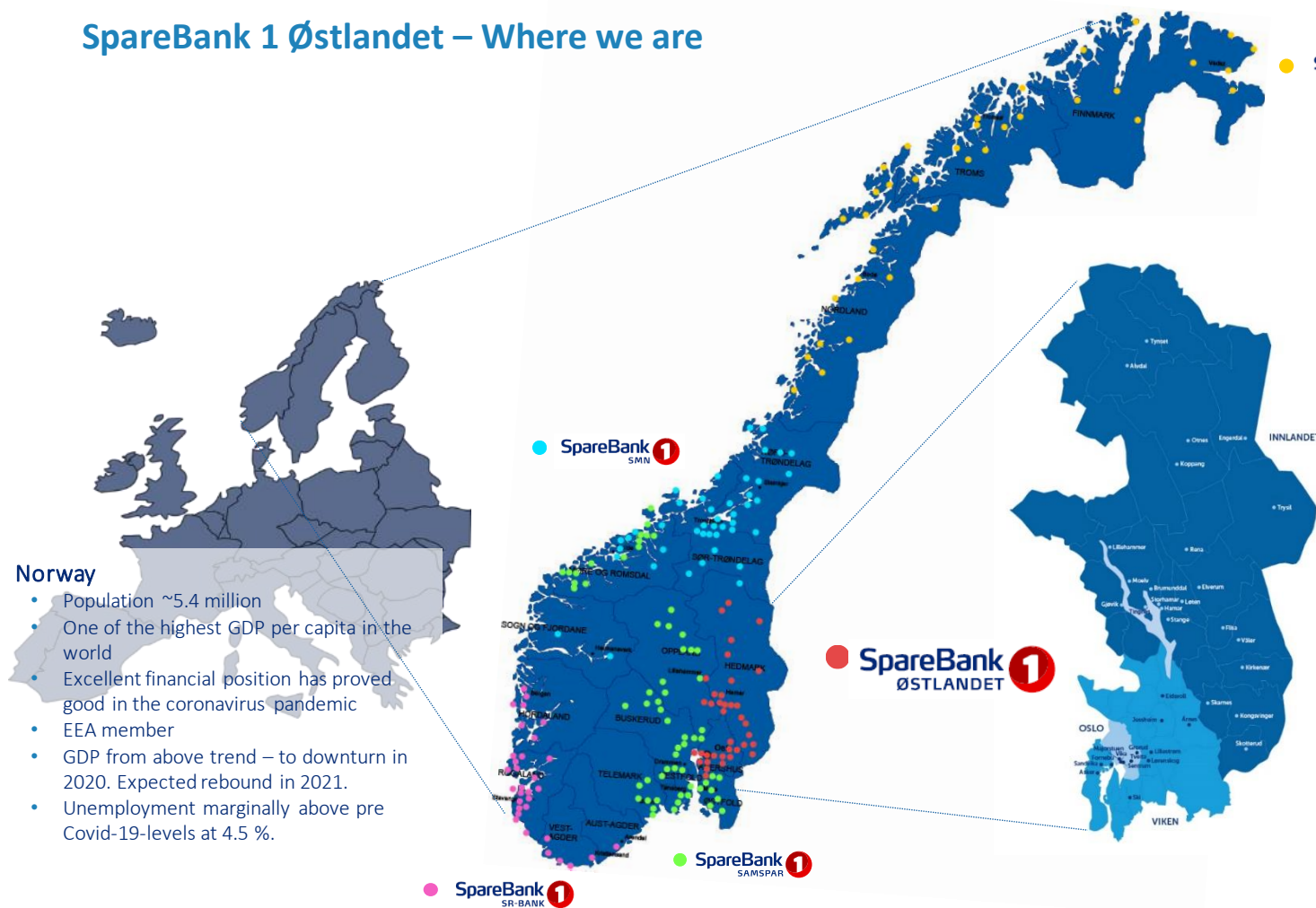


2020 **4**

COMPANY PRESENTATION →

SpareBank 1 Østlandet – Where we are



Norway

- Population ~5.4 million
- One of the highest GDP per capita in the world
- Excellent financial position has proved good in the coronavirus pandemic
- EEA member
- GDP from above trend – to downturn in 2020. Expected rebound in 2021.
- Unemployment marginally above pre Covid-19-levels at 4.5 %.

SpareBank 1 Østlandet's home market

- Population 1.7 million
- The fastest growing region of Norway for both population and job creation
- Cyclical stable region
- Normally low unemployment and high economic activity – affected as the country in the coronavirus pandemic
- Market leader in the Inland region, challenger in the Capital region
- 365,000 customers

Executive summary

SpareBank 1 Østlandet

- Norway's fourth largest savings bank
- One of the best capitalised regional savings bank in Norway - CET1 17.8 %, Capital adequacy ratio of 20.8 %, Leverage ratio 7.2 %
- Low risk bank book with a ~74 % retail share
- Diversified income stream
- Long history of solid returns and profits. Stable low loan losses over time
- Largest owner of SPABOL, The SpareBank 1 Alliance's covered bond issuer

Funding and rating

- Rated Aa3 (stable outlook) by Moody's. SNP rated A3 by Moody's
- Deposit coverage ratio 75.5 %
- Green Bond framework established. CICERO Medium Green/Excellent.
- Access to covered bond financing through SpareBank 1 Boligkreditt (SPABOL)

Norwegian economy

- One of the highest GDP per capita in the world
- Excellent financial position provides a solid buffer during Covid-19
- Sovereign Wealth Fund accounting for almost three times GDP

Home market

- The fastest growing region of Norway for both population and job creation
- Low unemployment and high economic activity – but affected as the country during Covid-19
- Market leader in the Inland region, challenger in the Capital region

Aa3 Moody's Senior Unsecured rating with stable outlook

Based on Rating Action as of 5 March and 3 July 2020

SpareBank 1 Østlandet		
Moody's Org ID: 807607120 LEI: 549300VRM6G42M8OWN49 Market Segment: Financial Institutions		
Industry: NON-U.S. BANK Domicile: NORWAY		
LONG TERM COUNTERPARTY RISK RATING		
Rating: Aa3 , Not on Watch		
Type: LT Counterparty Risk Rating - Fgn Curr		
Date: 05 Mar 2020		
SHORT TERM COUNTERPARTY RISK RATING		
Rating: P-1 , Not on Watch		
Type: ST Counterparty Risk Rating - Fgn Curr		
Date: 05 Mar 2020		
ADJ BASELINE CREDIT ASSESSMENT		
Rating: a3 , Not on Watch		
Date: 05 Mar 2020		
LONG TERM DEPOSIT		
Rating: Aa3 , Not on Watch		
Type: LT Bank Deposits - Fgn Curr		
Outlook: Stable		
Date: 05 Mar 2020		
SHORT TERM DEPOSIT		
Rating: P-1 , Not on Watch		
Type: ST Bank Deposits - Fgn Curr		
Date: 05 Mar 2020		
BASELINE CREDIT ASSESSMENT		
Rating: a3 , Not on Watch		
Date: 05 Mar 2020		
OTHER DEBT		
No		

Moody's INVESTORS SERVICE

Rating Action: Moody's takes rating action on seven Norwegian savings banks and a covered bond company

05 Mar 2020

Limassol, March 05, 2020 – Moody's Investors Service (Moody's) has today taken action on seven Norwegian savings banks' Baseline Credit Assessments (BCAs) and ratings, in addition to the ratings of a covered bond issuance company. The rating actions on the seven banks fell into three categories: 1) Moody's has upgraded the BCAs and deposit/debt ratings with stable outlook for SpareBank 1 Østlandet and SpareBank 1 Nord-Norge; 2) The rating agency has also affirmed the BCA and ratings of Sparebanken Vest and changed the outlook to positive from stable; and 3) Moody's has affirmed the BCA, where applicable, and ratings with stable outlook for SpareBank 1 SR-Bank ASA (SpareBank 1 SR), SpareBank 1 SMN, SpareBank 1 BV, SpareBank 1 Boligkredit (SpaBol) and Helgeland Sparebank.

Today's rating actions reflect, to differing degrees, the Norwegian savings banks' resilience through the economic cycle, coupled with Moody's expectation of steady profitability and low levels of asset risk. The rating action also takes into account the supportive operating environment in Norway, characterised by unique countercyclical mechanisms, which will continue to help offset downside risks related to the banks' relatively narrow geographic focuses and high credit concentrations in cyclical sectors.

Rating actions include:

- Upgrade of SpareBank 1 Østlandet's long-term deposit and senior unsecured debt ratings to Aa3, from A1, with a stable outlook. Upgrade of the bank's BCA and Adjusted BCA to a3, from ba1;
- Upgrade of SpareBank 1 Nord-Norge's long-term deposit and senior unsecured debt ratings to Aa3, from A1, with a stable outlook. Upgrade of the bank's BCA and Adjusted BCA to a3 from ba1;
- Affirmation of Sparebanken Vest's A1 long-term deposit and senior unsecured debt, with the outlook changed to positive from stable. Affirmation of the bank's ba1 BCA and Adjusted BCA.
- Affirmation of SpareBank 1 SR's A1 long-term deposit and senior unsecured debt, with a stable outlook. Affirmation of the bank's ba1 BCA and Adjusted BCA.
- Affirmation of SpareBank 1 SMN's A1 long-term deposit and senior unsecured debt, with a stable outlook. Affirmation of the bank's ba1 BCA and Adjusted BCA.
- Affirmation of SpareBank 1 BV's A2 long-term deposit and issuer ratings, with a stable outlook. Affirmation of the bank's ba1 BCA and Adjusted BCA.
- Affirmation of Helgeland Sparebank's A3 long-term deposit and issuer ratings, with a stable outlook. Affirmation of the bank's ba2 BCA and Adjusted BCA.
- Affirmation of SpaBol's A2 issuer rating with a stable outlook, which is the covered bond issuer for the SpareBank 1 Alliance Banks.

A full list of the banks' ratings is provided at the end of this press release.

Main take aways

- “Consistently stronger financial performance compared to peers”
 - “Particularly resilient asset quality and strong capital metrics throughout the credit cycle”
 - “Despite sizable exposures to commercial real-estate. They have demonstrated a strong track record”
 - “Moody's believes that SpareBank 1 Østlandet will continue to boast high capital metrics”
 - “The upgrade also considers the bank's good recurring profitability with no exposure to the cyclical oil sector”
 - “The bank also has a comfortable liquidity and funding profile”
- **Rating Action – 5 March 2020:** Moody's has upgraded the BCAs and deposit/debt ratings with stable outlook for SpareBank 1 Østlandet and SpareBank 1 Nord-Norge.
 - **Rating Action – 3 July 2020:** Moody's assigns A3 rating to SpareBank 1 Østlandet's senior non-preferred (SNP) unsecured notes.
 - **Credit Opinion – 4 September 2020:** Confirmed rating.

Q4

INTRODUCTION

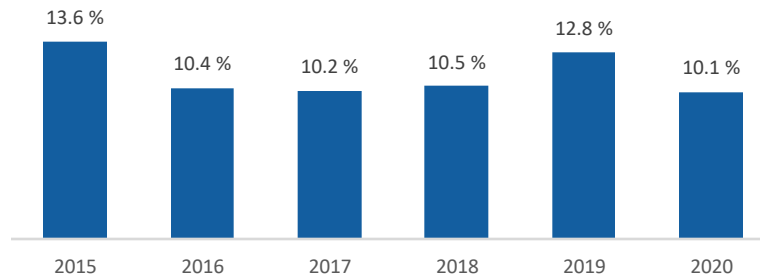
SpareBank 1 Østlandet celebrates its 175th anniversary in 2020

SpareBank 1 Østlandet at a glance

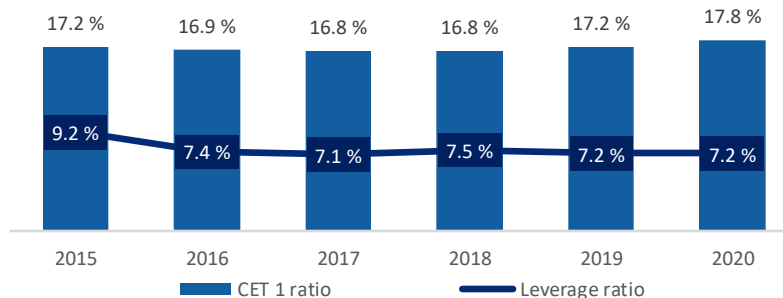
Highlights

- Celebration: Established in 1845 – known as Sparebanken Hedmark (“SBHE”) until 1 April 2017.
- Norway’s fourth largest savings bank – total adjusted assets* of approx. NOK 194 billion.
- Operations in the Inland and Capital Regions – a market with 1/3 of Norway’s population.
- Head office in Hamar (90 minute drive north of Oslo) – 37 bank branches and 1,149 FTEs.
- 365,000 customers – retail share of total lending 74 %.
- Diversified product offering – provides banking, leasing, accounting and real estate brokerage services.
- Part of the SpareBank 1 Alliance – owns 12.4% of SpareBank 1 Gruppen AS.

