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CREDIT OPINION
7 October 2022

Update

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RATINGS

SpareBank 1 Ringerike Hadeland

Domicile	Oslo, Norway
Long Term CRR	A1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	A2
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 Ringerike Hadeland

Update to credit analysis

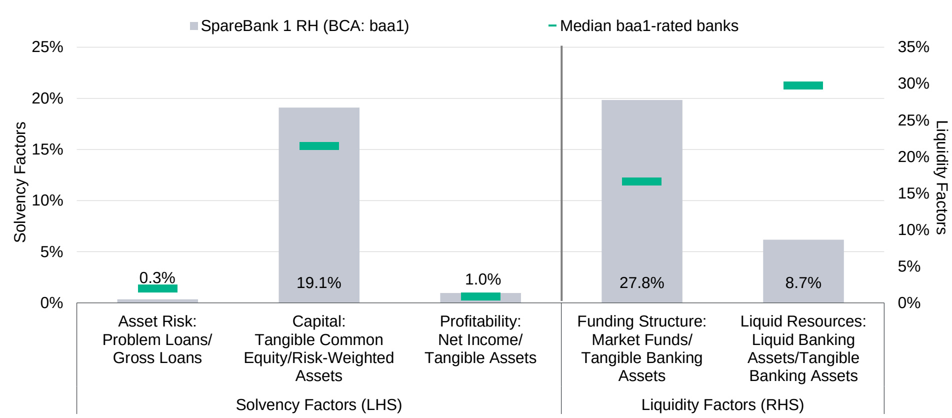
Summary

SpareBank 1 Ringerike Hadeland's (SpareBank 1 RH) local and foreign deposit bank and issuer ratings of A2/P-1, both carrying a stable outlook, are driven by the bank's baa1 baseline credit assessment (BCA), as well as our assessment of potential loss severity for senior creditors and counterparties through our advanced loss given failure (LGF) analysis, which results in a two notch-rating uplift from its BCA. The uplift reflects the substantial protection offered to SpareBank 1 RH's senior creditors by the volume of deposits and debt available to share losses, as well as by the volume of securities subordinated to them.

SpareBank 1 RH's BCA of baa1 reflects the bank's sound capitalisation coupled with strong recurring profitability and low asset risk, reflective of the bank's mortgage focus. These strengths are balanced against its high sector concentration to the commercial real estate (CRE) and its limited geographical reach which elevate its asset risk. The bank's BCA also takes into account its relatively high level of capital markets funding, a common feature among the large savings banks in Norway.

Exhibit 1

Rating Scorecard - Key financial ratios



These are our Banks Methodology scorecard ratios. Asset risk and profitability reflect the weaker of either the three-year average or latest annual figure. Capital is the last reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.
Source: Moody's Investors Service

Credit strengths

» The bank benefits from operating in Norway with a Very Strong – Macro Profile

» Robust asset quality metrics with very low problem loans and low average loan-to-value (LTV)

» Strong and stable long-term recurring profitability and diversified sources of income

» Sound capital position, significantly above regulatory requirement

Credit challenges

» High geographic and sector concentration, especially in CRE, elevate the bank's credit risk profile, although problem loans are very low

» Dependence on market funding renders it vulnerable to fluctuations in investor sentiment, but liquidity is comfortable

» Equity certificate capital structure could cause some challenges in raising new capital in case of need.

Rating outlook

The stable outlook on the bank's deposit ratings reflects the bank's resilient core earnings, loan growth and asset quality through the cycle balancing downside risks stemming from its exposure to real estate and home prices, especially in the Oslo region.

Factors that could lead to an upgrade

» Upward rating momentum could develop if SpareBank 1 RH demonstrates (1) stable asset risk on the back of higher interest rates and inflation outlook while maintaining strong profitability(2) a reduction in concentration to commercial real estate, (3) a sustained strong growth in customer deposits leading to lower use of market funds and (4) continued good access to capital markets and improved liquidity.

Factors that could lead to a downgrade

» Downward rating pressure would emerge if (1) SpareBank 1 RH's problem loan ratio increases above the average of its similarly rated global peers; (2) financing conditions become more difficult; or (3) its risk profile deteriorates, for example, as a result of increased exposures to more volatile sectors. Also, any reduction in the volume of loss absorbing capacity as result of a material change in the bank's liability structure, could lead to a rating downgrade.

