

SpareBank 1 SR-Bank

Update

Ratings

Foreign Currency

Long-Term IDR	A-
Short-Term IDR	F2

Viability Rating	a-
Support Rating	3
Support Rating Floor	BB+

Sovereign Risk

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

Outlooks

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

Financial Data

SpareBank 1 SR-Bank

	30 Sep 13	31 Dec 12
Total assets (USDm)	25,572	24,430
Total assets (NOKm)	153,639	141,543
Total equity (NOKm)	13,511	12,637
Operating profit (NOKm)	1,673	1,761
Net income (NOKm)	1,293	1,361
Fitch comprehensive income (NOKm)	1,260	1,699
Operating ROAA (%)	1.5	1.3
Operating ROAE (%)	17.2	15.9
Fitch core capital/weighted risks*	13.4	12.6
Tier 1 ratio (%)	12.2	12.2

*excluding Basel II transitional floors

Key Rating Drivers

Intrinsic Strength Drives Ratings: SpareBank 1 SR-Bank's (SR) ratings reflect its strong asset quality, resilient earnings, sound capital ratios, and strong regional franchise in Western Norway. They also factor in its reliance on wholesale funding, and significant house price increases over the past 10 years in SR's operating market.

SpareBank 1 Alliance Member: SR is the largest founding member of the SpareBank 1 Alliance (Alliance). Via the jointly owned SpareBank 1 Gruppen AS, SR benefits from cost efficiencies and wider income diversification. The bank generates income through leasing, asset management and estate agency services in addition to its universal banking offering.

Higher Margins Drive Growth: SR's profitability improved in 9M13, driven by both net interest income and fees and commission. Non-interest income makes a meaningful contribution to the bank, and Fitch Ratings expects profitability levels to be maintained in 2014. Fitch expects the higher lending margins passed on to customers in 2013 to boost income in 2014 offsetting somewhat slower growth in the region, and for loan impairment charges to remain low.

Sound Asset Quality: SR reported an impaired loans/gross loans ratio of 1.2% at end-September 2013, and Fitch expects its stock of non-performing loans to remain low in 2014. The significant increases in property prices over the past ten years represent a risk for the bank, although Fitch expects more restrictive lending practices and higher margins to reduce the risk.

Wholesale Funding Reliance: SR relies more heavily on wholesale funding than other rated Alliance members. SR has retained good access to both domestic and international funding markets, both in its own name and through covered bonds issued out of its joint funding vehicle, SpareBank 1 Boligkreditt AS (A-/Stable). This funding structure makes SR sensitive to prolonged dislocations in wholesale funding markets, and Fitch expects SR to maintain a large liquidity buffer in high-quality securities to mitigate these risks.

Sound Capital: SR's capital ratios compares well to European peers, although the higher risk weights on its assets make it lag some of its larger Nordic peers.

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 members of the Alliance. However, Fitch understands that no legal obligation arises from membership of the Alliance to support member banks.

Rating Sensitivities

Increasing Buffers: The Stable Outlook on SR's ratings reflects Fitch's expectation that house prices are likely to stabilise or moderately fall in the near term, while capital ratios and funding structures are strengthening and growth plans are limited, providing a stronger buffer against unexpected shocks. An upgrade is currently unlikely given the already high ratings, geographical concentration and structural reliance on wholesale funding.

Weakening Capitalisation, Asset Prices: The ratings are sensitive to a significant house price correction, should SR be unable to absorb losses via earnings. The correction would probably lead to a drop in private consumption, affecting corporate lending quality, which Fitch expects to be the key loss driver. SR would also be adversely impacted by a significant fall in oil prices, affecting corporate loan quality and the regional economy.

