CREDIT OPINION

17 November 2023

Update

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RATINGS

SpareBank 1 Sorost-Norge

Domicile	Norway
Long Term CRR	A1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

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 Sorost-Norge

Update following rating affirmation, outlook changed to positive

Summary

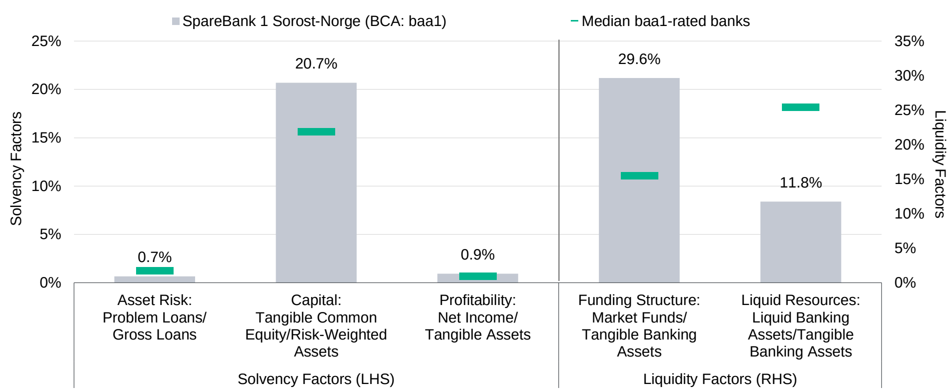
SpareBank 1 Sorost-Norge's (SB1 SOON) currency deposit ratings of A1/P-1 and long-term issuer rating of A1 reflect the bank's Baseline Credit Assessment (BCA) of baa1 and the large volumes of loss-absorbing liabilities protecting creditors in case of failure, resulting in three notches of rating uplift as indicated by our Advanced Loss Given Failure (LGF) analysis.

The bank's baa1 BCA reflects its strong financial performance, despite numerous acquisitions, as illustrated by the bank's strong asset quality, sound capitalization, strong liquidity and robust recurring profitability. These strengths are balanced against the bank's significant exposure to mortgages and the real estate sector, its geographical concentration and its relatively high level of market funding.

The positive outlook on the long-term deposit and issuer ratings reflects our expectation that the ratings would benefit from an alignment with the ratings of SpareBank 1 SR-Bank ASA(SR-Bank; Aa3 stable, a3[1]), which is the legal and accounting acquiring entity, should the acquisition and subsequently the anticipated legal merger successfully conclude.

Exhibit 1

Rating Scorecard - Key financial ratios



These represent our Banks Methodology Scorecard ratios, whereby asset risk and profitability reflect the weaker of the latest reported or average of last three year-end and latest reported ratios. Capital is the latest reported figure. Funding and liquidity ratios reflect the latest year-end figures.

Source: Moody's Financial Metric

Credit strengths

- Norway's Very Strong - macro profile, which benefits SB1 SOON's BCA
- Robust capitalisation, although raising new equity capital could prove to be difficult
- Good profitability and diversified earnings, which benefit from some one-off gains
- Sound asset quality, with a low level of problem loans

Credit challenges

- Credit concentration in the counties of Buskerud, Vestfold and Telmark, and exposure to commercial real estate, which somewhat increase asset risk
- High operational risk related to the integration of the new businesses into the group following the triple merger
- High reliance on confidence-sensitive market funding, which is mitigated by access to a resilient covered bond market and a sizeable deposit base

Outlook

The positive outlook on the long-term deposit and issuer ratings reflects the benefit that SB1 SOON's ratings would receive from an alignment with the ratings of SR-Bank, which is the legal and accounting acquiring entity, should the acquisition and subsequently, the anticipated legal merger successfully conclude.

Factors that could lead to an upgrade

The ratings will be upgraded subject to a successful completion of the recently announced merger with SR-Bank.

Factors that could lead to a downgrade

Given the positive outlook on SB1 SOON's long-term deposit and issuer ratings, we are unlikely to downgrade them over the next 12-18 months. However, a potential failure of implementing the deal with SR-Bank would likely result in an affirmation of the bank's ratings at the current levels, provided that it continues to exhibit resilient financial performance.

