

## SpareBank 1 SR-Bank

## Update

## Ratings

## Foreign Currency

Long-Term IDR	A-
Short-Term IDR	F2

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

## SpareBank1 SR-Bank

	31 Dec 18	31 Dec 17
Total assets (USDm)	27,639	26,401
Total assets (NOKm)	234,061	216,618
Total equity (NOKm)	21,035	19,739
Operating profit (NOKm)	2,892	2,610
Published net income (NOKm)	2,296	2,086
Comprehensive income (NOKm)	2,445	2,094
Operating profit/risk-weighted assets (%)	2.2	2.2
Operating ROAE (%)	14.3	13.8
Impaired loans/gross loans (%)	1.1	1.2
Fitch Core Capital/risk weighted assets (%)	16.0	16.4
Common equity Tier 1 ratio (%)	14.7	15.1

Source: Fitch Ratings, Fitch Solutions

## Key Rating Drivers

**Strong Franchise, Regional Concentration:** SpareBank 1 SR-Bank's (SR-Bank) ratings reflect its stable and low-risk business model, its strong regional franchise in southwest Norway, healthy profitability, resilient asset quality and robust capital position. They also factor in risks arising from potentially volatile oil and property prices, geographically concentrated lending and liquidity management in the context of some wholesale funding reliance.

**Focus on Retail, SMEs:** Fitch Ratings expects SR-Bank to continue to implement its solid strategy based on a low-risk business model and a focus on retail and SME customers. SR-Bank has successfully reduced concentration risks relating to large exposures. We believe its exposure to the oil sector is well-managed.

**Healthy Profitability:** SR-Bank benefits from good pre-impairment profitability and its strong local franchise supports stable revenue generation. Net interest income, with healthy margins, is the main source of revenue, but the bank is also looking to strengthen fee income from ancillary products such as insurance, wealth management and real-estate brokerage. Cost efficiency is satisfactory. With the material part of SR-Bank's problem loans portfolio restructuring completed, Fitch expects loan impairment charges to remain low in 2019.

**Sound Asset Quality:** SR-Bank's asset quality is sound, with an impaired loans-to-gross loans ratio of 1.1% at end-2018. Fitch expects impaired loans to remain low. Asset-quality problems should be limited to the oil and gas exposure, which was about 5.7% of exposures at default at end-2018. SR-Bank's lending book is concentrated in southwest Norway, the primary base for the oil industry, making the bank sensitive to more widespread contagion from potential oil price volatility and reduced activity.

**Reliance on Wholesale Funding:** SR-Bank relies more heavily on wholesale funding than other rated SpareBank 1 Alliance members. Fitch expects continued good access to both domestic and international funding markets, in particular for covered bonds, through SR-Boligkreditt AS, SR-Bank's own covered bond vehicle. Fitch expects SR-Bank to maintain a significant liquidity buffer to mitigate refinancing risk.

**Robust Capitalisation:** The bank's risk-weighted capitalisation compares well with international peers, despite Norwegian floors on the computation of risk weights. SR-Bank targets a minimum common equity Tier 1 ratio of 15%. Leverage is low in a European context, with a reported Basel III leverage ratio of 7.7%.

## Rating Sensitivities

**Sustained Asset-Quality Improvement:** Positive rating pressure could result in the medium term from sustained asset-quality improvements, most likely through the successful restructuring of the offshore service vessel portfolio.

**Sensitive to Shocks:** SR-Bank's ratings are primarily sensitive to deteriorating asset quality, particularly if another oil price shock leads to high unemployment and deterioration in commercial real-estate exposure, and the bank is unable to absorb losses through earnings. This may be followed by difficulties in obtaining competitively priced funding.

## Related Research

[Fitch 2019 Outlook: Western European Banks \(December 2018\)](#)

[The Major Sparebanken of the SpareBank 1 Alliance \(February 2019\)](#)

## Analysts

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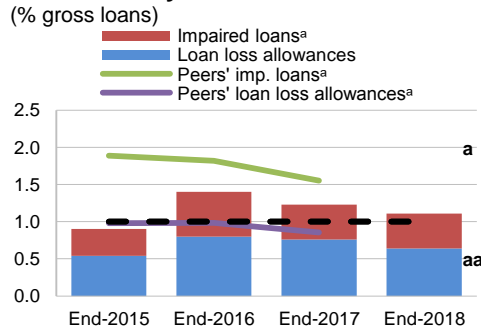
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Peer average includes SR-Bank, SpareBank 1 SNN (a), SpareBank 1 SMN (a-), Principality Building Society (bbb+), Credit du Nord (bbb+), Leeds Building Society (a-) and de Volksbank N.V. (a-)

Peer data not fully available for end-2018 and hence omitted.

