

Norway  
Credit Update

# SpareBank 1 SR-Bank

## Ratings

|                          | Current Ratings |
|--------------------------|-----------------|
| <b>Foreign Currency</b>  |                 |
| Long-Term IDR            | A               |
| Short-Term IDR           | F1              |
| <b>Individual</b>        | B               |
| Support Rating           | 3               |
| Support Rating Floor     | BB+             |
| <b>Sovereign Risk</b>    |                 |
| Foreign Long-Term IDR    | AAA             |
| Long-Term Local Currency | AAA             |

## Outlook

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

## Financial Data

|                                     | 31 Dec 07* | 31 Dec 06 |
|-------------------------------------|------------|-----------|
| <b>SpareBank 1 SR-Bank</b>          |            |           |
| Total assets (USDm)                 | 19,030     | 13,595    |
| Total assets (NOKm)                 | 103,120    | 85,035    |
| Total equity (NOKm)                 | 5,694      | 4,300     |
| Operating profit (NOKm)             | 1,256      | 1,161     |
| Published net income (NOKm)         | 1,007      | 924       |
| Comprehensive income (NOKm)         | 1,036      | 1,034     |
| Operating ROAA (%)                  | 1.34       | 1.52      |
| Operating ROAE (%)                  | 25.14      | 28.56     |
| Internal capital generation (%)     | 20.73      | 25.44     |
| Eligible capital/weighted risks (%) | 8.64       | 7.90      |
| Tier 1 ratio (%)                    | 7.51**     | 7.39      |

\* Preliminary result

\*\* Basel II - IRB approach including transitional floors

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## Related Research

- [The Norwegian Sparebanken](#)

## Rating Rationale

- The ratings of SpareBank 1 SR-Bank (SR) reflect its strong local franchise, consistently good performance, sound asset quality and diversified funding sources, while also considering SR's tighter management of capitalisation.
- SR is a founding member of the SpareBank 1 Alliance (the Alliance) cooperation scheme. The benefits of the Alliance for SR include a better cost efficiency and access to covered bonds. In 2007, its 19.5% stake in the joint company, SpareBank 1 Gruppen (SG), contributed 18% of SR's operating profit.
- In 2007 SR performed well, increasing its operating profit by 8% despite global market turbulence. SR's net interest margin tightened further, owing to the competitive market environment in Rogaland. The bank benefited from strong loan growth leading to a net interest income up 18%, growing fee income supported by improved cross-sales, and the expansion into neighbouring regions. Despite investments, SR maintained its cost/income ratio at 57% in 2007.
- In 2007, SR's loan book increased by 14% excluding mortgages transferred to SpareBank 1 Boligkreditt and was mainly driven by corporate loan growth. At end-2007, SR's loan book was well balanced, with retail loans accounting for 57% of the total. SR's corporate loan book has a number of large single name exposures. SR's asset quality remained good, reflected by a moderate impaired loan ratio of 0.84%. A slight deterioration of this ratio is expected following strong loan growth in recent years and an unsustainably benign environment.
- At end-2007 SR's funding was well diversified, with customer deposits accounting for 53% of total funding, the remainder being wholesale funds. Although only 57% of SR's loan book is funded by customer deposits, it benefited from better-functioning Nordic credit markets and the access to covered bonds. With loans accounting for 85% of total assets, SR's balance-sheet liquidity is only adequate, but supported by committed credit lines.
- Following the implementation of Basel II and the issuance of primary capital certificates (PCC), SR's Fitch Eligible capital ratio improved slightly. Although tighter than that of other Norwegian saving banks, SR's capital ratios should benefit from the gradual increase in transitional floors until 2010.

## Support

- SR has no owners or shareholders, although it does have publicly traded PCC. There is no formal support agreement among the members of the Alliance, although the other banks would probably be willing to provide some form of mutual support. In Fitch's view, there is moderate probability that, given SR's strong regional franchise, the government would provide support if required.

## Key Rating Drivers

- The Outlook for SR's IDR is Stable, supported by the expected continuation of sound asset quality and good profitability. Upside potential in SR's ratings is limited by capital and regional concentration. Downside risk could arise from a marked deterioration in asset quality or capitalisation or in SG's risks.