Downward rating pressure on the long-term deposit and issuer ratings may also develop because of lower issuance of senior non-preferred securities leading to a reduction in the rating uplift through our LGF analysis.

Key indicators

Exhibit 2

SpareBank 1 Sorost-Norge (Consolidated Financials) [1]

	09-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (NOK Billion)	123.8	121.8	100.2	53.9	51.7	26.2[4]
Tangible Common Equity (NOK Billion)	11.9	11.9	9.7	5.2	4.9	26.7[4]
Problem Loans / Gross Loans (%)	0.7	0.6	0.4	0.4	0.6	0.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	20.7	21.2	20.1	20.0	19.7	20.3[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	5.6	5.4	3.8	3.7	5.1	4.7[5]
Net Interest Margin (%)	1.7	1.5	1.4	1.5	1.5	1.5[5]
PPI / Average RWA (%)	3.1	2.6	2.1	2.2	2.1	2.4[6]
Net Income / Tangible Assets (%)	1.2	0.9	0.7	0.9	1.0	1.0[5]
Cost / Income Ratio (%)	38.9	46.0	51.4	51.7	51.6	47.9[5]
Market Funds / Tangible Banking Assets (%)	29.8	29.6	29.7	27.6	28.6	29.1[5]
Liquid Banking Assets / Tangible Banking Assets (%)	13.2	11.7	10.6	13.0	13.0	12.3[5]
Gross Loans / Due to Customers (%)	181.5	183.9	184.5	171.4	173.9	179.0[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

SB1 SOON is a local savings bank in the southeastern parts of Norway and provides retail and corporate financial products and services, from loans and deposit facilities to insurance, pension, payment, leasing, real estate brokerage and accounting services. SB1 SOON consolidated SpareBank 1 Modum in 2022 and SpareBank 1 BV and SpareBank 1 Telemark in 2021.

The banks held total consolidated assets of around NOK124 billion (including assets transferred to jointly owned covered bond companies) as of September 2023. It is the seventh largest savings bank and the 11th largest commercial bank in Norway, but also the fifth largest bank within the SpareBank 1 Alliance, which constitutes 13 independent regional savings banks. 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

On 26 October 2023, SB1 SOON and SR-Bank announced an agreement to merge into a new entity to be called SpareBank 1 Sor-Norge ASA. We expect the banks to apply for regulatory approval on 5 December 2023 and, if all approvals are granted, the merger will be completed by 1 July 2024. The merger is intended to create the largest savings bank in Norway.

In December 2022, SB1 SOON received updated requirements regarding its Minimum Requirements for Own Funds and Eligible Liabilities (MREL) from the Financial Supervisory Authority of Norway. In particular, the updated requirement increased to 26.5% of risk-weighted assets (RWA) from 26.1% previously, and must be met by the end of 2023. Together with the combined buffer requirement, the MREL capital requirement is expected to reach 37.5% next year once the systemic risk buffer for banks that use the standard model increases to 4.5% from 3% currently, with the minimum subordination requirement reaching 30.5%.

On 29 June 2022, the bank initiated the process to Finanstilsynet for transitioning to the advanced internal ratings-based (A-IRB) model in the first half of 2024. The A-IRB model would allow the bank to use its own credit management models and utilise capital efficiently as RWA would decrease, compared with the standardised model currently in place.

Detailed credit considerations

Norway's Very Strong - macro profile supports the bank's standalone credit profile

SB1 SOON operates only in Norway and, thus, its operating environment is reflected in the Very Strong - macro profile we assign to the country. Norwegian banks benefit from operating in a wealthy and developed country with very high economic, institutional and government financial strength, and 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 and 2020.

The main risks to the banking system stem from the high level of household debt, high 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 1.5% in 2023, down from 3.3% in 2022.

