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CREDIT OPINION
9 May 2022

Update

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SpareBank 1 SR-Bank ASA

Update to credit analysis following rating actions

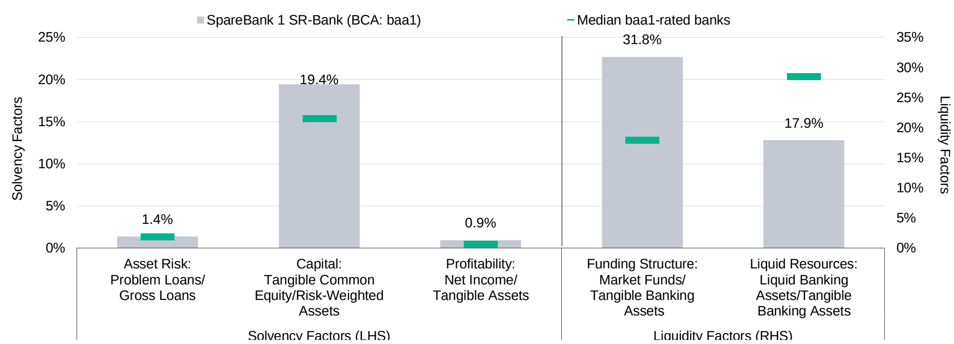
Summary

SpareBank 1 SR-Bank's (SR-Bank) long-term deposit and senior unsecured debt ratings of A1 and the junior senior rating of Baa1 take into account the bank's baseline credit assessment (BCA) of baa1, and our forward-looking loss given failure (LGF) analysis. For the deposit and senior ratings this results in a three-notch uplift from its BCA while the junior senior rating do not benefit from any uplift following the downgrade. SR-Bank's ratings do not benefit from any government support.

SR-Bank's BCA of baa1 reflects the bank's good long-term financial performance through the cycle, its solid regional market position, strong capital buffers with a Tangible Common Equity (TCE) ratio of 19.4% at 31 December 2021, and robust liquidity position. These strengths are balanced against the bank's limited geographic reach and some credit-risk concentrations in more volatile sectors, such as oil and offshore and commercial real estate. The bank's has decreased its problem loans ratio to 1.3% at 31 December 2021, down from 1.7% at year-end 2020, and we expect it to improve further as restructurings in the oil and offshore sector continue.

Furthermore, the BCA also incorporates the bank's relatively high dependence on market funding. While this is a common feature among Norwegian banks, it is one that leaves them vulnerable to changes in investor sentiment.

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 and latest annual figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year end figures.
Source: Moody's Financial Metrics

RATINGS

SpareBank 1 SR-Bank ASA

Domicile	Stavanger, Norway
Long Term CRR	A1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Credit strengths

» A comfortable capital buffer provides protection from current and future credit losses

» Good market position in its home regions

» Good capital generation capacity with a resilient recurring pre-provision income

Credit challenges

» Exposures to the more volatile sectors commercial real estate and oil and offshore pose risks and increase Non performing loans (NPLs) and impairments

» Reliance on market funding renders the bank vulnerable to fluctuations in investor sentiment

Outlook

The bank's deposit and debt ratings carry a stable outlook balancing its robust financial performance with downside risks stemming from its exposure to the CRE and oil and offshore sectors. The outlook also reflects Moody's expectation that the bank will issue sufficient volumes of junior senior debt to support the senior unsecured rating, despite lower mandatory subordination requirements.

Factors that could lead to an upgrade

Upward rating momentum impacting on the bank's BCA and ratings could develop if SR-Bank shows: (1) improvements in its asset quality with a problem loans ratio more in line with more highly rated local peers, a reduction in lending to more volatile sectors such as oil and offshore, or through reduced geographical or sector concentration; (2) reduced market funding and strong liquidity, on a sustained basis; and/or (3) stronger or more stable earnings generation without an increase in its risk profile.