## Profile

SR is the second-largest Norwegian-owned bank, operating in Rogaland and its neighbouring regions of Agder and Hordaland.

**Balance Sheet Analysis**

**SPAREBANK 1 SR-BANK**

|   | 31 Dec 2007      |                   |                   |                 | 31 Dec 2006       |                   | 31 Dec 2005       |                   |
|---|------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
|   | Year End<br>USDm | Year End<br>NOKm  | As % of<br>Assets | Average<br>NOKm | Year End<br>NOKm  | As % of<br>Assets | Year End<br>NOKm  | As % of<br>Assets |
|   | Preliminary      | Preliminary       | Preliminary       | Preliminary     | Original          | Original          | Original          | Original          |
| <b>A. LOANS</b>                               |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Private                                    | n.a.             | n.a.              | -                 | n.a.            | 48,461.0          | 56.99             | 41,890.0          | 62.30             |
| 2. Corporate                                  | n.a.             | n.a.              | -                 | n.a.            | 27,673.0          | 32.54             | 19,128.0          | 28.45             |
| 3. Government                                 | n.a.             | n.a.              | -                 | n.a.            | 1,163.0           | 1.37              | 730.0             | 1.09              |
| 4. Other                                      | 16,256.5         | 88,090.0          | 85.42             | n.a.            | n.a.              | -                 | 64.0              | 0.10              |
| 5. Loan Impairment                            | 42.3             | 229.0             | 0.22              | 233.5           | 238.0             | 0.28              | 332.0             | 0.49              |
| 6. Loan Impairment (memo)                     | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| 7. Less: Loans from the Insurance Business    | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| <b>TOTAL A</b>                                | <b>16,214.3</b>  | <b>87,861.0</b>   | <b>85.20</b>      | <b>82,460.0</b> | <b>77,059.0</b>   | <b>90.62</b>      | <b>61,480.0</b>   | <b>91.44</b>      |
| <b>B. OTHER EARNING ASSETS</b>                |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Loans and Advances to Banks                | 619.5            | 3,357.0           | 3.26              | 1,763.5         | 170.0             | 0.20              | 43.0              | 0.06              |
| 2. Government Securities                      | n.a.             | n.a.              | -                 | n.a.            | 51.0              | 0.06              | 32.0              | 0.05              |
| 3. Trading Assets                             | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | 0.0               | 0.00              |
| 4. Derivatives                                | 165.5            | 897.0             | 0.87              | 687.5           | 478.0             | 0.56              | 519.0             | 0.77              |
| 5. Other Securities and Investments           | 1,004.7          | 5,444.0           | 5.28              | 4,475.5         | 3,507.0           | 4.12              | 3,127.0           | 4.65              |
| 6. Equity Investments                         | 329.8            | 1,787.0           | 1.73              | 1,581.0         | 1,375.0           | 1.62              | 965.0             | 1.44              |
| 7. Insurance                                  | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | 0.0               | 0.00              |
| <b>TOTAL B</b>                                | <b>2,119.5</b>   | <b>11,485.0</b>   | <b>11.14</b>      | <b>8,533.0</b>  | <b>5,581.0</b>    | <b>6.56</b>       | <b>4,686.0</b>    | <b>6.97</b>       |
| <b>C. TOTAL EARNING ASSETS (A+B)</b>          | <b>18,333.7</b>  | <b>99,346.0</b>   | <b>96.34</b>      | <b>90,993.0</b> | <b>82,640.0</b>   | <b>97.18</b>      | <b>66,166.0</b>   | <b>98.41</b>      |
| <b>D. TANGIBLE FIXED ASSETS</b>               | <b>54.3</b>      | <b>294.0</b>      | <b>0.29</b>       | <b>296.5</b>    | <b>299.0</b>      | <b>0.35</b>       | <b>305.0</b>      | <b>0.45</b>       |
| <b>E. NON-EARNING ASSETS</b>                  |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Cash and Due from Banks                    | 483.9            | 2,622.0           | 2.54              | 1,728.0         | 834.0             | 0.98              | 351.0             | 0.52              |
| 2. Other                                      | 158.3            | 858.0             | 0.83              | 1,060.0         | 1,262.0           | 1.48              | 415.0             | 0.62              |
| <b>F. TOTAL ASSETS</b>                        | <b>19,030.2</b>  | <b>103,120.0</b>  | <b>100.00</b>     | <b>94,077.5</b> | <b>85,035.0</b>   | <b>100.00</b>     | <b>67,237.0</b>   | <b>100.00</b>     |
| <b>G. DEPOSITS &amp; MONEY MARKET FUNDING</b> |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Due to Customers - Current                 | 9,266.7          | 50,214.0          | 48.69             | 41,351.5        | 32,489.0          | 38.21             | 27,206.0          | 40.46             |