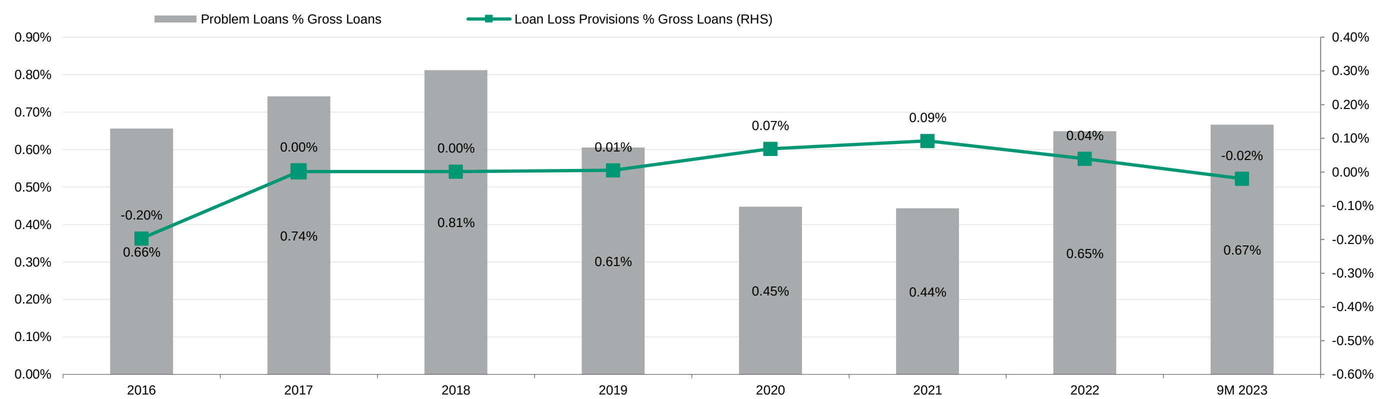
Sound asset quality with low level of problem loans, although credit concentration and exposure to commercial real estate increase asset risk

SB1 SOON reported a problem loan ratio (Stage 3 loans according to IFRS 9 as a percentage of gross loans, including loans transferred to the covered bond companies) of 0.67% as of September 2023, broadly unchanged from the 0.65% in December 2022. The strong credit quality of the bank's loan book reflects its refined credit processes with an increasingly sophisticated risk management framework, as well as the consistent decline in the average probability of default (PD) in its corporate book, despite the bank's inorganic growth in recent years. We expect asset quality to remain stable over the next 12-18 months, in line with peers.

The bank's sound credit quality results in very low credit costs. From 2014 to 2022, the annual loan loss provisions averaged only 0.04%, peaking at 0.28% of gross loans in 2014 (see Exhibit 3). In the first nine months of 2023, the bank's ratio of loan loss provisions to gross loans decreased to a negative 0.02%, which is considered low in an international context and compares well with those of similarly rated peers.

Exhibit 3

Sound asset quality of the retail-dominated loan book translates into low loan losses



From 1 January 2018 and onwards, problem loans are defined as IFRS 9 Stage 3 loans.
Source: Moody's Investors Service

The bank's robust asset quality is supported by a loan book dominated by retail exposures, as Norwegian retail mortgages have historically entailed low risk. Retail loans at SB1 SOON accounted for 78% of gross loans (including loans transferred to the covered bond companies) as of September 2023.

SB1 SOON's operations are geographically concentrated in the counties of Vestfold, Telemark and Viken (around 89% of gross loans at year-end 2022), located in south-eastern Norway. The relative stability of housing prices in Vestfold and Buskerud in the past few years mitigates the risk of asset-quality deterioration, and we expect Norwegian households to continue to service their debt without difficulties. In contrast to Oslo, house prices in the bank's areas of operations have been below the Norwegian average and experienced stable growth without peaks or significant corrections. Nonetheless, given the bank's substantial exposure to mortgage loans, a potential severe slowdown in the Norwegian economy is likely to leave it vulnerable to house price fluctuations and impaired loan affordability by borrowers. However, the successful completion of the potential merger with SR-Bank, another SpareBank 1 Alliance bank, will provide the new bank with a broader focus in the southern part of Norway.

Furthermore, SB1 SOON's substantial exposure within its corporate book to the cyclical real estate and construction sectors (roughly 83% of its corporate book and 18% of total gross loans as of September 2023) poses a risk, potentially rendering the bank vulnerable to changes in interest rates and real estate prices in the region.

