First quarter report 2020

SPAREBANK 1 ØSTLANDET

SpareBank 1 Østlandet celebrates its 175th anniversary.

SpareBank 1 ØSTLANDET

Content

Key figures

Group	01.01-31.03 2020		01.01-31.03 2019		Year 2019	
Summary (NOK million and per cent of average assets)	**Amount**	**Per cent [1)]**	**Amount**	**Per cent [1)]**	**Amount**	**Per cent [1)]**
Net interest income	594	1.72 %	508	1.65 %	2,166	1.66 %
Net commission and other operating income	343	0.99 %	341	1.11 %	1,388	1.06 %
Net income from financial assets and liabilities	-48	-0.14 %	423	1.37 %	735	0.56 %
Total income	**889**	**2.57 %**	**1,271**	**4.13 %**	**4,289**	**3.29 %**
Total operating expenses	**487**	**1.41 %**	**494**	**1.60 %**	**1,930**	**1.48 %**
Operating profit before losses on loans and guarantees	**402**	**1.16 %**	**777**	**2.52 %**	**2,359**	**1.81 %**
Impairment on loans and guarantees	151	0.44 %	-33	-0.11 %	32	0.02 %
Pre-tax operating profit	**251**	**0.72 %**	**810**	**2.63 %**	**2,326**	**1.78 %**
Tax expense	-16	-0.05 %	54	0.17 %	398	0.31 %
Profit after tax	**266**	**0.77 %**	**757**	**2.46 %**	**1,928**	**1.48 %**
Interest expenses on hybrid capital	4	0.01 %	5	0.01 %	15	0.01 %
Profit after tax incl. interest hybrid capital [2)]	262	0.76 %	752	2.44 %	1,913	1.47 %
Profitability						
Return on equity capital [2)]	6.9%		21.2%		12.8%	
Cost income ratio [2)]	54.7%		38.8%		45.0%	
Balance sheet and ratios						
Gross loans to customers	108,811		98,744		107,035	
Gross loans to customers including loans transferred to covered bond companies [2)]	153,846		141,079		150,688	
Growth in loans during the last 12 months [2)]	10.2%		6.4%		8.2%	
Growth in loans including loans transferred to covered bond companies in the last 12 months [2)]	9.0%		6.5%		7.5%	
Deposits from customers	79,901		72,377		78,494	
Growth in deposits in the last 12 months [2)]	10.4%		9.5%		9.8%	
Deposit to loan ratio [2)]	73.4%		73.3%		73.3%	
Deposit to loan ratio incl. loans transferred to covered bond companies[2)]	51.9%		51.3%		52.1%	
Average total assets	139,184		124,882		130,394	
Total assets	143,586		126,292		134,783	
Total assets including loans transferred to covered bond companies [2)]	188,621		168,626		178,436	
Losses and commitments in default						
Impairment on loans as a percentage of gross loans [2)]	0.6%		-0.1%		0.0%	
Loans to and receivables from customers in stage 2, percentage of gross loans	6.4%		6.3%		7.4%	
Loans to and receivables from customers in stage 3, percentage of gross loans	0.5%		0.4%		0.4%	
Solidity and liquidity						
CET 1 capital ratio	17.0%		16.9%		17.2%	
Tier 1 capital ratio	17.7%		17.5%		17.9%	
Capital adequacy ratio	19.6%		19.4%		19.8%	
Total eligible capital	15,883		14,676		15,444	
Equity ratio [2)]	10.8%		11.6%		11.8%	
Leverage Ratio	7.0%		7.4%		7.2%	
LCR [3)]	151.3%		146.6%		162.2%	
LCR in NOK [3)]	142.6%		151.3%		147.1%	
LCR in EUR [3)]	621.9%		257.5%		1248.3%	
Staff						
Number of fulltime equivalents	1,148		1,141		1,127	
Equity capital certificates						
Market price (NOK)	75.00		82.40		92.50	
Market capitalisation (NOK million)	8,687		9,544		10,714	
Book equity per EC [2)]	91.16		85.26		93.67	
Earnings per EC, NOK [4)]	1.58		4.50		11.55	
Price/Earnings per EC [2)]	11.78		4.52		8.01	
Price/book equity [2)]	0.82		0.97		0.99	

1) Calculated as a percentage of average total assets.
2) See attachment regarding Alternative performance measures.
3) Liquidity Coverage Ratio: Measures the size of banks' liquid assets relative to net liquidity output 30 days ahead of time given a stress situation.
4) Profit after tax for controlling interests * Equity capital certificate ratio / number of EC's.

Report of the Board of Directors

First quarter of 2020 (Consolidated figures. Figures in brackets concern the corresponding period in 2019)

- Profit after tax: NOK 266 (757) million
- Return on equity: 6.9 (21.2) per cent
- Earnings per equity certificate: NOK 1.58 (4.50)
- Net interest income: NOK 594 (508) million
- Net commissions and other operating income: NOK 343 (341) million
- Net result from financial assets and liabilities: NOK -48 (423) million
- Total operating expenses: NOK 487 (494) million
- Loan loss provisions: NOK 151 (net reversals of 33) million
- Common Equity Tier 1 ratio: 17.0 (16.9) per cent
- Growth in loans including mortgages transferred to covered bond companies in the last 12 months: 9.0 (6.5) per cent
- Growth in deposits over last 12 months: 10.4 (9.5) per cent

Important events in the first quarter of 2020

Accounting classification of gifts and customer dividends from primary capital

In a letter to the Bank dated 17 February 2020, the Financial Supervisory Authority of Norway confirmed that gifts and customer dividends should be treated as distributions of profits in the accounts in line with section 10-17 of the Financial Institutions Act. This entails a continuation of current accounting practice for savings banks with customer dividends, where these distributions are recognised as equity transactions.

Moody's upgrades the Bank's rating

On 5 March 2020, Moody's Investors Service (Moody's) upgraded SpareBank 1 Østlandet's baseline credit assessment (BCA) and deposit/debt rating. This meant that the ratings of the Bank's deposits and senior debt were upgraded from A1 to Aa3, with a stable outlook. The Bank's BCA and adjusted BCA were upgraded from baa1 to a3. The Bank thus has the highest credit rating Moody's has given a Norwegian savings bank.

Interest rate changes

With effect from 6 April 2020, SpareBank 1 Østlandet reduced lending rates for both retail and corporate customers. The lending rates were generally reduced by 0.85 percentage points.

Deposit rates for savings and investment accounts were generally reduced by 0.80 percentage points, and deposit rates for current and operating accounts were generally reduced by 0.05 percentage points and 0.10 percentage points, respectively. Deposit rates were reduced with effect from 10 April 2020 for corporate customers and with effect from 27 May 2020 for retail customers.

SpareBank 1 Gruppen AS retains 65 per cent ownership of Fremtind Forsikring AS

SpareBank 1 Østlandet's jointly owned company SpareBank 1 Gruppen AS had entered into an option agreement with DNB ASA that could have resulted in the company's stake in Fremtind Forsikring AS being reduced from 65 per cent to 60 per cent by no later than the end of the first quarter of 2020.

DNB ASA chose not to exercise this option by the deadline, and the option has therefore expired in its entirety. DNB ASA stated that it is pleased with the cooperation in, and development of, Fremtind Forsikring AS and is interested in increasing its stake in the company in the long term. However, given the current market conditions, DNB ASA stated that exercising such an option was not desirable as at 31 March 2020.

SpareBank 1 Gruppen AS and DNB ASA thereby retained their stakes of 65 per cent and 35 per cent, respectively.

Transfer of personal risk area from SpareBank 1 Forsikring AS to Fremtind Forsikring AS
The merger of the personal risk products of SpareBank 1 Forsikring AS and DNB Livsforsikring AS and transfer to Fremtind Livsforsikring AS, with settlement from Fremtind Forsikring AS, was implemented with accounting effect from 1 January 2020.

The total value of the personal risk area was assumed to be approximately NOK 6.25 billion. The merger resulted in increased equity for SpareBank 1 Gruppen at a group level. The controlling interest's (the SpareBank 1 banks and LO) share of this increase was NOK 1.75 billion. SpareBank 1 Østlandet's share of this increase (12.4 per cent) amounted to NOK 217 million and was recognised as income in the first quarter of 2020.

SpareBank 1 Gruppen AS (parent company) received a tax-free gain of NOK 937 million as a result of the merger. SpareBank 1 Gruppen AS' dividend capacity will be strengthened in line with this gain. SpareBank 1 Østlandet's share of possible future dividend of NOK 937 million (12.4 per cent) will amount to NOK 116 million. Any future dividend will be assessed in light of the company's financial strength and the market situation, especially in relation to the government's guidelines regarding the coronavirus pandemic.

Adjustment of dividend for 2019
In connection with the Ministry of Finance's announcement, based on Norges Bank's recommendation, of an immediate reduction in the countercyclical capital buffer of 1.5 percentage points on 13 March 2020, Norwegian banks were asked not to take advantage of this easing of capital requirements to increase their dividend. The Financial Supervisory Authority of Norway followed up with a letter on 16 March 2020 to the boards of all Norwegian financial institutions in which they asked the boards to reconsider their dividend for 2019 in light of the coronavirus pandemic.

After reconsidering, the Board of Directors decided to reduce the dividend proposed to the Bank's Supervisory Board from 50 per cent to 40 per cent of the Group's profit after tax for the financial year 2019. The Supervisory Board approved a reduced dividend in line with the Board og Directors' recommendation and the dividend per equity certificate was thus reduced from NOK 5.72 to NOK 4.58.

The customer dividend, which is a distribution of profit from the Bank's ownerless capital, was correspondingly reduced from NOK 266 million to NOK 208 million in line with the Bank's dividend policy of maintaining a stable owner fraction.

Transfers to the dividend equalisation fund and primary capital were increased correspondingly and are thus available for possible dividend to owners and customers in the future.

The SpareBank 1 Østlandet Group

The Group comprises SpareBank 1 Østlandet and the wholly-owned subsidiaries EiendomsMegler 1 Innlandet AS (formerly EiendomsMegler 1 Hedmark Eiendom 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, 18.00 per cent of SpareBank 1 Utvikling DA, 20.87 per cent of SpareBank 1 Kredittkort AS, 9.99 per cent of BN Bank ASA, 20.00 per cent of SMB Lab AS, 20.00 per cent of Betr AS and 18.74 per cent of SpareBank 1 Betaling AS. The Bank also owns 22.29 per cent of SpareBank 1 Boligkreditt AS and 15.15 per cent of SpareBank 1 Næringskreditt AS (the covered bond companies). The results from the above companies are recognised in the Bank's consolidated financial statements in proportion to the Bank's stake. The Group prepares its financial statements in accordance with international accounting standards as adopted by the EU (IAS 34).

Consolidated results for the first quarter of 2020

Consolidated results

The consolidated profit after tax was NOK 266 (757) million, compared with NOK 291 million for the fourth quarter of 2019. The return on equity was 6.9 (21.2) per cent, compared with 7.3 per cent in the fourth quarter of 2019.

Specification of the consolidated profit after tax in NOK millions:	31.03.20	31.03.19
Parent Bank's profit after tax	280	719
Dividends received from subsidiaries/associated companies	-156	-341
Share of profit from:		
SpareBank 1 Gruppen - consolidated figures	144	315
SpareBank 1 Boligkreditt AS	-33	15
SpareBank 1 Næringskreditt AS	1	2
EiendomsMegler 1 Innlandet AS	0	-2
EiendomsMegler 1 Oslo Akershus - consolidated figures	-1	3
SpareBank 1 Finans Østlandet AS	29	29
SpareBank 1 Østlandet VIT - consolidated figures	0	-1
SpareBank 1 Kredittkort AS	1	4
SpareBank 1 Betaling AS	-2	11
BN Bank ASA - consolidated figures	7	0
Youngstorget 5 AS	1	4
Other associated companies/joint ventures	-3	-1
Consolidated profit after tax	**266**	**757**

Net interest income

Net interest income amounted to NOK 594 (508) million, compared with NOK 584 million in the fourth quarter of 2019.

Net interest income must be viewed in conjunction with commissions from mortgages transferred to the part-owned covered bond companies (recognised as commission income) totalling NOK 79 (84) million. Total net interest income and commissions from the covered bond companies totalled NOK 673 (592) million. Improved interest margins and growth in loans and deposits contributed to the increase in total net interest income, while somewhat lower commissions from the covered bond companies had the opposite effect.

Net interest income as a percentage of average total assets was 1.72 (1.65) per cent.

Net commissions and other operating income

Net commissions and other operating income amounted to NOK 343 (341) million, compared with NOK 333 million in the fourth quarter of 2019.

NOK millions	31.03.20	31.03.19
Net money transfer fees	28	25
Commissions from insurance and savings	56	49
Commissions from covered bonds companies	79	84
Commission from credit cards	16	15
Real estate brokerage commissions	74	75
Accounting services	52	53
Other operating income	38	40
Net commissions and other (non interest) operating income	**343**	**341**

Net commissions and other operating income increased due to an increase in income from money-transfer services, as well as an increase in commissions from credit cards, mutual fund and insurance products. This was offset to some extent by reduced commissions from the covered bond companies, reduced income from real estate brokerage and accounting services, and a reduction in other income.

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

Net result from financial assets and liabilities

The net result from financial assets and liabilities amounted to NOK -48 (423) million, compared with NOK 11 million in the fourth quarter of 2019.

NOK millions	31.03.20	31.03.19
Dividends from other than Group companies	12	12
Net profit from ownership interests	115	346
Net profit from other financial assets and liabilities	-175	65
Net commission and other operating income	**-48**	**423**

Dividends of NOK 12 (12) million consisted mainly of dividends from Totens Sparebank of NOK 11 (12) million.

The net profit from ownership interests amounted to NOK 115 (346) million.

Contribution from associated companies and joint ventures	31.03.20	31.03.19
SpareBank 1 Gruppen AS	144	315
SpareBank 1 Boligkreditt AS	-33	15
SpareBank 1 Næringskreditt AS	1	2
SpareBank 1 Kredittkort AS	1	4
SpareBank 1 Betaling AS	-2	11
BN Bank ASA	7	0
Other associated companies/joint ventures	-2	-1
Net profit from ownership interests	**115**	**346**

The NOK 231 million reduction was primarily attributable to weaker results from SpareBank 1 Gruppen, although the other part-owned companies also posted significantly weaker results than for the same period last year. Profit contributions from BN Bank ASA were included in the Group for the first time with effect from 24 May 2019.

The profit contribution from SpareBank 1 Gruppen was NOK 144 million in the first quarter of 2020. The underlying profit contribution was NOK -73 million, but SpareBank 1 Østlandet's share of the gain in SpareBank 1 Gruppen from the transfer of the personal risk area from SpareBank 1 Forsikring AS to Fremtind Forsikring AS amounted to NOK 217 million in the quarter. In comparison, SpareBank 1 Østlandet's share of the gain in SpareBank 1 Gruppen in connection with the insurance merger and selldown in Fremtind Forsikring AS in the first quarter of 2019 amounted to NOK 291 million.

The net profit from other financial assets and liabilities was NOK -175 (65) million. The weak result was due to a reduction to the value of fixed income securities in the liquidity portfolio, inclusive of hedging, equity instruments and fixed-rate loans for customers inclusive of hedging. These were offset to some extent by positive changes in value for issued securities inclusive of hedging, gains from the realisation of assets at fair value through profit or loss, and a positive net result from currency trading. Also see Note 7 'Net result from financial assets and liabilities'.

Operating expenses

Operating expenses amounted to NOK 487 (494) million, compared with NOK 490 million in the fourth quarter of 2019. Operating expenses amounted to 54.7 (38.8) per cent of net income, compared with 52.7 per cent in the fourth quarter of 2019.

NOK millions	31.03.20	31.03.19	Change
Personnel expenses excl. restructuring costs	274	287	-4.6 %
Depreciation/amortisation	34	36	-2.9 %
IT expenses	71	71	0.1 %
Marketing expenses	17	21	-17.9 %
Operating expenses from real estate	15	8	93.7 %
Other expenses	74	67	9.7 %
Total operating expenses excl. restructuring costs	**486**	**490**	**-0.9 %**
Restructuring costs	1	4	
Total operating expenses	**487**	**494**	**-1.5 %**

The NOK 7 million reduction in operating expenses was primarily attributable to lower personnel expenses due to a reduction in the average number of FTEs during the period, as well as expenses of NOK 7 million in the first quarter of 2019 linked to an employee discount for the purchase of equity certificates in connection with an employee offering. Increased operating expenses for real estate and other operating expenses contributed in the opposite direction. Restructuring expenses amounted to NOK 1 (4) million in the first quarter and were due to severance agreements in the Parent Bank.

As at 31 March 2020, the Group had 1,148 (1,141) FTEs. The overall increase of 7 FTEs was a combination of a reduction of 2 FTEs in the Parent Bank and an increase of 9 FTEs in subsidiaries.

Loan loss provisions

In the first quarter of 2020, the Group recognised a loss of NOK 151 million (net reversals of NOK 33 million), compared with NOK 33 million in the fourth quarter of 2019.

