

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 Long-Term IDR	Stable

Financial Data

SpareBank 1 SR-Bank

	30 Sep 17	31 Dec 16
Total assets (USDm)	27,006	22,437
Total assets (NOKm)	215,309	193,408
Total equity (NOKm)	19,184	18,288
Operating profit (NOKm)	1,910	2,064
Published net income (NOKm)	1,527	1,755
Comprehensive income (NOKm)	1,497	1,639
Operating profit/risk-weighted assets (%)	2.1	1.8
Operating ROAE (%)	13.7	11.8
Impaired loans/gross loans (%)	1.3	1.4
FCC/FCC-adjusted risk-weighted assets (%)	15.7	15.6
Common equity Tier 1 ratio (%)	14.8	14.7

Related Research

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

[SpareBank 1 SR-Bank – 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 SR-Bank's ratings reflect its resilient asset quality, healthy profitability, robust capitalisation and strong regional franchise in southwest Norway. They also factor in risks from low oil prices, geographically concentrated lending and liquidity management in the context of the bank's reliance on wholesale funding.

Focus on Retail and SMEs: Fitch Ratings expects SR to maintain its conservative risk appetite, and its focus on retail and SME customers. Fitch also expects the bank to continue to reduce concentration risk relating to large exposures. We believe oil exposures are well managed.

Resilient Asset Quality: Impaired loans represented 1.3% of gross loans at end-September 2017 and we expect them to stay low, supported by prudent underwriting. Oil-related asset-quality problems should be contained to the offshore service vessel (OSV) portfolio, where SR had restructured NOK5.5 billion (2.7% of gross exposure at default – part of which is not classified as impaired). A more widespread contagion effect is a sensitivity, especially as SR's lending is concentrated on southwest Norway, the centre of Norway's oil industry.

Healthy Profitability: SR benefits from good pre-impairment profitability, and its strong regional franchise supports stable revenue generation. Operating efficiency is better than regional peers'. We expect higher-than-average loan impairment charges in 2018, mainly from OSV lending, but these should be lower than in 2016 and 2017 and easily absorbable for the bank.

Reliance on Wholesale Funding: SR 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, both through SR-Boligkreditt AS, SR's own covered bond vehicle (established in 2015), but also through SpareBank 1 Boligkreditt AS, the Alliance's jointly owned funding vehicle. Fitch expects SR to maintain a significant liquidity buffer to mitigate refinancing risk.

Robust Capitalisation: SR's risk-weighted capital adequacy ratios compare well with European peers and are in line with domestic peers. The bank is well under way to reach its common equity Tier 1 target of 15%. Leverage is low in a European context, with a reported Basel III leverage ratio of 7.2% at end-September 2017.

No State Support Reliance: In June 2017, Norway's Ministry of Finance proposed legislation to fully implement the EU's Bank Recovery and Resolution Directive. We expect this legislation to come into force in 2018. In line with our approach for EU banks, SR's Support Rating of '5' and Support Rating Floor of 'NF' reflect our view that SR's senior creditors will no longer be able to rely on receiving full extraordinary support from the sovereign if SR becomes non-viable.

Rating Sensitivities

Improved Capitalisation and Asset Quality: Positive rating pressure could arise in the medium term from sustained asset-quality improvements, most likely through the successful restructuring of the offshore portfolio, combined with continued capital strengthening.

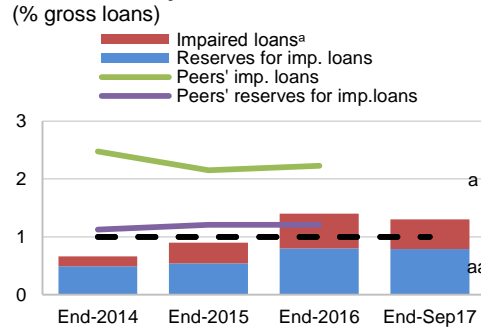
Asset-Quality Deterioration: SR's ratings are primarily sensitive to deteriorating asset quality, particularly if the bank is unable to absorb losses via earnings. This scenario would probably be followed by difficulties in obtaining competitively priced funding.

Peer average includes SR, Sandnes Sparebank (Viability Rating: bbb), SpareBank 1 Nord-Norge (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-September 2017 and hence omitted.

