

Norway
Credit Update

SpareBank 1 SR-Bank

Ratings

| | |
|--------------------------------|-----|
| Long-Term IDR | A |
| Short-Term IDR | F1 |
| Individual Rating | B/C |
| Support Rating | 3 |
| Support Rating Floor | BB+ |
| Sovereign Risk | |
| Foreign-Currency Long-Term IDR | AAA |
| Local-Currency Long-Term IDR | AAA |

Outlooks

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

Financial Data

| | 31 Dec 2009 | 31 Dec 2008 |
|-------------------------------------|-------------|-------------|
| SpareBank 1 SR-Bank | | |
| Total assets (USDm) | 21,610.6 | 17,982.4 |
| Total assets (NOKm) | 124,909.0 | 125,877.0 |
| Total equity (NOKm) | 8,073.0 | 5,966.0 |
| Operating profit (NOKm) | 1,365.7 | 209.0 |
| Published net income (NOKm) | 1,111.0 | 460.0 |
| Comprehensive income (NOKm) | 1,169.0 | 390.0 |
| Operating ROAA (%) | 1.10 | 0.19 |
| Operating ROAE (%) | 20.93 | 3.55 |
| Eligible capital/weighted risks (%) | 11.59 | 8.69 |
| Tier 1 ratio (%) | 9.61 | 6.44 |

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Related Research

- Applicable Criteria**
- Global Financial Institutions Ratings Criteria (December 2009)
- Other Research**
- The Major Sparebanken of the SpareBank 1 Alliance (June 2009)
 - SpareBank 1 Boligkreditt AS (March 2010)

Rating Rationale

- The ratings of SpareBank 1 SR-Bank (SR) reflect its strong local franchise, respectable core earnings generation and improved capitalisation. They also consider some dependence on wholesale funding and SR's significant proportion of corporate loans, which creates some single-name concentration.
- SR is a founding member of the SpareBank 1 Alliance cooperation scheme, through which SR benefits from cost efficiencies and access to the joint funding vehicle SpareBank 1 Boligkreditt AS (Boligkreditt). In Fitch Ratings' view, SR's involvement in the joint company, SpareBank 1 Gruppen (SG), of which it owns 19.9%, provides the bank with a wider income diversification but also exposes it to additional earnings volatility as seen in 2008.
- SR benefits from a good operating environment in Norway. Fitch expects some loan growth which, combined with an increase in the Norwegian policy rate, could benefit SR's revenue generation, as most of the loan book is variable rate. SR's cost base increased moderately in 2009 partly as a result of its expansion into neighbouring Hordaland and Agder although cost efficiency remains good.
- Management took early action in summer 2008 to identify problem loans quickly resulting in a relatively stable impaired loans ratio. However, in Fitch's opinion, SR has some larger sector and single-name concentrations than its immediate peers, which could negatively impact performance if the asset quality of these exposures deteriorates. Impaired loans have good allowance coverage.
- SR's customer deposits/gross loan ratio of 58% at end-2009 reflects SR's dependence on non-customer funding. By end-2009, SR transferred 20% of loans to Boligkreditt in an arrangement enabling it to benefit from Norges Bank's swap agreement to boost liquidity.
- In 2009, SR's capitalisation improved following the issuance of NOK1,228m equity certificates and NOK800m Tier 1 hybrids. Stronger capital ratios also reflect the decrease in asset growth and good internal capital generation.

Support

- SR has no owners or shareholders, despite its publicly traded equity capital certificates. There is no formal support agreement among the alliance members, although the other banks would probably be willing to provide some form of mutual support. Fitch foresees a moderate probability that SR would receive government support if required due to its strong regional franchise.

What Could Trigger a Downgrade?

- SR's Long-Term IDR reflects the bank's good performance through the financial crisis. The Negative Outlook signals that Fitch has some concerns about the high proportion of wholesale funding. Given that capital markets funding is expected to become a scarcer resource, Fitch would consider downgrading the IDRs if the funding profile does not improve.

Profile

At end-2009, SR was the second-largest Norwegian savings bank by equity.