Loan loss provisions can be broken down as follows:

Specification of total losses on loans and guarantees in the period, NOK millions	Total	RM	CM	SB1FØ
Change in impairments in the period	147	13	112	22
Realised losses on commitments for which earlier impairment provisions have been made	4	2	2	0
Realised losses on commitments for which no earlier impairment provisions has been made	14	1	1	11
-Recoveries on loans and guarantees previously impaired	13	0	0	13
Total impairment losses on loans and guarantees in the period	**151**	**16**	**114**	**21**

The Parent Bank booked a loss of NOK 130 million (net reversals of NOK 45 million). The main reason for the sharp increase in losses are the increased model-generated loan loss impairments under the IFRS 9 rules linked to expected credit losses in connection with the coronavirus pandemic. The model-generated loan loss impairments increased by NOK 82 million due to increased weighting in the downside scenario and increased PD estimates in the base scenario. A post model adjustment (PMA) of NOK 35 million was also made for estimated, not observed migration from Stage 1 to Stage 2. By comparison, last year's figures was heavily influenced by a reduction in loan loss impairments as a result of the validation of the loss models showing that the previous LGD estimates were significantly higher than realised loss rates.

SpareBank 1 Finans Østlandet AS recognised losses of NOK 21 (12) million. The main reason for the increase in losses are the increased model-generated loan loss impairments under the IFRS 9 rules linked to expected credit losses in connection with the coronavirus pandemic. The model-generated loan loss impairments increased by NOK 16 million due to increased weighting in the downside scenario and increased PD estimates in the base scenario. A post model adjustment (PMA) of NOK 5 million was also made for estimated, not observed migration from Stage 1 to Stage 2.

73 (74) per cent of the SpareBank 1 Østlandet Group's total lending, inclusive of mortgages transferred to the covered bond companies, was to retail customers, mainly in the form of residential mortgages. The corporate portfolio's exposure to cyclical industries is low.

Credit risk

The Group's loan loss provisions as at 31 March 2020 amounted to NOK 507 (337) million, compared with NOK 360 million as at 31 December 2019. The marked increase the last quarter was due to the increased model-generated loan loss impairments under the IFRS 9 rules linked to expected credit losses in connection with the coronavirus pandemic.

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

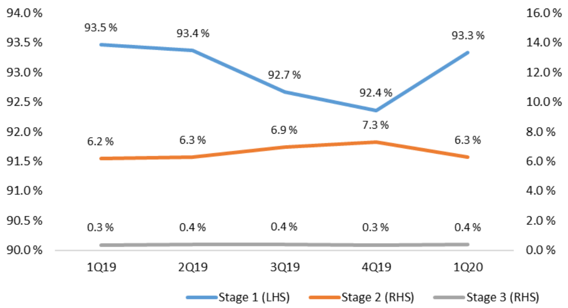
Stage 1 is used for lending that does not have a substantially higher credit risk than it did upon initial recognition. A provision is made for 12 months' expected losses.

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

Stage 3 is used for lending that has a substantially higher credit risk than it did upon initial recognition, and where credit loss has occurred on the balance sheet date. A provision is made for expected losses over the entire lifetime.

Gross loans and financial liabilities defined as Stage 3 amounted to NOK 518 (427) million as at 31 March 2020. This corresponded to 0.48 (0.43) per cent of gross lending. NOK 101 (88) million of gross loans and financial liabilities defined as Stage 3 was provisions for credit losses.

Net exposure in the different stages was as follows:



For more detailed information about loan loss impairments, see Note 1 'Accounting policies', Note 5 'Loans to and receivables from customers' and Note 6 'Loan loss provisions'.

The Bank has implemented a series of extraordinary measures because of the coronavirus pandemic. Lending rates have generally been reduced by 0.85 percentage points for both retail and corporate customers. The Group's loan customers, both retail and corporate, who are experiencing liquidity problems will generally be granted a 3-month interest only period. In addition to this, the Bank can provide government guaranteed liquidity loans or other liquidity facilities to corporate customers and is maintaining a close, ongoing dialogue with this customer group.

The credit risk in the Bank's credit portfolio was showing a slight improvement prior to the end of the first quarter of 2020. There was little indication that the credit quality in the loan portfolio was deteriorating, although this is expected to happen gradually throughout this year and next year as the crisis impacts both companies and private customers and this is reflected in the Bank's risk models. At the end of the first quarter of 2020, the Bank's measured credit risk was within the risk tolerances approved by the Board. The Board is of the opinion that the Group's credit risk is moderate to low, but increasing due to the coronavirus pandemic.

Total assets

Total assets as at 31 March 2020 amounted to NOK 143.6 (126.3) billion, compared with NOK 134.8 billion as at 31 December 2019. Adjusted total assets, defined as total assets inclusive of mortgages transferred to the covered bond companies, amounted to NOK 188.6 (168.6) billion, compared with NOK 178.4 billion as at 31 December 2019.

Lending to customers

Gross lending to customers, inclusive of loans transferred to the covered bond companies, totalled NOK 153.8 (141.1) billion, compared with NOK 150.7 billion as at 31 December 2019. At the end of the quarter, mortgages totalling NOK 44.0 (40.9) billion had been transferred to SpareBank 1 Boligkreditt AS, and mortgages totalling NOK 1.0 (1.4) billion had been transferred to SpareBank 1 Næringskreditt AS.

The growth in lending in the past 12 months, inclusive of mortgages transferred to the covered bond companies, was NOK 12.8 (8.6) billion, equivalent to 9.0 (6.5) per cent. The growth in the retail lending was NOK 8.0 (6.1) billion, while the growth in the corporate lending was NOK 4.7 (2.5) billion.

Deposits from customers

As at 31 March 2020, deposits from customers totalled NOK 79.9 (72.4) billion, compared with NOK 78.5 billion as at 31 December 2019. The growth in deposits in the last 12 months was NOK 7.5 (6.3) billion, equivalent to 10.4 (9.5) per cent. The growth in retail deposits was NOK 3.9 (2.4) billion, while the growth in corporate deposits was NOK 3.6 (3.8) billion.

The Group's deposit coverage ratio was 73.4 (73.3) per cent. The Group's deposit coverage ratio, inclusive of mortgages transferred to the covered bond companies, was 51.9 (51.3) per cent.

Liquidity
Borrowing from financial institutions and securities issued (senior debt, subordinated loan capital and additional Tier 1 capital) totalled NOK 42.1 (36.3) billion, 49.5 (32.7) per cent of which is euro-denominated. The average term to maturity of the Group's long-term funding was 4.1 (4.3) years. The average term to maturity for all funding was 3.8 (4.0) years.

The liquidity coverage ratio (LCR) was 151.3 (146.6) per cent, whereas the previous annual average was 165.2 (159.4) per cent.

The Group's strong liquidity prior to the coronavirus outbreak in Norway has been maintained during the first quarter. Even given the occasionally strong turbulence in the securities markets, the Board of Directors considers the Group's liquidity situation to be satisfactory.

Equity certificates
As at 31 March 2020, the equity share capital consisted of 115,829,789 (115,829,789) equity certificates. At the end of the quarter, book equity per equity certificate was NOK 91.16 (85.26). Earnings per equity certificate amounted to NOK 1.58 (4.50).

As at 31 March 2020, the share price for the Bank's equity certificate (ticker 'SPOL') was NOK 75.00 (82.40). On 7 April 2020, a dividend of NOK 4.58 (4.12) per equity certificate was paid out for 2019.

Financial strength and capital adequacy
The Group's equity totalled NOK 15.5 (14.6) billion as at 31 March 2020 and amounted to 10.8 (11.6) per cent of the total capital. The leverage ratio was 7.0 (7.4) per cent. A simplified audit of the income statement and balance sheet was carried out according to the regulations. The profit for the period after expected income tax and dividends is included in the capital adequacy calculations.

At the end of the quarter, the Group's Common Equity Tier 1 ratio was 17.0 (16.9) per cent. The Tier 1 capital and total capital adequacy ratios were 17.7 (17.5) percent and 19.6 (19.4) per cent, respectively.

SpareBank 1 Østlandet has consolidated BN Bank ASA, where the Bank has a 9.99 per cent stake, for capital adequacy purposes since the fourth quarter of 2019. The change in its capital adequacy treatment was done according to the decision of the Financial Supervisory Authority of Norway which employs a different interpretation of the term 'cooperative group' than the Bank and thereby expects this stake to be consolidated. The Bank disagrees with the Financial Supervisory Authority of Norway's interpretation of the matter, but has nevertheless decided to consolidate BN Bank into its capital adequacy reporting. The effect of this change was -0,4 percentage points in the Common Equity Tier 1 ratio.

In line with the decision of the Financial Supervisory Authority of Norway, the Group increased its estimates for loss given default (LGD) for the corporate portfolio from the first quarter 2019. The effect was a reduction in the Common Equity Tier 1 ratio of about 0.8 percentage points. The Group appealed the Financial Supervisory Authority of Norway's decision in January 2019 and the appeal is still being considered by the Ministry of Finance.

The Group's long-term target for its Common Equity Tier 1 ratio is the regulatory requirements with an added management buffer of 100 basis points. On 13 March 2020, the Ministry of Finance reduced the countercyclical capital buffer by 1.5 percentage points from 2.5 per cent to 1.0 per cent. Therefore, at the time of writing, the Bank's Common Equity Tier 1 ratio requirement, inclusive of a Pillar 2 requirement of 1.8 percentage points, is 12.8 per cent. The Ministry of Finance has announced that the systemic risk buffer will be increased by 1.5 percentage points with effect from 31 December 2020, which will increase the overall Common Equity Tier 1 ratio requirement to 14.3 per cent. The Bank's Common Equity Tier 1 ratio is therefore significantly higher than the current and announced future capital requirements, and the Board of Directors thus considers the capital situation to be satisfactory.

Ratings
On 5 March 2020, Moody's Investors Service (Moody's) upgraded SpareBank 1 Østlandet's baseline credit assessment (BCA) and deposit/debt rating. This meant that the rating of the Bank's deposits and senior debt were upgraded from A1 to Aa3, with a stable outlook. The Bank's BCA and adjusted BCA were upgraded from baa1 to a3. SpareBank 1 Østlandet is one of the highest rated savings banks in Norway.

Parent Bank

Parent Bank's results

The Parent Bank's profit after tax for the first quarter was NOK 280 (719) million. The reduction from the first quarter of 2019 was in large part due to the Parent Bank's receipt of an extraordinary dividend from SpareBank 1 Gruppen AS of NOK 211 million in the first quarter of 2019 due to DNB ASA increasing its stake in Fremtind Forsikring AS from 20 per cent to 35 per cent. The Parent Bank also saw NOK 175 million in increased losses and a NOK 240 million reduction in net profit from other financial assets and liabilities compared with the same period last year. This was offset to some extent by NOK 76 million in increased net interest income, NOK 6 million in increased net commissions and other operating income, and NOK 7 million in reduced operating expenses.

Operating expenses

Operating expenses in the Parent Bank for the first quarter were NOK 336 (343) million and represented 46.6 (32.2) per cent of net income.

The NOK 7 million reduction in operating expenses was mainly due to lower personnel expenses. Besides normal wage growth, personnel expenses were reduced as a result of a reduction in the average number of FTEs and the Bank booking costs of NOK 7 million in the same period last year linked to discounts for purchases of equity certificates in connection with an employee offering.

Restructuring costs amounted to NOK 1 (4) million and were due to severance agreements in the Parent Bank.

NOK millions	31.03.20	31.03.19	Change
Personnel expenses excl. restructuring costs	172	181	-5.0 %
Depreciation/amortisation	27	24	12.1 %
IT expenses	63	66	-3.1 %
Marketing expenses	14	13	5.8 %
Operating expenses from real estate	13	12	3.6 %
Other expenses	46	43	6.3 %
Total operating expenses excl. restructuring costs	**335**	**339**	**-1.2 %**
Restructuring costs	1	4	
Total operating expenses	**336**	**343**	**-2.1 %**

At the beginning of the year, SpareBank 1 Østlandet stated that its target for 2020 was to limit growth in the Parent Bank's operating expenses, adjusted for restructuring costs, to 3.0 per cent.

As at 31 March 2020, the Parent Bank's operating expenses before restructuring costs were NOK 335 (339) million, which corresponds to a reduction of 1.2 per cent, and were thus NOK 14 million below the target level.

At the end of the quarter, the Parent Bank had 689 (691) full-time employees.

Financial strength and capital adequacy

The Parent Bank's equity amounted to NOK 14.6 (13.7) billion, which was equivalent to 10.2 (11.0) per cent of the total capital at the end of the quarter.

The Parent Bank's Common Equity Tier 1 ratio was 21.2 (21.9) per cent. The Tier 1 capital ratio was 21.7 (22.2) per cent and the total capital adequacy ratio was 23.7 (24.1) per cent. A simplified audit of the income statement and balance sheet was carried out according to the regulations. The profit for the period after expected income tax and dividends is included in the total capital adequacy ratio.

In line with the decision of the Financial Supervisory Authority of Norway, the Bank increased its estimates for loss given default (LGD) for the corporate portfolio from the first quarter of 2019. The effect was a reduction in the Common Equity Tier 1 ratio of about 1.2 percentage points. The Bank has appealed the Financial Supervisory Authority of Norway's decision and the appeal is still being considered by the Ministry of Finance.

Underlying banking operations

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

Underlying banking operations, NOK millions	31.03.20	31.03.19	Change
Net interest income	524	448	17.0 %
Net commission and other operating income	204	198	2.9 %
Total operating expenses	-336	-343	-2.1 %
Adjustments: Restructuring costs	1	4	-80.3 %
Operating profit underlying banking operations	**393**	**307**	**28.0 %**

The operating result from underlying banking operations was NOK 393 (307) million. The profit from underlying banking operations increased by NOK 86 million, an improvement of 28.0 per cent. The improvement was mainly a consequence of improved net interest income due to increased interest rate margins and growth in loans and deposits.

Subsidiaries

SpareBank 1 Finans Østlandet AS
The financing company SpareBank 1 Finans Østlandet AS (95 per cent stake) posted a profit after tax of NOK 29 (29) million for the first quarter. Net interest income amounted to NOK 71 (61) million, while losses on loans were NOK 21 (12) million. The main reason for the increase in losses is the increased model-generated loan loss impairments under the IFRS 9 rules linked to expected credit losses in connection with the coronavirus pandemic. A portfolio of loans from stage 3 was sold with a profit in the first quarter.

As at 31 March 2020, gross lending to customers amounted to NOK 8.9 (8.3) billion and the lending growth the last 12 months was 7.6 (12.7) per cent.

EiendomsMegler 1 Innlandet AS
EiendomsMegler 1 Innlandet AS posted first quarter earnings of NOK 28 (25) million and a profit after tax of NOK 0 (-2) million.

Despite the reduction in earnings at the end of the first quarter due to the market impact of the coronavirus pandemic, earnings for the quarter as a total increased compared to the previous quarter. This was a result of the slow pace of sales in the used homes market in Innlandet County at the end of the last year significantly speeding up at the start of 2020. In its market area, the company had a market share of 33.8 (30.4) per cent of sales of used homes and holiday properties. The company has seen activity levels in the market remain good despite the coronavirus pandemic.

EiendomsMegler 1 Oslo Akershus Group – consolidated figures
The EiendomsMegler 1 Oslo Akershus Group posted first quarter earnings of NOK 48 (52) million and profit after tax of NOK -1 (3) million.

The reduction in the profit was mainly due to the correction of an error in the income tax cost from previous years, which affected the profit by NOK 3 million in the first quarter of 2019. The drop in earnings was primarily due to the market impact of the coronavirus pandemic, which has resulted in a reduction in house sales. The company has experienced lower activity levels due to the coronavirus pandemic and is assessing staffing and the need for furloughs on an ongoing basis.

SpareBank 1 Østlandet VIT AS – consolidated figures
The SpareBank 1 Østlandet VIT Group posted first quarter earnings of NOK 53 (53) million and saw a profit after tax of NOK 0 (-1) million.

While TheVIT AS has seen steady earnings growth in all service areas over time, in March 2020 it experienced lower activity levels in some of its service areas due to measures related to the coronavirus pandemic.

Associated companies and joint ventures

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

For SpareBank 1 Gruppen, the coronavirus outbreak in Norway has resulted in significant insurance provisions for future claims, payouts on travel insurance claims, and a negative financial return on all asset classes in the first quarter of 2020. The company posted a consolidated profit after tax for the first quarter of NOK -780 (240) and the return on equity was -53.7 (9.7) per cent. The controlling interest's share of the consolidated profit for the first quarter amounted to NOK -591 (193) million and SpareBank 1 Østlandet's share of this amounted to NOK -73 (24) million.

