



# Third quarter report 2021

SPAREBANK 1 ØSTLANDET



# Content

<b>Key figures</b> .....	2
<b>Report of the Board of Directors</b> .....	4
<b>Income statement</b> .....	18
<b>Statement of other comprehensive income</b> .....	19
<b>Balance sheet</b> .....	20
<b>Changes in equity capital</b> .....	21
<b>Cash flow statement</b> .....	23
<b>Notes to the accounts</b> .....	24
<b>Note 1 Accounting principles</b> .....	24
<b>Note 2 Change in the composition of the Group</b> .....	28
<b>Note 3 Segment information</b> .....	29
<b>Note 4 Capital adequacy</b> .....	31
<b>Note 5 Loans to and receivables from customers</b> .....	33
<b>Note 6 Provisions for credit losses</b> .....	37
<b>Note 7 Net profit from financial assets and liabilities</b> .....	41
<b>Note 8 Financial derivatives</b> .....	42
<b>Note 9 Liquidity risk</b> .....	43
<b>Note 10 Financial instruments at fair value</b> .....	44
<b>Note 11 Derivatives and offsetting</b> .....	47
<b>Note 12 Credit institutions – assets and liabilities</b> .....	48
<b>Note 13 Leases</b> .....	48
<b>Note 14 Other assets</b> .....	49
<b>Note 15 Deposits from and liabilities to customers</b> .....	49
<b>Note 16 Debt securities issued</b> .....	50
<b>Note 17 Other debt and liabilities recognized in the balance sheet</b> .....	50
<b>Note 18 Equity capital certificates and owner structure</b> .....	51
<b>Note 19 Net interest income</b> .....	52
<b>Note 20 Events occurring after the balance date</b> .....	52
<b>Profit/loss from the quarterly accounts</b> .....	53
<b>Alternative performance measures</b> .....	54
<b>Financial calendar 2022</b> .....	58
<b>Contact details</b> .....	58

# Key figures

Group	01.01-30.09		01.07-30.09		Year
Summary (NOK million and per cent of average assets)	2021	2020	2021	2020	2020
Net interest income	1 628	1 628	552	536	2 177
Net commission and other operating income	1 208	1 035	414	392	1 441
Net income from financial assets and liabilities	487	399	198	133	545
<b>Total income</b>	<b>3 323</b>	<b>3 062</b>	<b>1 163</b>	<b>1 061</b>	<b>4 164</b>
<b>Total operating expenses</b>	<b>1 450</b>	<b>1 399</b>	<b>473</b>	<b>465</b>	<b>1 902</b>
<b>Operating profit before losses on loans and guarantees</b>	<b>1 873</b>	<b>1 663</b>	<b>690</b>	<b>596</b>	<b>2 262</b>
Impairment losses on loans and guarantees	- 23	328	- 16	47	330
<b>Pre-tax operating profit</b>	<b>1 896</b>	<b>1 335</b>	<b>706</b>	<b>549</b>	<b>1 932</b>
Tax expense	379	193	144	111	323
<b>Profit after tax</b>	<b>1 517</b>	<b>1 142</b>	<b>561</b>	<b>438</b>	<b>1 608</b>
Interest expenses on hybrid capital	18	14	6	6	20
Profit after tax incl. interest hybrid capital <sup>2)</sup>	1 498	1 128	555	432	1 589
<b>Profitability</b>					
Return on equity capital <sup>1)</sup>	11.8 %	9.7 %	12.6 %	10.9 %	10.1 %
Cost income ratio <sup>1)</sup>	43.6 %	45.7 %	40.7 %	43.8 %	45.7 %
Net interest income calculated as a percentage of average total assets	1.44 %	1.51 %	1.41 %	1.44 %	1.51 %
Profit after tax calculated as a percentage of average total assets	1.34 %	1.06 %	1.44 %	1.17 %	1.12 %
<b>Balance sheet and ratios</b>					
Gross loans to customers	119 511	113 624	119 511	113 624	113 368
Gross loans to customers including loans transferred to covered bond companies <sup>1)</sup>	170 369	160 993	170 369	160 993	161 259
Growth in loans during the last 12 months <sup>1)</sup>	5.2 %	9.2 %	5.2 %	9.2 %	5.9 %
Growth in loans including loans transferred to covered bond companies in the last 12 months <sup>1)</sup>	5.8 %	9.3 %	5.8 %	9.3 %	7.0 %
Deposits from customers	91 265	85 496	91 265	85 496	85 613
Growth in deposits in the last 12 months <sup>1)</sup>	6.7 %	11.2 %	6.7 %	11.2 %	9.1 %
Deposit to loan ratio <sup>1)</sup>	76.4 %	75.2 %	76.4 %	75.2 %	75.5 %
Deposit to loan ratio incl. loans transferred to covered bond companies <sup>1)</sup>	53.6 %	53.1 %	53.6 %	53.1 %	53.1 %
Average total assets	151 438	143 616	154 780	148 048	144 108
Total assets	154 316	148 898	154 316	148 898	146 074
Total assets including loans transferred to covered bond companies <sup>1)</sup>	205 175	196 267	205 175	196 267	193 964
<b>Losses and commitments in default</b>					
Impairment on loans as a percentage of gross loans <sup>1)</sup>	0.0 %	0.4 %	-0.1 %	0.2 %	0.3 %
Gross losses to customers in stage 2, percentage of total gross loans	7.2 %	6.4 %	7.2 %	6.4 %	8.3 %
Gross losses to customers in stage 3, percentage of total gross loans	0.6 %	0.7 %	0.6 %	0.7 %	0.4 %
<b>Solidity and liquidity</b>					
CET 1 capital ratio	18.0 %	17.3 %	18.0 %	17.3 %	17.8 %
Tier 1 capital ratio	19.4 %	18.3 %	19.4 %	18.3 %	18.8 %
Capital adequacy ratio	21.3 %	20.2 %	21.3 %	20.2 %	20.8 %
Total eligible capital	17 899	16 502	17 899	16 502	16 704
Equity ratio <sup>1)</sup>	12.1 %	11.2 %	12.1 %	11.2 %	11.7 %
Leverage Ratio	7.3 %	7.1 %	7.3 %	7.1 %	7.2 %
LCR <sup>2)</sup>	144.6 %	152.0 %	144.6 %	152.0 %	140.6 %
LCR in NOK <sup>2)</sup>	139.2 %	147.5 %	139.2 %	147.5 %	130.5 %
LCR in EUR <sup>2)</sup>	315.7 %	621.0 %	315.7 %	621.0 %	619.0 %
<b>Staff</b>					
Number of fulltime equivalents	1 135	1 136	1 135	1 136	1 149

1) See attachment regarding Alternative performance measures.

2) Liquidity Coverage Ratio: Measures the size of banks' liquid assets relative to net liquidity output 30 days ahead of time given a stress situation.

Equity capital certificates (EC) <sup>1)</sup>	30.09.2021	30.09.2020	2020	2019	2018	2017
Equity certificate ratio used for allocation of profit	70.0 %	70.1 %	70.1 %	69.4 %	67.7 %	67.6 %
Equity certificates issued	115 829 789	115 829 789	115 829 789	115 829 789	115 319 521	107 179 987
Market price (NOK)	129.60	87.70	97.80	92.50	83.00	90.50
Market capitalisation (NOK million)	15 012	10 158	11 328	10 714	9 572	9 700
Book equity per EC <sup>2)</sup>	106.53	96.18	99.08	92.67	83.63	80.96
Earnings per EC, NOK <sup>3)</sup>	9.01	6.80	9.58	11.43	8.17	7.81
Dividend per equity certificate <sup>4-5)</sup>			4.79 <sup>5)</sup>	4.58 <sup>4)</sup>	4.12	3.96
Price/Earnings per EC <sup>2)</sup>	10.76	9.65	10.21	8.09	10.16	11.59
Price/book equity <sup>2)</sup>	1.22	0.91	0.99	1.00	0.99	1.12

1) SpareBank 1 Østlandet was listed on the stock exchange on 13 June 2017.

2) See attachment regarding Alternative performance measures.

3) Profit after tax for controlling interests \* Equity certificate ratio used for allocation of profit/number of EC's.

4) 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 equity capital certificate was changed from NOK 5.72 to NOK 4.58.

5) On 25 March 2021, The Supervisory Board decided on a dividend of NOK 555 million, a customer dividend of NOK 231 million and a provisions of NOK 6 million for donations of the bank's profit from 2020. This results in a payout ratio of 50 per cent of the controlling interest's share of the consolidated profit, which is in line with the Bank's long-term-oriented dividend policy. The payment was made in two rounds. For further information see note 18.

# Report of the Board of Directors

## Third quarter of 2021 (Consolidated figures. Figures in brackets concern the corresponding period in 2020)

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- Profit after tax: NOK 561 (438) million
- Return on equity: 12.6 (10.9) per cent
- Earnings per equity capital certificate: NOK 3.32 (2.60)
- Net interest income: NOK 552 (536) million
- Net commissions and other operating income: NOK 414 (392) million
- Net income from financial assets and liabilities: NOK 198 (133) million
- Total operating expenses: NOK 473 (465) million
- Impairment losses on loans and guarantees: Net reversals on losses of NOK 16 (net cost of 47) million
- Common Equity Tier 1 capital ratio: 18.0 (17.3) per cent
- Lending growth in the last quarter, including mortgages transferred to the covered bond companies: 1.8 (1.9) per cent
- Deposit growth in the last quarter: -1.4 (0.0) per cent

## Year to date as at 30 September 2021 (Consolidated figures. Figures in brackets concern the corresponding period in 2020)

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- Profit after tax: NOK 1,517 (1,142) million
- Return on equity: 11.8 (9.7) per cent
- Earnings per equity capital certificate: NOK 8.96 (6.80)
- Net interest income: NOK 1,628 (1,628) million
- Net commissions and other operating income: NOK 1,208 (1,035) million
- Net income from financial assets and liabilities: NOK 487 (399) million
- Total operating expenses: NOK 1,450 (1,399) million
- Impairment losses on loans and guarantees: Net reversals on losses of NOK 23 (net cost of 328) million
- Lending growth, including mortgages transferred to covered bond companies in the past 12 months: 5.8 (9.3) per cent
- Deposit growth in the past 12 months: 6.7 (11.2) per cent

## Important events in the third quarter of 2021

### Payment of remaining dividends and customer dividends for the financial year 2020

On 28 October 2021, the Board of Directors of SpareBank 1 Østlandet decided to exercise its authorisation from the Supervisory Board to pay out the remaining dividends for the financial year 2020. The decision was based on an assessment by the Board that paying out the remaining dividends was prudent given its assessment of macroeconomic developments and the Bank's financial strength.

On 7 April, the Bank paid out total dividends of NOK 203 million to the equity capital certificate holders, corresponding to NOK 1.75 per equity capital certificate. On 28 October 2021, the Board of SpareBank 1 Østlandet approved a further payout of NOK 352 million, corresponding to NOK 3.04 per equity capital certificate, in accordance with the Supervisory Board's allocation of the profit for 2020.

The Board of SpareBank 1 Østlandet also approved payout of up to NOK 231 million in customer dividends. The customer dividends will be paid out to customers' accounts on about 19 November based on their level of borrowing and deposits in the Bank during 2020.

### Interest rate changes

In the third quarter of 2021, SpareBank 1 Østlandet increased lending and deposit rates for retail and corporate customers by up to 0.25 percentage points with effect from 1 October 2021 for new loans, while interest rates for existing loans and deposits will change from 20 October for corporate customers and from 17 November for retail customers.

### **SpareBank 1 Forvaltning**

The SpareBank 1 Forvaltning Group – an asset management company - was established on 1 May 2021. At the same time, ODIN Forvaltning AS was demerged from SpareBank 1 Gruppen AS and merged with SpareBank 1 Forvaltning AS based on accounting continuity.

At the time of the transfer, SpareBank 1 Forvaltning AS had the same owners and ownership interests as SpareBank 1 Gruppen AS. The assets in SpareBank 1 Forvaltning AS were rebalanced on 27 September 2021, with SpareBank 1 Østlandet reducing its 12.40 per cent stake in SpareBank 1 Forvaltning AS to a 6.37 per cent stake. The sale resulted in a gain of NOK 37 million in the parent bank accounts of SpareBank 1 Østlandet's, while the gain in the consolidated accounts of SpareBank 1 Østlandet amounted to NOK 24 million. Gains in the parent bank accounts were higher than in the consolidated accounts as ownership interests were capitalised at historical cost in the parent bank accounts, while they were capitalised according to the equity method in the consolidated accounts.

On 1 July 2021, SpareBank 1 Forvaltning AS acquired SpareBank 1 Kapitalforvaltning AS and SpareBank 1 Verdipapirservice AS. On 15 September 2021, an agreement was signed to acquire SpareBank 1 SR Forvaltning. In accounting terms, this will not occur until the required permits are issued by the Financial Supervisory Authority (FSA) of Norway, and no earlier than 1 December 2021.

### **Sustainability guide**

In August, the Bank published our new sustainability guide for SMEs seeking concrete advice for starting work on sustainability. It presents four practical steps for getting started, as well as further information on relevant sustainability concepts and international agreements/schemes.

### **'ESG 100'**

The Bank scored a grade A and was ranked fifth in the Governance Group's 'ESG 100'-report ('Bærekraft på børs 2021'), which analysed the sustainability reports of the 100 largest companies on the Oslo Stock Exchange. According to this ranking, we are therefore the best bank in the country when it comes to sustainability reporting.

## **The SpareBank 1 Østlandet Group**

The Group comprises SpareBank 1 Østlandet and the wholly-owned subsidiaries EiendomsMegler 1 Innlandet AS, EiendomsMegler 1 Oslo Akershus AS, EiendomsMegler 1 Oslo AS (second tier subsidiary), Youngstorget 5 AS and AS Vato, as well as the 95 per cent-owned subsidiary SpareBank 1 Finans Østlandet AS. The Group also includes the 70.68 per cent-owned holding company SpareBank 1 Østlandet VIT AS, which in turn owns 100 per cent of the shares in the subsidiary TheVIT AS. The accounts of these companies are fully consolidated into SpareBank 1 Østlandet's consolidated financial statements.

SpareBank 1 Østlandet owns 12.40 per cent of SpareBank 1 Gruppen AS, 6.37 per cent of SpareBank 1 Forvaltning AS, 18.00 per cent of SpareBank 1 Utvikling DA, 19.09 per cent of SpareBank 1 Kreditt AS, 33.33 per cent of SpareBank 1 Kundepleie AS, 9.99 per cent of BN Bank ASA, 25.00 per cent of SpareBank 1 Bank og Regnskap AS, 18.74 per cent of SpareBank 1 Betaling AS, and 14.68 per cent of SpareBank 1 Gjeldsinformasjon AS. The Bank also owns 22.45 per cent of SpareBank 1 Boligkreditt AS and 10.65 per cent of SpareBank 1 Næringskreditt AS (the covered bond companies). The above companies' net profit or loss is recognised in the Bank's consolidated financial statements in proportion to the Bank's stake.

# Consolidated financial statements for the third quarter of 2021

## Consolidated profit

The SpareBank 1 Østlandet Group's profit after tax for the third quarter of 2021 amounted to NOK 561 (438) million, compared with NOK 516 million in the second quarter of 2021. The return on equity was 12.6 (10.9) per cent, compared with 12.1 per cent in the second quarter of 2021.

While all major income posts made a positive contribution to an improved profit from last year, the change in financial assets and liabilities was particularly large. Changes in provisions for credit losses also made a very positive contribution: from NOK 47 million in provisions for credit losses in the third quarter of 2020 to NOK 16 million in reversals of losses in the third quarter of 2021.

Specification of the consolidated profit after tax, NOK millions:	3Q 21	2Q 21	3Q 20
Parent Bank's profit after tax	441	595	299
Dividends received from subsidiaries/associated companies	0	-253	-7
<b>Share of profit from:</b>			
SpareBank 1 Gruppen - consolidated figures	53	93	72
SpareBank 1 Boligkreditt AS	11	3	12
SpareBank 1 Næringskreditt AS	-1	2	2
EiendomsMegler 1 Innlandet AS	1	6	6
EiendomsMegler 1 Oslo Akershus - consolidated figures	2	8	6
SpareBank 1 Finans Østlandet AS	47	47	39
SpareBank 1 Østlandet VIT - consolidated figures	0	2	1
SpareBank 1 Kreditt AS	10	1	0
SpareBank 1 Betaling AS	0	-4	-1
SpareBank 1 Forvaltning AS - consolidated figures	1	4	0
BN Bank ASA	12	12	10
Youngstorg 5 AS	1	1	1
Other associated companies/joint ventures	-16	-1	-2
<b>Consolidated profit after tax</b>	<b>561</b>	<b>516</b>	<b>438</b>

The difference between the NOK 37 million gain in the parent bank and the NOK 24 million gain in the Group in connection with the rebalancing of stakes in SpareBank 1 Forvaltning AS is included in the 'Other associated companies/joint ventures' item in the above specification of consolidated profits.

## Net interest income

Net interest income amounted to NOK 552 (536) million, compared with NOK 542 million in the second quarter of 2021. Net interest income should be seen together with fees and commission income from mortgages transferred to the partly-owned covered bond companies, totalling NOK 129 (116) million, compared with NOK 113 million in the second quarter of 2021. Combined net interest income and commissions from the covered bond companies were NOK 681 (652) million, compared with NOK 655 million in the second quarter of 2021.

The increase in the combined net interest income and commission income from the covered bond companies from the same period last year was mainly due to growth in lending and deposit volumes. Lending margins contracted somewhat

compared with the same period last year, while deposit margins expanded.

Net interest income as a percentage of average total assets was 1.41 (1.44) per cent, compared with 1.44 per cent in the second quarter of 2021.

## Net commissions and other operating income

Net commissions and other operating income amounted to NOK 414 (392) million, compared with NOK 416 million in the second quarter of 2021.

Figures in NOK millions	3Q 21	2Q 21	3Q 20
Net money transfer fees	45	32	27
Commissions from insurance and savings	69	65	58
Commissions from covered bonds companies	129	113	116
Commission from credit cards	14	11	14
Real estate brokerage commissions	83	106	101
Accounting services	40	49	38
Other operating income	35	39	38
<b>Net commissions and other (non interest) operating income</b>	<b>414</b>	<b>416</b>	<b>392</b>

Besides the increase in commissions from the covered bond companies, higher insurance and savings commissions, as well as an increase in commissions from money transfer services, contributed to the improvement in commissions and other operating income compared with the same period last year. Reduced commission income from real estate brokerage contributed negatively.

## Net income from financial assets and liabilities

Net income from financial assets and liabilities amounted to NOK 198 (133) million, compared with NOK 181 million in the second quarter of 2021.

Figures in NOK millions	3Q 21	2Q 21	3Q 20
Dividends from shares and other equity instruments	0	9	1
Share of profit or loss of associates and joint ventures	109	111	88
<b>Net profit from other financial assets and liabilities</b>	<b>88</b>	<b>62</b>	<b>45</b>
<b>Net profit from financial assets and liabilities</b>	<b>198</b>	<b>181</b>	<b>133</b>

Profit contributions from associated companies and joint ventures amounted to NOK 109 (88) million, compared with NOK 111 million in the second quarter of 2021. The NOK 24 million gain in the Group in connection with the rebalancing of stakes in SpareBank 1 Forvaltning AS is included in the 'Other associated companies/joint ventures' item in the profit contributions specification in the third quarter of 2021.

Contribution from Associated companies and joint ventures	3Q 21	2Q 21	3Q 20
SpareBank 1 Gruppen AS	53	93	72
SpareBank 1 Boligkreditt AS	11	3	12
SpareBank 1 Næringskreditt AS	-1	2	2
SpareBank 1 Kreditt AS	10	1	0
SpareBank 1 Betaling AS	0	-4	-1
SpareBank 1 Forvaltning AS - consolidated figures	1	4	0
BN Bank ASA	12	12	10
Other associated companies/joint ventures	24	0	-7
<b>Share of profit or loss of associates and joint ventures</b>	<b>109</b>	<b>111</b>	<b>88</b>

## Operating expenses

Total operating expenses amounted to NOK 473 (465) million, compared with NOK 492 million in the second quarter of 2021.

Specifications of the expenses in the period, NOK millions	3Q 21	2Q 21	3Q 20
Personnel expenses excl. restructuring expenses	279	283	269
Depreciation/amortisation	31	30	33
ICT expenses	77	77	79
Marketing expenses	16	21	15
Operating expenses from real estate	13	14	13
Other expenses	58	65	55
<b>Total operating expenses excl. restructuring expenses</b>	<b>473</b>	<b>492</b>	<b>465</b>
Restructuring expenses	0	0	0
<b>Total operating expenses</b>	<b>473</b>	<b>492</b>	<b>465</b>

The NOK 8 million increase in operating expenses from the same period last year was mainly due to increased personnel costs.

As at 30 September 2021, the Group employed 1,135 (1,136) FTEs. The net reduction in headcount of one FTE was due to an increase of six FTEs in subsidiaries and a decrease of seven FTEs in the parent bank.

## Impairment losses on loans and guarantees

Impairment losses on loans and guarantees produced net reversals of NOK 16 (charge of 47) million, compared with a charge of NOK 11 million in the second quarter of 2021.

Isolated loss effects, NOK millions	3Q 21	2Q 21	3Q 20
Change ECL due to period growth and migration	13	-2	5
Change ECL due to adjusted key assumptions (PD / LGD)	-26	8	0
Change ECL due to changed scenario weighting	0	0	0
<b>Change in model-based loss provisions</b>	<b>-14</b>	<b>5</b>	<b>5</b>
Post model adjustments	-5	0	-15
Change individual loss provisions	-14	-7	38
Net write-offs	17	12	19
<b>Total losses</b>	<b>-16</b>	<b>11</b>	<b>47</b>

The model-generated provisions for credit losses (Stage 1 and Stage 2) were reduced by NOK 14 (increased by NOK 5) million, compared with an increase of NOK 5 million in the second quarter of 2021. The reduction in the model-generated provisions for credit losses was mainly due to changes in the expected credit losses (ECL) due to adjusted key assumptions. Provisions for post model adjustments (PMAs) were reduced by NOK 5 (15) million, while they were kept unchanged in the second quarter of 2021. The individual provisions for credit losses (Stage 3) were reduced by NOK 14 (increased by NOK 38) million, compared with a reduction of NOK 7 million in the second quarter of 2021. Net realised losses in the quarter was NOK 17 (19) million, compared with NOK 12 million in the second quarter of 2021.

For more detailed information about provisions for credit losses, see Note 1 'Accounting policies', Note 5 'Loans to and receivables from customers', and Note 6 'Provisions for credit losses'.

Some 74 (74) per cent of the SpareBank 1 Østlandet Group's total lending was to retail customers, mainly consisting of housing mortgages, including mortgages transferred to the covered bond companies. The corporate loan portfolio's exposure to cyclical industries is low.

## Credit risk

As at 30 September 2021, the Group's capitalised provisions for credit losses amounted to NOK 485 (642) million, compared with NOK 518 million as at 30 June 2021. The reduction from the same period last year was due to a combination of reduced post model adjustments (PMAs) and reduced individual provisions for credit losses.