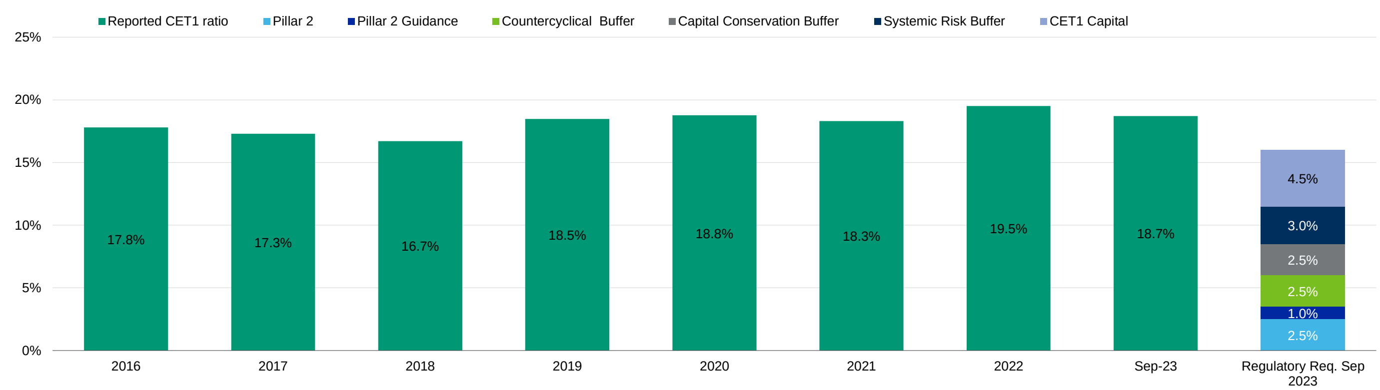
Our assigned Asset Quality Score of baa1 to SB1 SOON also reflects risks stemming from the bank's geographical and sector concentrations.

Capitalisation is robust, although raising new equity capital could prove to be difficult

SB1 SOON's capitalisation is robust, as illustrated by its Common Equity Tier 1 (CET1) ratio of 18.7% as of September 2023, comparing favourably with the 14.9% global median for banks with a baa1 BCA. The bank comfortably fulfilled its regulatory CET1 capital requirement of 15%, which includes a pillar 2 requirement of 2.5% following the merger with SpareBank 1 Modum and a pillar 2 guidance of 1%, while also surpassing its internal target of 17%. At the same time, the bank's total capital ratio reached 21.2%. The bank's sound solvency is also demonstrated in its unweighed capital metrics. It reported a leverage ratio of 8.0% as of September 2023, which is high by international standards and well above the regulatory minimum requirement of 3% in Norway.

SB1 SOON applies the standard model in its calculation of the regulatory capital requirements, meaning that its assets are assigned higher risk weights than under the advanced internal ratings-basel model (A -IRB) approach. Since June 2022, the bank has initiated the process of transitioning to the A-IRB in the first half of 2024, although this may be expedited or become redundant by the potential merger with SR-Bank, which already follows the A-IRB approach. Either way, the bank will benefit from its access to the IRB models developed by the SpareBank 1 Alliance once the transition is completed.

Exhibit 4
SB1 SOON's reported CET1 ratio and required capital buffers



Sources: Moody's Investors Service and company reports

Equity certificates are an important part of SB1 SOON's capital base (equity certificates were 60.7% of total equity as of September 2023), a common feature among Norwegian savings banks. The balance of the bank's equity base consists of primary capital (no owners). Raising capital in case of need during tough economic periods can be difficult for SB1 SOON, given its ownership structure in view of the potential dilution effect.