| 2. Due to Customers - Savings                 | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| 3. Due to Customers - Term                    | n.a.             | n.a.              | -                 | n.a.            | 10,058.0          | 11.83             | 10,324.0          | 15.35             |
| 4. Deposits with Banks                        | 1,072.6          | 5,812.0           | 5.64              | 5,920.0         | 6,028.0           | 7.09              | 3,636.0           | 5.41              |
| 5. Other Deposits and Short-term Borrowings   | n.a.             | n.a.              | -                 | n.a.            | 801.0             | 0.94              | 1,400.0           | 2.08              |
| <b>TOTAL G</b>                                | <b>10,339.3</b>  | <b>56,026.0</b>   | <b>54.33</b>      | <b>52,701.0</b> | <b>49,376.0</b>   | <b>58.07</b>      | <b>42,566.0</b>   | <b>63.31</b>      |
| <b>H. OTHER LIABILITIES</b>                   |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Derivatives                                | 131.6            | 713.0             | 0.69              | 574.0           | 435.0             | 0.51              | 203.0             | 0.30              |
| 2. Trading Liabilities                        | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| 3. Fair Value Portion of Debt                 | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| 4. Insurance                                  | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| <b>TOTAL H</b>                                | <b>131.6</b>     | <b>713.0</b>      | <b>0.69</b>       | <b>574.0</b>    | <b>435.0</b>      | <b>0.51</b>       | <b>203.0</b>      | <b>0.30</b>       |
| <b>I. OTHER FUNDING</b>                       |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Long-term Borrowing                        | 6,576.2          | 35,635.0          | 34.56             | 30,445.5        | 25,256.0          | 29.70             | 16,651.0          | 24.76             |
| 2. Subordinated Debt                          | 446.0            | 2,417.0           | 2.34              | 2,469.5         | 2,522.0           | 2.97              | 1,830.0           | 2.72              |
| 3. Other Funding                              | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| <b>TOTAL I</b>                                | <b>7,022.3</b>   | <b>38,052.0</b>   | <b>36.90</b>      | <b>32,915.0</b> | <b>27,778.0</b>   | <b>32.67</b>      | <b>18,481.0</b>   | <b>27.49</b>      |
| <b>J. NON-INTEREST BEARING</b>                | <b>411.0</b>     | <b>2,227.0</b>    | <b>2.16</b>       | <b>2,451.5</b>  | <b>2,676.0</b>    | <b>3.15</b>       | <b>1,651.0</b>    | <b>2.46</b>       |
| <b>K. HYBRID CAPITAL</b>                      |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Hybrid capital accounted for as equity     | n.a.             | n.a.              | -                 | n.a.            | n.a.              | -                 | n.a.              | -                 |
| 2. Hybrid Capital accounted for as debt       | 75.3             | 408.0             | 0.40              | 439.0           | 470.0             | 0.55              | 506.0             | 0.75              |
| <b>L. TOTAL LIABILITIES</b>                   | <b>17,979.4</b>  | <b>97,426.0</b>   | <b>94.48</b>      | <b>89,080.5</b> | <b>80,735.0</b>   | <b>94.94</b>      | <b>63,407.0</b>   | <b>94.30</b>      |
| <b>M. EQUITY</b>                              |                  |                   |                   |                 |                   |                   |                   |                   |
| 1. Common Equity                              | 1,022.2          | 5,539.0           | 5.37              | 4,858.5         | 4,178.0           | 4.91              | 3,823.0           | 5.69              |
| 2. Minority Interest                          | 3.0              | 16.0              | 0.02              | 14.0            | 12.0              | 0.01              | 7.0               | 0.01              |
| 3. Revaluation Reserves                       | 25.7             | 139.0             | 0.13              | 124.5           | 110.0             | 0.13              | 0.0               | 0.00              |
| <b>TOTAL M</b>                                | <b>1,050.8</b>   | <b>5,694.0</b>    | <b>5.52</b>       | <b>4,997.0</b>  | <b>4,300.0</b>    | <b>5.06</b>       | <b>3,830.0</b>    | <b>5.70</b>       |
| <b>MEMO: CORE CAPITAL</b>                     | <b>1,020.9</b>   | <b>5,532.0</b>    | <b>5.36</b>       | <b>4,860.0</b>  | <b>4,188.0</b>    | <b>4.93</b>       | <b>3,821.0</b>    | <b>5.68</b>       |
| <b>MEMO: ELIGIBLE CAPITAL</b>                 | <b>1,096.2</b>   | <b>5,940.0</b>    | <b>5.76</b>       | <b>5,299.0</b>  | <b>4,658.0</b>    | <b>5.48</b>       | <b>4,327.0</b>    | <b>6.44</b>       |
| <b>N. TOTAL LIABILITIES &amp; EQUITY</b>      | <b>19,030.2</b>  | <b>103,120.0</b>  | <b>100.00</b>     | <b>94,077.5</b> | <b>85,035.0</b>   | <b>100.00</b>     | <b>67,237.0</b>   | <b>100.00</b>     |
| Exchange Rate                                 |                  | USD1 = NOK 5.4188 |                   |                 | USD1 = NOK 6.2600 |                   | USD1 = NOK 6.7700 |                   |