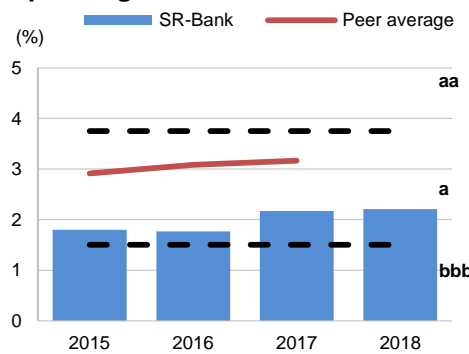
Black dashed lines in charts represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

### Asset Quality



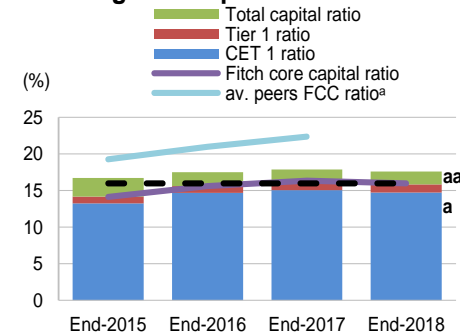
<sup>a</sup> Benchmark ratio  
Source: Fitch Ratings, Banks

### Operating Profit/RWAs



Source: Fitch Ratings, Banks

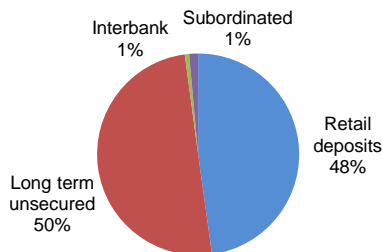
### Risk-Weighted Capital Ratios



<sup>a</sup> Benchmark ratio  
Source: Fitch Ratings, Banks

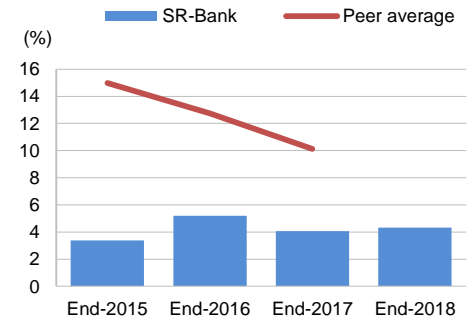
### Non-Equity Funding Mix

End-2018



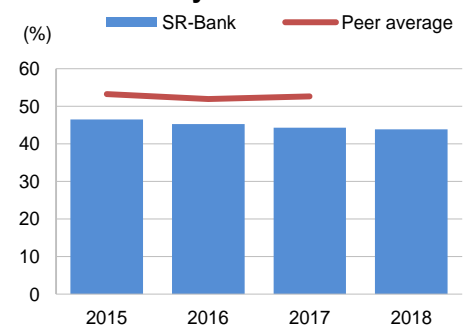
Source: Bank data, adjusted by Fitch Ratings

### Net Impaired Loans/Fitch Core Capital



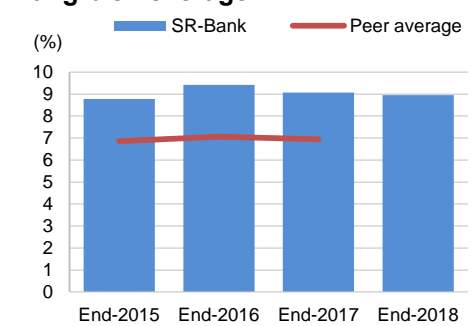
Source: Fitch Ratings, Banks

### Cost Efficiency<sup>a</sup>



<sup>a</sup> Non-interest expenses/gross revenues  
Source: Fitch Ratings, Banks

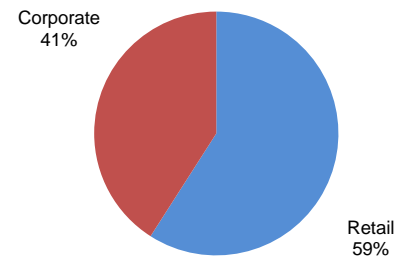
### Tangible Leverage<sup>a</sup>



<sup>a</sup> Tangible common equity/tangible assets  
Source: Fitch Ratings, Banks