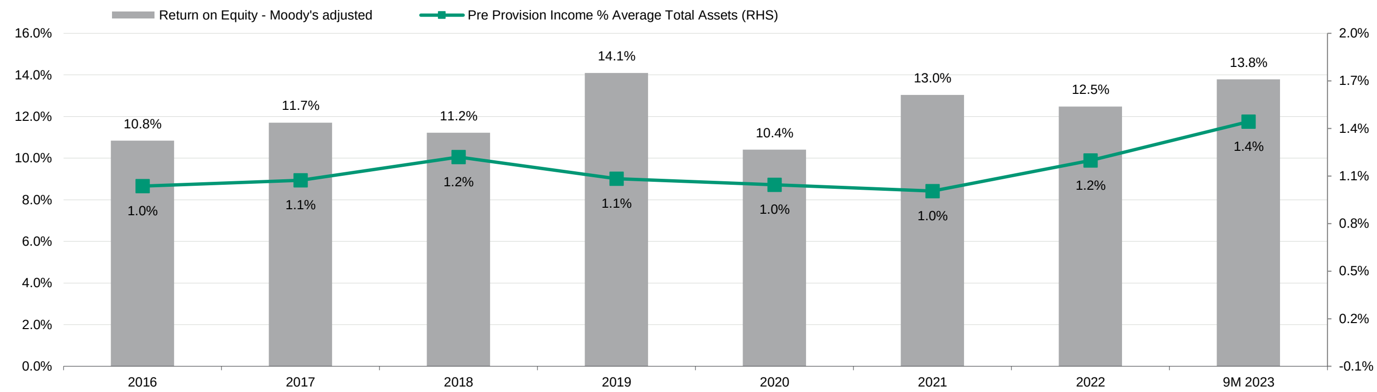
This limits the bank's flexibility in terms of dividend payments (target of at least 50%) and capital retention, and could make it difficult for the bank to access new capital. The local foundations are the largest stakeholders in the bank with a joint ownership of 75% as of September 2023. We consider these foundations long-term and financially strong owners, with the bank's bylaws stating that it shall maintain its interest through participation in equity certificate issues.

We assign a Capital Score of aa2 to the bank, incorporating a one-notch negative adjustment to reflect the potential challenges in accessing new capital if need be.

Good profitability and diversified earnings, but competition could constrain margins

SB1 SOON benefits from good profitability, supported by its stable retail banking. However, restructuring and other merger-related costs have severely weakened net profit, while pre-provision income has remained broadly unchanged since 2019 as a percent of average total assets. In the first nine months of 2023, the bank reported a return on equity of 13.8%, which is stronger than the 12.5% reported for full-year 2022, and the 13.0% in 2021 (see Exhibit 5).

Exhibit 5
SpareBank 1 Sorost-Norge exhibits sound profitability metrics



Sources: Moody's Investors Service and company reports

Net interest income (including net interest income from the covered bond companies booked as commission income) is the bank's most important source of income, accounting for around 74% of operating income (excluding gains from financial investments). Net interest margin improved to 1.74% in the first nine months of 2023 (including fees from the covered bond companies), compared with 1.50% for the same period last year because of the interest rate hikes, despite muted growth in the bank's loan book in the first nine months of 2023.

Net commission and other operating income reflects income from associated companies jointly owned within the SpareBank 1 Alliance and the bank's own subsidiaries. In addition, the wide range of products offered by the bank and its subsidiaries creates valuable opportunities for cross-selling to the acquired customers from SpareBank 1 Nøtterøy-Tønsberg, and enables the bank to strengthen its operating income. At the same time and despite somewhat elevated operating expenses, the bank's efficiency improved, with the cost-to-income ratio decreasing to 39% in the first nine months of 2023 from 46% in 2022. Following the potential merger, the new bank will likely maintain strong profitability, reflecting the underlying performance of both banks.

High reliance on confidence-sensitive market funding, mitigated by its access to a resilient covered bond market and a sizeable deposit base

SB1 SOON's funding profile is dominated by deposits and covered bonds, similar to other Norwegian savings banks. As of September 2023, customer deposits accounted for around 50% of the bank's non-equity funding (on a Moody's-adjusted basis, including covered bonds issued by the jointly owned covered bond companies). The bank is also highly dependent on confidence-sensitive market funding to finance its operations.

Our market funding ratio (market funds to tangible banking assets including covered bond loans) for the bank is relatively high at 29.8% as of September 2023, compared with 15.5% for global peers with a baa1 BCA. Given SR-Bank's high market funding reliance, we expect the potential merger to maintain a similar funding profile mix in the next 12-18 months.

Deposits remained broadly stable in the 12 months that ended in September 2023, following the recently completed merger that led to a close to 20% increase in deposits in 2022. Retail market deposits constituted around 66% of total deposits as of September 2023, a strength for SB1 SOON, as we consider retail deposits a more stable source of funding than corporate deposits.