Key Indicators

Exhibit 2
SpareBank 1 Ringerike Hadeland (Consolidated Financials) [1]

	06-22[2]	12-21[3]	12-20[3]	12-19[3]	12-18[3]	CAGR/Avg.[4]
Total Assets (NOK Billion)	40.9	39.2	37.2	33.9	32.2	7.1[5]
Tangible Common Equity (NOK Billion)	4.0	4.1	3.9	3.7	3.5	4.4[5]
Problem Loans / Gross Loans (%)	0.3	0.3	0.2	0.3	0.3	0.3[6]
Tangible Common Equity / Risk Weighted Assets (%)	19.1	19.8	20.0	20.8	18.2	19.6[7]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	3.0	2.4	1.5	2.3	2.1	2.3[6]
Net Interest Margin (%)	1.5	1.5	1.5	1.5	1.5	1.5[6]
PPI / Average RWA (%)	2.4	2.3	2.1	2.3	2.3	2.3[7]
Net Income / Tangible Assets (%)	1.0	1.1	1.0	1.3	1.1	1.1[6]
Cost / Income Ratio (%)	43.0	44.3	46.6	46.7	49.4	46.0[6]
Market Funds / Tangible Banking Assets (%)	26.2	27.8	28.7	28.9	29.5	28.2[6]
Liquid Banking Assets / Tangible Banking Assets (%)	8.9	8.7	10.3	7.6	8.6	8.8[6]
Gross Loans / Due to Customers (%)	180.0	191.0	187.5	195.5	195.7	189.9[6]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel I; IFRS. [3] Basel III; IFRS. [4] May include rounding differences because of the scale of reported amounts. [5] Compound annual growth rate (%) based on the periods for the latest accounting regime. [6] Simple average of periods for the latest accounting regime. [7] Simple average of Basel I periods.
Sources: Moody's Investors Service and company filings

Profile

SpareBank 1 Ringerike Hadeland (SpareBank 1 RH) is a local savings banks in Norway, and member of SpareBank 1 Alliance, providing retail and corporate banking services as well as other products commonly offered by the alliance banks such as accounting services, real estate agency, insurance, pensions, payments. The bank operates in Ringerike and Hadeland regions north-west of Oslo, has 4 branches, around 227 employees and a reported local market share of 43%. As of June 2022, the bank had total assets of NOK 41 billion (including loans transferred to covered bond companies), making it one of the smaller banks within the Alliance. The purpose of the SpareBank 1 Alliance is to provide competitive financial services while exploiting economies of scale in terms of both low costs and high-quality products and services. In addition, the alliance helps secure the member banks' value creation for the benefit of their own region and the banks' owners.

Recent developments

Russia-Ukraine crisis injects new risks into global economic outlook. Russia's invasion of Ukraine (Caa3 NEG) and the economic sanctions that the US (Aaa stable), European governments and other allies have subsequently imposed on Russia have increased risks to the global economic outlook. In particular, further escalation of the Russia-Ukraine conflict would put Europe's economic recovery at risk. Heightened geopolitical risks are unambiguously negative for economic activity. The magnitude of the effects will depend on the length and severity of the crisis.

Norway's trade flows with Russia are very limited as they export the same type of goods with the production of oil and gas among the most significant to the Norwegian economy. As European countries are looking to reduce imports from Russia, Norway is likely to be positively affected by increased demand in Europe. There are also oil reserves that are planned to be left unexplored due to the Paris agreement, but that could change due to geopolitical concerns.

Norges Bank increased the reference rate by additional 50 bps in September 2022 resulting in the rate of 2.25%, while indicating that further rate hike should be expected in November 2022. Norges Bank expects the reference rate to be around 3% by mid-year 2023. The counter cyclical buffer (CCyB) requirement will be increased from 1.5% currently to 2.0% by the end of December 2022 and to 2.5% effective from 31 March 2023.

