

CREDIT OPINION

31 January 2023

Update



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RATINGS

SpareBank 1 Ostlandet

Domicile	Hamar, Norway
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

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

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SpareBank 1 Ostlandet

Update to credit analysis

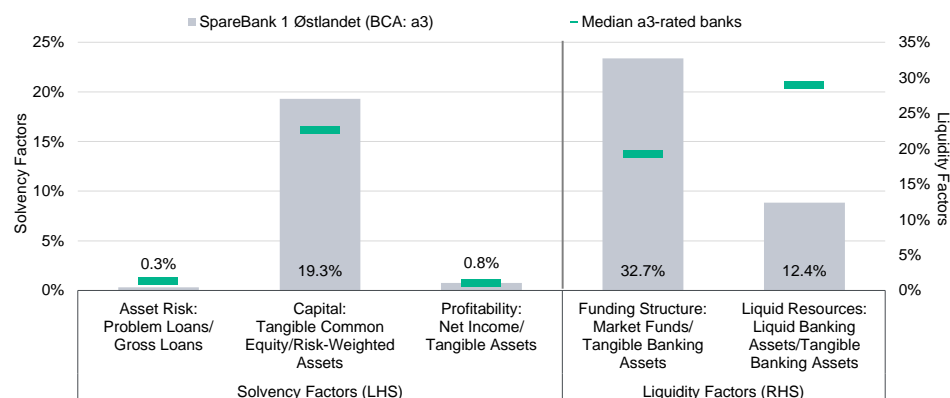
Summary

[SpareBank 1 Ostlandet's](#) long-term deposit and senior unsecured debt ratings of Aa3 take into account the bank's Baseline Credit Assessment (BCA) of a3, and our Loss Given Failure (LGF) analysis, which leads to three notches of rating uplift from its BCA. SpareBank 1 Ostlandet's BCA of a3 primarily reflects the bank's solid asset quality, strong capital levels and robust profitability.

The bank has high levels of capital, with a tangible common equity (TCE) ratio of 19.3% as of 30 September 2022, providing a strong loss absorbing capacity. The BCA is also supported by the bank's very strong asset quality, with problem loans at only 0.3% of gross loans (including loans transferred to the covered bond companies) in September 2022. Our assessment is balanced against the relatively high level of capital markets funding, a narrow geographic focus, and some credit concentrations towards the commercial real-estate sector, which are common features among savings banks in Norway.

Exhibit 1

Rating Scorecard - Key financial ratios



These are our Banks methodology scorecard ratios. Asset risk and profitability reflect the weaker of either the three-year average or the latest annual figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.

Source: Moody's Financial Metrics

Credit strengths

- » Solid capital levels provide a good loss absorption buffer.
- » Asset-risk metrics are strong on the back of a relatively low risk retail mortgage portfolio.
- » Large volume of deposits and junior debt resulting in deposit ratings benefit from a very low loss given failure rate.

Credit challenges

- » Similar to other Norwegian savings banks, the bank's ratings are constrained by its relatively narrow geographic focus and high credit concentration in commercial real estate (CRE).
- » High reliance on market funding exposes the bank to potential change in investor sentiment.

Outlook

The bank's deposit and debt ratings carry a stable outlook balancing its robust financial performance with risks stemming from its dependence on market funding and real estate and housing prices, especially in the Oslo region. The outlook also reflects our expectation that the bank will issue sufficient volumes of junior senior debt to support the senior unsecured rating.

Factors that could lead to an upgrade

Upward rating pressure could develop if SpareBank 1 Ostlandet demonstrates a reduction of credit concentrations; stronger earnings generation without an increase in its risk profile, combined with an improved cost-to-income ratio; and more limited use of market funds while maintaining a comfortable liquidity level.

Factors that could lead to a downgrade

Future downward rating pressure could arise if SpareBank 1 Ostlandet's problem loan ratio and impairments increase significantly above its similarly rated peers; financing conditions become more difficult, impairing its ability to raise low-cost market funding; its risk profile increases, as a result of increased exposures to more volatile sectors; or the macroeconomic environment deteriorates, leading to adverse developments in the Norwegian real-estate market and a deterioration in asset quality or a lower Macro Profile.