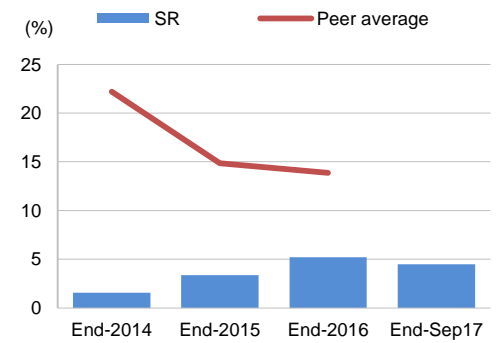
Black dashed lines in charts represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

Asset Quality



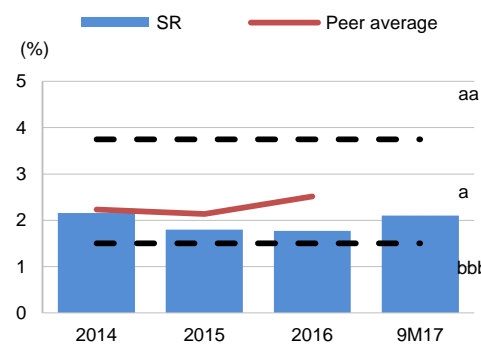
^a Benchmark ratio
Source: Banks, Fitch

Net Impaired Loans/Fitch Core Capital



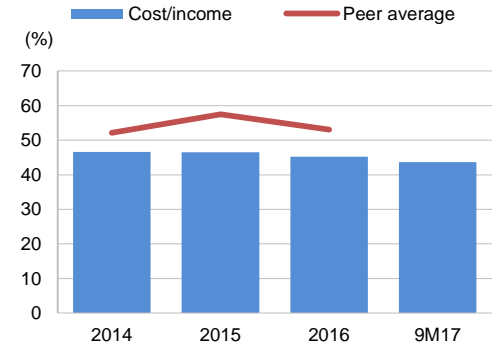
Source: Banks, Fitch

Operating Profit/RWAs



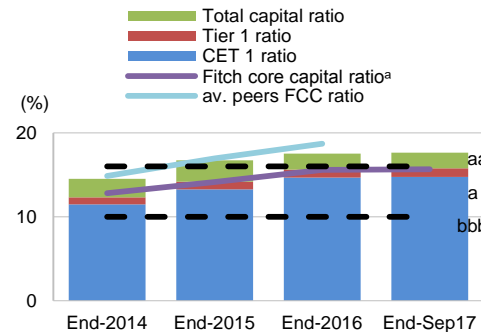
Source: Banks, Fitch

Cost Efficiency



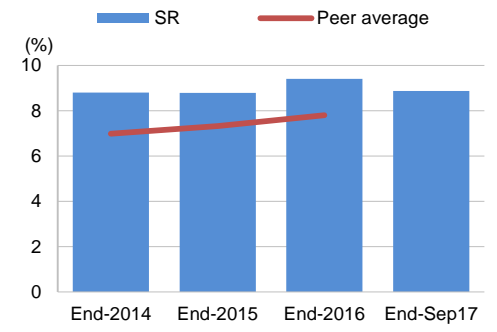
Source: Banks, Fitch

Risk-Weighted Capital Ratios



^a Benchmark ratio
Source: Banks, Fitch

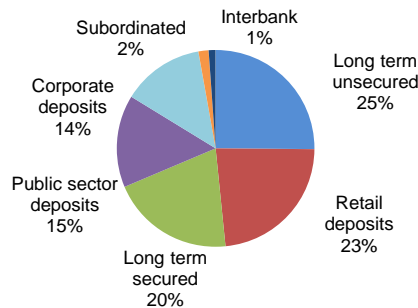
Tangible Leverage^a



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

Non-Equity Funding Mix

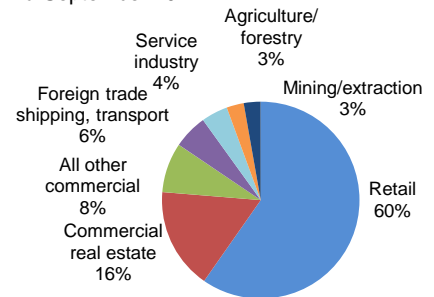
End-September 2017



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 SR-Bank
Income Statement

	30 Sep 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		As % of Earning Assets
	9 Months - 3rd Quarter		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	
	USDm	NOKm							
	Unaudited	Unaudited							
1. Interest Income on Loans	n.a.	n.a.	-	5,100.0	2.67	5,300.0	2.82	5,614.0	3.28
2. Other Interest Income	537.3	4,284.0	2.75	463.0	0.24	452.0	0.24	523.0	0.31
3. Dividend Income	1.4	11.0	0.01	16.0	0.01	17.0	0.01	36.0	0.02
4. Gross Interest and Dividend Income	538.7	4,295.0	2.75	5,579.0	2.92	5,769.0	3.06	6,173.0	3.61
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	839.0	0.44	1,350.0	0.72	1,734.0	1.01
6. Other Interest Expense	243.5	1,941.0	1.24	1,853.0	0.97	1,809.0	0.96	1,999.0	1.17
7. Total Interest Expense	243.5	1,941.0	1.24	2,692.0	1.41	3,159.0	1.68	3,733.0	2.18
8. Net Interest Income	295.3	2,354.0	1.51	2,887.0	1.51	2,610.0	1.39	2,440.0	1.43
9. Net Gains (Losses) on Trading and Derivatives	8.7	69.0	0.04	128.0	0.07	141.0	0.07	(13.0)	(0.01)
10. Net Gains (Losses) on Other Securities	1.3	10.0	0.01	(105.0)	(0.05)	(314.0)	(0.17)	141.0	0.08