Return on Equity (ROE) (%)



CET1 ratio & Leverage ratio (%)



Diversified main activities

Several sources of income - parent bank, subsidiaries and other ownership interests

Operational divisions*

	Retail Segment
	Corporate Segment
	Organisations & Capital Markets
	Administration & Support

Selected key subsidiaries

100%	EiendomsMegler 1 Innlandet AS <i>Real estate agent</i>
100%	EiendomsMegler 1 Oslo Akershus AS <i>Real estate agent</i>
95%	SpareBank 1 Finans Østlandet AS <i>Financing/Leasing</i>
~71%	SpareBank 1 Østlandet VIT AS <i>Accounting/financial advisory</i>

Selected other ownership interests

~25%	Totens Sparebank <i>Savings bank</i>
~24%	KOMM-IN AS <i>Local venture capital</i>
9.99 %	BN Bank ASA <i>Commercial bank</i>
100%	Youngstorget 5 AS <i>Real estate SPV</i>
100%	Vato AS <i>Property management</i>

Part of the SpareBank 1 Alliance

Provides operational and financial economies of scale as well as diversified product offering

Key comments

- Total number of branches: 301
- Total number of FTEs: 6,000
- 14 independent Savings Banks
 - 6 listed equity capital certificate (ECC) banks.
 - 1 public listed ordinary share bank (SR-Bank).
 - 7 traditional Savings Banks with ECCs.
- The SpareBank 1 Alliance is Norway's second largest financial group in terms of total assets.
- The SpareBank 1 Alliance was created in 1996 to strengthen each local bank's competitiveness, profitability and solvency, as well as to ensure each bank's future independence and regional ties.

Key joint ventures

«SpareBank 1 Alliance» = 14 cooperating independent savings banks



SPAREBANK 1 GRUPPEN AS | external product offering

12.4 %

SpareBank 1 Forsikring AS
Life insurance

Fremtind Forsikring AS
Non-life insurance

ODIN Forvaltning AS
Fund management

LOfavnør AS
Product management

Modhi AS
Debt collection

SpareBank 1 Factoring AS
Factoring/Debt purchase

Modhi Finance AS
Portfolio purchase and management

SpareBank 1 Spleis AS
Crowd funding

SPAREBANK 1 UTVIKLING DA | internal services

18.0 %

EiendomsMegler 1 Norge AS
Real estate

SpareBank 1 Kundesenter AS
Customer service

SpareBank 1 Verdipapirservice AS
Securities settlement

Key associated companies

SpareBank 1 Betaling AS
Vipps, Payment services

18.74 %

SpareBank 1 Kredittkort AS
Credit cards

20.85 %

SpareBank 1 Boligkreditt AS
Covered bond issuer

22.45 %

SpareBank 1 Næringskreditt AS
Covered bond issuer

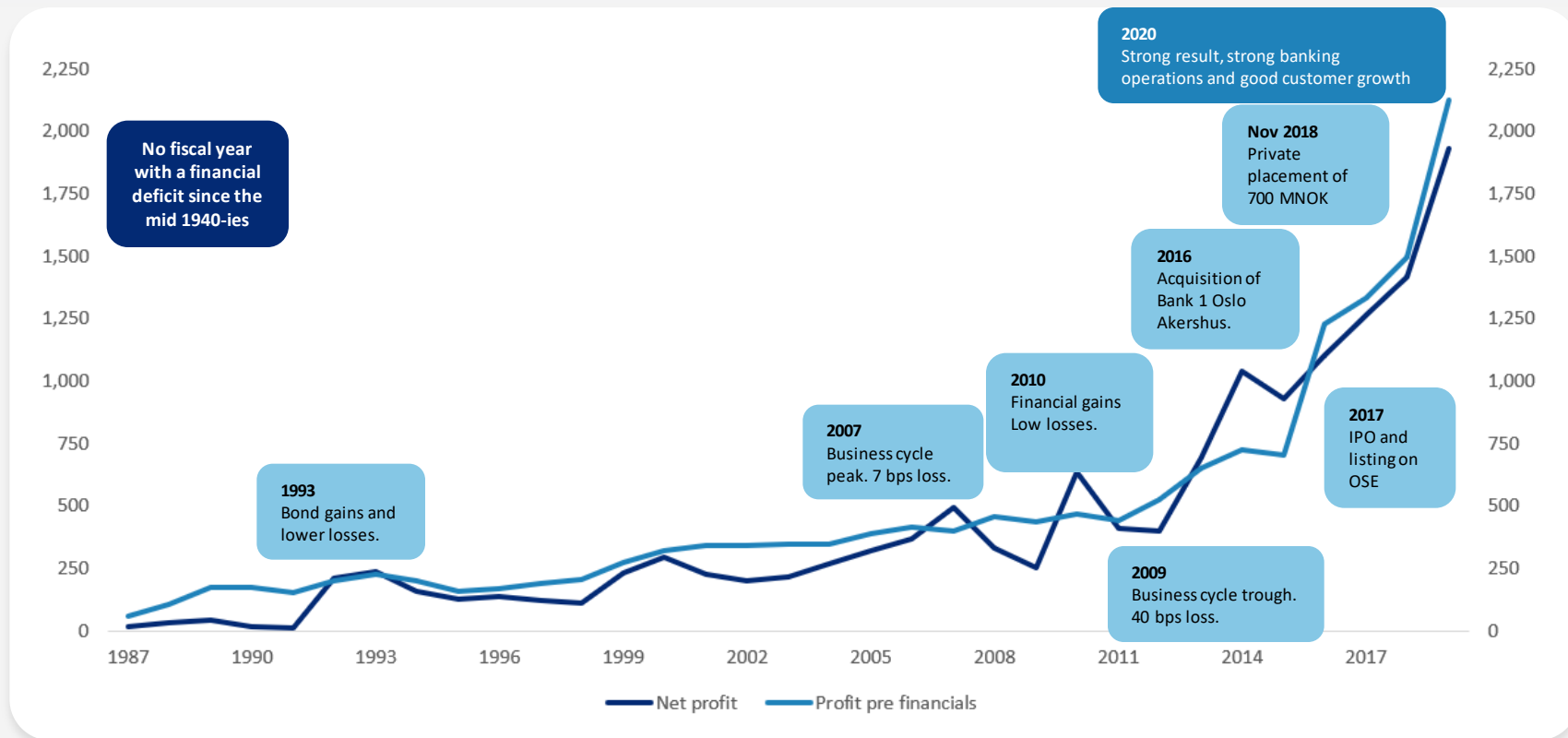
15.15 %

SpareBank 1 Markets AS
Investment bank

6.04 %

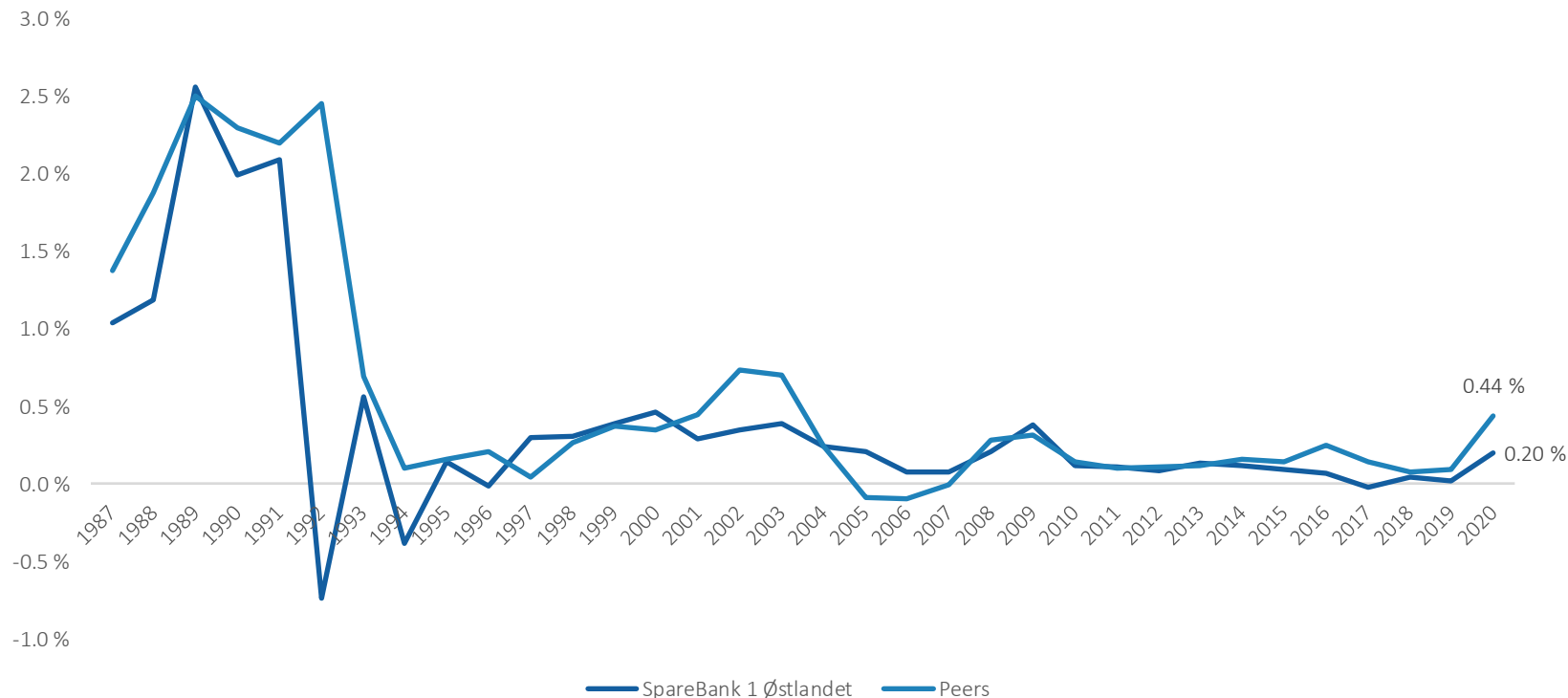
The Bank has a history of increasing profits

Net profit and profit pre-financials and loan losses (NOK million)