Related Research

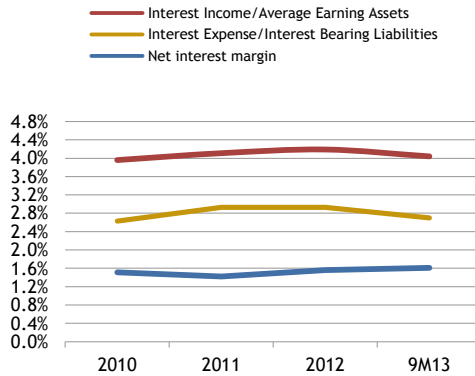
[The Major Sparebanken of the SpareBank 1 Alliance \(March 2013\)](#)

Analysts

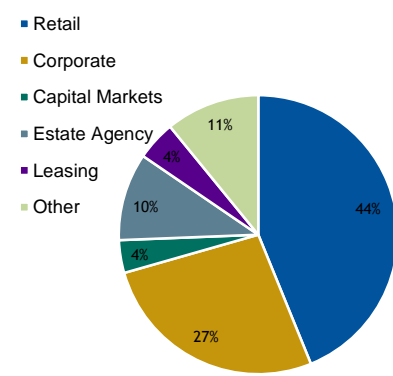
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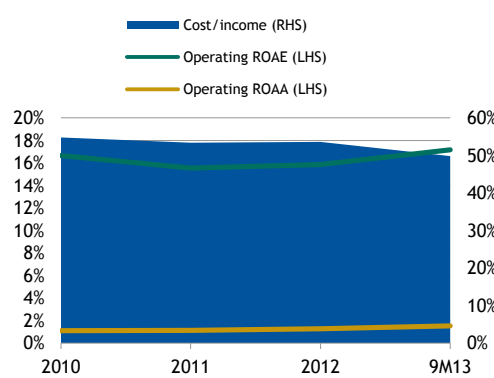
Margins