11. Net Gains (Losses) on Assets at FV through Income Stateme	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	144.6	1,153.0	0.74	1,439.0	0.75	1,527.0	0.81	1,726.0	1.01
14. Other Operating Income	9.2	73.0	0.05	141.0	0.07	43.0	0.02	114.0	0.07
15. Total Non-Interest Operating Income	163.7	1,305.0	0.84	1,603.0	0.84	1,397.0	0.74	1,968.0	1.15
16. Personnel Expenses	116.6	930.0	0.60	1,166.0	0.61	945.0	0.50	1,202.0	0.70
17. Other Operating Expenses	83.7	667.0	0.43	866.0	0.45	918.0	0.49	854.0	0.50
18. Total Non-Interest Expenses	200.3	1,597.0	1.02	2,032.0	1.06	1,863.0	0.99	2,056.0	1.20
19. Equity-accounted Profit/ Loss - Operating	34.0	271.0	0.17	384.0	0.20	422.0	0.22	506.0	0.30
20. Pre-impairment Operating Profit	292.6	2,333.0	1.50	2,842.0	1.49	2,566.0	1.36	2,858.0	1.67
21. Loan Impairment Charge	53.1	423.0	0.27	778.0	0.41	420.0	0.22	257.0	0.15
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	239.6	1,910.0	1.22	2,064.0	1.08	2,146.0	1.14	2,601.0	1.52
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.	-	94.0	0.05	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
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	239.6	1,910.0	1.22	2,158.0	1.13	2,146.0	1.14	2,601.0	1.52
30. Tax expense	48.0	383.0	0.25	403.0	0.21	400.0	0.21	506.0	0.30
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net income	191.5	1,527.0	0.98	1,755.0	0.92	1,746.0	0.93	2,095.0	1.22
33. Change in Value of AFS Investments	0.0	0.0	0.00	(62.0)	(0.03)	95.0	0.05	0.0	0.00
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	(3.8)	(30.0)	(0.02)	(54.0)	(0.03)	161.0	0.09	(319.0)	(0.19)
37. Fitch Comprehensive Income	187.8	1,497.0	0.96	1,639.0	0.86	2,002.0	1.06	1,776.0	1.04
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interest:	191.5	1,527.0	0.98	1,755.0	0.92	1,746.0	0.93	2,095.0	1.22
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	575.0	0.30	384.0	0.20	512.0	0.30
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