**SpareBank 1 SR-Bank
Income Statement**

| | 31 Dec 2009 | | | 31 Dec 2008 | | 31 Dec 2007 | | 31 Dec 2006 | |
|--|---------------------|---------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | Year End | Year End | As % of | Year End | As % of | Year End | As % of | Year End | As % of |
| | USDm Preliminary | NOKm Preliminary | Earning Assets | NOKm Original | Earning Assets | NOKm Restated | Earning Assets | NOKm Original | Earning Assets |
| 1. Interest Income on Loans | n.a. | n.a. | - | 6,732.0 | 5.77 | 4,895.0 | 4.92 | 2,879.0 | 3.46 |
| 2. Other Interest Income | 892.9 | 5,161.0 | 4.21 | 715.0 | 0.61 | 205.0 | 0.21 | 116.0 | 0.14 |
| 3. Dividend Income | 4.0 | 23.0 | 0.02 | 15.0 | 0.01 | 12.0 | 0.01 | 12.0 | 0.01 |
| 4. Gross Interest and Dividend Income | 896.9 | 5,184.0 | 4.22 | 7,462.0 | 6.39 | 5,112.0 | 5.14 | 3,007.0 | 3.61 |
| 5. Interest Expense on Customer Deposits | n.a. | n.a. | - | 2,883.0 | 2.47 | 2,061.0 | 2.07 | 983.0 | 1.18 |
| 6. Preferred Dividends Paid & Declared | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 7. Other Interest Expense | 567.1 | 3,278.0 | 2.67 | 2,870.0 | 2.46 | 1,699.0 | 1.71 | 884.0 | 1.06 |
| 8. Total Interest Expense | 567.1 | 3,278.0 | 2.67 | 5,753.0 | 4.93 | 3,760.0 | 3.78 | 1,867.0 | 2.24 |
| 9. Net Interest Income | 329.8 | 1,906.0 | 1.55 | 1,709.0 | 1.46 | 1,352.0 | 1.36 | 1,140.0 | 1.37 |
| 10. Net Gains (Losses) on Trading and Derivatives | n.a. | n.a. | - | n.a. | - | n.a. | - | 240.0 | 0.29 |
| 11. Net Gains (Losses) on Other Securities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 12. Net Gains (Losses) on Assets at FV through Income Statement | 66.4 | 384.0 | 0.31 | -234.0 | -0.20 | 142.0 | 0.14 | n.a. | - |
| 13. Net Insurance Income | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 14. Net Fees and Commissions | 80.6 | 466.0 | 0.38 | 504.0 | 0.43 | 594.0 | 0.60 | 436.0 | 0.52 |
| 15. Other Operating Income | 56.2 | 325.0 | 0.26 | 242.0 | 0.21 | 301.0 | 0.30 | 242.0 | 0.29 |
| 16. Total Non-Interest Operating Income | 203.3 | 1,175.0 | 0.96 | 512.0 | 0.44 | 1,037.0 | 1.04 | 918.0 | 1.10 |
| 17. Personnel Expenses | 152.4 | 881.0 | 0.72 | 776.0 | 0.66 | 751.0 | 0.75 | 634.0 | 0.76 |
| 18. Other Operating Expenses | 120.8 | 698.0 | 0.57 | 677.0 | 0.58 | 606.0 | 0.61 | 544.0 | 0.65 |