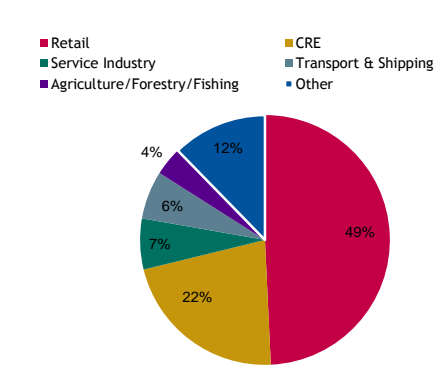
Operating Income Split; 9M13



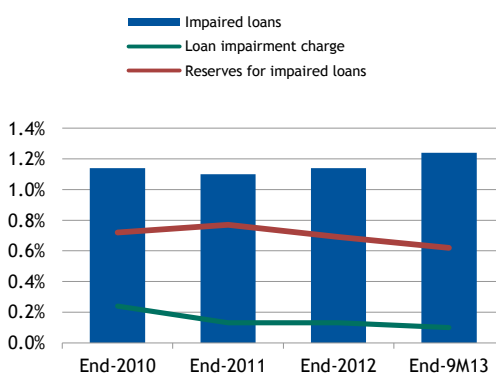
Key Profitability Metrics



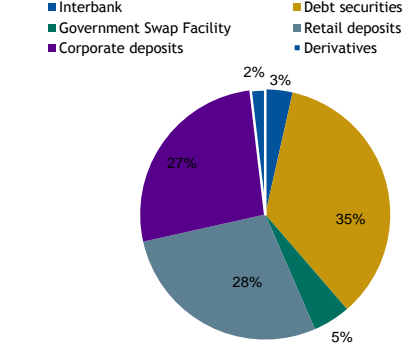
Loan Book; End-September 2013



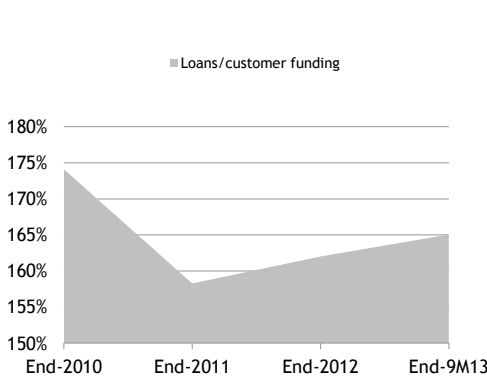
Loan Quality as a % of Gross Loans



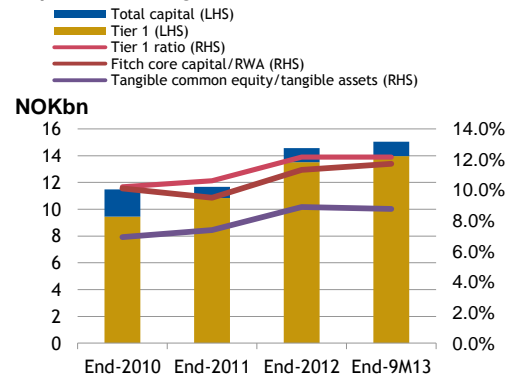
Non-equity Funding Mix End-September 2013



Funding Dependencies



Capital & Leverage



Source: Company data; Fitch

Related Criteria

Global Financial Institutions Rating Criteria (August 2012)
Evaluating Corporate Governance (December 2012)

**SpareBank 1 SR-Bank
Income Statement**

	30 Sep 2013			31 Dec 2012		31 Dec 2011		31 Dec 2010	
	9 Months - 3rd Quarter	3rd Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	NOKm	Earning Assets	NOKm	Earning Assets	NOKm	Earning Assets	NOKm	Earning Assets
	Unaudited	Unaudited		Unqualified		Unqualified		Unqualified	
1. Interest Income on Loans	n.a.	n.a.	-	4,942.0	3.56	4,681.0	3.60	4,396.0	3.32
2. Other Interest Income	769.3	4,622.0	4.10	698.0	0.50	693.0	0.53	581.0	0.44
3. Dividend Income	5.8	35.0	0.03	25.0	0.02	21.0	0.02	2.0	0.00
4. Gross Interest and Dividend Income	775.1	4,657.0	4.13	5,665.0	4.08	5,395.0	4.15	4,979.0	3.76
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	1,867.0	1.35	1,858.0	1.43	1,436.0	1.08
6. Other Interest Expense	438.2	2,633.0	2.34	1,691.0	1.22	1,673.0	1.29	1,642.0	1.24
7. Total Interest Expense	438.2	2,633.0	2.34	3,558.0	2.56	3,531.0	2.72	3,078.0	2.32
8. Net Interest Income	336.9	2,024.0	1.80	2,107.0	1.52	1,864.0	1.43	1,901.0	1.44
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	10.8	65.0	0.06	288.0	0.21	89.0	0.07	206.0	0.16
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	92.5	556.0	0.49	689.0	0.50	676.0	0.52	568.0	0.43