SpareBank 1 SR-Bank Balance Sheet

	30 Sep 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		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	
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	12,456.2	99,308.0	46.12	91,171.0	47.14	87,229.0	45.42	108,817.0	62.21
4. Corporate & Commercial Loans	8,445.6	67,333.0	31.27	66,048.0	34.15	67,342.0	35.07	32,067.0	18.33
5. Other Loans	58.2	464.0	0.22	419.0	0.22	619.0	0.32	736.0	0.42
6. Less: Reserves for Impaired Loans	165.3	1,318.0	0.61	1,266.0	0.65	833.0	0.43	700.0	0.40
7. Net Loans	20,794.6	165,787.0	77.00	156,372.0	80.85	154,357.0	80.37	140,920.0	80.56
8. Gross Loans	20,959.9	167,105.0	77.61	157,638.0	81.51	155,190.0	80.81	141,620.0	80.96
9. Memo: Impaired Loans included above	272.9	2,176.0	1.01	2,211.0	1.14	1,401.0	0.73	940.0	0.54
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	518.7	4,135.0	1.92	4,334.0	2.24	2,984.0	1.55	2,222.0	1.27
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	3,710.1	29,579.0	13.74	19,397.0	10.03	19,877.0	10.35	15,884.0	9.08
4. Derivatives	496.7	3,960.0	1.84	4,315.0	2.23	6,135.0	3.19	7,340.0	4.20
5. Available for Sale Securities	n.a.	n.a.	-	36.0	0.02	97.0	0.05	3.0	0.00
6. Held to Maturity Securities	n.a.	n.a.	-	2,187.0	1.13	0.0	0.00	0.0	0.00
7. Equity Investments in Associates	558.2	4,450.0	2.07	4,460.0	2.31	4,792.0	2.50	4,727.0	2.70
8. Other Securities	70.5	562.0	0.26	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	4,835.4	38,551.0	17.90	30,395.0	15.72	30,901.0	16.09	27,954.0	15.98
10. Memo: Government Securities included Above	n.a.	n.a.	-	3,937.0	2.04	4,006.0	2.09	1,916.0	1.10
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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	26,148.7	208,473.0	96.83	191,101.0	98.81	188,242.0	98.02	171,096.0	97.81
C. Non-Earning Assets									
1. Cash and Due From Banks	34.0	271.0	0.13	1,079.0	0.56	931.0	0.48	1,847.0	1.06
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	73.5	586.0	0.27	495.0	0.26	404.0	0.21	327.0	0.19
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	11.9	95.0	0.04	89.0	0.05	61.0	0.03	20.0	0.01
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	0.0	0.0	0.00	22.0	0.01	168.0	0.09	22.0	0.01
10. Other Assets	738.0	5,884.0	2.73	622.0	0.32	2,243.0	1.17	1,614.0	0.92
11. Total Assets	27,006.1	215,309.0	100.00	193,408.0	100.00	192,049.0	100.00	174,926.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	12,367.6	98,602.0	45.80	74,821.0	38.69	78,658.0	40.96	70,334.0	40.21
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	11,093.0	5.74	10,786.0	5.62	11,155.0	6.38
4. Total Customer Deposits	12,367.6	98,602.0	45.80	85,914.0	44.42	89,444.0	46.57	81,489.0	46.58
5. Deposits from Banks	272.4	2,172.0	1.01	2,674.0	1.38	4,343.0	2.26	6,139.0	3.51
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	12,640.0	100,774.0	46.80	88,588.0	45.80	93,787.0	48.83	87,628.0	50.09
9. Senior Unsecured Debt (original maturity > 1 year)	10,829.7	86,341.0	40.10	79,183.0	40.94	71,979.0	37.48	63,253.0	36.16
10. Subordinated Borrowing	296.5	2,364.0	1.10	1,798.0	0.93	2,584.0	1.35	2,081.0	1.19
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)	11,126.2	88,705.0	41.20	80,981.0	41.87	74,563.0	38.82	65,334.0	37.35
14. Derivatives	265.0	2,113.0	0.98	2,515.0	1.30	3,739.0	1.95	3,317.0	1.90
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	24,031.3	191,592.0	88.98	172,084.0	88.97	172,089.0	89.61	156,279.0	89.34
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	59.5	474.0	0.22	383.0	0.20	266.0	0.14	675.0	0.39
4. Current Tax Liabilities	47.7	380.0	0.18	681.0	0.35	637.0	0.33	206.0	0.12
5. Deferred Tax Liabilities	43.9	350.0	0.16	360.0	0.19	654.0	0.34	821.0	0.47
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	298.8	2,382.0	1.11	764.0	0.40	614.0	0.32	659.0	0.38
10. Total Liabilities	24,481.1	195,178.0	90.65	174,272.0	90.11	174,260.0	90.74	158,640.0	90.69
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	100.0	797.0	0.37	848.0	0.44	875.0	0.46	883.0	0.50
2. Pref. Shares and Hybrid Capital accounted for as Equity	18.8	150.0	0.07	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	2,399.7	19,132.0	8.89	18,236.0	9.43	16,751.0	8.72	15,344.0	8.77
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	6.5	52.0	0.02	52.0	0.03	163.0	0.08	59.0	0.03
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	2,406.2	19,184.0	8.91	18,288.0	9.46	16,914.0	8.81	15,403.0	8.81
7. Total Liabilities and Equity	27,006.1	215,309.0	100.00	193,408.0	100.00	192,049.0	100.00	174,926.0	100.00
8. Memo: Fitch Core Capital	2,394.3	19,089.0	8.87	18,199.0	9.41	16,853.0	8.78	15,383.0	8.79