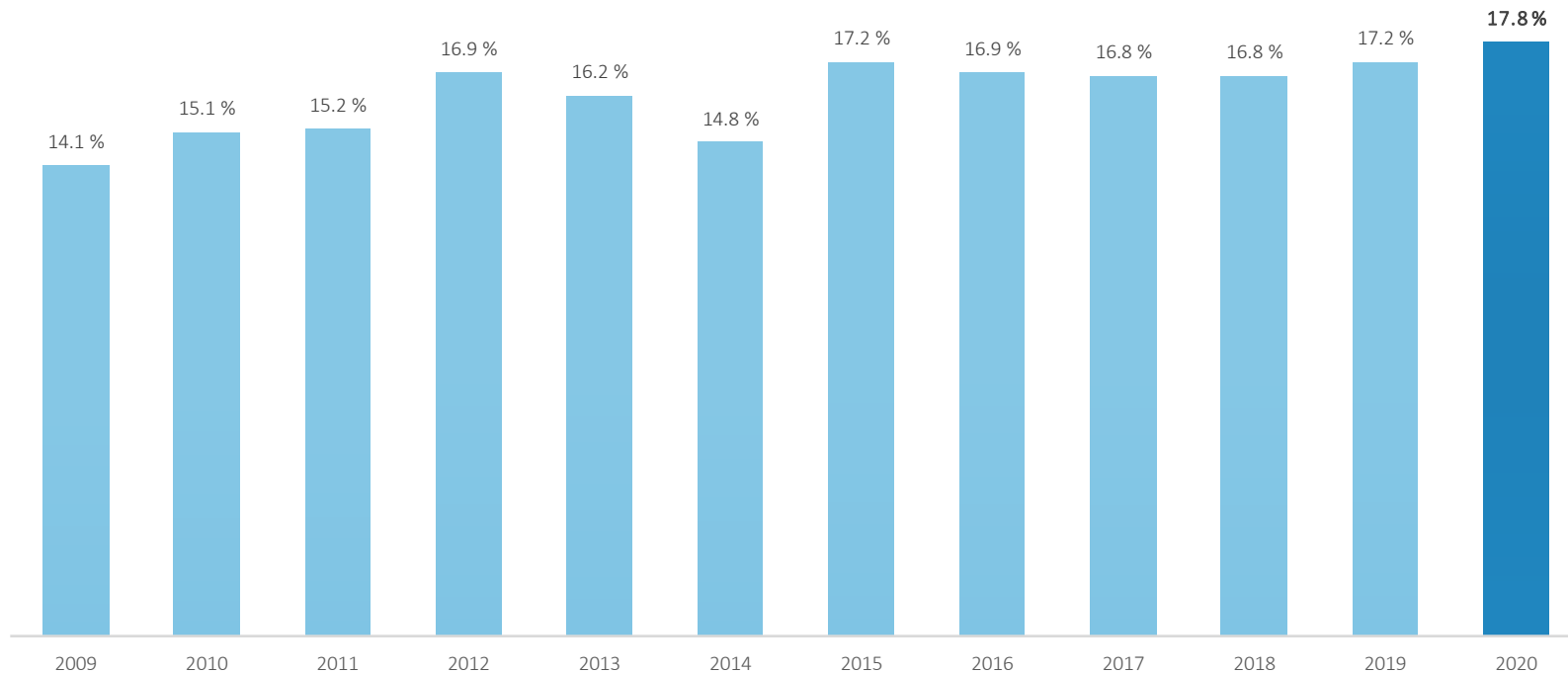
Long history of low loan losses – still at moderate levels

Impairments on loans as a percentage of gross loans*



High and stable capitalisation

Common Equity Tier 1 ratio (*Group*)



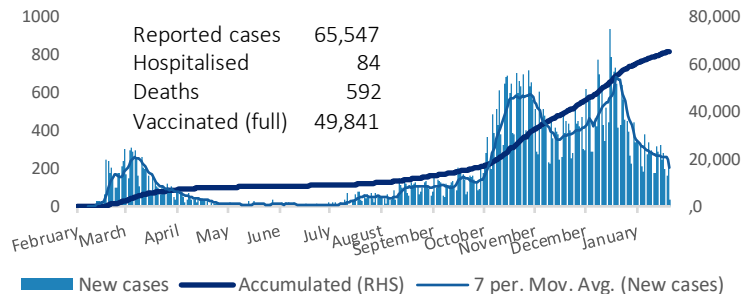
Q4

REGION, STRATEGY & AMBITIONS

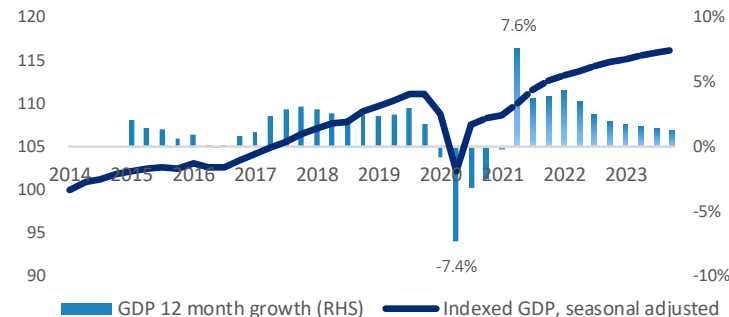
Norwegian economy with a faster rebound than expected

Key macroeconomic variables

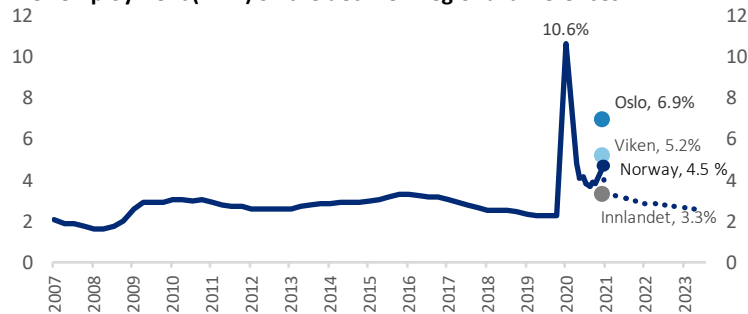
Low levels of reported COVID-19 cases in Norway



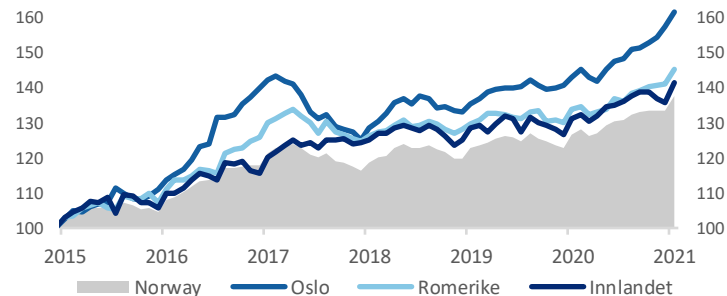
The Norwegian Central Bank expects faster rebound in activity in 2021



Unemployment (NAV) on the decline – regional differences



The housing market only temporarily affected by COVID-19

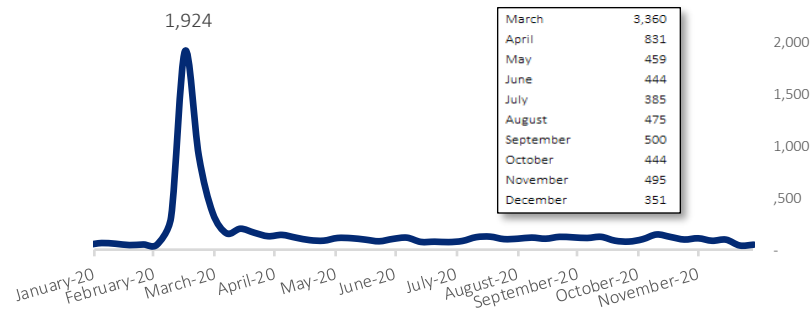


Customer activity normalising – reduced demand for instalment deferrals

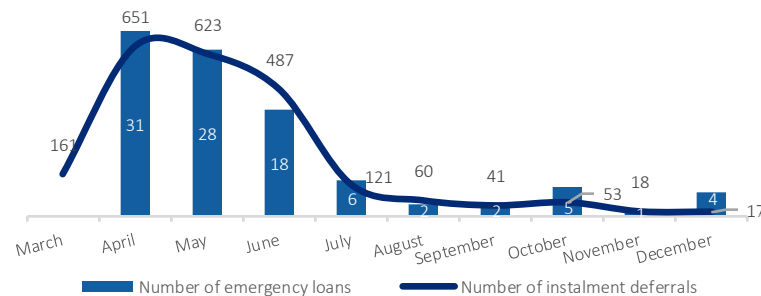
COVID-19 – Customer activity

- The level of instalment deferrals approaching pre-COVID levels
 - Retail : Total 7,744 (March – December) – 3,360 in March in isolation.
 - Temporary deferrals and reduced mortgage rates, have helped customers through a difficult period.
 - Relatively few customers have applied for additional deferral extension.
 - Corporates: Similar trend, with a total of 761 instalment deferrals since March.
 - Liquidity loans with government guarantee NOK 300 million
 - Emergency loans NOK 110 million
 - Approximately 200 customers have requested an additional 3-month extension.
- Pre-Covid-19 demand for deferrals in SpareBank 1 Finans Østlandet
 - Retail: 30 % instalment deferrals originally vs. 3.2 % in 4Q 20.
 - Corporates: 17 % instalment deferrals originally vs. 1.2 % in 4Q 20
- Normalised demand for banking services
 - High and increased demand for mortgages, loans for holiday homes and cars.
 - Higher demand for other banking services
 - Investments in mutual funds and insurance is significantly higher than in 2019.

Retail customers – strong decrease in application for instalment deferrals



Corporate markets – low and decreasing demand for liquidity loans



Our market position gives ample opportunities to grow the bank

By the end of 2021 – our strategy pillars



We are the third largest savings bank in Norway.



We have one of the most attractive equity certificates on Oslo Stock Exchange.



We have differentiated ourselves from the main competition and have increased our market share.



We have made banking easy for our customers and employees.



Best at cross-sales in the alliance and have utilised the profitable potential in the Group.



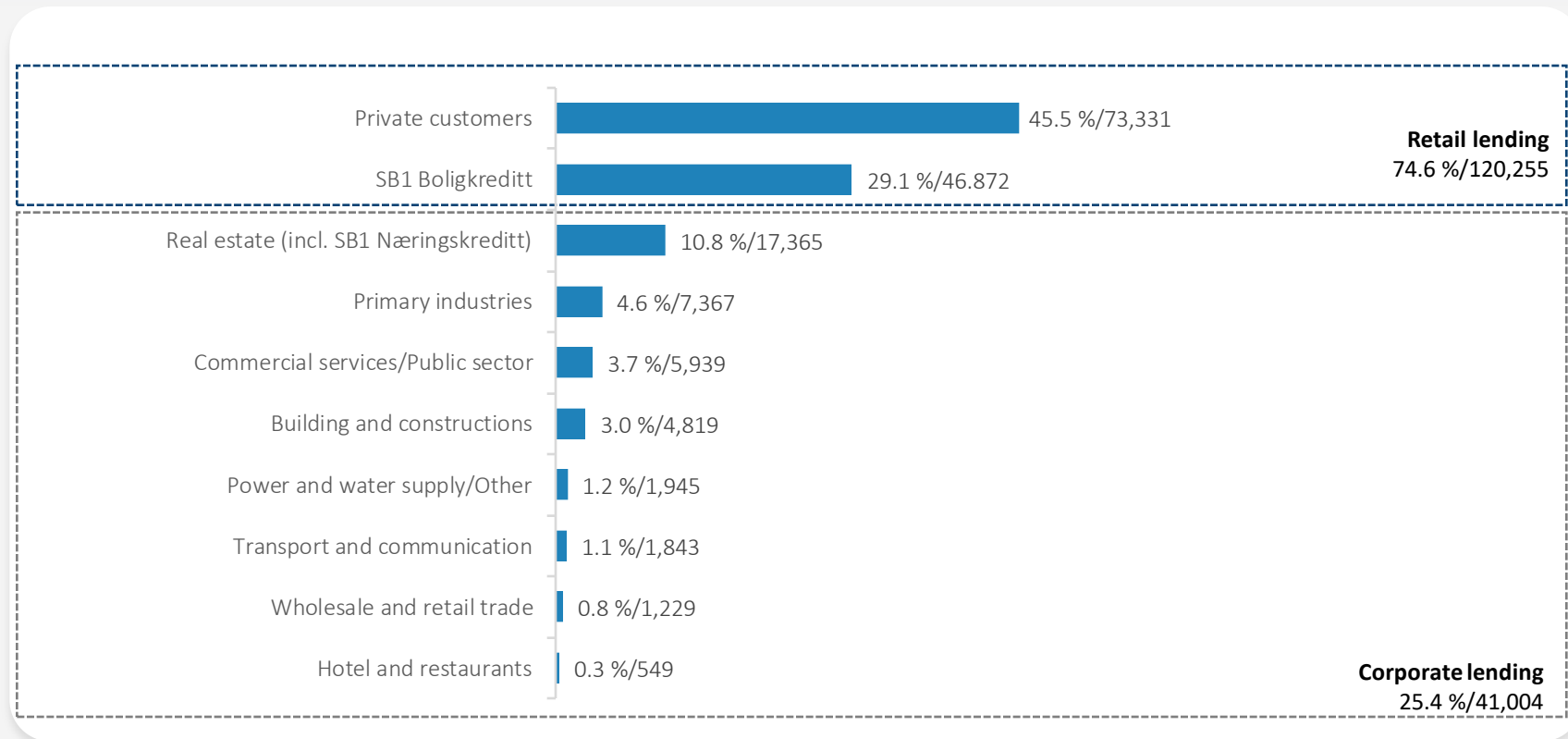
We have established ourselves as a bank with a distinct ESG profile.