The Group's lending and liabilities are categorised into three groups: Stage 1, Stage 2, and Stage 3.

*Stage 1* is used for lending that does not have a substantially higher credit risk than it did upon initial recognition. A provision is made for 12 months' expected loss.

*Stage 2* is used for lending that has a substantially higher credit risk than it did upon being granted, but where no credit loss has occurred on the balance sheet date. A provision is made for expected loss over the entire lifetime.

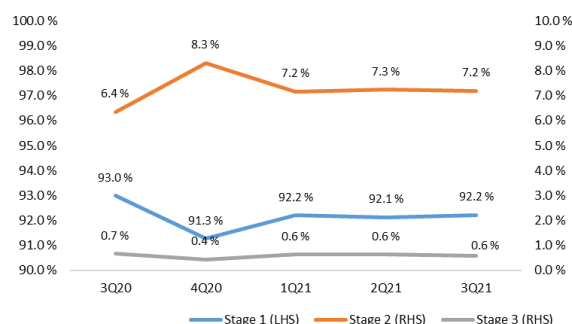
*Stage 3* is used for lending that has a substantially higher credit risk than it did upon being granted and where there is, on the balance sheet date, deemed to exist a default that entails reduced future cash flows to service the commitment. For these assets, the loss provision must cover expected losses over the entire lifetime.

As at 30 September 2021, gross loans and liabilities defined as Stage 3 amounted to NOK 703 (751) million, compared with NOK 742 million as at 30 June 2021. This corresponded to 0.59 (0.66) per cent of gross loans as at 30 September 2021, compared with 0.63 per cent of gross loans as at 30 June 2021.

Of the gross loans and financial liabilities defined as Stage 3, NOK 111 (221) million was allocated as provisions for credit losses as at 30 September 2021, compared with NOK 126 million in provisions as at 30 June 2021. This gives a provisioning ratio of 15.9 (29.4) per cent as at 30 September 2021, compared with a provisioning ratio of 16.9 per cent as at 30 June 2021.



Gross exposure in the different stages was as follows:



For further information about provisions for credit losses, see Note 5 'Loans to and receivables from customers' and Note 6 'Provisions for credit losses'.

Credit risk measured using the Bank's internal credit models was stable throughout the third quarter of 2021, in both retail lending and corporate lending. The individual provisions for credit losses for retail lending and corporate lending have also been stable. So far, the Bank's credit risk has been largely unaffected by the coronavirus crisis, although there is still a possibility that measured credit risk may increase as the consequences of the coronavirus crisis feed through into the Bank's credit models. At the end of the third quarter of 2021, the Bank's measured credit risk was within the risk tolerances approved by the Board. The Board's assessment is that the Group's credit risk is moderate to low.

### Lending to customers

As at 30 September 2021, gross loans to customers, inclusive of mortgages transferred to the covered bond companies, totalled NOK 170.4 (161.0) billion, compared with NOK 167.3 billion as at 30 June 2021. As at 30 September 2021, mortgages totalling NOK 49.9 (46.2) billion had been transferred to SpareBank 1 Boligkreditt AS and loans totalling NOK 1.0 (1.2) 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 9.4 (13.7) billion, equivalent to 5.8 (9.3) per cent. Growth was distributed as follows: NOK 7.0 (10.7) billion, or 5.8 (9.8) per cent, in the retail market and NOK 2.4 (3.0) billion, or 5.8 (7.7) per cent, in the corporate market.

### Deposits from customers

As at 30 September 2021, deposits from customers totalled NOK 91.3 (85.5) billion, compared with NOK 92.6 billion as at 30 June 2021. Deposit growth in the past 12 months was NOK 5.8 (8.6) billion, equivalent

to 6.7 (11.2) per cent. Growth was distributed as follows: NOK 2.6 (5.0) billion, or 5.5 (11.5) per cent, in the retail market and NOK 3.1 (3.6) billion, or 8.4 (10.9) per cent, in the corporate market.

The Group's deposit coverage ratio was 76.4 (75.2) per cent. The Group's deposit coverage ratio, inclusive of mortgages transferred to the covered bond companies, was 53.6 (53.1) per cent.

### Liquidity

Borrowing from financial institutions and securities issued (senior preferred debt, senior non-preferred debt, subordinated loan capital and additional Tier 1 capital) totalled NOK 41.0 (42.7) billion, 47.8 (47.3) per cent of which was Euro-denominated. The average term to maturity for the Group's long-term funding was 4.0 (4.2) years, while the average term to maturity for all funding was 3.7 (3.6) years.

NOK 350 million was raised in additional Tier 1 capital and NOK 1,500 in senior non-preferred debt in the third quarter of 2021.

As at 30 September 2021, the liquidity coverage ratio (LCR) was 144.6 (152.0) per cent, whereas the average last year was 142.4 (149.8) per cent. The liquidity situation for the group was strong prior to the Corona outbreak in Norway, and has remained so throughout the Corona crisis. The board's assessment is that the group's liquidity situation is comfortable.

### Equity capital certificates

As at 30 September 2021, the equity share capital comprised 115,829,789 (115,829,789) equity capital certificates and the book value per equity capital certificate was NOK 105.82 (96.00). Earnings per equity capital certificate were NOK 3.32 (2.60) for the third quarter of 2021, compared with NOK 3.05 for the second quarter of 2021.

As at 30 September 2021, the market price for the Bank's equity capital certificate (ticker 'SPOL') was NOK 129.60 (87.70), compared with NOK 119.00 as at 30 June 2021.

On 28 October 2021, the Board decided to exercise its authorisation from the Supervisory Board to pay out the remaining dividends for the financial year 2020. The decision was based on Section 10-6, first subsection, of the Financial Institutions Act and new guidelines from national supervisory authorities. The Board judged that the circumstances was such that paying out the remaining dividends was prudent given its assessment of macroeconomic developments and the Bank's financial strength.

On 7 April, the Bank paid out total dividends of NOK 203 million to the equity capital certificate holders, corresponding to NOK 1.75 per equity capital certificate. On 28 October 2021, the Board of SpareBank 1 Østlandet approved a further payout of NOK 352 million, corresponding to NOK 3.04 per equity capital certificate, in accordance with the Supervisory Board's allocation of the profit for 2020.

### **Solidity and capital adequacy**

The Group's equity totalled NOK 18.7 (16.7) billion as at 30 September 2021 and represented to 12.1 (11.2) per cent of total capital. The leverage ratio was 7.3 (7.1) per cent.

The Group's Common Equity Tier 1 capital ratio was 18.0 (17.3) per cent as at 30 September 2021. The Tier 1 capital and Tier 2 capital ratios were 19.4 (18.3) per cent and 21.3 (20.2) per cent, respectively. The issuance of additional Tier 1 capital in the third quarter of 2021 had a positive impact on the Tier 1 and Tier 2 capital ratios.

The Bank's appeal regarding the FSA's instruction to increase buffers in the LGD estimates in the corporate portfolio was still being considered by the Ministry of Finance on the balance sheet date. The Bank sent a reminder to the Ministry of Finance in the first quarter of 2021 and received a reply stating that the appeal is now under consideration.

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.

The Group was subject to a total buffer requirement of 7.9 per cent as at 30 September 2021. On 13 March 2020, the Ministry of Finance reduced the countercyclical buffer by 1.5 percentage points from 2.5 per cent to 1.0 per cent for Norwegian exposures. On 17 June this year, the Ministry of Finance decided to increase the buffer by 0.5 percentage points to 1.5 per cent with effect from 30 June 2022. In its 'Monetary Policy Report 3/21', Norges Bank writes that the countercyclical buffer is expected to increase to 2 per cent in December 2021 with effect from 31 December 2022 and that it will be 2.5 per cent somewhat further out.

In the total buffer requirement as at 30 September 2021, the institution-specific buffer requirements consisting of the countercyclical buffer and the

systemic risk buffer were calculated to be 1.0 per cent and 4.4 per cent, respectively, for the Group. The capital conservation buffer is 2.5 per cent. The FSA circulated proposed changes to the calculation of the institution-specific buffer requirements on 2 July 2021 with a consultation deadline of 1 October 2021. The proposed changes to these calculations are expected to have little impact on the Bank's total capital requirement.

Therefore, as at 30 September 2021, the Group's Common Equity Tier 1 capital ratio requirement, inclusive of a Pillar 2 requirement of 1.8 percentage points, was 14.2 per cent. The Bank's Common Equity Tier 1 capital ratio was thus significantly higher than the current and expected capital requirements. The Board of Directors regards the Bank's capital situation as comfortable.

On 9 June, the FSA published an updated circular containing requirements for IRB models. The requirements in the circular will result in a tightening of the capital requirements driven by a higher regulatory loss given default (LGD) for lending secured by residential property and a higher regulatory time to maturity (M) for loans secured by commercial property. The FSA stated in the circular that an M that is considered too low in relation to the requirements may be compensated for with an increased Pillar 2 requirement. The industry and the FSA disagree about these requirements and there is an ongoing dialogue between the FSA, Ministry of Finance, and the banks, represented by Finance Norway, in connection with this. The Bank is monitoring this dialogue closely and will adapt to the final requirements once the dialogue has concluded.

On 26 March 2021, the Ministry of Finance announced that the EU's banking package would not come into force in Norway in June. The EU's banking package includes revised versions of the Capital Requirements Directive and the associated Regulation, which will affect the Bank's capital adequacy. No final date for the EU banking package entering into force in Norway has been set, although the FSA announced in a press release on 5 October that the regulatory changes will not take effect in 2021. The most important effect of the regulations is expected to be the implementation of an expanded SME discount, which for the Group is expected to contribute to an increase in its Common Equity Tier 1 capital ratio of approximately 0.4 percentage points, seen in isolation.

On 27 October 2021, the European Commission presented its plan for a forthcoming package of regulatory changes. The package includes changes from the revised Basel III standard, in addition to changed rules regarding supervisors' oversight of banks as well as rules related to how banks measure and manage ESG-risks. The Commission plans to implement the package with effect from 1 January 2025.

### 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 potential for upgrading. SpareBank 1 Østlandet is, therefore, one of the three savings banks with the highest credit rating from Moody's in Norway.

On 24 May 2021, SpareBank 1 Østlandet received an updated ESG Risk Rating from Sustainalytics of 12.3 (Low Risk). The Bank's work on climate change is rated at the highest level, 'A', by the Carbon Disclosure Project (CDP).

## Consolidated financial statements as at 30 September 2021

### Consolidated profit

As at 30 September 2021, the consolidated profit after tax for the year to date was NOK 1,517 (1,142) million and the return on equity was 11.8 (9.7) per cent.

Specification of the consolidated profit after tax, NOK millions:	30.09.2021	30.09.2020
Parent Bank's profit after tax	1 533	965
Dividends received from subsidiaries/associated companies	-420	-287
<b>Share of profit from:</b>		
SpareBank 1 Gruppen - consolidated figures	189	285
SpareBank 1 Boligkreditt AS	18	23
SpareBank 1 Næringskreditt AS	1	6
EiendomsMegler 1 Innlandet AS	5	16
EiendomsMegler 1 Oslo Akershus - consolidated figures	13	11
SpareBank 1 Finans Østlandet AS	141	95
SpareBank 1 Østlandet VIT - consolidated figures	3	2
SpareBank 1 Kreditt AS	11	2
SpareBank 1 Betaling AS	-5	-3
SpareBank 1 Forvaltning AS - consolidated figures	6	
BN Bank ASA	35	24
Youngstorget 5 AS	3	3
Other associated companies/joint ventures	-16	0
<b>Consolidated profit after tax</b>	<b>1 517</b>	<b>1 142</b>

The difference between the NOK 37 million gain in the parent bank and the NOK 24 million gain in the Group in connection with the rebalancing of stakes in SpareBank 1 Forvaltning AS is included in the 'Other associated companies/joint ventures' item in the above specification of consolidated profits.

### Net interest income

Net interest income amounted to NOK 1,628 (1,628) million. Net interest income should be seen together with fee and commission income from mortgages transferred to the partly-owned covered bond companies totalling NOK 350 (237) million. Total net interest income, including fee and commission income from the covered bond companies, amounted to NOK 1,979 (1,865) million. The increase in the combined net interest income and commission income from the

covered bond companies was mainly due to higher commission rates from the covered bond companies, as well as growth in the lending volume. Net interest income as a percentage of average total assets was 1.44 (1.51) per cent.

### Net commissions and other operating income

Net commissions and other operating income amounted to NOK 1,208 (1,035) million.

Figures in NOK millions	30.09.2021	30.09.2020
Net money transfer fees	101	79
Commissions from insurance and savings	199	169
Commissions from covered bonds companies	350	237
Commission from credit cards	40	45
Real estate brokerage commissions	269	257
Accounting services	139	139
Other operating income	110	110
<b>Net commissions and other (non interest) operating income</b>	<b>1 208</b>	<b>1 035</b>

In addition to solid increases in commissions from the covered bond companies, growth in net commissions and other operating income was due to a sharp increase in insurance and savings commissions, as well as a significant increase in commissions for money transfer services. Commissions from real estate brokerage also increased, while commission income from credit cards fell somewhat.

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 487 (399) million.

Figures in NOK millions	30.09.2021	30.09.2020
Dividends from shares and other equity instruments	21	13
Share of profit or loss of associates and joint ventures	278	331
Net profit from other financial assets and liabilities	188	55
<b>Net profit from financial assets and liabilities</b>	<b>487</b>	<b>399</b>

Dividends of NOK 21 (13) million primarily consisted of dividends from Totens Sparebank of NOK 10 (11) million in the first quarter of 2021 and dividends from SpareBank 1 Markets AS of NOK 9 (0) million in the second quarter of 2021.

Profit contributions from associated companies and joint ventures amounted to NOK 278 (331) million.

Contribution from associated companies and joint ventures in NOK millions	30.09.2021	30.09.2020
SpareBank 1 Gruppen AS - consolidated figures	189	285
SpareBank 1 Boligkreditt AS	18	23
SpareBank 1 Næringskreditt AS	1	6
SpareBank 1 Kreditt AS	11	2
SpareBank 1 Betaling AS	-5	-3
SpareBank 1 Forvaltning AS - consolidated figures	6	0
BN Bank ASA	35	24
Other associated companies/joint ventures	24	-6
<b>Share of profit or loss of associates and joint ventures</b>	<b>278</b>	<b>331</b>

The fall in profits of NOK 53 million compared with the same period last year was primarily due to a lower profit contribution from SpareBank 1 Gruppen. Last year's amount included SpareBank 1 Østlandet's share of the NOK 217 million gain in SpareBank 1 Gruppen in 2020 from the transfer of the personal risk area from SpareBank 1 Forsikring AS to Fremtind Forsikring AS.

The NOK 24 million gain in the Group in connection with the rebalancing of stakes in SpareBank 1 Forvaltning AS is included in the 'Other associated companies/joint ventures' item in the profit contributions specification as at 30 September 2021.

Net income from other financial assets and liabilities was NOK 188 (55) million. Unrealized valuation changes in the liquidity portfolio on fixed-rate loans to customers and on equity instruments at fair value, accounted for a significant part of the gain. For more detailed information please see Note 7 'Net income from financial assets and liabilities'.

## Operating expenses

Total operating expenses were NOK 1,450 (1,399) million and amounted to 43.6 (45.7) per cent of net income.

Specifications of the expenses in the period, NOK millions	30.09.2021	30.09.2020	Change
Personnel expenses excl. restructuring expenses	846	798	6.1 %
Depreciation/amortisation	92	99	-6.9 %
ICT expenses	232	230	0.8 %
Marketing expenses	59	51	17.0 %
Operating expenses from real estate	43	40	6.0 %
Other expenses	177	180	-1.6 %
<b>Total operating expenses excl. restructuring expenses</b>	<b>1 450</b>	<b>1 398</b>	<b>3.7 %</b>
Restructuring expenses	0	1	
<b>Total operating expenses</b>	<b>1 450</b>	<b>1 399</b>	<b>3.6 %</b>

The NOK 51 million increase in operating expenses from the same period last year was mainly due to increased personnel costs. The average number of FTEs has increased by 11 in the year to date compared with the same period last year. The number of FTEs employed as at 30 September 2021 was 1,135 (1,136). ICT, marketing activities and real estate operation also pushed up costs, while reductions in depreciation and other operating expenses pulled in the opposite direction.

## Impairment losses on loans and guarantees

As at 30 September 2021, the Group had seen net reversals of impairment losses on loans and guarantees of NOK 23 (charge of 328) million.

Losses consisted of the following elements:

Isolated loss effects, NOK millions	Retail market	Corporate market	Parent bank	SBIFØ	Group
Change ECL due to period growth and migration	2	15	16	-3	13
Change ECL due to adjusted key assumptions (PD / LGD)	-1	-31	-32	0	-32
Change ECL due to changed scenario weighting	0	0	0	0	0
<b>Change in model-based loss provisions</b>	<b>1</b>	<b>-16</b>	<b>-16</b>	<b>-3</b>	<b>-19</b>
Post model adjustments	0	-20	-20	-5	-25
Change individual loss provisions	-5	-9	-15	-5	-19
Net write-offs	5	17	22	18	40
<b>Total losses</b>	<b>1</b>	<b>-29</b>	<b>-28</b>	<b>5</b>	<b>-23</b>

Model-generated provisions for credit losses (Stage 1 and Stage 2) decreased by NOK 19 (increase of 109) million, primarily due to a change in ECL due to adjustments to key assumptions. In addition, post model adjustments (PMAs) decreased by NOK 25 (increase of 40) million.

Individual provisions for credit losses (Stage 3) were also reduced by NOK 19 (increase of 133) million, while the period's net realised loss was NOK 40 (46) million.

Last year's figures were heavily impacted by the coronavirus pandemic when the situation was unclear following the introduction of strong government measures and the associated abrupt slowdown in the Norwegian economy. The situation has been clearer in 2021 and the macroeconomic situation is expected to improve going forward. This was reflected in the improvement of key assumptions in the loss models. For more detailed information about provisions for credit losses, see Note 1 'Accounting policies', Note 5 'Loans to and receivables from customers', and Note 6 'Provisions for credit losses'.



# The parent bank's financial statements as at 30 September 2021

## Parent bank's results

The parent bank's profit after tax as at 30 September 2021 was NOK 1,533 (965) million. The increase from the corresponding period in 2020 was due to an increase in net interest income and net commissions and other operating income, better net income from financial assets and liabilities, and lower loan loss provisions. Increased operating expenses and higher tax expenses pulled in the opposite direction.

Charges for impairment losses on loans and guarantees fell by NOK 291 million from a net charge of NOK 263 million as at 30 September 2020 to net reversals of NOK 28 million as at 30 September 2021.

The increase in the income tax expense was mainly due to a combination of improved results and SpareBank 1 Østlandet receiving a tax deduction of NOK 52 million as at 30 September 2020 due to paying out NOK 206 million in customer dividends while no customer dividends were paid out in the first three quarters of 2021. On 28 October, the Board of SpareBank 1 Østlandet decided to pay out NOK 231 million in customer dividends. The payment will take place during the fourth quarter, along with the associated tax deduction.

## Operating expenses

Total operating expenses in the parent bank amounted to NOK 1,017 (991) million as at 30 September 2021 and represented 35.7 (41.8) per cent of total income.

The NOK 26 million increase in operating expenses from the same period last year was mainly due to increased personnel costs. The average number of FTEs has increased by 15 in the year to date compared with the same period last year. The number of FTEs employed as at 30 September 2021 was 687 (694).

ICT, marketing activities and real estate operation expenses also increased compared with last year, while depreciation and other operating expenses decreased.

Restructuring costs related to downsizing in the parent bank amounted to NOK 0 (1) million.

Specifications of the expenses in the period, NOK millions	30.09.2021	30.09.2020	Change
Personnel expenses excl. restructuring expenses	531	504	5.2 %
Depreciation/amortisation	70	80	-12.0 %
ICT expenses	210	209	0.7 %
Marketing expenses	49	40	21.9 %
Operating expenses from real estate	35	32	8.6 %
Other expenses	122	125	-2.5 %
<b>Total operating expenses excl. restructuring expenses</b>	<b>1 017</b>	<b>990</b>	<b>2.7 %</b>
Restructuring expenses	0	1	
<b>Total operating expenses</b>	<b>1 017</b>	<b>991</b>	<b>2.6 %</b>

In 2021, SpareBank 1 Østlandet aims to keep the growth in the parent bank's operating expenses, adjusted for restructuring expenses, under 2.0 per cent.

As at 30 September 2021, the parent bank's operating expenses adjusted for restructuring costs were NOK 1,017 (991) million, an increase of 2.6 per cent.

## Impairment losses on loans and guarantees

As at 30 September 2021, the parent bank had seen net reversals of impairment losses on loans and guarantees of NOK 28 (net charge of 263) million.

Model-generated provisions for credit losses (Stage 1 and Stage 2) decreased by NOK 16 (increase of 86) million, primarily due to a change in ECL due to adjustments to key assumptions. In addition, post model adjustments (PMAs) decreased by NOK 20 (increase of 35) million. Individual provisions for credit losses (Stage 3) were also reduced by NOK 15 (increase of 121) million, while the period's net realised loss was NOK 22 (21) million.

For more detailed information about provisions for credit losses, see Note 1 'Accounting policies', Note 5 'Loans to and receivables from customers', and Note 6 'Provisions for credit losses'.

## Solidity and capital adequacy

The parent bank's equity amounted to NOK 17.6 (15.5) billion, which represented 11.5 (10.5) per cent of total assets as at 30 September 2021.

The parent bank's Common Equity Tier 1 capital ratio was 22.3 (21.3) per cent. The Tier 1 capital ratio was 23.8 (22.3) per cent and the Tier 2 capital ratio was 25.8 (24.3) per cent. The profit for the period after expected income tax and dividends was included in the total capital adequacy ratio as at 30 September 2021.

The parent bank was subject to a total buffer requirement of 8 per cent as at 30 September 2021. In the total buffer requirement as at 30 September 2021, the institution-specific buffer requirements consisting of the countercyclical buffer and the systemic risk buffer, were calculated to be 1.0 per cent and 4.5 per cent, respectively, for the parent bank. Therefore, the Bank's Common Equity Tier 1 capital ratio was 12.5 per cent as at 30 September 2021.

### Underlying banking operations

Underlying banking operations are defined as the profit before loan losses, excluding securities effects and dividends. Expenses related to restructuring are also excluded.

Underlying banking operations, NOK millions	30.09.2021	30.09.2020	Change
Net interest income	1 416	1 411	0.3 %
Net commission and other operating income	762	604	26.1 %
Total operating costs	-1 017	-991	2.6 %
Adjustments: Restructuring costs	0	1	
<b>Operating profit underlying banking operations</b>	<b>1 160</b>	<b>1 025</b>	<b>13.2 %</b>

The operating profit from underlying banking operations amounted to NOK 1,160 (1 025) million as at 30 September 2021. Profit from the underlying banking operations increased by NOK 136 million compared with the same period last year, which is equivalent to an improvement of 13.2 per cent. The improvement in profit was due to an increase in net interest income and higher net commissions and

other operating income, while higher operating expenses had the opposite effect.

