2022

Security for customers and employees

SpareBank 1 ØSTLANDET

ANNUAL REPORT

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* Material sustainability topics

About the report

This annual report is an integrated report based on the IIRC's principles for integrated reporting. It describes how SpareBank 1 Østlandet contributes to sustainable growth and the development of our customers, owners, employees and society as a whole.

The chapter 'About SpareBank 1 Østlandet' presents who we are and the Group's main events in 2022. It also presents selected key metrics, financial ambitions and achievements, key figures from the Group as well as an overview of the development of the Bank's equity capital certificate.

Chapter two, 'Strategy and the world around us', describes our new corporate strategy for the period up to 2025 and provides insights into external factors that impact operations. The chapter also describes our approach to sustainability, both locally and from a global perspective.

The chapter 'Business areas and general work' provides descriptions of our three business areas: the Retail Division, the Corporate Division and the Organisation Market and Capital Market Division. You will also find sections describing our approaches to various topics such as economic crime, ethics and anti-corruption, innovation and business development.

'Management and corporate governance' presents information about the Board of Directors, Group Management, the organisation chart and corporate governance.

The Chapter 'Report and results' forms the main part of the annual report and includes the Board of Directors' Report, Income Statement, Balance Sheet, Changes in Equity, Cash Flow Statement, Notes, Statement from the Board of Directors and CEO, Auditor's Report and information from subsidiaries.

The main part is followed by a number of appendices, including 'Indexes and appendices sustainablilty'. In the appendices we explain other areas of the Bank's sustainability work and provide more detailed information about the material topics.

We use the IIRC's framework for integrated reporting and meet the requirements of the Global Reporting Initiative (GRI) Standard for reporting sustainability data. A GRI index has been prepared to help the reader find relevant and important sustainability data. Each of the Bank's five material sustainability topics has its own sections in the editorial part of the report. Indexes have also been produced for other reporting obligations and frameworks like Eco-Lighthouse, UNEP FI, TCFD and TNFD. More information about the acts, standards and principles complied with in our reporting can be found in note 2 – Accounting policies (page 134) and in 'Principles for sustainability reporting' (page 224).

In the annual report, we seek to present timelines with comparable figures. Today's SpareBank 1 Østlandet came into being in 2017 following the merger of Sparebanken Hedmark and Bank 1 Oslo Akershus AS. Therefore, the timelines in the report generally start in 2017.

We have improved the universal design of the annual report for 2022, both on paper and digitally, so that more people can read the report irrespective of functional ability.

The annual report is published in both Norwegian and English. It is also available in digital versions. It can be downloaded in PDF format from our website: **sparebank1.no/en/ostlandet/about-us/investor/reports.html**

Here you will also find our Pillar 3 report containing more information about risk and capital management, as well as the Norwegian annual report in machine-readable format in accordance with ESEF.

Our work on the UN SDGs

The Bank supports the UN Sustainable Development Goals (SDGs). The goals where the Bank can really make a difference and that we are working to achieve are shown to the right. You will see the same icons in the margins on several pages of this report. They indicate that the page contains information about how we are working to achieve the specific goals.

Editorial staff: Ingvild Bjørklund Wangen, Caroline Ballo, Camilla Knutsen Wickstrøm, Nina Høibråten Buer, Karoline Bakka Hjertø and Siv Stenseth.
Design and production: Ferskvann Reklamebyrå. **Front and back photo:** Siv Stenseth and Ricardofoto

Our employees are our most valuable resource. In this report, we have therefore chosen to highlight several of our greatly skilled colleagues in various departments. **Photos:** Ricardofoto, Thomas Ikdahl, Siv Stenseth and Svein Øvregård.

Increased focus on universal design: On our website you will find a pdf version of the annual report where we have worked on colour contrasts, structure, reading order, alt texts on images and pdf tagging. Although much has been improved, we are not quite finished with the universal design of the report. This applies in particular in some of the tables. We will continue to work on this in the next report.

CHAPTER 1.1

SpareBank 1 Østlandet in brief

SpareBank 1 Østlandet is Norway's fourth largest savings bank and one of the country's most solid regional financial groups. Based on positive customer experiences and proficient employees, we contribute to sustainable growth and social development for our customers, owners and employees.

The Bank's head office is in Hamar, and it has a physical presence in Norway's most expansive market area and home to around 1.7 million people. We offer our services via 36 branches, digital channels and efficient customer service centres. With the addition of the services provided by subsidiaries, joint ventures and associated companies, the Bank offers people and companies a full range of financial services in the rural and urban districts of our market area.

Our social role

SpareBank 1 Østlandet's savings bank philosophy has stood the test of time throughout our almost 180-year history. Social responsibility lies at the very heart of the role of savings banks, with secure savings and financing for private individuals, companies, public enterprises, clubs and associations. Taking the long view has always been one of the cornerstones of our operations.

Our customers' financial services needs must be met on a long-term basis and in a way that engenders confidence. Payments must be fast, secure and efficient. We contribute to the economic security of both people and enterprises by providing reliable, stable banking services.

Savings banks continue to play an important role in the economic development of local communities, towns and villages. SpareBank 1 Østlandet contributes to growth and innovation through active collaborations with business, research and education environments.

Even though both younger and older customers are becoming increasingly digitally savvy, there are some who still need other solutions. That is why we have many services for non-digital customers. Telephone banking, postal giros and staffed full-service customer services centres are just a few examples of these. Customers can also meet our advisers in-person at all of our branches. To help more people start using digital services, several of our branches also arrange courses on using a digital bank for those customers who are currently not doing so.

We also want to be a driving force behind the green transition, including by specifying requirements and expectations in the area of sustainability, especially for our corporate customers. In this way we are helping companies to restructure and develop when they are met with national and international climate obligations.

The Bank is also a major sponsor and contributor to a series of cultural, social and sporting initiatives (read more about this in chapter 3, page 96). This is how we help to make the region a good place to build, live, work and run a business.

The Bank thus has a mutually dependent relationship with the communities it serves. When these communities do well, the Bank does well, and vice versa.

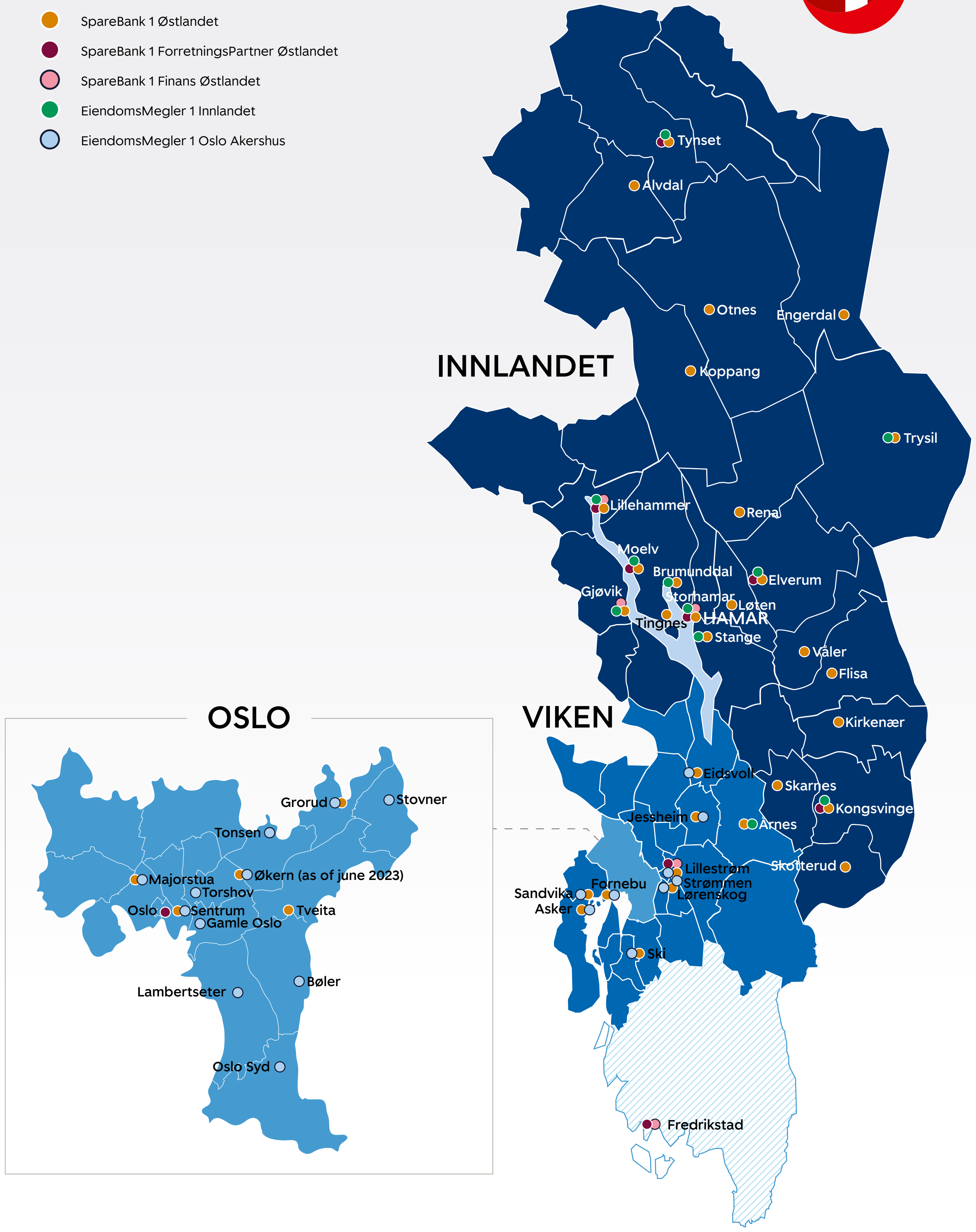
Customer dividends – we share our profits

In the great tradition of savings banks and modern spirit of sustainability, SpareBank 1 Østlandet shares its profits with its customers. In all we distributed a total of NOK 295 million in customer dividends in 2022. Since we went public in 2017 and became the first bank in Norway to pay out customer dividends, we have paid out no less than NOK 1.1 billion in customer dividends.

A part of the SpareBank 1 Alliance

SpareBank 1 Østlandet is part of the SpareBank 1 Alliance in which 13 independent banks in Norway collaborate on common IT solutions, branding and expertise. The purpose of the Alliance is to procure and deliver competitive financial services and products and achieve economies of scale in the form of lower costs and higher quality. The Alliance thus ensures customers are offered specialised expertise, local roots and simpler banking. See **sparebank1.no** for more information.

Our offices

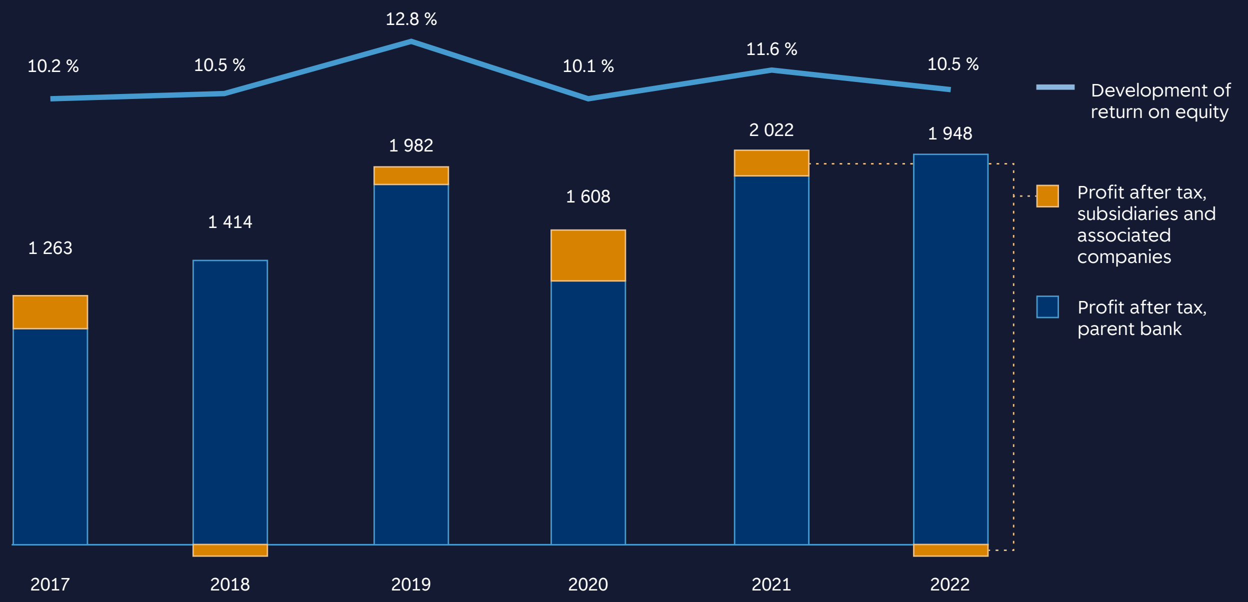


CHAPTER 1.2

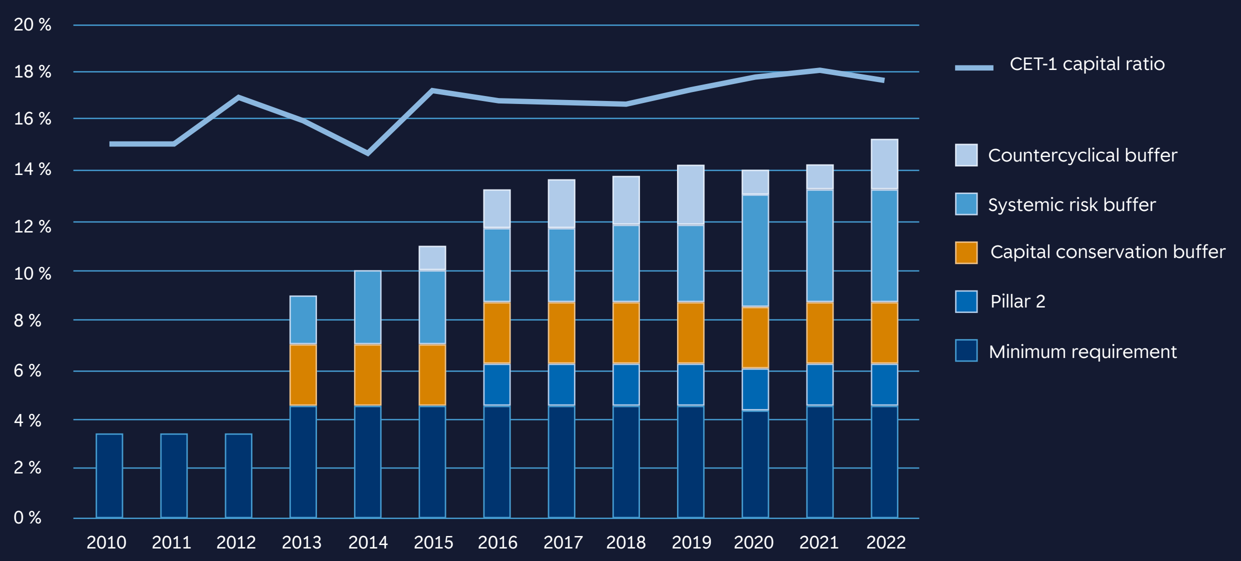
Selected key figures

Consolidated profit after tax (NOK millions)

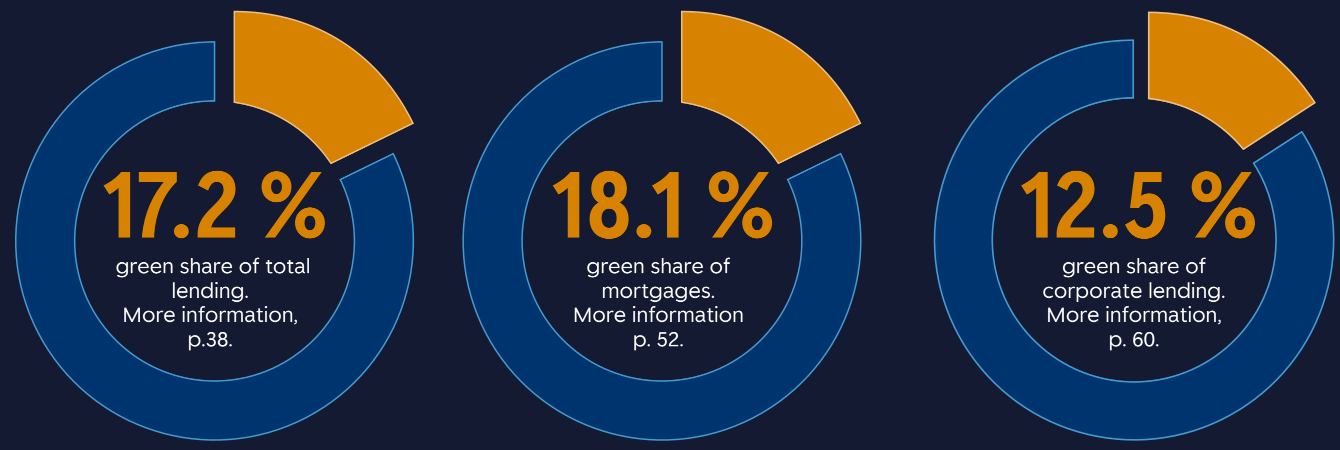
Including development of return on equity



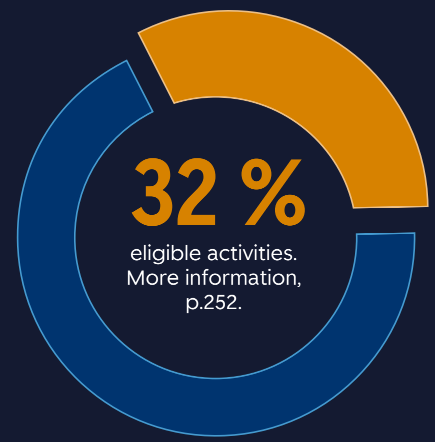
Development of Common Equity Tier 1 capital ratio



Green loan ratios



Taxonomy



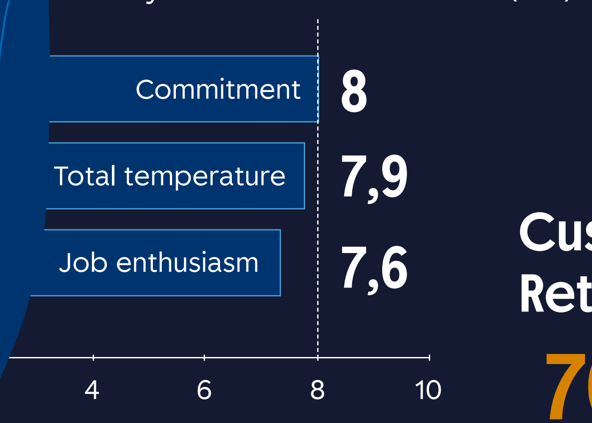
Total greenhouse gas emissions

The Bank's total greenhouse gas emissions calculated in tCO2e are shown below.

	Own operations	Housing mortgage portfolio retail market	Lending portfolio corporate market	Total emissions
Direct emissions, Scope 1)	8 tCO2e	–	–	8 tCO2e
Indirect emissions from purchased energy (Scope 2)	516 tCO2e	–	–	516 tCO2e
Indirect emissions from supply chain (Scope 3)	179 tCO2e	18 673 tCO2e	248 660 tCO2e	267 512 tCO2e
Total	703 tCO2e	18 673 tCO2e	248 660 tCO2e	268 036 tCO2e

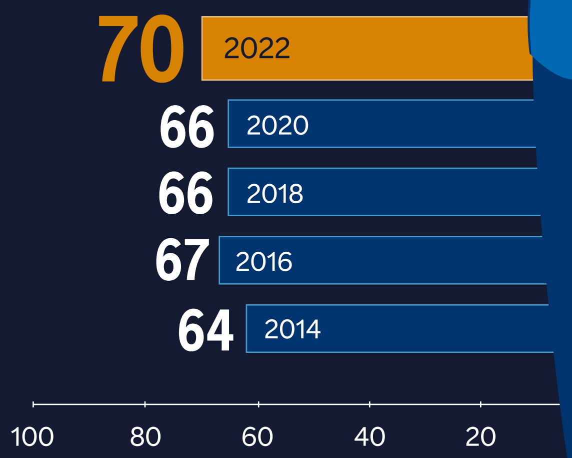
For more detailed information, see page 248.

Employee satisfaction



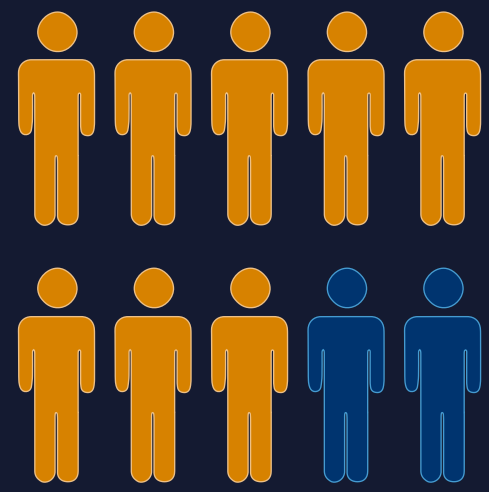
The scale runs from 0-10, where 8 corresponds to 80 per cent of the maximum score.

Customer relations Retail Division



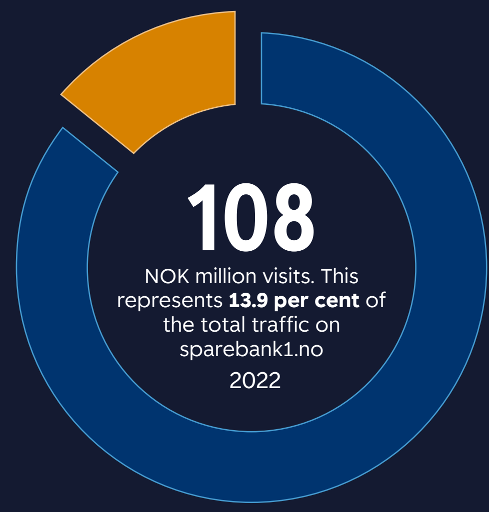
Trend in customer relations (TRIM) for retail customers for SpareBank 1 Østlandet (Kantar).

Visits to digital channels



8 of 10

customers use the mobile bank (age group 18-70)



NOK 115 million visits. This represents **14.4 per cent** of the total traffic on sparebank1.no

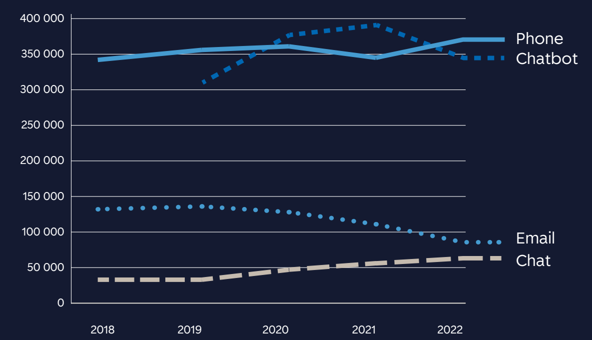
2021

NOK 96 million visits. This represents **15.1 per cent** of the total traffic on sparebank1.no

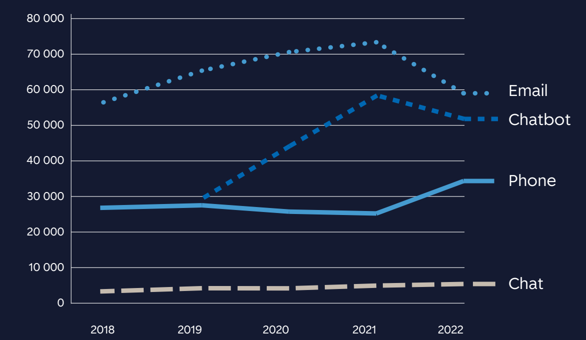
2020

Customer service centre traffic

Retail market



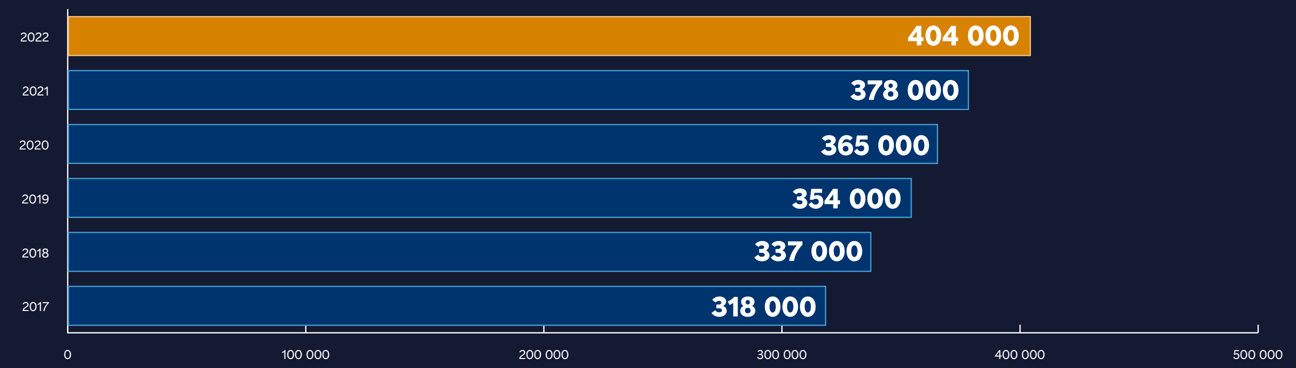
Corporate market



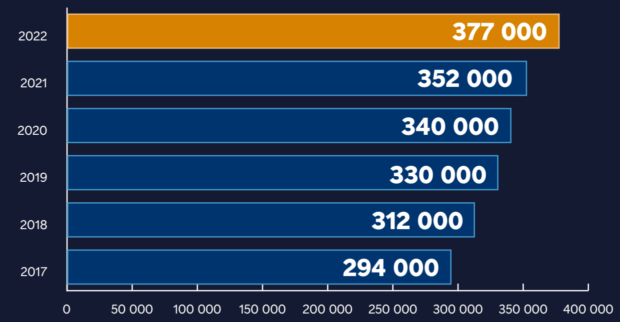
* No comparable traffic figures from the period prior to 2018 exist due to the merger of Sparebanken Hedmark and Bank 1 Oslo Akershus and the merger of systems. Chatbot was introduced in 2019.

No. of customers

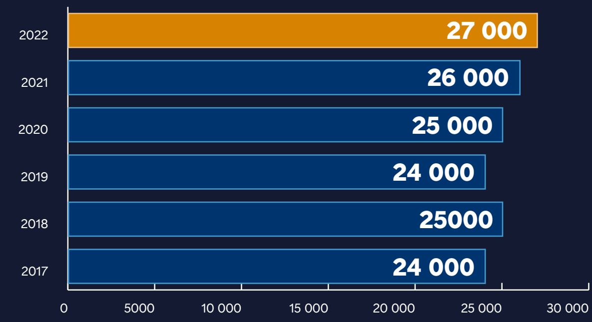
Total



Retail customers



Corporate customers



CHAPTER 1.3

Security for customers and employees in a challenging year

2022 was yet another 'different' kind of year. Most people thought that once the pandemic was over, we would return to 'normality'. However, that did not last long. Russia's invasion of Ukraine came at the start of the new year and unfolded on a scale and with a level of brutality that few could have imagined.

It has made the global situation more unstable. We have seen higher inflation, higher food prices, higher energy prices and more frequent interest rate changes than we have seen for a long time. This has impacted our lives and our finances. We have witnessed market movements unlike anything we have seen for decades. We still do not know what the final outcome may be.

Nevertheless, the Bank's core business developed well. Continued high activity among customers contributed to solid growth throughout the year. Our survey of expectations shows that consumers are very pessimistic about their personal finances for 2023. People are more worried than before, and many have to live on a tighter budget. Those who already did not have much to spare are facing an even more difficult time now. Fortunately, most people are still managing fine, and many are adjusting their spendings to make ends meet.

This is also confirmed by the Bank's survey of expectations where seven out of ten retail customers responded that they have specific plans for reducing their expenditure. Few companies are reporting fears of bankruptcy, although the survey shows they have low expectations for 2023.

The fact that most people are managing to make ends meet is reflected by the Bank's low actual losses in 2022. However, the macroeconomic backdrop has become more demanding, and we have still not seen the full effect of the interest rate changes. Therefore, the Bank has increased its provisions for possible losses in 2023.

2022 was a year of multiple ventures that strengthen SpareBank 1 Østlandet as a relationship bank. The agreement to be one of two preferred providers of LOfavør products for members of the Norwegian Confederation of Trade Unions (LO) was extended by a further two years. SpareBank 1 Østfold Akershus became a co-owner of SpareBank 1 Finans Østlandet, and SpareBank 1 Ringerike Hadeland increased its stake. The Group is also gearing up for further growth in Oslo, with 10 new employees and a new branch in Økern Portal – an area of high population growth and with a broad business sector.

In 2022, the Bank achieved several high rankings for various areas of its sustainability work. Sustainability is an area in which we continue to make great progress in the form of more green products, better integration of the work in our own organisation and, not least, in reporting and communicating our approach. As a result, we are proud to have received excellent feedback and rankings from both international and national actors who have taken a closer look at our efforts. This is both important and pleasing.

Our greatly skilled employees rank high in both job commitment and motivation, which helps generate good corporate atmosphere and customer experiences. In our strategy for 2022-2025, we also state that we want to create the relationship bank of tomorrow in a generous and engaging working environment. This is something we will actively work on going forward.

Ultimately, our best feedback comes from customers, with great customer satisfaction survey results in both the retail and corporate markets. Many customers want a stable and secure bank, a bank that knows them. We experience an increasing number of customers contacting us for advice and help. Some want practical and financial arrangements, some come for reassurance about choices they have made, and others to get support and tips regarding the reallocation and reprioritization of their personal finances.

In the coming period, we expect even more people to contact us for help to overcome their financial difficulties. As previously stated, we aspire to be a long-term bank for our customers. Customers will probably expect and demand more from us as a relationship bank in the year to come.

I am proud to lead a large expert organisation capable of being a good, safe employer for 1 150 employees. Furthermore, our customers see us as a safe bank to seek help from when they experience challenges. Good interaction means we can maximise the impact of each person's contribution.

We have yet again delivered a good consolidated profit for the year even though the conditions around us have been rough. The Group's good profit and development in several areas is of major significance for our local community.

The important social role we play in the everyday lives of people and companies is easier to see in rougher times. SpareBank 1 Østlandet is financially strong and has good access to capital. It is therefore equipped to meet any challenges.

The savings bank model, with its good advice, proximity to the market and good local knowledge, stands up well in rough weather. That is why the Bank believes it will achieve good profitability in the coming period as well.

Richard Heiberg

— Thanks to everyone who has worked hard to help our customers and colleagues on a daily basis. And thanks to all of our customers and partners who demonstrate their trust in us.

Richard Heiberg, Group CEO

CHAPTER 1.4

A look back at 2022

› Norges Bank raised its policy rate six times in 2022. The rate was increased by 0.25 and 0.5 percentage points and was 2.75 per cent at the end of the year. We also increased our interest rates for loans and deposits six times, with the first increase in March and the last in December.

Q1

New bank cards made of recycled plastic.

New bank cards made of recycled plastic
In January, we launch a bank card with a new design. New technology means we can use recycled plastic in the cards and thus reduce CO2 emissions from production. Customers can also return expired cards so that the plastic and metal in old bank cards can be recycled.

Green bank deposits
Customer demand for green deposits is steadily growing. In January, we start offering green bank deposits for both enterprises and private individuals. The Bank guarantees that these deposits will only be used for green purposes.

Measures due to the war in Ukraine
In February, SpareBank 1 Østlandet establishes a crisis team and introduces a number of measures due to the war, both internally and for customers. As a financial actor, we have a special responsibility to comply with the international obligations Norway has assumed in relation to sanctions against Russia.

Bank + Accounting for sports clubs
We launch Bank + Accounting for sports clubs in February. This is one of several measures designed to strengthen our role as a supporter of, and bank for, sport. Bank + Accounting is designed to make accounting as simple as possible so that enterprises, clubs and associations can spend more time on their core activities.

LO agreement is extended
We have enjoyed a good 3-year partnership with the Norwegian Confederation of Trade Unions (LO) and LOfavør as a preferred bank for the provision of competitive loan products and advice for LO members. The agreement is extended by a further 2 years in March until autumn 2024.

Rate hike
In March, the Bank raises lending and deposit rates by up to 0.25 percentage points.

Q2

SpareBank 1 Østlandet is one of the founders in a major fintech venture.

Major fintech venture – and we are in on the ground floor
Norway's largest technology incubator, StartupLab, launches a major financial technology (fintech) venture in March. SpareBank 1 Østlandet is one of the founders backing the initiative. The aim is to help ensure that Norwegian start-ups are more successful internationally. The industry also wants to improve its understanding of what the bank of the future will look like.

5 years of customer dividends
In 2022, we pay out no less than NOK 295 million in customer dividends for the qualifying year 2021. Altogether the Bank has paid out more than NOK 1 billion to customers since we launched customer dividends in Norway in 2017.

Sustainability fund and sustainability award launched
The Bank wants to contribute to sustainable innovation, development and entrepreneurship, and in May it launches its own sustainability fund. The fund is aimed at clubs and associations that want to carry out measures and projects that benefit the climate and environment. The Bank will also present an annual sustainability award of NOK 100 000 to business.

New bank for Gjøvik Municipality
We sign a new agreement with Gjøvik Municipality in June and become their new bank. The agreement will run for 2 years with an option to extend.

SpareBank 1 Ringerike Hadeland increases its stake in SpareBank 1 Finans Østlandet
SpareBank 1 Ringerike Hadeland increases in stake in SpareBank 1 Finans Østlandet to 9.9 per cent in May. It already owned 5 per cent after becoming a part-owner in 2016.

Rate hike
In June, the Bank raises lending and deposit rates by up to 0.5 percentage points.

Q3

5 years of customer dividends are celebrated in the Bank in Elverum.

SpareBank 1 ForretningsPartner Østlandet is established
In the spring, it is announced that the accounting and consulting firm TheVIT will be divided in two. The accounting and payroll services become a wholly owned subsidiary of SpareBank 1 Østlandet. In August this takes the name SpareBank 1 ForretningsPartner Østlandet. The consulting part is spun off into a separate company that retains the name TheVIT.

New best rating from Sustainalytics
In a new rating report in July, the renowned ratings agency Sustainalytics scores us 'negligible risk' on environmental, social and corporate governance issues (ESG). We thus move down from 'low risk' to the lowest risk category.

Make top 10 in World's Most Socially Responsible Banks
In September, we come eighth in a completely new ranking of the world's most socially responsible banks published by the magazine Newsweek.

Second place in Sustainable Banking Revenues Ranking
The new ranking in The Banker, which is owned by the Financial Times, analyses the proportion of bank income that comes from sustainable activities. SpareBank 1 Østlandet is ranked second worldwide.

Lillestrøm Municipality chooses SpareBank 1 Østlandet
Among tough competition, we win a competitive tender for bank services for Lillestrøm Municipality in September. We were Norway's ninth largest municipality's bank for the preceding 4 years as well.

Rate hike
In the third quarter, the Bank raises lending and deposit rates twice. We raise interest rates by up to 0.5 percentage points in both August and September.

Q4

We are strengthening our efforts in the capital region.

New branch in Økern, Oslo
The Bank wants to grow in and around Oslo and is strengthening it efforts with a new branch in Økern Portal. The branch is scheduled to open at the start of April 2023. Økern Portal is located very centrally in Oslo. Tens of thousands of people live in the immediate vicinity and the area is also home to many major places of work and important enterprises.

SpareBank 1 Østfold Akershus becomes part-owner of SpareBank 1 Finans Østlandet
SpareBank 1 Østfold Akershus buys a 5 per cent stake in SpareBank 1 Finans Østlandet. The agreement also includes an option to increase the stake to 9.9 per cent in the long term. This means that SpareBank 1 Østlandet now owns an 85.1 per cent stake. SpareBank 1 Ringerike Hadeland owns 9.9 per cent and SpareBank 1 Østfold Akershus owns a stake of 5 per cent.

Increased preparedness for customers experiencing financial difficulties
Many customers are experiencing tighter household finances with high prices for electricity and fuel, general inflation and interest rate hikes. The Bank therefore increases its preparedness so it can help customers facing financial difficulties. We encourage customers to contact us as early as possible so we can help using the tools we have as a bank.

Tenders for the municipalities of Elverum and Stange won
In October, following negotiation meetings, we win a competitive tender to provide banking services to Elverum Municipality. In December, we also land an agreement with Stange Municipality.

Bank on the CDP's A list
Following an A- in 2021, we score an A in December for our climate reporting to the CDP.

Rate hike
In the fourth quarter, the Bank raises lending and deposit rates twice. We raise interest rates by up to 0.25 percentage points in both November and December.

CHAPTER 1.5

From grain to group

SpareBank 1 Østlandet's proud and solid history stretches all the way back to 1845. Over the course of 177 years, 23 banks have been established before subsequently merging with the goal of becoming stronger together. Today, SpareBank 1 Østlandet is Norway's fourth largest savings bank and has consolidated its position as a dynamic, high profile bank in central Eastern Norway.

1851

SpareBank 1 Østlandet's three first banks were established by the elite. The fourth, in Løten, was started by the working class, Løiten Arbeideres Spareskillingsbank joined the Thrane Movement.

1898

The temperance movement started Totalisternes Aktiebank, the progenitor of Bank 1 Oslo Akershus. The bank changed its name to Kristiania Ørebank and in 1918 to Kristiania & Oplands Vekselbank AS.

1845 – 1847 Elverum Sparebank – 1851 Nes Sparebank, Vinger Sparebank, Løiten Sparebank – 1853 Vangs Sparebank – 1855 Tønset Sparebank – 1856 Hamar Sparebank – 1861 Aasnes Sparebank, Vaaler Sparebank – 1863 Trysil Sparebank – 1871 Stange Sparebank – 1885 Stor-Elvdal Sparebank – 1886 Aamot Sparebank – 1889 Ytre Rendal Sparebank – 1891 Romedal Sparebank – 1896 Kvikne Sparebank, Øvre Rendalen Sparebank – 1898 Totalisternes Aktiebank – 1907 Folldal Sparebank – 1910 Engerdal Sparebank – 1912 Strandbygden Sparekasse – 1923 Alvdal Sparebank – 1939 Engerdal Sparebank, Trysil Sparebank → Trysil Sparebank – 1956 Nes Sparebank, Vangs Sparebank → Vangs Sparebank – 1957 Strandbygden Sparekasse, Elverum Sparebank → Elverum Sparebank – 1964 Romedal Sparebank, Stange Sparebank; Tønset Sparebank, Kvikne Sparebank – 1965 Stor-Elvdal Sparebank, Aamot Sparebank, Øvre Rendalen Sparebank, Ytre Rendal Sparebank → Østerdalen Sparebank – 1970 Vangs Sparebank, Stange Sparebank, Hamar Sparebank → Hedemarken Sparebank – 1973 Tønset Sparebank, Folldal Sparebank, Alvdal Sparebank → Nord-Østerdal Sparebank – 1975 Vaaler Sparebank, Aasnes Sparebank, Løiten Sparebank, Trysil Sparebank – 1982 Hedemarken Sparebank, Nord-Østerdal Sparebank → Sparebanken Hedmark; Elverum Sparebank, Østerdalen Sparebank → Østerdalen Sparebank – 1988 Vinger Sparebank, Østerdalen Sparebank – 1993 Hof Sparebank – 2017 Sparebanken Hedmark, Bank 1 Oslo Akershus → SpareBank 1 Østlandet – 2022

The savings banks in Hedmark are established with primary capital from the sale of granaries, felling timber on common land, donations and deposits from organisations, municipalities and private individuals. From the mid-1800s and up to around 1920, savings banks were established in almost all of the municipalities in Hedmark and 22 of them formed the basis for the current SpareBank 1 Østlandet. Throughout their history, the savings banks in Elverum, Vang and Vinger have vied to be the largest bank in the county as economic ups and downs have impacted farming, forestry and industry.

1845

Hof Sparebank
– the first bank that forms part of SpareBank 1 Østlandet's history was established by a socially engaged clergyman and mayor, Haagen Ludvig Bergh. The bank's primary capital came from funds from the sale of granaries in Hof, Våler and Åsnes.

1919

The Workers National Trade Union (LO) signed an agreement to buy the majority of shares in Kristiania & Oplandske Vekselbank. From 1920 to 1931, LO's new workers' bank became an important tool for funding the strikes taking place at that time in Norway.

1958

Cheque books and wage accounts were introduced as innovations for banks and customers. During the next 30-40 years, people's payment habits evolved from cash to cheques to debit cards and ATMs.

1970

The big wave of bank mergers really gathered pace in the 1970s when the small savings banks merged with the slightly larger regional banks. Vangs Sparebank and later Hedemarken Sparebank and Sparebanken Hedmark became the driving forces behind the establishment of the county bank in Hedmark.

i

The big wave of mergers between the savings banks in Hedmark started in around 1940 and continued until almost all of the banks had been gathered together in Sparebanken Hedmark in 1988.

1996

Sparebanken Hedmark launches Europe's first online bank just a few days before its subsequent merger partner, Landsbanken.

1997

Landsbanken and Samvirke Forsikring merge to create Landsbanken-Samvirkegruppen AS, which a year late changes its name to VÅR Bank og Forsikring. Landsbanken changes its name to VÅR Bank.

1999

SpareBank 1 Gruppen signs an agreement to acquire VÅR Gruppen. VÅR Bank AS changes its name to Bank 1 Oslo. The respective regional banks in SpareBank 1 take over the business outside Oslo, Akershus and Hedmark.

2006

Sparebanken Hedmark becomes part of the SpareBank 1 Alliance with a 12 per cent stake in SpareBank 1 Gruppen. Sparebanken Hedmark takes over Bank 1 Oslo's business in Hedmark.

2011

Sparebanken Hedmark takes its first steps out of Hedmark County and opens a branch in Gjøvik. Next came Lillehammer that same year, and Årnes in Akershus the year after. Bank 1 Oslo changes its name to Bank 1 Oslo Akershus to reflect its strong expansion in both Oslo and Akershus.

2013

Sparebanken Hedmark increases its stake from 12 to 40.5 per cent in Bank 1 Oslo Akershus.

2015

Sparebanken Hedmark converts from a self-owning foundation to an equity capital certificate bank. Sparebankstiftelsen Hedmark was formed by ownership of 60 per cent of the Bank's primary capital being transferred to it at no cost.

2016

Sparebanken Hedmark increases its stake from 40.5 to 100 per cent of Bank 1 Oslo Akershus. Almost the entire settlement for LO and the SpareBank 1 banks consists of newly issued equity capital certificates in Sparebanken Hedmark.

2017

1 April: Sparebanken Hedmark merges with Bank 1 Oslo Akershus, becoming Norway's fourth largest savings bank and changes its name to SpareBank 1 Østlandet.

2017

13 June: SpareBank 1 Østlandet is listed on the Oslo Børs, with local, professional and foreign investors showing strong interest in its equity capital certificate.

2022

SpareBank 1 Østlandet becomes the first bank in Norway to launch customer dividends so the Bank's profit can also be shared with its customers, not just its owners.

CHAPTER 1.6

Financial targets and achievement

The Group's financial goals must help us reach our strategic destination of having one of the most attractive equity capital certificates on Oslo Børs.

From 2023, the Bank changed its profitability target for its return on equity to 12 per cent from the previous target of 11 per cent. The targets for dividends and financial strength remain unchanged from last year. A long-term, stable ambition of paying out 50 per cent in dividends seeks to balance the owners' desire for dividends with the continued funding of the Bank's growth ambitions. The target for the Common Equity Tier 1 capital ratio is set at 1 percentage point more than the regulatory requirement. The cost growth target for the parent bank for 2023 was changed to less than 5 per cent, based on an expectation of continued high broad-based inflation.

Profitability

In 2022, the Bank achieved a return on equity of 10.5 per cent. The Bank's goal since 2020 has been to deliver a return on equity of 11 per cent over time. Even though this target was not achieved in 2022, the Bank has adjusted its profitability target to a 12 per cent return on equity. The upwards revision was based on market developments and the increasing economies of scale the Bank has realised in recent years. The target reflects the Bank's focus on delivering on its strategic ambition of being an attractive equity capital certificate.

Dividends

For 2022, the Board is proposing to the Supervisory Board a payout ratio of around 60 per cent of the controlling interest's share of the consolidated profit. This reflects its continuing good financial strength and the expectation of somewhat lower credit growth in the Bank's market area. The Bank's long-term financial goal as far as the payout ratio is concerned will be continued at 50 per cent of the controlling interest's share of the consolidated profit.

Financial strength

At the end of 2022, the Bank's capital adequacy was well above the regulatory requirements and expectations. The actual Common Equity Tier 1 capital ratio at the end of 2022 was 17.7 per cent. The target for the Common Equity Tier 1 capital ratio has been set at 1 percentage point above the regulatory requirement, which was 15.3 per cent as at 31.12.2022.

Costs

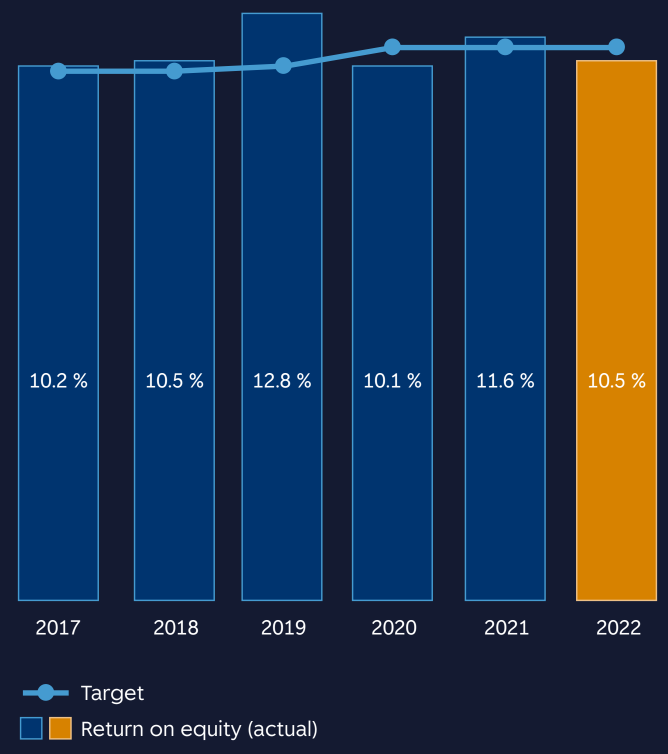
Cost growth in the parent bank was chosen as a target because it is the best way to illustrate streamlining of the core business over time, and it facilitates comparability with other banks.

The Bank's target for cost growth in the parent bank was to keep it below 4 per cent for 2022. The high underlying inflation in society was an important contributing factor to actual cost growth being above target. The actual growth in operating expenses for 2022 was 6.1 per cent. Given expected inflation and the planned strategic initiatives, the target for 2023 is cost growth in the parent bank of less than 5 per cent.

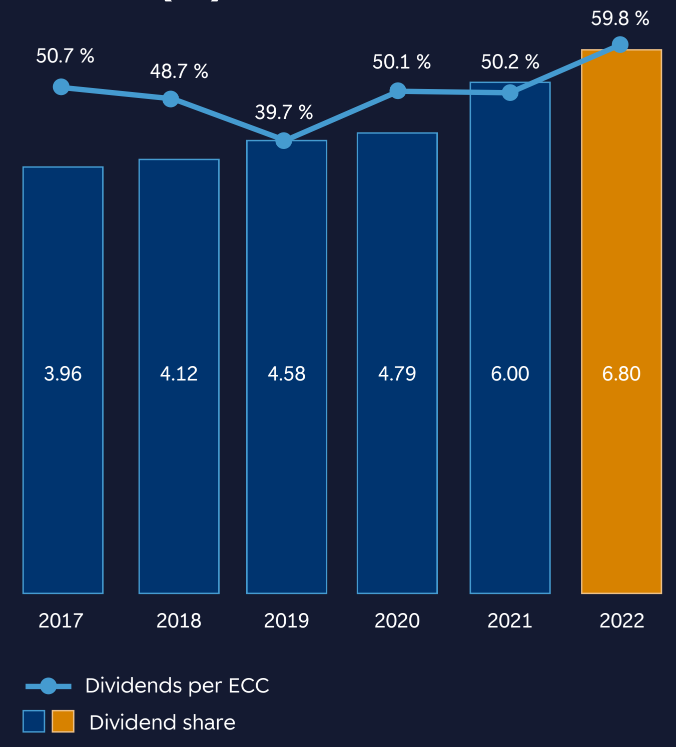
			2023	2022	2021	2020	2019	2018	2017
Profitability	Return on equity	Target	12.0 %	11.0 %	11.0 %	11.0 %	10.0 %	10.0 %	10.0 %
		Achievement		10.5 %	11.6 %	10.1 %	12.8 %	10.5 %	10.2 %
Dividens	50 % of the majority's share of consolidated profit	Target	50 %	50 %	50 %	50 %	50 %	50 %	50 %
		Achievement		60 %	50 %	50 %	40 %[1]	50 %	50 %
Solvency ratio	CET 1 ratio	Target	Regulatory requirements + 100 bps; 16,8 %[2]	Regulatory requirements + 100 bps; 16,3 %[3]	Regulatory requirements + 100 bps; 16,3 %[3]	Regulatory requirements + 100 bps; 16,1 %[3]	16.0 %	16.0 %	16.0 %
		Achievement		17.7 %	18.0 %	17.8 %	17.2 %	16.8 %	16.8 %
Cost	Cost increase in the parent bank	Target	5.0 %	4.0 %	2.0 %	0.0 %	2.0 %	-5.0 %	
		Achievement		6.1 %	4.3 %	-0.4 %	2.5 %	-5.3 %	

1) In keeping with a request from the Financial Supervisory Authority of Norway, the 2019 dividend was reassessed in light of the Covid-19 pandemic and reduced from 50 per cent to 40 per cent of the Group's profit after tax for the 2019 financial year.
2) Target includes the increase in countercyclical capital buffer by 0.5 percentage points from 31 March 2023.
3) Regulatory requirements as of 31.12 including 100 bps.

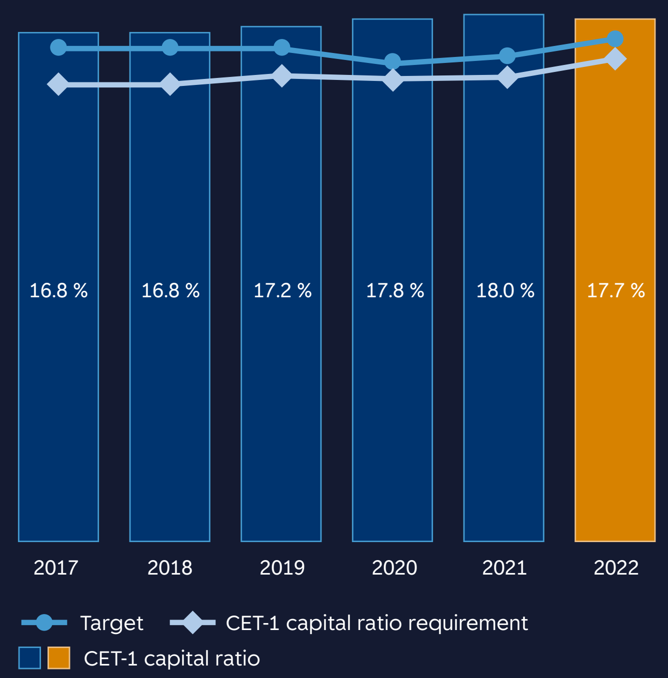
Return on equity



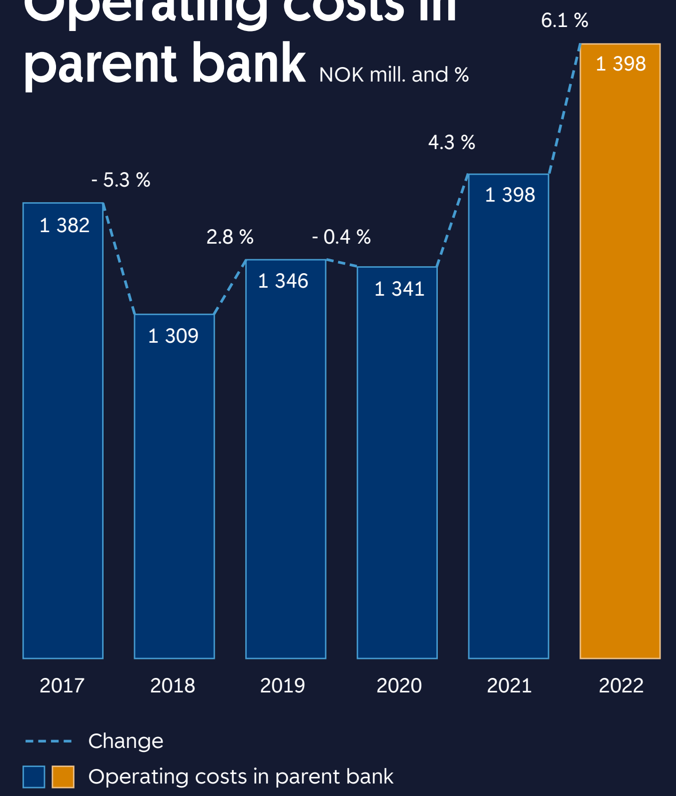
Dividend and dividend share (%)



CET-1 capital ratio



Operating costs in parent bank NOK mill. and %



CHAPTER 1.7

Key figures from the Group

Summary (NOK million)	2022	2021	2020	2019	2018	2017
Net interest income	2 693	2 161	2 177	2 166	2 074	1 956
Net commissions and other operating income	1 588	1 663	1 441	1 388	1 286	1 263
Net profit from financial assets and liabilities	162	599	545	735	291	277
Total net income	**4 443**	**4 423**	**4 164**	**4 289**	**3 651**	**3 496**
Total operating expenses	**2 037**	**1 980**	**1 902**	**1 930**	**1 881**	**1 898**
Operating profit before losses on loans and guarantees	**2 406**	**2 443**	**2 262**	**2 359**	**1 770**	**1 598**
Impairment on loans and guarantees	27	5	330	32	35	-20
Pre-tax operating profit	**2 379**	**2 438**	**1 932**	**2 326**	**1 735**	**1 618**
Tax expense	431	416	323	398	321	356
Profit after tax	**1 948**	**2 022**	**1 608**	**1 928**	**1 414**	**1 263**
Interest expenses on hybrid capital	47	27	20	15	17	13
Profit after tax incl. Interest on hybrid capital [1]	1 902	1 994	1 589	1 913	1 396	1 250

Profitability	2022	2021	2020	2019	2018	2017
Return on equity capital [1]	10.5 %	11.6 %	10.1 %	12.8 %	10.5 %	10.2 %
Cost-income-ratio [1]	45.8 %	44.8 %	45.7 %	45.0 %	51.5 %	54.3 %
Net interest income calculated as a percentage of average assets	1.63 %	1.42 %	1.51 %	1.66 %	1.77 %	1.86 %
Profit after tax calculated as a percentage of average total assets	1.18 %	1.33 %	1.12 %	1.48 %	1.20 %	1.20 %

From the balance sheet	2022	2021	2020	2019	2018	2017
Gross loans to customers	130 851	121 284	113 368	107 035	98 940	90 460
Gross loans to customers including loans transferred to covered bond companies [1]	188 729	173 700	161 259	150 688	140 165	129 535
Growth in loans during the last 12 months [1]	7.9 %	7.0 %	5.9 %	8.2 %	9.4 %	9.1 %
Growth in loans including loans transferred to covered bond companies in the last 12 months [1]	8.7 %	7.7 %	7.0 %	7.5 %	8.2 %	8.4 %
Deposits from customers	98 813	92 178	85 613	78 494	71 497	65 985
Growth in deposits in the last 12 months [1]	7.2 %	7.7 %	9.1 %	9.8 %	8.4 %	4.6 %
Deposit-to-loan-ratio [1]	75.5 %	76.0 %	75.5 %	73.3 %	72.3 %	72.9 %
Deposit to loan ratio incl. loans transferred to covered bond companies [1]	52.4 %	53.1 %	53.1 %	52.1 %	51.0 %	50.9 %
Average total assets [1]	165 140	152 242	144 108	130 394	117 358	105 157
Total assets [1]	170 547	155 459	146 074	134 783	123 472	108 321
Total assets including loans transferred to covered bond companies [1]	228 425	207 875	193 964	178 436	164 696	147 396

Losses and commitments in default [7]	2022	2021	2020	2019	2018	2017
Impairment on loans as a percentage of gross loans [1]	0.0 %	0.0 %	0.3 %	0.0 %	0.0 %	0.0 %
Loans to and receivables from customers in stage 2, percentage of gross loans [1]	9.0 %	8.6 %	8.3 %	7.4 %		
Loans to and receivables from customers in stage 3, percentage of gross loans [1]	0.6 %	0.5 %	0.4 %	0.4 %		
Commitments in default, percentage og gross loans					0.3 %	0.3 %
Other doubtful commitments, percentage of gross loans					0.1 %	0.3 %
Net commitments in default and other doubtful commitments, percentage of gross loans					0.4 %	0.4 %

Solidity and liquidity	2022	2021	2020	2019	2018	2017
CET 1 capital ratio	17.7 %	18.0 %	17.8 %	17.2 %	16.8 %	16.8 %
Tier 1 capital ratio	19.0 %	19.4 %	18.8 %	17.9 %	17.6 %	17.7 %
Capital adequacy ratio	20.7 %	21.1 %	20.8 %	19.8 %	19.6 %	20.5 %
Total eligible capital	18 854	17 933	16 704	15 444	14 672	14 138
Equity ratio [1]	11.7 %	12.0 %	11.7 %	11.8 %	12.0 %	12.3 %
Leverage Ratio	7.2 %	7.3 %	7.2 %	7.2 %	7.5 %	7.1 %
LCR [2]	164.5 %	131.6 %	140.6 %	162.2 %	152.5 %	114.0 %
LCR in NOK [2]	150.4 %	127.4 %	130.5 %	147.1 %	164.2 %	113.0 %
LCR i EUR [2]	976.2 %	231.0 %	619.0 %	1248.3 %	123.2 %	

Branches and staff	2022	2021	2020	2019	2018	2017
Number of branches [3]	36	36	37	37	38	38
Number of fulltime equivalents	1 121	1 137	1 149	1 127	1 139	1 109
Sick leave [3]	4.2 %	3.7 %	4.0 %	4.5 %	4.0 %	4.0 %
Percentage of women [3]	49.7 %	51.6 %	51.9 %	52.2 %	53.0 %	53.0 %
Percentage of women in managerial positions [3]	41.0 %	42.2 %	36.1 %	35.8 %	39.0 %	39.0 %
Turnover [3]	5.0 %	5.1 %	3.8 %	4.6 %	2.0 %	2.0 %

Other	2022	2021	2020	2019	2018	2017
Number of complaints	258	298	360	388	261	171
Number of customers in total	404 013	377 817	365 108	353 713	336 728	318 507
Share green loans [8]	17.5 %	16.3 %				

Equit capital certificates (EC) [4]	2022	2021	2020	2019	2018	2017
ECC ratio	70.0 %	70.0 %	70.0 %	70.1 %	69.3 %	67.6 %
Average ECC ratio	70.0 %	69.8 %	70.0 %	69.3 %	67.7 %	67.5 %
Number of EC's issued	115 829 789	115 829 789	115 829 789	115 829 789	115 319 521	107 179 987
Market price (NOK)	121.20	145.60	97.80	92.50	83.00	90.50
Market capitalisation (NOK million)	14 039	16 865	11 328	10 714	9 572	9 700
Book equity per EC (NOK) [1]	112.71	106.31	98.76	93.67	85.83	80.96
Earnings per EC (NOK) [5]	11.37	11.96	9.57	11.55	8.46	7.81
Dividend per EC (NOK) [6]	6.80	6.00	4.79	4.58	4.12	3.96
Price/Earnings per EC (NOK) [1]	10.66	12.18	10.22	8.01	9.81	11.59
Price/book equity (NOK) [1]	1.08		0.99	0.99	0.97	1.12

1) See attachment regarding Alternative performance measures.
2) Liquidity Coverage Ratio: Measures the size of banks' liquid assets relative to net liquidity output 30 days ahead of time given a stress situation.
3) Numbers are for parent bank only.
4) SpareBank 1 Østlandet was listed on the stock exchange on 13 June 2017.
5) Profit after tax and interest expenses on hybrid capital for controlling interests * Averave ECC ratio / number of ECC's
6) The payout ratio for the dividend for 2019 was, in accordance with the Board's revised recommendation and as communicated in a market announcement dated 19 March 2020, reduced from 50 per cent to 40 percent. The dividend per ECC was changed from NOK 5.72 to NOK 4.58.
7) From 2019, SpareBank 1 Østlandet changed key figures related to Losses and commitments in default as a result of the transition to IFRS 9.
8) Green assets according to our Green Bond Framework (2021), and residential buildings built after 1.1.2021 - as share of gross loans to costumers including loans transferred to covered bond companies.

CHAPTER 1.8

Equity capital and equity capital certificates

SpareBank 1 Østlandet became an equity capital certificate bank in 2015 by converting 60 per cent of Sparebanken Hedmark's primary capital at the time into equity capital certificates. The equity capital certificates went public on 13.6.2017 under the ticker SPOL.

The equity capital was increased in connection with the acquisition of Bank 1 Oslo Akershus. At the end of 2022, the equity capital ratio represented 70.0 per cent of the Bank's equity. Booked equity capital at the end of 2022 amounted to NOK 11,340 million divided into 115,829,789 equity capital certificates with a nominal value of NOK 50.

The Group's profit after tax, less interest on additional Tier 1 capital and minority interests, will be distributed between equity capital certificate holders and the primary capital based on the average relative share of equity capital during the period. The equity capital certificate holders' share of the profit is divided between dividends and the dividend equalisation fund.

Key figures for the equity capital certificate [1]	2022	2021	2020	2019	2018	2017
Market price as at 31.12, NOK	121.2	145.6	97.8	92.5	83.0	90.5
- High	153.4	145.8	101.0	92.5	96.7	93.2
- Low	105.6	96.6	70.1	80.8	80.4	78.0
No. of equity capital certificates issued as at 31.12	115 829 789	115 829 789	115 829 789	115 829 789	115 319 521	107 179 987
No. of equity capital certificate holders as at 31.12	5 777	5 658	5 122	5 008	5 021	4 835
Market cap as at 31.12 (NOK millions)	14 039	16 865	11 328	10 714	9 572	9 700
Equity capital ratio as at 31.12 in %	70.0%	70.0%	70.0%	70.1%	69.3%	67.6%
Average equity capital ratio	70.0%	69.8%	70.1%	69.3%	67.7%	67.5%
Average daily volume traded (in thousands of equity capital certificates)	45.0	36.0	61.9	42.8	29.8	79.5
Annual volume traded (in thousands of equity capital certificates)	11 379	9 067	15 608	10 654	7 430	11 282
Average daily volume traded (NOK millions)	5.6	4.4	5.6	3.7	2.6	6.6
Annual volume traded (NOK millions)	1 426	1 098	1 411	916	652	935
Earnings per equity capital certificate, NOK [2]	11.37	11.96	9.57	11.55	8.46	7.81
Dividend per equity capital certificate, NOK [3]	6.80	6.00	4.79	4.58	4.12	3.96
Payout ratio, in % [4]	59.8%	50.2%	50.1%	39.6%	48.7%	50.7%
Direct return, in % [5]	5.6%	4.1%	4.9%	5.0%	5.0%	4.4%
Total return, in % [6]	-13.2%	54.6%	12.3%	17.0%	-4.1%	16.0%
Book equity per ECC, NOK [7]	112.71	106.31	98.76	93.67	85.83	80.96
Price/book equity (P/B) [7]	1.08	1.37	0.99	0.99	0.97	1.12
Price/earnings per ECC (P/E) [7]	10.66	12.18	10.22	8.01	9.81	11.59

1) SpareBank 1 Østlandet was listed on 13.6.2017.
2) Profit after tax and interest on additional Tier 1 capital for controlling interest x equity capital ratio/no. of ECCs.
3) The payout ratio for the dividend for 2019 was, in accordance with the Board's revised recommendation and as communicated in a market announcement dated 19.3.2020, reduced from 50 per cent to 40 per cent. The dividend per equity capital certificate was changed from NOK 5.72 to NOK 4.58.
4) Dividend per equity capital certificate/earnings per equity capital certificate.
5) Dividend per equity capital certificate/market price as at 31.12.
6) Annual return including reinvestment of dividend.
7) Alternative performance measures are defined in a separate chapter.

Ownership policy

SpareBank 1 Østlandet complies with the Norwegian Code of Practice for Corporate Governance to the extent appropriate for savings banks with equity capital certificates (see page 107 for more information on corporate governance). In line with the Code of Practice, the Bank has established an investor and dividend policy that has been adopted by the Board of Directors and is published on the Bank's website.

The Bank complies with Oslo Børs's IR recommendation of 1.3.2021. SpareBank 1 Østlandet places great importance on creating trust in the investor market by providing correct, relevant and timely information on the Bank's performance and earnings.

Dividends

SpareBank 1 Østlandet also believes it is important to provide its owners with a competitive, stable cash dividend based on good profitability and a high dividend capacity. The Bank's goal is to pay out 50 per cent of each year's profit after tax (the controlling interest's share of the consolidated profit) as dividends to equity capital certificate holders and the primary capital based on the equity capital ratio. Decisions about dividends must be assessed in light of any extraordinary income and cost items, and must also take into account expected financial performance, as well as regulatory changes and their expected consequences for capital adequacy.

With the exception of the dividend for the 2019 financial year, actual dividends have been in line with this policy *(Figure 1)*. The dividend ratio that year was 40 per cent because of the outbreak of the coronavirus pandemic and the resulting uncertainty about the economic outlook. For the 2022 financial year, the Board of Directors has proposed a dividend to the Bank's Supervisory Board of NOK 6.80 of earnings of 11.37 per equity capital certificate. This corresponds to a dividend ratio of 60 per cent. The annual dividend ratio has thus, on average, been around 50 per cent since the conversion to an equity capital certificate bank.

A share of the profit allocated to primary capital is normally paid out via customer dividends. SpareBank 1 Østlandet is the only bank in its market area that pays out customer dividends, which also help to prevent dilution of the equity capital certificates. The Board is proposing paying out customer dividends totalling up to NOK 306 million for 2022.

Figure 1: Dividends for owners

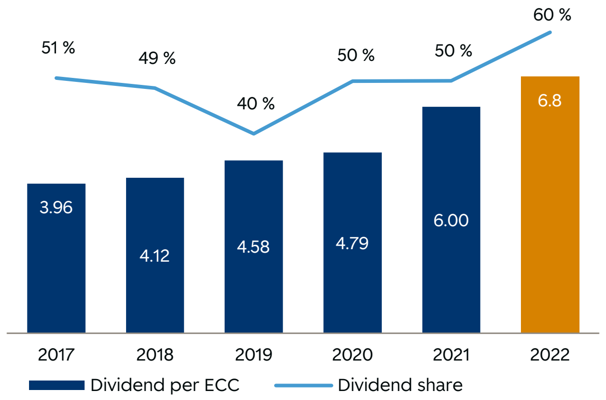


Figure 2: Geographical distribution of investors (holding)

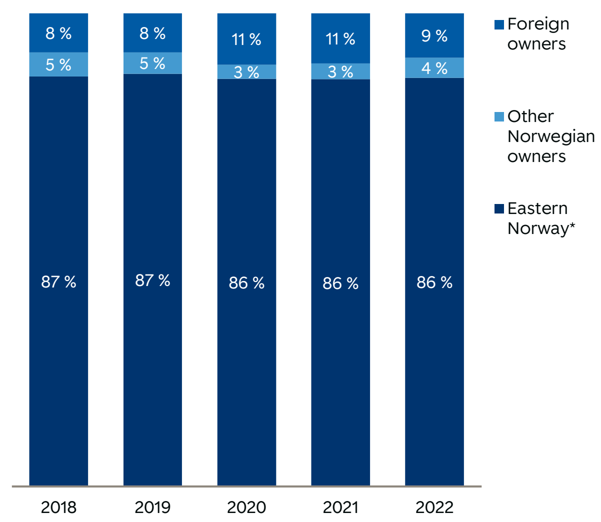
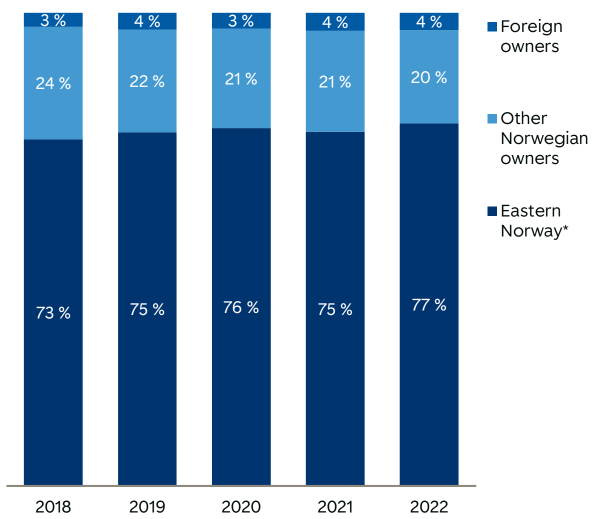


Figure 3: Geographical distribution of investors (number)



* Eastern Norway (Østlandet) is defined as Oslo, Innlandet and Viken.

Owner composition

SpareBank 1 Østlandet is interested in broad and local ownership. At the end of the year, the Bank had 5 777 private and institutional owners (5 658 at the end of 2021), of which 4 336 lived in Oslo, Innlandet and Viken (4 241 in 2021). Measured in terms of market value, around 91 per cent of the equity capital certificates were held by investors resident in Norway *(Figure 2)*. Investors resident in the US, UK and Cyprus make up the largest foreign ownership groups.

The Bank has had an equity capital certificate savings programme for employees of the Group since 2021. The programme will be continued in 2023. The programme allowed employees to invest up to NOK 2 000 in the Bank's equity capital certificates per month throughout the year. 2 years after each allocation, employees who have not sold the equity capital certificates purchased through the savings programme will receive a free equity capital certificate for every second equity capital certificate they purchased. In the course of 2022, 550 out of 1 043 eligible employees took part in the programme.

Sparebankstiftelsen Hedmark is the largest owner of the Bank, with 52.1 per cent of the equity capital certificates. The foundation's mission includes exercising significant, long-term and stable ownership of SpareBank 1 Østlandet. The foundation makes major contributions to the development of local communities, including by distributing substantial donations (see **sparebankstiftelsenhedmark.no** for more information about the foundation).

Largest owners

20 largest holders of equity capital certificates	2022 No. of equity capital certificates	2022 Share in per cent	2021 No. of equity capital certificates	Change
Sparebankstiftelsen Hedmark	60 404 892	52.15%	60 404 892	–
Norwegian Confederation of Trade Unions (LO)	11 121 637	9.60%	11 121 637	–
Pareto Invest AS	3 602 685	3.11%	3 300 861	301 824
Fellesforbundet	2 391 954	2.07%	2 391 954	–
Geveran Trading Co LTD	2 301 587	1.99%	1 952 005	349 582
VPF Eika Egenkapitalbevis	2 186 236	1.89%	1 996 144	190 092
Pareto AS	1 802 681	1.56%	522 681	1 280 000
Spesialfondet Borea Utbytte	1 567 586	1.35%	616 021	951 565
Norsk Nærings- og Nytelsesmiddelarbeiderforbund	1 313 555	1.13%	1 313 555	–
Kommunal Landspensjonskasse Gjensidig Forsikring	1 171 544	1.01%	229 843	941 701
VPF Odin Norge	871 218	0.75%	1 621 218	(750 000)
The Bank of New York Mellon SA/NV (nominee)	868 454	0.75%	888 454	(20 000)
Landkreditt Utbytte	850 000	0.73%	1 000 000	(150 000)
Tredje AP-fonden	804 750	0.69%	804 750	–
Fagforbundet	622 246	0.54%	622 246	–
State Street Bank and Trust Company (nominee)	596 747	0.52%	735 862	(139 115)
Brown Brothers Harriman & Co. (nominee)	568 688	0.49%	568 688	–
JPMorgan Chase Bank, London (nominee)	544 401	0.47%	544 401	–
Industri Energi	479 443	0.41%	479 443	–
VPF Storebrand Norge	470 250	0.41%	313 561	156 689
Total 20 largest owners of equity capital certificates	**94 540 554**	**81.62%**	**91 428 216**	**3 112 338**
Other holders	21 289 235	18.38%	24 401 573	(3 112 338)
Total no. of equity capital certificates	**115 829 789**	**100%**	**115 829 789**	

❯ The Bank has had an equity capital certificate savings programme for employees of the Group since 2021. The programme will be continued in 2023. The programme allows employees to invest up to NOK 2 000 in the Bank's equity capital certificates per month during the year.

Figure 4: Total return (index = 100 per opening price at IPO 13.6.2017)

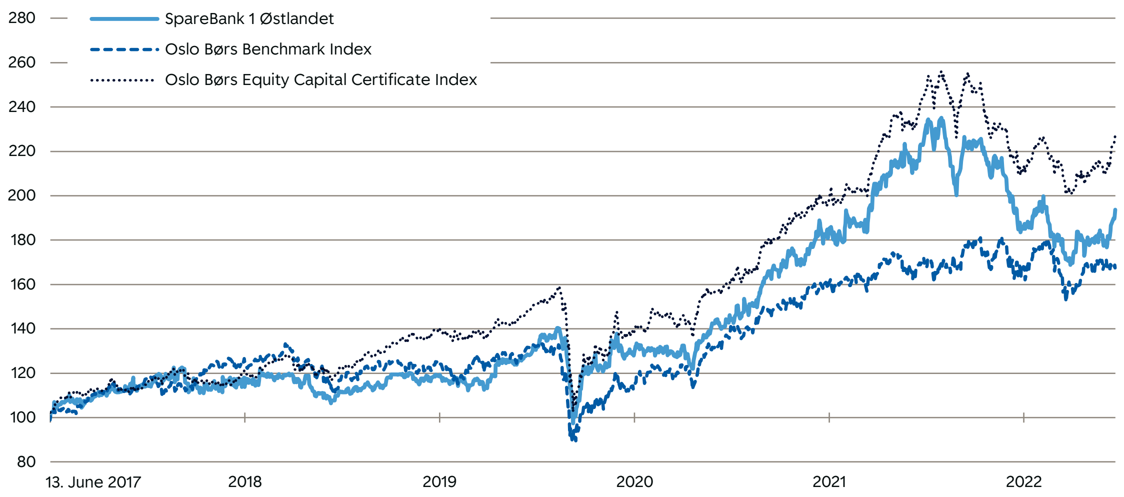


Figure 5: Price and trading volume SPOL

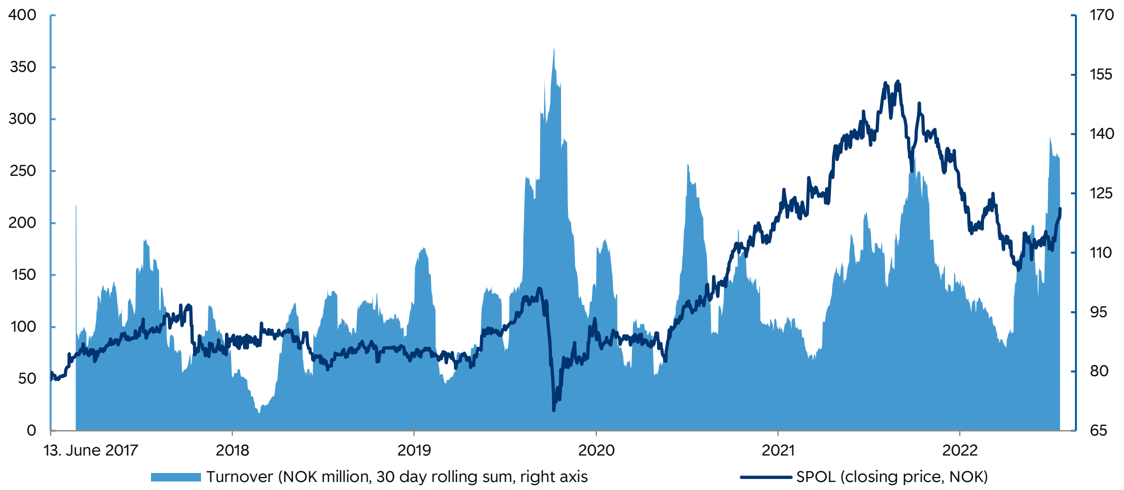


Figure 6: Development of equity capital certificate's market price in relation to earnings per equity capital certificate (price/earnings)

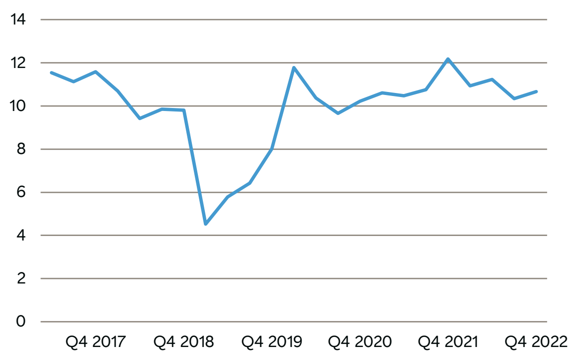
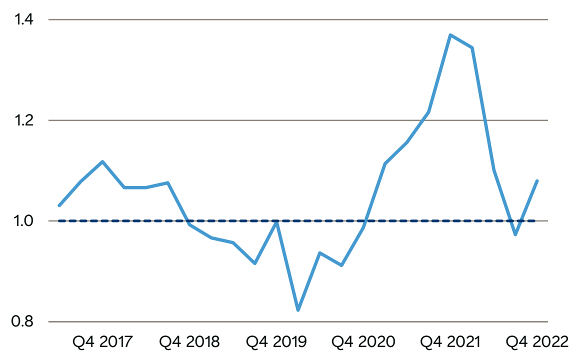


Figure 7: Development of equity capital certificate's market price in relation to book value (price/book)



Return and sales

The total return on the equity capital certificate in 2022, including dividends, was 13.2 per cent, compared with 1.0 per cent for the Oslo Børs's Benchmark Index (OSEBX) and -6.7 per cent for its Equity Certificate Index (OSEEX). The market value of the listed equity capital was NOK 14 039 million at the end of 2022, based on a price per equity capital certificate of NOK 121.20. The price equalled 1.08 times the book value of the equity (price/book).

Approximately NOK 1 426 million worth of SpareBank 1 Østlandet's equity capital certificates were traded on Oslo Børs over the course of 2022. The value was thus higher than in 2021 (NOK 1 098 million). The number of equity capital certificates traded was around 11.4 million (9.1 million in 2021).

SpareBank 1 Markets has provided a market making liquidity guarantee agreement for the SPOL equity capital certificate since the middle of 2018.

SpareBank 1 Østlandet is included in the Oslo Børs Equity Index with a weight of 9.16 per cent, as well as several international equity indices.

Ratings

SpareBank 1 Østlandet has a rating from Moody's Investors Service (Moody's) for its deposits and senior preferred debt of Aa3 with a stable outlook *(Figure 11)*. This means that SpareBank 1 Østlandet has the highest credit rating from Moody's among savings banks in Norway. The Bank's Baseline Credit Assessment (BCA) and adjusted BCA are a3. The Bank's senior non-preferred debt has a rating from Moody's of A3. This was confirmed by Moody's on 12.1.2022.

The Bank also has an ESG Risk Rating from Sustainalytics of 9.0 on a scale of 0 (best) to 100 (worst). This is categorised as 'Negligible Risk' and is best in Norway. Our corresponding rating from MSCI is AA, which also results in a joint second place.

Figure 8: Total return in the year

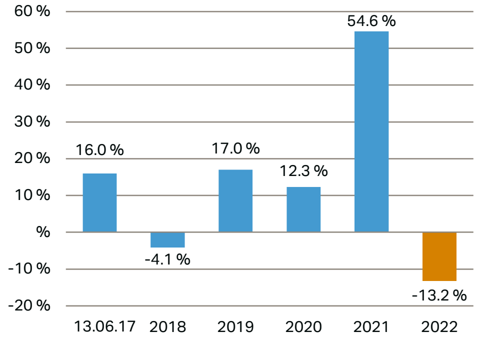
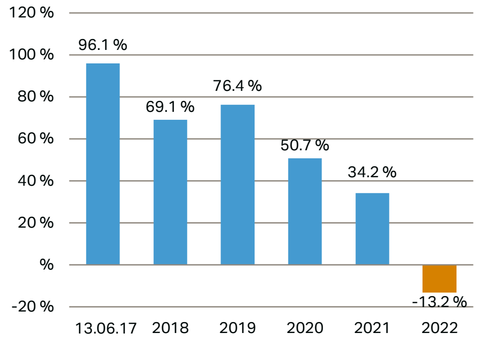
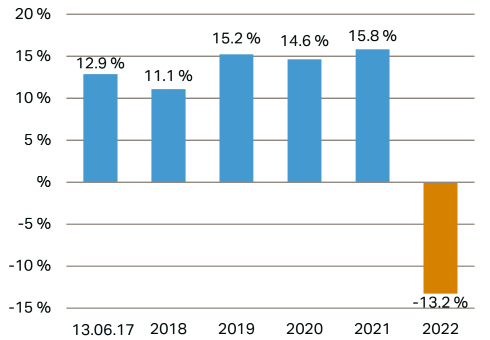


Figure 9: Cumulative total return



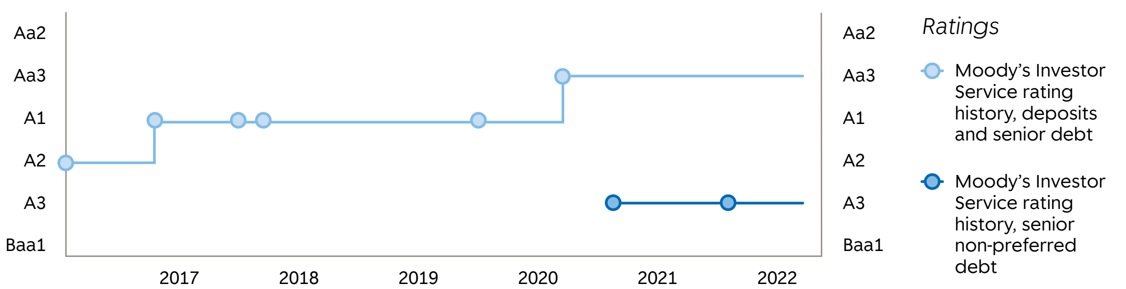
Cumulative total return from purchase of SPOL from end of previous year to 31.12.2022.

Figure 10: Annualised cumulative total return



Annualised cumulative total return from purchase of SPOL from end of previous year to 31.12.2022.

Figure 11: Rating from Moody's Investor Service



SpareBank 1 Østlandet has a rating from Moody's for its deposits and senior preferred debt of Aa3 with a stable outlook. This means that the Bank has the highest credit rating from Moody's among savings banks in Norway.

Bjørn-Erik Orskaug,
Head of Investor Relations
Hamar

May Grete Moen Retterås and Trond Marthinsen, financial advisers in **Våler**

CHAPTER 2

Strategy and the world around us

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CHAPTER 2.1

The macro picture

2022 was a year of challenging social trends that were full of contrasts. Norway put the pandemic behind it, although the war in Ukraine also left its mark here at home. Economically, the war contributed to a sharp rise in inflation, unpredictable fluctuations in energy prices, long delivery times and higher interest rates.

Prior to the autumn, the economy was doing well with strong growth in output, private consumption and business investment. Unemployment fell throughout the year and many companies reported capacity problems. The strong growth was partly due to the post-pandemic recovery, especially for the service industries. However, the signs of a negative turn of events driven by high inflation and rising interest rates became clearer during the autumn and as winter began.

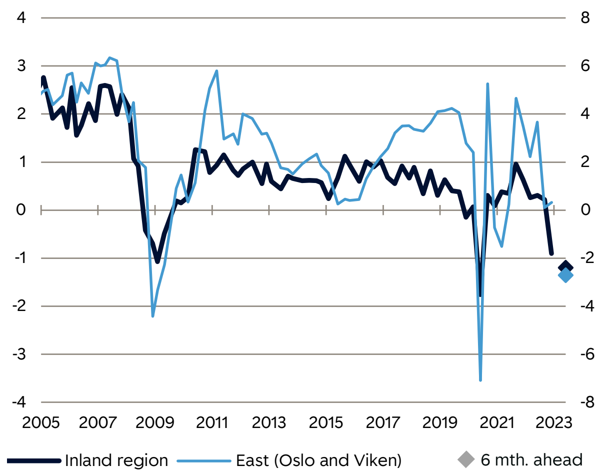
Overall, growth in the Bank's market area was weaker than growth nationally. One important reason for this was the higher electricity prices here than in the regions further north, although the composition of the business sector also played a part. Few companies in the Bank's market area are directly involved in oil, gas or aquaculture where the activity has been higher than in many other industries. For the same reasons, companies' expectations for the coming year are low, according to both the Bank's own survey of expectations and Norges Bank's regional network. *(Figure 1).*

Just over a quarter of the Bank's loans are to companies. Corporate loans developed very strongly in 2022 with growth of 16.1 per cent from the end of 2021 to the end of 2022. According to Statistics Norway, non-financial companies' credit also grew strongly nationally (8.0 per cent in December). Corporate investment is the main driver behind the increase in the Bank's lending in the business sector. The strong growth during 2022 must be viewed in the context of the low levels of investment during the pandemic and the resulting pent-up need. Going forward, companies in the Bank's market area expect the pace of investment to slow. Therefore, the expectation is that the growth in demand for credit in the business sector will decline to some extent. *(Figure 2).*

Housing mortgages account for the largest share of the Bank's loan portfolio at just under three quarters. Total mortgage growth in the Bank was strong in 2022, although it slowed towards the end of the year in line with general market growth. At the end of the year, the annual growth in mortgages was at 6.0 per cent, compared with growth of 4.2 per cent nationally for household lending.

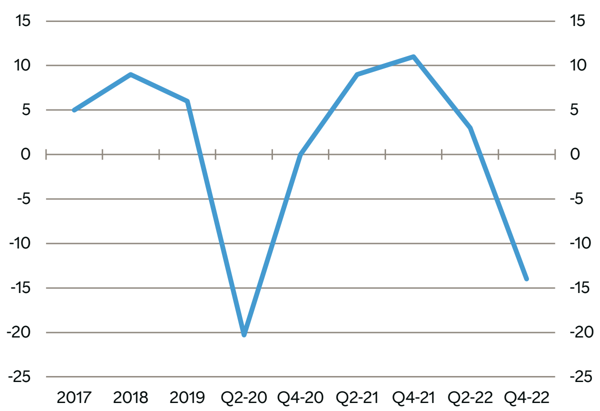
The housing market has just ended a mixed year. At the beginning of the year, the supply of new homes on the market was low due to the new Alienation Act, while demand remained high. This contributed to strong growth in house prices. In the autumn, the housing market showed signs of cooling off with, among other things, lower demand and a moderate fall in house prices.

Figure 1: Output growth



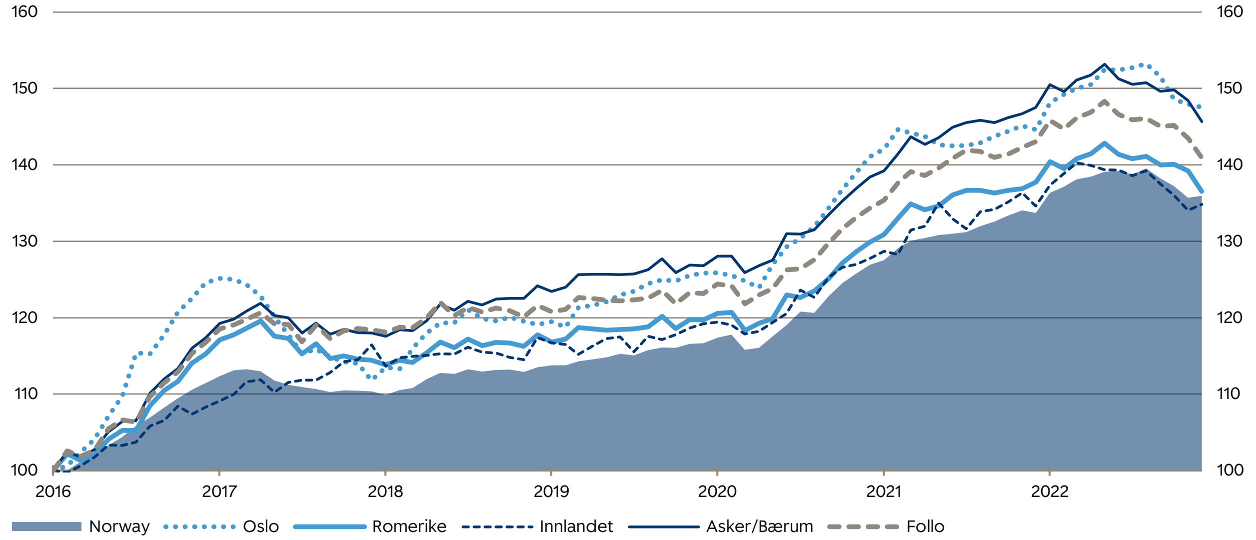
Growth in the past 3 months and expected in the next 6 months. Index left axis, per cent (annualised) right axis. Source: Norges Bank's regional network.

Figure 2: Investment expectations for companies in Eastern Norway



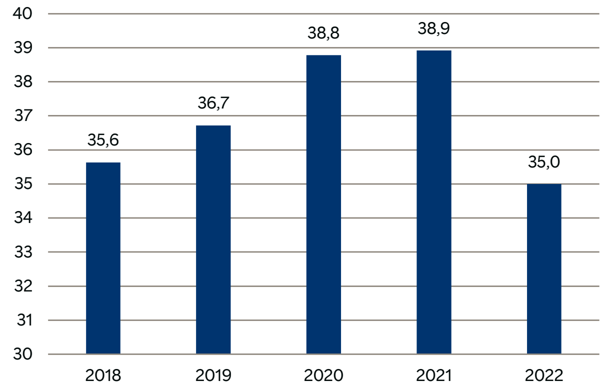
Expected investment levels for companies in Eastern Norway for the next 12 months (optimists versus pessimists). Sources: Kantar, SpareBank 1 Østlandet.

Figure 3: Housing prices (index, seasonally adjusted January 2016 = 100)



Sources: Eiendom Norge, FINN and Eiendomsverdi AS.

Figure 4: Sales of used homes in the Bank's market area (figures in thousands)

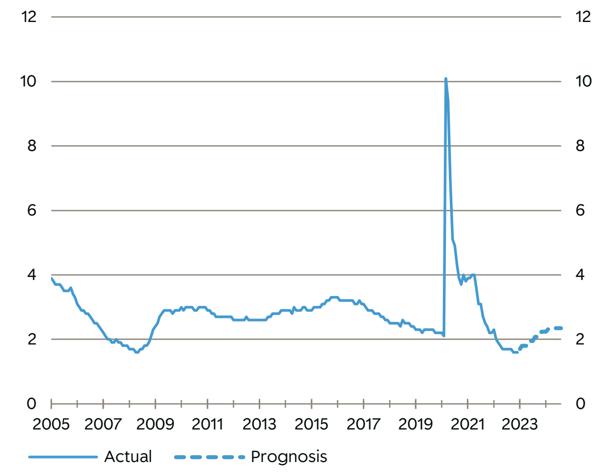


The Bank's market area is defined as Oslo, Asker/Bærum, Follo, Romerike and Innlandet County. Sources: Eiendom Norge, FINN and Eiendomsverdi AS.

Bank lending rates and conditions in the labour market are important factors in the development of the housing market. Norges Bank raised the policy rate sharply and rapidly in 2022 because of high inflation. However, the central bank has indicated that we are probably approaching peak interest rates. High inflation for goods and services are factors that contribute to weakening household purchasing power. The combination of increased borrowing costs and high inflation will probably dampen activity in the housing market and thus growth in the Bank's housing mortgages in 2023.

On the other hand, the strong labour market is backstopping activity in the housing market. Unemployment in the Bank's market area is low and in their forecasts both Norges Bank and Statistics Norway estimate that we will only see a moderate increase in unemployment. According to the Bank's own survey of expectations, the proportion of companies that expect to increase FTEs in the next year is still higher than the proportion that expect fewer FTEs. Expectations of high population growth in the next few years will also contribute to continued good underlying demand for housing.

Figure 5: Unemployment rate (in per cent)



Sources: Norwegian Labour and Welfare Service (NAV) and Norges Bank.

Overall, Norges Bank, Statistics Norway and other analytical environments are expecting weaker macroeconomic development over the next year. There is also a risk of even weaker development, driven by, for example, persistent negative economic effects from the current war in Ukraine. Inflation may become entrenched at a higher level than expected, which will probably result in further interest rate hikes by Norges Bank. Combined with high inflation, this could contribute to even weaker growth in real disposable income for households, which in turn could have a negative impact on the housing market. For companies, continued high pressure on costs and higher interest rates could result in lower demand and greater pressure on profitability. This could in turn result in lower growth in business investment than otherwise would be the case.

CHAPTER 2.2 – NEW STRATEGY FOR THE PERIOD UP TO 2025

The customer decides

It is now 5 years since the merger with Bank 1 Oslo Akershus, and SpareBank 1 Østlandet has grown every year since 2017. The strategy we set out for the merged bank has paid off. A new strategy period started in 2022. SpareBank 1 Østlandet is well equipped for further growth.

Our local presence with 36 bank branches, real estate and finance companies located centrally and locally around Eastern Norway, is based on our long-term business model in which we still have great faith. We want to be good at customer relations, which is key to winning the trust that will ensure customers continue to choose us as their bank.

In spite of digitalisation, proximity is as important as ever, whether it be in digital or physical form. The ambition for the period up to 2025 is to become Norway's best relationship bank.

Our historical links and presence in both rural and urban areas means that we know our customers. And with good credit practices and good sustainability assessments, we ensure that value is not lost for customers, the Bank, owners, society, the climate and nature.

We exist to help people and companies succeed with their projects. And together with our customers, we want to be an active driving force behind sustainable growth and development in Eastern Norway.

Business concept

We exist to help people and companies succeed. Together we contribute to sustainable growth and development in Eastern Norway.

This means that:

- We are a driving force behind attractive local communities – in the time honoured savings bank tradition.
- We are viewed as a proactive actor that offers relevant services and a high level of expertise for the communities of which we are a part.
- We have proud, capable employees who do their jobs in the best interests of customers and society.
- We are accessible in the everyday lives of customers and via the channels the customer prefers.
- We make everyday finances simple for our customers.

Vision

Creating together

– long-term value for society, our customers, owners and employees.

The Bank's vision makes the point that the Bank's results are achieved in partnership with those around us.

Values

Proficient

- We understand the expectations and needs of the market, customers and owners.
- We deliver solutions of the right quality at the right time.
- We stay up to date, prepare and are at the cutting edge of developments.

Nearby

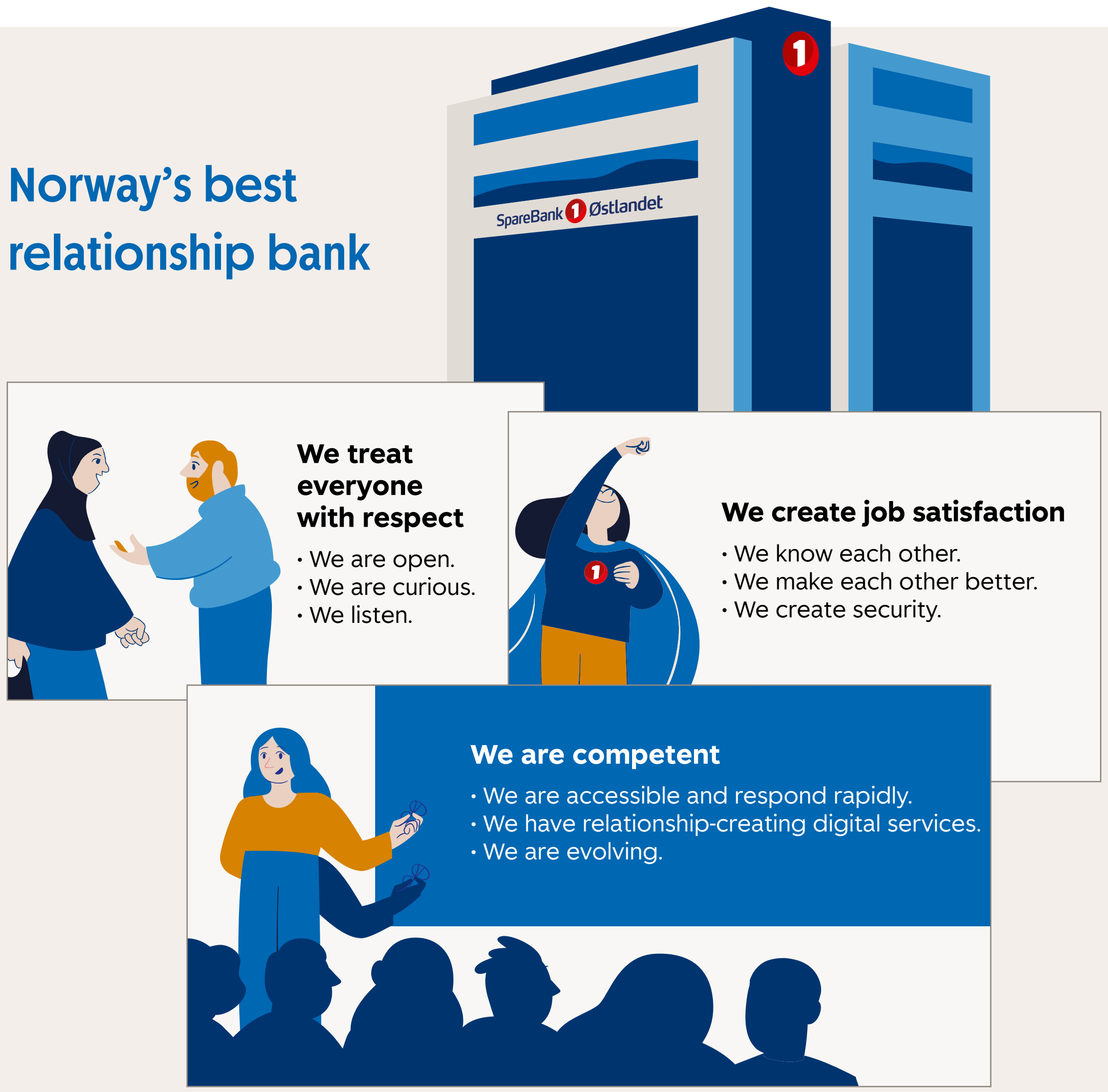
- We create good customer experiences.
- We are accessible and offer relevant solutions via the customer's preferred channel.
- We communicate in plain, easy to understand, clear language.

Engaged

- We are visible and take the relevant measures for our customers, colleagues and partners.
- We generate engagement, motivation and good results.
- We work together to achieve a good working environment, involve people and play to each other's strengths for the benefit of the customers and the Group.

Ambition

Norway's best relationship bank



Trends and development traits towards 2030

In the work on our new strategy, we have assessed the external drivers and trends in the market that we believe it will be important to address in relation to how we think and work going forward.

We have given a lot of weight to obtaining perspectives from both external and internal environments in the work on the strategy. The aim has been to ensure that we can see the big picture in trends and development traits that could impact operations and result in a need for adaptations.

In our strategic initiatives, it is important to take account of both national and global drivers for economic growth, customer behaviour, technology, competitive conditions and regulatory requirements.

A brief summary of what provided the basis for formulation of the new strategy is provided below.

Trend map for the period up to 2030

Macro

- Norwegian economy under pressure.
- Urbanisation continues, albeit without the same vigour.
- New business models in the digital world.
- Sustainability as the biggest driver of economic transition.
- Digital currencies threaten the role of banks as intermediaries.

Customer behaviour

- Sustainability – from attitude to action.
- Customers as enlightened participants and advocates.
- Permanent shift in digital interaction.

Technology

- Cybersecurity is threatening the Bank's position of trust.
- Digital butlers are becoming important for customers.
- Greater interaction between man and machine.
- Data-driven business operations and analysis.

Competition and regulation

- New regulations are opening up the financial services industry.
- New wave of mergers and acquisitions.
- Digital concepts, association agreements and other SpareBank 1 banks' strategies are increasing competition.
- New market entrants are eating into the financial value chain.
- Fewer branches in renewed formats.
- New services in an expanded ecosystem.

General drivers for customers and employees in the period up to 2025

Retail customers

- The majority of people continue to gravitate towards regional centres.
- Consumption is increasing, at the same time as more people believe making sustainable choices is more important than ever.
- Most people are living more digitalised lives and expect banking services to be resolved fully digitally. Customers want an aggregated overview of all their personal finances in one place.
- Expect personal follow-up and the Bank to tailor services and advice based on consumption and data outside the Bank's sphere.
- Want advice on complex major life events.
- Lower loyalty and better financial information, where more customers are willing to look for the best deals in many areas of banking services.

Corporate customers

- All companies are required to provide more detailed reports and actively look for partners that can help.
- The Bank's digital services are required to meet higher requirements.
- Attacks by cyber pirates are increasing and putting particular pressure on SMEs.
- Bespoke solutions, the use of company-specific data and fully digital processes are expected.
- Small enterprises want expanded services and advice to simplify their lives.
- In the fight over customer interfaces, ERP providers are still market leaders.
- New actors are increasingly offering financial services that integrate into corporate value chains.

Employees

- Employees will expect a more flexible 'hybrid' working day.
- Employee loyalty is declining, although this is being counteracted by an increased focus on strengthening corporate culture and shared values.
- The Bank's focus on sustainability and corporate social responsibility has made its mark on the organisation and has become more important for individual employees and recent graduates.
- Data-driven decisions are being made unsupported to a much greater degree in an expanded analytics environment.
- Far more employees are using and working with AI.
- The focus on AI is in part being made possible by the fact that far more work processes have been automated.
- More employees are working on innovation in collaboration with partners.

Strategic vision for 2025

Our vision describes the approach we will take to the four key target areas for this strategy period.