Furthermore, the senior unsecured debt ratings could be downgraded should the bank issue significantly lower-than-expected volumes of junior-senior instruments.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

SpareBank 1 Ostlandet (Consolidated Financials) [1]

	09-22 ²	12-21 ²	12-20 ²	12-19 ²	12-18 ²	CAGR/Avg. ³
Total Assets (NOK Billion)	227.2	207.9	191.8	177.6	164.0	9.1 ⁴
Tangible Common Equity (NOK Billion)	17.4	16.9	15.7	14.7	13.6	6.8 ⁴
Problem Loans / Gross Loans (%)	0.3	0.4	0.3	0.3	0.3	0.3 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	19.3	19.9	19.5	18.9	18.1	19.2 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	3.3	3.8	3.0	3.0	3.3	3.3 ⁵
Net Interest Margin (%)	1.4	1.4	1.4	1.5	1.6	1.4 ⁵
PPI / Average RWA (%)	2.3	2.4	2.3	2.4	2.1	2.3 ⁶
Net Income / Tangible Assets (%)	0.8	1.0	0.8	1.1	0.9	0.9 ⁵
Cost / Income Ratio (%)	50.3	49.6	50.8	51.4	54.5	51.3 ⁵
Market Funds / Tangible Banking Assets (%)	34.4	32.7	32.7	33.4	33.8	33.4 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	13.2	12.4	12.1	11.2	11.0	12.0 ⁵
Gross Loans / Due to Customers (%)	188.8	188.4	188.4	192.0	196.0	190.7 ⁵

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

Sources: Moody's Investors Service and company filings

Profile

SpareBank 1 Ostlandet is a leading Norwegian regional savings bank that provides retail and corporate financial products and services, from loans and deposit facilities to insurance, pension, payment, leasing, real estate brokerage and accounting services. As of 30 September 2022, it had consolidated assets (including loans transferred to covered bond companies) of NOK227 billion (or around €21.7 billion).

Recent developments

To curb rising inflation, Norges Bank has been gradually increasing its reference rate since September 2021, resulting in a reference rate of 2.75% as of December 2022. Norges Bank expects the policy rate to be around 3% in 2023. The counter cyclical buffer (CCyB) requirement increased to 2.0% in December 2022 and will increase further to 2.5% effective from the end of March 2023.

Russia's invasion of [Ukraine](#) (Caa3 negative) and the economic sanctions that the [US](#) (Aaa stable), European governments and other allies have subsequently imposed on Russia have increased risks to the global economic outlook. Increased geopolitical risks are unambiguously negative for economic activity. The magnitude of the effects will depend on the length and severity of the crisis.

Norway's trade flows with Russia are very limited as they export the same type of goods, with the production of oil and gas being the most significant to the Norwegian economy. As European countries are looking to reduce imports from Russia, Norway is likely to be positively affected by increased demand in Europe.

Detailed credit considerations

Norway's 'Very Strong-' Macro Profile remains supportive towards the bank's standalone credit profile

SpareBank 1 Ostlandet operates only in Norway, and thus its operating environment is reflected through the 'Very Strong -' Macro Profile we assign for Norway. Norwegian banks benefit from operating in a wealthy and developed country with very high economic, institutional and government financial strength, as well as a very low susceptibility to event risk. Norway has a diversified and growing economy, which demonstrated resilience to the weakening in the oil sector during 2014-15.

The main risks to the banking sector stem from its extensive use of market funding, and from Norway's high household debt and high real-estate prices. However, the household sector's strong debt servicing ability, the Norwegian government's well-coordinated monetary and regulatory policies, and the country's sizeable sovereign wealth fund, which supports the economy during crises, mitigate these risks.

We expect the Norwegian mainland economy (excluding any oil-related activity) to grow by 1.2% in 2023 and to have expanded by 3.1% in 2022, down from 4.1% in 2021. While unemployment rose to around 10.6% in March 2020, it fell significantly to 1.6% as of October 2022.