Detailed credit considerations

Norway's 'Very Strong -' Macro Profile is supportive towards the bank's stand alone credit profile

Norway's operating environment is improving supported by a strong economic recovery in 2021 after the coronavirus-induced downturn last year. The anticipated pace of recovery, faster than that of most European peers, reflects a combination of improving consumer demand as lockdown restrictions ease, continued government support, and rising oil prices.

SpareBank 1 RH operates only in Norway and thus its operating environment is reflected through the 'Very Strong -' Macro Profile we assign for Norway. Norwegian banks benefit from operating in a wealthy and developed country with very high economic, institutional and government financial strength, as well as a very low susceptibility to event risk. Norway has a diversified and growing economy, which demonstrated resilience to the last weakening in the oil sector in 2014-15.

The main risks to the banking system stem from the high level of household debt, elevated real estate prices and domestic banks' extensive use of market funding. However, these risks are mitigated by the strength of households' ability to service debt, banks' adequate capitalisation and the relatively small size of the banking system compared with the total size of the economy.

We expect Norway's real GDP to grow by 3.9% in 2022, the same as in 2021, reinforcing the country's recovery from the coronavirus-induced slowdown of 2020. Norway's inflation is above the central bank's target of 2% (6.5% in August 2022), but remains well below the European average.

Strong asset quality supported by the bank's proactive monitoring, but high sector concertation to CRE elevate asset risk

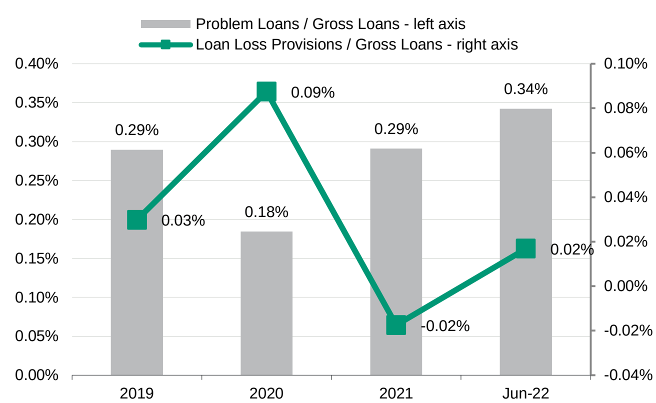
We assign SpareBank 1 RH an asset risk score of a3 reflecting its low levels of problem loans and retail oriented loan book, although risks are stemming from a large concentration of CRE lending and high local geographic concentration. We expect the bank to witness some migration to stage 3 in some corporate exposures in light of the higher inflationary environment but expect overall loan quality to remain strong over the next 12-18 months supported by strong performance of the retail book.

SpareBank 1 RH's problem loans ratio (stage 3 loans over gross loans including loans transferred to the covered bond companies) was 0.34% as of June 2022, a slight increase comparing to 0.29% in 2021 and 0.18% in 2020, but still well below the 1.4% average for baa1 rated banks. The sound credit quality of the bank translates into low credit costs with loan loss provisions as a percent of gross loans of 0.02% in June 2022, an increase from -0.02% as of 2021, when the bank recovered provisions made under pandemic. Anticipating potential losses due to uncertain operating environment, SpareBank 1 RH made a new NOK 8 million provision for credit losses in Q2 2022. (see Exhibit 3).

SpareBank 1 RH's assets mainly consist of retail mortgages (67% of the loan book as of year-end 2021, including assets transferred to the covered bond companies) with low LTVs. Furthermore, the strengthened credit quality of the bank's loan book reflects refined credit processes and an increasingly sophisticated risk management framework. Norwegian retail mortgages have historically entailed low risk and we expect the robust asset quality of this segment to endure in the coming 12-18 months.