Most of the bank's 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). As of September 2023, the bank had transferred retail mortgages worth NOK31.4 billion and commercial real estate loans worth NOK1.5 billion to these vehicles, together constituting around 31% of its gross loan book including the transferred loans.

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 globally reflect the relative stability of covered bonds compared with unsecured market funding through a standard adjustment.

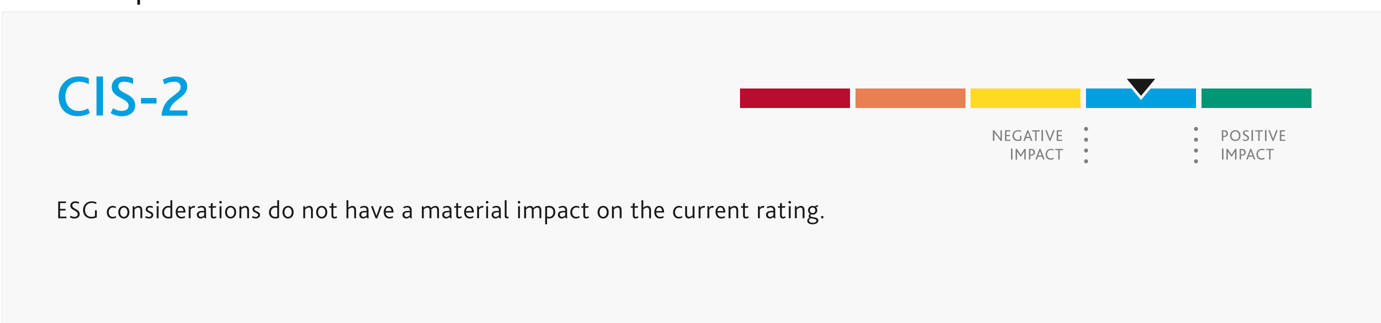
SB1 SOON's sizeable liquid reserves constituted 13.2% of the bank's tangible banking assets as of September 2023, mitigating risks associated with its high reliance on market funding. However, this ratio understates the core liquidity of the bank, because it does not take into account the liquid assets held by SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt. Accordingly, we incorporate a positive adjustment in the assigned Liquid Resources score for SB1 SOON to reflect the additional source of liquidity stemming from the covered bond companies.

The main components of the bank's liquidity reserves are highly rated covered bonds, and sovereign and municipality bonds. The bank's high liquidity coverage ratio (LCR) of 295% as of the end of June 2023 is above both the Norwegian banks' average of 215% as of the same date and the regulatory minimum requirement of 100%. We expect the bank to maintain relatively conservative liquidity to curb any refinancing risks, over the next 12-18 months, while its net stable funding ratio (NSFR) is also comfortably above 100%.

ESG considerations

SpareBank 1 Sorost-Norge's ESG credit impact score is CIS-2

Exhibit 6
ESG credit impact score



Source: Moody's Investors Service

SpareBank 1 Sorost-Norge's **CIS-2** indicates that ESG considerations do not have a material impact on ratings. This reflects the limited credit impact of environmental and social risk factors on the rating to date, and neutral-to-low governance risks.

Exhibit 7
ESG issuer profile scores

Source: Moody's Investors Service

Environmental

SpareBank 1 Sorost-Norge faces low environmental risks primarily because of its portfolio exposure to carbon transition. This is because of its loan composition which consists primarily of mortgages and property management and negligible exposure to corporate lending, which typically carries higher carbon transition risk.

Social

SpareBank 1 Sorost-Norge faces moderate social risks related to customer relations and associated regulatory and litigation risks, requiring high compliance standards. The exposure to customer relation risks is lower than its international peers, given the bank's untarnished customer conduct track record supported by the social mandate of the Savings Bank's model. SpareBank 1 Sorost-Norge is a digitally advanced bank in Norway, with a robust IT infrastructure and strong capabilities to mitigate cyber and personal data risks, supported by its participation in the SpareBank 1 Alliance.