### Loan Book

End-2018



Source: Bank data, adjusted by Fitch Ratings

### Related Criteria

[Bank Rating Criteria \(October 2018\)](#)

SpareBank 1 SR-Bank  
Income Statement

	31 Dec 2018			31 Dec 2017			31 Dec 2016			31 Dec 2015		
	Year End USDm Audited - Report Not Seen	Year End NOKm Audited - Report Not Seen	As % of Earning Assets	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			
1. Interest Income on Loans	n.a.	n.a.	-	5,232.0	2.43	5,100.0	2.67	5,300.0	2.82			
2. Other Interest Income	720.5	6,274.0	2.71	515.0	0.24	463.0	0.24	452.0	0.24			
3. Dividend Income	1.4	12.0	0.01	11.0	0.01	16.0	0.01	17.0	0.01			
<b>4. Gross Interest and Dividend Income</b>	<b>721.9</b>	<b>6,286.0</b>	<b>2.71</b>	<b>5,758.0</b>	<b>2.68</b>	<b>5,579.0</b>	<b>2.92</b>	<b>5,769.0</b>	<b>3.06</b>			
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	830.0	0.39	839.0	0.44	1,350.0	0.72			
6. Other Interest Expense	325.6	2,835.0	1.22	1,755.0	0.82	1,853.0	0.97	1,809.0	0.96			
<b>7. Total Interest Expense</b>	<b>325.6</b>	<b>2,835.0</b>	<b>1.22</b>	<b>2,585.0</b>	<b>1.20</b>	<b>2,692.0</b>	<b>1.41</b>	<b>3,159.0</b>	<b>1.68</b>			
<b>8. Net Interest Income</b>	<b>396.3</b>	<b>3,451.0</b>	<b>1.49</b>	<b>3,173.0</b>	<b>1.48</b>	<b>2,887.0</b>	<b>1.51</b>	<b>2,610.0</b>	<b>1.39</b>			
9. Net Fees and Commissions	164.5	1,432.0	0.62	1,518.0	0.71	1,439.0	0.75	1,527.0	0.81			
10. Net Gains (Losses) on Trading and Derivatives	24.6	214.0	0.09	110.0	0.05	128.0	0.07	141.0	0.07			
11. Net Gains (Losses) on Assets and Liabilities at FV	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
12. Net Gains (Losses) on Other Securities	(18.1)	(158.0)	(0.07)	(16.0)	(0.01)	(105.0)	(0.05)	(314.0)	(0.17)			
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
14. Other Operating Income	16.1	140.0	0.06	110.0	0.05	141.0	0.07	43.0	0.02			
<b>15. Total Non-Interest Operating Income</b>	<b>187.0</b>	<b>1,628.0</b>	<b>0.70</b>	<b>1,722.0</b>	<b>0.80</b>	<b>1,603.0</b>	<b>0.84</b>	<b>1,397.0</b>	<b>0.74</b>			
<b>16. Total Operating Income</b>	<b>583.3</b>	<b>5,079.0</b>	<b>2.19</b>	<b>4,895.0</b>	<b>2.28</b>	<b>4,490.0</b>	<b>2.35</b>	<b>4,007.0</b>	<b>2.13</b>			
17. Personnel Expenses	148.9	1,297.0	0.56	1,263.0	0.59	1,166.0	0.61	945.0	0.50			
18. Other Operating Expenses	107.0	932.0	0.40	904.0	0.42	866.0	0.45	918.0	0.49			
<b>19. Total Non-Interest Expenses</b>	<b>256.0</b>	<b>2,229.0</b>	<b>0.96</b>	<b>2,167.0</b>	<b>1.01</b>	<b>2,032.0</b>	<b>1.06</b>	<b>1,863.0</b>	<b>0.99</b>			
20. Equity-accounted Profit/ Loss - Operating	42.0	366.0	0.16	425.0	0.20	384.0	0.20	422.0	0.22			
<b>21. Pre-Impairment Operating Profit</b>	<b>369.3</b>	<b>3,216.0</b>	<b>1.39</b>	<b>3,153.0</b>	<b>1.47</b>	<b>2,842.0</b>	<b>1.49</b>	<b>2,566.0</b>	<b>1.36</b>			
22. Loan Impairment Charge	37.2	324.0	0.14	543.0	0.25	778.0	0.41	420.0	0.22			
23. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
<b>24. Operating Profit</b>	<b>332.1</b>	<b>2,892.0</b>	<b>1.25</b>	<b>2,610.0</b>	<b>1.21</b>	<b>2,064.0</b>	<b>1.08</b>	<b>2,146.0</b>	<b>1.14</b>			
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
27. Non-recurring Income	n.a.	n.a.	-	n.a.	-	94.0	0.05	n.a.	-			
28. Non-recurring Expense	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00			
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
<b>31. Pre-tax Profit</b>	<b>332.1</b>	<b>2,892.0</b>	<b>1.25</b>	<b>2,610.0</b>	<b>1.21</b>	<b>2,158.0</b>	<b>1.13</b>	<b>2,146.0</b>	<b>1.14</b>			
32. Tax expense	68.4	596.0	0.26	524.0	0.24	403.0	0.21	400.0	0.21			
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
<b>34. Net Income</b>	<b>263.7</b>	<b>2,296.0</b>	<b>0.99</b>	<b>2,086.0</b>	<b>0.97</b>	<b>1,755.0</b>	<b>0.92</b>	<b>1,746.0</b>	<b>0.93</b>			
35. Change in Value of AFS Investments	0.0	0.0	0.00	9.0	0.00	(62.0)	(0.03)	95.0	0.05			
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
37. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
38. Remaining OCI Gains/(losses)	17.1	149.0	0.06	(1.0)	(0.00)	(54.0)	(0.03)	161.0	0.09			
<b>39. Fitch Comprehensive Income</b>	<b>280.8</b>	<b>2,445.0</b>	<b>1.05</b>	<b>2,094.0</b>	<b>0.97</b>	<b>1,699.0</b>	<b>0.86</b>	<b>2,002.0</b>	<b>1.06</b>			
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
41. Memo: Net Income after Allocation to Non-controlling Interests	263.7	2,296.0	0.99	2,086.0	0.97	1,755.0	0.92	1,746.0	0.93			
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	1,087.0	0.51	575.0	0.30	384.0	0.20			
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange rate