| 19. Total Non-Interest Expenses | 273.2 | 1,579.0 | 1.29 | 1,453.0 | 1.24 | 1,357.0 | 1.36 | 1,178.0 | 1.42 |
| 20. Equity-accounted Profit/ Loss - Operating | 40.1 | 231.7 | 0.19 | -173.0 | -0.15 | 234.0 | 0.24 | 189.0 | 0.23 |
| 21. Pre-Impairment Operating Profit | 299.9 | 1,733.7 | 1.41 | 595.0 | 0.51 | 1,266.0 | 1.27 | 1,069.0 | 1.28 |
| 22. Loan Impairment Charge | 63.7 | 368.0 | 0.30 | 386.0 | 0.33 | 10.0 | 0.01 | -92.0 | -0.11 |
| 23. Securities and Other Credit Impairment Charges | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 24. Operating Profit | 236.3 | 1,365.7 | 1.11 | 209.0 | 0.18 | 1,256.0 | 1.26 | 1,161.0 | 1.40 |
| 25. Equity-accounted Profit/ Loss - Non-operating | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 26. Non-recurring Income | 11.5 | 66.3 | 0.05 | 414.0 | 0.35 | n.a. | - | n.a. | - |
| 27. Non-recurring Expense | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 28. Change in Fair Value of Own Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 29. Other Non-operating Income and Expenses | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 30. Pre-tax Profit | 247.8 | 1,432.0 | 1.17 | 623.0 | 0.53 | 1,256.0 | 1.26 | 1,161.0 | 1.40 |
| 31. Tax expense | 55.5 | 321.0 | 0.26 | 163.0 | 0.14 | 249.0 | 0.25 | 237.0 | 0.28 |
| 32. Profit/Loss from Discontinued Operations | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 33. Net Income | 192.2 | 1,111.0 | 0.91 | 460.0 | 0.39 | 1,007.0 | 1.01 | 924.0 | 1.11 |
| 34. Change in Value of AFS Investments | 10.0 | 58.0 | 0.05 | -70.0 | -0.06 | 29.0 | 0.03 | 110.0 | 0.13 |
| 35. Revaluation of Fixed Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 36. Currency Translation Differences | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 37. Remaining OCI Gains/(losses) | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 38. Fitch Comprehensive Income | 202.2 | 1,169.0 | 0.95 | 390.0 | 0.33 | 1,036.0 | 1.04 | 1,034.0 | 1.24 |
| 39. Memo: Profit Allocation to Non-controlling Interests | 0.3 | 2.0 | 0.00 | 11.0 | 0.01 | 13.0 | 0.01 | 10.0 | 0.01 |
| 40. Memo: Net Income after Allocation to Non-controlling Interests | 191.9 | 1,109.0 | 0.90 | 449.0 | 0.38 | 994.0 | 1.00 | 914.0 | 1.10 |
| 41. Memo: Dividends Relating to the Period | 36.7 | 212.0 | 0.17 | 85.0 | 0.07 | 350.0 | 0.35 | 281.0 | 0.34 |