Vision 2025

We know our customers and provide the best customer experiences.

We are creating the relationship bank of tomorrow in a generous and engaging working environment.

We are a clear driving force behind sustainable change.

We have one of the most attractive equity capital certificates on Oslo Børs.

We know our customers and provide the best customer experiences

This means, for example, that we have solutions that make it easy for customers to contact the Bank via the channels they want to use. Our self-service solutions must be good and personal.

We have the expertise and capacity to respond to enquiries and resolve cases so rapidly and with such a high level of quality that the Bank is viewed as being better than expected. Competent employees who provide support, help teach about finances, and advise on important events in the life of people and companies, are key. Our customers should view us as a good partner on the path to realising their goals. We must help customers make the right, profitable choices so that they experience added value.

One important task our advisers have is to recruit customers and establish and develop good customer relationships. Having competitive prices and conditions is important in attracting and retaining customers.

We strive to be a proactive and clear bank that builds good relationships and trust, including by illustrating the Bank's distinctive character through open and credible communication with customers and other stakeholders.

Key performance indicator (KPI)

We have retained our lead over other banks in the TRIM index, both in terms of relations and position.

We are creating the relationship bank of tomorrow in a generous and engaging working environment

It is essential that we make each other better and that we listen and have a good dialogue in all relationships. We have a generous and motivational working environment that has adapted to new ways of working.

Our managers get employees involved, set goals, show trust, and are there for people. We must make a conscious commitment to helping employees develop and ensure a sense of belonging in a flexible and robust working environment. All employees and managers have an understanding of business and focus on goal attainment, self-development, and value creating interaction.

Our employees share expertise, deliver added value to customers and clearly contribute to the team. It is important that the organisation is willing to change and that it puts in place sufficient capacity and continuous skills development for managers and employees.

The organisation is attractive to a diverse range of current and future employees with good, relevant expertise. We help to reduce unwanted turnover and take a strategic approach to succession planning. In the context of recruitment, we are dynamic and flexible and ensure the effective onboarding and training of new employees.

Key performance indicator (KPI)

We enjoy above industry average job commitment.

We are a clear driving force for sustainable transition

This means, for example, that our sustainability efforts are based on a research-based concept. We are contributing to sustainable transition in our market area by channelling capital into sustainable projects, and to the necessary transition to a sustainable and climate-neutral society. To succeed, we must also ensure that sustainability is an integral part of the Bank's operations and that we are actively contributing to achieving the UN Sustainable Development Goals, both in customer-oriented work and in internal operations, including in our supply chains.

In our efforts on sustainability, we are focusing on priority areas like responsible lending, combating economic crime, ethics and anti-corruption, requirements for providers of financial services, and ethical marketing of products and services. We are making the investments necessary to achieve the Bank's long-term sustainability goals.

We will prioritise the work on our four focus areas within responsible lending: Real estate and agriculture in the corporate market, real estate and responsible consumption in the retail market. We offer an appropriate range of sustainability services tailored to the needs of various customer groups.

In the strategy period, we will develop and maintain integrated, broad and in-depth expertise in all relevant areas of sustainability (ESG).

We are contributing to a sustainable zero-emission society by reducing CO2 emissions from our operations and in our lending and investment portfolios. We are contributing to the development of a society that works within the limits of what the planet can tolerate, which also entails taking greater account of nature and vulnerable ecosystems.

Key performance indicator (KPI)

The green portfolio accounts for at least 20.4 per cent of the Group's total lending portfolio.

We have one of the most attractive equity capital certificates on Oslo Børs

This means, for example, that we have satisfied owners and have access to adequate, favourably priced new equity when required. We are building trust with customers who want a bank with good capacity for generating and raising capital to meet their future financing needs.

We are building trust with debt investors who want a solid, profitable bank with good access to capital and a level of profitability able to absorb losses and withstand shocks. We are viewed as a natural investment for any portfolio that includes bank securities.

We generate internal pride in the organisation. Employees, customers and other local or regional stakeholders have attractive opportunities to invest in their bank and this is how we are strengthening the Bank's regional anchoring.

We have demonstrated that we can use capital efficiently in line with communicated capital targets, and that we can deliver competitive returns and dividends in line with communicated financial targets and the market's expectations throughout the strategy period. We deliver profitable growth in accordance with our communicated initiatives and priorities.

Key performance indicator (KPI)

We have one of the country's best price/book.

How we follow up our main strategy during the year

The work on the strategy, sub-strategies, goals and measures takes place in the individual divisions, corporate functions and support units. Strategy is a topic in Group Management's corporate governance meetings.

Strategic decisions, status and results are communicated regularly, both in general videoconferences and on our intranet. Strategic goals and results also form part of employee performance and career development interviews, as well as follow-up interviews.

CHAPTER 2.3

A clear driving force for sustainable transition

How does the Bank impact society and the environment? Our double materiality

We have conducted several analyses to identify the relevant sustainability issues for the Bank. The analyses provide the basis for prioritising our sustainability work. A materiality analysis has been produced with external and internal stakeholders and indicates the Bank's five material sustainability topics. The impact analysis shows where the Bank has the largest positive and negative impacts within our main business areas, the Retail Division and the Corporate Division. On the following pages we explain our approach to sustainability in more detail and how we address our impacts in this annual report.

Materiality analysis

Importance to external stakeholders

Importance to external stakeholders	IMPORTANT	MORE IMPORTANT	MOST IMPORTANT
MOST IMPORTANT	• Active ownership	• Privacy • Negative screening • New products and green innovation • Positive screening	Our most material sustainability topics • Responsible lending E S G • Combating economic crime G • Ethics and anti-corruption S G • Requirements for suppliers of financial services E S G • Ethical marketing S
MORE IMPORTANT	• Energy consumption and savings • Stakeholder engagement	• Local business development • Follow-up of the supply chain • Diversity and equal opportunities • Customer engagement and satisfaction	• Good banking practices
IMPORTANT	• Waste management • Measures for those who fall outside • Paper consumption • Greenhouse gas emissions (CO_2) • Water consumption	• Innovation and digitalisation • Employee development • HSE • Sponsorships and contributions to the local community	

Importance to SpareBank 1 Østlandet

Impact analysis of the Bank's largest business areas: Retail Division (RD) and Corporate Division (CD)

	Areas that are positively affected +				÷ Areas that are negatively affected	
S	Food	1	Corporate Division	1	Resources efficiency/security	E
S	Housing	2		2	Climate	E
E	Climate	3		3	Waste	E
S	Housing	1	Retail Division	1	Resources efficiency/security	E
S G	Inclusive, healthy economies	2		2	Climate	E
S	Work	3		3	Inclusive, healthy economies	S G

E Environment, climate and nature S Social conditions and Human rights G Governance

How does society and the environment impact the Bank? Our double materiality

The Bank is affected by external factors related to human rights and social conditions, the climate, nature and the environment, as well as the economy and governance. This can take the form of regulatory requirements, market conditions related to, for example, changes in demand and consumer preferences, or physical changes in nature or the climate. The overview shows where you can find more information in our annual report.

Climate

Climate changes impacts the Bank in two ways. Physical climate change is increasing the risk to the Bank's buildings and the Bank's loan portfolio, particularly within property and agriculture. Additionally, changed framework conditions, such as more stringent regulations and changed patterns of consumption, may be a risk for our customers, although they can also present new business opportunities.

See our 'TCFD Index' p. 255.

E Environment

Nature

Losses and changes in nature and ecosystems increase risk for the Bank. This is the highest risk in our value chain, especially in relation to our loans to agriculture. Stricter regulation designed to safeguard nature may also increase risk for the Bank through, for example, the protection of areas that were intended for commercial purposes or the development of residential estates or holiday homes. Better protection of nature can also present business opportunities.

See our 'TNFD Index' p. 258.

E Environment

Human rights and social conditions

More and more attention is being paid to protecting human rights, including decent working conditions and consumer rights. The Bank is affected by this in relation to both our employees, our suppliers and our customers. In 2022, the Bank's focus areas included meeting the requirements of the new Financial Contracts Act and the Transparency Act.

See p. 92 and the due diligence report according to the Transparency Act published on our website.

S Social

Economic crime

Economic crime is a major social problem, and one of the Bank's material sustainability topics. The Bank is affected both directly, by customers who use the Bank for illegal transactions, and indirectly, by customers who fall victim to fraud.

See p. 82.

G Governance

Our approach to sustainability

Sustainability is one of the Bank's strategic objectives and is well integrated into operations.

Goals and prioritisation
Sustainability is one the Bank's four main strategic goals, where we want to be a clear driving force for sustainable transition. Sustainability and responsible business conduct cover a lot of topics for a bank. Therefore, it is important to prioritise this work. We prioritise the business areas and topics that have been highlighted by our materiality and impact analysis (see previous pages). We have five material sustainability topics. From among these we have chosen in the current strategy period to focus in particular on *responsible lending*. Lending is the Bank's biggest business area and where we have the greatest potential impact.

Goal attainment within 'responsible lending' is measured using an overarching key performance indicator (KPI), which shows the green share of total lending. The KPI for this strategic period is that the green share shall be 21.3 per cent in 2025. This is divided into annual goals. The goal for 2022 was 16.9 per cent. We ended on 17.2 per cent, reaching our goal. We have several strategic initiatives designed to achieve our main strategic goal. The goal chart below shows some of them and where you can find more information. Given that the strategy was adopted in March 2022, the goal chart is not yet complete.

Responsibilities and the Sustainability Committee
The Board of Directors bears overall responsibility for the Bank's sustainability work, see the Board of Directors' Report, p. 110. Responsibility for delivering on goals is delegated to the relevant executive vice presidents, and quarterly reports are sent to Group Management and forwarded to the Board of Directors.

The Bank has a Sustainability Committee with oversight of our comprehensive efforts on sustainability and acting as an advisory body for Group Management. The committee is made up of representatives from 12 different departments. Everyone on the committee plays a strategic role in the work on sustainability, such as Heads of Credit for the Corporate Division and Retail Division, Chief Compliance Officer, Head of Marketing, Head of Products and Solutions and Head of Capital Markets. The committee is chaired by the Bank's Head of Sustainability and had 11 meetings in 2022.

Framework and reporting
We use a number of national and international initiatives and frameworks in our work on sustainability, for an overview, see p. 42. Also see the overview of the Bank's ratings and recognition, p. 43. Sustainability information is otherwise integrated throughout the annual report, and we report in line with the GRI framework. At the back of the report is a GRI index to help the reader find relevant and important information. There are also indices for finding information the reader may need about Eco-Lighthouse, UNEP FI, TCFD and TNFD. Much of the information is contained in the appendix Indexes and appendices sustainability. Information about complaints is provided on p. 73. Information about what laws, standards and principles we comply with in our reporting is provided in Important regulatory changes, p. 216 and Principles for reporting on sustainability, p. 224.

Abbrivations and explanations:
IFU: Innovation and Business Development Division.
CD: Corporate Division.
RD: Retail Division.
✓ The goal was achieved for 2022.
✗ The goal was not achieved for 2022.
Page references tell you where to find more information.

Overarching ambition 2050.

We have been involved in creating a sustainable zero-emission society within the planetary boundaries.

Goals in the Bank's overarching strategy 2022-2025.

We are a clear driving force for sustainable transition.

Sustainability has also been integrated into the Bank's other business activities, such as sponsorship work, purchasing, other HR work, developing products, processes and solutions, training, issuance of and investing in securities like bonds, internal and external communication, etc.

The Bank's five material sustainability topics. Consistently over multiple strategy periods. The goals apply for 2022.

Requirements for suppliers of financial services
(owner: Organisation Market and Capital Market Division)
Goal: At least 25 per cent of our customers' investments in funds are in funds with a clear ESG profile.
See p. 70. ✗

Ethical marketing of products and services
(owner: IFU)
Goal: The Bank's sustainability profile has been clarified and the Bank is viewed as the most sustainable by consumers.
See p. 88. ✓

Responsible lending
(owner: RD and CD)
Goal: Green share of total lending is 16.9 per cent.
See p. 52 (RD) and 59 (CD). ✓

Ethics and anti-corruption
(owner: HR and Legal)
Goal: All employees must avoid impartiality problems and conflicts of interest in processing credit applications.
See p. 94. ✓

Combating economic crime
(owner: Business Operations)
Goal: All employees have to undergo training within money laundering, terrorist financing and sanctions every year.
See p. 82. ✓

Six of the Bank's strategic initiatives for the strategy period 2022 - 2025 that are particularly relevant for sustainability. The goals apply for 2022.

Net zero greenhouse gas emissions in 2050
(owner: IFU)
Goal: Emissions must be in line with science-based climate targets.
Business operations ✓
CD, carbon intensity ✗
RD, carbon intensity ✗
See p. 248.

Greener Buildings – Retail Division
(owner: RD)
Goal: Green share of total mortgages is 17.5 per cent.
See p. 53. ✓

Greener Buildings - Corporate Division
(owner: CD)
Goal: Green share of commercial buildings is 29.4 per cent.
See p. 62. ✗

Greener agriculture
(owner: CD)
Goal: Green share of agricultural portfolio is 0.4 per cent.
See p. 61. ✓

Responsible consumption
(owner: RD and IFU)
Goal: As many customers as possible with personal savings via:
Buffer savings ✓
Savings agreements ✗
See p. 50.

Financial inclusion
(owner: RD)
Goal: Not finalised.
See p. 51.

Stakeholders (the overview is not exhaustive)

- **Employees:** Parent Bank, subsidiaries, elected representatives, safety officers, pensioners' association.
- **Customers:** Retail customers, corporate customers, public sector.
- **Owners:** Sparebankstiftelsen Hedmark, the Norwegian Confederation of Trade Unions (LO) and affiliated unions, and other equity capital certificate holders.
- **Subsidiaries:** EiendomsMegler 1 Innlandet AS, EiendomsMegler 1 Oslo Akershus AS, SpareBank 1 ForretningsPartner Østlandet Holding AS, Youngstorget 5 AS, AS Vato, SpareBank 1 Finans Østlandet (SpareBank 1 Østlandet owns 85.1 per cent stake).
- **Associated companies and joint ventures:** SpareBank 1 Gruppen AS, SpareBank 1 Forvaltning AS, SpareBank 1 Utvikling DA, SpareBank 1 Kreditt AS, SpareBank 1 Bank og Regnskap AS, BN Bank ASA, SpareBank 1 Kundepleie AS, SpareBank 1 Betaling AS, SpareBank 1 Boligkreditt AS, SpareBank 1 Næringskreditt AS, SpareBank 1 Gjeldsinformasjon AS. The Bank also has investments in SpareBank 1 Markets AS and Totens Sparebank, among others.
  Our subsidiary SpareBank 1 Finans Østlandet AS is a joint owner of SpareBank 1 Mobilitet Holding AS, which in turn is a joint owner of a car subscription company, Fleks AS.
- **Authorities:** Municipalities, regional boards, county authorities, county governors, Norwegian government, courts system, Norwegian parliament, Financial Supervisory Authority of Norway, Norges Bank, Norwegian Competition Authority, Consumer Ombudsman.
- **Capital Market:** Equity capital certificate investors, foreign capital, other banks and brokerage houses.
- **Suppliers:** SpareBank 1 Forsikring (pensions), Fremtind (non-life insurance), various product suppliers and service providers within IT, operations, market, auditing, consultancy, personnel, HSE, money transport, security, energy, tradesmen, and others.
- **Competitors:** Banks, insurance companies, fund managers, etc. Local, national and international actors.
- **Sponsorships:** Sports clubs, teams and associations.
- **Partners:** SpareBank 1 Alliance, central and local actors. Agenda Innlandet, Industriforum and others.
- **Grant recipients:** Recipients of grants from the Art Fund, talent stipends and other donations for non-profit purposes.
- **Special interest groups:** Finance Norway, the Consumer Council, 'The Future in our Hands', the Norwegian Confederation of Trade Unions (LO), the Confederation of Norwegian Enterprise (NHO), Trainee Innlandet, Vikinglauget, Amnesty, the Rainforest Foundation, WWF, Norwegian People's Aid, Nature and Youth – Young Friends of the Earth Norway and Friends of the Earth Norway. (Not an exhaustive list.)
- **Industry organisations:** Norwegian Farmers Union, Bygdeungdomslaget, Norwegian Wood Cluster, Norwegian Green Building Alliance and others.
- **Education and research environments:** Inland Norway University of Applied Sciences, Norwegian University of Science and Technology (NTNU) Gjøvik, Centre for International Climate and Environmental Research (CICERO), University of Oslo, and NHH Norwegian School of Economics.
- **Society, public opinion, public actors:** Non-customers, potential customers, the Norwegian Financial Services Complaints Board (FinKN), opinion-formers, politicians, emergency response: police/medical/fire. Arendalsuka:
- **Media:** Local free newspapers, local newspapers, regional media, national media, NRK (Norwegian Broadcasting Corporation - national and local), NTB (content provider).
- **Social media:** Public opinion in social media.
- **Rating agencies and analysts:** Moody's analytikere, Sustainalytics, MSCI and others.
- **Oslo Børs**

Stakeholder engagement

Dialogue and collaboration with various stakeholders are essential if the Bank is to achieve its ambitions and maintain its credibility and good reputation in society. Our key stakeholders, who are customers, owners, employees, authorities, investors and organisations, are all interested in how the Bank is addressing its social responsibility and contributing to a more sustainable world. Maintaining a good dialogue with stakeholders is important with respect to anchoring our work locally, regionally and internationally.

SDG 17 concerning partnerships is central to the Bank's sustainability work and in 2022 we worked well with many stakeholders on many different topics in a variety of arenas. The dialogue with our main stakeholders is described in more detail in the table below. Information about our stakeholder dialogue is also provided in other parts of the annual report.

Excerpts from our dialogue with important stakeholders who can help us reinforce our positive and reduce our negative impacts on people, the environment and society:

Who	What	How
Customers and consumers	Steadily increasing understanding of the needs of customers and consumers. Get input on the Bank's products and services.	Customer and consumer surveys. Customer meetings. Talks, webinars, seminars and conferences. Social media, especially dialogue with retail customers. Dialogue on sustainability in loan applications. Sustainability assessments (due diligence assessments) in enterprises' loan applications.
Employees	The Bank's employees at all levels are involved in the work related to the Bank's mission, including in the area of sustainability. For example, employee training is crucial for the dialogue with customers on various sustainability topics.	Training, courses and nano-learning. 'Arbeidslivets Klimauke'. All new employees take part in sustainability workshops. Different working groups. Talks and brainstorming in divisional meetings.
Special interest groups and civil society	The Bank relies on input from a wide range of organisations with varying expertise to quality assure our work. At the same time, the Bank wants to be open about our work. We have particularly focused on talking to young people.	Meetings, calls, emails, webinars and seminars. We had dialogue meetings with civil society organisations who work on sustainability in finance.
Rating agencies and analysts	The Bank conducts deviation analyses on ratings we receive to identify where there are points for improvement. This is important input because it depends on an external and objective assessment.	Mainly written dialogue through assessments from agencies and the organisations and the Bank's feedback on them. We also provide additional input on methodological weaknesses.
Sponsorships	Sustainability is becoming increasingly important in sponsorship agreements. We want everyone who receives sponsorship funds from us to report on sustainability, although we expect more from the biggest clubs.	Meetings, dialogue, talks. In cooperation with SpareBank 1 SMN, SpareBank 1 SNN and SpareBank 1 Sørøst-Norge, we have, among other things, developed a framework that sponsorship managers can use in their dialogue with NGOs.
Industry organisations	Good collaboration in the financial services industry is crucial to ensure that everyone is pulling in the same direction and learning from each other.	Participation in working groups. Telephone, email, talks at seminars. Bilateral meetings.
Partners	Good collaboration on sustainability and corporate social responsibility is crucial to ensure that everyone is pulling in the same direction, both in the financial services industry and across sectors.	The SpareBank 1 Alliance has established a Sustainability Forum in which various sustainability topics are collaborated on. We also work with local and regional stakeholders by participating in several business clusters in our market area.
Educational and research environments	The area of sustainability is developing rapidly, and the Bank is completely dependent on close contact with research and academia.	Meetings with various stakeholders. Participation in various reference groups, including for a new programme of study on sustainable finance at BI Norwegian Business School, and for the Centre for Collaborative Learning for Sustainable Development (CCL) at Inland Norway University of Applied Sciences. In the work on a new strategy, the Bank has collaborated with researchers from the SMART project at the University of Oslo to ensure that our sustainability work is more research-based.
International initiatives	International industry collaborations and cooperation across industries are also important. A great deal of development work is taking place in the UNEP FI initiatives.	Among other things, we are active participants in UN led working groups under the Principles for Responsible Banking (PRB) umbrella and in the Net Zero Banking Alliance (including Collective Commitment to Climate Action, CCCA).
Investors	Sustainability is increasingly becoming topic in meetings with investors.	Investor presentations. Presentation of quarterly reports and annual reports.
Media	It is important to promote sustainability topics in finance and contribute to media debates concerning sustainability topics. In 2022, we also had a lot to say in the media about consumers, society, interest rates and macroeconomics.	Articles, opinion pieces and interviews.

Our part of global responsibility

The UN Sustainable Development Goals are the world's collective action plan for a sustainable future. At the same time, the EU's Green Deal lays the groundwork for a new path for Europe. The ambitions are net zero greenhouse gas emissions by 2050, for economic growth not to lead to an increase in the use of resources, and to ensure that no people or places are left out in the transition. These are economic drivers the Bank supports. Together with the Paris Agreement, this provides the framework for the Bank's global initiative.

In cooperation with the national and international financial services industry, the Bank is supporting and contributing to the following initiatives and frameworks:

The UN Sustainable Development Goals (SDGs) – we have identified seven SDGs that are especially relevant for our operations. See page 3 and our GRI index. Throughout the report, we indicate where we have an impact on individual SDGs, including at a target level.

UN Global Compact – we have been a signatory since 2017. The GRI index and the report describe how we work with the ten principles.

UN Environment Programme's Principles for Responsible Banking: UNEP FI – Principles for Responsible Banking (PRB) – we were the first Norwegian bank to sign up to the principles, are a 'founding signatory' and play an active part in PRB working groups. See our PRB reporting, p. 260 and in the GRI index, p. 266.

The OECD Guidelines For Multinational Enterprises are recommendations from the OECD countries for business in all sectors of the economy. We actively use the guidelines for due diligence assessments for responsible business, especially in relation to purchases and lending to the corporate market.

The Global Reporting Initiative (GRI) is the leading international standard for reporting sustainability, it is recommended by the Oslo Børs. One of the key principles is materiality. See GRI index, p. 266.

Grønnvaskingsplakaten – we support the contents of the greenwashing decree and comply with the principles in our marketing and communications to the best of our ability.

› As part of the international financial services industry, SpareBank 1 Østlandet has great opportunities to push society in a more sustainable direction. We, therefore, support, use and contribute to many initiatives and frameworks.

Read more on: **https://www.sparebank1.no/en/ostlandet/about-us/sustainability/support-to-global-initiatives.html**

Initiatives specifically aimed at the climate

UNEP's climate commitments for banks: UNEP FI Net-Zero Banking Alliance (NZBA) and Collective Commitment to Climate Action (CCCA) – We have signed up to both initiatives and are actively working towards being climate neutral by the end of 2050. See Annual Report, p. 248, and reports on our website.

Partnership for Carbon Accounting Financials (PCAF) – a global partnership in which financial institutions report on greenhouse gas emissions in their portfolios. The Bank signed up in 2020. See p. 232.

Science Based Targets Initiative – SBTi develops methods for creating science-based climate targets in line with the Paris Agreement. The Bank has signed up to SBTi and uses the method where possible. However, SBTi currently does not have a method that can be used to approve our goals. See p. 228.

Eco-Lighthouse is an environmental management system (EMS) recognised by the EU. The Bank has been environmentally certified since 2008 and reports on emissions and other criteria annually. See p. 261.

CDP – we report on the climate via the internationally recognised non-profit climate organisation CDP and are on the recognised A list.

Task Force on Climate-related Financial Disclosures (TCFD) is used for our assessments and reporting of climate risk. See p. 255.

Task Force on Nature-related Financial Disclosures (TNFD) is used for our assessments and reporting of nature risk. See p. 258.

EU classification system (Taxonomy) for sustainable activities – The reporting requirements came into force in Norway on 01.01.2023, although the Bank's already reports voluntarily, see p. 252.

European Climate Pact – we signed up to the European Climate Pact in 2021, which commits us to taking concrete action on climate change and the environment. The Climate Pact is part of the EU's Green Deal.

Sustainability ratings and recognition 2022

Company	In brief	Score	Scale
CDP	Internationally recognised non-profit organisation that assesses the climate work of companies.	A 'Leadership'	A-F
CDP	Assessment of companies' work with forests.	A-	A-F
CICERO Shades of Green	The assessment of our green bond framework resulted in a rating of CICERO Medium Green. The framework's management structure was rated 'Excellent'.	Medium Green/ Excellent	Excellent Good Fair
ESG100	Ranking that assesses the sustainability reporting of Norway's 100 largest listed companies.	A	A+ - F
EtiskBankGuide Norge	Ranking that assesses the Bank's policies for sustainability and corporate social responsibility. (The assessment was published in 2023).	2nd place in 2022. 85%	0%-100%
EtiskBankGuide Norge	Ranking that examines the Bank's compliance with its own policies. (The assessment was published in 2023).	1st place in 2022	
Farmandprisen	Ranking of Norway's best annual reports. Sustainability reporting is an important component of the evaluation.	3rd place	Not available
MSCI ESG Ratings	ESG rating that assesses environmental, social and governance data. (Published in 2023).	AAA	AAA - CCC
Sustainable Banking Revenues	Global ranking produced by The Banker, owned by the Financial Times, in collaboration with Corporate Knights. Analyses the proportion of bank income derived from sustainable activities.	2nd place (globally)	1-60
ESG Industry Top Rated	ESG rating that assesses environmental, social and governance data.	9 'Negligible risk'	0-100
Newsweek World's Most Trustworthy Banks	Global ranking of the world's most socially responsible banks, produced by Newsweek and research company Statista.	8th place (globally)	1-175

Judith Mairi and
Tomas Eide Menendez,
Customer Advisers,
Youngstorget, Oslo

Chapter 3

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* Material sustainability topics

CHAPTER 3.1

Business areas and support functions

SpareBank 1 Østlandet offers a broad range of financial products and services, and we have a unique competitive advantage thanks to our almost 180-year history and local knowledge of our market area in Innlandet, Oslo and Viken.

Customer areas

Retail Division
The Retail Division serves our 377 000 retail customers. The Bank provides the financial services our customers need through our core activities, which include savings, financing, money transfer services, insurance, accident prevention, and capital and investment management.

Corporate Division
The Corporate Division serves our 27 000 corporate customers, which are mainly small and medium-sized enterprises, the public sector, as well as clubs, teams and associations. An important part of the Bank's contribution to society involves financing good projects that stimulate job growth and development, which in turn contributes to local prosperity in our market area and makes the region more attractive.

The Corporate Division offers financing for investments and operations, advice, money-transfer services in Norway and abroad, interest rate and currency hedging, investment of surplus liquidity, and insurance cover for people and commercial buildings and property. In much of what it does it works closely with the Retail Division and subsidiaries and associated companies that offer leasing, factoring, accounting and advisory services. The division has specialists within insurance, pensions and money transfer services.

Organisation Market and Capital Market
The capital market division serves high-net-worth individuals and companies, providing good advice and solutions to achieve risk-adjusted returns on free capital. The Bank's brokerage desk helps to ensure that the needs of import and export companies for foreign currency are met. It also helps customers identify a significant proportion of their currency and interest rate risk.

The organisation market (OM) serves the Norwegian Confederation of Trade Unions (LO) and LO affiliated associations and unions, which are important partners, owners, investors and customers. The department works closely with elected representatives in our market area in which the OM's role is to highlight, present and train elected representatives and LO members in LO's advantage programme, including LOfavør residential mortgages.

Corporate and support functions

The Group's support areas are responsible for tasks and services within economy and finance, HR and legal, communication and social affairs, innovation and business development, business operations, risk management and compliance.

Figure 3: The Bank's total loan portfolio

12,5 % Share of green loans of total loan portfolio in the corporate market.

29 % Share of loans with a social profile of total loan portfolio in the retail market.

18,1 % Share of green loans of total morgage portfolio.

Figure 4: Loans by retail customers and corporate customers, per sector

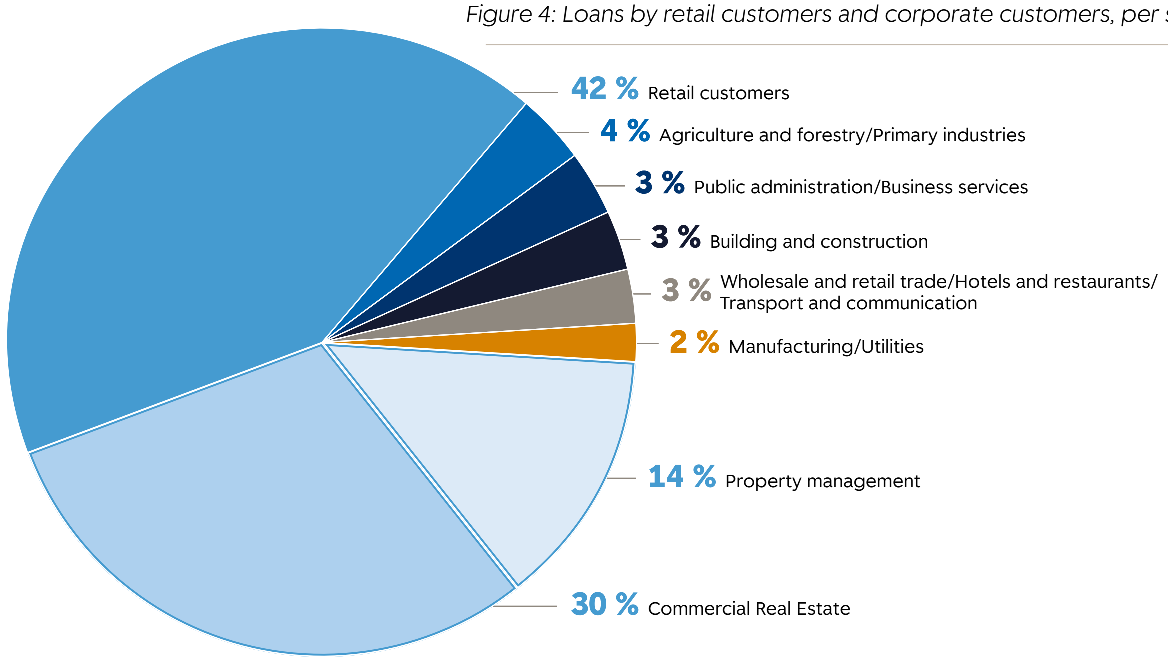


Figure 1: Margins retail market

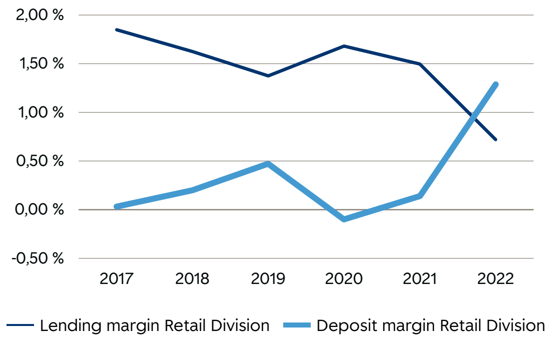


Figure 2: Margins corporate market

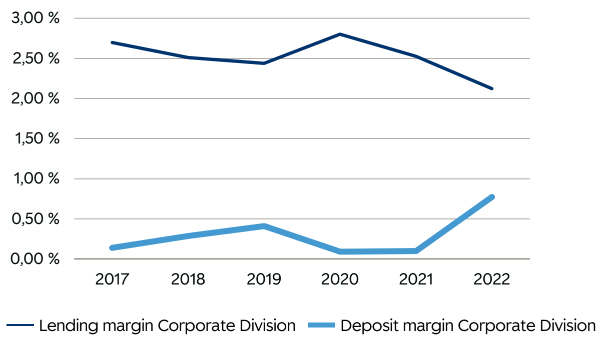


Figure 5: Loans, annual growth in %, incl. covered bond companies (NOK million)

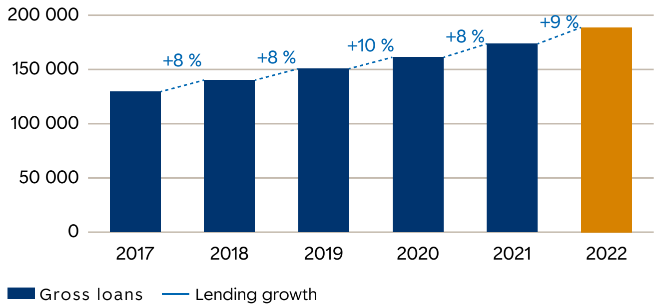
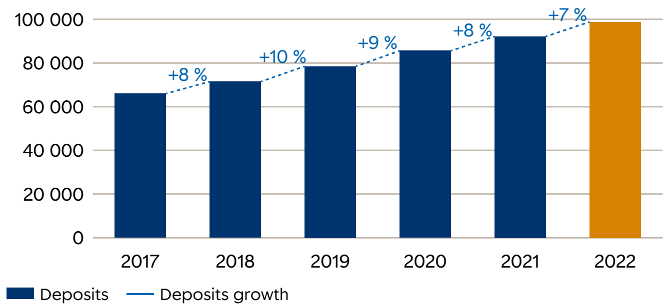


Figure 6: Deposits, annual growth in %, incl. covered bond companies (NOK million)



CHAPTER 3.2

Retail Division

The Retail Division worked systematically throughout the year to support customers in a turbulent period of higher prices and higher interest rates. Most customers are doing fine, although we have noticed that the need for good financial advice is increasing. In spite of the macro challenges, the division grew throughout 2022, in terms of both customer numbers and volume. The growth occurred in a balanced, controlled manner.

In 2022, we went from a situation in which strong stimuli were employed to keep the wheels turning to one where measures designed to tighten things up at a macro level led to sharp rises in the prices of our main product, housing mortgages. Norges Bank raised its policy rate from 0.50 per cent to 2.75 per cent in six separate rate hikes – the first in March and the last in December. SpareBank 1 Østlandet changed its interest rates throughout the year in line with the rises in the policy rate. This resulted in higher interest costs for our loan customers, while savings customers earned more on their savings.

Deposits

Retail market deposits increased by more than 6 per cent in 2022. We are very satisfied with this growth, in which we have managed to achieve a balance between deposit and lending growth. The growth in deposits was slightly higher in the first half-year than in the second half-year. This may be related to the fact that the saving capacity of customers has decreased to some extent due to higher prices and higher interest costs on loans.

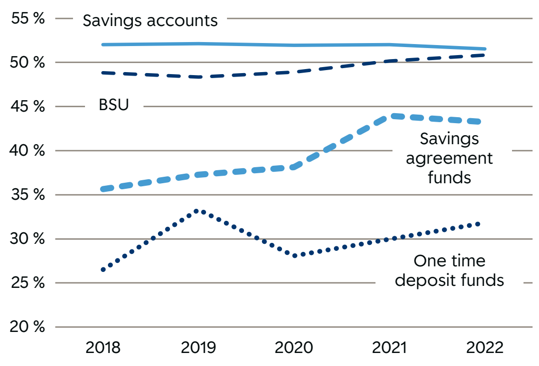
On the deposit side of things, a new product was launched in 2022, 'Sparekonto Ekstra'. This product offers a favourable interest rate for deposits over NOK 500 000. The Bank also launched green deposit products at the turn of the year 2021/2022:

- Grønn Månedsspar ('Green monthly saving')
- Grønt fastrenteinnskudd 12 måneder ('Green fixed-rate deposits 12 months)

The Bank guarantees that the capital invested in these products will be used for green loans, as defined by our green bond framework. As at 31.12.2022, the portfolio of green deposits was somewhat modest, although we can see that the number of customers is growing, as is the portfolio. In 2023, we will boost our marketing and sales activities, so we expect good growth for green deposits during the year.

There was a general decline customer activity within saving via funds in 2022 compared with 2021. The proportion of women saving in funds increased, although men saved and invested a larger amount.

Figure 7: Saving and gender: Women's proportion of total balance



Customers and market position

At the end of 2022, the division was serving more than 377 000 customers, and we gained almost 26 000 more retail customers over the year. In the past 4 years, we have seen a steady increase in our market share of housing mortgages, and SpareBank 1 Østlandet is now the seventh largest housing mortgage bank in Norway. We have seen solid growth and a good influx in new customers from across the country. The Bank provides mortgages for LO's members based on a special agreement. This has contributed to more customers and more across-the-board sales in 2022 as well.

Good results in a transition year

In spite of the general economic turbulence in society, the Retail Division continued to develop well. "We have seen good growth, a solid loan portfolio and customer satisfaction of which we are proud," says Executive Vice President Kari Elise Gisnås.

In 2022, society transitioned from 2 years of record-low interest rates and pandemic support to a year of high inflation and multiple rate hikes.

"This is impacting households, although fortunately it appears that housing mortgage customers are generally doing fine. Many people have been good at saving and putting aside a buffer over several years of abnormally low interest rates. "Our losses are still low," says Gisnås.

While the level of activity and growth were very strong in the first half-year, a change occurred during the autumn.

"The Bank is receiving more complex enquiries from customers experiencing tighter personal finances. At the same time, we are still seeing a good influx of loan applications. We constantly strive to provide good advice and the right financing. It is important for us to provide extra value and create good customer experiences in every channel. This has resulted in customer satisfaction and greater loyalty," says the Executive Vice President.

The Retail Division was strengthened by around 30 new FTEs in 2022 in order to further enhance customer experience and take market shares.

"We are stepping up our efforts in the Oslo area. Ten new advisers and a bank manager are in place, and a new branch will open in Økern in spring 2023. This will give us more clout in the capital region," says Gisnås.

In 2022, the money market was affected by developments in the national and global economies, which resulted in higher borrowing costs.

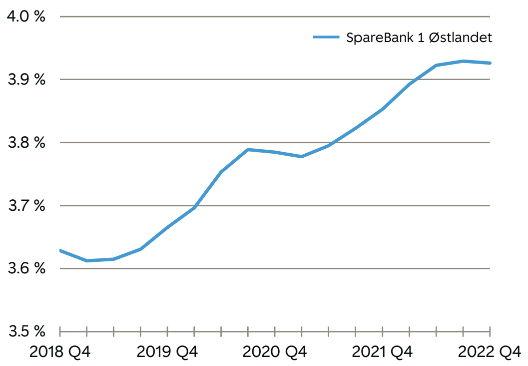
"In isolation, this squeezed our lending margins, although this was offset to some extent by an improved deposit margin," says Gisnås.

Sustainability is becoming a steadily more important area for the Bank and new green products were launched for retail customers in 2022 as well.

— A faster transition is required if we are to gain control over the challenges we face in relation to the climate and nature. The Bank wants to help with this, and we continue to launch good attractive products and solutions that incentivise customers to make green choices.

Kari Elise Gisnås, Executive Vice President Retail Division.

Figure 8: Volume-based market share of housing mortgages, households in Norway



Non-life and personal insurance

2022 was another year of good sales and good portfolio growth within both non-life and personal insurance. Many of our customers choose to protect themselves and their property with insurance cover from us. Towards the end of the year, we noted that the personal finances of some customers were becoming tighter than before, and choosing which costs to cut can be difficult. This is making greater demands on our advisers when it comes to informing about the consequences different choices can have.

Changes in patterns of consumption

After the pandemic, customers have significantly changed their patterns of consumption from housing and renovations to more travel and social activities. It does not appear that the rate hikes have resulted in a large decrease in overall consumption in 2022. Meanwhile, demand for holiday homes has fallen sharply after being very high during the pandemic.

Credit card debt increased when society reopened after the pandemic. In autumn 2022, there was a strong decrease in interest-bearing credit card debt, before it rose again in connection with Christmas shopping. The development of total consumer debt shows that most people have healthier credit card habits, and there is much to indicate that the introduction of the debt registers have made people more aware of their own consumer debt.

Refinancing is helping customers tidy up their personal finances
SpareBank 1 Østlandet offers its customers refinancing for unsecured credit. We want to be seen as a responsible actor in the market, that helps customers tidy up their personal finances in simple ways. Many people can save a lot by gathering small loans into a single loan with an agreed repayment plan. During a national refinancing campaign in January and February 2022, each customer saved an average of NOK 17 500 by gathering their small loans into a single one with us.

Stronger commitment to sustainability

During the year, the Retail Division increased its focus on sustainability, including by developing more green products and services. The work on sustainability was reorganised such that the entire division is more involved. We have noted great and increasing interest in the area, both from employees and customers.

Responsible consumption
The Bank's impact analysis shows that the Retail Division has a negative impact on resource utilisation and resource security. Much of this negative impact relates to housing, both the construction of new ones and the expenditure of resources on existing homes. Another element is about responsible consumption, and here the Bank has great opportunities to encourage customers to move in a more sustainable direction. The circular mindset of reusing and repairing rather than discarding and buying new may lead to lower customer consumption and more saving.

Goal for area	The Retail Division's goal for increased saving in the current strategy period (until the end of 2022)					
Measurement parameters	Percentage of customers with short-term savings, buffer savings, long-term savings and savings agreements					
	2022	2021	2020	2019	2018	2017
32.5 % of customers should have buffer savings (short-term savings)	30.3 %	30.9 %	30.8 %	Not available	Not available	Not available
13.5 % of customers should have savings agreements	✓ 14.0 %	✓ 14.1 %	12.1 %	Not available	Not available	Not available

› During the year, the Retail Division increased its focus on sustainability, including by developing more green products and services.

In collaboration with the other SpareBank 1 banks, the Bank has developed the 'My climate footprint' solution in the online and mobile banks. This shows the greenhouse gas emissions related to a customer's consumption. The solution calculates the customer's carbon footprint based on their bank transactions. The service is at the beta stage and will undergo further development. The Bank also discusses the topic of responsible consumption in webinars, seminars, social media, websites and newsletters.

With appropriate products and good advice, we want to motivate customers to save rather than consume. Targets have been set for the proportion of customers with buffer savings and savings agreements.

Financial inclusion

Digital services in the banking sector have developed rapidly in the years since SpareBank 1 Østlandet became the first bank in Europe with an online bank in 1995. The services have been designed to streamline the Bank and make everyday life simpler for customers. Today, SpareBank 1 Østlandet has very good mobile and online banking services that have a high degree of customer satisfaction. More than 90 per cent of our customers currently use such services. However, some customers have difficulties using digital services. Typical reasons for this are age and language problems. The financial services industry is working on measures to adapt the services offered to this group, and SpareBank 1 Østlandet has been an active participant in this work.

Last autumn, Finance Norway launched an industry standard for financial inclusion. The idea was to oblige banks to ensure that they also provide good services to customers who, for various reasons, have problems using digital solutions. With a broad network of physical branches, we have a good basis for meeting the requirements of this standard, and our services for this group are among the better ones in the Norwegian market. Nevertheless, the Bank has put financial inclusion on the agenda with a specific strategic initiative within the focus area of 'sustainable service development'. Improving our services for non-digital customers to ensure they get a more comprehensive offering will be beneficial.

Customer Adviser Heidi Johansen gives one of our customers a hand in the 'do it yourself corner' at the Våler office.

MATERIAL SUSTAINABILITY TOPIC

Responsible lending to the retail market

Why is this a material topic for the Bank?

Responsible lending is one of the Bank's five material topics within sustainability. It has been, and remains, an important part of the Bank's social mission. This includes being a responsible actor that carries out sound due diligence assessments and credit ratings, offering loans with a social profile, as well as offering loans designed to stimulate sustainable and energy-efficient development.

What did we achieve in 2022?

In the second half-year 2022, the finances of many households were squeezed due to the rising cost of living and rapidly rising mortgage rates. When granting credit, we have long focused on the customers' ability to absorb negative developments in the economy without encountering major problems. So far, the higher costs have not had any particular impact on defaults in the retail market portfolio. This indicates that, so far, our customers have coped with the financial challenges well.

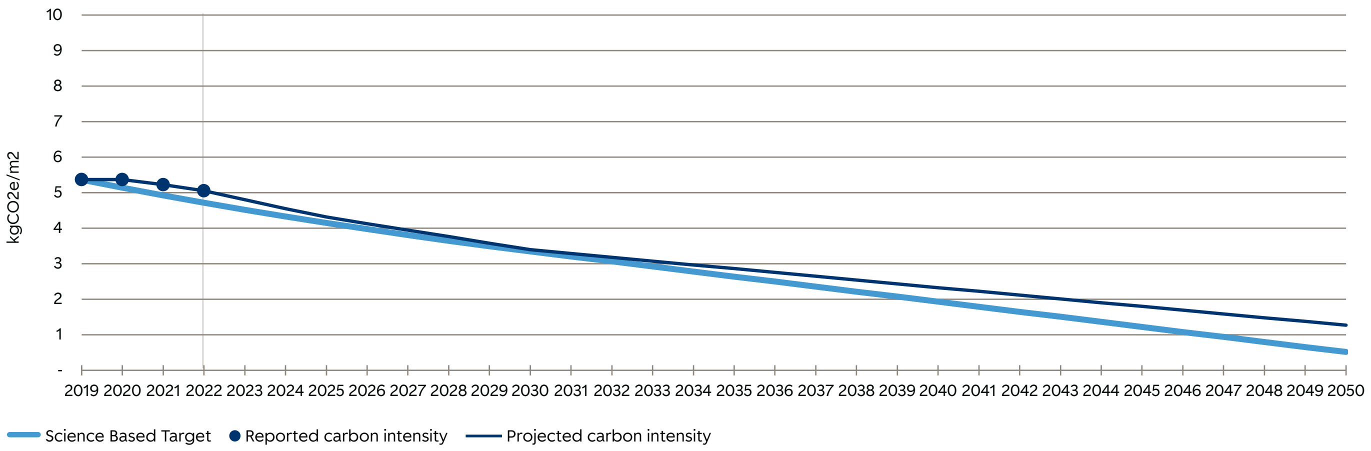
The Bank's lending to retail customers grew, which confirms that the Bank is attractive to customers. Lending grew by 6 per cent in 2022 compared with 7 per cent in 2021. Higher interest rates have contributed to a slight decline in demand for loans.

Total greenhouse gas emissions
By signing up to the Net Zero Banking Alliance, we have committed ourselves to adopting short-term and long-term goals for green restructuring in the loan portfolio. Our long-term ambition in the period up to 2050 is net zero greenhouse gas emissions in the loan portfolio. Total emissions from Retail Division portfolio for 2022 were estimated to be 18 673 tCO2e. Carbon intensity (emissions per m²) was estimated to be 5.1 kgCO2e per m², a reduction from 5.1 kg in 2021. This is slightly higher than our SBT emissions target for 2022 of 4.7 kilograms. See the graph below. The method used is PCAF. For more detailed information about the method and figures, see the appendix 'Share of green loans and greenhouse gas emissions in the loan portfolio' and the Bank's Climate Report 2022, available on our website.

› Carbon intensity was 5.1 kgCO2e per m², a reduction from 2021, but slightly higher than our target, which was 4.7 kg.

› Green share of total mortgages was 18,1 per cent, the target of 17,5 per cent is met.

Figure 9: Science based targets for greenhouse gas reduction for the mortgage portfolio



Share of green loans
In order to achieve the goal of net zero emissions by 2050, we have decided to increase the green share of the housing mortgage portfolio in the current strategy period from 17.5 per cent to 20 per cent of the total portfolio. This includes loans transferred to SpareBank 1 Boligkreditt. In addition, our subsidiary SpareBank 1 Finans Østlandet has a goal of increasing the green share of total car loans from 13.6 per cent in 2022 to 25 per cent in 2025, and the Retail Division will be an important contributor to this.

Goal	2022	2023	2024	2025
Green residential buildings Share of green buildings – incl. transfers to SpareBank 1 Boligkreditt	17.5 %	18.0 %	19.0 %	20.0 %
Green loans – SpareBank 1 Finans Østlandet Share of green car loans	13.6 %	17.4 %	21.2 %	25.0 %

Greener buildings – Retail Division
In the strategic greener property initiative, the Retail Division brings together efforts to achieve the goal of net zero emissions from the loan portfolio, including by increasing the green share of mortgages. A greener home helps reduce energy consumption and protect long-term assets for both customers and the Bank through lower energy costs and less need for upgrading, as well as by making homes more attractive when they are sold.

By the end of the strategy period, 20 per cent of the loan portfolio must be 'green', and by the end of 2022 the share was 18.1 per cent. The Bank has a clear view of how many homes need to be energy efficient in order to achieve the portfolio's green share target. The Retail Division is regarded as being well on track to achieving the 2025 goal.

Goal for the area	At least 20 % of mortgages are green* by the end of 2025. Broken down into annual goals. The goal for 2022: 17.5 %.					
Measurement parameter	Green share of morgage portfolio.					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 18.1%	Measured using a different method	Not measured	Not measured	Not measured	Not measured

*When measuring this internal target, loans transferred to the covered bond companies and residential buildings built after 1.1.2021 and that are regarded as green are included. This deviates from the definition and measurement used in the reporting linked to our green bond framework, where no residential buildings built after 1.1.2021 are included because the term near zero energy building (NZEB) had yet to be defined in Norway.

Financial Advisers Ruth-Hilde Alvestad and Solbjørg Lillebø at our customer service centre in Oslo.

Products and activities with environmental benefits
In 2022, we relaunched our green energy loan product as a new fully fledged mortgage. The product is offered to customers who are upgrading their home or holiday home and will achieve at least a 30 per cent improvement in energy consumption. By offering a more favourable interest rate to finance the most energy-efficient homes, the Bank hopes to incentivise customers to make sustainable choices – which is positive for the customer, the Bank and the environment. The product has been well received by both customers and advisers.

Towards the end of the year, the Bank also established a green loan for customers who want to invest in solar cells on their property. This will be launched in 2023.

We will, therefore, be offering three different green loans for housing:

- Green energy loans offered to customers who upgrade the energy efficiency of their existing home or holiday home and improve its energy consumption by either 30 per cent or two energy classes (minimum class D).
- Green mortgages offered to customers whose home is energy class A or B.
- Green solar energy loans for solar panels.

Green car loans
The Retail Division distributes green car loans from our subsidiary SpareBank 1 Finans Østlandet. The loan product was launched in 2020 and is subject to a very competitive interest rate. The maximum repayment period is 8 years, although the customer achieves even better terms with faster repayment. Finans Østlandet had a goal of having 13.6 per cent green car loans in 2022. The result in 2022 was 12.4 per cent, see the reporting from SpareBank 1 Finans Østlandet on page 210.

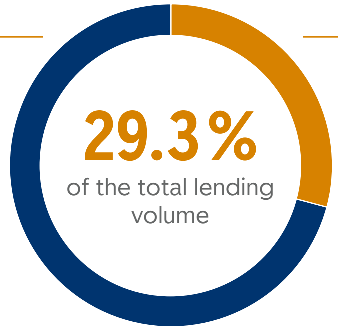


Figure 10: Products with a social profile:

- Restart
- Deposit loan young/LOfavør deposit loan young
- Mortgage young/LOfavør mortgage young
- First mortgage and LOfavør first mortgage
- Loan salary guarantee fund LO
- LOfavør conflict loan

Total portfolio with a social profile: **NOK 38.8 billion**

Products and activities with a social profile
In addition to ordinary housing mortgages, the Bank has many products and services with a social profile and associated economic benefits. The purpose is to deliver on our work on financial inclusion (see above).

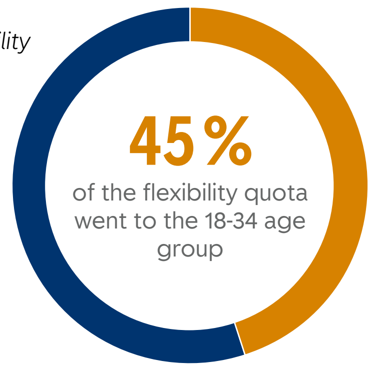
Young people setting up their first home often face challenges getting onto the property ladder. The Bank has chosen to offer some good loan products with favourable terms to help younger customers realise their dream of owning their own place.

We offer some loans with a social profile, including restart loans for customers experiencing financial difficulties who want to sort out their personal finances, conflict loans for customers in labour-related legal disputes, salary guarantee fund loans for customers waiting for payments from the salary guarantee fund and deposit loans for customers who need to finance a deposit as part of a tenancy agreement.

The volume of first-home loans, UNG loans and other loans with a social profile amounted to NOK 38.8 billion at the end of the year, equivalent to 29.3 per cent of our total lending volume. This represents an increase of NOK 2.9 billion and 0.5 percentage points compared with the end of 2021.

The lending regulations allow banks a flexibility quota for granting loans to those who do not meet the regulatory requirements. As long as their ability to pay is deemed sufficient, in relation to this quota we give priority to young first-time buyers who want to get on the property ladder. In 2022, 45 per cent of the quota was allotted to young people aged 18-34 compared with around 44 per cent in 2021.

Figure 11: Share flexibility quota



What remains to be done in a longer perspective?

Like the rest of the Bank, the division wants to be a clear driving force behind sustainable transition. Our ambitions are aimed at 2050 with intermediate targets in 2025 and 2030. By the end of 2050, the loan portfolio should be net emission-free, sustainable and within the planetary boundaries. The Retail Division continues with the three strategic initiatives we believe will have the greatest impact on achieving this goal: greener property, responsible lending and financial inclusion.

Risks and opportunities

Our analyses indicate that there is little physical risk in our portfolio related to climate change, although transition risk may have a greater impact on the Bank's future results. The transition risk in the housing mortgage portfolio will primarily be linked to properties mortgaged to the Bank. If energy-intensive residential properties are mortgaged to the Bank, these may in the long term become more difficult to sell and thus also fall in value. The portfolio contains many residential properties with a poorer energy class B. The goal is to incentivise customers to upgrade residential properties or build new homes with a good energy class in order to reduce this risk.

The green transition also offers opportunities. Upgrading residential properties to make them more energy efficient is a good idea, both for achieving climate goals and also because it is financially beneficial for the customer.

Exposure to physical climate risk
The Bank has investigated the physical climate risk it is exposed to by examining the objects mortgaged to the Bank and their location. Data on landslide, flooding and storm surge risks are linked to the mortgaged objects. The table shows that the Bank's exposure to physical climate risk is modest in relation to the total portfolio.

For flooding risk, 20-year flood zones have been investigated and the same has been done for the risk represented by storm surges. For the latter, the current sea level is taken account of and not the expected future sea level. For mountain landslides account is taken of risk zones close to unstable mountain areas. The risk of landslides is defined as precautionary areas in areas where there is a risk of these occurring. For quick clay, account has been taken of high-risk areas, and for snow avalanches account has been taken of those precautionary areas that have been surveyed and those that have not been surveyed.

Risks	Number of objects	Proportion of portfolio
Flooding	115	0.1 %
Storm surges	26	0.0 %
Avalanche risk mountains	1	0.0 %
Landslide risk soils	355	0.4 %
Landslide risk quick clay	24	0.0 %
Avalanche risk snow	641	0.8 %

Training

The goals the division has set itself will be realised via the customers, and our employees must therefore encourage customers to make sustainable choices. To achieve this, the employees must have sufficient expertise and the right training. We have established a sustainability network in the Bank with representatives from each region. Members of the network must be driving forces behind vocational training suited to local needs in their own region. We also do the following:

- A special 'sustainability corner' in monthly team meetings led by the Executive Vice President Retail Market.
- A special 'sustainability corner' in monthly team meetings led by the head of credit for the retail market.
- Mandatory course on the topic of sustainable finance, a basic course for all new employees. 71.8 per cent of all new employees in the division completed the course in 2022.
- We took part in 'Arbeidslivets Klimauke', which involves a series of educational talks on the climate. During this year's 'Climate Week', employees participated in a climate competition in which climate activities were recorded in order to direct the focus and training towards how each person can reduce their carbon footprint.
- The divisions' departments completed the Bank's dilemma training during 'Ethics Week'.
- The new employees take part in a seminar with dilemma training on sustainability as part of the induction process for new employees.
- All new employees must complete a digital sustainability workshop.

The Bank also ensures that all financial advisers are certified in the areas of savings and investments, non-life insurance, credit and personal insurance. We also have an approval scheme for information advisers. This mainly applies to customer advisers.

Strategic anchoring

Important guidelines: Corporate Social Responsibility and Sustainability Strategy, General Guidelines for Corporate Social Responsibility and Sustainability, and Guidelines for Corporate Social Responsibility and Sustainability for the Retail Market.

Responsible for the area: Executive Vice President Retail Market

Goal for area:

Goal 2022
- 17.5 per cent of total mortgages must be green.
- 32.5 per cent of customers should have buffer savings (short-term savings)
- 13.5 per cent of customers should have savings agreements (long-term savings)

2025 target
- 20 per cent of total mortgages must be green.

GRI indicators: SB1Ø-3 and -6 Training: 404-2.
SDG: 8.10, 9.4, 12.2, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4
GC: 1, 2, 4, 5 ,6, 7, 8, 9
UNEP FI: 2.2, 2.3, 2.4, 3.1, 3.2, 6.1
Eco-Lighthouse: 2065, 2068, 2069, 2070, 2071, 2072

Appendix: Share of green loans and greenhouse gas emissions in the loan portfolio.

› We have established a sustainability network in the Bank with representatives from each region. Members of the network must be driving forces behind vocational training suited to local needs in their own region.

CHAPTER 3.3

Corporate Division

The division saw positive development and good growth throughout 2022 despite the fact that several of our customers have felt the impact of both the pandemic and the war. These good results during this challenging period were largely achieved thanks to the business advisers' close contact with customers. The division is helping to consolidate the Bank's position within sustainability in line with the corporate strategy, and our ambition is to be at the forefront of developments.

Overall, the situation in most sectors and industries in our portfolio is good. High electricity prices, higher interest rates and unreliable access to materials may nevertheless present challenges for our customers in 2023. Therefore, it will be important to continue the good the collaboration with customers, both with our advisers and with our specialists in money-transfer services, insurance and pensions. We can meet most customer needs in partnership with our associates and subsidiaries. We have a presence in large parts of our market area, and our employees are often out visiting companies.

The division saw good deposit growth in 2022, and lending growth was significantly above the target for the year. We experienced pressure on the lending margin, due to the sharply rising money market rate. On the other hand, this made a positive contribution to the deposit margin.

Customers and market position

Towards the end of 2022, the division served just under 27 000 customers. We gained 300 more corporate customers during the year, and the Bank continues to take market shares. We are the market leader with an almost 50 per cent customer share in Hedmark. Our long and stable relationships with customers are an important success factor. In Oslo, Akershus and Oppland we are increasingly a challenger.

Our largest sectors are commercial property and home building, followed by agriculture and then financing and insurance activities. These three industries account for around 80 per cent of the volume in the corporate market division.

Figure 12: Customer/market share Corporate Division

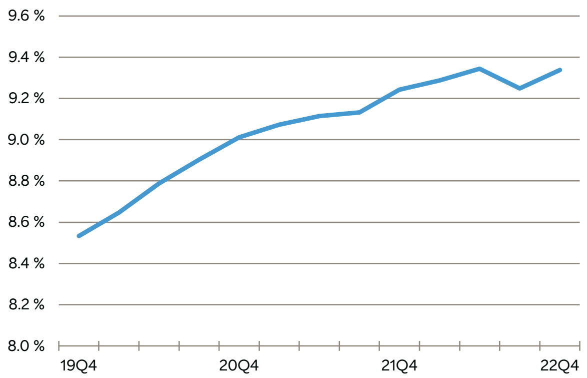
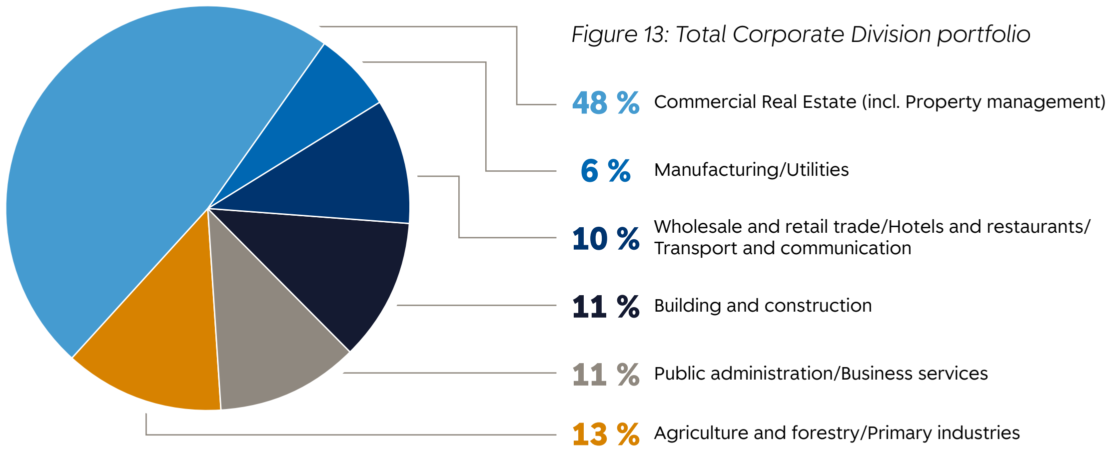


Figure 13: Total Corporate Division portfolio



A proactive corporate bank in Eastern Norway

"We have seen strong growth in customer numbers and taken market shares every quarter in the last 3 years. We salute our capable employees who have made this possible," says Hans Olav Wedvik.

The Executive Vice President Corporate Market is very satisfied with the division's results for 2022.

"We made it through the pandemic well, and most of the industries and sectors in our portfolio are doing fine. We have a good breadth and think of the big picture as far as our customers are concerned," says Wedvik.

The division is experiencing pressure on lending margins due to sharply rising money market rates and turbulence in the credit market.

"On the other hand, we have improved the margins for deposits. We are now seeing signs of a levelling off and we expect to see normalised margins if the money market stabilises," says Wedvik.

While customers are largely doing fine, many are experiencing tighter personal finances due to higher interest rates and higher prices for materials, electricity and fuel. In the Bank's most recent survey of expectations, manufacturing, building and construction, primary industries and the property sector have negative expectations for 2023.

"It's important that we think long-term, carry out good assessments and help customers over any hump using the means we have at our disposal," points out Wedvik.

A local presence as a full-range corporate bank is a major strength. In addition to our capable corporate advisers, the Bank has experts in pensions, non-life insurance and money-transfer services in the regions.

Within sustainability, the division has strengthened its expertise and staffing in the important work of combating economic crime.

"We also have an aggressive goal of increasing the proportion of green lending. However, with tighter finances in companies, measures that pull in the right direction within climate and the environment may be given lower priority. It is therefore very important that we as a bank keep the pressure up in order to achieve change."

— We are working on long-term goals and have launched several green products designed to help customers accelerate the pace of climate-friendly investments.

Hans Olav Wedvik, Executive Vice President Corporate Market

New products

We are noticing increased demand for green products and have developed several of these designed for the business sector. In addition to green loans, which are discussed in the section on responsible lending, in 2022 we launched the following products and improvements for the corporate market:

- Overview of corporate cards in the corporate digital bank and display of card details.
- Ongoing improvements of digital solutions for updating customer information.
- Improvements to the display of financing in the corporate online bank.
- New cash pool solution where several companies in a group share the same account structure.
- Ongoing improvements in the corporate digital bank.

Corporate and agricultural insurance

There was lot of activity within insurance, and attracting new customers and good cooperation between the Bank's specialists and corporate market advisers produced goods results. We delivered the highest sales results and highest portfolio growth of the banks in the SpareBank 1 Alliance.

The financial strength of the portfolio measured in terms of the claims rate improved considerably in 2022. Overall, the claims rate was 65 per cent for the past 12 months as at December 2022. This includes 15 major claims in 2022. The core claims rate excluding major claims was 53 per cent as at December 2022 *(Figure 14)*.

Life and pension insurance

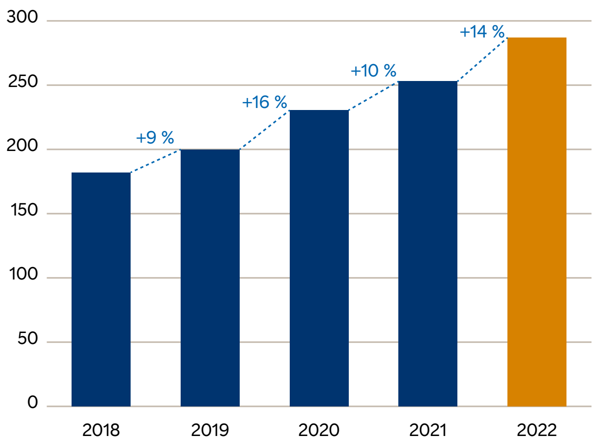
2022 was a very good sales year for pensions. This was due to the positive development in the existing portfolio, good interaction with other business areas and many new agreements.

In 2022, several major changes were made to the pension scheme with savings from the first kroner and 13 years old, as well as no lower percentage of full-time equivalent being required to be covered by a pension agreement. This resulted in high demand for information for customers, and specialists in the Bank have held many customer meetings to review what this means for the companies and their employees.

SpareBank 1 is one of two providers that offer updating of pension agreements via 'A-melding' employee reports. This makes the work of keeping customer pension agreements up to date more efficient, and it has, not least, helped simplify administration of the new rule changes, which are resulting in more members entering and exiting agreements.

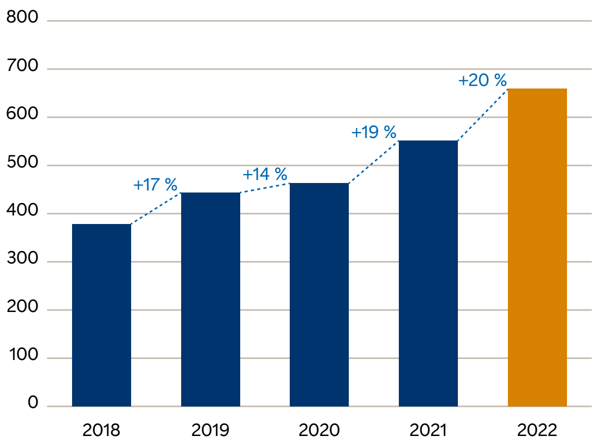
We saw good growth in premium volumes, due to good growth in new customers and companies expanding their pension saving plans for their employees with the aim of becoming more attractive employers,. Overall for the period, the Bank has seen growth in annual premium volumes of 74 per cent and an increase of 43 per cent in the number of members with pension agreements. For 2022 in isolation, we saw an increase of 19.5 per cent *(Figure 15)*.

Figure 14: Growth in the insurance portfolio (NOK million)



The portfolio grew by NOK 35 million during the year, which represents growth of more than 14 per cent.

Figure 15: Growth in annual premiums life and pension insurance (NOK million)



In 2022, the insurance premium volume grew by 19.5 per cent.

In 2022, the Corporate Division stepped up its efforts in the region Øvre Romerike. Terje Jordbekken, Thor Even Thorstensen, Audun Ødegaard and Amund Lier-Hansen welcomes old and new customers to the office in Jessheim.

MATERIAL SUSTAINABILITY TOPIC

Responsible lending to the corporate market

Why is this a material topic for the Bank?

Responsible lending is a very important topic in the Bank's materiality analysis, and we have an impact analysis that analyses where the Bank's contribution could have the greatest effect. The main thing for the corporate market is to focus on resource utilisation and greenhouse gas emissions when it comes to both reinforcing positive impacts and reducing negative impacts. Based on the impact analysis, our greatest focus is on real estate (commercial buildings for rent and development) and agriculture industries. We use a number of measures to encourage customers to make sustainable changes, including:

- Excluding certain industries, as well as business practices with major negative impacts.
- Analysing sustainability risk and opportunities when processing applications for loans and credit facilities.
- Offering products or measures that encourage green restructuring.
- Requiring proof of improvment of energy efficiency and/or reduction of greenhouse gas emissions.

What did we achieve in 2022?

We spent a time on helping corporate customers resolve financial problems arising from the pandemic. The assistance has been provided in the form of advice, some granting of short interest-only periods, as well as the administration of government guaranteed liquidity loans, which were extended through the first half-year. The scale of relief granted within repayment plans was smaller and there was less need for liquidity loans in 2022 than was the case in the two preceding years. At the same time, new liquidity needs have arisen due to sharp cost increases in agriculture. An overview of the development in products with a social profile is provided later in the chapter.

Total greenhouse gas emissions
By signing up to the Net Zero Banking Alliance, we have committed ourselves to adopting short-term and long-term goals for green restructuring in the loan portfolio. Our long-term ambition in the period up to 2050 is net zero greenhouse gas emissions in the loan portfolio. The carbon intensity in our corporate market portfolio is relatively low, mainly due to the industries to whom we lend money. Among other things, the greenhouse gas emissions in our energy portfolio are low, both because of the size of the portfolio and because we do not lend money for fossil energy, mining or large-scale dam projects.

Total emissions from the corporate market portfolio were estimated to be 248 660 tCO2e for 2022. Carbon intensity was 5.67 tCO2e per NOK million of lending, down from 6.19 tCO2e in 2021 and is in line with our science based emissions target. We use the PCAF method to estimate emissions. See the graph below. Also see more detailed information in the appendix ‘Proportion of green loans and greenhouse gas emissions in the loan portfolio’ and in ‘Climate Report 2023’ on our website. Here you will also find carbon intensity and emission targets per industry.

Share of green loans
In order to achieve the target of net zero emissions from our corporate market portfolio in 2050, we have decided for the current strategy period (2022–2025) to increase the green share of the corporate market portfolio from 12.9 per cent in 2021 to 18 per cent in 2025. This includes loans transferred to Næringskreditt. The goal for 2022 was 13.9 per cent. The result was 12,5 per cent. The goal shall be achieved with the following composition of industries:

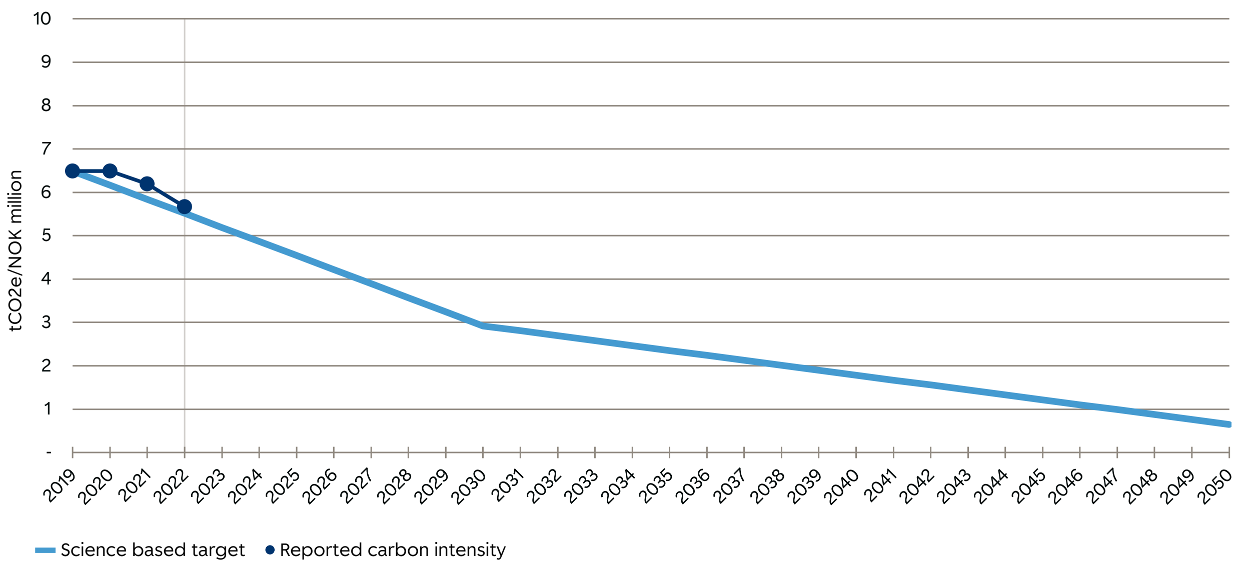
› Carbon intensity in the corporate lending portfolio is estimated to be 5.67 tCO2e per NOK million, a reduction of 8.4 per cent from 2021.

› Green share of total loans to the corporate market was 12,5 per cent, the target of 13,0 per cent is not met.

Corporate Division – green loans	Goal 2022	Goal 2023	Goal 2024	Goal 2025
Commercial buildings - green share	29.4 %	32.9 %	36.5 %	40.0 %
Agriculture - green share	0.4 %	0.6 %	0.8 %	1.0 %
Forestry - green share	100.0 %	100.0 %	100.0 %	100.0 %
Renewable energy - green share	100.0 %	100.0 %	100.0 %	100.0 %
Total green loans to the retail market – incl. transfers to SpareBank 1 Næringskreditt	**13.9 %**	**15.4 %**	**16.7 %**	**18.0 %**

Our bond framework defines what is considered. This is published on our website. Here you will also find Cicero’s second-party assessment and an assessment in relation to the EU Taxonomy.

Figure 16: Science based targets for greenhouse gas reduction in the corporate market portfolio



The Bank has implemented two strategic initiatives in the corporate market for the strategy period: greener agriculture and greener buildings. These address the main indirect environmental impacts we have through lending in our value chain.

Greener agriculture

Agriculture
For our greener agriculture strategic initiative, we prepared a report in 2022 on the challenges agriculture faces in relation to a sustainable society. The planetary boundaries were used as an analytical framework to map where agriculture has the greatest impact on nature and the climate, and vice versa. Three of the main measures are:

1. Reducing disturbances caused by nitrogen and phosphorus in order to stabilise the ecosystem.

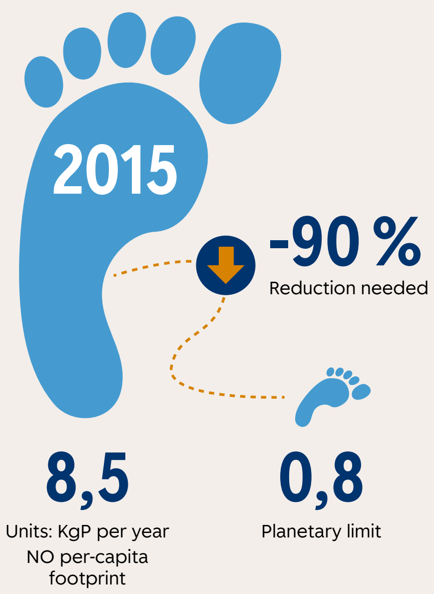
2. Increasing agricultural biodiversity in order to strengthen the resilience of both the food sector and nature.

3. Reducing the greenhouse gas emissions linked to agriculture in line with the industry’s climate plan.

Investment in new climate smart technology and more circular resource utilisation are required to resolve the challenges. We are developing financial products that address these environmental challenges. See the section ‘Products and activities with environmental benefits’. The report ‘SpareBank 1 Østlandet’s negative impact on nature’, which is available on our website, analyses the indirect impact we have on nature via our loan portfolio.

The Bank’s goals in agriculture are based on agriculture’s focus areas, which are increasing the use of agriculture’s climate calculator, receiving climate advice, developing a climate action plan and carrying out measures. We have adopted a new ESG module for due diligence assessments in 2023, which will help us collect data. Therefore, reporting on these targets will start in 2023.

Figure 17: Phosphorus footprint



The illustration was taken from the WWF report ‘Reducing Norway’s footprint - bringing our production and consumption within planetary boundaries’ and shows there is a need for a 90 per cent reduction from the 2015 level in the use of phosphorus in order for Norway to be within the planetary boundaries. The equivalent for nitrogen is 30 per cent. The Bank is working to reduce both in its agriculture portfolio.

In 2022, we participated in two business clusters in our region that are working on solutions for the climate and resource utilisation. NCE Heidner Biocluster is Norway’s leading industry cluster for the green bioeconomy and sustainable food production.

Norwegian Wood Cluster is an expanded collaboration in the forest, industrial and building value chain, that aims to grow into an internationally leading industry cluster for industrial, sustainable wooden buildings.

Goal for the area	**At least 1 % of the agricultural portfolio must be green* by the end of 2025. Broken down into annual goals. Goal for 2022: 0.4 %.**					
Measurement parameter	Green share of agriculture portfolio measured in lending volume.					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 0.4 %	0.1 %	Project not started	Project not started	Project not started	Project not started

*As defined by our green bond framework. As of today, the green share is only made up of green agricultural loans. Even if the customer has implemented sustainability measures on their farm, we do not regard their entire loan exposure as ‘green’, only the activity to which the loan is linked. Therefore, the green share for agriculture is relatively low in relation to the total loan portfolio.

Forestry

The target for the share of green forest is 100 per cent because we only include forest that qualifies as 'green' in the portfolio. The Bank's green bond framework defines green forestry as PEFC or FCS certified forest. The category is considered 'dark green' in Cicero Shades of Green's second-party assessment of the framework. Our goal is for the forest portfolio to grow in line with the general growth in volume in the Corporate Division in order to contribute to the overall goal of 18 per cent green in the portfolio by the end of 2025. Information about the sequestration of CO2 can be found in the appendix to the chapter.

Goal for the area	100 % of the forest portfolio must be green*.					
Measurement parameter	Green share of forestry portfolio measured in lending volume.					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 100 %	✓ 100 %	✓ 100 %	Project not started	Project not started	Project not started

* PEFC or FCS approved, as defined by our green bond framework.

Greener buildings

There are three elements to the greener buildings initiative. We want to reduce the climate footprint of the Bank and our customers, as well as reduce credit risk. We also want to illustrate the business opportunities offered by the green transition. Over time, we have seen a clear correlation between climate risk and credit risk. At the same time, we are seeing lower risk for new rentals and refinancing for commercial buildings with green qualities. The work on increasing the green ratio in the portfolio will be intensified during the strategy period by financing products that stimulate sustainable activities (see the section on products and activities with environmental and social benefits) and by requiring sustainability assessments for financing. Resource efficiency is key to the work on reducing climate footprints. Our ambition is to demand both a climate report for new construction projects and a reduction in emissions compared with a 2021 building by the end of 2025. The source data will grow in line with the increased requirements for climate reports, and the Bank will be able to measure emissions from material use in financed projects.

Our goal is for 40 per cent of financed commercial properties to be defined as green by 2025, and as at 2022 we are well on track to achieving these goals *(Figure 18)*.

Goal for the area	At least 40 % of the commercial buildings in our portfolio must be green* by the end of 2025 and 50 % by the end of 2030. Broken down into annual goals. Goal for 2022: 29.4 %					
Measurement parameter	Green share of commercial buildings measured in lending volume.					
Goal attainment	2022	2021	2020	2019	2018	2017
	28.9 %	26.0 %	15.5 %	Project not started	Project not started	Project not started

*As defined by our green bond framework.

Figure 18: Green commercial buildings

Renewable energy

The Bank's power and energy production portfolio grew by 18 per cent in 2022 and accounts for around 2 per cent of our total loan portfolio. We mainly lend money for small-scale hydropower projects. Towards the end of the year, we entered into a collaboration with other banks in the SpareBank 1 Alliance in order to finance major actors within hydropower and wind power. The category is considered 'dark green' in Cicero Shades of Green's second-party assessment of our green bond framework.

The ambition is to increase the share of renewable energy in the loan portfolio by 50 per cent by the end of 2025. The green share will remain 100 per cent because we only include eligible renewable energy in the category.

Goal for the area	100 % of the renewable energy portfolio must be green*.					
Measurement parameter	Green share of renewable energy portfolio measured in lending volume.					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 100 %	✓ 100 %	✓ 100 %	Project not started	Project not started	Project not started

*As defined by our green bond framework.

Products and activities with environmental benefits

The largest emissions from properties occur during construction. Therefore, it is important to take care of and update the existing building stock. In 2022, we established a green product for energy efficiency measures in commercial properties already in our loan portfolio. We have also established a green loan for newer commercial buildings with extra high climate standards and a loan for solar panels for commercial buildings. The work on marketing new green products will be intensified in the first quarter of 2023.

In 2022, we added more purposes for our agriculture loans. The product is designed to finance measures in line with the Agricultural Climate Action Plan. We require customers to start using the climate calculator and encourage customers to receive climate advice and establish a climate action plan for their farm. Measures we can finance include equipment for eco-friendly operations, better resource utilisation of factor inputs, renewable energy production, phasing out non-renewable energy or other measures such as improving soil health or animal welfare. We have seen increased demand for green agriculture loans during the year.

One of the things customers can apply for green agriculture loans for is installing solar panels. In 2022, we financed 46 solar facilities for farms amounting to a total of NOK 18 million. This is five times as large as the volume in 2021 and is equivalent to around 730 tonnes avoided CO2 emissions per year.

Green agricultural loans

46 solar powered installations on farms have been financed through green agricultural loans

730 tonnes of CO2 emissions are saved annually through these

Goal for the area	At least 100 granted green* agriculture loans by the end of 2025					
Measurement parameter	Number of granted green agriculture loans, accumulated.					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 87	✓ 42	✓ 30	✓ 14	Project not started	Project not started

*Measures in line with the Agricultural Climate Action Plan

Products and activities with a social profile

The Bank has a number of products with a social profile for corporate market customers. In connection with the Covid-19 pandemic, we have approved the following loans:

- Growth guarantee scheme: Five loans and four credit facilities totalling NOK 19 million
- Government guaranteed liquidity loans: Six loans totalling NOK 3.9 million
- Liquidity loans for cost increases in agriculture: 89 loans totalling NOK 19.3 million

We spent the budget we got from Innovation Norway for the growth guarantee in 2021, although we received an expanded budget and an extension of the scheme in 2022. Compared with 2020 and 2021, there was little activity in relation to government guaranteed liquidity loans. These were discontinued in June 2022. At that time, we granted loans for NOK 291 million and NOK 24 million, respectively. We were assigned a budget for government guaranteed electricity support loans in December, although no loans were granted in 2022.

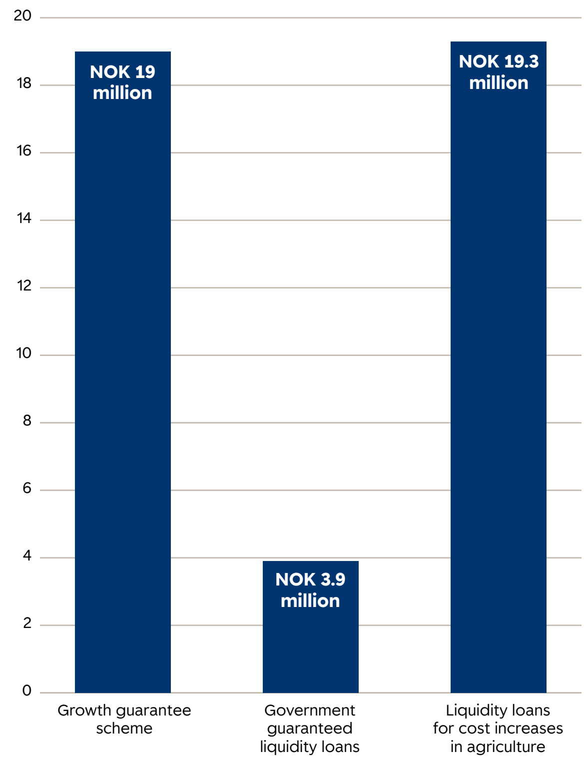
Due diligence assessments and credit ratings

We assess new customers against our 'Guidelines for corporate social responsibility and sustainability for the corporate market'. Assessments of new customers particularly focus on:

- industries and types of activities we do not wish to finance
- risk of breaches of working environment and labour rights
- breaches of human rights.
- risk of statutory non-compliance, including economic crime and money laundering

We have rejected requests for financing from a significant number of customers in 2022 based on sustainability assessments. The reason is usually industry-related challenges related to social conditions for employees and money laundering risk or inadequate fulfilment of information requirements related to our anti-money laundering routines. These primarily involved smaller enterprises that applied online.

Figure 19: Loans with a social profile

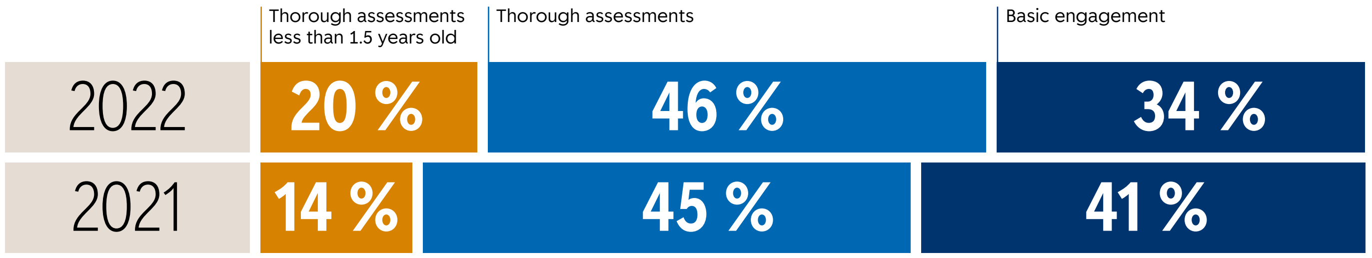


The Bank does not provide loans for:

- Fossil energy – coal, oil or gas
- Nuclear power
- Mining
- Using timber obtained from parties that fell illegally, sell illegally felled timber or engage in deforestation and/or the destruction of tropical rainforests, remove primary forest or protected forests.
- Large-scale dam projects.
- Enterprises that conduct lobbying aimed at weakening the necessary transition to a low-emission society in line with Norway's goals in the Climate Change Act and the world's goals in the Paris Agreement.
- Enterprises that are in some way involved in the development, testing, production, storage or transportation of, or components intended exclusively for, controversial weapons, including cluster, nuclear, chemical and biological munitions, as well as anti-personnel mines.
- The production of tobacco products or components explicitly intended for such products.
- The production of pornographic material.

There may be reasons other than sustainability for why the Bank refrains from lending to certain industries.

Figure 20: Sustainability due diligences in loan cases



The corporate market had a dialogue about sustainability with almost all the customers who applied for financing in 2022 and we conducted thorough sustainability analyses of around 710 loan applications. This represents approximately 46 per cent of all customers who submitted a loan application in 2022 for more than NOK 1 million. 20 per cent of customers have an earlier analysis that is not older than 1.5 years and is still valid. This is higher than in 2021.

- 46 % Thorough sustainability analysis
- 20 % Thorough sustainability analysis from before
- 34% Basic dialogue on sustainability

The primary aim of the analyses is to identify sustainability risk as a component of the credit risk. The physical risk related to fixed assets or properties we have collateral in and the risk of loss of income or increased costs due to climate change or instructions and prohibitions are key parts of such an analysis. The sustainability risk identified can in some cases result in us not wanting to grant loan applications.

The analysis includes questions on:

- protecting nature and the environment
- social conditions, labour rights and human rights
- compliance with Acts/Regulations for the business being conducted

In the analyses, we rely on quality and certification schemes implemented by the sectors themselves and on the recommendations of experts. We also assess the customer's knowledge, motivation and plans, as well as clarify any measures that have been implemented to contribute to the green transition. Raising the awareness of customers and encouraging them to implement sustainable changes are important elements of the dialogue with customers. In this way, we also illustrate the business opportunities offered by the sustainable transition.

In 2022, the banks in the SpareBank 1 Alliance, together with SpareBank 1 Utvikling, produced a new sustainability analysis module for corporate customers. The module is designed to simplify analysis work, including through even better loan application processing and a better basis for analyses and making decisions. The pilot module was tested in the fourth quarter, and training and launch will happen in January 2023.

What remains to be done in a longer perspective?

2022 was the first year of a new strategy period (2022–2025). During the year, the Corporate Division drew up plans and goals for the sustainable transition during the strategy period. The main focus will be to implement these, in order to increase the green share, reduce greenhouse gas emissions and reduce sustainability risk in the portfolio. We have specific targets for the most important sectors with milestones in 2025, as well as science based targets for the entire loan portfolio, with milestones in 2030 and 2050.

› The corporate market had a dialogue about sustainability with almost all the customers who applied for financing in 2022 and we conducted thorough sustainability analyses of around 710 loan applications.

Per Nygaard is regional bank manager for the corporate division in Glåmdalen.

Risks and opportunities

As described above, the planetary boundaries were used as an analytical framework for mapping the portfolio's impact on nature and the climate. The Bank also maps how nature and the climate can impact the portfolio in the future. One important component of the risk work is the sustainability analyses/due diligence assessments that are carried out when granting loans, as described above.

The climate risk in our loan portfolio remains relatively low, especially because it is almost fossil free. Nevertheless, it is clear that we will have to maintain our focus on reducing climate emissions, especially in the real estate, construction and agriculture sectors since these account for the highest emissions in our portfolio.

The transition to a more sustainable society also offers numerous opportunities. We are working with the various sectors and want to support the measures they choose to implement. Our goal for the next strategy period is to be a clear driving force behind a sustainable transition. This transition offers great opportunities for us as a bank, including because:

- The sectors we currently lend money to will also have a natural place in the low emission society of 2050.
- We lend money in a market area with great potential within forestry and associated industries.

Risks	Proportion of objects	Proportion of portfolio
Flooding	68	0.6 %
Storm surges	10	0.1 %
Avalanche risk mountains	0	0.0 %
Landslide risk soils	138	1.1 %
Landslide risk quick clay	15	0.1 %
Avalanche risk snow	186	1.5 %

We have analyzed the physical climate risk the Bank is exposed to by examining the objects mortgaged to the Bank and their location. Data on landslide, flooding and storm surge risks are linked to the mortgaged objects, by corporate market. The table shows that the Bank's exposure to physical climate risk is modest in relation to the total portfolio.

For flooding risk, 20-year flood zones have been investigated and the same has been done for the risk represented by storm surges. For the latter, the current sea level is taken account of and not the expected future sea level. For mountain landslides account is taken of risk zones close to unstable mountain areas. The risk of landslides is defined as precautionary areas in areas where there is a risk of these occurring. For quick clay, account has been taken of high-risk areas, and for snow avalanches account has been taken of those precautionary areas that have been surveyed and those that have not been surveyed.

Strategic anchoring

Important guidelines: Sustainability Strategy, General Guidelines for Corporate Social Responsibility and Sustainability, Guidelines for Corporate Social Responsibility and Sustainability for the Corporate Market, Guidelines for Lending and Investments in Power and Energy Production, Overarching Guidelines for Corporate Social Responsibility and Sustainability – Nature, Agriculture and Environment, Overarching Guidelines for Employee and Human Rights.

Responsible for the area: Executive Vice President Corporate Market

Goal for the area:
- At least 18 per cent of the commercial buildings in our portfolio must be 'green' (as defined by our green bond framework) by the end of 2025. Broken down into annual goals, goal for 2022: 13.9%.

Commercial buildings (rental):
- At least 40 per cent of the commercial buildings in our portfolio must be 'green' (as defined by our green bond framework) by the end of 2025 and 50 per cent by the end of 2030. Broken down into annual goals. Goal for 2022: 29.4%.

Construction projects (residential or commercial buildings):
- By no later than the beginning of 2025, greenhouse gas accounts must be published for loans financed by the Corporate Division for emissions from materials (produced in accordance with recognised regulations) for all construction projects (where the law stipulates that such accounts must be produced).
- By no later than the beginning of 2025, we must require a 20 per cent reduction in greenhouse gas emissions (in relation to the average building in 2021) from materials in construction projects that we finance.

Renewable energy:
- 100 per cent of the renewable energy portfolio must be 'green' (as defined by our green bond framework).
- The share of lending to the renewable energy industry (small-scale hydro, solar, wind and geothermal power) must be increased by 50 per cent measured against the same share of the Corporate Division's loan portfolio as at 31.12.2021.

Agriculture:
- At least 1 per cent of the agricultural portfolio must be 'green' (as defined by our green bond framework) by the end of 2025. Broken down into annual goals. Goal for 2022: 0.4%.
- 80 per cent of our agriculture customers have started using the climate calculator, received climate advice and established a climate action plan for their farm (data collection will start in 2023).
- 25 per cent of our agriculture customers who have established a climate action plan have implemented measures in line with this action plan. To provide an incentive to do this, the Bank must:
- Have granted and paid out green agriculture loans to at least 100 customers by the end of 2025 (target will be increased in 2023).

Training

Measures for all advisers in the Corporate Division in 2022:
- 'Arbeidslivets klimauke', which involved a series of professionally relevant talks on the climate.
- Climate competition in which climate activities were recorded in order to learn how each person can reduce their carbon footprint.
- 'Ethics Week 2022', which focused on anti-money laundering, ethics refreshers.
- The sustainability quarter – a general meeting with updates on sustainability.

Measures for selected advisers in the Corporate Division in 2022:
- Sector seminars – agriculture and the public sector. Heavy focus on sustainability at both gatherings for account managers who work with relevant sectors.
- Voluntary webinars and e-learning.
- All new employees took part in a lecture with dilemma training on sustainability as part of the induction process for new employees.
- All new employees completed a digital sustainability workshop.

GRI indicators: SB1Ø-3, -4, -6, and-7. Training: 404-2
SDG: 8.10, 9.4, 12.2, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4
GC: 1, 2, 4, 5 ,6, 7, 8, 9
UNEP FI: 2.2, 2.3, 2.4, 3.1, 3.2, 6.1
Eco-Lighthouse: 2065, 2068, 2069, 2070, 2071, 2072

Appendix: Share of green loans and greenhouse gas emissions in the loan portfolio, page 232.

CHAPTER 3.4

Organisation Market and Capital Market Division

including requirements for financial suppliers – asset management

The Organisation Market and Capital Market Division consists, as the name suggests, of two different units, the organisation market and the capital market. Both of the units did very well in 2022, despite the unstable circumstances in the world around us.

The capital market unit's mission is to offer advice and bespoke solutions within equity trading, asset advice and interest and currency trading. Customers receive personal follow-up and have direct access to their adviser or broker, who provides portfolio advice tailored to the customer's specific needs. This applies to both retail and corporate customers.

- **The trading desk**
  The trading desk's job it to serve customers' interest rate hedging, equity and currency needs. The unit serves both retail and corporate customers. The Bank has trading desks in both Hamar and Oslo that are served by six people with long market experience.
- **Currency hedging**
  We assist enterprises whose exports and/or imports are exposed to fluctuations in the foreign exchange market. Managing currency risk using financial instruments can help an enterprise reduce its currency risk and improve the predictability of its financial results.
- **Interest rate hedging**
  Changes in the fixed income market can impact enterprises' earnings, financial strength and competitiveness. We offer interest rate hedging to enterprises that want predictability regarding their financial expenses and flexibility that provides opportunities for individual adjustments.
- **Equities**
  We offer a personal contact for trading and follow-up. We offer broad analysis coverage through SpareBank 1 Markets.
- **Asset advice**
  Asset advice is tasked with serving customers who want an extra return on their assets. The team consists of eight asset advisers based in Hamar, Oslo and Kongsvinger. The asset adviser will, in consultation with the customer, put together a portfolio tailored to the customer's requirements with respect to returns, risk and investment horizon. The Bank collaborates with solid, selected suppliers and mainly offers equity funds, index funds, balanced funds, fixed income funds, active management, interest rates and equities when we put together proposals with customers. These are documented in a separate financial plan.

The Bank is a challenger in Oslo and Viken with low market shares and great potential. In Innlandet County we are a major player, although here too there is great potential. The ambition is to increase awareness of the trading desk and asset advice, as well as to increase the proportion of major investment customers. We also want a good collaboration with SpareBank 1 Forvaltning. Adapting to the taxonomy will also be a key factor going forward.

The Organisation Market works on tasks related to the Norwegian Confederation of Trade Unions (LO), unions and associations. LO is both a major owner of the Bank and represents a major customer group. Our goal is to come up with activities that support the Bank's growth, stable funding and produce satisfied customers and owners.

LO has been an owner of the Bank for more than 100 years and the unit is the account manager for more than 20 unions and hundreds of associations. The Bank has been a preferred partner for LO with respect to offering LOfavør mortgages since 2019. The unit consist of a total of three organisation consultants plus an executive vice president.

› LO has been an owner of the Bank for more than 100 years and the organisation market unit is the account manager for more than 20 unions and hundreds of associations.

Good profitability and cost control in 2022

The Capital Market Division posted a record result for a very profitable 2022. "The good result was partly due to a lot of customer-facing work and following them up closely," says Espen Mejlænder-Larsen, Executive Vice President of the Bank's Organisation Market and Capital Market Division.

'The division's employees are very experienced and capable, and have close relationships with their customers. This means that we are perceived as a good local bank that comes up with good solutions with its customers. Customers particularly appreciate a bank that is there for them,' he says.

The level of activity has been high. Growth in the LO segment was stronger than in other customer groups. The feedback we are getting from union representatives and members on our highlighting of their membership benefits is very good.

One important new product area that we will work more with going forward is Bank+Accounting for unions and associations. We will also try to encourage more customers to switch banks to SpareBank 1 Østlandet. Therefore, we will focus even more on good, efficient bank changing processes that provide extra value for both the Bank and the customer.

Two important milestones were passed in the period. For the second time, we were chosen as a preferred bank for LO members with LOfavør mortgage products. The agreement was renewed in spring 2022, and will run from August 2022 to August 2024. The extension of an agreement is confirmation that we have delivered well and that both customers and LO, along with its individual unions, are satisfied with the job we are doing.

A new business model for the distribution of mutual funds has been introduced, and a new CRM system was implemented in 2022.

This has helped to improve the dialogue with customers and increased interaction throughout the organisation. Good teamwork and a positive atmosphere in the division are boosting the working environment. This sort of thing rubs off on customers.

We have worked hard on public relations during the year, with customer webinars, in-person customer events and participation in various arenas to which we have been invited. We have also raised our profile in various social media, the local media and internally in the Group in 2022.

On the other hand, we have experienced some challenges during the year, including delays in the delivery of a new advisory tool. More time will therefore have to be spent on implementing this in 2023. Our new advisory tool for high net worth customers will play a key role in increasing business and producing satisfied customers.

Going forward, we believe there will be a greater focus on deposits and investing funds. It will also be particularly important to focus on internal deposit customers. In addition to helping customer retention, this could also generate business in other product areas.

It is also clear to us that advice and guidance within sustainability preferences will become more important in 2023, both for marketing and regulatory reasons. We will remain focused on combating money laundering and customer control.

MATERIAL SUSTAINABILITY TOPIC

Requirements for suppliers of financial services – asset management

The Bank does not manage any funds of its own, instead we distribute a wide range of mutual funds provided by recognised portfolio managers. In our materiality analysis, financial suppliers are limited to portfolio managers whose funds have been accepted for redistribution through the Bank's self-service and serviced channels. The Bank is an indirect co-owner of ODIN Fond and the SpareBank 1 funds via part ownership of SpareBank 1 Forvaltning AS.

Why is this a material topic for the Bank?

Even though the Bank does not manage funds of its own, asset management is an area that has a big impact on all other sustainability topics. Therefore, the Bank can have an indirect impact on these via our fund providers. 2022 was a turbulent year for people with savings in funds and investors. However, from a long-term perspective, saving in funds and financial investments are becoming increasingly important with respect to our customers achieving their savings and investment goals.

What was done in 2022?

In 2022, the SpareBank 1 banks' Guidelines for the Responsible Distribution of Securities Funds in SpareBank 1 were revised and clarified. SpareBank 1 continued its joint analysis of the sustainability and labelling of mutual funds, which means that all portfolio managers have submitted self-declarations regarding the status of their funds. 2022 was the first year of a new strategy period and we have set ourselves ambitious goals for ESG in the area of mutual funds for the period up to 2025. The fact that an increasing proportion of fund capital is being channelled into funds with increasingly stricter ESG requirements is an important contributing factor.

While 2021 was a year in which many of our customers invested in funds with a clear sustainability profile, based on good return figures, 2022 was a year where many of the same funds saw significantly worse performance vis-à-vis returns. Many companies that focus on sustainability are also typical growth companies where the income stream is expected far in the future. Growth companies have been priced down in the markets due to both higher interest rates and higher risk premiums. The change in the market has probably resulted in less interest from customers and lower subscription rates for funds with a sustainability profile.

Goal for the area	A growing proportion of new sales should be in funds with a clear ESG profile.					
Measurement parameter	Proportion of new sales in funds graded 'A' in the Alliance's ESG labelling.					
	2022	2021	2020	2019	2018	2017
Goal attainment A	2.9 %	✓ 8.5 %	✓ 5.9 %	✓ 2.2 %	Not available	Not available
Goal attainment A or B	✓ 99.8 %	✓ 98.9 %	✓ 85.1 %	✓ 80.4 %	Not available	Not available

Goal for the area	At least 25 % of our customers' investments in funds are invested in funds with a clear ESG profile.					
Measurement parameter	Proportion of customers invested in funds graded 'A' in the Alliance's ESG labelling.					
	2022	2021	2020	2019	2018	2017
Goal attainment A	2.0 %	2.5 %	2.0 %	0.7 %	Not available	Not available
Goal attainment A or B	✓ 99.8 %	✓ 98.2 %	✓ 88.8 %	✓ 73.7 %	Not available	Not available

Goal attainment with respect to the new goals for the strategy period up to the end of 2025 is currently modest, although we are continually reassessing measures in order to achieve the goals for the new strategy period. The generally tighter practices for classifying funds makes achieving the goals even more demanding.

What remains to be done in a longer perspective?

The Bank will continue to make the focus on ESG a top priority in our product management process at the start of the new strategy period, and we will continue our advocacy process in relation to portfolio managers, both directly and indirectly via our Alliance cooperation. We will also continue to adapt to the EU Taxonomy and focus on recommending mutual funds with a good ESG profile.

The Bank is working to put in place good tools that will help it comply with the requirements of the Act relating to the disclosure of sustainability information, assist advisers in their efforts to survey customers' sustainability preferences and document that advice and recommendations take account of customers' preferences. The Bank also wants to focus on carbon intensity in the portfolios such that customers with strong sustainability preferences have an opportunity to adjust their portfolios to their carbon preferences.

Risks and opportunities

Offering sustainable products the customers want represents an opportunity for the Bank to increase its business volume. We believe that the risk is mainly linked to not delivering funds with a clear enough sustainability profile. At the same time, pricing sustainable funds can involve some financial risk, which increases the overall financial risk. Many ESG funds have a relatively short history of weak returns so far.

