

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	3
Support Rating Floor	BB+

Sovereign Risk

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

Outlooks

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

Financial Data

SpareBank 1 SR-Bank

	30 Sep 16	31 Dec 15
Total assets (USDm)	24,002	21,801
Total assets (NOKm)	193,219	192,049
Total equity (NOKm)	17,730	16,914
Operating profit (NOKm)	1,539	2,146
Published net income (NOKm)	1,326	1,746
Comprehensive income (NOKm)	1,076	2,002
Operating ROAA (%)	1.2	1.2
Operating ROAE (%)	11.9	13.3
Internal capital generation (%)	10.0	8.1
Fitch Core Capital/ - weighted risks (%)	14.8	14.1
Common equity Tier 1 ratio (%)	13.8	13.3

Key Rating Drivers

Strong Franchise, Regional Concentration: SpareBank 1 SR-Bank's (SR) ratings reflect its resilient asset quality, good profitability, sound 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 wholesale funding reliance.

Good Profitability: SR benefits from good pre-impairment profitability, and its strong regional franchise supports stable revenue generation. Operating efficiency is somewhat better than regional peers'. We expect higher loan impairment charges in 2016 and 2017, mainly from offshore service vessel (OSV) lending, but these should remain easily absorbable. Mortgage lending margins came under pressure in 9M16, but we expect an improvement in 2017.

Retail and SME Focus: Fitch Ratings expects SR to maintain its conservative risk appetite and 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 1.4% of gross loans at end-September 2016, and we expect impaired loans to stay low, supported by prudent underwriting. Oil-related asset-quality problems should be contained to the OSV portfolio, where SR had restructured NOK5.7bn (3.6% of gross loans – of which part is not classified as impaired) at end-September 2016. A more widespread contagion effect is a sensitivity, especially as SR's lending is concentrated on south-West Norway, the centre of Norway's oil industry.

Reliance on Wholesale Funding: SR relies more heavily on wholesale funding than other rated SpareBanken 1 Alliance (Alliance) members. Fitch expects continued good access to both domestic and international funding markets, in particular for covered bonds, mainly via SpareBank 1 Boligkreditt AS (S1B; A-/Stable), the Alliance's jointly owned funding vehicle, but also increasingly through SR's own covered bond vehicle (established in 2015). Maintaining a strong liquidity buffer is key to mitigating refinancing risks.

Sound Capitalisation: SR's risk-weighted capital adequacy ratios compare well with European peers and are in line with domestic peers. Leverage is low in a European context.

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

Rating Sensitivities

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

Asset-Quality Deterioration: SR's ratings are primarily sensitive to deteriorating asset quality, particularly if prolonged low oil prices led to higher unemployment, a deterioration in commercial real estate exposure or a significant house price correction, if the bank is unable to absorb losses via earnings. This scenario would probably be followed by difficulties in obtaining competitively priced funding.

Related Research

[SpareBank 1 SR-Bank - Ratings Navigator \(November 2016\)](#)

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

Analysts

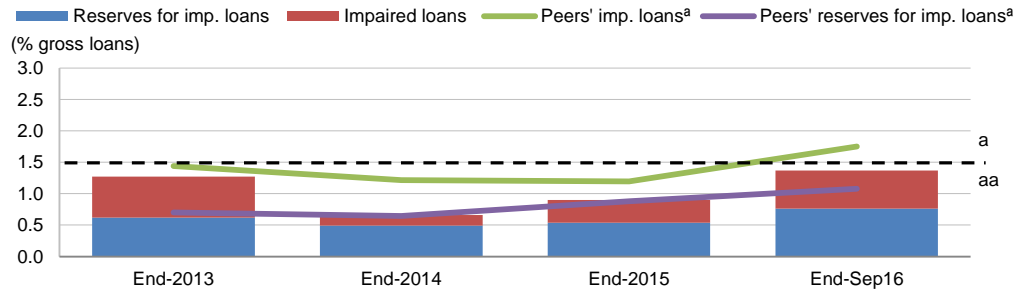
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Note on Charts

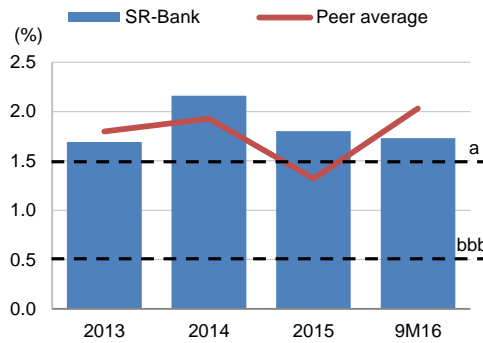
Black dashed lines in the *Asset Quality* chart and further in the report represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