Q4

ASSET QUALITY & FUNDING PLANS

Low risk lending portfolio

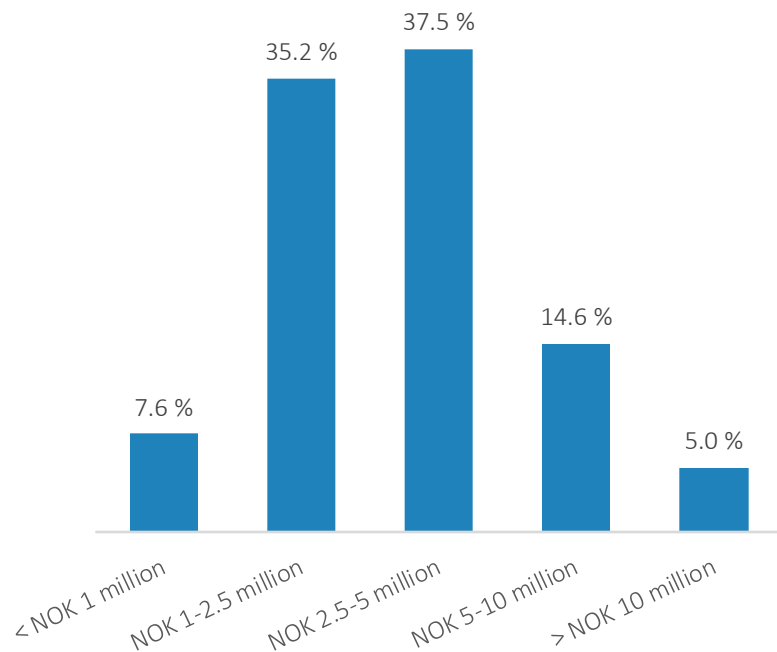
Lending to customers per sector (% and NOK million)



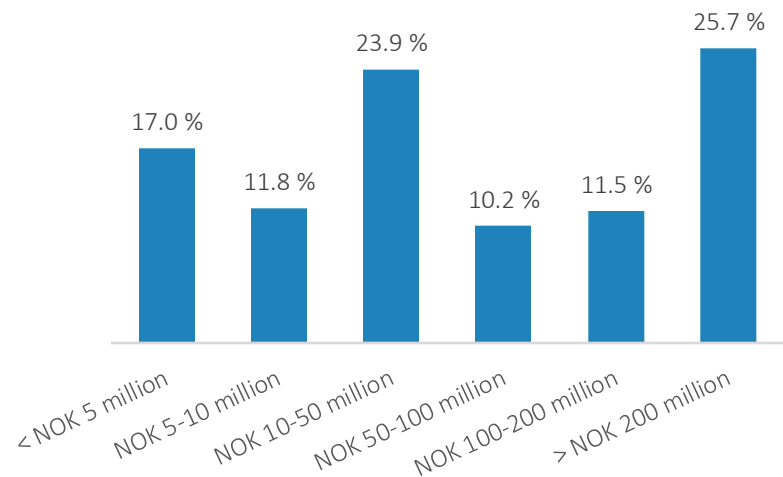
Size concentration risk in the lending book is low

Retail and corporate loans by size (% share)*

Retail lending

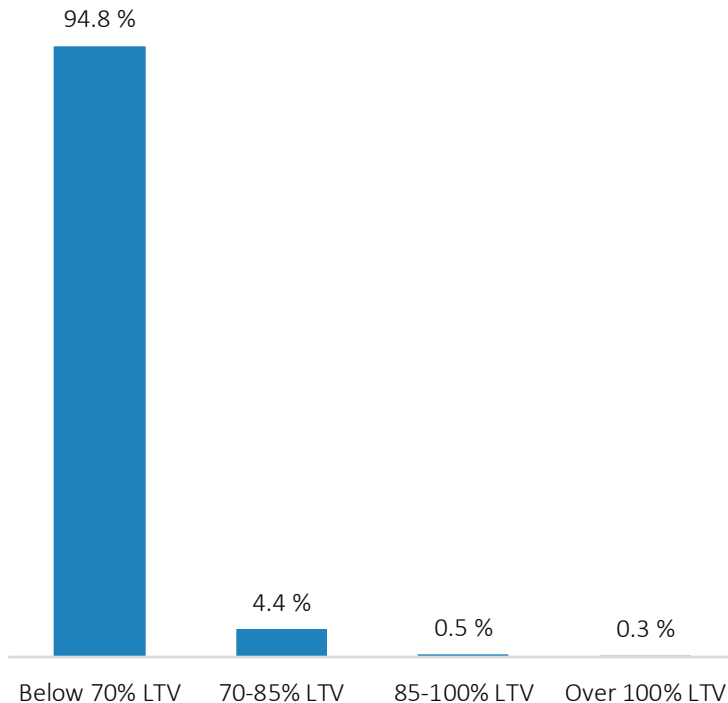


Corporate lending



The use of the flexibility quota is targeted at priority customers

Exposure per LTV bucket in the residential mortgage portfolio



Mortgages – Utilisation of flexibility quota in 4Q-20:

City of Oslo
7.6 % (8 % quota)

Other areas
7.1 % (10 % quota)

The mortgage regulation* constrains housing mortgage lending through defined requirements:

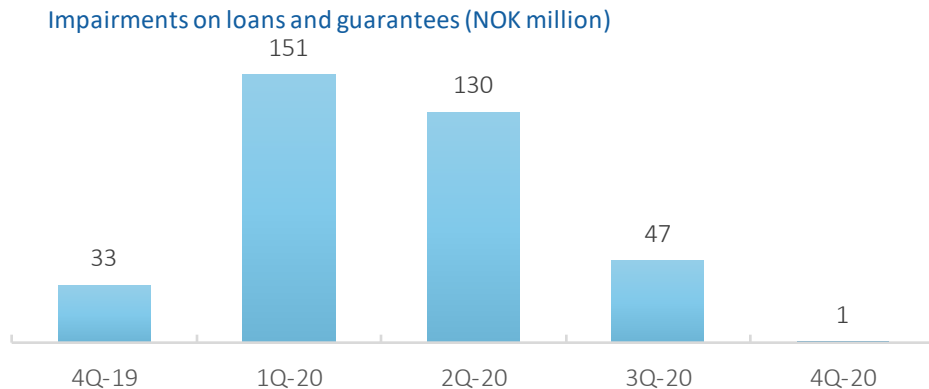
- Debt servicing capacity
 - Stress test of a sudden 5 % mortgage rate increase
- Maximum loan to value
 - Max 85 % LTV on new lending
 - (A stricter 75 % LTV legal requirement in the SB1 Boligkreditt cover pool)
- Gearing
 - Total debt must not exceed five times gross annual income
- Requirement of installment payment

“The Flexibility Quota” was temporarily increased to 20 % from 1Q-20 and until 3Q-20. This was reversed to 8 % for Oslo and 10 % for the rest of the country effective 4Q-20.

* "Regulation on the requirements for new lending with collateral in housing"

Significantly lower credit losses in 4Q-20

Impairments on loans and guarantees (NOK million)



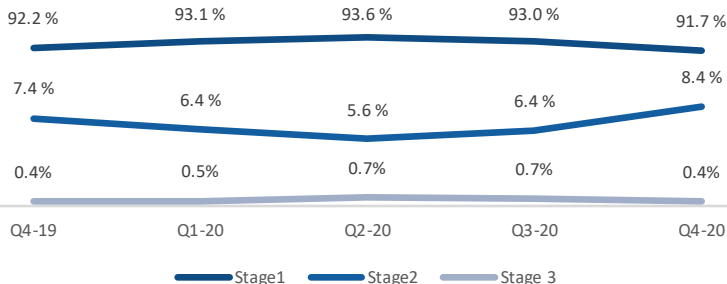
	Retail division	Corporate division	Parent bank	SB1FØ	Group
Isolated loss effects					
Change ECL due to period growth and migration	1	7	8	4	12
Change ECL due to adjusted key assumptions (PD / LGD)	0	-3	-3	2	-1
Change ECL due to changed scenario weighting	0	0	0	0	0
Change in model-based loss provisions	1	4	5	5	11
Post model adjustments	0	-15	-15	0	-15
Change individual loss provisions	2	-93	-91	1	-90
Net write-offs	1	82	83	12	96
Total losses	4	-22	-18	19	1

- Credit losses in 4Q-20 were NOK 1 million.
 - Parent bank -18 MNOK
 - SB1 Finans Østlandet 19 MNOK
- Model based provisions were increased by NOK 11 million due to lending growth and migration.
- A reduction in post model adjustments (PMAs) for assumed, but not observed, migration from Stage 1 to Stage 2 of NOK 15 million.
- A loss was realized in the corporate division related to a single commitment which resulted in a net reversal of individual write-downs of MNOK 31.

Defaulted and doubtful commitments stable since last quarter

Specification of impairments and net exposure (NOK million)

Exposure in stages, percentage of gross loans



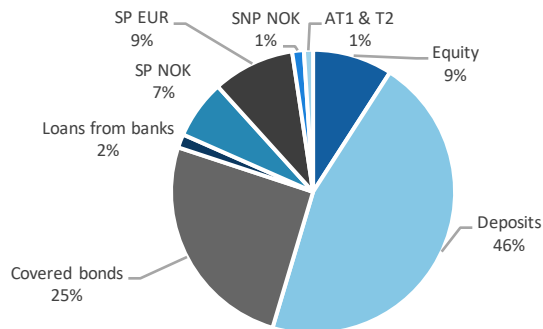
- The proportion of loans in Stage 3 are reduced as of 4Q-2020.
 - The reduction is mainly due to established commitments which are thus out of balance.
- Loans defined as Stage 3 were NOK 488 million (NOK 456 million).
 - This is equivalent to 0.4 % (0.4 %) of gross loans.
 - Provisions for credit losses at Stage 3 were NOK 130 million (NOK 87 million).
- The proportion of loans in Stage 1 are reduced while Stage 2 increased in 4Q-2020.
 - The change is related to migration due to payment facilitations.
- Total provisions for credit losses* was NOK 547 (360) million
 - The credit loss provision ratio was 0.5 %.

