

Fourth quarter report 2021

SPAREBANK 1 ØSTLANDET

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Key figures

| Group | 01.01-31.12 | | 4Q | |
|---|--------------|--------------|--------------|--------------|
| Summary (NOK million and per cent of average assets) | 2021 | 2020 | 2021 | 2020 |
| Net interest income | 2 202 | 2 177 | 573 | 549 |
| Net commission and other operating income | 1 622 | 1 441 | 414 | 406 |
| Net income from financial assets and liabilities | 599 | 545 | 113 | 146 |
| Total income | 4 423 | 4 164 | 1 100 | 1 102 |
| Total operating expenses | 1 980 | 1 902 | 531 | 504 |
| Operating profit before losses on loans and guarantees | 2 443 | 2 262 | 569 | 598 |
| Impairment losses on loans and guarantees | 5 | 330 | 28 | 1 |
| Pre-tax operating profit | 2 438 | 1 932 | 542 | 597 |
| Tax expense | 416 | 323 | 37 | 131 |
| Profit after tax | 2 022 | 1 608 | 505 | 466 |
| Interest expenses on hybrid capital | 27 | 20 | 9 | 6 |
| Profit after tax incl. interest hybrid capital ¹⁾ | 1 994 | 1 589 | 496 | 460 |
| Profitability | | | | |
| Return on equity capital ¹⁾ | 11.6 % | 10.1 % | 11.1 % | 11.3 % |
| Cost income ratio ¹⁾ | 44.8 % | 45.7 % | 48.3 % | 45.7 % |
| Net interest income calculated as a percentage of average total assets | 1.45 % | 1.51 % | 1.47 % | 1.48 % |
| Profit after tax calculated as a percentage of average total assets | 1.33 % | 1.12 % | 1.29 % | 1.25 % |
| Balance sheet and ratios | | | | |
| Gross loans to customers | 121 284 | 113 368 | 121 284 | 113 368 |
| Gross loans to customers including loans transferred to covered bond companies ¹⁾ | 173 700 | 161 259 | 173 700 | 161 259 |
| Growth in loans during the last 12 months ¹⁾ | 7.0 % | 5.9 % | 7.0 % | 5.9 % |
| Growth in loans including loans transferred to covered bond companies in the last 12 months ¹⁾ | 7.7 % | 7.0 % | 7.7 % | 7.0 % |
| Deposits from customers | 92 178 | 85 613 | 92 178 | 85 613 |
| Growth in deposits in the last 12 months ¹⁾ | 7.7 % | 9.1 % | 7.7 % | 9.1 % |
| Deposit to loan ratio ¹⁾ | 76.0 % | 75.5 % | 76.0 % | 75.5 % |
| Deposit to loan ratio incl. loans transferred to covered bond companies ¹⁾ | 53.1 % | 53.1 % | 53.1 % | 53.1 % |
| Average total assets | 152 242 | 144 108 | 154 888 | 147 486 |
| Total assets | 155 459 | 146 074 | 155 459 | 146 074 |
| Total assets including loans transferred to covered bond companies ¹⁾ | 207 875 | 193 964 | 207 875 | 193 964 |
| Losses and commitments in default | | | | |
| Impairment on loans as a percentage of gross loans ¹⁾ | 0.0 % | 0.3 % | 0.1 % | 0.0 % |
| Gross loans to customers in stage 2, percentage of total gross loans | 8.6 % | 8.3 % | 8.6 % | 8.3 % |
| Gross loans to customers in stage 3, percentage of total gross loans | 0.5 % | 0.4 % | 0.5 % | 0.4 % |
| Solidity and liquidity | | | | |
| CET 1 capital ratio | 18.0 % | 17.8 % | 18.0 % | 17.8 % |
| Tier 1 capital ratio | 19.4 % | 18.8 % | 19.4 % | 18.8 % |
| Capital adequacy ratio | 21.1 % | 20.8 % | 21.1 % | 20.8 % |
| Total eligible capital | 17 933 | 16 704 | 17 933 | 16 704 |
| Equity ratio ¹⁾ | 12.0 % | 11.7 % | 12.0 % | 11.7 % |
| Leverage Ratio | 7.3 % | 7.2 % | 7.3 % | 7.2 % |
| LCR ²⁾ | 131.6 % | 140.6 % | 131.6 % | 140.6 % |
| LCR in NOK ²⁾ | 127.4 % | 130.5 % | 127.4 % | 130.5 % |
| LCR in EUR ²⁾ | 231.0 % | 619.0 % | 231.0 % | 619.0 % |
| Staff | | | | |
| Number of fulltime equivalents | 1 137 | 1 149 | 1 137 | 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 (ECC) ¹⁾ | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|--------------------|--------------------|-------------|-------------|
| ECC ratio | 70.0 % | 70.0 % | 70.1 % | 69.3 % | 67.6 % |
| Average ECC ratio | 69.8 % | 70.1 % | 69.3 % | 67.7 % | 67.5 % |
| ECC issued | 115 829 789 | 115 829 789 | 115 829 789 | 115 319 521 | 107 179 987 |
| Market price (NOK) | 145.60 | 97.80 | 92.50 | 83.00 | 90.50 |
| Market capitalisation (NOK million) | 16 865 | 11 328 | 10 714 | 9 572 | 9 700 |
| Book equity per ECC ²⁾ | 106.31 | 98.76 | 93.67 | 85.83 | 80.96 |
| Earnings per ECC, NOK ³⁾ | 11.96 | 9.57 | 11.55 | 8.46 | 7.81 |
| Dividend per ECC ⁴⁻⁵⁾ | 6.00 | 4,79 ⁵⁾ | 4,58 ⁴⁾ | 4.12 | 3.96 |
| Price/Earnings per ECC ²⁾ | 12.18 | 10.22 | 8.01 | 9.81 | 11.59 |
| Price/book equity ²⁾ | 1.37 | 0.99 | 0.99 | 0.97 | 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 and interest on hybrid capital for controlling interests * Average ECC ratio / number of ECC'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 ECC 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 provision 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.

Profit/loss from the quarterly accounts

| Group | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q | 4Q |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| (NOK million, excluding percentages) | 2021 | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 | 2020 | 2019 |
| Interest income | 821 | 764 | 749 | 746 | 768 | 780 | 839 | 1 048 | 1 023 |
| Interest expense | 248 | 212 | 207 | 211 | 219 | 244 | 341 | 454 | 438 |
| Net interest income | 573 | 552 | 542 | 535 | 549 | 536 | 498 | 594 | 584 |
| Commission income | 389 | 400 | 387 | 351 | 389 | 380 | 277 | 314 | 332 |
| Commission expenses | 34 | 36 | 34 | 35 | 40 | 36 | 32 | 35 | 37 |
| Other operating income | 59 | 50 | 62 | 62 | 57 | 49 | 56 | 64 | 37 |
| Net commission and other operating income | 414 | 414 | 416 | 379 | 406 | 392 | 300 | 343 | 333 |
| Dividends from shares and other equity instruments | 0 | 0 | 9 | 11 | 29 | 1 | 0 | 12 | 0 |
| Net income from associates and joint ventures | 126 | 109 | 111 | 59 | 63 | 88 | 128 | 115 | -1 |
| Net profit from other financial assets and liabilities | -14 | 88 | 62 | 38 | 55 | 45 | 185 | -175 | 12 |
| Net profit from financial assets and liabilities | 113 | 198 | 181 | 108 | 146 | 133 | 314 | -48 | 11 |
| Total net income | 1 100 | 1 163 | 1 139 | 1 021 | 1 102 | 1 061 | 1 112 | 889 | 928 |
| Personnel expenses | 280 | 279 | 283 | 284 | 285 | 269 | 255 | 274 | 274 |
| Depreciation | 30 | 31 | 30 | 31 | 33 | 33 | 32 | 34 | 32 |
| Other operating expenses | 220 | 164 | 178 | 170 | 186 | 163 | 160 | 178 | 183 |
| Total operating expenses | 531 | 473 | 492 | 485 | 504 | 465 | 447 | 487 | 490 |
| Operating profit before losses on loans and guarantees | 569 | 690 | 647 | 536 | 598 | 596 | 665 | 402 | 439 |
| Impairment on loans and guarantees | 28 | -16 | 11 | -18 | 1 | 47 | 130 | 151 | 33 |
| Pre-tax operating profit | 542 | 706 | 637 | 554 | 597 | 549 | 535 | 251 | 406 |
| Tax expense | 37 | 144 | 121 | 114 | 131 | 111 | 97 | -16 | 114 |
| Profit after tax | 505 | 561 | 516 | 439 | 466 | 438 | 438 | 266 | 291 |
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q | 4Q |
| | 2021 | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 | 2020 | 2019 |
| Profitability | | | | | | | | | |
| Return on equity capital ¹⁾ | 11.1 % | 12.6 % | 12.1 % | 10.6 % | 11.3 % | 10.9 % | 11.3 % | 6.9 % | 7.3 % |
| Net interest income ²⁾ | 1.47 % | 1.41 % | 1.44 % | 1.46 % | 1.48 % | 1.44 % | 1.38 % | 1.72 % | 1.71 % |
| Cost income ratio ³⁾ | 48.3 % | 40.7 % | 43.2 % | 47.5 % | 45.7 % | 43.8 % | 40.2 % | 54.7 % | 52.7 % |
| Balance sheet and ratios | | | | | | | | | |
| Gross loans to customers | 121 283 | 119 511 | 118 132 | 114 037 | 113 368 | 113 624 | 112 381 | 108 811 | 107 035 |
| Gross loans to customers including loans transferred to covered bond companies ¹⁾ | 173 699 | 170 369 | 167 290 | 162 567 | 161 259 | 160 993 | 157 956 | 153 846 | 150 688 |
| Growth in loans during the last 12 months ¹⁾ | 7.0 % | 5.2 % | 5.1 % | 4.8 % | 5.9 % | 9.2 % | 10.5 % | 10.2 % | 8.2 % |
| Growth in loans including loans transferred to covered bond companies in the last 12 months ¹⁾ | 7.7 % | 5.8 % | 5.9 % | 5.7 % | 7.0 % | 9.3 % | 9.4 % | 9.0 % | 7.5 % |
| Growth in loans during the last quarter ¹⁾ | 1.5 % | 1.2 % | 3.6 % | 0.6 % | -0.2 % | 1.1 % | 3.3 % | 1.7 % | 2.9 % |
| Growth in loans including loans transferred to covered bond companies in the last quarter ¹⁾ | 2.0 % | 1.8 % | 2.9 % | 0.8 % | 0.2 % | 1.9 % | 2.7 % | 2.1 % | 2.3 % |
| Deposits from customers | 92 178 | 91 265 | 92 551 | 87 476 | 85 613 | 85 496 | 85 481 | 79 901 | 78 494 |
| Deposit to loan ratio ¹⁾ | 76.0 % | 76.4 % | 78.3 % | 76.7 % | 75.5 % | 75.2 % | 76.1 % | 73.4 % | 73.3 % |
| Deposit to loan ratio including loans transferred to covered bond companies ¹⁾ | 53.1 % | 53.6 % | 55.3 % | 53.8 % | 53.1 % | 53.1 % | 54.1 % | 51.9 % | 52.1 % |
| Growth in deposits in the last 12 months | 7.7 % | 6.7 % | 8.3 % | 9.5 % | 9.1 % | 11.2 % | 10.5 % | 10.4 % | 9.8 % |
| Growth in deposits in the last quarter | 1.0 % | -1.4 % | 5.8 % | 2.2 % | 0.1 % | 0.0 % | 7.0 % | 1.8 % | 2.1 % |
| Average total assets | 154 888 | 154 780 | 152 681 | 148 096 | 147 486 | 148 048 | 145 392 | 139 184 | 134 783 |
| Total assets | 155 459 | 154 316 | 155 243 | 150 118 | 146 074 | 148 898 | 147 197 | 143 586 | 134 783 |
| Total assets including loans transferred to covered bond companies ¹⁾ | 207 875 | 205 175 | 204 401 | 198 648 | 193 964 | 196 267 | 192 772 | 188 621 | 178 436 |
| Losses and commitments in default | | | | | | | | | |
| Losses on loans as a percentage of gross loans ¹⁾ | 0.1 % | -0.1 % | 0.0 % | -0.1 % | 0.0 % | 0.2 % | 0.5 % | 0.6 % | 0.1 % |
| Financial strength | | | | | | | | | |
| Common equity Tier 1 capital ratio | 18.0 % | 18.0 % | 17.8 % | 17.8 % | 17.8 % | 17.3 % | 17.1 % | 17.0 % | 17.2 % |
| Tier 1 capital ratio | 19.4 % | 19.4 % | 18.8 % | 18.8 % | 18.8 % | 18.3 % | 18.2 % | 17.7 % | 17.9 % |
| Capital ratio | 21.1 % | 21.3 % | 20.7 % | 20.7 % | 20.8 % | 20.2 % | 20.1 % | 19.6 % | 19.8 % |
| Net subordinated capital | 17 933 | 17 899 | 17 242 | 16 793 | 16 704 | 16 502 | 16 418 | 15 883 | 15 444 |

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).

Report of the Board of Directors

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

- Profit after tax: NOK 505 (466) million
- Return on equity: 11.1 (11.3) per cent
- Earnings per equity capital certificate: NOK 2.98 (2.78)
- Net interest income: NOK 573 (549) million
- Net commissions and other operating income: NOK 414 (406) million
- Net income from financial assets and liabilities: NOK 113 (146) million
- Total operating expenses: NOK 531 (504) million
- Impairment losses on loans and guarantees: NOK 28 (1) million
- Common Equity Tier 1 capital ratio: 18.0 (17.8) per cent
- Lending growth in the last quarter, including mortgages transferred to the covered bond companies: 2.0 (0.2) per cent
- Growth in deposits in the last quarter: 1.0 (0.1) per cent

Preliminary annual financial statements for 2021 (Consolidated figures. Figures in brackets concern the corresponding period in 2020)

- Profit after tax: NOK 2,022 (1,608) million
- Return on equity: 11.6 (10.1) per cent
- Earnings per equity capital certificate: NOK 11.96 (9.57)
- Net interest income: NOK 2,202 (2,177) million
- Net commissions and other operating income: NOK 1,622 (1,441) million
- Net income from financial assets and liabilities: NOK 599 (545) million
- Total operating expenses: NOK 1,980 (1,902) million
- Impairment losses on loans and guarantees: NOK 5 (330) million
- Lending growth, including mortgages transferred to covered bond companies in the past 12 months: 7.7 (7.0) per cent
- Deposit growth in the past 12 months: 7.7 (9.1) per cent
- The Board of Directors is proposing to the Supervisory Board of the Bank a cash dividend of NOK 6.00 (4.79) per equity capital certificate, totalling NOK 695 (555) million. A customer dividend of NOK 295 (231) million and a provision of NOK 6 (6) million for donations are also proposed.

Important events in the fourth 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. 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 were paid into customers' accounts on 19 November 2021 based on their level of borrowing and deposits in the Bank during 2020.

SpareBank 1 Forvaltning

On 31 December 2021, SpareBank 1 Forvaltning AS's acquisition of SpareBank 1 SR Forvaltning AS was approved by the Financial Supervisory Authority of Norway, and from the same date SpareBank 1 Østlandet's stake in SpareBank 1 Forvaltning AS decreased to 5.40 per cent.

Assessment by the Norwegian FSA of Pillar 2 requirement

On 23 December 2021 SpareBank 1 Østlandet received feedback from the Norwegian FSA (NFSA) through the Supervisory Review and Evaluation Process (SREP). The feedback includes the assessment from the NFSA of the company's Pillar 2 requirement and capital target.

According to the NFSA, the total capital needs of SpareBank 1 Østlandet under Pillar 2 is equivalent to 2.0 per cent of risk weighted assets under Pillar 1. The Pillar 2 requirement must be met with common equity tier 1 (CET 1) capital. In comparison, the current Pillar 2 requirement of SpareBank 1 Østlandet is 1.8 per cent.

In addition, the NFSA expects SpareBank 1 Østlandet to hold a margin of CET 1 capital above combined requirements for CET 1 capital, Tier 1 capital, and total capital of at least 1.0 per cent of risk-weighted assets (Pillar 2 guidance).

SpareBank 1 Østlandet will consider the NFSA's assessment and provide feedback before the deadline of 11 February 2022. Then, the NFSA will decide on the Pillar 2 requirement for SpareBank 1

Østlandet, with expected effect from 31 March 2022.

Interest rate changes

In the third quarter of 2021, SpareBank 1 Østlandet decided to increase the lending and deposit rates for retail and corporate customers by up to 0.25 percentage points. The interest rate changes came into effect on 1 October 2021 for new loans, while the rates for existing loans and deposits were changed from 20 October 2021 for corporate customers and from 17 November 2021 for retail customers.

Savings program for employees

The board of SpareBank 1 Østlandet decided to continue the savings program for employees in the group for 2022. The board has expressed an objective and a wish that an ongoing savings programs in equity certificates should be part of the bank's incentive system.

A total of 498 of the group's employees signed up for the savings program for 2022 for a total savings amount of NOK 10.4 million.

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, 5.40 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, 26.67 per cent of SpareBank 1 Kundepleie AS, 9.99 per cent of BN Bank ASA, 25.00 per cent of SpareBank 1 Bank og Regnskap AS, 18.20 per cent of SpareBank 1 Betaling AS, and 14.68 per cent of SpareBank 1 Gjeldsinformasjon AS. The Bank also owns 23.15 per cent of SpareBank 1 Boligkreditt AS and 10.18 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 fourth quarter of 2021

Consolidated profit

The SpareBank 1 Østlandet Group's profit after tax for the fourth quarter of 2021 amounted to NOK 505 (466) million, compared with NOK 561 million in the third quarter of 2021. The return on equity was 11.1 (11.3) per cent, compared with 12.6 per cent in the third quarter of 2021.