The merger of the personal risk products of SpareBank 1 Forsikring AS and DNB Livsforsikring AS and transfer to Fremtind Livsforsikring AS, with settlement from Fremtind Forsikring AS, was implemented with accounting effect from 1 January 2020. The total value of the personal risk area was assumed to be NOK 6.25 billion. The merger resulted in increased equity for SpareBank 1 Gruppen at a group level. The controlling interest's (the SpareBank 1 banks and LO) share of this increase was NOK 1.75 billion. This gain 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. In the first quarter of 2020, SpareBank 1 Østlandet's share of the gain related to the transfer of personal risk products to Fremtind Forsikring AS amounted to NOK 217 million, while in the first quarter of 2019 its share of the gain related to the selldown in Fremtind

Forsikring AS to DNB ASA was NOK 291 million. The profit contributions included in SpareBank 1 Østlandet’s consolidated financial statements therefore amounted to NOK 144 (315) million for the first quarter.

SpareBank 1 Boligkreditt AS
SpareBank 1 Boligkreditt AS (22.29 per cent stake) was established by the banks in the SpareBank 1 Alliance to utilise the market for covered bonds. The banks sell prime mortgages to the company and achieve lower funding costs.

The company posted a first quarter result after tax of NOK -132 (80) million. The lower result was mainly due to a negative result from financial assets and liabilities.

The profit contribution from SpareBank 1 Boligkreditt AS, which is included the consolidated accounts for SpareBank 1 Østlandet using the equity method, is adjusted for interest paid on the hybrid capital that is recognised directly in equity. The profit contribution amounted to NOK -33 (15) million for the first quarter.

SpareBank 1 Næringskreditt AS
SpareBank 1 Næringskreditt AS (15.15 per cent stake) was established according to the same model, and with the same management, as SpareBank 1 Boligkreditt AS. SpareBank 1 Næringskreditt AS has two classes of shares with differing rights to dividends. SpareBank 1 Østlandet includes 12.67 per cent of the company’s results in its consolidated financial statements, equivalent to the Bank’s share of the company’s dividend payments.

The company posted a first quarter profit after tax of NOK 8 (23) million. The poorer result was mainly due to a negative result from financial assets and liabilities. The profit share included in SpareBank 1 Østlandet’s consolidated financial statements for the first quarter amounted to NOK 1 (2) million.

SpareBank 1 Kredittkort AS
SpareBank 1 Kredittkort AS (20.87 per cent stake) is the SpareBank 1 Alliance’s jointly-owned credit card company. The company posted a first quarter profit after tax of NOK 2 (18) million. The reduction was mainly due to lower net transaction income, commissions and income from banking services, as well as increased commission expenses and costs from banking services. The profit share included in SpareBank 1 Østlandet’s consolidated financial statements amounted to NOK 1 (4) million for the first quarter.

SpareBank 1 Betaling AS
SpareBank 1 Betaling AS (18.74 per cent stake) is the SpareBank 1 Alliance’s joint undertaking for payment solutions. The company manages the SpareBank 1 Alliance’s stake in Vipps AS.

The company posted a first quarter profit after tax of NOK -11 (-14) million. The profit contribution included in SpareBank 1 Østlandet’s consolidated financial statements amounted to NOK -2 (11) million for the first quarter.

BN Bank ASA – consolidated figures
BN Bank ASA (9.99 per cent stake from 24 May 2019) is a nationwide bank for corporate and retail customers owned by seven of the banks in the SpareBank 1 Alliance.

BN Bank ASA posted a first quarter consolidated profit after tax of NOK 69 (74) million and the return on equity was 6.5 (7.4) per cent. Net interest income increased by NOK 35 million compared with the first quarter last year, while other operating income fell by NOK 2 million, operating expences increased by NOK 5 million, and losses increased by NOK 39 million. Increased losseswere heavily affected by model-generated provisions under IFRS 9 related to the coronavirus pandemic.

The profit contribution included in SpareBank 1 Østlandet’s consolidated financial statements amounted to NOK 7 million in the first quarter of 2020.

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

Corporate social responsibility and sustainability

SpareBank 1 Østlandet uses the GRI standard as its sustainability reporting framework. The annual report for 2019 was prepared as an integrated report in which sustainability was described where relevant throughout the annual report.

Sustainability is an integral part of operations and a management responsibility at all levels. The Board monitors the work closely and all of the targets and measures for implementing sustainability in the Bank have been incorporated into an overall business management tool.

Outlook

At the beginning of 2020, the global economy was showing signs of stabilisation, with a decision having been made on Brexit and the trade war between China and the US appearing to ease. The Norwegian economy was stable, with high commodity prices, low unemployment, a stable exchange rate and a rising policy rate.

In its summary of the outlook at the end of the fourth quarter of 2019, the Board of Directors highlighted that the spread of the coronavirus could present a risk of reduced growth. It became increasingly clear during the first quarter that the coronavirus pandemic would have global consequences, and on 13 March the Norwegian government announced the strictest restrictions for individuals and companies in peacetime.

The restrictions had dramatic and immediate effects, both for the country as a whole and for Eastern Norway. Between the middle of March and today, the number of unemployed and furloughed has risen to numbers that have never been registered before. Many companies have lost their income base and large groups of individuals have seen their incomes fall. At the same time, the price of oil has almost collapsed and the financial markets have experienced a period of very rapid and strong fluctuations. The NOK has followed the oil price, with far greater volatility and weakening than the currencies of Norway's most important trading partners. This has impacted the willingness of investors to finance banks and financial institutions, both globally and in Norway.

The world's governments and central banks have acted resolutely and introduced fiscal and monetary stimulies on a scale the world has never seen before. At the same time, regulatory authorities have been quick and flexible in relation to easing regulations that could have amplified the acute crisis in the financial markets.

The Norwegian government and the Nowegian Central Bank were among those to introduce a series of support packages, reduce policy rates, guarantee access to funding and ease regulatory requirements to secure companies and individuals through a highly uncertain and complicated period.

It is difficult to forecast the duration and depth of the crisis situation for health, commercial finances and private finances that Norway and the world find themselves in.

The situation has affected SpareBank 1 Østlandet's market area, Eastern Norway, like the rest of Norway and the consequences for the Bank's customers are more uncertain than ever before. In such a situation, SpareBank 1 Østlandet's strategy is to be clearly present and available to our customers.

The first phase of the crisis has shown that the Bank's employees have, with flexibility and commitment, handled a significant rise in customer enquiries with impressive response times and resolution rates, from both the Bank's offices and their home offices.

The uncertainty in the Norwegian and regional economies will be considerable going forward and the Bank's conservative lending practice is now being put to the test. At the time of writing, there are few signs of increased defaults and bankruptcies among the Bank's customer, but it is inconceivable that the sharp decline in economic activity will not have consequences for the Bank's future lending growth and losses. The Bank has, therefore, chosen to spend a lot of time analysing the loan portfolio with a view to the effects on credit quality going forward and has already taken this into account in its loan loss impairments in the first quarter.

The Board of Directors believes that the Bank, given its traditional good financial strength and liquidity, has a very good starting point for helping our customers through this challenging period.

The Board of Directors of SpareBank 1 Østlandet

Hamar, 7 May 2020

Income statement

Parent Bank					Group		
Year	01.01-31.03				01.01-31.03		Year
2019	**2019**	**2020**	*(NOK million)*	Notes	**2020**	**2019**	**2019**
3,204	727	912	Interest income, fair value	18	984	789	3,453
335	86	64	Interest income, amortized cost	18	64	86	335
1,617	366	452	Interest expense	18	454	367	1,622
1,923	**448**	**524**	**Net interest income**	18	**594**	**508**	**2,166**
892	209	221	Commission income		314	304	1,295
94	18	24	Commission expenses		35	30	143
37	7	6	Other operating income		64	67	236
835	**198**	**204**	**Net commission and other operating income**		**343**	**341**	**1,388**
19	12	12	Dividends from other than Group companies	7	12	12	19
576	341	156	Net profit from ownership interests	7	115	346	519
197	65	-175	Net profit from other financial assets and liabilities	7	-175	65	197
792	**418**	**-7**	**Net income from financial assets and liabilities**		**-48**	**423**	**735**
3,549	**1,064**	**720**	**Total net income**		**889**	**1,271**	**4,289**
699	184	172	Personnel expenses		274	290	1,098
104	24	27	Depreciation		34	36	131
543	134	136	Other operating expenses	6	178	169	702
1,346	**343**	**336**	**Total operating expenses**		**487**	**494**	**1,930**
2,203	**721**	**385**	**Operating profit before losses on loans and guarantees**		**402**	**777**	**2,359**
-11	-45	130	Impairment on loans and guarantees		151	-33	32
2,214	**766**	**254**	**Pre-tax operating profit**		**251**	**810**	**2,326**
358	47	-26	Tax expense		-16	54	398
1,856	**719**	**280**	**Profit after tax**		**266**	**757**	**1,928**
			Attributable to additional Tier 1 Capital holders		4	5	15
			Profit after tax for controlling interest		261	751	1,909
			Profit after tax for non-controlling interest		1	1	4
			Profit after tax		**266**	**757**	**1,928**
			Earnings per equity certificate (in NOK)		1.58	4.50	11.55
			Diluted earnings per equity certificate (in NOK)		1.58	4.50	11.55
			Earnings per average equity certificate (in NOK)		1.58	4.50	11.56
			Diluted earnings per average equity certificate (in NOK)		1.58	4.50	11.56

Statement of other comprehensive income

Parent Bank Year 2019	Parent Bank 01.01-31.03 2019	Parent Bank 01.01-31.03 2020	(NOK million)	Notes	Group 01.01-31.03 2020	Group 01.01-31.03 2019	Group Year 2019
1,856	**719**	**280**	**Profit after tax**		**266**	**757**	**1,928**
3	0	0	Actuarial gains/losses on pensions		0	0	3
-1	0	0	Tax effects of actuarial gains/losses on pensions		0	0	-1
-13	-4	72	Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk		72	-4	0
3	0	-18	Tax effects related to the above		-18	1	0
0	0	0	Share of other comprehensive income from associated companies and joint ventures		2	1	13
-7	**-3**	**54**	**Total items that will not be reclassified through profit or loss**		**56**	**-3**	**6**
-1	-3	7	Net fair value adjustments on loans at fair value through other comprehensive income		7	-3	-1
0	1	-2	Tax effects related to the above		-2	1	0
5	-14	16	Fair value changes on hedge derivatives due to changes in the currency basis spread		16	-14	5
-1	3	-4	Tax effects related to the above		-4	3	-1
0	0	0	Share of other comprehensive income from associates and joint ventures		6	-25	-9
3	**-13**	**17**	**Total items that will be reclassified through profit or loss**		**23**	**-38**	**-6**
-4	**-16**	**71**	**Total profit and loss items recognised in equity**		**80**	**-41**	**0**
1,852	**703**	**351**	**Total profit/loss for the period**		**346**	**716**	**1,928**
			Attributable to additional Tier 1 Capital holders		4	5	15
			Total profit/loss for the period for controlling interest		341	710	1,909
			Total profit/loss for the period for non-controlling interest		1	1	
			Total profit/loss for the period		**346**	**716**	**1,928**

Balance sheet

Parent Bank					Group		
31.12.2019	**31.03.2019**	**31.03.2020**	*NOK million*	Notes	**31.03.2020**	**31.03.2019**	**31.12.2019**
			ASSETS				
1,325	360	1,698	Cash and deposits with central banks		1,698	360	1,325
8,273	7,855	11,387	Loans to and receivables from credit institutions		4,171	1,020	1,199
98,041	90,312	99,626	Loans to and receivables from customers	5,6	108,364	98,451	106,718
17,252	17,689	17,874	Certificates, bonds and fixed-income funds	10	17,874	17,689	17,252
878	646	3,946	Financial derivatives	8,10,11	3,946	646	878
675	616	660	Shares, units and other equity interests	10	660	616	675
4,323	3,733	4,322	Investments in associates and joint ventures		4,964	4,327	4,870
1,758	1,521	1,758	Investments in subsidiaries		0	0	0
89	93	90	Goodwill and other intangible assets		406	412	406
300	332	292	Property, plant and equipment		494	526	503
214	214	213	Right-of use assets (buildings)	12	170	161	169
520	1,825	577	Other assets	13	839	2,084	787
133,648	**125,196**	**142,444**	**Total assets**		**143,586**	**126,292**	**134,783**
			LIABILITIES				
3,647	3,615	6,418	Deposits from and liabilities to credit institutions		6,429	3,625	3,650
78,534	72,406	79,937	Deposits from and liabilities to customers	14	79,901	72,377	78,494
33,732	32,128	37,625	Liabilities arising from issuance of securities	10,15	37,625	32,128	33,732
373	303	804	Financial derivatives	8,10,11	804	303	373
335	30	147	Current tax liabilities		168	74	376
88	71	58	Deferred tax liabilities		185	194	212
663	1,803	1,578	Other debt and liabilities recognised in the balance sheet	16	1,667	1,882	739
1,303	1,102	1,303	Subordinated loan capital	10,15	1,303	1,102	1,303
118,676	**111,459**	**127,869**	**Total liabilites**		**128,082**	**111,687**	**118,880**
			EQUITY CAPITAL				
5,791	5,791	5,791	Equity capital certificates	17	5,791	5,791	5,791
848	848	848	Premium fund		848	848	848
2,772	2,585	3,159	Dividend equalisation fund		3,159	2,585	2,772
663	0	0	Dividend		0	0	663
3,838	3,893	4,006	Primary capital		4,006	3,893	3,838
166	166	166	Other paid-up equity		166	166	166
12	15	32	Provision for gifts		32	15	12
334	274	322	Fund for unrealised gains		322	274	334
292	0	0	Dividend customers return		0	0	292
300	200	300	Hybrid capital		300	200	300
-45	-34	-49	Interest expense for hybrid capital		-67	-52	-63
0	0	0	Other equity		838	787	835
			Non-controlling interests		109	98	114
14,972	**13,737**	**14,575**	**Total equity capital**		**15,504**	**14,604**	**15,903**
133,648	**125,196**	**142,444**	**Total equity capital and liabilities**		**143,586**	**126,292**	**134,783**

The board of SpareBank 1 Østlandet

Hamar, May 7th 2020

Changes in equity capital

Parent Bank (NOK million)	Paid-up equity			Earned 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**	**Hybrid-capital**	**Total equity capital**
Equity capital as of 01.01.2019	**5,766**	**830**	**166**	**3,912**	**2,589**	**15**	**252**	**-30**	**400**	**13,900**
ECs issued and transferred to owners	26	18								**44**
Hybrid capital									-200	**-200**
Interest on hybrid capital								-5		**-5**
Profit after tax				214	484		22			**719**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				-1	-2					**-3**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				-3	-7					**-10**
Net fair value adjustments on loans at fair value through other comprehensive income after tax				-1	-2					**-2**
Dividend paid				-222	-477					**-699**
Donations distributed from profit 2018				-6						**-6**
Grants from provision for gifts in 2019						0				**0**
Equity capital as of 31.03.2019	**5,791**	**848**	**166**	**3,893**	**2,585**	**15**	**274**	**-34**	**200**	**13,737**
Equity capital as of 01.01.2019	**5,766**	**830**	**166**	**3,912**	**2,589**	**15**	**252**	**-30**	**400**	**13,900**
Reclassification				-57	57					**0**
ECs issued and transferred to owners	26	18								**43**
Hybrid capital									-100	**-100**
Interest on hybrid capital								-15		**-15**
Profit after tax				505	1,268		83			**1,856**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				-3	-7					**-10**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				1	3					**4**
Net fair value adjustments on loans at fair value through other comprehensive income after tax				0	0					**-1**
Actuarial gains after tax on pensions				1	2					**3**
Dividend paid				-222	-477					**-699**
Donations distributed from profit 2018				-6						**-6**
Grants from provision for gifts in 2019						-2				**-2**
Equity capital as of 31.12.2019	**5,791**	**848**	**166**	**4,131**	**3,434**	**12**	**334**	**-45**	**300**	**14,972**
Equity capital as of 01.01.2020	**5,791**	**848**	**166**	**4,131**	**3,434**	**12**	**334**	**-45**	**300**	**14,972**
ECs issued and transferred to owners										**0**
Hybrid capital										**0**
Interest on hybrid capital								-4		**-4**
Profit after tax				87	205		-13			**280**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax				16	38					**54**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax				4	9					**12**
Net fair value adjustments on loans at fair value through other comprehensive income after tax				2	4					**5**
Actuarial gains/losses on pensions										**0**
Dividend paid				-208	-531					**-738**
Donations distributed from profit 2019				-26		26				**0**
Grants from provision for gifts in 2020						-6				**-6**
Equity capital as of 31.03.2020	**5,791**	**848**	**166**	**4,006**	**3,159**	**32**	**322**	**-49**	**300**	**14,575**