14. Other Operating Income	55.8	335.0	0.30	437.0	0.31	429.0	0.33	376.0	0.28
15. Total Non-Interest Operating Income	159.1	956.0	0.85	1,414.0	1.02	1,194.0	0.92	1,150.0	0.87
16. Personnel Expenses	145.3	873.0	0.77	1,082.0	0.78	828.0	0.64	976.0	0.74
17. Other Operating Expenses	101.9	612.0	0.54	806.0	0.58	805.0	0.62	696.0	0.53
18. Total Non-Interest Expenses	247.2	1,485.0	1.32	1,888.0	1.36	1,633.0	1.26	1,672.0	1.26
19. Equity-accounted Profit/ Loss - Operating	43.3	260.0	0.23	265.0	0.19	209.0	0.16	267.0	0.20
20. Pre-impairment Operating Profit	292.1	1,755.0	1.56	1,898.0	1.37	1,634.0	1.26	1,646.0	1.24
21. Loan Impairment Charge	13.6	82.0	0.07	137.0	0.10	139.0	0.11	234.0	0.18
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	278.5	1,673.0	1.48	1,761.0	1.27	1,495.0	1.15	1,412.0	1.07
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	202.0	0.15
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	278.5	1,673.0	1.48	1,761.0	1.27	1,495.0	1.15	1,614.0	1.22
30. Tax expense	63.2	380.0	0.34	400.0	0.29	414.0	0.32	297.0	0.22
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	215.2	1,293.0	1.15	1,361.0	0.98	1,081.0	0.83	1,317.0	0.99
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	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)	(5.5)	(33.0)	(0.03)	338.0	0.24	(268.0)	(0.21)	(65.0)	(0.05)
37. Fitch Comprehensive Income	209.7	1,260.0	1.12	1,699.0	1.22	813.0	0.63	1,253.0	0.95
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
39. Memo: Net Income after Allocation to Non-controlling Interests	215.2	1,293.0	1.15	1,361.0	0.98	1,081.0	0.83	1,317.0	0.99
40. Memo: Common Dividends Relating to the Period	0.0	0.0	0.00	384.0	0.28	299.0	0.23	336.0	0.25
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NOK6.00810