Exhibit 3

Sound asset quality with low levels of problem loans in relation to gross loans

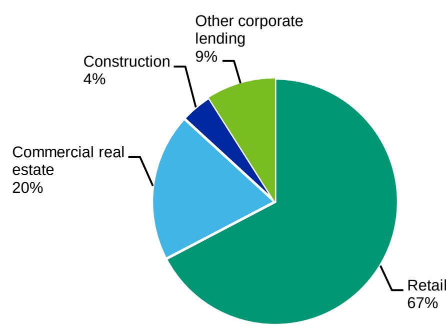


Gross loans includes loans transferred to the covered bond companies.
Source: Moody's Investors Service

Exhibit 4

Retail oriented loan book, although significant concentration to commercial real estate

Breakdown of SpareBank 1 RH's loan book



Source: Company Annual Report

The remaining of the book allocated in the corporate sector, with significant exposure to the cyclical real estate and construction sector (23% of gross loans as of December 2021), which further renders the bank vulnerable to changes in interest rates and real estate prices in the region. We expect the bank to maintain its sizeable exposure to the construction and CRE sector due to the lack of alternative industries in the bank's area of operation that would be a suitable alternative for growth in the corporate market. Nevertheless, to mitigate the risks associated with the high exposures to a single industry the bank invests in projects with multipurpose units which provide flexibility as it allows for easier conversion of office/retail space to residential housing for which there will be sustained demand due to population growth.

SpareBank 1 RH's operations are geographically concentrated in Ringerike and Hadeland regions (around 88% of gross loans as of December 2021) a region of around 90,000 inhabitants with transportation links to the capital, Oslo, where the bank has around 60,000 retail clients and 5,000 corporate/SME customers. The bank is deeply entrenched in the local community, a common feature among the Norwegian savings banks, as the business model entails a social responsibility and commitment to the community. Due to its proximity to Oslo, the bank also has exposure outside of its key region (around 11% of retail book and 14% of corporate book, i.e. around 12% of total loans), which consists mostly of existing clients relocating.

House prices in the region are generally significantly lower than in Oslo(about half in terms of NOK/m2), although there has also been a strong growth in prices in the region in past few years. However, the areas' proximity to Oslo results into a high share of workers commuting in Oslo with even up to 40% of population in some of the key municipalities works in Oslo, earning higher wages and improving overall house affordability.

Capitalisation is sound, however, limited capacity to raise new equity capital in case of need

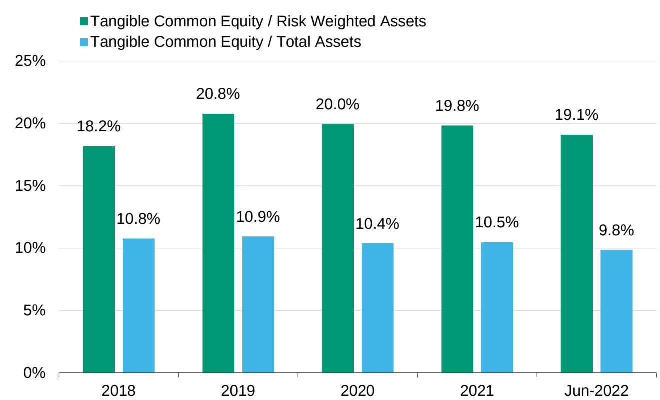
SpareBank 1 RH's assigned capital score of aa2 reflects it's very strong capitalisation, as evidenced by its reported Common Equity Tier 1 (CET1) ratio and tangible common equity to risk-weighted assets (RWAs) of 18.0% and 19.1% respectively as of June 2022.

The bank fulfills its regulatory capital requirement of 16.2%, including a pillar 2 requirement of 1.7% and management buffer of 1%, and its internal CET1 target of 15.5% with a sizeable headroom. The bank's pillar 2 requirement of 1.7% is one of the lowest amongst the savings banks sector reflective of the bank's low risk loan book.

SpareBank 1 RH applies the Standardised approach to calculating its regulatory capital requirements, meaning that its assets are assigned higher risk weights than it would under the Internal Ratings Based (IRB) approach. The low risk of the bank's loan book is demonstrated in its unweighted capital metrics. SpareBank 1 RH also benefits from a strong leverage ratio (as measured by tangible common equity / total assets) of 9.8% as of June 2022, which compares favorably to other Moody's rated Norwegian peers (average of around 8.0% in 2021) and is well above the regulatory minimum of 5%.