Factors that could lead to a downgrade

Furthermore downward rating pressure would emerge if (1) SR-Bank's problem loans ratio increases well above the average of its similarly-rated peers; (2) financing conditions become more difficult; (3) the bank's risk profile increases, for example as a result of increased exposures to more volatile sectors or if the quality of the oil-related portfolio deteriorates; (4) a reduction in the rating uplift for other rating classes due to lower volumes of loss absorbing liabilities protecting creditors and depositors in case of failure.

Key indicators

Exhibit 2
SpareBank 1 SR-Bank ASA (Consolidated Financials) [1]

	12-21[2]	12-20[2]	12-19[2]	12-18[2]	12-17[2]	CAGR/Avg.[3]
Total Assets (NOK Billion)	304.4	287.0	260.1	243.4	231.2	7.1[4]
Tangible Common Equity (NOK Billion)	24.9	24.2	22.7	20.9	19.6	6.1[4]
Problem Loans / Gross Loans (%)	1.3	1.7	1.1	1.1	1.1	1.3[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.4	20.0	18.7	16.0	16.3	18.1[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	10.9	14.1	9.7	9.6	10.1	10.9[5]
Net Interest Margin (%)	1.4	1.5	1.6	1.5	1.5	1.5[5]
PPI / Average RWA (%)	2.6	2.5	2.3	2.3	2.3	2.4[6]
Net Income / Tangible Assets (%)	1.0	0.5	1.2	0.8	0.9	0.9[5]
Cost / Income Ratio (%)	45.1	43.1	44.0	43.6	44.1	44.0[5]
Market Funds / Tangible Banking Assets (%)	31.7	35.1	36.1	35.2	36.4	34.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	17.9	16.2	11.7	13.4	14.9	14.8[5]
Gross Loans / Due to Customers (%)	167.3	185.5	205.0	203.8	196.2	191.6[5]

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

Profile

SpareBank 1 SR-Bank is the leading financial group in southern and western Norway and the fifth-largest bank in Norway in terms of consolidated assets. As of year-end 2021, its consolidated total assets were around NOK304 billion (€30 billion). The bank is the largest among the SpareBank 1 alliance banks.

The SR-Bank financial group provides a range of products and services, including traditional banking services such as loans, insurance and savings products, as well as securities trading, accounting services, and estate agency services for retail as well as corporate customers.

Recent developments

Russia-Ukraine crisis injects new risks into global economic outlook. Russia's invasion of Ukraine (Caa2 RUR-) 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.

Norges Bank increased the reference rate by 25 bps in March 2022, resulting in a reference rate of 0.75% as of end-March 2022, while indicating that further rate hikes will occur in 2022 and that it expects the reference rate to reach 1.7% by year-end 2024. The counter cyclical buffer (CCyB) requirement has been increased from 1% currently to 1.5% in end June 2022, 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 remains supportive towards the bank's stand alone credit profile

SR-Bank 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 weakening in the oil sector in 2014-15 as well as in 2020.