USD1 = NOK5.57000

USD1 = NOK5.99000

USD1 = NOK5.88780

SpareBank 1 SR-Bank
Balance Sheet

	30 Sep 2013			31 Dec 2012		31 Dec 2011		31 Dec 2010	
	9 Months - 3rd Quarter	3rd Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	NOKm	Assets	NOKm	Assets	NOKm	Assets	NOKm	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	9,508.5	57,128.0	37.18	52,569.0	37.14	47,593.0	36.29	56,498.0	41.92
4. Corporate & Commercial Loans	9,840.4	59,122.0	38.48	56,359.0	39.82	53,309.0	40.65	48,977.0	36.34
5. Other Loans	78.2	470.0	0.31	585.0	0.41	466.0	0.36	317.0	0.24
6. Less: Reserves for Impaired Loans/ NPLs	121.2	728.0	0.47	755.0	0.53	780.0	0.59	759.0	0.56
7. Net Loans	19,305.9	115,992.0	75.50	108,758.0	76.84	100,588.0	76.70	105,033.0	77.93
8. Gross Loans	19,427.1	116,720.0	75.97	109,513.0	77.37	101,368.0	77.30	105,792.0	78.49
9. Memo: Impaired Loans included above	241.7	1,452.0	0.95	1,247.0	0.88	1,111.0	0.85	1,205.0	0.89
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	288.3	1,732.0	1.13	1,087.0	0.77	723.0	0.55	1,273.0	0.94
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	2,568.7	15,433.0	10.04	11,324.0	8.00	11,837.0	9.03	8,546.0	6.34
4. Derivatives	813.4	4,887.0	3.18	4,578.0	3.23	3,716.0	2.83	3,241.0	2.40
5. Available for Sale Securities	n.a.	n.a.	-	3.0	0.00	4.0	0.00	4.0	0.00
6. Held to Maturity Securities	13.5	81.0	0.05	8,021.0	5.67	8,640.0	6.59	10,853.0	8.05
7. At-equity Investments in Associates	799.6	4,804.0	3.13	4,964.0	3.51	4,389.0	3.35	3,518.0	2.61
8. Other Securities	1,293.9	7,774.0	5.06	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	5,489.1	32,979.0	21.47	28,890.0	20.41	28,586.0	21.80	26,162.0	19.41
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
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	25,083.3	150,703.0	98.09	138,735.0	98.02	129,897.0	99.05	132,468.0	98.29
C. Non-Earning Assets									
1. Cash and Due From Banks	97.9	588.0	0.38	1,314.0	0.93	263.0	0.20	1,235.0	0.92
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	59.6	358.0	0.23	363.0	0.26	401.0	0.31	377.0	0.28
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	7.2	43.0	0.03	43.0	0.03	54.0	0.04	58.0	0.04
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.	-	0.0	0.00
9. Discontinued Operations	14.1	85.0	0.06	85.0	0.06	85.0	0.06	n.a.	-
10. Other Assets	309.9	1,862.0	1.21	1,003.0	0.71	442.0	0.34	640.0	0.47
11. Total Assets	25,572.0	153,639.0	100.00	141,543.0	100.00	131,142.0	100.00	134,778.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	11,769.8	70,714.0	46.03	58,675.0	41.45	53,118.0	40.50	55,281.0	41.02
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	n.a.	n.a.	-	8,919.0	6.30	10,924.0	8.33	5,489.0	4.07
4. Total Customer Deposits	11,769.8	70,714.0	46.03	67,594.0	47.76	64,042.0	48.83	60,770.0	45.09
5. Deposits from Banks	785.4	4,719.0	3.07	4,622.0	3.19	4,782.0	3.65	7,359.0	5.46
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	1,070.1	6,429.0	4.18	7,299.0	5.16	7,395.0	5.64	5,378.0	3.99
8. Total Deposits, Money Market and Short-term Funding	13,625.3	81,862.0	53.28	79,415.0	56.11	76,219.0	58.12	73,507.0	54.54
9. Senior Debt Maturing after 1 Year	8,342.7	50,124.0	32.62	40,772.0	28.81	36,338.0	27.71	43,868.0	32.55
10. Subordinated Borrowing	295.1	1,773.0	1.15	1,900.0	1.34	2,702.0	2.06	2,771.0	2.06
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	8,637.8	51,897.0	33.78	42,672.0	30.15	39,040.0	29.77	46,639.0	34.60
13. Derivatives	372.0	2,235.0	1.45	2,282.0	1.61	2,010.0	1.53	2,212.0	1.64
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	22,635.1	135,994.0	88.52	124,369.0	87.87	117,269.0	89.42	122,358.0	90.78
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	34.8	209.0	0.14	177.0	0.13	705.0	0.54	622.0	0.46
4. Current Tax Liabilities	55.6	334.0	0.22	209.0	0.15	130.0	0.10	326.0	0.24
5. Deferred Tax Liabilities	98.7	593.0	0.39	631.0	0.45	329.0	0.25	138.0	0.10
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	195.4	1,174.0	0.76	1,278.0	0.90	679.0	0.52	666.0	0.49
10. Total Liabilities	23,019.6	138,304.0	90.02	126,664.0	89.49	119,112.0	90.83	124,110.0	92.08
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	303.6	1,824.0	1.19	2,242.0	1.58	2,273.0	1.73	1,266.0	0.94
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	2,236.8	13,439.0	8.75	12,565.0	8.88	8,531.0	6.51	9,359.0	6.94
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	1,183.0	0.90	0.0	0.00
3. Securities Revaluation Reserves	12.0	72.0	0.05	72.0	0.05	43.0	0.03	43.0	0.03
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	2,248.8	13,511.0	8.79	12,637.0	8.93	9,757.0	7.44	9,402.0	6.98
7. Total Liabilities and Equity	25,572.0	153,639.0	100.00	141,543.0	100.00	131,142.0	100.00	134,778.0	100.00
8. Memo: Fitch Core Capital	2,241.6	13,468.0	8.77	12,594.0	8.90	9,703.0	7.40	9,344.0	6.93
9. Memo: Fitch Eligible Capital	2,241.6	13,468.0	8.77	12,594.0	8.90	9,703.0	7.40	9,344.0	6.93

Exchange rate USD1 = NOK6.00810 USD1 = NOK5.57000 USD1 = NOK5.99000 USD1 = NOK5.88780