The NOK 39 million improvement in profit compared with the same period last year was largely attributable to a reduction in income tax expenses. Of the total provision for customer dividends of NOK 231 million, NOK 227 million was paid out in the fourth quarter, which resulted in a tax deduction of NOK 57 million. In 2020, it was paid out in the second quarter and that is when the effect of the corresponding tax deduction was seen on the profit. Increases in both net interest income and net commissions and other operating income also improved the profit, although lower net income from financial assets and liabilities and an increase in operating expenses and losses pulled in the opposite direction.

| Specification of the consolidated profit after tax, NOK millions: | 4Q 21 | 3Q 21 | 4Q 20 |
|---|------------|------------|------------|
| Parent Bank's profit after tax | 343 | 441 | 377 |
| Dividends received from subsidiaries/associated companies | 0 | 0 | 0 |
| Share of profit from: | | | |
| SpareBank 1 Gruppen AS - consolidated figures | 110 | 53 | 55 |
| SpareBank 1 Boligkreditt AS | -1 | 11 | -4 |
| SpareBank 1 Næringskreditt AS | 3 | -1 | 2 |
| EiendomsMegler 1 Innlandet AS | -2 | 1 | -7 |
| EiendomsMegler 1 Oslo Akershus AS - consolidated figures | 1 | 2 | 1 |
| SpareBank 1 Finans Østlandet AS - consolidated figures | 41 | 47 | 31 |
| SpareBank 1 Østlandet VIT AS - consolidated figures | -4 | 0 | -2 |
| SpareBank 1 Kreditt AS | 2 | 10 | 1 |
| SpareBank 1 Betaling AS | -7 | 0 | 1 |
| SpareBank 1 Forvaltning AS - consolidated figures | 3 | 1 | 0 |
| BN Bank ASA | 12 | 12 | 10 |
| Youngstorgest 5 AS | 2 | 1 | 1 |
| Other associated companies/joint ventures | 2 | -16 | 0 |
| Consolidated profit after tax | 505 | 561 | 466 |

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 as other group items for the third quarter of 2021 in the above performance specification.

Net interest income

Net interest income amounted to NOK 573 (549) million, compared with NOK 552 million in the third quarter of 2021. Net interest income ought to be viewed in conjunction with commission income from mortgages transferred to the part-owned covered bond companies totalling NOK 108 (131) million, compared with NOK 129 million in the third quarter of 2021. The combined net interest income and commission income from the covered bond

companies totalled NOK 681 (680) million, compared with NOK 681 million in the third quarter of 2021.

The marginal 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, while reduced commission rates as a result of increased financing costs in the covered bond companies and a weakening of the overall interest spread pulled in the opposite direction.

Net interest income as a percentage of average total assets was 1.47 (1.48) per cent, compared with 1.41 per cent in the third quarter of 2021.

Net commissions and other operating income

Net commissions and other operating income amounted to NOK 414 (406) million, compared with NOK 414 million in the third quarter of 2021.

| Figures in NOK millions | 4Q 21 | 3Q 21 | 4Q 20 |
|--|------------|------------|------------|
| Net money transfer fees | 57 | 45 | 39 |
| Commissions from insurance and savings | 75 | 69 | 64 |
| Commissions from covered bonds companies | 108 | 129 | 131 |
| Commission from credit cards | 17 | 14 | 14 |
| Real estate brokerage commissions | 76 | 83 | 77 |
| Accounting services | 43 | 40 | 44 |
| Other operating income | 40 | 35 | 38 |
| Net commissions and other (non interest) operating income | 414 | 414 | 406 |

The improvement in net commissions and other operating income from the same period last year was due to increased commission income from money transfer services, credit cards, funds and insurance, as well as an increase in other income. This was offset to some extent by reduced commission income from the covered bond companies, as well as a slight decrease in income from real estate brokerage and accounting services.

Net profit from financial assets and liabilities

Net income from financial assets and liabilities amounted to NOK 113 (146) million, compared with NOK 198 million in the third quarter of 2021.

| Figures in NOK millions | 4Q 21 | 3Q 21 | 4Q 20 |
|---|------------|------------|------------|
| Dividends from shares and other equity instruments | 0 | 0 | 29 |
| Net income from associates and joint ventures | 126 | 109 | 63 |
| Net profit from other financial assets and liabilities | -14 | 88 | 55 |
| Net profit from financial assets and liabilities | 113 | 198 | 146 |

Net income from associates and joint ventures amounted to NOK 126 (63) million, compared with NOK 109 million in the third 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 as other group items in net

income from associates and joint ventures in the third quarter of 2021.

| Contribution from Associated companies and joint ventures | 4Q 21 | 3Q 21 | 4Q 20 |
|---|------------|------------|-----------|
| SpareBank 1 Gruppen AS | 110 | 53 | 55 |
| SpareBank 1 Boligkreditt AS | -1 | 11 | -4 |
| SpareBank 1 Næringskreditt AS | 3 | -1 | 2 |
| SpareBank 1 Kreditt AS | 2 | 10 | 1 |
| SpareBank 1 Betaling AS | -7 | 0 | 1 |
| SpareBank 1 Forvaltning AS - consolidated figures | 3 | 1 | 0 |
| BN Bank ASA | 12 | 12 | 10 |
| Other associated companies/joint ventures | 5 | 24 | -1 |
| Net income from associates and joint ventures | 126 | 109 | 63 |

Operating expenses

Total operating expenses amounted to NOK 531 (504) million, compared with NOK 473 million in the third quarter of 2021.

| Specifications of the expenses in the period, NOK millions | 4Q 21 | 3Q 21 | 4Q 20 |
|--|------------|------------|------------|
| Personnel expenses excl. restructuring expenses | 281 | 279 | 286 |
| Depreciation/amortisation | 30 | 31 | 33 |
| ICT expenses | 86 | 77 | 73 |
| Marketing expenses | 27 | 16 | 26 |
| Operating expenses from real estate | 20 | 13 | 14 |
| Other expenses | 87 | 58 | 72 |
| Total operating expenses excl. restructuring expenses | 531 | 473 | 504 |
| Restructuring expenses | 0 | 0 | 0 |
| Total operating expenses | 531 | 473 | 504 |

The NOK 27 million rise in operating expenses compared with the same period last year was due to increases in ICT costs, operating expenses for real estate property and other operating expenses, while these were offset to some extent by reductions in depreciation charges and personnel costs. The increase in other operating expenses was largely attributable to costs linked to the transition to a new CRM system for the Group.

As at 31 December 2021, the Group had 1,137 (1,149) FTEs. The net reduction in headcount of 12 FTEs was due to an increase of 3 FTE in subsidiaries and a decrease of 15 FTEs in the parent bank.

Impairment losses on loans and guarantees

Impairment losses on loans and guarantees amounted to NOK 28 (1) million, compared with a net reversal of NOK 16 million in the third quarter of 2021.

| Isolated loss effects, NOK millions | 4Q 21 | 3Q 21 | 4Q 20 |
|---|-----------|------------|-----------|
| Change ECL due to period growth and migration | 33 | 13 | 12 |
| Change ECL due to adjusted key assumptions (PD / LGD) | -9 | -26 | -1 |
| Change ECL due to changed scenario weighting | 0 | 0 | 0 |
| Change in model-based loss provisions | 24 | -14 | 11 |
| Post model adjustments | 0 | -5 | -15 |
| Change individual loss provisions | -4 | -14 | -90 |
| Net write-offs | 8 | 17 | 96 |
| Total losses | 28 | -16 | 1 |

The model-generated provisions for credit losses (Stage 1 and Stage 2) increased by NOK 24 (11) million, compared with a decrease of NOK 14 million in the third quarter of 2021. The increase in model-generated provisions for credit losses was mainly due to the period's growth and migration, while

changes in expected credit losses (ECL) due to adjusted key assumptions pulled in the opposite direction. Provisions for post model adjustments (PMAs) were unchanged (decreased by NOK 15 million,) while they were reduced by NOK 5 million in the third quarter of 2021. The individual provisions for credit losses (Stage 3) were reduced by NOK 4 (decreased by 90) million, compared with a reduction of NOK 14 million in the third quarter of 2021. The net realised credit loss in the period was NOK 8 (96) million, compared with NOK 17 million in the third 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 (75) per cent of the SpareBank 1 Østlandet Group's total lending, inclusive of mortgages transferred to the covered bond companies, was to retail customers, mainly consisting of housing mortgages. The corporate portfolio's exposure to cyclical industries is low.

Credit risk

As at 31 December 2021, the Group's capitalised provisions for credit losses amounted to NOK 504 (548) million, compared with NOK 485 million as at 30 September 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.

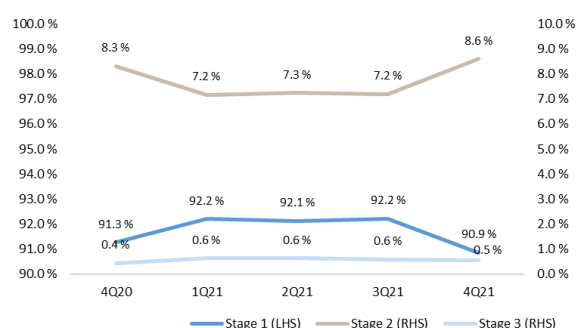
Stage 3 is used for lending that has a substantially higher credit risk than it did upon being granted and where there is, on the balance sheet date, deemed to exist a default that entails reduced future cash flows to service the commitment. Provisions are made for expected losses over their lifetime.

As at 31 December 2021, gross loans and liabilities defined as Stage 3 amounted to NOK 660 (488)

million, compared with NOK 703 million as at 30 September 2021. This corresponded to 0.54 (0.43) per cent of gross loans as at 31 December 2021, compared with 0.59 per cent of gross loans as at 30 September 2021.

Of the gross loans and liabilities defined as Stage 3, NOK 107 (131) million was allocated as provisions for credit losses as at 31 December 2021, compared with NOK 111 million in provisions as at 30 September 2021. This gives a provisioning ratio of 16.2 (26.7) per cent as at 31 December 2021, compared with a provisioning ratio of 15.9 per cent as at 30 September 2021.

Gross exposure in the different stages was as follows:

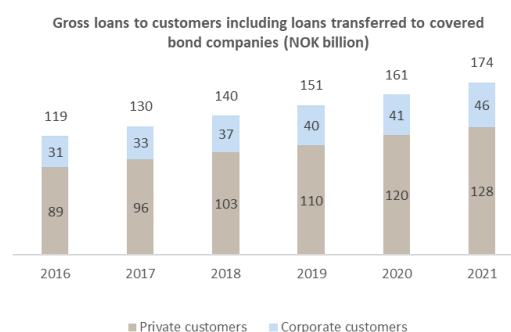


For further information about provisions for credit losses, see Note 5 'Loans to and receivables from customers' and Note 6 'Provisions for credit losses'.

Credit risk measured using the Bank's internal credit models has been stable for the corporate market throughout the fourth quarter of 2021, while it has been reduced for the retail market. The individual provisions for credit losses for retail lending and corporate lending have been stable. At the end of the fourth 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 31 December 2021, gross loans to customers, inclusive of mortgages transferred to the covered bond companies, totalled NOK 173.7 (161.3) billion, compared with NOK 170.4 billion as at 30 September 2021. As at 31 December 2021, mortgages totalling NOK 51.6 (46.9) billion had been transferred to SpareBank 1 Boligkreditt AS and mortgages totalling NOK 0.9 (1.0) 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 12.4 (10.6) billion, equivalent to 7.7 (7.0) per cent. The growth was distributed as follows: NOK 7.9 (10.0) billion, or 6.6 (9.1) per cent, in the retail market and NOK 4.5 (0.5) billion, or 11.1 (1.3) per cent, in the corporate market.

Deposits from customers

As at 31 December 2021, deposits from customers totalled NOK 92.2 (85.6) billion, compared with NOK 91.3 billion as at 30 September 2021. Deposit growth in the past 12 months was NOK 6.6 (7.1) billion, equivalent to 7.7 (9.1) per cent. The growth was distributed as follows: NOK 2.6 (4.8) billion, or 5.3 (11.0) per cent, in the retail market and NOK 4.0 (2.3) billion, or 10.8 (6.7) per cent, in the corporate market.

The Group's deposit coverage ratio was 76.0 (75.5) per cent. The Group's deposit coverage ratio, inclusive of mortgages transferred to the covered bond companies, was 53.1 (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 41.7 (39.8) billion, 45.7 (47.7) per cent of which was Euro-denominated. The average term to maturity for the Group's long-term funding was 3.9 (4.0) years, while the average term to maturity for all funding was 3.5 (3.4) years.

As at 31 December 2021, the liquidity coverage ratio (LCR) was 131.6 (140.6) per cent, whereas the average last year was 141.6 (143.4) per cent. The Group enjoyed strong liquidity prior to the coronavirus outbreak in Norway and this has remained strong during the corona pandemic. The Board's assessment is that the Group's liquidity situation is satisfactory.

Equity capital certificates

As at 31 December 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 106.31 (98.76). Earnings per equity capital certificate were NOK 2.98 (2.78) for the fourth quarter of 2021, compared with NOK 3.34 for the third quarter of 2021.

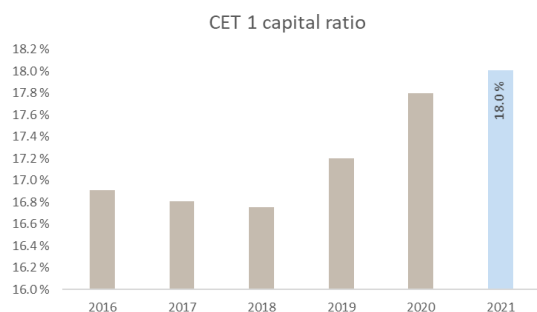
As at 31 December 2021, the market price for the Bank's equity capital certificate (ticker 'SPOL') was NOK 145.60 (97.80), compared with NOK 129.60 as at 30 September 2021.

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 were 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. 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, which was paid out on 9 November 2021.

Solidity and capital adequacy

The Group's equity totalled NOK 18.7 (17.1) billion as at 31 December 2021 and represented 12.0 (11.7) per cent of total capital. The leverage ratio was 7.3 (7.2) per cent.



The Group's Common Equity Tier 1 ratio was 18.0 (17.8) per cent as at 31 December 2021. The Tier 1 capital and Tier 2 capital ratios were 19.4 (18.8) per cent and 21.1 (20.8) per cent, respectively.

The Bank has permission to use internal methods (IRB) for determining the requirements for the majority of its loan portfolio. Therefore, the Bank sets its own risk weights and regulatory expected losses for these exposures.

Besides the ordinary subsidiaries consolidated into the Bank's accounting group, the following companies are also proportionately consolidated into the Group's capital adequacy:

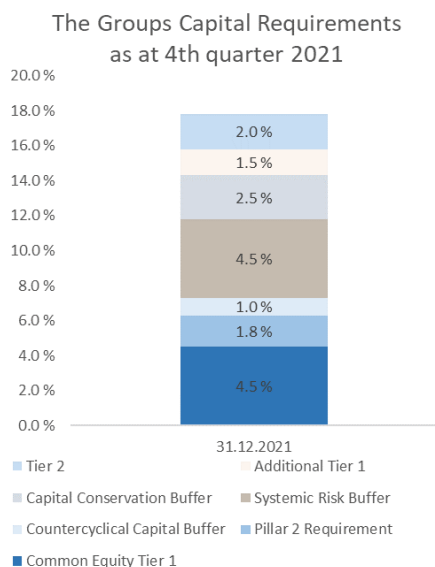
- SpareBank 1 Boligkreditt AS
- SpareBank 1 Næringskreditt AS
- SpareBank 1 Kreditt AS
- BN Bank ASA

The current requirement for Common Equity Tier 1 capital consists of a minimum requirement of 4.5 per cent, as well as a buffer requirement totalling 8.0 per cent for the parent bank and 7.9 per cent for the Group. In the total buffer requirement, the institution-specific buffer requirements, the countercyclical buffer and the systemic risk buffer, were calculated to be 1.0 per cent and 4.5 per cent, respectively, for the Group.

SpareBank 1 Østlandet was also subject to a Pillar 2 requirement of 1.8 per cent at a consolidated level as at 31 December 2021. The total capital requirements for Common Equity Tier 1 capital were, therefore, 12.5 per cent for the parent bank and 14.3 per cent for the Group. In addition to this, a further 1.5 per cent is covered by additional Tier 1 capital and 2.0 per cent is covered by Tier 2 capital.

Sparebank 1 Østlandet has received the NFSAs evaluation of the Bank's Pillar 2 requirement. The NFSAs has assessed it to be 2.0 per cent. The Bank will provide the Financial Supervisory Authority of Norway with feedback on the requirement by the deadline of 11 February before a final requirement becomes effective on 31 March 2022.

On 17 June 2021, the Ministry of Finance decided to increase the countercyclical buffer by 0.5 percentage points to 1.5 per cent from 30 June 2022. On 15 December 2021, Norges Bank decided to increase the countercyclical buffer by a further 0.5 percentage points to 2.0 per cent with effect from 31 December 2022. At the same time, Norges Bank indicated that a further increase to 2.5 per cent is expected to be announced during the first half of 2022.



On 17 January, a special Regulation for calculating institution-specific capital buffers, including systemic risk buffers and countercyclical buffers, came into force with immediate effect. The Regulation has no significant effect on the Bank's overall capital requirement.

On 26 March 2021, the Ministry of Finance announced that the EU's banking package would not come into force in Norway in June 2021. 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 Financial Supervisory Authority of Norway announced 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 an upcoming package of regulatory changes. The package includes changes from the revised Basel III framework, as well as changed rules for supervisory authorities' follow-up of banks and rules linked to the banks' management and control of ESG risk. The European Commission is planning for an introduction date of 1 January 2025.