Group

(NOK million)	Paid-up equity: Equity certificates	Paid-up equity: Premium fund	Paid-up equity: Other paid-up equity		Earned equity capital: Primary capital [1)]	Earned equity capital: Dividend equalisation funds [2)]	Earned equity capital: Provision for gifts	Earned equity capital: Fund for unrealised gains	Earned equity capital: Other equity	Hybrid-capital	Non-controlling interests	Total equity capital
Equity capital as of 01.01.2019	**5,766**	**830**	**166**	**0**	**3,912**	**2,589**	**15**	**252**	**728**	**400**	**102**	**14,762**
OB Corr. Subsidiary									0			**0**
OB Corr. In Group companies									0			**0**
Adjusted equity capital at 01.01.2019	**5,766**	**830**	**166**		**3,912**	**2,589**	**15**	**252**	**728**	**400**	**102**	**14,763**
ECs issued and transferred to owners	26	18										**43**
Hybrid capital										-200		**-200**
Interest on hybrid capital									-5			**-5**
Profit after tax					214	484		22	36		1	**757**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax					-3	-7						**-10**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax					-1	-2						**-3**
Net fair value adjustments on loans at fair value through other comprehensive income after tax					-3	-2						**-2**
Share of other comprehensive income from associated companies and joint ventures									-25			**-25**
Effects directly in equity from associated companies and joint ventures									-2			**-2**
Dividend paid					-222	-477					-6	**-705**
Donations distributed from profit 2018					-6							**-6**
Grants from provision for gifts in 2019							0					**0**
Equity capital as of 31.03.2019	**5,791**	**848**	**166**	**0**	**3,893**	**2,585**	**15**	**274**	**735**	**200**	**97**	**14,604**
Equity capital as of 01.01.2019	**5,766**	**830**	**166**		**3,912**	**2,589**	**15**	**252**	**728**	**400**	**102**	**14,762**
OB Corr. Subsidiary									0			**0**
OB Corr. In Group companies									-8			**-8**
Adjusted equity capital at 01.01.2019	**5,766**	**830**	**166**		**3,912**	**2,589**	**15**	**252**	**719**	**400**	**102**	**14,753**
Reclassification					-57	57						**0**
ECs issued and transferred to owners	26	18									13	**57**
Hybrid capital										-100		**-100**
Interest on hybrid capital									-15			**-15**
Profit after tax					505	1,268		83	69		4	**1,928**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk after tax					-3	-7						**-10**
Fair value changes on hedge derivatives due to changes in the currency basis spread after tax					1	3						**4**
Net fair value adjustments on loans at fair value through other comprehensive income after tax					0	0						**-1**
Actuarial gains/losses on pensions					1	2						**3**
Share of other comprehensive income from associated companies and joint ventures									4			**4**
Effects directly in equity from associated companies and joint ventures									-6			**-6**
Dividend paid					-222	-477					-6	**-705**
Donations distributed from profit 2018					-6							**-6**
Grants from provision for gifts in 2019							-3					**-3**
Equity capital as of 31.12.2019	**5,791**	**848**	**166**		**4,131**	**3,434**	**12**	**334**	**771**	**300**	**114**	**15,903**
Equity capital as of 01.01.2020	**5,791**	**848**	**166**		**4,131**	**3,434**	**12**	**334**	**771**	**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**		**4,131**	**3,434**	**12**	**334**	**772**	**300**	**114**	**15,903**
ECs issued and transferred to owners												**0**
Hybrid capital												**0**
Interest on hybrid capital									-4			**-4**
Profit after tax					87	205		-13	-14		1	**266**
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk					16	38						**54**
Fair value changes on hedge derivatives due to changes in the currency basis spread					4	9						**12**
Net fair value adjustments on loans at fair value through other comprehensive income					2	4						**5**
Actuarial gains/losses on pensions												**0**
Share of other comprehensive income from associated companies and joint ventures									8			**8**
and joint ventures									9			**9**
Dividend paid					-208	-531					-6	**-744**
Donations distributed from profit 2019					-26		26					**0**
Grants from provision for gifts in 2020							-6					**-6**
Equity capital as of 31.03.2020	**5,791**	**848**	**166**		**4,006**	**3,159**	**32**	**322**	**771**	**300**	**109**	**15,504**

1) Amounts transferred to primary capital as of 31.12.2019 include dividend payments and proposed donations.

2) Amounts transferred to dividend equalization funds as of 31.12.2019 includes dividends to customers return.

Cash flow statement

Parent Bank				Group		
31.12.2019	31.03.2019	31.03.2020	*(NOK million)*	31.03.2020	31.03.2019	31.12.2019
-7,136	612	-1,692	Change in gross lending to customers	-1,776	196	-8,095
3,171	726	903	Interest receipts from lending to customers	1,017	822	3,586
6,994	866	1,403	Change in deposits from customers	1,407	881	6,997
-889	-191	-253	Interest payments on deposits from customers	-254	-193	-896
259	469	243	Change in receivables and debt from credit institutions	394	1,007	941
158	37	36	Interest on receivables and debt to financial institutions	-6	2	-7
-2,762	-3,216	-835	Change in certificates and bonds	-835	-3,216	-2,762
148	41	17	Interest receipts from commercial papers and bonds	17	41	148
835	198	204	Net commission receipts	332	332	1,354
70	14	51	Capital gains from sale on trading	51	14	70
-1,236	-319	-309	Payments for operations	-452	-458	-1,792
-216	-134	-108	Taxes paid	-133	-151	-248
-20	-815	913	Other accruals	924	-865	-46
-623	**-1,712**	**572**	**Net change in liquidity from operations (A)**	**686**	**-1,588**	**-751**
-28	-9	-9	Investments in tangible fixed assets	-16	-11	-58
12	0	0	Receipts from sale of tangible fixed assets	11	9	46
-687	-98	1	Change in long-term investments in equities	1	-98	-687
601	339	114	Dividends from long-term investments in equities	2	212	474
-101	**232**	**106**	**Net cash flow from investments (B)**	**-3**	**112**	**-225**
5,948	1,502	1,125	Debt raised by issuance of secutities	1,125	1,502	5,948
400	0	0	Debt raised by subordinated loan capital	0	0	400
300	0	0	Equity raised by hybrid capital	0	0	300
-4,150	-1,400	-650	Repayments of issued securities	-650	-1,400	-4,150
-200	0	0	Repayments of issued subordinated loan capital	0	0	-200
-400	0	0	Repayments of hybrid capital	0	0	-400
37	37	0	Payments arising from issuance of equity capital certificates	0	37	37
-645	-162	-172	Interest payments on securities issued	-172	-162	-645
-36	-7	-11	Interest payments on subordinated loans	-11	-7	-36
-42	-10	-11	Lease payments	-10	-7	-35
-238	0	0	Payments arising from placements in subsidiaries	0	0	13
-477	0	0	Payment of dividend	-6	-6	-483
-220	0	0	Payment og customer dividend	0	0	-220
-4	0	0	Donations	0	0	-4
274	**-41**	**281**	**Net cash flow from financing (C)**	**276**	**-44**	**525**
-451	**-1,520**	**959**	**CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)**	**959**	**-1,520**	**-451**
1,958	1,958	1,507	Cash and cash equivalents at 1 January	1,507	1,958	1,958
1,507	**438**	**2,467**	**Cash and cash equivalents at the end of the period**	**2,467**	**438**	**1,507**
			Cash and cash equivalents at comprise:			
1,325	360	1,698	Cash and deposits with central banks	1,698	360	1,325
183	78	769	Deposits etc. at call with banks	769	78	183
1,507	**438**	**2,467**	**Cash and cash equivalents at the end of the period**	**2,467**	**438**	**1,507**

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 2020. 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 2019. 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:

In September 2019, IASB issued changes to IFRS 9 and IFRS 7. These changes are mandatory from 1 January 2020, but could be implemented in the 2019 accounts. The Group chose to implement the changes early. The Group's decision regarding early implementation meant that hedging situations could be continued unaffected by the IBOR reform. The IBOR reform is an ongoing process in which existing benchmark rates used in receivables, loans and derivative agreements are replaced with alternative benchmark rates.

Interest income

Interest income was previously split into interest income measured at fair value and interest income measured using the effective interest rate method. From the first quarter of 2020, interest income is now split into interest income (effective interest rate method) and other interest income. Changes have also been made to what the effective interest rate method involves. Please also refer to Note 18 'Net interest income'.

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 2019 explain in more detail critical estimates and assessments in relation to the application of accounting policies.

Losses on loans

The coronavirus pandemic situation has challenged the Group's estimation of expected credit losses. On the balance sheet date, there was little indication that the credit quality in the loan portfolio was deteriorating, although this is expected to happen gradually throughout this year as companies and private individuals become more greatly affected by the crisis. The challenge lies in defining unbiased assumptions about a crisis that is probably in its initial phase and where its severity and duration are highly uncertain.

Please see Note 2 'Accounting Policies' in the annual financial statements for 2019 for a detailed description of the applied loss model pursuant to IFRS 9. The model contains several critical estimates. The most important is related to the definition of substantially increased credit risk and important assumptions in the general loss model.

Substantially increased credit risk

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

Alliance have historically provided good support for the critical estimates of significantly increased credit risk and they have also been on par with what other banks use in similar loss models.

Sensitivity related to substantially increased credit risk:
The effects of a more conservative definition of a significant degree of credit deterioration were simulated as at 31 December 2019, where this alternative occurs when the customer's PD has increased by more than 100 per cent (other conditions unchanged). The simulation indicated only insignificant changes in the level of expected losses. Expected credit losses in the Parent Bank increased by NOK 8 million (2.5 per cent) and the estimated effect on the consolidated portfolio was around NOK 10 million (2.5 per cent). Since the coronavirus pandemic has not significantly changed individual PD estimates in underlying credit models as at 31 March 2020, the sensitivity calculations as at 31 December 2019 remain relevant. However, the Bank believes there is reason to believe that the coronavirus pandemic will have a delayed impact on the credit models. Consequently, models have been overridden by assuming that a proportion of customers in exposed industries will migrate from Stage 1 to Stage 2 as a result of an assumed, but not observed, significant degree of credit deterioration. These extra loan loss impairments are based on a discretionary assessment of a proportion of loans that may be expected to migrate in each industry and the related higher expected credit losses in the event of migration. Total provisions of NOK 40 million have been made the SpareBank 1 Østlandet Group: NOK 35 million in the Parent Bank and NOK 5 million in the subsidiary SpareBank 1 Finans Østlandet.

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 the observed and validated default rate (DR) and losses (LGD) over the past 3 years, although the starting point is the subject of ongoing, thorough reviews of the extent to which historical defaults and losses are unbiased, and the levels of future PD and LGD are adjusted accordingly. Over time, the Bank has experienced very low defaults and even before the coronavirus pandemic, estimated future PD levels had been set significantly higher than the average DR in the last 3 years. Based on recent events and an overall assessment of the macro picture, the PD curve has been raised further as at 31 March 2020. The PD estimate for the portfolio of commitments in the Parent Bank's corporate market segment has been raised by 80 per cent 1 year forward in time and 100 per cent 2 years forward in time, before gradually normalising thereafter. For the private market segment portfolio, PD estimates have been raised by 20 per cent for 1 and 2 year forward in time. The LGD estimates in the expected scenario have not been raised since the assessment on 31 December 2019, but these also reflect a significantly higher loss ratio than the actual LGD in recent years. It could also be argued that the government's guarantee scheme will help to support the LGD assumptions over the next few years.

The upside scenario reflects an economic outlook that is better than the expected development, and PD and LGD have been set lower than in the expected scenario. The starting point is the observed level of defaults and losses in an historical economic recovery. The Bank believes that the DR in the last 3 years and the actual LGD in the last 5 years reflect such a period of economic prosperity.

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.

The scenario weighting is subject to ongoing assessment based on the available information. The Bank's executive management team conducts, at least annually, a thorough review of the basis and principles for the current weighting. As at 31 December 2018, the expected scenario was assigned a weighting of 80 per cent, the downside scenario 10 per cent and the upside scenario 10 per cent (80/10/10 per cent). On 31 December 2019, the Bank increased the weighting of the downside scenario by 5 percentage points such that the expected scenario was assigned a weighting og 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, the Bank has assessed that the probability of the downside scenario occurring has further increased and has therefore increased the scenario's weighting by a further 5 percentage points. This means that as at 31 March 2020, ECL is calculated as a combination of a 70 per cent expected scenario, a 20 per cent downside scenario and a 10 per cent upside scenario (70/20/10 per cent).

<u>Sensitivity related to key assumptions in the general loss model:</u>
The first part of the table below shows the fully modelled expected credit losses based on the data as at 31 March 2020 in the three described scenarios distributed across the main retail market (RM) and corporate market (CM) segments, the total of which is assigned to the Parent Bank. The table also shows the fully modelled expected credit losses in the subsidiary SpareBank 1 Finans Østlandet (SB1FØ). The ECLs of the Parent Bank and the subsidiary are totalled in the Group* column. The second part of the table shows segment distributed ECL with the used scenario weighting and the three alternative scenario weightings. The first two alternatives reflect the previously applied scenario weightings. The final alternative shows a further deterioration in relation to the applied scenario weighting with a 60 per cent probability of the expected scenario, 30 per cent probability of the downside scenario and 10 per cent probability of the upside scenario (60/30/10 per cent).

	Retail market	Corporate market	Parent Bank	SB1FØ	Group
ECL in expected scenario	74	169	243	66	309
ECL in downside scenario	382	668	1,050	150	1,200
ECL in upside scenario	53	64	117	48	165
ECL with used scenario weighting 70/20/10 per cent	134	258	392	81	473
ECL with alternative scenario weighting 80/10/10 per cent	103	208	311	73	384
ECL with alternative scenario weighting 75/15/10 per cent	118	233	351	77	428
ECL with alternative scenario weighting 60/30/10 per cent	164	308	472	89	561

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, ECL in the upside scenario, which largely reflects the loss and default picture in recent years, is about half of the ECL in the revised expected scenario. The downside scenario results in four times higher ECL than the expected scenario. The applied scenario weighting, with 20 per cent downside and 10 per cent upside, results in around 50 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 20 per cent. A 10-percentage point reduction in the probability of the downside scenario, the probably weightings the Bank used when introducing IFRS 9, would correspondingly have reduced the weighted ECL by around 20 per cent.

Please also refer to Note 6 'Loan loss provisions', which includes a table that shows the loss cost effects per segment of the various changes in the model assumptions in isolation.

*) Since SB1FØ is funded by the Parent Bank, ECL is eliminated in the credit commitment with the subsidiary in the loan loss impairments on the consolidated balance sheet. This elimination has not been taken account of in the table.

Note 2 Change in the composition of the Group

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.

2019
A reallocation of the shares of SpareBank 1 Boligkreditt AS pursuant to the shareholder agreement increased the stake in the company from 21.6 percent to 22.3 precent in december. The corresponding reallocation in SpareBank 1 Næringskreditt AS resultaed in a decrease in the stake from 17.7 percent to 15.2 percent.

EiendomsMegler 1 Hedmark Eiendom AS changed its name to EiendomsMegler 1 Innlandet AS as of 4 September 2019.

An SMB Lab business transfer was made to SpareBank 1 Utvikling in the third quarter 2019.

SpareBank 1 Banksamarbeidet changed its name in the second quarter to SpareBank 1 Utvikling DA.

The sister companies with the same name TheVIT AS merged in the second quarter to TheVIT AS.

On 28 February 2019, the SpareBank 1 banks entered into an agreement on an amended ownership model in BN Bank ASA, including a distribution of 'B' shares in SpareBank 1 Næringskreditt AS, whereby some of the present owners are changing their stakes as SpareBank 1 Østlandet comes in as a new owner. On completion of the transactions, SpareBank 1 Østlandet will have a stake in BN Bank ASA and hold 9.99 per cent of the 'B' shares in SpareBank 1 Næringskreditt AS. In all, this equates to SpareBank 1 Østlandet buying shares for a total of NOK 504 million.

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 20.5 per cent to 20.8 per cent with effect from 1 January 2019.

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 2019, the tax expense for RM, CM and Other operations is 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 expences.
- Net commission and other income in RM and CM includes its share for shared income.
- Group eliminations arise together with other operations in a seperate column.