Greenwashing, or the lack of good enough data to classify something as sustainable, is also regarded as a risk in the industry. We get the impression that an ever-increasing number of management environments are taking this seriously and prioritising ESG work.

Training

All advisers who work with fund distribution and savings and investment advice completed an e-learning module on the ESG labelling scheme in 2021. In 2022, the training was adapted for advisers to high net worth customers in the Capital Market Division.

› We have set ourselves a more ambitious goal for ESG in the area of mutual funds for the period up to 2025. One important contributing factor is that a larger proportion of the fund capital is being channelled into funds with increasingly stricter ESG requirements.

Strategic anchoring

Important guidelines: General ESG Guidelines. Guidelines for the sustainable distribution and recommendation of mutual funds in SpareBank 1 Østlandet.

Responsible for the area: Head of Capital Market. Executive Vice President Organisation Market and Capital Market.

Goal for area: A growing proportion of new sales should be in funds with a clear ESG profile. At least 25 per cent of our customers' investments in funds are invested in funds with a clear ESG profile.

GRI indicators: SB1Ø-4 and SB1Ø-7
SDG: 8.10, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4, 16.5
GC: 1-2, 4-8
Eco-Lighthouse: 2065, 2069, 2070, 2071, 2072

Appendix: Greenhouse gas emissions in funds, p. 244.

Per Skattum is senior wealth management adviser in the Capital Market Division in Hamar.

Good customer relations

A survey conducted in 2022 showed that the Bank's customer relations (TRIM) had strengthened in both the retail market and the corporate market.

TRIM scores are Kantar's globally validated method for measuring relationship strength. The TRIM index shows the average of customers' satisfaction and preference, that is the degree to which customers prefer us over competitors. A score above 70 points is regarded as very good.

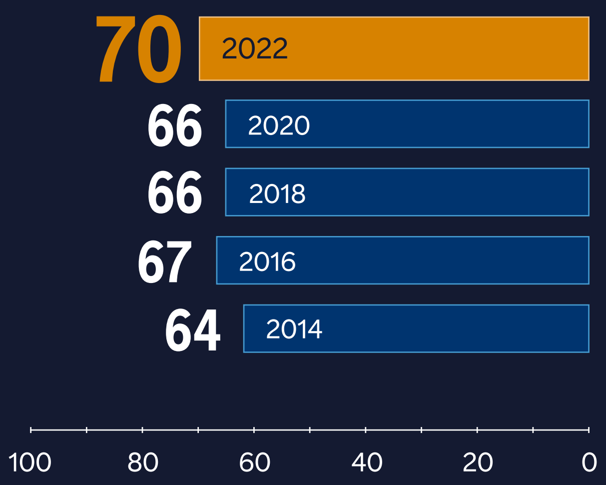
Our customer relations in the retail market have improved by four points from 2020 to 2022. Here, the TRIM index is clearly at a higher level than for both the benchmark category and the SpareBank 1 Alliance as a whole.

Customer relations is clearly seeing a positive long-term trend among small and medium-sized enterprises, where the TRIM index has improved by a total of six points since 2014. The trends for both satisfaction and preference are positive.

› A survey conducted in 2022 showed that the Bank's customer relations (TRIM) had improved in both the retail market and the corporate market.

Figure 21: Customer relations

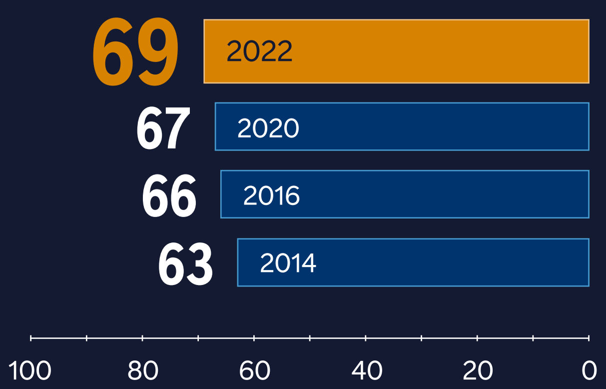
Retail customers



Trend in customer relations (TRIM) for retail customers in SpareBank 1 Østlandet (Kantar).

Figure 22: Customer relations

Small and medium-sized enterprises



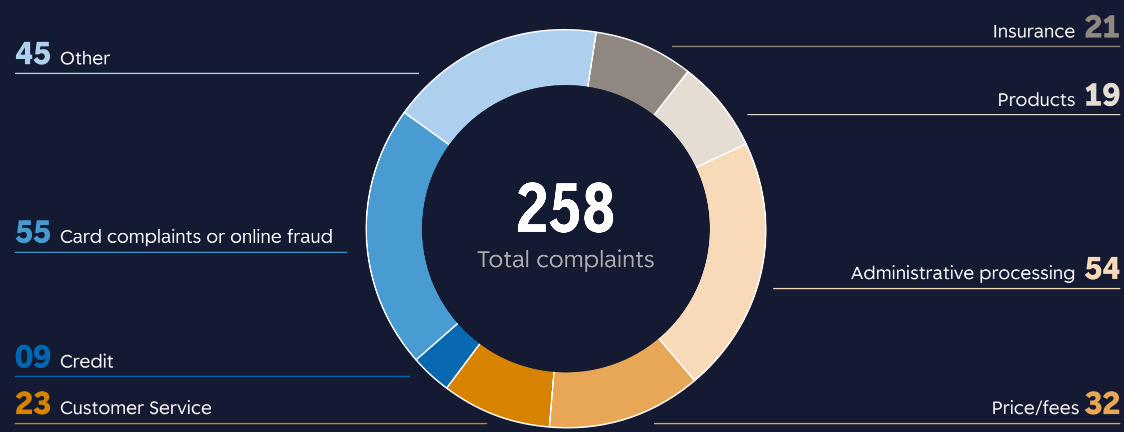
Trend in customer relations (TRIM) for SME customers in SpareBank 1 Østlandet (Kantar).

Follow-up of customer complaints

Even though the Bank achieves a very good score on customer relations and works hard to keep customers happy, there is always something that we can be better at. We registered 258 customer complaints in 2022, down from 298 complaints the year before. The majority of complaints in 2022 concerned administrative procedures, prices or fees, card refunds and online fraud. Customer complaints are dealt with by a complaints board consisting of representatives of the legal department and risk management and compliance. The purpose of this structure is to ensure a thorough and uniform process that provides adequate consumer protection in accordance with the Financial Supervisory Authority of Norway's guidelines. The Bank's complaints board collects all relevant information so it can make comprehensive and thorough assessments of the complaints. If the complaints board is unable to sustain the complaint, the complainant receives a written letter explaining its decision and information about their right to bring the case before the Norwegian Financial Services Complaints Board. We are constantly striving to improve our products and services . Processing customer complaints provides the Bank with important knowledge and is part of practising our vision of 'Creating together'. The Bank's confirmed loss in connection with customer complaints was just over NOK 400 000 in 2022.

In the chapter on 'Combating economic crime' on page 82 you can read about the so-called 'Olga fraud' and how the Bank is following this up.

Figure 23: Number of customer complaints in 2022 by category



No. of customer complaints in the past 6 years

Year	2022	2021	2020	2019	2018	2017
No. of complaints	258	298	335	383	252	169

General work

The Bank's specialists within insurance and pensions to the corporate market are gathered in Oslo.

CHAPTER 3.5

Innovation and business development

SpareBank 1 Østlandet works systematically and strategically to create good customer experiences and make everyday life easier for its customers. We need to meet our customers' needs quickly and with the right level of quality.

We are involved in several networks and collaborations where we test and develop new services and customer offerings, although our most important strategic collaboration takes place via the SpareBank 1 Alliance. In this, we develop digital solutions and adopt new technology that benefits customers and the Bank's employees. In 2022, the SpareBank 1 banks invested more than NOK 210 million in the development of new and existing products and solutions. The SpareBank 1 banks are also working with Tietoevry to develop the money transfer and core banking systems of the future.

We are active participants in a programme called SPENST, which is designed to strengthen the SpareBank 1 Alliance in the future. Government regulations, digitalisation, data security, data protection, changing customer needs, sustainability and industry changes mean that we need to do things in new ways. The goals are to increase income, strengthen customer relationships and improve efficiency. Through SPENST, the Alliance banks are investing in five strategically important areas:

- Simplifying and standardising the financing process.
- A common approach to the area of data.
- Finding common solutions for customer communication and advice.
- A common approach to compliance.
- Strengthening implementation capacity.

Innovation, new solutions and partnerships

Innovation is important for creativity and development. In its efforts to comply with the corporate strategy, the Innovation Department has established a structured framework for monitoring trends. Here we closely monitor trends before experimenting and further developing products and solutions. *(Figure 24)*

Going forward we will look at new products, services and business models, and also strengthen the delivery capacity for existing business through new technology and new partnerships. Here is some of what we are working on:

SB1NXT
SB1NXT is a measure initiated by SpareBank 1 Østlandet in the SpareBank 1 Alliance. The goal is to combine the innovative capacity of the banks such that together we can better plan for 'the Bank of the future'. The goal is to create a collaborative space within innovation and business development that can accelerate our pace of change and improve our innovation potential.

Subscription management partnership with Minna Technologies
We have increased our focus on innovations in the past few years and are becoming an attractive bank to contact for startup and fintech enterprises. One of the reasons for this is the successful partnership with the fintech company Minna Technologies (SE), in which SpareBank 1, led by SpareBank 1 Østlandet, developed and launched a subscription cancellation service in 2020. We were the first Norwegian bank to offer subscription management directly in its digital bank. This met a real customer need, and the service has now helped SpareBank 1 customers cancel more than 150 000 unnecessary subscriptions. Overall, the customers have saved an estimated NOK 37.5 million. Customer satisfaction (CSAT) has been around 4.5-5 the entire period. We will continue to seek strategic partnerships in order to deliver the best solutions in the future as well.

New stake in Mobai AS
Towards the end of the year, the Bank decided to become a co-owner of the entrepreneurial company Mobai AS, a company with which we have collaborated for several years. We put their in-person identity verification solution into production in two of our branches just before Christmas. This compares the photo we take of the customer there and then with the customer's passport photo. Our other branches will start using the solution in 2023. We continue to seek support for the project from the Research Council of Norway, together with our partners, the Norwegian University of Science and Technology (NTNU), KU Leuven and Vipps. The goal is to develop a facial recognition system for mobile phones that is safe and secure.

StartupLab Fintech
In May 2022, the national industry programme StartupLab Fintech was established with the following companies: DNB, Microsoft, Schibsted, SpareBank 1 SMN, the law firm SANDS, SpareBank 1 Østlandet and the insurance company Fremtind. The industry programme will focus on five areas: Classic financial services, data and security, distributive trades and payments, sustainability and blockchain technology.

Establishing a presence in the metaverse
In 2021, SpareBank 1 launched the **svalbard.money** website in partnership with Kaupang Krypto as a public information project about blockchain technology, cryptocurrencies and money. Its purpose was to experiment with the Ethereum blockchain and learn more about these phenomena. Users could generate 'digital banknotes' in the form of non-fungible tokens (NFTs) and buy and sell them in a marketplace operated by SpareBank 1. The website

Figure 24: Trends – from monitoring to investing

Monitoring
Monitoring selected trends that the Bank is following closely. Handling situations that are not covered by the strategic plan.

Experimenting
Ongoing innovation and business development. Identifying development traits whose nature suggests that the Bank should start testing the area.

Investing
Successful tests are scaled and established as larger strategic initiatives/inside existing product portfolios.

Working with the largest Nordic crypto exchange

The Firi cryptocurrency exchange chose SpareBank 1 Østlandet as its bank in 2022. The parties are also in talks about collaborations within innovation.

The Firi crypto exchange is registered with the Financial Supervisory Authority of Norway as a service provider for exchanging and holding cryptocurrencies in Norway. On Firi, people can buy and sell cryptocurrencies such as Bitcoin, Ethereum and Cardano. The service is used by more than 160 000 Norwegians and their digital assets are protected by the highest level of security in the market.

Firi became a customer of SpareBank 1 Østlandet after a thorough process involving many checkpoints and good documentation, including within anti-money laundering. They have been closely followed up by various expert environments in the Bank underway and are also in specific talks with the Innovation Department about several exciting areas of cooperation within both anti-money laundering and the customer axis, which will be firmed up further during the year.

"This partnership doesn't just make it easier to build bridges between traditional finance and crypto, it is also an important step towards Firi's ambition of developing new, innovative products in this exciting intersection," says Carl Ellingsen, Chief Strategy Officer of Firi.

> — Crypto is going to become a larger part of people's everyday lives and our impression is that SpareBank 1 Østlandet is one of the most forward leaning, proactive and curious banks within this area.
>
> Carl Ellingsen, Chief Strategy Officer, Firi

attracted many hundreds of thousands of users from across the world.

As part of the Svalbard Project, plots were also purchased in the metaverse, first in The Sandbox and later in Decentraland. SpareBank 1 is Norway's first financial institution to have done this. Around NOK 800 000 was invested in purchasing plots in The Sandbox and Decentraland, architecture for three bank buildings (via the company Snøhetta) and skills development from EY.

The aim of the project is to position us as an attractive, future-oriented bank, particularly in relation to young customers and new employees interested in technology. We also wanted to gain experience through experimenting with new technology and new forms of money, as well as by looking at future business opportunities.

Central bank digital currency (CBDC)
SpareBank 1 Østlandet wants to be closely involved in the work on CBDCs and has, together with the other SpareBank 1 banks, established a permanent expert group to monitor CBDC projects nationally and internationally. In the long-term, the Group will also consider collaborating with Norwegian banks on their approach to the expected new infrastructure. It is important for SpareBank 1 Østlandet to take account of changes in payment solutions using different forms of money. We want to follow up structural changes in banks' payment infrastructure and look at what they mean for both competition and our own preparedness.

Insight-driven development and improvement work

The Bank takes a systematic approach to the work on continuous improvement and LEAN. Close cooperation between the business divisions, customer service centres and the Innovation and Business Development Division has contributed to both major and minor improvement measures. Using digital improvement agreements and working in multidisciplinary teams mean that we interact efficiently across the organisation and locations.

We facilitate the increased use of data and insights as a basis for development and improvement work. Both artificial intelligence (AI) technology and the customer relationship management (CRM) platform IVER are important in the work on insight-driven improvement work. IVER is a CRM system that was introduced in 2021. It is the advisers' tool for communicating with customers.

Analysis, data and insights

The financial services industry is investing heavily in AI. This technology facilitates, for example, increased productivity, targeted sales, greater cost-effectiveness and higher employee satisfaction. Increasing the use of data and analysis makes it possible to personalise communication, customer journeys and products. Other examples include chatbots, Next-Best-Action (NBA), segmentation and prediction modelling.

The successful use of AI requires interaction in the organisation, the ability to discover new AI opportunities and establishing trust in the solutions. The increased use of AI requires structured, comprehensive data management. This could also expand the opportunities for using data, insights and innovation.

In our new business strategy, data and insight-driven operations and development are a strategic priority area. Data and insights are defined as the Bank's overall ability to collect and manage data, translate data into insights and convert insights into actions. In November, Group Management adopted the Bank's first Data and Insights Strategy. In the period up to 2025, we will work to exploit the potential afforded by our data and insights to create good customer relationships, innovate our products and continuously strengthen our competitiveness.

Figure 25: Data and insights strategy, focus areas

The Data and Insights Strategy states that we intend to improve within five areas *(Figure 25)*.

We have analysed where we are today in relation to all five of these areas, what this means for the Bank and where we want to be in 2025. The next few years will require internal mobilisation to start the journey of change. We will practise, learn and find out how new collaboration models and support services will function for us.

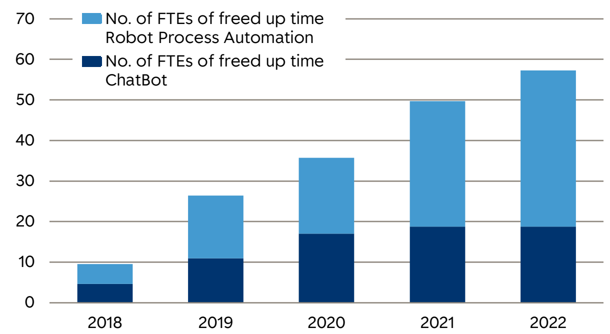
Cloud technology, various interfaces that allow software solutions to communicate and exchange data (APIs), microservices and open source code are some of the factors that enable faster and cheaper innovation. We will, therefore, strive to modernise our data and analysis platform in the period up to 2025.

"Sometime in the near future, every part of every enterprise will be operated using AI," says a report called 'Brytningstid', which is a study on AI in Norwegian banks and insurance companies written by PA Consulting for the Finance Sector Union of Norway in 2022. SpareBank 1 Østlandet participated in the study. It also points out that "AI is expected to be important in creating competitive advantages through better customer experiences, higher productivity and lower costs. Greater employee satisfaction, better quality and creating value from data are other potentially positive effects that can be mentioned." For more information, see: **finansforbundet.no/folk-og-fag/forbundsnytt/slik-bruker-norsk-finans-kunstig-intelligens/**

Automation and digital assistants

The automation of customer and work processes through the use of digital assistants is producing good results. Many processes have been automated and both the number of cases being processed, and the number of hours being freed up are increasing. For the parent bank, this now amounts to 57 FTEs per year, an increase of 18 per cent in 2022.

Figure 26: Number of FTEs freed up per year through the use of digital assistants

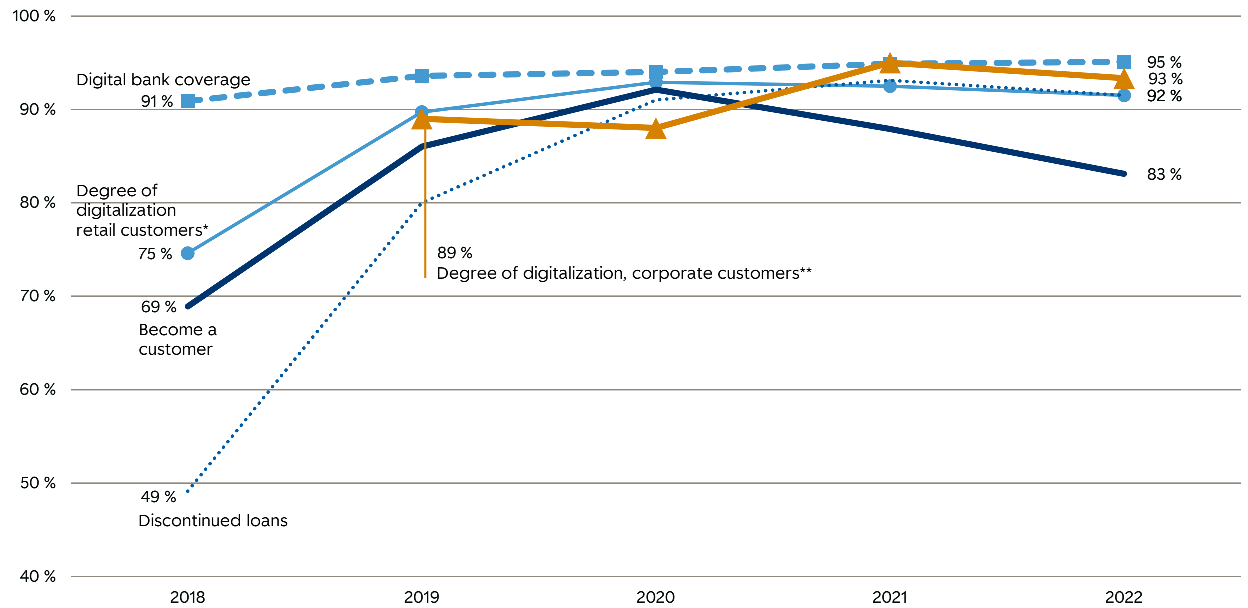


The table shows the development in the number of FTEs of freed up time due to the use of digital assistants in the parent bank.

Across the Group, automation has freed up almost 75 FTEs. This work is contributing to faster administrative processing and more automated checks.

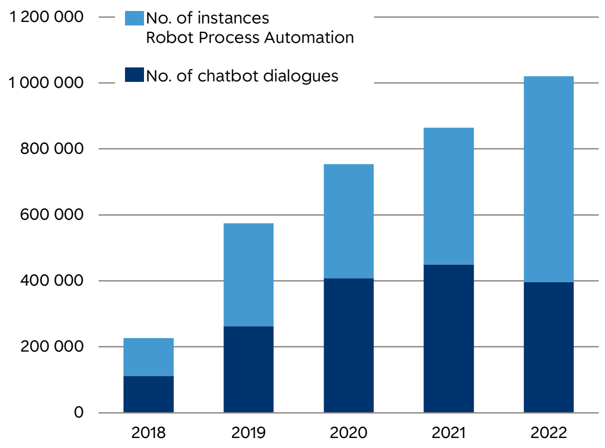
The number of cases and enquiries that are automated and handled by digital assistants is increasing sharply. This now represents more than one million cases and enquiries per year, just for the parent bank alone.

Figure 27: Digital development, retail customers and corporate customers



* The digitalisation rate shows the percentage of customers applying to establish a customer relationship and set up products themselves online.
** No digitalisation rates are available for enterprises prior to 2019.

Figure 28: Number of cases and enquiries handled automatically by digital assistants



The table shows the development in the number of cases and enquiries handled by digital assistants in the parent bank.

Using leading AI technology has made our chat solution an important part of our service concept and helps provide customers with rapid answers and guidance on the use of digital self-service solutions. Our digital assistant (chatbot) handles around 400 000 enquiries per year, of which 23 per cent are passed on to an adviser.

Customers are increasingly choosing chat as a channel, and chat via mobile banking increased by no less than 25 per cent in 2022. At the same time, there was a reduction in the number of proactive chats in connection with logging in. This is a positive development and is due to a more stable infrastructure surrounding BankID compared with 2021.

Ongoing customer satisfaction surveys confirm that customers are very pleased with the solution. It is being developed and managed in close cooperation with the Bank's customer service centres.

Automation combined with the use of digital assistants and AI is contributing to better customer journeys, greater availability and faster case processing, while also freeing up time for customer follow-up and advice. The area will be developed further in 2023 with more capacity in order to exploit the potential offered by the use of digital assistants.

Digitalisation

An ever-growing number of our customers are digitally active in the online bank or mobile bank. We are making self-service banking via digital channels even easier for customers. For example, almost all mortgage applications are now started digitally. The proportion of digital customers aged 18-60 has been high for the past 5 years, and the 70+ proportion is increasing every year. *Figure 6* shows how digitalisation is growing among our retail customers.

The Project Room – the Bank's self-developed project management tool

The Project Room is a practical, important and active collaboration channel for everyone who works on development and implementation in SpareBank 1 Østlandet.

Behind the Project Room is an internal interdisciplinary group that has worked on translating extensive regulations into a liveable, practical workday.

The result is a solution with an inbuilt methodology that results in any implementation becoming as simple or a work intensive as it should be. The right resources are involved on a case by case basis, and the solution ensures that we comply with relevant Acts, Regulations and guidelines.

The Project Room has become an important activity management tool. The solution provides us with unique insights into everything that is going on in the organisation with respect to resource extraction, goal attainment, status of strategic initiatives, deliveries from SpareBank 1 Utvikling, identified risks, etc.

Some 60 project rooms were completed in 2022. At the start of 2023, there were 153 ongoing project rooms spread across different levels:

- 30 project rooms with overarching initiatives from the Bank's strategy.
- 33 overarching project rooms that bring together topics.
- 90 projects large and small that will be implemented in the Bank.

— The Project Room is a good example of everything being possible when we work together and support each other.

Sol Hagelien, Launch Coordinator, SpareBank 1 Østlandet

Figure 29: Digital customers by age group, in percentage per age group

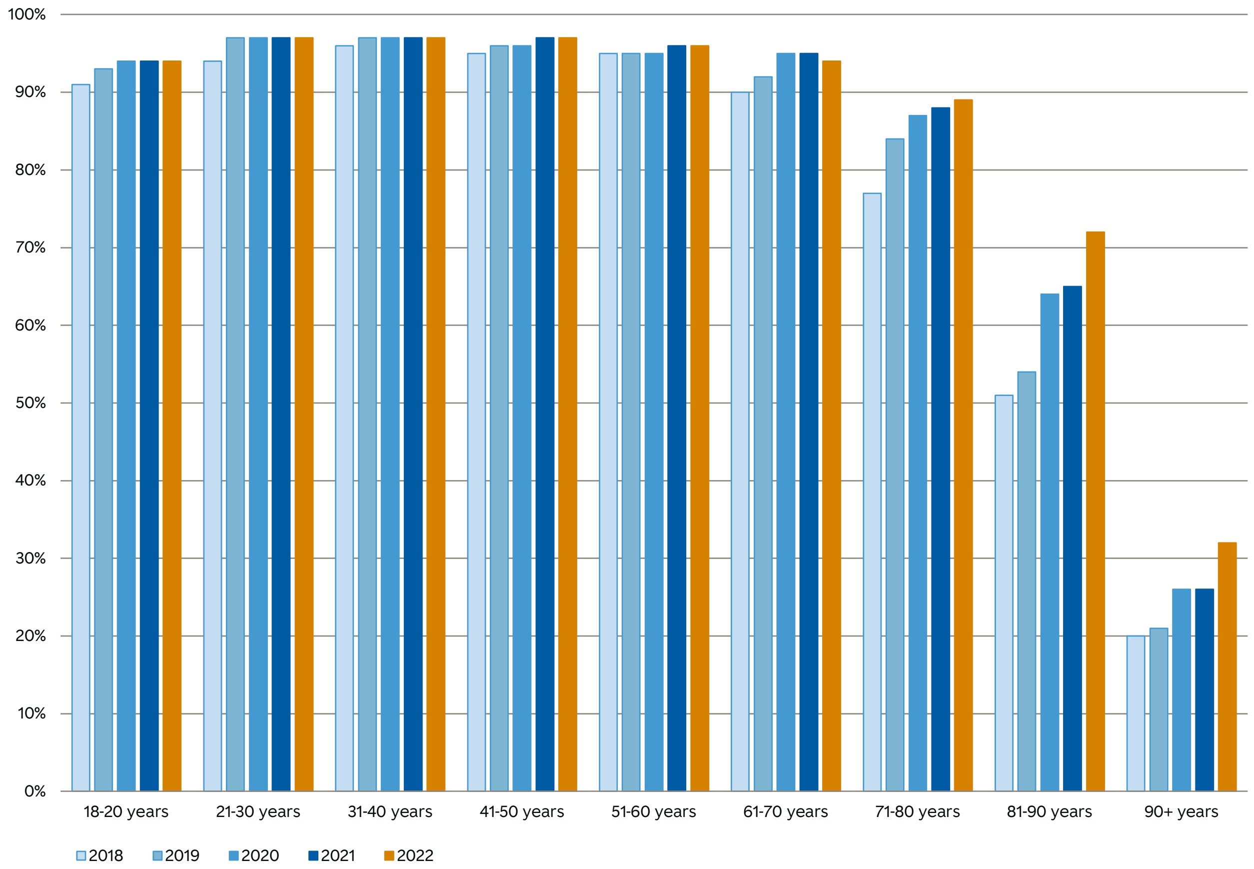
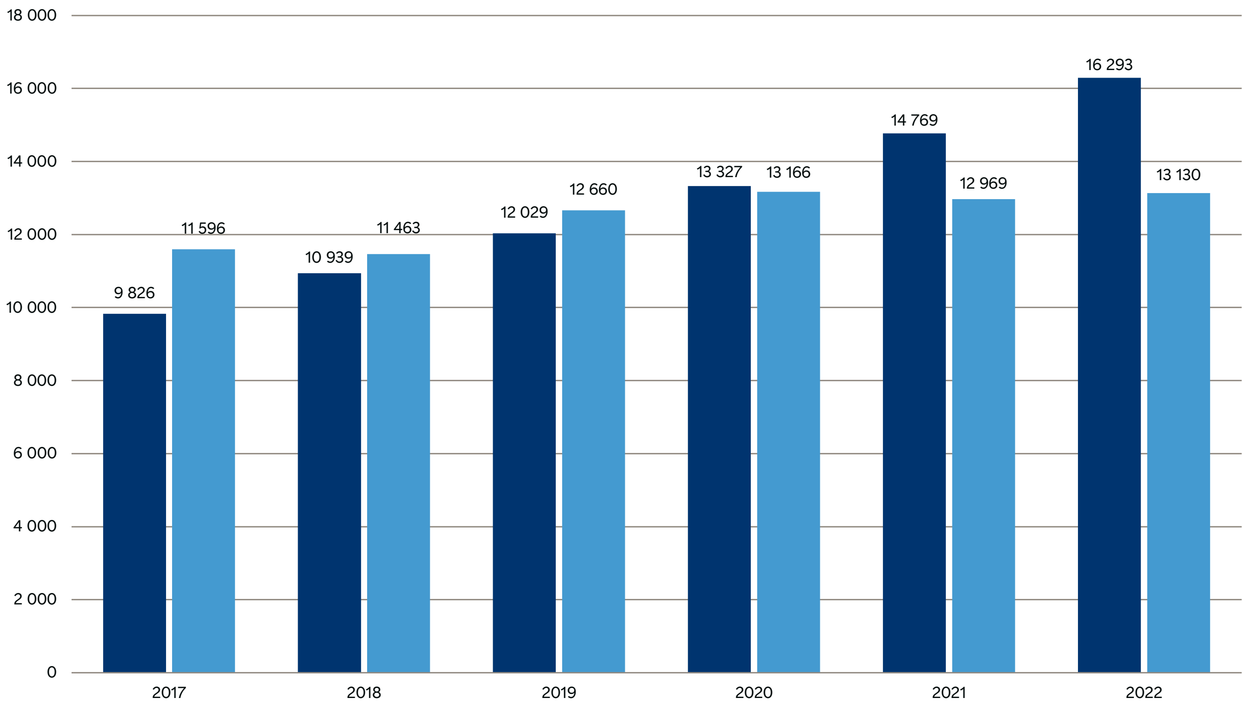


Figure 30: Development in number of customers using the online business bank



Active agreements: The customer can log in to the online business bank.

Registered agreements: The customer cannot log in to the online business bank themselves, but the enterprise's accounts are linked to another online banking agreement – for example via the online banking agreement with the customer's accountant.

CHAPTER 3.6 - MATERIAL SUSTAINABILITY TOPIC

Combating economic crime

The scale of crime impacting the financial services sector is increasing and becoming increasingly complicated and complex. The Bank's efforts to prevent and detect crime are therefore important from both a national and an international perspective.

Why is this a material topic for the Bank?

Economic crime is a problem that impacts individuals, business and the economy. It can also have a major negative impact on individual banks. Like other banks, SpareBank 1 Østlandet has a legal duty to implement measures to prevent and detect money laundering and terrorist financing. The Bank also has extensive measures for continuously preventing and detecting other economic crime, particularly digital fraud. Both customers and society in general must have confidence that the Bank is being proactive in this area.

The threat picture is constantly changing and the Bank has to adapt its work to match developments. The work is challenging, resource-intensive and requires a high level of multidisciplinary expertise. We share what we know with other financial institutions and the authorities, and encourage customers to be more vigilant to ensure they are not deceived.

This work is linked to SDG 16, target 16.4, which aims to significantly reduce illicit financial flows and combat all forms of organised crime.

What was done in 2022?

In 2022, the Bank focused heavily on risk analyses in the area of money laundering and sanctions. The Bank's customer portfolio has been reviewed to ensure we have a good understanding of our customers and a better understanding of any money laundering risk. This was done to ensure we are taking a good risk-based approach to detecting potentially suspicious transactions. This work is also important in ensuring our systems for transaction monitoring and customer risk scoring are properly configured.

In 2022, the Bank was subject to an on-site inspection related to money laundering. The inspection was carried out to assess the Bank's management and control of the risk of money laundering and terrorist financing. The Bank submitted a large amount of source data, and the final report from the Financial Supervisory Authority of Norway is expected in the second half-year 2023.

The number of staff assigned to work on economic crime increased. During the year, we and the banks in the SpareBank 1 Alliance invested a significant amount of resources in realising systems that will be used to detect and prevent economic crime in the future.

The 'Olga Scam'
The 'Olga Scam' is a particular form of fraud that has been targeted at customers of Norwegian banks in recent years. The common denominator in these cases is that the scammers pretend to represent the Bank or the police and contact customers directly in order to acquire information that would enable them to misuse the customer's account. In 2021 and 2022, SpareBank 1 Østlandet was party to a case before the courts concerning the Bank's liability for damages to the customer in such cases. The Norwegian Financial Services Complaints Board (FinKN), which first considered the case, was divided in its view about whether the customer or the Bank should take the loss. The district court concluded that the customer was itself liable, while the court of appeal and the Supreme Court found that the Bank had to cover the loss. The case was the first of its kind in Norway to be considered by the Supreme Court. It was important to obtain the Supreme Court's opinion of the case because it raises important questions of principle. As a result of the Supreme Court's ruling, the Bank will pay damages in other cases of fraud involving the same circumstances. We have therefore reviewed previous cases of fraud, and customers who have been exposed to this type of scam will be paid damages in the first half-year 2023.

What remains to be done in a longer perspective?

New technology, such as AI and machine learning, is enabling more accurate and efficient methods in the work on detecting and preventing economic crime. New systems are also providing greater opportunities for monitoring transactions in real time, which in turn results in more proactive detection of potentially suspicious transactions. In 2022, the Bank finalised specifications of the requirements for a new system platform. The platform will provide the Bank and our employees with better systems support in their work on economic crime. The plan is to choose a new system platform in 2023 and then carry out the subsequent implementation project.

Risks and opportunities

There will always be a risk that people will try and misuse the Bank's products and services for money laundering and/or terrorist financing, and the Bank reports all suspicious transactions to the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim). The risk of money laundering can have significant financial, criminal and reputational consequences for the Bank. Stricter requirements in the area of anti-money laundering, both nationally and internationally, make further requirements of the Bank's operations.

The money laundering regulations require us to take a risk-based approach to detecting and preventing money laundering and terrorist financing. This year's risk analysis was based on the work from the previous year's risk analysis and feedback from audits. Workshops with broad participation from the business areas were arranged in 2022. We also conducted a review with subsidiaries to quality assure all risk assessments in the Group.

The purpose of the general risk assessment is to summarise the key risks to which the SpareBank 1 Østlandet Group is exposed and how these are managed. The assessment consists of an analysis that summarises inherent risks in the Group, and a business-oriented analysis that describes the Bank's risks within the identified inherent risks. The risk analysis is used as a starting point for, for example, preparing routines, transaction monitoring, risk scoring customers, customer monitoring, and employee training.

Training

Employees undergo mandatory training in economic crime each year. Among other things, the Bank conducted comprehensive training in the area of money laundering in 2022. The training included webinars and online classroom teaching. The training was role-based and tailored to the individual employee. After the training ends, all of the participants get access to a training application (AML app). The app was developed as a knowledge-based game and will be updated on an ongoing basis with new content about the area of money laundering. The AML app will be fully implemented in 2023.

Collaboration and partnership

The Bank is represented in Finance Norway's Expert Committee on Economic Crime AML. We also participate in various forums in the SpareBank 1 Alliance, for example the Expert Committee on Security and Preparedness, the Expert Committee on Economic Crime AML, and the Expert Committee on Compliance.

Strategic anchoring

Important guidelines: Governing document for complying with anti-money laundering regulations, Anti-Corruption Policy, Security Strategy.

Responsible for the area: Chief Operating Officer. Executive Vice President HR and Legal.

Goal for the area:

- The Bank's employees have to undergo mandatory training in the areas of money laundering, terrorist financing and sanctions every year. The training must be tailored to the individual's role.
- Continue work on introducing the next generation of systems in the work on money laundering and terrorist financing.
- Increase staffing in the work on economic crime.
- We must be a safe banking partner where all new customers undergo the correct procedures before a relationship is established.
- We ensure that existing customers have been correctly documented and we know where the customers' funds come from to prevent money laundering and/or the financing of terrorism through our bank.

GRI indicators: SB1Ø-2. Training: 402-2
SDG: 16.4
GC: 2, 10
UNEP FI: 5.1

› Employees undergo mandatory training in economic crime each year. In 2022, the Bank arranged a comprehensive training course in the area of money laundering.

Goal for the area	All of the Bank's employees have to undergo mandatory training in the areas of money laundering, terrorist financing and sanctions every year. The training must be tailored to the individual's role.					
Measurement parameter	Completion rate for compulsory training.					
	2022	2021	2020	2019	2018	2017
Goal attainment	✔ Basic training: 99 % Case course/role-based: 96 %	✔ Basic training: 99 % Case course/role-based: 89 %	Goals not set.	Goals not set.	Goals not set.	Goals not set.

Privacy

Our customers must be confident that their personal data is safe with us. Privacy is an important human right and the Bank focuses heavily on complying with privacy legislation.

It is important that we process personal data in an open, proper and secure manner in order to earn the trust of customers and employees, and at the same time provide room for the creation of new business opportunities.

The goal is to be open about both what personal data we process and how we do it. The Bank's privacy statement and policy are readily available on our website.

What did we achieve in 2022?

In 2022, the most important tasks were continuing the work on documenting compliance with privacy legislation. Important work was done to address the limitations on storing unstructured personal data. Our privacy competence programme increased employees' understanding and awareness of privacy requirements in 2022.

Organisationally, in 2022, we appointed privacy coordinators, meaning that a steadily increasing number of expert resources are involved in privacy and change processes.

Management and control
Governing documents for privacy are revised annually. Minor amendments were made in 2022 and approved by the Board of Directors. These are available on our website. Our information security and privacy requirements comply with international standards (ISO/IEC 27001) and requirements in the ICT Regulations and privacy legislation.

Internal audits of ICT, cyber and privacy were conducted in 2022 with a special focus on impact assessments related to privacy. The result of the independent review was satisfactory.

The Data Protection Officer reports to the Board of Directors every quarter and every year. The Data Protection Officer has also provided advice and guidance on privacy in internal processes, as well as responded to enquiries about privacy from customers and other data subjects. The Compliance Function conducted several control activities related to the area of privacy in 2022, which have also helped to improve quality.

Privacy for new and changed products and solutions
System owners and day-to-day data controllers in SpareBank 1 Østlandet comply with the privacy requirements when new products and solutions are introduced or changes are made.

The Bank documents its compliance with the statutory requirements in order to comply with the privacy legislation's principle of accountability. Documentation was produced during the period showing that all newly started projects and changes to existing solutions were complying with privacy requirements.

Risk assessments
The Bank worked on improving the procedures for risk assessments of personal data security in 2022. Procedures, templates and tools for risk assessments have been updated. Monitoring our suppliers is also an important priority for ensuring that risk assessments and security related to personal data are satisfactory. This work will continue in 2023 and will provide the basis for more systematic annual updates.

In collaboration with the other Alliance banks, new and identical templates were developed for carrying out privacy impact assessments in 2022.

Customer rights
Privacy legislation gives data subjects many rights and we are committed to safeguarding these. In 2022, the bank received six requests for access.

Some 77 people transferred data from the Bank to themselves (data portability). Everyone also has the right to request that their data be deleted. We received two such requests in 2022.

Non-compliance
One important means of improving is to identify and deal with non-compliance that constitutes a breach of personal data security. The Bank encourages all staff to report privacy non-compliance. There was a particular focus on this in 2022 in that it was a topic in presentations given by the data protection officer at in-person meetings in large parts of the organisation. The organisation's ability to identify non-compliance is increasing and this provides us with opportunities to improve. Managers have confirmed through internal control that they are familiar with the procedures and report non-compliance when it occurs. A gradual increase in the number of non-compliance reports shows there is an increasing awareness of reporting privacy non-compliance.

› In 2022, we appointed privacy coordinators, meaning that a steadily increasing number of expert resources are involved in privacy and change processes.

The Bank was not issued with instructions or fines for violations by the Norwegian Data Protection Authority for any of the instances of non-compliance in 2022. This was because the instances of non-compliance were not considered serious breaches of personal data security and adequate measures were implemented to remedy the non-compliance and prevent future occurrences.

The cases have mainly involved incorrect mailings, access control deficiencies and other less serious non-compliance related to confidentiality, integrity and availability.

Plans for the work on privacy

The expert environments in the SpareBank 1 Alliance will continue the collaboration that is helping to improve assessments, support methods, training activities and tools for managers and experts.

The Bank will continue to work on improving the documentation showing how privacy requirements are complied with and follow up our providers and outsourced services in relation to the area of privacy. Our dedicated compliance tool helps document compliance with privacy requirements. Privacy risk assessments and impact assessments are an important part of this documentation.

Training

All employees receive regular mandatory training in the area of privacy. Our competence programme in this area has particularly focused on training system owners and system managers in 2022. 98 per cent of all system owners have completed this training. In-person meetings have also been held in many departments to describe and discuss why it is important to report non-compliance. All employees took a number of general e-learning courses on privacy and an annual survey on our corporate security culture was conducted.

Strategic anchoring

Important guidelines: Privacy Policy, Privacy Standard, General Privacy Procedure.

Responsible for the area: Executive Vice President HR and Legal, Data Protection Officer, head of privacy.

Goal for the area:
The objective of our privacy work is to ensure that by taking a systematic and risk-based approach we:

- respect the data subjects' privacy and family life, their home and their correspondence, as well as their other human rights
- comply with the Norwegian Personal Data Act and the EU's General Data Protection Regulation (GDPR), other privacy legislation and recognised guidelines
- support the business operations such that SpareBank 1 Østlandet maintains constant control over how personal data is processed
- protect SB1Ø's reputation through the correct processing of personal data

GRI indicators: 2–25 and 418–1. Training 404–2
UNEP FI: 5.1 and 5.2

Non-compliance and breaches of personal data security	2022	2021	2020	2019	2018	2017
Total non-compliance	77	45	38	29	7	Not available
No. of non-compliances reported to the Norwegian Data Protection Authority	6	8	9	7	4	Not available
No. of fines or penalties from the Norwegian Data Protection Authority	0	0	0	0	0	Not available

Information security

Like other banks and financial institutions, we are constantly seeing new forms of cybercrime and online attacks on customers or infrastructure.

Why is this important for the Bank?

Both the Norwegian National Security Authority (NSM) and the Norwegian Police Security Service (PST) report that there was a clear increase in digital extortion and sabotage in 2022. The increasing complexity of supply chains and technical solutions means that digital threats to the Bank's systems and services are a clear and increasingly important component of the organisation's overall risk picture.

In 2022, SpareBank 1 Østlandet only experienced information security incidents that had a limited impact on the organisation and the Alliance, although we will continue to work on making our systems and services secure for customers and employees alike in 2023.

What was done in 2022?

In collaboration with the SpareBank 1 Alliance, we established further systems and controls in 2022 that are designed to reduce both the likelihood and consequences of digital threats. In 2022, we particularly worked on the following topics:

- Raising employee awareness of the risk of fraudulent emails and phishing attempts. Employees are now tested regularly, and the number of people disclosing their usernames and passwords is decreasing over time.
- Establishing a framework for management reporting where key performance indicators (KPIs) related to information security are regularly assessed and reported to management together with any measures that have been implemented and suggested improvements.
- Assessing the risks associated with new and existing products and services to ensure that relevant risks are managed and documented.
- Establishing and carrying out checks and testing to identify weaknesses and vulnerabilities in systems and infrastructure.
- Conducting GAP analyses to assess the status of established checks and procedures in relation to ISO 27001, a recognised standard for information security.

What remains to be done in a longer perspective?

Digital threats are, and will continue to be, an important component of the organisation's overall risk picture going forward.

Technological advances will make great demands on the knowledge and expertise of employees, and we must build and maintain a good security culture over time.

Therefore, we will continue our efforts, in collaboration with the SpareBank 1 Alliance, to offer relevant, targeted security training to the organisation's employees in addition to introducing and updating control and security measures.

Training

The organisation's employees undergo mandatory security training throughout the year. In 2022, there was a particular focus on general information security skills and testing specific knowledge.

The focus areas for the testing was the detection of fake emails and attempted fraud, as well as the correct reporting and managing of such attempts.

The completion rate is monitored on an ongoing basis and more than nine out of ten employees now complete all courses. The organisation generally scored better on the tests conducted over the year than comparable sectors and organisations.

Strategic anchoring

Important guidelines: Security Policy, Guidelines for ICT Security in SpareBank 1 Østlandet.

Responsible for the area: Chief Operating Officer

Goal for area

- Ensure that the organisation offers safe and secure solutions to our customers and employees.
- Ensure that information about customers and employees is processed in a safe and secure manner.
- Ensure that implemented checks and procedures are based on recognised standards and practices.

GRI indicators: 418-1. Training: 404-2
UNEP FI: 5.1 and 5.2

Monica Øverby, Insurance Manager retail market
Østerdalen

CHAPTER 3.7 - MATERIAL SUSTAINABILITY TOPIC

Ethical marketing of products and services

By focusing on ethical marketing, the Bank wants to ensure that we are providing good, simple, verifiable and understandable information about our products and services. We also focus heavily on avoiding greenwashing, which is when someone presents a product as eco-friendly or climate-friendly without an adequate basis for making such a claim.

Why is this a key topic for the Bank?

It is important for the us to practise ethical marketing in order to make services and products transparent and understandable. We do this to ensure that the customer is well-informed and able to make good financial decisions. Our communications and marketing will always aim to be as relevant as possible for our customers and to add value for them.

The Bank also has major influence when we enter into sponsorships and other cooperation agreements. Therefore, we require everyone we enter into agreements with to meet our expectations and requirements for sustainable products and solutions.

What did we achieve in 2022?

We have integrated sustainability assessments of all of the content we produce and communicate into our procedures and made them a requirement. We quality assure all of our marketing and digital sales on an ongoing basis to ensure that it is, ethically and legally, in line with the Bank's marketing policy.

No breaches of the regulations and guidelines for product and service information and labelling were reported in 2022. No failures to comply with regulations or voluntary guidelines for marketing, including advertising, promotions and sponsorships, were reported either. Ethical marketing was a given for those who work with marketing communication in the Bank in 2022.

Our approach to the topic:

- We have started measuring our brand in relation to sustainability and corporate social responsibility.
- All of our sponsorship agreements are followed up in relation to sustainability. Our agreements also specify that the clubs should focus on the work of combating exclusion.
- We conduct evaluations and surveys of our activities to ensure that our marketing communications are always relevant.
- We quality assure that our purchases are being thoroughly checked in relation to sustainability and comply with the Bank's rules for purchases.
- We conduct evaluations and surveys of our activities to ensure that our marketing communications are always relevant.
- We take courses and participate in skills building activities linked to the topics ethical marketing and sustainability communication.

› We have integrated sustainability assessments of all of the content we produce and communicate to our customers into our procedures and made them a requirement.

What remains to be done in a longer perspective?
In the coming years, it will be important to implement new guidelines for sponsorship activities in the Bank. Otherwise, we will continue our work in all areas with the same intensity.

Risks and opportunities

We are finding that it is becoming increasingly important to focus on sustainability and corporate social responsibility in marketing work. Ethical marketing is essential in order to strengthen the Bank's reputation and clarify our brand. If we always make sustainable choices in our actions and decisions, we will be seen as a clear brand that focuses on corporate social responsibility. The risk associated with ignoring sustainability can, for example, result in fines, reputational loss and reduced loyalty.

Training

Everyone who works in marketing in the Bank has completed the Bank's Ethics Week. Employees who work in marketing comply with the Bank's marketing policy and the greenwashing decree, which the Bank has signed. Parts of the Marketing Department took part in a range of webinars and courses on the topic of ethical marketing throughout 2022.

Strategic anchoring

Important guidelines: General Guidelines for Corporate Social Responsibility and Sustainability. Code of Conduct. The Bank's marketing policy, brand strategy and sponsorship policy.

Responsible for the area: Head of marketing, Executive Vice President Innovation and Business Development.

Goal for area: Sustainability requirements are incorporated into all new or extended agreements. We carry out a sustainability assessment of all the content we produce and communicate. We have clarified the Bank's sustainability profile. Consumers regard the SpareBank 1 Alliance as the most sustainable in our industry.

GRI indicators: 417-2, 417-3 and SB1Ø-8.
Training: 404-2
SDG: 8.3, 9.4, 12.6, 12.8, 13.3, 16.5
GC: 2

Goal for the area	The Bank's sustainability profile has been clarified and the Bank is viewed as the most sustainable by consumers.					
Measurement parameter	Results achieved in the Sustainable Brand Index, within our industry. The goal is to make the SpareBank 1 brand an industry winner. This is a common goal for the SpareBank 1 Alliance, adopted in 2019.					
	2022	2021	2020	2019	2018	2017
Goal attainment	✔ 2nd place after VIPPS*	✔ 2nd place after VIPPS*	✔ Industry winner	✔ Industry winner	✔ Industry winner	Not available

* VIPPS is a payment solution, not a bank.

Other goals

✔ Sustainability requirements are incorporated into all new or extended agreements.

✔ We carry out a sustainability assessment of all the content we produce and communicate.

✔ We have clarified the Bank's sustainability profile.

CHAPTER 3.8

Our greatly skilled employees

The new business strategy for 2022-2025 focuses even more heavily on the organisation and employees. We want to create a generous and engaging working environment in which job enthusiasm, mutual respect and skills are key factors.

We have started to work on boosting a sense of ownership and defining what the strategy means for each and every one of us. As part of the strategy, we focused on the working environment in 2022 and how we can profile ourselves as an attractive employer for current and future employees.

In collaboration with our occupational health services provider, we chose to increase our commitment to mental health and expanded health screening in 2022.

Reporting key target figures and measures within the area of HR is included in the ongoing corporate governance that is reported to the Board each year. In addition, governing documents have been developed such as the Code of Conduct, Anti-corruption Policy, Remuneration Policy and Recruitment Policy.

Working conditions

With a strategy centred on relationships and job enthusiasm, we introduced a new tool for measuring employee satisfaction in autumn 2022 that checks the organisation's temperature in real time. Employees are asked four questions each week with the aim of getting employees to use their voice to tell us how they feel at work. Participation is high with a response rate of no less than 93 per cent. Using this tool, employees and managers will together contribute to the development of the team and the workplace. Managers will gain early insight into any trends, such as an increase in negative stress with the associated elevated risk of sick leave, or whether more people are thinking of leaving.

The tool provides a total temperature score and measures nine different categories that impact job satisfaction: management, job enthusiasm, meaningfulness, autonomy, work situation, participation, personal development, team feeling and commitment. We also measure ambassadorship, i.e. the extent to which our employees would recommend us as an employer (eNPS).

The Bank has chosen two KPIs that must be closely monitored. Commitment and job enthusiasm must both be above eight.

The results after four months show the following:

Category	KPI	SB1Ø	Industry
Total temperature	–	7.9	7.9
Commitment	8	8	8
Job enthusiasm	8	7.6	7.7
eNPS ambassadorship	–	36	28

The scale runs from 0-10, where 8 corresponds to 80 per cent of the maximum score. eNPS is scored from -100 to +100. Anything above 40 is a very good score.

The total temperature is on a par with the rest of the industry. We hit our KPI for commitment, but we have some way to go before we achieve the target for job enthusiasm. We match the rest of the industry in both areas. However, our eNPS score is higher than the rest of the industry, meaning that our employees are more likely to recommend their employer than employees in the rest of the industry are to recommend theirs.

Organisational development and competence

In 2021, SpareBank 1 Østlandet adopted new guidelines for voluntary working from home. The guidelines allow for working from home for up to 2 days a week if this is compatible with your role, duties and operations. We evaluated the scheme in 2022 and concluded that it should be continued. As at 31.12.2022, 121 employees have signed a working from home agreement (16 per cent).

The Covid-19 pandemic resulted in a greater need for digital working, and we have had to learn new tools to manage our new working day. With locations in various places, hybrid Teams meetings have become a natural part of the working day for most employees. After Covid-19 we have both fewer in-person meetings and travel less. This means that in 2023 we will need to look closely at the physical facilitation of workspaces and training related to hybrid forms of working.

The Bank follows an annual cycle in which employee performance and career development interviews are held in the first quarter of the year. These interviews are a strategic tool used to ensure every employee understands the Group's strategy and facilitate targeted competence development. Based on their employee performance and career development interview, development plans are tailored to meet the needs of the individual employee. These are followed up throughout the year in a dialogue between employees and their line manager.

4.1 % Sick leave

63.4 Hours of training per employee

0 Occupational accidents in 2022

The focus on digital skills continued in 2022 through, among other things, the Digitalisation and Digital Transformation master's degree programme at the Norwegian University of Science and Technology (NTNU). In 2022, 32 employees participated in the programme (14 women and 18 men).

As a member of the Financial Industry Authorisation Schemes (FinAut), the Bank is committed to ensuring its advisers are authorised. The schemes are intended to encourage and ensure that advisers have the necessary attitudes, skills and knowledge within the areas of savings and investment (AFR), credit (KRD), non-life insurance (SF) and personal insurance (PF).

Subject area	Number of authorised advisers as at 31.12.2022
Savings and investment (AFR)	211
Credit (KRD)	230
Non-life insurance (SF)	236
Personal insurance (PF)	230
Approved information providers	65

There were two new authorisation schemes for the corporate market in 2022.

Subject area	Number of authorised advisers as at 31.12.2022
Non-life insurance corporate	13
Personal insurance corporate	13

The new Insurance Distribution Act requires suitability assessments for everyone who sells insurance products. There is also a requirement for 15 hours of continued education each year. The Bank was approved as an insurance company in 2022.

Each year, around 10 employees and managers receive a stipend to take a master's degree in strategically important areas for the Bank. The Bank is collaborating on various management development projects within the SpareBank 1 Alliance. Among other things we have a common senior management programme. In addition to helping develop individual managers, it is an important arena for Alliance development and networking. It provides a forum for discussing our overarching strategic challenges and opportunities, as well as for strengthening relationships and cooperation. We have also started work on establishing a common programme for new managers.

Our internal programme for new managers was not implemented in 2022 because there were not enough relevant participants.

HSE and sick leave

SpareBank 1 Østlandet takes a systematic approach to HSE and adopts annual action plans focusing on health problems and sick leave. One means of preventing health problems is offering all employees annual health check-ups from Falck Helse AS. Falck Helse AS has been our occupational health services provider for years. Since summer 2022, they have also delivered health check-ups for all employees. Employees can choose between three different check-ups based on their needs: 1) health check-up focusing on variations in heart rhythm and stress management; 2) health check-up with a focus on lifestyle; and 3) standard health check-up. In addition to annual health check-ups, all employees also have access to the 'Overvinne' app. The app is called the 'psychologist in your pocket' and deals with mental health and management strategies.

The total sick leave rate for 2022 was 4.15 per cent. The sick leave rate was therefore somewhat higher than in 2021, although it was within the target level of under 4.5 per cent. The target rate was set based on an assessment of the nature of the business and the work, industry average and the age demographics of the organisation.

We make special adjustments for employees who, because of illness, experience reduced capacity for work or who, for some other reason, require adaptation of their workplace and work tasks.

In collaboration with the Norwegian Labour and Welfare Service (NAV) and the local 'Hurtigspor på Hedmarken' ['Fast Track in Hedmark'] initiative in the Inland Region, the Bank also welcomes employees who need training. We accepted two candidates in 2022.

Managers and safety representatives receive regular basic working environment training. Management training on following up sick leave and preventing substance abuse (AKAN) was also provided in 2022. This will be continued in 2023.

The Bank has established collective agreements with the Finance Sector Union of Norway in SpareBank 1 Østlandet, and with LO Finans Østlandet. The cooperation between the executive management team and employee representatives is very good. A joint cooperation and working environment committee has been established with representation from the trade unions and safety service.

There were no workplace accidents in 2022.

Recruitment and turnover

The Bank posted 105 internal and external job adverts in 2022. Our goal is to achieve gender balance in all positions. In areas where one gender is underrepresented, we encourage the other gender to apply for the jobs. In 2022, we saw a total of 55 per cent male and 45 per cent female applicants.

We recruited 42 women and 63 men via internal and external recruitment processes in 2022. The Bank will continue its efforts to hire women through targeted measures, as described in the section on pay, diversity and equal opportunities.

Turnover is relatively stable. In 2022, it was 3 per cent among women and 2 per cent among men, compared with 2.7 per cent and 2.4 per cent, respectively, the year before. Some 44 employees changed jobs internally in the Group due to a new place of work, a new role or a promotion. Of the new external recruits in 2022, 30 per cent were women and 70 per cent men.

The labour market was tight in 2022. Nevertheless, we have attracted many applicants and hired good candidates for published positions. At the same time, competition for good candidates is also a pay driver for financial services groups.

During the year, we further developed and digitalised parts of the recruitment processes and have integrated multiple tools in the same system. This improves efficiency and quality, and these processes will continue next year.

Pay, diversity and equal opportunities

In its equal opportunities and diversity policy and its recruitment policy, SpareBank 1 Østlandet has committed to respecting human rights and avoiding discrimination of any kind. The Bank works actively on diversity and equal opportunities, both in its own activities and with respect to customers and suppliers.

The Bank wants employees who reflect the communities of which it is a part – irrespective of cultural background, ethnicity, religion and gender. The Bank strives to achieve gender balance at all levels of the organisation. We have set a goal to increase the proportion of female managers to 45 per cent. Equal pay for work of equal value is assessed and practised as far as possible based on objective criteria.

The Bank has enacted life-phase policy measures where the intention is for employees to experience professional and personal development through different phases of their careers and ensure that they can enjoy a balanced relationship between their working life and personal life. The individual employee's opportunities for professional and personal development must be independent of gender, age, education, background and origin.

The Bank has 740 permanent employees, 49.7 per cent of whom are women and 50.3 per cent men. The Bank has eight temporary employees, four of whom are women and four men. In addition to this, the Bank employs temporary workers hired in from staffing agencies to replace employees who are on leave, away sick, etc.

The proportion of management positions with personnel responsibilities held by women decreased from 42.2 per cent in 2021 to 41.4 per cent in 2022. We are still below the target of 45 per cent women in management positions. We advertised 11 management positions in 2022. Of the applicants these attracted, 67 per cent were men and 33 per cent were women. Therefore, a lot of work remains to be done to get more female applicants for management positions.

Group Management consists of four women and six men, while the Bank's Board of Directors consists of four women and four men. The Bank completed the 'Ta Sats' management development programme specifically aimed at women in 2022. The measure is being evaluated and any decision to continue it will be made once the evaluation has been completed. Ensuring that we make a conscious effort in all recruitment processes is just as important as individual measures.

Of the 740 permanent employees, 94 per cent work full time and 6 percent part time. The part-time employees comprise nine men and 39 women. Most of these people applied for a reduced time position themselves due to care obligations, age or capacity for work. At the end of 2021 start of 2022, we investigated the incidence of unwanted part-time work among those who have not applied for it themselves. The results show that we did not have any unwanted part-time work in SpareBank 1 Østlandet at that time.

All employees must have the same opportunities for salary development and local salary supplements are determined on the basis of an assessment of individual performance and contributions to the collective achievement of results over time. These processes involve a particular focus on identifying any equal pay disparities.

The Bank uses external systems to assess and categorise positions and analyse pay data. In operational positions, which include advisers, case officers and so on, women's pay was 92.1 per cent of men's pay at year end 2022, compared with 88.6 per cent in 2021. Among employees in management positions and more demanding technical positions, women's pay was 97.8 per cent of men's pay, compared with 98.9 per cent in 2021. The analyses are not adjusted for any structural factors related to age, different fields, seniority, level of education, etc.

To prevent wage disparities arising between women and men, an automatic collective wage agreement adjustment has been introduced for employees who return to work after at least 5 months of maternity leave. In the 2022 calendar year, women took an average of 21.3 weeks and men 14.8 weeks of parental leave. The figure does not reflect the total leave taken per employee because the leave can span 2 calendar years. All of them remained employees after the leave.

SpareBank 1 Østlandet has a statutory duty to work for gender equality and against discrimination. Our reporting in line with the activity and reporting obligation (ARP) is published on the Bank's website. We also take responsibility for human rights and labour rights in our business relationships and supply chain. This is reported on in accordance with the Transparency Act of 2022.

Appendix – Further facts about Organisation and HR.

Liability insurance for board members and the CEO

SpareBank 1 Østlandet and its subsidiaries, together with the other companies in the SpareBank 1 Alliance, have taken out insurance for its board members and CEO to cover their potential liability in relation to the company and third parties. The insurance cover for board liability is NOK 800 million per claim and in total per year, while the cover for professional liability and criminality insurance is NOK 1 200 million per claim and in total per year.

Terje Baggerød, Financial Adviser
Siw Kristiansen Berg, Financial Adviser
Sanne Gullbekk Ellefsen, Customer Adviser,
Emma Charlotte Damhaug, Financial Adviser and
Martin Johansen, Financial Adviser,
Asker

CHAPTER 3.9 – MATERIAL SUSTAINABILITY TOPICS

Ethics and anti-corruption

Ethics and anti-corruption is one of the Bank's five material sustainability topics. This is important for both internal and external stakeholders.

Why is this a material topic for the Bank?

SpareBank 1 Østlandet lives in a mutually dependent relationship with those around us. We depend on the trust of customers, investors, partners, organisations and the authorities. Trust is also important within the Group. The purpose of our work on ethics and anti-corruption is to protect this trust. This is how we will strengthen our relationships with those around us, build financial strength, ensure we have financial muscle, and further enhance our good reputation. We tolerate no form of conduct that could be perceived as bribery, corruption or attempts to improperly influence decision-making processes. Our conduct and decisions must be based on the Bank's strategy and corporate social responsibility and sustainability goals.

What was done in 2022?

The Bank has a programme for its work against corruption and bribery, which is reviewed and revised every year. The programme consists of different key activities, such as training, whistleblowing channels, including for anonymous whistleblowing, risk assessments in the area and due diligence assessments in connection with granting credit. Systems and procedures have been established for registering and following up any deviations. Regular compliance checks are also carried out within both ethics and anti-corruption. The data protection officer prepares reports for the Board every quarter. Annual reports on compliance with the Code of Conduct and the Anti-Corruption Policy are also prepared for the Board.

The Bank has an ethics committee chaired by the Executive Vice President HR and Legal. The committee also consists of employees, managers and employee representatives in addition to an external member with competence in this area. The committee discusses matters of principle and general ethical issues. The committee can also make recommendations in individual cases of an ethical nature that could harm customers' confidence in the Bank or its reputation. The Ethics Committee held four meetings in 2022. The main topics were changes to the Code of Conduct and revising the annual Ethics Week. The committee has also worked on making its work known to the organisation.

New Code of Conduct
The Ethics Committee established a working group in 2022 to present a new Code of Conduct, which was adopted by the Board. The aim was to renew the content in line with changes in operating and social conditions, as well as improve its accessibility and readability for employees. The new Code of Conduct applies from 1.1 2023.

Whistleblowing
A new and revised internal whistleblowing procedure for the entire Group was adopted by the Board in 2022. The most important changes were designed to clarify how cases should be dealt with in relation to the whistleblower and accountability, as well as how the Bank should work with subsidiaries in this area. The whistleblowing procedure should also help to protect whistleblowers. The Group has a dedicated whistleblowing committee consisting of the Executive Vice President Risk and Compliance, the Executive Vice President HR and Legal and the legal director. A representative from subsidiaries also participates if the report relates to them. Employees can report anonymously and can, if they want, use a whistleblowing channel that forwards reports to a third-party whistleblowing centre. The Bank's procedures for external whistleblowing are published on our website.

One whistleblowing report was dealt with in 2022. The report concerned a subsidiary and working environment issues. The case has been dealt with and closed.

Goal for the area	SpareBank 1 Østlandet employees need to be very familiar with Bank's Code of Conduct.					
Measurement parameter	The proportion of employees who have confirmed that they have reviewed and understood the Code of Conduct is measured quarterly. The goal is for at least 92 % to confirm (sick leave and turnover mean that 100 per cent is not realistic).					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 96 %	✓ 98 %	✓ 97 %	✓ 95 %	not available	not available

Goal for the area	Employees in SpareBank 1 Østlandet will avoid impartiality problems and conflicts of interest in processing credit applications.					
Measurement parameter	Number of credit cases in which breaches of impartiality rules are identified. Annual checks. Goal is 0.					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 0	✓ 0	✓ 0	New from 2020	not available	not available

What remains to be done in a longer perspective?

The Bank will continue to focus on ethics and anti-corruption in order to develop and improve its skills, work processes, control measures and compliance with procedures for satisfying statutory and self-imposed requirements. Most of the goals were continued in the new strategy period.

Risks and opportunities

A special survey of the Bank's risk culture was conducted in 2022. Multiple checks and spot checks are made within the area of both ethics and anti-corruption in cooperation with several departments. No material breaches were identified in 2022. The main activities in the work on corruption and bribery are published on our website. Compliance tests are created each year for the key measures that are elaborated on there. The conclusion of the internal report is that, overall, the Bank complies with the entire anti-corruption programme and implemented satisfactory improvement measures in 2022.

Training

All authorised financial advisers have undergone the extensive annual training programme of which ethics is an important component. All managers and employees have also undergone anti-corruption training, with 96 per cent participation. Our goal of ensuring that all employees have signed to confirm that they have read the Code of Conduct and Anti-corruption Policy was achieved in 2022.

Strategic anchoring

Important guidelines: Code of Conduct, Anti-Corruption Policy, Guidelines for Identifying and Countering Conflicts of Interest, and the Programme for the Bank's Work on Preventing Corruption and Bribery.

Responsible for the area: Executive Vice President HR and Legal

Goal for the area: The Bank has several goals for its work on anti-corruption. Two key goals are:

- The Bank's employees need to be very familiar with the Bank's Code of Conduct.
- The Bank's employees must avoid impartiality problems and conflicts of interest in processing credit applications.

GRI indicators: 2-15, 2-23, 205-1, 205-2, 205-3.
Training: 404-2
SDG: 16.5
GC: 2, 10
UNEP FI: 5.1, 5.2

Ethics refreshers throughout the year
In 2022, we also decided to change the frequency of ethics training. Instead of an annual Ethics Week, the training will be more continuous with regular 'ethics refreshers' that ensure a focus on various topics throughout the year. The first ethics refresher was on anti-corruption. Here the anti-corruption programme was reviewed and training in anti-corruption provided to all managers and employees. A less comprehensive Ethics Week was also carried out at the start of 2022 with the theme 'Risk culture – because others are doing it!'.

› In 2022, the Bank decided to change the frequency of ethics training. The training will be more continuous with regular 'ethics refreshers' that ensure a focus on various topics throughout the year.

Ottestad idrettslag was one of many clubs and associations who recieved gifts from the grant scheme 'Alle Henda' in 2022.

CHAPTER 3.10

Corporate social responsibility

Our non-profit work is wide-ranging. In the tradition of good savings banks, we organised many local and regional initiatives designed to contribute to a healthy understanding of personal finances and increase well-being and positive development in rural and urban areas in our market area.

Below are some of our most important contributions in the area of social engagement in 2022:

Teaching children and young people about personal finances

Part of our corporate social responsibility involves helping to improve the understanding of personal finances among children, young people and groups of customers with special needs. We have a long tradition of getting children and young people interested in financial matters during the annual Savings Bank Week. The Bank has taken this initiative further and has for more than 10 years had a travelling teacher in personal finances in collaboration with 'Young Entrepreneurship Innlandet County'. The goal is to help reduce the number of debt collection cases among young people. We have taught tens of thousands of pupils and thereby helped to develop the financial skills of children and young people. In 2022, we started a collaboration with Young Entrepreneurship Viken that involves teaching about personal finances in Akershus as well. The Bank arranged several activities in which around 1 400 pupils received tuition using the programmes *Economics and Career Choices*, *Boss of Your Life*, and other financial programmes. In 2021, the Bank launched a learning app about personal finances. *Kæsj* is the world's first free educational app that uses AR technology and gamification to teach youngsters about personal finances. To date, the app has been downloaded more than 10 000 times.

› Our experts and spokespeople within several areas of expertise share knowledge and advice via the media and the Bank's own channels.

Survey of expectations

In 2022, the Bank conducted two major surveys of expectations among households and companies in the market area. We conduct such surveys regularly to gain valuable insights into how people and business feel about the current economic situation and their thoughts about the future.

In the survey conducted towards the end of the year, household expectations concerning the economy fell to a record low level. Seven out of ten private individuals said they would make savings in one or more areas in 2023. Among companies, expectations sank from optimism to a neutral level. Expectations regarding demand and profitability saw the strongest fall among companies, and concerns about higher rates rose throughout the year.

In 2022, we established a webpage on statistics about Innlandet County, 'Innlandsstatistikk', together with Innlandet County Authority and other selected stakeholders in the region. Innlandsstatistikk is a user-friendly website containing facts and statistics about Innlandet County in a number of areas. The idea is to spread knowledge and provide access to relevant statistics for decision-makers, companies, residents and public stakeholders.

Providing expert advice via the media and other channels

We have established experts and spokespeople in several areas, and we always strive to share knowledge and advice through both the media and the Bank's own channels. Our private economist and chief economist have in particular been highly visible on the media in relation to current topics in 2022. They have helped spread insights into, and an understanding of, interest rate rises and price rises, saving, tax, consumption, debt, and macroeconomics. We have a good dialogue with several media outlets on this type of topic, which has resulted in a number of media stories. In general, this is both important and socially useful, although it will be especially important right now that many are feeling that their personal finances are being squeezed.

Support for good causes

Most of the donations from the Bank's profits are made via Sparebankstiftelsen Hedmark, see page 100. However, the Bank also makes individual donations

Good input during Arendal Week

Competitiveness and rising prices, natural risks, digital criminals and tomorrow's banks in the metaverse. Together with other SpareBank 1 banks, we put key topics on the agenda in this important democratic meeting place.

Arendal Week is a national arena where actors within politics, society and business meet to discuss and learn more about current and future challenges. Around 1 000 events focusing on relevant topics fill the centre of Arendal in August every year.

SpareBank 1 Østlandet, together with several other good resources from SpareBank 1, was there and in action to discuss various topics, obtain input and share and gain new knowledge.

Together with ODIN Forvaltning, the Bank organised the event 'Nature versus capital – how can animals and plants win against the power of money?'. This focused on how banking and finance can help to safeguard our common natural assets. We invited professionals, civil society and politicians to provide input on what we in the financial services industry can do and received many good suggestions that we will do further work on.

The other events in the SpareBank 1 programme also attracted good support. The topics were: 'What will happen to Norwegian competitiveness when energy prices are the same as in the rest of Europe?', 'Invisible robbers: How we stop digital criminals' and 'Newfoundland: Savings banks in the metaverse'.

› We were present and in action at Arendal Week to discuss various topics, obtain input and share and gain new knowledge.

to good causes. We support the TV fundraiser every year and in 2022 we gave NOK 150 000 to Doctors Without Borders and DNDi's work on providing lifesaving medical help and medicines for people who need them most. The Bank also volunteered its services as a counting bank for TV Action. We have traditionally given a Christmas gift to people in need rather than gifts to customers and employees. In 2022, the gift of NOK 340 000 was divided between food banks in Oslo and Innlandet County, as well as crisis centres in our market area.

Sparebanken Hedmark's Art Fund

Previously approved art projects have been completed and presented to the municipalities of Stange, Kongsvinger, Elverum, Våler, Åsnes and Sør-Odal. New funds are no longer being allocated to the Art Fund. The Board has therefore decided to apply to the Norwegian Gambling and Foundation Authority for permission to wind up the fund, which over 40 years has distributed gifts of more than NOK 30 million to the arts and culture in the former county of Hedmark. A decision has been made to spend the remaining capital in the four municipalities that originally made up the fund's area of operations: Elverum, Åmot, Stor-Elvdal and Rendalen.

The bank of sport

SpareBank 1 Østlandet has a long tradition of supporting both elite and grassroots sports locally, regionally and nationally. Through the SpareBank 1 Alliance we are one of Norway's largest contributors to sports and the voluntary sector. Overall, thanks to our distribution, product range and social engagement, we are a natural and important partner for sports in Norway.

The SpareBank 1 banks have been the main sponsor of the Norwegian Ski Federation since 2015. The sponsorship deal was extended until the end of the 2025 season in April 2022. In 2020, we signed a long-term business and marketing agreement with the Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF). With this agreement we are delivering good, cost-effective solutions for sports, including sports clubs, special associations and NIF centrally. This supports and consolidates SpareBank 1's role as the bank of sport.

Money can be a barrier to taking part in organised sports. Together with NIF, we want to help lower this barrier with good measures within inclusion and circular economics. Combating exclusion in organised activities has been included in multiple sponsorship agreements. For example, we contribute to lower training dues for the youngest in Lillehammer Skiing Club, Lillehammer Cycling Club, Brumunddal Football Club and Elverum Football Club. In Oslo we have, together with Vålerenga Hockey, purchased, among other things, goalkeeper equipment that can be borrowed for free.

We want more people to have the chance to go skiing. We work together with our partners in the sport with activities such as our exchange weekends and the Ski Bank. At an exchange weekend event, anyone who wants to can buy good, used skiing equipment cheap. Through the Ski Bank we ensure that unused skiing equipment can benefit the local community. Here, both private individuals and companies can deposit used and unused skis in the bank. The ski bank will then distribute the skis to organisations, schools and sports clubs who will make the equipment available to whoever needs it. We hope this will help let us share the joy of skiing with those who have not tried it before.

Another topic related to sports and NGOs that regularly receives media attention is the abuse of children and young people in their recreational arenas.

Røa IL recieved NOK 50 000 through the grant scheme 'Alle Henda'. The gift was awarded by the former the cross country skier Marit Bjørgen and Gudbrand Fossbråten from SpareBank 1 Østlandet. Erik Lippestad from Røa IL to the left.

To help prevent such abuse, the Bank has introduced a requirement that those who receive sponsorship funds must obtain certificates of good conduct from the police for all those who work with children and young people in clubs, teams and associations. Sponsorship deals can be terminated with immediate effect if clubs and associations have not sorted this out.

Gifts and sponsorship

In 2022, the Bank had around 200 sponsorship agreements, large and small, worth a total of NOK 34 million.

SpareBank 1 Østlandet sponsors football, handball, cross-country skiing and ice hockey at both the top and grassroots levels, with grassroots activities accounting for most of the sponsorship deals. More than nine out of ten sponsorship agreements involve children and young people in grassroots activities designed for young and old.

At the top level, we sponsor the football clubs Stabæk (men's and women's teams), HamKam (men's team) and Kongsvinger (men's team), the ice hockey teams Frisk-Asker, Vålerenga and Storhamar, and the handball teams Storhamar (women's team) and Elverum (men's team). As of 2023, HamKam also has a women's team following a cooperation agreement with Fart IL. We are the main sponsor of Fart IL and for HamKam's women's team.

The Bank also distributes NOK 2.5 million in talent scholarships to talented young people in sports, the arts and culture. This scheme is intended to encourage young athletes and artists to develop their talent and commitment through training, education and different creative activities.

The Bank distributed a total of NOK 10 million in extraordinary gift funds to no fewer than 415 clubs and associations through the 'All Henda' grant scheme in 2022. The purpose of 'All Henda' is to stimulate activity and bring back both members and volunteers who dropped out during the pandemic. The project was carried out in collaboration with Spleis, Radio Metro and Amedia. Several well-known ambassadors for sport supported the scheme, including Marit Bjørgen and Patrick Thoresen.

NOK 34 mill. Sponsorship agreements

NOK 12 mill. Donations

Sustainability fund and sustainability award launched

The Bank wants to stimulate sustainable innovation, development and entrepreneurship. A new NOK 10 million fund and an annual NOK 100 000 award will go to good measures and projects that benefit the climate and environment.

The world faces major changes in the transition to lower emissions. SpareBank 1 Østlandet wants to be a driving force for sustainable development and believes everyone can get involved and make a difference. The Sustainability Fund will therefore support both large and small local sustainability goals.

"Projects that are valuable for sustainability over time, that engage many people in local areas and that generate activity and contribute to a spirit of volunteerism can apply for funds," says Karoline Bakka Hjertø, head of sustainability at SpareBank 1 Østlandet.

We received more than 50 nominations for the sustainability award from across Eastern Norway. The jury considered a number of great candidates before naming Sirkula IKS the winner of the Sustainability Award for 2022. Sirkula won the award for its commitment to reuse. This enterprise deals with household waste from four municipalities, operates five recycling stations, one waste plant and Resirkula, a reuse concept that includes a centre for reuse shops.

Resirkula is unique in Norway and is the country's largest and most modern facility designed for reuse in practice.

— We are working hard to make reuse more popular, and it is fantastic to receive the Bank's first Sustainability Award!

Maria Sætersdal Remøe, CEO, Resirkula

Sparebankstiftelsen Hedmark

Sparebankstiftelsen Hedmark was established on 29.10.2015. The foundation's mission is to be a long-term owner of SpareBank 1 Østlandet and continue the savings bank tradition by donating gifts to good causes in the former county of Hedmark.

Sparebankstiftelsen Hedmark owned 52.15 per cent of the Bank's listed equity capital certificates as at 31.12.2022.

Ownership
Sparebankstiftelsen Hedmark's mission is to manage the equity capital certificates transferred to it upon its establishment and exercise significant, long-term and stable ownership of SpareBank 1 Østlandet. The goal of the ownership is to achieve a financial dividend and contribute to the Bank's future development. The foundation has prepared a 'Owner Expectations Document' to inform the financial markets about who the foundation is, how the foundation will act as an owner, and the foundation's expectations as the Bank's main equity capital certificate holder. **sparebankstiftelsenhedmark.no/kapital-eierskap/**

Asset management
Today, Sparebankstiftelsen Hedmark is one of Norway's largest charitable financial foundations. As at 31.12.2022, the foundation's total capital amounted to just over NOK 10 billion and in addition to the equity capital certificates in SpareBank 1 Østlandet consisted of low-risk, high-liquidity, fixed-income securities and bank deposits in banks with a minimum rating of A3 from Moody's, as well as international equity funds.

Donations for good causes – continuing the savings bank tradition
The foundation must use of part of the profit and distribute dividend funds to socially beneficial causes. As part of its distribution of dividend funds, the foundation should preferably take into account the region that built up the capital in Sparebanken Hedmark over 175 years, in other words the former county of Hedmark.

Donations in 2022
Since being founded in 2017, Sparebankstiftelsen Hedmark has donated NOK 558 million in gifts to Hedmark communities, of which NOK 200 million has been for research and higher education. Gift allocations amounted to almost NOK 156 million in 2022.

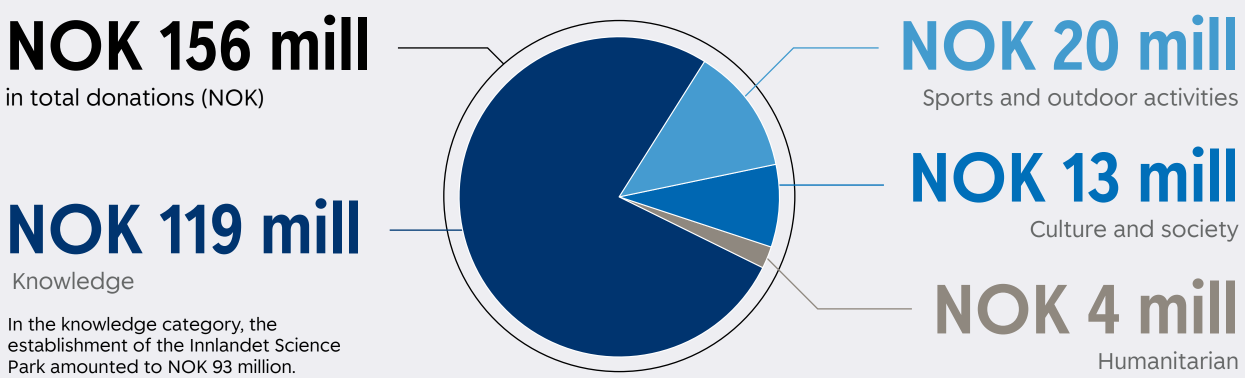
In the knowledge category, the establishment of the Innlandet Science Park amounted to NOK 93 million.

These were some of the foundation's focus areas for 2022:

Integration and exclusion
In 2022, the foundation invested heavily in projects that contribute to integration and reduce exclusion. 12 per cent of children in Norway come from families with persistently low incomes. In some parts of Hedmark, the proportion is higher. Through the schemes like *Hele laget* and *Support for activities for refugees*, clubs and associations in both sports and culture have received support for equipment, membership fees, trips and events for these children.

Local outdoor activities and public health
In autumn 2022, the first day trip cabins opened in Innlandet County. The goal is to have a cabin in each municipality. The cabins will be open all year round and are intended to be places where you can eat your packed lunch and warm up. 'Day trip cabins Innlandet' is a joint project involving Sparebankstiftelsen Hedmark, Sparebankstiftelsen DNB, Innlandet County Authority, municipalities and local voluntary organisations in the individual municipalities. Together, the two foundations involved have donated NOK 14.3 million to the project.

Figure 31: Donations during the year




'Dans på stien' is an outdoor dancing project that enganges many young people in Hedmark.

Unorganised activities
Many children and young people face obstacles accessing organised activities. Rena Idrettslag is one example of a sports club that wants to establish a unique indoor arena for selforganised activities for children and young people in Åmot and neighbouring municipalities. The facility will be designed to contribute to physical activity, prevent loneliness and bullying, and to be inclusive in that there will be no obstacles to participation. The foundation has supported the project to the tune of NOK 1.1 million in a joint venture with the municipality, sports club and lottery funds. Other places to which the foundation has donated funds include skateboarding parks and climbing parks as local low threshold facilities.

Art in public spaces
In 2022, Sparebankstiftelsen opened for applications for support for art in public spaces. The space for thought project 'Tankeplass' is led by Innlandet County Authority. The goal is to create natural rest areas along the Pilgrim Route using artistic or architectural installations and works. The project has been provided with NOK 1.7 million in support. NOK 1 million has been donated to the art project 'Olavspila', which is an artistic contribution that will provide Våler with something lasting beyond its 1000th anniversary in 2022. In Trysil, the municipality wants to upgrade Kongeparken to increase interest in and knowledge about the outbreak of World War II in Norway and revitalise this part of recent Norwegian history. The foundation has donated NOK 1 million to this project.

Innlandet Science Park
Sparebankstiftelsen Hedmark has taken the initiative to establish the Innlandet Science Park with campuses in Hamar, Kongsvinger and Elverum. The Stiftelsen Innlandet Science Park was established in spring 2022 with a CEO and board of directors in order to realise the project. The ambition is to establish new growth companies, strengthen the growing power of established businesses and contribute to a competitive and attractive university.

Science parks bring together education, research, knowledge companies and entrepreneurs' capital under the same roof for one common purpose: to create regional growth. This will be done by building a landmark – a centre of knowledge – that will attract stakeholders and provide space and inspiration to drive forward innovation, entrepreneurship and growth. Construction started in Kongsvinger in autumn 2022, and in Hamar construction is scheduled to start in 2024.

Inland Norway University of Applied Sciences
Since 2017, Sparebankstiftelsen Hedmark has donated almost NOK 200 million to support Inland Norway University of Applied Sciences' efforts to achieve university status. One of the region's biggest challenges is education and research, and a university will be of major significance for communities, the business sector and economic growth in the region. The Inland Norway University of Applied Sciences' first application in 2020 was rejected. A new one was submitted in November 2022. The goal is to achieve university status by the end of 2023.

Read more about Sparebankstiftelsen Hedmark at **sparebankstiftelsen.no**.

Anne Mathisen,
Regional Bank Manager,
Corporate Division,
Østerdalen.

Chapter 4

Management and corporate governace

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CHAPTER 4.1

Information about the Board of Directors

Siri J. Strømmevold

(born 1961) Chair, lives in Tynset.
Strømmevold is a qualified computer engineer and has extensive experience from the oil industry, including Mobil Expl., Statoil, and Saga Petroleum. She is currently the general manager of Tynset Bokhandel. Strømmevold was elected to the Board in 2006. Chair of the Board since 2012.

No. of board meetings: 21 out of 22 – No. of equity capital certificates: 3 845

Nina Cecilie Strøm Swensson

(born 1972) board member, Deputy Chair, lives in Brumunddal.
Swensson is a qualified business economist and has worked for PriceWaterhouseCoopers and Oppland Central Hospital, among others. She is currently the CFO of Sykehuset Innlandet HF. Board member since 2010. Deputy Chair of the Board since 2016.

No. of board meetings: 22 out of 22 – No. of equity capital certificates: 4 132

Jørn-Henning Eggum

(born 1972) board member, lives in Bergen.
Eggum holds a goldsmith's craft certificate from Bergen Apprentice School and qualifications within management and organisation through AOF. He now heads the Norwegian United Federation of Trade Unions where he has also previously been a union secretary. Board member since March 2021.

No. of board meetings: 17 out of 22 – No. of equity capital certificates: 0

Tore Anstein Dobloug

(born 1962), board member, lives in Hamar.
Dobloug holds a Cand.Polit. degree from the University of Oslo and a PhD in Economic Geography from Lund University. He has been a director in Energy Future Invest, CFO in Hedmark Energi and a bank executive and the CFO in Sparebanken Hedmark. He is currently a director of Sparebankstiftelsen Hedmark. Board member since 2019.

No. of board meetings: 21 out of 22 – No. of equity capital certificates: 0

Alexander Sandberg Lund

(born 1969) board member, lives in Oslo.
Lund holds a Cand.Jur. degree from the University of Oslo. He has been a deputy judge at Trondenes District Court and an associate, lawyer and partner in Wikborg Rein, Oslo. He is currently a partner/lawyer in Advokatfirmaet CLP. Board member since 2019.

No. of board meetings: 21 out of 22 – No. of equity capital certificates: 4 286

Idun Kristine Fridtun

(born 1963) board member, lives in Brumunddal.
Fridtun read economics and management at Hedmark Regional College and BI Norwegian Business School. She is the Chief Financial Officer of Hexagon Ragasco and has previously held similar positions in Norske Skog, Langmoen Parquet, Kährs and Mustad Autoline. Board member since 2022.

No. of board meetings: 16 out of 17 – No. of equity capital certificates: 0

Sjur Smedstad

(born 1966) board member, lives in Strømmen.
Smedstad has taken courses at BI Norwegian Business School in insurance, personal finances with law and relationship marketing, and also graduated in organisation and management from Kristiania University College. He is the chief union representative for the Finance Sector Union of Norway in SpareBank 1 Østlandet and has been an employee representative on the Board since 2022.

No. of board meetings: 17 out of 17 – No. of equity capital certificates: 0

Catherine Norland

(born 1972) board member, lives in Lørenskog.
Norland trained in tourism and is studying a Bachelor of Management at BI Norwegian Business School. She is currently the chief union representative in LO Finans Østlandet, where she was previously deputy leader. Norland has also worked as a credit adviser and business adviser for SpareBank 1 Oslo Akershus. Employee representative on the Board since 2022.

No. of board meetings: 17 out of 17 – No. of equity capital certificates: 0

CHAPTER 4.2

Organisation chart and stakes

Organisational chart

SUPERVISORY BOARD

BOARD OF DIRECTORS

GROUP CEO

RETAIL DIVISION	CORPORATE DIVISION	ORGANISATION MARKET AND CAPITAL MARKET DIVISION	CORPORATE AND SUPPORT FUNCTIONS
Division Management	Division Management	**Organisation Market**	Economy and Finance
Direct Bank (customer service centre)	Corporate Centre (customer service centre)	Unions,	HR and Legal
Support and Development Functions	Credit Management	Associations and Local Branches	Communication and Social Affairs
Private Banking	Business support	**Capital Market**	Innovation and Business Development
Hedmarken Region	Life and Pension INSURANCE	Controller/Business Support	Risk Management and Compliance
Glåmdalen Region	General Insurance	Analysis and Portfolio Structure	Business Operations
Østerdalen Region	Cash Management	Currency/Interest Rates	
Ringsaker and Oppland Region	Hedmarken Region	Asset advice	
Region Oslo-Akershus	Glåmdalen Region	Securities trading	
	Østerdalen Region		
	Oppland Region		
	Oslo/Akershus Region		

Stakes

SUBSIDIARIES	STAKE
SpareBank 1 Finans Østlandet AS	85.1 %
SpareBank 1 Østlandet ForretningsPartner Holding AS	100.0 %
EiendomsMegler 1 Innlandet AS	100.0 %
EiendomsMegler 1 Oslo Akershus AS	100.0 %
AS Vato	100.0 %
Youngstorget 5 AS	100.0 %

ASSOCIATED COMPANIES/ JOINT VENTURES	STAKE
SpareBank 1 Gruppen AS	12.4 %
SpareBank 1 Utvikling DA	18.0 %
SpareBank 1 Betaling AS	18.1 %
BN Bank ASA	10.0 %
SpareBank 1 Forvaltning AS	6.3 %
SpareBank 1 Gjeldsinformasjon AS	14.7 %
SpareBank 1 Bank og Regnskap AS	25.0 %
SpareBank 1 Boligkreditt AS	22.4 %
SpareBank 1 Næringskreditt AS	15.7 %
SpareBank 1 Kreditt AS	18.9 %
SpareBank 1 Kundepleie AS	26.7 %

CHAPTER 4.3

Group Management

Richard Heiberg

(born 1956), Group Chief Executive Officer (Group CEO)

Richard holds a degree in economics and business management from BI Norwegian Business School and an MBA from the University of Wisconsin, USA. He has held various management positions in Norske Skog, Forestia and Nordic Paper. Richard served on the board of Sparebanken Hedmark from 1995 onwards, including as its chair for 4 years, before becoming the Bank's CEO in 2010.

No. of equity capital certificates: 107 724*

Geir-Egil Bolstad

(born 1967), Chief Financial Officer (CFO)

Geir-Egil holds a degree in economics and business management from BI Norwegian Business School, specialising in finance, and an MBA from NHH Norwegian School of Economics. He worked for SpareBank 1 Oslo Akershus for 11 years as a risk manager, CFO and deputy CEO. Geir-Egil was a member of Bank 1 Oslo Akershus's executive management team from 2009 onwards and joined SpareBank 1 Østlandet's Group Management in 2017.

No. of equity capital certificates: 38 955

Kari Elise Gisnås

(born 1964), Executive Vice President Retail Division

Kari holds degrees in finance from the Norwegian College of Agriculture, marketing management from BI Norwegian School of Management and sales and customer relationship management from NKI. She has marketing and managerial experience from the food industry, as well as broad boardroom experience. Kari joined Sparebanken Hedmark in 2001 and has been part of Group Management since then.

No. of equity capital certificates: 3 241

Hans Olav Wedvik

(born 1974), Executive Vice President Corporate Division

Hans Olav is a qualified economist and holds qualifications in business management from BI Norwegian Business School and in finance and risk management from NHH Norwegian School of Economics. He has previous experience from DNB Finans, DNB Asset Management ASA and as CEO of SpareBank 1 Finans Østlandet AS before joining Group Management in 2016.

No. of equity capital certificates: 3 241

Liv Krokan Murud

(born 1966), Executive Vice President HR and Legal

Liv is a qualified computer engineer and holds a Master of Management from BI Norwegian Business School. She has experience from the IT industry, Norges Bank, Norsk Tipping and the university college sector. Liv has worked in the bank's HR Department since 2008 and joined Group Management in 2021.

No. of equity capital certificates: 3 562

Siv Stenseth

(born 1963), Executive Vice President Communication and Social Affairs

Siv is a journalist (NJH) and holds a Master of Management, specialising in strategic PR, communication and management, from BI Norwegian Business School, and is also a qualified social worker (SHT). She has experience from the media and communications and working with individuals. Siv has been responsible for communications and a member of Group Management since 2003.

No. of equity capital certificates: 3 531

Dag-Arne Hoberg

(born 1957), Executive Vice President Innovation and Business Development

Dag-Arne graduated in engineering from the Norwegian Institute of Technology and continued his education in management and administration. He has extensive managerial experience from the Norwegian IT industry and became the head of IT in Sparebanken Hedmark in autumn 1995. Dag-Arne has been a member of Group Management since 2007.

No. of equity capital certificates: 7 320

Vidar Nordheim

(born 1962), Chief Risk Officer (CRO)

Vidar is a graduate of BI Norwegian School of Management. He gained experience at Gjensidige Forsikring and held a number of positions in Sparebanken Hedmark from 1990 onwards. Vidar has been a member of Group Management since 2006.

No. of equity capital certificates: 5 246

Espen Mejlænder-Larsen

(born 1969), Executive Vice President Organisation Market and Capital Market Division

Espen is an economist and holds a Master of Management in investment and financing from BI Norwegian Business School. He has experience from SEB as a bond broker and joined Bank 1 Oslo Akershus in 1995 as head of treasury and capital markets. He was part of Bank 1's executive management before joining Group Management in 2017.

No. of equity capital certificates: 6 494

Elin B. Ørbæk

(born 1963), Chief Operations Officer (COO)

Elin is a lawyer and graduated from the Norwegian Police University College and holds a Master of Management in HR, board work and economic crime from BI Norwegian Business School. She has experience from the police and from Campbell &Co. Elin joined the Bank's credit management department as a lawyer in 2008 and became the legal director and joined Group Management in 2019.

No. of equity capital certificates: 1 788

* Also includes equity capital certificates owned via Richard Heiberg Invest AS

CHAPTER 4.4

Corporate Governance

Corporate governance in SpareBank 1 Østlandet encompasses the values, goals and general principles that provide the basis for its management, supervision and long-term value in the best interests of equity capital certificate holders, customers and other stakeholders.

The corporate governance principles, and the implementation of these, are reviewed annually. SpareBank 1 Østlandet provides a comprehensive report on the principles and practice for corporate governance in accordance with section 3-3b of the Accounting Act and the Norwegian Code of Practice for Corporate Governance.

	The Accounting Act § 3-3b Statement on Corporate Governance	Comments/statements
1	Recommendations and regulations on corporate governance that the company is covered by or otherwise chooses to follow	Principles and practices for corporate governance in SpareBank 1 Østlandet are based on Norwegian law. The group follows the Norwegian Code of Practice for Corporate Goverance. Reference is made to NUES point 1.
2	Information on where recommendations and regulations as mentioned in no. 1 are publicly available	The recommendation for corporate governance is available at nues.no.
3	Justification for any deviations from recommendations and regulations as mentioned in no. 1	Any deviations from the Code og Practice have been commented on during the report on how the Code of Practice is complied with.
4	Description of the main elements of the company's, and for accounting entities that prepare consolidated accounts, possibly also the Group's, systems for internal control and risk management related to the financial reporting process	See the report on NUES section 10.
5	Provisions of the Articles of Association that completely or partially extend or deviate from the provisions of the Public Limited Liability Companies Act, Chapter 5	See the report on NUES section 6.
6	Composition of board of directors, corporate assembly, supervisory board and control committee; any working committees for these bodies as well as a description of the main elements of the current instructions and guidelines for the bodies 'and any committees' work	See the report on NUES section 6,7,8.
7	Provisions of the articles of association that regulate the appointment and replacement of board members	See the report on NUES section 8.
8	Provisions of the articles of association and authorizations that give the board the right to decide that the company shall repurchase or issue own shares or equity certificates	See the report on NUES section 3.
9	A description of the enterprise's equality and diversity guidelines regarding, for example, age, gender and educational/professional background in relation to the composition of the board of directors, management and control bodies and any subcommittees of these. The guidelines' goals, how the guidelines have been implemented and their effect during the reporting period shall be stated. If the enterprise does not have such guidelines, reasons for this shall be stated.	See the report on NUES section 8.

Norwegian Code of Practice for Corporate Governance

SpareBank 1 Østlandet follows the Norwegian Code of Practice for Corporate Governance of 14 October 2021. See the Bank's website, **sparebank1.no/en/ostlandet/about-us/investor/corporate-governance/Corporate-governance-report.html** for a description of how the 15 topics in the Norwegian Code of Practice for Corporate Governance have been followed up. The description on the right describes where SpareBank 1 Østlandet deviates from recommendation. There are no changes in reporting from previous year.

NUES Code of Practice		Deviations from recommendation
6	General meetings	SpareBank 1 Østlandet complies with the laws and regulations that regulate the composition of governing bodies in financial institutions.
7	Nomination committee	All members of the nomination committee for the Supervisory Board are elected from the groups represented on the Supervisory Board, in accordance with the Articles of Association. At this time expanding the committee by one member from outside the Supervisory Board has not been considered.
14	Take-overs	Statutory ownership restrictions.

Annica Sørlundsengen,
Bank Manager
Glåmdalen

Chapter 5

Report and results

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CHAPTER 5.1

Board of Directors' Report

Annual financial statements for 2022 (Consolidated figures. Figures in brackets concern the corresponding period in 2021)

Profit after tax:	**1 948**	-2 022	NOK million
Return on equity:	**10.5**	11.6)	per cent
Earnings per equity capital certificate:	**11.37**	-11.96	NOK
Net interest income:	**2 693**	-2 161	NOK million
Net commissions and other operating income:	**1 588**	-1 663	NOK million
Net income from financial assets and liabilities:	**162**	-599	NOK million
Total operating expenses:	**2 037**	-1 980	NOK million
Impairment losses on loans and guarantees:	**27**	-5	NOK million
Lending growth, including mortgages transferred to covered bond companies in the past 12 months:	**8.7**	-7.7	per cent
Deposit growth in the past 12 months:	**7.2**	-7.7	per cent
Common Equity Tier 1 capital ratio:	**17.7**	-18	per cent

The Board of Directors is proposing to the Supervisory Board of the Bank a cash dividend of NOK 6.80 (6.00) per equity capital certificate, totalling NOK 788 (695) million. Customer dividends of NOK 306 (295) million and a provision of NOK 31 (6) million for donations are also proposed.

SpareBank 1 Østlandet operates in one of the country's most interesting market areas, with good prospects of growth in population numbers and company start-ups. The Group has professional employees who deliver a broad range of services and is seeing increasing customer satisfaction and strong customer growth. In 2022, SpareBank 1 Østlandet achieved a consolidated profit after tax of NOK 1 948 (2 022) million and a return on equity of 10.5 (11.6) per cent.

The Bank's long-term financial goals are an annual return on equity of 12 per cent as of 2023, from 11 per cent previously, with a target payout ratio of 50 per cent. For 2022, the Board of Directors is proposing to the Supervisory Board a dividend equivalent to around 60 per cent of the majority's share of the consolidated profit. This reflects its continuing good financial strength and the expectation of somewhat lower credit growth in the Bank's market area. The target for the Common Equity Tier 1 capital ratio is set at 1 percentage point more than the regulatory requirement. At the end of 2022, the Bank's capital adequacy was well above the regulatory requirements and expectations. The Bank's target for cost growth in the parent bank was to keep it below 4 per cent for 2022. A broad increase in inflation during the year was an important contributing factor to actual cost growth being above target. Based on factors such as expected inflation and the planned strategic initiatives, the target for 2023 is cost growth in the parent bank of less than 5 per cent.

The Board is very satisfied with the Group's performance and results in 2022.

The Group's composition and market area
SpareBank 1 Østlandet is Norway's fourth largest regional savings bank and the largest financial institution headquartered in Innlandet County.

The Group distributes its products and services via a number of channels. The Group has a clear local presence thanks to its substantial network of branches that offer personal advice.

The Group comprises SpareBank 1 Østlandet and the wholly owned subsidiaries EiendomsMegler 1 Innlandet AS, EiendomsMegler 1 Oslo Akershus AS, EiendomsMegler 1 Oslo AS (second tier subsidiary), SpareBank 1 ForretningsPartner Østlandet Holding AS, Youngstorget 5 AS and AS Vato, as well as the 85.1 per cent owned subsidiary SpareBank 1 Finans Østlandet AS. The accounts of these companies are fully consolidated into SpareBank 1 Østlandet's consolidated financial statements.

SpareBank 1 Østlandet owns 12.40 per cent of SpareBank 1 Gruppen AS, 6.26 per cent of SpareBank 1 Forvaltning AS, 18.00 per cent of SpareBank 1 Utvikling DA, 19.24 per cent of SpareBank 1 Kreditt AS, 26.67 per cent of SpareBank 1 Kundepleie AS, 9.99 per cent of BN Bank ASA, 25.00 per cent of SpareBank 1 Bank og Regnskap AS, 18.10 per cent of SpareBank 1 Betaling AS and 14.68 per cent of SpareBank 1 Gjeldsinformasjon AS. The Bank also owns 22.42 per cent of SpareBank 1 Boligkreditt AS and 15.66 per cent of SpareBank 1 Næringskreditt AS (the covered bond companies). The above companies' net profit or loss is recognised in the Bank's consolidated financial statements in proportion to the Bank's stake.

SpareBank 1 Østlandet's head office is in Hamar and our home market consists of the counties of Innlandet, Oslo and parts of Viken. SpareBank 1 Østlandet has a total of 36 branches: 23 in Innlandet, four in Oslo and nine in Viken. EiendomsMegler 1 Oslo Akershus AS has 11 branches in Oslo and nine in Viken, while EiendomsMegler 1 Innlandet AS has ten branches in Innlandet and one in Viken. Additionally, SpareBank 1 ForretningsPartner Østlandet AS has nine branches: six in Innlandet, one in Oslo and two in Viken.

The Group's business concept is to help people and enterprises succeed, and together with its customers, contribute to sustainable growth and development in Eastern Norway.

The Group is a full-service provider of financial services, and the range of services includes loans, deposits, leasing and money-transfer services, it also includes most savings and investment services, as well as life and non-life insurance, credit cards and various debt recovery services through jointly owned companies in the SpareBank 1 Alliance. The Group also provides real estate brokering and accounting related services.

The Group's development
Sustainability, and in particular sustainability with a focus on climate, is a strong social trend that presents challenges for the Group in many areas. SpareBank 1 Østlandet has integrated sustainability assessments throughout its business operations and has set ambitious emission reduction targets, both for its own operations and for those of the customers in its loan portfolio.

The most important customer groups are retail customers, small and medium-sized enterprises, municipalities and the organisation market, where the trade union movement is especially important.

Changes in customer behaviour and the increasing automation of work processes are creating both opportunities and an expectation that the Bank's products and services will be available in all channels. The Bank is therefore making considerable investments, through the SpareBank 1 Alliance and its own organisation, in the development of future-oriented system solutions for self-service and efficient customer advisory services. These efforts were further intensified in 2022, and the Bank offers industry-leading digital solutions that, together, provide customers with broad access to various services.