The Board of Directors considers the Bank's financial situation to be solid and that it is well-equipped for future regulatory changes.

Ratings

Moody's Investors Service (Moody's) has rated SpareBank 1 Østlandet's deposits and senior preferred debt Aa3 with stable outlooks. Furthermore, the Bank's baseline credit assessment (BCA) and adjusted BCA are rated at a3 and the Bank's senior non-preferred debt is rated at A3 with a stable outlook. SpareBank 1 Østlandet is, therefore, one of the three savings banks with the highest credit rating from Moody's in Norway.

SpareBank 1 Østlandet has an ESG Risk Rating from Sustainalytics of 12.3 (Low Risk). The Bank's work on the area of the climate is rated A- by the Carbon Disclosure Project (CDP) and it is thus one of the best rated banks within sustainability in Norway.

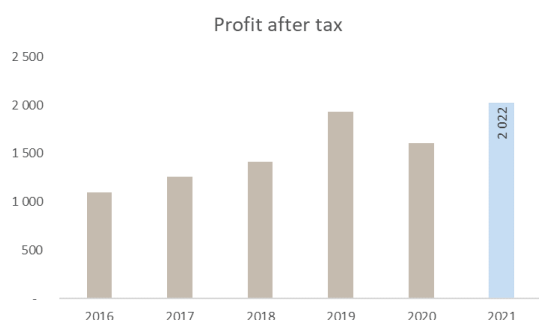
Consolidated financial statements for 2021

Consolidated profit

The consolidated profit after tax for 2021 was NOK 2,022 (1,608) million and the return on equity 11.6 (10.1) per cent.

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 as other group items for 2021 in the performance specification.

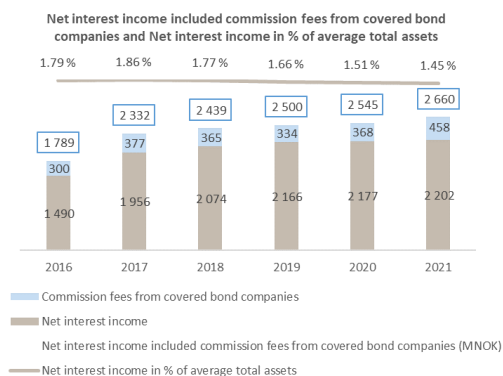
| Specification of the consolidated profit after tax, NOK millions: | 2021 | 2020 |
|---|--------------|--------------|
| Parent Bank's profit after tax | 1 876 | 1 342 |
| Dividends received from subsidiaries/associated companies | -420 | -287 |
| Share of profit from: | | |
| SpareBank 1 Gruppen AS - consolidated figures | 299 | 340 |
| SpareBank 1 Boligkreditt AS | 17 | 19 |
| SpareBank 1 Næringskreditt AS | 5 | 8 |
| EiendomsMegler 1 Innlandet AS | 3 | 10 |
| EiendomsMegler 1 Oslo Akershus AS - consolidated figures | 15 | 12 |
| SpareBank 1 Finans Østlandet AS - consolidated figures | 183 | 126 |
| SpareBank 1 Østlandet VIT AS - consolidated figures | -2 | 0 |
| SpareBank 1 Kreditt AS | 13 | 3 |
| SpareBank 1 Betaling AS | -13 | -2 |
| SpareBank 1 Forvaltning AS - consolidated figures | 9 | 0 |
| BN Bank ASA | 47 | 34 |
| Youngstorget 5 AS | 5 | 4 |
| Other associated companies/joint ventures | -14 | 0 |
| Consolidated profit after tax | 2 022 | 1 608 |



Net interest income

Net interest income amounted to NOK 2,202 (2,177) million. Net interest income ought to be viewed in conjunction with commission income from mortgages transferred to the part-owned covered bond companies totalling NOK 458 (368) million. The combined net interest income and commission income from the covered bond companies totalled NOK 2,660 (2,545) 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 and deposit volumes.

Net interest income as a percentage of average total assets was 1.45 (1.51) per cent.



Net commissions and other operating income

Net commissions and other operating income amounted to NOK 1,622 (1,441) million.

| Figures in NOK millions | 2021 | 2020 |
|--|--------------|--------------|
| Net money transfer fees | 158 | 118 |
| Commissions from insurance and savings | 273 | 233 |
| Commissions from covered bonds companies | 458 | 368 |
| Commission from credit cards | 57 | 58 |
| Real estate brokerage commissions | 344 | 334 |
| Accounting services | 182 | 183 |
| Other operating income | 150 | 148 |
| Net commissions and other (non interest) operating income | 1 622 | 1 441 |

In addition to solid increases in commissions from the covered bond companies, the growth in net

commissions and other operating income was due to a sharp increase in insurance and fund 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 and accounting services fell slightly.

For more detailed information about the various profit centres in the Group, see Note 3 'Segment information'.

Net profit from financial assets and liabilities

Net income from financial assets and liabilities was NOK 599 (545) million.

| Figures in NOK millions | 2021 | 2020 |
|---|------------|------------|
| Dividends from shares and other equity instruments | 21 | 41 |
| Net income from associates and joint ventures | 405 | 394 |
| Net profit from other financial assets and liabilities | 174 | 109 |
| Net profit from financial assets and liabilities | 599 | 545 |

Dividends of NOK 21 (41) 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.

Net income from associates and joint ventures amounted to NOK 405 (394) million.

| Contribution from associated companies and joint ventures in NOK millions | 2021 | 2020 |
|---|------------|------------|
| SpareBank 1 Gruppen AS- consolidated figures | 299 | 340 |
| SpareBank 1 Boligkreditt AS | 17 | 19 |
| SpareBank 1 Næringskreditt AS | 5 | 8 |
| SpareBank 1 Kreditt AS | 13 | 3 |
| SpareBank 1 Betaling AS | -13 | -2 |
| SpareBank 1 Forvaltning AS - consolidated figures | 9 | 0 |
| BN Bank ASA | 47 | 34 |
| Other associated companies/joint ventures | 29 | -7 |
| Net income from associates and joint ventures | 405 | 394 |

The increase of NOK 11 million from last year was mainly attributable to an increase in profit contributions from SpareBank 1 Kreditt, SpareBank 1 Forvaltning and BN Bank, while lower contributions from SpareBank 1 Gruppen and SpareBank 1 Betaling had the opposite effect.

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. This explains why the profit contribution from SpareBank 1 Gruppen was NOK 41 million lower than last year despite SpareBank 1 Gruppen delivering a record result for 2021.

The NOK 24 million gain in the Group in connection with the rebalancing of stakes in SpareBank 1 Forvaltning AS is included as other group items in net

income from associates and joint ventures as at 31 December 2021.

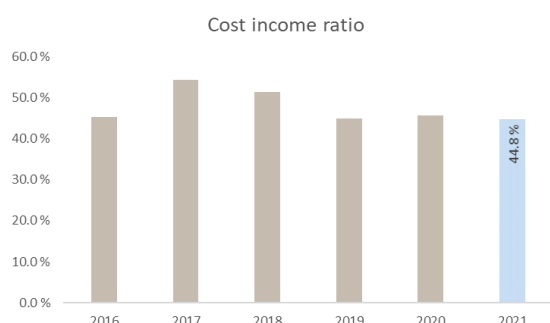
Net income from other financial assets and liabilities was NOK 174 (109) million. For more detailed information please see Note 7 'Net income from financial assets and liabilities.

Operating expenses

Total operating expenses were NOK 1,980 (1,902) million and amounted to 44.8 (45.7) per cent of net income.

| Specifications of the expenses in the period, NOK millions | 2021 | 2020 | Change |
|--|--------------|--------------|--------------|
| Personnel expenses excl. restructuring expenses | 1 127 | 1 083 | 4.0 % |
| Depreciation/amortisation | 122 | 132 | -7.1 % |
| ICT expenses | 318 | 303 | 5.1 % |
| Marketing expenses | 86 | 77 | 11.3 % |
| Operating expenses from real estate | 63 | 55 | 15.0 % |
| Other expenses | 264 | 252 | 4.9 % |
| Total operating expenses excl. restructuring expenses | 1 980 | 1 902 | 4.2 % |
| Restructuring expenses | 0 | 1 | |
| Total operating expenses | 1 980 | 1 902 | 4.1 % |

The NOK 78 million increase in operating expenses compared with last year was mainly due to higher personnel costs. The number of FTEs employed as at 31 December 2021 was 1,137 (1,149). ICT, marketing activities, real estate property operation and other operating expenses also pushed up costs, while reductions in depreciation charges pulled in the opposite direction.



Impairment losses on loans and guarantees

In 2021, the Group saw Impairment losses on loans and guarantees of NOK 5 (330) million.

The losses consist 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 | 4 | 47 | 50 | -4 | 46 |
| Change ECL due to adjusted key assumptions (PD / LGD) | -4 | -38 | -41 | 0 | -41 |
| Change ECL due to changed scenario weighting | 0 | 0 | 0 | 0 | 0 |
| Change in model-based loss provisions | 0 | 9 | 9 | -4 | 5 |
| Post model adjustments | 0 | -20 | -20 | -5 | -25 |
| Change individual loss provisions | -8 | -10 | -17 | -6 | -23 |
| Net write-offs | 8 | 17 | 25 | 24 | 48 |
| Total losses | 0 | -4 | -4 | 9 | 5 |

Model-generated provisions for credit losses (Stage 1 and Stage 2) increased by NOK 5 (120) million, primarily due to a change in ECL due to the period's growth and migration, while adjustments to key assumptions pulled in the opposite direction.

Furthermore, the post model adjustments (PMAs) were reduced by NOK 25 (increase of 25) million, while individual provisions for credit losses (Stage 3) were reduced by NOK 23 (increase of 43) million. The model adjustments were completely discontinued at the end of the year and replaced with model-generated provisions. The period's net realised loss was NOK 48 (142) 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'.

Parent bank's annual financial statements for 2021

Parent bank's results

The parent bank's profit after tax for 2021 was NOK 1,876 (1,342) million. The increase from 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 reduced loss costs. Increased operating expenses and higher tax expenses pulled in the opposite direction.

Charges for impairment losses on loans and guarantees were reduced by NOK 249 million from a net charge of NOK 245 million for 2020 to net reversals of NOK 4 million for 2021.

Operating expenses

Total operating expenses in the parent bank amounted to NOK 1,398 (1,341) million for 2021 and represented 38.6 (41.9) per cent of total income.

The NOK 57 million increase in operating expenses compared with last year was mainly due to higher personnel costs. The average number of FTEs has increased by 9 since last year. As at 31 December 2021, the parent bank had 687 (702) FTEs.

Costs for ICT, marketing activities, real estate property operations and other operating expenses also increased compared with last year, while charges for the depreciation of fixed assets were reduced.

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

| Specifications of the expenses in the period, NOK millions | 2021 | 2020 | Change |
|--|--------------|--------------|--------------|
| Personnel expenses excl. restructuring expenses | 706 | 677 | 4.2 % |
| Depreciation/amortisation | 94 | 104 | -9.7 % |
| ICT expenses | 287 | 273 | 5.2 % |
| Marketing expenses | 71 | 63 | 12.6 % |
| Operating expenses from real estate | 51 | 45 | 12.2 % |
| Other expenses | 190 | 177 | 6.9 % |
| Total operating expenses excl. restructuring expenses | 1 398 | 1 340 | 4.3 % |
| Restructuring expenses | 0 | 1 | |
| Total operating expenses | 1 398 | 1 341 | 4.3 % |

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

The parent bank's operating expenses for 2021 before restructuring expenses amounted to NOK 1,398 (1,340) million, which represents an increase of 4.3 per cent.

Higher costs than foreseen in connection with the transition to a new CRM system for the bank, together with growth beyond the target level on other cost items, contributed to the increase in operating costs being higher than the target level.

Impairment losses on loans and guarantees

In 2021, the parent bank reported a net reversal of charges due to impairment losses on loans and guarantees of NOK 4 (net charge of 245) million.

Model-generated provisions for credit losses (Stage 1 and Stage 2) increased by NOK 9 (91) million due to a change in ECL due to the period's growth and migration increasing by NOK 50 (11) million and that the adjusted key assumptions reduced ECL by NOK 41 (increased by 39) million.

Furthermore, the post model adjustments (PMAs) were reduced by NOK 20 (increased by 20) million, changes in individual provisions for credit losses were reduced by NOK 17 (increased by 30) million

and the period's net realised losses were NOK 25 (104) 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 totalled NOK 17.3 (15.9) billion as at 31 December 2021 and represented 11.3 (11.0) per cent of total capital. The leverage ratio was 9.9 (10.0) per cent.

The parent bank's Common Equity Tier 1 ratio was 22.6 (22.1) per cent as at 31 December 2021. The Tier 1 capital and Tier 2 capital ratios were 24.1 (23.1) per cent and 25.9 (25.1) per cent, respectively.

Underlying banking operations

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

| Underlying banking operations, NOK millions | 2021 | 2020 | Change |
|---|--------------|--------------|--------------|
| Net interest income | 1 923 | 1 887 | 1.9 % |
| Net commission and other operating income | 1 042 | 882 | 18.1 % |
| Total operating costs | -1 398 | -1 341 | 4.3 % |
| Adjustments: Restructuring costs | 0 | 1 | |
| Operating profit underlying banking operations | 1 566 | 1 429 | 9.6 % |

The operating profit from underlying banking operations amounted to NOK 1,566 (1,429) million for 2021. Underlying banking operations increased by NOK 137 million compared with last year, or 9.6 per cent. The improvement in profit was due to a combination of 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 31 December 2021, SpareBank 1 Østlandet had granted interest-only periods for 6,230 mortgages representing total lending of NOK 9.9 billion to retail customers. The number of applications for interest-only periods remained stable throughout 2021.

Similarly, corporate customers had been granted interest-only periods for 140 loans representing total lending of around NOK 1.1 billion as at 31 December 2021. A further 19 government guaranteed liquidity loans had been granted to corporate customers, representing total lending of NOK 25.4 million. No contingency loans were granted during the period.

Subsidiaries

SpareBank 1 Finans Østlandet AS – consolidated figures

The financing company SpareBank 1 Finans Østlandet AS (95 per cent stake) posted a consolidated profit after tax of NOK 183 (126) million for 2021. Net interest income was NOK 287 (297) million, net commissions and other operating income NOK 67 (55) million and total operating expenses NOK 103 (99) million, while impairment losses amounted to NOK 9 (84) million.

The improvement in the profit compared with last year is mainly attributable to lower losses and a net gain of NOK 19 million in connection with the sale of shares in SpareBank 1 Mobilitet AS to Fleks AS and the subsequent sale of shares in SpareBank 1 Mobilitet Holding AS to SpareBank 1 SR-Bank ASA. This was offset to some extent by a negative profit contribution of NOK 17 million from the associated company SpareBank 1 Mobilitet Holding AS, in which SpareBank 1 Finans Østlandet AS owns a stake of 30.66 per cent and which was consolidated into the accounts of SpareBank 1 Finans Østlandet AS with effect from 30 June 2021. The negative profit contribution from SpareBank 1 Mobilitet Holding AS of NOK 17 million consisted of SpareBank 1 Finans Østlandet AS's NOK -6 million share of the result after tax in the company, as well as the charge of SpareBank 1 Finans Østlandet AS's NOK -11 million share of the write-down of goodwill, which was posted directly against equity in SpareBank 1 Mobilitet Holding AS.

In 2021, SpareBank 1 Finans Østlandet AS entered Fleks AS on its ownership side with an indirect stake of 14.46 per cent, which is owned through its stake in SpareBank 1 Mobilitet Holding AS. Together with SpareBank 1 Finans Midt Norge AS, SpareBank 1 Nord-Norge and SpareBank 1 SR-Bank ASA, SpareBank 1 Mobilitet Holding AS owns a stake of 47.17 per cent in Fleks AS.

In 2021, SpareBank 1 Finans Østlandet AS granted corporate customers interest-only periods for 615 loans and leases, representing total lending of around NOK 491 million. Furthermore, in 2021, retail customers were granted interest-only periods for approximately 728 loans, representing total lending of approximately NOK 197 million.

As at 31 December 2021, gross loans to customers amounted to NOK 9.5 (9.1) billion and lending growth in the past 12 months was 4.3 (3.4) per cent.

EiendomsMegler 1 Innlandet AS

EiendomsMegler 1 Innlandet AS posted earnings for 2021 of NOK 130 (133) million and achieved a profit after tax of NOK 3 (10) million.

The company experienced significant capacity challenges due to having too few brokers in key market areas, which resulted in falling market shares in the existing housing market. The capacity challenges were caused by both greater churn and unusually high absences in connection with taking leave. Parts of the total turnover were compensated for by the sale of new homes doubling in terms of units since last year. As at 31 December 2021, the company had a market share in its market area of 26.4 (29.8) per cent of sales of existing homes and holiday properties.

Activity in the housing market was generally solid throughout 2021, and volume picked up again after a larger fall in activity in the third quarter. The total volume of sales in the company's market area was 3,973 units by the end of 2021. This represents a fall of 7 per cent compared with last year. The average time to sell was 52 days in 2021 compared with 59 days in 2020.

EiendomsMegler 1 Oslo Akershus AS – consolidated figures

The EiendomsMegler 1 Oslo Akershus Group posted earnings for 2021 of NOK 219 (207) million and a profit after tax of NOK 15 (12) million.

The company had a market share in its market area of 9.0 (8.8) per cent of sales of existing homes in 2021. The company's market shares developed very strongly in parallel with the strong growth in market volume. Volumes in the company's market area were consistently high throughout the year and a record number of units were sold in the company's market area in 2021.

SpareBank 1 Østlandet VIT AS – consolidated figures

The SpareBank 1 Østlandet VIT Group posted earnings for 2021 of NOK 191 (186) million and a loss after tax of NOK -2 (0) million.