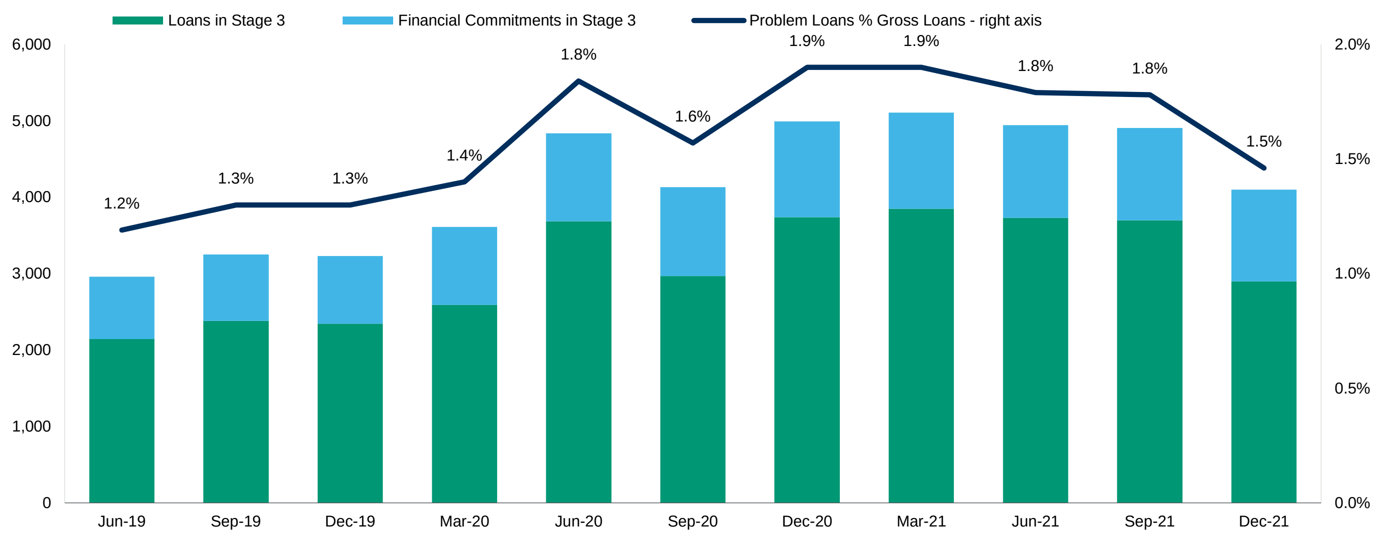
The main risks to the banking system stem from the high level of household debt, elevated real estate prices and domestic banks' extensive use of market funding. However, these risks are mitigated by the strength of households' ability to service debt, banks' adequate capitalisation and the relatively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

Nonetheless, we expect the Norwegian mainland economy (excluding any oil-related activity) to expand by 3.8% in 2022, up from 3.3% in 2021. Unemployment rose to around 10.6% in March 2020, but falling back to 2.0% as of 31 March 2022, below the pre-pandemic level.

Exposures to the more volatile oil and offshore sectors pose risks and increase NPLs, although the bank's overall asset quality is still strong

We consider SR-Bank's asset quality to be strong, despite the moderate increase in NPLs since March 2020 (see Exhibit 3), mainly driven by the challenges in the oil and offshore industry and the implementation of a new definition of default. Reported Stage 3 loans and financial commitments accounted for 1.5% of gross loans as of year-end 2021, down from 1.9% at 31 December 2020. SR-Bank's Moody's adjusted problem loans ratio was 1.3% as of end-December 2021 compared to 1.7% at year-end 2020.

Exhibit 3
SpareBank 1 SR-Bank's reported problem loans
in NOK thousands



Note: These are figures as reported by the bank. Problem Loans % Gross loans ratio includes financial commitments and loans transferred to Boligkreditt and Naeringskreditt where applicable.
Source: Company reports and presentations, Moody's Investors Service

SR-Bank has actively reduced its exposure to the oil & gas and shipping sectors, but it remains higher than most Norwegian banks with related exposures, including oil services, oil and gas, and offshore shipping, at year-end 2021 comprised 2.7% of its total gross loan book, down from 3.2% in December 2020. We believe that these exposures, and especially around NOK5.9 billion exposure at default (EAD) linked to offshore shipping companies, will continue to expose the bank to some degree of earnings volatility, given the dependence to oil investments of the relative performance of the respective clients.

In addition, the bank is exposed to the commercial real estate sector (around 13.5% of gross loans at year-end 2021), a significant part of which is located in the county of Rogaland, where vacancy rates are vulnerable to oil sector related activity and investments. This exposure combined with its sizeable mortgage loan book (around 62.2% of total gross loans as of December 2021), leaves the bank vulnerable to any material decrease in property prices, a feature shared with other Norwegian savings banks. However, we note that almost 95% of the bank's mortgage exposures have a loan-to-value (LTV) ratio of less than 85%, which means that the bank can withstand a significant decline in house prices before its credit profile is materially impacted.