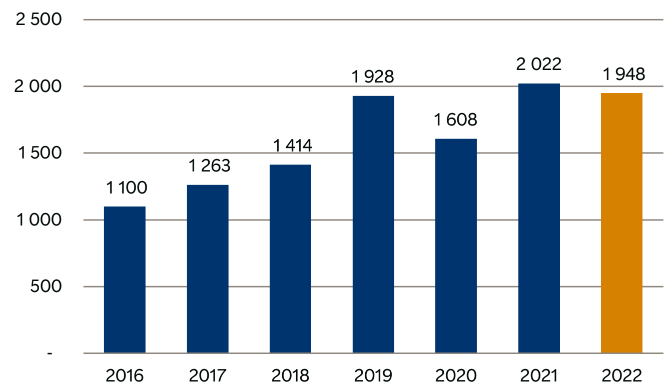
Consolidated accounts for 2022

The annual financial statements have been prepared on a going concern basis, and the Board hereby confirms that the use of the going concern assumption is appropriate.

The following figures are consolidated figures. The figures in brackets concern 2021.

The consolidated profit after tax for 2022 was NOK 1 948 (2 022) million and the return on equity 10.5 (11.6) per cent.

Figure 1: Profit after tax (NOK million)



The NOK 74 million reduction in profit compared with 2021 was due to a poorer result from financial assets and liabilities, reduced net commissions and other operating income, higher operating expenses and higher loss costs, while increased net interest income made a positive contribution..

Consolidated profit after tax, NOK millions	**2022**	**2021**
Parent Bank's profit after tax	1 982	1 876
Dividends from subsidiaries/associates	-357	-420
Gains from realisation of subs./associat.	-15	-17
Profit from subsidiaries:		
SpareBank 1 Finans Østlandet AS [1)]	125	183
EiendomsMegler 1 Oslo Akershus AS [1)]	10	15
EiendomsMegler 1 Innlandet AS	2	3
SpareBank 1 Forretningspartner AS [1)]	-5	-2
Youngstorget 5 AS	5	5
AS Vato	1	1
Share of profit from associates/joint ventures:		
SpareBank 1 Gruppen AS [1)]	111	299
SpareBank 1 Boligkreditt AS	1	17
SpareBank 1 Næringskreditt AS	3	5
SpareBank 1 Kreditt AS	9	13
SpareBank 1 Betaling AS	12	-13
SpareBank 1 Forvaltning AS [1)]	11	9
SpareBank 1 Gjeldsinformasjon AS	0	0
SpareBank 1 Kundepleie AS	2	2
SpareBank 1 Bank og Regnskap AS	1	0
BN Bank ASA	58	47
Other group items	-7	-1
Consolidated profit after tax	**1 948**	**2 022**

1) Consolidated figures

Net interest income
Net interest income amounted to NOK 2 693 (2 161) million. Net interest income should be viewed in conjunction with commission income from mortgages transferred to the part-owned covered bond companies totalling NOK 294 (458) million. The combined net interest income and commission income from the covered bond companies totalled NOK 2 987 (2 619) million. The increase in the combined net interest income and commission income from the covered bond companies was mainly due to growth in lending and deposit volumes, as well as better deposit margins. This was offset to some extent by weaker lending margins on the Bank's own balance sheet and reduced commission rates due to increased funding costs in the covered bond companies.

Net interest income as a percentage of average total assets was 1.63 (1.42) per cent *(Figure 2)*.

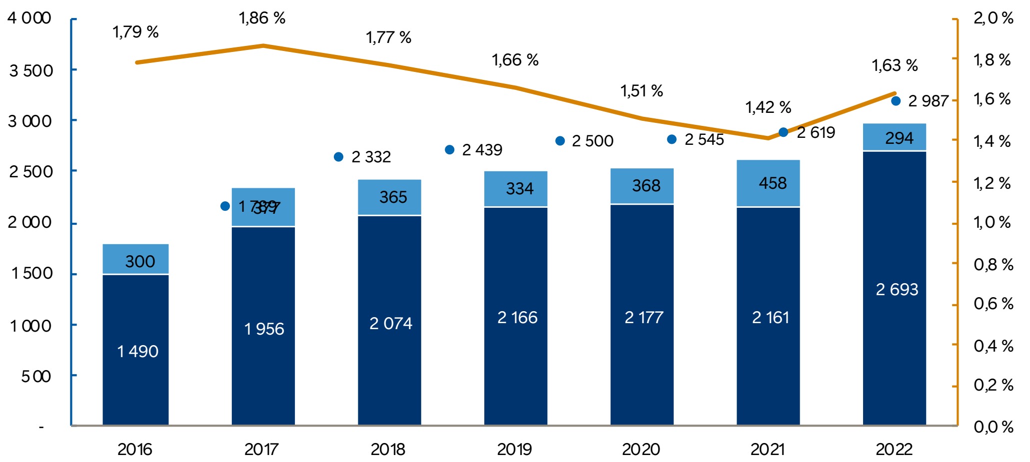


Figure 2: Net interest income included commission fees from covered bond companies and Net interest income in % of average total assets

Net commissions and other operating income

Net commissions and other operating income amounted to NOK 1 588 (1 663) million.

Figures in NOK millions	2022	2021
Net money transfer fees	295	208
Commissions from insurance/savings	305	273
Commissions from covered bonds comp.	294	458
Commission from credit cards	67	57
Real estate brokerage commissions	323	344
Accounting services	159	182
Other operating income	144	140
Net commissions and other operating income	**1 588**	**1 663**

The reduction in net commissions and other operating income compared with 2021 was mainly due to reduced commission income from covered bond companies.

Moreover, the sale of SpareBank 1 ForretningsPartner Østlandet AS's consultancy business with effect from 24 August 2022 resulted in less income from accounting services. Commissions from real estate brokerage fell due to fewer homes being sold than in 2021.

This was offset to some extent by positive factors such as increased income from money transfer services, increased fund and insurance commissions and increased credit card commissions.

For more detailed information about the various profit centres in the Group, see Note 4 'Segment information'.

Net income from financial assets and liabilities

Net income from financial assets and liabilities was NOK 162 (599) million.

Figures in NOK millions	2022	2021
Dividends from shares and other equity instruments	43	21
Net income from associates and joint ventures	186	405
Net profit from other financial assets and liabilities	-67	174
Net profit from financial assets and liabilities	**162**	**599**

Dividends from shares and other equity instruments amounted to NOK 43 (21) million, and were mainly from Totens Sparebank, Sparebank 1 Markets and VN Norge AS.

Net income from subsidiaries, associated companies and joint ventures amounted to NOK 186 (405) million.

Net income from associates and joint ventures	2022	2021
SpareBank 1 Gruppen AS [1]	111	299
SpareBank 1 Boligkreditt AS	1	17
SpareBank 1 Næringskreditt AS	3	5
SpareBank 1 Kreditt AS	9	13
SpareBank 1 Betaling AS	12	-13
SpareBank 1 Forvaltning AS [1]	11	9
SpareBank 1 Gjeldsinformasjon AS	0	0
SpareBank 1 Kundepleie AS	2	2
SpareBank 1 Bank og Regnskap AS	1	0
BN Bank ASA	58	47
SpareBank 1 Mobilitet Holding AS [2]	-21	-17
Gains or losses on realisation of associates and joint ventures	0	43
Net income from associates and joint ventures	**186**	**405**

1) Consolidated figures
2) Included in the consolidated figures for SpareBank 1 Finans Østlandet AS

The NOK 219 million reduction compared with 2021 was primarily due to a reduction in SpareBank 1 Gruppen's profit contribution. A lower profit contribution from SpareBank 1 Boligkreditt AS also made a negative contribution, as did a reduction in gains from the realisation of associated companies and joint ventures.

Net income from other financial assets and liabilities was NOK -67 (174) million. The result included NOK 105 million in unrealised losses on fixed income securities in the liquidity portfolio, inclusive of hedging, NOK 49 million in unrealised losses on debt securities issued, inclusive of hedging, and NOK 70 million in net profit from currency trading and hedging. The change in value for fixed rate securities in the liquidity portfolio was mainly due to increased credit spreads, and the change in value for debt securities issued was mainly due to some hedge ineffectiveness.

For more detailed information please see Note 22 'Net income from financial assets and liabilities'.

Operating expenses

Total operating expenses were NOK 2 037 (1 980) million and amounted to 45.8 (44.8) per cent of net income. The NOK 56 million increase in operating expenses compared with 2021 was mainly due to higher personnel costs.

Specifications of the expenses in the period, NOK millions	2022	2021	Change
Personnel expenses	1 153	1 127	2.4 %
Depreciation/amortisation	122	122	0.1 %
ICT expenses	328	318	3.0 %
Marketing expenses	88	86	2.2 %
Operating expenses from real estate	67	61	9.0 %
Other expenses	278	266	4.8 %
Total operating expenses	**2 037**	**1 980**	**2.8 %**

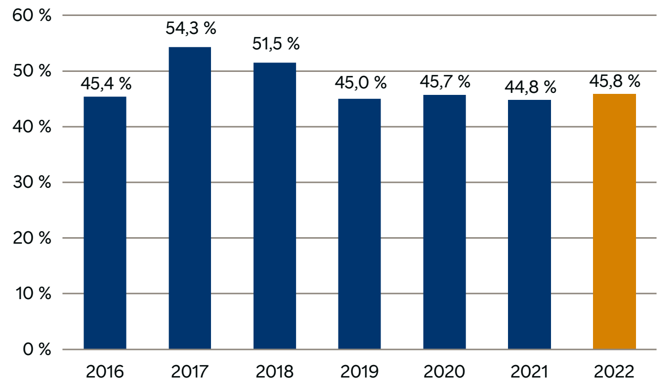
Operating expenses in the parent bank increased by NOK 85 million, while other operating expenses in the Group dropped by NOK 29 million.

The increase in operating expenses in the parent bank compared with 2021 was largely due to higher personnel costs, mainly due to wage growth but also from new hires due to the greater focus on the Oslo area. Wealth taxes also contributed to an increase in expenses.

As a result of the demerger of the consultancy component of SpareBank 1 ForretningsPartner Østlandet AS, the cost base was reduced with effect from 24 August 2022. The Group's operating expenses related to accounting services amounted to NOK 174 (191) million in 2022.

Furthermore, expenses related to the real estate agencies fell by NOK 10 million, mainly as a result of a reduction in commission-based pay.

Figure 3: Cost income ratio



As at 31 December 2022, the Group had 1 121 (1 137) FTEs. The reduction in staffing of 16 FTEs was mainly due to the sale of the consultancy business in SpareBank 1 ForretningsPartner Østlandet AS, which resulted in a staffing reduction of 43 FTEs. Staffing in the parent bank increased by 41 FTEs compared with the same period last year.

For more detailed information please see Note 25 'Operating expenses' and Note 4 'Segment information'.

Impairment losses on loans and guarantees

In 2022, the Group saw a net charge of NOK 27 (5) million for impairment losses on loans and guarantees.

The losses were distributed as follows:

Isolated loss effects, NOK millions	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	2	-6	-3	7	3
Change ECL due to adjusted key assumptions	-9	56	47	0	47
Change ECL due to changed scenario weighting	-17	-39	-55	-5	-60
Change in model-based loss provisions	**-24**	**12**	**-11**	**3**	**-9**
Change individual loss provisions	-2	13	11	-8	3
Net write-offs	2	16	18	14	32
Total losses	**-23**	**41**	**19**	**9**	**27**

Overall, the model-generated provisions for credit losses (Stage 1 and Stage 2) decreased by NOK 9 million. Seen in isolation, ECL decreased by NOK 60 million in the second quarter of 2022 due to changes to scenario weights. In the opinion of the Bank, the general uncertainty associated with the economic effects of the war in Ukraine had decreased and the expected negative effects of the war were largely included in the expected scenario. Seen in isolation, changes to key assumptions contributed to a NOK 47 million increase in ECL based on updated macro forecasts that together indicated somewhat higher PD and LGD levels, especially in the corporate market segment. The period's growth and migration increased ECL by NOK 3 million. Changes in individual provisions for credit losses (Stage 3) resulted in loss costs of NOK 3 million, while the period's net realised losses amounted to NOK 32 million.

For more detailed information about provisions for credit losses, see Note 2 'Accounting policies', note 8 'Loans to and receivables from customers', note 10 'Provisions for credit losses on loans and liabilities' and note 11 'Accumulated provisions for expected credit losses'.

Some 72 (74) per cent of the SpareBank 1 Østlandet Group's total lending, inclusive of mortgages transferred to the covered bond companies, was to retail customers, mainly consisting of housing mortgages. The corporate portfolio's exposure to cyclical industries is low.

Credit risk
The Group's capitalised provisions for credit losses on loans and receivables as at 31 December 2022 amounted to NOK 499 (505) million.

Figures in NOK million / per cent and gross lending	2022	2021
Gross loans in stage 1	112 234	104 347
Gross loans in stage 2	11 813	10 121
Gross loans in stage 3	727	657
Loan and advances to customers at fair value	6 078	6 159
Total gross loans	**130 851**	**121 284**
Provisions for credit losses in stage 1	174	176
Provisions for credit losses in stage 2	214	221
Provisions for credit losses in stage 3	111	107
Total provisions for credit losses	**499**	**505**
Loan loss impairment ratio for stage 1	0.16 %	0.17 %
Loan loss impairment ratio for stage 2	1.81 %	2.18 %
Loan loss impairment ratio for stage 3	15.22 %	16.31 %
Total loan loss impairment ratio in per cent of gross loans	**0.38 %**	**0.42 %**

The Group's lending and liabilities are categorised into three groups: Stage 1, Stage 2, and Stage 3.

Stage 1 is used for lending that does not have a substantially higher credit risk than it did upon initial recognition. A provision is made for 12 months' expected loss.

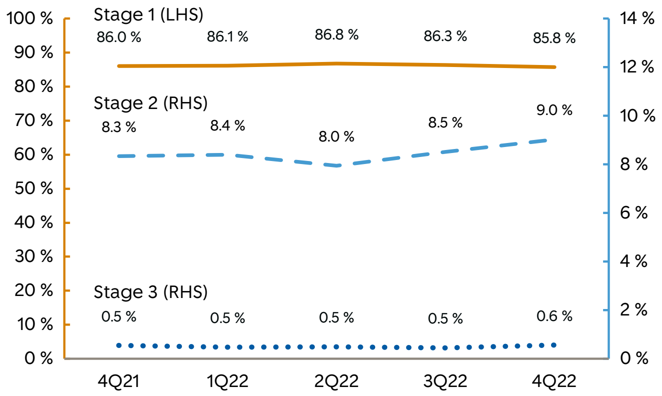
Stage 2 is used for lending that has a substantially higher credit risk than it did upon being granted, but where no credit loss has occurred on the balance sheet date. A provision is made for expected loss over the entire lifetime.

Stage 3 is used for lending that has a substantially higher credit risk than it did upon being granted and where there is, on the balance sheet date, deemed to exist a default that entails reduced future cash flows to service the commitment. For these exposures, the loss provision must cover expected loss over their lifetime.

Gross loans and liabilities defined as Stage 3 amounted to NOK 727 (657) million as at 31.12.2022. This corresponded to 0.56 (0.54) per cent of gross loans as at 31.12.2022.

NOK 111 (107) million of gross loans and liabilities defined as Stage 3 was provisions for credit losses as at 31.12.2022. This results in a loan loss impairment ratio of 15.2 (16.3) per cent as at 31.12.2022.

Figure 4: Gross exposure in the different stages



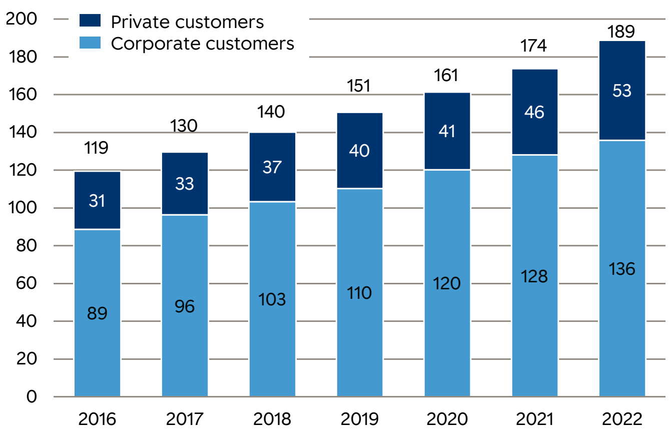
The Bank's credit risk is affected by macroeconomic conditions. The Norwegian economy has been characterised by high capacity utilization and low unemployment. The autumn and winter saw clearer signs of weaker growth due to factors such as high inflation and cost growth, as well as rate hikes from Norges Bank. The Bank continuously assesses how the situation is affecting its customers and the provisions required in relation to IFRS 9.

For more detailed information about provisions for credit losses, see Note 2 'Accounting policies', note 8 'Loans to and receivables from customers', note 10 'Provisions for credit losses on loans and liabilities' and note 11 'Accumulated provisions for expected credit losses'.

Total assets
As at 31.12.2022, total assets amounted to NOK 170.5 (155.5) billion. Adjusted total assets, defined as total assets inclusive of loans transferred to the covered bond companies, amounted to NOK 228.4 (207.9) billion.

Lending to customers
Gross loans to customers, inclusive of mortgages transferred to the covered bond companies, totalled NOK 188.7 (173.7) billion as at 31 December 2022. As at 31 December 2022, housing mortgages totalling NOK 56.6 (51.6) billion had been transferred to SpareBank 1 Boligkreditt AS and loans totalling NOK 1.3 (0.9) billion had been transferred to SpareBank 1 Næringskreditt AS.

Figure 5: Gross loans to customers including loans transferred to covered bond companies (NOK billion)



Lending growth in the past 12 months, inclusive of mortgages transferred to the covered bond companies, was NOK 15.0 (12.4) billion, equivalent to 8.7 (7.7) per cent. Growth was distributed as follows: NOK 7.7 (7.9) billion, or 6.0 (6.6) per cent, in the retail market, and NOK 7.4 (4.5) billion, or 16.1 (11.1) per cent, in the corporate market.

The Group has intensified its efforts to reduce emissions in its loan portfolio with a target of achieving net zero emissions from 2050. The Bank's allocation report for eligible green assets (including those transferred to the covered bond companies) showed a volume of NOK 29.1 billion kroner at the end of the quarter (NOK 27.7 billion).

Deposits from customers
As at 31 December 2022, deposits from customers totalled NOK 98.8 (92.2) billion. Deposit growth in the past 12 months was NOK 6.6 (6.6) billion, equivalent to 7.2 (7.7) per cent. Growth was distributed as follows: NOK 3.5 (2.6) billion, or 6.8 (5.3) per cent in the retail market, and NOK 3.2 (4.0) billion, or 7.8 (10.8) per cent, in the corporate market.

The Group's deposit coverage ratio was 75.5 (76.0) per cent. The Group's deposit coverage ratio, inclusive of mortgages transferred to the covered bond companies, was 52.4 (53.1) per cent.

Liquidity
Borrowing from credit institutions and securities issued (senior preferred debt, senior non-preferred debt, subordinated loan capital and additional Tier 1 capital) totalled NOK 47.8 (41.7) billion, 48.7 (45.7) per cent of which was euro-denominated. The average term to maturity for the Group's long-term funding was 3.9 (3.9) years, while the average term to maturity for all funding was 3.3 (3.5) years.

The liquidity coverage ratio (LCR) was 164.5 (131.6) per cent as at 31 December 2022.

Despite occasional turmoil in the securities markets, the Board considers the Group's liquidity situation to be satisfactory.

Equity capital certificates
As at 31 December 2022, the equity share capital comprised 115 829 789 (115 829 789) equity capital certificates, and the book value per equity capital certificate was NOK 112.85 (106.31). Earnings per equity capital certificate amounted to NOK 3.61 (2.98) for the fourth quarter.

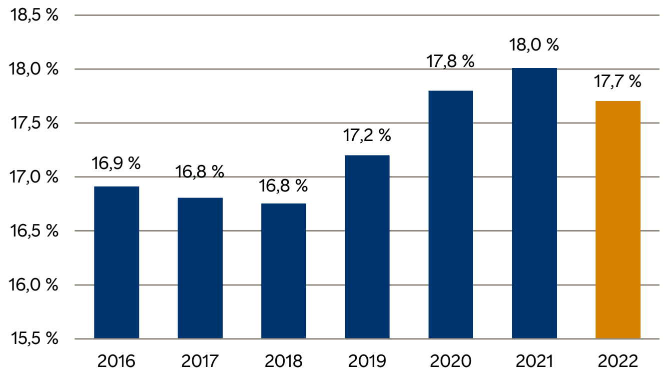
As at 31 December 2022, the market price for the Bank's equity capital certificate (ticker 'SPOL') was NOK 121.20 (145.60).

On 06.04.2022, SpareBank 1 Østlandet paid out NOK 695 (555) million to its equity capital certificate holders in ordinary dividends for 2021. The dividend amounted to NOK 6.00 (4.79) per equity capital certificate. For more information about the development of equity capital certificates see the dedicated chapter.

Financial strength and total capital adequacy ratio
As at 31 December 2022, the Group's equity totalled NOK 19.9 (18.7) billion and represented 11.7 (12.0) per cent of the balance sheet. The leverage ratio was 7.2 (7.3) per cent.

The Group's CET1 capital ratio was 17.7 (18.0) per cent as at 31 December 2022. The reduction in the Common Equity Tier 1 ratio from the third quarter to the fourth quarter of 2022 was due to a combination of a higher dividend, a negative impact from basisswaps and an increase in risk-weighted assets. Tier 1 capital and Tier 2 capital ratios were 19.0 (19.4) per cent and 20.7 (21.1) per cent, respectively.

Figure: 6 CET 1 capital ratio



The Bank has permission to use internal methods (IRB) for determining the capital requirements for the majority of its loan portfolio. Therefore, the Bank sets its own risk weights and regulatory expected losses for these exposures.

Besides the ordinary subsidiaries consolidated into the Bank's accounting group, the following companies are also proportionately consolidated into the Group's capital adequacy:

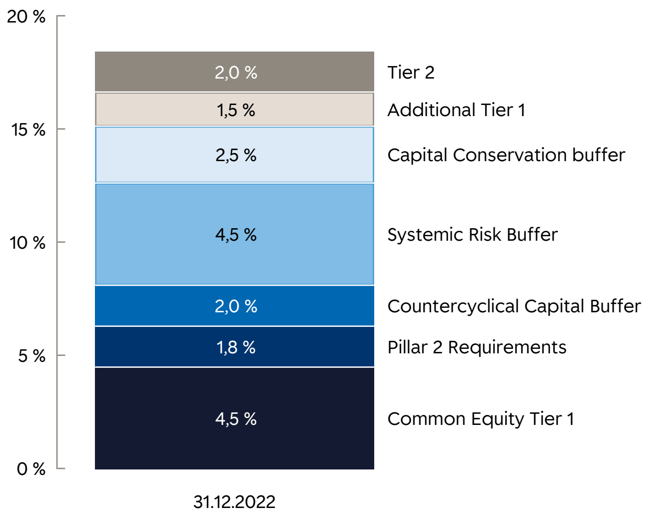
- SpareBank 1 Boligkreditt AS
- SpareBank 1 Næringskreditt AS
- SpareBank 1 Kreditt AS
- BN Bank ASA

The current requirement for CET1 capital consists of a minimum requirement of 4.5 per cent, as well as a buffer requirement totalling 9.0 per cent for the parent bank and 9.0 per cent for the Group. In the total buffer requirement, the institution-specific buffer requirements, the countercyclical buffer and the systemic risk buffer, were calculated to be 2.0 per cent and 4.5 per cent, respectively, for the Group.

SpareBank 1 Østlandet was also subject to a Pillar 2 requirement of 1.8 per cent at a consolidated level as at 31 December 2022. The Financial Supervisory Authority of Norway also expects the Group to main a capital requirements margin of at least 1.0 per cent. The total capital requirements for Common Equity Tier 1 capital were, therefore, 13.5 per cent for the parent bank and 15.3 per cent for the Group. In addition to this, a further 1.5 per cent is covered by additional Tier 1 capital and 2.0 per cent is covered by Tier 2 capital.

On 24 March 2022, Norges Bank announced a further 0.5-percentage point increase in the countercyclical capital buffer to a total of 2.5 percentage points, with effect from 31 March 2023.

Figure 7: The groups capital requirements



The Board of Directors considers the Bank's financial situation to be solid.

Rating
Moody's Investors Service (Moody's) has rated SpareBank 1 Østlandet's deposits and senior preferred debt Aa3 with stable outlooks. Furthermore, the Bank's baseline credit assessment (BCA) and adjusted BCA are rated at a3 and the Bank's senior non-preferred debt is rated at A3 with a stable outlook. SpareBank 1 Østlandet is, therefore, one of the three savings banks in Norway with the highest credit rating from Moody's.

SpareBank 1 Østlandet has an ESG Risk Rating from Sustainalytics of 9.0 ('negligible risk'). The Bank's climate work is rated A by the Carbon Disclosure Project (CDP), making the Bank the best rated savings bank within sustainability in Norway.

Parent bank's annual financial statements for 2022

The parent bank's profit after tax for 2022 was NOK 1 982 (1 876) million. The increase from 2021 was largely attributable to an increase in net interest income. This was offset to some extent by the reduction in net commissions and other operating income, lower net income from financial assets and liabilities, increased operating expenses, loss costs and tax expenses.

Operating expenses
Total operating expenses in the parent bank amounted to NOK 1 484 (1 398) million for 2022 and represented 38.4 (38.6) per cent of total net income.

The NOK 85 million increase in operating expenses since the year before was largely due to higher personnel costs, mainly due to wage growth but also new hires, including in connection with the greater focus on the Oslo area. The average number of FTEs increased by 11 FTEs compared with the year before. As at 31.12.2022, the parent bank had 728 (687) FTEs.

Costs for ICT, marketing activities, real estate property operation and other operating expenses also increased compared with last year, while charges for the depreciation of fixed assets were reduced.

Specifications of the expenses in the period, NOK millions	2022	2021	Change
Personnel expenses	758	706	7.4 %
Depreciation/amortisation	88	94	-6.3 %
ICT expenses	298	287	3.7 %
Marketing expenses	76	71	7.0 %
Operating expenses from real estate	57	50	14.7 %
Other expenses	207	191	8.5 %
Total operating	**1 484**	**1 398**	**6.1 %**

SpareBank 1 Østlandet's goal in 2022 was to keep growth in the parent bank's operating expenses at below 4.0 per cent. The actual growth in operating expenses from 2021 was NOK 85 million, which corresponds to an increase of 6.1 per cent. The above-target cost growth should be viewed in the context of higher than expected inflation during 2022 and the Bank's early implementation of some strategic initiatives.

Impairment losses on loans and guarantees
In 2022, the parent bank saw a net charge of NOK 19 million (net reversals of losses of NOK 4 million) for impairment losses on loans and guarantees.

Overall, the model-generated provisions for credit losses (Stage 1 and Stage 2) decreased by NOK 11 million. Seen in isolation, there was a NOK 55 million reduction in ECL due to changed scenario weights and changes to key assumptions contributed to a NOK 47 million increase in ECL. The period's growth and migration reduced ECL by NOK 3 million. Changes in individual provisions for credit losses (Stage 3) resulted in loss costs of NOK 11 million, while the period's net realised losses amounted to NOK 18 million.

For more detailed information about provisions for credit losses, see note 2 'Accounting policies', note 8 'Loans to and receivables from customers', and note 10 'Provisions for credit losses'.

Financial strength and capital adequacy
The parent bank's equity totalled NOK 18.3 (17.3) billion as at 31.12.2022 and represented 10.6 (11.5) per cent of total capital. The leverage ratio was 9.7 (9.9) per cent.

The parent bank's Common Equity Tier 1 ratio was 22.2 (22.6) per cent as at 31.12.2022. The Tier 1 capital and Tier 2 capital ratios were 23.6 (24.1) per cent and 25.3 (25.9) per cent, respectively.

Underlying banking operations
Underlying banking operations are defined as the profit before loan losses, excluding securities effects and dividends. Expenses related to restructuring are also excluded.

Result from core operations, NOK millions	2022	2021	Change
Net interest income	2 500	1 923	577
Net commission/other operating income	1 005	1 042	-37
Total operating costs	1 484	1 398	85
Result from core operations	**2 021**	**1 566**	**455**

The operating profit from underlying banking operations amounted to NOK 2 021 (1 566) million for 2022. Profit from underlying banking operations increased by NOK 455 million compared with the year before, which represents an increase of 29.0 per cent. The improvement in profit was due to an increase in net interest income. A reduction in net commissions and other operating income, and increased operating expenses, had the opposite effect.

Subsidiaries

Subsidiaries (NOK million) [1]	STAKE	EQUITY CAPITAL	NET PROFIT OR LOSS 2022	NET PROFIT OR LOSS 2021	NET PROFIT OR LOSS 2020	NET PROFIT OR LOSS 2019	NET PROFIT OR LOSS 2018	NET PROFIT OR LOSS 2017
SpareBank 1 Finans Østlandet Group	85.1 %	1 916	125	183	126	118	139	118
EiendomsMegler 1 Innlandet AS	100.0 %	18	2	3	10	5	8	10
Eiendomsmegler 1 Oslo Akershus Group	100.0 %	56	10	15	12	7	-3	-12
SpareBank 1 ForretningsPartner Østlandet (SpareBank 1 Østlandet VIT Group)	100.0 %	91	-5	-2	0	-7	-11	-3
Bank1 Oslo AS [2]		-						119
Andre		133	7	6	5	12	7	6
Total		**2 214**	**139**	**206**	**153**	**135**	**141**	**239**

1) Results from the companies included in the group in the year in question.
2) Subsidiary company until April 2017.

SpareBank 1 Finans Østlandet AS – consolidated figures
The company posted a consolidated profit after tax for 2022 of NOK 125 (183) million. The reduction in profit compared with 2021 was mainly due to a decrease in net interest income and the fact that last year's figures included gains from selling shares. The investment in SpareBank 1 Mobilitet Holding AS also resulted in a negative profit contribution of NOK 21 (-17) million in 2022.

In the fourth quarter, the Bank sold 4.9 per cent of the company to SpareBank 1 Ringerike Hadeland. The sale resulted in a gain of NOK 15 million for the parent bank, while in the consolidated accounts the transaction was recognised as an equity transaction and consequently had no effect on the result in these. The Bank also sold 5.0 per cent of the company to SpareBank 1 Østfold Akershus in the fourth quarter. The sale resulted in a gain of NOK 6 million for the parent bank, while in the consolidated accounts the transaction was recognised as an equity transaction and consequently had no effect on the result in these. The Bank now owns 85.10 per cent of the subsidiary.

At the end of 2022, gross lending to customers amounted to NOK 10.9 (9.5) billion and lending had grown in the preceding 12 months by 15.0 (4.3) per cent.

EiendomsMegler 1 Innlandet AS
The company posted earnings of NOK 132 (130) million and a profit after tax of NOK 2 (3) million for 2022.

The number of used homes sold in 2022 was down 8.6 per cent from 2021. The number of new homes sold was down by 62.8 per cent. The first half-year saw staffing challenges in the company, with positions unfilled. The situation improved in the second half-year, although earnings were instead impacted by a slower housing market. The company had a market share in its market area of 27.4 (26.7) per cent of sales of used homes in 2022.

EiendomsMegler 1 Oslo Akershus AS – consolidated figures
The company posted earnings of NOK 198 (218) million and a profit after tax of NOK 10 (15) million for 2022. The number of used homes sold in 2022 was down 13.3 per cent from 2021. The number of new homes sold was down by 34.6 per cent. The company had a market share in its market area of 8.7 (9.0) per cent of sales of used homes in 2022.

SpareBank 1 ForretningsPartner Østlandet AS – consolidated figures
On 24 August 2022, SpareBank 1 Østlandet sold its entire stake in the consultancy part of TheVIT AS. The payroll and accounting business was taken over in its entirety by SpareBank 1 Østlandet, at the same time as the company changed its name to SpareBank 1 ForretningsPartner Østlandet AS. The company's income and cost bases were thus reduced at the same point in time.

The company posted earnings of NOK 173 (191) million and a loss after tax of NOK -5 (-2) million for 2022. A NOK 6 million write-down in goodwill was implemented in connection with the restructuring process in the company.

Assosiated companies and joint ventures

Assosiated companies and joint ventures (NOK million)	STAKE	SHARE OF EQUITY CAPITAL	SHARE OF PROFIT OR LOSS 2022	SHARE OF PROFIT OR LOSS 2021	SHARE OF PROFIT OR LOSS 2020	SHARE OF PROFIT OR LOSS 2019	SHARE OF PROFIT OR LOSS 2018	SHARE OF PROFIT OR LOSS 2017
SpareBank 1 Boligkreditt AS	22.42 %	2 672	1	17	19	27	-8	-44
SpareBank 1 Næringskreditt AS	15.66 %	321	3	5	8	6	3	1
SpareBank 1 Kreditt AS	19.24 %	291	9	13	3	16	27	17
SpareBank 1 Gruppen	12.40 %	1 431	111	299	340	451	184	222
SpareBank 1 Betaling AS	18.10 %	227	12	-13	-2	3	-12	-7
BN BANK ASA	9.99 %	517	58	47	34	20	-	-
SB1 Forvaltning AS	6.26 %	52	11	9	-	-	-	-
Other		271	-19	-15	-7	-3	-2	0
Total		**5 781**	**186**	**361**	**395**	**520**	**191**	**189**

SpareBank 1 Gruppen AS
SpareBank 1 Gruppen (12.40 per cent stake of the controlling interest) comprises the SpareBank 1 Alliance's joint product companies within insurance, claims management, and collection.

SpareBank 1 Gruppen ASA posted a consolidated profit after tax for 2022 of NOK 1 137 (3 250) million. The controlling interest's share of the consolidated profit after tax amounted to NOK 857 (2 415) million and SpareBank 1 Østlandet's share of this amounted to NOK 111 (299) million.

Compared with 2021, the financial income in the insurance companies was significantly lower during the year due to weak equity markets and higher interest rates, as well as the write-down of investment properties. The return on equity was 7.6 (21.9) per cent.

Fremtind Forsikring AS posted a consolidated profit after tax of NOK 800 (2 386) million, while SpareBank 1 Forsikring AS posted a profit after tax of NOK 53 (778) million, and SpareBank 1 Factoring AS posted a profit after tax of NOK 73 (54) million.

SpareBank 1 Spleis AS posted a loss before tax of NOK -13 (-19) million. In 2022, the company saw 14 414 new active fundraising initiatives, and NOK 296 (243) million was raised.

On 30.9.2022, the Financial Supervisory Authority of Norway granted permission for a merger between the Modhi Group and the Kredinor Group with effect from 1 October 2022.

On the same date, SpareBank 1 Gruppen made a contribution in kind of the Kredinor Group, valued at NOK 1.7 billion, and also participated in a NOK 117 million share issue. This resulted in SpareBank 1 Gruppen becoming the owner of 50 per cent of the shares in the newly merged Kredinor Group. This means that Modhi Finance is no longer a subsidiary of SpareBank 1 Gruppen. The derecognition of Modhi Finance provided a gain of NOK 382 million. As far as the accounts are concerned, Kredinor has been treated as a joint venture since 1 October 2022. A loss after tax of NOK 43 million was recognised in the fourth quarter of 2022 in Kreditnor AS.

SpareBank 1 Forvaltning AS
SpareBank 1 Forvaltning AS (6.26 per cent stake) was established in 2021 to improve the SpareBank 1 banks' competitiveness in the savings market. The SpareBank 1 Forvaltning Group includes Odin Forvaltning AS, SpareBank 1 Kapitalforvaltning AS, SpareBank 1 SR Forvaltning AS and SpareBank 1 Verdipapirservice AS.

SpareBank 1 Forvaltning AS posted a consolidated profit after tax of NOK 171 (162) million for 2022. The profit contribution from the consolidated accounts of SpareBank 1 Forvaltning AS, which is included in the consolidated accounts of SpareBank 1 Østlandet, amounted to NOK 11 (9) million for 2022.

SpareBank 1 Boligkreditt AS
SpareBank 1 Boligkreditt AS (22.42 per cent stake) was established by the banks in the SpareBank 1 Alliance to utilise the market for covered bonds. The banks sell prime housing mortgages to the company and thereby achieve lower funding expenses.

The company posted a profit after tax of NOK 45 (107) million for 2022. The profit contribution from the consolidated accounts of SpareBank 1 Boligkreditt AS, which is included in the consolidated accounts of SpareBank 1 Østlandet, amounted to NOK 1 (17) million for 2022. The reduction in profit was due to a reduction in net interest income, negative contributions from financial instruments and increased provisions for credit losses, which were offset to some extent by lower commission expenses for the owner banks.

SpareBank 1 Næringskreditt AS
SpareBank 1 Næringskreditt AS (15.66 per cent stake) was established according to the same model, and with the same management, as SpareBank 1 Boligkreditt AS.

The company posted a profit after tax of NOK 21 (44) million for 2022. The decrease in profit was mainly due to higher commission expenses for the owner banks and increased provisions for credit losses, which were offset to some extent by higher net interest income. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for 2022 amounted to NOK 3 (5) million.

SpareBank 1 Kreditt AS
SpareBank 1 Kreditt AS (19.24 per cent stake) is the SpareBank 1 Alliance's joint venture for credit cards and short-term loans.

The company posted a profit after tax of NOK 46 (67) million for 2022. The decrease in profit was mainly due to higher commission expenses for the owner banks, higher operating expenses and increased loss costs. These were offset to some extent by increased transaction income due to higher turnover for credit cards. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for 2022 amounted to NOK 9 (13) million.

SpareBank 1 Betaling AS
SpareBank 1 Betaling AS (18.10 per cent stake) is the SpareBank 1 Alliance's joint undertaking for payment solutions. The company manages the SpareBank 1 Alliance's stake in Vipps AS.

The company posted a profit after tax of NOK 65 (-69) million for 2022. The improvement in profit was due to gains from selling shares in Vipps AS. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements amounted to NOK 12 (-13) million for 2022.

BN Bank ASA
BN Bank ASA (9.99 per cent stake) is a nationwide bank for corporate and retail customers owned by seven of the banks in the SpareBank 1 Alliance.

BN Bank ASA posted a profit after tax of NOK 595 (478) million for 2022. The improvement in profit was mainly due to net interest income, which increased by NOK 222 million compared with 2021. This was offset by reduced commission income from the covered bond companies, increased operating expenses and higher costs for losses on loans.

The profit contribution from BN Bank ASA included in SpareBank 1 Østlandet's consolidated accounts amounted to NOK 58 (47) million for 2022.

For more information about the financial statements of the various companies, please see the interim reports that are available on the companies' own websites.

Proposed distribution of profits

The profit for the year is distributed on the basis of the parent bank's accounts.

NOK millions	2022	2021
Profit after tax (Parent Bank)	1 982	1 876
Changes in fund for unrealised gains	-26	-140
Profit available for distribution	**1 955**	**1 736**
Dividend	788	695
Dividend equalisation fund	582	516
Customer dividend/gifts	337	301
Primary capital	249	224
Total distribution profit available	**1 955**	**1 736**

The profit for the full year 2022 available for distribution equals the profit after tax in the parent bank of NOK 1 982 (1 876) million corrected for changes in the fund for unrealised gains of NOK 26 (140) million. The total amount available for distribution is NOK 1 955 (1 736) million.

The profit was split between primary capital and the equity certificate capital in proportion to their relative share of the total equity. Of the profit for disposal, 70.0 per cent was allocated to equity capital certificates, while 30.0 per cent was allocated to primary capital according to the equity capital ratio.

The Board of Directors is proposing to the Supervisory Board a dividend of NOK 788 (695) million. This represents a dividend ratio of 60 (50) per cent of the majority's share of the consolidated profit. The cash dividend would be NOK 6.80 (6.00) per equity capital certificate, totalling NOK 788 (695) million. The Board of Directors is also proposing to the Supervisory Board a customer dividend of NOK 306 (295) million and provisions of NOK 31 (6) million for donations. It is proposed that NOK 582 (516) million and NOK 249 (224) million be allocated to the dividend equalisation fund and primary capital, respectively.

Corporate governance

Corporate governance in SpareBank 1 Østlandet encompasses the values, goals and overarching principles that provide the basis for its management and control, as well as long-term value creation that benefits its equity certificate holders, customers and other stakeholders.

SpareBank 1 Østlandet reviews its corporate governance principles and how they are functioning in the company every year. SpareBank 1 Østlandet provides an account of its corporate governance principles and practice in accordance with section 3-3(b) of the Accounting Act and the Norwegian Code of Practice for Corporate Governance. A more detailed summary is provided in a separate chapter.

Risk management

SpareBank 1 Østlandet's risk management aims to ensure that its exposure to risk is known at all times and is within the limits set by the Board. The risk management should support the Group's strategic development and target achievement, as well as help ensure financial stability and prudent asset management.

The Board has approved 'Risk Strategy and Policy in SpareBank 1 Østlandet'. The document defines the Group's risk tolerance and general framework for risk management, including management of the various categories of risk. Each year, the Board approves risk-based governing documents within various risk categories, including for credit risk, liquidity and market risk, as well as for operational risk, compliance risk and conduct risk. Risk exposure and development are regularly monitored and reported to the Bank's board and executive management team.

Ever greater attention is being paid to ESG risk, and especially climate risk. The Bank does not manage ESG risk as a separate risk category but as an integral component of all risk categories. Nevertheless, ESG is described separately below.

Credit risk
Credit risk is defined as the risk of loss due to customers or counterparties being unable or unwilling to meet their financial obligations.

Credit risk in the loan portfolio is the Bank's greatest risk. The risk is managed based on the Board's adopted risk tolerance. The Bank has been authorised by the Financial Supervisory Authority of Norway to use the Advanced IRB method to calculate capital needs for credit risk and thus uses statistical models as a basis for classifying the portfolio into risk groups. For more information, please refer to the Pillar 3 document, which is available from the Bank's website.

The Bank mainly provides financing services for retail and corporate customers in the Eastern Norway region and participates in financing individual projects in collaboration with other banks in the SpareBank 1 Alliance.

The risk in the retail market portfolio has been stable with low levels of risk parameters from the Bank's credit risk models and low defaults and losses. The Bank's retail market portfolio is generally secured by collateral in real estate. At the end of 2022, there was some uncertainty concerning the future macro picture, although as long as the value of collateral is not impaired due to significantly lower house prices or a substantial rise in unemployment, the risk of losses in the portfolio is limited.

The corporate market portfolio saw a slight increase in measured risk. This manifests itself in the form of increases in several risk parameters, including somewhat higher concentration risk linked to major customers and sectors. However, defaults and losses were low. As described above, the future macro picture is uncertain, although at the end of the year there were no indications of significant challenges in the corporate market portfolio.

The Bank's portfolio of interest-bearing securities also entails a credit risk. This is described in greater detail in the market risk section below. The parent bank is also exposed to credit risk due to accounts receivable from other credit institutions. The single largest challenge is clearly lending to the Bank's subsidiary SpareBank 1 Finans Østlandet AS.

The Board considers SpareBank 1 Østlandet's total credit risk to be within the Bank's accepted risk tolerance. The Group's credit risk is still considered moderate to low.

Market risk
Market risk is the risk of loss due to changes in observable market variables such as interest rates, foreign exchange rates and shares/equity certificates. The risk associated with falls in value in the real estate market is also included in market risk. The same applies to the risk of changes in the market value of bonds, certificates and funds due to general changes in credit spreads.

The management of market risk is based on the governing document for market risk, which sets limits for the exposure in various risk categories. Risk exposure and development are continuously monitored and reported to the Bank's board and executive management team.

Interest rate risk arises due to balance sheet items having different remaining fixed-rate terms. The Board has adopted limits for the total interest rate risk with respect to parallel shifts in, and distortion of, the yield curve (yield curve risk), and the equivalent for various currency categories. Interest rate risk is steered towards the desired level by means of interest rate commitments for investments and funding loans and through the use of interest rate derivatives.

Currency risk is managed by means of the adopted exposure limits.

Equity risk is measured in terms of exposure to such equity instruments. The greatest part of the exposure concerns strategic investments in alliance companies and is managed as ownership risk.

Property investments consist mainly of our own bank buildings.

The guidelines and frameworks for investments in fixed-income securities are tailored to the Board's risk tolerance and regulatory requirements for liquidity management. The Bank's fixed-income portfolio is exclusively a bank portfolio and consists mainly of investments in issues with very high credit ratings (AA or better, as well as Norwegian municipalities and county authorities), which limits the spread risk.

The Board considers SpareBank 1 Østlandet's overall market risk to be within the Bank's accepted risk tolerance. Overall, the market risk is considered low.

Liquidity risk
Liquidity risk is the risk of being unable to fulfil obligations or financial assets, including desired growth, without significant extra costs.

Liquidity risk is managed based on the risk tolerance adopted by the Board. This sets requirements for time horizons by which the Group should be independent of new external funding, the size and quality of the liquidity reserve, and the duration and diversification of funding. Risk exposure and development are continuously monitored and reported to the Bank's board and executive management team.

Deposits from customers represent one of the Group's main sources of funding. SpareBank 1 Østlandet's goal is to maintain a broad base of deposits from both retail and corporate customers, and the Bank's deposit coverage ratio at year end was satisfactory.

In addition to deposits, the funding consists of loans in the Norwegian and international securities markets, loans from financial institutions and the sale of loans to the covered bond companies SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS.

SpareBank 1 Østlandet maintains a portfolio of liquid securities as part of its funding management. In addition to the securities portfolio, the Group has a liquidity reserve in the form of cash, funds and equities, as well as loans prepared for sale to the covered bond companies.

The Board considers SpareBank 1 Østlandet's overall liquidity risk to be within the Bank's adopted risk tolerance. The liquidity risk is considered low.

Operational risk
Operational risk is the risk of losses due to inadequate or failed internal processes or systems, human error or external events. The procedure for managing operational risk must, insofar as it is possible, ensure that no individual events caused by operational risk seriously damage the Group's financial position.

Operational risk is managed based on the Board's adopted risk tolerance. The Bank's internal control system has been updated to ensure internal control is better implemented and documented.

The Bank has its own system and guidelines for following up improvement measures identified by the internal auditor, external auditor or supervisory authorities. All improvement measures identified through internal reviews such as risk assessments, compliance reviews or their equivalent are followed up the same way. Adverse incidents and customer complaints are also recorded and followed up in the same way. The Board has adopted a policy and guidelines for important products, solutions and processes to ensure that the necessary quality assurance is conducted before implementation or changes are made. Risk assessments are conducted on an ongoing basis at various levels.

Given the risk inherent in using information technology, this area is monitored constantly. Internal Audit conducts independent reviews and tests of the Bank's security in this area. Banks in the SpareBank 1 Alliance work together closely to ensure good, stable operations. No individual incidents with significant financial consequences occurred during 2022.

The Board believes that given the Bank's earnings and financial strength, as well as the organisation's competence and management systems, the Bank's overall risk exposure in relation to operational risk is acceptable. In the opinion of the Board, the area is under satisfactory control.

Compliance risk
Compliance risk is the risk that the Bank will incur public sanctions, penalties, other criminal sanctions, loss of reputation or financial losses as a consequence of failure to comply with acts, regulations, official guidelines and mandatory public orders.

Management and control of the Bank's compliance risk is based on the Board of Directors' adopted compliance risk guidelines. This governing document establishes the Board's risk tolerance for compliance risk and also regulates responsibilities, including by providing guidance on every employee's responsibility for complying with regulations, reporting, and requirements for procedures aimed at ensuring and following up compliance with the regulations.

The Group has a low tolerance for compliance risk and zero tolerance for deliberate breaches of the regulations. No compliance incidents may significantly impair the Group's financial strength, performance or reputation. The Group's business operations must be executed in a manner that avoids the imposition of fines and sanctions.

The scope of regulatory requirements remains significant as in previous years. The rate of change and the scope of detail in regulations and regulatory amendments represent a risk in themselves. The Bank has therefore established procedures for ensuring that all significant changes are identified and followed up. Several new and important Acts and Regulations were introduced in 2022 and at the start of 2023. This includes important new provisions for consumer and customer protection in the form of the new Financial Contracts Act and the Insurance Mediation Act. The new rules also include provisions on reporting sustainability, the Transparency Act, changes to the capital requirements rules and changes to the Regulations on Financial Institutions' Lending Practices.

Extensive regulatory changes that will impact the Bank's framework conditions are still expected in the future. These include further changes to the capital requirements rules (CRD VI and CRR III), an MiFID II requirement to take account of customers' sustainability preferences in investment advice, and stricter requirements concerning management and control vis-à-vis ICT and cyber risk in the form of the EU Digital Operational Resilience Act (DORA regulation). The EU's anti-money laundering rules are also being revised, which is expected to result in changes to the corresponding Norwegian rules. When the aforementioned regulations will come into effect in Norway is currently unknown.

Compliance risk can manifest as a typical 'tail risk', i.e. a risk that materialises very rarely but can potentially have very serious consequences if it does. In addition to traditional internal control and risk assessments, as well as impact analyses of new regulations, the Bank uses stress testing and reverse stress tests to analyse and assess actual exposure to compliance risk. In the opinion of the Board, the Bank exercises satisfactory governance and control of compliance risk and the Bank's exposure to compliance risk is prudent and within the limits for risk tolerance approved by the Board.

Conduct risk
Conduct risk is the risk of public sanctions, criminal sanctions, loss of reputation or financial loss as a consequence of the Bank's business methods or the employees' conduct materially jeopardising customers' interests or the integrity of the market.

Over time, the regulation of the financial industry has evolved to increasingly include regulations to protect customers and consumers, ref. for example, the discussion of the new Financial Contracts Act and Insurance Mediation Act. The Bank's conduct risk is therefore closely associated with the Bank's compliance.

The Board has approved guidelines for conduct risk in order to highlight the importance of this topic for the Bank. This governing document determines the Board's risk tolerance in this area. The Group has a low tolerance for conduct risk. This means that no single conduct incidents should be able to materially damage the Group's financial strength, performance or reputation. The governing document also regulates responsibilities, follow-up and reporting requirements, and the main principles for ensuring good conduct. All employees are required to help ensure that the rights and needs of customers are satisfactorily safeguarded, and that this is done by providing professional and straightforward customer services that enable the Bank's customers to make clear and well-informed choices.

Other key means of ensuring good conduct include, among other things, a Code of Conduct, internal information and training initiatives, conducting risk analyses, a well-functioning procedure for handling customer complaints, including root cause analyses and improvement measures, and an appropriate whistleblowing channel. When products and services are established or changed, the necessary quality assurance must be carried out prior to launch. Payment and remuneration schemes must be designed to ensure and encourage appropriate conduct and good conduct.

In the opinion of the Board, the Bank's exposure to conduct risk is within the risk tolerance adopted for the area.

ESG risk
SpareBank 1 Østlandet is affected by ESG factors either directly through its operations or indirectly, mainly through the loan portfolio. ESG factors that have a direct impact are primarily managed as operational risk, compliance risk, conduct risk and liquidity risk, and are integrated into the methods and assessments within these risk categories.

ESG risk is defined as the risk of loss due to exposure to counterparties being adversely impacted by ESG factors. ESG risk is a risk driver for credit risk, counterparty risk and market risk and may be divided into:

a. Environmental risk (E) is the risk of loss due to the Group's exposure to counterparties being adversely impacted by environmental factors, including climate change and/or other environmental harm.

b. Social risk (S) is the risk of loss due to the Group's exposure to counterparties being adversely impacted by social conditions, labour rights, human rights, poverty, etc.

c. Governance risk (G) is the risk of loss due to the Group's exposure to counterparties being adversely impacted by poor corporate governance of the counterparty.

ESG risks have been integrated into governing documents, methods, procedures and policies within the aforementioned risk categories, and are managed as an integral part of these individual areas. The Bank has previously conducted overarching climate risk analyses and scenario analyses based on, among other things, the Network for Greening the Financial System (NGFS). Based on the conducted assessments, the loan portfolio will not be significantly affected by climate risk in a medium-term perspective.

In the corporate market division, sustainability assessments are specifically conducted for customers in the property industry and the agricultural segment. Thanks to collaboration in the SpareBank 1 Alliance, we have developed our own application for conducting sustainability assessments at an exposure level. The application is being implemented and is expected to improve ESG assessments.

One challenge in ESG work, in relation to both reporting and risk management in the area, is access to relevant data. Therefore, the SpareBank 1 Alliance is working on a project involving the establishment of a specific ESG data hub. It is also working on a preliminary project related to stress testing. The work is expected to produce results in 2023.

Within liquidity management, guidelines have been established regarding which sectors the Bank can invest in based on ESG assessments. When investing in new issuers and/or sectors, these are assessed against the guidelines before transactions are conducted, and the investment portfolio is reviewed annually in relation to the assessment criteria in the guidelines.

For more information about the Bank's ESG work, please refer to the TFCD reporting in a separate section in this annual report.

Our employees

HSE and sick leave
The total sick leave rate for 2022 was 4.15 per cent. The sick leave rate was therefore somewhat higher than in 2021, although it was within the target level of 4.5 per cent. The target rate was set based on an assessment of the nature of the business and the work, industry average and the age demographics of the organisation.

No accidents were reported to the Norwegian Labour Inspection Authority in 2022.

Pay, diversity and equal opportunities
The Bank has 740 permanent employees, 49.7 per cent of whom are women and 50.3 per cent men. The Bank has eight temporary employees, of whom four are women and four are men. In addition to this, the Bank employs temporary workers hired in from staffing agencies to replace employees who are on leave, away sick, etc.

The proportion of management positions with personnel responsibilities held by women decreased from 42.2 per cent in 2021 to 41.4 per cent in 2022. The Bank is still below the target of 45 per cent women in management positions. The Bank advertised 11 management positions in 2022. Of the applicants these attracted, 67 per cent were men and 33 per cent were women. Therefore, the Bank has a lot of work to do to get more female applicants for management positions.

Group Management consists of four women and six men, while the Bank's Board of Directors consists of four women and four men. The Bank completed the 'Ta Sats' management development programme specifically aimed at women in 2022. The measure is being evaluated and any decision to continue it will be made once the evaluation has been completed. Ensuring that we make a conscious effort in all recruitment processes is just as important as individual measures.

Liability insurance for board members and the CEO
SpareBank 1 Østlandet and its subsidiaries, together with the other companies in the SpareBank 1 Alliance, have taken out insurance for its board members and CEO to cover their potential liability in relation to the company and third parties. The insurance cover for board liability is up to NOK 800 million per claim and in total per year, while the cover for professional liability and criminality insurance is up to NOK 1 200 million per claim and in total per year.

Further information about the Bank's work on organisation and HR, including information on equal opportunities and diversity, as well as health, safety and the environment, can be found in the chapter on our talented employees. Also see our report on remuneration of senior executives in 2022, which is available on the Bank's website. *

Corporate social responsibility and sustainability

Corporate social responsibility and sustainability are becoming increasingly important in banking and financial services. The Bank is experiencing higher expectations from external stakeholders such as customers, organisations, the media, partners and the rest of society. Increasing legal requirements are also a strong driver, both nationally and from the EU.

The Bank is subject to the requirements of section 3-3(c) of the Accounting Act, which requires it to disclose information to the extent necessary to understand the Bank's development, performance and financial position, as well as the consequences of the Bank's activities in relation to the environment, social conditions, working environment, compliance with human rights and combating corruption and bribery. The sustainability reporting is also relevant for delivering on the requirements of section 3-3(a) of the Accounting Act, which regulates the contents of annual reports for enterprises that are not small.

The Bank provides an account of this through integrated annual reporting. The chapter 'Our approach to sustainability' describes how the Bank is impacted by society and the environment and how the Bank impacts society and the environment (double materiality). Here you will find the Bank's impact analysis and materiality analysis, and an account of the material sustainability topics and strategic initiatives that have been adopted based on these analyses. Please also refer to where the Bank reports on targets and performance for all the material sustainability topics and strategic initiatives.

More detailed facts about the Bank's sustainability work are contained in a separate appendix. These include, among other things, descriptions of our greenhouse gas emissions from activities and lending portfolios, responsible lending in liquidity management, detailed information on personnel policy, etc.

To make it simple for external readers to find relevant information, the Bank uses the Global Reporting Initiative (GRI) reporting standard and its accompanying index. This index also contains an overview of the Bank's reporting on legal requirements and requirements that follow from the initiatives to which the Bank is a signatory. In addition to the GRI, several indices are used to make it easy to find the information disclosed due to the reporting requirements of Eco-Lighthouse, UNEP FI, TCFD (Climate Risk) and TNFD (Natural Risk). The indices are at the back of the appendix.

The Transparency Act, which entered into force in June 2022, requires the Bank to carry out due diligence assessments in line with the OECD Guidelines for Multinational Enterprises and to publish an account of the due diligence assessments by the end of June each year. The Bank reports on human rights work in its annual report and published a report for 2022 that can be found on its website under sustainability reporting. The Bank considers the status of this work to be satisfactory.

The Bank also reports in line with the new requirements in the Equality and Anti-Discrimination Act, which impose an expanded duty of activity and accountability for gender equality and anti-discrimination. See the section on 'Our employees' and the supplementary appendix, as well as the information on our website concerning sustainability reporting. The Bank considers the status of this work to be good.

Furthermore, the Bank has, as in 2021, taken steps towards reporting in line with the requirements of the Act relating to the disclosure of sustainability information in the financial services sector and a framework for sustainable investments. This is an Act that implements the EU's Taxonomy Regulation and Disclosure Regulation. The Act came into force on 01.01.2023 and therefore does not apply for the reporting year 2022. Nevertheless, as suggested by the Ministry of Finance, the Bank has included Taxonomy-related information in its annual report for the 2022 financial year. The status of the work is considered satisfactory. See the appendix on sustainability information.

The Bank adopted a new strategy in 2022 in which being 'a clear driving force behind a sustainable transition' is one of the four main KPIs. A general KPI has been adopted for the target: to increase the green proportion of total lending from 16.9 per cent to 20.4 per cent. The Bank's green bond framework defines which loans are considered 'green'. The Bank has adopted five strategic initiatives to achieve this goal: greener agriculture (Corporate Division), greener property (Corporate Division), greener property (Retail Division), responsible consumption (Retail Division), and zero greenhouse gas emissions by the end of 2050 from operations, lending and investments. Sustainability, like other disciplines, is an integral part of the Bank's normal scorecard and reporting procedures.

The Bank provides an account in the annual report of the principles on which the sustainability reporting is based. The Bank believes that reporting on sustainability is of value for resource allocation and control purposes. In order for the reporting to provide useful information for these purposes, the Bank emphasises that the quality requirements in the IASB's conceptual framework (IFRS) provide guidance for our reporting.

Research and business development

Fortunately, 2022 was the year in which employees largely returned to the office after the pandemic, although some of the Bank's employees have signed agreements on working from home for up to 2 days a week.

SpareBank 1 Østlandet participates in several networks and partnerships in which new services and customer offerings are tested and developed. The SpareBank 1 Alliance is the Group's main strategic partner. As part of this, we are constantly developing new technology and digital solutions that benefit customers and the Bank's employees.

* https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-report-remuneration-senior-executives-2022.pdf

In May 2022, the national StartupLab Fintech industry programme was established with the following companies joining SpareBank 1 Østlandet on the team: DNB, Microsoft, Schibsted, SpareBank 1 SMN, the law firm SANDS and the insurance company Fremtind. The industry programme will focus on five areas: Classic financial services, data and security, distributive trades and payments, sustainability and blockchain technology. The Bank focuses heavily on innovations that make everyday life simpler for our customers and is constantly seeking new partners to help us develop in a customer friendly direction. At the same time, this initiative is important for the industry in general in that the Bank, as an established actor, can do its bit to help Norwegian start-ups scale up and be even more successful. This benefits both society and the Bank.

At the end of the year, the Bank also decided to become a co-owner of the entrepreneurial company Mobai AS, a company with which the Bank has collaborated for several years. Just before Christmas, the Bank put into production in two of our branches its solution for verifying identity at in-person meetings in which one compares a photo of the customer taken on the spot with the photo in the customer's passport. The solution will be implemented in other branches in 2023. The Bank continues to work on the project with support from the Research Council of Norway with its partners NTNU, KU Leuven and Vipps to develop a solution for safe and secure facial recognition on mobile phones.

Together with the other SpareBank 1 banks, NOK 210 million was invested in 2022 in the development of new solutions and the improvement of existing ones. The SpareBank 1 banks are also working with Tietoevry to develop the money transfer and core banking systems of the future.

Outlook

At this time last year, the Bank presented its strategy for the period 2022-2025. While the strategy was new, it was not exactly revolutionary. The Bank will be recognisable. The business concept remains that the Bank exists to help people and enterprises succeed so that the Bank, together with its customers, can contribute to sustainable growth and development in Eastern Norway. The Bank's vision remains 'Creating together'. And the Bank's values are: proficient, nearby and engaged.

At the same time, the Bank's goals for the period up to 2025 are ambitious. The Bank wants to understand our customers and deliver the best customer experiences. The goal is to create the relationship bank of tomorrow in a generous and engaging working environment. The Bank wants to be a clear driving force behind sustainable restructuring. And its ambition is to have one of the most attractive equity capital certificates on the Oslo Børs. The business concept, vision, values and goals can be summed up as an ambition for SpareBank 1 Østlandet to be Norway's best relationship bank.

In the year just ended, the Bank has systematically worked to implement the new strategy through a number of projects and measures in selected strategic focus areas. This work will continue at full strength in the coming year.

At the same time, the Bank will continue to deliver on its financial targets. The targets for dividends and financial strength remain unchanged from last year. A long-term, stable ambition of paying out 50 per cent in dividends seeks to balance the owners' desire for dividends with the continued funding of the Bank's growth ambitions. At the same time, as the dividend policy aims to provide predictability about future dividends, it is also flexible and depends on factors such as financial performance and capital adequacy. For 2022, the Board of Directors is, therefore, proposing to the Supervisory Board a dividend equivalent to around 60 per cent of the majority's share of the consolidated profit. This reflects its continuing good financial strength and the expectation of somewhat lower credit growth in the Bank's market area.

The Bank's target for financial strength is continued regulatory capital adequacy of 1 percentage point above the regulatory requirement. At the end of 2022, the Bank's capital adequacy was well above the regulatory requirements and the Bank's specific goals.

The Bank's target for cost growth in the parent bank was to keep it below 4 per cent for 2022. The high underlying inflation in society was an important contributing factor to actual cost growth being above target. For 2023, the Bank's ambition, based on expected inflation and the planned strategic initiatives, is cost growth in the parent bank of less than 5 per cent.

At the start of 2023, the Bank changed its profitability target for its return on equity from the previous target of 11 per cent to the new target of 12 per cent. The upwards revision was based on market developments and the increasing economies of scale the Bank has realised in recent years. The target reflects the Bank's focus on delivering on its strategic ambition of being an attractive equity capital certificate.

The strategy and financial targets must be achieved within a framework of social development that is both full of contrasts and demanding. Norway has put the pandemic behind it. Instead, the war in Ukraine is leaving its mark on society. Among other things, the economic consequences of the war have become clearer via rapidly rising inflation, unpredictable fluctuations in energy prices, long delivery times and poorer economic growth.

Norges Bank raised the policy rate sharply and rapidly in 2022 because of high inflation. Although the central bank has indicated that we are probably close to peak interest rates, the combination of higher borrowing costs and high inflation will continue to weaken household purchasing power. Housing mortgages account for the largest share of the Bank's loan portfolio. The decline in purchasing power makes it likely that the growth in household demand for credit will slow. At the same time, a strong labour market is shoring up purchasing power and activity in the housing market.

The Bank's survey of expectations shows that companies in its market area have become more pessimistic about economic developments in the coming year. Companies are concerned about things like how demand will develop and profitability. Corporate investment is the main driver behind the Bank's loans to the business sector. It is reasonable to assume that weaker prospects mean somewhat lower growth in corporate investments and demand for credit.

Overall, the Bank's opportunities for growth are still considered strong over the long-term, thanks to its well-established market position with high customer satisfaction, a solid capital situation, and a competent organisation present where the customer wants to meet us.

The Bank's lending practices are conservative. Nonetheless, it is likely that more customers will experience financial difficulties going forward. In such a situation, a bank with in-depth local knowledge offering good professional advice is especially useful for customers. The Bank will help with good solutions for its customers, including those experiencing tougher times. The Norwegian savings bank model has proved to be solid in challenging times. The Board of Directors is confident that both the region and the Bank are well-equipped to meet the challenges that might arise.

The Board of Directors of SpareBank 1 Østlandet
Hamar, March 2nd 2023

Siri J. Strømmevold Chair of the Board	Nina Cecilie Strøm Swensson	Tore Anstein Dobloug
Sjur Smedstad Employee representative	Idun Kristine Fridtun	Jørn-Henning Eggum
Catherine Norland Employee representative	Alexander Sandberg Lund	Richard Heiberg CEO

CHAPTER 5.2

Income statement

Parent Bank				Group	
2021	2022	(NOK million)	Noter	2022	2021
2 561	4 047	Interest income effective interest method	20	4 248	2 800
239	333	Other interest income	20	333	239
877	1 880	Interest expenses	20	1 888	879
1 923	**2 500**	**Net interest income**		**2 693**	**2 161**
1 108	1 085	Commission income	21	1 463	1 517
99	101	Commission expenses	21	88	88
33	20	Other operating income	21	213	234
1 042	**1 005**	**Net commission and other operating income**		**1 588**	**1 663**
21	43	Dividends from shares and other equity instruments	22	43	21
461	379	Net income from subsidiaries, associates and joint ventures (Parent bank)	22		
		Net income from associates and joint ventures (Group)	22,4	186	405
174	-67	Net profit from other financial assets and liabilities	22	-67	174
656	**356**	**Net profit from financial assets and liabilities**		**162**	**599**
3 620	**3 861**	**Total net income**		**4 443**	**4 423**
706	758	Personnel expenses	23,24	1 153	1 127
94	88	Depreciation and impairment	33,34,35	122	122
598	638	Other operating expenses	25	761	732
1 398	**1 484**	**Total operating expenses**		**2 037**	**1 980**
2 222	**2 377**	**Operating profit before losses on loans and guarantees**		**2 406**	**2 443**
-4	19	Impairment on loans and guarantees	10	27	5
2 225	**2 358**	**Pre-tax operating profit**		**2 379**	**2 438**
349	376	Tax expense	26	431	416
1 876	**1 982**	**Profit after tax**		**1 948**	**2 022**
		Hybrid Capital Owner's share of profit after tax (Interest on hybrid capital)		47	27
		Profit after tax for controlling ownership interest		1 880	1 985
		Profit after tax for non-controlling ownership interest		21	9
		Profit after tax		**1 948**	**2 022**
		Earnings/diluted earnings per equity certificate (in NOK)		11,37	11,96
		Earnings/diluted earnings per average equity certificate (in NOK)		11,37	11,96

CHAPTER 5.3

Statement of other comprehensive income

Parent Bank			Group	
2021	2022	(NOK million)	2022	2021
1 876	**1 982**	**Profit after tax**	**1 948**	**2 022**
0	2	Actuarial gains/losses on pensions	2	0
0	0	Tax effects of actuarial gains/losses on pensions	0	0
8	13	Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	13	8
-2	-3	Tax effects related to the above	-3	-2
		Share of other comprehensive income from associated companies and joint ventures	3	3
6	**11**	**Total items that will not be reclassified through profit or loss**	**14**	**8**
1	-10	Net fair value adjustments on loans at fair value through other comprehensive income	-10	1
0	2	Tax effects related to the above	2	0
9	64	Fair value changes on hedge derivatives due to changes in the currency basis spread	64	9
-2	-16	Tax effects related to the above	-16	-2
		Share of other comprehensive income from associates companies and joint ventures	115	22
7	**41**	**Total items that will be reclassified through profit or loss**	**156**	**29**
13	**52**	**Total profit and loss items recognised in equity**	**170**	**38**
1 889	**2 034**	**Total profit for the period**	**2 118**	**2 060**
		Hybrid Capital Owner's share of total profit after tax (Interest on hybrid capital)	47	27
		Total profit after tax for controlling ownership interest	2 050	2 023
		Total profit after tax for non-controlling ownership interest	21	9
		Total profit for the period	**2 118**	**2 060**

CHAPTER 5.4

Balance sheet

Parent bank				Group	
2021	**2022**	(NOK million)	**Noter**	**2022**	**2021**
		ASSETS			
458	677	Cash and deposits with central banks		677	458
9 139	11 749	Loans to and receivables from credit institutions	7	2 694	1 435
111 469	119 612	Loans to and receivables from customers	8,10,11	130 405	120 841
23 825	26 351	Certificates, bonds and fixed-income funds	30	26 351	23 825
814	1 855	Financial derivatives	14,31,39	1 855	814
761	791	Shares and other equity interests	32	791	761
4 638	4 838	Investments in associates and joint ventures	42	6 004	5 642
1 758	1 865	Investments in subsidiaries	42	0	0
80	76	Goodwill and other intangible assets	33	353	390
435	450	Property, plant and equipment	34,35	619	603
450	529	Other assets	36	798	691
153 829	**168 794**	**Total assets**		**170 547**	**155 459**
		LIABILITIES			
3 780	3 315	Deposits from and liabilities to credit institutions	7	3 296	3 787
92 246	98 911	Deposits from and liabilities to customers	38	98 813	92 178
37 232	43 296	Liabilities arising from issuance of securities	38,39	43 296	37 232
679	2 587	Financial derivatives	14,31,39	2 587	679
633	164	Current tax liabilities	26	211	709
7	257	Deferred tax liabilities	26	383	130
620	641	Other debt and liabilities recognised in the balance sheet	40	727	737
1 302	1 308	Subordinated loan capital	38	1 308	1 302
136 499	**150 478**	**Total liabilites**		**150 622**	**136 753**
		EQUITY CAPITAL			
5 791	5 791	Equity capital certificates	41	5 791	5 791
848	848	Premium fund		848	848
3 776	4 361	Dividend equalisation fund	41	4 361	3 776
695	788	Recommended dividend and other equity capital	41	788	695
4 438	4 689	Primary capital	41	4 689	4 438
21	16	Provision for gifts		16	21
301	337	Recommended dividend customers return	41	337	301
460	486	Fund for unrealised gains		486	460
1 000	1 000	Hybrid capital		1 000	1 000
0	0	Other equity		1 324	1 260
		Non-controlling interests		286	116
17 330	**18 316**	**Total equity capital**		**19 925**	**18 706**
153 829	**168 794**	**Total equity capital and liabilities**		**170 547**	**155 459**

The Board of Directors of SpareBank 1 Østlandet
Hamar, March 2nd 2023

Siri J. Strømmevold
Chair of the board

Nina Cecilie Strøm Swensson

Tore Anstein Dobloug

Sjur Smedstad
Employee representative

Idun Kristine Fridtun

Jørn-Henning Eggum

Catherine Norland
Employee representative

Alexander Sandberg Lund

Richard Heiberg
CEO

CHAPTER 5.5

Statement of change in equity

Parent Bank	**Paid-up equity**		**Earned equity capital**					
(NOK million)	Equity certicates	Premium fund	Primary capital 1) 3)	Dividend equalisation funds 2)	Provision for gifts	Fund for unrealised gains	Hybrid-capital	Total equity capital
Equity capital as of 01.01.2021	**5 791**	**848**	**4 455**	**3 824**	**29**	**320**	**650**	**15 918**
Profit after tax			525	1 211		140		**1 876**
Other comprehensive income								
Actuarial gains after tax on pensions			0	0				**0**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			2	4				**6**
Net fair value adjustments on loans at fair value through other comprehensive income after tax			0	0				**1**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			2	5				**7**
Profit after tax			**529**	**1 220**		**140**		**1 889**
Other transactions								
Dividend paid			-231	-555				**-785**
Donations distributed from profit 2020			-6					**-6**
Grants from provision for gifts in 2021					-8			**-8**
Hybrid capital							350	**350**
Interest on hybrid capital			-8	-19				**-27**
Equity capital as of 31.12.2021	**5 791**	**848**	**4 739**	**4 471**	**21**	**460**	**1 000**	**17 330**
Equity capital as of 01.01.2022	**5 791**	**848**	**4 739**	**4 471**	**21**	**460**	**1 000**	**17 330**
Profit after tax			586	1 369		26		**1 982**
Other comprehensive income								
Actuarial gains after tax on pensions			0	1				**1**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			3	7				**10**
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-2	-5				**-7**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			15	33				**48**
Total profit after tax			**602**	**1 405**		**26**		**2 034**
Other transactions								
Dividend paid			-295	-695				**-990**
Donations distributed from profit 2021			-6					**-6**
Grants from provision for gifts in 2022					-5			**-5**
Hybrid capital								**0**
Interest on hybrid capital			-13	-33				**-47**
Equity capital as of 31.12.2022	**5 791**	**848**	**5 026**	**5 148**	**16**	**486**	**1 000**	**18 316**

1) Amounts transferred to primary capital as of 31.12.2022 include dividend to customers return and proposed donations.
2) Amounts transferred to dividend equalization funds as of 31.12.2022 includes dividends payment to ECC holders.
3) Other paid-up equity shown in a separate column in previous annual reports is now included in the column primary capital. The amout has always been classified as part of the primary capital. Comparative figures have been restated.

Group (NOK million)	Equity certicates	Premium fund	Primary capital [1) 3)]	Dividend equalisation funds [2)]	Provision for gifts	Fund for unrealised gains	Other equity	Hybrid-capital	Non-controlling interests	Non-controlling interests
	Controlling interest									
	Paid-up equity		Earned equity capital							
Equity capital as of 01.01.2021	**5 791**	**848**	**4 455**	**3 823**	**29**	**320**	**1 104**	**650**	**114**	**17 135**
OB Corr. In Group companies							-4			**-4**
Adjusted equity capital at 01.01.2021	**5 791**	**848**	**4 455**	**3 823**	**29**	**320**	**1 100**	**650**	**114**	**17 131**
Profit after tax			525	1 211		140	137		9	**2 022**
Other comprehensive income										
Actuarial gains after tax on pensions			0	-0						**0**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			2	4						**6**
Net fair value adjustments on loans at fair value through other comprehensive income after tax			0	0						**1**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			2	5						**7**
Share of other comprehensive income from associated companies and joint ventures							25			**25**
Total profit after tax			**529**	**1 220**		**140**	**162**		**9**	**2 060**
Other transactions										
Dividend paid			-231	-555					-6	**-792**
Donations distributed from profit 2020			-6							**-6**
Grants from provision for gifts in 2021					-8					**-8**
Hybrid capital								350		**350**
Interest on hybrid capital			-8	-19						**-27**
Effects directly in equity from associated companies and joint ventures							-2			**-2**
Equity capital as of 31.12.2021	**5 791**	**848**	**4 739**	**4 470**	**21**	**460**	**1 260**	**1 000**	**116**	**18 706**
Equity capital as of 01.01.2022	**5 791**	**848**	**4 739**	**4 470**	**21**	**460**	**1 260**	**1 000**	**116**	**18 706**
OB Corr. In Group companies							1			**1**
Adjusted equity capital at 01.01.2022	**5 791**	**848**	**4 739**	**4 470**	**21**	**460**	**1 261**	**1 000**	**116**	**18 707**
Profit after tax			586	1 369		26	-55		21	**1 948**
Other comprehensive income										
Actuarial gains after tax on pensions			0	1						**1**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			3	7						**10**
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-2	-5						**-7**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			15	34						**48**
Share of other comprehensive income from associated companies and joint ventures							118			**118**
Total profit after tax			**602**	**1 405**		**26**	**63**		**21**	**2 118**
Other transactions										
Dividend paid			-296	-695					-10	**-1 001**
Donations distributed from profit 2021			-6							**-6**
Grants from provision for gifts in 2022					-5					**-5**
Hybrid capital										**0**
Interest on hybrid capital			-13	-33						**-47**
Net addition of non-controlling interest									158	**158**
Effects directly in equity from associated companies and joint ventures							1			**1**
Equity capital as of 31.12.2022	**5 791**	**848**	**5 026**	**5 148**	**16**	**486**	**1 324**	**1 000**	**286**	**19 925**

1) Amounts transferred to primary capital as of 31.12.2022 include dividend to customers return and proposed donations.
2) Amounts transferred to dividend equalization funds as of 31.12.2022 includes dividends payment to ECC holders.
3) Other paid-up equity shown in a separate column in previous annual reports is now included in the column primary capital. The amout has always been classified as part of the primary capital. Comparative figures have been restated.

CHAPTER 5.6

Cash flow statement

Parent Bank 2021	Parent Bank 2022	(NOK million)	Group 2022	Group 2021
-7 533	-8 151	Change in gross lending to customers	-9 567	-7 915
2 622	3 878	Interest receipts from lending to customers	4 398	2 987
6 603	6 665	Change in deposits from customers	6 635	6 565
-334	-1 021	Interest payments on deposits from customers	-1 028	-335
-1 265	-2 133	Change in receivables and debt from credit institutions	-808	-825
80	267	Interest on receivables and debt to financial institutions	-16	-4
-2 841	-2 704	Change in certificates and bonds	-2 704	-2 841
69	169	Interest receipts from commercial papers and bonds	169	69
1 042	1 005	Net commission receipts	1 546	1 585
71	80	Capital gains from sale on trading	80	71
-1 297	-1 396	Payments for operations	-1 914	-1 851
-90	-641	Taxes paid	-690	-128
-379	-30	Other accruals	-10	-502
-3 252	**-4 013**	**Net change in liquidity from operations (A)**	**-3 909**	**-3 125**
-78	-79	Investments in tangible fixed assets	10	-90
0	0	Receipts from sale of tangible fixed assets	42	37
-155	-198	Change in long-term investments in equities	-262	-155
441	399	Dividends from long-term investments in equities	186	293
209	**122**	**Net cash flow from investments (B)**	**-24**	**85**
12 467	11 341	Debt raised by issuance of secutities	11 341	12 467
0	0	Debt raised by subordinated loan capital	0	0
350	0	Equity raised by hybrid capital	0	350
-8 283	-4 381	Repayments of issued securities	-4 381	-8 283
0	0	Repayments of issued subordinated loan capital	0	0
0	0	Repayments of hybrid capital	0	0
0	0	Payments arising from issuance of equity capital certificates	0	0
-518	-776	Interest payments on securities issued	-776	-518
-24	-43	Interest payments on subordinated loans	-43	-24
-40	-40	Lease payments	-40	-37
0	-40	Payments arising from placements in subsidiaries	13	0
-555	-695	Payment of dividend	-705	-561
-227	-298	Payment of customer dividend	-298	-227
-15	-15	Donations	-15	-15
3 155	**5 052**	**Net cash flow from financing (C)**	**5 095**	**3 152**
112	**1 161**	**CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)**	**1 161**	**112**
851	964	Cash and cash equivalents at 1 January	964	851
964	**2 125**	**Cash and cash equivalents at the end of the period**	**2 125**	**964**
		Cash and cash equivalents at comprise:		
458	677	Cash and deposits with central banks	677	458
506	1 448	Deposits etc. at call with banks	1 448	506
964	**2 125**	**Cash and cash equivalents at the end of the period**	**2 125**	**964**

CHAPTER 5.7

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Note 1 – General information

The SpareBank 1 Østlandet Group comprises the parent bank SpareBank 1 Østlandet and the following companies:

Subsidiaries	Ownership interest in % 31. Dec
SpareBank 1 Finans Østlandet AS	85.10
EiendomsMegler 1 Innlandet AS	100.00
EiendomsMegler 1 Oslo Akershus AS	100.00
Youngstorget 5 AS	100.00
AS Vato	100.00
SpareBank 1 ForretningsPartner Østlandet Holding AS	100.00

Investments in second tier subsidiaries	Ownership interest in % 31. Dec
EiendomsMegler 1 Oslo AS	100.00
SpareBank 1 ForretningsPartner Østlandet AS	100.00

Investeringer i tilknyttede selskaper	Ownership interest in % 31. Dec
SpareBank 1 Kreditt AS	19.24
SpareBank 1 Boligkreditt AS	22.42
SpareBank 1 Næringskreditt AS	15.66
SpareBank 1 Betaling AS	18.10
BN Bank ASA	9.99
SpareBank 1 Forvaltning AS	6.26
SpareBank 1 Bank og Regnskap AS	25.00
SpareBank 1 Gjeldsinformasjon AS	14.68
SpareBank 1 Kundepleie AS	26.67

Investments in associated companies in subsidiaries	Ownership interest in % 31. Dec
SpareBank 1 Mobilitet Holding AS	30.66*

Investments in joint ventures	Ownership interest in % 31. Dec
SpareBank 1 Gruppen AS	12.4
SpareBank i Utvikling DA	18.0

Distribution of ownership interests in companies where the managment structure is regulated in agreement between the owners (percentage and ownership)	SpareBank 1 Gruppen AS	BN Bank ASA
SpareBank 1 Østlandet	12.40	9.99
SpareBank 1 SR-Bank	19.50	35.02
SpareBank 1 SMN	19.50	35.02
SpareBank 1 Nord-Norge	19.50	9.99
Samarbeidende Sparebanker	19.50	
SpareBank 1 BV		5.00
Sparebank 1 Østfold Akershus		2.52
SpareBank 1 Telemark		2.46
Landsorganisasjonen (LO)	9.60	

Some alliance companies are classified as associates in spite of the fact that the stake owned is less than 20 per cent. This is because the ownership structure and the strategic cooperation between the banks that own SpareBank1 Gruppen AS gives SpareBank 1 Østlandet significant influence over these companies. There are agreements that ensure influence through board positions, among other things.

SpareBank 1 Østlandet is domiciled in Norway and its head office is in Hamar. The Group has a total of 36 branches in three counties. The branch network covers Innlandet, Oslo and Viken. Youngstorget 5 AS, EiendomsMegler 1 Oslo Akershus AS and the second tier subsidiary EiendomsMegler 1 Oslo AS have head offices in Oslo. The other subsidiaries have head offices in Innlandet County.

The Group's core operations include deposits, lending, money transfer services, leasing, sale of other financial products and services, and real estate brokerage, accounting and advisory services.

The annual financial statements for 2022 were approved by the Board of Directors on 2 March 2023.

*SpareBank 1 Mobilitet Holding AS owns 47.17 percent in the car subscription company Fleks AS. Indirect ownership in Fleks AS is 14.46 percent.

Note 2 – Accounting policies

Accounting policies		Note disclosures in the annual report	Applicable IFRS/IAS
1	Basis for preparation of the annual financial statement		
2	Changes to the accounting policies		
3	Presentation currency		
4	Consolidation procedures	41	IFRS 3, IFRS 10, IFRS 11, IAS 28
5	Financial assets and liabilities	13, 26, 27, 28, 29, 30, 31, 37	IFRS 9, IFRS 7, IFRS 13
6	Loan receivables	8, 10, 27, 28, 39	IFRS 9, IFRS 7, IAS 37
7	Assets held for sale	N/A	IFRS 5
8	Acquired assets	N/A	
9	Leases	34	IFRS 16
10	Goodwill and other intangible assets	32	IAS 38, IAS 36
11	Property, plant and equipment	33	IAS 16, IAS 36
12	Pensions	23	IAS 19
13	Issued hybrid tier 1 capital		
14	Interest revenue and interest costs	19	
15	Commission income and commission costs	20	IFRS 15, IFRS 9
16	Transactions and monetary items in foreign currency		
17	Taxes	25	IAS 12
18	Segment reporting	4	IFRS 8
19	Savings programme in own equity capital certificates for employees		
20	Events after the balance sheet date	43	IAS 10

1. Basis for preparation of the annual financial statement

The 2022 parent bank and consolidated financial statements for SpareBank 1 Østlandet were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. This also includes interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor, the Standing Interpretations Committee (SIC).

The basis for measurement in both the parent bank and consolidated financial statements is acquisition cost, with the exceptions described below. The financial statements were prepared in accordance with IFRS standards and interpretations that are obligatory for financial statements submitted as at 31 December 2022.

The preparation of accounts in accordance with IFRS requires the use of estimates. Furthermore, the application of the Group's accounting principles requires the Group Management to exercise discretion. Areas comprising a high degree of discretionary assessments and complexity, or areas where assumptions and estimates are material for the consolidated financial statements are described in Note 3.

The consolidated financial statements were prepared on the assumption that the Group is a going concern.

2. Changes to the accounting policies

New standards and interpretations that have been adopted

Applied accounting principles are consistent with the principles applied in the preceding financial year, except for the changes in IFRS that were implemented by the Group during the current financial year. The changes in IFRS that affect the 2022 financial statements and that were relevant to and affected the consolidated financial statements are listed below.

New standards and interpretations that have not yet been adopted

IFRS 17 Insurance Contracts
IFRS 17 Insurance contracts will replace IFRS 4 Insurance contracts and set out principles for accounting, measuring, presentation and information on insurance contracts.
The purpose of the new standard is to eliminate differing practices in the accounting treatment of insurance contracts, and the main features of the new model are as follows:

- An estimate of the present value of future cash flows for a group of insurance contracts. Future cash flows include future premium receipts and payments of insurance settlements, compensation and other payments to policyholders. The estimate must take account of an explicit adjustment for risk and the estimates must be based on conditions on the balance sheet date.
- A contractual service margin equal to the day one gain in the estimate of the present value of future cash flows from a group of insurance contracts. This corresponds to the profit element in the insurance contracts, which must be recognised over the service period, that is, over the insurance contracts' period of coverage.
- Certain changes to the estimate of the present value of future cash flows are adjusted against the contractual service margin and are thereby recognised through profit and loss over the remaining period covered by the relevant contracts.
- The effect of changes in the discount rate must, as an accounting policy choice, be presented either through ordinary net profit or loss or in other income and expenses.

IFRS 17 must basically be applied retrospectively, but it provides scope for modified retrospective application or application based on fair value at the time of transition if retrospective application is impracticable. The effective date is 01.01.2023 with a requirement that comparable figures be provided. Early implementation is permitted. An effect on equity in the group is expected as a result of the affiliated company SpareBank 1 Gruppen implementing this standard. The work in SpareBank 1 Gruppen has not been completed, and the implementation effects will be commented on in the first quarter of 2023.

No standards or interpretations yet to enter into force are expected to have a significant impact on the Group's financial statements.

3. Presentation currency

The presentation currency is NOK (Norwegian kroner), which is also the functional currency of all the units in the Group. All amounts are presented in NOK million unless otherwise stated.

4. Consolidation procedures

The consolidated financial statements include the Bank and all its subsidiaries that are not planned to be divested in the near future and must therefore be classified as held for sale in accordance with IFRS 5. Subsidiaries are defined as all enterprises that the Bank controls, i.e. has the power to manage a company's financial and operational principles with the aim of profiting from that company's activities. Subsidiaries are consolidated as from the date on which the Bank assumes control and are no longer consolidated from the date the Bank relinquishes control. Mutual balance sheet items and all significant profit and loss elements are eliminated.

On achieving a controlling influence in an enterprise (business combination), all identifiable assets and liabilities are carried at fair value in accordance with IFRS 3. Any positive difference between the fair value of the purchase consideration and the fair value of identifiable assets and liabilities is recognised as goodwill, whereas any negative difference is recognised as income at the time of acquisition. The accounting of goodwill after the initial recognition is commented on under the section on intangible assets. The Bank has not applied IFRS 3 retrospectively on business combinations that were implemented before 1 January 2006.

All transactions between Group companies are eliminated in the consolidated financial statements. The minority's share of the Group's profit/loss is presented on a separate line under profit/loss after tax in the income statement. Their share of the minority's equity is shown as a separate item.

Subsidiaries

Assets in subsidiaries are valued in accordance with the cost method of accounting in the parent bank financial statements. The investment is valued at the acquisition cost of the shares unless a write-down of the shares has been necessary.

Dividends, group contributions and other distributions are recognised as income in the year that they are adopted by the General Meeting. The definition of subsidiary is dealt with in IFRS 10 - Consolidated Financial Statements. It is the degree of actual control that determines whether or not a company should be classified as a subsidiary. Control only exists when an investor has power over relevant activities in the investment object, the risk of variable returns, and also the ability to affect those returns through exercising its power. In cases where loan terms and conditions are breached, the Bank will assess whether it has achieved genuine power in relation to IFRS 10.

Associated companies

The definition of an associate is governed by IAS 28. Associates are companies in which the Bank has significant influence, but not control. Normally, significant influence exists when the Bank owns a stake of between 20 and 50 per cent of the voting capital, unless it can be clearly established that this is not the case. In some cases where the stake is less than 20 per cent, the enterprise is classified as an associate on the basis of influence via board representation.

Associates are recognised in line with the cost method of accounting in the parent bank's financial statements and in line with the equity method in the consolidated financial statements. Associates are recognised at acquisition cost upon initial recognition in both the parent bank's financial statements and the consolidated financial statements. In subsequent measurements, the Group's share of the profit or loss is recognised through profit or loss in the consolidated financial statements and added to the carrying amount of the investment. The Group's share of other comprehensive income in the associate is recognised in other comprehensive income in the Group and also added to the carrying amount of the investment. The Group's share of changes in equity for non-controlling interests in associates is recognised through ordinary profit and loss in the Group. The corresponding entry in the associate is made directly against equity. The Group's share of the change in equity in associated companies due to implementation of new standards will be recognised directly against equity.

Investments in associates include goodwill identified at the time of acquisition less any subsequent write-downs.

Joint ventures

The definition of a joint venture is governed by IFRS 11. Investments in jointly controlled arrangements must be classified as either a joint operation or a joint venture depending on the contractual rights and liabilities of each individual investor. In a joint venture, the partners involved have joint control over operations based on contractual agreements. The agreements demand unanimity between the partners on strategic, financial and operations-related decisions. SpareBank 1 Østlandet has assessed its jointly controlled organisations and has concluded that they are joint ventures. Investments in joint ventures are recognised in line with the cost method of accounting in the parent bank's financial statements and in line with the equity method in the consolidated financial statements. Joint ventures are recognised at acquisition cost upon initial recognition in both the parent bank's financial statements and the consolidated financial statements. In subsequent measurements, the Group's share of the profit or loss is recognised through profit or loss in the consolidated financial statements and added to the carrying amount of the investment. The Group's share of other comprehensive income in the joint venture is recognised in other comprehensive income in the Group and also added to the carrying amount of the investment. The Group's share of changes in equity for non-controlling interests in joint ventures is recognised through ordinary profit and loss in the Group. In the joint venture, the change is recognised directly against equity. The Group's share of the change in equity in joint ventures due to implementation of new standards will be recognised directly against equity.

Investments in joint ventures include goodwill identified at the time of acquisition less any subsequent write-downs.

5. Financial assets and liabilities

Financial assets and liabilities are recognised and deducted, classified and measured in accordance with IFRS 9 Financial instruments. Note information is prepared in accordance with IFRS 7 Financial Instruments – Information.

Recognition and derecognition

Financial assets and liabilities are recognised on the day of trading, that is, the date the Bank becomes a party to the contractual terms of the instruments. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired, or when the rights to cash flows from the assets are transferred in a manner that means that the risk and returns associated with ownership have essentially been transferred. Financial liabilities are derecognised when the contractual terms have been met, are cancelled or have expired.

Measurement categories

The measurement category must be determined upon initial accounting for the asset or liability. According to IFRS 9, financial instruments can be conditionally classified in the following measurement categories:

Amortised cost
- Fair value with value changes through profit or loss
- Fair value with value changes through other comprehensive income
- Fair value with value changes through net profit or loss and other comprehensive income

As a general rule, financial liabilities should be measured at amortised cost, with the exception of financial derivatives measured at fair value through profit or loss and financial liabilities determined to be recognised at fair value with value changes through profit or loss and other comprehensive income (OCI). Where it has been decided that financial liabilities will be recognised at fair value through profit or loss, changes in value that are due to changes in the company's own credit risk will be recognised in OCI, unless this creates or reinforces an 'accounting mismatch'.

In the case of financial assets, one differentiates between debt instruments, derivatives and equity instruments, where debt instruments are all financial assets that are not derivatives or equity instruments. Financial assets are classified on the basis of the contractual terms and conditions for the financial assets and the business model used to manage the portfolio of which the assets are a part.

Financial assets that are debt instruments
Debt instruments with contractual cash flows that are only payments of interest and the principal on given dates and that are held in a business model for the purpose of receiving contractual cash flows should initially be measured at amortised cost.

Instruments with contractual cash flows that are only payments of interest and the principal on given dates and that are held in a business model for the purpose of receiving contractual cash flows and sales, should initially be measured at fair value with value changes through OCI, with interest income, currency translation effects, and any impairments presented in the ordinary income statement. Value changes recognised through OCI must be reclassified to the income statement upon the sale or other disposal of the assets.

Other debt instruments must be measured at fair value with value changes through profit or loss. This applies to instruments with cash flows that are not only payments of normal interest and the principal, and instruments that are held in a business model in which the main purpose is not the reception of contractual cash flows. Instruments that should basically be measured at amortised cost or at fair value with changes through OCI can be designated to be measured at fair value with changes through profit or loss if this eliminates or significantly reduces an accounting mismatch.

Equity instruments
Investments in equity instruments must be measured on the balance sheet at fair value. As a general rule, value changes should be recognised in the ordinary profit or loss, but an equity instrument can be conditionally designated as measured at fair value with value changes through OCI. When equity instruments are designated at fair value with value changes through OCI, ordinary dividends must be recognised as income, while value changes should not be posted to the income statement on either an ongoing basis or in the event of disposal.

Derivatives
All derivatives must be measured at fair value with value changes through profit or loss. Derivatives designated as hedging instruments are recognised in accordance with the hedging accounting rules.

Financial instruments assessed at amortised cost

In the Bank's financial statements, the following main items are classified and measured at amortised cost:

- Loans to and receivables from credit institutions as well as cash and balances at central banks
- Lending to floating-rate customers who do not qualify for transfer to SpareBank 1 Boligkreditt
- Liabilities arising from issuance of securities that are not determined to be recognised at fair value
- Subordinated loan capital
- Deposits from and liabilities to financial institutions
- Deposits from and liabilities to customers

Financial assets and liabilities assessed at amortised cost are assessed at initial measurement at fair value adjusted for direct transaction expenses. During periods after initial measurement, the instruments are valued at amortised cost using the effective interest rate method.

Liabilities arising from the issuance of securities are presented including accrued interest. As a general rule, hedge accounting (hedging of fair value) is applied on the issue of securities debt at fixed interest rates. For hedging, there is a clear, direct and documented correlation between value changes for the hedged item (the borrowing) and the hedging instrument (fixed income derivative). For the hedged item, changes in fair value related to the hedged risk are carried as an addition to or deduction from the capitalised securities issued and recognised under 'Net result from financial assets and liabilities'. Hedging instruments are assessed at fair value and the changes in fair value are recognised on the same line of the income statement as the hedging objects. Net interest income from hedging instruments is recognised on the other interest income line in the income statement. See a further description of hedge accounting in note 39.

Issued subordinated loan capital has priority after all other liabilities and is measured in the same way as other securities issued at amortised cost.

Financial instruments assessed at fair value through profit or loss

In the Bank's financial statements, the following main items are classified and measured at fair value with value changes through profit or loss:

- Financial derivatives
- Certificates, bonds and fixed-income funds
- Shares, units and other equity interests
- Loans for customers with fixed interest rates

Derivative contracts with unrealised gains are presented in the balance sheet as an asset, and contracts with unrealised losses are presented as a liability. The balance sheet values include accrued interest. Interest income and expenses on all derivative contracts are entered net as other interest income. The changes in value are included in net income from financial assets and liabilities and in a corresponding note they are dispersed over derivatives that secure purchased fixed income securities, derivatives that secure issued securities and other derivatives.

The holdings of certificates, bonds and fixed income funds are part of the Bank's cash management and holdings. The assets are managed, measured and reported internally at fair value. Changes in fair value and realised gains and losses are recognised in the income statement under 'Net result from financial assets and liabilities' and are presented excluding and including the change of value securing in a corresponding note. Fixed-income securities are presented on the balance sheet including accrued interest.

Changes in value on equity instruments are included in the income-statement line 'Net income from financial assets and liabilities'. Unrealised changes in value on equity instruments are shown in a separate line in a corresponding note. The same specification shows dividends from equity instruments at fair value and gains or losses at the realisation from assets at fair value through profit or loss.

Fixed-rate loans for customers are determined to be recognised at fair value through the profit and loss to eliminate an accounting mismatch that would otherwise arise because associated hedging instruments are obliged to be measured at fair value through profit or loss. Changes in value are recognised in the income statement as net income from financial assets and liabilities and are shown on a separate line in a corresponding note. All loans for customers with fixed-interest are presented on the balance sheet including accrued interest.

Financial assets assessed at fair value with value changes through other comprehensive income

The Bank transfers a qualified proportion of residential mortgages to the jointly owned covered bonds company SpareBank 1 Boligkreditt. Consequently, variable rate residential mortgages are included in a business model that entails both the receipt of contractual cash flows and sales. Loans to floating rate customers who potentially qualify for transfer to SpareBank 1 Boligkreditt are consequently classified and measured at fair value with changes in value over other comprehensive income.

Financial liabilities assessed at fair value with change in value through profit and loss and other comprehensive income

A share of the securities debt is determined to be recognised at fair value through profit or loss. The part of the change in fair value that is attributable to changes in the liability's credit risk is recognised on a separate line under the comprehensive income statement. Other value adjustments are recognised in the income statement under "Net profit from financial assets and liabilities". The Group estimates the amount for change in the real value of the liability that is attributable to changes in the liability's credit risk with an approximately equal method described in the application of IFRS 9 Financial Instruments (B5.7.18).

See a further description of the determination of fair value in note 27 Determination of fair value of financial instruments.

6. Loan receivables

All loans to and receivables from customers are presented in the balance sheet, including the accrued interest.
The Bank has two accounting categories for loans: loans at amortised cost and loans at fair value. Loans to customers and financial institutions are classified at amortised cost, with the following exceptions:

- Customer mortgages for sale by the residential covered bond company. Mortgages that can be sold to the residential covered bond company in the next 12 months at fair value through other comprehensive income.
- Fixed-rate loans to customers are recognised at fair value through profit or loss.

Sale of loans

SpareBank 1 Østlandet has signed agreements for the legal sale of loans to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. In accordance with the management agreement between the Bank and the covered bond companies, the Bank is responsible for managing the loans and contact with the customers. The Bank receives consideration in the form of commissions for the liabilities associated with managing the loans. There is a remaining involvement associated with the transferred loans due to a limited settlement of losses against commissions. Please refer to the description in Note 9.

Loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS are deducted from the bank's balance sheet.

Loss provisions for loans, loan commitments, guarantees and unused credit facilities

Losses on loans are recognised on the basis of expected credit losses (ECL). The general model for loss provisions for financial assets in IFRS 9 applies to financial assets that are measured at amortised cost and to financial assets at fair value with value changes through OCI, and that were not purchased or issued with an explicit expectation of a realised credit loss. Loan pledges, financial guarantee contracts that are not measured at fair value through profit or loss, and unused credit facilities are also included.

For loans measured at amortised cost, the net carrying amount of the asset is reduced by a loss provision determined by the stage-based treatment described below. For loans classified at fair value through OCI, the loss provisions recognised in ordinary profit are reversed through OCI. However, the carrying amount of loans in this category is adjusted by a fair value adjustment due to the change in credit risk. For loans at fair value with a significant increase in credit risk, a correlation will be expected between the accumulated provision for credit losses according to the method described and the capitalised fair value adjustment. The net effect of reversing the provision for credit losses through ordinary profit or loss and changed fair value adjustments for loans classified at fair value through profit or loss is shown on the line 'Net fair value adjustment of loans recognised through other comprehensive income' in the statement of comprehensive income. In practice, the net effect will correspond to the period's change in provisions for credit losses for floating-rate mortgages in Stage 1 of the loss model, ref. the more detailed description of the Bank's loss model below.

The measurement of provisions for expected losses in the general model depends on whether or not the credit risk has increased significantly since initial capitalisation. Credit deterioration is measured by the development of financial PD. Financial PD is the Bank's best assessment of the customer's risk of default. Upon initial capitalisation and when the credit risk has not increased significantly after initial capitalisation, losses must be recognised amounting to 12 months' expected losses. 12 months' expected losses are the loss that is expected to occur over the lifetime of the instrument, but which can be linked to default events that occurred in the first 12 months. If the credit risk has increased substantially after initial recognition, the loss provisions will equal the expected loss over the entire lifetime. The expected credit loss is calculated based on the scenario-weighted present value of all cash flows over the remaining lifetime, i.e. the difference between the contractual cash flows and the cash flow that the Bank expects to receive, discounted by an effective interest rate on the instrument.

In addition to the general model, there are separate principles for issued, including renegotiated loans that are treated as new, and purchased loans where a credit loss has occurred upon initial capitalisation. For these, an effective interest rate will be calculated that takes account of the expected credit loss, and in the event of changes in expected cash flows the change will be discounted at the effective interest rate originally fixed, and recognised in the income statement. For these assets there is thus no need to monitor the extent to which there has been a significant increase in credit risk after initial capitalisation since the expected loss over the entire lifetime will be taken into account in any case.

Further information on the Bank's loss model

The model-generated calculations of losses in line based on IFRS 9 are produced quarterly. Loss calculations are based on data from the data warehouse, which contains a history of account and customer data for the entire credit portfolio. Loss estimates are calculated based on the 12-month and lifelong probability of default (PD), loss given default (LGD) and exposure at default (EAD). The data warehouse contains a history of observed PD and observed LGD. This provides a basis for producing estimates of future values for PD and LGD.

Probability of default (PD) is an expression of how probable it is that a customer will default. The development of a customer's PD is a key component in the Bank's monitoring of credit risk and is used to assess whether or not a significant increase in credit risk has occurred since initial recognition, and to calculate ECL. 12-month PD is the probability of default within the next 12 months. Lifetime PD is the annualised probability of default occurring during the remaining lifetime of the exposure.

Exposure at Default (EAD) is an estimate of the customer's exposure at the time of a future default. EAD is adjusted to reflect the contractual payment of the principal, interest and estimated early repayment. The proportion of unused credit facilities that are expected to have been drawn at the time of default is reflected in EAD using different conversion factors.

Loss Given Default (LGD) expresses how large a proportion of the Bank's exposure to a customer (EAD) is expected to be lost if the customer defaults, taking into account collateral, future cash flows and other relevant factors.

In line with IFRS 9, the Bank groups its loans and commitments to customers into three stages.