The company has incurred significant restructuring expenses. The restructuring has dragged on as a result of shutdowns and mandatory working from home, and this has impacted the company's profitability.

Associated companies and joint ventures

SpareBank 1 Gruppen AS

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

SpareBank 1 Gruppen posted a record consolidated profit before tax of NOK 4,152 (1,817) million for 2021. The consolidated profit after tax for 2021 was NOK 3,249 (1,393) million. The controlling interest's share of the consolidated profit after tax amounted to NOK 2,414 (988) million and SpareBank 1 Østlandet's share of this amounted to NOK 299 (123) million.

The improvement in profit from last year was mainly due to the coronavirus pandemic resulting in significant insurance provisions, payouts on travel insurance and a poorer financial return in 2020.

Fremtind Forsikring AS posted a consolidated profit before tax of NOK 3,085 (1,506) million, while SpareBank 1 Forsikring AS posted a profit before tax of NOK 894 (298) million. SpareBank 1 Factoring AS posted a consolidated profit before tax of NOK 72 (71) million, while Modhi Finance AS posted a consolidated profit before tax of NOK 180 (20) million.

SpareBank 1 Spleis AS posted a loss before tax of NOK -15 (-16) million. SpareBank 1 Spleis AS's operating income has increased due to an increase in volume. In 2021, the company saw 14,653 new active fundraising initiatives, and NOK 243 (232) million was 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 340 million for 2020, in spite of SpareBank 1 Østlandet's share of SpareBank 1 Gruppen's consolidated result amounting to NOK 123 million.

SpareBank 1 Forvaltning AS

SpareBank 1 Forvaltning AS (5.40 per cent stake) was established by the SpareBank 1 Alliance banks to manage the ownership of ODIN Forvaltning AS.

SpareBank 1 Forvaltning AS posted a consolidated profit after tax of NOK 162 million for 2021. The profit contribution from the consolidated accounts of SpareBank 1 Forvaltning AS, which is included in the consolidated accounts of SpareBank 1 Østlandet, amounted to NOK 9 million for 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 (23.15 per cent stake) was established by the banks in the SpareBank 1 Alliance to utilise the market for covered bonds. The banks sell prime housing mortgages to the company and thereby achieve lower funding expenses.

The company posted a profit after tax of NOK 107 (139) million for 2021. The decrease in profit 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 for 2021 amounted to NOK 17 (19) million.

SpareBank 1 Næringskreditt AS

SpareBank 1 Næringskreditt AS (10.18 per cent stake) was established according to the same model, and with the same management, as SpareBank 1 Boligkreditt AS.

The company posted a profit after tax of NOK 44 (59) million for 2021. The decrease in profit was due to a combination of reduced net interest income, higher commission expenses for the owner banks and a higher negative contribution from financial instruments, while reduced operating expenses and reversals of provisions for credit losses had the opposite effect.

The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements for 2021 amounted to NOK 5 (8) million.

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.

The company posted a profit after tax of NOK 67 (12) million for 2021. The improvement in profit was mainly due to loss costs being NOK 79 million lower in 2021 than last year.

The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements amounted to NOK 13 (3) million for 2021.

SpareBank 1 Betaling AS

SpareBank 1 Betaling AS (18.20 per cent stake) is the SpareBank 1 Alliance's joint undertaking for payment solutions. The company manages the SpareBank 1 Alliance's stake in Vipps AS.

The company posted a loss after tax of NOK 69 (-9) million for 2021. The profit contribution included in SpareBank 1 Østlandet's consolidated financial statements amounted to NOK 13 (-2) million for 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 last year are consolidated figures inclusive of Bolig- og Næringskreditt AS. BN Bank ASA posted a profit after tax for 2021 of NOK 478 (354) million and a return on equity of 10.3 (8.3) per cent.

Net interest income increased by NOK 41 million compared with last year, while other income increased by NOK 24 million. Total operating expenses decreased by NOK 7 million and losses were reduced by NOK 93 million due to the Bank's net reversals of losses of NOK 18 million for 2021, compared with a charge of NOK 75 million in 2020.

The profit contribution from BN Bank ASA, which is included in 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 for 2021 amounted to NOK 47 (34) million.

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

Proposed distribution of profits

The parent bank's accounts provide the basis for the distribution of the profit for the year.

| NOK millions | 2020 | 2019 |
|--|--------------|--------------|
| Profit after tax (Parent Bank) | 1 876 | 1 342 |
| Changes in fund for unrealised gains | -140 | 15 |
| Profit available for distribution | 1 736 | 1 357 |
| Dividend | 695 | 555 |
| Dividend equalisation fund | 516 | 396 |
| Customer dividend/gifts | 301 | 237 |
| Primary capital | 224 | 169 |
| Total distribution profit available | 1 736 | 1 357 |

The profit for the year available for distribution equals the profit after tax in the parent bank of NOK 1,876 (1,342) million corrected for changes in the fund for unrealised gains of NOK -140 (-15) million. The total amount available for distribution is NOK 1,736 (1,357) million.

The profit was split between primary capital and owners' equity capital certificates in proportion to their relative share of the total equity. Of the profit for disposal, 69.8 per cent was allocated to equity capital certificates, while 30.2 per cent was allocated to primary capital.

The Board of Directors is proposing to the Supervisory Board a dividend of NOK 695 (555) million. This results in a payout ratio of 50 (50) per cent of the controlling interest's share of the consolidated profit, which is in line with the Bank's long-term dividend policy. Of this, the cash dividend will be NOK 6.00 (4.79) per equity capital certificate, totalling NOK 695 (555) million. The Board of Directors is also proposing to the Supervisory Board a customer dividend of NOK 295 (231) million and provisions of NOK 6 (6) million for donations. The dividend equalisation fund and primary capital were thus allocated NOK 516 (396) million and NOK 224 (169) million, respectively.

The Board has assessed whether the dividend is prudent given the current situation involving Covid-19 and the pandemic's effects on the regional economy. The board has also assessed the consequences of paying dividend for the Bank's financial strength. Thorough assessments were also carried out regarding a potential deterioration of the situation and the possible consequences for the Bank's earnings and financial strength. It is a fundamental prerequisite that the Bank is able to deliver with respect to the region's need for financing among private individuals and companies within the approved credit policy.

Corporate social responsibility and sustainability

SpareBank 1 Østlandet's commitment to net zero greenhouse gas emissions in 2050 through the UNEP FI Net Zero Banking Alliance (NZBA) resulted in membership of new working groups in the fourth quarter of 2021 tasked with plotting out a concrete path to this target. The Bank has representatives in all three groups: Sector Track, Implementation Track and Outreach & Recruitment Track. These bring the industry together to work on common solutions to common sustainability challenges in order to achieve the goal in 2050.

The Bank's balance sheet developed positively with respect to green assets in the fourth quarter. This growth was seen in all 'use of proceeds' categories. Further information about this is available in the Green Allocation Report Q4 published on the bank's website.

The Bank launched four new green products in December. 'Grønt fastrenteinnskudd 12 måneder' ('green fixed-rate deposits 12 months') and 'Grønt månedsspar' ('green monthly saving') were launched in the retail market. The corporate market also launched a new green product called 'Grønt fastrenteinnskudd 12 måneder', as well as 'Grønn plasseringskonto+' ('green investment account +').

The Bank's commitment to the UNEP FI Principles for Responsible Banking (PRB) includes a commitment to analysing the impact the Bank has on the various sustainability topics through its loan portfolio. The analysis was first conducted in 2020 and updated in the fourth quarter of 2021. Given the figures from

our business areas, and in the context of the country in which we operate, we have made positive contributions in the areas of housing, healthy food production, an inclusive economy and cutting greenhouse gas emissions. The negative impacts are linked to circular economic principles such as resource use in production, energy consumption per inhabitant and waste management, as well as continued high greenhouse gas emissions. This analysis provides the Bank with a better overview of risks and opportunities, which is essential for the Bank's future sustainability work.

The CDP, a non-profit organisation that ranks companies every year based on their climate reporting, has issued its latest rankings. Some 13,000 companies were assessed, with SpareBank 1 Østlandet, along with DNB, Storebrand and Sparebanken Vest, scoring an A-, which is the best grade in the CDP reporting in the Norwegian financial services industry. According to the CDP, this is a grade that defines a leadership role in the industry, where SpareBank 1 Østlandet is helping to develop and implement best practice within climate reporting.

As part of the sustainability reporting work, work was done on developing the Bank's Taxonomy reporting in the fourth quarter. There is also a greater focus on strengthening the reporting on nature risks, where the work takes into account the recommendations of the Taskforce on Nature-Related Financial Disclosures (TNFD).

Outlook

The Covid-19 virus situation deteriorated during the fourth quarter and created renewed uncertainty. The government reintroduced some infection control measures towards the end of the quarter.

The Bank's customers have been affected in different ways by the government's measures during the pandemic. 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 up to and including the third quarter some of the provisions were reversed. Provisions for credit losses increased slightly in the fourth quarter, partly due to the new infection control measures.

However, most customers have coped well with the pandemic, which was also confirmed by the Bank's own business survey at the end of the fourth quarter. According to the same survey, the companies in the market area are planning for increased investment and more hiring going forward.

Good economic growth and increasing pressure in the labour market contributed to Norges Bank raising the policy rate in December, despite the rise

in infections. The central bank expects further rate hikes going forward.

Housing prices in the Bank's market area levelled off during the quarter. At the same time, sales in the housing market were high. Higher borrowing costs and higher prices for electricity and other goods and services may dampen activity in the housing market.

At the same time, a strong labour market is contributing positively to purchasing power. The combination of high inflation and a tight labour market may result in relatively strong wage growth going forward, which could have a negative impact on companies' profitability. The Bank's operations will also be affected by higher cost pressure in society in the coming year. Nevertheless, the Board of Directors emphasises that the economy is improving rapidly, which supports the Bank's development, including through a lower risk of losses and higher overall growth in credit.

The virus situation will probably remain an important economic growth factor going forward. However, both society in general and the Bank in particular have gained experience from the last couple of years, which makes the Board confident that both the region and the Bank are well-equipped for any challenges that may arise.

The Board of Directors of SpareBank 1 Østlandet

Hamar, 10 February 2022

Income statement

| Parent Bank | | | | | Group | | | | |
|-------------|------|-------------|-------|---|-------|-------------|-------|-------|-------|
| 4Q | | 01.01-31.12 | | | | 01.01-31.12 | | 4Q | |
| 2020 | 2021 | 2020 | 2021 | (NOK million) | Notes | 2021 | 2020 | 2021 | 2020 |
| 634 | 689 | 2 875 | 2 561 | Interest income effective interest method | 19 | 2 841 | 3 167 | 756 | 706 |
| 62 | 65 | 268 | 239 | Other interest income | 19 | 239 | 268 | 65 | 62 |
| 219 | 247 | 1 256 | 877 | Interest expense | 19 | 879 | 1 258 | 248 | 219 |
| 476 | 507 | 1 887 | 1 923 | Net interest income | 19 | 2 202 | 2 177 | 573 | 549 |
| 293 | 295 | 947 | 1 108 | Commission income | | 1 527 | 1 359 | 389 | 389 |
| 26 | 25 | 95 | 99 | Commission expenses | | 138 | 144 | 34 | 40 |
| 10 | 9 | 30 | 33 | Other operating income | | 233 | 226 | 59 | 57 |
| 278 | 280 | 882 | 1 042 | Net commissions and other operating income | | 1 622 | 1 441 | 414 | 406 |
| 29 | 0 | 41 | 21 | Dividends from shares and other equity instruments | 7 | 21 | 41 | 0 | 29 |
| -6 | 0 | 282 | 461 | Net income from subsidiaries, associates and joint ventures (Parent Bank) | 7 | | | | |
| | | | | Net income from associates and joint ventures (Group) | 7 | 405 | 394 | 126 | 63 |
| 55 | -14 | 109 | 174 | Net profit from other financial assets and liabilities | 7 | 174 | 109 | -14 | 55 |
| 77 | -14 | 432 | 656 | Net profit from financial assets and liabilities | | 599 | 545 | 113 | 146 |
| 831 | 773 | 3 201 | 3 620 | Total net income | | 4 423 | 4 164 | 1 100 | 1 102 |
| 173 | 175 | 678 | 706 | Personnel expenses | | 1 127 | 1 083 | 280 | 285 |
| 25 | 24 | 104 | 94 | Depreciation | | 122 | 132 | 30 | 33 |
| 152 | 182 | 559 | 598 | Other operating expenses | | 732 | 687 | 220 | 186 |
| 350 | 381 | 1 341 | 1 398 | Total operating expenses | | 1 980 | 1 902 | 531 | 504 |
| 481 | 392 | 1 860 | 2 222 | Operating profit before losses on loans and guarantees | | 2 443 | 2 262 | 569 | 598 |
| -18 | 24 | 245 | -4 | Impairment losses on loans and guarantees | 6 | 5 | 330 | 28 | 1 |
| 499 | 367 | 1 615 | 2 225 | Pre-tax operating profit | | 2 438 | 1 932 | 542 | 597 |
| 122 | 24 | 273 | 349 | Tax expense | | 416 | 323 | 37 | 131 |
| 377 | 344 | 1 342 | 1 876 | Profit after tax | | 2 022 | 1 608 | 505 | 466 |
| | | | | Attributable to additional Tier 1 Capital holders | | 27 | 20 | 9 | 6 |
| | | | | Profit after tax for controlling interest | | 1 985 | 1 583 | 494 | 460 |
| | | | | Profit after tax for non-controlling interest | | 9 | 6 | 2 | 1 |
| | | | | Profit after tax | | 2 022 | 1 608 | 505 | 466 |
| | | | | Earnings/diluted earnings per equity certificate (in NOK) | | 11.96 | 9.57 | 2.98 | 2.77 |
| | | | | Earnings/diluted earnings per average equity certificate (in NOK) | | 11.96 | 9.57 | 2.98 | 2.77 |

Statement of other comprehensive income

| Parent Bank | | | | | Group | | | | |
|-------------|------|-------------|-------|--|-------------|-------|------|------|--|
| 4Q | | 01.01-31.12 | | Notes | 01.01-31.12 | | 4Q | | |
| 2020 | 2021 | 2020 | 2021 | | 2021 | 2020 | 2021 | 2020 | |
| 377 | 344 | 1 342 | 1 876 | (NOK million) | 2 022 | 1 608 | 505 | 466 | |
| | | | | Profit after tax | | | | | |
| -1 | 0 | -6 | 0 | Actuarial gains/losses on pensions | 0 | -6 | 0 | -1 | |
| 0 | 0 | 2 | 0 | Tax effects of actuarial gains/losses on pensions | 0 | 2 | 0 | 0 | |
| 1 | 4 | 10 | 8 | Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk | 8 | 10 | 4 | 1 | |
| 0 | -1 | -3 | -2 | Tax effects related to the above | -2 | -3 | -1 | 0 | |
| | | | | Share of other comprehensive income from associated companies and joint ventures | 3 | 9 | 2 | 3 | |
| 0 | 3 | 3 | 6 | Total items that will not be reclassified through profit or loss | 8 | 12 | 4 | 2 | |
| -1 | -2 | 11 | 1 | Net fair value adjustments on loans at fair value through other comprehensive income | 1 | 11 | -2 | -1 | |
| 0 | 1 | -3 | -0 | Tax effects related to the above | 0 | -3 | 1 | 0 | |
| 3 | 27 | 13 | 9 | Fair value changes on hedge derivatives due to changes in the currency basis spread | 9 | 13 | 27 | 3 | |
| -1 | -7 | -3 | -2 | Tax effects related to the above | -2 | -3 | -7 | -1 | |
| | | | | Share of other comprehensive income from associates and joint ventures | 22 | 13 | 39 | 11 | |
| 2 | 19 | 18 | 7 | Total items that will be reclassified through profit or loss | 29 | 30 | 57 | 12 | |
| 1 | 21 | 21 | 13 | Total profit and loss items recognised in equity | 38 | 43 | 62 | 15 | |
| 379 | 365 | 1 363 | 1 889 | Total profit/loss for the period | 2 060 | 1 651 | 566 | 481 | |
| | | | | Attributable to additional Tier 1 Capital holders | 27 | 20 | 9 | 6 | |
| | | | | Total profit/loss for the period for controlling interest | 2 023 | 1 626 | 556 | 474 | |
| | | | | Total profit/loss for the period for non-controlling interest | 9 | 6 | 2 | 1 | |
| | | | | Total profit/loss for the period | 2 060 | 1 651 | 566 | 481 | |