SpareBank 1 SR-Bank Summary Analytics

	30 Sep 2013 9 Months - 3rd Quarter	31 Dec 2012 Year End	31 Dec 2011 Year End	31 Dec 2010 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	n.a.	4.74	4.47	4.46
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	2.75	2.93	2.48
3. Interest Income/ Average Earning Assets	4.30	4.19	4.11	3.96
4. Interest Expense/ Average Interest-bearing Liabilities	2.70	2.93	2.93	2.63
5. Net Interest Income/ Average Earning Assets	1.87	1.56	1.42	1.51
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.79	1.46	1.31	1.33
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.87	1.56	1.42	1.51
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	32.08	40.16	39.05	37.69
2. Non-Interest Expense/ Gross Revenues	49.83	53.62	53.40	54.80
3. Non-Interest Expense/ Average Assets	1.34	1.38	1.23	1.30
4. Pre-impairment Op. Profit/ Average Equity	18.00	17.09	17.01	19.41
5. Pre-impairment Op. Profit/ Average Total Assets	1.58	1.38	1.23	1.28
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	4.67	7.22	8.51	14.22
7. Operating Profit/ Average Equity	17.16	15.86	15.56	16.65
8. Operating Profit/ Average Total Assets	1.51	1.28	1.12	1.10
9. Taxes/ Pre-tax Profit	22.71	22.71	27.69	18.40
10. Pre-impairment Operating Profit / Risk Weighted Assets	2.04	1.71	1.60	1.78
11. Operating Profit / Risk Weighted Assets	1.94	1.58	1.46	1.53
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	13.26	12.26	11.25	15.53
2. Net Income/ Average Total Assets	1.17	0.99	0.81	1.02
3. Fitch Comprehensive Income/ Average Total Equity	12.92	15.30	8.46	14.78
4. Fitch Comprehensive Income/ Average Total Assets	1.14	1.24	0.61	0.97
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	1.50	1.22	1.06	1.42
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.46	1.53	0.80	1.35
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	11.71	11.32	9.50	10.10
2. Fitch Eligible Capital/ Weighted Risks	11.71	11.32	9.50	10.10
3. Tangible Common Equity/ Tangible Assets	8.77	8.90	7.40	6.94
4. Tier 1 Regulatory Capital Ratio	12.15	12.15	10.62	10.21
5. Total Regulatory Capital Ratio	13.07	13.10	11.44	12.41
6. Core Tier 1 Regulatory Capital Ratio	10.45	10.01	8.27	n.a.
7. Equity/ Total Assets	8.79	8.93	7.44	6.98
8. Cash Dividends Paid & Declared/ Net Income	n.a.	28.21	27.66	25.51
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	22.60	36.78	26.82
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	12.80	7.73	8.01	10.43
E. Loan Quality				
1. Growth of Total Assets	8.55	7.93	(2.70)	7.90
2. Growth of Gross Loans	6.58	8.04	(4.18)	13.18
3. Impaired Loans(NPLs)/ Gross Loans	1.24	1.14	1.10	1.14
4. Reserves for Impaired Loans/ Gross loans	0.62	0.69	0.77	0.72
5. Reserves for Impaired Loans/ Impaired Loans	50.14	60.55	70.21	62.99
6. Impaired Loans less Reserves for Imp Loans/ Equity	5.36	3.89	3.39	4.74
7. Loan Impairment Charges/ Average Gross Loans	0.10	0.13	0.13	0.24
8. Net Charge-offs/ Average Gross Loans	0.11	0.07	0.10	0.16
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	1.24	1.14	1.10	1.14
F. Funding				
1. Loans/ Customer Deposits	165.06	162.02	158.28	174.09
2. Interbank Assets/ Interbank Liabilities	36.70	24.04	15.12	17.30
3. Customer Deposits/ Total Funding excl Derivatives	52.87	55.37	55.56	50.58

