

ANNUAL REPORT 2023

SpareBank 1 ØSTLANDET

1. ABOUT SPAREBANK 1 ØSTLANDET

2. STRATEGY AND THE WORLD AROUND US

3. OUR BUSINESS OPERATIONS

4. MANAGEMENT AND CORPORATE GOVERNANCE

5. REPORT AND RESULTS

6. INDEXES AND APPENDICES SUSTAINABILITY

About the report

This integrated Annual Report for 2023 describes how SpareBank 1 Østlandet contributes to sustainable growth and development for our customers, owners, employees and society as a whole. The Bank's reporting complies with the current legislation and standards for both financial disclosures and sustainability data.

The chapter "About SpareBank 1 Østlandet" presents who we are and the main events for the Group in 2023. It also presents selected key figures, financial ambitions and achievements, key figures from the Group and an overview of the development of the Bank's equity capital certificate.

Chapter two, "Strategy and the world around us", describes our 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 "Our business operations" describes our three business areas: the Retail Division, the Corporate Division and the Organisations and Capital Markets Division. There are also sections describing our approach to material topics within sustainability and society.

"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, information from subsidiaries and alternative performance indicators.

The main part of the report is followed by appendices that show how the Bank reports in line with various sustainability frameworks and obligations.

In the Annual Report, 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 material sustainability data. Each of the Bank's five material topics within sustainability has its own sections in the editorial part of the report. Indices have also been produced for other reporting obligations and frameworks such as Eco-Lighthouse, SFDR, UNEP FI, TCFD and TNFD. More information about the legislation, standards and principles complied with in our reporting can be found in "Our approach to sustainability performance" (see page 37), "Our part of the global responsibility" (see page 41) and in "Note 2" (see page 142).

In the Annual Report, we seek to present timelines with comparable figures. Today's SpareBank 1 Østlandet was formed in 2017 by the merger of Sparebanken Hedmark and Bank 1 Oslo Akershus AS. That is why timelines in the report generally start in 2017.

In 2023, we improved the universal design of the Annual Report, both the paper and digital versions, 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 as a PDF from our website. 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 Sustainable Development Goals

The Bank supports the UN Sustainable Development Goals (SDGs). 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. Read more about our SDGs on page 38.



Editorial staff: Nina Høibråten Buer, Ingvild Bjørklund Wangen, Camilla Knutsen Wickstrøm and Kristine Våland Bakken. Photos: Karoline Næss, Siv Stenseth and Svein Øvregård. Design and production: Bolt Communication AS. Cover photo: Monica Jenssen. Back photo: Michael Solbakken.

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Andrea Rix, Bank Manager, Romerike, Retail Market

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Chapter 1

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SpareBank 1 Østlandet in brief

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

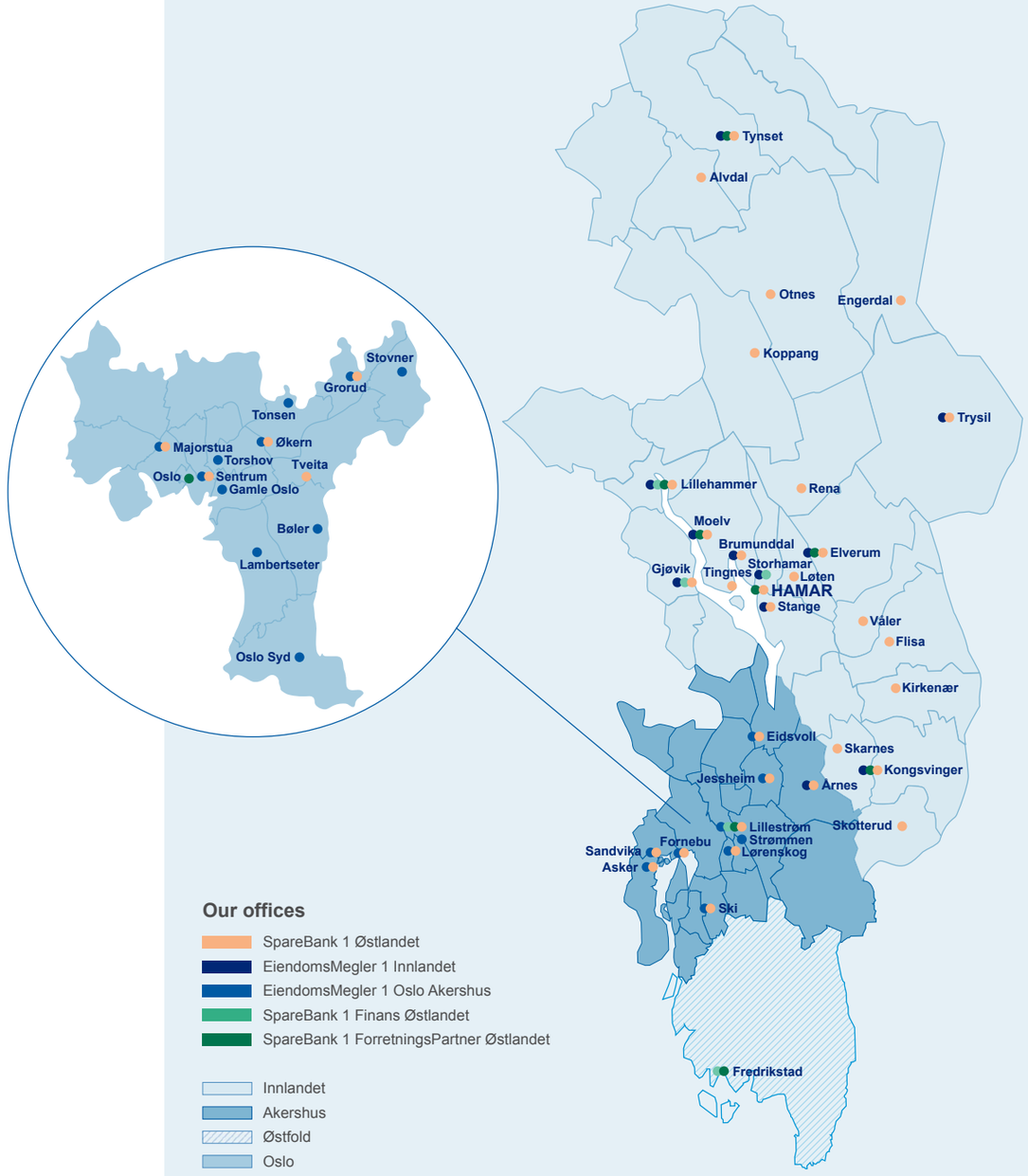
The Bank's head office is in Hamar, and it has a physical presence in Norway's most expansive market area and home to around 1.7 million people. We offer our services via 37 branches, digital channels and efficient customer service centres. With the addition of the services provided by subsidiaries, 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



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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 for 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. In the Retail Division, we are working to cut the emissions in the loan portfolio, for example by increasing the proportion of green loans for homes. One important element of this work is providing customers with good advice on how to improve the energy efficiency of their homes.

The Bank is also a major sponsor and contributor to a series of cultural, social and sporting initiatives (for more information see chapter 3 on page 97). 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 tradition of good savings banks and the spirit of modern sustainability, SpareBank 1 Østlandet shares its profits with its customers. We distributed a total of NOK 306 million in customer dividends in 2023. Since the Bank was listed on the Oslo Børs in 2017 and became the first bank in Norway to pay out customer dividends, we have paid out no less than NOK 1.5 billion in customer dividends.

A part of the SpareBank 1 Alliance
SpareBank 1 Østlandet is part of the SpareBank 1 Alliance in which 12 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 ensure customers can be offered specialised expertise, local roots and simpler banking. See sparebank1.no for more information.



Customer Adviser Anita Burud Korsmo in Asker is one of many employees in the Bank who marked the Year of Volunteers 2023 by taking over the tasks of the volunteers during one of the hockey team Frisk Asker's home games at Varner Arena.

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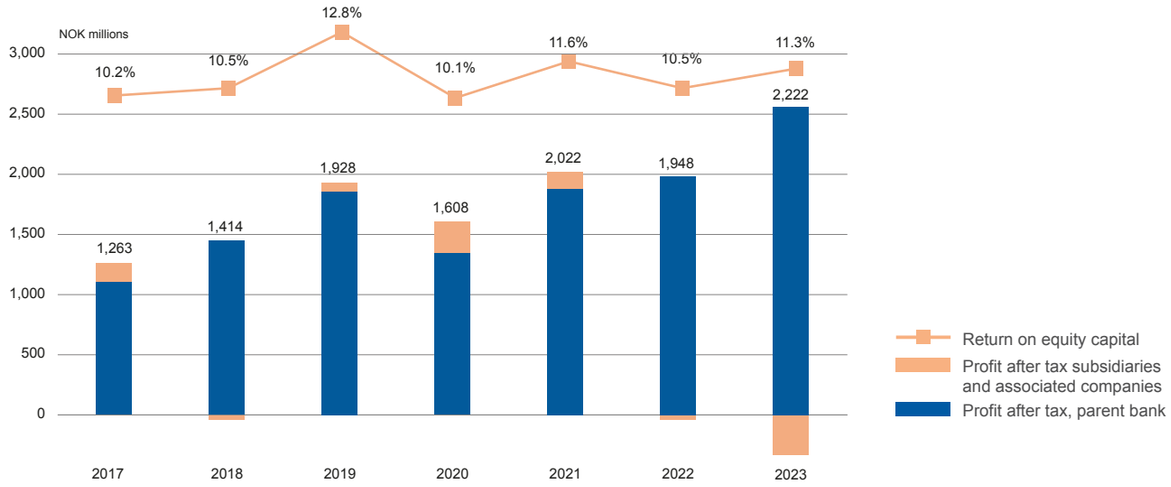
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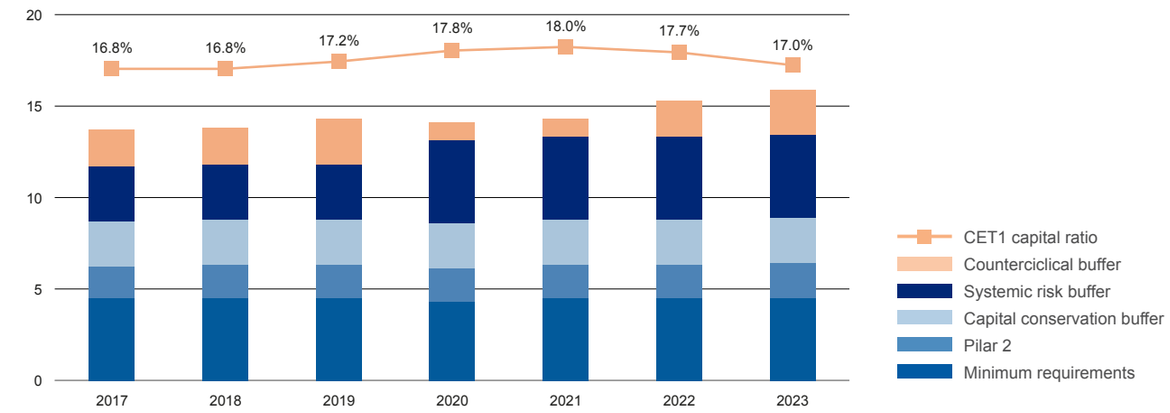
Selected key figures

Consolidated profit after tax

Including development of return on equity

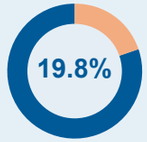


Development of Common Equity Tier 1 capital ratio

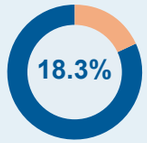


Green loans ratios

Green share of total lending

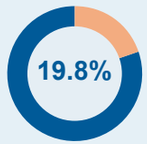


Green share of mortages



See page 76.

Green share of corporate lending



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Total greenhouse gas emissions 2023

The Bank`s total greenhouse gas emissions calculated in ton CO2-equivalents.

Own operations



820

ton CO2e

Housing mortgages portfolio retail market



19,254

ton CO2e

Lending portfolio corporate market



357,368

ton CO2e

Total emissions



377,443

ton CO2e

Ton CO2e	Own operations	Housing mortgages portfolio retail market	Lending portfolio corporate market	**Total emissions**
Direct emissions (scope 1)	4			5
Indirect emissions from purchased energy (scope 2)	595			595
Indirect emissions from supply chain (scope 3)	221	19,254	357,368	376,844
Total	**820**	**19,254**	**357,368**	**377,443**

For more information about historical emissions, methodology and assumptions, see page 63.

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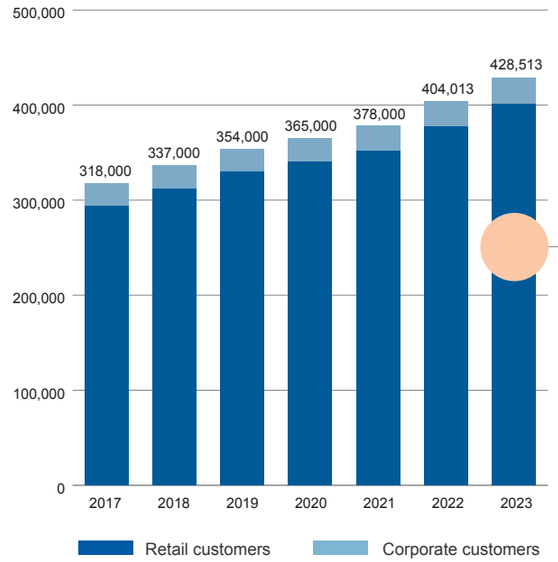
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No. of customers



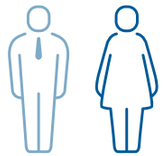
↑ 6.0%

428,500 (2023)



Employee satisfaction

Key Performance Indicator (KPI)
Score SpareBank 1 Østlandet



Total temperature 8

Commitment 8

Job enthusiasm 7,7

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

Gender ratio of women and men



Total 49% 51%

Management 60% 40%

Board of Directors 50% 50%

Group Management 60% 40%

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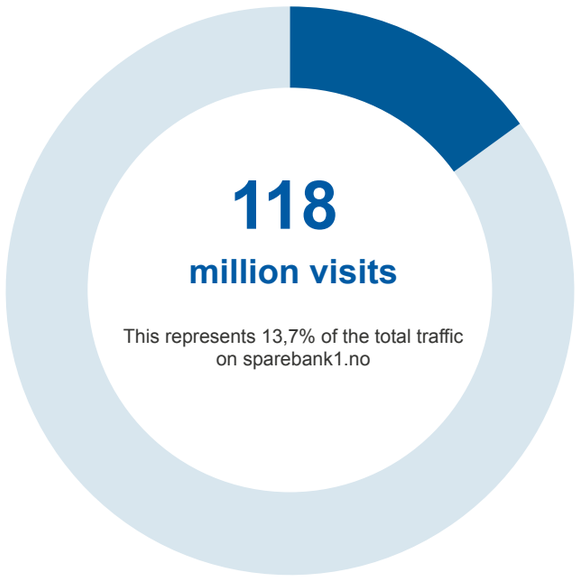
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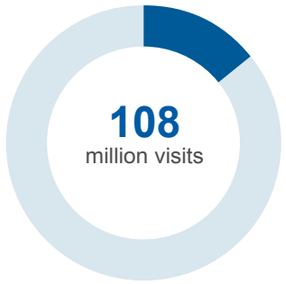
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Visits to digital channels

2023

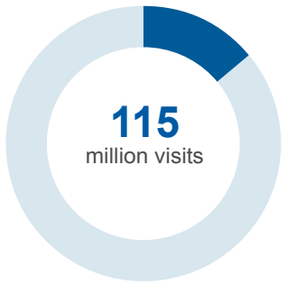


2022

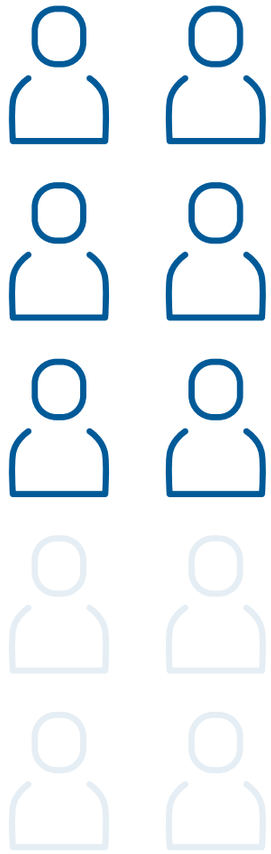


This represents 13,9% of the total traffic on sparebank1.no

2021



This represents 14,4% of the total traffic on sparebank1.no

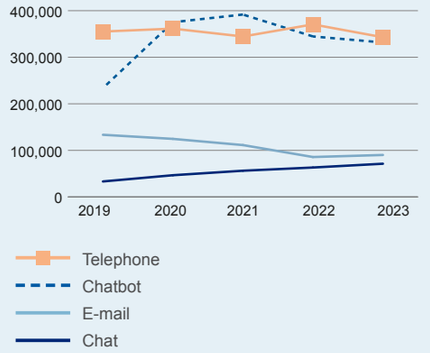


6 out of 10

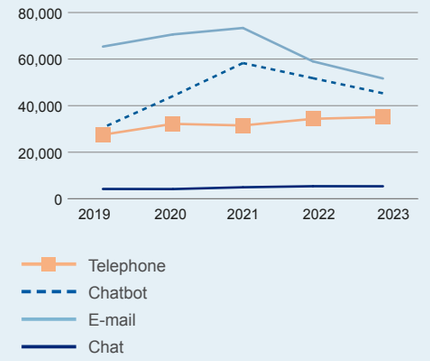
customers use only mobile banking

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.

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Secure banking in a turbulent global landscape

2023 was another year in which the international situation was demanding, characterised as it was by war and conflict, unstable macroeconomic conditions, high inflation, multiple interest rate hikes during the year and tougher conditions for many customers.

My last year as the Group CEO of SpareBank 1 Østlandet is now behind me. There were many years of stability up until the world locked down as a result of COVID-19 in March 2020, and since then war and unrest have raged in Europe and the Middle East. We live in a peaceful part of the world here in the north, although global conditions impact us from both a security policy perspective and an economic perspective. Inflation and higher interest rates have contributed to tighter personal finances for most people, although the indications from Norges Bank are that peak interest rates may have been reached if the slowdown of the Norwegian economy becomes more severe or the inflation rate falls.

From what we know from our own bank, as well as from our own surveys, the majority of our customers are still faring well, although more people are undoubtedly struggling to make ends meet. The hardest hit are those who were already having a hard time. They too need a bank they can discuss financial matters with. We are a savings bank that is known for sticking with our customers in good times and bad. Although, given the new Financial Contracts Act and new lending and cost models, we have to reject more applications than before, these cases must also be handled with respect and care for the people we have to disappoint with a no. We know that turbulent times are demanding for both customers and advisers.

The consolidated profit for 2023 reflects the circumstances we lived through in the past year. The profit after tax amounted to NOK 2 222 (1 948) million. The Bank saw good growth in lending and deposits throughout the year and this contributed to the increase in the Bank's total interest income in 2023. It was largely interest income that pulled the Group's profit in a positive direction, while increased credit losses, higher costs and reduced commission income from credit companies pulled in the opposite direction.

Sales of homes in the Bank's market area were lower, although customers still need loans for their various projects. The Group's overall lending growth was more than 5 per cent in 2023. Despite the somewhat tighter finances of both households and businesses, the fact that saving by customers also remains good is a good sign.

There were more challenges than normal in the corporate market, although in general small and medium-sized enterprises are demonstrating an ability to adapt to the changes. Restructuring companies and a long-term approach via good collaboration between the Bank and customers are helping ensure that more enterprises get over the hump. The Bank's losses were thus low at the end of the year. That said, we are still apprehensive about what the delayed effects of Covid-19, war and interest rate and price increases will be.

Over the course of 2023, we revised and clarified our strategic focus areas for the period up to 2025. The Bank will prioritise three key areas in the remainder of the strategy period: a differentiated distribution model for profitable growth and good customer experiences, greater implementation capacity and sustainable operations and development. In 2023, we developed a plan for the transition to net zero emissions in 2050, and we constantly strive to cut greenhouse gas emissions from our own operations and have a sustainable credit portfolio. Together with the customers and other partners, the Bank is contributing to the green transition and competitiveness.

SpareBank 1 Østlandet took some offensive steps during the year. First with the establishment of a new branch in Økern Portal in June. We recruited talented people who are now helping to create great results and bring in more new customers in the area.

During the year, we also negotiated a merger plan with Totens Sparebank. We are two banks with many similarities, shared values, common markets and a passionate commitment to local communities with short decision paths and proximity to customers. Right on the cusp of the new year, the boards of directors of the banks approved a merger plan that requires final decisions from the General Meeting and Supervisory Board of the respective banks, as well as the approval of the authorities, before the merger can be implemented. SpareBank 1 Østlandet has been Totens Sparebank's largest equity capital certificate holder for many years and it is pleasing that we will now be able to join forces and together strengthen Innlandet County's position in Eastern Norway.

I am retiring soon, and the Bank will sail safely on as a solid corporate citizen whose main mission will be to be a safe and stable source of funding for people and business in the region. On 01.04.2024, I will pass the baton to the Bank's new Group CEO, Klara-Lise Aasen from Skreia. She has an in-depth understanding of finance and solid experience from the industry. She will also make history after almost 180 years of only men heading the 23 former local banks from which today's SpareBank 1 Østlandet emerged. She has roots in every part of our market area, growing up by Lake Mjøsa, living in Bærum and having an apartment in Hamar. Given her background, her contribution to the Bank promises to be a good one for our employees, our customers and society as a whole.

After an almost 30-year long history with SpareBank 1 Østlandet thanks to having been a board member, Chairman of the Board and, ultimately, Group CEO for 14 years, it is mainly with a sense of wistfulness that I am stepping down, albeit while looking forward to more leisure time and time with family and friends. It has been an educational, interesting and exciting period of my professional life, and not least it has been incredibly nice getting to know so many greatly skilled colleagues and good customers.

I would like to thank both employees and customers of SpareBank 1 Østlandet for the long, enriching time we worked together, and I wish you all the best for your continued success.

Richard Heiberg



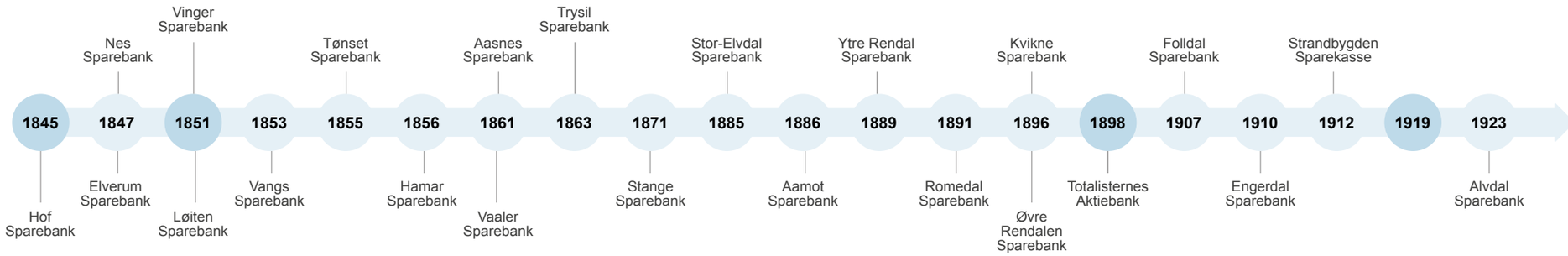
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Our proud history – from grain to group

SpareBank 1 Østlandet's proud and solid history stretches all the way back to 1845. Over the course of 178 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.

THE ORIGIN OF SAVINGS BANKS

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.



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.


Afholdsfolkets Bank!
I „Fællesudvalgets Sparekasseforening"
afholdes
Generalforsamling

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 thestrikes taking place at that time in Norway.



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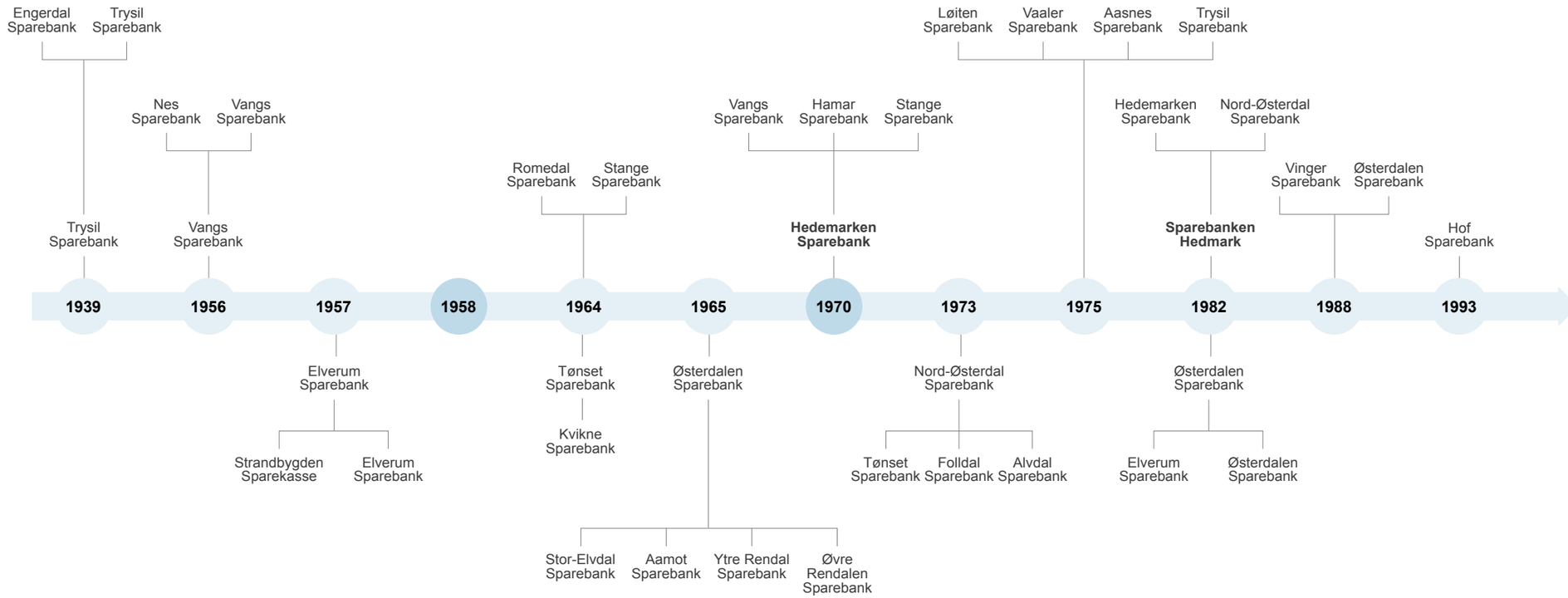
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THE SAVINGS BANKS ARE MERGING

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.



1958

Check 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.



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THE BANK IS GROWING AND RENEWING ITSELF

The great digitalization in the banking industry really begins with the launch of online banking in 1996. Since then, the bank has expanded and become a bank for Østlandet.

1996

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



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 step out of Hedmark county and opens a branch in Gjøvik. Next came Lillehammer, 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.

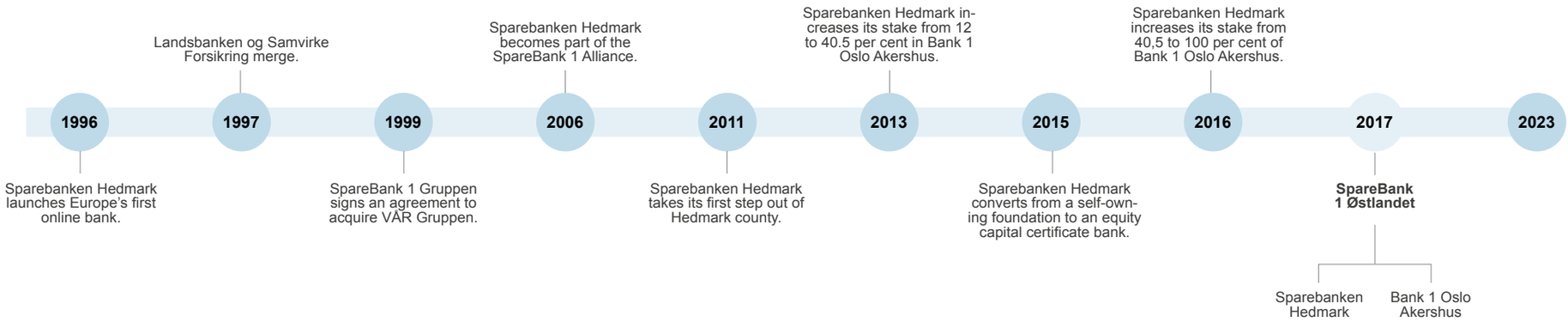


2017

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.

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.

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.



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.

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.

Listed on 13 June



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The Bank is off to the museum.

The Bank is off to the museum
In February, Anno Museum and SpareBank 1 Østlandet signed a cooperation agreement designed to highlight and preserve the history of the savings bank for posterity.

Collected used equipment for the Ski Bank
The Ski Bank is an initiative designed to prevent exclusion. In February and March, the Bank collected used equipment, which was then distributed to clubs, institutions and organisations. Free skiing equipment for children and youth were distributed via sports teams and schools in December.

Top MSCI ESG rating score
In February, the Bank scored a triple A from MSCI ESG Ratings. The factors MSCI measures include the company's management of financially relevant ESG risks and opportunities.

SpareBank 1 tops Sustainable Brand Index
In March, Norwegian consumers ranked the SpareBank 1 brand the most sustainable in the banking category in the Sustainable Brand Index 2023.

Rate hike
In March, the Bank raised its lending rates by up to 0.25 percentage points and its deposit rates by up to 0.30 percentage points.



New branch opened in central Oslo.

6 years of customer dividends
In 2023, the Bank paid out customer dividends for the sixth year in a row, and in April customers received a total of NOK 306 million.

Innovation award for Bonderekrutten
Together with the farmers' association Innlandet Bondelag, the Bank showed its appreciation for good student ideas at agricultural schools in Innlandet County. In May, the youth company Bonderekrutten at Jønsberg Upper Secondary School won the year's innovation award for its idea of disseminating agricultural knowledge to kindergarten children.

New branch opened in central Oslo
In June, Group CEO Richard Heiberg cut the traditional ribbon and welcomed the Bank's new state-of-the-art branch in Økern Portal in central Oslo. This strengthens the Bank's venture in the capital.

Group CEO to retire
In June, long-serving Group CEO Richard Heiberg announced he would retire in 2024. Heiberg will continue to work full-time until his successor is in place.

Rate hike
In May, the Bank raised interest rates by up to 0.25 percentage points, and in June it raised interest rates by up to 0.5 percentage points.



Collaboration for greener homes.

Special flood loans for agriculture
In August, the extreme weather event Storm Hans caused major material damage. The Bank established a special flood loan to help farmers whose liquidity was temporarily put under immense pressure due to the damage.

Collaboration for greener homes
In September, SpareBank 1 Østlandet, EiendomsMegler 1 Innlandet and Takstgruppen started a pilot project in which together they will help customer make their homes more energy and climate-friendly. In connection with the project, appraisal reports have been developed that include a plan for improving the energy efficiency of the individual homes.

Circular economy action plan
How can banks create a circular economy? During Arendal Week in August, we invited participants to a round table conference with the Minister of Trade and Industry, actors in the financial services industry and industry associations. Knowledge was jointly produced here that resulted in a circular economy action plan for banks.

Rate hike
The Bank raised interest rates by up to 0.25 percentage points in both August and September.



Klara-Lise Aasen new Group CEO.

Cyber security collaboration
In October, "Security Month", the SpareBank 1 banks partnered with the Norwegian Centre for Information Security (NorSIS) on a nationwide security culture survey. The main theme was social engineering.

The results were shared in various forums in order to increase the cyber security competence and awareness of the public, business and society as a whole.

Klara-Lise Aasen new Group CEO
In November, Klara-Lise Aasen accepted the position of new Group CEO of SpareBank 1 Østlandet. She will be the first woman Group CEO in the Bank's history and will start work on 01.04.2024.

Won tender for Hamar Municipality
In December, we signed a new agreement with Hamar Municipality. The Bank will remain the municipality's main bank after winning the tender competition for the third time in a row.

Rate hike
In December, the Bank raised mortgage and deposit rates by up to 0.25 percentage points.

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Half a lifetime with the Bank

On 01.04.2024, Richard Heiberg will step down as the Group CEO of SpareBank 1 Østlandet after a total of almost 30 years as a board member, Chairman of the Board and Group CEO. That is starting to look like a lifetime here.

Richard Heiberg joined the Bank as a board member 29 years ago. 10 years later he became Chairman of the Board and 14 years ago he took over as the CEO of Sparebanken Hedmark. Structural development has been a common thread throughout Richard Heiberg's professional career. However, something else tops the list of memories when he looks back on his years as Group CEO of SpareBank 1 Østlandet.

Open and welcoming
"The tour I took of the branches when I became the Group CEO in 2010 was a very positive experience. I met those who worked in both the rural and urban districts and got to know the regions. I was welcomed with openness and interest. They wanted to know what I stood for. That warm reception made an impression on me."

The Mjøsa region first and then Akershus
"Just one year later in 2011, the structural changes started when the Bank stepped over the county border for the first time. We took over SpareBank 1 Ringerike Hadeland's branch in Gjøvik, and in Lillehammer we took over after Totens Sparebank. These were important small steps towards becoming a bigger bank with a larger catchment area. Even then we had our eye on Totens Sparebank, and over the years we gradually increased our stake and eventually became its largest owner with 24.9 per cent of its equity capital certificates. In 2012, the Bank took over the Årnes branch of Bank 1 Oslo Akershus. This meant that Sparebanken Hedmark had grown larger both to the west and to the north in the Mjøsa region and had also made its way southwards and into Akershus."

Our journey with Bank 1 Oslo Akershus
"That is when the SpareBank 1 Alliance's discussion about who would take responsibility for Bank 1 Oslo Akershus started. After the bank was spun out of SpareBank 1 Gruppen, it was directly owned by the SpareBank 1 banks and the Norwegian Confederation of Trade Unions (LO). Many were interested but there was general agreement that Sparebanken Hedmark was a good match. Bank 1 Oslo Akershus had the market and Sparebanken Hedmark had the capital. LO stated that it was best that the Hedmarkings take over."

"In 2013, Sparebanken Hedmark increased its stake to 40.5 per cent of the shares in Bank 1 Oslo Akershus. The conversion of Sparebanken Hedmark to an equity capital certificate bank then started as part of the process of being able to acquire all of Bank 1 Oslo Akershus. This happened at the end of 2016, and it became a subsidiary of Sparebanken Hedmark. The Bank needed a means of settling with the other owners, i.e. equity capital certificates. The Sparebankstiftelsen Hedmark foundation was established as a foundation with strong capital to which ownership of 60 per cent of the Bank's primary capital was transferred. On 01.04.2017, Sparebanken Hedmark completed a legal merger with Bank 1 Oslo Akershus and changed its name to SpareBank 1 Østlandet."



Richard Heiberg picks up the baton from his predecessor Harry Konterud.

2017 – first bank to pay out customer dividends
"In connection with the establishment of the Bank as an equity capital certificate bank, the Bank became the first bank in Norway to pay out customer dividends. From then onwards, all customers with loans and deposits have received a share of the Bank's profits, contingent on the approval of the Supervisory Board. This allowed the Bank to both share its profits with its customers and counter dilution of the equity capital certificate. Since that time, the Bank has paid out a total of more than NOK 1.5 billion in customer dividends. Over the years, several savings banks have copied the idea."

Ringing the stock exchange bell
On 13.06.2017, a few months after the merger, the Bank was listed after a hectic and exciting roadshow with investors at home and abroad, as well as local investors and customers out in the countryside and cities. Standing on the stock exchange balcony on 13.06.2017 and ringing the bell was a solemn occasion. Never before had so many local owners invested in one company said the director of the stock exchange.

Partnership with LO – a success
LO and its unions became the second largest owner of the Bank and has since been represented on the Bank's Board of Directors. For the past 5 years, SpareBank 1 Østlandet has been one of two preferred banks selling LOfavør loan products. This has resulted in good growth for several years. "Our experiences with LO as a partner and, not least, as a professional major owner of the Bank have been nothing but good." (Story continues on next page.)

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Totens Sparebank – on the block for many years

"In 2023, we negotiated a merger agreement with Totens Sparebank. This was approved by the boards of directors of the banks in the new year. Final approval is required from the banks' supreme bodies and the authorities. Structural changes are important when it comes to making a business stronger and more competitive. The latest case concerning Totens Sparebank is about strengthening a common home market in the Mjøsa region and being stronger together in this part of Eastern Norway."

"SpareBank 1 Østlandet has managed to preserve the Bank's relative size among the largest regional banks in Norway. More customers, more professional jobs with opportunities for internal career development, a stronger commitment to sustainability and the ability to comply with increasingly stricter regulations make this important. Continued growth in line with social developments and the SpareBank 1 Alliance is important. At the same time, we must protect the relational strength of having a bricks and mortar presence in rural and urban districts."

Our community mission is key

"We have seen steady progress in the Bank's results from NOK 1 billion in equity in 1995 to NOK 22 billion today. The Bank's financial strength is important, partly because Norwegian banks are required by the authorities to be financially strong enough to cope with downturns. We have always been financially strong and profitable. We have posted good profits thanks to good banking craftsmanship and good customers. I am proud that the Bank has played and is still playing such an important role in social development, especially in Innlandet County. Our local presence means that we have short decision-making paths and know the market and our customers well."

"With secure deposits and loans, large amounts of tax for society, customer dividends, dividends for owners, contributions to sponsored activities in rural and urban districts, as well as large donations from the foundation to many different causes, we support the local communities and urban areas of which we are a part. We also started focusing on sustainability early on. This has helped us achieve lots of good scores and feedback from rating agencies and others. Today, sustainability has been integrated into all of our work, and this area demands ever more of us with the aim of solving the major challenges of our time."

The leadership style of the Group CEO

"None of what has happened during my time leading the Bank has been a one man show. I have had a very capable and self-motivated management team in addition to all of the other clever people in the Group. I have not needed to dive deep into all the details, unless asked to by the relevant manager. Mutual trust is vital. Involving and actively using managers, sticking by important decisions and keeping things informal are keywords as far as my leadership style is concerned. I do not think that anyone is afraid to talk to me, whatever their seniority."

Right balance of power, wisdom and sense

"In the role of Group CEO, you need to find the right balance between power and influence and wisdom and good sense. Having been around the block a few times and being willing to accept change are also useful. You have to stick at it when things get uncomfortable, steel yourself and tolerate headwinds. The most challenging part of this job have probably been all of the regulatory instructions, government requirements and reporting areas, which have increased every year. This is also one reason why many banks are now joining forces. It is a complicated area that requires considerable resources and also means that the bureaucracy in banks is growing sharply."

Most grateful for…

"I am grateful to have had the opportunity to sit at the top of a expertise company like SpareBank 1 Østlandet for 14 years. I have had the chance to contribute to the development of customers and local communities. We live up to our vision of 'Creating together' and our core values, proficient, accessible and dedication, every single day. I am grateful that I have been able to work with so many people who are passionate about their job and meet so many capable customers. It has been an education, and the role is far more complex and diverse than I perceived it to be when I was the Chairman of the Board.

I am also grateful that I have had a patient boss at home who has allowed me to devote so much time to work-related duties. I am now looking forward to spending time with my family and not least our four grandchildren aged 1 to 5."

Final words

SpareBank 1 Østlandet will now sail safely on into new waters, larger and stronger than before. It has turned into a long voyage for the 180-year-old bank and 67-year-old Richard Heiberg has spent almost half of his professional life on board. On 01.04.2024, Klara-Lise Aasen, who is originally from Skreia in Toten, will take over the helm as the new Group CEO and become the first woman in the top job in the Bank's history.



In London to promote the Bank's equity certificates in 2017.



Signing a cooperation agreement on mortgages for LO members in 2019.



Celebration of the Bank being listed on the stock exchange on June 13, 2017.



Five years of customer dividends are celebrated in Elverum 2022.

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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.

Profitability

From 2023, the Group changed its profitability target for its return on equity to an at least 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 return on equity was 11.3 per cent for 2023. The Group did not achieve its profitability target in 2023 due to increased credit losses and operating cost as well as weaker than normal contributions from subsidiaries and associated companies. The planned integration with Totens Sparebank will further contribute to economies of scale.

Dividends

The Bank's dividend policy has been designed to balance the owners' desire for dividends with funding the Bank's growth ambitions and the need for adequate financial strength. Decisions on allocating the annual profit are based on an appropriate capital structure given current and expected capital adequacy rules. At the same time, as the dividend policy aims to provide predictability about future dividends, it is flexible and depends on factors such as financial performance and capital adequacy. For 2023, the Board of Directors is proposing to the Supervisory Board a dividend equivalent to 60 per cent of the majority's share of the consolidated profit. This reflects a continuing strong financial position as well as an expectation of lower credit growth in the Bank's market area in the time ahead.

Financial Strength

The Group's target for financial strength is a regulatory capital adequacy of 1 percentage point above the regulatory requirement. At the end of 2023, the Group's CET1 capital ratio was 17.0 per cent, which was well above its financial strength target.

Costs

High underlying inflation in society combined with the implementation of planned strategic initiatives were important contributing factors to the Bank's higher than aimed for growth in expenses in the past year. Costs in the parent bank grew by 10.5 per cent in 2023, compared with a cost growth target of less than 5 per cent. The Board stresses that good cost control is important given the strong external cost pressures, with reference to the goal of profitability.

			2024	2023	2022	2021	2020	2019	2018	2017
Profitability	Return on equity	Target	12.0%	**12.0%**	11.0%	11.0%	11.0%	10.0%	10.0%	10.0%
		Achievement		**11.3%**	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%	50%
		Achievement		**60%**	60%	50%	50%	40%[2]	50%	50%
Solvency ratio	CET 1 ratio	Target	16.1%[1]	**16.8%** [1]	16.3%[1]	15.3%[1]	15.1%[1]	16.0%	16.0%	16.0%
		Achievement		**17.0%**	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		**10.5%**	6.1%	4.3%	-0.4%	2.5%	-5.3%	

[1] Regulatory requirements + 100 bp.

[2] 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.

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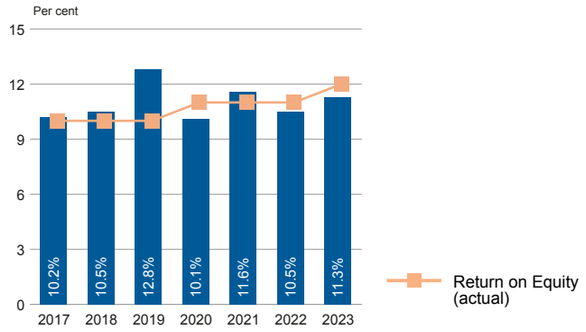
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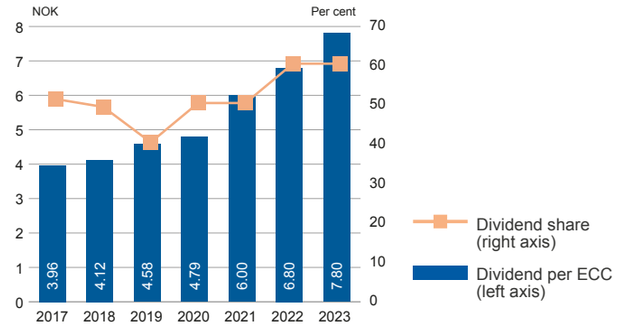
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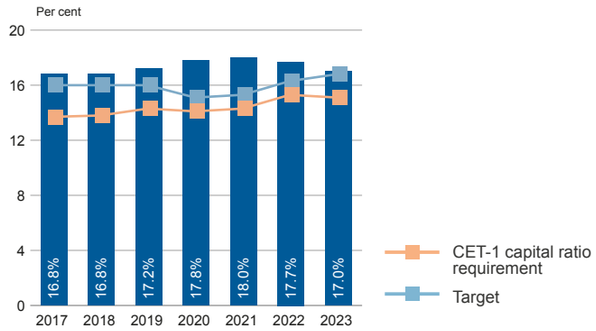
Return on equity



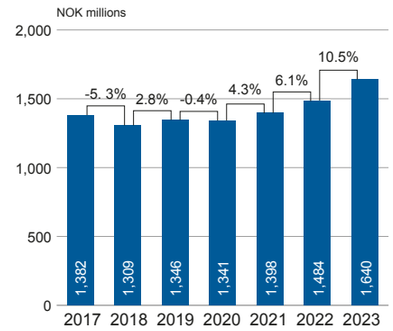
Dividend and dividend share



CET-1 capital ratio



Operating costs in parent bank



– The consolidated profit for 2023 reflects the circumstances we lived through in the past year. The profit after tax amounted to NOK 2,222 million and the return on equity ended at 11.3 per cent.

Richard Heiberg, CEO

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Summary	**2023**	2022	2021	2020	2019	2018	2017
NOK millions							
Net interest income	**3,655**	2,693	2,161	2,177	2,166	2,074	1,956
Net commissions and other operating income	**1,455**	1,588	1,663	1,441	1,388	1,286	1,263
Net profit from financial assets and liabilities	**233**	162	599	545	735	291	277
Total net income	**5,343**	**4,443**	**4,423**	**4,164**	**4,289**	**3,651**	**3,496**
Total operating expenses	**2,191**	**2,037**	**1,980**	**1,902**	**1,930**	**1,881**	**1,898**
Operating profit before losses on loans and guarantees	**3,152**	**2,406**	**2,443**	**2,262**	**2,359**	**1,770**	**1,598**
Impairment on loans and guarantees	**307**	27	5	330	32	35	-20
Pre-tax operating profit	**2,845**	**2,379**	**2,438**	**1,932**	**2,326**	**1,735**	**1,618**
Tax expense	**623**	431	416	323	398	321	356
Profit after tax	**2,222**	**1,948**	**2,022**	**1,608**	**1,928**	**1,414**	**1,263**
Interest expenses on hybrid capital	**70**	47	27	20	15	17	13
Profit after tax incl. Interest on hybrid capital[1)]	**2,153**	1,902	1,994	1,589	1,913	1,396	1,250

Profitability	**2023**	2022	2021	2020	2019	2018	2017
Return on equity capital[1)]	**11.3%**	10.5%	11.6%	10.1%	12.8%	10.5%	10.2%
Cost-income-ratio[1)]	**41.0%**	45.8%	44.8%	45.7%	45.0%	51.5%	54.3%
Net interest income calculated as a percentage of average assets	**2.11%**	1.63%	1.42%	1.51%	1.66%	1.77%	1.86%
Profit after tax calculated as a percentage of average total assets	**1.28%**	1.18%	1.33%	1.12%	1.48%	1.20%	1.20%

From the balance sheet	**2023**	2022	2021	2020	2019	2018	2017
NOK mill./per cent							
Gross loans to customers	**133,681**	130,851	121,284	113,368	107,035	98,940	90,460
Gross loans to customers including loans transferred to covered bond companies[1)]	**198,645**	188,729	173,700	161,259	150,688	140,165	129,535
Growth in loans during the last 12 months[1)]	**2.2%**	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)]	**5.3%**	8.7%	7.7%	7.0%	7.5%	8.2%	8.4%
Deposits from customers	**106,535**	98,813	92,178	85,613	78,494	71,497	65,985
Growth in deposits in the last 12 months[1)]	**7.8%**	7.2%	7.7%	9.1%	9.8%	8.4%	4.6%
Deposit-to-loan-ratio[1)]	**79.7%**	75.5%	76.0%	75.5%	73.3%	72.3%	72.9%
Deposit to loan ratio incl. loans transferred to covered bond companies[1)]	**53.6%**	52.4%	53.1%	53.1%	52.1%	51.0%	50.9%
Average total assets[1)]	**173,318**	165,140	152,242	144,108	130,394	117,358	105,157
Total assets[1)]	**176,333**	170,547	155,459	146,074	134,783	123,472	108,321
Total assets including loans transferred to covered bond companies [1)]	**241,298**	228,425	207,875	193,964	178,436	164,696	147,396

[1)] See attachment regarding Alternative performance measures.

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Losses and commitments in default [2]	**2023**	2022	2021	2020	2019	2018	2017
Impairment on loans as a percentage of gross loans[1]	**0.2%**	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]	**10.2%**	9.0%	8.6%	8.3%	7.4%		
Loans to and receivables from customers in stage 3, percentage of gross loans[1]	**1.4%**	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	**2023**	2022	2021	2020	2019	2018	2017
CET 1 capital ratio	**17.0%**	17.7%	18.0%	17.8%	17.2%	16.8%	16.8%
Tier 1 capital ratio	**18.2%**	19.0%	19.4%	18.8%	17.9%	17.6%	17.7%
Capital adequacy ratio	**19.9%**	20.7%	21.1%	20.8%	19.8%	19.6%	20.5%
Total eligible capital	**19,987**	18,854	17,933	16,704	15,444	14,672	14,138
Equity ratio[1]	**11.7%**	11.7%	12.0%	11.7%	11.8%	12.0%	12.3%
Leverage Ratio	**7.0%**	7.2%	7.3%	7.2%	7.2%	7.5%	7.1%
MREL[3]	**62.8%**	72.1%					
Of which suobordinated[4]	**31.0%**	28.9%					
Required capital MREL[3]	**36.3%**	35.6%					
Of which suobordinated[4]	**29.3%**	26.6%					
LCR[5]	**174.9%**	164.5%	131.6%	140.6%	162.2%	152.5%	114.0%
LCR in NOK[5]	**138.1%**	150.4%	127.4%	130.5%	147.1%	164.2%	113.0%
LCR i EUR[5]	**1,207.3%**	976.2%	231.0%	619.0%	1,248.3%	123.2%	
NSFR[6]	**128.6%**	125.3%	126.9%				
NSFR in NOK[6]	**114.7%**	109.4%	108.4%				
NSFR in EUR[6]	**1,314.3%**	847.1%	2,294.2%				

[1] See attachment regarding Alternative performance measures.
[2] From 2019, SpareBank 1 Østlandet changed key figures related to Losses and commitments in default as a result of the transition to IFRS 9.
[3] MREL: Minimum requirement for own funds and eligible liabilities compared to risk-weighted exposures for the resolution entity.
[4] Subordination: Minimum requirement for own funds and subordinated liabilities compared to risk-weighted exposures for the resolution entity.
[5] Liquidity Coverage Ratio: Measures the size of banks' liquid assets relative to net liquidity output 30 days ahead of time given a stress situation.
[6] Net Stable Funding Ratio: Measures the bank's available stable funding in relation to the bank's need for stable funding for the following year.

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Sustainability	**2023**	2022	2021	2020	2019	2018	2017
Share green loans [7]	**19.8%**	17.2%	16.3%				
Total greenhouse gas emissions (Scope 1, 2 and 3) tCO2e [8]	**377,443**	268,036	931,632	771,169	628,049		
Rating MSCI	**AAA**	AAA	AA	A	A		
Rating Sustaianlytics	**9.2**	8.5	12.3	21.9	23.8		
Rating CDP	**A**	A	A-	A			
Sick leave [9]	**5.2%**	4.2%	3.7%	4.0%	4.5%	4.0%	4.0%
Percentage of women [9]	**51.0%**	49.7%	51.6%	51.9%	52.2%	53.0%	53.0%
Percentage of women in managerial positions [9]	**40.0%**	41.0%	42.2%	36.1%	35.8%	39.0%	39.0%
Turnover [9]	**4.8%**	5.0%	5.1%	3.8%	4.6%	2.0%	2.0%

Other	**2023**	2022	2021	2020	2019	2018	2017
Number of fulltime equivalents	**1,155**	1,121	1,137	1,149	1,127	1,139	1,109
Number of branches [9]	**37**	36	36	37	37	38	38
Number of customers in total [9]	**428,513**	404,013	377,817	365,108	353,713	336,728	318,507
Number of complaints [9]	**358**	258	298	335	383	252	169

Equit capital certificates (EC) [10]	**2023**	2022	2021	2020	2019	2018	2017
ECC ratio	**69.9%**	70.0%	70.0%	70.0%	70.1%	69.3%	67.6%
Average ECC ratio	**70.0%**	70.0%	69.8%	70.1%	69.3%	67.7%	67.5%
Number of EC's issued	**115,829,789**	115,829,789	115,829,789	115,829,789	115,829,789	115,319,521	107,179,987
Market price (NOK)	**132.60**	121.20	145.60	97.80	92.50	83.00	90.50
Market capitalisation (NOK million)	**15,359**	14,039	16,865	11,328	10,714	9,572	9,700
Book equity per EC (NOK) [1]	**117.11**	112.71	106.31	98.76	93.67	85.83	80.96
Earnings per EC (NOK) [11]	**12.99**	11.37	11.96	9.57	11.55	8.46	7.81
Dividend per EC (NOK) [12]	**7.80**	6.80	6.00	4.79	4.58	4.12	3.96
Price/Earnings per EC (NOK) [1]	**10.21**	10.66	12.18	10.22	8.01	9.81	11.59
Price/book equity (NOK) [1]	**1.13**	1.08	1.37	0.99	0.99	0.97	1.12

[1] See attachment regarding Alternative performance measures.
[2] From 2019, SpareBank 1 Østlandet changed key figures related to Losses and commitments in default as a result of the transition to IFRS 9.
[3] MREL: Minimum requirement for own funds and eligible liabilities compared to risk-weighted exposures for the resolution entity.
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[5] Liquidity Coverage Ratio: Measures the size of banks' liquid assets relative to net liquidity output 30 days ahead of time given a stress situation.
[6] Net Stable Funding Ratio: Measures the bank's available stable funding in relation to the bank's need for stable funding for the following year.
[7] 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.
[8] Total greenhouse gas emissions for 2020 and 2019 only include own operations and corporate lending. For 2021 and forward is also mortgages included. The change between 2021 and 2022 are due to changes in calculation factors (for more information see the chapter "Green transition" in the Annual Report.)
[9] Numbers are for parent bank only.
[10] SpareBank 1 Østlandet was listed on the stock exchange on 13 June 2017.
[11] Profit after tax and interest expenses on hybrid capital for controlling interests * Averave ECC ratio / number of ECC's
[12] 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 per cent. The dividend per ECC was changed from NOK 5.72 to NOK 4.58.

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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 June 2017 under the ticker SPOL.

The equity capital was increased in connection with the acquisition of Bank 1 Oslo Akershus. At the end of 2023, the equity capital ratio represented 69.9 per cent of the Bank's equity. Booked equity capital at the end of 2023 amounted to NOK 13 565 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 (ECC)[1)]

	2023	2022	2021	2020	2019	2018	2017
Market price per 31 December, NOK	**132.6**	121.2	145.6	97.8	92.5	83.0	90.5
- Highest	**137.8**	153.4	145.8	101.0	92.5	96.7	93.2
- Lowest	**113.2**	105.6	96.6	70.1	80.8	80.4	78.0
No. of equity capital certificates issued as at 31.12	**115,829**	115,829	115,829	115,829	115,829	115,319	107,179
No. of equity capital certificate holders as at 31.12	**5,830**	5,777	5,658	5,122	5,008	5,021	4,835
Market cap as at 31.12 (NOK mill.)	**15,359**	14,039	16,865	11,328	10,714	9,572	9,700
Equity capital ratio as at 31.12, %	**69.9%**	70.0%	70.0%	70.0%	70.1%	69.3%	67.6%
Average equity capital ratio	**70.0%**	70.0%	69.8%	70.1%	69.3%	67.7%	67.5%
Average daily volume traded (in thousands of ECCs)	**42.5**	45.0	36.0	61.9	42.8	29.8	79.5
Annual volume traded (in thousands of ECCs)	**10,756**	11,379	9,067	15,608	10,654	7,430	11,282
Average daily volume traded (NOK millions)	**5.3**	5.6	4.4	5.6	3.7	2.6	6.6
Annual volume traded (NOK mill.)	**1,342**	1,426	1,098	1,411	916	652	935
Earnings per equity capital certificate, NOK[2)]	**12.99**	11.37	11.96	9.57	11.55	8.46	7.81
Dividend per equity capital certificate, NOK[3)]	**7.80**	6.80	6.00	4.79	4.58	4.12	3.96
Payout ratio, %[4)]	**60.0%**	59.8%	50.2%	50.1%	39.6%	48.7%	50.7%
Direct return, %[5)]	**5.9%**	5.6%	4.1%	4.9%	5.0%	5.0%	4.4%
Total return, %[6)]	**15.9%**	-13.2%	54.6%	12.3%	17.0%	-4.1%	16.0%
Book equity per ECC, NOK[7)]	**117.11**	112.71	106.31	98.76	93.67	85.83	80.96
Price/book equity, NOK[7)]	**1.13**	1.08	1.37	0.99	0.99	0.97	1.12
Price/earnings per ECC, NOK[7)]	**10.21**	10.66	12.18	10.22	8.01	9.81	11.59

1) SpareBank 1 Østlandet was listed on 13.06.2017.
2) Profit after tax and interest on additional Tier 1 capital for controlling interest * 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 dividend reinvestment.
7) APMs are defined in a separate chapter of the report.

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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 109 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 March 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.

Since the Bank's conversion to an equity capital certificate bank, the dividends have on average been in line with this policy. The dividend policy does not prevent the dividend distribution ratio from deviating from 50 per cent. For example, for the 2019 and 2022 fiscal years, the dividend distribution ratios were 40 per cent and 60 per cent, respectively. For the 2023 fiscal year, the Board of Directors has proposed a dividend to the Bank's Supervisory Board of NOK 7.80 on earnings of 12.99 per equity capital certificate. This corresponds to a dividend ratio of 60 per cent. The proposed dividend must be seen in the context of the Bank's financial strength and high capital adequacy.

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 381 million for 2023.

FIG. 1 Dividends for owners

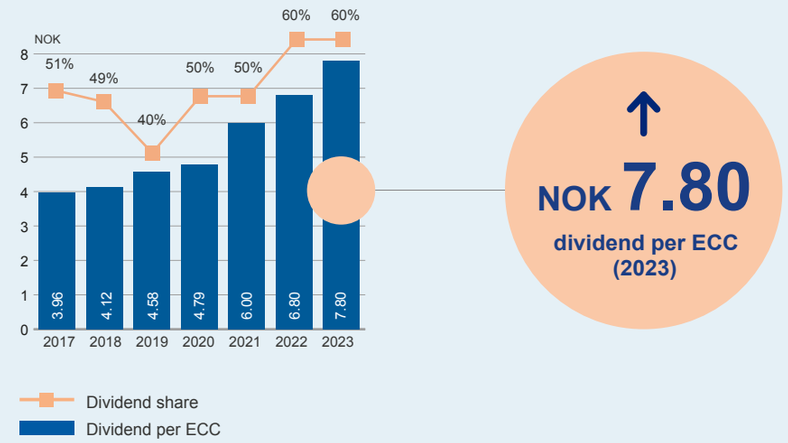


FIG. 2 Geographical distribution of investors
Per cent of holding

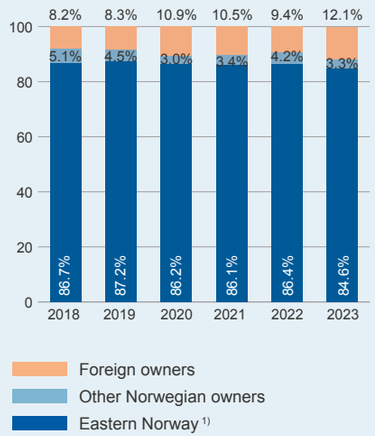
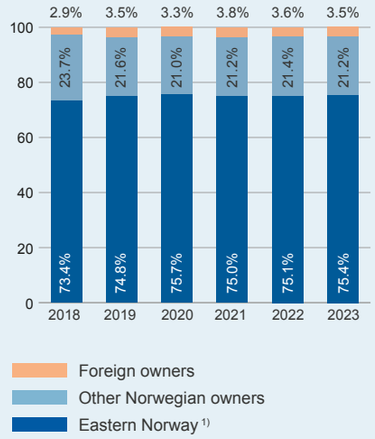


FIG. 3 Geographical distribution of investors
Per cent of number



1) Eastern Norway (Østlandet) is defined as Oslo, Innlandet and Akershus.

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Owner composition

SpareBank 1 Østlandet is interested in broad and local ownership. At the end of the year, the Bank had 5 830 private and institutional owners (5 777 at the end of 2022), of which 4 393 lived in Oslo, Innlandet and Viken (4 336 in 2022). In terms of market value, around 88 per cent of the equity capital certificates were held by investors resident in Norway. The proportion of foreign investors increased in 2023. 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 2024. The programme allowed employees to invest up to NOK 3 000 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. Over the course of 2023, 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 www.sparebankstiftelsenhedmark.no for more information about the foundation).

Largest owners

	2023		2022		
20 largest holders of equity capital certificates	No. of equity capital certificates	Share in per cent	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 Norge AS	3,903,401	3.37%	3,602,685	300,716	▲
Pareto AS	2,742,942	2.37%	1,802,681	940,261	▲
Geveran Trading Co LTD	2,451,587	2.12%	2,301,587	150,000	▲
Fellesforbundet	2,391,954	2.07%	2,391,954		—
Brown Brothers Harriman & Co. *(nominee)*	2,046,307	1.77%		2,046,307	▲
VPF Eika Egenkapitalbevis	1,867,811	1.61%	2,186,236	(318,425)	▼
Kommunal Landspensjonskasse Gjensidig Forsikring	1,342,273	1.16%	1,171,544	170,729	▲
Norsk Nærings- og Nytelsesmiddelarbeiderforbund	1,313,555	1.13%	1,313,555		—
Brown Brothers Harriman & Co. *(nominee)*	1,258,800	1.09%		1 258,800	▲
JPMorgan Chase Bank, London *(nominee)*	930,640	0.80%	544,401	386,239	▲
State Street Bank and Trust Company *(nominee)*	911,859	0.79%	596,747	315,112	▲
Tredje AP-fonden	804,750	0.69%	804,750		—
The Bank of New York Mellon SA/NV *(nominee)*	730,724	0.63%	868,454	(137,730)	▼
Spesialfondet Borea Utbytte	684,902	0.59%	1,567,586	(882,684)	▼
Fagforbundet	622,246	0.54%	622,246		—
Industri Energi	479,443	0.41%	479,443		—
VPF Storebrand Norge	460,310	0.40%	470,250	(9,940)	▼
Brown Brothers Harriman & Co. *(nominee)*	427,188	0.37%	568,688	(141,500)	▼
Total 20 largest holders of equity capital certificates	**96,897,221**	**83.65%**	**92,819,336**	**4,077,885**	▲
Other holders	18,932,568	16.35%	23,010,453	(4,077,885)	▼
Totalt no. of equity capital certificates	**115,829,789**	**100%**	**115,829,789**		

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FIG. 4 **Total return, Close, NOK**
(rebase 12.06.2017=100)

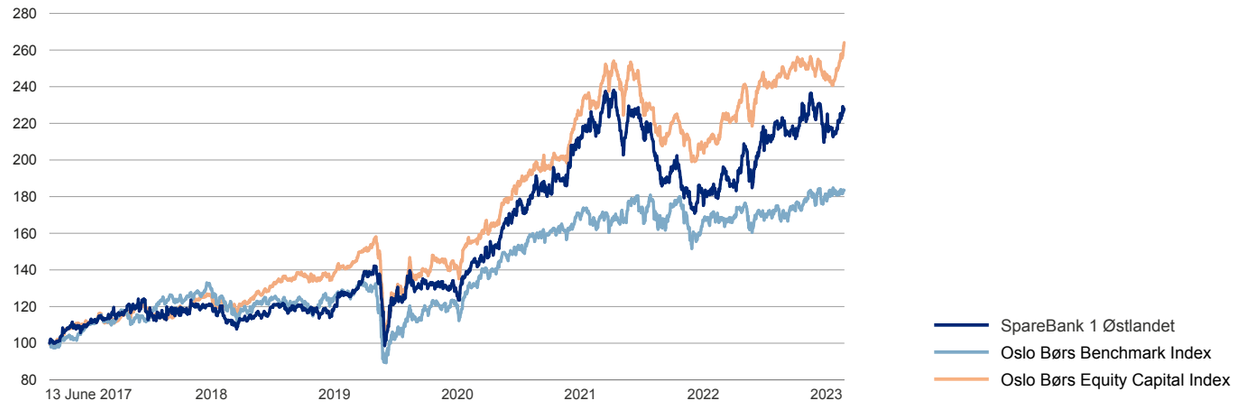


FIG. 5 **Price and trading volume SPOL**

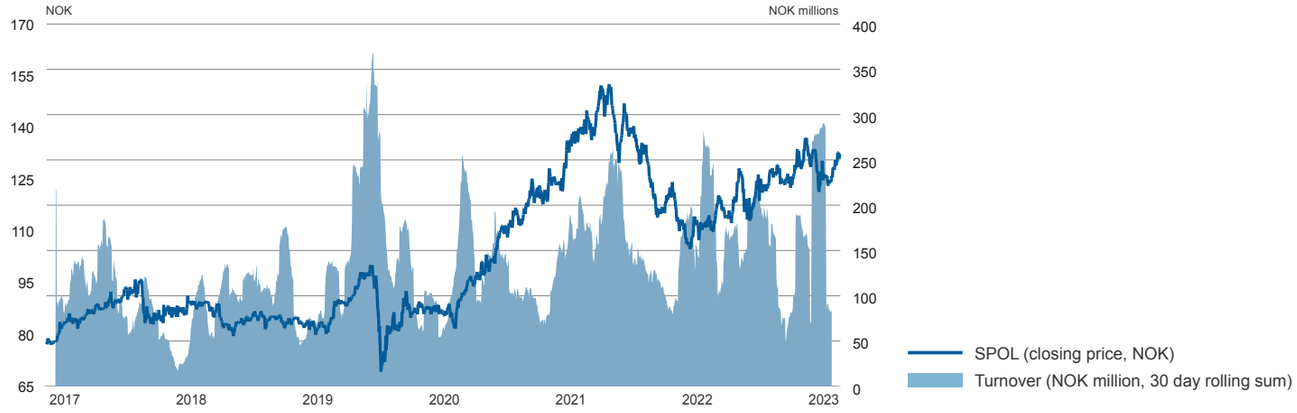


FIG. 6 **Development in equity capital certificate's market price in relation to earnings per equity capital certificate**

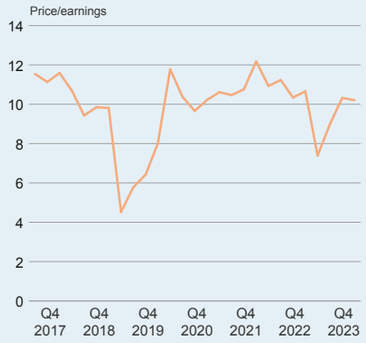
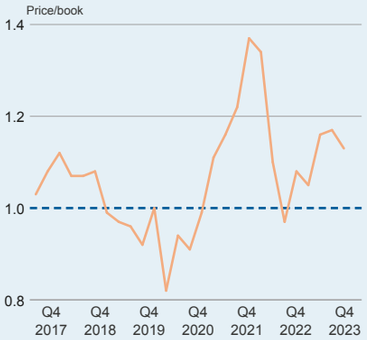


FIG. 7 **Development in equity capital certificate's market price in relation to book value**



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Return and sales
The total return on the SPOL equity capital certificate in 2023, including dividends, was 15.9 per cent, compared with 9.9 per cent for the Oslo Børs's total index (OSEBX) and 17.2 per cent for its equity capital certificate index (OSEEX). The market value of the listed equity capital was NOK 15 359 millions at the end of 2023, based on a price per equity capital certificate of NOK 132.60. The price equalled 1.13 times the book value of equity (price/book).

Approximately NOK 1 342 million worth of SpareBank 1 Østlandet's equity capital certificates were traded on Oslo Børs over the course of 2023. The value was thus lower than in 2022 (NOK 1 426 million). The number of equity capital certificates traded was around 10.8 million (11.4 million in 2022).

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 8.62 per cent, as well as several international equity indices.

Rating
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. 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 13.01.2023.

The Bank also has an ESG Risk Rating from Sustainalytics of 9.2 on a scale of 0 (best) to 100 (worst). This is categorised as "negligible risk". The equivalent rating from MSCI is AAA.

FIG. 8 Total return in the year

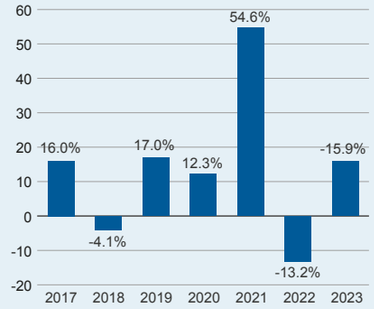


FIG. 9 Cumulative total return
Cumulative total return from purchase of SPOL from end of previous year to 31.12.2023.

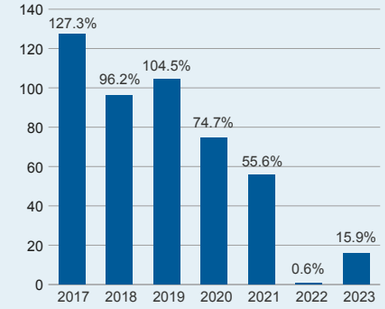


FIG. 10 Annualised cumulative total return
Annualised cumulative total return from purchase of SPOL from end of previous year to 31.12.2023.

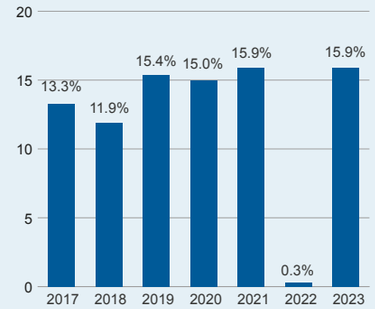
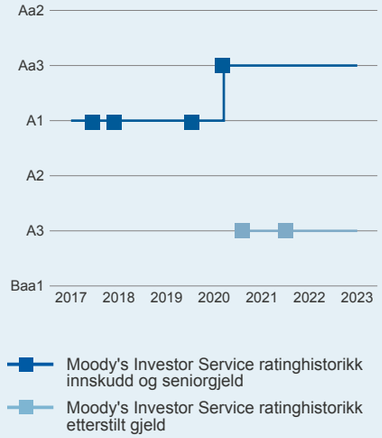


FIG. 11 Rating



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Letter of intent regarding merger with Totens Sparebank

A new milestone in the Bank's history was reached at the start of 2024. On 3 January 2024, the boards of directors of Totens Sparebank and SpareBank 1 Østlandet approved a letter of intent regarding a merger of the two banks. The merger will contribute to a joint focus on Innlandet County with a stronger local presence, proximity to customers and further growth.

The merger of Innlandet County's two largest banks will produce an even more powerful bank for customers and the region. The merged bank will be more competitive and have greater lifting capacity. The Bank will continue to contribute to growth and development in the Mjøsa region. The merger will also contribute to the establishment of more professional jobs such that customers are assured relevant financial products and services from an actor with strong local ties.

SpareBank 1 Østlandet and Totens Sparebank are large and important regional corporate citizens, and together they will strengthen their presence as a solid, safe and forward-looking bank for owners, customers, employees and society. Both banks believe that being close to customers combined with good digital solutions will be important factors in this increasingly competitive market.

We want all employees to join us on this journey

The merged bank will need all of the current employees of the two individual banks to stay with us. All of Totens Sparebank's around 90 employees will also be able to continue working where they currently work.

"We want to welcome all employees of Totens Sparebank. We need everyone, and they will be able to continue working from their current place of work even after the merger has been completed. By joining forces, we will be able to realise our shared ambition of remaining the region's leading bank. Being a solid, stable source of funding for both people and business in the region is our most important shared social mission," says Richard Heiberg, Group CEO of SpareBank 1 Østlandet.

Strengthening the region's professional financial services community

The merger will lay the groundwork for the development of a stronger specialist and competence environment in the Gjøvik region. The office structure will largely remain the same as today with the head office in Hamar. However, the activities in Gjøvik will be strengthened with the establishment of a separate large regional office for Oppland. In SpareBank 1 Østlandet, the Oppland region will consist of the branches in Lena, Raufoss, Gjøvik, Råholt and Lillehammer. It will also be natural to merge the branches where both banks have operations, i.e. in Hamar, Gjøvik and Råholt.

Reinforcing innovation, jobs and community commitment in the region

As a result of the merger, Totens Sparebank's operations will become part of SpareBank 1 Østlandet and thus the SpareBank 1 Alliance. This will provide employees and customers of Totens Sparebank with benefits in the form of a broad range of products, highly user-friendly digital solutions and a strong common brand. The environments in Totens Sparebank will also become part of larger, specialist professional environments in SpareBank 1 Østlandet and the Alliance.