Balance sheet

| Parent Bank | | | Group | | |
|-----------------------|----------------|--|---------|----------------|----------------|
| 31.12.2020 | 31.12.2021 | NOK million | Notes | 31.12.2021 | 31.12.2020 |
| ASSETS | | | | | |
| 683 | 458 | Cash and deposits with central banks | | 458 | 683 |
| 8 887 | 9 139 | Loans to and receivables from credit institutions | 12 | 1 435 | 1 576 |
| 103 911 | 111 469 | Loans to and receivables from customers | 5,6 | 120 841 | 112 885 |
| 20 999 | 23 825 | Certificates, bonds and fixed-income funds | 10 | 23 825 | 20 999 |
| 2 212 | 814 | Financial derivatives | 8,10,11 | 814 | 2 212 |
| 616 | 761 | Shares and other equity interests | 10 | 761 | 616 |
| 4 510 | 4 638 | Investments in associates and joint ventures | | 5 642 | 5 325 |
| 1 758 | 1 758 | Investments in subsidiaries | | 0 | 0 |
| 96 | 80 | Goodwill and other intangible assets | | 390 | 410 |
| 463 | 435 | Property, plant and equipment | | 603 | 620 |
| 505 | 450 | Other assets | 14 | 691 | 746 |
| 144 641 | 153 829 | Total assets | | 155 459 | 146 074 |
| LIABILITIES | | | | | |
| 5 129 | 3 780 | Deposits from and liabilities to credit institutions | 12 | 3 787 | 5 090 |
| 85 643 | 92 246 | Deposits from and liabilities to customers | 15 | 92 178 | 85 613 |
| 34 952 | 37 232 | Liabilities arising from issuance of securities | 10,16 | 37 232 | 34 952 |
| 697 | 679 | Financial derivatives | 8,10,11 | 679 | 697 |
| 81 | 633 | Current tax liabilities | | 709 | 128 |
| 288 | 7 | Deferred tax liabilities | | 130 | 417 |
| 631 | 620 | Other debt and liabilities recognised in the balance sheet | 17 | 737 | 739 |
| 1 302 | 1 302 | Subordinated loan capital | 10,16 | 1 302 | 1 302 |
| 128 723 | 136 499 | Total liabilities | | 136 753 | 128 939 |
| EQUITY CAPITAL | | | | | |
| 5 791 | 5 791 | Equity capital certificates | 18 | 5 791 | 5 791 |
| 848 | 848 | Premium fund | | 848 | 848 |
| 3 269 | 3 776 | Dividend equalisation fund | | 3 776 | 3 269 |
| 555 | 695 | Allocated to dividends and other equity capital | 18 | 695 | 555 |
| 4 053 | 4 272 | Primary capital | | 4 272 | 4 053 |
| 237 | 301 | Allocated to dividends customer return | 18 | 301 | 237 |
| 29 | 21 | Provision for gifts | | 21 | 29 |
| 166 | 166 | Other paid-up equity | | 166 | 166 |
| 320 | 460 | Fund for unrealised gains | | 460 | 320 |
| 650 | 1 000 | Hybrid capital | | 1 000 | 650 |
| 0 | 0 | Other equity | | 1 260 | 1 104 |
| | | Non-controlling interests | | 116 | 113 |
| 15 918 | 17 330 | Total equity capital | | 18 706 | 17 135 |
| 144 641 | 153 829 | Total equity capital and liabilities | | 155 459 | 146 074 |

The board of SpareBank 1 Østlandet
Hamar, February 10th 2022

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 ¹⁾ | Dividend equalisation funds ²⁾ | Provision for gifts | Fund for unrealised gains | Hybrid-capital | |
| Equity capital as of 01.01.2020 | 5 791 | 848 | 166 | 4 117 | 3 403 | 12 | 334 | 300 | 14 972 |
| Profit after tax | | | | 406 | 951 | | -15 | | 1 342 |
| Other comprehensive income | | | | | | | | | |
| 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 |
| Total profit after tax | | | | 412 | 966 | | -15 | | 1 363 |
| Other transactions | | | | | | | | | |
| 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 |
| Equity capital as of 31.12.2020 | 5 791 | 848 | 166 | 4 289 | 3 824 | 29 | 320 | 650 | 15 918 |
| Equity capital as of 01.01.2021 | 5 791 | 848 | 166 | 4 289 | 3 824 | 29 | 320 | 650 | 15 918 |
| Profit after tax | | | | 525 | 1 211 | | 140 | | 1 876 |
| Other comprehensive income | | | | | | | | | |
| Actuarial gains after tax on pensions | | | | 0 | 0 | | | | 0 |
| Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax | | | | 2 | 4 | | | | 6 |
| Net fair value adjustments on loans at fair value through other comprehensive income after tax | | | | 0 | 0 | | | | 1 |
| Fair value changes on hedge derivatives due to changes in the currency basis spread after tax | | | | 2 | 5 | | | | 7 |
| Total profit after tax | | | | 529 | 1 220 | | 140 | | 1 889 |
| Other transactions | | | | | | | | | |
| Dividend paid | | | | -231 | -555 | | | | -785 |
| Donations distributed from profit 2020 | | | | -6 | | | | | -6 |
| Grants from provision for gifts in 2021 | | | | | | -8 | | | -8 |
| Hybrid capital | | | | | | | | 350 | 350 |
| Interest on hybrid capital | | | | -8 | -19 | | | | -27 |
| Equity capital as of 31.12.2021 | 5 791 | 848 | 166 | 4 573 | 4 471 | 21 | 460 | 1 000 | 17 330 |

Group

| Group | Controlling interests | | | | | | | | | | |
|--|-----------------------|--------------|----------------------|-------------------------------|---|---------------------|---------------------------|--------------|----------------|---------------------------|----------------------|
| | Paid-up equity | | | Earned equity capital | | | | | Hybrid-capital | Non-controlling interests | Total equity capital |
| | Equity certificates | Premium fund | Other paid-up equity | Primary capital ¹⁾ | Dividend equalisation funds ²⁾ | Provision for gifts | Fund for unrealised gains | Other equity | | | |
| (NOK million) | | | | | | | | | | | |
| Equity capital as of 01.01.2020 | 5 791 | 848 | 166 | 4 117 | 3 403 | 12 | 334 | 817 | 300 | 114 | 15 903 |
| OB Corr. subsidiary | | | | | | | | 1 | | | 1 |
| OB Corr. in group companies | | | | | | | | 0 | | | 0 |
| Adjusted equity capital at 01.01.2020 | 5 791 | 848 | 166 | 4 117 | 3 403 | 12 | 334 | 818 | 300 | 114 | 15 904 |
| Profit after tax | | | | 406 | 951 | | -15 | 260 | | 6 | 1 608 |
| Other comprehensive income | | | | | | | | | | | |
| 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 |
| Total profit after tax | | | | 412 | 965 | | -15 | 282 | | 6 | 1 651 |
| Other transactions | | | | | | | | | | | |
| 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 |
| Equity capital as of 31.12.2020 | 5 791 | 848 | 166 | 4 289 | 3 823 | 29 | 320 | 1 104 | 650 | 113 | 17 135 |
| Equity capital as of 01.01.2021 | 5 791 | 848 | 166 | 4 289 | 3 823 | 29 | 320 | 1 104 | 650 | 113 | 17 135 |
| OB Corr. subsidiary | | | | | | | | 0 | | | 0 |
| OB Corr. in group companies | | | | | | | | -4 | | | -4 |
| Adjusted equity capital at 01.01.2021 | 5 791 | 848 | 166 | 4 289 | 3 823 | 29 | 320 | 1 100 | 650 | 113 | 17 131 |
| Profit after tax | | | | 525 | 1 211 | | 140 | 137 | | 9 | 2 022 |
| Other comprehensive income | | | | | | | | | | | |
| Actuarial gains after tax on pensions | | | | 0 | 0 | | | | | | 0 |
| Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax | | | | 2 | 4 | | | | | | 6 |
| Net fair value adjustments on loans at fair value through other comprehensive income after tax | | | | 0 | 0 | | | | | | 1 |
| Fair value changes on hedge derivatives due to changes in the currency basis spread after tax | | | | 2 | 5 | | | | | | 7 |
| Share of other comprehensive income from associated companies and joint ventures | | | | | | | | 25 | | | 25 |
| Total profit after tax | | | | 529 | 1 220 | | 140 | 162 | | 9 | 2 060 |
| Other transactions | | | | | | | | | | | |
| Dividend paid | | | | -231 | -555 | | | | | -6 | -792 |
| Donations distributed from profit 2020 | | | | -6 | | | | | | | -6 |
| Grants from provision for gifts in 2021 | | | | | | -8 | | | | | -8 |
| Hybrid capital | | | | | | | | | 350 | | 350 |
| Interest on hybrid capital | | | | -8 | -19 | | | | | | -27 |
| Effects directly in equity from associated companies and joint ventures | | | | | | | | -2 | | | -2 |
| Equity capital as of 31.12.2021 | 5 791 | 848 | 166 | 4 573 | 4 469 | 21 | 460 | 1 260 | 1 000 | 116 | 18 706 |

1) Amounts transferred to primary capital as of 31.12.2021 include dividend payments and proposed donations.

2) Amounts transferred to dividend equalization funds as of 31.12.2021 includes dividends to customers return.

Cash flow statement

| Parent Bank | | | Group | |
|---------------|---------------|---|---------------|---------------|
| 31.12.2020 | 31.12.2021 | (NOK million) | 31.12.2021 | 31.12.2020 |
| -5 990 | -7 533 | Change in gross lending to customers | -7 915 | -6 333 |
| 2 911 | 2 622 | Interest receipts from lending to customers | 2 987 | 3 316 |
| 7 109 | 6 603 | Change in deposits from customers | 6 565 | 7 119 |
| -618 | -334 | Interest payments on deposits from customers | -335 | -621 |
| 855 | -1 265 | Change in receivables and debt from credit institutions | -825 | 1 049 |
| 99 | 80 | Interest on receivables and debt to financial institutions | -4 | -14 |
| -3 731 | -2 841 | Change in certificates and bonds | -2 841 | -3 731 |
| 81 | 69 | Interest receipts from commercial papers and bonds | 69 | 81 |
| 882 | 1 042 | Net commission receipts | 1 585 | 1 406 |
| 77 | 71 | Capital gains from sale on trading | 71 | 77 |
| -1 231 | -1 297 | Payments for operations | -1 851 | -1 764 |
| -342 | -90 | Taxes paid | -128 | -380 |
| 375 | -379 | Other accruals | -502 | 379 |
| 477 | -3 252 | Net change in liquidity from operations (A) | -3 125 | 584 |
| -44 | -78 | Investments in tangible fixed assets | -90 | -60 |
| 0 | 0 | Receipts from sale of tangible fixed assets | 37 | 36 |
| -113 | -155 | Change in long-term investments in equities | -155 | -113 |
| 329 | 441 | Dividends from long-term investments in equities | 293 | 204 |
| 172 | 209 | Net cash flow from investments (B) | 85 | 66 |
| 4 729 | 12 467 | Debt raised by issuance of securities | 12 467 | 4 729 |
| 0 | 0 | Debt raised by subordinated loan capital | 0 | 0 |
| 350 | 350 | Equity raised by hybrid capital | 350 | 350 |
| -4 992 | -8 283 | Repayments of issued securities | -8 283 | -4 992 |
| 0 | 0 | Repayments of issued subordinated loan capital | 0 | 0 |
| 0 | 0 | Repayments of hybrid capital | 0 | 0 |
| 0 | 0 | Payments arising from issuance of equity capital certificates | 0 | 0 |
| -575 | -518 | Interest payments on securities issued | -518 | -575 |
| -30 | -24 | Interest payments on subordinated loans | -24 | -30 |
| -41 | -40 | Lease payments | -37 | -36 |
| 0 | 0 | Payments arising from placements in subsidiaries | 0 | 0 |
| -531 | -555 | Payment of dividend | -561 | -536 |
| -206 | -227 | Payment of customer dividend | -227 | -206 |
| -10 | -15 | Donations | -15 | -10 |
| -1 305 | 3 155 | Net cash flow from financing (C) | 3 152 | -1 306 |
| -656 | 112 | CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | 112 | -656 |
| 1 507 | 851 | Cash and cash equivalents at 1 January | 851 | 1 507 |
| 851 | 964 | Cash and cash equivalents at the end of the period | 964 | 851 |
| | | Cash and cash equivalents at comprise: | | |
| 683 | 458 | Cash and deposits with central banks | 458 | 683 |
| 169 | 506 | Deposits etc. at call with banks | 506 | 169 |
| 851 | 964 | Cash and cash equivalents at the end of the period | 964 | 851 |

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 - 31 December 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. Lending volume in stage 3 has increased by NOK 172 million in 2021, primarily as a result of the implementation of a new default definition. However, the underlying credit risk has not changed significantly during 2021. Comparative figures have not been restated.

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 overall 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 the end 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 of 31 December 2021, 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 by NOK 7 million (1.7 per cent) in the parent bank and by NOK 11 million (2.1 per cent) in the group.

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

The overall loss model calculates expected credit 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. 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. Macro forecasts from the same sources as of the end of the third and fourth quarters of 2020 were considered to provide support for keeping the PD assumptions assumed in the second quarter of 2020 virtually unchanged. Macro forecasts in 2021 have pointed to a somewhat faster economic recovery than expected at the start of the pandemic, and then flattening out with a relatively low level of activity measured by expected

GDP growth. Based on this, reason has been found to make a gradual and cautious improvement of estimated PD levels, especially in the short to medium term. In the fourth 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 upturn. 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 upturn. However, the assessments as of 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 and then kept unchanged as of 31 December 2021. Overall, the assumptions in the upside scenario have not changed significantly in 2021.

The scenario weighting is subject to ongoing assessment based on the available information. As of 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). As of 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 of 31 March 2020. The increased downside risk given by the coronavirus pandemic is subject to ongoing assessment. However, the bank considered that at the end of the fourth quarter of 2021 some uncertainty still remained and chose to maintain the scenario weighting from the first quarter of 2020. The ECL as of 31 December 2021 was consequently calculated as a combination of 70 per cent expected scenario, 20 per cent downside scenario and 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).

| | Retail market | Corporate market | SpareBank 1 | | Group |
|---|------------------|---------------------|----------------|---------------------|------------|
| | | | Parent Bank | Finans Østlandet | |
| 31.12.2021 | | | | | |
| ECL in expected scenario | 68 | 139 | 207 | 82 | 285 |
| ECL in downside scenario | 404 | 851 | 1 255 | 169 | 1 420 |
| ECL in upside scenario | 53 | 101 | 154 | 58 | 208 |
| ECL with used scenario weighting 70/20/10 per cent | 134 | 278 | 412 | 97 | 505 |
| ECL with alternative scenario weighting 80/10/10 per cent | 100 | 207 | 307 | 88 | 391 |
| ECL with alternative scenario weighting 75/15/10 per cent | 117 | 242 | 359 | 93 | 448 |
| ECL with alternative scenario weighting 65/25/10 per cent | 151 | 313 | 464 | 101 | 561 |
| ECL with alternative scenario weighting 60/30/10 per cent | 167 | 349 | 516 | 106 | 618 |

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 115 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

In the fourth quarter, SpareBank 1 Finans Østlandet AS sold some of its shares in SpareBank 1 Mobilitet Holding to SpareBank 1 SR-Bank. The sale reduced its stake in the company from 33.33 per cent to 30.66 per cent. SpareBank 1 Mobilitet Holding AS owns 47.17 per cent of the shares in the car subscription company Fleks AS. This gives SpareBank 1 Finans Østlandet an indirect stake in Fleks AS of 14.46 per cent.

SpareBank 1 Forvaltning AS's acquisition of SR-Forvaltning AS was approved by the Financial Supervisory Authority of Norway in the fourth quarter. This meant that on 30 December 2021, SR-Forvaltning's shares were included as a contribution in kind in a private placement with SpareBank 1 SR-Bank ASA. From the same date, SpareBank 1 Østlandet's stake was diluted from 6.37 per cent to 5.40 per cent.

A reallocation of the shares of SpareBank 1 Boligkreditt AS pursuant to the shareholder agreement increased the stake in the company from 22.45 to 23.15 per cent in December.

A reallocation of the shares of SpareBank 1 Næringskreditt AS pursuant to the shareholder agreement reduced the stake in the company from 10.65 to 10.18 per cent in December.

In the fourth quarter, the Bank sold some shares in SpareBank 1 Kundepleie AS, reducing its stake in the company from 33.33 per cent to 26.67 per cent.

In the fourth quarter, SpareBank 1 Betaling carried out a private placement with SpareBank 1 Helgeland through a contribution in kind that resulted in the Bank reducing its stake in the company from 18.74 per cent to 18.20 per cent.

Through a private placement in the third quarter, the subsidiary SpareBank 1 Finans Østlandet AS entered the company as the owner of a 33.33 per cent stake in SpareBank 1 Mobilitet Holding together with SpareBank 1 Finans Nord-Norge AS and SpareBank 1 Finans Midt-Norge AS. Bertel O Steen AS owns a similar stake. SpareBank 1 Mobilitet Holding owns 47.17 per cent of the shares in the car subscription company Fleks AS. This gave SpareBank 1 Finans Østlandet AS an indirect stake in Fleks AS of 15.72 per cent.