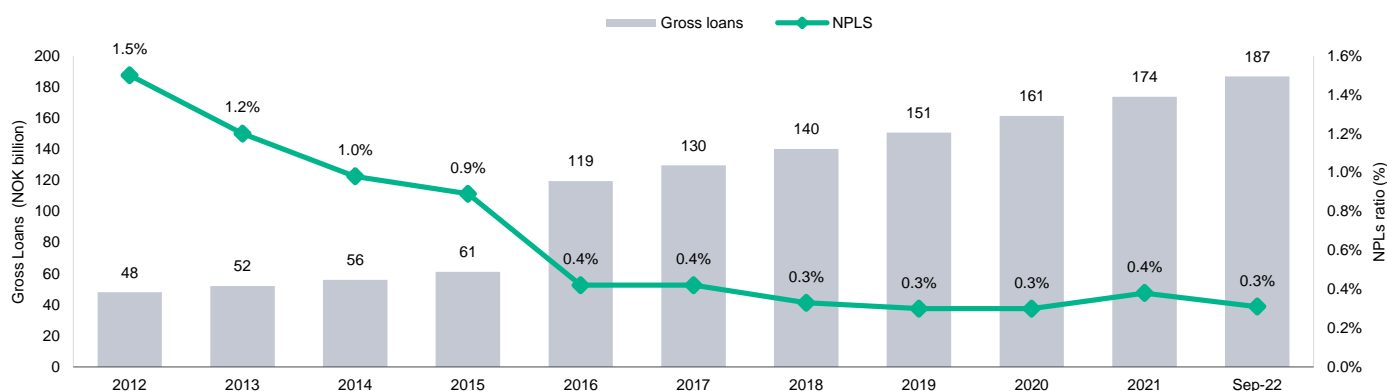
Asset risk metrics are strong on the back of a relatively low credit risk retail mortgage portfolio

The bank's total loan book is geared towards retail borrowers, mostly residential mortgages, accounting for around 72% of gross loans, including loans transferred to the covered bond companies, with no exposure to the oil sector as of 30 September 2022. This supports the bank's asset quality, limiting the risks from credit impairments, given the traditionally very low loss rates for residential mortgages in Norway.

SpareBank 1 Østlandet's asset quality is one of the strongest among Norwegian savings banks, with the overall problem loans ratio consistently below the market average since 2016 and even during the coronavirus outbreak in 2020 (see Exhibit 3). The problem loan ratio (including covered bond loans) has been stable at 0.3% for several years. The marginal increase to 0.38% of gross loans in 2021 was a result of changes in procedures of manually flagging defaults as the bank adopted a new definition of what constitutes a default. The ratio was back to 0.31% as of September 2022.

Exhibit 3

SpareBank 1 Østlandet's asset-risk metrics



Gross loans include covered bond loans.

Sources: Company reports and Moody's Financial Metrics

This favourable credit risk position is mainly driven by the very low default rates in the bank's retail mortgage lending portfolio, with low loan-to-values (LTV) including in the Oslo-Akershus region. Around 97% of its book has an LTV below 70%, compared with 85% maximum LTV allowed by the mortgage regulation and 75% LTV legal requirement for a covered bond pool. The bank has fully used the flexibility quota for mortgages in the city of Oslo (8% quota), while the 10% quota for lending in other areas has not been fully used (7.4% used as of September 2022).

The bank has some credit concentration in the CRE sector, which constituted around 12% of gross loans (including covered bond loans). In addition, around 3% of gross loans was concentrated in the building and construction sector as of 30 September 2022. The exposure towards these two sectors, which is common among all Norwegian savings banks, raises somewhat the risk in the bank's credit profile and makes it vulnerable to potential property prices volatility in the market, especially in the rising interest rate environment.

Our a3 Asset Risk Score reflects the strong positioning of the bank but also some risks from the bank's exposure to CRE, building and construction sectors, as well as some geographical concentration in its regional home market in the Innlandet county (following the merger between the counties of Hedmark and Oppland on 1 January 2020) and in the Oslo-Akershus region. We make similar adjustments in the asset risk scores of other rated regional savings banks in Norway as well.