Stage 1:
This is the starting point for all exposures covered by the general loss model. A provision equal to 12 months' expected losses is calculated for all exposures whose credit risk is not significantly higher than it was upon initial recognition. This category will contain all exposures that have not been transferred to Stages 2 or 3.

Stage 2:
Stage 2 of the loss model contains exposures that have seen a significant rise in credit risk since initial recognition but for which there is no objective evidence on the balance sheet date of a credit loss having occurred. A provision equivalent to the expected losses over their entire lifetime will be calculated for these exposures.

Quarterly assessments are made of whether a financial instrument's credit risk has increased significantly, based on the following:

- Quantitatively, the Bank uses a combination of the absolute and relative change in PD as a determining factor regarding transfer to Stage 2. Exposures that have seen a rise of 150 per cent or more in PD, measured from initial recognition to a level of more than 0.60 per cent are deemed to have experienced a significant increase in credit risk.
- Customers who have been in arrears for more than 30 days will always be reclassified to Stage 2.
- Furthermore, if an exposure is subject to special monitoring (watchlist) or payment relief has been granted (forbearance), a qualitative assessment is made of whether the exposure's credit risk has significantly increased. See below for more detailed explanations of watchlist and forbearance.

Watchlist
This is a qualitative assessment in which a specific exposure, based on a subjective review of individual customers or groups of customers, is flagged for special monitoring. Exposures on the watchlist, which based on other criteria would be classified as Stage 1, are overridden and transferred to Stage 2.

Forbearance
Customers who have been allowed to renegotiate loans where they have been granted relief regarding the terms and conditions due to the customer experiencing financial problems are assessed in relation to forbearance registration when the exposure exceeds a defined materiality limit. If measures such as a revised repayment plan or refinancing take place in combination with a weak market outlook or with indications that the customer could default without measures, the exposure will be forbearance flagged. Accounts with forbearance will be overridden and transferred to Stage 2 if the exposure is not already classified as Stages 2 or 3 for other reasons.

The criteria for migration between Stages 1 and 2 are symmetrical. If an exposure in Stage 2 is no longer regarded as having a significantly higher credit risk compared with initial recognition, it will migrate back to Stage 1.

Stage 3:
Stage 3 of the loss model contains exposures that have seen a significant increase in credit risk compared with when they were granted and where there is, on the balance sheet date, deemed to exist a default that entails reduced future cash flows to service the exposure. Such credit-impaired loans are operationalised via the default definition described in more detail below. For these exposures, the loss provision must cover expected losses over the useful life.

Default

We have chosen to use the same general criteria for default for accounting purposes, risk management and capital requirement calculations.

Defaults fall into one of two defined categories:
- Failures to pay with substantial overdrafts that are more than 90 days past due.
- Default due to manual default flagging based on credit rating. Events included in this category are provisions for credit losses for a customer, bankruptcy/debt settlement, forbearance measures with a present value loss of than 1 per cent, periods of grace of more than 180 days and indications that a customer will be unable to meet their obligations to the Bank (Unlikeliness to Pay (UTP)).

The new definition of what constitutes a default introduces quarantine periods, which require customers to be categorised as being in default for a period of time after an exposure is no longer in default (has been remedied). The quarantine period is 3 months or 12 months, depending on the underlying cause of the default.

Rules have also been introduced regarding default at a group level (contagion) where corporate customers with a defaulted exposure in a subsidiary will also be regarded as being in default in relation to the parent bank. Threshold values have been specified for retail customers that result in default contagion in the Group. If the defaulted exposure exceeds 20 per cent of the total exposure, it will be regarded as being in default at a group level.

If an exposure is deemed to be in default, it will be treated as credit-impaired and placed in Stage 3 of the loss model.

Establishment of losses and derecognition

Losses are established and carrying amounts derecognised when the Bank has no reasonable expectation of fully or partially recovering an exposure.

For limited companies, losses are recognised and waived, either earlier impairments or direct recognition, in bankruptcy cases when all the collateral has been realised and a final report has been received from the liquidator. In some cases where it is overwhelmingly likely that the estate will not pay out any more but where, for various reasons, winding up the estate is likely to drag on for some time, the loss can be recognised before a final report is received. For sole proprietorships/self-employed people, the general rule is that losses are recognised once all the collateral has been realised and the recovery process has the status 'nothing to distrain' at the debt collection company. The claim against the debtor remains and will be routinely followed up by the debt collection company (long-term monitoring). In exceptional cases, a waiver of debt agreement can be entered into with the customer. Losses are also recognised after a debt settlement has been completed for self-employed people and any guarantors.

7. Assets held for sale

Assets that the Bank's Board of Directors has decided to sell are processed according to IFRS 5 if it is highly likely that the asset will be sold within 12 months. This type of assets mainly comprises acquired assets in connection with a loss-giving commitment as well as investments in subsidiaries held for sale. Fixed assets and groups of fixed assets and liabilities classified as held for sale are measured at the lowest value of previous carrying value and fair value less sales costs. The net profit or loss from such activities as well as associated assets and liabilities are presented on a separate line as held for sale.

8. Acquired assets

In connection with legal recovery of claims under non-performing loans and guarantees, the Bank in some cases repossesses assets that have been pledged as security for such commitments. Upon takeover, the assets are valued at the estimated realisation value. Any deviation from the carrying value of non-performing or written-down commitment at takeover is classified as an impairment of loans. Acquired assets are recognised in the balance sheet by type. In the event of a final divestment, the deviation from the carrying amount is recognised in accordance with the type of asset in the financial statements.

9. Leases

IFRS 16 Leases sets the policies for recognition, measurement, presentation and information about leases for both parties in a lease, i.e. the customer (lessee) and the bidder (lessor). For the lessee, the recognition of assets and liabilities is required in the balance sheet for most leases. The lessor must classify its leases as operational or financial leases and recognise these two types of leases differently.

Leases where the Group is the lessee

The Group has chosen to make use of the following practical exceptions:

- Exceptions for capitalisation of low-value leases (USD 5,000) and exemptions for capitalisation of short-term leases (lease term of 12 months or less). Leases covered by these exemptions are recognised on a continuous basis as other operating expenses.
- Fixed non-lease components that are embedded in the lease are separated out and expensed continuously as other operating expenses.
- For leases classified as operating leases under IAS 17, the Group has chosen to make use of the practical opportunity to apply a common discount rate to a portfolio of leases with fairly similar characteristics.

Measuring the lease liability
At the time of implementation, the lease liability is measured at the present value of future payments for the lease for the right to use the underlying asset during the period of contract. The lease term represents the non-terminable period of a lease. In addition, options for extension and termination are considered in the lease term if it is reasonably certain that the option will be exercised.

In subsequent measurements, the lease liability is measured by increasing the carrying value to reflect the interest rates for the liability, reducing the carrying value to reflect the payments for the lease and re-measuring the carrying value to reflect any reassessments or lease modifications. The right of use is depreciated using the straight-line method, adjusted for any re-measurements of the lease liability and tested for impairment pursuant to IAS 36.

The lease payments included in the measurement consist of:

- Fixed payments for the lease
- Variable payments for the lease that depend on an index or interest rate
- Amounts expected to payable for the lessee in accordance with residual value guarantees
- The price of a call option, if it is reasonably certain that it will be exercised
- Payment of fine for terminating the lease, if the lease term reflects that the Group will exercise an option to terminate the lease

Discount rate
IFRS 16 refers to two different methods for determining the discount rate for lease payments:
- Implicit interest in the lease
- The lessee's incremental borrowing rate of interest, if the implicit rate cannot be easily determined.

If the lease's implicit rate of interest cannot easily be determined, SpareBank 1 Østlandet applies marginal loan rate to its leases on the balance sheet. The marginal loan rate is defined as the interest rate a lessee in a similar environment would have to pay for a loan, over an equivalent period and with equivalent collateral, for an amount necessary to acquire an asset with the equivalent value as the right-to-use asset. This interest rate is defined as follows:

Discount rate = Financing cost + supplement for capital cost

The premium in the financing cost reflects the average duration of our leases weighted between NOK and EUR on senior funding plus a weighted premium for capital cost. The discount rate for any new agreements as at 31.12.2022, given a maturity of 3 years, is 4.11 per cent.

Presentation
The right-of-use asset is presented in the balance sheet under the accounting line 'Property, plant and equipment'. The associated lease liability is presented under the accounting line 'Other liabilities'. The income statement results in depreciation on the right-of-use asset while interest expense for the liability is included in net interest income. The payments for the lease are classified as a financing activity in the cash flow while the portion of the payment that is interest is presented as cash flow from operating activities.

Under IFRS 16 it is a lease, or contains a contract, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. For the SpareBank 1 Østlandet Group, it is primarily residential leases that are covered by the new standard. Please see note 35 Leases in the Annual Report for further information.

Leases where the Group is the lessor

Leases where the Group is the lessor are classified as financial leases. Financial leases transfer essentially all the risks and rewards associated with ownership of the underlying asset. In the case of lease agreements that do not have a guaranteed residual value, the lease period extends over most of the economic life of the underlying asset. Whereas where a third party has a guaranteed residual value, the object is taken over by the third party at this agreed value. The Group's financial leases mainly relate to machinery used in agriculture, construction, transport and forestry. The average maturity of lease financing is 3 years.

At the time of implementation, financial leases are recognised at an amount equal to the net investment in the lease and presented in the balance sheet statement as part of 'Loans to and receivables from customers'. Direct costs, including commission costs to dealers, from entering into the lease are included in the initial measurement of net investment in the lease and reduce the income amount recognised during the lease term. Residual value guarantees are also included when measuring the net investment in financial leases at the time of implementation.

In subsequent periods, lease payments are recognised against the gross investment in the financial lease and reduce both the principal and unearned finance income. The Group uses requirements for derecognition and impairment in IFRS 9 on the net investment in the financial lease. Estimated unguaranteed residual values included in the calculation of gross investment are reviewed regularly. In the event of any change in these residual values, the recognised amount is immediately changed.

The Group recognises a change in a financial lease as a separate lease if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to the stand-alone price in order to reflect the circumstances in the specific agreement.

In 2020, IASB amended IFRS 16 Leases such that lessees have the option of not used the guidelines in IFRS 16 concerning modifications of leases that are a direct consequence of the Covid-19 pandemic. The change could be used until 30.06.2022. The Group has not used this amendment.

10. Goodwill and other intangible assets

Goodwill is defined as the difference between the purchase price and the value of the acquired business included on the balance sheet, after the acquisition cost has been allotted to identifiable tangible and intangible assets, liabilities and contingent liabilities. Goodwill is not amortised, but is subject to an annual impairment test with a view to ascertaining any impairment, in accordance with IAS 36. When assessing impairment, the assessment is carried out at the lowest level where it is possible to identify cash flows. Any write-down of goodwill cannot be reversed. Negative goodwill is recognised as income immediately. Negative goodwill relating to investments in associated companies and joint ventures is recognised as income immediately according to the equity method of accounting. Other immaterial assets are depreciated on a straight-line basis over their estimated useful life.

11. Property, plant and equipment

Fixed assets comprise buildings, plots of land and operating equipment. Buildings and operating equipment are recorded at acquisition cost less depreciation and write-downs. Plots of land are recorded at acquisition cost price less write-downs. The acquisition cost includes all direct costs related to getting the asset to function as intended. Non-current assets, less any residual value, are depreciated on a straight-line basis over their estimated useful life. When determining a depreciation schedule, the separate assets are split up into components with different useful lives to the extent that this is regarded as necessary, taking into account the estimated residual value. Property, plant and equipment that individually are regarded as insignificant, such as computers and other office equipment, are not assessed individually for residual value, useful life or impairment, but are assessed in groups. Useful lives of various classes of property, plant and equipment:

- - Buildings, furniture and fittings: 10–100 years
- - Operating equipment: 3–25 years

Property, plant and equipment that are depreciated are subject to an impairment test in accordance with IAS 36 whenever circumstances so indicate. Plots of land, buildings and sections of buildings owned by the Group for the purpose of earning rental income and/or capital gains are classified as investment properties. In buildings where the Group uses parts of the building for its own operations, that part that is leased to others is treated as an investment property if that part is divisible. The Group has chosen to recognise investment properties in accordance with the cost method of accounting. The fair value of investment properties is established through an appraisal or valuation by a government-authorised estate agent. Further information is available in Note 34 Property, plant and equipment.

12. Pensions

The SpareBank 1 Østlandet Group has a pension scheme for its employees that satisfies the mandatory occupational pension requirements. The Group has gradually transitioned to a defined contribution scheme as the defined benefit schemes have been closed and discontinued. The Group still has unsecured pension liabilities related to additional pensions in excess of 12G. Salary includes fixed supplements, but does not include overtime, taxable benefits in kind and other allowances for expenses.

Defined contribution scheme

A defined contribution pension scheme entails that the Group does not guarantee a future pension of a given size, the Group pays instead an annual contribution to the employees' collective pension savings plan. The future pension will depend on the size of the contribution and the annual return on the pension savings. The Group does not have any further liability related to work performed after the annual contribution has been paid. There are no provisions for accrued pension liabilities in such schemes. Defined contribution pension schemes are recognised directly as a cost. Any prepaid contributions are recognised as assets (pension assets) to the extent that the contribution can be refunded or reduce future payments. The Group has offered a defined contribution pension scheme to its employees since 1 July 2008. Since 1 July 2017, contributions have amounted to 7 per cent on pay from 0–7.1G and 15 per cent from 7.1–12G. Salary includes fixed supplements, but does not include overtime, taxable benefits in kind and other allowances for expenses.

Early retirement pension scheme

The Act on state subsidies to employees who take out an early retirement pension in the private sector (Early Retirement Subsidy Act) entered into force on 19 February 2010. Employees who take early retirement under the AFP scheme with effect from 2011 or later, will be given benefits under the new scheme. The new early retirement (AFP) scheme is a lifelong addition to the National Insurance benefits and can be taken out from age 62. Employees earn an annual entitlement to early retirement at the rate of 0.314 per cent of their pensionable income up to 7.1 G up to and including the calendar year in which the employee turns 62. Accrual in the new scheme is calculated based on the employee's lifelong income, so that all earlier working years are included in the accrual basis. The new early retirement (AFP) scheme is regarded as a defined benefit multi-company scheme for accounting purposes. This means that each individual company shall account for its proportionate share of the scheme's pension liabilities, plan assets and pension expenses. In the absence of estimates of the individual components and a consistent and reliable basis for allocation recorded, the new pension scheme is recognised as a defined contribution scheme. At the current point in time no such basis exists, and the new early retirement (AFP) scheme will therefore be accounted for as a defined contribution scheme. Accounting for the new early retirement (AFP) scheme as a defined benefit scheme will not take place until reliable measurement and allocation can be made. The new scheme will be financed by the state covering one-third of the pension costs and the employers covering two-thirds of the pension costs. The employers' premium is determined as a percentage of salary payments between 1G and 7.1G. The premium for 2022 is set at 2.5 per cent (2.5 per cent% in 2021)

Unsecured defined benefit schemes

A defined benefit scheme will typically define an amount an employee will receive from the date of retirement. Accounting liabilities for defined benefit schemes are the present value of the liability on the balance sheet date. The gross liability is calculated by an independent actuary and discounted to its present value using the interest rate for high-quality corporate bonds and an approximately equal term as the payout horizon for the liability. Gains and losses arising from the recalculation of the liability as a result of experience deviations and changes in actual assumptions are recognised against equity via OCI in the period in which they arise. The impact of changes on the schemes' benefits are recognised immediately.

13. Issued hybrid tier 1 capital

Hybrid tier 1 capital is debt security with a nominal interest rate, but the Bank is not obliged to pay interest in periods when no dividend is paid, nor is the investor subsequently entitled to interest that is not disbursed, i.e. the interest is not accumulated. Hybrid tier 1 capital is approved as a constituent of core capital, up to a limit of 15 per cent of total core capital. The Financial Supervisory Authority of Norway can demand that hybrid tier 1 capital be written down proportionate to equity if the Bank's tier 1 capital ratio falls below 5 per cent or the combined capital adequacy falls below 6 per cent. The written down amount relating to the hybrid tier 1 capital should be written up before dividends can be disbursed to shareholders or the equity written up. From and including Q2 2016, hybrid tier 1 capital was reclassified from liabilities to equity since it does not satisfy the definition of a financial liability pursuant to IAS 32. The hybrid tier 1 capital is perpetual and the Bank has a unilateral right not to pay interest to the investors under certain conditions. Interest is not presented as an interest cost in the income statement, but as a reduction in other equity.

14. Interest revenue and interest costs

Interest revenue and expenses related to assets and liabilities measured at amortised cost and fair value over other income and expenses are recognised in the income statement on an ongoing basis based on an effective interest method. The same applies to interest income related to lease financing. Fees related to interest-bearing payable and receivable loans are included in the calculation of effective interest rates and are thus amortised over the expected time to maturity. For debt instruments relating to assets recognised at amortised cost and which are written down as a result of objective evidence of loss, interest is recognised based on the net carrying amount.

For interest-bearing instruments at amortised cost not included in hedging relationships, the premium/discount is amortised as interest revenue during the contract's time to maturity.

15. Commission income and commission costs

Commissions and commission costs are generally accrued in line with the delivery/receipt of a service. Fees in conjunction with interest-bearing instruments are not recorded as commissions, but are included in calculating the effective interest rate and recognised through profit or loss accordingly. Advisory fees are accrued in accordance with the consultancy agreement, typically at the time the service is provided. Fees and charges related to the sale or brokerage of financial instruments, property or other investment objects that do not generate balance sheet items in the Bank's or the Group's financial statements are recognised when the transaction is completed.

Income from customer contracts is treated in accordance with IFRS 15. The amount of income recognised reflects the consideration the company expects in exchange for transferring an item or service to a customer. Income is recognised on the date a customer obtains control of an item or service and also has the opportunity to make direct use of it. The Group treats the following income streams in accordance with this principle:

- Transaction fees
- Product fees
- Annual fees
- Commission sales of insurance, savings, funds and credit cards
- Commission from mortgages transferred to partly-owned covered bond companies
- Brokerage commissions
- Fees earned via third parties (interbank, VISA etc)
- Other fees according to the price list

16. Transactions and monetary items in foreign currency

Transactions in foreign currencies are converted into Norwegian kroner at the time of the transaction. Gains and losses related to completed transactions or to the conversion of monetary items in foreign currencies on the balance sheet date are recognised in profit and loss.

17. Taxes

Taxes consist of taxes payable and deferred taxes. Taxes payable are the estimated taxes on the year's taxable profit. Deferred taxes are accounted for by means of the liability method in accordance with IAS 12. Deferred tax assets or liabilities are calculated based on all the temporary differences, which are the differences between the book value of assets and liabilities for accounting purposes and the book value for taxation purposes. Deferred tax assets are calculated with respect to accumulated tax losses carried forward at the balance sheet date. Deferred tax assets are included only to the extent that future taxable profits make it possible to exploit the related tax benefit. Taxes and levies that are not based on the tax-related result are recognised according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 clarifies how a levy imposed by public authorities, which is not a tax according to IAS 12 Income Taxes, should be recognised. IFRIC can, in some circumstances, change the timing of when a liability is recognised, especially when such taxes are imposed due to a given condition on a specific date. For SpareBank 1 Østlandet this means that wealth tax is first recognised in full in Q4 and not in the earlier interim financial statements.
The Group presents for tax on all equity transactions (distributions) if the source of the dividends is past performance (accrued income), the tax consequences of the distribution are now presented as tax expenses in the income statement when dividends are decided on.

Regarding tax deductions for customer dividends, SpareBank 1 Østlandet received on 28 January 2019, SpareBank 1 Østlandet received a binding advance statement from the Swedish Tax Agency that paid customer dividends are tax deductible. The decision results in a reduction of the tax cost at the time the customer dividend is adopted by the supervisory board.

18. Segment reporting

SpareBank 1 Østlandet aims to be a full-service provider of financial products and services, partly through services provided by the Bank and partly by distributing products and services on behalf of joint venture partners. In addition, the Bank has a number of subsidiaries that provide different financial services. Different kinds of operations are therefore conducted within the Group. The Group's segment reporting is primarily divided into the following areas: retail banking, corporate banking, financing, real estate brokerage, accounting and other operations. SpareBank 1 Østlandet applies IFRS 8.

19. Savings programme in own equity capital certificates for employees

The Group sells equity capital certificates to employees and/or conducts private issues at a discount and with a lock-in period. For every other equity capital certificate the employee buys through the savings scheme, SpareBank 1 Østlandet gives the employee a further bonus equity capital certificate. The bonus equity capital certificates are awarded 2 years after saving starts and are contingent on the employee still owning the originally saved equity capital certificates and still being employed in the Group.

Bought back equity capital certificates are recognised as a reduction of the equity capital from the date they are bought back until they are distributed. The price of the bought back equity capital certificates must be split between their nominal value and the excess above their nominal value. The nominal value is recognised as a reduction of that part of the equity capital classified as 'equity capital certificates', while the difference between fair value and nominal value will be recognised as a reduction of the share premium fund or equity capital certificates. Transaction costs will be recognised as deductions in equity capital. Earned bonus equity capital certificates will be recognised as costs during the term of the programme and the allocated liability will be based on the equity capital certificate's price at the start of the programme.

20. Events after the balance sheet date

The financial statements are deemed to be approved for publication once the Board of Directors has approved the financial statements. The Supervisory Board and regulatory authorities may refuse to approve the published financial statements subsequent to this, but they cannot change them. Events occurring up to the time when the annual financial statements are approved for publication involving issues that were already known on the balance sheet date will form part of the information basis for determining accounting estimates and will thus be fully reflected in the financial statements. Events that were not known on the balance sheet date will be reported if they are significant. The financial statements have been prepared on the assumption that the Group will continue as a going concern. This assumption was valid in the Board of Directors' opinion at the time the financial statements were approved for publication.

Note 3 – Critical estimates and assessments regarding the use of accounting principles

In preparing the financial statements, management makes estimates, discretionary assessments and assumptions which influence the effect of applying the accounting policies. This will in turn affect the recognised amounts for assets, liabilities, income and costs.

A description of the most significant estimates and assessments used that may affect recognized values or key figures is provided below. The actual results will deviate from the accounting estimates.

1. Losses on loans

Please see note 2 'Accounting Policies' for a detailed description of the applied loss model pursuant to IFRS 9. The model reflects an overarching macro assessment and contains several critical estimates. The most important is related to the definition of substantially increased credit risk and important assumptions in the general loss model.

Overarching macro assessment
At the start of 2022, the infection situation deteriorated and created renewed uncertainty. Society reopened in the first quarter of the year, although the reopening was followed by the outbreak of war in Ukraine. Russia's invasion of Ukraine contributed to great uncertainty about economic developments going forward, including in Norway. At the same time, the economy was enjoying a long period of good economic growth. Among other things, employment, unemployment and house prices developed more strongly than expectations at the start of the year suggested. Meanwhile, a sharp rise in inflation in the second half-year 2022 contributed to unusually large interest rate rises from Norges Bank. The combination of high inflation and multiple rate hikes resulted in the downward revision of GDP forecasts, house prices and prices for commercial properties. Expectations regarding future unemployment were adjusted upwards slightly, although the level of unemployment is still expected to be moderate in a historical perspective.

Substantially increased credit risk
The measurement of impairments for expected credit loss in the general loss model depends on whether or not the credit risk has increased significantly since initial capitalisation. Credit deterioration is measured by the development of financial PD. Financial PD is the Bank's best assessment of the customer's risk of default. In the definition applied by the Bank, a significant degree of credit deterioration occurs when the customer's PD has increased by over 150 per cent to a PD level above 0.60 per cent. In addition, credit risk is deemed to have increased significantly when an account is overdrawn or has arrears that are 30 days past due or more, and when the customer is flagged for special follow-up. Results from the validation of credit models in the SpareBank 1 Alliance have historically provided good support for the critical estimates of significantly increased credit risk and they have also been on par with what other banks use in similar loss models.

In 2020 and 2021, post model adjustments (PMAs) were used to reflect the fact that there would be some time lag in the Covid-19 pandemic's impact on credit models. It is assumed that a proportion of customers in exposed industries will migrate from Stage 1 to Stage 2 due to an assumed, but not observed, significant increase in credit risk. The model was overridden based on a discretionary assessment of the proportion of loan receivables that can be expected to migrate and the related higher expected credit loss in the event of migration. These extra provisions for credit losses were gradually reduced towards the third quarter of 2021. In 2022, the need for post model adjustments was deemed to have been fully replaced by specific assessments on industry and individual bases.

Sensitivity related to substantially increased credit risk:
The effects of a more conservative definition of a significant degree of credit deterioration were simulated as at 31.12.2022, where this alternative occurs when the customer's PD has increased by more than 100 per cent and other conditions remain unchanged. The simulation increased expected losses on loan by NOK 7 million (1.7 per cent) and by NOK 12 million (2.4 per cent) in the Group.

Important assumptions in the overall loss model: Scenario-weighting and estimate of expected development on the default and loss level:
The overall loss model calculates expected credit loss in Stage 1 and Stage 2 in three economic development scenarios: an expected scenario, a downside scenario and an upside scenario. The scenarios use different future levels of probability of default (PD) and loss given default (LGD). In combination with estimated exposure at default (EAD), PD and LGD are the most important assumptions in calculations of expected credit losses (ECL).

The starting point for the expected scenario is the observed and validated default rate (DR) and losses (actual LGD), although the starting point is subject to constant reviews of the extent to which historical defaults and losses are unbiased, with the levels of future PD and LGD being adjusted accordingly. Based on available macro forecasts, with an emphasis on the Monetary Policy Report from Norges Bank, Economic Trends from Statistics Norway and monthly analyses from Moody's Investor Service, the PD and LGD assumptions were kept almost unchanged at the end of the first quarter of 2022. At the end of the second quarter of 2022, the Bank assessed that the updated macro forecasts supported keeping the LGD assumptions unchanged. The Bank also determined that macroeconomic developments generally implied higher PD trajectories in the corporate market. However, in the short term, previous upward adjustments for direct pandemic impacts in exposed industries were reduced somewhat, and the net impact on expected loss in the corporate market was virtually neutral. Macro developments also supported higher PD trajectories for the retail market. However, model validation indicated that previously applied trajectories were too high. The net impact was thus lower than the expected level of defaults in the retail market. As at the third quarter of 2022, the Bank assessed that the updated macro forecasts indicated moderately higher PD and LGD levels in the corporate market segment. In the retail market segment, the Bank believed that the expected macroeconomic development supported unchanged LGD assumptions and somewhat higher PD trajectories. As at the fourth quarter of 2022, the Bank judged that the updated macro forecasts indicated moderately higher levels of default in the corporate market segment. In the retail market segment, the Bank believed that the expected development was satisfactorily reflected in the current PD trajectories. Overall, the ongoing assessments through 2022 resulted in moderately higher PD and LGD assumptions in the corporate market segment. In other segments, the net impact of changed assumptions was almost neutral. Calculated ECL in the expected scenario, in isolation, increased by NOK 56 million in 2022, from NOK 285 million to NOK 341 million.

The downside scenario reflects an economic outlook that is substantially worse than the expected development, and PD and LGD have been set higher than in the expected scenario. The starting point is the expected default and loss levels in a crisis situation with levels of PD and LGD used in conservative stress scenarios for other purposes in the Bank's credit management. These conservative assumptions have been kept unchanged since the implementation of IFRS 9. Calculated ECL in the downside scenario, in isolation, increased by NOK 90 million in 2022, from NOK 1 420 million to NOK 1 510 million.

The upside scenario reflects an economic outlook that is better than the expected development, and PD and LGD have been set lower than in the expected scenario. The starting point is the observed level of defaults and losses in an historical economic recovery. The Bank believes that observed DR and LGD in the past few years, reflects such a period of economic prosperity. In 2022, continuous adjustments were made to assumptions in the upside scenario adapted to changes in the expected scenario and updated observations of actual DR and LGD. Calculated ECL in the upside scenario, in isolation, increased by NOK 43 million in 2022, from NOK 208 million to NOK 165 million.

Adjusted assumptions for model-based provisions for credit losses in the three scenarios contributed, in isolation, to a NOK 47 million increase in loss costs in 2022.

The scenario weighting is subject to ongoing assessment based on the available information. When the Covid-19 pandemic broke out, the Bank believed that the probability of the downside scenario occurring had risen and increased the scenario's weight from 15 per cent to 20 per cent at the end of the first quarter of 2020. At the end of the first quarter of 2022, the assessment was that the increased downside risk based on the coronavirus pandemic was no longer necessary. However, the Bank chose to keep the scenario weights unchanged due to the increased uncertainty associated with the effects of the war in Ukraine. At the end of the second quarter of 2022, the Bank was of the opinion that the general uncertainty associated with the economic effects of the war had decreased and the expected negative effects of the war, particularly with respect to higher cost growth, were largely included in the expected scenario. Therefore, the downside scenario weight was reduced to 15 per cent with a corresponding upwards adjustment of the expected scenario to 75 per cent. The Bank has subsequently found it appropriate to keep the scenario weights unchanged. Expected credit loss (ECL) as at 31.12.2022 was calculated as a combination of a 75 per cent expected scenario, a 15 per cent downside scenario and a 10 per cent upside scenario.

Changed scenario weights for model-based provisions for credit losses contributed, in isolation, to a NOK 60 million reduction in loss costs in 2022.

Sensitivity related to key assumptions in the general loss model:
The table below shows the calculated ECL for the three scenarios in isolation. The calculations are divided into the main segments retail customers and corporate customers, which are totalled for the parent bank. The table also shows corresponding ECL calculations for the subsidiary SpareBank 1 Finans Østlandet. The ECLs of the parent bank and the subsidiary, adjusted for group eliminations, are totalled in the Group column. Besides the segment distributed ECLs with the scenario weighting applied, the table shows four alternative scenario weightings. The first two alternatives use the previously applied scenario weights. The last three alternatives show the sensitivity to a further deterioration in relation to the applied scenario weights with a 20-30 per cent probability of the downside scenario and the associated adjustment of the probability of the expected scenario occurring.

31.12.2022	Retail market	Corporate market	Parent Bank	SpareBank 1 Finans Østlandet AS	Group
ECL in expected scenario	55	212	267	79	341
ECL in downside scenario	384	952	1 336	178	1 510
ECL in upside scenario	44	71	115	54	165
ECL with used scenario weighting 75/15/10 pst	103	309	412	92	499
ECL with alternative scenario weighting 80/10/10 pst	86	272	359	87	441
EECL with alternative scenario weighting 70/20/10 pst	119	346	465	97	557
ECL with alternative scenario weighting 65/25/10 pst	136	383	519	101	616
ECL with alternative scenario weighting 60/30/10 pst	152	420	572	106	674

The table reflects the fact that there are some significant differences in underlying PD and LGD estimates in the various scenarios and that there are differentiated levels and level differences between the segments. At a group level, the ECL in the upside scenario was around one half of the ECL in the expected scenario, meanwhile, the downside scenario has an ECL four to five times higher than in the expected scenario. The applied scenario weights, with 15 per cent downside and 10 per cent upside, results in an around 50 per cent higher ECL than in the expected scenario. A further 5-percentage point increase in the probability of the downside scenario would have increased the weighted ECL by NOK 58 million (12 per cent). A 5-percentage point reduction in the probability of the downside scenario, the probability weights the Bank used when introducing IFRS 9, would reduce the weighted ECL correspondingly.

Reference is also made to note 10 'Loan loss provisions', where the loss cost effects per segment of the various changes in the model assumptions in isolation are shown in table form.

2. Valuation of collateral value

The Bank uses collateral to mitigate credit risk. Guidelines have been established for specification of the valuation criteria that must be used to estimate the value of the collateral. The bank estimates turnover value using different valuation methods. See Note 13 "Credit exposure for each internal risk rating" for further details.

3. Risk classification of loans

Risk classification is based on observed PD in the bank's credit models and no change has been made as a result of model overruns for expected, but no significantly increased credit risk has been observed. See Note 8-15 for risk classification of loans.

4. Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined based on valuations that include the group's own estimates. In note 27 «Financial instruments at fair value», financial instruments at fair value are placed in a valuation hierarchy with detailed information on valuation methods and degree of discretion. The note includes sensitivity estimates for instruments at the lowest level in the valuation hierarchy.

5. Capital Adequacy

The Bank has permission to use internal models (IRB method) in order to calculate the capital requirement for parts of its lending portfolio. This entails calculating the capital requirment based on own estimates for the Probability of Default (PD), Loss Given Default (LGD), presumed utilisation of off-balance sheet exposures (CCF - Credit Conversion Factors) and Maturity (M). Modelled estimates will always entail some uncertainty. SpareBank 1 Østlandet has permission to use IRB Advanced method for calculating the capital requirements for the exposure classes Corporate and Retail. The Bank has exceptions for certain types of exposures. This includes states, municipalities and institutions where there is a permanent exception as well as housing associations and general associations where the bank applies the standardised method.

6. Direct exposure to the war in Ukraine

The Bank has investigated its direct exposures to Russia and Ukraine due to the war in Ukraine. Potential exposures could be due to own deposits, own investments in securities, loans to or deposits from Russian or Ukrainian customers, loans to or deposits from non-Russian or non-Ukrainian customers with exposure in Russia and/or Ukraine, derivative contracts, or outsourced assignments or service deliveries. Based on this work, the Bank assesses that its direct exposures to Russia and Ukraine are very limited.

Note 4 – Segment information

This segment information is linked to the way the Group is governed through reporting on performance and capital, authorisations and routines. Reporting on segments is divided into following areas retail division (RD), corporate division (CD), real estate brokerage, leasing accounting and other operations.

Reviews:
- Real estate brokerage, leasing, financing and accounting are organised as independent companies.
- The tax expense for RD and CD is calculated as 25 per cent of the segment's share of Pre-tax operating profit and then deducted with the segment's share of the tax deduction in relation to customer dividends.
- Operating expenses in RD and CD includes its share of shared costs.
- Net commission and other income in RD and CD includes its share for shared income.
- Group eliminations arise together with other operations in a seperate column.

2022	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group[1]	EM1 Innlandet	EM1 Oslo Akershus Group	SpareBank 1 Forretnings-partner Østlandet Group	Other operations	Total
Income statement								
Net interest income	1 026	1 255	197	0	0	-3	216	2 693
Net commission and other income	780	215	111	132	198	173	-21	1 588
Net income from financial assets and liabilities	45	51	-21	0	0	0	87	162
Operating expenses	964	490	104	129	185	174	-10	2 037
Profit before losses by segment	**888**	**1 032**	**183**	**2**	**13**	**-5**	**293**	**2 406**
Impairment losses on loans and guarantees	-23	41	9	0	0	0	0	27
Profit / loss per segment before tax	**911**	**991**	**175**	**2**	**13**	**-5**	**293**	**2 379**
Tax	157	240	49	1	3	0	-20	431
Profit / loss per segment after tax	**753**	**751**	**125**	**2**	**10**	**-5**	**312**	**1 948**
Balance sheet								
Gross lending to customers	76 379	43 850	10 937	0	0	0	-315	130 851
Provisions for credit losses	-49	-305	-92	0	0	0	-1	-446
Other assets	2 932	670	238	82	131	131	35 959	40 142
Total assets per segment	**79 261**	**44 215**	**11 083**	**82**	**131**	**131**	**35 643**	**170 547**
Deposits from and liabilities to customers	55 531	43 261	0	0	0	0	20	98 813
Other liabilities and equity	23 730	954	11 083	82	131	131	35 623	71 734
Total equity capital and liabilities per segment	**79 261**	**44 215**	**11 083**	**82**	**131**	**131**	**35 643**	**170 547**

2021	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group[2]	EM1 Innlandet	EM1 Oslo Akershus Group	SpareBank 1 Østlandet VIT Group	Other operations	Total
Income statement								
Net interest income	980	937	247	-1	0	-2	0	2 161
Net commission and other income	844	190	105	130	218	191	-17	1 663
Net income from financial assets and liabilities	47	58	3	0	0	0	492	599
Operating expenses	911	456	103	125	199	191	-5	1 980
Profit before losses by segment	**960**	**729**	**252**	**4**	**19**	**-2**	**481**	**2 443**
Impairment losses on loans and guarantees	0	-4	9	0	0	0	0	5
Profit / loss per segment before tax	**960**	**732**	**243**	**4**	**19**	**-2**	**481**	**2 438**
Tax	180	176	60	1	4	0	-5	416
Profit / loss per segment after tax	**780**	**557**	**183**	**3**	**15**	**-2**	**486**	**2 022**
Balance sheet								
Gross lending to customers	73 684	38 145	9 514	0	0	0	-58	121 284
Provisions for credit losses	-61	-285	-97	0	0	0	-1	-443
Other assets	2 944	422	207	69	151	136	30 690	34 619
Total assets per segment	**76 566**	**38 281**	**9 625**	**69**	**151**	**136**	**30 631**	**155 459**
Deposits from and liabilities to customers	52 238	39 907	0	0	0	0	32	92 178
Other liabilities and equity	24 328	-1 626	9 625	69	151	136	30 599	63 282
Total equity capital and liabilities per segment	**76 566**	**38 281**	**9 625**	**69**	**151**	**136**	**30 631**	**155 459**

1) Of the "Net interest income" in the SpareBank 1 Østlandet AS segment, NOK 235 million is related to lease financing agreements. NOK 42 million of "Net commision and other income" is profit or loss from the sale of lease financing objects.
2) Of the "Net interest income" in the SpareBank 1 Østlandet AS segment, NOK 153 million is related to lease financing agreements. NOK 36 million of "Net commision and other income" is profit or loss from the sale of lease financing objects.

Note 5 – Capital Adequacy

1. Regulatory Framework

The Bank's capital adequacy is calculated on the basis of the applicable rules and rates at any given time.
"The rules are based on the three pillars that are intended to ensure that financial undertakings have capital commensurate with their risks:

- Pillar 1: Minimum regulatory capital requirements
- Pillar 2: Evaluation of the overall capital requirements and supervisory follow-up
- Pillar 3: Requirement to publish information

Capital adequacy is calculated at three levels based on different definitions of capital:

- Common equity tier 1 ratio (CET1)
- Tier 1 capital ratio (including hybrid tier 1 capital)
- Total capital adequacy ratio (including subordinated loans)

2. Capital Requirements

The Group has a combined buffer requirement of 9.0 per cent as at 31 December 2022. In the combined buffer, the institution-specific buffer requirements consisting of the countercyclical buffer and the systemic risk buffer were calculated to be 2.0 per cent and 4.5 per cent, respectively, for the Group. The capital conservation buffer is 2.5 per cent.

Therefore, as at 31 December 2022, the Group's Common Equity Tier 1 capital ratio requirement, inclusive of a Pillar 2 requirement of 1.8 percentage points, was 15.3 per cent. The Bank's Common Equity Tier 1 capital ratio was thus significantly higher than the current and expected capital requirements.

The Group's long-term target for its Common Equity Tier 1 capital ratio is the regulatory requirement plus a management buffer of 100 basis points. The Group's capital targets and capital planning take account of announced and expected changes to the capital requirements.

Insurance Adviser Andres Martin Puente together with Insurance Manager Tone Steen at our customer service centre in Oslo.

Parent bank 2021	Parent bank 2022		Group 2022	Group 2021
17 330	**18 316**	**Total equity carried**	**19 925**	**18 706**
		Common equity tier 1 capital		
-996	-1 125	Results for the accounting year not included	-1 125	-996
-1 000	-1 000	Hybridcapital	-1 000	-1 000
		Minority interests that is not eligible as CET1 capital	-132	-75
11	1	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	1	11
-66	-62	Goodwill and other intangible assets	-402	-441
-235	-408	Positive value of expected losses under the IRB approach	-526	-345
0	0	CET 1 instruments of financial sector entities where the institution does have a significant investement	-302	-354
-33	-36	Value adjustments due to the requirements for prudent valuation (AVA)	-46	-39
-170	-239	Other adjustments in CET1	-231	-139
14 841	**15 447**	**Common equity tier 1 capital**	**16 162**	**15 328**
		Additional Tier 1 capital		
1 000	1 000	Hybrid capital	1 000	1 000
-31	-30	AT1 instruments of financial sector entities where the institution does have a significant investement	-30	-31
		Instruments issued by consolidated entities that are given recognition in AT1 Capital	213	178
969	**970**	**Tier 1 capital**	**1 183**	**1 147**
		Supplementary capital in excess of Tier 1 capital		
1 300	1 300	Subordinated loan capital	1 300	1 300
-124	-119	T2 instruments of financial sector entities where the institution does have a significant investement	-119	-124
		Instruments issued by consolidated entities that are given recognition in T2 Capital	328	281
1 176	**1 181**	**Total supplementary capital**	**1 508**	**1 457**
16 986	**17 598**	**Total eligible capital**	**18 854**	**17 933**
5 775	5 178	Corporates - SME	5 189	5 806
16 990	18 712	Corporates - Specialised Lending	19 437	17 699
752	2 218	Corporates - Other	2 294	800
1 279	1 332	Retail - SME	1 683	1 567
18 572	19 708	Retail - Mortgage exposures	31 772	29 450
576	614	Retail - Other	641	602
43 943	**47 762**	**Credit exposures calculated using IRB-approach**	**61 016**	**55 924**
15 973	16 002	Credit exposures calculated using the standardised approach	21 864	20 398
458	361	Counterparty credit risk	1 634	1 890
0	0	Market risk	0	0
5 316	5 374	Operational risk	6 645	6 904
65 690	**69 498**	**Risk-weighted assets**	**91 159**	**85 115**
5 255	**5 560**	**Capital requirements (8 %)**	**7 293**	**6 809**
0	**0**	**Pillar 2 (1.8 %)**	**1 641**	**1 532**
		Buffer requirements		
1 642	1 737	Capital conservation buffer (2.5 %)	2 279	2 128
657	1 390	Countercyclical capital buffer (2.0 % / 1.0 %)	1 823	851
2 956	3 127	Systemic risk buffer	4 102	3 830
4.5 %	4.5 %	Systemic risk buffer rate	4.5 %	4.5 %
5 255	**6 255**	**Total buffer requirements**	**8 204**	**6 809**
12.5 %	13.5 %	CET1 requirement	15.3 %	14.3 %
6 630	**6 065**	**Available CET1 above requirement**	**2 215**	**3 157**
		Capital ratios		
22.6 %	22.2 %	CET 1 Capital ratio	17.7 %	18.0 %
24.1 %	23.6 %	Tier 1 Capital ratio	19.0 %	19.4 %
25.9 %	25.3 %	Capital adequacy ratio	20.7 %	21.1 %
9.9 %	9.7 %	Leverage Ratio	7.2 %	7.3 %

Note 6 – Financial risk management

1. Overall responsibility and supervision

SpareBank 1 Østlandet's risk management must support the Bank's strategic development and the attainment of its goals. Risk management should also ensure financial stability and satisfactory asset management. This shall be achieved by:

- A clear corporate culture characterised by a high awareness of risk management.
- A good understanding of the risks driving earnings.
- Striving for good use of capital
- Avoiding unexpected negative events that can seriously harm the Group's financial status

In order to ensure an effective and appropriate process for risk and capital management, the framework is based on the following elements, which reflect the way in which SpareBank 1 Østlandet is managed by the Board and executive management team:

- Strategic targets
- Organisation and corporate culture
- Risk review
- Risk analysis
- Stress tests
- Risk strategies
- Capital management (including returns and capital adequacy)
- Reporting
- Follow-up
- Contingency plans
- Compliance
- Recovery plans

Management and supervision comprise all the processes and control measures that have been introduced and implemented by the Bank's management to ensure efficient operations and the implementation of the Group's strategies. The Group attaches importance to having a supervisory and management structure that promotes targeted and independent management and control. See figure below.

The Board's Audit Committee and Risk Committee prepare matters concerning the economy, finance and risk management for consideration by the Board. The committees do not have the authority to make decisions.

SpareBank 1 Østlandet aims to have a moderate to low risk profile. The risk profile is defined by determining the Group's risk tolerance in key risk areas.

The Board is responsible for making sure that SpareBank 1 Østlandet has an appropriate level of subordinated capital in relation to the desired risk profile and regulatory requirements stipulated by the authorities. The Board of Directors defines the overall objectives, including the overall limits, authorisations and guidelines for risk management. The chief executive is responsible for risk management. This means that the CEO is responsible for the introduction of effective risk management functions, frameworks and systems and for the monitoring of the risk exposure.. The business areas and branches are responsible for the day-to-day risk management within their own areas of responsibility and must ensure that risk management and risk exposure are within the limits and authorisations provided by the Board of Directors or CEO.

The credit departments are responsible for ensuring that decision-making processes and the basis on which decisions are made in relation to applications for credit comply with the governing documents and routines. The departments must prepare proposals for revised targets and management principles within the area of credit. The Risk Management department is independent and reports directly to the CEO. The Risk Management function is responsible for the development and maintenance of effective risk management systems, including the bank's risk models, while the Compliance function is responsible for maintaining an appropriate framework for the management and control of Compliance risk. The control functions are also responsible for monitoring risk and compliance, as well as periodic reporting to the Board and management. The functions can report directly to the Board where the Board does not receive the necessary information about significant risks through general reporting.

Internal Audit reports to the Board of Directors and is primarily the Board of Directors', but also the management's, tool for monitoring the effectiveness and appropriateness of the risk management process. Internal Audit's improvement recommendations are considered on an on-going basis.

A more detailed description of financial risk management relating to credit risk, liquidity risk and market risk is provided below.

2. Credit risk

The greatest financial risk exposure in SpareBank 1 Østlandet is credit risk in its lending portfolio. Credit risk is the risk of loss where customers or other counterparties are unable or unwilling to meet their obligations to SpareBank 1 Østlandet. Each year, the Board reviews the Bank's governing documents and credit regulations. The governing documents define the Bank's credit policy and overall targets for exposure relating to portfolios, sectors and individual customers. Together they provide the basis for determining the desired risk profile. The Bank's credit regulations authorise the CEO to grant credit and also allow the CEO to delegate such powers. The delegated powers are related to the size and risk of individual commitments.

In the above management documents, climate risk is defined as one of the risks where SpareBank 1 Østlandet sets special requirements for customers. For corporate market customers, sustainability is a topic the bank discusses with all customers in connection with the establishment of new customer relationships. In addition, there is a requirement to carry out a sustainability analysis in credit grants of more than NOK 1 million. This analysis contains assessments of the customer's climate risk. A separate tool has been developed for carrying out sustainability assessments at an individual exposure level. As of today, climate risk is not taken account of in the credit risk models or in the IFRS 9 loss model, although in the long term data from sustainability assessments and sustainability-related data will be taken into account. Furthermore, SpareBank 1 Østlandet, together with other banks in the SpareBank 1 Alliance, is in the start-up phase with developing its own stress test models for measuring climate risk in the loan portfolios.

SpareBank 1 Østlandet uses statistical models in its calculation of risk and categorisation of the credit portfolio. The Bank makes every effort to price credit risk correctly and has established price matrices and price models based on the risk classification system.

The portfolio of interest-bearing securities also entails credit risk for the Bank. The Board reviews the Bank's governing documents every year for market and liquidity risk, and sets limits for exposure to interest-bearing securities.

Credit risk is presented in note 7-15.

3. Market risk

Market risk is the risk of loss due to changes in observable market variables such as interest rates, foreign exchange rates and shares/equity certificates. The risk associated with falls in value in the real estate market is also included in market risk. So is the risk of changes in the market value of bonds, certificates and funds due to general changes in credit spreads. Market risk generally arises as a result of activities which underpin the Group's other operations, such as borrowing, liquidity management and interest rate and currency trading.

Market risk is managed by board-approved limits that are established in the annual revision of the market risk strategy and associated policies. Risk exposure and development are continuously monitored and reported to the Bank's board and executive management team.

Interest rate risk arises because interest bearing assets and liabilities have different remaining fixed rate terms.
The Board has set limits for the total interest rate risk, both with regard to parallell shifts and yield curve risk. The Bank steers interest rate risk towards the desired level on investments and funding by means of fixed interest rates and through the use of interest rate derivatives.

Currency risk is the risk of the Group incurring a loss as a result of changes in currency exchange rates. Currency risk arises when the Group has differences in assets and liabilities in an individual currency. A framework has been prepared for net positions in each individual currency, as well as a framework for total net currency exposure and total absolute sum of net positions per currency. Currency risk is quantified and monitored continuously. The group has a limited currency risk both throughout the year and at the end of the year.

Market risk is presented in note 16 and 17.

Concentration risk

Risk concentrations occur when financial instruments with corresponding characteristics are affected in the same way by changes in economic or other conditions. Identifying concentration risk involves exercising judgement. SpareBank 1 Østlandet seeks to manage the concentration of risk by setting limits for various areas. In the case of credit risk, larger risk concentrations are limited via restrictions on major commitments, high risk commitments and sector exposure. The actual exposure, classified by risk groups, sector, industry and geographic area, is presented in notes 8, 12, 13, 15 and 30. In the case of market risk, concentration risk is limited via restrictions on maximum interest rate risk, currency risk and equity exposure. The concentration of interest rate risk is presented in note 16. Currency exposure is specified in notes 7 and 17. The Group's largest investments in equity instruments are presented in note 32. The Group has not identified any significant risks other than those presented in the aforementioned notes.

4. Liquidity risk

Liquidity and refinancing risk is the risk of being unable to fulfil obligations when they fall due or finance assets, including undesired growth, without significant extra costs. The management of the Group's liquidity risk is based on risk-based governing documents for the area of liquidity. The governing documents set the framework for funding risk through limits for survival for various time horizons, the size and quality of the liquidity reserve, and the funding's duration and diversification. The governing documents are adopted by the Board and revised as required and at least once a year. In connection with the governing documents, a separate contingency plan has been established for managing the funding situation during periods of turbulence in the financial markets, and the funding situation is also a key theme in the Group's recovery plan.

The group's framework for managing liquidity risk reflects its conservative risk profile, and the group manages the liquidity risk by maintaining a sufficient proportion of liquid reserves at all times, while the financing is diversified and long-term. Diversification is achieved by spreading borrowing across different markets, maturities and instruments. In addition to liquidity forecasts, stress tests are used that analyse the Group's liquidity-related vulnerability during periods without access to external funding.

Risk exposure and development are monitored on an ongoing basis and reported periodically to the bank's board and management.

Liquidity risk is presented in note 18 and 19.

Note 7 – Credit institutions – assets and liabilities

Parent bank			Group	
2021	2022	Loans to and receivables from credit institutions	2022	2021
506	1 448	Loans and receivables at call	1 448	506
8 634	10 301	Loans and receivables with agreed maturities or notice	1 246	930
9 139	**11 749**	**Total**	**2 694**	**1 436**
400	1 408	Cash collateral given	1 408	400
		Loans and receivables specified by major currencies		
8 634	10 301	NOK	1 245	931
318	1 293	EUR	1 293	318
70	4	USD	4	70
95	119	GBP	119	95
5	5	CHF	5	5
0	3	AUD	3	0
18	24	Other	24	18
9 139	**11 749**	**Total**	**2 694**	**1 436**

Parent bank			Group	
2021	2022	Deposits from and liabilities to credit institutions	2022	2021
854	1 136	Loans and deposits at call	1 119	863
2 926	2 179	Loans and deposits with agreed maturities or notice	2 177	2 924
3 780	**3 315**	**Total**	**3 296**	**3 787**
459	916	Cash collateral recieved	916	459
		Liabilities specified by major currencies		
3 476	2 826	NOK	2 808	3 483
303	489	EUR	488	303
0	0	SEK	0	0
0	0	USD	0	0
1	0	Other	0	1
3 780	**3 315**	**Total**	**3 296**	**3 787**
0.7 %	2.0 %	Average interest rate	2.0 %	0.8 %

Deposits with and loans from / to credit institutions tend to have floating interest rates. Receivables from and liabilities to credit institutions are classified as loans and receivables pursuant to IFRS 9 are stated at amortised cost.

Average interest rate is calculated on the actual interest expense during the year as a percentage of the average outstanding debt to credit institutions.

Note 8 – Loans to and recieveables from customers

Parent bank

			Provisions for credit losses				
	Loan and advances to customers at amortised cost 2022	Loan and advances to customers at fair value over OCI 2022	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value over results 2022	Net loans to and receivables from customers 2022
Public sector	15	0	0	0	0	0	15
Primary industries	3 693	1 918	-2	-6	-5	518	6 115
Paper and pulp industries	621	399	0	0	-1	33	1 052
Other industry	1 174	67	-2	-16	0	4	1 226
Building and constructions	4 592	276	-18	-16	-9	10	4 835
Power and water supply	803	1	-1	0	0	0	803
Wholesale and retail trade	2 052	110	-7	-4	-2	7	2 155
Hotel and restaurants	451	38	-1	-1	-4	1	484
Real estate	23 569	275	-56	-84	-27	1	23 679
Commercial services	3 267	692	-15	-7	-10	81	4 008
Transport and communication	258	201	0	-1	-10	14	461
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	**40 495**	**3 975**	**-103**	**-135**	**-68**	**670**	**44 834**
Retail market	**754**	**68 691**	**-23**	**-25**	**-27**	**5 408**	**74 778**
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	**754**	**68 691**	**-23**	**-25**	**-27**	**5 408**	**74 778**
Adjustment fair value		-23	23				
Total loans to customers	**41 250**	**72 643**	**-103**	**-161**	**-95**	**6 078**	**119 612**
Loans transferred to SpareBank 1 Boligkreditt AS							56 590
Loans transferred to SpareBank 1 Næringskreditt AS							1 288
Total loans including loans transferred to covered bond companies							**177 490**
Other liabilities [1]							15 954
Total commitments including loans transferred to covered bond companies							**193 444**

			Provisions for credit losses				
	Loan and advances to customers at amortised cost 2021	Loan and advances to customers at fair value over OCI 2021	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value over results 2021	Net loans to and receivables from customers 2021
Public sector	13	0	0	0	0	0	13
Primary industries	3 529	1 856	-3	-9	-7	365	5 731
Paper and pulp industries	1 022	372	-1	-1	-0	30	1 422
Other industry	1 071	55	-8	-12	-1	2	1 106
Building and constructions	4 264	301	-14	-27	-11	12	4 525
Power and water supply	743	2	-1	-2	0	0	742
Wholesale and retail trade	850	163	-4	-2	-2	5	1 009
Hotel and restaurants	465	34	-1	-13	-3	8	490
Real estate	18 856	375	-44	-70	-14	33	19 136
Commercial services	3 706	721	-12	-5	-9	72	4 474
Transport and communication	253	204	-1	-2	-5	19	469
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	**34 771**	**4 084**	**-88**	**-144**	**-53**	**547**	**39 117**
Retail market	**719**	**66 120**	**-33**	**-37**	**-28**	**5 612**	**72 353**
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	**719**	**66 120**	**-33**	**-37**	**-28**	**5 612**	**72 353**
Adjustment fair value		-33	33				
Total loans to customers	**35 490**	**70 171**	**-88**	**-181**	**-81**	**6 159**	**111 469**
Loans transferred to SpareBank 1 Boligkreditt AS							51 552
Loans transferred to SpareBank 1 Næringskreditt AS							864
Total loans including loans transferred to covered bond companies							**163 885**
Other liabilities [1]							16 979
Total commitments including loans transferred to covered bond companies							**180 864**

1) Provisions for loans, guarantees and unused credit facilities

Group

	Loan and advances to customers at amortised cost 2022	Loan and advances to customers at fair value over OCI 2022	Provisions for credit losses: Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value over results 2022	Net loans to and receivables from customers 2022
Public sector	598	0	-1	0	0	0	597
Primary industries	4 179	1 918	-3	-6	-6	519	6 601
Paper and pulp industries	621	399	0	0	-1	33	1 052
Other industry	1 465	67	-5	-17	0	4	1 513
Building and constructions	5 713	276	-24	-21	-10	10	5 944
Power and water supply	803	1	-1	0	0	0	803
Wholesale and retail trade	2 861	110	-8	-5	-4	7	2 961
Hotel and restaurants	475	38	-1	-1	-5	1	508
Real estate	23 967	275	-60	-96	-29	1	24 059
Commercial services	4 683	692	-23	-9	-11	81	5 413
Transport and communication	1 604	201	-2	-3	-11	14	1 803
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	**46 970**	**3 975**	**-128**	**-160**	**-75**	**670**	**51 252**
Retail market	**5 160**	**68 691**	**-30**	**-41**	**-35**	**5 408**	**79 153**
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	**5 160**	**68 691**	**-30**	**-41**	**-35**	**5 408**	**79 153**
Adjustment fair value		-23	23				0
Total loans to customers	**52 130**	**72 643**	**-136**	**-201**	**-110**	**6 078**	**130 405**
Loans transferred to SpareBank 1 Boligkreditt AS							56 590
Loans transferred to SpareBank 1 Næringskreditt AS							1 288
Total loans including loans transferred to covered bond companies							**188 283**
Other liabilities [1]							16 008
Total commitments including loans transferred to covered bond companies							**204 291**

	Loan and advances to customers at amortised cost 2021	Loan and advances to customers at fair value over OCI 2021	Provisions for credit losses: Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value over results 2021	Net loans to and receivables from customers 2021
Public sector	304	0	-1	-1	0	0	303
Primary industries	3 965	1 856	-3	-10	-7	365	6 167
Paper and pulp industries	1 022	372	-1	-1	-0	30	1 422
Other industry	1 317	55	-10	-14	-1	2	1 349
Building and constructions	5 309	301	-25	-32	-12	12	5 554
Power and water supply	764	2	-1	-2	0	0	764
Wholesale and retail trade	1 290	163	-6	-4	-5	5	1 444
Hotel and restaurants	487	34	-1	-14	-3	8	512
Real estate	19 281	375	-51	-78	-21	33	19 539
Commercial services	4 741	721	-16	-8	-10	72	5 500
Transport and communication	1 572	204	-2	-3	-5	19	1 786
Post model adjustments	0	0	0	0	0	0	0
Gross corporate loans by sector and industry	**40 054**	**4 084**	**-116**	**-165**	**-64**	**547**	**44 340**
Retail market	**4 901**	**66 120**	**-41**	**-51**	**-40**	**5 612**	**76 501**
Post model adjustments	0	0	0	0	0	0	0
Total loans to private customers	**4 901**	**66 120**	**-41**	**-51**	**-40**	**5 612**	**76 501**
Adjustment fair value		-33	33				0
Total loans to customers	**44 954**	**70 170**	**-124**	**-215**	**-104**	**6 159**	**120 841**
Loans transferred to SpareBank 1 Boligkreditt AS							51 552
Loans transferred to SpareBank 1 Næringskreditt AS							864
Total loans including loans transferred to covered bond companies							**173 257**
Other liabilities [1]							16 929
Total commitments including loans transferred to covered bond companies							**190 186**

1) Provisions for loans, guarantees and unused credit facilities

Parent bank 2021	Parent bank 2022	Loans broken down by different types	Group 2022	Group 2021
0	0	Financial leasing	4 684	4 132
9 628	8 143	Overdraft- and working capital facilities	8 107	9 603
1 991	2 645	Building loans	2 645	1 991
100 200	109 182	Repayment loans	115 415	105 558
111 819	**119 971**	**Total gross loans to and receivables from customers**	**130 851**	**121 284**

Loans and advances to customers relating to financial leasing

Group	2022	2021
Gross investment in the lease		
- Maturities of less than 1 year	243	263
- Maturities of more than 1 year but not more than 5 years	3 570	3 052
- Maturities of more than 5 years	1 528	1 183
Total gross investment in the lease	**5 341**	**4 499**
Unearned finance income	575	292
Discounted, not guaranteed residual value	82	74
Net investment related to financial leasing	**4 684**	**4 132**
Net investments in financial leasing may be analysed in the following way:		
- Maturities of less than 1 year	234	255
- Maturities of more than 1 year but not more than 5 years	3 199	2 814
- Maturities of more than 5 years	1 251	1 063
Total net investment in the lease	**4 684**	**4 132**

Lars Enger is one of our financial advisers in Våler.

Parent bank

Gross loans	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Opening balance	**95 907**	**9 279**	**474**	**6 159**	**111 819**	**89 628**	**7 921**	**407**	**6 331**	**104 286**
Transfers in (out) to Stage 1	2 037	-2 002	-35		0	1 695	-1 694	-1		0
Transfers in (out) to Stage 2	-4 345	4 373	-28		0	-2 501	2 503	-3		0
Transfers in (out) to Stage 3	-50	-213	263		0	-52	-144	196		0
Net increase/decrease excisting loans	3 845	-200	-30		3 615	-221	273	-25		28
Purchases and originations	22 038	1 010	21		23 069	26 226	2 054	38		28 318
Derecognitions and maturities	-16 710	-1 623	-103		-18 435	-18 869	-1 634	-113		-20 615
Write-offs	0	0	-16		-16	0	0	-26		-26
Change in loan and advances to customers at fair value				-81	-81				-172	-172
Ending balance	**102 722**	**10 625**	**546**	**6 078**	**119 971**	**95 907**	**9 279**	**474**	**6 159**	**111 819**
Loan and advances to customers at amortised cost					41 250					35 490
Loan and advances to customers at fair value					78 721					76 329

Gross loans to private customers	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Opening balance	**63 322**	**3 287**	**196**	**5 613**	**72 418**	**60 497**	**2 737**	**206**	**5 775**	**69 214**
Transfers in (out) to Stage 1	606	-601	-5		0	585	-584	-1		0
Transfers in (out) to Stage 2	-1 426	1 433	-7		0	-1 447	1 450	-3		0
Transfers in (out) to Stage 3	-17	-58	74		0	-10	-59	69		0
Net increase/decrease excisting loans	1 144	-238	-13		892	207	-168	-10		29
Purchases and originations	15 905	498	9		16 412	19 453	524	12		19 989
Derecognitions and maturities	-13 937	-694	-51		-14 682	-15 963	-613	-68		-16 645
Write-offs	0	0	-2		-2	0	0	-8		-8
Change in loan and advances to customers at fair value				-207	-207				-162	-162
Ending balance	**65 598**	**3 627**	**200**	**5 405**	**74 830**	**63 322**	**3 287**	**196**	**5 613**	**72 418**
Loan and advances to customers at amortised cost					754					719
Loan and advances to customers at fair value					74 076					71 699

Gross corporate loans	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Opening balance	**32 585**	**5 992**	**279**	**546**	**39 402**	**29 131**	**5 183**	**202**	**556**	**35 072**
Transfers in (out) to Stage 1	1 431	-1 401	-30		0	1 110	-1 110	0		0
Transfers in (out) to Stage 2	-2 920	2 941	-21		0	-1 053	1 053	0		0
Transfers in (out) to Stage 3	-33	-155	188		0	-42	-85	128		0
Net increase/decrease excisting loans	2 701	38	-17		2 722	-428	441	-14		-1
Purchases and originations	6 133	512	13		6 657	6 773	1 530	26		8 329
Derecognitions and maturities	-2 773	-929	-51		-3 753	-2 906	-1 020	-44		-3 970
Write-offs	0	0	-14		-14	0	0	-18		-18
Change in loan and advances to customers at fair value				126	126				-9	-9
Ending balance	**37 124**	**6 998**	**346**	**673**	**45 141**	**32 585**	**5 992**	**279**	**546**	**39 402**
Loan and advances to customers at amortised cost					40 495					34 771
Loan and advances to customers at fair value					4 645					4 631

Group

Gross loans	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Opening balance	**104 347**	**10 121**	**657**	**6 159**	**121 284**	**97 370**	**9 184**	**484**	**6 331**	**113 368**
Transfers in (out) to Stage 1	2 279	-2 234	-45		0	2 140	-2 136	-4		0
Transfers in (out) to Stage 2	-4 929	4 971	-43		0	-2 947	2 954	-8		0
Transfers in (out) to Stage 3	-129	-258	387		0	-89	-245	334		0
Net increase/decrease excisting loans	2 697	-311	-77		2 308	-1 448	52	-14		-1 410
Purchases and originations	26 538	1 327	43		27 909	29 808	2 238	59		32 105
Derecognitions and maturities	-18 569	-1 803	-180		-20 552	-20 487	-1 926	-169		-22 582
Write-offs	0	0	-16		-16	0	0	-26		-26
Change in loan and advances to customers at fair value				-81	-81				-172	-172
Ending balance	**112 234**	**11 813**	**727**	**6 078**	**130 851**	**104 347**	**10 121**	**657**	**6 159**	**121 284**
Loan and advances to customers at amortised cost					52 130					44 954
Loan and advances to customers at fair value					78 721					76 329

Gross loans to private customers	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Opening balance	**67 195**	**3 560**	**232**	**5 613**	**76 600**	**64 275**	**3 090**	**243**	**5 775**	**73 383**
Transfers in (out) to Stage 1	678	-673	-5		0	690	-689	-1	0	0
Transfers in (out) to Stage 2	-1 553	1 562	-9		0	-1 548	1 551	-4	0	0
Transfers in (out) to Stage 3	-25	-69	94		0	-16	-78	94	0	0
Net increase/decrease excisting loans	667	-280	-18		369	-257	-209	-15	0	-481
Purchases and originations	17 827	587	11		18 425	21 058	603	12	0	21 673
Derecognitions and maturities	-15 116	-763	-69		-15 948	-17 009	-708	-89	0	-17 806
Write-offs	0	0	-2		-2	0	0	-8	0	-8
Change in loan and advances to customers at fair value				-207	-207				-162	-162
Ending balance	**69 673**	**3 923**	**235**	**5 405**	**79 236**	**67 195**	**3 560**	**232**	**5 613**	**76 600**
Loan and advances to customers at amortised cost					5 160					4 901
Loan and advances to customers at fair value					74 076					71 699

Gross corporate loans	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Opening balance	**37 152**	**6 561**	**424**	**546**	**44 685**	**33 095**	**6 094**	**241**	**556**	**39 986**
Transfers in (out) to Stage 1	1 601	-1 561	-39		0	1 450	-1 447	-3	0	0
Transfers in (out) to Stage 2	-3 376	3 410	-34		0	-1 399	1 403	-4	0	0
Transfers in (out) to Stage 3	-105	-188	293		0	-74	-166	240	0	0
Net increase/decrease excisting loans	2 030	-31	-60		1 939	-1 192	261	1	0	-930
Purchases and originations	8 712	740	32		9 484	8 750	1 635	47	0	10 432
Derecognitions and maturities	-3 454	-1 040	-110		-4 604	-3 478	-1 218	-80	0	-4 776
Write-offs	0	0	-14		-14	0	0	-18	0	-18
Change in loan and advances to customers at fair value				126	126				-9	-9
Ending balance	**42 561**	**7 890**	**492**	**673**	**51 616**	**37 152**	**6 561**	**424**	**546**	**44 685**
Loan and advances to customers at amortised cost					46 969					40 054
Loan and advances to customers at fair value					4 645					4 631

Parent bank

Credit exposure to financial assets subject to ECL	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Credit risk										
Low risk	94 538	1 759	0	5 648	101 945	92 215	1 274	0	5 669	99 158
Medium risk	20 456	6 679	0	381	27 516	18 535	5 458	0	421	24 415
High risk	2 648	3 218	0	45	5 912	1 578	3 087	0	65	4 730
Defaults	0	0	548	4	552	0	0	492	3	495
Total gross commitments at 31.12.	**117 642**	**11 656**	**548**	**6 078**	**135 924**	**112 328**	**9 819**	**492**	**6 159**	**128 798**
Loan loss allowance	-142	-174	-96		-412	-141	-186	-85		-412
Total net commitments at 31.12.	**117 500**	**11 482**	**452**	**6 078**	**135 512**	**112 187**	**9 633**	**407**	**6 159**	**128 386**

Credit exposure to financial assets subject to ECL - private customers	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Credit risk										
Low risk	69 427	1 048	0	5 029	75 503	66 852	958	0	5 187	72 997
Medium risk	3 289	1 941	0	333	5 563	3 744	1 680	0	364	5 789
High risk	75	690	0	39	805	101	667	0	58	826
Defaults	0	0	191	4	195	0	0	196	3	199
Total gross commitments at 31.12.	**72 791**	**3 679**	**191**	**5 405**	**82 066**	**70 696**	**3 306**	**196**	**5 613**	**79 811**
Loan loss allowance	-25	-25	-27		-78	-41	-37	-28		-106
Total net commitments at 31.12.	**72 765**	**3 654**	**165**	**5 405**	**81 989**	**70 656**	**3 269**	**168**	**5 613**	**79 705**

Credit exposure to financial assets subject to ECL - corporate customers	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Credit risk										
Low risk	25 111	711	0	619	26 441	25 363	315	0	482	26 161
Medium risk	17 167	4 738	0	47	21 952	14 792	3 778	0	57	18 626
High risk	2 574	2 528	0	6	5 107	1 477	2 420	0	7	3 904
Defaults	0	0	357	0	357	0	0	296	0	296
Total gross commitments at 31.12.	**44 851**	**7 977**	**357**	**673**	**53 858**	**41 632**	**6 513**	**296**	**546**	**48 987**
Loan loss allowance	-117	-148	-69		-335	-100	-149	-56		-306
Total net commitments at 31.12.	**44 735**	**7 829**	**288**	**673**	**53 524**	**41 531**	**6 365**	**239**	**546**	**48 682**

Credit quailty	Risk class	PD
Low risk	A, B, C, D	0-0.75 %
Medium risk	E, F, G	0.75-5.00 %
High risk	H, I	5.00-99.99 %
Defaulted	J	Defaulted
Written down	K	Impaired

The Bank uses its own classification system for monitoring credit risk in the portfolio. Risk categorisation is based on each customer's probability of default (PD). The risk groups are categorised according to the Bank's 11 risk classes (A–K).

Group

Credit exposure to financial assets subject to ECL	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Credit risk										
Low risk	96 998	1 763	0	5 648	104 409	93 686	1 287	0	5 669	100 642
Medium risk	26 972	7 330	0	381	34 683	25 145	5 888	0	421	31 455
High risk	3 238	3 751	0	45	7 035	2 004	3 525	0	65	5 594
Defaults	0	0	728	4	732	0	0	674	3	677
Total gross commitments at 31.12.	**127 209**	**12 844**	**728**	**6 078**	**146 859**	**120 835**	**10 701**	**674**	**6 159**	**138 368**
Loan loss allowance	-174	-214	-111		-499	-176	-221	-107		-505
Total net commitments at 31.12.	**127 034**	**12 630**	**618**	**6 078**	**146 360**	**120 659**	**10 480**	**566**	**6 159**	**137 864**

Credit exposure to financial assets subject to ECL - private customers	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Credit risk										
Low risk	70 563	1 051	0	5 029	76 643	67 778	960	0	5 187	73 925
Medium risk	6 221	2 088	0	333	8 642	6 687	1 814	0	364	8 865
High risk	88	833	0	39	960	109	800	0	58	966
Defaults	0	0	224	4	228	0	0	233	3	236
Total gross commitments at 31.12.	**76 872**	**3 972**	**224**	**5 405**	**86 472**	**74 573**	**3 575**	**233**	**5 613**	**83 993**
Loan loss allowance	-31	-34	-34		-99	-49	-51	-40		-140
Total net commitments at 31.12.	**76 841**	**3 938**	**190**	**5 405**	**86 374**	**74 524**	**3 524**	**193**	**5 613**	**83 854**

Credit exposure to financial assets subject to ECL - corporate customers	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Loan and advances to customers at fair value	2022 Total	2021 Stage 1	2021 Stage 2	2021 Stage 3	2021 Loan and advances to customers at fair value	2021 Total
Credit risk										
Low risk	26 435	713	0	619	27 767	25 908	327	0	482	26 717
Medium risk	20 752	5 242	0	47	26 041	18 459	4 074	0	57	22 590
High risk	3 151	2 918	0	6	6 075	1 895	2 725	0	7	4 628
Defaults	0	0	504	0	504	0	0	441	0	441
Total gross commitments at 31.12.	**50 337**	**8 873**	**504**	**673**	**60 387**	**46 262**	**7 126**	**441**	**546**	**54 375**
Loan loss allowance	-144	-180	-77		-401	-127	-170	-67		-365
Total net commitments at 31.12.	**50 194**	**8 692**	**428**	**673**	**59 986**	**46 135**	**6 956**	**373**	**546**	**54 010**

Parent bank Stage 2	Parent bank Stage 3	Parent bank Total	2022	Group Total	Group Stage 2	Group Stage 3
			Gross loans subject to forberance			
887	26	913	Retail market	925	899	26
526	218	744	Corporate market	759	538	221
1 412	**244**	**1 657**	**Gross loans forberance**	**1 684**	**1 436**	**247**

Parent bank Stage 2	Parent bank Stage 3	Parent bank Total	2021	Group Total	Group Stage 2	Group Stage 3
			Gross loans subject to forberance			
879	19	899	Retail market	920	900	20
684	152	837	Corporate market	875	716	158
1 564	**172**	**1 735**	**Gross loans forberance**	**1 794**	**1 616**	**178**

Commitments with easing of payback on debt payment include commitments that are offered more favourable terms (renegotiation) or refinancing because the debtor is experiencing financial difficulties.

Note 9 – Transfer of financial instruments

SpareBank 1 Østlandet has signed agreements for the legal sale of loans with security and high collateral in real estate to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS. Under the management agreements signed with these two companies in the Alliance, the Bank manages the loans and is responsible for the contact with the customers. The Bank receives compensation in the form of commissions for the obligations associated with managing the loans. The Bank has judged the accounting implications of this as meaning that the risk and benefits of ownership associated with the sold loans has been transferred. This entails full derecognition. The remuneration received for the loans that have been transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS matches the book value and is judged to match the loans fair value at the time of transfer. The Bank recognises all rights and obligations that were generated or retained upon transfer separately as assets or liabilities.

If the covered bond companies experience a loss on transferred loans, they are entitled to offset these against commissions from all Banks that have transferred loans for the part of the commission earned after the provision for losses in the relevant calendar year. There is thus a residual involvement associated with sold loans with possible limited offsetting of losses against commissions for all or part of the current year. However, the nature of this right to offset considered to alter the conclusion that the majority of the risks and benefits associated with ownership have been transferred. The Bank's maximum exposure to losses is represented by the highest amount for which cover could be claimed under the agreements.

The covered bond companies can resell loans purchased by the Bank, and the Bank's right to manage the customers and receive commission goes along with this. If the Bank is unable to serve its customers, the right to servicing and commission could be lost. The Bank also has an option to buy back loans under certain conditions.

1. SpareBank 1 Boligkreditt AS

SpareBank 1 Boligkreditt AS is owned by the banks that make up the SpareBank 1 Alliance. The SpareBank 1 Østlandet Group had an ownership interest of 22.42 per cent as at 31 December 2022 (23.15 per cent as at 31 December 2021). The purpose of the covered bond company is to ensure banks in the Alliance stable and long-term financing for residential mortgages at competitive prices. SpareBank 1 Boligkreditt's bonds are rated Aaa by Moody's. SpareBank 1 Boligkreditt AS acquires loans with collateral in housing and issues covered bonds in accordance with the regulations established for this in 2007. As a shareholder, the Bank can sell loans to the company, and this has been done as part of the Bank's funding strategy. Loans transferred to SpareBank 1 Boligkreditt AS are secured by collateral in housing up to a ceiling of 75 per cent of their valuation. The transferred loans are legally owned by SpareBank 1 Boligkreditt AS and SpareBank 1 Østlandet, apart from the right to administer them and the right to take over, fully or in part, impaired loans at their impaired value, SpareBank 1 Østlandet has no right to use the loans. SpareBank 1 Østlandet manages the sold loans and receives commissions based on the net returns on the loans the Bank has sold and the costs in the company.

At the end of December 2022, the book value of the transferred loans was NOK 56.6 billion (NOK 51.6 billion at end of December 2021).

The remuneration received for the loans transferred from the Bank to SpareBank 1 Boligkreditt AS matches the nominal value of the transferred loans and was assessed as being almost equal to the loans' fair value at the end of 2022 and 2021. The loans transferred to SpareBank 1 Boligkreditt AS are very well secured and have a small probability of loss.

The Bank has also entered into a shareholder agreement with the shareholders of SpareBank 1 Boligkreditt AS and the company SpareBank 1 Boligkreditt AS. This involves, among other things, the Bank contributing to ensuring that SpareBank 1 Boligkreditt AS always has a core equity tier 1 ratio that matches the requirements set by the authorities (incl. the requirements for buffer capital and Pillar 2 calculations), and if required to do so supplying core capital if it falls to a lower level. SpareBank 1 Boligkreditt AS has internal guidelines for its core capital adequacy ratio that exceed the authorities' requirements, as well as a management buffer of 0.4 per cent. Based on a concrete assessment, the Bank has chosen not to hold capital for this obligation because the risk of the Bank being forced to contribute is considered very small. In connection with this, it also appears that there are a number of options with respect to measures that may also be appropriate should such a situation occur.

Together with the other owners of SpareBank 1 Boligkreditt AS, the Bank has signed an agreement on the establishment of liquidity facilities (SNPA) for SpareBank 1 Boligkreditt AS. This means that the banks have committed to purchase covered bonds in the event that SpareBank 1 Boligkreditt AS is unable to refinance its activities in the market. The purchase of the bonds is contingent on the company's collateral not having stopped payments, so that it is actually able to issue such bonds. There is, therefore, no credit guarantee that can be invoked in the event of the company or collateral becoming insolvent. The purchase is limited to the total value of the next twelve months' OMF maturities in the company at any given time. Previous purchases under this agreement are deducted from future obligations to purchase. In principle, each owner is liable for its share of the need, secondarily for twice the primary liability under the same agreement.

The bonds can be deposited with Norges Bank and thus entail no material increase in risk for the Bank. In accordance with its internal policy, SpareBank 1 Boligkreditt AS retains liquidity for the amount due in the next 6 months. This is deducted when valuing the banks' liabilities. Therefore, it is only if SpareBank 1 Boligkreditt AS does not have liquidity for the next 12 months' OMF maturities that the Bank will report any commitment here in relation to capital adequacy or large commitments.

2. SpareBank 1 Næringskreditt AS

The loans transferred to SpareBank 1 Næringskreditt AS are very well secured and have a very small probability of loss.
SpareBank 1 Næringskreditt was established in 2009 and has a licence from the Financial Supervisory Authority of Norway to operate as a covered bond company. The SpareBank 1 Østlandet Group had an ownership interest of 15.66 per cent as at 31 December 2022 (10.18 per cent as at 31 December 2021). SpareBank 1 Næringskreditt's bonds are rated Aaa by Moody's. The company is owned by the savings banks that are part of the SpareBank 1 Alliance and is co-located with SpareBank 1 Boligkreditt AS in Stavanger. The purpose of the covered bond company is to ensure banks in the Alliance stable and long-term financing for commercial property at competitive prices. SpareBank 1 Næringskreditt AS acquires loans with security in commercial real estate and issues covered bonds under the regulations for this established in 2007. As part of the Bank's financing strategy, loans have been transferred to the company. Loans transferred to SpareBank 1 Næringskreditt are secured by security in commercial real estate within 60 per cent of its valuation. The transferred loans are legally owned by SpareBank 1 Næringskreditt AS and, apart from the right to administer them and the right to take over, fully or in part, impaired loans (at their impaired value), the Bank has no right to use the loans. At the end of December 2022, the book value of the transferred loans was NOK 1.3 billion (NOK 0.9 billion at end of December 2021). The Bank manages the transferred loans and receives commissions based on the net returns on the loans the Bank has transferred and the costs in the company.

The remuneration received for the loans transferred from the Bank to SpareBank 1 Næringskreditt AS matches the nominal value of the transferred loans and was assessed as being almost equal to the loans' fair value at the end of 2022 and 2021.

The Bank has also entered into a shareholder agreement with the shareholders of SpareBank 1 Næringskreditt AS. This involves, among other things, the Bank contributing to ensuring that SpareBank 1 Næringskreditt's core capital adequacy ratio (Core Tier 1) at all times correspond to the requirements set by the authorities (including requirements for buffer capital and Pilar2 calculations) and possibly adding core capital if it falls to a lower level. SpareBank 1 Næringskreditt AS has internal guidelines for its core capital adequacy ratio that exceed the authorities' requirements, as well as a management buffer of 0.4 per cent. Based on a concrete assessment, the Bank has chosen not to hold capital for this obligation because the risk of the Bank being forced to contribute is considered very small. In connection with this, it also appears that there are a number of options with respect to measures that may also be appropriate should such a situation occur.

Together with the other owners of SpareBank 1 Næringskreditt AS, the Bank has signed agreements on the establishment of liquidity facilities (SNPA) for SpareBank 1 Næringskreditt AS. This means that the banks have committed to purchase covered bonds in the event that SpareBank 1 Næringskreditt AS is unable to refinance its activities in the market. The purchase of the bonds is contingent on the company's collateral not having stopped payments, so that it is actually able to issue such bonds. There is, therefore, no credit guarantee that can be invoked in the event of the company or collateral becoming insolvent. The purchase is limited to the total value of the next twelve months' OMF maturities in the company at any given time. Previous purchases under this agreement are deducted from future obligations to purchase. In principle, each owner is liable for its share of the need, secondarily for twice the primary liability under the same agreement. The bonds can be deposited with Norges Bank and thus entail no material increase in risk for the Bank. In accordance with its internal policy, SpareBank 1 Næringskreditt AS retains liquidity for the amount due in the next 6 months. This is deducted when valuing the banks' liabilities. Therefore, it is only if SpareBank 1 Næringskreditt AS not has liquidity for the next twelve months' maturities that the Bank will report any commitment here in relation to capital adequacy or large commitments.

3. Sparebank 1 Kreditt AS

SpareBank 1 Kreditt AS is owned by savings banks that are part of the SpareBank 1 alliance, and aims to be a joint credit card company for the banks' customers. SpareBank 1 Østlandet has entered into a shareholder agreement with the shareholders in SpareBank 1 Kreditt AS. The agreement entails, among other things, that the bank is obliged to contribute equity so that SpareBank 1 Kreditt AS has a prudent subordinated capital, and at all times meets the minimum requirements for subordinated capital that follow from legislation and / or recommendations from Finanstilsynet and which are necessary for a prudent operation of SpareBank 1 Kreditt. The bank is also obliged to contribute funding own portfolio (total balance sheet). The bank receives a commission from SpareBank 1 Kreditt AS corresponding to the bank's share of interest income less funding costs and established losses, the bank's share of transaction income and new sales commission.

Two of our skilled financial advisers in Elverum - Maria Glad-Ørbak and Judit Stræte.

Note 10 – Provisions for credit losses

The table shows isolated loss effects.

2022

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	2	-6	-3	7	3
Change ECL due to adjusted key assumptions	-9	56	47	0	47
Change ECL due to changed scenario weighting	-17	-39	-55	-5	-60
Change in model-based loss provisions (stage 1 and 2)	**-24**	**12**	**-11**	**3**	**-9**
Post model adjustments	0	0	0	0	0
Change individual loss provisions (stage 3)	-2	13	11	-8	3
Net write-offs	2	16	18	14	32
Total losses	**-23**	**41**	**19**	**9**	**27**

2021

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	4	47	50	-4	46
Change ECL due to adjusted key assumptions	-4	-38	-41	0	-41
Change ECL due to changed scenario weighting	0	0	0	0	0
Change in model-based loss provisions (stage 1 and 2)	**0**	**9**	**9**	**-4**	**5**
Post model adjustments	0	-20	-20	-5	-25
Change individual loss provisions (stage 3)	-8	-10	-17	-6	-23
Net write-offs	8	17	25	24	48
Total losses	**0**	**-4**	**-4**	**9**	**5**

Note 11 – Accumulated provisions for expected credit losses

There has been calculations of ECL on credit institutions and central banks, but the effect is are deemed insignificant and consequently not included in the write-downs.

Parent bank

2022

(NOK million)	2021	Provision for credit losses	Net write-offs	2022
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	334	38	-15	356
Provisions for loan losses at fair value over OCI	78	-22	-1	56
Total provisions for losses	**412**	**16**	**-16**	**412**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	350	24	-16	359
Liabilities: Provisions for loan losses - increase of liabilities	29	2	-1	30
Equity: Fair value adjustment of losses	33	-10	0	23

2021

(NOK million)	2020	Provision for credit losses	Net write-offs	2021
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	356	3	-26	334
Provisions for loan losses at fair value over OCI	84	-5	-1	78
Total provisions for losses	**440**	**-2**	**-26**	**412**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	375	1	-26	350
Liabilities: Provisions for loan losses - increase of liabilities	32	-4	0	29
Equity: Fair value adjustment of losses	32	1	0	33

Group

2022

(NOK million)	2021	Provision for credit losses	Net write-offs	2022
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	427	32	-15	443
Provisions for loan losses at fair value over OCI	78	-22	-1	56
Total provisions for losses	**505**	**10**	**-16**	**499**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	444	18	-16	446
Liabilities: Provisions for loan losses - increase of liabilities	29	2	-1	30
Equity: Fair value adjustment of losses	33	-10	0	23

2021

(NOK million)	2020	Provision for credit losses	Net write-offs	2021
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	464	-12	-26	427
Provisions for loan losses at fair value over OCI	84	-5	-1	78
Total provisions for losses	**548**	**-17**	**-26**	**505**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	484	-14	-26	444
Liabilities: Provisions for loan losses - increase of liabilities	32	-4	0	29
Equity: Fair value adjustment of losses	32	1	0	33

Parent bank

	2022				2021			
Provisions for credit losses [1]	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**141**	**186**	**85**	**412**	**149**	**189**	**103**	**440**
Provision for credit losses								
Transfers in (out) to Stage 1	4	-4	0	0	3	-3	0	0
Transfers in (out) to Stage 2	-48	49	0	0	-53	53	0	0
Transfers in (out) to Stage 3	-13	-19	32	0	-8	-7	15	0
Net remeasurement of loss provisions	30	-40	12	2	14	-24	21	10
Purchases and originations	46	23	0	69	58	40	1	99
Derecognitions and maturities	-18	-21	-17	-55	-22	-42	-28	-92
Write-offs	0	0	-16	-16	0	0	-26	-26
Post model adjustment	0	0	0	0	0	-20	0	-20
Ending balance	**142**	**174**	**97**	**412**	**141**	**186**	**85**	**412**
Of which loss provisions on guarantees, unused credits and loan facilities [1]	**16**	**13**	**1**	**30**	**20**	**6**	**4**	**29**

	2022				2021			
Provisions for credit losses - personal customers [1]	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**41**	**37**	**28**	**106**	**34**	**41**	**39**	**113**
Provision for credit losses								
Transfers in (out) to Stage 1	0	0	0	0	1	-1	0	0
Transfers in (out) to Stage 2	-8	8	0	0	-14	14	0	0
Transfers in (out) to Stage 3	-1	-1	2	0	0	-1	1	0
Net remeasurement of loss provisions	-6	-15	2	-20	12	-11	9	9
Purchases and originations	8	3	0	12	16	5	0	21
Derecognitions and maturities	-9	-7	-3	-18	-7	-9	-12	-29
Write-offs	0	0	-2	-2	0	0	-8	-8
Post model adjustment	0	0	0	0	0	0	0	0
Ending balance	**25**	**25**	**27**	**78**	**41**	**37**	**28**	**106**
Of which loss provisions on guarantees, unused credits and loan facilities [1]	**3**	**0**	**0**	**4**	**8**	**0**	**0**	**8**

	2022				2021			
Provisions for credit losses - corporate customers [1]	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**100**	**149**	**56**	**306**	**115**	**148**	**63**	**327**
Provision for credit losses								
Transfers in (out) to Stage 1	4	-4	0	0	2	-2	0	0
Transfers in (out) to Stage 2	-40	40	0	0	-39	39	0	0
Transfers in (out) to Stage 3	-12	-18	30	0	-8	-5	14	0
Net remeasurement of loss provisions	36	-24	10	22	2	-13	13	2
Purchases and originations	38	19	0	57	42	36	0	79
Derecognitions and maturities	-9	-14	-13	-36	-15	-33	-16	-63
Write-offs	0	0	-14	-14	0	0	-18	-18
Post model adjustment	0	0	0	0	0	-20	0	-20
Ending balance	**117**	**148**	**69**	**335**	**100**	**149**	**56**	**306**
Of which loss provisions on guarantees, unused credits and loan facilities [1]	**13**	**13**	**1**	**27**	**12**	**5**	**4**	**21**

1) Including loss provisions on guarantees, unused credits and loan facilities

The Parent Bank has outstanding claims for loans ascertained during 2022 as totalling 0 (NOK 1 million), which are still subject to enforcement activities.

The Parent Bank has NOK 546 (474) million in its stage 3 loan volume, NOK 383 (262) million of which has no provision for loss due to the collateral.

Group

	2022				2021			
Provisions for credit losses [1]	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**176**	**221**	**107**	**505**	**173**	**244**	**131**	**548**
Provision for credit losses								
Transfers in (out) to Stage 1	16	-12	-4	0	16	-16	0	0
Transfers in (out) to Stage 2	-51	52	-1	0	-55	56	0	0
Transfers in (out) to Stage 3	-18	-21	39	0	-9	-15	24	0
Net remeasurement of loss provisions	13	-33	13	-7	4	-13	17	8
Purchases and originations	61	35	2	99	73	45	2	120
Derecognitions and maturities	-23	-28	-31	-82	-26	-55	-39	-121
Write-offs	0	0	-16	-16	0	0	-26	-26
Post model adjustment	0	0	0	0	0	-25	0	-25
Ending balance	**174**	**214**	**111**	**499**	**176**	**221**	**107**	**505**
Of which loss provisions on guarantees, unused credits and loan facilities [1]	**16**	**13**	**1**	**30**	**20**	**6**	**4**	**29**

	2022				2021			
Provisions for credit losses - personal customers [1]	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**49**	**51**	**40**	**140**	**41**	**57**	**57**	**155**
Provision for credit losses								
Transfers in (out) to Stage 1	2	-2	0	0	2	-2	0	0
Transfers in (out) to Stage 2	-9	9	0	0	-15	15	0	0
Transfers in (out) to Stage 3	-1	-2	3	0	0	-2	3	0
Net remeasurement of loss provisions	-10	-19	0	-29	11	-6	7	12
Purchases and originations	10	5	1	17	18	6	1	25
Derecognitions and maturities	-11	-9	-7	-27	-9	-13	-19	-40
Write-offs	0	0	-2	-2	0	0	-8	-8
Post model adjustment	0	0	0	0	0	-4	0	-4
Ending balance	**31**	**34**	**34**	**99**	**49**	**51**	**40**	**140**
Of which loss provisions on guarantees, unused credits and loan facilities [1]	**3**	**0**	**0**	**4**	**8**	**0**	**0**	**8**

	2022				2021			
Provisions for credit losses - corporate customers [1]	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance	**127**	**170**	**67**	**365**	**132**	**187**	**74**	**393**
Provision for credit losses								
Transfers in (out) to Stage 1	15	-10	-4	0	14	-14	0	0
Transfers in (out) to Stage 2	-42	43	0	0	-41	41	0	0
Transfers in (out) to Stage 3	-17	-20	37	0	-9	-13	22	0
Net remeasurement of loss provisions	22	-13	13	23	-7	-7	10	-4
Purchases and originations	51	30	1	82	55	39	1	95
Derecognitions and maturities	-12	-19	-24	-55	-17	-42	-21	-80
Write-offs	0	0	-14	-14	0	0	-18	-18
Post model adjustment	0	0	0	0	0	-21	0	-21
Ending balance	**144**	**180**	**76**	**401**	**127**	**170**	**67**	**365**
Of which loss provisions on guarantees, unused credits and loan facilities [1]	**13**	**13**	**1**	**27**	**12**	**5**	**4**	**21**

1) Including loss provisions on guarantees, unused credits and loan facilities

The Group has outstanding claims for loans ascertained during 2022 as totalling NOK 0 million (NOK 59 million), which are still subject to enforcement activities.

The Group has NOK 727 (660) million in its stage 3 loan volume, NOK 483 million of which has no provision for loss due to the collateral.

Note 12 – Credit risk exposure for each internal risk rating

The Bank uses its own classification system for monitoring credit risk in the portfolio. Risk is classified according to a calculation of probability of default for all customers in the loan portfolio based on objective data. Risk is categorised into low, medium and high risk, with a separate category for non-performing and impaired loans. Customers are scored in the Bank's portfolio system on a monthly basis.

Unsecured exposure is the total commitment less the market value of the collateral for the respective commitments. Fully secured commitments are reported with zero unsecured exposure. Average unsecured exposure is calculated as total unsecured exposure as a percentage of total commitment. Collateral is used to mitigate the Bank's credit risk. The most common type of collateral comprises real property mortgages, but other types of collateral are also used. Guidelines have been established for specific valuation criteria that must applied to the respective types of collateral. The starting point for valuating collateral is the market value of the respective collateral types. The turnover value for collateral other than real estate is normally set equal to the book value in the last submitted annual accounts.

	Average unsecured exposure (%)	Total commitment	Average unsecured exposure (%)	Total commitment
Parent bank	**2022**	**2022**	**2021**	**2021**
Low risk	3.0 %	101 945	3.5 %	99 158
Medium risk	3.3 %	27 516	2.1 %	24 415
High risk	0.9 %	5 912	1.4 %	4 730
Defaulted and written down	14.9 %	552	15.2 %	495
Total	**3.0 %**	**135 924**	**3.3 %**	**128 798**

	Average unsecured exposure (%)	Total commitment	Average unsecured exposure (%)	Total commitment
Group	**2022**	**2022**	**2021**	**2021**
Low risk	2.9 %	104 409	3.4 %	100 642
Medium risk	2.6 %	34 683	1.6 %	31 455
High risk	0.8 %	7 035	1.2 %	5 594
Defaulted and written down	11.2 %	732	11.1 %	677
Total	**2.8 %**	**146 859**	**3.1 %**	**138 368**

Note 13 – Maximum credit risk exposure, not taking into account assets pledged as security

The table below shows maximum exposure to credit risk.
Exposure is shown gross before any assets pledged as security or permitted off-sets.

Parent bank			Group	
2021	**2022**		**2022**	**2021**
		Assets		
385	587	Deposits with central banks	587	385
9 139	11 749	Loans to and receivables from credit institutions	2 694	1 435
111 819	119 971	Gross loans to and receivables from customers	130 851	121 284
-350	-359	Provisions for credit losses	-446	-443
111 469	119 612	Net loans to and receivables from customers	130 405	120 841
23 825	26 351	Certificates and bonds	26 351	23 825
814	1 855	Financial derivatives	1 855	814
145 633	**160 154**	**Credit risk exposure, balance sheet**	**161 892**	**147 300**
		Liabilities		
1 233	1 409	Contingent liabilities (guarantees provided)	1 268	1 092
10 760	10 137	Unutilised credit lines	10 036	10 670
4 611	0	SNPA Boligkreditt	0	4 611
0	0	SNPA Næringskreditt	0	0
4 985	4 408	Loans approved not disbursed	4 704	5 323
21 590	**15 954**	**Total financial guarantees, off balance sheet items**	**16 008**	**21 696**
167 223	**176 108**	**Total credit risk exposure**	**177 900**	**168 996**

Credit risk exposure on financial assets distributed by geographic area

Parent bank			Group	
2021	**2022**		**2022**	**2021**
		Banking activities		
63 225	65 646	Innlandet	59 608	58 211
32 821	35 729	Viken	40 209	36 906
36 694	39 559	Oslo	40 961	37 810
9 256	5 480	Rest of Norway	7 515	10 935
938	1 847	Abroad	1 847	938
-350	-359	Provisions for losses, undistributed	-446	-443
142 584	**147 902**	**Total banking activities**	**149 694**	**144 357**
		Financial market activities		
15 452	16 873	Norway	16 873	15452
7 606	9 259	Europe	9 259	7 606
698	1250	USA	1250	698
883	823	Other	823	883
24 639	**28 206**	**Total financial market activities**	**28 206**	**24 639**
167 223	**176 108**	**Total distributed by geographic area**	**177 900**	**168 996**

SNPA (Shareholder Note Purchase Agreement)
For the commitment to the covered bond companies (SNPA), see Note 9 Transfer of financial assets.

SpareBank 1 Boligkreditt AS
SpareBank 1 Østlandet has signed an agreement with the other owners of SpareBank 1 Boligkreditt AS to establish liquidity facilities in SpareBank 1 Boligkreditt AS. For further details, see Note 9 Transfer of financial assets.

SpareBank 1 Næringskreditt AS
SpareBank 1 Østlandet has signed an agreement with the other owners of SpareBank 1 Næringskreditt AS to establish liquidity facilities in SpareBank 1 Næringskreditt AS. For further details, see Note 9 Transfer of financial assets.

Note 14 – Financial derivatives and offsetting

In accordance with IFRS 7 it should be disclosed which financial instruments the Bank considers to fulfill the requirements for offsetting and which financial instruments have enterd into a settlement agreement.

In the balance sheet, the Bank has no derivatives presented on a net basis.

SpareBank 1 Østlandet has three sets of agreements which regulate counterparty risk and netting of derivatives. For retail and corporate customers, use is made of limit agreements requiring provision of collateral. For customers engaged in trading activity, only cash deposits are accepted as collateral. The agreements are unilateral, i.e it is only the customers that provide collateral. As regards financial institutions, the Bank enters into standardised and mainly bilateral ISDA agreements. Additionally the Bank has entered into supplementary agreements on provision of collateral (CSA) with institutional counterparties.The Bank has also entered into agreements on clearing derivatives where the counterparty risk is moved to a central counterparty (clearing house) that calculates the need for collateral. Reverse repurchase agreements are governed by GMRA agreements with counterparty.

In the table below, collateral are limited to the amount of the related instruments presented in the balance sheet. Over-collateralisation is thus not included.

The assets and liabilities below may be offset.

Parent bank and Group				Amounts not presented on the balance sheet on a net basis		
2022	**Gross financial assets/(liabilities)**	**Recognised on a net basis**	**Net financial assets/(liabilities) on the balance sheet**	**Financial instruments**	**Cash collateral given/(received)**	**Net amount**
Derivatives as assets	1 855	0	1 855	-1 345	-488	**22**
Derivatives as liabilities	-2 587	0	-2 587	1 345	904	**-338**

				Amounts not presented on the balance sheet on a net basis		
2021	**Gross financial assets/(liabilities)**	**Recognised on a net basis**	**Net financial assets/(liabilities) on the balance sheet**	**Financial instruments**	**Cash collateral given/(received)**	**Net amount**
Derivatives as assets	814	0	814	-344	-398	**72**
Derivatives as liabilities	-679	0	-679	344	269	**-65**

Note 15 – Credit quality per class of financial assets

Parent bank

2022		Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions		7	11 749	0	0	0	**11 749**
Gross loans to and receivables from customers measured to amortised cost	Retail market	8	565	64	23	101	**754**
	Corporate market	8	17 174	18 510	4 502	309	**40 495**
Gross loans to and receivables from customers classified as financial assets at fair value through profit or loss on initial recognition	Retail market	8	5 032	333	39	4	**5 408**
	Corporate market	8	616	47	6	0	**670**
Gross loans to and receivables from customers classified as financial assets at fair value through OCI on initial recognition	Retail market	8	63 553	4 297	734	99	**68 682**
	Corporate market	8	3 532	284	107	37	**3 961**
Total gross lending			**102 221**	**23 537**	**5 411**	**550**	**131 719**
Financial investments							
Certificates, bonds and fixed-income funds		30	26 351	0	0	0	**26 351**
Total financial investments			**26 351**	**0**	**0**	**0**	**26 351**
Total lending-related assets			**128 572**	**23 537**	**5 411**	**550**	**158 071**

2021		Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions		7	9 139	0	0	0	9 139
Gross loans to and receivables from customers measured to amortised cost	Retail market	8	547	30	12	129	719
	Corporate market	8	15 833	15 305	3 396	237	34 771
Gross loans to and receivables from customers classified as financial assets at fair value through profit or loss on initial recognition	Retail market	8	5 187	364	58	3	5 613
	Corporate market	8	482	57	7	0	546
Gross loans to and receivables from customers classified as financial assets at fair value through OCI on initial recognition	Retail market	8	61 425	3 876	728	67	66 095
	Corporate market	8	3 618	277	139	41	4 075
Total gross lending			**96 232**	**19 909**	**4 340**	**477**	**120 959**
Financial investments							
Certificates and bonds		30	23 825	0	0	0	23 825
Total financial investments			**23 825**	**0**	**0**	**0**	**23 825**
Total lending-related assets			**120 057**	**19 909**	**4 341**	**477**	**144 784**

Group

2022		Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions		7	2 694	0	0	0	**2 694**
Gross loans to and receivables from customers measured to amortised cost	Retail market	8	1 704	3 143	179	134	**5 160**
	Corporate market	8	19 018	22 032	5 469	451	**46 970**
Gross loans to and receivables from customers classified as financial assets at fair value through profit or loss on initial recognition	Retail market	8	5 032	333	39	4	**5 408**
	Corporate market	8	616	47	6	0	**670**
Gross loans to and receivables from customers classified as financial assets at fair value through OCI on initial recognition	Retail market	8	63 553	4 297	734	99	**68 682**
	Corporate market	8	3 532	284	107	37	**3 961**
Total gross lending			**96 149**	**30 137**	**6 534**	**725**	**133 545**
Financial investments							
Certificates, bonds and fixed-income funds		30	26 351	0	0	0	**26 351**
Total financial investments			**26 351**	**0**	**0**	**0**	**26 351**
Total lending-related assets			**122 500**	**30 137**	**6 534**	**725**	**159 896**

2021		Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions		7	1 435	0	0	0	1 435
Gross loans to and receivables from customers measured to amortised cost	Retail market	8	1 475	3 107	152	166	4 901
	Corporate market	8	17 268	18 284	4 120	382	40 054
Gross loans to and receivables from customers classified as financial assets at fair value through profit or loss on initial recognition	Retail market	8	5 187	364	58	3	5 613
	Corporate market	8	482	57	7	0	546
Gross loans to and receivables from customers classified as financial assets at fair value through OCI on initial recognition	Retail market	8	61 425	3 876	728	67	66 095
	Corporate market	8	3 618	277	139	41	4 075
Total gross lending			**90 890**	**25 965**	**5 204**	**659**	**122 719**
Financial investments							
Certificates and bonds		30	23 825	0	0	0	23 825
Total financial investments			**23 825**	**0**	**0**	**0**	**23 825**
Total lending-related assets			**114 715**	**25 965**	**5 204**	**659**	**146 544**

For details on risk classification of loans, see Note 8 Loans to and receivables from customers.