SpareBank 1 SR-Bank 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.	3.26	3.56	4.29
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	0.96	1.55	2.22
3. Interest Income/ Average Earning Assets	2.84	2.93	3.22	3.85
4. Interest Expense/ Average Interest-bearing Liabilities	1.41	1.56	1.93	2.56
5. Net Interest Income/ Average Earning Assets	1.56	1.52	1.46	1.52
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.28	1.11	1.22	1.36
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.56	1.52	1.46	1.52
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	35.67	35.70	34.86	44.65
2. Non-Interest Expense/ Gross Revenues	43.65	45.26	46.49	46.64
3. Non-Interest Expense/ Average Assets	1.04	1.05	1.02	1.25
4. Pre-impairment Op. Profit/ Average Equity	16.71	16.26	15.91	19.31
5. Pre-impairment Op. Profit/ Average Total Assets	1.52	1.46	1.40	1.73
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	18.13	27.38	16.37	8.99
7. Operating Profit/ Average Equity	13.68	11.81	13.31	17.58
8. Operating Profit/ Average Total Assets	1.24	1.06	1.17	1.58
9. Operating Profit / Risk Weighted Assets	2.10	1.77	1.80	2.16
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	10.93	10.04	10.83	14.16
2. Net Income/ Average Total Assets	0.99	0.90	0.95	1.27
3. Fitch Comprehensive Income/ Average Total Equity	10.72	9.38	12.41	12.00
4. Fitch Comprehensive Income/ Average Total Assets	0.97	0.84	1.09	1.08
5. Taxes/ Pre-tax Profit	20.05	18.67	18.64	19.45
6. Net Income/ Risk Weighted Assets	1.68	1.50	1.47	1.74
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	15.67	15.60	14.15	12.80
2. Tangible Common Equity/ Tangible Assets	8.87	9.41	8.78	8.80
3. Tier 1 Regulatory Capital Ratio	15.77	15.63	14.17	12.34
4. Total Regulatory Capital Ratio	17.66	17.52	16.73	14.53
5. Common Equity Tier 1 Capital Ratio	14.76	14.70	13.26	11.50
6. Equity/ Total Assets	8.91	9.46	8.81	8.81
7. Cash Dividends Paid & Declared/ Net Income	n.a.	32.76	21.99	24.44
8. Internal Capital Generation	10.64	6.45	8.05	10.28
E. Loan Quality				
1. Growth of Total Assets	11.32	0.71	9.79	11.43
2. Growth of Gross Loans	6.01	1.58	9.58	18.23
3. Impaired Loans/ Gross Loans	1.30	1.40	0.90	0.66
4. Reserves for Impaired Loans/ Gross Loans	0.79	0.80	0.54	0.49
5. Reserves for Impaired Loans/ Impaired Loans	60.57	57.26	59.46	74.47
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	4.49	5.19	3.37	1.56
7. Impaired Loans less Reserves for Impaired Loans/ Equity	4.47	5.17	3.36	1.56
8. Loan Impairment Charges/ Average Gross Loans	0.35	0.50	0.28	0.20
9. Net Charge-offs/ Average Gross Loans	0.23	0.22	0.19	0.23
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.30	1.40	0.90	0.66
F. Funding and Liquidity				
1. Loans/ Customer Deposits	169.47	183.48	173.51	173.79
2. Interbank Assets/ Interbank Liabilities	190.38	162.08	68.71	36.19
3. Customer Deposits/ Total Funding (excluding derivatives)	51.78	50.41	52.86	52.97
4. Liquidity Coverage Ratio	212.00	174.00	128.00	94.00
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.