Asset Quality



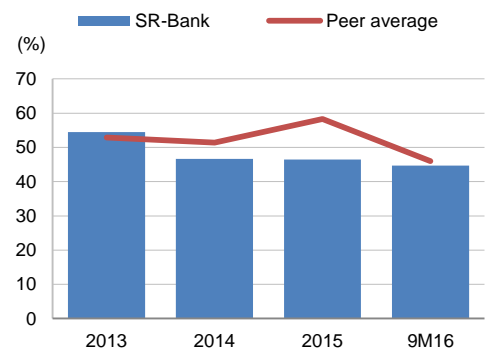
^a Peer average includes SpareBank 1 SR-Bank (VR: a-), SpareBank 1 SMN (a-), SpareBank 1 Nord-Norge (a), Sparebanken Vest (a-) and Sandnes Sparebank (bbb)
Source: Banks, Fitch

Operating Profit/ RWAs



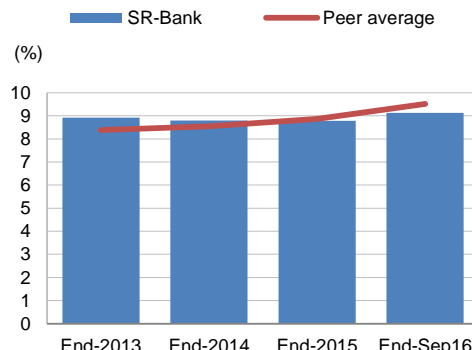
Source: Banks, Fitch

Cost Efficiency



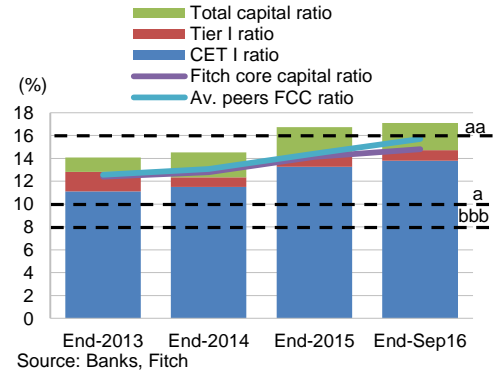
Source: Banks, Fitch

Tangible Leverage



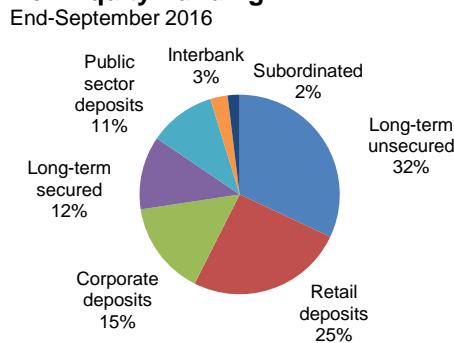
Source: Banks, Fitch

Risk-Weighted Capital Ratios



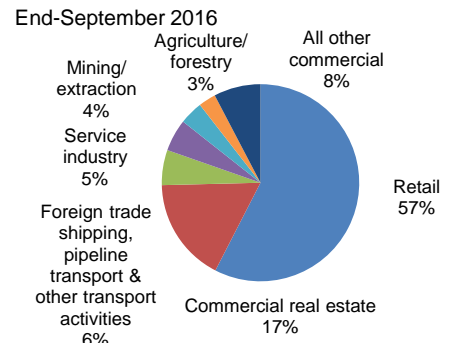
Source: Banks, Fitch

Non-Equity Funding Mix



Source: Bank data, adjusted by Fitch

Loan Book



Source: Bank data, adjusted by Fitch

Related Criteria

Global Bank Rating Criteria (November 2016)