In 2021 the bank had reversals of NOK494m, an improvement from total impairments of NOK2,030 million a year earlier. 2020 was affected by a large increase in credit costs as a result of the pandemic. Loan loss provisions stood at -0.21% as of year-end 2021, compared with 0.36% in 2020, reflecting falling credit costs falling from peak levels recorded in 2020. We expect the bank's loan loss provisions to remain modest going forward, supported by improvements in the oil and offshore sector due to higher investments to more than compensate for model based provisions due to the weakening of the macroeconomic outlook.

Our assigned asset risk score of baa1 reflects the bank's exposure to the oil and offshore sector, the bank's relatively limited geographical diversification and concentration to commercial real estate sector. That said, we view positively the bank's expansion strategy which will gradually improve its regional and sectoral diversification. We note that the bank's exposure to the Oslo and Viken region has increased since December 2018 and now comprises 11.7% of its total loans.

We expect NPLs to decrease over the outlook period but the development to a large extent depending on the development in the oil and offshore sector.

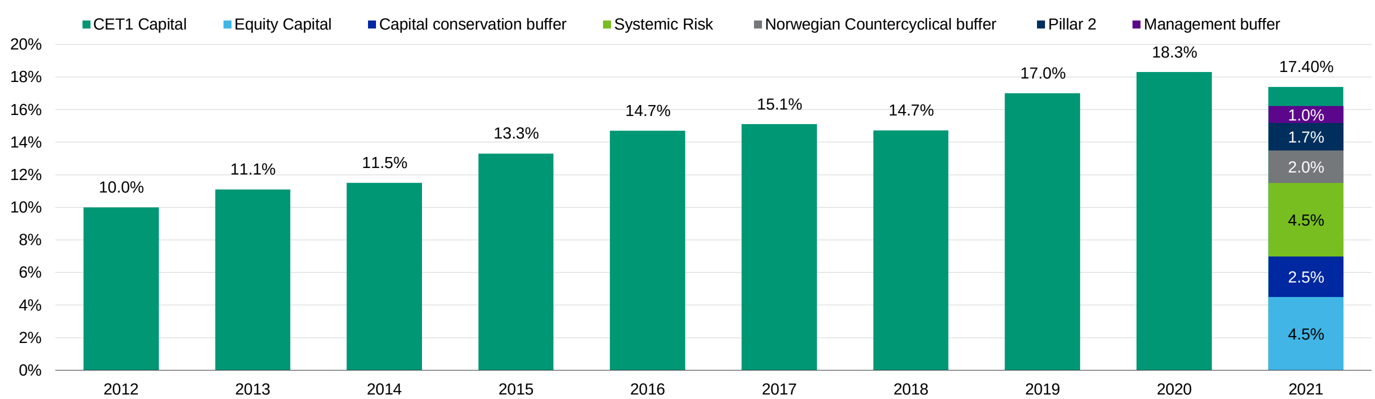
A comfortable capital buffer provides protection from future credit losses

SR-Bank's Common Equity Tier 1 (CET1) ratio was 17.4% and the TCE ratio was 19.4% as of 31 December 2021. Moreover, its leverage ratio was a high 7.1% at 31 December 2021. The bank's capital metrics compare favourably with other Nordic banks and are significantly higher than the Norwegian requirements which was as of year end 2021 was 14.2% for the CET1. While capital requirements were eased during the pandemic rules in Norway continue to be conservative it has been announced that the countercyclical capital buffer will increase from 1% to 1.5% by 30 June 2022 and 2.0% by 31 December 2022. On April 29 the bank's pillar 2 requirement was reduced by 0.1%-point which will increase the requirements to 15.6% by Q1 2023.

SR-Bank's CET1 internal target as of year end 2021 included a 1.0% management buffer above the capital requirement (see Exhibit 4) and this was met with a comfortable headroom. The new internal capital target based on the higher capital requirements and a higher pillar 2 guidance of 1.25% is to be above 16.85%, which the bank already meets. The bank has managed to accumulate capital through increased profitability in the last few years, through conservative growth and modest dividend payout (dividend policy of around 50% of annual profit). Consequently, we believe that the bank has significant loss absorption buffers, and is well positioned and capitalised to continue developing its leading position in South-Western Norway, and expand further in the Oslo region based on its strategic direction.