Exhibit 5

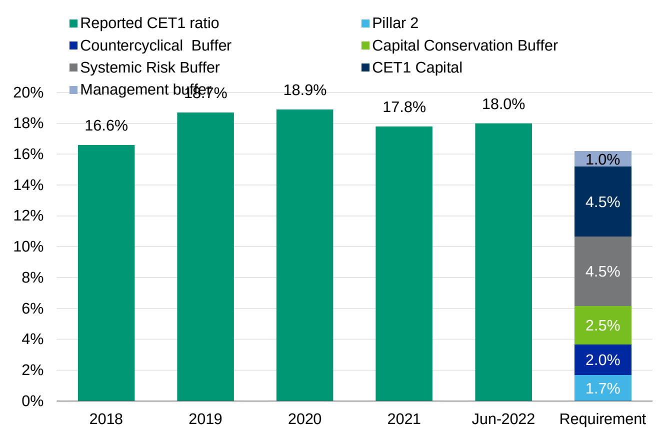
SpareBank 1 RH benefits from a solid capitalisation and a strong leverage ratio



Source: Moody's Investors Service

Exhibit 6

SpareBank 1 RH benefits from a strong capital base, which is well above the regulatory minimum capital requirement



Source: Company reports

Equity certificates are an important part of SpareBank 1 RH's capital base, a common feature among Norwegian Savings banks. The bank's equity consists of primary capital (no owners) and the equity certificates holders. Approximately 64% of the bank's equity certificates are owned by savings banks foundations, the primary owners of the bank. The rest of the equity certificates are owned by businesses and people from the region. The owners are very supportive of the bank. In 2017 the capital was raised with the help of savings foundations, which promised to support with capital going forward.

Nevertheless, we consider the absence of listed certificates to place SpareBank 1 RH to a less favourable position compared to peers on raising capital in case of need given its ownership structure in view of the potential dilution effect. This limits the bank's flexibility in terms of dividend payments (target of 50% at least) and capital retention and could make it difficult for the bank's access to capital.

Strong profitability and diversified earnings but competition could exert pressure on margins

SpareBank 1 RH benefits from strong recurring profitability, enabling it to generate capital internally and provides the bank capacity to absorb losses in case of need, reflected in our assigned profitability score of baa1.

The bank reported a return on tangible assets of 0.97% in the first half of 2022 and 1.14% in 2021 which compares well to Moody's Norwegian rated average of around 0.9% in 2021 owing to its high-quality mortgage book which has resulted in relatively low provision costs. We expect profitability to remain broadly in line with historic average of 1% over the next 12-18 months as interest rate increases in 2022 would offset any additional deterioration in asset quality and profitability, caused by the uncertainty of the current economic environment, however, competition could put pressure on margins and result in lower credit growth.

The bank's earnings are relatively diversified although net interest income, including net interest income from the covered bond companies booked as commission income, is the most important source of income. Still, the bank is less reliant on net interest income than other similar sized banks (net interest income constituted for 66% in June 2022) and is targeting a split of 60/40 between balance sheet related income and other income. Net commission and other operating income reflects income from associated companies jointly owned within the SpareBank 1 Alliance and the bank's own subsidiaries. The wide range of products offered by the bank and its subsidiaries creates valuable opportunities for cross-selling and enables the bank to interact frequently with its customers.

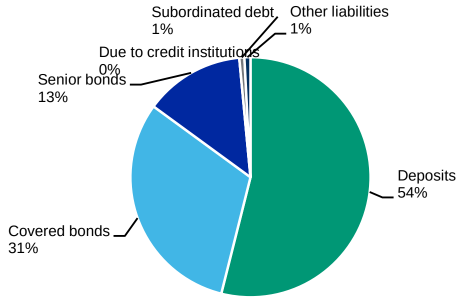
As of June 2022 the bank had a cost-to-income of 43% which is comparable with other SpareBank 1 Alliance banks although higher than for other small non-Alliance banks. SpareBank 1 RH's membership in the SpareBank 1 Alliance entails important cost synergies and enables the bank to offer a wide set of products (real estate, accounting services and accounting), which creates earnings diversification. The bank has aligned branding and product offer with other Alliance banks. The bank also operates using the same systems and platform as other banks (credit risk models, mobile app, digital banking among other). The bank's strategy is to focus on its core local region and grow profitably there by cross selling multiple products and maintaining close customer relationships.