**Income Statement Analysis**

**SPAREBANK 1 SR-BANK**

|   | 31 Dec 2007                               |   | 31 Dec 2006                            |  | 31 Dec 2005                            |  |
|---|---|---|--|--|--|--|
|   | Income<br>Expenses<br>NOKm<br>Preliminary | As % of<br>Total AV<br>Earning Assts<br>Preliminary | Income<br>Expenses<br>NOKm<br>Original | As % of<br>Total AV<br>Earning Assts<br>Original | Income<br>Expenses<br>NOKm<br>Original | As % of<br>Total AV<br>Earning Assts<br>Original |
| 1. Interest Income                                    | 5,112.0                                   | 5.62  | 3,007.0                                | 4.04   | 2,314.0                                | -  |
| 2. Interest Expense                                   | 3,760.0                                   | 4.13  | 1,867.0                                | 2.51   | 1,163.0                                | -  |
| <b>3. NET INTEREST REVENUE</b>                        | <b>1,352.0</b>                            | <b>1.49</b>   | <b>1,140.0</b>                         | <b>1.53</b>                                      | <b>1,151.0</b>                         | -  |
| 4. Net Fees & Commissions                             | 594.0                                     | 0.65  | 436.0                                  | 0.59   | 377.0                                  | -  |
| 5. Net Insurance Revenue                              | n.a.                                      | -   | n.a.                                   | -  | 0.0                                    | -  |
| 6. Other Operating Income                             | 677.0                                     | 0.74  | 671.0                                  | 0.90   | 510.0                                  | -  |
| 7. Personnel Expenses                                 | 751.0                                     | 0.83  | 634.0                                  | 0.85   | 541.0                                  | -  |
| 8. Other Operating Expenses                           | 606.0                                     | 0.67  | 544.0                                  | 0.73   | 471.0                                  | -  |
| <b>9. PRE-IMPAIRMENT OPERATING PROFIT</b>             | <b>1,266.0</b>                            | <b>1.39</b>   | <b>1,069.0</b>                         | <b>1.44</b>                                      | <b>1,026.0</b>                         | -  |
| 10. Loan Impairment Charge                            | 10.0                                      | 0.01  | -92.0                                  | -0.12  | 6.0                                    | -  |
| 11. Other Credit Impairment and Provisions            | n.a.                                      | -   | n.a.                                   | -  | n.a.                                   | -  |
| <b>12. OPERATING PROFIT</b>                           | <b>1,256.0</b>                            | <b>1.38</b>   | <b>1,161.0</b>                         | <b>1.56</b>                                      | <b>1,020.0</b>                         | -  |
| 13. Other Income and Expenses                         | n.a.                                      | -   | n.a.                                   | -  | 76.0                                   | -  |
| <b>14. PUBLISHED PRE-TAX PROFIT</b>                   | <b>1,256.0</b>                            | <b>1.38</b>   | <b>1,161.0</b>                         | <b>1.56</b>                                      | <b>1,096.0</b>                         | -  |
| 15. Taxes   | 249.0                                     | 0.27  | 237.0                                  | 0.32   | 234.0                                  | -  |
| 16. Profit/(Loss) from Discontinued Operations        | n.a.                                      | -   | n.a.                                   | -  | 0.0                                    | -  |
| 17. Change in Value of AFS investments                | 29.0                                      | 0.03  | 110.0                                  | 0.15   | n.a.                                   | -  |
| 18. Currency Translation Differences                  | n.a.                                      | -   | n.a.                                   | -  | 0.0                                    | -  |
| 19. Other Gains/(Losses) not in Published Net Income  | n.a.                                      | -   | n.a.                                   | -  | n.a.                                   | -  |
| <b>20. FITCH COMPREHENSIVE INCOME</b>                 | <b>1,036.0</b>                            | <b>1.14</b>   | <b>1,034.0</b>                         | <b>1.39</b>                                      | <b>862.0</b>                           | -  |
| 21. Total Gains/(Losses) not in Published Net Income  | 29.0                                      | 0.03  | 110.0                                  | 0.15   | 0.0                                    | -  |
| 22. IFRS Dividends included in Fitch Interest Expense | n.a.                                      | -   | n.a.                                   | -  | n.a.                                   | -  |
| <b>23. PUBLISHED NET INCOME</b>                       | <b>1,007.0</b>                            | <b>1.11</b>   | <b>924.0</b>                           | <b>1.24</b>                                      | <b>862.0</b>                           | -  |