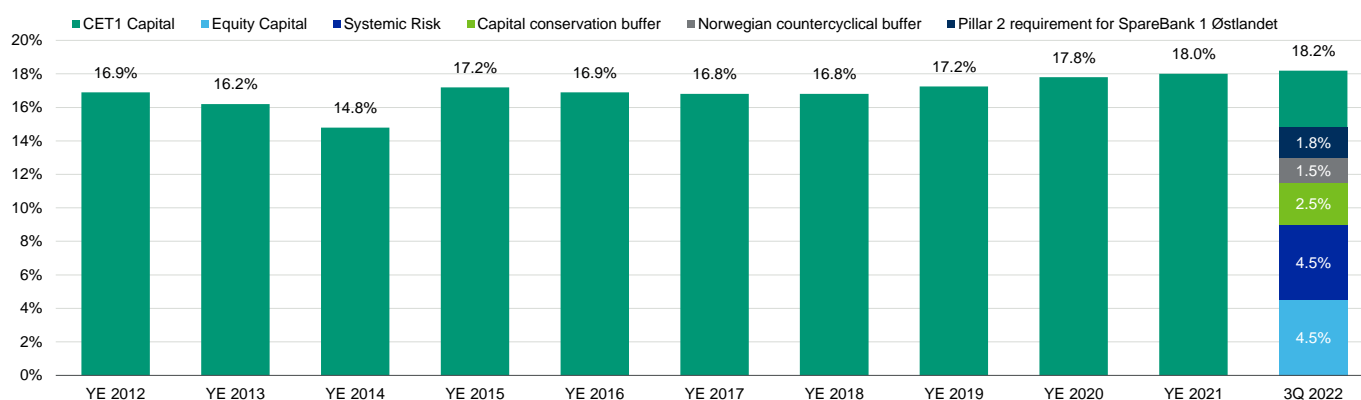
Solid capital levels provide a good loss absorption buffer

The bank remains strongly capitalised, with a TCE ratio of 19.3% and a reported Common Equity Tier 1 (CET1) ratio of 18.2% in September 2022 (see Exhibit 4) with ample buffer above its CET1 requirement at the time of 14.8% (excluding a 1% management buffer [Pillar 2 guidance]). SpareBank 1 Østlandet also reported a leverage ratio of 7.2% as of 30 September 2022, slightly lower than the 7.3% reported as of year-end 2021, but above the internal target of 6%.

During the pandemic, the CCyB was lowered to 1%. However, the Ministry of Finance has since increased the CCyB requirement for banks to 2.0% at the end of December 2022 and decided to increase it further to 2.5% by the end of March 2023. This implies a CET1 requirement of 15.8% and a long-term target of 16.8% for the bank.

Exhibit 4

SpareBank 1 Ostlandet's CET1 capital ratio evolution



Source: Company reports and presentations

We expect the bank to maintain its strong capital position, supported by sufficient retained earnings. Sparebankstiftelsen Hedmark (savings bank foundation) maintains its position as the largest stakeholder of the bank through a 52% ownership of the total equity capital certificates (ECC), being a long-term and financially strong owner with a recent revision of its bylaws stating that it can reduce its stake to 33% (minimum ownership rate). This could potentially attract new strategic investors, given that the bank's ECC shareholders own at the moment around 70% of its total capital.

We believe that the bank has strong capital buffers relative to its peers, which allows it to grow its balance sheet and leverage opportunities in the Oslo-Akershus region where it is currently expanding. Our assigned Capital score of aa2 reflects this strength compared with similarly rated global peers.