High reliance on market funding which is mitigated by a stable and sizeable deposit base

SpareBank 1 RH's has a high reliance on market funding and its funding profile is dominated by deposits and covered bonds, similar to other Norwegian savings banks. As of end-June 2022, customer deposits accounted for 54% on the bank's non-equity funding (including covered bonds issued by the jointly owned covered bond companies). Deposit growth during 2021 normalised to 5.4% as the economy reopened in the aftermath of the cornavirus related restrictions, from 11% in 2020. However, rising interest rates had a positive effect on deposit growth in the first half of 2022, resulting in 10.5% annual growth.

The bulk of the bank's deposits are derived from the retail market, constituting around 64% of total deposits as of end-December 2021. This strengthens SpareBank 1 RH's funding profile as we consider retail deposits to be a more stable source of funding compared to corporate deposits. Although the bank is focusing on actively increasing its customer deposits, we expect growth rates to be in-line with 2021, despite the higher growth rates in the first half of 2022, as high inflation and elevated energy prices put pressure on savings.

Exhibit 7
SpareBank 1 RH's funding profile is dominated by deposits and covered bonds
Breakdown of non-equity funding



Source: Moody's Investors Service, company reports

The bank is highly dependent on confidence sensitive market funding to finance its operations since deposit growth is lagging lending growth, as indicated by our market funding ratio (market funds to tangible banking assets including covered bond loans) of 26% as of June 2022. We view this as a weakness in the bank's funding profile as market funding can become more expensive or/and restricted in times of market stress.

The majority of the banks market funding is in the form of covered bonds issued through covered bond companies jointly owned with other members of the SpareBank 1 Alliance (SpareBank 1 Boligkreditt for residential mortgages and SpareBank 1 Næringskreditt for commercial mortgages). At end-December 2021 the bank had transferred loans worth NOK 11.2 billion to these vehicles (around 33% of its gross loan book including the transferred loans). The remainder of the bank's issued debt is in the form of senior debt.

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. As reflected in our methodology, we reflect the relative stability of covered bonds compared to unsecured market funding through a standard adjustment.

SpareBank 1 RH's sizeable liquid reserves, accounting for 8.9% as of June 2022, partly mitigate risks associated with its high reliance on market funding. Nevertheless SpareBank 1 RH's liquidity buffers have been historically lower than peers' and other rated SpareBank 1 Alliance banks. During 2020 the bank increased its liquidity buffers significantly to 10.3% due to an F-loan of NOK 500m taken at the beginning of the pandemic, which has matured in 1Q 21. We expect the bank to have a liquidity ratio closer to its historical figures, of approximately 9%, which results into a -2 notch adjustment to the macro adjusted score.

The main components of the bank's liquidity reserves are covered bonds, sovereign and municipality bonds. The bank's LCR was 169% as of June 2022, slightly down from 176% in December 2021.

ESG considerations

In line with our general view on the banking sector, SpareBank 1 RH has low exposure to environmental risks and moderate exposure. Please refer to our Environmental and Social risk heatmaps for further information.

SpareBank 1 RH has ambition to provide sustainable credit through ESG assessments and a green product offer. The bank has signed off on its ESG strategy and will implement it from 2021.The bank also signed onto 4 United Nations goals (good health and wellbeing, quality education, economic growth, climate action). We consider SpareBank 1 RH exposure to environmental risks to be broadly inline with peers as the bank is heavily embedded in the local community.

Although we believe banks generally face moderate social risks, we regard the recent Coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. Otherwise the most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which are partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct are further social risks. Social trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services increasing information technology cost, ageing population concerns in several countries affecting demand for financial services or socially driven policy agendas translating into regulations that affect banks' revenue base.

Governance is highly relevant for all players in the banking industry. Corporate governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit its credit profile. Corporate governance remains a key credit consideration and requires ongoing monitoring. We currently do not have any governance related concerns over SpareBank 1 RH.

Support and structural considerations

Loss Given Failure Analysis

The European Union's BRRD has been transposed into Norwegian law, applicable from 1 January 2019, which confirmed our current assumptions regarding the LGF analysis. We assume a residual tangible common equity of 3% and post-failure losses 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 over senior unsecured debt. These metrics are in line with our standard assumptions.