31.03.2020	**Retail market**	**Corporate market**	**SB1 FØ**	**EM1I**	**EM1OA**	**TheVIT**	**Other operations/ eliminations**	**Total**
Income statement								
Net interest income	285	281	71	0	0	-1	-42	594
Net commissions and other income	178	68	16	28	48	53	-48	343
Net income from financial assets and liabilities	0	0	0	0	0	0	-48	-48
Total operating expenses	222	109	29	27	49	52	-2	487
Profit before losses by segment	**242**	**240**	**57**	**0**	**0**	**0**	**-137**	**402**
Impairment on loans and guarantees	16	114	21	0	0	0	0	151
Pre-tax operating profit	**225**	**126**	**36**	**0**	**0**	**0**	**-137**	**251**
Tax expense	-27	-15	9	0	0	0	17	-16
Profit/loss per segment after tax	**252**	**141**	**27**	**0**	**-1**	**0**	**-153**	**266**
Balance sheet								
Gross lending to customers	65,137	34,786	8,878	3	0	0	6	108,811
Impairments	-71	-288	-88	0	0	0	0	-447
Other assets	2,831	1,101	162	68	135	144	30,780	35,222
Total assets per segment	**67,898**	**35,599**	**8,953**	**72**	**135**	**144**	**30,785**	**143,586**
Deposits from and liablilities to customers	46,274	33,575	0	0	0	0	52	79,901
Other liabilities and equity	21,624	2,024	8,953	135	72	144	30,733	63,684
Total equity capital and liabilities per segment	**67,898**	**35,599**	**8,953**	**135**	**72**	**144**	**30,785**	**143,586**

31.03.2019	Retail market	Corporate market	SB1 FØ	EM1HE	EM1OA	TheVIT	Other operations/ eliminations	Total
Income statement								
Net interest income	248	221	61	0	0	-1	-21	508
Net commissions and other income	156	58	13	25	52	53	-17	341
Net income from financial assets and liabilities	0	0	0	0	0	0	423	423
Total operating expenses	226	105	24	28	52	54	6	494
Profit before losses by segment	**178**	**174**	**51**	**-3**	**0**	**-2**	**379**	**777**
Losses on loans and guarantees	-9	-36	12	0	0	0	0	-33
Pre-tax operating profit	**187**	**210**	**39**	**-3**	**0**	**-2**	**379**	**810**
Tax expense	47	52	10	-1	-3	0	-51	54
Profit/loss per segment after tax	**140**	**157**	**29**	**-2**	**3**	**-1**	**430**	**757**
Balance sheet								
Gross lending to customers	60,397	30,147	8,251	0	0	0	-467	98,328
Impairments	-60	-172	-60	0	0	0	46	-246
Other assets	2,835	338	136	70	120	149	24,562	28,210
Total assets per segment	**63,172**	**30,313**	**8,326**	**70**	**120**	**149**	**24,142**	**126,292**
Deposits from and liablilities to customers	42,074	30,250	0	0	0	0	54	72,377
Other liabilities and equity	21,098	64	8,326	70	120	149	24,088	53,914
Total equity capital and liabilities per segment	**63,172**	**30,313**	**8,326**	**70**	**120**	**149**	**24,142**	**126,292**

31.12.2019	Retail market	Corporate market	SpareBank 1 Finans Østlandet	Eiendoms-Megler 1 Hedmark Eiendom	Eiendoms-Megler 1 Oslo Akershus Group	TheVIT	Other operations/ eliminations	Total
Income statement								
Net interest income	1,049	957	246	-1	1	-2	-84	2,166
Net commissions and other income	698	228	55	124	208	185	-109	1,388
Net income from financial assets and liabilities	0	0	0	0	0	0	735	735
Total operating expenses	888	429	100	116	204	192	1	1,930
Profit before losses by segment	**859**	**756**	**201**	**7**	**5**	**-9**	**541**	**2,359**
Impairment losses on loans and guarantees	1	-13	43	0	0	0	1	32
Pre-tax operating profit	**857**	**768**	**158**	**7**	**5**	**-9**	**540**	**2,326**
Tax expense	142	127	40	2	-2	-2	92	398
Profit/loss per segment after tax	**715**	**641**	**118**	**5**	**7**	**-7**	**448**	**1,928**
Balance sheet								
Gross lending to customers	64,281	34,028	8,824	0	0	0	-98	107,035
Impairments	-65	-186	-65	0	0	0	0	-316
Other assets	2,810	486	169	74	154	125	24,246	28,064
Total assets per segment	**67,026**	**34,328**	**8,928**	**74**	**154**	**125**	**24,148**	**134,783**
Deposits from and liablilities to customers	45,028	33,422	0	0	0	0	44	78,494
Other liabilities and equity	21,998	906	8,928	74	154	125	24,105	56,289
Total equity capital and liabilities per segment	**67,026**	**34,328**	**8,928**	**74**	**154**	**125**	**24,148**	**134,783**

Note 4 Capital adequacy

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

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

Capital adequacy is calculated on the basis of a risk-weighted basis. The Bank has permission to use the AIRB approach for calculating risk weightings in the lending portfolio.

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

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

The current requirement for CET1 capital consists of a minimum requirement of 4.5 per cent and a buffer requirement totalling 8 per cent, of which the Bank's countercyclical capital buffer requirement was 1 per cent at 31.03.2020. SpareBank 1 Østlandet is also subject to a Pillar II requirement of 1.8 per cent as at 31.03.2020. The total capital requirement for common equity tier 1 capital was thus 12.8 per cent at 31.03.2020. In addition to this, a further 1.5 per cent is covered by additional Tier 1 capital and 2 per cent is covered by Tier 2 capital.

The Banks final dividend for 2019 was changed from a foreseeable dividend of 50 % to a final dividend of 40 %. Payouts including dividend to owners, customers as well as provisions for gifts was therefore reduced from 955 mill. NOK to 765 mill. NOK. The withheld part of the dividend was part of the equity as of 1. quarter 2020 which results in increased capital adequacy levels. As as 31.12.2019 this increase in equity would have increased CET1 capital ratio with about 0.3 percentage points for the parent bank as well as on a consolidated level.

Parent Bank				Group		
31.12.19	31.03.19	31.03.20		31.03.20	31.03.19	31.12.19
14,972	**13,737**	**14,575**	**Total equity carried**	**15,504**	**14,604**	**15,903**
			Common equity tier 1 capital			
-955	-378	-99	Results for the accounting year not included	-99	-378	-955
-300	-200	-300	Hybridcapital	-300	-200	-300
0	0	0	Minority interests that is not eligible as CET1 capital	-68	-54	-60
25	34	-29	Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-29	34	25
-67	-70	-68	Goodwill and other intangible assets	-471	-406	-420
-348	-301	-247	Positive value of expected losses under the IRB approach	-330	-369	-441
-156	-137	-155	CET 1 instruments of financial sector entities where the institution does have a significant investement	-368	-409	-292
-29	-23	-31	Value adjustments due to the requirements for prudent valuation (AVA)	-35	-27	-33
0	0	0	Other adjustments in CET1	15	6	3
13,143	**12,663**	**13,645**	**Common equity tier 1 capital**	**13,818**	**12,801**	**13,430**
			Additional Tier 1 capital			
300	200	300	Hybrid capital	300	200	300
0	0	0	Instruments issued by consolidated entities that are given recognition in AT1 Capital	199	243	179
300	**200**	**300**	**Tier 1 capital**	**499**	**443**	**479**
			Supplementary capital in excess of Tier 1 capital			
1,300	1,100	1,300	Subordinated loan capital	1,300	1,100	1,300
0	0	0	Instruments issued by consolidated entities that are given recognition in T2 Capital	265	332	235
1,300	**1,100**	**1,300**	**Total supplementary capital**	**1,565**	**1,432**	**1,535**
14,743	**13,963**	**15,245**	**Total eligible capital**	**15,883**	**14,676**	**15,444**
4,809	5,202	4,793	Corporates - SME	4,797	5,204	4,819
14,300	12,968	14,428	Corporates - Specialised Lending	15,103	12,968	14,980
1,783	1,502	2,782	Corporates - Other	2,814	1,502	1,815
1,162	1,156	1,324	Retail - SME	1,531	1,338	1,381
19,179	17,479	19,839	Retail - Mortgage exposures	27,619	24,501	27,293
1,034	1,151	1,040	Retail - Other	1,082	1,184	1,071
0	0	0	Equity exposures	3	0	3
42,267	**39,458**	**44,205**	**Credit exposures calculated using IRB-approach**	**52,948**	**46,697**	**51,361**
13,831	13,732	14,156	Credit exposures calculated using the standardised approach	18,536	17,998	17,972
351	358	624	Counterparty credit risk	2,947	1,813	1,881
0	0	0	Market risk	0	0	0
5,356	4,316	5,356	Operational risk	6,659	5,869	6,659
0	0	0	Basel I floor adjustment	0	3,355	0
61,805	**57,863**	**64,341**	**Risk-weighted assets**	**81,090**	**75,732**	**77,873**
4,944	**4,629**	**5,147**	**Capital requirements (8%)**	**6,487**	**6,059**	**6,230**
1,112	**1,042**	**1,158**	**Pillar 2 (1.8%)**	**1,460**	**1,363**	**1,402**
			Buffer requirements			
1,545	1,447	1,609	Capital conservation buffer (2.5%)	2,027	1,893	1,947
1,545	1,157	643	Countercyclical capital buffer (1%, 2% as at 31.03.2019 and 2.5% as at 31.12.2019)	811	1,515	1,947
1,854	1,736	1,930	Systemic risk buffer (3%)	2,433	2,272	2,336
4,944	**4,340**	**4,182**	**Total buffer requirements for CET1 (6.5%, 7.5% as at 31.03.2019 and 8% as at 31.12.2019)**	**5,271**	**5,680**	**6,230**
4,305	**4,678**	**5,409**	**Available CET1 above current requirements (12.8%, 13.8% as at 31.03.2019 and 14.3 as at 31.12.2019)**	**3,439**	**2,350**	**2,294**
			Capital ratios			
21.3 %	**21.9 %**	**21.2 %**	CET 1 capital ratio	**17.0 %**	**16.9 %**	**17.2 %**
21.8 %	**22.2 %**	**21.7 %**	Tier 1 Capital ratio	**17.7 %**	**17.5 %**	**17.9 %**
23.9 %	**24.1 %**	**23.7 %**	Capital adequacy ratio	**19.6 %**	**19.4 %**	**19.8 %**
9.8 %	**9.9 %**	**9.9 %**	Leverage Ratio	**7.0 %**	**7.4 %**	**7.2 %**

Note 5 Loans to and receivables from customers

Parent Bank

Gross loans	31.03.2020 Stage 1	Stage 2	Stage 3	Total	31.03.19 Stage 1	Stage 2	Stage 3	Total	31.12.2019 Stage 1	Stage 2	Stage 3	Total
Opening Balance	**91,115**	**6,858**	**323**	**98,296**	**85,386**	**5,403**	**371**	**91,160**	**85,386**	**5,403**	**371**	**91,160**
Transfers in (out) to Stage 1	1,223	-1,216	-7	0	687	-678	-8	0	1,268	-1,261	-7	0
Transfers in (out) to Stage 2	-1,225	1,228	-3	0	-1,057	1,069	-12	0	-3,198	3,233	-34	0
Transfers in (out) to Stage 3	-58	-40	98	0	-5	-66	71	0	-53	-80	133	0
Net increase/decrease excisting loans	-981	-34	-3	-1,018	-748	-95	-9	-852	-2,315	-320	-42	-2,678
Purchases and originations	14,195	125	26	14,346	10,392	133	15	10,539	44,252	1,562	58	45,872
Derecognitions and maturities	-10,761	-827	-43	-11,631	-9,689	-529	-72	-10,291	-34,224	-1,678	-145	-36,047
Write-offs	0	0	-5	-5	0	0	-9	-9	0	0	-11	-11
Ending Balance	**93,507**	**6,094**	**388**	**99,989**	**84,965**	**5,236**	**347**	**90,548**	**91,115**	**6,858**	**323**	**98,296**
Loan and advances to customers at amortised cost				32,446				27,887				31,621
Loan and advances to customers at fair value				67,542				62,661				66,675

Group

Gross loans	31.03.2020 Stage 1	Stage 2	Stage 3	Total	31.03.19 Stage 1	Stage 2	Stage 3	Total	31.12.2019 Stage 1	Stage 2	Stage 3	Total
Opening Balance	**98,654**	**7,925**	**456**	**107,035**	**92,167**	**6,317**	**456**	**98,940**	**92,167**	**6,317**	**456**	**98,940**
Transfers in (out) to Stage 1	1,446	-1,431	-15	0	783	-771	-13	0	1,496	-1,484	-12	0
Transfers in (out) to Stage 2	-1,389	1,410	-21	0	-1,294	1,324	-30	0	-3,711	3,754	-44	0
Transfers in (out) to Stage 3	-78	-79	157	0	-11	-96	107	0	-104	-130	233	0
Net increase/decrease excisting loans	-1,383	-90	-5	-1,478	-1,085	-153	-10	-1,248	-3,388	-520	-60	-3,968
Purchases and originations	15,125	153	26	15,304	11,504	172	16	11,692	47,764	1,870	86	49,721
Derecognitions and maturities	-11,099	-871	-76	-12,046	-9,973	-567	-90	-10,630	-35,571	-1,883	-192	-37,646
Write-offs	0	0	-5	-5	0	0	-9	-9	0	0	-11	-11
Ending Balance	**101,276**	**7,017**	**518**	**108,811**	**92,091**	**6,226**	**427**	**98,744**	**98,654**	**7,925**	**456**	**107,035**
Loan and advances to customers at amortised cost				41,268				36,083				40,360
Loan and advances to customers at fair value				67,542				62,661				66,675

Parent Bank

	Loan and advances to customers at amortised cost 31.03.2020	Provisions for credit losses Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.03.2020	Net lending 31.03.2020
Public sector	11	-0	-	-	-	10
Primary industries	2,892	-2	-6	-12	1,832	4,704
Paper and pulp industries	1,676	-2	-2	-0	365	2,036
Other industry	1,400	-9	-5	-1	52	1,437
Building and constructions	3,861	-28	-18	-4	282	4,094
Power and water supply	238	-0	-1	-1	1	237
Wholesale and retail trade	994	-6	-6	-5	129	1,106
Hotel and restaurants	430	-1	-1	-1	55	482
Real estate	15,630	-42	-45	-13	482	16,011
Commercial services	4,215	-12	-11	-9	560	4,743
Transport and communication	309	-1	-4	-1	155	458
Post model adjustments	-	-	-35	-	-	-35
Gross corporate loans by sector and industry	**31,656**	**-105**	**-133**	**-47**	**3,912**	**35,283**
Private customers	**790**	**-1**	**-42**	**-35**	**63,626**	**64,339**
Post model adjustments	-	-	-	-	-	-
Total loans to private customers	**790**	**-1**	**-42**	**-35**	**63,626**	**64,339**
Adjustment fair value	-	-	-	-	4	4
Total loans to customers	**32,446**	**-106**	**-175**	**-82**	**67,542**	**99,626**
Loans transferred to SpareBank 1 Boligkreditt AS						44,020
Loans transferred to SpareBank 1 Næringskreditt AS						1,015
Total loans including loans transferred to covered bond companies						**144,661**
Other liabilities [1)]						14,831
Total commitments including loans transferred to covered bond companies						**159,492**

	Loan and advances to customers at amortised cost 31.03.2020	Provisions for credit losses Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.03.2020	Net lending 31.03.2020
Public sector	2	-0	-	-	0	3
Primary industries	2,585	-1	-5	-11	1,588	4,156
Paper and pulp industries	738	-1	-0	-0	297	1,034
Other industry	1,055	-3	-4	-2	44	1,090
Building and constructions	2,901	-14	-12	-1	368	3,242
Power and water supply	259	-0	-0	-1	3	260
Wholesale and retail trade	836	-4	-6	-7	157	976
Hotel and restaurants	409	-1	-1	-0	53	461
Real estate	14,136	-25	-30	-4	505	14,581
Commercial services	3,818	-11	-8	-17	529	4,311
Transport and communication	325	-1	-4	-0	193	513
Other	-	-	-	-	-	-
Gross corporate loans by sector and industry	**27,064**	**-60**	**-71**	**-44**	**3,737**	**30,626**
Private customers	**823**	**-3**	**-28**	**-30**	**58,924**	**59,686**
Adjustment fair value					-	-
Total loans to customers	**27,887**	**-63**	**-99**	**-74**	**62,661**	**90,312**
Loans transferred to SpareBank 1 Boligkreditt AS						40,919
Loans transferred to SpareBank 1 Næringskreditt AS						1,415
Total loans including loans transferred to covered bond companies						**132,646**
Other liabilities [1)]						14,513
Total commitments including loans transferred to covered bond companies						**147,159**

	Loan and advances to customers at amortised cost 31.12.2019	Provisions for credit losses Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.12.2019	Net lending 31.12.2019
Public sector	22	-0	-	-	0	22
Primary industries	2,936	-2	-6	-12	1,876	4,793
Paper and pulp industries	775	-1	-2	-0	327	1,099
Other industry	1,217	-5	-3	-2	50	1,257
Building and constructions	3,676	-19	-14	-1	271	3,912
Power and water supply	221	-0	-0	-1	1	220
Wholesale and retail trade	1,025	-3	-3	-6	129	1,142
Hotel and restaurants	403	-1	-1	-1	61	461
Real estate	15,673	-33	-32	-7	443	16,045
Commercial services	4,572	-11	-8	-11	560	5,102
Transport and communication	325	-1	-3	-0	163	483
Other	-	-	-	-	-	-
Gross corporate loans by sector and industry	**30,845**	**-75**	**-73**	**-41**	**3,881**	**34,537**
Private customers	**776**	**-1**	**-35**	**-31**	**62,792**	**63,501**
Adjustment fair value					3	3
Total loans to customers	**31,621**	**-76**	**-108**	**-71**	**66,675**	**98,041**
Loans transferred to SpareBank 1 Boligkreditt AS						42,630
Loans transferred to SpareBank 1 Næringskreditt AS						1,022
Total loans including loans transferred to covered bond companies						**141,694**
Other liabilities [1)]						13,058
Total commitments including loans transferred to covered bond companies						**154,752**