### Coronavirus measures

As at 30 September 2021, SpareBank 1 Østlandet had granted interest-only periods for 4,735 mortgages representing total lending of NOK 7.7 billion to retail customers. This was comparable to the level before the Covid-19 pandemic struck.

Similarly, interest-only periods had been granted to corporate customers for 127 loans representing total lending of around NOK 974 billion as at 30 September 2021. A further 18 government guaranteed liquidity loans were granted to corporate customers, representing total lending of NOK 25.2 million. No contingency loans were granted during the period.

## Subsidiaries as at 30 September 2021

### SpareBank 1 Finans Østlandet AS

The leasing company SpareBank 1 Finans Østlandet AS (95 per cent ownership interest) posted a profit after tax of NOK 141 (95) million as at 30 September 2021. Net interest income was NOK 219 (223) million, net commissions and other operating income NOK 47 (44) million, and total operating expenses NOK 73 (74) million, while impairment losses amounted to NOK 5 (66) million.

As at 30 September 2021, the results were characterised by low losses and healthy margins due to lower funding costs and good lending interest rates in the company. Increased other income also helped improve the profit compared with the same period last year.

In 2021, the company has acquired a 15.7 per cent stake in the car subscription company, Fleks. Together with SpareBank 1 Finans Midt Norge AS and SpareBank 1 Nord-Norge, the company has a 47.2 per cent stake in Fleks.

As at 30 September 2021, SpareBank 1 Finans Østlandet AS had granted interest-only periods to corporate customers for 537 loans and leases, representing total lending of around NOK 392 million. In the same period, interest-only periods were granted to retail customers for around 648 loans with a total lending volume of about NOK 137 million.

As at 30 September 2021, gross loans to customers amounted to NOK 9.3 (9.1) billion and the growth in lending in the past 12 months was 2.2 (3.5) per cent.

### EiendomsMegler 1 Innlandet AS

EiendomsMegler 1 Innlandet AS posted earnings of NOK 104 (104) million as at 30 September 2021 and achieved a profit after tax of NOK 5 (16) million. The company has changed how it accrues personnel expenses, which has resulted in personnel expenses being approximately NOK 9 million higher than in the same period last year.

The company has faced some capacity challenges due to not having enough real estate brokers in important market areas. The volume of sales fell by 4 per cent compared with the same period last year. The main reason for this was declining market shares in the used homes market, although very good new homes sales compensated for some of this. As at 30 September 2021, the company had a market share in its market area of 26.8 (30.1) per cent of sales of used homes and holiday properties.

Activity in the housing market was generally good throughout the first half of 2021, although it fell significantly in the third quarter. The total volume of sales in the company's market area was 3,154 units as at 30 September 2021, which corresponds to a 1 per cent fall compared with the same period last year. For the third quarter in isolation, the fall was 13 per cent compared with the same quarter last year.

#### **EiendomsMegler 1 Oslo Akershus Group – consolidated figures**

As at 30 September 2021, the EiendomsMegler 1 Oslo Akershus Group posted earnings of NOK 168 (158) million and achieved a profit after tax of NOK 13 (11) million. The increase in turnover was due to a combination of increased sales and higher house prices.

The level of activity within residential sales was very high in the company's market area in the first half of the year, but volumes dropped significantly in the third quarter. For the third quarter in isolation, the fall was 21 per cent compared with the same quarter last year. January and February were characterised by very high demand, while the supply side was relatively poor. This resulted in an abnormally sharp rise in prices in the first 2 months of the year. From March onwards, the supply side picked up considerably and a record number of units were sold in the Oslo market during the first half of the year. The growth in prices slowed from March onwards and nominal price growth has generally declined slightly since then.

As at 30 September 2021, the company had a market share in its market area of 8.7 (8.6) per cent of sales of used homes. The company's market shares developed strongly throughout 2020 in parallel with the strong growth in market volume. The company has experienced a slight decline in market shares this year, although it has nevertheless sold a record number of homes.

#### **SpareBank 1 Østlandet VIT AS – consolidated figures**

As at 30 September 2021, the SpareBank 1 Østlandet VIT Group posted earnings of NOK 145 (142) million and achieved a profit after tax of NOK 3 (2) million.

As at 30 September 2021, The VIT AS's turnover and profit after tax were slightly higher than for the same period last year. The company has incurred significant restructuring expenses. The restructuring has dragged on as a result of shutdowns and compulsory working from home, and this has impacted the company's profitability.

## **Joint ventures and associated companies as at 30 September 2021**

#### **SpareBank 1 Gruppen AS**

SpareBank 1 Gruppen (12.40 per cent stake of the controlling interest) comprises the SpareBank 1 Alliance's joint product companies within insurance, claims management, and collection.

As at 30 September 2021, SpareBank 1 Gruppen posted a consolidated profit before tax of NOK 2,816 (1,053) million. The consolidated profit after tax for the same period was NOK 2,170 (799) million. The controlling interest's share of the consolidated profit after tax amounted to NOK 1,527 (549) million and SpareBank 1 Østlandet's share of this amounted to NOK 189 (285) million.

The improvement in profit from the same period last year was mainly due to the coronavirus pandemic resulting in significant insurance provisions, payouts on travel insurance and a poorer financial return in the same period last year.

Fremtind Forsikring AS posted a consolidated profit before tax of NOK 2,408 (923) million, while SpareBank 1 Forsikring AS posted a profit before tax of NOK 293 (127) million. SpareBank 1 Factoring AS posted a consolidated profit before tax of NOK 51 (54) million, while Modhi Finance AS posted a consolidated profit before tax of NOK 127 (-2) million.

SpareBank 1 Spleis AS posted a loss before tax of NOK 10 (loss of 13) million. SpareBank 1 Spleis AS's operating income has increased due to an increase in volume. As at 30 September 2021, the company had seen 8,213 (7,975) new active fundraising initiatives, and NOK 164 (118) million had been raised.

ODIN Forvaltning AS was included in SpareBank 1 Gruppen's consolidated accounts up to and including 30 April 2021. With effect from 1 May 2021, ODIN Forvaltning AS was demerged from SpareBank 1 Gruppen and merged into SpareBank 1 Forvaltning AS.

In 2020, the profit contribution from SpareBank 1 Gruppen included in the consolidated financial statements of SpareBank 1 Østlandet was affected by the demerger of personal risk products from SpareBank 1 Forsikring AS and DNB Livsforsikring AS and their subsequent transfer to Fremtind Livsforsikring AS.

The gain that arose in connection with this demerger was recognised directly against equity in SpareBank 1 Gruppen but was recognised through profit or loss in the consolidated financial statements of the owner banks.

SpareBank 1 Østlandet's share of this gain amounted to NOK 217 million and resulted in the profit contribution from SpareBank 1 Gruppen included in SpareBank 1 Østlandet's consolidated financial statements amounting to NOK 285 million as at 30 September 2020, in spite of SpareBank 1 Østlandet's share of SpareBank 1 Gruppen's consolidated result amounting to NOK 68 million.

#### **SpareBank 1 Forvaltning AS**

SpareBank 1 Forvaltning AS (6.37 per cent stake) was established by the SpareBank 1 Alliance banks to manage the ownership of ODIN Forvaltning AS.

As at 30 September 2021, SpareBank 1 Forvaltning AS posted a consolidated profit after tax of NOK 87 million. The profit contribution from the consolidated result of SpareBank 1 Forvaltning AS, which is included in the consolidated accounts of SpareBank 1 Østlandet, amounted to NOK 6 million as at 30 September 2021.

The results from ODIN Forvaltning AS were included in the SpareBank 1 Forvaltning AS Group's consolidated accounts with effect from 1 May 2021, while the results from SpareBank 1 Kapitalforvaltning AS and SpareBank 1 Verdipapirservice AS were included in the consolidated accounts with effect from 1 July 2021.

#### **SpareBank 1 Boligkreditt AS**

SpareBank 1 Boligkreditt AS (22.45 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.

As at 30 September 2021, the company posted a profit after tax of NOK 107 (148) million. The decrease in profit compared with the same period last year was mainly due to higher commission expenses for the owner banks, while increased net interest income, a lower negative contribution from financial instruments, and reversals of provisions for credit losses had the opposite effect.

The profit contribution from SpareBank 1 Boligkreditt AS, which is included in the consolidated financial statements of SpareBank 1 Østlandet using the equity method, is adjusted for interest paid on the additional Tier 1 capital that is recognised directly in equity. The profit contribution amounted to NOK 18 (23) million as at 30 September 2021.

#### **SpareBank 1 Næringskreditt AS**

SpareBank 1 Næringskreditt AS (10.65 per cent stake) was established according to the same model,

and with the same management, as SpareBank 1 Boligkreditt AS. SpareBank 1 Næringskreditt AS has two classes of shares with differing rights to dividends. SpareBank 1 Østlandet includes 3.30 per cent of the company's results in its consolidated financial statements, equivalent to the Bank's share of the company's dividend payments.

As at 30 September 2021, the company posted a profit after tax of NOK 41 (44) million.

The profit share included in SpareBank 1 Østlandet's consolidated accounts amounted to NOK 1 (6) million as at 30 September 2021.

#### **SpareBank 1 Kreditt AS**

SpareBank 1 Kreditt AS (19.09 per cent stake) is the SpareBank 1 Alliance's joint venture for credit cards and short-term loans.

As at 30 September 2021, the company had achieved a profit after tax of NOK 59 (9) million. The improvement in profit was mainly due to a reduction in impairment losses of approximately NOK 45 million in the third quarter of 2021.

The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements amounted to NOK 11 (2) million as at 30 September 2021.

#### **SpareBank 1 Betaling AS**

SpareBank 1 Betaling AS (18.74 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.

As at 30 September 2021, the company posted a loss after tax of NOK 28 (loss of 14) million. The negative profit contribution included in SpareBank 1 Østlandet's consolidated financial statements amounted to NOK 5 (negative 3) million as at 30 September 2021.

#### **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 and Bolig- og Næringskreditt AS merged in the third quarter of 2020. The comparable figures for the same period last year are consolidated figures inclusive of Bolig- og Næringskreditt AS. As at 30 September 2021, BN Bank ASA posted a profit after tax of NOK 356 (249) million and a return on equity of 10.4 (7.8) per cent.



Net interest income increased by NOK 28 million compared with the same period last year, while other income increased by NOK 22 million. Total operating expenses increased by NOK 4 million and losses were reduced by NOK 97 million due to the bank's net reversal of losses of NOK 22 million as at 30 September 2021, compared with a charge of NOK 75 million for the same period last year.

The profit contribution from BN Bank ASA, which is included the consolidated accounts for SpareBank 1

Østlandet using the equity method, is adjusted for interest paid on the additional Tier 1 capital that is recognised directly in equity. The profit contribution amounted to NOK 35 (24) million as at 30 September 2021.

For more information about the financial statements of the various companies, please see the interim reports that are available on the companies' own websites.

## Corporate social responsibility and sustainability

SpareBank 1 Østlandet will continue its work towards net zero emissions in 2050, including in cooperation with other leading banks in the UN Net Zero Banking Alliance. The initiative, and therefore also the Bank, has now been formally approved as part of the UN Race to Zero and represents the banks' contribution to the Glasgow Financial Alliance for Net-Zero, both initiatives leading up to the climate summit in November, COP26.

The Bank is also included in the first collective progress report from the UN Principles for Responsible Banking. Among other things, this shows that 94 per cent of the members are focusing on a sustainable strategy, 93 per cent analyse their impact and 87 per cent have expressed that they are focusing on the climate. This means that through this initiative the banking industry will mobilise up to USD 2.3 trillion in sustainable financial resources.

In its work on its corporate strategy for the next period, the Bank is partnering with one of Norway's leading sustainability research environments in the University of Oslo, also known as SMART, to ensure that the scientific basis for its next strategy is based on research.

In August, the Bank published our new sustainability guide for SMEs seeking concrete advice with starting work on sustainability. It presents four practical steps for getting started, as well as further information on relevant sustainability concepts and international agreements/schemes. The guide will be supplemented by training sessions for companies. The guide has gained a lot of attention and good feedback.

The Bank scored a grade A and was ranked fifth in the Governance Group's 'ESG 100'-report ('Bærekraft på børs 2021'), which analysed the sustainability reports of the 100 largest companies on the Oslo Børs. According to this ranking, we are therefore the best bank in the country when it comes to sustainability reporting. According to The Governance Group, this means that the Bank has very good reporting in line with best practice, clear accounts of important topics and relevant results, as well as a clear strategy and clear, quantified objectives.

## Outlook

The gradual reopening of Norway continued through the third quarter and towards the end of September the government was able to announce Norway's reopening. Normal everyday life has, therefore, returned in the country, albeit with a heightened level of preparedness.

A return to normal means that banking operations and the customers' financial lives have returned to normal. The government's measures during the pandemic affected the Bank's customers in different

ways. In 2020, the Bank made substantial provisions for credit losses in light of the projected impact of the government's measures on the capacity of the Bank's borrowers to service their debt. However, actual losses have been far lower than expected and during 2021 the Bank has reversed some of the provisions, including in the third quarter. This reflects both the better economic development and a resilient lending book.

At the end of the third quarter, Norges Bank raised its key policy rate. The central bank expects further rate hikes going forward. Higher interest rates reflect that fact that the Norwegian economy has recovered much of what it lost due to the coronavirus pandemic and now appears to be more robust. Higher borrowing costs and a sharp rise in electricity prices are expected to dampen private consumption and activity in the housing market in the coming period. Nevertheless, the Board emphasises that higher interest rates are a sign of an improving economy and is optimistic with respect to the development of the Bank's market areas going

forward. A healthy economy is also good for the Bank's development, including through less risk of losses and higher overall credit growth.

Although the country has now reopened and economic activity is improving, the virus situation could change in a way that may warrant the introduction of new infection control measures. However, based on the experience of the last year and a half, the Board believes that both the region and the Bank are well equipped to meet any challenges that might arise.

## The Board of Directors of SpareBank 1 Østlandet

Hamar, 28 October 2021

# Income statement

Parent Bank						Group					
Year	01.07-30.09		01.01-30.09				01.01-30.09		01.07-30.09		Year
2020	2020	2021	2020	2021	(NOK million)	Notes	2021	2020	2021	2020	2020
2 875	632	634	2 241	1 871	Interest income effective interest method	19	2 085	2 461	704	706	3 167
268	74	60	207	174	Other interest income	19	174	207	60	74	268
1 256	244	212	1 037	630	Interest expense	19	631	1 039	212	244	1 258
<b>1 887</b>	<b>462</b>	<b>482</b>	<b>1 411</b>	<b>1 416</b>	<b>Net interest income</b>	19	<b>1 628</b>	<b>1 628</b>	<b>552</b>	<b>536</b>	<b>2 177</b>
947	260	297	654	813	Commission income		1 138	970	400	380	1 359
95	25	26	69	75	Commission expenses		104	104	36	36	144
30	7	7	19	24	Other operating income		174	169	50	49	226
<b>882</b>	<b>242</b>	<b>279</b>	<b>604</b>	<b>762</b>	<b>Net commissions and other operating income</b>		<b>1 208</b>	<b>1 035</b>	<b>414</b>	<b>392</b>	<b>1 441</b>
41	1	0	13	21	Dividends from shares and other equity instruments	7	21	13	0	1	41
282	7	39	287	461	Net income from subsidiaries, associates and joint ventures (Parent Bank)	7					
					Share of profit or loss of associates and joint ventures (Group)	7	278	331	109	88	394
109	45	88	55	188	Net profit from other financial assets and liabilities	7	188	55	88	45	109
<b>432</b>	<b>53</b>	<b>128</b>	<b>355</b>	<b>669</b>	<b>Net profit from financial assets and liabilities</b>		<b>487</b>	<b>399</b>	<b>198</b>	<b>133</b>	<b>545</b>
<b>3 201</b>	<b>757</b>	<b>889</b>	<b>2 370</b>	<b>2 847</b>	<b>Total net income</b>		<b>3 323</b>	<b>3 062</b>	<b>1 163</b>	<b>1 061</b>	<b>4 164</b>
678	167	178	505	531	Personnel expenses		846	798	279	269	1 083
104	26	23	80	70	Depreciation		92	99	31	33	132
559	135	135	406	417	Other operating expenses		511	501	164	163	687
<b>1 341</b>	<b>328</b>	<b>337</b>	<b>991</b>	<b>1 017</b>	<b>Total operating expenses</b>		<b>1 450</b>	<b>1 399</b>	<b>473</b>	<b>465</b>	<b>1 902</b>
<b>1 860</b>	<b>429</b>	<b>552</b>	<b>1 379</b>	<b>1 830</b>	<b>Operating profit before losses on loans and guarantees</b>		<b>1 873</b>	<b>1 663</b>	<b>690</b>	<b>596</b>	<b>2 262</b>
245	35	-17	263	-28	Impairment losses on loans and guarantees	6	-23	328	-16	47	330
<b>1 615</b>	<b>394</b>	<b>569</b>	<b>1 116</b>	<b>1 858</b>	<b>Pre-tax operating profit</b>		<b>1 896</b>	<b>1 335</b>	<b>706</b>	<b>549</b>	<b>1 932</b>
273	95	128	151	325	Tax expense		379	193	144	111	323
<b>1 342</b>	<b>299</b>	<b>441</b>	<b>965</b>	<b>1 533</b>	<b>Profit after tax</b>		<b>1 517</b>	<b>1 142</b>	<b>561</b>	<b>438</b>	<b>1 608</b>
Attributable to additional Tier 1 Capital holders							18	14	6	6	20
Profit after tax for controlling interest							1 491	1 123	553	430	1 583
Profit after tax for non-controlling interest							8	5	2	2	6
<b>Profit after tax</b>							<b>1 517</b>	<b>1 142</b>	<b>561</b>	<b>438</b>	<b>1 608</b>
Earnings/diluted earnings per equity certificate (in NOK)							9.01	6.80	3.34	2.60	9.58
Earnings/diluted earnings per average equity certificate (in NOK)							9.01	6.80	3.34	2.60	9.58

Parent Bank						Group					
Year	01.07-30.09		01.01-30.09				01.01-30.09		01.07-30.09		Year
2020	2020	2021	2020	2021	(NOK million)	Notes	2021	2020	2021	2020	2020
1 342	299	441	965	1 533	Profit after tax		1 517	1 142	561	438	1 608
-6	0	0	-5	0	Actuarial gains/losses on pensions		0	-5	0	0	-6
2	0	0	1	0	Tax effects of actuarial gains/losses on pensions		0	1	0	0	2
10	-4	1	9	4	Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk		4	9	1	-4	10
-3	1	0	-2	-1	Tax effects related to the above		-1	-2	0	1	-3
					Share of other comprehensive income from associated companies and joint ventures		1	7	0	2	9
3	-3	1	3	3	Total items that will not be reclassified through profit or loss		4	10	0	-1	12
					Net fair value adjustments on loans at fair value through other comprehensive income		3	12	1	1	11
-3	0	0	-3	-1	Tax effects related to the above		-1	-3	0	0	-3
					Fair value changes on hedge derivatives due to changes in the currency basis spread		-18	9	11	0	13
13	0	11	9	-18			-18	9	11	0	13
-3	0	-3	-2	5	Tax effects related to the above		5	-2	-3	0	-3
					Share of other comprehensive income from associates and joint ventures		-16	2	25	-11	13
18	1	9	16	-12	Total items that will be reclassified through profit or loss		-28	18	34	-10	30
21	-2	10	19	-8	Total profit and loss items recognised in equity		-24	28	35	-12	43
1 363	297	451	984	1 524	Total profit/loss for the period		1 493	1 170	596	426	1 651
					Attributable to additional Tier 1 Capital holders		18	14	6	6	20
					Total profit/loss for the period for controlling interest		1 467	1 151	588	418	1 626
					Total profit/loss for the period for non-controlling interest		8	5	2	2	6
					Total profit/loss for the period		1 493	1 170	596	426	1 651



# Balance sheet

Parent Bank				Group			
31.12.2020	30.09.2020	30.09.2021	NOK million	Notes	30.09.2021	30.09.2020	31.12.2020
<b>ASSETS</b>							
683	673	366	Cash and deposits with central banks		366	673	683
8 887	10 662	9 000	Loans to and receivables from credit institutions	12	1 392	3 321	1 576
103 911	104 080	109 923	Loans to and receivables from customers	5,6	119 086	113 049	112 885
20 999	20 786	24 338	Certificates, bonds and fixed-income funds	10	24 338	20 786	20 999
2 212	3 316	1 148	Financial derivatives	8,10,11	1 148	3 316	2 212
616	655	691	Shares and other equity interests	10	691	655	616
4 510	4 498	4 559	Investments in associates and joint ventures		5 413	5 229	5 325
1 758	1 758	1 758	Investments in subsidiaries		0	0	0
96	93	101	Goodwill and other intangible assets		413	408	410
463	470	443	Property, plant and equipment		599	623	620
505	534	554	Other assets	14	870	837	746
<b>144 641</b>	<b>147 527</b>	<b>152 881</b>	<b>Total assets</b>		<b>154 316</b>	<b>148 898</b>	<b>146 074</b>
<b>LIABILITIES</b>							
5 129	5 475	4 415	Deposits from and liabilities to credit institutions	12	4 427	5 506	5 090
85 643	85 540	91 318	Deposits from and liabilities to customers	15	91 265	85 496	85 613
34 952	37 872	36 384	Liabilities arising from issuance of securities	10,16	36 384	37 872	34 952
697	827	540	Financial derivatives	8,10,11	540	827	697
81	154	303	Current tax liabilities		355	179	128
288	83	298	Deferred tax liabilities		434	213	417
631	728	763	Other debt and liabilities recognised in the balance sheet	17	867	850	739
1 302	1 302	1 302	Subordinated loan capital	10,16	1 302	1 302	1 302
<b>128 723</b>	<b>131 980</b>	<b>135 321</b>	<b>Total liabilities</b>		<b>135 573</b>	<b>132 243</b>	<b>128 939</b>
<b>EQUITY CAPITAL</b>							
5 791	5 791	5 791	Equity capital certificates	18	5 791	5 791	5 791
848	848	848	Premium fund		848	848	848
3 269	3 535	4 255	Dividend equalisation fund		4 255	3 535	3 269
555	0	352	Recommended dividends and other equity capital	18	352	0	555
4 053	4 166	4 475	Primary capital		4 475	4 166	4 053
237	0	231	Recommended dividend customer return	18	231	0	237
29	30	24	Provision for gifts		24	30	29
166	166	166	Other paid-up equity		166	166	166
320	360	418	Fund for unrealised gains		418	360	320
650	650	1 000	Hybrid capital		1 000	650	650
0	0	0	Other equity		1 068	996	1 104
			Non-controlling interests		115	113	113
<b>15 918</b>	<b>15 547</b>	<b>17 560</b>	<b>Total equity capital</b>		<b>18 743</b>	<b>16 655</b>	<b>17 135</b>
<b>144 641</b>	<b>147 527</b>	<b>152 881</b>	<b>Total equity capital and liabilities</b>		<b>154 316</b>	<b>148 898</b>	<b>146 074</b>

The board of SpareBank 1 Østlandet  
Hamar, October 28th 2021

# Changes in equity capital

## Parent Bank

(NOK million)