Exhibit 4

SpareBank 1 SR-Bank CET1 development



Source: Company reports and presentations, Moody's Investors Service

Resilient pre-provision income provide strong capital generation capacity

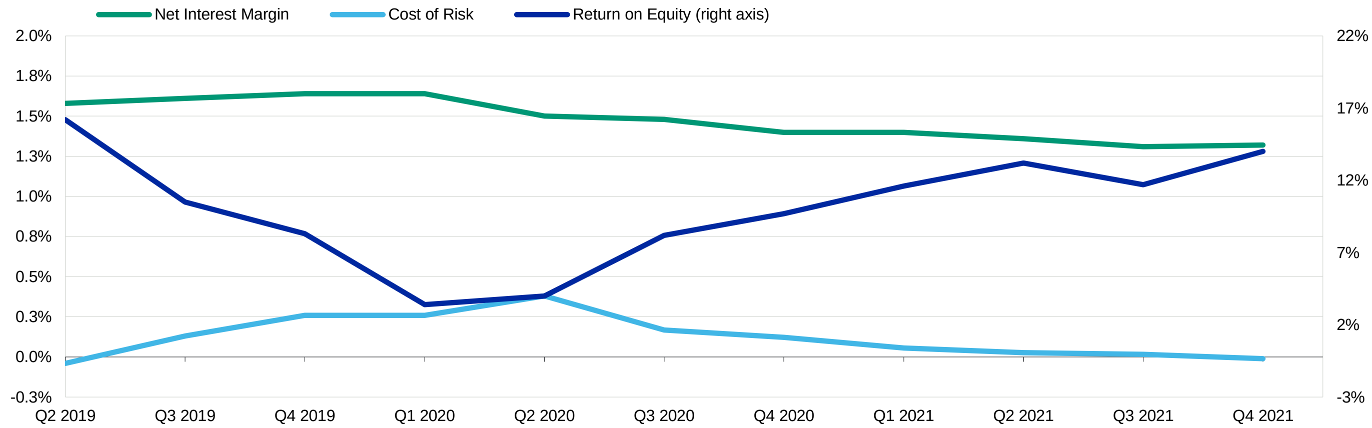
In response to the economic stress from the coronavirus outbreak the Norges Bank cut all the way down to zero in 2020. Combined with a strong inflow of deposits the bank's net interest margin (NIM) fell to 1.35% in 2021 from 1.60% in 2019. Furthermore, SR-Bank's net interest income in 2021 was around 3.7% lower compared to 2020. However, Norges Bank hiked the policy rate by 25 bps in September and December 2021 as well as in March 2022, and these hikes have largely translated to increased mortgage rates while deposit rates have remain flat. Further rate hikes are expected throughout 2022 and are expected to alleviate pressure on the NIM and help strengthen earnings going forward.

In 2020 and the beginning of 2021 net income was also negatively affected by the increased cost of risk driven both by the oil and offshore sector, the need to do portfolio provisioning due to the pandemic as well as the implementation of a new definition of default.

The bank's return on equity in 2021 was 12.3%, up from 6.4% in 2020 (see Exhibit 5) and more comparable to pre-pandemic results.

Exhibit 5

SpareBank 1 SR-Bank's NIM, CoR and RoE evolution



Source: Company reports and presentations

SR-Bank's cost efficiency remained favorable with a low reported cost-to-income ratios of 40.2% as of year-end 2021. However, its operating expenses increased by 13.7% year-on-year related to higher staff cost, mainly due to higher variable pay due to a stronger performance, and integration cost related recent acquisitions. We note that the bank has ambitious plans in new technology and development in order to improve its product offering and customer experience, which to some degree could exert upward pressure on its IT-related expenses.

Our Profitability Score of baa2 for SR-Bank reflects our view that it will take the bank some time to fully restore its Net interest margin and that the bank's oil-related exposure and restructured loans will continue to pose downside risks to its bottom line also going forward.