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 amounted 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 owned 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 30th 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 30th 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.

| 31.12.2021 | 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 |
|---|-----------------|--------------------|------------------------------------|--------------------------------|---------------------------------------|------------|--------------------------------|----------------|
| Income statement | | | | | | | | |
| Net interest income | 980 | 937 | 287 | -1 | 0 | -2 | 0 | 2 202 |
| Net commissions and other income | 844 | 190 | 64 | 130 | 218 | 191 | -17 | 1 622 |
| Net income from financial assets and liabilities | 47 | 58 | 3 | 0 | 0 | 0 | 492 | 599 |
| Total operating expenses | 911 | 456 | 103 | 125 | 199 | 191 | -5 | 1 980 |
| Profit before losses by segment | 960 | 729 | 252 | 4 | 19 | -2 | 481 | 2 443 |
| Impairment losses on loans and guarantees | 0 | -4 | 9 | 0 | 0 | 0 | 0 | 5 |
| Pre-tax operating profit | 960 | 732 | 243 | 4 | 19 | -2 | 481 | 2 438 |
| Tax expense | 180 | 176 | 60 | 1 | 4 | 0 | -5 | 416 |
| Profit/loss per segment after tax | 780 | 557 | 183 | 3 | 15 | -2 | 486 | 2 022 |
| Balance sheet | | | | | | | | |
| Gross lending to customers | 73 684 | 38 145 | 9 514 | 0 | 0 | 0 | -58 | 121 284 |
| Provisions for credit losses | -61 | -285 | -97 | 0 | 0 | 0 | -1 | -443 |
| Other assets | 2 944 | 422 | 207 | 69 | 151 | 136 | 30 690 | 34 619 |
| Total assets per segment | 76 566 | 38 281 | 9 625 | 69 | 151 | 136 | 30 631 | 155 459 |
| Deposits from and liabilities to customers | 52 238 | 39 907 | 0 | 0 | 0 | 0 | 32 | 92 178 |
| Other liabilities and equity | 24 328 | -1 626 | 9 625 | 69 | 151 | 136 | 30 599 | 63 282 |
| Total equity capital and liabilities per segment | 76 566 | 38 281 | 9 625 | 69 | 151 | 136 | 30 631 | 155 459 |

| 31.12.2020 | 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 |
|---|--------------------|-----------------------|---|--|---|------------|--------------------------------------|----------------|
| Income statement | | | | | | | | |
| 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 |
| Profit before losses by segment | 730 | 779 | 253 | 12 | 16 | 0 | 472 | 2 262 |
| Impairment losses on loans and guarantees | 29 | 216 | 84 | 0 | 0 | 0 | 0 | 330 |
| Pre-tax operating profit | 700 | 563 | 169 | 12 | 16 | 0 | 472 | 1 932 |
| Tax expense | 124 | 131 | 42 | 3 | 4 | 0 | 20 | 323 |
| Profit/loss per segment after tax | 576 | 432 | 126 | 10 | 12 | 0 | 452 | 1 608 |
| 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 |
| Total assets per segment | 72 852 | 34 384 | 9 159 | 70 | 149 | 131 | 29 330 | 146 074 |
| 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 |
| Total equity capital and liabilities per segment | 72 852 | 34 384 | 9 159 | 70 | 149 | 131 | 29 330 | 146 074 |

Note 4 Capital adequacy

Regulatory Framework

The Bank's capital adequacy is calculated on the basis of the applicable rules and rates at any given time. The rules are based on the three pillars that are intended to ensure that financial undertakings have capital commensurate with their risks:

- Pillar 1: Minimum regulatory capital requirements
- Pillar 2: Evaluation of the overall capital requirements and supervisory follow-up
- Pillar 3: Requirement to publish information

Capital adequacy is calculated at three levels based on different definitions of capital:

- Common equity tier 1 ratio (CET1)
- Tier 1 capital ratio (including hybrid tier 1 capital)
- Total capital adequacy ratio (including subordinated loans)

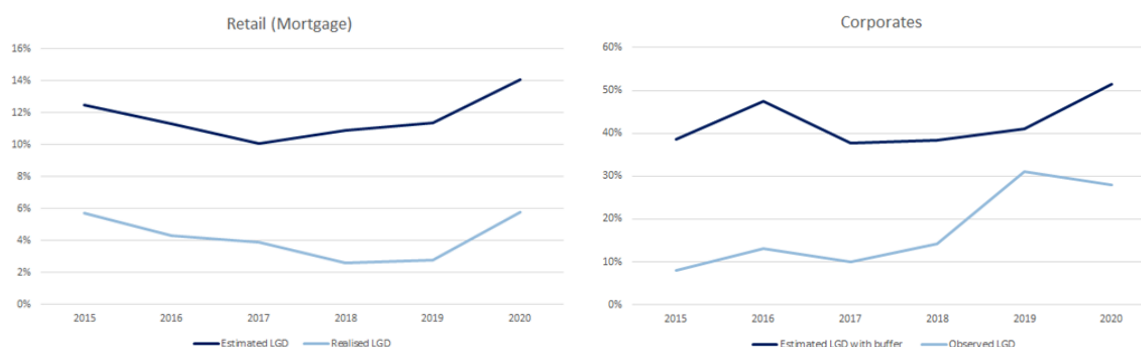
Internal Models

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 (PD), Loss Given Default (LGD), presumed utilisation of off-balance sheet exposures (CCF - Credit Conversion Factors) and Maturity (M). Modelled estimates will always entail some uncertainty. SpareBank 1 Østlandet has permission to use IRB Advanced method for calculating the capital requirements for the exposure classes Corporate and Retail. The Bank has exceptions for certain types of exposures. This includes states, municipalities and institutions where there is a permanent exception as well as housing associations and general associations where the bank applies the standardised method.

The use of internal models requires the bank to perform validation in order to assess their efficacy in modeling the portfolio. During 2021 the Bank performed a validation based on the data from 2020.

The validation process shows stability in the PD-models key attributes and a calibration level well above the observed defaults in the portfolio. The bank has experienced low levels of customer defaults which in turn increases the volatility of observed LGD. The change in observed LGD for corporates from 2019 to 2020 is attributed to a small set of customers.

During 2021 the bank has worked towards a revision of its internal models for calculation the capital requirements. The new models are compliant with EBA's guidelines. Pending approval from the Norwegian Financial Supervisory Authority, we expect the models to be implemented during 2022.



During the first quarter of 2019 the Bank increased its buffers on LGD-estimates for its corporate exposures in compliance with a decision made by the Norwegian Financial Supervisory Authority. The decision is appealed to the Ministry of Finance which was still under consideration as at 31. December 2021. 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 effect of the increased LGD-buffers led to a decrease in the Group's Common Equity Tier 1 capital ratio of 0.8 percentage points.

Consolidation

For the calculation of the Bank's capital requirements on a consolidated level the Group also includes the following companies on a proportionate basis:

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

SpareBank 1 Gruppen AS is not consolidated proportionately. The Bank's investment in SpareBank 1 Gruppen AS is included in the calculation of deductions for significant investments in financial sector entities.

Capital Requirements

The Group has a combined buffer requirement of 8.0 per cent as at 31 December 2021. In the combined buffer, 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 Group. The capital conservation buffer is 2.5 per cent.

Therefore, as at 30 December 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 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.

| Parent Bank | | | Group | |
|-------------|----------|---|---------------|---------------|
| 31.12.20 | 31.12.21 | | 31.12.21 | 31.12.20 |
| 15 918 | 17 330 | Total equity carried | 18 706 | 17 135 |
| | | Common equity tier 1 capital | | |
| -791 | -996 | Results for the accounting year not included | -996 | -791 |
| -650 | -1 000 | Hybrid capital | -1 000 | -650 |
| - | - | Minority interests that is not eligible as CET1 capital | -75 | -74 |
| 17 | 11 | Cumulative gains and losses due to changes in own credit risk on fair valued liabilities | 11 | 17 |
| -78 | -66 | Goodwill and other intangible assets | -441 | -461 |
| -196 | -235 | Positive value of expected losses under the IRB approach | -345 | -278 |
| - | - | CET 1 instruments of financial sector entities where the institution does have a significant investment | -354 | -539 |
| -32 | -33 | Value adjustments due to the requirements for prudent valuation (AVA) | -39 | -36 |
| -156 | -170 | Other adjustments in CET1 | -139 | 12 |
| 14 031 | 14 841 | Common equity tier 1 capital | 15 328 | 14 335 |
| | | Additional Tier 1 capital | | |
| 650 | 1 000 | Hybrid capital | 1 000 | 650 |
| | -31 | AT1 instruments of financial sector entities where the institution does have a significant investment | -31 | 650 |
| | - | Instruments issued by consolidated entities that are given recognition in AT1 Capital | 178 | 162 |
| 650 | 969 | Tier 1 capital | 1 147 | 812 |
| | | Supplementary capital in excess of Tier 1 capital | | |
| 1 300 | 1 300 | Subordinated loan capital | 1 300 | 1 300 |
| | -124 | T2 instruments of financial sector entities where the institution does have a significant investment | -124 | |
| | - | Instruments issued by consolidated entities that are given recognition in T2 Capital | 281 | 257 |
| 1 300 | 1 176 | Total supplementary capital | 1 457 | 1 557 |
| 15 981 | 16 986 | Total eligible capital | 17 933 | 16 704 |
| 4 764 | 5 775 | Corporates - SME | 5 806 | 4 775 |
| 13 760 | 16 990 | Corporates - Specialised Lending | 17 699 | 14 428 |
| 1 953 | 752 | Corporates - Other | 800 | 1 986 |
| 1 314 | 1 279 | Retail - SME | 1 567 | 1 530 |
| 20 059 | 18 572 | Retail - Mortgage exposures | 29 450 | 28 485 |
| 873 | 576 | Retail - Other | 602 | 907 |
| 42 723 | 43 943 | Credit exposures calculated using IRB-approach | 55 924 | 52 110 |
| 15 289 | 15 973 | Credit exposures calculated using the standardised approach | 20 398 | 19 705 |
| 417 | 458 | Counterparty credit risk | 1 890 | 1 966 |
| - | - | Market risk | - | - |
| 5 133 | 5 316 | Operational risk | 6 904 | 6 664 |
| 63 562 | 65 690 | Risk-weighted assets | 85 115 | 80 445 |
| 5 085 | 5 255 | Capital requirements (8%) | 6 809 | 6 436 |
| 1 144 | - | Pillar 2 (1.8%) | 1 532 | 1 448 |
| | | Buffer requirements | | |
| 1 589 | 1 642 | Capital conservation buffer (2.5%) | 2 128 | 2 011 |
| 636 | 657 | Countercyclical capital buffer (1.0%) | 851 | 804 |
| 2 733 | 2 956 | Systemic risk buffer | 3 830 | 3 459 |
| 4.3 % | 4.5 % | Systemic risk buffer rate | 4.5 % | 4.3 % |
| 4 958 | 5 255 | Total buffer requirements | 6 809 | 6 275 |
| 12.3 % | 12.5 % | CET1 requirement | 14.3 % | 14.1 % |
| 6 213 | 6 630 | Available CET1 above requirement | 3 157 | 2 992 |
| | | Capital ratios | | |
| 22.1 % | 22.6 % | CET 1 capital ratio | 18.0 % | 17.8 % |
| 23.1 % | 24.1 % | Tier 1 Capital ratio | 19.4 % | 18.8 % |
| 25.1 % | 25.9 % | Capital adequacy ratio | 21.1 % | 20.8 % |
| 10.0 % | 9.9 % | Leverage Ratio | 7.3 % | 7.2 % |

Note 5 Loans to and receivables from customers

Parent Bank

| Gross loans | 31.12.2021 | | | | 31.12.2020 | | | |
|--|----------------|--------------|------------|----------------|---------------|--------------|------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Opening Balance | 95 716 | 8 159 | 411 | 104 286 | 91 115 | 6 858 | 323 | 98 296 |
| Transfers in (out) to Stage 1 | 1 695 | -1 694 | -1 | 0 | 1 547 | -1 541 | -6 | 0 |
| Transfers in (out) to Stage 2 | -2 501 | 2 503 | -3 | 0 | -4 555 | 4 563 | -8 | 0 |
| Transfers in (out) to Stage 3 | -52 | -144 | 196 | 0 | -60 | -131 | 191 | 0 |
| Net increase/decrease existing loans | -467 | 349 | -25 | -144 | 1 439 | -1 011 | -40 | 388 |
| Purchases and originations* | 26 226 | 2 054 | 38 | 28 318 | 23 443 | 645 | 28 | 24 116 |
| Derecognitions and maturities* | -18 869 | -1 634 | -113 | -20 615 | -17 212 | -1 225 | -66 | -18 503 |
| Write-offs | 0 | 0 | -26 | -26 | 0 | 0 | -12 | -12 |
| Ending Balance | 101 749 | 9 593 | 477 | 111 819 | 95 716 | 8 159 | 411 | 104 286 |
| Loan and advances to customers at amortised cost | | | | 35 490 | | | | 31 574 |
| Loan and advances to customers at fair value | | | | 76 329 | | | | 72 712 |

Group

| Gross loans | 31.12.2021 | | | | 31.12.2020 | | | |
|--|----------------|---------------|------------|----------------|----------------|--------------|------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Opening Balance | 103 458 | 9 422 | 488 | 113 368 | 98 654 | 7 925 | 456 | 107 035 |
| Transfers in (out) to Stage 1 | 2 140 | -2 136 | -4 | 0 | 1 874 | -1 867 | -7 | 0 |
| Transfers in (out) to Stage 2 | -2 947 | 2 954 | -8 | 0 | -5 217 | 5 238 | -21 | 0 |
| Transfers in (out) to Stage 3 | -89 | -245 | 334 | 0 | -97 | -183 | 280 | 0 |
| Net increase/decrease existing loans | -1 695 | 127 | -14 | -1 582 | 309 | -1 224 | -53 | -968 |
| Purchases and originations* | 29 808 | 2 238 | 59 | 32 105 | 26 620 | 921 | 45 | 27 586 |
| Derecognitions and maturities* | -20 487 | -1 926 | -169 | -22 582 | -18 686 | -1 388 | -200 | -20 273 |
| Write-offs | 0 | 0 | -26 | -26 | 0 | 0 | -12 | -12 |
| Ending Balance | 110 188 | 10 435 | 660 | 121 284 | 103 458 | 9 422 | 488 | 113 368 |
| Loan and advances to customers at amortised cost | | | | 44 954 | | | | 40 656 |
| Loan and advances to customers at fair value | | | | 76 329 | | | | 72 712 |

Parent Bank

| | Loan and advances to customers at amortised cost 31.12.2021 | Loan and advances to customers at fair value OCI 31.12.2021 | Provisions for credit losses | | | Loan and advances to customers at fair value 31.12.2021 | Net lending 31.12.2021 |
|--|--|--|------------------------------|-------------|------------|---|---------------------------|
| | | | Stage 1 | Stage 2 | Stage 3 | | |
| Public sector | 13 | 0 | -0 | 0 | 0 | 0 | 13 |
| Primary industries | 3 529 | 1 856 | -3 | -9 | -7 | 365 | 5 731 |
| Paper and pulp industries | 1 022 | 372 | -1 | -1 | -0 | 30 | 1 422 |
| Other industry | 1 071 | 55 | -8 | -12 | -1 | 2 | 1 106 |
| Building and constructions | 4 264 | 301 | -14 | -27 | -11 | 12 | 4 525 |
| Power and water supply | 743 | 2 | -1 | -2 | 0 | 0 | 742 |
| Wholesale and retail trade | 850 | 163 | -4 | -2 | -2 | 5 | 1 009 |
| Hotel and restaurants | 465 | 34 | -1 | -13 | -3 | 8 | 490 |
| Real estate | 18 856 | 375 | -44 | -73 | -14 | 33 | 19 134 |
| Commercial services | 3 706 | 721 | -12 | -5 | -9 | 72 | 4 474 |
| Transport and communication | 253 | 204 | -1 | -2 | -5 | 19 | 469 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross corporate loans by sector and industry | 34 771 | 4 084 | -88 | -147 | -52 | 547 | 39 115 |
| Retail market | 719 | 66 120 | -34 | -34 | -29 | 5 612 | 72 354 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total loans to private customers | 719 | 66 120 | -34 | -34 | -29 | 5 612 | 72 354 |
| Adjustment fair value | 0 | -33 | 33 | 0 | 0 | 0 | 0 |
| Total loans to customers | 35 490 | 70 170 | -88 | -181 | -81 | 6 159 | 111 469 |
| Loans transferred to SpareBank 1 Boligkreditt AS | | | | | | | 51 552 |
| Loans transferred to SpareBank 1 Næringskreditt AS | | | | | | | 864 |
| Total loans including loans transferred to covered bond companies | | | | | | | 163 885 |
| Other liabilities ¹⁾ | | | | | | | 16 979 |
| Total commitments including loans transferred to covered bond companies | | | | | | | 180 864 |

| | Loan and advances to customers at amortised cost 31.12.2020 | Loan and advances to customers at fair value OCI 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 | 0 | 18 |
| Primary industries | 3 089 | 1 690 | -3 | -9 | -8 | 330 | 5 090 |
| Paper and pulp industries | 1 539 | 299 | -2 | -2 | -1 | 43 | 1 877 |
| Other industry | 1 203 | 39 | -5 | -10 | -1 | 8 | 1 234 |
| Building and constructions | 3 454 | 285 | -25 | -10 | -20 | 15 | 3 699 |
| Power and water supply | 436 | 1 | -1 | -1 | -1 | 0 | 433 |
| Wholesale and retail trade | 833 | 136 | -5 | -3 | -8 | 5 | 957 |
| Hotel and restaurants | 471 | 46 | -1 | -3 | -4 | 11 | 519 |
| Real estate | 15 433 | 400 | -37 | -72 | -8 | 59 | 15 775 |
| Commercial services | 4 132 | 567 | -17 | -5 | -11 | 70 | 4 737 |
| Transport and communication | 257 | 194 | -1 | -3 | -1 | 16 | 462 |
| Post model adjustments | 0 | 0 | 0 | -20 | 0 | 0 | -20 |
| Gross corporate loans by sector and industry | 30 866 | 3 658 | -96 | -138 | -63 | 556 | 34 782 |
| Retail market | 708 | 62 756 | -31 | -40 | -39 | 5 775 | 69 129 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total loans to private customers | 708 | 62 756 | -31 | -40 | -39 | 5 775 | 69 129 |
| Adjustment fair value | 0 | -32 | 32 | 0 | 0 | 0 | 0 |
| Total loans to customers | 31 574 | 66 381 | -95 | -178 | -102 | 6 331 | 103 911 |
| Loans transferred to SpareBank 1 Boligkreditt AS | | | | | | | 46 872 |
| Loans transferred to SpareBank 1 Næringskreditt AS | | | | | | | 1 018 |
| Total loans including loans transferred to covered bond companies | | | | | | | 151 801 |
| Other liabilities ¹⁾ | | | | | | | 15 760 |
| Total commitments including loans transferred to covered bond companies | | | | | | | 167 561 |