	Paid-up equity			Earned equity capital					Total equity capital
	Equity certificates	Premium fund	Other paid-up equity	Primary capital <sup>1) 3)</sup>	Dividend equalisation funds <sup>2) 3)</sup>	Provision for gifts	Fund for unrealised gains	Hybrid-capital	
<b>Equity capital as of 01.01.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 117</b>	<b>3 403</b>	<b>12</b>	<b>334</b>	<b>300</b>	<b>14 972</b>
Profit after tax				281	659		25		965
<b>Other comprehensive income</b>									
Actuarial gains after tax on pensions				-1	-3				-4
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				2	5				7
Net fair value adjustments on loans at fair value through other comprehensive income after tax				3	6				9
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				2	5				7
<b>Total profit after tax</b>				<b>287</b>	<b>672</b>		<b>25</b>		<b>984</b>
<b>Other transactions</b>									
Dividend paid				-208	-531				-738
Donations distributed from profit 2019				-6					-6
Grants from provision for gifts in 2020				-20		18			-2
Hybrid capital								350	350
Interest on hybrid capital				-4	-10				-14
<b>Equity capital as of 30.09.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 166</b>	<b>3 535</b>	<b>30</b>	<b>360</b>	<b>650</b>	<b>15 547</b>
<b>Equity capital as of 01.01.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 117</b>	<b>3 403</b>	<b>12</b>	<b>334</b>	<b>300</b>	<b>14 972</b>
Profit after tax				406	951		-15		1 342
<b>Other comprehensive income</b>									
Actuarial gains after tax on pensions				-1	-3				-5
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				2	5				8
Net fair value adjustments on loans at fair value through other comprehensive income after tax				2	6				8
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				3	7				9
<b>Total profit after tax</b>				<b>412</b>	<b>966</b>		<b>-15</b>		<b>1 363</b>
<b>Other transactions</b>									
Dividend paid				-208	-531				-738
Donations distributed from profit 2019				-6					-6
Grants from provision for gifts in 2020				-20		17			-3
Hybrid capital								350	350
Interest on hybrid capital				-6	-14				-20
<b>Equity capital as of 31.12.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 289</b>	<b>3 824</b>	<b>29</b>	<b>320</b>	<b>650</b>	<b>15 918</b>
<b>Equity capital as of 01.01.2021</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 289</b>	<b>3 824</b>	<b>29</b>	<b>320</b>	<b>650</b>	<b>15 918</b>
Profit after tax				430	1 004		98		1 533
<b>Other comprehensive income</b>									
Actuarial gains after tax on pensions				0	0				0
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				1	2				3
Net fair value adjustments on loans at fair value through other comprehensive income after tax				1	1				2
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				-4	-10				-14
<b>Total profit after tax</b>				<b>428</b>	<b>998</b>		<b>98</b>		<b>1 524</b>
<b>Other transactions</b>									
Dividend paid					-203				-203
Donations distributed from profit 2020				-6					-6
Grants from provision for gifts in 2021						-5			-5
Hybrid capital								350	350
Interest on hybrid capital				-6	-13				-18
<b>Equity capital as of 30.09.2021</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 706</b>	<b>4 607</b>	<b>24</b>	<b>418</b>	<b>1 000</b>	<b>17 560</b>

Group

(NOK million)	Controlling interests										
	Paid-up equity			Earned equity capital							Total equity capital
	Equity certificates	Premium fund	Other paid-up equity	Primary capital <sup>1) 3)</sup>	Dividend equalisation funds <sup>2) 3)</sup>	Provision for gifts	Fund for unrealised gains	Other equity	Hybrid capital	Non-controlling interests	
<b>Equity capital as of 01.01.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 117</b>	<b>3 403</b>	<b>12</b>	<b>334</b>	<b>817</b>	<b>300</b>	<b>114</b>	<b>15 903</b>
OB Corr. subsidiary								1			1
OB Corr. in group companies								0			0
<b>Adjusted equity capital at 01.01.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 117</b>	<b>3 403</b>	<b>12</b>	<b>334</b>	<b>817</b>	<b>300</b>	<b>114</b>	<b>15 903</b>
Profit after tax				281	659		25	172		5	1 142
<b>Other comprehensive income</b>											
Actuarial gains after tax on pensions				-1	-3						-4
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				2	5						7
Net fair value adjustments on loans at fair value through other comprehensive income after tax				3	6						9
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				2	5						7
Share of other comprehensive income from associated companies and joint ventures								8			8
<b>Total profit after tax</b>				<b>287</b>	<b>672</b>		<b>25</b>	<b>181</b>		<b>5</b>	<b>1 170</b>
<b>Other transactions</b>											
Dividend paid				-208	-531						-744
Donations distributed from profit 2019				-6							-6
Grants from provision for gifts in 2020				-20		18					-2
Hybrid capital									350		350
Interest on hybrid capital				-4	-10						-14
Effects directly in equity from associated companies and joint ventures								-1			-1
<b>Equity capital as of 30.09.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 166</b>	<b>3 535</b>	<b>30</b>	<b>360</b>	<b>996</b>	<b>650</b>	<b>113</b>	<b>16 655</b>
<b>Equity capital as of 01.01.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 117</b>	<b>3 403</b>	<b>12</b>	<b>334</b>	<b>817</b>	<b>300</b>	<b>114</b>	<b>15 903</b>
OB Corr. subsidiary								1			1
OB Corr. in group companies								0			0
<b>Adjusted equity capital at 01.01.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 117</b>	<b>3 403</b>	<b>12</b>	<b>334</b>	<b>818</b>	<b>300</b>	<b>114</b>	<b>15 904</b>
Profit after tax				406	951		-15	260		6	1 608
<b>Other comprehensive income</b>											0
Actuarial gains after tax on pensions				-1	-3						-5
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				2	5						8
Net fair value adjustments on loans at fair value through other comprehensive income after tax				2	6						8
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				3	7						9
Share of other comprehensive income from associated companies and joint ventures								22			22
<b>Total profit after tax</b>				<b>412</b>	<b>965</b>		<b>-15</b>	<b>282</b>		<b>6</b>	<b>1 651</b>
<b>Other transactions</b>											
Dividend paid				-208	-531					-6	-744
Donations distributed from profit 2019				-6							-6
Grants from provision for gifts in 2020				-20		17					-3
Hybrid capital									350		350
Interest on hybrid capital				-6	-14						-20
Effects directly in equity from associated companies and joint ventures								4			4
<b>Equity capital as of 31.12.2020</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 289</b>	<b>3 823</b>	<b>29</b>	<b>320</b>	<b>1 104</b>	<b>650</b>	<b>113</b>	<b>17 135</b>
<b>Equity capital as of 01.01.2021</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 289</b>	<b>3 824</b>	<b>29</b>	<b>320</b>	<b>1 104</b>	<b>650</b>	<b>113</b>	<b>17 135</b>
OB Corr. subsidiary								0			0
OB Corr. in group companies								-4			-4
<b>Adjusted equity capital at 01.01.2021</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 289</b>	<b>3 824</b>	<b>29</b>	<b>320</b>	<b>1 100</b>	<b>650</b>	<b>113</b>	<b>17 131</b>
Profit after tax				430	1 004		98	-23		8	1 517
<b>Other comprehensive income</b>											
Actuarial gains after tax on pensions				0	0						0
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				1	2						3
Net fair value adjustments on loans at fair value through other comprehensive income after tax				1	1						2
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				-4	-10						-14
Share of other comprehensive income from associated companies and joint ventures								-15			-15
<b>Total profit after tax</b>				<b>428</b>	<b>998</b>		<b>98</b>	<b>-39</b>		<b>8</b>	<b>1 493</b>
<b>Other transactions</b>											
Dividend paid					-203					-6	-209
Donations distributed from profit 2020				-6							-6
Grants from provision for gifts in 2021						-5					-5
Hybrid capital									350		350
Interest on hybrid capital				-6	-13						-18
Effects directly in equity from associated companies and joint ventures								7			7
<b>Equity capital as of 30.09.2021</b>	<b>5 791</b>	<b>848</b>	<b>166</b>	<b>4 706</b>	<b>4 607</b>	<b>24</b>	<b>418</b>	<b>1 068</b>	<b>1 000</b>	<b>115</b>	<b>18 743</b>

1) Amounts transferred to primary capital as of 31.12.2020 include dividend payments and proposed donations. Amounts transferred to primary capital as of 30.09.2021 include dividend payments.

2) Amounts transferred to dividend equalization funds as of 31.12.2020 includes dividends to customers return.

3) Dividends to owners as well as dividends to customers return that have been decided to be paid out in the fourth quarter, are included in the equalization fund and the basic fund, respectively, as of 30 September 2021. For further information, see note 18 Equity certificates and ownership structure.

# Cash flow statement

Parent Bank				Group		
31.12.2020	30.09.2020	30.09.2021	(NOK million)	30.09.2021	30.09.2020	31.12.2020
-5 990	-6 257	-5 962	Change in gross lending to customers	-6 143	-6 589	-6 333
2 911	2 262	1 925	Interest receipts from lending to customers	2 195	2 571	3 316
7 109	7 006	5 675	Change in deposits from customers	5 652	7 002	7 119
-618	-531	-228	Interest payments on deposits from customers	-229	-533	-621
855	-314	-611	Change in receivables and debt from credit institutions	-264	-19	1 049
99	76	54	Interest on receivables and debt to financial institutions	-3	-13	-14
-3 731	-3 545	-3 281	Change in certificates and bonds	-3 281	-3 545	-3 731
81	64	45	Interest receipts from commercial papers and bonds	45	64	81
882	604	762	Net commission receipts	1 182	1 008	1 406
77	49	52	Capital gains from sale on trading	52	49	77
-1 231	-911	-949	Payments for operations	-1 360	-1 300	-1 764
-342	-343	-90	Taxes paid	-127	-394	-380
375	779	-250	Other accruals	-442	752	379
<b>477</b>	<b>-1 061</b>	<b>-2 860</b>	<b>Net change in liquidity from operations (A)</b>	<b>-2 722</b>	<b>-946</b>	<b>584</b>
-44	-25	-46	Investments in tangible fixed assets	-58	-38	-60
0	0	0	Receipts from sale of tangible fixed assets	26	27	36
-113	-139	-45	Change in long-term investments in equities	-45	-139	-113
329	300	441	Dividends from long-term investments in equities	293	175	204
<b>172</b>	<b>136</b>	<b>350</b>	<b>Net cash flow from investments (B)</b>	<b>216</b>	<b>24</b>	<b>66</b>
4 729	5 061	10 341	Debt raised by issuance of securities	10 341	5 061	4 729
0	0	0	Debt raised by subordinated loan capital	0	0	0
350	350	350	Equity raised by hybrid capital	350	350	350
-4 992	-3 642	-7 638	Repayments of issued securities	-7 638	-3 642	-4 992
0	0	0	Repayments of issued subordinated loan capital	0	0	0
0	0	0	Repayments of hybrid capital	0	0	0
0	0	0	Payments arising from issuance of equity capital certificates	0	0	0
-575	-450	-381	Interest payments on securities issued	-381	-450	-575
-30	-25	-17	Interest payments on subordinated loans	-17	-25	-30
-41	-30	-30	Lease payments	-28	-27	-36
0	0	0	Payments arising from placements in subsidiaries	0	0	0
-531	-531	-203	Payment of dividend	-209	-536	-536
-206	-206	0	Payment of customer dividend	0	-206	-206
-10	-8	-12	Donations	-12	-8	-10
<b>-1 305</b>	<b>520</b>	<b>2 410</b>	<b>Net cash flow from financing (C)</b>	<b>2 405</b>	<b>517</b>	<b>-1 306</b>
<b>-656</b>	<b>-405</b>	<b>-101</b>	<b>CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-101</b>	<b>-405</b>	<b>-656</b>
1 507	1 507	851	Cash and cash equivalents at 1 January	851	1 507	1 507
<b>851</b>	<b>1 103</b>	<b>751</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>751</b>	<b>1 103</b>	<b>851</b>
			Cash and cash equivalents at comprise:			
683	673	366	Cash and deposits with central banks	366	673	683
169	430	385	Deposits etc. at call with banks	385	430	169
<b>851</b>	<b>1 103</b>	<b>751</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>751</b>	<b>1 103</b>	<b>851</b>



# Notes to the accounts

## Note 1 Accounting principles

### 1.1 Basis for preparation

The interim financial statements for SpareBank 1 Østlandet cover the period 1 January - 30 September 2021. The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, current IFRS standards and IFRIC interpretations. The presentation currency is NOK (Norwegian kroner), which is also the functional currency of all the units in the Group. All amounts are in NOK million unless otherwise stated. The interim financial statements do not include all the information required in full annual financial statements and should be read in conjunction with the financial statements for 2020. The Group has applied the same accounting policies and methods of calculation in this interim report as in the last annual financial statements, with the following exceptions:

#### **New standards and interpretations that have been applied:**

##### **New definition of default**

On 1 January 2021, the Group implemented a new definition of what constitutes a default. This was formulated in line with the European Banking Authority's guidelines for how banks should apply the definition of default in the Capital Requirements Regulation (CRR) and clarifications in the CRR/CRD IV Regulation.

Defaults are defined as a failure to pay or default due to an unlikelihood to pay.

1. Failures to pay are defined as substantial overdrafts that are more than 90 days past due. The threshold values for overdrafts are stipulated in the CRR/CRD IV Regulation.
2. Defaults due to an unlikelihood to pay are generally based on professional credit ratings. Events that are included in this category are provisions for losses from customers, bankruptcy/debt negotiations, assessments of forbearance, periods of grace of more than 180 days or other indications that considerable doubt may exist about whether the customer will meet their obligations.

The new definition of what constitutes a default introduces quarantine periods, which indicates that customers will be categorised as being in default for a period of time after a default has been remedied. The quarantine periods are for 3 months or 12 months, depending on the underlying cause of the default. Furthermore, there is default at a group level for corporate lending (parent bank and financing company) while criteria have been issued for retail lending that results in default propagation in the Group.

The Group has, with effect from 1 January 2021, also used this definition in the accounts for transfers to Stage 3.

## 1.2 Important accounting estimates and discretionary assessments

In preparing consolidated financial statements, management makes estimates, discretionary assessments and assumptions which influence the effect of applying the accounting policies. This will in turn affect the recognised amounts for assets, liabilities, income and costs. Note 3 of the annual financial statements for 2020 explain in more detail critical estimates and assessments in relation to the application of accounting policies.

### Losses on loans

Please see Note 2 'Accounting Policies' in the annual financial statements for 2020 for a detailed description of the applied loss model pursuant to IFRS 9. The model 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.

#### *Substantially increased credit risk*

The measurement of impairments for expected credit losses in the general loss model depends on whether or not the credit risk has increased significantly since initial capitalisation. Credit deterioration is measured by the development of financial PD. Financial PD is the Bank's best assessment of the customer's risk of default. In the definition applied by the Bank, a significant degree of credit deterioration occurs when the customer's PD has increased by over 150 per cent to a PD level above 0.60 per cent. In addition, credit risk is deemed to have increased significantly when an account is overdrawn or has arrears that are 30 days past due or more, and when the customer is flagged for special follow-up. Results from the validation of credit models in the SpareBank 1-alliance have historically provided good support for the critical estimates of significantly increased credit risk and they have also been on par with what other banks use in similar loss models.

In 2020, a post model adjustment (PMA) was carried out to reflect that the effects of the coronavirus pandemic would have an impact on credit models with some delay. It was assumed that a proportion of customers in exposed industries would migrate from Stage 1 to Stage 2 as a result of an assumed, but not observed, significant degree of credit deterioration. The model override was based on a discretionary assessment of the proportion of loan receivables that may be expected to migrate in each industry and the related higher expected credit loss in the event of migration. These extra loss provision was gradually reduced through 2020. At the end of 2020, NOK 20 million in provisions had been made in the parent bank and NOK 5 million in the subsidiary SpareBank 1 Finans Østlandet. As of third quarter of 2021, the need for model overriding was considered to be fully replaced by specific assessments on industry level and on an individual basis. The PMA in the parent bank of NOK 20 million was reversed in the first quarter of 2021, while the PMA in the subsidiary SpareBank 1 Finans Østlandet of NOK 5 million was reversed in the third quarter of 2021.

#### 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 December 2020, where this alternative occurs when the customer's PD has increased by more than 100 per cent (other conditions unchanged). The simulation increased expected loss on loan receivables in the parent bank by NOK 12 million (2.8 per cent) and the estimated effect on the consolidated portfolio was around NOK 15 million. The calculations as of 31 December 2020 are considered to reflect sensitivity also at the end of the third quarter of 2021.

#### *Important assumptions in the overall loss model: Scenario-weighting and estimate of expected development on the default and loss level*

The overall loss model calculates expected credit losses in three economic development scenarios: an expected scenario, a downside scenario and an upside scenario. The scenarios use different future levels of probability of default (PD) and loss given default (LGD). In combination with estimated exposure at default (EAD), PD and LGD are the most important assumptions in calculations of expected credit losses (ECL).

The starting point for the expected scenario is observed and validated level of default (DR) and loss (actually LGD) in the last three years, but the starting point is subject to ongoing assessments of whether historical default and loss are expected, and the levels of future PD and LGD then adjusted. The bank has over time experienced a very low default rate, and even before the coronavirus pandemic, estimated future PD levels were set significantly higher than the average DR over the past three years. Based on an overall assessment of the macro picture, the PD estimates were raised significantly at the end of the first quarter of 2020. Based on available macro forecasts, with emphasis on Monetary Policy Report from Norges Bank, Economic trends from Statistics Norway and monthly analyzes from Moody's Investor Service. the assumptions were further adjusted at the end of the second quarter

of 2020. Updated forecasts from the same sources as of the end of the third and fourth quarters of 2020 were considered to provide support to keep the PD assumptions assumed in the second quarter of 2020 virtually unchanged. The macro forecasts for the first three quarters of 2021 point to a somewhat faster economic recovery than previously assumed, and then flattening with a relatively low level of activity measured by expected GDP growth. Based on this, reason was found to make a gradual, cautious improvement of estimated PD levels, especially in the short to medium term. In the third quarter of 2021, the net effect of changed key assumptions was a moderately lower ECL in the quarter alone (see note 6 for effect calculation). The bank has not found reason to change the LGD estimates in the expected scenario as these also reflect a significantly higher loss ratio than the actual LGD in recent years.

The downside scenario reflects an economic outlook that is substantially worse than the expected development, and PD and LGD have been set higher than in the expected scenario. The starting point is the expected default and loss levels in a crisis situation with levels of PD and LGD used in conservative stress scenarios for other purposes in the Bank's credit management. These conservative assumptions have been kept unchanged since the implementation of IFRS 9.

The upside scenario reflects an economic outlook that is better than the expected development, and PD and LGD have been set lower than in the expected scenario. The starting point is the observed level of defaults and losses in an historical economic recovery. The Bank believes that the DR in the last 3 years and the actual LGD in the last 5 years reflect such a period of economic prosperity. However, the assessments as at 30 June 2020 took account of the fact that it could take some time for PD levels to come down after the coronavirus pandemic. The PD curves was consequently adjusted upwards in the short and medium term, especially in the corporate segment. These adjustments were somewhat moderated as of 30 September 2021, but the assumptions in the upside scenario have not changed significantly overall.

The scenario weighting is subject to ongoing assessment based on the available information. As at 31 December 2018, the expected scenario was assigned a weighting of 80 per cent, the downside scenario 10 per cent and the upside scenario 10 per cent (80/10/10 per cent). On 31 December 2019, the Bank increased the weighting of the downside scenario by 5 percentage points such that the expected scenario was assigned a weighting of 75 per cent, the downside scenario 15 per cent and the upside scenario 10 per cent (75/15/10 per cent). In light of the coronavirus pandemic, it was the assessment of the Bank that the probability of the downside scenario occurring had further increased and it increased the scenario's weighting by a further 5 percentage points as at 31 March 2020. One and a half years later, the increased downside risk given by the coronavirus pandemic is open for reassessment. However, the bank considered that at the end of the third quarter of 2021 some uncertainty still remained and chose to maintain the scenario weighting from the first quarter of 2020. The ECL as at 30 September 2021 was consequently calculated as a combination of 70 per cent expected scenario, a 20 per cent downside scenario and a 10 per cent upside scenario (70/20/10 per cent).

#### Sensitivity related to key assumptions in the general loss model:

The table below shows the estimated ECLs in the three scenarios described above: expected scenario, downside scenario and upside scenario. 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 (SB1FØ). 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 reflect previously applied scenario weightings. The last two alternatives show the sensitivity to a further deterioration in relation to the applied scenario weighting with a 60-65 per cent probability of the expected scenario, 25-30 per cent probability of the downside scenario and 10 per cent probability of the upside scenario (65/25/10 per cent and 60/30/10 per cent).

30.09.2021	SpareBank 1				
	Retail market	Corporate market	Parent Bank	Finans Østlandet	Group
ECL in expected scenario	75	164	240	85	321
ECL in downside scenario	415	745	1 160	174	1 331
ECL in upside scenario	60	102	162	64	222
<b>ECL with used scenario weighting 70/20/10 per cent</b>	<b>142</b>	<b>274</b>	<b>416</b>	<b>101</b>	<b>513</b>
ECL with alternative scenario weighting 80/10/10 per cent	108	216	324	92	412
ECL with alternative scenario weighting 75/15/10 per cent	125	245	370	96	462
ECL with alternative scenario weighting 65/25/10 per cent	159	303	462	105	563
ECL with alternative scenario weighting 60/30/10 per cent	176	332	508	110	614

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 is around 75 per cent of the ECL in the expected scenario, meanwhile, the downside scenario has an ECL around five times higher than in the expected scenario. The applied scenario weighting, with 20 per cent downside and 10 per cent upside, thereby results in an around 75 per cent higher ECL than in the expected scenario. A further 10-percentage point increase in the probability of the downside scenario would have increased the weighted ECL by around NOK 110 million (23 per cent). A 10-percentage point reduction in the probability of the downside scenario, the probability weightings the Bank used when introducing IFRS 9, would reduce the weighted ECL correspondingly.

Reference is also made to Note 6 'Loan loss provisions', where the first table shows the loss cost effects per segment of the various changes in the model assumptions in isolation.

## Note 2 Change in the composition of the Group

### 2021

Through a private placement in the third quarter, the subsidiary SpareBank 1 Finans Østlandet AS became the owner of 47.2 per cent of the shares in the car subscription company Flex together with SpareBank 1 Finans Nord-Norge AS and SpareBank 1 Finans Midt-Norge AS. Bertel O Steen has a corresponding ownership interest.

In the third quarter, the bank sold the B-shares in SpareBank 1 Næringskreditt AS. This led to a reduction of the bank's ownership interest in the company from 15,0 percent to 10,65 per cent.

In the third quarter, the bank sold shares in SpareBank 1 Forvaltning AS. This led to a reduction of the bank's ownership interest in the company from 12,40 per cent to 6,37 per cent.

In the second quarter, the Bank subscribed to shares in SpareBank 1 Kundepleie AS. Its stake amounts to 33.33 per cent and the company is treated as an associated company.