		4Q-19	1Q-20	2Q-20	3Q-20	4Q-20
Stage 1	Gross loans	98 654	101 276	105 223	105 656	103 458
	Provisions for credit losses	131	184	198	185	173
	Credit loss provision ratio	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %
Stage 2	Gross loans	7 925	7 017	6 332	7 217	9 422
	Provisions for credit losses	142	223	233	236	244
	Credit loss provision ratio	1.8 %	3.2 %	3.7 %	3.3 %	2.6 %
Stage 3	Gross loans	456	518	826	751	488
	Provisions for credit losses	87	101	183	221	130
	Credit loss provision ratio	19.1 %	19.5 %	22.2 %	29.4 %	26.6 %
Total	Gross loans	107 035	108 811	112 381	113 624	113 368
	Provisions for credit losses	360	507	614	642	547
	Credit loss provision ratio	0.3 %	0.5 %	0.5 %	0.6 %	0.5 %

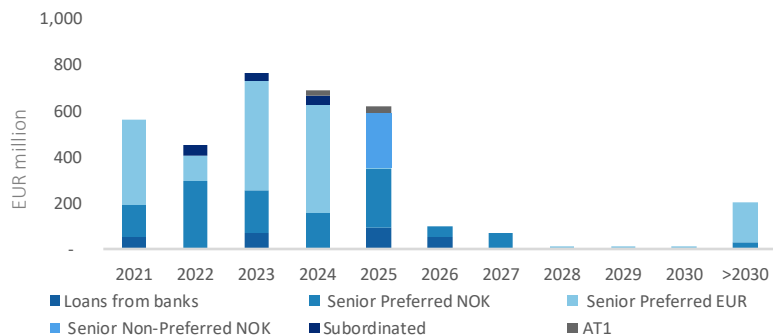
* Provisions for loans, guarantees and unused credit facilities

The bank's funding ambitions

Today's funding mix and thoughts on funding going forward

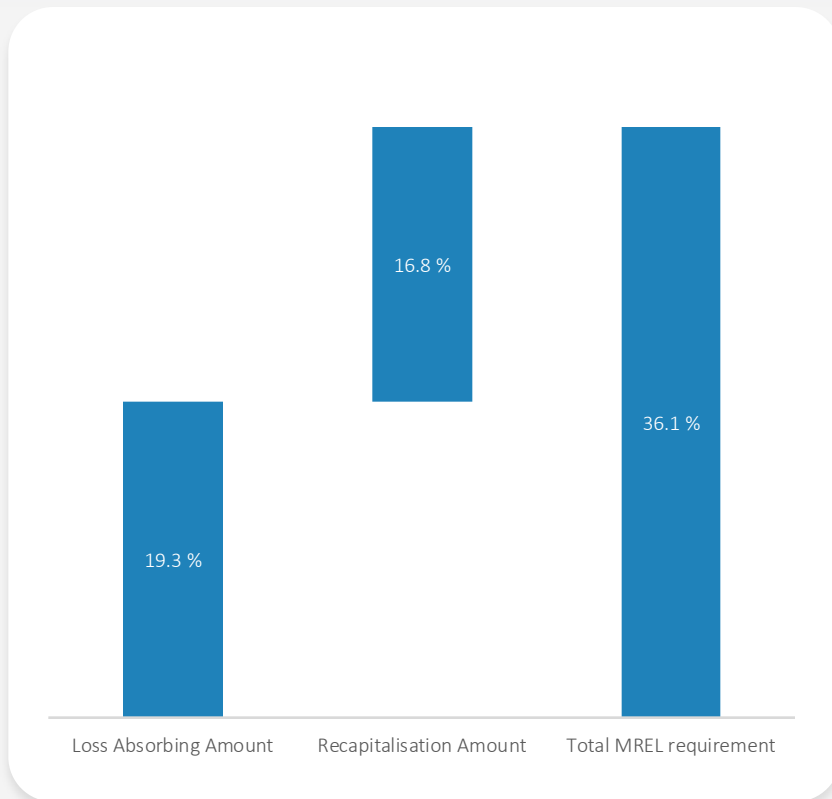


- Deposits are and will continue to be the Bank's most important funding source.
- The Bank exclusively uses SPABOL for covered bond funding.
- Senior unsecured in EUR will be increasingly more important in the funding mix going forward.
 - Building a senior unsecured curve in EUR.
 - Planning at least one EUR benchmark issue every 18 months going forward.
 - Active curve in PP with tenors up to 15 years.
- Successful inaugural issuance of senior non-preferred bond, with good investor demand and competitive pricing, rated A3 by Moody's Investor Service.
 - NOK 1 bn in June
 - Followed up with an additional NOK 1.5 bn in September



Minimum Requirement for Own Funds and Eligible Liabilities

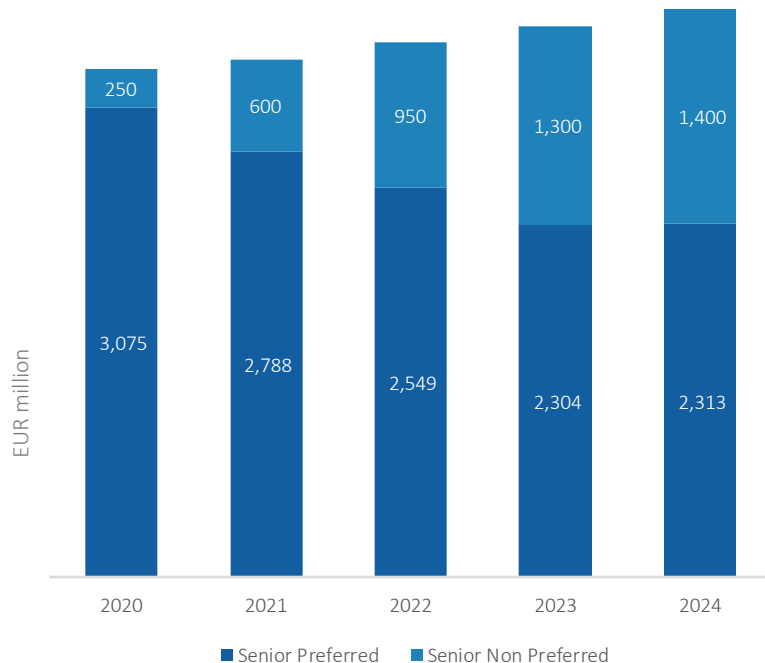
MREL – The Norwegian legislation



- Loss absorbing amount equal to Pillar 1 and Pillar 2 requirements and combined buffer requirement:
 - Covered by AT1 and Tier 2
- Recapitalization amount equal to Pillar 1 and Pillar 2 requirements and combined buffer requirements except countercyclical buffer.
 - Covered by excess capital and capital subordinated to senior debt.
- Transitional period is extended from 31 December 2022 to 1 January 2024.
- Includes an increase in the systemic risk buffer of 1.5 % to 4.5 % from YE 2020 and re-introduced countercyclical buffer at 2.5 %.

MREL needs going forward

Still some regulatory uncertainty



- Base scenario:
 - The Norwegian legislation with increased systemic risk buffer and countercyclical buffer.
 - App. EUR 1.3 bn SNP debt by YE2023.
 - Depending on lending growth.
- Uncertainty:
 - BRRD2 into Norwegian legislation.
 - Lower requirements?
- The Bank's response
 - MREL - Gradually refinancing of maturing senior debt with SNP until YE2023.
 - Starting in the Norwegian market.

SUSTAINABILITY STRATEGY

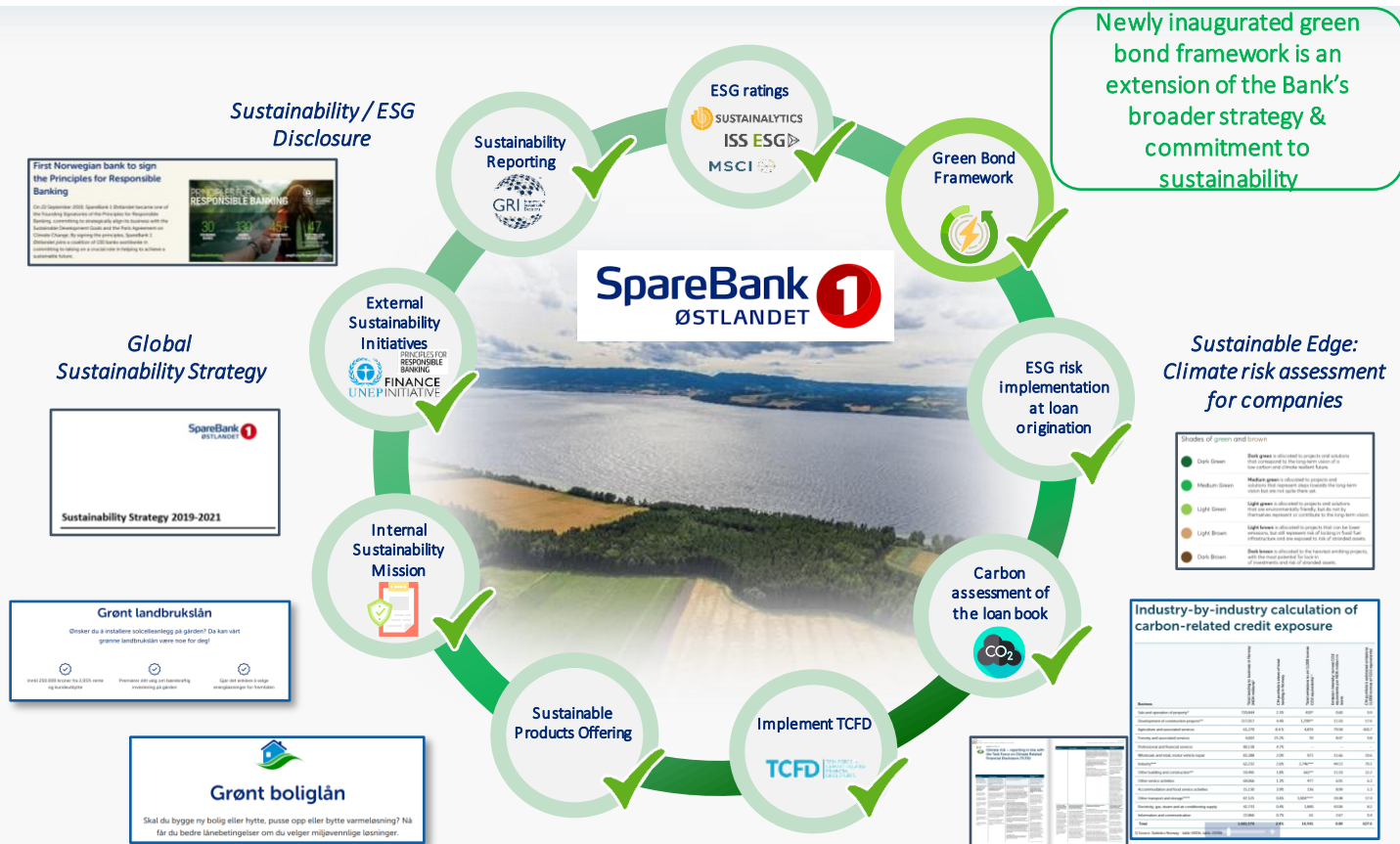
1. Actively support customers' sustainability efforts and promote external sustainable innovation
2. Offer sustainable products and services, and promote sustainable innovation in-house
3. Initiate and support good sustainability activities

Be a driving
force behind
sustainable
development in
our market
area

Consider
sustainability in
both major and
minor
decisions,
making it an
integral part of
our business

1. All employees are aware of our commitment to sustainability
2. Sustainability is a part of our work processes
3. We strive for openness and transparency in our work

SpareBank 1 Østlandet's sustainability overview



Internal climate and environmental work

- **Become climate neutral** and continually reduce the environmental impact from own business;
- **Raise expertise on climate**, so that the Bank's employees become aware of their impact on climate and the environment



Sustainable granting of credit and establishment of customer relationships

- Work continuously towards a **sustainable credit portfolio**;
- **Ensure our customers understand sustainability and climate risk**, and **expect them to take an active approach**

Responsible investment and ownership

- We will **invest in sustainable companies** capable of adapting their operations to a changing world;
- We have set **requirements to financial third-parties** so that they must follow internationally recognised principles of sustainability and document their monitoring and control in relation to this.

Sustainability requirements for suppliers and partners

- We demand that **suppliers and partners have a conscious attitude to climate**.

Alignment with the Paris Treaty and the Norwegian Climate Act

- The bank was on of the first bank to conduct and publish the ambitious Impact analysis from the UNEP FI (The United Nations Environment Program Finance Initiative) Principles for Responsible banking, showing that climate and resource efficiency is an areas where the bank has positive and negative impact.
- Strong dialogue with young people through the Development Goals Forum.
- One of two Norwegian banks that have signed the CCCA and defined own targets in a «Climate Action Plan» to contribute in achieving the UN's sustainability goals and the Paris Accord.