SpareBank 1 Østlandet wants to develop a competence environment in the Bank focused on innovation and business development in Gjøvik, including by drawing on existing external professional environments. SpareBank 1 Østlandet already has a long-standing collaboration with the Norwegian University of Science and Technology (NTNU) and has, for example, helped to support the establishment of both bachelor's and master's degree programmes in information security.

SpareBank 1 Østlandet also wants to be driving force behind Sparebankstiftelsen Hedmark establishing a satellite of Innlandet Science Park in connection with NTNU Gjøvik, preferably together with the savings bank foundation that will be established by Totens Sparebank. SpareBank 1 Østlandet would contribute NOK 20 million to such a satellite.

Totens Sparebank creating a savings bank foundation that will be a major owner of the merged bank

In connection with the merger, a separate savings bank foundation will be established that will own the converted primary capital in Totens Sparebank in the form of equity capital certificates in the merged bank. Totens Sparebankstiftelse will be a major owner of the combined bank with a stake of 8.6 per cent and manage considerable assets for the benefit of the local community in Totens Sparebank's traditional market areas. The merged bank will thus have two strong savings bank foundations as owners.



CEO Richard Heiberg, SpareBank 1 Østlandet and CEO Rolf Endre Delingsrud, Totens Sparebank.

Completion contingent on required approvals

On 15 January 2024, the boards of directors of the two banks signed a merger plan that was approved by both the General Meeting of Totens Sparebank and the Supervisory Board of SpareBank 1 Østlandet on 22 February 2024.

Completion of the merger is contingent on the required approvals from the authorities being granted without conditions or on conditions that do not significantly change the assumptions on which the banks have based the merger.

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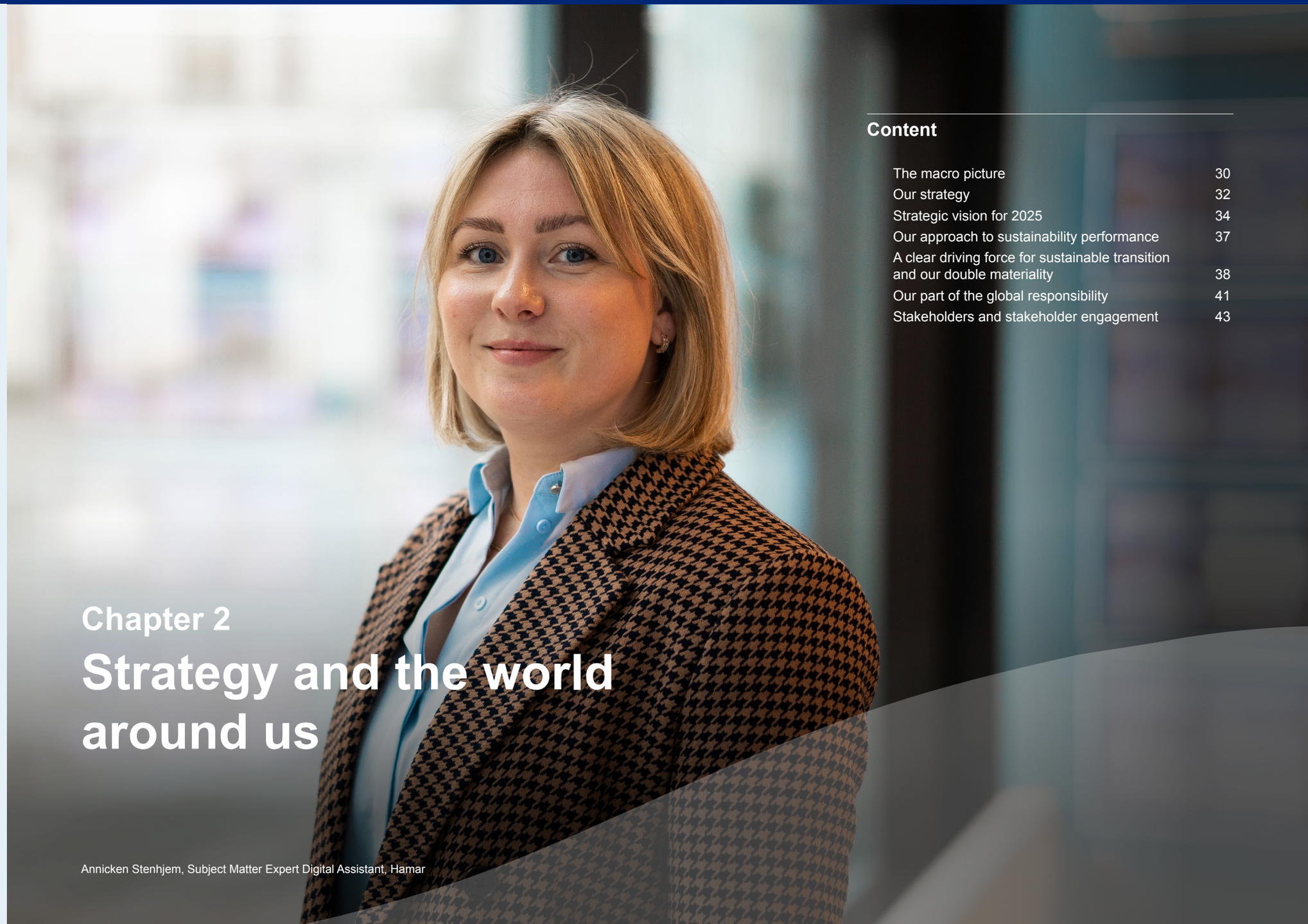
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Chapter 2

Strategy and the world around us

Annicken Stenhjem, Subject Matter Expert Digital Assistant, Hamar

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The macro picture

At the beginning of 2023, most analysts expected weaker macroeconomic growth going forward. Given that inflation was higher and there were more interest rate hikes than expected at the time, it is perhaps surprising that growth did not fare even worse than expected in 2023.

The Norwegian economy experienced a forecast but gradual cooling down throughout 2023. This came after strong growth and high capacity utilisation in the previous year, meaning that the level of activity towards the end of 2023 was not abnormally low compared with the economy's capacity for growth.

The markets in different industries developed very differently. Of the companies in Norges Bank's regional network, suppliers to the petroleum industry report by far the highest output growth, while activity in retail trade and building and construction is falling.

As in 2022, growth in the Bank's market area was weaker than the growth seen nationally. The composition of the business sector in this market area is one important reason for this. Few companies in the Bank's market area are directly involved in oil, gas or aquaculture where activity was higher than for many other industries. Instead, the market area – particularly in Innlandet County – consists of a relatively large number of companies in building and construction and the retail trade, with agriculture also being an important industry.

The Bank's own survey of expectations confirms the weak growth of companies in Eastern Norway. The overall indicator of expectations for companies is now lower than it was during the pandemic. Unlike during the pandemic, a preponderance of companies now expect weaker demand and to have fewer full-time equivalents in the coming year. The Bank also conducts a survey of expectations among households in the market area. The prevailing sentiment is one of pessimism among households in Eastern Norway. Households were already pessimistic in 2022, before the companies, but during 2023 the household confidence indicator has stabilised at a low level.

FIG. 1 **Survey of expectations in Eastern Norway (optimists v. pessimists next 12 months.)**
Source: TNS Kantar, SpareBank 1 Østlandet

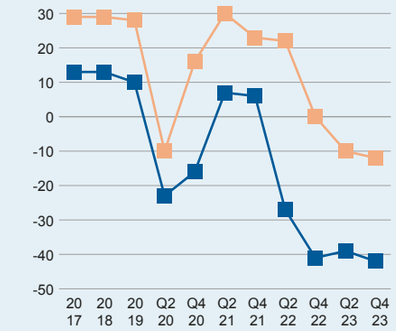


FIG. 2 **Credit growth**
Source: Macrobond, Statistics Norway, own calculations

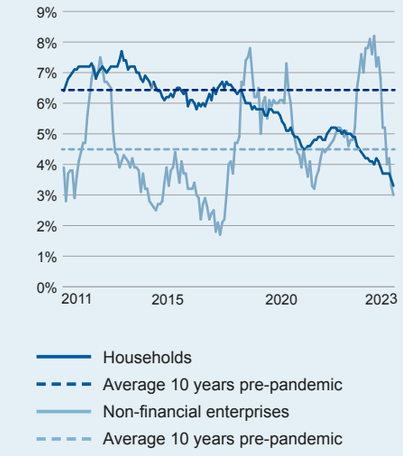
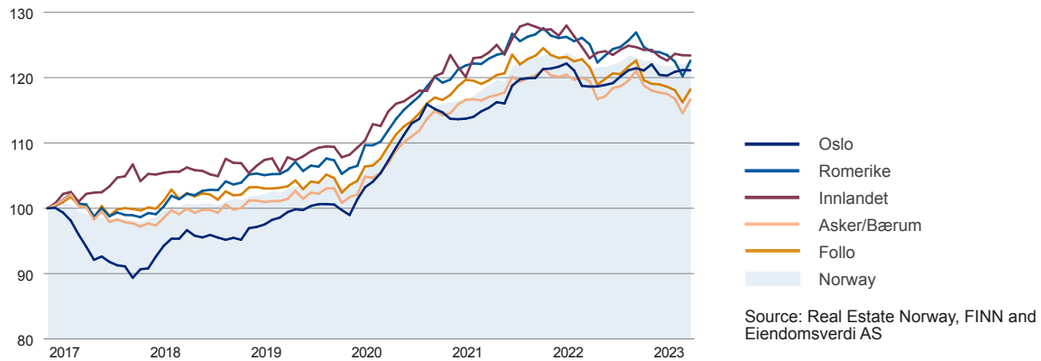


FIG. 3 **House price indices**
January 2017 = 100



Source: Real Estate Norway, FINN and Eiendomsverdi AS

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About 30 per cent of the Bank's loans are to companies. The growth in corporate loans was very good in 2023, although growth slowed throughout the year. From the end of 2022 to 2023, the volume of corporate loans grew by 9.6 per cent. Nationally, credit growth for non-financial enterprises grew by about the same (growth of 2.6 per cent in December, according to Statistics Norway). Business investment is the main driver behind the Bank's lending to the business sector. Going forward, companies in the Bank's market area expect lower investment growth, which will also be reflected in the growth in corporate credit demand.

Housing mortgages account for the largest share of the Bank's loan portfolio at around 70 per cent. The Bank saw relatively moderate growth in mortgages in 2023. In line with general market developments, growth in lending volumes slowed through the year. At the end of the year, the annual growth in mortgages was at 3.6 per cent, compared with growth of 3.1 per cent nationally for household lending.

Lower growth in credit for households reflected the level of activity in the housing market. Although sales of used homes in the market area remained surprisingly high in light of interest rate developments, they were still somewhat lower than in 2022. Prices for used home rose slightly during the year. The demand for new homes was weak throughout 2023.

Bank lending rates and conditions in the labour market are important factors in the development of the housing market. Based on the persistent high inflation, Norges Bank continued to raise its policy rate in 2023, most recently by hiking the rate to 4.50 per cent in December. The level of interest rates is thus considerably higher than the central bank itself assumed it would be in its forecasts at the end of 2022. However, the central bank has signalled that the interest rate peak has been reached for this time and that rate cuts could be considered towards the end of 2024. Higher borrowing costs will probably help to dampen activity in the housing market and thus growth in the Bank's housing mortgages in 2024. At the same time, greater uncertainty about the outlook for interest rates may make a positive contribution.

A strong labour market is backstopping activity in the housing market. Unemployment in the Bank's market area is low and forecasts from both Norges Bank and Statistics Norway estimate that we will see only a moderate increase in unemployment. Expectations of high population growth in the next few years will also contribute to continued good underlying demand for housing.

All in all, Norges Bank, Statistics Norway and other analysts estimate that the economy will continue to cool going forward, driven in particular by the full impact of the rate hikes. Meanwhile, if interest rates do not rise further and wages rise by more than inflation, household purchasing power will gradually improve. There is also a risk of the situation developing even more weakly. Whether or not the interest rate peak has been reached depends on the development of inflationary pressures in Norway and abroad. A combination of continued high inflation and high interest rates could contribute to even weaker growth in real disposable income for households, which in turn could have an adverse impact on the housing market. For companies, persistent high cost pressures and high interest rates could result in lower demand and increased pressure on profitability, which in turn could lead to lower growth in corporate investment than otherwise.



Bjørn-Erik Orskaug, Chief Economist and Head of Investor Relations.

FIG. 4 Sales of used homes in the Bank's market area

Source: Real Estate Norway, FINN and Eiendomsverdi AS

The Bank's market area is defined as Oslo, Asker/Bærum, Follo, Romerike and Innlandet County

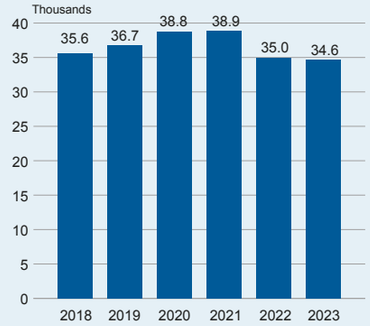
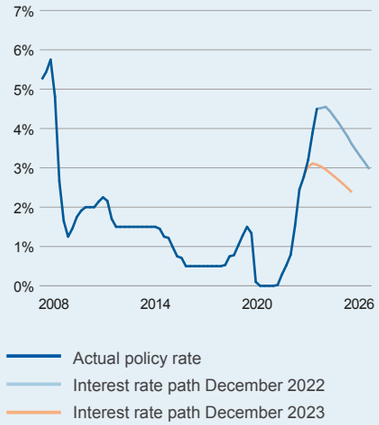


FIG. 5 Norges Bank's policy rate and interest rate path

Source: Macrobond, Norges Bank



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Our strategy

Some 6 years have now passed 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 positioned for further growth.

Our local presence with 37 bank branches, real estate brokers and accounting companies located centrally and locally around Eastern Norway is based on a 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.

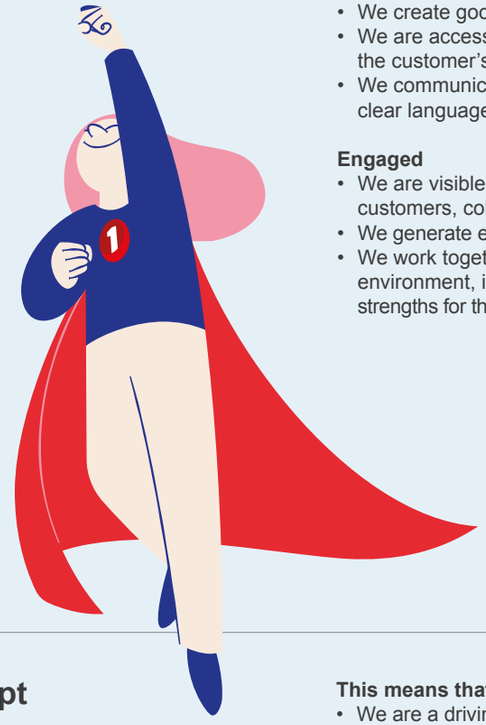
The ambition for the period up to 2025 is to become Norway's best relationship bank. Our historical links and presence in both rural and urban areas means that we know our customers. And with good credit practices and good sustainability assessments, we ensure that value is not lost for customers, the 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.

Vision

Creating together – long-term value for society and 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 on each other's strengths for the benefit of the customers and the Group.

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 tradition of savings bank.
- 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 customers prefer.
- We make everyday finances simple for our customers.

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Ambition:

Norway's best relationship bank

We treat everyone with respect

We are open
We are curious
We listen

Vi create job satisfaction

We know each other
We make each other better
We create security

We are competent

We are accessible and respond rapidly
We have relationship-creating digital services
We are evolving



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Strategic vision for 2025

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

1

We know our customers and provide the best customer experiences.

2

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



3

We are a clear driving force for sustainable transition.

4

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

1. We know our customers and provide the best customer experiences

This means, for example, that in 2025 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.

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2. 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. In 2025, 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 good training of new employees.

Key performance indicator (KPI)
We enjoy above industry average job commitment.

3. We are a clear driving force for sustainable transition

The Bank's overarching sustainability goal is to contribute to a zero-emission society that does not compromise planetary boundaries by 2050 or earlier. Our work is based on a research-based sustainability concept, where sustainability will be a key component of a successful overarching corporate strategy. The work and responsibility are embedded in the Board of Directors, and sustainability has been integrated as an operational tool throughout the Bank's value chain. Our science-based targets actively contribute to achieving the SDGs and the goals of the Paris Agreement.

The Bank is focusing on five material topics identified by our double materiality analysis: Climate Change, Resource Use and Circular Economy, Business Conduct, Own Workforce and Consumers and End-Users. We prioritise our resources and invest in the measures and processes needed for this work.

The operationalisation of regulations is embedded in interdisciplinary strategic initiatives. In relation to this, we are constantly working to improve competence throughout the area of ESG and on product and service development in order to mitigate our adverse impacts and increase our positive impacts. In this way, we aim to ensure we offer an appropriate range of sustainability services tailored to the needs of various customer groups. Our products, services and internal initiatives cut CO_2 emissions from our operations, lending and investment portfolios. This work reduces the risk of the Bank and customers, such that together we strengthen our common competitiveness. At the same time, we comply with statutory reporting requirements throughout the area of sustainability. Such a focus will help us achieve a society that does not compromise planetary boundaries and the needs of future generations.

Key performance indicator (KPI)
The green portfolio accounts for at least 20.4 per cent of the Group's total lending portfolio.

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

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.

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.

Key performance indicator (KPI)
We are one of the country's best with respect to price/book.

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How we realise our strategic objectives

We constantly strive to follow up developments in relation to our main strategy, secondary strategies and associated strategic initiatives, and we report to Group Management and the rest of the organisation on an ongoing basis.

We believe that the direction and ambition we have set for 2025 remain the right ones. The four overarching goals for the strategy period therefore remain unchanged. In the autumn, we worked to clarify the most important priorities within this vision. The result is a revised roadmap setting out our priority initiatives designed to realise the strategy.

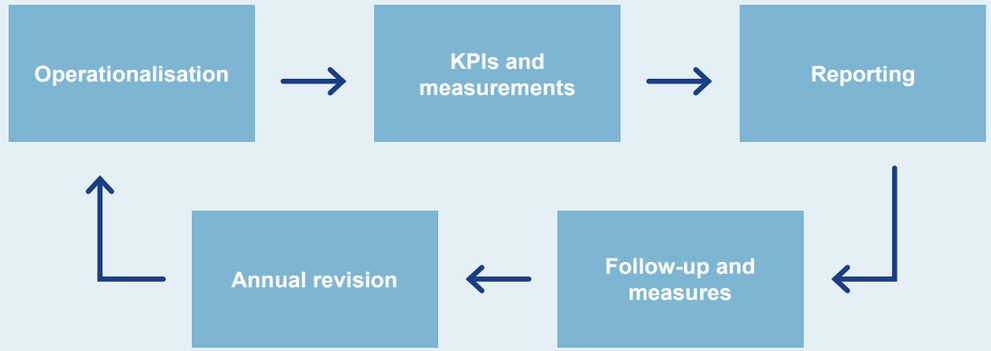
By revising and clarifying these focus areas, we will be able to increase the pace of implementation, optimise resource utilisation and realise benefits – both in this strategy period and as we transition into the next.

OUR PRIORITY AREAS
We have identified three key programme areas that will constitute our main strategic focus for the remainder of the strategy period:

- **Differentiated distribution for profitable growth and good customer experiences** – will lead to profitable growth and good customer experiences through personalised value propositions for customers and cost-effective service.
- **Greater implementation capacity for an agile and effective organisation** – testing and evaluation will result in an agile and cost-effective organisation that is built for change.
- **Sustainable operations and development** – demonstrates that we are a clear driving force behind the green transition to ensure we achieve our net zero commitment.

Important drivers will be data and insight-driven operations and development and an organisation with the expertise, management and capacity to realise the strategy.

Strategic Plan 2022-2025: How we follow up our main strategy during the year



Our priority areas for the remainder of the strategy period



Differentiated distribution model



Greater implement capacity



Sustainable operations and development

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Our approach to sustainability performance

Goals and priorities
Sustainability is one of the Bank's four main strategic goals, and we specifically aim to be a clear driving force behind a sustainable transition. Being such a clear driving force can involve many factors, and it is therefore important to define clear thresholds for this work. The double materiality analysis provided the Bank with an overview of the material matters in which the Bank can have positive or negative impacts. These matters are defined as material and will be the main focus of the current strategy period. The main goals are measured using indicators.

Division of responsibilities and the Sustainability Committee
The Board of Directors bears the overall responsibility for the Bank's sustainability work, see the Board of Directors' report, page 116. Responsibility for delivering on goals is delegated to the relevant executive vice presidents, and quarterly reports are sent to Group Management via corporate governance and forwarded to the Board of Directors. The Bank has a specific interdisciplinary Sustainability Committee tasked with performing oversight of our comprehensive efforts on sustainability, and this functions as an advisory body for Group Management. The committee consists of 12 representatives from different departments, all of whom play strategically important roles both in the sustainability work and in the Bank in general. The committee meets eight times a year, with four meetings dedicated to structural reporting to Group Management and four to discussions. Key personnel from the Bank's subsidiaries are included in discussion meetings to ensure knowledge is shared. The committee is chaired by the head of sustainability in the Bank.

Framework and 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. The annual report also provides 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 (Sustainable Finance Disclosure Regulation – SFDR).

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 matters that are regarded as material for the Bank. Please see our double materiality analysis on p. 40 and the GRI Index on p. 255, which also shows where to find the relevant reporting.

Links between the GRI Index and reporting on various international initiatives to which the Bank is a signatory is also shown. A complete overview can be found in "Our part of the global responsibility", page 41.

The Bank regards sustainability reporting as being of value for resource allocation and control purposes. To ensure the reporting provides useful information about the goals, the Bank strives to comply with the quality requirements of the EU's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) 1 and 2.

- 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 the Bank has the potential to have an impact.
- Basic quality requirements
  - Relevance is defined by **prediction value**, which means that the information provides more than random forecasts of future developments. **The materiality principle** has been addressed by conducting a comprehensive double materiality analysis.
  - Credible representation ensures that the information is **complete, neutral and accurate**.
- Reinforcing quality requirements ensure comparability, consistency and that the information is verifiable and understandable.
- Cost-benefit analyses are conducted every 2 years to assess how the information should be presented. For the 2023 reporting, we have chosen to integrate sustainability into the rest of the annual report because it is well integrated into the Bank's work.
- 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. This includes verifying facts (as outlined above) and having few but well-specified measurement points.

The Bank constantly strives to systematically improve the quality of its reporting based on these principles. At the same time, we recognise that this work will develop over time.



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A clear driving force for sustainable transition and our double materiality

To achieve the Bank's goal of being a clear driving force for sustainable transition, it is crucial that we establish a good understanding of the Bank's positive and negative impacts. With this information, we can focus on the right priorities in relation to the efficient use of resources.

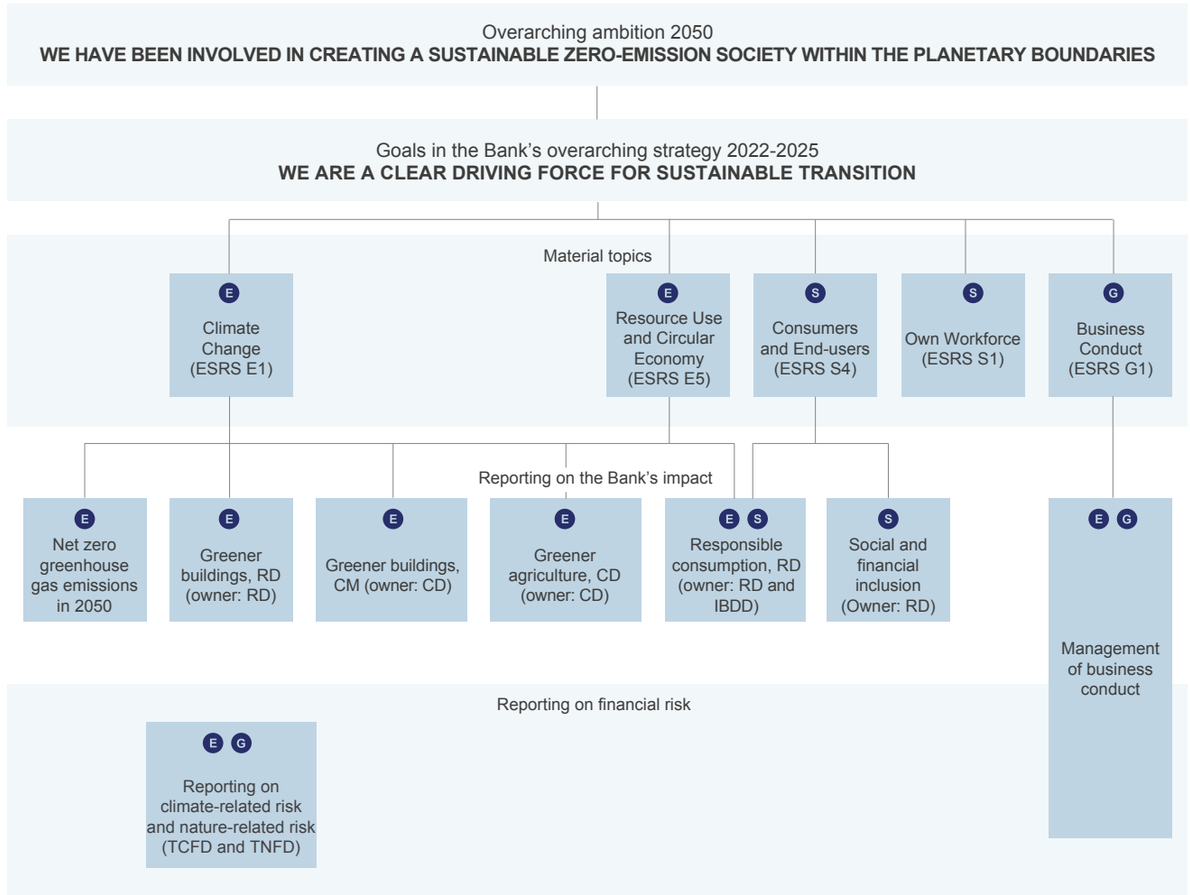
The roadmap shows the anchoring of the sustainability work, from our overarching ambition via our qualitative goal for 2025 and further on to our specific work on the material matters that will operationalise regulations and our practical work on the strategic goals. This structure addresses the Bank's ambition and goals, while also meeting the requirements of the coming Corporate Sustainability Reporting Directive (CSRD). The roadmap highlights our operational approach to areas where the Bank has direct or indirect impacts, and where the Bank has financial risk or opportunities.

The Bank conducted a double materiality analysis to obtain this overview. The results from the analysis of financial risk or opportunities have been used to allocate resources and prioritise efforts to mitigate our negative impacts and reinforce our positive impacts. The double materiality analysis consists of a compilation of several analyses and builds on previous years' analyses.

IMPACT ANALYSIS METHOD AND FINDINGS

The perspective of impact is key in a double materiality analysis. Our analysis was based on an analysis based on the methodology from the UN Environment Programme (UNEP FI), which in turn builds on the UN Sustainable Development Goals (SDGs) and the Paris Agreement. SpareBank 1 Østlandet has operations in Innlandet, Oslo and Akershus, and has the greatest impact on society through its lending and the products it offers to private individuals and companies. The impact analyses are based on figures from these business areas, as well as statistics for relevant sustainability matters for Norway. The analysis shows that the Bank has negative and positive impacts on Climate Change and Resource Use and Circular Economy in lending to both the retail market and the corporate market.

Roadmap towards overarching ambition 2050



IBDD: Innovation and Business Development Division
CD: CorporateMarket Division
RM: Private Market Division

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STAKEHOLDER ENGAGEMENT METHOD AND FINDINGS

The Bank has also engaged with many of its stakeholders. Engagement and cooperation with various groups are essential if the Bank is to achieve its ambitions of maintaining trust and a good reputation in society, and for securing information about the Bank's risks and opportunities. Stakeholder engagement also helps to anchoring the work locally, regionally and internationally, in both the short and long term.

The group of stakeholders with whom the Bank engaged in direct dialogue included stakeholders such as owners, the Board of Directors, employees, subsidiaries, Group Management and users of sustainability statements such as special interest organisations, industry organisations, competitors, investors and other partners. The Bank also used its own market research and ratings from external analysts to obtain an external independent sample in its analysis. The list of selection criteria was defined through the optional sustainability criteria with all the sub-themes of the Corporate Sustainability Reporting Directive (CSRD).

Being such a clear driving force for sustainable transition can involve many factors, and it is therefore important to define clear thresholds for this work. The double materiality analysis provided the Bank with an overview of its material matters and enabled it to prioritise its efforts to achieve the strategic goals in the current strategy period.

The group of stakeholders were asked directly on sub-topic level and each answer within positive or negative impact was recorded. The responses were compiled and the number of answers, positive and negative, were summed up per sub-topic. There were clear distinctions between many and few answers per topic, and the prioritization was set between these. In addition, the findings were in line with previous years' materiality analysis and with already established strategic initiatives.

Impact analysis of the Bank's biggest business areas: Retail Division (RM) and Corporate Division (CM)

	Areas positively impacted		Areas adversely affected	
Retail Division	Inclusive finance	S G	Inclusive finance	S G
	Housing	S	Housing	S
	Circular economy	E	Circular economy	E
	Climate	E	Climate	E
Corporate Division	Circular economy	E	Circular economy	E
	Housing	S	Climate	E
	Successful small and medium-sized enterprises (SMEs)	G	Biodiversity and ecosystems	E
	Inclusive finance	S G		

Stakeholder engagement results

	Areas positively impacted ⊕	Areas adversely affected ⊖
Climate and environment	ESRS E1 – Climate Change • Cutting greenhouse gas emissions • Energy	ESRS E1 – Climate Change • Cutting greenhouse gas emissions • Energy
	ESRS E5 – Resource Use and Circular Economy • Resource use of raw materials • How resources used in products and services are managed • Waste	ESRS E5 – Resource Use and Circular Economy • Resource use of raw materials • How resources used in products and services are managed • Waste
Social conditions	ESRS S1 – Own Workforce • Working conditions • Equal treatment and opportunities for all	
	ESRS S3 – Affected communities • Economic, social and cultural rights	
	ESRS S4 – Consumers and End-users • Information security/cyber security • Personal security • Social inclusion	ESRS S4 – Consumers and End-users Social inclusion
Corporate governance	ESRS G1 – Business Conduct • Corporate culture • Combating corruption and bribery • Relationships with suppliers, including payment practices	ESRS G1 – Business Conduct • Corporate culture • Combating corruption and bribery

E Environment S Social G Governance

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OUR NEW DOUBLE MATERIALITY ANALYSIS

On the basis of this work and the conducted assessments, the sustainability topics of Biodiversity and Ecosystems (ESRS E4) and Pollution (ESRS E2) were not found to be priority areas for the Bank. However, we know that, based on previous materiality analysis, research-based articles and repeated media coverage, that the Bank can have an adverse impact on both of these areas through its value chain. The agricultural portfolio is responsible for runoff to both the Mjøsa and Glomma rivers, and the development of commercial property, homes and holiday homes contributes to the degradation of valuable nature. This is one of the Bank's major dilemmas: how can the Bank both maintain its competitiveness while mitigating such adverse impacts? It is therefore important to ensure good cooperation between the authorities and the financial services industry throughout Norway in this area.

Efforts to mitigate adverse impacts in these areas are therefore included in Climate Change (ESRS E1) and reporting in line with the TNFD framework (see TNFD index p. 247). There is a strong focus on developing good products and services to mitigate this risk and create opportunities for the Bank and our customers, and we continue to look at the possibility of setting reinforced targets and finding good indicators for documenting this work in 2024. This will also be assessed from a broader perspective for the Bank's entire value chain.

Nor does the sustainability topic Affected Communities (ESRS S3) emerge as one of the material areas. Nevertheless, it is obvious that the Bank can have both a positive and negative impact on affected local communities. We have had a positive impact for many years with significant contributions of sponsorships and scholarships, and in recent years also customer dividends. This work helps to equalise social disparities. We have therefore chosen to include this reporting in the sustainability topic Consumers and End-users (ESRS S4).

To ensure we take a structured approach to the material matters, we have organised the work into various strategic initiatives as outlined at the beginning of this chapter. These initiatives consist of interdisciplinary working groups working on specific measures to improve employee competence, develop products, services and solutions for customers, the Bank's advisers and our partners. The work here consists of operational measures that contribute to a restructuring of the portfolio designed to meet both voluntary and statutory requirements, as well as to mitigate the Bank's risk and seize opportunities that arise in the work on the green transition. What the various working groups have been working on in 2023, what their goals are, and the risks and opportunities in the topic are described in more detail in chapter 3.

We are aware that there may be some weaknesses in our analyses, strategic work and boundaries, and view the process as a continuous one with learning along the way.

The double materiality analysis was completed in autumn 2023, and will be assessed annually.

Double materiality analysis



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Our part of the 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.

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.

The initiatives the bank supports and contributes to in connection with climate change is shown on the next page.

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 2 and our GRI index. We indicate throughout the report where we have an impact on individual SDGs.

UN Global Compact – The Bank has been an individual member since 2017. From 2023, the Bank will be a member through its membership of the SpareBank 1 Alliance. 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 thus founding signatory and play an active part in PRB working groups. See our PRB reporting, p. 251 and in the GRI index, p. 255.

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. 255.

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.

The Corporate Sustainability Reporting Directive (CSRD) is a planned reporting framework that is expected to be introduced in Norway for large companies with more than 500 employees and will apply to the Bank. We are actively working to implement the directive and expect to report in line with it in 2024.

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Initiatives specifically aimed at climate change



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.

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.

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.

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.

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-related risk. See p. 248.

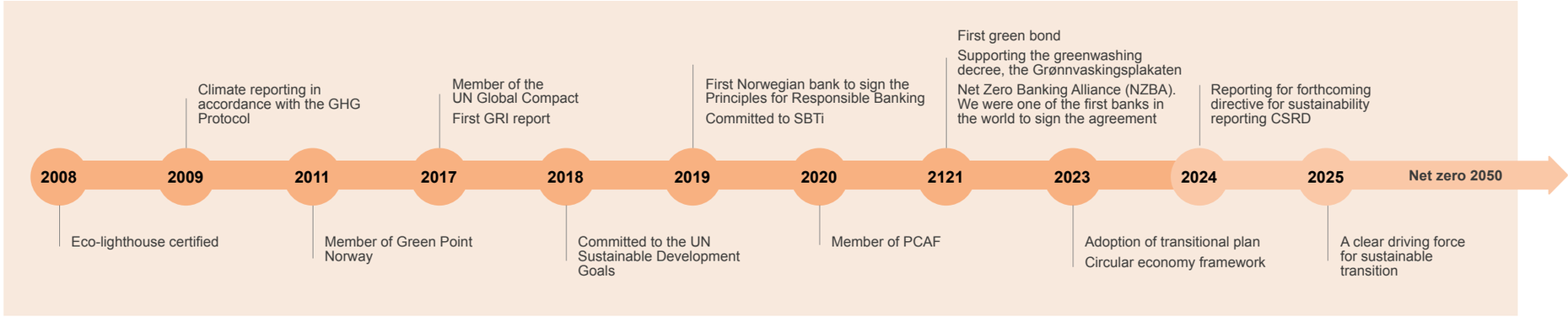
Task Force on Nature-related Financial Disclosures (TNFD) is used for our assessments and reporting of natural risk. See p. 247.

EU classification system (Taxonomy) for sustainable activities – The reporting requirements came into force in Norway on 1.1.2023, although the Bank's already reports voluntarily, see p. 72.

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. This is part of the EU's Green Deal.

Read more in our transition plan towards net zero, which is available under "Sustainability documents" on our website.

Timeline for SpareBank 1 Østlandet's sustainability work



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Stakeholders and stakeholder engagement

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 was central to the Bank's sustainability work and in 2023 we worked well with many stakeholders on many different topics in a variety of arenas. The stakeholders are considered to be comprehensive for taking care of and capturing the bank's most significant impacts, regardless of whether they are affected stakeholders or users of sustainability information. The objective of the dialogue is to be able to operate holistically, relevantly, neutrally and precisely in our sustainability work in addition to interacting where one uncovers risks or finds opportunities.

The dialogue with our main stakeholders is described in more detail in the table on the next page.



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Excerpts from our engagement with important stakeholders who can help us reinforce our positive and mitigate our adverse 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) for corporate 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.	We work in interdisciplinary teams to achieve the strategic objective within sustainability. In addition, this is a topic at department meetings, information meetings and through professional gatherings. We have dialogue meetings with civil society organizations that work with sustainability in finance. In addition, we have participated in Arendalsuka with the theme of circular economy.
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 increasingly taking a larger part in sponsorship agreements, and we set expectations and requirements for sustainability and social role to our partners. We are particularly concerned with social sustainability, inclusion, and work against exclusion in organized activity.	Meetings, dialogue, talks. In cooperation with SpareBank 1 SMN, SpareBank 1 Nord-Norge 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 that collaborates on various sustainability topics. We also work with local and regional stakeholders by taking part in several business clusters in our market area.
Education 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 one for a new sustainable finance course at BI Norwegian Business School and one 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 and social media	It is important to promote sustainability topics in finance and contribute to media and social media debates concerning sustainability topics. In 2023, we also had a lot to say in the media and our own channels about consumers, society, interest rates and macroeconomics.	Articles, opinion pieces, interviews, podcasts and content in social media.

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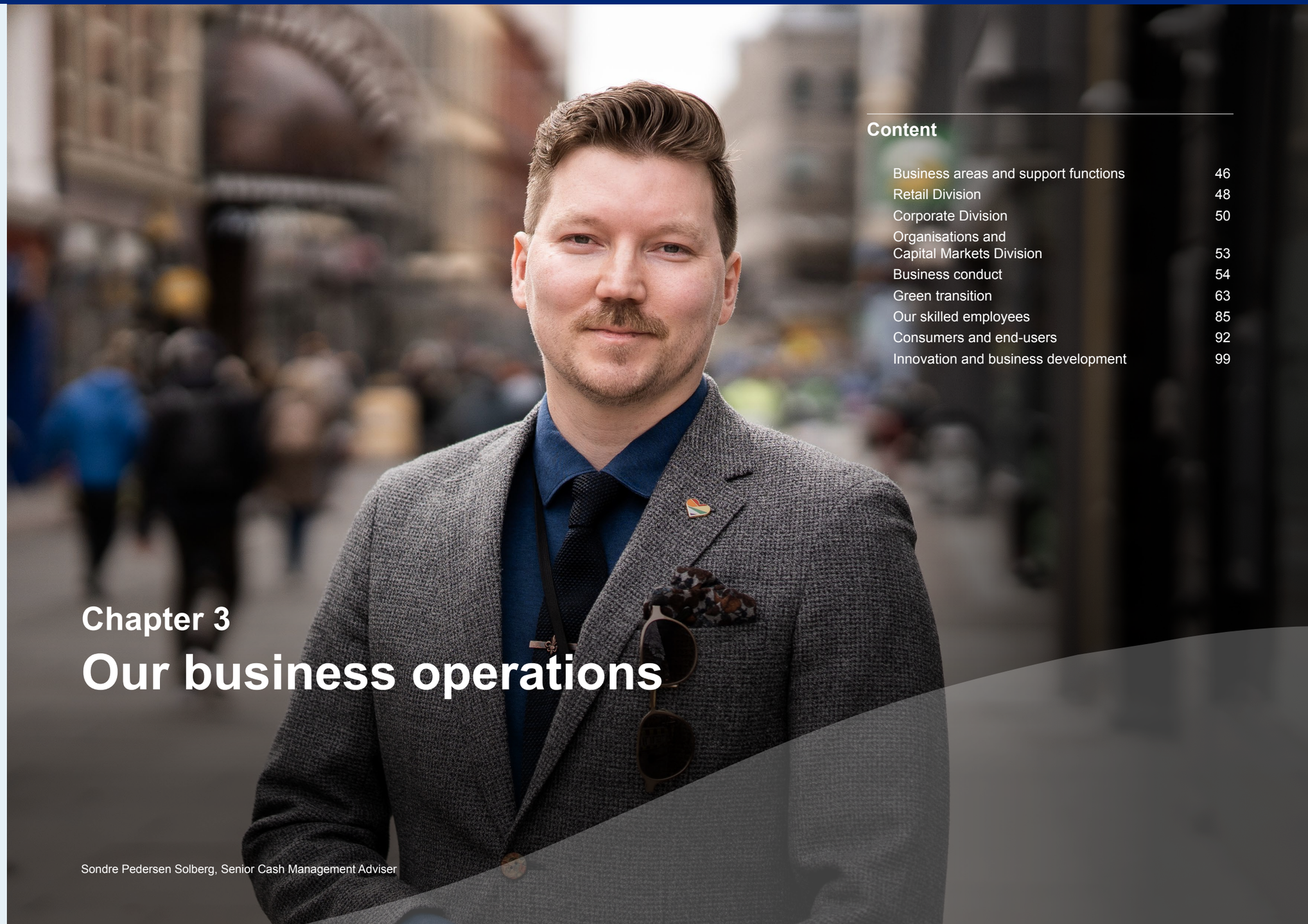
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Chapter 3

Our business operations

Sondre Pedersen Solberg, Senior Cash Management Adviser

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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 over 400 000 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.

The division has competent advisors with extensive experience and solid knowledge of financial advice. Customers receive comprehensive and individual advice within all product areas tailored to their needs.

Corporate Division

The Corporate Division serves 27 000 corporate customers, which are mainly small and medium-sized enterprises and 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 loans and credit, advice, money-transfer services in Norway and internationally, 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, as well as subsidiaries and associated companies that offer leasing, factoring and accounting and advice services. The division has specialists within insurance, pensions and money transfer services.

Organisations and Capital Markets

The Capital Markets Department 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 Organisations Department 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 Organisations Department'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.

FIG. 1 Margins corporate market

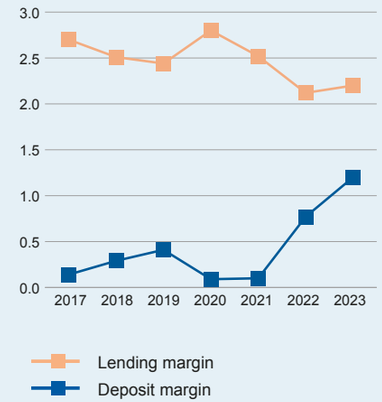


FIG. 2 Margins retail market



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Loans and deposits

FIG. 3 The Bank's total lending portfolio

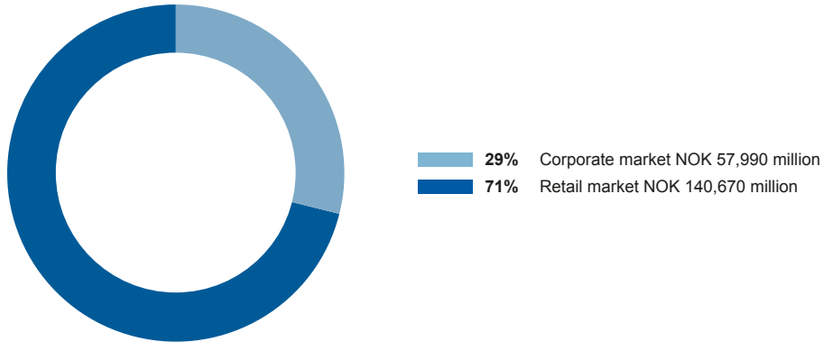
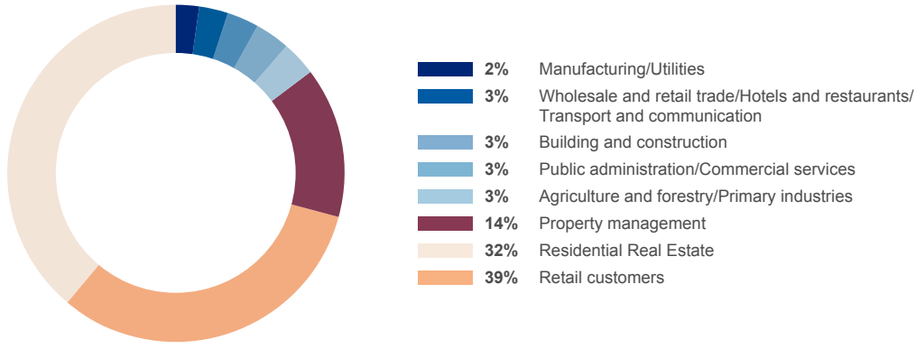


FIG. 4 Lending distributed by retail customers and corporate customers, per sector



Green share of lending portfolio

18.3%

Proportion of green loans of total loan portfolio in the corporate market.

30%

Proportion of loans with a social profile of total loan portfolio in the retail market.

19.8%

Proportion of green homes i n the residential mortgage portfolio in the retail market.

FIG. 5 Loans, annual growth in percentage, incl. covered bond companies

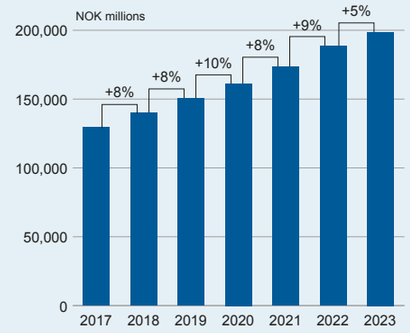
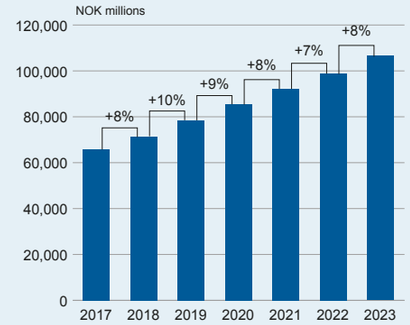


FIG. 6 Deposits, annual growth in percent incl. covered bond companies



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Retail Division

The past year has been marked by many interest rate increases, in total we ended up with six increases in 2023. The policy rate increased by 1.75 percentage points, and this has largely hit the customers correspondingly.

This means that many of our customers have had significantly increased housing costs. In addition to this, price increases, high energy costs and increased public fees have come on top. Overall, these conditions have greatly affected many customers' personal finances.

In the bank's portfolio, there is little increase in the default of loans. This makes us confident that good credit practices have been performed where it has been taken into account that interest rates may increase. Changes at the macro level affect the demand for loans. In 2023, loan growth was 3.8 per cent, compared to 5.8 per cent growth in 2022. Compared to the growth in the market, we defend our market share well.

On the other hand, customers with deposits have been better paid for their money in the bank, and we are competitive in the deposit area. The growth in deposits in the retail market was 10.2 per cent in 2023 compared to 5.8 per cent in 2022.

The retail market division has throughout the year worked systematically to support customers with tighter finances. Good advice on savings, pensions and insurance is important also in such times. The sale of these products is increasingly being done by the customer themselves through digital services.

Customers and market position
At the end of 2023, the retail division served over 400,000 customers, and we got about 25,000 more personal customers during the year. The bank's market share of mortgages increased from 2019 to 2022, but has leveled out in 2023. SpareBank 1 Østlandet is the seventh largest bank on mortgages in Norway, and we have good growth and access to new customers from all over the country. The bank is a provider of mortgages to LO's members through a separate agreement. This also contributed to more customers and increased breadth of sales in 2023.

Non-life and personal insurance
2023 has shown that our customers to a large extent still choose to secure themselves and their belongings through insurances with us, even though some have tighter finances. This has resulted in good sales and portfolio growth for both damage and personal insurances. More than before, it has challenged us as advisors to inform customers about which insurances they should choose based on their own financial situation.

Retail customers' consumption patterns
Throughout 2023, households' debt and living costs have increased significantly. The Bank of Norway has increased the policy rate six times during the year, from 2.75 per cent to 4.50 per cent, which has resulted in a significant increase in the debt burden for households with loans. In addition, the general price increases have led to a significant increase in all households' living costs.

For many, this has led to them having to use saved capital. It is also reported that the total amount of unsecured loans among Norwegian households has increased after having decreased for several years. However, it seems that most have managed to adjust their consumption to a daily life with increased expenses.

Among the bank's retail customers, there was a small increase in the number of requests for payment deferral towards the end of 2023 after a relatively flat development the first three quarters. The proportion of customers who default on their loans, and the proportion of cases that are sent to debt collection, have remained stable at low levels throughout the year. This confirms that our retail customers to a large extent have managed to change consumption patterns after the increased debt and living costs.



Bank Manager Tone Camilla Molstad and Financial Adviser Ragnar Flaten at the office in Tveita in Oslo. Here, the bank moved into new premises in March 2023.

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Meaningful counselling and increased focus in Oslo

2023 was characterised by higher interest rates and more customers with tighter personal finances. “I am proud that we have helped many customers in what has been a demanding year,” says Kari Elise Gisnås, Executive Vice President Retail Division.

The Bank’s survey of expectations shows that seven out of ten feel that their personal finances provide ample leeway or are balanced. Nearly three out of ten feel that their personal finances are tight or critical. This proportion has more than doubled since 2021.

“It is hard for everyone in this situation, especially young people who have not lived through such a rapid increase in costs in the past. Nevertheless, I think it is healthy that we now have a more normal level of interest rates than we did during the pandemic,” says Gisnås.

The quality of the Retail Division’s loan portfolio was sound and stable throughout 2023.

“Impressive work has been done here, and we have hardly seen any impact on defaults,” says Gisnås. “I am also proud of the strong growth in deposits and solid growth in lending. As far as sales across the board are concerned, the division has been solid and helped customers with what they need in terms of financial products and services.”

The Retail Division strengthened its focus on Oslo and opened a new branch in Økern Portal in June. Here, the ambition is to grow and capture market share.

“The new venture in Økern was the event of the year. Its capable team has delivered a strong result that exceeds the target so far, and that is impressive,” says Gisnås.

“In 2023, the Retail Division delivered well on many strategic initiatives.
We launched a new solution for booking meetings and allocate loan applications to ensure that more customers get help locally. A new operating concept was also developed, which will provide our customers with better quality and services than before.

The division is constantly working on sustainability, especially within greener property and responsible consumption.”

“Going forward, we will have a greater focus on green savings and circular economy measures,” says Gisnås.

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Corporate Division

The division developed positively in 2023 despite making some provisions for losses. We have a lot of properties in our portfolio and are now seeing stagnation in the holiday cabin market and a significant decline in housing construction, which means that we have set aside more for possible future losses. Our business advisers are in close contact with customers during this challenging time.

Overall, the situation in most sectors and industries in our portfolio is good, with the exception of house building. Everything has become more expensive, and investment activity is declining. At the same time, not everyone has felt the effect of interest rate rises yet. Exciting times lie ahead.

Therefore, it will be important to continue the good the collaboration with customers, both through our business advisers and 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.

In spring 2023, we established a dedicated corporate market environment in Jessheim with both business advisers and specialists. This was done to bring us closer to the market in Øvre Romerike, and we are already seeing positive developments.

The division saw moderate deposit growth in 2023, and lending growth was 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.

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. For information about the work on sustainability in the Corporate Division, see the chapter "Green transition". In 2023, the division also provided intensive training for all employees in the area of anti-money laundering. The EU is also introducing ever stricter requirements in this area.

Our customers
Towards the end of 2023, the division served just over 27,000 customers. We gained 600 more corporate customers during the year.

Our largest industries are commercial property for lease and property development, followed by agriculture and public administration/business services. These four industries account for almost 75 per cent of the volume in the Corporate Division.

Company and agricultural insurance
2023 was a good year for insurance in the corporate market in SpareBank 1 Østlandet. The good results were due to high levels of activity, capturing new customers and good cooperation between the specialists and corporate market advisers. The Corporate Centre has also delivered good insurance results.

We deliver the highest sales results among the banks in the SpareBank 1 Alliance.

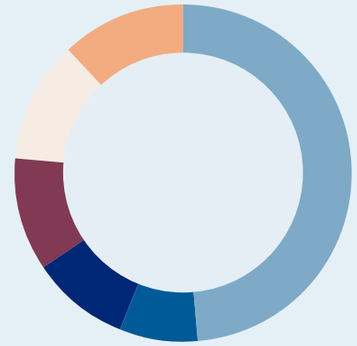
2023 will be remembered as a year of increasing claims rates in the insurance industry, which affected our insurance company Fremtind and SpareBank 1 Østlandet as distributors.

The extreme weather event Storm Hans that hit Southern and Eastern Norway in August 2023 caused numerous incidents and major damage for our customers. The amount and extent of the damage put Fremtind and SpareBank 1 Østlandet to the test. Nevertheless, we believe that the situation was handled well, and customers have largely been satisfied with the settlement of their claims.

The portfolio's financial strength measured in terms of claims rates weakened somewhat in the second half of 2023. This was due to higher inflation and claims costs as a result of payments because of, for example, Storm Hans. The overall claims rate (past 12 months) was 75 per cent as at December 2023, which includes 18 major claims in 2023.

Life and pension insurance
2023 was a good year for sales of occupational pensions. This was the result of a positive development in the existing portfolio. Many companies continued the trend of increasing pension savings for their employees as part of their pay

FIG. 1 Corporate market portfolio
By sector



49%	Real estate (incl. SpareBank 1 Næringskreditt)
8%	Power and water supply/Other
9%	Wholesale and retail trade/ Hotels and restaurants/ Transport and communication
11%	Building and construction
12%	Public administration/ Business services
12%	Agriculture and forestry/ Primary industries

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settlement, which will benefit both employees and the companies in the long term. Furthermore, good teamwork with other business areas and many newly established agreements resulted in growth in the customer portfolio. We strengthened our customer team in Jessheim with a pension specialist in order to provide a full offering to customers in this region.

A growing proportion of customers are using "A-melding" employee reports to update their pension agreements. At the end of 2023, 60 per cent of employees in companies with occupational pensions via SpareBank 1 Østlandet were being updated via "A-melding" reports. This saves the companies time and ensures accurate reporting on employees on an ongoing basis.

The Aalund Bedriftspensjonsbarometer business pension survey ranked SpareBank 1 Østlandet and SpareBank 1 Forsikring as having the best customer satisfaction for the fifth year in a row. The criteria that are particularly important in terms of satisfaction are the ability to familiarise yourself with the company's situation and advice and general services for the decision maker. In addition to having the most satisfied customers, our customers voted SpareBank 1 Forsikring as the company with the best image. This confirms that our approach to pensions, where we have specialists in the customer teams out in the regions, results in proximity and accessibility for customers. Our capable business centre is also easily accessible. SpareBank 1 was also named by EPSI as having the most satisfied employees in relation to occupational pensions.



K. Bull Maskin AS became a new customer of the Bank in 2023. From left: Marian E. Ihlebekk, SpareBank 1 Finans Østlandet, Kent Bull and Tom Erik Huus from K. Bull Maskin, Mona Andersson, SpareBank 1 Østlandet and Magnus Myrset, SpareBank 1 Factoring.

FIG. 2 **Growth in the insurance portfolio**

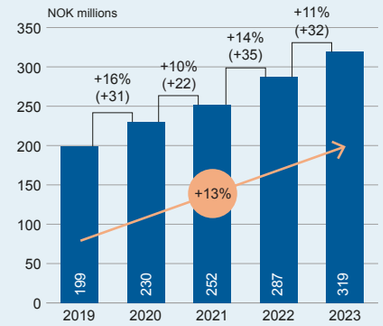
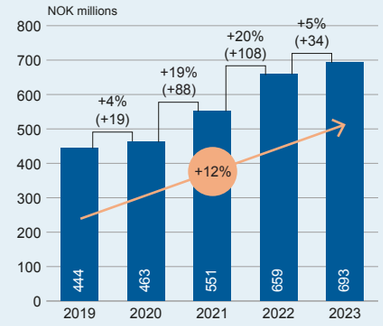


FIG. 3 **Growth in annual premiums life and pension insurance**



The growth rate was somewhat lower in 2023 than the year before, partly due to an increasing number of bankruptcies and layoffs towards the end of the year.

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Times when the savings bank model is important

2023 was a challenging year for many industries. “It is at times like this that the savings bank model really comes into its own. We are here for our customers in both good and tougher times,” says Hans Olav Wedvik.

Despite a year that was challenging for large parts of Norwegian business and industry, the Executive Vice President Corporate Division is very pleased with the division’s results.

“We deliver good results with good returns. In general, our customers are able to adapt well to lower levels of activity and drops in demand. However, some industries are clearly hit harder than others. In these cases they receive good follow-up from skilled advisers,” says Wedvik.

The division has revised its loss provisions upwards as a consequence of the economic situation, although confirmed losses remain very low.

“Our advisers do a great job and help customers through various challenges. It is clear to us that the savings bank model with its proximity to customers is especially important in times that people find demanding,” says Wedvik.

The Bank is also attracting new customers. Having a local presence with a complete offering within banking, accounting, pensions and insurance works well and gets noticed.

“We continue to gain market share and invest aggressively. For example, the establishment of a fully-fledged and effective business environment in Jessheim means we are in a good position to capture further market share in an attractive region,” says Wedvik.

The division saw good growth in its deposit margin in 2023. On the other hand, the lending margin weakened over the course of the year.

“Going forward, we expect to see an improvement in lending margins as money market rates stabilise,” continues Wedvik.

In 2023, the Corporate Division further strengthened its commitment to sustainability and launched several green products for the corporate market. This will help to continue growing the proportion of green loans. The Bank also responded to the storm named Hans by establishing flood loans to help stricken agricultural customers.

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Organisations and Capital Markets Division

The Organisations and Capital Markets Division delivered good results in 2023 despite the turbulent conditions throughout the year.

The Capital Markets Department's mission is to offer advice and bespoke solutions within equity trading, asset advice and interest and currency trading. Both private individuals and companies receive personal follow-up and have direct access to their adviser or broker. The department's areas of responsibility:

- The brokerage desk offers solutions for customers' interest rate and currency hedging needs, buying/selling currency, as well as communicating market views and analyses for individual stocks. The department consists of six brokers with extensive experience that benefits customers. They serve both retail and corporate customers from brokerage desks in Hamar and Oslo.
- Asset advice is tasked with serving customers who want an extra return on their assets. Eight asset advisers spread across Hamar, Oslo and Kongsvinger put together, in consultation with the customer, a portfolio tailored to the customer's requirements with respect to returns, risk and investment horizon. The Bank collaborates with solid, selected providers and mainly offers equity funds, index funds, balanced funds, fixed income funds, active management and so on when we put together proposals with customers.

The Organisations Department works on tasks related to the Norwegian Confederation of Trade Unions (LO), unions and associations. LO and the unions are both major owners of the Bank and represent a major customer group. LO and the unions have been an owner of the Bank for more than 100 years and the Organisations Department 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 vision consists of a total of three organisation consultants plus the head of the division.

Continued growth in the Norwegian Confederation of Trade Union's portfolio and good returns

Capital markets are delivering solid returns in excess of the return target and supplying profits for both the Bank's Retail Division and Corporate Division.

Our goal is to come up with activities that support the Bank's growth target and produce satisfied customers and owners. The growth in LO loans remains solid, although we did see somewhat more normalised growth in 2023 compared with the rest of the portfolio. The growth remains higher than its market share would suggest.

We are now well into the final year as one of two priority agreement banks that were chosen as providers of loan products in LOfavør. The feedback we receive on what we have delivered in line with the agreement with LO is positive, and we will of course work hard to maintain our position as a preferred bank.

During the year, we did more outreach to LO than ever before. We are noticing great interest in the topic of personal finances due to the rise in living costs, the volatile global situation and higher interest rates. Our advisers are in demand, and LO customers are interested in their member benefits. We have annual meetings with LO, the federations and the largest unions, and we continue to focus heavily on deposits, customer retention and capital. Relationship work plays an important role. It is important to stand out by staying close to customers even in tougher times.

Going forward, it will be essential to increase the sustainability proportion in the area of investments, and we have now introduced new procedures here as a result of new regulations. This work must be intensified in 2024.

We believe that competition in the market will remain tough in 2024 as well and that it will therefore continue to be important to work on customer care and protecting capital, as well as securing access to new customers in 2024.



– During the year, we did more outreach to LO than ever before. We are noticing great interest in the topic of personal finances due to the rise in living costs, the volatile global situation and higher interest rates.

Espen Mejlænder-Larsen,
Executive Vice President Organisations and Capital Markets Division.

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Business conduct

Combating economic crime

Economic crime is a significant threat to individuals, business and the economy. Like other banks, SpareBank 1 Østlandet has a legal duty to implement measures to prevent and detect money laundering and terrorist financing.

The Bank has extensive measures for continuously preventing and detecting other economic crime, particularly digital fraud. Customers in particular, and society in general, must have confidence that the Bank is being proactive in this area.

WHY IS THIS IMPORTANT FOR THE BANK?
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. The Bank has the appropriate procedures and expert employees it needs to address its corporate social responsibility and compliance requirements in this area. This work is linked to Goal 16, targets 16.4 and 16.5, which aims to significantly reduce illicit financial flows and combat all forms of organised crime.

There will always be a risk that people will try and exploit 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) as required by law. 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 for our operations.

The threat picture is constantly changing, and we have to adapt the work to match developments. The work is challenging, resource intensive and requires a high level of multidisciplinary expertise. We share our knowledge with other financial institutions and the public sector to the extent permitted by law. The increase in the number of fraud cases that our customers are exposed to requires the Bank to help customers so they are able to handle these challenges in the best possible way.

WHAT WAS DONE IN 2023?
In 2023, the Bank again focused heavily on risk analyses in the area of money laundering and sanctions. The Bank's management receives continuous information on developments in this area. The Bank has started work on further developing appropriate thematic analyses of economic crime. This is viewed as important with respect to ensuring that resources are utilised in the best possible way, and thereby achieving a high level of accuracy in relation to the risks identified.

It is important in this work to ensure that our systems are configured for transaction monitoring and customer risk scoring.

The work on economic crime is making ever greater demands on advanced systems support. Finding fully developed solutions that meet all compliance requirements efficiently and appropriately is hard for banks. Given this, considerable resources have been devoted in the past 2 years to specifying requirements and developing a new systems platform. It is assumed that more advanced systems support will be in place by the end of 2024. In anticipation of this, the Bank has signed agreements with several smaller suppliers, which has proved successful.

The Bank conducted a comprehensive mandatory training course for the Bank's employees in the area of money laundering. The training included access to a training app ("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. Extensive role-based training was also conducted, particularly aimed at the corporate market.

The number of staff assigned to work on economic crime increased. A reorganisation process was also completed in order to further develop the work in this area.

The Board of Directors has adopted a zero tolerance policy for compliance risk in the area of anti-money laundering. The Bank's Board has approved overarching guidelines for the Bank's anti-money laundering and anti-terrorist financing work.

STRATEGIC ANCHORING

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

Responsible for the area:
Chief Operations Officer (COO).

Goal for area:
We focus on being a safe banking partner in which new customer relationships are correctly established, existing customers are correctly documented, and we know where the customers' funds come from in order to prevent money laundering and/or terrorist financing via our bank.

INDICATORS

GRI: SB1Ø-2, 402-2
CSRD: ESRS G1
GC: 2, 10
UNEP FI: 5.1, 5.2, 5.3
SDG: 16.4



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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.

In collaboration with other banks in the SpareBank 1 Alliance, the Bank has started work on introducing the next generation of anti-fraud systems.

RISKS AND OPPORTUNITIES
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 2023. 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 shows the inherent risk, measures taken and a summary of the risk analysis for the business.

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.

Information security

Information security is important if we want to offer both customers and employees good secure services. Protecting information from unintentional access, alteration, deletion or misuse helps maintain our customer satisfaction, reputation, productivity and financial stability.

In 2023, both private and public actors reported an ever-increasing number of unwanted information security incidents. Technical solutions and social engineering and digital fraud methods are becoming increasingly professionalised, and impact customers, the Bank and our subcontractors.

No major cyber incidents were registered in SpareBank 1 Østlandet in 2023. However, it is becoming increasingly clear both to us and society that the high threat level will remain the normal situation going forward.

WHAT WAS DONE IN 2023?
In 2023, the Bank continued its efforts to protect the institution's assets from cyber threats. In particular, we worked on the following areas:

- Following up incidents both locally and in the SpareBank 1 Alliance. Nonconformities and incidents were handled in line with the guidelines and procedures with few or no consequences for the Bank's systems or services.
- Increasing employee competence and awareness of social engineering, the risk of fake emails and phishing
- The framework for management reporting was further expanded with key KPI values and risk assessments
- Taking part in a national research project on the use of biometrics for secure customer identification
- Risk assessments of the Bank's systems and services to meet statutory requirements
- Establishing a fuller risk picture with periodic reporting to management
- Updating the Bank's crisis and continuity plans

STRATEGIC ANCHORING

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

Responsible for the area:
Chief Operations Officer (COO).

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.
- Ensure that the Bank's and the Bank's Group Management have a correct and up-to-date risk picture for information security.

INDICATORS

GRI: 418-1, 404-2
CSRD: ESRS G1
GC: 2, 10
UNEP FI: 5.1, 5.2,5.3
SDG: 16.4



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WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
A good security culture is built up over time, and it is important that we continue working to ensure that the Bank has both the expertise and capacity needed in this area. In collaboration with the SpareBank 1 Alliance, work continues on introducing and updating control and security measures.

The EU Digital Operational Resilience Regulation (DORA) will be important for the Bank and the financial services industry. The Financial Supervisory Authority of Norway is studying its implementation in Norway, and the Bank will monitor this work up to 2025, when the Regulation will enter into force.

The use of AI is becoming increasingly important for the Bank. Going forward, it will be important to understand both AI's opportunities and limitations and to ensure that the security of customer and employee information is addressed in the best possible way.

TRAINING
The Bank has for many years taken a systematic approach to training and awareness-raising work. Establishing training plans and parameters for measuring performance has provided employees with knowledge of relevant threats on a continuous basis. Important topics have, in particular, been:
- Detecting fraud and methods for this
- Reporting incidents via the right channels
- Testing the detection of fraudulent emails and phishing attempts
- Mapping the Bank's security culture

Information security training is mandatory for the Bank's employees. The results of the completed tests are good compared with comparable industries and companies.

COLLABORATION AND PARTNERSHIP
The Bank works closely with other banks in the SpareBank 1 Alliance. In 2023, we strengthened this cooperation with a particular emphasis on handling incidents and developing common arenas for cooperation and competence sharing. The SpareBank 1 Alliance has important expertise in operating and maintaining the Alliance's centrally located systems. It is important for the Bank that this cooperation is constantly developed and maintained.

Privacy

Our customers must be confident that their personal data is safe with us. Privacy is an important human right, and complying with privacy regulations is important for SpareBank 1 Østlandet.

WHY IS THIS IMPORTANT FOR THE BANK?
SpareBank 1 Østlandet processes 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 what personal data we process and how we do it. The Bank's privacy statement and policy are available to customers on our website. The privacy statement for employees is accessible on our intranet pages.

WHAT WAS DONE IN 2023?
In 2023, the Bank prioritised ensuring good privacy protection in new and changed processes and implemented solutions. An added effort was also made to continue the work of documenting compliance with privacy regulations. A project was established to conduct risk assessments that ensure the security of personal data. Our privacy training programme increased the understanding and awareness of various employee target groups of the requirements for privacy in 2023.

Management and control
Privacy policy documents were also reviewed in 2023, although no changes were made. Internal privacy procedures were updated. During the year, the privacy statement for employees underwent a major upgrade in consultation with HR and the Bank's Cooperation and Working Environment Committee (SAMU).

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 and data protection officer conducted a series of control activities related to the area of privacy in 2023.

STRATEGIC ANCHORING

Important guidelines:
Privacy Policy, Privacy Standard, Standard for Deleting Personal Data

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

Goals for 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

INDICATORS

GRI: 418-1, 404-2
CSRD: ESRS G1
GC: 1, 2
UNEP FI: 5.1, 5.2,5.3
SDG: 16.5



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Key checks were circulated to managers, privacy coordinators, and system owners to verify that the privacy documentation is up to date.

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
In 2023, the Bank worked on updating all risk assessments in order to ensure the security of personal data. At the same time, procedures, templates and tools for valuations, damage potential and business criticality were established for information systems that process personal data. All system owners received thorough training in risk management and more than 250 risk assessments were carried out during the year. At the same time, other data protection documentation and some data protection impact assessments were updated. In addition to addressing privacy requirements and the provisions of the ICT Regulations, this also provides a better basis for exploiting technological opportunities faster and in a more secure manner in the future.

Customer rights
Privacy legislation gives data subjects the Bank has records on numerous rights and we are committed to safeguarding these. In 2023, the Bank received six requests for access. Some 47 people transferred data from the Bank to themselves (data portability). Everyone also has the right to request deletion of their data. We received three such requests.

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. The Bank's employees are becoming increasingly expert in what constitutes privacy non-compliance, and the ability to detect non-compliance is increasing. This is providing opportunities for improvements. Managers have confirmed through internal control that they are familiar with the procedures and report non-compliance when it occurs.

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 2023. 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.

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
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.

RISKS AND OPPORTUNITIES
The risk assessment for the privacy area is updated several times per year. The risk assessment captures changes in external and internal incidents and threats, as well as regulatory changes. The Bank closely monitors regulatory changes, such as DORA and the AI Act, as examples of rules that may impact privacy.

In connection with a major project designed to improve risk assessments, system owners and other important roles gained better expertise in data protection regulations and risk management, and thus a better basis for taking advantage of technological opportunities faster and in a more secure manner going forward.

Risk assessments were also conducted in connection with all legal, business, technological and procedural changes designed to present the Bank with business development opportunities.

TRAINING
All employees receive regular mandatory training in the area of privacy. In 2023, our privacy competence programme particularly focused on training in risk management and personal data security. System owners and managers underwent systematic training in both the threat picture and risk assessment methodology. The training was provided in the form of both e-learning and numerous one-to-one meetings during practical implementation. All employees took a number of general e-learning courses on privacy and security, and in addition an annual survey on our corporate security culture was conducted. As far as general training is concerned, common training on AI and data protection was provided via the Alliance. New employees undergo regular e-learning.

COLLABORATION AND PARTNERSHIP
The specialist privacy environment in SpareBank 1 Østlandet works closely with similar specialist environments in the SpareBank 1 Alliance. We arrange regular meetings and professional seminars. This cooperation involves both the data protection officer and the first line function. The business side also cooperates on protecting privacy in the best possible way.

In addition, the Bank has regular meetings on data protection with subsidiaries in the Group.

Non-compliance and breaches of personal data security

	2023	2022	2021	2020	2019	2018
Total non-compliance	52	77	45	38	29	7
No. of non-compliances reported to the Norwegian Data Protection Authority	9	6	8	9	7	4
No. of fines or penalties from the Norwegian Data Protection Authority	0	0	0	0	0	0

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Ethics, anti-corruption and whistleblowing

SpareBank 1 Østlandet relies on the trust of customers, investors, partners, organisations and the authorities. We endeavour to sustain this trust in us through our work on ethics, anti-corruption and whistleblowing.

WHY IS THIS IMPORTANT FOR THE BANK?
This work helps reinforce our relationships with stakeholders, build up financial strength, ensure financial power and improve our already good reputation. We will not tolerate any actions 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 2023?
The revised Code of Conduct was approved at the end of 2022, and in 2023 we spent a lot of time implementing the code and familiarising everyone with it. Over the course of the year, the Bank's Ethics Committee was expanded to include representatives of the subsidiaries.

The Bank has a programme for its work against corruption and bribery, which is reviewed and revised every year. 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 on privacy for the Board every quarter. Annual reports are prepared for the Board on compliance with the Code of Conduct and the Anti-Corruption Policy.

New internal and external whistleblowing procedures were approved by the Board in 2022. In 2023, we evaluated and assessed an external partner who would receive reports externally.

Code of Conduct and ethics refreshers
We introduced the new Code of Conduct via various activities in 2023. In 2022, we changed from arranging a more extensive ethics week to conducting several smaller ethics refreshers throughout the year to ensure regular follow up of this area. At the beginning of the year, an ethics refresher was held that focused on the new Code of Conduct. Everyone completed an e-learning module that reviewed the Code of Conduct, and dilemma discussions were held in each department.

The theme of the ethics refresher conducted just before the summer was: "More customers than before are experiencing difficult times – how do we deal with this and what dilemmas may arise?" In September, the theme was "Slow thinking" and all financial advisers also completed FinAut's ethics training. In December, we ended the year with an ethics advent calendar and the Code of Conduct as the theme for dilemma discussions.

Anti-corruption work and combating corruption and bribery programme
The programme consists of different key activities, such as training, whistleblowing channels (also for anonymous whistleblowing), risk assessments in the area and due diligence assessments in connection with granting credit.

Some 95 per cent of employees completed training activities on the topics of corruption and conflicts of interest over the course of the year.

Whistleblowing
In 2022, the Board of Directors approved a new internal reporting procedure that applies to the entire Group. The Group has a dedicated whistleblowing committee consisting of the Chief Risk Officer (CRO), 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 use a whistleblowing channel that forwards reports to an external partner if they so wish.