**Ratio Analysis**

**SPAREBANK 1 SR-BANK**

|   |   | 31 Dec 2007                     | 31 Dec 2006                  | 31 Dec 2005                  |
|---|---|---------------------------------|------------------------------|------------------------------|
|   |   | Year End<br>NOKm<br>Preliminary | Year End<br>NOKm<br>Original | Year End<br>NOKm<br>Original |
| <b>I. PERFORMANCE</b>   |   |                                 |                              |                              |
| 1. Net Interest Margin  | % | 1.49                            | 1.53                         | 1.86                         |
| 2. Loan Yield   | % | n.a.                            | 4.29                         | 3.79                         |
| 3. Cost of Funds  | % | 4.37                            | 2.68                         | 2.00                         |
| 4. Costs/Average Assets   | % | 1.44                            | 1.55                         | 1.60                         |
| 5. Costs/Income   | % | 56.80                           | 57.24                        | 52.74                        |
| 6. Pre-Impairment Operating ROAA  | % | 1.35                            | 1.40                         | 1.62                         |
| 7. Operating ROAA   | % | 1.34                            | 1.52                         | 1.61                         |
| 8. Pre-impairment Operating ROAE  | % | 25.34                           | 26.30                        | 29.58                        |
| 9. Operating ROAE   | % | 25.14                           | 28.56                        | 29.41                        |
| <b>II. CAPITAL ADEQUACY</b>   |   |                                 |                              |                              |
| 1. Internal Capital Generation  | % | 20.73                           | 25.44                        | 15.58                        |
| 2. Core Capital/Total Assets  | % | 5.37                            | 4.93                         | 5.68                         |
| 3. Eligible Capital/Regulatory Weighted Risks                               | % | 8.64                            | 7.90                         | 9.59                         |
| 4. Eligible Capital+Eligible Revaluation Reserves/Regulatory Weighted Risks | % | 8.84                            | 8.09                         | 9.59                         |
| 5. Tier 1 Regulatory Capital Ratio  | % | 7.51                            | 7.39                         | 8.98                         |
| 6. Total Regulatory Capital Ratio   | % | 10.00                           | 10.56                        | 11.84                        |
| 7. Free Capital/Equity  | % | 63.72                           | 59.12                        | 75.35                        |
| <b>III. LIQUIDITY (year end)</b>  |   |                                 |                              |                              |
| 1. Liquid Assets/Deposits & Money Mkt Funding                               | % | 12.94                           | 7.83                         | 7.25                         |
| 2. Loans/Deposits   | % | 174.97                          | 181.12                       | 163.82                       |
| <b>IV. ASSET QUALITY</b>  |   |                                 |                              |                              |
| 1. Loan Impairment Charge/Gross Loans (av.)                                 | % | 0.01                            | -0.13                        | 0.01                         |
| 2. Total Credit Impairment/Pre-impairment Operating Profit                  | % | 0.79                            | -8.61                        | 0.58                         |
| 3. Loan Impairment/Gross Impaired Loans                                     | % | 31.07                           | 74.14                        | 72.02                        |
| 4. Individual Loan Impairment/Gross Impaired Loans                          | % | 13.30                           | 33.30                        | 35.40                        |
| 5. Impaired Loans Gross / Loans Gross                                       | % | 0.84                            | 0.42                         | 0.75                         |
| 6. Impaired Loans Net/Eligible Capital                                      | % | 8.55                            | 1.78                         | 2.98                         |
| 7. Net Charge-offs/Gross Loans (av.)  | % | n.a.                            | n.a.                         | 0.00                         |