SpareBank 1 SR-Bank
Income Statement

	30 Sep 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013	
	9 Months - 3rd Quarter		As % of Earning Assets	Year End NOKm Audited - Unqualified	As % of Earning Assets	Year End NOKm Audited - Unqualified	As % of Earning Assets	Year End NOKm Audited - Unqualified	As % of Earning Assets
	USDm	NOKm							
1. Interest Income on Loans	n.a.	n.a.	-	5,300.0	2.82	5,614.0	3.28	5,096.0	3.37
2. Other Interest Income	517.1	4,163.0	2.94	452.0	0.24	523.0	0.31	548.0	0.36
3. Dividend Income	1.4	11.0	0.01	17.0	0.01	36.0	0.02	33.0	0.02
4. Gross Interest and Dividend Income	518.5	4,174.0	2.95	5,769.0	3.06	6,173.0	3.61	5,677.0	3.75
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	1,350.0	0.72	1,734.0	1.01	1,728.0	1.14
6. Other Interest Expense	251.6	2,025.0	1.43	1,809.0	0.96	1,999.0	1.17	1,797.0	1.19
7. Total Interest Expense	251.6	2,025.0	1.43	3,159.0	1.68	3,733.0	2.18	3,525.0	2.33
8. Net Interest Income	267.0	2,149.0	1.52	2,610.0	1.39	2,440.0	1.43	2,152.0	1.42
9. Net Gains (Losses) on Trading and Derivatives	13.4	108.0	0.08	141.0	0.07	(13.0)	(0.01)	282.0	0.19
10. Net Gains (Losses) on Other Securities	(12.8)	(103.0)	(0.07)	(314.0)	(0.17)	141.0	0.08	(149.0)	(0.10)
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	34.0	0.02
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	134.8	1,085.0	0.77	1,527.0	0.81	1,726.0	1.01	1,380.0	0.91
14. Other Operating Income	12.7	102.0	0.07	43.0	0.02	114.0	0.07	7.0	0.00
15. Total Non-Interest Operating Income	148.1	1,192.0	0.84	1,397.0	0.74	1,968.0	1.15	1,554.0	1.03
16. Personnel Expenses	108.4	873.0	0.62	945.0	0.50	1,202.0	0.70	1,196.0	0.79
17. Other Operating Expenses	76.9	619.0	0.44	918.0	0.49	854.0	0.50	823.0	0.54
18. Total Non-Interest Expenses	185.3	1,492.0	1.05	1,863.0	0.99	2,056.0	1.20	2,019.0	1.33
19. Equity-accounted Profit/ Loss - Operating	38.0	306.0	0.22	422.0	0.22	506.0	0.30	355.0	0.23
20. Pre-impairment Operating Profit	267.7	2,155.0	1.52	2,566.0	1.36	2,858.0	1.67	2,042.0	1.35
21. Loan Impairment Charge	76.5	616.0	0.44	420.0	0.22	257.0	0.15	132.0	0.09
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	191.2	1,539.0	1.09	2,146.0	1.14	2,601.0	1.52	1,910.0	1.26
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	11.7	94.0	0.07	n.a.	-	n.a.	-	437.0	0.29
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	202.9	1,633.0	1.15	2,146.0	1.14	2,601.0	1.52	2,347.0	1.55
30. Tax expense	38.1	307.0	0.22	400.0	0.21	506.0	0.30	487.0	0.32
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	164.7	1,326.0	0.94	1,746.0	0.93	2,095.0	1.22	1,860.0	1.23
33. Change in Value of AFS Investments	(7.7)	(62.0)	(0.04)	95.0	0.05	0.0	0.00	(1.0)	(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)	(23.4)	(188.0)	(0.13)	161.0	0.09	(319.0)	(0.19)	(54.0)	(0.04)
37. Fitch Comprehensive Income	133.7	1,076.0	0.76	2,002.0	1.06	1,776.0	1.04	1,805.0	1.19
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 Interests	164.7	1,326.0	0.94	1,746.0	0.93	2,095.0	1.22	1,860.0	1.23
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	384.0	0.20	512.0	0.30	409.0	0.27
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NOK8.05