USD1 = NOK8.7077

USD1 = NOK8.205

USD1 = NOK8.62

USD1 = NOK8.809

SpareBank 1 SR-Bank  
Balance Sheet

	31 Dec 2018		31 Dec 2017		31 Dec 2016		31 Dec 2015		As % of Assets
	Year End USDm	Year End NOKm	Year End USDm	Year End NOKm	Year End USDm	Year End NOKm	Year End USDm	Year End NOKm	
<b>Assets</b>									
<b>A. Loans</b>									
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	12,991.1	113,123.0	48.33	104,299.0	48.15	91,171.0	47.14	87,229.0	45.42
4. Corporate & Commercial Loans	9,070.4	78,982.0	33.74	67,805.0	31.30	66,048.0	34.15	67,342.0	35.07
5. Other Loans	n.a.	n.a.	-	450.0	0.21	419.0	0.22	619.0	0.32
6. Less: Loan Loss Allowances	140.9	1,227.0	0.52	1,317.0	0.61	1,266.0	0.65	833.0	0.43
<b>7. Net Loans</b>	<b>21,920.6</b>	<b>190,878.0</b>	<b>81.55</b>	<b>171,237.0</b>	<b>79.05</b>	<b>156,372.0</b>	<b>80.85</b>	<b>154,357.0</b>	<b>80.37</b>
<b>8. Gross Loans</b>	<b>22,061.5</b>	<b>192,105.0</b>	<b>82.07</b>	<b>172,554.0</b>	<b>79.66</b>	<b>157,638.0</b>	<b>81.51</b>	<b>155,190.0</b>	<b>80.81</b>
9. Memo: Impaired Loans included above	245.0	2,133.0	0.91	2,117.0	0.98	2,211.0	1.14	1,401.0	0.73
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>									
1. Loans and Advances to Banks	194.8	1,696.0	0.72	1,608.0	0.74	4,334.0	2.24	2,984.0	1.55
2. Reverse Repos and Securities Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Derivatives	605.0	5,268.0	2.25	5,541.0	2.56	4,315.0	2.23	6,135.0	3.19
4. Trading Securities and at FV through Income	3,369.4	29,340.0	12.54	29,363.0	13.56	19,397.0	10.03	19,877.0	10.35
5. Securities at FV through OCI / Available for Sale	n.a.	n.a.	-	62.0	0.03	36.0	0.02	97.0	0.05
6. Securities at Amortised Cost / Held to Maturity	n.a.	n.a.	-	3,201.0	1.48	2,187.0	1.13	0.0	0.00
7. Other Securities	99.7	868.0	0.37	n.a.	-	n.a.	-	n.a.	-
<b>8. Total Securities</b>	<b>3,469.1</b>	<b>30,208.0</b>	<b>12.91</b>	<b>32,626.0</b>	<b>15.06</b>	<b>21,620.0</b>	<b>11.18</b>	<b>19,974.0</b>	<b>10.40</b>
9. Memo: Government Securities included Above	n.a.	n.a.	-	3,272.0	1.51	3,937.0	2.04	4,006.0	2.09
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	426.4	3,713.0	1.59	3,953.0	1.82	4,460.0	2.31	4,792.0	2.50
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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>15. Total Earning Assets</b>	<b>26,615.9</b>	<b>231,763.0</b>	<b>99.02</b>	<b>214,965.0</b>	<b>99.24</b>	<b>191,101.0</b>	<b>98.81</b>	<b>188,242.0</b>	<b>98.02</b>
<b>C. Non-Earning Assets</b>									
1. Cash and Due From Banks	82.3	717.0	0.31	207.0	0.10	1,079.0	0.56	931.0	0.48
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	91.6	798.0	0.34	572.0	0.26	495.0	0.26	404.0	0.21
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	10.9	95.0	0.04	96.0	0.04	89.0	0.05	61.0	0.03
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.	-	0.0	0.00	22.0	0.01	168.0	0.09
10. Other Assets	79.0	688.0	0.29	778.0	0.36	622.0	0.32	2,243.0	1.17
<b>11. Total Assets</b>	<b>26,879.8</b>	<b>234,061.0</b>	<b>100.00</b>	<b>216,618.0</b>	<b>100.00</b>	<b>193,408.0</b>	<b>100.00</b>	<b>192,049.0</b>	<b>100.00</b>