Retail Division

- By 2050, 40 % of residential buildings built before 2012 (TEK 10) has been upgraded and has improved their energy efficiency by 30 %.
- By 2050, 80 % of Residential buildings built from the 1st January 2021 are in line with the EU taxonomy.
- By 2022, double volume of Green Mortgage.
- By 2022, increase volume of Green Car loans by 50 %.

Corporate Division

- By 2050, climate neutral (as far as possible) loan portfolio.
- By 2030, more than 50 % of Commercial buildings shall be green (as defined in these Green Bond Framework).
- By 2022, 20 % increase in taxonomy-aligned Commercial buildings.
- By 2022, 20 % increase in Green bond-aligned Commercial buildings.
- Increasing volume of building projects shall be taxonomy aligned.
- Yearly increase of Renewable Energy loans 10 % (solar power, small scale hydropower and geothermal power).

Embedding Climate Risk within the bank & our credit processes

Climate Risk assessments in the credit process

We have started to incorporate climate risk into the credit process. This is not just climate work, but also good banking practice. Climate risk is particularly prominent in three areas where the financial sector plays an important role:

1. **Physical risk:** costs related to physical damage caused by climate change, such as flood and subsidence damage to buildings and infrastructure, and failing crops
2. **Transitional risk:** economic risks associated with the transition to a low-emission society, such as new laws or regulations that restrict the use of natural resources, or putting a price on pollution
3. **Liability risk:** claims for compensation aimed for example at businesses that have failed to take the necessary decisions to reduce negative climate impact

TCFD
°CICERO
TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



Governance	Strategy ¹	Risk Management	Metrics and Targets
<ul style="list-style-type: none">• Comprehensive ESG assessment• Climate risk assessment of the most important industries• Scenario analyses will be introduced to improve the management of climate risk• Work on reporting CO2, GHG and environmental leadership• Guidelines and action plan for the climate and climate risk	<ul style="list-style-type: none">• Exposed to climate risk mainly through lending to the corporate market• High risk, but also leeway for having a positive impact, in two of the largest industries, real estate and agriculture	<ul style="list-style-type: none">• Exposure spread across limited geographic area• Due diligence assessment also assessing climate risk when granting loans• ESG related market and liquidity risk considered low• Products, solutions and processes require assessment of ESG impact	<ul style="list-style-type: none">• Scope 3 emissions reporting of our loan portfolio• Scenario analyses were created in partnership with CICERO• Cicero 'Sustainable Edge' climate risk assessment project for companies

For a full TCFD overview [click here](#)

1. See Corporate social responsibility and sustainability/About us on sb1ostlandet.no for full guidelines and action plan.

ESG DD assessment at loan origination (example)

Due diligence assessment

The following themes are covered in the due diligence assessments (example):

General understanding	General understanding of the risk of human rights violations, environmental challenges or corruption risk in own industry and business.	Social/human rights risk (social)	The company's familiarity with industry risk related to human rights, workplace crime, e.g. social dumping.
	Risk in input factors or suppliers/supply chain.		The extent to which the company has relevant guidelines.
Environmental and climate risk (the environment)	Environmental certification and environmental management system.	Finances/ governance risk (governance)	Acts and regulations regarding health, safety and the environment (HSE).
	Measures to cut greenhouse gas emissions.		The company's familiarity with industry risk related to economic crime such as corruption, money laundering and bribery.
	Measures to cut energy consumption.	Other	The extent to which the company has relevant guidelines and/or routines.
	Energy labelling (construction).		Separate form for anti-money laundering due to the anti-money laundering regulations.
	Risk of natural disasters: How the project impacts vulnerable ecosystems.	Other	Other measures that have a positive impact on the environment or social or economic conditions.
	Familiarity with, and any measures implemented from, the industry's roadmap.		Other things that indicate the company is involved in harming/ having a negative impact on the environment or social/ economic conditions?
	Climate risk: How the project has been adapted for climate change and changing framework conditions. More specific questions here for agriculture.		
	Environmentally certified input factors (e.g. construction materials).		

Loan book CO₂ reporting (Scope 3) - carbon-related credit exposure*

Carbon-related credit exposure

Business	Total lending to business in Norway (NOK millions) ¹⁾	CM portfolio's share of total lending in Norway	Total emissions to air (1,000 tonnes CO ₂ equivalents) ¹⁾	Emission intensity: tonnes CO ₂ equivalents per NOK million in loans	CM portfolio's estimated emissions (1,000 tonnes of CO ₂ equivalents)
Sale and operation of property*	720,844	2.3%	430*	0.60	9.9
Development of construction projects**	117,017	4.4%	1,299**	11.10	57.6
Agriculture and associated services	61,270	8.4 %	4,876	79.58	410.7
Forestry and associated services	4,603	25.2%	39	8.47	9.8
Professional and financial services	80,138	4.7%	–	–	–
Wholesale and retail, motor vehicle repair	83,388	2.0%	972	11.66	19.6
Industry***	62,232	2.6%	2,746***	44.13	70.1
Other building and construction**	59,495	1.8%	661**	11.10	12.2
Other service activities	69,066	1.3%	477	6.91	6.3
Accommodation and food service activities	15,130	3.9%	136	8.99	5.3
Other transport and storage****	87,125	0.6%	3,004****	34.48	17.4
Electricity, gas, steam and air conditioning supply	42,733	0.4%	1,840	43.06	8.2
Information and communication	22,866	0.7%	61	2.67	0.4
Total	1,681,579	2.4%	16,541	9.84	627.6

Method: Based on proportion of lending by Norwegian banks and financial institutions the Bank accounts for, then multiplied by total emission from individual industry.

Assumptions: Individual industry's borrowing needs equally distributed across country. Individual industry's emissions intensity equally distributed across country. Model does not take account of regional differences with respect to borrowing needs and emissions intensity.

Application of results: Model provides a rough estimate of carbon-related credit exposure and carbon intensity. Method not precise enough to be used as basis for comparisons with other banks.

Clarifications regarding industry distribution: Extraction of crude oil and natural gas with associated services, air freight and international shipping have been excluded since the Bank has no exposure to these industries.

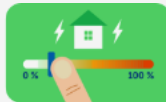
1

Green Mortgages

- SpareBank 1 Østlandet offers **Green Mortgages** for environmentally friendly and energy-saving measures in new and old homes

- The loans have favourable interest rates

1. Loans for **general energy-saving measures**



2. **Upgrading of existing buildings** e.g. removal of old boiler, heatpump, solar panels etc.



3. New construction of **passive house or plus house standard**



4. Purchase of newly built, extremely environmentally friendly homes in **Zero Emission Neighbourhoods**
- applies to the residential area **Ydalir in Elverum**



- Ydalir is built as part of ZEN (**Zero Emission Neighbourhood**) – a research project that Elverum municipality is part of, led by NTNU and Sintef
- Loans for new dwellings within the Ydalir district of Elverum qualify automatically for Green Mortgages.
- The plan is to develop the area over a period of around ten years, so there will be many exciting housing projects to follow in Ydalir in the future



SpareBank 1 Østlandet intends to keep developing sustainable products to actively incentivise customers to make sustainable choices.

2

Green Agricultural Loans

- For agricultural customers, the bank wants to contribute to lower emissions and the adjustment to a more sustainable society
- The Bank offers **Green Agricultural Loans** with favourable terms to customers who want to install photovoltaic systems (Solar Cell Plant) on the farm



3

Green Car Loans

- The Bank's subsidiary, SpareBank 1 Finans Østlandet, provides **Green Car loans** for electrical cars.
- The loans have a favourable interest rate and thus incentivises customers who make a climate-friendly choice



SpareBank 1 Østlandet intends to keep developing sustainable products to actively incentivise customers to make sustainable choices.

ESG 100 – The Oslo Stock Exchange	• A-
CDP	• A
MSCI	• A (scale AAA-CCC)
Sustainalytics	• 20.27 ESG Risk Rating
Fair Finance Guide	<ul style="list-style-type: none"> • 86% • #3 rank out of 14 Norwegian banks

- In September The Governance Group published the report «[ESG 100 – The Oslo Stock Exchange](#)». The report rated the sustainability reporting of the 100 largest companies listed on the Oslo Stock Exchange.
- SpareBank 1 Østlandet was awarded a rating of A- and thus the best rating among Norwegian savings banks.
- The awarded rating is a great inspiration for future ESG initiatives in the Bank.
- For more information on our ESG priorities, please visit <https://www.sparebank1.no/en/ostlandet/about-us/sustainability.html>



GREEN BOND FRAMEWORK

- Follows best market practice and in line with the ICMA Green Bond Principles (GBP)
- Prepared by the Green Bond Committee, including representatives of Corporate Banking, Retail Banking, SpareBank 1 Finans Østlandet AS, Treasury and Sustainability
- Consideration and commitment to align with the EU Taxonomy on a best efforts basis
- **Green Eligible categories:**
 - Green buildings
 - Agriculture
 - Forestry
 - Renewable Energy (hydro power)
 - Clean Transportation (electric only)
- Pre-issuance impact reporting calculated by specialist consultant Multiconsult
- Cicero second party opinion: Medium Green
- Cicero assessment on EU Taxonomy eligibility: Technical Screening Criteria, DNSH & MS










°CICERO
Shades of
Green

Multiconsult

Use of Proceeds

Strict Eligibility Criteria in line with ICMA Standards, best market practices and upcoming EU regulation

ICMA GBP ¹ Eligible Category	Description of the Eligible Loans	UN SDGs	EU Objectives
Green Buildings	<ul style="list-style-type: none"> • Residential buildings in Norway <ul style="list-style-type: none"> ✓ <u>Before 31st of December 2020</u>: Buildings belonging to the top 15% Low-Carbon residential buildings in the local context ✓ <u>From 1st January 2021</u>: Buildings at least a 20% more energy efficient than regulation at time of construction (NZEB² – 20% in terms of Primary Energy Demand) • Commercial buildings in Norway <ul style="list-style-type: none"> ✓ <u>Before 31st of December 2020</u>: Buildings belonging to the top 15% Low-Carbon commercial buildings in the local context ✓ <u>From 1st January 2021</u>: Buildings at least a 20% more energy efficient than regulation at time of construction (NZEB – 20% in terms of Primary Energy Demand) • Refurbished residential and commercial buildings in Norway with improved energy efficiency of 30% versus baseline 	 	Climate Change Mitigation
Renewable Energy	<ul style="list-style-type: none"> • <u>Solar Power</u>: Photovoltaic energy projects • <u>Geothermal Power</u>: projects with life cycle emissions of less than 100g CO2e/kWh • <u>Hydro Power</u>: Small-scale hydropower projects (less than 25MW), and large-scale projects (more than 25MW) with life cycle emissions of less than 100g CO2/kWh • <u>Transmission Systems</u>: aimed at transmission and integration of renewable energy 	 	
Clean Transportation	<ul style="list-style-type: none"> • <u>Low carbon vehicles</u>: Fully Electric, Hydrogen or otherwise zero-emission passenger vehicles • <u>Low carbon public and mass transportation</u>: Fully Electric or Hydrogen busses 		
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> • <u>Sustainable Agriculture</u>: Substantial positive climate impact has to be established. Compliance with KSL-standard and ESG due diligence assessment is mandatory • <u>Sustainable Forestry</u>: FSC or PEFC certified forestry 	 	Climate Change Mitigation and Protection of healthy ecosystems

The Use of Proceeds is line with the ICMA GBP, the recommendation of the CBI Low-Carbon Building Standard³ and takes into account the EU Green Bond Standard⁴

1. [Green-Bonds-Principles-June-2018-270520.pdf\(icmagroup.org\)](#)

2. NZEB "Nearly Zero Energy Buildings" has not yet been established in Norway in terms of corresponding Norwegian Building Regulation