SpareBank 1 SR-Bank
Reference Data

	30 Sep 2013		As % of Assets	31 Dec 2012		31 Dec 2011		31 Dec 2010	
	9 Months - 3rd Quarter	3rd Quarter		Year End	As % of Assets	Year End	As % of Assets	Year End	As % of Assets
	USDm	NOKm		NOKm		NOKm		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.	-	13,248.0	9.36	9,768.0	7.45	8,512.0	6.32
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	9.0	0.01	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	12,531.0	8.85	12,256.0	9.35	12,955.0	9.61
6. Other Contingent Liabilities	n.a.	n.a.	-	4,427.0	3.13	3,927.0	2.99	n.a.	-
7. Total Business Volume	25,572.0	153,639.0	100.00	171,749.0	121.34	157,102.0	119.80	156,245.0	115.93
8. Memo: Total Weighted Risks	19,147.1	115,037.5	74.88	111,212.5	78.57	102,128.0	77.88	92,478.0	68.62
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	19,147.1	115,037.5	74.88	111,212.5	78.57	102,128.0	77.88	92,478.0	68.62
B. Average Balance Sheet									
Average Loans	18,881.2	113,440.3	73.84	104,258.6	73.66	104,755.0	79.88	98,569.4	73.13
Average Earning Assets	24,121.8	144,926.0	94.33	135,102.6	95.45	131,371.8	100.18	125,724.2	93.28
Average Assets	24,650.7	148,104.0	96.40	137,129.2	96.88	133,231.0	101.59	128,874.4	95.62
Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	21,727.9	130,543.3	84.97	121,532.6	85.86	120,385.6	91.80	116,987.8	86.80
Average Common equity	2,157.8	12,964.3	8.44	10,820.2	7.64	9,337.8	7.12	8,368.0	6.21
Average Equity	2,169.8	13,036.3	8.49	11,105.6	7.85	9,608.8	7.33	8,478.2	6.29
Average Customer Deposits	11,659.0	70,048.5	45.59	67,844.8	47.93	63,355.8	48.31	57,820.2	42.90
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	33,843.0	23.91	33,295.0	25.39	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	3,419.0	2.42	3,012.0	2.30	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	18,200.0	12.86	15,161.0	11.66	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	53,296.0	37.65	49,120.0	37.46	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	306.0	0.22	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	2,664.0	1.88	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	15,554.0	10.99	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	153.0	0.11	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	1,087.0	0.77	723.0	0.55	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	67,131.0	47.43	61,785.0	47.11	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	1,336.0	0.94	2,355.0	1.80	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	7,099.0	5.02	7,768.0	5.92	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	3,661.0	2.59	3,938.0	3.00	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	361.0	0.26	269.0	0.21	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	500.0	0.35	622.0	0.47	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	2,516.0	1.78	4,177.0	3.19	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	4,678.0	3.31	2,178.0	1.66	n.a.	-
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	28,567.0	20.18	29,871.0	22.78	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	9,411.0	6.65	2,684.0	2.05	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	45,172.0	31.91	38,910.0	29.67	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	24.0	0.02	1,351.0	1.03	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	5,300.0	3.74	5,127.0	3.91	n.a.	-
Total Subordinated Debt on Balance Sheet	295.1	1,773.0	1.15	1,900.0	1.34	2,702.0	2.06	2,771.0	2.06
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	2,248.8	13,511.0	8.79	12,637.0	8.93	9,757.0	7.44	9,402.0	6.98
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	2,248.8	13,511.0	8.79	12,637.0	8.93	9,757.0	7.44	9,402.0	6.98
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	2,248.8	13,511.0	8.79	12,637.0	8.93	9,757.0	7.44	9,402.0	6.98
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	7.2	43.0	0.03	43.0	0.03	54.0	0.04	58.0	0.04
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	2,241.6	13,468.0	8.77	12,594.0	8.90	9,703.0	7.40	9,344.0	6.93
10. Eligible weighted Hybrid capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	2,241.6	13,468.0	8.77	12,594.0	8.90	9,703.0	7.40	9,344.0	6.93

Exchange Rate

USD1 = NOK6.00810

USD1 = NOK5.57000

USD1 = NOK5.99000

USD1 = NOK5.88780

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