Exchange rate

USD1 = NOK5.78000

USD1 = NOK7.00000

USD1 = NOK5.41875

USD1 = NOK6.26000

**SpareBank 1 SR-Bank
Balance Sheet**

| | 31 Dec 2009 | | | 31 Dec 2008 | | 31 Dec 2007 | | 31 Dec 2006 | |
|---|-----------------|------------------|---------------|------------------|---------------|------------------|---------------|-----------------|---------------|
| | Year End | Year End | As % of | Year End | As % of | Year End | As % of | Year End | As % of |
| | USDm | NOKm | Assets | NOKm | Assets | NOKm | Assets | NOKm | Assets |
| | Preliminary | Preliminary | Preliminary | Original | Original | Restated | Restated | Original | Original |
| 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 | 7,932.0 | 45,847.0 | 36.70 | 51,529.0 | 40.94 | 51,095.0 | 49.48 | 48,461.0 | 56.99 |
| 4. Corporate & Commercial Loans | 8,191.9 | 47,349.0 | 37.91 | 48,101.0 | 38.21 | 36,447.0 | 35.29 | 27,554.0 | 32.40 |
| 5. Other Loans | 47.9 | 277.0 | 0.22 | 0.0 | 0.00 | 548.0 | 0.53 | 1,282.0 | 1.51 |
| 6. Less: Reserves for Impaired Loans/ NPLs | 112.3 | 649.0 | 0.52 | 574.0 | 0.46 | 229.0 | 0.22 | 238.0 | 0.28 |
| 7. Net Loans | 16,059.5 | 92,824.0 | 74.31 | 99,056.0 | 78.69 | 87,861.0 | 85.08 | 77,059.0 | 90.62 |
| 8. Gross Loans | 16,171.8 | 93,473.0 | 74.83 | 99,630.0 | 79.15 | 88,090.0 | 85.30 | 77,297.0 | 90.90 |
| 9. Memo: Impaired Loans included above | 198.6 | 1,148.0 | 0.92 | 1,564.0 | 1.24 | 739.0 | 0.72 | 321.0 | 0.38 |
| 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 | 225.1 | 1,301.0 | 1.04 | 1,416.0 | 1.12 | 3,357.0 | 3.25 | 170.0 | 0.20 |
| 2. Trading Securities and at FV through Income | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Derivatives | 421.8 | 2,438.0 | 1.95 | 4,842.0 | 3.85 | 897.0 | 0.87 | 478.0 | 0.56 |
| 4. Available for Sale Securities | 3,982.9 | 23,021.0 | 18.43 | 4,431.0 | 3.52 | 6,033.0 | 5.84 | 4,140.0 | 4.87 |
| 5. Held to Maturity Securities | n.a. | n.a. | - | 5,048.0 | 4.01 | n.a. | - | n.a. | - |
| 6. At-equity Investments in Associates | 541.0 | 3,127.0 | 2.50 | 1,953.0 | 1.55 | 1,345.0 | 1.30 | 793.0 | 0.93 |
| 7. Other Securities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 8. Total Securities | 4,945.7 | 28,586.0 | 22.89 | 16,274.0 | 12.93 | 8,275.0 | 8.01 | 5,411.0 | 6.36 |
| 9. Memo: Government Securities included Above | n.a. | n.a. | - | 38.0 | 0.03 | 16.0 | 0.02 | 51.0 | 0.06 |
| 10. Investments in Property | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 11. Insurance Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 12. Other Earning Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | 579.0 | 0.68 |
| 13. Total Earning Assets | 21,230.3 | 122,711.0 | 98.24 | 116,746.0 | 92.75 | 99,493.0 | 96.35 | 83,219.0 | 97.86 |
| C. Non-Earning Assets | | | | | | | | | |
| 1. Cash and Due From Banks | 135.1 | 781.0 | 0.63 | 6,998.0 | 5.56 | 2,622.0 | 2.54 | 834.0 | 0.98 |
| 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 | 165.7 | 958.0 | 0.77 | 337.0 | 0.27 | 294.0 | 0.28 | 299.0 | 0.35 |
| 5. Goodwill | n.a. | n.a. | - | 20.0 | 0.02 | 23.0 | 0.02 | 4.0 | 0.00 |
| 6. Other Intangibles | 6.9 | 40.0 | 0.03 | n.a. | - | n.a. | - | n.a. | - |
| 7. Current Tax Assets | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 8. Deferred Tax Assets | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 24.0 | 0.03 |
| 9. Discontinued Operations | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 10. Other Assets | 72.5 | 419.0 | 0.34 | 1,776.0 | 1.41 | 835.0 | 0.81 | 655.0 | 0.77 |
| 11. Total Assets | 21,610.6 | 124,909.0 | 100.00 | 125,877.0 | 100.00 | 103,267.0 | 100.00 | 85,035.0 | 100.00 |
| Liabilities and Equity | | | | | | | | | |