Ethics Drip 2023

Q1 2023

Topic: New Code of Conduct
Activities
- Intranet activities
- Ethics Day, 06.03.2023, with publication of an e-learning module on the new Code of Conduct
- Departmental arrangements with tasks related to the new Code of Conduct

Q2 2023

Topic: "More customers than before are experiencing difficult times – how do we deal with this and what dilemmas may arise?"
Activities:
- Intranet articles
- Podcast with a manager and two advisers

Q3 2023

Topic: "FinAut's ethics module" and "Ethics is slow thinking"
Activities:
- Intranet activities
- Intranet article and all financial advisers reminded to complete mandatory ethics training
- Video tutorial on "Ethics is slow thinking"

Q4 2023

Topic: Code of Conduct as advent calendar
Activities:
- Intranet articles
- Seven nano-learnings with puzzles

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The Bank's procedures for external whistleblowing are published on the Bank's website.

Six whistleblowing reports were dealt with in 2023. Two of the reports concerned a subsidiary and were about unwanted behaviour in connection with a social event. Four of the reports concerned the Bank and were about various working environment challenges and non-compliance with data protection regulations. The whistleblower reports have been handled based on the specific content of each report. At the end of the year, there were no open whistleblower cases.

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
There were no significant deviations in terms of the goals set. However, the Bank will continue to focus on ethics, anti-corruption and whistleblowing in order to develop and improve its skills, work processes and control measures, as well as to ensure compliance with the procedures for self-imposed and statutory requirements.

RISKS AND OPPORTUNITIES
Multiple checks and spot checks are made within the area of both ethics and anti-corruption in cooperation with several departments in the Bank. No material breaches were identified in 2023.

TRAINING
The regular ethics refreshers throughout the year resulted in extensive training activity in this area. Some 98 per cent of all employees completed the e-learning module and signed to confirm that they have read the Code of Conduct. We use podcasts featuring resource persons and articles on the intranet to highlight this area. The last ethics refresher for the year was an ethics quiz in the form of an advent calendar. Some 62 per cent completed all tasks. All authorised financial advisers also completed the extensive annual training programme, of which ethics is an important component.

Within the area of anti-corruption, employees completed training on corruption and conflicts of interest. The completion rate was 95 per cent.

Signed Code of Conduct

The propotion of employees who have confirmed that they have reviewed and understood the Code of Conduct					
	2023	2022	2021	2020	2019
Goal attainment 92%	98% ✓	96% ✓	98% ✓	97% ✓	95% ✓

Employees will avoid impartiality problems and conficts of interest in processing credit applications

Number of credit cases in which breaches of impartiality rules were identified					
	2023	2022	2021	2020	2019
The goal are 0 cases	0 ✓	0 ✓	0 ✓	0 ✓	New from 2020

STRATEGIC ANCHORING

Important guidelines:
Code of Conduct, Anti-corruption Policy, Fraud and Risk of Fraud Action Policy, internal whistleblowing procedures and external whistleblowing procedures.

Responsible for the area:
Ethics: Executive Vice President HR and Legal
Anti-Corruption: COO.
Whistleblowing: CRO.

Goals for area
Ethics:
SpareBank 1 Østlandet employees are very familiar with Bank's Code of Conduct.

Anti-corruption:
SpareBank 1 Østlandet avoids impartiality problems and conflicts of interest when processing credit applications.

Whistleblowing:
- Reports of wrongdoing are dealt with in a satisfactory manner and in line with the provisions of the Working Environment Act.
- Arrangements have been put in place that ensure that wrongdoing is made known to the employer such that the necessary action can be taken.

INDICATORS

GRI: 2-15, 2-23, 205-1, 205-2, 205-3, 404-2
CSRD: ESRS G1
GC: 2, 10
UNEP FI: 5.1, 5.2
SDG: 16.5



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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 2023?
Social and sustainability considerations were further operationalised in liquidity management in 2023.The Bank's goal was to increase the proportion of ESG investments in the liquidity portfolio from 15 per cent in 2022 to at leased 20 per cent in 2023. At the end of 2023, the ESG proportion was 21.1 per cent of the total liquidity portfolio.

Another goal for 2023 was to measure the magnitude of the positive impacts ESG investments had on greenhouse emissions relative to conventional investments. In total, this amounted to 71 758 ton CO2 per annum, or 11.8 tonn per million NOK invested at the end of 2023.

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.

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.

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.

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.

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 for the area:
Chief Financial Officer

Goal for the 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 20 per cent in 2023

INDICATORS

GRI: SB1Ø-4 og SB1Ø-7, 404-2
CSRD: ESRS G1
Eco-Lighthouse: 2069, 2220
SDG: 8.10, 12.6, 13.3, 15.a, 16.4 16.5



Goal attainment for assesing the liquidity portfolio

Share of investments – new and existing – must be assessed annually in relation to the current guidelines. Non-compliance is followed up.					
	2023	2022	2021	2020	2019
Goal attainment 100%	100%	100%	100%	100%	100%

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Requirements for providers of financial services – asset management

The Bank does not manage any funds of its own, instead it distributes a wide range of mutual funds provided by recognised portfolio managers. In our materiality analysis, financial providers 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 IMPORTANT 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. 2023 was a good year for fund savers and investors with generally good returns in both fixed income and equity funds. 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 2023?
In 2023, we updated our policy on providing sustainability risk in our investment advice and introduced mandatory mapping of customers' sustainability preferences in our advice processes.

We set ambitious ESG targets within the area of mutual funds for the strategy period up to and including 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 and 2023 were years in which 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 in recent years been priced down in the markets due to both higher interest rates and higher risk premiums. However, we saw a change in the development of growth companies in the last quarter of 2023. In recent years, the change in the market has probably resulted in less interest from customers and lower subscription rates for funds with a sustainability profile.

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 current strategy period. The generally tighter practices for classifying funds makes achieving the goals even more demanding.

Increasing proportion of new sales in funds graded 'A' in the Bank's ESG labelling

A growing proportion of new sales should be in funds with a clear ESG profile					
	2023	2022	2021	2020	2019
Goal attainment A	5.0%	2.9%	8.5%	5.9%	2.2%

At least 25 per cent of our customers' investments in funds are invested in funds with a clear ESG profile

Proportion of customers invested in funds graded 'A' in the Bank's ESG labelling.					
	2023	2022	2021	2020	2019
Goal attainment A	2.4%	2.0%	2.5%	2.0%	0.7%

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 Organisations and Capital Markets Head of 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.

INDICATORS

GRI: SB1Ø-4 og -7
CSRD: ESRS G1
GC: 1-2, 4-8
Eco-Lighthouse: 2065, 2069, 2070, 2071, 2072
SDG: 8.10, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4, 16.5



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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 current 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 on Disclosure of Sustainability Information in the Financial Sector and a Framework for Sustainable Investments, 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. The Bank believes 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 (relatively short history with weak returns for many ESG funds 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
In 2023, all advisers working with fund distribution and advice on savings and investments completed an e-learning module on mapping customers' sustainability preferences. In 2023, the training was also adapted for advisers of high net worth customers in the Capital Markets Department.

Sustainability in purchasing

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 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. SpareBank 1 Utvikling expects suppliers and business partners to be conscious of sustainability risk in their own operations and supply chains, and to take an active and systematic approach to mitigating adverse impacts on the climate, environment and ethical social and business conditions. Suppliers are required to have guidelines for sustainability and to translate these into action. They are also required to comply with the Transparency Act and produce a climate report and plan for the transition to net zero.

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. This is described in the Bank's report on due diligence, which is published on our website.

PREPARING FOR THE TRANSPARENCY ACT
The Alliance has followed up sustainability in its supply chain based on the OECD Due Diligence Guide since 2019. The Transparency Act and duty to report on due diligence, which came into force in June 2023, are based on the OECD's guidelines.

In a risk-based survey of 249 existing suppliers conducted in 2022, SpareBank 1 Utvikling prioritised 12 suppliers it followed up more closely in relation to compliance with the Transparency Act.

SpareBank 1 Utvikling's full report on due diligence for 2022 is available to all. For more information see our website. The due diligence report for 2023 will be published by 30.06.2024.

WORK ON SUSTAINABLE PURCHASING IN 2023
Follow-up of the reports in the Transparency Act
Two of the suppliers in the previous survey were subject to further follow-up. One is a major supplier of IT hardware and the other a major provider of IT services. Both suppliers were asked to provide more information about their actual adverse impacts and their material risk of adverse impacts, pursuant to sections 5(b) and 5(c) of the Transparency Act. The IT hardware supplier was also asked to provide an account of investigations at one of its electronic component subcontractors in China.

The IT hardware supplier has provided more specific information on non-compliance at six subcontractors in Asia in relation to indications of modern slavery in terms of recruitment, travel, medical treatment and accommodation costs. The supplier has in "cooperation with the Responsible Business Alliance (RBA) demanded that subcontractors stop the illegal practices and is following up with on-site audits. Some 200 employees were also reimbursed around USD 0.8 million in 2022." At another subcontractor in China, there were cases of non-compliance involving overtime work, accommodation support and social security taxes. The cases of non-compliance indicate the existence of systemic errors in control processes and are being followed up.

The IT services provider has not published a due diligence report in a readily available fashion on its website as required by the Transparency Act, but instead refers people to its annual report. We do not consider this to be adequate and a dialogue has been initiated with the supplier.

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
The Bank complies with the guidelines approved by SpareBank 1 Utvikling and will conduct its own due diligence every year in line with the Transparency Act.

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Green transition

The road to net zero

SpareBank 1 Østlandet's overarching goal is to be a driving force behind climate work in the financial sector. The Bank set a climate target for reducing greenhouse gas emissions from its own operations as early as 2019 and continuously works to ensuring it has a sustainable credit portfolio.

The work is based on the signed commitment to the UN Net-Zero Banking Alliance (NZBA) environmental programme, which corresponds to the climate targets set in the Paris Agreement and by the Intergovernmental Panel on Climate Change, as well as Norway's Climate Act. The goal is to cut emissions by at least 50 per cent by 2030 and by up to 55 per cent compared with 1990 levels. The Bank's long-term sustainability goal is to contribute to a zero-emission society by 2050 or earlier that does not compromise planetary boundaries.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
Our double materiality analysis shows that the Bank has the greatest potential to reinforce positive and mitigate adverse impacts through our lending to customers, as well as in our own operations. As far as its loan portfolio is concerned, the Bank is focusing on the largest portfolios of properties and agriculture, in addition to housing mortgages. The analysis shows that it is within these areas that the Bank is most exposed to sustainability risk. These three portfolios were worked on in separate strategic initiatives (interdisciplinary working groups) throughout the year, and the work is presented in separate sections in this report.

WHAT WAS DONE IN 2023?
The Bank has drawn up a transition plan for achieving net zero in 2050. This summarises the goals and measures in the transition towards the net zero society. The transition plan defines our ambitions and strategic goals and includes specific measures for how we can be a clear driving force behind a sustainable transition. The plan is updated annually, although we are constantly working to improve our product and service offering, such that, together with our customers, we generate green competitiveness. We believe that this will enable the Bank to help create a net zero emissions society that does not compromise planetary boundaries by 2050 or earlier. The entire transition plan can be read on the Bank's website.

Own operations
SpareBank 1 Østlandet renewed its Eco-Lighthouse certification in 2022 and continues to use this as an effective tool for environmental management. In addition to a continued focus on sustainable purchases and sustainable award criteria when purchasing, refurbishing and renovating premises for our use, the Bank focuses on resource efficiency and the circular economy. The Group has increased its proportion of reused furniture, opted for climate-neutral cooling agents and encourages contractors to reuse construction materials. In 2023, the Bank started using an energy monitoring system (EOS) and will use this for energy-reducing measures. When refurbishing the Bank's premises, an effort is made to switch from electric heating to waterborne heating. Increasing the proportion of waterborne heating means that in the future the Bank will be in a position to choose the energy sources with the lowest emissions factors.

For internal operations and our own buildings, purchasing carbon credits and guarantees of origin is currently the most widely used means in the work towards net zero. The credits and guarantees are not included in the calculation of the Bank's total greenhouse gas emissions. The Bank will consider other measures that are better suited to Norwegian conditions on an ongoing basis in the coming period.

For 2023, EUAs and guarantees of origin were purchased to offset our own emissions. EUAs are the allowances under the EU Emissions Trading System for enterprises (EU Allowances) and are primarily available for purchase and sale between companies. Guarantees of origin were purchased through Fjordkraft. The Bank has guarantees of origin for the total volume supplied.

In 2023, 562 EUAs and guarantees of origin were traded for 3 352 720 kWh through Fjordkraft and 467 890 kWh through Kraftriket.

The bank evaluates other measures that are more adapted to Norwegian conditions.

STRATEGIC ANCHORING

Important guidelines:
Sustainablility strategy, Corporate Market Guidelines for Social Responsibility and Sustainability, Private Market Guidelines for Social Responsibility and Sustainability, Guidelines for Responsible Distribution of Mutual Funds in SpareBank 1, Guidelines and Action Plan for Climate and Climate Risk

Responsible for the area
Executive Vice President Innovation and Business Development

Goals for area:
- Net zero within 2050
- 55 per cent reduction in emissions by 2030

INDICATORS

GRI: 3-2, 3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, SBØ-3
CSRD: ESRS E1
GC: 7, 8, 9
UNEP FI: 2.1, 2.2, 2.3, 3.1, 3.2, 4.1, 5.1, 5.2, 5.3,
Eco-lighthouse: 2064, 2065, 2067, 2068, 2069, 2220
SDG: 4.7, 9.3, 9.4, 12.2, 12.6, 12.8, 13.3, 15.a, 15.b, 16.6, 17.



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Detailed emissions from own operations[1)]

Emission source	Consumption	Emissions factor	Emissions in CO2e
Petrol (company cars)	1,471.77 litres	2.89 Kg CO2e/litre	4.25 tCO2e
Total Scope 1			**4.25 tCO2e**
Remote cooling	19,723 kWh	0.0421 Kg CO2e/kWh	0.83 tCO2e
District heating	2,324,551 kWh	0.171 Kg CO2e/kWh	397.5 tCO2e
Electricity	4,190,753 kWh	0.0468 Kg CO2e/kWh	196.13 tCO2e
Total Scope 2 [2)]			**594.46 tCO2e**
Waste volumes – residual waste	40,808 kg	Different per category	8.78 tCO2e
Sorted 10 categories	81,113 kg	Different per category	3.29 tCO2e
Air travel Nordic countries	182 flights	104 CO2e/flight	10.36 tCO2e
Air travel, Europe	56 flights	185 CO2e/flight	18.93 tCO2e
Air travel, rest of world	1 flight	402 CO2e/flight	0.4 tCO2e
Mileage allowance	665,495 km	0.27 Kg CO2e/km	179.68 tCO2e
Total business travel			
Total Scope 3			**221.44 tCO2e**
Total CO2 emissions			**820.15 tCO2e**

[1)] Own operations are defined as parent bank, AS Vato and Youngstorget AS.
[2)] The table was made using the location-based method. This method calculates emissions based on how the electricity consumed in Norway was generated.

Scopes 1, 2 and 3

Scope	Description of emissions and changes from last reporting period
Scope 1: Company cars, fuel	The Bank's cars will be replaced with electric vehicles by 2025. Emissions from company cars will therefore be almost zero from 2025 onwards. In 2023, the Bank's employees had one electric car and one hybrid-driven lease car. Total petrol consumption amounted to 1,471.77 litres, mainly from the Bank's teaching about personal finances to school students in our district. Scope 1 emissions have been reduced from 7.61 (2022) to 4.25 (2023). A reduction of 44 per cent.
Scope 2: Electricity and district heating	The Bank has cut its energy consumption considerably in the past 14 years. The goal is to reduce continuously in the period up to 2030 and thereafter up to 2050. There was a slight increase in energy consumption in 2023, equivalent to 8 per cent compared with 2022, but consumption was lower than in 2021. Electricity consumption increased by 2 per cent, district heating by 23 per cent and district cooling decreased by 8 per cent in 2023. This was due to a colder autumn and more activity.
Scope 3: Flights	The bank has clear restrictions in its travel regulations that all travel must be justified by a clear need, and that other alternatives, such as telephone or video meetings, should be considered as alternatives. The Bank had one flight outside Europe, 56 flights in Europe and 182 flights in the Nordic region booked via our travel agent in 2023. These figures do not include flights booked by employees themselves. We are working to ensure that all air travel must be booked via our travel agent. The flights recorded are equivalent to 29.69 tCO2e. Emissions from 2022 were 17.36 tCO2e. The percentage decrease from 2019 is equivalent to a 47 per cent reduction in flights.
Scope 3: Mileage allowance	Emissions from mileage allowances have also been included in the climate accounts, which shows our total CO2 emissions. In 2022, we drove a total of 559,939 km. In 2023, we drove 665,495 km, a percentage increase of 19 per cent. The increase in business travel is due to more travel after the pandemic. We try to carry out environmentally and clima-te-friendly transport in business travel. From a climate perspective, the necessity of a trip should always be considered.
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 since 2011 and comply with its reporting and rules. All of the Bank's branches sort waste and focus on reducing residual waste, which is also in line with our Eco-Lighthouse certification. To further reduce, we demand that suppliers use packaging to limit the amount of waste. In line with Eco-Lighthouse's guidelines, single-use packaging must also be eliminated in the future. No waste have been reported where we rent offices. Where the bank is the landlord, waste from the tenant will be included in the reporting. In 2023, total waste increased from 99,185 kg to 121,921 kg. This is an increase of 23 per cent, due to better routines for registering waste during refurbishment and reconstruction. The sorting rate is still around 50 per cent.

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Science–based goals for business operations
The Bank sets science-based targets for business operations based on the methods of the Science Based Targets initiative (SBTi).

The emissions trajectory for 2019-2023 shows actual emissions, while from 2024 onwards the graph shows projections. These projections are the product of assumptions concerning future consumption and future developments in emissions factors. The 1.5°C target has also been used, in addition to an annual reduction of 4.2 per cent up to 2030 and of at least 90 per cent by 2050, in line with the Bank's target.

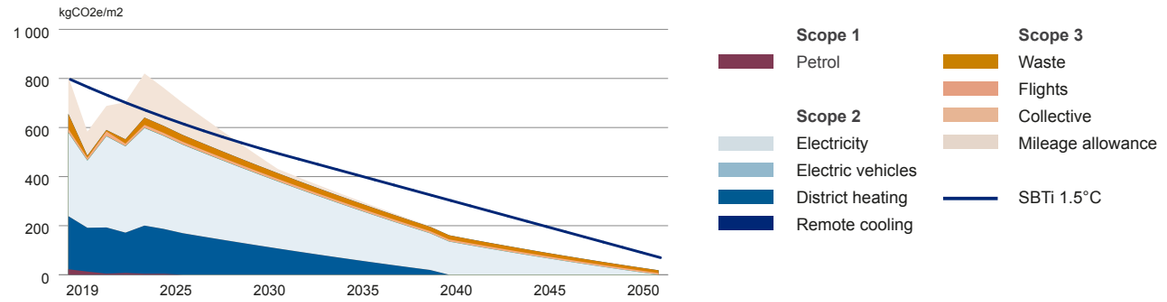
Loan portfolio
Calculating greenhouse gas emissions
The Bank uses the method published by the Partnership for Carbon Accounting Financials (PCAF) to calculate emissions for its loan portfolio, as well as Finance Norway's guide for calculating financed greenhouse gas emissions.

In the calculations, the highest possible data quality is sought, and this has improved since last year's reporting. The housing portfolio is also included in the distribution by data quality for 2023. 50 per cent of the loan portfolio is now calculated based on data quality 3. The weighted average data quality in 2023 was 3.5, compared with 3.8 in 2022.

Limitations
The method has several weaknesses:
- The emissions 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.
- Relatively significant variations must be expected in emission measurements going forward because the information will be increasingly up-to-date and data quality will improve.

The analysis in the table on the right shows that agriculture is the most emissions intensive industry and accounts for the largest share of greenhouse gas emissions overall. If we include upstream emissions in the value chain (Scope 3), transport and storage are also the most emissions intensive industries, followed by manufacturing. For more information about emissions in the Bank's main industries and in housing, see the chapters "Greener property – corporate market" "Greener property – retail market" and "Greener agriculture".

FIG. 1 Business operations 2019–2050



Total emissions and carbon intensity of the loan portfolio

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).

	Total emissions [1]		Carbon intensity [2]	
Industry	**Scopes 1 and 2**	**Scope 3**	**Scopes 1 and 2**	**Scopes 1, 2 and 3**
Agriculture and associated services	290,536	223,448	47.7	84.3
Forestry and associated services	11,889	13,896	11.8	25.5
Commercial services	8,907	20,135	6.8	22.2
Wholesale and retail trade	13,125	27,840	6.3	19.8
Sale and operation of property	7,486	43,830	0.3	2.0
Manufacturing	5,650	36,419	4.9	36.8
Construction of buildings	5,751	91,335	1.0	17.5
Transport and storage	2,699	10,909	12.3	62.1
Hotels, restaurants and tourism	1,294	3,864	2.9	11.5
Energy production and supply	2,040	1,376	1.8	3.0
Public sector	852	7,743	1.3	13.4
Others	7,139	8,890	3.1	6.9
Total corporate market	**357,368**	**489,684**	**7.5**	**17.7**
Housing	19,254	-	5.06 [3]	-
Total loan portfolio	**376,622**	**489,684**	**1.9**	

[1] tCO2e.
[2] tCO2e per NOK millions in lending.
[3] Emission intensity for homes is measured in kgCO2e/m².

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Corporate market

Due diligence and credit ratings

The Bank assesses new customers using its guidelines, as well as a new module for sustainability analysis for corporate customers developed by the banks in the SpareBank 1 Alliance and SpareBank 1 Utvikling. Assessments of new customers focus on:

- industries and types of activities the Bank does 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

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.

Based on assessments, the bank has in 2023 declined financing requests from a significant number of customers. The reasons are most often industry challenges related to social conditions for workers and the risk of money laundering, or inadequate fulfillment of information requirements related to the routines we have for anti-money laundering. This primarily concerns smaller businesses that apply for loans digitally.

In 2023, the Corporate Division discussed sustainability with almost every customer who applied for financing and commented on the conclusions. The Bank also conducted thorough sustainability analyses for 77 per cent of all customers applying for a loan in 2023 and with a commitment excessing NOK 5 million. The rest of the customers were covered by an earlier analysis)not older than 1.5 years) and is still valid. A basic conversation about sustainability was had in the case of smaller applications.

The primary purpose of the analyses is to identify sustainability risk as part of credit risk. The sustainability risk identified can in some cases result in us not wanting to grant loan applications.

In the analyses, the Bank relies 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.

Emissions in the corporate market portfolio

The estimated emissions for 2023 are 357 368 tCO2e. This results in an increase in direct emissions of 44 per cent from 2022. Emission intensity is up from 5.67 to 7.48 tCO2e/ NOK million. The changes to the calculation method in this year's reporting, which are described in the chapter "Greener agriculture", result in significantly higher emissions. Therefore, the change in total emissions from last year's report is primarily due to the methods used.

Science-based targets for greenhouse gas reductions

In the corporate market portfolio, the Bank has set a target of a minimum 42 per cent reduction in total emissions from the portfolio from 2020 to 2030. This corresponds to an annual reduction of 4.2 per cent of the 2020 level and is in line the SBTi of reducing emissions to 1.5°C.

Projections of total emissions for the Corporate Division, by industry, can be seen in Figure 2 on the next page. 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 low carbon intensive loan portfolio. The Bank wants to publish the emissions in the loan portfolio because it is through the value chain that it has the greatest opportunity to help achieve the ambitious goals in the Paris Agreement.

Science-based targets for intensity reductions

The Bank has increased its focus on measuring carbon intensity. This provides a more accurate picture of the reduction in greenhouse gas emissions since it is not directly affected by lending growth as is the case with total emissions. The Bank's target is a reduction in emmision intensity from 2020 to 2030 with an annual reduction of 7 per cent on the 2020 level. Calculations show a carbon intensity of 7.48 tCO2e per NOK million in lending. This is up from 32 per cent in 2022. The increase was mainly due to changes in the calculation methodology and better data for agriculture, which accounts for most of the emissions in the loan portfolio.

Goal of increased green lending

	Result 2023	Target 2023	Target 2024	Target 2025
Commercial property	41,2%	32,9%	42,5%	45%
Agriculture	1,4%	0,6%	2,2%	3,0%
Forestry	100%	100%	100%	100%
Renewable energy	100%	100%	100%	100%
Total [1)]	**18,3%**	**15,4%**	**20%**	**21%**

[1)] Incl. transferred to SpareBank 1 Næringskreditt.

To achieve the target of net zero emissions in the portfolio in 2050, the Bank has decided to increase the green share of the portfolio for the current strategy period up to 2025. This includes loans transferred to SpareBank 1 Næringskreditt. The goal for 2023 was 15.4 per cent. The result was 18.3 per cent.

In the Bank's largest industry, our goal is to grow the proportion of properties defined as green in the Bank's green bond framework. The transition work is discussed in the chapter "Greener property – corporate market".

The Bank's goal is to increase the proportion of renewable energy in the loan portfolio by 100 per cent from 2021 to 2025. The target was revised upwards from 50 per cent in 2023. The proportion of loans for renewables grew by 35 per cent in 2023, up from 3 per cent growth in 2022.

The Bank has set several targets for its agricultural portfolio, see the chapter "Greener agriculture".

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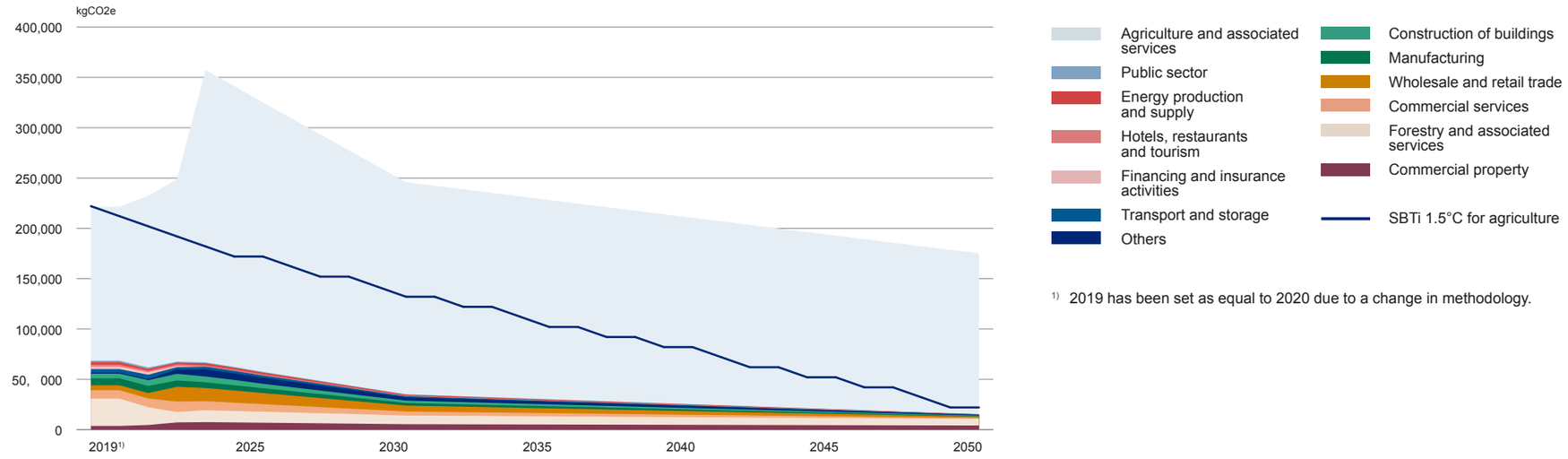
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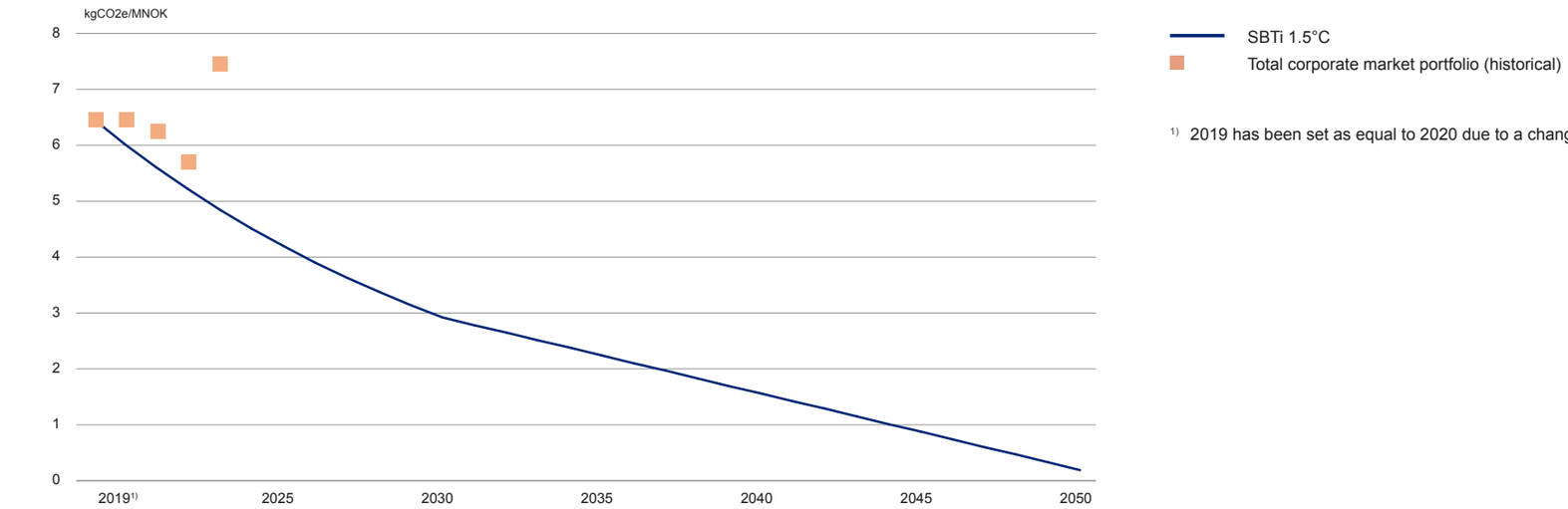
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FIG. 2 **Estimated annual greenhouse gas emissions (Scopes 1 and 2)**
In the corporate market portfolio for 2020–2023 and projections of emission trajectories according to SBTi.



[1)] 2019 has been set as equal to 2020 due to a change in methodology.

FIG. 3 **Total corporate market portfolio, incl. SBTi 1.5°C**



[1)] 2019 has been set as equal to 2020 due to a change in methodology.

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Retail division
Through its strategic initiative for greener property in the retail market, the Bank has put the housing mortgage portfolio on the agenda with associated goals and activities. For more information about the work see the chapter “Greener property – retail market” p. 76. This addresses the work on net zero in the Retail Division and the associated housing mortgage portfolio. The Retail Division also has other products and activities for customers that provide environmental benefits, such as green solar energy loans for solar panels and solar collectors, as well as green car loans offered via the Bank but provided by the subsidiary Sparebank 1 Finans Østlandet. See the reporting on subsidiaries p. 235 for goal attainment during the period.

Greenhouse gas emissions in the housing mortgage portfolio
Total emissions from the housing mortgage portfolio were estimated to be 19 254 tCO2e for 2023, which was higher than the target of 17 893 tCO2e. Therefore, the absolute emissions target was not achieved. This may be due to the fact that the rate of new construction has fallen and, therefore, fewer new low-emissions homes are being built. It may also be related to the fact that home renovation and energy efficiency require relatively large investments. In a time characterised by high electricity prices and higher costs for loans and everyday products, achieving real change among consumers is more demanding. The Bank has developed products that stimulate energy efficiency, although change takes time in today’s society. The Bank will continue to focus on this work in 2024.

Carbon intensity was 5.06 kgCO2e per m2, which was above the target 4.01 kg.

The calculation of greenhouse gas emissions linked to the housing mortgage portfolio is based on whether the home is a flat, detached house or terraced house, and its energy rating. It also includes total floor space and floor space scaled based on LTV ratio. This is how we calculate indirect emissions from housing mortgages. The Bank lacks some data on energy ratings, and the majority of reported energy ratings are based on homeowners’ self-reporting. Efforts are being made to obtain better energy data for the Bank’s housing mortgage portfolio. Initiatives are underway that will allow a home’s energy efficiency to be calculated without the need for extensive customer information, and the Bank is monitoring this work closely.

Science-based targets for intensity reductions
As for the corporate market, SBTi’s model for emissions trajectories were used to set reduction targets for the housing mortgage portfolio. Also used were the Bank’s targets of at least a 20 per cent of its mortgage portfolio being green by 2025, 25 per cent by 2030 and 65 per cent by 2050. The 2030 target corresponds to an annual reduction of 7 per cent on 2020 levels and is in line with the SBTi of reducing emissions to 1.5°C. Targets for increasing the proportion of green loans can also be found in the chapter “Greener property – retail market”.

Development of greenhouse gas emissions for retail market in kg CO2e

	2023	2022	2021	2020	2019	2018	2017
Scopes 1, 2 and 3	19,254	18,673	253,000	-	-	-	-
Total	**19,254**	**18,673**	**253,000**	**-**	**-**	**-**	**-**

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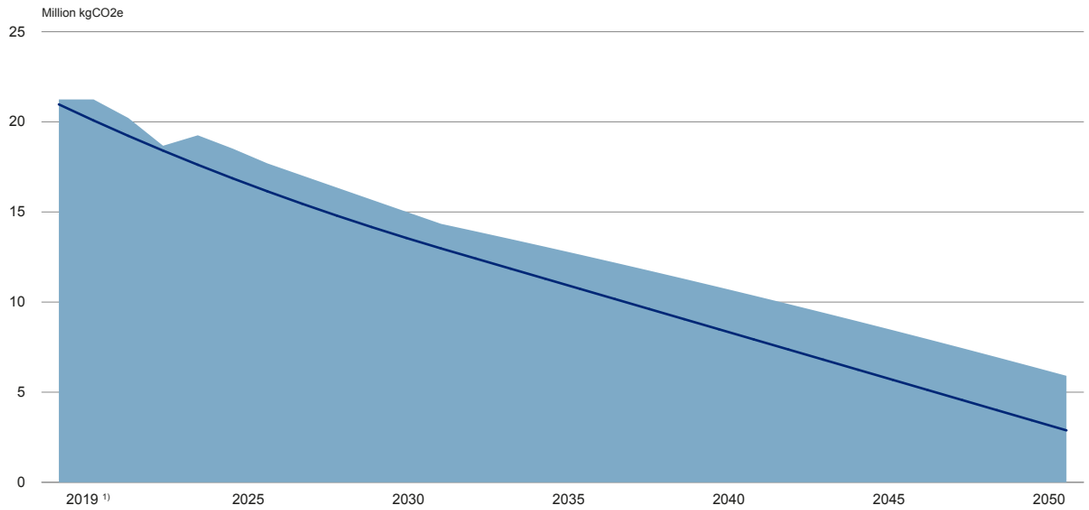
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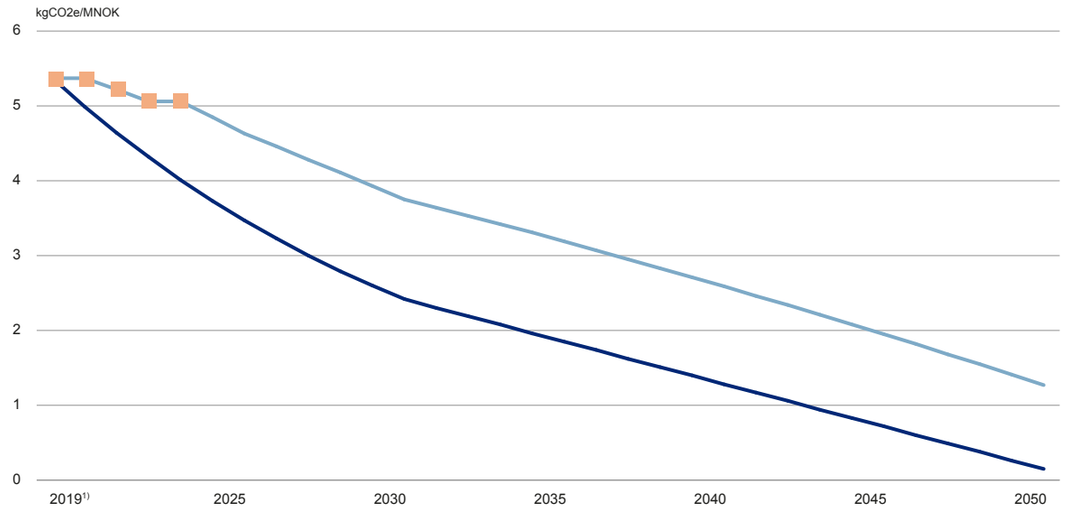
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FIG. 4 **Loan portfolio – private homes (total emissions), incl. VAT SBTi 1.5°C**



1) 2019 is set at equal to 2020 due to a change in methodology.

FIG. 5 **Loan portfolio – private homes (carbon intensity), incl. SBTi 1.5°C**



In 2050, the projected graph reaches a carbon intensity of 0.15 kgCO2e/m2, which means that the Bank must further tighten its targets to reach zero by 2050. We will continue to work on this in 2024.

1) 2019 is set at equal to 2020 due to a change in methodology.

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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 some of the portfolio managers and are working on reporting and reducing CO2 emissions in the fund portfolio going forward.

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 graph (Figure 6) shows carbon intensity in ODIN's funds. This is a means of measuring a fund's exposure to emissions intensive companies. The carbon footprint 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 the supply chain). Including Scope 3 emissions in such aggregated overviews is not recommended because one company's direct emissions are another company's indirect emissions, and one 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 following formula

$$\sum_{n}^{i} \frac{\text{Value of stake}}{\text{Total value of the portfolio}} = \frac{\text{Portfolio company's emissions of CO2e (Scopes 1 \& 2)}}{\text{Portfolio company's income (in the fund's currency)}}$$

New classification of funds
As mentioned in the chapter "Requirements for providers of financial services", we have adapted to the requirements of the Act on Disclosure of Sustainability Information in the Financial Sector and a Framework for Sustainable Investments, which enacts EU disclosure-related Directives in Norwegian law.

As far as sales of funds are concerned, this year's reporting shows that just over 80 per cent of sales of funds in the Bank in 2023 were classified as Article 8 and around 5 per cent as Article 9.

FIG. 6 Greenhouse gas emissions in funds
Carbon intensity in ODIN and SpareBank 1's funds measured against the fund's corresponding index.

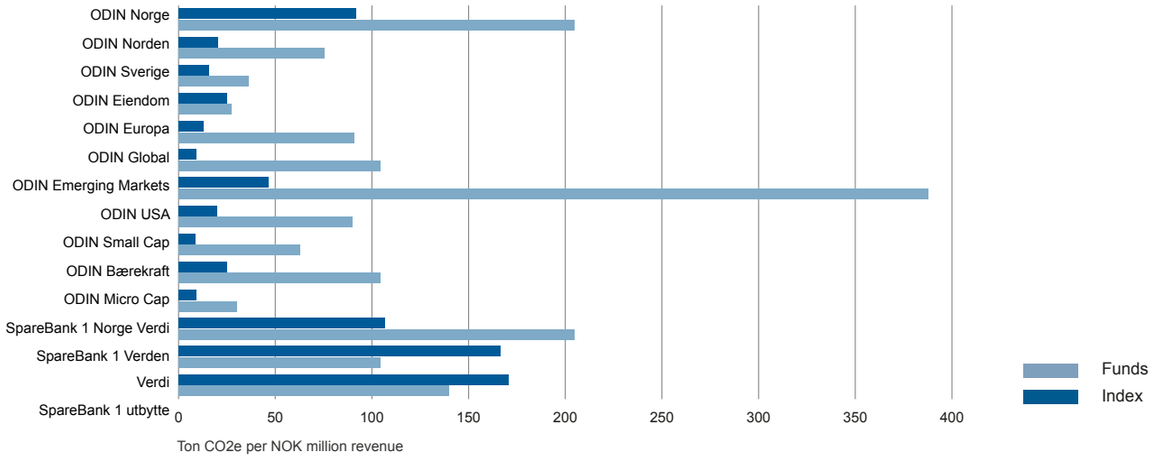


FIG. 7 Portfolio

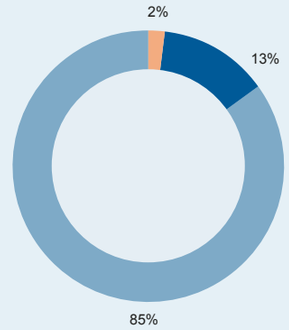


FIG. 8 Fund purchases

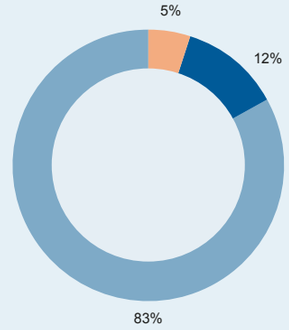
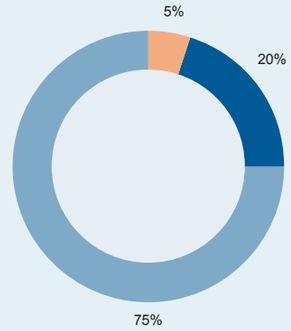


FIG. 9 Number of funds



[1)] In accordance to SFDR and EU taxonomy

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RISKS AND OPPORTUNITIES
In 2023, in collaboration with the SpareBank 1 Alliance and the Competence Centre for Credit Models, the Bank developed a stress test model for ESG risk. Work on refining the model will continue over the next few years. The model uses scenarios from the Network for Greening the Financial System (NGFS) and the following scenarios were chosen (the model will be expanded in the long term):

These scenarios are translated via the IAM model, which provides estimates of macroeconomic parameters based on the changes that result in the various scenarios. The model then calculates the effects this will have on the Bank's credit risk estimates going forward.

The results produced by the first version of the model show, for example, that the Bank's expected losses will increase going forward, both in the reference scenario and in the model's two ESG stress scenarios. The increase is naturally greatest in the stress scenarios. Meanwhile, the differences between the reference and stress scenarios are limited. We also conducted a climate-related risk analysis in which transition risk and physical risk were assessed. This, in combination with the industry's materiality (measured in terms of lending) shows that the property leasing, property projects and agriculture have the greatest climate-related risk. Regulation, technology, market and reputation were assessed within the area of transition risk.

For more information on risks and opportunities, see the chapters "Greener property – retail market", "Greener property – corporate market" and "Greener agriculture". A more detailed assessment of the Bank's work on ESG risk can be found on page 246.

TRAINING
In 2023, we provided the following training in the area of sustainability:
- Mandatory courses on sustainable finance for all new employees
- Sustainability workshops for all new employees
- Human rights course in SpareBank 1 for all
- Corporate Division advisers
- Training on the new CSRD regulations for all managers
- 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.
- We have also established a sustainability network in the Retail Division with representatives from each region. The members of the network will be driving forces behind training in the area of sustainability in their region.

COLLABORATION AND PARTNERSHIP
The Bank has worked with CEMAsys for several years on the preparation of science-based climate targets for both its loan portfolio and business operations.

The Bank actively participates in national and international initiatives that specifically target climate change. See "Our part of the global responsibility" on page 41 for further information.

In 2023, the Bank took part in collaborative projects with other banks under the auspices of Finance Norway and internally in the SpareBank 1 Alliance.

Risk scenarios for transitioning to a net-zero society

First version of the model High degree of transition risk	The second version of the model also includes High degree of both physical climate-related risk and transition risk
Divergent Net Zero Reaching net zero emissions by 2050, albeit with high costs due to divergent cross-sector policies and the faster phasing out of fossil fuels.	**Current policies** Only the current measures for mitigating climate-related risk will be continued, leading to high physical risk. The scenario assumes global warming of up to 3°C.
Delayed transition No reduction in emissions by 2030 and significant policy instruments introduced to achieve the 2°C target.	**Fragmented world** Delayed and divergent climate policy ambition on a global basis. This leads to higher transition risk in some countries and high physical risk globally due to an inefficient transition. The scenario assumes global warming of up to 2.3°C.

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EU Taxonomy for sustainable activities

BACKGROUND AND PURPOSE

The EU Taxonomy for sustainable activities – the Taxonomy – is a classification system used to determine which activities support the transition to a sustainable economy. The Taxonomy is designed to be used as a management tool for the Bank in its portfolio transition efforts. SpareBank 1 Østlandet reports what proportion of the portfolio is aligned with the Taxonomy's technical criteria, which is used as an indicator of the pace of transition in the Bank.

The Taxonomy is one of the key pieces of legislation on sustainable finance. In the coming years, companies, governments and government agencies will increasingly use the Taxonomy when defining what is sustainable. The Taxonomy will be an important tool for SpareBank 1 Østlandet as it endeavours to shift capital in a more sustainable direction.

REGULATORY FRAMEWORK

The Taxonomy consists of six overarching environmental objectives where each objective has a set of sectors and activities. These are subject to specific technical criteria that describe how an activity must make a significant positive contribution to the environmental objective. The objectives are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Criteria have also been established that are designed to ensure that activities "do no significant harm" (DNSH) to the other environmental objectives. The aim of these are to ensure that one environmental objective is not promoted at the expense of any of the others. An activity is aligned with the Taxonomy if it meets both the significant positive contribution and no significant harm criteria.

Activities must also satisfy certain minimum social criteria in relation to human and labour rights. They must comply with the OECD Guidelines for Multinational Companies, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight core Conventions of the International Labour Organisation (ILO) and its Declaration on Fundamental Principles and Rights in the Workplace, and international human rights regulations.

Development of the regulatory framework

The Taxonomy is a new regulation, and the Bank expects it to be developed further in the future. This may result in changes that affect calculations and the final key figures. The significant contributions and DNSH criteria for the individual climate objectives are expected to be developed further. The Taxonomy is also expected to be utilised in, and linked to, other areas on which the Bank is working.

In 2023, the EU launched its European Green Bond Standard. This standard is closely tied to the Taxonomy.

In 2023, the European Banking Authority (EBA) published several recommendations on linking ESG to existing capital requirements legislation. Several of the recommendations directly linked the Taxonomy to capital requirements and could result in the Taxonomy affecting the Bank's regulatory financial strength.

THE BANK'S FINANCING OF SUSTAINABLE ACTIVITIES

Reporting principles

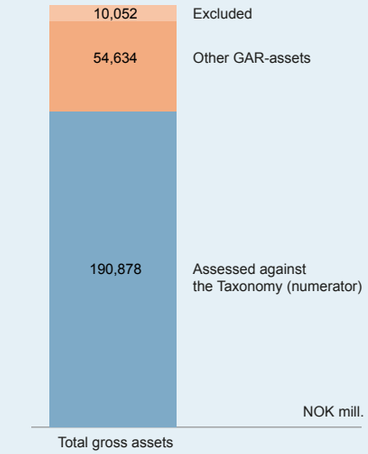
The Bank has reported preliminary calculations and assessments of the Bank's exposure to Taxonomy-related activities on a voluntary basis since 2021. Reporting is mandatory for 2023 and the Bank has calculated key figures in line with the regulations.

The reporting is done at a consolidated level where the Group has been defined in line with the EU Capital Requirements Regulation (CRR). The difference between the Group as defined by this Regulation and the Group as defined in the Bank's ordinary accounting is that the following companies are consolidated proportionately and not using the equity method:

- SpareBank 1 Boligkreditt AS
- SpareBank 1 Næringskreditt AS
- SpareBank 1 Kreditt AS
- BN Bank ASA

As far as contributions from SpareBank 1 Boligkreditt AS are concerned, the Bank's actual transferred loans are used in Taxonomy-related assessments.

FIG. 10 Total gross assets



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Method for determining the GAR
The green asset ratio (GAR) is the main performance indicator for credit institutions such as SpareBank 1 Østlandet. GAR is calculated based on the Bank's gross assets. Of these, exposures to state and regional authorities, where the use of the proceeds is unknown, are excluded from GAR assets, which are then used as the denominator when determining the GAR.

Some GAR assets are not included in Taxonomy-related assessments. These include derivatives, cash, on demand interbank loans and exposures without a specific counterparty (other assets). Besides these, exposures outside the EU/EEA and exposures to unlisted SMEs are excluded from the numerator.

In order to classify the financing of sustainable activities, the activities must meet the following criteria:

- Contribute significantly to one of the EU's environmental objectives
- Do no significant harm to one of the EU's five other environmental objectives
- Satisfy minimum social standards

The Bank does not manage assets on behalf of its customers and the related KPI is 0. KPIs related to Fees and Commision income and for the trading book will be reported as of next year when they will take effect.

The table below briefly describes how alignment with the Taxonomy is determined.

For more detailed information about Article 8 of the Taxonomy, please see the details in the attachments in the end of the Annual Report.

Affiliation to the taxonomy

Exposures	Taxonomy-eligible	Taxonomy-aligned
Financial undertakings	Based on reported KPIs	Based on reported KPIs
Non-financial undertakings	Based on reported KPIs	Based on reported KPIs
Households		
- collateralised by residential immovable property	Eligible	Loans collateralised by residential immovable property with EPC Label A as well as qualified property with EPC Label B.
- motor vehicle loans	Eligible	Not included due to lack of data to assess DNSH-criteria.

Green Asset Ratio (GAR)

	Turnover-based		CapEx-based		Based on Total[1)]	
	MNOK	Per cent	MNOK	Per cent	MNOK	Per cent
Financial undertakings	24	0.0%	26	0.0%	26	0.0%
Non-financial undertakings						
Households	13,608	5.6%	13,608	5.6%	13,608	5.6%
- collateralised by residential immovable property	13,608	5.6%	13,608	5.6%	13,608	5.6%
- motor vehicle loans	0		0			
Total	**13,632**	**5.6%**	**13,634**	**5.6%**	**13,634**	**5.6%**

[1)] Total GAR is an attempt at creating a unified KPI. Adjusting for double counting, the Total GAR will in essence be equal to the CapEx-based GAR.

FIG. 11 Turnover GAR

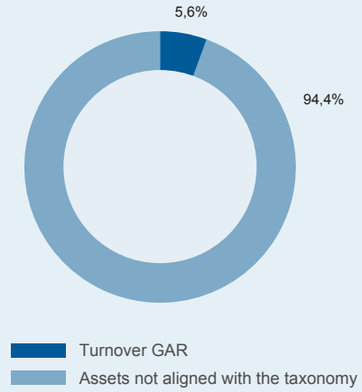
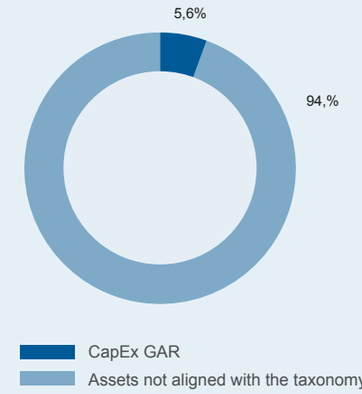


FIG. 12 CapEx GAR



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STRATEGIC GOALS
In line with the requirements of the new Corporate Sustainability Reporting Directive (CSRD), SpareBank 1 Østlandet will use the Taxonomy as a management tool in its transition work. We will use the technical criteria and description of activities in the Taxonomy in the work with our customers, sectors and industries. The proportion of green lending aligned with the Taxonomy criteria will be a target in our strategic work on sustainability and the transition in the years to come.

The structure of the strategic work on sustainability, our strategic initiatives, and the structure of the work on the future directive are based on the Bank's material sustainability topics. These have been taken from the Taxonomy and CSRD, and the Taxonomy's discussion of these will therefore guide how the topics are worked on in the future in the strategic initiatives. Reporting on the topics will also help drive the strategic work forward and shape how the Taxonomy is used as a tool.

SpareBank 1 Østlandet has not set any specific targets for the Taxonomy proportion of the portfolio or similar. This is because full compliance with the requirements is demanding, especially in relation to the DNSH criteria. This is mainly due to challenges to do with data and information. Therefore, the Bank will mainly work on the significant positive contribution criteria and try to reducing data and information gaps where possible.

The Bank's work on resource use and circular economy

The Bank has, for many years, taken steps, large and small, to reduce the consumption of resources, both in its own operations and in society in general. This has been on our agenda ever since we were Eco-Lighthouse certified in 2008. The work was reinforced when Goal 12 was defined as one of our seven key SDGs, and it became a goal for the Bank's operations in 2019.

The circular economy is now also defined as one of the Bank's material topics in the double materiality analysis. The work was systematised in 2023 when Group Management adopted a clear framework for the circular economy. This is based on the recommendations of UNEP FI and is intended to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and ESRS E5. The transition to a circular economy is an important step in the job of achieving the main strategic goal of net zero emissions by 2050. The banking sector as a whole has a long history of financing linear consumption, which is defined as the traditional "use and throw away" society. More than 50 per cent of global greenhouse gas emissions and more than 90 per cent of biodiversity loss are due to the linear economy.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
The current economic system is linear. We extract natural resources from the Earth and make products that often have a short lifespan before ending up as waste after little or no use. The transition to a circular economy is not just about managing our waste; we need to rethink how the economic system is designed such that resources remain in circulation and do not become waste. According to the Circularity Gap Report, the Norwegian economy is only 2.4 per cent circular. This means that just over 97 per cent of all products drop out of circulation because most capital is invested in the linear economy. Changing from a linear to a circular economy requires action in many links of the chain. Governments, consumers and businesses all need to rethink how society manufactures, uses and preserves resources, or to put it more simply, everything society consumes.

STRATEGIC ANCHORING

Important guidelines:
General guidelines for social responsibility and sustainability. A separate guideline for circular economy will be developed in 2024

Responsible for the area:
Executive Vice President Innovation and Business Development

Goals for area:
To be determined in 2024.

INDICATORS

GRI: 306-1, 306-2, SB1Ø-3, SB1Ø-4
CSRD: ESRS E1 og ESRS E5
GC: 7, 8
UNEP FI: PRB: 2.1, 3.1, 3.2, 4.1, 5.1, 5.2, 5.3
Eco-Lighthouse: 2066, 2068, 2069, 2220
SDG: 12



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WHAT WAS DONE IN 2023?
The Bank's circular economy framework was adopted in 2023 and is based on UNEP FI's guidelines. This is designed to boost the circular economy work by transitioning from various measures to systematised work. This will make it crucial to look at the actual effect of and their genuine impact.

At Arendal Week, the Bank brought together important driving forces behind the work in the financial services industry, including Minister of Trade and Industry Jan Christian Vestre (Norwegian Labour Party), in order to share insights, create debate and prepare a concrete action plan for the financial services industry. Vestre pointed to this as one of the most important topics for discussion at Arendal Week. He offered several good tips for the industry's continued work. These and other positive suggestions provided the basis for the Bank's action plan, which has been shared with the rest of the industry. The action plan is available on our website.

The bank's sustainability prize in 2023 and sustainability fund in 2024 are dedicated to circular economic purposes. Read more under Corporate Social Responsibility on page 97.

Responsible consumption
As part of our community engagement, the bank has for many years, and also in 2023, organized a swap weekend for used ski equipment. This is described in more detail in the chapter on Corporate social responsibility. Another example of a good circular economy initiative is the measure from the bank office at Økern Portal. There, the employees have been initiators to establish and arrange Østkanttorget twice. The event is a copy of the traditional and popular Vestkanttorvet. There, anyone can rent a booth and sell clothes, books, antiques, homemade products or other products that deserve to get a new owner. Here, the bank has helped create a circular economic arena for reuse and a social activity that is beneficial for both the local community and customers.

Another important contribution to responsible consumption is that the bank teaches children and young people about economics in collaboration with Young Entrepreneurship. Read more in the chapter on Corporate social responsibility

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
Active efforts will be made via the Bank's action plan to transition to a circular economy in 2024. There will be an emphasis on data capture and operationalising the topic in practice. The Bank will include customers in this work through engagement and workshops. Success will depend on enhancing competence, collecting data and gaining insights

Circular Economy Framework for SpareBank 1 Østlandet

WHY CHANGE?	ACTIONS	RESULTS	EFFECTS	IMPACTS
Strategic goal	**Portfolio and operations** • Circular loan products and services • Workshops and dialogue with customers • Competence development • The Bank's properties • Social promise	**Customers focus on circular solutions and work to realise them**	**Portfolio changes:** Increased proportion in financing of circular activities	**Better impact on the environment** • Raw materials • Water • Waste • Energy consumption • Greenhouse gas emissions • Pollution
Double materiality analysis	**Data** • Improve data acquisition and measurement methods for focus areas • Highlight the effects of circular actions	**Circular requirements for our investments**	**Higher earnings**	**Better social impact** • Consumers and end users in the local community • Contribution to social development • Contribution to reducing social exclusion
Regulatory requirements	**Collaboration/partner** • Competence companies • Business clusters • Circular finance coalition • Alliance banks	**Competent employees as a driving force behind good customer choices**	**Strengthening the brand**	**Improved corporate governance:** • increased competitiveness • reduced costs • higher employee satisfaction • improved customer satisfaction
Risk perspective	**Guidelines and policies** • Guidelines for Corporate Social Responsibility and Sustainability	**Less financing of traditional linear economy**	**Greater focus on circularity among employees and customers**	
Business opportunities		**Customers want to fund circular activities and opportunities**	**Attractive bank with competitive advantages for customers with projects aimed at circularity**	
Reputation		**Reduces funding for projects in which circularity is absent**	**Reduced risk**	
		Broader customer offering		
		Customers and employees prefer second-hand to new		

GREATER PROPORTION OF CIRCULARITY THROUGHOUT THE BANK'S VALUE CHAIN

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into the impact transitioning to a circular economy will have for the Bank and its customers. Specifically, the framework will help us move our operations and those of our customers in a circular direction. The Bank must contribute knowledge, competence, products and services to this transition, such that customers have access to other raw materials and new services in the circular economy.

RISKS AND OPPORTUNITIES
Linear risk is a relatively new concept in the financial services industry, and the Bank therefore ought to ensure it has a good understanding of it. Linear risk arises in linear value chains, and the term is used to refer to, for example, the supply and use of scarce natural resources. There is a risk that the supply and prices of raw materials will change in the future. It is also natural to consider upcoming regulations, technology and reputation/consumer behaviour as linear risks. The Bank has started assessing what this means, and this work will be reinforced in 2024. At the same time, it is essential for the Bank to develop and offer financial services for businesses that want to transition to a circular economy, and with the proper application of competence in this area, the Bank can be a driving force in this work.

TRAINING
All customer advisers in the Corporate Division have completed mandatory training in the form of a 1.5 hour course on the circular economy.

COLLABORATION AND PARTNERSHIP
The Bank participated in the Circular Finance Coalition on behalf of the SpareBank 1 Alliance. This is important work intended to help the financial services industry agree on good indicators that can accelerate the transition. The work is also intended to function as a joint initiative from the industry that will ensure an active dialogue with the authorities.

Greener property – retail market

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 proportion of loans for green housing.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
A greener home helps reduce energy consumption and protect long-term assets for both customers and the Bank due to lower energy costs and less need for upgrading. It also makes homes more attractive when they are sold. This type of housing will probably also become more attractive with respect to any future sale, partly due to the EU Taxonomy Regulation.

WHAT WAS DONE IN 2023?
In 2022, the Bank relaunched the green energy loan and green solar energy loan products as new products to encourage customers to improve their energy efficiency and make their homes more climate resilient. These products were a high priority in the customer engagement and consultation process in 2023. Green energy loans are offered to customers who are upgrading their home or holiday home and will achieve at least a 30 per cent improvement in energy consumption. Green solar loans are offered to customers who want to replace traditional energy with renewables. By offering a more favourable interest rate for these initiatives, the Bank wants to encourage people to make sustainable choices, which is positive for customers, the Bank and the environment. The Bank now offers three different green loans for homes (green energy loans for major upgrades of homes, green mortgages for homes with energy ratings of A or B and green solar energy loans). At the end of 2023, the Bank decided to offer green LOfavør loans. These will be launched in 2024.

The Bank carried out a pilot in collaboration with Takstgruppen AS and EiendomsMegler 1 Innlandet that offered customers an extended valuation where, in addition to the ordinary valuation, there was also a specific green page that shows climate information. This provided information about the energy efficiency of the home, what measures could be taken to improve energy consumption and what this would entail in terms of the customer's investment costs, savings in NOK, energy consumption and carbon footprint.

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: Greener homes:
18.0% in 2023
19.0% in 2024
20.0% in 2026

INDICATORS

GRI: SB1Ø-3 og -6, 404-2.
CSRD: ESRS E1
GC: 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
SDG: 8.10, 9.4, 12.2, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4



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Goals for greener property
By the end of the strategy period, 20 per cent of the loan portfolio must be 'green', and by the end of 2023 the proportion was 19.8 per cent. The Bank has a clear view of how many homes need to be energy efficient in order to achieve the portfolio's target. The Retail Division is regarded as being well on track to achieving the 2025 goal.

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
- Banks, customers and appraisers/energy advisers will need to work very well together in the future. This will be necessary to meet the requirements of the EU Taxonomy.
  The Bank plans to ensure such cooperation is possible.
- Further developing the product portfolio for green mortgages in line with the requirements of the EU Taxonomy.

RISKS AND OPPORTUNITIES
Our analyses indicate that there is little physical risk in our portfolio related to climate change, although we know that transition risk could 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. Where energy intensive residential properties are mortgaged to the Bank, these may in the long term become difficult to sell and can 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 their properties or build new homes with a good energy class in order to reduce this risk. The pilot project with EiendomsMegler 1 and Takstgruppen was also designed to help provide real insights such that homeowners could make good choices when they change homes.

Implementing good measures in their homes enables customers to achieve savings, both financially and climate-wise. In the longer term, we strongly believe that this will help protect long-term assets and reduce the risk of the home falling in value.

The green transition also offers opportunities. Upgrading residential properties to make them more energy efficient is a good idea, not just for achieving climate goals but also because it is financially beneficial for the customer.

Exposure to physical climate-related risk

Risks	Number of objects	Proportion of portfolio
Flooding	257	0.3%
Storm surges	77	0.1%
Avalanche risk mountains	1	0.0%
Landslide risk soils	502	0.6%
Landslide risk quick clay	47	0.1%
Avalanche risk snow	956	1.2%

The Bank has investigated the physical climate-related 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-related 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 has been taken account of and not the expected future sea level. For mountain landslides account has been 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 avalanches account has been taken of surveyed and unsurveyed precautionary areas.

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.
- A one hour sustainability workshop including information about the Bank's role in the green transition and the link between the Bank's green products and global climate challenges. This was attended by all customer advisers and financial advisers.
- A one hour sustainability workshop involving training on the links between green loan products and customers' need for advice. This was attended by all financial advisers.
- Sustainability training as part of new employee information and that all new employees must complete.

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 authorisation scheme for those who provide information, this mainly applies to customer advisers.

Goal for increasing green share for retail market

The Retail Division wants to increase the green proportion[1)] of total lending to 20.0 per cent by the end of 2025. The goal for 2023 was 18 per cent.

	Proportion of loans related to green[1)] residential properties						
	2023	2022	2021	2020	2019	2018	2017
Goal attainment	19,8%	18,1%	Measured using a different method	Not measured	Not measured	Not measured	Not measured

1) When measuring this internal target, loans transferred to the covered bond companies and residential properties built after 1.1.2021 will be considered green. This deviates from the definition and performance measurements used in the reporting related to our green bond framework.

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Greener property – corporate market

The property industry, including commercial property, is the Bank's largest industry and accounts for 40 per cent of global greenhouse gas emissions. As an industry, it therefore faces a significant transition. The Bank employs a number of means to assist customers with this transition.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
The greener property strategic initiative has several purposes. We want to reduce the climate footprint of the Bank and our customers, as well as reduce credit risk. We also want to highlight the business opportunities offered by the green transition. Over time, we have seen a clear correlation between climate-related risk and credit risk. At the same time, we are seeing lower risk for new rentals and refinancing for commercial property with green qualities.

WHAT WAS DONE IN 2023?
The work on increasing the green proportion of the portfolio was intensified during the strategy period by financing products that stimulate sustainable activities and by requiring sustainability assessments for financing. Resource efficiency is key to the work on reducing climate footprints. The Bank's goal is, by 2025, to require both greenhouse gas reports for new construction projects and a reduction in emissions compared to buildings from 2021. In line with the stricter requirements concerning climate reports, the amount of source data will increase, and the Bank will be able to measure emissions from the materials used in financed projects. The Bank's target is for the green proportion of financed commercial properties to reach 45 per cent by 2025. In 2023, this target was revised upwards from 40 per cent since we had achieved this by the end of the year.

Marketing green loans
Corporate green loans are marketed and promoted through using customer cases, largely via social media, on local and national websites and through web banner ads. The products are marketed in line with the SpareBank 1 Østlandet Group's Code of Conduct and the Bank's Marketing Policy.

Proportion of green commercial properties 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 properties. Cicero Shades of Green has assessed these commercial buildings as being 'light green':

Development of emissions for corporate market

PCAF calculation	2023	2022	2021 [1]	2020 [1]
Carbon intensity (tCO2e per million NOK of lending)	7.48	5.67	6.19	6.49
Total emissions in tCO2e	357,368	248,660	232,340	221,609

[1] 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 the area has not been fully developed and is constantly being refined, including through constant improvements in methodology, the calculations will not be comparable.

Development of emissions in commercial property and construction of buildings (tCO2e)

Industry	2023	2022	2021	2020	2019 [1]
Sales and operation of property (Scope 1+2)	7,486	7,195	4,643	3,705	9,912
Sales and operation of property (Scope 3)	43,830	46,667	30,095	30,389	N/A
Construction of buildings (Scope 1+2)	5,751	6,649	5,745	4,583	57,556
Construction of buildings (Scope 3)	91,335	134,274	115,834	396,654	N/A

[1] Not calculated in line with the PCAF framework. The distinction between Scope 1, 2 and 3 emissions is less clear.

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 are: Executive Vice President Corporate Market

Goal for area:
Green loans for the corporate market:
13.9% in 2022
15.4% in 2023
20.0% in 2024
21.0% in 2026

INDICATORS

GRI: SB1Ø-3,-4,-6,-7, 404-2
CSRD: ESRS E1 og ESRS E2
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
SDG: 8.10, 9.4, 12.2, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4



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FIG. 13 Development of green property portfolio 2020–2023

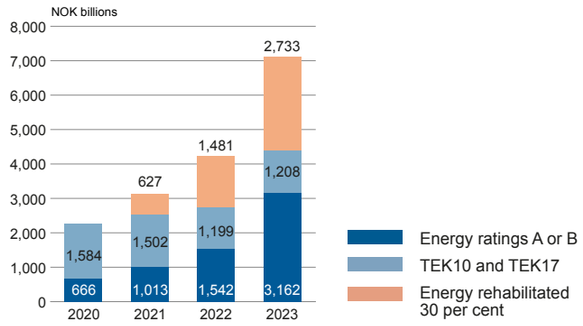
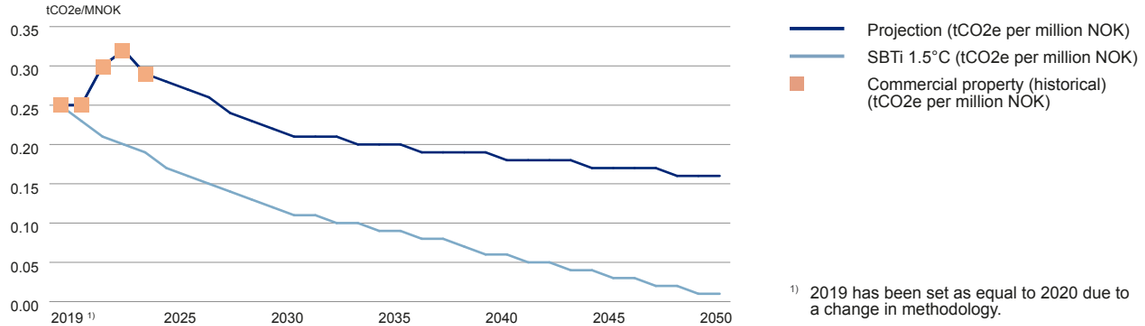


FIG. 14 Emission intensity



1) 2019 has been set as equal to 2020 due to a change in methodology.

- **Existing commercial properties**
  Commercial properties that are among the 15 per cent most energy efficient in Norway. This includes TEK10 and TEK17 (or later), energy rating A or B, BREEAM or BREEAM-NOR Excellent or LEED Gold or Nordic Swan Ecolabel building.
- **New commercial properties**
  Since 2021, commercial properties have had to have 20 per cent better energy efficiency than the applicable regulations, which are currently TEK17.
- **Renovated commercial properties**
  Commercial properties 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.

More details about the Bank's green bond framework are available from the Bank's website 2). This includes information about the extent to which it is in line with the EU's Taxonomy classification of sustainable activities.

Given these assumptions, 41.2 per cent of the commercial property portfolio is green.3) This is up from 28.9 per cent in 2022. The green portfolio in commercial property has developed as shown in the figure. (Fig. 13)

A number of measures are being taken to increase green lending for commercial property. The Bank requires energy certificates for buildings without one because a building's climate standard is becoming an increasingly important basis for making decisions on such applications for financing. If the climate standard is not satisfactory, measures that improve the climate standard of the building are increasingly being demanded. In addition to stipulating stricter requirements for what new property commitments the Bank will accept, we use green loan products with favourable terms as incentives to make improvements. The Bank offers:

- Green rehabilitation loans and solar energy loans for commercial properties
- Green loans for rehabilitated buildings
- Green loans for newer commercial properties that meet the strictest requirements for green properties in the Bank's green bond framework

The sum of these measures, together with better mapping of the property portfolio, contributed to a 68 per cent increase in the green property portfolio in 2023.

Greenhouse gas emissions from commercial properties and building construction
The Bank has estimated greenhouse gas emissions from its property portfolio ever since 2019 and has set science-based climate targets for up to 2050. We report both total emissions and carbon intensity. Total emissions have increased since the Bank started its reporting, primarily because the portfolio has grown. For a full report on greenhouse gas emissions, see the chapter "The road to net zero".

The analysis shows that the property industry's direct emissions are low when compared with its indirect emissions (Scope 3). This is particularly true for building construction where the largest emissions occur during material production and transport. This illustrates how important it is to preserve existing buildings through energy efficiency measures rather than demolishing them and building new ones. The analysis also shows large variations from year to year. These are mainly due to constant improvements to the calculation method and source data. In 2023, total direct emissions from property sales and operations increased by 4 per cent, while emission intensity in terms of tCO2e per million NOK in lending was reduced by 9 per cent. The difference is explained by loan portfolio growth exceeding the growth in emissions.

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
The work on the expected new sustainability directive involves several circular economy requirements. We will set specific goals for this topic in 2024. The work on calculating the impact of measures is key, especially the work on collecting data and gaining insights into which measures have the greatest impact.

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RISKS AND OPPORTUNITIES

Exposure to physical climate risk in the corporate market's property portfolio

Risks	Number of objects	Proportion of portfolio
Flooding	38	1.4%
Storm surges	4	0.2%
Avalanche risk mountains	0	0.0%
Landslide risk soils	6	0.2%
Landslide risk quick clay	2	0.1%
Avalanche risk snow	54	2.1%

We have investigated the physical climate-related 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-related risk is modest in relation to the total portfolio.

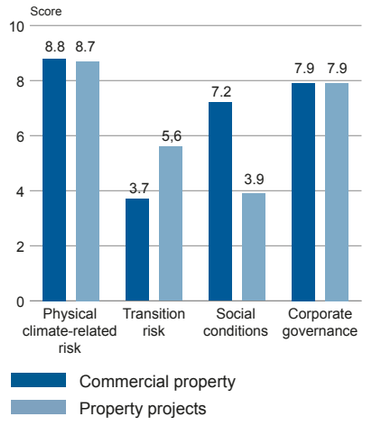
For flooding risk, 20-year flood zones have been investigated and the same has been done for the risk represented by storm surges. For the latter, the current sea level has been taken account of and not the expected sea level. For mountain landslides account has been taken of risk zones close to unstable 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 the same applies for surveyed and unsurveyed precautionary areas.

Drammen, Oslo and Lillestrøm are the locations where the greatest value of significant assets are exposed to material physical risk. We define significant assets as commercial properties valued at more than NOK 10 million.

ESG analyses

The Bank has performed due diligence on loan applications since 2019. In January 2023, we launched a new model for due diligence with respect to loan customers. The model was developed together with SpareBank 1 Utvikling and the banks in the SpareBank 1 Alliance and provides specific analyses for each industry, including building and construction and commercial property. So far, the analyses show that property projects have the greatest social risk and commercial buildings for lease have the greatest transition risk. This is in line with the initial risk analyses of where the greatest risk lies, and the scoring in the model has therefore been adjusted for these categories to take account of the inherent risk. These were, therefore, also areas we worked on throughout the year.