Classification of financial investments into different risk groups is based on ratings from Standard Poor's, Moody's, Fitch, Scope, DBRS, NCR or Japan Credit Rating Agency (or a combination of these) according to the conversion table presented below. No official ratings are available for some issues/issuers. For the Group, these amount to NOK 4 253 million in 2022 and primarily includes certificates and bonds in Norwegian municipalities (NOK 3 395 million), other certificates and bonds from Norwegian issuers with risk weights equal or below 20 % (NOK 418 million), fixed income funds with low risk profile (NOK 258 million) and other Norwegian issuers (NOK 182 million). After individual assessments, based on market pricing and alternative risk analyses from recognised brokerage houses, are issues without official rating assigned to low risk.

Credit quality	**Rating (using S&P's system)**			
Low risk	AAA	AA	A	BBB
Medium risk	BB			
High risk	B	CCC	CC	C

Note 16 – Market risk related to interest rate risk

Interest rate risk arises from interest bearing assets and liabilities having different repricing terms.

The Board has set limits for the total interest rate risk, both with regard to parallell shifts and yield curve risk. The Bank manages interest rate risk towards the desired level through the repricinging profile for investment and funding and through the use of interest rate derivatives.

The interest rate risk that arises when there is a parallel shift in the entire yield curve is shown in the table below by calculating the effect on the financial instruments' fair value of a change in interest rates assuming a parallel shift in the entire yield curve of one percentage point. Administrative interest rate risk has not been taken into account, i.e. the effect of the fact that in practice there will be a lapse between a change in markets interest rates and the bank having adjusted the terms and conditions for deposits and loans at floating rates of interest. Positive figures indicates that the Bank gains on an increase in interest rates.

The Group's interest rate risk is related primarily to shifts in the yield curve for Norwegian kroner (NOK) and euro (EUR).

Parent bank			**Group**	
Interest rate risk, 1 per cent change			**Interest rate risk, 1 per cent change**	
2021	**2022**	**Interest rate risk**	**2022**	**2021**
-215	-282	Certificates and bonds	-282	-215
-140	-136	Fixed-rate loans to customers	-136	-140
6	15	Fixed-rate deposits to customers	15	6
2	3	Loan and receivables from credit institutions	3	2
872	833	Debt securities issued	833	872
-13	-17	Other	-17	-13
-489	-399	Derivatives	-399	-489
23	**16**	**Total interest rate risk, effect on profit after tax**	**16**	**23**

Although the calculations above show that the Bank will gain from an increase in interest rates, the way in which the increase in interest rates happens is not insignificant. The table below shows yield curve risk, i.e. the risk of the yield curve shifting differently within the different time periods when there is a change in interest rates, by measuring the Bank's net interest rate exposure within the different periods.

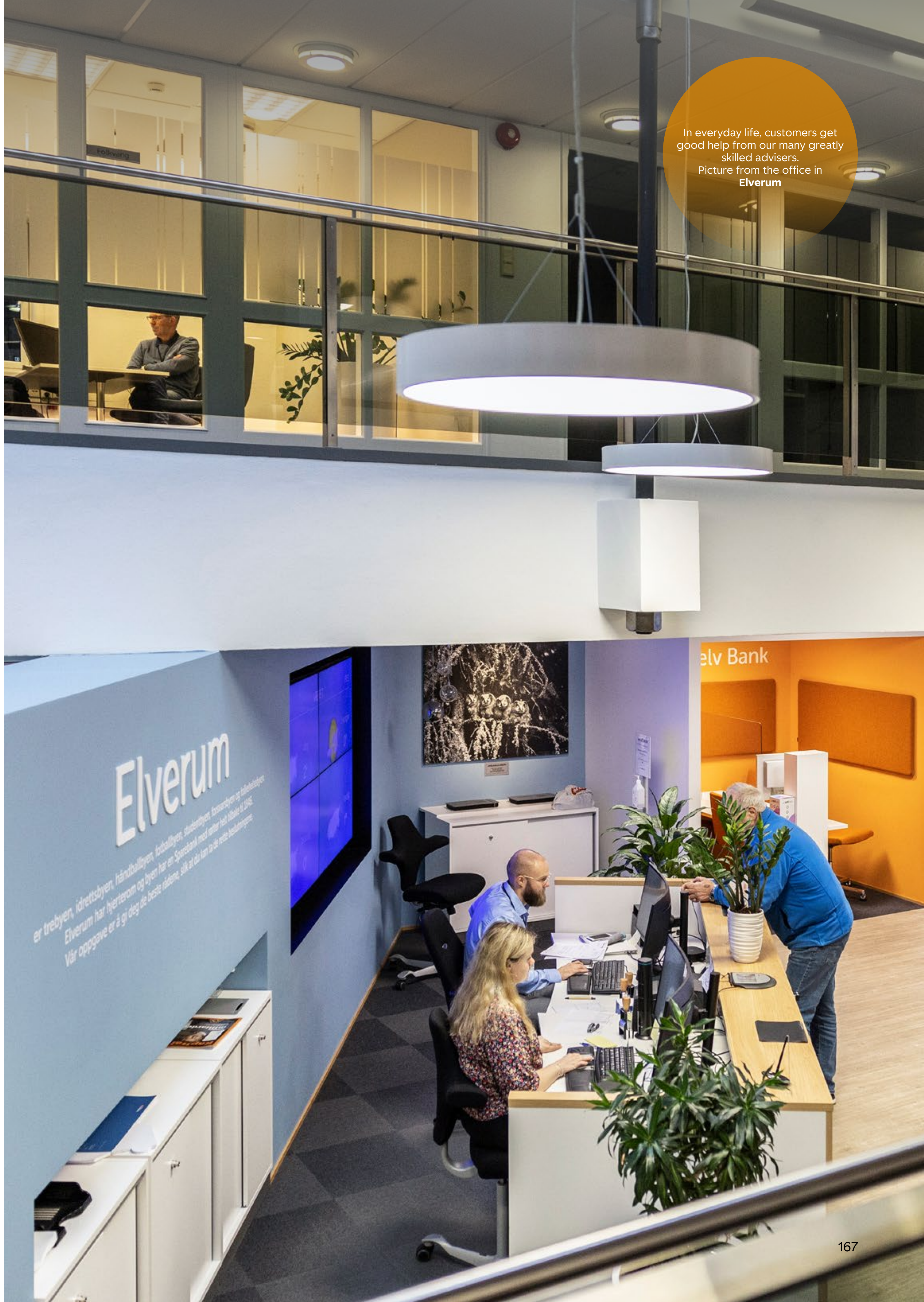
Parent bank			**Group**	
Interest rate risk, 1 per cent change			**Interest rate risk, 1 per cent change**	
2021	**2022**	**Yield curve risk**	**2022**	**2021**
1	4	0 - 1 month	4	1
2	-3	1 - 3 months	-3	2
0	2	3 - 6 months	2	0
5	9	6 - 12 months	9	5
-7	-8	1 - 3 years	-8	-7
6	4	3 - 5 years	4	6
16	8	5 - 10 years	8	16
0	0	More than 10 years	0	0
23	**16**	**Total interest rate risk, effect on profit after tax**	**16**	**23**

Note 17 – Market risk related to currency exposure

Currency risk is the risk of the Group incurring a loss as a result of changes in currency exchange rates. Currency risk arises when the Group has differences in assets and liabilities in an individual currency.

At 31 December, the net positions in the most important currencies, based on fair value of the underlying assets, was as follows:

Parent bank			**Group**	
2021	**2022**	**Net Currency exposure NOK**	**2022**	**2021**
-1	0	GBP	0	-1
-3	0	USD	0	-3
1	-1	JPY	-1	1
0	-1	SEK	-1	0
-2	20	EUR	20	-2
1	0	CHF	0	1
3	1	Andre	1	3
0	**19**	**Total**	**19**	**0**
0	1	Effect on after-tax profit/loss and equity of a 3 per cent change in FX-rates	1	0
0	2	Effect on after-tax profit/loss and equity of a 10 per cent change in FX-rates	2	0



In everyday life, customers get good help from our many greatly skilled advisers. Picture from the office in **Elverum**

Note 18 – Liquidity risk

Cash flows relating to liabilities with agreed maturity based on notional contract sizes including estimated interest payments until maturity.

Parent bank

2022	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Cash flows related to liabilities						
Deposits from and liabilities to credit institutions	-1 136	-21	-807	-1 485	0	-3 449
Deposits from and liabilities to customers	-88 143	-3 030	-3 965	-3 773	0	-98 911
Liabilities arising from issuance of securities	0	-5 239	-2 634	-30 466	-8 528	-46 867
Subordinated loan capital [1]	0	-16	-439	-1 019	0	-1 475
Derivatives related to liabilities	0	-197	-483	-1 703	-249	-2 631
Other liabilities	0	-4 408	0	0	0	-4 408
Total cash flows related to liabilities	**-89 278**	**-12 911**	**-8 327**	**-38 446**	**-8 777**	**-157 741**

2021	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Cash flows related to liabilities						
Deposits from and liabilities to credit institutions	-854	-757	-21	-2 204	0	-3 835
Deposits from and liabilities to customers	-84 945	-2 769	-2 404	-2 127	0	-92 246
Liabilities arising from issuance of securities	0	-421	-4 352	-22 956	-10 882	-38 612
Subordinated loan capital [1]	0	-6	-18	-1 337	0	-1 361
Derivatives related to liabilities	0	-14	-47	-149	65	-144
Other liabilities	0	-4 985	0	0	0	-4 985
Total cash flows related to liabilities	**-85 799**	**-8 953**	**-6 841**	**-28 773**	**-10 817**	**-141 183**

Group

2022	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Cash flows related to liabilities						
Deposits from and liabilities to credit institutions	-1 119	-21	-807	-1 485	0	-3 433
Deposits from and liabilities to customers	-88 045	-3 030	-3 965	-3 773	0	-98 813
Liabilities arising from issuance of securities	0	-5 239	-2 634	-30 466	-8 528	-46 867
Subordinated loan capital [1]	0	-16	-439	-1 019	0	-1 475
Derivatives related to liabilities	0	-197	-483	-1 703	-249	-2 631
Other liabilities	0	-4 704	0	0	0	-4 704
Total cash flows related to liabilities	**-89 164**	**-13 207**	**-8 327**	**-38 446**	**-8 777**	**-157 922**

2021	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Cash flows related to liabilities						
Deposits from and liabilities to credit institutions	-863	-757	-21	-2 204	0	-3 845
Deposits from and liabilities to customers	-84 877	-2 769	-2 404	-2 127	0	-92 178
Liabilities arising from issuance of securities	0	-421	-4 352	-22 956	-10 882	-38 612
Subordinated loan capital [1]	0	-6	-18	-1 337	0	-1 361
Derivatives related to liabilities	0	-14	-47	-149	65	-144
Other liabilities	0	-5 323	0	0	0	-5 323
Total cash flows related to liabilities	**-85 740**	**-9 291**	**-6 841**	**-28 773**	**-10 817**	**-141 462**

1) For subordinated loan capital the maturity date is set at first call date.

Note 19 – Maturity analysis of assets and liabilities

Specification of the balance sheet

Parent bank

2022	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Assets						
Cash and deposits with central banks	677	0	0	0	0	677
Loans to and receivables from credit institutions	1108	0	10 641	0	0	11 749
Gross loans to and receivables from customers	9 649	421	3 432	17 262	89 207	119 971
-Loan loss allowance for loans at amortised cost	0	0	0	-326	0	-326
-Fair value adjustments for loans at fair value through OCI	0	0	0	-33	0	-33
Net loans to and receivables from customers	9 649	421	3 432	16 903	89 207	119 612
Certificates and bonds	0	1 843	2 143	18 894	3 471	26 351
Financial derivatives	0	480	20	718	637	1 855
Shares, units and other equity interests	0	0	0	0	791	791
Investments in associates and joint ventures	0	0	0	0	4 838	4 838
Investments in subsidiaries	0	0	0	0	1 865	1 865
Total	**11 434**	**2 744**	**7 193**	**45 558**	**100 809**	**167 738**
Liabilities						
Deposits from and liabilities to credit institutions	1 120	30	757	1 409	0	3 315
Deposits from and liabilities to customers	87 256	3 917	3 965	3 773	0	98 911
Liabilities arising from issuance of securities	0	5 488	2 071	28 409	7 328	43 296
Financial derivaties	0	21	16	1 217	1 334	2 587
Other debt and liabilities recognised in the balance sheet	0	101	441	29	70	641
Subordinated loan capital	0	0	401	907	0	1 308
Total	**88 376**	**9 557**	**7 651**	**35 743**	**8 732**	**150 058**

2021	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Assets						
Cash and deposits with central banks	458	0	0	0	0	458
Loans to and receivables from credit institutions	2499	0	0	1 113	5 527	9 139
Gross loans to and receivables from customers	10 744	388	2 510	12 923	85 254	111 819
-Loan loss allowance for loans at amortised cost	0	0	0	-305	0	-305
-Fair value adjustments for loans at fair value through OCI	0	0	0	-45	0	-45
Net loans to and receivables from customers	10 744	388	2 510	12 573	85 254	111 469
Certificates and bonds	0	1 188	5 816	15 996	825	23 825
Financial derivatives	0	24	20	399	372	814
Shares, units and other equity interests	0	0	0	0	761	761
Investments in associates and joint ventures	0	0	0	0	4 638 [1]	4 638
Investments in subsidiaries	0	0	0	0	1 758 [1]	1 758
Total	**13 701**	**1 600**	**9 458**	**30 081**	**99 135**	**152 863**
Liabilities						
Deposits from and liabilities to credit institutions	848	777	0	2 154	0	3 780
Deposits from and liabilities to customers	84 475	3 240	2 404	2 127	0	92 246
Liabilities arising from issuance of securities	0	279	4 022	22 331	10 599	37 232
Financial derivaties	0	76	64	188	350	679
Other debt and liabilities recognised in the balance sheet	0	110	405	25	80	620
Subordinated loan capital	0	0	501	801	0	1 302
Total	**85 323**	**4 482**	**7 397**	**27 628**	**11 029**	**135 859**

1) Changed presentation from "At call" to "More than 5 years".

Group

2022	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Assets						
Cash and deposits with central banks	677	0	0	0	0	677
Loans to and receivables from credit institutions	1 096	0	1 598	0	0	2 694
Gross loans to and receivables from customers	9 649	751	4 263	22 643	93 390	130 696
-Loan loss allowance for loans at amortised cost		-3	-9	-281	35	-258
-Fair value adjustments for loans at fair value through OCI				-33		-33
Net loans to and receivables from customers	9 649	749	4 254	22 329	93 425	130 405
Certificates and bonds		1 843	2 143	18 894	3 471	26 351
Financial derivatives		480	20	718	637	1 855
Shares, units and other equity interests					791*	791
Investments in associates and joint ventures					6 004*	6 004
Total	**11 422**	**3 072**	**8 015**	**41 941**	**104 328**	**168 777**
Liabilities						
Deposits from and liabilities to credit institutions	1 120	30	757	1 391	0	3 296
Deposits from and liabilities to customers	87 158	3 917	3 965	3 773	0	98 813
Liabilities arising from issuance of securities	0	5 488	2 071	28 409	7 328	43 296
Financial derivaties	0	21	16	1 217	1 334	2 587
Other debt and liabilities recognised in the balance sheet	0	158	441	59	70	727
Subordinated loan capital	0	0	401	907	0	1 308
Total	**88 278**	**9 613**	**7 650**	**35 755**	**8 732**	**150 027**

2021	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Assets						
Cash and deposits with central banks	458	0	0	0	0	458
Loans to and receivables from credit institutions	322	0	1 113	0	0	1 435
Gross loans to and receivables from customers	10 243	736	3 049	18 265	88 997	121 289
-Loan loss allowance for loans at amortised cost	0	-4	-5	-356	-38	-403
-Fair value adjustments for loans at fair value through OCI	0	0	0	-45		-45
Net loans to and receivables from customers	10 243	732	3 044	17 864	88 959	120 841
Certificates and bonds	0	1 188	5 816	15 996	825	23 825
Financial derivatives	0	24	20	399	372	814
Shares, units and other equity interests	0	0	0	0	761	761
Investments in associates and joint ventures	0	0	0	0	5 642 [1)]	5 642
Total	**11 023**	**1 944**	**9 992**	**34 259**	**96 558**	**153 776**
Liabilities						
Deposits from and liabilities to credit institutions	858	775	0	2 154	0	3 787
Deposits from and liabilities to customers	84 407	3 240	2 404	2 127	0	92 178
Liabilities arising from issuance of securities	0	279	4 022	22 331	10 599	37 232
Financial derivaties	0	76	64	188	350	679
Other debt and liabilities recognised in the balance sheet	0	183	431	34	89	737
Subordinated loan capital	0	0	501	801	0	1 302
Total	**85 265**	**4 554**	**7 423**	**27 636**	**11 038**	**135 915**

1) Changed presentation from "At call" to "More than 5 years".

Note 20 – Net interest income

Parent bank			Group	
2021	**2022**		**2022**	**2021**
		Interest income		
109	333	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	50	25
1 148	1 761	Interest income from loans to and claims on customers (amortised cost)	2 248	1 479
1 303	1 953	Interest income from loans to and claims on customers (fair value over OCI)	1 950	1 296
2 561	**4 047**	**Total interest income, effective interest method**	**4 248**	**2 800**
170	164	Interest income from loans to and claims on customers (fair value over profit and loss)	164	170
178	447	Interest on certificates and bonds (fair value over profit and loss)	447	178
-110	-278	Other interest income	-278	-110
239	**333**	**Total other interest income**	**333**	**239**
2 800	**4 380**	**Total interest income**	**4 581**	**3 040**
		Interest expenses		
29	66	Interest on debt to credit institutions	66	29
334	1 021	Interest on deposits from and liabilities to customers	1 029	335
435	689	Interest on securities issued	689	435
24	43	Interest on subordinated loan capital	43	24
52	56	Fees to the Banks' Guarantee Fund	56	52
4	4	Interest on leases	4	4
0	0	Other interest expenses	0	0
877	**1 880**	**Total interest expenses**	**1 888**	**879**
1 923	**2 500**	**Total net interest income**	**2 693**	**2 161**

Note 21 – Net commission income and other operating income

Parent bank			Group	
2021	**2022**		**2022**	**2021**
298	385	Payment transmission	383	296
273	305	Fund and insurance commission	305	273
458	294	Commission from loans transferred to cover bond companies	294	458
57	67	Commission from credit card	67	57
0	0	Commission from real estate brokerage	323	344
21	34	Other commission income	91	88
1 108	**1 085**	**Total commission income**	**1 463**	**1 517**
99	101	Payment transmission	88	88
99	**101**	**Total commission expenses**	**88**	**88**
0	0	Income from accounting	159	182
33	20	Other operating income	54	52
33	**20**	**Total other operating income**	**213**	**234**
1 042	**1 005**	**Net commission income and other operating income**	**1 588**	**1 663**

Note 22 – Net profit from financial assets and liabilities

Parent Bank 2021	Parent Bank 2022		Group 2022	Group 2021
21	43	Dividends from equity investments at fair value through profit or loss	43	21
21	**43**	**Dividends from shares and other equity instruments**	**43**	**21**
420	357	Dividends from subsidiaries, associates and joint ventures		
40	22	Gains or losses on realisation of subsidiaries, associates and joint ventures		
0	0	Impairment on subsidiaries, associates and joint ventures		
461	**379**	**Net income from subsidiaries, associates and joint ventures (Parent bank)**		
		Share of profit or loss of associates and joint ventures	186	361
		Gains or losses on realisation of associates and joint ventures	0	43
		Net income from associates and joint ventures (Group)	**186**	**405**
-183	-546	Net change in value on certificates, bonds and fixed-income funds, excl. FX effects	-546	-183
161	441	Net change in value of derivatives that hedge securities above, excl. FX effects	441	161
-21	-105	*Net change in value on certificates, bonds and fixed-income funds including hedge derivatives*	-105	-21
641	2 399	Net change in value of securities issued, excl. FX effects	2 399	641
-655	-2 447	Net change in value in derivatives that hedge securities issued, excl. FX effects	-2 447	-655
-14	-49	*Net change in value of securities issued including hedge derivatives*	-49	-14
-150	-249	Net change in value on fixed-rate loans to customers at fair value through profit or loss	-249	-150
170	224	Net change in value of other derivatives	224	170
118	32	Net change in value on equity intruments at fair value through profit or loss	32	118
12	10	Gains or losses on realisation of assets at fair value through profit or loss	10	12
59	70	Net income from FX trading and -hedging	70	59
174	**-67**	**Net profit from other financial assets and liabilities**	**-67**	**174**
656	**356**	**Net profit from financial assets and liabilities**	**162**	**599**

Note 23 – Payroll expenses and payments to senior employees and elected officers

Parent Bank 2021	Parent Bank 2022		Group 2022	Group 2021
515	549	Payroll	864	855
110	119	Employers' National Insurance contribution	169	153
55	58	Pension costs (note 24)	80	76
27	32	Social security expenses	40	42
706	**758**	**Total personnel expenses**	**1 153**	**1 127**
704	725	Average no. of employees	1163	1 172
687	728	No. of fulltime equivalents at 31 December	1121	1 137
705	740	No. of employees at 31 December	1161	1 160

Salaries and other personnel expenses 2022	Ordinary salary	Other benefits	Pension	Board fees in subsidiaries	Loans	Number of ECC's[1]
Group Management	26 110	602	1 679	2 239	44 940	201 343
Board	0	2 613	0	0	30 243	18 296

Salaries and other personnel expenses 2021	Ordinary salary	Other benefits	Pension	Board fees in subsidiaries	Loans	Number of ECC's[1]
Group Management	26 384	690	1 718	2 517	56 042	197 389
Board	2 365	2 002	186	0	42 905	15 271

1)Number of equity capital certificates includes certificates owned by related persons of the group managment and board members as well as companies in which one has significant influence.

See Report on remuneration to senior executives on the bank's website for further information.

Savings programme for employees

In 2021, the Group started a 1-year savings program for its employees. For every other equity capital certificate the employee buys through the savings scheme, the SpareBank 1 Østlandet Group gives the employee a bonus equity capital certificate. The bonus equity capital certificates are awarded 2 years after the purchase of equity capital certificates in the savings program and are contingent on the employee still owning the originally saved equity capital certificates and still being employed in the Group. Of the Group's employees, 498 (484) chose to participate at the start of the savings program in January 2022. At the end of the year, 7 (14) employees had left the scheme because they no longer work for the Group. The Group's recognised liability relating to the purchase of future bonus equity capital certificates was NOK 7.3 million as at 31.12.2022. This includes provisions for both savings program for 2021 and 2022.

Note 24 – Pensions

The SpareBank 1 Østlandet Group offers a defined contribution based pension scheme to its employees, as well as a contractual early retirement pension (AFP) that can be taken out from the age of 62. The Group also has some unsecured pension liabilities in relation to pensioners and some employees with salaries in excess of 12G.

For further information about the Group's pension schemes, see Note 2 – Accounting policies and Note 23 – Payroll expenses and payments to senior employees and elected officers.

Contribution based pension rates:	
Salary from 0 - 7.1 G[1]	7.00 %
Salary from 7.1 - 12 G[1]	15.00 %

1) Salary includes fixed supplements, but does not include overtime, taxable benefits in kind and other allowances for expenses.

Calculations of costs and liabilities for unsecured pension schemes are based on the following assumptions:

Financial assumptions	01.01.2023	01.01.2022	01.01.2021
Discount rate	3.20 %	1.80 %	1.50 %
Expected future development of pay	3.75 %	2.50 %	2.00 %
Expected future adjustment of G	3.50 %	2.25 %	1.75 %
Expected future adjustment of pension[1]	1.70 %/3.50 %	0.00 %/2.25 %	0.00 %/1.75 %
Employer's NI contributions	19.10 %	19.10 %	19.10 %
Expected voluntary turnover	0.00 %	0.00 %	0.00 %
Anticipated AFP payout from 62 years	0.00 %	0.00 %	0.00 %
Disability table used	IR02	IR02	IR02
Mortality table used	K2013 BE	K2013 BE	K2013 BE

1) There are different regulations to the remaining agreements

The above-mentioned times indicate the time from which the liability is calculated using the changed assumptions. This means, for example, that the pension liability as at December 31, 2022 has been discounted by the assumptions that applied as at January 1, 2023, while the annual cost for 2022 is based on the assumptions that applied at the start of the year.

Pension expenses

Parent Bank			Group	
2021	2022		2022	2021
0	0	Present value of pension accruals for the year	0	0
1	1	Interest cost of pension liability	1	1
45	48	Defined-contribution pension charged to profit or loss	68	65
8	8	AFP scheme charged to profit and loss	11	9
0	0	Other pension expenses	0	1
0	0	Accrued employer contributions[1]	0	0
55	**58**	**Net pension expenses**	**80**	**76**

1) Employer's National Insurance contribution on the pension cost are entered as social costs in the income statement.

Pension liability

Parent Bank			Group	
2021	2022		2022	2021
69	66	Gross liabilities at 1 January	66	71
0	0	Pension accruals for the year	0	0
1	1	Interest on pension liability	1	1
-5	-4	Benefits paid	-4	-7
0	-1	Actuarial differences included in other comprehensive income	-1	0
66	**63**	**Gross liability at 31 December**	**63**	**66**
13	13	Employers' National Insurance contribution liability at 1 January	13	13
-1	-1	Employers' National Insurance contribution on paid benefits	-1	-1
0	0	Employers' National Insurance contribution on actuarial differences	0	0
0	0	Employers' National Insurance contribution on the pension cost for the year[1]	0	0
13	**12**	**Employers' National Insurance contribution liability at 31 December**	**12**	**13**

1) Employer's National Insurance contribution on the pension cost are entered as social costs in the income statement.

83	79	Net pension liability unsecured scheme at 1 January	79	83
79	75	Net pension liability unsecured scheme at 31 December	75	79

Actuarial gains and losses (changes in estimates)

Parent Bank			Group	
2021	2022		2022	2021
0	1	Actuarial gains and losses pre-tax recognized through other comprehensive income	1	0
200	201	Cumulative actuarial gains pre-tax recognized through other comprehensive income	200	199

Parent bank	2022	2021	2020	2019	2018
Present value of pension liability	75	79	83	79	86
Fair value of pension assets	0	0	0	0	0
Deficit / surplus	**75**	**79**	**83**	**79**	**86**
Experience adjustments to pension liabilities	-1	0	5	-3	2
Experience adjustments to pension assets	0	0	0	0	0

Group	2022	2021	2020	2019	2018
Present value of pension liability	75	79	83	82	88
Fair value of pension assets	0	0	0	0	0
Deficit / surplus	**75**	**79**	**83**	**82**	**88**
Experienced adjustments to pension liabilities	0	0	5	-3	2
Experienced adjustments to pension assets	0	0	0	0	0

Note 25 – Other operating expenses

Parent Bank			Group	
2021	2022		2022	2021
706	758	Personnel expenses	1 153	1 127
706	**758**	**Total personnel expenses**	**1 153**	**1 127**
94	88	Deprecation	122	122
94	**88**	**Total deprecation**	**122**	**122**
287	298	ITC expences	328	318
71	76	Marketing	88	86
51	57	Operating expenses property	61	63
189	207	Other operating expenses	284	265
598	**638**	**Total other operating expenses**	**761**	**732**
		Auditor's fee (NOK thousands)		
1 798	2 117	Statutory audit	3 150	3 064
0	0	Tax consulting	0	0
837	1 200	Other attestation services	1 430	950
0	150	Other services	181	0
2 635	**3 467**	**Total, including VAT**	**4 761**	**4 014**

Note 26 – Taxes

Parent Bank 2021	Parent Bank 2022		Group 2022	Group 2021
2 225	2 358	Profit before tax	2 379	2 438
17	69	OCI items through other comprehensive income	187	17
-834	-778	+/- permanent differences [1]	-604	-838
1 125	-927	+/- changes in temporary differences	-946	1 191
0	-67	+/- tax effect recorded directly against equity	-67	0
2 533	**655**	**Tax base/taxable income for the year**	**949**	**2 791**
633	164	Of which is tax payable 25 % / 22 %	218	709
-280	249	Change in deferred tax 25 % / 22 %	233	-289
0	0	Foreign witholding tax	0	0
0	-20	Excess/insufficient tax allocation in previous years	-20	0
0	0	Excess/insufficient deferred tax allocation in previous years	0	0
-4	-17	+/- of which change not recorded in income statement	17	-4
349	**376**	**Total tax expense**	**448**	**416**
		Explanation of why the tax charge for the year is not 25 % / 22 % of the year's profit before tax		
556	590	25 % / 22 % tax on profit before tax	661	628
-207	-194	25 % / 22 % of permanent differences[1]	-193	-212
0	0	Foreign witholding tax	0	0
0	-20	Excess/insufficient tax allocation in previous years	-20	0
0	0	Excess/insufficient deferred tax allocation in previous years	0	0
349	**376**	**Total tax expense**	**448**	**416**
16 %	**17 %**	**Effective tax rate (%)**	**19 %**	**17 %**
		Composition of deferred tax assets recognized in the balance sheet		
-61	-21	Total deferred tax assets	-22	-83
68	278	Total deferred tax	405	213
7	**257**	**Net deferred tax/deferred tax asset**	**383**	**130**
		Specification of temporary differences		
6	42	Operating equipment	483	582
-80	-11	Leases	-11	-8
37	0	Provisions for liabilities	39	-
-7	5	Gains and loss account	5	8
-70	-75	Pension liabilities	-75	-80
143	147	Financial instruments outside tax exemption method	147	112
0	919	Other financial instruments	949	-91
29	**1 027**	**Total temporary differences**	**1 538**	**524**
25 %	25 %	Tax rate applied	25 % (22 %)	25 % (22 %)

1) Includes tax-exempted dividends, customer dividends, non-tax-deductible expenses, net tax-exempt gains on realisation of shares in the European Economic Area (EEA), and tax allowances for profit attributable to associated companies (the percentage of the profit is extracted as it has already been taxed in the individual company).

Pursuant to IFRS, wealth tax is classified as a levy and not as a tax charge. Wealth tax of NOK 16 million was recognised as a cost in 2022 (NOK 4 million in 2021) and classified as other operating costs.

Note 27 – Financial instruments at fair value

The table below shows financial instruments at fair value by valuation method. The different levels are defined as follows:

– Level 1: Quoted prices for identical asset or liability on an active market.
– Level 2: Valuation based on other observable factors either direct (price) or indirect (deduced from prices) than the quoted price (used on level 1) for the asset or liability.
– Level 3: Valuation based on factors not based on observable market data (non-observable inputs).

Parent Bank and Group

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value				
– Derivatives	0	1 855	0	1 855
– Certificates, bonds and fixed-income funds	0	26 351	0	26 351
– Fixed-rate loans to customers	0	0	6 078	6 078
– Equity instruments	480	30	281	791
– Mortgages (FVOCI)	0	0	72 611	72 611
Total assets	**480**	**28 236**	**78 969**	**107 686**
Liabilities				
Financial assets at fair value				
– Derivatives	0	2 587	0	2 587
– Securities issued	0	658	0	658
Total liabilities	**0**	**3 245**	**0**	**3 245**

2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value				
– Derivatives	0	814	0	814
– Certificates, bonds and fixed-income funds	0	23 825	0	23 825
– Fixed-rate loans to customers	0	0	6,159	6 159
– Equity instruments	465	31	266	761
– Mortgages (FVOCI)	0	0	70 126	70 126
Total assets	**465**	**24 670**	**76 550**	**101 685**
Liabilities				
Financial assets at fair value				
– Derivatives	0	679	0	679
– Securities issued	0	1 796	0	1 796
Total liabilities	**0**	**2 475**	**0**	**2 475**

Fair value of financial instruments traded on active markets is based on the market value on the balance sheet day. A market is considered active if the market prices are easily and regularly available, and these prices represent actual and regularly occurring arm's-length market transactions. Instruments included in level 1 include only equity instruments listed on Oslo Børs or the New York Stock Exchange.

Fair value of financial instruments that are not traded in an active market is determined using valuation methods. These valuation methods make maximum use of observable data where available and try to avoid using the Group's own estimates. If all the significant data required to determine the fair value of an instrument is observable data, the instrument is included in level 2.

If one or more important inputs required to determine the fair value of an instrument are not observable market data, the instrument is included in level 3.

Valuation methods used to determine the value of financial instruments include:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flow based on observable yield curves.
- Fair value of forward contracts in a foreign currency is determined by looking at the present value of the difference between the agreed forward exchange rate and the foreign exchange rate on balance sheet day.
- Fair value of bonds and certificates (assets and liabilities) is calculated as the present value of the estimated future cash flow based on observable yield curves, including an indicated credit spread on issuers from Nordic Bond Pricing, Refinitivs pricing service, Bloomberg or reputable brokers.
- Fair value of fixed-rate deposits is calculated as the present value of the estimated future cash flow based on an observable swap yield curve, plus an implicit mark-upcalculated as the difference between the reference rate and the interest rate indicated by the Bank's price list on balance sheet day.
- Fair value of fixed-rate loans to customers is calculated as the present value of the estimated future cash flow based on an observable swap yield curve, plus a calculated marked premium.
- Fair value of floating rate mortgages is estimated based on carrying amount and expected credit losses.
- Other methods, such as multiplier models, have been used to determine the fair value of the remaining financial instruments.

The table below presents the changes in value of the instruments classified in level 3:

31.12.2021–31.12.2022	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Opening balance	6 159	266	70 126	76 550
Investments in the period	1 409	2	13 728	15 139
Sales/redemption in the period	-1 241	-12	-11 255	-12 508
Gains/losses recognised through profit and loss	-249	25	22	-202
Gains/losses recognised in other comprehensive income	0	0	-10	-10
Closing balance	**6 078**	**281**	**72 611**	**78 969**
Gains/losses for the period included in profit and loss for assets owned on the balance sheet date	-249	17	22	-210

31.12.2020–31.12.2021	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Opening balance	6 331	267	66 330	72 928
Investments in the period	1 723	1	17 607	19 331
Sales/redemption in the period	-1 745	-5	-13 818	-15 569
Gains/losses recognised through profit and loss	-150	3	6	-141
Gains/losses recognised in other comprehensive income	0	0	1	1
Closing balance	**6 159**	**266**	**70 126**	**76 550**
Gains/losses for the period included in profit and loss for assets owned on the balance sheet date	-150	3	6	-141

Specification of fair value, instruments classified in level 3:

2022	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6 343	194	72 643	79 181
Fair value adjustment	-266	86	-33	-212
Closing balance	**6 078**	**281**	**72 611**	**78 969**

2021	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6 176	196	70 170	76 542
Fair value adjustment	-17	69	-45	8
Closing balance	**6 159**	**266**	**70 126**	**76 550**

Sensitivity, instruments classified as level 3:
The valuation of fixed-rate loans to customers is based on an agreed rate with the customer. The loans are discounted using the current yield curve plus a discretionary market premium. An increase in the discount rate by ten basis points would have resulted in a negative change in fair value of NOK 18 million.

Equity instruments in Level 3 mainly consists of shareholdings in SpareBank 1 Markets AS (NOK 74 million), Eksportfinans ASA (NOK 69 million), Oslo Kongressenter Folkets Hus AS (NOK 57 million) and NorgesInvestor Proto AS (NOK 28 million). The valuation of SpareBank 1 Markets reflects known transaction prices and an annual external valuation (P/B 1.7). The valuation of Eksportfinans is price/book based with a multiple of 0.85. The valuation of Oslo Kongressenter Folkets Hus reflects the book value of the company's equity adjusted for estimated added values in the owned property and a liquidity discount on the shares (P/B 3.9). The value of the investment company NorgesInvestor Proto corresponds to the company's monthly reports of value-adjusted equity given stock market prices of underlying investments.

Floating rate mortgages classified at fair value through other comprehensive income (FVOCI) are valued bases on carrying amounts and expected credit losses. Mortgages that do not have a significantly higher credit risk than they did upon initial recognition, are valued at nominal amount. For loans with a significant increase in credit risk since initial recognition, expected credit loss will be calculated as for assets at amortised cost. Estimated fair value on these mortgages are the carrying amount less lifetime expected credit losses. With the current assumptions on expected credit loss, the fair value adjustment amounts to NOK -33 million. Change in fair value will mainly relate to estimates on exposure at default (EAD), probability of default (PD) and loss given default (LGD), both at portfolio level and for individual loans.

Note 28 – Classification of financial instruments

Parent Bank

	Financial investments at fair value					
2022	**Mandatory at fair value through profit and loss**	**Designated at fair value through profit and loss**	**Mandatory at fair value through other comprehensive income**	**Designated at fair value through profit and loss and OCI**	**Financial instruments assessed at amortised cost [1]**	**Total**
Assets						
Cash and deposits with central banks	0	0	0	0	677	677
Loans to and receivables from credit institutions	0	0	0	0	11 749	11 749
Loans to and receivables from customers	0	6 078	72 611	0	40 923	119 612
Certificates, bonds and fixed-income funds	26 351	0	0	0	0	26 351
Financial derivatives	1 855	0	0	0	0	1 855
Shares and other equity interests	791	0	0	0	0	791
Total assets	**28 997**	**6 078**	**72 611**	**0**	**53 349**	**161 035**
Liabilities						
Deposits from and liabilities to credit institutions	0	0	0	0	3 315	3 315
Deposits from and liabilities to customers	0	0	0	0	98 911	98 911
Liabilities arising from issuance of securities	0	0	0	658	42 638	43 296
Financial derivatives	2 587	0	0	0	0	2 587
Subordinated loan capital	0	0	0	0	1 308	1 308
Total liabilities	**2 587**	**0**	**0**	**658**	**146 172**	**149 417**

	Financial investments at fair value					
2021	**Mandatory at fair value through profit and loss**	**Designated at fair value through profit and loss**	**Mandatory at fair value through other comprehensive income**	**Designated at fair value through profit and loss and OCI**	**Financial instruments assessed at amortised cost [1]**	**Total**
Assets						
Cash and deposits with central banks	0	0	0	0	458	458
Loans to and receivables from credit institutions	0	0	0	0	9 139	9 139
Loans to and receivables from customers	0	6 159	70 126	0	35 185	111 469
Certificates, bonds and fixed income funds	23 825	0	0	0	0	23 825
Financial derivatives	814	0	0	0	0	814
Shares and other equity interests	761	0	0	0	0	761
Total assets	**25 400**	**6 159**	**70 126**	**0**	**44 782**	**146 467**
Liabilities						
Deposits from and liabilities to credit institutions	0	0	0	0	3 780	3 780
Deposits from and liabilities to customers	0	0	0	0	92 246	92 246
Liabilities arising from issuance of securities	0	0	0	1 796	35 436	37 232
Financial derivatives	679	0	0	0	0	679
Subordinated loan capital	0	0	0	0	1 302	1 302
Total liabilities	**679**	**0**	**0**	**1 796**	**132 764**	**135 239**

1) Liabilities arising from issuance of securities includes liabilities subject to hedge accounting

Group

2022	Financial investments at fair value					
	Mandatory at fair value through profit and loss	Designated at fair value through profit and loss	Mandatory at fair value through other comprehensive income	Designated at fair value through profit and loss and OCI	Financial instruments assessed at amortised cost [1]	Total
Assets						
Cash and deposits with central banks	0	0	0	0	677	677
Loans to and receivables from credit institutions	0	0	0	0	2 694	2 694
Loans to and receivables from customers	0	6 078	72 611	0	51 716	130 405
Certificates, bonds and fixed income funds	26 351	0	0	0	0	26 351
Financial derivatives	1 855	0	0	0	0	1 855
Shares and other equity interests	791	0	0	0	0	791
Total assets	**28 997**	**6 078**	**72 611**	**0**	**55 087**	**162 773**
Liabilities						
Deposits from and liabilities to credit institutions	0	0	0	0	3 296	3 296
Deposits from and liabilities to customers	0	0	0	0	98 813	98 813
Liabilities arising from issuance of securities	0	0	0	658	42 638	43 296
Financial derivatives	2 587	0	0	0	0	2 587
Subordinated loan capital	0	0	0	0	1 308	1 308
Total liabilities	**2 587**	**0**	**0**	**658**	**146 054**	**149 300**

2021	Financial investments at fair value					
	Mandatory at fair value through profit and loss	Designated at fair value through profit and loss	Mandatory at fair value through other comprehensive income	Designated at fair value through profit and loss and OCI	Financial instruments assessed at amortised cost [1]	Total
Assets						
Cash and deposits with central banks	0	0	0	0	458	458
Loans to and receivables from credit institutions	0	0	0	0	1 435	1 435
Loans to and receivables from customers	0	6 159	70 126	0	44 556	120 841
Certificates, bonds and fixed income funds	23 825	0	0	0	0	23 825
Financial derivatives	814	0	0	0	0	814
Shares and other equity interests	761	0	0	0	0	761
Total assets	**25 400**	**6 159**	**70 126**	**0**	**46 449**	**148 134**
Liabilities						
Deposits from and liabilities to credit institutions	0	0	0	0	3 787	3 787
Deposits from and liabilities to customers	0	0	0	0	92 178	92 178
Liabilities arising from issuance of securities	0	0	0	1 796	35 436	37 232
Financial derivatives	679	0	0	0	0	679
Subordinated loan capital	0	0	0	0	1 302	1 302
Total liabilities	**679**	**0**	**0**	**1 796**	**132 703**	**135 178**

1) Liabilities arising from issuance of securities includes liabilities subject to hedge accounting.

Note 29 – Information about fair value

Parent Bank	Book value 2022	Fair value 2022	Level in the valuation hierarchy	Book value 2021	Fair value 2021	Level in the valuation hierarchy
Assets						
Loans to and receivables from credit institutions	11 749	11 749	2	9 139	9 139	2
Net loans to and receivables from customers						
- Retail banking	74 778	74 778	2,3	72 354	72 354	2,3
- Corporate banking	44 834	44 834	2,3	39 115	39 115	2,3
Securities	27 142	27 142	1,2,3	24 586	24 586	1,2,3
Derivatives	1 855	1 855	2	814	814	2
Total financial assets	**160 358**	**160 358**		**146 008**	**146 008**	
Liabilities						
Liabilities to credit institutions	3 315	3 315	2	3 780	3 780	2
Deposits from and liabilities to customers	98 911	98 911	2,3	92 246	92 246	2,3
Liabilities arising from issuance of securities	43 296	42 967	2	37 232	37 550	2
Derivatives	2 587	2 587	2	679	679	2
Subordinated loan capital	1 308	1 309	2	1 302	1 315	2
Total financial liabilities	**149 417**	**149 089**		**135 239**	**135 569**	

Group	Book value 2022	Fair value 2022	Level in the valuation hierarchy	Book value 2021	Fair value 2021	Level in the valuation hierarchy
Assets						
Loans to and receivables from credit institutions	2 694	2 694	2	1 435	1 435	2
Net loans to and receivables from customers						
- Retail banking	79 153	79 153	2,3	76 505	76 505	2,3
- Corporate banking	51 252	51 252	2,3	44 336	44 336	2,3
Securities	27 142	27 142	1,2,3	24 586	24 586	1,2,3
Derivatives	1 855	1 855	2	814	814	2
Total financial assets	**162 096**	**162 096**		**147 676**	**147 676**	
Liabilities						
Liabilities to credit institutions	3 296	3 296	2	3 787	3 787	2
Deposits from and liabilities to customers	98 813	98 813	2,3	92 178	92 178	2,3
Liabilities arising from issuance of securities	43 296	42 967	2	37 232	37 550	2
Derivatives	2 587	2 587	2	679	679	2
Subordinated loan capital	1 308	1 309	2	1 302	1 315	2
Total financial liabilities	**149 300**	**148 972**		**135 178**	**135 508**	

Financial instruments assessed at amortised cost

Financial instruments that are not measured at fair value are recognised at amortised cost. See note 27 for an overview of financial instruments at fair value and a more detailed description of accounting policies in note 2. Amortised cost entails measuring balance sheet items based on originally agreed cash flows, less expected credit loss.

Measurement of fair value of assets and liabilities recognised at amortised cost

The agreed interest rates for loans to and receivables from credit institutions and customers at amortised cost are either an official benchmark interest rate plus an adjustable credit premium or a variable current interest rate. In the opinion of the Bank, loans subject to such terms were generally correctly priced in the market on the balance sheet date. Variable interest rates are continuously assessed and adjusted, with a relatively short notice period, according to the interest rate level in the market. Changes in credit risk also result in adjustments to provisions for expected credit loss. Loans with reference rate terms and conditions can be renegotiated continuously and the Bank seeks to ensure that these loans are correctly priced at any time. In the opinion of the Bank, the market value of the overall loan portfolio classified at amortised cost does not deviate substantially from its book value.

For deposits from customers and debt to credit institutions, fair value is estimated to be equivalent to book value, since these are primarily at variable interest rates with short repricing notice.

For debt securities issued at amortised cost, including subordinated loan capital, fair value is calculated using the same method as for debt securities issued that are measured at fair value, ref. notes 2 and 27.

Note 30 – Certificates, bonds and fixed-income funds

Parent Bank and Group

Certificates and bonds by sector of issuers	2022	2021
Government		
Nominal value	2 100	1 000
Fair value	1 998	1 008
Other public sector issuers		
Nominal value	8 706	4 545
Fair value	8 678	4 581
Financial institutions		
Nominal value	15 610	17 607
Fair value	15 373	17 803
Non-financial institutions		
Nominal value	307	432
Fair value	302	433
Total fixed-income securities, nominal value	**26 723**	**23 584**
Total fixed-income securities at fair value through profit	**26 351**	**23 825**

Fair value is presented including accrued interest (dirty price). Accrued interest in the Parent bank and Group amounts to NOK 141 million in 2022 and NOK 69 million in 2021.

Note 31 – Financial derivatives

Parent Bank and Group

	2022		
	Contract amount	Fair value	
At fair value through profit and loss		Assets	Liabilities
Currency instruments			
Currency forward contracts	2 615	18	11
Currency swaps	2 271	13	10
Total currency instruments	**4 886**	**30**	**21**
Interest rate instruments			
Interest rate swaps (including interest rate currency swaps)	73 247	1 825	2 566
Other interest rate contracts	0	0	0
Total interest rate instruments	**73 247**	**1 825**	**2 566**
Total currency instruments	**4 886**	**30**	**21**
Total interest rate instruments	**73 247**	**1 825**	**2 566**
Total financial derivatives	**78 133**	**1 855**	**2 587**

	2021		
	Contract amount	Fair value	
At fair value through profit and loss		Assets	Liabilities
Currency instruments			
Currency forward contracts	2 035	24	19
Currency swaps	560	0	7
Total currency instruments	**2 595**	**24**	**25**
Interest rate instruments			
Interest rate swaps (including interest rate currency swaps)	58 601	790	653
Other interest rate contracts	499	0	0
Total interest rate instruments	**59 100**	**790**	**653**
Total currency instruments	**2 595**	**24**	**25**
Total interest rate instruments	**59 100**	**790**	**653**
Total financial derivatives	**61 695**	**814**	**679**

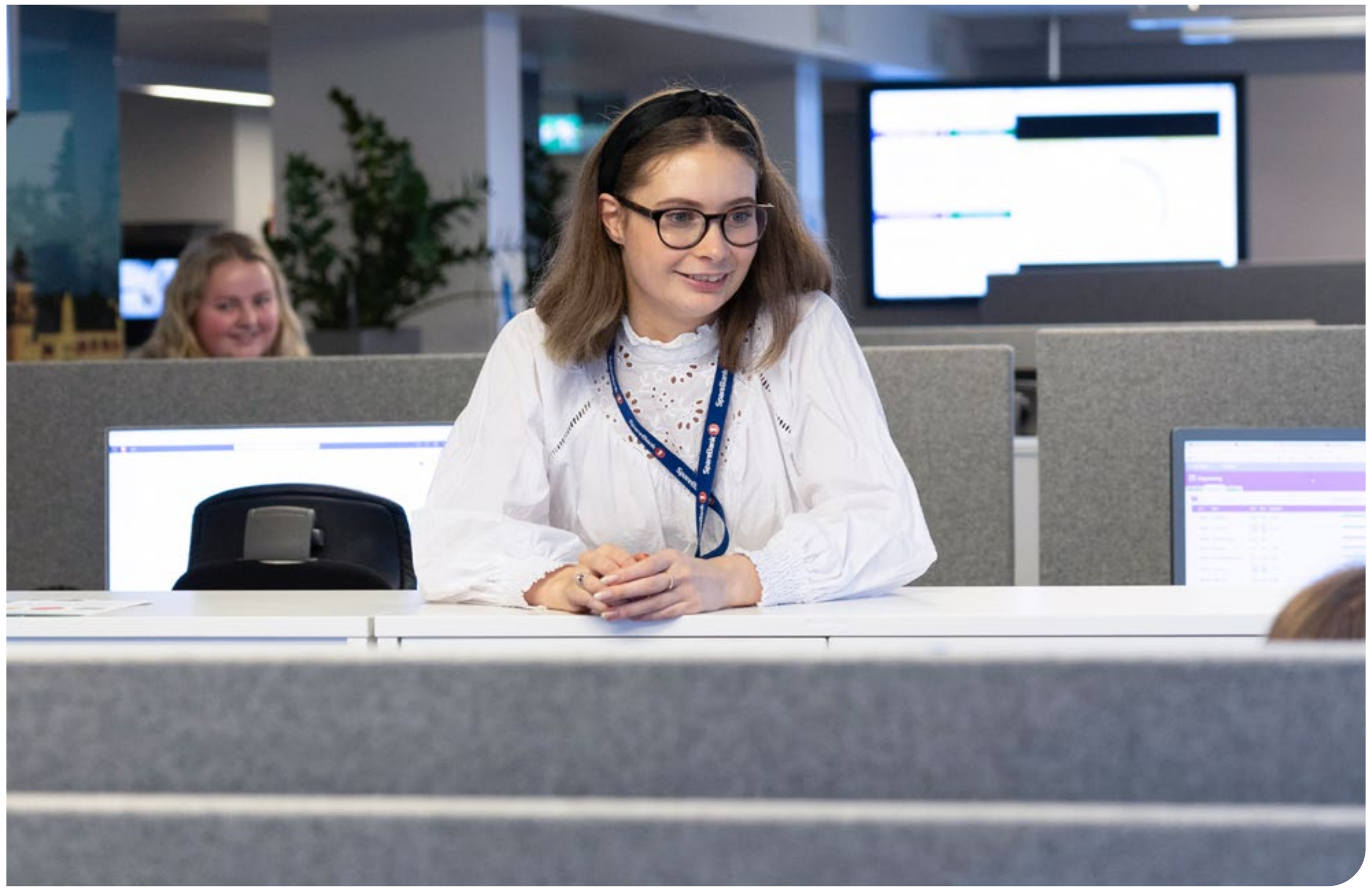
Note 32 – Shares and other equity interests

Parent Bank			Group	
2021	2022		2022	2021
761	791	**At fair value through profit or loss (FV)**	791	761
465	*480*	*- Of this listed*	*480*	*465*
296	*311*	*- Of this unlisted*	*311*	*296*

Specification

Listed companies	Classification	Ownership (%)	No. of shares	Cost of acquisition	Market value/ book value
Totens Sparebank (equity capital certificates, OSE)	FV	24.6 %	1 503 661	101	331
Visa Inc. (shares, NYSE)	FV	0.0 %	73 400	8	150
Total listed shares and equity certificates				**109**	**480**

Unlisted companies	Classification	Ownership (%)	No. of shares	Cost of acquisition	Market value/ book value
SpareBank 1 Markets AS	FV	6.0 %	191 562	58	74
Eksportfinans ASA	FV	1.3 %	3 499	46	69
Oslo Kongressenter Folkets Hus AS	FV	13.9 %	70 638	7	57
NorgesInvestor Proto AS	FV	17.0 %	150 000	15	28
VN Norge AS (number of shares in billion)	FV	2.8 %	28 071 986	40	16
Visa Inc. preferred shares (series C)	FV	0.1 %	1 913	9	13
Additional Tier 1 Capital in SpareBank 1 Gruppen AS	FV			31	30
Other shares and equity interests	FV			22	23
Total unlisted shares and other equity interests				**228**	**311**
Total shares and other equity interests				**337**	**791**



Emma Rennemo is one of the customer advisers at the Bank's customer service centre in Oslo.

Note 33 – Goodwill and other intangible assets

Parent Bank 2022 Intangible assets	Parent Bank 2022 Goodwill	Parent Bank 2022 Total		Group 2022 Total	Group 2022 Goodwill	Group 2022 Intangible assets
179	22	201	Acquisition cost at 1 January	558	331	227
12	0	12	Acquisitions	25	12	17
0	0	0	Disposals at cost price	4	40	5
191	22	213	Acquisition cost at 31 December	579	303	239
121	0	121	Accumulated depreciation at 1 January	168	24	144
0	0	0	Accumulated write-downs on current year's disposals	4	0	4
16	0	16	Current year's depreciation	24	0	24
0	0	0	Impairment provisions of the year's disposals	6	6	0
137	0	137	Accumulated depreciation at 31 December	189	24	164
54	**22**	**76**	**Closing balance at 31 December**	**353**	**278**	**75**
			Distribution of closing balance			
0	0	0	Acquisition of finance function and accounting company TheVit AS, 2018	0	0	0
19	22	41	Acquisition of portfolio from Bank 1 Oslo Akershus AS, Hamar branch in 2006	41	22	19
0	0	0	Acquisition of shares in SpareBank 1 Forretningspartner Holding, 2022	12	12	0
0	0	0	Acquisition of shares in Bank 1 Oslo Akershus AS, 2016	151	151	0
5	0	5	Acquisition of portfolio from SpareBank 1 Ringerike Hadeland, 2011	5	0	5
6	0	6	Acquisition of portfolio from Bank 1 Oslo Akershus AS Årnes, 2012	6	0	6
0	0	0	Acquisition of companies Eiendomsmegler 1 Innlandet AS	12	12	0
0	0	0	Acquisition of accounting offices in SpareBank 1 Forretningspartner Østlandet AS (TheVIT AS)	78	78	0
0	0	0	Goodwill and intangible assets from subsidiaries	24	4	21
23	0	23	Proprietary software	23	0	23
54	**22**	**76**	**Closing balance at 31 December**	**353**	**278**	**75**

2021 Intangible assets	2021 Goodwill	2021 Total		2021 Total	2021 Goodwill	2021 Intangible assets
184	22	206	Acquisition cost at 1 January	557	331	226
25	0	25	Acquisitions	31	0	31
30	0	30	Disposals at cost price	30	0	30
179	22	201	Acquisition cost at 31 December	558	331	227
110	0	110	Accumulated depreciation at 1 January	147	24	123
10	0	10	Accumulated write-downs on current year's disposals	13	0	13
21	0	21	Current year's depreciation	34	0	34
121	0	121	Accumulated depreciation at 31 December	168	24	144
58	**22**	**80**	**Closing balance at 31 December**	**390**	**307**	**83**
			Distribution of closing balance			
0	0	0	Acquisition of finance function and accounting company TheVit AS, 2018	42	40	1
22	22	44	Acquisition of portfolio from Bank 1 Oslo Akershus AS, Hamar branch in 2006	44	22	22
0	0	0	Acquisition of shares in Bank 1 Oslo Akershus AS, 2016	151	151	0
7	0	7	Acquisition of portfolio from SpareBank 1 Ringerike Hadeland, 2011	7	0	7
8	0	8	Acquisition of portfolio from Bank 1 Oslo Akershus AS Årnes, 2012	8	0	8
0	0	0	Acquisition of companies Eiendomsmegler 1 Innlandet AS	12	12	0
0	0	0	Acquisition of accounting offices in TheVit AS	78	78	0
0	0	0	Intangible assets from subsidiaries	27	4	24
21	0	21	Proprietary software	21	0	21
58	**22**	**80**	**Closing balance at 31 December**	**390**	**307**	**83**

Goodwill is defined as the difference between the purchase price and the value of the acquired business included on the balance sheet, after the acquisition cost has been allotted to identifiable tangible and intangible assets, liabilities and contingent liabilities. Goodwill is not amortised, but is subject to an annual impairment test with a view to ascertaining any impairment, in accordance with IAS 36. When assessing impairment, the assessment is carried out at the lowest level where it is possible to identify cash flows. Any write-down of goodwill cannot be reversed. Negative goodwill is recognised as income immediately. Negative goodwill relating to investments in associated companies and joint ventures is recognised as income immediately according to the equity method of accounting. Other immaterial assets are depreciated on a straight-line basis over their estimated useful life.

Note 34 – Property, plant and equipment

Parent Bank Buildings, land and other property	Parent Bank Fixtures, fittings and vehicles	Parent Bank Total		Group Buildings, land and other property	Group Fixtures, fittings and vehicles	Group Total
423	351	774	Acquisition cost at 1 January 2021	765	366	1 132
17	18	35	Acquisitions	18	25	43
0	12	12	Disposals at cost price	0	12	12
440	**357**	**796**	**Acquisition cost at 31 December 2021**	**783**	**380**	**1 162**
212	292	503	Accumulated depreciation and impairments at 1 January 2021	346	322	668
13	22	35	Current year's depreciation	21	32	53
0	0	0	Current year's impairment provisions	0	0	0
0	10	11	Accumulated deprecion on current year's disposals	0	10	10
224	**303**	**527**	**Accumulated depreciation and impairments at 31 December 2021**	**367**	**344**	**711**
166	**0**	**166**	**Right-of use assets (buildings) at 31 December 2021**	**152**	**0**	**152**
382	**54**	**435**	**Book value at 31 December 2021**	**567**	**36**	**603**
440	357	796	Acquisition cost at 1 January 2022	783	380	1.162
51	17	68	Acquisitions	54	24	78
0	10	10	Disposals at cost price	0	10	10
491	**364**	**854**	**Acquisition cost at 31 December 2022**	**837**	**394**	**1 231**
224	303	527	Accumulated depreciation and impairments at 1 January 2022	367	344	711
14	18	32	Current year's depreciation	24	27	51
0	0	0	Current year's impairment provisions	0	0	0
0	10	10	Accumulated deprecion on current year's disposals	0	10	10
239	**311**	**550**	**Accumulated depreciation and impairments at 31 December 2022**	**391**	**361**	**752**
145	**0**	**145**	**Right-of use assets (buildings) at 31. December 2022**	**140**	**0**	**140**
398	**53**	**450**	**Book value at 31 December 2022**	**587**	**33**	**619**

Collateral security
The Bank has not pledged or accepted any other limitations on its right to dispose of the fixed assets.

Acquisition cost of depreciated assets
The acquisition cost of fully depreciated assets still in use in the Bank in 2022 was NOK 314 million. The corresponding figure for 2021 was NOK 160 million.

Gross value of fixed assets temporarily not in operation
The Group did not have any fixed assets temporarily out off operation at 31 December 2022.

Investment properties (NOK thousands)

Parent Bank Value 01.01.2022	Acqu./ depr.	Value 31.12.2022	Rent	Rented as of 31.12.2022		Group Value 01.01.2022	Acqu./ depr.	Value 31.12.2022	Rent	Rented as of 31.12.2022
5 144	-303	4 840	409	53 %	Brugata 7 - Brumunddal	5 144	-303	4 840	409	53 %
5 144	**-303**	**4 840**	**409**		**Total**	**5 144**	**-303**	**4 840**	**409**	
		7 400			Fair value			7 400		

Parent Bank Value 01.01.2021	Acqu./ depr.	Value 31.12.2021	Rent	Rented as of 31.12.2021		Group Value 01.01.2021	Acqu./ depr.	Value 31.12.2021	Rent	Rented as of 31.12.2021
5 447	-303	5 144	390	53 %	Brugata 7 - Brumunddal	5 447	-303	5 144	390	53 %
5 447	**-303**	**5 144**	**390**		**Total**	**5 447**	**-303**	**5 144**	**390**	
		8 391			Fair value			8 391		

Fair value of investment properties is based on an appraisal by an independent appraiser.

Note 35 – Leases

Right of use

Parent Bank 2021	Parent Bank 2022	Right-of use assets (buildings) where the parent bank and the group are lessees	Group 2022	Group 2021
192	166	Right-of use asset at 01.01	152	156
2	9	Indexation of the right of use asset	9	2
5	13	Additions	23	22
4	-3	Adjustments of discount rates and options	-3	7
38	40	Depreciation	41	35
166	**145**	**Total right-of use asset at 31 December**	**140**	**152**

Liability

Parent Bank 2021	Parent Bank 2022	Undiscounted rental obligations and payment maturity	Group 2022	Group 2021
-40	-44	Less than 1 year	-39	-40
-37	-41	1-2 years	-36	-32
-35	-29	2-3 years	-29	-28
-25	-14	3-4 years	-18	-22
-13	-12	4-5 years	-12	-16
-43	-35	Less than 5 years	-40	-47
-193	**-175**	**Total undiscounted rental obligation as at 31 December**	**-175**	**-184**

2021	2022	Lease liability (buildings)	2022	2021
199	173	Lease liability at 01.01	157	161
2	8	Indexation of the lease obligation	7	2
5	13	Additions	23	22
4	-3	Adjustments of discount rates and options	-3	7
40	40	Lease payments in the period	40	37
4	4	Interest	4	4
173	**156**	**Total lease liability at 31 December**	**149**	**157**
38	44	Current lease liabilities	33	36
136	113	Non-current lease liabilities	116	121
40	40	Total cash outflowes for leases	40	37

Over Profit/Loss

Parent Bank 2021	Parent Bank 2022	Effects on earnings	Group 2022	Group 2021
4	4	Interest expense	4	4
38	40	Depreciation	41	35
-1	0	Reversed depreciation previous period	0	-1
41	**44**	**Total cost from lease liablilities**	**45**	**38**

2021	2022	Other lease expenses recognised in profit or loss	2022	2021
0	0	Operating expenses in the period related to short-term leases (including short-term low value assets)	0	1
1	2	Operating expenses in the period related to low value assets (exluding short-term leases included above)	2	2
1	**2**	**Total lease expenses included in operating expenses**	**2**	**2**

The leases do not contain restrictions on the Group's dividend policy or financing opportunities.

The Group has no residual value guarantees linked to its leases.
The Group has entered into leases that starts after 31 December 2022 where the unrecognised liability is NOK 6.6 million.
The Group has no purchase options for any of its leases.
The Group has not taken advantage of the changes made in IFRS 16 due to the COVID-19 pandemic.

Refers to note 8 for information on lease financing agreements where the Group is the lessor.

Note 36 – Other assets

Parent Bank 2021	Parent Bank 2022		Group 2022	Group 2021
273	273	Capital payments into pension fund	273	273
41	19	Accrued income, not yet received	20	43
77	76	Prepaid costs, not yet incurred	136	150
0	20	Unsettled trades	20	0
59	142	Other assets	350	225
450	**529**	**Other assets**	**798**	**691**

Note 37 – Deposits from and liabilities to customers

Parent Bank 2021	Parent Bank 2022	Deposits from and liabilities to customers	Group 2022	Group 2021
84 475	87 256	Deposits from and liabilities to customers at call	87 158	84 407
7 771	11 655	Deposits from and liabilities to customers with agreed maturity dates	11 655	7 771
92 246	**98 911**	**Total deposits from and liabilities to customers**	**98 813**	**92 178**
		Of total deposits:		
2 130	*3 776*	*Fixed-rate deposits, book value*	*3 776*	*2 130*
11	*0*	*Term deposits, book value*	*0*	*11*

2021	2022	Deposits by sector and industry	2022	2021
51 281	54 743	Private customers	54 743	51 281
7 564	9 242	Public sector	9 242	7 564
1 443	1 315	Primary industries	1 315	1 443
435	759	Paper and pulp industries	759	435
1 283	1 403	Other industry	1 403	1 283
2 236	2 423	Building and construction	2 423	2 236
118	688	Power and water supply	688	118
2 334	1 937	Wholesale and retail trade	1 937	2 334
448	520	Hotel and restaurants	520	448
4 933	4 899	Real estate	4 899	4 933
18 222	19 213	Commercial services	19 115	18 154
1 950	1 769	Transport and communications	1 769	1 950
92 246	**98 911**	**Total deposits by sector and industry**	**98 813**	**92 178**

2021	2022	Deposits by geographic area	2022	2021
42 401	46 214	Innlandet	46 116	42 334
16 708	18 809	Viken	18 809	16 708
27 500	28 050	Oslo	28 050	27 500
4 032	4 158	Rest of Norway	4 158	4 032
1 604	1 680	Abroad	1 680	1 604
92 246	**98 911**	**Total deposits by geographic area**	**98 813**	**92 178**

Note 38 – Debt securities issued

Parent Bank and Group

	2022	2021
Certificate debt		
- nominal value	0	500
- book value	0	500
Bond debt		
- nominal value (converted to NOK by using FX-rate at recognition)	37 351	30 884
- book value	36 852	31 234
Senior non-preferred		
- nominal value	6 500	5 500
- book value	6 444	5 498
Subordinated loan capital		
- nominal value	1 300	1 300
- book value	1 308	1 302
Total liabilities arising from issuance of securities, nominal value	**43 851**	**36 884**
Total subordinated loan capital, nominal value	**1 300**	**1 300**
Total liabilities arising from issuance of securities, book value	**43 296**	**37 232**
Total subordinated loan capital, book value	**1 308**	**1 302**
Average interest rate on certificate debt	0.9 %	1.0 %
Average interest rate on bond debt (including related interest rate derivatives)	2.3 %	1.1 %
Average interest rate on senior non-preferred (including related interest rate derivatives)	2.6 %	1.4 %
Average interest rate on subordinated loan capital	3.3 %	1.8 %

Liabilities from issuance of securities by maturity date [1]	**2022**	**2021**
2022		4 829
2023	7 453	7 422
2024	9 571	9 077
2025	5 297	5 297
2026	2 020	1 020
2027	12 531	2 261
2028	5 580	5 580
2029	142	142
2030	146	146
2031	250	250
2032	715	715
2033	1 056	1 055
2034	390	390
Total liabilities from issuance of securities, nominal value	**45 151**	**38 184**

1) Maturity date is set at the first call date.

Parent Bank and Group

Changes in liabilities from issuance of securities	**2022**	**Issued**	**Due / redeemed**	**Other changes**	**2021**
Certificate debt, nominal value	0	0	-500	0	500
Bond debt, nominal value	37 351	10 542	-4 381	305	30 884
Senior non-preferred , nominal value	6 500	1 000	0	0	5 500
Subordinated loan capital, nominal value	1 300	500	-500	0	1 300
Accrued interest	328	0	0	132	196
Adjustments [1]	-874	0	0	-1 028	154
Total debt raised through issuance of securities and subordinated loan capital, book value	**44 604**	**12 042**	**-5 381**	**-592**	**38 534**

1) Herof urealised exchange rate effects with MNOK 1 443 in the period and MNOK 1 476 accumulated

Changes in liabilities from issuance of securities	**2021**	**Issued**	**Due / redeemed**	**Other changes**	**2020**
Bond debt, nominal value	30 884	6 677	-8 283	2 290	30 199
Senior non-preferred , nominal value	5 500	3 000	0	0	2 500
Subordinated loan capital, nominal value	1 300	0	0	0	1 300
Accrued interest	196	0	0	0	184
Adjustments	154	0	0	-1 916	2 070
Total debt raised through issuance of securities and subordinated loan capital, book value	**38 534**	**10 177**	**-8 283**	**386**	**36 254**

			Other effects			
Change in liabilities from financing	**2021**	**Cash flow**	**Accrued interest**	**Currency effects**	**Value adjustments**	**2022**
Liabilities arising from issuance of securities	37 232	6 967	126	1 443	-2 472	43 296
Subordinated loan capital	1 302	0	6	0	0	1 308
Total	**38 534**	**6 967**	**132**	**1 443**	**-2 472**	**44 604**

			Other effects			
Change in liabilities from financing	**2020**	**Cash flow**	**Accrued interest**	**Currency effects**	**Value adjustments**	**2021**
Liabilities arising from issuance of securities	34 952	3 685	12	-1 310	-106	37 232
Subordinated loan capital	1 302	0	0	0	0	1 302
Total	**36 254**	**3 685**	**12**	**-1 310**	**-106**	**38 534**

The issued securities are presented net of own holdings and book value including accrued interest.

Part of the debt securities issued, NOK 658 million as of 31.12.2022, was designated at fair value through profit and loss and other comprehensive income (OCI). The part of the fair value that is attributable to the securities own credit risk is recognised in OCI. The accumulated effect from changes to the security specific credit risk at the end of 2022 was an unrealized loss of NOK 2 million. At the end of 2021 there was a corresponding unrealized loss of NOK 15 million. Changes in fair value that was caused by changes in own credit risk, NOK 13 million, was recognised in OCI for 2022. The difference between book value, NOK 658 million, and nominal value, NOK 652 million, was NOK 6 million. Of which NOK 7 million was accumulated interest rates.

The Group estimate the amount for changes in fair value that can be attributable to changes in the securities own credit risk with approximate the method described in IFRS 9 B5.7.18.

Note 39 – Hedge accounting

Market risk is the risk of loss due to changes in observable market variables. Market risk related to interest rate risk arises as a consequence of interest-bearing assets and liabilities having different remaining fixed-rate periods. Market risk is managed through Board-approved limits that are established in the annual revision of the market risk strategy. Risk exposure and development are continuously monitored and reported to the bank's Board and executive management team. The bank's Board has approved limits for the total interest risk with respect to parallel shifts in the yield curve and distortion in the yield curve (yield curve risk). The interest rate risk is kept satisfactorily low by matching the binding interest rate for the bank's liabilities with the binding interest rate for the bank's assets.

The coupon for issued securities consists of a market interest rate component and an issuer specific credit risk premium. For securities borrowing at fixed interest rates, the bank hedges itself against value changes due to changes in market interest rates (IBOR). Both IBOR and the credit risk premium are material components on calculating the fair value of fixed interest-rate borrowing, but the IBOR component dominates.

The bank uses fair value hedging, whereby the securities issues are part of a hedging structure with individually adapted hedging derivatives. In all of Bank's the hedging structure as of 31.12.2022, the hedged item and the hedging instrument have the same principal and equivalent maturity, and coupon for the fixed leg (1:1 hedging). The fixed interest rate is swapped to a floating interest rate on a three-month basis. As a consequence, net cash flows for securities issues at fixed interest rates in hedging structures are equivalent to the cash flow for an equivalent securities issue at a variable 3-month IBOR interest rate.

Parent Bank and group

All amounts in MNOK

Information concerning hedging instruments

2022	Nominal amount of the hedging instruments	Carrying amount of the hedging instruments: Assets	Liabilities	Line of the balance sheet	Changes in fair value used to calculate inefficiency
Issued securities in NOK	11 331	31	388	Financial derivatives	-408
Issued securities in EUR	22 307	454	1 693	Financial derivatives	-1 441
Total	**33 638**	**486**	**2 081**		**-1 849**

2021	Nominal amount of the hedging instruments	Carrying amount of the hedging instruments: Assets	Liabilities	Line of the balance sheet	Changes in fair value used to calculate inefficiency
Issued securities in NOK	8 381	88	14	Financial derivatives	-248
Issued securities in EUR	17 535	512	305	Financial derivatives	-902
Total	**25 916**	**601**	**319**		**-1 150**

Information concerning hedged items

2022	Nominal amount of the hedging instruments	Carrying amount of the hedging instruments	Accumulated value change in the hedged item as a consequence of the hedging of fair value	Line of the balance sheet	Changes in fair value used to calculate inefficiency
Issued securities in NOK	11 331	11 036	-407	Issued securities	396
Issued securities in EUR	22 307	21 947	-1 172	Issued securities	1 396
Total	**33 638**	**32 983**	**-1 579**		**1 792**

2021	Nominal amount of the hedging instruments	Carrying amount of the hedging instruments	Accumulated value change in the hedged item as a consequence of the hedging of fair value	Line of the balance sheet	Changes in fair value used to calculate inefficiency
Issued securities in NOK	8 381	8 474	-11	Issued securities	245
Issued securities in EUR	17 535	17 788	224	Issued securities	889
Total	**25 916**	**26 262**	**213**		**1 133**

Details of hedging inefficiency

2022	Inefficiency recognised in profit or loss	Line of the income statement
Fair value hedging		
Issued securities in NOK	-13	Net income from financial assets and liabilities
Issued securities in EUR	-45	Net income from financial assets and liabilities
Total	**-58**	

2021	Inefficiency recognised in profit or loss	Line of the income statement
Fair value hedging		
Issued securities in NOK	-3	Net income from financial assets and liabilities
Issued securities in EUR	-13	Net income from financial assets and liabilities
Total	**-17**	

Maturity profile and interest rates on the hedging instruments

2022	Under 3 months	3-12 months	1-5 years	Over 5 years	Total
Issued securities in NOK , nominal amount	0	1 100	9 381	850	**11 331**
Issued securities in NOK, average interest rate on fixed leg		2.1 %	2.7 %	2.6 %	**2.7 %**
Issued securities in EUR, nominal amount	5 022	0	9 856	7 430	**22 307**
Issued securities in EUR, average interest rate on fixed leg	0.9 %		1.0 %	0.6 %	**0.8 %**

2021	Under 3 months	3-12 months	1-5 years	Over 5 years	Total
Issued securities in NOK , nominal amount	0	350	4 920	3 111	**8 381**
Issued securities in NOK, average interest rate on fixed leg		4.1 %	2.3 %	2.4 %	**2.4 %**
Issued securities in EUR, nominal amount	0	0	10 108	7 428	**17 535**
Issued securities in EUR, average interest rate on fixed leg			0.6 %	0.6 %	**0.6 %**

Inefficiency in the Bank's hedging structure mainly arises due to fair value adjustments of the variable leg of the hedging instrument, as well as the use of different interest rate curves for discounting hedging instruments and hedging objects based on the credit spread component. After recognition, the interest rates curves for the hedging instrument and hedging object are changed to be the same.

In the hedging of issued securities in EUR, hedging instruments (interest rate currency swaps) are used that include a currency basis spread. The basis spread is held outside the hedging structure in accordance with 6.15.16 of IFRS 9, and value changes due to changes in the basis spread are recognised on separate lines in other comprehensive income. In 2022, basis spread changes for NOK 64 million led to a tax-adjusted reduction of the comprehensive result and equity of NOK 48 million.

The most significant benchmark interest rates that are part of the Bank's secured risk are NIBOR and EURIBOR. The exposure is shown above, distributed by NIBOR (related to issued securities in NOK) and EURIBOR (related to issued securities in EUR). As yet, whether or not agreements entered into with IBOR rates will transition to alternative benchmarks rates is unknown. The amendments IASB has implemented through "IBOR reform – Phase 2" makes sure that established hedge relationships can continue unaffected by the IBOR-reform, cf. more detailed description under accounting principles.

Martin Johansen and Siw Kristiansen Berg are financial advisers at our office in Asker.

Note 40 – Other debt and liabilities

Parent Bank 2021	Parent Bank 2022	Other debt and liabilities recognised in the balance sheet	Group 2022	Group 2021
84	78	Accrued costs and prepaid income	115	114
29	30	Provisions	30	28
80	75	Pension liabilities (note 24)	75	80
80	98	Accounts payable	103	86
0	0	Unsettled trades	0	0
173	156	Lease liability (note 35)	149	157
175	204	Other debt and liabilities recognised in the balance sheet	256	272
620	**641**	**Total other debt and liabilities recognised in the balance sheet**	**727**	**737**
		Guarantee commitments etc. (amounts guaranteed)		
528	655	Payment guarantees	606	479
441	536	Contract guarantees	444	349
83	84	Loan guarantees	84	83
181	134	Other guarantees	134	181
1 233	**1 409**	**Total guarantees**	**1 268**	**1 092**
		Other liabilities - not on the balance sheet		
10 760	10 137	Unutilized credit lines	10 036	10 670
4 611	0	SNPA Boligkreditt	0	4 611
0	0	SNPA Næringskreditt	0	0
4 985	4 408	Loans approved (not discounted)	4 704	5 323
20 357	**14 545**	**Total other liabilities**	**14 740**	**20 604**
22 210	**16 595**	**Total liabilities**	**16 735**	**22 432**

Buildings	Securities	Total	Assets pledged as security	Total	Securities	Buildings
			Assets pledged as security in 2022			
0	13 886	13 886	Related liabilities 2022	13 886	13 886	0
			Assets pledged as security in 2021			
0	12 735	12 735	Related liabilities 2021	12 735	12 735	0

SNPA (Shareholder Note Purchase Agreement)
For the commitment to the covered bond companies (SNPA), see Note 9 Transfer of financial assets.

SpareBank 1 Boligkreditt AS
SpareBank 1 Østlandet has signed an agreement with the other owners of SpareBank 1 Boligkreditt AS to establish liquidity facilities in SpareBank 1 Boligkreditt AS. For further details, see Note 9 Transfer of financial assets.

SpareBank 1 Næringskreditt AS
SpareBank 1 Østlandet has signed an agreement with the other owners of SpareBank 1 Boligkreditt AS to establish liquidity facilities in SpareBank 1 Næringskreditt AS. For further details, see Note 9 Transfer of financial assets.

Secured debt
Debt secured against financial instruments is made up entirely of securities lodged as collateral for access to overnight loans with Norges Bank.

Ongoing lawsuits
The Group is involved in some legal disputes whose financial implications are deemed not to have significant impact on its financial position. The Group has made provisions for losses in the cases in which there is a probability that it will suffer losses as a consequence of the lawsuits.

Note 41 – Equity capital certificates and ownership structure

The Bank´s ECC capital totals NOK 5 791 489 493 distributed on 115 829 789 equity capital certificates (ECCs), each with a face value of NOK 50. As at 31 December 2022 there was 5 777 ECC holders (5 658 at 31 December 2021).

Change in the Bank's ECC-capital and total certificates:

Year	Change	Change in ECC capital	Change in ECC capital	Total number of ECC
2015	Conversion of 60 per cent of the Bank´s primary capital into equity certificates capital		3 987 000 000	79 740 000
2016	Private placing	1 323 126 999	5 310 126 999	106 202 540
2017	Listing the Banks´s wquity certificates and employee placing	48 745 351	5 358 872 350	107 179 987
2018	Private placing	407 103 743	5 765 976 093	115 319 521
2019	Private placing and employee placing	25 513 400	5 791 489 493	115 829 789
2020			5 791 489 493	115 829 789
2021			5 791 489 493	115 829 789
2022			5 791 489 493	115 829 789

Equity Certificate holders	2022 No. Of ECC's	2022 Share in %	2021 No. Of ECC's	Change in number	Account type
Sparebankstiftelsen Hedmark	60 404 892	52.15 %	60 404 892	-	Ordinary
Landsorganisasjonen i Norge	11 121 637	9.60 %	11 121 637	-	Ordinary
Pareto Invest AS	3 602 685	3.11 %	3 300 861	301 824	Ordinary
Fellesforbundet	2 391 954	2.07 %	2 391 954	-	Ordinary
Geveran Trading Co LTD	2 301 587	1.99 %	1 952 005	349 582	Ordinary
VPF Eika Egenkapitalbevis	2 186 236	1.89 %	1 996 144	190 092	Ordinary
Pareto AS	1 802 681	1.56 %	522 681	1 280 000	Ordinary
Spesialfondet Borea Utbytte	1 567 586	1.35 %	616 021	951 565	Ordinary
Norsk Nærings- og Nytelsesmiddelarbeiderforbund	1 313 555	1.13 %	1 313 555	-	Ordinary
Kommunal Landspensjonskasse Gjensidig Forsikring	1 171 544	1.01 %	229 843	941 701	Ordinary
VPF Odin Norge	871 218	0.75 %	1 621 218	(750 000)	Nominee
The Bank of New York Mellon SA/NV (nominee)	868 454	0.75 %	888 454	(20 000)	Nominee
Landkreditt Utbytte	850 000	0.73 %	1 000 000	(150 000)	Ordinary
Tredje AP-fonden	804 750	0.69 %	804 750	-	Nominee
Fagforbundet	622 246	0.54 %	622 246	-	Ordinary
State Street Bank and Trust Company (nominee)	596 747	0.52 %	735 862	(139 115)	Ordinary
Brown Brothers Harriman & Co. (nominee)	568 688	0.49 %	568 688	-	Ordinary
JPMorgan Chase Bank, London (nominee)	544 401	0.47 %	544 401	-	Nominee
Industri Energi	479 443	0.41 %	479 443	-	Nominee
VPF Storebrand Norge	470 250	0.41 %	313 561	156 689	Ordinary
20 largest ECC-holders	**94 540 554**	**81.62 %**	**91 428 216**	**3 112 338**	
Other ECC-holders	21 289 235	18.38 %	24 401 573	(3 112 338)	
ECCs issued	**115 829 789**	**100.00 %**	**115 829 789**		

Equity capital certificate ratio (parent bank)

Parent bank	**2022**	**2021**
Equity capital certificates	5 791	5 791
Dividend equalisation fund	4 361	3 776
Premium fund	848	848
Fund for unrealised gains	340	322
A. Equity capital certificate owners' capital	**11 340**	**10 737**
Primary capital	4 689	4 438
Provision for gifts	16	21
Fund for unrealised gains	146	138
B. Total primary capital	**4 851**	**4 597**
Recommended dividends and other equity capital	788	695
Recommended dividends on customers return	337	301
Total equity ekskl. hybrid capital	**17 316**	**16 330**
Total equity for distribution:		
Equity capital certificate ratio (A/(A+B)) after distribution [1]	**70.0 %**	**70.0 %**
Equity capital certificates issued 31.12.	**115 829 789**	**115 829 789**
Equity capital certificates with the richt to dividend	**115 829 789**	**115 829 789**
Average Equity capital certificates	**115 829 789**	**115 829 789**

1)The equity certificate ratio is reported excluding dividends. Average ownership ratio is used to distribute profit and dividend:
See Key ratios for an overview of average ownership ratio over time.

Earnings per equity capital certificate	**2022**	**2021**
Net Profit for the Group	**1 948**	**2 022**
- adjusted for Tier 1 capital holders share of net profit	47	27
- adjusted for non-controlling interests share of net profit	21	9
Adjusted Net Profit	**1 880**	**1 985**
Adjusted Net Profit allocated to ECC Owners (70.0 %)	1 316	1 385
Average Equity capital certificates	115 829 789	115 829 789
Result per Equity capital certificate (NOK)	**11.37**	**11.96**

Note 42 – Investments in subsidiaries, associates and joint ventures

Company	**Type of business**	**Date of acquisition**	**Business office, headquarters [2]**	**Percentage ownership [1]**
Investments in subsidiaries				
Shares owned by the parent bank				
Vato AS	Rental of real estate	1981	Hamar, Norway	100.00 %
EiendomsMegler 1 Innlandet AS	Real estate	1988	Hamar, Norway	100.00 %
SpareBank 1 Finans Østlandet AS	Financing	1995	Hamar, Norway	90.10 %
EiendomsMegler 1 Oslo Akershus konsern	Real estate	2016	Oslo, Norway	100.00 %
Youngstorget 5 AS	Rental of real estate	2017	Oslo, Norway	100.00 %
SpareBank 1 ForretningPartner Østlandet konsern	Accounting	2018	Hamar, Norway	100.00 %
Investments in associated companies				
SpareBank 1 Boligkreditt AS	Coverd bond company	2007	Stavanger, Norway	22.42 %
SpareBank 1 Næringskreditt AS	Coverd bond company	2012	Stavanger, Norway	15.66 %
SpareBank 1 Kreditt AS	Credit card	2012	Trondheim, Norway	19.24 %
SpareBank 1 Betaling AS	Payment services.	2015	Oslo, Norway	18.10 %
SpareBank 1 Bank og Regnskap AS	Consulting	2017	Trondheim, Norway	25.00 %
BN Bank ASA	Banking	2019	Trondheim, Norway	9.99 %
SpareBank 1 Gjeldsinformasjon AS	Debt colection activities	2020	Oslo, Norway	14.68 %
SpareBank 1 Forvaltning AS	Trading and investing in real estate property, securities and other assets.	2020	Oslo, Norway	6.26 %
SpareBank 1 Kundepleie AS	CRM system development and licensing	2021	Trondheim, Norway	26.67 %
Investments in joint ventures				
SpareBank 1 Gruppen AS	Financial holding company	2006	Tromsø, Norway	12.40 %
SpareBank 1 Utvikling DA	Develop and coordinate cooperation in SpareBank 1 Alliansen	2006	Oslo, Norway	18.00 %

Shares owned by subsidiaries

Investments in associates in SpareBank 1 Finans Østlandet AS

SpareBank 1 Mobilitet Holding AS [3]	Invests in companies involved in mobility	2021	Hamar, Norway	30.66 %

3) SpareBank 1 Mobilitet Holding AS owns 47.17 per cent of the shares in the car subscription company Fleks AS. The Group's indirect ownershio stake in Fleks AS is 14.46 per cent.

1) The voting share corresponds to the ownership interest in all the companies.

2) Registered office and head quarters are the same for all companies exept SpareBank 1 Gruppen AS whose headquarters is placed in Oslo.

Shares in subsidiaries parent bank

Investments are recognised at cost in the parent bank. The figures are fully consolidated in the consolidated financial statements.

2022	**The company's share capital**	**No. of shares**	**Assets**	**Short-term debt**	**Long-term debt**	**Total income**	**Total expenses**	**Company profit**	**Book value**
SpareBank 1 Finans Østlandet AS Group	1 770	1 770 000	11 083	62	9 146	288	113	125	1 506
Total investments in credit institutions	**1 770**	**1 770 000**	**11 083**	**62**	**9 146**	**288**	**113**	**125**	**1 506**
EiendomsMegler 1 Innlandet AS	12	12 400	82	25	39	132	129	2	20
EiendomsMegler 1 Oslo Akerhus AS Group	1	1	131	28	39	198	185	10	58
SpareBank 1 ForretningPartner Østlandet Group	30	300 000	131	27	14	170	174	-5	124
Vato AS	1	352	12	1	2	5	3	1	9
Youngstorget 5 AS	23	231 948	134	2	8	15	9	5	148
Total investments in other subsidiaries									**359**
Total investments in Group companies parent bank									**1 865**

2021	**The company's share capital**	**No. of shares**	**Assets**	**Short-term debt**	**Long-term debt**	**Total income**	**Total expenses**	**Company profit**	**Book value**
SpareBank 1 Finans Østlandet AS Group	1 520	1 444 000	9 625	108	7 817	355	103	183	1 444
Total investments in credit institutions	**1 520**	**1 444 000**	**9 625**	**108**	**7 817**	**355**	**103**	**183**	**1 444**
EiendomsMegler 1 Hedmark Eiendom AS	12	12 400	69	48	5	130	125	3	20
EiendomsMegler 1 Oslo Akerhus AS Group	1	1	152	67	39	219	200	15	58
SpareBank 1 Østlandet VIT AS Group	30	212 040	139	48	23	191	192	-2	80
Vato AS	0,6	352	12	6	2	5	3	1	9
Youngstorget 5 AS	23	231 948	135	2	9	17	11	5	148
Total investments in other subsidiaries									**314**
Total investments in Group companies parent bank									**1 758**

Investments in associates and joint ventures

Investments in associates and joint ventures are recognised at cost in the parent bank. Consolidated figures are presented according to the equity method of accounting.

Parent Bank 2021	Parent Bank 2022		Group 2022	Group 2021
4 510	4 638	Book value at 1 January	5 642	5 325
128	200	Acquisitions/disposals	215	205
0	0	Impairment provisions	0	0
0	0	Changes in equity	106	24
0	0	Share of the profit	186	361
0	0	Dividend paid	-144	-272
4 638	**4 838**	**Book value at 31 December**	**6 004**	**5 642**

Income from investments in subsidiaries, associates and joint ventures

Parent Bank 2021	Parent Bank 2022		Group 2022	Group 2021
233	87	Dividend SpareBank 1 Gruppen AS	0	0
19	16	Dividend SpareBank 1 Boligkreditt AS	0	0
7	1	Dividend SpareBank 1 Næringskreditt AS	0	0
9	3	Dividend EiendomsMegler 1 Innlandet AS	0	0
12	14	Dividend EiendomsMegler 1 Oslo Akershus AS	0	0
120	190	Dividend SpareBank 1 Finans Østlandet AS	0	0
2	1	Dividend AS Vato	0	0
0	20	Dividend BNBank ASA	0	0
14	0	Dividend SpareBank 1 Kreditt AS	0	0
0	20	Dividend SpareBank 1 Forvaltning AS	0	0
4	5	Dividend from others	0	0
0	0	Share of the profit SpareBank 1 Gruppen AS	111	299
0	0	Share of the profit SpareBank 1 Boligkreditt AS	1	17
0	0	Share of the profit SpareBank 1 Næringskreditt AS	3	5
0	0	Share of the profit SpareBank 1 Kreditt AS	9	13
0	0	Share of the profit SpareBank 1 Betaling AS	12	-13
0	0	Share of the profit BN Bank ASA	58	47
0	0	Share of the profin SpareBank 1 Forvaltning AS	11	9
0	0	Share of the profit from others	-19	-15
40	22	Gains/losses on realisation of ownership investments	0	43
461	**379**	**Net income from subsidiaries, associates and joint ventures**	**186**	**405**

The Group's stake in joint ventures and associates companies

	Joint ventures		Associates companies						
2022	**SpareBank 1 Gruppen konsern[1)]**	**SpareBank 1 Utvikling DA**	**SpareBank 1 Boligkreditt AS[2)]**	**SpareBank 1 Næringskreditt AS[2)]**	**SpareBank 1 Kreditt AS**	**SpareBank 1 Betaling AS**	**BN Bank ASA[2)]**	**SpareBank 1 Forvaltning AS**	**Other joint and associated companies[3)]**
Ownership in percent	12.40 %	18.00 %	22.42 %	15.66 %	19.24 %	18.10 %	9.99 %	6.26 %	
No.of shares	267 394		17 484 191	2 542 115	771 883	4 978 961	1 410 222	230 460	
Current assets	11 143	64	63 604	1 790	1 490	1	4 320	43	26
Fixed assets	3 910	129	956	28	18	226	176	52	116
Total assets	**15 053**	**193**	**64 560**	**1 819**	**1 508**	**227**	**4 495**	**95**	**142**
Short-term liabilities	744	50	55	2	1170	0	2 396	42	0
Long-term liabilities	12 474	0	61 631	1 496	47	0	1 550	1	0
Equity capital	1 836	142	2874	321	291	227	405	52	142
Total equity capital and liabilities	**15 053**	**193**	**64 560**	**1 819**	**1 508**	**227**	**4 495**	**95**	**142**
Non-controlling interests' share of equity	405								
Income	2 396	304	24	7	166	0	113	49	8
Operating expenses (including loss)	2 211	301	14	3	155	0	35	34	7
Profit/loss before tax	185	3	10	4	12	0	78	15	2
Shares from companies accounted for using the equity method	-4	0	0	0	0	12	0	0	23
Tax	**32**	**0**	**0**	**1**	**3**	**-**	**19**	**4**	**0**
Result for the accounting year	**148**	**3**	**10**	**3**	**9**	**12**	**59**	**11**	**25**
Other comprehensive income	151	3	115	3	8 824	12	60	11	25
Non-controlling interests' share of the result	37								
Book value Parent Bank	**753**	**129**	**2 624**	**320**	**254**	**239**	**414**	**44**	**62**
Book value Group	**1 617**	**129**	**2 672**	**321**	**301**	**227**	**543**	**52**	**142**

1) The ownership share of 12.40 per cent is in SpareBank 1 Gruppen AS

2) The banks share of profit shown in the table above deviates from the banks profit share in the consolidated result. This i due to changes in owneship interests throughout the year and the Group's earnings ratio has been adjusted for interest on hybrid capital. The share of profit included in hte Group may also be adjusted for changes in previous years.

3) Other joint and associated companies includes SpareBank 1 Gjeldsinformasjon AS, SpareBank 1 Bank og Regnskap AS, SpareBank 1 Kundepleie AS and SpareBank 1 Mobilitet Holding AS.

Total book value in joint venture in the Parent Bank	**882**
Total book value in joint venture in the Group	**1 746**
Total book value in associated companies in the Parent Bank	**3 956**
Total book value in associated companies in the Group	**4 258**

	Joint ventures		Associates companies						
2021	**SpareBank 1 Gruppen[1)]**	**SpareBank 1 Utvikling DA**	**SpareBank 1 Boligkreditt AS[2)]**	**SpareBank 1 Næringskreditt AS[2)]**	**SpareBank 1 Kreditt AS**	**SpareBank 1 Betaling AS**	**BN Bank ASA[2)]**	**SpareBank 1 Forvaltning AS**	**Other joint and associated companies[3)]**
Ownership in percent	12.40 %	18.00 %	23.15 %	10.18 %	19.09 %	18.20 %	9.99 %	5.40 %	
No.of shares	267 394		18 048 408	1 652 122	551 334	3 747 414	1 410 221	152 240	
Current assets	12 083	60	57 977	1 168	1 081	1	3 998	48	12
Fixed assets	3 320	120	1 805	0	37	140	185	16	145
Total assets	**15 403**	**180**	**59 782**	**1 168**	**1 118**	**142**	**4 183**	**63**	**157**
Short-term liabilities	1 247	40	48	3	43	1	2 227	22	3
Long-term liabilities	12 279	0	56 859	954	878	0	1 455	1	0
Equity capital	1 877	140	2875	211	196	141	501	40	153
Total equity capital and liabilities	**15 403**	**180**	**59 782**	**1 168**	**1 118**	**142**	**4 183**	**63**	**157**
Non-controlling interests' share of equity	403								
Income	4 765	289	36	7	84	0	90	28	6
Operating expenses (including loss)	4 252	287	6	1	67	0	27	16	3
Profit/loss before tax	513	2	30	6	17	0	63	11	2
Shares from companies accounted for using the equity method	2	0				12		0	-6
Tax	112	0	6	1	4	0	15	3	1
Result for the accounting year	**403**	**2**	**25**	**4**	**13**	**-13**	**48**	**9**	**-5**
Other comprehensive income	**3**	**0**	**15**	**0**	**2**	**0**	**0**	**0**	**0**
Non-controlling interests' share of the result	51								
Book value Parent Bank	**753**	**129**	**2 709**	**208**	**175**	**170**	**414**	**18**	**62**
Book value Group	**1 596**	**129**	**2 666**	**211**	**207**	**141**	**505**	**40**	**146**

1) The ownership share of 12.40 per cent is in SpareBank 1 Gruppen AS

2) The banks share of profit shown in the table above deviates from the banks profit share in the consolidated result. This i due to changes in owneship interests throughout the year and the Group's earnings ratio has been adjusted for interest on hybrid capital. The share of profit included in hte Group may also be adjusted for changes in previous years.

3) Other joint and associated companies includes SpareBank 1 Gjeldsinformasjon AS, SpareBank 1 Bank og Regnskap AS, SpareBank 1 Kundepleie AS and SpareBank 1 Mobilitet Holding AS.

Total book value in joint venture in the Parent Bank	**882**
Total book value in joint venture in the Group	**1 725**
Total book value in associated companies in the Parent Bank	**3 756**
Total book value in associated companies in the Group	**3 917**

Contingent liabilities related to investments in joint ventures and associates are disclosed in note 40.

Note 43 – Material transactions with related parties

Related parties means associated companies, joint ventures, subsidiaries and any companies held for sale and in which the Bank has a significant influence. Sparebanken Hedmark Pensjonskasse and companies owned by the parent bank's personal close associates. The parent bank's outstanding balances with employees and members of the Board of Directors are shown in note 24 personnel costs and benefits for leading employees and employee representatives, as well as in the executive personnel pay report published on sb1ostlandet.no. SpareBank 1 Gruppen AS and associated companies are also defined as close associates since they are subject to the same joint control pursuant to the assessment rules in IAS 24, point 9.b ii-iv.

Subsidiaries

2022	Loans	Bonds and subordinated loans	Deposits	Interest income	Interest expences	Commission income	Other operating income	Operating expences	Guarantees
SpareBank 1 Finans Østlandet AS	9 043	0	4	283	0	14	4	0	0
EiendomsMegler 1 Innlandet AS	36	0	4	2	0	0	6	5	45
EiendomsMegler 1 Oslo Akershus konsern	0	0	23	0	0	0	6	3	92
SpareBank 1 Forretningspartner Østlandet AS	20	0	24	2	0	0	1	10	4
Other subsidiaries	2	0	40	0	1	0	0	19	0
Total subsidiaries	**9 101**	**0**	**96**	**286**	**1**	**14**	**17**	**36**	**140**

2021	Loans	Bonds and subordinated loans	Deposits	Interest income	Interest expences	Commission income	Other operating income	Operating expences	Guarantees
SpareBank 1 Finans Østlandet AS	7 709	0	2	84	0	13	4	0	1
EiendomsMegler 1 Innlandet AS	21	0	4	1	0	0	5	2	45
EiendomsMegler 1 Oslo Akershus konsern	0	0	22	0	0	1	7	4	92
SpareBank 1 Østlandet VIT AS	27	0	6	2	0	0	2	4	4
Other subsidiaries	2	0	36	0	0	0	0	18	0
Total subsidiaries	**7 758**	**0**	**70**	**86**	**0**	**14**	**18**	**28**	**142**

Associated companies and joint ventures

2022	Loans	Bonds and subordinated loans	Deposits	Interest income	Interest expences	Commission income	Other operating income	Operating expences	Guarantees
SpareBank 1 Boligkreditt AS	0	408	0	10	0	280	0	1	0
SpareBank 1 Næringskreditt AS	0	0	0	0	0	14	0	0	0
SpareBank 1 Gruppen AS	607	149	547	33	29	305	0	4	0
SpareBank 1 Kreditt AS	1 130	0	0	31	0	67	0	0	0
SpareBank 1 Utvikling DA	0	0	20	1	0	0	4	254	0
SpareBank 1 Betaling AS	0	0	4	0	0	3	0	11	0
Other related parties	0	0	7 866	17	183	1	0	0	22
Total associated companies and joint ventures	**1 737**	**558**	**8 436**	**91**	**212**	**670**	**4**	**269**	**22**

2021	Loans	Bonds and subordinated loans	Deposits	Interest income	Interest expences	Commission income	Other operating income	Operating expences	Guarantees
SpareBank 1 Boligkreditt AS	0	609	0	4	0	447	0	0	0
SpareBank 1 Næringskreditt AS	0	0	0	0	0	11	0	0	0
SpareBank 1 Gruppen AS	660	155	426	15	5	265	0	0	0
SpareBank 1 Kreditt AS	920	0	0	20	0	57	0	0	0
SpareBank 1 Utvikling DA	0	0	18	7	0	0	4	227	0
SpareBank 1 Betaling AS	7	0	0	0	0	4	0	17	0
Other related parties	420	0	7 634	3	43	1	0	0	29
Total associated companies and joint ventures	**2 008**	**764**	**8 077**	**50**	**47**	**785**	**4**	**244**	**29**

All loans to related parties are recognised in the Parent bank. In addition, loans have been transferred to SpareBank 1 Boligkreditt AS for NOK 56 590 million and SpareBank 1 Næringskreditt AS for NOK 1 288 million per 31.12.2022. The corresponding figures for 2021 was NOK 51 552 million to SpareBank 1 Boligkreditt AS and NOK 864 million to SpareBank 1 Næringskreditt AS.

Note 44 – Events occurring after the balance sheet day

No events have occurred since the balance sheet date that are material to the annual financial statements

CHAPTER 5.8

Statement from the Board of Directors and Chief Executive Officer

We confirm that according to our firm belief the annual accounts for the period from 1 January to 31 December 2022 have been prepared in accordance with international standards for financial reporting (IFRS) and that the information in the annual report gives a true picture of the Parent Bank's and Group's assets, liabilities, financial position and result as a whole, and a correct overview of the information mentioned in the Securities Trading Act, § 5-5.

In our opinion, the Annual Report for the financial year 1 January to 31 December 2022 identified as sparebank1ostlandet-2022-12-31.zip has been prepared in compliance with the ESEF Regulation.

The Board of Directors of SpareBank 1 Østlandet
Hamar, March 2nd 2023

Siri J. Strømmevold
Chair of the Board

Nina Cecilie Strøm Swensson

Tore Anstein Dobloug

Sjur Smedstad
Employee representative

Idun Kristine Fridtun

Jørn-Henning Eggum

Catherine Norland
Employee representative

Alexander Sandberg Lund

Richard Heiberg
CEO

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To the Supervisory Board of SpareBank 1 Østlandet

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SpareBank 1 Østlandet, which comprise:

- The financial statements of the parent company SpareBank 1 Østlandet (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of SpareBank 1 Østlandet and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 3 years from the election by the Supervisory Board on 26 March 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IT Systems and Internal Controls relevant for Financial Reporting

Key audit matter	How the matter was addressed in the audit
The IT systems within Sparebank 1 Østlandet are key in the accounting and reporting of completed transactions, in obtaining the basis for key estimates and calculations, and in obtaining relevant information to be disclosed. The IT systems are standardized, and the management and operation of the systems are to a great extent outsourced to external service providers. Proper management and control of these IT systems both at Sparebank 1 Østlandet and their service providers are of high importance in order to ensure precise, complete and reliable financial reporting, and this area is therefore a key audit matter.	Sparebank 1 Østlandet has established a general governance model and control activities on its IT systems. We have obtained an understanding of Sparebank 1 Østlandet's IT governance model relevant for financial reporting. We assessed and tested the design of selected control activities in the banking IT system relevant for financial reporting related to access controls. For a sample of these control activities, we tested their operating effectiveness in the reporting period. We reviewed the third-party attestation report (ISAE 3402 Report) from Sparebank 1 Østlandet's service provider of the banking IT system focusing on whether they had adequate internal controls on areas that are of importance for the financial reporting of Sparebank 1 Østlandet. In addition, we considered a third-party confirmation (ISRS 4400 Agreed-upon procedures) related to the service provider with regards to whether selected automated control activities in the banking IT system, including among others the calculation of interests and fees, as well as system generated reports were satisfactorily designed and if they had operated effectively in the period. We engaged our internal IT experts in the work related to understanding the governance model on IT systems and in assessing and testing the internal control activities related to IT systems.