<b>Liabilities and Equity</b>									
<b>D. Interest-Bearing Liabilities</b>									
1. Total Customer Deposits	11,347.9	98,814.0	42.22	95,384.0	44.03	85,913.0	44.42	89,444.0	46.57
2. Deposits from Banks	164.6	1,433.0	0.61	2,335.0	1.08	1,583.0	0.82	4,343.0	2.26
3. Repos and Securities Lending	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
<b>5. Customer Deposits and Short-term Funding</b>	<b>11,512.5</b>	<b>100,247.0</b>	<b>42.83</b>	<b>97,719.0</b>	<b>45.11</b>	<b>87,496.0</b>	<b>45.24</b>	<b>93,787.0</b>	<b>48.83</b>
6. Senior Unsecured Debt	11,884.3	103,485.0	44.21	90,497.0	41.78	80,275.0	41.51	71,979.0	37.48
7. Subordinated Borrowing	247.0	2,151.0	0.92	1,967.0	0.91	1,798.0	0.93	2,584.0	1.35
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>10. Total LT Funding</b>	<b>12,131.3</b>	<b>105,636.0</b>	<b>45.13</b>	<b>92,464.0</b>	<b>42.69</b>	<b>82,073.0</b>	<b>42.44</b>	<b>74,563.0</b>	<b>38.82</b>
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>13. Total Funding</b>	<b>23,643.8</b>	<b>205,883.0</b>	<b>87.96</b>	<b>190,183.0</b>	<b>87.80</b>	<b>169,569.0</b>	<b>87.67</b>	<b>168,350.0</b>	<b>87.66</b>
14. Derivatives	446.6	3,889.0	1.66	3,787.0	1.75	2,515.0	1.30	3,739.0	1.95
<b>15. Total Funding and Derivatives</b>	<b>24,090.4</b>	<b>209,772.0</b>	<b>89.62</b>	<b>193,970.0</b>	<b>89.54</b>	<b>172,084.0</b>	<b>88.97</b>	<b>172,089.0</b>	<b>89.61</b>
<b>E. Non-Interest Bearing Liabilities</b>									
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	32.4	282.0	0.12	415.0	0.19	383.0	0.20	266.0	0.14
4. Current Tax Liabilities	102.9	896.0	0.38	487.0	0.22	681.0	0.35	637.0	0.33
5. Deferred Tax Liabilities	14.2	124.0	0.05	393.0	0.18	360.0	0.19	654.0	0.34
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	69.1	602.0	0.26	667.0	0.31	764.0	0.40	614.0	0.32
<b>10. Total Liabilities</b>	<b>24,309.1</b>	<b>211,676.0</b>	<b>90.44</b>	<b>195,932.0</b>	<b>90.45</b>	<b>174,272.0</b>	<b>90.11</b>	<b>174,260.0</b>	<b>90.74</b>
<b>F. Hybrid Capital</b>									
1. Pref. Shares and Hybrid Capital accounted for as Debt	91.9	800.0	0.34	797.0	0.37	848.0	0.44	875.0	0.46
2. Pref. Shares and Hybrid Capital accounted for as Equity	63.2	550.0	0.23	150.0	0.07	0.0	0.00	n.a.	-
<b>G. Equity</b>									
1. Common Equity	2,408.8	20,975.0	8.96	19,696.0	9.09	18,236.0	9.43	16,751.0	8.72
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	6.9	60.0	0.03	43.0	0.02	52.0	0.03	163.0	0.08
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.	-
<b>6. Total Equity</b>	<b>2,415.7</b>	<b>21,035.0</b>	<b>8.99</b>	<b>19,739.0</b>	<b>9.11</b>	<b>18,288.0</b>	<b>9.46</b>	<b>16,914.0</b>	<b>8.81</b>
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	2,478.8	21,585.0	9.22	19,889.0	9.18	18,288.0	9.46	16,914.0	8.81
<b>8. Total Liabilities and Equity</b>	<b>26,879.8</b>	<b>234,061.0</b>	<b>100.00</b>	<b>216,618.0</b>	<b>100.00</b>	<b>193,408.0</b>	<b>100.00</b>	<b>192,049.0</b>	<b>100.00</b>
9. Memo: Fitch Core Capital	2,404.8	20,940.0	8.95	19,643.0	9.07	18,199.0	9.41	16,853.0	8.78