Temporary factors strained earnings in 2022; core earnings will be sustained

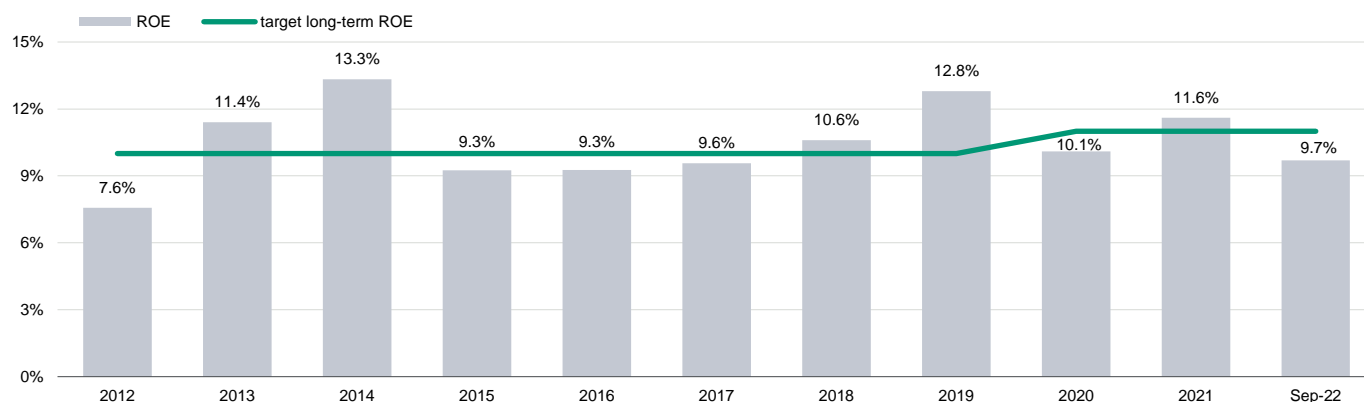
SpareBank 1 Ostlandet's reported profit after tax decreased to NOK1,326 million as of 30 September 2022, compared with NOK1,517 million in the year-earlier period. The reduction in the bottom-line compared the year-earlier period was driven by a combination of lower net commission and other operating income, weaker results from financial assets, higher operating expenses and increased provisions for loans, while higher net interest income (NII) had a positive impact.

The bank's reported cost-to-income ratio at the end of September 2022 increased to 49% from 44% in the year earlier. SpareBank 1 Ostlandet reported a return on equity (RoE) of 9.7% in September 2022, which is lower than the reported 11.8% in September 2021 and lower than the 11.6% recorded in December 2021. Furthermore, the RoE is below its long-term target of 11% (see Exhibit 5).

SpareBank 1 Ostlandet's main source of earnings is NII, which has increased by 18.6% in the first nine months of 2022 from the year-earlier period, resulting in net interest margin (NIM), as estimated by NII over average assets, of 1.36% for the first nine months of 2022. The positive development in NII was a result of Norges Bank's interest rate hikes. SpareBank 1 Ostlandet raised interest rates on its floating rate loans multiple times in 2022. We expect the bank's NII to continue to improve in 2023; however, the positive effect from higher interest rates will be somewhat offset by higher operating and provisioning costs, resulting from high inflation and high energy prices.

The operating result in 2022 was hurt by the turbulence in financial markets, and we expect the bank's recurring pre-provision profitability to be improved in the next 12-18 months across income lines and also supported by the bank's expanding franchise (loan growth of 9.1% year on year excluding covered bond loans) and solid capital base.

Exhibit 5

SpareBank 1 Ostlandet's return on equity (RoE)

2017 and onwards are based on consolidated financials, including results from Bank 1 Oslo Akershus. From 2019, RoE is as reported by the bank, prior figures are Moody's-adjusted ratios. Sources: Company reports and Moody's Financial Metrics

The bank's funding profile is underpinned by relatively high reliance on market funding but also a sizeable deposit base and sound liquidity

SpareBank 1 Ostlandet's funding profile is similar to that of other Norwegian savings banks, with a high reliance on market funding, at around 34% of total tangible banking assets as of September 2022, mainly driven by the issuance of covered bonds. Our market funding ratio includes a 50% standard adjustment to reflect the relative stability of covered bonds compared with other sources of market funding.

SpareBank 1 Ostlandet has increasingly used covered bond funding in the past years, which is done through specialised companies it jointly owns together with the other members of SpareBank 1 Alliance (SpareBank 1 Boligkreditt for residential mortgages and SpareBank 1 Næringskreditt for commercial mortgages). As of 30 September 2022, SpareBank 1 Ostlandet had transferred retail mortgages worth NOK55.0 billion to SpareBank 1 Boligkreditt and NOK1.3 billion commercial mortgages to SpareBank 1 Næringskreditt (that is, equivalent to around 30% of total gross loans, including loans transferred to covered bond companies).

The bank's funding position is also underpinned by a substantial deposit base, which accounts for around 44% of total funding (including covered bonds issued through SpareBank 1 Boligkreditt and SpareBank 1 Næringskreditt), 55% of the bank's deposits are from the retail sector.