| D. Interest-Bearing Liabilities | | | | | | | | | |
| 1. Customer Deposits - Current | 9,400.7 | 54,336.0 | 43.50 | 40,327.0 | 32.04 | 40,084.0 | 38.82 | 32,489.0 | 38.21 |
| 2. Customer Deposits - Savings | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 3. Customer Deposits - Term | n.a. | n.a. | - | 13,980.0 | 11.11 | 10,130.0 | 9.81 | 10,058.0 | 11.83 |
| 4. Total Customer Deposits | 9,400.7 | 54,336.0 | 43.50 | 54,307.0 | 43.14 | 50,214.0 | 48.63 | 42,547.0 | 50.03 |
| 5. Deposits from Banks | 1,531.5 | 8,852.0 | 7.09 | 11,119.0 | 8.83 | 5,812.0 | 5.63 | 6,028.0 | 7.09 |
| 6. Other Deposits and Short-term Borrowings | n.a. | n.a. | - | 3,259.0 | 2.59 | 5,515.0 | 5.34 | 801.0 | 0.94 |
| 7. Total Deposits, Money Market and Short-term Funding | 10,932.2 | 63,188.0 | 50.59 | 68,685.0 | 54.57 | 61,541.0 | 59.59 | 49,376.0 | 58.07 |
| 8. Senior Debt Maturing after 1 Year | 7,885.6 | 45,579.0 | 36.49 | 41,272.0 | 32.79 | 30,158.0 | 29.20 | 25,256.0 | 29.70 |
| 9. Subordinated Borrowing | 440.5 | 2,546.0 | 2.04 | 3,370.0 | 2.68 | 2,289.0 | 2.22 | 2,522.0 | 2.97 |
| 10. Other Funding | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 11. Total Long Term Funding | 8,326.1 | 48,125.0 | 38.53 | 44,642.0 | 35.46 | 32,447.0 | 31.42 | 27,778.0 | 32.67 |
| 12. Derivatives | 272.7 | 1,576.0 | 1.26 | 2,029.0 | 1.61 | 713.0 | 0.69 | 435.0 | 0.51 |
| 13. Trading Liabilities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 14. Total Funding | 19,531.0 | 112,889.0 | 90.38 | 115,356.0 | 91.64 | 94,701.0 | 91.70 | 77,589.0 | 91.24 |
| E. Non-Interest Bearing Liabilities | | | | | | | | | |
| 1. Fair Value Portion of Debt | 152.8 | 883.0 | 0.71 | 1,301.0 | 1.03 | 50.0 | 0.05 | n.a. | - |
| 2. Credit impairment reserves | n.a. | n.a. | - | 4.0 | 0.00 | 7.0 | 0.01 | n.a. | - |
| 3. Reserves for Pensions and Other | 108.7 | 628.0 | 0.50 | 457.0 | 0.36 | 281.0 | 0.27 | n.a. | - |
| 4. Current Tax Liabilities | n.a. | n.a. | - | 22.0 | 0.02 | 211.0 | 0.20 | n.a. | - |
| 5. Deferred Tax Liabilities | 28.0 | 162.0 | 0.13 | 94.0 | 0.07 | 21.0 | 0.02 | 217.0 | 0.26 |
| 6. Other Deferred Liabilities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 7. Discontinued Operations | n.a. | n.a. | - | 55.0 | 0.04 | 0.0 | 0.00 | 524.0 | 0.62 |
| 8. Insurance Liabilities | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 9. Other Liabilities | 182.7 | 1,056.0 | 0.85 | 1,997.0 | 1.59 | 1,707.0 | 1.65 | 1,935.0 | 2.28 |
| 10. Total Liabilities | 20,003.1 | 115,618.0 | 92.56 | 119,286.0 | 94.76 | 96,978.0 | 93.91 | 80,265.0 | 94.39 |
| F. Hybrid Capital | | | | | | | | | |
| 1. Pref. Shares and Hybrid Capital accounted for as Debt | 210.7 | 1,218.0 | 0.98 | 625.0 | 0.50 | 448.0 | 0.43 | 470.0 | 0.55 |
| 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 | 1,374.7 | 7,946.0 | 6.36 | 5,688.0 | 4.52 | 5,225.0 | 5.06 | 4,178.0 | 4.91 |
| 2. Non-controlling Interest | 0.0 | 0.0 | 0.00 | 12.0 | 0.01 | 16.0 | 0.02 | 12.0 | 0.01 |
| 3. Securities Revaluation Reserves | 22.0 | 127.0 | 0.10 | 69.0 | 0.05 | 139.0 | 0.13 | 110.0 | 0.13 |
| 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. | - | 197.0 | 0.16 | 461.0 | 0.45 | 0.0 | 0.00 |
| 6. Total Equity | 1,396.7 | 8,073.0 | 6.46 | 5,966.0 | 4.74 | 5,841.0 | 5.66 | 4,300.0 | 5.06 |
| 7. Total Liabilities and Equity | 21,610.6 | 124,909.0 | 100.00 | 125,877.0 | 100.00 | 103,267.0 | 100.00 | 85,035.0 | 100.00 |
| 8. Memo: Fitch Core Capital | 1,486.1 | 8,589.6 | 6.88 | 7,020.7 | 5.58 | 5,868.0 | 5.68 | 4,296.0 | 5.05 |
| 9. Memo: Fitch Eligible Capital | 1,696.8 | 9,807.6 | 7.85 | 7,645.7 | 6.07 | 6,316.0 | 6.12 | 4,766.0 | 5.60 |