3. Climate Bond Initiative Low Carbon Building Standard: [Buildings | Climate Bonds Initiative](#)

4. The EU Green Bond Standard (EU GBS) is a voluntary standard for green bond issuers. We do take into consideration its recommendations. The final EU GBS is expected to be released by the EU Commission in the course of 2021

Loan selection process:

1. Applications include both ESG dialogues with customers and ESG due diligence analyses
2. Due diligence assessments identify which customers and projects have high risk of having negative impact, and potential for a positive impact
3. Inclusion in eligible pool based on compliance with eligibility criteria described in Use of Proceeds



Eligible loans should:

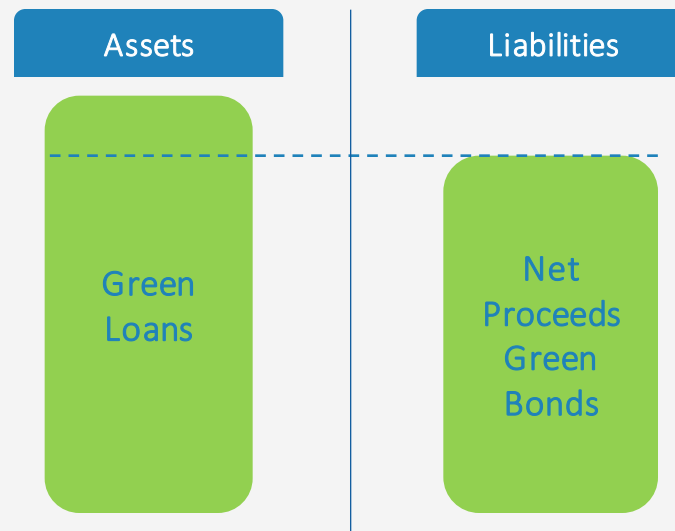
- Contribute to at least one of the EU Environmental Objectives
- Not significantly harm ('DNSH') any other EU Environmental Objective
- Comply with Minimum Social Safeguards

Eligible Green Loan Portfolio:

- Required to align with related internal sustainability codes and policies
- Complies with official international, national, and local laws and regulations on best effort basis

Approach

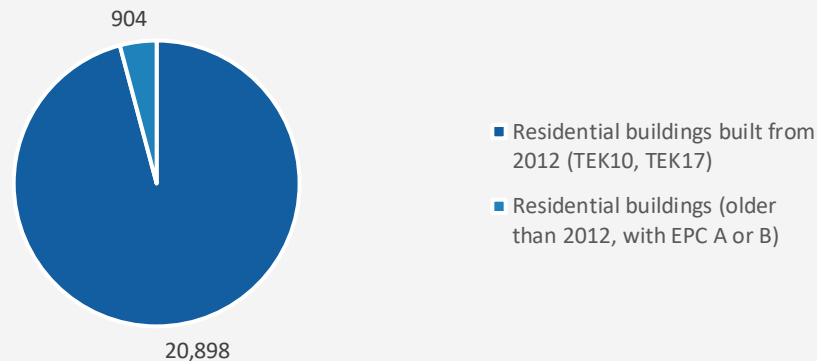
- Allocate amount equal to net proceeds from the issue of Green Bonds to Eligible Green Loan Portfolio
- Size Eligible Green Loan Portfolio should match or exceeds balance of net proceeds from outstanding Green Bonds
- Pending allocation of net proceeds of any tranche of Green Bonds to an Eligible Green Loan Portfolio will be held in treasury liquidity portfolio, cash, or other short term liquid instruments



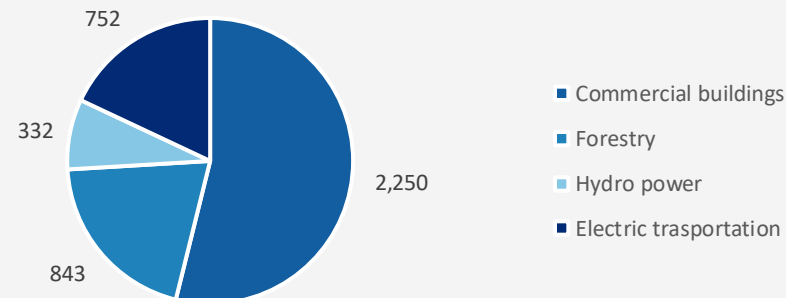
Green Bond Portfolio

	NOK (m)	%
Green Residential Buildings	21,802	84%
Green Commercial Buildings	2,250	9%
Forestry	843	3%
Renewable Energy (Hydropower)	332	1%
Clean Transportation (EVs)	752	3%
Total	25,979	100%
EUR (m) equivalent	~2,475	

Residential Buildings (NOK m)



Commercial Loans (NOK m)



Eligible Project Category	Eligible Project Subcategory	Eligible portfolio (NOK m)	Share of Total Financing	Eligibility for Green Bonds	Estimated reduced energy (in GWh/year)	Estimated renewable energy produced (GWh/year)	Direct emissions avoided vs baseline in tons of CO ₂ / year (Scope 1)	Indirect emissions avoided vs baseline in tons of CO ₂ / year (Scope 2)	Total CO2 Storage (tonnes)	Estimated annual reduced emissions (tons of CO ₂ / year)
a/	b/	c/	d/	e/	f/	f/	f/	f/	f/	f/
Green Buildings	Residential	21,802	84%	100%	109	-	-	-	-	13,514
	Commercial	2,250	9%	100%	25	-	-	-	-	3,099
Renewable Energy	Hydropower	332	1%	100%	-	111.7	-	-	-	14,526
Clean Transportation	Electric Vehicles	752	3%	100%	-	-	3,320	-2,337	-	983
Environmentally Sustainable Management of Living Natural Resources and Land Use	Sustainable Forestry	843	3%	100%	-	-	-	-	4 697 668	159,499 ¹
Total		25,979	100%	100%	134	45.1	3,518	-2,259	4 697 668	191,621
Avoided Emissions per mil NOK invested										7.38
Avoided Emissions per mil € invested										77.40

¹Relates to the Annual Increase in CO2 Storage of the financed assets. The mean (50%) has been taken from Multiconsult's estimated range, which is considered a conservative approach given that Multiconsult states: "the annual sequestration capacity of forest-based loan portfolio of SpareBank 1 Østlandet is likely to be closer to the highest estimates, given that the forest properties are actively managed and belongs to the productive forest areas in Norway."

- SpareBank 1 Østlandet has obtained an independent Second Party Opinion from Cicero, **confirming the validity of the Green Bond Framework & compliance with the ICMA Green Bond Principles**
- Green Shading given per Use of Proceeds category, where overall Framework has received: **Medium Green**
- Cicero finds the governance structure & procedures in SpareBank 1 Østlandet's framework to be: **Excellent**
- Cicero has assessed the alignment of the Green Bond Framework and the due diligence and selection processes in place with the **EU Taxonomy**
 - Technical screening criteria, do no significant harm & minimum safeguards criteria have been taken into account
 - Based on both the TEG Report (March '20) & the Delegated Acts (Nov '20)



°CICERO
Medium Green



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Nature & Agriculture	Power/Energy Production	Retail Market	Corporate Market	Mutual Funds
<ul style="list-style-type: none"> Consider whether operations have negative impact on climate, the environment and nature, and work to reduce impact <p>Attention to:</p> <ul style="list-style-type: none"> Biological diversity and gene technology Animal welfare Conservation areas Wetlands and peat World heritage Water Endangered plant and animal species Chemical use and fertilization Forestry 	<ul style="list-style-type: none"> Encourage customers to switch from fossil to renewable energy and have a number of means of accelerating this transition, including green agriculture loans and green mortgages Decided not to lend money for fossil energy, including coal and oil and gas, nor lend to or invest in fossil energy, nuclear power or mining activities 	<ul style="list-style-type: none"> Encourage customers to save more and consume less Engage with customers around how we can influence their financial situation in a more responsible direction Provide advice, guidance and information relating to all products Promote sustainable products and solutions for customers 	<p>We do not lend to businesses engaged in:</p> <ul style="list-style-type: none"> Coal or tar sands Mining operations Timber obtained from organisations that perform illegal logging, sell illegally felled timber Deforestation and/or destroy tropical rainforests Lobbying activities aimed at weakening required restructuring to a low-emission society Production of fossil fuels 	<ul style="list-style-type: none"> Work with industry to follow up the recommendations in Roadmap for Green Competitiveness in the Financial Sector launched in June 2018 Expect the fund managers with which we have agreements to contribute

External sustainability initiatives

For external goals the bank needs to cooperate with customers and society in general to achieve them

- **UN Sustainable Development Goals**, with specific focus on SDGs 4, 8, 9, 12, 13, 15 and 16. And with goal 17 on cooperation as the guiding method.
- **UN Global Compact**, SpareBank 1 Østlandet is a signatory and held the position as deputy chair of the Board the first year of the Norwegian network.
- **UN Environment Programme – Finance Initiative (UNEP FI)**, SpareBank 1 Østlandet was the first Norwegian bank to sign up to the principles. The Bank is also one of two Norwegian banks who have signed the ambitious **UNEP FI Collective Commitment on Climate Action**.
- **OECD Guidelines for Multinational Enterprises**, SpareBank 1 Østlandet is actively using the guidance from OECD when it comes to due diligence for responsible business.
- **UN Guiding Principles for Business and Human Rights and the Labour Rights**, SpareBank 1 Østlandet has focus on respecting the human- and labour rights, in own operations and supply chains. This includes respecting the ILO Conventions, which establish the minimum of rights to be respected in the workplace. The Bank have also signed **Koalisjonen for ansvarlig næringsliv (KAN)** which is a broad association of business, trade unions and NGOs calling for a human rights law for business.
- **Task Force on Climate-Related Financial Disclosures (TCFD)**, SpareBank 1 Østlandet has been reporting in accordance with the TCFD since 2018.
- **Eco lighthouse**, SpareBank 1 Østlandet has used the ecomanagement system, Eco-Lighthouse, since 2008 to reduce and report on its direct (scope 1) and indirect (scopes 2 and 3) greenhouse gas emissions. The reporting to Eco-Lighthouse provides the basis for the Bank's climate and energy accounts.
- **CDP**, SpareBank 1 Østlandet is an A-listed CDP company as from 2020.
- **Science Based Target (SBT)**, The bank has implemented an SBT for cutting greenhouse gas emissions in line with the goals of the Paris Agreement. For the time being, climate neutrality will be achieved through climate quotas.



Sustainability reporting

SpareBank 1 Østlandet follows global reporting standards and obtains third party verification

- SpareBank 1 Østlandet follows the Global Reporting Initiative, the leading international standard for sustainability reporting, and GRI reporting is an integral part of the Bank's annual report.