For its senior funding, the bank participates in the jointly owned SpareBank 1 Alliance's €10 billion Euro Medium Term Note (EMTN) programme with euro-denominated bond issues, contributing to a more diversified funding profile. By the 1 January 2024, the minimum requirements for own funds and eligible liabilities (MREL) need to be partly met with subordinated liabilities, including senior non-preferred bonds (SNP). The bank will replace some of its maturing preferred senior debt with SNP.

SpareBank 1 Ostlandet's liquidity position is sound, with liquid assets/total tangible banking assets at around 13%, which in our view is sufficient for the bank to address any contingencies in case of market turbulence. This ratio understates the core liquidity of the bank, given that 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 to reflect the additional source of liquidity stemming from the covered bond companies.

The liquidity reserves consist of cash and deposits with the central bank, senior bonds, government guaranteed bonds, covered bonds (mostly rated Aaa) and limited equity investments. The holdings are mostly Norwegian securities, which could be a source of

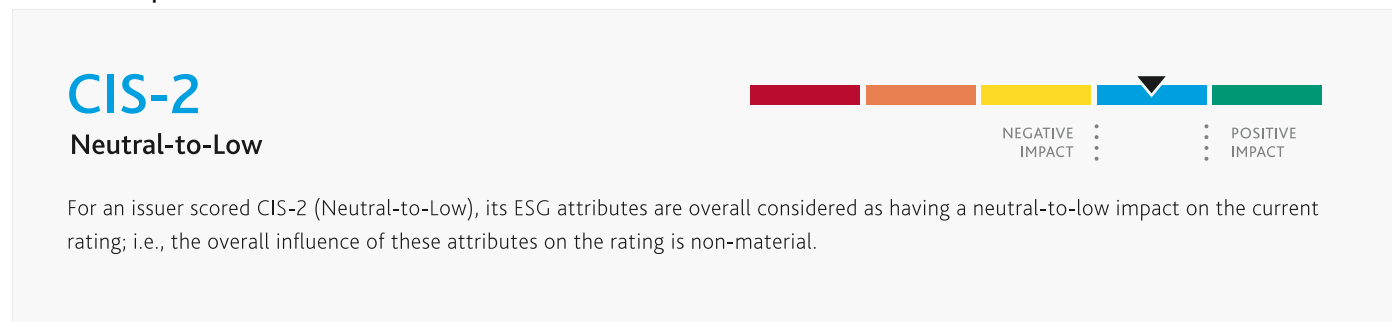
vulnerability from a concentration risk point of view, but are positive in terms of currency risk. In addition, the bank reported a high liquidity coverage ratio (LCR) of 134% as of 30 September 2022 compared with the 100% requirement.

ESG considerations

SpareBank 1 Ostlandet's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 6

ESG Credit Impact Score



Source: Moody's Investors Service

SpareBank 1 Ostlandet's ESG Credit Impact Score is neutral-to-low (**CIS-2**). 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 Ostlandet face moderate environmental risks primarily because of its portfolio exposure to carbon transition. These risks are primarily related to its corporate portfolio through the commercial real estate sector. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, the bank is developing its climate risk and portfolio management capabilities.

Social

SpareBank 1 Ostlandet faces moderate social risks related to 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 Ostlandet 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 cooperation within the SpareBank 1 Alliance.

Governance

SpareBank 1 Ostlandet faces low governance risks and its risk management, policies and procedures are in line with industry best practices. 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, 67% of the bank is

owned by the Hedmark savings bank foundation. Other owners are private investors which hold listed equity certificates, with the Norwegian confederation of credit unions being the largest. The bank's Supervisory Board comprises of representatives of EC holders, the foundation, and employees. Related 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 Moody's.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 (LGF) analysis and additional notching

The EU Bank Recovery and Resolution Directive (BRRD) came into force on 1 January 2019 in Norway, which confirms our current assumptions regarding our LGF analysis. In our advanced LGF analysis, we assume residual TCE of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits, a 5% run-off in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. These metrics are in line with our standard assumptions.