Exchange rate

USD1 = NOK8.7077

USD1 = NOK8.205

USD1 = NOK8.62

USD1 = NOK8.809

## SpareBank 1 SR-Bank Summary Analytics

	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
	Year End	Year End	Year End	Year End
<b>A. Interest Ratios</b>				
1. Interest Income/ Average Earning Assets	2.84	2.82	2.93	3.22
2. Interest Income on Loans/ Average Gross Loans	n.a.	3.18	3.26	3.56
3. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	0.88	0.96	1.55
4. Interest Expense/ Average Interest-bearing Liabilities	1.42	1.39	1.56	1.93
5. Net Interest Income/ Average Earning Assets	1.56	1.55	1.52	1.46
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.41	1.29	1.11	1.22
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.56	1.55	1.52	1.46
<b>B. Other Operating Profitability Ratios</b>				
1. Operating Profit/ Risk Weighted Assets	2.21	2.17	1.77	1.80
2. Non-Interest Expense/ Gross Revenues	43.89	44.27	45.26	46.49
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	10.07	17.22	27.38	16.37
4. Operating Profit/ Average Total Assets	1.29	1.26	1.06	1.17
5. Non-Interest Income/ Gross Revenues	32.05	35.18	35.70	34.86
6. Non-Interest Expense/ Average Total Assets	1.00	1.04	1.05	1.02
7. Pre-impairment Op. Profit/ Average Equity	15.88	16.70	16.26	15.91
8. Pre-impairment Op. Profit/ Average Total Assets	1.44	1.52	1.46	1.40
9. Operating Profit/ Average Equity	14.28	13.82	11.81	13.31
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	11.34	11.05	10.04	10.83
2. Net Income/ Average Total Assets	1.03	1.00	0.90	0.95
3. Fitch Comprehensive Income/ Average Total Equity	12.08	11.09	9.38	12.41
4. Fitch Comprehensive Income/ Average Total Assets	1.09	1.01	0.84	1.09
5. Taxes/ Pre-tax Profit	20.61	20.08	18.67	18.64
6. Net Income/ Risk Weighted Assets	1.75	1.74	1.50	1.47
<b>D. Capitalization</b>				
1. FCC/ FCC-Adjusted Risk Weighted Assets	16.00	16.35	15.60	14.15
2. Tangible Common Equity/ Tangible Assets	8.95	9.07	9.41	8.78
3. Equity/ Total Assets	8.99	9.11	9.46	8.81
4. Basel Leverage Ratio	7.68	7.37	7.28	6.30
5. Common Equity Tier 1 Capital Ratio	14.72	15.05	14.70	13.26
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	15.85	16.04	15.63	14.17
8. Total Capital Ratio	17.60	17.88	17.52	16.73
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	4.33	4.07	5.19	3.37
10. Impaired Loans less Loan Loss Allowances/ Equity	4.31	4.05	5.17	3.36
11. Cash Dividends Paid & Declared/ Net Income	n.a.	52.11	32.76	21.99
12. Risk Weighted Assets/ Total Assets	55.91	55.47	60.31	62.03
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
<b>E. Loan Quality</b>				
1. Impaired Loans/ Gross Loans	1.11	1.23	1.40	0.90
2. Growth of Gross Loans	11.33	9.46	1.58	9.58
3. Loan Loss Allowances/ Impaired Loans	57.52	62.21	57.26	59.46
4. Loan Impairment Charges/ Average Gross Loans	0.18	0.33	0.50	0.28
5. Growth of Total Assets	8.05	12.00	0.71	9.79
6. Loan Loss Allowances/ Gross Loans	0.64	0.76	0.80	0.54
7. Net Charge-offs/ Average Gross Loans	0.23	0.29	0.22	0.19
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.11	1.23	1.40	0.90
<b>F. Funding and Liquidity</b>				
1. Loans/ Customer Deposits	194.41	180.90	183.49	173.51
2. Liquidity Coverage Ratio	167.00	168.00	174.00	128.00
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	47.68	49.91	50.41	52.86
4. Interbank Assets/ Interbank Liabilities	118.35	68.87	273.78	68.71
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	3.60	11.02	(3.95)	9.76