For SpareBank 1 RH short-term and long-term deposit ratings, we have considered the likely impact on loss given failure from the combination of their own volume and the amount of debt subordinated to them. This results in a Preliminary Rating Assessment two notches above the BCA, reflecting a very low loss given failure.

Government Support

SpareBank 1 RH has a stable market position in its local districts of Ringerike and Hadeland, which are in the region of Viken and Innlandet with a reported local market share estimated at around 40%, but the bank's market share in the national context is small. We also note that the proximity of the bank's home region to Oslo means that a number of other Norwegian banks are present in the area. We therefore assume a low probability of government support for SpareBank 1 RH's deposits, CRA, and CRR ratings resulting in no rating uplift from its PRAs. Moreover, our government support assumptions are driven by the recent implementation of the EU's BRRD in Norway (effective as of 1 January 2019) and in line with other banks we rate in regions with BRRD Directive in place.

Counterparty Risk Assessment (CRA)

SpareBank 1 RH's CR Assessment is A1(cr)/P-1(cr)

The bank's CR Assessment is positioned three notches above its Adjusted BCA of baa1, based on the buffer against default provided by junior deposits, senior unsecured, subordinated debts and preference shares. The bank's CR Assessment does not benefit from any government support, in line with the deposit rating.

Counterparty Risk Rating (CRR)

SpareBank 1 RH's CRR is A1/P-1

The bank's CRR is three notches above its Adjusted BCA of baa1 and at the same level as the CR Assessment, reflecting the buffer against default provided by more junior instruments to CRR liabilities.

Sources of facts and figures cited in this report

Bank specific figures originate from banks' reports and our Banking Financial Metrics. All figures are based on our own chart of account and may be adjusted for analytical purposes. Please refer to Financial Statement Adjustments in the Analysis of Financial Institutions, published on 9 August 2018.

Methodology and scorecard

About Moody's Bank Scorecard

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

Rating methodology and scorecard factors

Exhibit 8

SpareBank 1 Ringerike Hadeland

Macro Factors						
Weighted Macro Profile	**Very Strong -**	**100%**				
Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	0.3%	aa1	↔	a3	Geographical concentration	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	19.1%	aa1	↔	aa2	Access to capital	Expected trend
Profitability						
Net Income / Tangible Assets	1.0%	baa1	↔	baa1	Expected trend	
Combined Solvency Score		aa2		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	27.8%	baa2	↔	baa3	Expected trend	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	8.7%	ba2	↔	ba2	Stock of liquid assets	
Combined Liquidity Score		baa3		ba1		
Financial Profile				baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a3 - baa2		
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	14 626	35.8%	16 641	40.8%
Deposits	19 758	48.4%	17 743	43.5%
Preferred deposits	14 621	35.8%	13 890	34.0%
Junior deposits	5 137	12.6%	3 853	9.4%
Senior unsecured bank debt	4 950	12.1%	4 950	12.1%
Dated subordinated bank debt	250	0.6%	250	0.6%
Equity	1 224	3.0%	1 224	3.0%
Total Tangible Banking Assets	40 808	100.0%	40 808	100.0%

Debt Class	**De Jure waterfall**		**De Facto waterfall**		**Notching**		**LGF Notching Guidance vs. Adjusted 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 Rating	25.2%	25.2%	25.2%	25.2%	3	3	3	3	0	a1
Counterparty Risk Assessment	25.2%	25.2%	25.2%	25.2%	3	3	3	3	0	a1 (cr)
Deposits	25.2%	3.6%	25.2%	15.7%	2	3	2	2	0	a2
Senior unsecured bank debt	25.2%	3.6%	15.7%	3.6%	2	1	2	2	0	a2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a1	0	A1	A1
Counterparty Risk Assessment	3	0	a1 (cr)	0	A1(cr)	
Deposits	2	0	a2	0	A2	A2
Senior unsecured bank debt	2	0	a2	0	A2	A2

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 9

Category	Moody's Rating
SPAREBANK 1 RINGERIKE HADELAND	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A2

Source: Moody's Investors Service

REPORT NUMBER 1341779

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