Corporate loan loss provisions

Key audit matter	How the matter was addressed in the audit
Sparebank 1 Østlandet has loans in the corporate segment, and reference is made to note 3, 8 and 10 for disclosures on credit risk and loss provisions on loans and guarantees. Sparebank 1 Østlandet has considered the need for loan and guarantees loss provisions. There is considerable judgement in the bank's assessment of the size of the loan loss provisions in the corporate market segment. The judgement is related to forward-looking assessments in order to estimate the expected loss, including judgements as to how expected loss is affected by uncertainties regarding the economic development. SpareBank 1 Østlandet	Sparebank 1 Østlandet has established control activities related to the calculation of loan loss provisions in the corporate market segment. We assessed and tested the design of selected control activities concerning individual loss provisions on credit impaired loans. The control activities we assessed and tested the design of, were related to identification of credit impaired loans and the assessment of the expected future cash flows from these loans. For a sample of these control activities, we tested if they operated effectively during the period. For a sample of credit impaired loans, we tested if these were timely identified, and assessed the expected future cash flows that the bank estimated on these loans.

Key audit matter	How the matter was addressed in the audit
uses models and information provided by a service provider in calculating expected loss. The assumptions and estimates used in these assessments are crucial for the size of these provisions, and loan loss provisions in the corporate market segment are therefore a key audit matter in the audit.	For remaining loan loss provisions calculated by use of models and information provided by SpareBank 1 Østlandet`s service provider, we reviewed the thirdparty attestation report relating to parts of the model and selected data used to calculate expected loss. We considered a sample of forward-looking assessments used in order to estimate expected loss. We considered whether the disclosures on loan loss provisions in the corporate market segment is in accordance with requirements set forth in IFRS 7.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
Report on Compliance with Requirement on European Single Electronic Format (ESEF)
Opinion
As part of the audit of the financial statements of ABC ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name sparebank1ostlandet-2022-12-31.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes

requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 2 March 2023
Deloitte AS

Henrik Woxholt
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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To the Board of Directors and Management of SpareBank 1 Østlandet

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON SPAREBANK 1 ØSTLANDET'S SUSTAINABILITY REPORTING FOR 2022

We have been engaged by the Board of Directors and management of SpareBank 1 Østlandet to undertake a limited assurance engagement in respect of the sustainability information in the Annual Report for 2022 of SpareBank 1 Østlandet, limited to the information about the bank's most material sustainability topics, presented in paragraph "Our approach to sustainability", and in the appendice "Appendice 3: Indexes and appendices sustainability" (hereinafter referred to as "the Report") (the Subject Matter).

Our work has been limited to evaluate whether;

- SpareBank 1 Østlandet has applied procedures, as described in the Report, to identify, collect, compile and validate information about the bank's most material sustainability topics for 2022 to be included in the Report.
- The information presented in the Report is consistent with data accumulated as a result of these procedures.
- SpareBank 1 Østlandet sustainability reporting, as presented in the Report, is in all material respects aligned with the Global Reporting Initiative (GRI) Standards reporting principles.
- The GRI Index, as presented in the Report, appropriately reflects where information on each of the reported disclosures of the GRI Standards is to be found within the Annual Report for 2022 of SpareBank 1 Østlandet.

The assurance engagement does not include any control procedures on the accuracy and completeness on the information in the Report, nor of the bank's assessments and calculations related to the EU Taxonomy regulation.

The Board of Directors and Management's Responsibility
The Board of Director and management ("management") is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of procedures and internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities
Our responsibility is to express an opinion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Information», issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

Deloitte.

A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included:

- Making inquiries of the persons responsible for the Subject Matter;
- Obtaining an understanding of the process for collecting and reporting the Subject Matter Information,;
- Performing limited substantive testing on a selective basis of the Subject Matter Information to test whether data had been appropriately measured, recorded, collated and reported;
- Considering the disclosure and presentation of the Subject Matter Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us not to believe that in all material respects:

- SpareBank 1 Østlandet has applied procedures, as described in the Report, to identify, collect, compile and validate information about the bank's most material sustainability topics for 2022 to be included in the Report.
- The information presented in the Report is consistent with data accumulated as a result of these procedures.
- SpareBank 1 Østlandet sustainability reporting, as presented in the Report, is in all material respects aligned with the Global Reporting Initiative (GRI) Standards reporting principles.
- The GRI Index, as presented in the Report, appropriately reflects where information on each of the reported disclosures of the GRI Standards is to be found within the Annual Report for 2022 of SpareBank 1 Østlandet.

Oslo, 2 March 2023
Deloitte AS

Henrik Woxholt
State Authorised Public Accountant

Frank Dahl
Sustainability expert

Note: This translation from Norwegian has been prepared for information purposes only.

A one-stop financial services institution

CHAPTER 5.9

Subsidiaries

The figures from subsidiaries are not directly comparable with the figures in the Board of Directors' Report, note 4 and note 41 as figures from subsidiaries are consolidated into the Group unaudited. Any changes were included in the Group as changes in equity or through profit or loss in the first quarter of 2022.

EiendomsMegler 1 Innlandet

The company's turnover for 2022 was NOK 132 million, which represents an increase of NOK 2 million from 2021. Profit after tax ended the year at NOK 2 million compared with NOK 3 million in 2021.

In 2022, the company sold a total of 1 806 properties. This is 308 fewer than in 2021, which represents a 14.6 per cent drop in sales. 8.6 per cent fewer used homes were sold, while the number of new homes sold amounted to 120 (323) units in 2022. This represents a drop of 62.8 per cent. Nevertheless, the company increased its market share in its market area from 26.4 per cent to 27.4 per cent within used homes and the holiday homes segment. The total sale value of the properties was NOK 5.2 (5.9) billion.

The first half-year was affected by the company's low staffing levels. The situation improved in the second half-year, although earnings were instead impacted by a slower housing market. The company's results were also affected by aggressive investments in service areas such as new builds and agriculture, as well as the establishment of a new branch in Lillehammer.

Staffing in the division for new builds was increased to defend the company's leading position in the market, although 2022 was still a very weak year in this market. The division for agriculture has increased its turnover by more than 240 per cent in the past 2 years, although further growth is required before this division becomes profitable. The branch in Lillehammer has also doubled its turnover in the past 2 years, although here too profitability is low.

During the second half-year, the housing market in Innlandet County saw greater supply and less demand. The number of used homes put on the market in the company's market area in 2022 was 4 985 (4 699) homes. This represents an increase of 6.1 per cent. The number of used homes sold in the same period was 4 355 (4 679) homes, which represents a drop of 7.1 per cent. This trend started in the third quarter and house prices started to edge downwards as a result. At the end of December, the 12-month rise in prices in Innlandet County was 0.0 per cent.

The company is staffed for growth and has ambitions to achieve the same market share as the parent company in the respective regions.

Sustainability and corporate social responsibility

The company has adopted its own guidelines for corporate social responsibility and sustainability, and sustainability has been incorporated into the company's strategy. The ambition is to be viewed as a real estate broker with a clear sustainability profile.

About EiendomsMegler 1 Innlandet AS

EiendomsMegler 1 Innlandet AS is a wholly owned subsidiary of SpareBank 1 Østlandet. The company provides real estate brokerage for all types of properties. Its market area is the former Hedmark County, as well as Nes Municipality in Akershus, the Gjøvik region and the Lillehammer region in the former Oppland County. The company now has a total of 10 branches in Hamar, Stange, Brumunddal, Moelv, Elverum, Trysil, Tynset, Kongsvinger, Gjøvik, and Lillehammer. In recent years, the company has also grown its share of the corporate market business and as a result of this has its own departments for commercial, new build and agricultural brokerage based in Hamar. For more information, see: **eiendomsmegler1.no/innlandet**

EiendomsMegler 1 Oslo Akershus Group

The EiendomsMegler 1 Oslo Akershus Group's operating income for 2022 was NOK 198 (218) million. Operating expenses in 2022 amounted to NOK 198 (199) million. Profit after tax ended the year at NOK 10 million, compared with NOK 15 million in 2021.

In 2022, the company had a market share of 8.7 per cent for both Oslo and Akershus, compared with 9.0 per cent in 2021. The market shares have, therefore, shrunk slightly while the volume in the market area has decreased by around 12 per cent. Volumes in the company's market area decreased slightly over the first three quarters, while the fourth quarter saw a sharp downturn of around 30 per cent compared with 2021. In total, the volume of used home sold decreased by around 448 units in 2022 compared with 2021. The company was unable to achieve the desired growth in 2022, although it has produced a new, aggressive strategy for the period up to 2025. The company has over time actively worked to reduce employee turnover and on recruiting and training new brokers with the goal of achieving organic growth in the strategy period up to 2025.

The company sold 28 per cent fewer new homes in 2022 than in 2021. Very few new projects were launched in the company and the rest of the market in 2022. Nevertheless, the company has a record high portfolio, and several major launches could take place in 2023 if that is what our clients want.

In 2022, the company had an average of 136 FTEs, and the goal is to grow by a net 10 new FTEs in 2023.

Expectations of higher interest rates, high energy costs, higher food prices and a slight increase in unemployment mean that the company expects the housing market in Oslo and Akershus to see a further drop in volume during 2023. We also expect house prices to fall by 4-5 per cent in the market area. Market volume is a crucial success factor for the company. There is considerable uncertainty surrounding the assessment of future market conditions, although it is highly likely that the underlying market trends will slow down house sales in the company's market area.

The main focus in 2023 will be on aggressively taking on the fiercer competition. The plan is to grow the company organically by recruiting and developing good heads of department and brokers in the current department structure. The company is investing significant resources in strengthening its market position and consolidating its foothold as a leading real estate brokerage in the region. At the same time, strengthening the company in order to strengthen the cooperation with SpareBank 1 Østlandet is an important goal. The new core system and CRM system have made the company more attractive, and by further ensuring we take the right approach to the work going forward we expect the company to see weak growth in 2023 and beyond in the strategy period up to 2025. It is also vital that the company continues to invest in new tools that contribute to streamlining, digitalisation, automation and simplifying the lives of our real estate brokers.

EiendomsMegler 1 Oslo Akershus approach to becoming more sustainable:

- We have significantly reduced the production of printed prospectuses and almost 90 per cent of all prospectuses are now only available digitally.
- We conduct fully digital customer meetings. The brokers use tablets to present all of their materials and nothing is printed (sales brochures, marketing pack menus, product sheets, etc.).
- We have almost completely stopped printing out sales contracts (11 A4 pages), and this is now done completely digitally at customer meetings.
- We have stopped using contract folders and only print out the most necessary documents.
- We try to use more reusable shopping nets rather than single use disposable paper bags.
- Information about green mortgages is on display in all of our sales branches.
- We have chosen eco-friendly products for giveaways/competitions on stands or similar (including speakers made from bamboo).
- We have stopped printing advertising (DM, neighbour alerts, etc.).
- We have told our suppliers that sustainability is part of the selection criteria when we make purchases.

About EiendomsMegler 1 Oslo Akershus

EiendomsMegler 1 Oslo Akershus is a wholly owned subsidiary of SpareBank 1 Østlandet and part of the EiendomsMegler 1 Alliance, Norway's largest real estate broker for 14 years in a row. The company has 10 branches
For more information, see: **eiendomsmegler1.no/oslo-akershus**

SpareBank 1 Finans Østlandet Group

The SpareBank 1 Finans Østlandet Group achieved a profit after tax of NOK 125 (183) million for 2022. The results were affected by weak margins due to a sharp rise in borrowing costs throughout the year, lower net income despite strong volume growth, and a focus on costs and low losses.

Net interest income for 2022 amounted to NOK 197 (247) million. Operating expenses amounted to NOK 104 (103) million. The company has maintained its focus on costs and will continue to do so going forward.

Losses amounted to 0.08 (0.09) per cent of gross loans. This is lower than normal and was largely due to reversals of previous provisions for credit losses and reductions in model-generated IFRS 9 provisions. The company's book equity as at 31.12.2022 was NOK 1 916 million (NOK 1 720 million). Capital adequacy measured as eligible capital relative to the risk weighted balance sheet was 19.7 (18.9) per cent.

In 2022, the company was impacted by the changed macroeconomic conditions due to the war in Ukraine. Thanks to a rapidly rising interest rate market, the company's borrowing costs have had a negative impact on profitability. High inflation, and especially higher electricity prices and fuel costs, has in addition to a sharp rise in interest rates impacted both businesses and private individuals in Norway. Nevertheless, no particular rise in either defaults or losses was seen in 2022 due to these conditions.

SpareBank 1 Mobilitet Holding AS and Fleks AS

Thanks to its stake in SpareBank 1 Mobilitet Holding AS, the company owns 14.5 per cent of Fleks AS. The stake in Fleks AS is a strategic investment made together with solid partners and designed to provide a key position in an important segment of the future car market. Market familiarity with car subscriptions increased throughout 2022 and Fleks AS holds a leading position in Norway, with respect to both recognition and number of cars. As at 31.12.2022, Fleks AS had 3 021 cars and is thus the market leader in Norway. 84 per cent of this vehicle fleet is electric. Fleks AS experienced good growth in 2022, and throughout the year SpareBank 1 Finans Østlandet's belief that its investment in Fleks AS was a wise one only strengthened.

Sustainability and corporate social responsibility

Sustainability is central to the company's general strategy. The company's work on sustainability is coordinated by an internal resource group in which all of the company's departments, including our executive management team, are represented. There is also a good dialogue with the majority owner, SpareBank 1 Østlandet's sustainability department. The company's sustainability work is based on the UN Sustainable Development Goals and the company has chosen to focus on SDG 9 – Industry, innovation and infrastructure and SDG 13 – Climate action.

In 2022, we initiated several measures within the area of sustainability and will continue this work in 2023. The consultancy Position Green conducted a materiality analysis on behalf of the organisation in 2022, which provided insights into the organisation's footprint within sustainability. Greenhouse gas emissions, working conditions and sharing expertise with the market have been identified as the main focus areas going forward.

The sustainability work in 2022 was aimed at establishing a more sustainable portfolio. The company measures and monitors the portfolio continuously via defined performance indicators. The performance indicators that are monitored are 'reduction in CO2 emissions in the portfolio' and 'proportion of green portfolio'. The proportion of CO2 emissions in the portfolio was measured at 65 per cent of the loan portfolio, and the proportion of CO2 emissions for the component that is measured during the year was reduced by 6 per cent. As at 31.12.2022, the company's lending volume for electric vehicles had exceeded NOK 1 364 (1 111) million. In 2023, there will be a stronger focus in the company on creating a greener loan portfolio in both the Corporate Division and the Retail Division. This includes measuring the proportion of CO2 emissions for a larger proportion of the loan portfolio.

The company has started a project on reporting in line with the Transparency Act. A risk assessment has been conducted and a framework for due diligence assessments has been published on the company's website.

The company has been Eco-Lighthouse certified since 2021.

About SpareBank 1 Finans Østlandet AS

SpareBank 1 Finans Østlandet AS is a financing company with 57 employees that offers leasing and loans through distributors and collaborating banks, as well as directly to customers. The company's head office is in Hamar and it also has regional branches in Lillestrøm, Lillehammer, Gjøvik, and Fredrikstad.

In 2022, SpareBank 1 Ringerike Hadeland increased its stake in the company from 5 per cent to 9.9 per cent, and SpareBank 1 Østfold Akershus became a new owner in the fourth quarter with a stake of 5 per cent. SpareBank 1 Østlandet owned 85.1 per cent of the company at the end of the year. For more information see: **sb1fo.no**

SpareBank 1 ForretningsPartner Østlandet Group

On 24.08.2022, SpareBank 1 Østlandet sold its entire stake in the consultancy part of TheVIT AS. The payroll and accounting business was retained in its entirety by SpareBank 1 Østlandet, at the same time as the company changed its name to SpareBank 1 ForretningsPartner Østlandet.AS.

The SpareBank 1 ForretningsPartner Østlandet AS Group's turnover for 2022 amounted to NOK 173 million. The company posted a loss after tax of NOK -5 million compared with NOK -2 million in 2021. The consultancy business was included in the results from and including August.

The business idea is to deliver profitable and safe solutions for business with an emphasis on the customer's needs and using modern technology. Today, there is an expert environment consisting of specialists within economics, accounting and payroll, which offers a broad range of services to companies that want to develop and improve their results. The primary market is small and medium-sized enterprises in Eastern Norway.

Sustainability and corporate social responsibility

The company is striving to support the SDGs in the period prior to 2030 and has chosen to work on four of the 17 SDGs:

SDG 5 – Gender equality
SpareBank 1 ForretningsPartner Østlandet (SB1 FPØ) has focused on gender balance and has equal terms and conditions irrespective of gender. Salary is exclusively determined on the basis of experience, performance and qualifications. SB1 FPØ facilitates both genders taking parental leave and sharing the leave if they wish. We facilitate flexibility around working hours as well as working from home.

SB1 FPØ has a high proportion of female managers:
- Board of Directors (50%)
- Group Management (30%)
- Team leaders (50%)

SDG 8 – Decent work and economic growth
SB1 FPØ is a responsible employer that focuses on growth and profitability for the benefit of its employees. Our sector is constantly evolving, and we are committed to preserving jobs by continuing each individual's education through our internal e-learning concept and through jointly arranged seminars and professional days, courses and other competence-enhancing initiatives. There is also a focus on hiring students who are offered an academic programme through close collaboration in the team and where they also have an independent responsibility for following up selected customers.

SDG 9 – Industry, innovation and infrastructure
To meet future streamlining requirements, SB1 FPØ has adopted:

- Robot technology
- Automated processes and procedures
- Cloud-based platforms

All of this is done to secure jobs in the future as well. SB1 FPØ's branch structure covers large parts of Eastern Norway and helps to secure good safe jobs in the districts as well. The strategy involving a team structure and the efficient use of technology allows it to offer highly attractive jobs.

SDG 13 – Climate action
SB1 FPØ tries to make sure the company is able to carry out its activities in line with the government's recommendations. The increased use of technology means a reduction in travel activities going forward, both through more digital communication with customers, but also by offering flexible work arrangements for its employees, which will reduce the need for daily commutes. Other measures we have implemented include:
- Source separating waste
- Reducing the use of paper/packaging
- Reducing travel through the use of videoconferencing, Teams and telephone meetings. We encourage all employees to use public transport when in-person meetings are required. Measures that will be prioritised going forward include measures to cut power consumption.

About the SpareBank 1 ForretningsPartner Østlandet Group

The SpareBank 1 ForretningsPartner Østlandet Group delivers payroll and accounting services to companies within all sectors. The Group is 100 per cent owned by SpareBank 1 Østlandet and has nine branches. These are located in Tynset, Lillehammer, Moelv, Hamar, Elverum, Kongsvinger, Lillestrøm, Oslo and Fredrikstad. At the end of the year, the company had 124 employees. For more information, see: **sparebank1.no/nb/ostlandet/bedrift/regnskap-ostlandet.html**

APPENDIX 1
Alternative performance measures

SpareBank 1 Østlandet's alternative performance measures (APMs) have been prepared in accordance with the ESMA guidelines on APMs and are indicators aimed at providing useful additional information to the financial statements. These performance measures are either adjusted indicators or measures that are not defined under IFRS or any other legislation and may not be directly comparable with the corresponding measures from other companies. The APMs are not intended to be a substitute for accounting figures drawn up according to IFRS and should not be given more emphasis than these accounting figures, but they have been included in financial reporting to give a fuller description of the Bank's performance. The APMs also represent important metrics for how the management is running the business.

Non-financial indicators and financial ratios defined by IFRS or other legislation are not defined as APMs. SpareBank 1 Østlandet's APMs are used both in the overview of main figures and in the directors' report, and in results presentations and prospectuses. All APMs are shown with corresponding comparative figures for previous periods.

Lending and deposit margins for the Parent Bank are calculated in relation to the daily average of loans to and deposits from customers. For all other main figures and APMs that are calculated using average balances, the average balance is calculated as the average of the opening balance for the current period and the closing balance for each of the quarters in the period.

Alternative performance measures	Definition and rationale
Profit after tax incl. interest hybrid capital	**Profit after tax - Interest expenses on hybrid capital** The key figure shows Result after tax adjusted for interest on hybrid capital. Hybrid capital is according to IFRS classified as equity and interest expences are booked as an equity transaction. Hybrid capital has many similarities with debt items and differs from other equity in that it is interest-bearing and is not entitled to dividend payments. The key figure shows what profit after tax would have been if the interest expenses related to the hybrid capital had been recognized in the income statement.
Return on equity capital	$\dfrac{\text{Profit after tax–Interest expenses on hybrid capital) x } (\frac{\text{Act}}{\text{Act}})}{\text{Average equity–Average hybrid capital}}$ The return on equity after tax is one of SpareBank 1 Østlandet's most important financial measures and provides relevant information about the company's profitability in that it measures the company's profitability in relation to the capital invested in the business. The result is corrected for interest on hybrid capital, which is classified as equity under IFRS, but which it is more natural in this context to treat as debt, as hybrid capital is interest-bearing and is not entitled to dividend payments.
Result from core operations	**Operating profit before losses on loans and guarantees -Net income from financial assets and liabilities-Notable items** Result from core operations provides relevant information about the profitability of the Bank's core business.
Cost-income-ratio	$\dfrac{\text{Total operating costs}}{\text{Total net income}}$ This indicator provides information about the relationship between revenue and costs, and is a useful measure to assess the cost-effectiveness of the enterprise. It is calculated as total operating costs divided by total revenue.
Lending margin	**Weighted average interest rate on lending to customers and loans transferred to covered bond companies - Average NIBOR 3 MND** The loan margin is calculated for the retail and corporate market divisions and provides information on the profitability of the divisions' lending activities. Loans transferred to covered bond companies are included in the selection as they are included in the total lending activity.
Deposit margin	**Average NIBOR 3 MND-Weighted average interest rate on deposits from customers** The deposit margin is calculated for the retail and corporate market divisions and provides information on the profitability of the divisions' deposit activities.
Net interest margin	**Lending margin+Deposit margin** The net interest margin is calculated for the retail and corporate market divisions and provides information on the profitability of the divisions' overall lending and deposit activities. Loans transferred to covered bond companies are included in the selection as they are included in the total lending activity.

Alternative performance measures	Definition and rationale
Net interest income inclusive of commissions from covered bond companies	**Net interest income+Commissions from loans and credit transferred to covered bond companies** Loans transferred to covered bond companies are part of total lending, but the income and expenses associated with these loans are recognised as commission income. The indicator is presented because it gives a good impression of net income from the overall lending and deposit activities.
Adjusted total assets	**Total assets+Loans transferred to covered bond companies** Total assets is an established industry-specific name for all assets plus loans transferred to covered bond companies included in the lending business.
Gross loans to customers including loans transferred to covered bond companies	**Loans to and receivables from customers+Loans transferred to covered bond companies** Loans transferred to covered bond companies are subtracted from the balance sheet, but are included in the total lending business.
Deposit to loan ratio	$\dfrac{\text{Deposit from and liabilities to customers}}{\text{Gross loans to customers}}$ The deposit coverage ratio provides relevant information about SpareBank 1 Østlandet's financing mix. Deposits from customers are an important means of financing the Bank's lending business and the indicator provides important information about the Bank's dependence on market financing.
Deposit to loan ratio including loans transferred to covered bond companies	$\dfrac{\text{Deposit from and liabilities to customers}}{\text{Gross loans to customers + Loans transferred to covered bond companies}}$ The deposit coverage ratio provides information about the financing mix in the overall lending business. Deposits from customers are an important means of financing the Bank's lending business and the indicator provides important information about the dependence of the overall lending business on market financing.
Growth in loans during the last 12 months	$\dfrac{\text{Gross loans to customers}}{\text{Gross loans to customers 12 months ago}} - 1$ This indicator provides information about activity and growth in the Bank's lending activity.
Growth in loans including loans transferred to covered bond companies (CB) in the last 12 months	$\dfrac{\text{Gross loans to customers + Loans transferred to CB}}{\text{Gross loans to customers 12 months ago + Loans transferred to CB 12 months ago}} - 1$ This indicator provides information about activity and growth in the Bank's total lending activity. The Bank uses the covered bond companies as a source of funding, and the indicator includes loans transferred to the covered bond companies to highlight the activity and growth in overall lending including these loans.
Growth in deposits in the last 12 months	$\dfrac{\text{Deposits from and liabilities to customers}}{\text{Deposits from and liabilities to customers 12 months ago}} - 1$ This indicator provides information about the activity and growth of the depositing business which is an important part of financing the Bank's lending activity.
Impairment on loans as a percentage of gross loans	$\dfrac{\text{(Losses on loans and guarantees) x } (\frac{\text{Act}}{\text{Act}})}{\text{Gross loans to customers}}$ The indicator shows the impairment loss in relation to gross lending and provides relevant information about the company's impairment losses in relation to lending volume. This provides useful additional information to the recognised impairment losses as the cost is also viewed in the context of lending volume and is thus better suited for comparison with other banks.

Alternative performance measures	Definition and rationale
Loans to and receivables from customers in stage 2, percentage of gross loans	$\frac{\textbf{(Loans to and receivables from customers in stage 2)}}{\textbf{Gross loans to customers}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Loans to and receivables from customers in stage 3, percentage of gross loans	$\frac{\textbf{(Loans to and receivables from customers in stage 3)}}{\textbf{Brutto utlån til kunder}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Commitments in default as percentage of gross loans	$\frac{\textbf{Gross defaulted commitments for more than 90 days}}{\textbf{Gross loans to customers}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Other doubtful commitments as percentage of gross loans	$\frac{\textbf{Gross doubtful commitments not in default}}{\textbf{Gross loans to customers}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Net commitments in default and other doubtful commitments in percentage of gross loans	$\frac{\textbf{Net defaulted commitments + Net doubtful commitments}}{\textbf{Gross loans to customers}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Loan loss impairment ratio for defaulted commitments	$\frac{\textbf{Individual write downs on defaulted commitments}}{\textbf{Gross defaulted commitments for more than 90 days}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Loan loss impairment ratio for doubtful commitments	$\frac{\textbf{Individual write downs on defaulted commitments}}{\textbf{Gross doubtful commitments not in default}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Equity ratio	$\frac{\textbf{Total equity capital}}{\textbf{Total assets}}$ The indicator provides information about the company's unweighted solvency ratio.
Book equity per EC	$\frac{\textbf{(Total EC –Minority interest –Hybrid capital) × EC certificate ratio}}{\textbf{Number of Equity certificates issued}}$ The indicator provides information about the value of the book equity per equity certificate. This allows the reader to assess the reasonableness of the quoted price for the equity certificate. It is calculated as the equity certificate holders' share of the equity at the end of the period divided by the number of equity certificates.
Price/Earnings per EC	$\frac{\textbf{Listed price of EC}}{\textbf{Earnings per EC x (}\frac{\textbf{Act}}{\textbf{Act}}\textbf{)}}$ The indicator provides information on earnings per equity certificate against the exchange price on the relevant date, helping to assess the reasonableness of the price for the equity certificate. It is calculated as the price per equity certificate divided by annualised earnings per equity certificate.

Alternative performance measures	Definition and rationale
Price/book equity	$\frac{\textbf{Listed price of EC}}{\textbf{Book equity per EC}}$ The indicator provides information about the book value of the equity per equity certificate against the price at any given time. This allows the reader to assess the reasonableness of the quoted price for the equity certificate. It is calculated as the price per equity certificate divided by book equity per equity certificate (see definition of this measure above).
Average LTV (Loan to value)	$\frac{\textbf{Average amount on loans to customers}}{\textbf{Average market value of asset encumbrance}}$ The indicator provides information about the loan-to-value ratio in the lending portfolio and is relevant for assessing risk of loss in the lending portfolio.
Loans transferred to covered bond (CB) companies	**Loans transferred to SpareBank 1 Boligkreditt AS og SpareBank 1 Næringskreditt AS and thus derecognised from the balance sheet** Loans transferred to covered bond companies are subtracted from the balance sheet, but are included in the total lending business. The indicator is used in calculating other APMs.
Act/Act	$\frac{\textbf{Total number of days in the year (365 or 366)}}{\textbf{Number of days so far this year}}$ Act/Act is used to annualise the results figures included in the indicators. Results figures are annualised in the indicators to make them comparable with figures for other periods.
Notable items	**Identified costs considered to be non recurring** The indicator is used to calculate the underlying banking activity, which is shown as a separate APM.
Earnings per average equity certificate	$\frac{\textbf{Majority interest of the Group's profit after tax × Average ECC ratio}}{\textbf{Average number of ECC i the accounting period}}$ The indicator shows the equity capital certificate holders' share of profit after tax distributed by average number of equity capital certificates during the accounting period.
Diluted earnings per average equity certificate	$\frac{\textbf{Majority interest of the Group's profit after tax × Average ECC ratio}}{\textbf{Average number of ECC in the accounting period+Number of ECC issued after the accounting period}}$ The indicator shows the equity capital certificate holders' share of profit after tax distributed by the sum of average number of equity capital certificates during the accounting period and the number of equity capital certificates issued after the accounting period.
Total operating expenses before restructuring costs	**Total operating expenses–Restructuring costs** Restructuring costs in connection with reorganization of the business are included in total operating expenses, but these costs are excluded when the business sets targets for growth in operating expenses. These costs are kept out of line for growth figures to be comparable over time. The key figure is presented as it provides a good basis for calculating underlying growth in expenses.

APPENDIX 2

Important regulatory changes

The table below is updated as of 6 March 2023.

New regulations in 2022	Main features of the regulations	Consequences for SpareBank 1 Østlandet
Changes to the countercyclical buffer	The countercyclical buffer requirement was increased from 1.0 per cent to 1.5 per cent with effect from 30.6.2022, and to 2.0 per cent with effect from 31.12.2022. Norges Bank has decided to increase the countercyclical buffer requirement for banks further to 2.5 per cent with effect from 31.3.2023.	This will result in a corresponding increase in the regulatory requirement for Common Equity Tier 1 capital to which the Bank is subject.
Amended capital requirements regulations (CRD V/CRR II)	The EU's fifth capital requirements directive (CRD V) and its second capital requirements regulation (CRR II) were enacted in Norway on 1.6.2022. This affected various elements of the capital requirement calculations, including calculations of SME discounts and the capital requirement for counterparty risk. It also resulted in changes to how the maximum limit for commitments is calculated, the introduction of a regulatory minimum requirement for stable funding (the net stable funding ratio (NSFR)), changes to the minimum leverage ratio requirement, changes to the Pillar 2 framework, and some new requirements for management and control – including the provisions on remuneration schemes. New EBA guidelines also affected capital adequacy calculations. According to the Financial Supervisory Authority of Norway, Norwegian banks must also comply with these guidelines, which were introduced in 2022.	The regulatory changes are not considered to have any material consequences for the Bank. The guidelines involve changes to credit risk models, calibration levels and internal procedures and guidelines. An application to use the changes has been submitted and is being processed by the Financial Supervisory Authority of Norway. The consequences the new guidelines have will depend on this processing.
Revised EBA guidelines on internal management and control	The EBA's updated guidelines for internal management and control take into account the changes introduced by the fifth capital requirements directive (CRD V) in relation to governance arrangements, particularly with regard to gender diversity, money laundering, terrorist financing risk and handling conflicts of interest. This also includes in connection with loans and other transactions with members of Group Management and their related parties. Otherwise, the contents are a continuation of the earlier guidelines. The updated guidelines were enacted in Norway on 31.12.2021.	The changes are not considered to have any material consequences for the Bank.
Revised guidelines from the ESMA and the EBA on suitability assessments for board members and key personnel	The EBA's revised guidelines on assessing the suitability of members of executive management teams and boards of directors, as well as key personnel, take into account the changes introduced by the revised Capital Requirements Directive (CRD V, ref. above). They will also affect suitability assessments for members of management bodies, especially with respect to money laundering and terrorist financing risk, as well as gender diversity. The updated guidelines were enacted in Norway on 31.12.2021.	The changes are not considered to have any material consequences for the Bank.
Revised EBA guidelines on remuneration	EBA's revised guidelines on remuneration take into account the changes introduced by the revised capital requirements directive (CRD V – ref. above). The updated guidelines were enacted in Norway on 7.2.2022.	The changes are not considered to have any material consequences for the Bank.
EBA guidelines on exceeding limits for major exposures	The guidelines include criteria for when an exceedance can be regarded as an exception, what the Bank must report to the Financial Supervisory Authority of Norway in the event of an exceedance, criteria for setting an appropriate deadline for getting back to below the limit again and the measures that must be implemented to comply with the requirements by the deadline. The guidelines have applied in Norway since 1.6.2022.	The guidelines are not expected to have any material consequences for the Bank.

Continued from previous page:

New regulations in 2022	Main features of the regulations	Consequences for SpareBank 1 Østlandet
Amended Bank Recovery and Resolution Directive (BRRD 2)	The EU's second crisis management directive entails some changes to calculations of minimum requirements for own funds and eligible liabilities (MREL). These include a ceiling for how large a proportion of the MREL can be met with senior non-preferred debt. The changes were introduced on 1.6.2022.	The changes to the MREL requirement were implemented via the Financial Supervisory Authority of Norway's decision from 1.1.2022 on setting the minimum requirement as the sum of own funds and eligible liabilities. The main consequence for the Bank was the introduction of a ceiling for senior non-preferred debt. The Financial Supervisory Authority of Norway set a new requirement on 8.12.2022, which will apply from 1.1.2024, with an intermediate requirement that applies from 1.1.2023.
Insurance Distribution Act	The Insurance Distribution Directive was enacted in Norwegian law on 1.1.2022. It specifies some new requirements for the Bank as a distributor of various insurance products. The new requirements include some internal requirements regarding expertise, continued education, documentation, and management and control, as well as some new obligations in relation to information for customers, advice to customers and safeguarding the customers' interests.	The Bank, which has previously operated as a secondary insurance agent, had to satisfy the requirements for registration as an insurance provider by the end of 2022. We also had to ensure that new requirements regarding the expertise and experience of relevant employees, including requirements for customer information, were met. In December 2022, the Financial Supervisory Authority of Norway confirmed that the Bank is registered as an insurance company.
EBA guidelines on granting and monitoring loans	The guidelines come into full effect in Norway from 1.1.2022. The Financial Supervisory Authority of Norway's circular 5/2021 covers chapter 7 of the EBA's guidelines for granting and monitoring loans, specifically those parts of the chapter that cover real estate valuations in connection with granting and monitoring loans, including the use of statistical models when valuing real estate. The circular covers the authority's requirements and expectations with respect to banks' internal guidelines for appraising real estate properties as collateral, the use of statistical models and requirements for valuations in cases where models are not used.	The regulatory changes required some adjustments to internal procedures and guidelines.
Transparency Act	The Transparency Act entered into force on 1.7.2022 and is intended to ensure that basic human rights are protected, including labour rights. The Act means that so-called larger enterprises, including SpareBank 1 Østlandet, have a duty to carry out due diligence assessments in line with the OECD Guidelines for Multinational Enterprises, a duty to report such due diligence assessments, and a duty to provide anyone who requests it in writing information about how the enterprise manages actual and potential negative impacts. The assessments do not just have to cover the Bank's own activities, they also have to cover how we as a bank could be at risk of being involved in breaches of human rights through our supply chains.	Overall, the consequences for the Bank of the change are considered limited. The Bank carried out voluntary reporting in line with the Act in 2022 and will carry out the first mandatory reporting in 2023.
Regulation on the duty to report outsourcing	The Regulation on the duty to report outsourcing reduced the scope of the duty to report outsourcing to the Financial Supervisory Authority of Norway, while at the same time it entails a clearer requirement to establish and maintain a register of all outsourcing and minimum requirements regarding the contents of such a register.	Overall, the consequences for the Bank of the change are considered limited.
New EU directive on covered bonds	New statutory provisions for covered bonds were enacted in Norwegian law on 8.6.2022. These statutory provisions enact the EU's Covered Bond Directive.	The Covered Bond Directive is based on the same principles as the earlier Norwegian covered bond rules and the changes were therefore minor. The covered bonds directive will have no direct impact for the Bank but will impact SpareBank 1 Boligkreditt og SpareBank 1 Næringskreditt, where the Bank is a co-owner.
Sanctions	In reaction to Russia's attack on Ukraine in breach of international law, the EU has introduced extensive sanctions that Norway has endorsed. These include financial sanctions, including provisions regarding the right to accept deposits from Russian nationals, so-called 'asset freeze provisions' on money and other assets, prohibitions on transfers of banknotes in euros, other EU currencies and Norwegian kroner, restrictions on money transfers and the exclusion of Russian banks from SWIFT.	The Bank has had to adapt systems for transaction monitoring and procedures for the new sanctions rules.

New regulations expected in 2023	Main features of the regulations	Consequences for SpareBank 1 Østlandet
Changes to the countercyclical buffer	Norges Bank has decided to increase the countercyclical buffer requirement for banks to 2.5 per cent with effect from 31.3.2023.	This will result in a corresponding increase in the regulatory requirement for Common Equity Tier 1 capital to which the Bank is subject.
New Financial Contracts Act	The new Financial Contracts Act came into force on 1.1.2023. Some transitional rules apply, which means that parts of the provisions will first apply from 1.7.2023. The Act entails new duties and new responsibilities for banks in relation to financial services, and in intended to improve consumer protection. Among other things, this means better protection and a lower excess if the customer's BankID or card is misused and more liability for the Bank in cases of fraud. Digital communication is the default option, but customers are able to opt out if they would rather receive letters in the post. The Bank also has a duty to reject loan applications if the financial circumstances of the loan applicant are not good enough.	The Act makes will make it simpler for the Bank to communicate digitally with customers. At the same time, the Bank's liability will increase in a number of areas, for example in terms of information for customers, its duty to provide guidance to customers and liability in the event of breaches of the Bank's obligations.
Revised lending regulations	As at 1.1.2023, the Regulations on Financial Institutions' Lending Practices were largely continued with their current provisions, although the requirement for how large a rise in interest rates borrowers must be able to withstand was reduced from 5 percentage points to 3 percentage points, although such that customers must always be able to withstand a 7 per cent rise in interest rates. At the same time, the Regulations are extended to apply to loans with collateral in something other than a home, like car and boat loans. The special requirements for second homes in Oslo were removed.	The regulatory changes results in some changes in the framework conditions for the Bank's lending to consumers.
Sustainable Finance Act	This Act implements the EU's Taxonomy Regulation and Sustainable Finance Disclosure Regulation.	It will require the Bank to report and disclose information on the extent of the Bank's lending activities, etc. that can be regarded as sustainable given the definitions in the EU's Taxonomy Regulation. There is also a duty to explain how the Bank takes sustainability into account when providing investment advice.
Sustainability in investment advice	The amendments to the MiFID II Regulation that make it mandatory to map and take into account customers' sustainability preferences in connection with investment and insurance advice were enacted in Norway at the beginning of the year 2023. Similar requirements related to insurance-based advice were also introduced at the turn of the year.	The provisions have consequences for the Bank's processes for product management, investment advice and documenting advice, as well as for customer information and employee training requirements.
Accountants Act	The new Accountants Act entered into force on 1.1.2023. The Act introduces the title 'state authorised accountant', as well as new continuing education requirements and new requirements for accounting firms.	The Act has implications for the Bank's subsidiary SpareBank 1 ForretningsPartner Østlandet AS.
New gambling Regulations	New Regulations on gambling entered into force on 1.1.2023. The Regulations contain provisions that require banks to stop payment transactions if they are aware that the payment is related to deposits for, or payments from, gambling that is not permitted in Norway.	The Regulations clarify the scope of the so-called prohibition against gambling transfers but are otherwise regarded as resulting in little real change compared with the previous regulations in this area.
The EBA guidelines on the compliance function in the money laundering regulations	The EBA has published its own guidelines for the so-called 'compliance function' in the money laundering regulations. The guidelines contain provisions about the roles of both the anti-money laundering officer and the compliance function. The guidelines already apply in the EU, but the Norwegian authorities have yet to confirm that they must be complied with by Norwegian banks.	Their impact will have to be assessed once the Norwegian authorities have confirmed whether – and to what extent – Norwegian banks will have to comply with the guidelines. In any case, the consequences will be of an administrative and organisational nature only.

Regulations expected to be introduced after 2023 and/or where the actual content and date of entry into force remain uncertain	Main features of the regulations	Consequences for SpareBank 1 Østlandet
Proposed new Estate Agency Act	The Committee on Estate Agency Services submitted a proposed new Estate Agency Act in 2021 (NOU 2021: 7). The committee believes that the current Estate Agency Act has generally worked well and therefore sees no need for major changes. At the same time, the committee pointed out that the regulations must be future-oriented and flexible enough to adapt to changes in markets and technology. Some proposals were also incorporated for, for example, strengthening consumer protections in real estate transactions.	The regulations have yet to be finalised, meaning it is difficult to assess all the likely impacts of this legislative proposal.
Capital requirements (CRD VI/CRR III)	The European Commission has presented its proposal for completing the implementation of Basel 3 in the EU. It includes a completely new and more risk-sensitive standard method for capital requirements, as well as the reintroduction of a floor for IRB banks' capital requirements. This floor would be based on calculations in line with the new standard method. The proposal also entails a lengthy series of other changes in the area of capital requirements. This regulatory package will probably help reduce the differences in capital requirements between standard method banks and IRB banks.	The regulations have yet to be finalised, meaning it is difficult to assess all the likely impacts of this legislative proposal.
The EBA guidelines on bank recovery and resolution	The EBA guidelines on bank recovery and resolution must be complied with from 1.1.2024. The guidelines aim to implement existing international standards for crisis management and identify best practice in this area. The guidelines apply to both banks and the crisis management authorities. The guidelines do not cover all relevant topics vis-à-vis how crises are managed, instead they focus on: i) structure and operations; ii) financing and liquidity; iii) information systems; iv) questions concerning cross-border activities; and v) how crisis management is performed.	The guidelines could have implications for the Bank's work on its crisis management plan.
Pillar 2 regulatory rules	The Financial Supervisory Authority of Norway has presented a proposed consultation paper on proposed amendments to the CRD IV/CRR. This involves a proposal to make key premises for both the Pillar 2 supplement and the capital requirement margin statutory requirements.	The regulations have yet to be finalised, meaning it is difficult to assess the likely full impact of this initiative at this time.
Anti-money laundering and anti-terrorist financing	The European Commission has presented a new package of rules in the area of anti-money laundering and anti-terrorist financing. The proposal includes a number of rules being stipulated in the form of a regulation rather than a directive in order to ensure a greater degree of harmonisation between member states.	The regulations have yet to be finalised, meaning it is difficult to assess the likely full impact of this initiative at this time.
Sustainability	In the area of sustainability, we expect both further requirements for banks' management and control of sustainability risk and new requirements for the disclosure and reporting of sustainability risk. This is partly included in the proposals in CRD VI/CRR II, and are expected to come in the form of guidelines from the EBA. The extent to which funding for green purposes should receive a capital requirements discount is also being explored. The EBA has published a 'road map' for its work on sustainable finance. According to this 'road map', some important milestones for the EBA's deliveries are: • Revised requirements for Pillar 3 (disclosure): 2024–2025 • Pillar 3 government reporting: 2024 • Requirements for ESG risk management: 2024 • Proposed Pillar 1 capital requirements for ESG risk: 2023 • Advice on green lending: 2023 • Advice on greenwashing: 2024 The rules are actually expected to be introduced at an even later date.	The regulations have yet to be finalised, meaning it is difficult to assess the likely full impact of this initiative at this time. However, for the Bank, they will probably entail further requirements for the Bank's management and control of sustainability risk and new requirements for the disclosure and reporting of sustainability-related risk.

Continued from previous page:

Regulations expected to be introduced after 2023 and/or where the actual content and date of entry into force remain uncertain	Main features of the regulations	Consequences for SpareBank 1 Østlandet
Corporate Sustainability Due Diligence Directive (CSDDD)	The proposed EU Directive regarding the sustainable management of enterprises is expected to be finalised by the EU in 2023. The Directive has many features in common with the Norwegian Transparency Act. However, in addition to covering human and labour rights, it also covers mapping environmental and climate impacts.	The regulations have yet to be finalised, meaning it is difficult to assess the likely full impact of this initiative at this time.
Corporate Sustainability Reporting Directive (CSRD)	The Directive was approved in the EU near the end of 2022. The CSRD entails a number of changes to the current reporting requirements for the area of sustainability. The current rules are set out in section 3-3(c) of the Norwegian Accounting Act and the EU Non-Financial Reporting Directive (NFRD). Its scope will cover all major enterprises and all enterprises with listed securities. This includes most mortgage and insurance companies. Reports will have to be certified, and European Sustainability Reporting Standards (ESRS) will have to be followed. There will also be requirements regarding digital/machine readable information.	The regulations will have consequences for the scope and content of the Bank's sustainability reporting. In the EU, enterprises that fall under the scope of the NFRD must follow the requirements from 1.1.2024. The Ministry of Finance has indicated that Norway can/will follow the EU's timeline for implementation and entry into force.
Deforestation Regulation	The European Parliament has reached provisional agreement with the European Commission and European Council on the so-called Deforestation Regulation. According to the agreed text, no countries or goods will be prohibited as such, but it will not be lawful for companies to sell their products in the EU without verifying and issuing a so-called due diligence declaration that the goods have not resulted in deforestation and forest degradation anywhere in the world after 31.12.2020. No later than 2 years after entering into force, the European Commission will also have to consider whether there is a need to require financial institutions in the EU to provide financial services to their customers only if they consider the risk of these services resulting in deforestation to be negligible.	The regulations have yet to be finalised, meaning it is difficult to assess the likely full impact of this initiative at this time.
ICT and cybersecurity	The EU wants to promote digitalisation in finance and strengthen the EU's competitiveness in the area of technology. Proposed regulations have been presented that are designed to improve security when technology is used in finance, the Digital Operational Resilience Act (DORA). DORA was adopted in the EU near the end of 2022 and must be complied with from 17.1.2025. It is not known how and when these regulations will be enacted in Norway.	When it is enacted in Norwegian law, DORA could result in new and detailed requirements for the Bank's ICT systems. How and when these regulations will be enacted in Norway is not known. It is difficult to assess the concrete consequences at this time.
Critical Entities Resilience Directive (CER)	The Directive adopted by the EU in 2022 defines banks, and others, as so-called 'critical entities'. The rules are designed to help ensure that critical entities are able to prevent, protect against, react to, manage and recover from hybrid attacks, natural disasters, terrorist threats and public health crises. The rules only apply to banks to a limited extent, but they allow for national requirements to be imposed on banks. The Directive must be complied within the EU from 18.10.2024. It is not known how and when these regulations will be enacted in Norway.	How and when these regulations will be enacted in Norway is not known, and it is therefore difficult at this time to assess the concrete consequences.
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Thomas Thoresen,
Customer Adviser,
Elverum.

APPENDIX 3

Indexes and appendices sustainability

In these appendices we present indexes and further facts about SpareBank 1 Østlandet's sustainability work. Together with the sustainability data in the main part of the annual report, this constitutes our sustainability reporting in line with the GRI-standards. In the main part, it is clearly marked if the chapter has an appendix.

At the back of the appendice you will find indexes that help you find the information you are looking for.

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Sustainability note – principles for sustainability reporting

SpareBank 1 Østlandet reports data and information on corporate social responsibility and sustainability in accordance with section § 3-3(a) and (c) of the Accounting Act and section § 26(a) of the Equality and Anti-Discrimination Act. The annual report describes our approach to due diligence assessments in our supply chains pursuant to the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The report on our website contains more detailed information. In the Annual Report, we have also provided relevant information in relation to the Act relating to the disclosure of sustainability information in the financial services sector and a framework for sustainable investments, which first came into force on 1.1.2023.

The Bank's reporting fulfils the requirements of the leading international standard for disclosing sustainability data, the Global Reporting Initiative (GRI). This means that we mainly report on those topics that are regarded as material for the Bank. We show our double materiality on p. 36, we show the connection between material sustainability topics and GRI on p. 264, and the GRI index on p. 266 shows where to find the relevant reporting.

The GRI Index is also linked to the reporting on various international initiatives that the Bank is a part of: The UN Sustainable Development Goals, the UN Global Compact, The Principles for Responsible Banking issued by the UN Environment Programme's Financial Initiative (UNEP FI), and the banking and financial criteria for Eco-Lighthouse certification.

The Bank believes that reporting on sustainability is of value for resource allocation and control purposes. In order for the reporting to provide useful information for these purposes, we comply with the quality requirements in the EU's directive for sustainability reporting: CSRD and ESRS 1 General requirements (version from 24.10.2022):

- Fair representation
- Basic quality requirements
  - Relevance
    - Predictive value
    - Confirmation value
    - Materiality
  - Credible representation
    - Complete
    - Neutral
    - Error-free
- Reinforced quality requirements
  - Comparability and consistency
  - Verifiability
  - Comprehensibility
- Other
  - Cost-benefit assessment

CSRD stands for Corporate Sustainability Reporting Directive, ESRS stands for European Sustainability Reporting Standards.

Detailed information about the individual quality requirements

Fair representation
The information we provide must be as comprehensive as possible such that the overall reporting provides as fair a representation as possible of the Bank's sustainability work and where we have the potential to have an impact. We report more detail on the Bank's five main material sustainability topics and six of our strategic initiatives that are of particular relevance for our sustainability work. We report less extensively on other topics from our materiality analysis, although we include information about most of them, see p.264 and 265. Throughout the year, we have meetings with external stakeholders to get input on topics that are not covered but that should be covered, see p.41.

Basic quality requirements – relevance
Prediction value means that the information provides more than random forecasts of future developments. Predicting future developments in the area of sustainability is difficult. For example, we have found that *responsible lending* targets need to be adjusted almost annually because developments in the sectors we finance are moving so fast. In order to address this information requirement, we have included a section called 'What remains to be done in a longer perspective?' in the chapters on material sustainability topics.

The materiality requirement is addressed by a comprehensive materiality analysis we conducted in line with the GRI model and with the help of external sustainability experts. Both internal and external stakeholders are listened to. Each of our five material sustainability topics has its own chapter in the annual report. We have also linked the materiality analysis and GRI indicators, see p.264. We have also carried out an impact analysis that shows how the Bank has positive and negative impacts in our biggest business area: Responsible lending. These topics are clarified in chapters Responsible lending to the retail market and the corporate market. The Bank also reports on climate risk and natural risk.

Basic quality requirements – credible representation
Credible representation means that the information is complete, neutral and error-free. The Bank uses the GRI framework to ensure that we report on all the information we believe is relevant to our material sustainability topics. GRI is a global standard that relies heavily on stakeholder engagement in the development of the standard, so it must be considered neutral in relation to the Bank. GRI also highlights many of the same reporting principles as the CSRD, including neutrality and complete information.

We seek to provide as complete information as possible within each material area and indicator. For example, we state both risks and opportunities for the Bank within the material topics. We also state when the Bank has not achieved set targets and where we feel the Bank has weaknesses.

The Bank does its utmost to provide error-free information and therefore uses an external auditor to verify the information.

Reinforced quality requirements
The information provided must be comparable and consistent. Here, too, GRI is an important tool. Because the GRI indicators are the same across regions and sectors, the standard makes it possible to compare the Bank's information with that of other banks or with that of businesses in other sectors. For this reason, the Bank uses few custom indicators, even though the GRI allows them. This is because if every enterprise were to create its own GRI indicators, it would become impossible to compare the information. This is also the reason why we use indices for all reporting requirements, such as UNEP FI Principles for Responsible Banking and Eco-Lighthouse reporting. This makes it easier for the reader to find and compare information from the Bank with information from other businesses.

The bank's reporting according to the GRI Standard is verified by an external auditor according to ISAE 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, with limited degree of assurance.

> ❯ We show our double materiality on p. 36, we show the connection between material sustainability topics and GRI on p. 264, and the GRI Index on p. 266 shows where to find the relevant reporting

The Bank strives to make the information understandable. We try to use plain language and be clear in our reporting, even if this sometimes at the expense of concise reporting. We try not to make the reporting overly comprehensive.

Other
A cost-benefit analysis is carried out each year in connection with the annual reporting. There are good arguments for putting more information on the website and referring to it in the annual report. There are also good arguments for collating all of the sustainability reporting together in a single report. Nevertheless, we have chosen to integrate sustainability into the rest of the annual report because the work is so well integrated into the Bank's other work that it would feel unnatural to report separately on sustainability. We have also chosen to provide a lot of information in appendices to the annual report due to the demand we see for this information.

Useful information for users for control purposes

In order to ensure the information is useful for users for control purposes, the Bank generally strives to comply with the quality requirements for hard, objective information in the key performance indicators (KPIs) and other reporting in line, from Ijiri (1971 and 1975):

- verifiable facts (already covered in CSRD above).
- well-specified measurement criteria and indicators
- few measurement criteria

Information is available in the individual chapters for the last two bullet points, but going forward this should also be compiled in the principle note so that it is clear how it is measured. The bank works systematically to increase reporting quality based on these principles, but we recognize that this is a work in progress.

Energy and climate in our business operations, and science based targets

SpareBank 1 Østlandet has been Eco-Lighthouse certified since 2008 and we are always exploring ways to cut our greenhouse gas emissions and climate impact. The Bank's total greenhouse gas emissions amounted to 703.14 tCO2e in 2022, and we bought EUA climate quotas to compensate for our emissions. We also purchased guarantees of origin to ensure that renewable electricity is generated for our consumption in Innlandet County.

Greenhouse gas emissions from our operations

Eco-Lighthouse is a recognised and effective environmental management system (EMS), which is approved by the EU. The report covers all of the Bank's registered emissions. The analysis is based on the international standard, A Corporate Accounting and Reporting Standard', which was developed by the Greenhouse Gas Protocol Initiative – the GHG protocol.

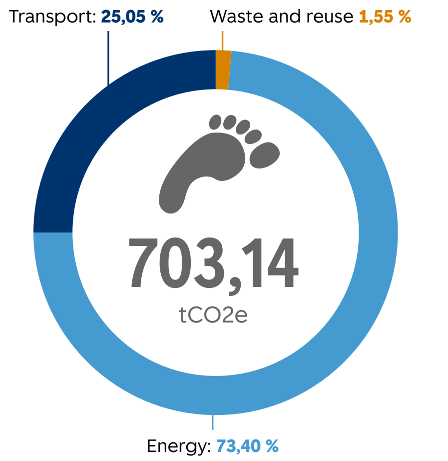
The Bank has significantly reduced its emissions in recent years; they were halved between 2013 and 2017. We gradually reduced emissions from 2018 to 2020, but they have increased from 691 tonnes CO2e in 2021 to 703 tonnes in 2022. This was due to the increase in activity after the Covid-19 pandemic and the higher number of indicator types to report on.

Scope 1 emissions increased from 4.6 to 7.6 tCO2e due to more travel using the Bank's hybrid cars. Our electricity consumption, district heating and district cooling have all been reduced, resulting in an 8.3 per cent reduction in our Scope 2 emissions from 562.9 tCO2e to 516.1 tCO2e.

As far as Scope 3 emissions are concerned, emissions from air travel have increased, while emissions from waste have decreased from 18.92 tCO2e to 10.86 tCO2e. The figure for mileage allowances has increased from 362 761 km to 559 939 km due to more travel activity after the pandemic. Overall, this results in indirect emissions in Scope 3 increasing from 123.8 tCO2e in 2021 to 179.4 tCO2e in 2022.

In 2021, Eco-Lighthouse added more types of indicators that must be reported on, for example mileage allowances. They also updated the conversion factors and the biggest changes were made in energy consumption. The previous factor for electricity related to the Nordic production mix while the new factor relates to the Norwegian production mix. This makes comparing our historically reported figures difficult. We have, therefore, restated historical figures using the new method.

Figure 1: Percentage distribution of CO2 emissions



Emission source	Consumption	Emission factor	Emissions in CO2 equivalents
Scope 1			
Petrol (company cars)	2 634 litres	2.89 kgCO2e/litre	7.61 tCO2e
Total Scope 1:			**7.61 tCO2e**
Scope 2			
Remote cooling	21 431 kWh	0.026 kgCO2e/kWh	0.56 tCO2e
District heating	1 879 520 kWh	0.187 kgCO2e/kWh	351.47 tCO2e
Electricity	4 102 162 kWh	0.04 kgCO2e/kWh	164.09 tCO2e
Total Scope 2:			**516.11 tCO2e**
Scope 3			
Waste			10.86 tCO2e
Residual waste, two categories	33 775 kg	Different per category	7.74 tCO2e
Sorted waste, 10 categories	65 410 kg	Different per category	3.12 tCO2e
Business trips			168.55 tCO2e
Air travel, Nordic countries	151 flights	104 kgCO2e/journey	15.70 tCO2e
Air travel, Europe	9 flights	185 kgCO2e/journey	1.67 tCO2e
Air travel, rest of world			
Mileage allowance	559 939 km	0.27 kgCO2e/kg	151.18 tCO2e
Total Scope 3:			**179.42 tCO2e**
TOTAL CO2 EMISSIONS			**703.14 tCO2e**

1) 32 252 km were driven by electric car.

Overview of goals and goal attainment for 2022

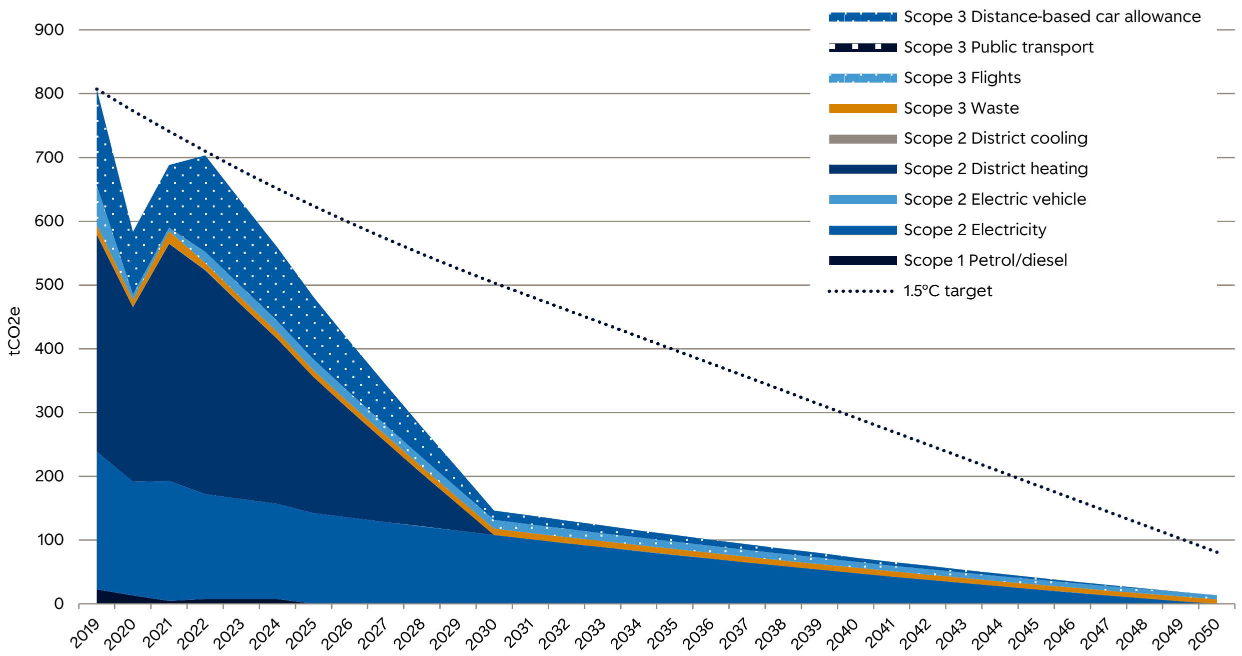
Scope 1: Company cars, fuel	The Bank's company vehicles will be replaced with electric vehicles by 2030. Emissions from company cars will therefore be almost zero from 2030 onwards. In 2022, the Bank's employees had one electric car and two hybrid leased cars at their disposal. Total petrol consumption amounted to 2 634 litres, mainly from the Bank's teaching about personal finances to school students in our district.
Scope 2: Electricity and district heating	The Bank has cut its electricity consumption significantly over the past 13 years. Our goal is to reduce consumption continuously in the period up to 2030 and thereafter up to 2050. Electricity consumption, district heating and district cooling all decreased in 2022. The main reasons for this were a warmer climate and better energy monitoring systems at many of our branches. This resulted in an 8.3 per cent reduction in our Scope 2 emissions from 562.9 tCO2e to 516.1 tCO2e.
Scope 3: Flights	The Bank sets clear restrictions in its travel regulations meaning that all air travel must be justified by a clear need and that other options such as telephone, Skype or video meetings must be considered as alternatives to travel. Nine flights to Europe and 151 flights in the Nordic region were registered via our travel agent in 2022. These figures do not include flights booked by employees themselves. We are working to ensure that in the future all air travel must be booked via our travel agent. The flights that were registered were equivalent to 17.36 tCO2e in 2022. In 2021, only 57 flights were registered in the Nordic region with total emissions of 5.93 tCO2e. The increase is due to more travel after the pandemic. We aim to reduce the number of flights by 1 per cent per year in the period up to 2050.
Scope 3: Mileage allowances	From 2021, emissions from mileage allowances are also included in the Climate Report, which considerably increases our total CO2 emissions. The Bank encourages employees to reduce travel using their own car wherever possible and instead use public transport such as trains and buses. Alternatives such as telephone or video conferences must be considered as options instead of travel. The Bank offers green car loans to customers and employees who purchase electric cars. In 2022, we drove a total of 559 939 km. Of this, 35 252 km was driven by electric car, although there are no signs for these categories in the Eco-Lighthouse Portal. The total figures for 2021 was 362 761 km and 10 183 km by electric car (likely underreported). The reason for the increase is that travel has returned to its normal level after the pandemic.
Scope 3: Waste	The Bank aims to reduce emissions from waste by 50 per cent in the period 2018-2050. We have been a member of Grønt Punkt Norge ('Green Dot Norway') since 2011 and comply with its reporting and rules. All of the Bank's branches source separate waste and focus on residual waste, which is also in line with our Eco-Lighthouse certification. Further measures that are taken to reduce waste quantities include setting requirements for suppliers with respect to their use of packaging to limit the amount of waste collected from our branches. In line with Eco-Lighthouse's guidelines, disposable packaging must also be eliminated in the future. Please note that no waste figures are available where we only lease offices because we participate in common waste solutions. In 2022, we reduced our total waste quantity by 47 000 kg in spite of increased activity at the branches following the shutdown in 2021. Clearing out offices during the pandemic also resulted in more waste in 2021 than in 2022.

Science based plan for reductions

We have set a target for how we will cut our emissions in line with the Paris Agreement, a so-called science based target (SBT). In line with SBTi's method, we have adopted both short-term and long-term goals for the period up to 2050, as well as associated measures. The Bank's plans for cutting emissions in the period up to 2050 can be seen in the graph below. The full climate report on our science based targets is available on our website.

We have signed up to the Science Based Targets initiative, but do not yet have the opportunity to get our science based target approved by the Science Based Targets initiative because they do not have a method that is adapted to a bank of our size that mainly has SME customers. We hope this changes and will try to get the target approved as soon as possible.

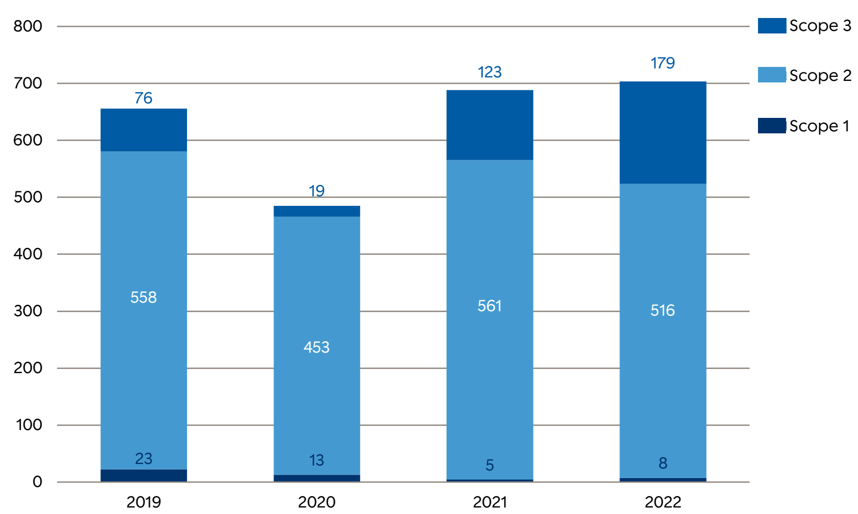
Figure 2: Science based targets for greenhouse gas reduction in own operations



Climate and nature risk in own operations

The Bank has assessed our physical climate and nature risks related to our own assets, such as natural damage to our buildings, operational disruptions, etc. The factors that have been assessed include geographical location and building suitability. We found that the risk is low to moderate and that, therefore, it is manageable. This is an area we are monitoring.

Total tonnes CO2e emissions 2018-2021



Further facts about Organisation and HR

We describe how the Bank approaches various topics within organisation and HR in the chapter 'Our greatly skilled employees' and in the Board of Directors' report. We explain the strategy and how the various areas are managed. We also specify the status of the work on themes like working conditions, HSE and sick leave, organisational development, training and competence, diversity and equal opportunities. Information about ethics and whistleblowing can be found in the chapter 'Ethics and anti-corruption'. In this appendix you will find more detailed reporting on various topics within organisation and HR.

We also have a statutory duty to work on gender equality and against discrimination. Our reporting in accordance with the activity and reporting obligation (ARP) is published on the Bank's website. *

Goals and goal attainment

Goal for the area	**Sick leave should be less than 4.5 per cent (national figure across industries is around 6 per cent)**					
Measurement parameter	Sick leave in %, total short-term and long-term sick leave					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 4.15 %	✓ 3.7 %	✓ 4.0 %	✓ 4.5 %	✓ 4.0 %	✓ 4.0 %

Goal for the area	**90 per cent of permanent employees should have completed employee performance and career development interviews**					
Measurement parameter	Implementation rate in %					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 93 %	✓ 97 %	✓ 93 %	✓ 97 %	✓ 100 %	✓ 100 %

Goal for the area	**100 per cent of employees subject to FinAut's authorisation requirements should have completed mandatory competence updating**					
Measurement parameter	Implementation rate in %					
Goal attainment	2022	2021	2020	2019	2018	2017
	✓ 100 %	✓ 100 %	✓ 100 %	Not available	Not available	Not available

Goal for the area	**Equal pay for equal work**					
Measurement parameter	Women's pay as a percentage of men's pay in comparable positions (reported data has not been corrected for structural factors)					
	2022	2021	2020	2019	2018	2017
Line functions	92.1 %	88.6 %	89.6 %	90.6 %	Not available	Not available
Managers and more demanding professional positions	97.8 %	98.9 %	104.3 %	93.3 %	Not available	Not available
Total	83.6 %	82.1 %	81.2 %	82.0 %	81.9 %	79.5 %

Goal for the area	**45 % of management positions filled by women**					
Measurement parameter	Proportion of female managers					
Goal attainment	2022	2021	2020	2019	2018	2017
	41.0 %	42.1 %	36.1 %	35.8 %	39.0 %	39.0 %

* https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/2023/ost-ARP-rapport-2022-SB1O-ENG.pdf

Employees

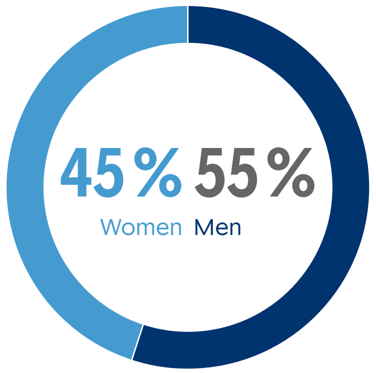
Permanent employees, by gender, employee category and age

	No. of employees 2022					No. of FTEs 2022				
Age	Part-time Women	Part-time Men	Full-time Women	Full-time Men	Total	Part-time Women	Part-time Men	Full-time Women	Full-time Men	Total
Under 30	3	.	37	33	73	1.3	.	37	33	71.3
30-39	6	2	67	91	166	4.65	1.2	67	91	163.85
40-49	11	1	72	75	159	8.35	0.5	72	75	155.85
50-59	11	1	98	93	203	7.25	0.5	98	93	198.75
Over 60	8	5	55	71	139	5.9	3.5	55	71	135.4
Total	**39**	**9**	**329**	**363**	**740**	**27.45**	**5.7**	**329**	**363**	**725.15**

Temporary employees, by gender and age

	No. of employees 2022				No. of FTEs 2022			
Age	Part-time Men	Full-time Women	Full-time Men	Total	Part-time Men	Full-time Women	Full-time Men	Total
Under 30	1	1	1	3	0.4	1	1	2.4
30-39	.	.	1	1	.	.	1	1
40-49	.	1	1	2	.	1	1	2
Over 60	.	2	.	2	.	2	.	2
Total	**1**	**4**	**3**	**8**	**0.4**	**4**	**3**	**7.4**

Figur 4: Gender distribution of applicants 2022



Recruitment

Recruitment	2022	2021	2020	2019	2018	2017
Number recruited, parent bank, internally	44	32	38	21	12	15
Number recruited, parent bank, externally	61	48	44	35	35	15

GRI 401-1 New employee hires and employee turnover

	No. of employees 2022					No. of FTEs 2022				
Age	Part-time Women	Part-time Men	Full-time Women	Full-time Men	Total	Part-time Women	Part-time Men	Full-time Women	Full-time Men	Total
Under 30	.	.	9	14	23	.	.	9	14	23
30-39	.	.	7	22	29	.	.	7	22	29
40-49	1	.	0	5	6	0,6	.	0	5	5.6
50-59	.	.	1	2	3	.	.	1	2	3
Over 60	.	.	.	.	.	.	.	.	.	.
Total	**1**	**.**	**17**	**43**	**61**	**0,6**	**.**	**17**	**43**	**60.6**

Age composition

Age composition	2022	2021	2020	2019	2018	2017
Average age	46.7	47.8	47.6	47.5	48	47.61
Average time of service	14.4 years	15.75 years	15.3 years	15.7 years	16 years	16.72 years

Turnover

Number of departures – turnover	2022	2021	2020	2019	2018	2017
Women	2.97 %	2.7 %	1.55 %	4.60 %*	2 %*	2 %*
Men	2.02 %	2.4 %	2.25 %			

*Turnover by gender only from 2020. The turnover figure shows those who have moved to another employer. It does not include people who have left due to retirement or disability pensions.

44 Internal job changes in 2022

Training

Training	2022	2021	2020	2019	2018	2017
Hours per employee - from the Learning Management System (LMS)	18.2	6.38	11.2	N/a	N/a	N/a
Hours per employee totalled from seminars, courses, etc. that are not in LMS	45.2					

* In previous years, we have only reported on training carried out via our e-learning portal. In 2022, we have also included subject days, product and system training, webinars, various courses and educational conferences, master's programmes, introduction programmes and management development programmes.

Some underreporting of competence still exists because time spent on completing authorisations and requirements for refresher courses in connection with authorisation schemes are not included.

Parental leave

GRI 401-3

GRI 401-3: Parental leave		2022	2021	2020	2019	2018	2017
Number of employees who took parental leave – by gender	Women	20	21	22	17	17	23
	Men	12	10	12	16	14	11
Number of employees who returned to work after parental leave		31	31	34	33	31	34
Average no. of weeks	Women	21.31	14.01	19.78	17.72	17.46	13.5
	Men	14.76	14.08	13.22	11.43	7.82	6.13
Average number of weeks' parental leave		18.86	14.03	17.47	14.67	13.11	11.12
Proportion of employees still employed after 12 months		94 %	100 %	100 %	100 %	100 %	100 %

APPENDIX TO CHAPTER 3.2 RETAIL DIVISION AND 3.3 CORPORATE DIVISION

Share of green loans and greenhouse gas emissions in the loan portfolio

The Bank's long-term ambition is to be net climate neutral by 2050, this includes in relation to loans. Therefore, we are working on cutting greenhouse gas emissions in our supply chain in both the retail market and the corporate market portfolios. This entails steadily increasing the share of the portfolio that is viewed as having low greenhouse gas emissions and that can, therefore, be considered 'greener'.

Methods for calculating emissions
The bank is a member of and uses the Partnership for Carbon Accounting Financials (PCAF) method to calculate emissions for the corporate market portfolio, and this has also been used for the housing mortgage portfolio from 2022. We have actively participated in Finance Norway's work on harmonising reporting on greenhouse gas emissions from loan portfolios, for example by using the PCAF method.

Method for setting science based targets concerning zero emissions
We have used the method developed by the Science Based Targets initiative (SBTi) to set science based targets for reducing greenhouse gas emissions to zero by 2050. The Bank was assisted by the company, Cemasys. The calculations are not submitted to SBTi for approval because in addition to housing mortgages we almost only have small and medium-sized enterprises in the loan portfolio. SBTi does not have a method suited to such a portfolio. However, we have signed up to SBTi and will submit the targets for approval as soon as SBTi has a method we can use.

Method for calculating share of green loans
In 2021, the Bank developed a green bond framework in which parts of the loan portfolio is defined as light, medium or dark green based on various criteria. The framework is subject to third-party verification by Cicero Shades of Green, which rated the general framework 'medium green'. Our criteria have also been assessed in relation to the EU Taxonomy as it was proposed at the time. Essentially, the definition used in our bond framework is the definition used to define what is 'green'. If the reporting deviates from this, this is stated.

Mortgage portfolio

Share of green loans in the mortgage portfolio

The Bank is working to increase the green share of the mortgage portfolio, including to reduce greenhouse gas emissions linked to this. Cicero Shades of Green considers these buildings to be 'light green', which means the following requirements must be satisfied:

Existing buildings

- Buildings built prior to 2012 and that therefore comply with building codes older than TEK10 must have an energy class of A or B to be eligible.
- Buildings built between 2012 and 2021 must be TEK10 and TEK17 to be eligible.
- Buildings that have achieved a 30 per cent improvement in energy consumption, and/or that have improved their energy class by at least two levels to a grade of D or better, will qualify.

New buildings

- Buildings built after 2021 must be at least 20 per cent more energy efficient than the regulatory figure that applied at the time of construction. At the moment, this is a value that is hard to document, which results in no homes built after 1.1.2021 being regarded as 'green' in the calculations below.

Based on these assumptions, NOK 11.9 billion of lending qualifies as 'green'. Out of a total lending volume of NOK 83.7 billion linked to residential buildings in our portfolio, the 'green' share accounts for 14.3 per cent.

Using the same definition for 'green' for new homes for homes built between 2012 and 2021, the green share of total housing mortgages at the end of 2022 was 18.1 per cent. This includes housing mortgages transferred to Boligkreditt. This is well above the Retail Division's target for a share of 17.5 per cent, which is the Retail Division's key performance indicator for green growth in the housing mortgage portfolio. See the chapter 'Responsible lending Retail Division'.

Greenhouse gas emissions in the mortgage portfolio and science based targets

Total emissions from the mortgage portfolio were estimated to be 18 673 tCO2e for 2022, less than the target of 18 678 tCO2e. This emission target has therefore been achieved. Carbon intensity was 5.06 kgCO2e per m2, slightly above the target of 4.72 kgCO2e. This emission target has not been achieved yet.

For the first time, we have used PCAF to calculate emissions from the mortgage portfolio. The calculation takes account of whether the residential property is a detached house, terrace house or a flat, as well as the Energy Performance Calculation (EPC). It also includes total floor space and floor space scaled based on LTV ratio. This is how the Bank determines the indirect emissions linked to mortgages.

Previously, we used Multiconsult to estimate emissions. This resulted in higher emissions, partly because they use a life cycle calculation. Different emission factors for electricity can potentially have a major impact as well. See the Climate Report 2022 on our website for more information.

Because we have changed our method, we have also restated previously estimated emissions using the new method. This gives the following result:

PCAF calculation	2022	2021*	2020*
Carbon intensity (kgCO2e/m2)	5.06	5.22	5.37
Total emissions (tCO2e)	✓ 18 673	20 214	21 244

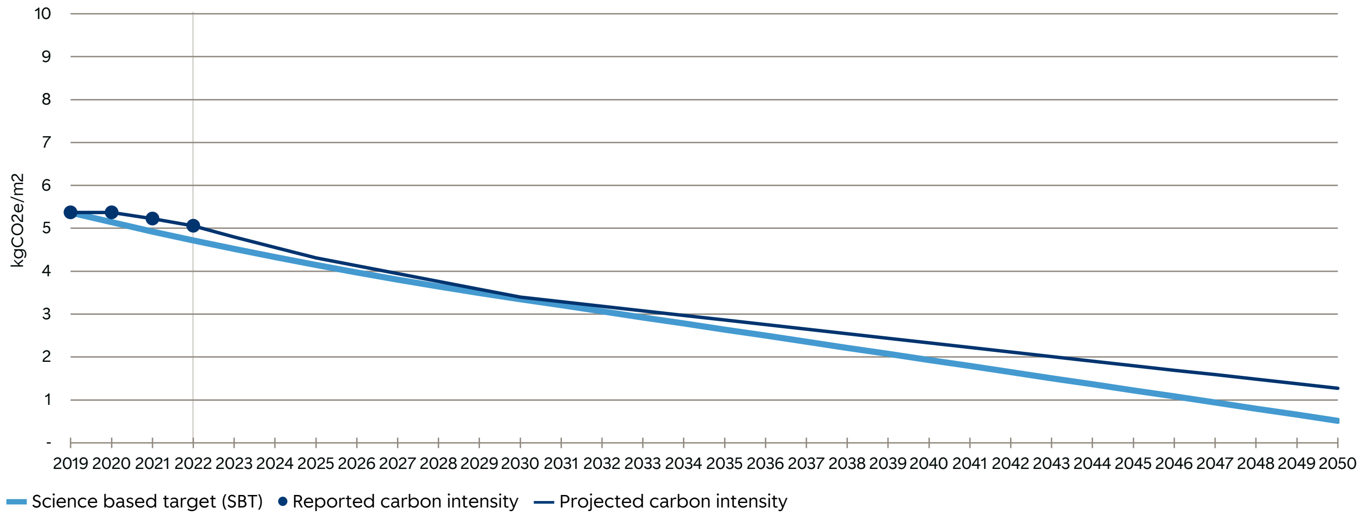
*simplified recalculation

The graph below projects emissions from the Bank's mortgage portfolio forward in time to 2050. It is based on Retail Division's goals for 2025 and 2030 and uses SBTi's method as a starting point. This is a 'well below 2ºC pathway' because SBTi has not yet developed a 1.5ºC pathway for residential buildings.

As the graph shows, the reductions are relatively small in the first few years before the emissions are reduced more quickly from around 2030. This means that the Bank is not adhering to SBTi's ambitions in the first few years, but the CO2 reduction from the housing mortgage portfolio will increase all the more from 2030 onwards. The measures that have already been planned show that the loan portfolio is projected to be 0.76 kgCO2e/m² off the target of zero emissions in 2050. This means that the measures we have are largely adequate but that we must, nevertheless, keep working on strengthening the customer-related measures to some extent in order to cut emissions related to homes.

› Carbon intensity was 5.06 kgCO2e/m2, slightly higher than the emission target of 4.72 kg. Total emissions amounted to 18 673 tCO2e and in line with the target for emissions.

Figure 5: Science based targets for greenhouse gas reduction for the housing mortgage portfolio



Corporate market portfolio

Share of green commercial buildings in the corporate market portfolio

The green bond framework defines what are viewed as green assets in the corporate market portfolio, including in relation to commercial buildings. Cicero Shades of Green has assessed these buildings as being 'light green':

Existing commercial buildings

- Commercial buildings that are among the 15 per cent most energy efficient in Norway. This includes TEK10 and TEK17 (or later), energy class A or B, BREEAM or BREEAM-NOR Excellent or LEED Gold or Nordic Swan Ecolabel building.

New commercial buildings

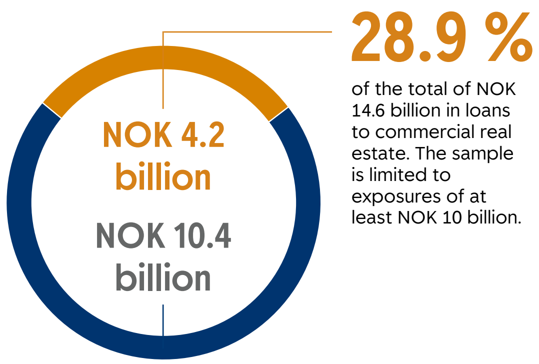
- Since 2021, commercial buildings have had to have 20 per cent better energy efficiency than the applicable regulations, which are currently TEK17.

Rehabilitated commercial buildings

- Commercial buildings that have seen a 30 per cent gain in energy efficiency or that have risen by at least two energy classes and are at least energy class D.

See our green bond framework on our website and on page 240 for more detailed information. This includes information about the extent to which it is in line with the EU classification system for sustainable activities (the Taxonomy).

Figure 6: Green share of commercial buildings loans



Based on these assumptions, 28.9 per cent of the commercial property portfolio is green. This is up from 26 per cent in 2021. The loan volume is distributed as shown in the figure.

Renewable energy
Our goal is to increase the share of renewable energy in the loan portfolio by 50 per cent from 2021 to 2025. The lending growth in renewable energy was 18 per cent in 2022, although since the growth in the rest of the loan portfolio was also high throughout the year, the growth in the share of renewable energy was 3 per cent. Everything included is defined as 'dark green' by Cicero Shades and Green, so the green share of the total energy portfolio will remain 100 per cent, even with growth.

Greener agriculture
The Bank has set several ambitions for its agricultural portfolio, see the chapter 'Responsible lending for Corporate Division'. The goals are linked to the work on being an active driving force behind the green transition in agriculture. Our goal is to get our customers to increasingly use the climate calculator, receive climate advice, prepare a climate action plan and implement climate measures. These are goals that were adopted in 2022 and which we have not yet started to measure due to a lack of access to data. Therefore, we only report on the number and share of green agriculture loans, see the chapter 'Responsible lending Corporate Division'.

Emissions in the corporate market portfolio
Total emissions in the corporate market portfolio for 2022 are estimated at 248 660 tCO2e, above the target of 194 842 tCO2e. However, total emissions do not provide an accurate picture of whether we are achieving emission targets because total emissions will increase with total lending, as was the case in 2022. Carbon intensity was 5.67 tCO2e per NOK million, just above the target of 5.52 tCO2e. The emission target is not reached with decimals. Annual carbon sequestration in the Bank's forest portfolio was estimated to be 158 000 tCO2e, adjusted for the Bank's funding, or about two thirds of annual carbon emissions in the remaining portfolio.

The Bank is not exposed to carbon-intensive industries such as oil and gas extraction, oil refining, metal production, shipping or aviation, and therefore has a relatively low carbon-intensive loan portfolio in the corporate market. We want to publish the emissions in the loan portfolio because it is through our value chain that we have the greatest opportunity to help Norway achieve the ambitious goals in the Paris Agreement. The Bank has been reporting on greenhouse gas emissions in its loan portfolio since 2019 and has also set a science based target for credit portfolio.

When total greenhouse gas emissions are calculated in the loan portfolio, we limit ourselves to customers' Scopes 1 and 2 emissions, because including Scope 3 would involve a large degree of double counting as one company's direct emissions are another company's indirect emissions. Nevertheless, we want to illustrate the customers' Scope 3 emissions in the industry overview below since some industries, including construction, have relatively little direct emissions in relation to indirect emissions.

> Carbon intensity was 5.67 tCO2e per NOK million, just above the target of 5.52 tCO2e. But the reduction from 2021 was above 5 percent, achieving that target. Total emissions amounted to 248 660 tCO2e. Annual carbon sequestration in the Bank's forest portfolio was estimated to be 158 000 tCO2e, or about two thirds of carbon emissions in the remaining portfolio.

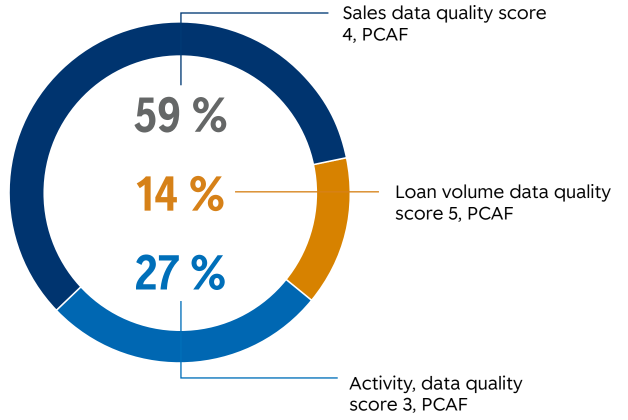
	Total emissions (tCO2e)		Carbon intensity (tCO2e per NOK million in lending)	
Industry	**Scopes 1 and 2**	**Scope 3**	**Scopes 1 and 2**	**Scopes 1, 2 and 3**
Agriculture and associated services	181 092	243 175	31.2	73.1
Forestry and associated services	10 403	15 757	10.9	27.3
Commercial services	10 292	21 216	8.6	26.2
Wholesale and retail trade	14 663	29 170	7.1	21.2
Sale and operation of property	7 195	46 667	0.3	2.4
Manufacturing	6 273	43 396	4.3	46.6
Construction of buildings	6 649	134 274	1.1	24.2
Transport and storage	2 318	13 223	9.3	62.0
Professional and financial services	1 134	2 268	0.9	2.6
Hotels, restaurants and tourism	1 626	3 900	3.5	11.7
Energy production and supply	1 673	613	2.4	3.2
Public sector	996	9 426	1.5	16.1
Others	4 346	5 702	6.8	15.8
Total	**248 660**	**568 788**	**5.67**	**18.6**

Method: Partnership for Carbon Accounting Financials (PCAF). The Bank uses the Global GHG Accounting and Reporting Standard for the Financial Industry to estimate greenhouse gas emissions in its loan portfolio. The table shows direct emissions from our customers (Scopes 1 and 2) and emissions upstream in the value chain, like the production of raw materials at suppliers (Scope 3).

Method's assumptions and weaknesses
The calculations strive for the highest possible data quality, and this has been significantly increased since last year's reporting. For agriculture, the analysis is based on emission factors per animal, animal species and km² of cultivated land. For commercial buildings, emissions are calculated primarily per square metre, taking into account the building type and energy class, with the exception of small exposures. This level of detail is new for the year and it corresponds to data quality 3 in PCAF, which uses a scale of 1-5, where 1 is the best. 27 per cent of the loan portfolio is now calculated using data quality 3. The best data quality in the calculations for 2021 was 4.

For other industries, the analysis is based on Norwegian emission factors at an industry group level (NACE code). For AS (limited companies), emission factors based on turnover are used, which corresponds to data quality 4 in PCAF (59 per cent of the portfolio). For sole proprietorships and the self-employed, an emission factor based on loan volume is used. This is equivalent to a score of 5 in PCAF (14 per cent of the portfolio). The calculation method used for limited companies and sole proprietorships differs due to the availability of data.

Figure 7: Share of green loans in the loan portfolio



The method has a number of weaknesses. These are some of them:

- Errors can occur in the source data in that individual customers may be assigned an industry code that does not reflect the enterprise's actual operations, and which therefore results in a misleading emission factor.
- The emission factors used for the calculations are partly rough estimates that do not provide information about emissions at a customer level. although the results nevertheless show where we should direct the focus of our sustainability work.
- Over time, as the data quality in our calculations improves, we will set increasingly more concrete goals and provide clearer incentives for specific industries and customers .
- We must expect relatively significant variation in emission measurements going forward because there will be steadily more updated information and the data quality will improve.

Emissions from our sectors
The analysis shows that agriculture and associated services have the greatest direct emissions in our portfolio. This matches previous calculations. Agriculture is our second largest sector after commercial real estate, and given our geographical location and industry mix, it is natural that agriculture have high emissions. Norwegian agriculture focuses heavily on sustainability and significant resources are allocated to mapping and cutting greenhouse gas emissions in the industry. At the same time our agricultural customers have significant resources in forests. Active agriculture ensures the maintenance of forests and can

contribute to sustainable forest production. Agriculture will continue to be a priority area for the Bank, and we will support and create incentives to cut greenhouse gas emissions in this sector.

The analysis shows that, for example, the construction of buildings involves significant indirect emissions (Scope 3). These are emissions that typically come from the production and transport of materials, and they will therefore be shown as Scope 1 emissions in the manufacturing and transport sector in similar analyses.

Carbon intensity
The analysis shows that agriculture is also the most emission-intensive industry if we look at Scope 1 and 2 emissions. If we include upstream emissions in the value chain (Scope 3), agriculture and transport and storage are the most emission-intensive industry based on the Bank's lending, followed by manufacturing. The direct emissions in the manufacturing portfolio are relatively low, although the Scope 3 emissions are high.

Development
The Bank published greenhouse gas emissions from the loan portfolio in the corporate market for the first time in the 2019 annual report and reported in line with the PCAF framework for the first time in 2020. Since this area has not been fully developed and is constantly being refined, including through constant improvements in methodology, the calculations are comparable from year to year. The change in the calculation method in this year's reporting, which has already been described under assumptions, results in significantly lower emissions. Therefore, the change in total emissions from last year's report is mainly methodical and does not reflect a genuine reduction in emissions. The method is now more detailed, and the emission factors more suited to Norwegian conditions. We have therefore recalculated the emission figures for 2020 and 2021 using this year's method in order to better keep up with developments.

The emissions for 2021 are estimated to be 232 340 tCO2e. The emissions for 2022 are estimated to be 248 660 tCO2e. This represents an increase in direct emissions of 7 per cent. The main explanatory factor for this increase is lending volume. Emission intensity is down from 6.19 to 5.67 tCO2e/NOK million in loans.

PCAF calculation	2022	2021*	2020*
Carbon intensity (kgCO2e/mill.NOK)	5.67	6.19	6.49
Total emissions (tCO2e)	248 660	232 340	221 609

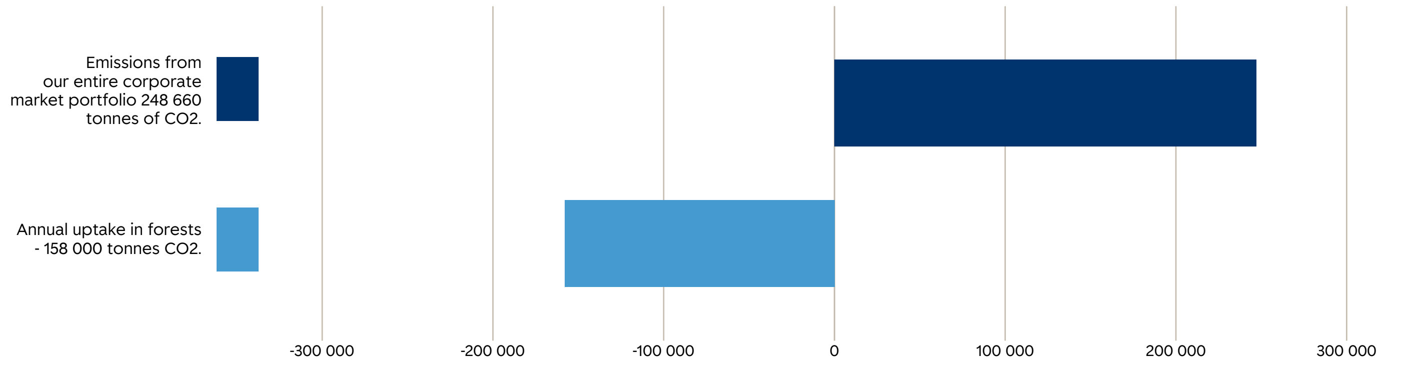
*converted using updated method

CO2 sequestration in forests
In Norway, forests and land use absorb greenhouse gases equivalent to almost half of our total emissions. From 1991 to 2018, net sequestration by forests and land use increased by 134 per cent. According to Statistics Norway, productive forests cover 82 800 km² and, according to the Norwegian Environment Agency, sequester a net 20.3 million tCO2e annually. A positive contribution from forests is important in the agricultural climate plan in order to become climate neutral in 2050.

SpareBank 1 Østlandet is proud to finance one of Norway's largest bank-financed forest portfolios covering a total of around 2 300 km² of productive forests, or 2.8 per cent of Norway's productive forest. The Bank assumes that in addition to the productive forest we finance, we also have a representative share of unproductive forest, which absorbs little CO2. The Bank assumes that the forest in our portfolio is representative of Norway's overall forest area as far as yield power and CO2 sequestration are concerned. Based on the Norwegian Environment Agency's total calculations, the forest in our portfolio sequesters around 158 000 tCO2e per year. This figure has been corrected for the share the Bank finances.

Science based targets for reducing greenhouse gases in the Corporate Division's portfolio
SpareBank 1 Østlandet wants to be a driving force for climate transition in the financial sector. We set a climate target for reducing greenhouse gas emissions associated with its own operations as early as 2019 and continuously work to ensuring we have a sustainable credit portfolio. The work is rooted in the climate targets in line with the goals set in the Paris Agreement and the UN Intergovernmental Panel on Climate Change, as well as Norway's Climate Act, where the goal is to cut emissions by at least 50 per cent and up to 55 per cent by the end of 2030 compared with the 1990 level.

Figure 8: Emissions from our corporate market portfolio and uptake in the forest portfolio



Science based targets
For the Corporate Division's credit portfolio we have set a goal that from 2020 to 2030 there must be a minimum 42 per cent cut in total emissions. This corresponds to an annual reduction of 4.2 per cent of the 2020 level and is in line with the level of ambition of the SBTi of reducing emissions to 1.5°C.

Projections of total emission pathways for the Corporate Division by industry can be seen in the graph on the next page. The overview shows an increase from 2021 to 2022, mainly due to high lending growth in the Corporate Division's portfolio.

> Reduction in carbon intensity of 8.4 per cent from 2021 to 2022. This is better than the target of 5 per cent.

Figure 9: Science based targets for greenhouse gas reduction in the corporate market portfolio

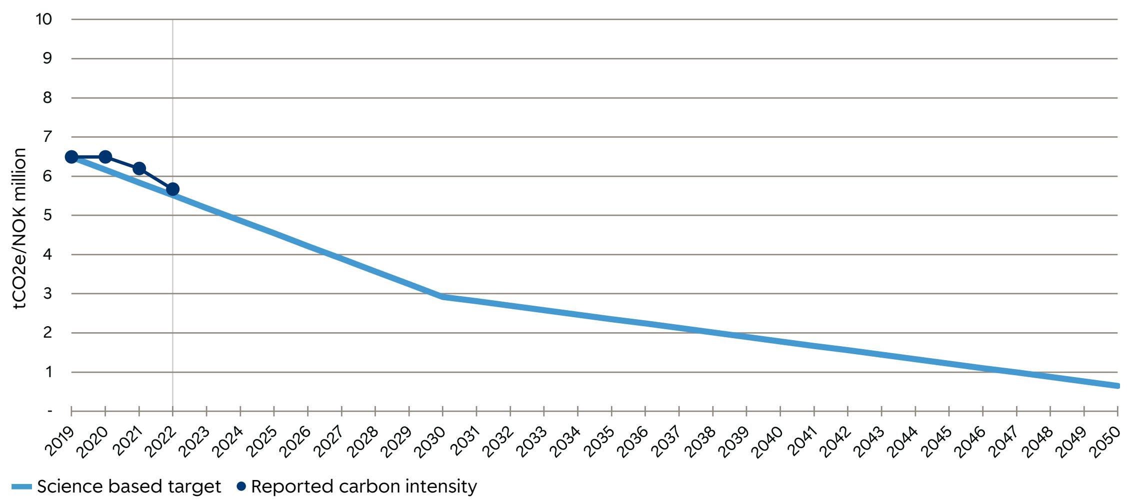
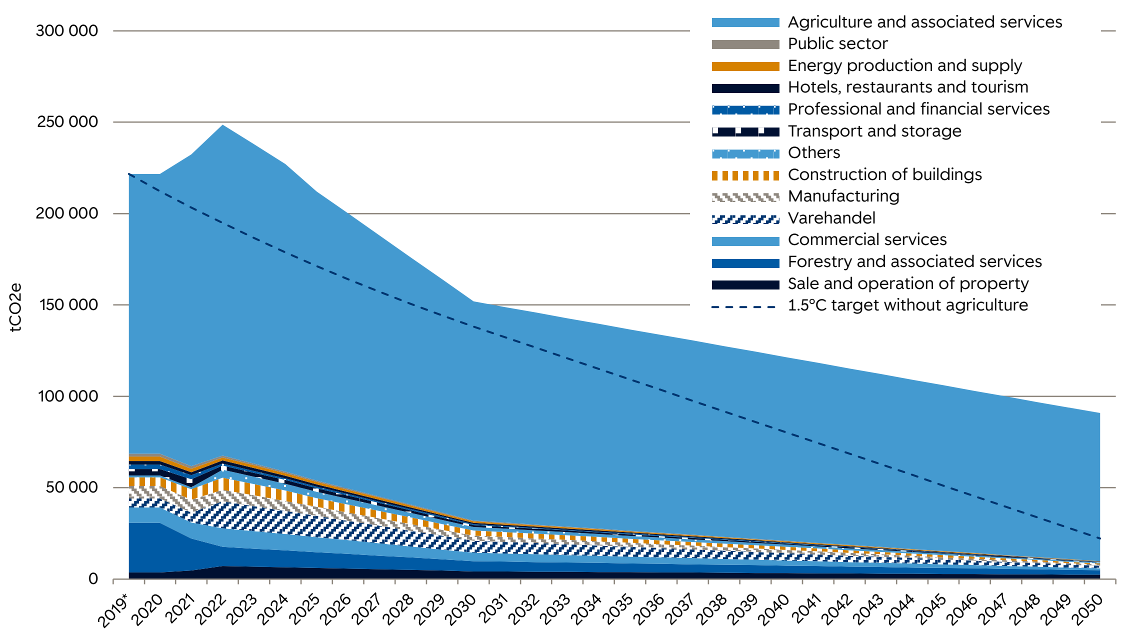


Figure 10: Calculation of total emissions for the Corporate Division's portfolio and projection of emission pathways



Science based intensity reduction targets
The Bank has increased its focus on measuring carbon intensity because this improves the amount of emissions in relation to activity. We believe that this provides a more accurate picture of the reduction in greenhouse gas emissions since it is not directly affected by lending growth in the portfolio as is the case with total emissions. Our target is a reduction of at least 50 per cent in emission intensity from 2020 to 2030, an annual reduction of 5 per cent on the 2020 level. Calculations show a carbon intensity of 5.67 tCO2e per NOK million in lending. This is a reduction of 8.4 per cent from 2021, which is clearly better than the target of 5 per cent.

The figures below show the development in emission intensity in the sectors we have the greatest impact on.

Emission intensity for agriculture increased from 30.4 to 31.2 tCO2e/NOK million and is above the reduction target in SBTi. Emission intensity for real estate property sales and operation has increased from 0.30 to 0.53 tCO2e/NOK million. The main explanation for the reduction in total carbon intensity at the same time as it increases for two of our most important industries is the relative increase in industries with low carbon intensity. As described in the section on greenhouse gas emissions in the loan portfolio earlier in this chapter, we have made methodological changes to improve the quantitative basis for the calculations. This means that we have been forced to make adjustments to the emission pathways. This does not affect our science based climate targets, which are still in line with SBTi.

Figure 11: Carbon intensity for agriculture

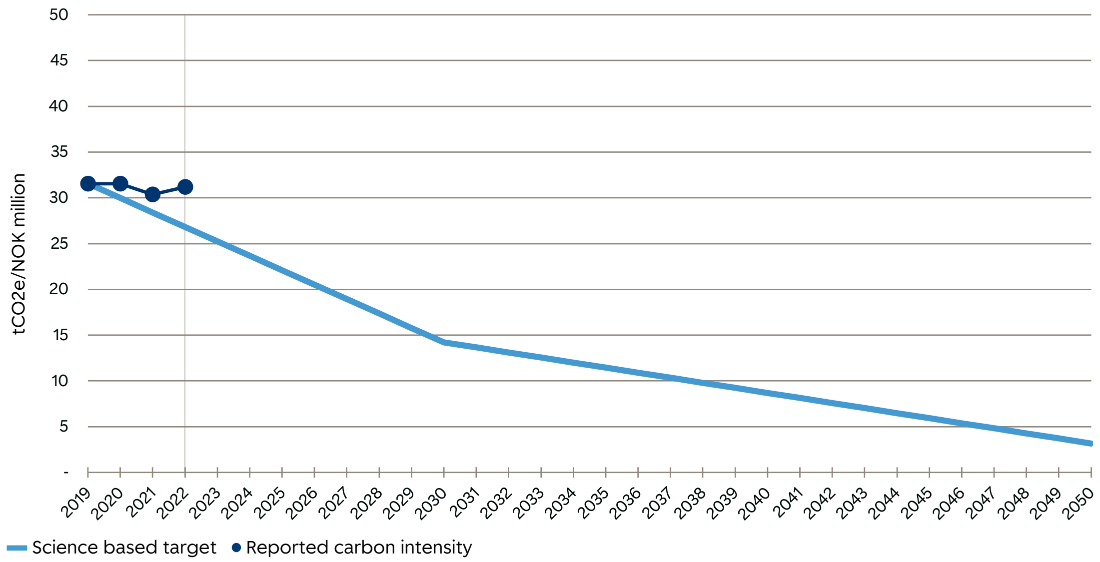
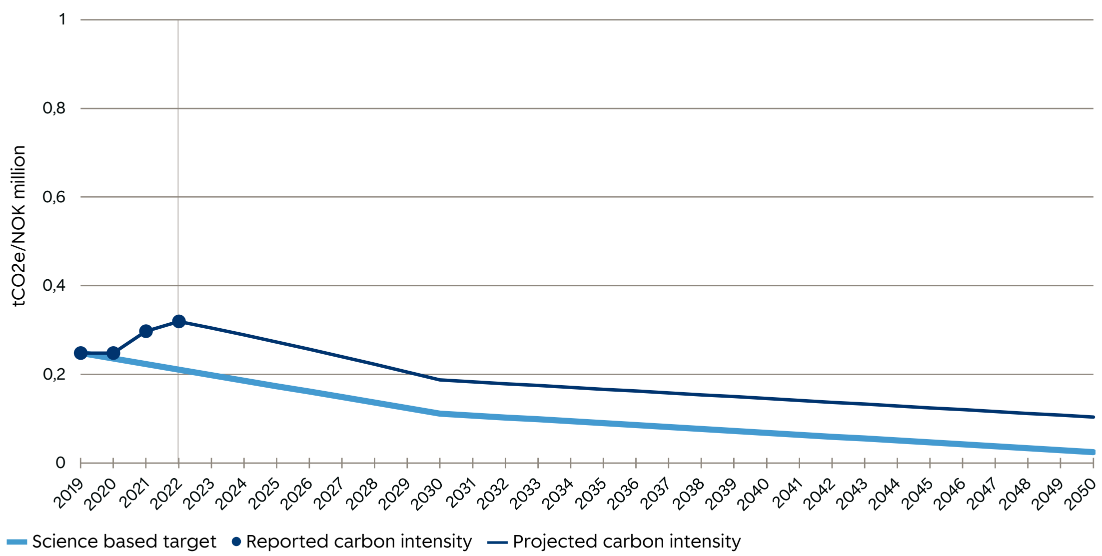


Figure 12: Carbon intensity for commercial buildings



From the left: Financial Advisers Hans Trovåg, Ola Reidar Gulli, Mari Sørum Rolstad, Kjersti Ringstad, Customer Adviser Tim Jahnson, and Bank Manager Geir Arne Hagaløkken, **Skarnes**

Framework for issuing green bonds

In 2021, SpareBank 1 Østlandet established a framework for issuing green bonds. The framework was prepared in line with the ICMA Green Bond Principles, based on best market practice and, at the same time, supports the UN Sustainable Development Goals.