FIG. 15 **Average score ESG due diligence**



TRAINING

Selling and operating property is a highly capital intensive industry where both debt servicing capacity and property values are affected when interest costs increase by more than rental income. The market for new homes has almost come to a halt in the last 6 months, and property developers are having to service loans for plots or unsold homes without income. This is impacting the entire value chain, including property developers, contractors, craftsmen and the building materials industry. Given this, in workshops and industry analyses we have paid extra attention to the challenges these industries face and what this means for the Bank, customers and other stakeholders.

The Bank conducts an analysis of the property industry every year for internal use. This is distributed to, and reviewed by, for example, the entire adviser corps. Training was provided on conducting ESG analyses of customers in the new model as part of due diligence in connection with loan applications. Training was also provided on the use of, criteria for and terms of green loan products.

A sustainability workshop was held for Corporate Division advisers as an introductory course on why and how the Bank addresses sustainability work, and how this relates to global challenges.

A mandatory course on the topic of the circular economy has also been introduced for all Corporate Division advisers.

In the interests of improving competence in general, breakfast meetings were also held at which relevant issues and improving competence within various sustainability topics were highlighted. These gave advisers an opportunity to talk directly to the Bank's specialists.

COLLABORATION AND PARTNERSHIP

In 2023, the Bank became a member of the Green Building Alliance, an important member organisation that is working for a more sustainable building, construction and property sector. This reinforces the existing cooperation and provides us with access to valuable expertise and a green transition network within the industry.

As part of this work, we took part in an interdisciplinary alliance project focusing on the green transition in the corporate market. This work gives the banks in the SpareBank 1 Alliance opportunities to discuss various issues and contribute to joint competence enhancement.

The Bank also participated as a representative in a circular finance coalition as described in the chapter "The circular economy".

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Greener agriculture

Agriculture is the Bank's second largest industry after commercial property, and given our geographical location, it is natural that agriculture is an important topic and focus area for us. We want to support and create incentives to cut greenhouse gas emissions in this industry.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
The analysis shows that agriculture and associated services have the greatest direct emissions in our portfolio.Norwegian agriculture has a strong focus on sustainability, and considerable resources are devoted to mapping and cutting emissions. At the same time our agricultural customers have significant resources in forests. Norwegian forest management is linked to global climate targets and carbon sequestration, and aims to stop the loss of species. Today's forest management is, therefore, closely linked to how we can beat these global challenges and safeguard important ecosystem services.

The planetary boundaries were used as a framework to map where agriculture has the greatest impact on nature and the climate. Three of the main measures are:

- Reducing disturbances caused by nitrogen and phosphorus in order to stabilise the ecosystem.
- Increasing agricultural biodiversity in order to strengthen the resilience of both the food sector and nature.
- 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. The Bank is developing financial products that address these environmental challenges, and we are working to ensure that agriculture is as climate-friendly and sustainable as possible in line with the Agricultural Climate Plan. The Bank is focused on reducing disturbances in natural cycles from nitrogen and phosphorus, increasing biodiversity in agriculture and reducing emissions.

Of Norway's annual greenhouse gas emissions of around 52 million tCO2e, agriculture accounts for 4.5 million tCO2e (9 per cent). The emissions from agriculture consist of 59 per cent methane (CH4), 39 per cent nitrous oxide (N2O) and 2 per cent CO2.

STRATEGIC ANCHORING

Important guidelines:
- Guidelines for Corporate Social Responsibility and Sustainability for the Corporate Market
- General guidelines (policy document) for agriculture, nature and the environment.
- Guidelines and action plan for the climate and climate risk.
- Guidelines for Lending and Investments in Power and Energy Production
- Overall guidelines (policy document) for labour and human rights
- Code of Conduct

Responsible for the area:
Executive Vice President Corporate Market

Goals for area:
- By the end of 2024, the Bank has granted and disbursed green agricultural loans to 15 per cent our credit customers, estimated to be 80 loans (new).
- 25 per cent of our agricultural customers with exposures of more than NOK 2 million have started using the climate calculator.
- 10 per cent of our agricultural customers with exposures of more than NOK 2 million have received climate advice and established a climate action plan for their farm.
- In 2024, we will draw up a plan designed to ensure that almost 100 per cent of our agricultural customers with credit commitments in excess of NOK 2 million have been assessed by the ESG module by 2025.

New medium and long-term goals
- 40 per cent of our agricultural customers of a certain size have implemented climate measures on their farms by 2030.
- The Bank will work to map specific CO2 emissions at farm level and measures already implemented, with the aim of determining and implementing further measures designed to cut CO2 emissions in the portfolio towards 2030.

INDICATORS

GRI: SB1Ø-3,-4,-6,-7, 404-2
CSRD: E1, E5
GC: 1, 2, 4, 5, 6, 7, 8, 9
UNEP FI: 2.1, 2.2, 2.3, 3.1, 3.2, 6.1,
Eco-Lighthouse: 2064, 2065, 2068, 2069
SDG: 8.101 9.4, 12.2, 12.6, 12.8, 13.3, 15.a, 15.b, 16.4



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WHAT WAS DONE IN 2023?
In 2023, green agricultural loans were mainly marketed online through using customer cases in social media and through local and national online newspapers, as well as web banners. Our marketing complies with the Bank's Code of Conduct and the Bank's Marketing Policy.

Agriculture has drawn up a good and ambitious plan for cutting greenhouse gas emissions and increasing carbon sequestration via the Agricultural Climate Plan, which the Bank supports. The Bank also consulted the Norwegian Farmers Union and the Norwegian Agricultural Advisory Board as part of its preparations for green agricultural loans. The Bank is keen to be on the side of the important agricultural industry.

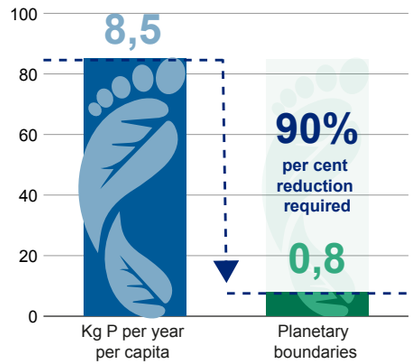
We have a number of ambitions for the agricultural portfolio. The goals are linked to the work on being an active driving force behind the green transition in agriculture. The Bank's goal is to get more of our customers to use the climate calculator, get climate advice, prepare a climate action plan and implement climate measures. To encourage customers to focus more on the green transition and map ESG risks in the Bank's agricultural portfolio, continuous ESG assessments are conducted in consultation with our customers. The Bank keeps track of the assessments via a specific ESG module launched in 2023. This module also logs data concerning the number of customers who have completed the climate calculator and received climate advice. The dialogue that provides the basis for the risk assessment is central to mapping how prepared the customer is for the green transition and their level of knowledge concerning the industry's objectives and recommended measures. Data and knowledge about the status of our portfolio will better enable the Bank to examine potential impacts.

Goals for the agricultural portfolio
The Bank's goals are primarily based on the industry's climate plan, the Agricultural Climate Plan. In relation to this, the Bank is trying to come up with measures that will help the industry achieve its goals, while reducing the ESG risk in the portfolio. The Bank is constantly refining its financial products to reflect the needs of the industry. The Bank also has goals related to customer engagement and assessments. This ensures that risk assessments are up to date and encourages our customers to think more about circularity and the green transition.

Use of the climate calculator
We have set targets for the proportion of our customers that use the climate calculator. These targets were set in line with the industry's own level of 80 per cent by 2025. Our measurements show that around 13 per cent of our portfolio of credit customers have completed the climate calculator. However, the Bank does not use automatic data retrieval, which means that many customers may have used the tool since last we checked. Therefore, we expect that the real number is higher. In view of the challenges associated with data capture, the interim targets increase as you get closer to 2025, and the Bank is currently at the target level. The Bank will monitor developments until automatic real-time measurements have been established.

Climate advice and climate action plan
One of the goals set by the Agriculture Climate Plan is that all farms should be offered climate advice by the end of 2025. We want to help achieve this goal and move our customers a step further by requiring the provision of climate advice in some instances. The Bank has set a target of 25 per cent of our credit customers having completed climate advice by the

Footprint phosphorus



The illustration is inspired by 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 stay within the planetary boundaries. The equivalent for nitrogen is 30 per cent. The Bank is working to reduce both in its agriculture portfolio.

Development of emissions in commercial property and construction of buildings

	2023	2022	2021	2020	2019	2018
Goal	10%			100 loans by 2025		
Status	11% ✓	87 ✓	42 ✓	30 ✓	14 ✓	-

Greenhouse gas emissions in the Bank's agricultural portfolio

Industry	2023	2022	2021	2020	2019 [1)]
Agriculture and associated services	290,536	181,092	170,565	153,071	410,735
Forestry and associated services	11,889	10,403	17,605	27,170	9,822

[1)] Not calculated in line with the PCAF framework.

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end of 2025. The current status is 4 per cent. We face the same challenges in relation to measuring this as for the climate calculator. The interim targets that have been set increase as you get closer to 2025.

Green agricultural loans and ESG assessments of customers
The Bank is constantly looking for measures that will guide our customers in the right direction. In a separate strategic initiative for greener agriculture, we are working to keep both the Bank internally and our customers updated on what is happening in the green transition. Today, our primary means of influencing customers are offering green loans and conducting ESG assessments in our dialogue with customers. Our goal is for virtually all agricultural customers with commitments of a certain size to have completed an ESG assessment by 2025. The current status is 31 per cent.

As at 31.12.2022, the goal for green products was to grant 100 green agricultural loans by 2025. Since the number granted as at 31.12.2022 was 87 such loans, the Bank updated its target in spring 2023 to adjust the level of ambition.

The updated target is for 20 per cent of credit customers to have been granted and had paid out green agricultural loans by 2025. Interim targets have been set. These are 10 per cent as at 31.12.2023 and 15 per cent as at 31.12.2024. The current status is 11 per cent, with the Bank having granted 86 green loans in 2023 and 173 in total. See the table below.

There was a large increase in green agricultural loans in 2023, helped by increased borrowing limits and more purposes approved under the framework. Of the 86 loans granted, 55 loans were to finance solar panel installations. Other recurring purposes include wood chip burning facilities and precision farming equipment.

Green agricultural loans

101 Solar panel systems on farm buildings have been financed through green agricultural loans

1,930 Tons CO2 emissions are saved annually through these

Goal for increasing green share of green forest portfolio

100 per cent of the forest the Bank finances must be green [1] Broken down into annual goals. Goal for 2023: 100%

Proportion of forestry portfolio that is green according to our product framework, measured in terms of lending volume

	2023	2022	2021	2020	2019	2018	2017
Goal attainment	100% ✓	100% ✓	100% ✓	Project not started	Project not started	Project not started	Project not started

[1] PEFC or FCS approved, as defined by our green bond framework.
Direct emissions: 357 000 tCO2e. Annual CO2 uptake in forests: -242 000 tCO2e.

The emissions for 2023 were estimated on a case-by-case basis based on calculations made by the solar panel supplier. For cases where the Bank did not receive figures from suppliers (45 per cent of cases), the Bank used factor-based average estimates from other suppliers' estimates and used the factor to calculate saved CO2 emissions based on the facility's capacity.

Medium and long-term goals
We recognise the need to set targets for the longer term as well, and the Bank will attempt to firm up these targets going forward. So far, we have set the following goals:

- 40 per cent of our agricultural customers of a certain size have implemented climate measures on their farms by 2030.
- The Bank will work to map specific CO2 emissions at farm level and measures already implemented, with the aim of determining and implementing further measures designed to cut CO2 emissions in the portfolio towards 2030.

Data and measurement challenges make being so specific hard, but the industry has clear ambitions regarding data capture and information sharing.

Forestry
The target for the proportion of green forest is 100 per cent because the Bank only includes 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. The Bank's 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.

The analysis shows an increase since 2022. Most of the explanation for this is that a more precise calculation method and better source data have been used. But the fact that the agricultural portfolio has grown by 5 per cent since 2022 is also part of the explanation.

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 finances one of Norway's largest bank-financed forest portfolios covering a total of around 2 550 km2 of productive forests, or 3 per cent of Norway's productive forest. We assume 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 242 000 tCO2e per year. This figure has been corrected for the proportion the Bank finances. Please note that CO2 sequestration in forests is not included in the Bank's climate report.

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Green products
The purposes for which green agricultural loans can be applied for are based on climate measures defined in the Agricultural Climate Plan. You can read about the products the Bank finances on the Bank's website. Several of these are based on circular economic principles that are both profitable and reduce agriculture's climate footprint. The road to net zero will require significant investments in agriculture. Therefore, targeted subsidies are crucial if the measures are to be realised without significantly increased costs for the farmer. Good advice on using the equipment well is also a prerequisite.

- Improved resource utilization, reduced costs and operational efficiency
- Safer working conditions, reduced damages and improved animal welfare
- Lower climate and natural risk

RISKS AND OPPORTUNITIES
Of Norway's annual greenhouse gas emissions of around 52 million tCO2e, agriculture accounts for 4.5 million tCO2e (9 per cent). The emissions from agriculture consist of 59 per cent methane (CH4), 39 per cent nitrous oxide (N2O) and 2 per cent CO2).

The Bank has produced both an internal report on the sustainability challenges agriculture faces and a feasibility study that examines where the Bank can mitigate its indirect adverse impacts and reinforce its indirect positive impacts through lending to agricultural customers. The study concluded that the Bank should support agriculture's own goals for its climate and environmental work.

The Bank's approach to managing climate-related risk is also discussed in the Board of Directors' Report and the chapter "Corporate governance". This includes complying with frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), the Task Force on Nature-related Financial Disclosures (TNFD) and European Banking Authority (EBA) methodologies.



Ann Brudevoll is Agricultural Manager in SpareBank 1 Østlandet.

TRAINING
The Bank offers employees courses in sustainable agriculture.

COLLABORATION AND PARTNERSHIP
In 2023, the Bank continued its participation in the Norwegian Wood Cluster and NCE Heidner Biocluster. In autumn 2023, the latter organised the Sustainability Pledge for the green bioindustry. We were both a participant and hosted one of the seminars.

The Bank consulted the Norwegian Farmers Union and the Norwegian Agricultural Advisory Board as part of its preparations for green agricultural loans.

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Our skilled employees

In the strategic plan for 2022–2025, we set a target to become Norway's best relationship bank. To fulfill this goal, it is important to create a generous and engaging working environment in which job satisfaction, mutual respect and competence are key factors. In 2023, we examined what the right skills for the future would be, and worked on what makes us an attractive employer.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
We aim to have an organization with the competence to realize the strategy. Therefore, in 2023, we worked on a new competence strategy and how we can distinguish ourselves as an attractive employer for existing and future employees. Employees will get a boost in competencies that we believe are important for the future. We have chosen the areas of sustainability, digital transformation, business understanding, change ability and willingness to change, as well as relationships and interaction.

To be an attractive employer, the work environment is important. Therefore, in 2023, we continued to develop and utilize our tool to measure employee engagement in the Group, and we have increased our focus on mental health. This includes a spotlight on psychological safety, mental health checks, and several other offers and activities in 2023. Key target figures and measures within the area of HR are included in the ongoing corporate governance reported to the Board of Directors each year.

WHAT WAS DONE IN 2023?
Policies and processes
Our Labour and Human Rights Policy and our Diversity and Equal Opportunities Policy commit us to complying with internationally recognised standards, including the UN Global Compact and the OECD Guidelines for Multinational Enterprises. Our policies on social issues are available on the Bank's website. In 2024, we will commence a major revision and updating process for our social policies.

Working conditions
With a strategy centred on relationships and job enthusiasm, we introduced a new tool for measuring employee satisfaction in autumn 2022 that continuously checks the situation in the organisation. Participation remains high with a response rate of no less than 87 per cent. With this tool, employees can use their voice and report how they feel at work. In addition to bullying and harassment, the tool also measures the following working environment factors: leadership, job enthusiasm, meaningfulness, autonomy, work situation, participation, personal development, team spirit, commitment and the extent to which our employees would recommend us as an employer (eNPS). Employees can also add anonymous comments for each question, which are then submitted to their manager or HR.

The results are available in real time to both managers and employees, and the tool is designed to help simplify cooperation on team building and developing the workplace. Managers also gain early insights into any trends, such as an increase in adverse stress with the associated elevated risk of sick leave, or whether more people are thinking of leaving.

The Bank has chosen two KPIs that will be monitored closely: engagement and job enthusiasm. The aim is to achieve a score above 8 for both. See the table below.

The overall situation is on a par with the rest of the industry. We hit our KPI for commitment, but we still have some way to go before we achieve our target for job enthusiasm. We are on a par with the rest of the industry in both areas.

Our eNPS score is higher than the industry as a whole. This means that our employees are more likely to recommend their employer than employees in the rest of the industry are to recommend theirs. The results were also supported by our internal survey on ambassadorship, which resulted in an overall score of 8.6.

Organisational development and competence
While drawing up the strategy, we developed an action plan designed to make us more attractive as an employer. The plan is based on internal workshops with managers and employee representatives. To learn more, we conducted a qualitative survey among departments that resulted in high and low scores for ambassadorship. We also used external surveys to identify the ten most significant factors with respect to being an attractive employer. We have selected the following focus areas for the work; Work environment, good career and development opportunities, competitive pay and conditions, good management and improvement of promotion and communication internally and externally. You can read more about the measures in the table on the next page.

A constant focus on competence and development is crucial when it comes to being an attractive employer, ensuring that we remain relevant for our customers and, thereby, maintaining our competitiveness. We will therefore ensure that we have an organisation with the competence and capacity necessary to realise the strategy and meet future needs.

In 2023, we started work on developing a competence strategy that will give the Bank's employees the boosts in competence that we believe are important for today and the future. We are focusing on five key areas: sustainability, digital transformation, business understanding, ability and willingness to change, and relationships and interaction. The work will be both long-term

Employee satisfaction survey

Category	KPI	Sector 2023	SB1Ø 2022	SB1Ø 2023
Total temperature	-	7.8	8	7.9
Commitment	8	8	8	8
Job enthusiasm	8	7.4	7.7	7.6
eNPS ambassadorship	-	27	29	36

The scale goes from 0–10, where 8.0 corresponds to 80 per cent of the maximum score. The calculation of eNPS ranges from -100 to +100. Above 40 is a very strong score.

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Action plan to enhance our attractiveness as an employer

Focus area	Action	When
Reinforcing our good working environment	• Continuously keeping our finger on the pulse, pilot for interactive situation meetings • Psychological safety: surveys, webinars, management training, workshops in departmental meetings • Annual cycle for the working environment with various webinars, cases on our intranet and follow-up in departmental meetings	2023
Good career and development opportunities	• New competence strategy • Improving the standard onboarding programme • Visibility of mobility on our intranet	2023/2024
	• Master's scholarships and other local education scholarships • Development positions: 15 people are in a separate development process in order to fulfil role requirements for positions • Mobility is encouraged for internal candidates	Operations
Ensuring competitive pay and conditions	• Actively using internal and external pay statistics • Own analyses of pay and gender	2023
	• Good loan terms and insurance schemes, holiday cabins, health insurance, occupational health service, company sports teams, etc.	Operations
Good management	• New suppliers and modernisation of management development for new managers in collaboration with the SpareBank 1 Alliance • Mapping need for development measures/new workshops	2023
	• Senior management programme together with the SpareBank 1 Alliance • Management meetings • Programme for new managers in collaboration with SpareBank 1 Nord-Norge • Workshops: pay, sick leave • Offer of management coaching when needed	Operations
Improve our promotion and communication externally and internally	• New career pages • New photos and videos for career pages and social media • Profile of the financial adviser role on Karrierestart.no • New module for data-driven insights and targeted advertising (postponed until 2024)	2023
	• Actively using the intranet to highlight measures and a good working environment	Operations

and dynamic. Specific measures will be formulated each year within the different areas.

Performance reviews will be conducted during the first quarter, with one the goals being personalised competence development. The reviews result in development plans tailored to the needs of the organisation and the individual. The development plans are followed up throughout the year in a dialogue between employees and their line manager. The focus on digital skills was continued in 2023 through the Digitalisation and Digital Transformation master's degree programme at the Norwegian University of Science and Technology (NTNU). In 2023, 28 employees participated in the programme (12 women and 16 men). In addition, five employees received a stipend to take a master's degree in strategically important areas for the Bank.

The Bank collaborates with the SpareBank 1 Alliance on management development, which includes both a programme for new managers and a joint senior management programme. These programmes are not only designed to develop each individual manager, they also serve as an important arena for developing the Alliance. It provides an arena for discussing overarching strategic challenges and opportunities, and it strengthens relationships and cooperation.

All employees receive regular competence refreshers in areas such as ethics, anti-corruption, anti-money laundering and IT security.

As a member of the Financial Industry Authorisation Schemes (FinAut), the Bank is committed to ensuring its advisers are authorised. The schemes are designed to promote and ensure that advisers who provide personalised advice 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). In the corporate market, there are schemes for non-life insurance and personal insurance. Number of authorised advisers as at 31.12.2023: AFR 192, KRD 225, SF 254 and PF 249. The Bank has 89 authorised information providers. As at 31.12.2023, the Corporate Division had the following authorised advisers: non-life insurance corporate 17 and personal insurance corporate 20.

We want to offer our employees flexibility and therefore have working from home arrangements. This allows them to work from home on up to 2 days a week, assuming that this is compatible with their role, duties and operations. In 2023, 170 of our employees (22 per cent) signed a working from home agreement.

Pay, diversity and equality

SpareBank 1 Østlandet wants to be an attractive employer with a generous and inclusive working environment with equal opportunities for all. We are committed to respecting human rights and avoiding discrimination and harassment of any kind. This is described in our policies for diversity, equality and recruitment, as well as our whistleblowing procedures. The Bank works actively on diversity and equality, both in its own operations and with respect to customers and suppliers.

The Bank wants employees who reflect the community 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.

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National social security schemes and the Bank's pension and insurance schemes provide all employees with welfare protection against loss of income as a result of illness, unemployment, occupational injury and acquired disability, parental leave and retirement. The remuneration scheme stipulates that all employees must have equal opportunities for pay development. The corporate agreement ensures a minimum pay guarantee that corresponds to pay grade 38 on the industry's pay scale. The Bank uses external systems to assess and categorise positions and analyse pay data.

The Bank has 782 permanent employees, 51 per cent of whom are women and 49 per cent men. The Bank has seven temporary employees, three of whom are women and four men. We also contracted 15 temporary employees through staffing agencies to cover for employees on sick leave or other leave. Of these, eight were men and seven were women.

Group Management consists of four women and six men, while the Bank's Board of Directors consists of four women and four men. The total proportion of management positions with personnel responsibilities held by women decreased from 41 per cent in 2022 to 40 per cent in 2023. We are still below the target of 45 per cent. We advertised eight management positions in 2023, where a total of 89 men and 49 women applied. Therefore, we need to continue our efforts to increase the number of women applying for management positions.

Of the 782 permanent employees, 95.7 per cent work full time and 4.3 per cent part time. The part-time employees comprise 10 men and 24 women. Most of these people applied for a reduced time position themselves due to caregiving obligations, age, studying or capacity for work. Previous part-time work surveys have shown that there is no involuntary part-time work in SpareBank 1 Østlandet.

Equal pay for equal work is a goal, and all employees must have equal opportunities for pay development. Local salary supplements are allocated on the basis of an assessment of individual performance and contributions to the collective achievement of results over time. Prior to these processes, analyses of pay and gender are presented to employee representatives and managers in order to identify any equal pay disparities. In the pay settlement for 2023, we paid special attention to pay and gender. In operational positions, which include advisers, case officers and so on, women's pay was 93.3 per cent of men's pay at the end of 2023, compared with 92.1 per cent in 2022. Among employees in management positions and more demanding technical positions, women's pay was 99.7 per cent of men's pay, compared with 97.8 per cent in 2022. The overarching analyses have not been adjusted for any structural factors related to age, different fields, seniority, level of education, etc. There are improvements in the pay ratio between women and men in most job categories. In our largest job categories, such as customer adviser, financial adviser and business adviser, the figures show significant improvements. See more about this in our report on Gender Equality and Diversity 2023.

To prevent wage disparities arising between women and men, an automatic collective wage agreement adjustment has also been introduced for employees who return to work after at least 5 months of maternity leave. In 2023, women took an average of 14.7 weeks and men 12.2 weeks of parental leave. The figure does not reflect the total leave taken per employee because the leave can span two calendar years.

SpareBank 1 Østlandet has a statutory duty to work for gender equality and against discrimination. Our reporting is in line with the activity and reporting duty (ARP) is published on the Bank's website.

Recruitment and turnover

The labour market remains tight, and it is therefore pleasing that we in 2023 received many more applications for all of our positions than we have had in previous years. The Bank's goal is to achieve gender balance among applicants in all position categories and we are committed to avoiding discrimination of any kind in a recruitment context. In areas where one gender is underrepresented, we encourage that gender to apply in our job adverts. All recruiters have documented competence corresponding to DNV's certification for recruitment personnel. The intention is to ensure professional recruitment processes in accordance with scientific standards and statutory requirements.

In 2023, we advertised 120 positions compared with 133 in 2022. We had a total of 2 847 applicants, compared with 1 856 the year before. The proportion of women applicants declined slightly from 2022 with a share of 43 per cent in 2023 compared to 45.4 per cent in 2022. In 2023, we recruited 98 employees externally. Of the new recruits, 53 per cent were women and 47 per cent men. This represents an equalisation of the gender balance from 2022, when externally we recruited 30 per cent women and 70 per cent men.

The proportion that chooses to change employer is relatively stable. In 2023, it was 1.93 per cent among women and 2.88 per cent among men, compared with 2.97 per cent and 2.02 per cent, respectively, the year before. Of a total of 57 people who left, 20 retired and 37 moved to another employer. Some 34 employees changed jobs internally in the Group due to a new place of work, a new role or a promotion.

HSE and sick leave

SpareBank 1 Østlandet works systematically on health, safety and the environment (HSE). Action plans are adopted every year to prevent health problems and sickness absence. One measure is offering all employees annual health check-ups from Falck Helse AS. Falck Helse AS has been our occupational health services provider for years. Employees can choose between three different check-ups based on their needs: 1) health check-up with a focus on heart rhythm variation and stress management; 2) health check-up with a focus on lifestyle; and 3) standard health check-up. As part of our efforts to manage and improve mental health, all employees have gained access to two different digital services, Braive and Overcome. Through Braive, they can undergo a mental health check-up, get a personalised digital programme and, if necessary, get support from a psychologist. Overcoming is a similar programme, but without the offer of psychological assistance. A third measure is treatment insurance for all employees. This provides quick access to specialist health services, as well as treatments from a physiotherapist, chiropractor and psychologist.

We constantly work to keep sick leave as low as possible. The healthy rate for 2023 was 94.79 per cent compared with 95.85 per cent in 2022. The healthy rate for 2023 was also slightly lower than the target level of 95.5 per cent. The target rate was set based on an assessment of the nature of the business and work, the industry average and the organisation's age demographics.

The Bank makes 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. We work with the inter-municipal initiative "Hurtigspor på Hedmarken" in Innlandet County and the Norwegian Labour and Welfare Administration (NAV) on taking on employees who, for various reasons, need work training. "Hurtigspor in Hedmarken" is designed for employees with immigrant backgrounds. In 2023, we took on one person via NAV and one via "Hurtigspor in Hedmarken" for work training. Managers and safety representatives receive basic working environment training on a regular basis. In 2023, management training was also provided on drug and gambling addiction (AKAN) issues.

There were no workplace accidents in 2023.

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For the topics ethics, anti-corruption and whistleblowing, see the chapter on page 58.

COOPERATION WITH EMPLOYEE ORGANISATIONS
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 Group Management and employee representatives is very good. Formal arenas such as the Cooperation and Working Environment Committee (SAMU) bring members of management, employee representatives and safety representatives together every quarter. We also have a multipartite committee consisting of employee representatives and management in HR that discusses relevant issues once a month. In addition to this, we work with employee representatives and safety representatives in many more arenas on matters such as whistleblowing and working environment surveys. We are regulated through a comprehensive system of agreements that include the main agreement, central agreement and corporate agreement. About 75 per cent of the employees are members of unions.

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.

STRATEGIC ANCHORING

Important guidelines:
- Labour and Human Rights Policy
- General guidelines for corporate social responsibility, sustainability, diversity and equality/ Diversity and Equal Opportunities Policy
- Code of Conduct
- Whistleblowing procedure
- Anti-Corruption Policy
  - Programme for the Bank's work against corruption and bribery
  - Fraud and Risk of Fraud Action Policy.
- Policy for identifying and countering conflicts of interest
- Remuneration scheme
  - Guidelines for the remuneration of senior executives
- Health, safety and environment guidelines
  - AKAN Policy
- Employees Development
- Recruitment Policy
- Suitability Assessment Policy
  - Procedure for suitability assessments in SB1Ø
  - Procedure for suitability assessment of board members
  - Procedure for board approval, appointments, etc. for managers

Responsible for the area: Executive Vice President HR and Legal

Goal for area: Our strategic ambition is to create Norway's best relationship bank with capable and committed employees

Working environment
Commitment and job enthusiasm must both be above eight

Competence
We will ensure that we have an organisation with the competence and capacity necessary to realise the strategy and meet future needs.

Salaries
Equal pay for work of equal value is assessed and practised as far as possible based on objective criteria.

Sick leave
Sick leave should be below 4.5.

Attractiveness
We will improve our attractiveness as an employer, internally and externally. There should be gender balance among applicants for positions.

Gender balance
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.

Participation
We will have good arenas for cooperation and interaction with employee representatives and safety representatives.

INDICATORS

GRI: 2-7, 2-8, 3-3, 401-1, 401-2,401-3,404-1, 404-2. 404-3,405-1, 405-2
CSRD: ESRS S1
GC: 1, 2, 3, 4, 5, 6
SDG: 8.3, 8.5, 8.8, 16.5,16.7, 17



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Facts about our employees

Employee demographics	**2023**	2022	2021	2020	2019	2018	2017
Number of FTEs, Group	1,155	1,121	1,137	1,149	1,127	1,139	1,109
Number of FTEs, parent bank	757	728	687	702	672	716	705

Full-time employees (FTEs)	**2023**	2022	2021	2020	2019	2018	2017
Parent bank	**749**	**692**	**688**	**699**	**695**	**647**	**-**
Women	**375**	**329**	**321**	**338**	**362**	**316**	**-**
Under 30	36	37	30	27	-	-	-
30-39	91	67	66	72	-	-	-
40-49	83	72	74	87	-	-	-
50-59	95	98	98	109	-	-	-
60+	70	55	53	43	-	-	-
Men	**374**	**363**	**333**	**337**	**333**	**331**	**-**
Under 30	40	33	20	23	-	-	-
30-39	97	91	74	69	-	-	-
40-49	73	75	74	77	-	-	-
50-59	87	93	97	108	-	-	-
60+	77	71	68	60	-	-	-

Part-time employees (FTEs)	**2023**	2022	2021	2020	2019	2018	2017
Parent bank	**18**	**33**	**33**	**24**	**12**	**69**	**-**
Women	**14**	**27**	**28**	**21**	**6**	**59**	**-**
Under 30	3	1	0	0	-	-	-
30-39	0	5	4	2	-	-	-
40-49	3	8	6	3	-	-	-
50-59	5	7	10	7	-	-	-
60+	4	6	8	9	-	-	-
Men	**4**	**6**	**5**	**3**	**6**	**10**	**-**
Under 30	2	0	0	1	-	-	-
30-39	0	1	0	0	-	-	-
40-49	0	1	1	0	-	-	-
50-59	1	1	1	1	-	-	-
60+	1	4	3	1	-	-	-

Temporary employees (number)	**2023**	2022	2021	2020	2019	2018	2017
Parent bank	**7**	**8**	**9**	**6**	**-**	**-**	**-**
Women	3	4	5	4	-	-	-
Men	4	4	4	2	-	-	-

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Contracted employees	**2023**	2022	2021	2020	2019	2018	2017
Parent bank	**15**	**-**	**-**	**-**	**-**	**-**	**-**
Women	7	-	-	-	-	-	-
Men	8	-	-	-	-	-	-

Average age	**47 year**	**44 year**	**48 year**	**48 year**	**48 year**	**48 year**	**48 year**
Average time of service	**13 year**	**14 year**	**16 year**	**15 year**	**16 year**	**16 year**	**17 year**

Gender proportions in leading positions and pay gap	**2023**	2022	2021	2020	2019	2018	2017
Proportion of women - total	**51%**	**51%**	**52%**	**52%**	**52%**	**53%**	**54%**
Proportion of female managers	40%	41%	42%	36%	36%	39%	39%
Proportion of women on the Board of Directors	50%	50%	50%	50%	50%	50%	50%
Proportion of women in Group Management	40%	40%	40%	30%	30%	30%	30%
Women's average pay as a percentage of men's average pay – total [1]	**85%**	**84%**	**82%**	**81%**	**82%**	**82%**	**80%**
Women's average pay as a percentage of men's average pay – line functions	93%	92%	89%	90%	91%	-	-
Women's average pay as a percentage of men's average pay – managers and specialist positions	100%	98%	99%	104%	93%	-	-

[1] Calculated as women's average salary as a percentage of men's average salary.

Goal for the area: 45% proportion of women in senior positions and equal pay for equal work

Recruitment, hiring and leaving	**2023**	2022	2021	2020	2019	2018	2017
Total	**145**	**105**	**80**	**82**	**56**	**47**	**30**
Number recruited, parent bank, internally	34	44	32	38	21	12	15
Number recruited, parent bank, externally	98	61	48	44	35	35	15
Recruited full-time employees (number), parent bank	**132**	**104**	**-**	**-**	**-**	**-**	**-**
Women	63	41	-	-	-	-	-
Men	56	63	-	-	-	-	-
Recruited part-time employees (number), parent bank	**13**	**1**	**-**	**-**	**-**	**-**	**-**
Women	6	0	-	-	-	-	-
Men	7	0	-	-	-	-	-
Of which new hires/internal moves (internal mobility)	**34**	**44**	**-**	**-**	**-**	**-**	**-**
Women	17	24	-	-	-	-	-
Men	17	20	-	-	-	-	-
Turnover – total	**4.8%**	**5.0%**	**5.1%**	**3.8%**	**4.6%**	**2.0%**	**2.0%**
Women	1.9%	3.0%	2.7%	1.6%	-	-	-
Men	2.9%	2.0%	2.4%	2.3%	-	-	-

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Absence and leave	**2023**	2022	2021	2020	2019	2018	2017
Sick leave	**5.2%**	**4.2%**	**3.7%**	**4.0%**	**4.5%**	**4.0%**	**4.0%**
Number of employees who took parental leave	**37**	**32**	**31**	**34**	**33**	**31**	**34**
women	24	20	21	22	17	17	17
men	13	12	10	12	16	14	11
Number of employees who returned to work after parental leave	**37**	**31**	**31**	**34**	**33**	**31**	**34**
Average number of weeks' parental leave	**13**	**19**	**14**	**17**	**15**	**13**	**11**
women	15	21	14	20	18	17	14
men	12	15	14	13	11	8	6
Proportion of employees still employed after 12 months	**100%**	**94%**	**100%**	**100%**	**100%**	**100%**	**100%**

Goal for area: Sick leave should be less than 4.5% (national figure across industries is around 6%)

Training	**2023**	2022	2021	2020	2019	2018	2017
Hours per employee - from the Learning Management System (LMS)	14.8	18.2	6.38	11.2	-	-	-
Summarised from seminars/courses etc	58.1	45.2	-	-	-	-	-
Signed Code of Conduct	98%	96%	-	-	-	-	-
Signed anti-corruption policy	-	96%	-	-	-	-	-
Completion rate for anti-corruption training	95%	96%	-	-	-	-	-

Performance reviews	**2023**	2022	2021	2020	2019	2018	2017
Implementation rate	90%	93%	97%	93%	97%	100%	100%

Goal for area: Implementation rate over 90%

FinAut's authorisation requirements	**2023**	2022	2021	2020	2019	2018	2017
Implementation rate	97%[1)]	100%	100%	100%	-	-	-

Goal for area: Completion rate more than 100%

Gender balance – applicants for advertised positions	**Number**	**Percentage**
Women	839	45%
Men	1,014	55%
Unknown	3	
Total	**1,856**	

[1)] The figure has not been adjusted for sickness absence/leave.

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Social sustainability

The Bank's social and financial inclusion work is one of our most important social missions. We must be a responsible actor with solid due diligence and credit assessments and offer products and services with a social profile to a variety of groups in society.

Furthermore, we must facilitate and provide a good offering of services to a diverse range of customers. The Bank also helps to mitigate social inequalities in society, for example through our sponsorship agreements.

WHY IS THIS A MATERIAL TOPIC FOR THE BANK?
In the new double materiality analysis that was carried out in 2023, the Bank had particular positive and negative impacts on the topic of financial inclusion, especially in the retail market. In the associated stakeholder dialogue, social inclusion also emerged as an important topic.

Financial inclusion
The purpose behind developing digital services in the banking sector is to streamline operations and simplify the everyday lives of 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 customers currently use such services. Some customers have difficulties using digital services though. Common reasons for this are age, language problems, exclusion and poverty, while access to financing is another key issue. One prerequisite for acquiring your own home is precisely this, financing. The most vulnerable groups are young customers, single parents and low-wage groups in cities. Therefore, the Bank offers advice and its own products to alleviate the situation in this important area.

The Bank has a well-developed bricks-and-mortar branch network. This provides a good basis for helping prevent financial exclusion and thus fulfil the expectations of the industry standard. The Bank's offering of local face-to-face help to this group is among the best 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". Services for non-digital customers can be improved further to ensure that we have a more comprehensive offering.

Social inclusion
Many people end up on the margins of society. The Bank does not have a responsibility to help everyone secure financing. The Financial Contracts Act imposes a duty of dissuasion on banks when customers do not qualify for credit. However, we do have a particular responsibility within the area of economics. Given the macro situation with higher prices and interest rates, more people than before will find themselves excluded. The Bank contributes to combating this in various ways such as by ensuring that sponsorship agreements include requirements for cheaper children's sports, especially for the youngest. This could involve, for example, lower participation costs or the elimination of training fees for some groups. The Bank is also a major supporter of local initiatives in sports and culture. In addition to this, the Bank facilitates activities in which local people can swap or get cheap or free access to used sports equipment.

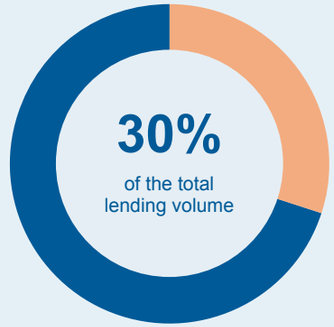
As an employer, SpareBank 1 Østlandet must have a generous and inclusive working environment with equal opportunities for all. We want to have employees who reflect the society of which we are part, and actively work on diversity and equality, both in our own operations and with respect to customers and suppliers. For more information see the chapter "Our skilled employees" on p. 85.

WHAT WAS DONE IN 2023?
In 2022, 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. SpareBank 1 Østlandet has committed itself to complying with this standard. We spent 2023 implementing various measures in order to better align our customer offering with the Group.

2023 saw the establishment of the rent to own concept. This is designed to help customers who lack equity get on the housing ladder by combining the establishment of a lease with an equity savings plan with a view to subsequently buying a home.

Products and activities with a social profile
Financing housing is part of the work on financial inclusion in that the Bank helps to make it possible for vulnerable groups to acquire their own homes. In addition to ordinary housing mortgages, we have many products and services with a social profile and associated economic benefits.

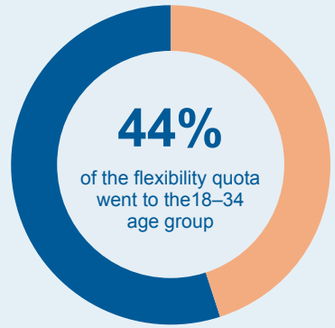
FIG. 1 Products with a social profile



Products with a social profile are:
- 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 41.2 billion

FIG. 2 Proportion of flexibility quota



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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 Bank wishes to be a responsible actor, that helps customers tidy up their personal finances in simple ways. We therefore offer its customers refinancing for unsecured credit. Many people can save a lot by gathering small loans into a single loan with an agreed repayment plan. Customers who consolidated their small loans into a single loan from us saved an average of NOK 15 000 in 2023.

The volume of first-home loans, UNG loans and other loans with a social profile amounted to NOK 41.2 billion at the end of the year, equivalent to 30 per cent of our total lending volume. This represents an increase of NOK 2.4 billion and 0.7 percentage points compared with the end of 2022.

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 2023, 44 per cent of the quota was allotted to young people aged 18-34 compared with around 45 per cent in 2022.

Universal design
The Bank's website complies with the guidelines for universal design (UD). UD is ensured through guidelines in the design system and in a specific content guide. The content guide describes how the website must be user-friendly and accessible for everyone, including people who use assistive technology or adapted software. It includes guidelines on language, style and voice, correctly using headings, links, buttons, contrasting colours and alt text for images. The content guide's guidelines were revised in 2023 and contain an updated checklist for accessibility. The design system includes technical guidelines for HTML and semantic HTML, which make the content easier to understand for those who use screen readers and keyboard navigation.

In our branches, all modifications and upgrades are carried out in line with applicable UD laws and regulations. This is how we make banking more accessible for people with disabilities. This is work that will continue over time.

WHAT REMAINS TO BE DONE IN A LONGER PERSPECTIVE?
Digital services should be designed in such a way that they are better adapted to different customer groups, including customers who are less well equipped to use the Bank's digital tools. Better provision should therefore be made for solutions that enable everyone to get help securely. Advice for vulnerable groups, young people, refugees, immigrants and the elderly is key. Furthermore, we have to ensure good preventive anti-fraud communication for all customer groups.

STRATEGIC ANCHORING

Important guidelines:
Sustainability Strategy 2022-2025, General Guidelines for Corporate Social Responsibility and Sustainability, Corporate Social Responsibility and Sustainability for the Retail Market

Responsible for the area:
Executive Vice President Innovation and Business Development and Executive Vice President Retail Market

Goal for the area:
To be determined in 2024.

INDICATORS

GRI: SB1Ø-3 og -6, 404-2
CSRD: ESRS S4
GC: 1, 2
UNEP FI: 2.1, 2.2, 2.3, 2.3, 3.1, 4.1, 5.1, 5.2, 5.3
Eco-Lighthouse: 2064, 2067, 2069
SDG: 8.3, 8.10



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Customer relations

In the Bank's strategic vision for 2025, good customer relations is one out of four key target areas. We should know our customers and provide the best customer experiences.

Throughout 2023, we have strengthened our relationship with our customers, according to this year's position survey in the banking market. Many of our competitors are experiencing weakened customer relations, but our own score (TRIM) shows strengthened customer relations. The TRIM score is Kantar's globally validated method for measuring relationship strength.

The good score tells us that the Bank has done a good job with respect to customers in the transition to tougher times both for people's personal finances and for businesses. Customers are most satisfied with the digital banks, service mindset, response time and customer follow-up, and here the SpareBank 1 banks consistently score better than their competitors.

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 358 customer complaints in 2023, an increase from 258 complaints the year before. The majority of the complaints in 2023 concerned administrative procedures, customer service, 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 around NOK 2.6 million in 2023. Some cases are waiting for a decision from the Norwegian Financial Services Complaints Board. The Bank's potential loss from these cases is approximately NOK 830,000.



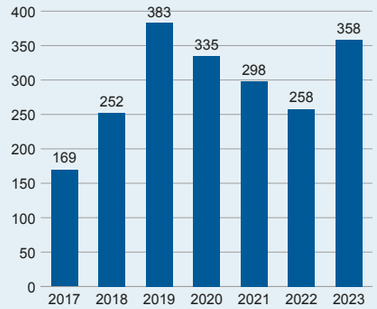
Customer adviser Anne Mette Retterås in Elverum assists customers with questions about financial products and services.

FIG. 3 Number of customer complaints in 2023 by category



- Administrative processing: 75
- Price/fee: 38
- Customer service: 45
- Credit: 22
- Card complaints or online fraud: 57
- Other: 27
- Insurance: 28
- Product: 66

FIG. 4 Number of customer complaints in past 7 years



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STRATEGIC ANCHORING

Important guidelines: General ESG Guidelines. Code of Conduct. The Bank's Marketing Policy, brand strategy and Sponsorship Policy. Generative AI Use Policy.

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

Goal for area: We focus on sustainability in our work and how we communicate. The Bank has a clear sustainability profile. Consumers regard the SpareBank 1 Alliance as the most sustainable in our industry.

INDICATORS

GRI: 417-2, 417-3 og SB1Ø-8, 404-2
CSRD: ESRS S4
GC: 2, 8 og 9.
SDG: 8.3, 9.4, 12.8, 13.3



The Bank's sustainability profile has been clarified and the Bank is viewed as the most sustainable by consumers

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.

Sustainable Brand Index Norway, category "Banks"						
2023	2022	2021	2020	2019	2018	2017
Industry winner	2nd place [1]	2nd place [1]	Industry winner	Industry winner	Industry winner	Industry winner

[1] 2nd behind VIPPS, which is a payment solution, not a bank. VIPPS was removed from the category "Banks" from the 2023 ranking.

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Our financial advisers Elisabeth Linn and Cecilie Sørli at the opening of the Bank's new branch at Økern in June 2023.

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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 2023.

Teaching children and young people about personal finances
Part of our corporate social responsibility is to help improve the general public's understanding of personal finances. 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 & Akershus'. The goal is to help reduce the number of debt collection cases among young people. The teacher has taught tens of thousands of pupils and thereby helped to develop the financial skills of children and young people. In 2023, the Bank arranged several activities in which around 2 500 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 finance called "Kæsj". 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.

Survey of expectations
In 2023, 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, the general expectations of both businesses and households fell to their lowest level for many years. Nevertheless, people's confidence in their personal finances rose slightly compared with the last two surveys, while companies' views on the number of FTEs dropped to a pessimistic level for the first time. Seven out of ten private individuals said they would make savings in one or more areas in 2024. Businesses raised concerns about higher interest rates and low demand, while concerns about higher commodity prices and long delivery times decreased.

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 and our own social media in relation to current topics in 2023. 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. This is socially useful, and it is especially important right now that many are feeling that their personal finances are being squeezed.

Sustainability award and sustainability fund
The Bank wants to simulate sustainable innovation, development and entrepreneurship, and in 2022 it launched a dedicated sustainability fund. The funds from this go to good measures and projects that have a positive impact on the climate and environment. In 2023, an effort was made to focus the fund on circular economy measures. Applications for this will open in 2024. The Bank also presents an annual sustainability award in the business sector. In 2023, the NOK 100 000 prize went to the company Kreativ Catering for their work on the circular economy throughout their value chain.

Support for good causes
Most of the donations from the Bank's profits are made via Sparebankstiftelsen Hedmark. The foundation is the Bank's largest owner and holds 52 per cent of the Bank's listed equity certificates. Today, it is one of Norway's largest charitable foundations. The foundation continues the savings bank tradition by using part of the profit and distributing dividend funds to good causes. As part of its distribution of dividend funds, it usually takes into account the region that built up the capital in Sparebanken Hedmark, in other words the former county of Hedmark.

However, the Bank also makes individual donations to various causes. We support the TV Action telethon every year, and in 2023 we donated NOK 150 000 to Save the Children and their work to help children affected by war and conflict. The Bank also volunteered its services as a counting bank for TV Action. In addition to this, we have a tradition of giving a Christmas gift to an organisation that needs it. In 2023, employees were

FIG. 5 Gifts from the Hedmark Savings Bank Foundation in 2023

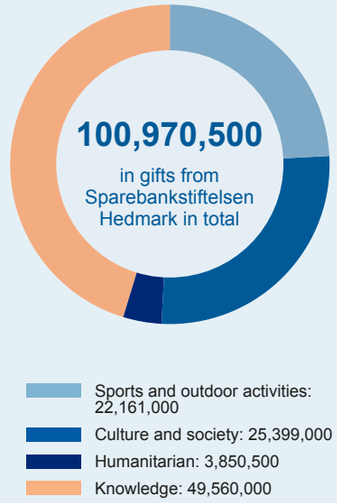
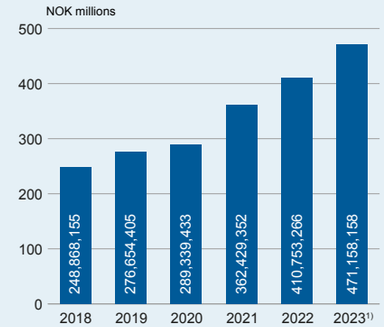


FIG. 6 Dividends distributed from SpareBank 1 Østlandet to Sparebank-stiftelsen Hedmark



¹⁾ The final amount depends on the decision of the Supervisory Board on March 21, 2024.

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able to vote for whom we should support. A youth mental health organisation, Mental Helse Ungdom, was chosen. It received NOK 300 000 from the Bank divided between their work in Oslo, Viken and Innlandet County, respectively. The Bank donated a total of NOK 3 million in gifts to good causes in 2023.

Taking responsibility for the circular economy
The Bank participates in Arendal Week. We take part in this in order to focus on areas that are important for the Bank and the financial services industry. This year, one of the themes we highlighted was the circular economy. We arranged a specific roundtable on how banks can create a circular economy. The Minister of Trade and Industry Jan Christian Vestre participated together with key players from the financial services industry and relevant industry organisations. The event was well attended and provided the basis for the development of the "Circular Economy Action Plan for Banking". This was subsequently completed and shared with other banks. The action plan provides input and advice on how to make a start on circular economy work in your own bank. We also organised joint events with other SpareBank 1 banks.

NOK 40 million for art over 40 years
Sparebanken Hedmark's Art Fund was wound up in 2023 after 40 years of operation. The fund's mission was to support the creative and performing arts, as well as art-promoting initiatives within literature, drama, music, the visual arts and the performing arts in the former county of Hedmark. The fund also supported artistic embellishments, the preservation of cultural heritage sites and other measures. In total, gifts worth NOK 30 million were donated to the arts. The fund also distributed NOK 10 million in stipends to talented young people in the arts and culture. The Bank was the fund's source of funds until its listing in 2017, when Sparebankstiftelsen Hedmark took over for 3 years. Thereafter, the Art Fund no longer received capital and thus there was no basis for continued operation.

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

The SpareBank 1 banks have been the main sponsor of the Norwegian Ski Federation since 2015. The agreement will run up to and including the FIS Nordic World Ski Championships in Trondheim in 2025.

In 2020, we signed a long-term business and marketing agreement with the Norwegian Olympic and Paralympic Committee and Confederation of Sports (NIF). In connection with this, we deliver good cost-effective solutions for sports within the areas of banking, accounting, fundraising and voluntary solutions for sports teams, specific federations and NIF centrally. This underpins and consolidates the role the SpareBank 1 Alliance's and we in SpareBank 1 Østlandet have as the bank of sport.

Money can be a barrier to being able to participate in organised sports. Together with NIF, we want to contribute to cheaper children's sports with good measures within inclusion and the circular economy, and with good cost-effective operational solutions for the voluntary sector.

We set clear requirements regarding sustainability and social roles for our partners. In addition to requiring them to focus on their climate footprint and orderly operations, we are particularly interested in social sustainability and inclusion. We focus on counteracting exclusion based on skills and personal finances, as well as ethnicity, beliefs, gender identity and sexual orientation. Combating exclusion in organised activities is important, and we contribute funds to lower training fees/ costs and to purchase equipment that can be borrowed free of charge.

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. The Ski Bank is an initiative in which we distribute skiing equipment to teams and associations that organise activities for groups that lack such equipment. In this way, we want to generate a greater focus on sharing the joy of skiing and help give everyone a chance to experience it.

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

Sponsorships and talent scholarships
In 2023, the Bank had around 200 sponsorship agreements, large and small, worth a total of NOK 34 million. SpareBank 1 Østlandet is first and foremost a supporter of the voluntary sector and grassroots organisations. 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 and women's teams) 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). At the same time, we are of course sponsors of the grassroots levels in the same clubs.

When sports teams in our region are asked to host major national events, we are often a supporter and sponsor. In 2023 we collaborated with Vind IL in Gjøvik (Norwegian cross-country skiing championships part 1 in January), Tolga IF (Norwegian cross-country skiing championships part 2 in April) and Ull/Kisa Friidrett in Jessheim (Norwegian athletics championships in July).

The Bank also distributes NOK 3 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.

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Innovation and business development

Innovation and business development should result in greater competitiveness, higher income and a more efficient and scalable business model. This work is based on three cornerstones: strategic needs, challenges and operational improvements. We also need to identify opportunities and growth initiatives based on market and technological trends.

We take part in multiple networks and collaborations in which we test and develop new services and customer offerings, although our most important strategic collaboration takes place through the SpareBank 1 Alliance. In this, we develop digital solutions and adopt new technology that benefits customers and the Bank's employees. In 2023, the SpareBank 1 banks invested more than NOK 265 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.

INNOVATION AND PARTNERSHIPS
Innovation is important for creativity and development. In its efforts to comply with the new corporate strategy, the Innovation Department has established a structured framework for monitoring trends. The framework provides the Bank with a common understanding of trends that could affect the industry in the short and long term and ensures that the Bank is strategically prepared in important areas. This future 'radar' provides a basis for the prioritisation of innovation work.

Going forward, we will continue to look at new products, services and business models in order to improve delivery capacity for existing business through new technology and new partnerships.

SB1NXT
SB1NXT is a measure initiated by SpareBank 1 Østlandet within the SpareBank 1 Alliance and which was adopted in 2023. The aim is to increase the potential for innovation and the speed of this work in the SpareBank 1 banks through greater interaction and joint mobilisation across banks. This will put the banks in a better position to build up future competitiveness at a time when the landscape is constantly changing. Innovation work will also be structured here, and it must be based on the priorities in a common future 'radar'.

Partnership with StartupLab
In recent years, SpareBank 1 Østlandet has increasingly focused on partnerships and the importance of building a strong ecosystem around the Bank. The partnership with StartupLab links the Bank with Norway's most ambitious technology startups, and it is an important source of both new ideas and potential partners. The Bank keeps its finger on the pulses of both Norwegian and foreign startups and is in contact with around 100 new companies every year in order to identify the best possible partners who can help increase the value of our customer offering.

As one of the founders, SpareBank 1 Østlandet is still an active participant in the national StartupLab fintech sector programme, where the goal is to speed up innovation in the financial services industry and build a robust and competitive Norwegian fintech ecosystem.

Partnership with Minna Technologies
Led by SpareBank 1 Østlandet, the SpareBank 1 Alliance entered into a partnership with the fintech company Minna Technologies (SE) and was the first bank in Norway to launch subscription management directly in the mobile bank. Given the current economic cycle, we can see that customers are increasingly starting to appreciate this type of service, and it is gaining more than 20 000 new users every month. Among the SpareBank 1 banks, a total of more than 400 000 subscriptions have been cancelled via the mobile bank so far, and we have helped customers save somewhere in the range of NOK 35-40 million since its launch. This solution scores high on customer satisfaction. All of this proves that we are succeeding in our commitment to increase customer value through good partnerships.

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.

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Partnership and increased ownership in Mobai AS
In 2023, the Bank implemented multimodal biometric facial recognition in all of its branches through its partnership with a local startup, Mobai AS. Using AI, the solution makes it easier for customers to verify their identity, while strengthening the Bank's work on combating fraud and money laundering. The Bank has increased its stake in Mobai, and it is continuing to work with the company to develop future-oriented technology that makes the Bank's customer-facing channels even more secure. We continue to work on Mobai in the joint research 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.

Central Bank Digital Currency (CBDC)
SpareBank 1 Østlandet wants to closely monitor the work on CBDCs and has, together with the other SpareBank 1 banks, established a permanent expert group that will monitor Norges Bank's CBDC project and those of other central banks, as well as look more closely at the private Stablecoin initiative. In the long-term, the Group will also consider collaborating with Norwegian banks on their approach to an expected new infrastructure. SpareBank 1 Østlandet will take account of changes in money transfer solutions using different forms of money. We want to follow up structural changes in banks' money transfer infrastructure and look at what they mean for both competition and our own preparedness. It will be important to keep one eye on the future when discussing political, regulatory and economic impacts. The study of CBDC will continue in a fifth phase by the end of 2025. This states: "Over the course of the strategy period, Norges Bank will ready itself for the potential introduction of a central bank digital currency."

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.

We actively use data and insights in our work on development and improvement. This enables us to better prioritise the development measures that will best contribute to more efficient solutions and good service and customer experiences. Development and improvement work takes place both internally in the Bank and through close collaboration with SpareBank 1 Utvikling.

ANALYSIS, DATA AND INSIGHTS
Data and insights are important elements of the bank of the future, and we believe that more data-driven operations and analysis will strengthen our competitiveness:

- Through increased efficiency and better decision-making
- Through producing personalised solutions and facilitating better customer experiences
- Through product and service-related innovation
- Through supporting stricter compliance requirements and sustainability goals

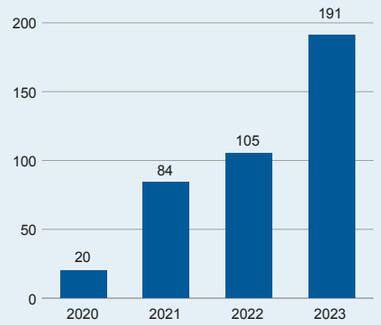
The Bank adopted its first data and insights strategy in 2022. Data and insights are defined as the Bank's overall ability to collect and manage data, translate data into insights and convert insights into actions. Data and insights also play a key role in the Bank's revised business strategy by supporting the following focus areas:
- Profitable growth and good customer experiences
- Being an agile and impactful organisation
- Being a clear driving force behind the green transition

During the year, we started work on modernising and moving our data and analytics platform to the cloud. We constantly test, develop and deploy AI solutions. Generative AI and large language models are also areas that we believe have great potential.

USE OF ARTIFICIAL INTELLIGENCE
We are continuously working to test, develop and implement solutions with artificial intelligence (AI). Generative artificial intelligence and large language models are also an area where we see great potential.

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 responsibility and, not least, structured, comprehensive data management. This could also expand the opportunities for using data, insights and innovation.

FIG. 1 Insight-driven development and improvment work
Annual improvment measures implemented



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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 2023, this amounted to 60 person-years in the parent bank. We are also working on process automation in our subsidiaries, such that the combined effect will be significantly higher.

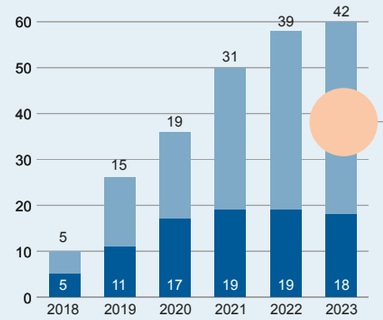
The number of cases and enquiries that were automated and handled by digital assistants increased sharply in 2023 as well. This now represents more than 1.1 million cases and enquiries per year, just for the parent bank alone.

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 Bank increased its focus and capacity in this area throughout 2023, and it will further develop the area going forward in order to exploit the potential inherent in utilising technology to achieve more efficient processes and greater self-service.

Generative AI is being tested and is expected to be deployed within multiple applications in the future.

FIG. 2 **Number of FTEs freed up by using digital assistants**

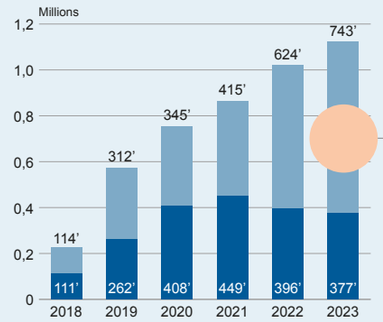
The table shows the development in the number of FTEs of freed up time due to the use of digital assistants in the parent bank.



↑ **60**
Total no. of FTEs freed up (2023)

FIG. 3 **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.



↑ **1.1 mill.**
Cases in total (2023)

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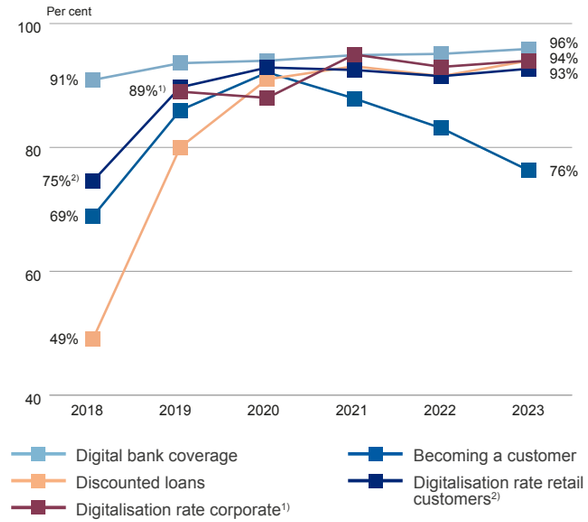
DIGITALISATION AND NEW SOLUTIONS

An ever-growing proportion of our customers are digitally active in the online bank or mobile bank. The proportion of digital customers aged 18-60 has generally been high in recent years, while the elderly are catching up at full speed. For example, the proportion of digitally active 80-year-old customers has increased from just over 50 per cent in 2018 to 75 per cent in 2023.

We are making self-service banking via digital channels even easier for customers. With few exceptions, all mortgage applications in the retail market are now started digitally. In 2023, we enabled customers to move direct debit agreements from other banks themselves in the online and mobile banks. A new e-invoice solution allows others to approve e-invoices on behalf of the customer. We have also launched a new meeting booking solution to make it easier to book meetings with the Bank.

In the corporate market, too, an increasing number of customers are using corporate online banking (Figure 6). SpareBank 1 Accounting is a new focus area in the bank. Here, businesses can get help with accounting services, both via digital programmes and through advice. The development in the number of customers is favourable.

FIG. 4 Digital development, retail customers and corporate customers



1) The digitalisation rate shows the percentage of customers applying to establish a customer relationship and set up products themselves online.

2) No digitalisation rates are available for enterprises prior to 2019.

FIG. 5 Digital customers by age group, in percentage per age group

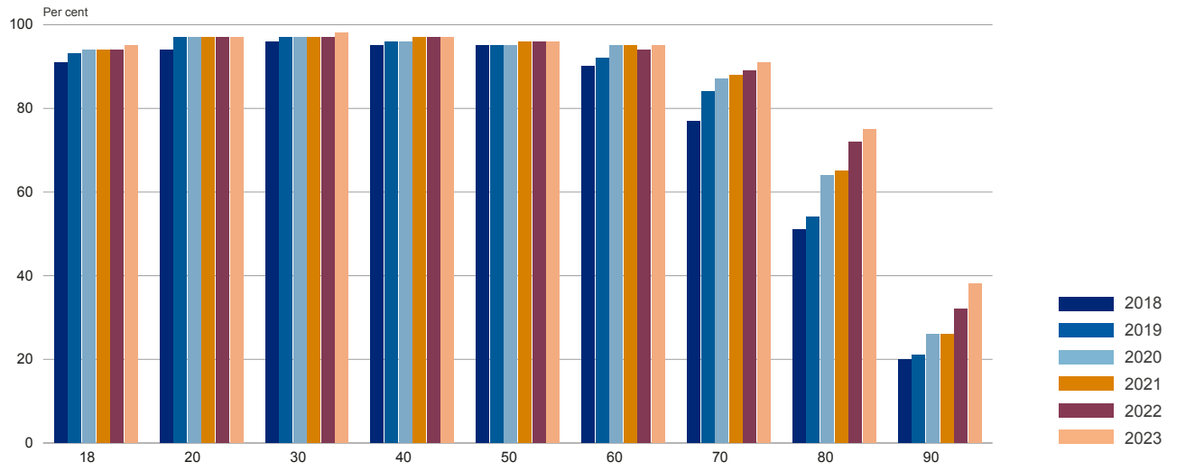
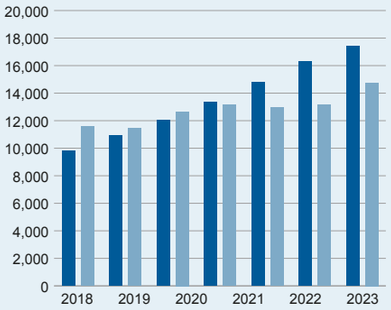


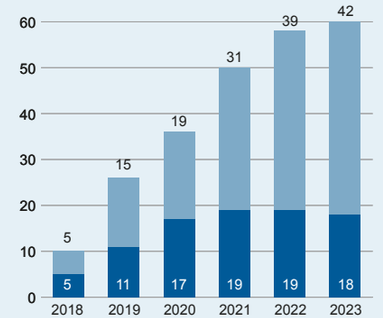
FIG. 6 Development in number of customers using the online business bank



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

Registered agreements: The customer is not able to log in to a company online bank, although the company's accounts are linked to another online banking agreement, for example through the online banking agreement of the customer's accountant.

FIG. 7 SpareBank 1 Regnskap, new sales 2023



Concept customers: Customers who do their own bookkeeping and who may purchase certain services/ assistance.

Agency customers: Customers where ForretningsPartner/an accountant does the customer's bookkeeping for the customer in SpareBank 1 Regnskap. Number of active customers 738 from inception 2019/2020 to 31 December 2023.

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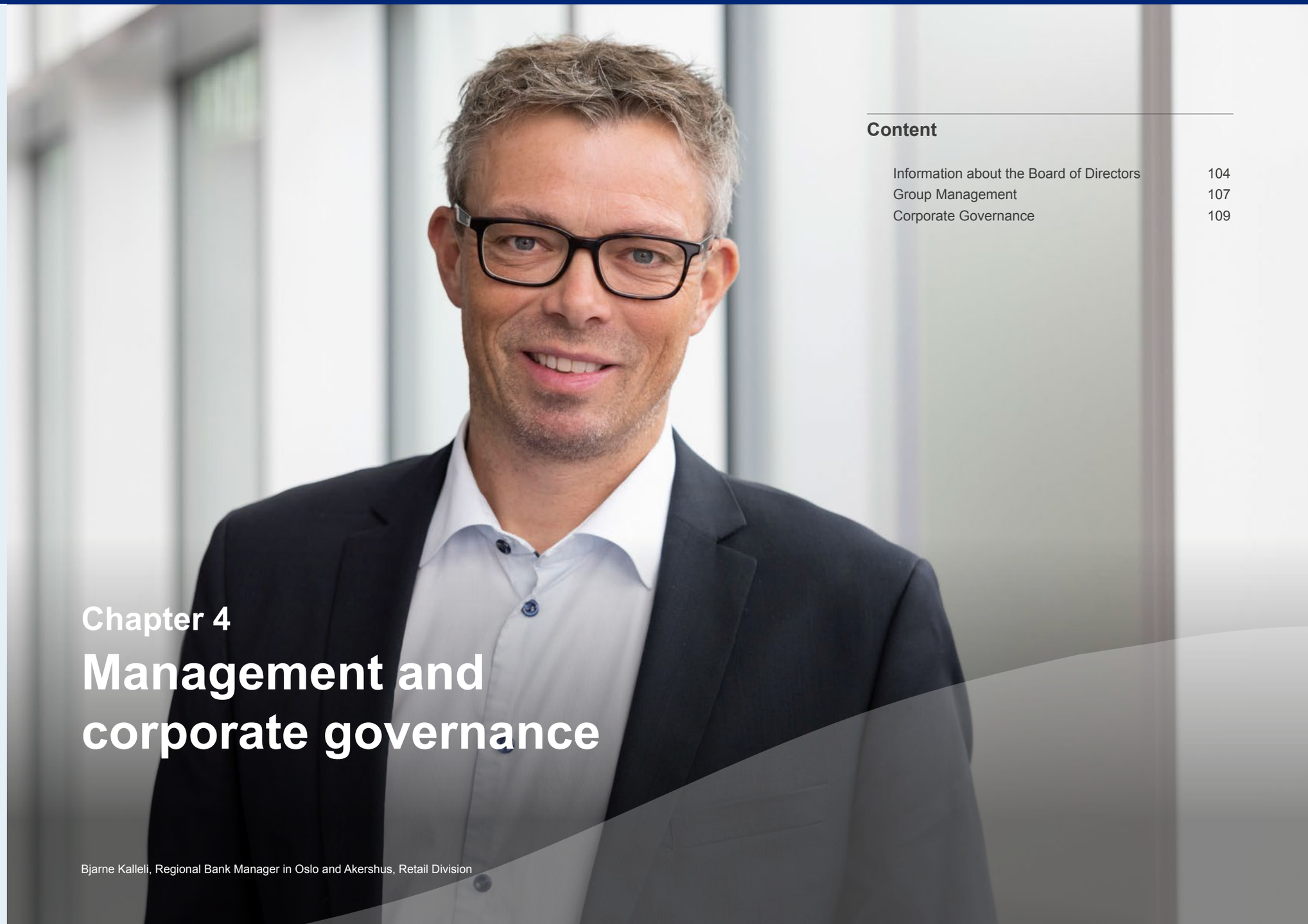
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Chapter 4

Management and corporate governance

Bjarne Kalleli, Regional Bank Manager in Oslo and Akershus, Retail Division

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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

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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: 450



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: 1 763



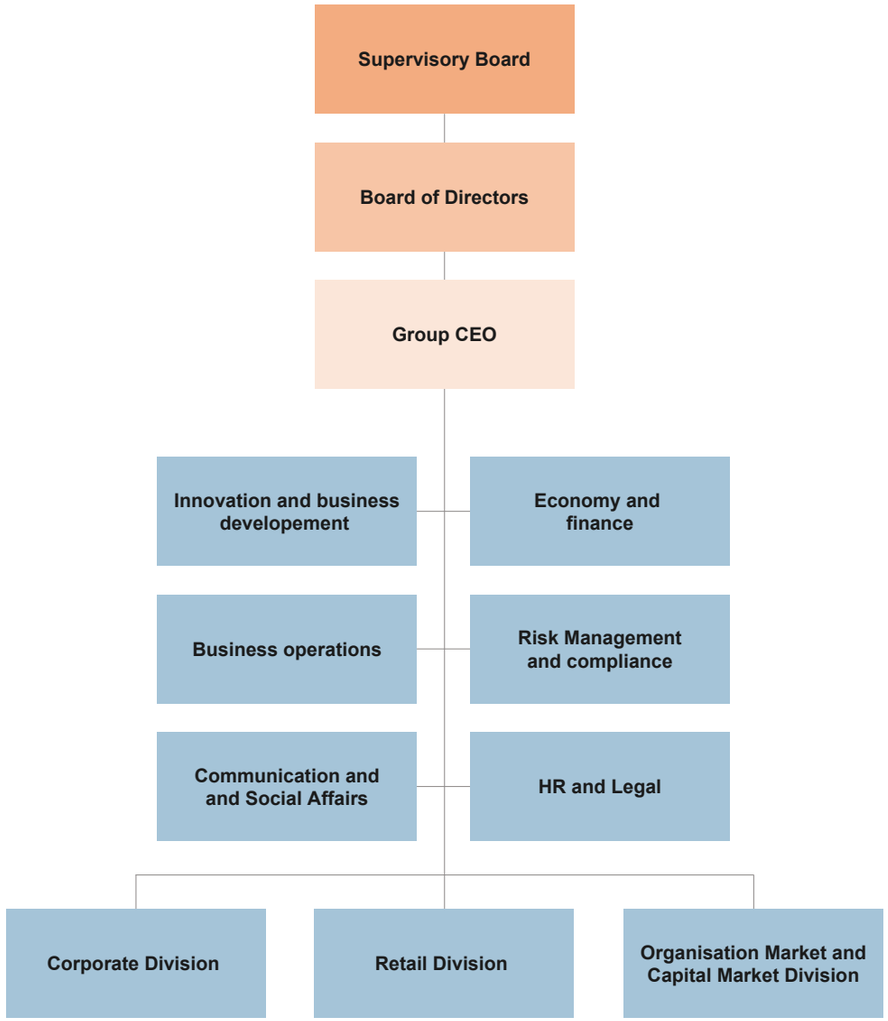
CATHERINE NORLAND
(born 1972) board member, lives in Lørenskog.

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: 337

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Organisation chart



Stakes

Subsidiaries	Stake
SpareBank 1 Finans Østlandet AS	85.1%
SpareBank 1 ForretningsPartner Østlandet AS	100%
EiendomsMegler 1 Innlandet AS	100%
EiendomsMegler 1 Oslo Akershus AS	100%
AS Vato	100%
Youngstorget 5 AS	100%

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	23.2%
SpareBank 1 Næringskreditt AS	12.8%
SpareBank 1 Kreditt AS	18.9%

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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: 114,210 [1)]



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: 44,441



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: 3,727



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: 3,536



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: 4,048



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: 4,198

[1)] Also includes equity capital certificates owned via Richard Heiberg Invest AS.

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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: 7,806



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: 9,732



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: 6,980



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: 2,274

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Corporate Governance

Corporate governance in SpareBank 1 Østlandet encompasses the values, goals and general principles that guide the management and governance of the company, providing the basis for long-term value creation 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.