In the second quarter, the holding company SpareBank 1 Forvaltning AS was transferred from SpareBank 1 Gruppen AS to the SpareBank 1 alliance banks and the Norwegian Confederation of Trade Unions (LO). With effect from 1 May 2021, ODIN Forvaltning AS was demerged from SpareBank 1 Gruppen AS and merged into SpareBank 1 Forvaltning AS. Following the above transactions, the ownership structure of SpareBank 1 Forvaltning AS mirrors the distribution of the controlling interest's share of SpareBank 1 Gruppen, such that SpareBank 1 Østlandet owns 12.4 per cent of SpareBank 1 Forvaltning AS.

A reallocation of shares in SpareBank 1 Kreditt AS pursuant to the shareholder agreement resulted in the Group increasing its stake in the company from 20.9 per cent to 19.1 per cent with effect from 1 January 2021.

Purchases of shares in SpareBank 1 Bank og Regnskap AS in January changed the bank's ownership interest in the company from 20 per cent to 25 per cent.

A reallocation of shares in SpareBank 1 Næringskreditt AS pursuant to the shareholder agreement resulted in the Group increasing its stake in the company from 15.2 per cent to 15.0 per cent with effect from 1 January 2021.

### 2020

A reallocation of the shares of SpareBank 1 Boligkreditt AS pursuant to the shareholder agreement increased the stake in the company from 22.3 percent to 22.5 percent in December.

SMB Lab AS changed its name to SpareBank 1 Bank og Regnskap AS as of 9 November 2020.

Betr AS was sold in the fourth quarter of 2020.

SpareBank 1 Kredittkort AS changed its name to SpareBank 1 Kreditt AS as of 5 June 2020.

A reallocation of shares in SpareBank 1 Kredittkort AS pursuant to the shareholder agreement resulted in the Group increasing its stake in the company from 20.8 per cent to 20.9 per cent with effect from 1 January 2020.

## 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 market (RM), corporate market (CM) incl. organization market, real estate brokerage, leasing, accounting and consulting services and other operations.

### Reviews:

- Real estate brokerage, leasing, financing and accounting are organised as independent companies.
- From September 30<sup>th</sup> 2020, the tax expense for RM and CM 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.
- From 2019 until June 30<sup>th</sup> 2020 the tax expense for RM, CM and other operations was distributed according to the segment's share of Pre-tax operating profit. For earlier periods, tax is calculated at 25 per cent for RM and CM.
- Operating expenses in RM and CM includes its share of shared expenses.
- Net commission and other income in RM and CM includes its share for shared income.
- Group eliminations arise together with other operations in a separate column.

30.09.2021	Retail division	Corporate division	SpareBank 1 Finans Østlandet Group	Eiendoms-Megler 1 Innlandet AS	Eiendoms-Megler 1 Oslo Akershus Group	TheVIT AS	Other operations/ eliminations	Total
<b>Income statement</b>								
Net interest income	738	686	219	-1	0	-2	-12	1 628
Net commissions and other income	618	136	47	104	167	145	-9	1 208
Net income from financial assets and liabilities	33	45	0	0	0	0	409	487
Total operating expenses	663	333	73	97	150	140	-6	1 450
<b>Profit before losses by segment</b>	<b>726</b>	<b>533</b>	<b>194</b>	<b>7</b>	<b>17</b>	<b>3</b>	<b>393</b>	<b>1 873</b>
Impairment losses on loans and guarantees	1	-29	5	0	0	0	0	-23
<b>Pre-tax operating profit</b>	<b>726</b>	<b>561</b>	<b>189</b>	<b>7</b>	<b>17</b>	<b>3</b>	<b>393</b>	<b>1 896</b>
Tax expense	137	135	47	1	4	1	55	379
<b>Profit/loss per segment after tax</b>	<b>589</b>	<b>427</b>	<b>141</b>	<b>5</b>	<b>13</b>	<b>3</b>	<b>339</b>	<b>1 517</b>
<b>Balance sheet</b>								
Gross lending to customers	73 152	37 058	9 307	0	0	0	-6	119 511
Provisions for credit losses	-62	-260	-99	0	0	0	-4	-425
Other assets	2 869	402	265	80	156	125	31 332	35 230
<b>Total assets per segment</b>	<b>75 960</b>	<b>37 201</b>	<b>9 473</b>	<b>80</b>	<b>156</b>	<b>125</b>	<b>31 322</b>	<b>154 316</b>
Deposits from and liabilities to customers	51 957	39 261	0	0	0	0	47	91 265
Other liabilities and equity	24 003	-2 060	9 473	80	156	125	31 275	63 051
<b>Total equity capital and liabilities per segment</b>	<b>75 960</b>	<b>37 201</b>	<b>9 473</b>	<b>80</b>	<b>156</b>	<b>125</b>	<b>31 322</b>	<b>154 316</b>



<b>30.09.2020</b>	<b>Retail division</b>	<b>Corporate division</b>	<b>SpareBank 1 Finans Østlandet Group</b>	<b>Eiendoms- Megler 1 Innlandet AS</b>	<b>Eiendoms- Megler 1 Oslo Akershus Group</b>	<b>TheVIT AS</b>	<b>Other operations/ eliminations</b>	<b>Total</b>
<b>Income statement</b>								
Net interest income	672	743	223	-1	-1	-2	-5	1 628
Net commissions and other income	472	133	44	104	158	142	-18	1 035
Net income from financial assets and liabilities	19	43	-5	0	0	0	342	399
Total operating expenses	650	320	70	82	143	137	-3	1 399
<b>Profit before losses by segment</b>	<b>513</b>	<b>598</b>	<b>192</b>	<b>21</b>	<b>14</b>	<b>3</b>	<b>322</b>	<b>1 663</b>
Impairment losses on loans and guarantees	25	238	66	0	0	0	0	328
<b>Pre-tax operating profit</b>	<b>488</b>	<b>361</b>	<b>126</b>	<b>21</b>	<b>14</b>	<b>3</b>	<b>322</b>	<b>1 335</b>
Tax expense	83	85	32	5	3	1	-16	193
<b>Profit/loss per segment after tax</b>	<b>404</b>	<b>276</b>	<b>95</b>	<b>16</b>	<b>11</b>	<b>2</b>	<b>338</b>	<b>1 142</b>

#### Balance sheet

Gross lending to customers	69 485	34 923	9 104	0	0	0	113	113 624
Provisions for credit losses	-69	-400	-105	0	0	0	0	-575
Other assets	2 876	686	167	84	160	136	31 740	35 849
<b>Total assets per segment</b>	<b>72 291</b>	<b>35 209</b>	<b>9 165</b>	<b>84</b>	<b>160</b>	<b>136</b>	<b>31 852</b>	<b>148 898</b>
Deposits from and liabilities to customers	49 225	36 231	0	0	0	0	40	85 495
Other liabilities and equity	23 067	-1 022	9 165	84	160	136	31 812	63 403
<b>Total equity capital and liabilities per segment</b>	<b>72 291</b>	<b>35 209</b>	<b>9 165</b>	<b>84</b>	<b>160</b>	<b>136</b>	<b>31 852</b>	<b>148 898</b>

<b>31.12.2020</b>	<b>Retail division</b>	<b>Corporate division</b>	<b>SpareBank 1 Finans Østlandet Group</b>	<b>Eiendoms- Megler 1 Innlandet AS</b>	<b>Eiendoms- Megler 1 Oslo Akershus Group</b>	<b>TheVIT AS</b>	<b>Other operations/ eliminations</b>	<b>Total</b>
<b>Income statement</b>								
Net interest income	908	968	297	-1	-1	-2	8	2 177
Net commissions and other income	679	185	55	133	207	185	-3	1 441
Net income from financial assets and liabilities	25	58	0	0	0	0	463	545
Total operating expenses	882	432	99	120	190	183	-5	1 902
<b>Profit before losses by segment</b>	<b>730</b>	<b>779</b>	<b>253</b>	<b>12</b>	<b>16</b>	<b>0</b>	<b>472</b>	<b>2 262</b>
Impairment losses on loans and guarantees	29	216	84	0	0	0	0	330
<b>Pre-tax operating profit</b>	<b>700</b>	<b>563</b>	<b>169</b>	<b>12</b>	<b>16</b>	<b>0</b>	<b>472</b>	<b>1 932</b>
Tax expense	124	131	42	3	4	0	20	323
<b>Profit/loss per segment after tax</b>	<b>576</b>	<b>432</b>	<b>126</b>	<b>10</b>	<b>12</b>	<b>0</b>	<b>452</b>	<b>1 608</b>

#### Balance sheet

Gross lending to customers	70 021	34 128	9 120	0	0	0	99	113 368
Provisions for credit losses	-74	-298	-112	0	0	0	0	-484
Other assets	2 904	553	151	70	149	131	29 231	33 189
<b>Total assets per segment</b>	<b>72 852</b>	<b>34 384</b>	<b>9 159</b>	<b>70</b>	<b>149</b>	<b>131</b>	<b>29 330</b>	<b>146 074</b>
Deposits from and liabilities to customers	49 520	36 043	0	0	0	0	50	85 613
Other liabilities and equity	23 332	-1 659	9 159	70	149	131	29 280	60 461
<b>Total equity capital and liabilities per segment</b>	<b>72 852</b>	<b>34 384</b>	<b>9 159</b>	<b>70</b>	<b>149</b>	<b>131</b>	<b>29 330</b>	<b>146 074</b>

## Note 4 Capital adequacy

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

The Bank has permission to use internal models (IRB method) in order to calculate the capital requirement for parts of its lending portfolio. This entails calculating the capital requirement based on own estimates for the Probability of Default (D), Loss Given Default (LGD), presumed utilisation of off-balance sheet exposures (CCF - Credit Conversion Factors) and Maturity (M). Modelled estimates will always entail some uncertainty. SpareBank 1 Østlandet has permission to use IRB Advanced method for calculating the capital requirements for the exposure classes Corporate and Retail. The Bank has exceptions for certain types of exposures. This includes states, municipalities and institutions where there is a permanent exception as well as housing associations and general associations where the bank applies the standardised method. At the consolidated level the Bank consolidates partly owned companies using the proportional method of consolidation.

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)

The current requirement for CET1 capital consists of a minimum requirement of 4.5 per cent and a buffer requirement totalling 8.0 per cent for the parent bank and 7.9 per cent at the consolidated level. The total buffer requirement consists of two institution-specific buffers, the countercyclical capital buffer requirement and the systemic risk buffer which is set to 1.0 per cent and 4.4 per cent (4.5 per cent for the parent bank) consolidated level. SpareBank 1 Østlandet is also subject to a Pillar II requirement of 1.8 per cent at the consolidated level as at 30.06.2021. The total capital requirement for common equity tier 1 capital was thus 12.5 per cent for the parent bank and 14.2 per cent at the consolidated level at 30.09.2021. In addition to this, a further 1.5 per cent is covered by additional Tier 1 capital and 2.0 per cent is covered by Tier 2 capital.

Other value adjustments in CET1 includes previous years' allocated dividend as well as the deduction for the ownership in Vipps through the joint venture, SpareBank 1 Betaling AS. This deduction was previously posted under CET 1 instruments of financial sector entities where the institution does have a significant investment, but is now under other adjustments in CET1 for this period as well as previous periods.

Parent Bank				Group		
31.12.20	30.09.20	30.09.21		30.09.21	30.09.20	31.12.20
15 918	15 547	17 560	<b>Total equity carried</b>	<b>18 743</b>	<b>16 655</b>	<b>17 135</b>
			<b>Common equity tier 1 capital</b>			
-791	-562	-745	Results for the accounting year not included	-745	-562	-791
-650	-650	-1 000	Hybrid capital	-1 000	-650	-650
-	-	-	Minority interests that is not eligible as CET1 capital	-74	-74	-74
17	18	14	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	14	18	17
-78	-75	-81	Goodwill and other intangible assets	-476	-452	-461
-196	-212	-243	Positive value of expected losses under the IRB approach	-329	-288	-278
-	-156	-	CET 1 instruments of financial sector entities where the institution does have a significant investement	-229	-481	-539
-32	-33	-35	Value adjustments due to the requirements for prudent valuation (AVA)	-31	-39	-36
-156	-	-740	Other adjustments in CET1	-716	15	12
14 031	13 876	14 729	<b>Common equity tier 1 capital</b>	<b>15 156</b>	<b>14 142</b>	<b>14 335</b>
			<b>Additional Tier 1 capital</b>			
650	650.00	1 000	Hybrid capital	1 000	650	650
-	-	-	Instruments issued by consolidated entities that are given recognition in AT1 Capital	172	153	162
650	650	1 000	<b>Tier 1 capital</b>	<b>1 172</b>	<b>803</b>	<b>812</b>
			<b>Supplementary capital in excess of Tier 1 capital</b>			
1 300	1.300	1 300	Subordinated loan capital	1 300	1 300	1 300
-	-	-	Instruments issued by consolidated entities that are given recognition in T2 Capital	272	257	257
1 300	1 300	1 300	<b>Total supplementary capital</b>	<b>1 572</b>	<b>1 557</b>	<b>1 557</b>
15 981	15 826	17 029	<b>Total eligible capital</b>	<b>17 899</b>	<b>16 502</b>	<b>16 704</b>
4 764	4 705	4 835	Corporates - SME	4 847	4 712	4 775
13 760	14 680	16 544	Corporates - Specialised Lending	17 186	15 367	14 428
1 953	2 424	1 124	Corporates - Other	1 170	2 457	1 986
1 314	1 297	1 270	Retail - SME	1 501	1 507	1 530
20 059	20 072	19 428	Retail - Mortgage exposures	28 367	27 820	28 485
873	985	798	Retail - Other	830	1 028	907
-	-	-	Equity exposures	-	-	-
42 723	44 162	44 000	<b>Credit exposures calculated using IRB-approach</b>	<b>53 902</b>	<b>52 891</b>	<b>52 110</b>
15 289	14 673	16 458	Credit exposures calculated using the standardised approach	21 052	19 324	19 705
417	964	523	Counterparty credit risk	2 615	2 869	1 966
-	-	-	Market risk	-	-	-
5 133	5 356	5 133	Operational risk	6 664	6 659	6 664
63 562	65 155	66 113	<b>Risk-weighted assets</b>	<b>84 232</b>	<b>81 743</b>	<b>80 445</b>
5 085	5 212	5 289	<b>Capital requirements (8%)</b>	<b>6 739</b>	<b>6 539</b>	<b>6 436</b>
1 144	1 173	-	<b>Pillar 2 (1.8%)</b>	<b>1 516</b>	<b>1 471</b>	<b>1 448</b>
			<b>Buffer requirements</b>			
1 589	1 629	1 653	Capital conservation buffer (2.5%)	2 106	2 044	2 011
636	652	661	Countercyclical capital buffer (1.0%)	842	817	804
2 733	1 955	2 975	Systemic risk buffer	3 706	2 452	3 459
4.3 %	3.0 %	4.5 %	<i>Systemic risk buffer rate</i>	4.4 %	3.0 %	4.3 %
4 958	4 235	5 289	<b>Total buffer requirements</b>	<b>6 654</b>	<b>5 313</b>	<b>6 275</b>
12.3 %	11.0 %	12.5 %	CET1 requirement	14.2 %	12.8 %	14.1 %
6 213	5 536	6 465	<b>Available CET1 above requirement</b>	<b>3 195</b>	<b>3 679</b>	<b>2 992</b>
			<b>Capital ratios</b>			
22.1 %	21.3 %	22.3 %	CET 1 capital ratio	18.0 %	17.3 %	17.8 %
23.1 %	22.3 %	23.8 %	Tier 1 Capital ratio	19.4 %	18.3 %	18.8 %
25.1 %	24.3 %	25.8 %	Capital adequacy ratio	21.3 %	20.2 %	20.8 %
10.0 %	9.7 %	9.8 %	Leverage Ratio	7.3 %	7.1 %	7.2 %

# Note 5 Loans to and receivables from customers

## Parent Bank

Gross loans	30.09.2021				30.09.2020				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>95 716</b>	<b>8 159</b>	<b>411</b>	<b>104 286</b>	<b>91 115</b>	<b>6 858</b>	<b>323</b>	<b>98 296</b>	<b>91 115</b>	<b>6 858</b>	<b>323</b>	<b>98 296</b>
Transfers in (out) to Stage 1	1 683	-1 682	-1	0	1 791	-1 786	-5	0	1 547	-1 541	-6	0
Transfers in (out) to Stage 2	-1 480	1 483	-3	0	-2 554	2 564	-10	0	-4 555	4 563	-8	0
Transfers in (out) to Stage 3	-63	-176	239	0	-54	-224	278	0	-60	-131	191	0
Net increase/decrease existing loans	-180	-46	-56	-282	-2 058	-133	-29	-2 221	1 439	-1 011	-40	388
Purchases and originations*	21 930	1 047	31	23 008	39 416	862	203	40 481	23 443	645	28	24 116
Derecognitions and maturities*	-15 650	-1 006	-84	-16 739	-29 955	-1 935	-103	-31 993	-17 212	-1 225	-66	-18 503
Write-offs	0	0	-24	-24	0	0	-10	-10	0	0	-12	-12
<b>Ending Balance</b>	<b>101 957</b>	<b>7 779</b>	<b>513</b>	<b>110 249</b>	<b>97 702</b>	<b>6 205</b>	<b>646</b>	<b>104 553</b>	<b>95 716</b>	<b>8 159</b>	<b>411</b>	<b>104 286</b>
Loan and advances to customers at amortised cost				34 517				32 446				31 574
Loan and advances to customers at fair value				75 732				72 107				72 712

## Group

Gross loans	30.09.2021				30.09.2020				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>103 458</b>	<b>9 422</b>	<b>488</b>	<b>113 368</b>	<b>98 654</b>	<b>7 925</b>	<b>456</b>	<b>107 035</b>	<b>98 654</b>	<b>7 925</b>	<b>456</b>	<b>107 035</b>
Transfers in (out) to Stage 1	2 135	-2 131	-4	0	2 151	-2 145	-6	0	1 874	-1 867	-7	0
Transfers in (out) to Stage 2	-1 880	1 885	-5	0	-3 055	3 078	-23	0	-5 217	5 238	-21	0
Transfers in (out) to Stage 3	-97	-268	365	0	-93	-271	364	0	-97	-183	280	0
Net increase/decrease existing loans	-1 378	-257	-39	-1 673	-3 001	-274	-39	-3 314	309	-1 224	-53	-968
Purchases and originations*	24 884	1 186	54	26 124	42 036	1 003	210	43 248	26 620	921	45	27 586
Derecognitions and maturities*	-16 917	-1 234	-132	-18 284	-31 036	-2 099	-200	-33 335	-18 686	-1 388	-200	-20 273
Write-offs	0	0	-24	-24	0	0	-10	-10	0	0	-12	-12
<b>Ending Balance</b>	<b>110 205</b>	<b>8 603</b>	<b>703</b>	<b>119 511</b>	<b>105 656</b>	<b>7 217</b>	<b>751</b>	<b>113 624</b>	<b>103 458</b>	<b>9 422</b>	<b>488</b>	<b>113 368</b>
Loan and advances to customers at amortised cost				43 780				41 517				40 656
Loan and advances to customers at fair value				75 732				72 107				72 712

\* In 30.06.2021 refinancing which involved the redemption of a loan and the disbursement of a new loan was depicted in the note as a decrease of "Derecognitions and maturities" and an increase of "Purchases and originations". From 01.01.2020, this net amount is shown on the line "Net increase/(decrease) in the existing loans".

## Parent Bank

	Loan and advances to customers at amortised cost 30.09.2021	Provisions for credit losses			Loan and advances to customers at fair value 30.09.2021	Net lending 30.09.2021
		Stage 1	Stage 2	Stage 3		
Public sector	3	-0	0	0	0	3
Primary industries	3 365	-2	-7	-7	2 136	5 485
Paper and pulp industries	1 017	-1	-1	-0	406	1 420
Other industry	1 022	-1	-18	-1	55	1 057
Building and constructions	3 775	-12	-11	-11	327	4 068
Power and water supply	685	-1	-1	-1	1	684
Wholesale and retail trade	877	-4	-2	-4	169	1 035
Hotel and restaurants	578	-0	-7	-4	48	614
Real estate	18 762	-42	-69	-11	408	19 047
Commercial services	3 408	-11	-5	-12	788	4 168
Transport and communication	257	-5	-2	-1	235	485
Post model adjustments	0	0	0	0	0	0
<b>Gross corporate loans by sector and industry</b>	<b>33 748</b>	<b>-79</b>	<b>-124</b>	<b>-53</b>	<b>4 573</b>	<b>38 065</b>
Retail market	769	-1	-2	-24	71 115	71 858
Post model adjustments	0	0	0	0	0	0
<b>Total loans to private customers</b>	<b>769</b>	<b>-1</b>	<b>-2</b>	<b>-24</b>	<b>71 115</b>	<b>71 858</b>
Adjustment fair value	0	-1	-35	-7	43	0
<b>Total loans to customers</b>	<b>34 517</b>	<b>-81</b>	<b>-161</b>	<b>-84</b>	<b>75 732</b>	<b>109 923</b>
Loans transferred to SpareBank 1 Boligkreditt AS						49 904
Loans transferred to SpareBank 1 Næringskreditt AS						955
<b>Total loans including loans transferred to covered bond companies</b>						<b>160 782</b>
Other liabilities <sup>1)</sup>						25 705
<b>Total commitments including loans transferred to covered bond companies</b>						<b>186 487</b>

	Loan and advances to customers at amortised cost 30.09.2020	Provisions for credit losses			Loan and advances to customers at fair value 30.09.2020	Net lending 30.09.2020
		Stage 1	Stage 2	Stage 3		
Public sector	3	0	0	0	0	3
Primary industries	3 041	-2	-6	-8	1 938	4 963
Paper and pulp industries	1 710	-2	-1	-1	335	2 041
Other industry	1 482	-7	-3	-106	58	1 426
Building and constructions	3 692	-23	-11	-11	301	3 948
Power and water supply	269	0	-1	-1	1	267
Wholesale and retail trade	835	-5	-4	-9	133	950
Hotel and restaurants	470	-2	-3	-1	58	524
Real estate	15 921	-44	-61	-6	462	16 272
Commercial services	3 997	-15	-9	-9	630	4 594
Transport and communication	306	-1	-3	-4	172	470
Post model adjustments	0	0	-35	0	0	-35
<b>Gross corporate loans by sector and industry</b>	<b>31 725</b>	<b>-102</b>	<b>-136</b>	<b>-155</b>	<b>4 088</b>	<b>35 420</b>
Retail market	721	-1	-2	-29	67 972	68 660
Post model adjustments	0	0	0	0	0	0
<b>Total loans to private customers</b>	<b>721</b>	<b>-1</b>	<b>-2</b>	<b>-29</b>	<b>67 972</b>	<b>68 660</b>
Adjustment fair value		0	-39	-8	47	0
<b>Total loans to customers</b>	<b>32 446</b>	<b>-103</b>	<b>-178</b>	<b>-192</b>	<b>72 107</b>	<b>104 080</b>
Loans transferred to SpareBank 1 Boligkreditt AS						46 153
Loans transferred to SpareBank 1 Næringskreditt AS						1 215
<b>Total loans including loans transferred to covered bond companies</b>						<b>151 449</b>
Other liabilities <sup>1)</sup>						16 016
<b>Total commitments including loans transferred to covered bond companies</b>						<b>167 465</b>

	Loan and advances to customers at amortised cost 31.12.2020	Provisions for credit losses			Loan and advances to customers at fair value 31.12.2020	Net lending 31.12.2020
		Stage 1	Stage 2	Stage 3		
Public sector	18	0	0	0	0	18
Primary industries	3 089	-2	-7	-8	2 017	5 090
Paper and pulp industries	1 539	-1	-2	-1	342	1 877
Other industry	1 203	-5	-10	-1	47	1 234
Building and constructions	3 454	-25	-9	-20	299	3 699
Power and water supply	436	-1	-1	-1	1	433
Wholesale and retail trade	833	-5	-3	-8	141	957
Hotel and restaurants	471	-1	-3	-4	57	519
Real estate	15 433	-37	-71	-8	458	15 775
Commercial services	4 132	-17	-5	-10	636	4 737
Transport and communication	257	-1	-2	-1	210	462
Post model adjustments	0	0	-20	0	0	-20
<b>Gross corporate loans by sector and industry</b>	<b>30 866</b>	<b>-94</b>	<b>-133</b>	<b>-63</b>	<b>4 206</b>	<b>34 782</b>
Retail market	708	-1	-1	-31	68 454	69 129
Post model adjustments	0	0	0	0	0	0
<b>Total loans to private customers</b>	<b>708</b>	<b>-1</b>	<b>-1</b>	<b>-31</b>	<b>68 454</b>	<b>69 129</b>
Adjustment fair value	0	0	-44	-8	52	0
<b>Total loans to customers</b>	<b>31 574</b>	<b>-95</b>	<b>-178</b>	<b>-102</b>	<b>72 712</b>	<b>103 911</b>
Loans transferred to SpareBank 1 Boligkreditt AS						46 872
Loans transferred to SpareBank 1 Næringskreditt AS						1 018
<b>Total loans including loans transferred to covered bond companies</b>						<b>151 801</b>
Other liabilities <sup>1)</sup>						15 760
<b>Total commitments including loans transferred to covered bond companies</b>						<b>167 561</b>

1) Consists of guarantees, unused credits and loan commitments.