The green bond framework was established in line with the Bank's general sustainability strategy and general guidelines for corporate social responsibility and sustainability. The framework represents a natural step forward in our sustainability work and helps to operationalise the sustainability strategy, as well as the Bank's overall net zero emission target for the period up to 2050. It provides a clear thematic definition of what is sustainable and is used as a basis for mapping the Bank's loan portfolio.[1]

Green bond issues are used to finance or refinance green projects within the following categories:

- Green buildings
- Agriculture
- Forestry
- Renewable energy
- Clean transportation

The green bond framework was independently assessed (second opinion) by Cicero Shades of Green and rated 'Medium Green'. The management culture was rated 'Excellent'. Cicero also concluded that the framework was 'Mostly Aligned' with the EU Taxonomy. This assessment was made prior to the publication of the first two environmental goals of the EU Taxonomy – climate change mitigation and climate change adaptation – and must be viewed accordingly. The technical calculations of emissions data are performed by Multiconsult.

Our Green Bond Committee is responsible for the green bond framework and its ongoing monitoring. This consists of members from involved units and divisions in the Bank and is chaired by the CFO.

Allocation and green financing
SpareBank 1 Østlandet issued its first green bond based on the green bond framework in February 2021. Subsequently, green bonds in both EUR and NOK were issued in 2022, totalling NOK 6.8 billion.

What is a green bond?

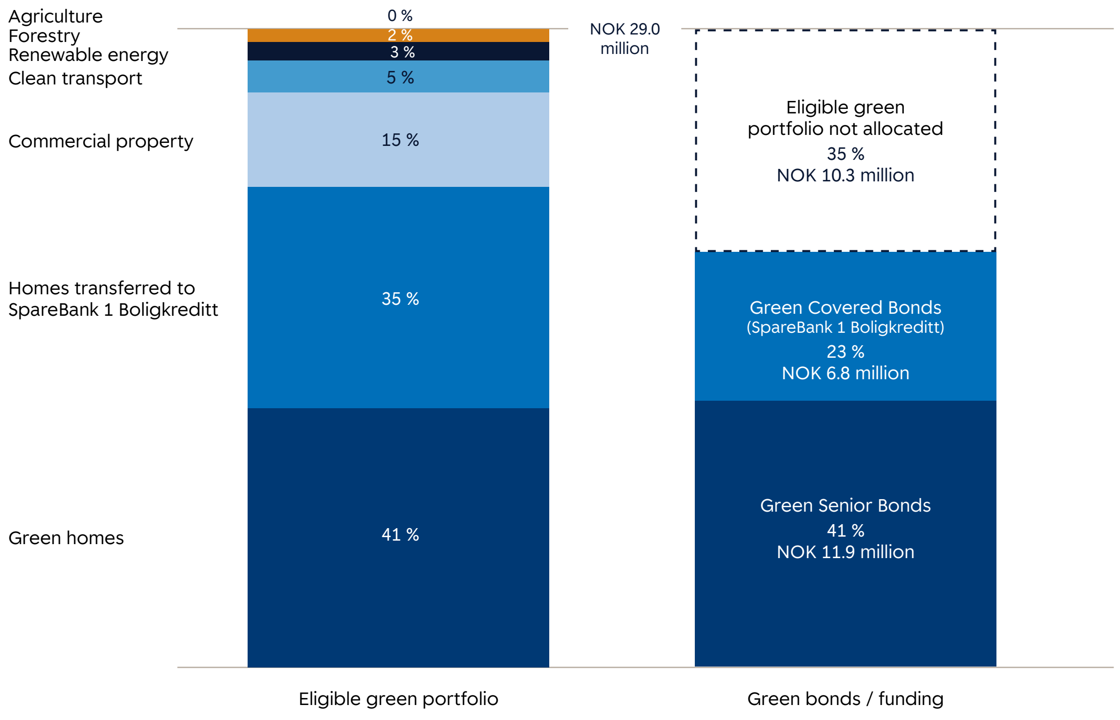
A green bond is a type of bond in which the capital raised is used exclusively to finance or refinance green projects. At a minimum, such projects must be in line with best market practice and the main components of the ICMA Green Bond Principles.

The Green Bond Principles

1) Loans on SpareBank 1 Østlandet's balance sheet. This includes SpareBank 1 Finans Østlandet and loans transferred to SpareBank 1 Boligkreditt AS.

Green bonds and allocation 2022 (NOK millions)
The Bank's total eligible green lending as at 31.12.2022 was NOK 29 billion, including NOK 10 billion transferred to SpareBank 1 Boligkreditt that is also eligible pursuant to the Bank's green bond framework. This represents an increase in eligible assets of NOK 4.4 billion since its establishment on 31.12.2020.

Figure 13: Green bonds and allocation 2022 (NOK millions)



Responsible lending within liquidity management

As part of its liquidity management, SpareBank 1 Østlandet has a portfolio of liquid securities with a high credit quality. The Bank has implemented social and sustainability assessments in its liquidity management in order to evaluate and minimise the risk of the liquidity portfolio conflicting with the Bank's guidelines for corporate social responsibility and sustainability.

What did we achieve in 2022?

Social and sustainability considerations were further operationalised in liquidity management in 2022. The Bank's goal was to increase the proportion of ESG investments in the liquidity portfolio from 8 per cent in 2021 to at least 15 per cent in 2022. At the end of 2022, the ESG proportion was 16.3 per cent of the total liquidity portfolio.

Another goal for 2022 was to measure the magnitude of the positive impacts ESG investments had on greenhouse emissions relative to conventional investments. In total, this amounted to 46 700 tonnes of CO2 per annum, or 11 tonnes per million NOK invested at the end of 2022.

The Bank has carried out a general assessment of the risk of issuers in the portfolio's investment universe breaching the Group's guidelines for corporate social responsibility and sustainability. We have mapped the most relevant risk topics for each investment group and conducted a risk assessment based on this for each investment class. Overall, the risk of the portfolio breaching the guidelines for corporate social responsibility and sustainability is considered low. While the investment framework is relatively broad the vast majority of the portfolio is classified as 'low/moderate' risk. The entire investment universe of current investments is subject to risk assessments.

Figure 14: Total greenhouse gas reduction as a result of ESG investments

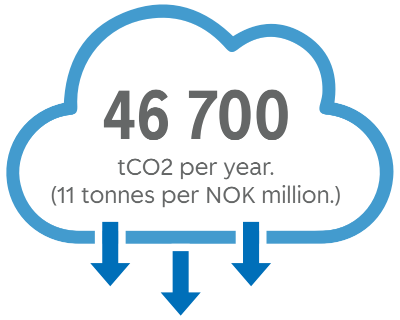
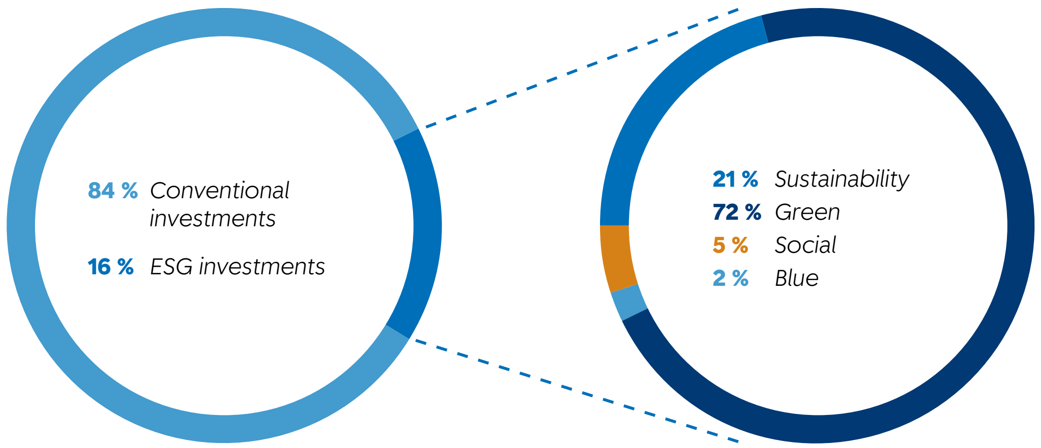


Figure 15: The liquidity portfolio and ESG investments



Assessments are also made of which topics are the most relevant in the overall risk picture associated with corporate social responsibility and sustainability. In order to maintain an overview of the portfolio's holdings and the enterprises' risks within corporate social responsibility and sustainability, the Bank carries out checks of the entire portfolio. Checks are also made at the time of initial investment.

What remains to be done in the strategy period and from a longer perspective?

The entire liquidity portfolio will be assessed annually and in the event of new investments. Any non-compliance is followed up in line with the applicable guidelines.
All issuers are assessed in relation to their sustainability work, and work is being done to put in place assessments of greenhouse gas emissions in the liquidity portfolio.

A Norwegian interpretation of the EU Sustainable Finance Disclosure Regulation (SFDR) is coming, and in the long term the liquidity portfolio is expected to be categorised based on this.

An effort will be made to increase the proportion of ESG investments in the portfolio to 20 per cent in 2023.

Risks and opportunities

A proactive attitude towards corporate social responsibility and sustainability in liquidity management could a positive impact on the investment universe by setting clear requirements and expectations for relevant issuers.

Strategic anchoring

Important guidelines: Sustainability Strategy 2022-2025, General Guidelines for Corporate Social Responsibility and Sustainability, and Guidelines for Corporate Social Responsibility and Sustainability in Liquidity Management.

Responsible: Chief Financial Officer

Goal for area: The entire liquidity portfolio will be assessed in relation to ESG annually and when we invest in new counterparties, non-compliance will be followed up. ESG investments in the liquidity portfolio will be increased by at least 15 per cent in 2022 and 20 per cent in 2023.

GRI indicators: SB1Ø-4 and SB1Ø-7
Training: 404-2

SDGS: 8.10, 12.6, 13.3, 15.a, 16.4 16.5

Eco-Lighthouse: 2069, 2071, 2072

Training

Any employee who is involved in any way with liquidity management must be familiar with the Bank's strategy for corporate social responsibility and sustainability and regularly review the guidelines for this area. All employees maintain close contact with leading sustainability environments in the financial services industry and stay up to date on relevant developments in the field.

Goal for the area	**All investments – new and existing – must be assessed annually in relation to the current guidelines. Non-compliance is followed up.**				
Measurement parameter	Proportion of the liquidity portfolio that has been assessed in relation to guidelines. In % Goal: 100 %				
Goal attainment	2022	2021	2020	2019	2018
	✓ 100 %	✓ 100 %	✓ 100 %	✓ 100 %	Not available

APPENDIX TO CHAPTER 3.4
REQUIREMENTS FOR FINANCIAL PROVIDERS

Greenhouse gas emissions in funds

SpareBank 1 Østlandet does not manage funds and, therefore, the Bank does not have access to greenhouse gas emission data for all of the funds the Bank offers. Nevertheless, we collect data on emissions from the portfolio managers and are working on reporting and reducing CO2 emissions in the fund portfolio going forward. For 2022, we only have figures from one fund provider, although we are working to put in place data from more providers.

The Bank is an indirect part-owner of ODIN Forvaltning through a directly owned stake in SpareBank 1 Forvaltning. ODIN's funds are included among our recommended funds in defined customer segments, and ODIN started measuring the carbon footprints of its funds as early as 2017.

The greenhouse gas emissions in ODIN's funds in 2022 are shown in *Figure 16*.

What does the graph show?
The graph shows the carbon intensity in ODIN's funds. This is a means of measuring a fund's exposure to emission-intensive companies. The carbon footprints show the portfolio companies' emissions (CO2e over 1 year) in relation to their turnover (annual turnover in the fund's currency) and adjusted for portfolio weight. The calculations are not supplementary because they do not include all indirect emissions (Scope 3, e.g. from supply chain). Including Scope 3 emissions in such aggregated overviews is not recommended because the direct emissions of one company are another company's indirect emissions, and you could thus end up reporting the same emissions twice. The company's emissions linked to purchased electricity (indirect Scope 2 emission) are included, but the emissions linked to electricity purchased by a subcontractor are not included (Scope 3). Carbon intensity is calculated using the formula in *Figure 17*.

Figure 16: Greenhouse gas emissions in ODIN's funds.

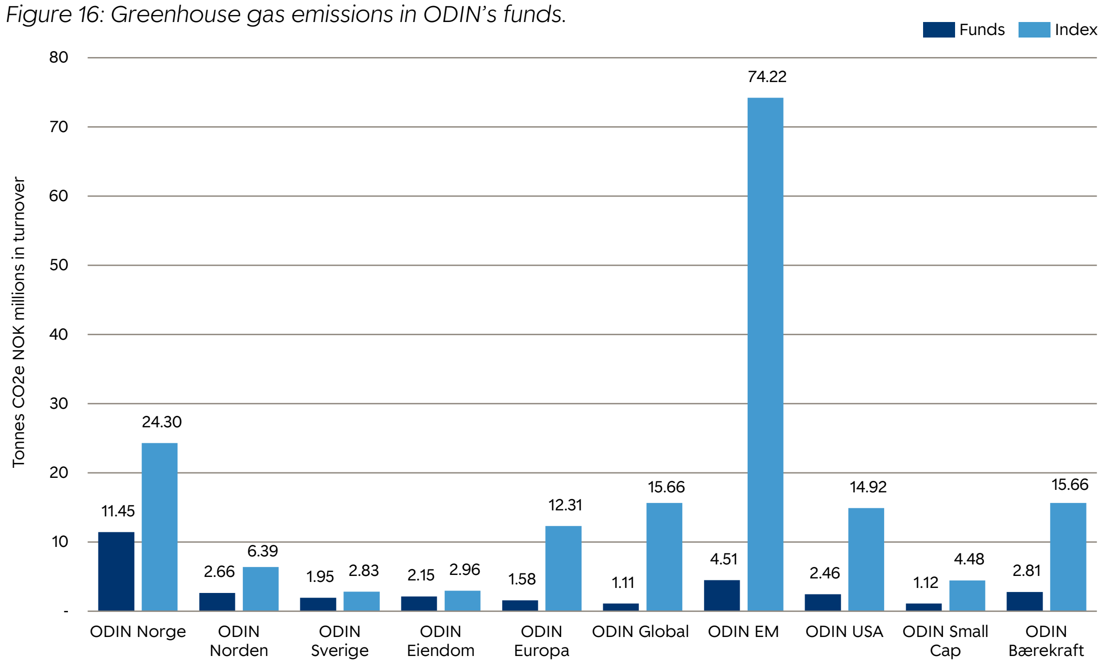


Figure 17: Carbon intensity is calculated using the following formula:

$$\sum_{n}^{i} \left(\frac{\text{Value of stake}}{\text{Total value of the portfolio}} * \frac{\text{Portfolio company's emissions of CO2e (Scopes 1 \& 2)}}{\text{Portfolio company's income (in the fund's currency)}} \right)$$

New classification of funds

As mentioned in the main chapter 'Requirements for providers of financial services', we will continue to adapt to the requirements of the Norwegian Act relating to the disclosure of sustainability information in the financial services sector and a framework for sustainable investment. These enact EU regulations on disclosure and the Taxonomy in Norwegian law. As far as sales of funds are concerned, preliminary calculations show that at least 60 per cent of fund sales in the Bank in 2022 qualify as Article 8, and at least 3 per cent as Article 9. However, if we look at the total for all of the mutual funds we offer, final classifications were unavailable for around 40 per cent of the funds at the end of 2022. We expect more of the funds for which classifications are currently unavailable to be classified as Article 8 in the future. As far as the portfolio is concerned, at least 54 per cent of the customers' capital in mutual funds is classified as Article 8 and around 2 per cent as Article 9. These are preliminary calculations, and we must stipulate a proviso concerning data quality.

Figure 18: Classification of funds

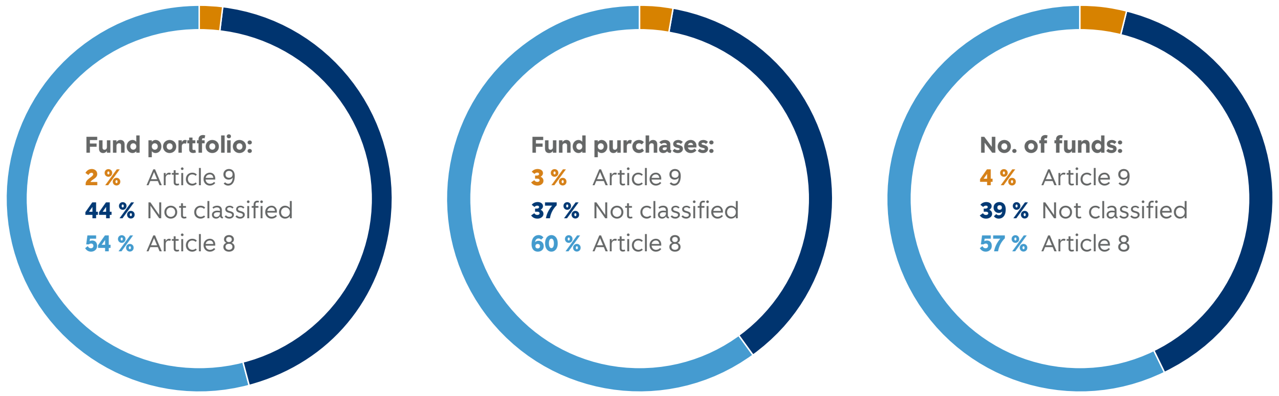
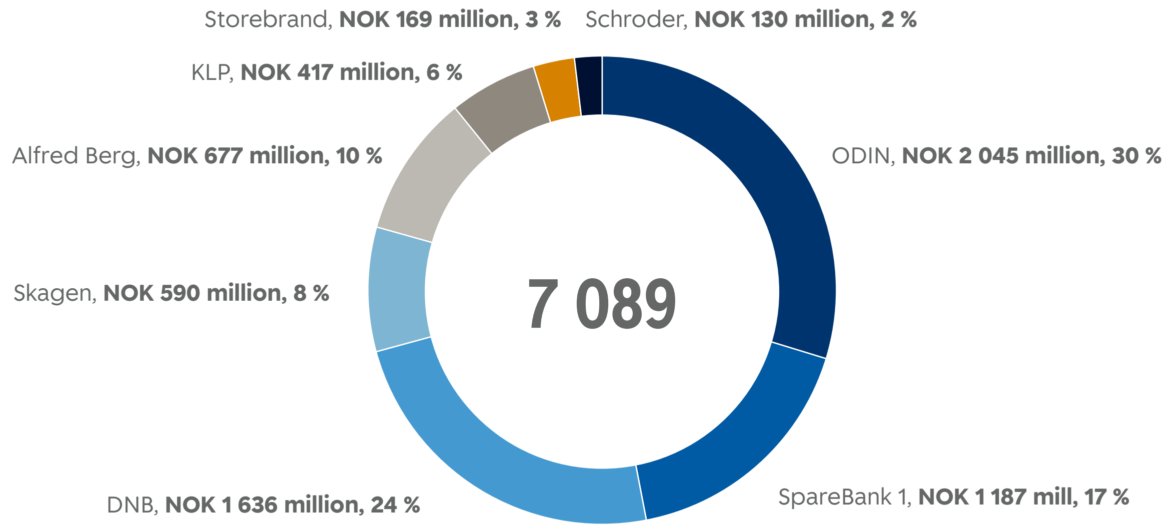


Figure 19: Capital under management (NOK millions and per cent)



Requirements for other suppliers – sustainable procurement

The Bank has a responsibility to safeguard labour and human rights, the environment and society in all of our supply chains. This is further strengthened through the new Transparency Act, which obliges us to conduct due diligence assessments in supply chains.

The Bank's partly owned subsidiary SpareBank 1 Utvikling signs Alliance agreements with suppliers of goods and services that banks and companies in the SpareBank 1 Alliance use. SpareBank 1 Utvikling monitors sustainability risks related to these. Suppliers are required to have guidelines for sustainability and to translate these into action.

In addition to the Alliance agreements we participate in, SpareBank 1 Østlandet has five large local agreements of its own. These are agreements with Eidsiva AS, ISS AS, Kontorleverandøren Hamar AS, Østlandet Gjenvinning AS and Franzefoss. All of these suppliers have been assessed in relation to the environment, social conditions and ethical business conduct. In the opinion of the Bank, there is no need to monitor these suppliers further.

What was done in 2022?

Work on monitoring suppliers in relation to the Alliance's sustainability purchases started in 2019 with due diligence assessments of 249 existing suppliers. This review showed that 91 of the suppliers had some, or an increased, risk of having a negative impact on the environment, social conditions and ethical business conduct. In 2020, 91 of these suppliers were monitored more closely and 43 of them were identified as relevant for further monitoring.

Follow-up of suppliers with an increased risk of having a negative impact
Our due diligence assessments show that there is a need for further monitoring in three procurement categories: administrative procurements, IT-related procurements and purchasing volume. When prioritising categories and selecting individual suppliers in these areas, weight was given to the following:

- greatest risk of having a negative impact on the environment, social conditions and ethical business conduct
- largest turnover volume
- core operations
- greatest potential for mitigating risk of having a negative impact on the environment, social conditions and ethical business conduct.

SpareBank 1 Utvikling has a number of supplier agreements in the aforementioned procurement categories. 12 individual suppliers in the following purchasing areas were selected and prioritised for monitoring in 2021-2022:

- office furniture
- IT systems
- IT hardware
- consulting and staffing companies

The Transparency Act entered into force on 1.7.2022. As a result, the monitoring of the 12 suppliers focused on their compliance with the law and the work on basic human rights and decent working conditions in their supply chains. The monitoring involved a combination of written in-depth surveys and one-to-one meetings. To obtain an overall picture of the same things from the rest of the high-risk suppliers, a broad survey of 36 suppliers was initiated.

Findings regarding first contact from the in-depth survey
- 11 of 12 suppliers had goals and strategies in place
- most had processes for monitoring suppliers
- fewer presented action plans and/or findings of actual risk in a readily accessible manner
- most worked with the Transparency Act, although a few were not very, or at all, familiar with the Act

Results after monitoring
- Several suppliers significantly improved their work on the Transparency Act.
- Several strengthened their practical supplier monitoring

Summary of supplier monitoring 2019-2022

Measurement parameters for 249 existing suppliers	Objectives	Results 2022	2021	2020	2019
Risk assessment of suppliers	249				249
Follow-up of suppliers with an increased risk	91			91	16
Suppliers for further follow-up	43 (48)				
In-depth surveys, number of suppliers	12	12	6		
Suppliers with agreed improvement	N/a	6			
Suppliers with terminated agreement	0	0			
Broad survey, suppliers who responded	36	18			

- Several suppliers reported that the monitoring provided them with the knowledge and motivation to work on sustainability

Further information about the results of the broad and in-depth surveys can be found in our report on due diligence assessments for 2022, which has been published, and in the report for 2023 that will be published on our website before 1.7.2023.

What remains to be done in a longer perspective?

We will focus on the following in 2023-2025:

- further improve the work on the due diligence assessments based on the Transparency Act
- complete the broad survey
- conduct more in-depth surveys with other high-risk suppliers
- strengthen the monitoring of new suppliers
- continue work on monitoring existing suppliers
- support and advise those responsible for agreements in both purchasing processes and supplier monitoring
- improve routines and processes related to sustainability upon purchases
- collaborate with other internal expert groups and other/more banks in the Alliance in order to develop comprehensive risk-based supplier monitoring where sustainability is equated with other risk areas such as data protection and IT security

Strategic anchoring

Important guidelines: Purchasing Strategy, Policy for protecting basic human rights and decent working conditions in SpareBank 1 Utvikling DA, Action plan for sustainability procurements in the SpareBank 1 Alliance, Purchasing Policy, Guidelines for sustainable purchasing, Standard appendix for sustainability in purchasing.

Responsible for the area:
Purchasing Director, SpareBank 1 Utvikling and head of purchasing and property, as well as Executive Vice President Innovation and Business Development, in SpareBank 1 Østlandet.

GRI indicators: 2-6, 308, 414.
Training: 404-2

SDGS: 8.10, 12.6, 12.8, 13.3, 15.a, 16.4, 16.5, 16.6

GC: 1, 9

Total greenhouse gas emissions and zero-emission reporting – NZBA

The Bank has signed up to the Net Zero Banking Alliance (NZBA) and is working towards net zero greenhouse gas emissions from its own operations, loans and investments by 2050. In the Annual Report, we report on, among other things, emissions from operations and loans. For comparison purposes, we provide a summary of some of this information here. The Bank's total emissions for 2022 were estimated to be 268 036 tCO2e. Please see the Climate Report on our website for more detailed information.

The Bank reports on its own operations in relation to both on direct and indirect emissions. Within indirect emissions (Scope 3) we also report estimated greenhouse gas emissions from the Bank's customers (loans). We are part of the UN Collective Commitment on Climate Action (CCCA) and comply with the four guidelines issued in UNEP FI's Guidelines for Climate Target Setting for Banks: 1) set and publicly disclose long-term targets for achieving the Paris Agreement; 2) establish a baseline for portfolio emissions with annual measurements; 3) use science based decarbonisation scenarios aligned with the Paris Agreement; and 4) regularly review targets to ensure consistency with current climate science.

Methods for calculating emissions
We use Eco-Lighthouse's methods and calculation to calculate emissions from our business operations. See more information in the chapter 'Energy and climate in our business operations'. As far as the loan portfolio is concerned, we are a member of the Partnership for Carbon Accounting Financials (PCAF) and use its method. The Global GHG Accounting and Reporting Standard for the Financial Industry is used to estimate greenhouse gas emissions. The methodsare updated regularly, which is good. However, this makes comparing figures with our historically reported figures difficult. Therefore, we have restated previous reporting using new methods in order to provide some basis for comparison. For our loan portfolios, it makes more sense to look at carbon intensity rather than total emissions. Total emissions will rise as total lending rises, as happened in relation to the Corporate Division in 2022. Carbon intensity per loaned NOK or m² therefore provides a more accurate picture.

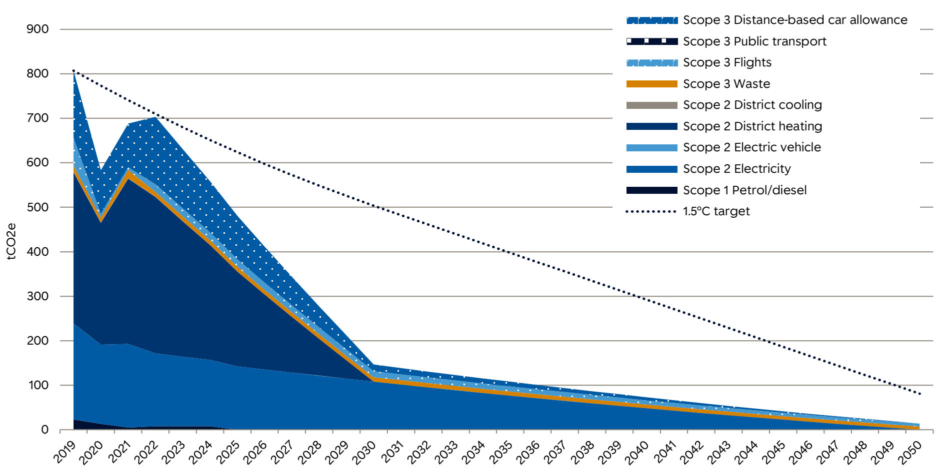
Method for setting science based zero emissions target
For business operations, housing mortgages and the corporate portfolio, we have based our work on the Science Based Targets initiative's method for setting science based targets. The Bank has been assisted with this work by Cemasys. We have signed up to the SBTi, although the targets were not submitted for approval because the Bank's loan portfolio almost exclusively contains housing mortgages and small and medium-sized enterprises, and the SBTi's method has not been adapted for these. As soon as the method is suitable, we will submit our target for approval.

Emissions and zero emission plan for our business operations (direct and indirect emissions, Scopes 1, 2 and 3)

In 2022, total emissions from our business operations were measured at 703 tCO2e, well below the target of 710 tCO2e. The emission target has been achieved.

The distribution for direct and indirect emissions can be found in the table at the end of the chapter. We use Eco-Lighthouse to calculate emissions from its own operations. The accounts cover all of the Bank's registered emissions from operations. The analysis is based on the international standard, A Corporate Accounting and Reporting Standard', which was developed by the Greenhouse Gas Protocol Initiative – the GHG protocol. The Bank has cut its emissions considerably in recent years and halved emissions from 2013 to 2017. We gradually reduced emissions from 2018 to 2020, but they have increased slightly from 2020 to 2022 due to changed methodology and more activity in the branches after the pandemic.

Figure 20: Science based target for Business operations - total emissions



We have, in line with SBT, adopted both short-term and long-term goals for the period up to 2050, as well as associated measures in order to achieve the goal of zero emissions. Detailed information about the Bank's direct and indirect emissions from its own operations, as well as the conversion factors used, can be found in the chapter 'Energy and Climate in our business operations', as well as the science based targets. There is also the Bank's goals and goal attainment for 2022. The full report on our climate goals can be found in the Climate Report 2022, available on our website.

Emissions and zero emission plan for our mortgage portfolio (indirect emissions, Scope 3)

Carbon intensity was 5.06 kgCO2e per m2, a little higher than the target of 4.72 kg. The emission target has not been achieved yet.

The calculation of greenhouse gas emissions linked to the housing mortgage portfolio is based on the total square metres in the Bank's housing mortgage portfolio, whether the residential property is a detached house, terrace house or flat, and energy class. We lack some data when it comes to energy classes. Total emissions from the housing mortgage portfolio for 2021 were estimated at 18 673 tCO2e.

The Bank has also produced a zero emission plan by 2050 for the housing mortgage portfolio. The plan includes the Bank's adopted targets for the mortgage portfolio, as well as third-party projection of the EU's electricity mix. In 2050, the projected graph reaches a carbon intensity of 1.27 kgCO2e/m2, which means that the Bank must further tighten its targets to reach zero by 2050. More information on the goals, methods and calculations can be found in the chapters 'Responsible lending Retail Division', 'Proportion of green loans and greenhouse gas emissions in the loan portfolio', and in the Climate Report on our website.

Emissions and zero emission plan for our corporate market portfolio (indirect emissions Scope 3)

Carbon intensity was 5.67 tCO2e per NOK million, a little higher than the target of 5.52 tCO2e. The emission target has not been achieved yet.

The analysis for the corporate market portfolio is based on Norwegian emission factors at an industry group level (NACE code). It is our customers' Scope 1 and 2 emissions that are presented here. This is to avoid double reporting, although we also report on customers' estimated Scope 3 emissions in the proportion of green loans and greenhouse gas emissions in the loan portfolio. Agriculture is responsible for the highest emissions in our portfolio.

A science based climate target has also been set for lending in the corporate market. The projections are based on the Corporate Division's target of a minimum 42 per cent reduction in total emissions in the portfolio in the period up to 2030. This corresponds to an annual reduction of 4.2 per cent of the 2020 level and is in line with the level of ambition of the SBTi. Total emissions from the corporate market portfolio for 2022 are estimated at 248 660 tCO2e. More detailed information on the goals, methods and calculations can be found in the chapters 'Responsible lending Corporate Division', 'Proportion of green loans and greenhouse gas emissions in the loan portfolio', and in the Climate Report on our website.

Figure 21: Science based target for the mortgage portfolio - carbon intensity

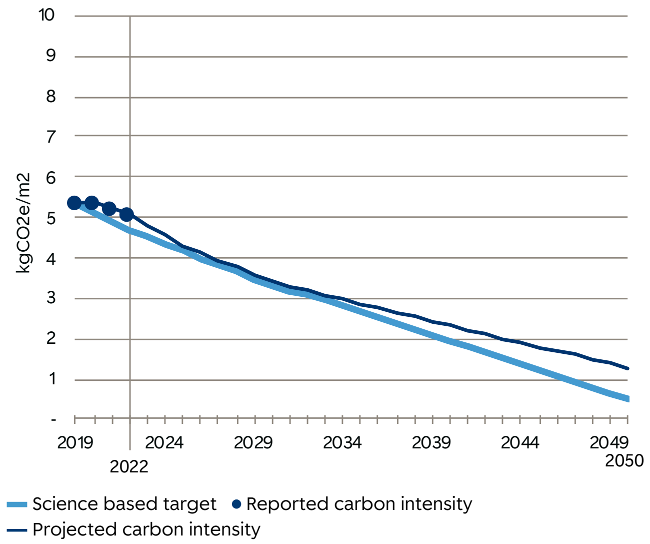
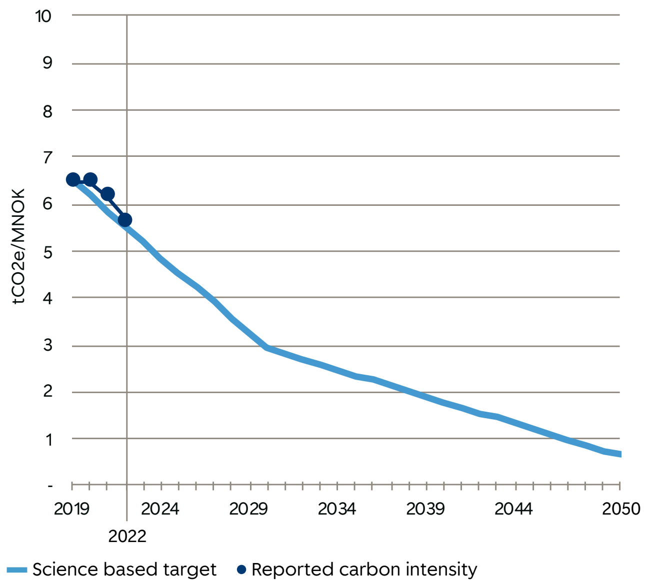


Figure 22: Science based target for corporate market portfolio - carbon intensity



Total greenhouse gas emissions

The table below shows the Bank's total greenhouse gas emissions calculated in tCO2e is shown below.

The Bank's direct and indirect greenhouse gas emissions	Our business operations	Housing mortgage portfolio retail market	Lending portfolio corporate market	Total emissions
Direct emissions, Scope 1)	8	-	-	8
Indirect emissions from purchased energy (Scope 2)	516	-	-	516
Indirect emissions from value chain (Scope 3)	179	18 673	248 660	267 512
Total	**703**	**18 673**	**248 660**	**268 036**

Measured in tonnes of CO2 equivalents (tCO2e) The Bank does not have its own fund products. See the emissions information in the appendix 'Greenhouse gas emissions in funds' for information related to the funds we offer customers.

Historic greenhouse gas emissions

	2022 Emissions tCO2e	2021 Emissions tCO2e	2020 Emissions tCO2e	2019 Emissions tCO2e
Scope 1	7.61	4.63	13.27	22.57
Scope 2	516.11	560.53	452.62	557.64
Scope 3	179.42	122.85	19.39	75.68
TOTAL	**703.14**	**688.00**	**485.27**	**655.89**

Housing mortgage portfolio	2022	2021*	2020*
Carbon intensity (kgCO2e/m2)	5.06	5.22	5.37
Total emissions (tCO2e)	18 673	20 214	21 244

*simplified recalculation

The corporate market portfolio	2022	2021*	2020*
Carbon intensity (kgCO2e/NOK mill.)	5.67	6.19	6.49
Total emissions (tCO2e)	248 660	232 340	221 609

*converted using updated method

Miriam Solaas and
Thea Holmøy Aamold,
Customer Advisers,
Retail customers service centre
Oslo

Taxonomy-related disclosures

The EU Taxonomy is a classification system for defining which economic activities are sustainable in light of the EU's six environmental goals and some minimum social requirements. The Taxonomy is a key element of the EU Action Plan for Sustainable Finance and an important piece of the EU's European Green Deal growth strategy. The aim of the regulatory framework is to increase transparency in the market, as well as to move capital in a sustainable direction. The reporting obligations will be introduced in stages. As at 2022, 12 sectors are covered that together account for 93.5 per cent of global emissions. In their annual reports for the 2022 financial year, banks, insurance companies and listed companies with more than 500 employees are encouraged not just to report on whether their activities are covered by the Taxonomy Regulation ('eligible activities') but also which of these are in line with the Taxonomy Regulations ('aligned activities').

The Act relating to the disclosure of sustainability information in the financial services sector and a framework for sustainable investments came into force in Norway on 01.01.2023. This enacts the EU's already implemented Taxonomy Regulation in Norwegian law. Although, because of this, the reporting requirements do not apply for the reporting year 2022, the Ministry of Finance suggested that Taxonomy information be reported voluntarily if your organisation is one of those that will be subject to the reporting requirement. Sparebank 1 Østlandet will be subject to it and reported voluntary taxonomy information for the first time for the 2021 financial year.

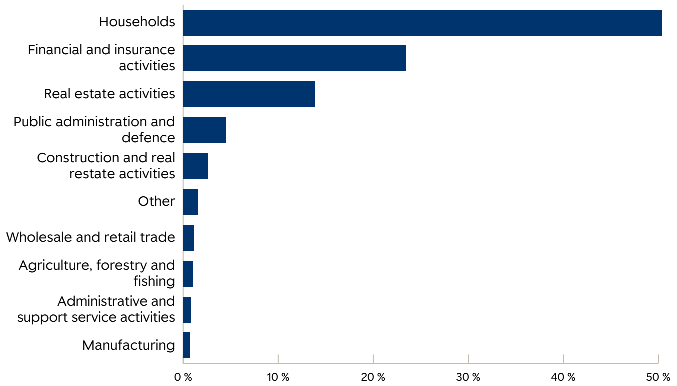
The Act is clear that the scope of the reporting must be on a consolidated basis. For the Bank's voluntary reporting for 2022, figures for the parent bank are used.

Reporting of eligible activities
In classifying the eligible activities, the Bank has based its assessment on its balance sheet, keeping to the sectors to which the Bank is exposed, plus households, which were not included in the 2021 reporting. NACE classification was used to define the industries for eligible activities. The Bank is exposed to the following industries (with no changes from the 2021 report):

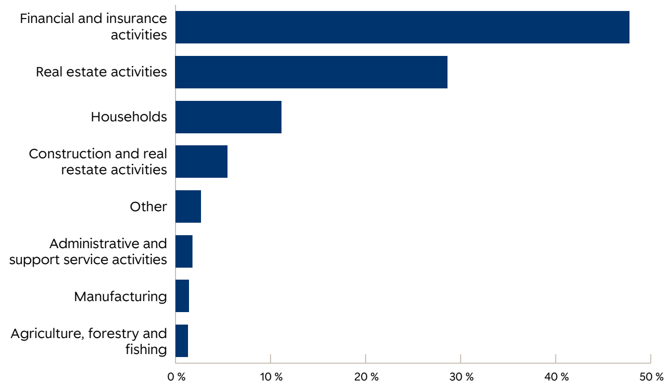
NACE code	Description
A	Agriculture, forestry and fishing
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply, sewerage, waste and remediation
F	Construction and real restate activities
G	Wholesale and retail trade
H	Transport and storage
J	Information and communication
K	Financial and insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defence
P	Education
Q	Human health services and social work activities
R	Arts, entertainment and recreation

Sectors are thus distributed as follows in relation to both exposure on the total balance sheet and vis-à-vis eligible activities. Where exposure was below 1 per cent, it is included under 'Other sectors'.

Figur 23: Per cent total asset exposure



Figur 24: Per cent exposure eligible activities



In the graph showing the distribution of exposure on the total balance sheet, households are the largest sector with more than 50 per cent of the balance sheet. They are closely followed by financing activities and housing cooperatives, etc.

If the same assessment is conducted for eligible activities, there is a shift from households being the largest to financing activities being the largest. This means that the Bank does not have satisfactory and comprehensive data on households and can, therefore, not recognise more than the Bank knows to be within the Taxonomy Regulations.

Sectors alone are not satisfactory according to the reporting requirements, therefore the balance sheet is used as a basis for showing covered assets, as well as calculating the green proportion.

In the calculation of the green proportion, the Bank saw an increase in Taxonomy-defined eligible activities from 19 per cent in 2021 to 32 per cent in 2022. The change was mainly due to the inclusion of households in the calculation. Some 49 per cent of the Bank's total covered assets are now defined as eligible by the Taxonomy.

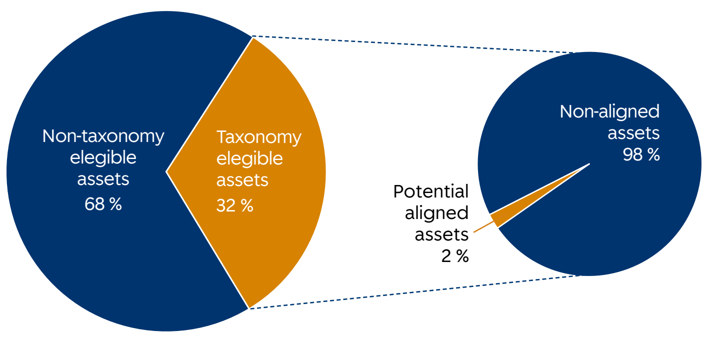
	Exposure	Eligibility	Percent exposure
Numerator and Denominator			
Households	84 910	9 088	11 %
Financial corporations	36 091	35 470	98 %
NFCs subject to NFRD/CSRD disclosure obligations	14 552	8 427	58 %
Denominator			
Activities noin.assessed by EU taxonomi & Non-Significant Impact			
Non-EU country counterparties	2 286	1 837	80 %
NFCs not subject to NFRD/CSRD disclosure obligations	25 675	24 555	96 %
Derivates & others	1 854	1 854	100 %
Total Assets Covered	**165 367**	**81 230**	**49 %**
Other Assets excluded form GAR scope			
Sovereigns and Central Banks	3 427	423	12 %
Total Balance Sheet	168 794		
Green Asset Ratio		32 %	

Reporting of aligned activities
The Bank has started the process of obtaining data to assess whether the Bank's customers comply with the technical requirements set out in the Taxonomy Regulation. The next step will be to assess whether exposures to a particular economic activity will fall under the requirements for the activity to contribute to climate change mitigation and/or climate change adaptation. It will be those activities that are eligible pursuant to the technical requirements of the Taxonomy that will be considered 'sustainable'. The Bank will first have an overview of which customers actually contribute to climate change mitigation and/or climate change adaptation when the individual enterprises covered by the Taxonomy have reported in accordance with the Taxonomy Regulation.

When the Bank's green bond framework was launched, an assessment was made of whether the categories that qualify as green were in line with the technical requirements of the first two environmental targets in the Taxonomy (climate change mitigation and/or climate change adaptation). This was assessed by Cicero Shades of Green, although at that time the Taxonomy had not been finally approved, so the assessment was made on the basis of the documents available at the time.

The Bank has concluded that 32 per cent of its assets are Taxonomy-eligible assets. Based on available data and the Bank's provisional assessment of the technical criteria for which economic activities are currently eligible, the Bank has calculated that 2 per cent are potentially eligible as sustainable activities.

Figur 25: Taxonomy-eligible assets



The figure on the left shows the proportion of Taxonomy-eligible assets.

The figure on the right shows the proportion of Taxonomy-eligible assets that potentially contribute to climate change mitigation and/or climate change adaptation.

Taxonomy reporting for upcoming periods
The Bank has a Sustainability Committee that monitors sustainability regulations at an overall level. Otherwise, the individual divisions and departments with responsibility for the specialist area to which regulations apply are responsible for monitoring the relevant regulations. The Finance and Economics Division is responsible for Taxonomy reporting as well as other financial reporting, such as, monitoring the upcoming EU CSRD Directive. Several employees from this division took part in the Sustainability Reporting Academy and contributed to internal training together with EY at an Alliance level. A joint project has also been established through the SpareBank 1 Alliance for 2023 involving the joint collection of Taxonomy data.

The Bank regards itself as well prepared for reporting in line with the requirements of the Act relating to the disclosure of sustainability information in the financial services sector and a framework for sustainable investments from the reporting year 2023.

The Bank's ESG risk management process

The Bank carries out ESG risk assessments on an ongoing basis and analyses the risk to which the Bank is exposed. Below you can see the main channels of influence, the type of risk they influence and how material the risk is for the Bank. The Bank's main risk is in the area of credit, which is why we describe how we manage this in the process description below.

Risk drivers	Channels of influence	Risks	Potential consequence	Reference in the Annual Report
Climate and nature Physical risk Transitional risk	Customer's ability to pay Value of mortgaged objects	Credit risk	Material	'Responsible lending Retail Division and Corporate Division'.
	Market value of investments Issuer's ability to pay	Market risk	Low	'Responsible lending within liquidity management'.
	Market value of liquidity investments The Bank's access to funding	Liquidity risk	Moderate	'Responsible lending within liquidity management'.
	Nature-related damage to own buildings Interruptions to operations	Operational risk	Low/ moderate	'Energy and climate in our business operations' and 'TCFD reporting'.
	Customer's ability to pay Value of mortgaged objects	Concentration risk	Moderate	'Board of Directors' Report' and 'Risk management'.
	Business opportunities Negative media reports	Strategic and reputational risk	Low/ moderate	'Ethical marketing of products and services' and 'Responsible lending Retail Division and Corporate Division'.
Human rights and social conditions Breaches of labour rights and human rights Transitional risk: inadequate transparency and reporting	Customer's ability to pay	Credit risk	Low	'Responsible lending Retail Division and Corporate Division'.
	Market value of investments	Market risk	Immaterial	'Responsible lending within liquidity management'.
	Market value of liquidity investments The Bank's access to funding	Liquidity risk	Immaterial	'Responsible lending within liquidity management'.
	Fines, government reactions	Operational risk	Low/ moderate	'Board of Directors' Report' and 'Risk management'.
	Customer's ability to pay	Concentration risk	Low/ moderate	'Responsible lending Retail Division and Corporate Division'.
	Negative media reports	Strategic and reputational risk	Immaterial	'Ethical marketing of products and services' and 'Responsible lending Retail Division and Corporate Division'.
Economic crime Money laundering and corruption Transitional risk: New regulatory requirements	Customer's ability to pay	Credit risk	Low	'Combating economic crime'.
	Market value of investments	Market risk	Immaterial	'Responsible lending within liquidity management'.
	Market value of liquidity investments The Bank's access to funding	Liquidity risk	Immaterial	'Responsible lending within liquidity management'.
	Fines, government reactions	Operational risk	Low	'Board of Directors' Report' and 'Risk management'.
	Customer's ability to pay	Concentration risk	Immaterial	'Combating economic crime'.
	Negative media reports	Strategic and reputational risk	Low	'Combating economic crime'.

Management of ESG risk in the credit portfolio

Risk assessment

Board of directors and Group Management	Identify risk drivers in the portfolio	Risk assessment of customer	Reporting	Compliance and follow-up
• Develop a strategy • Governing documents • Follow up goals • Measures and action plans • Product development	• Overarching risk analyses of the portfolio. • Assess individual risks for relevant parts of the portfolio. • Collaborate with the SpareBank 1 Alliance on portfolio stress tests. • Implement module for industry-by-industry sustainability analyses. • Regulation monitoring.	• Engagement and mapping of customer's sustainability risk. • Set requirements for customers for compliance with industry standards. • Set energy efficiency requirements for customers. • Offer the right products. • Assess risk in connection with credit cases and follow-up. • Assess risk in connection with problem exposures.	• Follow up the green bond framework • Annual Report • Risk Report • ICAAP • TCFD • TNFD • CDP • GRI • Planned: PILLAR 3 Reporting on transition risk and physical climate risk in the portfolio.	• Compliance reviews in material areas • Internal auditor's reviews • Certification from auditor for sustainability reporting • TRIM (relations survey)

Climate risk – TCFD index

SpareBank 1 Østlandet's climate risk reporting is based on the requirements of the Task Force on Climate Related Financial Disclosure (TCFD). The Bank's understanding and management of climate risk is also discussed in the Board of Directors' report and the chapter 'Corporate governance'. The text also contains references to where further information can be found. The reporting is based on the Financial Stability Board's framework, called the Task Force on Climate-related Financial Disclosures (TCFD). It is also based on the methods from the European Banking Authority and the generally increasing expectations of others that climate risk should be included in risk reporting. We have chosen to treat climate risk separately in our reporting due to stakeholders feeling that the financial services industry has not adequately calculated the risks associated with physical, legal and transitional climate risk. That is why climate risk is expected to be treated separately.

	TCFD recommended reporting	The Bank's reporting	More information
Governance			
a.	Describe the board's oversight of climate-related risks and opportunities	The Board primarily considers climate risk through an annual review of the Group's risk strategies and guidelines, as well as by considering the Group's ICAAP process, in which climate risk is an integral part. ICAAP is an assessment of the Group's total capital requirements.	'Corporate Governance', p. 107
		Sustainable development is one of the four main goals of the Bank's strategy for 2022-2025. The strategy was approved by the Board in 2022.	'Board of Directors' Report', p. 110
		The Board also considers climate risk reporting in connection with the annual report.	'Our approach to sustainability' p.38
b.	Management's role in assessing and dealing with climate-related risks and opportunities	Group Management has set the level of ambition for the work on climate risk in the Bank's strategy. The strategy is adopted by the Board of Directors.	'New strategy for the period up to 2025', p.30
		A Sustainability Committee has been established with members from key functions in the Bank. The committee coordinates the climate risk work and functions as an advisory body for the business units and Group Management.	'Our approach to sustainability', p.38
		Group Management considers separate issues associated with climate risk, including all issues that will be considered by the Board. Climate risk is also an integrated part of the regular corporate governance meetings.	'Corporate Governance', p. 107
		Climate risk is also part of the risk management framework, which is intended to help ensure that the Bank's risk is properly managed. Responsibility for the framework lies with the Chief Risk Officer (CRO).	'Board of Directors' Report', p. 110
Strategy			
a.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	**Retail Division** The Bank has identified transition risk associated with its residential mortgage portfolio and is working to increase the proportion of customers who improve the energy efficiency of their residential properties.	'Our approach to sustainability', p. 38 'Responsible lending Retail Division', p. 52
		The physical climate risk in the security mortgaged to the Bank is assessed to be low in the short, medium and long term.	
		Corporate Division Relatively low climate risk has been identified in the corporate market portfolio over the short, medium and long term, in part because the Bank does not lend money for fossil energy production.	'Responsible lending Corporate Division', p. 59
		The Corporate Division's largest industries, agriculture and commercial property, are considered to present some transition risk. The Bank has also considered the opportunities these industries have.	
		Treasury Analyses indicate relatively low climate risk in the liquidity portfolio because the Bank is mainly invested in Norwegian municipal and government bonds. The Bank is seeking to increase its share of ESG investments in the portfolio and has set targets for this area.	'Responsible lending within liquidity management', p. 242
		Capital Market The Bank does not manage its own funds. Therefore, please refer to the SpareBank 1 Alliance's joint sustainability mapping and labelling of mutual funds.	'Requirements for suppliers of financial services', p. 70 and 'Greenhouse gas emissions in funds', p. 244

	TCFD recommended reporting	The Bank's reporting	More information
Strategy (cont.)			
b.	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Retail Division The Bank sees transition risk arising from the fact that around 85 per cent of the housing mortgage portfolio is considered 'brown'. Based on this, specific goals have been set and measures have been implemented to achieve the goals. Corporate Division Climate risk and opportunities have resulted in the Corporate Division adopting more strategic goals and measures. Treasury The Bank sets clear requirements for issuers and facilitators in its liquidity management, both through actual positioning and communication. The goal is for this to influence the investment universe in the desired direction. Operations The Bank sets requirements for suppliers. The Bank is also working to reduce energy consumption and emissions linked to its own operations.	'Responsible lending Retail Market', p. 52 'Responsible lending Corporate Market', p. 59 Responsible lending within liquidity management, p. 242 'Requirements for other suppliers – sustainable procurement', p. 246 'Energy and climate in our business operations', p. 226
c.	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	With the help of scenario analyses, the Bank has concluded that the risk in the loan portfolio is relatively low. Nevertheless, an RCP 2.6 scenario could result in transition risk in our loan portfolio and an RCP 6 scenario could result in higher risk in the agricultural sector due to physical climate change. The Bank has calculated how the capital requirement for the Corporate Division's loan portfolio would change based on four scenarios from the Network for Greening the Financial System (NGFS) and two specific Norwegian scenarios. The findings from these simulations indicate that the Bank's climate risk would have a limited impact on the capital requirements from the four NGFS scenarios. The two specific Norwegian scenarios could result in some higher risk weightings and higher loss given default (LGD) in the portfolio. The simulations also indicated that none of the scenarios had a material impact on the Bank's Additional Tier 1 capital and financial strength. To mitigate the transition risk, the Bank will strive to achieve a loan portfolio in CM that is in line with the Paris Agreement and the Norwegian Climate Change Act. In the Retail Division, the Bank wants to increase the proportion of housing mortgage customers who invest in improving energy efficiency in their homes.	'Responsible lending Corporate Market', p.59 and Retail Market, p. 52
Risk management			
a.	Describe the organisation's processes for identifying and assessing climate-related risks	Climate risk is included in the Bank's risk management framework. Among other things, sustainability risk is assessed via risk assessments of new and materially changed products. Periodic risk assessments must be carried out in the Bank's main business areas and core and support processes. These must include an assessment of sustainability risk. The Bank has for many years collected information and talked to customers about climate risk when granting loans. This has been done via sustainability assessments and due diligence assessments. In collaboration with the SpareBank 1 Alliance, an ESG module has now been developed to assess individual customers' risk when granting financing. This makes the process easier for account managers and helps ensure a more systematic approach. The Bank primarily uses scenario analyses to assess future climate risk for the loan portfolio. In 2020, analyses were conducted based on scenarios from NGFS. In 2021, the scenario analyses were also based on specific problems that may be relevant within individual sectors. Typical for these is the fact that these have been high on the political agenda and discussed in the media. For example, we looked at what changes in consumption trends and the effects of higher CO2 taxes might mean for the Bank. One major project in the SpareBank 1 Alliance involves developing models for subjecting loan portfolios to stresses in order to ensure that the Bank has a better overview of risk and opportunities in the portfolio.	The Bank's governing documents for the respective areas (not the public sector), in addition to the Bank's sustainability strategy. 'Responsible lending Corporate Market, p. 59

	TCFD recommended reporting	The Bank's reporting	More information
Risk management (cont.)			
b.	Describe the organisation's processes for managing climate-related risks Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Operational events are recorded throughout the year and followed up in the Bank's incident database to ensure lessons are learned. A procedure has been drawn up for sustainability and due diligence assessments that specifies how much risk can be accepted by an adviser, and when a case must be forwarded to a manager and the Sustainability Department for further assessment. Special authorisations apply when granting loans to customers with high climate risk. The Bank is Eco-Lighthouse certified and produces its own climate report. Together, this means that the Bank believes it has control over its climate-related operational risk. Responsibility for the Group's framework comprehensive risk management, which includes climate risk, lies with the Chief Risk Officer (CRO). For climate risk. this happens in cooperation with Sustainability and the Corporate Division.	'Responsible lending Corporate Market', p. 59 'Energy and Climate in our business operations, as well as the science based targets (SBT)', p. 226 'Board of Directors' Report', p. 110
c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Responsibility for the Group's framework comprehensive risk management, which includes climate risk, lies with the Chief Risk Officer (CRO). For climate risk. this happens in cooperation with Sustainability and the Corporate Division.	'Board of Directors' Report', p. 110
Goal			
a.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Bank reports greenhouse gas emissions for the corporate market portfolio using PCAF (method) and SBTi (as far as possible – the method is not designed for a loan portfolio that almost exclusively contains SMEs). The Bank's target is determined on the basis of achieving net zero emissions by the end of 2050, with a percentage-wise reduction by the end of 2030.	'Responsible lending Corporate Market', p. 59 and Retail Market, p. 52 'Share of green loans and greenhouse gas emissions in the loan portfolio', p. 232 'Total greenhouse gas emissions and zero-emission reporting', p. 248
b.	Report on Scope 1, Scope 2 and, if relevant, Scope 3 greenhouse gas emissions (GHG) and related risks	The Bank produces its own climate report via the Eco-Lighthouse and report its own Scope 1, 2 and 3 emissions. The Bank also reports estimated greenhouse gas emissions in its value chain, for the loan portfolios in the Retail Division and the Corporate Division, and for ODIN funds.	'Energy and Climate in our business operations, as well as the science based targets (SBT)', p. 226 'Share of green loans and greenhouse gas emissions in the loan portfolio', p. 232
c.	What measures does the company use to handle climate-related risks and opportunities, and what is target attainment	The Bank has set a goal of net zero emissions from own operations by the end of 2050. This has been broken down into short-term goals and measures. Targets have been set for the short and medium term for increasing the green proportion of the total loan portfolio. The objective is to reduce both climate risk and greenhouse gas emissions. These are in turn broken down into short and long-term targets and measures that apply on an annual basis, for the current strategy period and for the period up to 2050.	'Energy and Climate in our business operations, as well as the science based targets (SBT)', p. 226 'Responsible lending Corporate Market', p. 59 and Retail Market, p. 52

Nature risk – TNFD Index

As a major agriculture bank we want to report on nature risk. The reporting was based on the framework from the Task Force on Nature-Related Financial Disclosures (TNFD). This framework has not been finalised, so this is a general report. Nature risk has two aspects: It is about both the Bank's impact on nature and about nature's impact on the Bank's business. Examples of the latter are the corporate customers' dependence on nature-related goods such as pollination or flood mitigation. The loss of nature-related goods may, therefore, constitute a systematic risk to profitability, both for our customers and for the Bank.

TNFD recommended reporting	The Bank's reporting	More information
Governance		
Disclose the organisation's governance around nature-related risks and opportunities	The Board of Directors primarily considers nature-related risk through an annual review of the Group's risk strategies and guidelines, as well as by considering the Group's ICAAP process, in which nature-related risk is an integral part. ICAAP is an assessment of the Group's total capital requirements. Sustainable development is one of the Bank's four main goals in is strategy for 2022-2025. The strategy was approved by the Board in 2022 and will steer us towards being an active driving force behind the green transition. The Board of Directors also considers nature-related risk reporting in connection with the annual report.	'Corporate Governance', p. 107 'Board of Directors' Report', p. 110 'New strategy for the period up to 2025' p. 30 'Our approach to sustainability', p. 38
Strategy		
Disclose the actual and potential impacts of nature-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	For nature-related risk, the Bank considers transition risk to be the risk driver that could have the greatest impact on the Bank's customers. More restrictions may be added to municipalities' land-use plans in the years to come due to an increased focus on protecting nature. At the moment, the Bank does not consider this risk to be a high one in its loan portfolio. Further regulations and changes could arise related to patterns of consumption with consequences for the agriculture portfolio. Therefore, in this strategy period we will continue to be a clear driving force behind getting customers to reduce their footprint, and we are working together with customers to gain a greater understanding of the Bank's and customers' nature-related risk. In the Bank's sustainability strategy we refer to 'planetary boundaries' because this is the research basis used for the sustainability agenda. It is clear that this framework harmonises more with the risk factors we see in our value chain. For example, agricultural activities can involve a high proportion of phosphorus and nitrogen. For more information, see 'Responsible lending Corporate Division'. As far as fund managers with whom we have a distribution agreement are concerned, we expect them not to invest in companies that damage endangered plant and animal species, including animal species registered on IUCN's list of endangered species, but rather invest in companies that take into account and minimise interventions in nature. Nor should they invest in companies that violate international guidelines for biodiversity and genetic technology. These requirements take account of risk assessments of the relevant topics for fund managers affiliated with the Bank. This is set out in our guidelines.	'Our approach to sustainability', p. 38 'Responsible lending Corporate Market' p. 59 and Retail Market p. 52 'Requirements for providers of financial services', p. 70

TNFD recommended reporting	The Bank's reporting	More information
Risk management		
Disclose how the organisation identifies, assesses and manages nature-related risks	The Bank monitors the development of EU regulations designed to protect nature, Norwegian regulations in this area and industry standards. In 2022, the Corporate Division talked to customers about sustainability in connection with almost all applications for credit facilities. These are thorough sustainability analyses that include questions about nature and biodiversity, including animal welfare and forest conservation. For example: When considering granting loans for such construction projects, the Bank requires an assessment of whether vulnerable ecosystems will be affected. When loans are granted to agriculture customers, a climate action plan is required that also includes a plan for efficient resource utilisation. For funds offered by the Bank, we have assessed the risk of issuers acting contrary to the Group's guidelines for sustainability and corporate social responsibility, including nature-related risk. An assessment is also made of which topics are most relevant in the overall risk picture associated with corporate social responsibility and sustainability: nature-related risk has been flagged as relevant topic in two out of six groupings. The general risk assessment for the funds deems the risk to be low.	'Important regulatory changes', p. 216 'Responsible lending Corporate Market' p. 59 'Requirements for providers of financial services', p. 70
Goal		
Disclose the metrics and targets used to assess and manage relevant nature-related risks and opportunities where such information is material	In this strategy period, we will work on our goals for the agriculture portfolio that are designed to help protect nature. This will reduce SpareBank 1 Østlandet's nature-related transition risk. For the agriculture portfolio, we have set targets for the proportion of cases where the customer should have developed a climate action plan in consultation with a climate adviser. This requires the customer to improve resource utilisation and soil health, which are factors that can make the farm more resilient to nature-related risks.	'Responsible lending Corporate Market' p. 59

UNEP FI – PRB index: Principles for Responsible Banking

SpareBank 1 Østlandet was the first Norwegian bank to sign up to the UN Principles for Responsible Banking (PRB) when they were launched in 2019. The aim of the principles is for banks to take on a driving role in the work on achieving the UN Sustainable Development Goals and fulfilling the obligations of the Paris Agreement. This is reporting on the principles. Our GRI index covers some of the principles, while the rest are listed in the table below.

Principles for Responsible Banking	Reference to where the information can be found in SpareBank 1 Østlandet's 2021 annual report and on our website:
2.1 Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis.	Annual Report, A clear driving force for sustainable transition" p. 36 Link to 'Sustainability Impact Analysis – Responsible Banking': **sparebank1.no/en/ostlandet/about-us/sustainability.html**
2.2 Show that the bank has set and published a minimum of two Specific, Measurable, Achievable, Relevant and Timebound (SMART) targets.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59
2.3 Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59 and 'New strategy for the period up to 2025', p. 30.
2.4 Show that your bank has implemented the actions it had previously defined to meet the set target.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59
3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59 Link to guidelines for the Retail Market and the Corporate Market: **https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html**
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59
5.3 Show that your bank has a governance structure in place for the implementation of the PRB.	Annual Report, 'New strategy for the period up to 2025', p. 30. and 'Our approach to sustainability' p. 38
6.1 Show that your bank has progressed on implementing the six Principles over the last 12 months in addition to the setting and implementation of targets in minimum two areas. Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice. Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.	1. **Principle 1 – Alignment:** Annual Report 'Our part of the global responsibility' p. 42 2. **Principle 2 – Impact & Target Setting:** Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59 3. **Principle 3 – Clients & Customers:** Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59 4. **Principle 4 – Stakeholders:** Annual Report, 'Stakeholder engagement' p. 41 5. **Principle 5 – Governance & Culture:** Annual Report, 'New strategy for the period up to 2025', p. 30 and 'Our approach to sustainability' p. 38 6. **Principle 6 – Transparency & Accountability:** Link to 'Sustainability Impact Analysis – Responsible Banking': **sparebank1.no/en/ostlandet/about-us/sustainability.html** Through the working groups on the UNEP FI's Collective Commitment on Climate Action (CCCA) and with the new commitment to net zero greenhouse gas emissions by 2050 (NZBA), the Bank is working to acquire and adapt to best practice.

Eco-Lighthouse index: Banking and financial criteria

SpareBank 1 Østlandet has been Eco-Lighthouse certified since 2008. The appendix 'Business description: Energy and Climate in our business operations, as well as the Science Based Targets (SBT)' shows the entire Eco-Lighthouse report for 2022. The table below is our reporting on the Eco-Lighthouse's banking and financial criteria for 2022.

Eco-Lighthouse criteria for banking and finance	Reference to where the information can be found in SpareBank 1 Østlandet's 2021 annual report and on our website:
Criterion ID 2064	
The enterprise shall have a climate and environmental policy for: - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds.	Link to the guidelines: **sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html**
Criterion ID 2065	
The enterprise shall set climate and environmental goals and related indicators.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59, 'Requirements for providers of financial services' p. 70 and Appendix 'Energy and Climate in our business operations, as well as the Science Based Targets (SBT)' p. 226
Criterion ID 2066	
The enterprise shall document a plan for implementing the recommendations made in the Task Force on Climate-related Financial Disclosure (TCFD).	Annual Report, Appendix 'Climate risk – TCFD index' p. 255
Criterion ID 2067	
The enterprise shall have criteria and routines for managing funds and credit and financial activities with respect to climate and environmental aspects: - exclusion of engagements that can be linked to negative climate and environmental impacts. - engagement in climate-friendly and environmentally friendly projects.	Link to the guidelines: **sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html**
Criterion ID 2068	
The enterprise shall develop products that stimulate climate-smart and environmentally smart behaviour.	Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59
Criterion ID 2069	
The enterprise shall publish climate and environmental information relating to: - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds.	For credit granting and financing, Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59, for bonds and management of the enterprise's own funds, Annual Report, appendix 'Responsible lending within liquidity management' p. 242. For savings products, Annual Report, 'Requirements for providers of financial services' p. 70
Criterion ID 2070	
The enterprise shall have routines in place to assess: - whether its climate and environmental goals were achieved. - whether planned measures were implemented and have produced the expected results. - whether screening is carried out in accordance with valid guidelines.	Link to the guidelines: **sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html** Annual Report, 'Responsible lending to the Retail Market' p. 52 and 'Responsible lending to the Corporate Market' p. 59, 'Requirements for providers of financial services' p. 70, 'New strategy for the period up to 2025', p. 30. and 'Our approach to sustainability' p. 38
Criterion ID 2071	
The enterprise shall report on the established climate and environmental indicators pertaining to: - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds.	See under Criterion ID 2069.
Criterion ID 2072	
The enterprise shall annually evaluate its climate and environmental activities pertaining to: - credit granting - financing - bonds - savings products/investment of customers' deposits - management of the enterprise's own funds.	See under Criterion ID 2069.

PAI reporting

Principal adverse impact (PAI) is a reporting standard for investors under the Sustainable Finance Disclosure Regulation (SFDR). The purpose of the reporting is to collect data about the companies' main negative impacts. The information below is meant for investors who want information about SpareBank 1 Østlandet. The report was prepared to the best of our ability given our current access to data. Reference is made to chapters in the Annual Report, the website or reports where more information can be found. The reporting concerns the parent bank, not the Group.

Category		Indicator	Measurement unit	SpareBank 1 Østlandet's reporting	Further information and reference
Emissions	1	Greenhouse gas emissions	Scope 1 greenhouse gas emissions	7.61 tCO2e	See the chapter 'Energy and climate in our business operations', p. 226.
			Scope 2 greenhouse gas emissions	516.11 tCO2e	See the chapter 'Energy and climate in our business operations', p. 226.
			Scope 3 greenhouse gas emissions	267 512 tCO2e (including loan portfolios).	Scope 3 emissions from own operations: 179.42 tCO2e, from the corporate market portfolio: 248.660 tCO2e, from the housing mortgage portfolio 18.673 tCO2e. See the chapters 'Share of green loans and greenhouse gas emissions in loan portfolio', p. 232 and 'Total greenhouse gas emissions and zero-emission reporting – NZBA', p. 248.
			Total greenhouse gas emissions	268 035 tCO2e (including loan portfolios).	Total emissions from own operations: 703.14 tCO2e (excluding the loan portfolios). See the chapter 'Total greenhouse gas emissions and zero-emission reporting – NZBA', p. 248.
	2	Carbon footprint	Carbon footprint	268,035 tCO2e/NOK 226 672 million (Business capital)	The Bank's Scope 1, 2 and 3 emissions (including emissions from our loan portfolios) divided by its business capital of NOK 226 672 million (total assets + loans transferred to the covered bond companies). See the chapter 'Key figures from the Group', p. 18.
	3	Greenhouse gas intensity	Greenhouse gas intensity	268 035 tCO2e/NOK 3 861 million (Total income).	The Bank's Scope 1, 2 and 3 emissions (including loan portfolios) divided by total net income of the parent bank in 2022, which was NOK 3 861 million. See Results, p. 126.
	4	Fossil energy production		The Bank is not involved in the production of fossil fuel.	We do not give loans to, or invest the Bank's funds in, companies involved in fossil energy production. See the 'Guidelines for sustainability and corporate social responsibility' on our website and the chapter ' Responsible lending Corporate Market' in the Annual Report, p. 59.
	5	Non-renewable energy consumption and production		A normal Norwegian electricity mix is used for the Bank' own operations. The Bank buys guarantees of origin for some of the electricity it consumes.	See the Bank's Scope 2 emission in 'Energy and climate in our business operations', p. 226.
	6	Energy consumption intensity	Energy consumption in gigawatt hours per EUR million of income. A gigawatt hour is equivalent to one million kilowatt hours (kWh).	6 003 113kWh/Total income	Total energy consumption = 6 003 113 kWh (electricity 4 102 162 kWh + district heating 1 879 520 kWh + district cooling 21 431 kWh). see the chapter 'Energy and climate in our business operations', p. 226.
Biodiversity	7	Negative impact on biodiversity		The Bank is not located in vulnerable natural areas and our operations have no known negative impact on such areas.	For our value chain, like our loan portfolios, we are in the process of analysing our impact on nature. See our TNFD Index, p. 258, and the report 'SpareBank 1 Østlandet's negative impact on nature', which is available on our website.
Water	8	Emissions to water	Tonnes of missions to water	The Bank causes no emissions to water through its own operations.	The Bank is located in ordinary office buildings and has no emissions to water beyond normal wastewater from office buildings. We have no figures For our value chain, like our loan portfolios, but we are in the process of analysing our impact on nature. We are aware that this is an issue in agriculture, which represents a large loan portfolio for the Bank. See our TNFD Index, p. 258, and the report 'SpareBank 1 Østlandet's negative impact on nature', which is available on our website.

Category		Indicator	Measurement unit	SpareBank 1 Østlandet's reporting	Further information and reference
Waste	9	Hazardous and radioactive waste	Tonnes of hazardous and radioactive waste	The Bank does not generate hazardous and radioactive waste from its operations.	For our value chain, like our loan portfolios, we are in the process of analysing our impact on nature, although there is little reason to believe that our loan portfolios include large amounts of hazardous and radioactive waste. Our two largest industries are property and agriculture. See our TNFD Index, p. 258, and the report 'SpareBank 1 Østlandet's negative impact on nature', which is available on our website.
Social and labour rights	10	Breaches of the UN Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises	Involvement in breaches of the UN Global Compact (UNGC) or the OECD Guidelines for Multinational Enterprises.	The Bank has not had any cases involving breaches of these guidelines.	The Bank is not aware of any of the companies it is invested in having breached the UN Global Compact (UNGC) or the OECD Guidelines for Multinational Enterprises. For the Bank's handling of these frameworks, see the link to the Global Compact in the GRI index and the report on due diligence assessments, which is available on our website.
	11	Inadequate processes and tools for complying with the UN Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises	Guidelines for monitoring compliance with the UN Global Compact (UNGC) principles and the OECD Guidelines for Multinational Enterprises, or complaint processing mechanisms for handling breaches of the UN Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises.	The Bank has guidelines for complying with the UN Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises. The Bank has complaints management mechanisms to deal with complaints and breaches.	See the report for due diligence assessments and 'Overall guidelines for labour and human rights' on our website. Also see the section on due diligence assessments and credit ratings in the chapter 'Corporate Division', p. 59 and Requirements for other suppliers', p. 246. See 'Information about complaints' on p. 72.
	12	Unadjusted pay differences between the genders.	Average unadjusted pay gap between the genders.	Women's pay as a percentage of men's pay in comparable positions: Line functions 92.1 per cent. Managers and more demanding professional positions 97.8 per cent. Total 83.6 per cent	See 'Further facts about Organisation and HR', p. 229.
	13	Gender diversity of the Board of Directors	Ratio of male and female board members expressed as a percentage of all board members.	50 per cent women and 50 per cent men on the Board.	See 'Information about the Board of Directors', p. 104 and 'Main figures from the Group', p. 18.
	14	Exposure to controversial weapons	Involvement in the production or sale of controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).	The Bank is not involved in the production or sale of controversial weapons.	Nor do we grant loans for, or invest in, controversial weapons, see due diligence assessments and credit ratings in the chapter 'Corporate Division', p. 59.

Material sustainability topics and impacts linked to the GRI reporting framework

In these two tables we have collated the main material topics from the materiality analysis and the main impacts the Bank has on topics within economics, society and environment from the impact analysis. These topics are linked to how we report in line with GRI and show why we report as we do.

The score shown the table below is based on position in the materiality matrix and indicates how high a priority we give to the topic. Assigning a score in points to the levels 'important' and 'most important' of 1-3 on the x and the y axis, respectively, and then multiplying these by each other gives you the priority assigned to the topics. Our most material topics thus end up with a score of 9 (3x3), which is the highest score. We also experience material impacts from the products and loan portfolio. This is based on the impact analysis carried out based on UNEP FI PRB.

Material topics	Point score	GRI indicator
Responsible lending	9, material sustainability topics	SB1Ø-3, -4, -6, and -7
Requirements for providers of financial services	9, material sustainability topics	SB1Ø-4 and -7
Combating economic crime	9, material sustainability topics	GRI 205 and SB1Ø-2
Ethics and anti-corruption	9, material sustainability topics	GRI 205
Ethical marketing	9, material sustainability topics	GRI 417
The topics below are less material, although we still think the information about them is of interest to external readers.		
Privacy Negative screening New products and green innovation Positive screening Good banking services	6	GRI 418, SB1Ø-4 and -7, GRI 308 and GRI 414 SB1Ø-3 and -4 SB1Ø-4 and -7, GRI 308 and GRI 414 GRI 201, SB1Ø-1, -3, -4, -6, and -7
Local business development Follow-up of the supply chain Diversity and equal opportunities Customer dialogue and satisfaction	4	SB1Ø-3, -4, -6, and -7 GRI 308, GRI 414, GRI 405, GRI 406, SB1Ø-5 SB1Ø-8

Material impacts from products and loan portfolio	Description	GRI indicators, how do we report in line with this
Resource efficiency and security	The transition to a circular economy. This is the topic that presents the greatest need for change in Norway in the form of new ways of consuming and producing, including the utilisation of natural resources. The loan portfolios of both the Corporate Division and the Retail Division have a negative impact because of their financing of a linear economy.	SB1Ø-3 and -4 (Responsible lending and active ownership – environment) SB1Ø-1 (TNFD natural risk) GRI 304-2 (biodiversity: data collection work is still at an early stage) GRI 306-1 and -2 (waste: data collection work is still at an early stage)
Climate	The pathway to net zero greenhouse gas emissions by the end of 2050. The loan portfolios in the Corporate Division and Retail Division finance and enable large emissions, although they also include products that contribute to climate adaptations.	SB1Ø-3 and -4 (Responsible lending and active ownership) GRI 305 emissions GRI 201-2 (climate risk TCFD)
Waste	Closely linked to resource utilisation and the circular economy. Negative impact from the lending portfolio Corporate Division, especially from property and agriculture. The Bank has a small manufacturing portfolio.	SB1Ø-3 and -4 (Responsible lending and active ownership – environment) GRI 306-1 and -2 (waste: data collection work is still at an early stage)
Inclusive, healthy economies	Development and establishment of sustainable, diverse and innovative products that add value to society and the economy. This includes access for all social groups to labour markets, finance and entrepreneurship, and, more generally, economic opportunities. Here, the product portfolio of the Retail Division is a significantly positive contributor providing access to affordable, effective and secure financial services for individuals.	SB1Ø-6 and -7 (Responsible lending and active ownership – social) GRI 205 (Ethics and anti-corruption) SB1Ø-2 (Economic crime) GRI 417 (Ethical marketing) SB1Ø-5 (Saving and gender)
Food	Increased focus on food security with a healthy diet at reasonable prices. As a major agriculture bank, the Corporate Division's loan portfolio is a significant positive contributor to this topic.	SB1Ø-6 and -7 (Responsible lending and active ownership – social)
Housing	Access to a sustainable housing market. Proportion of slum buildings, homeless people, costs related to the ownership and development of residential properties, population density of low income households, etc. Both the Retail Division and Corporate Division are positive contributors. The Retail Division through housing mortgages, and especially social products for those who want to get onto the property ladder. The Corporate Division through financing new housing developments and property leasing.	SB1Ø-6 and -7 (Responsible lending and active ownership – social)
Work	The public's access to full and productive employment and decent work. People's freedom to express their concerns, organise and participate in decisions that affect their lives, and get equal opportunities and fair treatment. The Retail Division's product portfolio is a positive contributor via its social profile.	SB1Ø-6 and -7 (Responsible lending and active ownership – social)

GRI index

The Global Reporting Initiative (GRI) is the leading standard for sustainability reporting. The GRI framework consist of principles, guidance and performance indicators that can be used by companies to measure and report on economic, environmental and social matters. SpareBank 1 Østlandet has reported in accordance with the GRI standard since 2017.

For more information on the GRI, see globalreporting.org.

General information

Statement of use: SpareBank 1 Østlandet has reported in accordance with the GRI standard for the period 1.1.2022-31.12.2022.

GRI 1 version: GRI 1: Foundation 2021.
Relevant GRI sector standards: No relevant GRI sector standards.

GRI indicator	Description	Reporting 2022*	Omissions			SDGs**
			Requirements omitted	Reasons	Explanation	
1. The organisation and its reporting practices						
2-1	Organisational details: Legal name; ownership and legal form; location of its headquarters; report its countries of operation.	SpareBank 1 Østlandet, Annual Report, chapter 'Corporate Governance', p. 107 and 'SpareBank 1 Østlandet in brief', p. 4.				PRB 1.1
2-2	Entities included in the organisation's sustainability reporting.	Annual Report, note 1 'General information' p. 133 and note 42 'Investments in subsidiaries, associates and joint ventures' p. 195.				
2-3	Reporting period, frequency and contact point.	2022, annually, karoline.hjerto@sb1ostlandet.no				
2-4	Restatements of information.	Changes have been made in how we calculate emissions from the loan portfolio. See more information about the change in the appendix 'Greenhouse gas emissions in the loan portfolio' p. 232.				
2-5	External assurance.	The report has been externally verified by Deloitte, see p. 200.				
2. Activities and workers						
2-6	Activities, value chain and other business relationships.	Annual Report, chapters 'SpareBank 1 Østlandet in brief', p.4, 'New strategy for the period up to 2025', p. 30. 'Business areas and General topics', p. 46, 'Key figures from the Group', p. 18, 'Income statement', p. 126, and 'Board of Directors' Report', p. 110, 'Requirements for providers of financial services', p. 70, 'Requirements for other suppliers' p. 246. There were no material changes to the size, structure, ownership or supply chains of the business during the reporting period.	2-6d	Not relevant	No material changes since the last reporting period.	PRB 1.1
2-7	Employees	Annual Report, chapters 'Key figures from the Group', p. 18, 'Our skilled employees', p. 90 and the appendix 'Further facts about organisation and HR', p. 229.				PRB 1.1
2-8	Workers who are not employees.	We employed 33 temporary workers from Manpower in 2022. The temporary workers we hire usually work as customer advisers. The number of temporary workers was fairly stable throughout the reporting period. The need for temporary workers is steered by sick leave and leaves of absence.				
3. Governance						
2-9	Governance structure and composition.	Annual Report, chapters 'Corporate Governance', p. 107, 'Board of Directors' Report', p. 110, and 'New Strategy for the period up to 2025', p.30.				PRB 5.1
2-10	Nomination and selection of the highest governance body.	Annual Report, chapter 'Corporate Governance', p. 107.				
2-11	Chair of the highest governance body.	Annual Report, chapter 'Information about the Board of Directors', p. 104.				
2-12	Role of the highest governance body in overseeing the management of impact.	Annual Report, chapters 'Corporate Governance', p. 107, 'Board of Directors' Report', p. 110.				PRB 5.2

GRI indicator	Description	Reporting 2022*	Omissions			SDGs**
			Requirements omitted	Reasons	Explanation	
3. Governance (cont.)						
2-13	Delegation of responsibility for managing impacts.	Annual Report, chapter 'Corporate Governance', p. 107.				PRB 5.1
2-14	Role of the highest governance body in sustainability reporting.	Annual Report, chapters 'Board of Directors' Report', p. 110 and 'New strategy for the period up to 2025', p. 30.				
2-15	Conflicts of interests	Annual Report, chapters 'Corporate Governance', p. 107 and 'Ethics and anti-corruption' p. 94.	2-15b	Not relevant	There were no material conflicts of interest to report to stakeholders.	
2-16	Communication of critical concerns.	Annual Report, chapters 'Corporate governance', p. 107, and 'Ethics and anti-corruption', p. 94.				
2-17	Collective knowledge of the highest governance body.	Annual Report, chapter 'Board of Directors' Report' p. 110.				PRB 5.1
2-18	Evaluation of the performance of the highest governance body.	Annual Report, chapter 'Corporate governance', p. 107.				
2-19	Remuneration policies.	Annual Report, chapters 'Corporate governance', p. 107, note 23 'Payroll expenses and payments to senior employees and elected officers', p. 173 and note 24 'Pensions' p. 174. Link to the Bank's remuneration guidelines: **https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html**				PRB 5.2
2-20	Process to determine remuneration.	Annual Report, chapter 'Corporate governance', p. 107.				PRB 5.2
2-21	Annual total compensation ratio.	Annual Report, note 23 'Payroll expenses and payments to senior employees and elected officers', p. 173.	2-21a and b	Information unavailable/ incomplete	We have not published the salary of the highest paid employee and calculated the ratio. We only have information on general salary expenses.	
4. Strategy, policies and practices						
2-22	Statement on sustainable development strategy.	Annual Report, chapter 'A word from the CEO', p. 10.				PRB 1.2
2-23	Policy commitments.	Annual Report, chapters 'Ethics and anti-corruption', p. 94 and 'Corporate governance', p. 107. Link to our guidelines: **https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html**				GC 7 and 10, SDG 8 and 16, PRB 5.2
2-24	Embedding policy commitments.	SpareBank 1 Østlandet, Annual Report, chapter 'New strategy for the period up to 2025', p.30 and 'Corporate Governance', p. 107.				
2-25	Processes to remediate negative impacts.	Annual Report, chapters 'Our appraoch to sustainability', p. 38, 'Follow-up of customer complaints' p. 73 and 'Ethical marketing of products and services' p. 88, and 'Privacy', p. 84.				
2-26	Mechanisms for seeking advice and raising concerns.	Annual Report, chapters 'Corporate governance', p. 107 and 'Ethics and anti-corruption' p. 94.				
2-27	Compliance with laws and regulations.	No failures in compliance as far as the Bank is aware.				GC 7 and 8, SDG 13.3 and 16.6
2-28	Membership associations.	Finance Norway. Annual Report, chapter 'Our part of the global responsibility', p.42.				SDG 17
Stakeholder engagement						
2-29	Approach to stakeholder engagement.	Annual Report, chapters 'Stakeholder map", and 'Stakeholder engagement' p. 40-41, and 'Our part of the global responsibility' p. 42.				SDG 17, PRB 4.1
2-30	Collective bargaining agreements	100 per cent of employees are covered by collective bargaining agreements. Annual Report, chapter 'Our skilled employees', p. 90.				SDG 8, GC 3, PRB 4.1

The appendix referred to is 'Indexes and appendices sustainability', Appendix to the Annual Report.
**UN Sustainable Development Goals (SDGs), Global Compact (GC), and UNEP FI Principles for Responsible Banking (UNEP FI PRB).

Specific information

GRI indicator	Description	Reporting 2022*	Omissions: Requirements omitted	Omissions: Reasons	Omissions: Explanation	SDGs**
MATERIAL TOPICS						
GRI 3-1	Process to determine material topics.	Annual Report, A clear driving force for sustainable transition', p.36 and 'Material topics and impacts linked to GRI', p. 264.				
GRI 3-2	List of material topics.	Annual Report, A clear driving force for sustainable transition', p.36 and 'Material topics and impacts linked to GRI', p. 264.				

GRI indicator	Description	Reporting 2022*	Requirements omitted	Reasons	Explanation	SDGs**
FINANCES						
Overall financial reporting						
GRI 3-3	Management of material topics.	Annual Report, chapters ' 'New strategy for the period up to 2025', p. 30., 'Corporate governance', p. 107, 'Board of Directors' Report', p. 110, 'A clear driving force for sustainable transition', p.36. Appendix 'TCFD Index', p. 255, Appendix 'TNFD Index', p. 258 chapter 'Corporate Social Responsibility', p. 96.				PRB 5.1
Economic performance						
201-1	Direct economic value generated and distributed.	Annual Report, chapters 'Key figures from the Group', p. 18. 'Income statement', p. 126, 'Balance sheet' p. 128 and 'Corporate Social Responsibility', p.96.				SDG 8.5 and 9.4
201-2	Financial implications and other risks and opportunities due to climate change.	Annual Report, Appendix 'TCFD index:', p. 255, and 'Share of green loans and greenhouse gas emissions in loan portfolio', p. 232 'Board of Directors' Report', p. 110.				GC 7, 8 and 10. SDG 13.3
SB1Ø-1	Financial implications and other risks and opportunities due to natural changes.	Annual Report, Appendix 'TNFD index', p. 258.				SDG 15
Economic crime and anti-corruption.						
GRI 3-3	Management of material topics.	Annual Report, chapters 'A clear driving force for sustainable transition', p.36, 'Ethics and anti-corruption', p. 94, and 'Combating economic crime', p. 82.				
Anti-corruption						
205-1	Operations assessed for risks related to corruption .	Annual Report, chapter 'Ethics and anti-corruption', p. 94.	205-1a	Not relevant	We do not report the exact number and percentage of all interactions we analyse in relation to corruption risk.	GC 10. SDG 16.5
205-2	Communication and training about anti-corruption policies and procedures.	Annual Report, chapter 'Ethics and anti-corruption', p. 94.	205-1c	Not relevant	We publish our Code of Conduct on our website, although we do not conduct active training with business associates.	
205-3	Confirmed incidents of corruption and corrective actions.	Annual Report, chapter 'Ethics and anti-corruption', p. 94.	205-1b, c, d	Not relevant	There were no material breaches of the Bank's Code of Conduct to report.	
Economic crime						
SB1Ø-2	Efforts to combat money laundering and terror financing.	Annual Report, chapter 'Combating economic crime', p. 82.				SDG 16.4

GRI indicator	Description	Reporting 2022*	Omissions: Requirements omitted	Omissions: Reasons	Omissions: Explanation	SDGs**
ENVIRONMENT						
Nature						
GRI 3-3	Management of material topics.	Annual Report, chapter 'A clear driving force for sustainable transition', p.36. 'The Bank's material topics and impacts linked to GRI', p. 264. 'Responsible lending Retail Division and Corporate Division', p. 52 and 59.				PRB 5.1
Nature-related impacts						
304-2	Material impacts of activities, products, and services on biodiversity.	We have started an analysis that will illustrate our environmental impact at an aggregate level and can be found on our website, Although since a large majority of our customers are SMEs or agricultural customers, we lack data of sufficient quality on our direct impact in our market area at this time. More about our work and focus areas vis-à-vis better resource utilisation in the loan portfolio can be found in 'Responsible lending Retail Division and Corporate Division', p. 52 and 59.	304-4	Information unavailable/ incomplete	We have identified this topic as having a material impact through the product and loan portfolio, although we do not currently have sufficient data to report satisfactorily in relation to the GRI indicator.	SDG 15
Emissions and compliance with environmental regulations						
GRI 3-3	Management of material topics.	Annual Report, chapters 'New strategy for the period up to 2025', p. 30. 'A clear driving force for sustainable transition', p.36. Appendix, chapter 'Energy and climate in our business operations, as well as the science based targets (SBT)' p. 226, 'TCFD index: Climate risk reporting' p. 255 and 'Greenhouse gas emissions in funds' p. 244.				PRB 5.1
Work on net zero emissions by 2050						
305-1	Direct (Scope 1) greenhouse gas emissions.	Annual Report, Appendix, GRI 305-1, 2, 3, 4, 5: chapters Energy and Climate in our business operations, as well as the science based targets (SBT)', p. 226, and 'Net Zero Banking Alliance, NZBA', p. 248 GRI 305-3, 4, 5: 'Share of green loans and greenhouse gas emissions in the loan portfolio' p. 232 and 'Greenhouse gas emissions in funds' p. 244.				GC 7, 8 and 9. SDG 12.2, 12.6, 12.8, 13.3, 15.a and b
305-2	Energy indirect (Scope 2) greenhouse gas emissions.					
305-3	Other indirect (Scope 3) greenhouse gas emissions.					
305-4	greenhouse gas emissions intensity.					
305-5	Reduction of greenhouse gas emissions.					
Waste						
GRI 3-3	Management of material topics.	Annual Report, chapters 'A clear driving force for sustainable transition', p.36 and 'The Bank's material topics and impacts linked to GRI', p. 264.				
Waste-related impacts						
306-1	Waste generation and material waste-related impacts.	We have started work on addressing better resource efficiency in the loan portfolio ('Responsible lending Retail Division and Corporate Division' p. 52 and 59), although since a large majority of our customers are SMEs or agricultural customers, we lack data of sufficient quality on our direct impact in our market area at this time.	306-1	Information unavailable/ incomplete	We have identified this topic as having a material impact through the product and loan portfolio, although we do not currently have sufficient data to report satisfactorily in relation to the GRI indicator.	SDG 12, SDG 13, SDG 15
306-2	Management of material waste-related impacts.		306-2			
Follow-up of suppliers - environment						
GRI 3-3	Management of material topics.	Annual Report, chapters 'Strategic vision for 2025' p. 34, 'A clear driving force for sustainable transition', p.36, Appendix chapter 'Requirements for other suppliers' p. 246.				

The appendix referred to is 'Indexes and appendices sustainability', Appendix to the Annual Report.
**UN Sustainable Development Goals (SDGs), Global Compact (GC), and UNEP FI Principles for Responsible Banking (UNEP FI PRB).

Specific information (cont.)

GRI indicator	Description	Reporting 2022*	Omissions: Requirements omitted	Omissions: Reasons	Omissions: Explanation	SDGs**
ENVIRONMENT (CONT.)						
Risk assessment of suppliers						
308-1	New suppliers that were screened using environmental criteria.	Annual Report, Appendix 'Requirements for other suppliers', p. 246.				GC 7, 8 and 9. SDG 13.3
308-2	Negative environmental impacts in the supply chain and actions taken.					
Responsible lending and active ownership – environment						
GRI 3-3	Management of material topics.	Annual Report, chapters 'New strategy for the period up to 2025', p. 30. 'A clear driving force for sustainable transition', p.36, 'Equity investments and sustainability monitoring' , p. 107, 'Responsible lending Retail Division and Corporate Division', p. 52 and 59, and 'Requirements for providers of financial services', p. 70.				
Product liability – environment						
SB1Ø-3	Products and services designed to deliver a specific environmental benefit.	'Responsible lending Retail Division and Corporate Division' p. 52 and 59.				
Active ownership – environment						
SB1Ø-4	Our approach to collaborating with companies on environmental issues.	Annual Report, chapters 'Responsible lending in the liquidity portfolio', p. 242, 'Responsible lending Retail Division and Corporate Division', p. 52 and 59, 'Requirements for other suppliers', p. 246 and 'Requirements for providers of financial services', p. 70.				

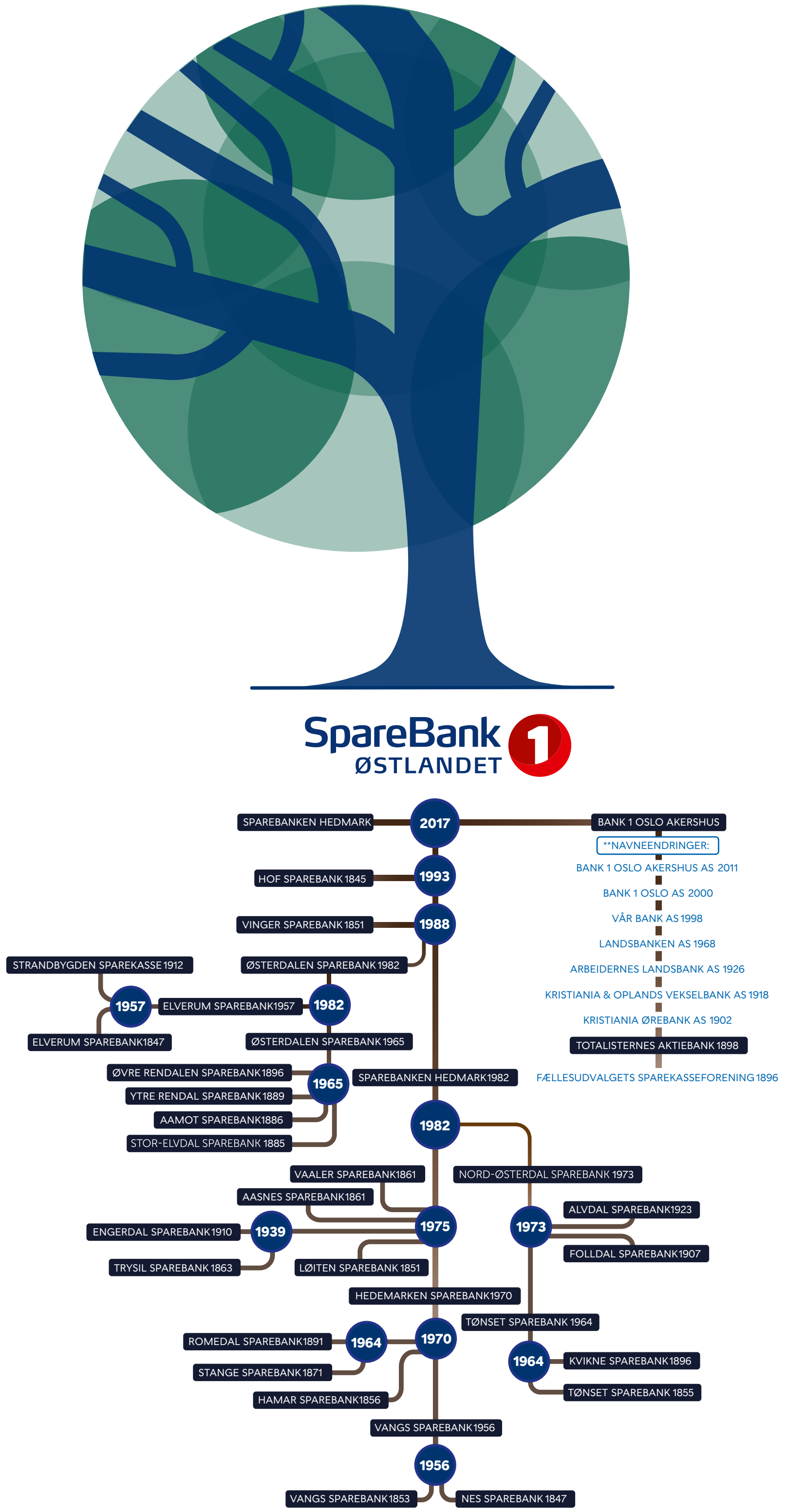
SOCIETY						
Employees						
GRI 3-3	Management of material topics.	Annual Report, chapters 'Board of Directors' Report', p. 110, 'Strategic vision for 2025' p. 34, 'Our skilled employees', p. 90, and Appendix 'Further facts about organisation and HR', p. 229.				
Working conditions						
401-1	New employee hires and employee turnover.	Annual Report, chapter 'Our skilled employees', p. 90, and appendix 'Further facts about organisation and HR', p. 229.				GC 1 and 6. SGD 8.5, 8.8 and 16.b.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	All employees in a 20 per cent position or more have the same rights and employee benefits. Temporary employees are only affiliated with the pension scheme and occupational injury insurance.				
401-3	Parental leave	Annual Report, chapters 'Board of Directors' Report', p. 110, 'Our skilled employees', p. 90, and Appendix ' Further facts about Organisation and HR', p. 229.				
Training						
404-1	Average hours of training per year per employee.	Annual Report, chapter 'Our skilled employees', p. 90, and appendix 'Further facts about organisation and HR', p. 229.				SDG 4.4, 4.7 and 8.5
404-2	Programmes for employee competence raising and realignment.	Annual Report, chapter 'Our skilled employees', p. 90. 'Privacy', p. 84, 'Ethical marketing of products and services', p. 88, 'Responsible lending Retail Division and Corporate Division', p. 52 and 59, 'Ethics and anti-corruption', p. 94, 'Combating economic crime', p. 82, 'Requirements for providers of financial services', p. 70, 'Information security', p. 86.				
404-3	Proportion of employees who have regular assessment and development reviews.	Annual Report, chapter 'Our skilled employees', p. 90.				
Diversity and equal opportunities						
405-1	Diversity in management bodies and among employees.	Annual Report, chapter 'Our skilled employees', p. 90 and ''Presentation of the Board', p. 104.				Gender Equality Act, GC 6. SDG 8.5 and 16.b
405-2	Relationship between base salary and remuneration of women in relation to men.	Annual Report, chapter 'Our skilled employees', p. 90 and Appendix 'Further facts about organisation and HR', p. 229.				

GRI indicator	Description	Reporting 2022*	Omissions: Requirements omitted	Omissions: Reasons	Omissions: Explanation	SDGs**
Employees (cont.)						
Diversity and equal opportunities (cont.)						
SB1Ø-5	Saving and gender.	Annual Report, chapter 'Business description', see figure 'Saving and gender', p. 48.				Gender Equality Act, GC 6. SDG 8.5 and 16.b
Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken.	Annual Report, chapter 'Our skilled employees', p. 90, and Appendix 'Further facts about organisation and HR', p. 229.				GC 1, 2 and 6. SDG 8.8 and 16.b
Follow-up of suppliers – social						
GRI 3-3	Management of material topics.	Annual Report, chapters 'New strategy for the period up to 2025', p. 30. 'A clear driving force for sustainable transition', p.36, Appendix, chapter 'Requirements for other suppliers', p. 246.				
Supplier social assessment						
414-1	New suppliers that were screened using social criteria.	Annual Report, Appendix. 'Requirements for other suppliers', p. 246.				Transparency Act, GC 1, 2, 3, 4, 5 and 6. SDG 12.6 and 16.6
414-2	Negative social impacts in the supply chain and actions taken.					
Responsible lending and active ownership – social						
GRI 3-3	Management of material topics.	Annual Report, chapters 'New strategy for the period up to 2025', p. 30.' A clear driving force for sustainable transition', p.36, 'Equity investments and sustainability monitoring' , p. 107, 'Responsible lending Retail Division and Corporate Division', p. 52 and 59, 'Requirements for providers of financial services', p. 70.				
Product liability – social						
SB1Ø-6	Products and services designed to deliver a specific social benefit.	Annual Report, chapter 'Responsible lending Retail Division and Corporate Division', p. 52 and 59.				
Active ownership – social						
SB1Ø-7	Our approach to collaborating with companies on corporate social responsibility/social conditions.	Annual Report, chapter 'Responsible lending in the liquidity portfolio', p. 242, 'Responsible lending Retail Division and Corporate Division' p. 52 and 59, 'Requirements for other suppliers', p. 246 and 'Requirements for providers of financial services' p. 70.				
Marketing and privacy						
GRI 3-3	Management of material topics.	Annual Report, chapters 'Strategic vision for 2025' p. 34, 'A clear driving force for sustainable transition', p.36, 'Ethical marketing of products and services', p. 88, and 'Combating economic crime', p. 82.				
Marketing and labelling						
417-2	Incidents of non-compliance concerning product and service information and labelling.	Annual Report, chapter 'Ethical marketing of products and services', p.88.				GC 2. SDG 9.4, 12.6, 12.8, 13.3 and 16.5
417-3	Incidents of non-compliance concerning marketing communications.					
Customer dialogue and satisfaction						
SB1Ø-8	Customer engagement and satisfaction.	Annual Report, 'Customer satisfaction TRIM', p. 72.				
Privacy						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	Annual Report, chapter 'Privacy' p. 84, and 'Information security' p. 86.				GC 2. SDG 16.4

The appendix referred to is 'Indexes and appendices sustainability', Appendix to the Annual Report.
**UN Sustainable Development Goals (SDGs), Global Compact (GC), and UNEP FI Principles for Responsible Banking (UNEP FI PRB).

How 23 banks became one

SpareBank 1 Østlandet – local roots in the central Eastern Norway region. The history tree shows the mergers from 1845 to the present day, as well as the individual bank's year of establishment*.



* Year established is the year the savings bank opened to the public for business or was approved by the authorities.
** Name changes, acquisitions, selldowns and various partnership constellations have generally been omitted. Bank 1 Oslo Akershus's names changes are detailed in the tree.

About SpareBank 1 Østlandet

SpareBank 1 Østlandet is Norway's fourth largest savings bank group, with 1,100 proudly professional employees. In our 177 years, we have built up a solid market position in Østlandet (Eastern Norway) by being accessible and providing credit to people and companies in our rural and urban markets. We currently have 36 branches across Oslo, Viken and Innlandet.

Through the bank's subsidiaries, and the SpareBank 1 alliance's affiliated product companies and ownership interest in Fremtind insurance, we are a complete finance house for our retail and corporate customers. We are a publicly listed, independent financial group headquartered in Hamar, with deep roots in Østlandet, and have contributed to value creation in the market area through several generations.

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