Governance

SpareBank 1 Sorost-Norge's governance risks are low. Despite sectoral and geographical concentrations, due to its limited reach, the bank benefits from strong underwriting standards which mitigate some of these concerns. The bank has a track record of sound capital and liquidity management and earnings stability while losses have been low, even at times of market turbulence. Being a regional savings bank, 75% of the bank is owned by the local foundation, and the bank's Supervisory Board, comprises equity certificates holders, employees and representatives of the public authorities. Relates governance risks are however mitigated by Norway's developed institutional framework.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure analysis

Norway implemented the EU's Bank Recovery and Resolution Directive (BRRD) on 1 January 2019, and subsequently, BRRD2 was incorporated into Norwegian law on 1 June 2022, which has resulted in lower subordination requirements for non-preferred senior volumes. For our resolution analysis, we assumed residual tangible common equity of 3% and post-failure losses of 8% of tangible banking assets, a 25% run-off in “junior” wholesale deposits and 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. We apply a standard assumption for the large European banks that 26% of deposits are junior.

The long-term deposit and issuer ratings of A1 reflect our forward-looking Advanced LGF analysis of SB1 SOON's liability structure, which indicates that depositors and senior unsecured creditors are likely to face very low loss given failure, resulting in three notches of uplift to the ratings from the BCA. This reflects our expectation that SB1 SOON will close 2023 with a sufficiently large volume of instruments that are subordinated to depositors and senior creditors to comply with its MREL requirements including a management buffer.

Government support considerations

SB1 SOON benefits from a well-established market position in the counties of Buskerud and Vestfold. While the bank’s market share in this region is significant, it is small in a national context. Also, 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 SB1 SOON's deposit and senior debt ratings, resulting in no rating uplift. Moreover, our government support assumptions are driven by the recent implementation of the EU's BRRD in Norway (effective as of 1 January 2019).

Counterparty Risk (CR) Assessment

SB1 SOON's CR Assessment is A1(cr)/Prime-1(cr)

SB1 SOON's CR Assessment is A1(cr)/Prime-1(cr), three notches above the bank's Adjusted BCA of baa1, based on the substantial buffer against default provided to the senior obligations represented by the CR Assessment by subordinated instruments. The main difference with our Advanced LGF approach used to determine instrument ratings is that the CR Assessment captures the probability of default on certain senior obligations, rather than expected loss and, therefore, we focus purely on subordination and take no account of the volume of the instrument class.

Counterparty Risk Ratings (CRRs)

SB1 SOON’s CRRs are A1/Prime-1

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

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 Sorost-Norge

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		0.7%	aa1	↔	baa1	Geographical concentration	Sector concentration
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		20.7%	aa1	↔	aa2	Access to capital	
Profitability							
Net Income / Tangible Assets		0.9%	baa1	↔	baa1	Expected trend	
Combined Solvency Score			aa2		a2		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		29.6%	baa2	↔	baa3	Extent of market funding reliance	
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		11.7%	baa3	↔	baa2	Stock of liquid assets	
Combined Liquidity Score			baa2		baa3		
Financial Profile					a3		
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					a2 - baa1		
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	42,505	34.5%	48,204	39.1%
Deposits	55,869	45.3%	50,170	40.7%
Preferred deposits	41,343	33.5%	39,276	31.9%
Junior deposits	14,526	11.8%	10,894	8.8%
Senior unsecured bank debt	15,386	12.5%	15,386	12.5%
Junior senior unsecured bank debt	4,750	3.9%	4,750	3.9%
Dated subordinated bank debt	745	0.6%	745	0.6%
Preference shares (bank)	350	0.3%	350	0.3%
Equity	3,699	3.0%	3,699	3.0%
Total Tangible Banking Assets	123,304	100.0%	123,304	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	29.1%	29.1%	29.1%	29.1%	3	3	3	3	0	a1
Counterparty Risk Assessment	29.1%	29.1%	29.1%	29.1%	3	3	3	3	0	a1 (cr)
Deposits	29.1%	7.7%	29.1%	20.2%	2	3	2	3	0	a1
Senior unsecured bank debt	29.1%	7.7%	20.2%	7.7%	2	2	2	3	0	a1

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

[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 SOROST-NORGE	
Outlook	Positive
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

Source: Moody's Investors Service

Endnotes

1 The bank ratings shown are the local currency deposit rating and outlook, and the Baseline Credit Assessment.

REPORT NUMBER 1386808

CLIENT SERVICES

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

MOODY'S
INVESTORS SERVICE