Reliance on market funding renders it vulnerable to fluctuations in investor sentiment...

While SR-Bank benefits from solid access to domestic and international capital markets, with a stronger footing than some of its local peers, providing a good funding diversification, its reliance on wholesale funding remains high. Market funds accounted for around 32% of tangible banking assets as of year-end 2021 which we believe renders the bank susceptible to potential shifts in investor sentiment.

SR-Bank also benefits from a good deposit base, which represented around 49% of total liabilities as of December 2021. Deposits from customers increased by around 16.5% year-on-year as of 31 December 2021 driven by both a growth in corporate deposits and change in consumer behaviour following the outbreak of global pandemic. However, as vaccination rollout progresses and temporary measures are phased out we do not expect this growth trend to be sustained. The bank's gross loans-to-deposit ratio, including transferred loans, was relatively high at around 167% as of 31 December 2021, although down from 185% as of 31 December 2020 due to the significant increase in the deposit base.

We reflect the relative stability of covered bonds compared to unsecured market funding through a standard adjustment in our scorecard. Covered bonds have become an increasingly important source of funding for the bank. SR-Bank issues covered bonds through its wholly owned covered bond company SR-Boligkreditt AS and no longer utilises the specialised companies owned jointly with other members of the SpareBank 1 Alliance.

Our Funding Structure Score reflects our view that although SR-Bank has benefitted from strong access to domestic and international capital markets, its high reliance on market funding - a common feature of Nordic banks - is a source of risk. We believe that in times of market stress, market funding can become more expensive and/or restricted.

...although a robust liquidity position partly mitigates market funding concerns

A mitigating factor to the bank's reliance on market funds is its robust liquidity buffer. The bank reported the buffer stood at NOK 57.9 billion or around 18% of tangible banking assets at 31 December 2021 consisting mainly of cash, short-term repos, and covered bonds rated Aaa. This liquidity buffer could cover the bank's normal operations for around 37 months, in the event of closed markets that would not allow the bank to refinance its maturing debt. In addition to the liquidity buffer, the bank has NOK 22.7 billion in home mortgages ready to be to be used for new covered bond funding.

The bank reported a liquidity coverage ratio (LCR) of 168% as of year-end 2021, combined with a net stable funding ratio (NSFR) of 124%.

Environmental, social and governance considerations

In line with our general view of the banking sector, SR-Bank's has relatively low exposure to Environmental risks and moderate exposure to Social risks. See our Environmental and Social risk heatmaps for further information.

SR-Bank's exposure to oil and off-shore sector is a source of environmental risk for the bank, in the face of eventual transition to a low-carbon economy. However, the bank's oil-related exposure, although higher than local peers, is considered manageable at 2.7% of gross lending (including covered bond entities) as of year-end 2021.

We believe banks face moderate social risks. 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 is partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. In addition, we regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. See our social risk heat map for further information.

Governance is highly relevant for SR-Bank, as it is to 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. However, we currently do not have any governance related concerns over SR-Bank.

Support and structural considerations

Loss Given Failure analysis

The EU Bank Recovery and Resolution Directive (BRRD) has entered into force as of 1 January 2019 in Norway, which confirms our current assumptions regarding LGF analysis. For our resolution analysis, we assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits, a 5% run-off in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. These are in line with our standard assumptions. BRRD2 will formally enter intoeffect in June 2022 but current requirements set by the Norwegian FSA already reflect the new regulation.

For SR-Bank's long-term deposit rating, senior unsecured debt rating and junior senior debt rating, our LGF analysis considers the combination of the bank's junior deposits, its outstanding debt volume and the amount of debt subordinated to this. This reflects our expectation that the bank will issue non-preferred senior debt both to comply with the MREL requirement but also considers the bank's need for a buffer above the requirement itself.

For junior securities issued by SR-Bank, our LGF analysis confirms a high level loss-given-failure, given the small volume of debt and limited protection from more subordinated instruments and residual equity. We also continue to include additional downward notching from the BCA reflecting coupon suspension risk ahead of a potential failure.