## Group

	Loan and advances to customers at amortised cost 30.09.2021	Provisions for credit losses			Loan and advances to customers at fair value 30.09.2021	Net lending 30.09.2021
		Stage 1	Stage 2	Stage 3		
Public sector	286	-1	-0	-0	0	285
Primary industries	3 791	-2	-7	-7	2 136	5 910
Paper and pulp industries	1 017	-1	-1	-0	406	1 420
Other industry	1 246	-3	-19	-1	55	1 279
Building and constructions	4 785	-21	-16	-14	327	5 061
Power and water supply	707	-2	-1	-1	1	705
Wholesale and retail trade	1 259	-6	-4	-5	169	1 411
Hotel and restaurants	598	-1	-8	-4	48	633
Real estate	19 215	-51	-79	-20	408	19 473
Commercial services	4 351	-14	-8	-12	788	5 105
Transport and communication	1 546	-6	-3	-1	235	1 771
Post model adjustments	0	0	0	0	0	0
<b>Gross corporate loans by sector and industry</b>	<b>38 802</b>	<b>-108</b>	<b>-147</b>	<b>-67</b>	<b>4 573</b>	<b>43 053</b>
Retail market	4 977	-9	-17	-34	71 115	76 033
Post model adjustments	0	0	0	0	0	0
<b>Total loans to private customers</b>	<b>4 977</b>	<b>-9</b>	<b>-17</b>	<b>-34</b>	<b>71 115</b>	<b>76 033</b>
Adjustment fair value	0	-1	-35	-7	43	0
<b>Total loans to customers</b>	<b>43 779</b>	<b>-118</b>	<b>-199</b>	<b>-108</b>	<b>75 732</b>	<b>119 086</b>
Loans transferred to SpareBank 1 Boligkreditt AS						49 904
Loans transferred to SpareBank 1 Næringskreditt AS						955
<b>Total loans including loans transferred to covered bond companies</b>						<b>169 944</b>
Other liabilities <sup>1)</sup>						25 560
<b>Total commitments including loans transferred to covered bond companies</b>						<b>195 504</b>



### Provisions for credit losses

	Loan and advances to customers at amortised cost 30.09.2020	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 30.09.2020	Net lending 30.09.2020
Public sector	271	-1	0	0	0	270
Primary industries	3 430	-3	-6	-8	1 938	5 351
Paper and pulp industries	1 732	-2	-1	-1	335	2 063
Other industry	1 755	-8	-4	-106	58	1 695
Building and constructions	4 835	-28	-17	-12	301	5 081
Power and water supply	459	-2	-1	-1	1	455
Wholesale and retail trade	1 140	-7	-6	-9	133	1 251
Hotel and restaurants	487	-2	-3	-1	58	540
Real estate	16 096	-42	-66	-7	462	16 444
Commercial services	4 751	-18	-12	-12	630	5 338
Transport and communication	1 656	-5	-15	-13	172	1 795
Post model adjustments	0	0	-40	0	0	-40
<b>Gross corporate loans by sector and industry</b>	<b>36 611</b>	<b>-118</b>	<b>-169</b>	<b>-169</b>	<b>4 088</b>	<b>40 244</b>
Retail market	4 905	-9	-19	-43	67 972	72 806
Post model adjustments	0	0	-1	0	0	-1
<b>Total loans to private customers</b>	<b>4 905</b>	<b>-9</b>	<b>-20</b>	<b>-43</b>	<b>67 972</b>	<b>72 805</b>
Adjustment fair value	0	0	-39	-8	47	0
<b>Total loans to customers</b>	<b>41 517</b>	<b>-127</b>	<b>-228</b>	<b>-220</b>	<b>72 107</b>	<b>113 049</b>
Loans transferred to SpareBank 1 Boligkreditt AS						46 153
Loans transferred to SpareBank 1 Næringskreditt AS						1 215
<b>Total loans including loans transferred to covered bond companies</b>						<b>160 418</b>
Other liabilities <sup>1)</sup>						16 598
<b>Total commitments including loans transferred to covered bond companies</b>						<b>177 016</b>

### Provisions for credit losses

	Loan and advances to customers at amortised cost 31.12.2020	Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.12.2020	Net lending 31.12.2020
Public sector	327	-1	0	0	0	326
Primary industries	3 469	-3	-7	-8	2 017	5 468
Paper and pulp industries	1 539	-1	-2	-1	342	1 877
Other industry	1 439	-6	-12	-1	47	1 467
Building and constructions	4 520	-29	-16	-23	299	4 751
Power and water supply	458	-1	-1	-1	1	456
Wholesale and retail trade	1 089	-8	-6	-8	141	1 207
Hotel and restaurants	492	-2	-3	-4	57	540
Real estate	15 838	-41	-94	-15	458	16 145
Commercial services	4 975	-20	-8	-11	636	5 572
Transport and communication	1 633	-1	-4	-2	210	1 835
Post model adjustments	0	0	-24	0	0	-24
<b>Gross corporate loans by sector and industry</b>	<b>35 779</b>	<b>-113</b>	<b>-177</b>	<b>-76</b>	<b>4 206</b>	<b>39 620</b>
Retail market	4 877	-7	-12	-47	68 454	73 265
Post model adjustments	0	0	-1	0	0	-1
<b>Total loans to private customers</b>	<b>4 877</b>	<b>-7</b>	<b>-13</b>	<b>-47</b>	<b>68 454</b>	<b>73 265</b>
Adjustment fair value	0	0	-44	-8	52	0
<b>Total loans to customers</b>	<b>40 656</b>	<b>-119</b>	<b>-234</b>	<b>-130</b>	<b>72 712</b>	<b>112 885</b>
Loans transferred to SpareBank 1 Boligkreditt AS						46 872
Loans transferred to SpareBank 1 Næringskreditt AS						1 018
<b>Total loans including loans transferred to covered bond companies</b>						<b>160 775</b>
Other liabilities <sup>1)</sup>						14 787
<b>Total commitments including loans transferred to covered bond companies</b>						<b>175 562</b>

1) Consists of guarantees, unused credits and loan commitments.

## Note 6 Provisions for credit losses

The table shows isolated loss effects.

01.07.2021-30.09.2021

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	0	9	9	4	13
Change ECL due to adjusted key assumptions	0	-26	-26	0	-26
Change ECL due to changed scenario weighting	0	0	0	0	0
<b>Change in model-based loss provisions</b>	<b>0</b>	<b>-18</b>	<b>-17</b>	<b>4</b>	<b>-14</b>
Post model adjustments	0	0	0	-5	-5
Change individual loss provisions	-3	-6	-9	-5	-14
Net write-offs	2	7	9	8	17
<b>Total losses</b>	<b>-1</b>	<b>-16</b>	<b>-17</b>	<b>1</b>	<b>-16</b>

01.01.2021-30.09.2021

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	2	15	16	-3	13
Change ECL due to adjusted key assumptions	-1	-31	-32	0	-32
Change ECL due to changed scenario weighting	0	0	0	0	0
<b>Change in model-based loss provisions</b>	<b>1</b>	<b>-16</b>	<b>-16</b>	<b>-3</b>	<b>-19</b>
Post model adjustments	0	-20	-20	-5	-25
Change individual loss provisions	-5	-9	-15	-5	-19
Net write-offs	5	17	22	18	40
<b>Total losses</b>	<b>1</b>	<b>-29</b>	<b>-28</b>	<b>5</b>	<b>-23</b>

01.07.2020-30.09.2020

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	-1	1	0	5	5
Change ECL due to adjusted key assumptions	0	0	0	0	0
Change ECL due to changed scenario weighting	0	0	0	0	0
<b>Change in model-based loss provisions</b>	<b>-1</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>5</b>
Post model adjustments	0	-15	-15	0	-15
Change individual loss provisions	-3	45	43	-5	38
Net write-offs	3	4	7	12	19
<b>Total losses</b>	<b>-1</b>	<b>36</b>	<b>35</b>	<b>12</b>	<b>47</b>

01.01.2020-30.09.2020

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	0	4	3	4	7
Change ECL due to adjusted key assumptions	3	39	42	17	59
Change ECL due to changed scenario weighting	14	26	41	3	44
<b>Change in model-based loss provisions</b>	<b>17</b>	<b>69</b>	<b>86</b>	<b>23</b>	<b>109</b>
Post model adjustments	0	35	35	5	40
Change individual loss provisions	1	121	121	12	133
Net write-offs	7	13	21	26	46
<b>Total losses</b>	<b>25</b>	<b>238</b>	<b>263</b>	<b>66</b>	<b>328</b>

01.01.2020-31.12.2020

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	1	10	11	7	19
Change ECL due to adjusted key assumptions	3	36	39	18	58
Change ECL due to changed scenario weighting	14	26	41	3	44
<b>Change in model-based loss provisions</b>	<b>19</b>	<b>73</b>	<b>91</b>	<b>29</b>	<b>120</b>
Post model adjustments	0	20	20	5	25
Change individual loss provisions	2	28	30	13	43
Net write-offs	9	95	104	38	142
<b>Total losses</b>	<b>29</b>	<b>216</b>	<b>245</b>	<b>84</b>	<b>330</b>

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.

## Parent Bank

30.09.2021

	31.12.2020	Provision for credit losses	Net write-offs	30.09.2021
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	356	-22	-23	311
Provisions for loan losses at fair value over OCI	84	-5	-1	79
<b>Total provisions for credit losses</b>	<b>440</b>	<b>-27</b>	<b>-24</b>	<b>389</b>
<b>Presented as:</b>				
Assets: Provisions for loan losses - decrease of assets	375	-26	-24	325
Liabilities: Provisions for loan losses - increase of liabilities	32	-3	0	29
Equity: Fair value adjustment of losses	32	3	0	35

30.09.2020

	31.12.2019	Provision for credit losses	Net write-offs	30.09.2020
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	232	239	-10	461
Provisions for loan losses at fair value over OCI	67	14	-1	80
<b>Total provisions for credit losses</b>	<b>299</b>	<b>252</b>	<b>-10</b>	<b>541</b>
<b>Presented as:</b>				
Assets: Provisions for loan losses - decrease of assets	255	228	-10	473
Liabilities: Provisions for loan losses - increase of liabilities	22	12	0	34
Equity: Fair value adjustment of losses	21	12	0	33

31.12.2020

	31.12.2019	Provision for credit losses	Net write-offs	31.12.2020
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	232	135	-11	356
Provisions for loan losses at fair value over OCI	67	18	-1	84
<b>Total provisions for credit losses</b>	<b>299</b>	<b>153</b>	<b>-12</b>	<b>440</b>
<b>Presented as:</b>				
Assets: Provisions for loan losses - decrease of assets	255	132	-12	375
Liabilities: Provisions for loan losses - increase of liabilities	22	10	0	32
Equity: Fair value adjustment of losses	21	11	0	32

## Group

30.09.2021

	31.12.2020	Provision for credit losses	Net write-offs	30.09.2021
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	465	279	-10	407
Provisions for loan losses at fair value over OCI	84	14	-1	78
<b>Total provisions for credit losses</b>	<b>549</b>	<b>292</b>	<b>-10</b>	<b>485</b>
<b>Presented as:</b>				
Assets: Provisions for loan losses - decrease of assets	484	-35	-24	425
Liabilities: Provisions for loan losses - increase of liabilities	32	-7	0	25
Equity: Fair value adjustment of losses	32	3	0	35

30.09.2020

	31.12.2019	Provision for credit losses	Net write-offs	30.09.2020
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	294	182	-11	563
Provisions for loan losses at fair value over OCI	67	18	-1	80
<b>Total provisions for credit losses</b>	<b>360</b>	<b>200</b>	<b>-12</b>	<b>642</b>
<b>Presented as:</b>				
Assets: Provisions for loan losses - decrease of assets	317	268	-10	575
Liabilities: Provisions for loan losses - increase of liabilities	22	12	0	34
Equity: Fair value adjustment of losses	21	12	0	33

31.12.2020

	31.12.2019	Provision for credit losses	Net write-offs	31.12.2020
Provisions for loss on loans at amortised cost, guarantees and unused credit facilities	294	182	-11	464
Provisions for loan losses at fair value over OCI	67	18	-1	84
<b>Total provisions for credit losses</b>	<b>360</b>	<b>200</b>	<b>-12</b>	<b>548</b>
<b>Presented as:</b>				
Assets: Provisions for loan losses - decrease of assets	317	179	-12	484
Liabilities: Provisions for loan losses - increase of liabilities	22	10	0	32
Equity: Fair value adjustment of losses	21	11	0	32

## Parent Bank

Provisions for loan losses	30.09.2021				30.09.2020				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>127</b>	<b>178</b>	<b>102</b>	<b>408</b>	<b>99</b>	<b>110</b>	<b>68</b>	<b>277</b>	<b>99</b>	<b>110</b>	<b>68</b>	<b>277</b>
<i>Provision for credit losses</i>												
<i>Transfers in (out) to Stage 1</i>	3	-3	0	0	5	-5	0	0	5	-5	0	0
<i>Transfers in (out) to Stage 2</i>	-40	40	0	0	-55	55	0	0	-82	82	0	0
<i>Transfers in (out) to Stage 3</i>	-7	-5	12	0	-9	-11	20	0	-11	-17	28	0
<i>Net remeasurement of loss provisions</i>	15	-26	19	7	82	-3	119	198	105	-6	26	125
<i>Purchases and originations</i>	31	22	0	54	22	7	2	30	26	12	4	43
<i>Derecognitions and maturities</i>	-14	-26	-25	-65	-7	-10	-10	-27	-14	-18	-13	-46
<i>Write-offs</i>	0	0	-24	-24	0	0	-6	-6	0	0	-12	-12
<i>Post model adjustment</i>	0	-20	0	-20	0	35	0	35	0	20	0	20
<b>Ending Balance</b>	<b>116</b>	<b>161</b>	<b>84</b>	<b>360</b>	<b>136</b>	<b>178</b>	<b>192</b>	<b>507</b>	<b>127</b>	<b>178</b>	<b>102</b>	<b>408</b>

## Group

Provisions for loan losses	30.09.2021				30.09.2020				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>152</b>	<b>234</b>	<b>130</b>	<b>516</b>	<b>115</b>	<b>137</b>	<b>87</b>	<b>339</b>	<b>123</b>	<b>166</b>	<b>97</b>	<b>386</b>
<i>Provision for credit losses</i>												
<i>Transfers in (out) to Stage 1</i>	17	-16	0	0	10	-10	0	0	10	-10	0	0
<i>Transfers in (out) to Stage 2</i>	-42	43	0	0	-56	57	-1	0	-83	83	0	0
<i>Transfers in (out) to Stage 3</i>	-7	-15	22	0	-9	-14	23	0	-12	-23	34	0
<i>Net remeasurement of loss provisions</i>	11	-15	14	10	81	22	129	232	98	6	24	128
<i>Purchases and originations</i>	44	27	1	72	28	9	3	40	30	16	4	50
<i>Derecognitions and maturities</i>	-17	-35	-35	-87	-8	-12	-15	-36	-15	-24	-17	-56
<i>Write-offs</i>	0	0	-24	-24	0	0	-6	-6	0	0	-12	-12
<i>Post model adjustment</i>	0	-25	0	-25	0	40	0	40	0	20	0	20
<b>Ending Balance</b>	<b>155</b>	<b>199</b>	<b>108</b>	<b>462</b>	<b>160</b>	<b>228</b>	<b>220</b>	<b>609</b>	<b>152</b>	<b>234</b>	<b>130</b>	<b>516</b>

## Parent Bank

Provisions for guarantees and unused credit facilities	30.09.2021				30.09.2020				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>22</b>	<b>10</b>	<b>0</b>	<b>32</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>22</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>22</b>
<i>Provision for credit losses</i>												
<i>Transfers in (out) to Stage 1</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Transfers in (out) to Stage 2</i>	-2	2	0	0	-3	3	0	0	-4	4	0	0
<i>Transfers in (out) to Stage 3</i>	0	0	0	0	-1	0	1	0	0	0	0	0
<i>Net remeasurement of loss provisions</i>	-6	-5	4	-7	7	1	0	8	6	1	-1	7
<i>Purchases and originations</i>	8	0	0	9	5	0	0	5	5	0	0	5
<i>Derecognitions and maturities</i>	-2	-2	0	-5	-1	-1	0	-1	-1	-1	0	-2
<i>Write-offs</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Post model adjustment</i>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	<b>21</b>	<b>4</b>	<b>4</b>	<b>29</b>	<b>25</b>	<b>8</b>	<b>1</b>	<b>34</b>	<b>22</b>	<b>10</b>	<b>0</b>	<b>32</b>

## Group

Provisions for guarantees and unused credit facilities	30.09.2021				30.09.2020				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Opening Balance</b>	<b>22</b>	<b>10</b>	<b>0</b>	<b>32</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>22</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>22</b>
<i>Provision for credit losses</i>												
<i>Transfers in (out) to Stage 1</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Transfers in (out) to Stage 2</i>	-2	2	0	0	-3	3	0	0	-4	4	0	0
<i>Transfers in (out) to Stage 3</i>	0	0	0	0	-1	0	1	0	0	0	0	0
<i>Net remeasurement of loss provisions</i>	-9	-5	4	-10	7	1	0	8	6	1	-1	7
<i>Purchases and originations</i>	8	0	0	9	5	0	0	5	5	0	0	5
<i>Derecognitions and maturities</i>	-2	-2	0	-5	-1	-1	0	-1	-1	-1	0	-2
<i>Write-offs</i>	0	0	0	0	0	0	0	0	0	0	0	0
<i>Post model adjustment</i>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	<b>17</b>	<b>4</b>	<b>4</b>	<b>25</b>	<b>25</b>	<b>8</b>	<b>1</b>	<b>34</b>	<b>22</b>	<b>10</b>	<b>0</b>	<b>32</b>

Parent Bank				Group		
31.12.2020	30.09.2020	30.09.2021		30.09.2021	30.09.2020	31.12.2020
41	13	21	Dividends from equity investments at fair value through profit and loss	21	13	41
41	13	21	Dividends from shares and other equity instruments	21	13	41
287	287	420	Dividends from subsidiaries, associates and joint ventures			
-6	0	40	Gains or losses on realisation of subsidiaries, associates and joint ventures			
0	0	0	Impairment on subsidiaries, associates and joint ventures			
282	287	461	Net income from subsidiaries, associates and joint ventures (Parent Bank)			
			Share of profit or loss of associates and joint ventures (Group)	278	331	394
135	163	-100	Net change in value on certificates, bonds and fixed-income funds	-100	163	135
-118	-163	130	Net change in value on derivatives that hedge securities above	130	-163	-118
16	0	30	Net change in value on certificates, bonds and fixed-income funds including hedge derivatives	30	0	16
-514	-640	484	Net change in value of securities issued	484	-640	-514
520	660	-495	Net change in value in derivatives that hedge securities issued	-495	660	520
6	21	-11	Net change in value on securities issued including hedge derivatives	-11	21	6
-6	25	78	Net change in value on equity instruments at fair value through profit and loss	78	25	-6
150	159	-100	Net change in value on fixed-rate loans to customers at fair value through profit and loss	-100	159	150
-135	-199	139	Net change in value on other derivatives	139	-199	-135
27	11	8	Gains or losses on realisation of assets at fair value through profit and loss	8	11	27
50	38	44	Net income from FX trading and -hedging	44	38	50
109	55	188	Net profit from other financial assets and liabilities	188	55	109
432	355	669	Net profit from financial assets and liabilities	487	399	545



## Note 8 Financial derivatives

### Parent Bank and Group

	30.09.2021		
	Contract amount	Fair value	
		Assets	Liabilities
<b>At fair value through profit and loss</b>			
<b>Currency instruments</b>			
Currency forward contracts	2 189	9	20
Currency swaps	119	0	1
<b>Total currency instruments</b>	<b>2 308</b>	<b>9</b>	<b>20</b>
<b>Interest rate instruments</b>			
Interest rate swaps (including cross-currency)	57 641	1 138	519
Other interest rate contracts	510	0	0
<b>Total interest rate instruments</b>	<b>58 151</b>	<b>1 138</b>	<b>519</b>
<b>Total currency instruments</b>	<b>2 308</b>	<b>9</b>	<b>20</b>
<b>Total interest rate instruments</b>	<b>58 151</b>	<b>1 138</b>	<b>519</b>
<b>Total financial derivatives</b>	<b>60 459</b>	<b>1 148</b>	<b>540</b>

	30.09.2020		
	Contract amount	Fair value	
		Assets	Liabilities
<b>At fair value through profit and loss</b>			
<b>Currency instruments</b>			
Currency forward contracts	1 906	45	34
Currency swaps	2 820	20	21
<b>Total currency instruments</b>	<b>4 725</b>	<b>65</b>	<b>56</b>
<b>Interest rate instruments</b>			
Interest rate swaps (including cross-currency)	51 150	3 251	771
Other interest rate contracts	3 881	1	0
<b>Total interest rate instruments</b>	<b>55 031</b>	<b>3 252</b>	<b>771</b>
<b>Total currency instruments</b>	<b>4 725</b>	<b>65</b>	<b>56</b>
<b>Total interest rate instruments</b>	<b>51 150</b>	<b>3 252</b>	<b>771</b>
<b>Total financial derivatives</b>	<b>55 875</b>	<b>3 316</b>	<b>827</b>

	31.12.2020		
	Contract amount	Fair value	
		Assets	Liabilities
<b>At fair value through profit and loss</b>			
<b>Currency instruments</b>			
Currency forward contracts	1 872	26	21
Currency swaps	2 257	14	84
<b>Total currency instruments</b>	<b>4 129</b>	<b>40</b>	<b>104</b>
<b>Interest rate instruments</b>			
Interest rate swaps (including cross-currency)	49 293	2 171	593
Other interest rate contracts	3 985	1	0
<b>Total interest rate instruments</b>	<b>53 279</b>	<b>2 172</b>	<b>593</b>
<b>Total currency instruments</b>	<b>4 129</b>	<b>40</b>	<b>104</b>
<b>Total interest rate instruments</b>	<b>53 279</b>	<b>2 172</b>	<b>593</b>
<b>Total financial derivatives</b>	<b>57 408</b>	<b>2 212</b>	<b>697</b>

## Note 9 Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its obligations when they fall due, or be unable to finance its assets, including the desired growth, without significantly increased costs.