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

Group

	Loan and advances to customers at amortised cost 31.03.2020	Provisions for credit losses Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.03.2020	Net lending 31.03.2020
Public sector	284	-1	-0	-0	-	283
Primary industries	3,300	-3	-8	-12	1,832	5,110
Paper and pulp industries	1,693	-2	-3	-0	365	2,052
Other industry	1,662	-10	-6	-1	52	1,697
Building and constructions	4,976	-31	-27	-6	282	5,196
Power and water supply	419	-1	-1	-1	1	417
Wholesale and retail trade	1,316	-8	-9	-6	129	1,423
Hotel and restaurants	444	-1	-1	-1	55	495
Real estate	15,777	-48	-41	-16	482	16,155
Commercial services	4,937	-16	-13	-9	560	5,459
Transport and communication	1,646	-5	-13	-2	155	1,781
Post model adjustments	-	-	-36	-	-	-36
Gross corporate loans by sector and industry	**36,455**	**-126**	**-157**	**-55**	**3,912**	**40,030**
Private customers	**4,813**	**-7**	**-54**	**-45**	**63,626**	**68,334**
Post model adjustments	-	-	-4	-	-	-4
Total loans to private customers	**4,813**	**-7**	**-58**	**-45**	**63,626**	**68,330**
Adjustment fair value	-	-	-	-	4	4
Total loans to customers	**41,268**	**-132**	**-215**	**-99**	**67,542**	**108,364**
Loans transferred to SpareBank 1 Boligkreditt AS						44,020
Loans transferred to SpareBank 1 Næringskreditt AS						1,015
Total loans including loans transferred to covered bond companies						**153,399**
Other liabilities [1)]						15,729
Total commitments including loans transferred to covered bond companies						**169,128**

	Loan and advances to customers at amortised cost 31.03.2019	Provisions for credit losses Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.03.2019	Net lending 31.03.2019
Public sector	282	-0	-0	-	0	282
Primary industries	2,961	-1	-6	-11	1,588	4,530
Paper and pulp industries	757	-1	-1	-0	297	1,052
Other industry	1,344	-4	-6	-2	44	1,377
Building and constructions	4,133	-16	-17	-3	368	4,466
Power and water supply	430	-1	-0	-1	3	431
Wholesale and retail trade	1,134	-5	-8	-7	157	1,271
Hotel and restaurants	425	-1	-1	-0	53	476
Real estate	13,948	-22	-31	-5	505	14,394
Commercial services	4,473	-13	-10	-17	529	4,960
Transport and communication	1,613	-5	-11	-2	193	1,789
Other	-	-	-	-	-	-
Gross corporate loans by sector and industry	**31,501**	**-70**	**-91**	**-50**	**3,737**	**35,028**
Private customers	**4,582**	**-6**	**-37**	**-40**	**58,924**	**63,424**
Adjustment fair value					-	-
Total loans to customers	**36,084**	**-75**	**-127**	**-90**	**62,661**	**98,452**
Loans transferred to SpareBank 1 Boligkreditt AS						40,919
Loans transferred to SpareBank 1 Næringskreditt AS						1,415
Total loans including loans transferred to covered bond companies						**140,786**
Other liabilities [1)]						15,129
Total commitments including loans transferred to covered bond companies						**155,915**

	Loan and advances to customers at amortised cost 31.12.2019	Provisions for credit losses Stage 1	Stage 2	Stage 3	Loan and advances to customers at fair value 31.12.2019	Net lending 31.12.2019
Public sector	336	-0	-0	-0	0	336
Primary industries	3,356	-3	-8	-12	1,876	5,210
Paper and pulp industries	788	-1	-2	-0	327	1,112
Other industry	1,424	-6	-4	-2	50	1,462
Building and constructions	4,710	-22	-18	-4	271	4,938
Power and water supply	243	-1	-0	-1	1	242
Wholesale and retail trade	1,289	-5	-4	-6	129	1,402
Hotel and restaurants	419	-1	-2	-1	61	476
Real estate	16,028	-35	-32	-7	443	16,396
Commercial services	5,327	-14	-9	-8	560	5,857
Transport and communication	1,643	-6	-9	-3	163	1,787
Other	-	-	-	-	-	-
Gross corporate loans by sector and industry	**35,562**	**-93**	**-89**	**-45**	**3,881**	**39,216**
Private customers	**4,797**	**-4**	**-44**	**-42**	**62,792**	**67,498**
Adjustment fair value					3	3
Total loans to customers	**40,359**	**-97**	**-133**	**-87**	**66,675**	**106,718**
Loans transferred to SpareBank 1 Boligkreditt AS						42,630
Loans transferred to SpareBank 1 Næringskreditt AS						1,022
Total loans including loans transferred to covered bond companies						**150,370**
Other liabilities [1)]						13,638
Total commitments including loans transferred to covered bond companies						**164,009**

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

Note 6 Impairment on loans and liabilities

31.03.2020

Isolated loss effects	Retail market	Corporate market	Parent bank	SB1FØ	Group
Change ECL due to period growth and migration	-2	2	0	-4	-4
Change ECL due to adjusted key assumptions (PD / LGD)	3	38	41	17	58
Change ECL due to changed scenario weighting	14	26	41	3	44
Change in model-based loss provisions	**16**	**66**	**82**	**16**	**98**
Post model adjustments	0	35	35	5	40
Change individual loss provisions	-3	10	7	2	9
Net write-offs	3	3	6	-1	4
Total losses	**16**	**114**	**130**	**21**	**151**

There has been calculations of ECL on credit institutions and central banks,
but the effect is are deemed insignificant and consequently not included in the write-downs.

Parent Bank

31.03.2020

	31.12.2019	Provision for credit losses	Net write-offs	31.mar.20
Provisions for loans at amortised cost, guarantees and unused credit facilities	232	117	-4	345
Provisions for loan losses at fair value over OCI	67	12	-1	78
Total provisions for credit losses	**299**	**129**	**-5**	**423**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	255	113	-5	363
Liabilities: Provisions for loan losses - increase of liabilities	22	10	0	32
Eqity: Fair value adjustment of losses	21	7	0	28

31.03.2019

	31.12.2018	Provision for credit losses	Net write-offs	31.mar.19
Provisions for loans at amortised cost, guarantee and unused credit facilities	265	-35	-8	222
Provisions for loan losses at fair value over OCI	65	-9	-1	55
Total provisions for credit losses	**329**	**-44**	**-8**	**277**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	282	-38	-8	236
Liabilities: Provisions for loan losses - increase of liabilities	25	-3	0	22
Eqity: Fair value adjustment of losses	22	-3	0	19

31.12.2019

	31.12.2018	Provision for credit losses	Net write-offs	31.12.2019
Provisions for loans at amortised cost, guarantees and unused credit facilities	265	-22	-11	232
Provisions for loan losses at fair value over OCI	65	2	-1	67
Total provisions for credit losses	**329**	**-19**	**-11**	**299**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	282	-15	-11	255
Liabilities: Provisions for loan losses - increase of liabilities	25	-3	0	22
Eqity: Fair value adjustment of losses	22	-1	0	21

Group

31.03.2020

	31.12.2019	Provision for credit losses	Net write-offs	31.mar.20
Provisions for loans at amortised cost, guarantees and unused credit facilities	294	140	-4	429
Provisions for loan losses at fair value over OCI	67	12	-1	78
Total provisions for credit losses	**360**	**152**	**-5**	**507**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	317	135	-5	447
Liabilities: Provisions for loan losses - increase of liabilities	22	10	0	32
Eqity: Fair value adjustment of losses	21	7	0	28

31.03.2019

	31.12.2018	Provision for credit losses	Net write-offs	31.mar.19
Provisions for loans at amortised cost, guarantee and unused credit facilities	320	-30	-8	282
Provisions for loan losses at fair value over OCI	65	-9	-1	55
Total provisions for credit losses	**385**	**-39**	**-8**	**337**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	337	-36	-8	293
Liabilities: Provisions for loan losses - increase of liabilities	25	-3	0	22
Eqity: Fair value adjustment of losses	22	0	0	22

31.12.2019

	31.12.2018	Provision for credit losses	Net write-offs	31.12.2019
Provisions for loans at amortised cost, guarantees and unused credit facilities	320	-16	-11	294
Provisions for loan losses at fair value over OCI	65	2	-1	67
Total provisions for credit losses	**385**	**-13**	**-11**	**360**
Presented as:				
Assets: Provisions for loan losses - decrease of assets	338	-9	-11	317
Liabilities: Provisions for loan losses - increase of liabilities	25	-3	0	22
Eqity: Fair value adjustment of losses	22	-1	0	21

Parent Bank

Provisions for credit losses *	31.03.2020 Stage 1	Stage 2	Stage 3	Total	31.03.19 Stage 1	Stage 2	Stage 3	Total	31.12.2019 Stage 1	Stage 2	Stage 3	Total
Opening Balance	**115**	**115**	**69**	**299**	**111**	**136**	**83**	**329**	**111**	**136**	**83**	**329**
Provision for credit losses												
Transfers in (out) to Stage 1	2	-2	0	0	11	-11	0	0	3	-3	0	0
Transfers in (out) to Stage 2	-27	27	0	0	-2	2	0	0	-46	48	-2	0
Transfers in (out) to Stage 3	-3	-3	6	0	0	-3	3	0	-9	-7	16	0
Net remeasurement of loss provisions	55	22	14	91	-27	-7	8	-26	33	-49	2	-14
Purchases and originations	24	2	5	31	12	2	0	14	56	24	1	81
Derecognitions and maturities	-9	-13	-6	-28	-7	-13	-12	-32	-33	-34	-19	-86
Write-offs	0	0	-5	-5	0	0	-8	-8	0	0	-11	-11
Post model adjustment	0	35	0	35	0	0	0	0	0	0	0	0
Ending Balance	**157**	**183**	**83**	**423**	**97**	**106**	**74**	**277**	**115**	**115**	**69**	**299**

Group

Provisions for credit losses *	31.03.2020 Stage 1	Stage 2	Stage 3	Total	31.03.19 Stage 1	Stage 2	Stage 3	Total	31.12.2019 Stage 1	Stage 2	Stage 3	Total
Opening Balance	**131**	**142**	**87**	**360**	**127**	**162**	**96**	**385**	**127**	**162**	**96**	**385**
Provision for credit losses												
Transfers in (out) to Stage 1	7	-6	-1	0	14	-13	0	0	8	-8	0	0
Transfers in (out) to Stage 2	-27	28	0	0	-3	3	0	0	-48	50	-2	0
Transfers in (out) to Stage 3	-3	-6	9	0	0	-6	6	0	-9	-11	21	0
Net remeasurement of loss provisions	57	36	16	109	-29	-2	10	-20	24	-42	8	-11
Purchases and originations	28	3	5	36	14	3	1	18	66	31	4	101
Derecognitions and maturities	-9	-14	-10	-33	-8	-14	-15	-37	-35	-41	-27	-103
Write-offs	0	0	-5	-5	0	0	-8	-8	0	0	-11	-11
Post model adjustment	0	40	0	40	0	0	0	0	0	0	0	0
Ending Balance	**184**	**223**	**101**	**507**	**115**	**134**	**88**	**337**	**131**	**142**	**87**	**360**

**** Provisions for loans, guarantees and unused credit facilities***

Note 7 Net income from financial assets and liabilities

Parent Bank				Group		
31.12.2019	**31.03.2019**	**31.03.2020**		**31.03.2020**	**31.03.2019**	**31.12.2019**
19	12	12	Dividends from equity instruments at fair value through profit and loss	12	12	19
19	**12**	**12**	**Dividends from other than Group companies**	**12**	**12**	**19**
582	341	156	Dividends (Parent Bank) or net profit from Group companies (Group)	115	346	519
0	0	0	Gains or losses on realisation of Group companies (Parent Bank)			
-6	0	0	Impairment on Group companies (Parent Bank)			
576	**341**	**156**	**Net profit from ownership interests**	**115**	**346**	**519**
3	26	49	Net change in value on certificates, bonds and fixed-income funds	49	26	3
14	-4	-149	Net change in value on derivatives that hedge securities above	-149	-4	14
17	*23*	*-100*	*Net change in value on certificates, bonds and fixed-income funds including hedge derivatives*	*-100*	*23*	*17*
-96	-128	-533	Net change in value of securities issued	-533	-128	-96
106	130	561	Net change in value in derivatives that hedge securities issued	561	130	106
10	*2*	*29*	*Net change in value on securities issued including hedge derivatives*	*29*	*2*	*10*
82	23	-14	Net change in value on equity instruments at fair value through profit and loss	-14	23	82
-18	2	79	Net change in value on fixed-rate loans to customers at fair value through profit and loss	79	2	-18
36	1	-189	Net change in value on other derivatives	-189	1	36
16	3	6	Gains or losses on realisation of assets at fair value through profit and loss	6	3	16
55	11	13	Net income from FX trading	13	11	55
197	**65**	**-175**	**Net profit from other financial assets and liabilities**	**-175**	**65**	**197**
792	**418**	**-7**	**Net income from financial assets and liabilities**	**-48**	**423**	**735**

Note 8 Financial derivatives

Parent Bank and Group

	31.03.2020		
	Contract amount	Fair value	
At fair value through profit and loss		Assets	Liabilities
Currency instruments			
Currency forward contracts	2,900	99	73
Currency swaps	1,266	31	27
Total currency instruments	**4,166**	**130**	**99**
Interest rate instruments			
Interest rate swaps (including cross-currency)	52,565	3,815	705
Other interest rate contracts	3,467	2	0
Total interest rate instruments	**56,031**	**3,816**	**705**
Total currency instruments	**4,166**	**130**	**99**
Total interest rate instruments	**56,031**	**3,816**	**705**
Total financial derivates	**60,198**	**3,946**	**804**

	31.03.2019		
	Contract amount	Fair value	
At fair value through profit and loss		Assets	Liabilities
Currency instruments			
Currency forward contracts	3,059	17	24
Currency swaps	1,142	5	28
Total currency instruments	**4,202**	**22**	**52**
Interest rate instruments			
Interest rate swaps (including cross-currency)	35,923	623	251
Other interest rate contracts	2,911	0	0
Total interest rate instruments	**38,834**	**623**	**251**
Total currency instruments	**4,202**	**22**	**52**
Total interest rate instruments	**35,923**	**623**	**251**
Total financial derivates	**40,125**	**646**	**303**

	31.12.2019		
	Contract amount	Fair value	
At fair value through profit and loss		Assets	Liabilities
Currency instruments			
Currency forward contracts	1,562	15	18
Currency swaps	1,712	5	18
Total currency instruments	**3,275**	**20**	**36**
Interest rate instruments			
Interest rate swaps (including cross-currency)	46,793	858	336
Other interest rate contracts	2,958	0	0
Total interest rate instruments	**49,751**	**858**	**336**
Total currency instruments	**3,275**	**20**	**36**
Total interest rate instruments	**49,751**	**858**	**336**
Total financial derivates	**53,026**	**878**	**373**

Note 9 Liquidity risk

Liquidity risk is the risk that the Group may not be not able to meets 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 3.8 (3.9) years at the end of Q1 2020. At the same date, total LCR was 151.3 (146.6) 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 (deduced from prices) than the quoted price (used on level 1) for the asset or liability
- Level 3: Valuation based on factors not based on observable market data (non-observable inputs)

Group

31.03.2020	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value				
- Derivatives	0	3,946	0	**3,946**
- Certificates, bonds and fixes-income funds	0	17,874	0	**17,874**
- Fixed-rate loans to customers	0	0	6,585	**6,585**
- Equity instruments	316	43	301	**660**
- Other financial assets	0	0	0	**0**
- Mortgages	0	0	60,906	**60,906**
Total assets	**316**	**21,864**	**67,793**	**89,973**
Liabilities				
Financial liabilities at fair value				
- Derivatives	0	804	0	**804**
- Securities issued	0	3,613	0	**3,613**
Total liabilities	**0**	**4,417**	**0**	**4,417**

31.03.2019	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss				
- Derivatives	0	646	0	**646**
- Bonds and certificates	0	17,689	0	**17,689**
- Fixed-rate loans to customers	0	0	6,462	**6,462**
- Equity instruments	279	47	290	**616**
- Equity instruments	0	0	4	**4**
- Other financial assets	0	0	56,162	**56,162**
Total assets	**279**	**18,381**	**62,918**	**81,579**
Liabilities				
Financial assets at fair value through profit and loss				
- Derivatives	0	303	0	**303**
- Securities issued	0	4,102	0	**4,102**
Total liabilities	**0**	**4,405**	**0**	**4,405**

31.12.2019	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit and loss				
- Derivatives	0	878	0	**878**
- Bonds and certificates	0	17,252	0	**17,252**
- Fixed-rate loans to customers	0	0	6,765	**6,765**
- Equity instruments	331	45	299	**675**
- Equity instruments	0	0	0	**0**
- Other financial assets	0	0	59,865	**59,865**
Total assets	**331**	**18,175**	**66,929**	**85,435**
Liabilities				
Financial assets at fair value through profit and loss				
- Derivatives	0	373	0	**373**
- Securities issued	0	4,036	0	**4,036**
Total liabilities	**0**	**4,409**	**0**	**4,409**