SpareBank 1 SR-Bank  
Reference Data

	31 Dec 2018			31 Dec 2017			31 Dec 2016			31 Dec 2015		
	Year End USDm	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	
<b>A. Off-Balance Sheet Items</b>												
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	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.	-	n.a.	-	
3. Guarantees	1,173.1	10,215.0	4.36	9,708.0	4.48	10,423.0	5.39	11,412.0	5.94	11,412.0	5.94	
4. Acceptances and documentary credits reported off-balance sheet	2.3	20.0	0.01	45.0	0.02	23.0	0.01	18.0	0.01	18.0	0.01	
5. Committed Credit Lines	3,356.1	29,224.0	12.49	27,461.0	12.68	22,687.0	11.73	21,195.0	11.04	21,195.0	11.04	
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>B. Average Balance Sheet</b>												
1. Average Loans	20,691.8	180,178.4	76.98	164,419.6	75.90	156,418.2	80.87	148,730.6	77.44	148,730.6	77.44	
2. Average Earning Assets	25,395.2	221,133.4	94.48	204,506.0	94.41	190,496.8	98.49	179,324.8	93.37	179,324.8	93.37	
3. Average Total Assets	25,679.0	223,605.2	95.53	207,679.2	95.87	194,040.4	100.33	183,455.4	95.53	183,455.4	95.53	
4. Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Average Interest-Bearing Liabilities	22,985.6	200,151.8	85.51	185,555.4	85.66	172,948.6	89.42	163,695.0	85.24	163,695.0	85.24	
6. Average Common equity	2,320.0	20,201.6	8.63	18,835.2	8.70	17,338.2	8.96	16,046.2	8.36	16,046.2	8.36	
7. Average Equity	2,325.3	20,248.0	8.65	18,885.4	8.72	17,479.0	9.04	16,126.0	8.40	16,126.0	8.40	
8. Average Customer Deposits	11,483.4	99,993.6	42.72	94,556.4	43.65	87,850.6	45.42	87,223.0	45.42	87,223.0	45.42	
<b>C. Maturities</b>												
<b>Asset Maturities:</b>												
Loans & Advances < 3 months	n.a.	n.a.	-	21,880.0	10.10	49,932.0	25.82	53,458.0	27.84	53,458.0	27.84	
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	7,960.0	3.67	5,085.0	2.63	4,681.0	2.44	4,681.0	2.44	
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	36,608.0	16.90	23,254.0	12.02	21,245.0	11.06	21,245.0	11.06	
Loans & Advances > 5 years	n.a.	n.a.	-	106,106.0	48.98	78,101.0	40.38	74,973.0	39.04	74,973.0	39.04	
Debt Securities < 3 Months	n.a.	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.	-	n.a.	-	
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	730.0	0.34	4,334.0	2.24	2,984.0	1.55	2,984.0	1.55	
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	860.0	0.40	0.0	0.00	0.0	0.00	0.0	0.00	
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	18.0	0.01	0.0	0.00	0.0	0.00	0.0	0.00	
<b>Liability Maturities:</b>												
Retail Deposits < 3 months	n.a.	n.a.	-	95,384.0	44.03	85,914.0	44.42	87,043.0	45.32	87,043.0	45.32	
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	n.a.	-	2,401.0	1.25	2,401.0	1.25	
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	n.a.	-	0.0	0.00	0.0	0.00	
Retail Deposits > 5 Years	n.a.	n.a.	-	0.0	0.00	n.a.	-	0.0	0.00	0.0	0.00	
Other Deposits < 3 Months	n.a.	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.	-	n.a.	-	
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks < 3 Months	n.a.	n.a.	-	2,335.0	1.08	1,584.0	0.82	n.a.	-	n.a.	-	