Exchange rate USD1 = NOK5.78000 USD1 = NOK7.00000 USD1 = NOK5.41875 USD1 = NOK6.26000

SpareBank 1 SR-Bank Summary Analytics

| | 31 Dec 2009 | 31 Dec 2008 | 31 Dec 2007 | 31 Dec 2006 |
|---|-------------|-------------|-------------|-------------|
| | Year End | Year End | Year End | Year End |
| | % | % | % | % |
| | Preliminary | Original | Restated | Original |
| A. Interest Ratios | | | | |
| 1. Interest Income on Loans/ Average Gross Loans | n.a. | 7.24 | 5.91 | 4.25 |
| 2. Interest Expense on Customer Deposits/ Average Customer Deposits | n.a. | 5.41 | 4.36 | 2.42 |
| 3. Interest Income/ Average Earning Assets | 4.30 | 6.99 | 5.53 | 4.12 |
| 4. Interest Expense/ Average Interest-bearing Liabilities | 2.83 | 5.67 | 4.30 | 2.73 |
| 5. Net Interest Income/ Average Earning Assets | 1.58 | 1.60 | 1.46 | 1.56 |
| 6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets | 1.28 | 1.24 | 1.45 | 1.69 |
| B. Other Operating Profitability Ratios | | | | |
| 1. Non-Interest Income/ Gross Revenues | 38.14 | 23.05 | 43.41 | 44.61 |
| 2. Non-Interest Expense/ Gross Revenues | 51.25 | 65.42 | 56.80 | 57.24 |
| 3. Non-Interest Expense/ Average Assets | 1.27 | 1.32 | 1.43 | 1.58 |
| 4. Pre-impairment Op. Profit/ Average Equity | 26.57 | 10.12 | 24.41 | 27.00 |
| 5. Pre-impairment Op. Profit/ Average Total Assets | 1.39 | 0.54 | 1.33 | 1.44 |
| 6. Loans and securities impairment charges/ Pre-impairment Op. Profit | 21.23 | 64.87 | 0.79 | -8.61 |
| 7. Operating Profit/ Average Equity | 20.93 | 3.55 | 24.22 | 29.33 |
| 8. Operating Profit/ Average Total Assets | 1.10 | 0.19 | 1.32 | 1.56 |
| 9. Taxes/ Pre-tax Profit | 22.42 | 26.16 | 19.82 | 20.41 |
| C. Other Profitability Ratios | | | | |
| 1. Net Income/ Average Total Equity | 17.03 | 7.82 | 19.42 | 23.34 |
| 2. Net Income/ Average Total Assets | 0.89 | 0.42 | 1.06 | 1.24 |
| 3. Fitch Comprehensive Income/ Average Total Equity | 17.92 | 6.63 | 19.98 | 26.12 |
| 4. Fitch Comprehensive Income/ Average Total Assets | 0.94 | 0.35 | 1.09 | 1.39 |
| 5. Net Income/ Av. Total Assets plus Av. Managed Assets | n.a. | n.a. | n.a. | n.a. |
| D. Capitalization | | | | |
| 1. Fitch Eligible Capital/ Regulatory Weighted Risks | 11.59 | 8.69 | 9.18 | 8.09 |
| 2. Tangible Common Equity/ Tangible Assets | 6.43 | 4.72 | 5.64 | 5.05 |
| 3. Tangible Common Equity/ Total Business Volume | 6.43 | 4.06 | 4.47 | 5.05 |
| 4. Tier 1 Regulatory Capital Ratio | 9.61 | 6.44 | 7.35 | 7.39 |
| 5. Total Regulatory Capital Ratio | 11.86 | 9.80 | 9.77 | 10.56 |
| 6. Fitch Eligible Capital/ Tier 1 Regulatory Capital | 120.63 | 134.92 | 122.24 | 109.46 |
| 7. Equity/ Total Assets | 6.46 | 4.74 | 5.66 | 5.06 |
| 8. Cash Dividends Paid & Declared/ Net Income | 19.08 | 18.48 | 34.76 | 30.41 |
| 9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income | 18.14 | 21.79 | 33.78 | 27.18 |
| 10. Net Income - Cash Dividends/ Total Equity | 11.14 | 6.29 | 11.25 | 14.95 |
| E. Loan Quality | | | | |
| 1. Growth of Total Assets | -0.77 | 21.89 | 21.44 | 26.47 |
| 2. Growth of Gross Loans | -6.18 | 13.10 | 13.96 | 25.05 |
| 3. Impaired Loans(NPLs)/ Gross Loans | 1.23 | 1.57 | 0.84 | 0.42 |
| 4. Reserves for Impaired Loans/ Gross loans | 0.69 | 0.58 | 0.26 | 0.31 |
| 5. Reserves for Impaired Loans/ Impaired Loans | 56.53 | 36.70 | 30.99 | 74.14 |
| 6. Impaired Loans less Reserves for Imp Loans/ Equity | 6.18 | 16.59 | 8.73 | 1.93 |
| 7. Loan Impairment Charges/ Average Gross Loans | 0.38 | 0.42 | 0.01 | -0.14 |
| 8. Net Charge-offs/ Average Gross Loans | 0.28 | 0.04 | 0.02 | n.a. |
| 9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Asset | n.a. | n.a. | n.a. | n.a. |
| F. Funding | | | | |
| 1. Loans/ Customer Deposits | 172.03 | 183.46 | 175.43 | 181.67 |
| 2. Interbank Assets/ Interbank Liabilities | 14.70 | 12.73 | 57.76 | 2.82 |