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

Group

| | Provisions for credit losses | | | | | | |
|--|---|---|-------------|-------------|-------------|---|------------------------|
| | Loan and advances to customers at amortised cost 31.12.2021 | Loan and advances to customers at fair value OCI 31.12.2021 | Stage 1 | Stage 2 | Stage 3 | Loan and advances to customers at fair value 31.12.2021 | Net lending 31.12.2021 |
| Public sector | 304 | 0 | -1 | -1 | -0 | 0 | 303 |
| Primary industries | 3 965 | 1 856 | -3 | -10 | -7 | 365 | 6 167 |
| Paper and pulp industries | 1 022 | 372 | -1 | -1 | -0 | 30 | 1 422 |
| Other industry | 1 317 | 55 | -10 | -14 | -1 | 2 | 1 349 |
| Building and constructions | 5 309 | 301 | -24 | -33 | -14 | 12 | 5 552 |
| Power and water supply | 764 | 2 | -1 | -2 | 0 | 0 | 764 |
| Wholesale and retail trade | 1 290 | 163 | -6 | -4 | -5 | 5 | 1 444 |
| Hotel and restaurants | 487 | 34 | -1 | -14 | -3 | 8 | 512 |
| Real estate | 19 281 | 375 | -50 | -81 | -20 | 33 | 19 537 |
| Commercial services | 4 741 | 721 | -16 | -8 | -10 | 72 | 5 500 |
| Transport and communication | 1 572 | 204 | -2 | -3 | -5 | 19 | 1 786 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross corporate loans by sector and industry | 40 054 | 4 084 | -115 | -168 | -65 | 547 | 44 336 |
| Retail market | 4 901 | 66 120 | -43 | -47 | -38 | 5 612 | 76 505 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total loans to private customers | 4 901 | 66 120 | -43 | -47 | -38 | 5 612 | 76 505 |
| Adjustment fair value | 0 | -33 | 33 | 0 | 0 | 0 | 0 |
| Total loans to customers | 44 954 | 70 170 | -124 | -215 | -104 | 6 159 | 120 841 |
| Loans transferred to SpareBank 1 Boligkreditt AS | | | | | | | 51 552 |
| Loans transferred to SpareBank 1 Næringskreditt AS | | | | | | | 864 |
| Total loans including loans transferred to covered bond companies | | | | | | | 173 257 |
| Other liabilities ¹⁾ | | | | | | | 16 929 |
| Total commitments including loans transferred to covered bond companies | | | | | | | 190 186 |

| | Provisions for credit losses | | | | | | |
|--|---|---|-------------|-------------|-------------|---|------------------------|
| | Loan and advances to customers at amortised cost 31.12.2020 | Loan and advances to customers at fair value OCI 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 | 0 | -1 | 0 | 0 | 0 | 326 |
| Primary industries | 3 469 | 1 690 | -3 | -9 | -8 | 330 | 5 468 |
| Paper and pulp industries | 1 539 | 299 | -2 | -2 | -1 | 43 | 1 877 |
| Other industry | 1 439 | 39 | -6 | -12 | -1 | 8 | 1 467 |
| Building and constructions | 4 520 | 285 | -29 | -17 | -23 | 15 | 4 751 |
| Power and water supply | 458 | 1 | -1 | -1 | -1 | 0 | 456 |
| Wholesale and retail trade | 1 089 | 136 | -9 | -6 | -8 | 5 | 1 207 |
| Hotel and restaurants | 492 | 46 | -2 | -3 | -4 | 11 | 540 |
| Real estate | 15 838 | 400 | -41 | -99 | -15 | 59 | 16 141 |
| Commercial services | 4 975 | 567 | -20 | -9 | -11 | 70 | 5 572 |
| Transport and communication | 1 633 | 194 | -1 | -5 | -2 | 16 | 1 835 |
| Post model adjustments | 0 | 0 | 0 | -20 | 0 | 0 | -20 |
| Gross corporate loans by sector and industry | 35 779 | 3 658 | -114 | -182 | -76 | 556 | 39 620 |
| Retail market | 4 877 | 62 756 | -37 | -52 | -54 | 5 775 | 73 265 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total loans to private customers | 4 877 | 62 756 | -37 | -52 | -54 | 5 775 | 73 265 |
| Adjustment fair value | 0 | -32 | 32 | 0 | 0 | 0 | 0 |
| Total loans to customers | 40 656 | 66 381 | -119 | -234 | -130 | 6 331 | 112 885 |
| Loans transferred to SpareBank 1 Boligkreditt AS | | | | | | | 46 872 |
| Loans transferred to SpareBank 1 Næringskreditt AS | | | | | | | 1 018 |
| Total loans including loans transferred to covered bond companies | | | | | | | 160 775 |
| Other liabilities ¹⁾ | | | | | | | 14 787 |
| Total commitments including loans transferred to covered bond companies | | | | | | | 175 562 |

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

Note 6 Provisions for credit losses

The table shows isolated loss effects.

01.10.2021-31.12.2021

| Isolated loss effects | Retail market | Corporate market | Parent bank | SB1FØ | Group |
|---|---------------|------------------|-------------|-----------|-----------|
| Change ECL due to period growth and migration | 2 | 32 | 34 | -1 | 33 |
| Change ECL due to adjusted key assumptions | -3 | -6 | -9 | 0 | -9 |
| Change ECL due to changed scenario weighting | 0 | 0 | 0 | 0 | 0 |
| Change in model-based loss provisions | -1 | 26 | 25 | -1 | 24 |
| Post model adjustments | 0 | 0 | 0 | 0 | 0 |
| Change individual loss provisions | -2 | 0 | -3 | -1 | -4 |
| Net write-offs | 2 | 0 | 2 | 6 | 8 |
| Total losses | -1 | 25 | 24 | 3 | 28 |

01.01.2021-31.12.2021

| Isolated loss effects | Retail market | Corporate market | Parent bank | SB1FØ | Group |
|---|---------------|------------------|-------------|-----------|----------|
| Change ECL due to period growth and migration | 4 | 47 | 50 | -4 | 46 |
| Change ECL due to adjusted key assumptions | -4 | -38 | -41 | 0 | -41 |
| Change ECL due to changed scenario weighting | 0 | 0 | 0 | 0 | 0 |
| Change in model-based loss provisions | 0 | 9 | 9 | -4 | 5 |
| Post model adjustments | 0 | -20 | -20 | -5 | -25 |
| Change individual loss provisions | -8 | -10 | -17 | -6 | -23 |
| Net write-offs | 8 | 17 | 25 | 24 | 48 |
| Total losses | 0 | -4 | -4 | 9 | 5 |

01.10.2020-31.12.2020

| Isolated loss effects | Retail market | Corporate market | Parent bank | SB1FØ | Group |
|---|---------------|------------------|-------------|-----------|-----------|
| Change ECL due to period growth and migration | 1 | 7 | 8 | 4 | 12 |
| Change ECL due to adjusted key assumptions | 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 |

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 |
| Change in model-based loss provisions | 19 | 73 | 91 | 29 | 120 |
| 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 |
| Total losses | 29 | 216 | 245 | 84 | 330 |

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

31.12.2021

| | 31.12.2020 | Provision for credit losses | Net write-offs | 31.12.2021 |
|---|------------|--------------------------------|----------------|------------|
| Provisions for loss on loans at amortised cost, guarantees and unused credit facilities | 356 | 3 | -26 | 334 |
| Provisions for loan losses at fair value over OCI | 84 | -5 | -1 | 78 |
| Total provisions for credit losses | 440 | -2 | -26 | 412 |
| Presented as: | | | | |
| Assets: Provisions for loan losses - decrease of assets | 375 | 1 | -26 | 350 |
| Liabilities: Provisions for loan losses - increase of liabilities | 32 | -4 | 0 | 29 |
| Equity: Fair value adjustment of losses | 32 | 1 | 0 | 33 |

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 |
| Total provisions for credit losses | 299 | 153 | -12 | 440 |
| Presented as: | | | | |
| 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

31.12.2021

| | 31.12.2020 | Provision for credit losses | Net write-offs | 31.12.2021 |
|---|------------|--------------------------------|----------------|------------|
| Provisions for loss on loans at amortised cost, guarantees and unused credit facilities | 464 | 279 | -10 | 427 |
| Provisions for loan losses at fair value over OCI | 84 | 14 | -1 | 78 |
| Total provisions for credit losses | 548 | 292 | -10 | 505 |
| Presented as: | | | | |
| Assets: Provisions for loan losses - decrease of assets | 484 | -14 | -26 | 444 |
| Liabilities: Provisions for loan losses - increase of liabilities | 32 | -4 | 0 | 29 |
| Equity: Fair value adjustment of losses | 32 | 1 | 0 | 33 |

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 |
| Total provisions for credit losses | 360 | 200 | -12 | 548 |
| Presented as: | | | | |
| 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

| | 31.12.2021 | | | | 31.12.2020 | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Provisions for loan losses | | | | | | | | |
| Opening Balance | 149 | 189 | 103 | 440 | 115 | 115 | 69 | 299 |
| <i>Provision for credit losses</i> | | | | | | | | |
| <i>Transfers in (out) to Stage 1</i> | 3 | -3 | 0 | 0 | 5 | -5 | 0 | 0 |
| <i>Transfers in (out) to Stage 2</i> | -53 | 53 | 0 | 0 | -85 | 85 | 0 | 0 |
| <i>Transfers in (out) to Stage 3</i> | -8 | -7 | 15 | 0 | -12 | -26 | 38 | 0 |
| <i>Net remeasurement of loss provisions</i> | 14 | -24 | 21 | 10 | 112 | 6 | 5 | 124 |
| <i>Purchases and originations</i> | 58 | 40 | 1 | 99 | 29 | 13 | 4 | 46 |
| <i>Derecognitions and maturities</i> | -22 | -42 | -28 | -92 | -15 | -19 | -2 | -36 |
| <i>Write-offs</i> | 0 | 0 | -26 | -26 | 0 | 0 | -12 | -12 |
| <i>Post model adjustment</i> | 0 | -20 | 0 | -20 | 0 | 20 | 0 | 20 |
| Ending Balance | 141 | 186 | 85 | 412 | 149 | 189 | 103 | 440 |
| <i>Provisions for guarantees and unused credit facilities</i> | 20 | 6 | 4 | 29 | 22 | 10 | 0 | 32 |

Group

| | 31.12.2021 | | | | 31.12.2020 | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Provisions for loan losses | | | | | | | | |
| Opening Balance | 173 | 244 | 131 | 548 | 131 | 142 | 87 | 360 |
| <i>Provision for credit losses</i> | | | | | | | | |
| <i>Transfers in (out) to Stage 1</i> | 16 | -16 | 0 | 0 | 12 | -12 | 0 | 0 |
| <i>Transfers in (out) to Stage 2</i> | -55 | 56 | 0 | 0 | -88 | 89 | -1 | 0 |
| <i>Transfers in (out) to Stage 3</i> | -9 | -15 | 24 | 0 | -12 | -29 | 41 | 0 |
| <i>Net remeasurement of loss provisions</i> | 4 | -13 | 17 | 8 | 109 | 33 | 16 | 158 |
| <i>Purchases and originations</i> | 73 | 45 | 2 | 120 | 40 | 20 | 10 | 71 |
| <i>Derecognitions and maturities</i> | -26 | -55 | -39 | -121 | -18 | -24 | -11 | -54 |
| <i>Write-offs</i> | 0 | 0 | -26 | -26 | 0 | 0 | -12 | -12 |
| <i>Post model adjustment</i> | 0 | -25 | 0 | -25 | 0 | 25 | 0 | 25 |
| Ending Balance | 176 | 221 | 107 | 505 | 173 | 244 | 131 | 548 |
| <i>Provisions for guarantees and unused credit facilities</i> | 20 | 6 | 4 | 29 | 22 | 10 | 0 | 32 |

Note 7 Net profit from financial assets and liabilities

| Parent Bank | | Group | |
|-------------|---|------------|------------|
| 31.12.2020 | 31.12.2021 | 31.12.2021 | 31.12.2020 |
| 41 | 21 | 21 | 41 |
| 41 | 21 | 21 | 41 |
| 287 | 420 | | |
| -6 | 40 | | |
| 0 | 0 | | |
| 282 | 461 | | |
| | Share of profit or loss of associates and joint ventures | 361 | 400 |
| | Gains or losses on realisation of associates and joint ventures | 43 | -6 |
| | Net income from associates and joint ventures (Group) | 405 | 394 |
| 135 | -183 | -183 | 135 |
| -118 | 161 | 161 | -118 |
| 16 | -21 | -21 | 16 |
| -514 | 641 | 641 | -514 |
| 520 | -655 | -655 | 520 |
| 6 | -14 | -14 | 6 |
| -6 | 118 | 118 | -6 |
| 150 | -150 | -150 | 150 |
| -135 | 170 | 170 | -135 |
| 27 | 12 | 12 | 27 |
| 50 | 59 | 59 | 50 |
| 109 | 174 | 174 | 109 |
| 432 | 656 | 599 | 545 |

Note 8 Financial derivatives

Parent Bank and Group

| | 31.12.2021 | | |
|--|-----------------|------------|-------------|
| | Contract amount | Fair value | |
| | | Assets | Liabilities |
| At fair value through profit and loss | | | |
| Currency instruments | | | |
| Currency forward contracts | 2 035 | 24 | 19 |
| Currency swaps | 560 | 0 | 7 |
| Total currency instruments | 2 595 | 24 | 25 |
| Interest rate instruments | | | |
| Interest rate swaps (including cross-currency) | 58 601 | 790 | 653 |
| Other interest rate contracts | 499 | 0 | 0 |
| Total interest rate instruments | 59 100 | 790 | 653 |
| Total currency instruments | 2 595 | 24 | 25 |
| Total interest rate instruments | 59 100 | 790 | 653 |
| Total financial derivatives | 61 695 | 814 | 679 |

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

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 3.5 (3.4) years at the end of Q4 2021. At the same date, total LCR was 131.6 (140.6) 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 (derived 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

| 31.12.2021 | Level 1 | Level 2 | Level 3 | Total |
|--|------------|---------------|---------------|----------------|
| Assets | | | | |
| Financial assets at fair value | | | | |
| - Derivatives | 0 | 814 | 0 | 814 |
| - Certificates, bonds and fixed-income funds | 0 | 23 825 | 0 | 23 825 |
| - Fixed-rate loans to customers | 0 | 0 | 6 159 | 6 159 |
| - Equity instruments | 465 | 31 | 266 | 761 |
| - Mortgages | 0 | 0 | 70 126 | 70 126 |
| Total assets | 465 | 24 670 | 76 550 | 101 685 |
| Liabilities | | | | |
| Financial liabilities at fair value | | | | |
| - Derivatives | 0 | 679 | 0 | 679 |
| - Securities issued | 0 | 1 796 | 0 | 1 796 |
| Total liabilities | 0 | 2 475 | 0 | 2 475 |

| 31.12.2020 | Level 1 | Level 2 | Level 3 | Total |
|--|------------|---------------|---------------|---------------|
| Assets | | | | |
| 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 |
| Total assets | 349 | 23 211 | 72 928 | 96 488 |
| Liabilities | | | | |
| Financial assets at fair value through profit and loss | | | | |
| - Derivatives | 0 | 697 | 0 | 697 |
| - Securities issued | 0 | 3 050 | 0 | 3 050 |
| Total liabilities | 0 | 3 747 | 0 | 3 747 |

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 |
|--|----------------------------------|-----------------------|----------------------|---------------|
| 31.12.2020-31.12.2021 | | | | |
| Opening balance | 6 331 | 267 | 66 330 | 72 928 |
| Investments in the period | 1 723 | 1 | 17 607 | 19 331 |
| Sales/redemption in the period | -1 745 | -5 | -13 818 | -15 569 |
| Gains/losses recognised through profit and loss | -150 | 3 | 6 | -141 |
| Gains/losses recognised through other comprehensive income | 0 | 0 | 1 | 1 |
| Closing balance | 6 159 | 266 | 70 126 | 76 550 |
| Gains/losses for the period included in the profit for assets owned on the balance sheet day | -150 | 3 | 6 | -141 |
| 31.12.2019-31.12.2020 | | | | |
| 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 |
| Closing balance | 6 331 | 267 | 66 330 | 72 928 |
| 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 |
|---|----------------------------------|-----------------------|----------------------|---------------|
| 31.12.2021 | | | | |
| Nominal value including accrued interest (fixed income instruments)/cost (shares) | 6 176 | 196 | 70 170 | 76 542 |
| Fair value adjustment | -17 | 69 | -45 | 8 |
| Closing balance | 6 159 | 266 | 70 126 | 76 550 |
| 31.12.2020 | | | | |
| Nominal value including accrued interest (fixed income instruments)/cost (shares) | 6 198 | 200 | 66 381 | 72 779 |
| Fair value adjustment | 133 | 67 | -52 | 148 |
| Closing balance | 6 331 | 267 | 66 330 | 72 928 |

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 56), Eksportfinans ASA (MNOK 71), SpareBank 1 Markets AS (MNOK 40) and VN Norge AS (MNOK 27). 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 4.0). 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 -45. 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 | | |
|----------------------------|--------------------------------------|---------------------------|---|---|----------------------------------|------------|
| | | | | Financial instruments | Cash collateral given/(received) | Net amount |
| 31.12.2021 | Gross financial assets/(liabilities) | Recognised on a net basis | Net financial assets/(liabilities) on the balance sheet | | | |
| Derivatives as assets | 814 | 0 | 814 | -344 | -398 | 72 |
| Derivatives as liabilities | -679 | 0 | -679 | 344 | 269 | -65 |

| 31.12.2020 | Gross financial assets/(liabilities) | Recognised on a net basis | Net financial assets/(liabilities) on the balance sheet | Financial instruments | Cash collateral given/(received) | Net amount |
|----------------------------|--------------------------------------|---------------------------|---|-----------------------|----------------------------------|------------|
| Derivatives as assets | 2 212 | 0 | 2 212 | -612 | -1 450 | 150 |
| Derivatives as liabilities | -697 | 0 | -697 | 612 | 61 | -25 |