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	1,000.0	0.52	n.a.	-	n.a.	-	
Deposits from Banks > 5 Years	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing < 3 months	n.a.	n.a.	-	1,356.0	0.63	7,114.0	3.68	931.0	0.48	931.0	0.48	
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	10,124.0	4.67	973.0	0.50	11,603.0	6.04	11,603.0	6.04	
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	61,958.0	28.60	53,134.0	27.47	45,057.0	23.46	45,057.0	23.46	
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	17,059.0	7.88	17,962.0	9.29	14,388.0	7.49	14,388.0	7.49	
<b>Total Senior Debt on Balance Sheet</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>90,497.0</b>	<b>41.78</b>	<b>79,183.0</b>	<b>40.94</b>	<b>71,979.0</b>	<b>37.48</b>	<b>71,979.0</b>	<b>37.48</b>	
Fair Value Portion of Senior Debt	n.a.	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.	-	n.a.	-	
Subordinated Debt Maturing 3-12 Months	n.a.	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.	-	n.a.	-	
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>Total Subordinated Debt on Balance Sheet</b>	<b>247.0</b>	<b>2,151.0</b>	<b>0.92</b>	<b>1,967.0</b>	<b>0.91</b>	<b>1,798.0</b>	<b>0.93</b>	<b>2,584.0</b>	<b>1.35</b>	<b>2,584.0</b>	<b>1.35</b>	
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>D. Risk Weighted Assets</b>												
1. Risk Weighted Assets	15,029.1	130,869.0	55.91	120,160.0	55.47	116,651.0	60.31	119,124.0	62.03	119,124.0	62.03	
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>3. Fitch Core Capital Adjusted Risk Weighted Assets</b>	<b>15,029.1</b>	<b>130,869.0</b>	<b>55.91</b>	<b>120,160.0</b>	<b>55.47</b>	<b>116,651.0</b>	<b>60.31</b>	<b>119,124.0</b>	<b>62.03</b>	<b>119,124.0</b>	<b>62.03</b>	
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>5. Fitch Adjusted Risk Weighted Assets</b>	<b>15,029.1</b>	<b>130,869.0</b>	<b>55.91</b>	<b>120,160.0</b>	<b>55.47</b>	<b>116,651.0</b>	<b>60.31</b>	<b>119,124.0</b>	<b>62.03</b>	<b>119,124.0</b>	<b>62.03</b>	
<b>E. Fitch Core Capital Reconciliation</b>												
1. Total Equity as reported (including non-controlling interests)	2,415.7	21,035.0	8.99	19,739.0	9.11	18,288.0	9.46	16,914.0	8.81	16,914.0	8.81	
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	
4. Goodwill	0.0	0.0	0.00	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	
5. Other intangibles	10.9	95.0	0.04	96.0	0.04	89.0	0.05	61.0	0.03	61.0	0.03	
6. Deferred tax assets deduction	0.0	0.0	0.00	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	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	
9. Fund for general banking risks if not already included and readily convertible into equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
<b>10. Fitch Core Capital</b>	<b>2,404.8</b>	<b>20,940.0</b>	<b>8.95</b>	<b>19,643.0</b>	<b>9.07</b>	<b>18,199.0</b>	<b>9.41</b>	<b>16,853.0</b>	<b>8.78</b>	<b>16,853.0</b>	<b>8.78</b>	

Exchange Rate USD1 = NOK8.7077 USD1 = NOK8.205 USD1 = NOK8.62 USD1 = NOK8.809



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