USD1 = NOK8.809

USD1 = NOK7.43

USD1 = NOK6.08

**SpareBank 1 SR-Bank
Balance Sheet**

	30 Sep 2016		31 Dec 2015		31 Dec 2014		31 Dec 2013		
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	11,213.3	90,267.0	46.72	119,713.0	62.33	108,817.0	62.21	91,139.0	58.06
4. Corporate & Commercial Loans	8,270.4	66,577.0	34.46	34,858.0	18.15	32,067.0	18.33	28,644.0	18.25
5. Other Loans	63.2	509.0	0.26	619.0	0.32	736.0	0.42	n.a.	-
6. Less: Reserves for Impaired Loans	149.1	1,200.0	0.62	833.0	0.43	700.0	0.40	748.0	0.48
7. Net Loans	19,397.9	156,153.0	80.82	154,357.0	80.37	140,920.0	80.56	119,035.0	75.83
8. Gross Loans	19,547.0	157,353.0	81.44	155,190.0	80.81	141,620.0	80.96	119,783.0	76.30
9. Memo: Impaired Loans included above	268.4	2,161.0	1.12	1,401.0	0.73	940.0	0.54	1,519.0	0.97
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	133.3	1,073.0	0.56	2,984.0	1.55	2,222.0	1.27	1,253.0	0.80
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	2,700.2	21,737.0	11.25	19,877.0	10.35	15,884.0	9.08	15,159.0	9.66
4. Derivatives	578.0	4,653.0	2.41	6,135.0	3.19	7,340.0	4.20	4,248.0	2.71
5. Available for Sale Securities	n.a.	n.a.	-	97.0	0.05	3.0	0.00	7.0	0.00
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	6,837.0	4.36
7. Equity Investments in Associates	603.5	4,858.0	2.51	4,792.0	2.50	4,727.0	2.70	4,710.0	3.00
8. Other Securities	71.9	579.0	0.30	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	3,953.7	31,827.0	16.47	30,901.0	16.09	27,954.0	15.98	30,961.0	19.72
10. Memo: Government Securities included Above	n.a.	n.a.	-	4,006.0	2.09	1,916.0	1.10	2,705.0	1.72
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	23,484.8	189,053.0	97.84	188,242.0	98.02	171,096.0	97.81	151,249.0	96.35
C. Non-Earning Assets									
1. Cash and Due From Banks	21.4	172.0	0.09	931.0	0.48	1,847.0	1.06	1,265.0	0.81
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	58.6	472.0	0.24	404.0	0.21	327.0	0.19	362.0	0.23
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	11.4	92.0	0.05	61.0	0.03	20.0	0.01	39.0	0.02
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	2.9	23.0	0.01	168.0	0.09	22.0	0.01	85.0	0.05
10. Other Assets	423.2	3,407.0	1.76	2,243.0	1.17	1,614.0	0.92	3,985.0	2.54
11. Total Assets	24,002.4	193,219.0	100.00	192,049.0	100.00	174,926.0	100.00	156,985.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	10,837.3	87,240.0	45.15	78,658.0	40.96	70,334.0	40.21	64,682.0	41.20
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	10,786.0	5.62	11,155.0	6.38	6,985.0	4.45
4. Total Customer Deposits	10,837.3	87,240.0	45.15	89,444.0	46.57	81,489.0	46.58	71,667.0	45.65
5. Deposits from Banks	587.5	4,729.0	2.45	5,296.0	2.76	6,139.0	3.51	3,742.0	2.38
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.	-	12,534.0	6.53	6,504.0	3.72	12,933.0	8.24
8. Total Money Market and Short-term Funding	11,424.7	91,969.0	47.60	107,274.0	55.86	94,132.0	53.81	88,342.0	56.27
9. Senior Unsecured Debt (original maturity > 1 year)	9,209.9	74,140.0	38.37	59,445.0	30.95	56,749.0	32.44	45,824.0	29.19
10. Subordinated Borrowing	305.7	2,461.0	1.27	2,584.0	1.35	2,081.0	1.19	2,124.0	1.35
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)	9,515.7	76,601.0	39.64	62,029.0	32.30	58,830.0	33.63	47,948.0	30.54
14. Derivatives	441.5	3,554.0	1.84	2,786.0	1.45	3,317.0	1.90	2,013.0	1.28
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	21,381.9	172,124.0	89.08	172,089.0	89.61	156,279.0	89.34	138,303.0	88.10
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	64.7	521.0	0.27	266.0	0.14	675.0	0.39	243.0	0.15
4. Current Tax Liabilities	37.4	301.0	0.16	637.0	0.33	206.0	0.12	377.0	0.24
5. Deferred Tax Liabilities	75.0	604.0	0.31	654.0	0.34	821.0	0.47	671.0	0.43
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	142.1	1,144.0	0.59	614.0	0.32	659.0	0.38	1,455.0	0.93
10. Total Liabilities	21,701.1	174,694.0	90.41	174,260.0	90.74	158,640.0	90.69	141,049.0	89.85
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	98.8	795.0	0.41	875.0	0.46	883.0	0.50	1,880.0	1.20
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	2,182.2	17,567.0	9.09	16,751.0	8.72	15,344.0	8.77	13,894.0	8.85
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	20.2	163.0	0.08	163.0	0.08	59.0	0.03	162.0	0.10
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	2,202.5	17,730.0	9.18	16,914.0	8.81	15,403.0	8.81	14,056.0	8.95
7. Total Liabilities and Equity	24,002.4	193,219.0	100.00	192,049.0	100.00	174,926.0	100.00	156,985.0	100.00
8. Memo: Fitch Core Capital	2,190.6	17,634.0	9.13	16,847.0	8.77	15,379.0	8.79	14,013.0	8.93