**SpareBank 1 SR-Bank
Reference Data**

| | 31 Dec 2009 | | | 31 Dec 2008 | | 31 Dec 2007 | | 31 Dec 2006 | |
|---|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | Year End USDm | Year End NOKm | As % of Assets | Year End NOKm | As % of Assets | Year End NOKm | As % of Assets | Year End NOKm | As % of Assets |
| | Preliminary | Preliminary | Preliminary | Original | Original | Restated | Restated | Original | Original |
| A. Off-Balance Sheet Items | | | | | | | | | |
| 1. Managed Securitized 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. | - | 5,175.0 | 4.11 | 5,021.0 | 4.86 | n.a. | - |
| 4. Acceptances and documentary credits reported off-balance sheet | n.a. | n.a. | - | n.a. | - | 46.0 | 0.04 | n.a. | - |
| 5. Committed Credit Lines | n.a. | n.a. | - | 14,343.0 | 11.39 | 18,041.0 | 17.47 | n.a. | - |
| 6. Other Contingent Liabilities | n.a. | n.a. | - | 1,223.0 | 0.97 | 3,682.0 | 3.57 | n.a. | - |
| 7. Total Business Volume | 21,610.6 | 124,909.0 | 100.00 | 146,618.0 | 116.48 | 130,057.0 | 125.94 | 85,035.0 | 100.00 |
| 8. Memo: Total Weighted Risks | 14,636.6 | 84,599.4 | 67.73 | 87,969.4 | 69.89 | 68,771.0 | 66.60 | 58,939.0 | 69.31 |
| B. Average Balance Sheet | | | | | | | | | |
| Average Loans | 16,659.7 | 96,293.0 | 77.09 | 92,971.6 | 73.86 | 82,851.3 | 80.23 | 67,767.4 | 79.69 |
| Average Earning Assets | 20,851.0 | 120,518.6 | 96.49 | 106,778.0 | 84.83 | 92,481.0 | 89.56 | 73,054.4 | 85.91 |
| Average Assets | 21,520.9 | 124,391.0 | 99.59 | 110,286.0 | 87.61 | 95,152.5 | 92.14 | 74,473.0 | 87.58 |
| Average Managed Assets (OBS) | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Average Interest-Bearing Liabilities | 19,860.9 | 114,796.2 | 91.90 | 100,860.6 | 80.13 | 87,036.5 | 84.28 | 67,803.7 | 79.74 |
| Average Common equity | 1,109.5 | 6,412.8 | 5.13 | 5,626.2 | 4.47 | 4,961.5 | 4.80 | 3,870.2 | 4.55 |
| Average Equity | 1,128.9 | 6,524.8 | 5.22 | 5,880.0 | 4.67 | 5,185.8 | 5.02 | 3,958.8 | 4.66 |
| Average Customer Deposits | 9,413.3 | 54,408.6 | 43.56 | 53,312.4 | 42.35 | 47,313.5 | 45.82 | 40,550.4 | 47.69 |
| C. Maturities | | | | | | | | | |
| Asset Maturities: | | | | | | | | | |
| Loans & Advances < 3 months | n.a. | n.a. | - | 39,911.0 | 31.71 | 34,799.0 | 33.70 | n.a. | - |
| Loans & Advances 3 - 12 Months | n.a. | n.a. | - | 6,213.0 | 4.94 | 5,578.0 | 5.40 | n.a. | - |
| Loans and Advances 1 - 5 Years | n.a. | n.a. | - | 9,424.0 | 7.49 | 9,165.0 | 8.88 | n.a. | - |
| Loans & Advances > 5 years | n.a. | n.a. | - | 44,082.0 | 35.02 | 38,548.0 | 37.33 | n.a. | - |
| Debt Securities < 3 Months | n.a. | n.a. | - | 539.0 | 0.43 | 886.0 | 0.86 | n.a. | - |
| Debt Securities 3 - 12 Months | n.a. | n.a. | - | 1,719.0 | 1.37 | 950.0 | 0.92 | n.a. | - |