The ratings take into account our forward-looking LGF analysis of the combined entity's volume of deposits and senior unsecured debt, as well as the volume of securities subordinated to them. SpareBank 1 Ostlandet will be required to issue large volumes of instruments, before the year-end 2023, that are subordinated to depositors and senior creditors to comply with their MREL. The analysis takes into account the Norwegian Financial Supervisory Authority's (FSA) revised approach to calculating MREL subordination requirements, following the expected implementation of the amended BRRD2 into Norwegian law, as well as the bank's need to hold buffers above the minimum requirements. This assumption leads to three notches of rating uplift for the bank's senior debt ratings, which is the same uplift afforded for the bank's deposit ratings.

Government support considerations

SpareBank 1 Ostlandet is the fourth-largest savings bank in Norway, with presence now in the most important and economically developed region of Oslo-Akershus. In particular, the bank is a vital intermediary in financing the small and medium-sized enterprise sector, especially in the agricultural and forestry sectors that are central for the Hedmark region.

Following the implementation of the BRRD law in Norway on 1 January 2019, we assume a low probability of government support for debt and deposits, resulting in no additional notches of rating uplift above their Preliminary Rating Assessment (PRA), positioning them at Aa3.

Counterparty Risk Assessment (CR Assessment)

We assign an Aa3(cr) long-term and P-1(cr) short-term CR Assessment to SpareBank 1 Ostlandet

SpareBank 1 Ostlandet's Aa3(cr)/Prime-1(cr) CR Assessment is three notches above the bank's Adjusted BCA of a3, 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; therefore, we focus purely on subordination and take no account of the volume of the instrument class.

Counterparty Risk Ratings (CRRs)

SpareBank 1 Ostlandet's CRRs are Aa3/Prime-1

The Aa3 CRR is three notches above the Adjusted BCA of a3, reflecting the extremely 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 Ostlandet

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	0.3%	aa1	↔	a3	Geographical concentration	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	19.3%	aa1	↔	aa2	Expected trend	
Profitability						
Net Income / Tangible Assets	0.8%	baa1	↑	a3	Expected trend	
Combined Solvency Score		aa2		a1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	32.7%	baa3	↔	baa3		
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	12.4%	baa3	↔	baa2	Stock of liquid assets	
Combined Liquidity Score		baa3		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				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (NOK Million)	% in-scope	at-failure (NOK Million)	% at-failure
Other liabilities	75 227	33.2%	85 335	37.6%
Deposits	99 106	43.7%	88 997	39.2%
Preferred deposits	73 338	32.3%	69 672	30.7%
Junior deposits	25 768	11.4%	19 326	8.5%
Senior unsecured bank debt	37 912	16.7%	37 912	16.7%
Junior senior unsecured bank debt	5 500	2.4%	5 500	2.4%
Dated subordinated bank debt	1 300	0.6%	1 300	0.6%
Preference shares (bank)	1 000	0.4%	1 000	0.4%
Equity	6 806	3.0%	6 806	3.0%
Total Tangible Banking Assets	226 850	100.0%	226 850	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF	Assigned LGF	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	31.7%	31.7%	31.7%	31.7%	3	3	3	3	0	aa3
Counterparty Risk Assessment	31.7%	31.7%	31.7%	31.7%	3	3	3	3	0	aa3 (cr)
Deposits	31.7%	6.4%	31.7%	23.2%	2	3	2	3	0	aa3
Senior unsecured bank debt	31.7%	6.4%	23.2%	6.4%	2	2	2	3	0	aa3
Junior senior unsecured bank debt	6.4%	4.0%	6.4%	4.0%	0	0	0	0	0	a3
Dated subordinated bank debt	4.0%	3.4%	4.0%	3.4%	-1	-1	-1	-1	0	baa1

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	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	3	0	aa3	0	Aa3	Aa3
Senior unsecured bank debt	3	0	aa3	0	Aa3	Aa3
Junior senior unsecured bank debt	0	0	a3	0	A3	
Dated subordinated bank debt	-1	0	baa1	0		(P)Baa1

[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 OSTLANDET	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	Aa3
Senior Unsecured	Aa3
Junior Senior Unsecured -Dom Curr	A3
Subordinate MTN	(P)Baa1

Source: Moody's Investors Service

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