Norwegian Code of Practice for Corporate Governance
The description below describes how the 15 topics in the Norwegian Code of Practice for Corporate Governance of 14 October 2021 have been followed up in SpareBank 1 Østlandet.

1. REPORT ON CORPORATE GOVERNANCE
There are no significant deviations between the Norwegian Code of Practice and its application at SpareBank 1 Østlandet.

SpareBank 1 Østlandet has adopted its own corporate governance policy, and will further develop this policy within the framework of applicable laws and in keeping with recommendations emanating from influential sources.

Through its corporate governance policy, the company aims to ensure sound management of its assets and to give added assurance that stated goals and strategies will be met and realised. Good corporate governance in SpareBank 1 Østlandet encompasses the values, goals and overarching policies by which the company is governed and controlled with a view to securing the interests of owners, customers and other stakeholder groups. The company adheres to the Norwegian Code of Practice for Corporate Governance to the extent appropriate to savings banks with equity capital certificates. Any deviations from the code are accounted for in the below text.

The company has given special emphasis to:
- a structure that ensures targeted and independent management and control
- systems that ensure measurement and accountability
- effective risk management
- holistic information and effective communication
- equal treatment of equity capital certificate holders and balanced relationships with other stakeholders
- compliance with laws, rules and ethical standards
- a targeted effort to contribute to sustainable development in the market area

All employees of SpareBank 1 Østlandet must familiarize themselves with and comply with the company's ethical guidelines. The employees must be characterized by a high ethical standard and must be perceived as trustworthy, honest and fair. The employees must follow laws and regulations, policies, standards, instructions, routines, procedures and agreements. The ethical guidelines deal with, among other things, impartiality, conflicts of interest, confidentiality and requirements to have a professional relationship with customers, suppliers and competitors. The guidelines apply to all employees at all levels in the SpareBank 1 Østlandet group, both permanent and temporary employees, consultants, temps, board members and deputies. Ethical guidelines are available on the company's website. Securities trading and own trading in financial instruments is regulated by internal guidelines.

Deviations from point 1 of the Code of Practice: None

2. BUSINESS OPERATIONS
SpareBank 1 Østlandet is an independent financial services group and part of the SpareBank 1 Alliance. The company's vision is "Creating together". According to the Articles of Association of SpareBank 1 Østlandet, the business objective includes promoting savings by accepting deposits from an unrestricted group of depositors, providing services to the public, business community and public sector, and managing the funds it controls in a prudent manner in accordance with the statutory rules that apply to savings banks at any given time. The company can perform regular banking operations and banking services in accordance with legislation in force at any and all times. The Articles of Association are available on the Bank's website.

The business idea of the company reads as follows: "We exist to help people and companies succeed. Together we contribute to sustainable growth and development in Eastern Norway".

This means that the bank:
- 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 prefer.
- We make everyday finances simple for our customer.

The Board of Directors of SpareBank 1 Østlandet is responsible for and leads the company's strategic planning. The Board will also make decisions that form the basis for the company's management to prepare and implement investments and structural measures. Goals, strategies and risk profiles are assessed at least annually.

SpareBank 1 Østlandet wishes to contribute to using the combined knowledge and resources of the company to contribute to sustainable development both economically, socially and environmentally. The bank has therefore integrated sustainability as part of its business strategy for the period 2022 to 2025, where being a clear driver of sustainable change is one of four main goals. The bank has carried out a double materiality analysis which shows which topics the bank should focus on in its sustainability work. Targets and overall KPIs have been adopted for all significant areas, and targets are reported in the same way as other targets in the company.

CSR and sustainability are integrated parts of the company's operations. The overall objective for the bank is to assist customers with a sustainable transition, and most departments have their own objectives and tasks within sustainability. The company has its own websites for social responsibility and sustainability. Reference is otherwise made to the annual report for additional information on the bank's work, where all guidelines and other documents can be found.

The company's goals and main strategies appear in the annual report.

Deviations from point 2 of the Code of Practice: None

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3. COMPANY CAPITAL AND DIVIDENDS
The Board of Directors ("the Board") continuously assesses the capital situation in light of the company's goals, strategy and desired risk profile. SpareBank 1 Østlandet has a long-term target for the CET-1 capital ratio equivalent to regulatory requirements and a management buffer of 100 basis points.

For detailed information on capital adequacy, see the relevant note in the annual report. For a closer discussion of the rules governing capital adequacy and the principles on which SpareBank 1 Østlandet bases its assessment of its capital needs, see the company's Pillar 3 report, which is available on the company's web pages.

Dividends
At all times, the company shall have a clear and predictable dividend policy, determined by the Board. The dividend policy provides the basis for dividend proposals that the Board puts forward to the Supervisory Board. The dividend policy is made publicly available on the company's web pages.

Each year, the Supervisory Board approves the proportion of the profit after tax that will be allocated to equity capital certificate holders and primary capital as dividends, based on their respective shares of the equity. The share allocated to primary capital is normally paid out to customers via annual customer dividends. Customer dividends prevent dilution of the equity capital certificate holders' ownership interest. The equity capital certificate holders' share of the profit is divided between dividends and the equalisation fund.

Deficits
If a loss occurs, it shall first be covered by a transfer of funds from the primary capital, including the endowment fund and then the equity share capital that exceeds the equity share capital stipulated in the Articles of Association, including the equalization fund. Losses not covered in this manner are covered by a transfer of funds from the share premium reserve, and then by a reduction in the equity share capital as stipulated in the Articles of Association.

Purchases of own equity capital certificates
The Board has been granted authorisation to purchase the company's own equity capital certificates for up to 5 per cent of the Bank's equity certificate capital. The Board of Directors is free to decide how the acquisition, pledging, or disposal of equity capital certificate takes place. The authorisation may among other things be used in connection to savings programs for employees of the company.

Capital increases
Board authorizations for capital increases are granted on the basis of concrete and defined purposes.

Deviations from point 3 of the Code of Practice: None

4. NON-DISCRIMINATION OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES
SpareBank 1 Østlandet has one class of equity capital certificates. Through the Articles of Association, and in the work of the Board and the management team, emphasis is given to equal treatment of all equity capital certificate (ECCs) holders and equal opportunity for them to exercise influence. All ECCs confer an identical voting right. Owners who hold 10 per cent or more of issued equity capital certificates have the right to one representative and one deputy representative in the equity capital certificate holders' election committee. The company abides by provisions of the Financial Enterprises Act 2015 regulating holdings and voting rights insofar as these provisions apply to savings banks with equity capital certificates.

In the event of an increase of equity share capital, existing owners have preferential rights unless special circumstances dictate that this be waived . Any such deviation will be explained. SpareBank 1 Østlandet will at irregular intervals have the opportunity to launch private placements towards employees with the purpose of strengthening employees' ownership of the company and interest in the company's capital instrument. Exercise of the Board's authorisation to acquire own equity capital certificates, shall be by trading on the securities market via the Oslo Stock Exchange.

Transactions with related parties
There should be an independent valuation of non-material transactions between SpareBank 1 Østlandet and equity capital certificate holders. This does not apply when the Supervisory Board processes the transaction in accordance with the Public Limited Liability Companies Act's rules on agreements with related parties and intra-group transactions. According to the law, the Supervisory Board shall approve certain agreements between the company and equity capital certificate holders when the consideration amounts to more than one-twentieth of the share capital at the time of the acquisition. In this connection, the Board shall ensure that an independent expert, such as a state-authorised or registered auditor, prepares a statement of the agreement/assets, etc.

Deviations from point 4 of the Code of Practice: None

5. FREE TRANSFERABILITY
The company's equity capital certificate is quoted on the Oslo Stock Exchange under the SPOL ticker symbol and is freely transferable. The Articles of Association contain no restrictions on transferability.

Deviations from point 5 of the Code of Practice: None

6. GENERAL MEETING
At the outset, a savings bank is a 'self-owned' institution. Its governance structure and the composition of its governing bodies differ from those of public limited liability companies; see the Financial Institutions Act 2015 chapter 8 for which governing bodies a savings bank is required to have.

Supervisory Board (general meeting)
The company's highest body is the Supervisory Board. This comprises EC holders, depositors, employees and representatives of the public authorities. EC holders have 12 members in the Supervisory Board. Depositors, employees and public sector representatives have 14, 10 and 4 members respectively.

The Supervisory Board shall see to it that the Bank operates in line with its mission and in conformity with law, its Articles of Association and decisions of the Supervisory Board.

According to law, elected members shall in aggregate reflect the savings bank's customer structure and other interest groups as well as its social function. In a savings bank that has issued freely transferable equity capital certificates, at least one fifth and no more than two fifths of the members of the Supervisory Board can be elected by the equity capital certificate holders.

The Supervisory Board approves the company's annual accounts, gives authority to the Board for subordinated loan issues and equity capital increases, as well electing members to the company's Board and the election committee. Moreover, the Supervisory Board determines the remuneration of these governing bodies. The members of the Board, the company CEO and the auditor are also summoned to meetings of the Supervisory Board. They may participate in the proceedings but are not entitled to vote. The Supervisory Board chair or, in the latter's absence, the deputy chair presides over the meeting.

If a member of the Supervisory Board is not able to attend the meeting, a deputy member will be summoned. ECC holders cannot be represented at meetings by proxy or counsel.

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Notice of meetings of the Supervisory Board is sent to its members and is available on the Bank's website at least 21 days ahead of the meeting. The intention is that proposals for resolutions and case documents that are dispatched should be sufficiently detailed to enable the members of the Supervisory Board to take a position on the matters to be considered. Minutes of the meetings of the Supervisory Board are also made available on the Bank's website.

A list of Supervisory Board members can be found on the company's web pages.

Equity capital certificate holders' election meeting
Annually, an election meeting for equity capital certificate holders is held where representatives to the Supervisory Board are elected and information is provided about the company's financial situation. Equity capital certificate holders are invited to the election meeting at least 14 days prior to the meeting. The invitation includes the election committee's nomination for members to the Supervisory Board as well as other relevant material.

Those registered as owners of ECs in the VPS register is entitled to vote. Each EC gives the right to one vote. Whoever has a right to vote can be elected. All EC holders can participate in the meeting and voting by proxy is possible.

The election meeting is chaired by the chair of the Supervisory Board. Voting takes place in writing unless all present agree that voting takes place in another way.

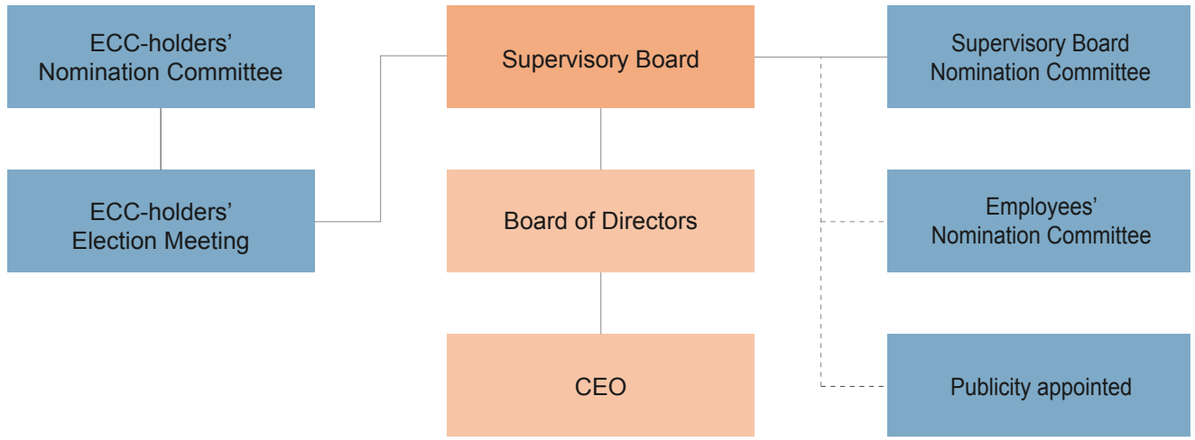
Deviations from point 6 of the Code of Practice: Where the composition of the company's bodies is concerned, SpareBank 1 Østlandet abides by laws and provisions that regulate financial institutions. These deviations are not deemed to entail any real difference in relation to the Code of Practice.

7. ELECTION COMMITTEE
In accordance with the Articles of Association of SpareBank 1 Østlandet, election committees for depositors and for equity capital certificate holders have been established. In addition, employees have an election board for their representatives.

According to the instructions of the election committees, the committees should follow recommendations by the Norwegian Code of Practice for Corporate Governance as far as they are relevant.

Election committee for the Supervisory Board
The Supervisory Board shall elect a nomination committee from among the members of the Supervisory Board. This

Governing bodies and election structure in SpareBank 1 Østlandet



election committee shall consist of 5 members and 5 substitute members. The election committee consists of one representative from each of the EC holders, publicly appointed representatives, and the employees as well as two representatives from the depositors, as well as substitute members from each group. The representative of the EC holders in the election committee shall be a member of the election committee for the EC holders. According to the board instructions, members of the Board of Directors should not also be members of the election committee.

In its proposals, the election committee emphasises a composition based on competence and gender. The task of the committee is to prepare elections for the chair and deputy chair of the Supervisory Board, the chair, deputy chair, other members and substitute members of the Board of Directors as well as members and substitute members of the election committee for the Supervisory Board. The committee is also tasked with reviewing and suggesting changes where relevant in the fees for members of the respective bodies.

The election committee prepares the depositors' election of members and substitute members to the Supervisory Board. The election itself happens digitally by depositors. The proposal of the election committee shall be presented at the latest two weeks before the depositors' election takes place.

Election committee for equity capital certificate holders
The election committee prepares the equity capital certificate holders' elections of members and substitute members to the Employees' Election Committee. Elections are held at the election meeting of the equity capital certificate holders.

In addition, the committee shall prepare elections of members and substitute members to the election committee for the equity capital certificate holders. Members to the committee are elected by and among the 12 members of the equity capital certificate holders that are represented in the Supervisory Board. The election committee shall have four to six members and the same number of substitute members. According to the board instructions, members of the Board of Directors should not also be members of the election committee.

Election board for the employees
Elections of employees as members/substitute members of the supervisory board and the Board of Directors are made by and among the employees of the company.

The Board of Directors appoints the four members of the election board. The committee is composed of three members proposed by the employees and one member proposed by the management of the company. According to the board instructions, members of the Board of Directors should not also

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be members of the election board.

Deviations from point 7 of the Code of Practice: All members of the election 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.

8. THE BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE

The Board consists of at least seven and maximum nine regularly attending members and five substitute members, of which the substitute member of the Norwegian Confederation of Trade Unions (LO) attends regularly.

The Board is appointed by the Supervisory Board based on the nomination of the election committee with the exception of Board members and substitute members who are elected by employees. Moreover, one member and one substitute member shall represent LO.

Four of the Board's eight members are women. The chief executive officer (CEO) is not a member of the Board. A regularly attending substitute member of LO also attends Board meetings. None of the board members elected by the Supervisory Board have any employment or contractor relationship with the company beyond their position as an elected officer. The election committee has assessed the independence of Board members.

Board members are appointed for two years at a time. The Chair and Deputy Chair shall be elected by the Supervisory Board in special elections. Substitute members are also appointed for two years at a time.

The composition of the Board is based on expertise, capacity and diversity. The individual Board member's background is described in the annual report and on the company's website.

The election committee shall ensure that the composition of the Board is such that members' qualifications fulfil the criteria of the Financial Institutions Act 2015 on suitability.

The Board meets at least 11 times each year, and the members' attendance at meetings of the Board is described in the annual report.

Deviations from point 8 of the Code of Practice: None

9. WORK OF THE BOARD OF DIRECTORS

Board instructions regulate the Board's work and procedures, and annual plans are prepared for the work of the Board. The Board manages the company's operations in compliance with laws, Articles of Association and resolutions of the Supervisory Board. The Board is responsible for ensuring that the assets at the company's disposal are managed in a safe and appropriate manner. The Board is also required to ensure that accounting and asset management are subject to satisfactory control. In addition, the Board adopts the company's strategy, budget and market and organisational objectives. The Board appoints and dismisses the company CEO.

Under instructions in force for the Board, a Board member is barred from participating in the consideration of, or decision in, any matter whose significance to him/herself or to any related party is such that the member is to be regarded as having, directly or indirectly, a particular personal or financial interest in that matter. The same follows from the company's ethical guidelines. Each Board member is obliged to personally verify that he or she is not disqualified from participating in the treatment of a matter.

In the beginning of each of its meetings, the Board considers whether or not any member is disqualified from participating.

Any agreement between the company and a Board member or the company CEO must be approved by the Board. The Board must also approve any agreement between the company and a third party in which a Board member, the Group CEO, or related parties of a Board member or the Group CEO has a particular interest. Board members and the Group CEO are required on their own initiative to disclose any interest the individual or related party concerned may have in deciding an issue. Unless the Board member itself opts to stay out of the consideration of or decision in a matter, the Board directors shall decide whether or not the Board member shall stay out. In the assessment, all forms of personal, financial or other interests of the Board member shall be considered as well as the need for public trust in the Board's decisions and the company's operations. The Board's assessments of legal (in)capacity must be duly recorded.

The Board receives regular reports on profit performance, market developments, management, personnel and organisational developments, as well as developments regarding the company's risk exposure. The Board conducts an annual evaluation of its work with respect to how it functions, case proceedings, meeting structure, and the prioritisation of tasks, giving a basis for changes and measures to be implemented. In addition, the competence of the Board is evaluated.

Audit and Risk committees

The Board has established an Audit Committee and a Risk Committee, consisting of three to four members from the Board. Members are appointed for a period of two years. The Audit and Risk committees are preparatory and advisory working committees to the Board, with the aim of making assessments of selected issues, thereby improving the considerations of the Board. The Board establishes instructions for the Audit and Risk committees.

The tasks of the Audit Committee are pursuant to the Financial Institutions Act (2015) section 8-19.

The Audit committee shall prepare the Board's follow-up of the financial reporting process, as well as expressing an opinion on the choice of auditor. The committee shall have continuous contact with the Bank's appointed auditor concerning the auditing of the annual accounts, and evaluate and monitor the independence of the auditor, including the extent to which services other than auditing provided by the auditor or firm of public accountants pose a threat to their independence and objectivity.

The Risk Committee's tasks are pursuant to the Financial Institutions Act (2015) section 13-6 (4).

The Risk Committee shall prepare for consideration matters relating to the Board's monitoring and management of overall risk and assess the extent to which management and control arrangements have been adapted to the company's relative risk level and extent of operations. The committee shall monitor the internal control systems, including the company's internal auditing and ethical guidelines.

Remuneration Committee

The Board has established a Remuneration Committee which shall be a preparatory body to assist the Board in setting the terms and conditions of employment for the CEO of SpareBank 1 Østlandet as well as the main principles and strategy for compensation of the company's senior management.

The committee consists of three members from the Board with each appointed for one-year terms. One of the members shall be an employee representative. The Board appoints the chair and establishes the mandate of the Remuneration Committee.

The committee shall be a preparatory body to the Board in matters relating to the design and practice of guidelines and framework for the company's remuneration policy. The policy is intended to promote sound management and control of the company's risk, discourage excessive risk taking, encourage

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a long-term perspective, contribute to avoidance of conflicts of interest and be in compliance with applicable law and regulations.

The tasks of the Remuneration Committee are pursuant to the Financial Institutions Act (2015) section 15-4 (2).

Deviations from point 9 of the Code of Practice: None

10. RISK MANAGEMENT AND INTERNAL CONTROL
Sound risk and capital management are central to SpareBank 1 Østlandet in terms of long-term value creation. Internal control aims to ensure efficient operation and proper management of risks of significance for the attainment of business goals.

The company's Pillar 3 Report contains a description of risk management and capital management. The report is available on the company's web pages.

SpareBank 1 Østlandet aims to maintain a moderate to low risk profile and to apply risk monitoring of such high quality that no single event will seriously impair the company's financial position. The company's risk profile is established through policy documents for different risk areas and quantified through targets for inter alia rating, return on equity return, and Common Equity Tier 1 ratio.

The Board reviews the company's development in the main risk areas on a quarterly basis and reviews the internal control system on an annual basis. The Board of SpareBank 1 Østlandet has the main responsibility for setting limits to and monitoring the company's risk exposure. The company's risks are measured and reported in accordance with the principles and policies adopted by the Board. Risk management at SpareBank 1 Østlandet underpins the company's strategic development and goal attainment, and shall ensure financial stability and sound asset management.

The department for Risk management and compliance reports to the Board on a quarterly basis and at least monthly to the company management.

Internal control in relation to financial reporting
The Finance department is headed by the chief financial officer (CFO) and is organised independently of the business areas. The unit attends to financial reporting at both Parent Bank and group level, and sees to it that reports are made in accordance with applicable legislation, accounting standards and the company's accounting policies. The CFO reports directly to the Group CEO.

Each quarter the external auditor conducts a limited audit of the company's interim financial statements as well as a full audit of the company's annual financial statements.

Internal audit
The internal audit function is a tool used by the Board and the administration to oversee that the risk management process is targeted, effective and functions as intended. Internal audit services for the company are outsourced and these services cover the parent bank and subsidiaries subject to risk management and internal control regulations.

The internal audit function reports semi-annually to the Board, which adopts annual plans and budgets for the internal audit function. The internal audit's reports and recommendations are reviewed and improvements implemented on a continuous basis.

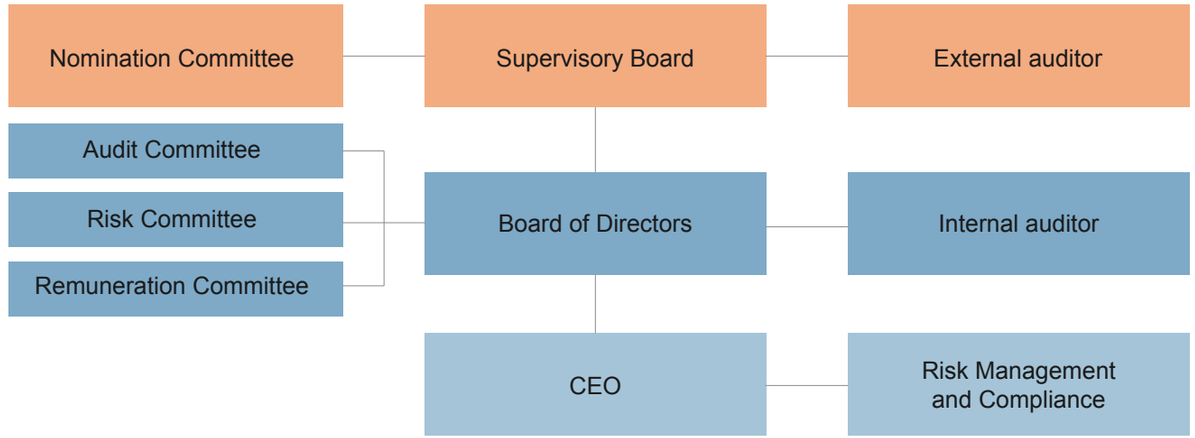
Ethics and whistleblowing
Ethical guidelines have been drawn up for the company, which all employees must annually confirm that they have read and understood. Ethics is a standard topic at seminars for all new staff members. In addition, ethics training is carried out throughout the year with regular input on ethics focusing on topics related to ethics, ethical issues and the bank's ethical guidelines. This helps to ensure that the company's values and ethical guidelines are properly communicated and made known throughout the organisation. Clear guidelines have been established for internal communication should an employee learn about matters that conflict with external or internal rules or other matters that could harm the company's reputation or financial situation.

Deviations from point 10 of the Code of Practice: None

11. REMUNERATION TO THE BOARD OF DIRECTORS
The Board of Directors' fees recommended by the nomination committee of the Supervisory Board and imposed by the Supervisory Board are not result dependent and no options are issued to the directors. The Board's chair is remunerated separately, and members participating in Board committees receive remuneration for doing so. None of the Board members appointed by the Supervisory Board perform tasks for the company beyond serving on the Board of Directors. Further information on compensation to the Board, Audit Committee and Remuneration Committee is shown in note 23 in the annual report.

Deviations from point 11 of the Code of Practice: None

Risk management and controlling bodies in SpareBank 1 Østlandet



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12. REMUNERATION TO SENIOR EMPLOYEES
The company has established a remuneration policy that is in accordance with the company's overarching objectives, risk tolerance and long-term interests. The policy has been adopted by the Board and presented to the Supervisory Board. The remuneration policy is designed to promote and incentivise good management and control of the company's risks, to counter excessive or undesired risk-taking, to pre-empt conflicts of interest and to be in accordance with applicable law and regulations. The company's remuneration policy has special rules for senior management, for other staff and elected officers with tasks of particular relevance to the company's risk exposure and for staff and elected officers with control tasks, cf the requirements in the Regulation on remuneration schemes at financial institutions, investment firms and fund management companies.

The Board has appointed a remuneration committee which acts as a preparatory body for the Board in cases relating to the compensation of the company CEO. The committee also recommends to the Board guidelines for remuneration to senior management. The Board establishes the mandate for the remuneration committee. See also the account of the Board's remuneration committee under point 9.

A description of the remuneration scheme and the remuneration of the CEO and other senior management is provided in note 23 to the annual report.

Deviations from point 12 of the Code of Practice: None

13. INFORMATION AND COMMUNICATION
The company's information policy is based on an active dialogue with various stakeholders with a focus on openness, predictability and transparency. The open information practices shall conform to ethical guidelines and the Financial Institutions Act (2015) section 9-6 and 9-7, limited by the current non-disclosure rules at any given time.

Correct, relevant and timely information about the company's development and results shall build trust towards investors. SpareBank 1 Østlandet has separate web pages for investor relations. The financial calendar, annual and interim reports, presentation material and company announcements are all made available on the investor relations pages. All price-sensitive information shall be published simultaneously in both Norwegian and English.

In addition to the investor relations webpages and company announcements, information will be provided to the market through regular presentations to partners, lenders, and investors. All reporting is based on openness and equal treatment of financial market participants. The Board has adopted an IR-policy which is available on the company's webpages.

The board of SpareBank 1 Østlandet has also adopted a separate management document for group communication. The document shall support the bank's overall strategic ambitions and goals. The purpose of the group's communication is, among other things, to contribute to:

- the bank appearing credible, proactive, interactive and practicing transparency with the surroundings within given frameworks.
- to strengthen the bank's reputation and prevent loss of reputation
- good communication in crises and for preparedness
- that the bank appears as a trustworthy, solid and important community participant in the region

Deviations from point 13 of the Code of Practice: None

14. TAKE-OVERS
SpareBank 1 Østlandet is a partly 'self-owned' institution which cannot be taken over by others through acquisition without consideration of the matter by the company's governing bodies. In addition, the Sparebankstiftelsen Hedmark (the Foundation) will at all times own at least 1/3 of the equity capital certificates, as laid out in the Foundation's articles of association. A savings bank's ownership structure is regulated by law, and approval from the Norwegian Financial Supervisory Authority must be granted for ownership stakes higher than 10 per cent of the equity capital certificate capital. An overview of the largest ECC holders in SpareBank 1 Østlandet can be found on the company's web pages.

Deviations from point 14 of the Code of Practice: Statutory limit on equity holdings.

15. AUDITOR
An external auditor is appointed by the Supervisory Board upon the recommendation of the Audit committee and nomination by the Board. The auditor is the same for all companies in the group. The external auditor performs the statutory confirmation of financial and sustainability information provided by the companies in their public financial statements. Each year, the external auditor presents a plan for the audit work to the Audit committee. The external auditor attends meetings of the Board at which the annual accounts are reviewed as well as meetings of the Audit committee where the accounts are reviewed.

The Board holds at least one meeting each year with the external auditor without the CEO or others from the company staff being present. Guidelines have been established for the day-to day management team's right to utilise the external auditor for non-audit services. Any such services from the external auditor must at all times be within the scope of the Auditors Act section 12-1. The Supervisory Board decides on the remuneration of the external auditor for the audit and any other services.

The external auditor provides the Audit committee with a description of the main elements of the audit for the previous accounting year, including whether any significant weaknesses have been identified in the Bank's internal control related to financial reporting processes and including suggestions for improvement. In addition, the auditor confirms its independence and discloses whether any services other than statutory audit have been delivered to the company over the course of the accounting year.

Deviations from point 15 of the Code of Practice: None.

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Chapter 5

Report and results

Catherine Fournaros, Corporate Adviser

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Board of Directors' Report

SpareBank 1 Østlandet's consolidated profit after tax for 2023 was NOK 2,222 (1,948) million. The return on equity was 11.3 (10.5) per cent. The Bank saw good growth in lending and deposits throughout the year and this contributed to the increase in the Bank's net interest income in 2023. It was largely interest income that contributed to higher profits for the Group, while increased loan losses, higher operating expenses and reduced commission income from the covered bond companies pulled in the opposite direction.

Highlights (consolidated figures)	2023	2022
Profit after tax (NOK mill.)	**2,222**	1,948
Return on equity (per cent)	**11.3**	10.5
Earnings per equity capital certificate (NOK)	**12.99**	11.37
Net interest income (NOK mill.)	**3,655**	2,693
Net commissions and other operating income (NOK mill.)	**1,455**	1,588
Net income from financial assets and liabilities (NOK mill.)	**233**	162
Total operating expenses (NOK mill.)	**2,191**	2,037
Net loan loss provisions were (NOK mill.)	**307**	27
Lending growth in the past 12 months, including mortgages transferred to the covered bond companies (per cent)	**5.3**	8.7
Deposit growth in the past 12 months (per cent)	**7.8**	7.2
CET1 capital ratio (per cent)	**17.0**	17.7

Financial goals and goal attainment
The goal for the Group's annual return on equity is at least 12 per cent and the goal for the dividend payout ratio is 50 per cent. The Group did not achieve its return on equity target in 2023 due to higher loss costs and operating expenses, as well as weaker contributions from subsidiaries and associated companies than usual. For 2023, the Board of Directors is proposing to the Supervisory Board a dividend equivalent to 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 going forward.

The target for the CET1 capital ratio is set at 1 percentage point above the regulatory requirement. At the end of 2023, the Group's capital adequacy ratio was well above target.

High underlying inflation combined with aggressive initiatives in the market were important contributing factors to the Bank's higher than target cost growth over the past year. Costs in the parent bank grew by 10.5 per cent in 2023, compared with a cost growth target of less than 5 per cent.

The Board stresses that good cost control is important given the strong external cost pressures, with reference to the goal of profitability.

The Group's business areas
SpareBank 1 Østlandet is Norway's fourth largest regional savings bank and the largest financial institution headquartered in Innlandet County.

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.

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.

SpareBank 1 Østlandet's head office is in Hamar and its home market consists of the counties of Innlandet, Oslo and Akershus. SpareBank 1 Østlandet has a total of 37 branches: 23 in Innlandet, five in Oslo and nine in Akershus. EiendomsMegler 1 Oslo Akershus AS has 11 branches in Oslo and 10 in Akershus, while EiendomsMegler 1 Innlandet AS has 11 branches in Innlandet and one in Akershus. Additionally, SpareBank 1 ForretningsPartner Østlandet AS has nine branches: six in Innlandet, one in Oslo, one in Østfold and one in Akershus.

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.

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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 2023, and the Bank offers industry-leading digital solutions that, together, provide customers with broad access to various services.

CONSOLIDATED FINANCIAL STATEMENTS FOR 2023
The annual financial statements were prepared on a going concern basis, and the Board hereby confirms that use of the going concern assumption is appropriate.

The following figures are consolidated figures. The figures in brackets concern 2022.

The consolidated profit after tax for 2023 was NOK 2,222 (1,948) million and the return on equity 11.3 (10.5) per cent.

The NOK 274 million improvement in profit compared with 2022 was due to higher net interest income and an improved result from financial assets and liabilities, while lower net commissions and other operating income, higher operating expenses, higher loss costs and lower profit contributions from ownership interests, seen in isolation, pulled in a negative direction.

Consolidated profit after tax	**2023**	2022
NOK millions		
Parent Bank's profit after tax	**2,559**	1,982
Dividends from subsidiaries/associates	**-494**	-357
Gains from realisation of subs./associat.	**-4**	-15
Profit from subsidiaries:		
SpareBank 1 Finans Østlandet AS[1)]	**62**	125
EiendomsMegler 1 Oslo Akershus AS[1)]	**-7**	10
EiendomsMegler 1 Innlandet AS	**-6**	2
SpareBank 1 Forretningspartner AS[1)]	**-2**	-5
Youngstorget 5 AS	**6**	5
AS Vato	**1**	1
Share of profit from associates/joint ventures:		
SpareBank 1 Gruppen AS[1)]	**-22**	111
SpareBank 1 Boligkreditt AS	**93**	1
SpareBank 1 Næringskreditt AS	**9**	3
SpareBank 1 Kreditt AS	**-13**	9
SpareBank 1 Betaling AS	**-32**	12
SpareBank 1 Forvaltning AS[1)]	**11**	11
SpareBank 1 Gjeldsinformasjon AS	**0**	0
SpareBank 1 Kundepleie AS	**0**	2
SpareBank 1 Bank og Regnskap AS	**1**	1
BN Bank ASA	**73**	58
Other group items	**-14**	-7
Consolidated profit after tax	**2,222**	**1,948**

[1)] Consolidated figures

Net interest income
Net interest income amounted to NOK 3,655 (2,693) million. Net interest income should be viewed in conjunction with commission income from mortgages transferred to the part-owned covered bond companies totalling NOK 204 (294) million. Total net interest income and commissions from the covered bond companies totalled NOK 3,859 (2,987) 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.

FIG. 1 **Profit after tax**

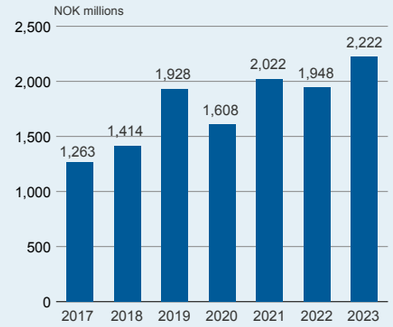
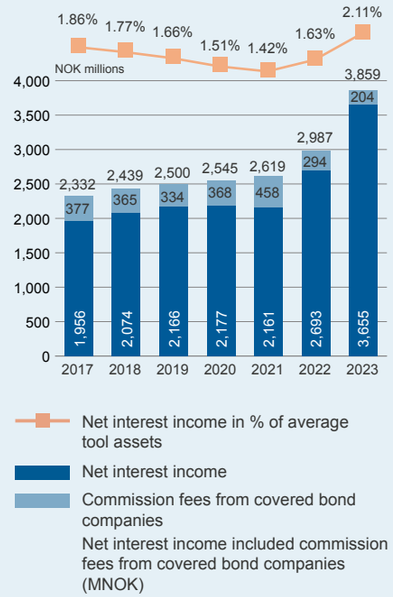


FIG. 2 **Net interest income included commission fees from covered bond companies and Net interest income in per cent of average total assets**



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This was offset to some extent by weaker lending margins on the 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 2.11 (1.63) per cent.

Net commissions and other operating income
Net commissions and other operating income amounted to NOK 1,455 (1,588) million.

NOK millions	2023	2022
Net money transfer fees	**300**	295
Commissions from insurance	**264**	271
Commissions from savings	**35**	34
Commissions from covered bonds comp.	**204**	294
Commission from credit cards	**64**	67
Real estate brokerage commissions	**313**	323
Accounting services	**123**	159
Other operating income	**152**	144
Net commissions and other operating income	**1,455**	**1,588**

The reduction in net commissions and other operating income compared with 2022 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 24.8.2022 resulted in less income from accounting services. Commissions from real estate brokerage fell due to fewer homes being sold than in 2022.

For more detailed information about the various profit centres in the Group, see Note 3 Segment information.

Net income from financial assets and liabilities
Net income from financial assets and liabilities was NOK 233 (162) million.

NOK millions	2023	2022
Dividends from shares and other equity instruments	**29**	43
Net income from associates and joint ventures	**36**	186
Net profit from other financial assets and liabilities	**168**	-67
Net profit from financial assets and liabilities	**233**	**162**

Dividends from shares and other equity instruments, primarily from Totens Sparebank and Sparebank 1 Markets, amounted to NOK 29 (43) million.

Net income from associated companies and joint ventures amounted to NOK 36 (186) million.

Net income from associates and joint ventures

NOK millions	2023	2022
SpareBank 1 Gruppen AS [1]	**-22**	111
SpareBank 1 Boligkreditt AS	**93**	1
SpareBank 1 Næringskreditt AS	**9**	3
SpareBank 1 Kreditt AS	**-13**	9
SpareBank 1 Betaling AS	**-32**	12
SpareBank 1 Forvaltning AS [1]	**11**	11
SpareBank 1 Gjeldsinformasjon AS	**0**	0
SpareBank 1 Kundepleie AS	**0**	2
SpareBank 1 Bank og Regnskap AS	**1**	1
BN Bank ASA	**73**	58
SpareBank 1 Mobilitet Holding AS [2]	**-82**	-21
Gains or losses on realisation of associates and joint ventures	**0**	0
Impairment on associates and joint ventures	**-4**	
Net income from associates and joint ventures	**36**	**186**

[1] Consolidated figures
[2] Included in the consolidated figures for SpareBank 1 Finans Østlandet AS

The reduction of NOK 150 million from 2022 was mainly due to negative profit contributions from SpareBank 1 Gruppen AS, SpareBank 1 Betaling AS, SpareBank 1 Mobilitet Holding AS and SpareBank 1 Kreditt AS.

Net income from other financial assets and liabilities was NOK 168 (-67) million. Revaluation of the liquidity portfolio and debt securities issued, both inclusive of interest rate hedging, accounted for a total of NOK 61 million. Income from currency trading and hedging amounted to NOK 58 million. The increase in value from equity instruments at fair value contributed NOK 37 million. Other profit elements, including gains on the realisation of assets at fair value and changes in the value of fixed-rate loans to customers and associated hedging, accounted for the remaining NOK 12 million.

For more detailed information please see Note 21 Net income from financial assets and liabilities.

Operating expenses
Total operating expenses were NOK 2,191 (2,037) million and amounted to 41.0 (45.8) per cent of net income. The NOK 154 million increase in operating expenses compared with 2022 was mainly due to higher personnel costs. In addition, ICT costs and other operating expenses increased.

NOK millions	2023	2022	Change
Personnel expenses	**1,212**	1,153	5.1%
Depreciation/amortisation	**131**	122	6.7%
ICT expenses	**363**	328	10.8%
Marketing expenses	**97**	88	9.7%
Operating expenses from real estate	**74**	67	11.5%
Other expenses	**314**	279	12.8%
Total operating expenses	**2,191**	**2,037**	**7.6%**

Operating expenses in the parent bank increased by NOK 156 million, while other operating expenses in the Group fell by NOK 2 million.

The increase in operating expenses in the parent bank compared with 2022 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, more employees in the Direct Bank and employees associated with regulatory compliance.

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Furthermore, higher ICT costs, higher losses on receivables due to the introduction of the new Financial Contracts Act, more assistance from external consultants and a higher wealth tax rate contributed to the 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 24.08.2022. The Group's operating expenses related to accounting services amounted to NOK 137 (174) million in 2023.

As at 31.12.2023, the Group had 1,155 (1,121) FTEs. The overall increase of 34 FTEs from the year before was due to an increase of 30 FTEs in the parent bank and a net increase of four FTEs in the Group.

For more detailed information please see Note 3 Segment information and Note 24 Other operating expenses.

Impairment losses on loans and guarantees
In 2023, the Group saw a net charge of NOK 307 (27) million for impairment losses on loans and guarantees.
The losses consist of the following elements:

Model-generated provisions for credit losses (Stage 1 and Stage 2) were increased by NOK 86 million due to the combined effects of the period's growth and migration and the change in expected credit loss (ECL) based on adjusted key assumptions.

The change in individual provisions for credit losses (Stage 3) resulted loss costs of NOK 158 million, while the period's net realised losses amounted to NOK 64 million.

For further information about provisions for credit losses, see Note 7 Loans to and receivables from customers and Note 9 Provisions for credit losses.

Some 71 (72) 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.

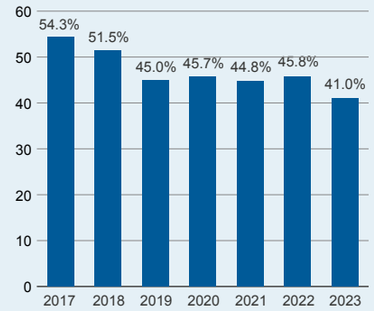
Credit risk
The Group's capitalised provisions for credit losses on loans and liabilities as at 31.12.2023 amounted to NOK 743 (499) million.

Gross lending	**2023**	2022
NOK millions/percent		
Gross loans in stage 1	111,954	112,234
Gross loans in stage 2	13,573	11,813
Gross loans in stage 3	1,937	727
Loan and advances to customers at fair value	6,217	6,078
Total gross loans	**133,681**	**130,851**
Provisions for credit losses in stage 1	168	174
Provisions for credit losses in stage 2	307	214
Provisions for credit losses in stage 3	268	111
Total provisions for credit losses	**743**	**499**
Loan loss impairment ratio for stage 1	0.15%	0.16%
Loan loss impairment ratio for stage 2	2.26%	1.81%
Loan loss impairment ratio for stage 3	13.83%	15.22%
Total loan loss impairment ratio in per cent of gross loans	**0.56%**	**0.38%**

Isolated loss effects

	Retail market	Corporate market	Parent bank	SB1FØ	Group
NOK millions					
Change ECL due to period growth and migration	-1	40	39	13	52
Change ECL due to adjusted key assumptions	9	48	57	-25	34
Change ECL due to changed scenario weighting	0	0	0	0	0
Change in model-based loss provisions	**7**	**88**	**95**	**-11**	**86**
Change individual loss provisions	-1	88	87	71	158
Net write-offs	5	45	50	14	64
Total losses	**11**	**221**	**232**	**73**	**307**

FIG. 3 CET 1 capital ratio



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The Group's loans 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 or an objective event 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 1,937 (727) million as at 31.12.2023. This corresponded to 1.45 (0.56) per cent of gross loans as at 31.12.2023.

NOK 268 (111) million of gross loans and liabilities defined as Stage 3 was provisions for credit losses as at 31.12.2023. This results in a loan loss impairment ratio of 13.8 (15.2) per cent as at 31.12.2023.

Gross exposure in the different stages was as follows:

The Bank's credit risk is affected by macroeconomic conditions. The Norwegian economy has for some time been characterised by strong pressure on capacity and low unemployment, including in the Bank's market area.

Meanwhile, the economic situation in Eastern Norway has deteriorated in recent quarters as a result of factors that include high inflation, high cost growth and interest 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 further information about provisions for credit losses, see Note 7 Loans to and receivables from customers and Note 9 Provisions for credit losses.

Total assets
As at 31.12.2023, total assets amounted to NOK 176.3 (170.5) billion. Adjusted total assets, defined as total assets including mortgages transferred to the covered bond companies, amounted to NOK 241.3 (228.4) billion.

Lending to customers
Gross loans to customers, inclusive of mortgages transferred to the covered bond companies, totalled NOK 198.6 (188.7) billion as at 31.12.2023. As at 31.12.2023, mortgages totalling NOK 63.9 (56.6) billion had been transferred to SpareBank 1 Boligkreditt AS and mortgages totalling NOK 1.1 (1.3) billion had been transferred to SpareBank 1 Næringskreditt AS.

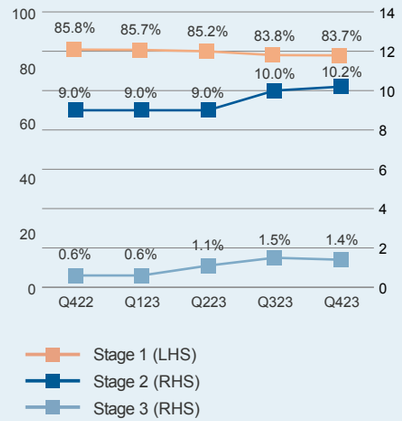
Lending growth in the past 12 months, inclusive of mortgages transferred to the covered bond companies, was NOK 9.9 (15.0) billion, equivalent to 5.3 (8.7) per cent. The growth was distributed as follows: NOK 4.8 (7.7) billion, or 3.6 (6.0) per cent, in the retail market, and NOK 5.1 (7.4) billion, or 9.6 (16.1) 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 green loans (incl. loans transferred to the covered bond companies) amounted to NOK 39 (33) billion at the end of the fourth quarter, which represents 19.8 (17.2) per cent of total lending.

Deposits from customers
As at 31.12.2023, deposits from customers totalled NOK 106.5 (98.8) billion. Deposit growth in the past 12 months was NOK 7.7 (6.6) billion, equivalent to 7.8 (7.2) per cent. The growth was distributed as follows: NOK 5.7 (3.5) billion, or 9.8 (6.8) per cent, in the retail market, and NOK 1.9 (3.2) billion, or 5.4 (7.8) per cent, in the corporate market.

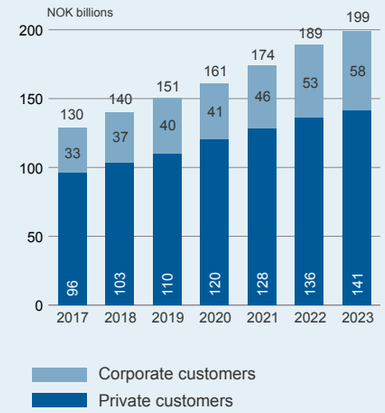
The Group's deposit coverage ratio was 79.7 (75.5) per cent. The Group's deposit coverage ratio, inclusive of mortgages transferred to the covered bond companies, was 53.6 (52.4) per cent.

FIG. 4 Gross exposure in the different stages



[1] Loan and advances to customers at fair value constitutes residual up to 100%

FIG. 5 Gross loans to customers including loans transferred to covered bond companies



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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 45.5 (47.8) billion, 42.4 (48.7) per cent of which was euro-denominated. The average term to maturity for the Group's long-term funding was 3.7 (3.9) years, while the average term to maturity for all funding was 3.4 (3.3) years.

The liquidity coverage ratio (LCR) was 174.9 (164.5) per cent as at 31.12.2023. At the end of December 2023, 21.08 per cent of the liquidity portfolio had an ESG label, which is above the stated target of 20 per cent by the end of 2023.

The Board's assessment is that the Group's liquidity situation is satisfactory.

Equity capital certificates
As at 31.12.2023, the equity share capital comprised 115,829,789 (115,829,789) equity capital certificates, and the book value per equity capital certificate was NOK 117.11 (112.85). Earnings per equity capital certificate amounted to NOK 12.99 (11.37) for 2023.

As at 31.12.2023, the market price for the Bank's equity capital certificate (ticker "SPOL") was NOK 132.60 (121.20).

On 12.04.2023, SpareBank 1 Østlandet paid out NOK 788 (695) million in ordinary dividends to equity capital certificate holders for 2022. The dividend amounted to NOK 6.80 (6.00) per equity capital certificate. For more information about the development of equity capital certificates see the dedicated chapter.

Financial strength and capital adequacy
The Group's equity totalled NOK 20.7 (19.9) billion as at 31.12.2023 and represented to 11.7 (11.6) per cent of the balance sheet. The leverage ratio was 7.0 (7.2) per cent.

The Group's CET1 capital ratio was 17.0 (17.7) per cent as at 31.12.2023. The Tier 1 capital and Tier 2 capital ratios were 18.2 (19.0) per cent and 19.9 (20.7) per cent, respectively.

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 9.5 per cent for the parent bank and 9.5 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 2.5 per cent and 4.5 per cent, respectively, for the Group.

SpareBank 1 Østlandet is also subject to a Pillar 2 requirement of 1.9 per cent at a consolidated level as at 31.12.2023, of which 1.1 per cent must be covered by CET1 capital. The Financial Supervisory Authority of Norway also expects the Group to maintain a capital requirements margin of at least 1.0 per cent, which must be met by CET1 capital. The total capital requirements for CET1 capital were, therefore, 14.0 per cent for the parent bank and 15.1 per cent for the Group.

The Board of Directors regards the Bank's financial situation as being solid.

FIG. 6 Ren kjernekapitaldekning

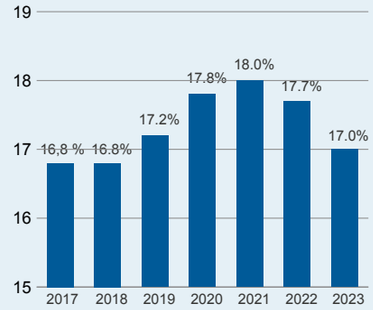
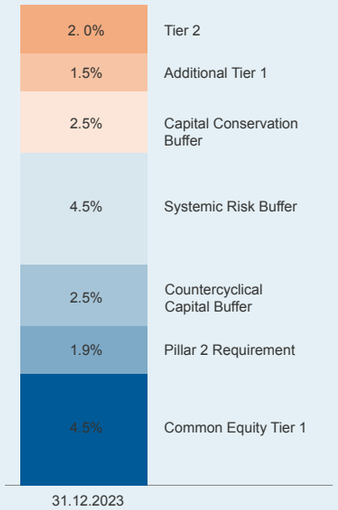


FIG. 7 The Group's Capital Requirements



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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 savings banks in Norway with the highest credit rating from Moody's.

SpareBank 1 Østlandet has an ESG Risk Rating from Sustainalytics of 9.2 (Negligible Risk), an AAA from MSCI ESG Ratings and an A from the CDP (Carbon Disclosure Project) for its work on climate reporting

PARENT BANK'S ANNUAL FINANCIAL STATEMENTS FOR 2023
The parent bank's profit after tax for 2023 was NOK 2 559 (1 982) million. The increase from 2022 was mainly attributable to an increase in net interest income and increased profit from financial assets and liabilities. A reduction in net commissions and other operating income, as well as higher operating expenses and loss costs, pulled in the opposite direction.

Operating expenses
Total operating expenses in the parent bank amounted to NOK 1 640 (1 484) million for 2023 and represented 32.8 (38.4) per cent of total net income.

The NOK 156 million increase in operating expenses from the year before was largely due to higher personnel costs, mainly because of wage growth but also new hires, including in connection with the greater focus on the Oslo area, staffing increases in the Direct Bank and employees linked to regulatory compliance. The average number of FTEs increased by 30 FTEs compared with the year before. As at 31.12.2023, the parent bank had 757 (728) FTEs.

Furthermore, higher ICT costs, higher losses on receivables due to the introduction of the new Financial Contracts Act, more assistance from external consultants and a higher wealth tax rate contributed to the increase in expenses.

Operating expenses

	2023	2022	Change
NOK millions			
Personnel expenses	**828**	758	9.3%
Depreciation/amortisation	**92**	88	4.2%
ICT expenses	**331**	298	11.0%
Marketing expenses	**77**	76	1.9%
Operating expenses from real estate	**64**	57	12.8%
Other expenses	**248**	207	19.7%
Total operating	**1,640**	**1,484**	**10.5%**

SpareBank 1 Østlandet's goal in 2023 was to keep growth in the parent bank's operating expenses at below 5.0 per cent. The actual growth in operating expenses from 2022 was NOK 156 million, which corresponds to an increase of 10.5 per cent.

Impairment losses on loans and guarantees
In 2023, the parent bank saw a net charge of NOK 232 (19) million for impairment losses on loans and guarantees.

Overall, the model-generated provisions for credit losses (Stage 1 and Stage 2) increased by NOK 95 million. Changes in key assumptions, seen in isolation, contributed to a NOK 57 million increase in ECL, while the period's growth and migration increased ECL by NOK 39 million. Changes in individual provisions for credit losses (Stage 3) resulted in loss costs of NOK 87 million, while the period's net realised losses amounted to NOK 50 million.

For further information about provisions for credit losses, see Note 7 Loans to and receivables from customers and Note 9 Provisions for credit losses.

Financial strength and capital adequacy
The parent bank's equity totalled NOK 19.7 (18.3) billion as at 31.12.2023 and represented 11.2 (10.9) per cent of the balance sheet. The leverage ratio was 9.9 (9.7) per cent.

The parent bank's CET1 capital ratio was 21.5 (22.2) per cent as at 31.12.2023. The Tier 1 capital and Tier 2 capital ratios were 22.7 (23.6) per cent and 24.4 (25.3) per cent, respectively.

Result from core operations
The result from core operations is defined as the profit before loan losses, excluding securities effects and dividends.

Result from core operations

	2023	2022	Change
NOK millions			
Net interest income	**3,397**	2,500	897
Net commission/other operating income	**916**	1,005	-89
Total operating costs	**1,640**	1,484	156
Result from core operations	**2,673**	**2,021**	**652**

The operating profit from underlying banking operations amounted to NOK 2 673 (2 021) million for 2023. The profit from underlying banking operations increased by NOK 652 million compared with the year before, which represents an increase of 32.3 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.

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SUBSIDIARIES

SpareBank 1 Finans Østlandet AS – consolidated figures
The financing company SpareBank 1 Finans Østlandet AS (85.1 per cent stake) posted a consolidated profit after tax of NOK 62 (125) million for 2023. The decrease in profit compared with 2022 was mainly attributable to a larger write-down of a shareholding totalling NOK 123 million and higher loss costs. This was offset to some extent in a positive direction by net interest income.

At the end of 2023, gross lending to customers amounted to NOK 11.8 (10.9) billion and lending had grown in the preceding 12 months by 8.7 (14.6) per cent.

EiendomsMegler 1 Innlandet AS
EiendomsMegler 1 Innlandet AS posted earnings of NOK 131 (132) million and a loss after tax of NOK -6 (2) million for 2023. The company's total sales volume was down 7.5 per cent for 2023 compared with 2022. The fact that turnover did not drop correspondingly was due to an increase in other income and price increases. Operating expenses also rose by 7.1 per cent. This was mainly due to increased costs for personnel, ICT and marketing. The company had a market share in its market area of 26.4 (27.4) per cent of sales of used homes in 2023.

EiendomsMegler 1 Oslo Akershus AS – consolidated figures
The EiendomsMegler 1 Oslo Akershus Group posted earnings of NOK 191 (198) million and a loss after tax of NOK -7 (10) million for 2023. The number of used homes sold in 2023 was down 11.4 per cent from 2022. The number of new homes sold fell from 41 to 26 new units. The company had a market share in its market area of 8.4 (8.7) per cent of sales of used homes in 2023.

SpareBank 1 ForretningsPartner Østlandet AS
On 23.08.2022, SpareBank 1 Østlandet sold its entire stake in the consultancy component 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 figures for 2022 also include figures for the business area that was spun off with TheVIT up to completion of the demerger.

The company posted earnings of NOK 136 (173) million and a loss after tax of NOK -2 (-5) million for 2023.

SpareBank 1 ForretningsPartner Østlandet AS acquired the accounting and consulting firm Siffer with effect from 01.01.2024. Siffer is based in Halden, Norway, and has 44 employees and nearly 1 500 customers. Following the acquisition, Siffer will at first continue as a separate subsidiary of SpareBank 1 ForretningsPartner Østlandet AS. The plan is to merge Siffer with the company in the long term.

Subsidiaries [1]

NOK millions	Stake 2023	Equity capital 2023	Net profit or loss 2023	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	**85.10%**	**1,794**	**62**	125	183	126	118	139	118
EiendomsMegler 1 Innlandet AS	**100.00%**	**10**	**-6**	2	3	10	5	8	10
Eiendomsmegler 1 Oslo Akershus Group	**100.00%**	**39**	**-7**	10	15	12	7	-3	-12
SpareBank 1 ForretningsPartner Østlandet AS (Former SpareBank 1 Østlandet VIT Group)	**100.00%**	**114**	**-2**	-5	-2	0	-7	-11	-3
Bank1 Oslo AS [2]				0					119
Other		**135**	**7**	7	6	5	12	7	6
Total		**2,092**	**53**	**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

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ASSOCIATED COMPANIES AND JOINT VENTURES

SpareBank 1 Gruppen AS

SpareBank 1 Gruppen AS (12.40 per cent stake of controlling interest) owns 100 per cent of the shares in Sparebank 1 Forsikring AS, SpareBank 1 Factoring AS and SpareBank 1 Spleis AS. In addition, SpareBank 1 Gruppen AS owns 65 per cent of the shares in Fremtind Forsikring AS, 50 per cent of the shares in Kredinor AS and 49 per cent of the shares in LO Favør AS.

SpareBank 1 Gruppen implemented IFRS 17 and IFRS 9 on 1 January 2023. Figures for 2022 marked "*" have been restated. For more detailed information, see Note 2 Accounting policies, critical estimates and climate-related risk.

	2023	Recalculated 2022	Reported 2022
NOK millions			
Profit after tax	**246**	1,428	1,196
The controlling interest's share	**-174**	1,020	895

SpareBank 1 Gruppen ASA posted a consolidated profit after tax for 2023 of NOK 246 (1,428*) million. The controlling interest's share of the consolidated profit after tax amounted to NOK -174 (1 020*) million and SpareBank 1 Østlandet's share of this amounted to NOK -22 (111) million. The return on equity was 1.9 (8.0) per cent.

The reduction in the result was mainly due to a valuation of the joint venture, Kredinor AS, conducted by SpareBank 1 Gruppen. The updated valuation resulted in an impairment of the ownership stake and had a negative impact on the net profit of NOK 769 million. The result for 2022 included a gain from the sale of the Modhi Group of NOK 382 million.

SpareBank 1 Forvaltning AS

SpareBank 1 Forvaltning AS (6.25 per cent stake) was established in 2021 to improve the SpareBank 1 banks' competitiveness in the savings market.

SpareBank 1 Forvaltning AS posted a consolidated profit after tax of NOK168 (171) million for 2023. The profit contribution from the consolidated accounts of SpareBank 1 Forvaltning, which is included in the consolidated accounts of SpareBank 1 Østlandet, amounted to NOK 11 (11) million for 2023.

SpareBank 1 Boligkreditt AS

SpareBank 1 Boligkreditt AS (23.22 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 479 (45) million for 2023. 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 93 (1) million for 2023. The improvement in profit was due to lower commission expenses for the owner banks and a positive contribution from financial instruments, while a reduction in net interest income pulled in the opposite direction.

Assosiated companies and joint ventures

	Stake 2023	Share of equity capital 2023	Share of profit or loss 2023	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
NOK millions									
SpareBank 1 Boligkreditt AS	**23.22%**	**2,735**	**93**	1	17	19	27	-8	-44
SpareBank 1 Næringskreditt AS	**12.78%**	**267**	**9**	3	5	8	6	3	1
SpareBank 1 Kreditt AS	**18.91%**	**359**	**-13**	9	13	3	16	27	17
SpareBank 1 Gruppen [1)]	**12.40%**	**1,290**	**-22**	111	299	340	451	184	222
SpareBank 1 Betaling AS [1)]	**18.10%**	**227**	**-32**	12	-13	-2	3	-12	-7
BN BANK ASA	**9.99%**	**596**	**73**	58	47	34	20		
SB1 Forvaltning AS [1)]	**6.25%**	**72**	**11**	11	9				
SpareBank 1 Mobilitet Holding AS [2)]	**30.66%**	**1**	**-82**	0					
Other		**174**	**-2**	-19	-15	-7	-3	-2	0
Total		**5,721**	**36**	**186**	**361**	**395**	**520**	**191**	**189**

[1)] Consolidated figures
[2)] Included in the consolidated figures for SpareBank 1 Finans Østlandet AS

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SpareBank 1 Næringskreditt AS
SpareBank 1 Næringskreditt AS (12.78 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 57 (21) million for 2023. The improvement in profit was mainly due to higher net interest income and reduced commission expenses for the owner banks, while increased provisions for credit losses pulled in the opposite direction. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for 2023 amounted to NOK 9 (3) 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 result after tax of NOK -69 (46) million for 2023. The reduction in the result was mainly due to higher loss costs and operating expenses. Net interest income and transaction income also decreased. Reduced commission expenses for the owner banks pulled in the opposite direction.

The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for 2023 amounted to NOK -13 (9) 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 result after tax of NOK -174 (65) million for 2023. The decrease in profit was due to a negative contribution from Vipps AS, while 2022 saw a positive profit contribution from Danske Bank AS's purchase of shares in Vipps AS. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements amounted to NOK -32 (12) million for 2023.

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 764 (595) million for 2023. The improvement in profit was mainly due to net interest income, which increased by NOK 233 million compared with 2022, and lower costs from lending losses. This was offset by reduced commissions from the covered bond companies and increased operating costs.

The profit contribution from BN Bank ASA included in SpareBank 1 Østlandet's consolidated accounts amounted to NOK 73 (58) million for 2023.

For more information about the financial statements of the various companies, please see the annual 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.

	2023	2022
NOK millions		
Profit after tax (Parent Bank)	**2,559**	1,982
Changes in fund for unrealised gains	**-34**	-26
Profit available for distribution	**2,525**	**1,955**
Dividend	**903**	788
Dividend equalisation fund	**864**	582
Customer dividend/gifts	**387**	337
Primary capital	**370**	249
Total distribution profit available	**2,525**	**1,955**

The profit for the full year 2023 available for distribution equals the profit after tax in the parent bank of NOK 2,559 (1,982) million corrected for changes in the fund for unrealised gains of NOK 34 (26) million. The total amount available for distribution is NOK 2,525 (1,955) million.

The net profit was divided between primary capital and equity share capital based on their relative share of equity. 70.0 per cent of the distributable profit for the year was allocated to equity share capital and 30.0 per cent of the distributable profit for the year was allocated to primary capital.

The Board of Directors is proposing to the Supervisory Board a dividend of NOK 1,291 (1,225) million. This represents a dividend ratio of 60 (60) per cent of the majority's share of the consolidated profit. The cash dividend would be NOK 7.80 (6.80) per equity capital certificate, totalling NOK 903 (788) million. The Board of Directors is also proposing to the Supervisory Board a customer dividend of NOK 381 (306) million and provisions of NOK 6 (31) million for donations. It is proposed that NOK 864 (582) million and NOK 370 (249) 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 capital 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.

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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.

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 marginally increased as measured by the Bank's credit risk models. The Bank's retail market portfolio is mainly secured by mortgages in property and a fall in house prices would therefore affect the value of assets pledged as collateral and credit risk. Despite the higher level of interest rates, this has not resulted in payment defaults, and the trend in interest-only holidays in relation to mortgages has only edged up slightly. Meanwhile, the risk parameters in the portfolio are low with low payment defaults and low individual provisions for credit losses.

At the end of 2023, some uncertainty about the macro picture remained, although as long as the value of assets pledged as collateral is not impaired due to a significant fall in 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 is apparent from the increase in certain risk parameters, including the slight increase in industry concentration. Some major commitments have seen higher individual provisions for credit losses, although there are no signs of material challenges in the portfolio. The level of payment defaults and individual loss provisions were also low. As described above, the future macro picture remains somewhat uncertain, which may affect the risk in the portfolio going forward.

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 capital 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.

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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 specific guidelines for following up improvement measures identified by either the internal auditor, external auditor or supervisory authorities. Improvement measures identified through risk assessments, compliance checks and so on are followed up in the same way. Adverse incidents and customer complaints are also recorded and followed up in the same way. The Bank's internal control is followed up in line with its own processes.

To ensure the necessary quality assurance is carried out before significant new or changed products, solutions and processes are introduced, the Board has adopted policies and guidelines and established support system solutions for this area. Risk assessments are carried out in various areas on an ongoing basis throughout the year.

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 2023.

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.

As in previous years, the scope of regulatory requirements remains significant. 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 at the start of 2023. This includes important new provisions for consumer and customer protection in the form of the new Financial Contracts Act. The new regulations also include provisions on reporting and disclosures in the area of sustainability, an obligation to map customers' sustainability preferences in connection with investment advice, changes in regulatory provisions concerning money transfer services in relation to gambling not approved by Norway and changes in the lending regulations.

Extensive regulatory changes that will impact the Bank's framework conditions are still expected in the future. No major changes are expected to enter into force in 2024 beyond the gradual increase in sustainability reporting obligations. However, significant changes will be introduced in 2025 and subsequent years. These include further changes to the capital requirements rules (CRD VI and CRR III, also referred to as the EU Banking Package), stricter requirements concerning management and control with respect to ICT and cyber risk in the form of the EU Digital Operational Resilience Act (DORA regulation) and stricter requirements concerning management and control with respect to sustainability risk.

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The EU's anti-money laundering rules are also being revised, which is expected to result in changes to the corresponding Norwegian rules. When these regulations will come into effect in Norway is currently unknown. Important regulatory processes are also underway in the EU that will be of relevance to the Norwegian financial services industry in the somewhat longer term. These concern areas such as artificial intelligence (AI Act), data disclosure and handling (Data Act and Financial Information Data Access), the revision of the Payment Services Regulations (PSD3) and the revision of the Investment Services Regulations (Retail Investment Strategy). Finally, ongoing Norwegian studies into the position of equity capital certificates, the role of cash as a means of payment and preparedness in digital payment systems should also be mentioned.

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 services industry has evolved to increasingly include regulations to protect customers and consumers, ref. for example, the discussion of the new Financial Contracts 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. Based on the conducted scenario and risk analyses, the loan portfolio will not be materially affected by climate-related risk from a medium-term perspective.

In the corporate market division, sustainability assessments are particularly conducted for customers in the property industry and the agricultural segment. Through the collaboration in the SpareBank 1 Alliance, we have developed our own application for carrying out sustainability assessments at an exposure level in connection with the processing of loan applications. Similarly, the Bank is also in the process of adopting a stress test model for ESG risk in the loan portfolio.

One challenge in ESG work, in relation to both reporting and risk management in the area, is access to relevant data. Access improved in 2023, and the SpareBank 1 Alliance's work on establishing a specific data hub for ESG data continued.

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 see the specific discussion in the Annual Report.

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OUR EMPLOYEES

HSE and sick leave

The healthy rate for 2023 was 94.79 per cent compared with 95.85 per cent in 2022. The healthy rate for 2023 was also slightly lower than the target level of 95.5 per cent. The target rate was set based on an assessment of the nature of the business and work, the industry average and the organisation's age demographics.

No accidents were reported to the Norwegian Labour Inspection Authority in 2023.

Pay, diversity and equal opportunities

The Bank has 782 permanent employees, 51 per cent of whom are women and 49 per cent men. The Bank has seven temporary employees, of whom three are women and four are men. We also contracted 15 temporary employees through staffing agencies to cover for employees on sick leave or other leave. Of these, eight were men and seven were women.

Group Management consists of four women and six men, while the Bank's Board of Directors consists of four women and four men. The total proportion of management positions with personnel responsibilities held by women decreased from 41 per cent in 2022 to 40 per cent in 2023. The Bank is still below the target of 45 per cent women in management positions. The Bank advertised eight management positions in 2023. Some 35 per cent of the applicants for these were women, up from 32 per cent in 2022. Therefore, the Bank still has a lot of work to do to attract more female applicants for management positions.

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.

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 Our skilled employees.

For more information please see the report on the remuneration of senior executives for 2023 and the diversity and equality report (ARP) for 2023, which are on the Bank's website.

SUSTAINABILITY IN THE BANK

Sustainability and corporate social responsibility have been included as natural elements of the Bank's work for several years. This work has been one of the Bank's competitive advantages and, given the increasing legislative requirements, both nationally and from the EU, this will generate further competitiveness for both the Bank and its stakeholders such as customers, organisations, the media, partners and society. A good understanding of how this interplay functions will reinforce the Bank's vision of "Creating together".

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 its integrated annual reporting. This includes, for example, a description of the greenhouse gas emissions from our operations and our loan portfolios, in-depth information about our employees, the circular economy, etc. 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 and materiality analysis, and an account of the material topics for sustainability 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 topics and strategic initiatives.

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. The expected Corporate Sustainability Reporting Directive (CSRD) has also been used as a basis for determining the Bank's double materiality. Meanwhile, we are actively working to incorporate the entire reporting directive into the Annual Report. The CSRD has therefore been indexed in the same index as the GRI in order to provide a bridge between these. 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 indexes can be found at the back of the Annual Report.

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 last day of June each year.

The Bank reports on its human rights work throughout its Annual Report and has for 2023, for the second year in a row, also published a report 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. For more information please see the supplementary information about our sustainability reporting on our website. The Bank considers the status of this work to be good.

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The Bank has also reported in line with the requirements of the Act on Disclosure of Sustainability Information in the Financial Sector and a Framework for Sustainable Investments, which entered into force on 01.01.2023. This is an Act that implements the EU's Taxonomy Regulation and Disclosure Regulation. The Bank considers the status of this work to be satisfactory. For further information see chapter EU's Taxonomy for sustainable activities.

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 goals. The Bank's main goal for 2050 is to have contributed to a zero emissions society that does not compromise planetary boundaries. On the road to this, the Bank must achieve a qualitative goal in 2025 of being a clear driving force behind the sustainable transition, and the Bank measures emissions from both its operations and its value chain. The transition work is measured qualitatively based on the increase in the green proportion of total lending, while at the same time we are continuously striving to improve our competence in this area. The Bank has structured the work clearly with dedicated interdisciplinary working groups to ensure proactive product and service development. Operationalisation of the new Corporate Sustainability Reporting Directive (CSRD) is central to the work on sustainable development. In line with adaptation to this new regulation, the Bank established its first transition plan in 2023. This describes the Bank's obligations and goals for reducing greenhouse gas emissions in both its operations and the customer portfolio. It includes specific emission trajectories and measures to ensure that the Bank achieves its objectives. The Bank has also adopted a framework for the circular economy to reinforce the work. This will contribute to a broader product range and several measures that naturally coincide with, and can have a positive impact on, the transition work to net zero. Sustainability, like other disciplines, is an integral part of the Bank's normal scorecard and reporting procedures.

In this Annual Report, the Bank explains the principles on which sustainability reporting is based in the chapter Our approach to sustainability. 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

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.

SB1NXT is a measure initiated by SpareBank 1 Østlandet within the SpareBank 1 Alliance and which was adopted in 2023. The aim is to increase the potential for innovation and the speed of this work in the SpareBank 1 banks through greater interaction and joint mobilisation across banks. This will put the banks in a better position to build up future competitiveness at a time when the landscape is constantly changing. The innovation work will also be structured here and be based on the priorities in a common future 'radar'.

In 2023, the Bank implemented multimodal biometric facial recognition in all of its branches through its partnership with a local startup, Mobai AS. Using AI, the solution makes it easier for customers to verify their identity, while strengthening the Bank's work on combating fraud and money laundering. The Bank has increased its stake in Mobai, and it is continuing to work with the company in order to use future-oriented technology to make the Bank's customer-facing channels even more secure. We continue to work on Mobai in the joint research 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.

Together with the other SpareBank 1 banks, NOK 265 million was invested in 2023 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

The Bank's strategy for 2022-2025 is based on an ambitious goal of becoming Norway's best relationship bank. Through its day-to-day work and focused efforts within specific priority areas, SpareBank 1 Østlandet is systematically striving to achieve this ambition for the benefit of its customers, owners, employees and society in general.

At the same time, the Bank will continue to deliver on its financial targets. The Bank's dividend policy has been designed to balance the owners' desire for dividends with funding the Bank's growth ambitions and the need for adequate financial strength.

Decisions on allocating the annual profit are based on an appropriate capital structure given current and expected capital adequacy rules. At the same time, as the dividend policy aims to provide predictability about future dividends, it is flexible and depends on factors such as financial performance and capital adequacy. This is reflected in the of Directors' recommendations concerning allocation of the profit for 2023. The Group's target for the CET1 capital ratio is set at 1 percentage point above the regulatory requirement. At the end of 2023, the Group's capital adequacy ratio was well above its financial strength target.

High underlying inflation in society combined with the implementation of planned strategic initiatives were important contributing factors to the Bank's higher than aimed for growth in expenses in the past year. Costs in the parent bank grew by 10.5 per cent in 2023, compared with a cost growth target of less than 5 per cent. The Board stresses that good cost control is important given the strong external cost pressures, with reference to the goal of profitability.

The Group's profitability target for 2023 was adjusted upwards to an at least 12 per cent return on equity. The upwards revision reflected market developments and the increasing economies of scale the Bank has realised in recent years. The planned merger with Totens Sparebank should contribute further economies of scale going forward.

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The strategy and financial targets must be achieved within a framework of social development that is both full of contrasts and demanding. Geopolitical unrest makes a serious backdrop for the Norwegian economy, combined with the effects of the climate and nature crisis becoming ever more apparent.

Everyday economic life is marked by high inflation, unpredictable fluctuations in energy prices, higher interest rates and lower economic growth. Many households and companies are feeling elevated levels of uncertainty about the future.

Given the risk of entrenched high inflation, Norges Bank raised its policy rate before New Year to 4.50 per cent. At the same time, the central bank signalled that interest rates had most likely peaked. The full effects of previous interest rate hikes have not yet had their full impact on the economy. The combination of higher borrowing costs and high inflation will impact household consumption and investment going forward. Housing mortgages account for the largest share of the Bank's loan portfolio. The decrease in purchasing power means it is likely that the growth in household demand for credit will continue to slow in 2024 as well. At the same time, a strong labour market is insulating the housing market to some extent.