**Spread Sheet Annex**  
**SPAREBANK 1 SR-BANK (C.)**

| NOKm  | 31 Dec 2007<br>Preliminary | 31 Dec 2006<br>Original | 31 Dec 2005<br>Original |
|---|----------------------------|-------------------------|-------------------------|
| <b>TOTAL REPORTED EQUITY</b>                            | <b>5,694.0</b>             | <b>4,300.0</b>          | <b>3,830.0</b>          |
| Hybrid capital accounted for as equity                  | n.a.                       | n.a.                    | n.a.                    |
| Minority interest - non-loss absorbing                  | n.a.                       | n.a.                    | n.a.                    |
| Other reserves - equity component of convertible bond   | n.a.                       | n.a.                    | n.a.                    |
| Other reserves - employee stock options                 | n.a.                       | n.a.                    | n.a.                    |
| Other reserves - cash flow hedge reserve                | n.a.                       | n.a.                    | n.a.                    |
| Other reserves - deemed to be non equity reserves       | n.a.                       | n.a.                    | n.a.                    |
| <b>M : EQUITY</b>                                       | <b>5,694.0</b>             | <b>4,300.0</b>          | <b>3,830.0</b>          |
| Revaluation Reserves                                    | 139.0                      | 110.0                   | 0.0                     |
| Goodwill  | n.a.                       | 4.0                     | 12.0                    |
| Deferred income tax assets - to be deducted from equity | n.a.                       | -2.0                    | -3.0                    |
| Other intangible assets - to be deducted from equity    | 23.0                       | n.a.                    | n.a.                    |
| Deferred acquisition costs (insurance)                  | n.a.                       | n.a.                    | n.a.                    |
| <b>CORE CAPITAL</b>                                     | <b>5,532.0</b>             | <b>4,188.0</b>          | <b>3,821.0</b>          |
| Eligible Weighted Hybrid Capital                        | 408.0                      | 470.0                   | 506.0                   |
| <b>FITCH ELIGIBLE CAPITAL</b>                           | <b>5,940.0</b>             | <b>4,658.0</b>          | <b>4,327.0</b>          |
| MEMO: Total Weighted Hybrid Capital                     | 408.0                      | 470.0                   | 506.0                   |
| MEMO: Eligible Hybrid Capital Limit                     | 2,370.9                    | 1,794.9                 | 1,637.6                 |
| MEMO: Potential for Further Eligible Hybrid Issuance    | 1,962.9                    | 1,324.9                 | 1,131.6                 |