	19,487	21.9%
Dated subordinated bank debt	1,350	1.5%	1,350	1.5%
Equity	2,675	3.0%	2,675	3.0%
Total Tangible Banking Assets	89,154	100%	89,154	100%

Debt class	De jure waterfall		De facto waterfall		Notching		LGF notching guidance versus 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 Assessment	38.1%	38.1%	38.1%	38.1%	3	3	3	3	0	a1 (cr)
Deposits	38.1%	4.5%	38.1%	26.4%	2	3	2	2	0	a2
Senior unsecured bank debt	38.1%	4.5%	26.4%	4.5%	2	2	2	2	0	a2
Dated subordinated bank debt	4.5%	3.0%	4.5%	3.0%	-1	-1	-1	-1	0	baa2
Junior subordinated bank debt	3.0%	3.0%	3.0%	3.0%	-1	-1	-1	-1	-1	baa3
Non-cumulative bank preference shares	3.0%	3.0%	3.0%	3.0%	-1	-1	-1	-1	-2	ba1 (hyb)

Instrument class	Loss Given Failure notching	Additional Notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Assessment	3	0	a1 (cr)	1	Aa3 (cr)	--
Deposits	2	0	a2	1	A1	A1
Senior unsecured bank debt	2	0	a2	1	--	A1
Dated subordinated bank debt	-1	0	baa2	0	--	Baa2
Junior subordinated bank debt	-1	-1	baa3	0	--	Baa3
Non-cumulative bank preference shares	-1	-2	ba1 (hyb)	0	--	Ba1 (hyb)

Source: Moody's Financial Metrics

Ratings

Exhibit 7

Category	Moody's Rating
SPAREBANK 1 NORD-NORGE	
Outlook	Stable
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Subordinate MTN	(P)Baa2
Jr Subordinate MTN	(P)Baa3
Pref. Stock Non-cumulative	Ba1 (hyb)

Source: Moody's Investors Service

Foreign Currency Deposit Rating

SpareBank 1 Nord-Norge's foreign currency deposit rating of A1 is unconstrained given that Norway has a country ceiling of Aaa.

Foreign Currency Debt Rating

SpareBank 1 Nord-Norge's senior unsecured foreign currency debt rating of A1 is unconstrained given that Norway has a country ceiling of Aaa.

About Moody's Bank Scorecard

Our Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment 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.

REPORT NUMBER 1055345