Exchange rate

USD1 = NOK8.05

USD1 = NOK8.809

USD1 = NOK7.43

USD1 = NOK6.08

SpareBank 1 SR-Bank Summary Analytics

	30 Sep 2016 9 Months - 3rd Quarter	31 Dec 2015 Year End	31 Dec 2014 Year End	31 Dec 2013 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	n.a.	3.56	4.29	4.44
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	1.55	2.22	2.46
3. Interest Income/ Average Earning Assets	2.93	3.22	3.85	3.88
4. Interest Expense/ Average Interest-bearing Liabilities	1.56	1.93	2.56	2.67
5. Net Interest Income/ Average Earning Assets	1.51	1.46	1.52	1.47
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.08	1.22	1.36	1.38
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.51	1.46	1.52	1.47
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	35.68	34.86	44.65	41.93
2. Non-Interest Expense/ Gross Revenues	44.66	46.49	46.64	54.48
3. Non-Interest Expense/ Average Assets	1.03	1.01	1.25	1.35
4. Pre-impairment Op. Profit/ Average Equity	16.66	15.91	19.31	15.42
5. Pre-impairment Op. Profit/ Average Total Assets	1.48	1.40	1.73	1.36
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	28.58	16.37	8.99	6.46
7. Operating Profit/ Average Equity	11.90	13.31	17.58	14.43
8. Operating Profit/ Average Total Assets	1.06	1.17	1.58	1.27
9. Operating Profit / Risk Weighted Assets	1.73	1.80	2.16	1.69
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	10.25	10.83	14.16	14.05
2. Net Income/ Average Total Assets	0.91	0.95	1.27	1.24
3. Fitch Comprehensive Income/ Average Total Equity	8.32	12.41	12.00	13.63
4. Fitch Comprehensive Income/ Average Total Assets	0.74	1.09	1.08	1.20
5. Taxes/ Pre-tax Profit	18.80	18.64	19.45	20.75
6. Net Income/ Risk Weighted Assets	1.49	1.47	1.74	1.64
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	14.80	14.14	12.80	12.39
2. Tangible Common Equity/ Tangible Assets	9.13	8.78	8.80	8.93
3. Tier 1 Regulatory Capital Ratio	14.73	14.17	12.34	12.83
4. Total Regulatory Capital Ratio	17.11	16.73	14.53	14.07
5. Common Equity Tier 1 Capital Ratio	13.79	13.26	11.50	11.11
6. Equity/ Total Assets	9.18	8.81	8.81	8.95
7. Cash Dividends Paid & Declared/ Net Income	n.a.	21.99	24.44	21.99
8. Internal Capital Generation	9.99	8.05	10.28	10.32
E. Loan Quality				
1. Growth of Total Assets	0.61	9.79	11.43	10.91
2. Growth of Gross Loans	1.39	9.58	18.23	9.38
3. Impaired Loans/ Gross Loans	1.37	0.90	0.66	1.27
4. Reserves for Impaired Loans/ Gross Loans	0.76	0.54	0.49	0.62
5. Reserves for Impaired Loans/ Impaired Loans	55.53	59.46	74.47	49.24
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	5.45	3.37	1.56	5.50
7. Impaired Loans less Reserves for Impaired Loans/ Equity	5.42	3.36	1.56	5.49
8. Loan Impairment Charges/ Average Gross Loans	0.53	0.28	0.20	0.12
9. Net Charge-offs/ Average Gross Loans	0.20	0.19	0.23	0.14
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.37	0.90	0.66	1.27
F. Funding and Liquidity				
1. Loans/ Customer Deposits	180.37	173.51	173.79	167.14
2. Interbank Assets/ Interbank Liabilities	22.69	56.34	36.19	33.48
3. Customer Deposits/ Total Funding (excluding derivatives)	51.51	52.56	52.97	51.87
4. Liquidity Coverage Ratio	123.00	128.00	94.00	n.a.