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. The group's goal is to be able to survive for twelve months without access to new financing while house prices fall by 30 per cent. The Bank must satisfy the minimum requirement for LCR over the same period. Stress testing is undertaken at various maturities for a bank-specific crisis, a systemic crisis and a combination of these, and a contingency plan has been established to handle various liquidity crises.

Average time to maturity in the Bank's borrowing portfolio was 3.7 (3.6) years at the end of Q3 2021. At the same date, total LCR was 144.6 (152.0) per cent.

## Note 10 Financial instruments at fair value

The table below shows financial instruments at fair value by valuation method. The different levels are defined as follows:

- Level 1: Quoted prices for similar 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)

### Group

30.09.2021	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value				
- Derivatives	0	1 148	0	1 148
- Certificates, bonds and fixed-income funds	0	24 338	0	24 338
- Fixed-rate loans to customers	0	0	6 310	6 310
- Equity instruments	422	0	269	691
- Mortgages	0	0	69 379	69 379
<b>Total assets</b>	<b>422</b>	<b>25 485</b>	<b>75 957</b>	<b>101 864</b>
<b>Liabilities</b>				
Financial liabilities at fair value				
- Derivatives	0	540	0	540
- Securities issued	0	2 349	0	2 349
<b>Total liabilities</b>	<b>0</b>	<b>2 888</b>	<b>0</b>	<b>2 888</b>
<b>30.09.2020</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Financial assets at fair value through profit and loss				
- Derivatives	0	3 316	0	3 316
- Bonds and certificates	0	20 786	0	20 786
- Fixed-rate loans to customers	0	0	6 363	6 363
- Equity instruments	335	0	320	655
- Other financial assets	0	0	65 697	65 697
<b>Total assets</b>	<b>335</b>	<b>24 102</b>	<b>72 379</b>	<b>96 817</b>
<b>Liabilities</b>				
Financial assets at fair value through profit and loss				
- Derivatives	0	827	0	827
- Securities issued	0	3 147	0	3 147
<b>Total liabilities</b>	<b>0</b>	<b>3 974</b>	<b>0</b>	<b>3 974</b>
<b>31.12.2020</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Financial assets at fair value through profit and loss				
- Derivatives	0	2 212	0	2 212
- Bonds and certificates	0	20 999	0	20 999
- Fixed-rate loans to customers	0	0	6 331	6 331
- Equity instruments	349	0	267	616
- Other financial assets	0	0	66 330	66 330
<b>Total assets</b>	<b>349</b>	<b>23 211</b>	<b>72 928</b>	<b>96 488</b>
<b>Liabilities</b>				
Financial assets at fair value through profit and loss				
- Derivatives	0	697	0	697
- Securities issued	0	3 050	0	3 050
<b>Total liabilities</b>	<b>0</b>	<b>3 747</b>	<b>0</b>	<b>3 747</b>

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. The market price used for financial assets is the current purchase price; for financial liabilities the current selling price is used. 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 (such as individual OTC derivatives) 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 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, Refinitiv pricing service, Bloomberg or reputable brokers.
- Fair value of fixed-rate loans to customers is calculated as the present value of the estimated future cash flow based on an observable swap yield curve, plus a calculated marked premium
- Fair value of floating rate mortgages is estimated based on carrying amount and expected credit losses.
- Other methods, such as multiplier models, have been used to determine the fair value of the remaining financial instruments.

The table below presents the changes in value of the instruments classified in level 3:

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
<b>31.12.2020-30.09.2021</b>				
Opening balance	6 331	267	66 330	72 928
Investments in the period	1 348	1	14 456	15 805
Sales/redemption in the period	-1 269	-5	-11 416	-12 690
Gains/losses recognised through profit and loss	-100	6	5	-89
Gains/losses recognised through other comprehensive income	0	0	3	3
<b>Closing balance</b>	<b>6 310</b>	<b>269</b>	<b>69 379</b>	<b>75 957</b>
Gains/losses for the period included in the profit for assets owned on the balance sheet day	-100	6	5	-89

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
<b>31.12.2019-30.09.2020</b>				
Opening balance	6 765	299	59 865	66 929
Investments in the period	664	0	27 255	27 919
Sales / redemption in the period	-1 225	-1	-21 421	-22 647
Gains / losses recognised through profit and loss	159	21	-14	167
Gains/losses recognised through other comprehensive income	0	0	12	12
<b>Closing balance</b>	<b>6 363</b>	<b>320</b>	<b>65 697</b>	<b>72 379</b>
Gains / losses for the period included in the profit for assets owned on the balance sheet day	159	21	-14	167

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
<b>31.12.2019-31.12.2020</b>				
Opening balance	6 765	299	59 865	66 929
Investments in the period	881	0	15 934	16 815
Sales/redemption in the period	-1 465	-24	-9 463	-10 952
Gains/losses recognised through profit and loss	150	-8	-17	126
Gains/losses recognised through other comprehensive income	0	0	11	11
<b>Closing balance</b>	<b>6 331</b>	<b>267</b>	<b>66 330</b>	<b>72 928</b>
Gains/losses for the period included in the profit for assets owned on the balance sheet day	150	-8	-17	126

**Specification of fair value, instruments classified in level 3:**

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
<b>30.09.2021</b>				
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6 277	197	69 422	75 895
Fair value adjustment	33	72	-43	62
<b>Closing balance</b>	<b>6 310</b>	<b>269</b>	<b>69 379</b>	<b>75 957</b>

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
<b>30.09.2020</b>				
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6 221	208	65 745	72 173
Fair value adjustment	142	111	-47	206
<b>Closing balance</b>	<b>6 363</b>	<b>320</b>	<b>65 697</b>	<b>72 379</b>

	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Total
<b>31.12.2020</b>				
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6 198	200	66 381	72 779
Fair value adjustment	133	67	-52	148
<b>Closing balance</b>	<b>6 331</b>	<b>267</b>	<b>66 330</b>	<b>72 928</b>

**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 by 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 MNOK 18.

Equity instruments in Level 3 consists of the significant shareholdings in Oslo Kongressenter Folkets Hus AS (MNOK 57), Eksportfinans ASA (MNOK 71), SpareBank 1 Markets AS (MNOK 40) and VN Norge AS (MNOK 28). The valuation of the two former is based on the book value of their equity adjusted for surplus and deficit values. Based on valuation from 2010 and later broker reviews, it is considered to be significant added value in the property mass belonging to Oslo Kongressenter Folkets Hus AS (P/B 3.7). Based on an external valuation in connection with a demerger in 2012 and subsequent equity transactions, the value of Eksportfinans ASA is considered to be less than book value (P/B 0.85). The value of the shareholding in SpareBank 1 Markets are based on current issue pricing. The value of the shareholding in VN Norge (former Visa Norge FLI, transformed into a limited company medio 2018) are based on valuation of underlying assets, of witch preference shares in Visa Inc are most significant. Preference shares in Visa Inc will be converted into tradable shares no later than 2028. The valuation of this underlying asset is based on the share price of tradable Visa Inc stocks and the closing exchange rate (USDNOK) as well as agreed conversion factor for the preference shares. Net value is less deferred tax and a liquidity discount. The preference shares are priced by an external party.

Floating rate mortgages classified at fair value through other comprehensive income (OCI) 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 MNOK -43. Change in fair value will mainly relate to estimates on probability of default (PD) and loss given default (LGD), both at portfolio level and for individual loans.

## Note 11 Derivatives and offsetting

In accordance with IFRS 7 it should be disclosed which of the financial instruments the Bank considers to fulfill the requirements for offsetting and which financial instruments they have signed netting agreements on.

The Bank has no financial instruments booked on a net basis in the financial statements.

SpareBank 1 Østlandet has three sets of agreements which regulate counterparty risk and netting of derivatives. For retail and corporate customers, agreements requiring provision of collateral is established. 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 for financial institutions, the Bank enters into standardised and mainly bilateral ISDA agreements. Under ISDA the Bank has entered into credit supplementary agreements (CSA) with 18 institutional counterparties. The Bank has also entered into agreements on the clearing of derivatives transactions, transferring its exposure to a central counterparty (clearing house) that calculates the collateral requirements. 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					
	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
<b>30.09.2021</b>						
Derivatives as assets	1 148	0	1 148	-352	-671	<b>125</b>
Derivatives as liabilities	-540	0	-540	352	133	<b>-55</b>
<b>30.09.2020</b>						
Derivatives as assets	3 316	0	3 316	-692	-2 365	<b>259</b>
Derivatives as liabilities	-827	0	-827	692	106	<b>-28</b>
<b>31.12.2020</b>						
Derivatives as assets	2 212	0	2 212	-612	-1 450	<b>150</b>
Derivatives as liabilities	-697	0	-697	612	61	<b>-25</b>

## Note 12 Credit institutions – assets and liabilities

Parent bank				Group		
31.12.2020	30.09.2020	30.09.2021	Loans to and receivables from credit institutions	30.09.2021	30.09.2020	31.12.2020
169	430	385	Loans and receivables at call	385	435	168
8 718	10 233	8 615	Loans and receivables with agreed maturities or notice	1 008	2 886	1 407
<b>8 887</b>	<b>10 662</b>	<b>9 000</b>	<b>Total</b>	<b>1 392</b>	<b>3 321</b>	<b>1 576</b>
132	181	260	Cash collateral given	260	181	132

Parent bank				Group		
31.12.2020	30.09.2020	30.09.2021	Deposits from and liabilities to credit institutions	30.09.2021	30.09.2020	31.12.2020
1 704	2 558	1 098	Loans and deposits at call	1 111	2 590	1 667
3 425	2 917	3 317	Loans and deposits with agreed maturities or notice	3 315	2 915	3 423
<b>5 129</b>	<b>5 475</b>	<b>4 415</b>	<b>Total</b>	<b>4 427</b>	<b>5 506</b>	<b>5 090</b>
1 557	2 402	727	Cash collateral received	727	2 402	1 557

## Note 13 Leases

The Group SpareBank 1 Østlandet has mainly residential leases that are identified as falling under the IFRS 16 Lease standard.

Parent Bank				Group		
31.12.2020	30.09.2020	30.09.2021	Right of use	30.09.2021	30.09.2020	31.12.2020
214	214	192	Right of use asset at 01.01.	156	169	169
4	4	3	Indexation of the right of use asset	4	4	4
5	5	5	Additions	10	5	9
9	2	0	Adjustments of options	2	2	10
39	30	28	Depreciation	26	26	37
<b>192</b>	<b>196</b>	<b>173</b>	<b>Right-of use asset at the end of the period</b>	<b>146</b>	<b>155</b>	<b>156</b>

31.12.2020	30.09.2020	30.09.2021	Lease liability	30.09.2021	30.09.2020	31.12.2020
216	216	198	Lease liability at 01.01	161	170	170
4	4	3	Indexation of the lease obligation	4	4	4
5	5	5	Additions	10	5	9
9	2	0	Adjustments of options	2	2	10
41	30	30	Instalments in the period	28	27	36
5	4	3	Interest	3	3	4
<b>198</b>	<b>201</b>	<b>180</b>	<b>Liabilities associated with lease rights, at the end of the period*</b>	<b>151</b>	<b>158</b>	<b>161</b>

\* In the parent bank, NOK 38 (40) million of the lease obligation falls due within 12 months. Corresponding figures in the Group are NOK 34 (36) million.

31.12.2020	30.09.2020	30.09.2021	Effects on earnings	30.09.2021	30.09.2020	31.12.2020
5	4	3	Interest expense	3	3	4
39	30	28	Depreciation	26	26	37
<b>44</b>	<b>34</b>	<b>32</b>	<b>Total cost from IFRS 16</b>	<b>29</b>	<b>29</b>	<b>41</b>

The group has not taken advantage of the urgent changes that were made in IFRS 16 as a result of Covid-19.



## Note 14 Other assets

Parent Bank				Group		
31.12.2020	30.09.2020	30.09.2021		30.09.2021	30.09.2020	31.12.2020
273	273	273	Capital payments into pension fund	273	273	273
35	41	41	Accrued income, not yet received	41	42	36
91	22	54	Prepaid costs, not yet incurred	141	115	158
24	-2	23	Unsettled trades	23	-2	24
82	201	163	Other assets	392	410	255
<b>505</b>	<b>534</b>	<b>554</b>	<b>Total other assets</b>	<b>870</b>	<b>837</b>	<b>746</b>

## Note 15 Deposits from and liabilities to customers

Parent Bank				Group		
31.12.2020	30.09.2020	30.09.2021		30.09.2021	30.09.2020	31.12.2020
48 689	48 332	50 974	Retail market	50 974	48 332	48 689
6 798	6 959	7 835	Public sector	7 835	6 959	6 798
1 140	1 246	1 399	Primary industries	1 399	1 246	1 140
454	479	474	Paper and pulp industries	474	479	454
1 153	1 002	1 094	Other industry	1 094	1 002	1 153
2 186	2 078	2 027	Building and construction	2 027	2 078	2 186
105	108	116	Power and water supply	116	108	105
2 199	2 159	2 718	Wholesale and retail trade	2 718	2 159	2 199
369	378	537	Hotel and restaurants	537	378	369
3 958	4 648	4 924	Real estate	4 924	4 648	3 958
17 244	16 812	17 607	Commercial services	17 554	16 768	17 214
1 348	1 339	1 613	Transport and communications	1 613	1 339	1 348
<b>85 643</b>	<b>85 540</b>	<b>91 318</b>	<b>Total deposits by sector and industry</b>	<b>91 265</b>	<b>85 496</b>	<b>85 613</b>

## Note 16 Debt securities issued

### Parent Bank and Group

Change in debt securities issued	30.09.2021	Issued	Due / redeemed	Other changes	31.12.2020
Certificate debt, nominal value	0	0	0	0	0
Bond debt, nominal value	29 902	5 139	-7 638	2 202	30 200
Senior non-perferred, nominal value	5 500	3 000	0	0	2 500
Subordinated loan capital, nominal value	1 300	0	0	0	1 300
Accrued interest	187	0	0	3	184
Value adjustments *	797	0	0	-1 274	2 070
<b>Total debt raised through issuance of securities and subordinated loan capital, book value</b>	<b>37 686</b>	<b>8 139</b>	<b>-7 638</b>	<b>931</b>	<b>36 254</b>

\*) Herof unrealised exchange rate effects with MNOK - 813 in the period and MNOK 530 accumulated

Change in debt securities issued	30.09.2020	Issued	Due / redeemed	Other changes	31.12.2019
Certificate-based debt, nominal value	0	0	0	0	0
Bond debt, nominal value	31 882	3 081	-3 642	-520	32 964
Subordinated loan capital, nominal value	1 300	0	0	0	1 300
Accrued interest	187	0	0	-48	235
Value adjustments	3 304	0	0	2 767	537
<b>Total debt raised through issuance of securities and subordinated loan capital, book value</b>	<b>36 674</b>	<b>3 081</b>	<b>-3 642</b>	<b>2 199</b>	<b>35 036</b>

Change in debt securities issued	31.12.2020	Issued	Due / redeemed	Other changes	31.12.2019
Certificate debt, nominal value	0	0	0	0	0
Bond debt, nominal value	30 200	3 081	-4 992	-853	32 964
Senior non-perferred, nominal value	2 500	2 500	0	0	0
Subordinated loan capital, nominal value	1 300	0	0	0	1 300
Accrued interest	184	0	0	-51	235
Value adjustments	2 070	0	0	1 533	537
<b>Total debt raised through issuance of securities and subordinated loan capital, book value</b>	<b>36 254</b>	<b>5 581</b>	<b>-4 992</b>	<b>629</b>	<b>35 036</b>

## Note 17 Other debt and liabilities recognized in the balance sheet

Parent Bank			Group		
31.12.2020	30.09.2020	30.09.2021	30.09.2021	30.09.2020	31.12.2020
73	15	45	79	45	107
33	36	29	25	36	33
83	83	81	81	83	83
69	51	69	75	57	74
0	46	0	0	46	0
198	201	180	151	158	161
174	295	359	455	425	281
<b>631</b>	<b>728</b>	<b>763</b>	<b>867</b>	<b>850</b>	<b>739</b>
<b>Total other debt and liabilities recognised in the balance sheet</b>					

## Note 18 Equity capital certificates and owner structure

Parent Bank	30.09.2021	30.09.2020	31.12.2020
Equity capital certificates	5 791	5 791	5 791
Dividend equalisation fund <sup>2)</sup>	4 255	3 535	3 269
Recommended dividends and other equity capital <sup>3)</sup>	352	0	555
Premium fund	848	848	848
<b>A. Equity capital certificate owners' capital</b>	<b>11 246</b>	<b>10 175</b>	<b>10 463</b>
Primary capital <sup>2)</sup>	4 475	4 166	4 053
Recommended dividends on customers return <sup>3)</sup>	231	0	237
Provision for gifts <sup>1)</sup>	24	30	29
Other paid-up equity	166	166	166
<b>B. Total primary capital</b>	<b>4 896</b>	<b>4 363</b>	<b>4 485</b>
Fund for unrealised gains	418	360	320
<b>Total other equity</b>	<b>418</b>	<b>360</b>	<b>320</b>
Hybrid capital	1 000	650	650
<b>Total equity</b>	<b>17 560</b>	<b>15 547</b>	<b>15 918</b>
<b>Total equity for distribution:</b>			
<b>Equity capital certificate ratio (A/(A+B)) after distribution</b>	<b>69.7 %</b>	<b>70.1 %</b>	<b>70.0 %</b>
<b>Equity certificates issued</b>	<b>115 829 789</b>	<b>115 829 789</b>	<b>115 829 789</b>
<b>Average Equity certificates</b>	<b>115 829 789</b>	<b>115 829 789</b>	<b>115 829 789</b>

<sup>1)</sup> Provision for gifts is reclassified from other equity to primary capital

<sup>2)</sup> Interest on hybrid capital is reclassified from other equity and divided into primary funds and equalization funds according to the ownership fraction

<sup>3)</sup> On 25 March 2021, The Supervisory Board decided on a dividend of NOK 555 million (corresponding to 4.79 per equity capital certificate), a customer dividend of NOK 231 million and a provisions of NOK 6 million for donations of the bank's profit from 2020. This results in a payout ratio of 50 per cent of the controlling interest's share of the consolidated profit, which is in line with the Bank's long-term-oriented dividend policy. The payment was proposed to be paid out in two rounds. On 28 October 2021, the Board of Directors of SpareBank 1 Østlandet decided to exercise its authorisation from the Supervisory Board to pay out the remaining dividends for the financial year 2020. The decision was based on an assessment by the Board that paying out the remaining dividends was prudent given its assessment of macroeconomic developments and the Bank's financial strength.

On 7 April, the Bank paid out total dividends of NOK 203 million to the equity capital certificate holders, corresponding to NOK 1.75 per equity capital certificate. In accordance with the Supervisory Board's allocation of the profit for 2020, on 28 October 2021 the Board of SpareBank 1 Østlandet approved a further payout of NOK 352 million, corresponding to NOK 3.04 per equity capital certificate.

The Board of SpareBank 1 Østlandet also approved payout of up to NOK 231 million in customer dividends. The customer dividends will be paid out to customers' accounts on about 19 November based on their level of borrowing and deposits in the Bank during 2020.