The Bank's survey of expectations and Norges Bank's regional network show that companies in the Bank's market area are relatively pessimistic about economic developments. Business investment is the main driver behind the Bank's lending to the business sector. It is reasonable to assume that weaker prospects mean 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 planned merger with Totens Sparebank will also provide the Bank with a greater presence and growth potential in the Mjøs region.

The Bank's lending practices are conservative. Nevertheless, it is likely that more customers will experience financial challenges in the time ahead, as reflected by the Bank's provisions for credit losses throughout 2023. In such a situation, a bank with in-depth local knowledge offering good professional advice is especially valuable for customers. The Bank will help with good solutions for its customers, including those experiencing tougher times. It is in challenging times that the savings bank model has proved to be successful and in which the Bank has built up its strong position. 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, February 29th 2024

Siri J. Strømmevold
Chair of the Board

Nina Cecilie Strøm Swensson

Tore Anstein Dobloug

Catherine Norland
Employee representative

Alexander S. Lund

Jørn-Henning Eggum

Idun Kristine Fridtun

Sjur Smedstad
Employee representative

Richard Heiberg
CEO

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Income statement

Parent bank 2022	Parent bank 2023	NOK million	Noter	Group 2023	Group 2022
4,047	6,903	Interest income effective interest method	19	7,184	4,248
620	1,517	Other interest income	19	1,517	620
2,167	5,023	Interest expenses	19	5,045	2,176
2,500	**3,397**	**Net interest income**		**3,655**	**2,693**
1,085	1,028	Commission income	20	1,397	1,463
101	131	Commission expenses	20	124	88
20	20	Other operating income	20	182	213
1,005	**916**	**Net commission and other operating income**		**1,455**	**1,588**
43	29	Dividends from shares and other equity instruments	21	29	43
379	497	Net income from subsidiaries, associates and joint ventures (Parent bank)	21		
		Net income from associates and joint ventures (Group)	21	36	186
-67	168	Net profit from other financial assets and liabilities	21	168	-67
356	**694**	**Net profit from financial assets and liabilities**		**233**	**162**
3,861	**5,008**	**Total net income**		**5,343**	**4,443**
758	828	Personnel expenses	22,23	1,213	1,153
88	92	Depreciation and impairment	32,33,34	131	122
638	720	Other operating expenses	24	847	761
1,484	**1,640**	**Total operating expenses**		**2,191**	**2,037**
2,377	**3,367**	**Operating profit before losses on loans and guarantees**		**3,152**	**2,406**
19	232	Impairment on loans and guarantees	9	307	27
2,358	**3,135**	**Pre-tax operating profit**		**2,845**	**2,379**
376	576	Tax expense	25	623	431
1,982	**2,559**	**Profit after tax**		**2,222**	**1,948**

Hybrid Capital Owner's share of profit after tax (Interest on hybrid capital)	70	47
Profit after tax for controlling ownership interest	2,149	1,880
Profit after tax for non-controlling ownership interest	4	21
Profit after tax	**2,222**	**1,948**
Earnings/diluted earnings per equity certificate (in NOK)	12.99	11.37
Earnings/diluted earnings per average equity certificate (in NOK)	12.99	11.37

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Statement of other comprehensive income

Parent bank 2022	Parent bank 2023	NOK million	Group 2023	Group 2022
1,982	**2,559**	**Profit after tax**	**2,222**	**1,948**
2	-2	Actuarial gains/losses on pensions	-2	2
0	1	Tax effects of actuarial gains/losses on pensions	1	0
13	2	Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	2	13
-3	0	Tax effects related to the above	0	-3
		Share of other comprehensive income from associated companies and joint ventures	2	23
11	**0**	**Total items that will not be reclassified through profit or loss**	**1**	**34**
-10	-8	Net fair value adjustments on loans at fair value through other comprehensive income	-8	-10
2	2	Tax effects related to the above	2	2
64	-50	Fair value changes on hedge derivatives due to changes in the currency basis spread	-50	64
-16	12	Tax effects related to the above	12	-16
		Share of other comprehensive income from associates companies and joint ventures	-128	115
41	**-43**	**Total items that will be reclassified through profit or loss**	**-171**	**156**
52	**-43**	**Total profit and loss**	**-169**	**190**
2,034	**2,516**	**Total profit for the period**	**2,053**	**2,138**
		Attributable to additional Tier 1 Capital holders	70	47
		Total profit for the period for controlling interest	1,980	2,070
		Total profit for the period for non-controlling interest	4	21
		Total profit for the period	**2,053**	**2,138**

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Balance sheet

Parent bank 2022	Parent bank 2023	NOK million	Noter	Group 2023	Group 2022
677	497	Cash and deposits with central banks		497	677
11,749	13,420	Loans to and receivables from credit institutions	6	3,520	2,694
119,612	121,357	Loans to and receivables from customers	7,9,10	133,009	130,405
26,351	29,109	Certificates, bonds and fixed-income funds	29	29,109	26,351
1,855	1,797	Financial derivatives	13,30,38	1,797	1,855
791	828	Shares and other equity interests	31	828	791
4,838	5,119	Investments in associates and joint ventures	41	5,721	5,875
1,865	1,890	Investments in subsidiaries	41	0	0
76	69	Goodwill and other intangible assets	32	333	353
450	434	Property, plant and equipment	33,34	610	619
529	635	Other assets	35	909	798
168,794	**175,157**	**Total assets**		**176,333**	**170,419**

Parent bank 2022	Parent bank 2023	NOK million	Noter	Group 2023	Group 2022
3,315	2,244	Deposits from and liabilities to credit institutions	6	2,229	3,296
98,911	106,630	Deposits from and liabilities to customers	37	106,535	98,813
43,296	41,650	Liabilities arising from issuance of securities	37,38	41,650	43,296
2,587	2,042	Financial derivatives	13,30,38	2,042	2,587
164	471	Current tax liabilities	25	496	211
257	342	Deferred tax liabilities	25	489	383
641	706	Other debt and liabilities recognised in the balance sheet	39	820	727
1,308	1,413	Subordinated loan capital	37	1,413	1,308
150,478	**155,498**	**Total liabilites**		**155,674**	**150,622**
5,791	5,791	Equity capital certificates	40	5,791	5,791
848	848	Premium fund		848	848
4,361	5,146	Dividend equalisation fund		5,146	4,361
788	903	Recommended dividend and other equity capital		903	788
4,689	5,025	Primary capital		5,025	4,689
337	387	Allocated to dividends customer return		387	337
16	38	Provision for gifts		38	16
486	519	Fund for unrealised gains		519	486
1,000	1,000	Hybrid capital		1,000	1,000
		Other equity		734	1,195
		Non-controlling interests		267	286
18,316	**19,658**	**Total equity capital**		**20,660**	**19,797**
168,794	**175,157**	**Total equity capital and liabilities**		**176,333**	**170,419**

The Board of Directors of SpareBank 1 Østlandet
Hamar, February 29th 2024

Siri J. Strømmevold
Chair of the Board

Nina Cecilie Strøm Swensson

Tore Anstein Dobloug

Catherine Norland
Employee representative

Alexander S. Lund

Jørn-Henning Eggum

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Statement of change in equity

Parent bank	Paid-up equity		Earned equity capital					
NOK million	Equity certificates	Premium fund	Primary capital [1]	Dividend equalisation funds [2]	Provision for gifts	Fund for unrealised gains	Hybrid-capital	**Total equity capital**
Equity capital as of 01.01.2022	**5,791**	**848**	**4,738**	**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	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 include provisioned customer dividends and proposed gifts.
[2] Amounts transferred to dividend equalization funds as of 31.12 include provisioned dividends.

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Parent bank	Paid-up equity		Earned equity capital					
NOK million	Equity certificates	Premium fund	Primary capital [1]	Dividend equalisation funds [2]	Provision for gifts	Fund for unrealised gains	Hybrid-capital	**Total equity capital**
Equity capital as of 01.01.2023	**5,791**	**848**	**5,026**	**5,148**	**16**	**486**	**1,000**	**18,316**
Profit after tax			758	1,768		34		2,559
Other comprehensive income								
Actuarial gains after tax on pensions			0	-1				-2
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax			0	1				1
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-2	-4				-6
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			-11	-26				-37
Profit after tax			**745**	**1,738**		**34**		**2,516**
Other transactions								
Dividend paid			-331	-788				-1,119
Donations distributed from profit 2022			-6					-6
Grants from provision for gifts in 2023 (net)					22			22
Hybrid capital							0	0
Interest on hybrid capital			-21	-49				-70
Equity capital as of 31.12.2023	**5,791**	**848**	**5,412**	**6,049**	**38**	**519**	**1,000**	**19,658**

[1] Amounts transferred to primary capital as of 31.12 include provisioned customer dividends and proposed gifts.
[2] Amounts transferred to dividend equalization funds as of 31.12 include provisioned dividends.

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Group	Controlling interest									
	Paid-up equity		Earned equity capital							
NOK million	Equity certicates	Premium fund	Primary capital [1]	Dividend equalisation funds [2]	Provision for gifts	Fund for unrealised gains	Other equity	Hybrid-capital	Non-controlling interests	**Total equity capital**
Equity capital as of 31.12.2021	**5,791**	**848**	**4,739**	**4,471**	**21**	**460**	**1,260**	**1,000**	**116**	**18,706**
Implementation effects IFRS 17 SpareBank 1 Gruppen [3]							-149			**-149**
OB Corr. in group companies							1			**1**
Adjusted equity capital at 01.01.2022	**5,791**	**848**	**4,739**	**4,471**	**21**	**460**	**1,112**	**1,000**	**116**	**18,558**
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 [3]							138			138
Total profit after tax			**602**	**1,405**		**26**	**83**		**21**	**2,138**
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		0
Interest on hybrid capital			-13	-33						-47
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**	**1,195**	**1,000**	**286**	**19,797**

[1] Amounts transferred to primary capital as of 31.12.2022 include provisioned customer dividends and proposed gifts.
[2] Amounts transferred to dividend equalization funds as of 31.12.2022 include provisioned dividends.
[3] Refers to note 2 Accounting principles for futher information

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Group	Controlling interest									
	Paid-up equity		Earned equity capital							
NOK million	Equity certicates	Premium fund	Primary capital [1]	Dividend equalisation funds [2]	Provision for gifts	Fund for unrealised gains	Other equity	Hybrid-capital	Non-controlling interests	**Total equity capital**
Equity capital as of 01.01.2023	**5,791**	**848**	**5,026**	**5,148**	**16**	**486**	**1,195**	**1,000**	**286**	**19,796**
Profit after tax			758	1,768		34	-340		4	2,222
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			0	1						1
Net fair value adjustments on loans at fair value through other comprehensive income after tax			-2	-4						-6
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax			-11	-26						-37
Share of other comprehensive income from associated companies and joint ventures							-126			-126
Total profit after tax			**745**	**1,738**		**34**	**-466**		**4**	**2,053**
Other transactions										
Dividend paid			-331	-788					-22	-1,141
Donations distributed from profit 2022			-6							-6
Grants from provision for gifts in 2023					22					22
Hybrid capital										0
Interest on hybrid capital			-21	-49						-70
Effects directly in equity from associated companies and							5			5
Equity capital as of 31.12.2023	**5,791**	**848**	**5,413**	**6,049**	**38**	**519**	**734**	**1,000**	**267**	**20,660**

[1] Amounts transferred to primary capital as of 31.12.2023 include provisioned customer dividends and proposed gifts.
[2] Amounts transferred to dividend equalization funds as of 31.12.2023 include provisioned dividends.

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Parent bank 2022	Parent bank 2023	NOK million	Group 2023	Group 2022
-8,151	-1,910	Change in gross lending to customers	-2,830	-9,567
3,878	6,386	Interest receipts from lending to customers	7,208	4,398
6,665	7,719	Change in deposits from customers	7,722	6,635
-1,021	-2,835	Interest payments on deposits from customers	-2,858	-1,028
-2,133	-3,332	Change in receivables and debt from credit institutions	-2,483	-808
267	564	Interest on receivables and debt to financial institutions	22	-16
-2,704	-2,786	Change in certificates and bonds	-2,751	-2,704
169	1,334	Interest receipts from commercial papers and bonds	1,334	169
1,005	916	Net commission receipts	1,455	1,546
80	196	Capital gains from sale on trading	196	80
-1,396	-1,528	Payments for operations	-2,040	-1,914
-641	-185	Taxes paid	-210	-690
-30	175	Other accruals	404	-10
-4,013	**4,714**	**Net change in liquidity from operations (A)**	**5,169**	**-3,909**
-79	-69	Investments in tangible fixed assets	-101	10
0	0	Receipts from sale of tangible fixed assets	38	42
-198	-318	Change in long-term investments in equities	-325	-262
399	523	Dividends from long-term investments in equities	65	186
122	**136**	**Net cash flow from investments (B)**	**-324**	**-24**
11,341	4,000	Debt raised by issuance of secutities	4,000	11,341
0	500	Debt raised by subordinated loan capital	500	0
-4,381	-6,441	Repayments of issued securities	-6,441	-4,381
0	-400	Repayments of issued subordinated loan capital	-400	0
-776	-1,964	Interest payments on securities issued	-1,964	-776
-43	-87	Interest payments on subordinated loans	-87	-43
	-70	Interest payments on hybrid capital	-70	0
-40	-40	Lease payments	-37	-40
-40	-25	Payments arising from placements in subsidiaries	0	13
-695	-788	Payment of dividend	-810	-705
-298	-331	Payment of customer dividend	-331	-298
-15	25	Donations	25	-15
5,052	**-5,620**	**Net cash flow from financing (C)**	**-5,615**	**5,095**
1,161	**-770**	**Change in cash and cash equivalents (A+B+C)**	**-770**	**1,161**
964	2,125	Cash and cash equivalents at 1 January	2,125	964
2,125	**1,355**	**Cash and cash equivalents at the end of the period**	**1,355**	**2,125**
		Cash and cash equivalents at comprise:		
677	497	Cash and deposits with central banks	497	677
1,448	858	Deposits etc. at call with banks	858	1,448
2,125	**1,355**	**Cash and cash equivalents at the end of the period**	**1,355**	**2,125**

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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 AS	100.00

Investments in second tier subsidiaries	Ownership interest in % 31. Dec
EiendomsMegler 1 Oslo AS	100.00

Investments in associated companies	Ownership interest in % 31. Dec
SpareBank 1 Kreditt AS	18.91
SpareBank 1 Boligkreditt AS	23.22
SpareBank 1 Næringskreditt AS	12.78
SpareBank 1 Betaling AS	18.10
BN Bank ASA	9.99
SpareBank 1 Forvaltning AS	6.25
SpareBank 1 Bank og Regnskap AS	25.00
SpareBank 1 Gjeldsinformasjon AS	14.68

Investments in associated companies in subsidiaries	Ownership interest in % 31. Dec
SpareBank 1 Mobilitet Holding AS	30.66 [1]

Investments in joint ventures	Ownership interest in % 31. Dec
SpareBank 1 Gruppen AS	12.4
SpareBank 1 Utvikling DA	18.0

[1] SpareBank 1 Mobilitet Holding AS owns 47.17 per cent in the car subscription company Fleks AS. Indirect ownership in Fleks AS is 14.46 per cent.

Distribution of ownership interests in companies where the managment structure is regulated in agreement between the owners (ownership interest in per cent)

	SpareBank 1 Gruppen AS	BN Bank ASA
SpareBank 1 Østlandet	12.40	9.99
SpareBank 1 SR-Bank ASA	19.50	35.02
SpareBank 1 SMN	19.50	35.02
SpareBank 1 Nord-Norge	19.50	9.99
Samarbeidende Sparebanker AS	19.50	
SpareBank 1 Sørøst-Norge		7.46
SpareBank 1 Østfold Akershus		2.52
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 SpareBank 1 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 Akershus. 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 2023 were approved by the Board of Directors on 29 February 2024.

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Note 2 Accounting policies, critical estimates and climate-related risk

BASIS FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENT

The 2023 parent bank and consolidated financial statements for SpareBank 1 Østlandet were prepared in accordance with (IFRS) Accounting Standards approved 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, in addition to the policies described in Note 41. The financial statements were prepared in accordance with IFRS standards and interpretations that are mandatory for financial statements submitted as at 31.12.2023.

The parent bank and consolidated financial statements were prepared on the assumption that the Group is a going concern. The financial statements are presented in Norwegian kroner (NOK), rounded off to the nearest million, unless otherwise stated.

Consolidation procedures

The consolidated financial statements cover the Bank and all of its subsidiaries. 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.

The non-controlling interest's share of the Group's profit/loss is presented on a separate line under profit/loss after tax in the income statement. In the equity capital, the stakes of non-controlling ownership interests are shown as separate items.

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.

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 as part of net income from financial assets and liabilities.

ACCOUNTING POLICIES

Material accounting policies are summarised in the list below. Accounting policies for financial assets and liabilities are described below. Other accounting policies have been incorporated into the individual notes and marked with a (P)

Material accounting policies	Note	Applicable IFRS/IAS
Financial assets and liabilities	Described below	IFRS 9, IFRS 7, IFRS 13
Issued additional Tier 1 capital	Described below	
Segment reporting	3. Segment information	IFRS 8
Loans	7. Loans to and receivables from customers 9. Net loan loss provisions	IFRS 9, IFRS 7, IAS 37
Leases	7. Loans to and receivables from customers 34. Leases	IFRS 16, IFRS 9
Sale of loans	8. Transfer of financial assets, etc.	
Interest revenue and expenses	19. Net interest income	IFRS 9
Commissions and commission costs	20. Net commissions and other operating income	IFRS 15, IFRS 9
Savings programme in own equity capital certificates for employees	22. Personnel costs and payments to leading personnel and elected officers	IFRS 2
Pensions	23. Pensions	IAS 19
Tax	25. Tax	IAS 12
Goodwill and other intangible assets	32. Goodwill and other intangible assets	IAS 38, IAS 36
Property, plant and equipment	33. Property, plant and equipment	IAS 16, IAS 36
Investments in subsidiaries, associates and joint ventures	41. Investments in subsidiaries, associates and joint ventures	IFRS 10, IAS 28, IFRS 11
Events after the balance sheet date	43. Events after the balance sheet date	IAS 10

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CHANGES TO THE ACCOUNTING POLICIES

New standards and interpretations that have been adopted

The accounting policies that have been applied are consistent with the policies applied in the preceding financial year, with the exception of the implementation of the IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments standards. The standards affect measurement of SpareBank 1 Østlandet's investment in SpareBank 1 Gruppen in the consolidated financial statements due to the use of the equity method.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts and sets out policies for recognition, measurement, presentation and disclosures in relation to 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 the ordinary income statement or in other income and expenses.

IFRS 17 was implemented retrospectively, and comparable numbers are stated. It entered into force on 01.01.2023.

IFRS 9 Financial Instruments

The standard entered into force on 01.01.2018. Companies that primarily operate insurance activities were allowed to temporarily postpone implementation of IFRS 9 until the new insurance contracts standard entered into force on 01.01.2023.

Implementation effects of IFRS 17/IFRS 9

The effect on SpareBank 1 Østlandet's equity capital as a result of its joint venture SpareBank 1 Gruppen implementing these standards on 01.01.2022 was a reduction in equity of NOK 149 million. The result for 2022 from SpareBank 1 Gruppen has been restated in line with IFRS 17/IFRS 9. This resulted in an increase in the result of NOK 20 million, such that the effect on equity as at 31.12.2022 was NOK -128 million.

IFRS 17/IFRS 9 effect for 2022:

2022	
Equity, Group, as at 1.1.2022 before implementation	**18,706**
Implementation of IFRS 17/IFRS 9	-149
Total result effect 2022 as a result of the implementation of IFRS 17/IFRS 9	20
IFRS 17/IFRS 9 implementation effect on equity	-128
Other changes in equity 2022	1,219
Equity, Group, as at 31.12.2022	**19,797**

Consolidated total profit after tax for 2022	**2,118**
Effect of implementation of IFRS 17/IFRS 9	20
Changed consolidated total profit after tax for 2022	**2,138**

The Group's ordinary results for 2022 and other key figures have not been restated. The effect on the result has been restated in other comprehensive income (OCI).

New standards and interpretations that have not yet been adopted

Otherwise, no other standards or interpretations yet to enter into force are expected to have a material impact on the Group's financial statements.

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

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As a general rule, financial liabilities are measured at amortised cost, with the exception of financial derivatives measured at fair value through profit or loss and financial liabilities it has been decided to recognise at fair value with value changes through profit or loss and other comprehensive income (OCI). For financial obligations carried at fair value to the income statement, changes in the value due to the company's own credit risk are recognised in OCI.

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 must generally 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 are generally measured at fair value with changes in value through the ordinary income statement.

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. In the periods following initial measurement, the instruments are recognised at amortised cost using the effective interest method.

Liabilities arising from the issuance of securities include both floating rate and fixed income securities. 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 income from other 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. In Note 21, these changes in value are shown both separately and summarised. The net profit or loss from foreign exchange trading and hedging is included on its own line in the same note. Interest income and costs from hedging instruments, as well as interest costs on debt securities issued, are included in the "interest cost" result line and are stated collectively as "interest on debt securities issued" in Note 19. Please see Note 38 for a further description of hedge accounting.

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 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. Changes in value in both balance sheet lines are included in the result line "net income from other financial assets and liabilities", and in Note 21 the changes in value are allocated between derivatives that hedge purchased fixed income securities, derivatives that hedge debt securities issued and other derivatives. Currency effects on derivatives are included in the note line "net income from currency trading and hedging". Interest income and costs for derivative contracts that hedge purchased fixed income securities and fixed interest loans to customers are recorded as "other interest income" in the income statement, with a further allocation of "interest from certificates and bonds" and "other interest income" in Note 19, respectively. Interest income and costs on derivatives that hedge debt securities issued are recorded in "interest cost" on the income statement and included as "interest on debt securities issued" in Note 19, ref. the discussion of debt securities issued above.

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. Unrealised changes in fair value and realised gains and losses are recognised in the income statement under "net income from other financial assets and liabilities". In the associated Note 21, changes in the value of fixed income securities and associated hedging instruments (financial hedging) are shown both separately and summarised. Gains or losses on the realisation of purchased fixed income securities are included in the note line "gains or losses on the realisation of assets at fair value through profit or loss". Currency effects are included net on the line "net income from currency trading and hedging" in the same note.

Unrealised changes in value, as well as gains and losses upon the realisation of shares and other equity interests are included on the result line "net income from other financial assets and liabilities". In the associated Note 21, unrealised changes in the value of equity instruments are shown on a separate line, while gains or losses upon the realisation of equity instruments are included on the note line "gains or losses on the realisation of assets at fair value". Dividends from equity instruments at fair value through profit or loss are recognised on the date disbursement of the dividends is approved and are presented on the result line "dividends from shares and other equity instruments".

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 in both the loan portfolio and for hedging instruments are recognised under "net income from other financial assets and liabilities". Note 21 shows changes in value in the loan portfolio separately, while changes in value for derivatives that regulate interest rate risk (financial hedging) are recorded in "change in value other derivatives".

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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. Floating rate loans to customers that potentially qualify for transfer to SpareBank 1 Boligkreditt are consequently classified and measured at fair value with changes in value through OCI. Changes in fair value are presented in the statement of comprehensive income as "net fair value adjustment of loans recognised through OCI", with an associated tax adjustment on a separate line. Interest is recognised using the effective interest method and is included on the result line "interest income effective interest method", with further specification as "interest on loans to and receivables from customers (fair value through OCI)" in Note 19.

Financial liabilities assessed at fair value with change in value through profit and loss and other comprehensive income

A proportion of debt securities issued was, until their final maturity date on 25.10.2023, recognised at fair value through profit or loss. That part of the change in fair value attributable to changes in the liability's credit risk was recognised on a separate line in the statement of comprehensive income. Other changes in value were recognised in the income statement under ""net income from other financial assets and liabilities". The Group estimated amount of the change in the real value of the liability that could be attributable to changes in the liability's credit risk with an approximately equal method is described in the application of IFRS 9 Financial Instruments (B5.7.18).

See a further description of the determination of fair value in Note 26 Determination of fair value of financial instruments. Disclosures concerning financial assets and liabilities can also be found in Notes 13, 27-31 and 37.

All interest-bearing assets and liabilities are presented on the balance sheet, including accrued interest.

ISSUED ADDITIONAL TIER 1 CAPITAL

Additional 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. Additional 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 additional 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 additional Tier 1 capital should be written up before dividends can be disbursed to shareholders or the equity written up. Additional Tier 1 capital is presented under equity since it does not satisfy the definition of a financial liability pursuant to IAS 32. The additional 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 retained earnings. The bank has right of redemption.

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CRITICAL ESTIMATES AND ASSESSMENTS REGARDING THE USE OF ACCOUNTING POLICIES

Use of judgement and estimates

The preparation of accounts in accordance with IFRS requires the use of estimates. Preparation of the financial statements requires Group Management to make accounting estimates, discretionary assessments and assumptions concerning uncertain amounts. Estimates and assessments are evaluated continuously and are based on empirical experience and expectations concerning future events and represent Group Management's best judgement on the date the financial statements are finalised.

Descriptions of the most important estimates and assessments where judgement and assumptions have been used, and which may affect recognised values or key figures, are provided in the corresponding note and marked with an (E) Actual results may differ from accounting estimates.

Material estimates and assessments	Note	Use of estimates and assessments
Capital adequacy	4. Capital adequacy	Assumptions in internal models
Loans	7. Loans to and receivables from customers 11. Credit exposure for each internal risk rating	Risk classification of loans Valuation of collateral
Losses on loans	9. Net loan loss provisions	Assumptions in the overall loss model
Financial assets and liabilities	26. Determination of fair value of financial instruments	Fair value of financial instruments

CLIMATE-RELATED RISK

Climate-related risk, including physical climate-related risk and transition risk, represents an important part of the Bank's work towards a zero emission society. The Bank's double materiality analysis, which is based on the Corporate Sustainability Reporting Directive (CSRD), shows that both ESRS E1 Climate Change and ESRS G1 Business Conduct can impact our stakeholders, as well as the Bank's outside-in financial impact. Climate-related risk is discussed in the individual notes where it is considered particularly relevant and is marked with a (C)

Climate-related assessments	Note	Use of estimates and assessments
Climate-related risk on provisions for credit losses	5. Financial risk management	Assessment of climate-related risk
Climate allowances and guarantees of origin	24. Other operating expenses	Assessment of climate-related risk

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Note 3 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 (including organizational market) (CD), leasing , real estate brokerage, accounting and consulting services 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.

P ACCOUNTING POLICIES

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. SpareBank 1 Østlandet applies IFRS 8.

Segment information 2023	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group [1]	Eiendoms-Megler 1 Innlandet AS	Eiendoms-Megler 1 Oslo Akershus Group	SpareBank 1 Forretningspartner Østlandet AS	Other operations	Total
Income statement								
Net interest income	1,432	1,645	262	-2	-3	-2	324	3,655
Net commission and other income	693	208	121	130	191	136	-25	1,455
Net income from financial assets and liabilities	12	60	-86	0	0	0	247	233
Operating expenses	1,062	526	112	136	198	137	20	2,191
Profit before losses by segment	**1,076**	**1,386**	**185**	**-8**	**-9**	**-3**	**526**	**3,152**
Impairment losses on loans and guarantees	11	223	73	0	0	0	0	307
Profit / loss per segment before tax	**1,064**	**1,163**	**112**	**-8**	**-9**	**-3**	**527**	**2,845**
Tax	197	283	50	-2	-2	-1	98	623
Profit / loss per segment after tax	**867**	**881**	**62**	**-6**	**-7**	**-2**	**429**	**2,222**
Balance sheet								
Gross lending to customers	74,062	48,055	11,889	2	0	0	-327	133,681
Provisions for credit losses	-57	-463	-151	0	0	0	0	-672
Other assets	3,098	1,149	160	83	111	195	38,529	43,324
Total assets per segment	**77,103**	**48,741**	**11,897**	**85**	**111**	**195**	**38,202**	**176,333**
Deposits from and liabilities to customers	61,178	43,309	0	0	0	0	2,047	106,535
Other liabilities and equity	15,925	5,432	11,897	85	111	195	36,154	69,799
Total equity capital and liabilities per segment	**77,103**	**48,741**	**11,897**	**85**	**111**	**195**	**38,202**	**176,333**

[1] Of the "Net interest income" in the SpareBank 1 Finans Østlandet AS segment, NOK 411 (235) million is related to lease financing agreements. NOK 47 (42) million of "Net commision and other income" is profit or loss from the sale of lease financing objects

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Segment information 2022	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group1)	Eiendoms-Megler 1 Innlandet AS	Eiendoms-Megler 1 Oslo Akershus Group	SpareBank 1 Forretningspartner 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	158	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	35,830	40,013
Total assets per segment	**79,261**	**44,215**	**11,083**	**82**	**131**	**131**	**35,514**	**170,418**
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	35,494	71,606
Total equity capital and liabilities per segment	**79,261**	**44,215**	**11,083**	**82**	**131**	**131**	**35,514**	**170,418**

[1] Of the "Net interest income" in the SpareBank 1 Finans Østlandet AS segment, NOK 235 (153) million is related to lease financing agreements. NOK 42 (37) million of "Net commision and other income" is profit or loss from the sale of lease financing objects.

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Note 4 Capital Adequacy

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)

Capital Requirements

The Group has a combined buffer requirement of 9.5 per cent as at 31 December 2023. In the combined buffer, the institution-specific buffer requirements consisting of the countercyclical buffer and the systemic risk buffer were calculated to be 2.5 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 2023, the Group's Common Equity Tier 1 capital ratio requirement, including the Pillar 2 requirement, was 15.1 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.

E ESTIMATE

The Bank has permission to use internal models (IRB method) to determine capital requirements for parts of the loan portfolio. This means that capital requirements can be calculated based on our estimates for probability of default (PD), loss given default (LGD), estimated utilisation of frame credits and loan fees (CFF) and maturity (M). Modelled estimates will always be subject to uncertainty. SpareBank 1 Østlandet has permission to use the advanced IRB approach for calculating the capital requirements for credit risk for the exposure categories institution and retail. The Bank has exceptions to the IRB approach for certain exposures. The exemptions apply to states/municipalities and institutions, where permanent exemptions have been granted, as well as housing cooperatives and associations/clubs, where the Group uses the standard approach.

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Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
18,316	**19,658**	**Total equity carried** [1]	**20,660**	**19,925**
		Common equity tier 1 capital		
-1,125	-1,291	Dividend	-1,291	-1,125
-1,000	-1,000	Hybridcapital	-1,000	-1,000
		Minority interests that is not eligible as CET1 capital	-69	-132
1	0	Value adjustments on fair valued liabilities	0	1
-62	-57	Goodwill and other intangible assets	-430	-402
-408	-411	Positive value of expected losses under the IRB approach	-541	-526
0	0	Significant investments in financial sector entities	0	-302
-36	-39	Value adjustments due to prudent valuation (AVA)	-49	-46
-239	-277	Other adjustments in CET1	-232	-231
15,447	**16,584**	**Common equity tier 1 capital**	**17,047**	**16,162**
		Additional Tier 1 capital		
1,000	1,000	Hybrid capital	1,000	1,000
-30	-31	Significant investments in financial sector entities	-31	-30
		AT1-capital issued by consolidated entities	264	213
970	**969**	**Tier 1 capital**	**1,233**	**1,183**
		Supplementary capital in excess of Tier 1 capital		
1,300	1,400	Subordinated loan capital	1,400	1,300
-119	-122	Significant investments in financial sector entities	-122	-119
		T2-capital issued by consolidated entities	429	328
1,181	**1,278**	**Total supplementary capital**	**1,706**	**1,508**

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
17,598	**18,831**	**Total eligible capital**	**19,987**	**18,854**
5,178	5,405	Corporates - SME	5,416	5,189
18,712	19,615	Corporates - Specialised Lending	20,621	19,437
2,218	4,176	Corporates - Other	4,267	2,294
1,332	1,566	Retail - SME	1,930	1,683
19,708	21,292	Retail - Mortgage exposures	33,913	31,772
614	751	Retail - Other	781	641
47,762	**52,805**	**Credit exposures calculated using IRB-approach**	**66,927**	**61,016**
16,002	17,438	Credit exposures calculated using the standardised approach	23,495	21,864
361	371	Counterparty credit risk	2,568	1,634
0	0	Market risk	0	0
5,374	6,614	Operational risk	7,351	6,645
69,498	**77,228**	**Risk-weighted assets**	**100,341**	**91,159**
5,560	**6,178**	**Capital requirements (8%)**	**8,027**	**7,293**
		Pillar 2 (1.9% / 1.8%)	**1,906**	**1,641**
		Buffer requirements		
1,737	1,931	Capital conservation buffer (2.5%)	2,509	2,279
1,390	1,931	Countercyclical capital buffer	2,509	1,823
2.0%	2.5%	Countercyclical capital buffer rate	2.5%	2.0%
3,127	3,475	Systemic risk buffer	4,515	4,102
4.5%	4.5%	Systemic risk buffer rate	4.5%	4.5%
6,255	**7,337**	**Total buffer requirements**	**9,532**	**8,204**
13.5%	14.0%	CET1 requirement	15.1%	15.3%
6,065	**5,772**	**Available CET1 above requirement**	**1,927**	**2,215**
		Capital ratios		
22.2%	21.5%	CET 1 Capital ratio	17.0%	17.7%
23.6%	22.7%	Tier 1 Capital ratio	18.2%	19.0%
25.3%	24.4%	Capital adequacy ratio	19.9%	20.7%
9.7%	9.9%	Leverage Ratio	7.0%	7.2%

[1] The Banks' capital ratios has not been corrected for IFRS 17 effects in 2022. See Note 2 Accounting principles, critical estimates and climate risk for more information.

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Note 5 Financial risk management

K CLIMATE-RELATED RISK

In 2023, the SpareBank 1 banks developed the first version of a common climate-related risk stress test model. The model analyses how climate events affect the development of risk and potential losses in the credit portfolio. The project has been a collaboration between the banks, where implementation is carried out by our joint development environment for credit models.

The climate-related risk stress test model was developed using the technical solution used for our models for IFRS 9 expected credit loss and the ICAAP credit loss stress test model. Assumptions about the macro development of key climate indicators have been incorporated through recognised climate scenarios from the Network for Greening the Financial System (NGFS), up to 30 years ahead. The Alliance's ESG scoring model for corporate customers has been integrated into the stress test model. Key information, such as inherent industry risk and ESG score, is obtained from this and used, for example, to differentiate vulnerability to transition risk and physical climate-related risk.

Development of the model will continue in 2024. The development work will be based on user experiences and external expectations. Among other things, we expect the EBA to publish new guidelines for stress testing ESG/climate-related risk soon. Work remains to be done on development and clarifications in relation to how expected climate-related credit losses should be included in provisions for credit losses/the IFRS 9 model. At the moment, the results are mainly used for stress testing.

Based on the result of models runned the climate-related risk is not regarded as having a material impact on the Group's provisions for credit losses.

Overall responsibility and supervision

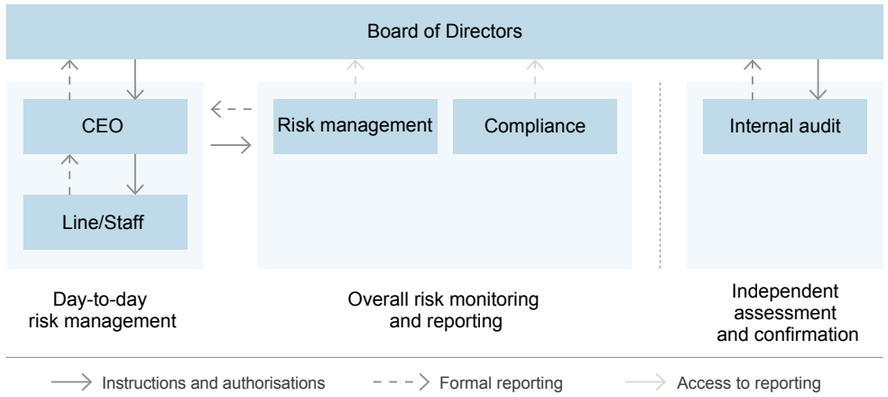
SpareBank 1 Østlandet's risk management must support the Bank's strategic development and the attainment of its goals. Risk management should also ensure financial stability and satisfactory asset management. This shall be achieved by:

- 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:

- 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:



Supervision and management structure

The Board's Audit Committee and Risk Committee prepare matters concerning the economy/accounting, 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 categories.

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.

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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.

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 the Group. 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 aforementioned governing documents, sustainability risk is defined as one of the risks for which SpareBank 1 Østlandet sets special requirements for customers. As far as corporate customers are concerned, the Bank discusses the topic of sustainability with all customers in line with specific procedures and policies as part of granting credit. A concrete sustainability analysis must also be conducted based on inherent ESG risk and credit commitment size. This analysis includes assessments of customer climate-related risk.

A separate tool has been developed for carrying out sustainability assessments at an individual exposure level. Neither the credit risk models nor the IFRS 9 loss model currently take climate-related risk into account, although the IFRS 9 loss model is now being enhanced to take into account climate-related risk. In the long term, the credit risk models will take into account data from sustainability assessments and other sustainability-related data. Furthermore, SpareBank 1 Østlandet, together with other banks in the SpareBank 1 Alliance, is taking part in the development of our own stress test models for measuring climate-related 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 6 to 14.

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 15 and 16.

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 7, 12, 14 and 29. 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 15. Currency exposure is specified in notes 6 and 16. The Group's largest investments in equity instruments are presented in note 31. The Group has not identified any significant risks other than those presented in the aforementioned notes.

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 17 and 18.

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Note 6 Credit institutions – assets and liabilities

Loans to and receivables from credit institutions

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
1,448	858	Loans and receivables at call	858	1,448
10,301	12,562	Loans and receivables with agreed maturities or notice	2,662	1,246
11,749	**13,420**	**Total**	**3,520**	**2,694**
1,408	678	Cash collateral given	678	1,408
		Loans and receivables specified by major currencies		
10,301	12,643	NOK	2,743	1,245
1,293	634	EUR	634	1,293
4	25	USD	25	4
119	90	GBP	90	119
5	13	CHF	13	5
3	1	AUD	1	3
0	5	CNY	5	0
24	9	Other	9	24
11,749	**13,420**	**Total**	**3,520**	**2,694**

Deposits from and liabilities to credit institutions

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
1,136	812	Loans and deposits at call	800	1,119
2,179	1,432	Loans and deposits with agreed maturities or notice	1,430	2,177
3,315	**2,244**	**Total**	**2,229**	**3,296**
916	624	Cash collateral recieved	624	916
		Liabilities specified by major currencies		
2,826	2,239	NOK	2,224	2,808
489	5	EUR	5	488
0	0	Other	0	0
3,315	**2,244**	**Total**	**2,229**	**3,296**
2.0%	**3.9%**	**Average interest rate**	**6.1%**	**2.0%**

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 and 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.

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Note 7 Loans to and recieveables from customers

P ACCOUNTING POLICIES

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 are classified and measured at fair value through OCI.
- Fixed-rate loans to customers are classified and measured at fair value through profit or loss.

E ESTIMATE

Risk classification of loans

Risk classification is based on observed PD in the Bank's credit models and no changes have been made as a result of model overrides for expected but not observed significantly increased credit risk. Please see Notes 7-14 for notes concerning risk classification.

Total loans 2023

			Provisions for credit losses				
Parent Bank	Loan and advances to customers at amortised cost 2023	Loan and advances to customers at fair value through OCI 2023	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value through results 2023	**Net loans to and receivables from customers 2023**
Public sector	63	0	-1	0	0	0	62
Primary industries	3,939	2,078	-3	-6	-4	508	6,513
Paper and pulp industries	704	387	-1	-1	-1	61	1,149
Other industry	1,224	56	-3	-40	-6	3	1,234
Building and constructions	4,590	276	-19	-38	-53	8	4,765
Power and water supply	1,258	3	-3	0	0	0	1,259
Wholesale and retail trade	2,038	144	-4	-10	-3	11	2,176
Hotel and restaurants	425	43	-1	-1	-3	0	463
Real estate	26,895	140	-60	-112	-19	-9	26,835
Commercial services	3,376	803	-6	-10	-54	106	4,215
Transport and communication	214	175	-1	-1	-1	14	400
Gross corporate loans by sector and industry	**44,727**	**4,106**	**-102**	**-220**	**-144**	**704**	**49,071**
Total loans to private customers	**693**	**66,151**	**-16**	**-34**	**-23**	**5,514**	**72,286**
Adjustment fair value		-15	15				0
Total loans to customers	**45,421**	**70,242**	**-103**	**-253**	**-167**	**6,217**	**121,357**
Loans transferred to SpareBank 1 Boligkreditt AS							63,910
Loans transferred to SpareBank 1 Næringskreditt AS							1,055
Total loans including loans transferred to covered bond companies							**186,321**
Other liabilities [1)]							16,350
Total commitments including loans transferred to covered bond companies							**202,672**

[1)] Consists of guarantees, unused credits and loan commitments.

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Total loans 2022

Parent Bank	Loan and advances to customers at amortised cost 2022	Loan and advances to customers at fair value through OCI 2022	Provisions for credit losses			Loan and advances to customers at fair value through results 2022	**Net loans to and receivables from customers 2022**
			Stage 1	Stage 2	Stage 3		
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
Gross corporate loans by sector and industry	**40,495**	**3,975**	**-103**	**-135**	**-68**	**670**	**44,834**
Total loans to private customers	**754**	**68,691**	**-23**	**-25**	**-27**	**5,408**	**74,778**
Adjustment fair value		-23	23				0
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**

[1)] Consists of guarantees, unused credits and loan commitments.

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Total loans 2023

Group	Loan and advances to customers at amortised cost 2023	Loan and advances to customers at fair value through OCI 2023	Provisions for credit losses			Loan and advances to customers at fair value through results 2023	**Net loans to and receivables from customers 2023**
			Stage 1	Stage 2	Stage 3		
Public sector	63	0	-1	0	0	-0	62
Primary industries	4,326	2,078	-4	-7	-4	509	6,898
Paper and pulp industries	989	387	-2	-3	-1	61	1,433
Other industry	1,530	56	-5	-42	-7	3	1,535
Building and constructions	5,858	276	-27	-45	-55	8	6,016
Power and water supply	1,413	3	-3	0	0	0	1,413
Wholesale and retail trade	2,868	144	-6	-11	-26	11	2,981
Hotel and restaurants	444	43	-1	-1	-4	0	480
Real estate	27,044	140	-59	-114	-20	-9	26,984
Commercial services	5,794	803	-13	-16	-102	106	6,572
Transport and communication	1,795	175	-7	-9	-4	14	1,964
Gross corporate loans by sector and industry	**52,125**	**4,106**	**-128**	**-249**	**-222**	**704**	**56,336**
Total loans to private customers	**5,096**	**66,151**	**-21**	**-37**	**-30**	**5,514**	**76,673**
Adjustment fair value		-15	15				0
Total loans to customers	**57,221**	**70,242**	**-134**	**-286**	**-252**	**6,218**	**133,009**
Loans transferred to SpareBank 1 Boligkreditt AS							63,910
Loans transferred to SpareBank 1 Næringskreditt AS							1,055
Total loans including loans transferred to covered bond companies							**197,973**
Other liabilities [1)]							15,696
Total commitments including loans transferred to covered bond companies							**213,670**

[1)] Provisions for loans, guarantees and unused credit facilities

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Total loans 2022

Group	Loan and advances to customers at amortised cost 2022	Loan and advances to customers at fair value through OCI 2022	Provisions for credit losses			Loan and advances to customers at fair value through results 2022	**Net loans to and receivables from customers 2022**
			Stage 1	Stage 2	Stage 3		
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
Gross corporate loans by sector and industry	**46,970**	**3,975**	**-128**	**-160**	**-75**	**670**	**51,252**
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**

[1)] Provisions for loans, guarantees and unused credit facilities

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Loans broken down by different types

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
0	0	Group	5,271	4,684
8,143	9,534	Kasse-/drifts- og brukskreditter	9,487	8,107
2,645	2,353	Byggelån	2,381	2,645
109,182	109,993	Nedbetalingslån	116,543	115,415
119,971	**121,880**	**Sum brutto utlån**	**133,682**	**130,851**

Additional information

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
56,590	63,910	Loans transferred to SpareBank 1 Boligkreditt AS	63,910	56,590
513	644	- of which loans to employees	922	738
1,288	1,055	Loans transferred to SpareBank 1 Næringskreditt AS	1,055	1,288
1,897	2,185	Loans to employees [1]	2,996	2,658

[1] Interest subsidy for loans to emplyees is included in net interest. Loan interest rate is the best customer interest rate minus one percentage point.

Loans and advances to customers relating to financial leasing

Group	2023	2022
Gross investment in the lease		
- Maturities of less than 1 year	288	243
- Maturities of more than 1 year but not more than 5 years	4,129	3,570
- Maturities of more than 5 years	1,688	1,528
Total gross investment in the lease	**6,105**	**5,341**
Unearned finance income	752	575
Discounted, not guaranteed residual value	82	82
Net investment related to financial leasing	5,227	4,684
Net investments in financial leasing may be analysed in the following way:		
- Maturities of less than 1 year	278	234
- Maturities of more than 1 year but not more than 5 years	3,642	3,199
- Maturities of more than 5 years	1,350	1,251
Total net investment in the lease	**5,271**	**4,684**

P ACCOUNTING POLICIES

Leases where the Group is the lessor

Leases where the Group is the lessor are classified as financial leases in line with IFRS 16. Financial leases transfer essentially all the risks and rewards associated with ownership of the underlying asset. For leases with no guaranteed residual value, the lease term extends over most of the underlying asset's economic life. Meanwhile, where a third party has guaranteed residual value, the object is taken over by the third party at this agreed value. The Group's leases are mainly linked to machinery used in agriculture, construction, transport and forestry. The average maturity of leases is 3 years.

Measurement of leases

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 for 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 leases at the time of implementation.

In subsequent periods, financial income is systematically distributed over the lease term. Lease payments for the term are recognised against the gross investment in the 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 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 reduced.

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Gross loans

	2023					2022				
Parent Bank	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Opening balance	**102,722**	**10,625**	**546**	**6,078**	**119,971**	**95,907**	**9,279**	**474**	**6,159**	**111,819**
Transfers in (out) to Stage 1	2,677	-2,671	-6		0	2,037	-2,002	-35		0
Transfers in (out) to Stage 2	-5,454	5,490	-37		0	-4,345	4,373	-28		0
Transfers in (out) to Stage 3	-305	-193	499		0	-50	-213	263		0
Net increase/decrease excisting loans	989	-392	213		810	3,845	-200	-30		3,615
Purchases and originations	21,635	580	128		22,343	22,038	1,010	21		23,069
Derecognitions and maturities	-20,078	-1,180	-97		-21,354	-16,710	-1,623	-103		-18,435
Write-offs	0	0	-29		-29	0	0	-16		-16
Change in loan and advances to customers at fair value				140	140				-81	-81
Ending balance	**102,186**	**12,259**	**1,218**	**6,217**	**121,880**	**102,722**	**10,625**	**546**	**6,078**	**119,971**
Loan and advances to customers at amortised cost					45,421					41,250
Loan and advances to customers at fair value					76,460					78,721

Gross loans to private customers

	2023					2022				
Parent Bank	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Opening balance	**65,598**	**3,627**	**200**	**5,405**	**74,830**	**63,322**	**3,287**	**196**	**5,613**	**72,418**
Transfers in (out) to Stage 1	815	-815	0		0	606	-601	-5		0
Transfers in (out) to Stage 2	-1,844	1,856	-12		0	-1,426	1,433	-7		0
Transfers in (out) to Stage 3	-11	-49	61		0	-17	-58	74		0
Net increase/decrease excisting loans	280	-62	17		235	1,144	-238	-13		892
Purchases and originations	15,901	486	11		16,399	15,905	498	9		16,412
Derecognitions and maturities	-18,182	-991	-39		-19,213	-13,937	-694	-51		-14,682
Write-offs	0	0	-1		-1	0	0	-2		-2
Change in loan and advances to customers at fair value				94	94				-207	-207
Ending balance	**62,556**	**4,051**	**237**	**5,499**	**72,343**	**65,598**	**3,627**	**200**	**5,405**	**74,830**
Loan and advances to customers at amortised cost					693					754
Loan and advances to customers at fair value					71,650					74,076

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Gross corporate loans

	2023					2022				
Parent Bank	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Opening balance	**37,124**	**6,998**	**346**	**673**	**45,141**	**32,585**	**5,992**	**279**	**546**	**39,402**
Transfers in (out) to Stage 1	1,862	-1,856	-6		0	1,431	-1,401	-30		0
Transfers in (out) to Stage 2	-3,609	3,634	-25		0	-2,920	2,941	-21		0
Transfers in (out) to Stage 3	-294	-144	438		0	-33	-155	188		0
Net increase/decrease excisting loans	709	-330	196		575	2,701	38	-17		2,722
Purchases and originations	5,734	93	117		5,944	6,133	512	13		6,657
Derecognitions and maturities	-1,895	-188	-58		-2,141	-2,773	-929	-51		-3,753
Write-offs	0	0	-27		-27	0	0	-14		-14
Change in loan and advances to customers at fair value				46	46				126	126
Ending balance	**39,630**	**8,208**	**981**	**719**	**49,537**	**37,124**	**6,998**	**346**	**673**	**45,141**
Loan and advances to customers at amortised cost					44,727					40,495
Loan and advances to customers at fair value					4,810					4,645

Gross loans

	2023					2022				
Group	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Opening balance	**112,234**	**11,813**	**727**	**6,078**	**130,851**	**104,347**	**10,121**	**657**	**6,159**	**121,284**
Transfers in (out) to Stage 1	2,992	-2,967	-26		0	2,279	-2,234	-45		0
Transfers in (out) to Stage 2	-6,225	6,270	-46		0	-4,929	4,971	-43		0
Transfers in (out) to Stage 3	-633	-470	1,103		0	-129	-258	387		0
Net increase/decrease excisting loans	-278	-596	161		-713	2,697	-311	-77		2,308
Purchases and originations	26,033	918	196		27,147	26,538	1,327	43		27,909
Derecognitions and maturities	-22,169	-1,396	-150		-23,715	-18,569	-1,803	-180		-20,552
Write-offs	0	0	-29		-29	0	0	-16		-16
Change in loan and advances to customers at fair value				140	140				-81	-81
Ending balance	**111,954**	**13,573**	**1,937**	**6,217**	**133,681**	**112,234**	**11,813**	**727**	**6,078**	**130,851**
Loan and advances to customers at amortised cost					57,221					52,130
Loan and advances to customers at fair value					76,460					78,721

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Gross loans to private customers

	2023					2022				
Group	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Opening balance	**69,673**	**3,923**	**235**	**5,405**	**79,236**	**67,195**	**3,560**	**232**	**5,613**	**76,600**
Transfers in (out) to Stage 1	898	-898	0		0	678	-673	-5		0
Transfers in (out) to Stage 2	-1,957	1,969	-13		0	-1,553	1,562	-9		0
Transfers in (out) to Stage 3	-17	-75	92		0	-25	-69	94		0
Net increase/decrease excisting loans	-191	-95	11		-275	667	-280	-18		369
Purchases and originations	17,653	547	15		18,215	17,827	587	11		18,425
Derecognitions and maturities	-19,400	-1,069	-53		-20,522	-15,116	-763	-69		-15,948
Write-offs	0	0	-1		-1	0	0	-2		-2
Change in loan and advances to customers at fair value				94	94				-207	-207
Ending balance	**66,659**	**4,302**	**286**	**5,499**	**76,746**	**69,673**	**3,923**	**235**	**5,405**	**79,236**
Loan and advances to customers at amortised cost					5,096					5,160
Loan and advances to customers at fair value					71,650					74,076

Gross corporate loans

	2023					2022				
Group	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Opening balance	**42,561**	**7,890**	**492**	**673**	**51,616**	**37,152**	**6,561**	**424**	**546**	**44,685**
Transfers in (out) to Stage 1	2,094	-2,069	-25		0	1,601	-1,561	-39		0
Transfers in (out) to Stage 2	-4,268	4,301	-33		0	-3,376	3,410	-34		0
Transfers in (out) to Stage 3	-616	-394	1,011		0	-105	-188	293		0
Net increase/decrease excisting loans	-87	-501	150		-438	2,030	-31	-60		1,939
Purchases and originations	8,380	370	181		8,932	8,712	740	32		9,484
Derecognitions and maturities	-2,769	-326	-98		-3,193	-3,454	-1,040	-110		-4,604
Write-offs	0	0	-27		-27	0	0	-14		-14
Change in loan and advances to customers at fair value				46	46				126	126
Ending balance	**45,294**	**9,272**	**1,651**	**719**	**56,935**	**42,561**	**7,890**	**492**	**673**	**51,616**
Loan and advances to customers at amortised cost					52,125					46,969
Loan and advances to customers at fair value					4,810					4,645

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Credit exposure to financial assets

	2023					2022				
Parent Bank	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Credit risk										
Low risk	91,387	1,724	0	5,719	98,830	94,538	1,759	0	5,648	101,945
Medium risk	22,359	7,713	0	447	30,519	20,456	6,679	0	381	27,516
High risk	2,909	3,944	0	51	6,904	2,648	3,218	0	45	5,912
Defaults	0	0	1,443	1	1,444	0	0	548	4	552
Total gross commitments at 31.12.	**116,656**	**13,380**	**1,443**	**6,217**	**137,696**	**117,642**	**11,656**	**548**	**6,078**	**135,924**
Loan loss allowance	-138	-273	-183	0	-594	-142	-174	-96	0	-412
Total net commitments at 31.12.	**116,517**	**13,107**	**1,260**	**6,217**	**137,102**	**117,500**	**11,482**	**452**	**6,078**	**135,512**

Credit exposure to financial assets – private customers

	2023					2022				
Parent Bank	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Credit risk										
Low risk	66,716	1,124	0	5,098	72,938	69,427	1,048	0	5,029	75,503
Medium risk	2,619	2,664	0	367	5,651	3,289	1,941	0	333	5,563
High risk	122	782	0	33	937	75	690	0	39	805
Defaults	0	0	226	1	226	0	0	191	4	195
Total gross commitments at 31.12.	**69,457**	**4,570**	**226**	**5,499**	**79,752**	**72,791**	**3,679**	**191**	**5,405**	**82,066**
Loan loss allowance	-24	-34	-25		-82	-25	-25	-27	0	-78
Total net commitments at 31.12.	**69,433**	**4,536**	**201**	**5,499**	**79,670**	**72,765**	**3,654**	**165**	**5,405**	**81,989**

Credit exposure to financial assets – corporate customers

	2023					2022				
Parent Bank	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Credit risk										
Low risk	24,671	599	0	621	25,892	25,111	711	0	619	26,441
Medium risk	19,740	5,048	0	80	24,868	17,167	4,738	0	47	21,952
High risk	2,787	3,162	0	18	5,967	2,574	2,528	0	6	5,107
Defaults	0	0	1,217	0	1,217	0	0	357	0	357
Total gross commitments at 31.12.	**47,199**	**8,810**	**1,217**	**719**	**57,945**	**44,851**	**7,977**	**357**	**673**	**53,858**
Loan loss allowance	-115	-239	-158		-511	-117	-148	-69	0	-335
Total net commitments at 31.12.	**47,084**	**8,571**	**1,060**	**719**	**57,433**	**44,735**	**7,829**	**288**	**673**	**53,524**

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Credit exposure to financial assets

	2023					2022				
Group	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Credit risk										
Low risk	93,892	1,746	0	5,719	101,357	96,998	1,763	0	5,648	104,409
Medium risk	29,093	8,247	0	447	37,787	26,972	7,330	0	381	34,683
High risk	3,319	4,701	0	51	8,071	3,238	3,751	0	45	7,035
Defaults	0	0	2,162	1	2,162	0	0	728	4	732
Total gross commitments at 31.12.	**126,304**	**14,694**	**2,162**	**6,217**	**149,377**	**127,209**	**12,844**	**728**	**6,078**	**146,859**
Loan loss allowance	-169	-305	-268		-743	-174	-214	-111	0	-499
Total net commitments at 31.12.	**126,135**	**14,388**	**1,894**	**6,217**	**148,634**	**127,034**	**12,630**	**618**	**6,078**	**146,360**

Credit exposure to financial assets – private customers

	2023					2022				
Group	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Credit risk										
Low risk	67,808	1,129	0	5,098	74,035	70,563	1,051	0	5,029	76,643
Medium risk	5,623	2,789	0	367	8,780	6,221	2,088	0	333	8,642
High risk	136	899	0	33	1,067	88	833	0	39	960
Defaults	0	0	273	1	274	0	0	224	4	228
Total gross commitments at 31.12.	**73,567**	**4,817**	**273**	**5,499**	**84,155**	**76,872**	**3,972**	**224**	**5,405**	**86,472**
Loan loss allowance	-29	-37	-32		-98	-31	-34	-34	0	-99
Total net commitments at 31.12.	**73,538**	**4,779**	**241**	**5,499**	**84,057**	**76,841**	**3,938**	**190**	**5,405**	**86,374**

Credit exposure to financial assets – corporate customers

	2023					2022				
Group	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value	**Total**
Credit risk										
Low risk	26,085	617	0	621	27,322	26,435	713	0	619	27,767
Medium risk	23,470	5,458	0	80	29,007	20,752	5,242	0	47	26,041
High risk	3,183	3,803	0	18	7,004	3,151	2,918	0	6	6,075
Defaults	0	0	1,889	0	1,889	0	0	504	0	504
Total gross commitments at 31.12.	**52,737**	**9,877**	**1,889**	**719**	**65,222**	**50,337**	**8,873**	**504**	**673**	**60,387**
Loan loss allowance	-139	-268	-235		-642	-144	-180	-77	0	-401
Total net commitments at 31.12.	**52,599**	**9,609**	**1,653**	**719**	**64,580**	**50,194**	**8,692**	**428**	**673**	**59,986**

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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).

Classification system for monitoring credit risk in the portfolio

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

Gross loans subject to forberance2023

Parent Bank				Group		
Stage 2	Stage 3	**Total**		**Total**	Stage 2	Stage 3
786	27	813	Retail market	822	794	28
351	187	538	Corporate market	577	370	207
1,137	**214**	**1,351**	**Gross loans forberance**	**1,399**	**1,165**	**235**

Gross loans subject to forberance 2022

Parent Bank				Group		
Stage 2	Stage 3	**Total**		**Total**	Stage 2	Stage 3
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**

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 8 Transfer of financial instruments

P ACCOUNTING POLICIES

Sale of loans

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 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.

Loans transferred to SpareBank 1 Boligkreditt AS and SpareBank 1 Næringskreditt AS are derecognised from the Bank's balance sheet.

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.

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 23.22 per cent as at 31.12.2023 (22.42 per cent as at 31.12.2022). 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.

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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, 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 2023, the book value of the transferred loans was NOK 63.9 billion (NOK 56.6 billion at end of December 2022).

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 2023 and 2022. 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. 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 0.8 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.

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 12.78 per cent as at 31.12.2023 (15.66 per cent as at 31.12.2022). 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 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 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 2023, the book value of the transferred loans was NOK 1.1 billion (NOK 1,3 billion at end of December 2022). 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 2023 and 2022.

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.

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 AS. 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.

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Note 9 Provisions for credit losses

ACCOUNTING POLICIES

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 and leases 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 and leases 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 OCI after tax" 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, the 12-month expected loss is recognised. The 12-month expected loss is the loss that is expected to occur over the lifetime of the instrument but that can be linked to default events that occur 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.

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.

The Bank's loss model suggests key assumptions for calculating expected credit loss (ECL) using regression analysis and simulation. The future level of defaults (PD) is predicted on the basis of expected developments concerning money market interest rates and unemployment. The future level of losses (LGD) is simulated on the basis of collateral values and expectations concerning developments in the prices of various objects used for collateral. Norges Bank's periodic Monetary Policy Report and Financial Stability Report have been selected as the main sources of explanatory variables for interest rates and unemployment, as well as for expected price developments for real estate.

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.

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Watchlist
The Bank uses a watchlist to ensure that the Bank's provisions for credit losses adequately reflect the risk in the portfolio. These are supplementary qualitative assessments that are made at a customer level or at a business level. Exposures on the watchlist, which based on other criteria would be classified as Stage 1, are manually migrated to Stage 2.

The following qualitative assessments of customers or groups of customers are made to determine if credit risk has increased significantly since initial recognition:

- Manual migration given customers facing special challenges: irrespective of the increase in measured PD, commitments with customers assumed to be facing special challenges are assessed with respect to manual migration from Stage 1 to Stage 2. Customers are identified based on:
  - Information from the Bank's scoring models
  - Decision support models of debt servicing capacity
  - Assessment of changes in the customer's market situation
  - Initiated Credit Department follow-up
- Manual migration of customers with moderately increased PD: Customers who can be expected to have seen a significant increase in PD since the loan was granted, but where this has not yet been manifested through PD being measured at above model thresholds, will be assessed with respect to manual migration from Stage 1 to Stage 2. Commitments in excess of NOK 3 million where the customer's PD has increased by 130 per cent or more since the loan was granted are relevant in relation to such identification.
- Manual migration of customers in industries facing challenges: Customers in industries facing special challenges are assess with respect to manual migration from Stage 1 to Stage 2. The practice is that both every customer in the relevant industry is manually migrated from Stage 1 to Stage 2 and that the industry code is used for individual assessments.

All commitments manually migrated from Stage 1 to Stage 2 have their measured PD doubled when calculating ECL in 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 account will be forbearance flagged. Accounts flagged with forbearance and the customer's other exposures 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 loss over their lifetime.

Defaults
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.
- Defaults due to manual default flagging are largely based on professional credit ratings and to a lesser degree on automated processes. 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 no more will be paid out by the estate 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.

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E ESTIMATE

Losses on loans

The loss 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

Growth in the Norwegian economy has dropped significantly, and the level of activity in the second half of 2023 was flat. There are big differences between industries, with the construction industry and the wholesale and retail trade seeing particularly weak development. Unemployment remains low, and although there are signs of the economy cooling, the forecasts from Statistics Norway and Norges Bank indicate only a moderate increase going forward. A tight labour market and high inflation are contributing to continued high wage growth. Norges Bank raised its policy rate to 4.50 per cent in December but signalled that the interest rate peak has probably been reached. The interest rate trajectory indicates one to two possible interest rate cuts towards the end of 2024. The growth in credit is slowing. Together with relatively high income growth, this is helping to reduce the household debt burden. House prices remained almost unchanged in 2023, although they are expected to fall slightly at the beginning of 2024 before levelling off. Norges Bank is stressing that the effects of higher interest rates on commercial property companies is a vulnerability for Norwegian banks.

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.

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 31.12.2023, 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 20 million and by NOK 23 million in the Group.

Important assumptions in the overall loss model: Estimate of expected development in the default and loss level, as well as scenario-weighting
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 the observed and validated default rate (DR) and losses (actual LGD), although this 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.

The Bank's loss model suggests key assumptions for calculating expected credit loss using regression analysis and simulation. The future level of defaults is predicted on the basis of expected developments concerning money market interest rates and unemployment. The future level of losses is simulated on the basis of collateral values and expectations concerning developments in the prices of various objects used for collateral. Norges Bank's periodic Monetary Policy Report and Financial Stability Report have been selected as the primary sources of the expected development of explanatory variables for interest rates and unemployment, as well as for price developments for real estate.

An upgraded loss model in which key assumptions were suggested via regression analysis and simulation was used for the first time in the first quarter of 2023. Based on the available macro forecasts, both PD and LGD assumptions in the expected scenario were marginally raised. In both the second and third quarters of 2023, the Bank's assessment was that, overall, the changes in macro forecasts indicated moderately higher default levels and an approximately equal loss rate in the event of default. In the fourth quarter, changes in macro forecasts supported lower levels of default but higher losses given default. Overall, ongoing assessments during 2023 resulted in moderately higher expected loss in the corporate market segment and marginally higher expected loss in the retail market segment. In SpareBank 1 Finans Østlandet, the net effect of adjusted assumptions was a moderate reversal of model-based provisions for credit losses. Including higher provisions for credit losses for growth and migration, as well as higher individual provisions for credit losses, the calculated ECL for the expected scenario, seen in isolation, has increased by NOK 286 million, from NOK 341 million to NOK 627 million.

The downside scenario reflects an economic outlook that is substantially worse than the expected development. The assumptions in the downside scenario are based on the stress test in the Financial Supervisory Authority of Norway's Financial Outlook. Calculated ECL in the downside scenario, in isolation, increased by NOK 44 million in 2023, from NOK 1 510 million to NOK 1,554 million.

The upside scenario reflects an economic outlook that is better than the expected development. The starting point is status per period, but with development that reflects the observed level of default and loss in a historic upturn. In 2023, calculated ECL in the upside scenario, seen in isolation, increased by NOK 231 million, from NOK 165 million to NOK 396 million.

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The figures below show the estimated developments for the key macro assumptions in the loss model's three scenarios as at 31.12.2023.

FIG. 1 Money market interest rate (3M Nibor)
Level (pct)

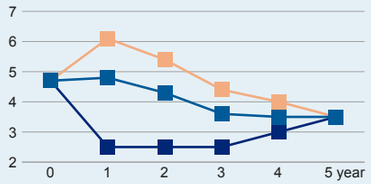


FIG. 2 Unemployment (AKU)
Level (pct)

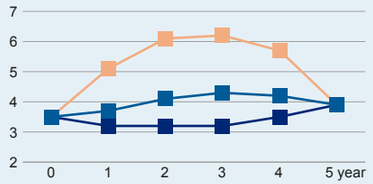


FIG. 3 Price development, residential properties
Level (index year 0=100)

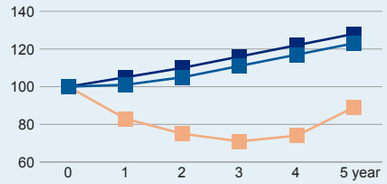
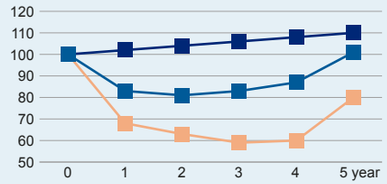


FIG. 4 Price development, commercial properties
Level (index year 0=100)





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. The increased downside risk posed by the coronavirus pandemic was maintained due to the uncertainty related to the effects of the outbreak of war in Ukraine. As at 30.06.2022, 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 31.12.2023 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. Changes in the scenario weights for model-based provisions for credit losses did not affect loss costs in 2023.

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 December 2023	Retail market	Corporate market	Parent Bank	SpareBank 1 Finans Østlandet	Group
ECL in expected scenario	82	402	485	145	627
ECL in downside scenario	247	1,102	1,348	208	1,554
ECL in upside scenario	56	231	287	112	396
ECL with used scenario weighting 75/15/10 per cent	**104**	**490**	**594**	**151**	**743**
ECL with alternative scenario weighting 80/10/10 per cent	96	455	551	148	696
ECL with alternative scenario weighting 70/20/10 per cent	113	525	638	154	789
ECL with alternative scenario weighting 65/25/10 per cent	121	560	681	157	836
ECL with alternative scenario weighting 60/30/10 per cent	129	595	724	161	882

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 two thirds of the ECL in the expected scenario, meanwhile, the downside scenario has an ECL around two and a half times higher than the expected scenario. The applied scenario weights, with 15 per cent downside and 10 per cent upside, results in an around 20 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 46 million (6 per cent). A 5-percentage point reduction in the probability of the downside scenario, in other words the probability weights the Bank used when introducing IFRS 9, would reduce the weighted ECL correspondingly. Reference is also made to "Note 9 – Provisions for credit losses", where the loss cost effects per segment of the various changes in the model assumptions seen in isolation are shown in table form.

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Isolated loss effects

Isolated loss effects 2023	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	-1	40	39	13	52
Change ECL due to adjusted key assumptions	9	48	57	-25	34
Change ECL due to changed scenario weighting	0	0	0	0	0
Change in model-based loss provisions (stage 1 and 2)	**7**	**88**	**95**	**-11**	**86**
Change individual loss provisions (stage 3)	-1	88	87	71	158
Net write-offs	5	45	50	14	64
Total losses	**11**	**221**	**232**	**73**	**307**

Isolated loss effects 2022	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**
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**

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Note 10 Accumulated provisions for expected credit losses

There has been calculations of ECL on credit institutions and central banks, but the effect is deemed insignificant and consequently not included in the write-downs.

Provisions for loss

Parent Bank	2022	Provision for credit losses	Net write-offs	2023
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	356	209	-28	537
Provisions for loan losses at fair value over OCI	56	2	-1	57
Total provisions for losses	**412**	**211**	**-29**	**594**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	359	193	-29	523
Liabilities: Provisions for loan losses - increase of liabilities	30	26	0	56
Equity: Fair value adjustment of losses	23	-8		15

Parent Bank	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		23

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Provisions for loss

Group	2022	Provision for credit losses	Net write-offs	2023
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	443	270	-28	685
Provisions for loan losses at fair value over OCI	56	3	-1	58
Total provisions for losses	**499**	**272**	**-29**	**743**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	446	254	-29	672
Liabilities: Provisions for loan losses - increase of liabilities	30	26	0	56
Equity: Fair value adjustment of losses	23	-8	0	15

Group	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

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Provisions for credit losses [1]

	2023				2022			
Parent Bank	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**142**	**174**	**96**	**412**	**141**	**186**	**85**	**412**
Provision for credit losses								
Transfers in (out) to Stage 1	5	-5	0	0	4	-4	0	0
Transfers in (out) to Stage 2	-99	101	-2	0	-48	49	0	0
Transfers in (out) to Stage 3	-51	-12	63	0	-13	-19	32	0
Net remeasurement of loss provisions	126	20	63	208	30	-40	11	2
Purchases and originations	30	7	14	51	46	23	0	69
Derecognitions and maturities	-15	-11	-23	-49	-18	-21	-17	-55
Write-offs	0	0	-29	-29	0	0	-16	-16
Ending balance	**138**	**273**	**183**	**594**	**142**	**174**	**96**	**412**
Of which loss provisions on guarantees, unused credits and loan facilities	21	20	16	56	16	13	1	30

[1] Including loss provisions on guarantees, unused credits and loan facilities

Provisions for credit losses - personal customers [1]

	2023				2022			
Parent Bank	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**25**	**25**	**26**	**77**	**41**	**37**	**28**	**106**
Provision for credit losses								
Transfers in (out) to Stage 1	1	-1	0	0	0	0	0	0
Transfers in (out) to Stage 2	-13	13	0	0	-8	8	0	0
Transfers in (out) to Stage 3	0	-1	2	0	-1	-1	2	0
Net remeasurement of loss provisions	8	-1	2	9	-6	-15	2	-20
Purchases and originations	10	3	0	14	8	3	0	12
Derecognitions and maturities	-7	-5	-5	-17	-9	-7	-3	-18
Write-offs	0	0	-1	-1	0	0	-2	-2
Ending balance	**24**	**34**	**24**	**82**	**25**	**25**	**26**	**78**
Of which loss provisions on guarantees, unused credits and loan facilities	13	0	0	13	3	0	0	4

[1] Including loss provisions on guarantees, unused credits and loan facilities

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Provisions for credit losses - corporate customers [1)]

	2023				2022			
Parent Bank	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**117**	**148**	**69**	**335**	**100**	**149**	**56**	**306**
Provision for credit losses								
Transfers in (out) to Stage 1	5	-5	0	0	4	-4	0	0
Transfers in (out) to Stage 2	-86	87	-2	0	-40	40	0	0
Transfers in (out) to Stage 3	-51	-11	62	0	-12	-18	30	0
Net remeasurement of loss provisions	118	21	60	198	36	-24	10	22
Purchases and originations	20	4	14	38	38	19	0	57
Derecognitions and maturities	-9	-5	-18	-32	-9	-14	-13	-36
Write-offs	0	0	-27	-27		0	-14	-14
Ending balance	**115**	**239**	**158**	**511**	**117**	**148**	**69**	**335**
Of which loss provisions on guarantees, unused credits and loan facilities	8	19	16	43	13	13	1	27

[1)] Including loss provisions on guarantees, unused credits and loan facilities

The Parent Bank has outstanding claims for loans ascertained during 2023 as totalling 62 (NOK 0 million), which are still subject to enforcement activities.
The Parent Bank has NOK 1,218 (546) million in its stage 3 loan volume, NOK 549 (383) million of which has no provision for loss due to the collateral.