Government support considerations

SR-Bank has a sound franchise in the county of Rogaland, south-west Norway, with a 35% market share. The bank has also expanded into neighbouring counties, but its national market share in lending is around 4-5%. As a result of the implementation of the BRRD legal framework in Norway from 1 January 2019, which is aligned with that of the EU, we revised our government support assumption for the bank's senior preferred debt and deposits to low from moderate. This has resulted in no rating uplift from its PRA, positioning the ratings at A1.

Counterparty Risk Assessment

SpareBank 1 SR's CR Assessment is A1(cr)/Prime-1(cr)

SR-Bank's CR Assessment is A1(cr)/Prime-1(cr), three notches above the bank's adjusted BCA of baa1, based on the substantial cushion against default provided to the senior obligations represented by the CRA by subordinated instruments. The main difference with our Advanced LGF approach used to determine instrument ratings is that the CRA captures the probability of default on certain senior obligations, rather than expected loss, therefore we focus purely on subordination and take no account of the volume of the instrument class.

Counterparty Risk Ratings (CRR)

SpareBank 1 SR-Bank's CRR is A1/Prime-1

The CRR is three notches above the adjusted BCA of baa1, reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities.

Foreign currency debt rating

SR-Bank's foreign-currency debt rating of A1 is unconstrained given that Norway has a country ceiling of Aaa.

About Moody's bank Scorecard

Our Scorecard is designed to capture, express and explain in summary form our rating committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our Scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The Scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 6
SpareBank 1 SR-Bank ASA

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	1.4%	aa2	↑	baa1	Geographical concentration	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	19.4%	aa1	↔	aa1	Risk-weighted capitalisation	
Profitability						
Net Income / Tangible Assets	0.9%	baa1	↑	baa2	Return on assets	
Combined Solvency Score		aa3		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	31.7%	baa3	↓	ba1	Expected trend	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	17.9%	baa2	↔	baa3	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	102,161	33.6%	116,202	38.2%
Deposits	137,664	45.3%	123,622	40.7%
Preferred deposits	101,871	33.5%	96,778	31.8%
Junior deposits	35,793	11.8%	26,844	8.8%
Senior unsecured bank debt	43,507	14.3%	43,507	14.3%
Junior senior unsecured bank debt	7,519	2.5%	7,519	2.5%
Dated subordinated bank debt	2,125	0.7%	2,125	0.7%
Preference shares (bank)	1,850	0.6%	1,850	0.6%
Equity	9,118	3.0%	9,118	3.0%
Total Tangible Banking Assets	303,944	100.0%	303,944	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	29.9%	29.9%	29.9%	29.9%	3	3	3	3	0	a1
Counterparty Risk Assessment	29.9%	29.9%	29.9%	29.9%	3	3	3	3	0	a1 (cr)
Deposits	29.9%	6.8%	29.9%	21.1%	2	3	2	3	0	a1
Senior unsecured bank debt	29.9%	6.8%	21.1%	6.8%	2	2	2	3	0	a1
Junior senior unsecured bank debt	6.8%	4.3%	6.8%	4.3%	0	0	0	0	0	baa1
Dated subordinated bank debt	4.3%	3.6%	4.3%	3.6%	-1	-1	-1	-1	0	baa2
Junior subordinated bank debt	3.6%	3.6%	3.6%	3.6%	-1	-1	-1	-1	-1	baa3

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	3	0	a1	0	A1	A1
Senior unsecured bank debt	3	0	a1	0	A1	A1
Junior senior unsecured bank debt	0	0	baa1	0	Baa1	Baa1
Dated subordinated bank debt	-1	0	baa2	0		Baa2
Junior subordinated bank debt	-1	-1	baa3	0		(P)Baa3

[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 7

Category	Moody's Rating
SPAREBANK 1 SR-BANK ASA	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Junior Senior Unsecured	Baa1
Junior Senior Unsecured MTN	(P)Baa1
Subordinate	Baa2
Jr Subordinate MTN	(P)Baa3

Source: Moody's Investors Service

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454