| Debt Securities 1 - 5 Years | n.a. | n.a. | - | 6,702.0 | 5.32 | 3,199.0 | 3.10 | n.a. | - |
| Debt Securities > 5 Years | n.a. | n.a. | - | 115.0 | 0.09 | 409.0 | 0.40 | n.a. | - |
| Interbank < 3 Months | n.a. | n.a. | - | 1,186.0 | 0.94 | 3,301.0 | 3.20 | n.a. | - |
| Interbank 3 - 12 Months | n.a. | n.a. | - | 0.0 | 0.00 | 0.0 | 0.00 | n.a. | - |
| Interbank 1 - 5 Years | n.a. | n.a. | - | 223.0 | 0.18 | 56.0 | 0.05 | n.a. | - |
| Interbank > 5 Years | n.a. | n.a. | - | 7.0 | 0.01 | 0.0 | 0.00 | 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. | - | 52,870.0 | 42.00 | 49,316.0 | 47.76 | n.a. | - |
| Other Deposits 3 - 12 Months | n.a. | n.a. | - | 0.0 | 0.00 | 694.0 | 0.67 | n.a. | - |
| Other Deposits 1 - 5 Years | n.a. | n.a. | - | 1,437.0 | 1.14 | 204.0 | 0.20 | n.a. | - |
| Other Deposits > 5 Years | n.a. | n.a. | - | 0.0 | 0.00 | 0.0 | 0.00 | n.a. | - |
| Interbank < 3 Months | n.a. | n.a. | - | 5,266.0 | 4.18 | 4,802.0 | 4.65 | n.a. | - |
| Interbank 3 - 12 Months | n.a. | n.a. | - | 4,089.0 | 3.25 | 80.0 | 0.08 | n.a. | - |
| Interbank 1 - 5 Years | n.a. | n.a. | - | 1,764.0 | 1.40 | 310.0 | 0.30 | n.a. | - |
| Interbank > 5 Years | n.a. | n.a. | - | n.a. | - | 620.0 | 0.60 | n.a. | - |
| Senior debt Maturing < 1 year | n.a. | n.a. | - | 6,477.0 | 5.15 | 9,140.0 | 8.85 | n.a. | - |
| Senior debt Maturing > 1 year | n.a. | n.a. | - | 39,180.0 | 31.13 | 26,495.0 | 25.66 | n.a. | - |
| Total Senior Debt on Balance Sheet | 7,885.6 | 45,579.0 | 36.49 | 45,657.0 | 36.27 | 30,120.0 | 29.17 | 25,256.0 | 29.70 |
| Fair Value Portion of Senior Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Subordinated Debt maturing < 1 year | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Subordinated Debt maturing > 1 year | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| Total Subordinated Debt on Balance Sheet | 440.5 | 2,546.0 | 2.04 | 3,645.0 | 2.90 | 2,377.0 | 2.30 | 2,522.0 | 2.97 |
| Fair Value Portion of Subordinated Debt | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| D. Net Income Reconciliation | | | | | | | | | |
| 1. Net Income | 192.2 | 1,111.0 | 0.89 | 460.0 | 0.37 | 1,007.0 | 0.98 | 924.0 | 1.09 |
| 2. Add: Preferred Stock Dividend | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 4. Published Net Income | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| E. Equity Reconciliation | | | | | | | | | |
| 1. Equity | 1,396.7 | 8,073.0 | 6.46 | 5,966.0 | 4.74 | 5,841.0 | 5.66 | 4,300.0 | 5.06 |
| 2. Add: Pref. Shares and Hybrid Capital accounted for as Equity | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |
| 4. Published Equity | n.a. | n.a. | - | n.a. | - | n.a. | - | n.a. | - |

Exchange Rate

USD1 = NOK5.78000

USD1 = NOK7.00000

USD1 = NOK5.41875

USD1 = NOK6.26000