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:

31.12.2019-31.03.2020	**Fixed-rate loans to customers**	**Equity instruments**	**Mortgages (FVOCI)**	**Other financial assets**	**Total**
Opening balance	6,765	299	59,865	0	**66,929**
Investments in the period	192	0	9,499	0	**9,691**
Sales/redemption in the period	-451	-1	-8,452	0	**-8,903**
Gains/losses recognised through profit and loss	79	3	-12	0	**70**
Gains/losses recognised through other comprehensive income	0	0	7	0	**7**
Closing balance	**6,585**	**301**	**60,906**	**0**	**67,793**
Gains/losses for the period included in the profit for assets owned on the balance sheet day	79	3	-12	0	**70**

31.12.2018-31.03.2019	**Fixed-rate loans to customers**	**Equity instruments**	**Term deposit**	**Mortgages (FVOCI)**	**Other financial assets**	**Total**
Opening balance	6,471	279	0	56,859	4	**63,614**
Investments in the period	266	0	0	7,006	0	**7,272**
Sales / redemption in the period	-278	0	0	-7,710	0	**-7,987**
Gains / losses recognised through profit and loss	2	11	0	10	0	**23**
Gains/losses recognised through other comprehensive income	0	0	0	-3	0	**-3**
Closing balance	**6,462**	**290**	**0**	**56,162**	**4**	**62,918**
Gains / losses for the period included in the profit for assets owned on the balance sheet day	2	11	0	10	0	**23**

31.12.2018-31.12.2019	Fixed-rate loans to customers	Equity instruments	Term deposit	Mortgages (FVOCI)	Other financial assets	Total
Opening balance	6,471	279	0	56,859	4	**63,614**
Investments in the period	1,608	2	0	30,858	0	**32,468**
Sales/redemption in the period	-1,297	0	0	-27,851	-4	**-29,152**
Gains/losses recognised through profit and loss	-18	18	0	-3	0	**-3**
Gains/losses recognised through other comprehensive income	0	0	0	1	0	**1**
Closing balance	**6,765**	**299**	**0**	**59,865**	**0**	**66,929**
Gains/losses for the period included in the profit for assets owned on the balance sheet day	-18	18	0	-3	0	**-3**

Specification of fair value, instruments classified in level 3:

31.03.2020	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Other financial assets	Total
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6,523	208	60,957	0	**67,689**
Fair value adjustment	62	93	-51	0	**104**
Closing balance	**6,585**	**301**	**60,906**	**0**	**67,793**

31.03.2019	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Other financial assets	Total
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6,458	209	56,202	4	**62,874**
Fair value adjustment	4	81	-40	0	**45**
Closing balance	**6,462**	**290**	**56,162**	**4**	**62,918**

31.12.2019	Fixed-rate loans to customers	Equity instruments	Mortgages (FVOCI)	Other financial assets	Total
Nominal value including accrued interest (fixed income instruments)/cost (shares)	6,782	209	59,911	0	**66,902**
Fair value adjustment	-17	90	-46	0	**27**
Closing balance	**6,765**	**0**	**0**	**0**	**66,929**

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 17.

Equity instruments in Level 3 consists of the significant shareholdings in Oslo Kongressenter Folkets Hus BA (MNOK 55), Eksportfinans ASA (MNOK 73), SpareBank 1 Markets AS (MNOK 40) and VN Norge AS (MNOK 46). 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 BA (P/B 3.9). Based on an external valuation in connection with a demerger in 2012 and subsequent equity transactions, the value of Eksportfinans ASA is consicered 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 -51. 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 Financial instruments 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.

The assets and liabilities below may be offset.

Parent Bank and Group

				Amounts not presented on the balance sheet on a net basis		
31.03.2020	**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	3,946	0	3,946	-645	-3,025	**276**
Derivatives as liabilities	-804	0	-804	645	124	**-36**

31.03.2019	**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	646	0	646	-235	-302	**109**
Derivatives as liabilities	-303	0	-303	235	18	**-51**

31.12.2019	**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	878	0	878	-274	-550	**54**
Derivatives as liabilities	-373	0	-373	274	54	**-45**

Note 12 Leases

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

Parent Bank				Group		
31.12.2019	31.03.2019	31.03.2020	**Right of use**	31.03.2020	31.03.2019	31.12.2019
224	224	214	Right of use asset at 01.01.2019	169	170	170
7	0	5	Additions	5	0	26
22	0	3	Adjustments of discount rates and options	4	0	8
38	10	10	Depreciation	9	9	35
214	**214**	**213**	**Right-of use asset ending balance**	**170**	**161**	**169**

31.12.2019	31.03.2019	31.03.2020	Lease liability	31.03.2020	31.03.2019	31.12.2019
224	224	216	Lease liability at 01.01.2019	169	170	170
7	0	5	Additions	5	0	26
22	0	3	Adjustments of discount rates and options	4	0	8
42	10	11	Lease payments in the period	10	9	39
4	1	1	Interest	1	1	5
216	**215**	**215**	**Lease liability ending balance**	**171**	**162**	**170**

* In the parent bank, NOK 41 millon of the lease obligation falls due within 12 months. Corresponding figures in the Group are NOK 35 million.

31.12.2019	31.03.2019	31.03.2020	Effects on earnings	31.03.2020	31.03.2019	31.12.2019
4	1	1	Interest expense	1	1	4
38	10	10	Depreciation	9	7	33
43	**11**	**11**	**Total cost from lease liablilities**	**10**	**9**	**37**

Note 13 Other assets

Parent Bank				Group		
31.12.2019	**31.03.2019**	**31.03.2020**		**31.03.2020**	**31.03.2019**	**31.12.2019**
273	273	273	Capital payments into pension fund	273	273	273
33	33	30	Accrued income, not yet received	33	36	34
70	73	78	Prepaid costs, not yet incurred	150	142	144
0	1,014	53	Unsettled trades	53	1,014	0
144	432	142	Other assets	329	620	336
520	**1,825**	**577**	**Total other assets**	**839**	**2,084**	**787**

Note 14 Deposits from and liabilities to customers

Parent Bank				Group		
31.12.2019	**31.03.2019**	**31.03.2020**		**31.03.2020**	**31.03.2019**	**31.12.2019**
43,884	41,314	45,191	Private customers	45,191	41,314	43,884
7,106	6,312	6,550	Public sector	6,550	6,312	7,106
1,039	1,052	1,300	Primary industries	1,300	1,052	1,039
302	289	402	Paper and pulp industries	402	289	302
801	655	860	Other industry	860	655	801
1,964	1,842	2,000	Building and construction	2,000	1,842	1,964
244	114	285	Power and water supply	285	114	244
1,814	1,495	1,868	Wholesale and retail trade	1,868	1,495	1,814
319	269	293	Hotel and restaurants	293	269	319
3,966	3,672	4,366	Real estate	4,366	3,672	3,966
15,924	14,364	15,587	Commercial services	15,551	14,335	15,884
1,173	1,029	1,234	Transport and communications	1,234	1,029	1,173
78,534	**72,406**	**79,937**	**Total deposits by sector and industry**	**79,901**	**72,377**	**78,494**

Note 15 Debt securities issued

Parent Bank and Group

Change in debt securities issued	31.03.2020	Issued	Due / redeemed	Other changes	31.12.2019
Certificate debt, nominal value	0	0	0	0	0
Bond debt, nominal value	33,438	2,551	-650	-1,426	32,964
Subordinated loan capital, nominal value	1,300	0	0	0	1,300
Accrued interest	196	0	0	-39	235
Value adjustments	3,993	0	0	3,456	537
Total debt raised through issuance of securities and subordinated loan capital, book value	**38,928**	**2,551**	**-650**	**1,991**	**35,036**

Change in debt securities issued	31.03.2019	Issued	Due / redeemed	Other changes	31.12.2018
Certificate-based debt, nominal value	0	0	0	0	0
Bond debt, nominal value	31,467	1,640	-1,200	-139	31,165
Subordinated loan capital, nominal value	1,100	0	0	0	1,100
Accrued interest	212	0	0	-19	231
Value adjustments	451	0	0	-139	591
Total debt raised through issuance of securities and subordinated loan capital, book value	**33,230**	**1,640**	**-1,200**	**-296**	**33,087**

Change in debt securities issued	31.12.2019	Issued	Due / redeemed	Other changes	31.12.2018
Certificate debt, nominal value	0	0	0	0	0
Bond debt, nominal value	32,964	6,677	-4,150	-729	31,165
Subordinated loan capital, nominal value	1,300	400	-200	0	1,100
Accrued interest	235	0	0	4	231
Value adjustments	537	0	0	-54	591
Total debt raised through issuance of securities and subordinated loan capital, book value	**35,036**	**7,077**	**-4,350**	**-778**	**33,087**

Note 16 Other debt and liabilities recognized in the balance sheet

Parent Bank				Group		
31.12.2019	**31.03.2019**	**31.03.2020**		**31.03.2020**	**31.03.2019**	**31.12.2019**
79	89	63	Accrued expenses and prepaid revenue	115	148	124
22	22	32	Provisions	36	22	59
80	85	79	Pension liabilities	81	87	82
84	153	182	Accounts payable	199	160	89
0	100	0	Unsettled trades	0	100	0
216	215	215	Lease obligation (for specifications see note 12)	171	162	170
182	1,139	1,006	Other liabilities	1,064	1,202	215
663	**1,803**	**1,578**	**Total other debt and liabilities recognised in the balance sheet**	**1,667**	**1,882**	**739**

Note 17 Equity capital certificates and owner structure

Parent Bank	31.03.2020 [1)]	31.03.2019	2019
Equity capital certificates	5,791	5,791	5,791
Dividend equalisation fund	3,159	2,585	2,772
Dividends	0	0	663
Premium fund	848	848	848
A. Equity capital certificate owners' capital	**9,798**	**9,224**	**10,074**
Primary capital	4,006	3,893	3,838
Dividends to customers	0	0	292
Other paid-up equity	166	166	166
B. Total primary capital	**4,172**	**4,059**	**4,297**
Fund for unrealised gains	322	274	334
Provision for gifts	32	15	12
Total other equity	**354**	**288**	**347**
Other equity	0	0	0
Hybrid capital	300	200	300
Total interest expence on hybrid capital	-49	-34	-45
Total equity	**14,575**	**13,737**	**14,972**
Total equity for distribution:			
Equity capital certificate ratio (A/(A+B)) after distribution	**70.1 %**	**69.4 %**	**70.1 %**
Equity certificates issued	**115,829,789**	**115,829,789**	**115,829,789**
Average Equity certificates	**115,829,789**	**115,710,726**	**115,800,431**

[1)] According to § 10-1 of the Financial Business Act, the auditor-certified interim report can be calculated for the calculation of book value per equity certificate.

20 largest owners of equity certificates:	No. Of EC's	Share in %
Sparebankstiftelsen Hedmark	60,404,892	52.15 %
Landsorganisasjonen i Norge Sentralt	11,121,637	9.60 %
Fellesforbundet	2,101,322	1.81 %
VPF Danske Invest Norske aksjer institusjon II	1,766,091	1.52 %
VPF Odin Norge	1,621,218	1.40 %
Pareto Invest AS	1,578,711	1.36 %
VPF Eika Egenkapitalbevis	1,498,695	1.29 %
Norsk nærings og nytelsesmiddelarbeiderforbund	1,313,555	1.13 %
Tredje AP-Fonden	1,304,750	1.13 %
State Street Bank and Trust Comp	1,221,074	1.05 %
Geveran Trading Co LTD	1,112,075	0.96 %
Brown Brothers Harriman & Co.	1,000,000	0.86 %
Arctic Funds PLC	886,712	0.77 %
VPF Landkreditt Utbytte	850,000	0.73 %
SpareBank 1 Østfold Akershus	839,880	0.73 %
State Street Bank and Trust Comp	765,177	0.66 %
VPF Danske Invest Norske aksjer institusjon II	750,607	0.65 %
SpareBank 1 BV	579,523	0.50 %
VPF Eika Spar	569,201	0.49 %
JP Morgan Chase Bank, N.A., London	545,030	0.47 %

Dividend policy

SpareBank 1 Østlandet believes it is important to provide its owners with a competitive, stable cash dividend based on good profitability and a high dividend capacity. The Bank's goal is to pay out 50 per cent of each year's profit after tax (majorityshare of group profit) as dividends to equity certificate holders and customer dividends from the primary capital. The Bank's long-term profitability target is a return on equity of 11 per cent. The Bank's ambitions concerning its financial strength are reflected by its long-term common equity tier 1 ratio target of 16.8 per cent. Adjusted for differences in levels of capital adequacy, SpareBank 1 Østlandet has historically been just as profitable as comparable banks.

In addition to being the strongest regional savings bank, SpareBank 1 Østlandet's proportion of loans in the retail market is high and the Interior Region is its original home market, which is less sensitive to cyclical changes than the rest of Norway. The combination of good financial strength and a robust lending portfolio means the Bank has the capacity to adhere to its dividend target, including in economic downturns.

Each year, based on the Board's recommendation, the supervisory board approves the proportion of the profit after tax that will be allocated to equity certificate holders and primary capital as dividends, based on their respective shares of the equity. The share allocated to primary capital is normally paid out to customers via customer dividends. The customer dividends arrangement prevents the dilution of the equity certificate holders' ownership interest in the Bank. The equity certificate holders' share of the profit is divided between dividends and the dividend equalisation fund. In determining the dividend, the supervisory board takes into account the expected financial performance in a normalised market situation and any regulatory changes.

Note 18 Net interest income

Parent bank				Group		
31.12.2019	31.03.2019	31.03.2020		31.03.2020	31.03.2019	31.12.2019
			Interest income			
220	47	56	Interest income from loans to and claims on central banks and credit institutions (amortised cost)	15	12	55
1,286	283	380	Interest income from loans to and claims on customers (amortised cost)	493	380	1,704
1,697	398	476	Interest income from loans to and claims on customers (fair value over OCI)	476	397	1,694
3,204	727	912	Total interest income, effective rate method	984	789	3,453
188	45	48	Interest income from loans to and claims on customers (fair value over profit and loss)	48	45	188
269	57	79	Interest on certificates and bonds (fair value over profit and loss)	79	57	269
-121	-16	-62	Interest income from written-down loans charged to income	-62	-16	-121
335	86	64	Total other interest income	64	86	335
3,539	**814**	**976**	**Total interest income**	**1,048**	**875**	**3,788**
			Interest expenses			
62	10	20	Interest on debt to credit institutions	20	10	62
889	191	253	Interest on deposits from and liabilities to customers	254	193	896
590	145	152	Interest on securities issued	152	145	590
36	7	11	Interest on subordinated loan capital	11	7	36
35	11	15	Fees to the Banks' Guarantee Fund	15	11	35
4	1	1	Interest on leases	1	1	4
0	0	0	Other interest expenses and similar expenses	0	0	0
1,617	**366**	**452**	**Total interest expenses**	**454**	**367**	**1,622**
1,923	**448**	**524**	**Total net interest income**	**594**	**508**	**2,166**

Note 19 Events occurring after the balance date

The Bank has implemented a series of extraordinary measures because of the coronavirus pandemic. Lending rates have generally been reduced by 0.85 percentage points for both retail and corporate customers. The Group's loan customers, both retail and corporate, who are experiencing liquidity problems will generally be granted a 3-month interest only period. In addition to this, the Bank can provide government guaranteed liquidity loans or other liquidity facilities to corporate customers and is maintaining a close, ongoing dialogue with this customer group.

As of April 30, the Corporate Market Division of SpareBank 1 Østlandet had granted installment deferrals on approximately 700 loans with a combined loan volume of approximately NOK 181 million, granted thirty-five liquidity loans covered by a government guarantee with a combined lending volume of approximately NOK 54 million and granted twenty buffer facilities with a combined loan volume of approximately NOK 57 million. In the Retail Banking Division, installment deferral on approximately 3,300 customers with a combined loan volume of approximately NOK 7 billion had been granted. At the end of April there was no significant increase in bankruptcies and defaults since the balance sheet date.

As of April 30, the Corporate Market Division of SpareBank 1 Finans Østlandet AS had granted installment deferral on approximately 500 loans with a combined loan volume of approximately NOK 1.4 billion. In the Retail Banking division, installment deferral on approximately 200 customers with a combined loan volume of approximately NOK 56 million had been granted. At the end of April there was no significant increase in bankruptcies and defaults since the balance sheet date.