	Q3 2021		Q2 2021		
Equity Certificate holders	No. Of EC's	Share in %	No. Of EC's	Change in number	Account type
Sparebankstiftelsen Hedmark	60 404 892	52.1 %	60 404 892		Ordinary
Landsorganisasjonen i Norge	11 121 637	9.6 %	11 121 637		Ordinary
Pareto Invest AS	3 005 949	2.6 %	3 028 189	-22 240 ↓	Ordinary
Fellesforbundet	2 101 322	1.8 %	2 101 322		Ordinary
Geveran Trading Co LTD	1 952 005	1.7 %	1 952 005		Ordinary
Eika Egenkapitalbevis	1 899 590	1.6 %	1 842 752	56 838 ↑	Ordinary
Odin Norge	1 621 218	1.4 %	1 621 218		Ordinary
Danske Invest Norske Institusjoner II	1 600 524	1.4 %	1 689 120	-88 596 ↓	Ordinary
Norsk Nærings- og Nytelsesmiddelarbeiderforbund	1 313 555	1.1 %	1 313 555		Ordinary
Landkreditt Utbytte	1 050 000	0.9 %	1 100 000	-50 000 ↓	Ordinary
Brown Brothers Harriman & Co.	875 000	0.8 %	900 000	-25 000 ↓	Nominee
The Bank of New York Mellon SA/NV	871 545	0.8 %	871 545		Nominee
Tredje AP-fonden	804 750	0.7 %	804 750		Ordinary
State Street Bank and Trust Comp	747 932	0.6 %	771 076	-23 144 ↓	Nominee
Danske Invest Norske Aksjer Institusjon	701 169	0.6 %	734 607	-33 438 ↓	Ordinary
Spesialfondet Borea Utbytte	674 205	0.6 %	635 595	38 610 ↑	Ordinary
Fagforbundet	622 246	0.5 %	622 246		Ordinary
Brown Brothers Harriman & Co.	568 688	0.5 %	568 688		Nominee
JPMorgan Chase Bank, London	544 401	0.5 %	544 401		Nominee
Pareto AS	522 681	0.5 %	522 681		Ordinary
<b>20 largest EC-holders</b>	<b>93 003 309</b>	<b>80.3 %</b>	<b>93 150 279</b>	<b>-146 970 ↓</b>	
Other EC-holders	22 826 480	19.7 %	22 679 510	146 970 ↑	
<b>ECs issued</b>	<b>115 829 789</b>	<b>100.0 %</b>	<b>115 829 789</b>		

## Note 19 Net interest income

### Parent bank

	30.09.2021				30.09.2020				31.12.2020			
	Measured at fair value through profit or loss	Measured at fair value through OCI	Measured at amortised cost	Total	Measured at fair value through profit or loss	Measured at fair value through OCI	Measured at amortised cost	Total	Measured at fair value through profit or loss	Measured at fair value through OCI	Measured at amortised cost	Total
<b>Interest income</b>												
Interest income from loans to and claims on central banks and credit institutions	0	0	76	76	0	0	122	122	0	0	151	151
Interest income from loans to and claims on customers	0	961	835	1 796	0	1 143	976	2 120	0	1 471	1 253	2 724
<b>Total interest income, effective rate method</b>	<b>0</b>	<b>961</b>	<b>911</b>	<b>1 871</b>	<b>0</b>	<b>1 143</b>	<b>1 098</b>	<b>2 241</b>	<b>0</b>	<b>1 471</b>	<b>1 404</b>	<b>2 875</b>
Interest income from loans to and claims on customers	129	0	0	129	142	0	0	142	187	0	0	187
Interest on certificates and bonds	126	0	0	126	184	0	0	184	221	0	0	221
Other interest income	-81	0	0	-81	-120	0	0	-120	-141	0	0	-141
<b>Total other interest income</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>174</b>	<b>207</b>	<b>0</b>	<b>0</b>	<b>207</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>268</b>
<b>Total interest income</b>	<b>174</b>	<b>961</b>	<b>911</b>	<b>2 046</b>	<b>207</b>	<b>1 143</b>	<b>1 098</b>	<b>2 448</b>	<b>268</b>	<b>1 471</b>	<b>1 404</b>	<b>3 143</b>
<b>Interest expenses</b>												
Interest on debt to credit institutions	0	0	22	22	0	0	45	45	0	0	53	53
Interest on deposits from and liabilities to customers	0	0	228	228	0	0	531	531	0	0	618	618
Interest on securities issued	45	0	275	320	59	0	335	395	76	0	425	501
Interest on subordinated loan capital	0	0	17	17	0	0	25	25	0	0	30	30
Fees to the Banks' Guarantee Fund	0	0	39	39	0	0	38	38	0	0	49	49
Other interest expenses	0	0	3	3	0	0	4	4	0	0	5	5
<b>Total interest expenses</b>	<b>45</b>	<b>0</b>	<b>585</b>	<b>630</b>	<b>59</b>	<b>0</b>	<b>977</b>	<b>1 037</b>	<b>76</b>	<b>0</b>	<b>1 180</b>	<b>1 256</b>
<b>Total net interest income</b>	<b>129</b>	<b>961</b>	<b>326</b>	<b>1 416</b>	<b>147</b>	<b>1 143</b>	<b>120</b>	<b>1 411</b>	<b>192</b>	<b>1 471</b>	<b>225</b>	<b>1 887</b>

### Group

	30.09.2021				30.09.2020				31.12.2020			
	Measured at fair value through profit or loss	Measured at fair value through OCI	Measured at amortised cost	Total	Measured at fair value through profit or loss	Measured at fair value through OCI	Measured at amortised cost	Total	Measured at fair value through profit or loss	Measured at fair value through OCI	Measured at amortised cost	Total
<b>Interest income</b>												
Interest income from loans to and claims on central banks and credit institutions	0	0	19	19	0	0	32	32	0	0	38	38
Interest income from loans to and claims on customers	0	955	1 110	2 066	0	1 140	1 290	2 429	0	1 465	1 664	3 129
<b>Total interest income, effective rate method</b>	<b>0</b>	<b>955</b>	<b>1 130</b>	<b>2 085</b>	<b>0</b>	<b>1 140</b>	<b>1 321</b>	<b>2 461</b>	<b>0</b>	<b>1 465</b>	<b>1 702</b>	<b>3 167</b>
Interest income from loans to and claims on customers	129	0	0	129	142	0	0	142	187	0	0	187
Interest on certificates and bonds	126	0	0	126	184	0	0	184	221	0	0	221
Other interest income	-81	0	0	-81	-120	0	0	-120	-141	0	0	-141
<b>Total other interest income</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>174</b>	<b>207</b>	<b>0</b>	<b>0</b>	<b>207</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>268</b>
<b>Total interest income</b>	<b>174</b>	<b>955</b>	<b>1 130</b>	<b>2 259</b>	<b>207</b>	<b>1 140</b>	<b>1 321</b>	<b>2 668</b>	<b>268</b>	<b>1 465</b>	<b>1 702</b>	<b>3 436</b>
<b>Interest expenses</b>												
Interest on debt to credit institutions	0	0	22	22	0	0	45	45	0	0	53	53
Interest on deposits from and liabilities to customers	0	0	229	229	0	0	533	533	0	0	621	621
Interest on securities issued	45	0	275	320	59	0	335	395	76	0	425	501
Interest on subordinated loan capital	0	0	17	17	0	0	25	25	0	0	30	30
Fees to the Banks' Guarantee Fund	0	0	39	39	0	0	38	38	0	0	49	49
Other interest expenses	0	0	3	3	0	0	4	4	0	0	4	4
<b>Total interest expenses</b>	<b>45</b>	<b>0</b>	<b>586</b>	<b>631</b>	<b>59</b>	<b>0</b>	<b>980</b>	<b>1 039</b>	<b>76</b>	<b>0</b>	<b>1 182</b>	<b>1 258</b>
<b>Total net interest income</b>	<b>129</b>	<b>955</b>	<b>544</b>	<b>1 628</b>	<b>147</b>	<b>1 140</b>	<b>342</b>	<b>1 628</b>	<b>192</b>	<b>1 465</b>	<b>521</b>	<b>2 177</b>

## Note 20 Events occurring after the balance date

There have been no subsequent events that are of significance to the financial statements.

# Profit/loss from the quarterly accounts

Group	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q
(NOK million, excluding percentages)	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019
Interest income	764	749	746	768	780	839	1 048	1 023	981	910
Interest expense	212	207	211	219	244	341	454	438	427	390
<b>Net interest income</b>	<b>552</b>	<b>542</b>	<b>535</b>	<b>549</b>	<b>536</b>	<b>498</b>	<b>594</b>	<b>584</b>	<b>554</b>	<b>520</b>
Commission income	400	387	351	389	380	277	314	332	336	323
Commission expenses	36	34	35	40	36	32	35	37	40	36
Other operating income	50	62	62	57	49	56	64	37	54	78
<b>Net commission and other operating income</b>	<b>414</b>	<b>416</b>	<b>379</b>	<b>406</b>	<b>392</b>	<b>300</b>	<b>343</b>	<b>333</b>	<b>350</b>	<b>364</b>
Dividends from shares and other equity instruments	0	9	11	29	1	0	12	0	0	6
Share of profit or loss of associates and joint ventures	109	111	59	63	88	128	115	-1	44	131
Net profit from other financial assets and liabilities	88	62	38	55	45	185	-175	12	59	61
<b>Net income from financial assets and liabilities</b>	<b>198</b>	<b>181</b>	<b>108</b>	<b>146</b>	<b>133</b>	<b>314</b>	<b>-48</b>	<b>11</b>	<b>103</b>	<b>198</b>
<b>Total income</b>	<b>1 163</b>	<b>1 139</b>	<b>1 021</b>	<b>1 102</b>	<b>1 061</b>	<b>1 112</b>	<b>889</b>	<b>928</b>	<b>1 007</b>	<b>1 082</b>
Personnel expenses	279	283	284	285	269	255	274	274	267	267
Depreciation	31	30	31	33	33	32	34	32	30	33
Other operating expenses	164	178	170	186	163	160	178	183	161	189
<b>Total operating expenses</b>	<b>473</b>	<b>492</b>	<b>485</b>	<b>504</b>	<b>465</b>	<b>447</b>	<b>487</b>	<b>490</b>	<b>457</b>	<b>489</b>
<b>Operating profit before losses on loans and guarantees</b>	<b>690</b>	<b>647</b>	<b>536</b>	<b>598</b>	<b>596</b>	<b>665</b>	<b>402</b>	<b>439</b>	<b>550</b>	<b>593</b>
Impairment on loans and guarantees	-16	11	-18	1	47	130	151	33	24	8
<b>Pre-tax operating profit</b>	<b>706</b>	<b>637</b>	<b>554</b>	<b>597</b>	<b>549</b>	<b>535</b>	<b>251</b>	<b>406</b>	<b>526</b>	<b>585</b>
Tax expense	144	121	114	131	111	97	-16	114	116	114
<b>Profit after tax</b>	<b>561</b>	<b>516</b>	<b>439</b>	<b>466</b>	<b>438</b>	<b>438</b>	<b>266</b>	<b>291</b>	<b>409</b>	<b>471</b>
	<b>3Q</b>	<b>2Q</b>	<b>1Q</b>	<b>4Q</b>	<b>3Q</b>	<b>2Q</b>	<b>1Q</b>	<b>4Q</b>	<b>3Q</b>	<b>2Q</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
<b>Profitability</b>										
Return on equity capital <sup>1)</sup>	12.6 %	12.1 %	10.6 %	11.3 %	10.9 %	11.3 %	6.9 %	7.3 %	10.7 %	12.8 %
Net interest income <sup>2)</sup>	1.41 %	1.44 %	1.46 %	1.48 %	1.44 %	1.38 %	1.72 %	1.71 %	1.64 %	1.62 %
Cost income ratio <sup>3)</sup>	40.7 %	43.2 %	47.5 %	45.7 %	43.8 %	40.2 %	54.7 %	52.7 %	45.4 %	45.2 %
<b>Balance sheet and ratios</b>										
Gross loans to customers	119 511	118 132	114 037	113 368	113 624	112 381	108 811	107 035	104 037	101 668
Gross loans to customers including loans transferred to covered bond companies <sup>1)</sup>	170 369	167 290	162 567	161 259	160 993	157 956	153 846	150 688	147 310	144 337
Growth in loans during the last 12 months <sup>1)</sup>	5.2 %	5.1 %	4.8 %	5.9 %	9.2 %	10.5 %	10.2 %	8.2 %	5.9 %	5.9 %
Growth in loans including loans transferred to covered bond companies in the last 12 months <sup>1)</sup>	5.8 %	5.9 %	5.7 %	7.0 %	9.3 %	9.4 %	9.0 %	7.5 %	6.6 %	6.5 %
Growth in loans during the last quarter <sup>1)</sup>	1.2 %	3.6 %	0.6 %	-0.2 %	1.1 %	3.3 %	1.7 %	2.9 %	2.3 %	3.0 %
Growth in loans including loans transferred to covered bond companies in the last quarter <sup>1)</sup>	1.8 %	2.9 %	0.8 %	0.2 %	1.9 %	2.7 %	2.1 %	2.3 %	2.1 %	2.3 %
Deposits from customers	91 265	92 551	87 476	85 613	85 496	85 481	79 901	78 494	76 866	77 352
Deposit to loan ratio <sup>1)</sup>	76.4 %	78.3 %	76.7 %	75.5 %	75.2 %	76.1 %	73.4 %	73.3 %	73.9 %	76.1 %
Deposit to loan ratio including loans transferred to covered bond companies <sup>1)</sup>	53.6 %	55.3 %	53.8 %	53.1 %	53.1 %	54.1 %	51.9 %	52.1 %	52.2 %	53.6 %
Growth in deposits in the last 12 months	6.7 %	8.3 %	9.5 %	9.1 %	11.2 %	10.5 %	10.4 %	9.8 %	9.4 %	9.5 %
Growth in deposits in the last quarter	-1.4 %	5.8 %	2.2 %	0.1 %	0.0 %	7.0 %	1.8 %	2.1 %	-0.6 %	6.9 %
Average total assets	154 780	152 681	148 096	147 486	148 048	145 392	139 184	134 783	133 711	128 573
Total assets	154 316	155 243	150 118	146 074	148 898	147 197	143 586	134 783	136 568	130 854
Total assets including loans transferred to covered bond companies <sup>1)</sup>	205 175	204 401	198 648	193 964	196 267	192 772	188 621	178 436	179 841	173 522
<b>Losses and commitments in default</b>										
Losses on loans as a percentage of gross loans 1)	-0.1 %	0.0 %	-0.1 %	0.0 %	0.2 %	0.5 %	0.6 %	0.1 %	0.1 %	0.0 %
<b>Financial strength</b>										
Common equity Tier 1 capital ratio	18.0 %	17.8 %	17.8 %	17.8 %	17.3 %	17.1 %	17.0 %	17.2 %	16.7 %	16.7 %
Tier 1 capital ratio	19.4 %	18.8 %	18.8 %	18.8 %	18.3 %	18.2 %	17.7 %	17.9 %	17.7 %	17.3 %
Capital ratio	21.3 %	20.7 %	20.7 %	20.8 %	20.2 %	20.1 %	19.6 %	19.8 %	19.7 %	19.1 %
Net subordinated capital	17 899	17 242	16 793	16 704	16 502	16 418	15 883	15 444	15 685	14 982

1) See attachment Alternative performance measures.

2) Net interest income as a percentage of average total assets for the period.

3) Total operating costs as a percentage of total operating income (isolated for the quarter).

# 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	<i>Profit after tax - Interest expences on hybrid capital</i>
	The key figure shows Result after tax adjusted for interest on hybrid capital. Hybrid capital is according to IFRS classified as equity and interest expences are booked as an equity transaction. Hybrid capital has many similarities with debt items and differs from other equity in that it is interest-bearing and is not entitled to dividend payments. The key figure shows what profit after tax would have been if the interest expenses related to the hybrid capital had been recognized in the income statement.
Return on equity capital	$\frac{(\text{Profit after tax} - \text{Interest expenses on hybrid capital}) \times \left(\frac{\text{Act}}{\text{Act}}\right)}{\text{Average equity} - \text{Average hybrid capital}}$
	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.
Underlying banking operations	<i>Operating profit before losses on loans and guarantees - Net income from financial assets and liabilities - Notable items</i>
	The result from underlying banking 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.
Lending margin	<i>Weighted average interest rate on lending to customers and loans transferred to covered bond companies - Average NIBOR 3 MND</i>
	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.

Alternative performance measures	Definition and rationale
Deposit margin	<i>Average NIBOR 3 MND – Weighted average interest rate on deposits from customers</i>
	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	<i>Lending margin + Deposit margin</i>
	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	<i>Net interest income + Commissions from loans and credit transferred to covered bond companies</i>
	Loans transferred to covered bond companies are part of total lending, but the income and expenses associated with these loans are recognised as commission income. The indicator is presented because it gives a good impression of net income from the overall lending and deposit activities.
Adjusted total assets	<i>Total assets + Loans transferred to covered bond companies</i>
	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	<i>Loans to and receivables from customers + Loans transferred to covered bond companies</i>
	Loans transferred to covered bond companies are subtracted from the balance sheet, but are included in the total lending business.
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	$\frac{\text{Deposit from and liabilities to customers}}{\text{Gross loans to customers} + \text{Loans transferred to covered bond companies}}$
	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	$\frac{\text{Gross loans to customers} + \text{Loans transferred to CB}}{\text{Gross loans to customers 12 months ago} + \text{Loans transferred to CB 12 months ago}} - 1$
	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.

Alternative performance measures	Definition and rationale
Growth in deposits in the last 12 months	$\frac{\text{Deposits from and liabilities to customers}}{\text{Deposits from and liabilities to customers 12 months ago}} - 1$ <p>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.</p>
Impairment on loans as a percentage of gross loans	$\frac{(\text{Losses on loans and guarantees}) \times \left(\frac{\text{Act}}{\text{Act}}\right)}{\text{Gross loans to customers}}$ <p>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.</p>
Loans to and receivables from customers in stage 2, percentage of gross loans	$\frac{(\text{Loans to and receivables from customers in stage 2})}{\text{Gross loans to customers}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Loans to and receivables from customers in stage 3, percentage of gross loans	$\frac{(\text{Loans to and receivables from customers in stage 3})}{\text{Gross loans to customers}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Commitments in default as percentage of gross loans	$\frac{\text{Gross defaulted commitments for more than 90 days}}{\text{Gross loans to customers}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Other doubtful commitments as percentage of gross loans	$\frac{\text{Gross doubtful commitments not in default}}{\text{Gross loans to customers}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Net commitments in default and other doubtful commitments in percentage of gross loans	$\frac{\text{Net defaulted commitments} + \text{Net doubtful commitments}}{\text{Gross loans to customers}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Loan loss impairment ratio for defaulted commitments	$\frac{\text{Individual write downs on defaulted commitments}}{\text{Gross defaulted commitments for more than 90 days}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Loan loss impairment ratio for doubtful commitments	$\frac{\text{Individual write downs on doubtful commitments}}{\text{Gross doubtful commitments not in default}}$ <p>The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.</p>
Equity ratio	$\frac{\text{Total equity capital}}{\text{Total assets}}$ <p>The indicator provides information about the company's unweighted solvency ratio.</p>



Alternative performance measures	Definition and rationale
Book equity per EC	$\frac{(Total\ EC - Minority\ interest - Hybrid\ capital) \times EC\ certificate\ ratio}{Number\ of\ Equity\ certificates\ issued}$ <p>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.</p>
Price/Earnings per EC	$\frac{Listed\ price\ of\ EC}{Earnings\ per\ EC \times \left(\frac{Act}{Act}\right)}$ <p>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.</p>
Price/book equity	$\frac{Listed\ price\ of\ EC}{Book\ equity\ per\ EC}$ <p>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).</p>
Average LTV (Loan to value)	$\frac{Average\ amount\ on\ loans\ to\ customers}{Average\ market\ value\ of\ asset\ encumbrance}$ <p>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.</p>
Loans transferred to covered bond (CB) companies	<p>Loans transferred to SpareBank 1 Boligkreditt AS og SpareBank 1 Næringskreditt AS and thus derecognised from the balance sheet</p> <p>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.</p>
Act/Act	$\frac{Total\ number\ of\ days\ in\ the\ year\ (365\ or\ 366)}{Number\ of\ days\ so\ far\ this\ year}$ <p>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.</p>
Notable items	<p>Identified costs considered to be non recurring</p> <p>The indicator is used to calculate the underlying banking activity, which is shown as a separate APM.</p>
Earnings per average equity certificate	$\frac{Majority\ interest\ of\ the\ Group's\ profit\ after\ tax \times ECC\ ratio}{Average\ number\ of\ ECC\ in\ the\ accounting\ period}$ <p>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.</p>
Diluted earnings per average equity certificate	$\frac{Majority\ interest\ of\ the\ Group's\ profit\ after\ tax \times ECC\ ratio}{Average\ number\ of\ ECC\ in\ the\ accounting\ period + Number\ of\ ECC\ issued\ after\ the\ accounting\ period}$ <p>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.</p>
Total operating expenses before restructuring costs	<p>Total operating expenses – Restructuring costs</p> <p>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.</p>

# Financial calendar 2022

Date	Theme
Friday 11 February	7.30 AM 4 <sup>th</sup> Quarter 2021
Thursday 10 March	Annual Report 2021
Thursday 31 March	Supervisory Board Meeting
Friday 6 May	7.30 AM 1 <sup>st</sup> Quarter 2022
Thursday 11 August	12.00 PM 2 <sup>nd</sup> Quarter 2022
Friday 28 October	6.00 PM 3 <sup>rd</sup> Quarter 2022

This information is subject of the disclosure requirements acc. to § 5-1 vphl (Norwegian Securities Trading Act).

The Bank reserve the right to change any dates of publication.

The silent period occurs from the fifth banking day of the new quarter and until the interim report has been published. During this period, Investor Relations does not arrange any meetings with media, investors, analysts or other capital market players.

## Contact details



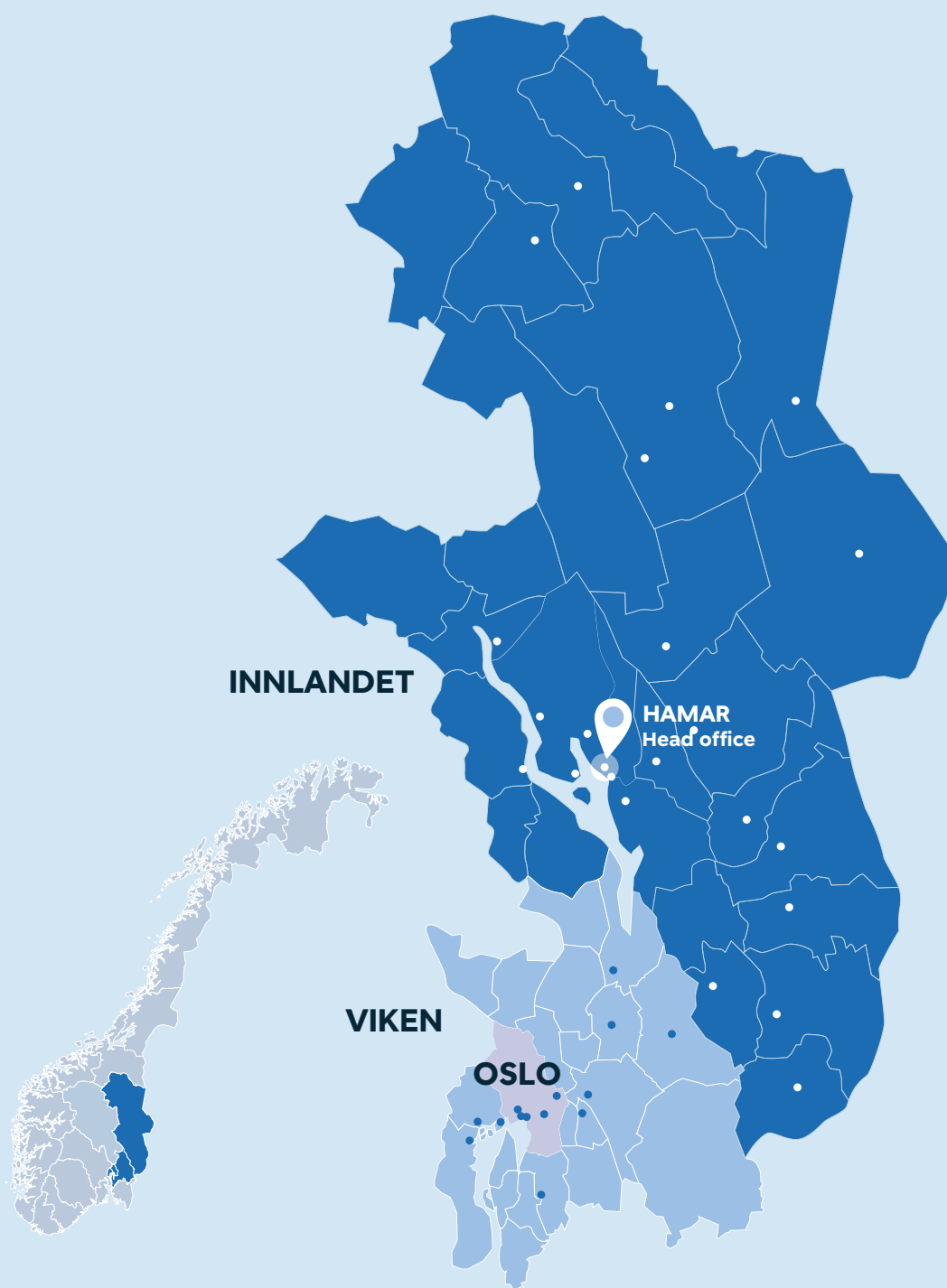
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