Provisions for credit losses [1)]

	2023				2022			
Group	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**174**	**214**	**111**	**499**	**176**	**221**	**107**	**505**
Provision for credit losses								
Transfers in (out) to Stage 1	13	-13	0	0	16	-12	-4	0
Transfers in (out) to Stage 2	-104	106	-2	0	-51	52	-1	0
Transfers in (out) to Stage 3	-52	-18	70	0	-18	-21	39	0
Net remeasurement of loss provisions	127	21	62	210	13	-33	13	-7
Purchases and originations	12	6	78	96	61	35	2	99
Derecognitions and maturities	3	-2	-15	-13	-23	-28	-31	-82
Write-offs	-6	-8	-36	-49	0	0	-16	-16
Ending balance	**168**	**307**	**268**	**743**	**174**	**214**	**111**	**499**
Of which loss provisions on guarantees, unused credits and loan facilities	21	20	16	56	16	13	1	30

[1)] Including loss provisions on guarantees, unused credits and loan facilities

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Provisions for credit losses - personal customers [1)]

	2023				2022			
Group	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**31**	**34**	**34**	**99**	**49**	**51**	**40**	**140**
Provision for credit losses								
Transfers in (out) to Stage 1	2	-2	0	0	2	-2	0	0
Transfers in (out) to Stage 2	-13	14	0	0	-9	9	0	0
Transfers in (out) to Stage 3	-1	-3	3	0	-1	-2	3	0
Net remeasurement of loss provisions	5	-2	4	8	-10	-19	0	-29
Purchases and originations	12	4	1	17	10	5	1	17
Derecognitions and maturities	-8	-7	-9	-24	-11	-9	-7	-27
Write-offs	0	0	-1	-1	0	0	-2	-2
Ending balance	**29**	**37**	**32**	**98**	**31**	**34**	**34**	**99**
Of which loss provisions on guarantees, unused credits and loan facilities	13	0	0	13	3	0	0	4

[1)] Including loss provisions on guarantees, unused credits and loan facilities

Provisions for credit losses - corporate customers [1)]

	2023				2022			
Group	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
Opening balance	**144**	**180**	**76**	**401**	**127**	**170**	**67**	**365**
Provision for credit losses								
Transfers in (out) to Stage 1	11	-11	0	0	15	-10	-4	0
Transfers in (out) to Stage 2	-91	92	-2	0	-42	43	0	0
Transfers in (out) to Stage 3	-51	-15	67	0	-17	-20	37	0
Net remeasurement of loss provisions	104	21	122	248	22	-13	13	23
Purchases and originations	36	12	21	69	51	30	1	82
Derecognitions and maturities	-13	-11	-21	-45	-12	-19	-24	-55
Write-offs	0	0	-27	-27	0	0	-14	-14
Ending balance	**141**	**268**	**236**	**645**	**144**	**180**	**76**	**401**
Of which loss provisions on guarantees, unused credits and loan facilities	8	20	16	43	13	13	1	27

[1)] Including loss provisions on guarantees, unused credits and loan facilities

The Group has outstanding claims for loans ascertained during 2023 as totalling NOK 70 million (NOK 91 million), which are still subject to enforcement activities.
The Group has NOK 1,937 (727) million in its stage 3 loan volume, NOK 551 (483) million of which has no provision for loss due to the collateral.

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Note 11 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.

Parent bank	Average unsecured exposure (%) 2023	Total commitment 2023	Average unsecured exposure (%) 2022	Total commitment 2022
Low risk	3.6%	98,830	3.0%	101,945
Medium risk	2.0%	30,519	3.3%	27,516
High risk	3.4%	6,904	0.9%	5,912
Defaulted and written down	8.0%	1,444	14.9%	552
Total	**3.3%**	**137,696**	**3.0%**	**135,924**

Group	Average unsecured exposure (%) 2023	Total commitment 2023	Average unsecured exposure (%) 2022	Total commitment 2022
Low risk	3.7%	101,357	2.9%	104,409
Medium risk	3.5%	37,787	2.6%	34,683
High risk	4.2%	8,071	0.8%	7,035
Defaulted and written down	6.7%	2,162	11.2%	732
Total	**3.7%**	**149,377**	**2.8%**	**146,859**

E ESTIMATE

Valuation of collateral

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 the value of turnover using various valuation methods.

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Note 12 Maximum credit risk exposure, not taking into account assets pledged as security

Credit risk exposure

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
		Assets		
587	400	Deposits with central banks	400	587
11,749	13,420	Loans to and receivables from credit institutions	3,520	2,694
119,971	121,880	Gross loans to and receivables from customers	133,681	130,851
-359	-523	Provisions for credit losses	-672	-446
119,612	121,357	Net loans to and receivables from customers	133,009	130,405
26,351	29,109	Certificates and bonds	29,109	26,351
1,855	1,797	Financial derivatives	1,797	1,855
160,154	**166,084**	**Credit risk exposure, balance sheet**	**167,836**	**161,892**
		Liabilities		
1,409	1,289	Contingent liabilities (guarantees provided)	1,150	1,268
10,137	9,931	Unutilised credit lines	9,634	10,036
0	0	SNPA Boligkreditt	0	0
0	534	SNPA Næringskreditt	534	0
4,408	4,596	Loans approved not disbursed	4,912	4,704
15,954	**16,350**	**Total financial guarantees, off balance sheet items**	**16,230**	**16,008**
176,108	**182,434**	**Total credit risk exposure**	**184,066**	**177,900**

The table shows maximum exposure to credit risk.
Exposure is shown gross before any assets pledged as security or permitted off-sets.

Credit exposure linked to financial assets distributed by geographical area

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
		Banking activities		
65,646	67,414	Innlandet	60,460	59,608
35,729	34,404	Viken	39,406	40,209
39,559	42,862	Oslo	44,241	40,961
5,480	5,939	Rest of Norway	8,291	7,515
1,847	1,433	Abroad	1,433	1,847
-359	-523	Provisions for losses, undistributed	-672	-446
147,902	**151,528**	**Total banking activities**	**153,160**	**149,694**
		Financial market activities		
16,873	18,807	Norway	18,807	16,873
9,259	9,427	Europe	9,427	9,259
1,250	1,916	USA	1,916	1,250
823	756	Other	756	823
28,206	**30,906**	**Total financial market activities**	**30,906**	**28,206**
176,108	**182,434**	**Total distributed by geographic area**	**184,066**	**177,900**

SNPA (Shareholder Note Purchase Agreement)
For the commitment to the covered bond companies (SNPA), see Note 8 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 8 Transfer of financial instruments.

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 8 Transfer of financial instruments.

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Note 13 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. The Bank has five GMRA agreements.

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		
2023	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	1,797	0	1,797	-1,347	-274	176
Derivatives as liabilities	-2,042	0	-2,042	1,347	326	-369

				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

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Note 14 Credit quality per class of financial assets

Parent bank 2023	Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions	6	13,420	0	0	0	13,420
Gross loans to and receivables from customers measured to amortised cost						
Retail market	7	449	69	55	120	693
Corporate market	7	16,186	22,239	5,352	951	44,727
Gross loans to and receivables from customers classified as financial assets at fair value through profit or loss on initial recognition						
Retail market	7	5,113	367	33	1	5,514
Corporate market	7	606	80	18	0	704
Gross loans to and receivables from customers classified as financial assets at fair value through OCI on initial recognition						
Retail market	7	60,532	4,653	849	117	66,151
Corporate market	7	3,595	363	103	30	4,091
Total gross lending		**86,480**	**27,771**	**6,410**	**1,219**	**121,880**
Financial investments						
Certificates, bonds and fixed-income funds	29	29,109	0	0	0	29,109
Total financial investments		**29,109**	**0**	**0**	**0**	**29,109**
Total lending-related assets		**129,010**	**27,771**	**6,410**	**1,219**	**164,410**

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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	6	11,749	0	0	0	11,749
Gross loans to and receivables from customers measured to amortised cost						
Retail market	7	565	64	23	101	754
Corporate market	7	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	7	5,032	333	39	4	5,408
Corporate market	7	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	7	63,553	4,297	734	99	68,682
Corporate market	7	3,532	284	107	37	3,961
Total gross lending		**90,472**	**23,537**	**5,411**	**550**	**119,971**
Financial investments						
Certificates and bonds	29	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**

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Group 2023	Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions	6	3,520	0	0	0	3,520
Gross loans to and receivables from customers measured to amortised cost						
Retail market	7	1,545	3,198	185	168	5,096
Corporate market	7	18,227	25,887	6,389	1,622	52,125
Gross loans to and receivables from customers classified as financial assets at fair value through profit or loss on initial recognition						
Retail market	7	5,113	367	33	1	5,514
Corporate market	7	607	80	18	0	704
Gross loans to and receivables from customers classified as financial assets at fair value through OCI on initial recognition						
Retail market	7	60,532	4,653	849	117	66,151
Corporate market	7	3,595	363	103	30	4,091
Total gross lending		**89,618**	**34,548**	**7,577**	**1,938**	**133,681**
Financial investments						
Certificates, bonds and fixed-income funds	29	29,109	0	0	0	29,109
Total financial investments		**29,109**	**0**	**0**	**0**	**29,109**
Total lending-related assets		**122,248**	**34,548**	**7,577**	**1,938**	**166,310**

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Group 2022	Notes	Low risk	Medium risk	High risk	Defaulted or with individual loan loss impairments	Total
Loans to and receivables from credit institutions	6	2,694	0	0	0	2,694
Gross loans to and receivables from customers measured to amortised cost						
Retail market	7	1,704	3,143	179	134	5,160
Corporate market	7	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	7	5,032	333	39	4	5,408
Corporate market	7	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	7	63,553	4,297	734	99	68,682
Corporate market	7	3,532	284	107	37	3,961
Total gross lending		**93,456**	**30,137**	**6,534**	**725**	**130,851**
Financial investments						
Certificates and bonds	29	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**

For details on risk classification of loans, see Note 7 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 3,444 million in 2023 and primarily includes certificates and bonds in Norwegian municipalities (NOK 2,942 million), other certificates and bonds from Norwegian issuers with risk weights equal or below 20 % (NOK 315 million) and other Norwegian issuers (NOK 186 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.

Konverteringstabell mellom kredittkvalitet og ratingklasser

Credit quality	Rating (using S&P's system)			
Low risk	AAA	AA	A	BBB
Medium risk	BB			
High risk	B	CCC	CC	C

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Note 15 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).

Interest rate risk

Parent bank Interest rate risk, 1 per cent change			Group Interest rate risk, 1 per cent change	
2022	2023		2023	2022
-282	-319	Certificates and bonds	-319	-282
-136	-130	Fixed-rate loans to customers	-130	-136
15	31	Fixed-rate deposits to customers	31	15
3	1	Loan and receivables from credit institutions	1	3
833	796	Debt securities issued	796	833
-17	-16	Other	-16	-17
-399	-355	Derivatives	-355	-399
16	**8**	**Total interest rate risk, effect on profit after tax**	**8**	**16**

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.

Yield curve risk

Parent bank Interest rate risk, 1 per cent change			Group Interest rate risk, 1 per cent change	
2022	2023		2023	2022
4	3	0–1 month	3	4
-3	-5	1–3 months	-5	-3
2	4	3–6 months	4	2
9	21	6–12 months	21	9
-8	-11	1–3 years	-11	-8
4	-3	3–5 years	-3	4
8	1	5–10 years	1	8
0	-2	More than 10 years	-2	0
16	**8**	**Total interest rate risk, effect on profit after tax**	**8**	**16**

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Note 16 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 31.12 ,the net positions in the most important currencies, based on fair value of the underlying assets, was as follows:

Net Currency exposure NOK

Parent bank			Group	
2022	2023		2023	2022
0	1	GBP	1	0
0	-7	USD	-7	0
-1	0	JPY	0	-1
-1	2	SEK	2	-1
20	-20	EUR	-20	20
0	3	CHF	3	0
1	4	Andre	4	1
19	**-17**	**Total**	**-17**	**19**
1	-1	Effect on after-tax profit/loss and equity of a 3 per cent change in FX-rates	-1	1
2	-2	Effect on after-tax profit/loss and equity of a 10 per cent change in FX-rates	-2	2

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Note 17 Liquidity risk

Cash flows relating to liabilities with agreed maturity based on notional contract sizes including estimated interest payments until maturity.

Parent bank 2023	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	-812	-18	-55	-1,448	0	-2,334
Deposits from and liabilities to customers	-88,660	-3,106	-6,073	-8,791	0	-106,630
Liabilities arising from issuance of securities	0	-570	-9,412	-30,130	-4,123	-44,236
Subordinated loan capital [1]	0	-23	-462	-1,220	0	-1,706
Derivatives related to liabilities	0	-272	-739	-2,164	-383	-3,558
Other liabilities	0	-4,596	0	0	0	-4,596
Total cash flows related to liabilities	**-89,472**	**-8,586**	**-16,743**	**-43,754**	**-4,506**	**-163,060**

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**

[1] For subordinated loan capital the maturity date is set at first call date.

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Group 2023	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	-800	-18	-55	-1,448	0	-2,321
Deposits from and liabilities to customers	-88,564	-3,106	-6,073	-8,791	0	-106,535
Liabilities arising from issuance of securities	0	-570	-9,412	-30,130	-4,123	-44,236
Subordinated loan capital [1]	0	-23	-462	-1,220	0	-1,706
Derivatives related to liabilities	0	-272	-739	-2,164	-383	-3,558
Other liabilities	0	-4,912	0	0	0	-4,912
Total cash flows related to liabilities	**-89,363**	**-8,902**	**-16,743**	**-43,754**	**-4,506**	**-163,268**

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**

[1] For subordinated loan capital the maturity date is set at first call date.

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Note 18 Maturity analysis of assets and liabilities

Parent bank 2023	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Assets						
Cash and deposits with central banks	497	0	0	0	0	497
Loans to and receivables from credit institutions	3,127	0	393	9,900	0	13,420
Gross loans to and receivables from customers	10,493	284	4,961	21,869	84,273	121,880
- Loan loss allowance for loans at amortised cost	0	0	0	-480	0	-480
- Fair value adjustments for loans at fair value through OCI	0	0	0	-43	0	-43
Net loans to and receivables from customers	10,493	284	4,961	21,346	84,273	121,357
Certificates and bonds	0	1,501	2,484	21,721	3,404	29,109
Financial derivatives	0	7	491	631	668	1,797
Shares, units and other equity interests	0	0	0	0	828	828
Investments in associates and joint ventures	0	0	0	0	5,119	5,119
Investments in subsidiaries	0	0	0	0	1890	1,890
Total	**14,117**	**1,792**	**8,329**	**53,598**	**96,182**	**174,018**
Liabilities						
Deposits from and liabilities to credit institutions	799	32	0	1,413	0	2,244
Deposits from and liabilities to customers	86,810	7,359	3,670	8,791	0	106,630
Liabilities arising from issuance of securities	0	327	9,123	28,350	3,850	41,650
Financial derivaties	0	154	198	1,149	542	2,042
Other debt and liabilities recognised in the balance sheet	0	150	450	40	66	706
Subordinated loan capital	0	401	1,012	0	0	1,413
Total	**87,609**	**8,424**	**14,453**	**39,744**	**4,458**	**154,687**

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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	1,108	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**

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Group 2023	At call	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
Assets						
Cash and deposits with central banks	497	0	0	0	0	497
Loans to and receivables from credit institutions	3,127	0	393	0	0	3,520
Gross loans to and receivables from customers	10,200	313	5,933	28,304	88,933	133,681
-Loan loss allowance for loans at amortised cost	-4	0	-14	-553	-58	-629
-Fair value adjustments for loans at fair value through OCI	0	0	0	0	-43	-43
Net loans to and receivables from customers	10,196	313	5,919	27,751	88,832	133,009
Certificates and bonds	0	1,501	2,484	21,721	3,404	29,109
Financial derivatives	0	7	491	631	668	1,797
Shares, units and other equity interests	0	0	0	0	828	828
Investments in associates and joint ventures	0	0	0	0	5,721	5,721
Total	**13,820**	**1,821**	**9,286**	**50,103**	**99,452**	**174,482**
Liabilities						
Deposits from and liabilities to credit institutions	786	32	0	1,412	0	2,229
Deposits from and liabilities to customers	86,715	7,359	3,670	8,791	0	106,535
Liabilities arising from issuance of securities	0	327	9,123	28,350	3,850	41,650
Financial derivaties	0	154	198	1,149	541	2,042
Other debt and liabilities recognised in the balance sheet	42	150	450	111	66	820
Subordinated loan capital	0	0	401	1,012	0	1,413
Total	**87,543**	**8,023**	**13,842**	**40,826**	**4,458**	**154,690**

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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	0	-3	-9	-281	35	-258
-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	749	4,254	22,329	93,425	130,405
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	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**

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Note 19 Net interest income

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
		Interest income		
333	700	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	158	50
1,761	2,887	Interest income from loans to and claims on customers (amortised cost)	3,715	2,248
1,953	3,316	Interest income from loans to and claims on customers (fair value over OCI)	3,311	1,950
4,047	**6,903**	**Total interest income, effective interest method**	**7,184**	**4,248**
164	182	Interest income from loans to and claims on customers (fair value over profit and loss)	182	164
474	1,222	Interest on certificates and bonds (fair value over profit and loss)	1,222	474
-17	113	Other interest income	113	-17
620	**1,517**	**Total other interest income**	**1,517**	**620**
4,667	**8,420**	**Total interest income**	**8,700**	**4,868**
		Interest expenses		
66	136	Interest on debt to credit institutions	136	66
1,021	2,769	Interest on deposits from and liabilities to customers	2,791	1,029
977	1,964	Interest on securities issued	1,964	977
43	87	Interest on subordinated loan capital	87	43
56	62	Fees to the Banks' Guarantee Fund	62	56
4	4	Interest on leases	4	4
0	0	Other interest expenses	0	0
2,167	**5,023**	**Total interest expenses**	**5,045**	**2,176**
2,500	**3,397**	**Total net interest income**	**3,655**	**2 693**

E ACCOUNTING POLICIES

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 linked to leases. 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.
The treatment of interest income and costs for debt securities issued, purchased fixed income securities and fixed interest loans is discussed in "Note 2 – Accounting policies, critical estimates and climate-related risk" under the description of financial assets and liabilities.

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Note 20 Net commission income and other operating income

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
385	426	Net money transfer fees	424	383
271	264	Commission from insurance	264	271
34	35	Commissions from savings	35	34
294	204	Commission from covered bonds comp.	204	294
67	64	Commission from credit card	64	67
0	0	Real estate brokerage commissions	313	323
34	35	Other commission income	94	91
1,085	**1,028**	**Commission income**	**1,397**	**1,463**
101	131	Net money transfer fees	124	88
101	**131**	**Commission expenses**	**124**	**88**
0	0	Accounting services	123	159
20	20	Other operating income	59	54
20	**20**	**Other operating income**	**182**	**213**
1,005	**916**	**Net commission income and other operating income**	**1,455**	**1,588**

P ACCOUNTING POLICIES

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

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Note 21 Net profit from financial assets and liabilities

Parent bank			Group	
2022	2023		2023	2022
43	29	Dividends from equity investments at fair value through profit or loss	29	43
43	**29**	**Dividends from shares and other equity instruments**	**29**	**43**
357	494	Dividends from subsidiaries, associates and joint ventures		
22	4	Gains or losses on realisation of subsidiaries, associates and joint ventures		
0	0	Impairment on subsidiaries, associates and joint ventures		
379	**497**	**Net income from subsidiaries, associates and joint ventures (Parent bank)**		
		Share of profit or loss of associates and joint ventures	40	186
		Gains or losses on realisation of associates and joint ventures	0	0
		Impairment on associates and joint ventures	-4	0
		Net income from associates and joint ventures (Group)	**36**	**186**
-546	198	Net change in value on certificates, bonds and fixed-income funds, excl. FX effects	198	-546
441	-160	Net change in value of derivatives that hedge securities above, excl. FX effects	-160	441
-105	38	Net change in value on certificates, bonds and fixed-income funds including hedge derivatives	38	-105
2,399	-852	Net change in value of securities issued, excl. FX effects	-852	2,399
-2,447	876	Net change in value in derivatives that hedge securities issued, excl. FX effects	876	-2,447
-49	23	Net change in value of securities issued including hedge derivatives	23	-49
-249	29	Net change in value on fixed-rate loans to customers at fair value through profit or loss	29	-249
224	-35	Net change in value of other derivatives	-35	224
32	37	Net change in value on equity intruments at fair value through profit or loss	37	32
10	19	Gains or losses on realisation of assets at fair value through profit or loss	19	10
70	58	Net income from FX trading and -hedging	58	70
-67	**168**	**Net profit from other financial assets and liabilities**	**168**	**-67**
356	**694**	**Net profit from financial assets and liabilities**	**233**	**162**

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Note 22 Payroll expenses and payments to senior employees and elected officers

Personnel expenses

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
549	594	Payroll	894	864
119	135	Employers' National Insurance contribution	185	169
58	62	Pension costs (note 24)	84	80
32	38	Social security expenses	50	40
758	**828**	**Total personnel expenses**	**1,213**	**1,153**
725	771	Average no. of employees	1,179	1,163
728	757	No. of fulltime equivalents at 31 December	1,155	1,121
745	789	No. of employees at 31 December	1,190	1,161

Salaries and other personnel expenses 2023

NOK thousands

	Ordinary salary	Other benefits	Pension	Board fees in subsidiaries	Loans	Number of ECC's[1)]
Group Management	26,944	941	1,742	2,598	59,330	200,952
Board	0	2,965	0	0	38,331	17,619

Salaries and other personnel expenses 2022

NOK thousands

	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

[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

Of the Group's employees, 550 (498) chose to participate at the start of the savings program in January 2023. At the end of the year, 16 (7) 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 7.4 million as at 31.12.2023. This includes provisions for both savings program for 2022 and 2023.

P ACCOUNTING POLICIES

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 one 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 other 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.

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Note 23 Pensions

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	01/01/2024	01/01/2023	01/01/2022
Discount rate	3.70%	3.20%	1.80%
Expected future development of pay	3.75%	3.75%	2.50%
Expected future adjustment of G	3.50%	3.50%	2.25%
Expected future adjustment of pension[1)]	0.00%/3.50%	1.70%/3.50%	0.00%/2.25%
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 31.12.2023 has been discounted by the assumptions that applied as at 01.01.2024, while the annual cost for 2023 is based on the assumptions that applied at the start of the year.

Pension expenses

Parent bank			Group	
2022	2023		2023	2022
0	0	Present value of pension accruals for the year	0	0
1	2	Interest cost of pension liability	2	1
0	-4	Change in pension scheme	-4	0
48	53	Defined-contribution pension charged to profit or loss	73	68
8	11	AFP scheme charged to profit and loss	13	11
0	0	Other pension expenses	1	0
0	0	Accrued employer contributions [1)]	0	0
58	**62**	**Net pension expenses**	**84**	**80**

[1)] Employer's National Insurance contribution on the pension cost are entered as social costs in the income statement.

P ACCOUNTING POLICIES

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.

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.

Early retirement pension scheme

The 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 is calculated based on the employee's lifelong income, so that all earlier working years are included in the accrual basis. The 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 early retirement (AFP) scheme is recognised as a defined contribution scheme. At the current point in time no such basis exists, and the early retirement (AFP) scheme will therefore be accounted for as a defined contribution scheme. The scheme will be financed by the state covering one-third of the pension costs and 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 2023 was 2.6 per cent (2.6 per cent in 2022).

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.

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Pension liability

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
66	63	Gross liabilities at 1 January	63	66
0	0	Pension accruals for the year	0	0
1	2	Interest on pension liability	2	1
0	-3	Change in pension scheme	-3	0
-4	-4	Benefits paid	-4	-4
-1	2	Actuarial differences included in other comprehensive income	2	-1
63	**59**	**Gross liability at 31 December**	**59**	**63**
13	12	Employers' National Insurance contribution liability at 1 January	12	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
12	**11**	**Employers' National Insurance contribution liability at 31 December**	**11**	**12**
79	75	Net pension liability unsecured scheme at 1 January	75	79
75	71	Net pension liability unsecured scheme at 31 December	71	75

[1)] Employer's National Insurance contribution on the pension cost are entered as social costs in the income statement.

Actuarial gains and losses (changes in estimates)

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
1	-2	Actuarial gains and losses pre-tax recognized through other comprehensive income	-2	1
201	199	Cumulative actuarial gains pre-tax recognized through other comprehensive income	198	200

Gains/losses over the last five years

Parent bank	2023	2022	2021	2020	2019
Present value of pension liability	71	75	79	83	79
Fair value of pension assets	0	0	0	0	0
Deficit / surplus	**71**	**75**	**79**	**83**	**79**
Experience adjustments to pension liabilities	1	-1	0	5	-3
Experience adjustments to pension assets	0	0	0	0	0

Group	2023	2022	2021	2020	2019
Present value of pension liability	71	75	79	83	82
Fair value of pension assets	0	0	0	0	0
Deficit / surplus	**71**	**75**	**79**	**83**	**82**
Experienced adjustments to pension liabilities	1	-1	0	5	-3
Experienced adjustments to pension assets	0	0	0	0	0

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Note 24 Other operating expenses

K CLIMATE-RELATED RISK

For 2023, EUAs and guarantees of origin were purchased via the allowance exchange to offset our own emissions. Two-thirds of the Clean Development Mechanism (CDM) projects at EUA involve renewables: 1,500 are hydropower projects, more than 1,400 are wind power projects and 500 are biomass projects. The Green Development Mechanism opens the way for investments in specific projects that contribute to reducing greenhouse gas emissions and sustainable development in a developing country. The guarantees of origin were purchased through Fjordkraft, which is the Bank's electricity supplier. 562 carbon credits and guarantees of origin were traded for 2,268,733 kWh.

Climate allowances are recognised under other operating expenses, while guarantees of origin are recognised under operating expenses for real estate. A total of NOK 1 million was expensed in relation to this in 2023.

Parent bank			Group	
2022	2023		2023	2022
758	828	Personnel expenses	1,213	1,153
758	**828**	**Total personnel expenses**	**1,213**	**1,153**
88	92	Deprecation	131	122
88	**92**	**Total deprecation**	**131**	**122**
298	331	ITC expences	363	328
76	77	Marketing	97	88
57	64	Operating expenses property	74	61
207	248	Other operating expenses	314	284
1,484	**1,640**	**Total other operating expenses**	**2,191**	**2,037**
		Auditor's fee (NOK thousands)		
2,117	1,756	Statutory audit	3,029	3,150
0	0	Tax consulting	0	0
1,200	1,384	Other attestation services	1,545	1,430
150	0	Other services	0	181
3,467	**3,140**	**Total, including VAT**	**4,574**	**4,761**

Note 25 Tax

P ACCOUNTING POLICIES

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 tax on all equity transactions (disbursements) if the source of the dividends is past performance (accrued income). The tax consequences of the disbursement are recorded as income tax expenses in the income statement when dividends are approved.

As far as the tax deductible for customer dividends is concerned, on 28.01.2019, SpareBank 1 Østlandet received a binding advance notification from the Norwegian Tax Administration that paid out customer dividends are tax-deductible. The decision entails a reduction in the tax expense on the date the customer dividends are approved by the Supervisory Board.

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Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
2,358	3,135	Profit before tax	2,845	2,379
69	-58	OCI items through other comprehensive income	-186	187
-778	-897	+/- permanent differences [1]	-275	-604
-927	-352	+/- changes in temporary differences	-458	-946
-67	56	+/- tax effect recorded directly against equity	56	-67
655	**1,884**	**Tax base/taxable income for the year**	**1,982**	**949**
164	471	Of which is tax payable 25% / 22%	495	218
249	86	Change in deferred tax 25% / 22%	108	250
0	1	Foreign witholding tax	1	0
-20	4	Excess/insufficient tax allocation in previous years	4	-20
0	0	Excess/insufficient deferred tax allocation in previous years	0	0
-17	14	+/- of which change not recorded in income statement	14	-17
376	**576**	**Total tax expense**	**622**	**431**
		Explanation of why the tax charge for the year is not 25% / 22% of the year's profit before tax		
590	784	25% / 22% tax on profit before tax	801	645
-194	-212	25% / 22% of permanent differences [1]	-183	-194
0	1	Foreign witholding tax	1	0
-20	4	Excess/insufficient tax allocation in previous years	4	-20
0	0	Excess/insufficient deferred tax allocation in previous years	0	0
376	**576**	**Total tax expense**	**623**	**431**
17%	**18%**	**Effective tax rate (%)**	**22%**	**19%**
		Composition of deferred tax assets recognized in the balance sheet		

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
-21	-21	Total deferred tax assets	-22	-22
278	362	Total deferred tax	511	405
257	**342**	**Net deferred tax/deferred tax asset**	**489**	**383**
		Specification of temporary differences		
42	63	Operating equipment	604	483
-11	-13	Leases	-13	-11
0	0	Provisions for liabilities	31	39
5	4	Gains and loss account	4	5
-75	-71	Pension liabilities	-71	-75
147	194	Financial instruments outside tax exemption method	194	147
919	1,189	Other financial instruments	1,213	949
1,027	**1,366**	**Total temporary differences**	**1,962**	**1,538**
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 20 million was recognised as a cost in 2023 (NOK 16 million in 2022) and classified as other operating costs.

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Note 26 Financial instruments at fair value

Parent bank and Group 2023	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value				
- Derivatives	0	1,797	0	1,797
- Certificates, bonds and fixed-income funds	0	29,109	0	29,109
- Fixed-rate loans to customers	0	0	6,217	6,217
- Equity instruments	504	31	294	828
- Mortgages (FVOCI)	0	0	70,199	70,199
Total assets	**504**	**30,937**	**76,711**	**108,151**
Liabilities				
Financial assets at fair value				
- Derivatives	0	2,042	0	2,042
- Securities issued	0	0	0	0
Total liabilities	**0**	**2,042**	**0**	**2,042**

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**

E ESTIMATE

Fair value of financial instruments

The fair value of financial instruments not traded in an active market is determined based on value estimates that include the Group's own estimates. Financial instruments measured at fair value are placed in a valuation hierarchy with a further specification of valuation method and degree of judgement. Sensitivity calculations are carried out for instruments at the lowest level of the valuation hierarchy.

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).

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.

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The table below presents the changes in value of the instruments classified in level 3 – Parent bank and Group

31.12.2022–31.12.2023	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Opening balance	6,078	281	72,611	78,969
Investments in the period	1,174	0	12,843	14,017
Sales/redemption in the period	-1,063	-1	-15,244	-16,308
Gains/losses recognised through profit and loss	29	14	-2	40
Gains/losses recognised in other comprehensive income	0	0	-8	-8
Closing balance	**6,217**	**294**	**70,199**	**76,711**
Gains/losses for the period included in profit and loss for assets owned on the balance sheet date	29	14	-2	41

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

Specification of fair value, instruments classified in level 3 – Parent bank and Group

2023	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
Nominal value including accrued interest (fixed income instruments)/ cost (shares)	6,454	194	70,242	76,891
Fair value adjustment	-237	100	-43	-180
Closing balance	**6,217**	**294**	**70,199**	**76,711**

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**

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 17 million.

Equity instruments in Level 3 mainly consists of shareholdings in SpareBank 1 Markets AS (NOK 77 million), Eksportfinans ASA (NOK 69 million), Oslo Kongressenter Folkets Hus AS (NOK 59 million) and NorgesInvestor Proto AS (NOK 31 million). The valuation of SpareBank 1 Markets reflects known transaction prices and an annual external valuation. 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 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 -43 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.

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Note 27 Classification of financial instruments

	Financial investments at fair value					
Parent bank 2023	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	497	497
Loans to and receivables from credit institutions	0	0	0	0	13,420	13,420
Loans to and receivables from customers	0	6,217	70,199	0	44,940	121,357
Certificates, bonds and fixed-income funds	29,109	0	0	0	0	29,109
Financial derivatives	1,797	0	0	0	0	1,797
Shares and other equity interests	828	0	0	0	0	828
Total assets	**31,735**	**6,217**	**70,199**	**0**	**58,857**	**167,009**
Liabilities						
Deposits from and liabilities to credit institutions	0	0	0	0	2,244	2,244
Deposits from and liabilities to customers	0	0	0	0	106,630	106,630
Liabilities arising from issuance of securities	0	0	0	0	41,650	41,650
Financial derivatives	2,042	0	0	0	0	2,042
Subordinated loan capital	0	0	0	0	1,413	1,413
Total liabilities	**2,042**	**0**	**0**	**0**	**151,937**	**153,980**

[1] Inkluderer utstedt verdipapirgjeld underlagt sikringsbokføring.

	Financial investments at fair value					
Parent bank 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**

[1] Liabilities arising from issuance of securities includes liabilities subject to hedge accounting.

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	Financial investments at fair value					
Group 2023	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	497	497
Loans to and receivables from credit institutions	0	0	0	0	3,520	3,520
Loans to and receivables from customers	0	6,217	70,199	0	56,592	133,009
Certificates, bonds and fixed income funds	29,109	0	0	0	0	29,109
Financial derivatives	1,797	0	0	0	0	1,797
Shares and other equity interests	828	0	0	0	0	828
Total assets	**31,735**	**6,217**	**70,199**	**0**	**60,609**	**168,761**
Liabilities						
Deposits from and liabilities to credit institutions	0	0	0	0	2,229	2,229
Deposits from and liabilities to customers	0	0	0	0	106,535	106,535
Liabilities arising from issuance of securities	0	0	0	0	41,650	41,650
Financial derivatives	2,042	0	0	0	0	2,042
Subordinated loan capital	0	0	0	0	1,413	1,413
Total liabilities	**2,042**	**0**	**0**	**0**	**151,826**	**153,869**

[1] Liabilities arising from issuance of securities includes liabilities subject to hedge accounting.

	Financial investments at fair value					
Group 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	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**

[1] Liabilities arising from issuance of securities includes liabilities subject to hedge accounting.

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Note 28 Information about fair value

Parent bank	Book value 2023	Fair value 2023	Level in the valuation hierarchy	Book value 2022	Fair value 2022	Level in the valuation hierarchy
ASSETS						
Loans to and receivables from credit institutions	13,420	13,420	2	11,749	11,749	2
Net loans to and receivables from customers						
- Retail banking	72,286	72,286	2,3	74,778	74,778	2,3
- Corporate banking	49,071	49,071	2,3	44,834	44,834	2,3
Securities	29,938	29,938	1,2,3	27,142	27,142	1,2,3
Derivatives	1,797	1,797	2	1,855	1,855	2
Total financial assets	**166,512**	**166,512**		**160,358**	**160,358**	
LIABILITIES						
Liabilities to credit institutions	2,244	2,244	2	3,315	3,315	2
Deposits from and liabilities to customers	106,630	106,630	2	98,911	98,911	2
Liabilities arising from issuance of securities	41,650	41,642	2	43,296	42,967	2
Derivatives	2,042	2,042	2	2,587	2,587	2
Subordinated loan capital	1,413	1,426	2	1,308	1,309	2
Total financial liabilities	**153,980**	**153,985**		**149,417**	**149,089**	

Group	Book value 2023	Fair value 2023	Level in the valuation hierarchy	Book value 2022	Fair value 2022	Level in the valuation hierarchy
ASSETS						
Loans to and receivables from credit institutions	3,520	3,520	2	2,694	2,694	2
Net loans to and receivables from customers						
- Retail banking	76,673	76,673	2,3	79,153	79,153	2,3
- Corporate banking	56,336	56,336	2,3	51,252	51,252	2,3
Securities	29,938	29,938	1,2,3	27,142	27,142	1,2,3
Derivatives	1,797	1,797	2	1,855	1,855	2
Total financial assets	**168,264**	**168,264**		**162,096**	**162,096**	
LIABILITIES						
Liabilities to credit institutions	2,229	2,229	2	3,296	3,296	2
Deposits from and liabilities to customers	106,535	106,535	2	98,813	98,813	2
Liabilities arising from issuance of securities	41,650	41,642	2	43,296	42,967	2
Derivatives	2,042	2,042	2	2,587	2,587	2
Subordinated loan capital	1,413	1,426	2	1,308	1,309	2
Total financial liabilities	**153,869**	**153,874**		**149,300**	**148,972**	

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Financial instruments assessed at amortised cost

Financial instruments that are not measured at fair value are recognised at amortised cost. See note 26 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 26.

Note 29 Certificates, bonds and fixed-income funds

Parent bank and Group

Certificates and bonds by sector of issuers	2023	2022
Government		
Nominal value	2,725	2,100
Fair value	2,567	1,998
Other public sector issuers		
Nominal value	9,191	8,706
Fair value	9,219	8,678
Financial institutions		
Nominal value	17,056	15,610
Fair value	16,968	15,373
Non-financial institutions		
Nominal value	357	307
Fair value	356	302
Total fixed-income securities, nominal value	**29,330**	**26,723**
Total fixed-income securities at fair value through profit	**29,109**	**26,351**

Fair value is presented including accrued interest (dirty price). Accrued interest in the Parent bank and Group amounts to NOK 216 million in 2023 and NOK 141 million in 2022.

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Note 30 Financial derivatives

Parent Bank and Group 2023	Contract amount	Fair value Assets	Fair value Liabilities
Currency instruments			
Currency forward contracts	532	9	5
Currency swaps	4,281	0	149
Total currency instruments	**4,813**	**9**	**154**
Interest rate instruments			
Interest rate swaps (including interest rate currency swaps)	74,986	1,789	1,888
Other interest rate contracts	0	0	0
Total interest rate instruments	**74,986**	**1,789**	**1,888**
Total currency instruments	**4,813**	**9**	**154**
Total interest rate instruments	**74,986**	**1,789**	**1,888**
Total financial derivatives	**79,799**	**1,797**	**2,042**

Parent Bank and Group 2022	Contract amount	Fair value Assets	Fair value 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**

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Note 31 Shares and other equity interests

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
791	**828**	**At fair value through profit or loss (FV)**	**828**	**791**
480	504	- Of this listed	504	480
311	324	- Of this unlisted	324	311

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	310
Visa Inc. (shares, NYSE)	FV	0.0%	73,400	8	194
Total listed shares and equity certificates				**109**	**504**

Unlisted companies	Classification	Ownership (%)	No. of shares	Cost of acquisition	Market value/ book value
SpareBank 1 Markets AS	FV	3.6%	191,562	58	77
Eksportfinans ASA	FV	1.3%	3,499	46	69
Oslo Kongressenter Folkets Hus AS	FV	13.9%	70,638	7	59
NorgesInvestor Proto AS	FV	17.0%	150,000	15	31
VN Norge AS (number of shares in billion)	FV	2.8%	28,071,986	40	20
Visa Inc. preferred shares (series C)	FV	0.0%	1,913	6	16
Additional Tier 1 Capital in SpareBank 1 Gruppen AS	FV			31	31
Other shares and equity interests	FV			22	22
Total unlisted shares and other equity interests				**225**	**324**
Total shares and other equity interests				**334**	**828**

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Note 32 Goodwill and other intangible assets

ACCOUNTING POLICIES

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 associates and joint ventures is recognised as income immediately using the equity method of accounting. Other immaterial assets are depreciated on a straight-line basis over their estimated useful life.

Parent bank				Group		
Intangible assets	Goodwill	**Total**		**Total**	Goodwill	Intangible assets
191	22	213	Acquisition cost at 1 January 2023	541	303	239
10	0	10	Acquisitions	20	0	20
0	0	0	Disposals at cost price	17	12	5
201	**22**	**224**	**Acquisition cost at 31 December 2023**	**545**	**291**	**254**
137	0	137	Accumulated depreciation at 1 January 2023	189	24	164
0	0	0	Accumulated depreciation on current year's disposals	0	0	0
17	0	17	Current year's depreciation	23	0	23
0	0	0	Impairment provisions of the year's disposals	17	12	5
154	**0**	**154**	**Accumulated depreciation at 31 December 2023**	**211**	**24**	**187**
47	**22**	**69**	**Closing balance at 31 December 2023**	**333**	**267**	**67**
			Distribution of closing balance			
16	22	38	Acquisition of portfolio from Bank 1 Oslo Akershus AS, Hamar branch in 2006	38	22	16
0	0	0	Acquisition of shares in SpareBank 1 Forretningspartner Holding, 2022	0	0	0
0	0	0	Acquisition of shares in Bank 1 Oslo Akershus AS, 2016	151	151	0
3	0	3	Acquisition of portfolio from SpareBank 1 Ringerike Hadeland, 2011	3	0	3
5	0	5	Acquisition of portfolio from Bank 1 Oslo Akershus AS Årnes, 2012	5	0	5
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 other subsidiaries	23	4	20
23	0	23	Proprietary software	23	0	23
47	**22**	**69**	**Closing balance at 31 December 2023**	**333**	**266**	**67**

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Parent bank				Group		
Intangible assets	Goodwill	**Total**		**Total**	Goodwill	Intangible assets
179	22	201	Acquisition cost at 1 January 2022	558	331	227
12	0	12	Acquisitions	28	12	17
0	0	0	Disposals at cost price	45	40	5
191	**22**	**213**	**Acquisition cost at 31 December 2022**	**541**	**303**	**239**
121	0	121	Accumulated depreciation at 1 January 2022	168	24	144
0	0	0	Accumulated depreciation 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 2022**	**189**	**24**	**164**
54	**22**	**76**	**Closing balance at 31 December 2022**	**353**	**278**	**75**
			Distribution of closing balance			
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 TheVit AS	78	78	0
0	0	0	Intangible assets from other subsidiaries	24	4	21
23	0	23	Proprietary software	23	0	23
54	**22**	**76**	**Closing balance at 31 December 2022**	**353**	**278**	**75**

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Note 33 Property, plant and equipment

ACCOUNTING POLICIES

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 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 using the cost method of accounting. The fair value of investment properties is established through an appraisal or valuation by a government-authorised estate agent.

Parent bank				Group		
Buildings, land and other property	Fixtures, fittings and vehicles	Total		Buildings, land and other property	Fixtures, fittings and vehicles	Total
491	364	854	Acquisition cost at 1 January 2023	837	394	1,231
12	32	44	Acquisitions	21	36	57
3	32	35	Disposals at cost price	3	32	35
499	**364**	**864**	**Acquisition cost at 31 December 2023**	**855**	**399**	**1,253**
239	311	550	Accumulated depreciation and impairments at 1 January 2023	391	361	752
16	18	34	Current year's depreciation	26	26	52
0	0	0	Current year's impairment provisions	0	0	0
3	32	34	Accumulated deprecion on current year's disposals	3	32	34
252	**298**	**549**	**Accumulated depreciation and impairments at 31 December 2023**	**414**	**356**	**770**
120	**0**	**120**	**Right-of use assets (buildings) at 31 December 2023**	**126**	**0**	**126**
368	**66**	**434**	**Book value at 31 December 2023**	**566**	**43**	**610**

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Parent bank				Group		
Buildings, land and other property	Fixtures, fittings and vehicles	Total		Buildings, land and other property	Fixtures, fittings and vehicles	Total
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 2023 was NOK 317 million. The corresponding figure for 2022 was NOK 314 million.

Gross value of fixed assets temporarily not in operation

The Group did not have any fixed assets temporarily out off operation at 31.12.2023.

Investment properties

(NOK thousands)

Parent bank						Group				
Value 01.01.2023	Acquistion/ disposal/ deprecitaion	**Value 31.12.2023**	**Rent**	**Rented as of 31.12.2023**		Value 01.01.2023	Acquistion/ disposal/ deprecitaion	**Value 31.12.2023**	**Rent**	**Rented as of 31.12.2023**
4,840	-303	4,537	488	58%	Brugata 7 - Brumunddal	4,840	-303	4,537	488	58%
		7,400			Fair value			**7,400**		

Parent bank						Group				
Value 01.01.2022	Acquistion/ disposal/ deprecitaion	**Value 31.12.2022**	**Rent**	**Rented as of 31.12.2022**		Value 01.01.2022	Acquistion/ disposal/ deprecitaion	**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%
		7,400			Fair value			7,400		

Fair value of investment properties is based on an appraisal by an independent appraiser.

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Note 34 Leases

ACCOUNTING POLICIES

Leases where the Group is the lessee

SpareBank 1 Østlandet Group uses IFRS 16 for recognising leases where the Group is the tenant. It is primarily property leases that are subject to this standard.

The Group has chosen to use 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.

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

SpareBank 1 Østlandet uses a marginal loan interest rate for its capitalised leases. 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 31.12.2023, given a maturity of 3 years, is 5.67 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.

Right-of use assets (buildings) where the parent bank and the group are lessees

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
166	145	Right-of use asset at 01.01	140	152
9	10	Indexation of the right of use asset	12	9
13	9	Additions	18	23
-3	-4	Other adjustments	-6	-3
40	40	Depreciation	38	41
145	**120**	**Total right-of use asset at 31 December**	**126**	**140**

Undiscounted rental obligations and payment maturity

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
-44	-44	Less than 1 year	-37	-39
-41	-31	1-2 years	-30	-36
-29	-15	2-3 years	-21	-29
-14	-12	3-4 years	-19	-18
-12	-10	4-5 years	-12	-12
-35	-24	Less than 5 years	-30	-40
-175	**-136**	**Total undiscounted rental obligation as at 31 December**	**-149**	**-175**

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Lease liability (buildings)

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
173	156	Lease liability at 01.01	149	157
8	10	Indexation of the lease obligation	10	7
13	9	Additions	18	23
-3	-6	Other adjustments	-6	-3
40	40	Lease payments in the period	38	40
4	4	Interest	4	4
156	**133**	**Total lease liability at 31 December**	**138**	**149**
44	43	Current lease liabilities	37	33
113	90	Non-current lease liabilities	101	116
40	40	Total cash outflowes for leases	38	40

Effects on earnings

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
4	4	Interest expense	4	4
40	42	Depreciation	40	41
0	2	Reversed depreciation previous periods	2	0
44	**44**	**Total cost from lease liablilities**	**43**	**45**

Other lease expenses recognised in profit or loss

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
0	0	Operating expenses in the period related to short-term leases (including short-term low value assets)	0	0
2	2	Operating expenses in the period related to low value assets (exluding short-term leases included above)	3	2
2	**2**	**Total lease expenses included in operating expenses**	**3**	**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 not entered into leases that starts after 31.12.2023.
The Group has no purchase options for any of its leases.

Refers to note 7 for information on lease financing agreements where the Group is the lessor.

Note 35 Other assets

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
273	273	Capital payments into pension fund	273	273
19	26	Accrued income, not yet received	26	20
76	88	Prepaid costs, not yet incurred	154	136
20	5	Unsettled trades	5	20
142	243	Other assets	450	350
529	**635**	**Other assets**	**909**	**798**

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Note 36 Deposits from and liabilities to customers

Deposits from and liabilities to customers

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
87,256	86,810	Deposits from and liabilities to customers at call	86,714	87,158
11,655	19,820	Deposits from and liabilities to customers with agreed maturity dates	19,820	11,655
98,911	**106,630**	**Total deposits from and liabilities to customers**	**106,535**	**98,813**
		Of total deposits:		
3,776	8,951	Fixed-rate deposits, book value	8,951	3,776
0	0	Term deposits, book value	0	0

Deposits by sector and industry

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
54,743	60,107	Private customers	60,107	54,743
9,242	8,950	Public sector	8,950	9,242
1,315	1,416	Primary industries	1,416	1,315
759	714	Paper and pulp industries	714	759
1,403	3,248	Other industry	3,248	1,403
2,423	2,340	Building and construction	2,340	2,423
688	848	Power and water supply	848	688
1,937	1,921	Wholesale and retail trade	1,921	1,937
520	472	Hotel and restaurants	472	520
4,899	4,674	Real estate	4,674	4,899
19,213	19,851	Commercial services	19,756	19,115
1,769	2,090	Transport and communications	2,090	1,769
98,911	**106,630**	**Total deposits by sector and industry**	**106,535**	**98,813**

Deposits by geographic area

Parent Bank 2022	Parent Bank 2023		Group 2023	Group 2022
46,214	48,212	Innlandet	48,116	46,116
18,809	20,146	Viken	20,146	18,809
28,050	29,046	Oslo	29,046	28,050
4,158	7,279	Rest of Norway	7,279	4,158
1,680	1,947	Abroad	1,947	1,680
98,911	**106,630**	**Total deposits by geographic area**	**106,535**	**98,813**

Note 37 Debt securities issued

Parent Bank and Group	2023	2022
Certificate debt		
- nominal value	0	0
- book value	0	0
Bond debt		
- nominal value (converted to NOK by using FX-rate at recognition)	31,051	37,351
- book value	32,124	36,852
Senior non-preferred		
- nominal value	9,500	6,500
- book value	9,525	6,444
Subordinated loan capital		
- nominal value	1,400	1,300
- book value	1,413	1,308
Total liabilities arising from issuance of securities, nominal value	**40,551**	**43,851**
Total subordinated loan capital, nominal value	**1,400**	**1,300**
Total liabilities arising from issuance of securities, book value	**41,650**	**43,296**
Total subordinated loan capital, book value	**1,413**	**1,308**
Average interest rate on certificate debt		0.9%
Average interest rate on bond debt (including related interest rate derivatives)	4.8%	2.3%
Average interest rate on senior non-preferred (including related interest rate derivatives)	5.1%	2.6%
Average interest rate on subordinated loan capital	6.0%	3.3%

Liabilities from issuance of securities by maturity date [1]	2023	2022
2023		7,453
2024	9,324	9,571
2025	5,297	5,297
2026	2,020	2,020
2027	12,531	12,531
2028	9,080	5,580
2029	142	142
2030	146	146
2031	250	250
2032	715	715
2033	2,056	1,056
2034	390	390
Total liabilities from issuance of securities, nominal value	**41,951**	**45,151**

[1] Maturity date is set at the first call date.

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Changes in liabilities from issuance of sercurities Parent Bank and Group

	2023	Issued	Due / redeemed	Other changes	2022
Certificate debt, nominal value	0	0	0	0	0
Bond debt, nominal value	31,051	1,000	-7,301	1	37,351
Senior non-preferred , nominal value	9,500	3,000	0	0	6,500
Subordinated loan capital, nominal value	1,400	500	-400	0	1,300
Accrued interest	360	0	0	32	328
Adjustments [1)]	752	0	0	1,627	-874
Total debt raised through issuance of securities and subordinated loan capital, book value	**43,063**	**4,500**	**-7,701**	**1,659**	**44,604**

[1)] Herof unrealised exchange rate effects with MNOK 799 in the period and MNOK 2 275 accumulated

	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 unrealised exchange rate effects with MNOK 1 443 in the period and MNOK 1 476 accumulated

Change in liabilities from financing

			Other effects			
	2022	Cash flow	Accrued interest	Currency effects	Value adjustments	2023
Liabilities arising from issuance of securities	43,296	-3,300	27	799	828	41,650
Subordinated loan capital	1,308	100	5	0	0	1,413
Total	**44,604**	**-3,200**	**32**	**799**	**828**	**43,063**

			Other effects			
	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**

The issued securities are presented net of own holdings and book value including accrued interest.

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Note 38 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 31.12.2023, 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.

Information concerning hedging instruments
Parent Bank and Group

		Carrying amount of the hedging instruments			
2023	Nominal amount of the hedging instruments	Assets	Liabilities	Line of the balance sheet	**Changes in fair value used to calculate inefficiency**
Issued securities in NOK	12,531	110	367	Financial derivatives	73
Issued securities in EUR	17,285	99	626	Financial derivatives	808
Total	**29,816**	**209**	**993**		**881**

		Carrying amount of the hedging instruments			
2022	Nominal 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**

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Information concerning hedged items

2023	Nominal amount of the hedged items	Carrying amount of the hedged items	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	12,531	12,346	-337	Issued securities	-70
Issued securities in EUR	17,285	18,436	-400	Issued securities	-772
Total	**29,816**	**30,783**	**-737**		**-842**

2022	Nominal amount of the hedged items	Carrying amount of the hedged items	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**

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Details of hedging inefficiency

2023	Inefficiency recognised in profit or loss	Line of the income statement
Fair value hedging		
Issued securities in NOK	4	Net income from financial assets and liabilities
Issued securities in EUR	36	Net income from financial assets and liabilities
Total	**39**	

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**	

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 2023, basis spread changes for NOK 50 million led to a tax-adjusted reduction of the comprehensive result and equity of NOK 37 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.

Maturity profile and interest rates on the hedging instruments

2023	Under 3 months	3–12 months	1–5 years	Over 5 years	Total
Issued securities in NOK, nominal amount	0	1,000	9,981	1,550	12,531
Issued securities in NOK, average interest rate on fixed leg		2.3%	3.1%	4.1%	3.2%
Issued securities in EUR, nominal amount	0	4,989	10,147	2,150	17,285
Issued securities in EUR, average interest rate on fixed leg		0.3%	0.9%	1.6%	0.8%

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%

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Note 39 Other debt and liabilities

Other debt and liabilities recognised in the balance sheet

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
78	103	Accrued costs and prepaid income	143	115
30	56	Provisions	56	30
75	71	Pension liabilities (note 23)	71	75
98	105	Accounts payable	115	103
0	25	Unsettled trades	25	0
156	133	Lease liability (note 34)	138	149
204	213	Other debt and liabilities recognised in the balance sheet	273	256
641	**706**	**Total other debt and liabilities recognised in the balance sheet**	**820**	**727**
		Guarantee commitments etc. (amounts guaranteed)		
655	586	Payment guarantees	539	606
536	459	Contract guarantees	368	444
84	92	Loan guarantees	92	84
134	152	Other guarantees	152	134
1,409	**1,289**	**Total guarantees**	**1,150**	**1,268**
		Other liabilities – not on the balance sheet		
10,137	9,931	Unutilized credit lines	9,634	10,036
0	0	SNPA Boligkreditt	0	0
0	534	SNPA Næringskreditt	534	0
4,408	4,596	Loans approved (not discounted)	4,912	4,704
14,545	**15,061**	**Total other liabilities**	**15,080**	**14,740**
16,595	**17,057**	**Total liabilities**	**17,051**	**16,735**

Assets pledged as security

Buildings	Securities	Total		Total	Securities	Buildings
			Assets pledged as security in 2023			
0	11,817	11,817	Related liabilities 2023	11,817	11,817	0
			Assets pledged as security in 2022			
0	13,886	13,886	Related liabilities 2022	13,886	13,886	0

SNPA (Shareholder Note Purchase Agreement)

For the commitment to the covered bond companies (SNPA), see Note 8 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 8 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 8 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.

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Note 40 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 2023 there was 5,830 ECC holders (5,777 at 31 December 2022) in SpareBank 1 Østlandet.

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
2023			**5,791,489,493**	**115,829,789**

Equity capital certificate ratio

Parent bank	2023	2022
Equity capital certificates	5,791	5,791
Dividend equalisation fund	5,146	4,361
Premium fund	848	848
A. Equity capital certificate owners' capital	**11,785**	**11,000**
Primary capital	5,025	4,689
Provision for gifts	38	16
B. Total primary capital	**5,063**	**4,705**
Fund for unrealised gains	519	486
Recommended dividends and other equity capital	903	788
Recommended dividends on customers return	387	337
Total equity ekskl. hybrid capital	**18,658**	**17,316**
Total equity for distribution:		
Equity capital certificate ratio (A/(A+B)) after distribution [1)]	**69.9%**	**70.0%**

Parent bank	2023	2022
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 figures for an overview of average ownership ratio over time.

Earnings per equity capital certificate

	2023	2022
Net Profit for the Group	**2,222**	**1,948**
- adjusted for Tier 1 capital holders share of net profit	70	47
- adjusted for non-controlling interests share of net profit	4	21
Adjusted Net Profit	**2,149**	**1,880**
Adjusted Net Profit allocated to ECC Owners (70,0%)	1,504	1,316
Average Equity capital certificates	115,829,789	115,829,789
Result per Equity capital certificate (NOK)	**12.99**	**11.37**

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Equity Certificate holders

		2023		2022		
		No. Of ECC's	Share in %	No. Of ECC's	Change in number	
1	Sparebankstiftelsen Hedmark	60,404,892	52.15%	60,404,892	0	—
2	Landsorganisasjonen i Norge	11,121,637	9.60%	11,121,637	0	—
3	Pareto Invest Norge AS	3,903,401	3.37%	3,602,685	300,716	▲
4	Pareto AS	2,742,942	2.37%	1,802,681	940,261	▲
5	Geveran Trading Co LTD	2,451,587	2.12%	2,301,587	150,000	▲
6	Fellesforbundet	2,391,954	2.07%	2,391,954	0	—
7	Brown Brothers Harriman & Co. (nominee)	2,046,307	1.77%	0	2,046,307	▲
8	VPF Eika Egenkapitalbevis	1,867,811	1.61%	2,186,236	(318,425)	▼
9	Kommunal Landspensjonskasse Gjensidig Forsikring	1,342,273	1.16%	1,171,544	170,729	▲
10	Norsk Nærings- og Nytelsesmiddelarbeiderforbund	1,313,555	1.13%	1,313,555	0	—
11	Brown Brothers Harriman & Co. (nominee)	1,258,800	1.09%	0	1,258,800	▲
12	JPMorgan Chase Bank, London (nominee)	930,640	0.80%	544,401	386,239	▲
13	State Street Bank and Trust Company (nominee)	911,859	0.79%	596,747	315,112	▲
14	Tredje AP-fonden	804,750	0.69%	804,750	0	—
15	The Bank of New York Mellon SA/NV (nominee)	730,724	0.63%	868,454	(137,730)	▼
16	Spesialfondet Borea Utbytte	684,902	0.59%	1,567,586	(882,684)	▼
17	Fagforbundet	622,246	0.54%	622,246	0	—
18	Industri Energi	479,443	0.41%	479,443	0	—
19	VPF Storebrand Norge	460,310	0.40%	470,250	(9,940)	▼
20	Brown Brothers Harriman & Co. (nominee)	427,188	0.37%	568,688	(141,500)	▼
20 largest ECC-holders		**96,897,221**	**83.65%**	**92,819,336**	**4,077,885**	▲
Other ECC-holders		18,932,568	16.35%	23,010,453	(4,077,885)	▼
ECCs issued		**115,829,789**	**100.00%**	**115,829,789**		

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Note 41 Investments in subsidiaries, associates and joint ventures

P ACCOUNTING POLICIES

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.

Associates

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 using the cost method of accounting in the parent bank's financial statements and using 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 using the cost method of accounting in the parent bank's financial statements and using 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.

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Company	Type of business	Date of acquisition	Business office, headquarters [3]	Percentage ownership [2]
Investments in subsidiaries				
Shares owned by the parent bank				
AS Vato	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	85.10%
EiendomsMegler 1 Oslo Akershus AS	Real estate	2016	Hamar, Norway	100.00%
Youngstorget 5 AS	Rental of real estate	2017	Oslo, Norway	100.00%
SpareBank 1 ForretningPartner Østlandet AS	Accounting	2018	Hamar, Norway	100.00%
Investments in associated companies				
SpareBank 1 Boligkreditt AS	Coverd bond company	2007	Stavanger, Norway	23.22%
SpareBank 1 Næringskreditt AS	Coverd bond company	2012	Stavanger, Norway	12.78%
SpareBank 1 Kreditt AS	Credit card	2012	Trondheim, Norway	18.91%
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	6.25%
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 [1]	Invests in companies involved in mobility	2021	Hamar, Norway	30.66%

[1] 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.

[2] The voting share corresponds to the ownership interest in all the companies.

[3] Registered office and head quarters are the same for all companies exept SpareBank 1 Gruppen AS whose headquarters is placed in Oslo.

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Shares in subsidiaries parent bank

2023	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 Group	1,770	1,770,000	11,897	82	10,020	297	112	62	1,506
Total investments in credit institutions	**1,770**	**1,770,000**	**11,897**	**82**	**10,020**	**297**	**112**	**62**	**1,506**
EiendomsMegler 1 Innlandet AS	12	12,400	85	24	51	128	136	-6	20
EiendomsMegler 1 Oslo Akerhus Group	1	1	111	36	36	189	198	-7	58
SpareBank 1 ForretningPartner Østlandet AS	15	916,667	195	24	57	134	137	-2	149
AS Vato	1	352	12	1	1	5	4	1	9
Youngstorget 5 AS	23	231,948	134	2	7	17	9	6	148
Total investments in other subsidiaries									**384**
Total investments in Group companies parent bank									**1,890**

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 Group	1,770	1,770,000	11,083	62	9,146	288	104	125	1,506
Total investments in credit institutions	**1,770**	**1,770,000**	**11,083**	**62**	**9,146**	**288**	**104**	**125**	**1,506**
EiendomsMegler 1 Innlandet AS	12	12,400	82	25	39	132	129	2	20
EiendomsMegler 1 Oslo Akerhus 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
AS Vato	0,6	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**

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Investments in associates and joint ventures

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
4,638	4,838	Book value at 1 January	6,004	5,642
0	0	Effect of implementing IFRS 17/ IFRS 9 [1)]	-128	0
200	280	Acquisitions/disposals	288	215
0	0	Impairment provisions	-4	0
0	0	Changes in equity	-122	106
0	0	Share of the profit	36	186
0	0	Dividend paid	-353	-144
4,838	**5,119**	**Book value at 31 December**	**5,721**	**6,004**

[1)] See note 2 Accounting principles, critical estimates and climate risk for more information

Income from investments in subsidiaries, associates and joint ventures

Parent bank 2022	Parent bank 2023		Group 2023	Group 2022
87	321	Dividend SpareBank 1 Gruppen AS	0	0
16	0	Dividend SpareBank 1 Boligkreditt AS	0	0
1	3	Dividend SpareBank 1 Næringskreditt AS	0	0
3	2	Dividend EiendomsMegler 1 Innlandet AS	0	0
14	9	Dividend EiendomsMegler 1 Oslo Akershus AS	0	0
190	124	Dividend SpareBank 1 Finans Østlandet AS	0	0
1	0	Dividend AS Vato	0	0
20	20	Dividend BNBank ASA	0	0
0	0	Dividend SpareBank 1 Kreditt AS	0	0
20	9	Dividend SpareBank 1 Forvaltning AS	0	0
5	5	Dividend from others	0	0
0	0	Share of the profit SpareBank 1 Gruppen AS	-22	111
0	0	Share of the profit SpareBank 1 Boligkreditt AS	93	1
0	0	Share of the profit SpareBank 1 Næringskreditt AS	9	3
0	0	Share of the profit SpareBank 1 Kreditt AS	-13	9
0	0	Share of the profit SpareBank 1 Betaling AS	-32	12
0	0	Share of the profit BN Bank ASA	73	58
0	0	Share of the profin SpareBank 1 Forvaltning AS	11	11
0	0	Share of the profit from others	-84	-19
22	4	Gains/losses on realisation of ownership investments	0	0
379	**497**	**Net income from subsidiaries, associates and joint ventures**	**36**	**186**

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The Group's stake in joint ventures and associates companies in 2023

	Joint ventures		Associates companies						
	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 associated companies [3]
Ownership in percent	12.40%	18.00%	23.22%	12.78%	18.91%	18.10%	9.99%	6.25%	
No.of shares	295,096		18,105,053	2,074,367	961,136	5,653,074	1,410,221	288,392	
Current assets	14,511	35	72,208	1,359	1,803	1	4,604	69	2
Fixed assets	1,871	178	2,204	0	40	226	187	38	44
Total assets	**16,382**	**214**	**74,412**	**1,359**	**1,843**	**227**	**4,791**	**107**	**46**
Short-term liabilities	144	65	1,200	2	95	0	2,461	7	0
Long-term liabilities	14,712	1	70,269	1,091	1,399	0	1,728	29	0
Equity capital	1,525	148	2,944	267	348	227	602	72	46
Total equity capital and liabilities	**16,382**	**214**	**74,412**	**1,359**	**1,842**	**227**	**4,791**	**107**	**46**
Non-controlling interests' share of equity									
Income	310	353	153	17	93	0	135	55	0
Operating expenses (including loss)	260	347	14	6	111	0	35	41	52
Profit/loss before tax	50	6	139	12	-17	0	100	14	-52
Shares from companies accounted for using the equity method	-24	0				-31			-28
Tax	-4	0	31	3	4	0	24	4	
Result for the accounting year	**31**	**6**	**107**	**9**	**-21**	**-31**	**76**	**11**	**-80**
Other comprehensive income	**35**	**6**	**107**	**9**	**-13**	**-31**	**76**	**11**	**-80**
Non-controlling interests' share of the result	52								
Book value Parent Bank	**891**	**129**	**2,717**	**261**	**325**	**277**	**414**	**63**	**42**
Book value Group	**1,290**	**129**	**2,735**	**267**	**359**	**227**	**596**	**72**	**46**

[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 is due to changes in ownership interests throughout the year and the Group's earnings ratio has been adjusted for interest on hybrid capital. The share of profit included in the Group may also be adjusted for changes in previous years.

[3] Other associated companies includes SpareBank 1 Gjeldsinformasjon AS, SpareBank 1 Bank og Regnskap AS and SpareBank 1 Mobilitet Holding AS.

Book value joint ventures/associated companies 2023

Total book value in joint venture in the Parent Bank	1,020
Total book value in joint venture in the Group	1,420
Total book value in associated companies in the Parent Bank	4,099
Total book value in associated companies in the Group	4,302

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The Group's stake in joint ventures and associates companies in 2022

	Joint ventures		Associates companies						
	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 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	1,410,221	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	1,170	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	2,874	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	0	19	4	0
Result for the accounting year	**148**	**3**	**10**	**3**	**9**	**12**	**59**	**11**	**25**
Other comprehensive income	**151**	**3**	**115**	**3**	**9**	**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 is due to changes in ownership 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.

Book value joint ventures/associated companies 2022

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

Other liabilities relating to investments in joint ventures and associated enterprises are stated in note 39.

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Note 42 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 22 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

2023	Loans	Bonds and sub-ordinated loans	Deposits	Interest income	Interest expences	Commission income	Commission income	Operating expences	Guarantees
SpareBank 1 Finans Østlandet AS	9,889	0	3	542	0	14	2	0	0
EiendomsMegler 1 Innlandet AS	48	0	4	3	0	0	7	5	45
EiendsomsMegler 1 Oslo Akershus Group	5	0	5	1	0	0	1	5	91
SpareBank 1 ForretningPartner Østlandet AS	41	0	51	1	0	0	2	8	2
Other subsidiaries	1	0	41	0	1	0	0	18	0
Total subsidiaries	**9,983**	**0**	**103**	**547**	**2**	**14**	**13**	**36**	**139**

2022	Loans	Bonds and sub-ordinated loans	Deposits	Interest income	Interest expences	Commission income	Commission 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
EiendsomsMegler 1 Oslo Akershus Group	0	0	23	0	0	0	6	3	92
SpareBank 1 ForretningPartner 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**

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Associated companies and joint ventures

2023	Loans	Bonds and sub-ordinated loans	Deposits	Interest income	Interest expences	Commission income	Commission income	Operating expences	Guarantees
SpareBank 1 Boligkreditt AS	0	262	0	15	0	191	0	0	0
SpareBank 1 Næringskreditt AS	0	0	0	0	0	13	0	0	0
SpareBank 1 Gruppen AS	580	122	789	44	14	299	2	0	0
SpareBank 1 Kreditt AS	1,349	0	0	71	0	64	0	0	0
SpareBank 1 Utvikling DA	0	0	23	1	0	0	4	304	0
SpareBank 1 Betaling AS	0	0	5	0	0	1	0	12	0
Other related parties	193	0	7,181	1	291	0	0	0	11
Total associated companies and joint ventures	**2,121**	**384**	**7,998**	**132**	**305**	**567**	**6**	**316**	**11**

2022	Loans	Bonds and sub-ordinated loans	Deposits	Interest income	Interest expences	Commission income	Commission 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**

All loans to related parties are recognised in the Parent bank. In addition, loans have been transferred to SpareBank 1 Boligkreditt AS for NOK 63,910 million and SpareBank 1 Næringskreditt AS for NOK 1,055 million per 31.12.2023. The corresponding figures for 2022 was NOK 56,590 million to SpareBank 1 Boligkreditt AS and NOK 1,288 million to SpareBank 1 Næringskreditt AS.

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Note 43 Events occurring after the balance sheet day

P ACCOUNTING POLICIES

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 occurred after the balance sheet date are reported if they are material. The financial statements have been prepared on the assumption that the Group will continue as a going concern. In the opinion of the Board of Directors, such an assumption was valid at the time the financial statements were approved for publication.

Merger of SpareBank 1 Østlandet and Totens Sparebank

On 3.1.2024, SpareBank 1 Østlandet and Totens Sparebank issued a letter of intent concerning a merger. This was followed by the boards of the two banks approving the merger (merger plan) on 15.1.2024. SpareBank 1 Østlandet will be the legal and accounting acquiring bank, and will thus take over all of the assets, rights and liabilities in Totens Sparebank upon completion of the merger. The merged bank will continue to operate under the name of SpareBank 1 Østlandet.

Merger of Fremtind Forsikring AS and Eika Forsikring AS

On 12.12.2023, Fremtind Forsikring AS and Eika Forsikring AS, and their respective owners SpareBank 1 Gruppen AS, DNB Bank ASA and Eika Gruppen AS, signed a letter of intent concerning a merger of the two companies. The merged company will be called Fremtind Forsikring. SpareBank 1 Østlandet owns 12.4 per cent of the shares in SpareBank 1 Gruppen AS, which will own 51.44 per cent of the shares in Fremtind Holding once the transaction has been completed. The final transaction agreement was signed on 19.1.2024.

Based on 30.06.2023 consolidated accounts, the transaction will result in increased equity for SpareBank 1 Gruppen of approx. NOK 7 billion. The majority shareholders' (SpareBank 1 banks and LO) share of this increase is NOK 2.4 billion. SpareBank 1 Østlandet's share of this increase amounts to approx. NOK 300 million and will be recognized in the consolidated accounts when the transaction is completed. The effect on the bank's capital adequacy will be close to neutral, as the equity increase will be deducted in the capital adequacy calculation.

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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 2023 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-2023-12-31.zip has been prepared in compliance with the ESEF Regulation.

The Board of Directors of SpareBank 1 Østlandet
Hamar, February 29th 2024

Siri J. Strømmevold
Chair of the Board

Nina Cecilie Strøm Swensson

Tore Anstein Dobloug

Catherine Norland
Employee representative

Alexander S. Lund

Jørn-Henning Eggum

Idun Kristine Fridtun

Sjur Smedstad
Employee representative

Richard Heiberg
CEO

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Independent auditor's report

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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 2023, statement of profit and loss, 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 material accounting policy information.
- The consolidated financial statements of SpareBank 1 Østlandet and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, 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 material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 SpareBank 1 Østlandet for 4 years from the election by the Supervisory Board on 26. March 2020 for the accounting year 2020.

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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 2023. 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 (ISAE 3000 Report) 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.

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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 2, 7, 9 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 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	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. 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 Directors' 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 IFRS Accounting 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 Company or 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's 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.

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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 SpareBank 1 Østlandet, 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-2023-12-31.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, 29. February 2024
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 of SpareBank 1 Østlandet

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SPAREBANK 1 ØSTLANDET'S SUSTAINABILITY REPORTING FOR 2023

We have performed a limited assurance engagement for the Board of Directors of SpareBank 1 Østlandet on the sustainability reporting as defined in GRI Index 2023 (the "Selected Information") within the Annual Report for the reporting period ended 31 December 2023.

Our limited assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Scope of our work

SpareBank 1 Østlandet has engaged us to provide independent Limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Annual Report for the year ended 31 December 2023. is as follows:

Selected Information	Applicable Criteria
GRI Index 2023.	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative (globalreporting.org).

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

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Board of Directors' responsibilities

The Board of Directors are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and quality management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (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.

Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment and included, among others, an assessment of the appropriateness of the Applicable Criteria. In carrying out our Limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

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 a reasonable assurance engagement been performed.

Oslo, 29 February 2024
Deloitte AS

Henrik Woxholt
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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Subsidiaries

EiendomsMegler 1 Innlandet

The company's turnover for 2023 was NOK 130 million, which represents a decrease of NOK 2 million from 2022. Along with increasing costs, this decrease contributed to a result after tax of NOK -6 million, compared with NOK 2 million in 2022.

2023 was a demanding year for the company in which the real estate market weakened further after one and a half years of increasing mortgage rates. In 2023, the company sold a total of 1,669 properties. This represents a decrease of 137 properties compared with 2022 and corresponds to a 7.6 per cent drop in sales volume. The number of used homes sold was down 7.3 per cent. The number of new homes sold was 112 (120) units in 2023. This represents a small decrease from the year before, although compared with 2021 it represents a 65 per cent drop. Market share in the market area decreased slightly from 27.4 per cent to 26.4 per cent within the used homes and holiday homes segment. The total sale value of the properties was NOK 4.8 (5.2) billion.

The housing market was characterised by higher interest rates and high inflation, which led to an increase in the number of homeowners who wanted to sell before buying a new home. Innlandet County and other rural areas in Norway were particularly hard hit by this development. The number of unsold properties on the market surpassed the levels seen during the financial crisis. This resulted in lower sales volumes and longer selling times. Besides this, the company's focus on services for the corporate market such as new build, industry and agricultural brokerage has had a heavy effect on the company's cost base. While agricultural brokerage has steadily developed better with market shares of more than 80 per cent in 2023, this has not been enough to compensate for the weak new build and industry markets.