Profit/loss from the quarterly accounts

Group	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
(NOK million, excluding percentages)	**2020**	**2019**	**2019**	**2019**	**2019**	**2018**	**2018**	**2018**	**2018**
Interest income	1,048	1,023	981	910	875	896	864	844	811
Interest expense	454	438	427	390	367	352	340	333	316
Net interest income	**594**	**584**	**554**	**520**	**508**	**544**	**524**	**511**	**495**
Commission income	314	332	336	323	304	297	299	310	304
Commission expenses	35	37	40	36	30	32	23	27	23
Other operating income	64	37	54	78	67	48	40	51	42
Net commission and other operating income	**343**	**333**	**350**	**364**	**341**	**313**	**316**	**334**	**323**
Dividends from other than Group companies	12	0	0	6	12	0	0	0	12
Net profit from ownership interests	115	-1	44	131	346	57	58	54	30
Net profit from other financial assets and liabilities	-175	12	59	61	65	-51	32	95	4
Net income from financial assets and liabilities	**-48**	**11**	**103**	**198**	**423**	**7**	**90**	**149**	**45**
Total income	**889**	**928**	**1,007**	**1,082**	**1,271**	**864**	**930**	**994**	**864**
Personnel expenses	274	274	267	267	290	286	259	247	258
Depreciation	34	32	30	33	36	23	24	32	23
Other operating expenses	178	183	161	189	169	197	173	190	169
Total operating expenses	**487**	**490**	**457**	**489**	**494**	**506**	**457**	**468**	**449**
Operating profit before losses on loans and guarantees	**402**	**439**	**550**	**593**	**777**	**358**	**473**	**525**	**414**
Impairment on loans and guarantees	151	33	24	8	-33	11	12	7	5
Pre-tax operating profit	**251**	**406**	**526**	**585**	**810**	**347**	**461**	**518**	**409**
Tax expense	-16	114	116	114	54	25	99	102	96
Profit after tax	**266**	**291**	**409**	**471**	**757**	**322**	**362**	**416**	**314**

	1Q	4.kv	3Q	2Q	1Q	4Q	3Q	2Q	1Q
	2019	**2019**	**2019**	**2019**	**2020**	**2018**	**2018**	**2018**	**2018**
Profitability									
Return on equity capital [1]	6.9 %	7.4 %	10.7 %	12.8 %	21.2 %	9.1 %	10.8 %	12.9 %	9.9 %
Net interest income [2]	1.72 %	1.72 %	1.64 %	1.62 %	1.65 %	1.76 %	1.73 %	1.75 %	1.81 %
Cost income ratio [3]	54.7 %	52.7 %	45.4 %	45.2 %	38.8 %	58.6 %	49.2 %	47.6 %	52.0 %
Balance sheet and ratios									
Gross loans to customers	108,811	107,035	104,037	101,668	98,744	98,940	98,259	96,040	92,818
Gross loans to customers including loans transferred to covered bond companies [1]	153,846	150,688	147,310	144,337	141,079	140,165	138,153	135,495	132,433
Growth in loans during the last 12 months [1]	10.2 %	8.2 %	5.9 %	5.9 %	6.4 %	9.4 %	10.5 %	9.7 %	9.3 %
Growth in loans including loans transferred to covered bond companies in the last 12 months [1]	9.0 %	7.5 %	6.6 %	6.5 %	6.5 %	8.2 %	8.9 %	8.9 %	8.8 %
Growth in loans during the last quarter [1]	1.7 %	2.9 %	2.3 %	3.0 %	-0.2 %	0.7 %	2.3 %	3.5 %	2.6 %
Growth in loans including loans transferred to covered bond companies in the last quarter [1]	2.1 %	2.3 %	2.1 %	2.3 %	0.7 %	1.5 %	2.0 %	2.3 %	2.2 %
Deposits from customers	79,901	78,494	76,866	77,352	72,377	71,497	70,251	70,645	66,110
Deposit to loan ratio [1]	73.4 %	73.3 %	73.9 %	76.1 %	73.3 %	72.3 %	71.5 %	71.2 %	71.2 %
Deposit to loan ratio including loans transferred to covered bond companies[1]	51.9 %	52.1 %	52.2 %	53.6 %	51.3 %	51.0 %	50.9 %	52.1 %	49.9 %
Growth in deposits in the last 12 months	10.4 %	9.8 %	9.4 %	9.5 %	9.5 %	8.4 %	7.6 %	6.0 %	5.3 %
Growth in deposits in the last quarter	1.8 %	2.1 %	-0.6 %	6.9 %	1.2 %	1.8 %	-0.6 %	6.9 %	0.2 %
Average total assets	139,184	134,783	133,711	128,573	124,882	122,395	120,455	116,840	111,205
Total assets	143,586	134,783	136,568	130,854	126,292	123,472	121,319	119,592	114,088
Total assets including loans transferred to covered bond companies [1]	188,621	178,436	179,841	173,522	168,626	164,696	161,212	159,047	153,703
Losses and commitments in default									
Losses on loans as a percentage of gross loans 1)	0.6 %	0.1 %	0.1 %	0.0 %	-0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial strength									
Common equity Tier 1 capital ratio	17.0 %	17.2 %	16.7 %	16.7 %	16.9 %	16.8 %	15.9 %	16.1 %	16.2 %
Tier 1 capital ratio	17.7 %	17.9 %	17.7 %	17.3 %	17.5 %	17.6 %	16.7 %	16.9 %	17.0 %
Capital ratio	19.6 %	19.8 %	19.7 %	19.1 %	19.4 %	19.6 %	18.7 %	19.3 %	19.4 %
Net subordinated capital	15,883	15,444	15,685	14,982	14,676	14,672	14,077	14,288	14,028

1) See attachment Alternative performance measures.
2) Net interest income as a percentage of average total assets for the period.
3) Total operating costs as a percentage of total operating income (isolated for the quarter).

Alternative performance measures

SpareBank 1 Østlandet's alternative performance measures (APMs) have been prepared in accordance with the ESMA guidelines on APMs and are indicators aimed at providing useful additional information to the financial statements. These performance measures are either adjusted indicators or measures that are not defined under IFRS or any other legislation and may not be directly comparable with the corresponding measures from other companies. The APMs are not intended to be a substitute for accounting figures drawn up according to IFRS and should not be given more emphasis than these accounting figures, but they have been included in financial reporting to give a fuller description of the Bank's performance. The APMs also represent important metrics for how the management is running the business.

Non-financial indicators and financial ratios defined by IFRS or other legislation are not defined as APMs. SpareBank 1 Østlandet's APMs are used both in the overview of main figures and in the directors' report, and in results presentations and prospectuses. All APMs are shown with corresponding comparative figures for previous periods.

Lending and deposit margins for the Parent Bank are calculated in relation to the daily average of loans to and deposits from customers. For all other main figures and APMs that are calculated using average balances, the average balance is calculated as the average of the opening balance for the current period and the closing balance for each of the quarters in the period.

Alternative performance measures	**Definition and rationale**
Profit after tax incl. interest hybrid capital	$Profit\ \text{after tax - Interest expences on hybrid capital}$
	The key figure shows Result after tax adjusted for interest on hybrid capital. Hybrid capital is according to IFRS classified as equity and interest expences are booked as an equity transaction. Hybrid capital has many similarities with debt items and differs from other equity in that it is interest-bearing and is not entitled to dividend payments. The key figure shows what profit after tax would have been if the interest expenses related to the hybrid capital had been recognized in the income statement.
Return on equity capital	$\frac{(\text{Profit after tax} - \text{Interest expenses on hybrid capital}) \times (\frac{\text{Act}}{\text{Act}})}{\text{Average equity} - \text{Average hybrid capital}}$
	The return on equity after tax is one of SpareBank 1 Østlandet's most important financial measures and provides relevant information about the company's profitability in that it measures the company's profitability in relation to the capital invested in the business. The result is corrected for interest on hybrid capital, which is classified as equity under IFRS, but which it is more natural in this context to treat as debt, as hybrid capital is interest-bearing and is not entitled to dividend payments.
Underlaying banking operations	$Operating\ profit\ before\ losses\ on\ loans\ and\ guarantees$ $-Net\ income\ from\ financial\ assets\ and\ liabilities - Notable\ items$
	The result from underlying banking operations provides relevant information about the profitability of the Bank's core business.
Cost-income-ratio	$\frac{\text{Total operating costs}}{\text{Total net income}}$
	This indicator provides information about the relationship between revenue and costs, and is a useful measure to assess the cost-effectiveness of the enterprise. It is calculated as total operating costs divided by total revenue.
Lending margin	$Weighted\ average\ interest\ rate\ on\ lending\ to\ customers$ and $loans\ transferred\ to\ covered\ bond\ companies\ - Average\ NIBOR\ 3\ MND$
	The loan margin is calculated for the retail and corporate market divisions and provides information on the profitability of the divisions' lending activities. Loans transferred to covered bond companies are included in the selection as they are included in the total lending activity.

Alternative performance measures	Definition and rationale
Deposit margin	$Average\ NIBOR\ 3\ MND - Weighted\ average\ interest\ rate\ on\ deposits\ from\ customers$
	The deposit margin is calculated for the retail and corporate market divisions and provides information on the profitability of the divisions' deposit activities.
Net interest margin	$Lending\ margin + Deposit\ margin$
	The net interest margin is calculated for the retail and corporate market divisions and provides information on the profitability of the divisions' overall lending and deposit activities. Loans transferred to covered bond companies are included in the selection as they are included in the total lending activity.
Net interest income inclusive of commissions from covered bond companies	$Net\ interest\ income + Commissions\ from\ loans\ and\ credit\ transferred\ to\ covered\ bond\ companies$
	Loans transferred to covered bond companies are part of total lending, but the income and expenses associated with these loans are recognised as commission income. The indicator is presented because it gives a good impression of net income from the overall lending and deposit activities.
Adjusted total assets	$Total\ assets + Loans\ transferred\ to\ covered\ bond\ companies$
	Total assets is an established industry-specific name for all assets plus loans transferred to covered bond companies included in the lending business.
Gross loans to customers including loans transferred to covered bond companies	$Loans\ to\ and\ receivables\ from\ customers + Loans\ transferred\ to\ covered\ bond\ companies$
	Loans transferred to covered bond companies are subtracted from the balance sheet, but are included in the total lending business.
Deposit to loan ratio	$\frac{Deposit\ from\ and\ liabilities\ to\ customers}{\text{Gross loans to customers}}$
	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	$\frac{Deposit\ from\ and\ liabilities\ to\ customers}{\text{Gross loans to customers } + Loans\ transferred\ to\ covered\ bond\ companies}$
	The deposit coverage ratio provides information about the financing mix in the overall lending business. Deposits from customers are an important means of financing the Bank's lending business and the indicator provides important information about the dependence of the overall lending business on market financing.
Growth in loans during the last 12 months	$\frac{\text{Gross loans to customers}}{\text{Gross loans to customers 12 months ago}} - 1$
	This indicator provides information about activity and growth in the Bank's lending activity.
Growth in loans including loans transferred to covered bond companies (CB) in the last 12 months	$\frac{Gross\ loans\ to\ customers + Loans\ transferred\ to\ CB}{Gross\ loans\ to\ customers\ 12\ months\ ago + Loans\ transferred\ to\ CB\ 12\ months\ ago} - 1$
	This indicator provides information about activity and growth in the Bank's total lending activity. The Bank uses the covered bond companies as a source of funding, and the indicator includes loans transferred to the covered bond companies to highlight the activity and growth in overall lending including these loans.

Alternative performance measures	Definition and rationale
Growth in deposits in the last 12 months	$\frac{\text{Deposits from and liabilities to customers}}{\mathit{Deposits\ from\ and\ liabilities\ to\ customers}\ 12\ \mathit{months\ ago}} - 1$
	This indicator provides information about the activity and growth of the depositing business which is an important part of financing the Bank's lending activity.
Losses on loans as a percentage of gross loans	$\frac{(\text{Losses on loans and guarantees}) \times (\frac{\text{Act}}{\text{Act}})}{\text{Gross loans to customers}}$
	The indicator shows the impairment loss in relation to gross lending and provides relevant information about the company's impairment losses in relation to lending volume. This provides useful additional information to the recognised impairment losses as the cost is also viewed in the context of lending volume and is thus better suited for comparison with other banks.
Loans to and receivables from customers in stage 2, percentage of gross loans	$\frac{(\text{Loans to and receivables from customers in stage 2}) \times (\frac{\text{Act}}{\text{Act}})}{\text{Gross loans to customers}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Loans to and receivables from customers in stage 3, percentage of gross loans	$\frac{(\text{Loans to and receivables from customers in stage 3}) \times (\frac{\text{Act}}{\text{Act}})}{\text{Gross loans to customers}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Commitments in default as percentage of gross loans	$\frac{\text{Gross defaulted commitments for more than 90 days}}{\text{Gross loans to customers}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Other doubtful commitments as percentage of gross loans	$\frac{\text{Gross doubtful commitments not in default}}{\text{Gross loans to customers}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Net commitments in default and other doubtful commitments in percentage of gross loans	$\frac{\text{Net defaulted commitments} + \text{Net doubtful commitments}}{\text{Gross loans to customers}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Loan loss impairment ratio for defaulted commitments	$\frac{\mathit{Individual\ write\ downs\ on\ defaulted\ commitments}}{\text{Gross defaulted commitments for more than 90 days}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Loan loss impairment ratio for doubtful commitments	$\frac{\mathit{Individual\ write\ downs\ on\ doubtful\ commitments}}{\text{Gross doubtful commitments not in default}}$
	The indicator provides relevant information about the Bank's credit risk and is considered as useful additional information to the notes on losses.
Equity ratio	$\frac{\mathit{Total\ equity\ capital}}{\text{Total assets}}$
	The indicator provides information about the company's unweighted solvency ratio.

Alternative performance measures	Definition and rationale
Book equity per EC	$\frac{(Total\ EC\ - Minority\ interests - Gifts\ - Hybrid\ capital) \times \text{EC certificate ratio}}{\text{Number of Equity certificates issued}}$ The indicator provides information about the value of the book equity per equity certificate. This allows the reader to assess the reasonableness of the quoted price for the equity certificate. It is calculated as the equity certificate holders' share of the equity at the end of the period divided by the number of equity certificates.
Price/Earnings per EC	$\frac{Listed\ price\ of\ EC}{\text{Earnings per EC} \times (\frac{\text{Act}}{\text{Act}})}$ The indicator provides information on earnings per equity certificate against the exchange price on the relevant date, helping to assess the reasonableness of the price for the equity certificate. It is calculated as the price per equity certificate divided by annualised earnings per equity certificate.
Price/book equity	$\frac{Listed\ price\ of\ EC}{\text{Book equity per EC}}$ The indicator provides information about the book value of the equity per equity certificate against the price at any given time. This allows the reader to assess the reasonableness of the quoted price for the equity certificate. It is calculated as the price per equity certificate divided by book equity per equity certificate (see definition of this measure above).
Average LTV (Loan to value)	$\frac{\text{Average amount on loans to customers}}{\text{Average market value of asset encumbrance}}$ The indicator provides information about the loan-to-value ratio in the lending portfolio and is relevant for assessing risk of loss in the lending portfolio.
Loans transferred to covered bond (CB) companies	Loans transferred to SpareBank 1 Boligkreditt AS og SpareBank 1 Næringskreditt AS and thus derecognised from the balance sheet Loans transferred to covered bond companies are subtracted from the balance sheet, but are included in the total lending business. The indicator is used in calculating other APMs.
Act/Act	$\frac{Total\ number\ of\ days\ in\ the\ year\ (365\ or\ 366)}{\text{Number of days so far this year}}$ Act/Act is used to annualise the results figures included in the indicators. Results figures are annualised in the indicators to make them comparable with figures for other periods.
Notable items	Identified costs considered to be non recurring The indicator is used to calculate the underlying banking activity, which is shown as a separate APM.
Earnings per average equity certificate	$\frac{\text{Majority interest of the Group's profit after tax} \times \text{ECC ratio}}{\text{Average number of ECC i the accounting period}}$ The indicator shows the equity capital certificate holders' share of profit after tax distributed by average number of equity capital certificates during the accounting period.
Diluted earnings per average equity certificate	$\frac{\text{Majority interest of the Group's profit after tax} \times \text{ECC ratio}}{\text{Average number of ECC in the accounting period} + \text{Number of ECC issued after the accounting period}}$ The indicator shows the equity capital certificate holders' share of profit after tax distributed by the sum of average number of equity capital certificates during the accounting period and the number of equity capital certificates issued after the accounting period.
Total operating expenses before restructuring costs	Total operating expenses − Restructuring costs Restructuring costs in connection with reorganization of the business are included in total operating expenses, but these costs are excluded when the business sets targets for growth in operating expenses. These costs are kept out of line for growth figures to be comparable over time. The key figure is presented as it provides a good basis for calculating underlying growth in expenses.

Financial calendar 2020

Friday 7 February 2020	7.30 AM	Preliminary annual accounts 2019
Thursday 5 March		Annual Report 2019
Thursday 26 March 2020		Supervisory Board Meeting
Friday 27 March 2020		Ex. Dividend
Tuesday 7 April 2020		Dividend payment date
Friday 8 May 2020	7.30 AM	1st Quarter 2020
Wednesday 5 August	10.00 AM	2nd Quarter 2020
Friday 30 October 2020	7.30 AM	3rd Quarter 2020

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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