SpareBank 1 Østlandet's sustainability reports quick links:

- [Annual report 2019](#) (including sustainability)
- [Appendix to annual report](#): further facts about SpareBank 1 Østlandet's sustainability work
- See the Bank's [GRI index](#)
- See the Bank's [Energy and Climate Report](#)
- See the Bank's [Science-Based Climate Targets](#)
- Climate and climate risk – [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)
- [Industry-by-industry calculation of carbon-related credit exposure](#)
- Reporting to the [UN Global Compact](#)
- [Independent statement regarding sustainability reporting](#)

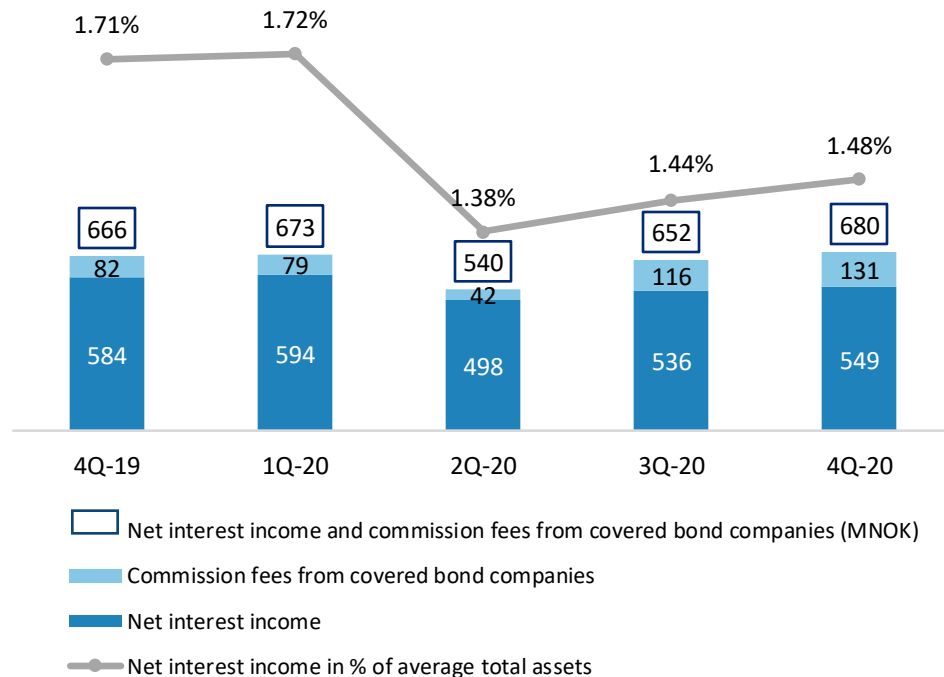
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APPENDIX

Financials/ECC

Increased net interest income

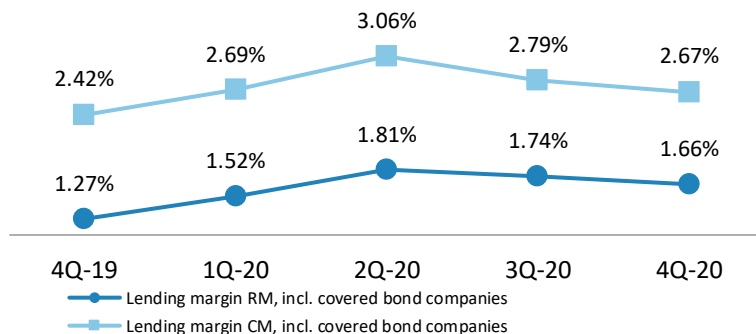
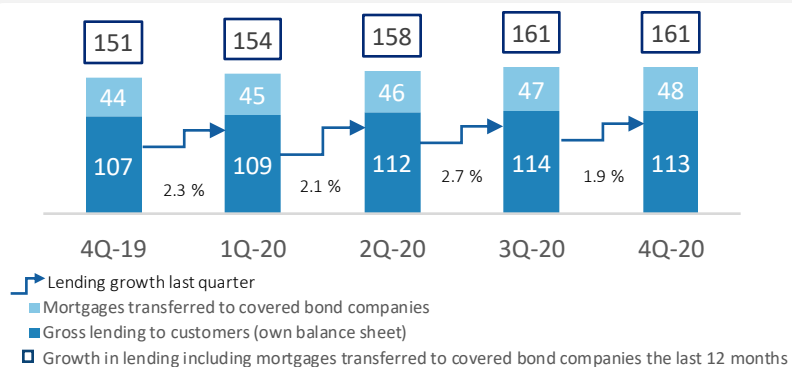
Net interest income incl. commissions from covered bond companies



- Increased net interest income in 4Q-20.
- The increase in net interest income was mainly due to higher deposit margins.

Stable lending

Lending volume (Group, NOK billion)

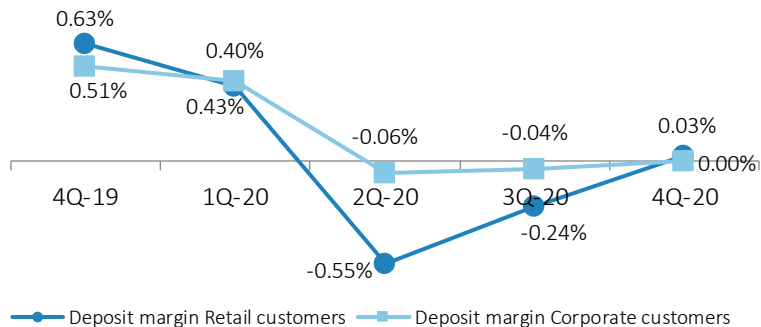
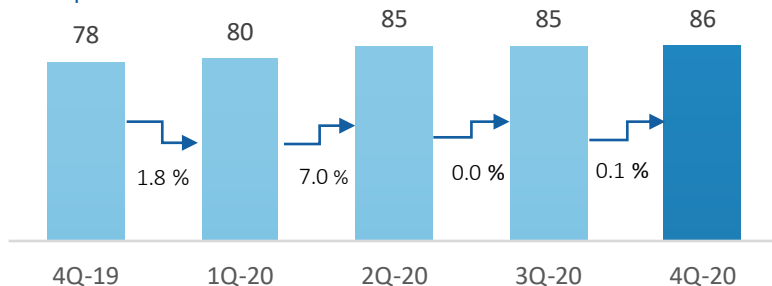


- Total lending in the Group, including mortgages transferred to covered bond companies, increased by NOK 0.3 billion in 4Q-20. Equivalent to a 0.2 % lending growth in the quarter.
- Lending growth last 12 months was 7.0 % (7.5 %).
 - Retail lending growth 9.1 %.
 - Corporate lending growth 1.3 %.
- Credit growth in Norway last 12 months
 - Households 4.9 %
 - Non-financial corporations 3.7 %
- Lending margins in the parent bank – both within retail and corporate markets – showed a reduction in 4Q-20 partly due to increased Nibor.
- Lending growth within the retail division has been steady throughout the year, while the corporate lending growth has been characterized by somewhat more caution. By year-end, the credit demand among the Bank's corporate customers is showing a significant increase.

Stable deposits and increasing deposit margins

Deposit volume and deposit growth (Group – NOK billion)

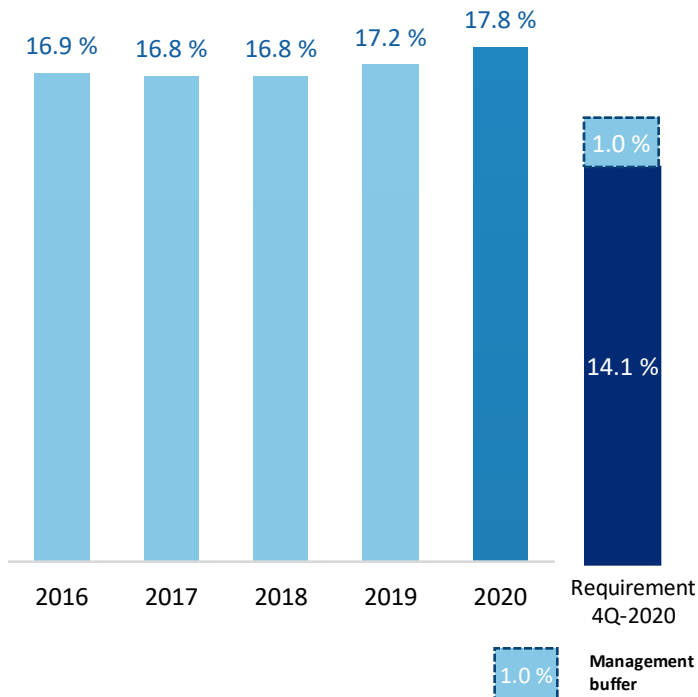
Deposits from customers



- Deposits growth of 0.1 % (1.8%) in 4Q-20.
 - After a significant increase in deposits in the second quarter, the volume of deposits stabilized in the second half of the year.
- Deposit growth last 12 months: 9.1 % (9.8 %).
 - Retail deposit growth 11.0 %.
 - Corporate deposit growth 6.7 %.
- Deposit coverage ratio 75.5 % (73.3 %).
- Deposit coverage ratio - including mortgages transferred to the covered bond companies 53.1 % (52.1 %).
- The deposit margins in the parent bank showed an increase in both the retail market and the corporate market during the last 2 quarters, which for the 4th quarter is largely explained by the increase in 3-month Nibor.

Strengthened CET 1 ratio

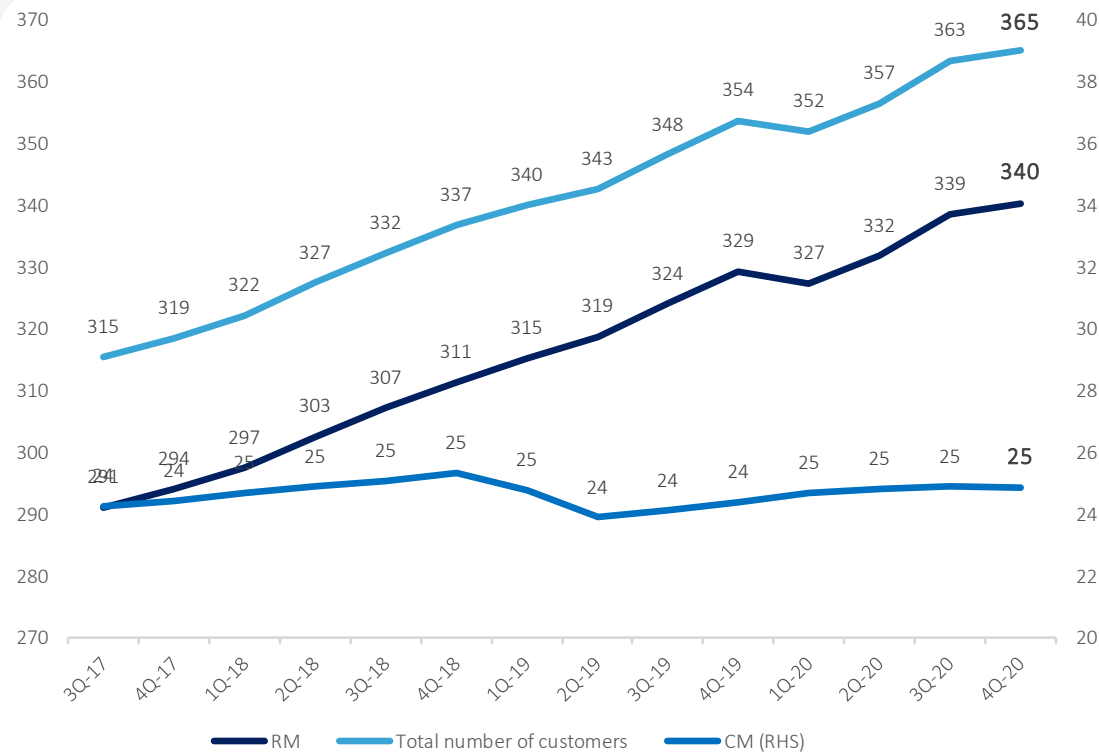
Common Equity Tier 1 ratio (Group)



- The Group's long term CET 1-target is the regulatory requirement with an added management buffer of 100 bps.
 - The regulatory requirement, incl. the 1.8 %-point Pillar 2 requirement, is currently 14.1 %.
 - On March 13 the countercyclical buffer was reduced, by 1.5 %, to 1 %.
 - The systemic risk buffer was increased by 1.5 percentage points to 4.5 % for Norwegian exposures from 31 December 2020.
 - International exposures are risk weighted according to different national requirements and the Group's weighted requirement for the system risk buffer was 4.3% as of 31.12.2020. The international exposures are related to the Group's LCR portfolio and are considered very low risk.
- The CET 1 ratio was 17.8 % as at 31.12.2020
 - The board's recommendation for dividends is taken into account.
 - The assumed normalization of the countercyclical capital buffer is taken into account in the Group's capital planning.
- The leverage ratio was 7.2 %.

Continued customer growth

Numbers of customers in parent bank (in 1,000x)



- Solid customer growth despite off-boarding of customers with low account activity in 1Q-2020 and a year with the coronavirus pandemic.
- Net customer growth in the Bank YoY was 3.2 %.
 - Retail customers: 3.3 %
 - Corporate customers: 1.8 %

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although SpareBank 1 Østlandet believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 Østlandet are, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 Østlandet has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.