**SpareBank 1 SR-Bank
Reference Data**

	30 Sep 2017		31 Dec 2016		31 Dec 2015		31 Dec 2014		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	1,171.3	9,338.0	4.34	10,423.0	5.39	11,412.0	5.94	12,879.0	7.36
4. Acceptances and documentary credits reported off-balance sheet	7.4	59.0	0.03	23.0	0.01	18.0	0.01	17.0	0.01
5. Committed Credit Lines	2,931.2	23,369.0	10.85	22,687.0	11.73	21,195.0	11.04	19,604.0	11.21
7. Other Off-Balance Sheet items	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.	-
B. Average Balance Sheet									
Average Loans	20,368.0	162,386.0	75.42	156,418.2	80.87	148,730.6	77.44	130,818.8	74.79
Average Earning Assets	25,323.1	201,891.3	93.77	190,496.8	98.49	179,324.8	93.37	160,179.2	91.57
Average Assets	25,768.8	205,444.5	95.42	194,040.4	100.33	183,455.4	95.53	165,049.2	94.35
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	23,010.3	183,451.8	85.20	172,948.6	89.42	163,695.0	85.24	145,661.4	83.27
Average Common equity	2,335.5	18,620.0	8.65	17,338.2	8.96	16,046.2	8.36	14,655.4	8.38
Average Equity	2,342.0	18,672.0	8.67	17,479.0	9.04	16,126.0	8.40	14,796.8	8.46
Average Customer Deposits	11,834.3	94,349.8	43.82	87,850.8	45.42	87,223.0	45.42	77,973.0	44.57
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	49,932.0	25.82	53,458.0	27.84	47,003.0	26.87
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	5,085.0	2.63	4,681.0	2.44	4,301.0	2.46
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	23,254.0	12.02	21,245.0	11.06	20,109.0	11.50
Loans & Advances > 5 years	n.a.	n.a.	-	78,101.0	40.38	74,973.0	39.04	69,507.0	39.74
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	4,152.0	2.37
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	4,501.0	2.57
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	11,293.0	6.46
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	3,281.0	1.88
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	4,334.0	2.24	2,984.0	1.55	2,222.0	1.27
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	85,914.0	44.42	87,043.0	45.32	79,741.0	45.59
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	2,401.0	1.25	1,748.0	1.00
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Retail Deposits > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
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.	-	1,584.0	0.82	n.a.	-	4,598.0	2.63
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	n.a.	-	451.0	0.26
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	1,090.0	0.56	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	0.0	0.00	n.a.	-	1,090.0	0.62
Senior Debt Maturing < 3 months	n.a.	n.a.	-	7,114.0	3.68	931.0	0.48	5,591.0	3.20
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	973.0	0.50	11,603.0	6.04	913.0	0.52
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	53,134.0	27.47	45,057.0	23.46	38,089.0	21.77
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	17,962.0	9.29	14,388.0	7.49	18,660.0	10.67
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	79,183.0	40.94	71,979.0	37.48	63,253.0	36.16
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	296.5	2,364.0	1.10	1,798.0	0.93	2,584.0	1.35	2,081.0	1.19
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	15,279.6	121,818.0	56.58	116,651.0	60.31	119,124.0	62.03	120,189.0	68.71
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	15,279.6	121,818.0	56.58	116,651.0	60.31	119,124.0	62.03	120,189.0	68.71
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	15,279.6	121,818.0	56.58	116,651.0	60.31	119,124.0	62.03	120,189.0	68.71
E. Equity Reconciliation									
1. Equity	2,406.2	19,184.0	8.91	18,288.0	9.46	16,914.0	8.81	15,403.0	8.81
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	18.8	150.0	0.07	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	2,425.1	19,334.0	8.98	18,288.0	9.46	16,914.0	8.81	15,403.0	8.81
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	2,406.2	19,184.0	8.91	18,288.0	9.46	16,914.0	8.81	15,403.0	8.81
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	11.9	95.0	0.04	89.0	0.05	61.0	0.03	20.0	0.01
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	2,394.3	19,089.0	8.87	18,199.0	9.41	16,853.0	8.78	15,383.0	8.79

Exchange Rate

USD1 = NOK7.9726

USD1 = NOK8.62

USD1 = NOK8.809

USD1 = NOK7.43

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