**SpareBank 1 SR-Bank
Reference Data**

	30 Sep 2016		31 Dec 2015		31 Dec 2014		31 Dec 2013		As % of Assets
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	As % of Assets	Year End NOKm	
A. Off-Balance Sheet Items									
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	11,412.0	5.94	12,879.0	7.36	11,509.0	7.33
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	18.0	0.01	17.0	0.01	264.0	0.17
5. Committed Credit Lines	n.a.	n.a.	-	21,195.0	11.04	19,604.0	11.21	16,167.0	10.30
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	19,393.0	156,113.3	80.80	148,730.6	77.44	130,818.8	74.79	114,708.8	73.07
Average Earning Assets	23,645.4	190,345.8	98.51	179,324.8	93.37	160,179.2	91.57	146,190.6	93.12
Average Assets	24,124.0	194,198.5	100.51	183,568.6	95.58	165,049.2	94.35	149,880.2	95.47
Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	21,511.2	173,164.8	89.62	163,695.0	85.24	145,661.4	83.27	132,080.4	84.14
Average Common equity	2,125.9	17,113.8	8.86	16,046.2	8.36	14,655.4	8.38	13,150.2	8.38
Average Equity	2,146.2	17,276.8	8.94	16,126.0	8.40	14,796.8	8.46	13,240.2	8.43
Average Customer Deposits	10,973.3	88,335.0	45.72	87,223.0	45.42	77,973.0	44.57	70,372.2	44.83
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	53,458.0	27.84	47,003.0	26.87	38,126.0	24.29
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	4,681.0	2.44	4,301.0	2.46	3,778.0	2.41
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	21,245.0	11.06	20,109.0	11.50	18,486.0	11.78
Loans & Advances > 5 years	n.a.	n.a.	-	74,973.0	39.04	69,507.0	39.74	59,135.0	37.67
Debt Securities < 3 Months	n.a.	n.a.	-	3,740.0	1.95	4,152.0	2.37	4,081.0	2.60
Debt Securities 3 - 12 Months	n.a.	n.a.	-	4,700.0	2.45	4,501.0	2.57	7,029.0	4.48
Debt Securities 1 - 5 Years	n.a.	n.a.	-	14,389.0	7.49	11,293.0	6.46	13,384.0	8.53
Debt Securities > 5 Years	n.a.	n.a.	-	2,839.0	1.48	3,281.0	1.88	1,494.0	0.95
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	2,984.0	1.55	2,222.0	1.27	1,253.0	0.80
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	87,043.0	45.32	79,741.0	45.59	69,495.0	44.27
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	2,401.0	1.25	1,748.0	1.00	1,637.0	1.04
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	535.0	0.34
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	4,142.0	2.16	4,598.0	2.63	3,242.0	2.07
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	451.0	0.26	500.0	0.32
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	1,154.0	0.60	1,090.0	0.62	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	931.0	0.48	5,591.0	3.20	7,577.0	4.83
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	11,603.0	6.04	913.0	0.52	5,356.0	3.41
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	45,057.0	23.46	38,089.0	21.77	32,057.0	20.42
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	14,388.0	7.49	18,660.0	10.67	13,767.0	8.77
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	71,979.0	37.48	63,253.0	36.16	58,757.0	37.43
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	305.7	2,461.0	1.27	2,584.0	1.35	2,081.0	1.19	2,124.0	1.35
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	14,797.3	119,118.0	61.65	119,124.0	62.03	120,189.0	68.71	113,075.0	72.03
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	14,797.3	119,118.0	61.65	119,124.0	62.03	120,189.0	68.71	113,075.0	72.03
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	14,797.3	119,118.0	61.65	119,124.0	62.03	120,189.0	68.71	113,075.0	72.03
E. Equity Reconciliation									
1. Equity	2,202.5	17,730.0	9.18	16,914.0	8.81	15,403.0	8.81	14,056.0	8.95
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	2,202.5	17,730.0	9.18	16,914.0	8.81	15,403.0	8.81	14,056.0	8.95
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	2,202.5	17,730.0	9.18	16,914.0	8.81	15,403.0	8.81	14,056.0	8.95
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	96.0	0.05	67.0	0.03	24.0	0.01	43.0	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
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	2,190.6	17,634.0	9.13	16,847.0	8.77	15,379.0	8.79	14,013.0	8.93

Exchange Rate

USD1 = NOK8.05

USD1 = NOK8.809

USD1 = NOK7.43

USD1 = NOK6.08

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