Note 12 Credit institutions – assets and liabilities

| Parent bank | | | Group | |
|--------------|--------------|--|--------------|--------------|
| 31.12.2020 | 31.12.2021 | Loans to and receivables from credit institutions | 31.12.2021 | 31.12.2020 |
| 169 | 506 | Loans and receivables at call | 506 | 168 |
| 8 718 | 8 634 | Loans and receivables with agreed maturities or notice | 930 | 1 407 |
| 8 887 | 9 139 | Total | 1 435 | 1 576 |
| 132 | 400 | Cash collateral given | 400 | 132 |

| Parent bank | | | Group | |
|--------------|--------------|--|--------------|--------------|
| 31.12.2020 | 31.12.2021 | Deposits from and liabilities to credit institutions | 31.12.2021 | 31.12.2020 |
| 1 704 | 854 | Loans and deposits at call | 863 | 1 667 |
| 3 425 | 2 926 | Loans and deposits with agreed maturities or notice | 2 924 | 3 423 |
| 5 129 | 3 780 | Total | 3 787 | 5 090 |
| 1 557 | 459 | Cash collateral received | 459 | 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 | 31.12.2021 | Right of use | 31.12.2021 | 31.12.2020 |
| 214 | 192 | Right of use asset at 01.01. | 156 | 169 |
| 4 | 2 | Indexation of the right of use asset | 2 | 4 |
| 5 | 5 | Additions | 22 | 9 |
| 9 | 4 | Adjustments of options | 7 | 10 |
| 39 | 38 | Depreciation | 35 | 37 |
| 192 | 166 | Right-of use asset at the end of the period | 152 | 156 |

| 31.12.2020 | 31.12.2021 | Lease liability | 31.12.2021 | 31.12.2020 |
|------------|------------|--|------------|------------|
| 216 | 199 | Lease liability at 01.01 | 161 | 170 |
| 4 | 2 | Indexation of the lease obligation | 2 | 4 |
| 5 | 5 | Additions | 22 | 9 |
| 9 | 4 | Adjustments of options | 7 | 10 |
| 41 | 40 | Instalments in the period | 38 | 36 |
| 5 | 4 | Interest | 4 | 4 |
| 198 | 173 | Liabilities associated with lease rights, at the end of the period* | 157 | 161 |

* In the parent bank, NOK 37 (39) million of the lease obligation falls due within 12 months. Corresponding figures in the Group are NOK 37 (35) million.

| 31.12.2020 | 31.12.2021 | Effects on earnings | 31.12.2021 | 31.12.2020 |
|------------|------------|---|------------|------------|
| 5 | 4 | Interest expense | 4 | 4 |
| 39 | 38 | Depreciation | 35 | 37 |
| 0 | -1 | Reversal of depreciation in previous period | -1 | 0 |
| 44 | 41 | Total cost from IFRS 16 | 38 | 41 |

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 | 31.12.2021 | 31.12.2021 | 31.12.2020 |
| 273 | 273 | 273 | 273 |
| 35 | 41 | 43 | 36 |
| 91 | 77 | 150 | 158 |
| 24 | 0 | 0 | 24 |
| 82 | 59 | 225 | 255 |
| 505 | 450 | 691 | 746 |
| Total other assets | | | |

Note 15 Deposits from and liabilities to customers

| Parent Bank | | Group | |
|--|---------------|---------------|---------------|
| 31.12.2020 | 31.12.2021 | 31.12.2021 | 31.12.2020 |
| 48 689 | 51 281 | 51 281 | 48 689 |
| 6 798 | 7 564 | 7 564 | 6 798 |
| 1 140 | 1 443 | 1 443 | 1 140 |
| 454 | 435 | 435 | 454 |
| 1 153 | 1 283 | 1 283 | 1 153 |
| 2 186 | 2 236 | 2 236 | 2 186 |
| 105 | 118 | 118 | 105 |
| 2 199 | 2 334 | 2 334 | 2 199 |
| 369 | 448 | 448 | 369 |
| 3 958 | 4 933 | 4 933 | 3 958 |
| 17 244 | 18 222 | 18 154 | 17 214 |
| 1 348 | 1 950 | 1 950 | 1 348 |
| 85 643 | 92 246 | 92 178 | 85 613 |
| Total deposits by sector and industry | | | |

Note 16 Debt securities issued

Parent Bank and Group

| Change in debt securities issued | 31.12.2021 | Issued | Due / redeemed | Other changes | 31.12.2020 |
|---|---------------|---------------|-------------------|------------------|---------------|
| Certificate debt, nominal value | 500 | 500 | 0 | 0 | 0 |
| Bond debt, nominal value | 30 884 | 6 677 | -8 283 | 2 290 | 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 | 196 | 0 | 0 | 12 | 184 |
| Value adjustments * | 154 | 0 | 0 | -1 916 | 2 070 |
| Total debt raised through issuance of securities and subordinated loan capital, book value | 38 534 | 10 177 | -8 283 | 386 | 36 254 |

*) Herof unrealised exchange rate effects with MNOK -1 310 in the period and MNOK 33 accumulated

| 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 |
| Total debt raised through issuance of securities and subordinated loan capital, book value | 36 254 | 5 581 | -4 992 | 629 | 35 036 |

Note 17 Other debt and liabilities recognized in the balance sheet

| Parent Bank | | Group | |
|-------------|---|------------|------------|
| 31.12.2020 | 31.12.2021 | 31.12.2021 | 31.12.2020 |
| 73 | 84 | 114 | 107 |
| | Accrued expenses and prepaid revenue | | |
| 33 | 29 | 28 | 33 |
| | Provisions | | |
| 83 | 80 | 80 | 83 |
| | Pension liabilities | | |
| 69 | 80 | 86 | 74 |
| | Accounts payable | | |
| 0 | 0 | 0 | 0 |
| | Unsettled trades | | |
| 198 | 173 | 157 | 161 |
| | Lease obligation (for specifications see note 13) | | |
| 174 | 175 | 272 | 281 |
| | Other liabilities | | |
| 631 | 620 | 737 | 739 |
| | Total other debt and liabilities recognised in the balance sheet | | |

Note 18 Equity capital certificates and owner structure

| Parent Bank | 31.12.2021 | 31.12.2020 |
|--|--------------------|--------------------|
| Equity capital certificates (ECC) | 5 791 | 5 791 |
| Dividend equalisation fund | 3 776 | 3 269 |
| Allocated to dividends and other equity capital | 695 | 555 |
| Premium fund | 848 | 848 |
| A. Equity capital certificate owners' capital | 11 110 | 10 463 |
| Primary capital | 4 272 | 4 053 |
| Allocated to dividends on customers return | 301 | 237 |
| Provision for gifts | 21 | 29 |
| Other paid-up equity | 166 | 166 |
| B. Total primary capital | 4 760 | 4 485 |
| Fund for unrealised gains | 460 | 320 |
| Total other equity | 460 | 320 |
| Hybrid capital | 1 000 | 650 |
| Total equity | 17 330 | 15 918 |
| Total equity for distribution: | | |
| Equity capital certificate ratio (A/(A+B)) for distribution | 70.0 % | 70.0 % |
| Equity capital certificates issued | 115 829 789 | 115 829 789 |
| Average Equity capital certificates | 115 829 789 | 115 829 789 |

| | Q4 2021 | | Q3 2021 | | |
|--|--------------------|---------------|--------------------|------------------|--------------|
| Equity Capital Certificate holders | No. Of ECC's | Share in % | No. Of ECC'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 | 3 300 861 | 2.8% | 3 005 949 | 294 912 ↑ | Ordinary |
| Fellesforbundet | 2 391 954 | 2.1% | 2 101 322 | 290 632 ↑ | Ordinary |
| Eika Egenkapitalbevis | 1 996 144 | 1.7% | 1 899 590 | 96 554 ↑ | Ordinary |
| Geveran Trading Co LTD | 1 952 005 | 1.7% | 1 952 005 | | Ordinary |
| Odin Norge | 1 621 218 | 1.4% | 1 621 218 | | Ordinary |
| Danske Invest Norske Institusjoner II | 1 455 776 | 1.3% | 1 600 524 | -144 748 ↓ | Ordinary |
| Norsk Nærings- og Nytelsesmiddelarbeiderforbund | 1 313 555 | 1.1% | 1 313 555 | | Ordinary |
| Landkreditt Utbytte | 1 000 000 | 0.9% | 1 050 000 | -50 000 ↓ | Ordinary |
| The Bank of New York Mellon SA/NV | 888 454 | 0.8% | 871 545 | 16 909 ↑ | Nominee |
| Brown Brothers Harriman & Co. | 875 000 | 0.8% | 875 000 | | Nominee |
| Tredje AP-fonden | 804 750 | 0.7% | 804 750 | | Ordinary |
| State Street Bank and Trust Comp | 735 862 | 0.6% | 747 932 | -12 070 ↓ | Nominee |
| Danske Invest Norske Aksjer Institusjon | 663 717 | 0.6% | 701 169 | -37 452 ↓ | Ordinary |
| Fagforbundet | 622 246 | 0.5% | 622 246 | | Ordinary |
| Spesialfondet Borea Utbytte | 616 021 | 0.5% | 674 205 | -58 184 ↓ | 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 |
| 20 largest Equity capital certificate holders | 93 399 862 | 80.6% | 93 003 309 | 396 553 | |
| Other Equity capital certificate holders | 22 429 927 | 19.4 % | 22 826 480 | | |
| Equity capital certificates issued | 115 829 789 | 100.0% | 115 829 789 | | |

Note 19 Net interest income

Parent bank

| | 31.12.2021 | | | | 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 |
| Interest income | | | | | | | | |
| Interest income from loans to and claims on central banks and credit institutions | 0 | 0 | 109 | 109 | 0 | 0 | 151 | 151 |
| Interest income from loans to and claims on customers | 0 | 1303 | 1148 | 2 452 | 0 | 1 471 | 1 253 | 2 724 |
| Total interest income, effective rate method | 0 | 1303 | 1257 | 2 561 | 0 | 1 471 | 1 404 | 2 875 |
| Interest income from loans to and claims on customers | 170 | 0 | 0 | 170 | 187 | 0 | 0 | 187 |
| Interest on certificates and bonds | 178 | 0 | 0 | 178 | 221 | 0 | 0 | 221 |
| Other interest income | -110 | 0 | 0 | -110 | -141 | 0 | 0 | -141 |
| Total other interest income | 239 | 0 | 0 | 239 | 268 | 0 | 0 | 268 |
| Total interest income | 239 | 1 303 | 1 257 | 2 800 | 268 | 1 471 | 1 404 | 3 143 |
| Interest expenses | | | | | | | | |
| Interest on debt to credit institutions | 0 | 0 | 29 | 29 | 0 | 0 | 53 | 53 |
| Interest on deposits from and liabilities to customers | 0 | 0 | 334 | 334 | 0 | 0 | 618 | 618 |
| Interest on securities issued | 58 | 0 | 377 | 435 | 76 | 0 | 425 | 501 |
| Interest on subordinated loan capital | 0 | 0 | 24 | 24 | 0 | 0 | 30 | 30 |
| Fees to the Banks' Guarantee Fund | 0 | 0 | 52 | 52 | 0 | 0 | 49 | 49 |
| Other interest expenses | 0 | 0 | 4 | 4 | 0 | 0 | 5 | 5 |
| Total interest expenses | 58 | 0 | 820 | 877 | 76 | 0 | 1 180 | 1 256 |
| Total net interest income | 181 | 1303 | 438 | 1 923 | 192 | 1 471 | 225 | 1 887 |

Group

| | 31.12.2021 | | | | 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 |
| Interest income | | | | | | | | |
| Interest income from loans to and claims on central banks and credit institutions | 0 | 0 | 25 | 25 | 0 | 0 | 38 | 38 |
| Interest income from loans to and claims on customers | 0 | 1296 | 1520 | 2 816 | 0 | 1 465 | 1 664 | 3 129 |
| Total interest income, effective rate method | 0 | 1296 | 1545 | 2 841 | 0 | 1 465 | 1 702 | 3 167 |
| Interest income from loans to and claims on customers | 170 | 0 | 0 | 170 | 187 | 0 | 0 | 187 |
| Interest on certificates and bonds | 178 | 0 | 0 | 178 | 221 | 0 | 0 | 221 |
| Other interest income | -110 | 0 | 0 | -110 | -141 | 0 | 0 | -141 |
| Total other interest income | 239 | 0 | 0 | 239 | 268 | 0 | 0 | 268 |
| Total interest income | 239 | 1 296 | 1 545 | 3 080 | 268 | 1 465 | 1 702 | 3 436 |
| Interest expenses | | | | | | | | |
| Interest on debt to credit institutions | 0 | 0 | 29 | 29 | 0 | 0 | 53 | 53 |
| Interest on deposits from and liabilities to customers | 0 | 0 | 335 | 335 | 0 | 0 | 621 | 621 |
| Interest on securities issued | 58 | 0 | 377 | 435 | 76 | 0 | 425 | 501 |
| Interest on subordinated loan capital | 0 | 0 | 24 | 24 | 0 | 0 | 30 | 30 |
| Fees to the Banks' Guarantee Fund | 0 | 0 | 52 | 52 | 0 | 0 | 49 | 49 |
| Other interest expenses | 0 | 0 | 4 | 4 | 0 | 0 | 4 | 4 |
| Total interest expenses | 58 | 0 | 821 | 879 | 76 | 0 | 1 182 | 1 258 |
| Total net interest income | 181 | 1296 | 724 | 2 202 | 192 | 1 465 | 521 | 2 177 |

Note 20 Events occurring after the balance date

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

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

| 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 | $\frac{Majority\ interest\ of\ the\ Group's\ profit\ after\ tax \times Average\ ECC\ ratio}{Average\ number\ of\ ECC\ i\ the\ accounting\ period}$ <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 | $\frac{Majority\ interest\ of\ the\ Group's\ profit\ after\ tax \times Average\ ECC\ ratio}{Average\ number\ of\ ECC\ in\ the\ accounting\ period + Number\ of\ ECC\ issued\ after\ the\ accounting\ period}$ <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 th Quarter 2021 |
| Tuesday 8 March | Annual Report 2021 |
| Tuesday 29 March | Supervisory Board Meeting |
| Friday 6 May | 7.30 AM 1 st Quarter 2022 |
| Thursday 11 August | 12.00 PM 2 nd Quarter 2022 |
| Friday 28 October | 6.00 PM 3 rd 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.

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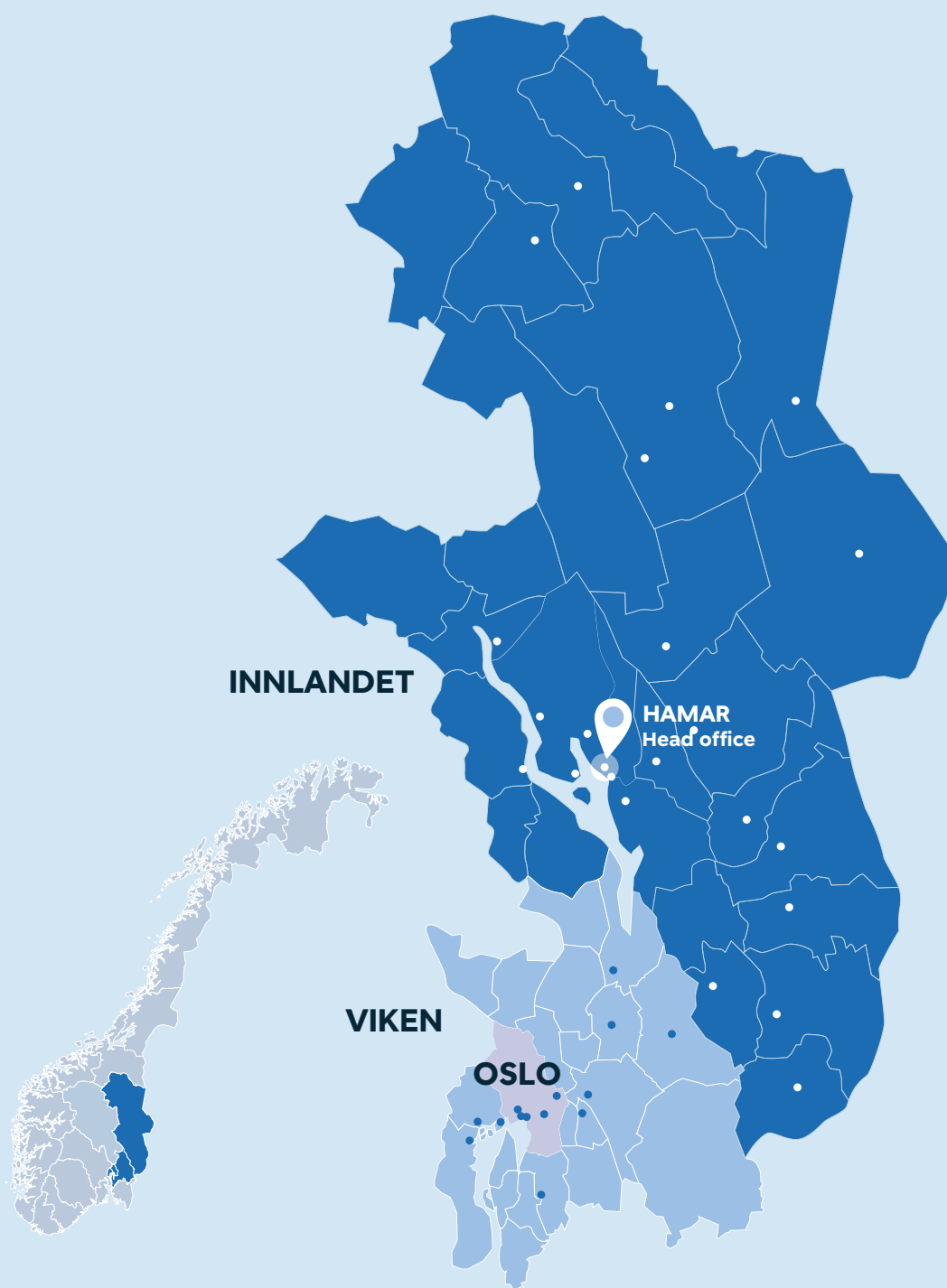
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