The housing market in Innlandet County improved for a short time in the new year resulting from changes to the mortgage regulations, however the effect was short-lived. From the spring onwards, the number of used homes put up for sale increased significantly, while the number sold moved in the opposite direction. In the company's market area, 4 986 (4 955) homes were put on the market in 2023. This represents a small increase for the year, but the number of second-hand homes sold ended up at 4,145 (4,355) homes, which represents a decrease of 4.8 per cent. The sales rate measured as the ratio of number of sold versus number of properties on the market was 83 per cent compared with an average of 93 per cent in recent years where the peaks were in 2020 and 2021 at 99 per cent.

The 12-month price growth in Innlandet County at the end of December was -0.5 per cent. Looking at the house prices adjusted for inflation, house prices in Innlandet County have fallen by 14 per cent from their peak in May 2022.

The company's staff has been increased to facilitate growth and the ambition is to strengthen the company's position in Innlandet County. This will be done through working with the parent company, increasing capacity at sales offices and synergies with the rest of the service offering for new build, industry and agriculture.

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. In 2023, together with the parent company and Takstgruppen, the company worked on offering an expanded survey report that also assesses the energy status of the homes being put up for sale. The idea is to provide homebuyers with a better basis for considering relevant energy measures when buying a home. The solution is currently being offered on a small scale in order to test the product and market potential. The company has also signed up for the Norwegian Green Building Council with the aim of becoming a leading expert in our industry.

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 12 branches in Hamar, Stange, Brumunddal, Moelv, Elverum, Flisa, Trysil, Tynset, Kongsvinger, Gjøvik, Lillehammer and Årnes. 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: www.eiendomsmegler1.no/innlandet

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EiendomsMegler 1 Oslo Akershus Group

The EiendomsMegler 1 Oslo Akershus Group's operating income for 2023 was NOK 191 (198) million. Operating expenses in 2023 amounted to NOK 198 (185) million. The result after tax ended the year at NOK -7 million, compared with a positive result of NOK 10 million in 2022.

In 2023, the company had a market share of 8.4 per cent for both Oslo and Akershus, compared with 8.7 per cent in 2022. The market shares have, therefore, shrunk slightly while the volume in the market area marginally decreased by around 0.2 per cent. The volumes in the company's market area increased slightly in Oslo and slightly decreased in Akershus. In total, the volume of used homes sold in 2023 was almost on a par with 2022. The company was unable to achieve the desired growth in 2023, 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.

In 2023, the company sold 46 per cent fewer new homes than in 2022 and the new build market experienced a very demanding situation. Very few new projects were launched in the company and the rest of the market in 2023. The company now has a record high portfolio, and several major launches could take place in 2024 if that is what our clients want. A lot of uncertainty remains about when the new build market will pick up, but when it does, the company will be in particularly favourable position. The results for 2023 were heavily affected by a record-low new build market, and the result before tax for the new build section was NOK -4.2 million.

The company had an average of 140 FTEs in 2023. The aim is to grow by 10 new brokerage FTEs (net) during 2024.

Expectations of relatively high interest rates and continued 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 somewhat weak growth in the first and second quarters of 2024. The company expects the trend to turn around in the second quarter and that as a whole 2024 will see both volume growth and inflation. The company expects house prices to rise by between 3-4 per cent in its market area. Market volume is a crucial success factor for the company. Considerable uncertainty is associated with assessments of future market conditions.

The main focus in 2024 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 company expects weak growth for the company in 2024 and onwards during 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 now register more than 85 per cent of all documents 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 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 in Akershus and 11 in Oslo, as well as one of the region's largest new build departments with 11 FTEs.

For more information see: eiendomsmegler1.no/osloakershus

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The SpareBank 1 Finans Østlandet Group

The SpareBank 1 Finans Østlandet Group achieved a profit after tax of NOK 62 (125) million for 2023. The company's underlying operations are good, and the weak result was due to increased provisions for credit losses for some credit commitments, as well as a large negative profit contribution from the stake in SpareBank 1 Mobility Holding AS.

Net interest income for 2023 amounted to NOK 262 (197) million. Operating expenses amounted to NOK 112 (104) million. The company has maintained its focus on costs and will continue to do so going forward.

In 2023, the company saw a net loss cost of NOK 73 (9) million. Losses amounted to 0.62 (0.08) per cent of gross loans. This was higher than normal, and specifically relates to provisions for credit losses for some credit commitments. The company's book equity as at 31.12.2023 was NOK 1,794 (1,916) million. Capital adequacy measured as eligible capital relative to the risk weighted balance sheet was 18.6 (19.7) per cent.

In 2023, SpareBank 1 Finans Østlandet was again impacted by changing macroeconomic conditions, including as a result of the wars in Ukraine and the Middle East. Thanks to a rapidly rising interest rate market, the company's borrowing costs have had a negative impact on profitability. High inflation has in addition to leading to a sharp rise in interest rates impacted both businesses and private individuals in Norway. The increase in defaults and losses in 2023 was mainly due to a limited number of individual commitments, while no material increases were registered in the portfolio as a whole.

SpareBank 1 Mobilitet Holding AS and Fleks AS
Through its stake in SpareBank 1 Mobilitet Holding AS, SpareBank 1 Finans Østlandet owns 14.5 per cent of Fleks Holding AS. SpareBank 1 Mobility Holding AS maintained its stake in Fleks Holding AS of 47.2 per cent throughout the year. Fleks AS underwent a restructuring in the last half of 2023.

The demanding macroeconomic situation in Norway, including in the car market in particular, contributed to the challenges Fleks AS faced throughout 2023, and the board of SpareBank 1 Mobility Holding AS has, based on this, deemed it appropriate to write down the values of the shares in Fleks Holding AS. Based on this assessment, SpareBank 1 Finans Østlandet chose to do the same with respect to the value of the company's shares in SpareBank 1 Mobility Holding AS.

Sustainability and corporate social responsibility
SpareBank 1 Finans Østlandet has its biggest impact on society through the company's lending business. Parts of the company's loan portfolio consist of customers linked to industries with high emission potential. How the company chooses to conduct its lending business could affect access to capital and contribute to the transition of society. Customers linked to industries with high emission potential pose a climate-related risk, nationally and globally. Climate-related risk is closely linked to credit risk. This means that the company's ability to adopt up-to-date and relevant competence on technological advances within zero emission options is key. Competence sharing with industry-leading actors in the market and other competence environments is important and will be important going forward when it comes to steering capital to investments in zero emission options wherever possible.

Sustainability is central to the company's strategy and is coordinated via an internal resource group in which all of the company's business areas, including management, are represented. The resource group's overarching mandate guides the group's work and is revised annually. The company works closely with the parent bank SpareBank 1 Østlandet's competence environment, including via a permanent representative on the Group's Sustainability Committee.

In 2023, the company prioritised better quality and compliance in the three main areas in which the company's business leaves a footprint: greenhouse gas emissions, working conditions and competence sharing with the market. This involves change processes that improve the quality of the defined measurable results linked to the strategy, continuously measure employee satisfaction and build strategic relationships in the market.

The performance indicators that are monitored in connection with greenhouse gas emissions are "the reduction in the proportion of CO2 emissions" in the portfolio and "the green proportion of the portfolio". As far as the reduction in the proportion of CO2 emissions is concerned, emissions were measured for 46.6 per cent of the loan portfolio and had decreased by 4.9 per cent at the end of 2023. The green proportion of the portfolio was 12.6 per cent as at 31.12.2023. The company is trying to improve measurement quality for the relevant portfolio and expects a statistically satisfactory proportion of the portfolio to be measured in 2024.

A risk assessment was conducted and a due diligence framework published on the company's website in 2023. Due diligence assessments of common suppliers are published on the parent company's website.

The company has started the process of implementing the EU Corporate Sustainability Reporting Directive (CSRD). The Directive entails a significant change in company reporting. The company has been Eco-Lighthouse certified since 2021 and will undergo recertification in 2024. For further information on corporate social responsibility, please refer to SpareBank 1 Østlandet.

ABOUT SPAREBANK 1 FINANS ØSTLANDET AS

SpareBank 1 Finans Østlandet AS is a financing company 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. The company is owned by SpareBank 1 Østlandet (85.1 per cent), SpareBank 1 Ringerike Hadeland (9.9 per cent) and SpareBank 1 Østfold Akershus (5 per cent).

For more information see: sb1fo.no

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SpareBank 1 ForretningsPartner Østlandet AS

SpareBank 1 ForretningsPartner Østlandet AS's turnover for 2023 amounted to NOK 136 million. The company posted a loss after tax of NOK -2 million compared with NOK -5 million in 2022. The result for 2022 also includes figures for the business area that was spun off with TheVIT up to completion of the demerger. The totals for 2022 and 2023 are therefore not comparable. The result for 2023 was affected by the company expending a lot of resources on training due to the introduction of new legislation.

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, technology, 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.

SpareBank 1 ForretningsPartner Østlandet AS (SB1 FPØ) increased the proportion of advice customers during the year. This results in closer ties with our customers and opportunities to offer more services.

The company was heavily involved with SpareBank 1 Østlandet in the SpareBank 1 Bank og Regnskap venture. This entailed advice and support services for all the customers in the system, as well as active sales work by the company, and it gained many new customers and users of the system. This had a positive impact for the company and the Group.

SB1 FPØ carried out an acquisition process in autumn 2023. With effect from 01.01.2024, the accounting and advice company Siffer became a wholly owned subsidiary of SB1 FPØ. Siffer is based in Halden, Norway, and has 44 employees and nearly 1,500 customers. It is thus equipped for growth and all of its employees will join us.

SUSTAINABLE DEVELOPMENT GOALSS IN THE RUN UP TO 2030
The company is striving to support the Sustainable Developement Goals of the United Nations in the period prior to 2030 and continues to work on four of the 17 Sustainable Development Goals:

Goal 5 – Gender Equality
SB1 FPØ is 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 addressed Goal 5 in relation to gender equality in leading positions:
- The Board of Directors (50 per cent women and 50 per cent men)
- Managers (50 per cent women/50 per cent men)

Goal 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 field is constantly changing, and we are committed to protecting jobs by implementing targeted training measures. In 2023, we also continued to focus on hiring students in part-time positions. The interaction between experienced employees and new graduates has its own dynamic and results in positive development for all of the parties involved. We generate growth and development together.

Goal 9 – Industry, Innovation and Infrastructure
To meet market efficiency requirements, SB1 FPØ uses:
- Robot technology
- Automated processes and procedures
- Cloud-based platforms
- Development of industry solutions

SB1 FPØ's branch structure covers large parts of Eastern Norway and helps to secure good safe jobs in the districts as well. Our strategy involving a team structure and the efficient use of technology allows us to offer very attractive jobs at all our locations. It also results in added value for our customers who have access to our services both physically in their local area and digitally. No matter what type of service they need.

Goal 13 – Climate Action
SB1 FPØ ensures that the company is able to carry out its activities in line with the government's recommendations. Digital platforms mean that travel has decreased for both employees and customers. We also offer our employees flexible work arrangements, further reducing the need for daily commuting. Other measures we focus on include:
- Source separation at the locations where this is facilitated by the landlord and municipalities
- Minimising use of paper/packaging.
- We achieved good results already in 2023 by adopting cloud systems.
- Less travel due to the use of digital solutions.

We encourage all employees to use public transport when in-person meetings are required.

ABOUT SPAREBANK 1 FORRETNINGSPARTNER ØSTLANDET AS

The SpareBank 1 ForretningsPartner Østlandet AS delivers payroll and accounting services to companies within all sectors. The company is 100 per cent owned by SpareBank 1 Østlandet. At the end of the year, the company had 125 employees and branches in Tynset, Lillehammer, Moelv, Hamar, Elverum, Kongsvinger, Lillestrøm, Oslo and Fredrikstad.

For more information, see: sparebank1.no/nb/ostlandet/bedrift/regnskap/regnskapsbyra.html

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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 expenses 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	$\frac{\text{(Profit after tax − Interest expenses on hybrid capital)} \times \left(\frac{\text{Act}}{\text{Act}}\right)}{\text{Average equity−Average hybrid capital}}$ 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	$\frac{\text{Total operating costs}}{\text{Total net income}}$ 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.

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Alternative performance measures	Definition and rationale
Lending margin	**Weighted average interest rate on lending to customer and loans transferred to cover 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.
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.
Total assets	**Total assets** Total assets is an established industry-specific name for all assets
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 receiveables 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.

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Alternative performance measures	Definition and rationale
Deposit to loan ratio	$\frac{\text{Deposit from and liabilities to customers}}{\text{Gross loans to customers}}$ 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	$\frac{\text{Deposit from and liabilities to customers}}{\text{Gross loans to customers + Loans transferred to covered bond companies}}$ 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	$\frac{\text{Gross loans to customers}}{\text{Gross loans to customers 12 months ago}} - 1$ 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	$\frac{\text{Gross loans to customers + Loans transferred to CB}}{\text{Gross loans to customers 12 months ago + Loans transferred to CB 12 months ago}} - 1$ 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	$\frac{\text{Deposits from and liabilities to customers}}{\text{Deposits from and liabilities to customers 12 months ago}} - 1$ 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	$\frac{\text{(Losses on loans and guarantees)} \times \left(\frac{\text{Act}}{\text{Act}}\right)}{\text{Gross loans to customers}}$ 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.

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Alternative performance measures	Definition and rationale
Loans to and receivables from customers in stage 2, percentage of gross loans	$\frac{\text{Loans to and receivables from customers in stage 2}}{\text{Gross loans to customers}}$ 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	$\frac{\text{Loans to and receivables from customers in stage 3}}{\text{Gross loans to customers}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Commitments in default as percentage of gross loans	$\frac{\text{Gross defaulted commitments for more than 90 days}}{\text{Gross loans to customers}}$ 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	$\frac{\text{Gross doubtful commitments not in default}}{\text{Gross loans to customers}}$ 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	$\frac{\text{Net defaulted commitments + Net doubtful commitments}}{\text{Gross loans to customers}}$ 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	$\frac{\text{Individual write downs on defaulted commitments}}{\text{Gross defaulted commitments for more than 90 days}}$ The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.

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Alternative performance measures	Definition and rationale
Loan loss impairment ratio for doubtful commitments	$\frac{\text{Individual write downs on doubtful commitments}}{\text{Gross doubtful commitments not in default}}$ 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	$\frac{\text{Total equity capital}}{\text{Total assets}}$ The indicator provides information about the company's unweighted solvency ratio.
Book equity per EC	$\frac{\text{(Total EC – Minority interest – Hybrid capital)} \times \text{EC certificate ratio}}{\text{Number of Equity certificates issued}}$ 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	$\frac{\text{Listed price of EC}}{\text{Earnings per EC} \times \left(\frac{\text{Act}}{\text{Act}}\right)}$ 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.
Price/book equity	$\frac{\text{Listed price of EC}}{\text{Book equity per EC}}$ 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).

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Alternative performance measures	Definition and rationale
Average LTV (Loan to value)	**Average amount on loans to customers** / **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	**Total number of days in the year (365 or 366)** / **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	**Majority interest of the Group's profit after tax × Average ECC ratio** / **Average number of ECC in 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	**Majority interest of the Group's profit after tax × Average ECC ratio** / **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.

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Chapter 6

Indexes and appendices sustainability

Siri Hansen, Financial Adviser, Hamar

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The Bank's ESG risk management

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 impact on the Bank	Annual report reference
Climate and nature • Physical risk • Transition risk	Customer's ability to pay Value of mortgaged objects	Credit risk	Material	Business areas and support functions p. 46, Social sustainability p. 92
	Market value of investments Issuer's ability to pay	Market risk	Low	Responsible lending within liquidity management p .60
	Market value of liquidity investments The Bank's access to funding	Liquidity risk	Moderate	Responsible lending within liquidity management p .60
	Natural damage to own buildings Interruptions to operations	Operational risk	Low/moderate	The road to net zero p.63, TCFD-index p. 248
	Customer's ability to pay Value of mortgaged objects	Concentration risk	Moderate	Board of Directors' Report p. 116 and Risk management p. 113
	Business opportunities Adverse media reports	Strategic and reputational risk	Low/moderate	Business areas and support functions p. 46, Ethical marketing of products and services p. 95
Human rights and social conditions • Breaches of labour rights and human rights • Transition risk: Inadequate transparency and reporting	Customer's ability to pay	Credit risk	Low	Business areas and support functions p. 46, Social sustainability p. 92
	Market value of investments	Market risk	Immaterial	Responsible lending within liquidity management p .60
	Market value of liquidity investments The Bank's access to funding	Liquidity risk	Immaterial	Responsible lending within liquidity management p .60
	Fines, government reactions	Operational risk	Low/moderate	Board of Directors' Report p. 116 and Risk management p. 113
	Customer's ability to pay	Concentration risk	Low/moderate	Board of Directors' Report p. 116 and Risk management p. 113
	Adverse media reports	Strategic and reputational risk	Immaterial	Business areas and support functions p. 46, Ethical marketing of products and services p. 95
Economic crime • Money laundering and corruption • Transition risk: New regulatory requirements	Customer's ability to pay	Credit risk	Low	Business areas and support functions p. 46, Social sustainability p. 92
	Market value of investments	Market risk	Immaterial	Responsible lending within liquidity management p .60
	Market value of liquidity investments The Bank's access to funding	Liquidity risk	Immaterial	Responsible lending within liquidity management p .60
	Fines, government reactions	Operational risk	Low	Board of Directors' Report p. 116 and Risk management p. 113
	Customer's ability to pay	Concentration risk	Immaterial	Combating economic crime p. 54
	Adverse media reports	Strategic and reputational risk	Low	Combating economic crime p. 54

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Nature-related risk – TNFD Index

As a major agriculture bank we want to report on nature-related risk. The reporting was based on the framework from the Task Force on Nature-related Financial Disclosures (TNFD). The framework is not fully developed, and the reporting is therefore on a general basis. Nature-related risk has two aspects: these are the Bank's impact on nature and nature's impact on the Bank's business. Examples of the latter are the corporate customers' dependence on natural goods such as pollination or flood mitigation. The loss of natural goods may, therefore, constitute a systematic risk to profitability, both for our customers and for the Bank.

TCFD recommended reporting	The Bank's reporting		More information
Governance			
Disclose the organisation's governance around nature-related risks and opportunities.	The Board primarily considers nature-related risk in an annual review of the Group's risk strategies and guidelines, as well as by considering the Group's ICAAP process, of 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 also considers nature-related risk reporting in connection with the annual report.	Corporate Governance s.109 Our strategy p.32 Board of Directors' Report p.116 A clear driving force for sustainable transition and our double materiality 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 nature conservation. 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. .	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.	A clear driving force for sustainable transition and our double materiality p.38 Greener agriculture p.81 Requirements for providers of financial services – asset management p.61
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 2023, 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 agricultural 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.	The road to net zero p.63 Greener property – corporate market p.78 Greener agriculture p.81 Requirements for providers of financial services – asset management p.61
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 the approved goals for the agriculture portfolio that are designed to help protect nature. This will reduce the Bank's transition risk related to protecting nature.	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, both of which are factors that can make the farm more resilient to nature-related risks.	A clear driving force for sustainable transition and our double materiality p.38 Greener agriculture p.81

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Climate-related risk – TCFD index

SpareBank 1 Østlandet's climate-related risk reporting is based on the requirements of the Task Force on Climate-related Financial Disclosures (TCFD). The Bank's understanding and management of climate-related 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 EBA methods and other expectations related to increasingly ensuring that climate-related risk is included in the reporting on other risk. We have chosen to treat climate-related 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 climate-related transition risk. That is why climate-related 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-related risk through an annual review of the Group's risk strategies and guidelines, as well as by considering the Group's ICAAP process, of which climate-related risk is an integral part. ICAAP is an assessment of the Group's total capital requirements.	Corporate Governance p. 109
		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. 116
		The Board also considers climate-related risk reporting in connection with the annual report.	Our approach to sustainability performance p.37
b.	Describe management's role in assessing and managing risks and opportunities.	Group Management has set the level of ambition for the work on climate-related risk in the Bank's strategy. The strategy is adopted by the Board of Directors.	Our strategy p.32
		A Sustainability Committee has been established with members from key functions in the Bank. The committee coordinates the climate-related risk work and functions as an advisory body for the business units and Group Management.	Our approach to sustainability performance p.37
		Group Management considers separate issues associated with climate-related risk, including all issues that will be considered by the Board. Climate-related risk is also an integrated part of the regular corporate governance meetings.	Board of Directors' Report p. 116
		Climate-related 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).	Note 2 p.142, Note 5 p.151
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. The physical climate-related risk in the security mortgaged to the Bank is assessed to be low in the short, medium and long term.	A clear driving force for sustainable transition and our double materiality p. 38 Greener property – retail market p.76
		Corporate Division Relatively low climate-related 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. 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.	A clear driving force for sustainable transition and our double materiality p. 38 Greener property – corporate market p.78 Greener agriculture p.81
		Treasury Analyses indicate relatively low climate-related 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.60
		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 providers of financial services – asset management p.61 The road to net zero p.63

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TCFD recommended reporting		The Bank's reporting	More information
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 83 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.	The road to net zero p.63 Greener property – retail market p.76
		Corporate Division Climate-related risk and opportunities have resulted in the Corporate Division adopting more strategic goals and measures.	The road to net zero p.63 Greener property – corporate market p.78 Greener agriculture p.81
		Treasury The Bank sets clear requirements for issuers and facilitators in its liquidity management, both when it comes to actual positioning and when it comes to communication. The goal is for this to influence the investment universe in the desired direction.	Responsible lending within liquidity management p.60
		Operations The Bank sets requirements for suppliers. The Bank is also working to reduce energy consumption and emissions linked to its own operations.	The road to net zero p.63
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-related 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 the Corporate Division that is in line with the Paris Agreement and the Norwegian Climate Change Act. In the retail market, the Bank will increase the proportion of housing mortgage customers who invest in improving the energy efficiency of their homes.	The road to net zero p.63
Risk management			
a.	Describe the organisation's processes for identifying and assessing climate-related risks.	Climate-related 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's governance documents for the respective areas (not public), in addition to the bank's sustainability strategy
		The Bank has for many years collected information and talked to customers about climate-related 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 loans. This makes the process easier for account managers and helps ensure a more systematic approach.	Greener property – corporate market p.78
		The Bank primarily uses scenario analyses to assess future climate-related 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. In 2023, the Bank participated in a project together with other SpareBank 1 banks and the Competence Centre for Credit Models in which a stress test model was developed for scenario-based stress tests of credit portfolios. The first version of the model has been introduced and will be developed further in the future. This provides the Bank with a better overview of risks and opportunities in the loan portfolio.	The road to net zero p.63

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b.	Describe the organisation's processes for managing climate-related risks.	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. When loans are granted to customers with high climate-related risk, special authorisations apply. The Bank is Eco-Lighthouse certified and produces its own climate report. Together, this means that the Bank feels it has control over its climate-related operational risk.	Corporate Governance p. 109 The road to net zero p.63 Board of Directors' Report p. 116
c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Responsibility for the Group's framework comprehensive risk management, which includes climate-related risk, lies with the Chief Risk Officer (CRO). For climate-related risk, this happens in cooperation with Sustainability and the Corporate Division.	Board of Directors' Report p. 116
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 designed to achieve net zero emissions by the end of 2050, with a percentage-wise reduction by the end of 2030.	The road to net zero p.63 Greener property – retail market p.76 Greener property – corporate market p.78 Greener agriculture p.81
b.	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the 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 Corporate Division and for funds from ODIN.	The road to net zero p.63
c.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	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-related 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.	The road to net zero p.63 Greener property – retail market p.76 Greener property – corporate market p.78 Greener agriculture p.81

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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. 2023 saw the end of the initial phase of the implementation of the PRB. PRB methods and principles are firmly rooted in the double materiality process. 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	References to where the information can be found in SpareBank 1 Østlandet's 2023 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. The impact analysis must be updated regularly and meet the following criteria/elements (a-d):	Link to the Bank's impact analysis: https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/omoss/investor/Barekraft/Impact-analysis-SB1O-2022.pdf
2.2	Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets.	Annual report: The road to net zero p.63, Our employees p. 85
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. Show that your bank has implemented the actions it had previously defined to meet the set target.	Annual report: Our Strategy p. 37, Green transition p.63
3.1	3.1Provide 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. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	Link to guidelines for Retail Division and Corporate Division: 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: A clear driving force for sustainable transition and our double materiality, p.38, Business conduct p.54, Green transition p.63, Our employees p. 85, Consumers and end-users p.92
4.1	4.1Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	Annual report: Stakeholders and stakeholder engagement p. 43, A clear driving force for sustainable transition and our double materiality, p.38, Business conduct p.54, Green transition p.63, Our employees p. 85, Consumers and end-users p.92

	Principles for Responsible Banking	References to where the information can be found in SpareBank 1 Østlandet's 2023 Annual Report and on our website.
5.1	Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	Link to the Bank's "General ESG Guidelines". https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html
5.2	Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees.	Annual report: Business conduct p.54, Green transition p.63, Consumers and end-users p.92
5.3	Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as action plans, monitoring and governance structures.	Annual report: Business conduct p.54, Green transition p.63
6.1	Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?	Link to auditor assurance statement: https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html
6.2	Does your bank disclose sustainability information in any of the listed below standards and frameworks? GRI SASB CDP IFRS TCFD Other: PAI	Annual report: Our approach to sustainability performance p. 37, Corporate Governance p. 109, Board of Directors' Report p. 116. Indexes p. 245
6.3	What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)?	Implementation of Transition Plan, The road to net zero p.63, Target setting and impact analysis of resource use and circular economy. Stimulate increased activity related to resource use and circular economy. Operationalisation of findings from the mandatory CSRD reporting

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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) show the entire Eco-Lighthouse report for 2023. The table below is our reporting on the Eco-Lighthouse's banking and financial criteria for 2023.

Principles for Responsible Banking	Reference to where the information can be found in SpareBank 1 Østlandet's 2023 Annual Report and on our website:
Criterion ID 2064	
Group Management must have policies covering the climate, environment and working environment for at least the following business areas: - Credit - granting - Financing - Bonds - Savings products/investment of customers' deposits - Management of the enterprise's own funds	Link to the policies: https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html
Criterion ID 2065	
(1) The enterprise shall set climate, environmental and working environment goals and related indicators within the climate, environment and working environment related to at least the following areas of activity: - Credit granting - Financing - Bonds - Savings products/investment of customers' deposits - Management of the enterprise's own funds (2) The enterprise shall have measures to achieve each of the goals. All measures must have a responsible person and deadline.	Annual report: Requirements for providers of financial services – asset management p.61 Greener property – retail market p.76 Greener property – corporate market p.78 Greener agriculture p.81
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: TCFD-index p. 248

Principles for Responsible Banking	Reference to where the information can be found in SpareBank 1 Østlandet's 2023 Annual Report and on our website:
Criterion ID 2067	
The enterprise shall have criteria and routines for managing: funds and credit and financial activities with respect to climate, environmental and working environment aspects: - Exclusion of engagements that can be linked to negative climate, environmental and working environment impacts. - Engagement in climate-friendly, environmentally friendly and working environment friendly projects. - Criteria and routines shall be assessed and updated at least every 3 years.	Link to the policies: https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html Annual report: Requirements for providers of financial services – asset management p.61 Green transition p. 63 Consumers and end-users p.92
Criterion ID 2068	
The enterprise shall develop products that stimulate climate-smart and environmentally smart behaviour.	Annual report: The road to net zero p. 63 The Bank's work on resource use and circular economy p. 74 Greener property – retail market p.76 Greener property – corporate market p.78 Greener agriculture p.81
Criterion ID 2069	
The enterprise must be open about its climate, environment and working environment impacts. The enterprise shall publish climate and environmental information relating to: Climate, environment and working environment related to: - Credit granting - Financing - Bonds - Savings products/investment of customers' deposits - Management of the enterprise's own funds - To increase the proportion of activities that are green line with the Taxonomy	Annual report: Responsible lending within liquidity management p.60 Requirements for providers of financial services – asset management p.61 The road to net zero p. 63 The Bank's work on resource use and circular economy p. 74 Greener property – retail market p.76 Greener property – corporate market p.78 Greener agriculture p.81 Consumers and end-users p.92
Criterion ID 2220	
The enterprise shall have a plan to increase its share of activities that are green according to the Taxonomy for sustainable economic activity. The plan must be in writing and publicly available.	Annual report: Responsible lending within liquidity management p.60 Requirements for providers of financial services – asset management p.61 The road to net zero p. 63 The Bank's work on resource use and circular economy p. 74

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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 adverse 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
Emissi-ons	**1**	Greenhouse gas emissions	Scope 1 greenhouse gas emissions	4.25 tCO2e	
			Scope 2 greenhouse gas emissions	594.46 tCO2e	
			Scope 3 greenhouse gas emissions	376 844 tCO2e (including loan portfolios)	Scope 3 emissions from own operations: 221.44 tCO2e, from corporate portfolio: 357 368 tCO2e, from housing mortgage portfolio: 19 254 tCO2e.
			Total greenhouse gas emissions	377 442 tCO2e (including loan portfolios)	Total emissions from own operations: 820.15 CO2e (without loan portfolios)
	2	Carbon footprint	Carbon footprint	1,6 tCO2e / Business capital	The Bank's Scope 1, 2 and 3 emissions (including emissions from our loan portfolios) divided by its business capital of NOK 241 297 million (total assets + loans transferred to the covered bond companies).
	3	Greenhouse gas intensity	Greenhouse gas intensity	75,4 tCO2e / Total income	The Bank's Scope 1, 2 and 3 greenhouse gas emissions (including loan portfolios) divided by total net income of the parent bank in 2023, which was NOK 5 007 million.
	4	Fossil energy production		The Bank is not involved in the production of fossil fuels.	We do not give loans to, or invest the Bank's funds in, companies involved in fossil energy production. See the Sustainability and CSR Policy on our website.
	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 emissions
	6	Energy consumption intensity	Energy consumption in gigawatt hours per million EUR of income. A gigawatt hour is equivalent to one million kilowatt hours (kWh).	6 535 027 kWh/Total income	Total energy consumption = 6 535 027 kWh (electricity 4 190 753 kWh + district heating 2 324 551 kWh + district cooling 19 723 kWh).
Bio-diversity	**7**	Adverse impact on biodiversity		The Bank is not located in vulnerable natural areas and our operations have no known adverse impacts on such areas.	In the case of our value chain, we, as we do for our loan portfolios, are constantly working to investigate our impact on nature. See our TNFD index, p. 247, and the report "SpareBank 1 Østlandet's adverse impact on nature", which is available on our website.
Water	**8**	Emissions to water	Tonnes of emissions 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 this from our value chain, like our loan portfolios, but we constantly analyse 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. 247, and the report "SpareBank 1 Østlandet's adverse impact on nature", which is available on our website.
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 constantly 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. 247, and the report "SpareBank 1 Østlandet's adverse impact on nature", which is available on our website.

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Category		Indicator	Measurement unit	SpareBank 1 Østlandet's reporting	Further information and reference
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) principles 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 due diligence report and "Overall guidelines for labour and human rights" on our website.
	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 93.3 per cent. Managers and more demanding professional positions 99.7 per cent. Total 84.9 per cent	See more information in Our employees p. 85
	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.	
	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.	

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GRI-index

Statement of use	SpareBank 1 Østlandet has reported in line with the GRI standard for the period 1.1.2022-31.12.2023.
GRI 1 version	GRI 1: Foundation 2021.
Relevant GRI sector standards:	No relevant GRI sector standards.

General Disclosures

Dis-closure	Description	Reporting 2023 [1]	Omissions: Requirements omitted	Omissions: Grounds	Omissions: Explanation	Reference to CSRD/ESRS [2]	Other frameworks, SDG [3]
1. THE ORGANISATION AND ITS REPORTING PRACTICES							
2-1	Organisational details: Legal name; nature of ownership and legal form; location of its headquarters; countries of operation.	SpareBank 1 Østlandet, Annual Report, SpareBank 1 Østlandet in brief p. 5					PRB 1.1
2-2	Entities included in the organisation's sustainability reporting	Annual Report, Our approach to sustainability performance p. 37				ESRS 1 5.1; ESRS 2 BP-1 Section 5(a) and (b)(i)	
2-3	Reporting period, frequency and contact point	2023, annualy, simen.kristiansen@sb1ostlandet.no				ESRS 1 Section 73	
2-4	Restatements of information	A new materiality analysis has been conducted, but it does not affect previous periods.				ESRS 2 BP-2 Section 13, Section 14(a) to (b)	
2-5	External assurance	The report has been externally verified by Deloitte, see p. 231					
2. ACTIVITIES AND WORKERS							
2-6	Activities, value chain and other business relationships	Annual Report, SpareBank 1 Østlandet in brief p. 5, Our strategy p. 32, Business areas and support functions p. 46, Key figures from the Group p.20, Income statement p.132, Board of Directors' Report p. 116, Requirements for providers of financial services – asset management p.61 Furthermore, there is no significant change in the size, structure, ownership, or supply chain of the business during the reporting period.	2-6d	Not relevant	No material changes since the last reporting period	ESRS 2 SBM-1 Section 40(a)(i) to (a)(ii), (b) to (c), Section 42(c)	PRB 1.1
2-7	Employees	Annual Report, Key figures from the Group p. 20, Our employees p. 85				ESRS 2 SBM-1 Section 40(a)(iii); ESRS S1 S1-6 Section 50(a) to (b) and (d) to (e), Section 51 to Section 52	PRB 1.1
2-8	Workers who are not employees	Annual Report, Our employees p. 85				ESRS S1 S1-7 Section 55 to Section 56	

[1] The appendix referred to is "Further facts about SpareBank 1 Østlandet's sustainability work", appendix to the Annual Report.
[2] CSRD/ESRS* from EFRAQ ESRS-GRI Interoperability SR TEG meeting 05.12.2023
[3] UN Sustainable Development Goals (Goal), Global Compact (GC), and UNEP FI Principles for Responsible Banking (PRB).

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			Omissions				
Dis-closure	Description	Reporting 2023 [1]	Requirements omitted	Grounds	Explanation	Reference to CSRD/ESRS [2]	Other frameworks, SDG [3]
2. ACTIVITIES AND WORKERS							
2-9	Governance structure and composition	Annual Report, Corporate Governance p. 109, Board of Directors' Report p. 116, and Our strategy p. 32.				ESRS 2 GOV-1 Section 21, Section 22(a), Section 23; ESRS G1 Section 5(b)	PRB 5.1
2-10	Nomination and selection of the highest governance body	Annual Report, Corporate governance p. 109.					
2-11	Chair of the highest governance body						
2-12	Role of the highest governance body in overseeing the management of impact.	Annual Report, Our approach to sustainability performance p.37, Corporate governance, p. 109, Board of Directors' Report, p. 116.				ESRS 2 GOV-1 Section 22(c); GOV-2 Section 26(a) to (b); SBM-2 Section 45(d); ESRS G1 Section 5(a)	PRB 5.2
2-13	Delegation of responsibility for managing impacts	Annual Report, Our approach to sustainability performance p.37, Corporate governance, p. 109				ESRS 2 GOV-1 Section 22(c) i; GOV-2 Section 26(a); ESRS G1 G1-3 Section 18(c)	PRB 5.1
2-14	Role of the highest governance body in sustainability reporting	Annual Report, Board of Directors' Report p. 116				ESRS 2 GOV-5 Section 36; IRO-1 Section 53(d)	
2-15	Conflicts of interests	Annual Report, Corporate governance p. 109 and Ethics, anti-corruption and whistleblowing p. 58	2-15b	Not relevant	There were no material conflicts of interest to report to stakeholders		
2-16	Communication of critical concerns	Annual Report, Corporate governance' p. 109 Ethics, anti-corruption and whistle-blowing p. 58, Board of Directors' Report, p. 116.				ESRS 2 GOV-2 Section 26(a); ESRS G1 G1-1 AR 1 (a); G1-3 Section 18(c)	
2-17	Collective knowledge of the highest governance body	Annual Report, Board of Directors' Report p. 116				ESRS 2 GOV-1 Section 23	PRB 5.1
2-18	Evaluation of the performance of the highest governance body	Annual Report, Corporate governance p. 109					
2-19	Remuneration policies	Annual Report, Corporate governance p. 109, Note 22 p.194, Note 23 p.195, Link to the Bank's remuneration policy: https://www.sparebank1.no/content/dam/SB1/bank/ostlandet/aboutus/Remuneration-regime-SB1O.pdf				ESRS 2 GOV-3 Section 29(a) to (c); ESRS E1 Section 13	PRB 5.2
2-20	Process to determine remuneration	Annual Report, Corporate governance p. 109				ESRS 2 GOV-3 Section 29(e)	PRB 5.2
2-21	Annual total compensation ratio	Annual Report, note 22 Personnel costs and payments to senior employees and elected officers p. 194				ESRS S1 S1-16 Section 97(b) to (c)	

[1] The appendix referred to is "Further facts about SpareBank 1 Østlandet's sustainability work", appendix to the Annual Report.
[2] CSRD/ESRS* from EFRAQ ESRS-GRI Interoperability SR TEG meeting 05.12.2023
[3] UN Sustainable Development Goals (Goal), Global Compact (GC), and UNEP FI Principles for Responsible Banking (PRB).

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4. STRATEGY, POLICIES AND PRACTICES							
2-22	Statement on sustainable development strategy	Annual Report, Secure banking in a turbulent global landscape p. 11 and Strategic vision for 2025 p. 34				ESRS 2 SBM-1 Section 40(g)	PRB 1.2
2-23	Policy commitments	Annual Report,in all material topics Link to our guidelines: https://www.sparebank1.no/en/ostlandet/about-us/sustainability/guidelines-and-policies.html				ESRS 2 GOV-4; MDR-P Section 65(b) to (c) and (f); ESRS S1 S1-1 Section 19 to Section 21, and Section AR 14; ESRS S2 S2-1 Section 16 to Section 17, Section 19, and Section AR 16; ESRS S3 S3-1 Section 14, Section 16 to Section 17 and Section AR 11; ESRS S4 S4-1 Section 15 to Section 17, and Section AR 13; ESRS G1 G1-1 Section 7 and Section AR 1 (b)	GC 7 and 10, Goal 8 and 16, PRB 5.2
2-24	Embedding policy commitments	SpareBank 1 Østlandet, Annual Report, Corporate governance, p. 109				ESRS 2 GOV-2 Section 26(b); MDR-P Section 65(c); ESRS S1 S1-4 Section AR 35; ESRS S2 S2-4 Section AR 30; ESRS S3 S3-4 Section AR 27; ESRS S4 S4-4 Section AR 27; ESRS G1 G1-1 Section 9 and Section 10 (g)	
2-25	Processes for remediation of adverse impacts	Annual Report, Good customer relations p. 94, Ethical marketing of products and services p. 95, Board of Directors' Report p. 116				ESRS S1 S1-1 Section 20(c); S1-3 Section 32(a), (b) and (e), Section AR 31; ESRS S2 S2-1 Section 17(c); S2-3 Section 27(a), (b) and (e), Section AR 26; S2-4 Section 33(c); ESRS S3 S3-1 Section 16(c); S3-3 Section 27(a), (b) and (e), Section AR 23; S3-4 Section 33(c); ESRS S4 S4-1 Section 16(c); S4-3 Section 25(a), (b) and (e), Section AR 23; S4-4 Section 32(c)	
2-26	Mechanisms for seeking advice and raising concerns	Annual Report, Corporate governance p. 109 and Ethics, anti-corruption and whistleblowing p. 58				ESRS S1 S1-3 Section AR 32(d); ESRS S2 S2-3 Section AR 27(d); ESRS S3 S3-3 Section AR 24(d); ESRS S4 S4-3 Section AR 24(d); ESRS G1 G1-1 Section 10(a); G1-3 Section 18(a)	
2-27	Compliance with laws and regulations	No failures in compliance as far as the Bank is aware.				ESRS 2 SME-3 Section 48(d); ESRS E2 E2-4 Section AR 25(b); ESRS S1 S1-17 Section 103(c) to (d) and Section 104(b); ESRS G1 G1-4 Section 24(a)	GC 7 and 8, Goal 13.3 and 16.6
2-28	Membership associations	Finance Norway. Annual Report, Our part of the global responsibility, p. 41.					Goal 17
INTERESSENTER							
2-29	Approach to stakeholder engagement	Annual Report, A clear driving force for sustainable transition and our double materiality p. 38, Stakeholders and stakeholder engagement p. 43, Our part of the global responsibility p. 41				ESRS 2 SME-2 Section 45(a)(i) to (iv); ESRS S1 S1-1 Section 20(b); S1-2 Section 25, Section 27(e) and Section 28; ESRS S2 S2-1 Section 17(b); S2-2 Section 20, Section 22(e) and Section 23; ESRS S3 S3-1 Section 16(b); S3-2 Section 19, Section 21(d) and Section 22; ESRS S4 S4-1 Section 16(b); S4-2 Section 18, Section 20(d) and Section 21	Goal 17, PRB 4.1
2-30	Collective bargaining agreements	100 per cent of staff covered by collective bargaining agreements, Annual Report, Our employees, p. 85				ESRS S1 S1-8 Section 60(a) and Section 61	Goal 8, GC 3, PRB 4.1

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MATERIAL TOPICS							
GRI 3-1	Process to determine material topics	Annual Report, A clear driving force for sustainable transition and our double materiality p. 38	Partly 3-1a.i	No availible data	There is a lack of analyses for actual and potential impact	ESRS 2 BP-1 Section AR 1(a); IRO-1 Section 53(b)(ii) to (iv)	
GRI 3-2	List of material topics	Annual Report, A clear driving force for sustainable transition and our double materiality p. 38				ESRS 2 SBM-3 Section 48(a) and (g)	
FINANCES							
General financial reporting							
GRI 3-3	Management of material topics	Annual Report, Our approach to sustainability performance , A clear driving force for sustainable transition and our double materiality p. 38				ESRS 2 SBM-1Section 40(e); SBM-3 Section 48(c)(i) and (iv); MDR-P, MDR-A, MDR-M, and MDR-T; ESRS S1 S1-2 Section 27; S1-4 Section 39 and AR 40(a); S1-5 Section 47(b) to (c); ESRS S2 S2-2 Section 22; S2-4 Section 33, Section AR 33 and Section AR 36(a); S2-5 Section 42(b) to (c); ESRS S3 S3-2 Section 21; S3-4 Section 33, Section AR 31, Section AR 34(a); S3-5 Section 42(b) to (c); ESRS S4 S4-2 Section 20, S4-4 Section 31, Section AR 30, and Section AR 33(a); S4-5 Section 41(b) to (c)	PRB 5.1
Economic Performance							
201-1	Direct economic value generated and distributed	Annual report Key figures from the Group p. 20. Income statement p.132, Balance sheet p.134, Corporate social responsibility p.97					Goal 8.5 and 9.4
201-2	Financial implications and other risks and opportunities due to climate change	Annual report, Business conduct p. 54, Green transition p. 63, The Banks ESG risk management p. 246, TCFD-index p. 248, Board of Directors' Report p.116				ESRS 2 SBM-3 Section 48(a), and (d) to (e); ESRS E1 Section 18; E1-3 Section 26; E1-9 Section 64	GC 7, 8 and 10. Goal 13.3.
SB1Ø-1	Financial implications and other risks and opportunities due	Annual report, Green transition p. 63,TNFD-index, p.247					Goal 15
Economic crime and anti-corruption							
GRI 3-3	Management of material topics	Annual Report, chapters A clear driving force for sustainable transition and our double materiality p. 38, Ethics, anti-corruption and whistleblowing p. 58 og Combating economic crime, p. 54.				ESRS G1 G1-1 Section 7; G1-3 Section 16 and Section 18 (a) and Section 24 (b)	

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Anti-corruption							
205-1	Operations assessed for risks related to corruption	Annual report, Ethics, anti-corruption and whistleblowing, p.58	205-1a	Not relevant	We do not report the exact number and percentage of all interactions we analyse in relation to corruption risk.	ESRS G1 G1-3 Section AR 5	GC 10. SDG 16.5
205-2	Communication and	205-1c	Not relevant	We publish our Code of Conduct on our website, although we do not conduct active training with business associates.	ESRS G1 G1-3 Section 20, Section 21(b) and (c) and Section AR 7 and 8	ESRS G1 G1-3 §20, §21 (b) og (c) og §AR 7 og 8	
205-3	Confirmed incidents of corruption	205-1b, c, d	Not relevant	There were no material breaches of the Bank's Code of Conduct to report.	ESRS G1 G1-4 Section 25	ESRS G1 G1-4 §25	
Economic crime							
SB1Ø-2	Efforts to combat money laundering and terror financing	Annual report, Combating economic crime, p. 54.					Goal 16.4
ENVIRONMENT							
Nature							
GRI 3-3	Management of material topics	Annual Report, A clear driving force for sustainable transition and our double materiality p. 38 Green transition p. 63				ESRS E4 E4-1 Section AR 1 (b) and (d); E4-2 Section 20 and Section 22; E4-3 Section 25 and Section 28(a); E4-4 Section 29	PRB 5.1
NATURE-RELATED IMPACTS FROM THE LOAN PORTFOLIO							
304-2	Material impacts of activities, products, and services on biodiversity.		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.	ESRS E4 E4-5 Section 35, Section 38, Section 39, Section 40(a) and (c)	Goal 15
Emissions and compliance with environmental regulations							
GRI 3-3	Management of material topics	Annual report, Our strategy p. 32, Green transition p. 63 , TCFD-index p. 248				ESRS E1 E1-2 Section 22; E1-3 Section 26; E1-4 Section 33 and Section 34(b); E1-7 Section 56(b) and Section 61(c); ESRS E2 Section AR 9(b); E2-1 Section 12; E2-2 Section 16 and Section 19; E2-3 Section 20	PRB 5.1

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Avfall							
305-1	Direct (Scope 1) GHG emissions	Annual report, Total greenhouse gas emissions 2023 p. 8, Green transition p. 63				ESRS E1 E1-4 Section 34(c); E1-6 Section 44(a); Section 46; Section 50; Section AR 25(b) and (c); Section AR 39(a) to (d); Section AR 40; AR Section 43(c) to (d)	GC 7, 8 and 9. Goal 12.2, 12.6, 12.8, 13.3, and 15.a and b
305-2	Energy indirect (Scope 2) GHG emissions	Annual report, Total greenhouse gas emissions 2023 p. 8, Green transition p. 63				ESRS E1 E1-4 Section 34(c); E1-6 Section 44(b); Section 46; Section 49; Section 50; Section AR 25(b) and (c); Section AR 39(a) to (d); Section AR 40; Section AR 45(a), (c), (d), and (f)	
305-3	Other indirect (Scope 3) GHG emissions	Annual report, Total greenhouse gas emissions 2023 p. 8, Green transition p. 63				ESRS E1 E1-4 Section 34(c); E1-6 Section 44(c); Section 51; Section AR 25(b) and (c); Section AR 39(a) to (d); Section 46(a)(i) to (k)	
305-4	GHG emissions intensity	Annual report Green transition p. 63				ESRS E1 E1-6 Section 53; Section 54; Section AR 39(c); Section 53(a)	
305-5	Reduction of GHG emissions	Annual report Green transition p. 63				ESRS E1 E1-3 Section 29(b); E1-4 Section 34(c); Section AR 25(b) and (c); E1-7 Section 56	
Waste-related impacts on the loan portfolio							
GRI 3-3	Management of material topics	Annual report, A clear driving force for sustainable transition and our double materiality p. 38, Green transition p. 63 The Bank's work on resource use and circular economy p. 74				ESRS E5 Section AR 7(a); E5-1 Section 12; E5-2 Section 17; E5-3 Section 21	
Follow-up of suppliers – environment							
306-1	Water discharge by quality and destination	We have started work on addressing better resource efficiency in the loan portfolio see Bank's work on resource use and circular economy p. 74, 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.	ESRS 2 SBM-3 Section 48(a), (c)(ii) and (iv); ESRS E5 E5-4 Section 30	Goal 12, 13 and 15
306-2	Waste by type and disposal method	We have started work on addressing better resource efficiency in the loan portfolio see Bank's work on resource use and circular economy p. 74, 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.	306-2			ESRS E5 E5-2 Section 17 and Section 20 (e) and (f); E5-5 Section 40 and Section AR 33(c)	Goal 12, 13 and 15
Follow-up of suppliers – environment							
GRI 3-3	Management of material topics	Annual report, Our strategy p. 32 , A clear driving force for sustainable transition and our double materiality p. 38, Business conduct p. 54				ESRS G1 G1-2 Section 12 and Section 15 (a)	

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Supplier Environmental Assessment							
308-1	New suppliers that were screened using environmental criteria	Annual report, Business conduct p. 54				ESRS G1 G1-2 Section 15(b)	GC 7, 8 and 9. Goal 13.3
308-2	Negative environmental impacts in the supply chain and actions taken	Annual report, Business conduct p. 54, Green transition p. 63				ESRS 2 SBM-3 Section 48(c)(i) and (iv)	
Responsible lending and active ownership – environment							
GRI 3-3	Management of material topics	Annual report, Business areas and support functions p. 46 Green transition p. 63					
Product liability – environment							
SB1Ø-3	Products and services designed to deliver a specific environmental benefit. Active ownership - environment	Annual report, Business areas and support functions p. 46, Green transition p. 63					
SB1Ø-4	Our approach to collaborating with companies on environmental issues.	Annual report, Business conduct p. 54, Green transition p. 63				ESRS S1 S1-1 Section 17; Section 20(c); S1-2 Section 27; S1-4 Section 38; Section 39; Section 40(a); S1-5 Section 44; Section 47(b) and (c); ESRS S2 Section 11(c); S2-1 Section 14; Section 17(c); S2-2 Section 22; S2-4 Section 32; Section 33(a) and (b); Section 36; Section 33; Section 36(a); S2-5 Section 39, Section 42(b) and (c)	
SOCIAL							
Employees							
GRI 3-3	Management of material topics	Annual report, Board of Directors' Report p. 116, Our strategy p. 32, Our employees, p. 85				ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) og (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) og (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) og (c)	
401-1	New employee hires and employee turnover	Annual report, Key figures from the Group p. 20, Our employees, p. 85				ESRS S1 S1-6 Section 50(c)	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.				ESRS S1 S1-11 Section 74; Section 75; Section 75	
401-3	Parental leave	Annual report, Our employees, p. 85				ESRS S1 S1-6 Section 93	
Training							
404-1	Average hours of training per year per employee	Annual report, Our employees, p. 85				ESRS S1 S1-13 Section 83 (b) and Section 84	Goal 4.4, 4.7 and 8.5
404-2	Programmes for upgrading employee skills and transition assistance programmes	Annual report, Business conduct p. 54, Green transition p. 63 Our employees, p. 85 Consumers and end-users p. 92				ESRS S1 S1-1 Section AR 17(h)	
404-3	Percentage of employees receiving regular performance and career development reviews	Annual report, Our employees, p. 85				ESRS S1 S1-13 Section 83(a) and Section 84	

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Diversity and Equal Opportunity							
405-1	Diversity of governance bodies and employees	Annual report, Our employees, p. 85, Information about the Board of Directors p. 104				ESRS 2 GOV-1 Section 21(d); ESRS S1 S1-6 Section 50(a); S1-9 Section 66(a) to (b); S1-12 Section 79	Gender Equality Act, GC 6. Goal 8.5 and 16.b
405-2	Ratio of basic salary and remuneration of women to men	Annual report, Our employees, p. 85,				ESRS S1 S1-16 Section 97 and Section 98	
Non-discrimination							
406-1	Incidents of discrimination and corrective actions taken	Annual report, Ethics, anti-corruption and whistleblowing p. 58				ESRS S1 S1-17 Section 97, Section 103(a), Section AR 103	GC 1, 2 and 6. Goal 8.8 and 16.b
Follow-up of suppliers – environment							
GRI 3-3	Management of material topics	Annual report, Our strategy p. 32 , A clear driving force for sustainable transition and our double materiality p. 38, Business conduct p. 54				ESRS G1 G1-2 Section 12 and Section 15 (a)	
Supplier social assessment							
414-1	New suppliers that were screened using social criteria	Annual report, Business conduct p. 54				ESRS G1 G1-2 Section 15(b)	Transparency Act, GC 1, 2, 3, 4, 5 and 6. Goal 12.6 and 16.6
414-2	Negative social impacts in the supply chain and actions taken.	Annual report, Sustainability in purchasing p. 62, Requirements for providers of financial services – asset management p. 61				ESRS 2 SBM-3 Section 48(c)(i) and (iv)	Åpenhetsloven, GC 1, 2, 3, 4, 5 og 6. SDG 12.6 og 16.6
Responsible lending and active ownership – social							
GRI 3-3	Management of material topics	Annual report, Our strategy p. 32, A clear driving force for sustainable transition and our double materiality p. 38, Business conduct p. 54, Green transition p. 63 Consumers and end-users p. 92, Corporate Governance p. 109					
Product liability – social							
SB1Ø-6	Products and services designed to deliver a specific social benefit.	Annual report, Business conduct p. 54, Green transition p. 63 Consumers and end-users p. 92					
Active ownership – social							
SB1Ø-7	Our approach to collaborating with companies on corporate social responsibility/social conditions.	Annual report, Business conduct p. 54, Consumers and end-users p. 92					

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Marketing and privacy							
GRI 3-3	Management of material topics	Annual report, Our strategy p. 32, A clear driving force for sustainable transition and our double materiality p. 38, Business conduct p. 54, Consumers and end-users p. 92				ESRS S4 Section 10(b); S4-1 Section 13, Section 16(c); S4-2 Section 20; S4-4 Section 31; Section 32(a) and (b), Section 35, Section AR 30, Section AR 33(a); S4-5 Section 38, Section 41(b) and ©	
Marketing and Labelling							
417-1	Requirements for product and service information and labelling	Annual report, Consumers and end-users p. 92				ESRS 1 Section AR 16, MDR-P, MDR-A, MDR-T, ESRS 1 Section 11	
417-2	Incidents of non-compliance concerning product and service information and labelling	Annual report, Consumers and end-users p. 92			ESRS S4 S4-4 Section 35	GC 2. Goal 9.4, 12.6, 12.8, 13.3 and 16.5	GC 2. SDG 9.4, 12.6, 12.8, 13.3 og 16.5
417-3	Incidents of non-compliance concerning marketing communications	Annual report, Consumers and end-users p. 92			ESRS S4 S4-4 Section 35		
Customer engagement and satisfaction							
SB1Ø-8	Customer engagement and satisfaction	Annual report, Business areas and support functions p. 46					
Customer privacy/personal data protection							
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual report, Business conduct p. 54				ESRS S4 S4-3 Section AR 23; S4-4 Section 35	GC 2. Goal 16.4

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[2] UN Sustainable Development Goals (Goal), Global Compact (GC), and UNEP FI Principles for Responsible Banking (PRB).

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0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	KPI[4]	KPI[5]	Percent coverage (over total assets)[3]	Percent of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	Percent of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	13,634	5.57%	5.57%	95.89%	22.26%	4.29%

		Total environmentally sustainable activities	KPI	KPI	Percent coverage (over total assets)	Percent of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	Percent of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	4,302	2.56%	2.56%	19.01%	0.26%	0.53%
	Trading book[1]	N/A	N/A	N/A			
	Financial guarantees	0	0	0			
	Assets under management	0	0	0			
	Fees and commissions income[2]	N/A	N/A	N/A			

[1] For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.
[2] Fees and commissions income from services other than lending and AuM Institutions shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
[3] Percent of assets covered by the KPI over banks' total assets.
[4] Based on the Turnover KPI of the counterparty.
[5] Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

Note 1: Across the reporting templates: cells shaded in grey should not be reported.
Note 2: Fees and Commissions (sheet [6] and Trading Book (sheet [7] KPIs shall only apply starting 2026. SMEs inclusion in these KPI will only apply subject to a positive result of an impact assessment.

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1. Assets for the calculation of GAR Turnover

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
			31.12.2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Million NOK		Total (gross) carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	188,165	114,656	13,653	13,608	13,608	24					114,656	13,653	13,608	13,608	24
2	**Financial undertakings**	29,035	552	24			24					552	24			24
3	Credit institutions	27,694	552	24			24					552	24			24
4	Loans and advances	2,551	322	14			14					322	14			14
5	Debt securities, including UoP	24,678	230	10			10					230	10			10
6	Equity instruments	464														
7	Other financial corporations	1,342														
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies	1,342														
13	Loans and advances	823														
14	Debt securities, including UoP	142														
15	Equity instruments	377														
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	**Non-financial undertakings**	3,645														
21	Loans and advances	2,536														
22	Debt securities, including UoP	356														
23	Equity instruments	754														
24	**Households**	155,485	114,104	13,628	13,608	13,608						114,104	13,628	13,608	13,608	
25	of which loans collateralised by residential immovable property	114,104	114,104	13,628	13,608	13,608						114,104	13,628	13,608	13,608	
26	of which building renovation loans	343	343	52	52	52						343	52	52	52	
27	of which motor vehicle loans	3,745	3,745									3,745				
28	**Local governments financing**															
29	Housing financing															
30	Other local government financing															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															

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32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	56,886														
33	**Financial and Non-financial undertakings**	49,321														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	46,609														
35	Loans and advances	44,776														
36	of which loans collateralised by commercial immovable property	14,563														
37	of which building renovation loans															
38	Debt securities	1,124														
39	Equity instruments	709														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,712														
41	Loans and advances															
42	Debt securities	2,501														
43	Equity instruments	211														
44	**Derivatives**	3,933														
45	**On demand interbank loans**	1,182														
46	**Cash and cash-related assets**	96														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2,353														
48	**Total GAR assets**	**245,051**	**114,656**	**13,653**	**13,608**	**13,608**	**24**					**114,656**	**13,653**	**13,608**	**13,608**	**24**
49	**Assets not covered for GAR calculation**	10,513														
50	**Central governments and Supranational issuers**	9,958														
51	**Central banks exposure**	555														
52	**Trading book**															
53	**Total assets**	255,564	114,656	13,653	13,608	13,608	24					114,656	13,653	13,608	13,608	24
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	7,332														
55	Assets under management															
56	Of which debt securities															
57	Of which equity instruments															

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and local governments/municipalities (house financing).
2. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange in of cancellation of debts.
3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

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1. Assets for the calculation of GAR CapEx

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
			31.12.2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Million NOK		Total (gross) carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling					
GAR - Covered assets in both numerator and denominator																
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2	**Financial undertakings**	29,035	530	26			26					530	26			26
3	Credit institutions	27,694	530	26			26					530	26			26
4	Loans and advances	2,551	309	15			15					309	15			15
5	Debt securities, including UoP	24,678	221	11			11					221	11			11
6	Equity instruments	464														
7	Other financial corporations	1,342														
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies	1,342														
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26	of which building renovation loans	343	343	52	52	52						343	52	52	52	
27	of which motor vehicle loans	3,745	3,745									3 745				
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48	**Total GAR assets**	**245,051**	**114,634**	**13,654**	**13,608**	**13,608**	**26**					**114,634**	**13,654**	**13,608**	**13,608**	**26**
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52	**Trading book**															
53	**Total assets**	255,564	114,634	13,654	13,608	13,608	26					114,634	13,654	13,608	13,608	26
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54	Financial guarantees	7,332														
55	Assets under management															
56	Of which debt securities															
57	Of which equity instruments															

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3. Banks with non-EU subsidiary should provide this information separately for exposures towards non-EU counterparties. For non-EU exposures, while there are additional challenges in terms of absence of common disclosure requirements and methodology, as the EU taxonomy and the NFRD apply only at EU level, given the relevance of these exposures for those credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, on a best effort basis, in the form of estimates and ranges, using proxies, and explaining the assumptions, caveats and limitations.
4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure.

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2. GAR sector information[1)]

Million NOK	Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d
		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		(Gross) carrying amount		(Gross) carrying amount	
			Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)
1					
2					
3					
4					
...					

Million NOK	Breakdown by sector - NACE 4 digits level (code and label)	e	f	g	h
		Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		(Gross) carrying amount		(Gross) carrying amount	
			Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)
1					
2					
3					
4					
...					

Million NOK	Breakdown by sector - NACE 4 digits level (code and label)	y	z	aa	ab
		Total (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		(Gross) carrying amount		(Gross) carrying amount	
			Of which environmentally sustainable (CCM + CCA)		Of which environmentally sustainable (CCM + CCA)
1					
2					
3					
4					
...					

[1)] No aligned assets toward non-financial corporations identified.

1. Credit institutions shall disclose in this template information on exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.
2. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.

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3. GAR KPI stock Turnover

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31.12.2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
Million NOK				Of which Use of Proceeds	Of which transiti-onal	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transiti-onal	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	46.79%	5.57%	5.55%	5.55%	0.01%					46.79%	5.57%	5.55%	5.55%	0.01%	100.00%
2	**Financial undertakings**	0.23%	0.01%			0.01%					0.23%	0.01%			0.01%	0.49%
3	Credit institutions	0.23%	0.01%			0.01%					0.23%	0.01%			0.01%	0.49%
4	Loans and advances	0.13%	0.01%			0.01%					0.13%	0.01%			0.01%	0.28%
5	Debt securities, including UoP	0.09%	0.00%			0.00%					0.09%	0.00%			0.00%	0.19%
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	**Non-financial undertakings**															
21	Loans and advances															
22	Debt securities, including UoP															
23	Equity instruments															
24	**Households**	46.56%	5.56%	5.55%	5.55%						46.56%	5.56%	5.55%	5.55%		99.51%
25	of which loans collateralised by residential immovable property	46.56%	5.56%	5.55%	5.55%						46.56%	5.56%	5.55%	5.55%		99.51%
26	of which building renovation loans	0.14%	0.02%	0.02%	0.02%						0.14%	0.02%	0.02%	0.02%		0.30%
27	of which motor vehicle loans	1.53%														
28	**Local governments financing**															
29	Housing financing															
30	Other local government financing															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	**46.79%**	**5.57%**	**5.55%**	**5.55%**	**0.01%**					**46.79%**	**5.57%**	**5.55%**	**5.55%**	**0.01%**	**100.00%**

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

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3. GAR KPI stock CapEx

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31.12.2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
Million NOK				Of which Use of Proceeds	Of which transiti-onal	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transiti-onal	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	46.78%	5.57%	5.55%	5.55%	0.01%					46.78%	5.57%	5.55%	5.55%	0.01%	100.00%
2	**Financial undertakings**	0.22%	0.01%			0.01%					0.22%	0.01%			0.01%	0.47%
3	Credit institutions	0.22%	0.01%			0.01%					0.22%	0.01%			0.01%	0.47%
4	Loans and advances	0.13%	0.01%			0.01%					0.13%	0.01%			0.01%	0.28%
5	Debt securities, including UoP	0.09%	0.00%			0.00%					0.09%	0.00%			0.00%	0.19%
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
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30	Other local government financing															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	**46.78%**	**5.57%**	**5.55%**	**5.55%**	**0.01%**					**46.78%**	**5.57%**	**5.55%**	**5.55%**	**0.01%**	**100.00%**

1. Institution shall disclose in this template the GAR KPIs on stock of loans calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Information on the GAR (green asset ratio of 'eligible' activities) shall be accompanied with information on the proportion of total assets covered by the GAR.
3. Credit institutions can, in addition to the information included in this template, show the proportion of assets funding taxonomy relevant sectors that are environmentally sustainable (Taxonomy-aligned). This information would enrich the information on the KPI on environmentally sustainable assets compared to total covered assets.
4. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

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4. GAR KPI flow Turnover

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31.12.2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
Million NOK				Of which Use of Proceeds	Of which transiti-onal	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transiti-onal	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	19.83%	2.56%	2.54%	2.54%	0.01%					19.83%	2.56%	2.54%	2.54%	0.01%	100.00%
2	**Financial undertakings**															
3	Credit institutions	0.33%	0.01%			0.01%					0.33%	0.01%			0.01%	1.66%
4	Loans and advances	0.19%	0.01%			0.01%					0.19%	0.01%			0.01%	0.96%
5	Debt securities, including UoP	0.14%	0.01%			0.01%					0.14%	0.01%			0.01%	0.71%
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	**Non-financial undertakings**															
21	Loans and advances															
22	Debt securities, including UoP															
23	Equity instruments															
24	**Households**	19.50%	2.54%	2.54%	2.54%						19.50%	2.54%	2.54%	2.54%		98.34%
25	of which loans collateralised by residential immovable property	18.22%	2.54%	2.54%	2.54%						18.22%	2.54%	2.54%	2.54%		91.88%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%		0.00%
27	of which motor vehicle loans	0.84%	0.00%	0.00%	0.00%						0.84%	0.00%	0.00%	0.00%		4.24%
28	**Local governments financing**															
29	Housing financing															
30	Other local government financing															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	**19.83%**	**2.56%**	**2.54%**	**2.54%**	**0.01%**					**19.83%**	**2.56%**	**2.54%**	**2.54%**	**0.01%**	**100.00%**

1. Institution shall dislcose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

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4. GAR KPI flow CapEx

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31.12.2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
Million NOK				Of which Use of Proceeds	Of which transiti-onal	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transiti-onal	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	19.82%	2.56%	2.54%	2.54%	0.01%					19.82%	2.56%	2.54%	2.54%	0.02%	100.00%
2	**Financial undertakings**															
3	Credit institutions	0.32%	0.02%			0.02%					0.32%	0.02%			0.02%	1.61%
4	Loans and advances	0.18%	0.01%			0.01%					0.18%	0.01%			0.01%	0.91%
5	Debt securities, including UoP	0.13%	0.01%			0.01%					0.13%	0.01%			0.01%	0.66%
6	Equity instruments															
7	Other financial corporations															
8	of which investment firms															
9	Loans and advances															
10	Debt securities, including UoP															
11	Equity instruments															
12	of which management companies															
13	Loans and advances															
14	Debt securities, including UoP															
15	Equity instruments															
16	of which insurance undertakings															
17	Loans and advances															
18	Debt securities, including UoP															
19	Equity instruments															
20	**Non-financial undertakings**															
21	Loans and advances															
22	Debt securities, including UoP															
23	Equity instruments															
24	**Households**	19.50%	2.54%	2.54%	2.54%						19.50%	2.54%	2.54%	2.54%		98.39%
25	of which loans collateralised by residential immovable property	18.22%	2.54%	2.54%	2.54%						18.22%	2.54%	2.54%	2.54%		91.93%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%		0.00%
27	of which motor vehicle loans	0.84%	0.00%	0.00%	0.00%						0.84%	0.00%	0.00%	0.00%		4.24%
28	**Local governments financing**															
29	Housing financing															
30	Other local government financing															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	**19.82%**	**2.56%**	**2.54%**	**2.54%**	**0.01%**					**19.82%**	**2.56%**	**2.54%**	**2.54%**	**0.02%**	**100.00%**

1. Institution shall dislcose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Credit institutions shall duplicate this template for revenue based and CapEx based disclosures.

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5. KPI off-balance sheet exposures

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae
		31.12.2023													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Percent (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1	Financial guarantees (FinGuar KPI)														
2	Assets under management (AuM KPI)														

1. Institution shall dislcose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.

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6. KPI on fees and commissions inclome from services other than lending and asset management

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
			31.12.2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Total (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
	Million NOK	Total														
1	**Fees and commission income from NFRD corporates - Services other than lending**															
2	**Services towards financial undertakings**															
3	Credit institutions															
4	Other financial undertakings															
5	of which investment firms															
6	of which management companies															
7	of which insurance insurance undertakings															
8	**Non-financial undertakings**															
9	**Counterparties not subject to NFRD disclosure obligations, including third-country counter-parties**															

1. Institutions shall dislcose in this template information on the percentage (%) of fees and commission income related to taxonomy relevant sectors and environmentally sustainable activities (with breakdown for transitional and enabling activities) compared to total fees and commission income from NFRD corporates for services other than lending and asset management

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7. KPI Trading book portfolio

		a	b	c	d	e	f	g	h
			Climate Change Mitigation (CCM)						
		Fair value	Absolute purchases	Of which environ-mentally sustainable (Taxonomy-aligned)	Absolute sales	Of which environ-mentally sustainable (Taxonomy-aligned)	Absolute purchases plus absolute sales	Of which environ-mentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) - NFRD corporates**								
2	**Financial undertakings**								
3	Credit institutions								
4	Debt securities								
5	Equity instruments								
6	Other financial undertakings								
7	of which investment firms								
8	Debt securities								
9	Equity instruments								
10	of which asset managers								
11	Debt securities								
12	Equity instruments								
13	of which insurance companies								
14	Debt securities								
15	Equity instruments								
16	**Non-financial undertakings**								
17	Debt securities								
18	Equity instruments								
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**								
20	Debt securities								
21	Equity instruments								

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7. KPI Trading book portfolio (continued)

		a	i	j	k	l	m	n	o
			Climate Change Adaptation (CCA)						
			Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		
		Fair value		Of which environ-mentally sustainable (Taxonomy-aligned)		Of which environ-mentally sustainable (Taxonomy-aligned)		Of which environ-mentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) - NFRD corporates**								
2	**Financial undertakings**								
3	Credit institutions								
4	Debt securities								
5	Equity instruments								
6	Other financial undertakings								
7	of which investment firms								
8	Debt securities								
9	Equity instruments								
10	of which asset managers								
11	Debt securities								
12	Equity instruments								
13	of which insurance companies								
14	Debt securities								
15	Equity instruments								
16	**Non-financial undertakings**								
17	Debt securities								
18	Equity instruments								
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**								
20	Debt securities								
21	Equity instruments								

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7. KPI Trading book portfolio (continued)

		a	ar	as	at	au	av	aw	ax
			Total (CCM + CCA)						
			Absolute purchases		Absolute sales		Absolute purchases plus absolute sales		
		Fair value		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)		Of which environmentally sustainable (Taxonomy-aligned)	Trading KPI
1	**Financial assets held for trading (debt securities and equity instruments) - NFRD corporates**								
2	**Financial undertakings**								
3	Credit institutions								
4	Debt securities								
5	Equity instruments								
6	Other financial undertakings								
7	of which investment firms								
8	Debt securities								
9	Equity instruments								
10	of which asset managers								
11	Debt securities								
12	Equity instruments								
13	of which insurance companies								
14	Debt securities								
15	Equity instruments								
16	**Non-financial undertakings**								
17	Debt securities								
18	Equity instruments								
19	**Counterparties not subject to NFRD disclosure obligations, including third-country counterparties**								
20	Debt securities								
21	Equity instruments								

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TEMPLATE 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TEMPLATE 2 Taxonomy-aligned economic activities (denominator) Turnover

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**13,653**	**100.00%**	**13,653**	**100.00%**	**-**	
8	**Total applicable KPI**	**13,653**	**100.00%**	**13,653**	**100.00%**	**-**	

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TEMPLATE 2 Taxonomy-aligned economic activities (denominator) CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of theapplicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**13,654**	**100.00%**	**13,654**	**100.00%**	**-**	
8	**Total applicable KPI**	**13,654**	**100.00%**	**13,654**	**100.00%**	**-**	

TEMPLATE 3 Taxonomy-aligned economic activities (numerator) Turnover

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Numerator of the applicable KPI**	**13,653**	**100.00%**	**13,653**	**100.00%**	**-**	
8	**Total applicable KPI**	**13,653**	**100.00%**	**13,653**	**100.00%**	**-**	

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TEMPLATE 3 Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the Numerator of the applicable KPI						
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Numerator of the applicable KPI**	**13,654**	**100.00%**	**13,654**	**100.00%**	**-**	
8	**Total applicable KPI**	**13,654**	**100.00%**	**13,654**	**100.00%**	**-**	

TEMPLATE 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**114,656**	**46.79%**	**114,656**	**46.79%**	**-**	**0.00 %**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**114,656**	**46.79%**	**114,656**	**46.79%**	**-**	**0.00 %**

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Eco-Lighthouse index: Banking and financial criteria
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TEMPLATE 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**114,634**	**100.00%**	**114,634**	**100.00%**	**-**	
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**114,634**	**100.00%**	**114,634**	**100.00%**	**-**	

TEMPLATE 5 Taxonomy non-eligible economic activities Turnover

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**73,509**	**100.00%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**73,509**	**100.00%**

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The Bank's ESG risk management

Nature-related risk – TNFD Index

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UNEP FI – PRB index: Principles for Responsible Banking

Eco-Lighthouse index: Banking and financial criteria

PAI reporting

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TEMPLATE 5 **Taxonomy non-eligible economic activities CapEx**

Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**73,531**	**100.00%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**73,531**	**100.00%**



ABOUT SPAREBANK 1 ØSTLANDET

SpareBank 1 Østlandet is Norway's fourth largest savings bank group, with 1,100 proudly professional employees. In our 178 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 37 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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